

# NAI FMA Realty Market Report Second Half 2014



2520 Old Cheney Road



8350 'O' Street

## Second Half 2014

**NAI**FMA Realty

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# NAI FMA Realty Market Report Second Half 2014



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## NAI FMA REALTY

We are proud to be the exclusive representative of NAI Global, the world's only managed network of commercial real estate firms spanning the globe. Incorporated in 1961, NAI FMA Realty has evolved into Lincoln's premier full-service, privately-owned commercial real estate company. NAI FMA consistently ranks among the top commercial real estate firms in the Midwest for industry rankings.

NAI FMA professionals bring a broad spectrum of experience and in-depth understanding of the commercial real estate industry and the local marketplace. Our professionals have over 160 years of combined experience with a variety of clients and market conditions and have successfully brokered more than \$800 million in commercial real estate transactions.

As a true-third party brokerage firm, NAI FMA does not have any equity interest in property we represent so we are committed to keeping the best interests of our clients in mind. Our commitment to our clients is to provide them with superior service that surpasses the manner in which their real estate is currently handled.

### Brokerage Services

NAI FMA is Lincoln's largest brokerage firm with ten active brokers. We handle transactions ranging from complex corporate relocations to the routine handling of lease renewals. As a full-service provider, our brokers have a vast experience with buyers, sellers, landlords, tenants and investors allowing for the ability to assist with every aspect of property acquisition and disposition, leasing/subleasing and site selection.

### Property Management

Our property management professionals provide a complete range of property services including operations management, financial reporting, and construction coordination. As an Accredited Management Organization™, we apply state-of-the-art ideas and technologies to complex ownership issues and provide integrated resources to maximize an asset's value for our clients. With over 3.9 million-square-feet under management in multi-tenant and owner-occupied facilities, our property managers provide outstanding customer service and total tenant satisfaction, combined with fiduciary responsibility to the owner.

### Facility Maintenance

Our professional and highly trained maintenance team are experienced with all building systems and have the ability to handle a multitude of tasks from as complex as balancing airflow or adjusting energy management systems to simply changing a light bulb. NAI FMA's approach to maintaining an asset involves routine and preventive maintenance, safety testing, alterations and reactive maintenance to prolong the life of the building's systems. We respond to service calls rapidly and effectively 24-hours a day, 7-days a week, ensuring our clients and their tenants receive consistent high quality service.

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## METHODOLOGY AND DEFINITIONS

### Absorption

The change in occupied space from one period to the next. In this measurement, it is important to distinguish that a building may be “available”, but not vacant (often the case in sublease situations which this report does not include). Therefore occupancy is not reduced until the space is vacated.

### Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

### Average Asking Rental Rate (Weighted)

Rental rate as quoted from each building’s owner/management company. For office space a full service rate was requested; for retail and industrial, a triple net rate requested.

### Building Class

Class A product is office/retail space of quality construction with quality tenants, excellent amenities, prime location and premium rates. Class B product is office/retail space of average construction, fair to good finishes and wide range of tenants. Class C product has poor finishes, outdated appearance, and/or functional obsolescence. New product is office/retail space that has never been occupied or is owner occupied and constructed within the last year.

### Direct Vacancy

Space currently available for lease directly with the landlord of building owner.

### Market Area

The market includes all of Lincoln, Nebraska. The city was split into five sub-areas which include northwest, southwest, northeast, southeast, and central business district (CBD). The north/south cutoff is ‘O’ street and the east/west cutoff is 27th Street. The central business district is approximately ‘R’ Street to ‘H’ Street and 6th Street to 17th Street.

### Market Size

Includes all existing office, retail, and industrial buildings (all classes and all sizes, both multi-tenant and single tenant, including owner-occupied buildings but excluding all government or university owned and occupied buildings) within each market.

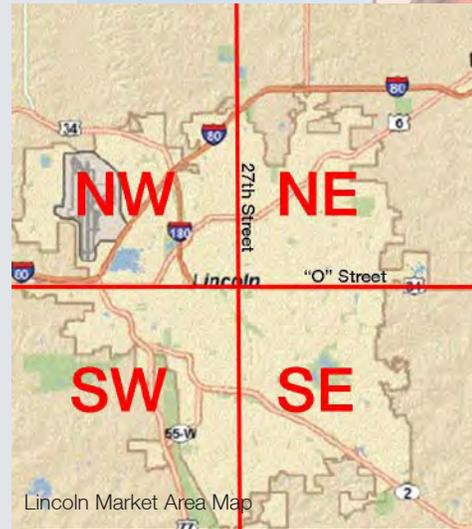
### Overall Vacancy

All unoccupied available space for lease, excluding sublease space.

### Rental Rate

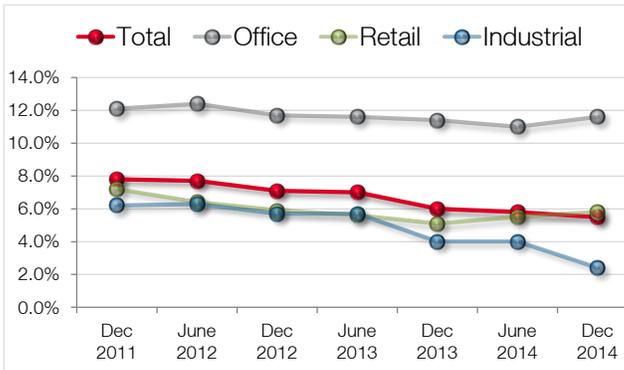
All asking rental rates are quoted as price per square foot per year.

(Some of the data in this report has been gathered from third party sources and has not been independently verified by NAI FMA Realty. NAI FMA Realty makes no warranties or representations as to the completeness or accuracy thereof.)

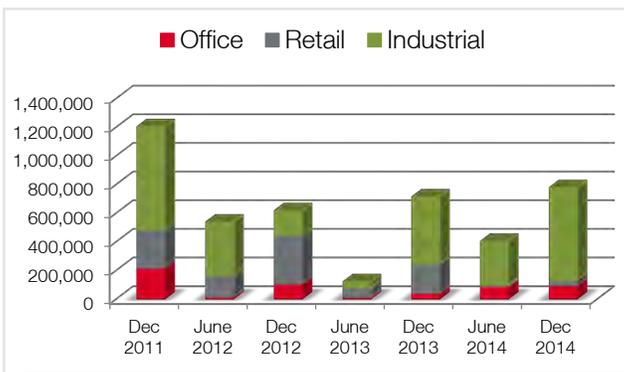


# NAI FMA Realty Market Report Second Half 2014

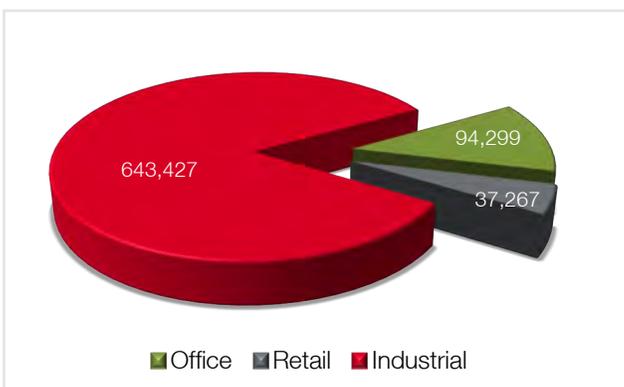
Overall Market  
Historical Vacancy Rates



Overall Market  
Historical Net Absorption  
(Square Feet for Six Months Ending)



Total Absorption by Building Type



## OVERALL MARKET OVERVIEW

As 2014 ended, Lincoln's economy was healthy and is buoyed by one of the lowest unemployment rates of any U.S. metro area. Job growth is strong and consumer confidence is improving with more money to spend from dropping gas prices.

With respect to the local commercial real estate market, it benefited from stable fundamentals as the office, retail and industrial sectors all posted positive net absorption. Employment is surging with strong growth in construction, manufacturing, financial services, and health care. Firms are adding jobs and planning for expansions.

Demand for retail and industrial properties will likely continue to outpace supply across the city. The limited amount of quality space along with the difficulty to retrofit older, obsolete buildings is resulting in more new construction and build-to-suit activity. However, given the higher costs of construction with the increasing costs of labor and materials, and landlords seeing only moderate asking rental growth, Lincoln has yet to reach the tipping point for new construction to take off in a meaningful way.

## CONSTRUCTION ACTIVITY

The total 2014 value of applications for commercial building permits (excluding multi-family and schools) was over \$162 million, which is down from \$192 million in 2013. Most of the ongoing large development projects in Lincoln have either been completed or are close to completion. Building permit application values are down from the first half of the year which is typical for the region as most projects begin in the spring and summer months. The total value of permits was evenly distributed across office, retail and industrial.

In the spring of 2015 a new strip center at 2901 Crescent Drive is set to open with tenants that include Rue21 and Sketchers, both of which are new to Lincoln. This center will be in-line with Lincoln's first Home Goods store. The shopping center located at 48th and R Streets, the former home to Best Buy, is set to receive \$3,000,000 worth of façade improvements and tenant build-outs for DSW Shoes, Michael's and Beauty Brands. The ongoing work at 33rd and Holdrege Streets should be complete in 2015. This will add street level retail and residential units on the top floors. Slim Chickens will have two newly constructed locations in the Lincoln market, one at 84th and Old Cheney and another at 16th and Pine Lake Road. Chick-fil-A will open its first location in Lincoln on a site next to Southpointe Pavilions that was formerly occupied by Macaroni Grill. The existing building will be demolished to make way for the new restaurant. Several other restaurants will open new locations in existing buildings. The estimated cost, per building permit application, for restaurant finish in an existing facility is

\$100,000-\$175,000 depending on the current condition of the retail space.

New industrial construction will primarily be in the southwest sector of Lincoln with seven building permits issued for small warehouses in this area. These include two warehouse facilities on Magnum Circle with a value of \$400,000 and \$500,000, respectively, and two new warehouses on Southwest 5th Street with a value of \$560,000 each. Schwarz Paper applied for a commercial building permit with a value of \$1.3 million to construct a new facility at 1110 Aries Drive. A \$10 million building permit was issued for a manufacturing facility, located at 1777 Yolande Avenue, which accounts for approximately half the value of the industrial building permit applications for this six-month period. An application in the amount of \$950,000 was submitted for 3100 N. 39th Street and one for \$1,000,000 for 7700 N. 56th Street, both of which are to build additions to existing buildings.

New office construction had one significant building permit application in the amount of \$10 million for the new Nebraska State Patrol Crime Lab, which will be located in the Airpark area. The other new office building permits were for buildings whose costs were in the \$500,000-\$600,000 range and primarily for owner/users. Bryan Health applied for building permits in excess of \$4 million to remodel its current facilities on both east and west campus. The Center on N, located at 1201 N Street, added a new fitness center to its building as an amenity for tenants. A law firm was issued a permit for \$783,000 for tenant finish at its new location in 575 Fallbrook Blvd.

## BUILDING PERMITS BY BUILDING TYPE

### OFFICE

	# of Permits	Value
New Construction	5	\$11,380,000
Alteration to existing	83	\$14,338,123
<b>TOTAL</b>		<b>\$25,718,123</b>

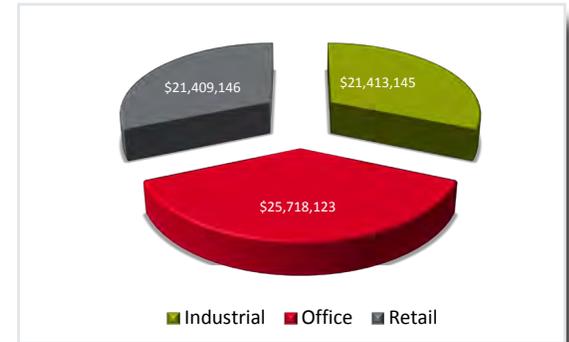
### RETAIL

	# of Permits	Value
New Construction	16	\$11,207,575
Alteration to existing	81	\$10,201,571
<b>TOTAL</b>		<b>\$21,409,146</b>

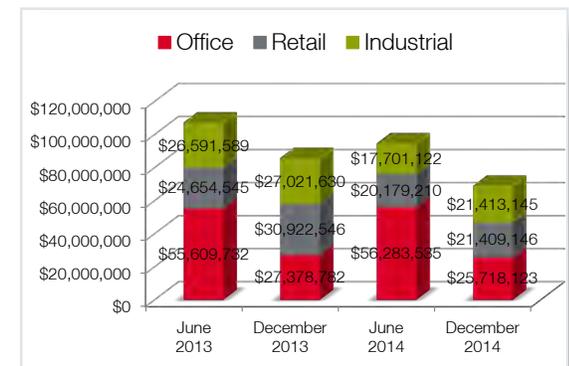
### INDUSTRIAL

	# of Permits	Value
New Construction	23	\$17,561,478
Alteration to existing	20	\$ 3,851,667
<b>TOTAL</b>		<b>\$21,413,145</b>

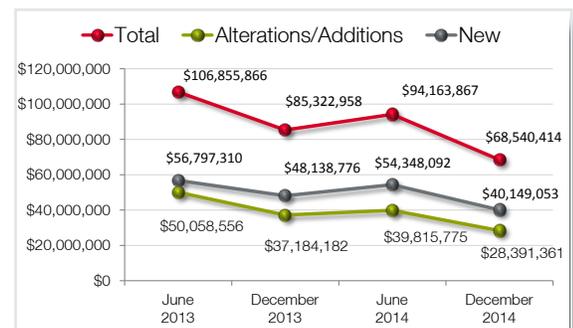
## Building Permit Values (Six Months Ending December 31, 2014)



## Historical Building Permit Value by Building Type (Dollars for Six Months Ending)



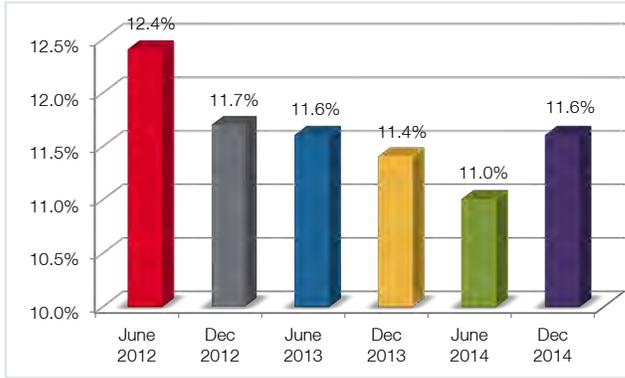
## Historical Building Permit Value by Permit Type (Dollars for Six Months Ending)



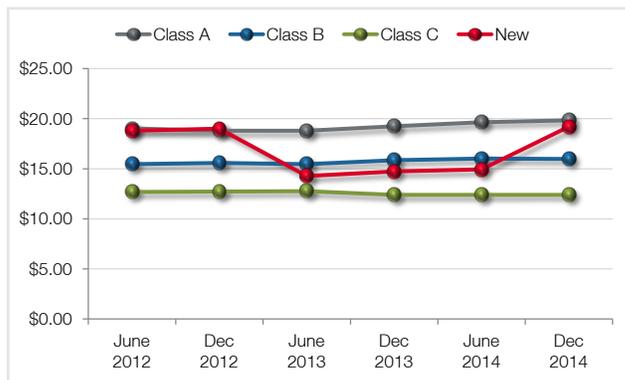
# Market Report Second Half 2014 Office



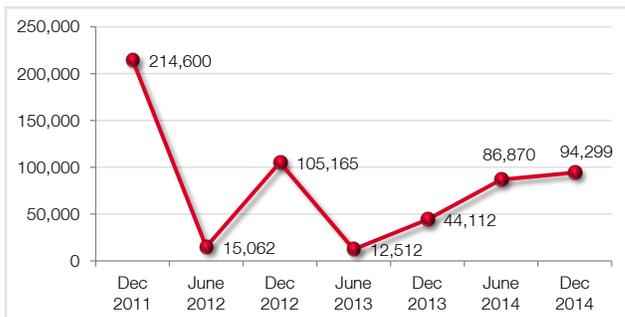
## Office Historical Vacancy Rates



## Historical Asking Rental Rates by Office Building Class



## Office Historical Net Absorption (Square Feet for Six Months Ending)



## OFFICE OVERVIEW

The Lincoln office market experienced a slight dip in its recovery during the second half of 2014. The upward momentum that seemed to build over 2013 and mid-year 2014 didn't seem to last to the end of year. The market saw 94,299-square-feet of positive net absorption during the half, rounding out the year with 181,169 total square feet absorbed, but this movement did nothing to budge the vacancy rate, which ticked up to 11.6 percent.

Leasing activity was up, while the construction pipeline remained limited, helping keep fundamentals stable. Most leases completed in the second half were 5,000-square-foot or less while several larger deals signed by the end of year will result in an increased amount of net positive absorption in early 2015.

The submarket with the lowest vacancy rate was the northwest submarket, which ended the quarter at a vacancy rate of 6.8 percent and positive absorption of 3,226-square-feet. The southeast submarket outperformed all others in terms of absorption, with 86,356-square-feet of positive movement for the half. That submarket's vacancy rate was one of the lowest in the Lincoln area, ending the year at 8.3 percent.

The CBD submarket saw the half's only amount of negative absorption at 34,534-square-feet, which increased the area's vacancy rate to 16.5 percent. This was largely due to the delivery of two new office projects, large corporate relocations, and a newly renovated 40,000-square-foot building being added to the inventory during the second half, as the building was ready for future tenants. Olsson Associates vacated their long-term headquarters on Lincoln Mall for the 601 P Street building in the Haymarket. Olsson became the largest occupant, leasing two floors of the new 80,000-square-foot mixed-use project. Law firm, Rembolt Ludtke LLP, is the first tenant to occupy space in the newly constructed 3 Landmark Centre Office building in the core. With new product coming online this half, competition has intensified between landlords for credit-worthy tenants. Landlords of older assets will be the most affected due to the inability to compete with newer, more efficient buildings remaining competitively priced.

The overall average full service asking rate is \$16.47 per square foot, up from \$16.27 per square foot in the first half. The southeast submarket had the highest asking rate for the half, with \$17.11 per square foot. Class A space in the submarket ended the quarter at \$22.70 per square foot. Despite the increase in demand, asking rates are struggling to keep up with the increases in labor and material costs that are driving up new construction and tenant improvement costs.

Coming out of the recession, the office sector is typically the last to recover and strengthen as employers gain more confidence in expanding and hiring. Lincoln's office market is reflecting this standard, albeit at a cautious rate.

OFFICE MARKET DATA

SUBMARKET	CLASS	NUMBER OF BUILDINGS	TOTAL RENTABLE SF	TOTAL AVAILABLE SF	% VACANT	NET ABSORPTION	AVERAGE ASKING RATE (\$/SF/YR)
CBD	CLASS A	6	703,125	45,315	6.4%	65,327	\$15.56
	CLASS B	96	2,680,307	464,262	17.3%	(99,982)	\$16.12
	CLASS C	22	248,218	7,872	3.2%	4,851	\$13.50
	NEW	2	168,483	109,604	65.1%	(4,730)	\$20.19
	<b>SUBTOTAL</b>	<b>126</b>	<b>3,800,133</b>	<b>627,053</b>	<b>16.5%</b>	<b>(34,534)</b>	<b>\$16.75</b>
NORTHEAST	CLASS A	6	160,158	7,365	4.6%	8,632	\$16.90
	CLASS B	92	1,063,893	158,157	14.9%	19,583	\$15.14
	CLASS C	43	370,183	17,876	4.8%	(2,700)	\$12.23
	NEW	2	16,304	14,000	85.9%	(3,015)	\$12.00
	<b>SUBTOTAL</b>	<b>143</b>	<b>1,610,538</b>	<b>197,398</b>	<b>12.3%</b>	<b>22,500</b>	<b>\$14.72</b>
NORTHWEST	CLASS A	9	745,691	17,197	2.3%	(84)	\$20.91
	CLASS B	46	756,300	84,991	11.2%	2,100	\$13.50
	CLASS C	13	146,411	6,942	4.7%	-0-	\$12.50
	NEW	1	6,310	3,600	57.1%	1,210	\$20.00
	<b>SUBTOTAL</b>	<b>69</b>	<b>1,654,712</b>	<b>112,730</b>	<b>6.8%</b>	<b>3,226</b>	<b>\$14.75</b>
SOUTHEAST	CLASS A	10	519,438	51,086	9.8%	3,349	\$22.70
	CLASS B	389	3,830,987	308,540	8.1%	100,903	\$16.19
	CLASS C	15	93,314	4,355	4.7%	1,243	\$10.26
	NEW	3	27,895	8,161	29.3%	(19,139)	\$19.87
	<b>SUBTOTAL</b>	<b>417</b>	<b>4,471,634</b>	<b>372,142</b>	<b>8.3%</b>	<b>86,356</b>	<b>\$17.11</b>
SOUTHWEST	CLASS A	3	283,288	15,868	5.6%	15,857	\$20.50
	CLASS B	107	1,170,876	177,241	15.1%	(5,480)	\$17.11
	CLASS C	22	110,109	13,167	12.0%	6,374	\$12.69
	NEW	1	8,448	8,448	100.0%	-0-	\$17.50
	<b>SUBTOTAL</b>	<b>133</b>	<b>1,572,721</b>	<b>214,724</b>	<b>13.7%</b>	<b>16,751</b>	<b>\$17.02</b>
<b>OFFICE TOTALS</b>		<b>888</b>	<b>13,109,738</b>	<b>1,524,047</b>	<b>11.6%</b>	<b>94,299</b>	<b>\$16.47</b>

RECENT OFFICE SALES

Address	Size (SF)	Seller	Buyer	Price	Price/SF	Submarket
1919 S. 40th St., Unit 222*	4,924	Scot & Misty Sorensen Revocable Trust	Stonebrook Realty Group LLC	\$200,000	\$40.62	Southeast
201 N. 13th Street	7,044	Center Associates LLC	HSSW LLC	\$1,000,000	\$141.96	CBD
5831 S. 58th Street, Unit 2*	5,250	Ronald Culwell	Barnhard & Florell LLC	\$425,000	\$80.95	Southeast

RECENT OFFICE LEASE TRANSACTIONS

Address	Tenant	Size (SF)	Deal Type	Submarket
6940 O Street*	Snyder Industries	8,632	Expansion	Northeast
1128 Lincoln Mall	Rembolt Ludtke LLP	21,000	New	CBD
1221 N Street*	New York Life	4,563	Relocation	CBD
4220 Lucile Drive*	Capitol City Electric	3,600	Relocation	Southeast

\*Indicates Transaction Represented by NAI FMA Realty

# Market Report Second Half 2014 Retail

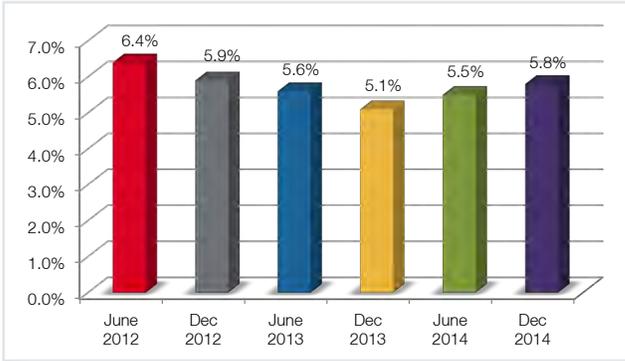
## TRENDS

Vacancy Rates  
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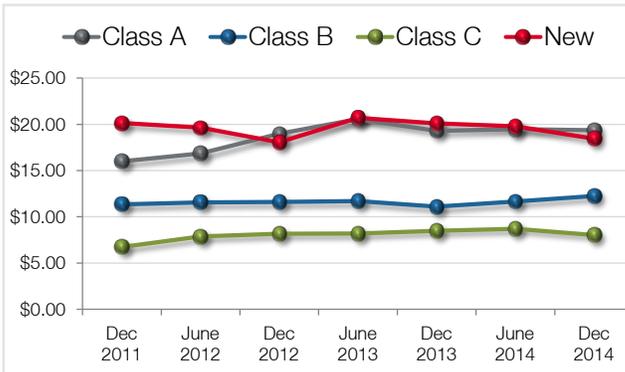
Asking Rates  
↑

Net Absorption  
↑

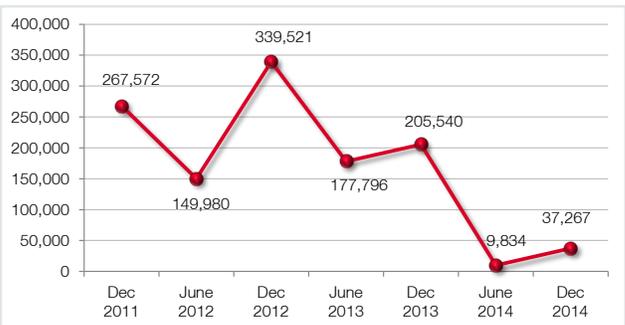
**Retail Historical Vacancy Rates**



**Historical Asking Rental Rates by Retail Building Class**



**Retail Historical Net Absorption (Square Feet for Six Months Ending)**



## RETAIL OVERVIEW

The Lincoln retail market maintained a healthy position during the second half of 2014. Low unemployment, declining gas prices, and an uptick in consumer confidence all helped record a positive net absorption in the second half totaling 37,267-square-feet. The overall vacancy ticked up slightly to 5.8 percent. This compares to 5.1 percent one year ago and reflects a substantial decline from the peak rate of 9.1 percent recorded nearly four years ago.

The best performing submarket during the second half was the northwest submarket with 40,519-square-feet of positive net absorption. Schmick's Market lessened the impact of Sun-Mart's shutdown in the northwest by absorbing 21,000-square-feet. Other large city-wide move-ins were Planet Fitness opened its first 18,000-square-foot location; ALDI opened two sites; Goodwill built a stand-alone southeast location; and Cheer Xpress relocated to a new 14,000-square-foot facility in the southwest submarket.

Regional and national restaurant chains continued to penetrate the market. Opened or under construction during the second half of the year were Raising Cane's Chicken Fingers, Dickey's BBQ, Ginger Grill, Slim Chickens, Tom+Chee, Big Vinny's Take & Bake Pizza, Pretzel Maker, Jersey Mike's Subs and Dunkin' Donuts. Chick-fil-A announced its entrance into the market and will replace a site formerly occupied by Macaroni Grill.

The East O corridor is experiencing a flurry of activity that will extend the corridor's transformation as a vibrant retail destination. Four properties along O Street between 55th & 70th Streets have sold or are set to close with plans to be repurposed for retailers to better position themselves. In addition, two large restaurant spaces were returned to the market, leaving nearly 14,000-square-feet to absorb. And local developers will come out of the ground in 2015 for a specialty grocer at 50th & O Streets.

During the last half of 2014, several planned projects were disclosed including a former OfficeMax site, which will be redeveloped into a 23,000-square-foot health care clinic, expected to open in late 2015. And a 9,000-square-foot strip center connecting Kohl's and Marshalls in the Wilderness Hills area is under construction and almost 100% pre-leased.

Lincoln's overall average asking rental rates increased during the second half to \$12.50 per square foot. In some submarkets, retail has shifted to a landlord's market, with rates expected to continue pushing up due to tenant competition for quality space. Meanwhile, concessions offered on retail leases during the last half varied widely, depending on the location, properties, and quality and creditworthiness of the tenant.

Looking ahead to 2015, demand will continue for the CBD and the top suburban markets while vacancies in the restaurant industry may open opportunities for tenants.

RETAIL MARKET DATA

SUBMARKET	CLASS	NUMBER OF BUILDINGS	TOTAL RENTABLE SF	TOTAL AVAILABLE SF	% VACANT	NET ABSORPTION	AVERAGE ASKING RATE (\$/SF/YR)
CBD	CLASS A	7	162,005	3,410	2.1%	68,183	\$25.00
	CLASS B	125	1,045,291	98,346	9.4%	(2,463)	\$12.96
	CLASS C	63	358,142	57,271	16.0%	(1,723)	\$8.91
	NEW	3	45,005	26,063	57.9%	(68,695)	\$16.08
	<b>SUBTOTAL</b>	<b>198</b>	<b>1,610,443</b>	<b>185,090</b>	<b>11.5%</b>	<b>(4,698)</b>	<b>\$12.37</b>
NORTHEAST	CLASS A	3	43,789	3,771	8.6%	(1,854)	\$13.50
	CLASS B	404	6,453,710	425,941	6.6%	(3,350)	\$12.21
	CLASS C	138	631,687	9,573	1.5%	4,717	\$7.33
	NEW	8	50,981	4,297	8.4%	17,970	\$20.00
	<b>SUBTOTAL</b>	<b>553</b>	<b>7,180,167</b>	<b>443,582</b>	<b>6.2%</b>	<b>17,483</b>	<b>\$12.19</b>
NORTHWEST	CLASS A	8	293,086	17,306	5.9%	38,824	\$15.00
	CLASS B	187	1,756,400	92,812	5.3%	(1,065)	\$9.87
	CLASS C	100	568,261	6,652	1.2%	(1,740)	\$9.18
	NEW	2	8,116	3,616	44.6%	4,500	\$13.66
	<b>SUBTOTAL</b>	<b>297</b>	<b>2,625,863</b>	<b>120,386</b>	<b>4.6%</b>	<b>40,519</b>	<b>\$10.69</b>
SOUTHEAST	CLASS A	12	689,939	41,867	6.1%	(16,443)	\$22.02
	CLASS B	316	5,060,902	161,056	3.2%	33,111	\$13.28
	CLASS C	69	371,896	11,275	3.0%	19,120	\$9.79
	NEW	7	107,746	20,175	18.7%	(17,888)	\$22.00
	<b>SUBTOTAL</b>	<b>404</b>	<b>6,230,483</b>	<b>234,373</b>	<b>3.8%</b>	<b>17,900</b>	<b>\$15.43</b>
SOUTHWEST	CLASS A	8	362,739	13,401	3.7%	(2,255)	\$16.89
	CLASS B	166	1,210,396	107,135	8.9%	(43,848)	\$12.23
	CLASS C	123	838,752	58,627	7.0%	(7,834)	\$6.79
	NEW	2	20,000	-0-	0.0%	20,000	N/A
	<b>SUBTOTAL</b>	<b>299</b>	<b>2,431,887</b>	<b>179,163</b>	<b>7.4%</b>	<b>(33,937)</b>	<b>\$10.80</b>
<b>RETAIL TOTALS</b>		<b>1,751</b>	<b>20,078,843</b>	<b>1,162,594</b>	<b>5.8%</b>	<b>37,267</b>	<b>\$12.50</b>

Recent Retail Sales

Address	Size (SF)	Seller	Buyer	Price	Price/SF	Submarket
1245 Libra Drive*	14,840	South Industrial Park LLC & Security Financial Life Insurance Co.	Phong Nguyen & Virginia Vo	\$1,453,000	\$97.91	Southwest
1821 & 1811 N Street*	17,200	Vivian Condon Revocable Living Trust	B & J Partnership	\$585,000	\$34.01	Southwest
5500 O Street*	2,676	Growth Management Corp.	Bradley & Kathryn Alderman	\$465,000	\$173.77	Northeast

Recent Retail Lease Transactions

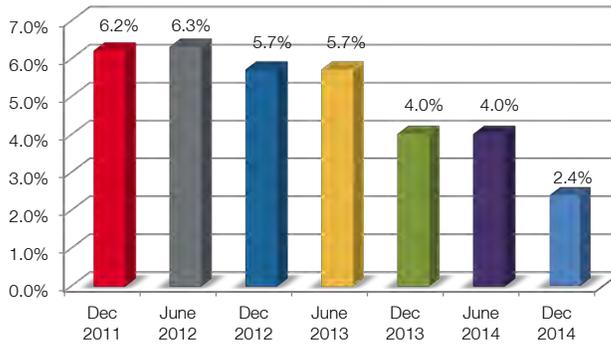
Address	Tenant	Size (SF)	Deal Type	Submarket
1340 W O Street	Schmick's Market	21,588	New	Northwest
575 Fallbrook Blvd*	SchillingBridge Cork & Tap House	4,484	New	Northwest
6300 Apples Way*	Goodwill Industries	15,000	New	Southeast
2137 Cornhusker Hwy*	NAPA Auto Parts	15,000	Relocation	Northwest

\*Indicates Transaction Represented by NAI FMA Realty

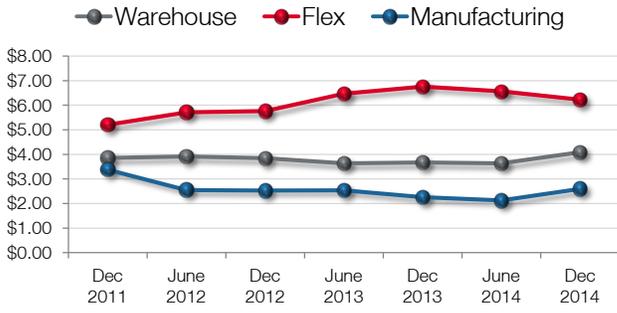
# Market Report Second Half 2014 Industrial



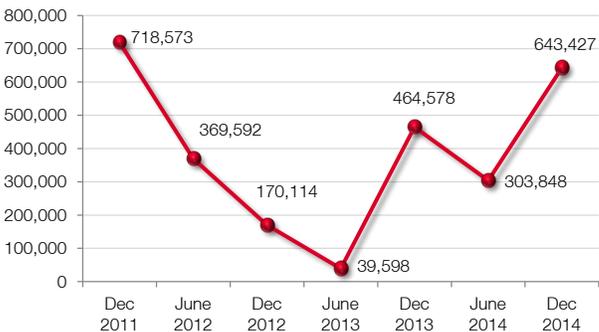
## Industrial Historical Vacancy Rates



## Historical Rental Rates by Industrial Building Class



## Industrial Historical Net Absorption (Square Feet for Six Months Ending)



## INDUSTRIAL OVERVIEW

The Lincoln industrial market ended 2014 on a strong note, experiencing a total net absorption of over 643,000-square-feet during the second half, and overall vacancy fell to 2.4 percent. This marks the third consecutive year of positive absorption, with a three-year total of over 2.7 million square feet. The northwest submarket accounted for more than 90 percent of the overall market's absorption this half, largely due to a former vacant manufacturing plant now primarily occupied by several temporary tenants and the delivery of new buildings to accommodate Duncan Aviation's growing space needs.

The overall asking rental rate showed significant movement, closing the second half at \$4.14 per square foot triple net - up from \$3.25 per square foot the prior half. Landlords are more confident as they negotiate with tenants and the market is seeing lower concessions. Asking rents are likely to increase further with limited, new product entering the supply pipeline in the short term. Investor demand increased for Lincoln industrial product; however, the supply of creditworthy investments continued to be very low.

Pent-up demand, company expansions and tenants' desire to improve their visibility or image all drove activity in the market in the second half. Corporate users, construction- and housing-related businesses, and trade tenants were active in the market. While the market did not see as much activity for properties in the 15,000 to 20,000 square foot range during the half, smaller properties were of high interest. Warehouse properties were the most desired industrial product and defined the local market in 2014. With the limited amount of quality spaces available, some users were forced to consider new construction or build-to-suit opportunities to meet their space requirements.

Schwarz Paper announced it will be vacating its 130-year old building in the CBD and move to a south location. A local developer plans to acquire and convert the property into a mixed-use project to fit the expanding Haymarket area. The developer expects to spend about \$4.2 million on the project.

Looking ahead into 2015, demand is likely to continue to outpace supply, while availability and cost of construction are still major factors in whether a project proceeds or not. Speculative construction needs to make a comeback in the Lincoln market.

**INDUSTRIAL MARKET DATA**

SUBMARKET	CLASS	NUMBER OF BUILDINGS	TOTAL RENTABLE SF	TOTAL AVAILABLE SF	% VACANT	NET ABSORPTION	AVERAGE ASKING RATE (\$/SF/YR)
CBD	Warehouse	12	175,339	-0-	0.0%	-0-	N/A
	Flex	4	27,878	-0-	0.0%	-0-	N/A
	Manufacturing	7	325,334	-0-	0.0%	-0-	N/A
	<b>SUBTOTAL</b>	<b>23</b>	<b>528,551</b>	<b>-0-</b>	<b>0.0%</b>	<b>-0-</b>	<b>N/A</b>
NORTHEAST	Warehouse	276	4,301,945	98,195	2.3%	10,269	\$3.83
	Flex	65	914,673	6,050	0.7%	1,750	\$6.10
	Manufacturing	49	3,406,886	26,056	0.8%	59,250	\$2.95
	<b>SUBTOTAL</b>	<b>390</b>	<b>8,623,504</b>	<b>130,301</b>	<b>1.5%</b>	<b>71,269</b>	<b>\$3.76</b>
NORTHWEST	Warehouse	216	4,917,503	193,522	3.9%	237,231	\$3.61
	Flex	27	361,201	27,937	7.7%	4,080	\$7.44
	Manufacturing	31	5,299,257	-0-	0.0%	338,901	N/A
	<b>SUBTOTAL</b>	<b>274</b>	<b>10,577,961</b>	<b>221,459</b>	<b>2.1%</b>	<b>580,212</b>	<b>\$4.10</b>
SOUTHEAST	Warehouse	19	122,877	-0-	0.0%	-0-	N/A
	Flex	23	184,510	16,736	9.1%	(625)	\$9.45
	Manufacturing	1	8,829	-0-	0.0%	-0-	N/A
	<b>SUBTOTAL</b>	<b>43</b>	<b>316,216</b>	<b>16,736</b>	<b>5.3%</b>	<b>(625)</b>	<b>\$9.45</b>
SOUTHWEST	Warehouse	276	4,734,505	140,106	3.0%	(11,829)	\$4.94
	Flex	84	644,028	48,397	7.5%	4,400	\$4.41
	Manufacturing	23	1,531,897	93,997	6.1%	-0-	\$2.50
	<b>SUBTOTAL</b>	<b>383</b>	<b>6,910,430</b>	<b>282,500</b>	<b>4.1%</b>	<b>(7,429)</b>	<b>\$4.04</b>
<b>INDUSTRIAL TOTALS</b>		<b>1,113</b>	<b>26,956,662</b>	<b>650,996</b>	<b>2.4%</b>	<b>643,427</b>	<b>\$4.14</b>

**Recent Industrial Sales**

Address	Size (SF)	Seller	Buyer	Price	Price/SF	Submarket
6520 N. 56th Street	18,125	Schmidt Family Trust	Dave Benes Farms LLC	\$750,000	\$41.37	Northeast
5701 N. 57th Street Circle	5,880	Gary Luetticke	Michael Murphy	\$600,000	\$102.04	Northeast
3121 S 6th Street # C*	6,677	XOTICPC LLC	Pink Gorilla Properties LLC	\$255,000	\$38.19	Southwest
550 W. P Street	6,000	Alan & Lori Jacobsen	Schmidt Revocable Family Trust	\$350,000	\$58.33	Northwest

**Recent Industrial Lease Transactions**

Address	Tenant	Size (SF)	Deal Type	Submarket
1060 N. 33rd Street*	Threads & Ink	7,611	New	Northeast
1234 Saunders Ave.*	Draeger Safety Diagonistics	4,140	New	Northwest
3621 W. Luke Street	Duncan Aviation	35,641	Expansion	Northwest

\*Indicates Transaction Represented by NAI FMA Realty

**NAIFMA Realty**

