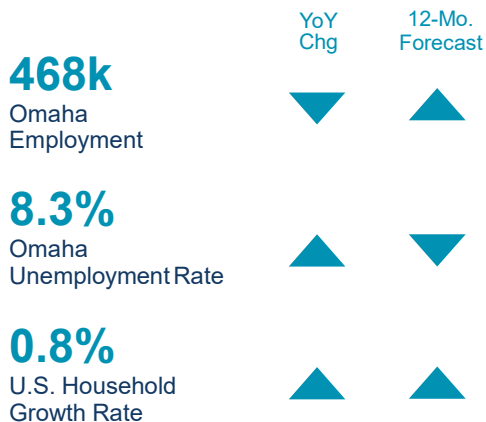


(Historical data differences due to change of data provider from Axiometrics to Costar)

ECONOMIC INDICATORS Q2 2020



*Source: BLS, BOC, Moody's Analytics
2020Q2 data are based on latest available data.*

**Historical data differences due to change of data provider from Axiometrics to Costar.*

ECONOMIC OVERVIEW: Omaha Proves More Resilient

Omaha's jobless rate rose to a record high 8.3% in the second quarter of 2020, and more than 38,000 nonfarm payroll positions were lost year-over-year (YOY). The COVID-19 global pandemic is having a devastating impact on the US economy. While all industries have been affected, some bear the brunt of the downturn more than others. Omaha's manufacturing and professional/business service industries took a hard hit, recording their largest single-month drops in history, during the second quarter. However, the leisure & hospitality industry has been affected the most, with employment declining by 22.7% YOY. The healthcare industry is expected to recuperate faster than most other services and recover nearly 80% of jobs before year-end. The COVID-19 pandemic caused rapid deterioration; however, Omaha has fared better compared to the national unemployment average at 13.0% for the second quarter. According to the Bureau of Economic analysis, Nebraska has been impacted the least out of all 50 states. This reflects the ongoing strength of Nebraska, despite the pandemic impact.

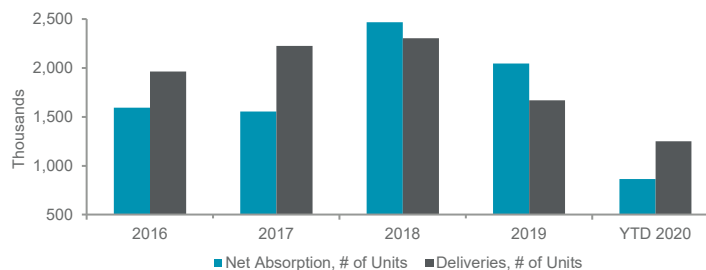
SUPPLY AND DEMAND: Multifamily Construction Pipeline Remains Active

More than 600 rental units were absorbed in the Omaha multifamily sector in the second quarter, and a total of 864 apartment units have been absorbed year-to-date (ytd). Omaha's rental unit inventory grew by 2.8% YOY, and 1,250 units have been completed ytd. Developers have successfully kept up with demand, without overbuilding. As a result, 94% of the apartment inventory is occupied and Omaha is not seeing "pandemic pricing" like many other markets are. The current supply provides renters options, while vacancy is low enough to keep rents from plummeting. However, more than 2,700 units are in the construction pipeline and may cause some fluctuation once delivered. The downtown submarket has experienced the largest inventory increase, as 500 units have delivered in 2020. The two largest completions include the Bank Expansion Apartments (200 units) and BOS Apartments (158 units).

PRICING: Rent Growth Persists

Effective rents in the market averaged \$844 per unit, an increase of 2.6% YOY. The Elkhorn submarket is the fastest growing part of the Omaha MSA, and housing in the area is in high demand. The Elkhorn submarket posted the highest effective rent in the second quarter, averaging \$1,097 per unit. Investment sales totaled \$182 million from the second quarter of 2019 to present, averaging \$66,000 per door. There were several noteworthy sales in the first half of 2020, though the Fairlane at Aksarben apartments fetched the biggest price tag for \$5.8 million. At \$2.5 million, the Douglas Apartments in the Elkhorn submarket was the second largest property to trade hands. Amgad Morgan-Girgis purchased the 30-unit property for \$83,000 per unit.

NET ABSORPTION / DELIVERIES



Source: Cushman & Wakefield Research, CoStar

OVERALL VACANCY & EFFECTIVE RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD% 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	7,636	0	2.7%	204	42	7.6%	2.2%	\$864	\$0.95	1.9%
Central Omaha	9,993	399	4.0%	104	308	5.2%	1.1%	\$973	\$1.04	1.9%
Council Bluffs	4,906	0	0.0%	0	-128	8.2%	2.7%	\$851	\$0.97	0.7%
Downtown Omaha	16,158	495	3.1%	353	348	8.4%	-0.4%	\$933	\$1.17	1.8%
Elkhorn	4,281	0	0.0%	758	148	6.7%	-2.4%	\$1,097	\$1.16	3.5%
Gretna	1,801	0	0.0%	228	-4	2.8%	-0.4%	\$885	\$0.97	1.8%
Millard	3,335	0	0.0%	0	20	2.6%	-1.5%	\$982	\$1.05	2.4%
North Omaha	8,780	152	1.7%	0	-29	7.6%	2.8%	\$820	\$0.91	2.9%
Northwest Omaha	6,360	0	0.0%	164	104	6.6%	-0.8%	\$1,107	\$1.06	4.3%
Papillion/La Vista	7,283	0	0.0%	263	-17	6.0%	-2.7%	\$981	\$1.07	3.4%
Ralston	5,748	0	0.0%	0	56	3.3%	-0.2%	\$811	\$0.90	2.6%
South Omaha	1,670	0	0.0%	44	0	1.9%	-0.5%	\$617	\$0.81	1.5%
Springfield	94	0	0.0%	0	0	4.3%	0.4%	NA	NA	NA
West Omaha	7,056	0	0.0%	612	16	3.3%	-0.2%	\$897	\$0.96	3.6%
Omaha MSA Totals	85,101	1,250	1.5%	2,720	864	6.2%	0.1%	\$844	\$0.93	2.6%

Source: Cushman & Wakefield Research, CoStar

KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
3101 S 69 th Ave	Central	Spring Manor, Inc / Carthy SM Holdings, LLC	89	\$5.8M / \$66k
3709 Harrison St & 4859 S 132 nd Ave	Bellevue	Brickstone Apartments, LLC / 3709 Harrison, LLC	50	\$1.8M / \$37k
4509 & 4524 Lafayette Ave & 4544 Nicholas St	Downtown	Grandview Properties, LLC / B3 Capital, LLC	38	\$1.5M / \$39k

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	UNITS	OWNER / DEVELOPER
Broadmoor 63	Central	237	Broadmoor Development / Noddle Companies
Latitude 41	Bellevue	204	Wolf Creek Apartments, LLC / Quantum Real Estate, LLC
The Bank Expansion Apartments	Downtown	200	1919 Douglas, LLC / Nustyle Development Corp
The Centerline Apartments	Central	162	Lawnfield, LLC / J Development

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