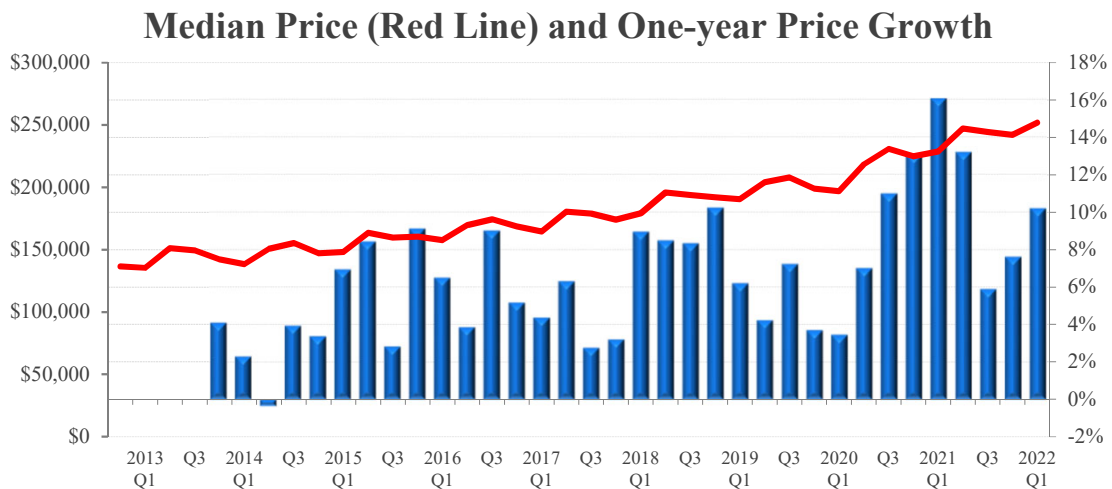


# Omaha-Council Bluffs Area

## Local Market Report, First Quarter 2022

reflecting the impact of COVID-19 on the local economy

### Today's Market...



Local Price Trends			
Price Activity	Omaha	U.S.	Local Trend
Current Median Home Price (2022 Q1)	\$251,900	\$365,767	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2022 Q1)	10.2%	15.2%	
3-year (12-quarter) Appreciation (2022 Q1)	32.3%	44.5%	
3-year (12-quarter) Housing Equity Gain*	\$61,500	\$112,700	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$103,800	\$162,367	
9-year (36 quarters) Housing Equity Gain*	\$116,500	\$189,833	

\*Note: Equity gain reflects price appreciation only

	Omaha	U.S.	
<b>Conforming Loan Limit**</b>	\$647,200	\$765,600	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$420,680	\$765,600	
<b>Local Median to Conforming Limit Ratio</b>	39%	not comparable	

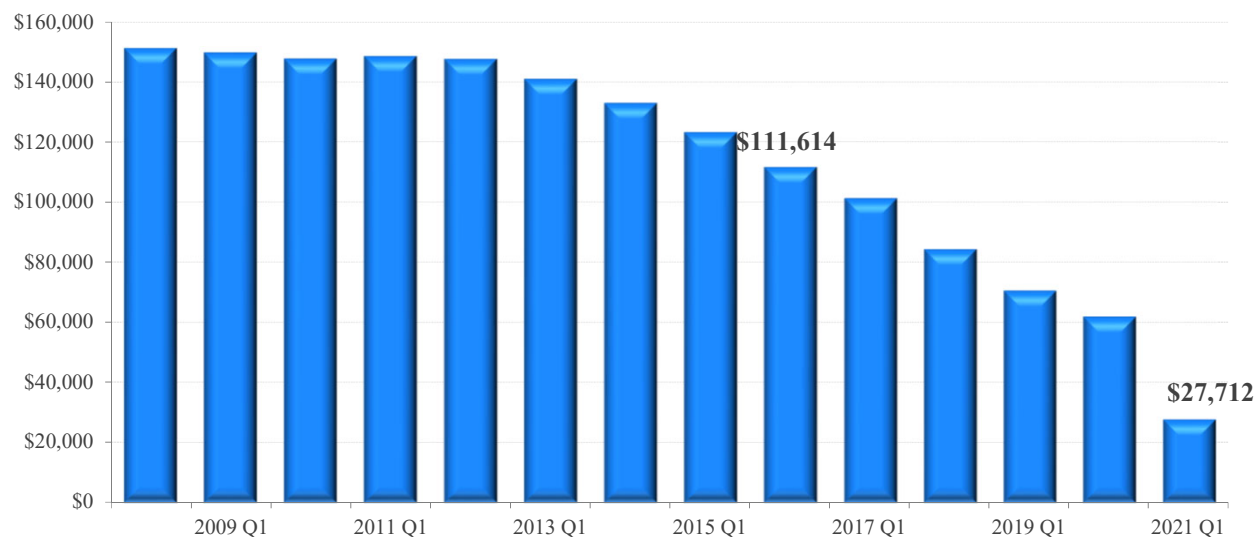
Note: limits are current and include the changes made on January 1st 2022.

#### Local NAR Leadership

The Omaha-Council Bluffs market is part of region 8 in the NAR governance system, which includes all of Minnesota, Iowa, North Dakota, South Dakota, and Nebraska. The 2022 NAR Regional Vice President representing region 8 is Bart Miller.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



### Total Equity Gained\*\* through 2022 Q1 from quarter in which home was of purchased

Price Activity	Omaha	U.S.	Local Trend
1-year (4-quarter)	\$27,712	\$54,263	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$70,501	\$124,663	
5-year (20-quarter)*	\$101,245	\$154,612	
7-year (28 quarters)*	\$123,273	\$189,111	
9-year (36 quarters)*	\$140,966	\$221,623	

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

# Drivers of Local Supply and Demand...

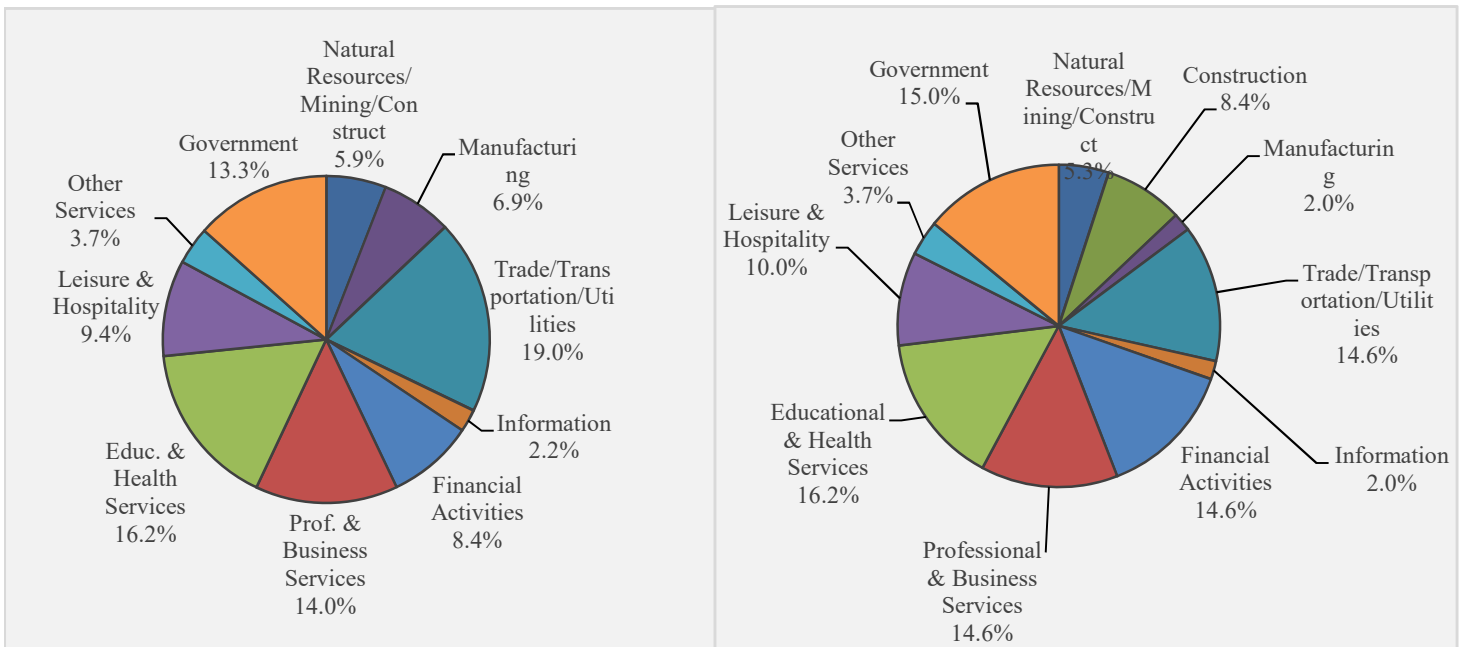


Local Economic Outlook	Omaha	U.S.	
12-month Job Change (Mar)	9,300	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	11,800	Not Comparable	
36-month Job Change (Mar)	-3,900	Not Comparable	Omaha's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Mar)		3.6%	
Year-ago Unemployment Rate	3.5%	6.0%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.9%	6.2%	

## Share of Total Employment by Industry

Omaha-Council Bluffs Area

U.S.



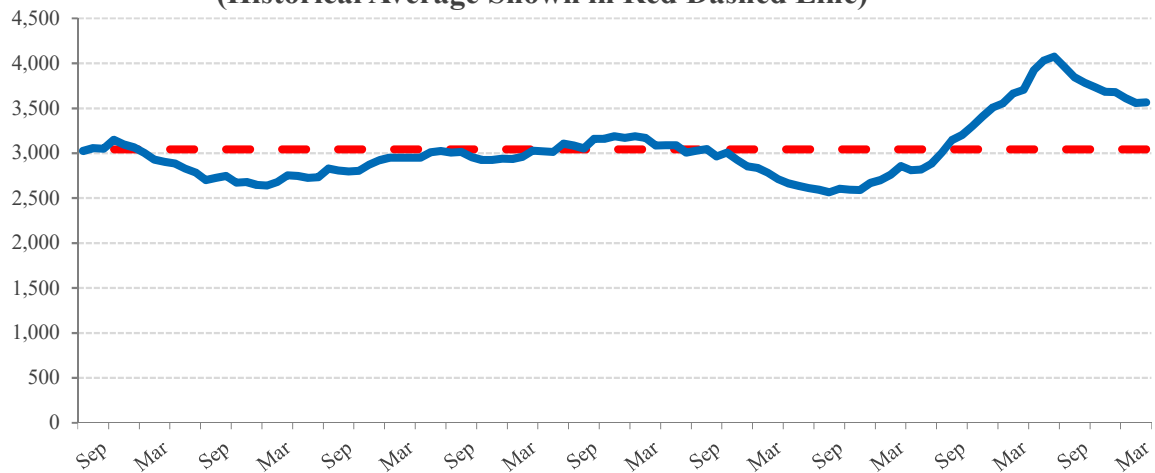
### 12-month Employment Change by Industry (Mar - 2022)

Goods Producing	NA	Information	200
Natural Resources/Mining/Construction	2,600	Financial Activities	-2,700
Natural Resources and Mining	NA	Prof. & Business Services	2,300
Construction	NA	Educ. & Health Services	800
Manufacturing	900	Leisure & Hospitality	3,100
Service Providing Excluding Government	NA	Other Services	900
Trade/Transportation/Utilities	3,400	Government	500

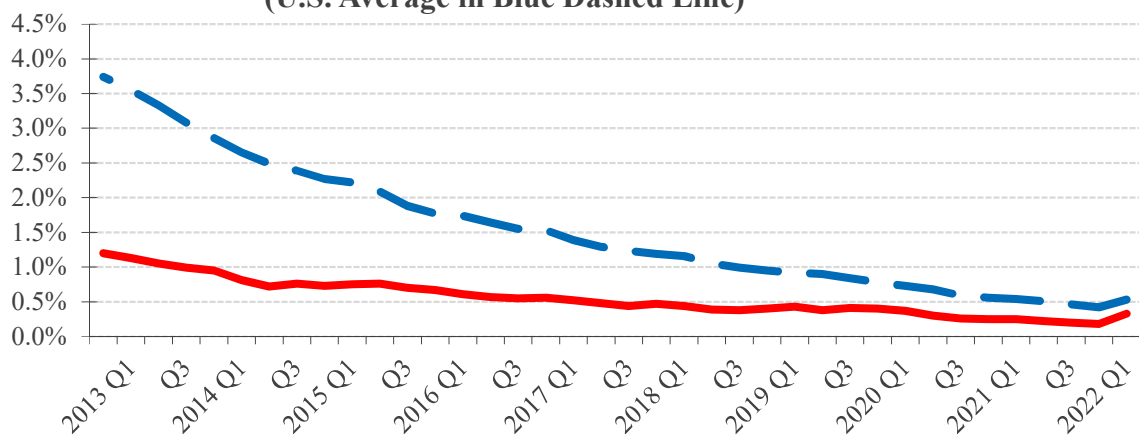
State Economic Activity Index	Nebraska	U.S.	
12-month change (2022 - Mar)	3.7%	5.7%	The economy of Nebraska is growing more slowly than the rest of the nation, but improved modestly from last month's 3.73% change
36-month change (2022 - Mar)	NA	4.4%	

New Housing Construction			
Local Fundamentals	Omaha	U.S.	
12-month Sum of 1-unit Building Permits through Mar	3,566	not comparable	The current level of construction is 17.2% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	3,044	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	-3.8%	7.8%	Construction is down from last year, but appears to have bottomed.

**Construction: 12-month Sum of Local Housing Permits  
(Historical Average Shown in Red Dashed Line)**

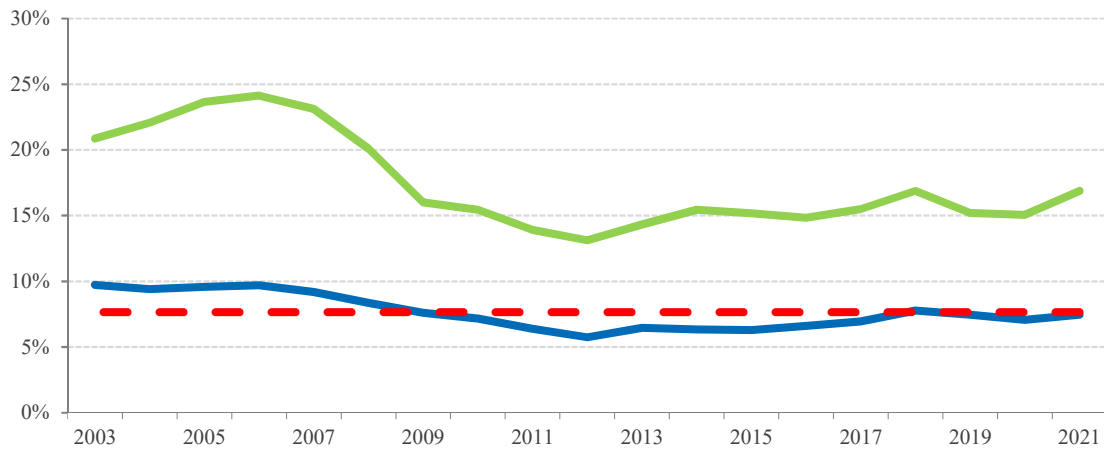


**State Total Foreclosure Rate vs. U.S. Average  
(U.S. Average in Blue Dashed Line)**



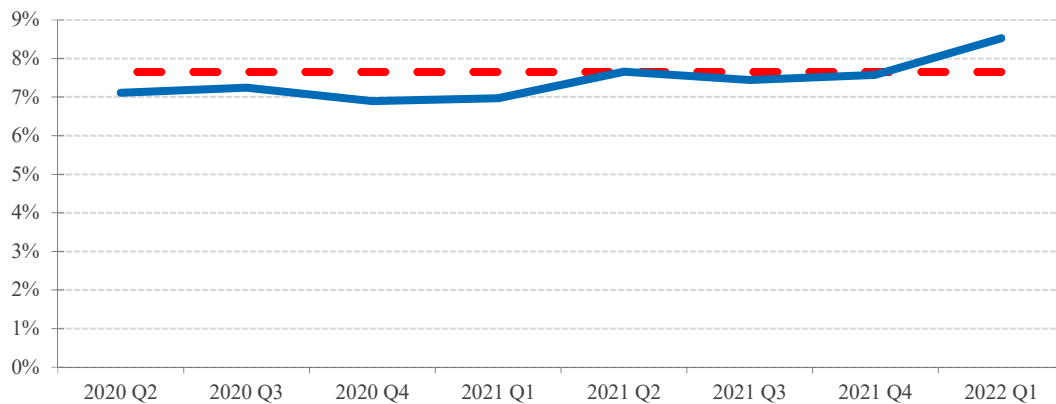
# Affordability

**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)

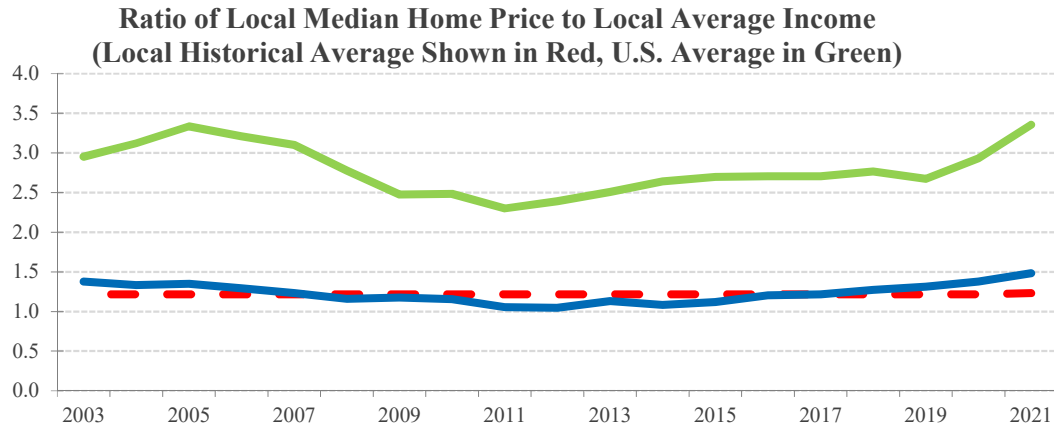


Monthly Mortgage Payment to Income	Omaha	U.S.	
Ratio for 2021	7.5%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q1	8.5%	18.5%	
Historical Average	7.7%	18.1%	More affordable than most markets

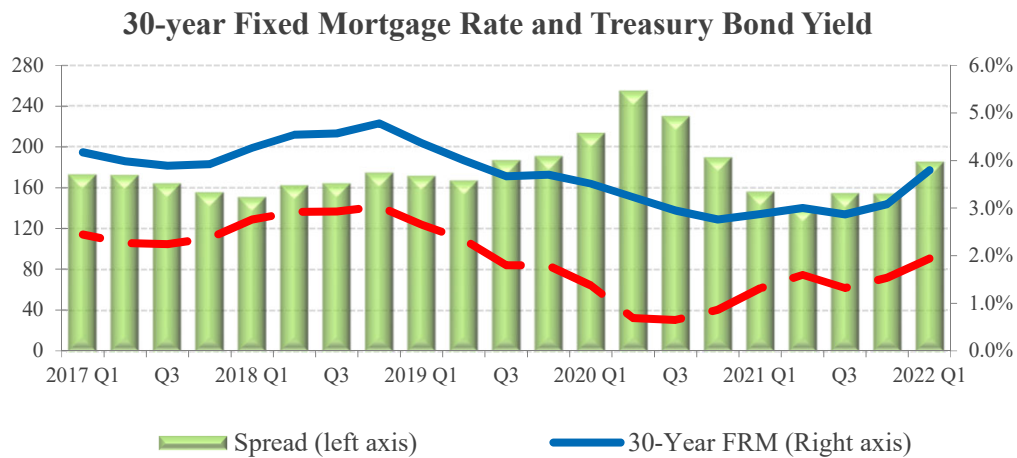
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Omaha	U.S.	
Ratio for 2021	1.5	3.4	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2022 Q1	1.5	3.3	
Historical Average	1.2	2.7	Affordable compared to most markets



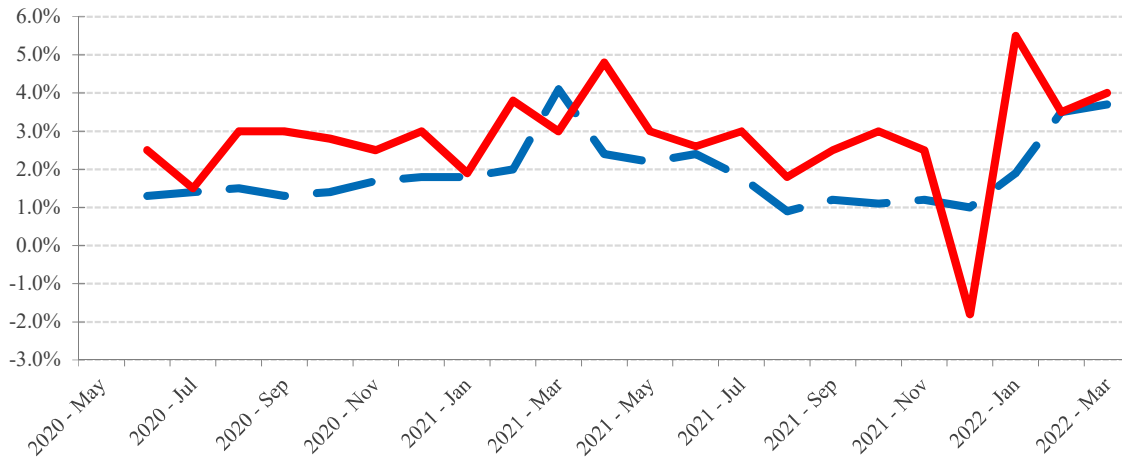
## The Mortgage Market



Mortgage rates surged in the first quarter of the year. The war in Ukraine added to upward pressure on inflation. As a result, the Federal Reserve raised its short-term interest rates by 25 basis points in March in its efforts to control elevated inflation. Although the Fed doesn't set up mortgage rates, Fed's actions have a ripple effect. A higher rate for banks tends to make borrowing more expensive for consumers affecting eventually long-term interest rates (such as 10-year Treasury bond). While mortgage rates typically follow the trend of the 10-year Treasury yield, the rate on the conventional 30-year mortgage also tends to rise. Nevertheless, the Fed will continue its tightening policy with additional rate hikes in the following months. Thus, the outlook is for mortgage rates to rise even further. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 3.8 percent in Q1 2022 from 2.9 percent a year earlier. NAR forecasts the 30-year fixed mortgage rate to hover around 5.5 percent in mid-2022.

# REALTOR® Price Expectations

**REALTOR® Price Expectations for the Next 12 Months**  
(U.S. Average in Blue Dashed Line)



Source: NAR

REALTOR® Price Expectations	Nebraska	U.S.	
2022 - Mar	3.8%	3.6%	REALTORS® expect higher price growth in Nebraska than in the U.S. in the next 12 months. Their price expectations are also higher than a year ago.
Prior 12 months	3.0%	2.2%	

## Geographic Coverage for this Report

The Omaha area referred to in this report covers the geographic area of the Omaha-Council Bluffs metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Harrison County, IA; Mills County, IA; Pottawattamie County, IA; Cass County, NE; Douglas County, NE; Sarpy County, NE; Saunders County, NE; Washington County, NE

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)