

FIGURES | DES MOINES OFFICE | Q2 2026

Des Moines Office Figures

▼ 13.6%

Vacancy Rate

▼ 86,000

SF Net Absorption

▲ 71,000

SF Construction Delivered

▼ 0

SF Under Construction

▲ \$20.66

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

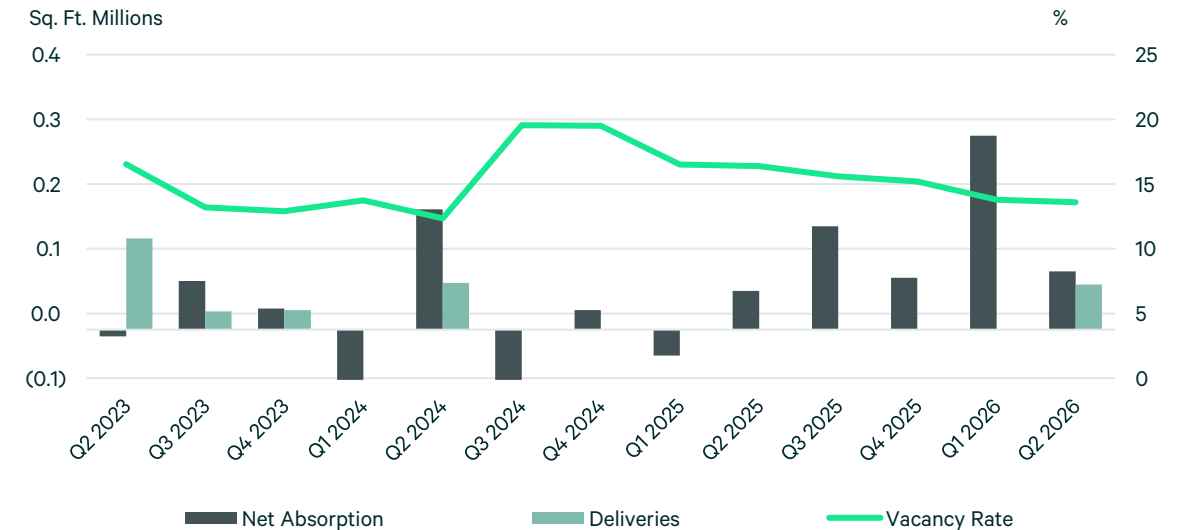
By Q2 2026 the market reflects sustained strengthening in occupancy metrics, despite a moderation in recent leasing velocity. Net absorption measured 86,000 sq. ft. in Q2 2026, down 71.2% quarter-over-quarter from 299,000 sq. ft. in Q1, but bringing year-to-date absorption to 385,000 sq. ft., up year-over-year from 16,000 sq. ft. in Q2 2025.

The vacancy rate edged down quarter-over-quarter from 13.8% to 13.6%, a negative 20 basis points move, and has tightened year-over-year from 16.4% in Q2 2025, a 280 basis points reduction. Availability followed a similar pattern, improving quarter-over-quarter from 15.8% to 15.3%, and down from 15.8% year-over-year.

Pricing has moved materially higher alongside this tightening. The average asking rate rose quarter-over-quarter from \$20.54 per sq. ft. to \$20.66 per sq. ft., a 0.6% increase.

One newly constructed office property delivered to the market in Q2 2026. However, there are currently no new office properties under construction in the Des Moines market.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

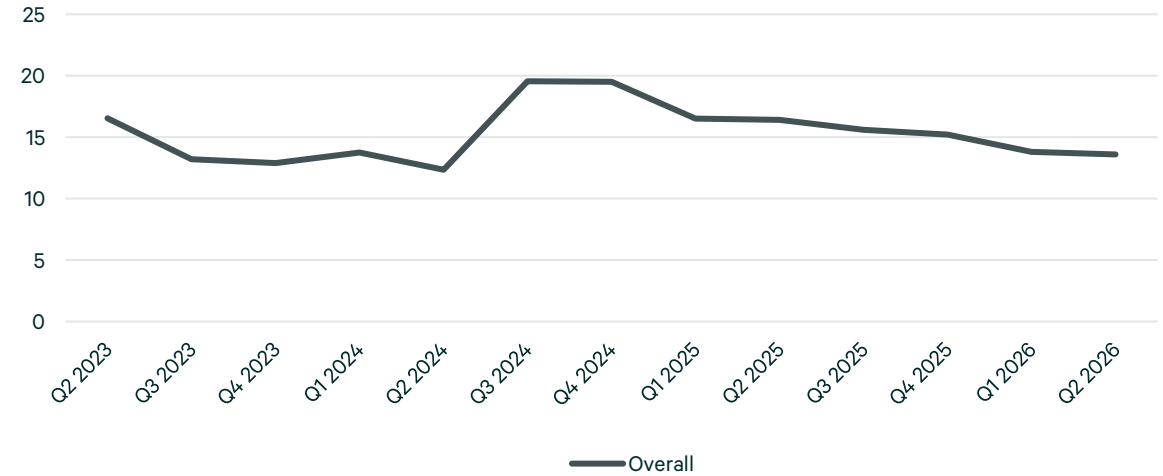
In Q2 2026 the overall office vacancy rate stood at 13.6%, with Class A space at 14.7%, and Class B space at 13.6%.

Compared to the previous quarter, the overall vacancy rate declined by 20 basis points (bps), with class A falling 50 bps and with Class B increasing 20 bps.

On a year-over-year basis, the overall rate decreased by 80 bps, with Class A down 50 bps and Class B up 10 bps. However, over the past 3 years, vacancy rates have fallen significantly as the overall rate decreased by 290 bps.

Figure 2: Vacancy Rate

Overall



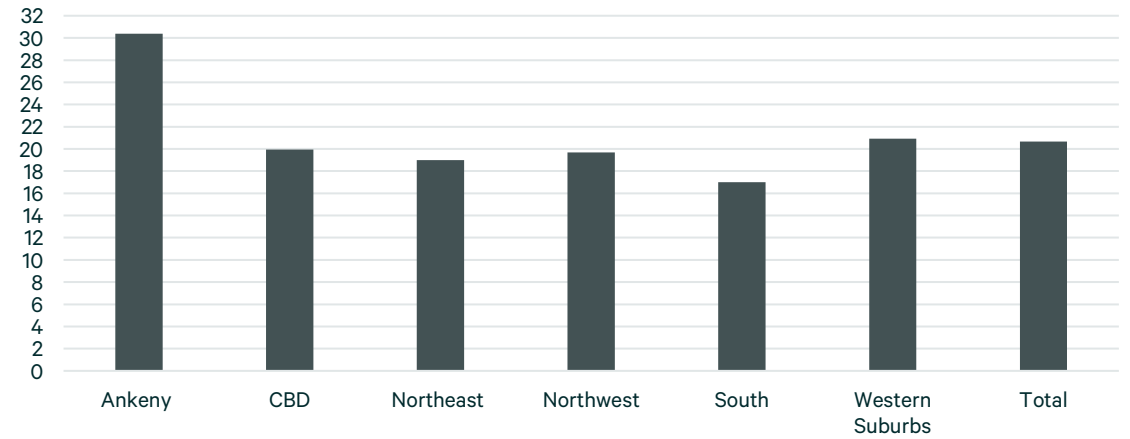
Source: CBRE Research, Q2 2026

Asking Rent

Average asking rent was \$20.66 per sq. ft. year gross at the close of Q2 2026, Class A asking rent was \$21.65 per sq. ft. year gross at the close of Q2 2026, Class B asking rent was \$20.08 per sq. ft. year gross at the close of Q2 2026.

By submarket, the highest asking rent can be found in the Ankeny submarket, with an average asking rent of \$30.39 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: Average Direct Asking Rate by Submarket



Source: CBRE Research, Q2 2026

Net Absorption

Net absorption was positive 86,000 sq. ft in Q2 2026, a decrease from positive 346,892 sq. ft. in the previous quarter.

By class, Class A net absorption was positive 109,000 sq. ft and Class B net absorption was negative 20,000 sq. ft in Q2 2026. Over the last four quarters net absorption totaled positive 674,000 sq. ft.

By submarket, Ankeny and CBD experienced the greatest amount of absorption with 88,000 sq. ft. and 20,000 sq. ft., respectively.

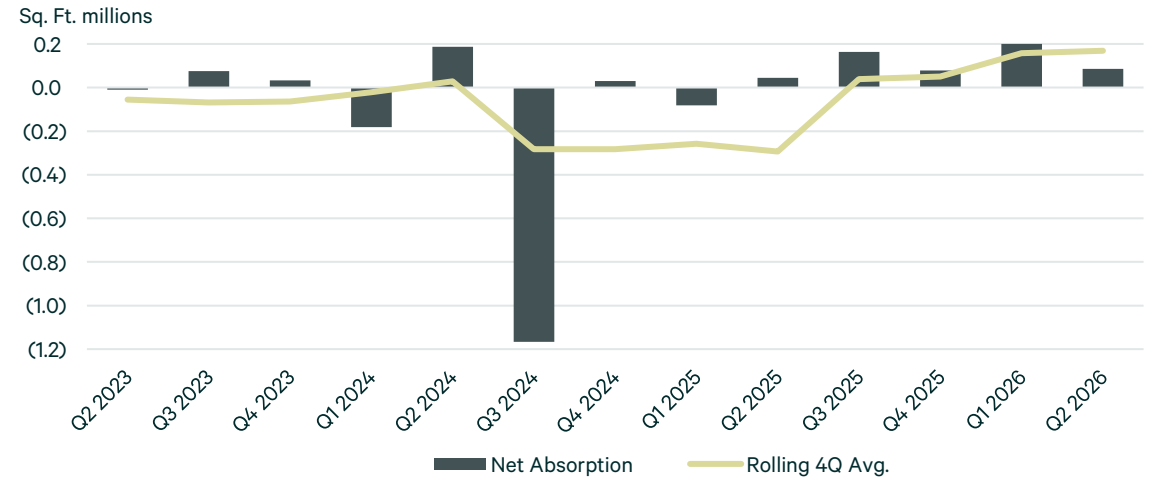
The largest move-in for the quarter was the delivery of the newly constructed 71,000 sq. ft. Community State Bank Building in Ankeny. QCI occupied 19,007 sq. ft. in the Westridge III building in West Des Moines. Two Rivers Marketing occupied 11,743 sq. ft. in 430 E Grand Avenue. Maverik stores occupied 11,705 sq. ft. in 1150 Locust Street.

Construction Activity

Construction activity is transitioning from pipeline to delivered product: 71,000 sq. ft. remained under construction through Q1 2026, then was fully delivered in Q2 2026, bringing under-construction area to 0 sq. ft.

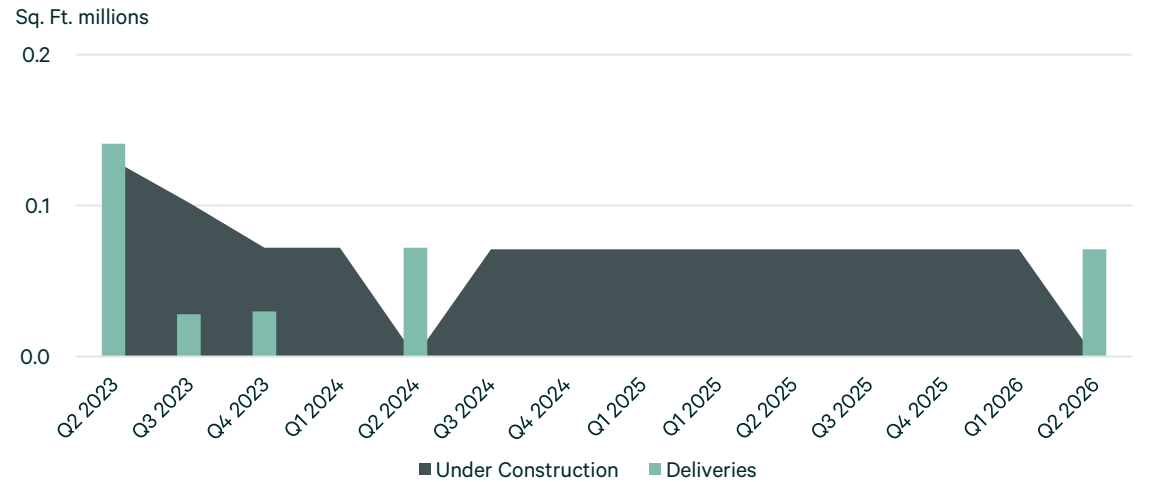
The combination of strong year-to-date absorption, declining vacancy, and elevated asking rates indicates a market where existing space is increasingly in use and new supply has recently been added but no additional projects are currently underway.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



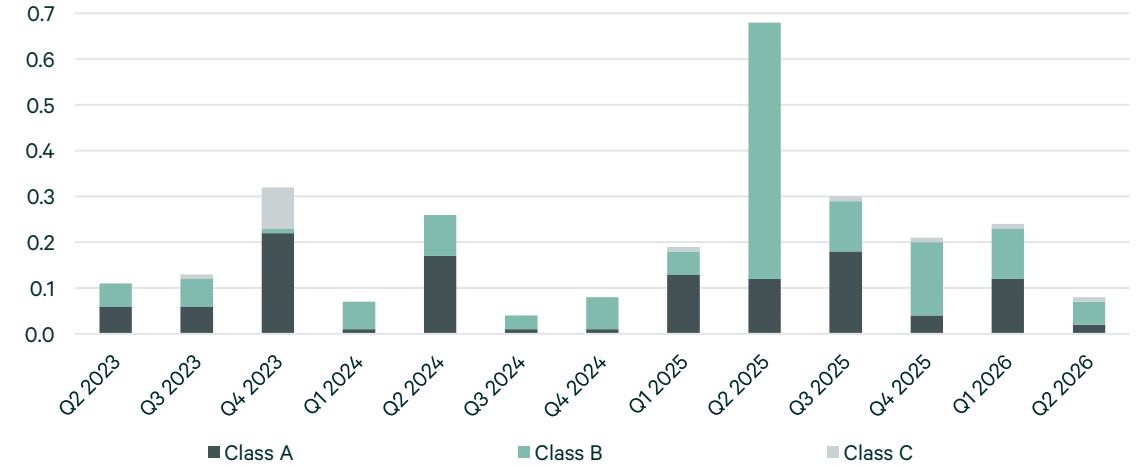
Source: CBRE Research, Q2 2026

Leasing Activity

The market’s largest new lease this quarter was a 12,000 sq. ft. commitment by a confidential tenant in Ankeny, signaling solid demand for space in that submarket. In the Western Suburbs, two new leases—7,000 sq. ft. by a confidential tenant and 6,000 sq. ft. by Metro Geriatric Services—total 13,000 sq. ft., highlighting active tenant interest in that area. Collectively, these top three new leases represent 25,000 sq. ft. of newly committed space this quarter and offer real estate decision makers a focused view of current occupier activity across key suburban locations.

Figure 6: Leasing Activity Trend

Class A



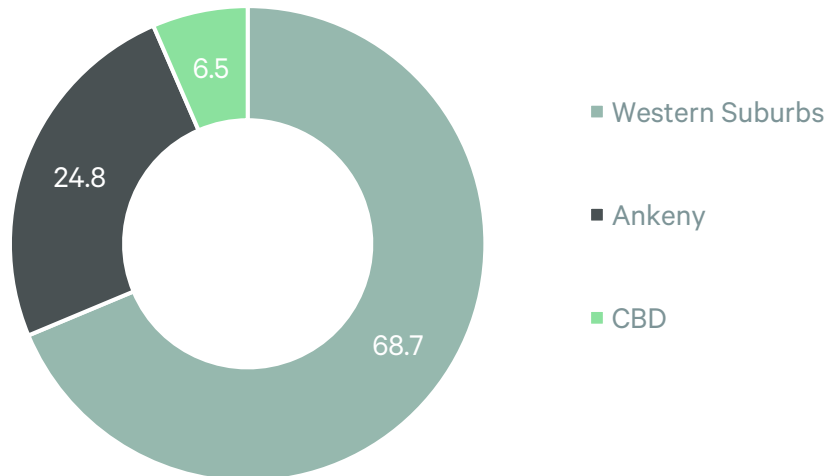
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	12,000	New Lease	2325 SW State St	Ankeny
Confidential Tenant	7,000	New Lease	2829 Westown Pkwy	Western Suburbs
Metro Geriatric Services	6,000	New Lease	4350 Westown Pkwy	Western Suburbs
Ag Vision	5,000	New Lease	2501 SE Tones Dr	Ankeny
Fluid Interiors	4,000	New Lease	909 Locust St	CBD
Confidential Tenant	4,000	New Lease	2520 SE Encompass Dr	Western Suburbs
Confidential Tenant	4,000	New Lease	3737 Woodland Ave	Western Suburbs
Claimable	4,000	New Lease	5550 Wild Rose Ln	Western Suburbs

Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	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)
Class A	9.90M	14.7	16.3	16.1	0.2	21.65	109,000	358,000	71,000	-
Class B	11.48M	13.6	15.5	13.9	1.6	20.08	(20,000)	30,000	-	-
Class C	1.12M	4.1	5.0	4.6	0.3	15.41	(3,000)	(3,000)	-	-
Total	22.50M	13.6	15.3	14.4	0.9	20.66	86,000	385,000	71,000	-

Source: CBRE Research, Q2 2026

Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	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)
Class A	3.90M	12.6	11.2	10.8	0.4	24.52	83,000	135,000	71,000	-
Class B	10.11M	14.1	15.6	13.8	1.8	20.07	(15,000)	44,000	-	-
Class C	1.05M	4.4	5.3	5.0	0.4	15.41	(3,000)	(3,000)	-	-
Total	15.06M	13.0	13.7	12.4	1.3	21.02	66,000	176,000	71,000	-

Source: CBRE Research, Q2 2026

Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	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)
Class A	6.00M	16.1	19.6	19.5	0.1	19.88	26,000	223,000	-	-
Class B	1.37M	9.8	15.1	15.1	-	20.13	(6,000)	(14,000)	-	-
Class C	74,000	-	-	-	-	-	-	-	-	-
Total	7.44M	14.7	18.5	18.5	0.1	19.93	20,000	209,000	-	-

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Ankeny	674,000	6.7	7.7	5.6	2.1	30.39	33.63	88,000	63,000	71,000	-
CBD	7.44M	14.7	18.5	18.5	0.1	19.93	19.88	20,000	209,000	-	-
Northeast	76,000	5.3	5.3	5.3	-	19.00	-	-	-	-	-
Northwest	913,000	28.7	29.0	27.0	2.0	19.69	-	(14,000)	8,000	-	-
South	665,000	2.4	8.5	2.4	6.1	17.00	-	-	-	-	-
Western Suburbs	12.73M	12.9	13.3	12.3	1.0	20.91	23.89	(8,000)	104,000	-	-
Total	22.50M	13.6	15.3	14.4	0.9	20.66	21.65	86,000	385,000	71,000	-

Source: CBRE Research, Q2 2026

Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

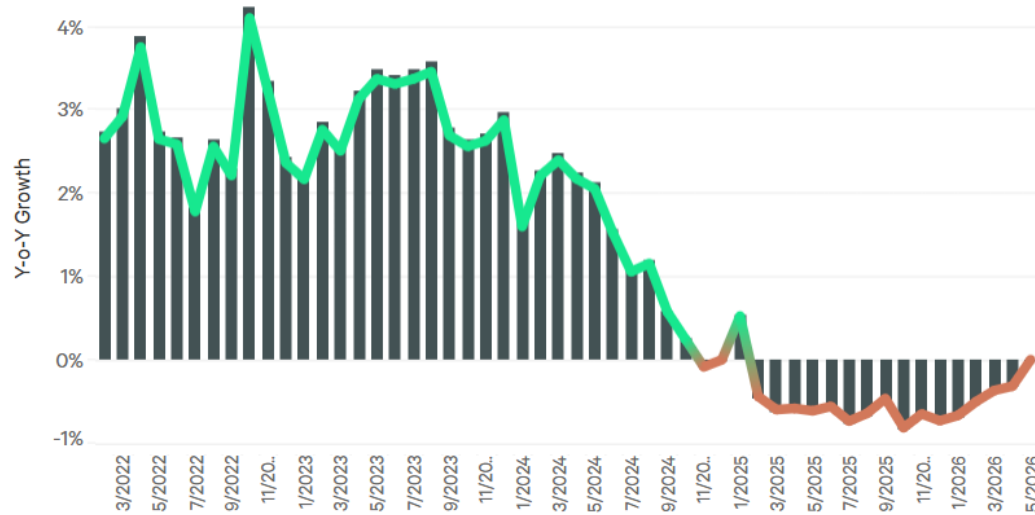
▲ 250.6k
Office Using Jobs

▼ 2.5%
Unemployment Rate

▼ 98.8k
Industrial Using Jobs

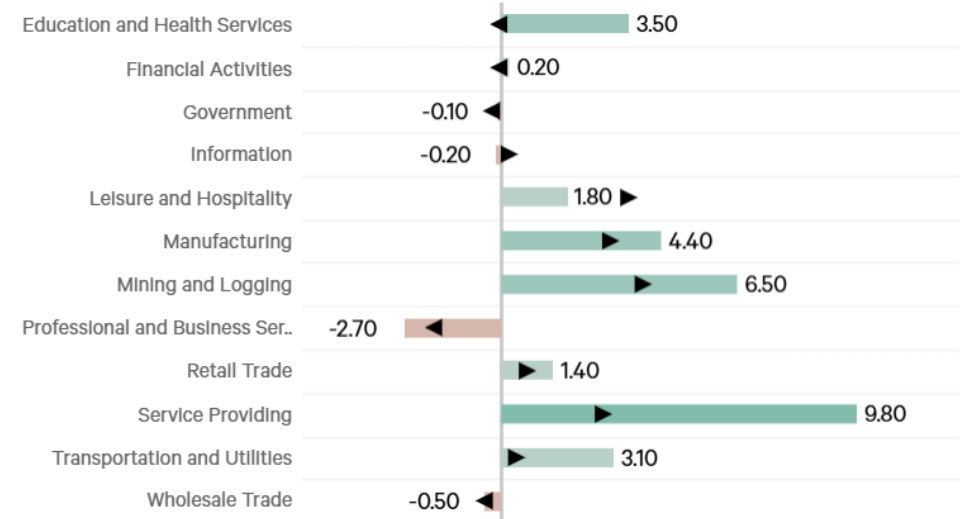
▼ 421k
Labor Force

Job Growth - Year over Year Trend

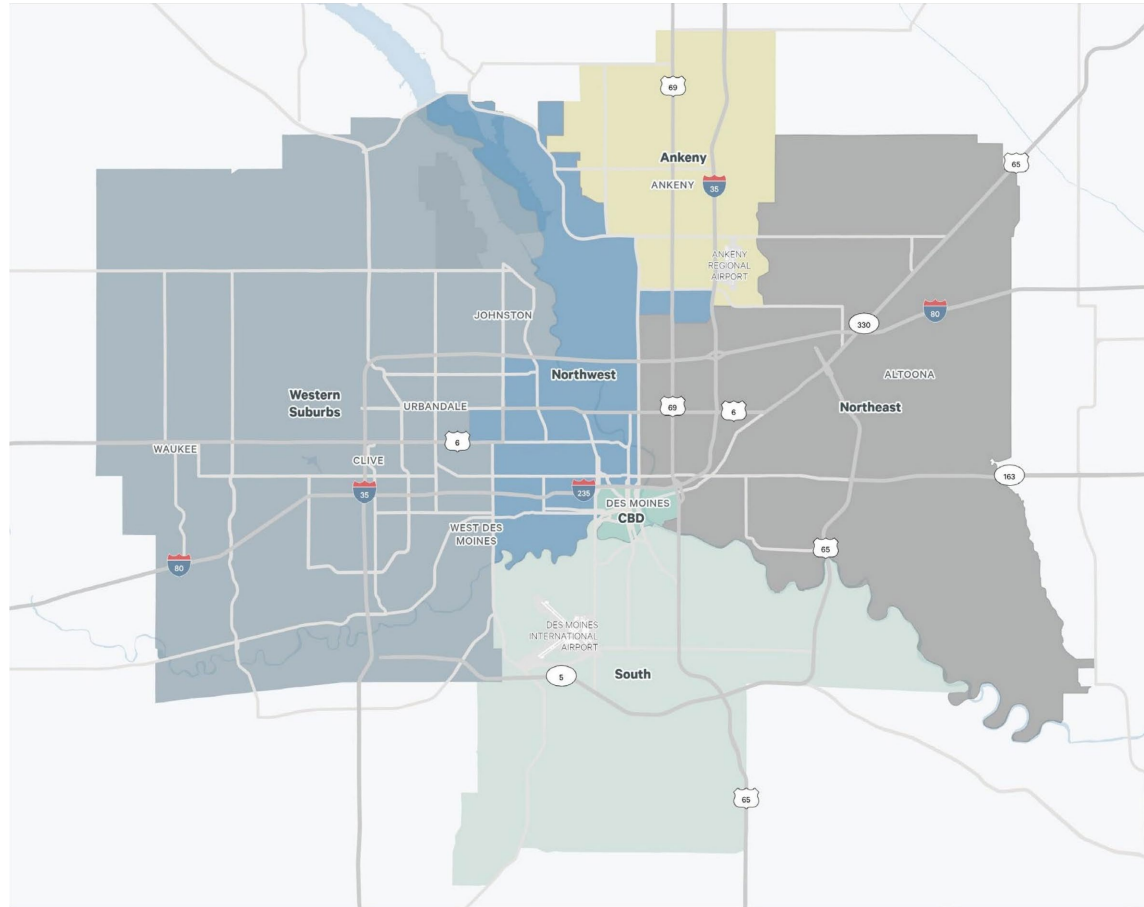


Employment Change by Sector - Yearly & Monthly

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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

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.

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