

# Des Moines Iowa

NAI Ruhl & Ruhl Commercial Company

515 309 4002

## Metropolitan Area Economic Overview

### Population

Total Est. 2005	493,637
Population Growth Index – 2010	1.38
Income Index	1.09
Affordability Index	1.45
Education Index	1.14
Age Index	0.98

### Employment

Total Est. 2005	269,427
Office Index	0.31
Health Services Index	0.97
Government Index	0.91
Retail Services Index	1.01
Wholesale Index	1.34

## Market Overview

The Des Moines Metro is the number one city in the nation for corporate headquarters of insurance companies, and the strength of the financial services and insurance industry has had a stabilizing effect on the local market.

Throughout the past year, Des Moines' claim as the finance and insurance hub of the Midwest has been further strengthened by several key developments. Wells Fargo Home Mortgage occupied the first phase of its new campus in West Des Moines consisting of approximately 900,000 square feet. Wells Fargo Financial has begun construction of an additional 270,000 square foot expansion to its current location in the CBD. Principal Financial recently occupied a new building in the western suburbs to meet expansion needs and Farmers Mutual has occupied a new headquarters building in West Des Moines. Citicorp is now building a new campus area in Urbandale with a first phase of more than 150,000 square feet. Hardest hit in this area have been the B and C buildings in the CBD. Tenants moving and consolidating into owner occupied facilities from leased properties and the cost of parking in the CBD have caused property owners to begin to look at alternative uses for some of the downtown B and C office properties.

Des Moines has continued its focus on enticing developers to convert some of the older less, competitive office and industrial buildings into downtown housing projects.

This, in conjunction with razing some of the older buildings and starting ground up residential projects, has resulted in optimism for some increased entertainment opportunities as well as some quality of life projects currently under way. These would include: The Principal River walk, a new Science Center and IMAX theater, a new library and the Wells Fargo Events Center. All of these are located downtown and helping to revive and encourage redevelopment in what has otherwise been a 9 to 5 CBD with very little to keep the downtown workers downtown after five.

Des Moines metro's retail sector continues to be consistent with the national trend as the strongest segment of the market. This year in the Des Moines Metro marks the first full year of the new Jordan Creek Town Center by General Growth. This 220 acre retail development boasts a 1.2 million square foot mall with an additional 900,000 square foot open-air component outside the mall including Costco and Best Buy. Jordan Creek has successfully attracted over 50 retailers new to the state as well as a host of restaurants such as P.F.Changs, Cheesecake Factory, Joe's Crab Shack, Bravo's, Champs and Fleming's, which are all firsts for the market. Adjacent to the mall, two new open-air retail centers are under construction which will add an additional 1.1 million square feet of retailers to the area.

## Des Moines At-A-Glance

(Rent/Square foot/Year)	Low	High	Effective Avg.	Vacancy
<b>DOWNTOWN OFFICE</b>				
New Construction (AAA)	N/A	N/A	N/A	N/A
Class A (Prime)	\$ 15.00	\$ 17.50	N/A	7.6%
Class B (Secondary)	\$ 8.50	\$ 16.00	N/A	4.5%
<b>SUBURBAN OFFICE</b>				
New Construction (AAA)	\$ 18.00	\$ 24.00	N/A	N/A
Class A (Prime)	\$ 16.50	\$ 19.50	N/A	10.4%
Class B (Secondary)	\$ 9.00	\$ 16.50	N/A	9.4%
<b>INDUSTRIAL</b>				
Bulk Warehouse	\$ 1.80	\$ 11.50	N/A	10.5%
Manufacturing	\$ 1.75	\$ 3.75	N/A	1.8%
High Tech/R&D	\$ 2.00	\$ 11.50	N/A	5.0%
<b>RETAIL</b>				
Downtown	\$ 5.00	\$ 18.75	N/A	5.0%
Neighborhood Service Centers	\$ 6.50	\$ 18.00	N/A	1.0%
Community Power Center	\$ 9.50	\$ 20.00	N/A	0.2%
Regional Malls	\$ 45.00	\$ 85.00	N/A	1.5%
<b>DEVELOPMENT LAND</b>				
Office in CBD (per buildable SF)	N/A	N/A		
Land in Office Parks	\$ 87,096	\$ 239,580		
Land in Industrial Parks	\$ 98,333	\$ 174,239		
Office/Industrial Land - Non-park	\$ 20,691	\$ 653,400		
Retail/Commercial Land	\$ 9,756	\$ 915,032		
Residential	\$ 20,028	\$ 462,724		

Source: NAI Ruhl & Ruhl Commercial Company