

YoY Chg 12-Mo. Forecast

3.8%
Vacancy Rate



751
Net Absorption, units



\$994
Effective Rent / Unit

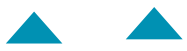


(Overall, All Property Classes)
Source: CoStar

ECONOMIC INDICATORS Q3 2021

YoY Chg 12-Mo. Forecast

493k
Omaha Employment



2.7%
Omaha Unemployment Rate



1.3%
Omaha Household Growth Rate



Source: BLS, Census Bureau

ECONOMIC OVERVIEW: Labor Shortage Expected To Drive Wage Growth

In April of 2020, the Omaha unemployment rate reached 8.7%, the highest rate observed since the 1930's. Since then, nearly 40,000 jobs have been recovered and the unemployment rate has decreased by 600 basis points (bps). Omaha's unemployment rate hit pre-pandemic levels in the third quarter of 2021, at 2.7%, down by 210 bps year-over-year (YOY). Median household income is down 0.7% YOY at \$72,000. However, Omaha's median household income is still higher than the national average, which sits at \$68,500. Employers face an extremely tight labor market in Omaha and are now increasing wages in order to attract talent, which will ultimately translate to higher income levels in the market supporting rental market conditions.

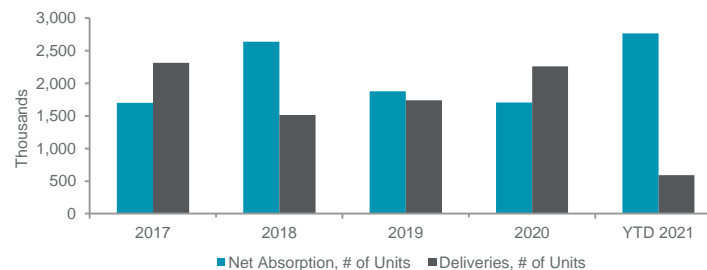
SUPPLY AND DEMAND: Apartment Construction Is Booming

According to RealPage, 2,184 multifamily permits were issued in the twelve months ending in August 2021, up 218 units YOY. During the same timeframe, the Omaha metro grew by 4,800 households. There were 751 rentals absorbed in the third quarter, and 2,766 units have been absorbed year-to-date (YTD). Overall vacancy declined by 250 bps YOY, leaving just 3.8% of the multifamily inventory vacant, by the close of the third quarter in 2021. The combination of growth in the number of households and limited supply, has escalated demand for apartment rentals. Though new developments are going up throughout the city, renters are flocking to the new apartment buildings, often signing lease agreements before construction has even wrapped up. The Park 125 development completed another phase in the third quarter of 2021, adding another 301 rentals to the market inventory. A total of 593 apartments have been delivered YTD, and another 3,223 units are currently in the construction pipeline.

PRICING: Omaha Apartment Rents Soar

Effective rents increased by 5.5% YOY, averaging \$994 per unit in the third quarter. New supply will continue to boost market rents into the foreseeable future. While the increases won't always be substantial, they will remain steady. Investment sales totaled just over \$64 million for the quarter and more than \$156 million YTD. The Triangle Apartment sale fetched the largest price tag in 2021 at \$27 million, or \$197,000 per unit. Cap rates for apartment properties currently hovers around the 6.3% mark.

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	402	3.6 %	-5.5%	\$933	\$1.03	8.8%
Cass County	337	0	0.0%	0	32	2.4%	-3.3%	\$657	\$0.99	3.6%
Central Omaha	8,145	0	0.4%	95	180	2.6%	-1.2%	\$966	\$1.05	4.8%
Council Bluffs	4,995	0	0.0%	0	155	36.0%	-3.2%	\$888	\$1.02	4.4%
Downtown Omaha	6,235	0	0.0%	611	175	6.5%	-4.3%	\$1,056	\$1.24	3.9%
Elkhorn	4,560	0	7.1%	801	282	7.3%	-0.6%	\$1,141	\$1.23	5.2%
Gretna	1,866	0	0.0%	398	56	2.1%	-1.2%	\$973	\$1.07	7.3%
Harrison County	175	0	0.0%	0	4	2.9%	-1.7%	\$464	\$0.71	1.3%
Midtown	12,011	0	0.0%	330	385	4.4%	-3.9%	\$978	\$1.22	4.5%
Millard	3,335	0	0.0%	0	54	2.3%	-0.9%	\$1,066	\$1.12	6.8%
Mills County	172	0	0.0%	0	3	2.9%	-1.2%	\$509	\$0.62	1.4%
North Omaha	8,814	0	0.0%	92	309	4.5%	-2.7%	\$849	\$0.95	3.0%
Northwest Omaha	6,533	0	2.5%	0	294	2.8%	-2.6%	\$1,180	\$1.13	6.3%
Papillion/La Vista	7,589	0	0.0%	812	148	4.3%	-3.2%	\$1,084	\$1.16	7.0%
Pottawattamie County	70	0	0.0%	0	0	2.9%	-1.4%	\$656	\$1.01	1.2%
Ralston	5,717	0	0.0%	36	96	3.0%	-0.9%	\$846	\$0.94	5.0%
Saunders County	256	0	0.0%	0	5	2.3%	-2.0%	\$706	\$0.89	1.3%
South Omaha	1,738	0	0.0%	0	15	1.1%	-1.2%	\$635	\$0.84	1.6%
Springfield	94	0	0.0%	0	2	3.2%	-2.1%	N/A	N/A	N/A
Washington County	617	0	0.0%	0	4	2.1%	-1.0%	\$717	\$0.95	1.9%
West Omaha	7,595	301	6.5%	0	165	2.5%	-0.7%	\$973	\$1.06	6.2%
Omaha	88,734	301	1.3%	3,223	2,766	3.8%	-2.5%	\$994	\$1.10	5.5%

Source: Cushman & Wakefield Research, Costar

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
2009 Sherwood Ct	Council Bluffs	Monarch Investment and Management Group/Lexington Realty International	216	\$16,200,000/\$75k
2105-2313 Benson Garden Blvd	Central Omaha	Ajv Properties/Round Hill Pacific	174	\$10,300,000/\$59k
1311 S 9 th St	Downtown Omaha	Urban Village Development/Clarity Development Company	144	\$19,350,000/\$134k

John Lund
 Senior Director
 +1 402 393 8811
john.lund@lundco.com

Jake Denker
 Senior Associate
 +1 402 548 4024
jake.denker@lundco.com

Misty Belsha
 Business Analyst
 +1 660 287 1135
misty.belsha@lundco.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION
 ©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.