



YoY Chg 12-Mo. Forecast

16.0%
Vacancy Rate



206k
Net Absorption, SF



\$24.84
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2021

YoY Chg 12-Mo. Forecast

499k

Omaha Employment



2.2%

Omaha Unemployment Rate



4.2%

U.S. Unemployment Rate



Source: BLS

ECONOMY OR SUPPLY:

The Omaha economy added 10,600 jobs year-over-year, ending the fourth quarter of 2021 with 498,600 people employed. During the same time frame the local jobless rate decreased by 160 basis points (bps), dropping to 2.2%. Though all job creation is positive, Omaha is still struggling to find workers. Even before the pandemic, Nebraska had one of the lowest unemployment rates in the nation. The key difference is that historically, the workforce participation rate was much higher. As of December, approximately 49,000 job openings were listed on the state website, and there were 19,000 working-age residents who were not employed. Nebraska Governor, Pete Ricketts has announced that he is working on several policies that would bring people back into the workforce. One of the policies include requiring people to confer with job coaches before seeking unemployment benefits. In response to the worker shortage many employers have increased wages to attract help. As a result, Omaha's median household income increased by \$1,500 (year-over-year) YOY, reaching \$71,200 by year-end.

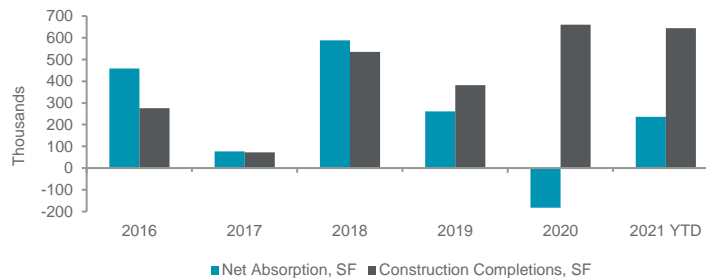
SUPPLY OR DEMAND:

Omaha's office market ended the year on a high note, posting 235,524 square feet (sf) of positive absorption year-to-date (YTD). The market experienced its third consecutive quarter of positive activity, recording 206,497 sf of positive absorption in the last quarter of 2021. There were 264 new office leases signed between January and December, totaling more than 1.2 million square feet. Nearly 73.0% of the deals inked, were for Class B space. The market saw one delivery in the fourth quarter, as construction on a 200,000-sf office building in Sterling Ridge was completed. LinkedIn leased the Class A office building and occupied it upon construction completion. This move is an expansion for the company, who plans to use the extra room to double their local workforce. Community Alliance had the second largest move-in for the quarter. The nonprofit organization purchased and occupied the Class B, Plaza of Americas building. This noteworthy move took a 130,000-sf block of vacant space off the market in the Midtown submarket.

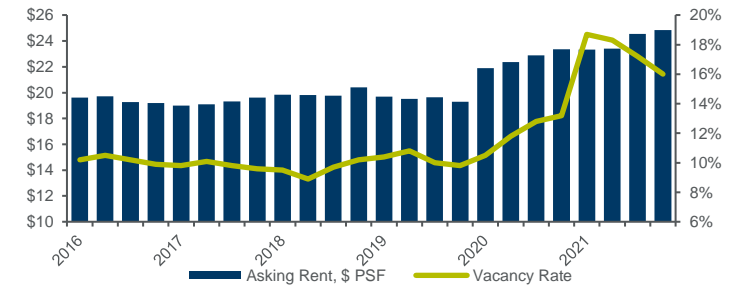
Pricing:

Overall asking rents averaged \$24.84 per square foot (psf) in the fourth quarter, up 6.3% YOY. Class A rents continued to climb, increasing by 7.6% YOY, reaching \$31.17 psf by year-end. Asking rents in the urban submarkets averaged \$24.23 psf, compared to average asking rents in the CBD, which averaged \$28.63 psf. Suburban West Dodge, an urban submarket, boasts the highest asking rent in the metro at \$31.92 psf. The higher rents are directly related to new construction. Over the last nine quarters 1.3 million square feet of new office space has been delivered, with 825,288 sf of the space being in the Suburban Dodge submarket. In addition, 94.6% of the new inventory in the Suburban Dodge submarket is Class A space, which draws the highest asking rents.

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	1,911,814	3,695	295,104	15.6%	-23,924	90,109	304,291	0	\$23.84	\$21.10
Downtown Omaha	3,872,789	14,490	390,328	10.5%	2,862	11,363	88,344	0	\$28.63	\$29.52
Midtown Omaha	2,367,306	87,798	486,766	24.3%	15,951	-156,348	101,992	0	\$23.47	\$32.53
Miracle Hills	723,922	0	188,054	26.0%	-28,180	-21,153	262,706	0	\$24.51	\$22.99
Northeast Omaha	60,962	0	43,640	71.6%	0	0	51,837	0	\$21.50	N/A
Northwest Omaha	1,700,292	70,116	227,850	17.5%	-7,605	-80,050	59,341	0	\$20.34	\$30.25
Old Mill	1,230,201	64,287	166,030	18.7%	-20,533	-71,876	45,980	0	\$21.80	N/A
Regency	746,715	7,749	80,224	11.8%	13,704	5,303	65,791	0	\$26.03	\$34.29
South Central	1,138,236	0	137,384	12.1%	-1,701	19,855	57,633	0	\$19.78	N/A
Southeast Omaha	603,397	0	157,635	26.1%	-7,538	-173	59,274	0	\$21.50	\$25.05
Southwest Omaha	2,668,771	75,333	210,228	10.7%	178,557	164,268	199,301	0	\$20.64	\$33.53
Suburban West Dodge	3,407,083	35,278	522,043	16.4%	84,904	274,226	111,293	92,698	\$31.92	\$33.67
OMAHA TOTALS	20,431,488	358,746	2,905,286	16.0%	206,497	235,524	1,407,783	92,698	\$24.84	\$31.17

*Rental rates reflect full service asking

**Data Source: Costar

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
130 th & Pacific St	Southwest Omaha	LinkedIn	200,000	New Lease
13660 California St	Suburban West Dodge	Scoular	51,732	Sublease
17225 Burt St	Suburban West Dodge	Titan Medical Group	48,878	New Lease

*Renewals included in leasing statistics

KEY CONSTRUCTION COMPLETIONS Q4 2021

PROPERTY	SUBMARKET	SPECULATIVE / BTS	SF	OWNER/DEVELOPER
130 th & Pacific St	Southwest Omaha	Speculative	200,000	SR Office LI, LLC/Lockwood Development

KEY UNDER CONSTRUCTION PROPERTIES Q4 2021

PROPERTY	SUBMARKET	KEY TENANT	SF	TYPE
14400 Davenport St	Suburban West Dodge	Union Bank & Trust	92,698	BTS

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