



YoY Chg 12-Mo. Forecast

13.9%

Vacancy Rate



64K

Net Absorption, SF



\$26.84

Asking Rent, PSF



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

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

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. Despite the positive job creation, the unemployment rate in Omaha increased by 30 basis points year-over-year. Omaha continues to have one of the lowest unemployment rates in the country at just 2.8%.

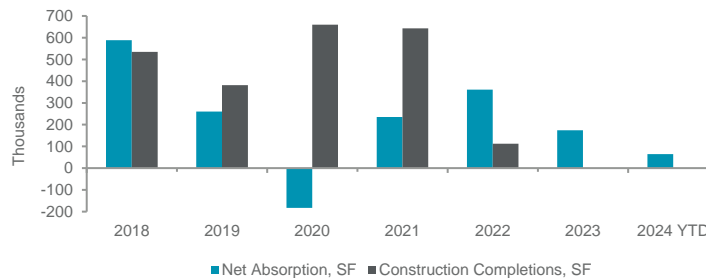
MARKET OVERVIEW

Omaha's office market started the year off on a positive note, recording 64,486 square feet (sf) of positive absorption in the first quarter of 2024. Leasing activity is on the rise, with 94 new deals inked in the first quarter. This is the highest number of leases that has been recorded in a single quarter, in nearly four years. The State of Nebraska was the largest occupier for the quarter, after purchasing the property and occupying 36,500 sf at 7200 World Communications Drive. There is currently one property (The Builders District) in the office dataset that is under construction at 119,335 sf. Construction on the downtown development is expected to be completed in 2024. There are an additional four office buildings under construction as well, but are excluded from reporting numbers due to the use being owner-occupant, medical, etc. The inventory for these buildings totals 1,180,000 sf, with approximately 32.0% of the space slated for delivery by year-end.

PRICING

Average asking rents in the Omaha office market continue to trend upward, landing at \$26.84 per square foot (psf) at the end of Q1. This is a \$0.28 psf increase, YOY. Class A rents improved by \$0.94 psf during the same timeframe, averaging \$33.40 psf at the close of the first quarter. The Downtown submarket (CBD) continues to fetch the highest asking rents in the market, at \$35.45 psf, while Class A office rents in downtown Omaha averaged \$36.87 psf at quarter-close.

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	312,387	19.4%	-4,029	-4,029	34,805	0	\$25.89	\$27.68
Downtown Omaha	2,835,692	-	312,937	11.0%	21,856	21,856	15,094	119,335	\$35.45	\$36.87
Midtown Omaha	1,875,524	10,802	141,910	9.0%	66,774	66,774	79,636	0	\$31.61	\$36.33
Miracle Hills	695,840	30,498	86,990	16.9%	-8,338	-8,338	75,584	0	\$26.81	\$28.46
Northeast Omaha	60,962	-	43,640	71.6%	0	0	0	0	\$27.00	N/A
Northwest Omaha	1,663,885	33,469	374,578	27.4%	-4,734	-4,734	44,234	0	\$21.67	N/A
Old Mill	1,151,057	-	120,109	10.4%	8,813	8,813	9,328	0	\$24.99	N/A
Regency	750,814	-	77,017	10.3%	-2,285	-2,285	10,021	0	\$26.92	\$35.50
South Central	1,132,182	-	111,375	16.6%	18,224	18,224	35,420	0	\$21.50	N/A
Southeast Omaha	598,017	-	98,929	16.6%	3,623	3,623	10,777	0	\$22.70	\$27.75
Southwest Omaha	2,472,184	3,504	136,358	6.8%	10,073	10,073	29,533	0	\$24.02	\$35.25
Suburban West Dodge	3,337,403	5,109	402,812	13.7%	-45,494	-45,494	110,723	0	\$31.80	\$32.83
OMAHA TOTALS	18,391,326	102,065	2,219,042	13.9%	64,483	64,483	455,155	119,335	26.84	\$33.40

*Rental rates quoted as full-service gross.

**Data in market statistics chart excludes owner-occupied, government and non-competitive buildings

Data Source: Costar

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2525 N 117 th Ave	Northwest Omaha	Horsepower Brands	35,430	New Lease
1919 Aksarben Dr	Midtown	OPPD	29,266	New Lease
2120 S 72 nd St	Midtown	North End Teleservices	27,723	New Lease
2717 N 118 th St	Northwest Omaha	Rock Medical	19,598	New Lease

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q1 2024

PROPERTY	SUBMARKET	BUILDING CLASS	SF	TYPE	OCCUPANCY
215 S 15 th St	Downtown Omaha	A	800,000	BTS	Owner-Occupant
SW of West Dodge & 144 th 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

MARTIN J. PATZNER

Vice President, Office Specialist

+1 402 548 4033/martin.patzner@lundco.com

MISTY BELSHA

Business Analyst

+1 660 287 1135/misty.belsha@lundco.com

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