

# Q2 OFFICE MARKET REPORT

Source: Co-Star Office Market Report

Of the 200,000 SF of negative absorption, over 135,000 SF is newly-constructed and never before occupied space. In our opinion, this paints a slightly more negative impression of the market than what actually exists.

OMNE Partners and the rest of the CRE industry will be closely-monitoring how office users occupy space going forward. Generally, there are two schools-of-thought facing companies as they consider how they will occupy space going forward.

First, with more than 30% of the entire US workforce having been asked to work from home, there is an increased comfort level on the part of both employee and employer in a work-from-home setting.

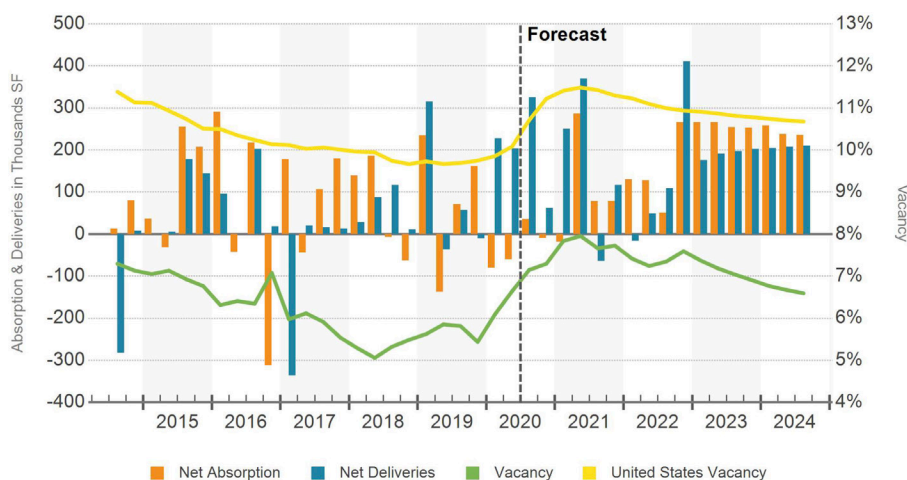
Second, and directly in opposition to the former, people will likely require more physical separation within their personal office space to feel safe and healthy within their office footprint. Could COVID-19 have a net neutral impact on the amount of space companies occupy?"

## KEY INDICATORS

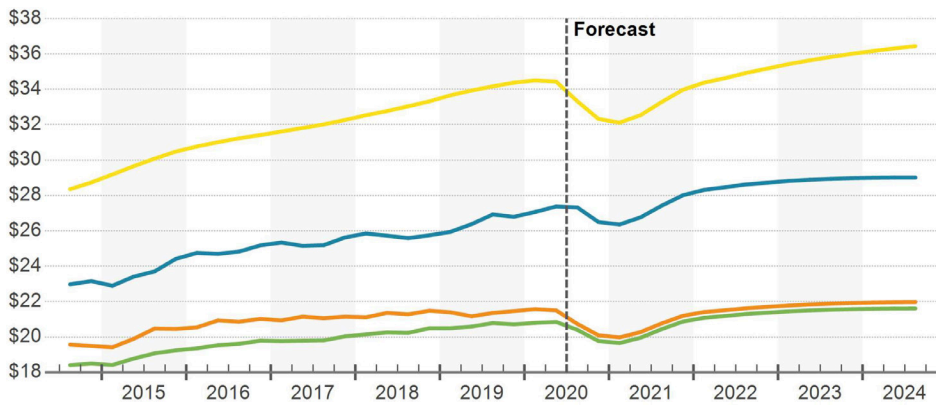
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	12,064,969	5.7%	\$27.89	7.7%	(13,855)	0	975,000
3 Star	17,959,848	7.6%	\$21.47	11.0%	(62,210)	86,000	583,513
1 & 2 Star	15,651,158	8.1%	\$14.68	9.9%	(142,099)	0	0
Market	45,675,975	7.3%	\$20.99	9.7%	(218,164)	86,000	1,558,513

Annual Trends	12-Month	Historical Avg.	Forecast Avg.	Peak	When	Trough	When
Vacancy Change (YOY)	1.4%	8.1%	7.2%	12.2%	2007 Q2	5.1%	2018 Q2
Net Absorption SF	(137 K)	426,876	620,872	1,721,232	2010 Q2	(99,940)	2009 Q2
Deliveries SF	663 K	483,229	929,202	1,331,444	2010 Q2	64,294	2012 Q2
Rent Growth	1.8%	0.7%	0.8%	5.1%	2016 Q1	-4.2%	2011 Q1
Sales Volume	\$201 M	\$149.2M	N/A	\$363.2M	2014 Q1	\$11M	2008 Q1

## NET ABSORPTION, NET DELIVERIES & VACANCY



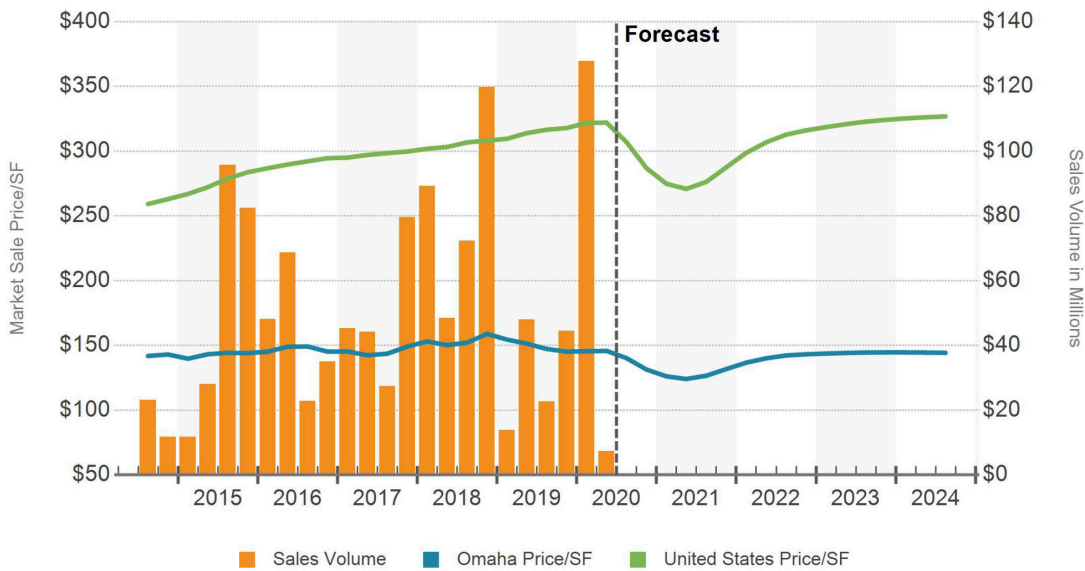
## MARKET RENT PER SQUARE FEET



## PROPERTIES UNDER CONSTRUCTION

Properties	Square Feet	Percent of Inventory	Released
<b>15</b>	<b>1,558,513</b>	<b>3.4%</b>	<b>79.2%</b>

## SALES VOLUME & MARKET SALE PRICE PSF



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