

YoY Chg 12-Mo. Forecast

5.4%

Vacancy Rate



510

Net Absorption, units



\$1,130

Effective Rent / Unit



(Overall, All Property Classes for Q2 2023)
Source: CoStar Data

ECONOMIC INDICATORS Q2 2023

YoY Chg 12-Mo. Forecast

506k

Omaha Employment



2.2%

Omaha Unemployment Rate



0.8%

Omaha Household Growth Rate



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

ECONOMIC OVERVIEW:

Despite the many challenges the U.S. economy is facing, the Omaha market continues to experience positive economic growth. During the twelve-month period ending in the second quarter of 2023, there were 7,900 non-farm payroll positions added. Omaha continues to have one of the lowest unemployment rates in the nation, currently sitting at 2.2%. The local unemployment rate peaked in the fourth quarter of 2022, hitting 3.0%. Omaha's unemployment rate has been under the 3.0% mark for the past six consecutive months. According to the Midland Business Journal's Omaha Grow report, "The Greater Omaha Chamber economic development team has seen significant interest in the area, landing projects worth over \$2 billion in capital investment in 2022 and managing a pipeline of potential projects of over \$18 billion".

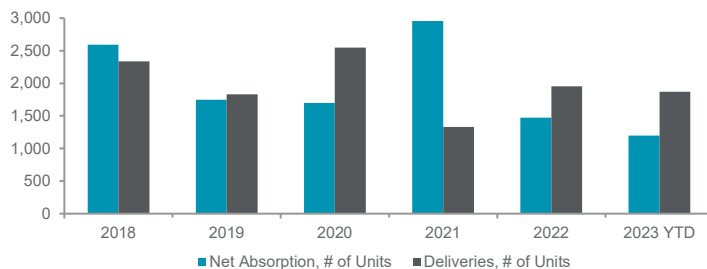
MARKET OVERVIEW:

Omaha's multifamily market absorbed 510 units in the second quarter of 2023, for a total of 1,197 units absorbed year-to-date (YTD). Overall vacancy increased by 40 basis points (bps) year-over-year, ending the second half of the year at 5.4%. This uptick can be attributed to a combination of things, but rising inflation and the increased need for more affordable housing options are major drivers. To battle the impacts of persistent inflation, many renters have combined households to save money, while others have decided to hold off on moving out. The cost of living in the U.S. has increased substantially over the last couple of years, and renters are struggling to make payments. They're looking for more affordable rent options, but supply is tight. Developers are working hard to keep up with the housing demand, but many of the projects are high-end apartments developments, with premier asking rents. This has also contributed to the slight vacancy increase. The new space is still being rented, just at a slower pace than the market is used to. There were 784 units delivered in the second quarter, for a total of 1,871 units delivered YTD. Another 3,224 units are currently in the construction pipeline.

PRICING:

Effective rents in Omaha's multifamily sector increased by 4.6% YOY, reaching \$1,130 per unit at the close of second quarter. The Elkhorn submarket fetched the highest rents for the quarter, averaging \$1,408 per unit, with the Northwest submarket coming in second at \$1,330 per unit. The Gretna submarket saw the most rent growth for the quarter, increasing by 7.5% YOY, for an average of \$1,237 per unit.

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	8,166	111	1.4%	131	59	4.9%	-0.2%	\$1,092	\$1.21	2.7%
Central Omaha	8,335	0	0.0%	296	-12	3.8%	0.5%	\$1,086	\$1.20	4.1%
Council Bluffs	5,034	0	0.0%	0	23	4.8%	0.1%	\$1,001	\$1.15	6.2%
Downtown Omaha	7,359	48	8.2%	6	129	7.5%	1.6%	\$1,246	\$1.45	6.7%
Elkhorn	5,573	336	12.7%	512	108	10.8%	6.2%	\$1,408	\$1.46	3.4%
Gretna	2,701	0	2.8%	182	87	7.4%	-7.9%	\$1,237	\$1.36	7.5%
Midtown	12,480	55	1.9%	162	21	5.4	1.2%	\$1,084	\$1.37	4.0%
Millard	3,233	0	2.5%	300	-2	2.9%	1.5%	\$1,259	\$1.30	-0.1%
North Omaha	9,197	0	0.0%	238	-13	5.1%	-1.2%	\$938	\$1.05	4.8%
Northwest Omaha	7,265	80	11.2%	174	-53	8.8%	6.6%	\$1,330	\$1.30	6.4%
Papillion/La Vista	7,446	154	3.3%	651	162	4.8%	0.1%	\$1,256	\$1.32	5.6%
Ralston	5,753	0	0.0%	0	-21	4.0%	1.0%	\$961	\$1.07	5.6%
South Omaha	1,817	0	2.3%	0	-3	1.6%	0.5%	\$677	\$0.91	2.1%
West Omaha	7,816	0	0.0%	572	25	4.3%	-3.6%	\$1,243	\$1.37	5.0%
Omaha	92,175	784	3.0%	3,224	510	5.4%	17.0%	\$1,130	\$1.25	4.6%

Source: Cushman & Wakefield Research, CoStar

KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
6636-6650 Military Ave	North Omaha	Charles & Mary Boetel/Watson Properties, LLC	23	\$1,375,000/\$60k
5003 Country Club Cir	Ralston	Green Plains Madison, LLC/John F Lund	30	\$2,150,000/\$72k

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