

YoY Chg 12-Mo. Forecast

6.2%

Vacancy Rate



283

Net Absorption, units



\$1,150

Effective Rent / Unit



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

ECONOMIC INDICATORS Q1 2024

YoY Chg 12-Mo. Forecast

513k

Omaha Employment



2.8%

Omaha Unemployment Rate



0.8%

Omaha Household Growth Rate



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

ECONOMIC OVERVIEW:

According to the latest report from the University of Nebraska-Lincoln, Nebraska's Leading Economic Indicator saw a sharp rise in February, increasing by 3.48%. This indicator is designed to predict economic activity six months in advance, and its increase suggests that the Nebraska economy will experience strong growth in the summer of 2024, as stated by economist Eric Thompson, department chair, K.H. Nelson College Professor of Economics and director of Bureau of Business Research. Some of the factors that contributed to the rise in the leading indicator were an increase in manufacturing hours, a decrease in initial unemployment claims, and an improvement in business expectations. The Omaha market also benefited from the growth of several sectors, such as education and health services, leisure and hospitality, and professional and business services. However, some sectors experienced losses, such as construction, trade, transportation, and utilities. The Omaha market added 8,800 nonfarm payroll positions, over the last 12 months, ending in the first quarter of 2024. Despite the positive job creation, the unemployment rate in Omaha increased by 30 basis points year-over-year. Omaha continues to have one of the lowest unemployment rates in the country at just 2.8%.

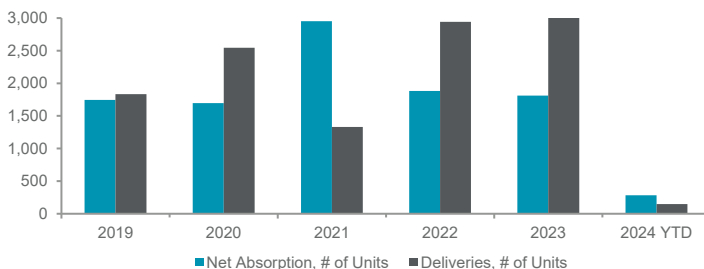
MARKET OVERVIEW:

The Omaha multifamily market recorded 149-unit deliveries in the first quarter of 2024, all of which are located in the Elkhorn submarket. Overall vacancy increased by 90 basis points (bps) year-over-year (YOY), closing the quarter at 6.3%. CoStar's forecast calls for stronger demand to coincide with a sharp drop off in new supply, with this year's completions projected to fall by over 40% from last year. This will likely help stabilize rising vacancies by the end of this year, with the forecast calling for contracting vacancies beginning in 2025. An additional 2,545 apartment units are currently in the construction pipeline and balanced amongst the submarkets. However, the majority of new apartment construction is located in the Midtown (695 units) and Elkhorn (500 units) submarkets.

PRICING:

Omaha continues to stand out as one of the most affordable markets, with one of the lowest rent-to-income ratios in the nation. Average effective rents improved by 2.1% YOY, reaching \$1,150.21 per unit, or \$1.27 per square foot (psf), at the close of Q1. The Elkhorn submarket fetched the highest rents in the market, at \$1,431 per unit, while the South Omaha submarket has the lowest rents in the market at \$708 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	8,872	0	1.2%	241	-45	5.6%	1.4%	\$1,198.00	\$1.27	1.6%
Central Omaha	8,536	0	2.1%	120	29	5.2%	1.9%	\$1,127.00	\$1.26	5.9%
Council Bluffs	5,069	0	0.0%	0	12	6.0%	0.3%	\$1,033.00	\$1.19	4.4%
Downtown Omaha	7,370	0	7.8%	172	24	6.5%	-2.5%	\$1,262.00	\$1.46	1.4%
Elkhorn	5,950	149	11.1%	500	32	9.9%	2.7%	\$1,431.00	\$1.46	-1.4%
Gretna	2,917	0	0.0%	0	34	12.6%	1.5%	\$1,195.00	\$1.31	-0.8%
Midtown	12,520	0	1.9%	695	-8	5.2%	0.1%	\$1,106.00	\$1.40	2.2%
Millard	3,533	0	9.3%	50	21	9.9%	7.1%	\$1,256.00	\$1.30	0.8%
North Omaha	9,363	0	1.7%	0	13	6.1%	1.0%	\$963.00	\$1.08	2.9%
Northwest Omaha	7,534	0	9.1%	200	98	8.3%	1.0%	\$1,338.00	\$1.29	1.6%
Papillion/La Vista	7,544	0	5.4%	241	86	5.9%	1.3%	\$1,277.00	\$1.34	2.3%
Ralston	5,753	0	0.0%	0	-20	4.6%	1.1%	\$989.00	\$1.11	3.7%
South Omaha	1,818	0	0.0%	0	-2	2.0%	0.6%	\$708.00	\$0.94	2.2%
West Omaha	7,821	0	1.2%	326	9	4.1%	-0.5%	\$1,220.00	\$1.32	3.1%
Omaha	94,600	149	3.5%	2,545	283	6.3%	1.2%	\$1,150.21	\$1.27	2.0%

KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
7301 Q St	Ralston	Metonic Real Estate Solitions, LLC/Stonewall Commercial	97	\$7,200,000/\$74k
205 Fairline Dr	Bellevue	JTT, LLC/Michael Town Wstates, LLC	24	\$1,608,000/\$67k

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