

YoY Chg 12-Mo. Forecast

6.2%

Vacancy Rate



183

Net Absorption, units



\$1,132

Effective Rent / Unit



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

ECONOMIC INDICATORS Q4 2023

YoY Chg 12-Mo. Forecast

510k

Omaha Employment



2.6%

Omaha Unemployment Rate



0.9%

Omaha Household Growth Rate



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

ECONOMIC OVERVIEW:

Heading into 2023, most economists predicted a U.S. recession happening within the year. After battling soaring prices, sky-rocketing interest rates, and economic uncertainty, Americans can breathe a sigh of relief. The U.S. economy beat the odds and the forecasted recession has been called off. After peaking at 9.1% in June of 2022, the U.S. inflation rate has slowly declined and is currently sitting at 3.1% for the twelve months ending in November of 2023, compared to the 7.1% inflation rate that was recorded in November of 2022. Federal Reserve Chairman Jerome Powell also hinted at interest rate cuts in 2024, as inflation cools. On the local front, the job market remained strong through recession fears. Omaha employers added 7,400 jobs year-over-year, bringing the local unemployment rate to 2.6% at year-end. Omaha has the second lowest unemployment rate in the Midwest, coming in behind the Madison (WI) market at 2.5%.

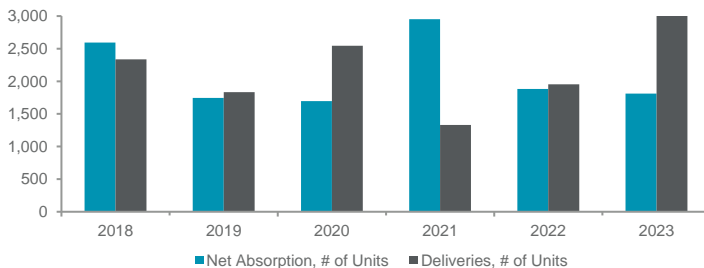
MARKET OVERVIEW:

The Omaha multifamily market delivered three buildings totaling 548 apartments in the last quarter of 2023, bringing the year-to-date (YTD) total to 3,212 units. An additional 2,235 apartment dwellings are currently in the construction pipeline. Economic uncertainty has caused lenders to tighten their approval rates, which has led developers to push start dates back and downsize many projects. While multifamily construction is still on the move, it has temporarily slowed. The multifamily vacancy rate inched up by 120 basis points (bps) year-over-year (YOY), ending the year at 6.2%. The majority of the vacancy increase is caused by vacant space in new construction deliveries hitting the market. A total of 183 units were absorbed in the last quarter, bringing the total absorbed in 2023, to 1,811 units. The brunt of absorption occurred in the Northwest Omaha submarket, with 106-units.

PRICING:

Overall effective rents in Omaha's multifamily sector increased by 2.6% YOY, reaching \$1,132 per unit at the close of the last quarter. The Ralston submarket experienced the most rent growth for the quarter, increasing by 4.9% YOY and was recorded at \$983 per door. Though the Elkhorn submarket continued to fetch the highest rents in the market, at \$1,409 per unit. Despite a slowdown caused by several factors, including delayed construction and supply issues, the Omaha multifamily market is expected to continue recording positive rent growth, into the foreseeable future.

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	8,133	0	1.2%	294	1,169	4.6%	0.5%	\$1,178.00	\$1.22	3.8%
Central Omaha	8,526	176	2.1%	120	1,008	4.1%	2.5%	\$1,089.00	\$1.22	4.3%
Council Bluffs	5,045	0	0.0%	0	0	5.8%	0.8%	\$1,010.00	\$1.16	3.5%
Downtown Omaha	7,364	0	7.8%	172	392	7.8%	1.5%	\$1,254.00	\$1.46	4.5%
Elkhorn	5,732	72	11.1%	397	2,140	8.7%	1.9%	\$1,409.00	\$1.43	0.1%
Gretna	2,735	0	0.0%	182	728	9.3%	-4.5%	\$1,192.00	\$1.32	0.1%
Midtown	12,502	0	1.9%	205	789	5.1%	0.7%	\$1,084.00	\$1.37	3.2%
Millard	3,533	300	9.3%	50	1,000	4.8%	7.5%	\$1,240.00	\$1.28	1.9%
North Omaha	9,363	0	1.7%	0	316	5.9%	1.3%	\$928.00	\$1.04	1.0%
Northwest Omaha	7,541	0	9.1%	200	1,140	9.1%	1.4%	\$1,325.00	\$1.28	2.0%
Papillion/La Vista	8,197	0	5.4%	289	1,674	6.4%	2.7%	\$1,243.00	\$1.32	2.6%
Ralston	5,753	0	0.0%	0	0	3.8%	0.8%	\$983.00	\$1.10	4.9%
South Omaha	1,819	0	0.0%	0	0	1.6%	0.6%	\$705.00	\$0.94	2.2%
West Omaha	7,823	0	1.2%	326	1,496	4.2%	-1.0%	\$1,204.00	\$1.30	3.3%
Omaha	94,066	548	3.5%	2,235	1,811	6.2%	29.1%	\$1,131.71	\$1.25	2.6%

Source: Cushman & Wakefield Research, CoStar

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
649Parkwild Dr	Council Bluffs	Metonic Real Estate Solutions/Cap8 Investments, LLC	96	\$7,900,000/\$82k
8002 Blondo St	Central Omaha	Howard Kaiman/Blondo Plaza, LLC	47	\$2,805,000/\$60k

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