



YoY Chg 12-Mo. Forecast

15.4%
Vacancy Rate



106k
Net Absorption, SF



\$23.40
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

493k

Omaha Employment



3.0%

Omaha Unemployment Rate



5.9%

U.S. Unemployment Rate



Source: BLS

ECONOMY OR SUPPLY: Unemployment Rate Inches Toward Pre-Pandemic Levels

Omaha's job growth continued at a strong pace through the second quarter of 2021, adding nearly 29,000 positions year-over-year (YOY). The unemployment rate also showed significant improvement, decreasing by 460 basis points (bps) during the same timeframe. Since reaching its pandemic peak in April of 2020 the local jobless rate has been on a steady decline and is within just 30 bps of reaching its pre-pandemic average of 2.7%. Omaha's unemployment rate is currently ranked the fourth lowest in the U.S. and is 290 basis points below the national average of 5.9%. According to a study conducted by the University of Nebraska-Lincoln, the state of Nebraska is expected to be back to pre-pandemic levels of employment by early 2022. The industries that have seen the largest job increase since the second quarter of 2020 are Leisure and Hospitality (+56.6%), Trade and Transportation (+7.8%) and Education and Health services (+7.4%). Both builder and consumer confidence are on the rise. According to the Omaha Chamber of Commerce, commercial construction permits are up +311.2% since last year and single-family construction permits are up 21.7%, due to more families building new homes.

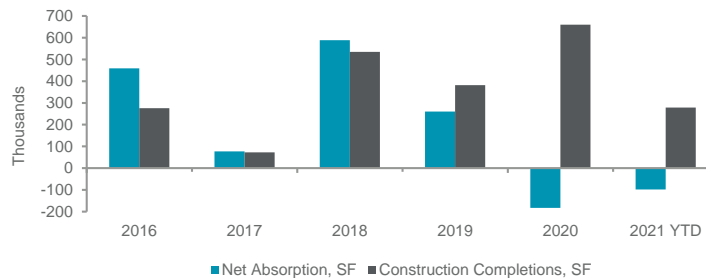
SUPPLY OR DEMAND: Local Business Expansions Drive Absorption

Omaha was amongst the few U.S markets to see positive absorption in the office market, recording 106,000 square feet (sf) of positive absorption in the second quarter of 2021. The office vacancy rate also decreased to 15.4%, declining by 70 bps, YOY. The two largest moves for the quarter were local business expansions, relocating to newly delivered office buildings. Valmont Industries moved into 128,000 sf and Carson Wealth moved into 89,000 sf, in the Suburban West Dodge submarket. Tenants moving into class A office space accounted for the brunt of the positive activity, absorbing 226,000 sf of space. Absorption in Class B office space totaled -127,000 sf and 7,000 sf in Class C space. Class A office product continues to see the highest demand and has the lowest vacancy rate in the market at 13.3%. Companies are eager to move into new Class A office buildings, and most of the space is pre-leased before building construction is complete. Of the 250,000 square feet of Class A office inventory that was delivered in the second quarter, nearly 87% was spoken for before completion. Another 380,000 sf is currently in the construction pipeline.

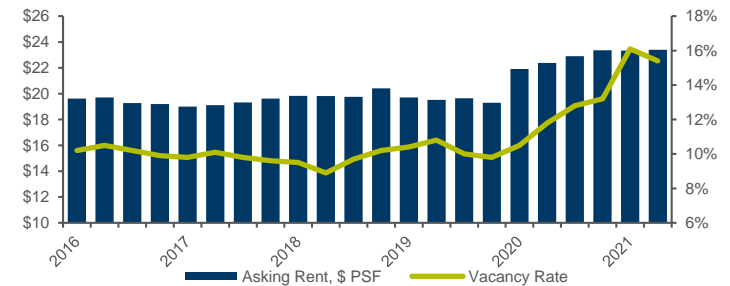
PRICING: Class A Rents Continue Upward Trend

Local asking rents expanded by \$1.02 per square foot (psf) YOY, an increase of nearly 4.6%. Class A space boasted the highest rent, averaging \$30.14 psf. While asking rents for Class A space in suburban markets increased by \$0.78 psf YOY, asking rents for Class A space in the CBD increased by \$0.46 psf. Asking rents in the Suburban West Dodge submarket continue to trend upward, and has the highest office rents at \$29.43 psf.

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	1,911,634	19,830	415,358	22.8%	-47,160	-32,866	119,076	0	\$25.21	\$21.10
Downtown Omaha	3,909,939	15,355	374,076	10.0%	14,728	29,110	58,233	0	\$27.24	\$29.92
Midtown Omaha	2,367,306	0	463,140	19.6%	11,107	-172,797	61,069	0	\$23.09	\$32.02
Miracle Hills	745,021	0	158,444	21.3%	-9,000	8,457	40,643	0	\$25.12	\$24.97
Northeast Omaha	43,640	0	15,738	36.1%	4,125	4,125	41,473	0	\$21.50	N/A
Northwest Omaha	1,677,795	51,478	268,025	19.0%	-8,904	-85,539	20,999	0	\$18.05	\$30.25
Old Mill	1,229,790	12,308	134,169	11.9%	8,494	17,481	32,464	0	\$21.92	N/A
Regency	746,715	10,218	77,678	11.8%	4,282	5,896	19,387	0	\$27.85	\$34.61
South Central	1,137,121	0	155,570	13.7%	9,884	-9,878	34,685	0	\$18.72	N/A
Southeast Omaha	603,397	0	162,046	26.9%	-3,302	1,230	19,485	0	\$19.38	\$23.69
Southwest Omaha	2,465,155	57,442	294,131	14.3%	-90,551	-91,008	101,560	200,000	\$16.54	N/A
Suburban West Dodge	3,240,220	56,904	348,699	12.5%	212,255	227,422	19,373	180,000	\$29.43	30.29
OMAHA TOTALS	20,077,733	223,535	2,867,074	15.4%	105,958	-98,367	568,447	380,000	\$23.40	\$30.14

*Rental rates reflect full service asking

**Data Source: Costar

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
15000 Valmont Plz	Suburban West Dodge	Valmont Industries, Inc	127,548	New Lease
9110 W Dodge Rd	Central Dodge	Omaha National Insurance Company	53,273	New Lease
1515 S 75 th St	Midtown	Spreetail	26,183	New Lease

*Renewals included in leasing statistics

KEY CONSTRUCTION COMPLETIONS Q2 2021

PROPERTY	SUBMARKET	SPECULATIVE / BTS	SF	Owner/Developer
15000 Valmont Plz	Suburban West Dodge	BTS	127,548	Noddle Companies/Noddle Companies
14600 Davenport St	Suburban West Dodge	BTS	120,000	Carson Wealth/Tetrad Property Group

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