



YoY Chg 12-Mo. Forecast

**12.5%**  
Vacancy Rate



**181K**  
Net Absorption, SF



**\$26.21**  
Asking Rent, PSF



(Overall, All Property Classes)

### ECONOMIC INDICATORS Q2 2022

YoY Chg 12-Mo. Forecast

**501.9k**  
Omaha Employment



**2.2%**  
Omaha Unemployment Rate



**3.6%**  
U.S. Unemployment Rate



Source: BLS

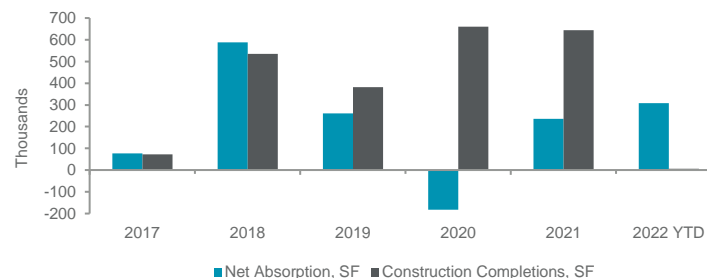
### ECONOMY:

Inflation hit a new 40-year high in the second quarter of 2022, as consumer prices skyrocketed across the nation. The Consumer Price Index increased by 7.9% year-over-year (YOY). The most impactful increases were for fuel, food and energy. Over the last year the total cost of food has increased by 8.6%, while eating out increased by 11.9%. Overall energy costs have risen by 16.2%, with electricity rising by 12.0% and natural gas by 30.2%. However, the most shocking increases are at the pump. According to the Bureau of Labor and Statistics, the cost of fuel has more than doubled since the second quarter of 2021, increasing by 106.0%. The national fuel average is currently \$4.77 per gallon, compared to \$4.53 per gallon in Omaha. While many economists believe that the nation could be headed for a recession, others believe it's far too early to make that prediction. Though Omaha has faced its share of economic disruptions over the last few years, the market continues to experience positive growth. More than 11,000 jobs were created YOY, and local employment reached 501,900 positions, surpassing pre-pandemic levels. During the same timeframe, local unemployment decreased by 90 basis points (bps), and currently rests at 2.2%. Median household income also increased by 146 bps YOY.

### MARKET OVERVIEW:

Omaha's office market recorded positive absorption for the fifth consecutive quarter in the second quarter of 2022, with 180,955 square feet (sf) and 308,161 sf year-to-date (YTD). There have been 137 new deals inked in the first two quarters, totaling 639,561 sf YTD. New leasing volume is up by 38.0% in the first half of 2022, compared to the same period in 2021. One office property was delivered in the second quarter for 7,000 sf, and two buildings totaling 105,438 sf are currently in the construction pipeline. Office construction has slowed substantially since the COVID-19 pandemic began. Many office tenants transitioned to work from home at the peak of the pandemic, and several gave up their space to work from home permanently. Though those spaces are steadily being filled, developers have been careful not to overbuild. The vacancy rate decreased by 31.7% YOY, ending the second quarter at 12.5%. Tenants occupying space in the CBD accounted for 6.3% of the absorption for the quarter, leaving 8.5% of the downtown inventory up for grabs. Several downtown projects are in the works and will change Omaha's urban landscape. A few of those projects include the ongoing Riverfront project, Mutual of Omaha's new skyscraper and a new streetcar. The transformation is expected to drive activity in downtown Omaha, including office leasing. Overall asking rents increased by 12.0% YOY, reaching \$26.21 per square foot (psf) at the close of second quarter. The Suburban West Dodge submarket boasts the highest asking rent at \$32.64 psf. The submarket has more Class A office buildings than any other and is also where the brunt of new construction has been built over the last few years. Both support the prime asking rents in the Suburban West submarket.

### 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	9,167	257,190	13.9%	23,567	48,085	35,407	0	\$24.61	\$29.94
Downtown Omaha	3,875,516	14,490	313,525	8.5%	11,356	59,343	23,960	0	\$30.01	\$30.42
Midtown Omaha	2,356,506	87,798	266,401	15.0%	-1,491	-43,252	121,144	0	\$28.69	\$33.53
Miracle Hills	734,500	156	102,780	14.0%	47,939	74,238	122,995	0	\$24.07	\$22.93
Northeast Omaha	60,962	0	43,640	71.6%	0	0	11,734	0	\$21.50	N/A
Northwest Omaha	1,671,703	80,017	183,360	15.8%	62,237	34,317	108,054	0	\$20.80	\$30.25
Old Mill	1,219,623	330	138,566	11.4%	5,555	8,678	37,670	0	\$20.86	N/A
Regency	748,920	3,198	70,885	9.9%	3,334	13,890	30,823	0	\$26.43	\$35.75
South Central	1,149,984	24,752	123,317	14.5%	-1,717	-19,091	23,626	0	\$20.52	N/A
Southeast Omaha	603,397	0	101,066	16.7%	5,245	56,569	4,736	0	\$22.59	\$24.90
Southwest Omaha	2,554,954	58,086	139,057	7.7%	-26,304	9,712	61,592	0	\$21.50	\$32.33
Suburban West Dodge	3,329,558	51,024	432,006	14.5%	51,234	65,672	98,688	105,438	\$32.64	\$33.81
<b>OMAHA TOTALS</b>	<b>20,217,437</b>	<b>329,018</b>	<b>2,171,793</b>	<b>12.5%</b>	<b>180,955</b>	<b>308,161</b>	<b>680,429</b>	<b>105,438</b>	<b>\$26.21</b>	<b>\$31.79</b>

\*Rental rates reflect full service asking

\*\*Data Source: Costar

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1904-1934 S 67 <sup>th</sup> St	Midtown	Toast	50,766	New Lease
17225 Burt St	Suburban West Dodge	Titan Medical Group	48,878	New Lease
14400 Davenport St	Suburban West Dodge	Nelnet, Inc	44,539	New Lease
11808 Miracle Hills Dr	Miracle Hills	CareDx	24,984	New Lease
2909 N 118 <sup>th</sup> St	Old Mill	Ventura Medstaff, LLC	23,353	New Lease

\*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q2 2022

PROPERTY	SUBMARKET	KEY TENANT	SF	TYPE
14400 Davenport St	Suburban West Dodge	Union Bank & Trust	92,698	BTS
17925 Barker Ct	Suburban West Dodge	MiBoca Dentistry	12,740	SPEC

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