

COMMERCIAL REAL ESTATE REPORT Q3 2022

Cedar Rapids, IA Metro Area

Demographics and Economy

Demographics

-0.4%	24.7%	0.4%	47.6%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

0.3%	2,900	2.1%	2.4%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$48,682	2.9%	18.1%	39.3%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-79,805	-362,326	1.9%	\$21	5.5%
Q3 2021	89,339	104,938	1.9%	\$20	2.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	13,871,777	0	0	\$25,762,950	9.2%
Q3 2021	13,871,777	-42,676	57,324	\$10,715,000	9.8%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	59.0	65.0	2.9%	\$781	\$777	8.2%
Q3 2021	39.0	122.0	3.8%	\$759	\$755	7.4%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	11,916	51	157	7.4%		
Q3 2021	11,759	33	33	7.3%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-22,470	30,744	3.1%	\$13	1.1%
Q3 2021	42,622	178,418	1.9%	\$12	1.3%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	15,147,785	8.2%	\$6,752,000	\$109	
Q3 2021	15,147,785	8.0%	\$10,874,800	\$37	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	738,257	1,402,059	7.9%	\$7	1.9%
Q3 2021	-77,244	246,836	5.6%	\$6	5.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	32,922,224	32,400	106,196	9.2%	\$8,052,500
Q3 2021	32,816,028	559,000	733,837	9.0%	\$5,293,875

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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COMMERCIAL REAL ESTATE REPORT Q3 2022

Davenport-Moline-Rock Island, IA-IL Metro Area

Demographics and Economy

Demographics

-0.5%	27.9%	3.1%	48.2%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-0.8%	7,000	3.9%	8.9%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$54,734	3.4%	10.0%	29.9%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-40,855	50,216	2.0%	\$18	3.7%
Q3 2021	-100,225	37,696	1.9%	\$18	3.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	11,284,904	0	30,000	\$14,939,751	10.1%
Q3 2021	11,254,904	20,000	60,000	\$23,887,606	10.2%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	42.0	290.0	6.0%	\$923	\$919	4.2%
Q3 2021	126.0	494.0	3.1%	\$870	\$866	5.1%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	13,637	27	174	7.3%		
Q3 2021	13,463	108	158	7.4%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-21,761	19,562	3.1%	\$13	3.8%
Q3 2021	-39,227	101,847	1.7%	\$13	3.9%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	26,175,383	8.4%	\$11,888,000	\$64	
Q3 2021	26,165,238	8.3%	\$12,077,875	\$169	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	67,771	399,976	8.3%	\$5	2.0%
Q3 2021	47,490	298,230	6.0%	\$5	2.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	48,791,386	267,300	310,300	9.2%	\$61,103,500
Q3 2021	48,481,086	0	12,750	9.0%	\$29,123,394

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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COMMERCIAL REAL ESTATE REPORT Q3 2022

Des Moines-West Des Moines, IA Metro Area

Demographics and Economy

Demographics

1.2%	30.5%	4.8%	51.3%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

3.8%	7,700	2.1%	0.1%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$57,349	2.3%	20.9%	41.8%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	166,668	281,170	1.8%	\$22	7.1%
Q3 2021	-23,697	-233,771	1.2%	\$21	7.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	41,332,824	31,564	-28,767	\$15,182,000	9.2%
Q3 2021	41,361,591	189,935	418,021	\$24,293,258	9.3%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	572	1,438	4.7%	\$1,046	\$1,040	5.5%
Q3 2021	627	2,484	3.3%	\$999	\$993	6.2%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	55,639	489	1,121	6.7%		
Q3 2021	54,518	296	1,494	6.7%		

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	1,045	416,134	3.2%	\$15	3.3%
Q3 2021	222,234	265,206	1.6%	\$14	3.6%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	43,538,432	7.3%	\$77,882,920	\$222	
Q3 2021	43,232,239	7.5%	\$58,955,664	\$200	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	585,632	2,931,219	7.4%	\$7	2.6%
Q3 2021	659,995	5,104,809	5.5%	\$7	3.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	91,110,768	956,000	2,390,499	7.3%	\$43,707,460
Q3 2021	88,720,269	310,970	3,981,534	7.2%	\$79,435,336

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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COMMERCIAL REAL ESTATE REPORT Q3 2022

Waterloo-Cedar Falls, IA Metro Area

Demographics and Economy

Demographics

-0.3%	29.5%	-11.7%	42.5%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-0.7%	1,000	1.1%	14.9%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$53,060	2.4%	9.7%	79.1%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-30,867	-45,314	1.9%	\$20	3.0%
Q3 2021	68,298	189,383	2.2%	\$19	1.8%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	4,061,726	0	0	\$1,963,500	9.6%
Q3 2021	4,061,726	0	0	\$1,785,000	9.7%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	12.0	191.0	4.6%	\$928	\$924	3.6%
Q3 2021	10.0	83.0	3.3%	\$887	\$884	4.2%

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
Q3 2022	4,229	7	168	7.5%
Q3 2021	4,061	0	27	7.4%

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-108,478	-53,754	3.1%	\$13	6.9%
Q3 2021	-31,365	85,928	2.0%	\$13	6.2%

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
Q3 2022	10,113,252	8.2%	\$1,184,000	\$26
Q3 2021	10,100,585	8.2%	\$9,437,000	\$158

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	0	31,207	7.8%	\$6	0.1%
Q3 2021	23,880	212,728	5.9%	\$5	0.1%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	17,000,070	0	37,500	9.1%	\$365,000
Q3 2021	16,962,570	0	0	9.1%	\$7,265,000

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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