OCTOBER 2016 ECONOMIC BRIEFING

A summary of the Indianapolis regional economy

↓ .4%	↑ 3.7%	↑ 14.7%	↓ 13.9%
Marion County Unemployment from August 2016	Trade, Transportation and Utilities from September 2015	Closed Sales from September 2015	Downward Trend in 2016 Q3 Office Vacancy Rate

Hoosier Labor Force Set All-Time High

Indiana's unemployment rate remained at 4.5 percent as the national unemployment rate ticked up 0.1 percent to 5 percent in September. Indiana's labor force has increased by 75,566 since January of this year while total employment has increased by 75,425 during this timeframe. The state's labor force has increased by nearly 200,000 since January 2013.

Indianapolis and Marion County's unemployment rates decreased .3 and .4 percent respectively from August 2016.

Workforce

September 2016 Unemployment Rates			
	Sept. '16	Aug. '16	Sept. '15
Marion County, IN	4.3	4.7	4.3
Indianapolis-MSA	3.9	4.2	3.9
State of Indiana (seasonally adj.)	4.5	4.5	4.5
U.S. (seasonally adj.)	5.0	4.9	5.1

Indianapolis Regional Unemployment Rate Rankings by County *Ranking in State (highest to lowest rate out of 92 counties)*		
County	**Unemployment Rate Sept. '16**	**Rank**
Madison	4.6%	22
Marion	4.3%	37
Morgan	3.8%	60
Shelby	3.7%	67
Hancock	3.6%	73
Johnson	3.4%	80
Boone	3.3%	81
Hendricks	3.3%	84
Hamilton	3.1%	91

Labor Force Estimates, September 2016			
	Labor Force	Employed	Unemployed
U.S.	159,636,000	151,977,000	7,658,000
Indiana	3,3961,624	3,221,019	140,605
Marion County	490,894	469,798	21,096

Source: Indiana Department of Workforce Development

Employment by Industry

Indianapolis MSA Employment by Industry (1,000s)				
	Sept. '16 (p)	Aug. '16	Change from Previous Month	Change from Sept. '15
Construction	48	48	0	0
Manufacturing	91	92	-1	1
Trade, Transportation and Utilities	223	224	-1	7
Wholesale Trade	46	46	0	-2
Retail Trade	111	112	-1	4
Transportation and Utilities	66	66	0	5
Information	16	16	0	0
Financial Activities	67	67	0	3
Professional and Business Services	162	161	1	-1
Education and Health Services	154	149	5	6
Leisure and Hospitality	110	111	-1	3
Government	135	133	2	5

(p) = preliminary *Source: Bureau of Labor Statistics*

Recent News

Indy Chamber Partners with OneZone for Startups and Entrepreneurs

The Indy Chamber and OneZone announced a new partnership that will bring business coaching, microlending and other entrepreneurial resources closer to young companies.

Read more

Safe Hiring Solutions is Expanding

Crawfordsville - Danville-based Safe Hiring Solutions and its sister company Safe Recruiter Solutions have announced plans to expand into Montgomery County. The companies will invest $1.3 million into a new Crawfordsville facility and create up to 284 jobs by 2020.

Read more

Read more recent announcements on our website at IndyChamber.com

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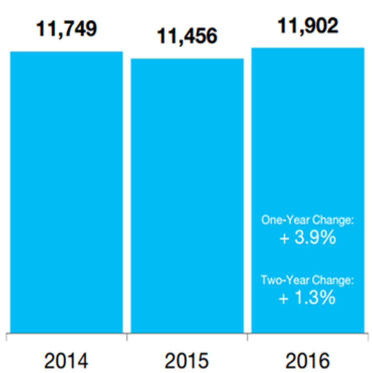
INDY CHAMBER

Residential Real Estate

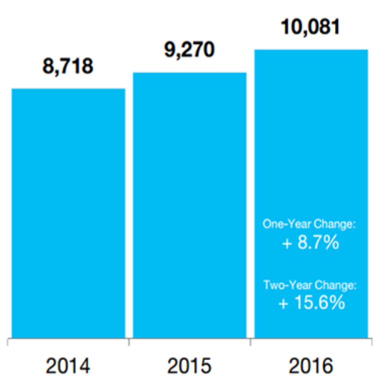
Buyer demand has remained high through the first three quarters of 2016, propping up sales and prices despite heavy reductions in inventory across the country and central Indiana.

Indianapolis Regional Real Estate Statistics			
	Sept. '16	Sept. '15	% Change
New Listings	3,617	3,412	+ 6.0%
Closed Sales	3,196	2,787	+ 14.7%
Median Sales Price	$159,900	$147,500	+ 8.4%
Average Sales Price	$197,696	$181,298	+ 9.0%

Past Three Month Average for Indianapolis Region



New Listings



Closed Sales

Source: MIBOR www.mibor.com

Commercial Real Estate

INDIANAPOLIS OFFICE

Economic Indicators

	Q3 15	Q3 16	12-Month Forecast
Indianapolis MSA Employment	1,030.1K	1,038.9K	▲
Indianapolis MSA Unemployment	4.2%	4.0%	▼
U.S. Unemployment	5.2%	4.9%	▼

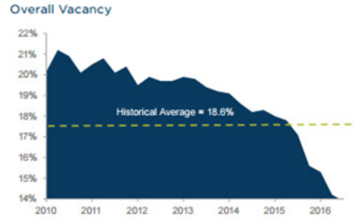
Market Indicators (Overall, All Classes)

	Q3 15	Q3 16	12-Month Forecast
Vacancy	17.1%	13.9%	▬
Net Absorption (SF)	107,941	161,927	▬
Under Construction (SF)	123,036	561,116	▼
Average Asking Rent*	$18.10	$18.32	▲

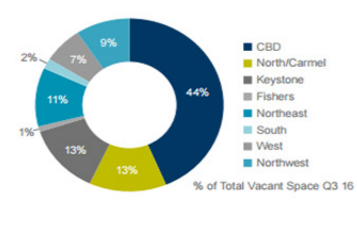
*Rental rates reflect net asking $psf/year

Overall Net Absorption/Overall Asking Rent
4-QTR TRAILING AVERAGE

Overall Vacancy



Vacant Space by Submarket
VACANCY AS A PERCENT OF INVENTORY



INDIANAPOLIS INDUSTRIAL

Economic Indicators

	Q3 15	Q3 16	12-Month Forecast
Indianapolis MSA Employment	1,030.1K	1038.9K	▲
Indianapolis MSA Unemployment	4.2%	4.0%	▼
U.S. Unemployment	5.2%	4.9%	▼

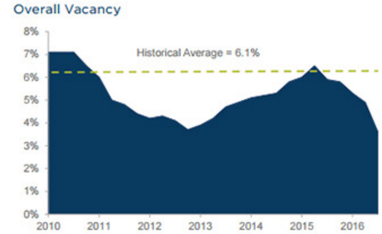
Market Indicators (Overall, All Property Types)

	Q3 15	Q3 16	12-Month Forecast
Overall Vacancy	5.9%	3.6%	▬
Net Absorption (SF)	1.57M	3.4M	▲
Under Construction (SF)	2.77M	6.1M	▬
Average Asking Rent*	$3.47	$3.55	▲

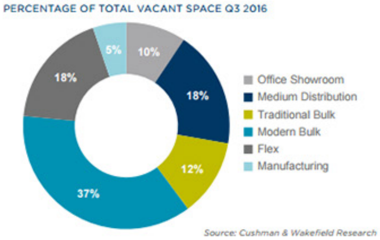
*Rental rates reflect net asking $psf/year

Overall Net Absorption/Overall Asking Rent
4-QTR TRAILING AVERAGE

Overall Vacancy



Vacant Space by Product Type
PERCENTAGE OF TOTAL VACANT SPACE Q3 2016



Source: Cushman & Wakefield

IndyGo Fixed Route Ridership

IndyGo ridership is down 4.3 percent over last September and 4.4 percent YTD. IndyGo continues to monitor route performance regularly.

IndyGo Fixed Route Ridership		
Total Passengers (YTD)		
2015	2016	% Change
7,240,929	6,919,479	-4.4%
Total Passengers Current Month		
September '15	September '16	% Change
855,036	817,832	-4.3%

Source: IndyGo www.indygo.net

Indianapolis Region Cost of Living

The Indianapolis Region consistently ranks as one of the most affordable places to live and do business in the U.S. According to the National Association of Realtors, the median price of an existing single-family home in the Indianapolis MSA in 3rd Q. 2016 was $164,100. The Midwest average was $191,200 and the national average was $240,900. The following metro areas were selected because they are peer cities to Indianapolis.

Cost of Living Index: Q3 2016 (U.S. Average = 100)

Metro Area	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Miscellaneous Goods and Services
Seattle	143.1	122.3	179.0	126.5	131.0	126.3	132.4
Chicago	117.6	103.5	140.9	87.1	133.0	103.3	109.7
Baltimore	115.1	111.4	140.5	109.2	100.3	90.1	105.2
Denver	112.6	110.4	134.3	94.7	104.1	107.8	104.2
Minneapolis	104.8	106.6	107.7	93.8	101.5	106.8	106.0
Dallas	103.2	110.3	96.4	98.9	100.7	108.3	107.7
Phoenix	98.6	94.6	98.6	95.2	102.1	95.3	100.5
Cleveland	98.2	115.7	87.9	92.1	102.0	100.8	100.1
Atlanta	97.6	101.6	84.9	104.8	101.1	110.2	101.7
Detroit	97.2	93.4	86.6	107.7	108.3	96.7	100.9
Austin	96.3	86.6	94.0	101.3	99.8	100.5	98.9
Charlotte	95.9	96.8	85.9	91.1	95.6	103.7	104.5
Pittsburgh	95.7	97.7	90.9	108.0	112.0	94.2	89.8
Nashville	95.1	94.3	87.6	86.7	104.3	83.3	102.9
Raleigh	94.7	113.8	70.6	94.6	91.9	101.1	107.7
Indianapolis	**91.5**	**92.9**	**81.7**	**93.9**	**86.5**	**98.1**	**99.5**

Source: Council for Community and Economic Research, 2016