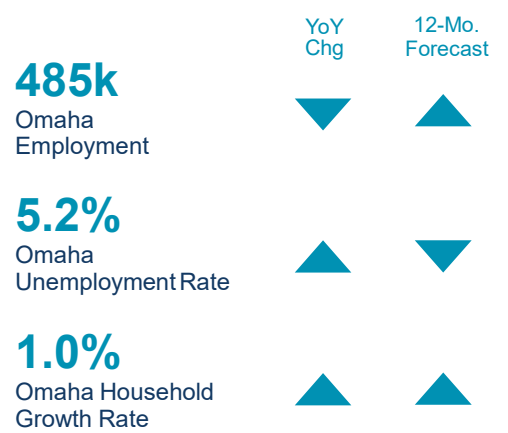


(Historical data differences due to change of data provider from Axiometrics to Costar)

ECONOMIC INDICATORS Q3 2020



*Source: BLS, BOC, Moody's Analytics
2020Q3 data are based on latest available data.*

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

ECONOMIC OVERVIEW: On The Road To Recovery

Though employment levels are down in every state across the nation, the Omaha MSA is on the rebound. According to the Bureau of Labor and Statistics, non-farm employment in Omaha is down by 22,000 jobs year-over-year (YOY). However, the market is seeing notable improvement and job gains are up by 10,000 positions since the second quarter of 2020. As reported by RealPage, nearly 17,000 jobs are expected to be added in 2021, with job growth averaging 3.5%. Job growth is expected to average 1.2% from 2022 to 2024, adding approximately 5,900 positions each year. Omaha has the third lowest unemployment rate in the country at 5.2%, trailing just behind Boise at 4.8% and Salt Lake City at 4.9%. Looking back at the Great Financial Crisis (GFC) as an indicator of Omaha's resilience, a Brookings Institution study determined that Omaha weathered the GFC better than any other city in the U.S. per their economic analysis. Early indicators indicate that Omaha is currently faring better than the nation overall during the current recession.

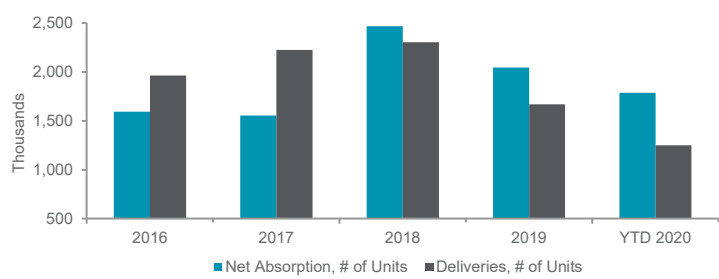
SUPPLY AND DEMAND: Apartment Demand Keeps Pace With New Construction

Occupancy in Omaha's multifamily market was 94.2% at the close of the third quarter in 2020, decreasing by 30 basis points (bps) YOY. Though the local market is not immune from the coronavirus-induced recession, the multifamily sector is experiencing growth in several areas, including new construction. Developers have been careful not to overbuild and have remained diligent in ensuring that supply is in line with demand. Third quarter deliveries totaled 750 units, while year-to-date (YTD) completions reached 1,500 with Downtown Omaha experiencing the most deliveries. More than 2,600 apartment units were under construction at the close of the third quarter in 2020, and nearly 2,000 of those dwellings are slated for completion within the next twelve months. Just under 600 apartment rentals were absorbed during the third quarter, while nearly 1,800 units have been absorbed YTD. Even with the influx of new units, vacancy in the market is expected to remain low, as new construction is being absorbed nearly as it is being built.

PRICING: Multifamily Investments Sales Heat Up

Average effective rent reached \$909 in the third quarter, increasing by 1.1% YOY. Multifamily rent growth occurred across the board, though the Northwest submarket lead the way. Effective rents currently average \$1,100 in the Northwest submarket, bringing total rent growth for the year to 3.5%. Multifamily sales totaled \$48 million (547 units) for the quarter (\$87,700 per door), while cumulative investment sales volume totaled \$123 million (1,851 units) for the year (\$66,700 per door). The most notable transaction this year is the sale of the Steeplechase on Maple apartments with 314 units, fetching \$39 million.

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	7,594	0	2.8%	0	69	7.0%	1.7%	\$852	\$0.95	2.3%
Central Omaha	10,071	399	0.0%	262	304	5.2%	1.4%	\$972	\$1.04	0.9%
Council Bluffs	4,940	0	0.0%	0	130	6.2%	0.8%	\$848	\$0.97	0.1%
Downtown Omaha	16,072	495	3.2%	413	404	7.9%	0.2%	\$924	\$1.16	0.3%
Elkhorn	4,314	0	0.0%	835	212	5.8%	-3.1%	\$1,101	\$1.17	2.5%
Gretna	2,029	198	10.8%	0	191	2.5%	-0.2%	\$902	\$0.99	2.7%
Millard	3,335	0	0.0%	0	25	2.5%	-1.3%	\$984	\$1.06	3.1%
North Omaha	8,815	152	0.0%	0	47	6.5%	1.8%	\$823	\$0.91	1.9%
Northwest Omaha	6,440	80	1.3%	84	185	6.5%	-1.5%	\$1,100	\$1.06	3.5%
Papillion/La Vista	7,233	190	2.7%	465	85	7.3%	2.6%	\$981	\$1.07	1.1%
Ralston	5,728	0	0.0%	0	61	3.3%	-0.8%	\$811	\$0.90	2.3%
South Omaha	1,727	44	2.6%	0	24	2.9%	0.8%	\$618	\$0.81	1.3%
Springfield	94	0	0.0%	0	0	4.4%	-0.3%	N/A	N/A	0.0%
West Omaha	7,058	0	0.0%	612	51	2.8%	-0.5%	\$897	\$0.96	2.6%
Omaha MSA Totals	85,450	1,558	1.4%	2,671	1,788	5.8%	-0.3%	\$909	\$1.00	1.9%

Source: Cushman & Wakefield Research, CoStar

KEY SALES TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
14949 Manderson Plz	Northwest	Redwood Capital Group / Birge & Held Asset Management	314	\$39M / \$124K
502-507 Gaslight Ln	Bellevue	Thoth Properties, LLC / 4907 Underwood Avenue LLC	48	\$2M / \$43K

John Lund
Senior Director
+1 402 393 8811 / john.lund@lundco.com

Jake Denker
Senior Associate
+1 402 548 4024 / jake.denker@lundco.com

Misty Belsha
Business Analyst
+1 660 287 1135 / misty.belsha@lundco.com

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

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION
©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.