

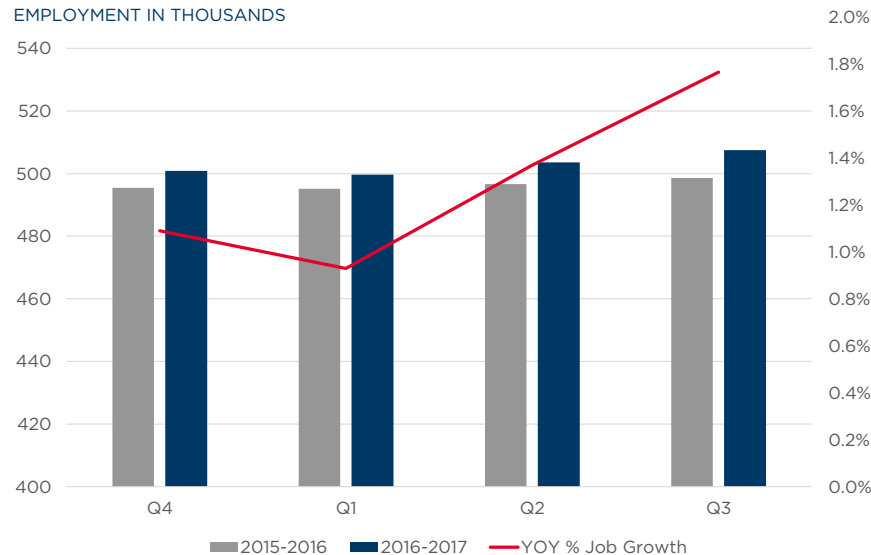


OMAHA - COUNCIL BLUFFS

EMPLOYMENT & UNEMPLOYMENT TRENDS

The Omaha-Council Bluffs Metro added approximately 8,800 new jobs from third quarter 2016 to third quarter 2017. The major job producers as of September 2017 are Professional & Business Services and Education & Health Services. Omaha's unemployment rate is very low at 2.9% - 150 basis points below that of the nation - indicating that the metro is experiencing a tight labor market.

OMAHA JOB GROWTH TRENDS



Source: U.S. Bureau of Labor Statistics (BLS)

JOB GROWTH & UNEMPLOYMENT RATE

+1.8

% YOY

Average Q3 employment increased by 8,800 jobs.

-50

BPS YOY

Average Q3 unemployment decreased to 2.9%.

+1.6

% YOY

Average effective rent increased to \$884.

+.68

BPS YOY

Vacancy decreased to an average of 4.0%.

ECONOMIC EXPANSION

The following are metro area expansion announcements as of third quarter 2017:



Work began on the initial stages of a **\$1.2 billion Boys Town development** that will eventually feature **2.3 million square feet of commercial space**, 2,000 residences, and a food, dining and retail area. The property includes land formerly occupied by a Boys Town farm near 144th Street and West Dodge. As planned, the nearly 500 acres of undeveloped land west of historic Boys Town would showcase a food and dining plaza, a retail center and an entertainment hub for live bands and festivals.



**The \$370 million Buffett Cancer Center** opened in June 2017 as part of the Nebraska Medicine campus is adding 4,657 new jobs. The **615,000-square-foot** facility is a joint venture between the University of Nebraska Medical Center and clinical partner Nebraska Medicine that will pull all cancer-related functions — research, outpatient and inpatient — together under one roof.



**The \$205 million Capital District** is Omaha's newest downtown entertainment district. The District surrounds a technology-smart, modern town square and will feature a **218-unit high rise apartment tower**, a full-service 333-room Marriott hotel, Class A office space, plenty of adjacent parking and over 20 diverse restaurants and bars - all within walking distance of Omaha's best civic, cultural and entertainment venues and the Riverfront.

MULTIFAMILY TRENDS

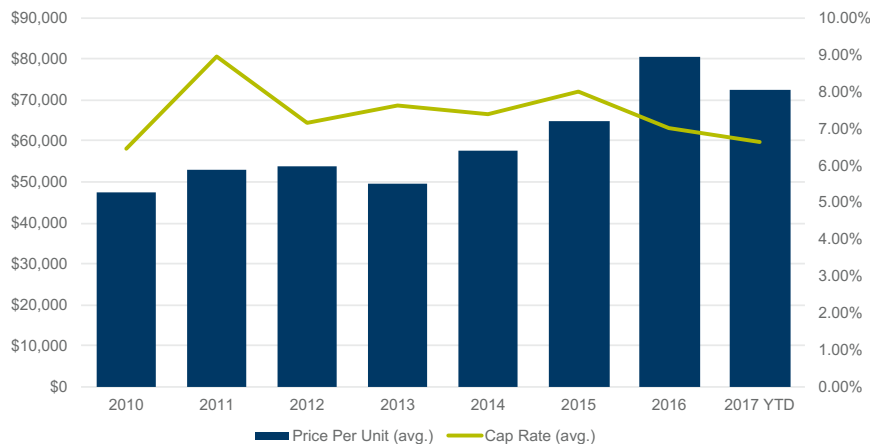
Average effective rent growth year-over-year as of the third quarter slowed a bit to the 1.6% range. Vacancy increased by a nominal amount year-over-year and remained below 5.0% as of the third quarter. Rents are projected to increase by 13.3% from 2017 to 2022 per AXIOMetrics, with an average annual rate of 2.7%. This trend is in line with current rent growth trends in the market.



## INVESTMENT ACTIVITY & CAP RATES

The Omaha Market has continued to heat up through the third quarter. Transaction volume on a unit basis is up substantially over 2016, with a 2017 year-to-date total of 2,120 units compared to just over 1,200 units in 2016. A total of 882 units traded in the third quarter alone. The pipeline of product under contract, on the market, and coming to the market has the Omaha MSA tracking toward a 3,000-unit year. Cap rates have remained low despite the increased supply, hovering between 6.0% and 7.0% depending upon the class, condition, and age of the asset. Notably, Willow Creek (1998, 156 units) had the low trailing cap of the third quarter at 6.38%, and Fox Ridge (1988, 120 units) had the high trailing cap of the third quarter at 7.42%.

REGIONAL SALES VOLUME / CAP RATES



Source: CoStar

## DEVELOPMENT / INVENTORY

There are six notable properties under construction or in lease up competing for tenants in the downtown market, totaling more than 1,000 total new units: **Capital District** (218 units), **The Breakers** (214 units), **Zag Apartments** (193 units), **The Conrad** (153 units), **The Triangle** (134 units), **The Yard** (101 units). Suburban Omaha has fewer but larger projects, with 752 units under construction in two projects. **Andover Pointe** is finishing up Phase II, adding 390 units to the southwest Omaha market near 132nd and Chandler. **The Lumberyard** in Millard is finishing up its 346 units, completing the mixed-use redevelopment project.

## DEMOGRAPHIC FUNDAMENTALS

Median household income rose by 24.0% from 2000 to 2010. It is projected to increase by another 19.5% from 2016 to 2021, thereby fueling future rent growth in the market.

### POPULATION



2000: 767,052  
2010: 865,354  
2017: 917,517  
2022: 960,358

### RENTER OCCUPIED PERCENTAGE



2010: 33.2%  
2016: 33.9%  
2021: 33.4%

### MEDIAN HOUSEHOLD INCOME



2000: \$44,674  
2010: \$55,407  
2016: \$56,959  
2021: \$68,079

Source: Site To Do Business

## MULTIFAMILY FORECAST

The following are Cushman & Wakefield's projections for the near term.



### RENTS



### VACANCY



### PIPELINE % GROWTH

Forecast is 12-month outlook

## NOTABLE SALES

PROPERTY	YEAR BUILT	BUYER	SELLER	# OF UNITS	PURCHASE PRICE	PRICE PER UNIT
Maple View	1991	Briar Capital	Maxx	108	\$6,270,000	\$58,056
Fox Valley	1997	Briar Capital	Maxx	228	\$14,980,000	\$65,702
Willow Creek	1998	Briar Capital	Maxx	156	\$8,420,000	\$53,974
Edgewater Court	1975	Briar Capital	Maxx	108	\$6,270,000	\$58,056
Fox Ridge	1988	Briar Capital	Maxx	120	\$6,175,000	\$51,458
Howard Street	1986	Briar Capital	Maxx	90	\$4,659,000	\$51,767
Briar Hills	1999	JB Group	NewStreet	72	\$6,550,000	\$90,972