

2025 YEAR-END OFFICE MARKET REPORT

INVESTORS
REALTY INC.

MARKET SNAPSHOT



46,052,600 SF
INVENTORY



7.49%
VACANCY RATE



\$26.49 PSF
AVG ASKING RENT



1,699,718 SF
UNDER CONSTRUCTION



81,812 SF
DELIVERIES

OVERVIEW

Omaha's office market modestly improved throughout 2025. Activity in Q4 2025 increased dramatically in leasing and modestly in sales. We are confident this momentum will lead to much improved office market in 2026.

All 2025 metrics were positive. The vacancy rate decreased, absorption was positive, sublease space was down, and there are more buildings under construction.

2025 SUMMARY

- » Leasing transactions outpaced sales for the 3rd year in a row.
- » Office vacancies decrease across the overall office market.
- » Office sales volume increased whether the sale was for an owner-user or an investment buyer. Class A office product continued to demand premium pricing while Class B and C office product achieved dramatically lower pricing.
- » Absorption was positive 61,509 SF compared to negative 238,335 SF in 2024.
- » New construction has increased and the first speculative office building in years is under construction.
- » Sublease space has decreased for the second year in a row.
- » The market experienced existing tenants interested in growth and new to market tenants for the first time in years.

2026 OUTLOOK

- » Leases signed in the beginning of 2026 should lead to mild tightening of the Class A office market and increase activity in the Class B market.
- » While small to mid-range lease transactions have dominated the last few years, large prospects began surveying the market for space at the end of 2025 which should lead to a decreased vacancy in 2026 or more build to suit office buildings in the future.



- » While return to office expectations continue to evolve more businesses are requiring their employees to be in the office at least 4 days per week.
- » Limited speculative construction will support the existing inventory.
- » Overall fundamentals in the office market will continue to improve through 2026.

VACANCY

The Omaha office market experienced modest improvement in 2025, with the overall vacancy rate declining from 7.99% in Q4 2024 to 7.49% in Q4 2025. While the reduction in vacancy was incremental, it is well below the peak of 9.10% recorded at year-end 2021. The continued decline reflects steady absorption across several key submarkets and improving tenant activity throughout the year. Although certain pockets of the market continue to face challenges, the broader trend signals gradual stabilization heading into 2026.

As seen in previous years, seven of the twelve submarkets reported vacancy rates at or below the overall market rate of 7.49%. Leading the market, Southeast recorded the lowest vacancy rate at 3.90%, followed closely by Midtown (4.40%) and Old Mill (4.50%). Downtown (5.10%), South Central (5.60%), Regency (6.60%), and Southwest (7.50%) also remained at or below the overall market average.

Suburban West Dodge, which saw vacancy increase to 9.70% in Q4 2024, improved slightly to 9.0% in Q4 2025. With limited new construction and continued absorption of second-generation space, this submarket appears to be stabilizing. Miracle Hills also showed improvement, declining from 11.10% to 10.30% year-over-year.

The remaining five submarkets also recorded vacancy rates above the 7.49% average. The

Northwest and Central Dodge submarkets now share the highest vacancy rate at 16.80%. Northwest saw a modest increase from 15.80% in 2024, while Central Dodge recorded the most notable year-over-year rise, climbing from 12.80% to 16.80%. Northeast posted a vacancy rate of 7.80%, slightly below last year's 8.30% level but now positioned near the overall market average.

Overall, the Omaha office market continues to demonstrate resilience in the post-COVID environment. While vacancy remains elevated in certain submarkets, positive net absorption and stable demand in well-located, high-quality properties suggest a cautiously optimistic outlook for 2026 and beyond.

ABSORPTION

Absorption measures the net change in occupied space over a given period, typically expressed in square feet. Following the significant contraction experienced in 2024, the Omaha office market posted a modest but meaningful recovery in 2025. After recording negative absorption of 238,335 square feet in 2024, the market reversed course, finishing year-end 2025 with positive net absorption of 61,509 square feet.

While overall absorption remained below Omaha's long-term historical average of approximately 250,000 square feet annually, the return to positive territory reflects a stabilization in tenant demand and a gradual recalibration of office utilization patterns. Leasing activity in 2025 was characterized by continued right-sizing, selective expansions, and an increased focus on higher-quality, well-located assets.

Several key factors influenced absorption trends during the year:

- » Ongoing normalization of hybrid work strategies, with many tenants finalizing long-term space requirements.
- » Flight-to-quality leasing, benefiting newer and well-amenitized buildings.
- » Increased leasing velocity among small- to mid-sized tenants, partially offset by continued large-block givebacks in select submarkets.

Performance varied notably by submarket. Midtown emerged as a top contributor to absorption in 2025, recording 40,009 square feet of positive absorption, supported by leases within Aksarben Village such as Unison and IPG. Miracle Hills also posted strong gains, totaling 58,826 square feet, reflecting sustained tenant demand and limited large-block vacancy. Old Mill led all submarkets with 71,160 square feet of positive absorption, driven by continued backfilling of existing vacancy and steady tenant retention.

Additional submarkets with positive absorption included Downtown (+36,811 SF), Southeast (+32,125 SF), Suburban West Dodge (+19,294 SF), and Southwest (+18,534 SF), indicating broader-based improvement across much of the metro area.

Conversely, absorption challenges persisted in several areas. Central Dodge recorded the largest decline, with negative absorption of 176,408 square feet, attributable primarily to a handful of Tenants exiting or downsizing the submarket such as Lincoln Financial Group, Cox Media,

Signature Performance and Marvel Med Staffing. Northwest Omaha experienced negative absorption of 37,639 square feet, while South Central posted a net decline of 15,080 square feet, reflecting continued tenant consolidation and lease expirations.

Although the pace of recovery remains measured, 2025 marked an important inflection point for the Omaha office market. The return to positive absorption, combined with increased leasing activity and improving fundamentals in several key submarkets, suggests a more balanced market environment heading into 2026, with momentum expected to continue as tenants gain greater clarity around long-term space needs.

CONSTRUCTION

In 2025, Omaha saw approximately 81,812 SF of new office space delivered, down from 2024 (262,035 SF), as elevated construction costs, higher financing rates, and caution around speculative office projects slowed new development. Deliveries were concentrated in smaller, primarily owner-occupied or medical-office buildings rather than large multi-tenant projects.

Notable completions included the 39,700 SF SGH Concepts Headquarters at 1111 Papillion Parkway, along with several smaller medical and professional buildings such as Innovative Dental Care, Weeder Pediatric Dentistry, and the EyeSmiles Professional Building, underscoring the continued strength of healthcare and service-oriented users as primary drivers of new office construction.

New construction starts in 2025 totaled approximately 390,000 SF, representing roughly a 110% increase from 2024's 185,205 SF. Major projects included Heartwood Place, a 137,345 SF office building at Heartwood Preserve, and a 125,000 SF Nebraska Medicine facility, along with several smaller medical and professional office buildings. Unlike most recent developments in the market, Heartwood Place is being constructed without a committed office tenant, making it the only speculative office project currently underway. Overall, most new starts remain build-to-suit or owner-occupied, underscoring continued caution among lenders and developers.

Approximately 64% of the 1,699,718 SF currently under construction is attributable to large corporate and institutional projects, most notably Mutual of Omaha's 800,000 SF downtown headquarters, which remains on track for completion in 2026, and the Applied Underwriters 287,804 SF headquarters campus in West Omaha.

Development activity in West Omaha continues to concentrate within Heartwood Preserve, which is emerging as one of the metro's most significant mixed-use office destinations. In addition to the Applied Underwriters campus, projects underway include Heartwood Place and The Row, a 104,210 SF office and retail building where Olsson will be the anchor tenant. Collectively, projects within Heartwood Preserve account for roughly one-third of all office space currently under construction in the Omaha market, underscoring the district's growing role as a primary location for new suburban office development.

As Omaha adapts to evolving office market conditions, development remains focused on

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Photo: PML Construction



corporate headquarters, healthcare facilities, and purpose-built owner-occupied properties. Looking ahead, office construction is expected to remain measured and largely tenant-driven, with limited speculative development and continued concentration in major corporate and mixed-use projects.

SUBLEASE SPACE

Sublease availability in the Omaha office market continued its downward trend in 2025, though it remains an important factor influencing leasing decisions and overall vacancy. At year-end 2025, total available sublease space measured 416,570 SF, down from 529,804 SF at year-end 2024, marking a meaningful year-over-year decline and a continued reduction from 645,207 SF in 2023 and the record high of 817,750 SF at year-end 2022. This reduction reflects ongoing right-sizing by tenants, improved utilization of existing space, and a gradual stabilization of workplace strategies across many industries.

While sublease inventory has decreased, it remains elevated compared to pre-pandemic norms and continues to create competitive pressure for landlords with direct vacancy. Sublease opportunities often offer below-market rental rates, shorter lease terms, and furniture in place, making them attractive to tenants seeking flexibility or cost savings. As a result, sublease space remains a viable alternative for tenants evaluating relocation or expansion options, particularly in higher-quality Class A and Class B buildings.

At the end of 2025, sublease availability is concentrated in a few key submarkets. Downtown leads the market with 120,190 SF of available sublease space, largely driven by Gallup's 94,812 SF offering within its headquarters building. Suburban West Dodge ranks second with 100,013 SF, with significant contributions from medical staffing firms including Fusion Medical

Staffing (44,446 SF at the Waterford Building) and Prime Time Healthcare (22,377 SF near 180th & Burt). The Midtown submarket follows with 89,258 SF, highlighted by Green Plains' 53,970 SF sublease offering in Aksarben.

The concentration of sublease space among medical staffing companies is notable. These firms were among the most active office users during the pandemic and immediately following, rapidly expanding to accommodate heightened demand. As the healthcare staffing sector has normalized in 2025, several of these users have downsized their office footprints, returning sizable blocks of space to the market through sublease offerings. This trend has contributed meaningfully to the availability totals in Suburban West Dodge and surrounding submarkets.

Although overall sublease inventory has declined, "ghost space"—leased or owned office space that is currently unoccupied and not formally marketed for sublease—remains a variable to monitor. A notable example is the 241,438 SF BMO campus at 135th & West Dodge Road, which is currently unoccupied and being marketed for sale. The building will be delivered vacant at closing and therefore represents a significant block of potential future availability within the Suburban West Dodge submarket. While the property could ultimately be purchased by another owner-user, the limited pool of tenants requiring 200,000+ square feet makes that outcome less likely. As a result, this property has the potential to materially impact market statistics—whether through a future sublease offering, multi-tenant repositioning, or conversion to direct vacancy. As leases expire throughout the market and companies continue to reassess long-term workplace strategies, additional ghost space like this could transition into marketed availability in future periods.

Looking ahead, the continued push toward in-office work, coupled with a limited pipeline of new speculative construction, should support further absorption of sublease space over time. However, sublease inventory will likely remain a key component of the Omaha office market in the near term, providing tenants with flexible alternatives while continuing to influence rental rate negotiations and leasing timelines across multiple submarkets.



NEW LEASE TRANSACTIONS IN 2024

209 DEALS

| SIZE (SF) | # OF TRANSACTIONS | TOTAL SQUARE FOOTAGE |
|------------------|-------------------|----------------------|
| 1,000-2,499 | 99 | 156,035 |
| 2,500-4,999 | 61 | 213,526 |
| 5,000-9,999 | 22 | 148,813 |
| 10,000-19,999 | 19 | 266,019 |
| 20,000-49,999 | 6 | 160,445 |
| 50,000 and above | 2 | 115,747 |
| BUILDING CLASS | | |
| Class A | 47 | 396,419 |
| Class B | 128 | 558,018 |
| Class C | 209 | 106,148 |

NEW LEASE TRANSACTIONS IN 2025

234 DEALS

| SIZE (SF) | # OF TRANSACTIONS | TOTAL SQUARE FOOTAGE |
|------------------|-------------------|----------------------|
| 1,000-2,499 | 109 | 170,563 |
| 2,500-4,999 | 66 | 228,263 |
| 5,000-9,999 | 47 | 324,580 |
| 10,000-19,999 | 6 | 76,949 |
| 20,000-49,999 | 5 | 156,401 |
| 50,000 and above | 1 | 59,850 |
| BUILDING CLASS | | |
| Class A | 34 | 228,278 |
| Class B | 153 | 666,194 |
| Class C | 47 | 122,134 |

NOTABLE LEASE TRANSACTIONS IN 2025

| PROPERTY | SIZE (SF) | SUBMARKET |
|---|---------------|----------------------------|
| U.S. Department of Homeland Security ^Δ | 73,459 | Northeast |
| Senior Market Sales | 59,850 | Central Dodge |
| NEI Global Relocation ^Δ | 49,101 | Northwest |
| North End Teleservices ^Δ | 46,140 | Midtown |
| Milan Laser | 44,235 | Suburban West Dodge |
| OrthoNebraska [†] | 29,469 | Suburban West Dodge |
| Eide Bailly* | 28,400 | Suburban West Dodge |
| Rythm Health* | 27,910 | Northwest |
| Nebraska Medicine ^Δ | 26,880 | Southeast |
| United Risk | 26,387 | Miracle Hills |
| Lamp, Ryneason and Associates*^Δ | 25,742 | Suburban West Dodge |
| LRS Healthcare*^Δ | 22,948 | Central Dodge |
| First Interstate Bank*^Δ | 19,148 | Central Dodge |
| ICE Mortgage Technology ^Δ | 18,988 | Northwest |
| Quantum Workplace*^Δ | 15,081 | Suburban West Dodge |
| Noddle Companies* | 15,054 | Downtown |
| Regus ^Δ | 15,000 | Downtown |
| Topstep Trader* | 14,478 | South Central |
| Children's Hospital*^Δ | 14,450 | Central Dodge |
| Baldwin Hackett & Meeks ^Δ | 13,730 | Southwest |
| Complete Call Solutions* | 13,478 | Southwest |
| Verve Collaborative Health*^Δ | 13,476 | Miracle Hills |
| Revco Solutions | 12,853 | Central Dodge |

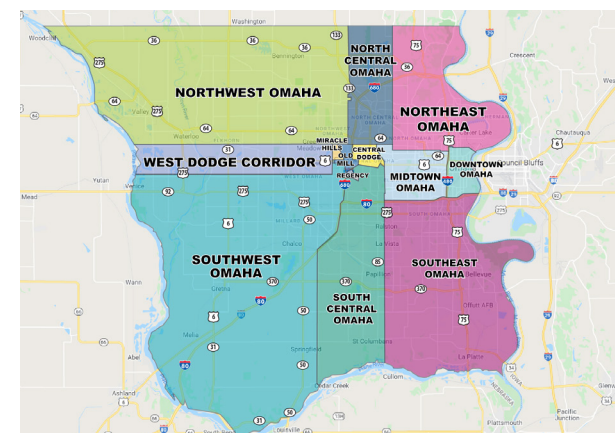
*Denotes an Investors Realty, Inc. transaction

[†]Denotes a sublease transaction

^ΔDenotes a renewal transaction

NOTABLE SALE TRANSACTIONS IN 2025

| TENANT | SIZE (SF) | SUBMARKET |
|---|---------------|---------------------|
| 2121 N 117th Ave - North Park Building 3 | 120,349 | Northwest |
| 12312 Port Grace Blvd - Kiewit | 115,294 | South Central |
| 14501 Heartwood Row | 80,000 | Suburban West Dodge |
| 12110 Emmet St - Ford Motor Credit* | 66,275 | Northwest |
| 11105-11173 Mill Valley Rd - Old Mill Business Campus* | 66,273 | Old Mill |
| 2707 N 108th St - Emerald Pointe | 37,860 | Northwest |
| 1818 Leavenworth St - Vantage Pointe | 36,740 | Downtown |
| 13330 California St - California Place | 36,079 | Suburban West Dodge |
| 7701 Pacific St - Pacific Village Office | 26,609 | Midtown |
| 2110 S 169th Plz - One Lakeside | 26,538 | Southwest |
| 256-268 N 115th St - Meadow Lane Place* | 23,600 | Old Mill |
| 2425 S 144th St* | 22,800 | Southwest |
| 4020 S 147th St - Altech Twenty Five A Building | 22,616 | Southwest |
| 11225 Davenport St - Davenport Atrium | 18,639 | Old Mill |
| 16850 Frances St* | 17,526 | Southwest |
| 11620 Arbor St - Evergreen Building B | 15,482 | Southwest |
| 7117 Jones Cir - Community Alliance Building* | 15,397 | Midtown |
| 212 S 74th St | 15,370 | Midtown |
| 11261-11273 Wright Cir - Eggers Plaza | 12,820 | Southwest |
| 5022 S 114th St - Empire Park II | 12,000 | South Central |



OMAHA SUBMARKETS

2025 END OF YEAR SUMMARY

| SUBMARKETS | INVENTORY (BUILDINGS) | INVENTORY (SF) | VACANT SF DIRECT | VACANT SF SUBLEASE | VACANT SF TOTAL | TOTAL VACANCY RATE | YTD NET ABSORPTION (SF) | AVERAGE ASKING RENTAL RATE (PSF) |
|---------------------|-----------------------|-------------------|------------------|--------------------|------------------|--------------------|-------------------------|----------------------------------|
| Central Dodge | 95 | 3,302,058 | 521,365 | 32,481 | 553,846 | 16.80% | (176,408) | \$25.42 |
| Downtown | 135 | 10,565,750 | 532,730 | 2,550 | 535,280 | 5.10% | 36,811 | \$30.03 |
| Midtown | 216 | 6,846,521 | 276,905 | 24,065 | 300,970 | 4.40% | 40,009 | \$31.12 |
| Miracle Hills | 26 | 1,116,305 | 114,485 | 0 | 114,485 | 10.30% | 58,826 | \$27.33 |
| Northeast | 83 | 976,741 | 76,672 | 0 | 76,672 | 7.80% | (1,118) | \$18.79 |
| Northwest | 160 | 2,779,878 | 453,200 | 13,011 | 466,211 | 16.80% | (37,639) | \$22.04 |
| Old Mill | 66 | 2,216,691 | 98,096 | 2,175 | 100,271 | 4.50% | 71,160 | \$24.18 |
| Regency | 26 | 1,239,427 | 81,330 | 0 | 81,330 | 6.60% | 14,995 | \$27.28 |
| South Central | 221 | 3,308,666 | 180,703 | 4,133 | 184,836 | 5.60% | (15,080) | \$20.90 |
| Southeast | 196 | 2,152,154 | 84,111 | 0 | 84,111 | 3.90% | 32,125 | \$17.63 |
| Southwest | 292 | 5,953,721 | 443,363 | 2,433 | 445,796 | 7.50% | 18,534 | \$22.95 |
| Suburban West Dodge | 117 | 5,594,688 | 457,191 | 48,139 | 505,330 | 9.00% | 19,294 | \$32.27 |
| Omaha Market | 1,633 | 46,052,600 | 3,320,151 | 128,987 | 3,449,138 | 7.49% | 61,509 | \$26.49 |

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