

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Grand Island, NE

Core-Based Statistical Area Code:

24260

The Grand Island, NE commercial real estate market is stronger compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

52.4

Overall economic conditions are stronger than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is about the same than nationally.

I. Economic and Demographic

Economic	Grand Island, NE			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	41	42	41	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	0	1	(0)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	0.2%	1.5%	-0.7%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.1%	2.3%	3.0%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$822	\$846	\$755	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	8.8%	8.0%	2.3%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.6%	0.9%	-0.3%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.9)	(0.6)	(0.6)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	77	76	76	331,501	328,330	326,838	
Population growth (%)	1.57%	-0.05%	0.22%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Grand Island, NE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.0%	1.9%	2.0%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	(2)	(8)	12	58,097	61,951	187,113	
Absorption of units in past 12 months	(1)	13	14	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	-0.1%	0.7%	0.8%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$847	\$837	\$813	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	4.2%	3.9%	3.9%	11.4%	11.3%	2.4%	
Effective rent per unit	\$845	\$835	\$811	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	4.2%	4.1%	4.7%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	11.8%	11.4%	12.4%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	1,779	1,781	1,779	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	-	-	-	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	-	-	-	\$220,078	\$227,367	\$157,876	
Market cap rate	7.5%	7.4%	7.4%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Grand Island, NE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	0.9%	0.9%	2.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(409)	12,119	1,914	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	19,311	21,634	13,671	5,610,472	(41,726,112)	(119,807,672)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	1.9%	2.2%	1.4%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$16.9	\$16.8	\$16.5	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.0%	1.7%	0.4%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	-	-	-	1,153	1,161	(283)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	999,508	999,917	980,197	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	6,309	6,309	-	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.6%	0.6%	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	6,309	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	0.6%	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$1	\$0	\$1	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$46	\$0	\$28	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.9%	8.9%	9.0%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Grand Island, NE

Core-Based Statistical Area Code:

24260

IV. Industrial

	Grand Island, NE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	0.2%	1.2%	7.9%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	26,367	152,191	(41,600)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	203,888	135,921	24,948	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	7.7%	5.2%	1.0%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$5.1	\$4.9	\$4.7	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	6.9%	5.4%	3.1%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	2,657,421	2,631,054	2,453,533	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$2	\$0	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	-	\$50	\$35	\$140	\$136	\$105	
Market cap rate	8.2%	8.2%	8.2%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Grand Island, NE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	1.3%	1.3%	4.7%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	1,507	19,791	(21,034)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	174,309	151,768	7,557	94,035,968	73,627,144	(22,757,808)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	3.4%	3.0%	0.2%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$10.9	\$10.8	\$10.6	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.2%	2.3%	0.9%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	570.90	382.90	(187.70)	
Supply indicators							
Inventory in sq. ft.	5,078,228	5,076,721	4,903,919	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-	-	-	19,624,738	21,905,704	37,703,262	
Net delivered units, as % of inventory	-	-	-	0.2%	0.2%	0.3%	
Under construction in sq.ft.	-	-	-	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$12	\$4	\$22,755	\$33,245	\$12,773	
Transaction sale price per sq.ft.	-	\$350	\$92	\$219	\$226	\$182	
Market cap rate	9.8%	9.8%	9.7%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)
Leisure and hospitality payroll workers ('000)	-	-	-	14,939	14,804	12,876
Y/Y change ('000)	-	-	-	2,063.0	2,337.0	(2,869.0)
% share to nonfarm payroll employment	-	-	-	10.0%	9.8%	9.0%

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Lincoln, NE

Core-Based Statistical Area Code: 30700

The Lincoln, NE commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 44.0

Overall economic conditions are stronger than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Lincoln, NE			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	189	188	185	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	4	2	(8)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	1.9%	1.0%	-3.9%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	1.9%	2.1%	2.9%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$842	\$818	\$809	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	4.1%	-1.0%	0.2%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.2%	1.4%	2.4%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.2	0.0	0.3	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	341	336	334	331,501	328,330	326,838	
Population growth (%)	1.43%	0.62%	0.77%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Lincoln, NE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.1%	3.3%	4.3%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	54	11	210	58,097	61,951	187,113	
Absorption of units in past 12 months	506	662	755	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.8%	2.3%	2.7%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$985	\$967	\$915	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.7%	7.5%	3.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$982	\$964	\$909	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.9%	8.1%	3.5%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.4%	13.6%	12.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	28,882	28,829	28,380	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	153	213	755	387,022	391,271	417,342	
Net delivered units, as % of inventory	0.5%	0.7%	2.7%	2.2%	2.3%	2.5%	
Units under construction	721	721	624	774,864	744,997	732,144	
Units under construction, as % of inventory	2.5%	2.5%	2.2%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	23.5	8.9	(9.9)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$37	\$120	\$8	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$121,711	\$111,207	\$42,200	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	6.8%	6.7%	6.7%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Lincoln, NE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.9%	7.1%	7.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(25,419)	(4,243)	13,824	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	137,236	176,479	(425,860)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.8%	1.0%	-2.5%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$18.9	\$18.9	\$18.7	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	0.8%	0.6%	-0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	0.4	(1.0)	(1.2)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	16,943,994	16,969,412	16,806,758	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	76,995	82,383	(71,841)	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.5%	0.5%	-0.4%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	102,100	72,100	172,415	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.6%	0.4%	1.0%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$3	\$33	\$4	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$54	\$43	\$132	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.6%	8.6%	8.6%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Lincoln, NE

Core-Based Statistical Area Code:

30700

IV. Industrial

	Lincoln, NE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.3%	2.1%	2.4%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	5,048	137,971	(32,575)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	162,322	124,699	52,218	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	0.5%	0.4%	0.2%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.3	\$6.2	\$5.9	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.1%	5.7%	3.2%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	30,323,420	30,318,372	30,161,098	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	110,772	62,222	36,622	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.4%	0.2%	0.1%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	104,500	153,050	150,222	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.3%	0.5%	0.5%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$18	\$2	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$57	\$70	\$47	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	8.8%	8.7%	8.6%	6.3%	6.3%	6.3%	Cap rates are higher than nationally
V. Retail							
Demand indicators							
Vacancy rate	3.3%	3.5%	4.2%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	69,098	93,745	(4,615)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	343,977	270,264	7,213	94,035,968	73,627,144	(22,757,808)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	1.6%	1.3%	0.0%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$13.5	\$13.4	\$13.2	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.3%	1.9%	0.3%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.40	0.00	0.00	570.90	382.90	(187.70)	
Supply indicators							
Inventory in sq. ft.	21,252,880	21,183,782	20,908,904	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	136,468	158,863	123,746	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.6%	0.7%	0.6%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	25,980	31,905	114,714	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.1%	0.2%	0.5%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$41	\$24	\$13	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$117	\$155	\$144	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.6%	7.6%	7.6%	6.8%	6.8%	6.8%	Cap rates are higher than nationally
VI. Hotel/Lodging							
2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)		
Leisure and hospitality payroll workers ('000)	17.6	17.2	15.8	14,939	14,804	12,876	
Y/Y change ('000)	1.8	2.7	(2.7)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	9.3%	9.2%	8.5%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

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(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Omaha-Council Bluffs, NE-IA

Core-Based Statistical Area Code: 36540

The Omaha-Council Bluffs, NE-IA commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 40.0

Overall economic conditions are not as strong than nationally.
The apartment property market is not as strong than nationally.
The office property market is stronger than nationally.
The industrial property market is about the same than nationally.
The retail property market is not as strong than nationally.
The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Omaha-Council Bluffs, NE-IA			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	496	497	485	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	10	4	(16)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.1%	0.8%	-3.2%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.4%	2.6%	3.3%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,050	\$1,049	\$1,015	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	3.4%	3.1%	0.9%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.4%	1.7%	2.1%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.5)	0.7	1.3	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	968	949	941	331,501	328,330	326,838	
Population growth (%)	2.08%	0.79%	0.93%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Omaha-Council Bluffs, NE-IA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.6%	5.2%	6.2%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	495	212	836	58,097	61,951	187,113	
Absorption of units in past 12 months	2,216	2,557	2,066	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	3.0%	3.5%	2.9%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,026	\$1,001	\$956	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.3%	6.4%	2.6%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,021	\$996	\$949	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.6%	6.9%	2.7%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	11.2%	10.9%	10.8%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	72,731	72,244	70,530	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	1,115	1,274	2,001	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.5%	1.8%	2.8%	2.2%	2.3%	2.5%	
Units under construction	2,201	2,260	2,263	774,864	744,997	732,144	
Units under construction, as % of inventory	3.0%	3.1%	3.2%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	9.1	3.1	(8.0)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$107	\$69	\$8	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$68,300	\$100,708	\$70,941	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.2%	6.1%	6.2%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Omaha-Council Bluffs, NE-IA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	9.0%	8.6%	8.7%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(163,090)	371,185	(46,316)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	454,035	570,809	(261,019)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.1%	1.3%	-0.6%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$23.5	\$23.4	\$23.1	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.4%	1.2%	0.5%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	1.9	(1.6)	(3.9)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	42,980,120	43,143,208	42,522,560	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	632,830	975,480	1,050,607	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	1.5%	2.3%	2.5%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	444,098	444,098	959,058	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	1.0%	1.0%	2.3%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$63	\$130	\$10	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$130	\$147	\$132	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.0%	9.0%	9.1%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Omaha-Council Bluffs, NE-IA

Core-Based Statistical Area Code: 36540

IV. Industrial

	Omaha-Council Bluffs, NE-IA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.6%	3.3%	3.2%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	517,523	2,212,070	372,654	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	3,606,109	3,461,240	1,521,005	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	3.8%	3.6%	1.6%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$6.9	\$6.7	\$6.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.1%	5.6%	3.1%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	95,860,392	95,342,872	92,254,288	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	4,144,845	3,565,525	795,044	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	4.3%	3.7%	0.9%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	4,299,116	5,059,512	6,213,127	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	4.5%	5.3%	6.7%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$103	\$92	\$46	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$142	\$77	\$58	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	7.4%	7.6%	7.5%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Omaha-Council Bluffs, NE-IA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	5.7%	6.1%	6.4%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	299,354	91,413	107,931	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	641,890	450,467	(663,174)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.1%	0.7%	-1.1%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$14.8	\$14.6	\$14.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.3%	1.2%	1.2%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	2.20	(0.30)	(0.20)	570.90	382.90	(187.70)	The area has weaker retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	60,652,004	60,331,052	59,988,516	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	231,436	207,301	-543,224	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.4%	0.3%	-0.9%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	300,564	331,568	389,281	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	Construction activity is more robust than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$79	\$145	\$53	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$150	\$123	\$54	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.7%	7.7%	7.7%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	47.2	48.1	44.2	14,939	14,804	12,876	
Y/Y change ('000)	3.0	5.1	(5.3)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	9.5%	9.7%	9.1%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

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