

FIGURES | OMAHA INDUSTRIAL | Q2 2025

Vacancy falls again to 2.0% as the Omaha market posts fourteen quarters under 3%



Note: Arrows indicate change from previous quarter.

SUMMARY

In Q2 2025 the Omaha Industrial market reported a total availability rate of 4.2%, unchanged quarter-over-quarter and up 70 bps year-over-year, with a 240 bps increase over the past 3 years.

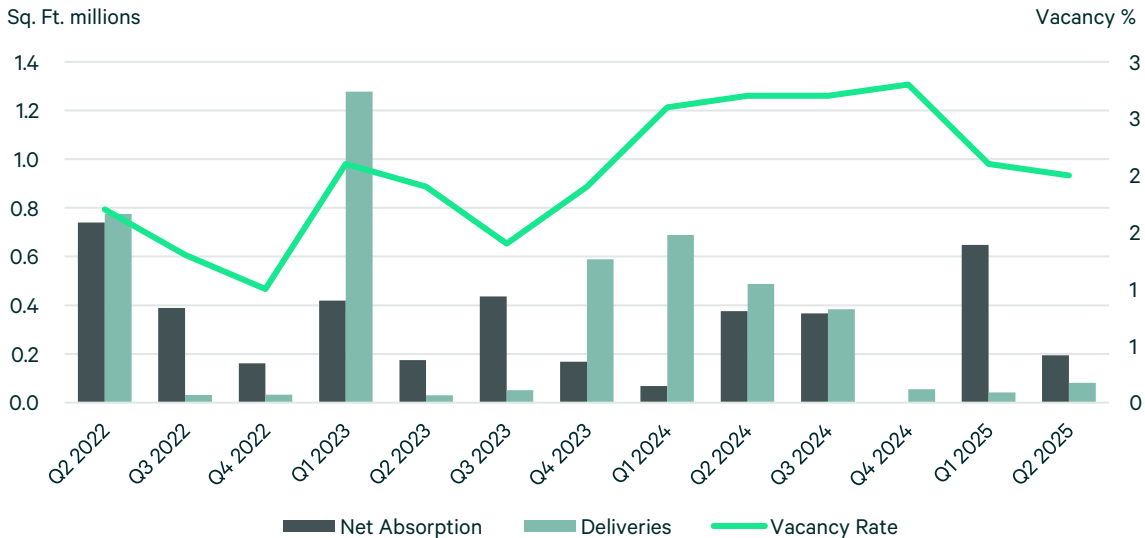
The overall vacancy rate stood at 2.0% in Q2 2025, falling 10 bps quarter-over-quarter and falling 70 bps year-over-year with a 30 bps increase over the past 3 years.

Average asking rent was \$7.23 per sq. ft. year net at the close of Q2 2025, steady quarter-over-quarter, and down -1.2%, (\$-0.09) year-over-year. Over the last 3-years quarterly average asking rent was up 1.3% (\$0.09).

Net absorption was positive 194,616 sq. ft in Q2 2025, a decrease from positive 647,636 sq. ft in the previous quarter. Over the last four quarters net absorption totaled positive 1.2 million sq. ft. Over the last 3 years cumulative net absorption was positive 4.1 million sq. ft.

Available sublease space stood at 0.3% in Q2 2025, a decrease of 10 bps quarter-over-quarter and unchanged year-over-year.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2025

Availability Rate

In Q2 2025 the Omaha Industrial market reported a total availability rate of 4.0%, down 20 bps quarter-over-quarter and up 50 bps year-over-year, with a 220 bps increase over the past 3 years.

Direct availability was 3.7% in Q2 2025, down 20 bps quarter-over-quarter and up 50 bps year-over-year, with a 200 bps increase over the past 3 years.

Available sublease space stood at 0.3% in Q2 2025, a decrease of 10 bps quarter-over-quarter and unchanged year-over-year. Sublease availability is above the 3-years quarterly average.

With leasing activity slowing and an additional 885,794 sq. ft. under construction, both the availability and vacancy rates are expected to rise in in future quarters.

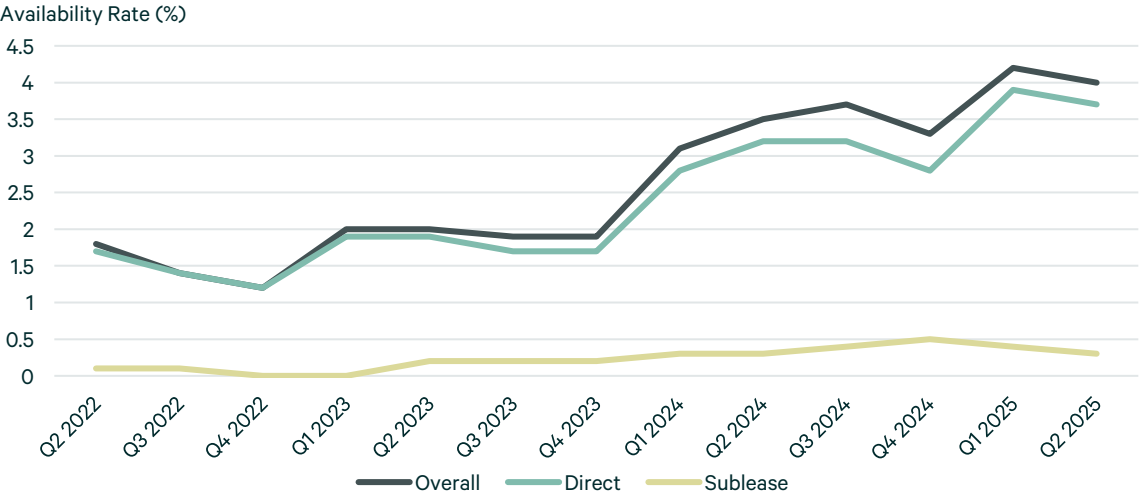
Asking Rent

Average yearly triple net asking rent was \$7.23 per sq. ft. at the close of Q2 2025, steady quarter-over-quarter, and down -1.2%, (\$-0.09) year-over-year. Over the last 3-years quarterly average asking rent was up 1.3% (\$0.09).

By submarket, the highest average rent is found in the Council Bluffs submarket, with an average of \$11.22 per sq. ft. The lowest average by submarket is \$5.98 per sq. ft. in the Sarpy East submarket.

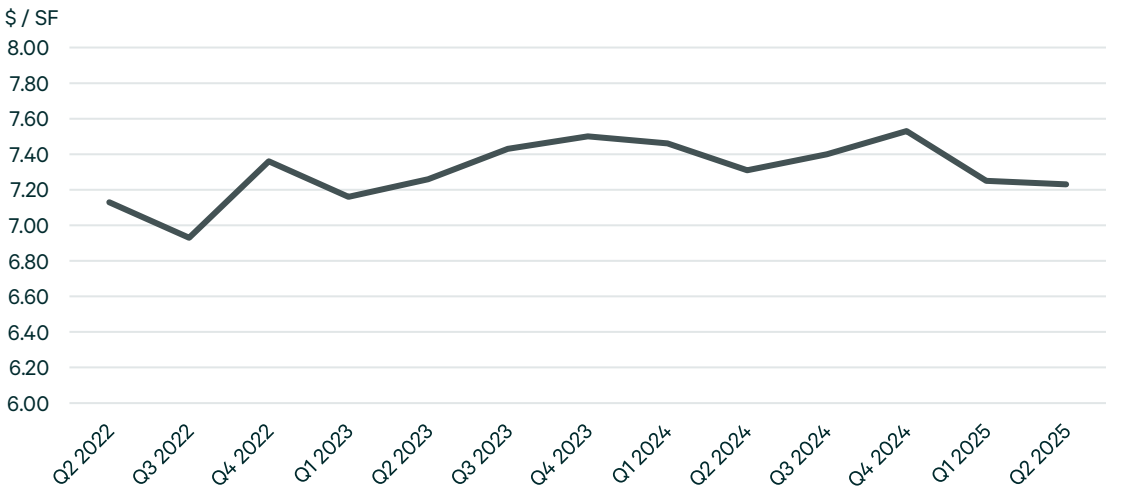
By property subtype, R&D/Flex properties command the highest average asking rent with \$10.05 per sq. ft. The lowest average asking rent is found in manufacturing properties with \$6.76 per sq. ft.

FIGURE 2: Availability Rates



Source: CBRE Research, Q2 2025

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q2 2025

Net Absorption

Net absorption was positive 194,616 sq. ft in Q2 2025, a decrease from positive 647,636 sq. ft in the previous quarter. Over the last four quarters net absorption totaled positive 1.2 million sq. ft. Over the last 3 years cumulative net absorption was positive 4.1 million sq. ft.

Net absorption in Q2 2025 was driven partly by five owner-user sales totaling over 186,000 sq. ft.

Over 81,000 sq. ft. of absorption can be attributed to two build-to-suit properties delivering to the market in Q2 2025. Mid-States Utility Trailer Sales’ 47,500 sq. ft. facility and McNeil Companies’ 34,495 sq. ft. facility, both located in the Sarpy West submarket were completed this quarter.

Year-to-date net absorption stands at over 840,000 sq. ft. Approximately 400,000 sq. ft. of this absorption occurred in the Sarpy West submarket.

Construction Activity

In Q2 2025 there were 14 projects underway, totaling 885,794 sq. ft. Under construction activity accelerated quarter-over-quarter from 825,539 sq. ft to 885,794 sq. ft.

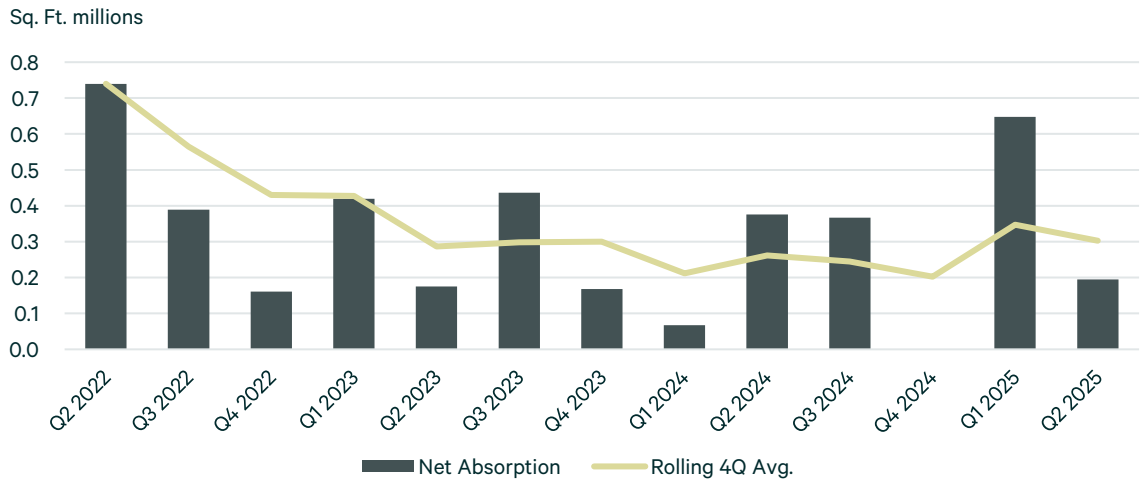
Year-over-year, construction activity increased from 488,263 sq. ft.

Over the past 3 years construction volume has increased from 691,341 sq. ft.

2 projects delivered in Q2 2025 totaling 81,995 sq. ft.

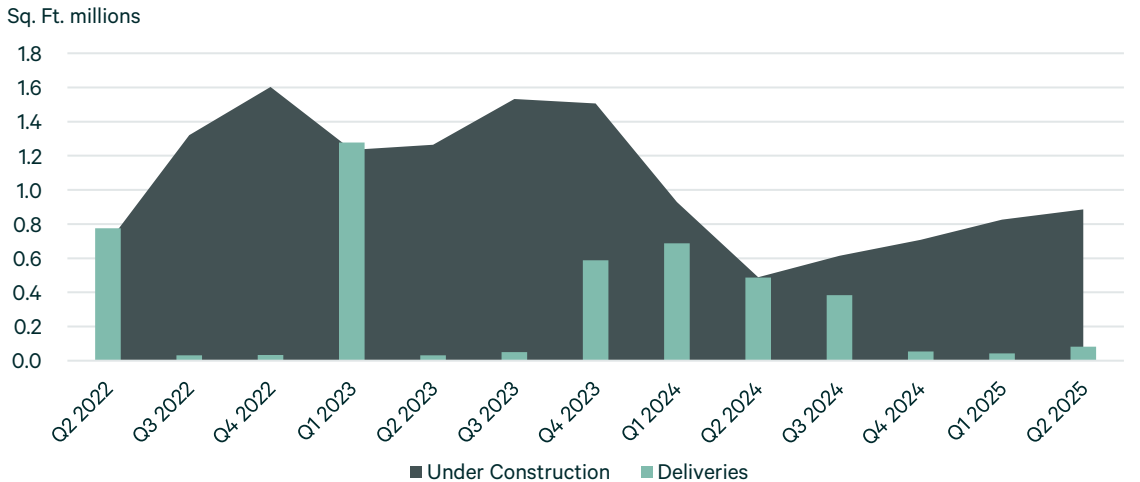
Construction deliveries increased from 41,990 sq. ft delivered in the previous quarter. Over the last year a total of 562,288 sq. ft was delivered. Total construction delivered over the last 3 years was 4.5 million sq. ft.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q2 2025

FIGURE 5: Construction Activity



Source: CBRE Research, Q2 2025

Leasing Activity

Leasing activity in the Omaha Industrial in Q2 2025 totaled 372,958 sq. ft leased across 24 leases.

Leasing activity slowed quarter-over-quarter falling by 236,822 sq. ft.

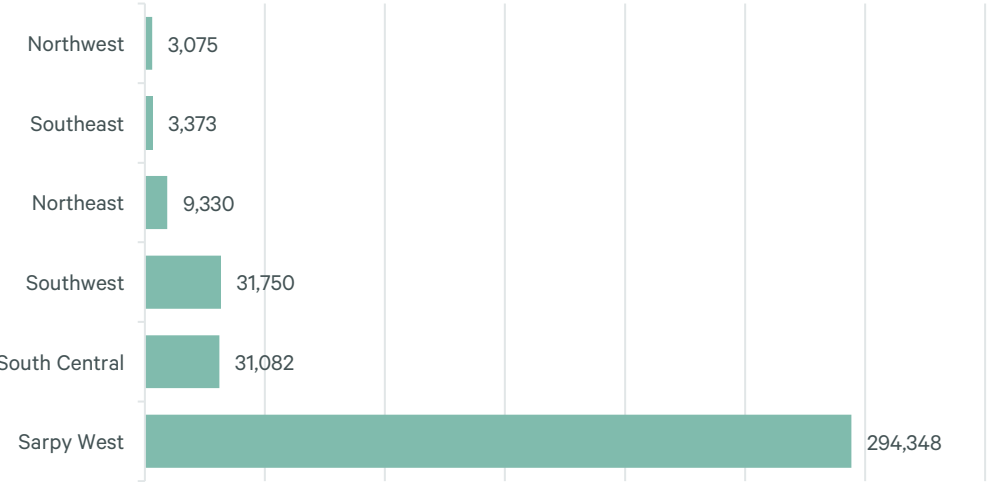
Year-over-year, leasing activity slowed falling by 848,456 sq. ft.

Leasing activity was below the 3-year quarterly average of 590,477 sq. ft leased by -58.3%.

By submarket, the Sarpy West submarket represented the highest amount of leasing activity with over 294,000 sq. ft. signed in Q2 2025.

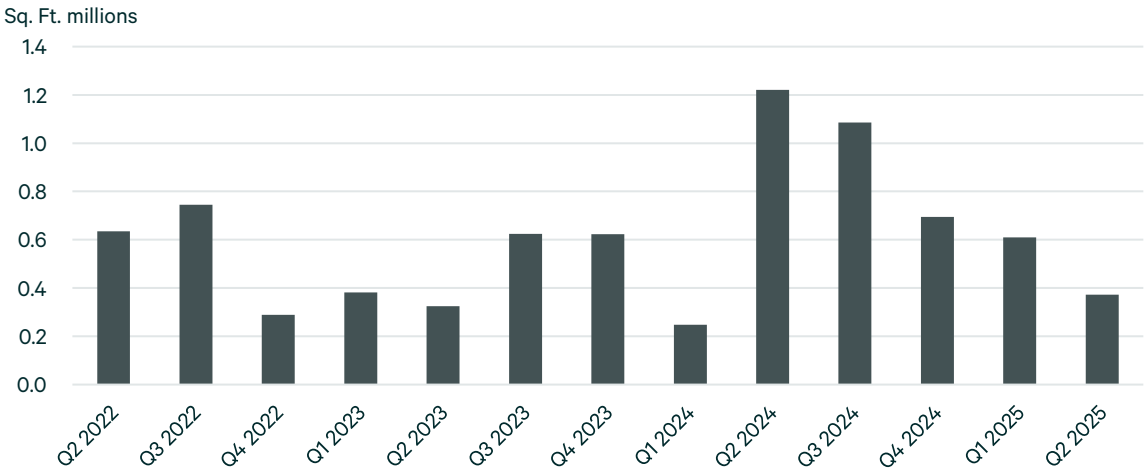
By subtype, the greatest amount of leasing activity took place in warehouse properties with over 284,000 sq. ft. signed in Q2 2025.

FIGURE 6: Leasing Activity by Submarket – Leases 0 sq. ft. and up



Source: CBRE Research, Q2 2025

FIGURE 6: Leasing Activity Trend – Leases 0 sq. ft. and up



Source: CBRE Research, Q2 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Compana Pet Brands	122,720	New Lease	12125 S 156 th St	Sarpy West
Mielke Oil	56,157	New Lease	14850 Rodina St	Sarpy West
Epic Custom Trailers	25,194	New Lease	19303 Raven Ridge Dr	Sarpy West
Bianchi Candle Brands	18,750	New Lease	13303 F St	Southwest
Lennox Industries Inc.	18,592	Renewal	10918 Emiline St	Sarpy West
Dal-Tile Distribution	15,037	Renewal	12008 Portal Rd	Sarpy West
Apple Roofing	14,901	New Lease	14218 S 220th St	Sarpy West
The Southard	13,000	New Lease	13606-13636 Industrial Rd	Southwest
Christopherson	12,000	New Lease	11801 Olive St	Sarpy West
Black Hawk Roof of NE	12,000	New Lease	11801 Olive St	Sarpy West

Source: CBRE Research, Q2 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	46,459,588	1.5	2.5	2.1	0.5	8.39	255,152	322,226	81,995	520,794
100,000-199,999 sq. ft.	12,330,775	1.8	2.5	2.4	0.0	7.07	(4,379)	230,291	0	105,000
200,000-299,999 sq. ft.	12,435,538	3.4	2.8	2.7	0.1	6.91	(56,157)	273,337	0	260,000
300,000-499,999 sq. ft.	6,461,215	6.3	12.0	12.0	0.0	6.50	0	0	0	0
500,000-749,999 sq. ft.	4,256,417	0.0	0.4	0.4	0.0	22.00	0	0	0	0
750,000 sq. ft.	4,407,684	0.0	18.9	18.9	0.0	6.50	0	16,398	0	0
Total	86,351,217	2.0	4.0	3.7	0.3	7.22	194,616	842,252	81,995	885,794

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	54,756,999	2.4	4.0	3.8	0.2	7.07	55,026	613,638	0	567,388
Manufacturing	21,117,932	0.5	4.7	4.1	0.5	6.76	116,000	172,921	34,495	0
R&D / Flex	7,581,774	3.3	3.7	3.4	0.3	10.05	42,834	97,405	47,500	249,524
Other Industrial	2,894,512	2.1	2.2	1.6	0.6	7.86	(19,244)	(41,712)	0	68,882
Total	86,351,217	2.0	4.0	3.7	0.3	7.22	194,616	842,252	81,995	885,794

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Council Bluffs	6,642,128	1.8	2.1	0.5	1.6	11.22	20,335	27,835	0	112,250
Northeast	10,707,396	1.6	3.6	3.5	0.2	6.51	97,920	309,442	0	0
Northwest	6,679,189	0.5	1.3	1.1	0.3	8.90	11,244	26,905	0	0
Sarpy East	1,886,744	0.0	19.8	19.8	0.0	5.98	2,035	0	0	0
Sarpy West	23,117,947	4.6	4.0	4.0	0.0	7.50	29,808	409,958	81,995	658,544
South Central	20,359,376	1.3	2.0	1.7	0.3	9.01	28,431	21,319	0	105,000
Southeast	8,170,898	0.1	1.1	1.1	0.0	8.00	3,373	11,189	0	0
Southwest	8,787,539	0.8	11.9	11.6	0.2	6.77	1,470	35,604	0	10,000
Total	86,351,217	2.0	4.0	3.7	0.3	7.22	194,616	842,252	81,995	885,794

Economic Summary

National

Policy announcements and the news cycle—not economic fundamentals— are driving sentiment today. Q2 2025 began with the Liberation Day tariffs and subsequent escalation that caused growth expectations to plummet. But by the top of Q3 2025, both the trade war rhetoric and effective tariff rate have softened. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a more steady economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025. Barring further disruptions this provides upside risk for hiring in coming quarters.

Commercial real estate markets are taking these changes in stride. On the occupier side, continued growth translates into positive absorption for many sectors and markets, including offices. Regarding capital markets, investment volume is on track to exceed 2023 and 2024 levels. This is supported by credit issuance making a turnaround and credit spreads falling back to pre-April 2 levels.

Local

Every year in the second quarter, Omaha hosts two big events bringing many visitors and consumer dollars to the city: the Berkshire Hathaway Shareholders meeting and the College World Series.

The Berkshire Hathaway weekend occurs every May in Omaha and has been called the “Woodstock for Capitalists”, which is great news for local business owners, restaurants and hotels. According to Visit Omaha, the estimated economic impact of the weekend is more than \$21 million, bringing an estimated 40,000 visitors to the city and filling over 92% of hotel rooms.

The big news coming out of this year’s meeting was 94-year-old Warren Buffett’s announcement that he will step down as CEO but remain as chairman of Berkshire Hathaway. Buffett’s succession plan has been in place for four years and names Greg Abel as CEO. However, the timing of Buffett’s retirement was a surprise announcement.

Local (cont.)

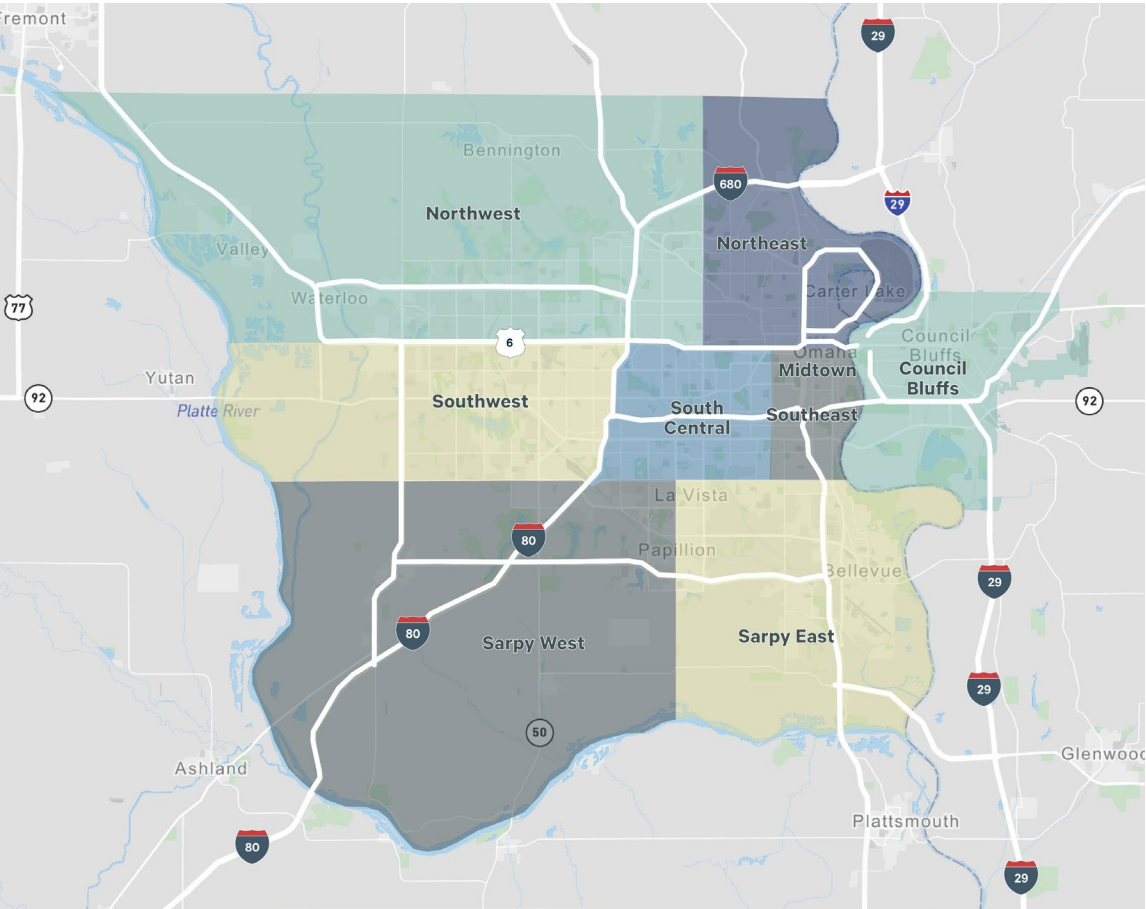
Omaha has hosted the NCAA men’s College World Series (CWS), the “greatest show on dirt”, every June since 1950. The CWS brings baseball fans to Omaha from all over the country. Total attendance for the 2025 CWS over 15 games was 366,105 fans, breaking the previous attendance record set in 2021. Some estimates show the economic impact of the CWS ranges between \$115 and \$120 million. According to Nebraska Treasurer Tom Briesse, those estimates are conservative. Briesse told KETV, “When you start multiplying the effect of those dollars as they ripple through the economy, they add to the hiring, add to expenditures and spending within the economy, and that generates sales and income tax revenue for the state.”

There was big news in Omaha as a mayoral election took place in May. Three-term incumbent, Jean Stothert lost the race to Douglas County Treasurer, John Ewing. During her tenure, Stothert lead the city during redevelopment of the urban core, including revitalization of the RiverFront, the announcement of Mutual of Omaha’s headquarters from midtown to downtown, and plans for the streetcar project. As with any election, there is some uncertainty regarding how a new elected official will proceed with the trajectory of existing initiatives. Some of that uncertainty has been alleviated. Once a skeptic, Mayor John Ewing has said that the streetcar project, which is already under way, “could do great things for Omaha” and that “he would work to make it as successful as possible”. Mayor Ewing has also expressed support for developments at Crossroads and Civic Square, near the intersections of 72nd and Dodge Street, and the site of the former convention center at 17th and Capitol Avenue, respectively.

In Conclusion

- Vacancy remains low in the Omaha industrial market with fourteen consecutive quarters of sub-3% vacancy.
- Asking rents have decreased slightly in the local market.
- Both quarterly and year-to-date absorption are strong in the local market.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all competitive industrial buildings 10,000 sq. ft. and greater in size in the Omaha metropolitan area. Buildings under construction includes buildings which have begun development beyond initial site work.

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