

Market

# Trend

# Q3 2022

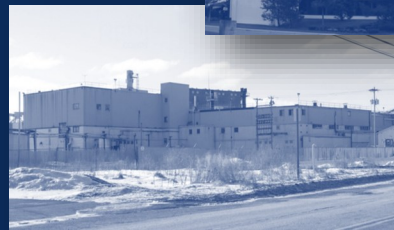
## Des Moines - Retail



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# MARKET TRENDS

Q3 2022 | Des Moines | Retail

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	362,165	
Area Unemployment	2.7	
U.S. Unemployment	3.6	
Retail Jobs	36,100	

Source: BLS

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

## Market Recap

### All Properties

Total Inventory <sup>(sf)</sup>	26,965,487
Total # of Bldgs <sup>(tracked)</sup>	1,052
Vacancy	5.0%
Asking Rate <sup>(FSG)</sup>	\$16.53
New Construction <sup>(sf)</sup>	289,665

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Des Moines metropolitan statistical area (MSA) decreased 130 basis points to 2.7% for August 2022 from 4.0% for August 2021. The unemployment rate for the US was at 3.6% in August 2022 down from 5.2% last year. State of Iowa unemployment rate was 2.6%. The Des Moines MSA saw an increase in job growth and retail job growth in leisure and Hospitality also increased by 1,100 jobs compared to last year.

## Market Overview

The Des Moines retail market, consisting of 27 msf of space in three counties across the metro posted an available rate of 6.5% for Q3 2022. The vacancy rate for the market stands at 5.0%. The average asking lease rate for Des Moines came in at \$16.53 psf NNN for all properties. There are 10 construction projects throughout the market just shy of 290,000 sf, while 10 properties were delivered year to date totaling 103,715 sf.

## Market Highlights

During Q3 2022 the market experienced over 131,000 sf of leasing activity in 47 transactions. Des Moines Northeast market posted the lowest vacancy rate at 2.8% for all properties. The highest vacancy rate was 9.5% in Des Moines CBD market for all properties. Twenty one properties totaling over 263,000 sf sold during Q3 2022 topping \$49.8 million. Most of the activity was in Des Moines West market with 12 sale transactions totaling \$35,000,000 and 25 lease transactions topping 74,500 sf.

# Market Statistics by Property Type

## Total

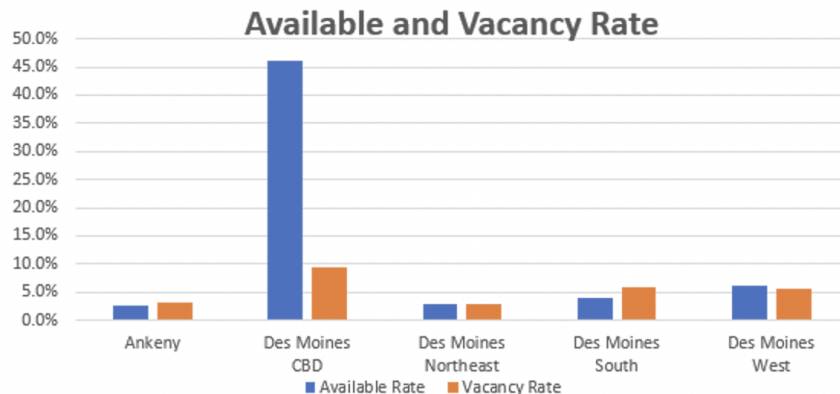
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Average Lease Rate (NNN)	Vacancy Rate
Community Center	20	1,836,452	135,836	135,836	\$13.00	7.4%
Freestanding/Big Box	441	12,707,897	316,767	294,799	\$10.67	2.3%
Mixed Use	86	1,396,051	517,543	122,793	\$18.18	8.8%
Neighborhood Center	75	3,698,517	207,263	261,303	\$13.33	7.1%
Regional Center	2	1,909,620	197,368	197,368		10.3%
Strip Center	428	5,416,950	388,095	341,405	\$17.15	6.3%
<b>Grand Total</b>	<b>1,052</b>	<b>26,965,487</b>	<b>1,762,872</b>	<b>1,353,504</b>	<b>\$16.53</b>	<b>5.0%</b>

## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Average Lease Rate (NNN)	Vacancy Rate
Community Center	20	1,836,452	135,836	135,836	\$13.00	7.4%
Freestanding/Big Box	441	12,707,897	249,716	227,748	\$10.67	1.8%
Mixed Use	86	1,396,051	517,543	122,793	\$18.18	8.8%
Neighborhood Center	75	3,698,517	205,793	259,833	\$13.33	7.0%
Regional Center	2	1,909,620	197,368	197,368		10.3%
Strip Center	428	5,416,950	384,071	337,381	\$17.15	6.2%
<b>Grand Total</b>	<b>1,052</b>	<b>26,965,487</b>	<b>1,690,327</b>	<b>1,280,959</b>	<b>\$16.53</b>	<b>4.8%</b>

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Vacancy Rate
Community Center	20	1,836,452			0.0%
Freestanding/Big Box	441	12,707,897	67,051	67,051	0.5%
Mixed Use	86	1,396,051			0.0%
Neighborhood Center	75	3,698,517	1,470	1,470	0.0%
Regional Center	2	1,909,620			0.0%
Strip Center	428	5,416,950	4,024	4,024	0.1%
<b>Grand Total</b>	<b>1,052</b>	<b>26,965,487</b>	<b>72,545</b>	<b>72,545</b>	<b>0.3%</b>

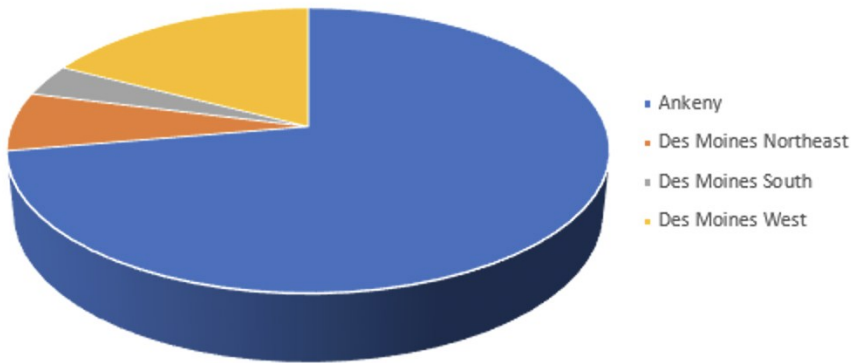


# Market Statistics by Market

Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Average Lease Rate (NNN)	Vacancy Rate
Ankeny	Community Center	1	133,079	10,783	10,783	\$16.00	8.1%
	Freestanding/Big Box	46	1,833,875				0.0%
	Mixed Use	8	112,130	7,322	11,517	\$22.50	10.3%
	Neighborhood Center	9	406,619	3,709	9,770	\$17.00	2.4%
	Strip Center	63	818,309	68,118	69,685	\$17.78	8.5%
	<b>Subtotal</b>	<b>127</b>	<b>3,304,012</b>	<b>89,932</b>	<b>101,755</b>	<b>\$18.11</b>	<b>3.1%</b>
Des Moines CBD	Freestanding/Big Box	15	236,035	34,710	34,710		14.7%
	Mixed Use	35	642,853	425,040	42,795	\$17.75	6.7%
	Neighborhood Center	2	62,455				0.0%
	Strip Center	10	111,258	25,030	22,520	\$15.64	20.2%
	<b>Subtotal</b>	<b>62</b>	<b>1,052,601</b>	<b>484,780</b>	<b>100,025</b>	<b>\$16.85</b>	<b>9.5%</b>
Des Moines Northeast	Community Center	12	777,801	69,709	69,709	\$10.00	9.0%
	Freestanding/Big Box	111	2,190,036	16,496	6,736		0.3%
	Mixed Use	3	17,508	1,189	1,189		6.8%
	Neighborhood Center	2	72,706				0.0%
	Strip Center	70	903,268	31,430	31,905	\$20.53	3.5%
	<b>Subtotal</b>	<b>198</b>	<b>3,961,319</b>	<b>118,824</b>	<b>109,539</b>	<b>\$19.48</b>	<b>2.8%</b>
Des Moines South	Community Center	3	381,117	55,344	55,344		14.5%
	Freestanding/Big Box	63	1,578,701	8,624	8,624		0.5%
	Mixed Use	3	35,126	3,764	3,764	\$10.00	10.7%
	Neighborhood Center	9	467,185	32,877	100,751		21.6%
	Strip Center	44	585,957	17,672	13,604	\$14.50	2.3%
	<b>Subtotal</b>	<b>122</b>	<b>3,048,086</b>	<b>118,281</b>	<b>182,087</b>	<b>\$13.38</b>	<b>6.0%</b>
Des Moines West	Community Center	4	544,455				0.0%
	Freestanding/Big Box	206	6,869,250	256,937	244,729	\$10.67	3.6%
	Mixed Use	37	588,434	80,228	63,528	\$18.36	10.8%
	Neighborhood Center	53	2,689,552	170,677	150,782	\$13.02	5.6%
	Regional Center	2	1,909,620	197,368	197,368		10.3%
	Strip Center	241	2,998,158	245,845	203,691	\$16.38	6.8%
<b>Subtotal</b>	<b>543</b>	<b>15,599,469</b>	<b>951,055</b>	<b>860,098</b>	<b>\$15.64</b>	<b>5.5%</b>	
<b>Grand Total</b>		<b>1,052</b>	<b>26,965,487</b>	<b>1,762,872</b>	<b>1,353,504</b>	<b>\$16.53</b>	<b>5.0%</b>

# New Developments by Market

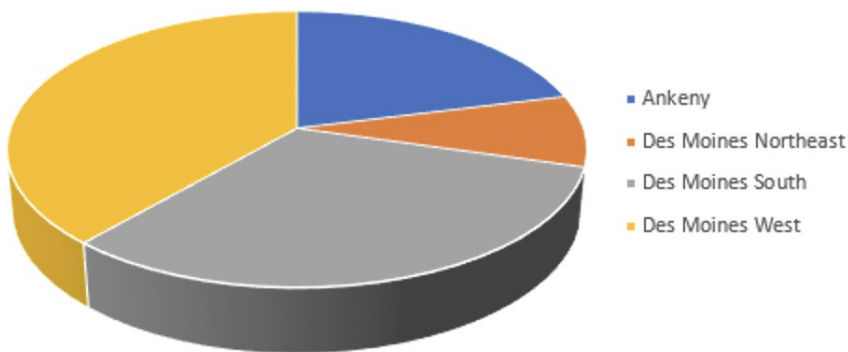
Under Construction (sf)



Market	Bldg (sf)
Ankeny	209,345
Des Moines Northeast	19,333
Des Moines South	10,530
Des Moines West	50,457
<b>Grand Total</b>	<b>289,665</b>

# Year to Date Deliveries by Market

YTD Delivered (sf)

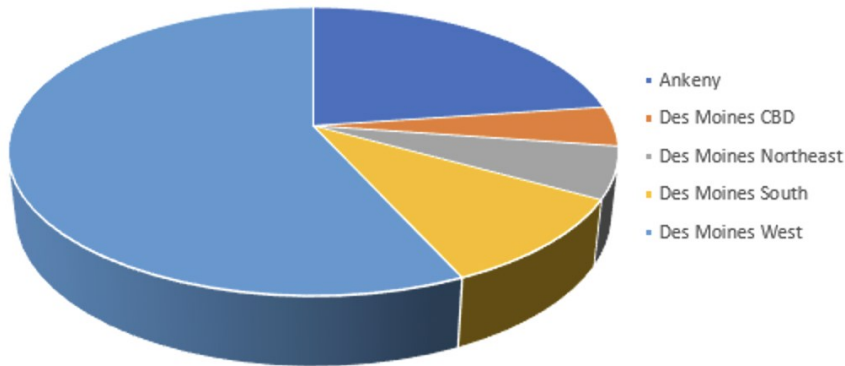


Market	Bldg (sf)
Ankeny	21,860
Des Moines Northeast	8,700
Des Moines South	33,150
Des Moines West	40,005
<b>Grand Total</b>	<b>103,715</b>

# Leasing Activity

Property	Size (sf)	Market	Tenant	Landlord
3390 SE Crossroads Dr	9,876	Des Moines West	MC Divots Golf Simulator Sports Pub	Crossroads Grimes LLC
1802 N Ankeny Blvd	8,055	Ankeny	Filet Steakhouse	Denny Elwell Family LC
Stefon Plaza 165 S Jordan Pkwy	7,240	Des Moines South	The Dance Avenue	Knapp Properties
Bridgewood Plaza 10411 Hickman Rd	7,001	Des Moines West	X Golf	Bridgewood Plaza Condos
3892 NW Urbandale Dr	5,100	Des Moines West	Enchantasys	Jesse Place Condos

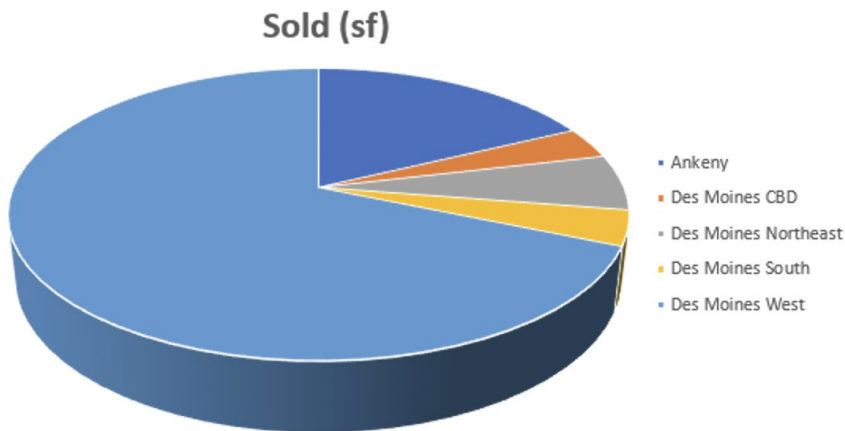
Leased (sf)



Market	Leased (sf)
Ankeny	29,946
Des Moines CBD	5,861
Des Moines Northeast	7,577
Des Moines South	13,314
Des Moines West	74,570
<b>Grand Total</b>	<b>131,268</b>

# Sales Activity

Property	Price	Market	Buyer	Seller
3104 University Ave	\$9,513,500	Des Moines West	Clamshell Properties LLC	FRG Des Moines LLC
3180-3290 100th St	\$5,700,000	Des Moines West	Charles I Colby, Ruth Colby Investment Trust	Houghton Jonathan, Barbara
9900-9962 Swanson Blvd	\$5,325,000	Des Moines West	Creekside Clive LLC	MCR Investments IV LLC
225 SW Oralabor Rd	\$4,946,000	Ankeny	Shobby Holdings Inc	EIG14T RCCC 249 IA-Ankeny S LLC
8601 Thomas Ave	\$4,720,000	Des Moines West	BS2 Little Minds LLC	EIG14T Fund II Johnston LLC



Market	Sold (sf)
Ankeny	46,992
Des Moines CBD	9,207
Des Moines Northeast	16,274
Des Moines South	10,153
Des Moines West	181,003
<b>Grand Total</b>	<b>263,629</b>

# Methodology

The Des Moines market consists of single and multi-tenant retail buildings 5,000 sf or larger or part of a complex larger than 5,000 sf. The geographic area includes Dallas, Polk and Warren counties. The tracked set does not include mixed use properties with less than 5,000 sf retail space. 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.

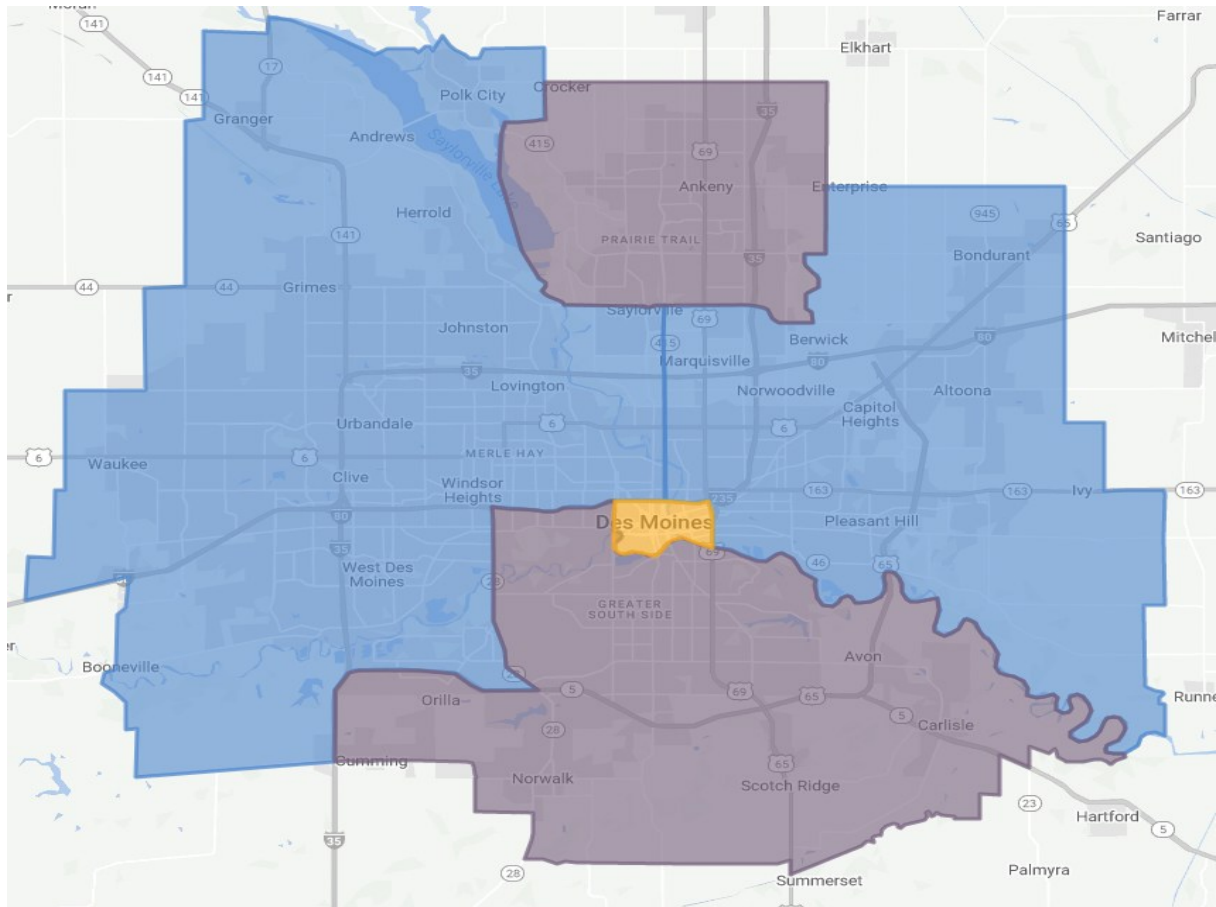
**The Des Moines tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.**

## Terminology

<b>Inventory</b>	The total square feet (sf) of existing multi-tenant buildings greater than 5,000 sf or are part of a complex that totals greater than 5,000 sf located in Dallas, Polk and Warren Counties.
<b>Total Available (sf)</b>	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.
<b>Total Vacant (sf)</b>	The total of all the vacant square feet within a building including both direct and sublease space.
<b>Direct Vacant (sf)</b>	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
<b>Sublease Space</b>	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.
<b>Net Absorption</b>	The net change in occupancy from quarter to quarter, expressed in square feet.
<b>Average Asking Rate</b>	The average lease rate expressed as a per square foot value in NNN terms.



# Market Map



## Advisory Board Members

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