cresa

COMMERCIAL REAL ESTATE

Market Report

Q3 2026



11711 N MERIDIAN ST, STE 420, CARMEL, IN 46032



Q3 2026

Market Report

INDIANAPOLIS | OFFICE

SNAPSHOT

↓ Average Rent
$22.51/SF

↓ Vacancy
19.93%

↑ YTD Net Absorption
311,598 SF

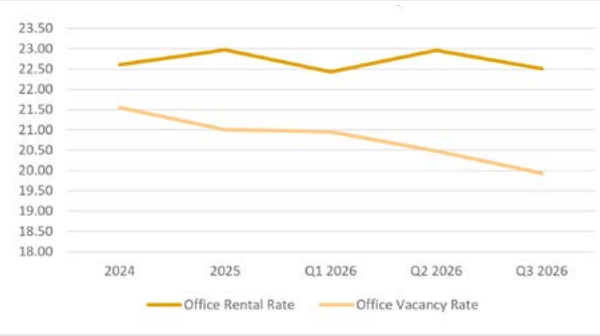
OCCUPIER PERSPECTIVE

- **Leverage shifting to landlords:** Vacancy fell to 19.93% with 311,598 SF of YTD positive absorption; expect tighter concessions.
- **Suburban split:** Greenwood (6.41%) and Fishers/Geist (8.66%) are tight; Carmel's rising vacancy may open opportunities.
- **CBD favors tenants:** 24.00% vacancy keeps free rent and TI dollars on the table.
- **Start renewals early:** With rents at $22.51/SF, begin planning 18–24 months out.

NOTABLE TRANSACTIONS

Tenant	SF
The Health & Hospital Corporation	53,713
MJ Insurance	37,964
ADT	31,135
Indesign	29,788
Flaherty & Collins	29,317

RENTAL & VACANCY RATES



AVG. RENTAL RATE $22.51

AVG. VACANCY RATE 19.93%

SUBMARKET MOVEMENT

Vacancy Rate	QOQ Change	Direct Asking Rent ($/SF)	Submarket
21.48%	▲	$16.72	West
15.20%	▲	$16.88	Midtown
13.32%	▲	$18.09	East
21.88%	▼	$18.74	Northwest
6.41%	-	$19.76	Greenwood
8.66%	▼	$23.33	Fishers/Geist
18.76%	▲	$23.60	Carmel
24.00%	▼	$24.23	CBD
18.24%	▼	$25.07	Keystone

This information is based on averages from consensus market data. Submarket boundaries may vary.



Q3 2026

Market Report

INDIANAPOLIS | INDUSTRIAL

SNAPSHOT

↑ Average Rent
$6.58/SF

↓ Vacancy
5.55%

↑ YTD Net Absorption
10,479,207 SF

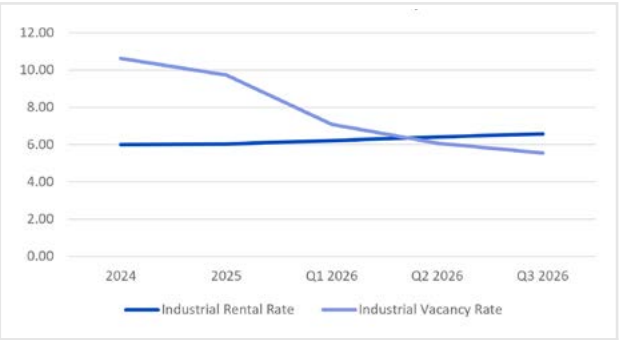
OCCUPIER PERSPECTIVE

- **Rapid tightening:** Vacancy dropped to 5.55%, about half its 2024 level, on 10.48M SF of YTD absorption.
- **Big-box competition:** Five 585,000+ SF deals this quarter mean fewer large-block options.
- **Location flexibility pays:** Rents range from $5.91/SF (South) to $12.25/SF (North).
- **Best tenant leverage in the South:** Highest vacancy (9.58%) and lowest rents in the market.

NOTABLE TRANSACTIONS

Tenant	SF
Keller Logistics Group	806,000
Langham Logistics	753,052
Full Beauty Brands, Inc	741,221
Adidas Group	599,152
Boston Scientific	587,343

RENTAL & VACANCY RATES



AVG. RENTAL RATE	AVG. VACANCY RATE
$6.58	5.55%

SUBMARKET MOVEMENT

Vacancy Rate	QOQ Change	Direct Asking Rent ($/SF)	Submarket
9.58%	▲	$5.91	South
8.91%	▼	$6.08	East
4.71%	▼	$6.38	Southwest
4.70%	▼	$6.66	CBD
7.80%	▼	$6.74	Southeast
3.13%	▼	$7.67	Northwest
3.10%	▼	$8.14	West
3.45%	▼	$10.07	Northeast
3.60%	▲	$12.25	North

This information is based on averages from consensus market data. Submarket boundaries may vary.



Q3 2026

Market Report

US MARKET DATA

Key Economic Statistics	Q3 2025	Q2 2026	Q3 2026
Total Nonfarm Employment (000s) US Bureau of Labor Statistics	159,548	158,903	159,026
Unemployment Rate (%) US Bureau of Labor Statistics	4.3%	4.3%	4.1%
Oil Price $ (WTI Crude) US Department of Energy	$65.74	$95.75	$87.22
Consumer Price Index % Change US Bureau of Labor Statistics	0.8%	1.2%	0.9%
SOFR (3 Month) Federal Reserve of NY	4.35%	3.63%	3.64%
US 10-Year T Yield US Department of the Treasury	4.29%	4.43%	4.76%

Volatility Indicators	Q3 2025	Q2 2026	Q3 2026
VIX 50-Day Moving Average Cboe Global Markets, Inc	15.97	17.72	15.91
Bankruptcy Filings Administrative Office of the US Courts	6,574	6,965	6,697

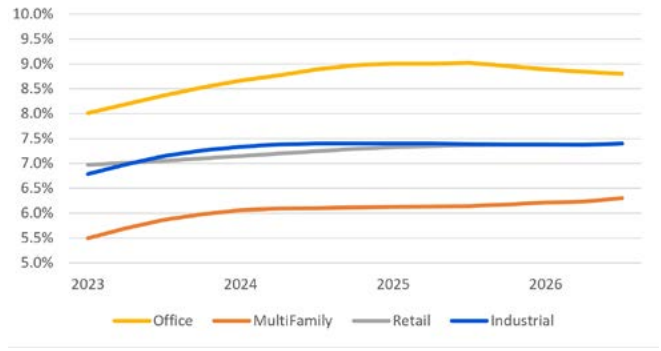
US GDP Percent Change from Preceding Quarter

Source: US Bureau of Economic Analysis



Commercial Real Estate Cap Rates

Source: CoStar Marketing Insights



WHY THIS MATTERS

The economy showed solid momentum in Q3 2026. GDP grew at a 3.4% annualized rate, unemployment eased to 4.1%, and bankruptcy filings declined from last quarter, all of which support continued demand for space. At the same time, the 10-year Treasury yield rose to 4.76%, up from 4.43% last quarter. That keeps financing costs elevated for landlords and can limit their capacity to fund tenant improvements and concessions. For occupiers, the combination of a growing economy and expensive capital means the window for aggressive deal terms is narrowing. Securing favorable terms early and locking in long-term occupancy costs is increasingly valuable.



COMMERCIAL REAL ESTATE

Market Report

SUMMARY

SUMMARY

The Indianapolis commercial real estate market continued to strengthen in Q3 2026. Office vacancy fell to 19.93% with more than 300,000 SF of YTD positive absorption, though conditions vary widely: suburban submarkets like Greenwood and Fishers/Geist are tight, while the CBD remains tenant-favorable.

Industrial vacancy dropped to 5.55% on 10.48 million SF of YTD net absorption, led by several large logistics and distribution deals. Steady economic growth paired with higher long-term interest rates points to a market where leverage is gradually moving toward landlords.

Occupiers with upcoming lease events should start planning early, benchmark against current market data, and engage advisors to protect their position.

Want more research?



Our Cresa experts have done a deep-dive on the US office and industrial markets

OFFICE INDUSTRIAL

FOR MORE INFORMATION



Leslie Teskey
Managing Principal
lteskey@cresa.com
317.695.6925



Tim O'Brien, SIOR, CCIM, LEED AP
Managing Principal
tobrien@cresa.com
317.590.1033



Mary Beth Kohart, SIOR, CCIM
Senior Vice President
mbkohart@cresa.com
317.727.1169

© 2026 Cresa. All rights reserved. The information provided is for general informational purposes only and has been compiled from sources deemed reliable. Neither Cresa nor its affiliates assume any responsibility or liability for its accuracy or completeness, and it should not be relied upon as such.