

YoY Chg 12-Mo. Forecast

**3.1%**  
Vacancy Rate



**3.3M**  
Net Absorption, SF



**\$6.99**  
Asking Rent, PSF



Overall, Net Asking Rent  
Data Source: Costar

### ECONOMIC INDICATORS Q2 2022

YoY Chg 12-Mo. Forecast

**502K**  
Omaha  
Employment



**2.2%**  
Omaha  
Unemployment Rate



**3.6%**  
U.S.  
Unemployment Rate



Source: BLS

### ECONOMY OVERVIEW:

Non-farm employment in the Omaha market has grown by 11,400 jobs over the past twelve months, while the unemployment rate decreased by 90 basis points (bps) during the same period. The local unemployment rate was 2.2% at the close of second quarter, and 140 bps below the national average. The combination of historically low unemployment and compressed labor force participation has put a strain on employers who are struggling to fill job openings. As the labor force continues to tighten, wages are increasing, driving the median household income up by 140 bps year-over-year (YOY). Omaha's median household income average is \$76,000, compared to the national average at \$70,500. Omaha's mining, logging, and construction sector experienced the most job growth, increasing by 6.8% year-over-year. According to CNBC, Nebraska is currently ranked seventh in the nation in top states for business.

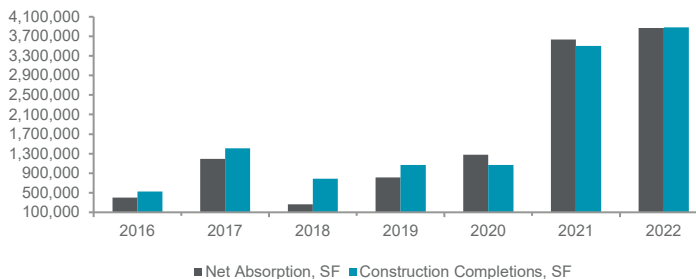
### SUPPLY AND DEMAND:

Omaha's industrial market is thriving in every aspect. More than 3.3 million square feet (msf) of industrial space was absorbed in the second quarter of 2022, bringing the total absorption to nearly 3.9 msf year-to-date. Omaha's central location makes it the ideal transportation hub, as businesses can quickly ship and distribute goods across the country. It is one of the many reasons industrial users are so attracted to the area. The overall vacancy decreased by 340 bps YOY, ending the second quarter at just 3.1%. Developers are racing to build industrial properties, but demand is so high that most new construction is claimed before the project breaks ground. Nearly 3.1 msf of industrial product was delivered in the second quarter, all of which was occupied upon completion. Another 2.2 msf of space is currently in the construction pipeline and 57.6% of the space has already been spoken for. The largest project delivered in the second quarter was Facebook's 2.6 msf data center. Facebook was also the largest occupier for the quarter, followed by GXO's lease for 301,320 sf.

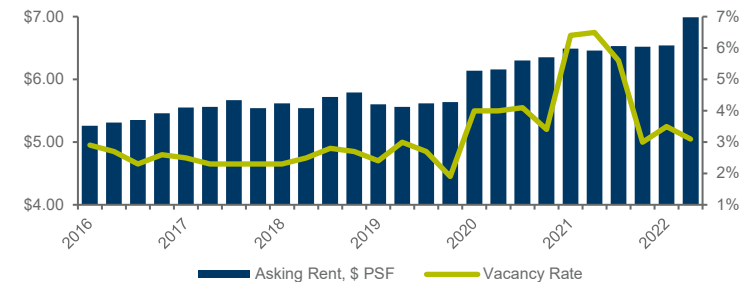
### PRICING:

Industrial asking rents continue to trend upward, increasing by 8.2% YOY, reaching \$6.99 per square foot (psf) at the end of second quarter. Over the last five years rent growth improved by 25.7%. The Omaha market has some of the highest industrial rents in the Midwest at \$6.99 psf, coming in second behind Minneapolis, with an average of \$7.37 psf. Flex properties have the highest asking rents in the market, averaging \$9.19 psf, while manufacturing space averages \$6.78 psf, and warehouse rents, average \$6.42 psf.

### 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 (FLX)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (TOTAL)
Council Bluffs	3,037,993	111,734	3.7%	-12,700	-6,700	270,000	0	N/A	\$10.95	\$10.95
Downtown Council Bluffs	3,413,953	60,081	1.8%	-23,476	-28,476	302,300	0	N/A	\$8.50	\$8.50
E Cass County	443,130	20,000	4.5%	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	1,497,98	11,962	0.8%	-11,712	-11,712	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	267,126	2.4%	-50,531	-65,156	150,000	0	N/A	\$6.96	\$5.96
Northwest Omaha	7,646,882	620,416	8.1%	-3,447	-197,359	4,000	141,816	\$10.37	\$6.50	\$7.06
Sarpy East	2,294,329	66,989	2.9%	-8,500	1,500	0	0	N/A	N/A	N/A
Sarpy West	25,212,994	514,935	2.0%	3,189,794	3,982,291	525,137	2,915,800	\$8.21	\$6.54	\$6.88
Saunders County	815,250	58,175	7.1%	833	8,833	5,000	0	N/A	N/A	N/A
South Central Omaha	21,511,051	998,603	4.6%	158,830	25,947	46,200	0	\$8.94	\$6.79	\$7.46
Southeast Omaha	9,178,868	195,748	2.1%	60,250	65,958	0	0	N/A	\$3.33	\$3.33
Southwest Omaha	9,487,569	141,703	1.5%	15,393	65,322	15,000	0	\$10.63	\$8.45	\$9.90
W Cass County	487,405	49,000	10.1%	0	0	0	0	N/A	\$6.95	\$6.95
W Mills County	467,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,528,532	11,513	0.3%	0	22,903	0	0	N/A	N/A	N/A
Washington County	1,688,661	81,314	4.8%	0	0	930,000	8,300	N/A	N/A	N/A
<b>OMAHA TOTALS</b>	<b>102,287,746</b>	<b>3,209,299</b>	<b>3.1%</b>	<b>3,316,152</b>	<b>3,864,769</b>	<b>2,247,637</b>	<b>3,065,916</b>	<b>\$9.19</b>	<b>\$6.42</b>	<b>\$6.99</b>

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

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

### KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
13576 Cornhusker Rd	Sarpy West	GXO	301,320	New Lease
11213 E Cir E Cir	South Central	FCC Trucking	61,440	New Lease
601 S 14 <sup>th</sup> St	Washington County	Elemental Scientific, Inc	51,750	New Lease

\*Renewals included in leasing statistics

#### DENNY SCISCOE

Director of Industrial Services

+1 402 548 4051/[denny.sciscoe@lundco.com](mailto:denny.sciscoe@lundco.com)

#### MISTY BELSHA

Business Analyst

+1 660 287 1135/[misty.belsha@lundco.com](mailto:misty.belsha@lundco.com)

### KEY CONSTRUCTION COMPLETIONS Q2 2022

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER/DEVELOPER
14734 Friend Plz	Sarpy West	BTS	2,600,000	Raven Northbrook, LLC/Sarpy County Economic Development Corp
14910 Gold Coast Rd	Sarpy West	SPEC	260,000	R&R Realty Group/R&R Realty Group
8376 N 72nd St	Northwest Omaha	BTS	141,816	Scannell Properties, LLC/SFG STPK LM Omaha, LLC

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