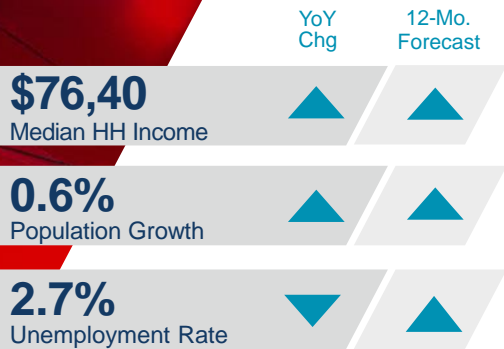


OMAHA

Retail Q4 2022

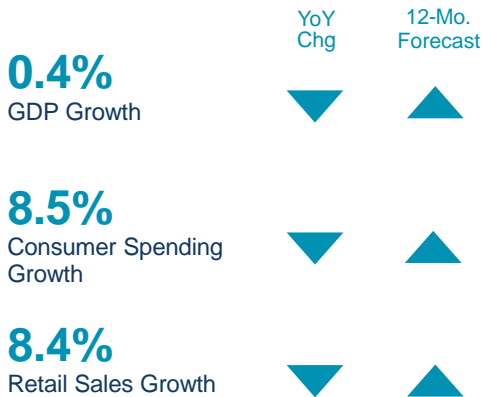
CUSHMAN & WAKEFIELD

LUND COMPANY



Source: BLS, BOC, Moody's Analytics
Data Source: Costar

U.S. ECONOMIC INDICATORS Q4 2022



2022Q4 data are based on latest available data.
Growth rates are year-over-year

ECONOMY:

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 time frame 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.

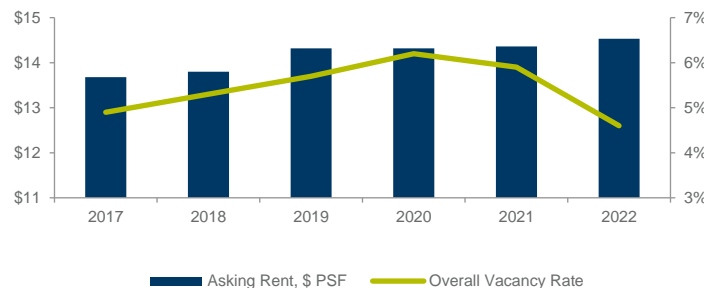
SUPPLY AND DEMAND:

Omaha's retail market recorded 350,931 square feet (sf) of positive absorption in the fourth quarter, bringing the year-to-date (YTD) absorption total to 1,011,060 sf. Throughout 2022 there were thirty-four buildings delivered, increasing the retail inventory by 379,733 sf. At the close of the year, more than 86.0% of the new construction was occupied. While there were sizable deals inked throughout the year, just over 85.0% of the new leases signed were under 5,000 sf. Many of the leases were signed by non-traditional retail tenants such as gyms, medical offices and health & wellness type tenants. Overall vacancy declined by 130 bps YOY, ending the year at 4.6%. This is the lowest vacancy rate the market has seen since 2015, when it was 4.7%. Over the last few years, retail vacancy has been on a steady decline due to property conversions and redevelopments. Though many of these properties still contain a retail component, most of them are updated to include additional uses such as adding upper-level apartments or office space. The largest single occupier for the fourth quarter was Floor & Décor, taking 79,208 sf of newly delivered space in the Central Omaha submarket.

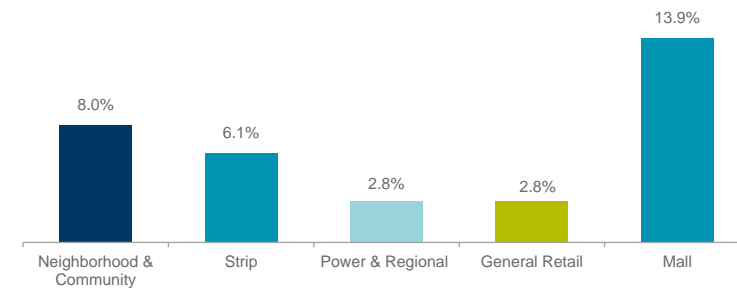
PRICING:

Retail vacancy continues to trend downward, which is slowly pushing asking rents upward. At the close of 2022, local asking rents were reported at \$14.53 per square foot (psf), increasing by \$0.17 psf YOY. The Sarpy West submarket fetched the highest asking rents at \$20.53 psf. Sarpy is the fastest growing county in the state and has a flurry of new construction from all uses, popping up. Retail space in the area is in high demand and tenants are willing to pay more for the prime location.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



OMAHA

Retail Q4 2022



	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Central Omaha	7,697,719	0	548,547	7.1%	101,435	112,752	30,561	\$11.95
Council Bluffs	5,762,997	0	82,435	1.4%	49,692	102,720	0	\$8.21
Downtown Council Bluffs	1,886,240	0	74,873	4.0%	-4,340	15,008	0	\$10.45
Downtown Omaha	2,539,679	2,318	86,312	3.5%	-17,001	-21,736	0	\$18.84
E Cass County	836,926	0	26,350	3.1%	3,754	-8,000	0	\$15.47
E Mills County	142,712	0	0	0.0%	0	0	0	N/A
E Pottawattamie County	484,981	0	0	0.0%	-1,308	-1,308	0	N/A
Harrison County	666,803	0	0	0.0%	0	15,188	0	N/A
North Central Omaha	3,453,854	12,983	282,090	8.5%	7,111	46,494	0	\$10.83
Northeast Omaha	3,190,909	0	44,077	1.4%	-3,797	-6,501	0	\$15.46
Northwest Omaha	4,743,519	33,937	185,180	4.6%	26,059	91,056	46,274	\$16.75
Sarpy East	7,105,640	0	355,541	5.0%	970	74,237	0	\$17.12
Sarpy West	1,140,894	0	48,520	4.3%	2,647	43,830	42,305	\$20.53
Saunders County	933,034	0	0	0.0%	0	17,977	0	N/A
South Central Omaha	2,035,918	8,868	55,851	3.2%	15,205	16,139	3,000	\$12.26
Southeast Omaha	3,602,487	0	36,865	1.0%	-11,666	17,607	6,992	\$12.37
Southwest Omaha	12,345,800	51,818	864,755	7.4%	151,672	402,799	242,074	\$13.93
W Cass County	360,582	0	0	0.0%	5,150	5,150	0	N/A
W Mills County	520,574	0	0	0.0%	0	0	0	N/A
W Pottawattamie County	227,848	0	0	0.0%	0	10,640	0	N/A
Washington County	1,019,804	0	26,363	2.6%	1,312	30,180	0	\$13.31
West Dodge Corridor	3,472,431	0	143,628	4.1%	24,036	46,828	8,000	\$19.36
OMAHA TOTALS	64,171,351	109,924	2,861,387	4.6%	350,931	1,011,060	379,206	\$14.53

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
17150-17420 Lakeside Hills Plz	Southwest Omaha	Spare Time Entertainment	50,000	New Lease
3201-3505 L St	Southeast Omaha	Goodwill	37,839	New Lease
770 N 114 th St	West Dodge Corridor	Nebraska Medicine	35,000	New Lease

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE/PSF
Pepperwood Village	West Dodge Corridor	Pepperwood Village, LLC/Woodsonia Applewood, LLC	264,983	\$26,756,000/\$101
Applewood Centre	South Central Omaha	Woodsonia Real Estate, Inc/Portland Fixture Limited Partnership	112,005	\$17,200,000/\$154

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