

# OMAHA

## Retail Q4 2021

CUSHMAN & WAKEFIELD

LUND COMPANY

**\$71,200**

Median HH Income

YoY Chg



12-Mo. Forecast



**0.7%**

Population Growth



**2.2%**

Unemployment Rate



Source: BLS, BOC, Moody's Analytics

Data Source: Costar

### U.S. ECONOMIC INDICATORS Q4 2021

**5.4%**

GDP Growth

YoY Chg



12-Mo. Forecast



**11.3%**

Consumer Spending Growth



**17.9%**

Retail Sales Growth



2021Q4 data are based on latest available data.

Growth rates are year-over-year

### ECONOMY:

Omaha's unemployment rate decreased 160 basis points (bps) year-over-year (YOY), dropping to 2.2% in the fourth quarter of 2021. During the same timeframe, Nebraska's unemployment rate declined by 150 bps, ending 2021 at just 1.9%. According to the Nebraska Department of Labor and the Bureau of Labor and Statistics, this is the first time the state's rate has fallen below 2.0%. The state unemployment rate is the lowest in the U.S. As a comparison, the national unemployment rate averaged 4.2% at year-end. The leisure and hospitality sectors experienced the most growth throughout 2021, adding 7,300 jobs in Nebraska. In response to the havoc that the pandemic was wreaking on the national economy, the government sent out multiple rounds of stimulus checks to most U.S. households throughout 2021. The money was intended to avoid a potential depression and to help boost the economy. These payments worked just as they were intended to and got Americans shopping again. As a direct result, U.S. consumer spending increased by 11.3% YOY, while retail sales jumped by 17.9%.

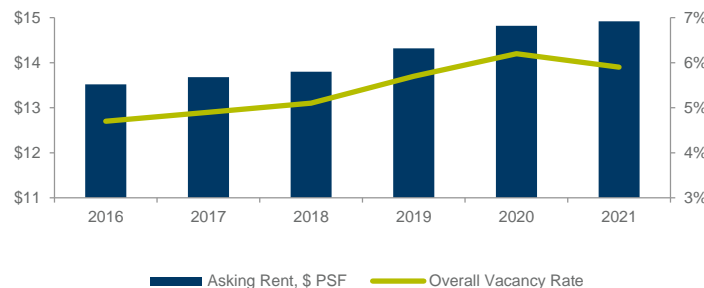
### SUPPLY AND DEMAND:

After being hit hard by the COVID-19 pandemic in 2020, the Omaha retail market put on an impressive performance in 2021. Just under 167,620 square feet (sf) of retail space was absorbed in the fourth quarter, while year-to-date (YTD) absorption totaled 601,679 sf. This is the largest amount of positive absorption the market has seen since 2016. Overall vacancy declined by 50 bps YOY, resting at 5.9% in the fourth quarter of 2021. The largest occupiers throughout the year were the Douglas County Health Department, taking 40,000 sf at Stockyards Plaza and Methodist Health System taking 40,000 sf at Miracle Hills Shopping Center. Though neither are tenants that you'd typically see in a shopping center, the retail industry continues to evolve, and the commercial real estate world always finds a way to fill the gaps. Over the last few years, many retailers have decreased their physical footprint and expanded their e-Commerce presence, which resulted in large blocks of vacant retail space coming online. Landlords across the globe channeled their creativity and often fill these large blocks of retail space with non-traditional tenants.

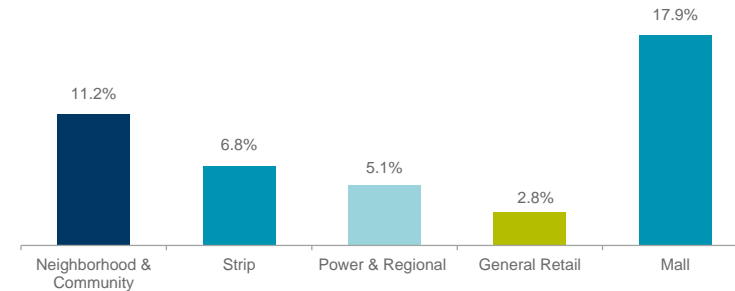
### PRICING:

As consumers started returning to physical stores, investor confidence grew, and they followed suit. As a result, brick-and-mortar sales volume hit a record breaking high in 2021, reaching nearly \$404 million. This is an increase of 80.2% YOY. During the same timeframe, asking rents continued to trend upward, increasing by 4.2% YOY. Retail asking rents averaged \$14.92 per square foot (psf) at the close of 2021.

### RENT / VACANCY RATE



### AVAILABILITY BY PRODUCT TYPE



# OMAHA

Retail Q4 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	7,842,769	3,915	574,776	7.4%	5,397	11,181	14,000	\$15.16
Council Bluffs	6,010,942	0	537,898	8.9%	4,000	1,531	0	\$13.43
Downtown Council Bluffs	1,800,476	0	89,881	5.0%	0	41,203	7,000	\$11.79
Downtown Omaha	2,631,355	1,000	106,135	4.1%	10,461	87,607	0	\$16.51
E Cass County	801,316	0	32,350	4.0%	0	6,754	0	\$9.61
E Mills County	142,712	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	657,777	0	4,030	0.6%	-4,030	-4,030	0	N/A
North Central Omaha	3,479,760	12,983	351,822	10.5%	-15,528	-37,225	2,000	\$11.58
Northeast Omaha	3,174,004	0	44,016	1.4%	17,583	8,369	0	\$15.08
Northwest Omaha	4,714,011	33,595	245,474	5.9%	29,861	136,825	57,546	\$18.44
Sarpy East	7,145,692	0	393,934	5.5%	42,521	67,233	74,000	\$14.37
Sarpy West	1,094,507	0	41,365	3.8%	8,000	11,619	65,118	\$19.86
Saunders County	924,066	0	17,977	1.9%	0	0	0	\$5.95
South Central Omaha	2,044,441	8,868	70,201	3.9%	12,120	7,844	3,000	\$14.34
Southeast Omaha	3,611,476	0	82,025	2.3%	11,529	52,503	6,000	\$12.82
Southwest Omaha	12,083,717	85,927	834,090	7.6%	40,036	125,704	78,381	\$16.37
W Cass County	356,582	0	1,150	0.3%	0	0	4,000	N/A
W Mills County	520,574	0	0	0.0%	0	1,936	0	N/A
W Pottawattamie County	206,260	0	0	0.0%	0	0	0	N/A
Washington County	1,026,234	0	37,356	3.6%	0	432	3,000	\$13.16
West Dodge Corridor	3,400,378	4,100	171,773	5.2%	5,670	82,193	8,825	\$18.17
<b>OMAHA TOTALS</b>	<b>64,149,292</b>	<b>150,388</b>	<b>3,636,253</b>	<b>5.9%</b>	<b>167,620</b>	<b>-601,679</b>	<b>322,870</b>	<b>\$14.92</b>

\*Rental rates reflect NNN asking \$PSF/Year

## KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6320-6516 N 73 <sup>rd</sup> Plz	North Central Omaha	Big Lots	28,760	Renewal
3915-4011 Harrison St	Sarpy East	Los Solesitos Day Care	20,000	New Lease
14925 Evans Plz	Northwest Omaha	Metro Star Gymnastics	18,234	New Lease

\*Renewals included in leasing statistics

## KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
Montclair on Center	Southwest Omaha	Montclair Center, LLC/G&I X Montclair on Center, LLC	234,811	\$15,244,094/\$65
AMC Theatre - Oak View Plaza	Southwest Omaha	Flik, Inc/HALO DAS, LLC	92,114	\$2,400,000/\$26
Vinton Square	Southeast Omaha	KTC, LLC/Nomaha, LLC	100,332	\$12,000,000/\$120

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