

# 2Q 2021 OFFICE MARKET REPORT

INVESTORS  
REALTY INC.

## MARKET SNAPSHOT



**44,657,769 SF**  
INVENTORY



**9.50%**  
VACANCY RATE



**\$20.88 PSF**  
AVG ASKING RENT



**679,000 SF**  
UNDER CONSTRUCTION



**258,844 SF**  
DELIVERIES

## TRENDS/HIGHLIGHTS

- » The vacancy rate finished Q2 at 9.5% an increase from 9.1% in Q1 of 2021 and from 7% in Q2 of 2020.
- » We believe vacancy will get worse before it gets better. There are still companies in the market that have yet to announce decisions to downsize their office footprint as they shift to a work from home model. This trend will continue to put newly constructed office buildings at a competitive disadvantage as the new to market space is primarily expensive Class A product with no existing interior finishes.
- » The Northwest Submarket, which has performed well over the last three years now sits at 13.8% vacant with 396,749 square feet of space on the market. This is 1.6 years worth of typical absorption for the entire market within one submarket.

## 2Q 2021 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	100	3,451,053	428,087	19,830	447,917	13.00%	(34,411)	\$23.51
Downtown	1367	10,240,222	596,028	15,638	611,666	6.00%	9,675	\$22.13
Midtown	219	6,429,938	603,322	3,067	606,389	9.40%	(11,108)	\$23.88
Miracle Hills	27	1,097,256	164,209	0	164,209	15.00%	(9,286)	\$23.72
Northeast	74	812,445	80,877	0	80,877	10.00%	2,914	\$12.00
Northwest	156	2,868,181	345,271	51,478	396,749	13.80%	(7,809)	\$19.66
Old Mill	65	2,238,685	144,069	12,308	156,377	7.00%	(1,406)	\$19.94
Regency	24	1,309,798	83,476	10,218	93,694	7.20%	4,282	\$28.00
South Central	224	3,339,002	234,886	0	234,886	7.00%	27,206	\$18.60
Southeast	199	2,585,586	357,781	0	357,781	13.80%	5,409	\$17.80
Southwest	266	5,299,919	371,219	58,042	429,261	8.10%	(69,825)	\$16.80
Suburban West Dodge	110	4,985,684	372,377	63,183	435,560	8.70%	217,011	\$24.56
<b>Omaha Market</b>	<b>1,601</b>	<b>44,657,769</b>	<b>3,781,602</b>	<b>233,764</b>	<b>4,015,366</b>	<b>9.50%</b>	<b>132,652</b>	<b>\$20.88</b>

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