

COMPREHENSIVE HOUSING MARKET ANALYSIS

Omaha-Council Bluffs, Nebraska-Iowa

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of May 1, 2023



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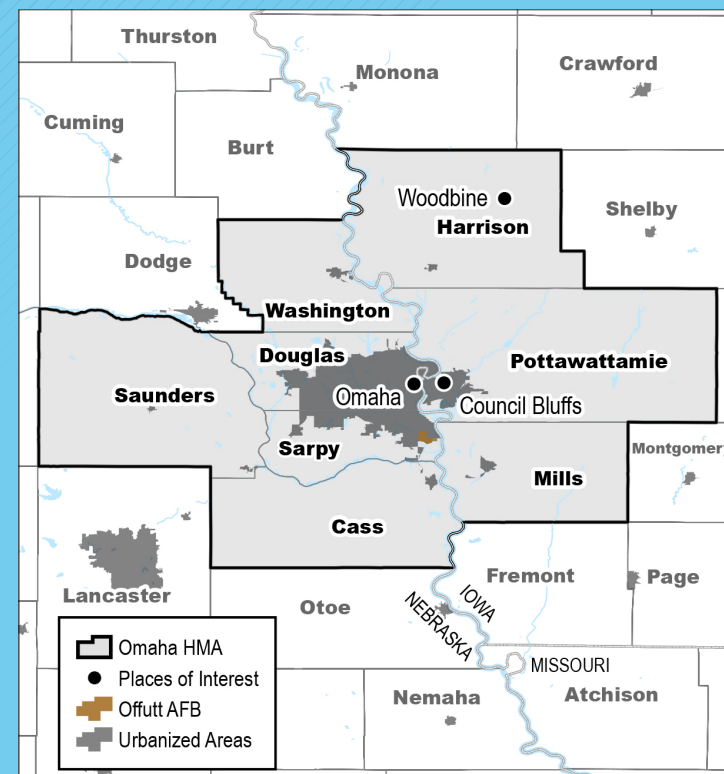


Executive Summary

Housing Market Area Description

The Omaha-Council Bluffs Housing Market Area (hereafter, Omaha HMA), coterminous with the metropolitan statistical area (MSA) of the same name, is bisected by the Missouri River and consists of Cass, Douglas, Sarpy, Saunders, and Washington Counties in Nebraska and Harrison, Mills, and Pottawattamie Counties in Iowa. As the largest MSA in both Nebraska and Iowa, the HMA serves as a regional hub for education and healthcare services, financial services, and tourism.

The current population of the HMA is estimated at 982,800.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Stable: Nonfarm payrolls in the Omaha HMA increased 1.4 percent during the most recent 12 months, reflecting a steady job recovery from the recent pandemic recession.

Economic conditions in the HMA are currently stable. During the 12 months ending April 2023, nonfarm payrolls rose by 7,100 jobs, or 1.4 percent—slowing from the previous 12-month period, when payrolls rose by 12,900 jobs, or 2.7 percent, year over year. Of the 11 payroll sectors, 8 added jobs during the past 12 months. Previously, from 2013 through 2019, payrolls increased at an average annual rate of 1.1 percent. The unemployment rate averaged 2.5 percent during the 12 months ending April 2023, compared with 2.7 percent a year earlier, because employment growth continued to outpace growth in the labor force. During the 3-year forecast period, payrolls are expected to increase at an average annual rate of 1.0 percent.

Sales Market



Slightly Tight but Easing: The inventory of homes available for sale in the Omaha HMA increased during April 2023, rising 7 percent to 1,375 homes compared with a year earlier, but is still below the April 2020 total of 2,025 homes available for sale.

Sales market conditions in the HMA are slightly tight but easing, with an estimated vacancy rate of 1.5 percent, up from tighter conditions in the late 2010s and compared with 1.9 percent in 2010, when conditions were softer. Rising interest rates contributed to slowed home sales, which fell 25 percent year over year during the 12 months ending April 2023 to 19,000, and the average home sales price increased 11 percent to \$287,200 (CoreLogic, Inc., with adjustments by the analyst). By comparison, home sales decreased less than 1 percent and home sales prices increased 13 percent year over year during the 12 months ending April 2022. During the forecast period, demand is expected for 8,250 sales units, and the 1,450 units under construction will satisfy a portion of that demand.

Rental Market



Balanced: The rental vacancy rate is currently estimated at 7.0 percent, down from 10.1 percent in 2010, when the market was soft.

Apartment market conditions are slightly tighter than the overall rental market, with a 5.5-percent vacancy rate during the first quarter of 2023—which rose from 4.4 percent a year ago—and the average rent increased 7 percent year over year to \$1,135 (CoStar Group). This rent growth is in line with the 7-percent increase from the first quarter of 2021 to the first quarter of 2022. Approximately 33 percent of renter households in the HMA lived in single-family homes in 2021, down from 36 percent in 2010 (American Community Survey 1-year data). During the forecast period, demand is estimated for 6,475 rental units; the 4,525 units under construction will meet most of that demand.

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3-Year Housing Demand Forecast			
Omaha-Council Bluffs HMA		Sales Units	Rental Units
	Total Demand	8,250	6,475
	Under Construction	1,450	4,525

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2023. The forecast period is May 1, 2023, to May 1, 2026.
Source: Estimates by the analyst



Economic Conditions

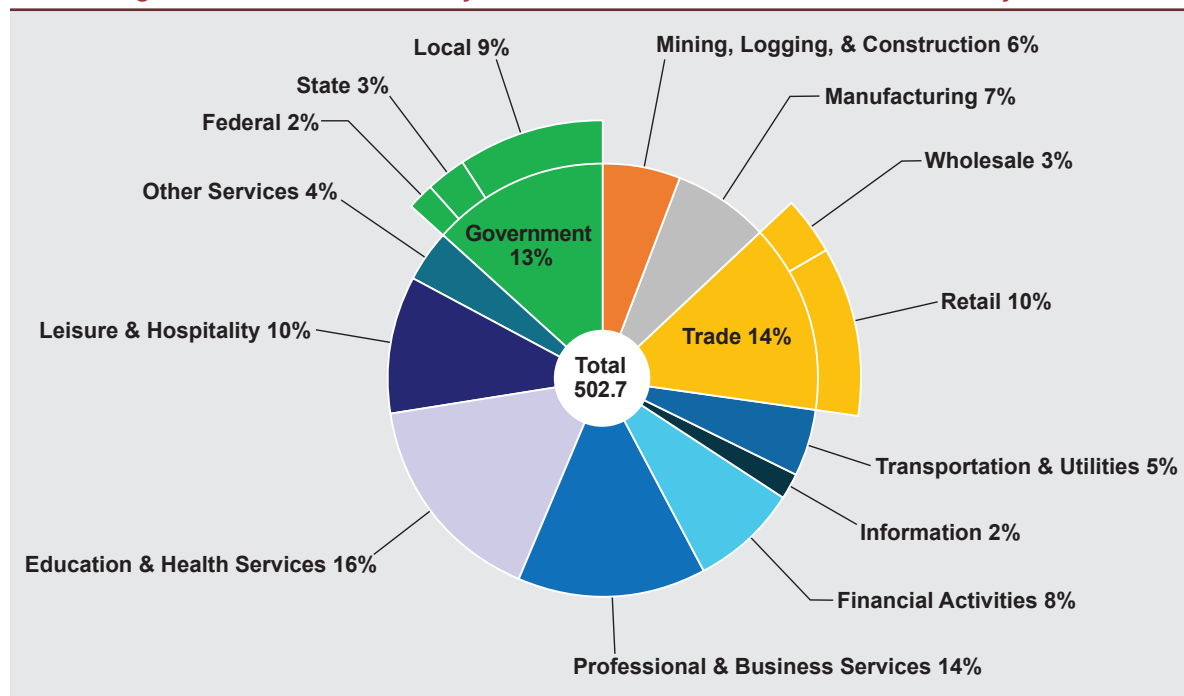
Largest Sector: Education and Health Services

The education and health services sector accounted for approximately 16 percent of all nonfarm payroll jobs in the HMA during the 12 months ending April 2023 and has added 1,200 jobs each year since 2000.

Primary Local Economic Factors

The Omaha HMA is a regional destination for healthcare services, which has contributed to the education and health services sector being the largest sector in the HMA (Figure 1). Three of the four largest employers in the HMA provide healthcare services—CHI Health, Nebraska Medical Center, and Methodist Health System (Table 1). In addition to a strong healthcare industry, the presence of Offutt Air Force Base (AFB) in Sarpy County, Nebraska, provides stability to the HMA economy, employing an estimated 10,475 people. Offutt AFB is home to the U.S. Strategic Command (STRATCOM) headquarters, and in fiscal year (FY) 2021, it had an estimated economic impact of \$2.6 billion on the local economy (Offutt AFB, FY 2021 economic impact study). Due in part to communication networks developed to serve STRATCOM at Offutt AFB, the Omaha HMA has begun to develop as a center for information technology and telecommunications firms.

Figure 1. Share of Nonfarm Payroll Jobs in the Omaha-Council Bluffs HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through April 2023.
Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Omaha-Council Bluffs HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Offutt Air Force Base	Government	10,475
CHI Health	Education & Health Services	5,000+
Nebraska Medical Center	Education & Health Services	5,000+
Methodist Health System	Education & Health Services	5,000+
Fiserv, Inc.	Financial Activities	2,500–4,999
Mutual of Omaha Insurance Company	Financial Activities	2,500–4,999
Union Pacific Corporation	Transportation & Utilities	2,500–4,999
First National Bank of Omaha	Financial Activities	2,500–4,999
TD Ameritrade Holding Corporation	Financial Activities	1,000–2,499
PayPal Holdings, Inc.	Financial Activities	1,000–2,499

Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data.
Source: Greater Omaha Chamber

The HMA is nationally known as a financial center, in part because of the presence of several large companies in the financial activities sector, including Berkshire Hathaway Inc., Mutual of Omaha Insurance Company (both headquartered in the HMA), Aflac Incorporated, and Pacific Life Insurance Company. In the past two decades, financial technology (fintech), which leverages technology to improve and automate the delivery and use of financial services, has also increased in the area. Companies such as PayPal Holdings, Inc., Fiserv, Inc., and TD Ameritrade Holding Corporation have all established significant presences in the HMA.

Another important industry in the HMA is tourism. In 2021, the city of Omaha accommodated 12.7 million visitors, who spent almost \$1.3 billion (Tourism Economics, An Oxford Economics Company). The city of Omaha has hosted the annual NCAA (National Collegiate Athletic Association) College World Series (CWS) since 1950. In 2021, the 2-week event had an estimated economic impact of \$88.3 million, which rose from \$63.7 million in 2014. The CWS is estimated to attract more than 360,000 visitors annually, creating more than 1,100 full-time jobs (Creighton University).

Current Conditions— Nonfarm Payrolls

During the 12 months ending April 2023, nonfarm payrolls in the Omaha HMA totaled 502,700, an

increase of 7,100 jobs, or 1.4 percent, from the previous 12-month period, including gains in 9 of 11 nonfarm payroll sectors (Table 2). In percentage terms, the fastest rate of job growth was in the mining, logging, and construction sector, which added 1,700 jobs, or 5.6 percent, during the 12 months ending April 2023 compared with growth of 600 jobs, or 2.0 percent, during the previous 12 months. This increase is largely attributed to growth in commercial construction, including construction of healthcare facilities. After the mining, logging, and construction sector, the sectors with the greatest increases included the other services, the leisure and hospitality, and the education and health services sectors, which added 800, 1,900, and 1,900 jobs, or 4.4, 3.8, and 2.4 percent, respectively. The financial activities and the information sectors were the only two sectors to lose jobs during the most recent 12 months. The financial activities sector fell 3.7 percent, or by 1,600 jobs, and the information sector fell 3.8 percent, or by 400 jobs. Losses in the financial activities sector occurred largely due to inflation and rising interest rates, which resulted in declining activity in the mortgage and corporate lending subsectors.

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Omaha-Council Bluffs HMA, by Sector

	12 Months Ending April 2022	12 Months Ending April 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	495.6	502.7	7.1	1.4
Goods-Producing Sectors	64.6	67.0	2.4	3.7
Mining, Logging, & Construction	30.4	32.1	1.7	5.6
Manufacturing	34.1	34.9	0.8	2.3
Service-Providing Sectors	431.0	435.7	4.7	1.1
Wholesale & Retail Trade	68.0	68.2	0.2	0.3
Transportation & Utilities	25.0	25.0	0.0	0.0
Information	10.6	10.2	-0.4	-3.8
Financial Activities	43.5	41.9	-1.6	-3.7
Professional & Business Services	70.9	72.3	1.4	2.0
Education & Health Services	79.8	81.7	1.9	2.4
Leisure & Hospitality	49.4	51.3	1.9	3.8
Other Services	18.1	18.9	0.8	4.4
Government	65.8	66.3	0.5	0.8

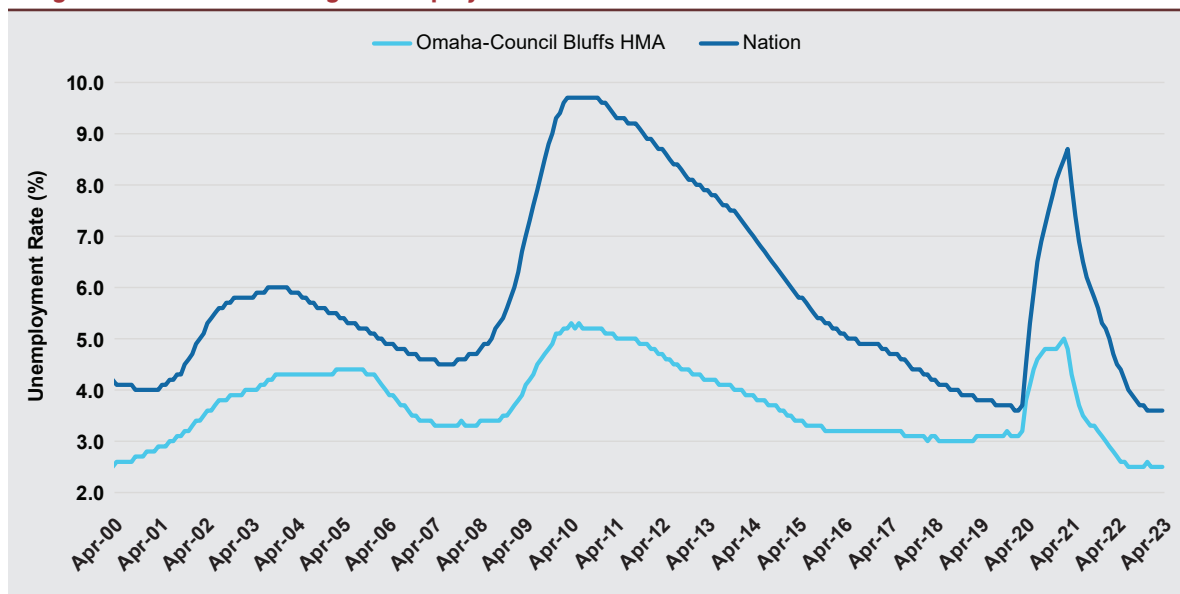
Notes: Based on 12-month averages through April 2022 and April 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics



Current Conditions— Unemployment

Before the impact of the COVID-19 pandemic, the unemployment rate in the Omaha HMA generally declined each year of the 2010s, from a high of 5.2 percent in 2010 to a low of 3.0 percent in 2018 (Figure 2). As the impact of the pandemic deepened, the unemployment rate in the HMA rose to 3.8 percent during the 12 months ending April 2020 and again to 4.3 percent during the 12 months ending April 2021. The unemployment rate declined to 2.7 percent, however, during the 12 months ending April 2022. By comparison, the unemployment rate in the nation declined from 8.0 percent during the 12 months ending April 2021 to 4.5 percent during the 12 months ending April 2022. During the 12 months ending April 2023, the national unemployment rate was 3.6 percent, and the unemployment rate in the HMA was 2.5 percent.

Figure 2. 12-Month Average Unemployment Rate in the Omaha-Council Bluffs HMA and the Nation



Note: Based on the 12-month moving average.

Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

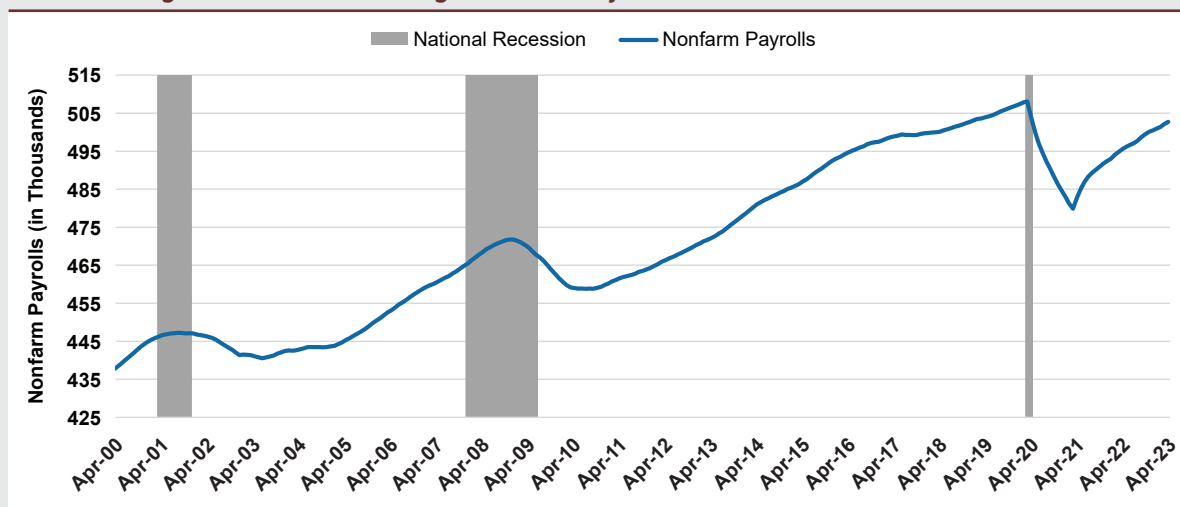
2004 Through 2007

Nonfarm payrolls in the HMA increased each year from 2004 through 2007 (Figure 3). During the 4-year period, payrolls increased by an average of 5,800 jobs, or 1.3 percent, annually. Gains during this period were largest in the transportation and utilities, the leisure and hospitality, and the education and health services sectors, which increased annually by averages of 1,100, 1,300, and 1,700 jobs, or 3.8, 3.2, and 2.7 percent, respectively. A number of companies based in the city of Omaha, such as the Gallup Organization and TD Ameritrade, Inc., expanded their corporate headquarters during this period. Overall, losses in the information and the wholesale and retail trade sectors—which averaged 300 and 600 jobs, or 2.2 and 0.8 percent, a year, respectively—partially offset nonfarm payroll gains in other sectors during this period.

2008 Through 2010

Economic conditions weakened from 2008 through 2010 because of the national recession and housing crisis of the late 2000s. Nonfarm payrolls in the HMA during this period declined by an average of 1,900 jobs, or 0.4 percent, annually. Most of those losses occurred in 2009, when nonfarm payrolls fell by 10,200 jobs, or 2.2 percent. Losses were largest in the mining, logging, and construction and the transportation

Figure 3. 12-Month Average Nonfarm Payrolls in the Omaha-Council Bluffs HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

and utilities sectors, which declined by averages of 1,400 and 1,200 jobs, respectively, or 6.0 and 4.1 percent, annually from 2008 through 2010. The largest gains during this period were in the education and health services and the government sectors, which increased annually by averages of 1,900 and 1,400 jobs, or 2.8 and 2.2 percent, respectively. In 2009, the HMA also benefited from the completion of a \$600 million Google data center complex in the city of Council Bluffs, which created more than 900 jobs.

2011 Through 2019

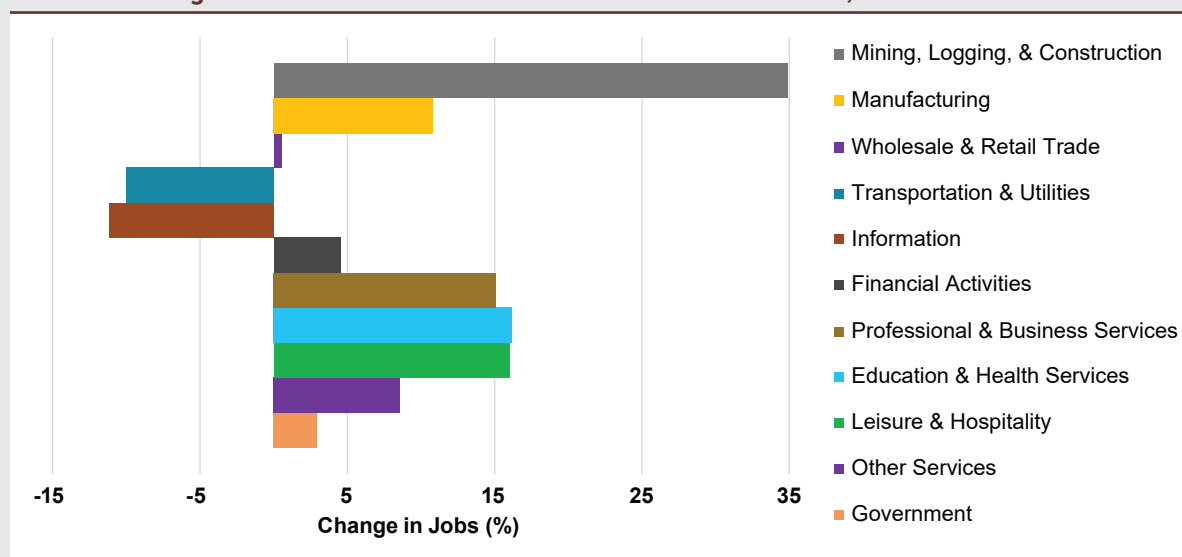
Nonfarm payrolls in the HMA increased from 2011 through 2019, although slower than the national rate. During the 9-year period, nonfarm payrolls increased by an average of 5,200 jobs, or 1.1 percent, annually. By comparison, payrolls nationwide were up an average of 1.6 percent annually during the same period. The largest gains in the HMA were in the mining, logging, and construction, the professional and business services, and the leisure and hospitality sectors (Figure 4), which were up by averages of 1,100, 1,100, and 900 jobs, or 4.3, 1.6, and 1.9 percent, respectively. Several large-scale projects in the HMA had a positive impact on job growth during the period, including a \$200 million city center redevelopment project in the city of La Vista and the \$300 million RiverFront Revitalization project in the city of Omaha, which began in

2019. The information sector was the only sector to lose jobs from 2011 through 2019, down by an average of 100 jobs, or 0.7 percent, annually.

2020 Recession

Nonfarm payrolls in the HMA declined less dramatically than in the nation during the early stages of the COVID-19 pandemic, although the subsequent recovery has been slower. Payrolls in the HMA declined by 22,300 jobs, or 4.4 percent, during 2020 compared with a decline of 5.8 percent in the nation. Losses occurred in every sector in the HMA, with the greatest declines in the leisure and hospitality, the other services, and the transportation and utilities sectors, which declined by 8,500, 1,500, and 1,500 jobs, or 16.3, 8.1, and 5.6 percent, respectively. Nonfarm payrolls remain below the prepandemic level; however, on a monthly basis, payrolls have nearly recovered. During March and April 2020, nonfarm payrolls declined by 47,100 jobs, down from the 502,800 nonfarm jobs in February 2020 (monthly

Figure 4. Sector Growth in the Omaha-Council Bluffs HMA, 2010 to Current



Note: The current date is May 1, 2023.

Source: U.S. Bureau of Labor Statistics

data; not seasonally adjusted) because of the measures implemented to slow the spread of COVID-19. As of April 2023, total nonfarm payrolls in the HMA remained 0.3 percent below the February 2020 level. Nationally, nonfarm payrolls surpassed the prepandemic level in April 2022 and, as of April 2023, are 2.9 percent higher than the February 2020 level.

Commuting Patterns

Approximately 72 percent of primary jobs in the HMA in 2020 were in Douglas County, with 15 percent in Sarpy County, 8 percent in Pottawattamie County, and a combined 5 percent spread among the remaining four counties (U.S. Census Bureau, OnTheMap). Despite the higher concentration of jobs in Douglas County, most working residents in the seven counties that make up the HMA live and work in the same county (Table 3; U.S. Census Bureau, OnTheMap). Sarpy County had the greatest proportion of residents working outside the county where they live, at 66 percent, with the majority commuting to jobs in Douglas County. Douglas County had the greatest proportion of working residents with jobs in the same county where they live, at nearly 63 percent.

Table 3. Jobs by Place of Worker Residence in the Omaha-Council Bluffs HMA

Location of Primary Job	Worker Residence			
	Douglas County (%)	Sarpy County (%)	Remaining Counties in the HMA (%)	Outside the HMA (%)
Douglas County	62.9	16.5	9.2	11.4
Sarpy County	38.9	33.7	8.7	18.7
Remaining Counties in the HMA	18.3	6.6	54.2	20.9

Note: Rows may not add to 100 percent due to rounding.
Source: U.S. Census Bureau, OnTheMap Application, 2020

Forecast

During the 3-year forecast period, nonfarm payroll jobs in the HMA are expected to increase at an average rate of 1.0 percent annually. Job gains are expected to be strongest in the mining, logging, and construction sector—a continuation of recent trends—as commercial, industrial, and residential construction continues to grow. Job growth is also expected in the education and health services sector as healthcare services and medical facilities expand. The 103,000-square-foot Behavioral Health & Wellness Center at the Children's Hospital & Medical Center in Omaha is under construction. The \$89 million project is expected to open in the spring of 2025.

Population and Households

Current Population: 982,800

Population growth in the Omaha HMA has slowed since 2020 because of a significant reduction in the number of people moving into the HMA, due in part to the pandemic recession.

Population Trends

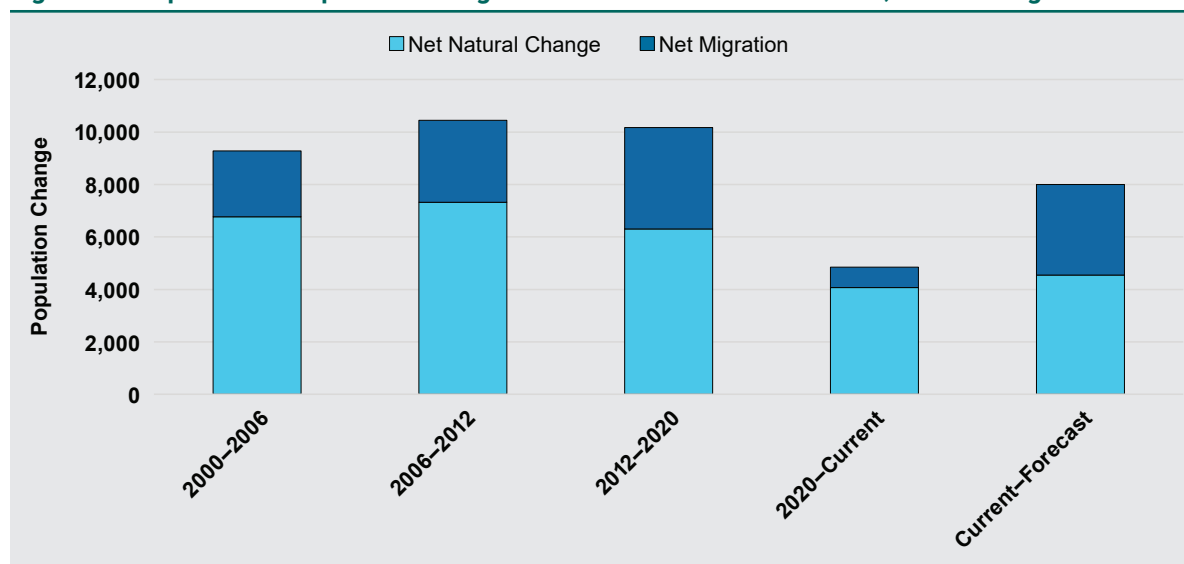
As of May 1, 2023, the population of the Omaha HMA is estimated at 982,800, representing an average annual increase of 8,975, or 1.0 percent, since April 2010 (Table 4). Net natural change accounted for 66 percent of the population growth during the period. By comparison, the population increased by an average of 9,825 people, or 1.2 percent, a year from 2000 to 2010, with 72 percent of the growth from net natural change. From 2000 to 2006, the HMA had relatively strong population growth, averaging 9,275 people, or 1.2 percent, annually, partly because of economic expansion during the period (Figure 5). From 2006 to 2012, a period that included the Great Recession and the subsequent recovery, population growth averaged 10,450 people, or 1.2 percent, and net natural change peaked at 71 percent of total population growth. The population continued to grow at the same rate, increasing 1.2 percent, averaging 10,700 people from 2012 to 2019.

Table 4. Omaha-Council Bluffs HMA Population and Household Quick Facts

Population Quick Facts	2010	Current	Forecast
	Population	865,350	982,800
	Average Annual Change	9,825	8,975
	Percentage Change	1.2	1.0
Household Quick Facts	2010	Current	Forecast
	Households	334,379	387,500
	Average Annual Change	4,000	4,050
	Percentage Change	1.3	1.1

Note: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Omaha-Council Bluffs HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (May 1, 2023) to May 1, 2026. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Although population growth remained stable, net natural change decreased from the previous period, accounting for only 60 percent of the population growth. Similar to national trends, the population of the HMA is aging and birth rates are decreasing. During 2020, COVID-19 had a significant impact on net natural change, and, in addition, migration to the HMA almost completely stopped. As measures have

been lifted and pandemic effects have decreased, modest average growth of 4,850 people, or 0.5 percent, has occurred since 2020. Net natural change has made up 84 percent of the population growth during this time, as net migration decreased due to the continued impact of the COVID-19 pandemic.

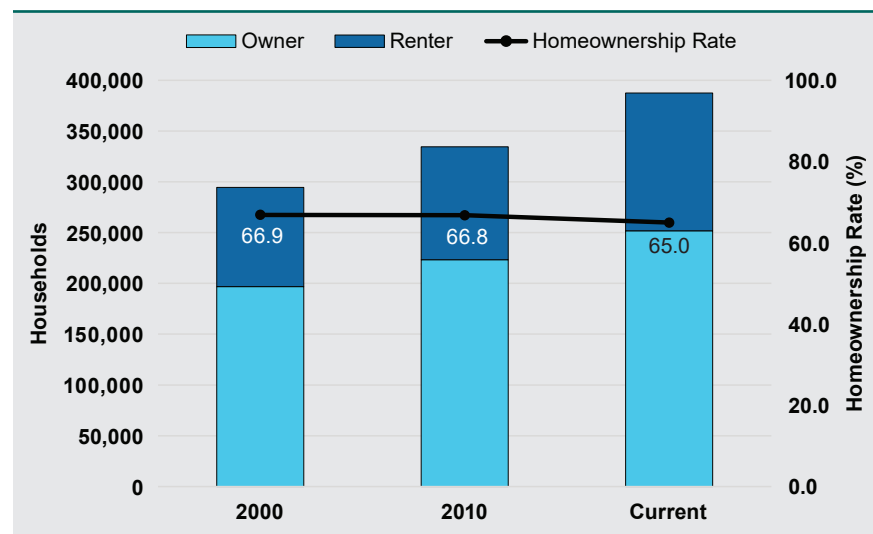
Geographic Trends

Approximately 60 percent of the total population of the HMA lives in Douglas County, which is home to the city of Omaha. From 2010 to 2022, the population of Douglas County grew 14 percent. It is the most populous county in the state of Nebraska and represents more than a quarter of the state's population. Sarpy County accounts for 20 percent of the population of the HMA and has been the fastest growing county in the HMA, increasing 25 percent from 2010 to 2022. Sarpy County is home to Offutt AFB and several suburban cities that expanded notably during the period. Pottawattamie County accounts for 10 percent of the population of the HMA, a figure that has remained virtually unchanged during the 2010-to-2022 period. Cass County accounts for 3 percent of the population of the HMA but has been responsible for 8 percent of the growth from 2010 to 2022. Located between the cities of Omaha and Lincoln, Nebraska (Lancaster County), Cass County serves as a bedroom community for both the HMA and the Lincoln metropolitan area. Each of the remaining counties in the HMA represents approximately 2 percent of the population, respectively. All of the population growth in the HMA since 2010 has occurred west of the Missouri River.

Household Trends

As of May 2023, the number of households in the HMA is estimated at 387,500, an increase of 4,050 households, or 1.1 percent, annually since 2010. By comparison, household growth averaged 4,000, or 1.3 percent, annually from 2000 to 2010. The foreclosure crisis in the early 2010s—which resulted in many households shifting from owning to renting a home—contributed to the decline. Because renters make up more of the household growth since 2010, the homeownership rate is currently estimated at 65.0 percent, down from 66.8 percent in 2010 (Figure 6).

Figure 6. Households by Tenure and Homeownership Rate in the Omaha-Council Bluffs HMA



Note: The current date is May 1, 2023.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Forecast

During the next 3 years, the Omaha HMA population is expected to increase by an average of 8,000, or 0.8 percent, annually to approximately 1.0 million. The population growth rate is forecast to be lower during the forecast period than the 2010-to-current period. Net in-migration is expected to average 3,450 people annually, accounting for 43 percent of population growth during the forecast period. Net natural change is anticipated to slow slightly to an average of approximately 4,550 people annually, partially due to the continued decline in birth rates and the aging population. Household growth is expected to average 3,975, or 1.0 percent, annually, reaching 399,400 households in the HMA by the end of the forecast period.

Home Sales Market

Market Conditions: Slightly Tight but Easing

Home prices continued to increase by double digits in the past 12 months despite a decline in the number of homes sold.

Current Conditions

The sales housing market in the Omaha HMA is slightly tight but easing. As of May 1, 2023, the overall sales vacancy rate is estimated at 1.5 percent (Table 5), down from 1.9 percent in 2010. The sales market has eased during the past year from the tight conditions during the COVID-19 pandemic. During April 2023, the HMA had an inventory of 1,275 existing single-family homes, condominiums, and townhomes for sale, a 1.5-month supply; during April 2022, the HMA had 1,300 homes for sale and a 1.0-month supply (Redfin, a national real estate brokerage). By comparison, 2,500 homes, a 1.8-month supply, were available for sale in April 2019, before the COVID-19 pandemic. The supply of available homes for sale has been limited since the mid-2010s, although market

Table 5. Home Sales Quick Facts in the Omaha-Council Bluffs HMA

Home Sales Quick Facts	Omaha-Council Bluffs HMA		Nation
	Vacancy Rate	1.5%	NA
	Months of Inventory	1.5	1.9
	Total Home Sales	19,000	5,901,000
	1-Year Change	-25%	-24%
	New Home Sales Price	\$449,600	\$495,200
	1-Year Change	14%	23%
	Existing Home Sales Price	\$265,500	\$396,200
	1-Year Change	10%	12%
	Mortgage Delinquency Rate	0.8%	1.1%

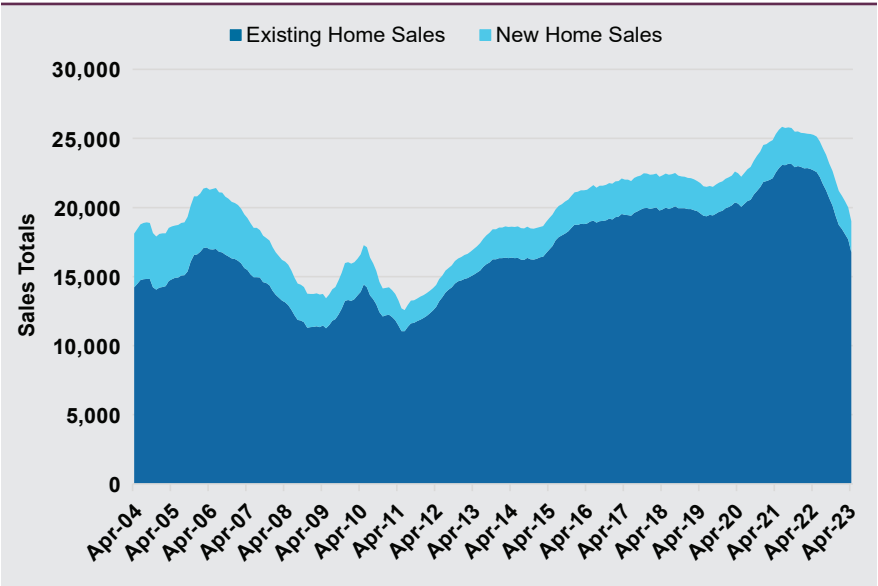
NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending April 2023; and months of inventory and mortgage delinquency data are as of April 2023. The current date is May 1, 2023. Sources: Vacancy rate—estimates by the analyst; months of inventory, home sales and prices, and mortgage delinquency rate—CoreLogic, Inc.

conditions tightened notably beginning in 2019, contributing to home sales price growth in the HMA. The average home sales price has increased at an average annual rate of 11 percent since 2019. This rapid price growth, coupled with rising interest rates, partly explains the 25-percent decline in home sales during the past 12 months, as buying a home has become prohibitively expensive for many households.

Existing Home Sales and Price Trends

Existing home sales in the HMA were elevated from 2005 through 2006 at an average of 16,450 homes sold annually before starting to decline in 2007 to a low of 11,350 homes sold in 2008 (Figure 7; CoreLogic, Inc., with adjustments by the analyst). Although existing home sales remained low for the first half of 2009, sales increased in the latter part of the year, ultimately increasing to 13,300 existing homes sold in 2009. The number of existing homes sold fell

Figure 7. 12-Month Sales Totals by Type in the Omaha-Council Bluffs HMA

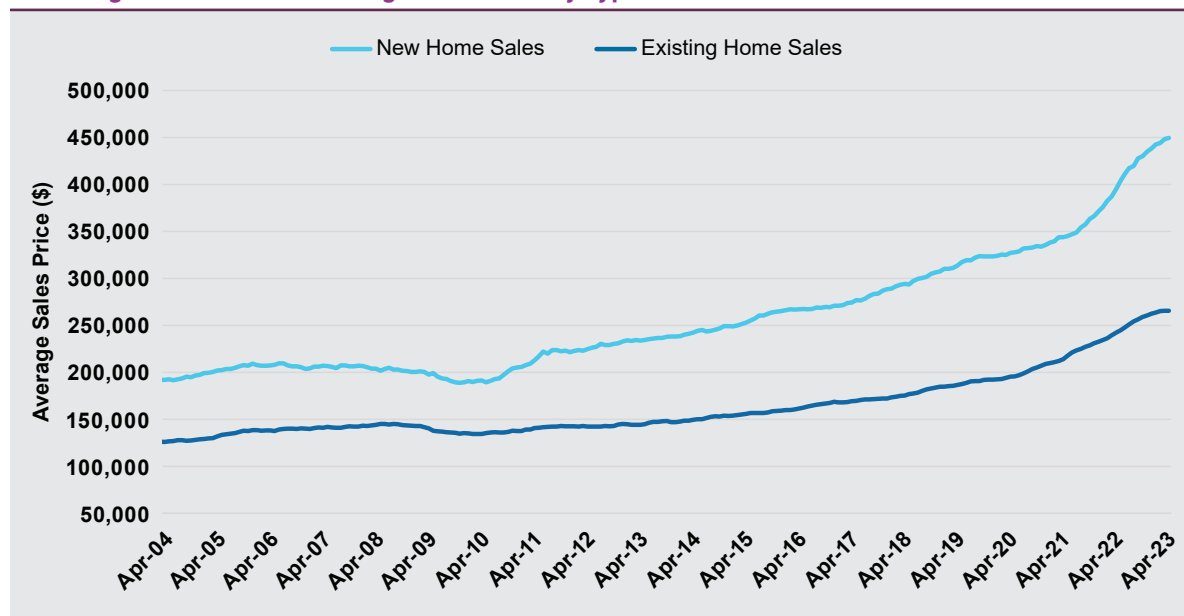


Source: CoreLogic, Inc., with adjustments by the analyst

to 12,200 in 2010. From 2011 through 2015, the economy expanded, and existing home sales rose by an average of 1,300, or 9 percent, annually before slowing to an average increase of 620 sales, or 3 percent, a year from 2016 through 2020. Home sales continued to rise during 2021 and 2022 due largely to historically low mortgage rates. During 2021, existing home sales increased to 22,400, up 7 percent from the 20,900 sales recorded a year earlier. During the 12 months ending April 2022, approximately 22,690 existing homes were sold—more than any year in the past two decades. However, existing home sales fell 26 percent to 16,750 existing home sales during the 12 months ending April 2023 due, in part, to rising interest rates. The year-over-year decline was even more severe during the 3 months ending April 2023; existing home sales declined 35 percent compared to the 3 months ending April 2022.

Existing home prices rose from 2004 through 2005, increasing by an average of \$7,075, or 6 percent, but then declined modestly from 2006 through 2010, decreasing by an average of 0.4 percent, or \$580, each year (Figure 8). Existing home sales price growth averaged 3 percent annually from 2011 through 2015 and then accelerated to an average annual gain of 6 percent from 2016 through 2020. During 2021, existing home prices rose 11 percent to \$232,700. During the past 24 months, existing home prices in the HMA have increased more than in any comparable period in the past two decades.

Figure 8. 12-Month Average Sales Price by Type of Sale in the Omaha-Council Bluffs HMA



Source: CoreLogic, Inc., with adjustments by the analyst

The average sales price of an existing home was \$265,500 during the 12 months ending April 2023, up 10 percent from the 12 months ending April 2022, when existing home prices grew 13 percent. Price growth has slowed in the past 3 months, however. As of the 3 months ending April 2023, the average sales price for existing homes increased 2 percent year over year.

New Home Sales and Price Trends

New home sales have accounted for approximately 12 percent of total home sales in the HMA since 2010 compared with 16 percent from 2000 through 2010. New home sales rose from 2004 through 2006 during a period of economic expansion and elevated net in-migration, increasing by an average of 80 new home sales, or 2 percent, annually. New home sales then declined 16 percent each year from 2007 through 2010 as the economic downturn in the late 2000s limited sales demand in the HMA. From 2011 through 2019, new home sales increased but only modestly, rising 1 percent each year, or by 15 additional homes sold. As economic conditions strengthened and mortgage interest rates remained low, sales increased

by an average of 170, or 8 percent, annually from 2020 through 2021. During the 12 months ending April 2023, 2,250 new homes sold, down 12 percent compared with 2,550 a year ago.

On an annual basis, new home sales prices have risen each year since 2001, except for the 2006-through-2009 period, when sales prices fell an average of 2 percent annually. The average sales price for new homes increased an average of 5 percent a year from 2010 through 2019 before accelerating to an average increase of 7 percent a year from 2020 through 2021. New home prices in the HMA have continued to increase during the most recent 24 months, partially due to increased material costs, labor costs, and developers building more high-end homes. The average new home sales price rose 14 percent during the 12 months ending April 2023 to \$449,600, compared with 15-percent growth during the previous 12-month period.

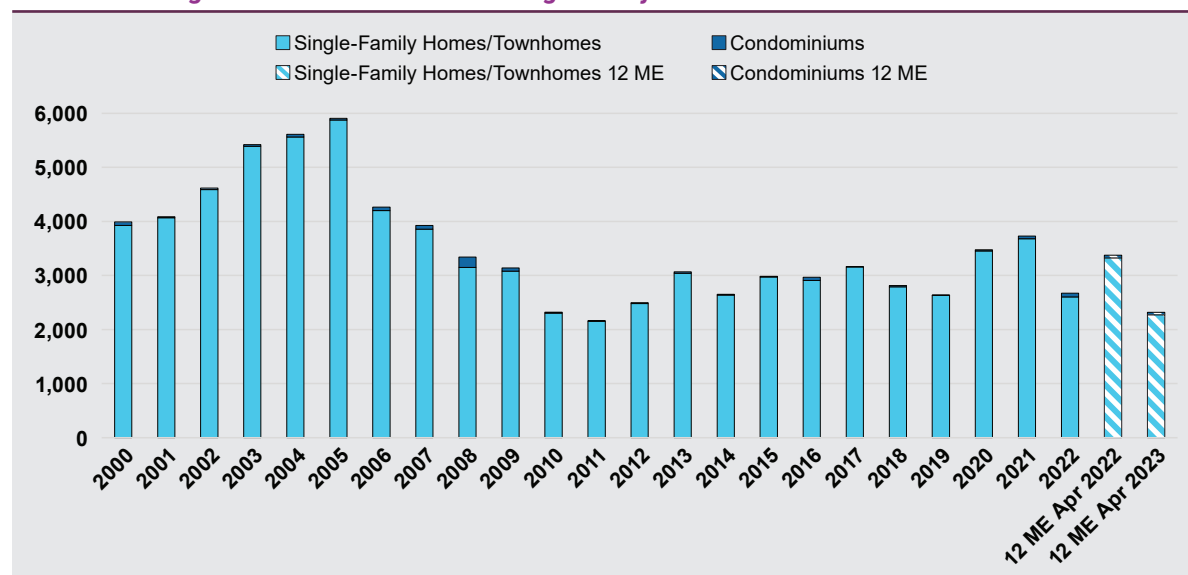
Sales Construction

Homebuilding activity, as measured by the number of single-family homes, townhomes, and condominium units permitted (building permits), has generally trended upward in the HMA since 2011 but is below the historically high levels reached during the housing boom in the mid-2000s. Homebuilding peaked from 2000 through 2005 at an average of 4,925 homes permitted

annually (Figure 9), then declined beginning in 2006 to an annual average of 4,200 homes. From 2007 through 2009, homebuilding continued to decline by an average of 10 percent annually as demand for new homes fell. After reaching a low of 2,225 homes permitted annually during 2010 and 2011, new home construction increased to an average of 2,850 homes permitted annually from 2012 through 2019, supported by improving economic conditions. Homebuilding rose further as housing demand accelerated, and new home prices grew, with an average of 3,600 homes permitted annually during 2020 and 2021. In 2022, homebuilding declined 39 percent to 2,675 homes permitted. During the 12 months ending April 2023, 2,325 homes were permitted, down from 3,375 homes during the previous 12-month period (preliminary data).

Developers have slowed production due to decreasing demand for new homes as buyers struggle to afford the higher mortgage interest rates.

Figure 9. Annual Sales Permitting Activity in the Omaha-Council Bluffs HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Recent Development Activity

In 2023, most home construction occurred in the counties of Douglas and Sarpy, accounting for 62 and 26 percent, respectively, of homebuilding in the HMA. Avenue One, a \$1.2 billion mixed-use project on the west side of Omaha, broke ground in 2019 and will include 2,000 residential units, 800,000 square feet of office space, and 700,000 square feet of retail. Harvest Hills, a mixed-income community in the city of Woodbine, Iowa, is underway, with plans for 150 single-family homes. Forty of the homes will be low-income housing and start at \$175,000 by using funding from the Iowa Economic Development Authority and the Community Development Block Grant program.

Forecast

During the 3-year forecast period, demand is expected for 8,250 new homes, with demand evenly distributed annually across the period (Table 6). Demand is expected to result from improving economic conditions and expected population growth. The 1,450 homes under construction will satisfy most of the demand during the first year of the forecast period.

Table 6. Demand for New Sales Units in the Omaha-Council Bluffs HMA During the Forecast Period

Sales Units	
Demand	8,250 Units
Under Construction	1,450 Units

Note: The forecast period is May 1, 2023, to May 1, 2026.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

Apartment market conditions have moved from tight to balanced since 2021 due to relatively high levels of multifamily construction.

Current Conditions and Recent Trends

The overall rental market in the Omaha HMA—including apartments, single-family homes, and other housing options available for rent—is balanced; the estimated 7.0-percent vacancy rate is down from 10.1 percent in April 2010, when rental conditions were soft (Table 7). Vacancy rates trended downward during much of the 2010s as renter household growth exceeded the production of rental units.

Apartment Market Conditions

The apartment market, which accounts for approximately 58 percent of renter-occupied units in the HMA (2021 ACS 1-year data), is also balanced. The apartment vacancy rate in the HMA increased during the past year but remains slightly below the vacancy rate before the COVID-19 pandemic. During the first quarter of 2023, the average apartment vacancy rate in the HMA was 5.5 percent, up from 4.4 percent during the first quarter of 2022 (CoStar Group; Figure 10). Apartment market conditions were balanced throughout much of the 2010s. The apartment vacancy rate decreased from

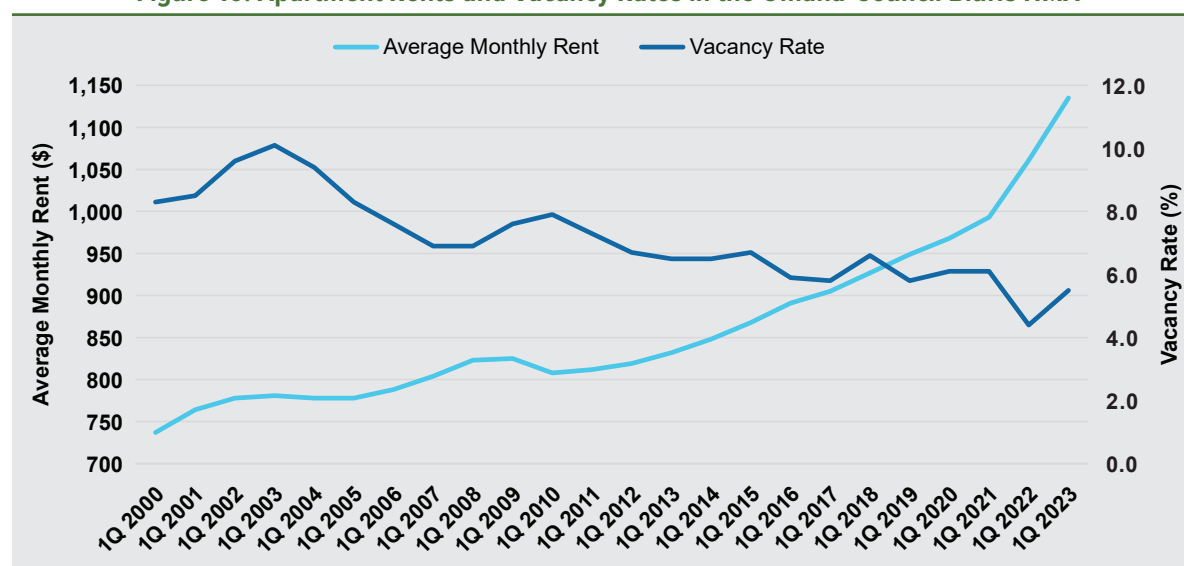
Table 7. Rental Market Quick Facts in the Omaha-Council Bluffs HMA

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	10.1	7.0
		2010 (%)	2021 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	36	33
	Multifamily (2–4 Units)	9	8
	Multifamily (5+ Units)	53	58
	Other (Including Mobile Homes)	1	1

Notes: The current date is May 1, 2023. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2021 American Community Survey 1-year data

Figure 10. Apartment Rents and Vacancy Rates in the Omaha-Council Bluffs HMA



1Q = first quarter.

Source: CoStar Group

7.9 percent in the first quarter of 2010, when the market was soft, to 5.8 percent in the first quarter of 2017. The vacancy rate was 5.8 percent in the first quarter of 2019, before the COVID-19 pandemic, and 6.1 percent during both the first quarter of 2020, when the COVID-19 pandemic began, and the first quarter of 2021. Due, in part, to the recent influx of new and more expensive apartment units, the average asking rent in the HMA was \$1,135 during the first quarter of 2023, up 7 percent on an annual basis from a year

ago. From 2011 through 2021, when apartment construction was lower, rent growth averaged 2 percent annually, to \$993. The average rent rose 7 percent between both the first quarter of 2021 to the first quarter of 2022 and from the first quarter of 2022 to the first quarter of 2023, the two fastest annual rent increases since 2000.

Market Conditions by Geography

Of the eight counties in the HMA, Douglas, Sarpy, and Pottawattamie Counties account for almost 98 percent of all apartment units. Douglas County accounts for 72 percent of apartment units in the HMA, Sarpy County accounts for 20 percent of all apartment units, and Pottawattamie County accounts for 6 percent of apartment units. During the first quarter of 2023, average apartment vacancy rates were 5.2 percent in both Douglas County and Pottawattamie County and 5.7 percent in Sarpy County (CoStar Group). By comparison, apartment vacancy rates ranged from 3.1 percent to 4.8 percent in the remaining counties, where recent apartment construction has been limited. Average asking rents are also generally higher in Douglas, Sarpy, and Pottawattamie Counties than in the smaller, more rural counties. During the first quarter of 2023, average apartment rents were \$1,145, \$1,192, and \$974 in Douglas County, Sarpy County, and Pottawattamie County, respectively. Sarpy County had the highest rent growth rate from the previous year, rising 9 percent from the first quarter of 2022. In the CoStar Group-defined Bellevue market area, which is in Sarpy County and home to Offutt AFB, the average vacancy rate

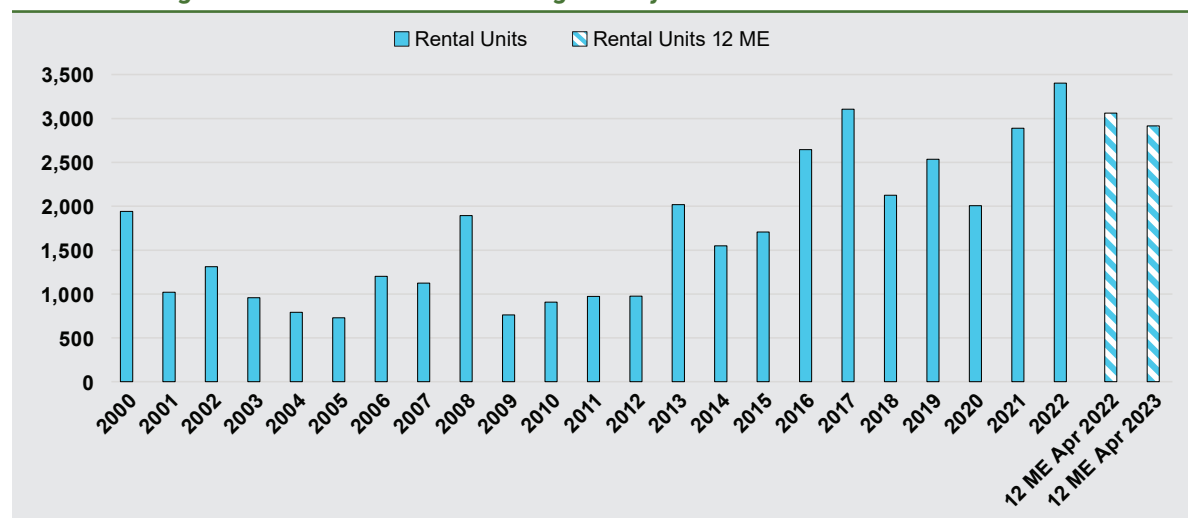
of 4.3 percent was 1.2 percentage points lower than in the overall county. The average apartment rent in the first quarter of 2023 for the Bellevue market area rose more than 11 percent from the previous year.

During the first quarter of 2023, the average apartment vacancy rates were lowest in the outlying Mills and Harrison Counties in Iowa, at 3.1 and 3.9 percent, respectively. Along with Saunders County in Nebraska, these counties had the lowest inventory of any county in the HMA due, in part, to scarce multifamily development during the past two decades. The apartment vacancy rate for Saunders County was 3.1 percent in the first quarter of 2023. Mills, Harrison, and Saunders Counties also had the lowest average asking apartment rents in the HMA, at \$507, \$778, and \$739, respectively, during the first quarter of 2023. Rent growth since the first quarter of 2022 ranged from 2 percent in Mills County to 3 percent in Saunders County. Average apartment vacancy rates were also low in Cass County and Washington County in Nebraska, at 4.5 and 4.8 percent, respectively, in the first quarter of 2023. Average asking rents in Cass and Washington Counties were \$798 and \$701, up 3 and 4 percent, respectively, compared with the first quarter of 2022.

Rental Construction

In response to the trend of relatively low apartment market vacancy rates, rental construction activity in the HMA, as measured by the number of rental units permitted, has been generally higher since the mid-2010s than during the 2000s and early 2010s (Figure 11). From 2000 through 2008, an average of 1,225 units

Figure 11. Annual Rental Permitting Activity in the Omaha-Council Bluffs HMA



12 ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

were permitted annually before declining to an average of 900 units a year from 2009 through 2012, a period when builders scaled back construction in response to weak economic conditions. As economic conditions strengthened and demand for rental units grew, rental construction rose, averaging 2,200 units a year from 2013 through 2018. An increase in net in-migration and a tightening apartment market in the mid- and late 2010s contributed to a rise in construction, averaging 2,475 units annually from 2019 through 2021. During the 12 months ending April 2023, 2,925 rental units were permitted, a 5-percent decline from the 3,050 units permitted during the previous 12-month period (preliminary data, with adjustments by the analyst).

Recent Development Activity

In 2023, most rental construction in the HMA occurred in the counties of Douglas and Cass, accounting for 86 and 9 percent, respectively. Ovation Heartwood Preserve, an independent living facility, is under construction in the neighborhood of West Omaha. The complex will include two buildings and 450 high-end, independent-living units with asking rents starting at

\$4,160 a month. The Trails at North Streams is also under construction in the Millard neighborhood in Douglas County. The complex will include 300 units and is expected to be complete by October 2023.

Forecast

During the 3-year forecast period, demand is estimated for 6,475 rental units in the HMA (Table 8). Demand is expected to be evenly distributed among all years of the forecast period, although the large pipeline of approximately 4,525 units under construction will meet almost all demand during the first and second years.

Table 8. Demand for New Rental Units in the Omaha-Council Bluffs HMA During the Forecast Period

Rental Units	
Demand	6,475 Units
Under Construction	4,525 Units

Note: The forecast period is May 1, 2023, to May 1, 2026.
Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Includes resale sales, short sales, and real estate owned sales.
Forecast Period	May 1, 2023–May 1, 2026—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Rental Market	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau's 2020 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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