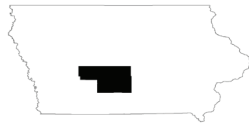


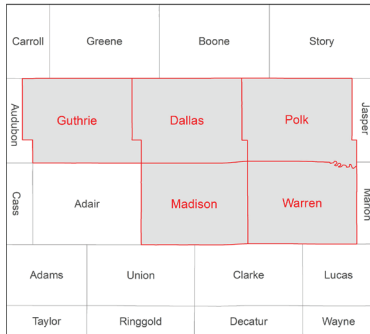


# Des Moines-West Des Moines, Iowa

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2018



## Housing Market Area



The Des Moines-West Des Moines Housing Market Area (hereafter, the Des Moines HMA) is coterminous with the Des Moines-West Des Moines, IA Metropolitan Statistical Area (MSA) and consists of five counties in central Iowa: Dallas, Guthrie, Madison, Polk, and Warren. The Des Moines HMA is home to the state capital of Iowa. The city of Des Moines is a national hub for the insurance industry. Des Moines has become central to the growth of the Cultivation Corridor, which is primarily within the 16 counties surrounding Des Moines but expands throughout the state of Iowa. The corridor includes private and public partners working with Iowa State University to attract agricultural bioscience and biotechnology companies, capital, and talent to the central Iowa region.

## Summary

### Economy

The economic expansion that began during 2011 continues in the Des Moines HMA. During the 12 months ending June 2018, nonfarm payrolls increased by 4,800 jobs, or 1.3 percent, to reach a new all-time peak of 367,400 jobs. The current unemployment rate in the HMA is 2.7 percent, down from 3.2 percent a year earlier. During the next 3 years, nonfarm payrolls are expected to increase by an average of 1.2 percent annually.

### Sales Market

The current sales housing market in the HMA is balanced, with an estimated vacancy rate of 1.6 percent, down from 2.4 percent in April 2010. New and existing home sales in the HMA totaled 17,600 homes sold during the 12 months ending May 2018, a decrease of 425, or more than 2 percent, from the previous 12 months (CoreLogic Sales, Inc.). During the 3-year forecast period, demand is estimated for 10,200 new homes (Table 1). The 1,500 homes under construction in the HMA will satisfy some of the forecast demand.

### Rental Market

The current rental housing market in the HMA is slightly soft. The rental vacancy rate (including single-family homes, apartments, and mobile homes) is currently estimated at 8.5 percent, down slightly from 8.6 percent in April 2010. During the 3-year forecast period, demand is estimated for 2,500 new market-rate rental units (Table 1). The 2,600 units under construction should satisfy all the forecast demand. In order to prevent prolonged softer market conditions, no additional units should come on line during the forecast period.

**Table 1.** Housing Demand in the Des Moines-West Des Moines HMA During the Forecast Period

	Des Moines-West Des Moines HMA	
	Sales Units	Rental Units
Total demand	10,200	2,500
Under construction	1,500	2,600

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2018. The forecast period is July 1, 2018, to July 1, 2021.

Source: Estimates by analyst

## Market Details

Economic Conditions.....2  
 Population and Households.....5  
 Housing Market Trends .....7  
 Data Profile ..... 11

## Economic Conditions

The Des Moines HMA is known as a major center for the insurance industry and is home to several large insurance firms, including the Principal Financial Group, Nationwide Insurance, Mercer Insurance Group, EMC Insurance Group, Inc., FBL Financial Group, Inc., and Wellmark Blue Cross and Blue Shield of Iowa. Each of these firms employ more than 1,000 people locally. The HMA has also been developing as a banking services center, and the largest employer in the HMA is Wells

Fargo & Company, with 14,500 employees (Table 2). Because the city of Des Moines is the state capital of Iowa, the government sector has a large impact on the economy of the HMA.

During the 12 months ending June 2018, nonfarm payrolls reached an all-time peak of 367,400 jobs after increasing by 4,800 jobs, or 1.3 percent, from the previous 12 months (Table 3). Since the start of the current economic expansion in 2011, nonfarm payrolls have increased by an average of 6,900 jobs, or 2.0 percent, annually. The current unemployment rate is 2.7 percent, down from 3.2 percent a year earlier and from a peak of 6.0 percent during 2009. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2017.

The professional and business services sector has been the leading employment sector for job gains since 2011, increasing by an average of 1,500 jobs, or 3.6 percent, annually. During the 12 months ending June 2018, the sector increased by 900 jobs, or 1.9 percent, from the previous 12 months, the second largest job growth sector in the HMA during the period behind leisure and hospitality. Kum and Go, L.C., a retail convenience store company, is constructing a \$151 million corporate headquarters in downtown Des Moines. When complete in late 2018, the new headquarter location will be home to 320 employees with room for an additional 500 employees. Since 2000, the professional and business services sector, which includes corporate headquarters, has had the largest percentage gain in jobs of any employment

**Table 2.** Major Employers in the Des Moines-West Des Moines HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Wells Fargo and Company	Financial activities	14,500
UnityPoint Health	Education and health services	8,026
Principal Financial Services, Inc.	Financial activities	6,500
Hy-Vee Food Corporation	Wholesale and retail trade	6,400
Nationwide Insurance	Financial activities	4,525
Mercy Medical Center	Education and health services	4,228
Deere Company	Professional and business services	3,089
DuPont Pioneer	Manufacturing	2,495
JBS USA Holdings, Inc.	Manufacturing	2,300
Wellmark Blue Cross Blue Shield of Iowa	Financial activities	2,000

Note: Excludes local school districts.

Source: Greater Des Moines Partnership

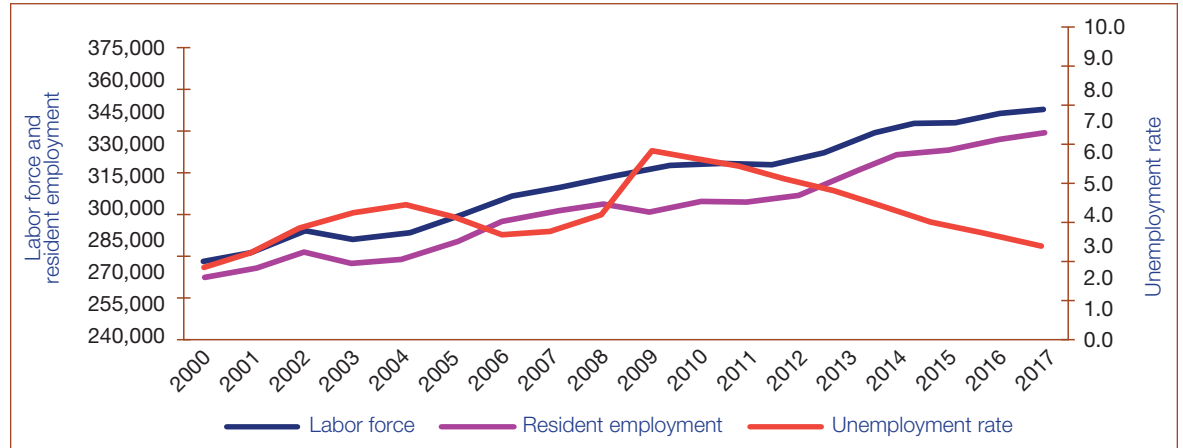
**Table 3.** 12-Month Average Nonfarm Payroll Jobs in the Des Moines-West Des Moines HMA by Sector

	12 Months Ending		Absolute Change	Percent Change
	June 2017	June 2018		
Total nonfarm payroll jobs	362,600	367,400	4,800	1.3
Goods-producing sectors	40,300	40,700	400	1.0
Mining, logging, and construction	20,200	20,100	-100	-0.5
Manufacturing	20,100	20,600	500	2.5
Service-providing sectors	322,300	326,800	4,500	1.4
Wholesale and retail trade	57,800	58,500	700	1.2
Transportation and utilities	10,700	11,200	500	4.7
Information	6,600	6,500	-100	-1.5
Financial activities	56,100	56,700	600	1.1
Professional and business services	48,300	49,200	900	1.9
Education and health services	50,700	51,300	600	1.2
Leisure and hospitality	35,400	36,400	1,000	2.8
Other services	12,800	12,700	-100	-0.8
Government	44,000	44,300	300	0.7

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through June 2017 and June 2018.

Source: U.S. Bureau of Labor Statistics

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Des Moines-West Des Moines HMA, 2000 Through 2017



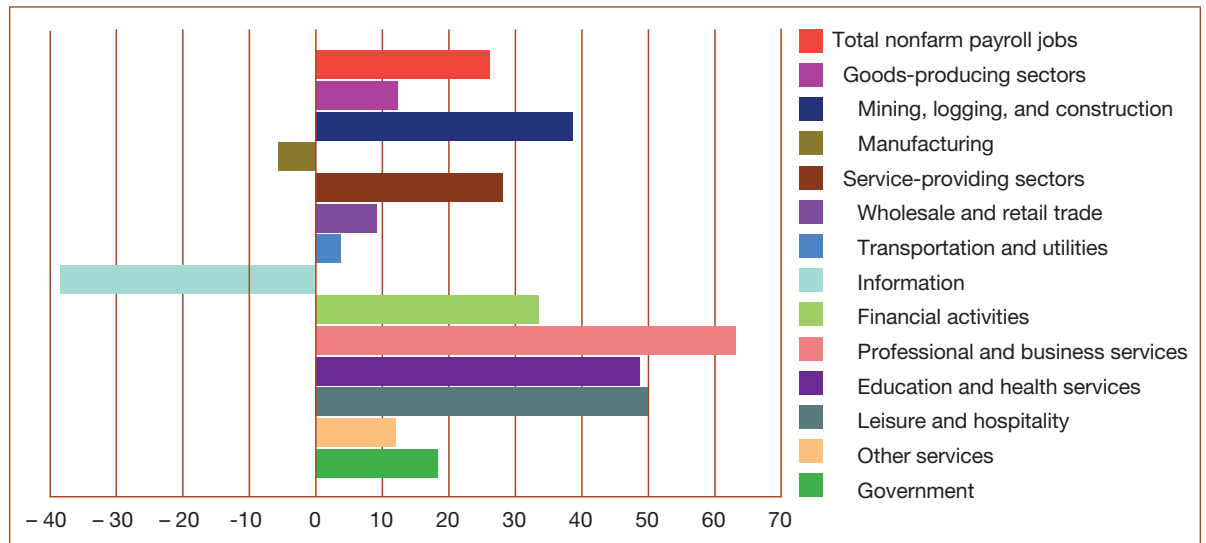
Source: U.S. Bureau of Labor Statistics

sector in the HMA. From 2001 through the current date, nonfarm payrolls in the professional and business services sector increased by an average of 1,100 jobs, or 2.8 percent, annually. The state of Iowa is the second largest producer of agricultural goods, in terms of cash receipts, in the nation, following California, and much of the job growth in the professional and business services sector was related to agriculture and bioscience research resulting from the presence of the Cultivation Corridor. During 2017, the Cultivation Corridor was

instrumental in the creation of nearly 900 jobs and the attraction of \$740 million in capital and research investments to central Iowa. Figure 2 shows sector growth in the HMA since 2000.

The financial activities sector is one of the major contributors to economic growth in the Des Moines HMA. It is the second largest employment sector in the HMA, behind wholesale and retail trade, with 56,700 jobs, or nearly 16 percent of all nonfarm payroll jobs (Figure 3). The financial activities sector share

**Figure 2.** Sector Growth in the Des Moines-West Des Moines HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through June 2018.

Source: U.S. Bureau of Labor Statistics

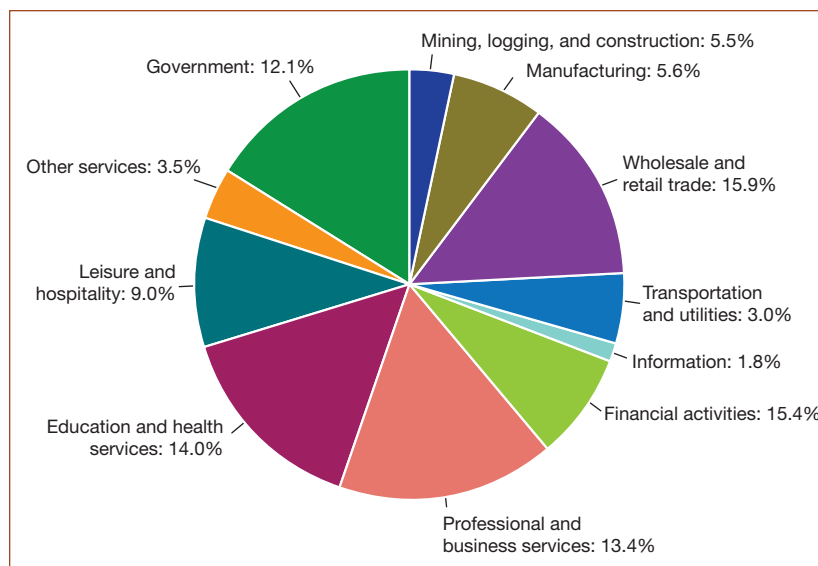
of nonfarm payroll jobs in the HMA is significantly more than the 6 percent at the national level and is nearly double the 8 percent in the New York-Newark-Jersey City, NY-NJ-PA MSA, which is a major financial services hub in the United States. Because of generally higher-paying jobs, the financial activities sector has a significant impact on the local economy. Since 2001, employment in the financial activities sector has increased by 800 jobs, or 1.7 percent, annually. Of the 10 largest private-sector employers in the HMA, 4 are in the financial activities sector. During the 12 months ending June 2018, the financial activities sector added 600 jobs, or 1.1 percent, in the HMA. Part of that job growth is the result of increased employment at Principal Financial Services, Inc. In the summer of 2017, the company completed a new \$400 million corporate headquarters in downtown Des Moines; the new headquarters has contributed to the addition of 300 new jobs during the past year.

The leisure and hospitality sector grew more than any sector in the HMA during the 12 months

ending June 2018. During this period, leisure and hospitality payrolls increased by 1,000 jobs, or 2.8 percent, to an average of 36,400. Since 2017, 5 new hotels with nearly 500 rooms were completed. Among the more than 20 new restaurants in the Des Moines HMA, 2 new brewpubs were added since 2016: Barn Town Brewing, a farm-to-table and grain-to-glass brewpub; and Peace Tree Brewing Company, a brewery and taproom. The Exile Brewing Company added 3,800 square feet to the existing brewery, which expanded a beer garden and added production capacity during 2017.

Similar to the most recent economic expansion, which began in 2011, job growth through much of the 2000s was steady, but not particularly strong. After nearly continuous job growth in the HMA during the 1990s, job growth continued during 2001 as nonfarm payrolls increased by 2,900 jobs, or 1.0 percent. The government and financial activities sectors, which increased by 1,200 jobs each, or 3.2 and 2.8 percent, respectively led job growth. From 2002 through 2003, nonfarm payrolls in the HMA declined by an average of 800 jobs, or 0.3 percent, annually. Many employment sectors in the HMA lost jobs during those years, but the manufacturing sector, which declined by an average of 900 jobs, or 4.4 percent, annually, led job losses. Following the downturn, job growth occurred in the HMA from 2004 through 2008, with nonfarm payrolls increasing by an average of 6,600 jobs, or 2.2 percent, annually. The professional and business services sector, which added an average of 1,400 jobs, or 4.2 percent, annually led job growth. Large gains also occurred in the financial activities sector, which increased by an average of 1,300

**Figure 3.** Current Nonfarm Payroll Jobs in the Des Moines-West Des Moines HMA, by Sector



Note: Based on 12-month averages through June 2018.

Source: U.S. Bureau of Labor Statistics



jobs, or 2.8 percent, annually. Wells Fargo & Company added 2,000 jobs when the Jordan Creek campus was opened in 2004, adding to the existing 3,300 employees in the city of West Des Moines. Although the national economy entered a recession in December 2007, the impacts affected the HMA's economy mostly from 2009 through 2010, when nonfarm payrolls declined by an average of 5,100 jobs, or 1.6 percent, annually. Employment in the mining, logging, and construction sector declined by an average of 1,800 jobs, or 11.5 percent, annually as the national housing crisis caused local home construction to decline sharply.

Job growth in the Des Moines HMA has been steady, since the decline in nonfarm jobs during 2009 and 2010. From 2011 through 2017, nonfarm payrolls increased an average of 7,000 jobs, or 2.1 percent annually. The professional and business services sector led job growth during this period, increasing by 1,500 jobs, or 3.6 percent. Strong gains in the education and health service and leisure and hospitality sectors, with gains of 1,200 and 1,000 jobs,

or 2.5 and 3.6 percent, respectively, also contributed to the steady job growth. Job growth resulted in a decrease in the unemployment rate during this period, which declined every year from 5.5 percent during 2011 to 2.9 percent during 2017.

Economic conditions are expected to remain positive during the 3-year forecast period. Nonfarm payrolls are expected to increase by 4,300 jobs, or 1.2 percent, annually. Job growth is likely to remain strong in the professional and business services sector partly because of the addition of data centers by Apple, Inc., Facebook, Inc., and Microsoft Corporation, which are investing a combined \$7.9 billion on new facilities that will create a combined 500 jobs when complete in 2020. Low-cost green energy through wind power, provided by MidAmerican Energy, which generates more than 80 percent of the local energy from wind, has attracted data center developments in the HMA. Hotel Fort Des Moines, Midland Building, Fairfield Inn and Suites, and The Fifth hotel will collectively add more than 620 hotel rooms during the next 3 years, to the downtown Des Moines area.

## Population and Households

The current population of the Des Moines HMA is estimated at 656,700, an average increase of 10,550, or 1.7 percent, annually since April 2010. Net in-migration to the HMA has been strong since 2010, averaging 6,075 people annually and accounting for nearly 58 percent of all population growth since 2010 because steady job growth has attracted people to the HMA (Figure 4). From 2000 to 2010, population growth in the HMA averaged 8,825 people, or 1.7 percent, annually, with net in-migration averaging 4,500 people per year and accounting for 51

percent of population growth. The strongest period of population growth since 2000 in the HMA was from 2004 to 2007 (July 1 census population estimates), when the population increased by an average of 10,800, or 2.1 percent, annually, with net in-migration averaging 6,150 people and accounting for nearly 57 percent of population growth because of stronger job growth during the period. Population growth slowed from 2008 to 2011 to an average 9,100 people, or 1.6 percent annually, and then increased to an average 11,150 people, or 1.8 percent annually,

Population and Households *Continued*

from 2012 to current. The increased population growth since 2012 was the result of improved employment growth and subsequent increased in-migration, which averaged 6,625 people annually. Figure 5 shows population and household growth in the HMA from 2000 to the forecast date.

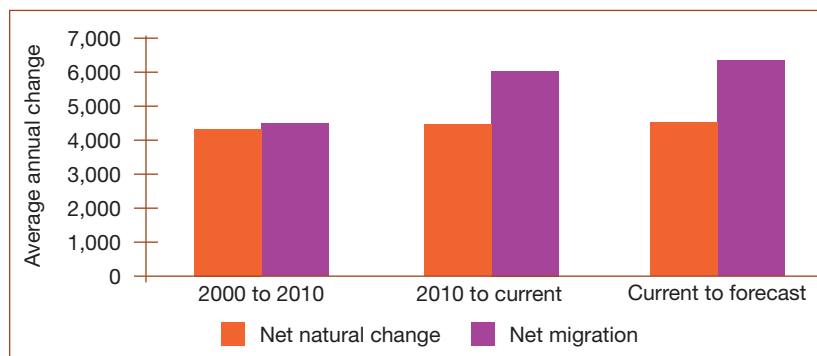
Polk County, which includes the city of Des Moines, is the largest county in Iowa, with a population of more than 490,000, which accounts for approximately 75 percent of the HMA population. Although Polk County is the largest county in the HMA, Dallas County is the fastest growing county and was the eighth fastest growing county in the nation from 2010 to 2017, with the population increasing nearly 32 percent, or 4 percent annually, from 66,100 to

87,200. The population growth during this period in Dallas County is primarily the result of business expansions and relocations to the county. The populations of Warren and Madison Counties are increasing, but at a much slower rate than that of either Polk or Dallas Counties. Guthrie County, a more rural area of the HMA, had slight population decline since 2010, a result of people choosing to relocate closer to job centers.

An estimated 256,850 households are currently in the Des Moines HMA, an average increase of 4,075, or 1.7 percent, annually since 2010. From 2000 to 2010, household growth in the HMA averaged 3,400, or 1.7 percent, annually. Renter households have accounted for 53 percent of all new household formations since 2010, causing the homeownership rate to decline from 71.4 percent in 2010 to 68.2 percent currently (Table DP-1 at the end of this report). That rate of decline is a reversal from 2000 through 2010, when only slightly more than 25 percent of all new households formed were renter households, and the homeownership rate increased from 70.8 percent to 71.4 percent. Figure 6 shows the number of households by tenure in the HMA from 2000 to the current date.

During the 3-year forecast period, population and household growth are expected to remain positive but slow slightly from the most recent trends. Population growth is estimated to average 10,850 people, or 1.6 percent, annually, while household growth is estimated at 4,250 households, or 1.6 percent, annually. Most of the population and household growth in the HMA is expected to occur in Dallas and Polk Counties along the Interstate 35 corridor where a significant level of housing development is planned during the next 3 years.

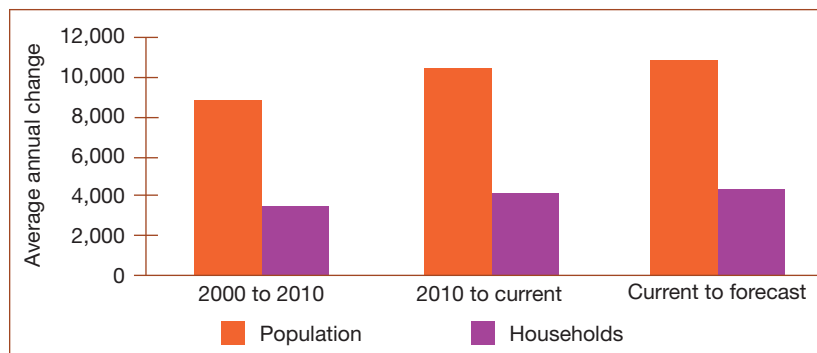
**Figure 4.** Components of Population Change in the Des Moines-West Des Moines HMA, 2000 to Forecast



Notes: The current date is July 1, 2018. The forecast date is July 1, 2021.

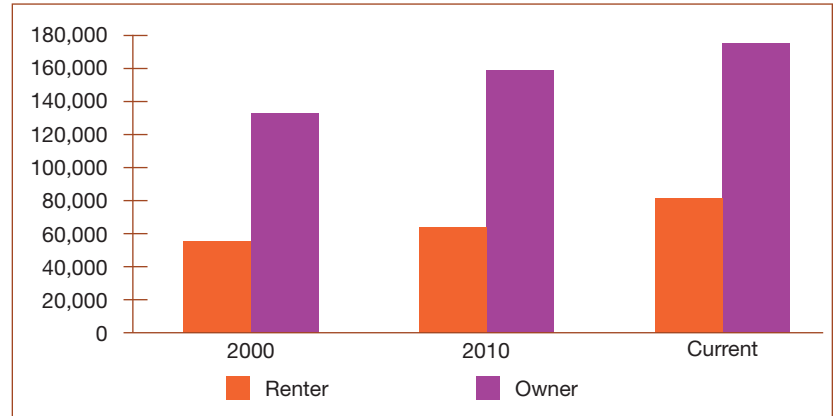
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5.** Population and Household Growth in the Des Moines-West Des Moines HMA, 2000 to Forecast



Notes: The current date is July 1, 2018. The forecast date is July 1, 2021.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 6.** Number of Households by Tenure in the Des Moines-West Des Moines HMA, 2000 to Current

Notes: The current date is July 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

### Sales Market

The current sales housing market in the Des Moines HMA is balanced, with an estimated 1.6-percent owner vacancy rate, down from 2.4 percent during April 2010. A 2.3-month supply of homes for sale existed in the HMA during June 2018, which is up from 1.9 months a year earlier and 8.6 months during April 2010 (Des Moines Area Association of Realtors®) when sales housing market conditions were soft. Mortgage delinquency has remained well below the national average and has fallen to the lowest level recorded since 2001. As of May 2018, 1.1 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 1.5 percent a year earlier and from a peak of 5.2 percent in January 2010 (CoreLogic Sales, Inc.). That rate compares with the national and state rates of 2.0 and 1.2 percent during May 2018, which are down from 2.3 and 1.6 percent during May 2017 and from the peak of 8.6 and 4.5 percent, respectively, in January 2010.

During the 12 months ending May 2018, the sale of new homes (which includes single-family homes, townhomes, and condominiums) totaled 2,325, a decrease of 120 homes sold, or more than 5 percent, from the previous 12 months (CoreLogic, Inc., with adjustments by the analyst). The number of new home sales are below the all-time peak of 4,350 homes sold during 2005. Following the peak, new home sales declined during the next 6 years by an average of 620 homes, or more than 21 percent, annually, to 1,200 homes sold in 2011. With improving economic conditions, the demand for new homes began to increase and, by 2013, totaled 1,650 homes sold, an average increase of 225 homes, or more than 17 percent, annually. During 2014, the number of new homes sold declined by 50, or more than 3 percent, to 1,600 homes sold partly because of weather-related issues that delayed completion of new homes that year. During 2015 and 2016, the demand for new homes began to increase, and home sales were up

## Housing Market Trends

### Sales Market *Continued*

by an average of 310, or nearly 18 percent, annually reaching a total of 2,225 homes sold by 2016. The average sales price of a new home in the HMA during the 12 months ending May 2018 was \$310,400, which is at an all-time peak and up by \$4,625, or 2 percent, from the previous 12 months. During 2006, the average sales price of a new home was \$209,600 before declining the next 3 years by approximately 3 percent annually, to \$194,900 in 2009, as a result of the downturn in the national housing market. New home sales prices increased during the next 7 years by an average of \$14,400, or more than 6 percent, annually, to \$295,700 in 2016.

The sales of existing homes in the HMA decreased nearly 5 percent to 15,275 homes sold during the past 12 months after reaching an all-time high, with 16,000 homes sold during the 12 months ending May 2017. The previous peak level of existing home sales was in 2006, when sales totaled 13,900 homes. Beginning in 2007, existing home sales declined by an average of 1,150 homes, or more than 10 percent, annually, to 8,100 homes sold during 2011. With an improving economy, existing home sales in 2012 began to steadily increase and, during 2016, totaled 15,000 homes sold, an average increase of 1,375 homes, or 13 percent, annually. The average sales price of an existing home reached an all-time peak, at \$186,100, during the 12 months ending May 2018, an increase of \$9,700, or 6 percent, from the previous 12 months. The average sales price of an existing home in 2005 was \$136,700 and, by 2008, had risen to \$148,200, an average increase of \$3,825, or nearly 3 percent, annually. During 2009, the impacts from the economic downturn and national housing crisis put downward pressure

on home prices, which fell to \$137,900, a decline of \$10,300, or 7 percent. Since 2009, the average sales price of an existing home increased by an average of \$4,825, or slightly more than 3 percent, annually and, by 2016, was up to \$171,700.

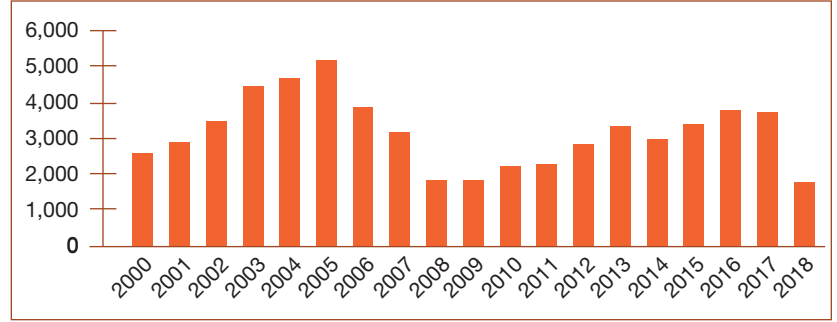
Single-family home construction activity, as measured by the number of homes permitted, totaled 3,500 homes during the 12 months ending June 2018, a decrease of 250 homes, or 7 percent, from the previous 12 months (preliminary data). This current level of production is higher than the average of 3,250 homes permitted annually from 2012 through 2016 (Figure 7). In 2000, approximately 2,575 single-family homes were permitted, and that number increased every year by an average of 520 homes, or 15 percent annually, until peaking in 2005, when 5,175 single-family homes were permitted. As a result of a softening sales housing market, single-family home construction activity declined during the next 4 years by an average of 850 homes, or 23 percent, annually until 2009, when only 1,800 homes were permitted. During 2010 and 2011, homebuilding began to increase again as the economy began to improve, and an average of 2,225 homes were permitted annually.

New developments include Landing at Shadow Creek, which is in Dallas County, northwest of the city of West Des Moines. The fourth phase of the development is ongoing, with only 10 of the 35 home sites remaining. Home prices in that development start at \$251,000 for a three-bedroom, two-bathroom home. Trestle Crossing is part of a 180-home development in Polk County that started construction in 2016; 10 of 50 homes sites have been completed



**Housing Market Trends**  
Sales Market *Continued*

**Figure 7.** Single-Family Homes Permitted in the Des Moines-West Des Moines HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through June 2018.

Sources: U.S. Census Bureau, Building Permits Survey; 2000-2016 final data and analyst estimates; 2017-2018 preliminary data and analyst estimates

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Des Moines-West Des Moines HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	310	3.0
150,000	199,999	410	4.0
200,000	249,999	820	8.0
250,000	299,999	2,750	26.9
300,000	349,999	1,950	19.1
350,000	399,999	1,725	17.0
400,000	499,999	1,425	14.0
500,000	and higher	810	8.0

Notes: Numbers may not add to totals because of rounding. The 1,500 homes currently under construction in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

in Trestle Crossing with build-out expected in 2019. Home prices in that subdivision start at \$220,000 for a three-bedroom, two-bathroom home. Gray’s Station, a 75-acre planned urban neighborhood on the southern edge of downtown Des Moines, will begin development of 89 townhomes, priced below \$300,000, to be available in mid-2019. The entire development will be built in phases during the next 20 years and will include 1,100 homes when complete.

During the 3-year forecast period, demand is estimated for 10,200 new homes (Table 1). The 1,500 homes under construction will satisfy a portion of the demand. More than 90 percent of the new home construction is likely to occur in Dallas and Polk Counties. Demand is expected to be greatest for new homes in the \$250,000 to \$299,999 price range (Table 4).

**Rental Market**

The current rental housing market in the Des Moines HMA is slightly soft. The overall rental vacancy rate is currently estimated at 8.5 percent, a slight improvement from April 2010, when the rate was 8.6 percent (Figure 8). Improving economic conditions and increased

in-migration to the HMA since 2012 resulted in heightened multifamily development and the subsequent increase in the vacancy rate. More than 56 percent of all renter households in the HMA lived in apartment units in 2016, unchanged from

## Housing Market Trends

### Rental Market *Continued*

2010 (2010 and 2016 American Community Survey 1-year data). By comparison, more than 34 percent of all renter households in the HMA lived in single-family homes in 2016, up from 31 percent in 2010.

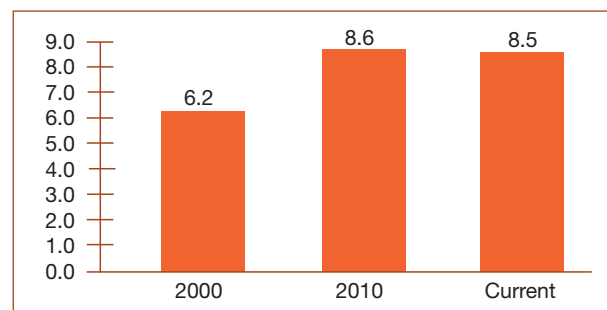
The current apartment market in the HMA is also slightly soft due to a recent surge in apartment completions, which has reversed previously tight conditions. The apartment vacancy rate in June 2018 was 7.6 percent, up from 4.3 percent in June 2017 (Reis, Inc.). During 2010, the apartment vacancy rate was 5.6 percent. Improving economic conditions and steady population growth caused the market to tighten and, by the end of 2013, the apartment vacancy rate was down to 3.3 percent. As apartments that began construction in 2015 and 2016

became available during 2017, the vacancy rate began to rise. The current average rent for an apartment in the HMA is \$962, an increase of \$54, or 6 percent, from a year earlier. In 2010, the average rent in the HMA was \$711 and increased to \$769 during 2013, an average increase of \$19, or 3 percent, annually. Apartment market conditions went from tight to balanced from 2014 through 2016, and a large number of new units entering the market contributed to rent growth, which increased by an average of \$34, or 4 percent, annually, to \$871 during 2016.

Multifamily construction activity, as measured by the number of multifamily units permitted, totaled 1,950 units during the 12 months ending June 2018, a decrease of 750, or 38 percent, from the previous 12 months (preliminary data). From 2000 through 2006, an average of 1,125 multifamily units were permitted annually, and then multifamily permitting declined to an average of 930 units permitted annually from 2007 through 2012 (Figure 9), as a result of impacts from the recession and the housing crisis. In 2013, multifamily construction activity began to increase and, during 2013 and 2014, multifamily permitting averaged 1,550 units annually, which was the highest average annual level in any given period going back to 2000. During 2015 and 2016, permitting increased to a new peak, averaging 2,625 permits, annually.

Recent developments in the HMA include Nexus at Grays Landing, a 142-unit apartment development that opened in early 2018. This development includes one-, two-, and three-bedroom units with rents starting at \$925 for a one-bedroom unit and \$1,510 for a two-bedroom unit. The 192-unit Brick Towne at

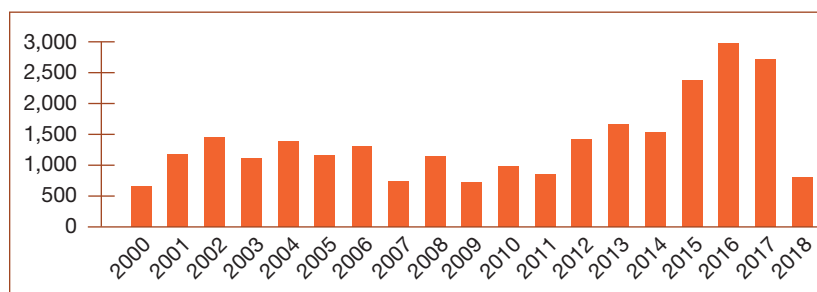
**Figure 8.** Rental Vacancy Rates in the Des Moines-West Des Moines HMA, 2000 to Current



Note: The current date is July 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

**Figure 9.** Multifamily Units Permitted in the Des Moines-West Des Moines HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through June 2018.

Sources: U.S. Census Bureau, Building Permits Survey; 2000-2016 final data and analyst estimates; 2017-2018 preliminary data and analyst estimates

## Housing Market Trends

### Rental Market *Continued*

Piper is currently under way in the city of Ankeny. When complete in late 2018, Brick Towne will consist of one- and two-bedroom units with rents ranging from \$900 to \$1,100.

During the 3-year forecast period, demand is estimated for 2,500 new market-rate rental units (Table 1). The 2,600 units currently under construction will likely satisfy all the demand, which will be greatest for one-bedroom units that rent from \$750 to \$1,149 per month. Demand

for new market-rate apartment units will be strongest in the cities of Des Moines and West Des Moines during the next 3 years. In order to prevent prolonging the current slightly soft market conditions, the construction of additional units during the forecast should begin in year 3, with anticipated completion in year 4 to satisfy expected demand beyond the forecast period. Table 5 shows estimated demand for new market-rate rental housing in the HMA by number of bedrooms and rent level.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Des Moines-West Des Moines HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
725 to 924	110	750 to 949	430	850 to 1,049	290	1,075 to 1,274	65
925 to 1,124	55	950 to 1,149	270	1,050 to 1,249	190	1,275 to 1,474	45
1,125 to 1,324	45	1,150 to 1,349	160	1,250 to 1,449	190	1,475 to 1,674	45
1,325 or more	10	1,350 to 1,549	110	1,450 to 1,649	150	1,675 to 1,874	35
		1,550 to 1,749	55	1,650 to 1,849	95	1,875 to 2,074	20
		1,750 or more	55	1,850 or more	50	2,075 or more	10
Total	220	Total	1,075	Total	970	Total	220

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 2,600 units currently under construction will likely satisfy all of the estimated demand.

Source: Estimates by analyst

## Data Profile

**Table DP-1.** Des Moines-West Des Moines HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	268,811	304,203	339,200	1.2	1.5
Unemployment rate	2.3%	5.8%	2.7%		
Total nonfarm payroll jobs	291,700	315,800	367,400	0.8	2.0
Total population	481,394	569,633	656,700	1.7	1.7
Total households	189,371	223,268	256,850	1.7	1.7
Owner households	134,123	159,476	175,100	1.7	1.1
Percent owner	70.8%	71.4%	68.2%		
Renter households	55,248	63,792	81,750	1.4	3.1
Percent renter	29.2%	28.6%	31.8%		
Total housing units	199,393	240,203	274,600	1.9	1.6
Sales vacancy rate	1.6%	2.4%	1.6%		
Rental vacancy rate	6.2%	8.6%	8.5%		
Median Family Income	\$55,300	\$71,700	\$76,900	2.6	1.0

Notes: Median Family Incomes are for 1999, 2009, and 2016. Employment data represent annual averages for 2000, 2010, and the 12 months through June 2018.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

## Data Definitions and Sources

---

2000: 4/1/2000—U.S. Decennial Census

2010: 4/1/2010—U.S. Decennial Census

Current date: 7/1/2018—Estimates by the analyst

Forecast period: 7/1/2018–7/1/2021—Estimates by the analyst

The metropolitan statistical area definition noted in this report is based upon the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As

a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [huduser.gov/publications/pdf/CMARtables\\_DesMoines\\_WestDesMoinesIA\\_18.pdf](http://huduser.gov/publications/pdf/CMARtables_DesMoines_WestDesMoinesIA_18.pdf).

## Contact Information

---

T. Michael Miller, Economist

Fort Worth HUD Regional Office

817-978-9418

[timothy.m.miller@hud.gov](mailto:timothy.m.miller@hud.gov)

This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).