

\$68,900

Median HH Income

YoY Chg



12-Mo. Forecast



0.9%

Population Growth



3.0%

Unemployment Rate



Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q4 2019

2.4%

GDP Growth

YoY Chg



12-Mo. Forecast



4.3%

Consumer Spending Growth



4.1%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMY: Overall Job Growth Trends Upward, While Retail Sector Sees Decline

Nearly 15,000 non-farm payroll positions were created year-over year (YOY), bringing Omaha's employment count to 519,200 people in the fourth quarter of 2019. Though overall job growth is on the rise, retail employment is falling. The market has lost 1,300 jobs over an eight-quarter stretch. Over a four-quarter period that ended at the close of 2019, 800 retail positions were lost, bringing the total number of employees working in the retail trade sector to 55,500 people. Though several factors have caused the decline, the largest contributors include automation and online sales. The convenience and competition from online retailers has caused employment to decline in brick-and-mortar retail stores. In addition, many customers choose to have goods shipped directly to their home, or utilize the delivery or curbside pick-up option, which has decreased the need for many retail positions.

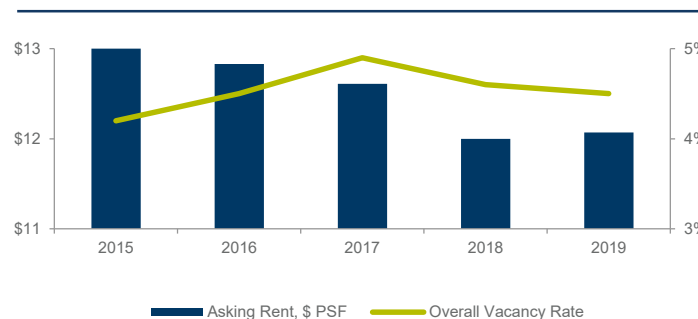
SUPPLY AND DEMAND: 2019 Retail Market Theme - Slow But Steady

Omaha's retail market experienced approximately -24,000 square feet (sf) of negative absorption in the fourth quarter, but nearly 50,000 sf of positive activity for all of 2019. Though the retail market doesn't always record colossal absorption gains, the growth is steady. Retailers know they must keep up with the changing times. The look, feel, atmosphere and location is everything, which is why newer construction, is in high demand. The vacancy rate in retail properties built before 2000 sits at 5.7%, compared to properties built in 2000 or after, with a vacancy rate of 3.3%. Nearly 180,000 sf of new inventory came online during 2019 and year-to-date (ytd) completions totaled 352,000 sf. More than half was spoken for before delivery. Overall vacancy increased by just 30 basis points (bps) YOY. The meager increase was largely related to vacant space in new deliveries coming online.

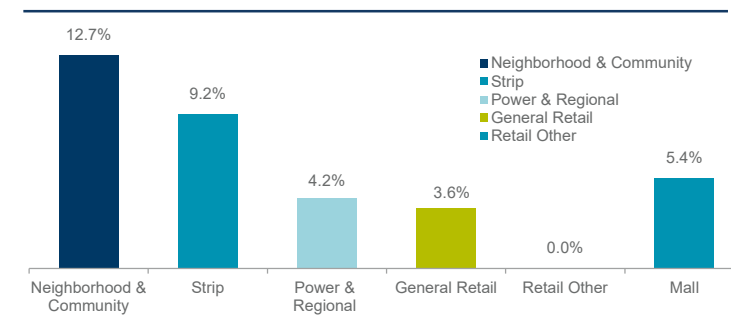
PRICING: Asking Rents Fall

Overall asking rents were \$12.07 per square foot (psf) at the close of the fourth quarter in 2019, a decline of \$0.94 psf YOY. Demand for new space is high, and much of the leasing activity comes from tenants upgrading and relocating to newer space. The move-out's have increased vacancy in older buildings, which have lower asking rents that are dragging the rent average down.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



SUBMARKET	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)*
Sarpy West	846,158	0	34,362	4.1%	2,191	3,612	4,674	\$19.44
Sarpy East	7,064,731	4,498	355,599	5.1%	56,938	46,759	4,225	\$12.27
Southwest	12,120,998	18,869	663,242	5.6%	-16,548	12,883	79,722	\$12.22
South Central	2,310,563	8,868	80,652	3.9%	-590	12,080	0	\$9.90
West Dodge Corridor	3,212,360	3,662	132,180	4.2%	21,650	169,781	52,192	\$15.53
Downtown Omaha	2,889,824	0	164,965	5.7%	13,736	-18,116	0	\$15.66
Northeast	2,966,896	0	58,739	2.0%	-4,185	-19,654	0	\$11.59
Southeast	3,653,660	0	196,218	5.4%	-2,747	21,446	4,000	\$9.69
Northwest	4,490,756	3,120	201,553	4.6%	21,454	57,758	0	\$13.96
Council Bluffs	6,179,224	0	85,073	1.4%	-125,038	-129,468	30,990	\$13.11
Downtown Council Bluffs	1,903,027	50,455	76,307	6.7%	-31,292	-25,047	0	\$11.31
Central	9,142,815	5,846	315,772	3.5%	-7,233	-22,616	4,250	\$12.92
North Central	3,394,394	12,983	291,666	9.0%	11,805	-85,853	0	\$9.25
Washington County	904,139	0	26,526	2.9%	12,232	-24,380	0	\$9.83
E Cass County	753,983	0	24,900	3.3%	2,600	-43,956	0	\$7.60
Saunders County	372,728	0	0	0.0%	2,590	0	0	\$16.25
Harrison County	348,596	0	15,250	4.4%	18,740	11,761	0	\$2.50
W Mills County	491,234	0	1,936	0.4%	0	-28,241	0	\$8.50
E Pottawattamie County	192,654	0	0	0.0%	0	0	0	N/A
W Cass County	194,291	0	3,000	1.5%	0	5,100	0	N/A
E Mills County	136,610	0	0	0.0%	0	7,489	0	N/A
W Pottawattamie County	76,600	0	0	0.0%	0	0	0	N/A
OMAHA TOTALS	63,646,241	108,301	2,727,940	4.5%	-23,697	48,662	180,053	\$12.07

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3201 S 144 th St	Southwest	The Rush Market	150,780	New Lease
3201 Farnam St	Central	Alamo Drafthouse Cinema	54,140	New Lease
6320-6516 N 73 rd Plz	North Central	Ross Dress for Less	20,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
1751 Madison Ave	Council Bluffs	Woodsonia Real Estate/Namdar Realty Group	906,745	\$8.2M/\$9
13215-13483 W Center Rd	Southwest	PDM, Inc./Broad Reach Retail Partners, LLC	158,023	\$16.5M/\$105
10511-10525 S 15 th St	Sarpy East	Viking Partners/Ball Ventures, LLC	116,633	\$15.7M/\$134

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