

FIGURES | DES MOINES OFFICE | Q4 2025

Des Moines office finishes 2025 with positive absorption

▼ 15.7%

Vacancy Rate

▲ 231,152

YTD SF Net Absorption

▶ 0

SF Construction Delivered

▶ 71,000

SF Under Construction

▲ \$20.39

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

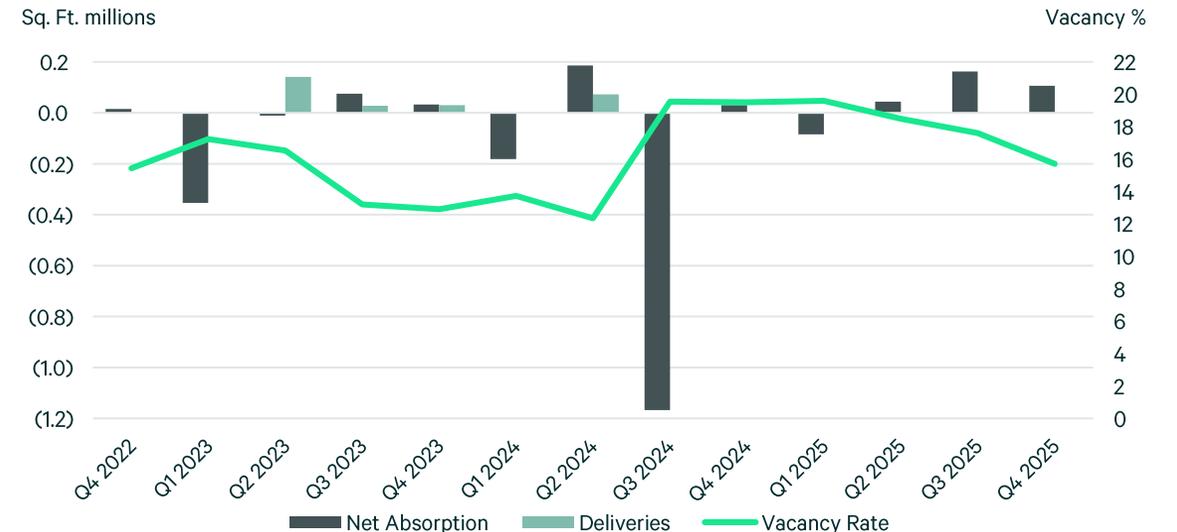
The Des Moines office market ended the year with an overall vacancy rate of 15.7%. The CBD submarket finished the year with a vacancy rate of 20.1%. The Western Suburbs submarket closed out the year with a vacancy rate of 13.3%

Overall net absorption was positive 231,152 sq. ft. in 2025. Positive net absorption was concentrated primarily in the Western Suburbs submarket, recording 189,703 sq. ft. YTD, and the CBD submarket, recording 49,842 sq. ft. YTD.

The overall market average asking lease rate was \$20.39 per sq. ft. at the end of Q4 2025. The Ankeny submarket recorded the highest rate at \$26.48 per sq. ft., while the South submarket posted the lowest rate at \$17.00 per sq. ft.

One building is currently under construction at the end of 2025, Community State Banks new four-story, 71,000 sq. ft. headquarters in Ankeny and is slated for completion in spring 2026.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy

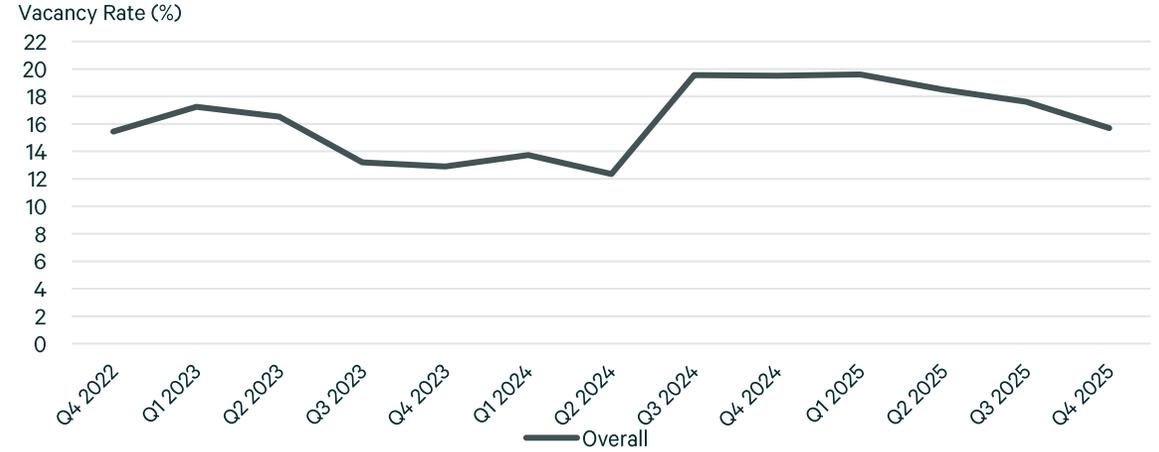


Source: CBRE Research, Q4 2025

Vacancy

The overall vacancy rate closed at 15.7% for the quarter. The CBD submarket posted a vacancy rate of 20.1% to finish the year. The Western Suburbs submarket ended the year with a vacancy rate of 13.3%. The South (2.6%) and Northeast (5.3%) submarkets posted the markets lowest vacancy rates.

FIGURE 2: Vacancy Rate

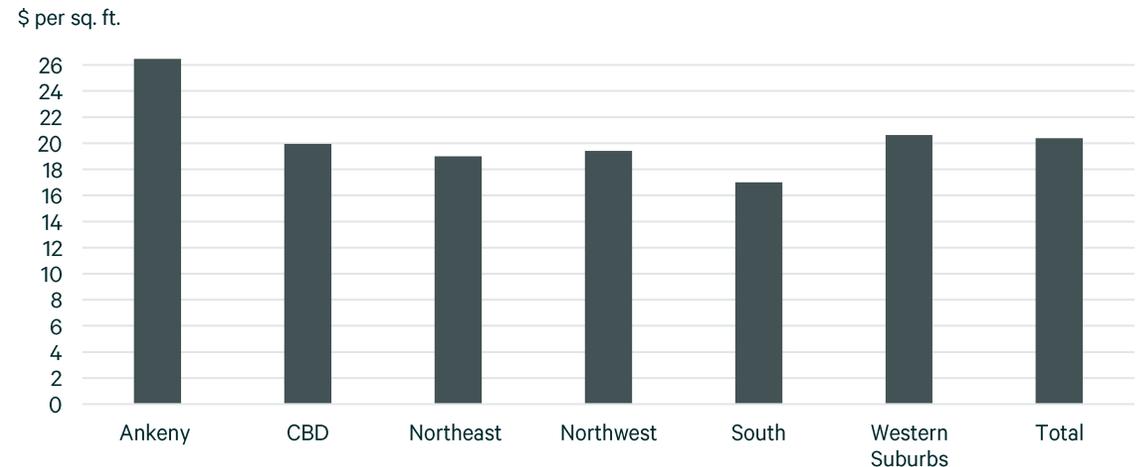


Source: CBRE Research, Q4 2025

Asking Rent

In Q4 2025, the overall office average asking rates came in at \$20.39 per sq. ft. The highest asking lease rates originate in the Ankeny submarket, closing the year at \$26.48 per sq. ft. On the other end of the spectrum, the South submarket maintained the lowest asking rates at \$17.00 per sq. ft. The Western Suburbs submarket closed the year with an average asking rate of \$20.63 per sq. ft.

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



Source: CBRE Research, Q4 2025

Net Absorption

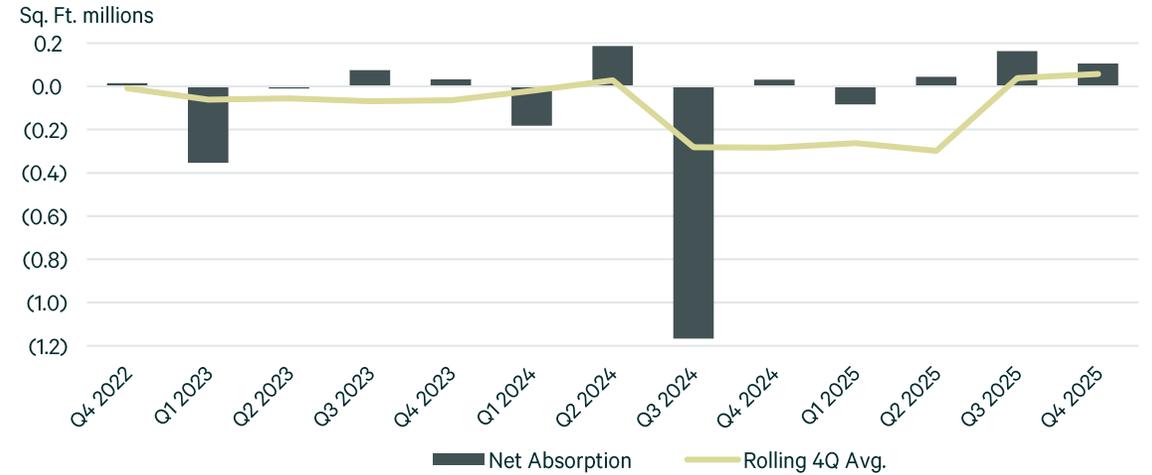
Des Moines posted positive 106,490 sq. ft. of absorption in Q4 2025. Three of the six submarkets recorded positive absorption during the quarter. The Western Suburbs submarket had the most significant amount of absorption, recording positive 189,703 sq. ft., led by Holmes Murphy moving into their new space at the Arcadia Building in West Des Moines, occupying approximately 75,000 sq. ft.

The CBD submarket also recorded notable positive absorption in Q4, with positive 49,842 sq. ft., led by Mission Cancer + Blood, part of University of Iowa Health Care, occupying approximately 40,000 sq. ft. at the Riverview Office Building.

Construction Activity

Office construction continues to be at a historical low. As of Q4 2025, 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 38th St. The project is slated for completion spring 2026.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 5: Construction Activity

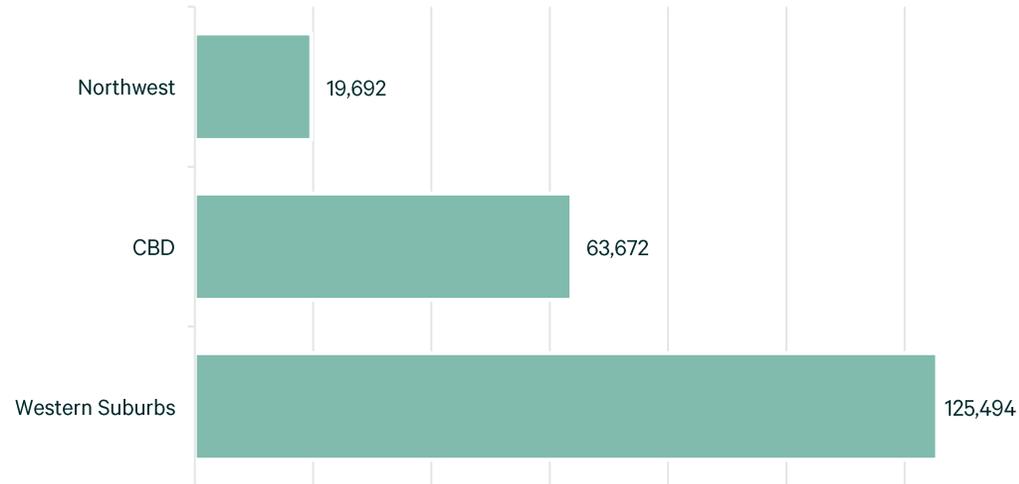


Source: CBRE Research, Q4 2025

Leasing Activity

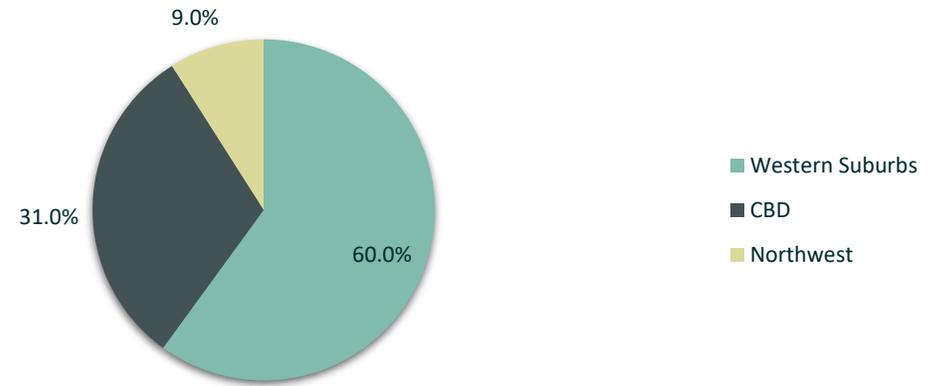
Leasing saw a decrease in activity in Q4 2025. Leasing activity came in at just under 210,000 sq. ft. during the quarter, a decrease of approximately 80,000 sq. ft. quarter-over-quarter. The Western Suburbs submarket accounted for 60% of the total leasing activity, while the CBD submarket accounted for 31%.

FIGURE 6: Leasing by Submarket



Source: CBRE Research, Q4 2025

FIGURE 7: Leasing Activity



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Rain & Hail	91,636	Renewal	9200 Northpark Dr	Western Suburbs
OpenLoop Health	33,086	New Lease	909 Locust St	CBD
Optimae LifeServices	19,692	New Lease	2150 Grand Ave	Northwest
Undisclosed	14,521	New Lease	909 Locust St	CBD
Lamson, Dugan, & Murray	10,493	New Lease	6400 Westown Pkwy	Western Suburbs

Source: CBRE Research, Q4 2025

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	2025 Net Absorption	Deliveries	Under Construction
Ankeny	560,609	6.7	7.6	4.2	3.4	26.48	5,276	0	71,000
CBD	7,439,882	20.1	18.6	18.5	0.1	19.95	49,842	0	0
Northeast	76,318	5.3	5.3	5.3	0.0	19.00	0	0	0
Northwest	913,071	29.6	29.7	29.5	0.2	19.41	(8,367)	0	0
South	621,247	2.6	9.1	2.6	6.5	17.00	(5,302)	0	0
Western Suburbs	12,814,219	13.3	13.7	12.6	1.1	20.63	189,703	0	0
Total	22,425,346	15.7	15.7	14.8	1.0	20.39	231,152	0	71,000

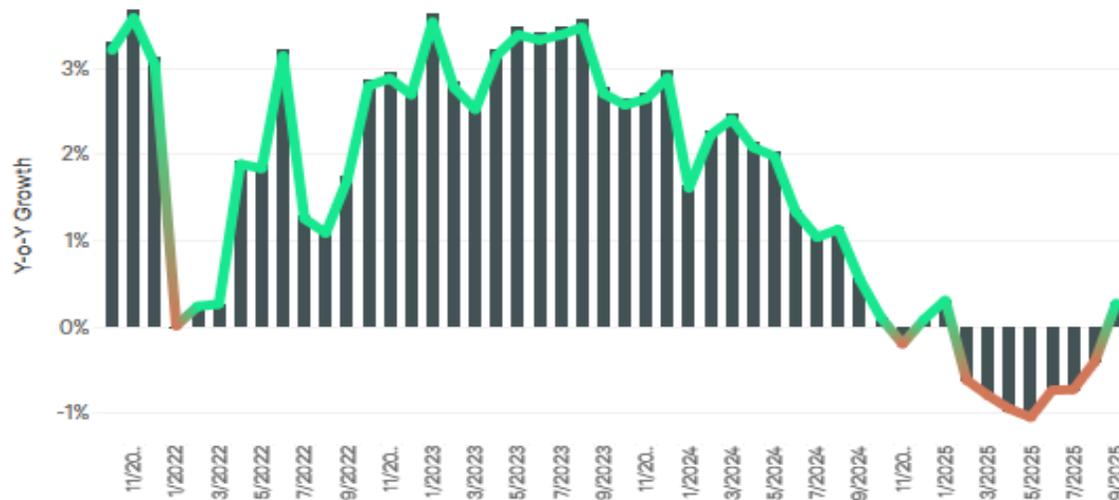
Economic Overview

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

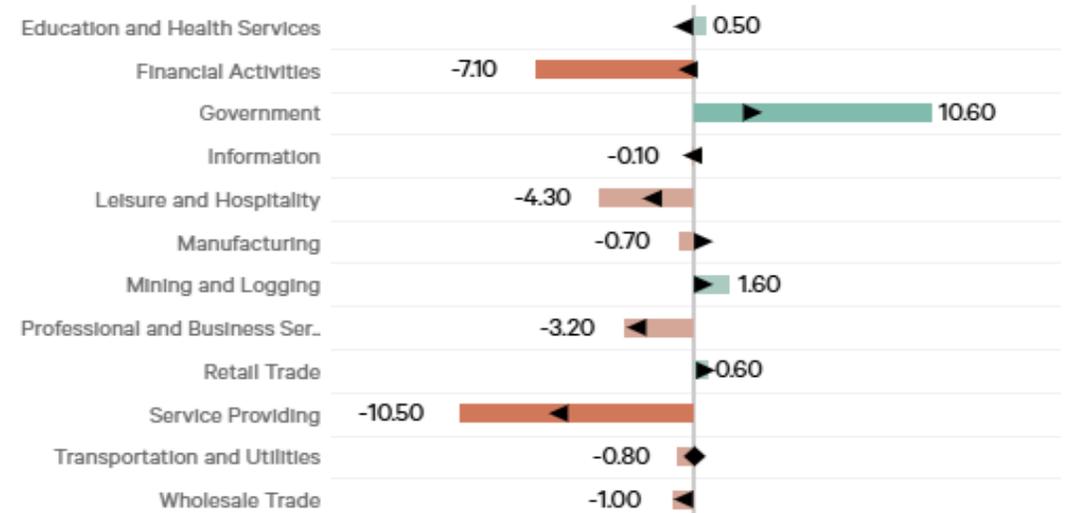


Job Growth - Year over Year Trend

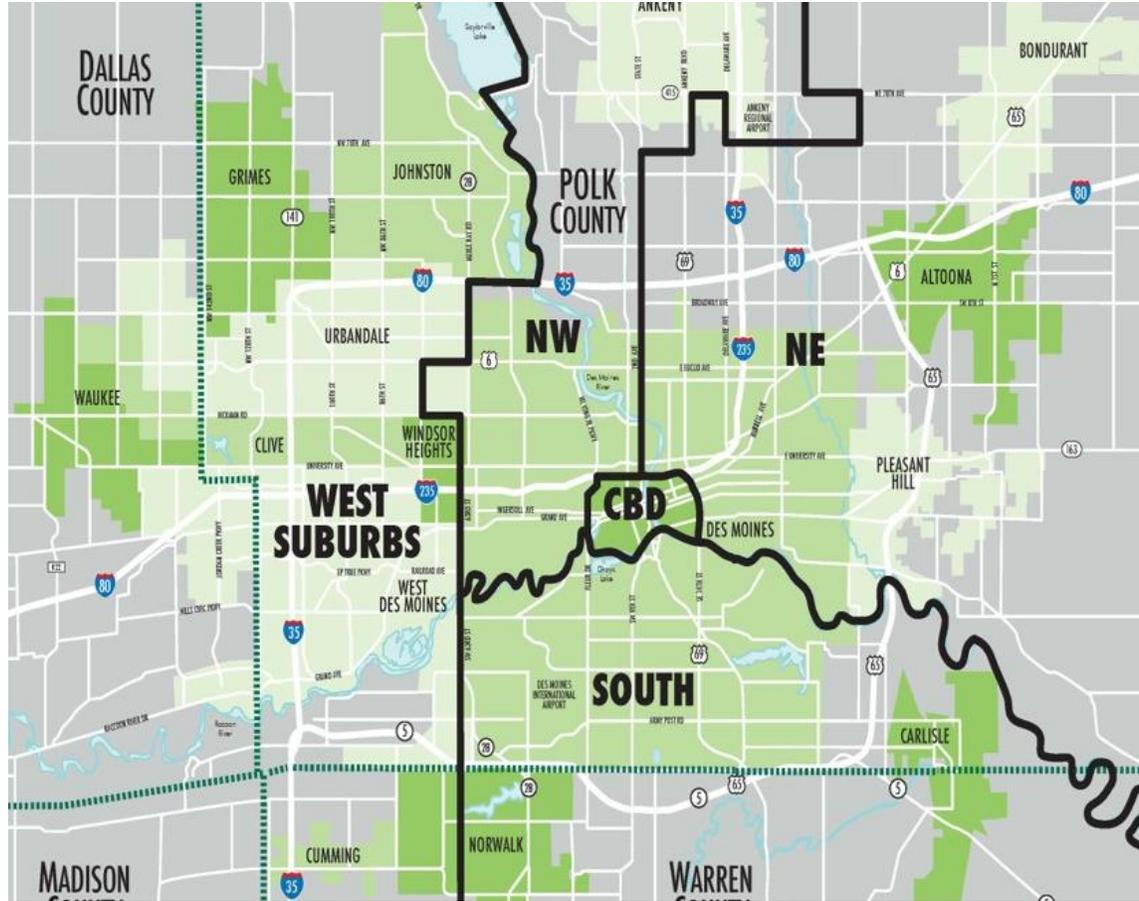


Employment Change by Sector - Yearly & Monthly

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

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