

YoY Chg 12-Mo. Forecast

3.2%
Vacancy Rate



363K
Net Absorption, SF



\$6.53
Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q1 2021

YoY Chg 12-Mo. Forecast

490M
Omaha
Employment



3.5%
Omaha
Unemployment Rate



6.0%
U.S.
Unemployment Rate



Source: BLS

ECONOMY OVERVIEW: Manufacturing Sector Sees Year-Over-Year Job Growth

The Omaha economy is making great strides towards employment recovery. The local unemployment rate hit 3.5% in the first quarter of 2021, decreasing by 660 basis points (bps) since peaking in April at 10.1%. Between January and April of 2020, more than 50,000 jobs were lost. At the close of the first quarter in 2021, more than 60% of those jobs had been recovered. Omaha continues to have one of the lowest unemployment rates in the country and is 250 bps below the national average at 6.0%. Though many industries in the market are experiencing job recovery, manufacturing is the only one to record positive job growth and is up by 40 bps year-over-year (YOY). Due to the rollout of COVID-19 vaccines, combined with the \$1.9 trillion pandemic relief bill that President Biden signed, both the local and U.S. economy are expected to see continued economic improvement.

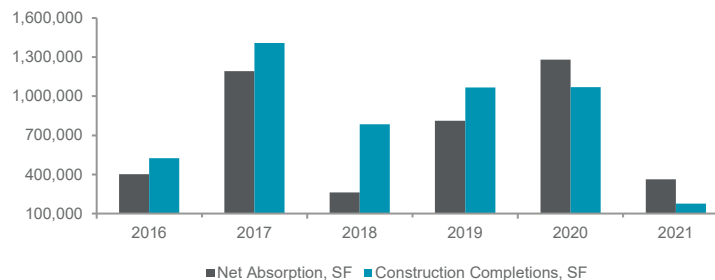
SUPPLY AND DEMAND:

Omaha's industrial market continues to thrive, defying the downward trend that other commercial sectors have seen since the beginning of the pandemic. More than 363,000 square feet (sf) of industrial product was absorbed in the first quarter of 2021, with all property types recording positive absorption. Warehouse properties saw the highest demand, posting 134,000 sf of absorption, while manufacturing was a close second with 130,000 sf of absorption and flex properties saw 100,000 sf of absorption. Move-ins with the greatest absorption impact include TSL Logistics, purchase of a 93,000-sf building in the Northeast submarket that they now occupy, and Van Meter occupied 75,000 sf in the Sarpy West submarket. The overall vacancy rate was 3.2% at the close of the first quarter, decreasing by 80 bps YOY. The construction pipeline is solid, and new development is quickly absorbed. Of the nearly 180,000 sf of new industrial product that was delivered in the first quarter, 75% of it was leased before construction was complete. Another 4.2 million square feet of industrial space is currently under construction, and all but 18% of that space has already been spoken for.

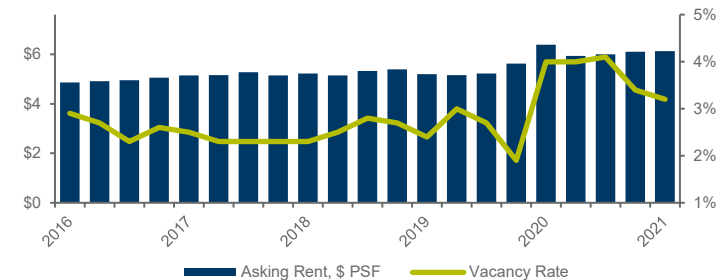
PRICING:

Industrial market rents remained stable through the first quarter, averaging \$6.53 per square foot (psf). The Sarpy West submarket recorded the largest rental rate change, increasing by \$0.97 psf YOY. The submarket is filled with new construction, which is driving rent growth. Average construction costs increased by approximately 25% in both 2019 and 2020. As construction costs continue to rise, landlords may need to bump rental rates to compensate.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (TOTAL)
Sarpy East	2,243,648	84,551	3.8%	44,873	44,873	0	0	N/A	\$5.25	\$5.25
Sarpy West	18,086,715	468,568	2.6%	158,848	158,848	3,178,882	105,886	\$8.87	\$6.48	\$7.32
South Central	21,655,042	1,216,956	5.6%	37,750	37,750	0	37,678	\$8.59	\$5.48	\$5.97
Saunders County	778,883	7,909	1.0%	1,964	1,964	0	0	N/A	\$7.62	\$7.62
Southeast	9,155,000	122,998	1.3%	-4,000	-4,000	0	0	N/A	\$5.55	\$5.55
Southwest	9,171,236	257,617	2.8%	-8,061	-8,061	0	0	\$9.05	\$6.09	\$7.78
Council Bluffs	2,957,203	95,034	3.2%	0	0	0	0	N/A	N/A	N/A
Downtown Council Bluffs	3,530,672	52,388	1.5%	-31,132	-31,132	0	0	N/A	\$5.16	\$5.16
E Cass County	442,950	20,000	4.5%	0	0	0	0	N/A	N/A	N/A
E Mills County	72,150	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Cass County	406,487	46,600	11.5%	0	0	0	0	\$7.34	N/A	\$7.34
W Mills County	467,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
Northeast	11,147,938	194,390	1.7%	109,416	109,416	0	0	N/A	\$7.18	\$7.18
Northwest	7,195,849	324,121	4.5%	60,739	60,739	74,837	33,300	\$8.29	\$6.54	\$7.50
E Pottawattamie County	1,485,386	0	0.0%	0	0	0	0	N/A	N/A	N/A
Harrison County	340,938	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,476,775	20,616	0.6%	0	0	0	0	N/A	N/A	N/A
Washington County	1,634,186	73,750	4.5%	-7,000	-7,000	930,000	0	N/A	\$3.50	\$3.50
OMAHA TOTALS	94,248,691	2,985,498	3.2%	363,397	363,397	4,183,719	176,864	\$8.66	\$5.73	\$6.53

*Rental rates reflect weighted net asking \$psf/year

OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6848 F St	South Central	Twin City Concrete	115,000	New Lease
14472 Gold Coast Rd	Sarpy West	Van Meter, Inc	75,000	New Lease
4444 S 94 th St	South Central	Fiserv	53,972	New Lease

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
10601 S 15 th St	Sarpy East	AIC Ventures/STAG Industrial	370,000	\$24,400,000/\$66
6119 N 16 th St	Northeast	Physicians Mutual Insurance Company/Hastings Family Holdings	92,971	\$1,875,000/\$20
4433 S 96 th St	South Central	Nebraska Property Partners/Martini Enterprises, LLC	69,131	\$4,265,500/\$62

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