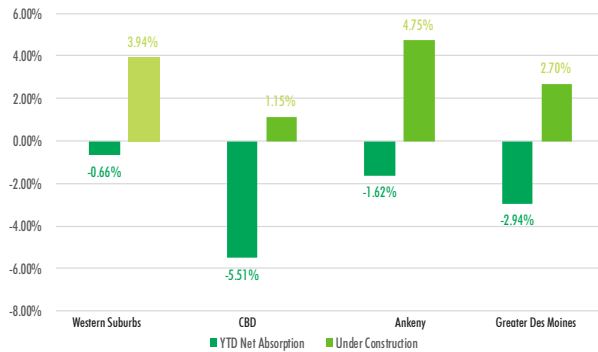


Vacancy Ticks Upwards as Downtown Availability Grows

 Competitive Market Vacancy Rate 11.4%	 Average Gross Asking Lease Rate \$20.40	 YTD Net Absorption (337,573) sf	 Under Construction 437,758 sf	 YTD Deliveries 93,666 sf
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Figure 1: Supply & Demand as a % of Total Inventory



Sammons Financial Headquarters - Delivery 2021

Figure 2: Vacant Space Distribution

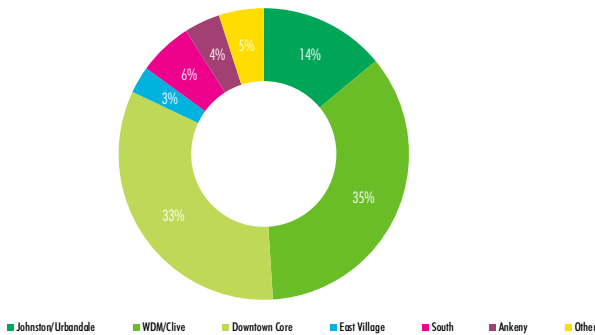
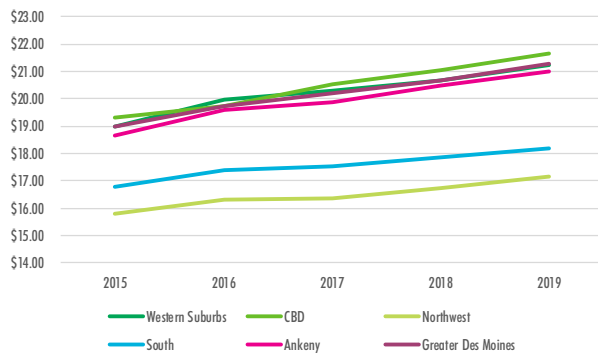


Figure 3: Rent Growth by Submarket



PERFORMANCE HIGHLIGHTS

- Vacancy across the metro increased 100 bps quarter-over-quarter driven primarily by the downtown core district of the CBD. The CBD's notable uptick in vacancy is largely a result of Wells Fargo vacating 105,000 sf of space at the Financial Center and moving into an owner/user building at 801 Walnut.
- Knapp Properties announced plans for an extensive \$23.3M renovation to the existing 5-story office building at 611 5th Avenue in the CBD. Knapp plans to bring the 109,758 SF building up to Class A standards by restoring the "ribbon" windows, offering modern workplace amenities, and upgrading the energy and mechanical systems. Construction is expected to start in the latter half of 2020.
- Sherman Associates broke ground on their Gray's Landing office building in the CBD. The 73,000 SF Class A building offers a wide range of amenities and is expected to deliver in early 2021.
- Fidelity & Guaranty Life Insurance leased 84,000 SF at 801 Grand with plans to relocate from Two Ruan Center at the end of 2020.
- R&R Realty Group's Paradigm Phase II delivered adding an additional 45,000 SF of Class A space to the Urbandale market. The 90,000 sf building is currently 65% occupied.

MOVING FORWARD

Looking ahead through 2020 we anticipate continued slow but steady rent growth driven primarily by new construction. Vacancy should remain largely flat as development continues at a modest pace while employment growth continues to trend upwards. Development will be concentrated in high-growth pockets like Gray's Station and Kettlestone and demand will continue to be fueled by financial and insurance services. We anticipate the overall healthy economy paired with modest levels of new supply will result in relatively unchanged market fundamentals through 2020.

MARKETVIEW GREATER DES MOINES OFFICE

Competitive Market Statistics Greater Des Moines

Competitive Market Statistics	Market Rentable Area (sf)	Vacant (sf)	Vacancy Rate	Quarter-Over-Quarter % Change in Vacancy	12 Mo Net Absorption	Speculative Construction (sf)	Average Asking Rate
Western Suburbs	9,438,712	1,070,893	11.3%	(0.7%)	(61,969)	371,432	\$21.16
CBD	6,283,858	787,373	12.5%	4.3%	(346,193)	72,000	\$21.62
Northwest	657,962	63,383	9.6%	(5.6%)	(5,245)	0	\$16.99
Northeast	93,750	16,098	17.2%	0.0%	(16,089)	0	\$20.69
South	389,901	125,666	32.2%	(0.6%)	(72,720)	0	\$18.69
Ankeny	544,037	88,624	16.3%	(0.2%)	(8,833)	25,838	\$21.00
Greater Des Moines Total	17,408,220	2,152,037	12.4%	1.0%	(511,049)	469,270	\$21.20

Competitive Market Statistics Western Suburbs

Competitive Market Statistics	Market Rentable Area (sf)	Vacant (sf)	Vacancy Rate	12 Mo Net Absorption	Speculative Construction (sf)	Average Asking Rate
Johnston	772,371	51,956	6.7%	(3,230)	48,000	\$19.96
Urbandale	1,871,737	259,013	13.8%	10,157	0	\$16.89
Waukee	113,468	3,138	2.8%	(2,092)	66,089	\$19.74
WDM/Clive	6,681,136	756,786	11.3%	(66,804)	257,343	\$22.14
Western Suburbs Totals	9,438,712	1,070,893	11.3%	(61,969)	371,432	\$21.16

Notable Sales Transactions

Property	Property Type	Size (sf)	Submarket	Price	Price PSF
Deerwood Office Park	Office	90,444	Western Suburbs	\$10,300,000	\$114
1312 Locust St	Office/Retail	37,112	CBD	\$10,000,000	\$269
1963 Bell Ave	Office	116,292	South	\$7,590,000	\$65

Notable Lease Transactions

Property	Size (sf)	Type	Submarket	Tenant
801 Grand Ave	84,000	New	CBD	Fidelity & Guaranty Life Insurance Company
4700 Westown Pkwy	26,980	New	Western Suburbs	Computer Sciences Corporation

Under Construction

Property	Size (sf)	Expected Delivery	City	Submarket	Construction
Sammons Financial HQ	217,000	December, 2020	West Des Moines	Western Suburbs	Owner/User
611 5th Ave Renovation	109,758	TBD	Des Moines	CBD	Competitive
Gray's Landing Office	73,000	March, 2021	Des Moines	CBD	Competitive
2565 SE Encompass Dr	38,000	38,000	Waukee	Western Suburbs	Competitive

GREATER DES MOINES ECONOMIC DATA



Population
644,590 (2018 MSA)

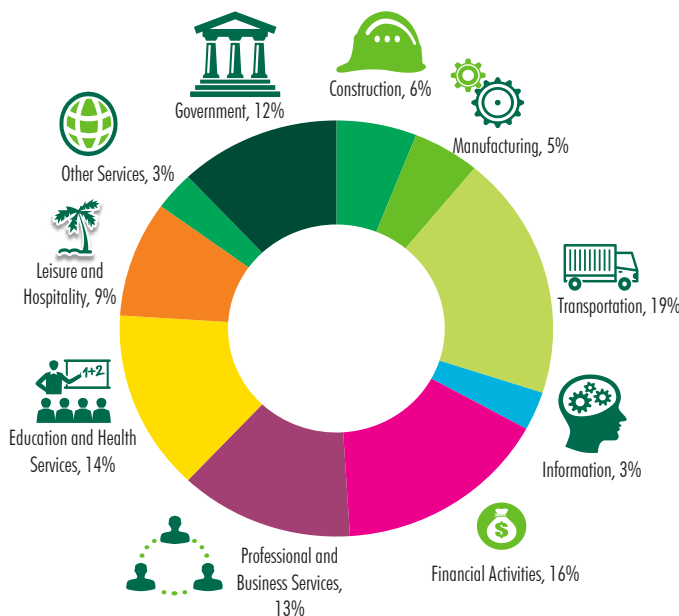
Sources: US Bureau of Labor Statistics



Unemployment Rate
2.4%

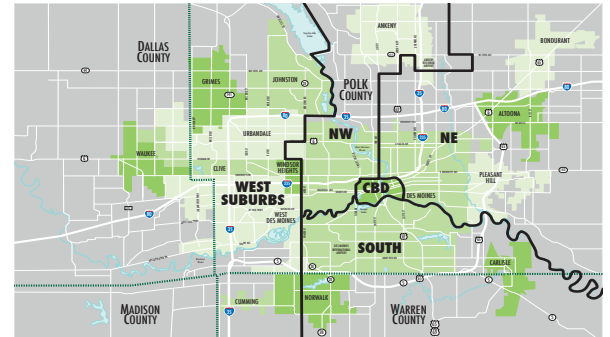
Sources: US Bureau of Labor Statistics

LARGEST EMPLOYERS	EMPLOYEES
Wells Fargo & Company	14,500
UnityPoint Health - Des Moines	8,026
Principal	6,500
Hy-vee	6,400
Nationwide	4,525
Mercy Medical Center	4,228
John Deere	3,089
Vermeer Corporation	2,500
Corteva	2,495
JBS USA	2,300
Pella Corporation	2,224
Wellmark Blue Cross Blue Shield of Iowa	2,000
UPS	1,600
Bridgestone Americas Tire Operations	1,600
Mercer	1,560
YMCA	1,300
EMC Insurance Companies	1,269
Casey's	1,200
Tyson Fresh Meats, Inc.	1,200



Sources: CoStar Group, Polk County Assessor, Dallas County Assessor, Greater Des Moines Partnership, Bureau of Economic Analysis and US Bureau of Labor Statistics

DES MOINES METROPOLITAN AREA



SUBMARKET BOUNDARIES

Central Business District (CBD) - Includes the Western CBD and the East Village, extending west to Martin Luther King Jr. Parkway and east to East 14th Street.

Western Suburbs - Encompasses West Des Moines, Clive, Urbandale, Windsor Heights, Johnston, Grimes, Waukee, and some unincorporated areas of Polk, Dallas, and Warren Counties.

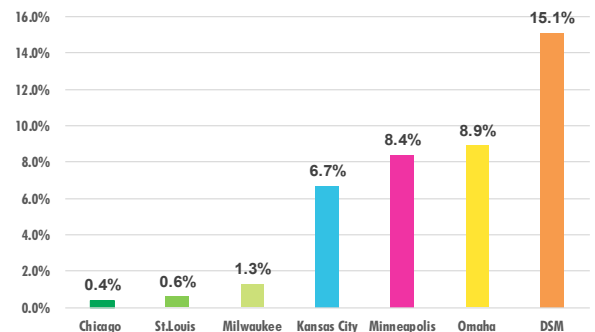
Northwest - Includes Northwest Des Moines and Western Saylor Township.

Northeast - Consists of Northeast Des Moines (extended south to the Des Moines River), Pleasant Hill, Altoona, Eastern Saylor Township, and Delaware Township.

South - Comprises Southwest Des Moines, Southeast Des Moines (south of Des Moines River), and some unincorporated areas of Polk and Warren Counties.

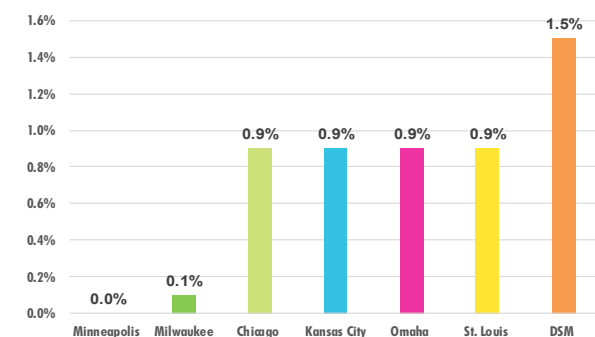
Ankeny - Evaluated separately.

Population Growth: 2010 - 2018



Sources: US Bureau of Labor Statistics

Employment Growth: March 2018 - March 2019



Sources: US Bureau of Labor Statistics