

FIGURES | OMAHA MULTIFAMILY | Q2 2023

Average Sale Price Per Unit Climbs to Over \$100,000 in the Omaha Multifamily Market

▼ 94.3%
Occupancy Rate

▲ \$1.28
Avg. Rental Rate (PSF)

▼ 5.0%
Annual Rent Growth

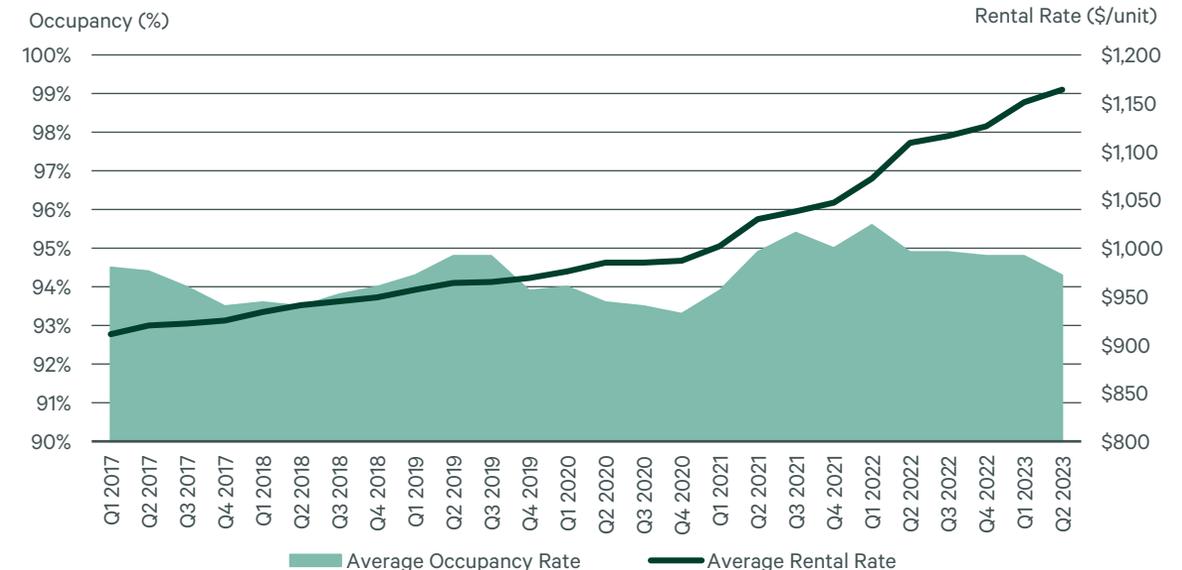
▲ 79,689
Total Inventory (Units)

Note: Arrows indicate change from previous quarter.

Market Summary

- Omaha multi-family vacancy is 5.7%, which is 50 basis points higher than last quarter and 60 basis points lower than one year ago.
- The Omaha multi-family market delivered 6 properties totaling 618 units to the market during the second quarter of 2023, bringing the total year-to-date figure to 1,705 units.
- Another 2,610 units are under construction in the market. Approximately 47.3% of these units are located in the Southwest submarket, followed by 20.2% located in the North/Northwest submarket.
- Average asking rents are now \$1,164 per unit in the metro area, which is 5.0% higher than one year ago and 23.7% higher than five years ago.
 - By submarket, the highest average rent is \$1,352.53 per unit in the Southwest submarket, while the lowest average rent is \$959.82 per unit in the South submarket.
 - By age, properties built between 2000 and 2023 represent the highest rent with an average rent of \$1,361.70 per unit.

Figure 1: Omaha Occupancy and Average Asking Rental Rate



Source: CBRE Research Q2 2023

Market Statistics

FIGURE 2: Notable Developments

Project Name	Developer	Status	Units	Submarket	Estimated Completion Date
Southwest Village Apartments, 6740 NW 4 th St, Lincoln	Dial Companies, Omaha, NE	Under Construction	428	Suburban	12/2023
Ovation Heartwood Preserve (55+), 741 Maxwell Plz, Omaha	RSF Partners, Dallas, TX	Under Construction	300	Southwest	9/2023
Hutton at Privada, 204 th & W Center Rd, Omaha	CIP Communities, Lincoln, NE	Under Construction	300	Southwest	9/2023
The Trails at Northstreams, 5002 S 202 nd Ave	Woodsonia Real Estate, Omaha, NE	Under Construction	300	Southwest	10/2023
Canopy Park, 109 S Canopy St, Lincoln	Speedway Properties/ Nelnet Lincoln, NE	Delivered	253	Downtown/ Haymarket/ UNL	4/2023

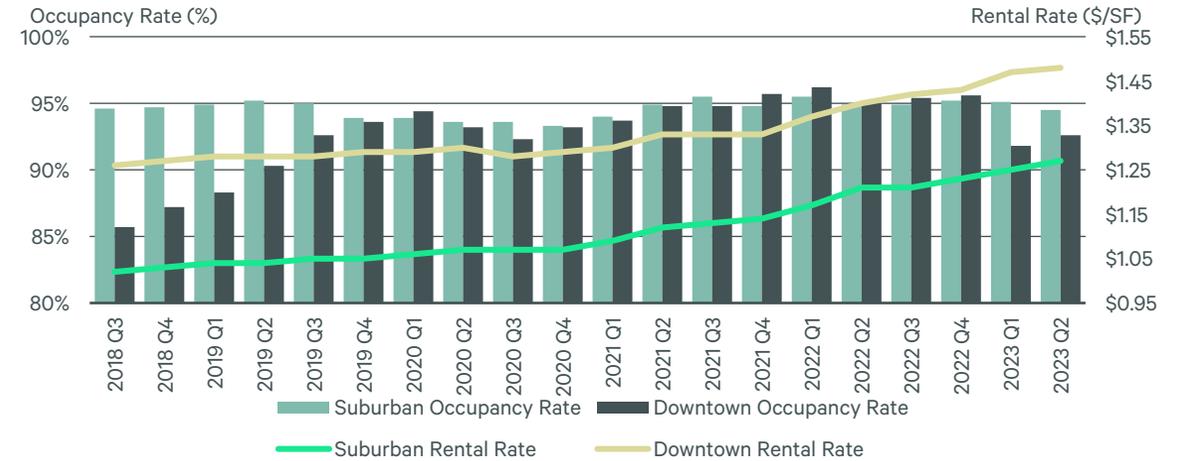
Source: CBRE Research, Q2 2023

FIGURE 3: Notable Sales

Project Name	Buyer	Sale Date	Sale Price	Units	Price Per Unit
Fireside Village Apartments, 8104-8214 Wilson Dr, Omaha	Artisan Capital Group, Chicago, IL	6/27/2023	\$12,450,000	182	\$68,407
4842 Sahler St & 4841 Boyd St, Omaha	North 48 th LLC, Omaha, NE	6/26/2023	\$2,650,000	74	\$35,811
Central Park Tower Apartments, 1507-1511 Farnam St, Omaha	Edgemark Communities, Denver, CO	6/29/2023	\$2,556,231	64	\$39,941
3011-3031 Burt St, Omaha	Edgemark Communities, Denver, CO	6/29/2023	\$3,070,000	59	\$52,034
Cheerio Apartments, 2201 S 10 th St, Lincoln	Koll Investment Properties, Lincoln, NE	5/15/2023	\$2,600,000	35	

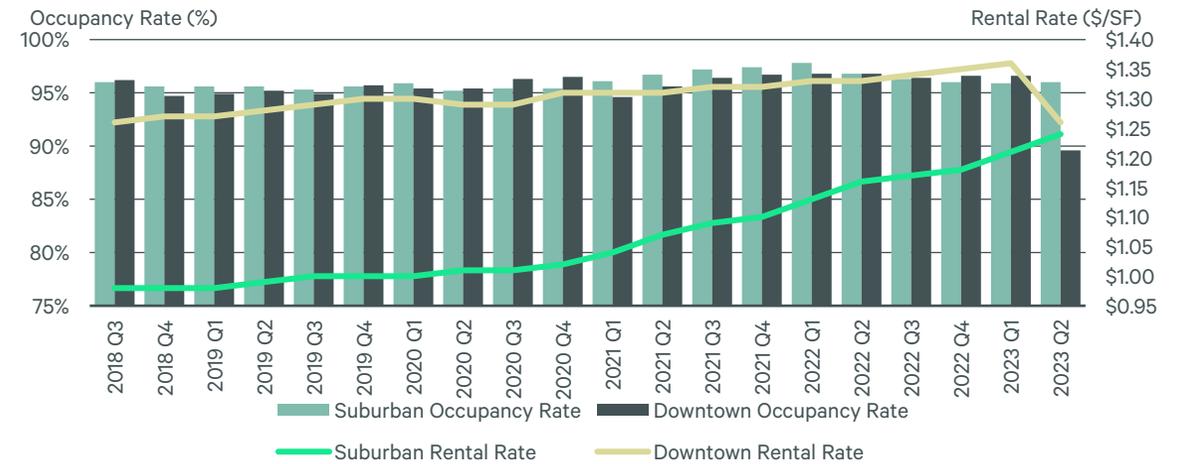
Source: CBRE Research, Q2 2023

FIGURE 4: Omaha Occupancy and Average Asking Rental Rate Downtown vs. Suburban



Source: CBRE Research, Q2 2023

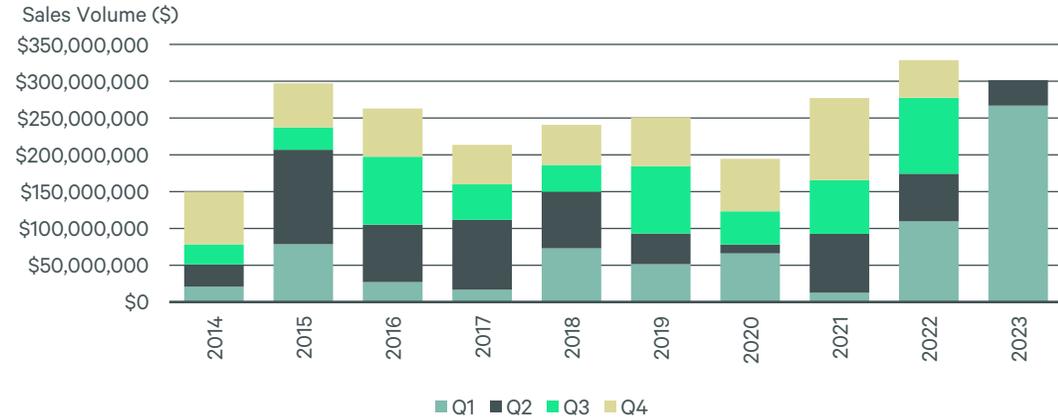
FIGURE 5: Lincoln Occupancy and Average Asking Rental Rate Downtown vs. Suburban



Source: CBRE Research, Q2 2023

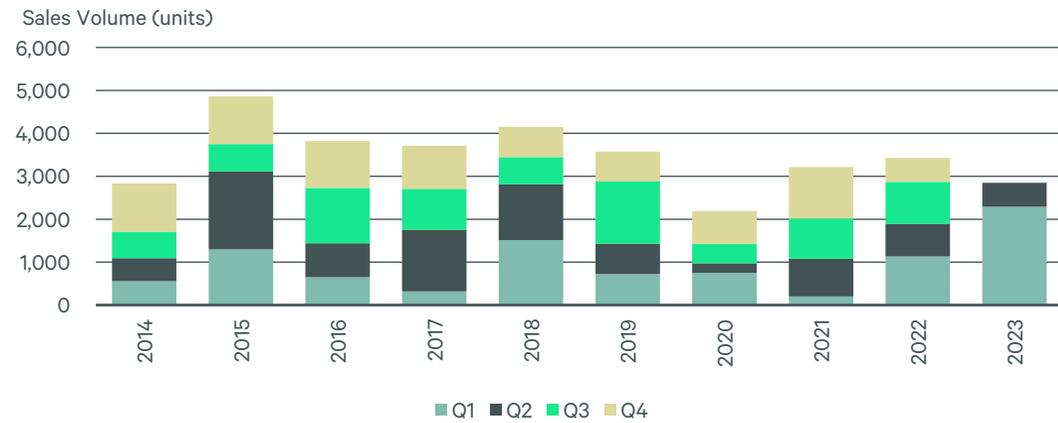
Market Statistics - Omaha

Figure 6: Omaha Quarterly Multi-family Sales Volume (\$)



Source: CBRE Research, Q2 2023

Figure 7: Omaha Quarterly Multi-family Sales Volume (# units)



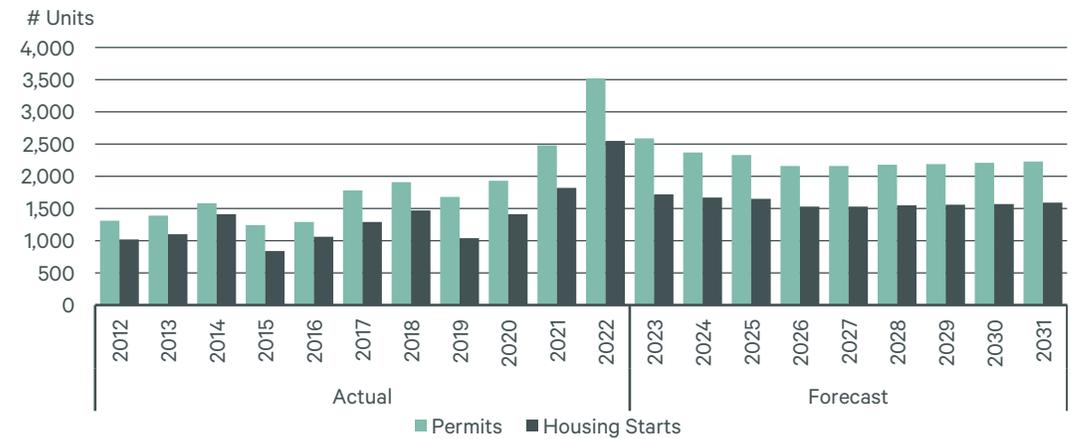
Source: CBRE Research, Q2 2023

Figure 8: Omaha Average Sale Price Per Unit (\$)



Source: CBRE Research, Q2 2023

Figure 9: Omaha Multi-family Housing Permits and Housing Starts (units)



Source: Oxford Economics, Q2 2023

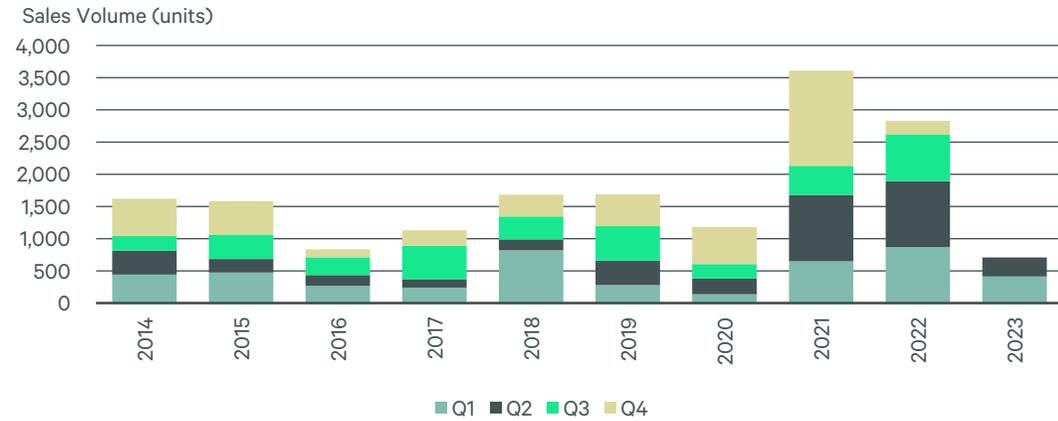
Market Statistics - Lincoln

Figure 10: Lincoln Quarterly Multi-family Sales Volume (\$)



Source: CBRE Research, Q2 2023

Figure 11: Lincoln Quarterly Multi-family Sales Volume (# units)



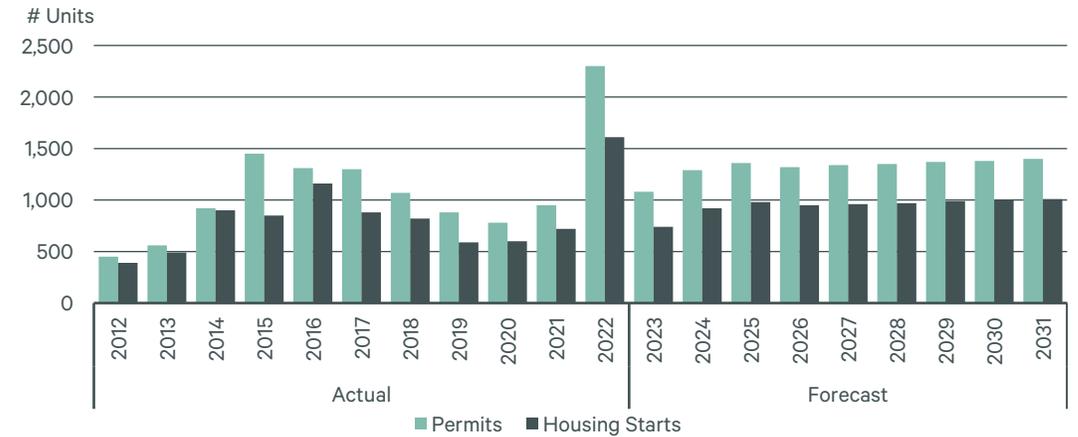
Source: CBRE Research, Q2 2023

Figure 12: Lincoln Average Sale Price Per Unit (\$)



Source: CBRE Research, Q2 2023

Figure 13: Lincoln Multi-family Housing Permits and Housing Starts (units)



Source: Oxford Economics, Q2 2023

Market Statistics

Figure 14: Market Statistics by Year Built Range, Downtown vs. Suburban

Index and Year Built Range	Total # Units	Avg Ask Rent/Unit	Avg Ask Rent/SF	Occupancy Rate (%)	Units Under Construction	Units Completed
2000 and newer	2,601	\$1,507.06	\$1.50	85.1	120	0
1975-1999	416	\$886.99	\$1.01	99.5	0	0
1950-1974	1,504	\$993.89	\$1.41	97.5	0	0
1949 and older	2,687	\$1,174.09	\$1.33	96.7	0	0
TOTAL DOWNTOWN OMAHA	7,208	\$1,248.57	\$1.38	92.9	120	0
2000 and newer	26,530	\$1,346.78	\$1.40	92.1	2,490	618
1975-1999	22,033	\$1,132.60	\$1.16	97.0	0	0
1950-1974	22,460	\$932.42	\$0.99	96.0	0	0
1949 and older	1,458	\$769.92	\$1.08	90.9	0	0
TOTAL SUBURBAN OMAHA	72,481	\$1,142.51	\$1.17	94.8	2,490	618
TOTAL OMAHA	79,689	\$1,164.00	\$1.28	94.3	2,610	618
2000 and newer	806	\$1,427.22	\$1.60	71.2	0	293
1975-1999	720	\$582.23	\$0.94	98.3	0	0
1950-1974	643	\$602.05	\$0.97	98.3	0	0
1949 and older	527	\$731k82	\$0.97	97.0	0	0
TOTAL DOWNTOWN LINCOLN	2,696	\$870.50	\$1.26	89.6	0	293
2000 and newer	9,326	\$1,263.68	\$1.31	95.5	1,620	0
1975-1999	10,578	\$1,101.52	\$1.13	97.3	0	0
1950-1974	3,322	\$916.27	\$0.99	94.3	0	0
1949 and older	60	\$502.00	\$0.72	96.7	0	0
TOTAL SUBURBAN LINCOLN	23,286	\$1,153.00	\$1.24	96.0	1,620	0
TOTAL LINCOLN	25,982	\$1,128.00	\$1.24	95.3	1,620	293

Figure 15 : Overall Market Statistics by Submarket

Submarket	Total # Units	Avg Ask Rent/Unit	Avg Ask Rent/Unit	Occupancy Rate (%)	Units Under Construction	Units Completed
Bellevue	6,395	\$1,111.83	\$1.14	96.0	51	48
Central	21,335	\$1,074.99	\$1.12	95.6	446	85
Council Bluffs	4,288	\$1,008.30	\$1.10	95.1	0	0
Downtown	7,208	\$1,248.57	\$1.38	92.9	120	0
North/Northwest	14,456	\$1,182.41	\$1.21	92.9	528	80
Sarpy East	5,393	\$1,210.60	\$1.21	96.1	230	154
Sarpy West	4,359	\$1,247.55	\$1.28	92.2	0	0
South	7,315	\$959.82	\$1.06	96.3	0	0
Southwest	8,940	\$1,352.53	\$1.34	94.1	1,235	251
TOTAL OMAHA	79,689	\$1,164.00	\$1.28	94.3	2,610	618
Downtown/ Haymarket/ UNL	2,696	\$870.50	\$1.26	89.6	0	293
Suburban	23,286	\$1,153.00	\$1.24	96.0	1,620	0
TOTAL LINCOLN	25,982	\$1,128.00	\$1.24	95.3	1,620	293

Source: CBRE Research, Q2 2023

Economic Summary

National

Inflation has slowed but continues to plague the U.S. economy. Minutes from June's Federal Reserve Board meeting indicate further interest rate hikes. "Many also noted that, after rapidly tightening the stance of monetary policy last year, the committee had slowed the pace of tightening and that a further moderation in the pace of policy firming was appropriate in order to provide additional time to observe the effects of cumulative tightening and assess their implications for policy," the minutes said.

While some economists still predict a recession later this year, employment news continues to defy that notion. ADP's June report indicates that hiring has increased, layoffs have slowed and filings for unemployment benefits remain low. ADP also reported that U.S. companies added almost half a million jobs in June, the most in over a year.

There is widespread speculation regarding the risk of commercial real estate holdings, particularly office properties, by U.S. banks. With the shift from in-office to remote work due to the pandemic, some office buildings have high vacancy rates. However, Richard Barkham, CBRE Global Chief Economist, reports that not all office vacancy is equal. 80% of the rise in office vacancy is in 10% of buildings. High vacancies are more likely to be found in smaller office properties built between 1980 and 2009, in downtown areas, and in weaker submarkets with higher crime and lower amenities. High quality properties are performing better than their counterparts as "demand has shifted to the top of the market, at the direct expense of more commoditized office stock."

Local

Each year Omaha hosts two events that bring thousands of visitors and contribute millions to the local economy; the Berkshire Hathaway annual shareholder meeting in May and the NCAA Men's College World Series in June.

Since 1973, Omaha has been home to the Berkshire Hathaway annual shareholder meeting.

The annual weekend has been dubbed the "Woodstock of Capitalism" and its host, Warren Buffett, has received the nickname of the "Oracle of Omaha". The event has grown over the past five decades with attendance growing from a few attendees in the National Indemnity Company cafeteria to between 30,000 and 40,000 attendees at the CHI Health Center, Omaha's largest event venue. According to Visit Omaha, the annual shareholder meeting brings in over \$20 million when considering hotel nights, food and destinations.

Omaha has hosted the NCAA Men's College World Series (CWS) each year since 1947 and welcomes visitors from all over the country. Visitors and locals both attend the CWS and spend money on tickets, hotel nights, food & drink, etc., stimulating the local economy. Amy Hornocker, Executive Director of CWS of Omaha, Inc., has this to say about the economic impact of this year's CWS, "there are numerous calculators out there, but at this point we are probably over \$90 million." The 2023 CWS broke attendance records as well. According to the Omaha World-Herald, "The CWS final total draw of 392,946 and per-game average of 24,559 – across 16 games this month – are both the best in the 73-year history of the College World Series in Nebraska."

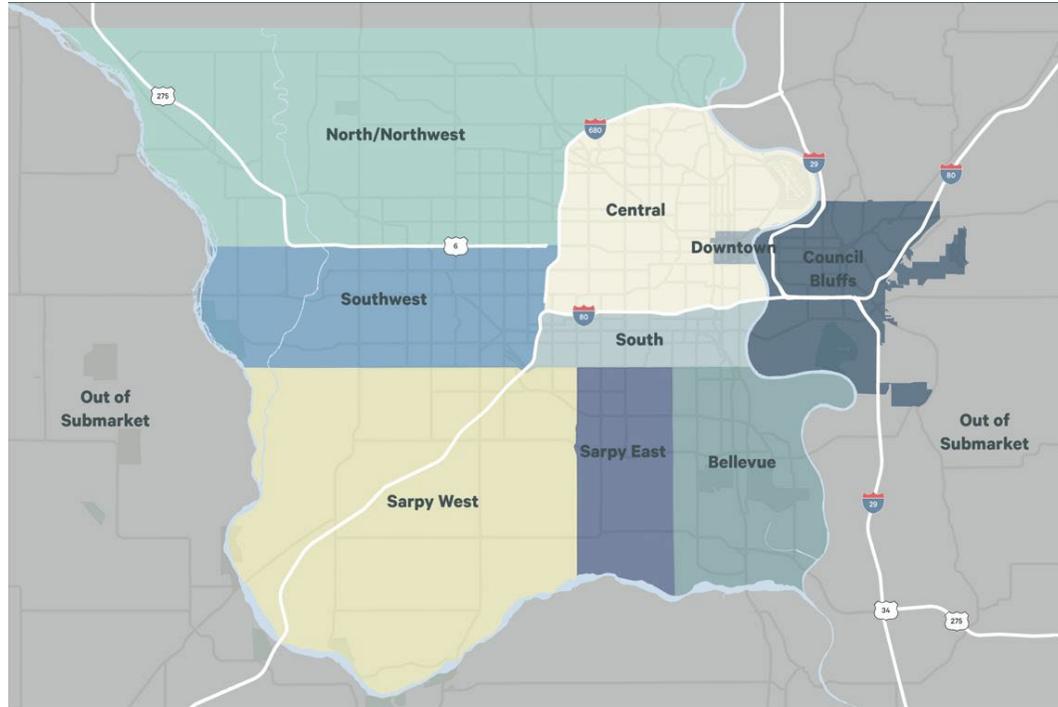
Several exciting new developments opened downtown in the 2nd quarter:

- The Kiewit Luminarium, an 82,000 sf, \$101 million STEM museum opened in April on the Missouri riverfront.
- Steelhouse, a 50,000 sf, \$103 million, 3,000 seat capacity music venue opened in May, with the Killers starring as its first act.
- Omaha's new downtown library branch, located at 14th and Jones Streets, opened in May.
- Douglas County's new \$120 million justice center opened in May and includes an 8-story 147,000 square foot tower, a 4-story 65,000 square foot youth center and a 5-story square foot office building.

In Conclusion

- Multi-family product continues to attract investors as the average sale price per unit climbs to over \$100,000 in the Omaha market.
- There is still much uncertainty in the economy as interest rates remain higher than pre-pandemic levels, inflation looms and credit tightens.

Omaha Market Area Overview



Contact

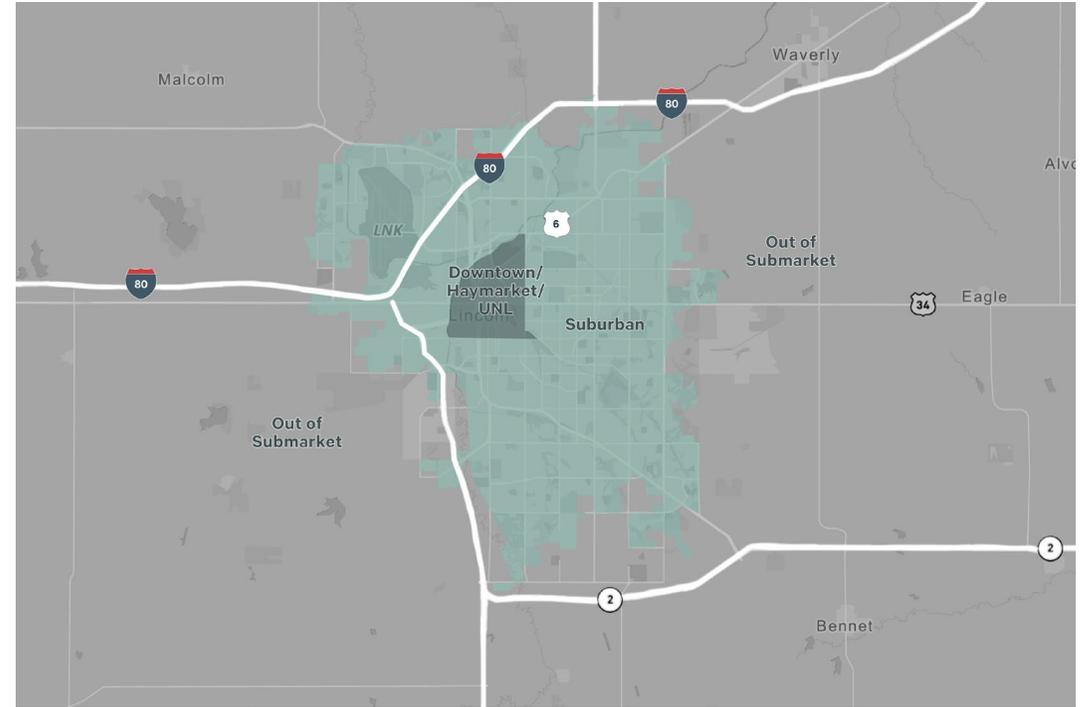
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Lincoln Market Area Overview



Survey Criteria

Includes apartment buildings 24 units and greater in size in Douglas County, Sarpy County and the cities of Lincoln and Council Bluffs. Buildings under construction includes buildings which have begun development beyond initial site work.