

YoY Chg 12-Mo. Forecast

4.7%
Vacancy Rate



370
Net Absorption, units



\$994
Effective Rent / Unit



(Overall, All Property Classes)
Source: CoStar

ECONOMIC INDICATORS Q4 2021

YoY Chg 12-Mo. Forecast

499k
Omaha Employment



2.2%
Omaha Unemployment Rate



1.2%
Omaha Household Growth Rate



Source: BLS, Census Bureau

ECONOMIC OVERVIEW:

The local economy rebounded quickly from the pandemic, as investors are attracted to the sector's continued rent growth, tight vacancies and steady demand. Omaha's unemployment rate declined by 160 basis points (bps) year-over-year (YOY), to 2.2%, while Nebraska's unemployment rate fell to a mere 1.9% in December. This is the lowest unemployment rate that any state has ever recorded and is well below the national average at 3.9%. The Omaha market added approximately 10,900 jobs year-over-year, while the state of Nebraska added 19,400 jobs. Though gains were seen in most sectors, the leisure and hospitality sector saw the biggest recovery both statewide and locally, adding 9,100 jobs in Nebraska, including 6,000 jobs in Omaha YOY.

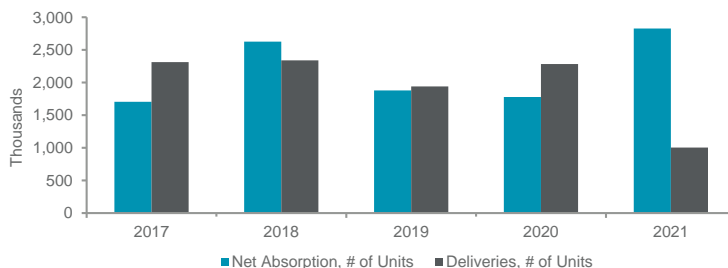
SUPPLY AND DEMAND:

Omaha's multifamily market continued to thrive throughout 2021. The vacancy rate saw a slight escalation, quarter-over-quarter, due to new supply coming online near the end of the fourth quarter. Apartment demand is strong, and this is expected to be a temporary increase. The YOY vacancy declined by 180 bps, sitting at 4.7% at year-end. There were 370 units absorbed in the fourth quarter of 2021, for a total of 2,827 units absorbed year-to-date (YTD). The pandemic has created many challenges in the construction industry such as labor shortages, a spike in material prices and supply issues. As a result, construction deliveries slowed. In the fourth quarter of the year 398 units were completed, for a total of 1,004-unit deliveries YTD. Towards the end of the year developers reported seeing improvement in the construction industry. However, due to supply restraints caused by the pandemic, we could see slower inventory growth in 2022. At the close of fourth quarter there were 3,382 units in the construction pipeline.

PRICING:

Omaha's multifamily sector experienced the effects of pent-up demand in 2021, causing rents to increase by 6.4% since the fourth quarter of 2021. Effective rents averaged \$944 per unit, or \$1.10 psf at year-end. As rents soared, so did investment sales. Multifamily property sales grew by 28.0% YOY, up from \$193.5 million in the fourth quarter of 2020. Investment sales in 2021 totaled just under \$250 million, averaging \$85,000 per door.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



MARKETBEAT OMAHA

Multifamily Q4 2021

CUSHMAN &
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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	405	3.5 %	-5.2%	\$936	\$1.03	8.4%
Cass County	337	0	0.0%	0	7	2.7%	-2.4%	\$662	\$1.00	4.1%
Central Omaha	8,207	96	1.6%	0	204	3.4%	-1.0%	\$993	\$1.08	7.4%
Council Bluffs	4,995	0	0.0%	0	125	4.2%	-2.5%	\$899	\$1.03	4.6%
Downtown Omaha	6,192	0	0.0%	633	181	5.5%	-2.9%	\$1,050	\$1.24	5.2%
Elkhorn	4,564	0	4.2%	801	301	6.7%	-2.9%	\$1,163	\$1.25	7.8%
Gretna	1,866	0	0.0%	426	55	2.0%	-2.9%	\$979	\$1.07	7.9%
Harrison County	175	0	0.0%	0	3	3.4%	-1.7%	\$466	\$0.71	4.6%
Midtown	12,019	0	0.0%	330	368	4.6%	-3.0%	\$978	\$1.24	5.9%
Millard	3,335	0	0.1%	0	45	2.4%	-1.3%	\$1,058	\$1.12	6.6%
Mills County	172	0	0.0%	0	3	2.9%	-1.2%	\$511	\$0.63	1.6%
North Omaha	8,814	0	0.0%	92	258	5.0%	-2.9%	\$848	\$0.95	4.1%
Northwest Omaha	6,533	0	1.2%	0	342	2.0%	-4.1%	\$1,193	\$1.14	7.0%
Papillion/La Vista	7,840	266	3.5%	766	289	9.2%	3.0%	\$1,097	\$1.18	6.7%
Pottawattamie County	70	0	0.6%	0	0	2.9%	-1.4%	\$659	\$1.01	1.5%
Ralston	5,753	36	0.0%	0	58	4.3%	-0.4%	\$849	\$0.94	5.8%
Saunders County	256	0	0.0%	0	4	2.7%	-1.6%	\$708	\$0.90	1.3%
South Omaha	1,738	0	0.0%	0	9	1.4%	-0.6%	\$637	\$0.80	1.8%
Springfield	94	0	0.0%	0	2	3.2%	-2.1%	N/A	N/A	N/A
Washington County	617	0	0.0%	0	3	2.3%	-0.5%	\$720	\$0.85	2.1%
West Omaha	7,291	301	4.3%	286	165	7.0%	1.6%	\$987	\$1.06	6.9%
Omaha	88,748	398	1.1%	3,382	2,827	4.7%	-1.8%	\$994	\$1.10	6.4%

Source: Cushman & Wakefield Research, Costar

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
Bellevue Hills	Bellevue	Pheasant Ridge Owner, LLC/VP Bellevue Hills, LLC	264	\$27,000,000//\$102k
Orpheum Tower	Downtown Omaha	Orpheum Tower, LLC/SRRT Orpheum, LLC & Garfield Villa Company Partnership, LLC	132	\$14,727,341/\$112
Dundee Flats	Midtown	Cogleywood, LLC/EPH 30,LLC	62	\$12,499,999/\$202k

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