

COMMERCIAL REAL ESTATE REPORT Q3 2022

Fort Wayne, IN Metro Area

Demographics and Economy

Demographics

0.7%	28.6%	4.0%	46.2%
population growth (2020-2021) U.S.: 0.1%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-2.4%	7,000	3.1%	7.5%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$56,203	2.0%	9.4%	38.4%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 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 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-17,716	-59,653	1.8%	\$17	7.4%
Q3 2021	82,952	-76,239	2.1%	\$17	6.6%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	20,476,315	0	107,061	\$130,000	9.3%
Q3 2021	20,369,254	0	12,062	\$29,302,852	9.3%

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
Q3 2022	71.0	102.0	8.3%	\$984	\$981	3.7%
Q3 2021	91.0	440.0	11.3%	\$909	\$907	3.8%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	22,880	0	100	6.5%		
Q3 2021	22,780	180	216	7.0%		

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
Q3 2022	-66,940	112,678	3.0%	\$13	4.0%
Q3 2021	99,027	-121,673	2.2%	\$13	4.0%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	29,917,848	7.8%	\$27,158,696	\$191	
Q3 2021	29,779,157	8.0%	\$25,419,236	\$71	

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
Q3 2022	305,915	1,507,082	7.7%	\$5	3.6%
Q3 2021	431,896	-41,297	5.4%	\$5	5.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	69,327,093	0	375,480	9.9%	\$9,730,000
Q3 2021	68,951,613	250,000	266,171	9.9%	\$32,765,000

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

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COMMERCIAL REAL ESTATE REPORT Q3 2022

Indianapolis-Carmel-Anderson, IN Metro Area

Demographics and Economy

Demographics

0.6%	32.3%	2.6%	50.9%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-1.0%	39,500	3.6%	-6.3%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$52,959	2.1%	17.7%	45.7%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 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 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	194,266	534,041	1.6%	\$21	8.6%
Q3 2021	41,669	-89,560	3.9%	\$21	8.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	109,941,291	3,499	314,184	\$75,323,208	8.5%
Q3 2021	109,627,107	77,959	331,279	\$213,371,712	8.5%

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. 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
Q3 2022	-472	719	9.1%	\$1,162	\$1,156	6.1%
Q3 2021	878	4,830	10.9%	\$1,065	\$1,061	5.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	158,704	287	1,382	5.6%		
Q3 2021	157,322	557	2,583	5.8%		

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
Q3 2022	456,175	1,546,070	5.4%	\$17	3.3%
Q3 2021	31,131	750,804	4.0%	\$17	4.4%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	132,176,189	7.8%	\$151,510,368	\$285	
Q3 2021	132,056,859	8.0%	\$146,121,888	\$141	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices 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
Q3 2022	4,054,574	14,295,477	11.7%	\$7	3.9%
Q3 2021	5,070,475	12,917,052	5.7%	\$6	4.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	377,983,233	4,441,701	12,719,830	7.1%	\$417,957,184
Q3 2021	365,263,403	620,017	11,051,439	7.1%	\$484,460,672

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

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COMMERCIAL REAL ESTATE REPORT Q3 2022

South Bend-Mishawaka, IN-MI Metro Area

Demographics and Economy

Demographics

-0.1%	28.3%	-7.2%	44.8%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-3.9%	5,900	4.4%	-5.3%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$47,270	2.8%	10.9%	28.8%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 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 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	44,046	166,302	2.0%	\$19	7.7%
Q3 2021	-60,622	109,675	1.9%	\$19	9.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	10,230,550	0	0	\$8,700,000	9.6%
Q3 2021	10,230,550	0	121,623	\$27,711,066	9.7%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, 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
Q3 2022	-24	350	10.3%	\$1,125	\$1,121	4.3%
Q3 2021	146	489	11.2%	\$1,020	\$1,019	5.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	16,361	0	144	5.9%		
Q3 2021	16,217	0	0	6.2%		

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
Q3 2022	-4,844	159,661	2.9%	\$14	2.5%
Q3 2021	50,956	62,251	2.2%	\$13	3.2%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	24,151,784	9.5%	\$7,646,000	\$194	
Q3 2021	24,151,784	9.6%	\$25,332,100	\$224	

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
Q3 2022	678,716	506,654	7.5%	\$5	3.9%
Q3 2021	236,493	183,390	5.5%	\$5	5.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	43,412,477	0	0	9.8%	\$3,056,000
Q3 2021	43,412,477	0	403,500	9.5%	\$5,010,000

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

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