

# Indianapolis, Indiana

Tenant's Guide ■ North American Markets ■ Fourth Quarter 2009

## Overview

The Indianapolis office and industrial markets are continuing to see cautious activity from tenants and property owners. Any tenant with a lease expiring within the next two years has the opportunity to take advantage of market conditions to either reduce current rent or gain needed improvements or other concessions from his landlord. The underlying financing markets behind the commercial real estate sector continue to be effectively frozen, resulting in few sale transactions of leased properties, no new development, and very tight improvement budgets from landlords. Tenants are finding it more attractive in many instances to renew in their current locations rather than move to spaces needing extensive renovations.

## Market Trends

- Vastly more renewals than relocations.
- Very few new tenants in the market.
- Development of spec office and warehouse space has stopped.

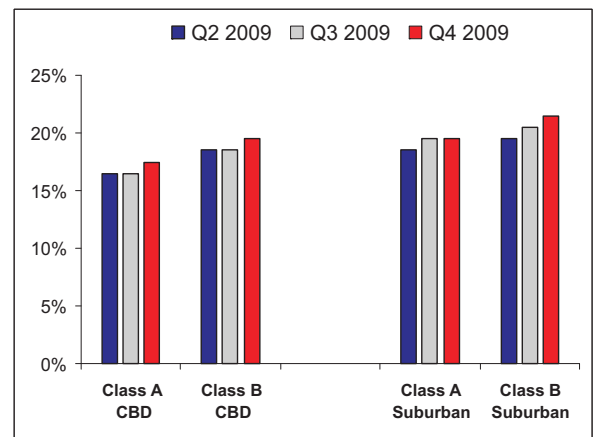
## Tenant's Perspective

Due to the lack of new development occurring in the office market, significant opportunities exist for the savvy tenant in new or second generation space. Current deal making emphasizes the lease rate with annual increases, so opportunities for up front incentives including free rent periods and above standard improvement allowances are available. With an increasingly competitive roster of property owners in the market it has become more important than ever to shop around to find the most aggressive deals at any point in time.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Belkins International	798,000	IND	R
Storage Solutions	212,000	IND	L
Flutes, Inc.	209,000	IND	L
National Government Services	150,000	OFF	R
Roche Diagnostics	193,000	OFF	L
MDwise, Inc.	60,500	OFF	L
Univ. of Phoenix	30,000	OFF	R & E
Fortis College	30,000	OFF	L
ITT Education	46,000	OFF	R
Clarian Bariatrics	31,000	OFF	L

## Vacancy Rate



## Average Rental Rates

CBD	Q2 2009	Q3 2009	Q4 2009
Class A Office	\$21.00	\$21.00	\$21.00
Class B Office	\$17.00	\$16.00	\$16.00

Suburban	Q2 2009	Q3 2009	Q4 2009
Class A Office	\$21.00	\$21.00	\$21.00
Class B Office	\$16.00	\$16.00	\$16.00
R&D	\$15.00	\$14.00	\$14.00

Prepared By CresaPartners  
941 E. 86th Street, Suite 115, Indianapolis, Indiana 46240  
317.254.0600 ■ [www.cresapartners.com](http://www.cresapartners.com)