

FIGURES | DES MOINES INDUSTRIAL | Q4 2025

Leasing momentum builds to finish out 2025

▲ 8.6%
Vacancy Rate

▼ 242,782
YTD SF Net Absorption

▲ 54,585
SF Construction Delivered

▲ 400,278
SF Under Construction

▲ \$6.52
NNN/YR Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

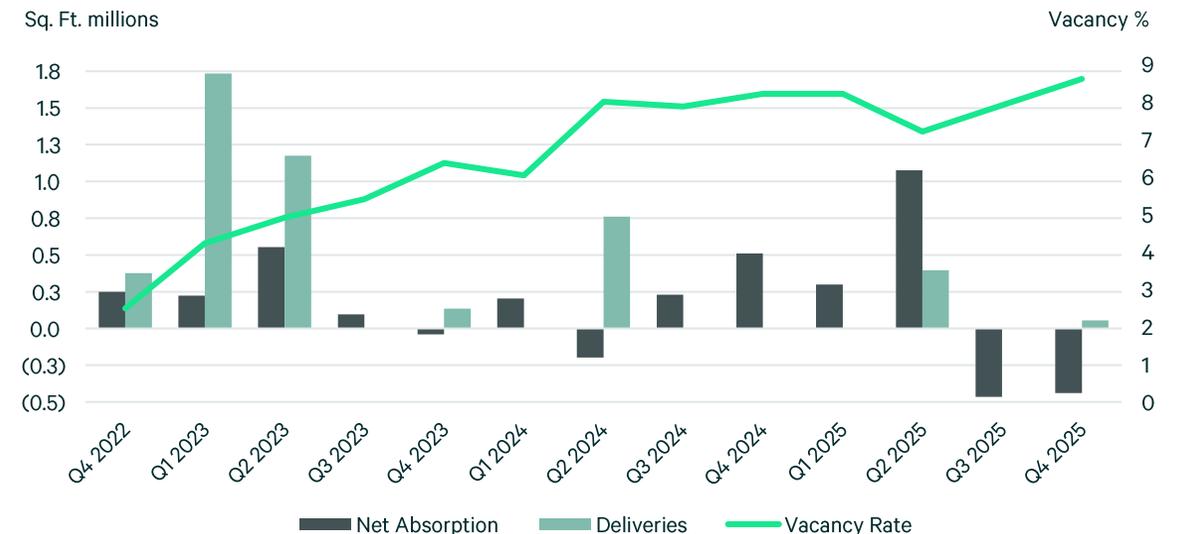
The Des Moines industrial market ended the year with an overall vacancy rate of 8.6%. The Western Suburbs submarket finished the year with the highest vacancy rate at 12.3%.

Overall net absorption was positive 242,782 sq. ft. in 2025. Positive net absorption was concentrated primarily in the Northeast submarket, recording 560,644 sq. ft. year-to-date, and the South submarket, recording 197,691 sq. ft. year-to-date.

Industrial leasing activity increased quarter-over-quarter, totaling 731,649 sq. ft in Q4. The Northeast and South submarkets recorded the greatest amount of leased space, with 506k SF and 100k SF taken down, respectively.

The overall market average asking lease rate was \$6.52 at the end of Q4 2025. Distribution/Logistics property types closed the quarter with an asking rate of \$5.52 while R&D/Flex property types closed at \$9.67.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy

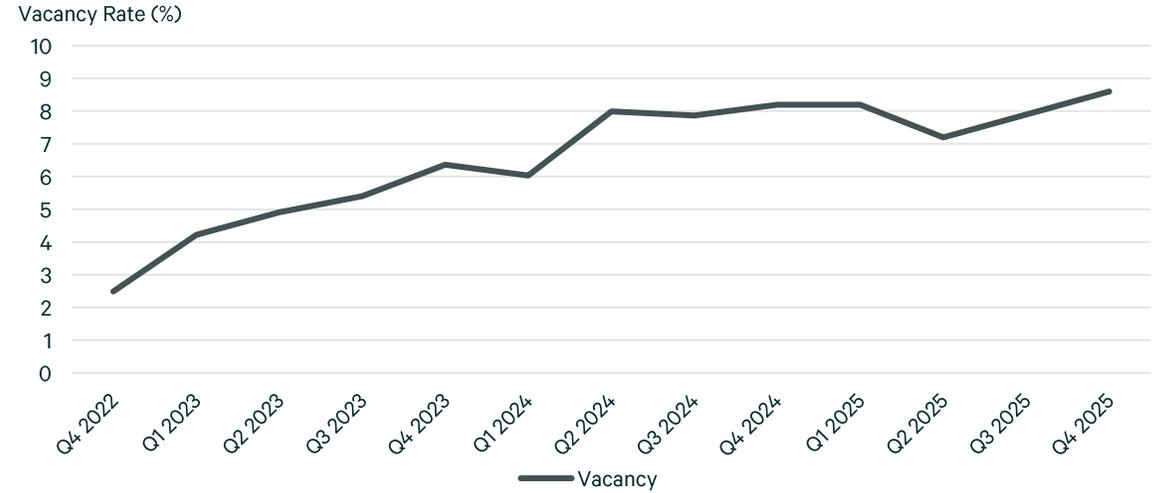


Source: CBRE Research, Q4 2025

Vacancy

The overall market vacancy rate finished the quarter at 8.6%. The Western Suburbs submarket had the highest vacancy rate in the overall metro at 12.3%, followed by the Northwest (8.4%), South (8.4%), and Northeast (8.3%) submarkets. The CBD (4.4%) and Ankeny (1.9%) submarkets posted the markets lowest vacancy rates.

FIGURE 2: Vacancy Rates

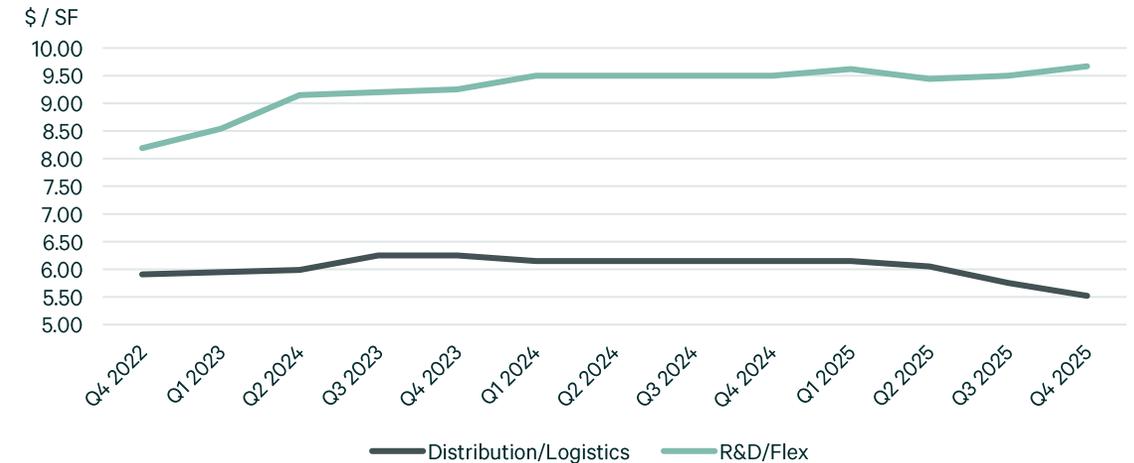


Source: CBRE Research, Q4 2025

Asking Rent

The overall market average asking lease rate was \$6.52 NNN at the end of Q4 2025. Distribution/Logistics property types closed the quarter with an asking rate of \$5.52 NNN while R&D/Flex property types closed at \$9.67 NNN.

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q4 2025

Net Absorption

The Des Moines industrial market posted negative 438,807 sq. ft. in Q4 2025. Four of the six submarkets recorded negative absorption during the quarter. The Northwest submarket recorded the highest amount of negative absorption (-279,240 SF), driven by 275,000 sq. ft. becoming available at 5844 NE 19th St, Des Moines.

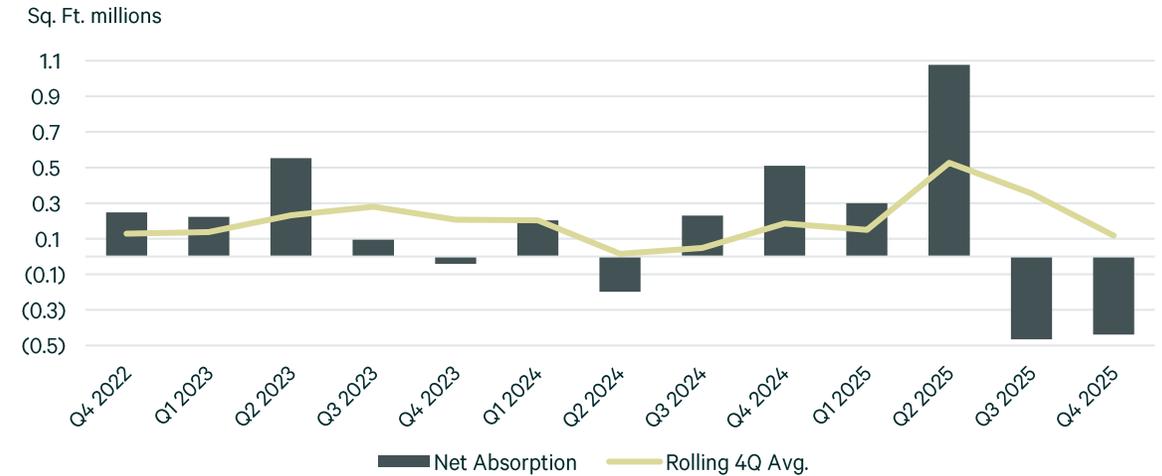
The Western Suburbs and South submarkets also recorded notable negative absorption, with -122,705 SF and -63,396 SF.

Although a significant amount of negative absorption was recorded over the last two quarters, the Des Moines industrial market recorded positive 242,782 SF of absorption in 2025.

Construction Activity

The Des Moines construction pipeline at the close of 2025 consists of 4 projects totaling 400,278 SF. During the quarter, construction broke ground on a new 76,800 SF speculative development, “South Branch II” at 4500 SE Army Post Rd, West Des Moines. Other significant projects include a new 215,344 SF built-to-suit development in Grimes, and Phase I of the new DART Operations & Maintenance Facility on Vandalia Rd in Des Moines, totaling 76,884 SF.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 5: Construction Activity

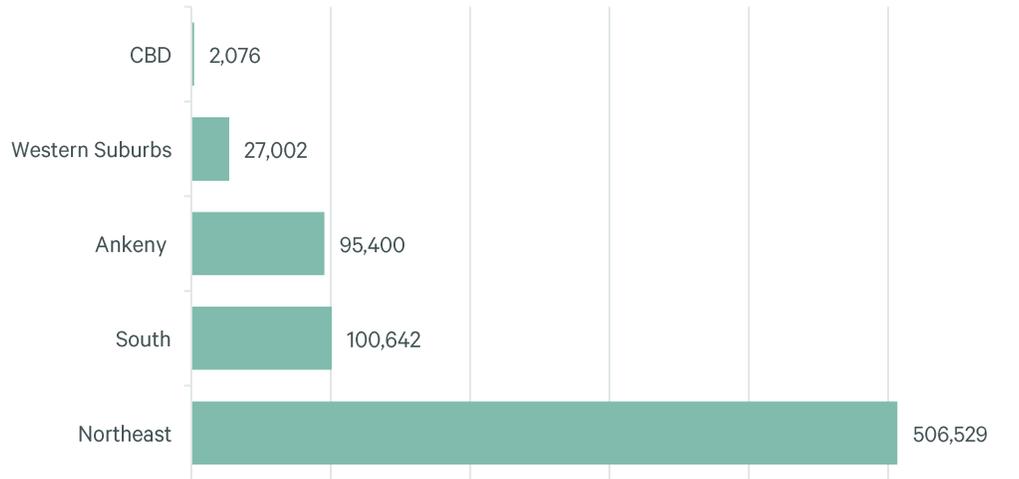


Source: CBRE Research, Q4 2025

Leasing Activity

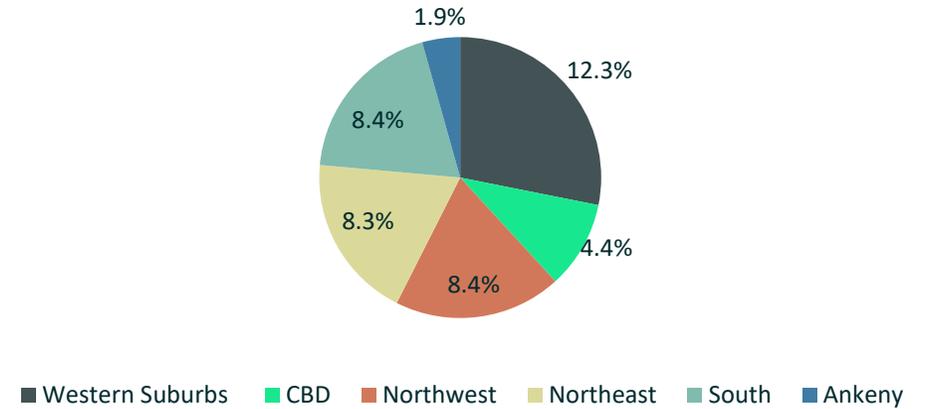
Leasing saw an increase in activity in Q4 2025. Leasing activity came in at just over 730,000 sq. ft. during the quarter, an increase of approximately 230,000 sq. ft. quarter-over-quarter. The Northeast submarket accounted for 70% of the total leasing activity, followed by the South (14%), and Ankeny (13%) submarkets.

FIGURE 6: Leasing Activity by Submarket



Source: CBRE Research, Q4 2025

FIGURE 7: Vacant Space % by Submarket



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Undisclosed	357,000	New Lease	3811 Dixon St	Northeast
Graybar Electric	90,000	New Lease	7055-7125 SE Delaware Ave	Ankeny
Undisclosed	75,000	New Lease	4950 NE 29th St	Northeast
Accu-TECH Corporation	70,180	New Lease	2301 Fleur Dr	South
Amentum Services	58,080	New Lease	990 E Broadway	Northeast

Source: CBRE Research, Q4 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	27,204,311	4.1	4.3	4.0	0.3	8.31	92,218	71,300	54,585	184,934
100,000-199,999 sq. ft.	12,924,261	8.5	8.0	7.8	0.2	5.58	(187,525)	(126,037)	0	0
200,000-299,999 sq. ft.	9,932,459	12.9	15.1	13.7	1.4	5.72	(342,500)	(221,946)	0	215,344
300,000-499,999 sq. ft.	6,466,156	31.5	24.1	22.5	1.6	4.50	0	520,465	0	0
500,000-749,999 sq. ft.	4,864,113	6.2	4.2	2.1	2.1	6.00	(1,000)	(1,000)	0	0
750,000 sq. ft.	6,295,451	0.0	0.0	0.0	0.0	-	0	0	0	0
Total	67,686,751	8.6	8.1	7.4	0.7	6.52	(438,807)	242,782	54,585	400,278

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Ankeny	9,171,440	1.9	2.9	1.9	1.0	6.05	5,400	29,371	0	0
CBD	878,700	4.4	4.4	3.5	0.9	5.1	(5,424)	(20,234)	0	0
Northeast	26,492,193	8.3	7.1	6.5	0.6	5.91	26,558	560,644	54,585	108,134
Northwest	5,674,238	8.4	6.8	6.7	0.1	7.13	(279,240)	(318,240)	0	0
South	5,818,530	8.4	8.0	8.0	0.0	5.42	(63,396)	197,691	0	0
Western Suburbs	19,651,650	12.3	12.4	11.4	0.9	7.03	(122,705)	(206,450)	0	292,144
Total	67,686,751	8.6	8.1	7.4	0.7	6.52	(438,807)	242,782	54,585	400,278

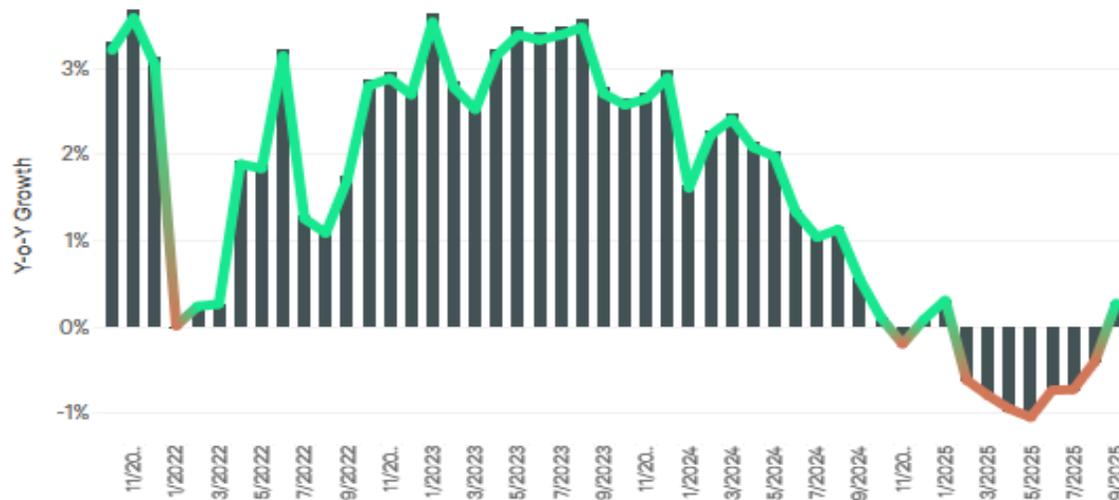
Economic Overview

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.

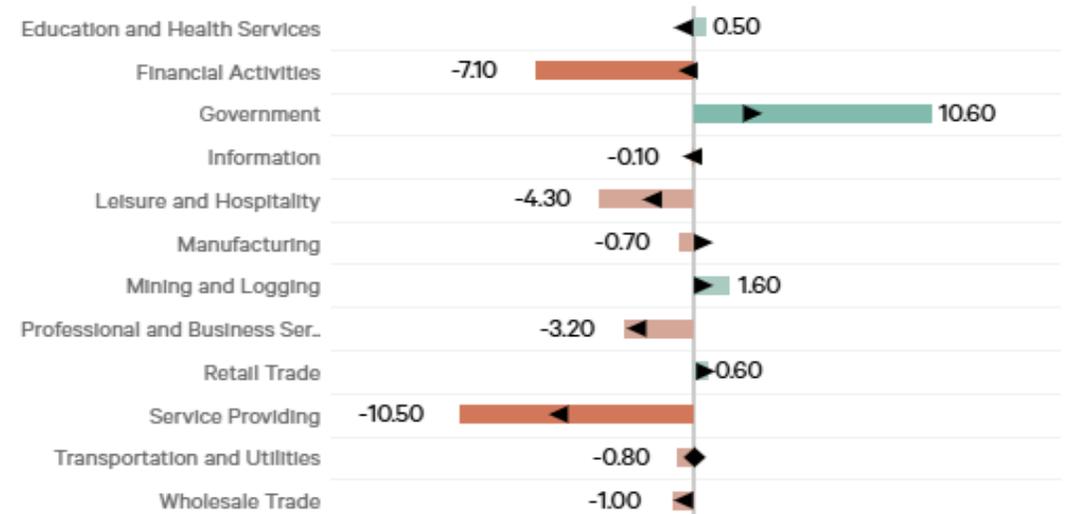


Job Growth - Year over Year Trend

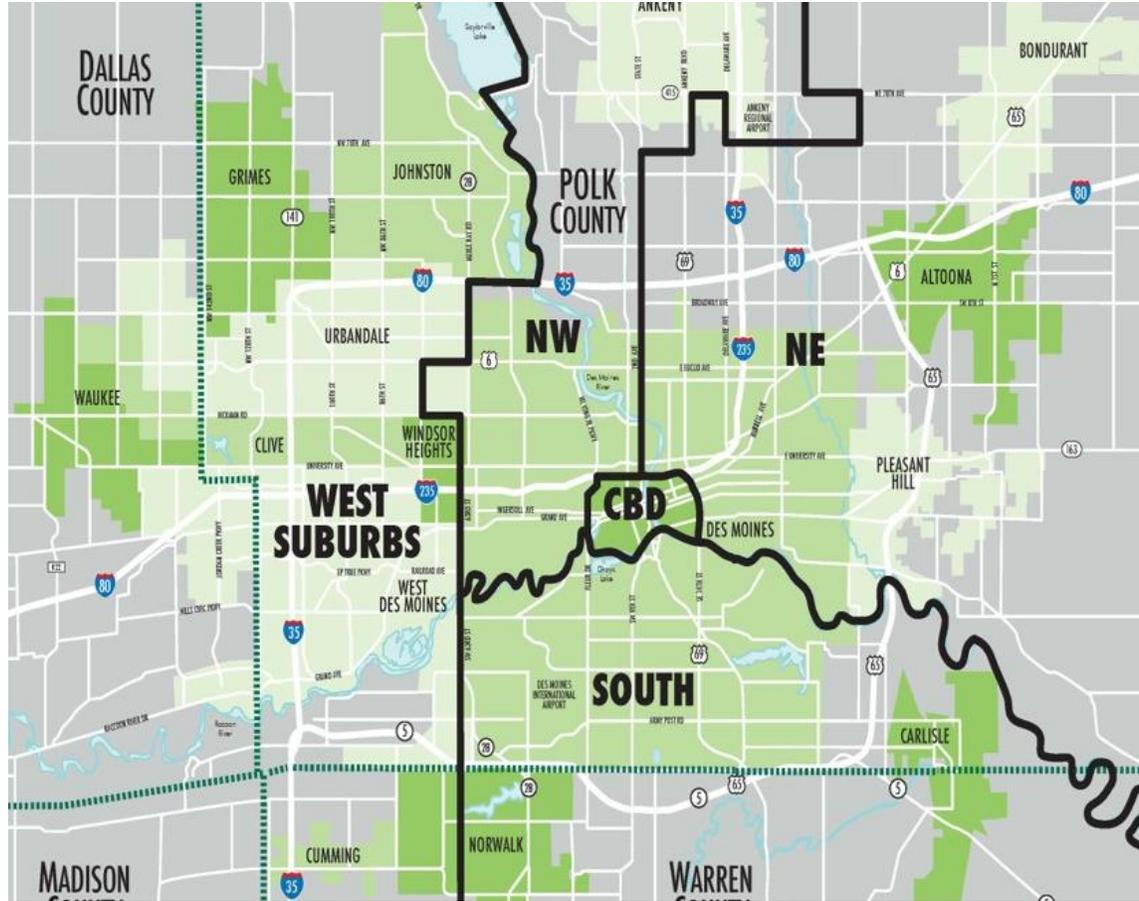


Employment Change by Sector - Yearly & Monthly

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 industrial 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 industrial tracked building sets 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 each markets most competitive buildings. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of each market.

Contacts

Tony Leshen

Senior Field Research Analyst
tony.leshen@cbre.com

© 2026 CBRE, Inc. All rights reserved. This information has been obtained from sources believed reliable but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, representation or warranty and accepts no responsibility or liability as to the accuracy, completeness, or reliability of the information contained herein. You should conduct a careful, independent investigation of the property and verify all information. Any reliance on this information is solely at your own risk. CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such marks does not imply any affiliation with or endorsement of CBRE. Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.