

# Downtown Indianapolis Hotel Market: Demand Drivers and Development Opportunities

September 8, 2025 / By Nico Cooper , Sam Wespiser , Brian Arevalo



## A Market in Motion

The hotel demand landscape of Downtown Indianapolis is evolving rapidly, driven by major developments, a packed events calendar, and growing business activity downtown. With several large-scale development projects underway in a variety of sectors, the city is creating exciting opportunities for hotel owners, developers, and investors.

Indianapolis is entering a new era of growth, marked by a wave of transformative development, institutional investment, and a steady resurgence in leisure and business travel. Downtown is evolving rapidly, fueled by major infrastructure upgrades and high-profile projects that are reshaping the city's competitive position in the Midwest. For hotel owners, operators, and developers, the combination of a strong event calendar, corporate relocations, and destination enhancements illustrates the market's long-term strength and investment opportunities.



## Key Developments Shaping Demand

### Indiana Convention Center Expansion & Signia by Hilton

The \$781-million **Indiana Convention Center** expansion, currently under construction and slated for completion by mid-year 2026, will add 143,500 square feet of event space, including a 50,000-square-foot ballroom, along with an 800-room **Signia by Hilton**. With over 5,500 hotel rooms to be directly linked to the convention center via skywalk upon completion, Indianapolis will be among the most walkable convention cities in the country. City officials project that this expansion will attract \$232 million in new events and will support the creation of nearly 2,900 jobs. The added capacity will allow Indianapolis to host multiple citywide events simultaneously, significantly boosting compression across the downtown hotel market.

### IU Health Downtown Medical Campus

**Indiana University Health** is developing a \$4.3-billion downtown medical campus, which is one of the largest healthcare investments in state history. The project will consolidate Methodist and University hospitals into a new 864-bed, three-tower facility expected to open in 2027, with an adjacent 326,000-square-foot medical education and research building opening by late 2025. Located in the emerging **Indy Health District**, the campus is expected to generate steady weekday hotel demand for extended-stay and midscale hotels from visitors such as medical professionals, faculty, patients, and families.

## Summary

The hotel demand landscape of Downtown Indianapolis is evolving rapidly, driven by major developments, a packed events calendar, and growing business activity downtown. With several large-scale development projects underway in a variety of sectors, the city is creating exciting opportunities for hotel owners, developers, and investors.

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## Eleven Park & Sports-Led Tourism Strategy

Although **construction of the \$1-billion Eleven Park development has been paused** due to the discovery of human remains at the construction site, the City and developer remain committed to the broader vision. Plans for a professional soccer stadium, youth sports fields, residential units, and retail space remain a priority for the City, though timelines and site details are still under review.

This project highlights Indianapolis's deep commitment to sports tourism. The city is already home to several premier venues, such as **Lucas Oil Stadium**, **Gainbridge Fieldhouse**, and the **Indianapolis Motor Speedway**. The market also hosts a wide range of high-traffic events, including the **Indy 500**, **NFL Combine**, **Big Ten Tournaments**, and **WNBA All-Star games**. The city's long-standing ties to the **NCAA** and position as home of the **Big Ten Football Championship** reinforce a robust year-round sports calendar that bolsters hotel demand.

## Circle Centre Mall Redevelopment

**Hendricks Commercial Properties** is leading a \$600-million transformation of the former Circle Centre Mall into a walkable, mixed-use district. The redevelopment will feature open-air retail and dining space, 300 residential units, office space, and over 100,000 square feet of public gathering areas. Phase one broke ground in 2025 and is scheduled for completion by 2030. The project will enhance foot traffic in the city's core and will complement nearby attractions, creating opportunities for hotels to benefit from increased activity beyond major event days.

## Hotel Demand Trends & Outlook

What distinguishes Indianapolis is its balanced demand base: a combination of healthcare, legal, corporate, sports, and leisure travel that supports both weekday and weekend performance.

The city's diverse economy is anchored by health care, advanced manufacturing, logistics, and a growing tech sector. The affordability and central location of Indianapolis have attracted corporate relocations such as **OTAVA** and **Ice Miller LLP**, both of which moved their headquarters downtown in 2025. These moves support consistent weekday business travel and should further enhance conference demand.

Tourism, meanwhile, has rebounded sharply. Following a record-setting 2024 with the **NBA All-Star Game** and Taylor Swift's Eras Tour, 2025 is building on that momentum. Major events include the **WNBA All-Star Weekend**, **Indiana Black Expo**, **FDIC International**, **Gen Con**, and the Big Ten Tournament, each significantly bolstering hotel occupancy and average daily rate (ADR). **Visit Indy's** group-sales strategies and incentive programming continue to generate compression during key months.

These factors have resulted in a flourishing hotel pipeline, with two hotels recently opened, three hotels currently under development, and several other notable projects in various stages of planning, seeking entitlements, or under serious discussion for future development. The interactive map below illustrates some of the most notable recent and proposed additions to Indianapolis's hotel market.

### Recent and Upcoming New Supply in Downtown Indianapolis

Source: HVS, STR, BuildCentral

## A Market Worth Watching

Indianapolis is undergoing one of its most significant transformations in decades. For hotel stakeholders, the convergence of billion-dollar projects, institutional investment, and a thriving event calendar translates into strong market fundamentals and sustained upside. For hotel investors and developers, this convergence of development activity and economic growth continue to fuel hotel development. The diversity of the local economy, the breadth of local attractions, and the market's central location within the Midwest should support Indianapolis's position as a major meeting and group destination over the long term.

At HVS, we turn market intelligence into strategic insight. Whether you're exploring new opportunities, evaluating a project concept, or seeking to understand how recent developments may impact your asset or investment strategy, our team is here to support you.

With deep expertise in the Indianapolis market and access to the most current data, we provide tailored guidance on everything from feasibility analysis and market projections to operational benchmarking and redevelopment planning. If you have questions, ideas, proposals, or opportunities for this market you'd like to explore, we invite you to connect with **Nico Cooper**, **Sam Wespiser**, and **Brian Arevalo** of our Midwestern Regional Team.

## Sources

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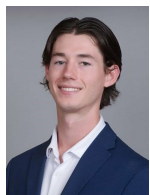
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### About **Nico Cooper**



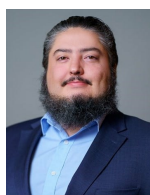
Nicolas Cooper is a Consulting and Valuation Senior Associate at the HVS Chicago office. He graduated from The School of Hospitality Business at Michigan State University in May 2023 with specialized minor studies in Hospitality Real Estate and Entrepreneurship. Prior to joining HVS in 2023, Nico gained valuable hotel and restaurant experience with Heirloom Hospitality in Downtown Detroit and with Michigan State University's Hospitality Services Team at the Kellogg Hotel & Conference Center. Contact Nico at (248) 924-7698 or [\[email protected\]](#).

### About **Sam Wespiser**



Sam Wespiser is a Manager in the HVS Chicago office's consulting and valuation practice. He graduated from Miami University in May 2022 with a Bachelor of Arts in Urban and Regional Planning. While in school, Sam gained hospitality experience working as a front desk agent at The Elms Hotel in Oxford, Ohio. Additionally, he has worked for Hotel Development Services as a laborer and management assistant on hotel construction sites across multiple regions in the U.S. Given these experiences, Sam has developed a diverse understanding of the industry across both customer service and hotel construction. Contact Sam at (773) 560-6024 or [\[email protected\]](#).

### About **Brian Arevalo**



Brian Arevalo, Managing Director with HVS, is the leader of the HVS Chicago office. Brian earned his masters degree from The University of Texas at Austin's McCombs School of Business. Brian's prior work in hospitality includes roles in hotel operations and corporate finance. In addition to work in Chicago, he contributes to and helps manage engagements throughout the Midwest, including markets such as Indianapolis, Columbus/Dayton, Cincinnati, and Louisville, among many others. Contact Brian at (817) 680-7666 or [\[email protected\]](#).