

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
15.9% Vacancy Rate	▼	▼
87K YTD Net Absorption, SF	▲	▲
\$20.85 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
401K Des Moines MSA Employment	▲	▲
3.6% Des Moines MSA Unemployment Rate	▲	▲
4.1% United States Unemployment Rate <i>Source: BLS</i>	▲	▲

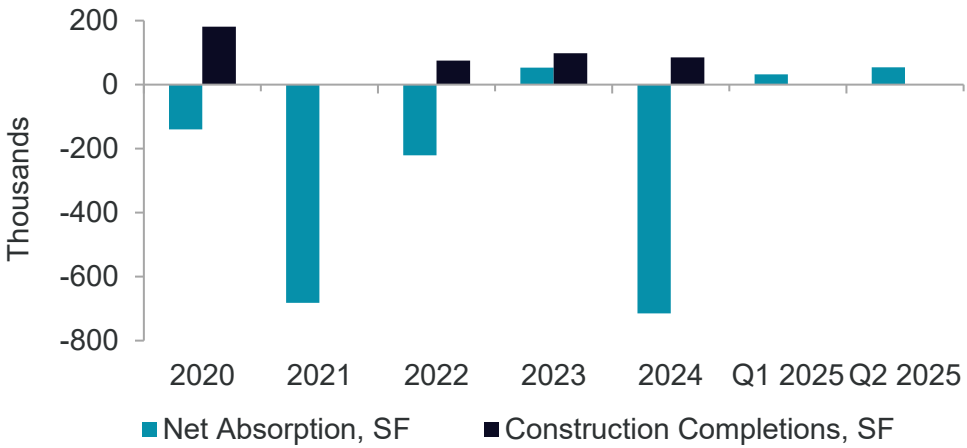
FIRST QUARTER OF POSITIVE CBD NET ABSORPTION SINCE Q3 OF 2019

Downtowns across the world have bore the brunt of heightened vacancy in the post -pandemic era. The Des Moines office market was no exception. While leasing activity has rivaled pre -pandemic numbers over the last five quarters, new vacancy to the Central Business District (CBD) has followed, causing vacancy to rise. For the first time since the third quarter of 2019, leasing activity outpaced new vacancies in the market leading to positive net absorption, and reducing the vacancy rate in Downtown Des Moines. The bulk of the leasing activity occurred at 100 E Court, the former federal courthouse building with 84,000 square feet taking place at the building this quarter alone.

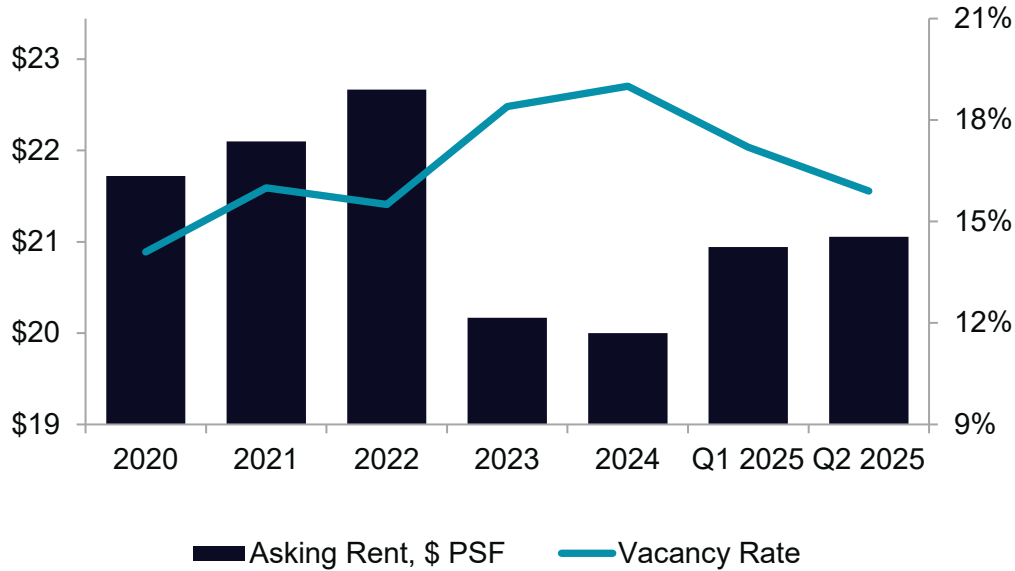
MAJOR OFFICE SALES MARK Q2 2025

Two major office transactions took place in the second quarter of 2025. Iowa Trust and Savings Bank, located at 15591 Hickman Road sold their ownership interest in their occupied property, and in turn will lease the premises back on a long -term basis. The property sold for \$11,750,000. In other news, the soon -to -be vacated office property at 6000 Westown Parkway was sold to an entity managed by Telligen, a population health management company, already located in West Des Moines, for \$16,650,000. American Equity will be vacating the property to move their headquarters into 1100 Locust Avenue in Des Moines. The property was formerly completely occupied by Nationwide Insurance.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	7,630,421	0	934,529	12.2%	39,309	-40,924	103,690	0	\$20.85	\$22.10
Ankeny	562,263	6,217	50,953	10.2%	2,911	12,144	24,428	25,124	\$21.15	\$24.25
Northeast	279,445	0	15,622	5.6%	0	3,280	2,180	0	\$17.10	NA
Northwest	436,343	1,394	44,337	10.5%	-1,000	13,209	6,096	0	\$18.30	NA
South	327,915	0	46,396	14.2%	2,250	4,145	0	0	\$17.25	NA
Western Suburbs	8,573,569	73,905	1,657,195	21.7%	16,008	94,986	254,983	0	\$22.70	\$28.01
DES MOINES TOTALS	17,809,956	86,392	2,749,032	15.9%	54,477	86,840	391,377	25,124	\$20.85	\$22.10

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
100 East Court	CBD	RSM	43,000	New
606 Walnut Street	CBD	Cologix	27,500	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
6000 Westown Parkway	Western Suburbs	Westown Equity, LLC / HV Real Estate, LLC	131,664	\$16.65M / \$126
2480 Berkshire Parkway	Western Suburbs	Iowa Great Lakes Property, LLC/2480 Berkshire, LLC	8,118	\$11.75M / \$1,447
2501 Westown Parkway	Western Suburbs	Dabrama, LLC / 2501 Holdings, LLC	24,420	\$2.3M / \$94

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