OCTOBER 2015 ECONOMIC BRIEFING

A summary of the Indianapolis regional economy

INDY CHAMBER

1.7% ↓	12% ↑	5.2% ↑	17.1% ↓
Marion County Unemployment from September 2014	Trade, Transportation and Utilities from September 2014	Average Sales Price from September 2014	Downward Trend in 2015 Q3 Office Vacancy Rate

Unemployment continues downward trend in Indiana

Both the Marion County and Indianapolis MSA unemployement rates continued their downward trend in September to be below the state and national average, and are well under the unemployment rate of a year ago.

September marked the lowest rate of unemployment in Indiana since July 2007. Additionally, Indiana's labor force made further gains last month and continues to be a Midwest leader, adding 84,000 individuals since January 2013.

Workforce

September 2015 Unemployment Rates

	Sept'15	Aug'15	Sept'14
Marion County, IN	4.3	4.7	6.0
Indianapolis-MSA	3.8	4.2	5.2
State of Indiana (seasonally adj.)	4.5	4.6	5.8
U.S. (seasonally adj.)	5.1	5.1	5.9

Indianapolis Regional Unemployment Rate Rankings by County
Ranking in State (highest to lowest rate out of 92 counties)

County	Unemployment Rate Aug '15	Rank
Madison	4.6%	18
Marion	4.3%	26
Morgan	3.8%	49
Shelby	3.6%	60
Hancock	3.5%	64
Johnson	3.4%	74
Hendricks	3.2%	85
Boone	3.1%	88
Hamilton	2.9%	91

Labor Force Estimates, September 2015

	Labor Force	Employed	Unemployed
U.S.	156,607,000	148,980,000	7,628,000
Indiana	3,258,242	3,126,659	131,583
Marion County	473,972	453,824	20,148

Source: Indiana Department of Workforce Development

Employment by Industry

Indianapolis MSA Employment by Industry (1,000s)

	Sept'15 (p)	Aug'15	Change from Previous Month	Change from Sept'14
Construction	45	45	0	-1
Manufacturing	92	93	-1	2
Trade, Transportation and Utilities	224	225	-1	12
Wholesale Trade	49	49	0	1
Retail Trade	110	110	0	6
Transportation and Utilities	66	66	0	6
Information	17	17	0	0
Financial Activities	61	62	-1	-1
Professional and Business Services	160	159	1	4
Education and Health Services	148	144	4	2
Leisure and Hospitality	107	109	-2	5
Government	132	131	1	3

(p) = preliminary *Source: Bureau of Labor Statistics*

Recent News

100-Year-Old Indiana Company Rolls-Royce Investing Nearly $600 Million, Committing to Future in State

Rolls-Royce announced plans to invest nearly $600 million in its operations and research here over the next five years, ensuring its future in Indiana for years to come.

Read more

Business & IT Consulting Firm Adding 69 High-Wage Jobs in Hamilton County

Allegient, a business and technology consulting firm, announced plans to expand its headquarters in Carmel, creating up to 69 new high-wage jobs by 2018.

Read more

Read more recent announcements on our website at IndyChamber.com

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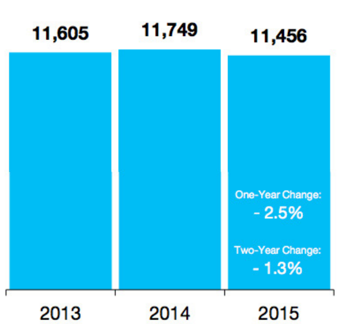
Residential Real Estate

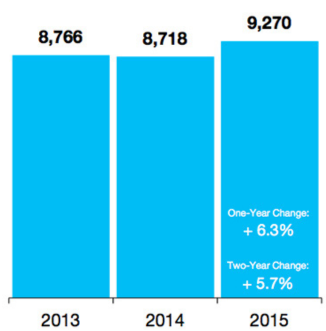
As the third quarter of 2015 closes, the central Indiana housing market is settling into a comfortable pace. Prices continued to gain traction with the Median Sales Price increasing 3.9 percent to $147,500 and the Average Sales Price rising 5.2 percent to $181,298.

Indianapolis Regional Real Estate Statistics			
	Sept'15	Sept'14	% Change
New Listings	3,412	3,665	- 6.9%
Closed Sales	2,787	2,777	+ .4%
Median Sales Price	$147,500	$141,900	+ 3.9%
Average Sales Price	$181,298	$172,319	+ 5.2%

Past Three Month Average for Indianapolis Region



New Listings



Closed Sales

Source: MIBOR www.mibor.com

Commercial Real Estate

INDIANAPOLIS OFFICE

Economic Indicators

	Q3 14	Q3 15	12-Month Forecast
Indianapolis MSA Employment	1,002.1K	1,030.1K	▲
Indianapolis MSA Unemployment	5.7%	4.2%	▼
U.S. Unemployment	5.9%	5.1%	▼

Market Indicators

	Q3 14	Q3 15	12-Month Forecast
Overall Vacancy	18.5%	17.1%	▼
Net Absorption	94,487	107,941	▲
Under Construction	0	123,036	▼
Average Asking Rent	$17.85	$18.10	▲

INDIANAPOLIS INDUSTRIAL

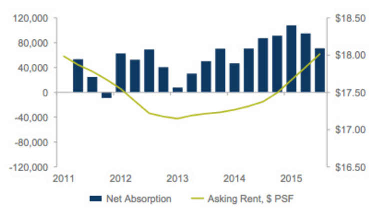
Economic Indicators

	Q3 14	Q3 15	12-Month Forecast
Indianapolis MSA Employment	1,002.1K	1,030.1K	▲
Indianapolis MSA Unemployment	5.7%	4.2%	▼
U.S. Unemployment	5.9%	5.1%	▼

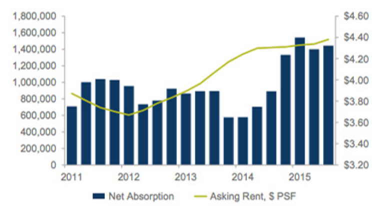
Market Indicators

	Q3 14	Q3 15	12-Month Forecast
Overall Vacancy	5.3%	5.9%	▬
Net Absorption	2.78M	1.57M	▲
Under Construction	9.69M	2.77M	▲
Average Asking Rent	$4.32	$4.49	▲

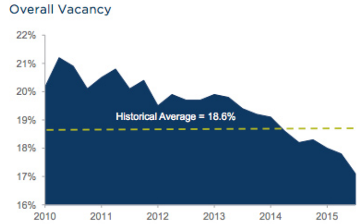
Net Absorption/Asking Rent NNN
4Q TRAILING AVERAGE



Net Absorption/Asking Rent NNN
4Q TRAILING AVERAGE



Overall Vacancy



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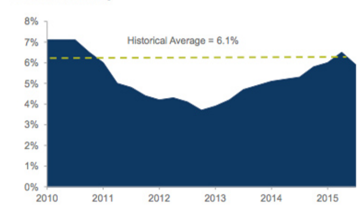
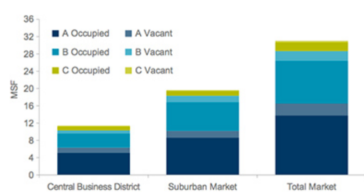
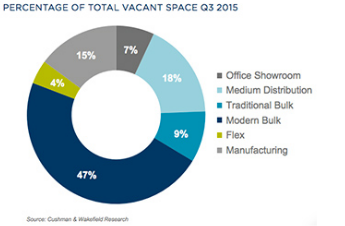


Market Comparison
LEASING DEMAND BY CLASS OF SPACE



Vacant Space by Product Type
PERCENTAGE OF TOTAL VACANT SPACE Q3 2015



Source: DTZ www.DTZ.CassidyTurley.com

IndyGo Fixed Route Ridership

Ridership is down 9.4 percent over last year and 6 percent YTD. IndyGo will continue to monitor peers and other economic factors.

IndyGo Fixed Route Ridership		
Total Passengers (YTD)		
2014	2015	% Change
7,705,138	7,240,718	-6.0%
Total Passengers Current Month		
Sept'14	Sept'15	% Change
943,882	855,036	-9.4%

Source: IndyGo www.indygo.net

For more information, contact Ashley Elrod at aelrod@indychamber.com or visit the Indy Chamber website at www.IndyChamber.com.

Indianapolis Region Cost of Living

The Indianapolis region consistently ranks as one of the most affordable places to live and do business in the U.S. According to the National Association of Realtors, the median price of an existing single-family home in the Indianapolis MSA in 3rd quarter of 2015 was $160,200. The Midwest average was $182,000 and the national average was $229,400. The following metro areas were selected because they are peer cities to Indianapolis.

Cost of Living Index: 3rd Quarter 2015 (U.S. Average = 100)

Metro Area	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Miscellaneous Goods and Services
Seattle	145.5	124.0	187.3	116.8	122.0	123.4	139.5
Chicago	118.5	125.3	137.8	104.8	116.6	97.2	106.6
Baltimore	114.9	120.6	144.0	92.5	103.8	87.5	102.2
Denver	110.2	96.9	133.1	95.1	101.7	107.1	104.6
Minneapolis	105.9	108.6	108.1	93.5	102.5	105.9	108.2
Cleveland	100.5	109.1	92.3	96.6	99.5	101.3	105.4
Atlanta	100.0	107.4	96.8	98.2	103.1	101.2	98.7
Phoenix	97.6	92.5	96.3	98.7	107.7	97.0	96.8
Charlotte	97.0	99.9	80.5	96.1	96.3	107.7	109.2
Nashville	96.7	100.4	82.3	93.5	102.7	86.0	108.1
Dallas	96.1	95.5	80.0	97.8	102.4	100.8	106.8
Austin	95.5	81.6	92.1	99.8	98.9	103.3	100.8
Pittsburgh	95.2	101.0	90.9	97.3	109.5	96.7	89.9
Kansas City	93.7	98.7	89.1	85.9	101.3	92.4	95.4
St. Louis	92.7	105.9	71.5	119.4	99.9	96.7	93.7
Indianapolis	**91.3**	**93.9**	**82.1**	**90.8**	**92.6**	**98.5**	**96.8**

Source: Council for Community and Economic Research, 2015