DECEMBER 2016 ECONOMIC BRIEFING

A summary of the Indianapolis regional economy

INDY CHAMBER

↓ .6% Marion County Unemployment from November 2015	↑ 2.3% Trade, Transportation and Utilities from November 2015	↑ 6.3% Median Sales Price from December 2015	↓ 13.9% Downward Trend in 2016 Q3 Office Vacancy Rate

Indiana Unemployment Rate Marks Lowest Point Since 2001

Indiana's unemployment rate decreased by two-tenths of a percent to 4.2 percent in November, which marks its lowest point since 2001. Indiana's total labor force stands at over 3.3 million and the state's 64.7 percent labor force participation rate stands two percent above the national rate. "Indiana's unemployment rate continues to drop while private sector employment continues to grow, which are positive signs for Hoosier workers and jobseekers," said Steven J. Braun, Commissioner of the Indiana Department of Workforce Development (DWD).

Indianapolis and Marion County's unemployment rates remain consistently lower than the rates of November 2015.

Workforce

November 2016 Unemployment Rates			
	Nov. '16	Oct. '16	Nov. '15
Marion County, IN	4.0	4.0	4.6
Indianapolis-MSA	3.6	3.6	4.2
State of Indiana (seasonally adj.)	4.2	4.4	4.5
U.S. (seasonally adj.)	4.6	4.9	5.0

Indianapolis Regional Unemployment Rate Rankings by County *Ranking in State (highest to lowest rate out of 92 counties)*		
County	**Unemployment Rate Nov. '16**	**Rank**
Madison	4.3%	22
Marion	4.0%	39
Morgan	3.6%	62
Shelby	3.4%	72
Hancock	3.3%	77
Hendricks	3.2%	82
Johnson	3.2%	83
Boone	3.1%	86
Hamilton	3.0%	90

Labor Force Estimates, November 2016			
	Labor Force	Employed	Unemployed
U.S.	159,451,000	152,385,000	7,066,000
Indiana	3,331,984	3,201,865	130,119
Marion County	486,102	466,823	19,279

Source: Indiana Department of Workforce Development

Employment by Industry

Indianapolis MSA Employment by Industry (1,000s)				
	Nov. '16 (p)	Oct. '16	Change from Previous Month	Change from Nov. '15
Construction	48	50	-2	1
Manufacturing	91	91	0	1
Trade, Transportation and Utilities	226	223	3	5
Wholesale Trade	46	46	0	0
Retail Trade	113	112	1	2
Transportation and Utilities	67	66	1	3
Information	16	16	0	0
Financial Activities	68	67	1	5
Professional and Business Services	167	162	5	1
Education and Health Services	153	153	0	3
Leisure and Hospitality	109	108	1	4
Government	134	131	3	2

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

Recent News

Indy Region Reports Strong 2016 Economic Development Effort

Indiana's largest metro scored major economic wins in 2016, based on year-end results by the regional business attraction arm of the Indy Chamber. The Indy Partnership reports 11,100 new jobs and more than $1.2B in capital investment last year, coordinated with its local economic development organization (LEDO) partners across the nine-county area.

Read more

Tech Company Aims for Growth After Rebranding

One of the largest IBM software resellers in the country has rebranded. Carmel-based PreferredPartner, now known as CleanSlate, says it plans to continue its growth by adding 10 jobs in 2017.

Read more

Read more recent announcements on our website at IndyChamber.com

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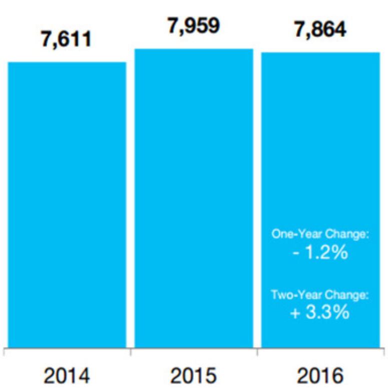
Residential Real Estate

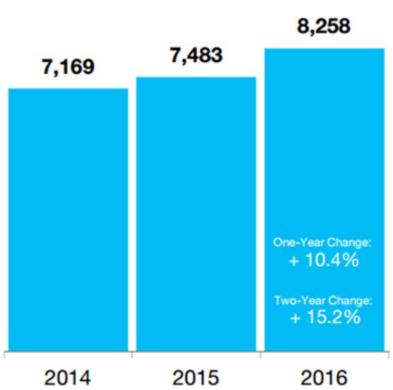
The 2016 housing market ended on a high note with an active December that offered the same monthly housing market highlights. For the fifth straight month we have seen an increase in Closed Sales across the region, and with buyer demand remaining high, we hope that will increase inventory in 2017.

Indianapolis Regional Real Estate Statistics			
	Dec. '16	Dec. '15	% Change
New Listings	1,884	1,975	- 4.6%
Closed Sales	2,765	2,654	+ 4.2%
Median Sales Price	$153,000	$144,000	+ 6.3%
Average Sales Price	$194,462	$183,468	+ 6.0%

Past Three Month Average for Indianapolis Region



New Listings



Closed Sales

Source: MIBOR www.mibor.com

Commercial Real Estate

INDIANAPOLIS OFFICE

Economic Indicators

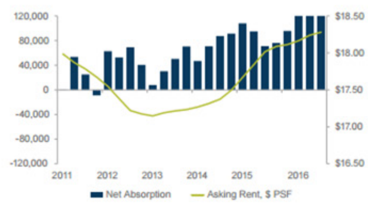
	Q3 15	Q3 16	12-Month Forecast
Indianapolis MSA Employment	1,030.1K	1,038.9K	▲
Indianapolis MSA Unemployment	4.2%	4.0%	▼
U.S. Unemployment	5.2%	4.9%	▼

Market Indicators (Overall, All Classes)

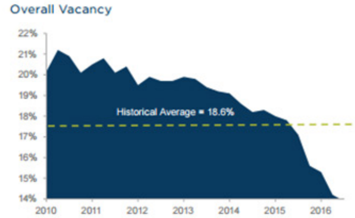
	Q3 15	Q3 16	12-Month Forecast
Vacancy	17.1%	13.9%	▬
Net Absorption (SF)	107,941	161,927	▬
Under Construction (SF)	123,036	561,116	▼
Average Asking Rent*	$18.10	$18.32	▲

*Rental rates reflect net asking $psf/year

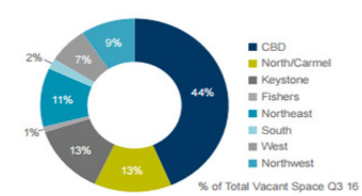
Overall Net Absorption/Overall Asking Rent
4-QTR TRAILING AVERAGE



Overall Vacancy



Vacant Space by Submarket
VACANCY AS A PERCENT OF INVENTORY



INDIANAPOLIS INDUSTRIAL

Economic Indicators

	Q3 15	Q3 16	12-Month Forecast
Indianapolis MSA Employment	1,030.1K	1038.9K	▲
Indianapolis MSA Unemployment	4.2%	4.0%	▼
U.S. Unemployment	5.2%	4.9%	▼

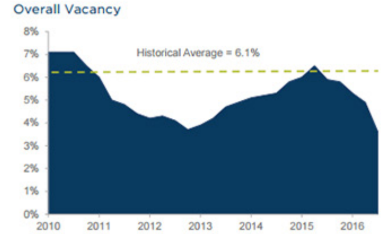
Market Indicators (Overall, All Property Types)

	Q3 15	Q3 16	12-Month Forecast
Overall Vacancy	5.9%	3.6%	▬
Net Absorption (SF)	1.57M	3.4M	▲
Under Construction (SF)	2.77M	6.1M	▬
Average Asking Rent*	$3.47	$3.55	▲

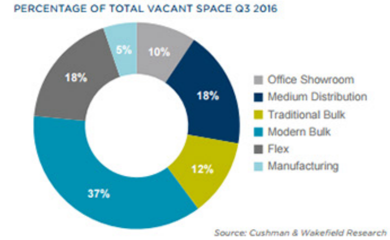
*Rental rates reflect net asking $psf/year

Overall Net Absorption/Overall Asking Rent
4-QTR TRAILING AVERAGE

Overall Vacancy



Vacant Space by Product Type
PERCENTAGE OF TOTAL VACANT SPACE Q3 2016



Source: Cushman & Wakefield

IndyGo Fixed Route Ridership

IndyGo ridership is down 4.9% YTD over 2015 and 9.7% for the month of December. This is a trend many agencies in the US and Canada have been experiencing. IndyGo continues to monitor route performance regularly.

IndyGo Fixed Route Ridership		
Total Passengers (YTD)		
2015	2016	% Change
9,666,605	9,193,004	-4.9%
Total Passengers Current Month		
December '15	December '16	% Change
778,705	703,154	-9.7%

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 in 3rd Q. 2016 was $164,100. The Midwest average was $191,200 and the national average was $240,900. The following metro areas were selected because they are peer cities to Indianapolis.

Cost of Living Index: 2016 Annual Average (U.S. Average = 100)

Metro Area	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Miscellaneous Goods and Services
Seattle	145.1	125.3	179.7	122.9	138.7	127.7	135.6
Chicago	118.5	108.5	144.8	94.9	125.7	102.7	108.2
Baltimore	115.6	113.2	143.6	104.8	103.7	89.8	103.9
Denver	110.4	106.3	131.9	92.6	104.2	106.8	102.4
Minneapolis	105.6	106.0	107.9	95.8	101.0	105.7	107.8
Dallas	100.4	108.5	88.0	98.7	101.5	106.3	106.6
Cleveland	98.7	113.9	87.8	91.2	106.3	99.7	101.4
Atlanta	98.7	103.8	88.5	103.1	101.7	107.9	101.6
Phoenix	97.0	94.8	98.3	94.7	100.9	96.6	96.5
Austin	96.7	86.9	94.8	102.9	98.3	102.7	99.1
Nashville	95.5	95.8	86.9	89.9	101.5	83.1	103.4
Detroit	94.9	91.3	87.9	108.2	104.3	94.6	95.5
Charlotte	94.8	94.0	85.1	91.9	96.8	103.6	101.9
Raleigh	94.4	113.4	69.3	96.2	91.5	103.9	106.0
Pittsburgh	94.0	97.1	93.0	102.1	106.3	95.1	87.7
Indianapolis	**91.8**	**94.0**	**82.0**	**89.4**	**92.7**	**98.4**	**98.4**

Source: Council for Community and Economic Research, 2017