

DES MOINES

Q2 2017 | Multifamily

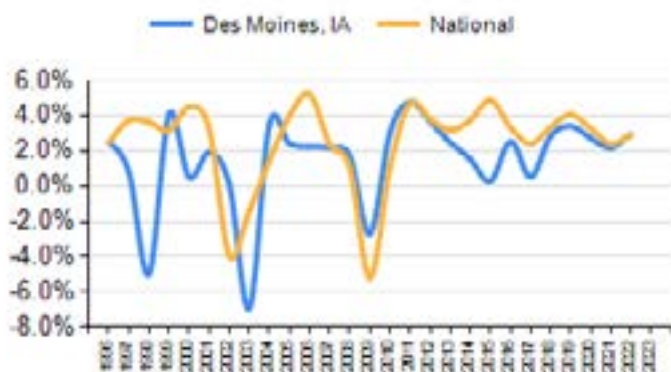
Accelerating success.

Source: AXIOMetrics, RCA, CoStar

Market Survey Results and Forecasts

	Sequential				Month	Annual						
	3Q16	4Q16	1Q17	2Q17	Jul-17	2015	2016	2017F	2018F	2019F	2020F	2021F
Effective Rent Per Unit	\$923	\$910	\$903	\$914	\$915	\$887	\$909	\$914	\$940	\$972	\$999	\$1,020
Per Sq. Ft	\$1.01	\$0.99	\$0.99	\$1.00	\$1.01	\$0.97	\$0.99	\$1.00	\$1.03	\$1.06	\$1.09	\$1.11
Effective Rent Growth - Annually	4.2%	2.1%	1.2%	0.2%	0.0%	0.3%	2.5%	0.5%	2.9%	3.4%	2.7%	2.2%
Effective Rent Growth - Quarterly	1.2%	-1.4%	-0.7%	1.1%								
Occupancy Rate	96.4%	94.8%	94.3%	94.7%	94.7%	95.3%	95.8%	94.8%	95.5%	95.9%	95.2%	94.7%
Occupancy Change - Annually	0.6%	0.2%	-1.1%	-2.0%	-2.3%	-0.3%	0.6%	-1.0%	0.8%	0.3%	-0.7%	-0.6%
Occupancy Change - Quarterly	-0.2%	-1.6%	-0.6%	0.4%								
Economic Concessions												
Concession Value	-\$5.62	-\$16.63	-\$21.22	-\$15.50	-\$9.91	-\$13.65	-\$9.14					
As a % of Asking Rent	-0.6%	-1.8%	-2.3%	-1.7%	-1.1%	-1.5%	-1.0%					

Annual Effective Rent Growth



Annual Occupancy Rate



RECENT SALES

Date	Property Name	Address	City	Units	Year Built	Price in \$	\$/Units
May-17	5705 Merle Hay Road	5705 Merle Hay Rd	Johnston	72	2015	8,800,000	122,222
May-17	Grand Stratford Apartments	535 35th St	Des Moines	50	1968	3,300,000	66,000
May-17	Urban Green	7715 Hickman Rd	Urbandale	97	1965	5,100,000	52,577
Mar-17	Wakonda West Apartments	2221 Stanton Ave	Des Moines	66	1972	3,325,000	50,379
Mar-17	Willow Park Apartments	6514 Chaffee Rd	Des Moines	300	1976	13,150,000	43,833
Dec-16	Walnut Lakes Apartments	4410 NW 142nd St	Urbandale	150	2015	21,350,000	142,333
Oct-16	Riverview Oaks	1420 Pennsylvania Ave	Des Moines	78	1968	2,940,000	37,692
Sep-16	Park Forest	2101 E Virginia	Des Moines	144	1979	6,550,000	45,486

SUPPLY AND DEMAND

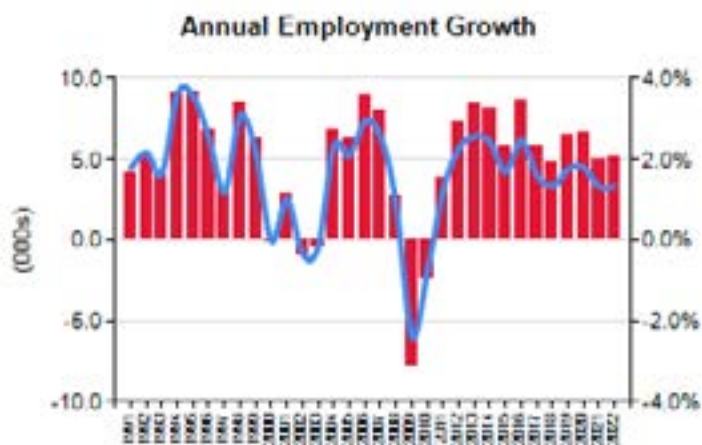
According to the Bureau of Labor Statistics, job growth in Des Moines-West Des Moines, IA Metro Area was 3.3% in July 2017, reflecting 11,900 jobs added during a 12-month period. The metro job growth figure was above the national number of 1.5%.

Axiometrics forecasts Des Moines-West Des Moines, IA Metro Area's job growth to be 1.3% in 2018, with 4,601 jobs added. Job growth is expected to average 1.4% from 2019 to 2021, with an average of 5,106 jobs added each year.

On the supply side, permits for 2,662 multifamily units were issued in the 12 months ending in June 2017, down -254 units from the prior year's sum. In terms of total residential housing, 6,434 units were permitted in the 12 months ending June 2017, a decrease of -286 units from the prior year's total.

Market Employment and Permitting										
	Annual			July-17		Annual Forecast				
	2014	2015	2016	Market	National	2017F	2018F	2019F	2020F	2021F
Employment (000s)	343.5	349.3	357.9	372.5	146,368.0	366.3	370.9	376.2	381.8	386.2
Job Gain (000s)	8.2	5.8	8.6	11.9	2,165.0	8.4	4.6	5.3	5.6	4.4
Job Growth (%)	2.4%	1.7%	2.5%	3.3%	1.5%	2.3%	1.3%	1.4%	1.5%	1.1%
Total Residential Permitting	4,414	5,444	6,720	6,001	1,127,614	5,724	4,086	3,675	4,228	3,257
Relative Change	-10.4%	23.3%	23.4%	1.3%	6.6%	-14.8%	-28.6%	-10.1%	15.0%	-23.0%
Single Family Units Permitted	2,955	3,495	3,758	3,513	725,224					
Relative Change	-11.4%	18.3%	7.5%	10.3%	10.1%					
Multifamily Units Permitted	1,398	1,810	2,916	2,459	369,955					
Relative Change	-5.5%	29.5%	61.1%	-6.1%	0.0%					
Multifamily as a % of Total	31.7%	33.2%	43.4%	41.0%	32.8%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	1.7	1.3	1.6	2.0	2.0	1.2	0.8	1.3	1.5	1.0
Job Gain / Single Family Units Permitted	2.4	2.0	2.5	3.7	3.3					
Job Gain / Multifamily Units Permitted	5.5	4.1	4.8	4.5	5.9					

Multifamily Absorption and Supply										
	Annual			2Q17		Annual Forecast				
	2014	2015	2016	Market	National	2017F	2018F	2019F	2020F	2021F
Total Units Absorbed	1,735	1,238	1,292	1,409	175,965	2,762	1,733	520	275	594
New Supply	1,330	1,843	1,242	2,236	363,579	2,820	1,277	664	782	879
Inventory Growth	2.7%	3.6%	2.4%	3.0%	1.4%	5.3%	2.3%	1.2%	1.3%	1.5%



PIPELINE DETAIL

Source: CoStar

#	Name	Status	Owner	Address	Market	Units
1	Bici Flats	Lease Up	Ralph Gilotti	1405 SE 1st St	McKinley School-Columbus	154
2	Confluence On 3rd	Lease Up	Roers Investments	103 SW 3rd St	Downtown Des Moines MF	211
3	Residences at 62W	Lease Up	R&R Realty Marketing Group	6000 NW 62nd Ave	Outer West Des Moines/Urb	137
4	BelleMeade Apartments	Lease Up	The Richdale Group	204 S 64th St	Dallas County MF	74
5	Cascades at Jordan Creek	Lease Up	Perry Reid Properties	8350 Cascade Ave	Dallas County MF	242
6	The Cove at Prairie Trail	Lease Up	Caliber Iowa	1918 SW Lesina Ln	Outer Ankeny/Saylorville	50
7	R&T Lofts	Lease Up	TWG Development	717 Locust St	Downtown Des Moines MF	162
8	Cadence Apartments	Lease Up	Hubbell Realty Company	6300 Merle Hay Rd	Outer West Des Moines/Urb	195
9	Carman Estates	Lease Up	Jerry's Homes Inc	2314 E Porter Ave	Easter Lake Area MF	96
10	City Square Lofts	Lease Up	Hansen Real Estate Services	210 E Walnut St	East Village MF	124
11	219 East Grand	Lease Up	Rypma Properties	219 E Grand Ave	East Village MF	98
12	201 SE 6th St	Proposed	TWG Development	201 SE 6th St	East Village MF	211
13	Market District One	Proposed	Iowa Economic Development Authority	400 SE 7th St	East Village MF	55
14	SE 14th St	Proposed	Unknown	SE 14th St	Outer SE Des Moines S MF	288
15	Brick Towne at Piper Property	Proposed	Jensen Group	101-695 NW 36th St	Outer Ankeny/Saylorville	480
16	1818 48th St	Proposed	Unknown	1818 48th St	Waveland Park MF	72
17	Village of Ponderosa	Proposed	Evercore Companies LLC	Bluestem Circle & Crescen	Outer West Des Moines/Urb	500
18	Fort Des Moines	Proposed	Blackbird Investments	6700 Chaffee Rd	Outer SE Des Moines S MF	142
19	Velocity	Proposed	Hubbell Realty Co	200 Des Moines St	CBD	118
20	665 Grand Ave	Proposed	Nelson Construction Services	665 Grand Ave	Downtown Des Moines MF	175
21	Roger's Farm West Apartments	Proposed	Edward Rose & Sons	S Jordan Creek Pky	Dallas County MF	522
22	Bricktown Johnston	Proposed	Christenson Andrew C (te)	6454 Merle Hay Rd	Outer West Des Moines/Urb	384
23	The Fifth	Proposed	Real Estate Division City Of Des Moines	422 Walnut St	Downtown Des Moines MF	200
24	The Blackbird	Proposed	Blackbird Investments	701 Walnut St	Downtown Des Moines MF	276
25	The Verve	Under Construction	Hubbell Realty Co	700 E 4th St	East Village MF	123
26	College Hill	Under Construction	Newbury Development Company	921 6th Ave	Downtown Des Moines MF	86
27	Eagle View Lofts and Townhomes	Under Construction	Hansen Real Estate Services	712 SE 6th St	East Village MF	120
28	Phase II Building 5	Under Construction	Hubbell Realty Company	520 SW 9th St	Downtown Des Moines MF	117
29	The Nexus at Gray's Landing	Under Construction	Sherman Associates, Inc.	415 SW 11th St	Downtown Des Moines MF	142
30	Prairie View Senior Village	Under Construction	FBL Financial Group, Inc.	1225 SW 28th St	Outer Ankeny/Saylorville	134
31	BelleMeade Apartments Phase II	Under Construction	The Richdale Group	204 S 64th St	Dallas County MF	106
32	Park 88	Under Construction	Lloyd Companies	595 S 88th St	Dallas County MF	161
33	Linden Oaks	Under Construction	Redwood Living	400 Adventureland Dr	Outer SE Des Moines N MF	98
34	The Cove at Kettlestone - Phase II	Under Construction	Caliber Iowa	1272 SE Bishop Dr	Dallas County MF	125
35	Brick Towne at Kettlestone - Phase II	Under Construction	Jensen Group	1440 SE Bishop Dr	Dallas County MF	144
36	Fieldstream Apartments Phase II	Under Construction	Edward Rose & Sons	3289-3305 NW Brookstone Ln	Outer Ankeny/Saylorville	96
37	Forest Avenue Village	Under Construction	Unknown	3201 Forest Ave	Drake MF	50
38	Lake Shore Apartments PHASE II	Under Construction	BBK Rentals, Inc.	213 NE Hayes Dr	Outer Ankeny/Saylorville	154
39	2301 Ingersoll Ave	Under Construction	Roers Investments	2301 Ingersoll Ave	Woodland Heights MF	162
40	Jackson Crossing	Under Construction	Christensen Development	100-150 Jackson Ave	McKinley School-Columbus	244
41	Autumn Ridge - Phase II	Under Construction	Moulton Real Estate	1165 SE Olson Dr	Dallas County MF	161
42	The Sterling at Prairie Trail	Under Construction	SB Communities, LLC	2325 SW Plaza Pky	Outer Ankeny/Saylorville	60
43	The Sterling at Prairie Trail - Phase II	Under Construction	SB Communities, LLC	2325 SW Plaza Pky	Outer Ankeny/Saylorville	240
44	Somerset Oaks	Under Construction	Redwood Living	835 Redwood Blvd NW	Dallas County MF	100
45	Prairie Rose Senior Village	Under Construction	City of Indianola	610 W Scenic Valley Dr	Warren County MF	116
46	The Reserve at Destination Pointe	Under Construction	Edward Rose & Sons	935 SE Silkwood Ln	Outer West Des Moines/Urb	390

WHO WE ARE

One of the largest and most experienced teams of multifamily specialists in the industry



MORE THAN

50

Dedicated Multifamily Professionals & Advisors



COVERING OVER
STATES

20

Expansive geographic footprint

MORE THAN

33,500

Units sold since 2011



\$2.3^B

Group gross transaction value in since 2011

WE CAN HELP

As an investor in multifamily properties, you need a firm that provides experience, broad reach and the ability to market an asset no matter how challenging the economic environment. You need a team that specializes in your **market** you need The East Region Multifamily Advisory Group.

Colliers International has one of the largest and most experienced teams in the industry, strategically located in key markets throughout North America. Our combination of market dominance, expertise, and singular focus, make us uniquely successful in helping our clients achieve their disposition objectives.

How are we able to bring together the skills and tools necessary to complete challenging assignments? Our East Region Multifamily Advisory Group is connected by purpose and focus. Our team is dedicated to sharing information on market opportunities, capital sources and buyers/sellers to achieve the best results for our clients.



Bob Galamba, CCIM, SIOB
SENIOR VICE PRESIDENT | EAST
REGION

bob.galamba@colliers.com
DIR +1 816 556 1152



Gabe Tovar
ASSOCIATE | EAST REGION

gabe.tovar@colliers.com
DIR +1 816 556 1161



Will Mathews
PRINCIPAL | EAST REGION

INSTITUTIONAL CLIENT GROUP
will.mathews@colliers.com
DIR +1 404 877 9285



Payton Herschberger
ASSOCIATE | EAST REGION

payton.herschberger@colliers.com
DIR +1 404 574 1061

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