

YoY Chg 12-Mo. Forecast

2.4%
Vacancy Rate



181K
Net Absorption, SF



\$7.60
Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q3 2023

YoY Chg 12-Mo. Forecast

509.4K
Omaha Employment



2.2%
Omaha Unemployment Rate



3.7%
U.S. Unemployment Rate



Source: BLS

ECONOMY OVERVIEW:

The Omaha MSA (metropolitan statistical area) continues to experience positive economic growth, despite the the many challenges the U.S. economy is facing. Though job creation was expected to decline in the third quarter of 2023, the local market experienced positive-growth, adding 7,300 positions year-over-year (YOY). During the same timeframe, Omaha’s unemployment rate decreased by 60 basis points (bps). The national economy isn’t fairing quite as well, only adding 2,994 jobs during the same period. The U.S. also saw a slight uptick in the average unemployment rate and was recorded at 3.7% in the third quarter of 2023. The Omaha market tied with the Madison MSA (Wisconsin) for the lowest unemployment rate in the Midwest, and was recorded at 2.2%, at quarter-close. The local median household income was recorded at \$76,000 per year at the end of Q3, an increase of 2.2%,YOY. As a comparison, Omaha’s median household income average is approximately \$2,500 higher than the U.S. average at \$73,500.

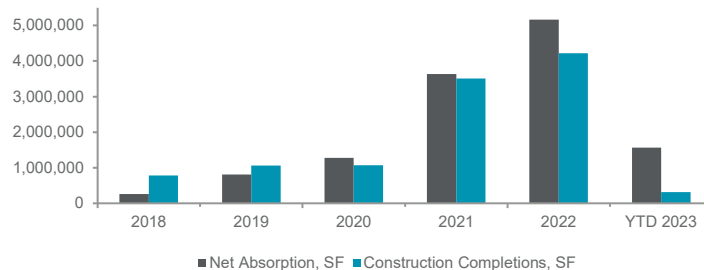
SUPPLY AND DEMAND:

Four new properties totaling 319,256 square feet (sf) were delivered in the third quarter of 2023, bringing Omaha’s industrial market inventory to 104,755,781 sf. High-demand for new construction is driving local industrial absorption. Over the last five years, Omaha’s industrial inventory has grown by 12.0%. The market recorded 180,807 sf of positive absorption in the third quarter of the year, bringing the total absorption to nearly 1.6 million square feet (msf) year-to-date (YTD).The majority of positive absorption in 2023 stems from tenants moving into new construction. The overall vacancy rate was recorded at 2.4%, increasing by 10 basis points (bps) year-over-year (YOY). The Sarpy West submarket experienced the most activity for the quarter, recording 170,017 sf of absorption. TryHard Logistics was the largest single occupant for the quarter, moving into 165,052 sf in the Sarpy West submarket.

PRICING:

Tight supply coupled with high demand, continues to drive industrial rents. Rent growth is up by nearly 8.0% YOY, landing at \$7.60 psf at quarter-close. Though the market is expected to see rents rise into 2024, rent growth may begin to slow until the national economy begins to improve. The Northwest submarket recorded the highest industrial rents in the market, reaching \$11.31 psf in Q3 2023. The Southwest submarket comes in second place, with rents averaging \$9.62 psf. Flex properties continue to fetch the highest industrial rents in the market, averaging \$10.13 psf in the third quarter.

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	3,358,788	61,800	1.8%	-6,800	-20,000	0	20,000	\$7.95	\$9.85	\$9.09
Downtown Council Bluffs	3,960,964	454,298	11.5%	102,894	144,771	0	236,324	N/A	\$7.21	\$7.21
E Cass County	443,787	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	11,109,812	184,563	1.7%	6,188	6,052	352,000	0	N/A	\$5.75	\$5.75
Northwest Omaha	7,983,936	53,998	0.7%	4,547	78,709	2,230,800	0	\$11.95	\$10.81	\$11.31
Sarpy East	2,301,500	52,810	2.3%	5,080	12,830	0	0	N/A	N/A	N/A
Sarpy West	24,745,356	759,078	3.1%	170,017	537,267	3,145,739	50,932	\$10.01	\$7.04	\$7.34
Saunders County	812,250	65,015	8.0%	0	0	0	0	N/A	N/A	N/A
South Central Omaha	21,780,112	303,993	1.4%	16,078	-12,249	0	0	\$10.30	\$6.56	\$7.91
Southeast Omaha	9,401,224	265,908	2.8%	1,140	-40,944	0	0	N/A	\$7.14	\$6.70
Southwest Omaha	9,455,198	127,383	1.3%	-2,791	27,591	0	0	\$9.95	\$8.24	\$9.62
W Cass County	499,405	73,000	14.6%	0	0	0	12,000	N/A	\$6.95	\$6.95
W Mills County	490,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,533,261	11,513	0.3%	0	0	0	0	N/A	N/A	N/A
Washington County	2,951,369	125,110	4.2%	-115,546	834,454	19,800	0	N/A	N/A	N/A
OMAHA TOTALS	104,755,781	2,558,469	2.4%	180,807	1,568,481	5,748,339	319,256	\$10.13	\$7.14	\$7.60

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

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

KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9009 S 135 th St	Sarpy West	UPS	165,052	New Lease
9009 S 135 th St	Sarpy West	TryHard Logistics	148,229	New Lease
2421 River Rd	Downtown Council Bluffs	D6	62,320	New Lease

*Renewals included in leasing statistics

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KEY CONSTRUCTION COMPLETIONS Q3 2023

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
2421 River Rd	Downtown Council Bluffs	SPEC	236,324	OPUS Development
9742 S 142 nd St	Sarpy West	SPEC	33,000	Stoneybrook I, LLC

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