

\$68,600

Median HH Income

YoY Chg



12-Mo. Forecast



0.8%

Population Growth



8.3%

Unemployment Rate



Source: BLS, BOC, Moody's Analytics
(Economic Indicators are representative of MSA).

U.S. ECONOMIC INDICATORS Q2 2020

-9.9%

GDP Growth

YoY Chg



12-Mo. Forecast



-11.0%

Consumer Spending Growth



-10.3%

Retail Sales Growth



2020Q2 data are based on latest available data.
Growth rates are year-over-year

ECONOMY: Retail Sector Hit The Hardest

Retail is one of the sectors hit hardest by the COVID-19 pandemic. Social distancing and stay at home orders were put in place in most states across the U.S. While eCommerce sales rose, brick and mortar sales declined, and overall US retail growth dropped by 10.3% year-over-year (YOY). During that same timeframe, nearly 17 million jobs were lost around the nation, bringing the unemployment rate to 13.0% in the second quarter of 2020. Nebraska experienced its highest unemployment rate in history, reaching 8.3%. Though the pandemic rocked the nation, Nebraska's economy weathered the storm better than most. The Bureau of Economic Analysis (BEA) recently reported that Nebraska's state economy has been the least impacted of all 50 states. The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

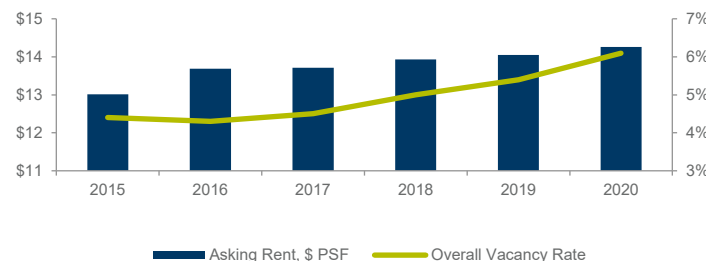
SUPPLY AND DEMAND: Omaha Retail Market Sees Positive First Half in 2020

Despite facing significant challenges caused by the pandemic, Omaha's retail market recorded just over 77,000 square-foot (sf) of positive net absorption in the second quarter of 2020, bringing the year-to-date net absorption total to 17,514 sf. The overall vacancy currently sits at 6.1%, up 70 basis points (bps) YOY, as a result of vacant space in new development coming online. Just over 170,000 sf of retail space has been delivered in 2020, with auto dealerships accounting for nearly 40% of the new inventory (Onyx Automotive with 35,000 sf and Woodhouse Lincoln with 32,000 sf). Another 325,000 sf of retail space is currently in the construction pipeline, all of which is slated for completion by year-end. The largest occupier for the quarter was Stan Houston Equipment, moving into 92,000 sf in the former Ace Hardware space at the Spring Valley Shopping Center. The company purchased the entire property and plans to grow into additional space.

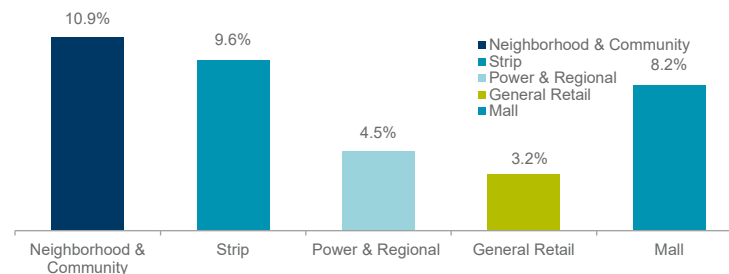
PRICING: As Development Slows Retail Rents May Dwindle

New retail supply continued to draw higher rents, driving the average asking rents to \$14.26 per square foot in the second quarter of 2020. Given the current economic downturn, development has begun to slow. It is likely that the market will see rents decline before rebounding next year.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Sarpy West	961,000	0	30,222	3.1%	4,100	14,314	102,000	\$18.43
Sarpy East	7,059,000	0	395,940	5.6%	-21,273	-13,597	43,000	\$14.51
Southwest	12,000,000	46,310	945,816	8.3%	23,050	-40,877	138,000	\$14.73
South Central	2,085,000	8,868	81,532	4.3%	-12,953	-18,443	0	\$12.18
West Dodge Corridor	3,301,000	4,007	132,372	4.1%	-10,245	39,912	0	\$18.12
Downtown Omaha	2,602,000	0	164,902	6.3%	-11,939	820	0	\$15.18
Northeast	3,043,000	0	76,337	2.5%	-10,041	-9,849	0	\$11.19
Southeast	3,627,000	0	92,337	2.5%	87,544	85,805	0	\$12.78
Northwest	4,556,000	3,120	314,821	7.0%	-14,299	-20,080	24,000	\$15.47
Council Bluffs	6,134,000	0	460,419	7.5%	-2,605	-9,558	0	\$14.10
Downtown Council Bluffs	1,838,000	0	37,849	2.1%	4,640	53,715	0	\$11.89
Central	8,755,000	0	700,474	8.0%	9,218	-99,636	7,000	\$15.77
North Central	3,447,000	49,137	263,940	9.1%	-5,161	-11,331	2,000	\$10.38
Washington County	998,000	0	44,956	4.5%	-6,000	1,556	0	\$12.12
E Cass County	786,000	0	30,154	3.8%	500	2,200	9,000	\$10.84
Saunders County	894,000	0	17,977	2.0%	-2,137	-2,137	0	\$13.50
Harrison County	634,000	0	15,250	2.4%	44,700	44,700	0	\$13.00
W Mills County	520,000	0	1,936	0.4%	0	0	0	\$12.04
E Pottawattamie County	452,000	0	0	0.0%	0	0	0	\$13.66
W Cass County	361,000	0	0	0.0%	0	0	0	\$14.68
E Mills County	151,000	0	0	0.0%	0	0	0	\$14.77
W Pottawattamie County	189,000	0	0	0.0%	0	0	0	\$14.47
OMAHA TOTALS	64,393,000	111,442	3,807,234	6.1%	77,099	17,514	325,000	\$14.26

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3915-4011 Harrison St	Sarpy East	Los Solesito's Day Care	20,000	New Lease
201-425 N 78 th St	Central Omaha	BioLife Plasma Services	11,220	New Lease
17305 Davenport St	West Dodge Corridor	Urban Outfitters	7,135	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
707 N 102 nd St	Central Omaha	Realty Trust Group, Inc/Westroads Anchor Acquisition, LLC	174,257	\$13.0M/\$75
3010 R St	Southeast	Housing in Omaha, Inc/L. Kluck & Associates, LLC	46,346	\$910K/\$20
7110 Dodge St	Central Omaha	Five Fifty Two Corp/72 Dodge Investors, LLC	27,742	\$5.3M/\$191

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