

YoY Chg 12-Mo. Forecast

**2.6%**  
Vacancy Rate



**631K**  
Net Absorption, SF



**\$7.04**  
Asking Rent, PSF



Overall, Net Asking Rent  
Data Source: Costar

### ECONOMIC INDICATORS Q3 2022

YoY Chg 12-Mo. Forecast

**502K**  
Omaha  
Employment



**2.3%**  
Omaha  
Unemployment Rate



**3.5%**  
U.S.  
Unemployment Rate



Source: BLS

### ECONOMY OVERVIEW:

The Omaha unemployment rate was 2.3% at the close of Q3 2022, declining by 70 basis points (bps) year-over-year (YOY). Local unemployment remains well below the U.S. average of 3.5%. During the same period, approximately 10,000 jobs have been added to the local market, bringing the current employment number to 502,400. Though the U.S. labor market is experiencing positive-growth, the tug of war between the Federal Reserve and inflation has caused some economic concern. Several factors, including increased government spending and an imbalance between supply and demand, have caused inflation to soar. The U.S. inflation rate is running near its highest levels in forty years and is currently hovering around 8.3%, which is much higher than the long-term national average of 3.26%. The Federal Reserve recently implemented its third consecutive, 0.75 percentage point increase in 2022, in an attempt to curb rising inflation and cool the economy.

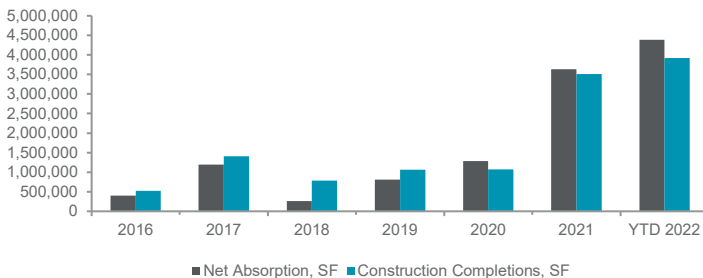
### SUPPLY AND DEMAND:

The Omaha industrial market continues to see strong activity, recording nine consecutive quarters of positive absorption. The market wrapped up Q3 2022 with 630,721 square feet (sf) of positive absorption, bringing the year-to-date (YTD) absorption to 4,382,236 sf. Eighteen buildings, containing more than 3.9 million square feet (msf) of industrial space has been delivered so far in 2022. Typically, when there are a substantial number of construction completions, and the inventory increases by nearly four million square feet, you see a jump in the vacancy rate. That isn't the case for Omaha. Overall vacancy hit a five-year low, dropping to just 2.6% in the third quarter. The vacancy rate also declined by 300 bps YOY. There is currently 2,746,998 msf of industrial space in the construction pipeline, with 393,976 sf scheduled for completion by year-end. More than 81.0% of the space slated for delivery in Q4 2022 has already been leased. The South Central submarket recorded the greatest amount of absorption for the quarter, at 346,230 sf. The top occupiers in that submarket include Airlite Plastics with 186,405 sf and Marianna Industries with 81,090 sf.

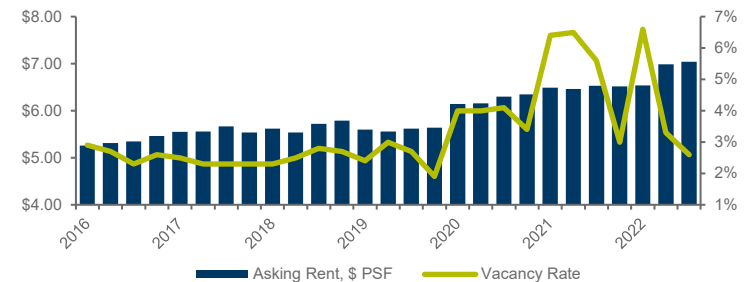
### PRICING:

Though construction is booming, and new supply is being added to the inventory, most of the new space is leased before the building is even complete. This has led to leases being signed at higher rates. Overall asking rents increased by 7.8% YOY, reaching \$7.04 psf in Q3 2022. Warehouse properties saw the biggest rent hike, increasing by \$0.83 psf YOY.

### 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	3,056,233	129,974	4.3%	0	-6,700	270,000	0	N/A	\$9.85	\$9.85
Downtown Council Bluffs	3,409,410	36,025	1.1%	19,056	-4,420	302,300	0	N/A	N/A	N/A
E Cass County	443,130	20,000	4.5%	0	1,418	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	1,497,098	11,962	0.8%	0	-11,712	0	0	N/A	N/A	N/A
Harrison County	364,938	0	0.0%	0	0	0	0	N/A	N/A	N/A
Northeast Omaha	11,145,336	214,275	1.9%	52,851	-12,305	150,000	0	N/A	\$7.67	\$7.67
Northwest Omaha	7,675,081	612,590	8.0%	11,826	-185,533	38,720	4,000	\$7.74	\$6.50	\$7.00
Sarpy East	2,294,329	65,489	2.9%	0	3,000	0	0	N/A	N/A	N/A
Sarpy West	25,221,041	434,929	1.7%	175,582	4,051,477	1,009,778	15,000	\$8.80	\$6.23	\$6.87
Saunders County	820,250	58,215	7.1%	-40	8,793	0	5,000	N/A	N/A	N/A
South Central Omaha	21,689,668	663,614	3.1%	346,230	360,936	46,200	0	\$8.54	\$6.43	\$6.91
Southeast Omaha	9,178,590	170,890	1.9%	24,858	90,816	0	0	N/A	\$5.75	\$5.75
Southwest Omaha	9,537,146	158,137	1.7%	845	55,750	0	15,000	\$6.09	\$8.26	\$7.26
W Cass County	487,405	61,000	12.5%	-12,000	-12,000	0	0	N/A	N/A	N/A
W Mills County	467,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,528,653	0	0.0%	11,513	34,416	0	0	N/A	N/A	N/A
Washington County	1,715,634	81,314	4.7%	0	8,300	930,000	0	N/A	N/A	N/A
<b>OMAHA TOTALS</b>	<b>102,603,725</b>	<b>2,718,414</b>	<b>2.6%</b>	<b>630,721</b>	<b>4,382,236</b>	<b>2,746,998</b>	<b>39,000</b>	<b>\$8.17</b>	<b>\$6.72</b>	<b>\$7.04</b>

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

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

### KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9009 S 135 <sup>th</sup> St	Sarpy West	UPS	165,052	New
14910 Gold Coast Rd	Sarpy West	Pivot Bio	109,720	New
12900 I St	Southwest	Fremont Custom Carriers, Inc	67,279	New

\*Renewals included in leasing statistics

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### CONSTRUCTION COMPLETIONS Q3 2022

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
10809 Olive St	Sarpy West	SPEC	15,000	New Age Manufacturing
13002 I St	Southwest	BTS	15,000	General Fire & Safety Equipment Company

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