

YoY Chg 12-Mo. Forecast

6.7%

Vacancy Rate



185

Net Absorption, units



\$941

Effective Rent / Unit



(Overall, All Property Classes)
Source: CoStar

ECONOMIC INDICATORS Q1 2021

YoY Chg 12-Mo. Forecast

490k

Omaha Employment



3.5%

Omaha Unemployment Rate



-0.4%

Omaha Household Growth Rate



Source: BLS, Census Bureau

ECONOMIC OVERVIEW: Where Omaha's Apartment Market Stands One Year Later

One year after the COVID-19 pandemic began wreaking economic havoc throughout the nation, the Omaha market stands on solid ground. During the first four months in 2020, the local economy lost nearly 53,000 jobs. By the first quarter of 2021, more than 60.0% of those jobs had already been recovered. Omaha's unemployment level hit a record high in April of last year, reaching 10.1%. This spike pushed unemployment more than 700 basis points (bps) over Omaha's average unemployment rate, which typically hovers around the 3.0% mark since 2016. Since peaking last April, unemployment has been inching back towards pre-pandemic levels, dropping to 3.5% in the first quarter of 2021. The median household income has risen almost 5.0% year-over-year (YOY), averaging \$73,600. Federal pandemic-relief aid is a major contributor to the income growth and has benefitted the multifamily sector.

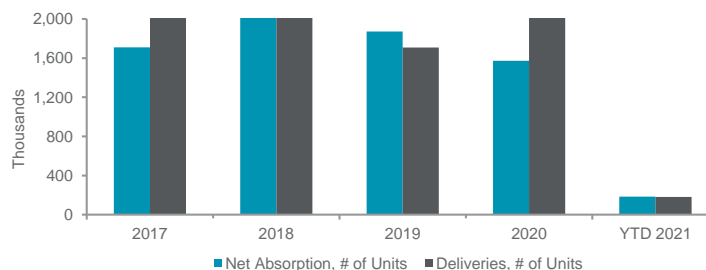
SUPPLY AND DEMAND: Apartment Construction In Mixed-Use Developments On The Rise

The multifamily market experienced a slight vacancy increase, up 50 bps YOY. This increase can be attributed to the steady delivery of new supply coming online. Since the first quarter of 2020 the inventory increased by 2.8%, as more than 2,300 new apartment units delivered, and another 1,400 units are currently underway. While traditional multifamily housing structures are rising throughout the market, mixed-use developments have become increasingly popular and will be a major contributor to future inventory growth. Several high-profile, mixed-use projects are currently underway, each containing an apartment component. The most noteworthy projects include: The Crossroads (250 units), Heartwood Preserve (1,600 or more units to be built in phases), La Vista City Centre (400 units to be built in phases), and River's Edge (230 units) in Council Bluffs.

PRICING: Effective Rent Growth Levels Off

Though the market is still seeing rent growth, it has leveled off since the pandemic started. For the 12-month period ending in March of 2021, effective rents increased by 1.9% YOY, compared to the first quarter of 2018 when YOY growth was 2.7%. Average effective rents are expected to remain steady through the first half of the year and will likely begin to increase in the second half, as employment recovery continues.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	DELIVERIES (UNITS)	YOY % INVENTORY GROWTH	UNDER CONSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE	AVG EFFECTIVE RENT/UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Bellevue	7,640	0	2.7%	48	32	8.9%	1.1%	\$868	\$0.97	1.8%
Cass County	322	0	0.0%	0	0	6.7%	0.1%	\$642	\$0.97	2.4%
Central Omaha	10,472	0	1.5%	262	20	7.0%	1.2%	\$969	\$1.05	1.2%
Council Bluffs	4,999	0	0.0%	0	18	6.2%	-2.0%	\$869	\$1.00	1.1%
Downtown Omaha	15,862	0	3.7%	207	-4	7.9%	1.2%	\$928	\$1.17	0.4%
Elkhorn	4,644	182	5.4%	77	39	9.4%	0.1%	\$1,138	\$1.20	4.5%
Gretna	1,861	0	0.0%	168	12	4.3%	2.3%	\$917	\$1.01	3.2%
Harrison County	175	0	0.0%	0	0	5.1%	0.5%	\$460	\$0.71	1.2%
Millard	3,335	0	0.0%	0	-2	2.6%	-0.4%	\$1,005	\$1.07	1.2%
Mills County	172	0	0.0%	0	0	4.4%	0.4%	\$505	\$0.62	1.4%
North Omaha	8,942	0	0.0%	0	22	8.3%	-0.2%	\$837	\$0.94	3.4%
Northwest Omaha	6,533	0	2.6%	80	26	6.5%	-0.4%	\$1,110	\$1.06	3.3%
Papillion/La Vista	7,320	0	3.9%	98	37	5.5%	-0.4%	\$1,008	\$1.09	2.0%
Pottawattamie County	70	0	0.0%	0	0	4.2%	0.5%	\$651	\$1.00	0.9%
Ralston	5,729	0	0.0%	36	-16	5.2%	1.7%	\$811	\$0.90	1.4%
Saunders County	256	0	0.0%	0	0	4.6%	-0.1%	\$701	\$0.89	1.4%
South Omaha	1,738	0	2.6%	0	-1	1.7%	0.1%	\$628	\$0.83	1.0%
Springfield	94	0	0.0%	0	0	5.5%	0.7%	N/A	N/A	N/A
Washington County	617	0	0.0%	0	-1	3.2%	-0.3%	\$716	\$0.85	2.4%
West Omaha	7,223	0	2.3%	451	3	5.2%	1.9%	\$929	\$1.00	1.4%
Omaha	88,004	182	2.1%	1,427	185	6.7%	0.6%	\$ 941	\$ 1.04	1.9%

Source: Cushman & Wakefield Research, Costar

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
136 Bennett Ave	Council Bluffs	Arnold & Hedda Wess / AJR Properties, Inc	36	\$2,070,000 / \$58K
554-566 S 26 th Ave	Downtown Omaha	Silverleaf Investments, LLC / Bosk Ventures, LLC	12	\$1,100,000 / \$92K
1416 S 16 th St	Downtown Omaha	Soma Park 343, LLC / 1414-1416 S 16 th Realty, LLC	12	\$875,000 / \$73K
4422 S 25 th St	South Omaha	Stoneco Real Estate / Barrio CEO, LLC	12	\$625,000 / \$52K

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