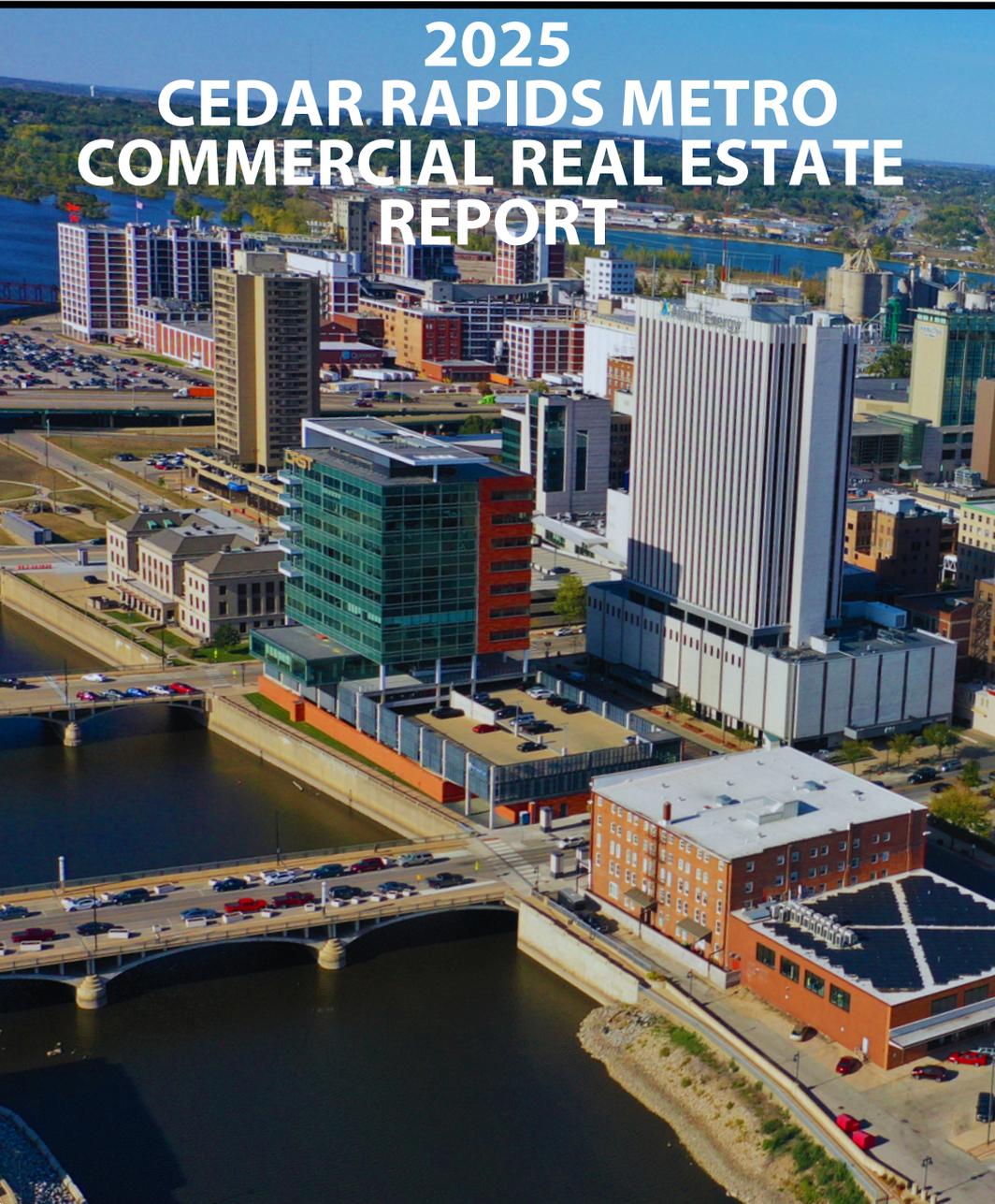




2025 CEDAR RAPIDS METRO COMMERCIAL REAL ESTATE REPORT





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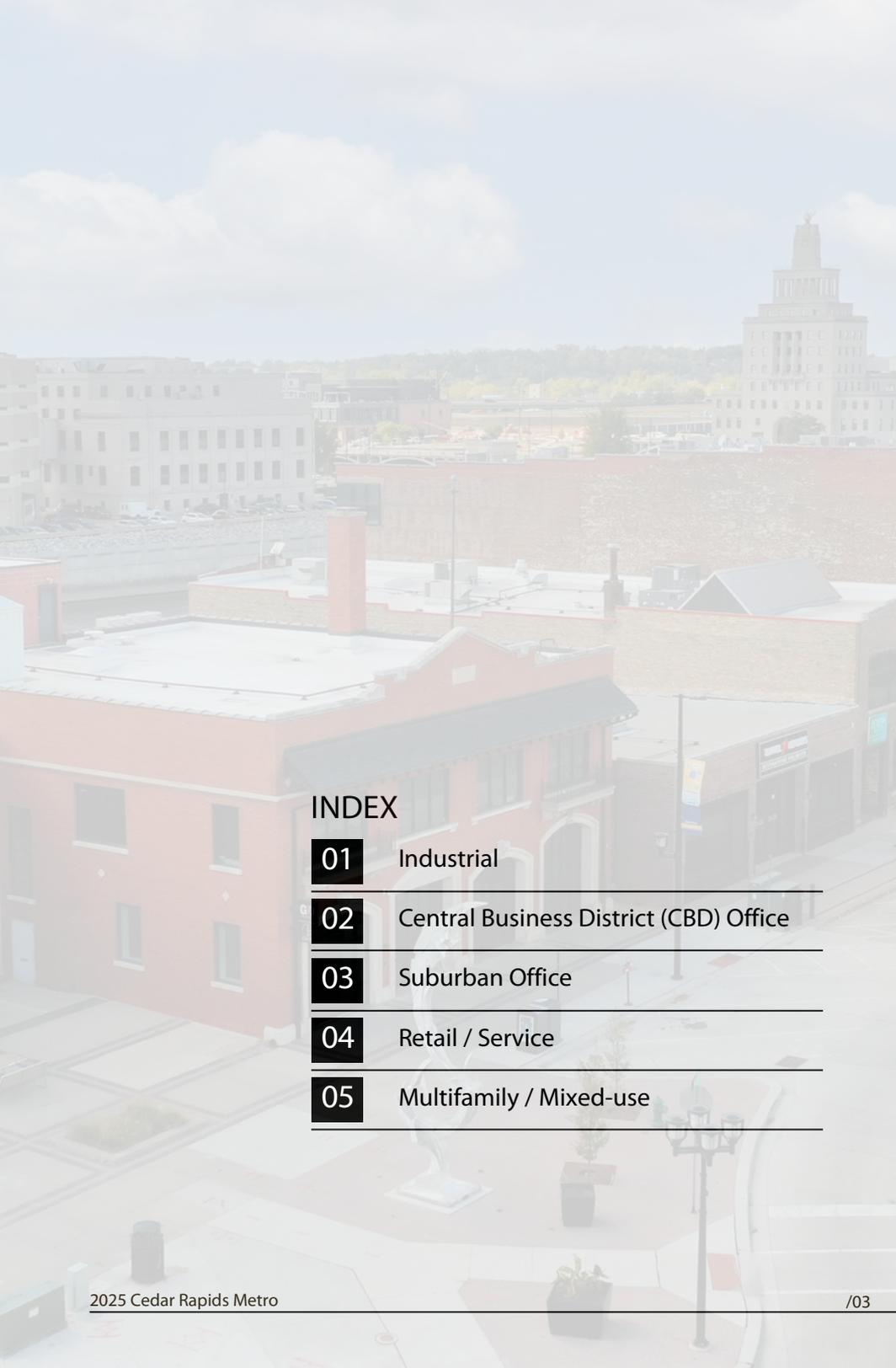
GLD Commercial would like to acknowledge/express thanks to —

Amanda LaGrange, GLD Commercial marketing & research manager

Dave Passmore (Rally Appraisal) and Jon Westercamp (Appraisal Associates) for assistance in gathering multifamily data.

GD | The abbreviated GLD logo throughout the report denotes GLD Commercial team member involvement in the transaction.

Disclaimer — Real estate data contained herein was acquired through the Cedar Rapids Area Association of Realtors MLS, Cedar Rapids Assessor, Linn County Assessor, Rally Appraisal, Appraisal Associates and Cedar Rapids Area Metro Economic Alliance. All information furnished in this report is obtained from sources deemed in our opinion to be reliable but not guaranteed. If you have property currently listed with another broker, this is not intended as a solicitation of that listing.



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- 03** Suburban Office

- 04** Retail / Service

- 05** Multifamily / Mixed-use



Brittany Gibbs, CPA, Dave Drown, SIOR, CCIM, Rachel Waters, Adam Gibbs, SIOR, Beth Herridge, Michael Gibbs, Angie Glick-Martin, SIOR, Amanda LaGrange, Erica Seelman, SIOR, and Jenn Sexton

GLD Commercial is an independent, locally owned commercial real estate firm based in Eastern Iowa.

When utilizing GLD for your real estate needs, you'll benefit from over 75 years of combined local commercial real estate experience.

You'll also tap into the benefits of the industry's leading designations with GLD Commercial brokers — the Society of Industrial and Office Realtors (SIOR) and Certified Commercial Investment Member (CCIM).

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We take pride in our disciplined approach to every assignment and employ full-time commercial agents who are passionate about ensuring our clients' success.



A MESSAGE FROM DAVE

It is our pleasure to present the fifth annual Cedar Rapids Metro Commercial Real Estate Report.

In 2025, the Cedar Rapids metro's commercial market was characterized by strong industrial growth tied to AI-driven demand, a transitioning office sector, resilient retail, and strong multifamily performance amid sustained renter demand.

I encourage you to contact any of the GLD Commercial real estate experts to discuss the insights in this report.

2025 KEY TAKEAWAYS —

Industrial submarket:

- AI-driven data center demand became reality with Google and QTS breaking ground on roughly \$2.3 billion of projects on Cedar Rapids' southwest side.
- The industrial market strengthened alongside these mega-projects, boosted by leasing from contractors and vendors tied to data center construction.

Office submarket:

- CBD vacancy rose mainly due to the former US Bank campus (under contract) hitting the market in Q2, even as overall conditions remained relatively stable.
- The suburban office market was driven by healthcare and hybrid work tenants, favoring smaller, amenity-rich spaces, while owners emphasized upgrading and reusing existing buildings over new speculative construction.

Retail submarket:

- The retail/service submarket was the most stable in the metro, as new restaurant and retail concepts quickly backfilled closures and kept key corridors active with minimal vacancy.
- The Westdale area on the southwest side remained a high-traffic retail node reinforcing brick-and-mortar strength.

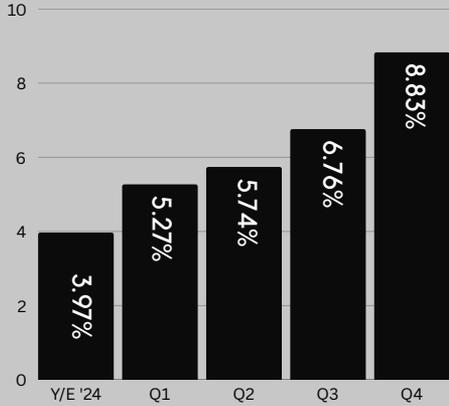
Multifamily/Mixed-use submarkets:

- The multifamily market stayed strong as higher interest rates and home prices kept many would-be buyers renting, even as new development slowed.

INDUSTRIAL

01

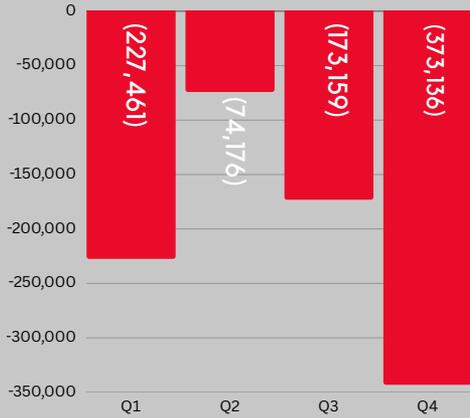
2025
QUARTERLY
METRO
INDUSTRIAL
VACANCY RATES



02

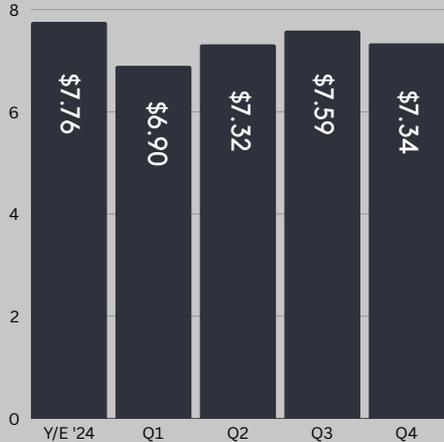
2025
QUARTERLY
METRO
INDUSTRIAL NET
ABSORPTION

A negative number reflects square footage added to the market



03

2025
QUARTERLY
METRO
INDUSTRIAL
AVERAGE PSF
ASKING
RENTAL RATES



MARKET OVERVIEW — The Cedar Rapids industrial market consists of approximately 14,900,000 square feet (SF). Entering 2025, the vacancy rate was 3.97%, which increased steadily throughout the year, ending at 8.83%. Vacancy has risen from an extremely tight level to one that remains comfortably low even as new product is delivered, indicating that the market is growing rather than softening.

The average asking rental rate is \$7.08/SF NNN. This figure fluctuated slightly but eventually decreased after beginning the year at \$7.76/SF NNN. Both the vacancy and rental rates are significantly influenced by the addition of the Smurfit Westrock property on Blairs Ferry Road NE.

The rise in artificial intelligence (AI)-driven data center demand moved from concept to reality in 2025. Ground was broken on both Google and QTS data centers, bringing a combined potential investment of \$2,300,000,000 to Cedar Rapids' southwest side. The broader industrial market performed remarkably well alongside the mega-projects which included leasing activity from contractors and vendors servicing data center construction.

LOOKING AHEAD — The primary growth engine for the industrial market has shifted from warehouse/storage space toward technology and data infrastructure. With cost-effective land, strong utility capacity, and transportation connectivity, Cedar Rapids will continue to attract industrial users supporting a growth-oriented industrial sector.

SIGNIFICANT TRANSACTIONS — ANNOUNCED, IN PROGRESS, COMPLETED, OR TRADED

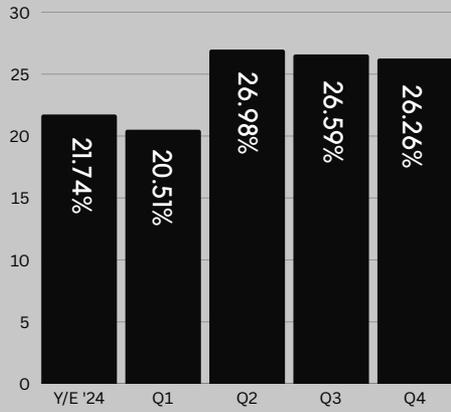
- 1000 41st Street Drive SW, Cedar Rapids — DANISCO — \$68,000,000 addition including a 47,000 SF food grade warehouse
- 76th Avenue & Edgewood Road SW, Cedar Rapids — QTS DATA CENTERS — \$1,750,000,000 data center under construction
-  • 8205 6th Street SW, Cedar Rapids — 380 COMMERCE PARK — \$15,000,000 project with three warehouses on 19 acres
- 76th Avenue & Edgewood Road SW, Cedar Rapids — GOOGLE — \$576,000,000 data center under construction
-  • 6915 & 7221 Edgewood Road SW, Cedar Rapids — SCHIMBERG — purchased 78 acres of industrial development land for \$9,000,000
- 10400 18th Street SW, Cedar Rapids — MALLOY ELECTRIC — 200,000 SF motor facility being constructed
- 1000 First Street SW, Cedar Rapids — INGREDION — \$48,500,000 facility expansion
-  • 2720 64th Avenue SW, Cedar Rapids — ZURCHER TIRE — 50,176 SF industrial building sold

ANALYSIS — The figures contained herein focus on existing, or currently under construction, industrial buildings including warehouse, flex, commercial and small shop properties. Non-competitive, owner-occupied, special-purpose manufacturing buildings do not accurately affect local vacancy or rental rates and are therefore excluded from this analysis.

CBD OFFICE

01

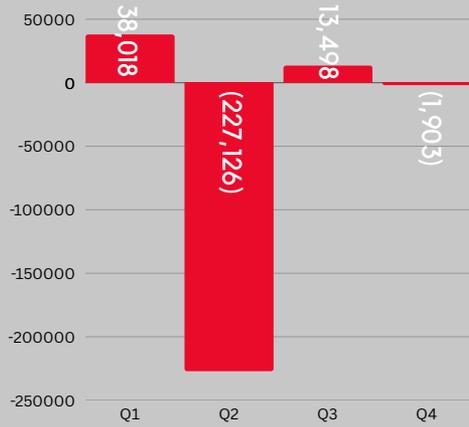
2025
QUARTERLY
CBD OFFICE
VACANCY RATES



02

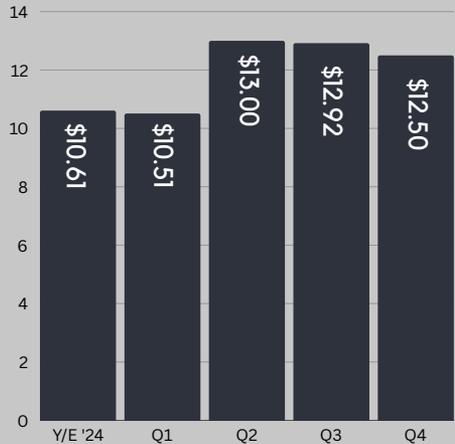
2025
QUARTERLY
CBD OFFICE
NET ABSORPTION
PSF

A negative number reflects
square footage added
to the market



03

2025
QUARTERLY
CBD OFFICE
AVERAGE PSF
ASKING
RENTAL RATES



MARKET OVERVIEW — The CBD office market consists of approximately 3,500,000 SF. Entering 2025, the vacancy rate was 21.74%, which ultimately increased to 26.26% by the end of the year. The average asking rental rate is \$12.50/SF NNN, increasing from \$10.61/SF NNN at the beginning of 2025.

Despite the rise in vacancy, the CBD office market remained relatively stable. Much of the increase in vacancy can be attributed to the addition of the 186,355 SF former US Bank corporate campus to the market in Q2. At the time of publication, this campus is under contract for redevelopment.

Downtown saw investments from Cedar Rapids Bank & Trust, with the opening of their 34,000 SF office building, and Community Savings Bank in establishing a branch in the Cedar River Tower. The University of Iowa Hospitals and Clinics also solidified their downtown footprint by purchasing the building they occupy at 411 10th Street SE and Regus signed an 11,000 SF lease on the ground floor at 200 2nd Avenue SE.

LOOKING AHEAD — Revitalization and adaptive reuse, similar to the former Guaranty Bank redevelopment incorporating housing and commercial space, are expected to continue.

SIGNIFICANT TRANSACTIONS — ANNOUNCED, IN PROGRESS, COMPLETED, OR TRADED

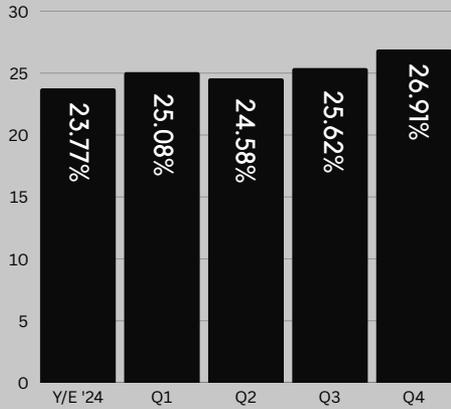
-  • 101 1st Avenue SE, Cedar Rapids — CITY OF CEDAR RAPIDS — \$5,300,000 in upgrades to the former UFG building for CR City Annex
- 411 10th Street SE, Cedar Rapids — UNIVERSITY OF IOWA HOSPITALS AND CLINICS — purchased the building where they occupy 60% of the space
- 100 1st Avenue NE #116, Cedar Rapids — COMMUNITY SAVINGS BANK — relocated to Cedar River Tower
- 116 6th Street NE, Cedar Rapids — CEDAR RAPIDS BANK & TRUST — opened their \$19,000,000, 34,000 SF office building
-  • 200 1st Street SE, Floors 17 & 18, Cedar Rapids — UNITED LIFE — leased 10,129 SF in the Alliant Tower
- 415 12th Avenue SE, Cedar Rapids — WENDLER INC — purchased the 15,275 SF building from Geonetric
-  • 460 12th Avenue SE, A-100, Cedar Rapids — 460 LLC — purchased the 12,879 SF floor from ARK Data Centers
- 222 2nd Avenue SE, Cedar Rapids — FORMER US BANK COMPLEX — listed for sale at \$10,700,000 and is currently sale pending
-  • 900 3rd Street SE, Cedar Rapids — LOFTUS COMMERCIAL SPACE — 11,000 SF of office/commercial space constructed and listed for lease

ANALYSIS — The figures contained herein focus on all CBD office buildings. Non-competitive hospital-owned properties, radio/television-occupied properties and existing buildings being converted to multifamily housing do not accurately affect local vacancy or rental rates and are therefore excluded from this analysis.

SUBURBAN OFFICE

01

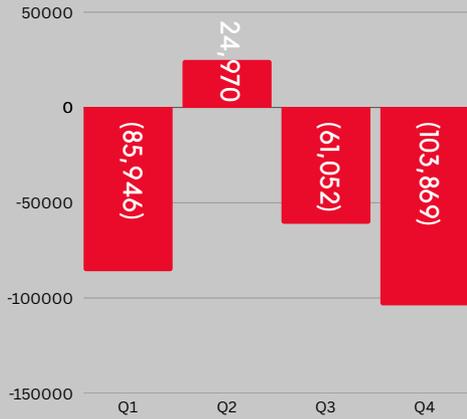
2025
QUARTERLY
METRO OFFICE
VACANCY RATES



02

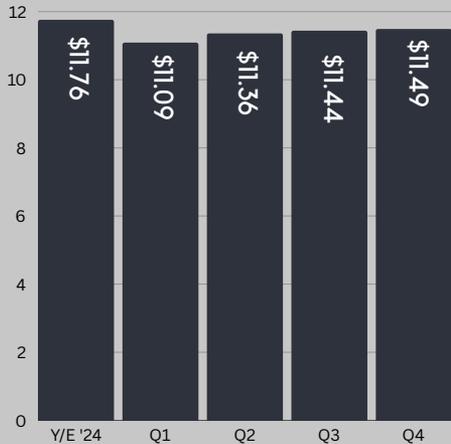
2025
QUARTERLY
METRO OFFICE
NET ABSORPTION
PSF

A negative number reflects
square footage added
to the market



03

2025
QUARTERLY
METRO OFFICE
AVERAGE PSF
ASKING
RENTAL RATES



MARKET OVERVIEW — The Cedar Rapids metro suburban office market consists of approximately 5,800,000 SF. Entering 2025, the vacancy rate was 23.77%, which increased throughout the year, ending at 26.91%. The average asking rental rate is \$11.49/SF NNN, decreasing from \$11.76/SF NNN at the beginning of 2025.

Throughout 2025, the suburban office market continued to be reshaped by healthcare users, professional services, and evolving workplace strategies, rather than by traditional corporate office expansion. Building on last year’s momentum, medical, dental, and therapeutic providers remained some of the most active suburban office tenants.

Hybrid work is now the norm, as opposed to the exception, driving demand for smaller, amenity-rich spaces that offer flexibility, convenience, wellness, and accessibility. This translates into tenants favoring well-located suburban offices with parking, shared amenities, and flexible layouts.

LOOKING AHEAD — Higher suburban office vacancy and elevated interest rates have kept new speculative construction limited, shifting the focus toward backfilling existing buildings, adaptive reuse, and targeted upgrades instead of ground-up office projects.

SIGNIFICANT TRANSACTIONS — ANNOUNCED, IN PROGRESS, COMPLETED, OR TRADED

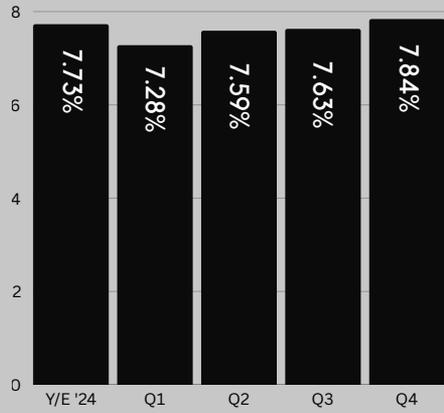
- GLD** • 5250 N. River Boulevard NE, Cedar Rapids — OFFICE INVESTMENT — 37,016 SF office building leased to Wabtec sold to an investor for \$4,050,000
- 1450 N. Center Point Road, Hiawatha — UNITYPOINT HEALTH — opened a 22,000 SF PACE Senior Care office
- 3915 Reserve Way NE, Cedar Rapids — THE FOUNTAINS — construction is underway on a \$3,500,000, 22,000 SF two-story building, the final building in the development
- GLD** • 1125 Dina Court, Hiawatha — 2PIFI — purchased a 35,294 SF office building for \$3,485,000
- GLD** • 6260 N. Gateway Drive, Marion — ESCO ELECTRIC COMPANY — broke ground on an \$8,500,000, 35,000 SF facility with 12,000 SF office and 23,000 SF production space
- 3900 Fountains Boulevard NE, Cedar Rapids — HY-VEE EXEMPLAR CARE — opened a primary care and walk-in medical clinic
- 1025 Kirkwood Parkway SW — KIRKWOOD COMMUNITY COLLEGE — purchased the 91,892 SF Class A office building
- GLD** • 1420 Stamy Road, Hiawatha — NOLTING MANUFACTURING — leased this 12,457 SF building
- 5264 Council Street NE, Cedar Rapids — OFFICE INVESTMENT — 70,326 SF Mercy medical office building sold to an investor for \$9,095,000

ANALYSIS — The figures contained herein focus on metro area office properties. CBD office and non-competitive owner-occupied medical buildings do not accurately affect local vacancy or rental rates and are therefore excluded from this analysis.

RETAIL/SERVICE

01

2025
QUARTERLY
METRO
RETAIL/SERVICE
VACANCY RATES

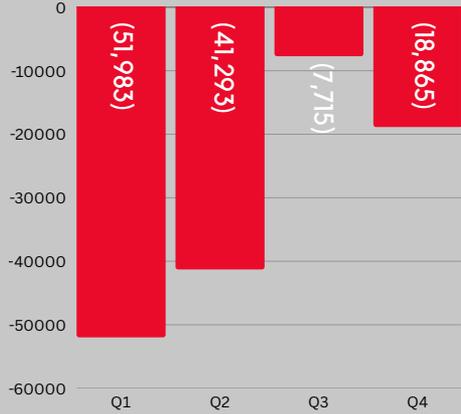


02

2025
QUARTERLY
METRO
RETAIL/SERVICE
NET ABSORPTION
PSF



A negative number reflects square footage added to the market



03

2025
QUARTERLY
METRO
RETAIL/SERVICE
AVERAGE PSF
ASKING
RENTAL RATES



04 | RETAIL/SERVICE

MARKET OVERVIEW — The Cedar Rapids retail/service market consists of approximately 9,300,000 SF. Entering 2025, the vacancy rate was 7.73% remaining consistent throughout the year, ending at 7.84%. The average asking rental rate is \$13.41/SF NNN, a decrease from \$14.64/SF NNN at the beginning of 2025.

The retail/service submarket demonstrated the most stable performance among Cedar Rapids' commercial submarkets. While the metro saw multiple restaurants close, new concepts were quick to backfill their space, keeping well-located corridors active and minimizing vacancies.

The southwest side, specifically near Westdale, continues to see strong retailer activity. 7-Brew purchased the former Sugarfire BBQ building, Texas Roadhouse upgraded to a larger building, the former AMC Theater is scheduled to become a trampoline park, and Tractor Supply is planning to open a new store, all reinforcing the area's position as a high-traffic retail node.

LOOKING AHEAD — Adaptive reuse projects reflect the retail submarket's ability to attract new tenants even as traditional retail faces e-commerce pressures. The former Westdale Used Car Superstore at 3220 Wiley Blvd. SW, sold to Kubota, demonstrates how retail spaces are being recaptured for complementary uses. Brick-and-mortar retail remains resilient, with well-located centers and experience-driven concepts performing strongly.

SIGNIFICANT TRANSACTIONS — ANNOUNCED, IN PROGRESS, COMPLETED, OR TRADED

- GLD** • 2360 Edgewood Road SW, Cedar Rapids — RETAIL STRIP — 12,461 SF retail strip center anchored by Napoli's sold for \$3,600,000
- GLD** • 2350 Edgewood Road SW, Cedar Rapids — 7-BREW — purchased the 3,117 SF former Sugarfire BBQ building for \$1,295,000
- 4600 1st Avenue NE, Cedar Rapids — DICK'S HOUSE OF SPORT — \$25,000,000 redevelopment of former Sears to include retail and in-store sports experiences
- GLD** • 3210 Center Point Road NE, Cedar Rapids — MCDONALD'S — 1.66 acres of land sold for the development of a fast food restaurant
- GLD** • 4415 Williams Boulevard SW, Cedar Rapids — TRACTOR SUPPLY — 5.65 acres of land sold for the development of a big box retail store
- 321 Collins Road NE, Cedar Rapids — NORTHLAND SQUARE — 106,500 SF shopping center sold for \$17,500,000
- GLD** • 3939 1st Avenue SE, Cedar Rapids — FORMER OUTBACK STEAKHOUSE — 7,329 SF former restaurant sold
- 1380-1470 Twixt Town Road, Marion — COLLINS ROAD SQUARE — 166,915 SF shopping center listed for sale at \$15,100,000
- GLD** • 2870 Edgewood Road SW #200, Cedar Rapids — CHASE BANK — 3,592 SF lease in Westdale retail strip

ANALYSIS — The figures contained herein focus on metro area retail buildings and service establishments.

MARKET OVERVIEW — In 2025, the multifamily sector continued to benefit from elevated interest rates, high for-sale home prices, and tight single-family inventory, which kept many would-be buyers in the rental pool and supported a healthy apartment market.

Approximately 653 units were planned or started in the Cedar Rapids metro during 2025. The average vacancy rate for existing multifamily properties ranged from 3-5% for newer construction and 5-10% in older buildings. Vacancy rates have tightened notably since construction began on the Google and QTS Data Centers, driven by an influx of construction workers. Elevated occupancy is expected to continue for roughly five years.

The average capitalization rate (CAP) rate has decreased slightly to 7.39% in 2025 based on 17 confirmed transactions, compared to 7.51% in 2024 and 7.34% in 2023. The 17 multifamily buildings sold throughout the year included a total of 364 units.

LOOKING AHEAD — Following several years of heavy construction, the multifamily pipeline is moderating, as higher financing costs, stricter underwriting, and construction inflation slow the start of new projects. Demand for quality rental housing remains robust, while affordable and workforce housing continue to be priorities.

SIGNIFICANT TRANSACTIONS — ANNOUNCED, IN PROGRESS, COMPLETED, OR TRADED

-  • 3445-3355 Stone Creek Circle SW, Cedar Rapids — TALON DEVELOPMENT — purchased 3.9 acres to construct a 92-unit apartment project
- 8621 Prairie View Lane SW, Cedar Rapids — ROSE COTTAGE 2, LC — 58-unit multifamily housing development proposed
-  • 5145 Rockwell Drive NE, Cedar Rapids — MAINSTAY SUITES — former extended-stay hotel sold for apartment conversion for \$5,130,000
- 60 Miller Avenue SW, Cedar Rapids — APARTMENT COMPLEX — 30-unit apartment complex sold for \$2,600,000

LARGE-SCALE MIXED-USE PROJECTS — ANNOUNCED, IN PROGRESS, OR COMPLETED

-  • 900 3rd Street SE, Cedar Rapids — NEWBO LOFTUS — completed construction on a 5-story, mixed-use building with 186 multifamily units and 11,000 SF of commercial space
- 1226 6th Avenue, Marion — BROAD + MAIN on 6th — construction continues on the second building
- 311 Parsons Drive, Hiawatha — INGRAM VILLAGE — proposed \$14,000,000 48-unit townhome development with at least three commercial buildings
- 1095 Sixth Avenue, Marion — FORMER MARION LIBRARY SITE — proposed \$21,000,000 mixed-use building with 12,000 SF commercial and 63 upper level apartments

ANALYSIS — The figures contained herein focus on metro area multifamily buildings and/or complexes with a minimum of six units. Small-scale multifamily properties consisting of duplexes, townhomes or condos do not accurately affect local cap rates, vacancy or rental rates and are therefore excluded from this analysis.

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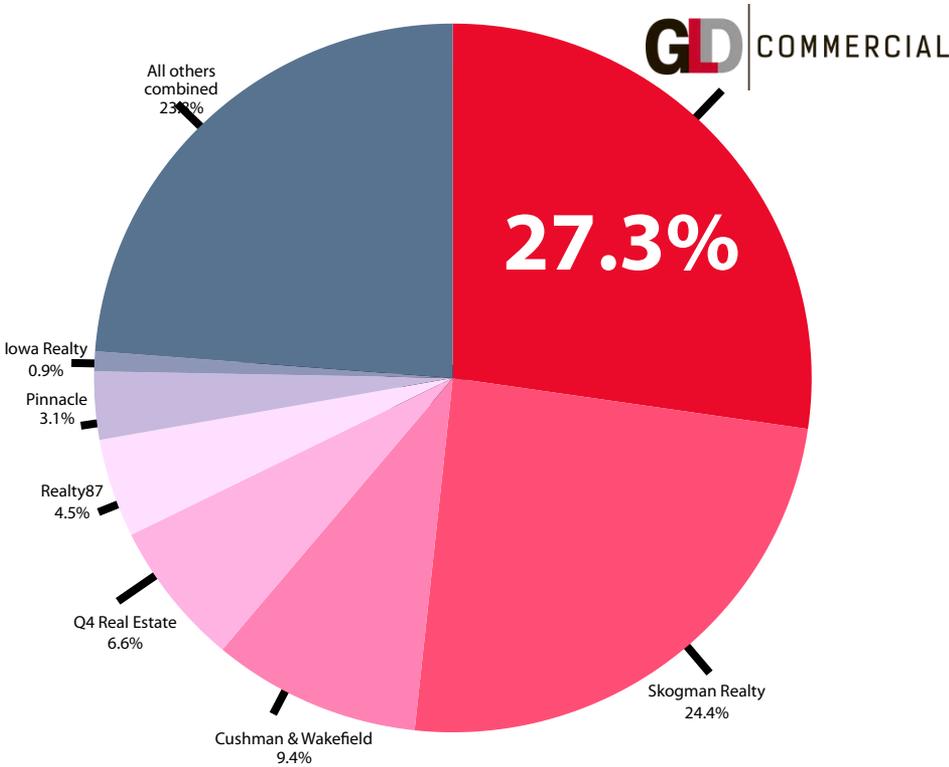
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2025 Cedar Rapids Metro Market Share



Commercial Real Estate Volume Per Firm

*Figures provided by the Cedar Rapids Area Association of Realtors Multiple Listing Service (MLS)



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