

YoY Chg 12-Mo. Forecast

2.6%
Vacancy Rate



-203K
Net Absorption, SF



\$7.25
Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q1 2024

YoY Chg 12-Mo. Forecast

513.5K
Omaha Employment



2.8%
Omaha Unemployment Rate



3.8%
U.S. Unemployment Rate



Source: BLS

ECONOMY OVERVIEW

According to the latest report from the University of Nebraska-Lincoln, Nebraska's Leading Economic Indicator saw a sharp rise in February, increasing by 3.48%. This indicator is designed to predict economic activity six months in advance, and its increase suggests that the Nebraska economy will experience strong growth in the summer of 2024, as stated by economist Eric Thompson, department chair, K.H. Nelson College Professor of Economics and director of Bureau of Business Research. Some of the factors that contributed to the rise in the leading indicator were an increase in manufacturing hours, a decrease in initial unemployment claims, and an improvement in business expectations. The Omaha Market also benefited from the growth of several sectors, such as education and health services, leisure and hospitality, and professional and business services. However, some sectors experienced losses, such as construction, trade, transportation, and utilities. The Omaha Market added 8,800 nonfarm payroll positions, over the last 12 months, ending in the first quarter of 2024. Omaha continues to have one of the lowest unemployment rates, at just 2.8%.

MARKET OVERVIEW

Overall vacancy in Omaha's industrial market, declined by 10 basis points (bps) year-over-year (YOY), resting at 2.6% at the close of Q1 2024. The market reported negative absorption for the first time since 2020, recording -202,785 square feet (sf) of absorption in the first quarter. The brunt of the industrial market's positive absorption in recent quarters, stemmed from tenants taking occupancy in large amounts of new construction. Just three buildings were delivered in Q1, increasing the inventory by only 236,517 sf. More than 87.1% of the new space was speculative development and delivered vacant, contributing to the negative absorption posted in the first quarter. Another eight properties, totaling 4,837,573 sf are currently in the construction pipeline, and slated for delivery in 2024. 81.0% of the new space is build-to-suit and already had a tenant(s) secured before construction began. Tenants will occupy upon construction, which is expected to boost positive absorption in 2024.

PRICING

Overall asking rents increased by \$0.01 YOY, landing at \$7.25 per square foot (sf) in the first quarter of the year. Flex properties continue to fetch the highest asking rents in the market, averaging \$9.60 psf. Manufacturing properties come in second place at \$7.10 psf, compared to warehouse/distribution properties at \$6.88.

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	3,404,611	151,800	4.5%	0	0	0	0	\$4.95	\$9.85	\$7.90
Downtown Council Bluffs	3,980,075	251,093	6.3%	78,147	78,147	0	0	N/A	\$8.00	\$8.00
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	1,517,321	0	0.0%	0	0	0	0	N/A	\$4.00	\$4.00
Harrison County	364,938	7,100	1.9%	-7,100	-7,100	0	0	N/A	N/A	N/A
Northeast Omaha	11,277,495	388,693	3.4%	-30,998	-30,998	202,000	0	\$8.95	\$6.07	\$6.19
Northwest Omaha	8,043,471	48,134	0.6%	26,735	26,735	2,200,000	30,600	\$10.82	\$6.49	\$6.99
Sarpy East	2,301,758	37,510	1.6%	-2,100	-2,100	0	0	N/A	N/A	N/A
Sarpy West	26,755,828	723,606	2.7%	11,643	11,643	2,435,573	205,917	\$10.73	\$7.14	\$7.44
Saunders County	822,850	58,215	7.1%	1,200	1,200	0	0	N/A	N/A	N/A
South Central Omaha	21,592,224	481,939	2.2%	-190,622	-190,622	0	0	\$9.30	\$6.40	\$7.42
Southeast Omaha	9,454,689	260,054	2.8%	-10,525	-10,525	0	0	N/A	\$5.75	\$6.23
Southwest Omaha	9,535,438	187,648	2.0%	-79,165	-79,165	0	0	\$11.59	\$7.18	\$9.16
W Cass County	502,351	73,000	14.5%	0	0	0	0	N/A	\$6.95	\$6.95
W Mills County	608,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,553,061	17,600	0.5%	0	0	0	0	N/A	N/A	N/A
Washington County	2,955,503	125,110	4.2%	0	0	0	0	N/A	N/A	N/A
OMAHA TOTALS	107,186,183	2,831,502	2.6%	-202,785	-202,785	4,837,573	236,517	\$9.60	\$6.88	\$7.25

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

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

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2421 River Rd	Downtown Council Bluffs	Kamps	157,207	New Lease
2421 River Rd – Bldg 1	Downtown Council Bluffs	J. Skinner	75,911	New Lease
9770 S 142 nd St	Sarpy West	Midwest Wheel Companies	30,216	New Lease

*Renewals included in leasing statistics

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KEY CONSTRUCTION COMPLETIONS Q1 2024

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
Springfield Commerce Lot 6	Sarpy West	SPEC	205,917	MADDADD1, LLC
8901 Sorensen Pkwy	Northwest Omaha	SPEC	21,600	Zecka Investments, LLC

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