

COMMERCIAL REAL ESTATE REPORT Q4 2023

Fort Wayne, IN Metro Area

Select a Metro Area
Fort Wayne, IN Metro Area

Demographics and Economy

Demographics

0.7%	29.3%	1.6%	Net Migration in Indiana
population growth (2022)	share of renters (2022)	renter household formation (2022)	22,468 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	20,486 (2022)

Economy

11.5%	4,800	2.1%	-1.0%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$58,920	3.4%	9.6%	International Migration in Indiana
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	17,869 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	15,475 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-176,194	-199,700	1.5%	\$17	9.5%
2022 Q4	575,155	379,138	4.3%	\$17	7.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	20,966,683	86,436	184,936	\$1.00M	10.5%
2022 Q4	20,781,747	661,804	695,633	\$2.72M	10.2%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	118	350	0.7%	\$1,022	\$1,014	6.5%
2022 Q4	148	173	6.0%	\$1,015	\$1,010	6.0%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	24,317	0	511		7.8%	
2022 Q4	23,806	623	723		7.1%	

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	71,623	89,508	2.5%	\$13	3.4%
2022 Q4	45,641	361,099	2.8%	\$13	3.7%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	30,958,509	8.2%	\$1.89M	\$125	
2022 Q4	30,940,491	8.1%	\$18.80M	\$193	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-203,750	489,203	4.6%	\$6	4.2%
2022 Q4	666,032	1,435,950	7.5%	\$5	3.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	73,401,040	180,969	1,078,286	11.5%	\$5.36M
2022 Q4	72,312,379	837,000	805,480	10.6%	\$16.28M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

Indianapolis-Carmel-Anderson, IN Metro Area

Select a Metro Area
Indianapolis-Carmel-Anderson, IN...

Demographics and Economy

Demographics

0.6%	32.5%	2.4%	Net Migration in Indiana
population growth (2022)	share of renters (2022)	renter household formation (2022)	22,468 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	20,486 (2022)

Economy

10.2%	32,400	2.8%	1.9%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$54,670	3.3%	15.1%	International Migration in Indiana
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	17,869 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	15,475 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	531,951	-594,395	0.8%	\$22	9.1%
2022 Q4	-114,607	-228,181	4.7%	\$22	8.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	110,273,735	97,176	141,819	\$37.34M	9.9%
2022 Q4	110,131,916	-139,200	-112,917	\$91.62M	9.4%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	1,048	2,137	2.8%	\$1,224	\$1,213	9.7%
2022 Q4	-960	-1,363	7.5%	\$1,191	\$1,183	7.9%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	167,276	1,988	5,523		6.3%	
2022 Q4	161,753	921	1,984		5.9%	

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	654,855	948,397	4.8%	\$18	3.1%
2022 Q4	49,360	1,093,171	4.0%	\$17	3.3%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	134,873,885	7.8%	\$63.45M	\$134	
2022 Q4	134,217,417	7.8%	\$143.16M	\$101	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	669,296	7,060,163	9.4%	\$8	7.6%
2022 Q4	4,558,142	19,687,740	9.5%	\$7	4.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	414,384,807	1,028,724	19,640,587	8.1%	\$161.75M
2022 Q4	394,744,220	8,097,467	23,518,669	7.7%	\$1,213.74M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

South Bend-Mishawaka, IN-MI Metro Area

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South Bend-Mishawaka, IN-MI Met.

Demographics and Economy

Demographics

0.0%	31.1%	9.8%	Net Migration in Indiana
population growth (2022)	share of renters (2022)	renter household formation (2022)	22,468 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	20,486 (2022)

Economy

10.9%	3,000	2.2%	5.3%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$49,400	4.3%	8.6%	International Migration in Indiana
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	17,869 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	15,475 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-11,152	-153,353	1.4%	\$20	9.2%
2022 Q4	-22,433	-13,413	3.8%	\$20	7.6%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	10,405,990	0	12,000	\$0.00M	10.7%
2022 Q4	10,393,990	-93,902	-93,902	\$2.99M	10.5%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	78	182	3.8%	\$1,147	\$1,142	4.4%
2022 Q4	-101	33	6.1%	\$1,105	\$1,100	5.1%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	16,509	69	69		7.3%	
2022 Q4	16,440	0	144		6.6%	

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	128,515	-45,088	2.2%	\$14	2.5%
2022 Q4	115,538	259,939	2.7%	\$13	2.1%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	24,301,675	9.4%	\$1.72M	\$153	
2022 Q4	24,239,569	9.6%	\$12.36M	\$174	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-558,809	-1,297,953	4.5%	\$6	5.4%
2022 Q4	846,954	1,456,533	7.4%	\$5	2.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	45,946,822	-5,500	290,900	10.5%	\$5.62M
2022 Q4	45,655,922	0	0	9.8%	\$142.50M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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