

FIGURES | DES MOINES INDUSTRIAL | Q2 2025

Des Moines industrial posts strong absorption in Q2 2025

▼7.2%

Vacancy Rate

▲1.1M

SF Net Absorption

▲397,000

SF Construction Delivered

▼0

SF Under Construction

▼\$6.85

NNN/YR Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

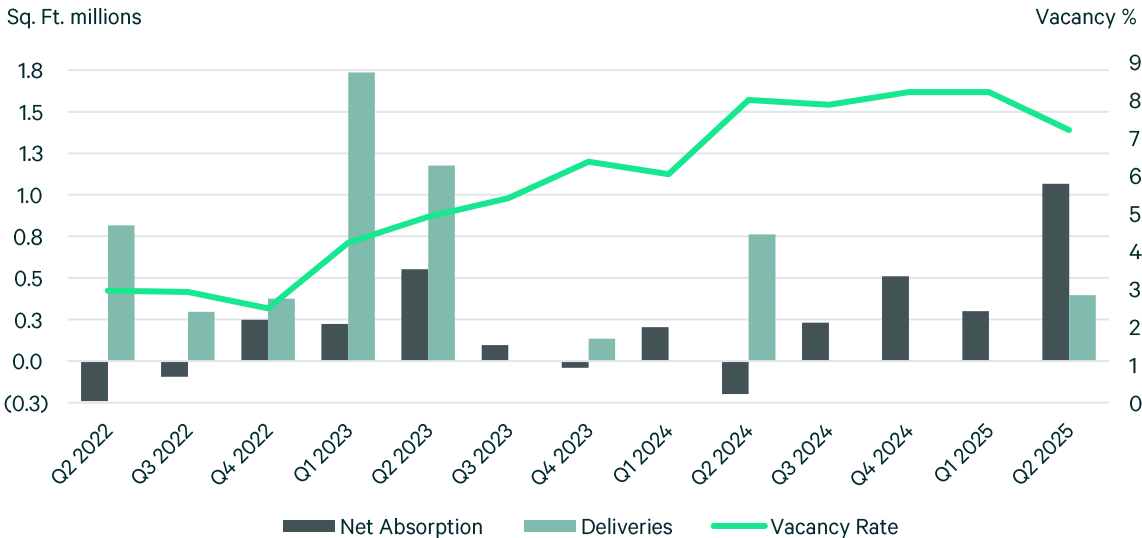
Overall net absorption posted 1,066,076 sq. ft. for Q2 2025. Positive net absorption was concentrated primarily in the Northeast submarket with 699,640 sq. ft. for the quarter.

Market vacancy rates experienced a slight decrease in Q2, closing the quarter at 7.2%. The CBD (2.4%) and Ankeny (2.2%) submarkets posted the markets lowest vacancy rates.

The overall market average asking lease rate was \$6.85 at the end of Q2 2025. Distribution/Logistics property types closed the quarter with an asking rate of \$6.05 while R&D/Flex property types closed at \$9.44.

Two new buildings were delivered in Q2 2025, both were built-to-suit projects totaling 397,000 sq. ft.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2025

Vacancy

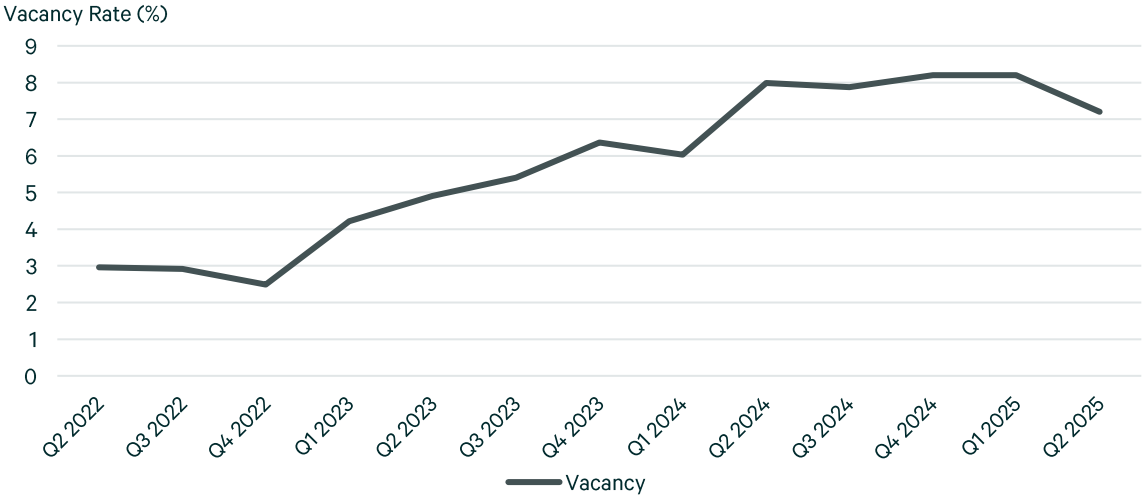
The overall market vacancy rate finished the quarter at 7.2%. The Western Suburbs submarket had the highest vacancy rate in the overall metro at 11.3%, followed by the Northeast submarket at 7.2%. A significant amount of recent speculative development has had a large influence on both of these submarkets. The CBD (2.4%) and Ankeny (2.2%) submarkets posted the markets lowest vacancy rates.

Asking Rent

The overall market average asking lease rate was \$6.85 NNN at the end of Q2 2025. Distribution/Logistics property types closed the quarter with an asking rate of \$6.05 NNN while R&D/Flex property types closed at \$9.44 NNN.

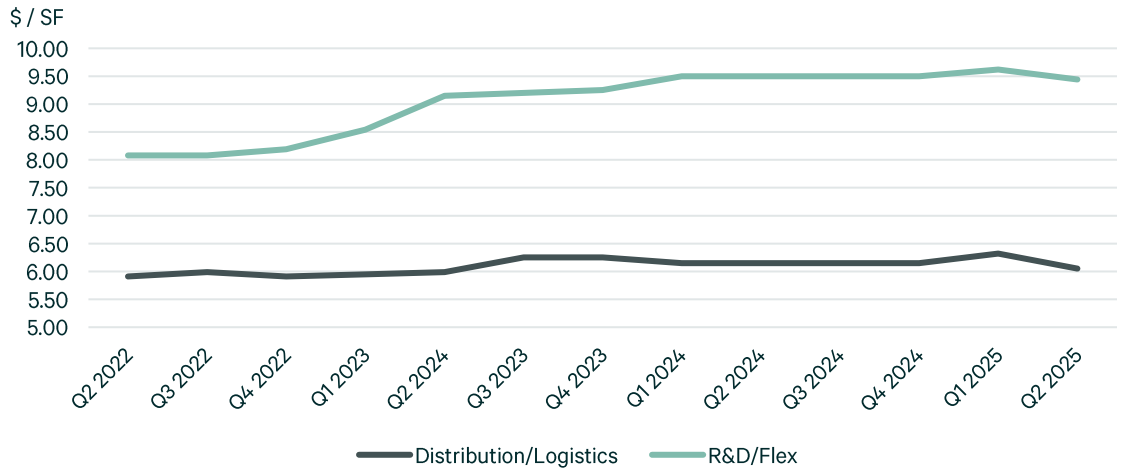
The Western Suburbs led all submarkets with an average asking rate of \$7.31 NNN. Primarily driven by new development warehouse and flex space on the market.

FIGURE 2: Vacancy Rates



Source: CBRE Research, Q2 2025

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



Source: CBRE Research, Q2 2025

Net Absorption

The Des Moines industrial market posted positive 1,066,076 sq. ft. for Q2 2025. The Northeast submarket led all submarkets with 699,640 sq. ft. of positive absorption, driven by Deere starting a new 300,000 sq. ft. lease at 555 9th St NE, Altoona, and Kemin Industries delivering their new 342,000 sq. ft. warehouse expansion at 2200 Maury St, Des Moines.

The South submarket also had notable positive absorption of 358,677 sq. ft., driven by Ampacity Renewables occupying 300,677 sq. ft. at 3440 Gannett Ave, Des Moines, and Insane Impact delivering their new 55,000 sq. ft. headquarters at 7901 SW 22nd St.

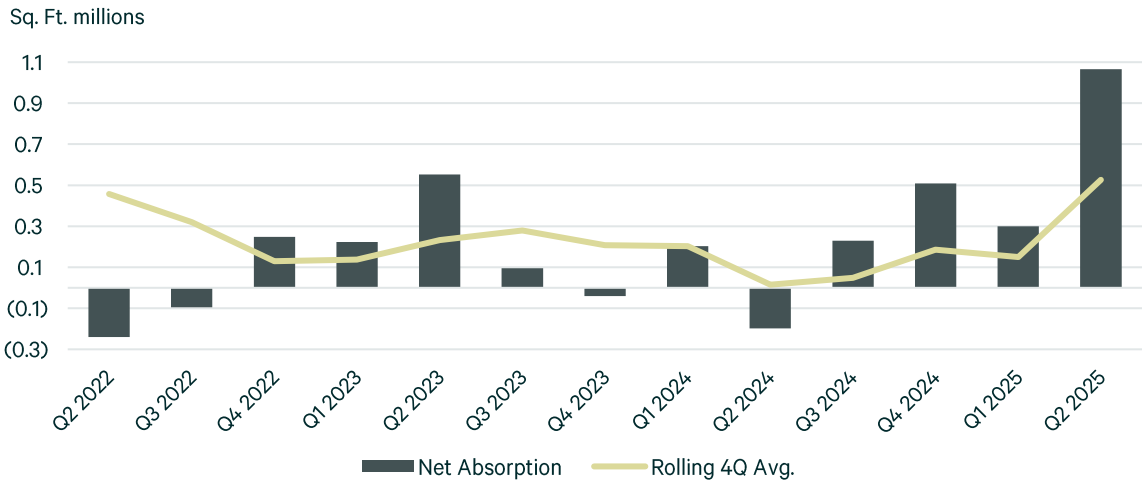
Construction Activity

Two new buildings were delivered in Q2 2025, both were built-to-suit projects totaling 397,000 sq. ft.

Kemin Industries new 342,000 sq. ft. warehouse expansion at 2200 Maury St., was the largest completion of the quarter. The second completion in Q2 was Insane Impacts new 55,000 sq. ft. HQ at 7901 SW 22nd St.

Speculative development continued to remain on pause in Q2 2025. Over 2 million sq. ft. of speculative space remains unoccupied, pushing the markets overall vacancy rate upwards. Much of this vacant space is in the Western Suburbs and Northeast submarkets.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q2 2025

FIGURE 5: Construction Activity



Source: CBRE Research, Q2 2025

Leasing Activity/Owner User Activity

- Kemin Industries opened a new \$28M, 342,000 sq. ft. warehouse expansion at 2200 Maury St. in Northeast Des Moines. The warehouse will consolidate the space Kemin currently leases in eight different locations and support Kemin’s future expansion plans.
- Insane Impact opened a new 55,000 sq. ft. headquarters at 7901 SW 22nd St. to support the company’s ongoing growth and expansion.

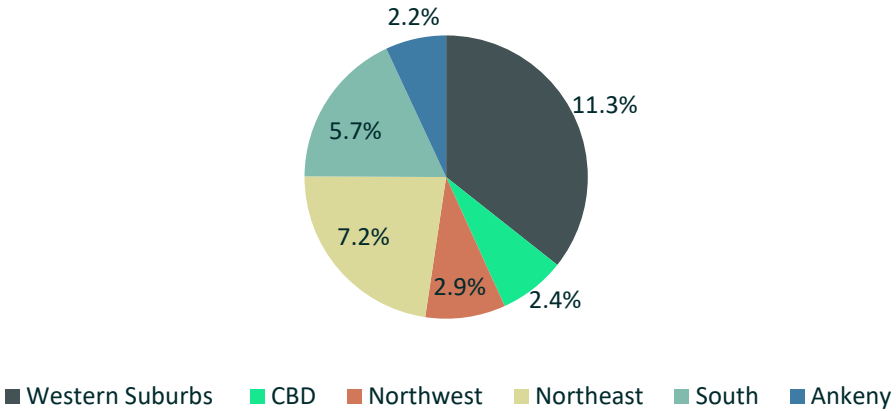
Leasing activity in the Des Moines Industrial market in Q2 2025 totaled 401,374 sq. ft., down from 481,000 sq. ft. in Q1. The Northeast submarket led the overall market with 371,755 sq. ft. due to Deere securing a 300,000 sq. ft. lease at 555 9th St NE in Altoona. The Western Suburbs had the second highest activity throughout the quarter totaling 20,964 sq. ft. Conversely, the CBD (3,030 SF), South (3,000 SF), and Ankeny (2,625 SF) submarkets recorded leasing activity in Q2.

FIGURE 6: Leasing Activity by Submarket



Source: CBRE Research, Q2 2025

FIGURE 7: Vacant Space % by Submarket



Source: CBRE Research, Q2 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Deere	300,000	New Lease	555 9th St NE	Northeast
Husmann Services	18,075	New Lease	305 Adventureland Dr NW	Northeast
Lightning Logistics	10,000	New Lease	1550-1660 E Washington Ave	Northeast
Yardworks	4,750	New Lease	3000 SE Enterprise Dr	Western Suburbs
Deangelo Contracting Services	2,700	New Lease	3000 SE Enterprise Dr	Western Suburbs

Source: CBRE Research, Q2 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	Deliveries	Under Construction
Under 100,000 sq. ft.	27,139,954	3.9	4.4	4.1	0.3	8.16	116,655	55,000	0
100,000-199,999 sq. ft.	12,748,034	7.8	7.7	7.6	0.2	6.15	20,311	0	0
200,000-299,999 sq. ft.	9,932,459	8.5	10.0	9.9	0.1	5.89	(13,567)	0	0
300,000-499,999 sq. ft.	6,466,156	25.2	25.2	23.6	1.6	5.50	942,677	342,000	0
500,000-749,999 sq. ft.	4,864,113	6.7	6.7	2.6	4.1	-	0	0	0
750,000 sq. ft.	6,295,451	0.0	0.0	0.0	0.0	-	0	0	0
Total	67,446,167	7.2	7.6	7.0	0.6	6.85	1,066,076	397,000	0

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	Deliveries	Under Construction
Ankeny	9,160,260	2.2	2.2	2.0	0.1	6.26	9,050	0	0
CBD	878,700	2.4	4.2	3.2	0.9	6.67	(2,500)	0	0
Northeast	26,303,573	7.2	7.3	6.3	1.0	6.2	699,640	342,000	0
Northwest	5,659,624	2.9	2.9	2.9	0.0	6.65	0	0	0
South	5,773,657	5.7	6.0	5.7	0.3	6.98	358,677	55,000	0
Western Suburbs	19,670,353	11.3	12.6	11.9	0.7	7.31	1,209	0	0
Total	67,446,167	7.2	7.6	7.0	0.6	6.85	1,066,076	397,000	0

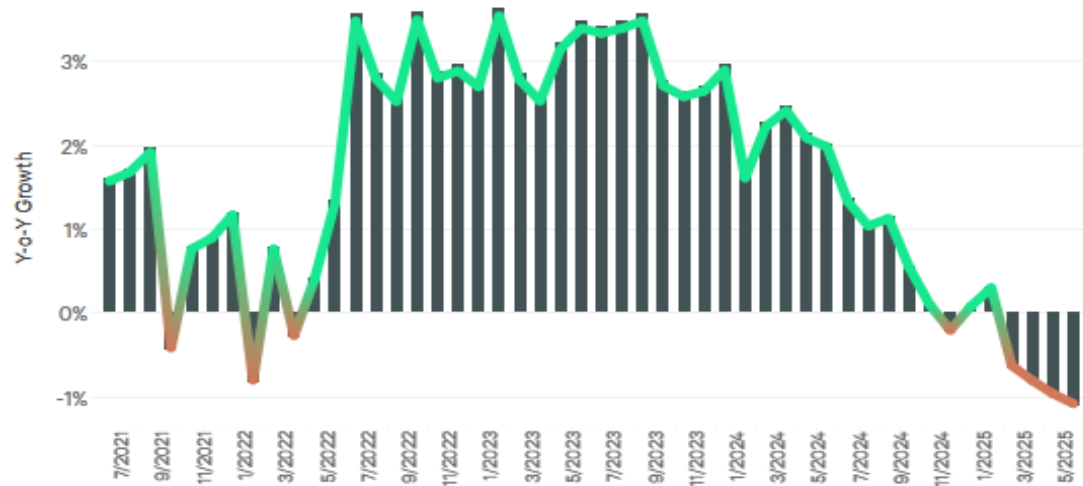
Economic Overview

Policy announcements and the news cycle – not economic fundamentals – are driving sentiment today. Q2 2025 began with the Liberation Day tariffs and subsequent escalation that caused growth expectations to plummet. But by the top of Q3 2025, both the trade war rhetoric and effective tariff rate have softened. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI orders) points to be a more-steady economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025. Barring further disruptions this provides upside risk for hiring in coming quarters.

Commercial real estate markets are taking these changes in stride. On the occupier side, continued growth translates into positive absorption for many sectors and markets, including offices. Regarding capital markets, investment volume is on track to exceed 2023 and 2024 levels. This is supported by credit issuance making a turnaround and credit spreads falling back to pre-April 2 levels.

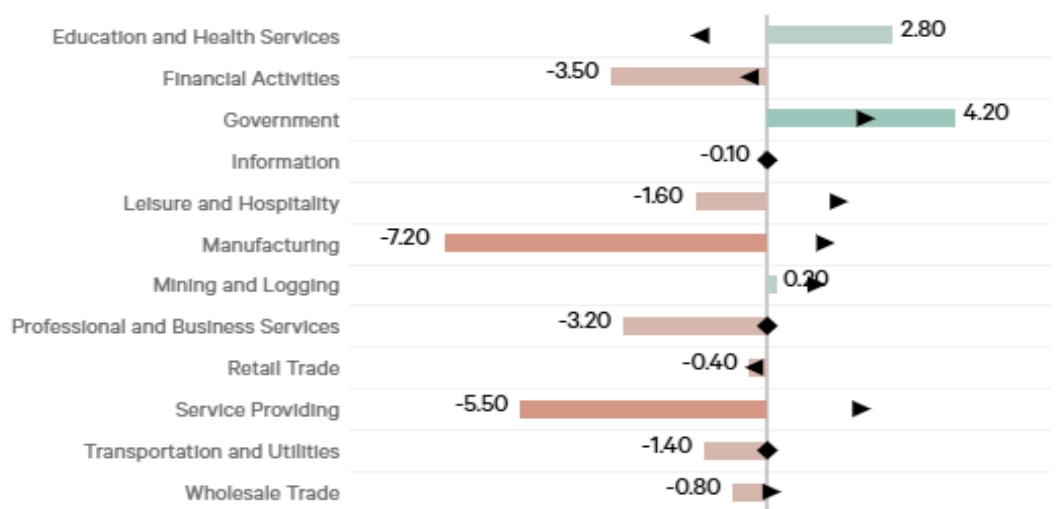


Job Growth - Year over Year Trend

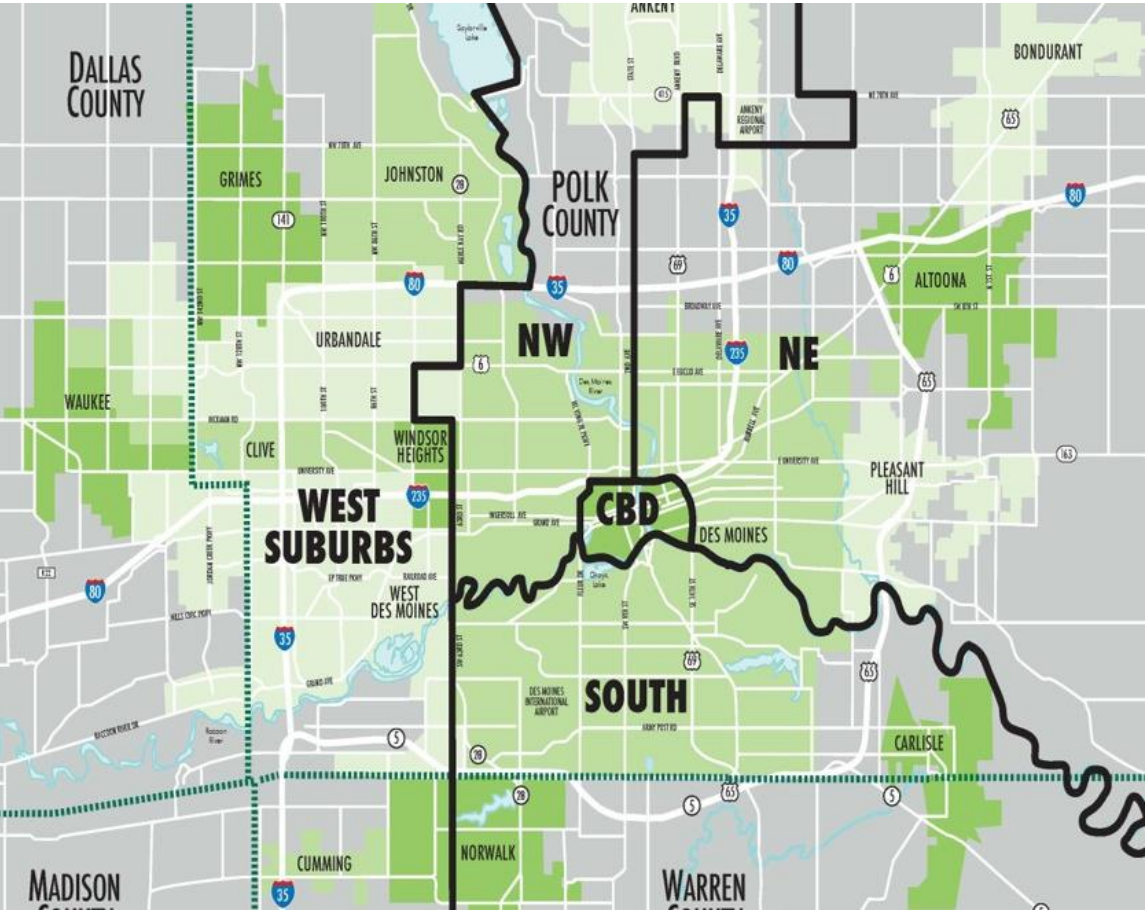


Employment Change by Sector - Yearly & Monthly

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.

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