

OMAHA

Retail Q2 2024

CUSHMAN & WAKEFIELD

LUND COMPANY

\$85,300

Median HH Income

YoY Chg



12-Mo. Forecast



0.7%

Population Growth



2.8%

Unemployment Rate



Source: BLS, BOC, Moody's Analytics
Data Source: Costar

U.S. ECONOMIC INDICATORS Q2 2024

2.9%

GDP Growth

YoY Chg



12-Mo. Forecast



6.9%

Consumer Spending Growth



3.1%

Retail Sales Growth



2024Q2 data are based on latest available data.
Growth rates are year-over-year

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 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.

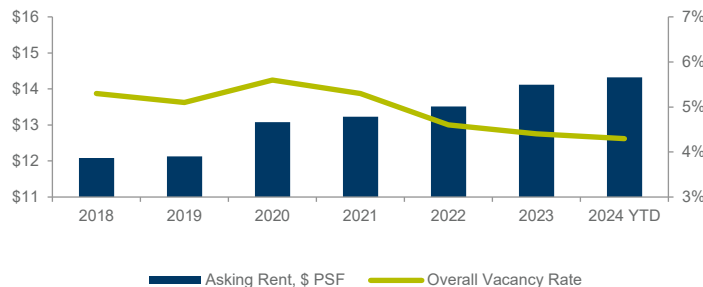
SUPPLY AND DEMAND:

Omaha's retail market continues to thrive, driven by high demand for new construction and strong positive absorption throughout 2024. Despite developers' efforts to keep up, much of the new space is claimed before completion, leading to tight overall vacancy. 87,000 sf of retail product was delivered in the second quarter, for a total of 169,856 sf delivered year-to-date (YTD). Of the new deliveries, 82.4% of the space has already been claimed and contributed to the positive absorption that the market saw in Q2. Omaha's retail market recorded nearly 90,000 sf of positive absorption in the second quarter, for a total of 273,779 sf of positive absorption YTD. The Omaha MSA is seeing very low vacancy rates in the retail sector specifically, which speaks to the high demand and activity. Current vacancy is lower than its trailing three-year average of 4.8%, as retail vacancy dropped to just 4.3% in Q2, decreasing by 10 basis points (bps) year-over-year (YOY).

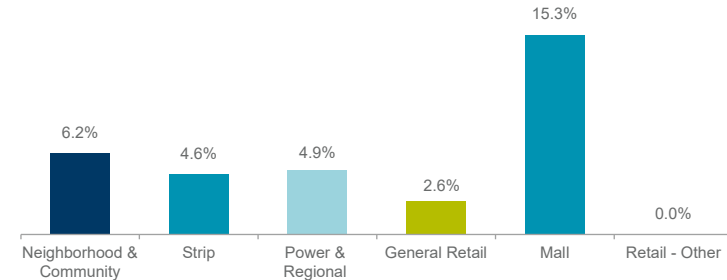
PRICING:

Robust demand has increased asking rents, with prime areas like Downtown Omaha & Council Bluffs commanding premium prices. Average overall asking rents in Omaha's retail market reached \$14.32 per square foot (psf) in the second quarter, increasing by 1.4% YOY. The Council Bluffs submarket fetched the highest asking rents at \$19.99 psf, and the Downtown Omaha submarket came in second, with \$18.28 psf. Though there is currently 277,000 sf of new retail space in the construction pipeline, nearly 80.0% of the space is already pre-leased. Given that the retail industry is sustaining high occupancy levels alongside persistent robust demand, investors stand to benefit from its steady performance and the prospect for continued rent growth.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



OMAHA

Retail Q2 2024



	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Central Omaha	7,630,801	10,061	512,061	6.8%	1,352	24,861	0	\$17.82
Council Bluffs	5,846,469	1,400	108,574	1.9%	22,381	30,208	0	\$19.99
Downtown Council Bluffs	1,893,036	-	97,300	5.1%	-2,132	-2,132	0	\$10.54
Downtown Omaha	2,839,547	1,760	160,903	5.7%	9,621	-5,858	3,197	\$18.28
E Cass County	837,975	-	27,850	3.3%	-	-1,500	0	\$15.38
E Mills County	142,712	-	0	0.0%	-	-	0	N/A
E Pottawattamie County	484,981	-	0	0.0%	-	-	0	N/A
Harrison County	657,423	-	2,480	0.4%	-	-	0	N/A
North Central Omaha	3,396,298	26,166	327,763	10.4%	9,475	-83,052	38,000	\$10.01
Northeast Omaha	3,237,557	8,335	40,984	1.5%	-4,787	-656	0	\$14.73
Northwest Omaha	4,913,168	33,145	125,151	3.2%	-11,329	183,800	76,851	\$18.13
Sarpy East	7,454,593	4,800	295,994	4.0%	22,017	78,988	0	\$15.58
Sarpy West	1,198,827	-	22,790	1.9%	4,396	12,784	65,571	\$17.49
Saunders County	954,643	-	0	0.0%	-	1,444	5,300	\$13.00
South Central Omaha	2,157,891	8,868	34,542	2.0%	2,214	16,422	0	\$13.24
Southeast Omaha	3,636,962	-	15,373	0.4%	12,789	17,475	6,602	\$15.45
Southwest Omaha	13,124,232	66,517	744,371	6.2%	14,300	-8,401	74,751	\$14.57
W Cass County	372,008	-	0	0.0%	-	-	0	N/A
W Mills County	529,412	-	2,800	0.5%	-	-	0	\$10.00
W Pottawattamie County	227,848	-	0	0.0%	-	-	0	N/A
Washington County	1,027,246	-	11,995	1.2%	-	-2,400	0	\$13.31
West Dodge Corridor	3,530,687	6,000	120,395	3.6%	9,224	11,796	43,900	\$15.08
OMAHA TOTALS	66,094,316	167,052	2,651,326	4.3%	89,521	273,779	276,172	\$14.32

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1402-1512 Harlan Dr	Sarpy East	Harbor Freight Tools, USA	15,008	New Lease
602 N 210 th ST	West Dodge Corridor	Gerber Collision	14,479	New Lease
17710 Poppleton Ave	Southwest Omaha	Small Miracle Child Care	10,776	Renewal

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q2 2024

PROPERTY	SUBMARKET	OWNER	SF
10902 S 150 th St	Sarpy West	HHK1023 RE, LLC	62,950
NWC 145 th & Canopy Ave	West Dodge Corridor	HP N 145 th , LLC	36,000

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