

ECONOMY OVERVIEW

Omaha's local economy continued to perform well throughout the second quarter of 2024, adding 9,300 nonfarm payroll positions. Some of the key sectors that contributed to Omaha's economic growth in the second quarter, were education and health services, and trade, transportation, and utilities. These sectors added a combined total of 8,800 jobs year-over-year (YOY), accounting for 94.6% of the net job growth in the metro area. The education and health services sector alone grew by 7.0%, well above the national average of 4.8% and is driven by the expansion of local universities and health care facilities. Omaha is home to several renowned institutions of higher education, such as Creighton University, the University of Nebraska at Omaha, and the University of Nebraska Medical Center, which provide quality education and research opportunities to students and professionals. The trade, transportation, and utilities sector also grew by 3.0%, benefiting from Omaha's strategic location and infrastructure as a major transportation and distribution hub in the Midwest.

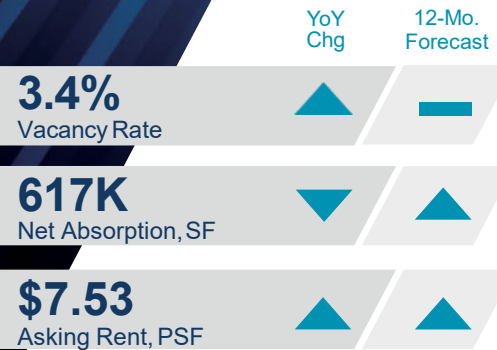
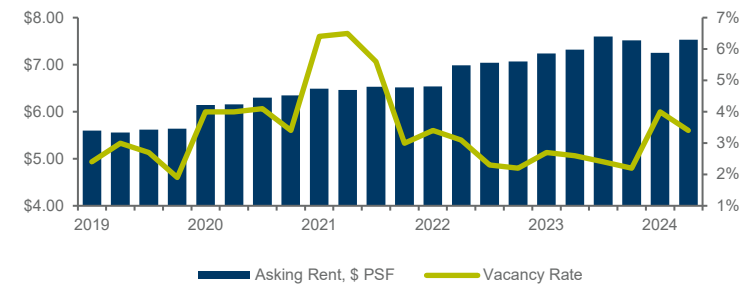
MARKET OVERVIEW

Omaha's industrial market continued to show positive momentum in the second quarter of 2024. Just over 950,000 square feet (sf) of new industrial product was delivered in the second quarter, for a total of 1.2 million square feet (msf) of industrial space delivered in the first half of the year. Historically, the majority of new construction deliveries were on a build-to-suit (BTS) basis, meaning a tenant was secured before construction began. However, in Q2, speculative (SPEC) deliveries outpaced BTS property deliveries, accounting for 68.4% of the new inventory. The presence of speculative development growth serves as a testament to the confidence in the Omaha market. Though SPEC development has increased, the brunt of positive absorption stems from tenants taking occupancy in new BTS construction properties. Nearly 617,000 sf of positive absorption was recorded in Q2, and tenants taking occupancy in newly delivered BTS properties, accounted for more than half of the total quarterly absorption. The Omaha industrial market recorded a vacancy rate of 3.4% during the second quarter, marking an 80-basis point increase, since Q2 2023. This increase was a result of several speculative properties being delivered vacant. However, new construction is in high demand, and is expected to be filled quickly. Though rent growth has slowed, average industrial asking rents reached an all-time high in Q2. Local industrial rents reached \$7.53 per square foot (psf) in the second quarter of the year, improving by 2.7% YOY. Industrial rents have grown by 12.1% over the last three years, and by 33.9% over the last five years. Strong demand for industrial space is expected to continue driving rents upward into the foreseeable future.

ABSORPTION/ DELIVERIES

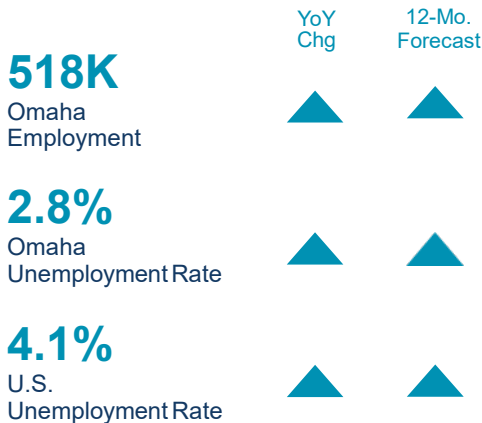


OVERALL VACANCY & ASKING RENT



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q2 2024



Source: BLS

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	3,388,611	133,560	3.9%	18,240	18,240	0	0	N/A	\$9.85	\$9.85
Downtown Council Bluffs	3,775,900	96,386	2.6%	154,707	232,854	0	0	N/A	\$16.34	\$16.34
E Cass County	451,613	20,000	4.4%	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	40,304	2.7%	0	-40,304	0	0	N/A	N/A	N/A
Harrison County	364,938	0	0.0%	7,100	0	0	0	N/A	N/A	N/A
Northeast Omaha	11,477,871	578,325	5.0%	6,868	-18,630	0	202,000	N/A	\$7.47	\$7.36
Northwest Omaha	8,065,969	56,055	0.7%	2,503	37,016	2,200,000	0	N/A	\$6.41	\$6.41
Sarpy East	2,366,076	37,442	1.6%	68	32,036	0	0	N/A	N/A	N/A
Sarpy West	27,529,851	1,215,409	4.4%	401,876	405,453	1,727,990	749,573	\$12.88	\$6.97	\$7.39
Saunders County	829,850	58,215	7.0%	0	1,200	0	0	N/A	N/A	N/A
South Central Omaha	21,623,630	512,337	2.4%	-6,225	-186,230	0	0	\$8.75	\$6.60	\$7.27
Southeast Omaha	9,305,706	506,116	5.4%	6,512	-4,013	0	0	\$13.50	\$5.75	\$6.90
Southwest Omaha	9,533,116	196,845	2.1%	16,698	-74,967	0	0	\$11.67	\$8.58	\$10.26
W Cass County	502,351	61,000	12.1%	12,000	12,000	0	0	N/A	\$6.95	\$6.95
W Mills County	549,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,553,061	20,350	0.6%	-3,550	14,050	16,800	0	N/A	\$13.00	\$13.00
Washington County	2,889,499	128,844	4.5%	0	-3,734	0	0	N/A	N/A	N/A
OMAHA TOTALS	107,797,146	3,661,188	3.4%	616,797	424,971	3,944,790	951,573	\$10.31	\$7.18	\$7.53

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

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

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
12500 I St	Southwest Omaha	Ford Storage & Moving Company	750,000	Renewal
2421 River Rd Bldg 2	Downtown Council Bluffs	Lanter Delivery Systems	79,117	New Lease
14850 Rodina St	Sarpy Wes	Cannonball Express	69,120	New Lease

*Renewals included in leasing statistics

DENNY SCISCOE

Director of Industrial Services
+1 402 548 4051/denny.sciscoe@lundco.com

MISTY BELSHA

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

KEY CONSTRUCTION COMPLETIONS Q2 2024

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
15052 S 210th	Sarpy West	SPEC	405,600	Newstreet Properties
NWC Schram Rd & S 156 th St	Sarpy West	BTS	225,000	Rotella's Cold Storage, LLC

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.