

MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.7% Vacancy Rate	▲	▬
-133K YTD Net Absorption, SF	▼	▲
\$27.46 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
523.8K Omaha Employment	▲	▲
3.0% Omaha Unemployment Rate	▲	▲
4.2% U.S Unemployment Rate <i>Source: BLS</i>	▲	▲

ECONOMY SUPPLY:

Omaha's unemployment rate increased by 20 basis points (bps), reaching 3.0% in the final quarter of 2024; however, this figure remains 120 bps below the national average. Since the fourth quarter of 2023, the Omaha job market has added 12,300 positions, with the most significant growth occurring in the Information sector (8.9%) and the Education and Health Services sector (6.7%). The median household income has risen by \$3,200 year-over-year (YOY), totaling \$87,500. An additional rise in income is anticipated in early 2025, as the minimum wage is scheduled to increase by \$1.50 per hour in January, following Initiative 433, a ballot measure aimed at gradually raising the minimum wage.

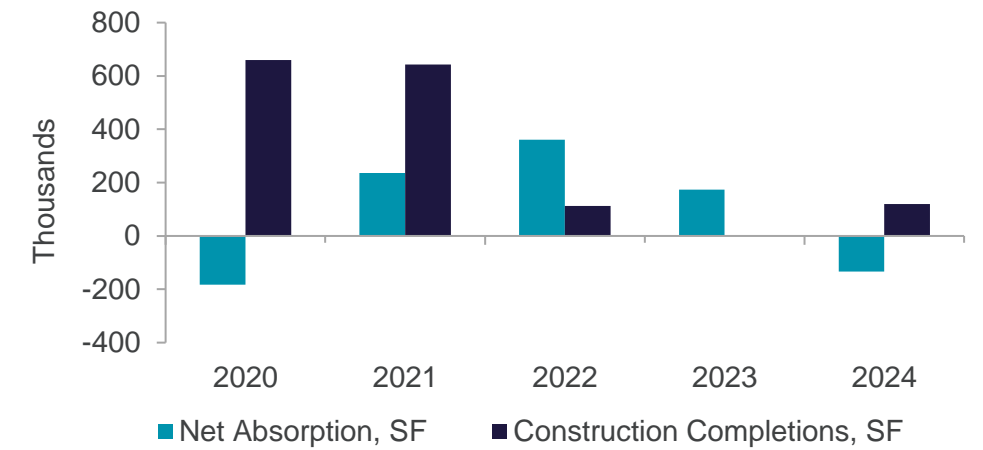
MARKET OVERVIEW:

Omaha's office market experienced -68,964 square feet (sf) of net absorption in the fourth quarter, resulting in a cumulative absorption of -133,347 sf for the year. The overall vacancy rate increased by 200 bps YOY, reaching 13.7% by the end of the fourth quarter. Similar to other markets across the United States, the office sector in Omaha continues to navigate changes and adapt to the hybrid work model that emerged following the pandemic. While an increasing number of companies are encouraging their employees to return to the office, which may provide some relief in 2025, property owners are finding innovative ways to maximize the use of surplus space. Many are repurposing properties into residential apartment units, special use spaces, or event venues. There were no new deliveries in the last quarter; however, there is currently over 1.0 million square feet (msf) of office space under construction. Almost 99.0% of this space is already claimed, with future owner-occupants including Mutual of Omaha, Applied Underwriters, and SGH Concepts.

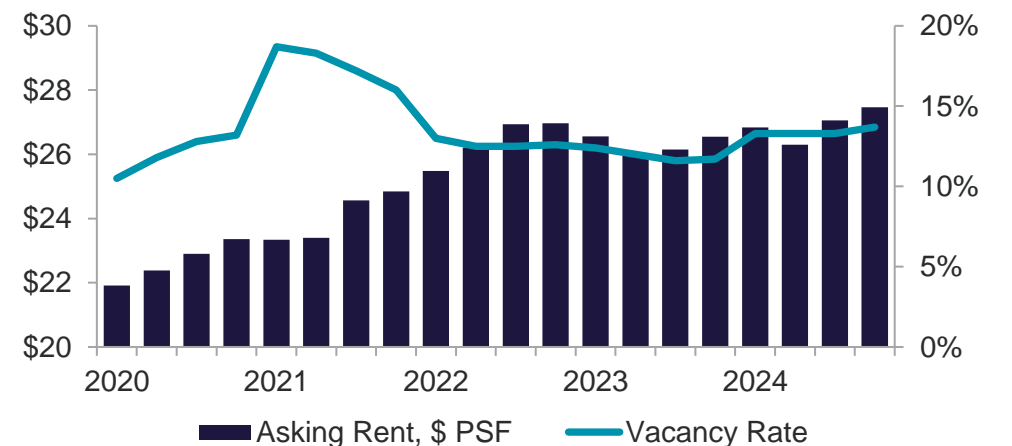
PRICING:

Effective asking rents continued their upward trajectory in the last quarter of the year, climbing to \$27.46 per square foot (psf), representing a 3.4% increase YOY. A surge of construction projects across various sectors is evident in downtown Omaha, which has transformed from a conventional business center to a vibrant area for urban living, entertainment, and the arts. The strong demand for space in the downtown area is contributing to the upward pressure on rents. In the final quarter, downtown asking rents reached \$35.06 psf, in contrast to the suburban markets, where the average rent stood at \$25.59 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Central Dodge	1,837,092	351,398	19,545	20.2%	579	-42,970	77,801	0	\$25.89	\$28.88
Downtown Omaha	3,754,757	429,138	-	11.4%	-1,627	10,500	45,027	800,000	\$35.06	\$34.52
Midtown Omaha	1,956,132	142,438	7,531	7.7%	-10,959	33,472	166,074	0	\$38.05	\$32.14
Miracle Hills	750,370	84,936	1,323	11.5%	-5,621	7,019	94,759	0	\$26.97	\$27.94
Northeast Omaha	60,962	43,640	-	71.6%	0	0	96,716	0	\$22.25	N/A
Northwest Omaha	1,673,449	362,928	23,928	23.1%	4,830	59,279	57,839	0	\$21.68	N/A
Old Mill	1,127,107	115,860	-	10.3%	8,070	11,053	112,387	39,700	\$25.31	N/A
Regency	749,144	92,716	-	12.4%	-101	-3,917	60,006	0	\$27.42	\$31.84
South Central	1,107,149	88,747	-	8.0%	23,615	43,069	36,302	0	\$22.50	N/A
Southeast Omaha	598,017	121,396	-	20.3%	-15,387	-23,830	57,789	0	\$24.90	\$20.15
Southwest Omaha	2,479,636	307,098	9,051	12.7%	-125,510	-161,187	109,925	0	\$25.27	\$30.78
Suburban West Dodge	3,227,399	428,103	15,351	13.7%	53,147	-65,835	91,092	271,180	\$32.80	\$32.56
OMAHA TOTALS	19,321,214	2,568,398	76,729	13.7%	-68,964	-133,347	1,005,717	1,110,880	\$27.46	\$32.47

*Rental rates reflect full service asking

*Data Source: Costar

*Data in market statistics table excludes owner-occupied, government, medical & non-competitive office buildings.

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6750 Mercy Rd	Midtown Omaha	Unison	25,732	New Lease
2301 N 117 th Ave	Northwest Omaha	Detego Health	16,048	New Lease
3555 Farnam St	Midtown Omaha	KPMG	15,867	New Lease
613 N 204 th Ave	Suburban West Dodge	Bloomwell Autism Therapy	11,890	New Lease

*Renewals included in leasing statistics

KEY UNDER CONSTRUCTION PROPERTIES Q4 2024

PROPERTY	SUBMARKET	BUILDING CLASS	SF	CONSTRUCTION TYPE
Mutual of Omaha	Downtown Omaha	A	800,000	BTS
Applied Underwriters	Suburban West Dodge	A	260,000	BTS
SGH Concepts	Old Mill	A	39,700	BTS
1630 N Main St	Suburban West Dodge	B	11,180	SPEC

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