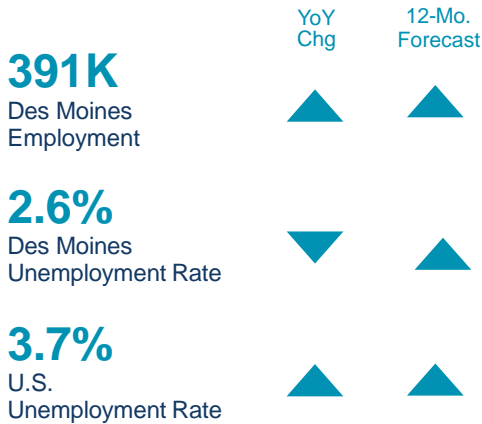


(Overall, All Property Classes)

## ECONOMIC INDICATORS Q3 2023



Source: BLS

## Leasing Activity outpaced by new vacancy

In quarter 3 the Des Moines Metro saw over 100,000 square feet in new leasing, continuing the 2023 trend of healthy new leasing activity in the market. Through three quarters, the Des Moines market had seen over 385,000 square feet of new leasing which is the most through three quarters of the year since 2019. Despite the leasing volume, new vacancy is still outpacing demand leading to another quarter of negative net absorption. This can be credited in large part due to 7000 Vista Drive officially becoming vacant, which is the first of several Wells Fargo buildings coming back to the market over the next year. That amounts to over 272,000 square feet of the approximately 1.5 million square feet that will become available due to Wells Fargo alone.

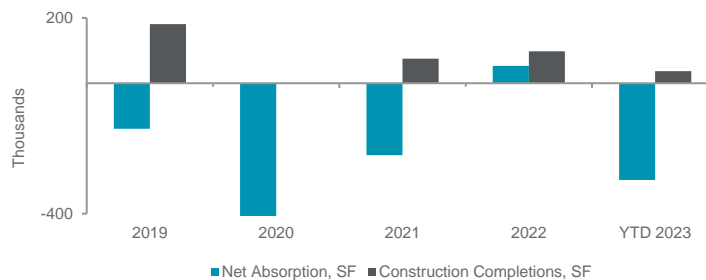
## Renaming & Redevelopment in Downtown Des Moines

The Bank of America building located at 317 6<sup>th</sup> Avenue was officially renamed the “OpenLoop Tower”, the namesake of the building being the largest tenant in the building, OpenLoop Health is a healthcare software company experiencing rapid growth leading to continued expansion of their office footprint. On another note, the largely vacant Two Ruan Center located at 601 Locust Street will be redeveloped into multifamily thanks to a partnership between the Ruan family as well as Kansas City based Block Real Estate Services and Foutch Brothers.

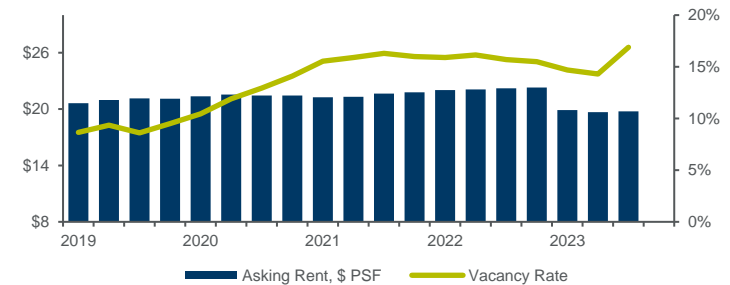
## The Public Sector Continues to be an Absorption Leader

During quarter 3 it was announced that the State of Iowa went under contract on 6200 Park Avenue on the south side of Des Moines. Should this building officially close, over 141,000 square feet of vacant space will be removed from the market. However, like we have seen in previous quarters that have experienced significant positive absorption, we will likely see the impact on the market absorption be a net wash or even a negative impact because most of the employees moving to 6200 Park Avenue will vacate the Harry H. Wallace building on the corner of E. 9<sup>th</sup> & Grand Avenue. This announcement comes after the City of Des Moines announced a plan to purchase 1200 Locust, one of the vacated buildings on the Nationwide campus in downtown Des Moines.

## 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	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	7,108,716	1,874	978,615	13.8%	23,500	23,248	31,838	0	\$20.50	\$20.57
Western Suburbs	8,049,370	32,519	1,505,891	19.1%	-320,822	-382,025	300,042	58,041	\$22.31	\$28.10
Northwest	273,291	0	44,761	16.4%	4,585	-7,028	12,700	0	\$18.50	NA
Ankeny	492,493	0	50,309	10.2%	32,978	29,601	37,801	17,230	\$20.60	\$22.45
Northeast	141,019	0	6,845	4.9%	1,200	-2,793	1,200	22,000	\$16.45	NA
South	472,400	0	176,737	23.6%	1,600	3,600	2,000	0	\$18.25	\$21.00
<b>MARKET TOTALS</b>	<b>16,340,809</b>	<b>34,393</b>	<b>2,763,158</b>	<b>16.9%</b>	<b>-256,959</b>	<b>-335,397</b>	<b>385,581</b>	<b>97,271</b>	<b>\$19.76</b>	<b>\$21.71</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4344 Corporate Drive	Western Suburbs	Accura Healthcare	10,797	New Lease
1551 SW Prairie Trail Parkway	Ankeny	Agency Iowa	7,540	New Lease

\*Renewals not included in leasing statistics

## LOCAL MARKET RESEARCH LEAD

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## KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2600 72 <sup>nd</sup> Street	Western Suburbs	Westmark Investors / GA Holdings LLC	19,840	155,000/\$8
2130 Grand Avenue	Northwest	Damaro LLC / HAI Investments LLC	9,096	760,000/\$84
603 E. 6 <sup>th</sup> Street	CBD	Terence L Millis / HOA Aston LLC	8,072	1,762,500/\$218
4308 University Avenue	Northwest	EPC LLC / TH Investments LLC	3,220	415,000/\$129

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