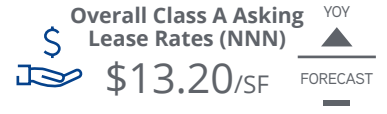
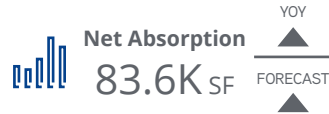




Retail 22Q2

Key Takeaways

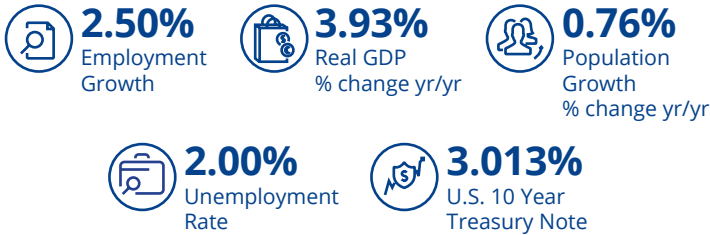
- Seven straight quarters positive absorption
- Over 80,000 square feet of positive absorption
- Vacancy rate dropped 90 basis points



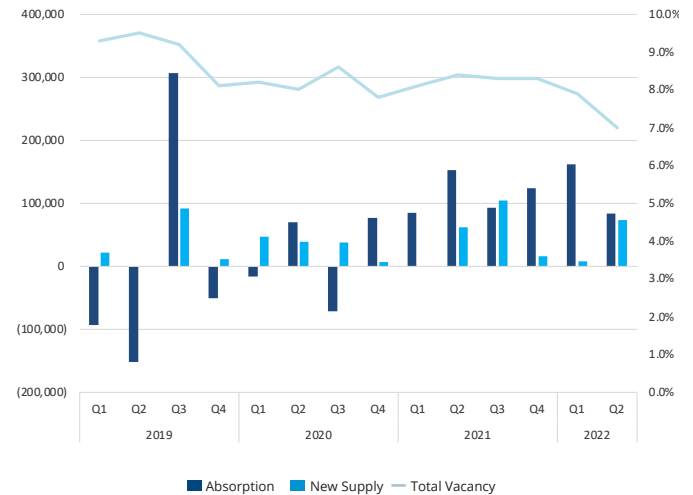
Positive Absorption Continues in Omaha Retail Market

The Omaha retail market had over 80,000 square feet of positive absorption in the second quarter of 2022 and the vacancy rate dropped to 7 percent.

Market Indicators



Market Graph



Vacancy is 90 basis points lower than last quarter and new construction is down from last quarter.

Historic Comparison (in Thousands of SF)

	21Q2	22Q1	22Q2
Total Inventory	33,355.7	33,793.0	33,135.7
New Supply	38.9	7.4	72.5
Net Absorption	69.6	161.6	83.7
Overall Vacancy	8.0%	7.9%	7.0%
Under Construction	202.0	181.0	99.7
Overall Asking Lease Rates (NNN)	\$13.10	\$12.96	\$13.20

Recent Transactions



Sale
Shoppes of Grayhawk Northwest
\$23,600,000



Sale
Crossroads Corner Central
\$7,375,000



Sale
Walgreens | 3001 Dodge Street Central
\$6,100,000



Lease
3305-3505 L Street Southeast
37,839 SF

Despite Inflation and Staff Shortages, Omaha's Retail Market Stays Strong

Rising interest rates, labor supply issues and surging inflation continue to cause concern across the United States. According to the U.S. Labor Department, consumer prices surged 8.6 percent in May, which is a new 40 year high.

Even with these concerns, the Omaha retail market continues to show its resiliency. The market ended the second quarter of 2022 with over 80,000 square feet of positive absorption. In addition, the retail vacancy rate dropped 90 basis points from 7.9 percent in the first quarter of 2022 to 7 percent this quarter. Retail sales in June in the U.S. rose 1 percent, which is more than was forecasted.

The largest amount of positive absorption can be attributed to the delivery of the new 21,000-square-foot Fareway grocery store in Gretna.

There is also nearly 100,000 square feet of retail space under construction in the Omaha metro. Properties include a 49,903-square-foot retail strip at La Vista City Centre, which is already over 54 percent pre-leased, 10,000 square feet at 20450 A Street and 10,000 square feet at 204th & Q Street. The remaining properties under construction are 100 percent pre-leased and include the 19,796-square-foot Elkhorn Landing building and a 10,000-square-foot Hy-Vee Fast & Fresh near 204th Street and West Center Road.

According to [Omaha Chamber's Greater Omaha Economic Indicators May 2022](#) report, private hourly wages rose \$1.78 year-over-year since May 2021. The Omaha metro also saw employment growth of over 5 percent year-over-year since May 2021. The retail industry is the largest employer in the private sector that employs 32 million Americans, which accounts for 20 percent of the U.S. population. Despite the increase in wages and employment growth, Omaha is continuing to see labor shortages. Nebraska's unemployment rate

hit an all-time low in April of 1.9 percent and Omaha's unemployment rate was 2.1 percent.

The retail sector locally and nationally has had to adapt since the COVID-19 pandemic. Retailers are adding more self-check outs, customer experiences, and the ability to order online and pick up in the store. Big retailers such as Nike are adding augmented reality to their customers shopping experiences. Nars makeup brand even created virtual islands in Roblox. Retailers are stepping up their game to connect digital and in-store experiences and to adapt with their consumers' buying habits.

Foot traffic has increased in malls and bricks-and-mortar stores, yet many consumers prefer self-service checkout. According to a [McKinsey Report](#), more than 70 percent of consumers indicate that self-service is the preferred type of service. The retail market is seeing a mix of automation and humanity that will continue to grow and change the retail sector.

With the rising interest rates, labor supply issues, and surging inflation, Omaha's economy added over 80,000 square feet of positive absorption and has continued to remain stable.

Omaha, NE | 2022 Q2 | Retail | Market Statistics

Submarket	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate (NNN)
Central	5,653,847	5.5%	0.3%	5.8%	8.3%	7.2%	(12,040)	28,145	-	-	\$13.43
Council Bluffs	3,090,339	4.1%	0.0%	4.1%	7.6%	15.2%	(12,144)	(18,376)	-	-	\$10.39
Downtown	254,152	2.5%	0.0%	2.5%	2.5%	2.5%	-	8,347	-	-	\$28.00
North Central	1,934,383	11.4%	2.5%	14.3%	12.9%	12.8%	(807)	(2,091)	-	-	\$10.11
Northeast	1,038,628	1.4%	0.0%	1.4%	1.1%	1.1%	-	-	-	-	\$10.97
Northwest	3,343,848	5.4%	1.1%	6.5%	5.5%	5.5%	18,246	45,959	19,796	36,272	\$16.11
Sarpy East	4,559,025	5.6%	2.0%	7.7%	5.0%	6.0%	36,908	41,698	49,903	-	\$14.75
Sarpy West	638,243	5.0%	0.0%	5.0%	5.9%	8.0%	12,131	13,806	-	10,268	\$16.28
South Central	905,981	7.2%	1.0%	8.4%	6.8%	8.7%	5,093	(2,767)	-	-	\$11.29
Southeast	1,014,364	4.4%	0.0%	4.4%	1.5%	3.4%	4,027	27,446	-	-	\$10.76
Southwest	8,479,405	4.4%	0.6%	5.0%	7.6%	7.7%	30,810	88,569	30,000	33,381	\$13.11
West Dodge Corridor	2,223,448	8.3%	0.1%	8.4%	7.5%	7.6%	1,468	3,076	-	-	\$16.63
TOTAL	33,135,663	5.5%	0.8%	6.3%	7.0%	7.9%	83,692	233,812	99,699	79,921	\$13.20

Summary by Subtype

Subtype	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate (NNN)
Free Standing General	10,031,479	3.0%	0.3%	3.4%	4.5%	4.7%	56,835	65,107	49,796	79,921	\$13.11
Neighborhood Community Center	10,794,124	9.0%	2.0%	11.0%	8.6%	8.9%	6,948	155,508	-	-	\$11.95
Regional Power Center	8,547,066	3.1%	0.0%	3.1%	7.9%	10.9%	30,969	(641)	49,903	-	\$16.05
Strip Center	3,750,794	7.2%	0.3%	7.6%	6.4%	6.5%	(4,103)	13,083	-	-	\$14.75
GRAND TOTAL	33,135,663	5.5%	0.8%	6.3%	7.0%	7.9%	83,692	233,812	99,699	79,921	\$13.20

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\$4.1B
in revenue



2B
square feet under management



17,000+
professionals and staff

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