March 14, 2019

RESIDENTIAL LAND INVENTORY REPORT

AS OF JANUARY 1, 2019

Cover clockwise from top left:

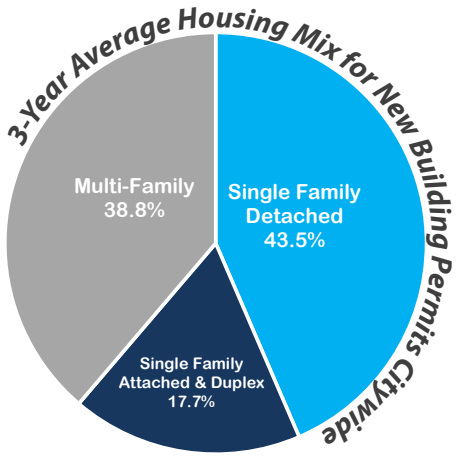
HiPark-FrontNine Apartments near NW 12th St & Highland Blvd, Waterford Estates near 98th St & Holdrege St, Vintage Heights near 98th St & Old Cheney Rd, Yankee Hill Townhomes near 91st St & Highway 2, Raymond Bros Building near 8th St & O St

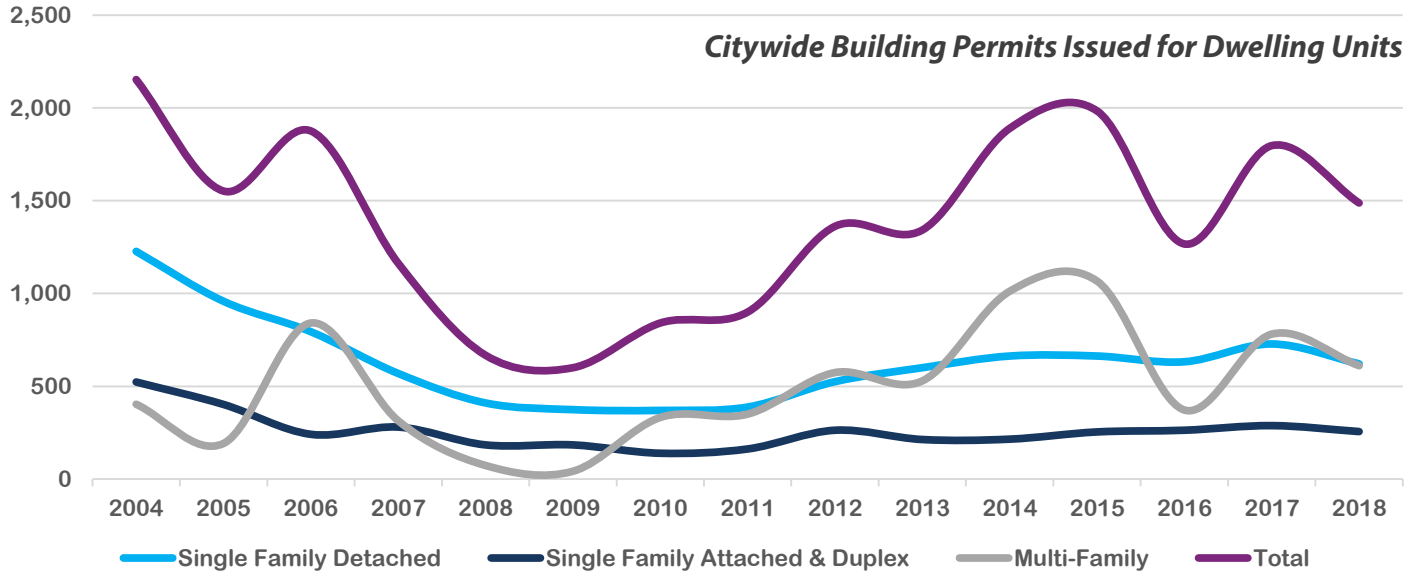
Summary

This report includes historical data on residential building permits in Lincoln along with information about the supply of urban residential lots within the 2040 Future Service Limit.

Based on population and household projections, Lincoln is expected to add approximately 36,000 new dwelling units between 2016 and 2040. That averages to nearly 1,500 dwelling units per year.

Lincoln added 1,488 new dwelling units in 2018. The citywide average of new building permits over the past three years is 1,517 units.





Over the past three years there has been an average of 1,129 dwelling units in new growth areas (see page 5). In those areas there were 15,173 lots approved in preliminary plans or final plats (a 13.4 year supply). The 20-year average supply has been 10.7 years. The pre-recession supply (1998-2007) was 6.0 years.

Over the past three years there has been an annual average of 818 single family dwelling units constructed in new growth areas. In those areas there were 2,448 final platted single family lots as of January 1, 2019 (a 3.0 year supply).

1,129 du's

3-year average of dwelling units permitted per year in new growth areas

818 du's

3-year average building permits for single family dwellings per year (includes detached, attached, and duplex)

Approved Supply (all unit types)

15,173 du's

approved (includes final and prelim platted lots) units in new growth areas as of January 1, 2019

13.4 years

supply of approved dwelling units in new growth areas as of January 1, 2019

Final Platted Supply (single family)

2,448 du's

final platted lots for single family dwelling units in new growth areas as of January 1, 2019

3.0 years

supply of single family lots that have been final platted in new growth areas as of January 1, 2019

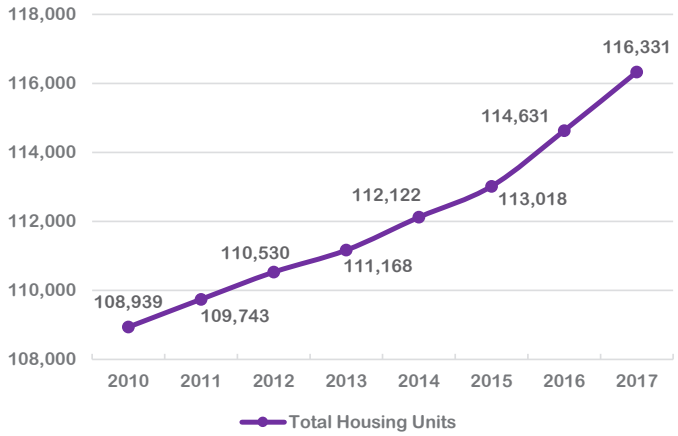
The Big Picture: Projected Dwelling Units Needed by 2040

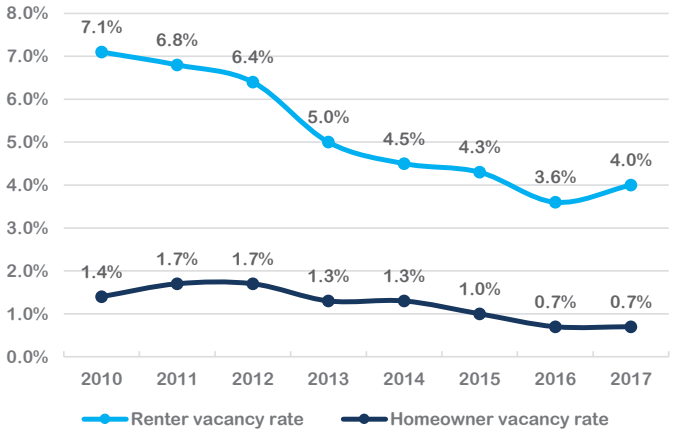
Based on population and household projections, Lincoln will have approximately 372,000 residents living in over 155,000 households by 2040. Approximately 36,000 dwelling units will need to be constructed in Lincoln between 2016 and 2040 to meet this 24-year demand. That averages to nearly 1,500 dwelling units per year, but this number will naturally start lower and increase over time as the city's population grows. There will continue to be market fluctuations as well.

Homes under construction in Village Gardens, near 70th Street & Yankee Hill Road

According to the 2017 American Community Survey (5-year estimate data), Lincoln had 116,331 housing units (which roughly translates to households), approximately 1,700 more than 2016. It's important to note that housing unit totals from the American Community Survey are a rolling 5-year estimate, so they are slightly behind actual on-the-ground totals. Based on an estimated population of 289,000, and 2.39 persons per household, Lincoln currently has approximately 121,000 housing units.

Lincoln's vacancy rate for both renters and homeowners has been trending downward in recent years. In past years, some of the annual demand for new housing was met through filling vacancies in existing housing stock. Currently, however, the homeowner vacancy rate is 0.7% and rental vacancy rate is 4.0% according to the 2017 American Community Survey (5-year estimate data). Both of these rates are significantly lower than 2010, which is the earliest year for this series of estimates. Therefore, much more of Lincoln's future housing demand must be met through new construction.





Homes under construction in Waterford Estates, near 98th & Holdrege Streets

Citywide Housing Demand

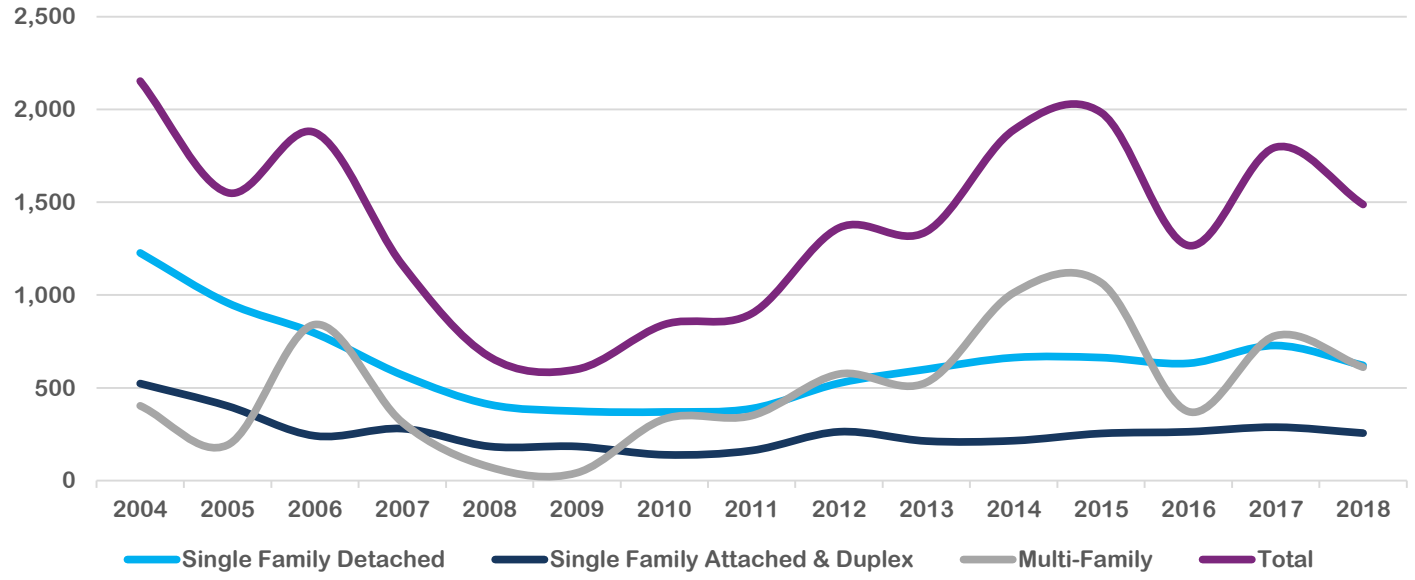
Demand for new dwellings can be determined by looking at building permits. Citywide, the number of building permits for new single family detached homes (621) was lower than 2017's total (728), but remains higher than the 10-year average (556) and is significantly above the recent low in 2010 (370). The 2018 total is generally in line with the 15-year average of 635 units.

New building permits for single family attached and duplex units (256) were similar to recent years. The 2018 total was above the 10-year (224) average, and generally in line with the 15-year (258) average.

Building permits for 611 multi-family dwelling units were issued citywide in 2018. This was below the 2017 total (728) and the 5-year (779) average, but well above the 10-year (572) and 15-year (503) averages. Building permits for several large multi-family projects were under review at the end of 2018. Permits for 96 units were issued in January 2019, which are not included in these numbers.

Citywide Building Permits Issued for Dwelling Units

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single Family Detached	1,227	958	794	569	410	374	370	388	525	600	663	663	632	728	621
Single Family Attached & Duplex	523	402	241	280	184	184	139	162	263	213	215	254	263	288	256
Multi-Family	403	192	841	314	73	42	332	350	574	529	1,012	1,067	372	781	611
Total	2,153	1,552	1,876	1,163	667	600	841	900	1,362	1,342	1,890	1,984	1,267	1,797	1,488



Citywide Average Per Period

	3 Yr.		5 Yr.	
Single Family Detached	660	43.5%	661	39.2%
Single Family Attached & Duplex	269	17.7%	255	15.1%
Multi-Family	588	38.8%	769	45.6%
Total	1,517		1,685	

	10 Yr.		15 Yr.	
Single Family Detached	556	41.3%	635	45.6%
Single Family Attached & Duplex	224	16.6%	258	18.5%
Multi-Family	567	42.1%	500	35.9%
Total	1,347		1,392	

Notes:

Based on issued building permits, not actual construction and occupancy. There are some permits issued, particularly in multi-family, that are never built.

Year is based on date permit issued, not date of completion and occupancy.

Single Family Detached is one detached dwelling unit on a single lot.

Single Family Attached is one dwelling unit on a single lot attached by a common wall to one or more other dwelling units on separate lots. Commonly known as a townhome.

Duplex is two dwelling units on one lot.

Multi-family is three or more units built on a single lot, typical of apartments or condominiums.

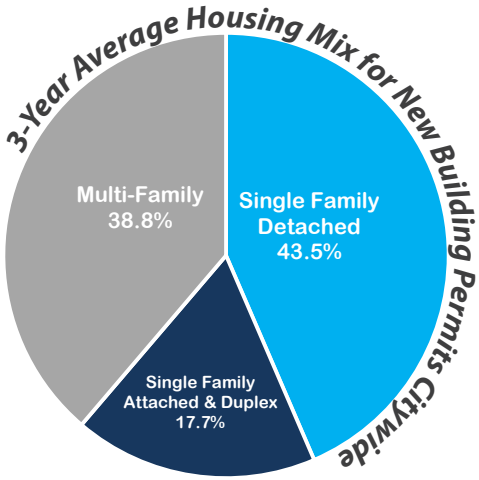
Totals include City of Lincoln and the 3-mile jurisdiction. There were 55 single family detached issued in the 3-mile jurisdiction in 2018. Typically around 30-60 units are outside Lincoln but within the 3-mile jurisdiction.

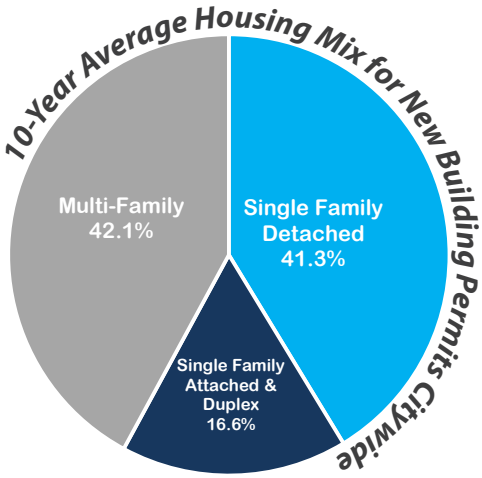
Citywide Housing Demand (con't)

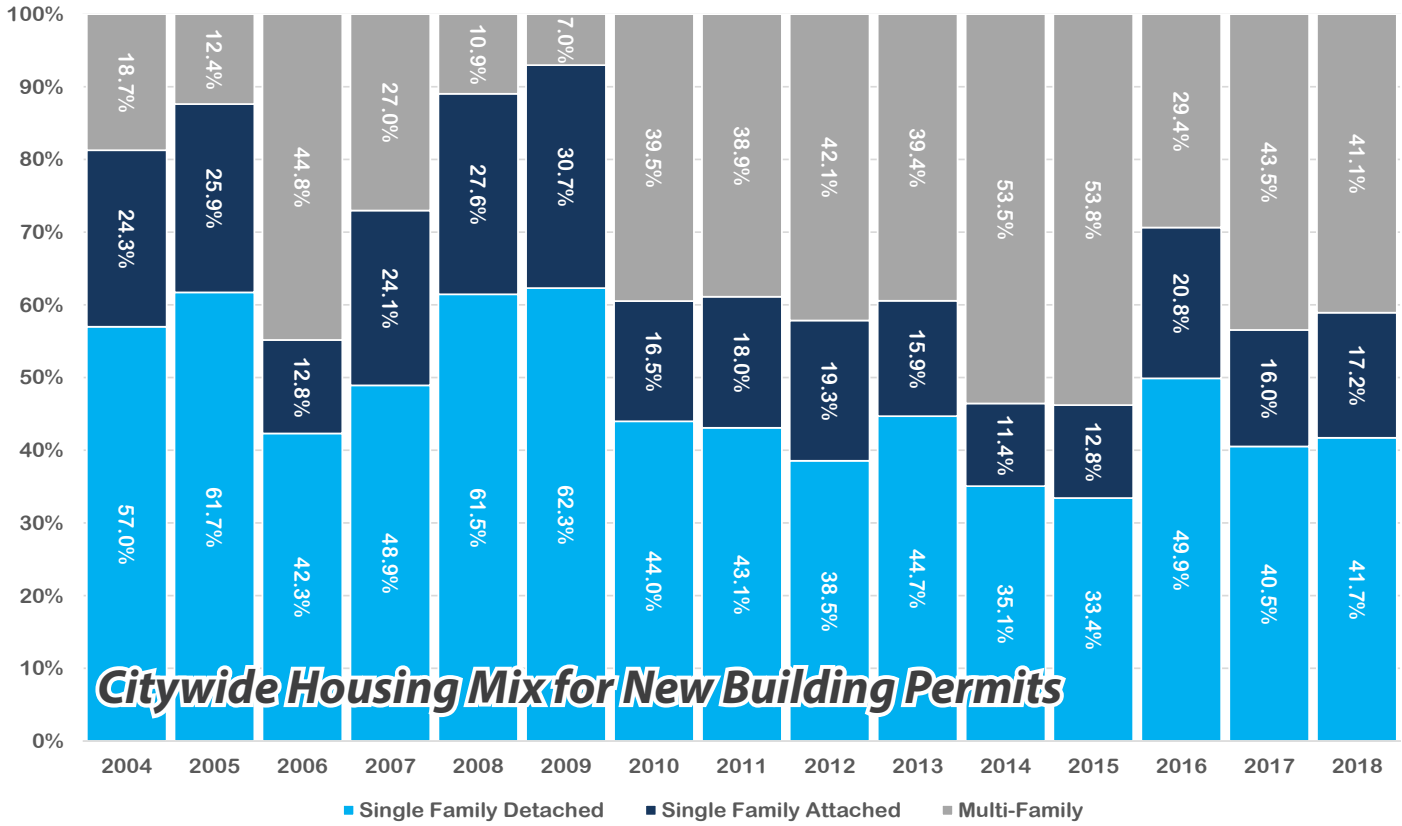
Of the total new dwelling units projected between 2016 and 2040, 40% are expected to be multi-family.

In 2018, 41.7% of citywide residential building permits were single family detached, 41.1% were multi-family, and the remainder were a mix of single family attached and duplex.

The share of multi-family has significantly increased in the past decade. From the years 2010 - 2018, multi-family building permits have accounted for 43.4% of all dwelling units, a much higher proportion than experienced from 2000-2009 (20.9%), and above the 2040 Comprehensive Plan assumption for multi-family demand.

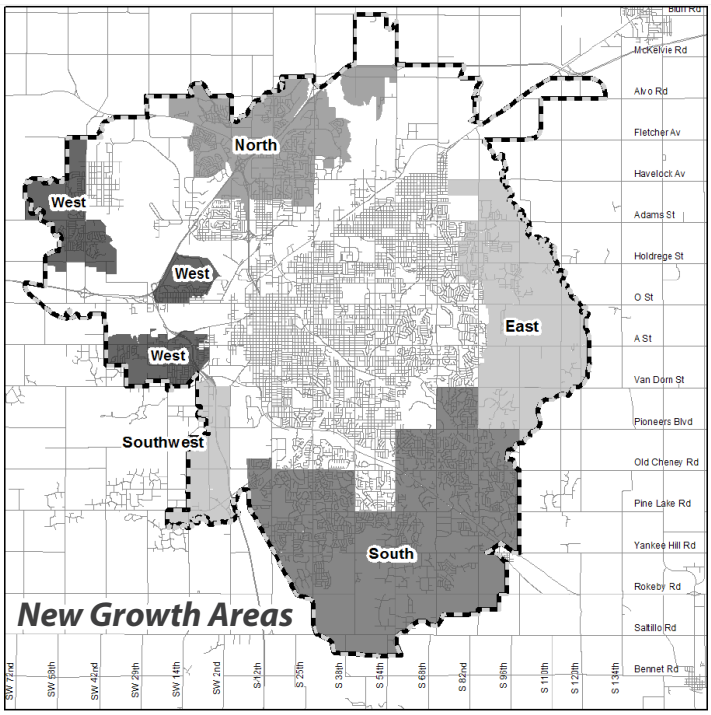






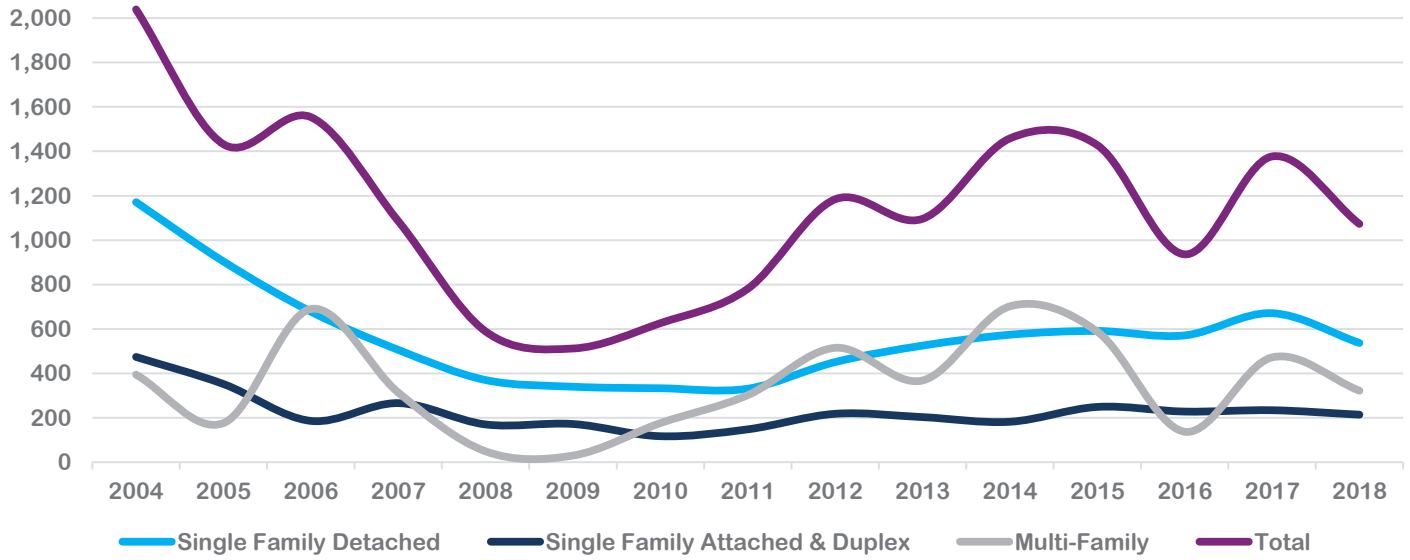
Housing Demand in New Growth Areas

The number of permitted dwelling units in 2018 (1,073) for new growth areas was lower than 2017 (1,377) and slightly below the 3-year (1,129) and 5-year (1,254) averages. The 2018 total is nearly identical to the 10-year (1,047) average.



Building Permits Issued for Dwelling Units in New Growth Areas

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single Family Detached	1,171	904	678	506	370	159	333	331	451	525	574	591	571	671	537
Single Family Attached & Duplex	474	352	186	266	170	91	117	148	218	203	182	249	228	234	214
Multi-Family	394	176	690	314	49	0	176	302	515	368	702	588	137	472	322
Total	2,039	1,432	1,554	1,086	589	250	626	781	1,184	1,096	1,458	1,428	936	1,377	1,073



Average Per Period in New Growth Areas

	3 Yr.		5 Yr.		10 Yr.		15 Yr.	
Single Family Detached	593	52.5%	589	46.9%	492	47.0%	570	49.8%
Single Family Attached & Duplex	225	20.0%	221	17.6%	197	18.8%	228	19.9%
Multi-Family	310	27.5%	444	35.4%	361	34.5%	349	30.5%
Total	1,129		1,254		1,047		1,145	

Notes:

These numbers include all residential permits within new growth areas, which includes a small number of units (roughly five per year) outside city limits but within a new growth area. In 2018 there were six dwelling units within new growth areas but outside city limits; there were 49 dwelling units outside city limits and outside new growth areas.

Housing Demand in Established Areas

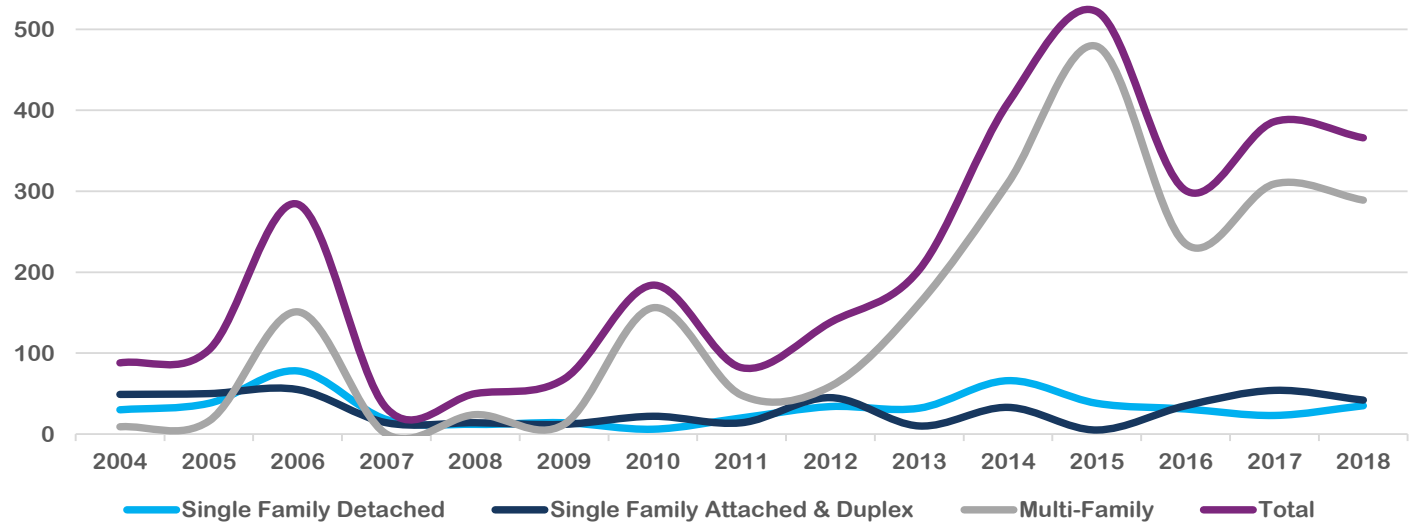
Of the 36,000 new dwelling units projected in Lincoln between 2016 and 2040, 22% (8,000 units) are expected to be located within the existing built environment.

For purposes of this report, "established areas" include all areas in the city outside of the new growth areas. Approximately 24.6% of new dwelling units in 2018 were within established areas, which is above the infill and redevelopment goal from the Comprehensive Plan.

The proportion of infill development has steadily increased in recent years. Although much of the growth can be attributed to student-oriented housing projects downtown (shown on the next page), the significant infill totals for 2016-2018, in which there were no major student-oriented housing projects, demonstrate that the high level of infill is part of a broader trend in Lincoln's development patterns.

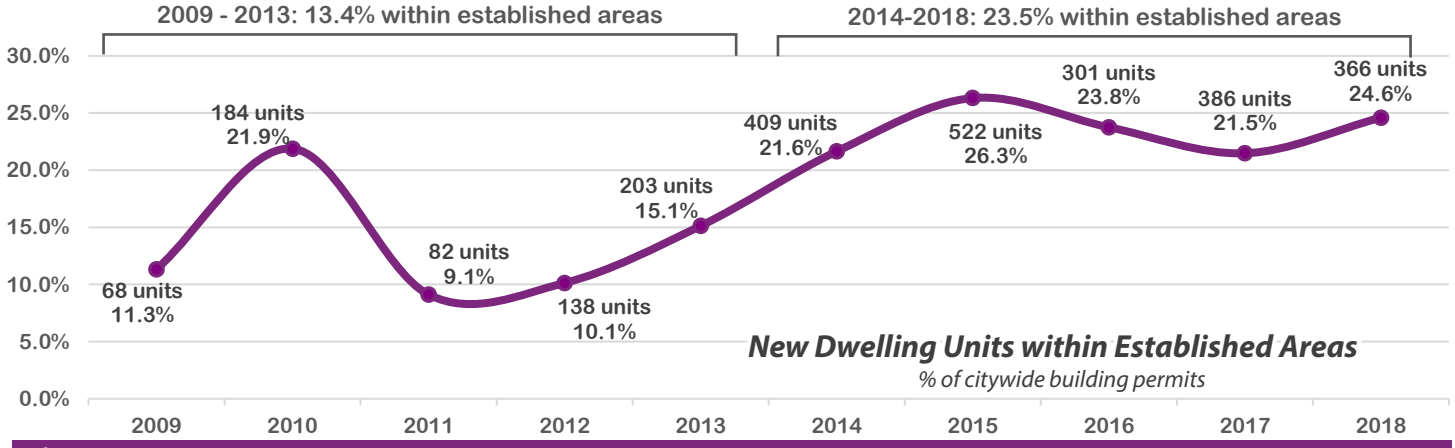
Building Permits Issued for Dwelling Units in Established Areas

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single Family Detached	30	38	78	18	12	14	6	20	34	32	66	38	31	23	35
Single Family Attached & Duplex	49	50	55	14	14	12	22	14	45	10	33	5	35	54	42
Multi-Family	9	16	151	0	24	12	156	48	59	161	310	479	235	309	289
Total	88	104	284	32	50	68	184	82	138	203	409	522	301	386	366



23.1% of all new dwelling units permitted in Lincoln between 2016-2018 were located within established areas

19.7% of all new dwelling units permitted in Lincoln between 2009-2018 were located within established areas

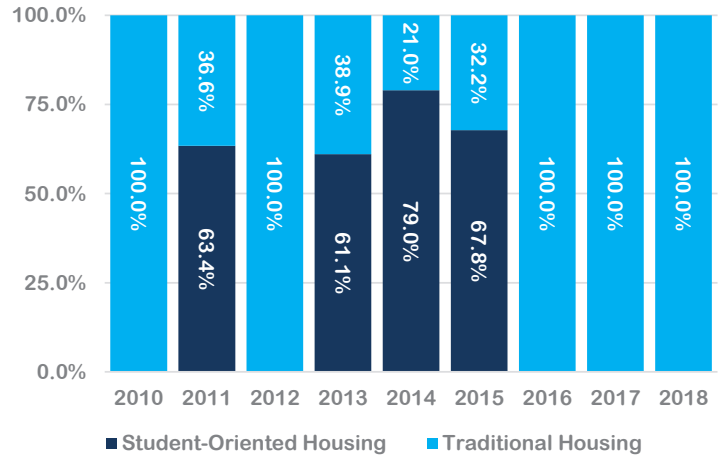


New Dwelling Units within Established Areas

% of citywide building permits

Housing Demand in Established Areas (con't)

Student-Oriented Housing in Established Areas



Traditional housing includes all types not marketed specifically to college students.

Major Student-Oriented Housing Projects

Project	Year	Units	Beds
Parkhaus / Larson Building	2011	52	192
The 50/50	2013	124	475
Latitude	2014	198	576
Prime Place	2014	125	225
8N Lofts	2015	172	624
Aspen Heights	2015	182	631
Total		*853*	*2,723*

Student-oriented housing is typically leased by the bed and could have multiple beds per dwelling unit.

LPlan 2040 update

8.3% of new citywide dwelling units (3,000 units) are expected to be located in Greater Downtown by 2040.

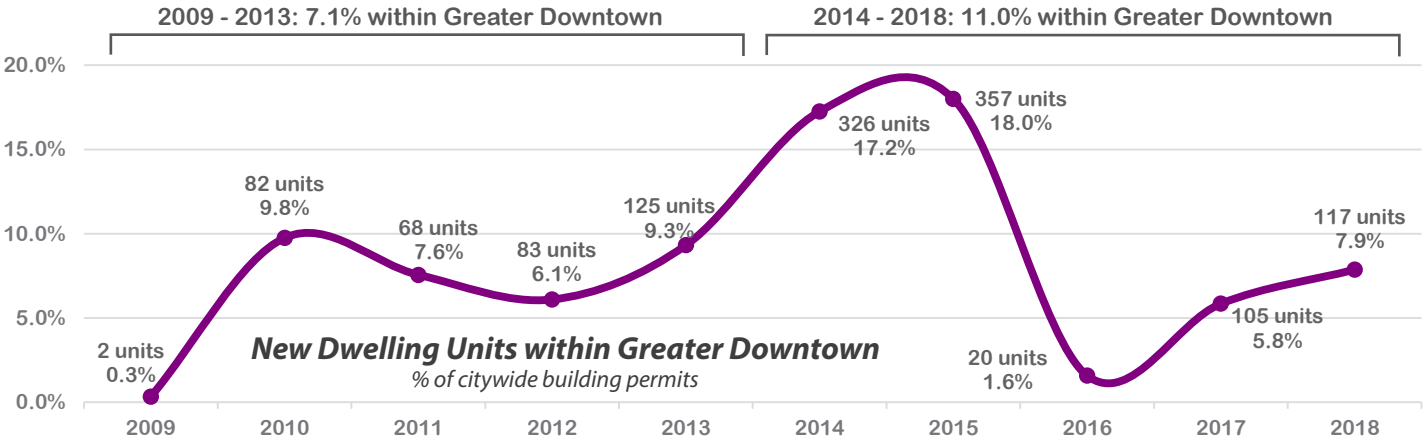
5.3% **of all new dwelling units permitted in Lincoln between 2016-2018 were located in Greater Downtown**

9.5% **of all new dwelling units permitted in Lincoln between 2009-2018 were located in Greater Downtown**

Greater downtown is roughly bounded by Salt Creek on the west and north, A Street on the south, and 27th Street on the east. It includes Downtown proper, Antelope Valley, the Haymarket, Telegraph District, Innovation Campus, and several core residential neighborhoods. There were 117 new dwelling units permitted in Greater Downtown in 2018 (7.9% of all units citywide). Significant downtown projects in 2018 include a portion of the Telegraph Flats development in Telegraph District (100 units) and renovation of the Raymond Bros. Building to include 15 residential units.

Significant infill projects in 2018 outside of downtown include 48th & Leighton (Building B with 124 units), an independent living facility at Knolls Senior Living (56 units), and expansion of the HiPark-FrontNine Apartments near Highlands Golf Course (48 units).

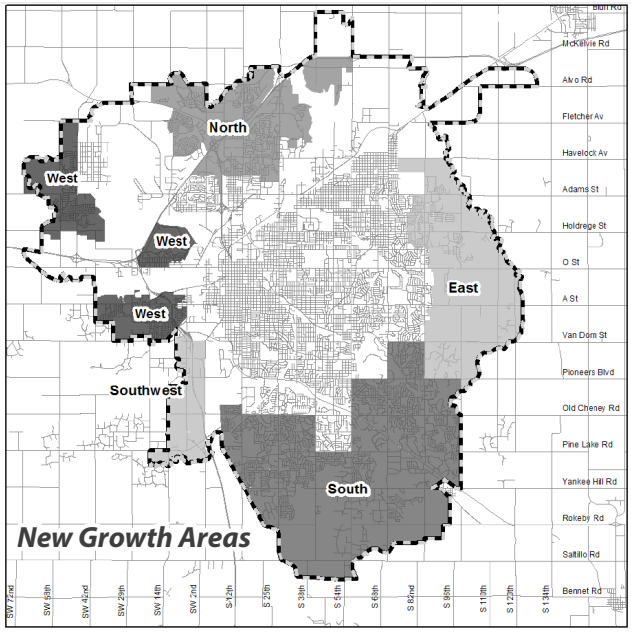
Raymond Bros. Building renovation to add 15 dwelling units at 8th & O Streets



Residential Land Inventory

New Growth Areas as of January 1, 2019

Development Subarea*	South	West	North	Southwest	East	Total
A. Existing Built						
Single Family Detached	13,739	5,502	6,571	186	2,503	28,501
Single Family Attached & Duplex	3,639	1,707	1,651	16	803	7,816
Multi-Family	5,239	1,267	5,099	0	973	12,578
Total Dwelling Units	22,617	8,476	13,321	202	4,279	48,895
B. Final Platted Lots						
Single Family Detached	963	308	310	104	434	2,119
Single Family Attached & Duplex	146	58	66	0	59	329
Multi-Family	N/A	N/A	N/A	N/A	N/A	N/A
Total Dwelling Units	1,109	366	376	104	493	2,448
C. Approved Preliminary Plats, CUPs, PUDs (Units Not Yet Final Platted)						
Single Family Detached	1,570	809	1,401	55	937	4,772
Single Family Attached & Duplex	806	275	330	0	251	1,662
Multi-Family	2,768	719	1,034	0	785	5,306
Unspecified Dwelling Units***	487	22	82	250	144	985
Total Dwelling Units	5,631	1,825	2,847	305	2,117	12,725
D. Total Potential of Final Platted & Prelim Platted Land (B+C)						
Single Family Detached	2,533	1,117	1,711	159	1,371	6,891
Single Family Attached & Duplex	952	333	396	0	310	1,991
Multi-Family	2,768	719	1,034	0	785	5,306
Unspecified Dwelling Units***	487	22	82	250	144	985
Total Dwelling Units	6,740	2,191	3,223	409	2,610	15,173
E. Additional Potential Dwelling Units on Raw Land in Tier I**						
Total Dwelling Units	5,892	2,791	2,338	2,537	7,627	21,185
F. Grand Total Potential (D+E)						
Total Dwelling Units	12,632	4,982	5,561	2,946	10,237	36,358



* Subareas are all in new growth areas within the Future Service Limit (Tier I). Monitoring these growth areas can inform future infrastructure and land use decisions.

** "Raw Land" is land in Tier I shown as "Residential" in the future land use plan without a final plat, preliminary plat, CUP, or PUD. Raw Land includes agricultural land outside of the FEMA floodplain and is calculated at three dwelling units per acre. Raw Land also includes smaller tracts of land calculated at four dwelling units per acre because it is less likely that developable land will be utilized for facilities such as parks and schools.

*** "Unspecified Units" include dwelling units in preliminary plans that do not specify the type of dwelling unit approved.

Housing Supply in New Growth Areas

Lincoln has the potential (final platted land, preliminary platted land, and raw land with no approvals) to accommodate 36,358 new dwelling units in growth areas within the 2040 Future Service Limit of the Comprehensive Plan. If the pace of development averages 1,129 dwelling units per year in new growth areas (as in the three year average), the supply is 32.2 years (up from 28.8 years in last year's report). At a more aggressive pace of 1,500 dwelling units per year for new growth areas, the supply is 24.2 years.

The Comprehensive Plan anticipates 36,000 new dwelling units in Lincoln between 2016 and 2040. Approximately 28,000 of those units are expected within new growth areas and 8,000 within established areas of the city. Given that there is potential for approximately 36,000 dwelling units in new growth areas, and infill development is exceeding expectations, the current land supply will adequately serve the projected expansion of the city beyond the year 2040.

Of the potential 36,358 dwelling units in growth areas within the 2040 Future Service Limit, 15,173 (single family and multi-family combined) are approved in final plats or preliminary plats (a 13.4 year supply based on the three year average of 1,129 dwelling units for new growth areas). Over the past 20 years, the average annual approved supply has been 11.5 years. The pre-recession supply (1998-2007) was 6.3 years.

Lincoln's approved supply increased from 13,945 in 2017 to 15,173 in 2018. Nearly all of the new approvals were in the east and south new growth areas. Significant new approved developments were Wandering Creek (699 units, 91st & Van Dorn Streets), Dominion at Stevens Creek (433 units, 112th & O Streets), and Hillcrest (290 units, 94th & A Streets).

1,129 du's

3-year average of dwelling units permitted per year in new growth areas

Overall Supply (all unit types)

36,358 du's

approved and potential (includes raw land identified as Residential on the Future Land Use Map) dwelling units in new growth areas as of January 1, 2019

32.2 years

supply of approved and potential dwelling units in new growth areas as of January 1, 2019

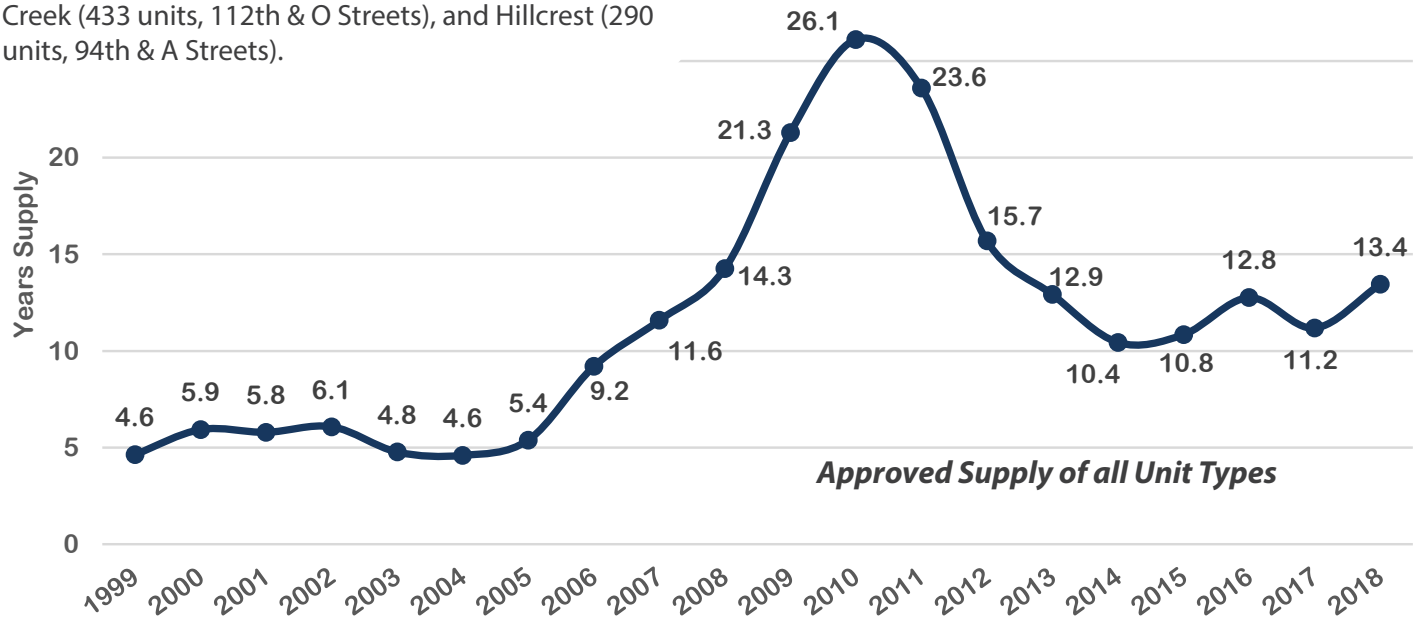
Approved Supply (all unit types)

15,173 du's

approved (includes final and prelim platted lots) units in new growth areas as of January 1, 2019

13.4 years

supply of approved dwelling units in new growth areas as of January 1, 2019



Housing Supply in New Growth Areas (con't)

As of January 1, 2019, there were 8,882 available single family lots (detached, attached, and duplex) in the new growth areas. These lots are in various stages of the approval process, including both final platted lots and preliminary platted lots. Of this number, 2,448 lots are final platted and available more immediately.

The January 2019 numbers represent the greatest supply of approved and final platted lots since 2013. This is due to a slightly lower number of single family building permits in 2018 (which means fewer approved vacant lots were removed from the inventory) combined with a strong supply of newly-approved developments and final plats.

Two-family housing under construction at Yankee Hill Townhomes near 91st Street & Highway 2

818 du's

3-year average building permits for single family dwellings per year in new growth areas (includes detached, attached, and duplex)

Final Platted Supply (single family)

2,448 du's

final platted lots for single family dwelling units in new growth areas as of January 1, 2019

3.0 years

supply of single family lots that have been final platted in new growth areas as of January 1, 2019

Approved Supply (single family)

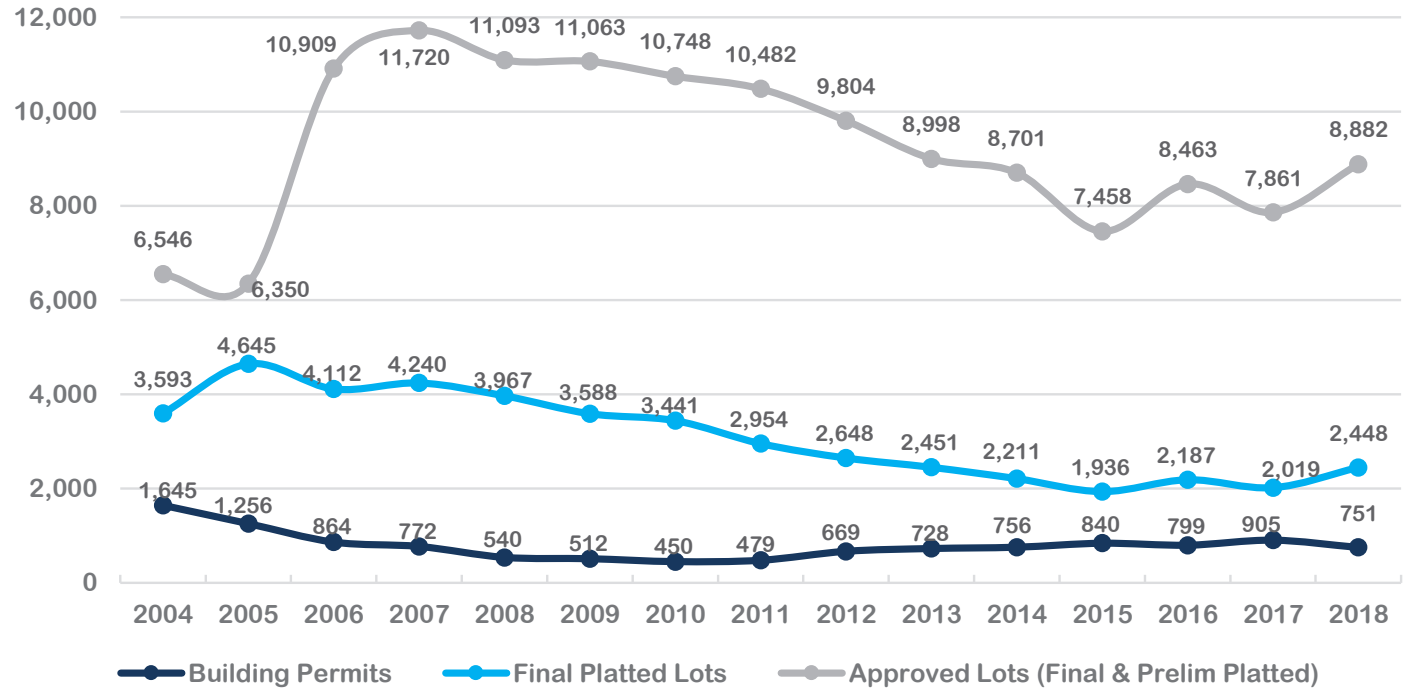
8,882 du's

approved (includes final and prelim platted lots) single family units in new growth areas as of January 1, 2019

10.9 years

supply of approved (includes final and prelim platted lots) single family units in new growth areas as of January 1, 2019

Supply for Single Family Detached, Attached, and Duplex Units



Housing Supply in New Growth Areas (con't)

The Development Process

With most new developments, all of the lots are approved at the same time as part of a preliminary plat, community unit plan (CUP), or planned unit development (PUD). The approved lots are not buildable until they are final platted and infrastructure is installed. Typically a developer will only final plat the lots that are ready to be sold immediately. The remaining portion of the development is placed within an outlot or remains in its previous use (usually agriculture). As each phase of the development is completed, additional lots are platted piece-by-piece until the development is complete.

Final Platted Lot Supply

The steady decrease in final platted lot supply over the past 15 years has been primarily driven by developers' reaction to market conditions. Tax savings can be realized by only final platting a few lots at a time - two hundred platted residential lots have a greater taxable value than one agriculture lot or outlot over the same area. Therefore, it makes sense to only plat the lots that can be sold immediately. It can be risky for a developer to final plat an entire subdivision at once, because if the lots don't sell the developer will be responsible for a larger tax bill.

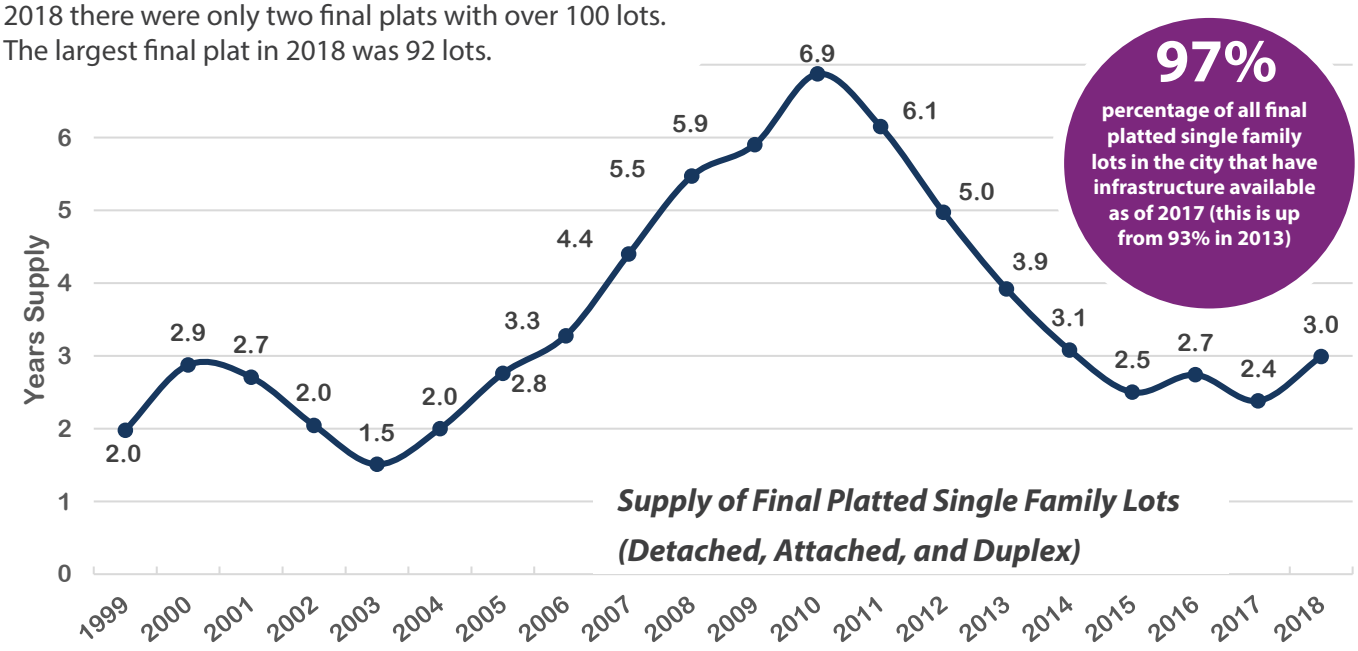
In the years immediately prior to the recession, roughly 2004 to 2007, developers routinely platted many lots at once in anticipation of the lots quickly being sold. Since the recession, developers have been more cautious about platting excess lots, which has resulted in smaller final plat sizes. In 2005 alone there were four final plats with over 100 lots, the largest having 311 lots. From 2010 to 2018 there were only two final plats with over 100 lots. The largest final plat in 2018 was 92 lots.

The current supply of final platted single family lots (3.0 years, based on the 3-year building permit average) is significantly lower than the recession peak (6.9 years) occurring between 2008 and 2010. The large supply during the recession was primarily due to a lack of building permits, which left platted lots sitting vacant longer than usual. As construction of single family homes continues at a steady pace and final plats remain comparatively small, the excess number of vacant final platted lots has shrunk, which creates a supply similar to the pre-recession levels of 1998 to 2007 (2.5 years). Over the past 20 years, the average annual final platted lot supply has been 3.5 years.

Approved Lot Supply

The sharp increase in approved single family dwelling units in 2006 was partially due to many large developments being approved that year, including Wilderness Hills 1st Addition (1,095 single family units), Woodlands at Yankee Hill (860 single family units), Fallbrook (750 single family units), and Prairie Village North (546 single family units). Developments of this size would take years to be built-out in normal circumstances, and with the recession that timeline was stretched out even further, resulting in an unusually large supply of approved single family lots. The developments listed above are still being built-out; all had final plats in 2018, and all have hundreds of potential remaining units based on their approved plans.

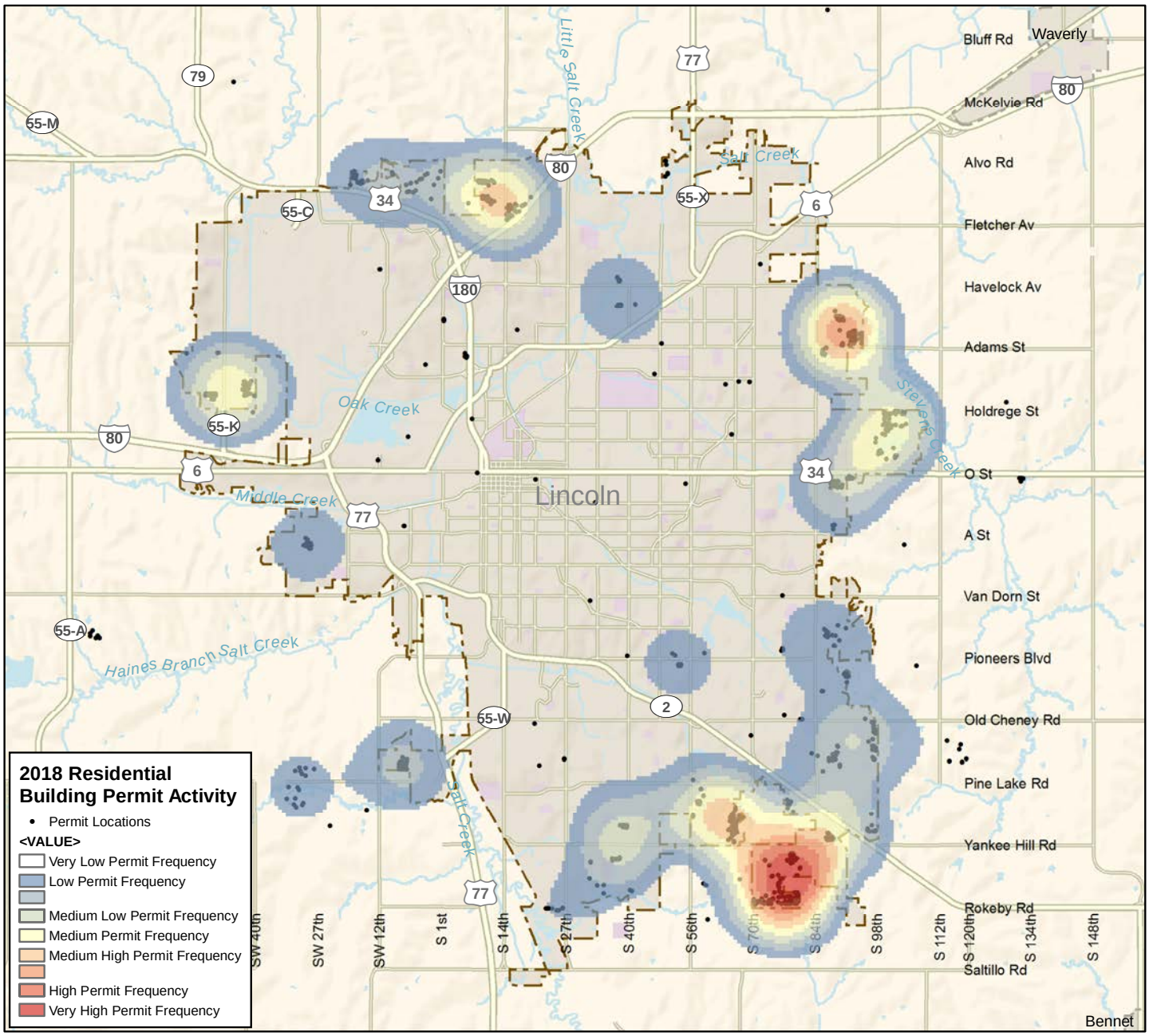
As excess inventory continues to be built-out, approved supply has settled between 10 to 14 years, much lower than the exaggerated supply seen during and immediately following the recession, but higher than the pre-recession supply (1998-2007) of 6.3 years.



MAPS

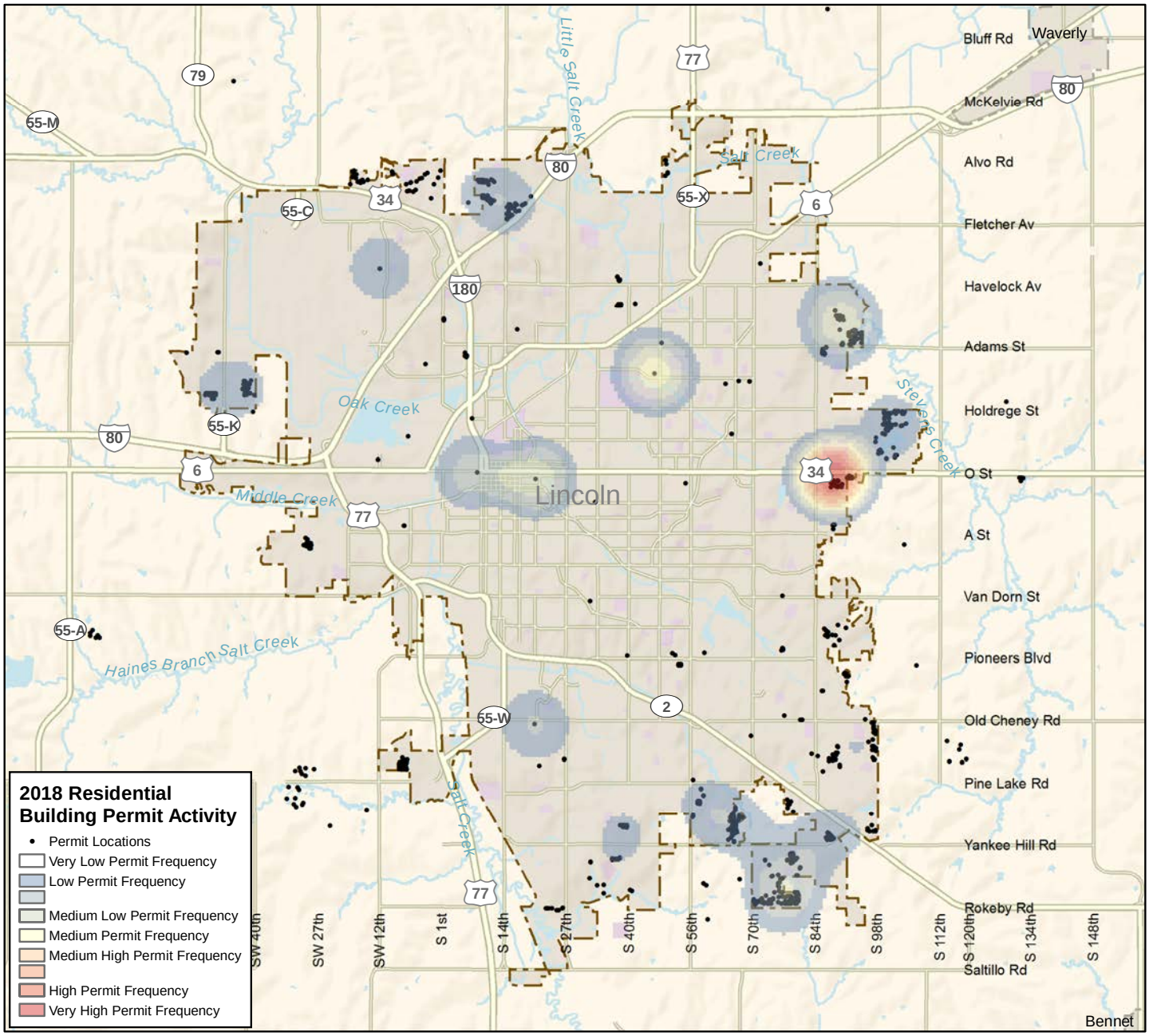
Residential Building Permits Heat Map (permits), 2018
Residential Building Permits Heat Map (units), 2018
Residential Building Permits Heat Map (permits), 2016-2018
Residential Building Permits Heat Map (units), 2016-2018
Residential Building Permits by Type, 2018
Residential Building Permits by Type, 2016-2018
Residential Building Permits Focus Areas, 2016-2018

Shadow Creek Apartments near 84th & O Streets



2018 Total Residential Units in Lincoln: 1,488 units

Note: This heat map is based on **density of permits**, not individual units. It allows for a good visualization of where the most residential construction activity is occurring.



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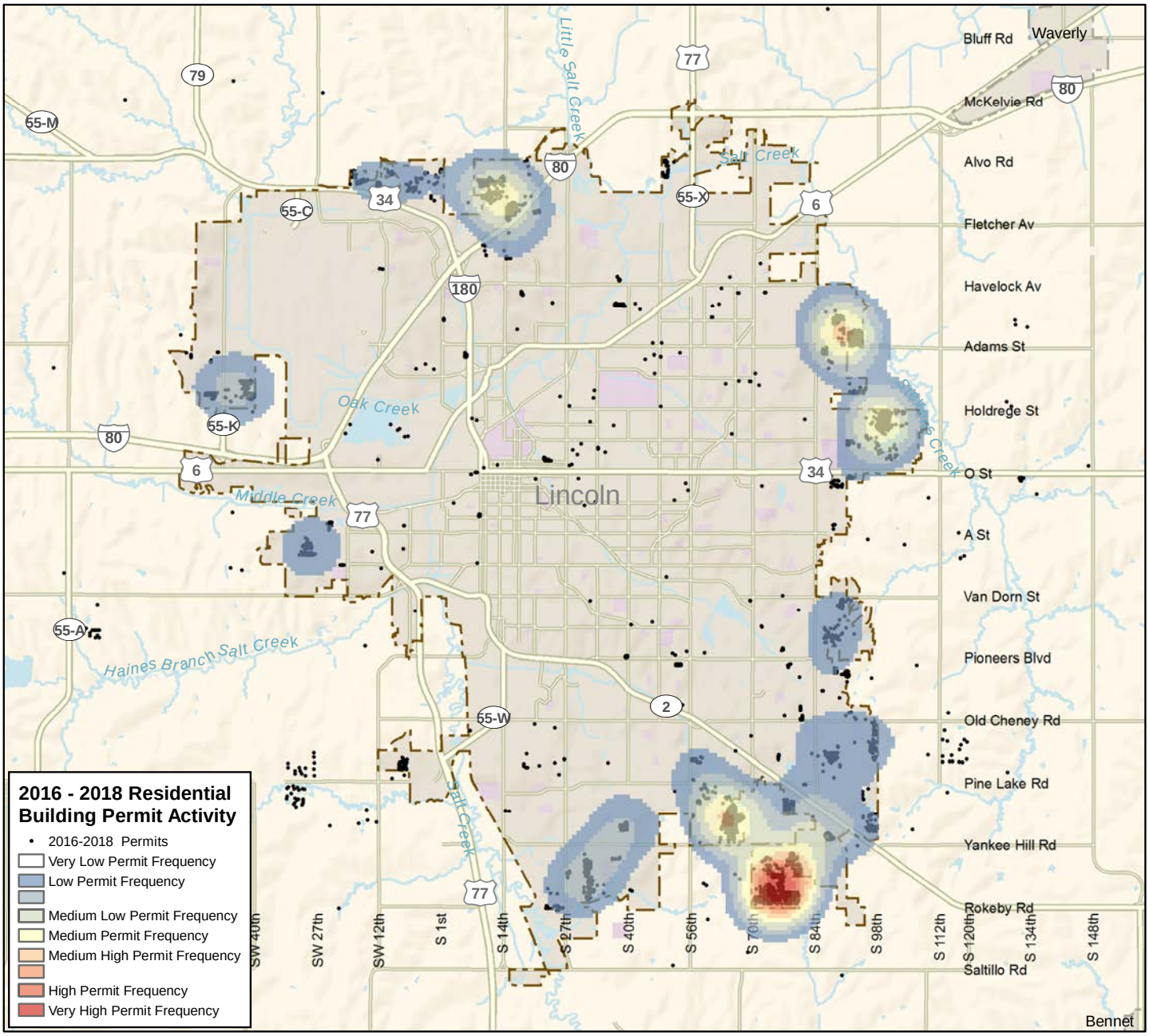
Note: This heat map is based on **density of permitted units**. Since multi-family complexes have the greatest density of residential units, this map skews toward showing the multi-family areas as hot spots and minimizes the visual representation of single family developments.



2016-2018 Total Residential Units in Lincoln: 4,552 units

2016-2018 Annual Average: 1,517 units

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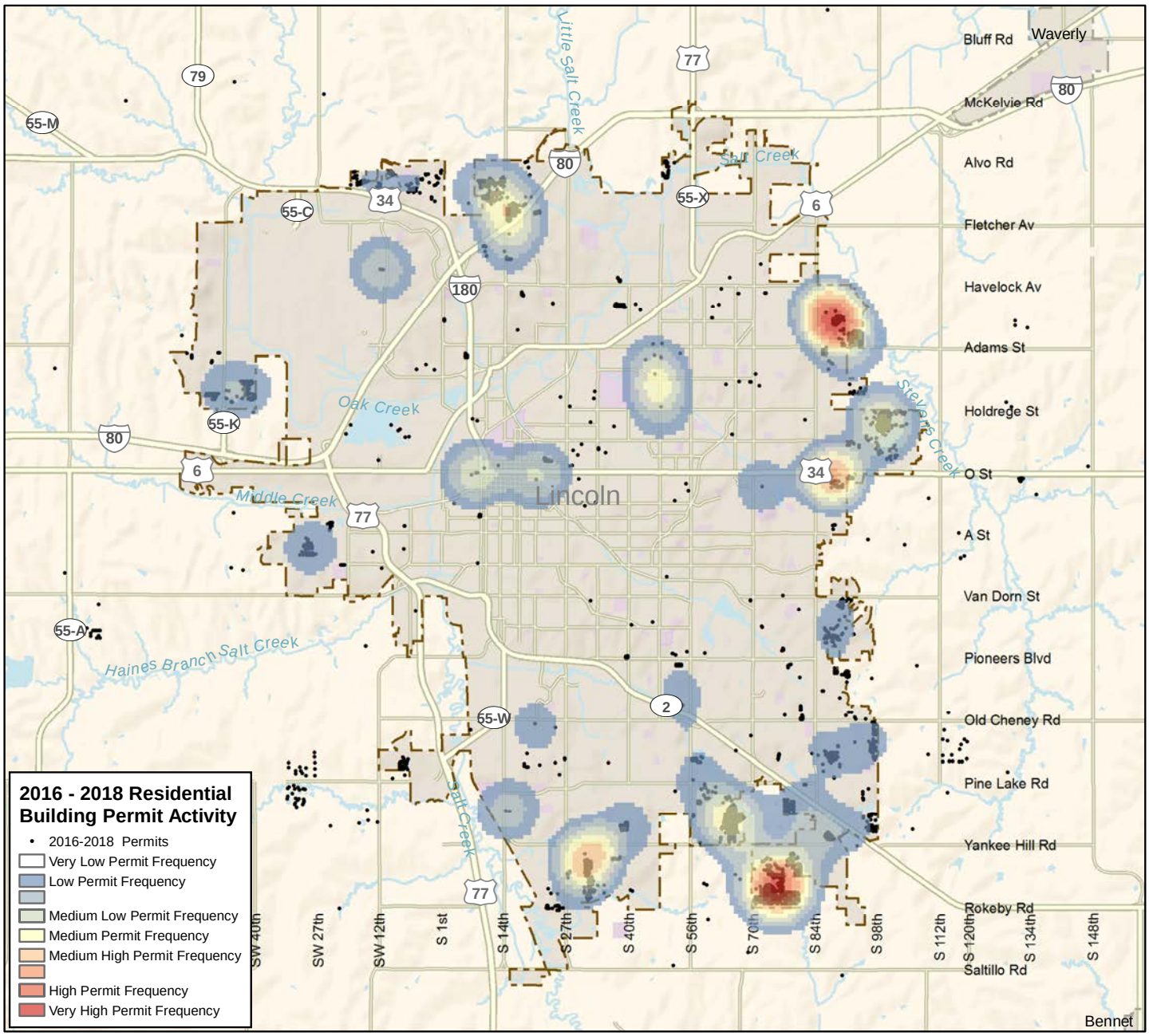

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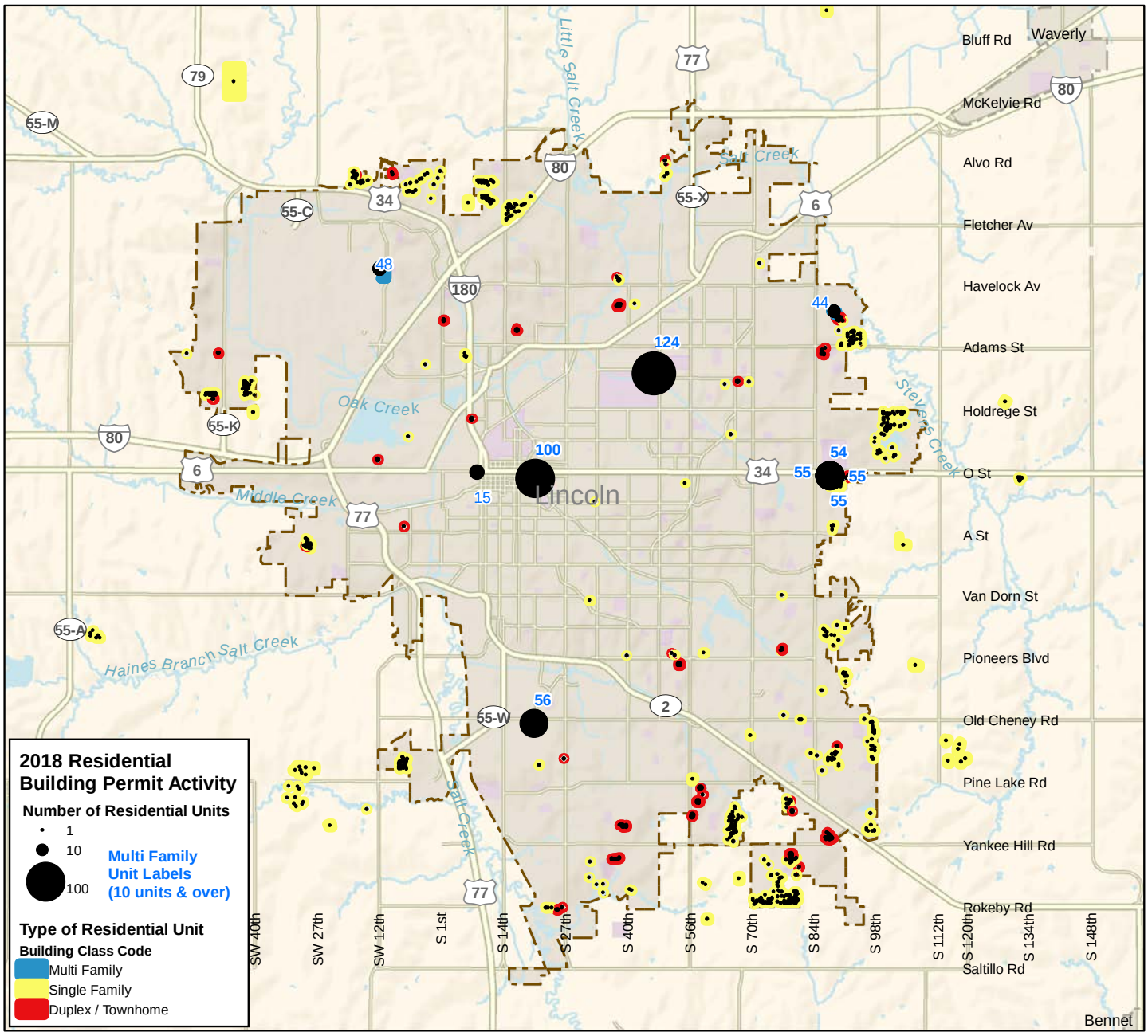


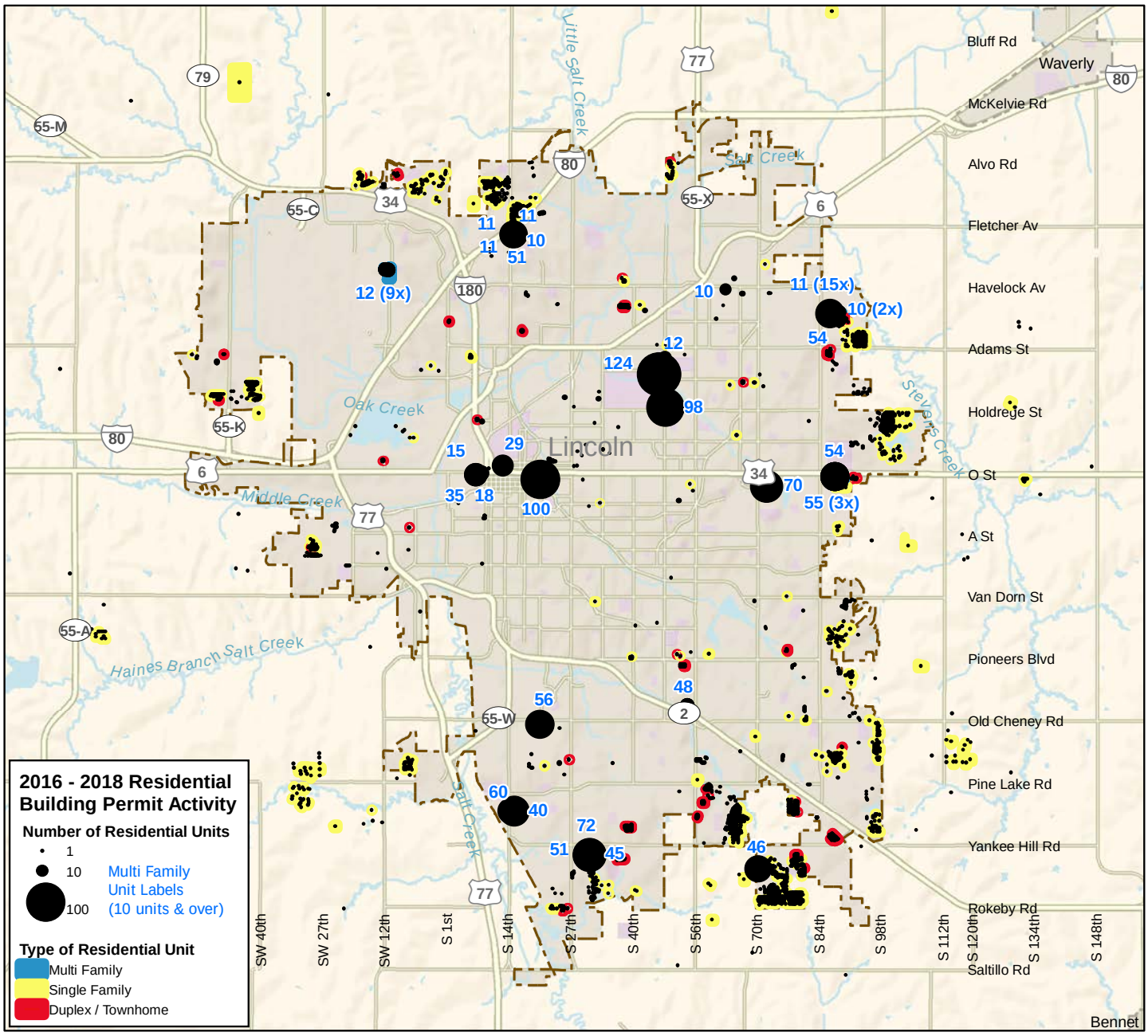
Note: The blue numbers represent total multi-family units per permit or complex.

2018 Residential Units in Lincoln

Multi-Family: 611 units

Single Family Detached: 621 units

Duplex/Townhouse: 256 units



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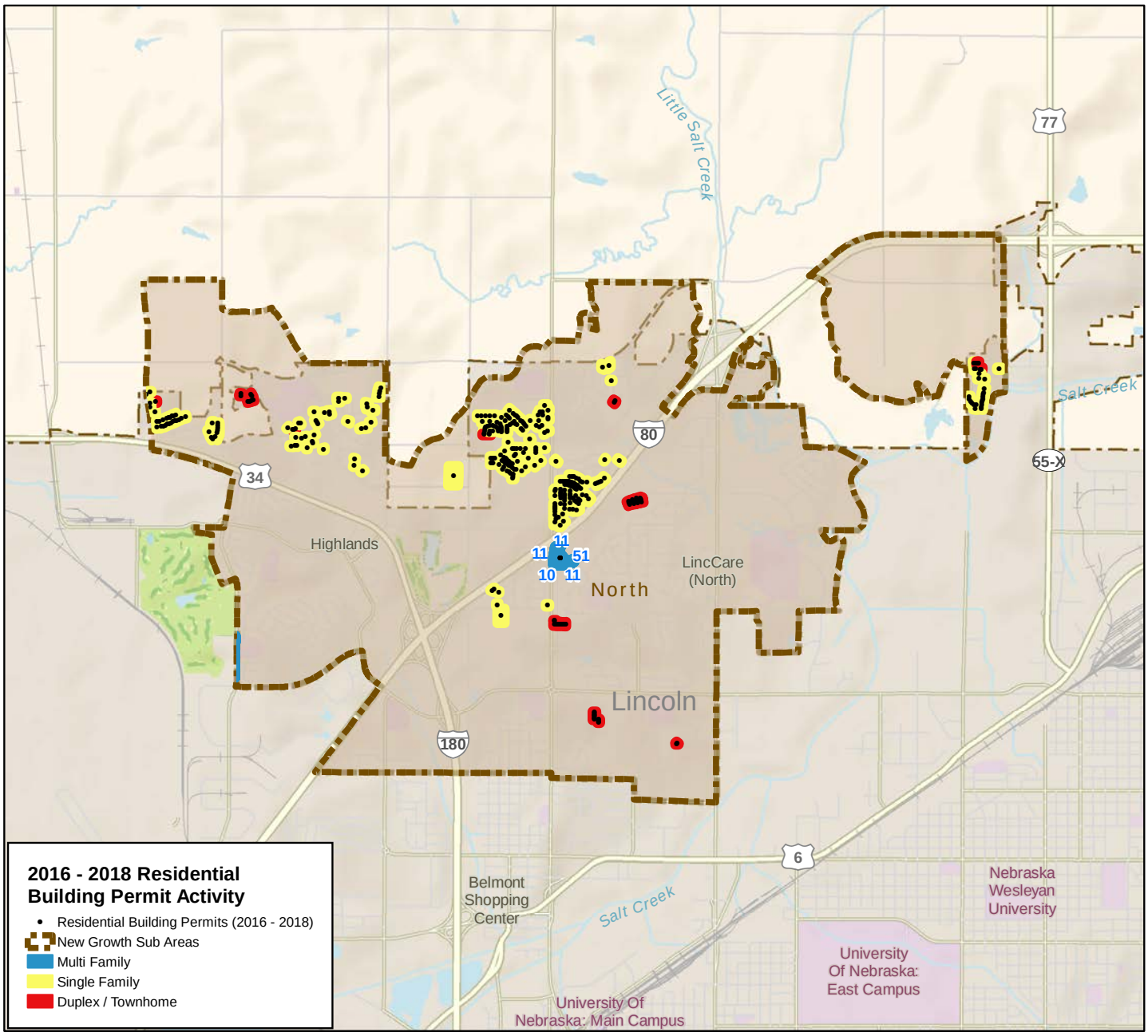
2016-2018 Residential Units in Lincoln

Multi-Family: 1,764 units (annual average of 588 units)

Single Family: 1,981 units (annual average of 660 units)

Duplex/Townhouse: 807 units (annual average of 269 units)



Note: The blue numbers represent total multi-family units per permit or complex.

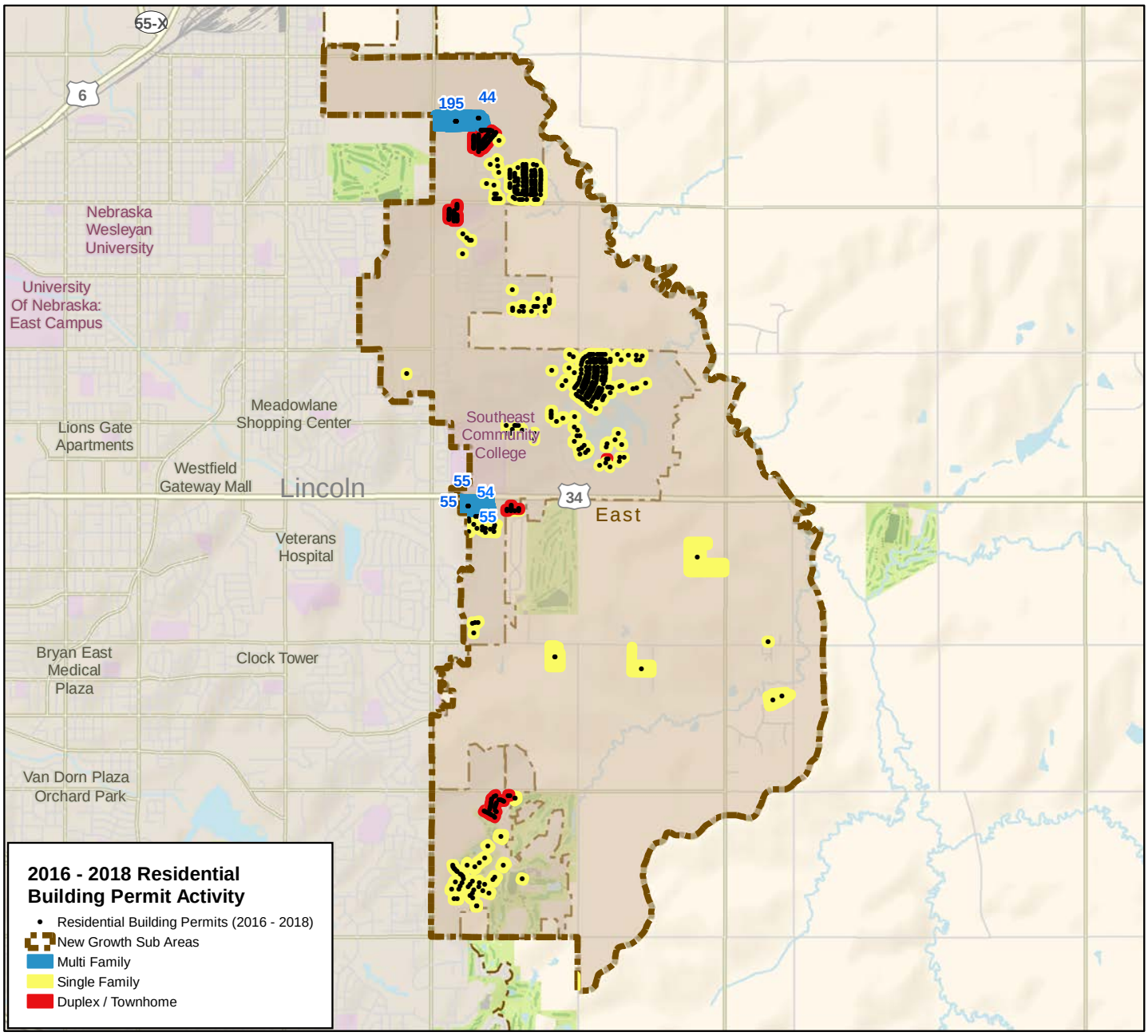
2016-2018 Residential Units in North New Growth Area

Multi-Family: 94 units (annual average of 31 units)

Single Family: 311 units (annual average of 104 units)

Duplex/Townhouse: 71 units (annual average of 24 units)

Total: 476 units



Note: The blue numbers represent total multi-family units per permit or complex.

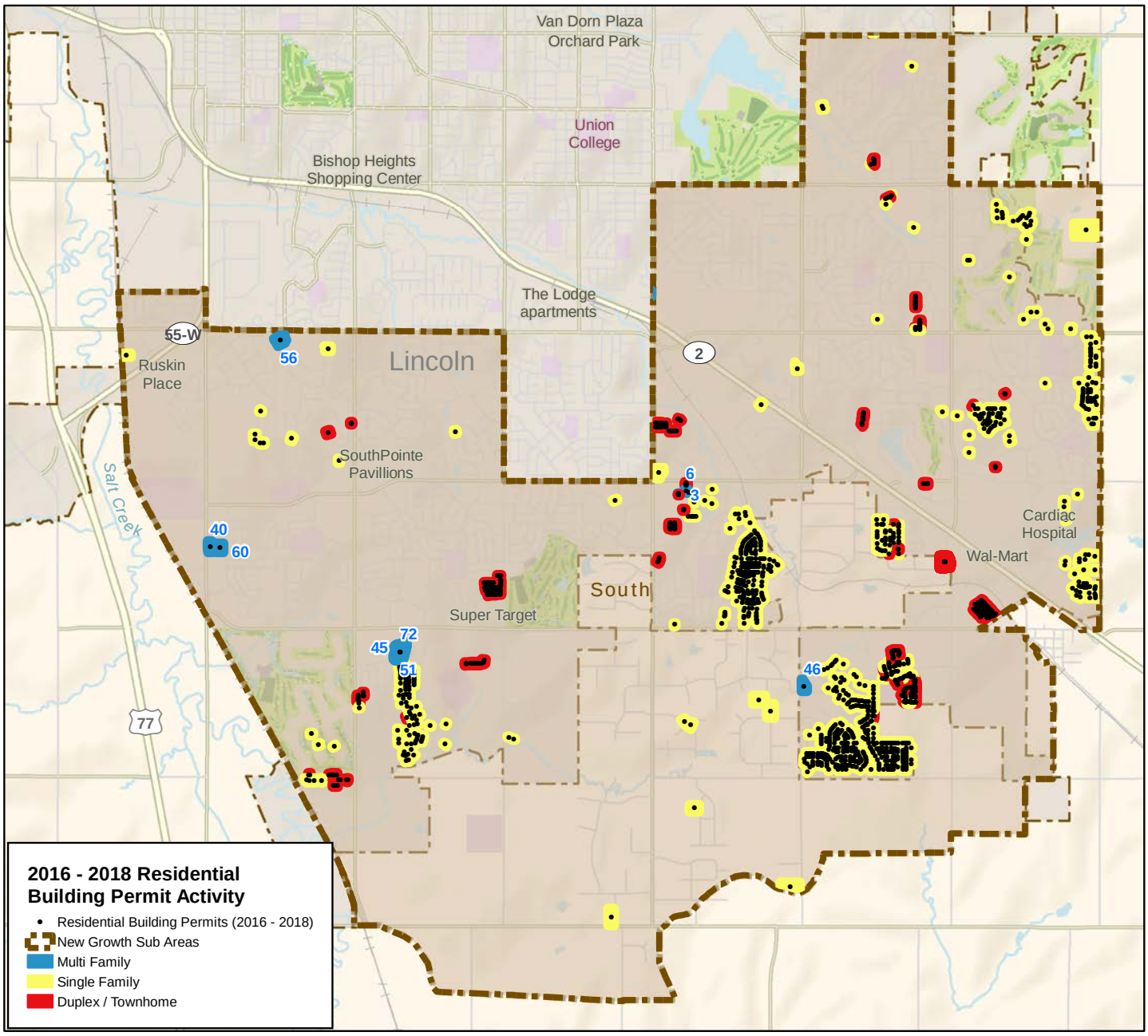
2016-2018 Residential Units in East New Growth Area

Multi-Family: 458 units (annual average of 153 units)

Single Family: 387 units (annual average of 134 units)

Duplex/Townhouse: 152 units (annual average of 51 units)

Total: 997 units



Note: The blue numbers represent total multi-family units per permit or complex.

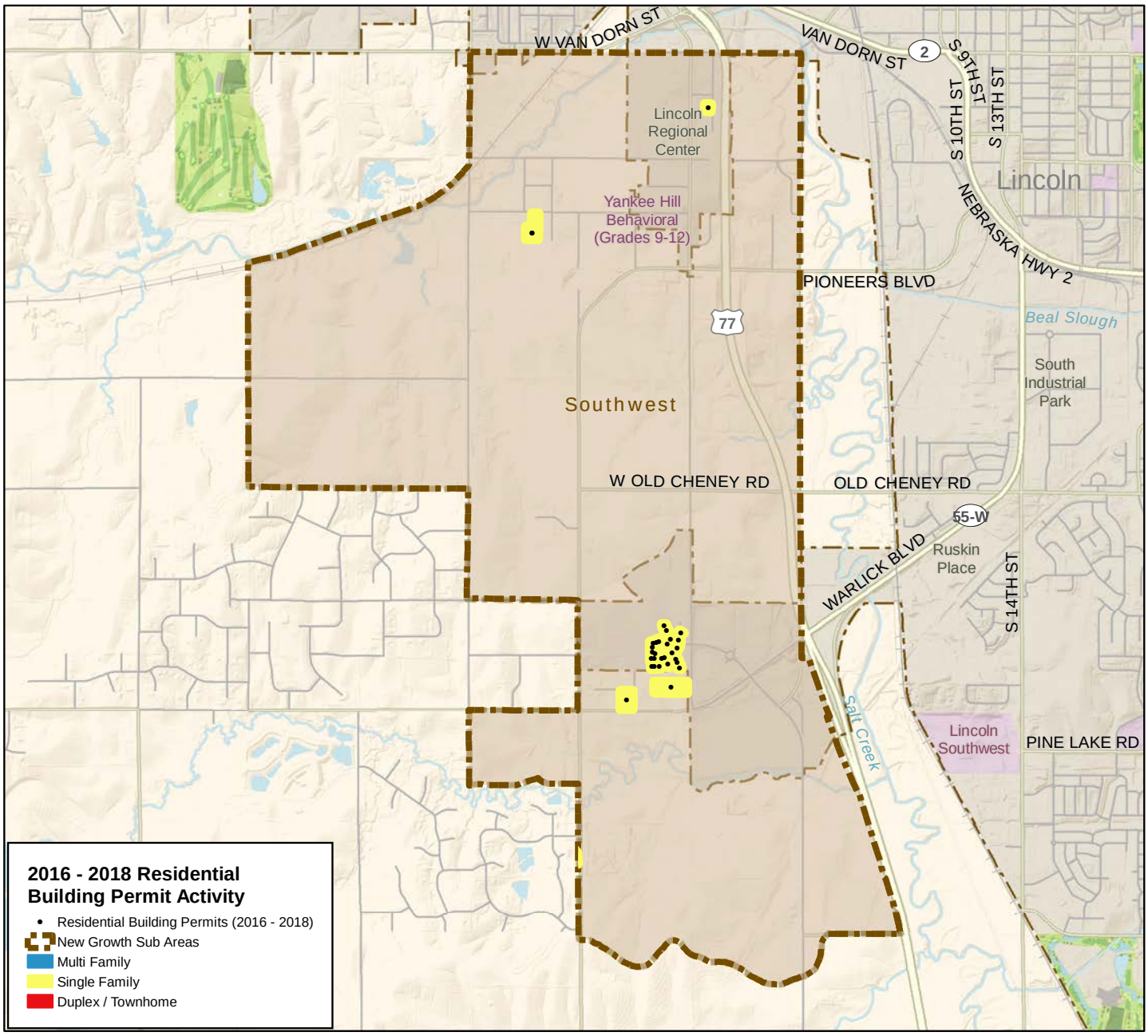
2016-2018 Residential Units in South New Growth Area

Multi-Family: 379 units (annual average of 126 units)

Single Family: 880 units (annual average of 296 units)

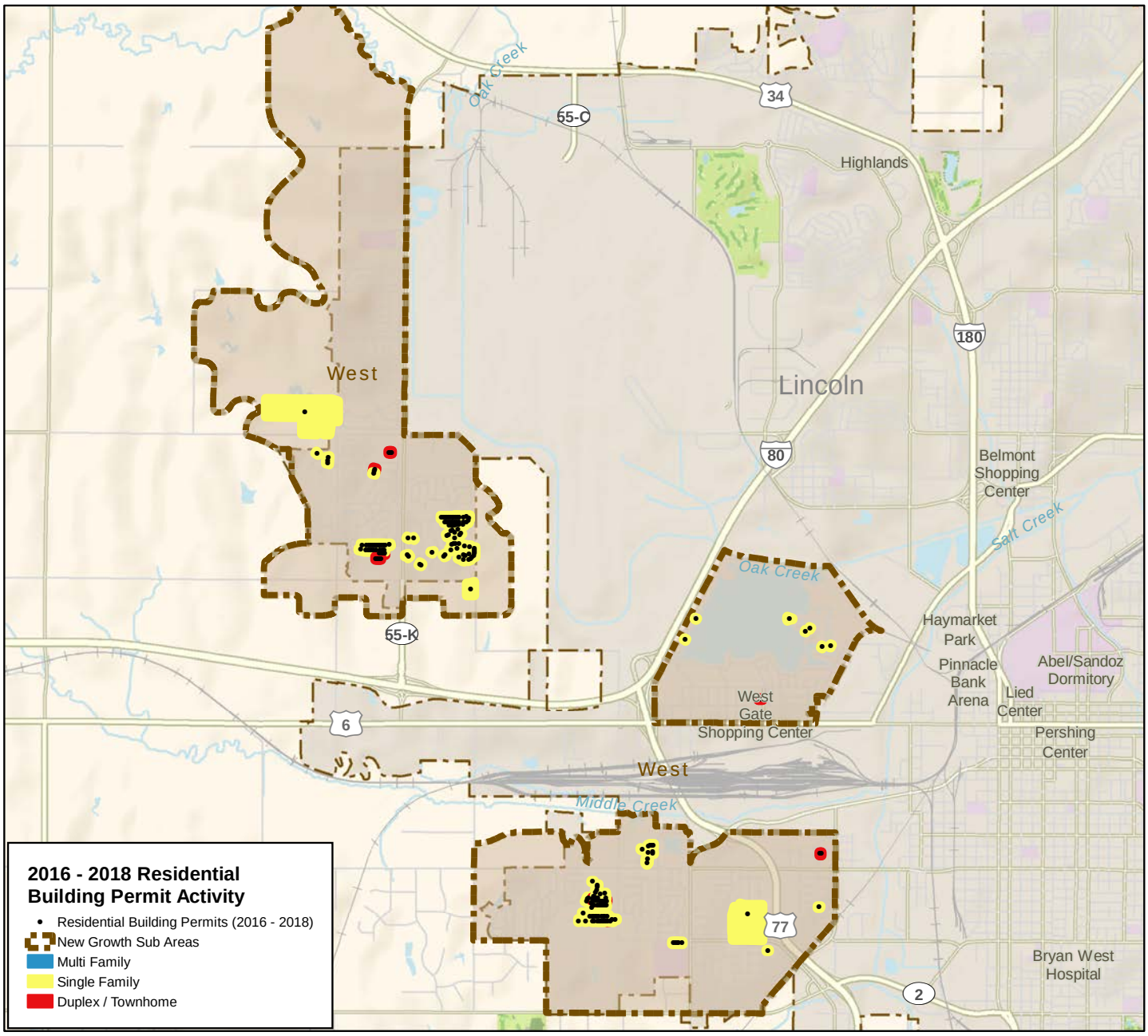
Duplex/Townhouse: 404 units (annual average of 135 units)

Total: 1,663 units



2016-2018 Residential Units in Southwest New Growth Area

Single Family: 34 units (annual average of 11 units)

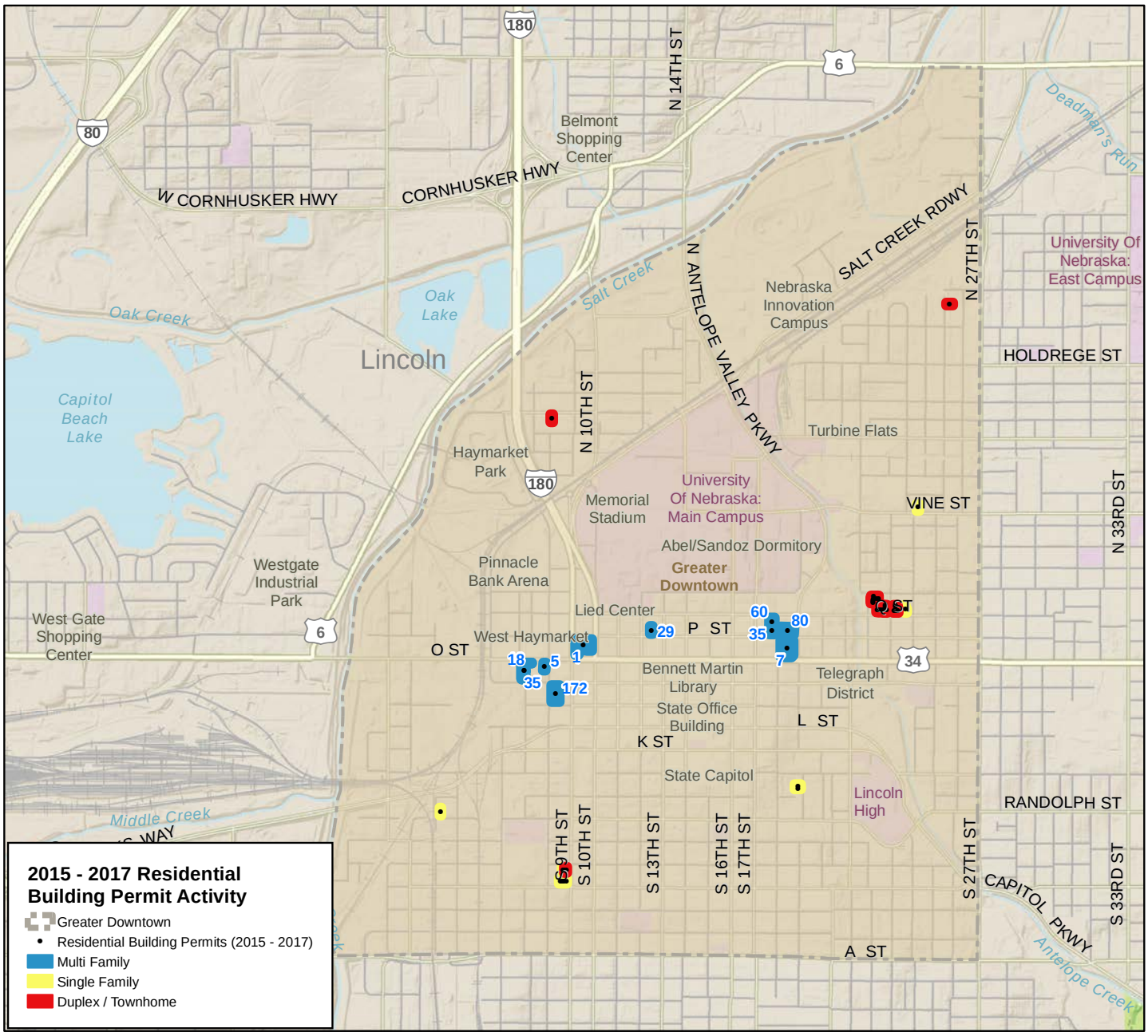


2016-2018 Residential Units in West New Growth Area

Single Family: 176 units (annual average of 59 units)

Duplex/Townhouse: 41 units (annual average of 14 units)

Total: 217 units



Note: The blue numbers represent total multi-family units per permit or complex.

2016-2018 Residential Units in Greater Downtown

Multi-Family: 203 units (annual average of 68 units)

Single Family: 7 units (annual average of 2-3 units)

Duplex/Townhouse: 32 units (annual average of 11 units)

Total: 242 units