

Office Snapshot 2Q 2016

Omaha



CUSHMAN & WAKEFIELD



OMAHA OFFICE

Economic Indicators

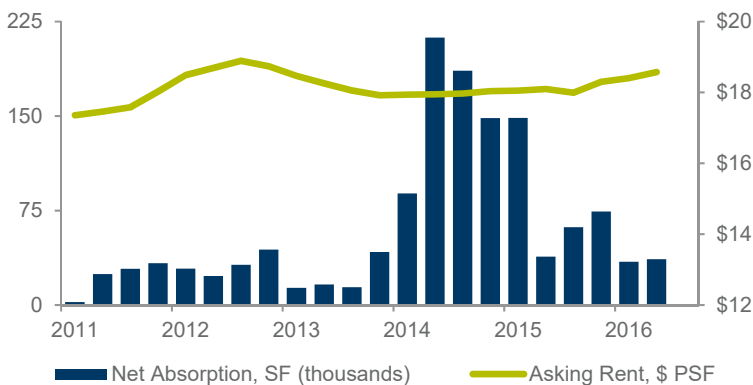
	2Q 15	2Q 16	12-Month Forecast
Omaha Employment	491k	497k	▲
Omaha Unemployment	3.1%	3.2%	▼
U.S. Unemployment	5.4%	4.9%	▼

Market Indicators (Overall, All Classes)

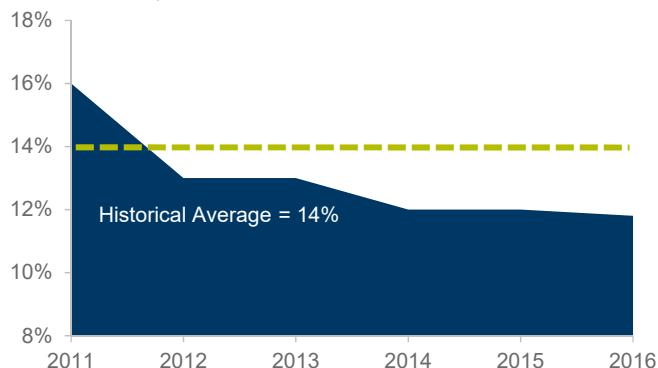
	2Q 15	2Q 16	12-Month Forecast
Vacancy	11.9%	11.6%	▼
Net Absorption (sf)	96k	105k	▲
Under Construction (sf)	226k	342k	▲
Average Asking Rent*	\$18.04	\$18.72	■

*Rental rates reflect gross asking \$psf/year

Overall Net Absorption/Asking Rent 4Q TRAILING AVERAGE



Overall Vacancy



Economy

The Omaha unemployment rate fell two percentage points over the last quarter to 3.2%. Despite the slight dip in unemployment, the Omaha service and construction related fields are growing due to a recent spur of local developers competing for any/all new or rehabilitation projects located throughout the metro area. There are more redevelopment projects across all submarkets that are either under construction or proposed than any other time over the last twenty years. The Omaha office market currently has 341,961 square feet (SF) under construction and approximately 3.5 million SF of proposed office projects to break ground within the next 12-36 months.

Market Activity

The former home of Nebraska's largest horse track now known as Aksarben Village, is filling up with local and national tenants. Over the last 24 months, this development has reported the most leasing/development activity across all sectors. This multi-use urban infill project is located in the heart of Omaha and will be close to 100% capacity upon the completion of the 70,000-SF headquarters building for Green Plains Energy, as well as a 70,000-SF building for Baird Holm Law Firm. In addition, HDR announced their plans for a 245,000-SF office building and parking structure to accommodate the relocation of their new international headquarters. There will be an adjacent site that will accommodate another 120,000-SF building for HDR's future expansion needs. The University of Nebraska Omaha has quietly purchased one of two of First Data Resources' 200,000-SF buildings to secure future growth opportunities.

Outlook

The overall unemployment rate of Nebraska will continue to remain one of the lowest on a national scale. The amount of new development announced recently is a strong indicator that Omaha and its surrounding communities are primed for future growth throughout all market segments. As a result of the recent announcements, Downtown Omaha will suffer the most due to ConAgra's relocation to Chicago, Pacific Life and Baird Holm's relocation to Aksarben Village and HDR changing its plans from relocating Downtown to Aksarben Village due to overall lack of daytime parking downtown. This will change the overall corporate landscape downtown and will force the City of Omaha to address long-term plans to solve parking constraints throughout the CBD.

MARKETBEAT

Office Snapshot 2Q 2016

Omaha



CUSHMAN & WAKEFIELD

LUND COMPANY

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (ALL CLASSES)*	OVERALL AVERAGE ASKING RENT (CLASS A)*
Southwest	1,655,801	N/A	97,230	5.9%	4,503	21,185	50,442	134,945	\$14.38	N/A
South Central	2,560,921	6,866	627,886	24.8%	86,072	(13,137)	166,939		\$15.38	N/A
Northwest	1,718,880	21,383	213,939	13.7%	20,483	14,850	67,964		\$19.26	N/A
Central West Dodge	2,240,912	N/A	169,269	7.6%	2,841	(12,719)	15,875	30,000	\$20.10	N/A
Old Mill	1,120,073	N/A	150,811	13.5%	2,843	16,680	23,712		\$19.26	N/A
Regency	1,023,144	1,184	84,349	8.4%	(9,440)	(11,108)	13,165		\$21.16	N/A
Midtown	2,204,275	N/A	132,890	6.0%	(2,563)	14,327	42,500	72,000	\$14.75	N/A
Downtown	4,730,680	N/A	408,575	8.6%	9,912	43,052	53,640		\$18.40	\$19.97
Southeast	873,724	N/A	354,461	40.6%	(27,885)	(29,542)	174,883		\$15.38	N/A
Northeast	179,116	N/A	24,374	13.6%	N/A	(2,600)	10,183	63,000	N/A	N/A
Suburban West Dodge	2,057,693	6,723	105,092	5.4%	16,643	43,260	35,931	42,016	\$18.42	N/A
Miracle Hills	711,290	2,930	30,666	4.7%	1,150	(8,929)	1,150		\$20.17	\$20.50
OMAHA TOTALS	21,076,509	39,086	2,399,542	11.6%	104,559	75,319	656,384	341,961	\$18.72	\$20.04

*Rental rates reflect gross asking \$psf/year

SUMMARY BY CLASS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	AVERAGE ASKING RENT OVERALL*	AVERAGE ASKING RENT DIRECT*
Class A	6,858,917	9,653	31,867	5.8%	15,868	62,892	84,466	278,961	\$20.04	\$19.97
Class B	10,740,089	29,433	187,565	13.4%	80,097	(3,699)	429,266	63,000	\$16.32	\$16.32
Class C	3,477,503	N/A	14,888	17.4%	8,594	16,126	142,652	N/A	\$14.75	\$14.75

Key Lease Transactions 2Q 2016

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
10825 Farnam Street	70,994	Treehouse Foods	Lease	Old Mill
North Park 4A	21,290	United Health Care	Lease	Northwest
North Park 4B	17,194	United Health Care	Lease	Northwest

Key Sales Transactions 2Q 2016

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
505 N. 210 Street	14,862	210 Skyline LLC SMM & CMH LLC	\$2,649,895 / \$178	Suburban West Dodge

The Lund Company
450 Regency Parkway, Suite 200
Omaha, NE 68114-3764
www.cushmanwakefield.com

For more information, contact:
Martin J. Patzner
Vice President - Office Specialist
Tel: +1 402 548 4033
mpatzner@lundco.com

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.
Copyright © 2016 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy. Alliance firms are independently owned and operated.