

# 2Q 2022 OFFICE MARKET REPORT

INVESTORS  
REALTY INC.

## MARKET SNAPSHOT



**44,940,662 SF**  
INVENTORY



**8.53%**  
VACANCY RATE



**\$23.37 PSF**  
AVG ASKING RENT



**439,438 SF**  
UNDER CONSTRUCTION



**0 SF**  
DELIVERIES

## TRENDS/HIGHLIGHTS

- » Q2 was the second quarter in a row of negative absorption (98,943 SF) for a combined total of negative 263,088 SF (Q1 & Q2) on the year. The two biggest contributors of this stat are Intrado and CSG moving out of their office spaces.
- » The vacancy rate continues to decrease. At the end of Q2 the vacancy rate is 8.53% compared to a year ago Q2 2021 when it was 9.92%. Note that this vacancy rate does not account for 837,455 SF of available sublease space on the market, due to the fact that rent is still being collected on that space.
- » 837,455 SF of available sublease space is the largest figure since we have been collecting data. We are preparing to see more sublease space come onto the market which is challenging for landlords but creates more opportunities for users.
- » We continue to face the obstacle of companies' desired lease term vs high construction costs. Employers are still navigating future workplace strategies which impacts size and lease term decisions. With future workplace strategies still uncertain, tenants would like the flexibility of shorter lease terms, but high construction costs emphasize the need for longer lease terms.

## 2Q 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	3,433,495	344,098	9,167	353,265	10.30%	(46,163)	\$23.04
Downtown	133	10,099,522	588,986	20,908	609,894	6.00%	(22,702)	\$27.93
Midtown	216	6,337,168	392,188	87,798	479,986	7.60%	(12,951)	\$25.52
Miracle Hills	28	1,124,423	129,223	148,706	277,929	24.70%	(100,611)	\$21.94
Northeast	78	912,327	85,598	0	85,598	9.40%	(3,665)	\$17.45
Northwest	154	2,837,067	295,110	56,664	351,774	12.40%	28,038	\$19.17
Old Mill	64	2,231,979	141,716	1,104	142,820	6.40%	13,691	\$20.04
Regency	25	1,367,870	77,756	3,198	80,954	5.90%	6,513	\$26.81
South Central	225	3,357,556	273,233	24,752	297,985	8.90%	13,742	\$16.67
Southeast	197	2,589,071	295,316	0	295,316	11.40%	4,738	\$17.98
Southwest	272	5,403,624	217,604	49,017	266,621	4.90%	(23,003)	\$20.84
Suburban West Dodge	112	5,246,560	502,582	89,047	591,629	11.30%	43,430	\$25.94
<b>Omaha Market</b>	<b>1,600</b>	<b>44,940,662</b>	<b>3,343,410</b>	<b>490,361</b>	<b>3,833,771</b>	<b>8.53%</b>	<b>(98,943)</b>	<b>\$23.37</b>

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