AVISON YOUNG

Westfield Economic Development

Market Analysis | Office | Westfield, IN

Summary of Findings & Recommendations

August 2025

Contents

Project Overview

The goal of this report is to demonstrate how high-quality office space in mixed use environments could be successful in Westfield, IN due to increased demand nationally and locally. The report is broken into five sections:

- **Section 1) Indianapolis growth trends:** This section demonstrates the region's/Westfield's growth against the broader US
- **Section 2) US office trends:** This section highlights what areas of the office market are outperforming the broader market to inform future office development in Westfield, IN
- **Section 3) Hamilton & Southeastern Boone counties office trends:** This section highlights what areas of the office market in Hamilton & Southeastern Boone counties (Westfield, Carmel, Noblesville, Fishers, Zionsville office markets) are outperforming the broader market
- **Section 4) Case studies:** This section highlights recently delivered mixed-use stadium development projects across the US to demonstrate the art of the possible for future stadium-anchored office development in Westfield, IN
- **Section 5) Indianapolis office demand assessment:** The section reviews office demand key performance indicators (job postings and venture capital) to gain a better understanding of regional office demand and inform future business development activity for Westfield Economic Development

Market Analysis Overview

Key Findings

- **There is currently elevated demand for high-quality office space** across the US and within the Indianapolis region. The market is undergoing a significant "flight-to-quality," where newer and amenity-rich office spaces are vastly outperforming older properties;
- **New office supply production is down** due to construction costs and financing hurdles, which is increasing the competitive edge for existing high-quality space;
- **Westfield leads office markets across Hamilton and Southeastern counties in office occupancy**, boasting 0% availability across its modern inventory. Most leases were signed post-2020, indicating recent, sustained demand;
- **Mixed-use developments are driving leasing activity** in both Hamilton and Southeastern counties and national case studies, such environments are achieving high pre-leasing rates and full occupancy;
- **Westfield is poised for growth** with strong demographic expansion. Regional economic development **investment activity reaching $20.5 billion is currently underway**, while the top growing job postings are in white-collar sectors.

Section 1: Indianapolis growth trends

- **Population Growth**: Indianapolis ranks 11th in total population growth among US cities, 8th in percent growth among major U.S. metros from 2019 to 2025, and leads major midwestern markets. Over 20,000 new residents have been added annually since 2019.
- **White-Collar Job Growth**: Indianapolis outpaces larger markets like DC, Miami, and San Francisco in white-collar job postings. The region is also among the top performers for job posting growth from H1 2024 to H1 2025.
- **Robust Sports & Cultural Ecosystem**: A diverse range of professional, collegiate, and national sports organizations are headquartered in the region, while the city of Westfield is home to major organizations such as the Pacers Athletic Center, Grand Park, the Indianapolis Colts Training Camp, and Indy Eleven contributing to the region's regional draw and economic activity.

Section 2: US office trends

Across the country, the office market is undergoing a significant transformation, driven by shifting business needs and employee expectations. The trend is clear: companies are prioritizing modern, high-quality office space—and leaving behind older, outdated buildings.

Since 2020, newer buildings (constructed after 2010) have attracted nearly 100 million square feet of positive leasing activity, while older offices (built before 1990) have lost over 350 million square feet of tenants. This "flight to quality" is reshaping where companies want to be and what they're willing to pay for.

Key takeaways from our national-level data:

- **New vs. Old**: Trophy and recently built offices are outperforming in nearly every metric—occupancy, rent growth, and leasing velocity—while older buildings are seeing rising vacancy and falling demand.
- **Amenities Drive Value**: Tenants are willing to pay more for buildings that offer meaningful perks. Offices with private terraces command a 40% rent premium, while those with fitness centers earn nearly 8% more than those without.

- **Limited New Supply**: Due to rising interest rates and construction costs, new office development has slowed dramatically. Only highly pre-leased projects are breaking ground, with developers in some markets needing 50%+ commitments just to start building.
- **Rent Trends**: Asking rents in top-tier buildings remain strong—especially in high-demand areas like Manhattan and San Francisco—while older properties often rely on generous concessions or deep discounts to stay competitive.
- **Capital and Leasing Activity**: Investors and tenants alike are concentrating their attention on best-in-class buildings. In early 2025, trophy assets accounted for nearly twice their typical share of leasing and sales activity.

In summary, there's a growing divide between modern, experience-driven offices and everything else. Companies want to be in buildings that help attract and retain talent, reflect their brand, and support a flexible, engaging workplace. Older, less adaptable buildings are becoming harder to lease and sell—raising important questions about long-term positioning and reinvestment.

Section 3: Hamilton & Southeastern Boone counties office trends

Office assets delivering between 2020-2025 are fully leased across the Hamilton & Southeastern Boone counties office market. Westfield ranks at the top office markets with 0% availability among its commercial space. Meanwhile office assets located in mixed-use submarkets are also fully leased. Elevated demand coupled with low availability has spurred speculative construction in Fishers at The Union (70,000 sf with an estimated delivery date of Q4 2026).

- **Zero availability in Westfield**: All tracked office properties in Westfield report 0% availability, including:
  - SEP (Tech): 72,000 SF signed in 2022
  - Majestic Care (HQ): 21,461 SF signed in 2020
- **Zero availability in Carmel's Midtown and Arts & Design District**
  - Office assets in this mixed-use submarket are at full occupancy
- **Preleasing Strength**: Recent deliveries were pre-leased at rates of 70%

Section 4: Case studies

This section of the study aimed to demonstrate how sports stadiums have impacted the surrounding submarkets. Truist Park, National Park, and Little Caesars Arena (all developed in new, mixed-use neighborhoods) saw office rents increase by an average of 10.1%, when comparing rents 1-year before/after the stadiums deliveries. Meanwhile, multifamily rents around these stadiums increased by an average of 13.5% during the same time period.

Truist Park | Atlanta Braves | Atlanta, GA

The development of Truist Park and its surrounding mixed-use district, The Battery Atlanta, has reshaped the local office landscape and created a compelling example of how sports-anchored projects can drive long-term commercial growth.

Since the Braves announced the stadium in 2013, the Truist Park micromarket has experienced:

- **Significant new development**: Office inventory has more than doubled since the ballpark's announcement, with the Ballpark Center buildings setting the standard for Class A space in the area.
- **Strong demand for new produc**t: All new office buildings delivered since 2017 in the immediate ballpark area are now 100% leased—a rare feat in today's national office market.
- **Rising rents and market premiums**: Average asking rents in the Truist micromarket have risen by 63% since 2013 and now command a premium over the broader Cumberland/Galleria submarket. While recent rent averages have dipped slightly, this reflects limited available space in the best buildings. As new projects come online, rents are expected to climb again.
- **Older product performance mixed**: Pennant Park, a five-building complex that predates the stadium, has not performed as strongly as the newer Ballpark Center assets, but has shown recent leasing momentum, landing several notable tenants and contributing to the area's continued vibrancy.

The success of the Truist Park area demonstrates how a thoughtfully designed sports and entertainment district can do more than draw fans—it can become a year-round destination that strengthens the surrounding office, retail, residential, and hospitality markets. In a challenging national office environment, this micromarket stands out for its ability to attract tenants, justify new development, and deliver long-term value.

Nationals Park | Washington Nationals | Washington, DC

The development of Nationals Park and the surrounding neighborhood, Navy Yard, reshaped the local DC office market upon delivery. The neighborhood transformed from a government-centric submarket into a vibrant mixed-use district.

- **Significant new development**: Office inventory increased by 2.0 msf (151.2% increase) while the multifamily inventory increased by 11.7 msf.
- **Strong demand for new produc**t: Class A rents grew by an average year-over-year change of 4.3% between 2006-201912.9% All new office buildings delivered since 2017 in the immediate ballpark area are now 100% leased—a rare feat in today's national office market.
- **Rising sale pricing**: Following the delivery, sales price growth for office increased by 38.3% between 2006 and 2025 (an average year-over-year increase of 2.0%).

Section 5: Indianapolis office demand assessment

- **Job Posting Momentum**: In Indianapolis, tech and engineering-related job postings grew 100% and 25.3%, respectively, over the last 24 months.
- **Leading Employers**: Accenture and Bone-Dry Roofing are leading employers in tech and AEC (architecture, engineering, construction) sectors.
- **Venture Capital Activity**: There has been steady VC investment in Indianapolis since 2020, fueling startup growth and demand for flexible, high-quality office space.
    - Biotech and life science companies comprise 50.4% of VC activity since 2020 while tech companies have accounted for 35.2% of funding during the same time period.
- **Westfield-Specific Demand:**
    - Job Composition: 60% of office job postings are from finance, banking, and real estate firms—sectors known for preferring premium office environments.
    - Top companies posting for new positions: Carrington and Abbott Laboratories lead for job posting volume in Westfield so far in 2025.

Recommendations

- High-quality, mixed-use office assets are in high demand and should be targeted for future development
    - While the surrounding submarket is a major driver for office demand, the building's amenities and structure are just as relevant:
        - Across gateway markets, buildings with fitness centers command a 7.8% premium in asking rents compared to those without;
        - But more notably are private terraces, which are associated with a 40.7% premium over buildings lacking that feature. This offers an opportunity to build private terraces facing the future stadium development.
    - Future office development in Westfield should potentially include buildings smaller in height, 4-5 stories tall, with 10,000-12,000 sf floor plates:
        - Smaller floor plates enable office tenants to become efficient with their office space and will require just two 10,000-12,000 sf leases to achieve a 30-40% preleasing at the project
- Build off of existing strengths in the region and within Westfield to target future office tenants:
    - Downtown Westfield bolsters strong office-centric amenities, walkability, access to trails, and has seen a significant amount of investment. As a result, areas walkable to downtown present a short-term opportunity to develop and deliver mixed-use office assets.
    - There are currently two office redevelopment projects expected to be approved by year-end in Carmel while office tenants from downtown Indianapolis are beginning to search for office space in the Hamilton & Southeast Boone counties. As a result, Westfield should aim to keep pace with competing office markets by ensuring timely approval of new office developments in Westfield in the short-term (without sacrificing quality) to take advantage of increase demand and the currently limited available office supply.
    - Grand Park has achieved its first home run with a sports-oriented tenant, Ed Carpenter Racing; however, the area will need additional amenities to attract other office users.
    - Not only will Indianapolis' sports depth be an important driver of future office demand in Westfield, but it will also be important to consider regional economic development activity among nearby industrial developments/investments which could present an opportunity to capture spin-off office demand from these projects.

Contact details

Inquiries

Grant Hayes
U.S. Lead | Client Data Solutions | Market Intelligence
grant.hayes@avisonyoung.com

Sean Boyd
Senior Analyst | U.S. Office | Market Intelligence
sean.boyd@avisonyoung.com

Anthony Zoccola
Analyst | U.S. Office | Market Intelligence
sean.boyd@avisonyoung.com

Visit us online
avisonyoung.com