

Market

Trend

Q2 2022

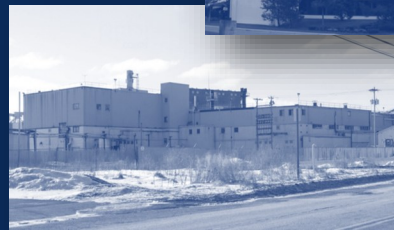
Des Moines - Industrial



REDI

MOODY'S
ANALYTICS

Catylist



MARKET TRENDS

Q2 2022 | Des Moines | Industrial

Employment

| | <u>Current</u> | <u>Y-o-Y</u> |
|-------------------|----------------|--|
| Employment | 359,085 |  |
| Area Unemployment | 2.2 |  |
| U.S. Unemployment | 3.6 |  |
| Office Jobs | 22,000 |  |

Source: BLS

*Employment figures and area unemployment are based on Mpls-St Paul MSA data.

Market Recap

All Properties

| | |
|----------------------------|------------|
| Total Inventory (sf) | 74,971,259 |
| Total # of Bldgs (tracked) | 1231 |
| Total Absorption (sf) | 92,244 |
| Vacancy | 2.5% |
| Asking Rate (FSG) | \$7.87 |
| New Construction (sf) | 3,085,833 |

Multi-tenant Properties

| | |
|----------------------------|------------|
| Total Inventory (sf) | 21,271,813 |
| Total # of Bldgs (tracked) | 397 |
| Total Absorption (sf) | 126,517 |
| Vacancy | 6.0% |
| Asking Rate (FSG) | \$7.97 |

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Des Moines metropolitan statistical area (MSA) decreased 250 basis points to 2.2% for May 2022 from 4.7% for May 2021. The unemployment rate for the US was at 3.6% in May 2022 down from 6.0% last year. State of Iowa unemployment rate was 2.7%. The Des Moines MSA saw an increase in job growth and industrial job growth in manufacturing increased by 1,000 jobs compared to last year.

Market Overview

The Des Moines industrial market, consisting of 74.9 msf of space in three counties across the metro posting 92,000 sf in positive absorption bringing the YTD to 491,800 sf positive absorption and ended the quarter with 2.5% vacancy rate for Q2 2022. Multi-tenant properties had 126,500 sf positive absorption bringing the YTD to 235,700 sf positive absorption ending the quarter with 6.0% vacancy rate. The average asking lease rate for Des Moines came in at \$7.87 psf NNN for all properties. There are 17 construction projects throughout the market topping 3.0 msf while six properties were delivered YTD with 798,600 sf.

Market Highlights

During Q1 2022 the market experienced over 309,000 sf of leasing activity in 50 transactions. Ankeny market posted the lowest vacancy rate at 0.4% for all properties and 1.7% for multi-tenant properties. The highest vacancy rate was 8.4% in Des Moines CBD market for all properties and 14.9% for multi-tenant properties. Eleven properties with over 346,000 sf sold during Q2 2022 topping \$24.9 million. The largest absorption change was due to the new delivery of 53,000 sf for Peterbilt in Ankeny market while the largest loss was EMC closing 50,000 sf in the CBD market.

Market Statistics by Property Type (Multi and Single Tenant)

Total

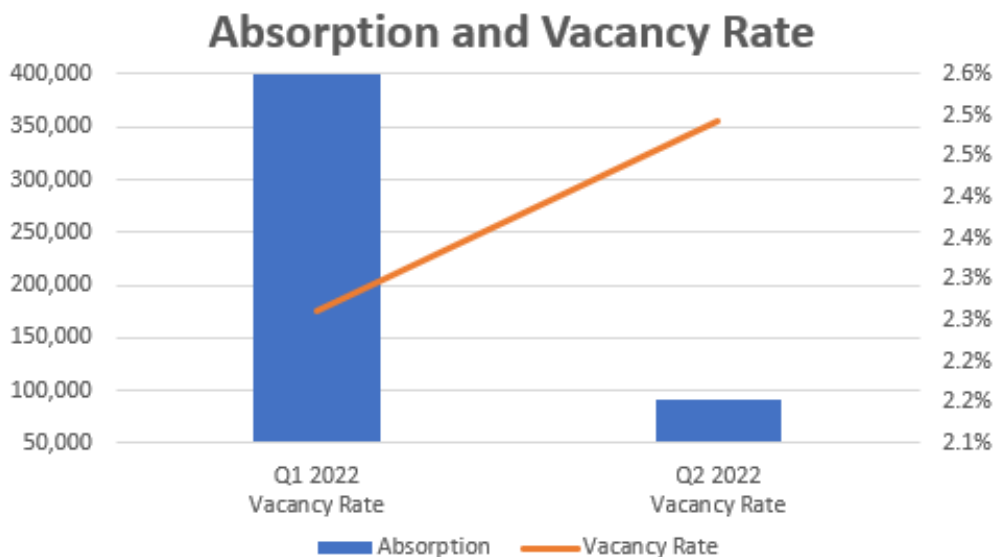
| Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|------------------------|--------------|-------------------|----------------------|-------------------|-----------------------|---------------------------|--------------|
| Flex/R&D | 140 | 5,049,583 | 566,767 | 645,366 | 77,945 | 104,277 | 12.8% |
| Manufacturing | 131 | 19,593,908 | 117,883 | 117,883 | (30,635) | (28,885) | 0.6% |
| Warehouse Distribution | 242 | 31,959,964 | 994,595 | 662,199 | 103,040 | 496,334 | 2.1% |
| Warehouse Office | 718 | 18,367,804 | 562,576 | 444,156 | (58,106) | (79,870) | 2.4% |
| Grand Total | 1,231 | 74,971,259 | 2,241,821 | 1,869,604 | 92,244 | 491,856 | 2.5% |

Direct

| Property Type | # of Bldgs | Inventory | Direct Available (sf) | Direct Vacant (sf) | Direct Absorption (sf) | YTD Direct Absorption (sf) | Vacancy Rate |
|------------------------|--------------|-------------------|-----------------------|--------------------|------------------------|----------------------------|--------------|
| Flex/R&D | 140 | 5,049,583 | 546,307 | 624,906 | 77,945 | 101,325 | 12.4% |
| Manufacturing | 131 | 19,593,908 | 117,883 | 117,883 | (30,635) | (28,885) | 0.6% |
| Warehouse Distribution | 242 | 31,959,964 | 888,595 | 556,199 | 129,040 | 522,334 | 1.7% |
| Warehouse Office | 718 | 18,367,804 | 552,376 | 433,956 | (50,906) | (73,790) | 2.4% |
| Grand Total | 1,231 | 74,971,259 | 2,105,161 | 1,732,944 | 125,444 | 520,984 | 2.3% |

Sublease

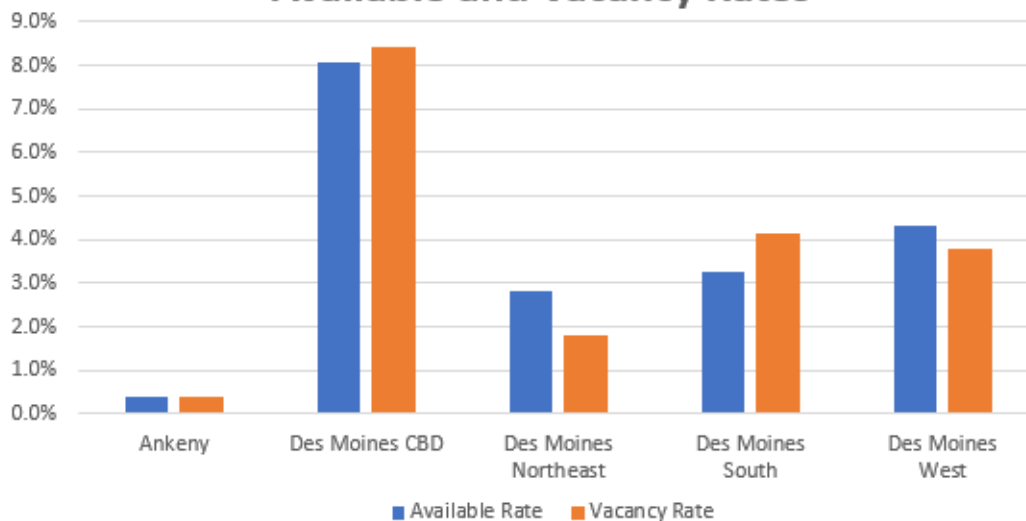
| Property Type | # of Bldgs | Inventory | Sublease Available (sf) | Sublease Vacant (sf) | Sublease Absorption (sf) | YTD Sublease Absorption (sf) | Vacancy Rate |
|------------------------|--------------|-------------------|-------------------------|----------------------|--------------------------|------------------------------|--------------|
| Flex/R&D | 140 | 5,049,583 | 20,460 | 20,460 | 0 | 2,952 | 0.4% |
| Manufacturing | 131 | 19,593,908 | | | 0 | 0 | 0.0% |
| Warehouse Distribution | 242 | 31,959,964 | 106,000 | 106,000 | (26,000) | (26,000) | 0.3% |
| Warehouse Office | 718 | 18,367,804 | 10,200 | 10,200 | (7,200) | (6,080) | 0.1% |
| Grand Total | 1,231 | 74,971,259 | 136,660 | 136,660 | (33,200) | (29,128) | 0.2% |



Market Statistics by Market (Multi and Single Tenant)

| Market | Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|----------------------|------------------------|--------------|-------------------|----------------------|-------------------|-----------------------|---------------------------|-----------------|
| Ankeny | Flex/R&D | 14 | 499,802 | 12,142 | 10,642 | 0 | 12,266 | 2.1% |
| | Manufacturing | 13 | 5,267,983 | 3,500 | 3,500 | (3,500) | (1,750) | 0.1% |
| | Warehouse Distribution | 36 | 5,834,616 | | | 0 | 0 | 0.0% |
| | Warehouse Office | 63 | 1,712,248 | 38,581 | 38,581 | 38,972 | 45,335 | 2.3% |
| | Subtotal | | 126 | 13,314,649 | 54,223 | 52,723 | 35,472 | 55,851 |
| Des Moines CBD | Flex/R&D | 8 | 327,801 | 27,378 | 32,778 | 0 | 0 | 10.0% |
| | Manufacturing | 6 | 295,778 | | | 0 | 0 | 0.0% |
| | Warehouse Distribution | 3 | 134,389 | | | 0 | 0 | 0.0% |
| | Warehouse Office | 31 | 758,000 | 95,162 | 95,162 | (70,000) | (80,550) | 12.6% |
| | Subtotal | | 48 | 1,515,968 | 122,540 | 127,940 | (70,000) | (80,550) |
| Des Moines Northeast | Flex/R&D | 21 | 491,334 | 30,536 | 23,155 | 6,875 | (12,355) | 4.7% |
| | Manufacturing | 69 | 8,761,659 | 27,135 | 27,135 | (27,135) | (27,135) | 0.3% |
| | Warehouse Distribution | 102 | 14,019,599 | 616,795 | 394,395 | 50,675 | 355,969 | 2.8% |
| | Warehouse Office | 304 | 7,750,537 | 199,067 | 114,637 | (4,250) | (4,250) | 1.5% |
| | Subtotal | | 496 | 31,023,129 | 873,533 | 559,322 | 26,165 | 312,229 |
| Des Moines South | Flex/R&D | 10 | 471,020 | 2,400 | | 0 | 0 | 0.0% |
| | Manufacturing | 9 | 418,877 | 87,248 | 87,248 | 0 | 0 | 20.8% |
| | Warehouse Distribution | 23 | 3,330,506 | 20,000 | 81,004 | 0 | 0 | 2.4% |
| | Warehouse Office | 67 | 2,287,185 | 102,000 | 102,000 | (7,000) | (7,000) | 4.5% |
| | Subtotal | | 109 | 6,507,588 | 211,648 | 270,252 | (7,000) | (7,000) |
| Des Moines West | Flex/R&D | 87 | 3,259,626 | 494,311 | 578,791 | 71,070 | 104,366 | 17.8% |
| | Manufacturing | 34 | 4,849,611 | | | 0 | 0 | 0.0% |
| | Warehouse Distribution | 78 | 8,640,854 | 357,800 | 186,800 | 52,365 | 140,365 | 2.2% |
| | Warehouse Office | 253 | 5,859,834 | 127,766 | 93,776 | (15,828) | (33,405) | 1.6% |
| | Subtotal | | 452 | 22,609,925 | 979,877 | 859,367 | 107,607 | 211,326 |
| Grand Total | | 1,231 | 74,971,259 | 2,241,821 | 1,869,604 | 92,244 | 491,856 | 2.5% |

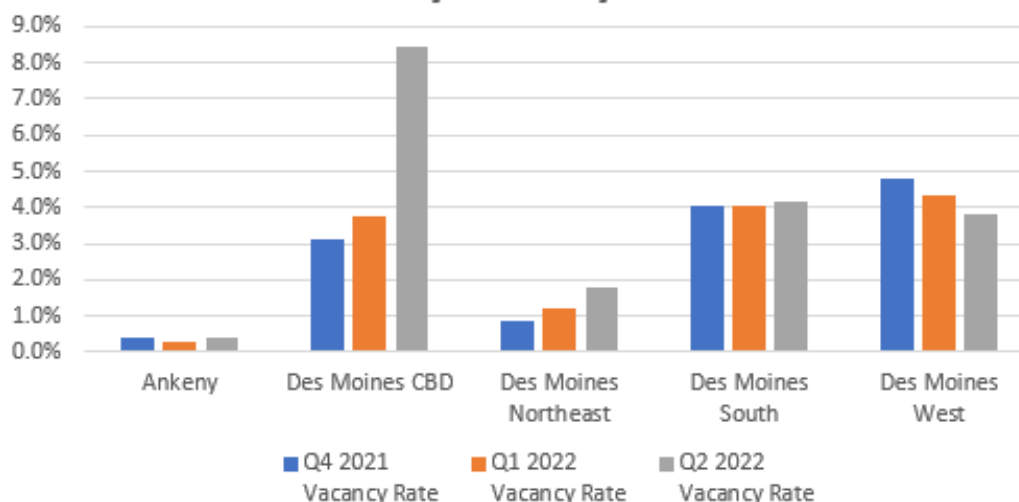
Available and Vacancy Rates



Vacancy Rates by Market (Multi and Single Tenant)

| Market | Property Type | Q4 2021 Vacancy Rate | Q1 2022 Vacancy Rate | Q2 2022 Vacancy Rate |
|----------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Ankeny | Flex/R&D | 4.6% | 2.1% | 2.1% |
| | Manufacturing | 0.0% | 0.0% | 0.1% |
| | Warehouse Distribution | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 1.8% | 1.4% | 2.3% |
| | Subtotal | 0.4% | 0.3% | 0.4% |
| Des Moines CBD | Flex/R&D | 10.0% | 10.0% | 10.0% |
| | Manufacturing | 0.0% | 0.0% | 0.0% |
| | Warehouse Distribution | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 1.9% | 3.2% | 12.6% |
| | Subtotal | 3.1% | 3.8% | 8.4% |
| Des Moines Northeast | Flex/R&D | 2.3% | 6.1% | 4.7% |
| | Manufacturing | 0.0% | 0.0% | 0.3% |
| | Warehouse Distribution | 1.0% | 1.6% | 2.8% |
| | Warehouse Office | 1.5% | 1.4% | 1.5% |
| | Subtotal | 0.9% | 1.2% | 1.8% |
| Des Moines South | Flex/R&D | 0.0% | 0.0% | 0.0% |
| | Manufacturing | 20.8% | 20.8% | 20.8% |
| | Warehouse Distribution | 2.4% | 2.4% | 2.4% |
| | Warehouse Office | 4.2% | 4.2% | 4.5% |
| | Subtotal | 4.1% | 4.1% | 4.2% |
| Des Moines West | Flex/R&D | 21.5% | 20.4% | 17.8% |
| | Manufacturing | 0.0% | 0.0% | 0.0% |
| | Warehouse Distribution | 3.9% | 2.8% | 2.2% |
| | Warehouse Office | 1.0% | 1.3% | 1.6% |
| | Subtotal | 4.8% | 4.3% | 3.8% |
| Grand Total | | 2.3% | 2.3% | 2.5% |

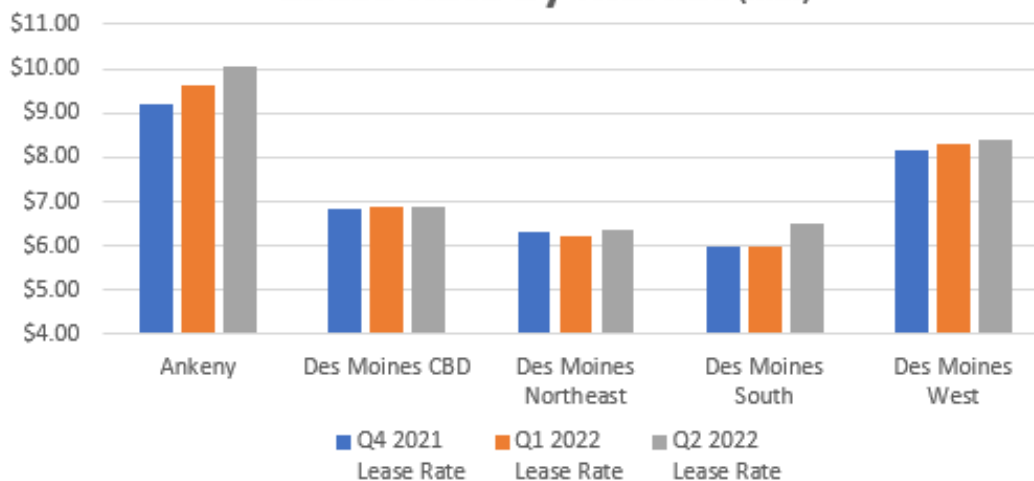
Vacancy Rate by Market



Lease Rates by Market (Multi and Single Tenant NNN)

| Market | Property Type | Q4 2021 Lease Rate | Q1 2022 Lease Rate | Q2 2022 Lease Rate |
|----------------------|------------------------|--------------------|--------------------|--------------------|
| Ankeny | Flex/R&D | \$10.25 | \$11.25 | \$10.92 |
| | Manufacturing | | | |
| | Warehouse Distribution | | | |
| | Warehouse Office | \$8.67 | \$8.38 | \$8.75 |
| | Subtotal | \$9.19 | \$9.61 | \$10.05 |
| Des Moines CBD | Flex/R&D | \$6.95 | \$6.95 | |
| | Manufacturing | | | |
| | Warehouse Distribution | | | |
| | Warehouse Office | \$6.75 | \$6.88 | \$6.88 |
| | Subtotal | \$6.85 | \$6.90 | \$6.88 |
| Des Moines Northeast | Flex/R&D | | \$5.75 | \$5.75 |
| | Manufacturing | | | |
| | Warehouse Distribution | \$5.40 | \$5.53 | \$5.48 |
| | Warehouse Office | \$7.44 | \$7.47 | \$7.30 |
| | Subtotal | \$6.33 | \$6.20 | \$6.34 |
| Des Moines South | Flex/R&D | \$7.50 | \$7.50 | \$7.50 |
| | Manufacturing | \$4.50 | \$4.50 | \$4.50 |
| | Warehouse Distribution | \$6.00 | | |
| | Warehouse Office | \$6.00 | \$6.00 | \$6.98 |
| | Subtotal | \$6.00 | \$6.00 | \$6.49 |
| Des Moines West | Flex/R&D | \$8.91 | \$8.93 | \$9.13 |
| | Manufacturing | | | |
| | Warehouse Distribution | \$6.57 | \$6.58 | \$5.90 |
| | Warehouse Office | \$6.90 | \$7.49 | \$7.74 |
| | Subtotal | \$8.14 | \$8.30 | \$8.38 |
| Grand Total | | \$7.80 | \$7.99 | \$7.87 |

Lease Rate by Market (NNN)



Market Statistics by Property Type (Multi-Tenant)

Total

| Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|------------------------|------------|-------------------|----------------------|-------------------|-----------------------|---------------------------|--------------|
| Flex/R&D | 115 | 3,939,020 | 346,490 | 424,309 | 77,945 | 102,221 | 10.8% |
| Manufacturing | 14 | 1,726,303 | 30,635 | 30,635 | (30,635) | (28,885) | 1.8% |
| Warehouse Distribution | 75 | 9,913,711 | 634,945 | 565,949 | 103,040 | 185,040 | 5.7% |
| Warehouse Office | 193 | 5,692,779 | 256,807 | 246,035 | (23,833) | (22,598) | 4.3% |
| Grand Total | 397 | 21,271,813 | 1,268,877 | 1,266,928 | 126,517 | 235,778 | 6.0% |

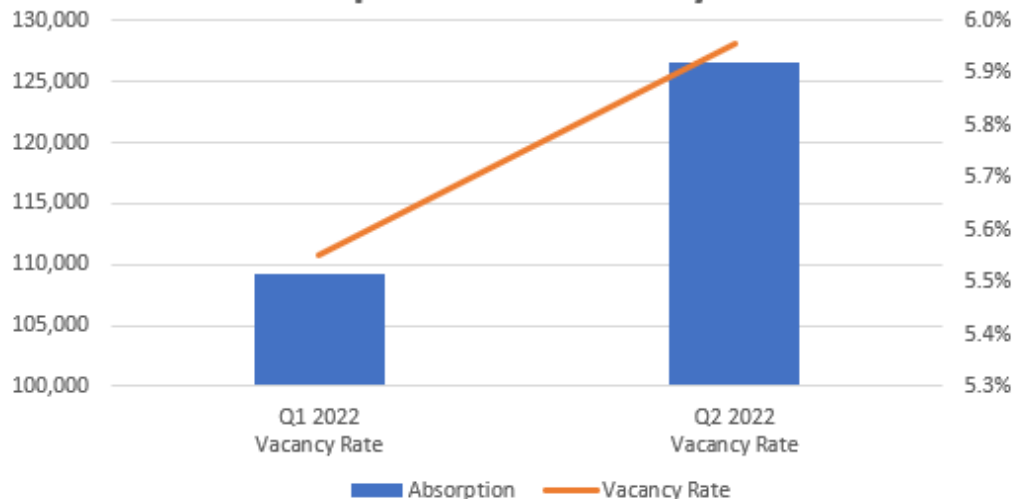
Direct

| Property Type | # of Bldgs | Inventory | Direct Available (sf) | Direct Vacant (sf) | Direct Absorption (sf) | YTD Direct Absorption (sf) | Vacancy Rate |
|------------------------|------------|-------------------|-----------------------|--------------------|------------------------|----------------------------|--------------|
| Flex/R&D | 115 | 3,939,020 | 326,030 | 403,849 | 77,945 | 99,269 | 10.3% |
| Manufacturing | 14 | 1,726,303 | 30,635 | 30,635 | (30,635) | (28,885) | 1.8% |
| Warehouse Distribution | 75 | 9,913,711 | 608,945 | 539,949 | 129,040 | 211,040 | 5.4% |
| Warehouse Office | 193 | 5,692,779 | 246,607 | 235,835 | (16,633) | (16,518) | 4.1% |
| Grand Total | 397 | 21,271,813 | 1,212,217 | 1,210,268 | 159,717 | 264,906 | 5.7% |

Sublease

| Property Type | # of Bldgs | Inventory | Sublease Available (sf) | Sublease Vacant (sf) | Sublease Absorption (sf) | YTD Sublease Absorption (sf) | Vacancy Rate |
|------------------------|------------|-------------------|-------------------------|----------------------|--------------------------|------------------------------|--------------|
| Flex/R&D | 115 | 3,939,020 | 20,460 | 20,460 | 0 | 2,952 | 0.5% |
| Manufacturing | 14 | 1,726,303 | | | 0 | 0 | 0.0% |
| Warehouse Distribution | 75 | 9,913,711 | 26,000 | 26,000 | (26,000) | (26,000) | 0.3% |
| Warehouse Office | 193 | 5,692,779 | 10,200 | 10,200 | (7,200) | (6,080) | 0.2% |
| Grand Total | 397 | 21,271,813 | 56,660 | 56,660 | (33,200) | (29,128) | 0.3% |

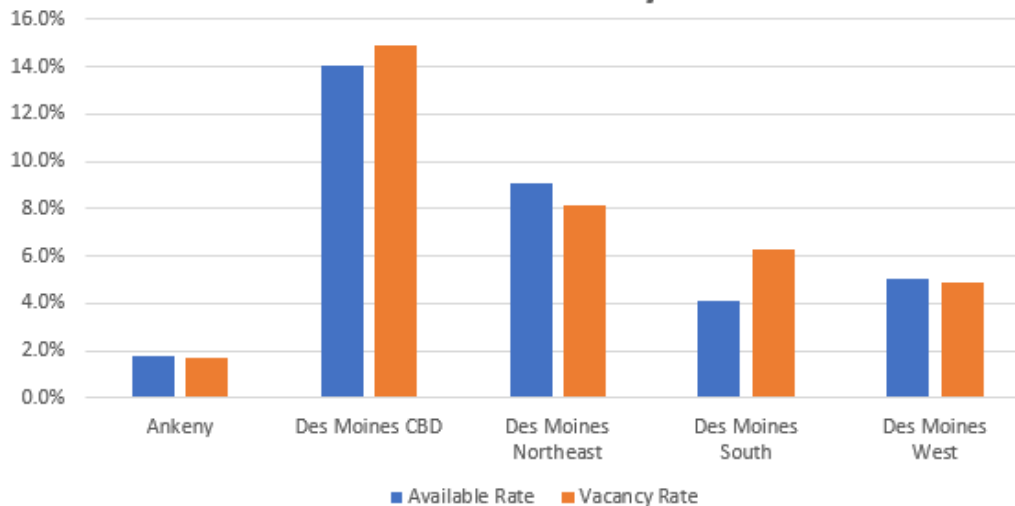
Absorption and Vacancy Rate



Market Statistics by Market (Multi-Tenant)

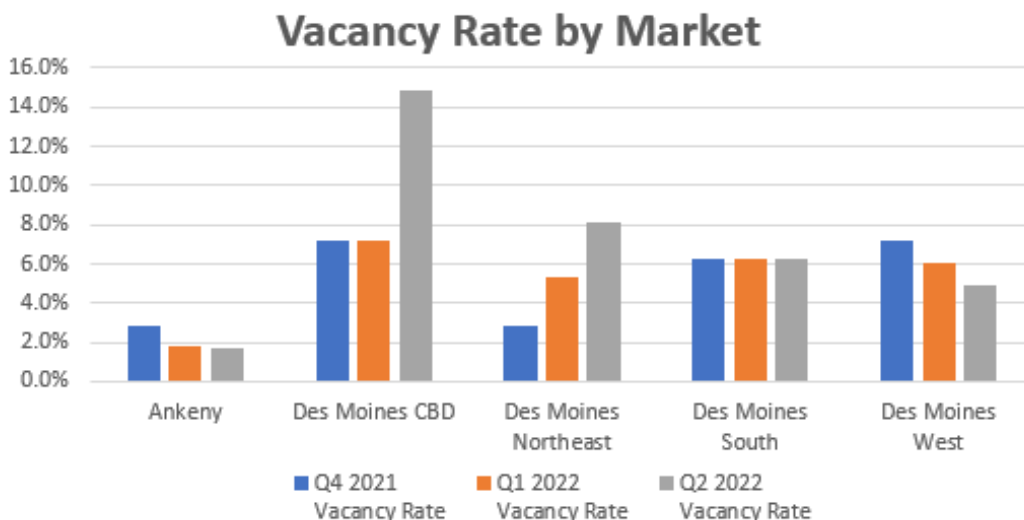
| Market | Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|----------------------|------------------------|------------|-------------------|----------------------|-------------------|-----------------------|---------------------------|--------------|
| Ankeny | Flex/R&D | 11 | 287,170 | 12,142 | 10,642 | 0 | 12,266 | 3.7% |
| | Manufacturing | 3 | 425,192 | 3,500 | 3,500 | (3,500) | (1,750) | 0.8% |
| | Warehouse Distribution | 7 | 889,908 | | | 0 | 0 | 0.0% |
| | Warehouse Office | 17 | 287,971 | 17,581 | 17,581 | 6,177 | 12,540 | 6.1% |
| | Subtotal | 38 | 1,890,241 | 33,223 | 31,723 | 2,677 | 23,056 | 1.7% |
| Des Moines CBD | Flex/R&D | 7 | 291,719 | 27,378 | 32,778 | 0 | 0 | 11.2% |
| | Warehouse Distribution | 2 | 84,999 | | | 0 | 0 | 0.0% |
| | Warehouse Office | 7 | 277,745 | 64,612 | 64,612 | (50,000) | (50,000) | 23.3% |
| | Subtotal | 16 | 654,463 | 91,990 | 97,390 | (50,000) | (50,000) | 14.9% |
| Des Moines Northeast | Flex/R&D | 17 | 371,872 | 30,536 | 23,155 | 6,875 | (12,355) | 6.2% |
| | Manufacturing | 5 | 546,566 | 27,135 | 27,135 | (27,135) | (27,135) | 5.0% |
| | Warehouse Distribution | 23 | 2,906,293 | 418,145 | 378,145 | 50,675 | 44,675 | 13.0% |
| | Warehouse Office | 58 | 1,812,835 | 34,073 | 32,273 | 20,950 | 20,950 | 1.8% |
| | Subtotal | 103 | 5,637,566 | 509,889 | 460,708 | 51,365 | 26,135 | 8.2% |
| Des Moines South | Flex/R&D | 6 | 237,568 | | | 0 | 0 | 0.0% |
| | Warehouse Distribution | 7 | 1,300,695 | 20,000 | 81,004 | 0 | 0 | 6.2% |
| | Warehouse Office | 17 | 1,271,022 | 95,000 | 95,000 | 0 | 0 | 7.5% |
| | Subtotal | 30 | 2,809,285 | 115,000 | 176,004 | 0 | 0 | 6.3% |
| Des Moines West | Flex/R&D | 74 | 2,750,691 | 276,434 | 357,734 | 71,070 | 102,310 | 13.0% |
| | Manufacturing | 6 | 754,545 | | | 0 | 0 | 0.0% |
| | Warehouse Distribution | 36 | 4,731,816 | 196,800 | 106,800 | 52,365 | 140,365 | 2.3% |
| | Warehouse Office | 94 | 2,043,206 | 45,541 | 36,569 | (960) | (6,088) | 1.8% |
| | Subtotal | 210 | 10,280,258 | 518,775 | 501,103 | 122,475 | 236,587 | 4.9% |
| Grand Total | | 397 | 21,271,813 | 1,268,877 | 1,266,928 | 126,517 | 235,778 | 6.0% |

Available and Vacancy Rates



Vacancy Rates by Market (Multi-Tenant)

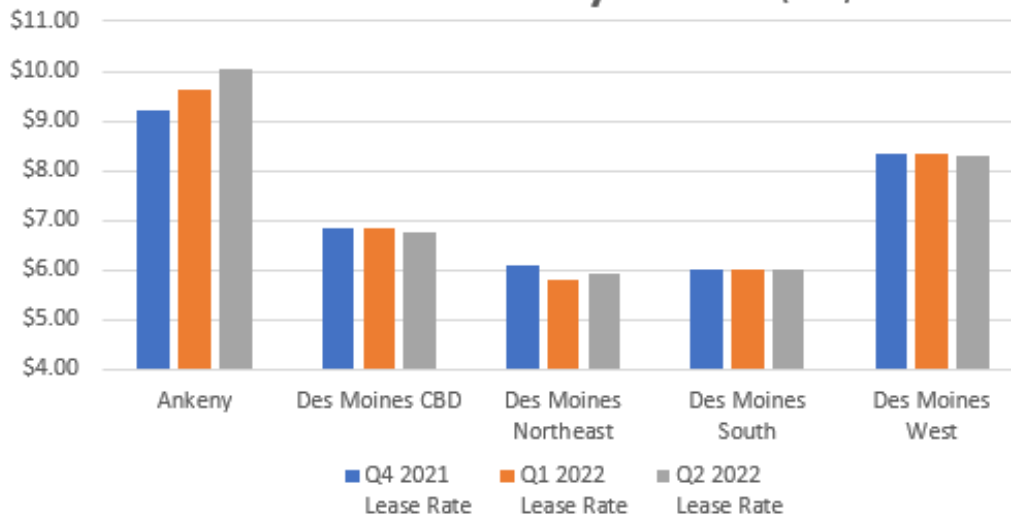
| Market | Property Type | Q4 2021 Vacancy Rate | Q1 2022 Vacancy Rate | Q2 2022 Vacancy Rate |
|----------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Ankeny | Flex/R&D | 8.0% | 3.7% | 3.7% |
| | Manufacturing | 0.4% | 0.0% | 0.8% |
| | Warehouse Distribution | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 8.7% | 6.9% | 6.1% |
| | Subtotal | 2.8% | 1.8% | 1.7% |
| Des Moines CBD | Flex/R&D | 11.2% | 11.2% | 11.2% |
| | Warehouse Distribution | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 5.3% | 5.3% | 23.3% |
| | Subtotal | 7.2% | 7.2% | 14.9% |
| Des Moines Northeast | Flex/R&D | 3.0% | 8.1% | 6.2% |
| | Manufacturing | 0.0% | 0.0% | 5.0% |
| | Warehouse Distribution | 3.4% | 7.7% | 13.0% |
| | Warehouse Office | 2.9% | 2.9% | 1.8% |
| | Subtotal | 2.9% | 5.3% | 8.2% |
| Des Moines South | Flex/R&D | 0.0% | 0.0% | 0.0% |
| | Warehouse Distribution | 6.2% | 6.2% | 6.2% |
| | Warehouse Office | 7.5% | 7.5% | 7.5% |
| | Subtotal | 6.3% | 6.3% | 6.3% |
| Des Moines West | Flex/R&D | 17.2% | 16.0% | 13.0% |
| | Manufacturing | 0.0% | 0.0% | 0.0% |
| | Warehouse Distribution | 5.2% | 3.4% | 2.3% |
| | Warehouse Office | 1.5% | 1.7% | 1.8% |
| | Subtotal | 7.2% | 6.1% | 4.9% |
| Grand Total | | 5.6% | 5.6% | 6.0% |



Lease Rates by Market (Multi-Tenant NNN)

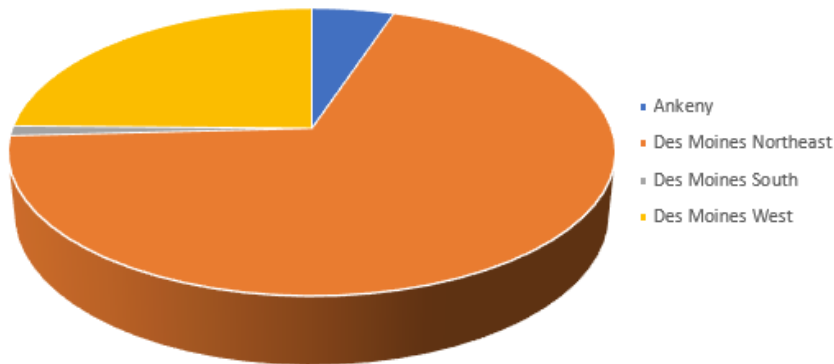
| Market | Property Type | Q4 2021 Lease Rate | Q1 2022 Lease Rate | Q2 2022 Lease Rate |
|----------------------|------------------------|--------------------|--------------------|--------------------|
| Ankeny | Flex/R&D | \$10.25 | \$11.25 | \$10.92 |
| | Manufacturing | | | |
| | Warehouse Distribution | | | |
| | Warehouse Office | \$8.67 | \$8.38 | \$8.75 |
| | Subtotal | \$9.19 | \$9.61 | \$10.05 |
| Des Moines CBD | Flex/R&D | \$6.95 | \$6.95 | |
| | Warehouse Distribution | | | |
| | Warehouse Office | \$6.75 | \$6.75 | \$6.75 |
| | Subtotal | \$6.85 | \$6.85 | \$6.75 |
| Des Moines Northeast | Flex/R&D | | \$5.75 | \$5.75 |
| | Manufacturing | | | |
| | Warehouse Distribution | \$4.35 | \$5.07 | \$5.11 |
| | Warehouse Office | \$7.25 | \$6.95 | \$7.05 |
| | Subtotal | \$6.09 | \$5.81 | \$5.92 |
| Des Moines South | Flex/R&D | | | |
| | Warehouse Distribution | \$6.00 | | |
| | Warehouse Office | \$6.00 | \$6.00 | \$6.00 |
| | Subtotal | \$6.00 | \$6.00 | \$6.00 |
| Des Moines West | Flex/R&D | \$8.98 | \$8.99 | \$9.17 |
| | Manufacturing | | | |
| | Warehouse Distribution | \$6.91 | \$6.58 | \$5.90 |
| | Warehouse Office | \$7.09 | \$7.56 | \$6.89 |
| | Subtotal | \$8.32 | \$8.36 | \$8.30 |
| Grand Total | | \$8.11 | \$8.15 | \$7.97 |

Lease Rate by Market (NNN)



New Developments by Market

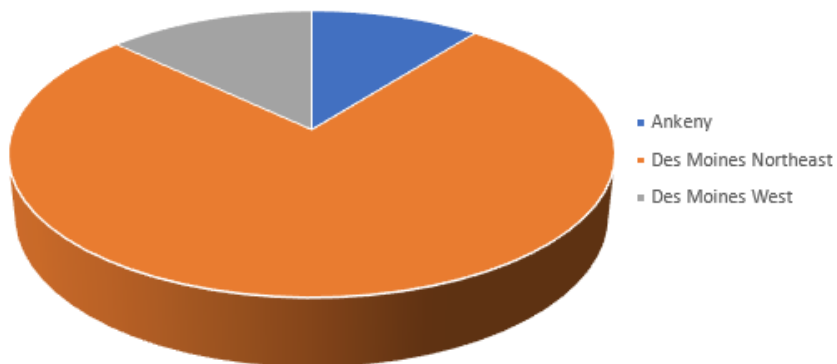
Under Construction (sf)



| Market | Bldg (sf) |
|----------------------|------------------|
| Ankeny | 157,900 |
| Des Moines Northeast | 2,130,641 |
| Des Moines South | 34,500 |
| Des Moines West | 762,792 |
| Grand Total | 3,085,833 |

Year to Date Deliveries by Market

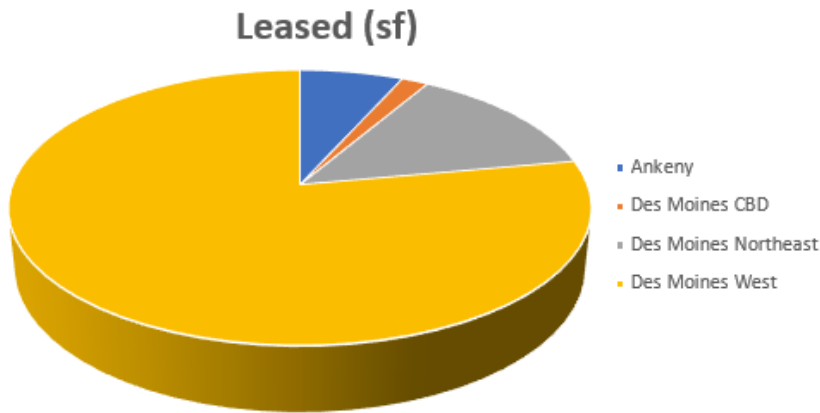
YTD Delivered (sf)



| Market | Bldg (sf) |
|----------------------|----------------|
| Ankeny | 84,795 |
| Des Moines Northeast | 610,077 |
| Des Moines West | 103,800 |
| Grand Total | 798,672 |

Leasing Activity

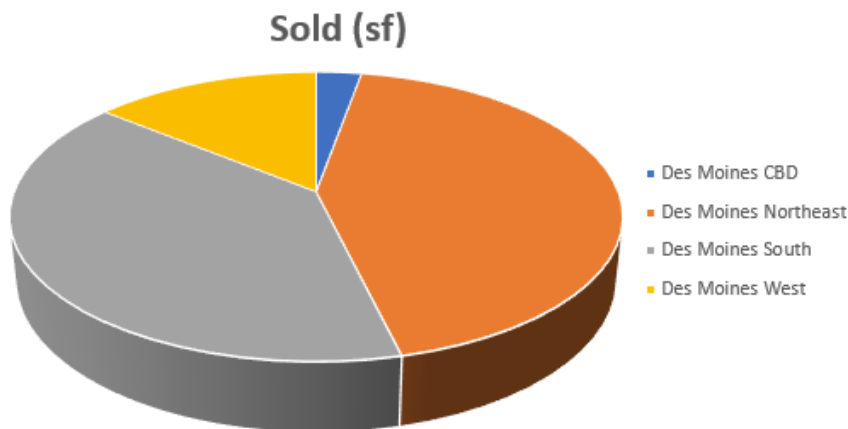
| Property | Size (sf) | Market | Tenant | Landlord |
|--|-----------|----------------------|---|--------------------------|
| Aurora 19 4000 114th St | 49,450 | Des Moines West | Associated Member Benefits Advisors | R & R Realty Group |
| Legacy 2 at Legacy Park 1500 SE 19th St | 22,500 | Des Moines West | Midiowa Gymnastics | Anderson Four LLC |
| Grimes Distribution Center 1300 SE Gateway Dr | 22,000 | Des Moines West | Owen & Minor | BGT Iowa LLC |
| Commerce Crossings 800 Commerce Pkwy SW | 20,495 | Des Moines Northeast | Wurth - Des Moines Bolt | Bondurant Commercial LLC |
| 12000 Meredith Dr | 20,000 | Des Moines West | Consolidated Electrical Distributors | R & R Realty Group |



| Market | Leased (sf) |
|----------------------|----------------|
| Ankeny | 20,830 |
| Des Moines CBD | 5,400 |
| Des Moines Northeast | 42,275 |
| Des Moines West | 241,112 |
| Grand Total | 309,617 |

Sales Activity

| Property | Price | Market | Buyer | Seller |
|---------------------|-------------|----------------------|---|------------------------------|
| 5100 Park Ave | \$8,200,000 | Des Moines South | TL Park LLC | Blue Marble Investmentss LLC |
| 1710 Guthrie Ave | \$3,080,000 | Des Moines Northeast | 1710 Guthrie Ave LLC | Grand Ventures LLC |
| 2408 E 22nd St | \$2,800,000 | Des Moines Northeast | B & B Meyer LLC | 2408 Property LLC |
| 5554 NE 14th St | \$2,250,000 | Des Moines Northeast | Dizdarway LLC | LMO Investments LLC |
| 6263 NE Industry Dr | \$1,809,500 | Des Moines Northeast | MRP1031 LLC & TL 6263 NE Industry Dr LLC | D R A Properties LC |



| Market | Sold (sf) |
|----------------------|----------------|
| Des Moines CBD | 9,760 |
| Des Moines Northeast | 150,380 |
| Des Moines South | 137,400 |
| Des Moines West | 49,006 |
| Grand Total | 346,546 |

Methodology

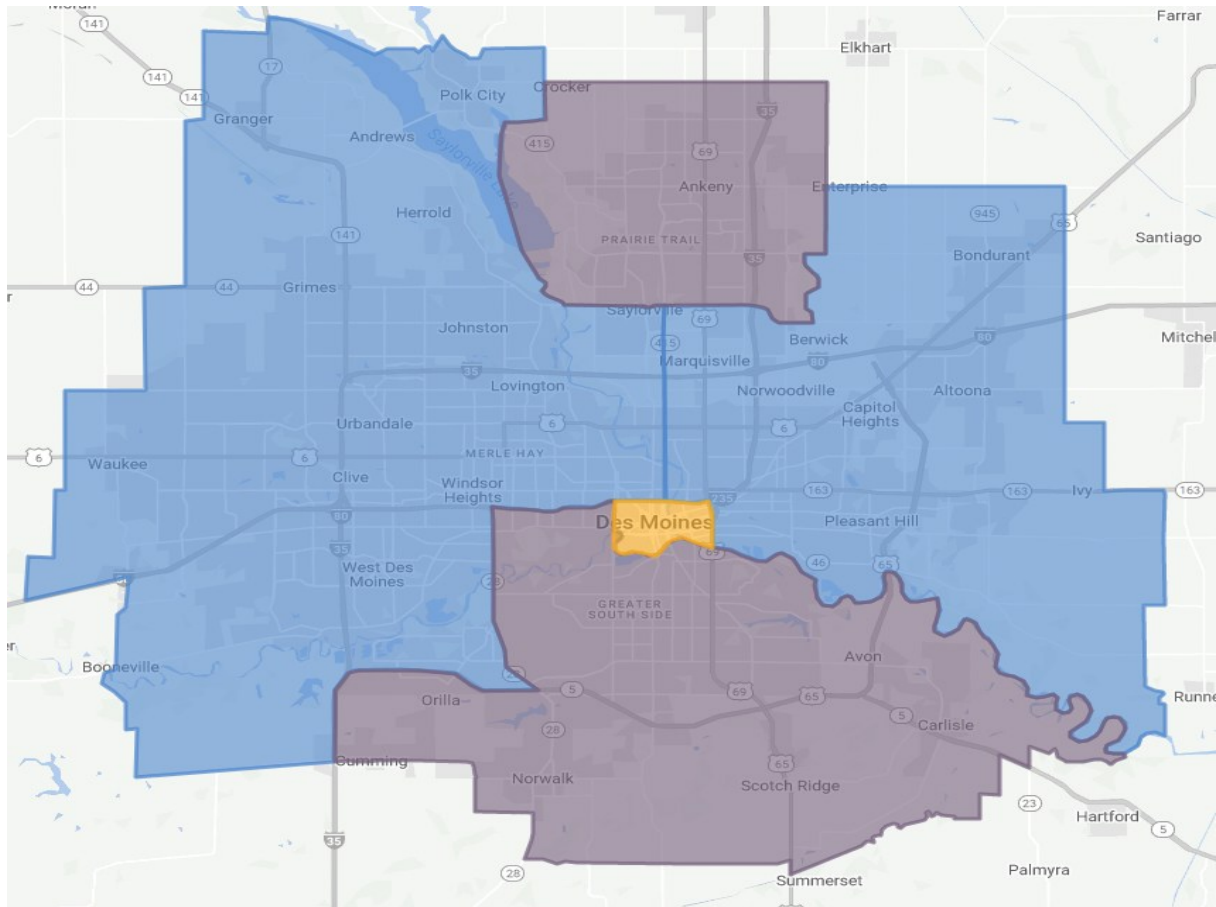
The Des Moines market consists of single and multi-tenant industrial buildings 10,000 sf or larger or part of a complex larger than 10,000 sf. The geographic area includes Dallas, Polk and Warren counties. The tracked set does not include self-storage facilities and non-conforming property types such as grain elevators or fuel storage facilities. All tracked properties are existing. Statistically, net absorption will be calculated based on occupancy change during the current quarter. Asking lease rates are based on an average asking rate and noted on a NNN basis.

The Des Moines tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Terminology

| | |
|-----------------------------|---|
| Inventory | The total square feet (sf) of existing multi-tenant buildings greater than 10,000 sf or are part of a complex that totals greater than 10,000 sf located in Dallas, Polk and Warren Counties. |
| Total Available (sf) | All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move. |
| Total Vacant (sf) | The total of all the vacant square feet within a building including both direct and sublease space. |
| Direct Vacant (sf) | The total of the vacant square footage in a building that is being marketed by an agent representing the landlord. |
| Sublease Space | Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied. |
| Net Absorption | The net change in occupancy from quarter to quarter, expressed in square feet. |
| Average Asking Rate | The average lease rate expressed as a per square foot value in NNN terms. |

Market Map



Advisory Board Members

| | | | |
|----------------------|---|---|--|
| CBRE | Korey Birkenholtz Bill Wright Tony Leshen | JLL | Lucas Hedstrom Eric Land |
| Capstone Commercial | Corey Sedrel Tom Swenson | NAI Iowa Realty | Kevin Crowley Jason Lozano |
| Denny Elwell Company | Carson Hughes Dan Corron | R&R Realty Group Signature CRE SVN Create | Chris Curran Andy Hodges Heath Bullock |

REDIComps Team

| | | | |
|-----------------|--------------------------------|--|--------------|
| Chris Allen | Regional Director of Analytics | chris@redicomps.com | 952-456-1669 |
| Jeremy Bengtson | CEO | jeremy@redicomps.com | |
| Donna Nussbaum | Director of Sale Comps | donna@redicomps.com | |
| Kim Platz | Regional Director of Research | kim@redicomps.com | 816-651-6686 |
| Emma Fonte | Listings Researcher | emma@redicomps.com | 786-247-2174 |
| Molly Bengtson | Director of Client Services | molly@redicomps.com | 715-475-9876 |