

YoY Chg 12-Mo. Forecast

5.9%
Vacancy Rate



597
Net Absorption, units



\$976
Effective Rent / Unit



(Overall, All Property Classes)
Source: CoStar

ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

493k
Omaha Employment



3.0%
Omaha Unemployment Rate



1.6%
Omaha Household Growth Rate



Source: BLS, Census Bureau

ECONOMIC OVERVIEW: Omaha Unemployment Rate Well Below National Average

Omaha's year-over-year (YOY) employment is up by 29,000 positions, bringing nonfarm employment to 493,000. The biggest job losses came in April of 2020, when the unemployment rate reached record highs at 8.7%. Since reaching that peak, the market has recovered nearly 38,000 jobs. The unemployment rate is inching back towards pre-pandemic levels, currently at 3.0% and is 300 basis points (bps) below the national average of 6.0%. Like every market, the pandemic caused disruption and employment loss in Omaha. However, direction given by local authority played a large part in curbing job loss during the pandemic. Governor Ricketts issued social distancing guidelines and encouraged nonessential businesses to close, but unlike many states, Nebraska was never given mandatory lockdown orders during the pandemic.

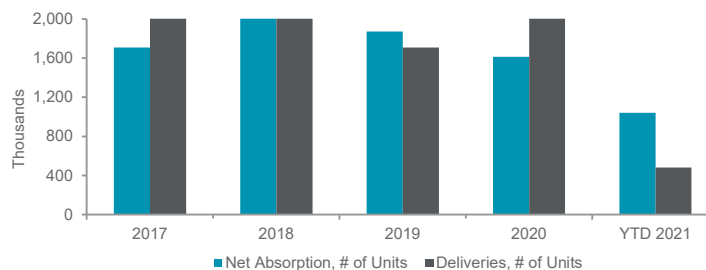
SUPPLY AND DEMAND: Demand Catches Up with Supply

Vacancy in the Omaha multifamily market declined by 50 bps YOY, resting at 5.9% in the second quarter of 2021. Nearly 485 new rentals were delivered in the first half of 2021, while 1,040 units were absorbed during the same timeframe. Demand is catching up with supply, and though new construction is still ongoing, it has somewhat. Construction materials, such as lumber supply has either been limited, or prices have skyrocketed. This has been a big challenge for builders, causing many to pull back on construction, as well as raise prices. Many large businesses have opened—or recently announced that they will be opening new or additional locations in the metro—which has driven job growth in the area. This trend is also creating housing demand. An additional 1,874 units are currently in the construction pipeline, and more than 60% of the new inventory is slated for completion by year-end.

PRICING: Omaha Rent Growth Outpaces National Average

Tight supply and increased demand, coupled with new construction continues to fuel rent growth in Omaha. Effective rents increased by 4.4% YOY, averaging of \$976 per unit in the second quarter of the 2021. Like many other markets, a construction labor shortage is also contributing to rent increases. It is hard to find qualified construction workers and companies have had to increase wages to attract and retain skilled laborers. In turn, rental rates have been increased to help offset some of the financial burden.

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	7,880	0	0.0%	48	124	7.4%	-2.2%	\$945	\$1.05	9.0%
Cass County	337	0	0.0%	0	2	6.1%	-0.8%	\$650	\$0.98	3.3%
Central Omaha	8,125	0	0.0%	253	58	3.9%	-0.1%	\$960	\$1.05	3.6%
Council Bluffs	4,995	0	0.0%	0	103	4.6%	-3.2%	\$884	\$1.02	3.8%
Downtown Omaha	18,277	0	0.5%	301	159	7.7%	-0.6%	\$989	\$1.22	3.8%
Elkhorn	4,710	0	6.9%	77	238	8.0%	-0.2%	\$1,163	\$1.23	6.3%
Gretna	1,867	0	0.0%	458	34	3.4%	0.3%	\$945	\$1.03	5.1%
Harrison County	175	0	0.0%	0	1	4.4%	0.0%	\$462	\$0.71	1.2%
Millard	3,335	0	0.0%	0	58	2.1%	-0.3%	\$1,049	\$1.12	6.4%
Mills County	172	0	0.0%	0	1	3.8%	-0.1%	\$507	\$0.62	1.3%
North Omaha	9,061	0	0.0%	0	61	8.6%	0.9%	\$849	\$0.95	2.6%
Northwest Omaha	6,453	0	1.3%	80	97	4.8%	-1.5%	\$1,151	\$1.10	4.2%
Papillion/La Vista	7,463	0	5.3%	98	21	6.2%	-1.0%	\$1,076	\$1.15	4.8%
Pottawattamie County	70	0	0.0%	0	0	3.6%	0.0%	\$653	\$1.00	1.0%
Ralston	5,771	0	0.0%	108	-5	4.7%	1.4%	\$832	\$0.92	2.7%
Saunders County	256	0	0.0%	0	2	3.7%	-0.7%	\$703	0.89	1.3%
South Omaha	1,738	0	2.6%	0	5	1.7%	-0.4%	\$631	\$0.83	0.9%
Springfield	94	0	0.0%	0	0	4.7%	0.1%	N/A	N/A	N/A
Washington County	617	0	0.0%	0	2	2.7%	-0.4%	\$715	\$0.85	1.9%
West Omaha	7,524	301	6.6%	451	379	3.6%	1.1%	\$963	\$1.05	4.2%
Omaha	88,920	301	1.5%	1,874	1,040	5.9%	-0.5%	\$976	\$1.08	4.4%

Source: Cushman & Wakefield Research, Costar

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
Triangle Apartments	Downtown Omaha	3020 Leavenworth Partners, LLC / KEG Properties, LLC	137	\$22,356,225 / \$163k
LaSeville Apartments	Downtown Omaha	Byron Reed Sy No 6, LTD / Century Investments I, LLC	84	\$3,625,000 / \$61k
Kensington Tower Apartments	Downtown Omaha	Kensington Tower LLC / KMC Properties, LLC	65	\$4,437,000 / \$80k
Aspen Ridge Apartments	South Omaha	Andrew Properties, LLC / Aspen Ridge Property Holdings, LLC	62	\$4,490,000 / \$90k

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