

OMAHA

Retail Q2 2021

\$70,400

Median HH Income

YoY Chg



12-Mo. Forecast



0.6%

Population Growth



3.0%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q2 2021

13.2%

GDP Growth

YoY Chg



12-Mo. Forecast



16.6%

Consumer Spending Growth



31.0%

Retail Sales Growth



2021Q2 data are based on latest available data.
Growth rates are year-over-year

ECONOMY: Lowest Unemployment Rate In The U.S.

The Omaha market added nearly 29,000 jobs year-over-year (YOY), and 493,000 people were employed in the second quarter of 2021. During the same time frame the jobless rate improved by 460 basis points (bps). Omaha's most recent unemployment rate was recorded at 3.0% and is currently the lowest in the Midwest. It continues to be one of the best in the U.S. and is well below the national average of 5.9%. According to the Moody's Analytics, the Omaha market is projected to see substantial job growth, adding 15,600 positions by the second quarter of 2022. While most jobs are expected to come back, the pandemic created long term trends such as shopping online that resulted in permanent job loss. Sectors such as leisure and hospitality and state/local government are expected to see the strongest growth, while retail trade employment is not projected to rebound to pre-pandemic numbers anytime soon.

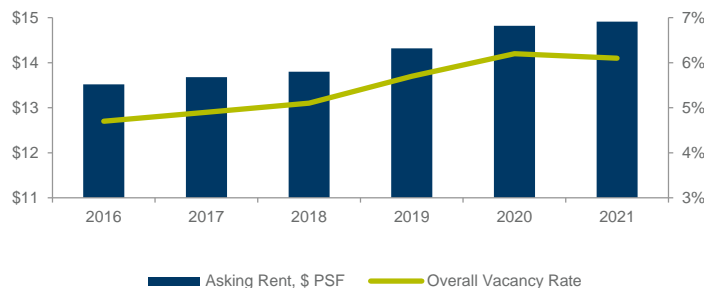
SUPPLY AND DEMAND: Retail Market Sees Positive Absorption

So many uncertainties surrounded the future of retail after facing a market-shaping year caused by the pandemic. Consumer behavior changed overnight as in-person shopping declined and online sales reached record highs. As a result, bricks and mortar shops across the globe were forced to close their physical location. More than a year later, recovery is on the horizon. The Omaha retail market recorded approximately 82,000 square feet (sf) of positive absorption in the second quarter of 2021, while year-to-date (YTD) absorption totaled nearly 200,000 sf. Tenants taking occupancy in new construction has contributed to the positive activity we are seeing. Nearly 76,000 sf of new retail inventory was completed in the first half of the year and is already 86.0% occupied. Another 273,000 sf of new retail product is slated for completion in the last half of 2021 and is already 63.0% pre-leased. While leasing has picked up since the beginning of the pandemic, tenants are more hesitant to sign long term-leases. Pre-pandemic, retail lease terms averaged 4.0 years in Omaha. The current lease term average is 3.8 years.

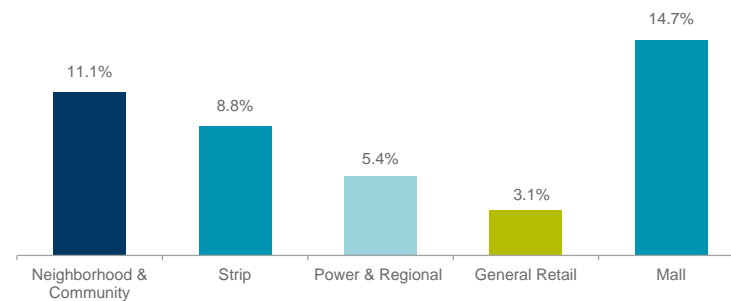
PRICING: New Development Drives Rent Growth

Retail asking rents rose by \$0.09 per square foot (psf) YOY, reaching \$14.91 psf in the second quarter of 2021. The Sarpy West submarket has the highest asking rents in the market, averaging \$19.04 psf. Just 1.7% of the submarket's inventory is vacant, and limited supply has put upward pressure on rents. Sarpy West has experienced a substantial amount of development across all commercial real estate sectors over the last few of years, which has also contributed to the submarket's rent growth.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



OMAHA

Retail Q2 2021



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)*
Central Omaha	8,549,376	3,915	501,495	5.9%	24,658	18,451	0	\$17.31
Council Bluffs	6,282,071	0	540,526	8.6%	-1,154	-5,097	0	\$16.66
Downtown Council Bluffs	1,864,254	0	52,881	2.8%	20,447	41,203	0	\$11.55
Downtown Omaha	2,633,761	1,000	116,611	4.5%	54,676	67,459	0	\$15.91
E Cass County	801,316	0	32,350	4.0%	5,254	6,754	0	\$10.41
E Mills County	144,366	0	0	0.0%	0	0	0	N/A
E Pottawattamie County	480,243	0	0	0.0%	0	0	0	N/A
Harrison County	653,747	0	0	0.0%	0	0	0	N/A
North Central Omaha	3,478,374	12,983	337,395	10.1%	-30,796	-28,628	2,000	\$11.59
Northeast Omaha	3,053,667	0	66,111	2.2%	-7,135	-19,726	0	\$13.56
Northwest Omaha	4,615,636	33,170	302,076	7.3%	4,977	50,733	40,750	\$18.62
Sarpy East	7,107,923	0	378,582	5.3%	60,948	54,525	83,282	\$13.96
Sarpy West	1,055,376	0	17,554	1.7%	4,999	4,999	52,781	\$19.04
Saunders County	913,715	0	17,977	2.0%	2,956	0	0	\$3.75
South Central Omaha	2,038,716	8,868	92,295	5.0%	2,812	-14,250	0	\$12.83
Southeast Omaha	3,624,485	0	80,980	2.2%	1,831	53,548	6,000	\$11.86
Southwest Omaha	12,135,563	85,502	1,083,572	9.6%	-47,245	-68,027	56,761	\$15.75
W Cass County	364,859	0	1,150	0.3%	0	0	0	N/A
W Mills County	520,314	0	0	0.0%	0	1,936	0	N/A
W Pottawattamie County	197,636	0	0	0.0%	0	0	0	N/A
Washington County	995,945	0	37,356	3.8%	0	432	0	\$11.57
West Dodge Corridor	3,346,378	4,100	168,122	5.1%	-15,328	34,751	51,093	\$18.64
OMAHA TOTALS	64,857,721	149,538	3,827,033	6.1%	81,900	-199,063	292,667	\$14.91

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
12931-13079 W Center Rd	Southwest Omaha	Hy-Vee Wine & Spirits	21,854	New Lease
721-757 W Broadway	Downtown Council Bluffs	Family Dollar	21,435	New Lease
6220 N 73 rd Plz	North Central Omaha	Petsmart	20,018	Renewal

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
Metro Crossing Shopping Center	Council Bluffs	W-PT Metro Center Owner VIII, LLC/B33 Metro Crossing II, LLC	304,354	\$52,900,000/\$174
Canfield Plaza	Central Omaha	Schumacher Enterprises/Canfield Investments, LLC	82,024	\$7,050,000/\$86
10808 Fort St	Northwest Omaha	Cole GS Omaha NE, LLC/Hurd Kettlestone, LLC	70,434	\$11,530,820/\$164

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