



	YoY Chg	12-Mo. Forecast
12.7% Vacancy Rate	▲	■
-9K Net Absorption, SF	▼	■
\$26.30 Asking Rent, PSF	▲	■

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

**ECONOMIC INDICATORS
Q2 2024**

	YoY Chg	12-Mo. Forecast
518k Omaha Employment	▲	▲
2.8% Omaha Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY

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.

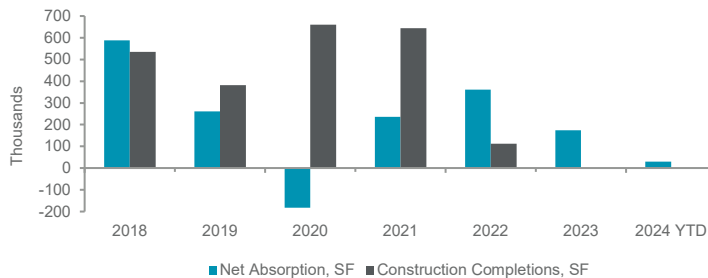
MARKET OVERVIEW

Omaha's office market recorded -9,328 square feet (sf) of absorption in the second quarter of the year, for a total of 29,556 sf of positive net absorption, year-to-date (YTD). There have been 150 new leases inked, in the first half of 2024, totaling 474,251 sf. The brunt of the newly leased space is located in the Southwest Omaha submarket, as tenants will be taking 50,655 sf, followed by the Midtown submarket with 22,804 sf. The overall vacancy was reported at 12.7% in the second quarter of 2024, up 10 basis points (bps) YOY. Medical Solutions had the largest vacancy for the quarter, moving out of 32,726 sf in the Central Dodge submarket, which ended the quarter with a 20.2% vacancy. Paypal was the largest single occupant for the quarter, moving into 25,373 sf in the Suburban West Dodge submarket, which ended the quarter with a 13.0% vacancy. Though several office structures are underway, there have been no construction deliveries in the first half of the year. The 119,335-sf Builders District is the only multi-tenant, non-medical office building in the construction pipeline. The property is located in the Downtown Omaha submarket and is expected to be completed before year-end.

PRICING

At the close of Q2, average rents were \$26.30 per square foot (psf), up 1.3% from the previous year. Class A office properties had the highest asking rents in the market at \$31.88 psf, followed by Class B at \$24.91 psf and Class C at \$20.08 psf. The Suburban West Dodge submarket fetched the most rent at \$32.22 psf, while the Southeast Omaha submarket charged the least, at \$18.73 psf. In previous quarters, much of the rent growth was related to rising asking rents in newly delivered construction properties. Though office construction has slowed, Omaha's economy remains robust and will support continued rent growth.

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	1,829,077	16,947	352,415	20.2%	(24,820)	-31,315	45,590	0	\$25.92	\$29.30
Downtown Omaha	2,843,862	-	335,514	11.8%	480	-721	18,063	119,335	\$30.32	\$30.93
Midtown Omaha	1,875,524	10,802	119,941	7.0%	(10,441)	52,698	102,440	0	\$31.68	\$36.92
Miracle Hills	695,840	1,323	75,303	11.0%	25,626	21,479	77,869	0	\$26.33	\$25.99
Northeast Omaha	60,962	-	43,640	71.6%	0	-	2,646	0	\$27.25	N/A
Northwest Omaha	1,678,463	44,144	354,445	23.1%	30,808	66,800	47,967	0	\$21.65	N/A
Old Mill	1,151,286	-	128,550	11.2%	(8,787)	-1,637	20,900	0	\$25.33	N/A
Regency	750,814	1,096	78,825	10.6%	(2,904)	-5,189	26,510	0	\$26.92	N/A
South Central	1,107,149	-	106,722	9.6%	6,653	22,877	38,274	0	\$21.19	N/A
Southeast Omaha	598,017	-	109,468	18.3%	(22,539)	-18,916	36,957	0	\$18.73	\$27.75
Southwest Omaha	2,472,184	9,051	128,604	5.6%	2,207	9,390	80,188	0	\$24.31	\$35.25
Suburban West Dodge	3,296,339	22,124	406,094	13.0%	(5,611)	-85,910	127,542	0	\$32.22	\$32.92
OMAHA TOTALS	18,359,517	105,487	2,239,521	12.7%	(9,328)	29,556	624,946	119,335	\$26.30	\$31.88

*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 Q2 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4010 S 148 th St	Southwest Omaha	Air Methods	44,800	New Lease
11808 Miracle Hills Dr	Miracle Hills	Pattern	24,984	New Lease
2717 N 118 th St	Northwest Omaha	Rock Medical Group	19,598	New Lease
14301 FNB Pkwy	Suburban West Dodge	Avior Wealth Management	18,329	New Lease

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q2 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

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