The Davenport-Moline-Rock Island, IA-IL commercial real estate market is weaker compared to the overall U.S. market.  

Overall economic conditions are weaker than nationally. The apartment property market is weaker than nationally. The office property market is weaker than nationally. The industrial property market is stronger than nationally. The retail property market is weaker than nationally. The hotel/legacy property market is stronger than nationally.

The commercial real estate market is slowly getting back on track although the rise of Delta variant cases is casting a shadow on the path of the recovery. The multifamily, industrial, and retail property markets will continue to recover more quickly than the office property market where vacancy rates will likely remain elevated in 2021-2022 compared to the pre-pandemic level.

### I. Economic and Demographic

<table>
<thead>
<tr>
<th>Davenport-Moline-Rock Island, IA-IL</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td></td>
</tr>
<tr>
<td>Total non-farm employment (1000)</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>180</td>
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<tr>
<td>2021 Q1</td>
<td>174</td>
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<td>2020 Q2</td>
<td>170</td>
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<tr>
<td>Y/Y % increase in nonfarm payroll employment (1000)</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>8</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>9</td>
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<tr>
<td>2020 Q2</td>
<td>9</td>
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<tr>
<td>Y/Y % increase in nonfarm payroll employment (%)</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>5.5</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>4.7</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>4.7</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>5.7</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>5.6</td>
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<tr>
<td>2020 Q2</td>
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<tr>
<td>Average weekly wages</td>
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<tr>
<td>2021 Q2</td>
<td>$921</td>
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<tr>
<td>2021 Q1</td>
<td>$960</td>
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<tr>
<td>2020 Q2</td>
<td>$903</td>
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<tr>
<td>Wage growth, year-over-year</td>
<td></td>
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<tr>
<td>(data as of last month of the quarter)</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2.1</td>
</tr>
<tr>
<td>2018</td>
<td>9.3</td>
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<tr>
<td>2017</td>
<td>-4.8</td>
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<tr>
<td><strong>Demographic</strong></td>
<td></td>
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<tr>
<td>GDP growth (%)</td>
<td></td>
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<tr>
<td>2019</td>
<td>1.9</td>
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<tr>
<td>2018</td>
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<tr>
<td>2017</td>
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<tr>
<td>Median household income</td>
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</tr>
<tr>
<td>2019</td>
<td>$62,001</td>
</tr>
<tr>
<td>2018</td>
<td>$55,635</td>
</tr>
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<td>2017</td>
<td>$44,173</td>
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<tr>
<td><strong>Demand indicators</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Supply indicators</strong></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>13,329</td>
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<tr>
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<td>13,329</td>
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<tr>
<td>2020 Q2</td>
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<tr>
<td>Net delivered units in past 12 months</td>
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<td>2021 Q2</td>
<td>70</td>
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<tr>
<td>2021 Q1</td>
<td>39</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>91</td>
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<tr>
<td>Net delivered units, as % of inventory</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>0.5</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>2.5</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>2.1</td>
</tr>
<tr>
<td>Units under construction, as % of inventory</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>0</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>0</td>
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<tr>
<td>2020 Q2</td>
<td>0</td>
</tr>
<tr>
<td>12-month total: No. of unit building permits</td>
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</tr>
<tr>
<td>2021 Q2</td>
<td>207</td>
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<tr>
<td>2021 Q1</td>
<td>243</td>
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<tr>
<td>2020 Q2</td>
<td>47</td>
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<tr>
<td>12-month total: All building permits</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>662</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>709</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>978</td>
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<tr>
<td>Ratio of jobs created to permits</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>14</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>12.1</td>
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<td>2020 Q2</td>
<td>48.7</td>
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<tr>
<td><strong>Sales transactions</strong></td>
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</tr>
<tr>
<td>Total investment acquisitions (in million $)</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>$1.4</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>8.8</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>7.7</td>
</tr>
<tr>
<td>Transaction sales price per unit</td>
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<tr>
<td>2021 Q2</td>
<td>$39,000</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>$41,729</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>$57,850</td>
</tr>
<tr>
<td>Cap rate</td>
<td></td>
</tr>
<tr>
<td>%/A</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>III. Office</strong></td>
<td></td>
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<tr>
<td><strong>Supply indicators</strong></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
</tr>
<tr>
<td>10,997,496</td>
<td>10,977,496</td>
</tr>
<tr>
<td>Net delivered over 12 months, in sq. ft.</td>
<td></td>
</tr>
<tr>
<td>10,977,496</td>
<td>11,011,582</td>
</tr>
<tr>
<td>Net delivered units, as % of inventory</td>
<td></td>
</tr>
<tr>
<td>95,454</td>
<td>10,977,496</td>
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<tr>
<td>Under construction in sq. ft.</td>
<td></td>
</tr>
<tr>
<td>95,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Under construction, as % of inventory</td>
<td></td>
</tr>
<tr>
<td>0.9%</td>
<td>95,000</td>
</tr>
<tr>
<td><strong>Sales transactions</strong></td>
<td></td>
</tr>
<tr>
<td>Total investment acquisitions (in million $)</td>
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</tr>
<tr>
<td>2021 Q2</td>
<td>$4.4</td>
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<tr>
<td>Transaction sales price per sq. ft.</td>
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</tr>
<tr>
<td>2021 Q2</td>
<td>$46</td>
</tr>
<tr>
<td>Cap rate</td>
<td></td>
</tr>
<tr>
<td>%/A</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Job creation is weaker than nationally. Unemployment rate is lower than nationally. Wages are rising at a slower pace than nationally.

### II. Multifamily

<table>
<thead>
<tr>
<th>Davenport-Moline-Rock Island, IA-IL</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vacancy rate</strong></td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>5.2</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>6.3</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>7.5</td>
</tr>
<tr>
<td>Absorption of units over the quarter</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>49</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>121</td>
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<tr>
<td>2020 Q2</td>
<td>175</td>
</tr>
<tr>
<td>Absorption of units in past 12 months</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>371</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>397</td>
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<tr>
<td>2020 Q2</td>
<td>84</td>
</tr>
<tr>
<td><strong>Market asking rent per unit</strong></td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>$832</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>$821</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>$820</td>
</tr>
<tr>
<td><strong>Market asking rent per unit, y/y % change</strong></td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>1.5</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>0.7</td>
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<tr>
<td>2020 Q2</td>
<td>0.7</td>
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<tr>
<td>Effective rent per unit, y/y % change</td>
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<td>2021 Q2</td>
<td>2.0</td>
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<td>2021 Q1</td>
<td>0.8</td>
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<tr>
<td>2020 Q2</td>
<td>1.0</td>
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<tr>
<td>Rent as a percent of 2-person annual wage income</td>
<td></td>
</tr>
<tr>
<td>2021 Q2</td>
<td>10.3</td>
</tr>
<tr>
<td>2021 Q1</td>
<td>9.7</td>
</tr>
<tr>
<td>2020 Q2</td>
<td>10.3</td>
</tr>
</tbody>
</table>

The area has a higher vacancy rate than nationally. The area has a lower pace of absorption than nationally. Rents are rising more slowly than nationally. The rent to income ratio is lower than nationally. Relatively fewer units are being delivered than nationally. Construction activity is slower than nationally. Building permits are rising faster than nationally. The area has a lower vacancy rate than nationally. The area has a faster pace of absorption than nationally. Relatively fewer units are being delivered than nationally. Construction activity is slower than nationally. The area has stronger office job creation nationally.
### IV. Industrial

**Demand indicators**

<table>
<thead>
<tr>
<th></th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q3</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate</td>
<td>2.7%</td>
<td>2.1%</td>
<td>3.2%</td>
<td>4.2%</td>
<td>2.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Absorption in sq.ft. over the quarter</td>
<td>(238,782)</td>
<td>95,079</td>
<td>36,928</td>
<td>146,182,325</td>
<td>119,411,326</td>
<td>56,883,324</td>
</tr>
<tr>
<td>Asking rent per sq.ft.</td>
<td>$4.7</td>
<td>$4.6</td>
<td>$4.5</td>
<td>$6.5</td>
<td>$6.4</td>
<td>$6.1</td>
</tr>
<tr>
<td>Asking rent growth, y/y % chg.</td>
<td>4.5%</td>
<td>3.0%</td>
<td>3.1%</td>
<td>5.2%</td>
<td>3.0%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Leasing activity in sq.ft.</td>
<td>2,300</td>
<td>10,500</td>
<td>10,800</td>
<td>319,474,044</td>
<td>296,163,970</td>
<td>254,024,482</td>
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</tbody>
</table>

**Supply indicators**

<table>
<thead>
<tr>
<th></th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q3</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory in sq. ft.</td>
<td>41,602,460</td>
<td>41,602,460</td>
<td>41,597,710</td>
<td>26,553,663,022</td>
<td>26,461,805,496</td>
<td>26,166,021,757</td>
</tr>
<tr>
<td>Net delivered over 12 months, in sq.ft.</td>
<td>4,750</td>
<td>4,750</td>
<td>0</td>
<td>385,387,457</td>
<td>398,260,005</td>
<td>382,527,483</td>
</tr>
<tr>
<td>Net delivered units, as % of inventory</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Under construction in sq ft.</td>
<td>0</td>
<td>0</td>
<td>4,750</td>
<td>567,307,627</td>
<td>521,496,024</td>
<td>452,528,658</td>
</tr>
<tr>
<td>Under construction, as % of inventory</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.1%</td>
<td>2.0%</td>
<td>1.7%</td>
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</tbody>
</table>

**Sales transactions**

<table>
<thead>
<tr>
<th></th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q3</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investment acquisitions (in million $)</td>
<td>$14.8</td>
<td>$6.9</td>
<td>$3.7</td>
<td>$27,261.9</td>
<td>$21,600.7</td>
<td>$13,713.9</td>
</tr>
<tr>
<td>Transaction sale price per sq.ft.</td>
<td>$45</td>
<td>$27</td>
<td>$53</td>
<td>$61</td>
<td>$56</td>
<td>$54</td>
</tr>
<tr>
<td>Cap rate</td>
<td>0.0%</td>
<td>0.0%</td>
<td>10.0%</td>
<td>7.4%</td>
<td>0.0%</td>
<td>10.0%</td>
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</table>

**V. Retail**

**Demand indicators**

<table>
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<tr>
<th></th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q3</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate</td>
<td>3.7%</td>
<td>3.9%</td>
<td>4.3%</td>
<td>4.3%</td>
<td>4.5%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Absorption in sq.ft. over the quarter</td>
<td>50,451</td>
<td>53,556</td>
<td>(23,411)</td>
<td>26,554,046</td>
<td>6,829,628</td>
<td>(12,969,003)</td>
</tr>
<tr>
<td>Absorption in sq.ft. over 12 months</td>
<td>175,897</td>
<td>100,035</td>
<td>150,950</td>
<td>12,853,280</td>
<td>(26,669,769)</td>
<td>5,842,298</td>
</tr>
<tr>
<td>Asking rent per sq.ft.</td>
<td>$12.6</td>
<td>$12.6</td>
<td>$12.6</td>
<td>$14.5</td>
<td>$14.5</td>
<td>$14.3</td>
</tr>
<tr>
<td>Asking rent growth, y/y % chg.</td>
<td>-0.3%</td>
<td>0.0%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>1.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Leasing activity in sq.ft.</td>
<td>14,480</td>
<td>17,980</td>
<td>32,089</td>
<td>65,144,289</td>
<td>60,598,011</td>
<td>44,924,273</td>
</tr>
<tr>
<td>Y/Y chg.in retail trade payroll employment ('000)</td>
<td>0.70</td>
<td>(1.50)</td>
<td>(0.70)</td>
<td>832.34</td>
<td>(1,100.50)</td>
<td>(245.60)</td>
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</table>

**Supply indicators**

<table>
<thead>
<tr>
<th></th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q3</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory in sq. ft.</td>
<td>25,426,692</td>
<td>25,426,692</td>
<td>25,407,004</td>
<td>15,772,300,571</td>
<td>15,764,713,778</td>
<td>15,724,204,780</td>
</tr>
<tr>
<td>Net delivered over 12 months, in sq.ft.</td>
<td>19,668</td>
<td>33,038</td>
<td>20,061</td>
<td>46,178,397</td>
<td>47,102,191</td>
<td>58,533,197</td>
</tr>
<tr>
<td>Net delivered units, as % of inventory</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Under construction in sq ft.</td>
<td>17,600</td>
<td>17,600</td>
<td>25,412</td>
<td>55,829,483</td>
<td>58,628,746</td>
<td>71,303,695</td>
</tr>
<tr>
<td>Under construction, as % of inventory</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

**Sales transactions**

<table>
<thead>
<tr>
<th></th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q3</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investment acquisitions (in million $)</td>
<td>$20.3</td>
<td>$12.3</td>
<td>$13.8</td>
<td>$20,811.7</td>
<td>$15,469.2</td>
<td>$8,857.2</td>
</tr>
<tr>
<td>Transaction sale price per sq.ft.</td>
<td>$591</td>
<td>$64</td>
<td>$52</td>
<td>$134</td>
<td>$136</td>
<td>$134</td>
</tr>
<tr>
<td>Cap rate</td>
<td>6.9%</td>
<td>6.7%</td>
<td>9.1%</td>
<td>6.6%</td>
<td>6.6%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

**VI. Hotel/Lodging**

<table>
<thead>
<tr>
<th></th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q3</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure and hospitality payroll workers ('000)</td>
<td>17.5</td>
<td>16.3</td>
<td>15.0</td>
<td>15,395.0</td>
<td>13,448.0</td>
<td>12,637.0</td>
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<tr>
<td>Y/Y change ('000)</td>
<td>2.5</td>
<td>(1.9)</td>
<td>(4.9)</td>
<td>2,758.0</td>
<td>(2,297.0)</td>
<td>(4,590.0)</td>
</tr>
<tr>
<td>% share to nonfarm payroll employment</td>
<td>9.7%</td>
<td>9.4%</td>
<td>8.8%</td>
<td>10.5%</td>
<td>9.4%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition. The total points for each local market are divided by the number of variables that are available at the local area, with 46 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.


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