

YoY Chg 12-Mo. Forecast

3.1%
Vacancy Rate



841K
Net Absorption, SF



\$6.53
Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

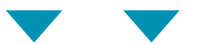
ECONOMIC INDICATORS Q3 2021

YoY Chg 12-Mo. Forecast

493K
Omaha Employment



2.7%
Omaha Unemployment Rate



5.2%
U.S. Unemployment Rate



Source: BLS

ECONOMY OVERVIEW: Job Seekers' Market

Nebraska's unemployment rate was the lowest in the country at 2.2% in the third quarter of 2021, down by 180 basis points (bps) year-over-year (YOY). During that same time-frame the Omaha MSA's unemployment rate decreased by 210 bps, resting at 2.7% at the close of third quarter. The local unemployment rate remains well below the national average, which is hovering around 5.2%. Part of the reason the unemployment rate is so low across the globe is that the labor force is smaller than it was pre-pandemic. Employers are struggling to fill open positions, which puts a strain on business owners, but may be favorable for employees. In order to fill positions, many companies are offering to train within, whereas pre-pandemic, applicants would have been required to hold a degree, certificate or have prior experience to be considered. It's definitely a job-seekers' market right now.

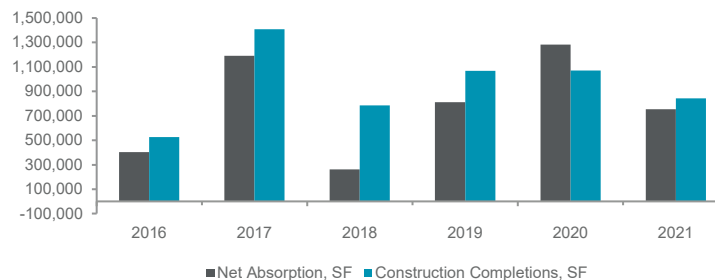
SUPPLY AND DEMAND: Warehouse Demand On The Rise

The Omaha industrial market absorbed nearly 841,000 square feet (sf) of vacant space in the third quarter of 2021, bringing year-to-date (YTD) absorption to 753,000 sf. The overall industrial vacancy rate decreased by 100 bps YOY, dropping to 3.1% at the end of third quarter. The majority of the positive absorption stemmed from tenants taking occupancy in new developments. New construction deliveries added nearly 843,000 sf to the industrial inventory in 2021, and only 3.1% of that space remains vacant. The Sarpy West submarket has seen the most activity throughout the year with 635,000 sf of positive absorption and is home to most of the new construction. Of the 748,000-sf delivered in Sarpy West in 2021, 97.8% of the space has already been occupied. Soaring warehouse demand continues to drive market absorption, and accounts for 89.0% of the positive absorption recorded in the third quarter. With one quarter remaining in the year, leasing activity has already surpassed leasing for all of 2020. There have been 164 new industrial leases signed YTD, compared to 2020, where only 142 new leases were signed throughout all four quarters.

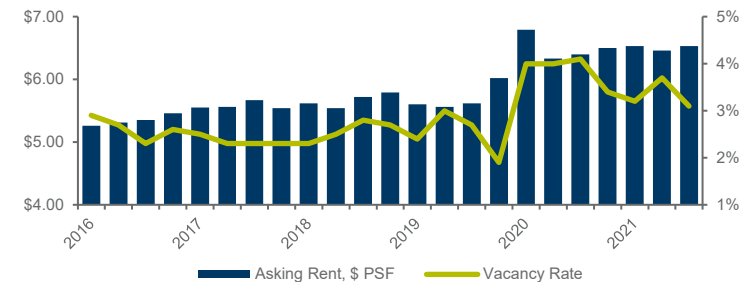
PRICING: Industrial Rents Climb, While Vacancies Drop

Demand from e-commerce continues to increase the need for more industrial space. Just 3.1% of the industrial inventory is vacant, which is putting upward pressure on rents. Average industrial rents increased by \$0.13 per square foot (psf) YOY, reaching \$6.53 at quarter's close. During the same timeframe, warehouse rents increased by \$0.20 psf and are expected to continue rising.

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)
Council Bluffs	2,969,203	99,034	3.3%	8,000	-8,000	12,000	270,000	N/A	N/A	N/A
Downtown Council Bluffs	3,531,232	35,765	1.0%	-5,349	-35,765	0	0	N/A	\$7.80	\$7.80
E Cass County	443,130	21,418	4.8%	-1,418	-1,418	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
E Pottawattamie County	1,485,386	0	0.0%	0	0	0	0	N/A	N/A	N/A
Harrison County	364,938	0	0.0%	0	0	0	0	N/A	N/A	N/A
Northeast Omaha	11,328,106	231,910	2.0%	0	106,178	0	0	N/A	\$7.44	\$7.44
Northwest Omaha	7,252,923	284,535	3.9%	78,281	93,963	217,617	274,337	\$9.37	\$8.18	\$8.61
Sarpy East	2,270,306	68,489	3.0%	-5,332	34,132	0	0	N/A	N/A	N/A
Sarpy West	18,879,122	390,780	2.1%	709,129	634,776	3,092,956	3,081,880	\$8.91	\$6.92	\$7.40
Saunders County	800,386	12,876	1.6%	-833	-3,003	0	13,000	N/A	\$7.62	\$7.62
South Central Omaha	21,716,665	1,184,864	5.5%	99,969	88,905	0	0	\$8.95	\$5.62	\$6.12
Southeast Omaha	9,147,130	183,074	2.0%	-47,447	-64,076	0	0	\$4.59	\$4.53	\$4.54
Southwest Omaha	9,446,822	294,081	3.1%	1,197	-75,725	0	0	\$9.11	\$5.75	\$8.03
W Cass County	483,173	49,000	10.1%	-2,400	-11,500	0	0	N/A	N/A	N/A
W Mills County	467,633	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	1,680,661	73,750	4.4%	7,164	-5,500	930,000	938,300	N/A	\$3.50	\$3.50
OMAHA TOTALS	95,815,741	2,950,192	3.1%	840,961	752,967	4,252,573	4,577,517	\$8.69	\$5.95	\$6.53

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

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

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9722 S 132 nd St	Sarpy West	Amazon	142,780	New Lease
914 N 18 th St	Northeast	Union Pacific Railroad	105,104	Renewal
3900 Dahlman Ave	Southeast	Eaton Omaha Power Center	82,450	Renewal

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Hi-Park Campus Bldgs A-H	South Central	Hannibal Properties, LLC/Fulton Development Group, LLC	142,252	\$11,413,000/\$80
10304 Crown Point Ave	Northwest	The Pinnacle Agency/10304 Crown Point, LLC	31,580	\$3,150,000/\$100
10708 S 149 th St	Sarpy West	SMP Properties, LLC/VB OpCo, LLC	27,000	\$1,500,000/\$56

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