

Market Trends Analysis 2023

John M. Thistlethwaite Interests, LLC



Build-to-Rent single family housing arrives at Dupont Meadows in Fort Wayne. Rental houses range in price from \$1,638 per month to \$2,364 per month for a 4-bedroom house

Allen County, Indiana Continues to Avoid Value Disasters in the Commercial and Industrial Real Estate Sectors Since the Pandemic

Fort Wayne, Indiana
Real Estate Marketplace
29th Annual Reporting

John M. Thistlethwaite Interests, LLC

Greetings:

There appears to be a shortage of housing for Allen County residents currently; and the houses which have been built are mostly within the Fort Wayne city limits for the first time in 50 years. But just wait. That will change.

The health of the housing industry affects all of the sectors of real estate such as office, industrial, apartments and retail uses. Currently, about a month's supply of housing inventory is present in Allen County. Closed house sales were down 27.8% in the month of December 2022 but only 7.4% for the twelve months ending in December 2022. New listings in Allen County for December 2022 were down 26.0% in December but 3.9% for the year.

Inflation hits hard at 13% when viewing the Median Sales Price of \$222,950 in comparison with December 2021. The May 2023 value was \$232,000.

2022 Single family residential subdivision lot development growth has reacted to the shortage for housing and is challenging that trend with the recording of 35 secondary development plats with a 24 year record of 1,296 platted lots on 747 acres in Allen County. The next highest year was 1,675 lots platted in 1999.

The new house permits in Allen County outside of the city limits in the initial 6 months of 2022 dropped 55% while the City of Fort Wayne issued 120% of the prior year's 6 months period. The City of Fort Wayne reports 380 new house permits being issued in 2022 (vs 172 in 2021) and already issuing 422 new house permits in the 6 months of 2023. Allen County (outside of the city) issued 278 permits in the initial 6 months of 2023 compared to 618 permits in the first ½ of 2022.

The retail, industrial, office and multifamily markets remain strong when comparing the 2022 activities with prior years. We are still eyeing the activities of retail space users. Uncertainty remains for the retail sector.

The major concern in real estate forecasting relates to the estimated 60% unused office space in the nation. At the end of March, a record 963 million sq. ft. of office space was unoccupied in America. Not every office tenant is ready to downsize or move—as this decision is more focused on the business operation and its need for office space, if only for 2 or 3 days per week. Local surveyed absorption of 629,000 sq. ft. is reported by The Zacher Co. for office space in Allen County and a 10.95% vacancy rate.

Constant amazement focuses on the 2.91 percent industrial vacancy in Northeast Indiana as reported in The Zacher Co. industrial survey.

In comparison with other US cities, we find Fort Wayne and Allen County are in a minimal-effect operation following the pandemic. The 2023 year is showing great strength in all sectors of the real property marketplace. This strength may not last, but it is present today.

The local real estate sectors continue to experience higher occupancies. Surveys from The Zacher Company, Upstate Alliance of Realtors®, Allen County Building Department, Cushman & Wakefield and Costar Realty Information, Inc. reveal the following vacancy levels:

Office Vacancy	10.95%	The Zacher Co.
Industrial Vacancy	2.91%	The Zacher Co.
Retail Vacancy	10.8%	The Zacher Co.
Multi-family Vacancy	3.2%	Cushman & Wakefield
Existing Home Inventory	1.1 months	UPSTATE Alliance of REALTORS®
New House Building Permits	1,339	Allen County Building Department
Residential Lots Platted	1,296	Allen County Recorder’s Office



2023 TOP TEN ISSUES AFFECTING REAL ESTATE®

The Counselors of Real Estate®

The Counselors of Real Estate has identified the current and emerging issues expected to have the most significant impact on all sectors of real estate—each determined through polling, discussion, and debate among the broad Counselors’ membership. As the commercial real estate industry faces an unprecedented era of uncertainty, the influence of inflation and interest rates is the leading concern this year of the 1,000-member organization. Geopolitical risk and the implications of hybrid work round out the top three.

Now in its 11th year, and with many of the issues interrelated, the 2022-23 Top Ten Issues Affecting Real Estate can be grouped into three general categories: Economy & Markets, Government & Regulatory, and Change & Risk Management. Historically, the compilation has reflected several recurring themes that have become constants over the last decade, including infrastructure, macroeconomics, demographic trends, housing, technology and, more recently, sustainability, logistics, and the global pandemic. The goal this year is to identify the Top Ten Issues, how they have evolved, and what their subsequent impact is on commercial real estate’s various professional disciplines.

2023 TOP TEN ISSUES AFFECTING REAL ESTATE®
The Counselors of Real Estate®

- 1. Inflation and Interest Rates** (Icon: Inflation)
- 2. Geopolitical Risk** (Icon: Chess pieces)
- 3. Hybrid Work** (Icon: Hybrid working)
- 4. Supply Chain Disruption** (Icon: Warehouse)
- 5. Energy** (Icon: Wind turbines)
- 6. Labor Shortage Strain** (Icon: Help wanted sign)
- 7. The Great Housing Imbalance** (Icon: House)
- 8. Regulatory Uncertainty** (Icon: Regulatory signs)
- 9. Cybersecurity Interruptions** (Icon: Server room)
- 10. ESG Requirements Forcing Change** (Icon: ESG logo)

1. Inflation and Interest Rates: Some Clarity To Mixed Macroeconomic Signals

As of this writing, macroeconomic signals are decidedly mixed. On the downside is ongoing equity market volatility, given these markets are (imperfectly) forward-looking. On the upside, according to IHS Market's monthly GDP indicator, April's GDP increase more than offset March's decline, which itself was revised upward slightly. Moreover, the 10-year minus 3-month Treasury yield curve remains has been well above 100 bps and sits close to its 30-year average.

2. Geopolitical Risk: Political, Capital Markets and Real Estate Uncertainty

"Continued geopolitical uncertainty provides significant headwinds to the economy. The longer it takes to moderate, the greater the negative implications for real estate."

3. Hybrid Work and the "Great Decentralization": A Correction Towards Resiliency?

"Current decentralization pressures and the potential for property devaluation are sure to keep the entire financial sector on guard during the evolution of the next few years."

4. Supply Chain Disruption

"Impacting nearly every aspect of real estate, delays will continue to raise costs and cause realignment in supply chain strategies and warehousing."

5. Energy: Sustainability, Affordability & Availability

"Some of the practical consequences of what building owners and business owners are facing and need to consider in their business continuity and resiliency planning include rising insurance costs and increased investment in on-site energy resilience."

6. Labor Shortage Strain: Where Have All the Workers Gone?

“The implications for property markets are mostly indirect but potentially significant. Occupiers will lease less space if they lack the workers to run their businesses.”

7. The Great Housing Imbalance

“Markets that have not been able to provide lower-cost housing have experienced ongoing out-migration and risk stressing infrastructure capacity as renters are driven further out to the exurbs.”

8. Regulatory Uncertainty

“The emerging conflict between state preemptive legislation and local control over land use, and the litigation that has emerged from these conflicts, will create additional regulatory uncertainty for some time to come.”

9. Cybersecurity Interruptions

“This is not a so-called smart building or Internet of Things problem, which continues to stack up risks, but rather a 40-year build-up as our main systems require computers, networks, and Internet connections.”

10. ESG Requirements Forcing Change

“These requirements are also instigating much innovation in the design, development, and construction of new buildings as well as renovation of existing stock with long lifespans ahead of them.”

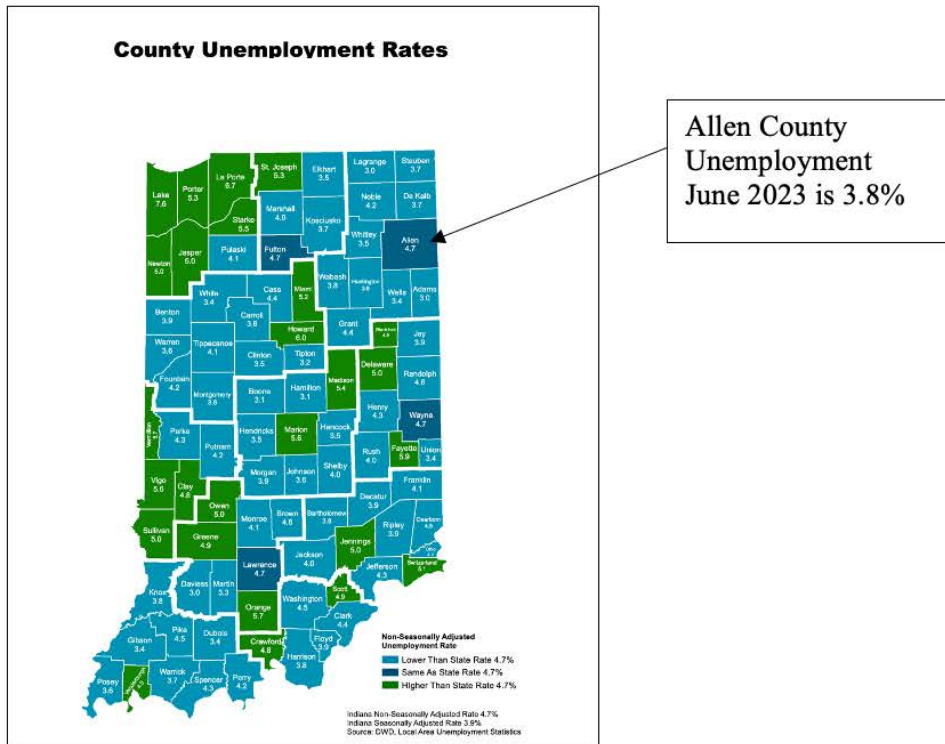
(ESG is Environmental, Social & Governance)

Top Employers in Fort Wayne and Allen County

COMPANY	EMPLOYEES	COMPANY	EMPLOYEES
Parkview Health (HQ)	8,970	Kelley Automotive Group	550
General Motors	4,320	Trelleborg AB	506
Lutheran Health Network	4,075	MedPro Group (HQ)	500
Sweetwater Sound (HQ)	2,011	Do It Best Corp. (HQ)	471
Lincoln Financial Group	1,954	Dreyer's Grand Ice Cream	434
Amazon	1,500	Raytheon	430
BFGoodrich	1,500	Sabert	400
Shambaugh & Son (HQ)	1,302	SIRVA	399
Fort Wayne Metals (HQ)	1,086	Essex Furukawa	394
Master Spas (HQ)	1,040	Indiana Michigan Power	393
Dana Corp.	960	Lutheran Life Villages	364
Steel Dynamics Inc. (HQ)	950	Brunswick Corporation	357
BAE Systems	914	3Rivers Federal Credit Union (HQ)	350
Frontier Communications	652	Ortho NorthEast (HQ)	340
Easterseals Arc of NE Indiana (HQ)	650	Ruoff Mortgage (HQ)	315
Vera Bradley (HQ)	611	Franklin Electric (HQ)	300
L3Harris Technologies	600	Norfolk Southern Corp.	300
Brotherhood Mutual (HQ)	570	STAR Financial Group (HQ)	300

List includes private-sector employers only, listed by full-time equivalents.

Information based on GFW Inc. research from July 2021, supplemented by data from Purdue University Fort Wayne's Community Research Institute.



Highlights of 2023 Real Estate Development In the Urban Core of Fort Wayne



Brought to life on 39 acres is the Electric Works renovation. Open for business.



Phase II with 280 rental units and 1,100 space parking garage



The newest construction addition to the urban core is The Pearl mixed-use project on Main Street. This Sweetwater Enterprise development is a \$50 million seven story building with more than 35,000 sq. ft. of ground-floor commercial and event space, 92 parking spaces for residents in the building and five live/work units and 76 units on the upper floors.



STAR Financial Bank is moving its headquarters to a new \$43 million building featuring a 7-story, 50,000 square foot north tower, 3-story, 20,000 square foot south tower, and a 387-space public parking garage.

The development will house STAR Bank, a future Ash event venue, and Just CM – an investing partner in the project. The City of Fort Wayne will be an invested partner in the public parking garage.



The Riverfront at Promenade Park is a mixed-use project that builds off the momentum of the City of Fort Wayne's riverfront development. This development provides nearly 230 residential apartments, a 900 car parking garage, office and retail space along the St. Mary's River-directly across the street from the city's newest riverfront park, Promenade Park.



Lofts at Headwaters Park is a mixed-use development to be located at Clinton and Superior Streets proposed with 232 apartment units, parking garage and commercial space.



Finishing work on construction of downtown's "The Landing" renovation area. Apartments are completed and being leased. All street level retail areas are leased. Developers propose another \$10.9 million project that includes 21,325 sq. ft. of commercial space and 21 mixed income housing units.



Promenade Park Has Opened. A \$20 Million Riverfront Development in Downtown Fort Wayne



Trine University plans to open a \$40 million building at Parkview Regional Medical Center for programs related to physical therapy, physician assistant and surgical technology.



The new Allen County Jail is to be located at 2911 Meyer Road on a 142 Acre site. Housing for 1,100 inmates is planned.

ALLEN COUNTY HOUSE SALES ACTIVITY
As Reported by Upstate Alliance of REALTORS®
Multiple Listing Service, Inc.
2002-2023

	<u>#Properties Sold</u>	<u>Median Sale Price</u>	<u>Total Dollar Volume</u>	<u>Average Days On The Market</u>	<u>Year End Inventory</u>
2002	4,626	\$ 97,000	\$534,353,178	43	\$257,773,678
2003	5,184	\$ 97,000	\$558,365,996	83	\$288,073,254
2005	5,525	\$105,000	\$673,338,465	88	\$372,668,209
2007	5,001	\$103,000	\$594,302,822	98	\$342,267,406
2008	4,439	\$ 97,000	\$494,059,050	112	\$347,287,000
2009	4,555	\$ 98,000	\$513,282,433	109	\$309,078,002
2010	4,192	\$104,000	\$504,138,660	<u>Months Supply</u>	\$283,216,290
2011	4,045	\$103,900	\$493,552,420	5.6	\$255,889,566
2012	4,492	\$110,000	\$494,120,000	4.4	\$195,500,000
2014	5,080	\$115,000	\$584,200,000	3.9	\$255,920,920
2015	5,558	\$120,000	\$658,080,000	2.8	\$153,552,000
2016	5,872	\$129,900	\$762,772,800	2.0	\$127,128,799
2017	5,908	\$136,500	\$806,442,000	1.6	\$ 99,459,606
2018	5,977	\$147,500	\$869,512,350	1.5	\$117,437,950
2019	5,941	\$160,500	\$953,530,500	1.4	\$112,510,500
2020	6,414	\$174,900	\$1,122,450,000	0.6	\$ 52,272,000
2021	6,101	\$196,000	\$1,195,796,000	0.7	\$ 65,992,500
2022	5,673	\$229,950	\$1,264,795,350	1.1	\$115,939,573

January to June
6 Month Year-to-Date Comparisons for 2005-2023

2005	2,670	\$104,900	\$316,718,244	93	
2007	2,569	\$102,000	\$298,923,764	104	
2008	2,190	\$100,000	\$249,936,116	115	
2009	1,949	\$100,000	\$215,381,721	118	
2010	2,381	\$103,000	\$279,217,336	108	
2011	1,875	\$103,500	\$225,325,148	<u>Month's Supply</u>	\$372,795,000
2012	2,148	\$107,500	\$207,801,553	6.5	\$327,021,118
2014	2,363	\$110,000	\$259,930,000	4.7	\$211,484,000
2015	2,563	\$118,000	\$302,434,000	3.5	\$180,550,000
2016	2,847	\$128,250	\$365,127,750	2.1	\$102,423,000
2017	2,861	\$133,300	\$381,371,300	2.2	\$110,177,200
2018	2,749	\$133,900	\$368,091,100	1.9	\$109,628,750
2019	2,668	\$160,000	\$426,880,000	1.5	\$100,640,000
2020	2,727	\$159,000	\$433,593,000	1.0	\$ 75,265,700
2021	3,212	\$190,000	\$514,520,000	0.5	\$ 21,454,166
2022	2,732	\$220,000	\$601,040,000	0.9	\$ 98,918,750
2023	2,179 (5 mos)	\$232,000	\$505,528,000	1.2	\$ 121,326,720



Source: The Upstate Alliance of REALTORS® Multiple Listing Service Inc.

Upstate Alliance of REALTORS®, which covers a primary territory that includes Allen, Whitley, Huntington, Adams, Wells, DeKalb and Noble counties, recorded 5,673 Allen County closed sales in 2022 compared to 6,101 sales in 2021 and 6,448 closed sales in 2020. The median sale price of the homes sold rose to \$222,950 which is up 6.4% as compared to 19.0% percent in 2021.

**Residential Subdivision Development
Listed by Number of Developments, Number Of Lots
and Number of Acres Platted Allen County, Indiana
1998-2023**

<u>Year</u>	<u># Developments</u>	<u># Lots</u>	<u># Acres</u>
1998	44	1,608	797
1999	46	1,675	921
2006	26	1,218	526
2007	17	443	314
2008	3	132	58
2011	9	298	150
2012	10	344	166
2013	20	551	277
2014	23	789	351
2015	6	109	82
2016	28	644	343
2017	43	1,015	510
2018	27	838	420 estimated
2019	22	1,069	402
2020	28	856	423
2021	30	892	478
2022	35	1,296	747

**January to June
6 Month Year-to-Date Comparisons for 2006 to 2023**

2018 (6 mos.)	6	158	67
2019 (6 mos.)	2	83	65
2020 (9 mos.)	12	368	152
2021 (9 mos.)	19	596	332
2022 (6 mos.)	11	329	167
2023 (6 mos.)	8	312	177

*Source: Allen County Department of Planning Services
and the Allen County Recorder's Office*

Trends in Housing 2023:

A shortage of housing caused more permits to be issued within the city limits of Fort Wayne than the outlying county area. This caused a record filing of subdivision plats in 2022. The single family lots demand was recognized and is being filled.

Retail Space Vacancy Estimates Fort Wayne Area 2016-2023

2023 Overall Market Vacancy: 10.80%
2023 Total Sq.Ft. in Marketplace Surveyed: 14,381,000

2022 Overall Market Vacancy: 10.90%
2022 Total Sq.Ft. in Marketplace Surveyed: 14,272,088

2021 Overall Market Vacancy: 12.40%
2021 Total Sq.Ft. in Marketplace Surveyed: 14,029,000

2020 Overall Market Vacancy: 13.1%
2020 Total Sq.Ft. in Marketplace Surveyed: 13,981,000

2019 Overall Market Vacancy: 12.0%
2019 Total Sq.Ft. in Marketplace Surveyed: 13,962,645

2018 Overall Market Vacancy: 11.1%
2018 Total Sq.Ft. in Marketplace Surveyed: 14,007,541

North/West Quadrant

South/East Quadrant

<u>North/West Quadrant</u>								<u>South/East Quadrant</u>							
CBRE				Zacher Co.				CBRE				Zacher Co.			
<u>2008</u>	<u>2009</u>	<u>2012</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2008</u>	<u>2009</u>	<u>2012</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
17.3%	16.8%	9.70%	3.9%	3.1%	5.2%	4.8%	4.0%	15.3%	24.1%	28.0%	29.9%	15.0%	16.2%	12.2%	11.4%

North/East Quadrant

South/West Quadrant

<u>North/East Quadrant</u>								<u>South/West Quadrant</u>							
CBRE				Zacher Co.				CBRE				Zacher Co.			
<u>2008</u>	<u>2009</u>	<u>2012</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2008</u>	<u>2009</u>	<u>2012</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
12.5%	15.1%	22.0%	12.5%	17.6%	13.7%	12.4%	13.3%	10.5%	13.9%	10.7%	8.9%	8.7%	15.1%	10.6%	6.6%

Sources: 2008-2010 by CBRE Sturges and 2011-2023 by The Zacher Co.

Trends in Retail Properties 2023:

A surprising minimal vacancy rate of 10.8% surveyed for 2023. Small storefront spaces seem to experience the highest turnover. A bump in the available employee base would be a great help for this sector.

Multifamily Residential Occupancy Estimates Allocated by Units and Occupancy Percentage Fort Wayne Market Area

	<u>ALL UNITS</u>		<u>CONVENTIONAL</u>		<u>SUBSIDIZED UNITS</u>	
	<u>Total Units</u>	<u>%Occupancy Reported</u>	<u>Total Units</u>	<u>%Occupancy Reported</u>	<u>Total Units</u>	<u>% Occupancy Reported</u>
March 1991	9,160	90.53%				
February 1992	5,765	83.9%				
Sept 1998	20,038	97.70%				
December 2000	18,776	89.31%	15,484	88.03%	3,292	95.41%
March 2003	16,899	89.44%	14,175	88.04%	2,724	96.81%
June 2004	16,971	88.78%	14,513	87.98%	2,458	93.57%
March 2005	18,338	87.47%	15,591	86.43%	2,747	93.45%
March 2007	18,183	91.76%	15,194	91.41%	2,989	95.16%
December 2008	15,189	91.12%	13,739	90.63%	1,450	95.79%
April 2009	13,700	91.97%	12,604	91.64%	1,096	95.89%
June 2009	14,315	89.13%	13,097	88.41%	1,218	96.88%
April 2010	15,011	94.12%	13,807	90.32%	1,204	97.84%

Source: Apartment Association of Fort Wayne and Northeastern Indiana

2011	17,479	91.2%
2012	17,336	92.4%
2013	17,086	93.7%
2014	17,408	93.2%
2015	17,953	95.7%
2016	17,953	95.7%
2017	18,176	95.2%
2018	18,758	95.5%
2019	21,616	93.9%
2020	19,224	97.1%
2021	19,311	96.5% (November 2021)

*Source: Tikijan Associates- Multihousing Investment Advisors/2019 by Costar
and 2021 Cushman & Wakefield*

*40.4% of the mix is the One Bedroom/one bath unit with an average rental of \$846/mo.
16.5% of the mix is the Two Bedroom/one bath unit with an average rental of \$928/mo
24.3% of the mix is the Two Bedroom/two bath unit with an average rental of \$1,266/mo*

Trends in Multifamily Properties 2023:

30 years of near full occupancy continues. It seems student loan balances are keeping the house formation numbers lower than should be expected. Continued high occupancy is expected in the multi-family sector.

Northeast Indiana Industrial Space Inventory and Vacancy Estimates 2014-2023

	<u>2014</u>	<u>2015</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Space Inventoried sq.ft. in Regional Industrial Survey	98,340,965	101,768,463	110,681,000	113,368,000	115,680,859	117,347,000
Estimate of Vacant Space sq.ft.	5,837,314	6,632,721	4,796,000	4,083,000	4,448,510	3,418,000
Vacancy Rate	5.82%	5.25	4.32%	3.60%	3.85%	2.91

Net absorption in 2021 was 2,697,000 sq. ft. The total vacant area was 3,418,000 sq. ft.
 Net absorption in 2021 was 1,946,619 sq. ft. The total vacant area was 4,448,510 sq. ft.
 Net absorption in 2020 was 3,401,000 sq. ft. The total vacant area was 4,083,000 sq. ft.

Source: The Zacher Company

Northeast Indiana Industrial Development and Retention Trends by Number of New Projects, Expanded Projects Monetary Investment and Influence on Jobs 1993-2023

<u>Year</u>	<u># Projects</u>	<u>New/Expansions</u>	<u>\$ Invested</u>	<u>#New Jobs</u>	<u>Jobs Lost Due To Plant Closing/Downsizing</u>
2010	126	126	\$320,800,000	4,533	1,413
2011	157	18/139	\$870,000,000	4,747	933
2012	127	10/117	\$524,000,000	3,000	548
2013	130	11/119	\$506,000,000	3,204	496
2016			\$429,000,000		
2017	28		\$242,000,000	1,838	
2018	33		\$336,000,000	2,445	
2019	113		\$691,000,000	3,263	
2020	20		\$169,000,000	1,850	
2021	27		\$498,000,000	2,600	
2022	21		\$589,000,000	1,300	

Source: Community Research Institute, Northeast Regional Partnership, Greater Fort Wayne Annual Report

Trends in Industrial Properties 2023:

The strongest sector of the real estate market locally is the industrial demand ---for new properties and over 100,000 sq. ft. in size. Lack of materials and construction labor were limiting factors in 2021 and 2022.

Office Space In Fort Wayne, Indiana
2013-2022

	<u>2018</u>	<u>2020</u>	<u>2021</u>	<u>2022(thru September 2022)</u>
Inventory	12,878,551	13,206,000	13,349,000	14,316,000
Vacant Space	1,392,755	1,334,000	1,230,000	1,568,000
Vacancy Rate	10.8%	10.12%	9.21%	10.95%
		2018 Net Absorption	335,442 sq.ft.	
		2019 Net Absorption	320,729 sq.ft.	
		2020 Net Absorption	65,735 sq.ft.	
		2021 Net Absorption	247,000 sq. ft.	
		2022 Net Absorption	629,000 sq. ft.	

Vacancy Percentage by Area of Fort Wayne

Downtown	6.89%	8.39%	9.30%	10.93%
Northeast	18.05%	13.07%	10.56%	13.08%
Northwest	17.07%	10.30%	9.07%	6.20%
Southeast	11.37%	8.86%	7.19%	4.43%
Southwest	8.86%	7.53%	8.61%	16.33%

Source: 2013-2022 Fort Wayne, Indiana Office Market Survey by the Zacher Co.

Trends in Office Properties 2023:

Post pandemic office users are still determining their need for office space and have not fled the buildings as expected. No evidence of dramatic shifts yet in the Allen County marketplace.

Building Permits Listed By Category Allen County and City of Fort Wayne 1998-2023

Allen County	Single Family Residential		Commercial	
	# Permits	Estimated Cost	# Permits	Estimated Cost
1998	1,732	\$274,206,059	64	\$ 45,923,030
1999	1,817	\$302,796,145	59	\$ 57,125,848
2009	371	\$ 70,274,012*	15	\$758,567,818
2010	584	\$110,206,011	20	\$ 16,059,660
2014	681	\$166,288,444	20	\$ 29,758,808
2015	807	\$195,725,641	20	\$ 36,609,415
2016	863	\$219,414,921	21	\$109,333,248
2017	832	\$218,015,514	33	\$ 75,665,824
2018	991	\$274,518,012	30	\$ 68,273,325
2019	1,020	\$282,611,391	27	\$ 74,251,232
2020	1,084	\$304,289,382	105	\$ 87,556,022
2021	1,446	\$459,980,395	21	\$238,260,049
2022	959	\$398,371,747	33	\$ 52,381,258
2019 (6 mos)	327	\$86,074,380	16	\$37,957,093
2020 (6 mos)	319	\$90,170,297	33	\$10,490,222
2021 (5 mos)	658	\$198,186,883	8	\$207,100,000
2022 (6 mos)	618	\$223,526,511	15	\$ 30,492,728
2023 (6 mos)	278	\$86,262,092	6	\$ 27,227,858
City of Fort Wayne				
1998	188	\$20,656,079	50	\$ 27,290,188
1999	159	\$18,679,009	57	\$ 55,049,104
2009	92	\$14,291,629*	28	\$ 29,748,727
2010	78	\$12,132,505	32	\$ 24,692,336
2014	65	\$14,142,607	31	\$ 72,638,602
2015	66	\$14,645,013	51	\$ 67,987,347
2016	69	\$14,413,700	41	\$ 63,523,417
2017	190	\$41,856,216	45	\$111,568,936
2018	166	\$33,444,167	70	\$156,791,086
2019	260	\$54,733,162	70	\$365,005,306
2020	224	\$52,411,065	47	\$ 76,201,734
2021	172	\$43,407,531	45	\$234,679,066
2022	380	\$93,611,567	40	\$ 82,411,458
2015 (6 mos)	32	\$ 7,013,293	23	\$ 37,906,782
2017 (6 mos)	52	\$ 11,783,406	19	\$ 85,356,836
2019 (6 mos)	141	\$ 27,059,614	24	\$ 122,512,883
2020 (6 mos)	77	\$ 16,147,086	26	\$ 42,124,400
2021 (5 mos)	70	\$ 15,216,991	25	\$ 183,195,631
2022 (6 mos)	99	\$ 28,028,951	20	\$ 44,570,598
2023 (6 mos)	422	\$105,544,627	37	\$ 170,110,574

Source: Homebuilders Association of Fort Wayne 1998-2021
Allen County Building Department 2022-2023

Concluding Remarks:

Personally, I have not seen this low amount of activity in the real estate marketplace in the 50 years of being an analyst in study of it. By now, tenants and users of buildings have made their decisions to either use, downsize or vacate the spaces they currently occupy---however, we have not seen the results of these decisions yet. But, they are coming & I would expect the local marketplace to be “unshocked” by most of the adjustments. Larger cities can expect to experience anything but improved conditions however, due to the over-supply in virtually every sector of the industry.

The economy is not good anywhere. Inflation is high. Interest rates are rising. A recession looms and the use of office, retail, office, apartments, houses and hotels will be different from before. Three items for building owners to remember include the identified expenses to come into the office or downtown for work or enjoyment; the safety issues that are present anywhere away from home; and the cleanliness of business properties---be it a restaurant, office, retail shop or industrial workplace. The properties without these three advantages will certainly see reductions in their sale prices.

The continuing survey results by The Zacher Co., Upstate Alliance of REALTORS®, Counselors of Real Estate®, Greater Fort Wayne, Cushman and Wakefield and Costar Realty Information, Inc. and the Allen County Building Department as well as public records contribute reliability to these market observations. We are appreciative of these accurate annual efforts by each.



Disclaimer:

It is our intention to provide accurate information regarding the subject matter discussed in this Market Trends Analysis reporting. It is distributed to clients with the understanding this report is based on the opinion of John M. Thistlethwaite Interests, LLC and is not to be considered as rendering legal, accounting, appraisal, counseling or investment advice or services.

John M. Thistlethwaite Interests, LLC

Market Studies and Valuations Performed in More Than 350 Cities and 37 States Nationwide

John M. Thistlethwaite, President

435 East Berry Street Suite 1 • Fort Wayne, IN • 46802

Telephone (260) 426.7134 Email: john@thistlethwaite.com

Web Site: www.thistlethwaite.com

Market Trends Analysis 2023
John M. Thistlethwaite Interests, LLC