



MARKET AT A GLANCE



OCCUPANCY RATE **94.0%**
Down **80 bps** since 2Q19



EFFECTIVE RENT **\$958**
Unchanged since 2Q19



TOTAL INVENTORY **50,049**

OCCUPANCY AND RENT TRENDS

DOWNTOWN DES MOINES REMAINS ATTRACTIVE TO RENTERS & DEVELOPERS

Low cost of living and a stable economy attracted renters to the Des Moines metro during the second quarter; residents absorbed 317 units while 205 units were brought online. Occupancy increased 20 basis points to 94.0% as a result. Apartment operators metrowide decreased effective rent 0.3% during the quarter, though this shift was primarily driven by one submarket, West Des Moines/Dallas County, where operators responded to a trend of lagging demand that began prior to the pandemic. Apartment demand was strongest in the Northeast Des Moines/Ankeny submarket, also home to multiple developments near Downtown Des Moines. A \$750 million redevelopment project, one that would bring new hotel, multifamily, and venue space to the popular Market District, was formally proposed to the city council during this period. From a workforce standpoint, Des Moines recovered faster than the national average; unemployment decreased 230 basis points to 8.8%. The metro benefited from having a larger pool of employees in industries with a lower risk of being affected by COVID-19. The Des Moines economy shifted into the second phase of its reopening during the second quarter; these orders were extended into July.



DES MOINES

MULTIFAMILY REPORT

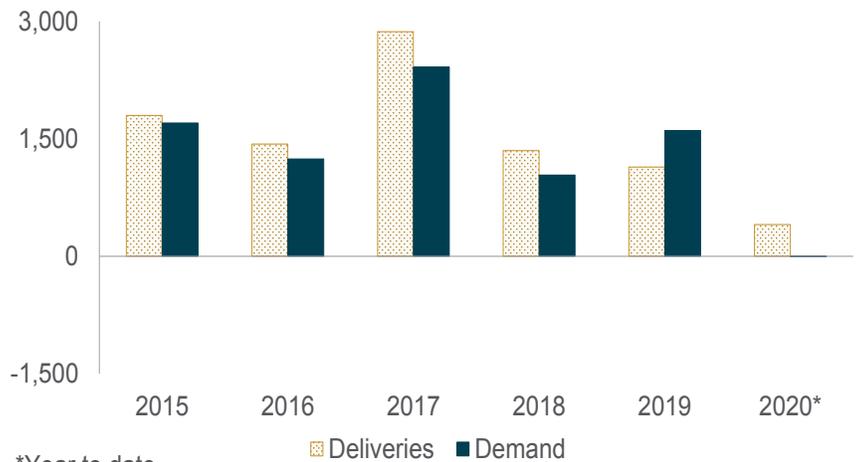
DELIVERIES AND DEMAND



DELIVERIES 406
Units YTD



NET ABSORPTION -5
Units YTD



*Year to date

ECONOMIC TRENDS

2019 2.7% **UNEMPLOYMENT*** 2020 8.8%
610 BPS CHANGE

2019 372.0k **EMPLOYMENT*** 2020 340.0k
-8.6% CHANGE

2019 13.4k **EXISTING SFH SALES*** 2020 11.4k
-14.9% CHANGE

2019 662.9k **POPULATION*** 2020 674.2k
1.7% CHANGE

2019 2.07% **10-YEAR TREASURY*** 2020 0.73%
-130 BPS CHANGE

*June



DES MOINES

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

| SUBMARKET NAME | OCCUPANCY | | | EFFECTIVE RENT | | | NET ABSORPTION | | DELIVERED UNITS | |
|--------------------------------|--------------|--------------------|--------------------|----------------|--------------|--------------|----------------|------------|-----------------|--------------|
| | 2Q20 | Q-o-Q Change (BPS) | Y-o-Y Change (BPS) | 2Q20 | Q-o-Q Change | Y-o-Y Change | 2Q20 | Annual | 2Q20 | Annual |
| Northeast Des Moines/Ankeny | 94.9% | 50 | -120 | \$1,066 | 0.0% | 1.0% | 156 | 303 | 85 | 518 |
| Northwest Des Moines/Urbandale | 93.4% | -20 | 30 | \$918 | 0.1% | -0.9% | 37 | 361 | 60 | 350 |
| South Des Moines/Warren County | 94.4% | 0 | -100 | \$784 | 1.5% | -0.2% | 3 | -82 | 0 | 0 |
| West Des Moines/Dallas County | 93.4% | 50 | -100 | \$973 | -1.9% | -0.9% | 121 | -1 | 60 | 140 |
| TOTALS | 94.0% | 20 | -80 | \$958 | -0.3% | 0.0% | 317 | 580 | 205 | 1,008 |

BERKADIA[®]

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