

Multifamily Q1 2022

YoY Chg 12-Mo. Forecast

4.5%

Vacancy Rate



466

Net Absorption, units



\$1,030

Effective Rent / Unit



(Overall, All Property Classes for Q1 2022)
Source: CoStar

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

497k

Omaha Employment



2.6%

Omaha Unemployment Rate



1.2%

Omaha Household Growth Rate



Source: BLS, BOC, Moody's Analytics

ECONOMIC OVERVIEW:

The Omaha market extended its streak of job growth, adding 7,500 positions year-over-year (YOY). During the same timeframe unemployment declined by 80 basis points (bps), reaching 2.6% in the first quarter of 2022. Despite the low unemployment rate, workforce participation is still below pre-pandemic levels and employers are struggling to fill job openings. Help wanted signs can be seen throughout Omaha. Desperate to find help, employers are in competition with each other to attract workers and are raising starting wages. As a result, median household income has increased by \$1,400 YOY. Almost every major sector is showing growth, with Leisure & Hospitality taking the lead in 2022. According to the Bureau of Labor Statistics, this sector experienced the most growth YOY, up 6.8%. After Leisure and Hospitality saw the most job losses of any employment sector in April of 2020, shedding 29,600 jobs, the recovery has been remarkable, regaining nearly 18,000 positions in less than two years.

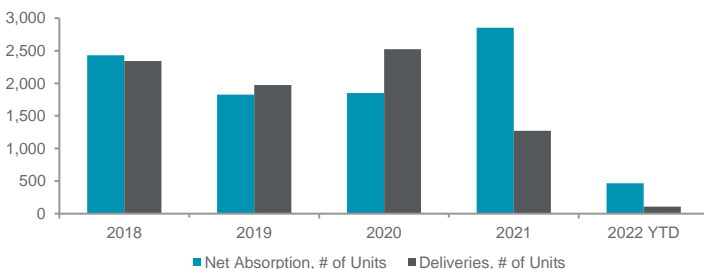
SUPPLY AND DEMAND:

At the close of the first quarter of 2022, more than 3,300 apartment units had been absorbed YOY. During the same timeframe, less than 1,400 new apartment units were completed. Omaha's apartment vacancy was 4.5% in the first quarter of 2022, down 150 bps YOY. Construction is steady, but slower and still falls short of meeting demand. The tight market conditions are being driven largely by construction costs that have risen more than 30% over the last two years. Prospective homebuyers are experiencing the same issues in the single-family housing market. In addition to low inventory, list prices and mortgage rates are rising, and often buyers end up paying more than the asking price. Many prospective buyers decide to pause their house hunt and wait for more favorable buying conditions. This is also adding to pressure on the apartment market, as they often try to find an apartment to live in while they wait.

PRICING:

Tight supply coupled with slow construction deliveries is driving rent growth. Omaha effective rents reached record highs in the first quarter of the year, averaging \$1,030 per unit and increasing by 7.2% YOY. There are currently 2,400 units in the construction pipeline, which will temporarily alleviate some pressure. However, for supply to catch up with demand more than 2,000 units would need to be completed each year, for several consecutive years.

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%	155	6	3.6%	-2.9%	\$985	\$1.09	11.0%
Cass County	337	0	0.0%	0	4	4.4%	0.3%	\$675	\$1.02	4.8%
Central Omaha	8,222	0	1.6%	0	7	3.7%	-0.3%	\$1,012	\$1.10	7.7%
Council Bluffs	5,055	0	0.0%	0	-31	5.0%	-0.6%	\$917	\$1.06	5.3%
Downtown Omaha	6,220	0	0.0%	768	-39	5.7%	-2.4%	\$1,069	\$1.26	6.4%
Elkhorn	4,695	107	2.3%	411	81	7.2%	-3.8%	\$1,220	\$1.31	6.8%
Gretna	2,374	0	12.8%	108	56	8.1%	2.9%	\$1,031	\$1.18	7.8%
Harrison County	175	0	0.0%	0	0	3.5%	-0.8%	\$469	\$0.72	1.7%
Midtown	12,022	0	0.2%	327	15	4.6%	-1.9%	\$1,007	\$1.27	7.1%
Millard	3,335	0	0.0%	0	7	2.3%	-0.9%	\$1,088	\$1.14	6.2%
Mills County	172	0	0.0%	0	0	2.9%	-0.7%	\$514	\$0.63	1.6%
North Omaha	8,846	0	0.0%	92	-9	5.6%	-1.7%	\$877	\$0.98	3.9%
Northwest Omaha	6,536	0	0.0%	0	-8	2.3%	-2.6%	\$1,210	\$1.15	7.7%
Papillion/La Vista	7,169	0	3.9%	220	291	4.6%	-3.0%	\$1,132	\$1.21	8.1%
Pottawattamie County	86	0	0.0%	0	0	3.1%	-0.6%	\$662	\$1.02	1.6%
Ralston	5,753	0	2.1%	0	40	2.9%	-1.4%	\$869	\$0.97	6.3%
Saunders County	265	0	0.0%	0	0	2.9%	-0.6%	\$711	\$0.90	1.4%
South Omaha	1,748	0	0.0%	0	2	1.4%	-0.4%	\$659	\$0.87	2.0%
Springfield	94	0	0.0%	0	0	3.6%	-0.8%	N/A	N/A	N/A
Washington County	617	0	0.0%	0	0	2.4%	-0.3%	\$732	\$0.87	2.0%
West Omaha	7,591	0	1.9%	286	44	5.6%	1.1%	\$1,089	\$1.18	8.2%
Omaha	89,192	107	1.27%	2,367	466	4.5%	-1.5%	\$1,030	\$1.14	7.2%

Source: Cushman & Wakefield Research, Costar

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
2882 Comstock Plz & 510 Surfside Dr	Bellevue/Lincoln	NS OVL, LLC/VUE ACQUISITIONS, LLC	556	\$81,000,000/\$146k
2866 Biggs Plz	Bellevue	Southdale Square Partnership/Southdale, LLC	104	\$7,820,000/\$75k
8240 Blondo St	Central Omaha	Taulborg Real Estate, JAMAT Enterprises, Meier Capital/Ponderosa Chateau, LLC	81	\$6,051,000/\$75k

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