



YoY Chg 12-Mo. Forecast

13.7%
Vacancy Rate



98k
Net Absorption, SF



\$25.48
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q1 2022

YoY Chg 12-Mo. Forecast

497k
Omaha
Employment



2.6%
Omaha
Unemployment Rate



3.6%
U.S.
Unemployment Rate



Source: BLS

ECONOMY OR SUPPLY:

According to the Bureau of Labor and Statistics, the state of Nebraska added 20,747 jobs, year-over-year (YOY), as of February 2022. The number of employed workers in Nebraska's workforce also reached an all-time high of 1,034,720 in February. During the same timeframe, the Leisure & Hospitality sector saw the largest amount of job growth, increasing by 8.3%. The Omaha market added 7,500 jobs YOY, while the unemployment rate dropped to 2.6%. The national median household income rose by 2.2% YOY, ending the first quarter of 2022 at \$65,700. Local median household income growth isn't far behind, increasing by 2.0% over the same period. However, Omaha's median household income average surpassed the national average, reaching \$70,800 in the first quarter of the new year. Big changes are on the horizon for the Omaha metro. Plans have been announced for a skyline changing office tower to rise downtown, that will be the tallest building in the city. In addition, patrons will have a new transportation option, as plans for a modern streetcar are in the works. The streetcar is expected to run through the city's urban core.

SUPPLY OR DEMAND:

The Omaha office market recorded its fourth consecutive quarter of positive activity, ending the first quarter of 2022 with 98,237 square feet (sf) of positive absorption. The market also experienced a substantial vacancy change, declining by 310 basis points (bps) YOY. In the first quarter of 2021 Omaha's office vacancy rate was recorded at 16.8%, compared to the 13.7% recorded in the first quarter of 2022. As seen in previous quarters, vacant space in new construction often causes the vacancy rate to temporarily spike, until the new inventory becomes occupied. There were no office buildings delivered for the quarter, which played a part in the vacancy decline. All absorption was a direct reflection of occupancy changes. Though Omaha's office sector is healthy and continues to see positive growth, momentum may appear sluggish. As a result of the pandemic, construction has temporarily slowed down and many office using tenants closed their doors or downsized. However, multiple quarters of positive absorption and a declining vacancy rate are key indicators that the market is on the fast track to recovery. In addition, 58 new leases were signed within the quarter, totaling 326,541 sf.

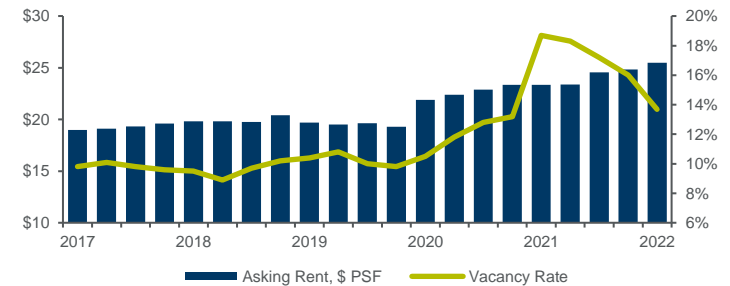
PRICING:

Average asking rents increased by 9.2% YOY, reaching \$25.48 per square foot (psf) by quarter close. More than 95.0% of the new office inventory delivered from first quarter 2021 to present, are Class A properties, which yield higher rents. Class A rents in these new properties are averaging \$35.70 psf, full-service gross and driving rent growth upward. The Suburban West Dodge submarket fetches the highest asking rent in the metro, as this area is home to majority of the new Class A properties that are rising.

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 (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Central Dodge	1,911,814	0	270,406	14.1%	24,396	24,396	16,856	0	\$23.71	\$25.25
Downtown Omaha	3,875,516	14,490	324,881	8.8%	17,947	17,947	19,338	0	\$29.91	\$30.38
Midtown Omaha	2,367,306	87,798	268,640	15.1%	42,307	42,307	107,272	0	\$29.58	\$33.54
Miracle Hills	734,500	708	150,167	20.5%	26,299	26,299	29,461	0	\$24.36	\$22.93
Northeast Omaha	60,962	0	43,640	71.6%	0	0	48,953	0	\$21.50	N/A
Northwest Omaha	1,702,670	114,703	239,597	20.8%	-63,606	-63,606	48,953	7,000	\$20.43	\$30.25
Old Mill	1,219,623	9,321	133,487	11.7%	4,766	4,766	28,801	0	\$21.84	N/A
Regency	748,920	3,198	74,719	10.4%	10,056	10,056	18,722	0	\$25.43	\$35.61
South Central	1,068,560	24,752	148,978	16.3%	-26,500	-26,500	10,582	0	\$20.50	N/A
Southeast Omaha	603,397	0	136,200	22.6%	21,435	21,435	160	0	\$18.79	\$18.24
Southwest Omaha	2,636,378	55,963	168,262	8.1%	31,840	31,840	17,441	0	\$20.58	\$32.24
Suburban West Dodge	3,426,318	35,278	504,127	15.7%	9,297	9,297	28,955	92,698	\$32.09	\$34.07
OMAHA TOTALS	20,476,064	346,211	2,463,104	13.7%	98,237	98,237	326,541	99,698	\$25.48	\$31.50

*Rental rates reflect full service asking

**Data Source: Costar

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1919 Aksarben Dr	Midtown	Omaha Public Power District	87,798	New Lease
2525 N 117 th Ave	Northwest Omaha	Triage, LLC	34,686	New Lease
11808 W Dodge Rd	Miracle Hills	CareDx	24,984	New Lease
11404 W Dodge Rd		O'Donnell, Ficenec, Wills & Ferdig	13,826	New Lease
11404 W Dodge Rd		Verve Collaborative Health	13,476	New Lease

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q1 2022

PROPERTY	SUBMARKET	KEY TENANT	SF	TYPE
14400 Davenport St	Suburban West Dodge	Union Bank & Trust	92,698	BTS
17617 Manderson St	Northwest Omaha	West Gate Bank	7,000	BTS

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