

1Q 2022 OFFICE MARKET REPORT

INVESTORS
REALTY INC.

MARKET SNAPSHOT



44,980,135 SF
INVENTORY



9.17%
VACANCY RATE



\$23.54 PSF
AVG ASKING RENT



444,098 SF
UNDER CONSTRUCTION



0 SF
DELIVERIES

TRENDS/HIGHLIGHTS

- » The vacancy rate for the quarter had an immaterial increase from 9.10% to 9.17%. This reflects an active market. Previously, we saw space added to the market with limited new leasing activity while today's market continues to see space added but deal velocity is increasing.
- » The quarter has seen 164,145 square feet of negative absorption. This is primarily a result of CSG offering 202,566 square feet of space for sublease in the Suburban West Dodge submarket. This ends two consecutive quarters of positive absorption.
- » The market continues to see businesses evaluating their workplace strategies. As a general statement, large national companies doing business across the country are adopting hybrid/work from home strategies, which has and continues to dramatically reduce their office footprint. Locally owned businesses are embracing a more flexible work environment than pre-pandemic but have a tendency to want employees in the physical office.
- » Average asking rental rates continue to rise primarily as a result of construction costs. Direct leases with landlords have not experienced notable change in rental rates. However, there are opportunities for tenants to find below market deals with the abundance of sublease space on the market.
- » The market has still not seen significant new construction starts. The buildings currently under construction were planned pre-pandemic and are anchored by owner-users.

1Q 2022 SUMMARY

SUBMARKETS	INVENTORY (BUILDINGS)	INVENTORY (SF)	VACANT SF DIRECT	VACANT SF SUBLEASE	VACANT SF TOTAL	TOTAL VACANCY RATE	NET ABSORPTION (SF)	AVERAGE ASKING RENTAL RATE (PSF)
Central Dodge	96	3,432,227	302,913	4,189	307,102	8.90%	76,678	\$23.26
Downtown	133	10,096,120	617,597	20,908	638,505	6.30%	9,445	\$27.20
Midtown	222	6,351,470	379,237	87,798	467,035	7.40%	(44,310)	\$26.38
Miracle Hills	28	1,124,425	176,610	708	177,318	15.80%	26,299	\$24.21
Northeast	78	912,327	81,933	0	81,933	9.00%	(2,078)	\$17.45
Northwest	155	2,887,590	339,215	114,703	453,918	15.70%	(47,064)	\$18.36
Old Mill	64	2,228,518	147,190	9,321	156,511	7.00%	3,123	\$19.99
Regency	25	1,367,870	88,690	3,198	91,888	6.70%	16,354	\$27.30
South Central	224	3,269,200	278,148	24,752	302,900	9.30%	(51,147)	\$16.83
Southeast	198	2,589,961	348,306	0	348,306	13.40%	1,893	\$18.35
Southwest	271	5,478,390	183,616	60,002	243,618	4.40%	42,751	\$19.37
Suburban West Dodge	112	5,242,037	572,980	280,867	853,847	16.30%	(196,089)	\$25.39
Omaha Market	1,606	44,980,135	3,516,435	606,446	4,122,881	9.17%	(164,145)	\$23.54

CONTRIBUTORS

TIM KERRIGAN, CCIM, SIOR
tkerrigan@investorsomaha.com



JP RAYNOR, JD, CCIM, SIOR
jpraynor@investorsomaha.com



MIKE RENSCH
mrench@investorsomaha.com



JEANETTE WEBER, MPA, CPM
jweber@investorsomaha.com



JACK WARREN, CCIM
jwarren@investorsomaha.com



INVESTORS REALTY, INC.

12500 I Street, Suite 160

Omaha, NE 68137

402.330.8000

investorsrealty@investorsomaha.com



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