

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$86,300 Indianapolis Median HH Income	▲	▲
0.7% Indianapolis Population Growth	▼	▲
3.0% Indianapolis Unemployment Rate	▼	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6% U.S. GDP Growth	▼	▲
1.5% U.S. Consumer Spending Growth	▼	▲
1.0% U.S. Retail Sales Growth	▼	▬

Source: BEA, Census Bureau

ECONOMY: FED RAISES RATES AS TREASURY YIELDS CLIMB

The Federal Reserve raised the federal funds rate by 25 basis points (bps) in September to a target range of 3.75%-4.00%, its first increase since 2023, citing persistent inflation. The 10-Year Treasury yield climbed above 5.0%, its highest level in nearly two decades, raising borrowing costs for commercial real estate. The unemployment rate in the Indianapolis MSA fell to 3.0%, down 30 bps year-over-year (YOY) and well below the national average of 4.2%.

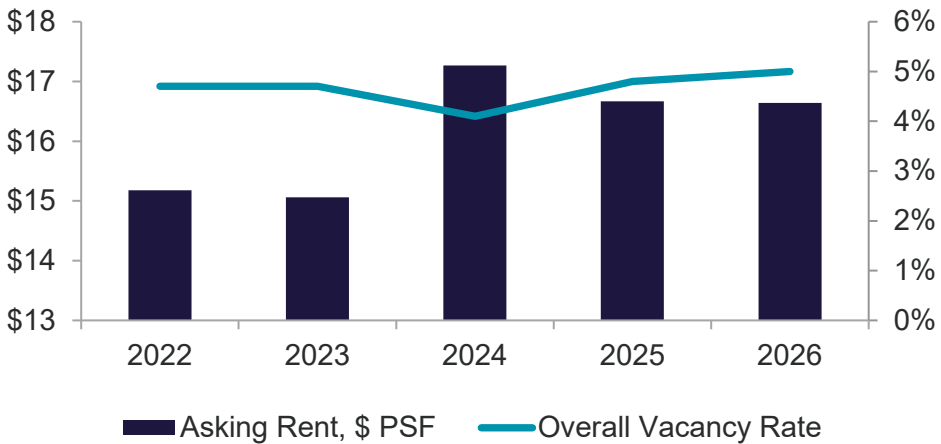
DEMAND: VACANCY STAYS BELOW FIVE-YEAR AVERAGE

The Indianapolis retail market recorded net absorption of negative 22,000 square feet (sf) in Q3 2026, bringing the year-to-date (YTD) total to negative 80,000 sf. Nine of the 25 trade areas posted positive absorption with the Broad Ripple/Glendale trade area recording the highest total, at 16,000 sf. Five trade areas reported no absorption, positive or negative. Despite remaining negative at quarter-end, net absorption improved 67.3% YOY, indicating less tenant movement compared to the prior year. Leasing activity totaled 174,000 sf, down 13.5% YOY, while deal volume reached 55 transactions, down 6.8% YOY. Development activity continued to moderate, due to two buildings delivering over the last quarter, translating to a 35.3% decrease in under-construction square footage. The overall vacancy rate increased 10 bps YOY to 5.0%, remaining just below the five-year average of 5.1%. The Near East/Fountain Square was the only trade area to report no vacancy, while six trade areas maintained vacancy rates at or below 2.0%. The Westfield and Broad Ripple/Glendale trade areas recorded the most notable quarter-over-quarter (QOQ) improvement, with vacancy declining 330 bps and 130 bps, respectively. In contrast, the Nora and Downtown Indianapolis trade areas experienced the largest quarterly increase in vacancy, rising 180 bps and 110 bps, respectively. The Strip product type registered the most significant improvement in availability, declining 50 bps to 3.7%.

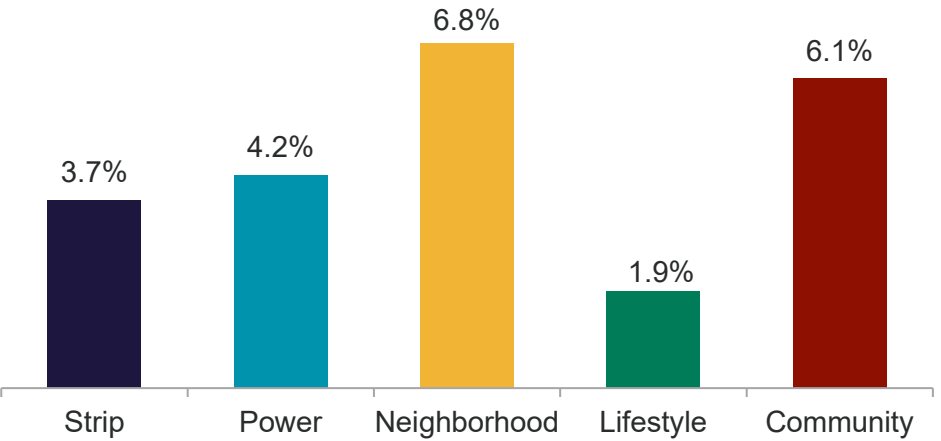
PRICING: ASKING RENTS DECREASE ACROSS MARKET

Average asking rates decreased 3.8% QOQ to \$16.64 per square foot (psf) triple net (NNN) and remain down 7.2% YOY. Asking rates were highest in the Fishers and Westfield trade areas, at \$38.29 psf NNN and \$28.68 psf NNN, respectively.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



Source: CoStar, Cushman & Wakefield Research

MARKET STATISTICS

TRADE AREAS	INVENTORY (SF)*	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)**
Avon	2,647,485	0	36,920	1.4%	6,807	15,730	0	\$24.82
Beech Grove	593,344	0	39,770	6.7%	-300	-24,100	0	\$13.07
Broad Ripple/Glendale	1,208,404	0	113,238	9.4%	16,494	25,016	0	\$20.66
Brownsburg	840,625	0	14,646	1.7%	1,200	-4,923	0	\$21.38
Carmel	2,759,681	0	48,175	1.7%	15,237	-8,872	0	\$24.12
Castleton	3,081,361	5,112	239,998	8.0%	2,437	-7,334	0	\$16.36
Downtown Indianapolis***	909,911	9,609	28,641	4.2%	-9,609	87,350	0	-
Fishers	2,142,372	0	119,499	5.6%	-2,083	-19,785	34,000	\$38.29
Greenwood	4,257,780	0	255,462	6.0%	-37,487	-16,002	0	\$21.44
Irvington	754,057	0	87,511	11.6%	0	-40,183	0	\$12.25
Keystone	1,989,247	13,882	83,719	4.9%	10,882	-28,352	0	\$23.70
Lafayette Square	4,874,520	0	358,802	7.4%	-26,336	-42,803	0	\$11.43
Michigan Road/Zionsville	3,488,289	3,000	116,097	3.4%	-3,924	7,166	0	\$27.09
Midtown	426,086	0	8,445	2.0%	0	1,655	0	\$17.00
Moorestown	449,058	0	2,400	0.5%	0	0	0	\$17.10
Near East/Fountain Square	285,588	0	0	0.0%	0	32,000	0	-
Near Southwest/Airport	522,114	0	22,055	4.2%	-655	-11,355	0	\$16.74
Noblesville	2,722,035	0	101,917	3.7%	-2,103	-1,820	0	\$17.31
Nora	354,939	0	7,788	2.2%	-6,388	32,262	0	-
Pendleton Pike/Lawrence	2,656,356	1,650	108,743	4.2%	-5,601	-6,836	0	\$13.46
Plainfield	1,308,207	0	87,960	6.7%	1,346	-66,586	6,527	\$13.53
Southport/Edgewood	3,683,340	0	145,102	3.9%	5,298	36,707	0	\$18.50
Washington Square	2,107,936	0	109,467	5.2%	-1,580	-55,800	0	\$9.79
Westfield	428,501	0	12,316	2.9%	14,250	20,499	0	\$28.68
Whitestown	396,890	0	3,588	0.9%	0	-3,588	0	-
TRADE AREA TOTALS	44,888,126	33,253	2,152,259	5.0%	-22,115	-79,954	40,527	\$16.64

*Inventory includes Community Center, Lifestyle Center, Neighborhood Center, Power Center and Strip Center retail property subtypes.

**Rental rates reflect triple net asking rents \$psf per year.

*** Downtown Indianapolis Submarket inclusive of Circle Center Mall

Source: CoStar and Cushman & Wakefield Research.

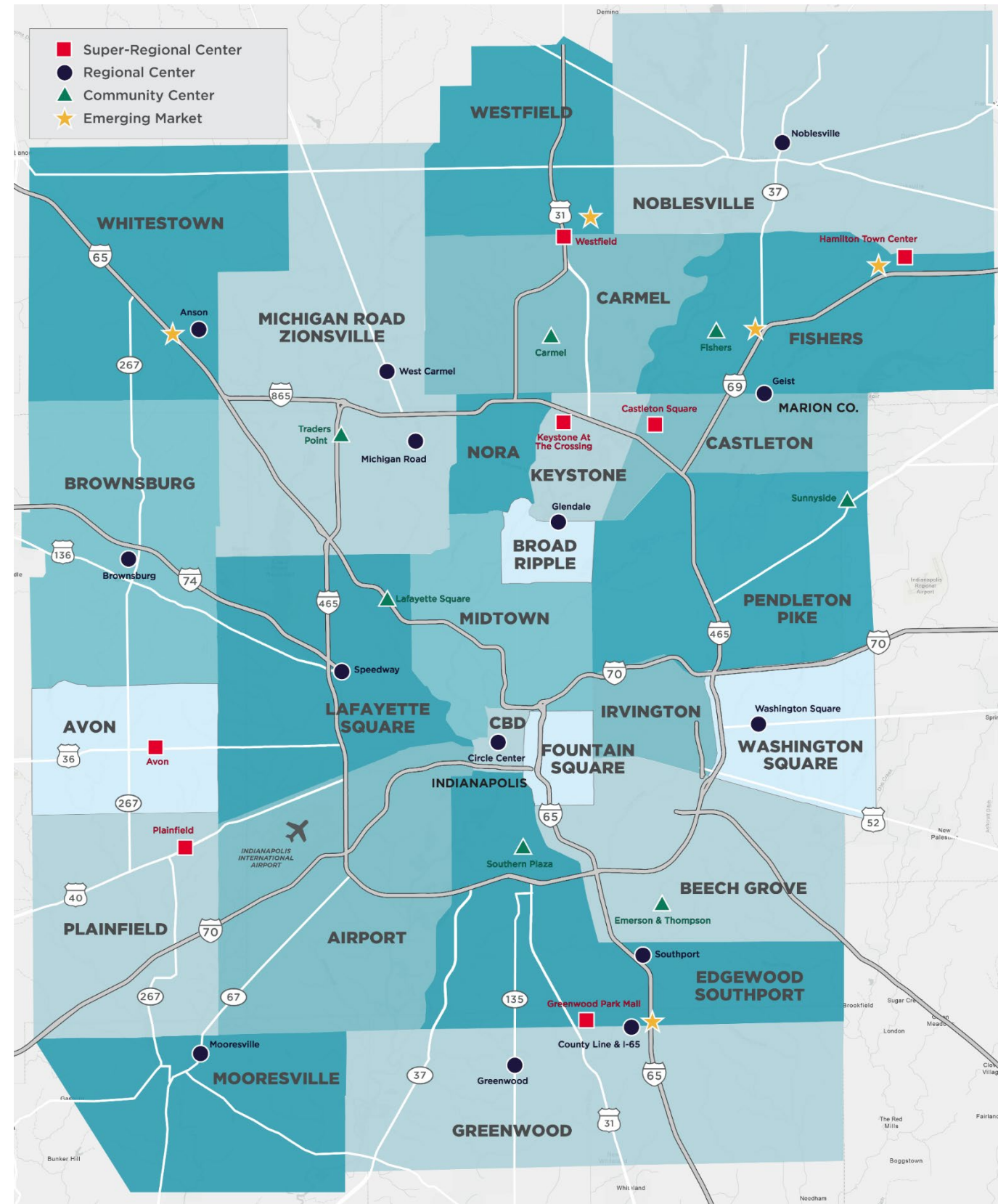
KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	TRADE AREA	TENANT	RSF	TYPE
The Shoppes at County Line	Southport/Edgewood	Sierra	28,518	New
2975 Lafayette Rd	Lafayette Square	Casa Grande Supermercado	12,551	New

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	TRADE AREA	SELLER/BUYER	RSF	PRICE/\$ PSF
Merchants' Square	Carmel	Big V Property Group/Marquee Capital	233,727	\$51,000,000/\$218
Plainfield Village	Plainfield	ArciTerra Group, LLC/Pacific West Land	41,652	\$7,950,000/\$191

RETAIL SUBMARKETS



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