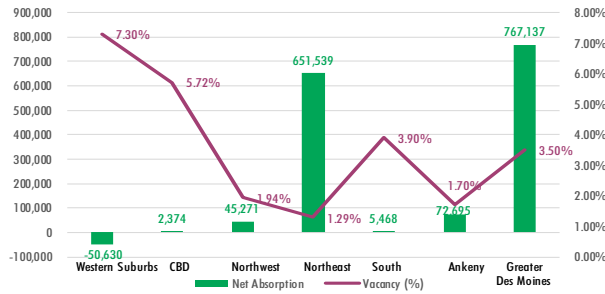


Des Moines Metro Industrial, Q2 2019

▼ Overall Vacancy Rate **3.5%**
▲ Warehouse & Dist. Asking Lease Rate NNN **\$4.84 PSF**
▲ YTD Net Absorption **767,137 SF**
▲ Under Construction **479,076 SF**

Figure 2: Overall Net Absorption & Vacancy (%) - 6 months ending 6/30/19



Grimes Distribution Center, Building 5. Delivers Q4 2019.

Figure 1: Warehouse & Distribution Lease Activity - 6 months ending 6/30/19

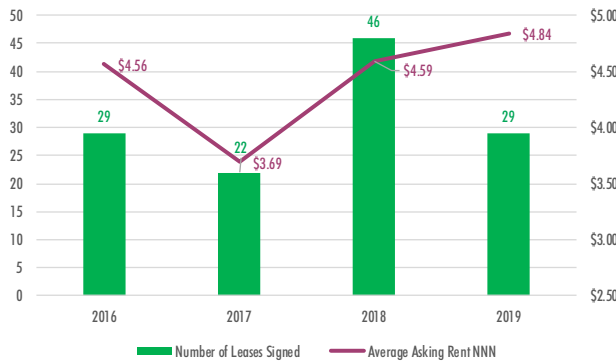
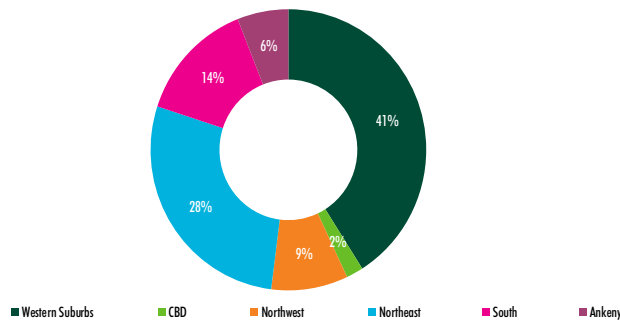


Figure 3: Available Space Distribution



PERFORMANCE HIGHLIGHTS

- Greater Des Moines YTD net absorption sky-rocketed to 767,137 sf, due in part to Graham Group successfully filling their 650,000 sf high cube speculative warehouse at the I-35 and I-80 East Mixmaster.
- 2019 YTD experienced a surge in flex product development, with 7 new speculative projects totaling 309,676 sf breaking ground. All projects are expected to deliver by Nov-19 with an average asking lease rate of \$9.55 NNN.
- Warehouse and distribution new development is minimal with Hubbell Realty Company's Grimes Distribution Center #5 being the only project currently under construction in excess of 50,000 sf. The 110,000 sf building is situated along Hwy 141 and will deliver Q4 2019.
- YTD warehouse and distribution lease activity was robust with 29 new leases signed. The average asking lease rate was \$4.84 NNN, which equates to an impressive 5% year-over year growth in asking rents.

Notable Sales

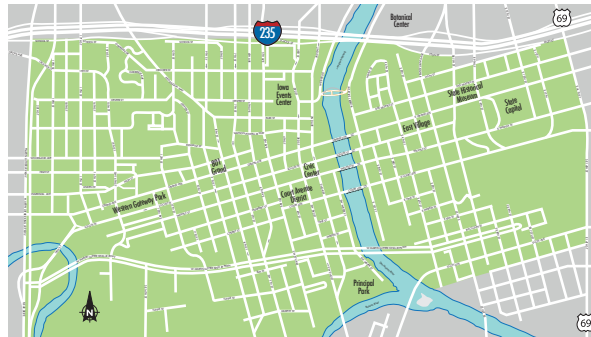
Property	City	Submarket	Sale Price	Size (sf)	Price PSF
4101 121st St	Urbandale	Western Suburbs	\$6,379,820	82,520	\$77
4124 NW Urbandale Dr	Urbandale	Western Suburbs	\$3,500,000	41,004	\$85
4100 Dixon St	Des Moines	Northeast	\$3,800,000	101,732	\$37

Under Construction

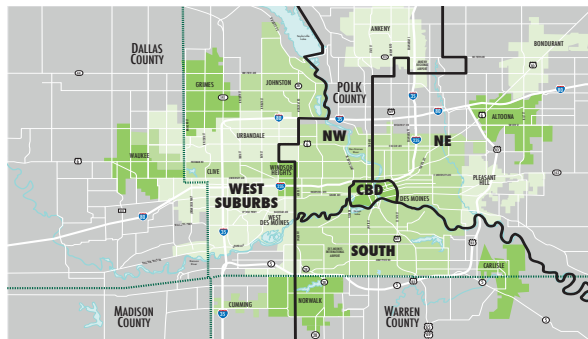
Property	City	Submarket	Property Type	Size (sf)	Expected Delivery
Grimes Distribution #5	Grimes	Western Suburbs	Warehouse & Dist.	110,000	Q4 2019
Birchwood on I-80/35 Phase I	Johnston	Western Suburbs	Flex	72,000	Q4 2019
Meredith Pointe Bldg 2	Urbandale	Western Suburbs	Flex	80,000	Q3 2019
Meredith Pointe Bldg 3	Urbandale	Western Suburbs	Flex	77,000	Q3 2019

Notable Lease Transactions

Property	City	Submarket	SF Leased	Tenant
4950 NE 29th St	Des Moines	Northeast	600,000	Multiple Tenants
4451 121st St	Urbandale	Western Suburbs	110,930	Kemin
5910 SE Rio Cir	Ankeny	Northwest	73,070	National Tire Wholesale



DES MOINES CENTRAL BUSINESS DISTRICT (CBD)



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.

Market Statistics

	Market Rentable Area (SF)	Vacant (SF)	Vacancy Rate (%)	YTD Net Absorption (SF)	Under Construction
Greater Des Moines					
Warehouse Pre 1970	10,492,992	193,772	1.80%	54,768	
Warehouse Post 1970	28,131,018	1,213,897	4.30%	668,419	169,400
Manufacturing Pre 1970	7,247,016	50,424	0.7%	(7,232)	
Manufacturing Post 1970	4,072,299	85,540	2.10%	0	
Flex	9,876,115	577,613	5.80%	51,182	309,676
TOTAL	59,819,440	2,121,246	3.5%	767,137	479,076
Western Suburbs					
Warehouse Pre 1970	1,615,824	0	0%	7,100	
Warehouse Post 1970	9,813,812	870,944	8.90%	(59,603)	110,000
Manufacturing Pre 1970	620,467	0	0%	0	
Manufacturing Post 1970	898,811	0	0%	0	
Flex	4,886,786	426,811	8.70%	1,873	273,100
CBD					
Warehouse Pre 1970	558,521	35,164	6.30%	(2,732)	
Warehouse Post 1970	271,961	3,030	1.1%	5,106	
Manufacturing Pre 1970	53,436	0	0%	0	
Manufacturing Post 1970	12,737	0	0%	0	
Flex	552,378	44,732	8.10%	0	
Northwest					
Warehouse Pre 1970	1,711,194	0	0%	8,300	
Warehouse Post 1970	4,318,677	158,143	3.70%	37,625	59,400
Manufacturing Pre 1970	1,874,114	0	0%	0	
Manufacturing Post 1970	231,777	0	0%	0	
Flex	808,001	15,392	1.90%	(654)	
Northeast					
Warehouse Pre 1970	4,228,613	63,926	1.50%	35,600	
Warehouse Post 1970	9,885,983	68,208	0.70%	656,359	
Manufacturing Pre 1970	1,968,317	40,420	2.1%	(40,420)	
Manufacturing Post 1970	1,932,889	85,540	4.4%	0	
Flex	2,709,360	8,906	0.30%	0	
South					
Warehouse Pre 1970	2,151,279	94,682	4.4%	6,500	
Warehouse Post 1970	2,086,794	93,275	4.50%	6,200	
Manufacturing Pre 1970	278,914	10,004	3.6%	(7,232)	
Manufacturing Post 1970	519,974	0	0%	0	
Flex	250,110	9,100	3.6%	0	
Ankeny					
Warehouse Pre 1970	227,561	0	0%	0	
Warehouse Post 1970	1,753,791	20,297	1.20%	22,732	
Manufacturing Pre 1970	2,451,768	0	0%	0	
Manufacturing Post 1970	476,111	0	0%	0	
Flex	669,480	72,672	10.90%	49,963	36,576

Note: The tracked base was updated in Q2 2019.

GREATER DES MOINES ECONOMIC DATA



Population
644,590 (2018 MSA)

Sources: US Bureau of Labor Statistics

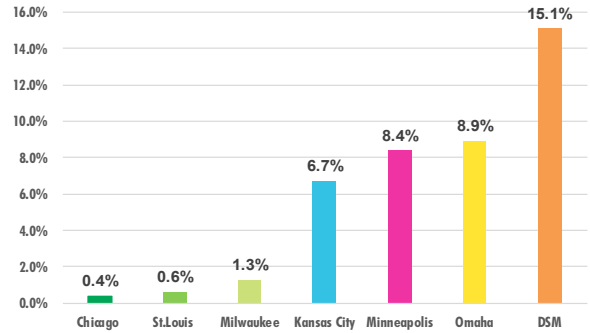


Unemployment Rate
2.4%

Sources: US Bureau of Labor Statistics

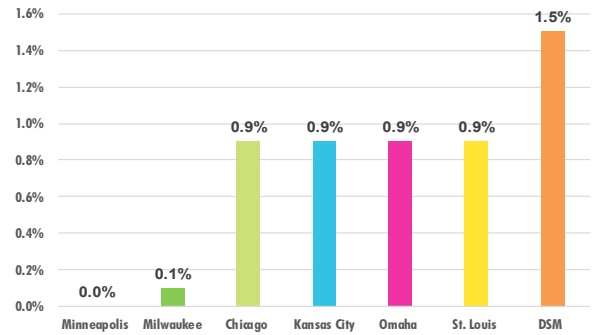
LARGEST EMPLOYERS	EMPLOYEES
Wells Fargo & Company	14,500
UnityPoint Health - Des Moines	8,026
Principal	6,500
Hy-vee	6,400
Nationwide	4,525
Mercy Medical Center	4,228
John Deere	3,089
Vermeer Corporation	2,500
DuPont Pioneer	2,495
JBS USA	2,300
Pella Corporation	2,224
Wellmark Blue Cross Blue Shield 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

Population Growth: 2010 - 2018

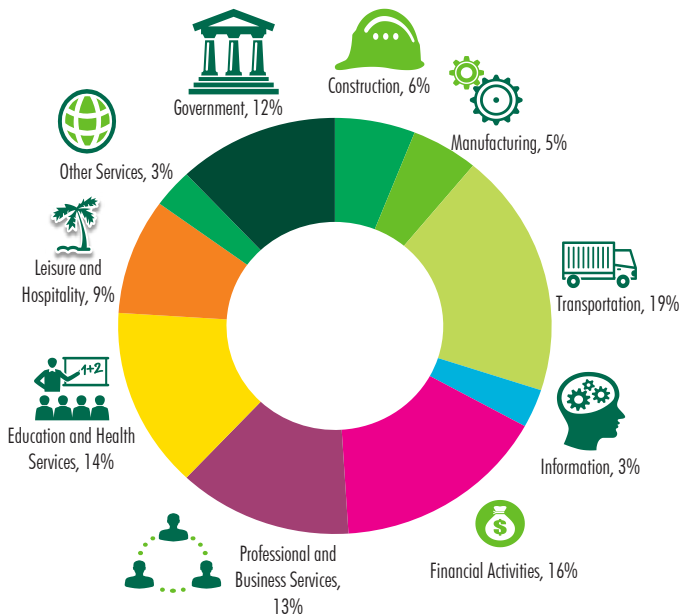


Sources: US Bureau of Labor Statistics

Employment Growth: March 2018 - March 2019



Sources: US Bureau of Labor Statistics



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