

2025 YEAR-END OMAHA INDUSTRIAL MARKET REPORT

INVESTORS
REALTY INC.

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MARKET SNAPSHOT



114.8 MILLION SF
INVENTORY



2.94%
VACANCY RATE



\$8.65 PSF
AVG ASKING RENT



2.8 MILLION SF
UNDER CONSTRUCTION



1.13 MILLION SF
DELIVERIES

OVERVIEW

If you look only at transaction volume, 2025 reads like a slower year. Leasing activity was down from the pace we saw between 2021 and 2024. Construction levels pulled back meaningfully from the peak years, and fewer large deals moved the needle.

That is the surface level read. The real story is supply.

Omaha finished 2025 with vacancy around 2.7 percent. That is down from 2024 and still well below the national average. But even that number does not fully capture how tight parts of this market are. In South Central, Northwest Omaha, and sections of Sarpy West, quality industrial space under 50,000 square feet is difficult to find. Not overpriced. Difficult to find. The available options are thin.

And when you dig into what is actually vacant, the picture tightens further. A portion of that 2.7 percent consists of older buildings with low clear heights, limited dock positions, or functional obsolescence. Some of it is space that technically shows available but is already tied up in negotiations. What is truly competitive and move-in ready is limited. That is especially true in the small to mid bay range, which continues to serve local contractors, distributors, service users, and regional operators. That segment drives a steady layer of demand that does not show up in single headline transactions but absorbs space consistently.

Absorption came in at roughly 1.5 million square feet. That is below the unusually strong years we experienced from 2021 through 2024, but it is still healthy. Even in a year with fewer transactions, demand continued to outpace speculative deliveries. Vacancy did not expand. It compressed.

That is important because 2025 did not benefit from a large wave of new product being quickly backfilled. The opposite happened. Construction slowed materially. After several years where annual deliveries ranged between roughly 3 and 5 million square feet, the pipeline entering 2026 is lighter and more controlled. Most of the projects delivered or underway in 2025 were build to suit or heavily preleased. There was very little speculative risk taken, particularly in larger warehouse product.

That restraint is now shaping the next phase of the cycle.

When construction slows at the same time vacancy is already sub three percent, the margin for error narrows. It does not take extraordinary demand to move the vacancy rate. It only takes steady demand. If absorption continues anywhere near

its longer term average, the market will tighten further simply because there is not enough new product scheduled to deliver.

In a lot of areas, we simply do not have enough space.

Nationally, several markets are working through elevated vacancy after pushing too much speculative product into the cycle. In those markets, developers are competing against their own excess inventory. Omaha avoided that. We did not flood the market with buildings that did not have tenants behind them. That discipline prevented oversupply, but it also means the inventory cushion is thin.

From a developer's standpoint, that is the key point. This is not a market sitting on extra inventory waiting to be absorbed. In multiple submarkets, particularly those serving small and mid bay users, there are very few true options available. When a 20,000 to 40,000 square foot user enters the market in certain corridors, there may be one or two viable buildings. In some cases, there are none. That creates pricing stability, but it also signals opportunity for well located, properly sized new product.

Rents continued to increase in 2025, although at a slower rate than prior years. After several strong growth years, moderation is expected. What we did not see was a correction. Well located Class A product and functional Class B buildings continue to command strong pricing. Concessions remain controlled because supply remains tight. Rent growth has normalized, but pricing has held. That combination typically reflects balance, not weakness.

Throughout the year, we said the same thing in our market updates. Omaha is undersupplied. The 2025 numbers support that view. Fewer transactions did not lead to rising vacancy. Slower construction did not loosen the market. Inventory tightened further, particularly in the segments that serve local and regional operators.



TOP 10 LEASE TRANSACTIONS 2025

SUBMARKET	TENANT	SIZE (SF)
<i>Southwest Omaha</i>	<i>Pratt Retail Specialties, LLC*</i>	<i>232,372</i>
Sarpy West	Compana Pet Brands	122,720
Sarpy West	Mielke Oil Company	57,600
Sarpy West	Crown Packaging Corp.	40,560
Southeast Omaha	Unknown	34,234
<i>South Central Omaha</i>	<i>Sadoff & Rudoy Industries LLC*</i>	<i>33,120</i>
<i>Sarpy West</i>	<i>Epic Custom Trailers*</i>	<i>25,194</i>
Sarpy West	IDI Distribution	25,000
Sarpy West	Midwest Automotive Trucking	21,050
South Central Omaha	Heartland Scenic Studio, Inc.	20,000

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

As we move into 2026, the development pipeline remains lighter than the ten year average. Several major transactions have already occurred to start the year, and very few competitive vacancies remain in key corridors. The limited new construction underway is leasing quickly, in some cases prior to completion. If construction stays restrained and demand remains steady, vacancy will remain near historic lows and may move lower in select submarkets.

For developers evaluating timing and product type, the question is not whether Omaha built too much. The question is whether we have built enough.

ABSORPTION

The Omaha industrial market recorded net absorption of 1.4 million SF in 2025, representing a decline compared to the exceptionally strong absorption levels achieved between 2021 and 2023, yet remaining firmly positive. While absorption moderated from recent peak years, the market continued to demonstrate stability and tenant demand across both new and existing industrial inventory.

For context, Omaha experienced net absorption of 3.9 million SF in 2021, 3.4 million SF in 2022, 2.5 million SF in 2023, and 2.2 million SF in 2024. Against this backdrop, 2025 reflects a normalization period rather than a contraction, with absorption aligning more closely with long-term historical averages.



Key contributors to 2025 absorption included several notable transactions exceeding 50,000 SF. The largest gains were recorded at 12500 I Street (232,372 SF), 12125 S. 156th Street (122,720 SF), and 14850 Rodina Street (57,600 SF). These deals underscore continued demand for well-located industrial facilities and highlight tenant preference for functional, efficiently designed space.

Looking ahead, 2026 is projected to post positive absorption levels comparable to those seen in 2019 and 2020. While near-term headwinds remain, including potential increases in availability tied to large single-tenant occupancies, the Omaha industrial market is positioned to benefit from steady user demand, particularly within Class B and infill submarkets. As leasing activity continues to favor flexibility, affordability, and location, absorption is expected to remain resilient despite broader market adjustments.

CONSTRUCTION

Industrial construction activity in Omaha continued to moderate in 2025, with approximately 3.0 million SF under construction. This total remains below the five-year historical average and reflects a more measured development environment following several years of elevated construction levels. For comparison, annual construction totals reached 3.2 million SF in 2021, 3.4 million SF in 2022, 4.8 million SF in 2023, and 2.5 million SF in 2024.

Despite the reduced pipeline, the majority of space underway in 2025 is largely de-risked. Approximately 88% of the 2.9 million SF under construction is either preleased or being developed for owner-users, signaling continued confidence from tenants and developers alike. This disciplined approach has helped limit speculative exposure while aligning new supply with demonstrated demand.

Sarpy West remains the primary driver of industrial construction activity; however, a noticeable shift is emerging toward the Northwest Omaha submarket as developers and users seek well-located alternatives with strong access and infrastructure. This geographic diversification reflects evolving tenant preferences and land availability constraints in more established industrial corridors.

Notable projects currently under construction include R&R Commerce Park South Warehouse IV (286,000 SF), the MUD Construction Center (140,000 SF), K&M Tires (92,000 SF), Peterbilt of Omaha (70,000 SF), and the Lift Solutions Building (60,000 SF). These developments highlight a mix of distribution, service-oriented, and owner-user facilities supporting a broad range of industrial demand.

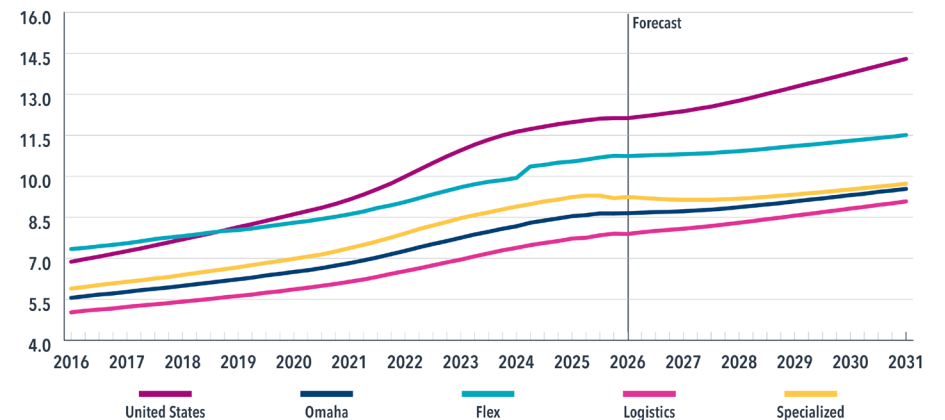
Looking ahead, construction activity is expected to remain tempered. As of the first quarter of 2026, approximately 950,000 SF of industrial space is under construction in Omaha, well below the 10-year average of 2 million SF annually. This reduced pipeline suggests limited near-term supply pressure and positions the market to respond strategically to future tenant demand as conditions evolve.

RENTAL RATES

Actual rental rates are kept confidential, as executed lease terms are not required to be publicly disclosed. As a result, tracking average asking rental rates continues to provide the most reliable insight into industrial rental market trends.

Average asking rental rates in Omaha have maintained a consistent upward trajectory over the past several years, reflecting tenant demand and limited inventory. Following a strong increase in 2023, when average triple net asking rates rose to approximately \$8.08 per SF, rental rates

MARKET RENT PER SF



CoStar

continued to climb in 2024 to \$8.46 per SF and reached \$8.61 per SF in 2025. While the pace of growth has moderated, the market continues to demonstrate pricing resilience.

On a year-over-year basis, Omaha industrial asking rents increased by approximately 1.5% in 2025, slightly exceeding the national average of 1.4%. Over a longer time horizon, the market's performance remains compelling, with five-year average annual rent growth of 5.2% and a ten-year average annual growth rate of 4.6%. These figures highlight the sustained strength of Omaha's industrial sector through multiple economic cycles.

The continued rise in rental rates is largely driven by constrained supply, particularly for functional Class A and well-located Class B industrial space. With inventory lagging demand, achieved rental rates are expected to remain closely aligned with asking rates. Correspondingly, tenant concessions such as free rent and tenant improvement allowances have decreased modestly, reflecting landlords' maintained leverage in a competitive leasing environment.

Submarkets including Sarpy West and Southwest Omaha continue to lead rent growth, supported by population expansion, access to major transportation corridors such as I-80, and available land for future development. These fundamentals position Omaha's industrial market for continued, albeit more measured, rental rate growth in the near term.

VACANCY RATE

The Omaha industrial market has continued to demonstrate long-term stability despite short-term fluctuations in vacancy driven by new construction and evolving tenant demand. After reaching a cycle low in 2022, vacancy began to normalize in 2023 and 2024 as speculative deliveries entered the market. In 2025, vacancy tightened modestly, with the overall industrial vacancy rate declining to 2.73% from 3.23% in 2024. Over the past five years, Omaha's industrial vacancy rate has averaged approximately 2.5%, reinforcing the market's historical resilience.

Compared to national trends, Omaha continues to significantly outperform. The national industrial vacancy rate stood at approximately 7.48% in 2025, more than double Omaha's rate. This disparity underscores the market's strength, supported by steady absorption, limited speculative construction, and sustained tenant demand across both new and existing inventory.

Sarpy West remains Omaha's largest industrial submarket, encompassing approximately 29.3 million SF. Vacancy in Sarpy West has fluctuated over the past several years, largely reflecting the timing of speculative development. After declining to 0.86% in 2022, vacancy increased to 2.32% in 2023 and further to 5.24% in 2024 as new supply delivered. In 2025, vacancy declined to 3.99%, indicating improved absorption and renewed tenant activity within newly constructed facilities.

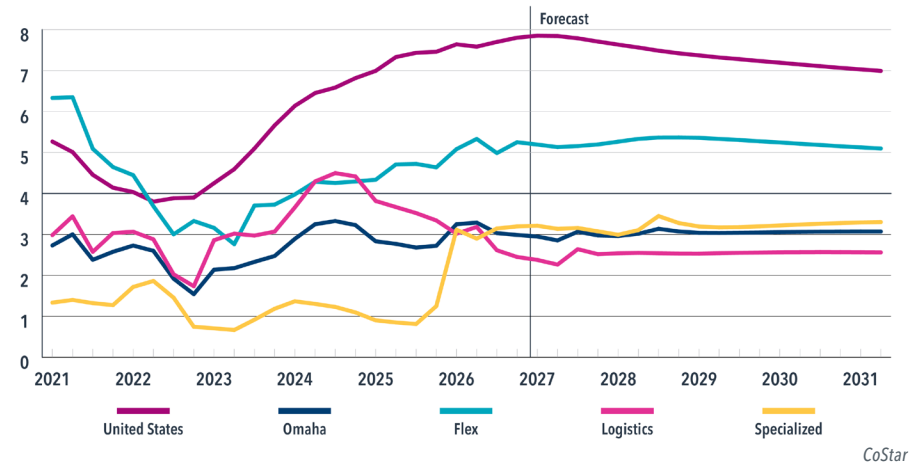
South Central Omaha, the second-largest submarket with approximately 22.5 million SF, continues to exhibit some of the tightest vacancy levels in the region. Vacancy declined sharply from 3.65% in 2021 to sub-1.0% levels in 2022 and 2023, before rising modestly to 1.66% in

2024 and 2.20% in 2025. Despite this increase, South Central Omaha remains highly sought after due to its central location, established infrastructure, and consistent demand for functional industrial space.

Northeast Omaha, the third-largest industrial submarket with approximately 11.6 million SF, has followed a similar trajectory. Vacancy increased from 2.90% in 2023 to 4.63% in 2024 before tightening to 3.27% in 2025. Demand in this submarket continues to be supported by smaller-bay users and service-oriented tenants, contributing to relatively stable long-term occupancy levels.

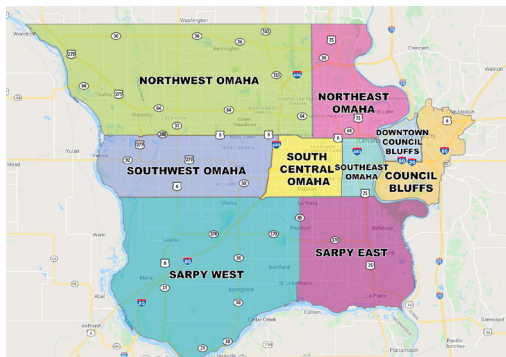
Looking ahead, Omaha's industrial vacancy rate is expected to remain balanced as new construction remains limited and absorption continues to keep pace with deliveries. While short-term fluctuations are likely as individual projects deliver and lease, the market's consistently low vacancy relative to national benchmarks positions Omaha as a stable and attractive industrial market moving into 2026.

VACANCY RATE



2025 YEAR-END SUMMARY

SUBMARKETS	INVENTORY (SF)	TOTAL VACANCY (SF)	VACANCY RATE	YEAR OVER YEAR CHANGE IN TOTAL VACANCY RATE (BASIS POINTS)	YTD NET ABSORPTION (SF)	AVERAGE RENTAL ASKING RATES	UNDER CONSTRUCTION
Sarpy West	29,272,595	1,170,904	4.00%	-1.20%	857,719	\$8.95	2,030,766
South Central Omaha	22,456,603	494,045	2.20%	0.50%	(105,280)	\$8.58	105,000
Northeast Omaha	11,632,181	616,506	5.30%	0.70%	106,909	\$7.20	-
Southwest Omaha	9,448,751	132,283	1.40%	-0.30%	26,456	\$9.07	10,000
Southeast Omaha	9,550,012	353,350	3.70%	0.5%	(45,899)	\$7.47	6,939
Northwest Omaha	9,082,323	263,387	2.90%	0.00%	100,252	\$9.27	534,109
Downtown Council Bluffs	3,789,798	15,159	0.40%	-1.00%	37,181	\$9.12	-
Council Bluffs	3,531,629	17,658	0.50%	-3.40%	121,520	\$9.18	92,000
Sarpy East	2,943,653	135,408	4.60%	0.90%	(28,708)	\$7.54	-
Rural Submarkets (9)	13,141,698	177,950	1.40%	-0.8%	356,160	\$8.82	55,890
Omaha Market	114,849,243	3,376,650	2.94%	-0.2%	1,426,310	\$8.65	2,834,704



Omaha Submarkets (Map excludes the 9 rural submarkets)

LEASE TRANSACTIONS IN 2025

182 DEALS

SIZE (SF)	# OF TRANSACTIONS
100,000 and above	2
50,000-99,999	3
25,000-49,999	5
10,000-24,999	26
900-9,999	146

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