

# INDIANAPOLIS, INDIANA | MSA

## ECONOMIC AND DEMOGRAPHIC OVERVIEW

1Q | 20





## INTRODUCTION

The **Indianapolis-Carmel-Anderson, IN, Metropolitan Statistical Area (MSA)** consists of 11 counties, with the city of Indianapolis as the state capital and center of economic and cultural activity. Metro Indianapolis has set new standards for urban renewal and economic development, is attracting new corporate expansions and relocations, yet has kept focus on family and community.

The area's diverse economy, talented labor pool, and low cost of living have supported several consecutive years of job growth. **Over the next five years, population growth of 7.0% is projected** in the metro area, outpacing the 5.7% national increase.

Greater Indianapolis boasts a broad range of industries ranging from bioscience to logistics and transportation, and is quickly emerging as a technology hot spot. **Fortune 500 headquarters** located in the MSA include **Anthem (No. 33)**, **Eli Lilly (No. 123)**, and the **Simon Property Group (No. 496)**.

## \$159.1<sub>b</sub> GMP

Greater Indianapolis **Gross Metropolitan Product (GMP)** is expected to reach **\$159.1 billion in 2020**, a 4.1% increase from 2019  
- IHS Markit

## High Apartment Demand

**Average apartment occupancy** hit a cycle high of **94.8%** in the fourth quarter of 2019, up 70 basis points annually  
- Axiometrics

## Place for Professionals

Marion County ranked among the **"Best Counties for Young Professionals in America"**  
- Niche

## Fortune 500

The Indianapolis MSA is home to the headquarters of three Fortune 500 firms, **Anthem**, **Eli Lilly**, and **Simon Property Group**  
- Fortune

## DEMOGRAPHICS

**89.3**  
METRO  
COST OF LIVING  
INDEX

65% OF RESIDENTS WORK IN  
**WHITE-COLLAR**  
POSITIONS

**38.0**  
MEDIAN AGE  
OF RESIDENTS



2.2m

Greater Indianapolis' **population** is forecast to grow **7.0%** over the next five years, exceeding 2.2 million people



451.0k

More than **33%** of residents age 25 and older hold a **bachelor's degree or higher**



457.4k

Approximately **22%** of metro Indianapolis residents are in the **prime renter age group** of 18- to 35-year-olds



259.7k

More than **29%** of the metro's occupied housing units are **renter occupied**



\$66.3k

The metro area's **median household income** is projected to reach \$66,303 by 2025, up **11.8%** from 2020

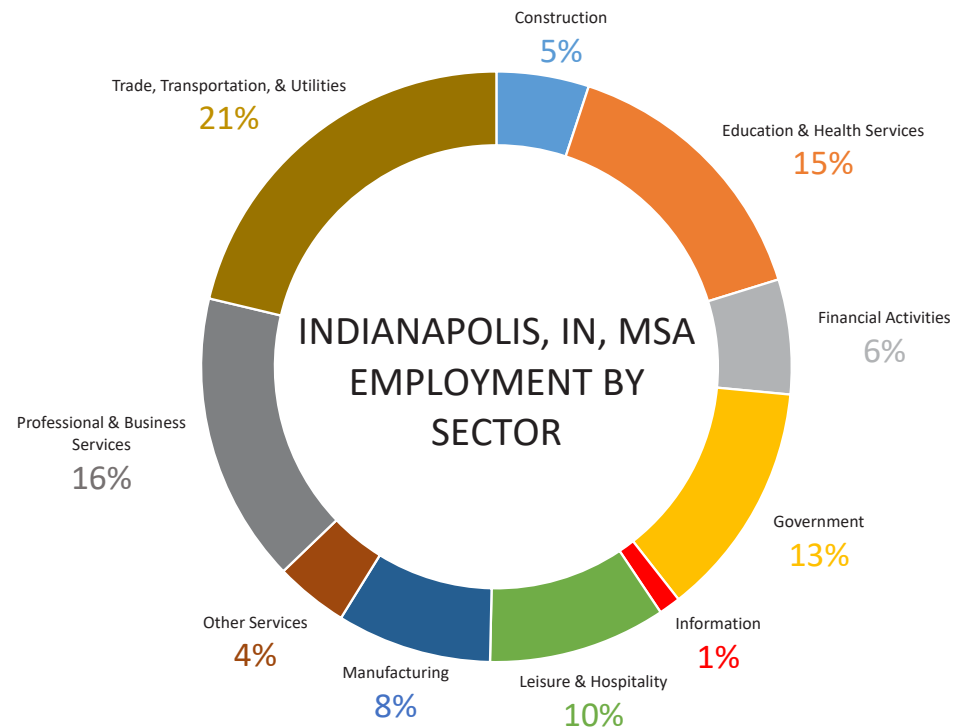
## METRO INDUSTRY BREAKDOWN

### AVERAGE ANNUAL WAGE BY OCCUPATION

	Management	\$106.8 <sub>k</sub>
	Health Care Practitioners & Technicians	\$81.1 <sub>k</sub>
	Business & Financial Operations	\$70.1 <sub>k</sub>
	Education, Training, & Library	\$50.3 <sub>k</sub>
	Installation, Maintenance, & Repair	\$49.2 <sub>k</sub>
	Sales	\$45.6 <sub>k</sub>
	Manufacturing	\$37.9 <sub>k</sub>
	Office & Administrative Support	\$37.3 <sub>k</sub>
	Transportation & Material Moving	\$35.4 <sub>k</sub>
	Food Preparation & Serving	\$22.9 <sub>k</sub>

Source: BLS Occupational Employment Statistics Survey

Employers in the Indianapolis metro area **hired 5,400 workers during 2019**, a 0.5% year-over-year increase. The largest sector—trade, transportation, and utilities—grew 0.7% with 1,700 new hires. Numerous infrastructure and private sector capital projects boosted the mining, logging, and construction segment, which expanded 4.4% as 2,300 jobs were created. Nearly all these jobs were within the construction industry.

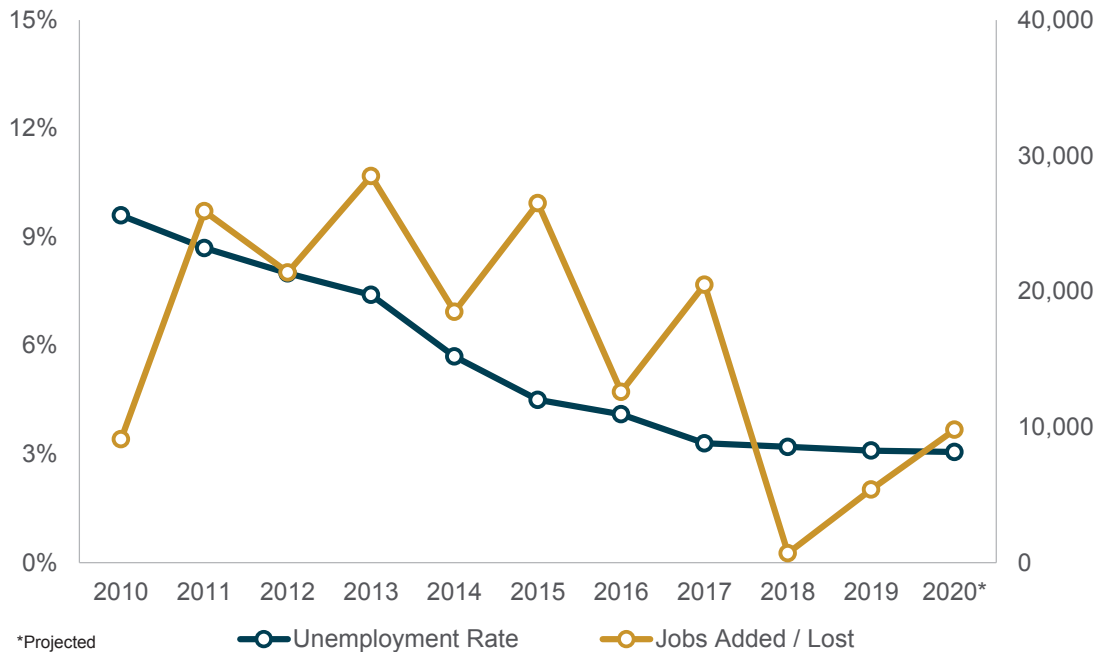


Source: BLS Current Employment Statistics Survey

## METRO EMPLOYMENT TRENDS

**DECEMBER 2019** 2.7%

the metro's annual unemployment rate decreased 40 bps annually



### INDIANAPOLIS, IN, MSA

#### LARGEST EMPLOYERS

Indiana University Health	23,190
St. Vincent Hospitals & Health Services Inc.	17,400
Community Health Network	11,330
Eli Lilly and Company	10,510
Walmart Inc.	8,930
Kroger Co.	7,680
FedEx Corporation	5,000
Anthem	4,870
Eskenazi Health	4,620
Meijer Inc.	4,590

Source: City of Indianapolis CAFR 2018

**DECEMBER 2019** 5,400 jobs

were created metrowide, a 0.5% Y-o-Y increase



## TRADE / TRANSPORTATION

### FEDEX HUB INDIANAPOLIS



**64,800**  
Jobs Supported



**1,500**  
Logistics Firms



**No. 6 Largest**  
U.S. Air Cargo Facility

One of the most centrally located major cities in the United States, Indianapolis is within a one-day truck drive of 75% of all businesses in the nation and 50% of U.S. and Canadian populations. The logistics industry is home to **1,500 firms that support 64,800 jobs**, which is projected to grow 10.3% by 2026. Indianapolis International Airport is home to the **second-largest FedEx hub in the world**. Indiana's three maritime ports rank 6th in waterborne shipping and combine to support over 51,000 jobs, contributing \$6 billion to the state's economy.

## BIOSCIENCE

### ROCHE DIAGNOSTICS



**\$78 billion**  
Economic Impact  
Statewide



**\$8.2 billion**  
Annual Exports



**55,000+**  
Jobs Supported  
Statewide



**\$94,749**  
Average Annual Wage

Indianapolis is ranked among the top 10 major U.S. metros for the highest concentration of employment in the bioscience industry. The industry supports research and development for products ranging from pharmaceuticals and orthopedic devices to agricultural feedstock and chemicals. Statewide, **1,689 bioscience companies support over 55,000 jobs** with employees earning an average of \$94,749 annually and generating an **economic impact of \$78 billion**. Bioscience companies **export \$8.2 billion in goods annually**, the second highest total in the U.S.

## MOTOR SPORTS

### INDIANAPOLIS MOTOR SPEEDWAY



**500+**  
Local Companies



**10,000+**  
Jobs Supported



**\$375 million**  
IMS Economic Impact

Known as the racing capital of the world, Indianapolis is home to the Indianapolis Motor Speedway (IMS). According to a recent report, IMS helps support a motorsports industry that boasts **2,100 companies throughout Indiana**. Companies including Chip Ganassi Racing, Hoosier Racing Tire, Andretti Autosport, and U.S. Auto Club support over **10,000 high-skilled race car engineers and support staff**. Annual races at IMS including the Indianapolis 500 and Brickyard 400 generate an **economic impact of over \$375 million**.

## MANUFACTURING

### DOW AGROSCIENCES



**30**  
U.S. Headquarters and  
Regional Offices



**\$68,000**  
Median Annual Salary



**91,900**  
Jobs Supported  
Metrowide

As of December 2019, Greater Indianapolis was home to approximately **91,900 manufacturing jobs**. Employees in the advanced manufacturing fields earn an **annual median salary of nearly \$68,000**, approximately 22% higher than the metro's median household income. The area is home to major operations of nearly 30 global manufacturing companies, including **Rolls-Royce, Raytheon, Whirlpool, and Dow AgroSciences**. Statewide, \$36.6 billion worth of manufactured goods were exported in 2017.

## CONSTRUCTION AND DEVELOPMENT

### HOTEL CARMICHAEL



**\$58.5 million**  
Development



**122**  
Room Hotel

The **\$58.5 million Hotel Carmichael** is scheduled to open in May 2020 in the city of Carmel. The five-story boutique hotel at Carmel City Center is being developed as a private-public partnership between developer Pedcor and the city to build, own, and manage. The hotel will have **122 guest rooms, 5,000 square feet of meeting space, a full-service restaurant and bar**, and a jazz nightclub and cabaret dinner and music venue. The restaurant is Vivante, a French countryside-inspired culinary experience. The operator of the restaurant plans to fill positions in the first quarter of 2020.

### INDIANA UNIVERSITY HEALTH



**2.5 million**  
IU Health SF Footprint  
(IU Health)



**\$1 billion**  
Investment

**Indiana University (IU) Health** is well into a five-to-eight-year plan to consolidate the University Hospital operations into expanded facilities at Methodist Hospital and Riley Hospital for Children. The **\$1 billion project** will create an adult services hospital in Downtown Indianapolis and transform Riley Hospital into a specialty care center for mothers and their newborns. The two hospitals will give IU Health a **2.5 million-square-foot footprint** in the Downtown Indianapolis area and will give IU School of Medicine room for future upgrades of its facilities.

## CONSTRUCTION AND DEVELOPMENT

BLOCK 20



**\$20 million**  
Development



**67,791**  
SF Building

Construction is underway on the **\$20 million Block 20 mixed-use development** in Downtown Indianapolis. The six-story, 67,791-square-foot structure will include a **255-spot parking structure, 73 luxury apartment units, and 5,740 square feet of retail / restaurant space**. The apartments range in size from a 420-square-foot studio to 980-square-foot two-bedroom units. The project includes renovations to Cleveland Street to be used as a space for car traffic from time to time and for events and festivals. The new building will complement the adjacent historic Athenaeum building. Construction is expected to take more than a year to complete.

THE PROSCENIUM



**\$60 million**  
Development



**7**  
Acre Site

The **\$60 million The Proscenium** is scheduled to complete this year in the city of Carmel. The mixed-use project includes **225 luxury residential units, a four-story, 100,000-square-foot building, 1.8-acres of public green space,** and a podium-style parking garage will be built beneath the development on the seven-acre site. Three central Indiana companies—Schwarz Partners, Valeo Financial Advisors, and Lauth Group Inc.—have announced they'll move their headquarters to the new development. Wahlburgers, a burger chain restaurant, also announced a location would open at the Proscenium upon completion of construction.

## CONSTRUCTION AND DEVELOPMENT

### BOTTLEWORKS DISTRICT



**\$300 million**  
Mixed-Use Development



**175,700**  
SF of Office Space

The **Bottleworks District** broke ground in June 2018 and is one of the **largest mixed-use projects in the history of Indiana**. The 12-acre district will transform the former Coca-Cola bottling plant on the north end of Massachusetts Avenue. No estimate of the number of new jobs generated has been communicated, but job creation will be significant at this \$300 million live-work-play hub. The Bottleworks District will feature **175,700 square feet of prime office space**, **143,300 square feet of retail space**, a **146-room boutique hotel**, a **movie theater**, a **30,000-square-foot food hall called The Garage**, and 227 luxury residential units. In 2020, The Garage and the luxury hotel will be completed. The remainder of Bottleworks District is scheduled for completion in 2023.

### AMAZON FULFILLMENT / DISTRIBUTION FACILITY



**1,000**  
New Jobs



**660,384**  
SF Facility

**Amazon.com Inc.** announced in February 2020 plans to build a **new fulfillment and distribution facility** in Hancock County. The roughly **660,384-square-foot facility** will be located off West Country Road 300 North just outside of Greenfield in the Mount Comfort Corridor. The facility will **employ more than 1,000 workers** at a minimum wage of \$15 per hour. Employees will receive medical, vision, and dental insurance in addition to a 401(k) with a 50% match. The state is offering Amazon about \$3.8 million in conditional tax credits for the investment if at least 800 jobs are filled. Amazon did not say when construction will start. Amazon already has warehouse or fulfillment centers in Plainfield, Indianapolis, Greenwood, and Whitestown.

## ABSORPTION / DELIVERIES



**NEW DELIVERIES** 2,134 units  
in 2019

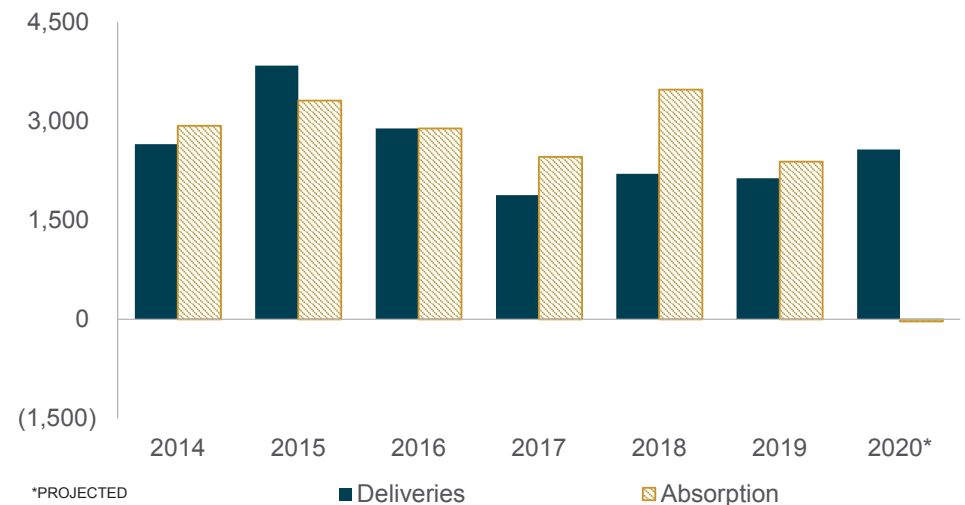


**NET ABSORPTION** 2,134 units  
in 2019

Construction has continued at a steady pace across the Indianapolis metro. Increased demand within the Downtown Indianapolis and Carmel / Hamilton County submarkets contributed to a surge of development starting in 2014. Builders have delivered more than 15,700 units in the metro area since the beginning of 2014, with **2,134 of those units added during 2019**. In 2020, 2,572 units are scheduled to come online. More than one-third of the new stock will be in the northern portion of the metro area in the Carmel / Hamilton County submarket, well situated to accommodate demand stemming from new hires at Geico's expanding operations center in Carmel. Meanwhile, deliveries in the inner core will account for about 15% of new apartments in 2020.

An influx of millennials and other young professionals relocating to the downtown area for its growing technology sector and attractive live-work-play atmosphere has contributed to steady net absorption in the Indianapolis metro apartment market. The new inventory and jobs in the Carmel / Hamilton County submarket all contributed to strong leasing activity in 2019. In the last year, **net absorption totaled 2,134 units**. The lure of homeownership as household incomes rise will draw some residents away from renting. Leasing activity is forecast to shift negative in 2020, with 32 net move-outs.

INDIANAPOLIS METRO APARTMENT MARKET



## RENT / OCCUPANCY



**EFFECTIVE RENT** **\$921**

in 4Q19, up **3.5%** year over year



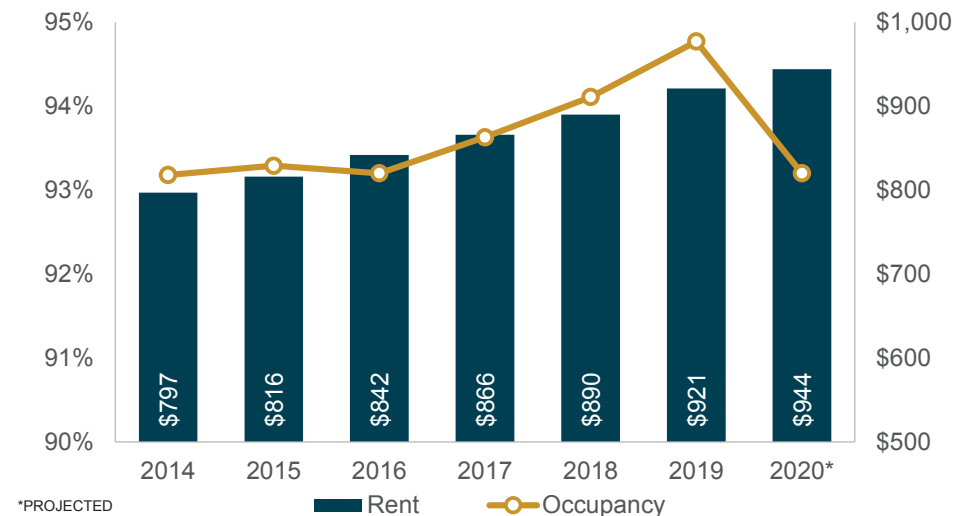
**OCCUPANCY RATE** **94.8%**

in 4Q19, up **70** bps annually

An increasingly educated population and improving infrastructure have given the local economy a lot of momentum. Tech companies traditionally located in Silicon Valley are attracted to Indianapolis because they can find the same level of talent and lure them with low living costs. A large number of life-science jobs revolve around Indiana University School of Medicine and Indiana University of Health. The heightened activity in the area has created a steady source of apartment demand, which has helped apartment operators maintain healthy occupancy rates. **By year-end 2019, average apartment occupancy in the metro was 94.8%**, up 70 basis points from one year prior and a cycle high. Builders continuing to ramp up deliveries amid a downshift in leasing activity will result in occupancy dropping closer to the market's cycle average in 2020. Apartment occupancy is forecast to settle at 93.2% by year-end.

Strong employment gains combined with high occupancy supported local rent growth. **In December 2019**, operators recorded **monthly effective rent of \$921**, an annual increase of 3.5%. Rents are at their highest in the Downtown Indianapolis submarket, largely the result of a high proportion of upscale properties in the area. Additionally, the downtown's desirable location and luxury amenities contribute to its premium rent levels. Effective rent across the metro is projected to rise 2.5% in 2020 to \$944 per month.

INDIANAPOLIS METRO APARTMENT MARKET



## EDUCATION



**HIGHER EDUCATION** 200k

students enrolled



**DEGREES AND CERTIFICATIONS** 350+

offered at IUPUI

Nearly 200,000 students are enrolled in the region's more than 20 universities and colleges, including four-year institutions, community colleges, and branch campuses.

**Indiana University-Purdue University Indianapolis (IUPUI)** is known as Indiana's premier urban research university offering **over 350 degree programs**. In the fall of 2019, IUPUI had an enrollment of more than 27,380 students. The university has approximately 1,500 beds in on-campus student housing. The shortfall creates major demand for off-campus housing.

**Butler University** in Downtown Indianapolis offers degree programs in over 60 academic fields across six colleges. Butler University has an enrollment of **5,500 students and ranks among the "Top Innovative Schools"** and **"Best Value Schools"** by U.S. News & World Report.

### INDIANAPOLIS, IN MSA

#### LARGEST HIGHER EDUCATION

IUPUI	27,380
Ivy Tech CC - Central Indiana	20,180
University of Indianapolis	5,940
Butler University	5,500
Valparaiso University	3,790
Marian University	3,590
DePauw University	2,160
Anderson University	1,720
Franklin College	960
Martin University	320

Source: University Websites



## LIFESTYLE AND ENTERTAINMENT



**DOWNTOWN  
INDY 300**

restaurants and bars



**INDIANAPOLIS  
500 300k**

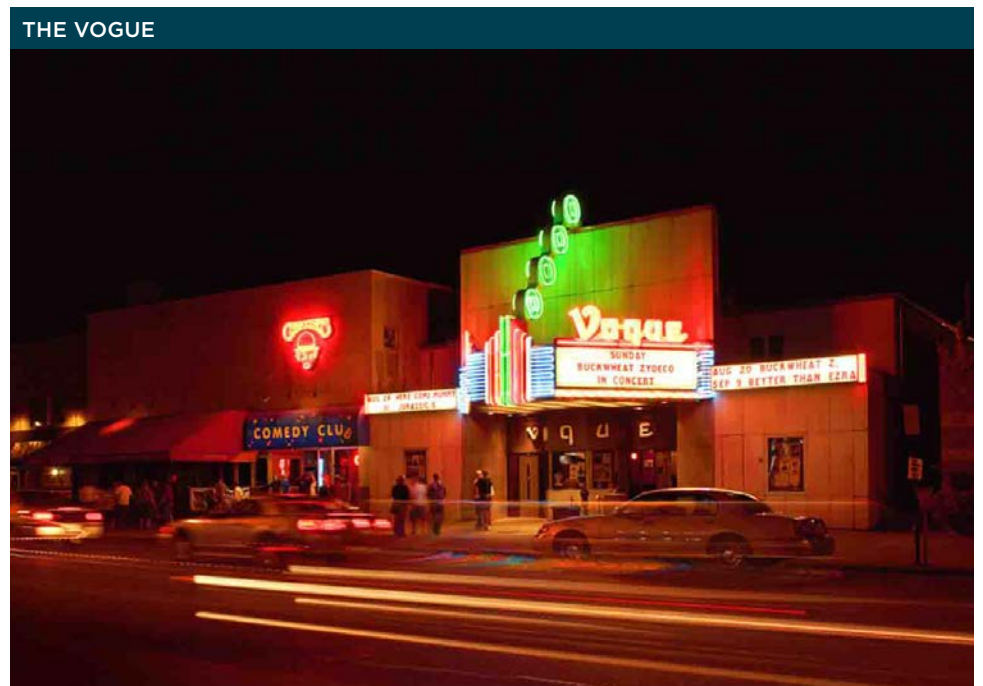
spectators

The Indianapolis metropolitan area offers endless entertainment options for people of all ages. The state capital is home to **The Children's Museum of Indianapolis**, which is the world's largest children's museum; **Indianapolis Motor Speedway**, home of the **Indianapolis 500** and the **Brickyard 400**; and iconic sports teams, the National Football League's **Indianapolis Colts** and National Basketball Association's **Indiana Pacers**.

Indianapolis provides a wide array of cultural attractions ranging from live events and festivals, such as **Winterfest** and the **Indy Film Fest**, to a flourishing arts scene. Some of the city's most popular cultural districts are **Broad Ripple Village**, **The Canal and White River State Park**, **Fountain Square**, and **Mass Ave**.

Named the most "Underrated Food City in America" by Condé Nast Traveler, Indianapolis is the perfect destination for foodies. Renowned local restaurants include **Bru Burger**, **Cafe Patachou**, and **St. Elmo Steak House**. The city's award-winning craft beer scene is thriving, and the **Indy Brew Bus** and **Brewery Tours of Indianapolis** are the perfect way to sample some of downtown's and Broad Ripple's famous brews.

For the night owls, Downtown Indianapolis offers an electric nightlife scene with enough music options to suit everyone's taste. **The Vogue**, the No. 1 dance club in Indianapolis, is recognized as one of the most popular music venues in the Midwest.



## TRANSPORTATION



**IND AIRPORT** 9.4m  
passengers served in 2018

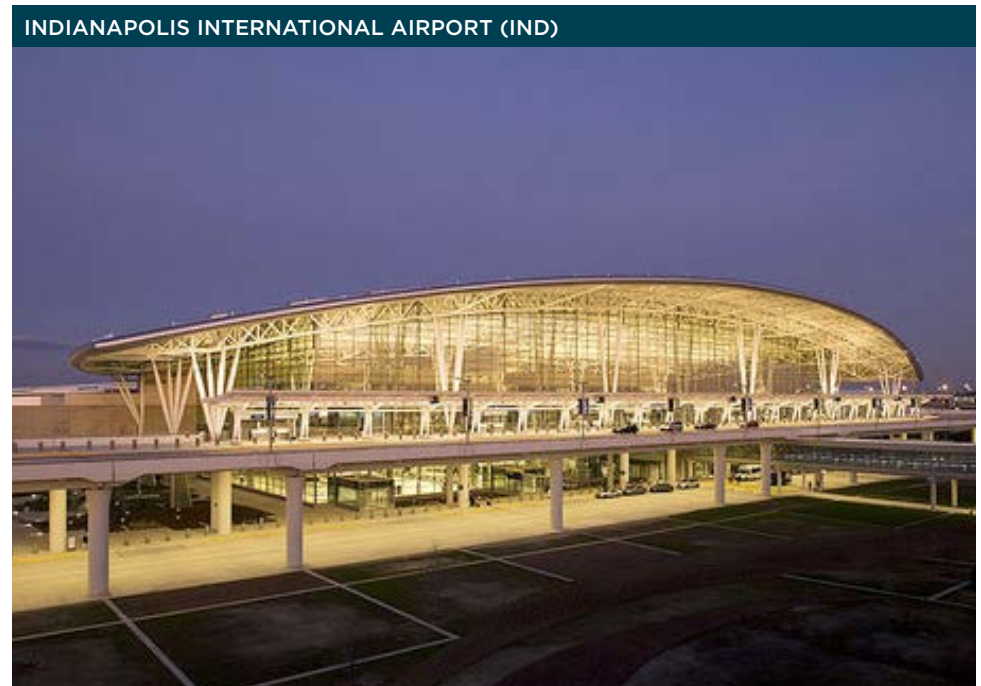


**INDYGO PASSENGERS** 9.7m  
served annually

The Indianapolis region is a major transportation hub in the upper Midwest. The city sits at the confluence of four interstate highways: **74, 70, 69, and 65**. The highways connect the region to both coasts, Canada, and Mexico. The metro area is also served by the I-465 beltway as well as U.S. and state routes.

The **Indianapolis International Airport (IND)** offers 135 daily flights among eight airlines and served a **record 9.4 million passengers in 2018**. IND directly and indirectly supports 22,600 jobs and boasts an economic impact of approximately \$5.4 billion to the Marion County economy. Since opening in 2008, IND has been consistently rated as one of the top airports in North America.

The **Indianapolis Public Transportation Corporation (IndyGo)** offers more than 30 routes and serves 9.7 million passengers per year.



Sources: Berkadia; Tetrad; U.S. Census Bureau; Zillow; U.S. Bureau of Labor Statistics; Fortune/Money.CNN.com; Forbes; Moody's; Wikipedia; Axiometrics; Indianapolis Chamber of Commerce; Indianapolis Star; The State of Indiana; Indianapolis Downtown Alliance; Economic Development Corporation of Indianapolis; Indianapolis Business Journal; Commercial Property Executive; Speedway Indiana; AllPoints Indiana; Indianapolis Motor Speedway; Metropolitan Indianapolis Board of Realtors; Indiana University; White House; FOX59; Inside Indiana Business; Fortune; Purdue University; Lafayette Journal & Courier; Biotechnology Innovation Organization; MIBOR Realtor Association; Bottleworks District; WTHR; Sperling's Best Places; Condé Nast; CNBC; Business Insider.

## BY THE NUMBERS



### TOTAL POPULATION

2010	1,887,877
2020*	2,088,426
2025*	2,235,650
<b>Growth Rate (2020 - 2025)</b>	<b>7.0%</b>



### MEDIAN AGE

2010	36.3
2020*	38.0
2025*	38.8



### TOTAL HOUSEHOLDS

2010	732,184
2020*	808,341
2025*	868,667
<b>Growth Rate (2020 - 2025)</b>	<b>7.5%</b>



### MEDIAN HOME PRICE

December - 2018	\$177,500
December - 2019	\$194,900
<b>Growth Rate Y-o-Y</b>	<b>9.8%</b>



### MEDIAN INCOME

2010	\$51,289
2020*	\$59,304
2025*	\$66,303
<b>Growth Rate (2020 - 2025)</b>	<b>11.8%</b>



### EMPLOYMENT GROWTH

December - 2018	1,079,100
December - 2019	1,084,500
<b>Growth Rate Y-o-Y</b>	<b>0.5%</b>



### RENT SHARE OF WALLET

National - 2020	29.0%
Indianapolis Metro - 2020	18.6%
National - 2025*	29.4%
Indianapolis Metro - 2025*	18.9%

\*Projected  
Annual Rent / Median Household Income



### RENT VS. OWN

Average Mortgage Payment**	\$969
Effective Rent	\$921
<b>Difference</b>	<b>\$48</b>

\*Projected  
\*\*30-yr fixed; 20% down; 4.0% interest rate; 0.87% state property taxes; \$1,000 annual homeowner's insurance

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