

YoY Chg 12-Mo. Forecast

2.6%
Vacancy Rate



1.4M
Net Absorption, SF



\$7.24
Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q1 2023

YoY Chg 12-Mo. Forecast

503.3K
Omaha
Employment



2.7%
Omaha
Unemployment Rate



3.5%
U.S.
Unemployment Rate



Source: BLS

ECONOMY OVERVIEW:

Omaha added 4,600 non-farm payroll positions year-over-year (YOY), with employment reaching 503,300 at the close of first quarter 2023. During the same timeframe, the local unemployment rate increased by 20 basis points (bps), hitting 2.7%. Omaha's unemployment rate is slightly higher than Nebraska's, which is 2.2%, and remains one of the lowest in the country. The mining, logging and construction sector registered the strongest job growth, up 5.2% YOY. The financial activities sector posted the largest job losses, down 4.4%. Median household income reached \$75,700, increasing by \$1,100 YOY. Though many economists are predicting a national recession later in the year, the Omaha market is expected to remain stable.

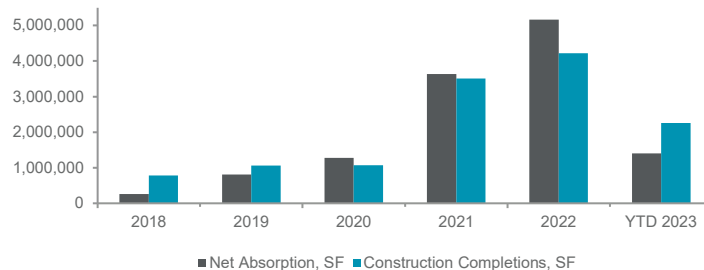
SUPPLY AND DEMAND:

The Omaha industrial sector kicked 2023 off with another strong performance, recording more than 1.4 million square feet (msf) of absorption. Much of the absorption can be attributed to tenants moving into new construction. Over 2.2 msf of industrial product was delivered in the first quarter, with 67.0% of the new inventory being pre-leased before completion. The largest single occupant for the quarter was Dollar General, occupying its new 930,000-sf distribution center, located in the Washington County submarket. The new distribution center is expected to create approximately 400 jobs and support more than 1,500 stores in the Midwest. There are currently another twelve buildings in the construction pipeline, totaling almost 2.0 msf. Half of those properties are BTS and the other half are SPEC. Overall vacancy declined by 80 basis points bps YOY, closing the quarter at 2.6%. The overall vacancy rate may fluctuate throughout the rest of the year, as vacant space within new construction hits the inventory. However, Omaha's vacancy rate is expected to remain under the 3.0% mark.

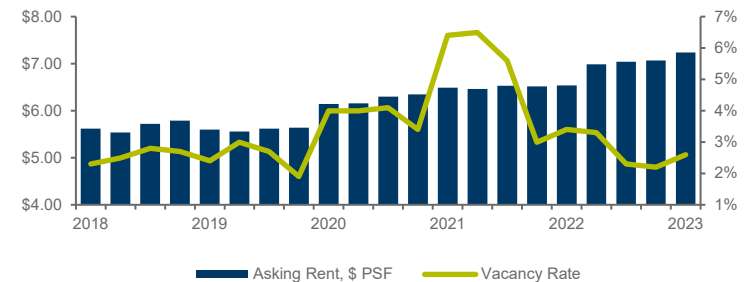
PRICING:

Omaha's industrial market yielded sizable rent growth in the first quarter of 2023. Overall asking rents increased by 10.7% YOY, closing Q1 at \$7.24 per square foot (psf). Flex properties continued to demand the highest asking rent in the market, averaging \$9.92 psf. Tight supply and high demand continued to be the major drivers of rent growth. With less than 3.0% of the inventory vacant, and the brunt of new construction being spoken for before completion, rent growth within the market will surely persist in the foreseeable future.

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	116,374	3.5%	0	0	19,800	0	N/A	\$9.85	\$9.85
Downtown Council Bluffs	3,723,533	217,484	5.8%	2,818	2,818	236,348	302,348	N/A	\$6.61	\$6.61
E Cass County	443,130	20,000	4.5%	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	1,491,098	0	0.0%	0	0	0	0	N/A	\$4.00	\$4.00
Harrison County	364,938	0	0.0%	0	0	0	0	N/A	N/A	N/A
Northeast Omaha	11,142,636	243,971	2.2%	3,164	3,164	150,000	0	\$9.00	\$5.75	\$6.26
Northwest Omaha	7,777,233	245,827	3.2%	33,230	33,230	66,400	7,920	N/A	\$8.49	\$8.49
Sarpy East	2,301,500	78,299	3.4%	-2,400	-2,400	0	0	N/A	N/A	N/A
Sarpy West	26,251,972	846,424	3.2%	445,629	445,629	685,501	1,015,914	\$9.57	\$7.10	\$7.23
Saunders County	820,250	65,015	7.9%	-6,800	-6,800	0	0	N/A	N/A	N/A
South Central Omaha	21,600,977	484,214	2.2%	14,406	14,406	35,700	3,000	\$10.00	\$6.66	\$7.15
Southeast Omaha	9,395,358	177,353	1.9%	-6,789	-6,789	0	0	N/A	\$7.24	\$7.24
Southwest Omaha	9,496,709	168,462	1.8%	-6,562	-6,562	0	0	\$10.36	\$7.95	\$10.13
W Cass County	487,405	61,000	12.5%	0	0	0	0	N/A	N/A	N/A
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%	0	0	0	0	N/A	N/A	N/A
Washington County	2,673,244	31,564	1.2%	928,000	928,000	0	930,000	N/A	N/A	N/A
OMAHA TOTALS	105,395,915	2,767,500	2.6%	1,404,696	1,404,696	1,193,749	2,259,182	\$9.92	\$6.99	\$7.24

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

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

KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9995 I St	South Central Omaha	Nebraska Warehousing	54,000	New
4421 S 76 th Cir	South Central Omaha	Bish's RV, Inc	37,870	New
9301-9321 J St	South Central Omaha	Grimco	24,850	Renewal

*Renewals included in leasing statistics

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KEY CONSTRUCTION COMPLETIONS Q1 2023

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
1200 S 10 th St	Washington County	BTS	930,000	Dollar General Corporation
9009 S 135 th St	Sarpy West	SPEC	313,281	Logistics Hub 6, LLC

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