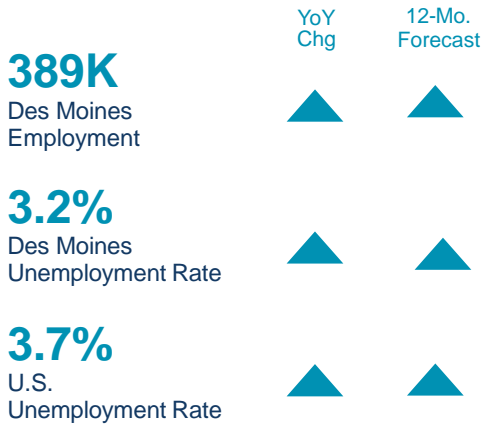


(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2023



Source: BLS

Significant Positive Absorption in Downtown Des Moines

Quarter 4 proved to be the best quarter for net absorption of vacant space in the Central Business District (CBD) since prior to the outbreak of COVID-19. Nearly 97,000 square feet (sf) of space was absorbed in the quarter, highlighted by the 99,629 sf lease signed by American Equity Investment Life Insurance Company at 1100 Locust Street, a building formerly occupied by Nationwide. To add to the positive absorption, several expansions took place during the quarter. Life Care Services at 400 Locust (Capitol Square) and Landus at 220 SW 9th Street (Grays Landing) were the largest in the quarter.

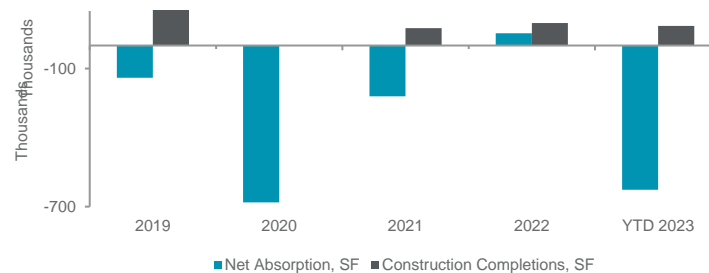
Market Shifting Office Sales in Quarter 4

In Q4 2023, the Des Moines metro experienced market shifting office sales activity. Over 960,000 sf was sold in the fourth quarter alone, headlined by two of the larger office buildings in the market. First, the City of Des Moines purchased a building formerly owned and occupied by Nationwide, 1200 Locust Street. Next, Wells Fargo Bank sold 7001 Westown and 13733 University Avenue in West Des Moines to Brookfield Partners, LLC and Heartland Co-Op respectively. Those three sales alone accounted for \$53 million in transaction volume. Under new ownership, 7001 Westown is now available for lease. Therefore, the Western Suburbs did experience over 435,000 sf of new vacancy to the market.

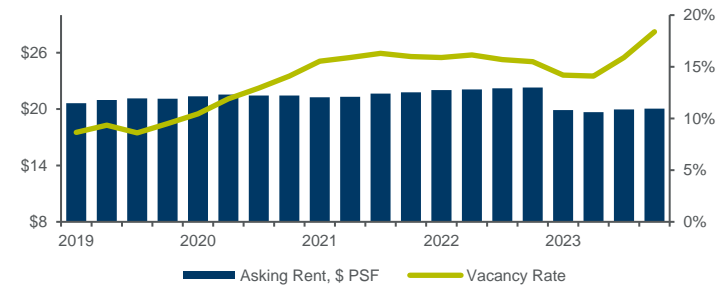
Highest Leasing Activity Year over Year since 2017

If you were uncertain about the market's ability to back-fill large blocks of space, the results of 2023 should ease some of that uncertainty. Over 860,000 sf of space was leased within the Des Moines market in 2023 alone. Over 1.5 million square feet (msft) of vacant space was brought to the market in 2023 highlighted by Wells Fargo and Nationwide making major downsizes. With the activity in Q4, the net absorption for 2023 amounted to -630,000 sf. While that is a large amount of new to the market space that remained vacant, it could have been much worse without the robust leasing activity seen throughout 2023. With most of the large announced vacancies hitting the market in 2023, if the market experiences similar leasing activity, we will see positive net absorption in 2024.

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	6,862,939	36,250	724,893	10.9%	96,908	120,156	259,626	0	\$19.80	\$20.57
Western Suburbs	8,201,256	74,711	2,006,273	21.2%	-399,685	-789,941	532,852	21,053	\$22.39	\$28.10
Northwest	273,291	0	39,043	14.3%	11,958	4,930	15,006	0	\$18.18	NA
Ankeny	394,496	0	47,025	9.9%	972	30,162	49,585	6,566	\$19.95	\$22.45
Northeast	143,510	0	6,845	4.8%	1,200	-2,793	1,200	22,000	\$16.45	NA
South	317,750	0	37,333	11.7%	-2,400	-15,333	2,000	0	\$17.25	NA
MARKET TOTALS	16,193,242	110,961	2,861,412	18.4%	-291,047	-652,819	860,269	49,619	\$20.05	\$21.44

*Rental rates reflect full-service gross asking

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
7000 Vista Drive	Western Suburbs	ITA Group	150,000	New Lease
1100 Locust Street	CBD	American Equity Investment Life Insurance	99,629	New Lease
400 Locust Street	Western Suburbs	Life Care Services	9,758	Expansion

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ Building PSF
1200 Locust Street	CBD	Nationwide Mutual Insurance Company / City of Des Moines	371,920	\$30,000,000/\$81
7001 Westown Parkway	Western Suburbs	Wells Fargo Bank, NA / Brookfield Partners LLC	451,161	\$16,500,000/\$37
13733 University Avenue	Western Suburbs	Wells Fargo Home Mortgage, Inc. / Heartland Co-Op	103,813	\$6,500,000/\$63
1200 12 th Street	Western Suburbs	Guideone Mutual Insurance Company / United Community Services Inc.	17,279	\$2,675,000/\$154
1516 Valley West Drive	Western Suburbs	MDM Equity-2010 LLC / CSA	20,212	\$1,875,000/\$93

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