



**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>7.5%</b> Vacancy Rate	▲	▬
<b>239K</b> YTD Net Absorption, sf	▼	▲
<b>\$6.87</b> Asking Rent, psf <i>(Overall, Net Asking Rent)</i>	▲	▬

**ECONOMIC INDICATORS**

	YOY Chg	12-Month Forecast
<b>425K</b> Des Moines Employment	▼	▼
<b>3.2%</b> Des Moines Unemployment Rate	▼	▲
<b>4.6%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

**ECONOMY**

From January through August 2025, the Des Moines labor market continued to expand at a modest but steady pace. The labor force edged up to 425,100 while total employment increased to 407,100, reflecting gradual growth. The unemployment rate rose to 4.2% in August, up from its spring low, indicating some softening in labor conditions.

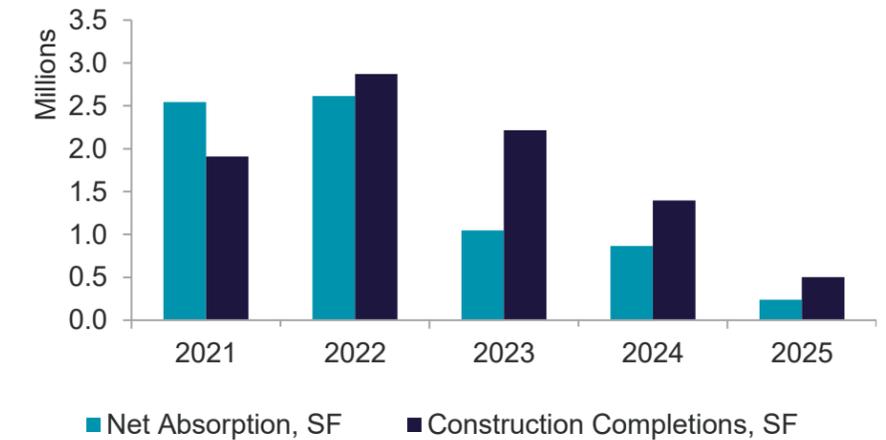
Manufacturing activity was essentially flat, continuing its year-long decline of about 3.9%. Government employment recorded the most substantial expansion, growing 8.0% over the year. Leisure and hospitality weakened further with a 5.7% annual decline, while financial activities and trade sectors also showed signs of deceleration.

**MARKET OVERVIEW**

The Des Moines industrial market closed Q4 2025 with mixed performance across submarkets. Overall vacancy settled at 7.5%, with the metro posting 239,427 square feet (sf) of positive year-to-date (YTD) absorption despite a 347,810-sf decline in the current quarter. The Northeast remained the strongest submarket, recording 94,884 sf of YTD absorption and leading the region in both inventory and construction activity, with 154,225 sf underway and 132,968 sf delivered YTD. The Western Suburbs also showed solid construction momentum, with 144,995 sf underway and 179,627 sf in completions. Asking rents varied by submarket, with office/service industrial (OS) rates ranging from \$9.38 to \$13.40 psf, and warehouse/distribution (W/D) rates from \$5.77 to \$7.44 per square foot (psf). The Northeast and Western Suburbs posted the highest rents in each category, respectively.

Leasing activity this quarter included several notable transactions, led by Logistics Plus with 357,000 sf in the Northeast. Other significant leases included Graybar with 90,000 sf in the Northwest and Accu-TECH Corp. with 70,180 sf in the South. Sales activity featured both institutional and user-driven deals. In the Northeast, T2 Capital sold 259,056 sf to Omega Industrial, LLC for \$30 million. In the Northwest, SUD Family sold a 311,442-sf property to the USPS for \$9.5 million.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
CBD	1,267,820	125,045	9.9%	-33,292	-58,731	0	0	\$9.95	\$6.99
Ankeny	3,656,727	148,266	4.1%	-32,272	-19,272	0	0	\$13.40	\$5.80
Northeast	29,047,596	1,806,051	6.2%	292,433	94,884	154,225	132,968	\$12.27	\$5.77
Northwest	9,611,665	664,537	6.9%	-275,260	77,075	95,000	0	\$9.38	\$6.67
South	7,750,499	441,211	5.7%	-101,136	54,455	58,039	30,802	\$10.12	\$6.61
Western Suburbs	24,804,103	2,547,976	10.3%	-198,283	91,016	144,995	179,627	\$10.36	\$7.44
<b>DES MOINES TOTALS</b>	<b>76,394,389</b>	<b>5,733,086</b>	<b>7.5%</b>	<b>-347,810</b>	<b>239,427</b>	<b>452,259</b>	<b>343,397</b>	<b>\$10.06</b>	<b>\$6.59</b>

\*Rental rates reflect base rental asking rate per year. Construction completions are tracked based on completion of investment product.

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3811 Dixon Street	Northeast	Logistics Plus	357,000	New
7055 SE Delaware Avenue	Northwest	Graybar	90,000	New
2301 Fleur Dr.	South	Accu-TECH Corp.	70,180	New

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1165 2 <sup>nd</sup> Ave.	Northwest	SUD Family / USPS	311,442	\$9.5M / \$31
2402 21 <sup>st</sup> St NW	Northeast	T2 Capital / Omega Industrial, LLC	259,056	\$30M / \$116

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