



YoY Chg 12-Mo. Forecast

12.0%

Vacancy Rate



194K

Net Absorption, SF



\$26.15

Asking Rent, PSF



(Overall, All Property Classes)
(All office rents quoted as full-service gross)

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

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.

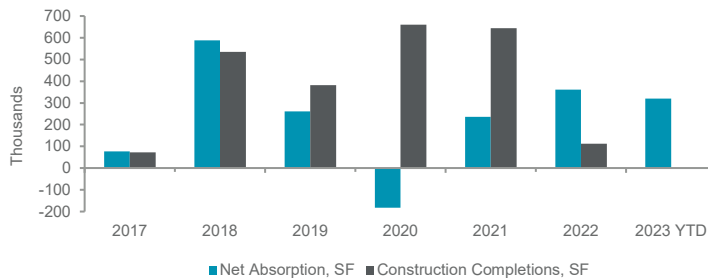
MARKET OVERVIEW

Omaha’s office market posted its seventh consecutive quarter of positive activity, recording 194,468 square feet (sf) of absorption in the third quarter, for a total of 320,595 sf of absorption, year-to-date (YTD). The largest single occupier for the quarter was Fusion Medical, moving into its new 115,545-sf space at The Waterford. The company occupied more than 64% of the SPEC building, making them Waterford’s newest anchor-tenant. Overall vacancy decreased by 50 bps YOY, resting at 12.0% in Q3. Though there are multiple factors that played into the vacancy drop, declining construction and building conversions are big contributors. Office construction across the nation has slowed, and Omaha is no exception. Local developers have been careful not to overbuild, so that supply doesn’t outpace demand. As a result, there have been fewer construction deliveries, so the amount of vacant space coming online has decreased. In addition, many businesses closed their office doors, opting to work from home permanently after covid or switched to a hybrid work environment. Instead of letting large blocks of office space sit empty, many of the buildings have been converted to a new use. Office construction is expected to improve, as the U.S. economy stabilizes.

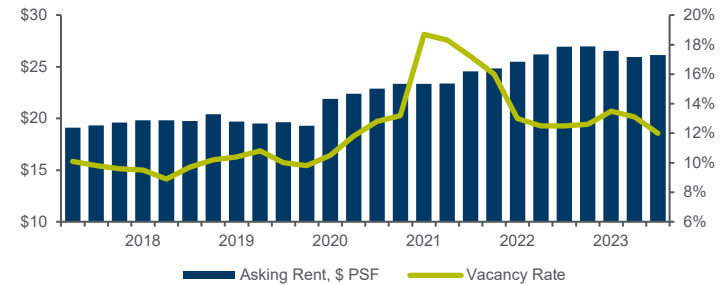
PRICING

Local asking rents were recorded at \$26.15 per square foot (psf) at the close of Q3, declining by -2.9% YOY. Omaha’s Midtown submarket fetched the highest asking rents, averaging \$32.89 psf, while the Suburban West Dodge submarket comes in second place, with rents averaging \$32.39 psf. Class A office properties retrieved the highest rents at \$32.95, followed by Class B at \$23.94 psf and class C at \$19.93 psf. Asking rents in Central Business (CBD) submarket averaged \$26.59 psf, surpassing average rents in the suburban markets by \$0.65 psf. However, Class A rents in suburban markets (\$33.44 psf) surpassed Class A rent averages in the CBD (\$31.76).

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 (FULL-SERVICE GROSS) (ALL CLASSES)*	OVERALL AVG ASKING RENT (FULL-SERVICE GROSS) (CLASS A)*
Central Dodge	1,817,766	12,529	314,742	18.0%	11,202	9,031	32,337	0	\$25.24	\$28.99
Downtown Omaha	2,788,314	31,142	356,360	13.9%	955	16,229	55,765	119,335	\$26.59	\$31.76
Midtown Omaha	2,233,030	41,535	174,668	9.7%	-2,184	-21,645	100,455	0	\$32.89	\$37.82
Miracle Hills	695,840	24,984	87,487	16.2%	-3,923	17,756	28,151	0	\$26.56	\$26.80
Northeast Omaha	60,962	0	43,640	71.6%	0	0	11,000	0	\$22.00	N/A
Northwest Omaha	1,664,973	16,733	274,017	17.5%	5,036	-5,444	78,476	0	\$21.77	N/A
Old Mill	1,151,057	2,421	135,579	12.0%	3,285	4,927	68,547	0	\$24.87	N/A
Regency	734,156	0	77,895	10.6%	672	-7,658	8,060	0	\$27.12	\$31.54
South Central	1,130,344	25,000	110,983	12.0	-19,293	7,742	42,600	0	\$20.67	N/A
Southeast Omaha	608,605	0	98,008	16.1%	9,243	-15,257	3,050	0	\$17.82	\$27.75
Southwest Omaha	2,565,760	44,978	165,611	8.2%	10,052	28,638	146,673	0	\$23.28	\$33.61
Suburban West Dodge	3,593,326	85,799	175,505	7.3%	179,423	286,276	190,042	0	\$32.39	\$33.67
OMAHA TOTALS	19,044,133	285,121	2,014,495	12.0%	194,468	320,595	765,165	119,335	\$26.15	\$32.95

*Rental rates quoted as full-service gross.

Note: Data Source: Costar

KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
13815 FNB Pkwy	Suburban West Dodge	Markel Services	39,205	New Lease
330 N 117 th St	Old Mill	Air Methods	27,077	Renewal
1229 Millwork Ave	Downtown Omaha	Habitat for Humanity	23,340	Sublease
4405-4411 S 96 th St	South Central	Edifice Property Investments, LLC	22,345	New Lease

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q3 2023

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

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