Indianapolis

Industrial | Q2 2026 Market Report

Quarterly Snapshot

- ↑ Average Rent $6.40/SF
- ↓ Vacancy 6.08%
- ↑ Net Absorption 5,615,000 SF

Occupier's Perspective

- Industrial rental rates continue to trend upward, reaching $6.40/SF in Q2 2026.
- Industrial vacancy has steadily declined, falling from approximately 10% to 6.08% over a five-quarter period.
- Rising rents coupled with tightening vacancy point to continued demand for industrial space and a more competitive leasing environment.
- The North and Northeast submarkets continue to have the highest rent and the North and Northwest markets have the lowest vacancy rates.

The Indianapolis industrial market continues to demonstrate strong fundamentals, with vacancy declining to 6.08% while rental rates have steadily increased to $6.40 per square foot.

Tightening supply and rising rents reflect continued tenant demand despite elevated borrowing costs. Industrial cap rates have remained relatively stable over the past year, signaling sustained investor confidence in the sector.

Supported by a healthy labor market, continued economic growth, and demand for logistics and distribution space, the industrial market remains well-positioned, although limited availability may encourage tenants to begin their site selection process earlier to secure quality space.

Recent Transactions

Tenant	Size (SF)	Submarket	Type
Prime Beverage Group	915,600 SF	Southeast	New Lease
Legacy Supply Chain	808,505 SF	South	New Lease
Amazon	584,820 SF	South	New Lease

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent ($/SF)	Submarket
11.12%	▲	$5.71	East
8.99%	▼	$5.77	South
5.58%	▼	$6.06	Southwest
8.1%	▼	$6.15	Southeast
4.56%	▼	$7.11	CBD
2.94%	▼	$7.81	Northwest
3.3%	▼	$8.81	West
4.05%	▼	$10.34	Northeast
2.00%	▲	$12.27	North

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