



YoY Chg 12-Mo. Forecast

11.7%

Vacancy Rate



-32.5K

Net Absorption, SF



\$26.55

Asking Rent, PSF



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

ECONOMIC INDICATORS  
Q4 2023

YoY Chg 12-Mo. Forecast

510.4k

Omaha Employment



2.6%

Omaha Unemployment Rate



3.7%

U.S. Unemployment Rate



Source: BLS

ECONOMY

Heading into 2023, most economists predicted a U.S. recession happening within the year. After battling soaring prices, skyrocketing interest rates, and economic uncertainty, Americans can breathe a sigh of relief. The U.S. economy beat the odds and the forecasted recession has been called off. After peaking at 9.1% in June of 2022, the U.S. inflation rate has slowly declined and is currently sitting at 3.1% for the twelve months ending in November of 2023, compared to the 7.1% inflation rate that was recorded in November of 2022. Federal Reserve Chairman Jerome Powell also hinted at interest rate cuts in 2024, as inflation cools. On the local front, the job market remained strong through recession fears. Omaha employers added 7,400 jobs year-over-year, bringing the local employment rate to 2.6% at year-end. Omaha has the second lowest unemployment rate in the Midwest, coming in right behind the Madison (WI) market with 2.5%.

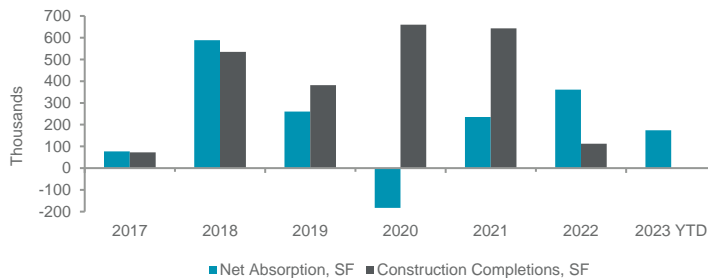
MARKET OVERVIEW

The Omaha office market recorded -32,514 square feet (sf) of absorption, for a total of 173,909 sf of positive net absorption, year-to-date (YTD). The overall vacancy was recorded at 11.7% at the close of fourth quarter, a decline of 90 basis points (bps) year-over-year (YOY). There is currently one speculative development underway, located in the Downtown Omaha submarket. The 119,335-sf building is slated for completion, mid-2024. There are several build-to-suit projects for owner-occupants underway, with the development at 215 S 15<sup>th</sup> St being the most noteworthy. The 677-foot-tall skyscraper will be the new Mutual of Omaha Headquarters. It is set to be delivered in 2026 and comes with a \$600-million price tag. The Suburban West Dodge submarket saw the most activity for the quarter, recording 72,312 sf of positive absorption. The largest single occupier for the quarter will also call Suburban West Dodge submarket home, as PrimeTime Health leased 101,283 sf of office space at 18010 Burt St. Office product in the Suburban West Dodge submarket continues to be in popular demand with tenants, due to it being conveniently located near the West Dodge Expressway.

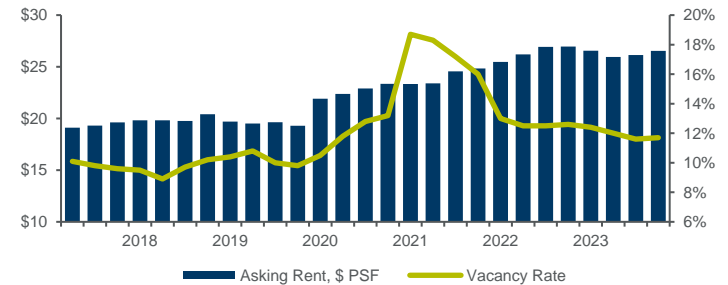
PRICING

Office rents in the local office market were recorded at \$26.55 per square foot (psf) in the fourth quarter of 2023, decreasing by \$0.45 psf, YOY. Class A properties continue to fetch the highest asking rents in the market, at \$33.15 psf, compared to Class B at \$24.44 psf and Class C at \$19.85 psf. The Midtown submarket draws the highest asking rents, averaging \$33.30 psf. Rent in Midtown's Class A office properties averaged \$38.88 psf, and continues to drive overall rents upward. Rents in the Omaha Central Business District averaged \$30.56 psf, compared to the suburban market average at \$26.66 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 CNSTR	OVERALL AVG ASKING RENT (FULL-SERVICE GROSS) (ALL CLASSES)*	OVERALL AVG ASKING RENT (FULL-SERVICE GROSS) (CLASS A)*
Central Dodge	1,817,766	18,683	283,584	16.6%	-5,538	-10,247	101,443	0	\$25.28	\$28.99
Downtown Omaha	2,835,692	0	307,992	10.9%	18,912	31,493	57,867	119,335	\$30.61	\$31.47
Midtown Omaha	2,233,030	29,266	157,941	8.4%	16,995	5,663	166,043	0	\$33.30	\$38.88
Miracle Hills	695,840	26,307	87,456	16.3%	722	16,464	33,457	0	\$26.62	\$27.02
Northeast Omaha	60,962	0	43,640	71.6%	0	0	11,000	0	\$24	N/A
Northwest Omaha	1,665,452	11,469	435,430	26.8%	-155,175	-160,619	96,811	0	\$22.01	N/A
Old Mill	1,151,057	2,421	124,492	11.0%	11,087	16,014	70,645	0	\$24.90	N/A
Regency	734,156	1,100	70,784	9.8%	3,143	-1,647	37,236	0	\$27.22	\$36.75
South Central	1,132,182	0	129,599	11.4%	-7,772	19,970	59,829	0	\$20.62	N/A
Southeast Omaha	608,615	0	102,552	16.9%	-3,680	-19,801	64,828	0	\$18.53	\$27.75
Southwest Omaha	2,584,292	0	179,053	6.9%	16,480	51,783	146,673	0	\$23.35	\$35.25
Suburban West Dodge	3,460,991	12,216	200,894	6.2%	72,312	224,836	263,076	0	\$32.62	\$33.74
<b>OMAHA TOTALS</b>	<b>18,980,035</b>	<b>101,462</b>	<b>2,123,417</b>	<b>11.7%</b>	<b>-32,514</b>	<b>173,909</b>	<b>1,108,908</b>	<b>119,335</b>	<b>\$26.55</b>	<b>\$33.15</b>

\*Rental rates quoted as full-service gross. \*\*Data in Market Statistics chart excludes owner-occupied buildings  
 Note: Data Source: Costar

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
902 N 91 <sup>st</sup> Plz	Central Dodge	Union Pacific	55,500	Renewal
1919 Aksarben Dr	Midtown Omaha	OPPD	29,266	New Lease
15950 W Dodge Rd	Suburban West Dodge	Milan Laser	22,154	Renewal
14600 Branch St	Suburban West Dodge	Felsburg, Holt & Ullevig	19,184	New Lease

\*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q4 2023

PROPERTY	SUBMARKET	BUILDING CLASS	SF	TYPE	OCCUPANCY
215 S 15 <sup>th</sup> St	Downtown Omaha	A	800,000	BTS	Owner-Occupant
SW of West Dodge & 144 <sup>th</sup> St	Suburban West Dodge	A	260,000	BTS	Owner-Occupant
7171 Mercy Rd	Midtown	B	120,000	BTS	Owner-Occupant
1501 Mike Fahey St	Downtown Omaha	A	119,335	SPEC	Multi-Tenant

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MARTIN J. PATZNER

Vice President, Office Specialist  
 +1 402 548 4033/[martin.patzner@lundco.com](mailto:martin.patzner@lundco.com)

MISTY BELSHA

Business Analyst  
 +1 660 287 1135/[misty.belsha@lundco.com](mailto:misty.belsha@lundco.com)

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