



Des Moines-West Des Moines, Iowa

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2013



Housing Market Area



Carroll	Greene	Boone	Story
Audubon	Guthrie	Dallas	Polk
Cass	Adair	Madison	Warren
Adams	Union	Clarke	Lucas

The Des Moines-West Des Moines Housing Market Area (hereafter, the Des Moines HMA), which comprises Dallas, Guthrie, Madison, Polk, and Warren Counties in south-central Iowa, is coterminous with the Des Moines-West Des Moines, IA Metropolitan Statistical Area (MSA). In 2013, *Forbes* magazine named the city of Des Moines, the state capital and most populous city in Iowa and a major center for the insurance industry, the best place for business and careers in the nation.

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Summary

Economy

Economic conditions in the Des Moines HMA continued to improve for the third consecutive year. Non-farm payrolls increased by 6,600 jobs, or 2.0 percent, to 331,700 during the 12 months ending September 2013 after increases of 6,800 and 2,800, or 2.2 and 0.9 percent, respectively, for the 12-month periods ending September 2012 and September 2011. During the 3-year forecast period, nonfarm payroll jobs are expected to increase 2.1 percent annually. Table DP-1, at the end of this report, provides employment data for the HMA.

Sales Market

The sales housing market in the HMA is currently balanced. The sales vacancy rate was an estimated 1.6 percent as of October 1, 2013, down from 2.4 percent as of April 2010. During the 12 months ending September 2013, single-family home sales increased nearly 22 percent, and the average sales price was up nearly 7 percent from a year earlier (Metrostudy, A Hanley Wood Company). Demand is expected for 11,300 new homes during the forecast period (Table 1).

Rental Market

The rental housing market in the HMA is currently balanced, with an estimated 5.4-percent vacancy rate, an improvement from the 8.6-percent rate as of April 2010. The average rent for an apartment in the HMA is currently \$760, an increase of \$20, or 3.5 percent, from a year earlier. Demand is expected for 3,025 new market-rate rental units during the forecast period (Table 1). The 840 units currently under construction will meet a portion of that demand.

Table 1. Housing Demand in the Des Moines HMA,* 3-Year Forecast, October 1, 2013, to October 1, 2016

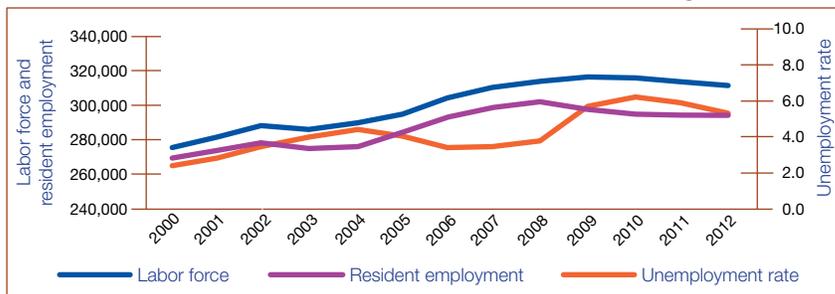
	Des Moines HMA*	
	Sales Units	Rental Units
Total demand	11,300	3,025
Under construction	1,025	840

* Des Moines-West Des Moines HMA.
 Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2013. A portion of the estimated 6,975 other vacant units in the HMA will likely satisfy some of the forecast demand. Sales demand includes an estimated demand for 50 mobile homes.
 Source: Estimates by analyst

Economic Conditions

The Des Moines HMA has recorded 3 successive years of economic growth, with nonfarm payrolls increasing by nearly 5,800 jobs, or 1.8 percent, annually since the start of 2011. During the 12 months ending September 2013, nonfarm payrolls increased by 6,600 jobs, or 2.0 percent, to a new all-time peak of 331,700 jobs. By comparison, nonfarm payrolls increased by 6,800 jobs, or 2.2 percent, during the 12 months ending September 2012. The unemployment rate in the HMA was 4.8 percent during the 12 months ending September 2013, down from 5.4 percent a year earlier. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2012.

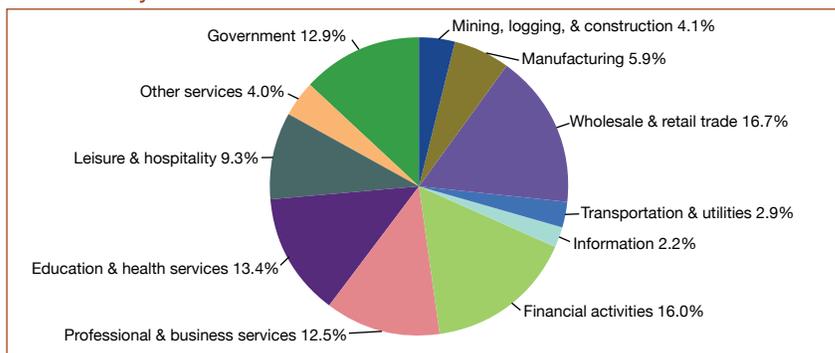
Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Des Moines HMA,* 2000 Through 2012



* Des Moines-West Des Moines HMA.

Source: U.S. Bureau of Labor Statistics

Figure 2. Current Nonfarm Payroll Jobs in the Des Moines HMA,* by Sector



* Des Moines-West Des Moines HMA.

Note: Based on 12-month averages through September 2013.

Source: U.S. Bureau of Labor Statistics

The financial activities sector is the second largest employment sector in the HMA, behind wholesale and retail trade, with 53,200 jobs, or 16.0 percent of all nonfarm payroll jobs (Figure 2). The sector's share of nonfarm payroll jobs in the HMA is significantly more than the 5.8 percent of nonfarm payroll jobs nationally and more even than the 8.5 percent of nonfarm payroll jobs in the New York-Newark-Jersey City, NY-NJ-PA MSA. Because of its prevalence of higher paying jobs, the financial activities sector has a significant impact on the local economy. Since 2000, employment in the financial activities sector has increased annually by 840 jobs, or nearly 1.8 percent. Three of the five largest private employers in the HMA are in the financial activities sector. Wells Fargo & Company, the largest employer in the HMA, with 13,500 employees, has added the most jobs in the financial activities sector since 2000. In June 2004, the company announced plans to build its Jordan Creek campus in West Des Moines, a \$120 million capital investment of four buildings with 960,000 square feet of office space that created 2,000 new jobs in the HMA. At the time of the announcement, Wells Fargo & Company had 3,300 employees in the HMA. In the spring of 2013, the company broke ground on a \$100 million expansion to the Jordan Creek campus. When complete in 2016, the expansion is expected to create an additional 1,800 jobs. Principal Financial Services, Inc., a Fortune 500 firm and the third largest employer in the HMA, with 6,125 employees, recently approved plans to invest \$230 million to renovate its existing buildings in downtown Des Moines. Table 2 lists the largest employers in the HMA.

Table 2. Major Employers in the Des Moines HMA*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Wells Fargo & Company	Financial activities	13,500
Mercy Medical Center	Education & health services	7,100
Principal Financial Services, Inc.	Financial activities	6,125
UnityPoint Health	Education & health services	5,500
Allied Insurance	Financial activities	5,000
Deere & Company	Manufacturing	3,100
DuPont Pioneer	Manufacturing	2,850
JBS Swift & Co.	Wholesale & retail trade	2,300
Hy-Vee, Inc.	Wholesale & retail trade	2,100
YMCA of Greater Des Moines	Education & health services	1,875

* *Des Moines-West Des Moines HMA.*

Note: Excludes local school districts.

Source: Greater Des Moines Partnership

The Des Moines HMA is also known as a center for the insurance industry, which is a component of the financial activities sector. About 70 insurance companies are headquartered in the HMA. During the 12 months ending September 2013, approximately 24,300 people, or 7.3 percent of all nonfarm payrolls in the HMA, were employed in the insurance industry. Allied Insurance, the fifth largest employer in the HMA, with 5,000 employees, has undertaken numerous expansions since 2004, when it had 1,675 employees in the HMA. In 2005, Allied Insurance undertook a \$142 million expansion of its downtown Des Moines headquarters campus that added 1,570 jobs and a 350,000-square-foot building. In 2007, the company completed a 285,000-square-foot addition to its downtown campus that added another 600 jobs. Aviva USA, the U.S. unit of London-based Aviva plc, built its corporate headquarters in the Jordan Creek area of West Des Moines, near the Wells Fargo & Company campus. This \$150 million project added nearly 600 jobs when completed in 2010. In 2013, the private equity firm Apollo Global Management, LLC, purchased Aviva USA and announced that it would reduce its workforce 10 percent, resulting in

90 jobs lost at the West Des Moines campus. In late 2010, Wellmark Blue Cross and Blue Shield completed a \$200 million headquarters building in downtown Des Moines, with 500,000 square feet of office space that gave the company space for future employment expansion.

The city of Des Moines is also the Iowa state capital, bringing significant government sector employment to the HMA. During the 12 months ending September 2013, 8,200 state government jobs were in the HMA, which is down 100 jobs, or 1.2 percent, from the previous 12 months. Overall government sector employment has increased by 390 jobs, or nearly 1.0 percent, annually since 2000, but employment in the state government subsector has declined by nearly 30 jobs, or 0.3 percent, annually. All the growth in the government sector in the HMA has been the result of growth in the local government and federal government subsectors, which have increased by an average of 380 and 30 jobs, or 1.5 and 0.5 percent, annually.

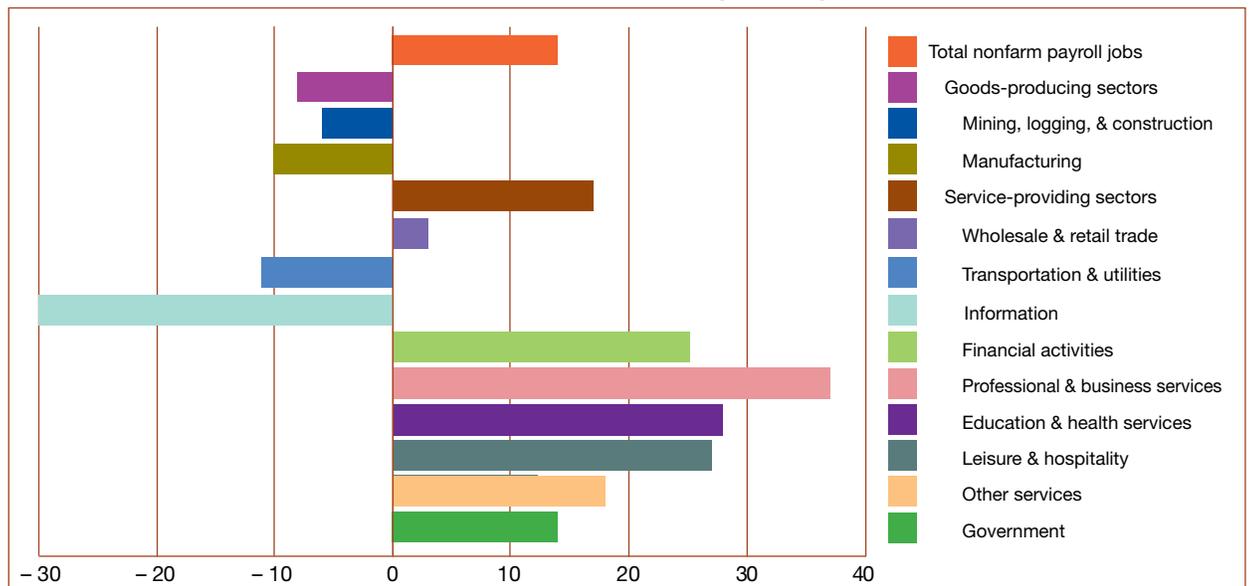
Since 2000, the Des Moines HMA has recorded positive job growth overall despite periods of contraction stemming from national recessions.

During 2002 and 2003, nonfarm payrolls declined by an average of 750 jobs, or nearly 0.3 percent, annually. Job losses during this period were concentrated in the manufacturing and information sectors, which recorded annual average declines of 900 and 500 jobs, or 4.4 and 5.0 percent, respectively. An average increase in jobs in the financial activities sector of 850 jobs, or 1.9 percent, annually during 2002 and 2003 somewhat offset job losses in the manufacturing and information sectors. From 2004 through 2008, nonfarm payrolls in the HMA increased by an average of 6,600 jobs, or 2.2 percent, annually, to 326,000. Job growth during these years was strongest in the professional and business services and the financial activities sectors, which recorded average annual increases of 1,425 and 1,325 jobs, or 4.2 and 2.8 percent, respectively. During 2009 and 2010, the HMA entered an economic downturn because of the effects of the most recent national recession. During this period, nonfarm payrolls contracted by an

average of 5,100 jobs, or nearly 1.6 percent, annually. This downturn was broad based, with most sectors recording job losses. The mining, logging, and construction sector recorded the most job losses, declining by 1,800 jobs, or 11.5 percent, annually as the result of declining commercial and residential construction. The only sectors to record growth during this period were the education and health services and the government sectors, which recorded average annual increases of 1,300 and 150 jobs, or 3.2 and 0.4 percent, respectively, in 2009 and 2010.

The professional and business services sector has recorded the greatest growth rate of any sector since 2000, averaging 2.5 percent annually; the education and health services sector has averaged nearly 2.0 percent growth annually (Figure 3). Mercy Medical Center and UnityPoint Health, with 7,100 and 5,500 employees, respectively, are the second and fourth largest private employers in the HMA.

Figure 3. Sector Growth in the Des Moines HMA,* Percentage Change, 2000 to Current



* Des Moines-West Des Moines HMA.

Note: Current is based on 12-month averages through September 2013.

Source: U.S. Bureau of Labor Statistics

During the 12 months ending September 2013, seven employment sectors added jobs. On a percentage basis, the leisure and hospitality sector was the largest growth sector, increasing 4.7 percent, or 1,400 jobs, to 30,900 jobs overall. The greatest numerical increase in jobs occurred in the financial activities sector, which increased by 1,900 jobs, or 3.7 percent, to 53,200 jobs (Table 3). Other sectors that recorded strong growth during the past 12 months were the wholesale and retail trade and the professional and business services sectors, which

increased by 1,400 and 1,000 jobs, or 2.6 and 2.5 percent, respectively.

Of the four sectors that recorded job losses during the 12 months ending September 2013, none lost more than 200 jobs. In percentage terms, the information sector lost the greatest share of jobs in the HMA, declining 2.6 percent, or by 200 jobs, to 7,400 jobs. Some employers in the sector recently announced job expansions, however. Facebook, Inc., recently announced that it will build a \$300 million data center in the HMA that is expected to add 30 permanent, full-time jobs by the summer of 2014. Microsoft Corporation announced a \$677 million data center expansion that will add 30 full-time jobs when the facility opens in 2015 and create more than 200 construction jobs when the project breaks ground in early 2014.

During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 6,950 jobs, or 2.1 percent, annually. Job growth is expected to continue during each of the 3 years of the forecast period, with the strongest growth in the first year. Employment growth is expected to be strongest in the professional and business services and the financial activities sectors.

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

	12 Months Ending September 2012	12 Months Ending September 2013	Absolute Change	Percent Change
Total nonfarm payroll jobs	325,100	331,700	6,600	2.0
Goods-producing sectors	32,900	33,200	300	0.9
Mining, logging, & construction	13,800	13,600	- 200	- 1.4
Manufacturing	19,200	19,600	400	2.1
Service-providing sectors	292,200	298,400	6,200	2.1
Wholesale & retail trade	54,100	55,500	1,400	2.6
Transportation & utilities	9,700	9,600	- 100	- 1.0
Information	7,600	7,400	- 200	- 2.6
Financial activities	51,300	53,200	1,900	3.7
Professional & business services	40,400	41,400	1,000	2.5
Education & health services	44,500	44,300	- 200	- 0.4
Leisure & hospitality	29,500	30,900	1,400	4.7
Other services	13,100	13,400	300	2.3
Government	42,100	42,700	600	1.4

* Des Moines-West Des Moines HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through September 2012 and September 2013.

Source: U.S. Bureau of Labor Statistics

Population and Households

As of October 1, 2013, the population of the Des Moines HMA was an estimated 600,600. Approximately 75 percent of the population in the HMA resides in Polk County. Since 2010, the population in the HMA has increased by an average of 8,850,

or 1.5 percent, annually, with net migration averaging 4,700 people, or more than 50 percent of population growth. From 2000 to 2010, population growth averaged 8,825 people, or 1.7 percent, annually, with net migration averaging 4,500 people, or

51 percent of population growth. The strongest population growth and in-migration occurred from 2004 to 2008, when annual population growth and net in-migration averaged 10,600 and 5,900 people, respectively, reflecting job growth in the financial activities, professional and business services, and education and health services sectors. Figure 4 shows the components of population change in the HMA from 2000 to the forecast date.

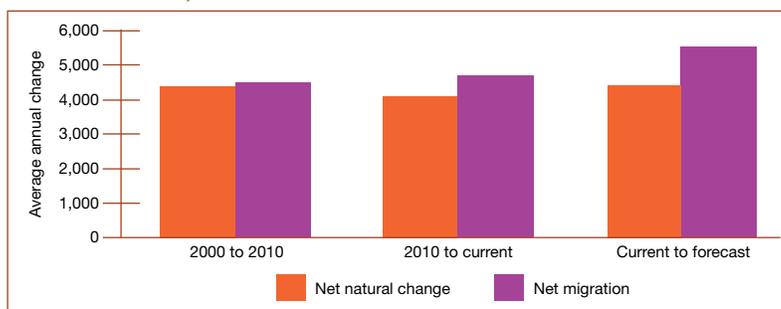
Dallas County, which is west of the city of Des Moines, has been the fastest growing county in the HMA since 2000 and is one of the fastest growing counties in the country. Dallas County, with a current estimated population of 73,900, accounts for more than 12 percent of the HMA population compared with approximately 8 percent of the HMA population in 2000. Among the more than 3,000 counties in the nation with a population of more than 10,000, Dallas County was the 17th fastest growing from 2000 to 2010, with population growth averaging 5 percent, or 2,550 people, annually (U.S. Census Bureau). Net in-migration, which averaged 2,100 people a year from 2000 to 2010, led population growth in Dallas County. From 2010 to July 2012, Dallas County was the 14th fastest growing county in the nation, with population growth

averaging 3.8 percent, or 2,600 people, annually. Net in-migration slowed slightly but still averaged 1,900 people a year. The recent completions of the Wells Fargo & Company and Aviva USA corporate headquarters in Dallas County were some of the main drivers of in-migration as people moved to the county for work. Polk and Warren Counties have experienced steady but much less population growth than Dallas County. Madison County's population has been flat and Guthrie County has recorded population declines averaging 50 people, or 0.5 percent, annually since 2000. Both of these counties are primarily rural, with no large population centers and, combined, account for less than 5 percent of the HMA population.

An estimated 236,050 households currently reside in the Des Moines HMA, which represents an increase of 3,650 households, or 1.6 percent, annually since 2010. The number of households in the HMA increased by 3,400, or 1.7 percent, annually from 2000 to 2010. The homeownership rate increased from 2000 to 2010, from 70.8 to 71.4 percent, but has declined since 2010, to 70.7 percent as of the current date. Figure 5 shows the number of households by tenure in the HMA from 2000 to the current date.

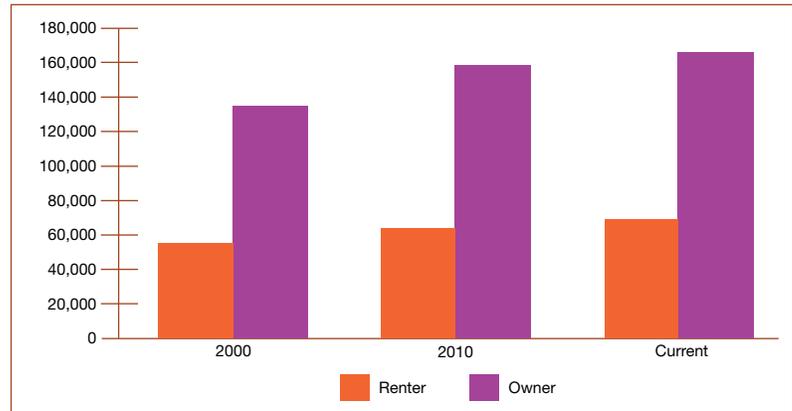
During the 3-year forecast period, the population and number of households are expected to increase at slightly greater rates than those recorded from 2010 to the current date. The population is estimated to increase by 9,925, or 1.6 percent, annually, and the number of households is estimated to grow by 3,975, or 1.7 percent, annually. Figure 6 shows population and household growth in the HMA from 2000 to the forecast date.

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



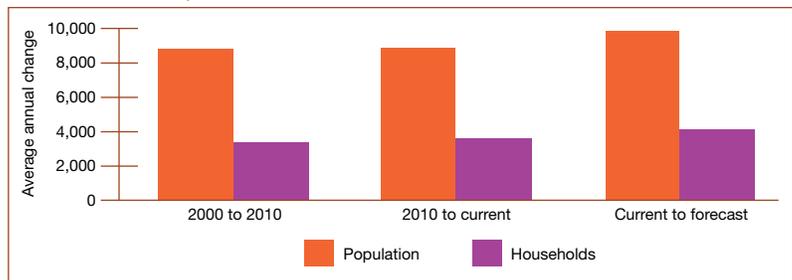
* Des Moines-West Des Moines HMA.

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

Figure 5. Number of Households by Tenure in the Des Moines HMA,* 2000 to Current

* Des Moines-West Des Moines HMA.

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

Figure 6. Population and Household Growth in the Des Moines HMA,* 2000 to Forecast

* Des Moines-West Des Moines HMA.

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

Housing Market Trends

Sales Market

The sales housing market in the Des Moines HMA is currently balanced, with an estimated sales vacancy rate of 1.6 percent, which is down from 2.4 percent in April 2010. The reduction in the vacancy rate is the result of a sharp increase in home sales during the past 2 years because of improving economic conditions and population growth. During the 12 months ending September 2013, new and existing home sales (including single-family

homes, townhomes, and condominiums in the HMA increased by 1,875 sales, or 23 percent, to 9,925 compared with an increase of 1,625 sales, or 29 percent, during the 12 months ending September 2012 (Metrostudy, A Hanley Wood Company). The average sales price of all new and existing homes in the HMA during the 12 months ending September 2013 was \$181,300, which represents an increase of \$8,950, or 5 percent, from a year earlier. In

September 2013, 4.3 percent of all mortgage loans in the HMA were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), which was down from 5.0 percent in September 2012 (Black Knight Financial Services, Inc.).

The existing single-family home sales market strengthened significantly during the 12 months ending September 2013, when sales increased by 1,425, or nearly 24 percent, to 7,450 existing homes sold. The average sales price of an existing single-family home increased \$11,200, or nearly 7 percent, to \$174,100. Sales of existing single-family homes in the HMA were 19 percent, or 1,800 sales, less than the average of 9,250 existing homes sold annually from 2005 through 2007 but 18 percent more than the average of 6,300 existing single-family homes sold annually from 2008 through 2010. During the 12 months ending September 2013, Polk County accounted for 5,675 sales, or 76 percent of existing single-family home sales in the HMA, an increase of 24 percent, or 1,100 sales, compared with the number sold during the previous 12 months. During the same period, the average sales price of an existing single-family home in Polk County increased \$10,600, or nearly 7 percent, to \$171,200. In Dallas County, 800 single-family existing homes sold at an average sales price of \$205,500, up \$29,600, or 17 percent.

New single-family home sales in the HMA during the 12 months ending September 2013 increased by 130 sales, or 12 percent, to 1,200, and the average new single-family home sales price increased \$16,100, or nearly 7 percent, to \$254,400. Slightly more than 93 percent of all new single-family home sales in the HMA took place in Dallas

and Polk Counties during the past 12 months. New single-family home sales were strongest in Polk County, which recorded 850 sales, an increase of 120 sales, or 17 percent, from the 12 months ending September 2012. The average new single-family home sales price in Polk County during the 12 months ending September 2013 was \$250,700, which was an increase of \$19,100, or more than 8 percent, from the previous 12 months. Dallas County new home sales during the same period increased by 10 sales, to 280 new single-family homes sold. The average sales price of a new single-family home in Dallas County during the 12 months ending September 2013 was \$279,500, which was an increase of \$18,700, or 7 percent, from the previous 12 months. New single-family home sales are concentrated in Dallas and Polk Counties, near the interstate highways to the west of the city of Des Moines. Another area of new construction is along Interstate 35, north from the city of Des Moines on the east side of the HMA to the city of Ankeny in Polk County.

Sales of condominiums, which currently account for an estimated 12 percent of all sales in the HMA, also increased recently. During the 12 months ending September 2013, sales of new condominiums totaled 90, more than double the number sold during the previous 12 months. Despite these recent increases, many fewer new condominiums sold than the averages of 950 and 430 new condominiums sold annually from 2005 through 2007 and from 2008 through 2010, respectively. From 2005 through 2007, builders in the HMA overbuilt condominiums, which resulted in a glut and contributed significantly to the high owner

Housing Market Trends

Sales Market *Continued*

vacancy rate that still existed in 2010. From 2004 through 2006, an average of 1,050 new condominium units were permitted annually, which was significantly more than the 230 units permitted annually from 2000 through 2003. Since 2008, the building of new condominium units has averaged fewer than 50 units a year as the previous inventory has been absorbed slowly. The average sales price of a new condominium declined \$10,400, or 5 percent, to \$190,100 during the 12 months ending September 2013. From 2005 through 2007, the average sales price of a new condominium was \$159,000, and the average price dropped more than 4 percent, to \$152,400, from 2008 through 2010. Nearly all new condominium sales since the beginning of 2011 have been higher end units in the downtown Des Moines central business district.

During the 12 months ending September 2013, the sales of existing condominiums increased by 275, or nearly 30 percent, to 1,200 sales. The average sales price of an existing condominium during this period declined \$2,100, or more than 1 percent, to \$149,100. The sales of existing condominiums in the HMA were unchanged from the average number sold in the HMA from 2005 through 2007, when the average sales price was \$146,800.

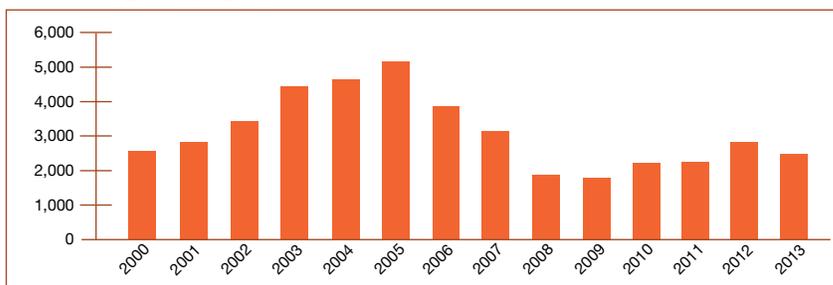
From 2008 through 2010, an average of 800 existing condominium units sold annually, at an average price of \$139,000.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, including townhomes, totaled 3,300 during the 12 months ending September 2013 (preliminary data). That permitting level was an increase of 650 homes, or 25 percent, from the previous 12-month period and an increase of 68 percent from the average of 1,950 single-family homes permitted annually from 2008 to 2010. Single-family building activity peaked at 4,275 homes permitted annually from 2003 to 2007. Figure 7 shows the number of single-family homes permitted annually in the HMA since 2000.

Some of the newer single-family developments in the HMA include the Painted Woods subdivision in Waukee, in Dallas County, which has 24 homes completed and an additional 44 available lots. Home prices at Painted Woods start at about \$350,000. In the city of Ankeny, in northern Polk County, The Ledge-stone subdivision is expected to begin construction in the spring of 2014, with 36 lots for single-family homes and 12 lots for duplexes or townhomes.

During the 3-year forecast period, demand is estimated for 11,250 new homes and an additional 50 mobile homes (Table 1). The 1,025 homes currently under construction and some of the 6,975 other vacant units that may reenter the market will satisfy a portion of the demand. Table 4 illustrates the estimated demand for new market-rate sales housing in the HMA by price range.

Figure 7. Single-Family Homes Permitted in the Des Moines HMA,* 2000 to 2013



* Des Moines-West Des Moines HMA.

Notes: Includes townhomes. Includes data through September 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Des Moines HMA,* October 1, 2013, to October 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
75,000	119,999	1,575	14.0
120,000	159,999	2,600	23.0
160,000	199,999	2,375	21.0
200,000	224,999	1,800	16.0
225,000	274,999	1,125	10.0
275,000	349,999	1,125	10.0
350,000	499,999	450	4.0
500,000	and higher	230	2.0

* Des Moines-West Des Moines HMA.

Notes: The 1,025 homes currently under construction and a portion of the estimated 6,975 other vacant units in the HMA will likely satisfy some of the forecast demand. Excludes mobile homes.

Source: Estimates by analyst

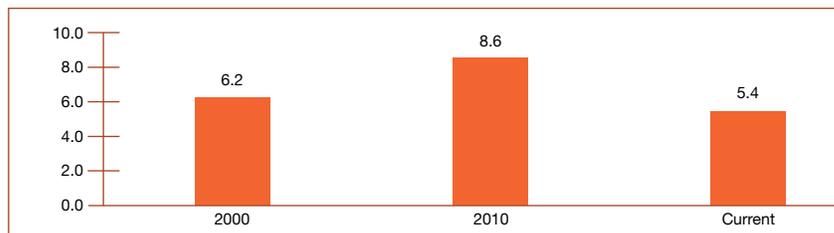
Rental Market

The rental housing market in the Des Moines HMA is currently balanced after significant improvement during the past 3 years. The current rental vacancy rate, which includes single-family homes, mobile homes, and apartment units, is an estimated 5.4 percent, down from 8.6 percent in April 2010 (Figure 8). The estimated average rent in the HMA is currently \$760, which is an increase of more than \$20, or 3.5 percent, from the previous year. Conditions in the rental market improved in recent years as a result of increased demand from population and employment growth and a previous slowdown in multifamily construction.

The apartment market is tight, with a 2.4-percent vacancy rate during September 2013 (Reis, Inc.), down from 3.1 percent in September 2012 and 5.2 percent in September 2010. Apartment rents in the HMA currently average \$680, \$790, and \$980 for one-, two-, and three-bedroom units, respectively.

Multifamily construction, as measured by the number of multifamily units permitted, during the past 24 months was nearly double the number of multifamily units permitted during the previous 3 years, in response to the declining vacancy rates and increasing rents. An average of 1,200 multifamily units were permitted annually during the 24 months ending September 2013 (preliminary data), nearly twice the average of 630 units permitted annually from 2009 through 2011. During the past 24 months, condominium units averaged about 7 percent of all multifamily units permitted, down sharply from previous periods. From 2000 through 2003, an average of 230 condominium units were permitted

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



* Des Moines-West Des Moines HMA.

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

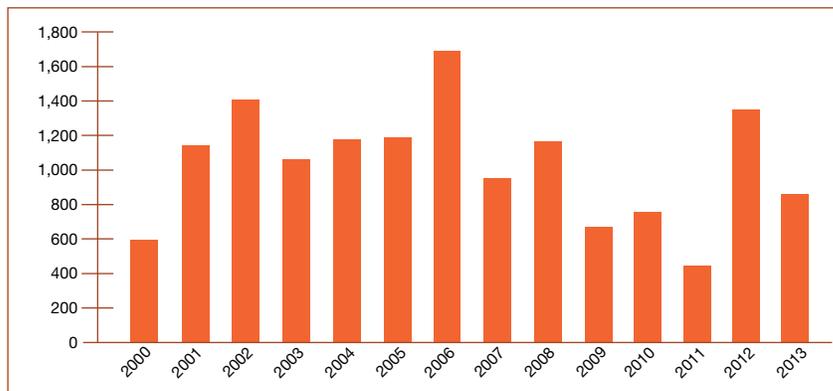
annually, accounting for 22 percent of the 1,050 multifamily units permitted annually. Condominium permitting increased significantly from 2004 through 2006, when an average of 1,050 condominium units were permitted annually, accounting for 77 percent of the 1,350 multifamily units permitted annually. From 2007 through 2009, an average of 460 condominium units were permitted annually, accounting for 49 percent of the 930 multifamily units permitted annually. Figure 9 shows the number of multifamily units permitted annually in the HMA since 2000.

Most of the new multifamily construction in the Des Moines HMA is occurring west of the city of Des

Moines and in the eastern parts of Dallas County. New developments include the Winhall, which first started leasing units in December 2012 and is in the last phase of construction. This development currently has 176 units available for occupancy; after construction is finished, it will have 206 units, with rents that range from \$925 a month for a one-bedroom unit to \$1,450 a month for a three-bedroom unit. In West Des Moines, near the Jordan Creek Mall, Broadmoor at Jordan Creek is currently building its second phase of apartments. The first phase, which consisted of 310 units, opened in 2010, and the second phase, which is expected to include 250 units, is scheduled for completion in the spring of 2014. Rents at this development range from \$795 for a studio apartment to \$1,395 for a two-bedroom apartment.

During the 3-year forecast period, demand is estimated for 3,025 new market-rate rental units (Table 1). The 840 multifamily units under construction will meet a portion of this demand. Table 5 illustrates the estimated demand for new market-rate rental housing in the HMA by price range.

Figure 9. Multifamily Units Permitted in the Des Moines HMA,* 2000 to 2013



* Des Moines-West Des Moines HMA.

Notes: Excludes townhomes. Includes data through September 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Des Moines HMA,* October 1, 2013, to October 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
700 to 899	50	925 to 1,124	610	1,100 to 1,299	830	1,275 to 1,474	200
900 or more	10	1,125 to 1,424	400	1,300 to 1,599	730	1,475 to 1,774	90
		1,425 or more	20	1,600 or more	85	1,775 or more	10
Total	60	Total	1,030	Total	1,650	Total	300

* Des Moines-West Des Moines HMA.

Notes: Numbers may not add to totals because of rounding. The 840 units currently under construction will likely satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profile

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	270,277	296,781	299,400	0.9	0.3
Unemployment rate	2.4%	6.2%	4.8%		
Nonfarm payroll jobs	291,700	315,800	331,700	0.8	1.8
Total population	481,394	569,633	600,600	1.7	1.5
Total households	189,371	223,268	236,050	1.7	1.6
Owner households	134,123	159,476	166,900	1.7	1.3
Percent owner	70.8%	71.4%	70.7%		
Renter households	55,248	63,792	69,150	1.4	2.3
Percent renter	29.2%	28.6%	29.3%		
Total housing units	199,393	240,203	249,700	1.9	1.1
Owner vacancy rate	1.6%	2.4%	1.6%		
Rental vacancy rate	6.2%	8.6%	5.4%		
Median Family Income	\$55,300	\$71,700	\$75,500	2.6	1.7

* Des Moines-West Des Moines HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2013. Median Family Incomes are for 1999, 2009, and 2012.

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: 10/1/2013—Analyst’s estimates
Forecast period: 10/1/2013–10/1/2016—
Analyst’s estimates

The metropolitan statistical area definitions in this report are based on 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 the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, 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 www.huduser.org/publications/pdf/CMARtables_DesMoines-WestDesMoinesIA_14.pdf.

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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 HUD’s Economic and Market Analysis Division. 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
www.huduser.org/publications/econdev/mkt_analysis.html.