

# Indianapolis

Office | Q1 2025 Market Report

## Quarterly Snapshot

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Average Rent  
\$22.84/SF
- ↓

Vacancy  
21.23%
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Net Absorption YTD  
-61,143 SF

## Occupier's Perspective

Overall, occupiers in Indianapolis are navigating a nuanced market: they're trading scale for quality, gravitating toward suburban districts, and leveraging existing sublease inventory—all while monitoring a slowly tightening supply backdrop that could influence their timing and lease-extension strategies.

The first quarter of 2025 saw Indianapolis's urban core continue to grapple with an abundance of unleased office space, prompting owners and investors to explore alternative strategies such as conversions to mixed-use or discounted sales. Despite this backdrop, landlords have maintained headline rents, and sublease offerings have begun to recede from their recent peaks as occupiers gain clarity on their long-term space needs. At the same time, non-traditional users—including flexible workspace operators and amenity-driven developers—have been among the most active transacting parties, keeping some momentum alive even as overall leasing remains cautious.

Meanwhile, many occupiers and investors are looking beyond downtown to suburban nodes where newer, campus-style environments, proximity to transit, and on-site amenities like coworking hubs and fitness centers align better with evolving workplace preferences. These markets have absorbed more space in recent quarters, and rising leasing interest has begun to temper the surplus that has weighed on the metro overall. As companies continue to right-size their footprints and prioritize quality, these amenitized submarkets have emerged as the preferred destinations for both growing and relocating tenants.

## Recent Transactions

Tenant	Size (SF)	Submarket	Type
Krieg DeVault LLP	36,480	CBD	Renewal
Krieg DeVault LLP	26,965	North/Carmel	New Lease
Indy Vineyard Church	20,000	Castleton	Renewal
Salt & Light Christian Church	18,868	Northwest	New Lease
JLL	15,573	Keystone	Renewal

## Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
26.00%	▲	\$16.38	West
15.73%	▼	\$17.51	Midtown
9.47%	▼	\$17.58	East
9.93%	▼	\$18.17	Greenwood (South)
29.17%	▼	\$19.26	Northwest
22.83%	▼	\$23.89	CBD
13.73%	▼	\$24.10	Fishers/Geist
19.60%	▼	\$24.50	Keystone
14.13%	▼	\$24.90	Carmel