

YoY Chg 12-Mo. Forecast

3.7%
Vacancy Rate



231K
Net Absorption, SF



\$6.54
Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

497K
Omaha
Employment



2.6%
Omaha
Unemployment Rate



3.6%
U.S.
Unemployment Rate



Source: BLS

ECONOMY OVERVIEW:

Omaha continues to see steady job growth into 2021. At the close of the first quarter, 7,500 jobs had been created year-over-year (YOY). During the same timespan local unemployment declined by 80 basis points (bps), resting at 2.6% in the first quarter. Though job creation and employment gains have slowed down, growth is steady. According to the Department of Economics at UNO, nonfarm employment growth is projected to average 1.1% per year between 2022 and 2025. Many people that left the workforce amid the pandemic have started returning. However, employers are still struggling to fill job openings. Due to tight labor conditions, employers are offering more competitive wages. As a result, Omaha's median household income increased by \$1,400 YOY, and currently averages \$70,800 per household.

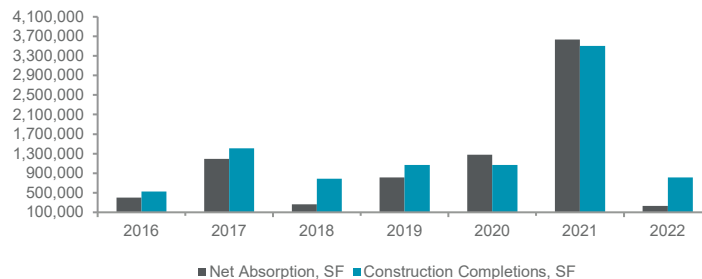
SUPPLY AND DEMAND:

Omaha's industrial market kicked 2022 off on a high note, recording its fourth consecutive quarter of positive absorption. Just over 230,000 square feet (sf) of positive absorption was recorded in the first quarter of 2022 and more than 3.8 million square feet (msf) has been absorbed since the first quarter of 2021. FedEx was the largest single occupier for the quarter, moving into its new 320,000 sf building in the Sarpy West submarket. Overall vacancy decreased by 270 bps YOY, ending the first quarter of 2022 at 3.7%. Seven new buildings were delivered, increasing the industrial inventory by nearly 813,000 sf. All but 141,000 sf of the new construction was claimed before completion. Another 5.3 msf of industrial product is currently in the pipeline and 86.0% of the space has already been spoken for. More than 4.5 msf of the new space is slated for delivery before year-end. Nearly all of these these properties were build-to-suit or have already been pre-leased. Consequently, we will likely see a large amount of positive absorption recorded throughout the remainder of the year. There has been approximately 3.8 msf of space demand since the beginning of the year.

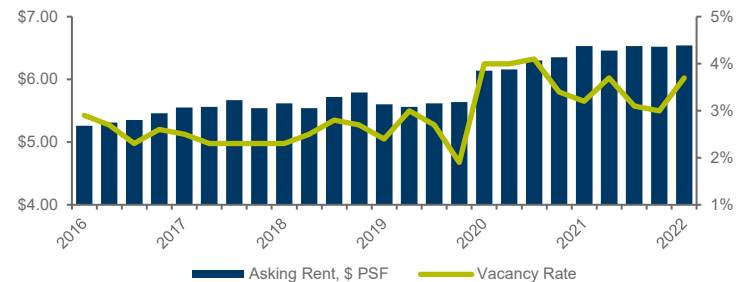
PRICING:

Industrial asking rents continue to increase, averaging \$6.54 per square foot (psf) at the end of the first quarter. Following the outbreak of COVID-19, e-commerce sales skyrocketed, while bricks-and-mortar sales declined. Retailers began to pivot their business models and expand their e-commerce presence. Demand for industrial space skyrocketed quickly and rent increases followed.

ABSORPTION/ 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	3,034,893	99,034	3.3%	6,000	6,000	270,000	6,000	N/A	N/A	N/A
Downtown Council Bluffs	3,410,048	36,605	1.1%	-5,000	-5,000	0	0	N/A	\$8.50	\$8.50
E Cass County	443,130	21,418	4.8%	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
E Pottawattamie County	1,493,711	250	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	11,139,310	216,595	1.9%	-14,625	-14,625	150,000	0	N/A	\$8.85	\$8.85
Northwest Omaha	7,451,092	457,515	6.1%	-176,274	-176,274	370,000	12,600	\$11.27	\$8.60	\$7.18
Sarpy East	2,270,306	58,489	2.6%	10,000	10,000	0	0	N/A	N/A	N/A
Sarpy West	22,248,173	919,019	4.1%	450,403	450,403	3,530,537	794,296	\$8.68	\$6.62	\$6.96
Saunders County	815,250	8,053	1.0%	0	0	5,000	0	N/A	N/A	N/A
South Central Omaha	21,611,486	1,290,184	6.0%	-116,671	-116,671	46,200	0	\$8.35	\$6.06	\$6.37
Southeast Omaha	9,178,150	252,788	2.8%	8,918	8,918	0	0	N/A	\$3.33	\$3.33
Southwest Omaha	9,459,412	171,394	1.8%	45,564	45,564	15,000	0	\$9.62	\$7.54	\$9.15
W Cass County	483,173	49,000	10.1%	0	0	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	3,513,575	11,513	0.3%	22,903	22,903	0	0	N/A	N/A	N/A
Washington County	1,680,361	81,314	4.8%	0	0	938,300	0	N/A	\$3.50	\$3.50
OMAHA TOTALS	99,136,791	3,673,171	3.7%	231,218	231,218	5,325,037	812,896	\$8.85	\$6.03	\$6.54

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

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

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9202 F St	South Central	Airlite	186,405	New Lease
9202 F St	South Central	Marianna	81,090	New Lease
8930 S 137 th Cir	Sarpy West	Charles D. Jones Company	32,000	New Lease

*Renewals included in leasing statistics

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KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER/DEVELOPER
11305 S 150 th Ave	Sarpy West	BTS	320,000	Scannell Properties/Scannell Properties
14865 Gold Coast Rd	Sarpy West	BTS	281,792	Google/HDR
14644 Rodina St	Sarpy West	SPEC	171,504	Maddad Land, LLC/Meyers Family

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