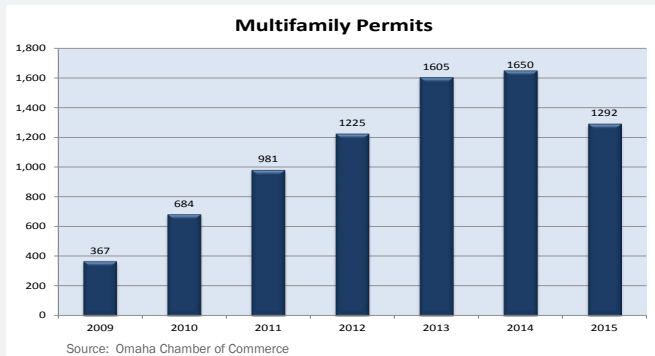
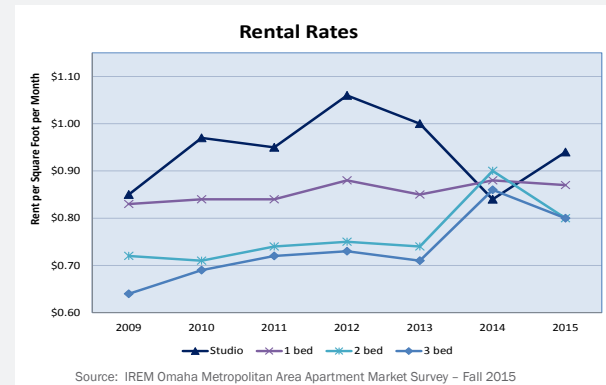


NATIONAL MARKET: National Headlines show there is an abundance of new construction coming online. Appearances indicate demand remains robust especially among the millennials. However, not all millennials are able to afford the newer urban product and are being pushed out to the suburbs or take smaller units that are less than 500 square feet. National researchers believe the U.S. apartment market is at a peak, moving into hyper-supply which is indicative of new construction coming online and increased vacancy. Rent growth will be slowing.

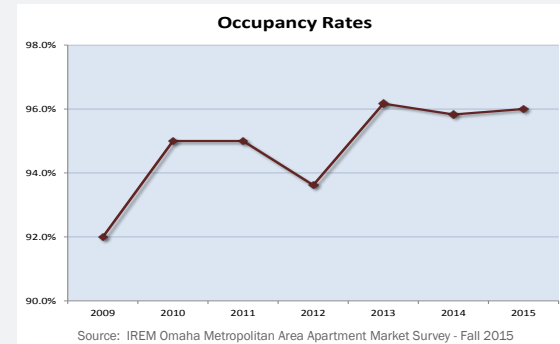


OMAHA MARKET: According to the Omaha Chamber of Commerce, we saw a pullback in permit numbers in 2015. The headlines indicate and the casual observer would observe an abundance of apartment construction in Omaha. Currently, there are 23 projects under construction with the bulk of them in the downtown/midtown area yet there were only 1,292 permits, which is less than 2013 and 2014.



OCCUPANCY AND RENTS:

While the IREM report shows rents decreasing, the data is suspect given their smaller sampling size of the fall study. Typically, IREM surveys about 20% of the market, but the recent sample size was only 9%. In conversation with developers and owners, there may be a little softness in different sectors of the market, but overall, occupancy remains strong with solid rent growth over the past 12-24 months.



SALES!!! From 2012-2014 multifamily sale volume ranged between \$100,000,000 and \$110,000,000 in the Omaha Metro. In 2015, total market sale volume was \$180,000,000. With high occupancy, increased rents and low cap rates which have been aided by low interest rates, the environment for transactions remain favorable.



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Omaha Metro Area July - December 2015 Sales

Complex	Address	Price	Sale Date	Year Built	Units	Per Unit Price
3110 Willit Street	3110 Willit Street	\$1,053,300	7/8/15	1966	36	\$29,258
5091 Marshall Drive	5091 Marshall Drive	\$830,000	8/7/15	1964	30	\$27,667
Cedarwood	1875 S 75th Street	\$6,332,463	8/31/15	1963	150	\$42,216
Pinetree	10351 Hamilton Plaza	\$14,000,000	9/17/15	1998	198	\$70,707
Dundee Towers	110 S 49th Street	\$2,250,000	9/10/15	1952	64	\$35,156
5240 Ames Avenue	5240 Ames Avenue	\$272,000	10/2/15	1963	17	\$16,000
South Hills	904-912 Kasper Street	\$4,100,000	10/14/15	1995	72	\$56,944
711-715 Broadway	711-715 Broadway, Council Bluff	\$635,000	10/15/15	1961	13	\$48,846
Annex	7110 Jones Circle	\$3,650,000	10/1/15	1990	80	\$45,625
640 & 802 N 46th Street	640 & 802 N 46th Street	\$1,000,000	10/29/15	1968	30	\$33,333
4131 S 25th Street	4131 S 25th Street	\$650,000	10/27/15	1967	20	\$32,500
Featherstone	901 N 35th Street, Council Bluffs	\$6,686,016	10/28/15	1971	147	\$45,483
1501 Jackson	1501 Jackson Street	\$14,000,000	11/12/15	2014	72	\$194,444
Bluffs at Cherry Hills Townhomes	6510 N 107th Plaza	\$13,600,000	11/12/15	1998	194	\$70,103
4611 N 56th Street	4611 N 56th Street	\$630,000	11/18/15	1969	19	\$33,158
Bristol	1029 Park Avenue	\$1,500,000	11/25/15	1922	64	\$23,438
Corby Heights	7301 Corby Heights	\$1,025,000	11/6/15	1969	36	\$28,472
Aspen Ridge	4225 S 25th Street	\$1,985,000	11/13/15	1993	42	\$47,262
Riviera	1805 Lloyd Street	\$1,615,000	12/11/15	1969	48	\$33,646
Middletowne	3560 Howard Street	\$2,115,000	12/16/15	1964	47	\$45,000
Cordes	504, 602, 604 Cordes	\$1,380,000	12/16/15	1969	24	\$57,500
3811 S 25th Street	3811 S 25th Street	\$464,900	12/18/15	1900	14	\$33,207
Total 2nd Half 2014		\$79,773,679			1,417	\$56,298



Dundee Towers



Pinetree



1501 Jackson



Cordes



Bristol