

## Multifamily Q1 2023

YoY Chg      12-Mo. Forecast

**5.7%**

Vacancy Rate



**368**

Net Absorption, units



**\$1,106**

Effective Rent / Unit



(Overall, All Property Classes for Q4 2022)  
Source: CoStar Data

### ECONOMIC INDICATORS Q1 2023

YoY Chg      12-Mo. Forecast

**503k**

Omaha Employment



**2.7%**

Omaha Unemployment Rate



**0.9%**

Omaha Household Growth Rate



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

### ECONOMIC OVERVIEW:

Omaha added 4,600 non-farm payroll positions year-over-year (YOY), with employment reaching 503,300, at the close of first quarter 2023. During the same timeframe, the local unemployment rate increased by 20 basis points (bps), hitting 2.7%. Omaha's unemployment rate is slightly higher than Nebraska's, which is 2.2%, and remains one of the lowest in the country. The mining, logging and construction sector experienced the most job growth, up 5.2% YOY. The financial activities sector had the most job loss, down 4.4%. Median household income reached \$75,700, increasing by \$1,100 YOY. Though many economists are predicting a national recession later in the year, the Omaha market is expected to remain stable.

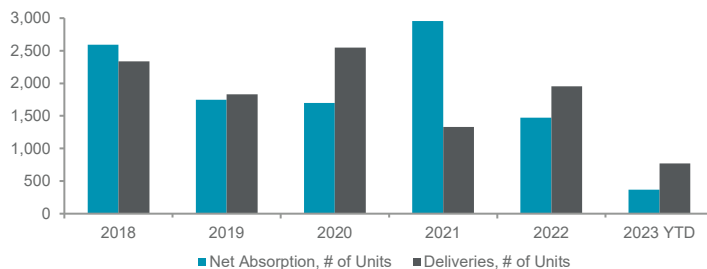
### MARKET OVERVIEW:

The Omaha multifamily market absorbed 368 apartment units in the first quarter of 2023, while the overall vacancy increased by 120 basis points (bps) year-over-year (YOY), reaching 5.7%. Many people are making living decisions based off economic uncertainty. For some that means moving home, or combining households, which contributes to the climbing vacancy rate. Vacant space in new construction deliveries has also contributed to the increase. There were 769 new rentals delivered in the first quarter of 2023, more than double the number of units delivered in the first quarter of 2022. There are currently 5,766 units under construction, with the Elkhorn submarket being home to more than half of them.

### PRICING:

Average effective rent in the Omaha multifamily market increased by 6.8% YOY, and was recorded at \$1,106 per unit at the close of Q1. Even more impressive, is the five-year growth-rate, at 23.7%. The Elkhorn submarket continued to post the highest rents in the market, averaging \$1,378 per unit. Elkhorn is located in Sarpy County, which is one of the fastest growing counties in the state. The largest property to sell in Q1 was the Legacy Crossing Apartments, located in the North Omaha submarket. Legacy Crossing Apartments sold the 408-unit complex to Columbia Pacific Advisors, LLC for \$30,000,000 or \$69.05 per square foot (psf).

### 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           | 8,055             | 0                  | 1.3%                   | 441                  | 5                          | 4.4%         | 0.4%                    | \$1097                  | \$1.21                 | 10.4%                       |
| Central Omaha      | 8,441             | 0                  | 0.0%                   | 295                  | -6                         | 3.8%         | 0.5%                    | \$1065                  | \$1.16                 | 5.5%                        |
| Council Bluffs     | 5,034             | 0                  | 0.0%                   | 0                    | -28                        | 5.5%         | 0.1%                    | \$977                   | \$1.13                 | 5.9%                        |
| Downtown Omaha     | 6,938             | 379                | 8.9%                   | 113                  | 87                         | 9.2%         | 4.3%                    | \$1,233                 | \$1.44                 | 6.3%                        |
| Elkhorn            | 5,169             | 101                | 8.6%                   | 2,848                | 38                         | 7.7%         | 3.6%                    | \$1,378                 | \$1.43                 | 6.6%                        |
| Gretna             | 2,701             | 0                  | 7.2%                   | 182                  | 57                         | 13.2%        | -0.1%                   | \$1,148                 | \$1.29                 | 9.4%                        |
| Midtown            | 12,362            | 172                | 1.4%                   | 217                  | 144                        | 4.5%         | 0.2%                    | \$1,075                 | \$1.36                 | 5.8%                        |
| Millard            | 3,413             | 0                  | 2.3%                   | 0                    | -4                         | 2.6%         | 1.1%                    | \$1,200                 | \$1.23                 | 7.7%                        |
| North Omaha        | 9,196             | 0                  | 1.0%                   | 188                  | -12                        | 6.0%         | 0.3%                    | \$930                   | \$1.04                 | 5.7%                        |
| Northwest Omaha    | 6,974             | 33                 | 6.7%                   | 285                  | 77                         | 6.9%         | 4.6%                    | \$1,320                 | \$1.26                 | 7.6%                        |
| Papillion/La Vista | 8,042             | 84                 | 1.0%                   | 625                  | -3                         | 4.8%         | 1.1%                    | \$1,233                 | \$1.31                 | 7.6%                        |
| Ralston            | 5,753             | 0                  | 0.0%                   | 0                    | -23                        | 4.0%         | 0.9%                    | \$942                   | \$1.05                 | 7.0%                        |
| South Omaha        | 1,817             | 0                  | 2.2%                   | 0                    | -3                         | 1.4%         | 0.1%                    | \$673                   | \$0.90                 | 2.9%                        |
| West Omaha         | 7,816             | 0                  | 2.9%                   | 572                  | 39                         | 5.5%         | -0.5%                   | \$1,223                 | \$1.35                 | 6.2%                        |
| <b>Omaha</b>       | <b>91,711</b>     | <b>769</b>         | <b>2.7%</b>            | <b>5,766</b>         | <b>368</b>                 | <b>5.7%</b>  | <b>5.7%</b>             | <b>\$1,106</b>          | <b>\$1.23</b>          | <b>6.8%</b>                 |

Source: Cushman & Wakefield Research, CoStar

KEY SALES TRANSACTIONS Q1 2023

| PROPERTY            | SUBMARKET       | SELLER / BUYER  | UNITS | PRICE / \$ UNIT    |
|---------------------|-----------------|---|-------|--------------------|
| 10535 Ellison Plaza | North Omaha     | Legacy Crossing Apartments, LP/Columbia Pacific Advisors, LLC | 408   | \$30,000,000/\$69  |
| 10901 Jaynes Plaza  | Northwest Omaha | Timberland Partners/Briar Capital Management, LLC             | 276   | \$33,050,000/\$110 |

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