

Indianapolis

Office | Q3 2025 Market Report

Quarterly Snapshot

↓ Average Rent
\$22.85/SF

↑ Vacancy
21.25%

↑ Net Absorption
16,676 SF

Occupier's Perspective

In the office market, higher vacancy and declining rents create a tenant-favored environment.

Tenant-rep brokers can use increased availability to negotiate better pricing, concessions, and flexible lease terms.

For landlord reps, success will depend on retention, realistic pricing, and creative positioning to compete in a softer market.

The Indianapolis commercial real estate market experienced mixed conditions in Q3 2025, with the office and industrial sectors trending in opposite directions. Overall, the data reflects continued challenges in the office market, while industrial properties remain comparatively strong and stable.

In the office sector, the average asking rent decreased to \$22.85 per square foot, while the vacancy rate rose to 21.25%. This increase in vacancy suggests ongoing softness in demand and provides tenants with increased negotiating leverage. Elevated vacancy levels continue to weigh on rental rates and signal a cautious outlook for office absorption in the near term.

In summary, Q3 2025 results indicate that the Indianapolis office market remains under pressure.

Recent Transactions

Tenant	Size (SF)	Submarket	Type
HNTB	81,262 SF	CBD	Renewal/Expansion
South College	68,664 SF	Meridian Corridor	Renewal/Expansion
Arcwood Environmental	45,771 SF	Northwest	New Lease

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
25.66%	▼	\$16.55	West
6.12%	▼	\$17.60	Greenwood (South)
15.67%	▼	\$17.98	Midtown
9.55%	▲	\$18.34	East
27.68%	▲	\$19.12	Northwest
13.45%	▼	\$23.65	Carmel
23.12%	▲	\$23.97	CBD
13.41%	▲	\$24.10	Fishers/Geist
20.41%	▲	\$25.00	Keystone