

MARKETBEAT OMAHA

Multifamily Q3 2022

CUSHMAN &
WAKEFIELD

LUND
COMPANY

YoY
Chg

12-Mo.
Forecast

4.9%

Vacancy Rate



357

Net Absorption, units



\$1,115

Effective Rent / Unit



(Overall, All Property Classes for Q2 2022)
Source: CoStar

ECONOMIC INDICATORS Q3 2022

YoY
Chg

12-Mo.
Forecast

502k

Omaha
Employment



2.3%

Omaha
Unemployment Rate



2.0%

Omaha Household
Growth Rate



Source: BLS, BOC, Moody's
Analytics, CoStar

*Dataset used for report has been
updated to exclude outlying
submarkets considered to be
outside of the Omaha metro's core
area.

ECONOMIC OVERVIEW:

The Omaha unemployment rate was 2.3% at the close of Q3 2022, declining by 70 basis points (bps) year-over-year (YOY). Local unemployment remains well below the U.S. average of 3.7%. During the same period, approximately 10,000 jobs have been added to the local market, bringing the current employment number to 502,400. Though the U.S. labor market is experiencing positive-growth, the tug of war between the Federal Reserve and inflation has caused some economic concern. Several factors, including increased government spending and an imbalance between supply and demand, have caused inflation to soar. The U.S. inflation rate is running near its highest levels in forty years and is currently hovering around 8.3%, which is much higher than the long-term national average of 3.26%. The Federal Reserve recently implemented its third consecutive, 0.75 percentage point increase in 2022, in an attempt to curb rising inflation and cool the economy.

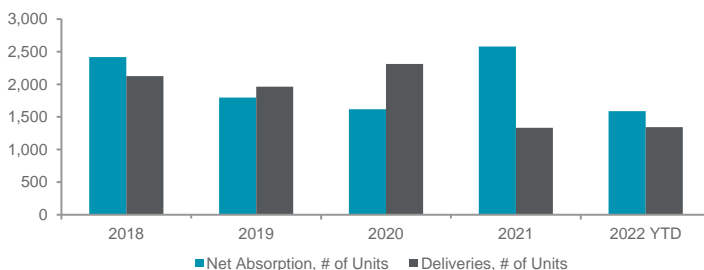
MARKET OVERVIEW:

Omaha's multifamily market delivered 534 apartment units in the third quarter of 2022, for a total of 1,614 units year-to-date (YTD). Though the inventory continues to increase, new construction is in high demand and many of the units are pre-leased before construction completion. Vacancy continues to trend downward, reaching 4.5% in the third quarter and declining by 50 bps YOY. Another 4,405 apartment units currently under construction. The Elkhorn submarket is home to majority of the units currently in the construction pipeline, with 2,663 rentals underway. There were 482 apartments absorbed in the third quarter, bringing the absorption total to 1,588 units YTD. Absorption is up 5.5% since the third quarter of 2021.

PRICING:

Effective rent averaged \$1,115 in the third quarter, increasing by 6.7% YOY. The Elkhorn submarket experienced the largest rent hike, averaging \$1,263 per unit in the third quarter of 2022, an increase of \$123 per unit. This comes as no surprise, as Elkhorn is located in Sarpy, the fastest growing county in Nebraska. Investment sales totaled \$76,335,035 in the third quarter, or \$107,818 per door. The most noteworthy transaction for the quarter was the sale of 20222 Glenmore Dr & 9825-9831 Centennial Rd. The multi-property sale contained 192 units and sold to Investors Capital Group for \$27,572,500.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



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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	7,925	0	0.0%	60	-28	2.9%	0.4%	\$1,048	\$1.14	8.0%
Central Omaha	7,836	0	0.8%	295	41	3.5%	-0.1%	\$1,137	\$1.24	5.7%
Council Bluffs	8,645	0	0.0%	0	259	3.8%	-3.4%	\$1,087	\$1.22	8.5%
Downtown Omaha	8,576	0	2.5%	504	144	6.8%	1.0%	\$1,030	\$1.14	8.7%
Elkhorn	2,469	0	0.0%	2663	151	2.5%	-8.2%	\$1,263	\$1.39	10.8%
Gretna	627	0	0.0%	15	12	1.9%	-2.6%	\$1,101	\$1.32	6.4%
Midtown	23,033	429	4.7%	172	494	6.7%	2.3%	\$1,048	\$1.17	6.8%
Millard	2,050	72	3.6%	0	57	5.0%	0.0%	\$1,158	\$1.29	5.4%
North Omaha	9,845	0	0.8%	0	20	3.5%	0.5%	\$1,108	\$1.19	7.7%
Northwest Omaha	1,414	33	2.4%	168	87	2.9%	-6.0%	\$1,005	\$1.11	8.2%
Papillion/La Vista	3,223	0	9.0%	132	123	5.8%	2.2%	\$963	\$1.10	5.9%
Ralston	2,487	0	21.6%	0	166	10.4%	6.9%	\$1,409	\$1.61	2.8%
South Omaha	1,867	0	0.0%	0	0	4.9%	0.3%	\$980	\$1.15	4.2%
West Omaha	3,260	0	3.0%	396	62	3.0%	0.6%	\$1,267	\$1.43	5.0%
Omaha	83,257	534	2.8%	4,405	1,588	4.9%	0.3%	\$1,115	\$1.25	6.7%

Source: Cushman & Wakefield Research, CoStar

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
20222 Glenmore Dr & 9825-9831 Centennial Rd	Gretna	Blueline Equity Partners, LLC/Investors Capital Group	192	\$27,572,500/\$144
401 Chateau Dr	Bellevue	EPH 16 LLC/401 Chateau Drive Realty, LLC	114	\$10,800,000/\$95
1016-1026 Park Ave & 534-542 park Ave	Midtown	Harvest Development III, LLC/Hernandez Properties 2, LLC	92	\$10,750,000/\$117

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