



Q1 2021

GREATER DES MOINES INDUSTRIAL & LOGISTICS FIGURES

CBRE | **Hubbell**
Commercial

Part of the CBRE affiliate network

Greater Des Moines Metro Industrial Marketview

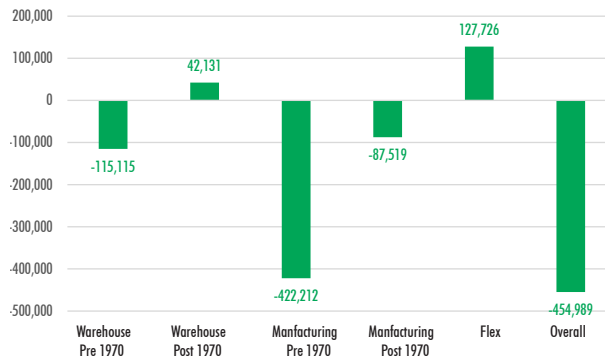
Overall Vacancy Rate
6.10%

Warehouse Q1 Net Absorption
(72,984)

Flex Q1 Net Absorption
127,726 SF

Speculative Construction Pipeline
1,300,000

Figure 1: Q1 Net Absorption by Property Type



Proposed Northridge 80/35 Industrial Development

Figure 2: Recent Vacancy Trend by Property Type

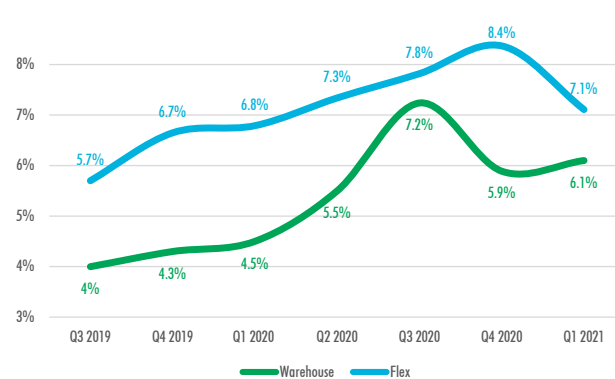
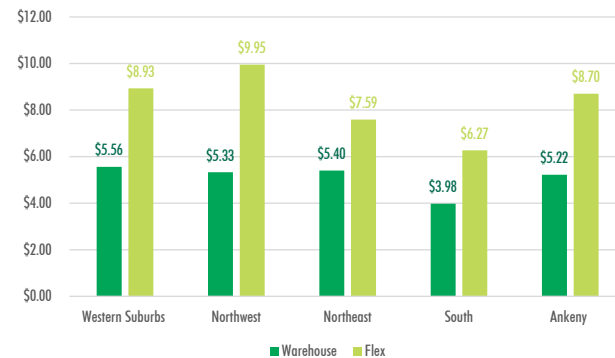


Figure 3: Warehouse & Flex Average Asking Lease Rates by Submarket (NNN)



PERFORMANCE HIGHLIGHTS

- The Greater Des Moines industrial market recorded 454,989 sq.ft. of negative net absorption in Q1, increasing overall vacancy by 60 bps to 6.1%. Q1 negative absorption was largely underpinned by 3811 Dixon St, Des Moines, which added 422,000 sq.ft. of availability to the Northeast submarket. The Pre-1970 construction building was previously occupied by XPO logistics for storage of John Deere equipment prior to the development of John Deere's new facility at 5800 SE Delaware in Ankeny. Additionally, three floorplates of 80,000 sq.ft. plus became available in Q3 – all of which were built pre-1970 with an average clear height of 18'.
- The Western Suburbs Flex Market and the Northeast Post-1970 Warehouse markets recorded the top two leases in Q1, which facilitated strong absorption gains and lowered vacancy levels by 260bps & 100bps, respectively quarter-over-quarter.
- Speculative (spec.) deliveries were minimal in Q1 with just one flex project at 1615 SE Cortina Dr delivering 19,000 sq.ft. to the Ankeny submarket. However, the spec. construction pipeline swelled to approximately 1.3M sq.ft. - spread primarily across four developments in the Northeast submarket (See Pg. 3). The Anderson Warehouse development in Altoona broke ground on building #3 in Q1 (300,000 sq.ft.), and is the only project expected to deliver in 2021.
- The largest sale of the quarter was 1010 SE 54th St, Ankeny, which sold to Kansas City based Block Real Estate for \$9.8M or \$49 PSF. The vacant 200,000 sq.ft warehouse was formerly occupied by MYA logistics and is currently available for lease.

MOVING FORWARD

Near Term: Despite steady user demand, overall fundamentals softened in Q1 as any absorption gains were largely offset by a single vacancy – a trend we do not expect to continue. Looking forward we project just 300,000 sq.ft. of spec. deliveries over the next three quarters -- representing an approximate 70% pullback from 2020 construction levels. The temporary slowdown in new supply should facilitate steady absorption gains for the balance of the year.

MARKETVIEW GREATER DES MOINES INDUSTRIAL

Market Statistics

	Market Rentable Area (SF)	Vacant (SF)	Vacancy Rate (%)	Q1 Net Absorption (SF)	Speculative Construction
Greater Des Moines					
Warehouse Pre 1970	10,492,992	299,771	2.9%	(115,115)	
Warehouse Post 1970	29,376,468	2,122,292	7.2%	42,131	
Manufacturing Pre 1970	7,247,016	433,427	6.0%	(422,212)	
Manufacturing Post 1970	4,072,299	174,036	4.3%	(87,519)	
Flex	10,209,571	725,681	7.1%	127,726	
TOTAL	61,398,346	3,755,207	6.1%	(454,989)	1,329,096
Western Suburbs					
Warehouse Pre 1970	1,615,824	0	0.0%	16,800	
Warehouse Post 1970	9,951,262	892,857	9.0%	(53,990)	195,000
Manufacturing Pre 1970	620,467	0	0.0%	0	
Manufacturing Post 1970	898,811	63,385	7.1%	0	
Flex	5,184,786	484,422	9.3%	135,477	
CBD					
Warehouse Pre 1970	558,521	0	0.0%	5,550	
Warehouse Post 1970	271,961	12,764	4.7%	12,000	
Manufacturing Pre 1970	53,436	0	0.0%	0	
Manufacturing Post 1970	12,737	0	0.0%	0	
Flex	552,378	5,400	1.0%	0	
Northwest					
Warehouse Pre 1970	1,711,194	6,412	0.4%	0	
Warehouse Post 1970	4,479,177	569,619	12.7%	(35,819)	
Manufacturing Pre 1970	1,874,114	0	0.0%	0	
Manufacturing Post 1970	231,777	101,651	43.9%	(87,519)	
Flex	808,001	17,794	2.2%	27,870	
Northeast					
Warehouse Pre 1970	4,228,613	134,000	3.2%	(49,117)	
Warehouse Post 1970	10,661,983	413,610	3.9%	111,590	1,134,096
Manufacturing Pre 1970	1,968,317	426,712	21.7%	(422,212)	
Manufacturing Post 1970	1,932,889	0	0.0%	0	
Flex	2,709,360	43,305	1.6%	(18,105)	
South					
Warehouse Pre 1970	2,151,279	143,020	6.6%	(88,348)	
Warehouse Post 1970	2,086,794	9,000	0.4%	6,600	
Manufacturing Pre 1970	278,914	6,715	2.4%	0	
Manufacturing Post 1970	519,974	0	0.0%	0	
Flex	250,110	100,987	40.4%	5,411	
Ankeny					
Warehouse Pre 1970	227,561	16,339	7.2%	0	
Warehouse Post 1970	1,925,291	224,442	11.7%	1,750	
Manufacturing Pre 1970	2,451,768	0	0.0%	0	
Manufacturing Post 1970	476,111	9,000	1.9%	0	
Flex	704,936	73,773	10.5%	(22,927)	

Speculative Construction Pipeline

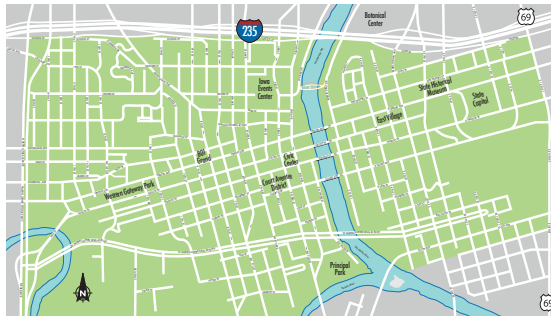
Property	City	Submarket	Property Type	Size (sf)	Expected Delivery	Construction
Anderson Warehouse	Altoona	Northeast	Warehouse	300,000	Q4, 2021	Under Construction
Northridge 80/35	Des Moines	Northeast	Warehouse	350,376	Q3, 2022	Upcoming Start
Altus Commerce	Altoona	Northeast	Warehouse	262,200	Q1, 2022	Upcoming Start
Crosswinds Business	Ankeny	Northeast	Warehouse	221,520	Q3, 2022	Upcoming Start
Legacy Park Lot 2	Grimes	Western Subs	Warehouse/Office	135,000	Q1, 2022	Upcoming Start
Legacy Park Lot 1	Grimes	Western Subs	Warehouse/Office	60,000	Q1, 2022	Upcoming Start

Notable Sales Q1

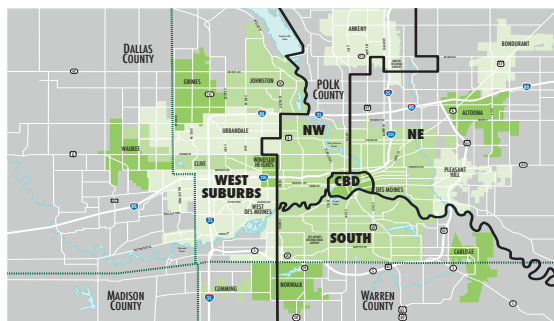
Property	City	Submarket	Property Type	Size (sf)	Sale Price	Sale Price PSF
1010 SE 54th St	Des Moines	Northwest	Warehouse	202,616	\$9,875,000	\$49
1720 Fuller Rd	West Des Moines	Western Suburbs	Office/Warehouse	57,620	\$3,990,000	\$69
5605 NW 100th St	Johnston	Western Suburbs	Office/Warehouse	33,460	\$3,916,580	\$117
2701 McKinley Ave	Des Moines	South	Warehouse/Office	23,378	\$2,240,000	\$96

Notable Lease Transactions Q1

Property	City	Submarket	SF Leased	Tenant	Deal Type
Birchwood on I-80/35	Johnston	Western Suburbs	55,763	Allios Nexius	New
1300 SE Gateway Dr	Grimes	Western Suburbs	20,000	Safelight Fulfillment	New



DES MOINES CENTRAL BUSINESS DISTRICT (CBD)



DES MOINES METROPOLITAN AREA

SUBMARKET BOUNDARIES

Central Business District (CBD) - Includes the Western CBD and the East Village, extending west to Martin Luther King Jr. Parkway and east to East 14th Street.

Western Suburbs - Encompasses West Des Moines, Clive, Urbandale, Windsor Heights, Johnston, Grimes, Waukee, and some unincorporated areas of Polk, Dallas, and Warren Counties.

Northwest - Includes Northwest Des Moines and Western Saylor Township.

Northeast - Consists of Northeast Des Moines (extended south to the Des Moines River), Pleasant Hill, Altoona, Eastern Saylor Township, and Delaware Township.

South - Comprises Southwest Des Moines, Southeast Des Moines (south of Des Moines River), and some unincorporated areas of Polk and Warren Counties.

Ankeny - Evaluated separately.

GREATER DES MOINES ECONOMIC DATA



Population
699,292 (2019 MSA)

Sources: US Bureau of Labor Statistics

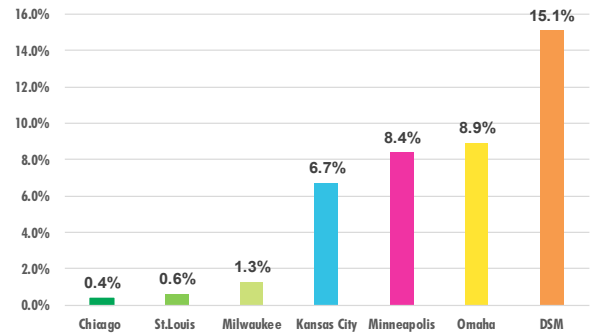


Unemployment Rate
3.6%

Sources: US Bureau of Labor Statistics

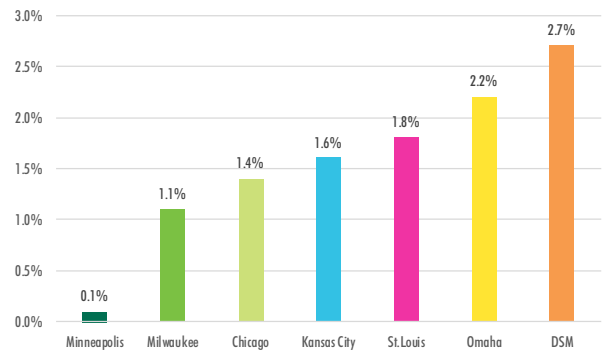
LARGEST EMPLOYERS	EMPLOYEES
Wells Fargo & Company	14,500
UnityPoint Health - Des Moines	8,026
Principal	6,500
Hy-vee	6,400
Nationwide	4,525
Mercy Medical Center	4,228
John Deere	3,089
Vermeer Corporation	2,500
Corteva	2,495
JBS USA	2,300
Pella Corporation	2,224
Wellmark Blue Cross Blue Shield of Iowa	2,000
UPS	1,600
Bridgestone Americas Tire Operations	1,600
Mercer	1,560
YMCA	1,300
EMC Insurance Companies	1,269
Casey's	1,200
Tyson Fresh Meats, Inc.	1,200

Population Growth: 2010 - 2018

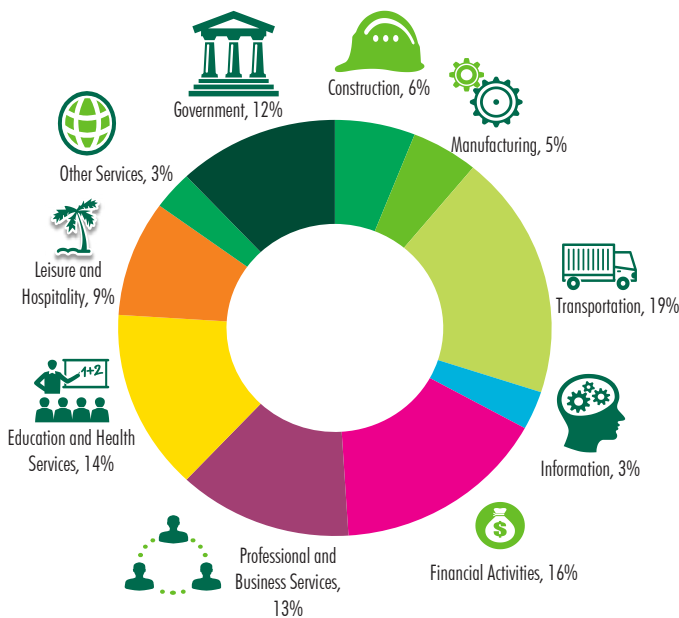


Sources: US Bureau of Labor Statistics

Employment Growth: March 2018 - July 2019



Sources: US Bureau of Labor Statistics



Sources: CoStar Group, Polk County Assessor, Dallas County Assessor, Greater Des Moines Partnership, Bureau of Economic Analysis and US Bureau of Labor Statistics