

FIGURES | DES MOINES OFFICE | Q1 2026

# Vacancy Retreats, Rents Surge Amid Limited New Supply

▼ 13.9%

Vacancy Rate

▲ 346,892

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 71,000

SF Under Construction

▲ \$20.52

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

## Market Overview

The Des Moines Office market reported an overall vacancy rate of 13.9% in Q1 2026, which is 170 bps lower than the previous quarter, 290 bps lower than one year ago, and 330 bps higher than 3 years ago.

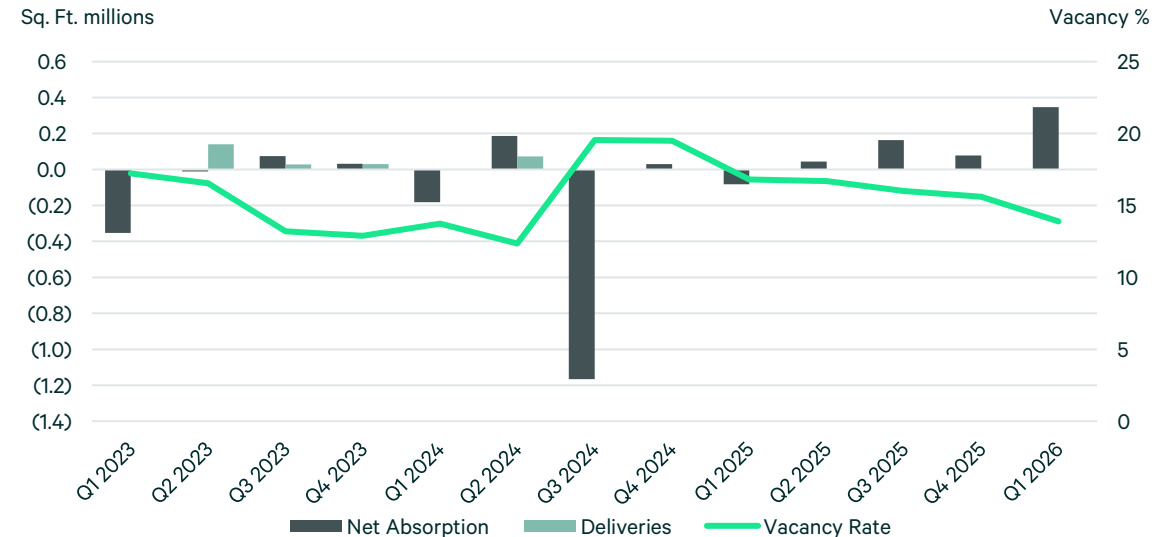
Average asking rent was \$20.52 per sq. ft. year gross at the close of Q1 2026, which is an increase of \$0.13, or 0.6% from the previous quarter.

Net absorption was positive 346,892 sq. ft. in Q1 2026, which represents the fourth quarter in a row of positive absorption and is over 150,000 sq. ft. greater than total net absorption for 2025.

Available sublease space was 175,901 sq. ft. in Q1 2026, which represents only 0.7% of the total office inventory in the Des Moines market.

New construction remains conservative in the market as no new competitive office properties have been delivered to the Des Moines market since Q2 2024. The amount of office space under construction remains low with only one 71,000 sq. ft. property under way.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

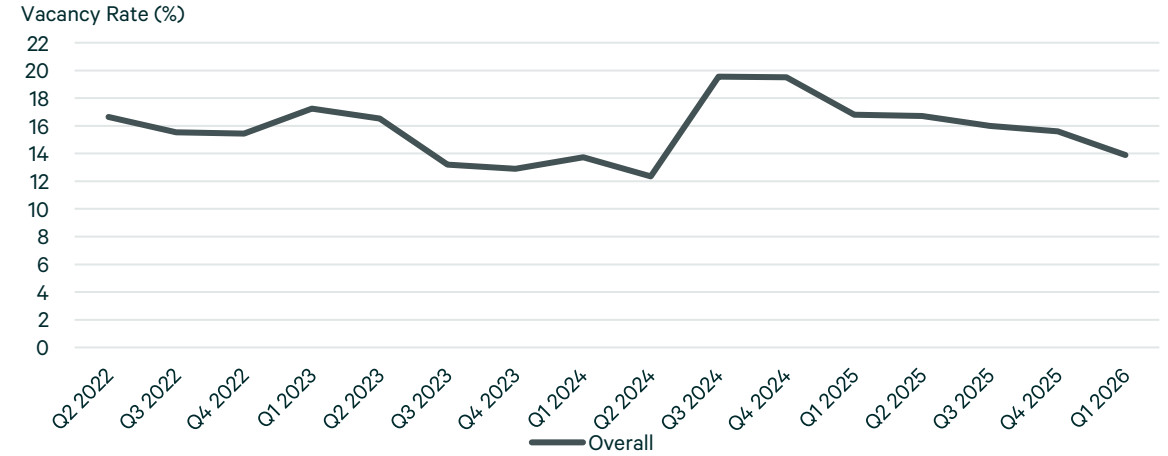
## Vacancy

In Q1 2026 the overall office vacancy rate stood at 13.9%, with Class A space at 16.9%, and Class B space at 12.4%.

Compared to the previous quarter, the overall vacancy rate declined by 170 basis points (bps), with class A falling 270 bps and with Class B falling 90 bps.

On a year-over-year basis, the overall rate decreased by 290 bps, with Class A down 810 bps and Class B down 50 bps. However, over the past 3 years, vacancy rates have risen significantly: the overall rate increased by 330 bps.

FIGURE 2: Vacancy Rate



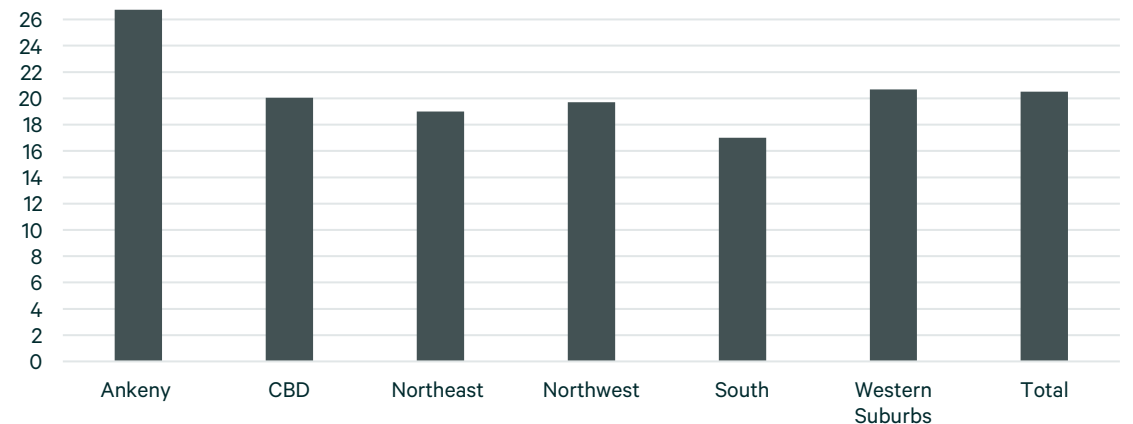
Source: CBRE Research, Q1 2026

## Asking Rent

Average asking rent was \$20.52 per sq. ft. year gross at the close of Q1 2026, Class A asking rent was \$21.26 per sq. ft. year gross at the close of Q1 2026, Class B asking rent was \$20.05 per sq. ft. year gross at the close of Q1 2026.

By submarket, the highest asking rent can be found in the Ankeny submarket, with an average asking rent of \$24.73 per sq. ft. gross. The lowest asking rent can be found in the South submarket, with an average asking rent of \$17.00 per sq. ft. gross.

FIGURE 3: Avg. Direct Asking Rate (FSG/YR) by Class



Source: CBRE Research, Q1 2026

## Net Absorption

Net absorption was positive 346,892 sq. ft in Q1 2026, an increase from positive 106,490 sq. ft. in the previous quarter.

By class, Class A net absorption was positive 248,000 sq. ft and Class B net absorption was positive 99,000 sq. ft in Q1 2026. Over the last four quarters net absorption totaled positive 660,065 sq. ft.

By submarket, CBD and Western Suburbs experienced the greatest amount of absorption with 189,000 sq. ft. and 161,000 sq. ft., respectively.

The largest move-in for the quarter was American Equity Investment Life Insurance Company’s occupancy of 1150 Locust St in the CBD submarket. American Equity Investment previously occupied space at 6000 Westown Pkwy. That property sold to Telligen, a health management solutions company, who will occupy the property. Telligen vacated space at 1776 W Lakes Pkwy, which is actively marketed for lease. Athene, an annuity and retirement services provider, occupied their space at 7001 Westown Pkwy. Their previous space at 1080 Jordan Creek Pkwy will be vacated in the future.

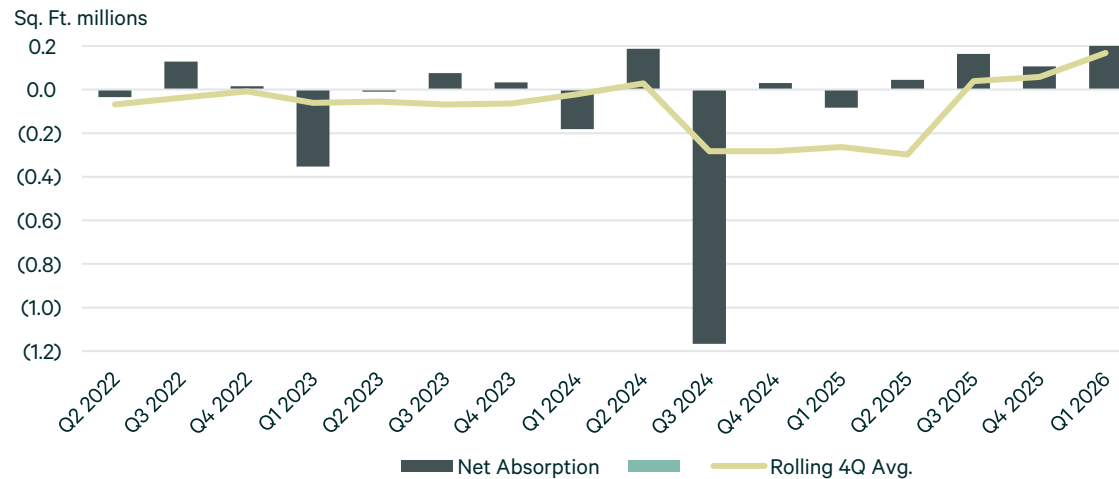
## Construction Activity

Office construction continues to be at a historical low. As of Q1 2026, the market has only one property under construction, the new four-story, 71,000 sq. ft., Community State Bank headquarters in Ankeny at 2615 NE 38<sup>th</sup> St. The project is slated for completion spring 2026.

While not included in the statistical set, a 85,903 sq. ft. medical office building is under construction in Norwalk which an anticipated completion date spring 2026.

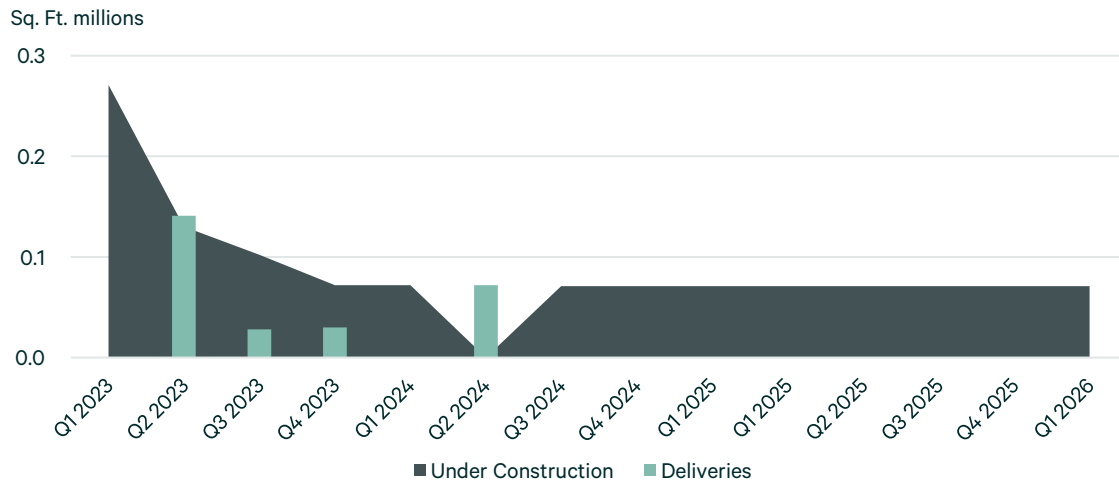
No new competitive office space has been delivered to the Des Moines market since Q2 2024, which has contributed to a decrease in the office market vacancy over the past several quarters.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

## Leasing Activity

Leasing activity in the Des Moines Office in Q1 2026 totaled 121,320 sq. ft leased across 21 leases. Class A leasing activity in the Des Moines Office in Q1 2026 totaled 45,952 sq. ft leased across 6 leases. Class B leasing activity in the Des Moines Office in Q1 2026 totaled 67,956 sq. ft leased across 12 leases.

Leasing activity slowed quarter-over-quarter falling 90,378 sq. ft. Year-over-year, leasing activity slowed falling 70,807 sq. ft. from Q1 2025.

By submarket, 56.1% of leasing activity took place in the Western Suburbs while 43.9% took place in the CBD submarket

Figure 6: Leasing by Submarket

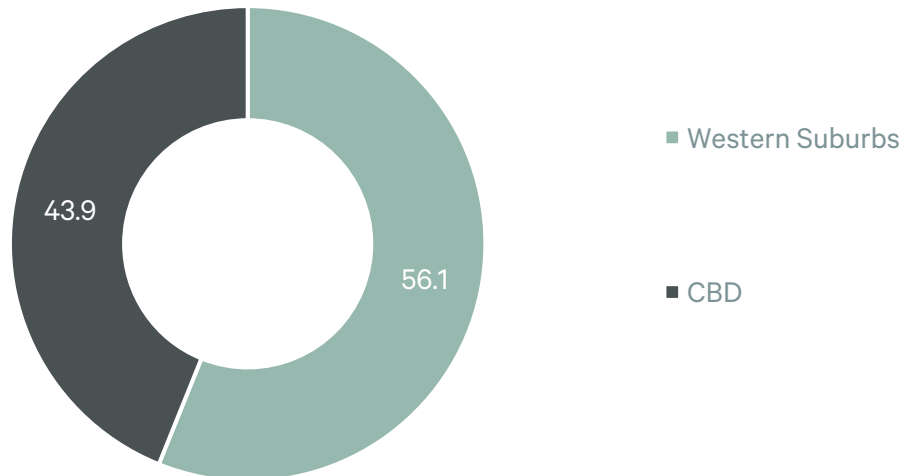


Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Undisclosed	23,942	New Lease	2829 Westown Pkwy	Western Suburbs
Accenture	14,923	Renewal	909 Locust St	CBD
Two Rivers Marketing	11,743	New Lease	430 E Grand Ave	CBD
Mav KG	11,705	New Lease	1150 Locust St	CBD
Concordia Enterprises	7,756	New Lease	215 10th St	CBD

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

## Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Ankeny	0.60	10.3	14.0	10.8	3.2	24.73	(24,000)	(24,000)	-	71,000
CBD	7.44	17.4	19.3	19.2	0.1	20.04	189,000	189,000	-	-
Northeast	0.08	5.3	5.3	5.3	-	19.00	-	-	-	-
Northwest	0.91	27.2	27.2	27.1	0.2	19.70	22,000	22,000	-	-
South	0.62	2.6	9.1	2.6	6.5	17.00	-	-	-	-
Western Suburbs	12.88	11.8	12.7	11.8	0.8	20.68	161,000	161,000	-	-
<b>Total</b>	<b>22.53</b>	<b>13.9</b>	<b>15.4</b>	<b>14.6</b>	<b>0.8</b>	<b>20.52</b>	<b>347,000</b>	<b>347,000</b>	<b>-</b>	<b>71,000</b>

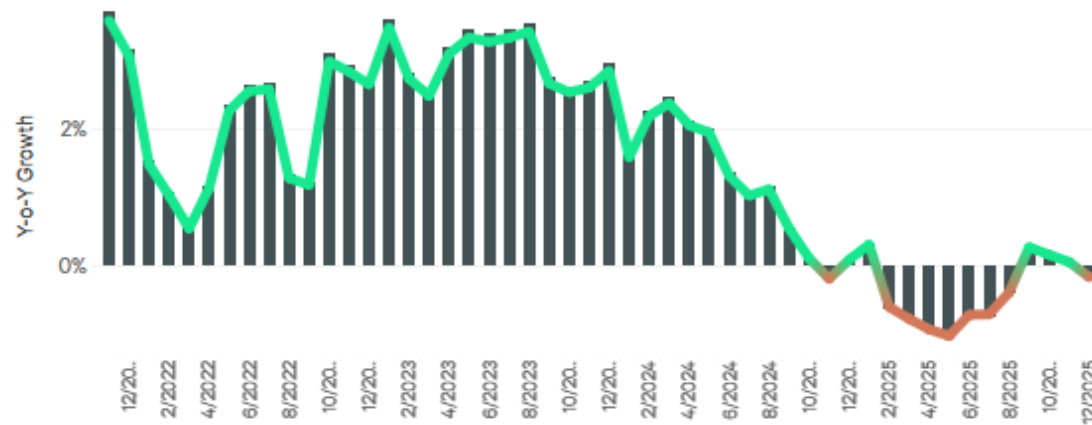
Source: CBRE Research, Q1 2026

## Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

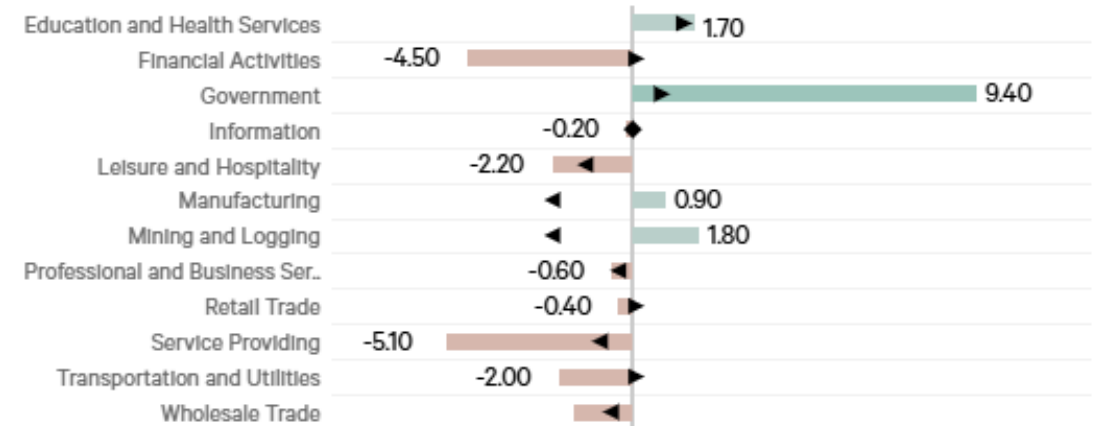


Job Growth - Year over Year Trend

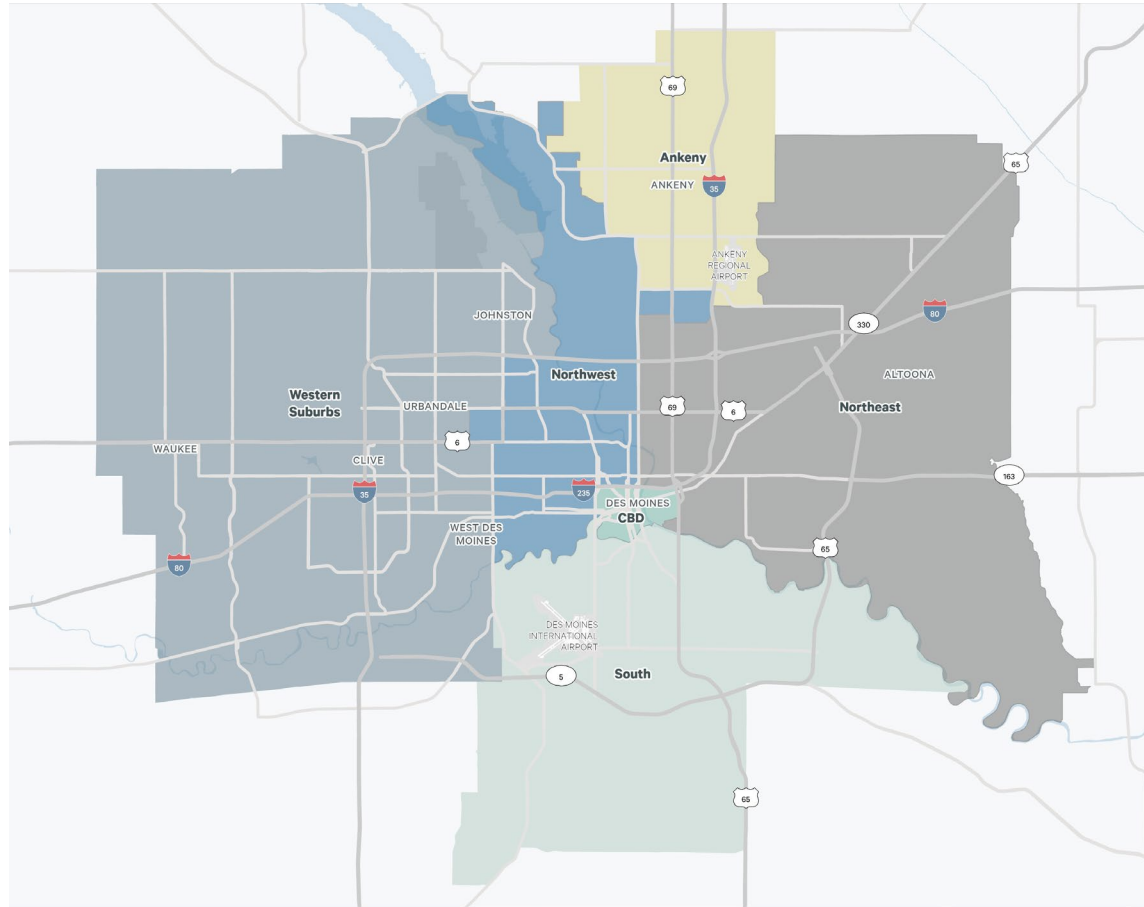


Employment Change by Sector - Yearly & Monthly

Bars indicate yearly trend, arrows indicate monthly trend



## Market Area Overview



## Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

## Survey Criteria

Includes all office buildings 10,000 sq. ft. and greater in size. Buildings which have begun construction as evidenced by site excavation or foundation work.

## Updated Tracked Criteria

CBRE has updated the criteria for office tracked building sets in Des Moines to reflect buildings with a Net Rentable Area (NRA) of 10,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on Des Moines most competitive buildings. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of the market.

## Contacts

### Melissa Torrez

Senior Field Research Analyst  
 melissa.torrez1@cbre.com