



MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.2% Vacancy Rate	▲	▬
644K YTD Net Absorption, SF	▼	▲
\$8.15 Asking Rent, PSF <i>(Overall, Net Asking Rent)</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:

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.

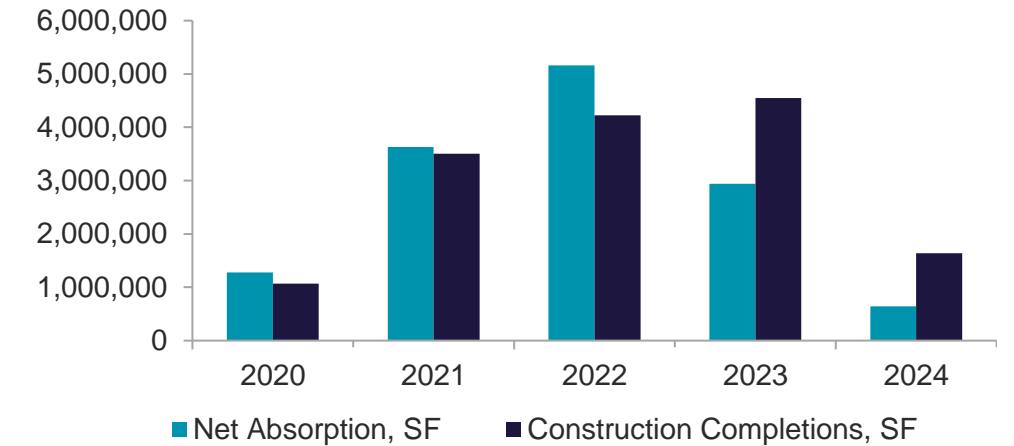
MARKET OVERVIEW:

Omaha's industrial sector absorbed 81,212 square feet (sf) during the last quarter of 2024, resulting in a year-to-date (YTD) total of 644,325 sf. In recent years, the heightened demand for new construction has been a key driver behind Omaha's historically elevated absorption rates. This upward trend in absorption was predominantly fueled by tenants occupying new construction. Though the market continues to experience positive growth, this is a significant decrease from the 2.9 million square feet (msf) of absorption posted in 2023. The decline in absorption can be attributed to a slowdown in new construction due to rising costs, elevated interest rates, and labor-related difficulties. In the last quarter of the year, 344,790 sf of construction was completed, resulting in a cumulative total of 1.6 msf delivered YTD. While this is a substantial amount of new space, it falls short compared to the 4.5 msf of new construction delivered in 2023. Despite the slowdown, leasing activity in Omaha's industrial market remains strong. In 2024, there were 144 new leases signed totaling 2.8 msf sf compared to 119 new leases that totaled 1.3 msf from the previous year.

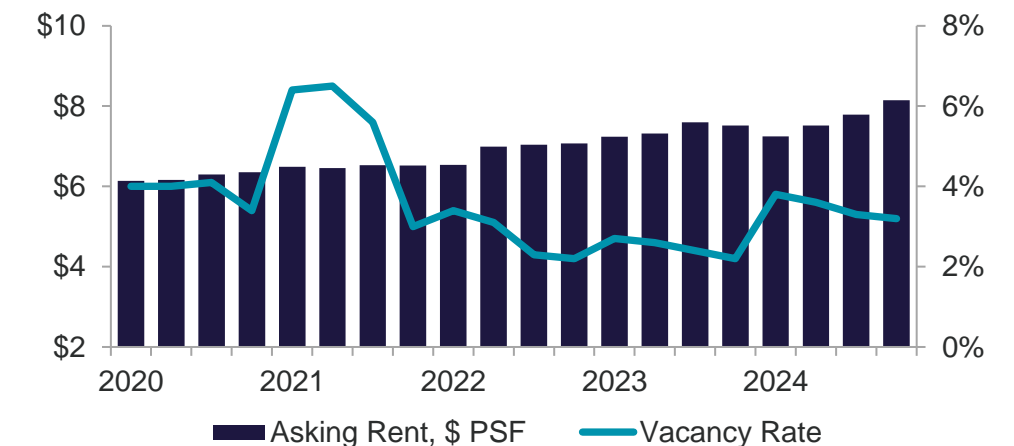
PRICING:

Omaha's industrial sector recorded its 10th straight quarter of growth, with overall rents reaching \$8.15 per square foot (psf) in the fourth quarter, reflecting an annual rise of 8.4%. While the pace of new construction has slowed, demand remains robust, and developers are finding it challenging to keep pace. There is currently just over 3.7 msf in the construction pipeline. However, all projects are build-to-suit and will be fully occupied upon completion. The imbalance between limited supply and strong demand is expected to continue pushing rents higher.

SPACE DEMAND / 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 (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (ALL USES)
Council Bluffs	3,507,421	161,980	4.6%	-24,020	-2,920	0	0	\$6.95	N/A	\$6.95
Downtown Council Bluffs	3,783,667	51,950	1.4%	-8,721	277,290	0	0	N/A	\$5.25	\$5.25
E Cass County	464,891	40,000	8.6%	0	-20,000	0	0	N/A	\$6.50	\$6.50
E Mills County	72,150	0	0.0%	0	0	0	0	N/A	N/A	N/A
E Pottawattamie County	1,517,321	40,304	2.7%	0	-40,304	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	11,598,516	549,809	4.7%	18,614	-14,838	0	0	N/A	\$7.56	\$7.12
Northwest Omaha	8,210,341	99,424	1.2%	4,924	7,907	2,200,000	0	\$10.00	\$7.18	\$8.26
Sarpy East	2,392,871	37,442	1.6%	0	51,979	0	0	N/A	N/A	N/A
Sarpy West	27,893,386	1,434,777	5.1%	98,690	500,391	1,400,000	327,990	\$11.58	\$7.05	\$7.72
Saunders County	845,690	62,055	7.3%	0	-2,640	0	0	N/A	N/A	N/A
South Central Omaha	21,836,121	427,069	2.0%	-133,202	-260,819	105,000	0	\$10.52	\$8.29	\$9.20
Southeast Omaha	9,443,969	325,442	3.4%	5,250	91,301	0	0	N/A	\$7.92	\$7.92
Southwest Omaha	9,528,652	170,601	1.8%	13,381	-62,118	0	0	\$11.01	N/A	\$10.45
W Cass County	493,091	61,000	12.4%	0	12,000	0	0	N/A	N/A	N/A
W Mills County	549,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,612,362	44,850	1.2%	-11,250	-10,450	0	16,800	\$11.50	N/A	\$11.50
Washington County	2,889,679	7,564	0.3%	117,546	117,546	0	0	N/A	N/A	N/A
OMAHA TOTALS	109,004,699	3,514,267	3.2%	81,212	644,325	3,705,000	344,790	\$10.81	\$7.46	\$8.15

*Rental rates reflect full service asking

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

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5902 N 9th St	Northeast Omaha	OTR Engineered Solutions	153,000	New Lease
11921 156th St	Sarpy West	Bunzl Distribution	80,814	New Lease
2815 Taylor St	Northeast Omaha	Pomp's Tire Services, Inc	32,536	New Lease
4480 S 90th St	South Central Omaha	Estes	25,376	New Lease

*Renewals included in leasing statistics

KEY CONSTRUCTION COMPLETIONS Q4 2024

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER
R&R Commerce Park South Warehouse III	Sarpy West	SPEC	286,000	R&R Realty Group
19303 Raven Ridge Dr	Sarpy West	SPEC	41,990	Cutthroat Properties
1-80 Industrial Park	W Pottawattamie County	SPEC	16,800	Armstrong Investments

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