



	YoY Chg	12-Mo. Forecast
12.6% Vacancy Rate	▲	■
35K Net Absorption, SF	▼	▼
\$25.96 Asking Rent, PSF	▲	■

(Overall, All Property Classes)

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

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".

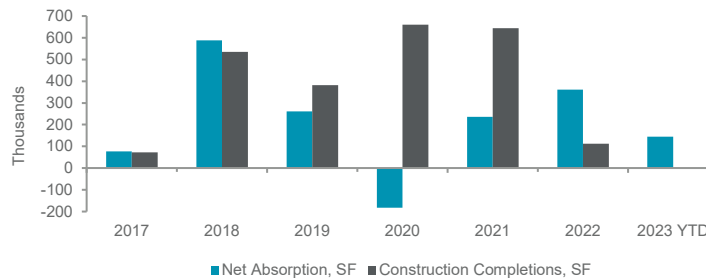
MARKET OVERVIEW

Omaha's office market posted 35,489 square feet (sf) of positive absorption in the second quarter of 2023, for a total of 144,417 sf of positive absorption year-to-date (YTD). In years past, a large portion of Omaha's office absorption spurred from tenants taking occupancy in new construction. However, new office construction has slowed immensely due to a combination of inflation, economic uncertainty, and increased material costs. While the market continues to record positive absorption, it is less than the market is accustomed to seeing. There were no construction deliveries in the first half of 2023. The Builders District property is under construction in the Downtown Omaha submarket and slated for completion by mid-2024. There are a few additional office properties in the construction pipeline, that aren't reflected in the data, as owner-occupant buildings are not included in our office reporting. Notable owner-occupant properties under construction include, Community Alliance's new 120,000-sf building at 7171 Mercy Rd, Mutual of Omaha's new 800,000-sf headquarters building at 215 S 15th St, Applied Underwriter's 287,804-sf building at 144th & Pacific, and a 43,000-sf speculative, office/flex building at 11446 Valley Ridge Dr.

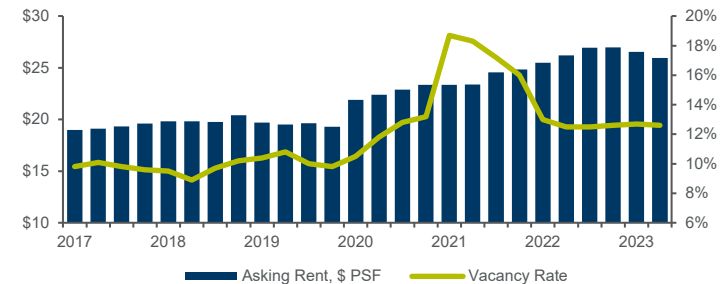
PRICING

Average asking rents dropped by 90 basis points (bps) year-over-year (YOY), closing the second quarter of 2023 at \$25.96 per square foot (psf). The rent decrease is not caused by weakening market conditions and does not tell the full story. The rental rate data is extracted from lease listings that show an availability. Once a space has been leased, the asking rent for that space no longer calculates into the overall rent. The rent decrease can be attributed to properties with prime asking rents (typically Class A) being taken off the market, once leased. Overall vacancy in Class A office properties decreased by 90 bps YOY, while nearly all positive absorption in 2023 has occurred in Class A buildings. Class A properties also fetch the highest rents, which was recorded at \$32.59 psf in Q2 2023.

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 CNSTR	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Central Dodge	1,817,766	12,529	297,561	17.1%	-5,357	-5,438	11,559	0	\$25.28	\$28.67
Downtown Omaha	2,839,932	0	381,143	13.4%	8,560	9,511	18,275	119,335	\$27.06	\$31.58
Midtown Omaha	2,233,106	0	197,546	8.8%	11,733	8,952	65,727	0	\$29.75	\$37.21
Miracle Hills	717,414	32,533	99,878	18.5%	-7,742	-2,184	28,151	0	\$26.68	\$30.42
Northeast Omaha	60,962	0	43,640	71.6%	0	0	11,000	0	\$21.75	N/A
Northwest Omaha	1,664,973	18,873	286,017	18.3%	-25,969	-18,610	23,182	0	\$21.50	N/A
Old Mill	1,147,656	3,195	165,167	14.7%	-1,872	1,642	25,464	0	\$24.31	N/A
Regency	734,156	0	98,227	13.4%	-13,944	-12,843	8,060	0	\$25.26	\$30.54
South Central	1,150,344	5,000	117,280	10.6%	23,929	23,445	17,435	0	\$19.09	N/A
Southeast Omaha	608,605	0	82,751	13.6%	1,502	0	23,052	0	\$20.75	\$25.29
Southwest Omaha	2,553,258	44,978	130,789	6.9%	10,137	22,861	193,245	0	\$23.59	\$33.36
Suburban West Dodge	3,579,550	49,014	333,565	10.7%	34,512	117,081	330,313	0	\$31.90	\$33.44
OMAHA TOTALS	19,107,722	166,122	2,233,564	12.6%	35,489	144,417	468,729	119,335	\$25.96	\$32.59

*Rental rates reflect full service asking

Note: Data Source: Costar

KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
18010-18020 Burt St	Suburban West Dodge	Primetime Healthcare	101,238	New Lease
1919 Aksarben Dr	Midtown Omaha	IPG	58,532	Sublease
16910 Marcy St	Suburban West Dodge	Associates in Women's Health, LLC	18,669	New Lease
14301 FNB Pkwy	Suburban West Dodge	Sirius Computer Solutions	18,109	Renewal

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q2 2023

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

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