

# MARKETBEAT INDUSTRIAL SNAPSHOT



## OMAHA, NE

A Cushman & Wakefield Research Publication

Q2 2015



### ECONOMIC OVERVIEW

Nebraska's economic index increased 2%, the largest increase in six months. The increase signifies robust growth projections and can be attributed to local business optimism and the drop in the value of the U.S. dollar. Nebraska's unemployment remains the Nations' lowest for the fifth consecutive month at 2.6%. The private industries with the most growth year-over-year included education and health services, and financial activities.

### LAND AVAILABILITY, NEW DEVELOPMENT

The Omaha industrial market concluded Q2 2015 with 70,000 square feet (sf) of negative absorption. The main driver for the negative absorption was Telmar Network Technology vacating approximately 100,000 sf in Council Bluffs, IA. This is the first quarter the Omaha market has reported negative absorption since Q2 2013. The overall vacancy rate increased to 2.9%. The highlight of Q2 was that local municipalities finally reached an agreement on the proposed sewer land swap that added just over 800 acres of well-located industrial ground ready for development near highway 370 and I-80. This area has been recognized as the #1 site for industrial development in the Metro. The majority of this land is under contract with various occupiers including a Fortune 500 company. As mentioned in last quarter's report, multiple large-scale industrial projects will begin to break ground this year as a result of the sewer land swap. This will result in approximately 700,000 sf of class A industrial product being constructed for owner/users, as well as a 150,000-sf class A industrial speculative building. The last significant industrial park was developed in 2006. So the market is poised for another successful industrial development.

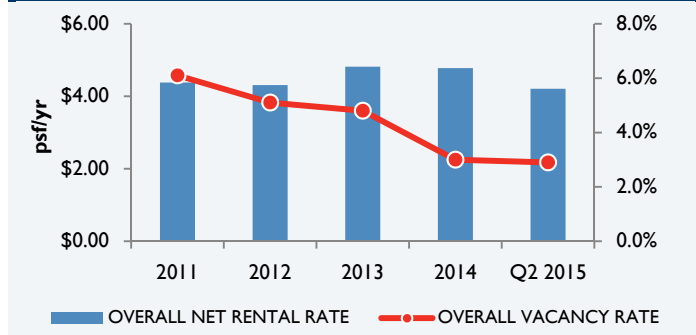
### OUTLOOK

The Omaha industrial market will continue to see rent increases as a result of low vacancy rates and new construction is expected to continue throughout 2015. We expect continued acquisition of large land tracts by developers as well as users, spurring a significant increase in construction activity. Specifically, we should be seeing the speculative market heat up.

### STATS ON THE GO

	Q2 2014	Q2 2015	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	3.3%	2.9%	-0.4 pp	▲
Direct Asking Rents (psf/yr)	\$4.80	\$4.21	-12.23	▲
YTD Leasing Activity (sf)	1,375,449	315,116	-77.1%	▲

### OVERALL RENTAL VS. VACANCY RATES



### LEASING ACTIVITY

