

YoY Chg 12-Mo. Forecast

**2.5%**

Vacancy Rate



**241K**

Net Absorption, SF



**\$7.32**

Asking Rent, PSF



Overall, Net Asking Rent  
Data Source: Costar

### ECONOMIC INDICATORS Q2 2023

YoY Chg 12-Mo. Forecast

**506.3K**

Omaha Employment



**2.2%**

Omaha Unemployment Rate



**3.6%**

U.S. Unemployment Rate



Source: BLS

### ECONOMY OVERVIEW:

Despite the many challenges the U.S. economy is facing, the Omaha market continues to experience positive economic growth. During the twelve-month period ending in the second quarter of 2023, there were 7,900 non-farm payroll positions added. Omaha continues to have one of the lowest unemployment rates in the nation, currently sitting at 2.2%. The local unemployment rate peaked in the fourth quarter of 2022, hitting 3.0%. Omaha's unemployment rate has been under the 3.0% mark for the past six consecutive months. According to the Midland Business Journal's Omaha Grow report, "The Greater Omaha Chamber economic development team has seen significant interest in the area, landing projects worth over \$2 billion in capital investment in 2022 and managing a pipeline of potential projects of over \$18 billion".

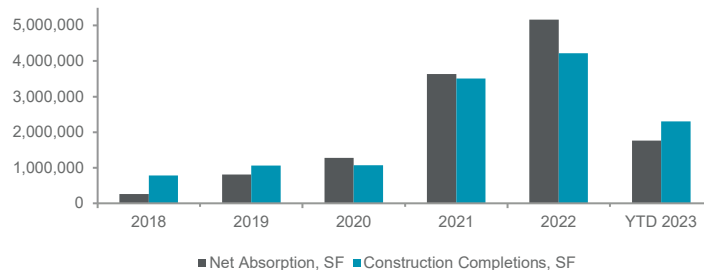
### SUPPLY AND DEMAND:

Omaha's industrial market recorded 241,171 square feet (sf) of positive absorption in the second quarter of the year, bringing the total to 1.8 million square feet (msf) of positive absorption, year-to-date (YTD). Overall vacancy dropped by 60 basis points (bps) year-over-year (YOY) to 2.5%, at the close of the second quarter in 2023. Developers are working hard to increase industrial supply, but space is often spoken for before the project breaks ground. There were two construction deliveries for the quarter, including a 30,600-sf speculative warehouse, located in the Northwest Omaha submarket and a 17,500-sf, built-to-suit (BTS) flex building, located in the Sarpy West submarket. Another 19 projects, totaling nearly 3.9 million square feet (msf) are currently in the construction pipeline. Almost half of those new projects will rise in the Sarpy West submarket, which continues to be one of the fastest growing counties in Nebraska.

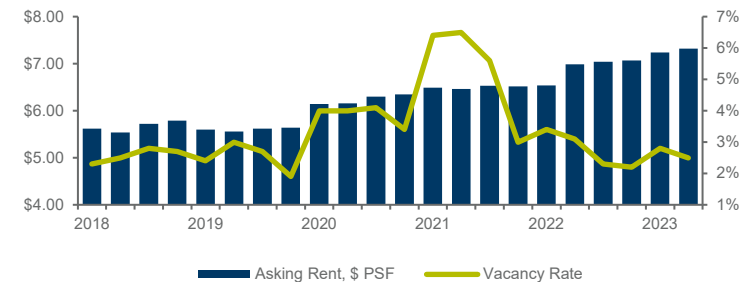
### PRICING:

Average asking rents in Omaha's industrial market continue to trend upward. Overall industrial asking rents were recorded at \$7.32 per square foot (psf) in the second quarter of 2023, increasing by 4.7%, YOY. Over the last three years overall asking rents surged by 18.8%, and by 32.1% over the last five years. Flex properties retrieved the highest rents in the market, averaging \$10.30 psf, followed by warehouse/distribution at \$6.91, and manufacturing at \$6.69. Strong demand and tight supply are driving rent growth. Until supply catches up with demand, Omaha's industrial market can expect to see strong price growth.

### 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	3,335,649	129,574	3.9%	-13,200	-13,200	0	0	\$7.95	\$9.85	\$9.09
Downtown Council Bluffs	3,724,672	207,135	5.6%	10,349	176,866	236,348	0	N/A	\$6.61	\$6.61
E Cass County	443,787	23,248	5.2%	-3,248	-3,248	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	11,098,862	204,844	1.8%	-6,122	21,531	352,000	0	N/A	\$10.01	\$10.01
Northwest Omaha	7,928,619	254,495	3.2%	30,513	63,162	2,235,800	30,600	\$11.95	\$9.97	\$9.97
Sarpy East	2,301,500	68,149	3.0%	9,200	7,750	0	0	N/A	N/A	N/A
Sarpy West	26,274,575	772,204	2.9%	159,518	498,807	1,011,871	17,500	\$8.71	\$6.71	\$6.78
Saunders County	812,250	58,215	7.2%	0	0	0	0	N/A	N/A	N/A
South Central Omaha	21,737,911	542,301	2.5%	114,642	127,559	0	0	\$11.07	\$7.95	\$8.02
Southeast Omaha	9,437,554	223,648	2.4%	-34,095	-53,084	0	0	N/A	N/A	N/A
Southwest Omaha	9,427,330	68,995	0.7%	-3,454	28,582	0	0	N/A	N/A	N/A
W Cass County	487,405	61,000	12.5%	0	0	24,000	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	3,533,261	0	0.0%	0	0	19,800	0	N/A	N/A	N/A
Washington County	2,643,523	54,496	2.1%	-22,932	905,068	0	0	N/A	N/A	N/A
<b>OMAHA TOTALS</b>	<b>105,605,717</b>	<b>2,668,304</b>	<b>2.5%</b>	<b>241,171</b>	<b>1,759,793</b>	<b>3,879,819</b>	<b>48,100</b>	<b>\$10.30</b>	<b>\$6.91</b>	<b>\$7.32</b>

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

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

### KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6363 John J. Pershing Dr	Northeast Omaha	Chep, USA	80,000	Renewal
10025 I St	South Central Omaha	Everlasting Cabinetry	54,000	New Lease
2101 35 <sup>th</sup> St	Downtown Council Bluffs	Meristem Crop Performance	42,810	New Lease

\*Renewals included in leasing statistics

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### KEY CONSTRUCTION COMPLETIONS Q2 2023

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
8635 Whitmore Cir	Northwest Omaha	BTS	30,600	Omaha Industries, Inc
20005 Husker Dr	Sarpy West	SPEC	17,500	Titanium Properties, LLC

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