

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
16.8% Vacancy Rate	▼	▼
179K YTD Net Absorption, SF	▲	▲
\$20.75 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	▲	▲

Source: BLS

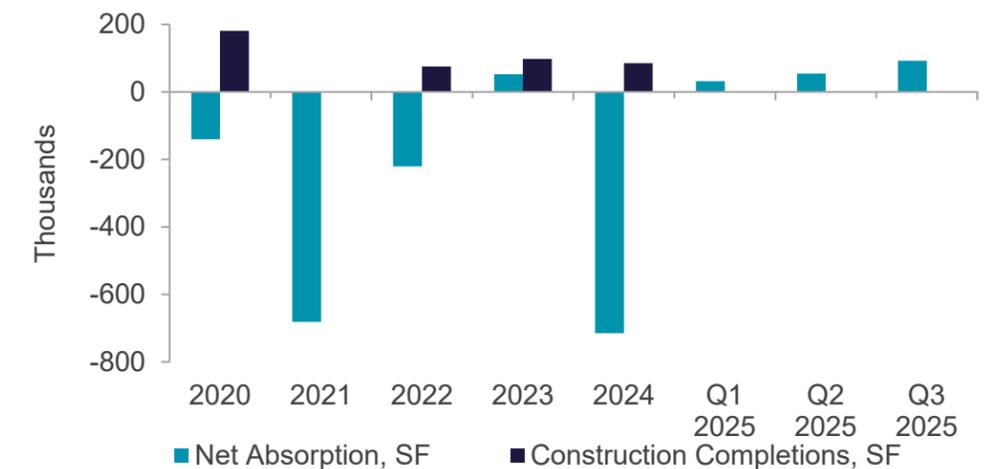
LENDERS CAUTIOUS, BUT MORE OPEN MINDED TO OFFICE FINANCING

Despite continued uncertainty in office demand, there are early signs the lending environment may be stabilizing. According to a report written by Costar News, Wells Fargo reported that **delinquent office** loans fell 3.2% in quarter 2 to \$7.96B, while JPMorgan Chase and Citigroup also saw steady commercial real estate loan performance. Analysts say banks may need another **12–18 months** to fully clear troubled office loans, but credit quality is beginning to normalize. Still, lenders remain cautious, requiring **more borrower equity** and applying **tighter underwriting** for new office deals. This shift could mean fewer distressed loan sales and a more selective financing market ahead.

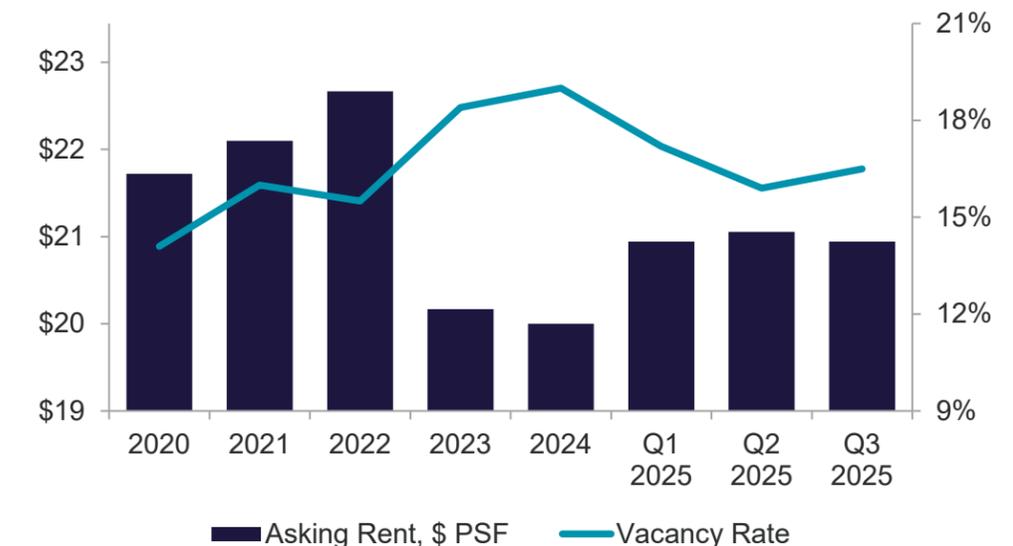
OCCUPANCY IS SIGNIFICANTLY IMPACTING OFFICE VALUES

Two of the notable office sales this quarter were 9100 Northpark and the Wells Fargo campus in downtown Des Moines. 9100 Northpark was a true investment sale as it is 100% occupied by Rain and Hail Insurance. The downtown Wells Fargo campus was sold with Wells Fargo maintaining occupancy in 800 Walnut Street only. The sale prices per square foot vary greatly due to the existing income or lack thereof between the two properties. 9100 Northpark Drive was sold at \$114 per square foot and the Wells Fargo campus was sold at \$38 per square foot. While we see this trend amongst other commercial property types, the pricing disparity between leased and non-leased or partially leased property is most significant in office.

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	7,951,792	0	1,203,094	15.1%	21,346	-19,578	182,633	0	\$21.00	\$22.90
Ankeny	570,242	19,224	38,505	10.1%	-3,077	9,067	30,415	8,821	\$21.35	\$24.25
Northeast	288,080	0	15,622	5.4%	0	3,280	2,180	0	\$17.00	NA
Northwest	439,871	1,394	42,283	9.9%	2,054	15,263	7,992	0	\$18.20	NA
South	327,915	0	92,896	28.3%	-6,250	-2,105	0	0	\$17.20	NA
Western Suburbs	8,753,786	56,665	1,633,839	19.3%	78,572	173,558	415,292	0	\$22.55	\$28.25
DES MOINES TOTALS	18,349,686	77,283	3,026,239	16.8%	92,645	179,485	638,512	8,821	\$20.75	\$22.35

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
7001 Westown Parkway	Western Suburbs	Undisclosed	71,220	New
8700 Crescent Chase	Western Suburbs	Undisclosed	30,184	New Lease
1150 Locust Street	CBD	American Equity	38,061	Expansion

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
9100 Northpark Drive	Western Suburbs	Mid-America Investment Company / Aterra Real Estate	91,985	\$10.5M / \$114
Wells Fargo Downtown Campus	CBD	Wells Fargo / DMCRE1, LLC	850,000	\$32M / \$38
123 E Walnut Street	CBD	GSA / 123 E Walnut, LLC	66,765	\$2.6M / \$39

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