GREATER OMAHA CHAMBER

ECONOMIC DEVELOPMENT PARTNERSHIP

INDUSTRIAL DEVELOPMENT

MARKET DEMAND AND ANALYSIS

FOR THE GREATER OMAHA / COUNCIL BLUFFS REGION

November 2017

Prepared By

OLSSON® ASSOCIATES

CBRE | MEGA
Part of the CBRE affiliate network

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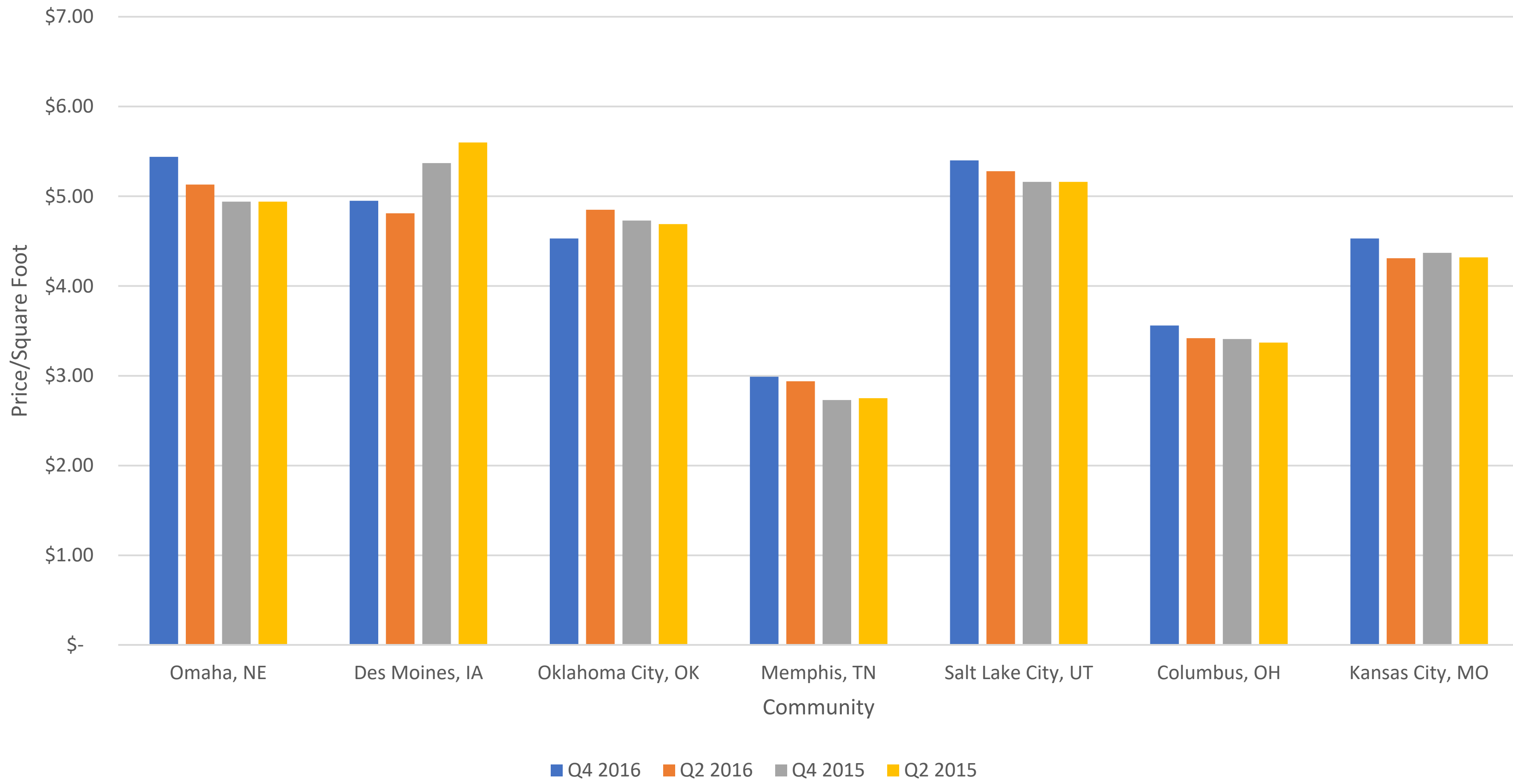
Scope of Study

- Comparison of the greater Omaha metro region's industrial inventory to the following comparable markets:
  - *Des Moines, IA*
  - *Oklahoma City, OK*
  - *Memphis, TN*
  - *Salt Lake City, UT*
  - *Columbus, OH*
  - *Kansas City, MO/KS*

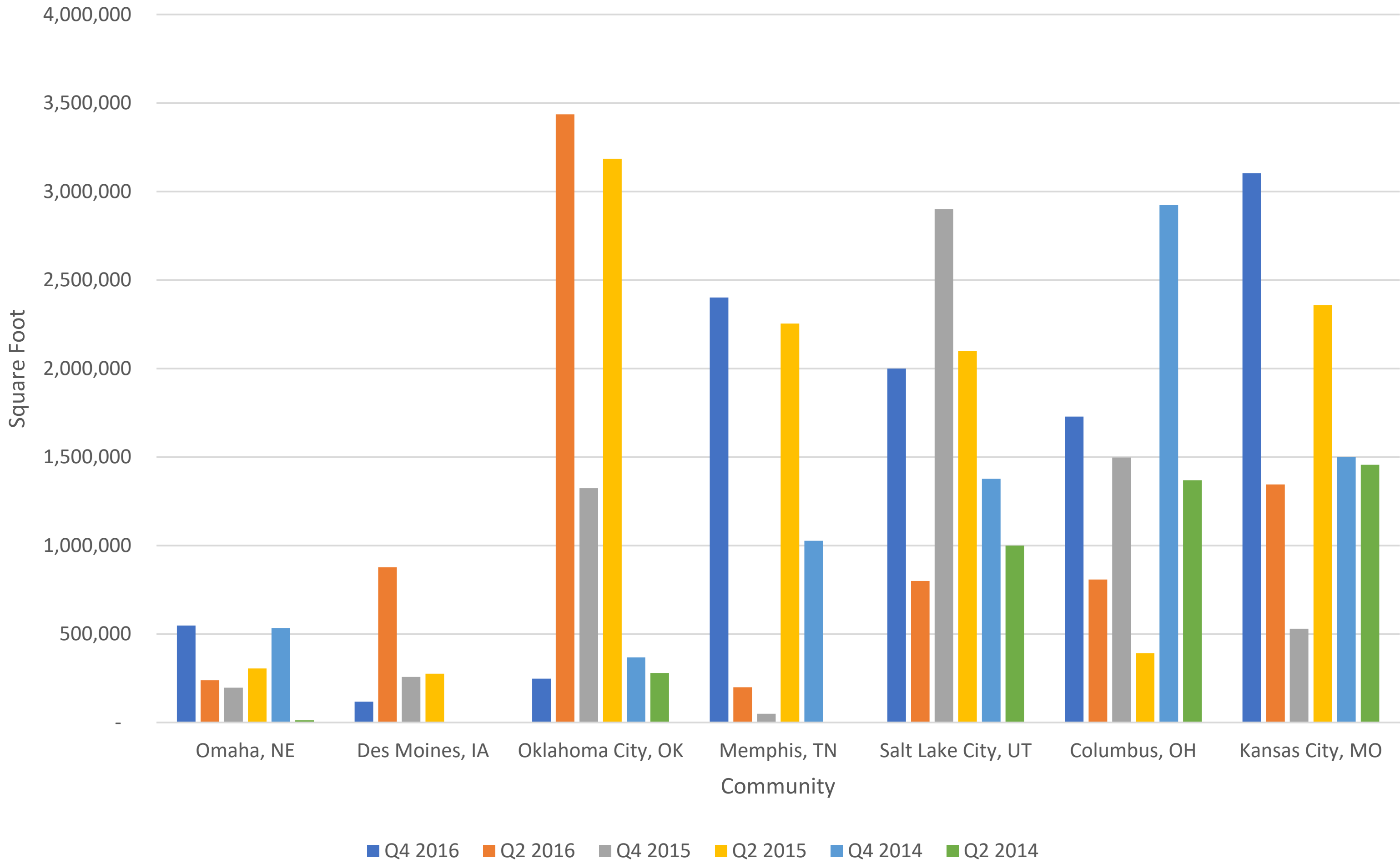
Omaha MSA – Industrial Building Availability

	Market Size (sq. ft.)	Average Asking Cost / Square Foot	YTD Absorption (sq. ft.)	Vacancy Rate	Deliveries (sq. ft.)
Q4 2016	68,291,937	$5.27	410,472	3.2%	548,405
Q2 2016	68,638,408	$5.11	22,811	3.1%	238,900
Q4 2015	68,372,811	$4.72	470,568	3.0%	197,410
Q2 2015	68,222,531	$4.53	32,668	2.9%	305,663
Q4 2014	68,152,586	$4.26	1,400,000	3.0%	534,484
Q2 2014	68,035,144	$4.28	1,011,807	3.3%	12,800

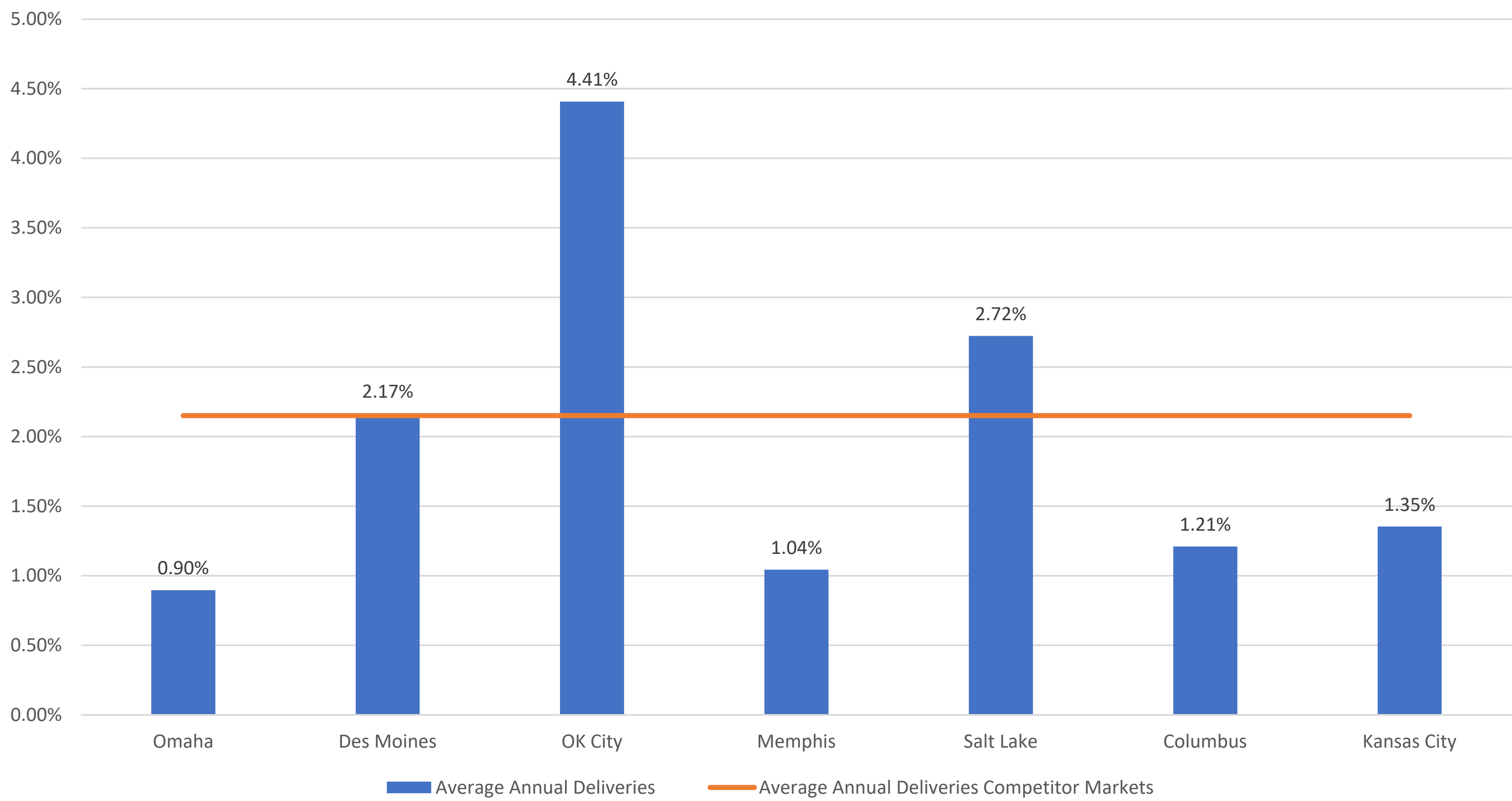
Historical Average Asking Price PSF – All Tranches

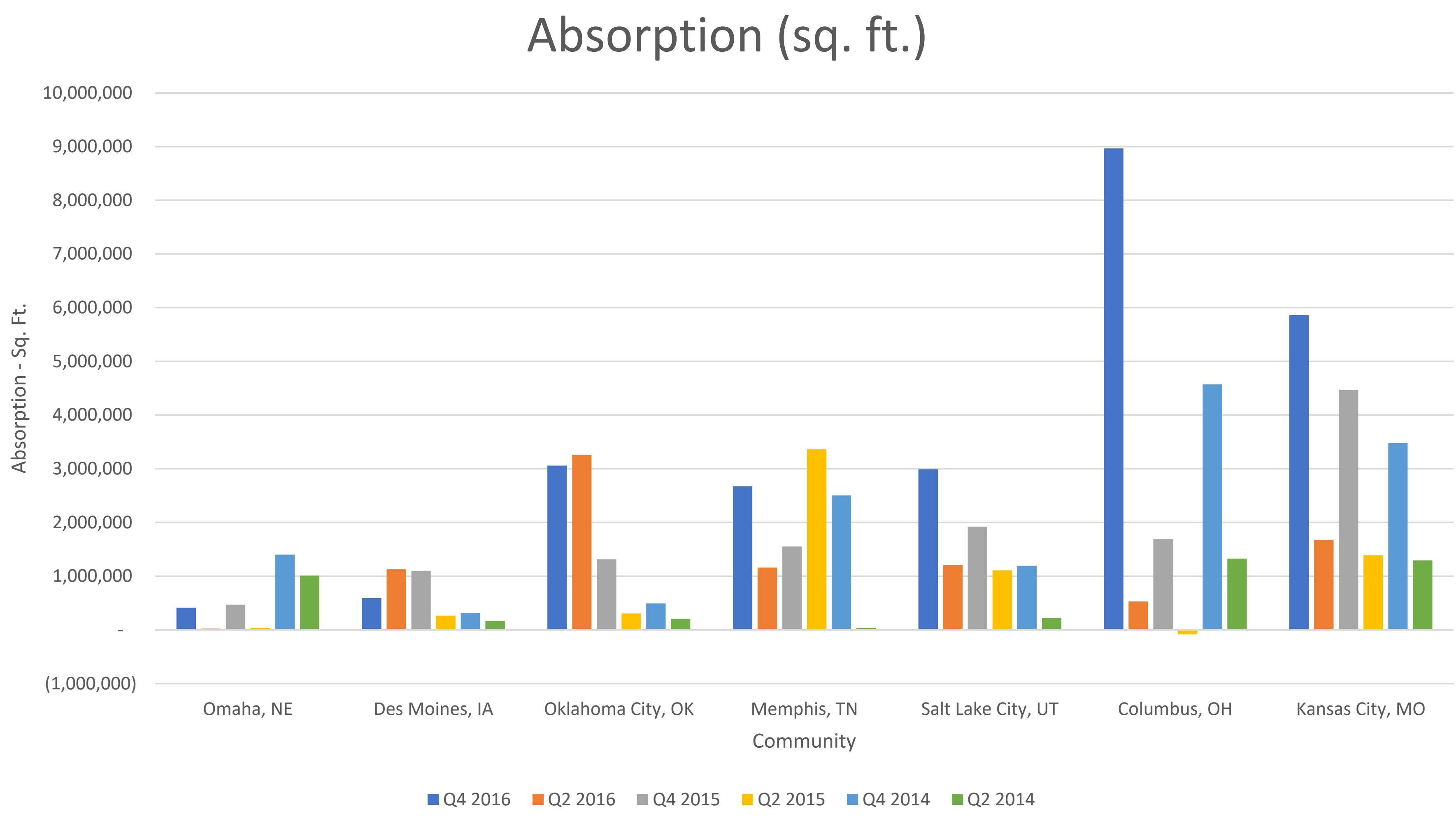


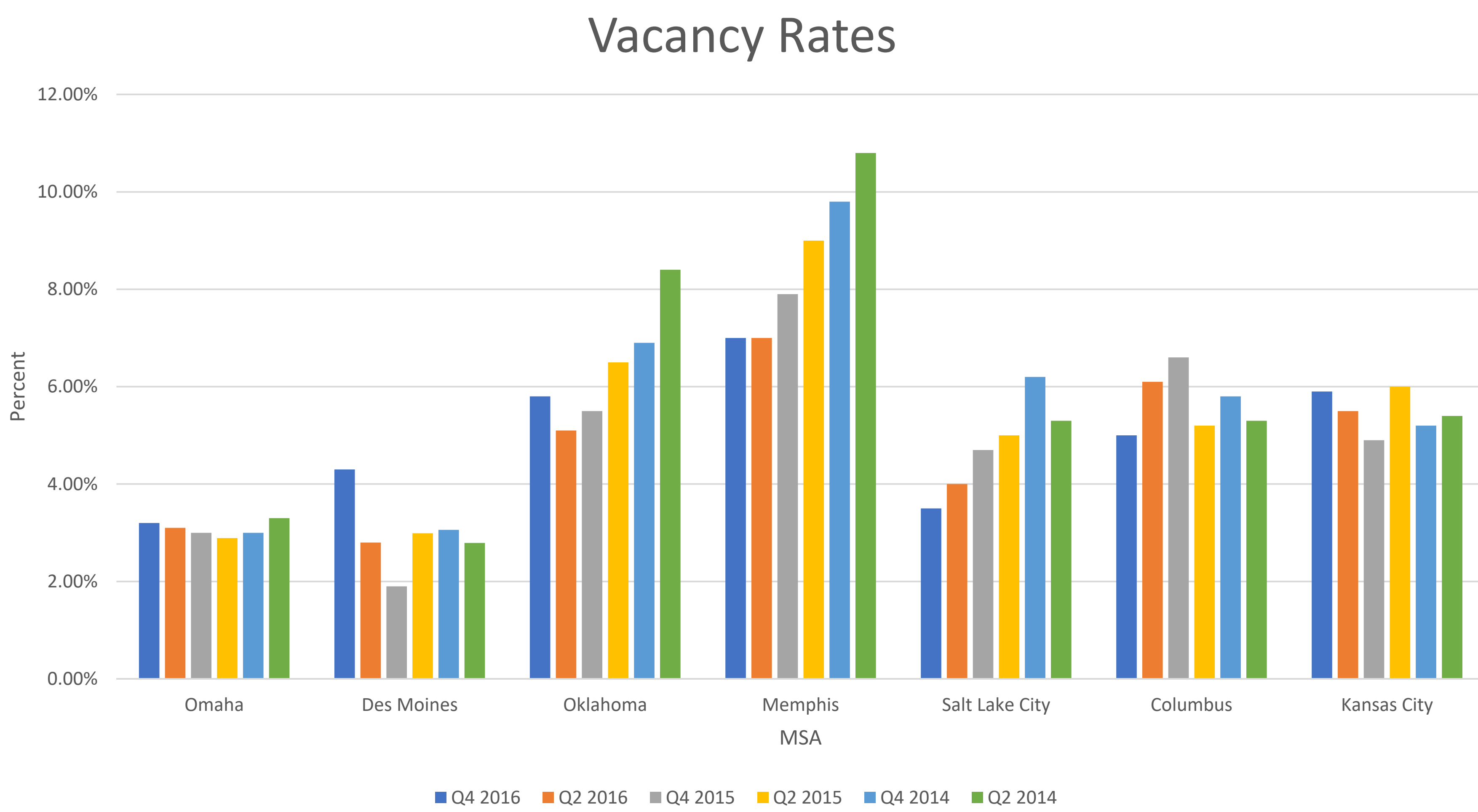
Deliveries


4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
Square Foot
Omaha, NE
Des Moines, IA
Oklahoma City, OK
Memphis, TN
Salt Lake City, UT
Columbus, OH
Kansas City, MO
Community
Q4 2016
Q2 2016
Q4 2015
Q2 2015
Q4 2014
Q2 2014

Deliveries by Percent of Market Size 2014-2016



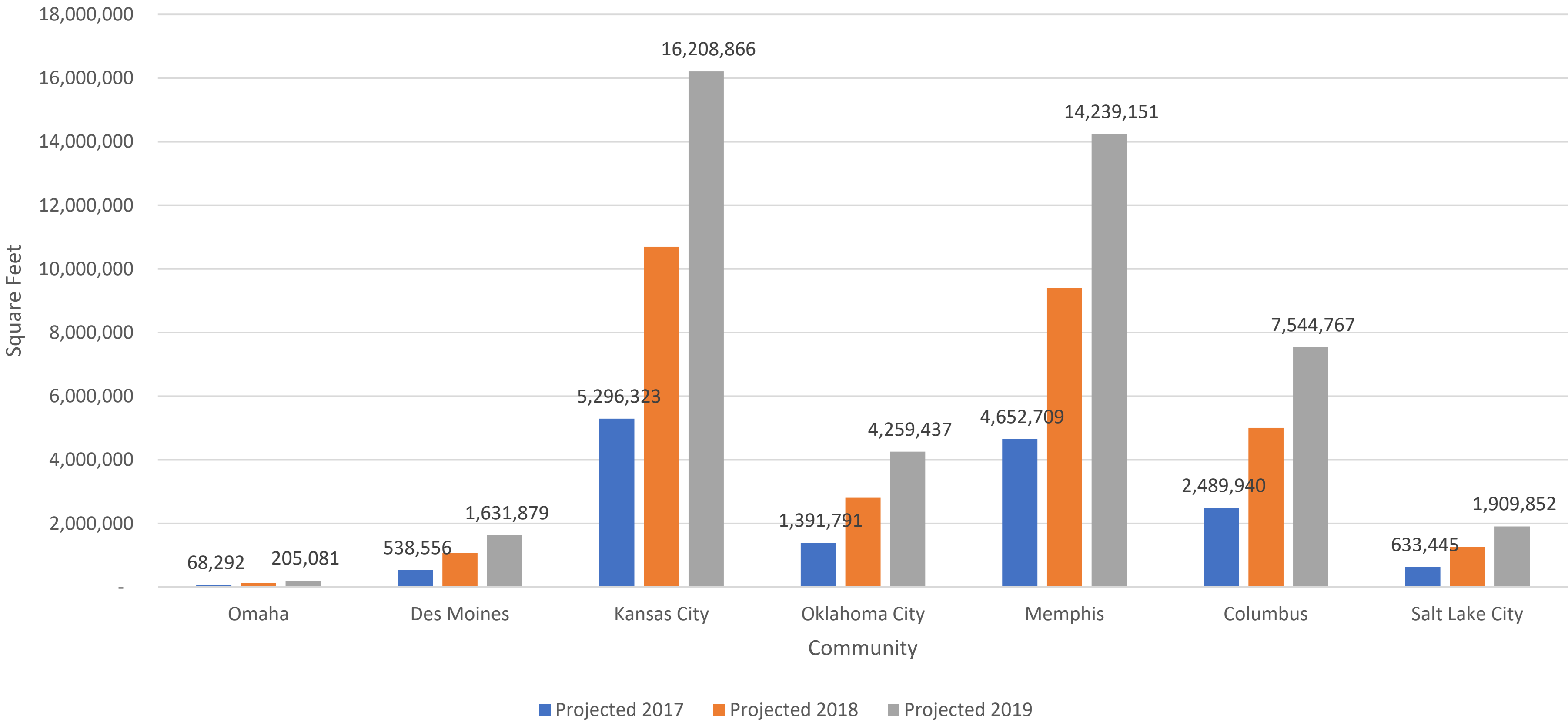

Absorption (sq. ft.)
10,000,000
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
(1,000,000)
Absorption - Sq. Ft.
Omaha, NE
Des Moines, IA
Oklahoma City, OK
Memphis, TN
Salt Lake City, UT
Columbus, OH
Kansas City, MO
Community
Q4 2016
Q2 2016
Q4 2015
Q2 2015
Q4 2014
Q2 2014


Vacancy Rates
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
Percent
Omaha
Des Moines
Oklahoma
Memphis
Salt Lake City
Columbus
Kansas City
MSA
Q4 2016
Q2 2016
Q4 2015
Q2 2015
Q4 2014
Q2 2014

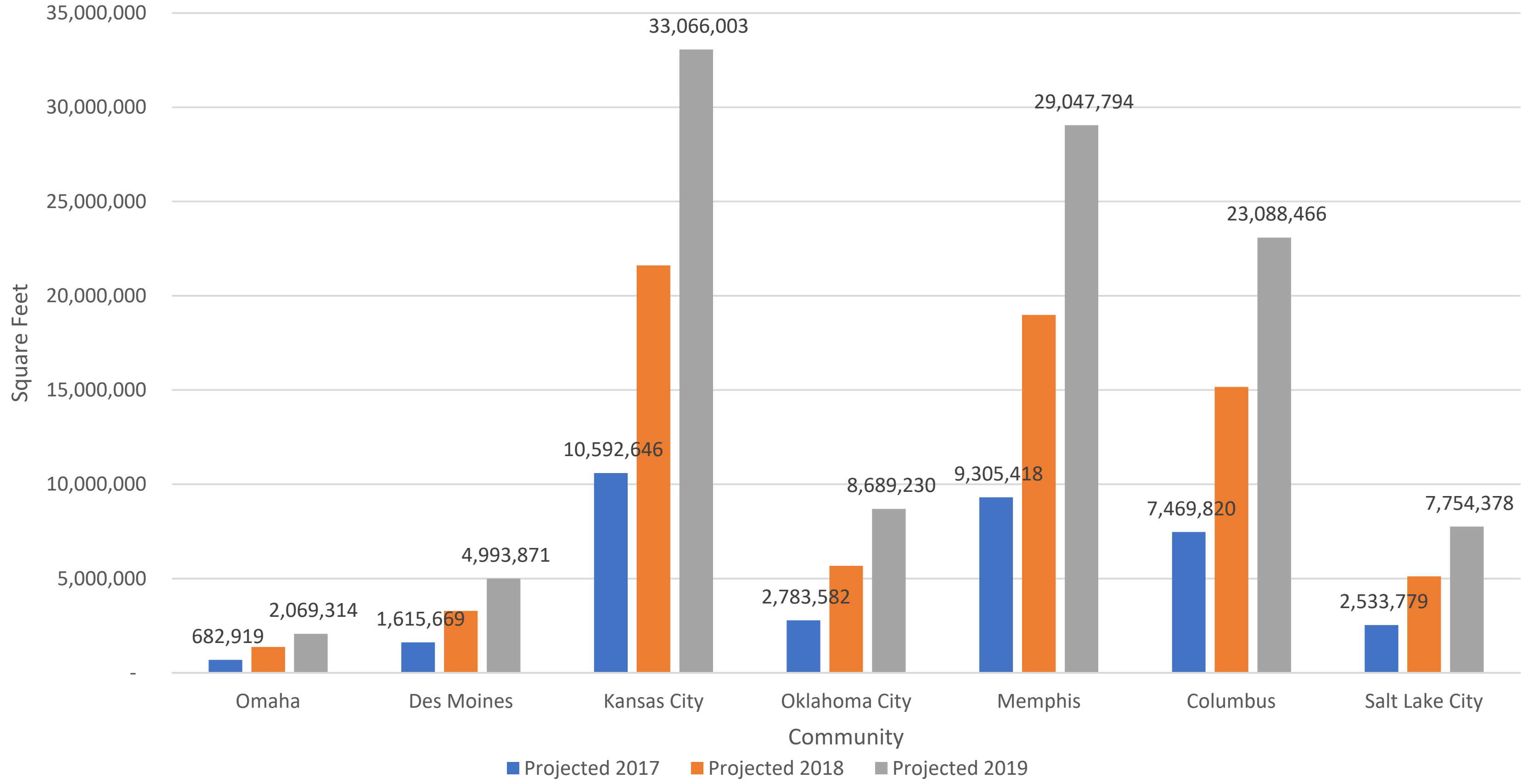
Development Trajectory

- Not all encompassing of need
- Based upon historical demand
- Can be vastly improved with development of business case
- Evidence of demand often follows inventory

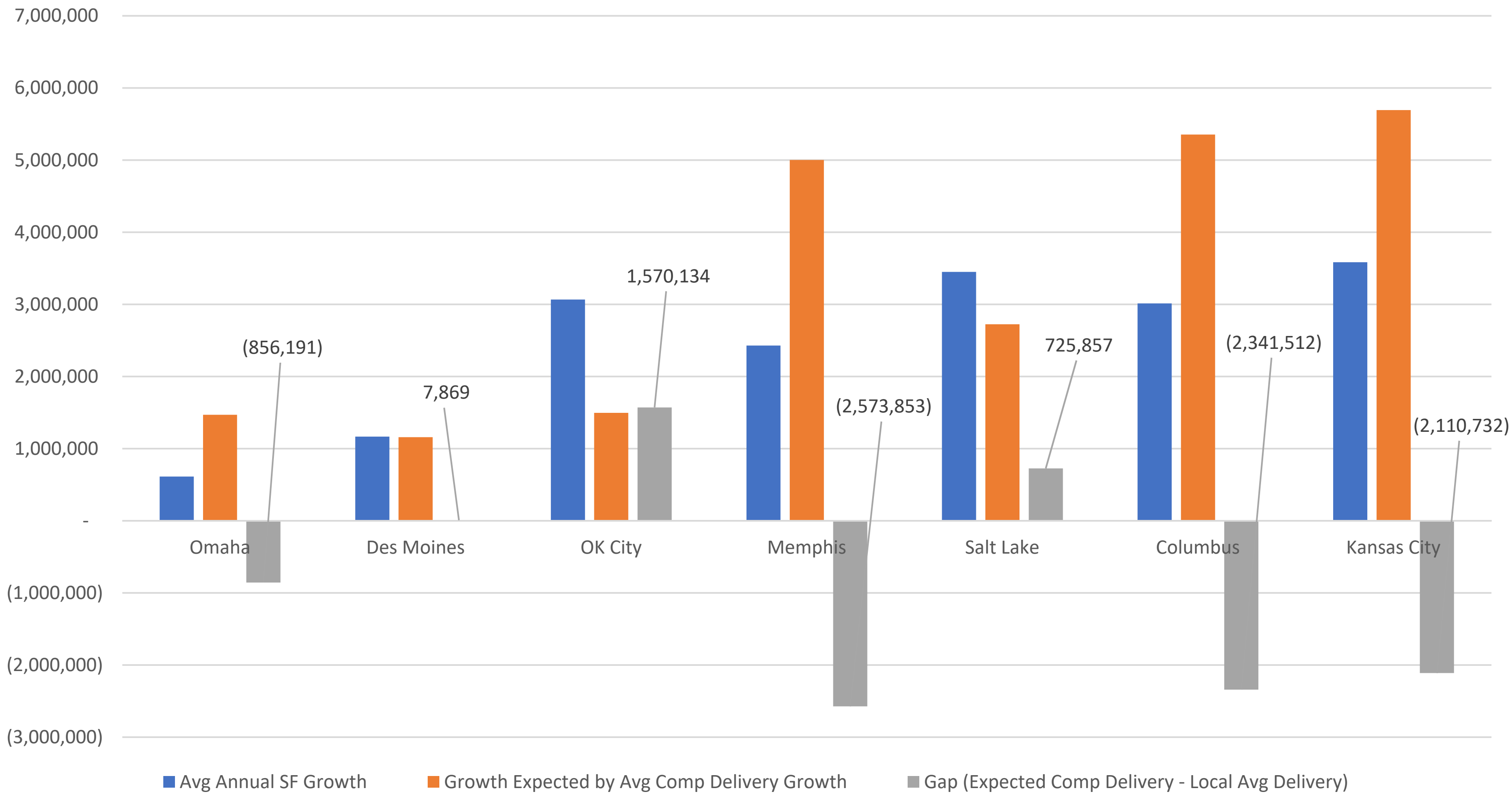
Projected Square Footage Needed - Low Growth Based on Total Market SF Growth



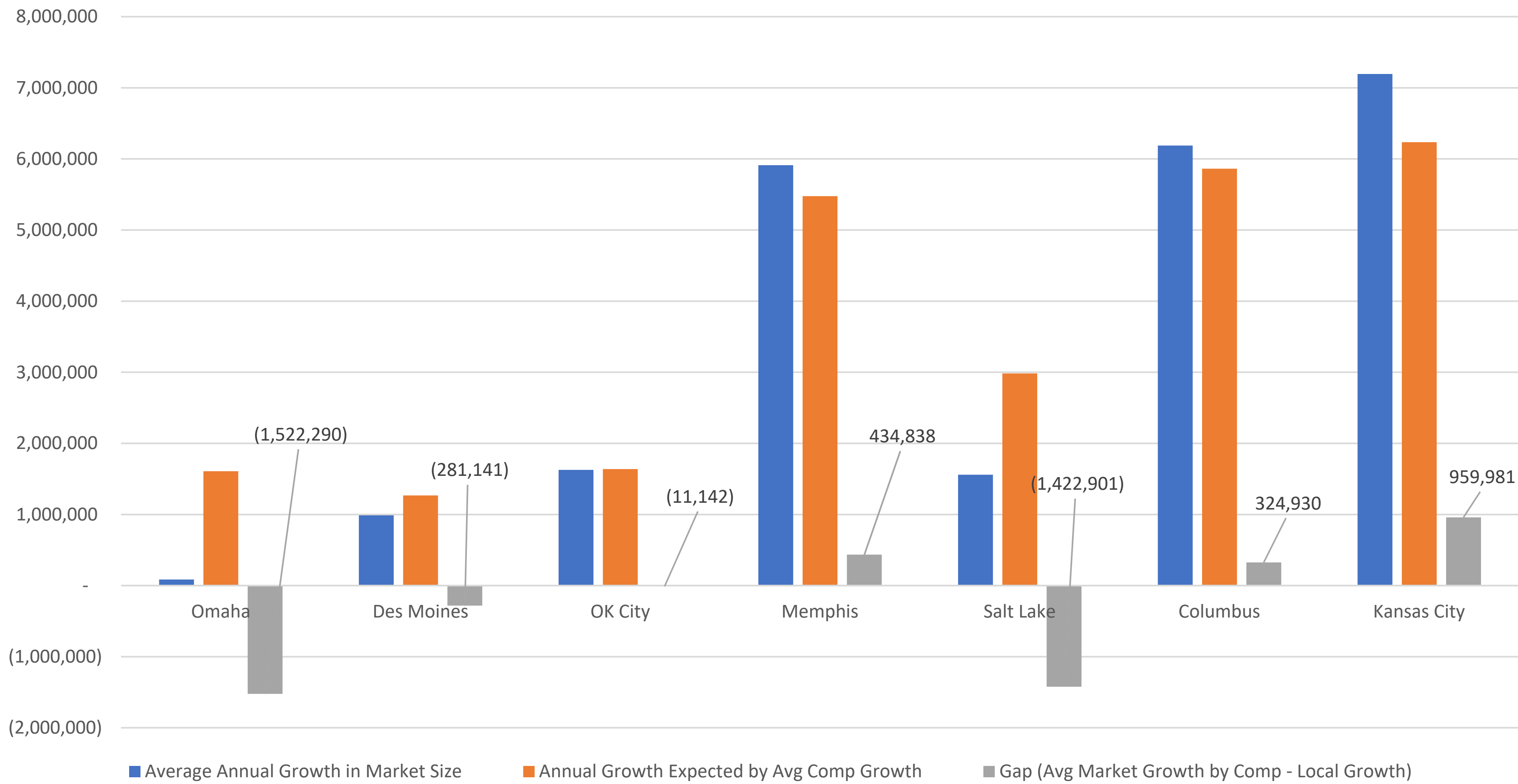
Projected Square Footage Needed - High Growth Based on Historical Market SF Growth



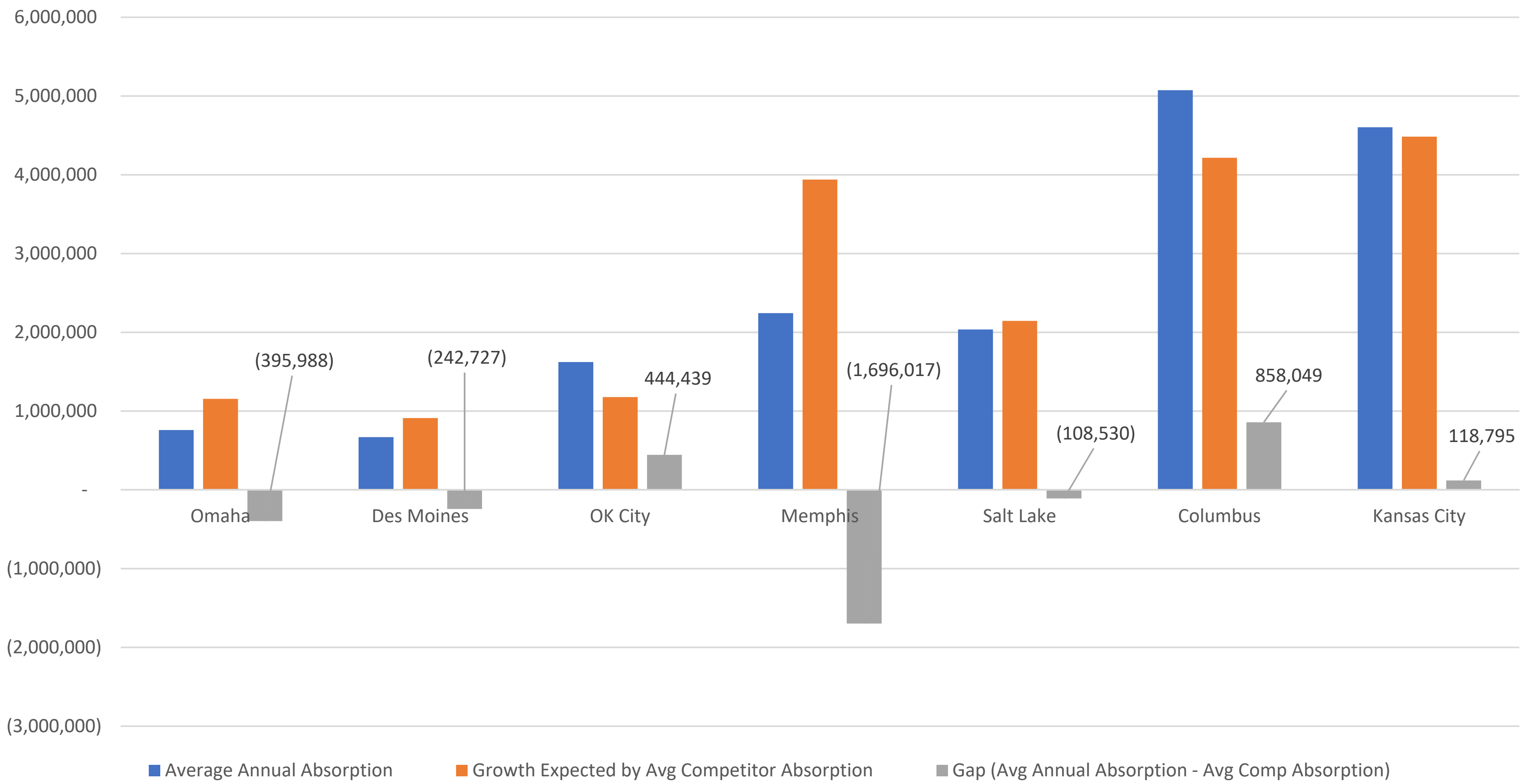
Annual Lost Opportunity Gap by Average Deliveries (by % of Market) Square Feet – 2014-2016



Annual Lost Opportunity Gap by Market Growth (by % of Market) Square Feet - 2014-2016



Annual Lost Opportunity Gap by Absorption (by % of Market) Square Feet - 2014-2016



Lost Opportunity

- Lost Opportunity Greater Omaha 2014-2016
  - Average Annual Deliveries of 612,000 SF
  - Annually between 400,000 to 1,500,000 SF lost opportunity based on competitor averages
  - Based on 40% Building to Land Ratio
    - » Between 70 and 250 Acres Lost Between 2014-2016

Improving Trajectory

- Identified buildings to meet market demand
- Shovel-ready, controlled site availability suited to targeted uses
- Proactive marketing of verticals suited to the local market
- Multi-jurisdictional cooperation on infrastructure off-site extensions and capacities upgrades
- Rapid entitlement process
- Land concessions or applicable incentives availability

Where Do We Go From Here?

- GO Ready Sites
  - Good Momentum, Keep it Going!
- Mega-Site Task Force
  - Identify and Pursue Development Strategies for Large Sites
- Finance Task Force
  - Identify New & Innovative Tools
  - How to Lower Risk for Developers
- Seeing Increased Speculative Interest
  - R&R Development
  - White Lotus Development
  - Others