

Metropolitan Area Economic Overview

POPULATION		EMPLOYMENT	
Total Est. 2006	374,251	Total Est. 2006	201,367
Population Growth Index – 2011	0.10	Office Index	0.90
Income Index	0.95	Health Services Index	1.33
Affordability Index	1.28	Government Index	0.80
Education Index	0.96	Retail Services Index	0.97
Age Index	1.05	Wholesale Index	1.21

Davenport/Bettendorf, Iowa and Rock Island/Moline, Illinois At-A-Glance

(Rent/Square foot/Year)	Low	High	Effective Avg.	Vacancy
DOWNTOWN OFFICE				
New Construction (AAA)	\$ 14.25	\$ 17.50	\$ 15.50	12.0%
Class A (Prime)	\$ 12.00	\$ 17.00	\$ 15.00	15.0%
Class B (Secondary)	\$ 8.00	\$ 11.00	\$ 9.75	20.0%
SUBURBAN OFFICE				
New Construction (AAA)	\$ 14.50	\$ 18.00	\$ 15.00	10.0%
Class A (Prime)	\$ 14.00	\$ 16.00	\$ 14.00	12.0%
Class B (Secondary)	\$ 10.00	\$ 12.00	\$ 11.00	15.0%
INDUSTRIAL				
Bulk Warehouse	\$ 1.50	\$ 4.50	\$ 2.50	20.0%
Manufacturing	\$ 1.50	\$ 4.50	\$ 2.50	20.0%
High Tech/R&D	\$ 6.00	\$ 10.00	\$ 9.00	0.0%
RETAIL				
Downtown	\$ 8.00	\$ 12.00	\$ 10.00	10.0%
Neighborhood Service Centers	\$ 12.00	\$ 24.00	\$ 15.00	7.0%
Community Power Center	\$ 6.00	\$ 14.00	\$ 9.00	15.0%
Regional Malls	\$ 20.00	\$ 26.00	\$ 23.00	10.0%
DEVELOPMENT LAND				
	Low (Price/Acre)		High (Price/Acre)	
Office in CBD (Per Buildable SF)	\$ 9		\$ 15	
Land in Office Parks	\$ 217,800		\$ 392,040	
Land in Industrial Parks	\$ 43,560		\$ 108,900	
Office/Industrial Land - Non-park	\$ 43,560		\$ 87,120	
Retail/Commercial Land	\$ 348,480		\$ 609,840	
Residential	\$ 43,560		\$ 87,120	

Market Overview

■ The Quad Cities continues its growth pattern and steady business climate as one of the Midwest's largest population centers. The area offers a full line of amenities, and provides the economic center for a regional population of approximately 1,200,000, and regional labor force of 642,000 within a sixty mile radius.

The last twelve months have shown that the region has hit the radar screen for national retailers and national developers. More development activities are in the works than we have seen in the past and interest in development sites is growing rapidly as national retailers show an interest in serving the growing number of "rooftops" in the area. Our region also appeals to the Chicago market because we are easily accessible 180 miles away and have considerably less operating expenses.

Each of the four major downtown areas continues its efforts to revitalize the core business districts with enticing new development, exciting new housing opportunities and retail needs to serve the office presence and encourage those choosing to live in the downtown areas available entertainment, dining and arts opportunities.

The Quad City office market has experienced solid leasing activity after a relatively slow twelve months. A reasonable supply of new office product for small to medium sized tenants is currently available. There are numerous Class A, B and C type opportunities in the downtowns that can enable all types of businesses to locate

excellent values. Communities are anxious to do business with new entrants to the market and growth of existing players. Excellent opportunities exist for the development of new large floorplate office product along the I-74 and I-80 corridors.

Industrial activity has enjoyed a mild resurgence in the past six months with numerous inquiries for large 100,000 to 200,000 square foot spaces in large multi-tenant facilities such as north Davenport's River Cities Business Park. There continue to be many buyers for existing small, medium and large industrial facilities as locally based companies wishing to own their own properties continue to move from leased facilities. There is stronger than average activity for small light industrial lots. North Davenport's Iowa Research, Commerce & Technology Park has released a new pricing structure for fully developed lots.

Retail activity is the strong point of the market today. Small strip center locations are enjoying good leasing activity in Iowa and Illinois and rents are steadily increasing. The redeveloped Duck Creek Mall area in Bettendorf, 53rd Street / Elmore Avenue / I-74 retail corridor in Davenport and John Deere Road in Moline are the focal points for most national and local retailers. Large and medium box retail has seen good activity with deals happening both for creative re-use of space and second generation retailers seeking comparably affordable rents.

Source: NAI Ruhl & Ruhl Commercial Company