2023 MID-YEAR INDUSTRIAL MARKET REPORT

INVESTORS REALTY INC.

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MARKET SNAPSHOT

105.7 MILLION SF
INVENTORY

2.6%
VACANCY RATE

$7.75 PSF
AVG ASKING RENT

3.5 MILLION SF
UNDER CONSTRUCTION

2.5 MILLION SF
DELIVERIES

OVERVIEW

» Overall leasing activity is down significantly through the first and second quarters of 2023 compared to the first and second quarters of last year. So far this year there have only been 51 lease transactions. This time last year, there were 101.

» Along with lease volume being down, average lease size is also down. Last year, there were eight leases over 50,000 SF through the first two quarters of the year. As of the end of this most recent quarter, there were only two.

LEASE TRANSACTIONS - 51

SIZE (SF)	# OF TRANSACTIONS
100,000 and above	0
50,000-99,999	2
20,000-49,999	2
10,000-19,999	4
900-9,999	43

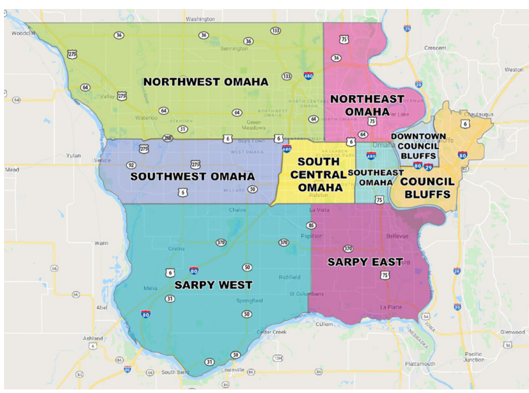
» Of additional significance, all four lease transactions signed over 20,000 SF year to date have occurred in second generation space.

» The 3.5 million square feet under construction through mid-year includes a lot of speculative warehousing, build-to-suits, and owner occupied industrial. NewStreet Properties broke ground on 405,600 SF in Gretna, Rotella's Italian Bakery broke ground on a 225,000 SF warehouse in Papillion, Nebraska Warehouse broke ground on 205,000 SF in Springfield, and the 60,000 SF Southern Carlson built-to-suit is nearing completion. However, 2.2 million of the overall total of 3.5 million is made up entirely of the Google Data Center on Hwy 133 in Northwest Omaha.

» Deliveries year to date are a different story. A bulk of the deliveries are made up of spec and build-to-suit warehouse construction. Dollar General (930,000 SF), R&R Commerce Park South Warehouses 1 & 2 (286,000 SF & 151,840 SF), I-80 Logistics Hub Warehouse VI (313,281 SF), and River Road Logistics Park Phase 1 (302,348 SF) represented a majority of deliveries through the first half of the year.

2023 MID-YEAR SUMMARY **Data through 6.30.2023*

SUBMARKETS	INVENTORY (SF)	TOTAL VACANCY (SF)	VACANCY RATE	ANNUAL CHANGE IN VACANCY RATES (BPS)	YTD NET ABSORPTION (SF)	MARKET RENT/ SF	ANNUAL RENT GROWTH
Sarpy West	26,274,856	735,696	2.8%	0.4%	885,091	$8.13	6.5%
South Central Omaha	21,786,959	566,461	2.6%	-1.9%	422,932	$7.42	6.3%
Northeast Omaha	11,085,980	243,892	2.2%	0.0%	(3,698)	$6.54	6.5%
Southwest Omaha	9,455,194	132,373	1.4%	-0.2%	12,464	$7.69	6.2%
Southeast Omaha	9,437,554	235,939	2.5%	0.4%	(38,910)	$6.41	6.3%
Northwest Omaha	7,971,653	247,121	3.1%	-3.0%	302,545	$8.69	5.2%
Downtown Council Bluffs	3,724,671	216,031	5.8%	4.2%	139,945	$7.64	6.4%
Council Bluffs	3,335,649	130,090	3.9%	0.0%	260,800	$8.31	6.2%
Sarpy East	2,301,500	69,045	3.0%	-3.1%	(2,660)	$7.25	5.8%
Rural Submarkets (9)	10,339,045	168,482	1.6%	-0.3%	993,112	$7.93	5.5%
Omaha Market	**105,713,061**	**2,745,130**	**2.6%**	**-0.1%**	**2,971,621**	**$7.75**	**6.1%**



Omaha Submarkets *(Map excludes the 9 rural submarkets)*

TOP 5 NOTABLE TRANSACTIONS

TENANT	SIZE (SF)
Everlasting Cabinetry	54,000
Nebraska Warehouse Company	54,000
Meristem Crop Performance*	***42,810***
McArthur Company	30,000
Mad City Home Improvement*	***19,683***

****Denotes an Investors Realty, Inc. transaction***

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