

3Q 2021 OFFICE MARKET REPORT

INVESTORS
REALTY INC.

MARKET SNAPSHOT



44,858,085 SF
INVENTORY



9.3%
VACANCY RATE



\$22.49 PSF
AVG ASKING RENT



598,698 SF
UNDER CONSTRUCTION



0 SF
DELIVERIES

TRENDS/HIGHLIGHTS

- » At the end of 2019, the vacancy rate was 5.5%. Today, the vacancy rate sits at 9.3%. While this is significantly higher than pre-pandemic levels, the vacancy rate has continued to decrease over the last 3 quarters.
- » The decrease in vacancy rate is encouraging, however we have not seen the end of companies downsizing their footprints. There are two large office users preparing to downsize by 100,000 SF each and others have not made a decision.
- » The Omaha Office Market has now seen its second quarter in a row with positive absorption. Q2 2021 had positive absorption of 232,214 and now Q3 with positive 35,560 SF. 2021 year to date absorption sits at positive 198,407 SF which goes hand in hand with the declining vacancy rate trend.
- » The average office gross asking rental rate settled at \$22.49 PSF, which is \$0.68 PSF higher year over year. Asking rents are higher as a result of new construction but transaction rates are experiencing downward pressure as landlords are making concessions.
- » There has not been any substantial new construction started in Q3 2021.

3Q 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	99	3,444,133	349,800	3,695	353,495	10.30%	91,878	\$23.45
Downtown	135	10,104,293	602,876	32,089	634,965	6.30%	(28,178)	\$23.81
Midtown	222	6,449,146	582,928	3,067	585,995	9.10%	8,186	\$24.10
Miracle Hills	27	1,113,847	175,476	0	175,476	15.80%	(11,267)	\$24.09
Northeast	76	897,827	79,855	0	79,855	8.90%	7,036	N/A
Northwest	157	2,928,752	363,381	70,116	433,497	14.80%	2,930	\$18.20
Old Mill	65	2,239,096	153,111	70,972	224,083	10.00%	(9,042)	\$20.28
Regency	25	1,365,665	101,333	4,551	105,884	7.80%	(5,809)	\$28.06
South Central	225	3,334,213	221,798	0	221,798	6.70%	27,206	\$18.60
Southeast	199	2,588,241	360,622	0	360,622	13.90%	4,064	\$17.88
Southwest	266	5,170,101	250,791	50,690	301,481	5.80%	11,394	\$16.89
Suburban West Dodge	112	5,222,771	572,441	111,738	684,179	13.10%	(60,267)	\$25.06
Omaha Market	1,608	44,858,085	3,814,412	346,918	4,161,330	9.3%	35,560	\$22.49

CONTRIBUTORS

TIM KERRIGAN, CCIM, SIOR
tkerrigan@investorsomaha.com



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



MIKE RENSCH
mrench@investorsomaha.com



JEANETTE WEBER, CPM, MPA
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



SIGN UP FOR MARKET REPORTS AT

INVESTORSOMAHA.COM