



YoY Chg 12-Mo. Forecast

11.9%
Vacancy Rate



184K
Net Absorption, SF



\$26.56
Asking Rent, PSF



(Overall, All Property Classes)

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

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 experienced the most job growth, up 5.2% YOY. The financial activities sector had the most job loss, 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.

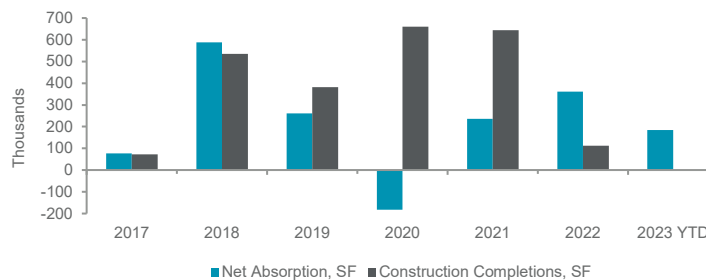
MARKET OVERVIEW

The Omaha office market started 2023 off on a high note, recording 183,921 square feet (sf) of positive absorption. Overall vacancy fell to 11.9%, decreasing by 110 bps, YOY. Office construction has slowed. As a result, the amount of new vacancy coming online has decreased, causing the vacancy rate to shrink. There were no buildings delivered in the first quarter. A single building at 1501 Mike Fahey St, totaling 119,335 sf is currently in the construction pipeline. The property is an all new, mass timber building and is estimated to be completed midway through the year. Fusion Medical Staffing was the largest single occupier for the quarter, signing a long-term lease for 115,545-sf at the Waterford building. This is also the largest office deal inked since the beginning of the pandemic. Nearly 55,000 sf of sublease space was absorbed in the first quarter. Young, Gregg, Automotive Group, Inc had the largest sublease, taking 19,400 sf at 18135 Burke St. The Suburban West Dodge submarket experienced the most activity, recording a total of 137,396 sf of positive absorption.

PRICING

Class A asking rents continued to trend upward, closing the first quarter at \$32.46 per square foot (psf), up \$0.96 psf YOY. Overall asking rents climbed to \$26.56 psf in Q1, increasing by \$1.08 psf YOY. While both class A and B properties enjoyed positive rent growth, Class C property rent declined by \$0.38 psf YOY, and currently averages \$18.29 psf. The Suburban West Dodge submarket had the highest asking rent, at \$ 32.50 psf, while the Central Business District (CBD) submarket came in second place, with rents \$30.62 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER \$30.62CNSTR (\$\$30.17F)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Central Dodge	1,817,111	9,167	298,198	16.9%	-3,870	-3,870	4,075	0	\$26.01	\$28.99
Downtown Omaha	2,839,932	0	295,741	10.4%	-16,839	-16,839	9,850	119,335	\$30.62	\$31.07
Midtown Omaha	2,233,106	1,863	207,416	9.4%	57,411	57,411	5,393	0	\$30.17	\$36.61
Miracle Hills	717,414	24,984	99,685	17.4%	11,031	11,031	16,214	0	\$27.09	\$27.95
Northeast Omaha	60,962	0	43,640	71.6%	0	0	11,000	0	\$21.75	N/A
Northwest Omaha	1,664,973	18,914	260,007	16.8%	7,359	7,359	9,927	0	\$21.14	N/A
Old Mill	1,207,656	3,195	181,346	15.3%	-2,447	-2,447	8,556	0	\$24.17	N/A
Regency	743,543	0	83,555	11.2%	-13,318	-13,318	4,618	0	\$24.88	\$27.62
South Central	1,148,750	36,827	109,382	12.7%	3,048	3,048	0	0	\$21.11	N/A
Southeast Omaha	603,397	0	84,253	14.0%	-11,490	-11,490	3,050	0	\$23.07	\$25.29
Southwest Omaha	2,554,867	44,978	134,828	7.0%	15,640	15,640	65,763	0	\$23.36	\$31.87
Suburban West Dodge	3,580,727	32,898	315,788	9.7%	137,396	137,396	43,609	0	\$32.50	\$33.63
OMAHA TOTALS	19,172,438	172,826	2,113,839	11.9%	183,921	183,921	182,025	119,335	\$26.56	\$32.46

*Rental rates reflect full service asking

**Data Source: Costar

KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
18881 W Dodge Rd	Suburban West Dodge	Fusion Medical Staffing, LLC	115,545	New Lease
11650 Miracle Hills Dr	Miracle Hills	DMSI	62,146	New Lease
17002 Marcy St	Suburban West Dodge	CrossMed Healthcare	23,626	New Lease
13333 California St	Suburban West Dodge	Bridges Trust	17,774	Expansion

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q1 2023

PROPERTY	SUBMARKET	BUILDING CLASS	SF	TYPE
1501 Mike Fahey St	Downtown Omaha	A	119,335	SPEC

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