# APRIL 2016 ECONOMIC BRIEFING

**A summary of the Indianapolis regional economy**

INDY CHAMBER

| | | | |
|---|---|---|---|
| ↓ .1% Marion County Unemployment from March 2015 | ↑ 9% Trade, Transportation and Utilities from March 2015 | ↑ 9.2% Closed Sales from March 2015 | ↓ 15.6% Downward Trend in 2015 Q4 Office Vacancy Rate |

## Unprecedented Hoosier Workforce Growth

More than 18,000 Hoosiers joined the labor force in March, marking a fourth consecutive month of unprecedented growth. Over the past year, Indiana's labor force has grown by over 88,000 and by over 157,000 since January 2013.

Indianapolis and Marion County's unemployment rates are up slightly from February 2016 and March 2015.

## Workforce

| March 2016 Unemployment Rates | | | |
|---|---|---|---|
| | Mar'16 | Feb'16 | Mar'15 |
| Marion County, IN | 5.4 | 5.3 | 5.5 |
| Indianapolis-MSA | 5.0 | 4.9 | 4.9 |
| State of Indiana (seasonally adj.) | 5.0 | 4.7 | 5.1 |
| U.S. (seasonally adj.) | 5.1 | 5.2 | 5.6 |

| Indianapolis Regional Unemployment Rate Rankings by County *Ranking in State (highest to lowest rate out of 92 counties)* | | |
|---|---|---|
| **County** | **Unemployment Rate Mar '16** | **Rank** |
| Madison | 6.5% | 21 |
| Morgan | 5.5% | 46 |
| Marion | 5.4% | 49 |
| Shelby | 5.1% | 57 |
| Hancock | 4.8% | 69 |
| Johnson | 4.5% | 81 |
| Hendricks | 4.4% | 84 |
| Boone | 4.2% | 89 |
| Hamilton | 3.9% | 92 |

| Labor Force Estimates, March 2016 | | | |
|---|---|---|---|
| | Labor Force | Employed | Unemployed |
| U.S. | 158,854,000 | 150,738,000 | 8,116,000 |
| Indiana | 3,319,627 | 3,137,340 | 182,287 |
| Marion County | 478,455 | 452,478 | 25,977 |

*Source: Indiana Department of Workforce Development*

## Employment by Industry

| Indianapolis MSA Employment by Industry (1,000s) | | | | |
|---|---|---|---|---|
| | Mar'16 (p) | Feb'16 | Change from Previous Month | Change from Mar'15 |
| Construction | 44 | 42 | 2 | 3 |
| Manufacturing | 90 | 90 | 0 | 0 |
| Trade, Transportation and Utilities | 218 | 217 | 1 | 9 |
| Wholesale Trade | 46 | 46 | 0 | -1 |
| Retail Trade | 108 | 106 | 2 | 5 |
| Transportation and Utilities | 64 | 64 | 0 | 5 |
| Information | 16 | 16 | 0 | -1 |
| Financial Activities | 63 | 65 | -2 | 1 |
| Professional and Business Services | 151 | 154 | -3 | -6 |
| Education and Health Services | 151 | 151 | 0 | 5 |
| Leisure and Hospitality | 104 | 101 | 3 | 2 |
| Government | 132 | 131 | 1 | 2 |

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

## Recent News

### Knight Transportation Opens Regional Operations Service Center in Hendricks County

Knight Transportation, a truckload transportation and logistics service company, announced the opening of the company's new Regional Operations Service Center, which will create up to 426 new jobs by 2021.

*Read more*

### REGO-FIX and Telamon Locate in Anson

REGO-FIX and Telamon announced their intent to locate in All Points at Anson in Whitestown, pending incentive negotiations. Combined, the companies anticipate employing more than 70 individuals in Boone County.

*Read more*

*Read more recent announcements on our website at IndyChamber.com*

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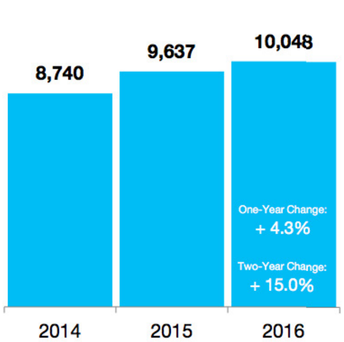
INDY CHAMBER

## Residential Real Estate

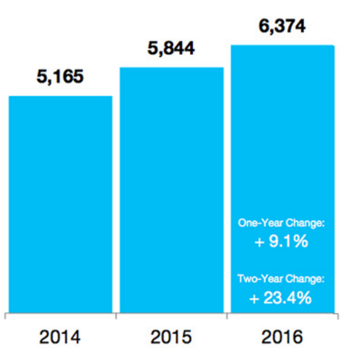
First quarter housing numbers rose in central Indiana while the industry continues to keep an eye on inventory numbers. New Listings and Prices continue to gain traction compared with March of 2015.

| Indianapolis Regional Real Estate Statistics | | | |
|---|---|---|---|
| | Mar'16 | Mar'15 | % Change |
| New Listings | 4,350 | 3,995 | + 8.9% |
| Closed Sales | 2,660 | 2,435 | + 9.2% |
| Median Sales Price | $148,750 | $140,000 | + 6.3% |
| Average Sales Price | $182,023 | $175,991 | + 3.4% |

**Past Three Month Average for Indianapolis Region**




## New Listings




## Closed Sales

*Source: MIBOR www.mibor.com*

## Commercial Real Estate

**INDIANAPOLIS OFFICE**

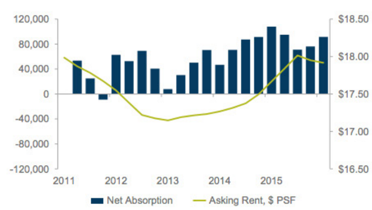
Economic Indicators

| | Q4 14 | Q4 15 | 12-Month Forecast |
|---|---|---|---|
| Indianapolis MSA Employment | 1,007.8K | 1,036.1K | ▲ |
| Indianapolis MSA Unemployment | 5.40% | 4.00% | ▼ |
| U.S. Unemployment | 5.50% | 4.80% | ▼ |

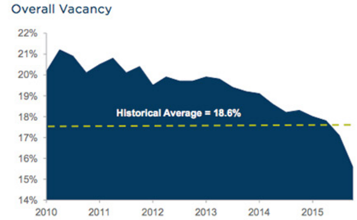
Market Indicators

| | Q4 14 | Q4 15 | 12-Month Forecast |
|---|---|---|---|
| Overall Vacancy | 18.2% | 15.6% | ▬ |
| Net Absorption | 328,698 | 96,976 | ▲ |
| Under Construction | 0 | 211,000 | ▼ |
| Average Asking Rent | $18.01 | $17.57 | ▲ |

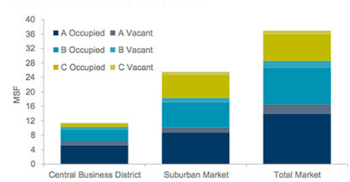
Net Absorption/Asking Rent
4Q TRAILING AVERAGE




Overall Vacancy




Market Comparison
LEASING DEMAND BY CLASS OF SPACE




**INDIANAPOLIS INDUSTRIAL**

Economic Indicators

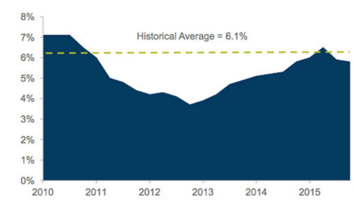
| | Q4 14 | Q4 15 | 12-Month Forecast |
|---|---|---|---|
| Indianapolis MSA Employment | 1,007.8K | 1,036.1K | ▲ |
| Indianapolis MSA Unemployment | 5.4% | 4.0% | ▼ |
| U.S. Unemployment | 5.5% | 4.8% | ▼ |

Market Indicators

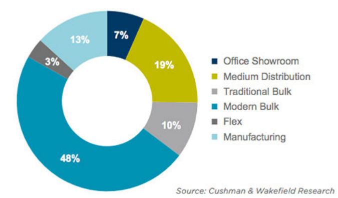
| | Q4 14 | Q4 15 | 12-Month Forecast |
|---|---|---|---|
| Overall Vacancy | 6.0% | 5.8% | ▬ |
| Net Absorption | 1.65M | 1.62M | ▲ |
| Under Construction | 9.69M | 2.28M | ▬ |
| Average Asking Rent | $4.34 | $4.45 | ▲ |

Net Absorption/Asking Rent NNN
4Q TRAILING AVERAGE


Overall Vacancy




Vacant Space by Product Type
PERCENTAGE OF TOTAL VACANT SPACE 4Q15




*Source: Cushman & Wakefield www.DTZ.CassidyTurley.com*

## IndyGo Fixed Route Ridership

IndyGo ridership is down 2.3 percent over March 2015 and down 1.2 percent YTD.

| IndyGo Fixed Route Ridership | | |
|---|---|---|
| Total Passengers (YTD) | | |
| 2015 | 2016 | % Change |
| 2,245,736 | 2,219,146 | -1.2% |
| Total Passengers Current Month | | |
| Mar'15 | Mar'16 | % Change |
| 797,514 | 778,849 | -2.3% |

*Source: IndyGo www.indygo.net*

# 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 was $157,300. The Midwest average was $181,100 and the national average was $229,000. The following metro areas were selected because they are peer cities to Indianapolis.

**Cost of Living Index: 2015 Annual Averages** (U.S. Average = 100)

| Metro Area | Composite Index | Grocery Items | Housing | Utilities | Transportation | Health Care | Miscellaneous Goods and Services |
|---|---|---|---|---|---|---|---|
| Seattle | 140.3 | 124.6 | 183.9 | 107.7 | 121.1 | 120.5 | 128.9 |
| Chicago | 116.2 | 116.7 | 135.7 | 104.2 | 114.5 | 99.1 | 106.0 |
| Baltimore | 112.8 | 119.0 | 144.0 | 93.9 | 104.2 | 89.0 | 95.6 |
| Denver | 109.6 | 99.2 | 130.2 | 94.5 | 98.4 | 107.7 | 105.0 |
| Minneapolis | 108.2 | 108.0 | 111.8 | 93.0 | 112.1 | 105.5 | 108.9 |
| Cleveland | 101.2 | 108.8 | 93.4 | 100.2 | 99.4 | 108.6 | 104.7 |
| Atlanta | 99.9 | 103.7 | 97.4 | 93.5 | 105.0 | 101.4 | 100.5 |
| Pittsburgh | 98.6 | 99.6 | 95.8 | 101.1 | 113.4 | 96.3 | 95.1 |
| Charlotte | 96.4 | 101.6 | 81.9 | 105.4 | 96.7 | 102.8 | 103.0 |
| Dallas | 96.1 | 100.9 | 76.1 | 99.4 | 99.2 | 101.9 | 108.4 |
| Austin | 96.0 | 84.2 | 90.3 | 101.5 | 97.7 | 103.5 | 102.2 |
| Phoenix | 95.9 | 98.5 | 94.8 | 96.6 | 100.0 | 97.2 | 94.0 |
| Nashville | 95.2 | 95.7 | 82.1 | 97.5 | 98.1 | 86.6 | 105.7 |
| Kansas City | 94.1 | 91.1 | 91.3 | 90.4 | 93.6 | 95.4 | 98.9 |
| St. Louis | 92.5 | 104.6 | 72.0 | 116.5 | 98.7 | 99.8 | 94.4 |
| **Indianapolis** | **91.1** | **92.9** | **82.1** | **90.8** | **92.0** | **99.3** | **96.8** |

Source: Council for Community and Economic Research, 2016