

YoY Chg 12-Mo. Forecast

3.0%

Vacancy Rate



2.4M

Net Absorption, SF



\$6.52

Asking Rent, PSF



Overall, Net Asking Rent
Data Source: Costar

ECONOMIC INDICATORS Q4 2021

YoY Chg 12-Mo. Forecast

498K

Omaha Employment



2.2%

Omaha Unemployment Rate



4.2%

U.S. Unemployment Rate



Source: BLS

ECONOMY OVERVIEW:

The Omaha market added 10,900 jobs year-over-year (YOY), with gains in most sectors. During the same timeframe, local unemployment declined by 160 basis points (bps), and currently sits at 2.2%. Job growth was still less than economists expected. Nebraska's unemployment rate shriveled to 1.9% in November, which is the lowest any state has reached since data collection began in 1976. According to a survey given by the Nebraska Chamber of Commerce & Industry, 92.0% of its members said that finding skilled workers was their top priority. In effort to attract help, employers have increased wages to both retain current employees and attract applicants. As a result, Omaha's median household income increased by 2.1% YOY, landing at \$71,200 at the end of 2021.

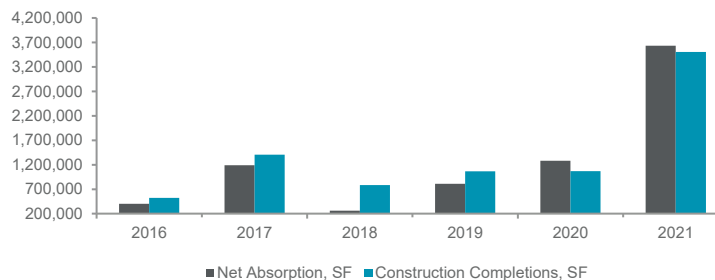
SUPPLY AND DEMAND:

Omaha's industrial market shattered records in the fourth quarter of 2021, with absorption exceeding 2.4 million square feet (msf), for a total of more than 3.6 msf of absorption year-to-date (YTD). The year also ended with only 3.0% of the industrial inventory vacant, down 40 basis points YOY. The local market broke its construction record, delivering more than 3.5 msf of industrial space throughout 2021. An additional 2.4 msf of industrial space is currently underway, all slated for delivery in 2022. In addition, 89.0% of the new construction has already been claimed. Amazon had the most impactful move, occupying 2.1 msf of new construction. Once fully operational, the fulfillment center could bring 1,000 full-time jobs to the area. The Sarpy West submarket gave another impressive performance, recording more than 3.4 msf of absorption in 2021. In comparison, the other submarkets recorded 176,000 square feet (sf) of absorption, combined.

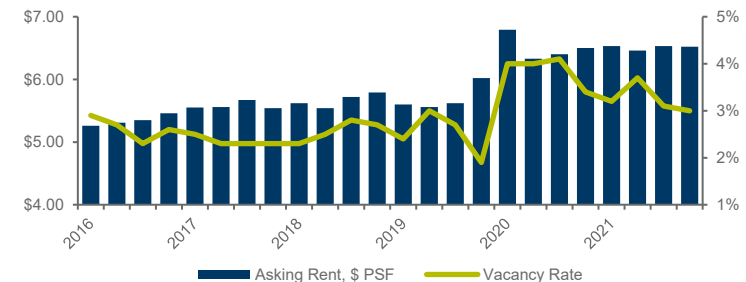
PRICING:

Competition for new construction continued to put upward pressure on rents in 2021, reaching \$5.62 per square foot (psf) at year-end. Since the fourth quarter 2018, average industrial asking rents increased by 12.8%, while over a five-year period, rents increased by 20.0%. There were 13 speculative buildings delivered in 2021 and nearly 90.0% of that new space has already been absorbed. Demand is currently outpacing supply and landlords are asking prime rents. With seven speculative projects already underway, rent growth is expected to continue into 2022.

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 (TOTAL)
Council Bluffs	2,968,893	99,034	3.3%	0	-8,000	270,000	0	N/A	N/A	N/A
Downtown Council Bluffs	3,407,857	31,605	0.9%	4,160	-31,605	0	0	N/A	N/A	N/A
E Cass County	443,130	21,418	4.8%	0	-1,418	0	0	N/A	N/A	N/A
E Mills County	72,150	0	0.0%	0		0	0	N/A	N/A	N/A
E Pottawattamie County	1,485,386	250	0.0%	-250	-250	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	11,335,264	227,126	2.0%	1,386	110,962	0	0	N/A	\$8.85	\$8.85
Northwest Omaha	7,338,192	262,965	3.6%	73,347	190,870	378,600	74,837	\$8.41	\$8.16	\$8.27
Sarpy East	2,270,306	68,489	3.0%	0	34,132	0	0	N/A	N/A	N/A
Sarpy West	21,450,497	351,577	1.6%	2,495,123	3,457,532	791,560	2,570,320	\$8.94	\$7.37	\$7.95
Saunders County	800,386	8,053	1.0%	4,823	1,820	13,000	0	N/A	N/A	N/A
South Central Omaha	21,703,203	1,179,522	5.4%	-103,229	69,986	0	0	\$9.36	\$5.85	\$6.33
Southeast Omaha	9,159,730	261,776	2.9%	-41,184	-142,778	0	0	\$4.59	\$3.33	\$3.56
Southwest Omaha	9,465,415	224,816	2.4%	33,197	-6,460	15,000	0	\$8.89	\$5.84	\$7.82
W Cass County	483,173	49,000	10.1%	0	-11,500	0	0	N/A	N/A	N/A
W Mills County	467,633	0	0.0%	0	0	0	0	N/A	N/A	N/A
W Pottawattamie County	3,493,575	37,416	1.1%	-16,800	-16,800	0	16,800	N/A	10.50	\$10.50
Washington County	1,680,361	81,314	4.8%	-7,564	-13,064	938,300	0	N/A	3.50	\$3.50
OMAHA TOTALS	98,390,089	2,904,361	3.0%	2,443,009	3,633,427	2,406,460	2,661,957	\$8.68	\$5.96	\$6.52

*Rental rates reflect weighted net asking \$psf/year

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

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
13576 Cornhusker Rd	Sarpy West	GXO	301,320	New Lease
11720 Peel Cir	Sarpy West	L'Oreal	178,368	Renewal
13900 Chalco Valley Pkwy	Sarpy West	Munch's Supply O'Connor	74,974	Renewal

*Renewals included in leasing statistics

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KEY CONSTRUCTION COMPLETIONS Q4

PROPERTY	SUBMARKET	SPEC/BTS	SF	OWNER/DEVELOPER
14248 Hwy 370	Sarpy West	BTS	2,100,000	USRE Willa, LLC/Ryan Companies
13576 Cornhusker Rd	Sarpy West	SPEC	301,320	Logistics Hub 2, LLC/White Lotus Group
13564 Valley Ridge Dr	Sarpy West	SPEC	100,000	Logistics Hub 4, LLC/White Lotus Group

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