

YoY Chg 12-Mo. Forecast

2.2%
Vacancy Rate



197K
Net Absorption, SF



\$7.07
Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q4 2022

YoY Chg 12-Mo. Forecast

505K
Omaha Employment



2.7%
Omaha Unemployment Rate



3.7%
U.S. Unemployment Rate



Source: BLS

ECONOMY OVERVIEW:

Despite a slowing economy and tight labor market, Omaha continues to see job growth. There were 13,700 non-farm payroll positions added year-over-year (YOY) at the close of 2022. During the same period, the local unemployment rate decreased by 10 basis points (bps), resting at 2.7% at the end of the fourth quarter. Omaha's jobless rate is still one of the lowest in the nation and is 100 bps below the national average of 3.7%. Omaha's median household income increased by \$3,300 throughout 2022, compared to the national average increase of \$2,800. Despite the wage increases, inflation has most American's feeling a financial pinch, as the cost of living increased in nearly every aspect. As inflation continues to rise, consumers have started tightening the reins on spending, as they've had to devote more of their budget to necessities such as groceries, rent and energy. While some economists are predicting a recession in 2023, others only expect a slowdown and predict inflation will ease.

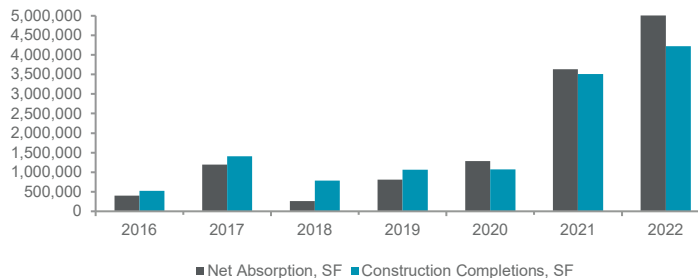
SUPPLY AND DEMAND:

Omaha's industrial market broke records for both positive absorption and construction deliveries in 2022. The market posted 197,421 square feet (sf) of absorption in the fourth quarter, bringing the year-to-date absorption total to 5,159,277 sf. In addition, construction on four new buildings totaling 305,300 sf was finalized in the last quarter of the year, all of which were fully leased before construction completion. A total of 22 buildings were delivered throughout the year, adding 4,223,112 sf of new space to the industrial inventory. Absorption totals throughout the year were fueled by tenants taking occupancy within new construction. Overall vacancy dropped by 80 basis (bps) YOY, ending the year at just 2.2%. The vacancy rate isn't likely to increase much anytime soon, as demand should continue to outpace supply. The largest occupier for the quarter was Ford Storage, taking 150,280 sf of space in the Sarpy west submarket. The tenant also occupied 142,600 sf of space in the Northwest Omaha submarket.

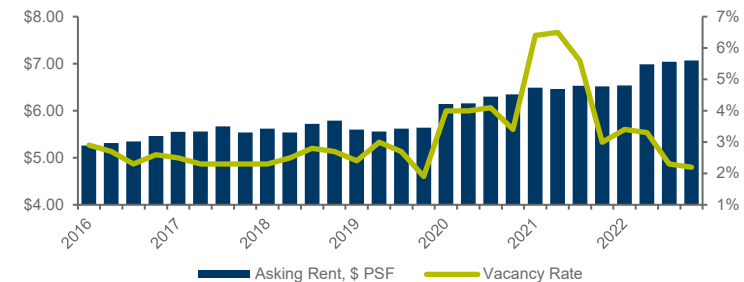
PRICING:

Industrial rent growth continued to accelerate at a steady pace. Overall asking rents reached \$7.07 per square foot (psf) at the close of 2022, increasing by 8.4% YOY and by 25.4% over the last three years. As long as demand remains high, rents are projected to increase further. Once supply catches up with demand, rent growth will likely begin to moderate.

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	3,334,496	125,974	3.8%	5,100	267,300	0	270,000	N/A	\$9.85	\$9.85
Downtown Council Bluffs	3,409,409	78,835	2.3%	-42,810	-47,230	302,300	0	N/A	\$6.88	\$6.88
E Cass County	1,497,098	0	0.0%	11,962	250	0	0	N/A	N/A	N/A
E Mills County	443,130	20,000	4.5%	0	1,418	0	0	N/A	N/A	N/A
E Pottawattamie County	72,150	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	11,170,641	225,744	2.0%	-11,469	-23,774	150,000	0	N/A	\$6.59	\$6.59
Northwest Omaha	7,747,749	470,237	6.1%	23,537	-2,808	74,320	0	N/A	\$7.95	\$7.45
Sarpy East	2,301,500	75,899	3.3%	-10,410	-7,410	0	0	\$10.00	N/A	\$10.00
Sarpy West	25,228,819	299,424	1.2%	169,005	4,234,882	1,024,802	24,800	\$8.20	\$7.17	\$7.25
Saunders County	820,250	58,215	7.1%	0	5,793	0	0	N/A	N/A	N/A
South Central Omaha	21,791,144	495,310	2.3%	63,804	539,740	35,700	10,500	\$8.69	\$6.32	\$6.75
Southeast Omaha	9,304,600	170,230	1.8%	660	91,476	0	0	N/A	\$3.94	\$3.94
Southwest Omaha	9,508,841	161,900	1.7%	-445	36,987	0	0	\$9.51	\$8.26	\$9.01
W Cass County	487,405	61,000	12.5%	0	-12,000	0	0	N/A	N/A	\$8.41
W Mills County	490,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,528,653	11,513	0.3%	-11,513	22,903	0	0	N/A	N/A	N/A
Washington County	1,715,714	29,564	1.7%	0	51,770	930,000	0	N/A	N/A	\$3.50
OMAHA TOTALS	103,217,170	2,283,845	2.2%	197,421	5,159,277	2,517,122	305,300	\$9.19	\$6.58	\$7.07

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

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

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9009 S 135 th St	Sarpy West	UPS	165,052	New
River Rd & Nebraska Ave	Downtown Council Bluffs	Packaging Corporation of America	163,699	New
14910 Gold Coast Rd	Sarpy West	Ford Storage and Logistics	150,280	New

*Renewals included in leasing statistics

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KEY CONSTRUCTION COMPLETIONS Q4 2022

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
3860 S 24 th St	Council Bluffs	BTS	270,000	Amazon
14173 220 th St	Sarpy West	BTS	16,800	Neil & Steve Real Estate, LLC

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