

FIGURES | INDIANAPOLIS OFFICE | Q2 2026

# Triple-Digit Absorption Pushes Offices Occupancy to Highest Level in 3 Years

▼ 19.9%  
Vacancy Rate

▲ 250,748  
SF Net Absorption

▶ 0  
SF Construction Delivered

▶ 48,012  
SF Under Construction

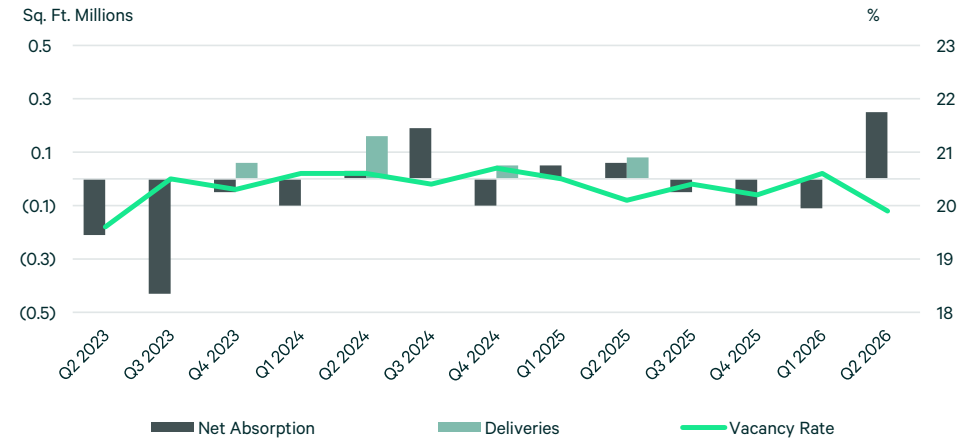
▼ \$22.37  
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

## Market Overview

- Indianapolis office occupancy rose sharply in Q2 by 250,748 sq. ft., achieving the highest net quarter over quarter absorption rate in three years.
- The rise in occupancy, by 250,748 sq. ft., offset Q1's decline of negative 113,000 sq. ft., moving the half year's results in positive territory at 138,000 sq. ft.
- Vacancy dropped to 19.9% for the first time in three years. The northern suburbs drove most of the change.
- Construction remained slow with no buildings delivering yet this year. Only one 48,012 sq. ft. building in Fisher/Geist submarket is under construction.
- The average direct lease rate of \$22.37 per sq. ft. remained relatively stable with only a 3-cent average decline from last quarter.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

## Vacancy

A confidential client at 82,000 sq. ft., Koola Logistics at 38,000 sq. ft. and United Optum Real Estate at 27,000 sq. ft., all in Carmel, moved into 121,000 sq. ft. of the 250,000 sq. ft. total Q2 increase in occupancy. They and 14 other new tenants pushed Indianapolis' vacancy rate lower by 200 basis points (bps), from 21% to 19%.

Tenants continued to vacate the Downtown submarket although at a slower rate in Q2: a negative 19,000 sq. ft., compared to a negative 156,000 sq. ft. in Q4 2025.

Sublease rates rose to \$19.95 per sq. ft., up 1.4% from Q1's \$19.68 average. The rise comes as the sublease vacancy rate fluctuates. At year-end 2025, the vacant sublease space hit a one-year high, or 601,000 sq. ft., before declining to 549,000 sq. ft. in Q1 and then rising somewhat to 567,000 sq. ft., a change of negative 9%, before a slight 3% rise for Q2.

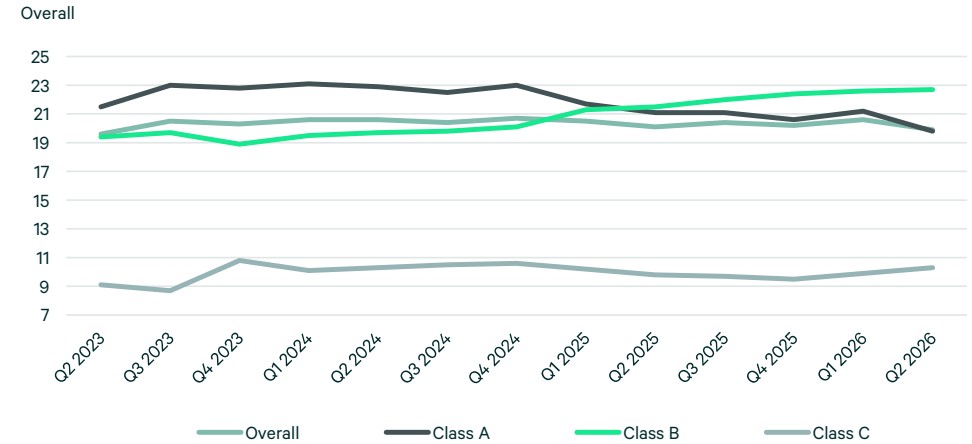
## Asking Rent

Overall asking rates remained relatively stable—\$22.37—from \$22.40 in Q1 2026 as vacancy rates declined by 700 bps.

Carmel had the highest overall Q2 asking rate at \$24.20 per sq. ft., up 0.5% from Q1's \$24.08. Next highest was Keystone at \$25.37 per sq. ft., which rose 3.5% from \$24.51 in Q1. Downtown's rates rose by 2.1% to \$23.85 from \$23.36 during the same period.

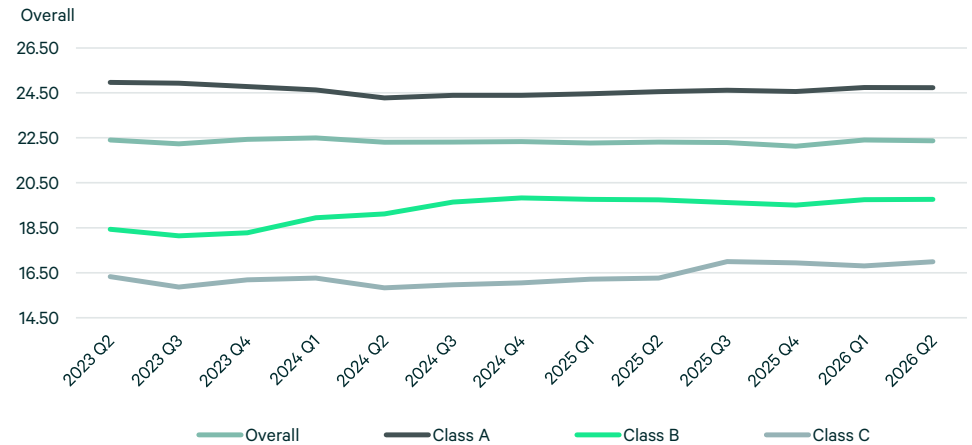
The Far North submarket had the lowest overall asking rate at \$14.00 per sq. ft. followed by the East/Southeast submarket at \$16.19 and Midtown at \$16.79.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

## Net Absorption

The flight to quality was again evident. Eight of the top 10 occupancies this quarter were in Class A spaces. Three of the top new occupiers moved to the popular Carmel submarket. A confidential tenant occupied 82,000 sq. ft. at Six Carmel Gateway. United Optum Real Estate occupied 28,000 sq. ft. at Four Carmel Gateway. NVR Title Agency moved into 15,000 sq. ft. at Three Carmel Gateway. Together they filled 125,000 sq. ft. of the 250,748 sq. ft. of net absorption this quarter.

Keystone was also a favorite. SalesAI occupied 22,000 sq. at Lakefront Building 71. Hopebridge occupied 40,000 sq. ft. at Lakefront Building 11.

Newly vacant but still available sublease space impacted net absorption this quarter. In the Downtown submarket, Prolific vacated its 18,000 sq. ft. space at BMO Plaza and Pondurance moved out of 14,000 sq. ft. at 500 on the Park, ahead of subleasing their spaces. Similarly, in the East/Southeast, Bridgetek vacated 13,000 SF at Building 28 in the Fort Benjamin Harrison Complex.

## Construction Activity

The Union at Fishers District (48,000 sq. ft.), in the Fishers/Geist submarket was the only office space under construction.

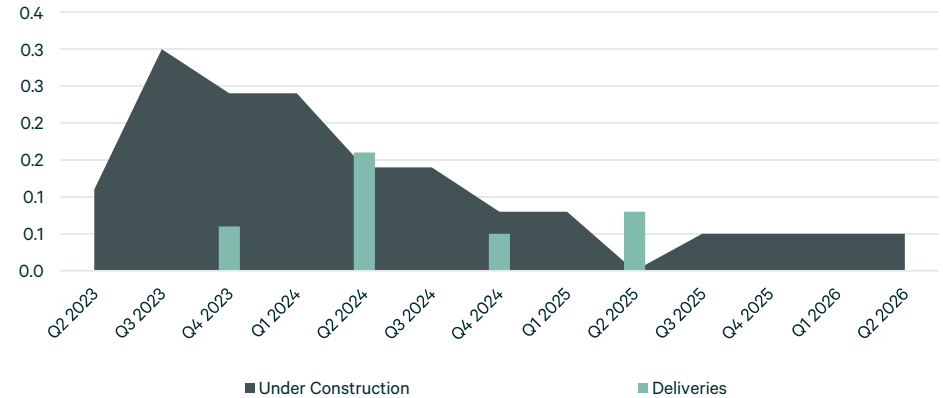
An 85,000 sq. ft. build-to-suit for Ice Miller, in the Bottleworks District downtown, was scheduled to start this year.

Figure 4: Net Absorption Trend  
Class A



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity  
Sq. Ft. Millions



Source: CBRE Research, Q2 2026

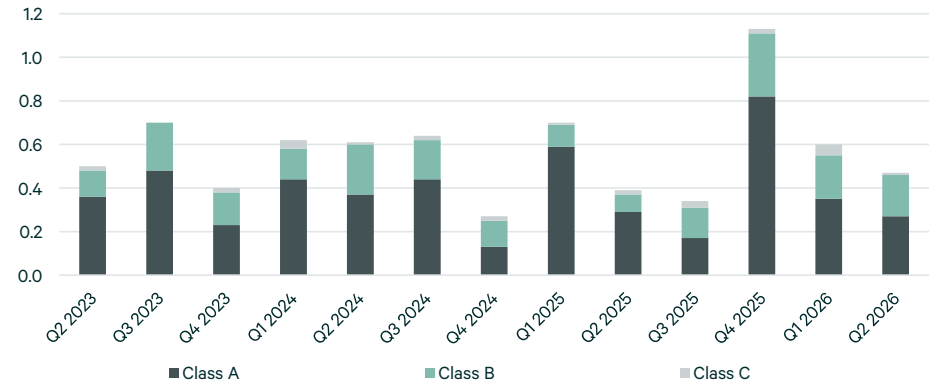
## Leasing Activity

Since Q4 2025, Class A leases, including renewals, increased by 73%. New leases comprised most of the largest leases signed this quarter.

Carmel and Keystone submarkets, with high percent of Class A available space and desirable locations, remained top draws. Koola Logistics' 38,000 sq. ft. lease at Hamilton Crossing VI, Little Star's 33,000 sq. ft. renewal at Hamilton Crossing II, and GDM Seeds' 20,000 sq. ft. lease at Eight Carmel Gateway were all in the Carmel submarket. Keystone's newest top leases included a confidential client taking 28,000 sq. ft. at Lake Pointe Center V and Ambrose Property Group's 20,000 sq. ft. renewal and expansion at The Eights.

Additionally, two of the top leases signed in Q2 were for spaces in Park 100 submarket: Indiana University Health signed a new lease for 27,000 sq. ft at Woodland Corporate Park I. Hoosier Cancer Research Network renewed its lease for 16,000 sq. ft. at Woodland Corporate Park VII.

Figure 6: Leasing Activity Trend  
Class A



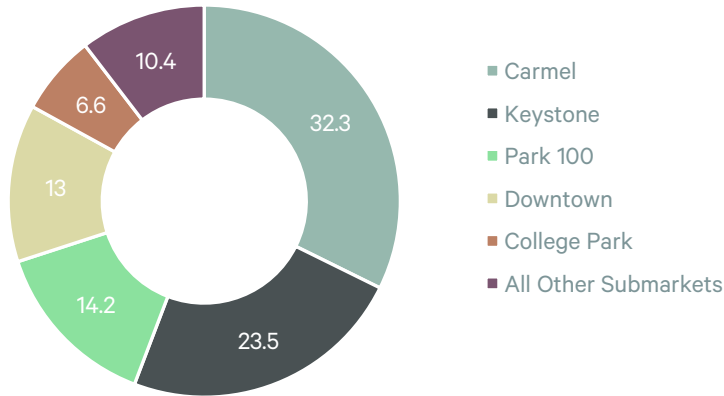
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Koola Logistics	38,000	New Lease	13085 Hamilton Crossing Blvd	Carmel
Little Star Center	33,000	Renewal	12650 Hamilton Crossing Blvd	Carmel
Confidential Client	28,000	New Lease	8415 Allison Pointe Blvd	Keystone
Indiana University Health	27,000	New Lease	7602 Woodland Dr	Park 100
Ambrose Property Group	21,000	Renewal	8888 Keystone Xing	Keystone
GDM Seeds	20,000	New Lease	800 E 96th St	Carmel
FBT Gibbons	16,000	New Lease	111 Monument Cir	Downtown
Hoosier Cancer Research Network	16,000	Renewal	7676 Interactive Way	Park 100

Source: CBRE Research, Q2 2026

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q2 2026

## Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	19.17M	19.8	22.6	20.8	1.8	24.73	264,000	128,000	-	48,000
Class B	13.19M	22.7	24.4	22.4	2.0	19.76	(6,000)	28,000	-	-
Class C	3.63M	10.3	11.0	9.9	1.1	16.99	(7,000)	(19,000)	-	-
<b>Total</b>	<b>35.99M</b>	<b>19.9</b>	<b>22.1</b>	<b>20.3</b>	<b>1.8</b>	<b>22.37</b>	<b>251,000</b>	<b>138,000</b>	<b>-</b>	<b>48,000</b>

Source: CBRE Research, Q2 2026

## Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	11.52M	18.3	21.5	19.9	1.6	24.41	236,000	362,000	-	48,000
Class B	9.50M	20.5	22.3	19.7	2.6	18.55	63,000	82,000	-	-
Class C	3.22M	10.7	11.4	10.2	1.2	17.06	(30,000)	(35,000)	-	-
<b>Total</b>	<b>24.25M</b>	<b>18.1</b>	<b>20.5</b>	<b>18.5</b>	<b>1.9</b>	<b>21.49</b>	<b>269,000</b>	<b>409,000</b>	<b>-</b>	<b>48,000</b>

Source: CBRE Research, Q2 2026

Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	7.65M	22.0	24.2	22.1	2.1	25.21	28,000	(234,000)	-	-
Class B	3.68M	28.1	29.8	29.5	0.4	21.93	(69,000)	(54,000)	-	-
Class C	413,000	7.2	7.5	7.5	-	16.01	22,000	16,000	-	-
<b>Total</b>	<b>11.74M</b>	<b>23.4</b>	<b>25.3</b>	<b>23.9</b>	<b>1.5</b>	<b>23.85</b>	<b>(19,000)</b>	<b>(272,000)</b>	<b>-</b>	<b>-</b>

Source: CBRE Research, Q2 2026

## Market Statistics by Submarket

Figure 12

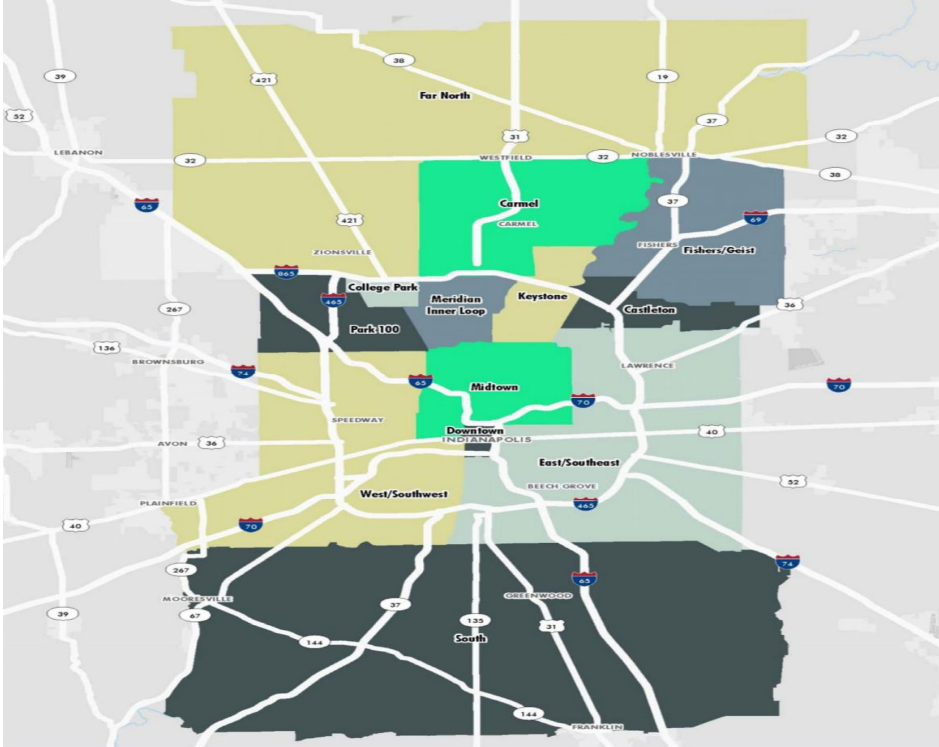
Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Carmel	6.67M	16.7	20.2	17.1	3.1	23.91	24.59	164,000	130,000	-	-
Castleton	2.34M	25.4	26.0	26.0	-	18.36	22.00	15,000	4,000	-	-
College Park	1.52M	21.4	24.3	23.2	1.1	18.48	20.50	23,000	14,000	-	-
Downtown	11.74M	23.4	25.3	23.9	1.5	23.85	25.21	(19,000)	(272,000)	-	-
East/Southeast	606,000	9.1	9.4	7.2	2.1	16.18	-	(25,000)	(32,000)	-	-
Far North	82,000	4.1	6.6	6.6	-	14.00	-	(2,000)	3,000	-	-
Fishers/Geist	2.26M	13.2	15.9	14.6	1.3	23.35	24.54	18,000	57,000	-	48,000
Keystone	4.68M	19.3	20.8	19.5	1.3	25.37	26.06	67,000	106,000	-	-
Meridian Inner Loop	793,000	15.8	17.3	17.3	-	19.61	23.50	(3,000)	(24,000)	-	-
Midtown	1.23M	15.2	20.5	19.2	1.3	17.70	-	-	61,000	-	-
Park 100	2.07M	19.6	20.6	15.3	5.3	19.88	20.38	16,000	73,000	-	-
South	429,000	6.1	7.8	6.1	1.7	17.85	18.95	(7,000)	(4,000)	-	-
West/Southwest	1.56M	23.1	25.3	24.3	1.0	16.57	20.51	3,000	22,000	-	-
<b>Total</b>	<b>35.99M</b>	<b>19.9</b>	<b>22.1</b>	<b>20.3</b>	<b>1.8</b>	<b>22.37</b>	<b>24.73</b>	<b>251,000</b>	<b>138,000</b>	<b>-</b>	<b>48,000</b>

Source: CBRE Research, Q2 2026

## Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue. The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

**Market Area Overview**



**Definitions**

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32' or greater clear height and ESFR sprinklers.

**Survey Criteria**

[Insert survey Criteria here. Contact your manager for specific criteria]

**Contacts**

**Gwen Rodenberger**

Senior Research Analyst  
 +1 7654128161  
 gwen.rodenberger@cbre.com

**Marissa Oberlander**

Research Director  
 +1 3125404686  
 marissa.oberlander@cbre.com