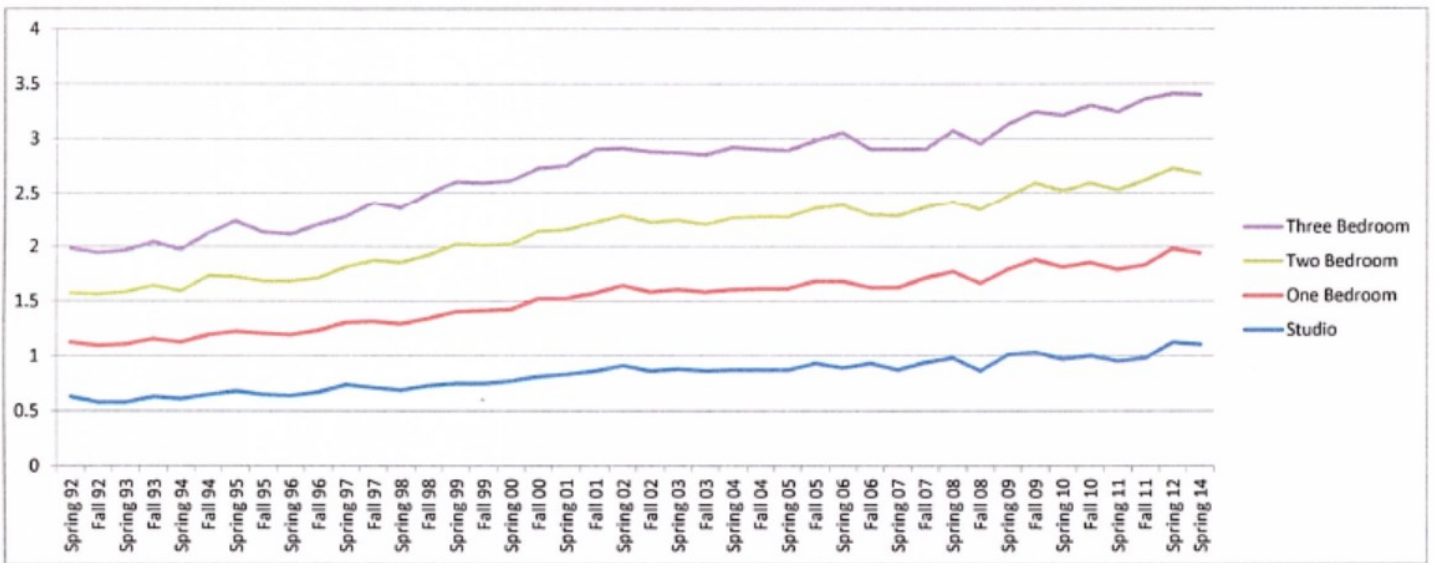


A twenty year look shows increases in rental rates well ahead of inflation. Demand for apartments combined with an increase luxury units has pushed the overall \$/SF metric significantly higher. The trend towards luxury and high dollar units is only expected to increase as apartment living becomes the choice of the Baby Boomers that snowbird during the winter.

RENTS & SQUARE FEET BY TYPE

| Area | Efficiency/Studio | | | One Bedroom | | | Two Bedroom | | | Three Bedroom | | |
|-------------------|-------------------|-----------|-------------|-------------|-----------|-------------|-------------|-----------|-------------|---------------|-----------|-------------|
| | 2012 Rent | 2014 Rent | Square Feet | 2012 Rent | 2014 Rent | Square Feet | 2012 Rent | 2014 Rent | Square Feet | 2012 Rent | 2014 Rent | Square Feet |
| NW Omaha | 563 | 429 | 406 | 631 | 695 | 824 | 779 | 808 | 1160 | 939 | 1103 | 1410 |
| SW Omaha | 541 | 555 | 538 | 688 | 691 | 770 | 851 | 840 | 1164 | 1280 | 1051 | 1480 |
| NE Omaha | 713 | 675 | 545 | 523 | 645 | 692 | 664 | 825 | 1020 | 762 | 750 | 1167 |
| SE Omaha | 616 | 900 | 723 | 737 | 644 | 745 | 952 | 836 | 1024 | 1053 | 1854 | 1770 |
| Sarpy County | 572 | 528 | 439 | 657 | 665 | 757 | 774 | 784 | 992 | 861 | 1001 | 1193 |
| Council Bluffs | 619 | 495 | 598 | 658 | 553 | 722 | 739 | 650 | 978 | 731 | 800 | 1200 |
| Average | 604 | 597 | 542 | 649 | | 752 | 793 | | 1056 | 938 | | 1370 |
| Rent per Sq. Foot | \$1.12 | \$1.10 | | \$0.86 | \$0.84 | | \$0.75 | \$0.74 | | \$0.68 | \$0.72 | |



We project a stability in both occupancy and rental rates as a relatively high numbers of units are scheduled to come online in the coming years. Competition will keep rental rates in check but demand for units will only continue to grow. Time will tell if the demand will outpace production.

According to the Omaha World Herald, Census statistics suggest that “Nearly 16,000 people in 6,200 households in the coming years—the bulk of them in rental properties — are projected to be living within (a one-mile radius of downtown) by 2016.”

Below are some of the projects that are being proposed or are already in progress in downtown. Recent estimates agree that the number of units that will become available is 1400+ from new projects. It should be noted however, that once they are finished, these units can instead be sold as downtown condominiums as well.

| Future Apartment Developments | Units |
|--|--------------|
| Shamrock development in 10th and Capitol | 250 |
| Flat Iron Renovation | 30 |
| Midtown Crossing | 149 |
| 9th and Jones Butternut building | 125 |
| NuStyle-Powerplant Development | 135 |
| 1501 Jackson | 75 |
| Limelight Renovation | 42 |
| Nustyle-The Wire | 300 |
| Bluestone Spaces | 149 |
| Midtown Triangle Apartments | <u>178</u> |
| | 1,433 |

The focus remains on Downtown Omaha as the higher profile projects tend to locate in this submarket. There are several reasons Downtown is the preferred location including availability of TIF, less resistance from residential neighborhoods, and an occupancy in existing complexes at 98%. The addition of 1,433 units in the coming years will likely put some pressure on occupancy numbers and keep projected future rents level as existing complexes are forced to compete with newer “hipper” projects on the horizon.

Omaha.com ([Limelight](#))