



# Retail 23Q2

## Key Takeaways

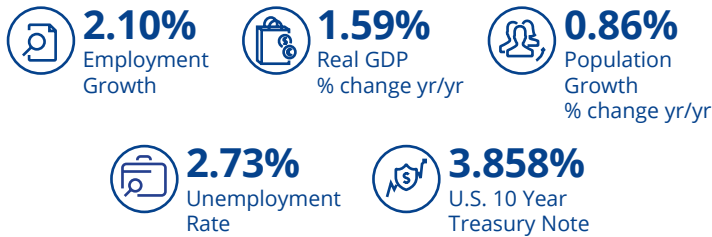
- Net absorption over 250,000 square feet
- Over 160,000 square feet under construction
- Rental rates slightly dropped



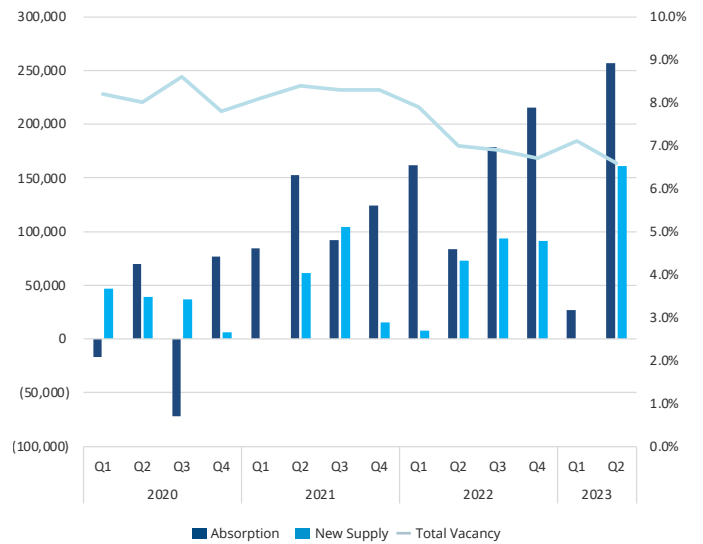
## Omaha Metro Welcomes Two Major Retail Spaces This Quarter

In the Omaha retail market, a remarkable addition took place with the opening of the largest Hy-Vee location in their portfolio, covering nearly 140,000 square feet. Home Goods introduced its fourth metro location, spanning approximately 22,000 square feet.

### Market Indicators



### Market Graph



Omaha's retail vacancy rate is down 50 basis points since the first quarter of 2023.

### Historic Comparison (in Thousands of SF)

	22Q2	23Q1	23Q2
<b>Total Inventory</b>	33,135.7	33,538.6	33,706.6
<b>New Supply</b>	72.5	-	180,014.0
<b>Net Absorption</b>	83.7	26.9	257.0
<b>Overall Vacancy</b>	7.0%	7.1%	6.6%
<b>Under Construction</b>	99.7	335.2	160.9
<b>Overall Asking Lease Rates (NNN)</b>	\$13.20	\$14.98	\$14.84

### Recent Transactions



**Sale**

11102 - 11112 West Dodge Road  
West Dodge Corridor  
\$12,200,000



**Sale**

5710 South 144th Street  
Southwest  
\$5,870,000



**Lease**

713-721 South 72nd Street  
Central  
25,886 SF



**Lease**

NWC 145th & Canopy Avenue  
West Dodge Corridor  
9,500 SF

## Omaha Metro Thriving Amidst Bustling Market

Following a remarkable net absorption in 2022, the Omaha retail market surpassed the record with an impressive positive net absorption of nearly 260,000 square feet at the end of the second quarter in 2023. Moreover, the retail vacancy rate declined by 50 basis points from the previous quarter, going from 7.1 percent to 6.6 percent. Additionally, rental rates experienced a slight drop of \$0.14, moving from \$14.98 to \$14.84 compared to the previous quarter. The Omaha metro area has over 160,000 square feet of retail space currently under construction, with the addition of a seventh 35,000 square foot location for B Street Collision Center at 101st and Blair High Road.

At 192nd & Highway 370 in Gretna, a new Hy-Vee grocery store has opened, boasting an impressive 139,270 square feet, making it the largest and most modern store in their portfolio, with plans to employ approximately 600 people, including 130 full-time employees. Highway 370 is experiencing a surge of new development and other businesses will follow in the footsteps of Hy-Vee to establish themselves along that corridor. Among the list of current tenants includes Culver's, Rocket Carwash, Veridian Credit Union, Centris Federal Credit Union, Citizens State Bank, Summit Dental, and Jensen Tire and Auto. Additionally, Home Goods has expanded its presence in the Omaha metro area with the opening of its fourth location at Shadow Lake, offering 21,804 square feet of retail space in the former Genesis Health Club space, also along Highway 370.

During this quarter, Waterford Crossing, situated at the intersection of 156th and Ida Street's northeast corner, introduced two new buildings to the market. The 15450 Ida Street location saw the opening of Big Red Neighborhood Grill & Sports Bar and Waterford Dental. Additionally, Nails of Grace is set to open there in the near future. At 15530 Ida Street, Bussey Physical Therapy has already commenced its operations. Moreover, there are two more upcoming establishments planned for the same location: The Rack Wine and Spirits, which currently operates at 1119 North 204th Avenue, and a pet store.

The Omaha metro area is witnessing substantial development in various sectors of commercial real estate. Among the remarkable recent developments is the completion of the Brickline Apartments, a \$100 million project and integral part of the Mercantile development, which marked its ribbon-cutting ceremony this quarter. This mixed-use development encompasses 379 apartment units along with retail and office spaces including five unique Live and Work units incorporating a ground floor commercial space with a second-floor apartment. Coastal Blues Boutique opened in July in one of the Live and Work units. Additionally, the Mercantile project will welcome several new restaurants, such as Tupelo Honey, Memoir, Cham Pang Lanes, and Ghost Donkey.

The City of Omaha has revealed a \$54 million initiative to establish a premier youth multi-sport complex and tournament facility, known as Tranquility Commons, situated

near North 120th and Maple streets. The comprehensive plan involves not only the development of a multi-sport complex but also the addition of new hotels, restaurants, and retail spaces for the area. According to the City of Omaha's website, the Tranquility complex will feature 13-16 synthetic turf multi-purpose flat fields and 8-11 synthetic turf baseball/softball fields, along with enhanced parking and concession facilities. Projections indicate that this state-of-the-art facility will enable Omaha to attract a minimum of 20 new regional and national youth sporting events annually, generating an estimated \$78 million in visitor spending each year. Construction is slated to begin with the soccer fields in 2024, followed by the baseball and softball improvements starting in 2026, with a targeted completion date of 2027.

Genesis Health Clubs has made a significant acquisition in Omaha's Midtown Crossing, purchasing a 75,000-square-foot building at 3201 Farnam Street. The plan is to transform the second-floor space into a 50,000-square-foot health club which was previously occupied by Alamo Drafthouse Cinema.

Adding to the downtown landscape, the newly renovated downtown library has opened its doors at 1401 Jones Street, after undergoing extensive renovations. Also, the new central library location has started construction located at 72nd and Dodge Street at the former Do Space location. Another significant addition is the Steelhouse Omaha, a concert venue located at 1101 Dodge Street, which opened this quarter with an investment of \$104.1 million. Furthermore, plans have been unveiled for the proposed Civic Square, a 9-acre site encompassing the former location of the Civic Auditorium. The envisioned development would include a grocery store and various retailers, spanning the area from 17th to 19th Streets and Chicago Street to Capitol Avenue. The Omaha Airport Authority also announced a \$65 million project for renovation at the Eppley Airfield's terminal roadway and passenger area.

The Omaha metro area's retail market continues to thrive amidst a bustling environment. With a remarkable positive net absorption of nearly 260,000 square feet and a decline in the retail vacancy rate, the metro showcases its resilience and attractiveness to businesses and consumers alike. The ongoing construction of over 160,000 square feet of retail space and the opening of significant establishments like the Hy-Vee grocery store and Home Goods locations further solidify Omaha's position as a commercial hub. The continuous development in various sectors, including the completion of the Brickline Apartments and the upcoming Tranquility Commons multi-sport complex, adds to the city's dynamic landscape. Additionally, planned projects like The Crossroads development, Genesis Health Clubs' acquisition, and the new central library location promise exciting prospects for the city's future. With such impressive growth and visionary initiatives on the horizon, Omaha's retail sector remains on a promising trajectory, signaling a bright future for the city's commercial real estate landscape.

## Omaha, NE | 2023 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	5,614,210	2.6%	0.2%	2.9%	8.5%	9.3%	19,723	19,569	10,561	-	\$15.99
Council Bluffs	3,447,664	4.4%	0.1%	4.5%	6.4%	5.8%	(650)	(18,790)	-	-	\$9.57
Downtown	254,153	5.8%	0.0%	5.8%	2.5%	2.5%	-	-	-	-	\$23.46
North Central	1,883,243	10.0%	2.6%	12.6%	11.5%	11.6%	2,191	8,634	35,000	-	\$10.58
Northeast	1,036,495	1.7%	0.0%	1.7%	0.8%	0.8%	-	600	-	-	\$14.04
Northwest	3,345,688	5.4%	0.9%	6.3%	3.9%	4.5%	24,944	20,704	15,000	29,978	\$18.29
Sarpy East	4,594,339	8.1%	0.0%	8.1%	6.4%	6.5%	37,195	(17,573)	-	-	\$16.47
Sarpy West	647,201	5.9%	0.0%	5.9%	5.9%	6.8%	1,293	5,589	-	-	\$17.67
South Central	927,905	4.9%	1.0%	5.8%	4.6%	5.0%	2,063	13,989	-	-	\$11.92
Southeast	1,014,364	1.7%	0.0%	1.7%	1.7%	1.9%	1,080	4,688	6,992	-	\$13.20
Southwest	8,728,937	5.2%	0.5%	5.7%	7.4%	8.4%	150,140	22,436	40,308	150,036	\$13.64
West Dodge Corridor	2,212,421	3.0%	0.1%	3.1%	5.4%	5.9%	19,047	7,099	53,000	-	\$19.84
<b>TOTAL</b>	<b>33,706,620</b>	<b>5.0%</b>	<b>0.4%</b>	<b>5.5%</b>	<b>6.6%</b>	<b>7.1%</b>	<b>257,026</b>	<b>66,945</b>	<b>160,861</b>	<b>180,014</b>	<b>\$14.84</b>

## 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	10,312,930	2.6%	0.4%	3.0%	4.0%	4.6%	172,804	15,060	144,861	180,014	\$15.08
Neighborhood Community Center	10,668,003	5.8%	1.0%	6.8%	7.4%	8.3%	38,204	40,133	-	-	\$13.61
Regional Power Center	8,987,206	6.4%	0.0%	6.4%	9.0%	8.9%	28,179	(2,238)	-	-	\$16.77
Strip Center	3,738,481	6.1%	0.0%	6.1%	5.8%	5.9%	17,839	13,990	16,000	-	\$14.61
<b>GRAND TOTAL</b>	<b>33,706,620</b>	<b>5.0%</b>	<b>0.4%</b>	<b>5.5%</b>	<b>6.6%</b>	<b>7.1%</b>	<b>257,026</b>	<b>66,945</b>	<b>160,861</b>	<b>180,014</b>	<b>\$14.84</b>

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**2B**  
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