

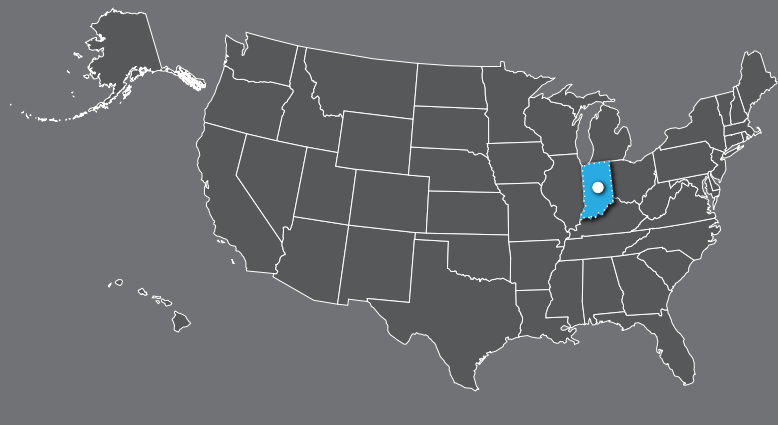
HUD PD&R Housing Market Profiles

Indianapolis-Carmel-Anderson, Indiana



Quick Facts About Indianapolis

- Current sales market conditions: balanced
- Current apartment market conditions: balanced
- Indianapolis International Airport is the 25th largest cargo airport in the world, handling more than 1 million tons of cargo annually. The airport has an estimated \$7.5 billion economic impact statewide, supporting 54,000 jobs, including more than 11,000 workers at the airport (Indianapolis Airport Authority).



Indianapolis, Indiana

By [Marissa Dolin](#) | As of January 1, 2025

Overview

The Indianapolis-Carmel-Anderson, IN Metropolitan Statistical Area (hereafter, Indianapolis metropolitan area) includes 11 counties in central Indiana and is the largest metropolitan statistical area fully contained within the state. The metropolitan area is a center for pharmaceutical manufacturing, supported by Eli Lilly and Company. It is also a transportation and logistics hub, with the second largest FedEx Express Hub in the nation at Indianapolis International Airport and distribution and fulfillment centers near the CSX Avon Intermodal Rail yard for retailers, including Amazon.com, Inc. and Walmart. In 2024, nonfarm payrolls increased, continuing a trend that began in 2021, but job gains slowed from the previous year. The home sales market is currently balanced, with sales price growth slowing to rates similar to the 2010s. Home sales continued to decline, a trend that began in 2022, but sales fell at a slower rate compared with the previous 2 years. The apartment market is also balanced. After rapid rent increases in 2021 and 2022, rent growth in 2023 and 2024 slowed to a rate similar to the average annual increases during the late 2010s.

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Multifamily permitting was elevated in 2022 and 2023, resulting in an elevated number of units entering the market in 2023 and 2024, and permitting declined in 2024. The surge in apartment completions contributed to an increase in the vacancy rate from near historical lows in 2021 and 2022 to a rate above the historical average in 2024.

- The population in the metropolitan area was estimated at 2.20 million as of July 1, 2024, up by an average of 24,400, or 1.1 percent, annually from 2022 to 2024, accelerating from a gain of 16,650, or 0.8 percent, annually from 2020 to 2022 (Decennial Census and U.S. Census Bureau population estimates as of July 1, 2024). Higher levels of net natural increase and net in-migration supported the larger gains. Population growth from July 2024 through the current date has continued at a rate slightly above the 2022-to-2024 average, and the current population is estimated at 2.21 million.

- Marion County, which includes the city of Indianapolis and is the most populous county in the metropolitan area, had a population of 981,600 as of July 1, 2024. From 2020 to 2024, the county had significant fluctuations in population change, primarily because of varying levels of net out-migration. From 2020 to 2021, the population fell by 5,025, including net out-migration of 8,500 people. The largest annual increase was from 2023 to 2024, with the population increasing by 5,975, when net out-migration was lowest at 50 people.
- Hamilton County, with a July 2024 population of 379,700, is the most populous suburban county in the metropolitan area and has had the strongest population growth since 2020. From 2020 to 2022, the population increased by an average of 8,350, or 2.4 percent, annually and slowed to an average of 6,725, or 1.8 percent, annually from 2022 to 2024 because of lower levels of net in-migration.

Economic Conditions

The economy in the Indianapolis metropolitan area is strong, and job growth has occurred each year since 2021. Gains in 2024 moderated compared with a year earlier but remained relatively strong. As of the fourth quarter of 2024, nonfarm payrolls averaged 1.21 million in the metropolitan area, up by 28,100 jobs, or 2.4 percent, from the fourth quarter of 2023, slowing from a gain of 29,400 jobs, or 2.6 percent, a year earlier. Job growth during the past year in the metropolitan area was stronger compared with the state of Indiana, the

HUD-defined Great Lakes Region, and the nation, which grew 1.5, 1.0, and 1.2 percent, respectively.

As of the fourth quarter of 2024—

- The largest annual increase in nonfarm payrolls was in the leisure and hospitality sector, adding 7,500 jobs, or 6.8 percent, accelerating from a gain of 2,500 jobs, or 2.3 percent, a year earlier. Major events in 2024 that attracted visitors included a solar eclipse, U.S. Olympic Team swimming

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As of the fourth quarter of 2024, jobs increased or were unchanged from a year ago in 10 of the 11 sectors in the Indianapolis metropolitan area.

	3 Months Ending		Year-Over-Year Change	
	December 2023 (Thousands)	December 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	1,180.9	1,209.0	28.1	2.4
Goods-Producing Sectors	162.6	166.3	3.7	2.3
Mining, Logging, & Construction	64.3	66.4	2.1	3.3
Manufacturing	98.4	100.0	1.6	1.6
Service-Providing Sectors	1,018.2	1,042.7	24.5	2.4
Wholesale & Retail Trade	158.3	158.9	0.6	0.4
Transportation & Utilities	95.7	95.7	0.0	0.0
Information	12.1	11.7	-0.4	-3.3
Financial Activities	75.0	77.3	2.3	3.1
Professional & Business Services	188.2	193.1	4.9	2.6
Education & Health Services	189.0	195.5	6.5	3.4
Leisure & Hospitality	110.1	117.6	7.5	6.8
Other Services	44.9	45.7	0.8	1.8
Government	144.8	147.1	2.3	1.6
Unemployment Rate	2.8%	3.7%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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trials, Taylor Swift concerts, and the National Basketball Association's NBA All-Star Game, which had an estimated \$920 million economic impact and supported sector job growth (Visit Indy, 2025 *Community Report & Business Plan*).

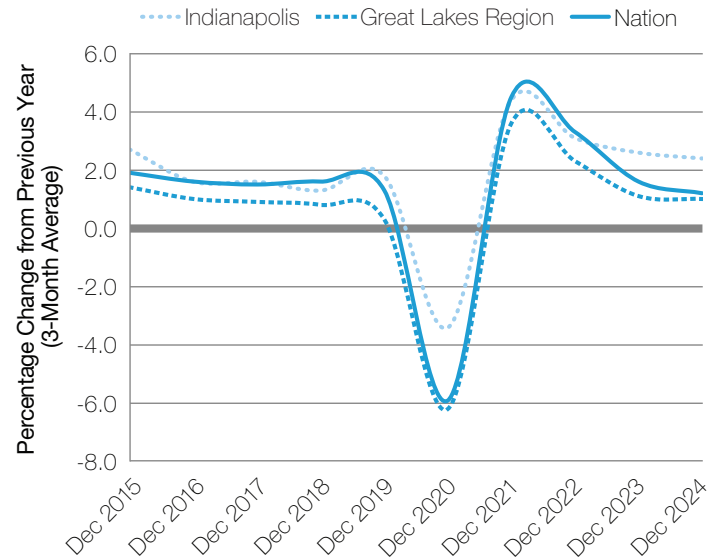
- The education and health services sector had the second largest gain in the metropolitan area, expanding by 6,500 jobs, or 3.4 percent. This recent increase is slower than the gain of 13,900 jobs, or 7.9 percent, a year earlier.
- The only sector to lose jobs annually was the information sector, with a decline of 400 jobs, or 3.3 percent, moderating from a decline of 600 jobs, or 4.7 percent, a year earlier. A portion of the decline is attributed to the Gannett Publishing Services printing plant closing in April 2024.
- The unemployment rate increased to 3.7 percent, up from 2.8 percent a year earlier. The labor force and resident employment increased from a year ago, but the labor force gain of 27,000 exceeded the resident employment growth of 15,900, contributing to the rise in the unemployment rate.

Large construction projects by Eli Lilly and Company and Indiana University (IU) Health are underway, supporting jobs in the mining, logging, and construction sector. When complete, the projects are expected to support respective job growth in the pharmaceutical manufacturing and healthcare industries. In 2023, Eli Lilly and Company broke ground on a \$3.7 billion manufacturing campus for obesity and diabetes medications and announced an additional \$5.3 billion investment for development on the campus in early 2024. The campus is expected to open the first buildings in late 2026. IU Health is constructing a new 864-bed hospital in downtown Indianapolis that will replace two existing IU Health hospitals when complete in late 2027. The new main hospital and related infrastructure projects represent nearly \$4.3 billion in construction spending.

Sales Market Conditions

The home sales market in the Indianapolis metropolitan area is balanced. In 2024, the average home sales price, including new and existing homes, increased at a rate similar to gains in the 2010s, when the market was also balanced, slowing from rapid increases in the early 2020s. New and existing home sales declined year over year for the third consecutive year, but the rate of decline slowed from the previous 2 years. The inventory of homes for sale, as measured by the months of supply at the current sales rate, increased to 1.9 months in 2024, up from 1.8 months in 2023, and is currently at the highest level since 2019 (Cotality). However, the increase in the months of supply is primarily attributed to fewer home sales, rather than an increase in the active listings inventory, because relatively high mortgage interest rates curbed home sales. The interest rate for a 30-year

Job growth in the Indianapolis metropolitan area was faster than in the Great Lakes region and the nation during the fourth quarters of 2023 and 2024.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Indianapolis Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Indiana University Health	Government	23,200
Ascension St. Vincent	Education & Health Services	17,400
Community Health Network	Education & Health Services	15,000

Note: Excludes local school districts.

Source: Marion County

fixed-rate mortgage averaged 6.7 percent in 2024, down 0.1 percentage point from a year earlier but well above the recent low of 3.0 percent in 2021 (Freddie Mac). Before the interest rate increases during 2022 and 2023, the rate had been below 6.0 percent since 2008.

In 2024—

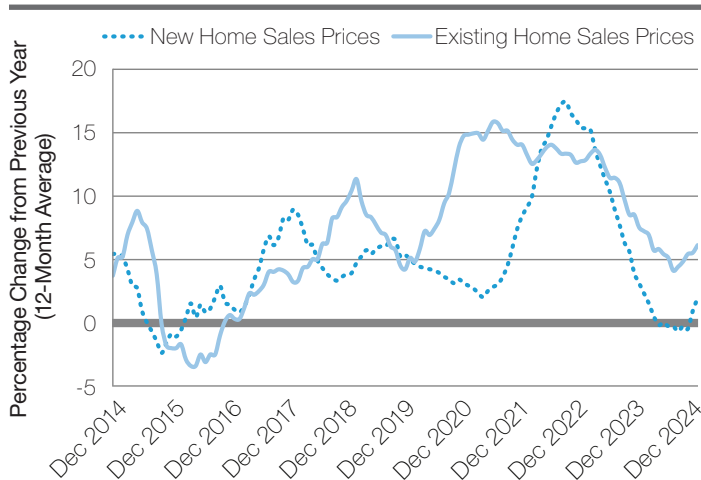
- The average home price, including new and existing homes, was \$329,200, up 4 percent from a year ago, slowing from a 6-percent gain in 2023 and a 14-percent average annual gain from 2020 through 2022 (Cotality). The increase in 2024 matched the 4-percent average annual gain from 2010 through 2019.

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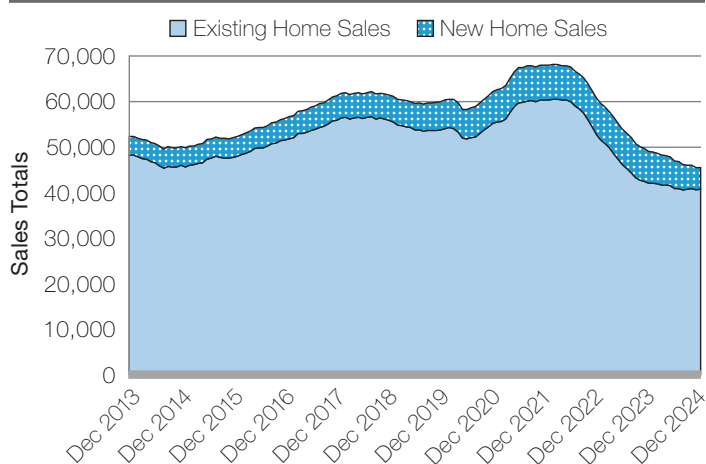
- The average existing home price was \$316,700, up 6 percent from a year ago, and the average new home price was \$435,100, up 2 percent from a year ago. Both new and existing home prices increased an average of 4 percent annually from 2010 through 2019.
- Home sales, including new and existing, totaled 45,400 homes, down 7 percent from 2023 and slowing from declines of 19 and 11 percent, respectively, during the previous 2 years.
- Existing home sales fell to 40,700, down 3 percent from a year ago, but slowed from 20- and 13-percent declines

In 2024, growth in new and existing home sales prices in the Indianapolis metropolitan area slowed from a year ago, and both are well below the growth rates in 2021 and 2022.



Note: Prices are for single-family, townhomes, and condominiums.
Source: Cotality

Home sales have been declining in the Indianapolis metropolitan area since 2022, but the rate of decline slowed in 2024.



Note: Sales are for single-family, townhomes, condominiums.
Source: Cotality

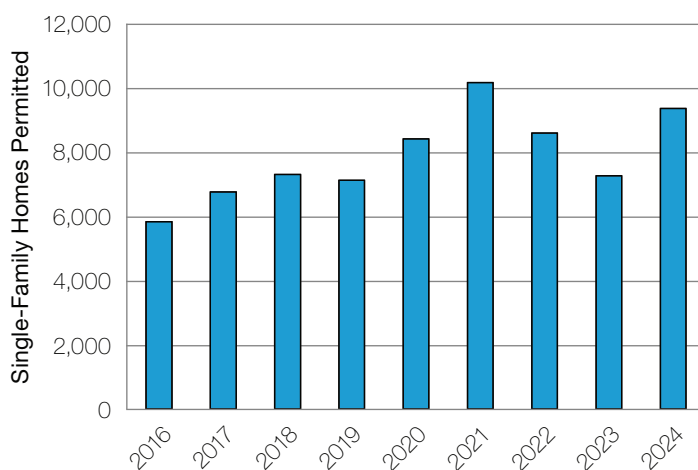
during 2022 and 2023, respectively. New home sales fell to 4,700, down 32 percent, accelerating from a 14-percent decline a year earlier. New home sales accounted for 10 percent of total sales in 2024 compared with 12 percent from 2020 through 2023 and 8 percent from 2010 through 2019.

Despite moderating job growth and declining new home sales, permitting of single-family homes, nearly all which are sales units, increased in 2024.

In 2024—

- Single-family permitting increased to 9,350 homes, up by 2,100 homes from a year earlier and the highest number of single-family homes permitted since 2021, when 10,150 homes were permitted.
- Hamilton County, which includes most of the northern suburbs in the metropolitan area, had the largest share of single-family permitting, with 2,975 homes permitted, or approximately one-third of the metropolitan area total. Marion County, which includes the city of Indianapolis and has the highest concentration of jobs, had the second highest number of single-family homes permitted at 1,250, followed closely by Hendricks County, which is immediately west of Marion County and includes the CSX Avon Intermodal Railyard, at 1,225 homes permitted.
- One of the most active subdivisions for new construction in the metropolitan area was Penrose in Hendricks County, with 116 homes sold (Zonda). Among the 323 lots in the subdivision, 139 were sold in prior years, and 68 are available for future sale. Home prices in the subdivision ranged from \$300,000 to \$534,000 during 2024, with an average price of \$382,100.

In 2024, single-family home permitting in the Indianapolis metropolitan area was higher than the past 2 years.



Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

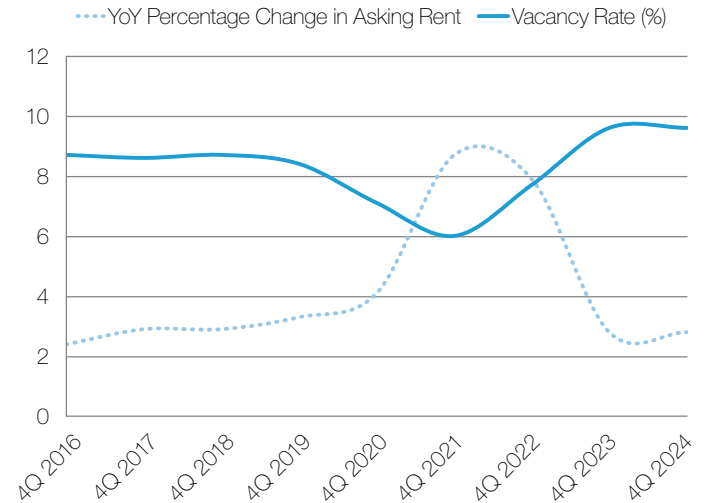
Apartment Market Conditions

The apartment market in the Indianapolis metropolitan area is balanced. Following tighter conditions with elevated rent growth and a relatively low vacancy rate in 2021 and 2022, the vacancy rate has since risen, and rent growth has moderated from near historical levels. In response to rapid rent growth and historically low interest rates on all types of loans, including construction loans, the construction of apartments rose steadily in the early 2020s, with the number of units under construction peaking in 2022 and remaining elevated in 2023. As the new units have entered the market, conditions have eased.

- The average apartment rent was \$1,270 as of the fourth quarter of 2024, up 3 percent from a year ago, matching the rate of growth a year earlier and the fourth quarter average from 2015 through 2019, but slower than the 8-percent average annual increase during the fourth quarters of 2021 and 2022 (CoStar Group).
- The apartment vacancy rate, including units in lease up, was 9.6 percent as of the fourth quarter of 2024, unchanged from a year ago. By comparison, the rate ranged from 6.0 to 7.7 percent during the fourth quarters of 2020 through 2022 and from 8.4 to 8.7 percent during the fourth quarters of 2016 through 2019.
- The two CoStar Group-defined market areas with the most apartment completions in 2024 were the Carmel/Zionsville/Westfield and the Fishers/Noblesville market areas, both of which are in Hamilton County, with 1,875 and 910 units completed, respectively. Average rents in the submarkets increased 1 and 3 percent annually, and the vacancy rates, including units in lease up, were 14.3 and 11.2 percent, respectively.
- Growth in average rents for professionally managed single-family homes, which are a small portion of the approximately one-third of rental units in the metropolitan area that are single-family homes, has also stabilized following rapid growth. In December 2024, the average rent was \$1.17 per square foot, up 3 percent from December 2023 compared with a 4-percent increase the previous year and a 10-percent average annual increase from December 2020 to December 2022 (Cotality). The vacancy rate for single-family homes for rent has fallen steadily from 3.8 percent in December 2019 to 3.1 percent in December 2024.

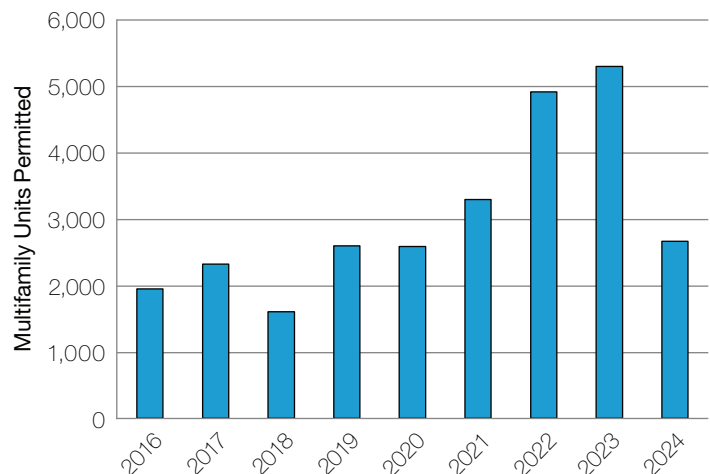
In response to slower job growth, higher interest rates on all types of loans, including construction loans, and elevated apartment completions that contributed to increased apartment vacancies and moderating rent growth, multifamily permitting in 2024 declined to the lowest level since 2020.

As of the fourth quarter of 2024, apartment rent growth and the vacancy rate in the Indianapolis metropolitan area were relatively unchanged from a year ago.



4Q = fourth quarter. YoY = year-over-year.
Source: CoStar Group

Multifamily permitting in 2024 was lower than permitting during the 2021 through 2023 period in the Indianapolis metropolitan area.



Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

- In 2024, multifamily permitting totaled 2,675 units, down from an average of 5,100 units in 2022 and 2023 and below the 3,300 units permitted in 2021.
- Hamilton County, with the largest population increase since 2020 and including the market areas with the most apartment completions in 2024, had the most permitting at 1,675 units. Similar to the metropolitan area overall,

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permitting during the past year was down from 2022 and 2023, when an average of 2,475 units were permitted.

- In Marion County, permitting declined to 650 units in 2024, down from an average of 1,400 units during 2022 and 2023.
- The largest apartment development completed in 2024 was the 408-unit Arlington Farms in Greenwood, a suburb in Johnson County in the southern portion of the metropolitan

area. Rents for the one-, two-, and three-bedroom units averaged \$1,423, \$1,695, and \$1,995, respectively.

- Among the 43 rental properties that opened in 2024, the largest share was in Hamilton County, with 17 properties, followed by Marion County, with 10 properties. Units built in opportunity zones represented 16 percent of total units completed in 2024 in the metropolitan area.

Terminology Definitions and Notes

A. Definitions

Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up. A property is stabilized once the occupancy rate has reached 90 percent or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned sales. Resales are home closings with no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The HUD Great Lakes region includes Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.