

Executive Summary

The Nebraska Profile, sponsored by the Nebraska Investment Finance Authority (NIFA), is undertaken annually to provide current, high-quality information about factors influencing the development, production, use, and need for housing and housing services in Nebraska's communities. This executive summary addresses Nebraska in three zones: North, South, and Urban. The North and South zones contain the three northern and three southern regions, respectively, as shown in the map below. The Urban Zone is comprised of the Lancaster and Metropolitan regions, which include the counties of Douglas, Lancaster, Sarpy and Washington.



Demographics

Between 1990 and 2000, Nebraska's population increased by 8.4 percent, or from 1,578,385 to 1,711,263 persons. In 2010, the Census Bureau reported a statewide population of 1,826,341 persons. The state population rose by more than 115,000 people between 2000 and 2010, or 6.7 percent, which was much higher than previously estimated. By 2015, the statewide population estimate had risen another 3.8 percent, to 1,896,190 persons.

Data on income tax returns were also evaluated to gauge net change in households in the State of Nebraska. A

review of income tax returns from the Department of Revenue (DOR) filed by Nebraska residents from 1991 through 2015 showed that the number of returns expanded by 1.7 percent between 2014 and 2015. These data are presented in Table A, below.

Year	North	South	Urban	Other*	Total
1991	161,280	202,567	340,921	61,471	766,239
1992	162,386	203,984	351,785	54,302	772,457
1993	161,536	203,608	347,737	62,195	775,076
1994	162,911	206,003	355,107	66,366	790,387
1995	162,089	205,925	356,463	77,832	802,309
1996	163,322	208,209	364,316	79,346	815,193
1997	165,177	210,425	371,904	82,700	830,206
1998	165,121	211,288	381,065	84,597	842,071
1999	165,562	211,709	386,153	86,137	849,561
2000	165,999	212,227	390,726	88,142	857,094
2001	163,408	209,178	389,276	87,433	849,295
2002	162,328	208,782	392,982	79,865	843,957
2003	160,507	206,846	394,598	81,195	843,146
2004	159,934	206,938	402,608	82,016	851,496
2005	147,901	191,298	367,211	155,967	862,377
2006	161,843	209,838	419,355	89,829	880,865
2007	163,235	211,986	431,209	116,987	923,417
2008	165,867	215,145	445,047	95,195	921,254
2009	162,739	211,517	439,539	94,319	908,114
2010	162,694	211,404	444,466	97,716	916,280
2011	164,522	214,515	452,724	99,391	931,152
2012	164,751	217,280	460,125	100,890	943,046
2013	163,969	217,149	464,398	109,907	955,423
2014	164,775	219,421	473,924	115,772	973,892
2015	166,250	220,983	484,667	118,082	989,982

The DOR data might underrepresent lower-income individuals, the elderly and new foreign residents, all of whom are more likely to have little or no income to report. Even with this undercount, these data still indicate steady growth.

The Census Bureau reported that growth varied significantly throughout Nebraska. The results of the 2015 intercensal estimates, the most recent estimates available by county, are tabulated and presented by the three zones in Table B.

Table B Population Estimates State of Nebraska 2000, 2010, and 2015 Census Data				
Zone	2000 Census	2010 Census	2015 Estimates	% Change 2010-15
North	378,249	365,522	361,620	-1.1%
South	477,687	479,228	482,098	0.6%
Urban	855,294	981,591	1,052,472	7.2%
Nebraska	1,711,230	1,826,341	1,896,190	3.8%

These 2015 intercensal population estimates showed that the rate of population change in the North Zone was negative, falling 1.1 percent during the past 5 years. The population in the South Zone increased by 2,870 persons, while the population in the Urban Zone experienced a rise in excess of 70,881 persons, or 7.2 percent. In 2010, the Urban Zone held 53.7 percent of the state’s population, and this figure grew to 55.5 percent by 2015.

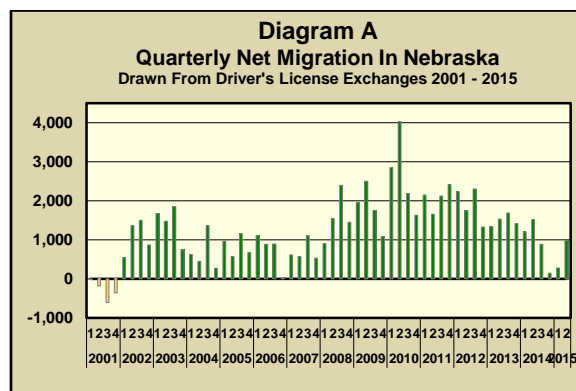
The Census Bureau data showed that while Nebraska’s population of persons aged 45 to 54 decreased the age groups of 25 to 34 and 55 to 64 increased by 3.0 and 12.0 percent, respectively.

An additional source of information was researched to further explore population change: The Nebraska Department of Motor Vehicles, Driver Services Division, provided data files related to the number of driver’s licenses surrendered and exchanged during the past 14 years. These data provided the number of people who moved to Nebraska and exchanged their previous license for a Nebraska license as well as those who left the state and surrendered their Nebraska license to a new state. Together, these factors represent an indicator of net movement into and out of Nebraska.

In 2001, DMV data showed that a net of

* This includes non-resident returns and other returns, which were not allocated to a specific county.

showed positive net migration, with the total net increase reaching 4,275 in 2002 and 5,745 in 2003, for an increase of 34.4 percent. Net flows into Nebraska were positive in every quarter after 2003 and reached an annual high of 7,610 in 2012. In 2014, net in-migration remained strong with a net of 3,750 licenses issued to new residents in the state. An additional 1,264 in-migrants arrived in the first half of 2015, as shown in Diagram A, below.



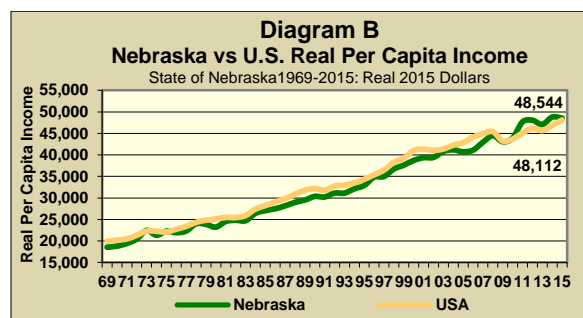
These DMV data also indicated that the highest rate of in-migration represented people in the prime working age group of 26 to 45 years old. Data from the Public Use Microdata Sample (PUMS), an annual survey compiled by the Census Bureau, confirmed that migration from within in the U.S. to Nebraska continues.

Economics

Bureau of Economic Analysis (BEA) statistics showed that the number of full- and part-time jobs exceeded 1.304 million in 2015. Still, over the past 20 years, Nebraska’s labor force, defined by BLS as individuals working or seeking work, increased at an annual rate of 1.0 percent and reached 1,012,973 people in 2015. The unemployment rate decreased from 3.3 to 3.0 percent between 2014 and 2015, far below the national rate of 5.3 percent. The state’s labor force participation rate continued to be higher than national

norms, 70.1 percent versus 62.7 percent nationally.

While Nebraska’s real average wage per job has been traditionally much lower than the national average, this figure is improving. In 2006, Nebraska showed \$9,885 less per job, but in 2015, it was only \$4,474 less. However, the state’s average real per capita income exceeded the national average in 2015 by \$432, as shown in Diagram B.



Between 1980 and 2007 business establishments in Nebraska expanded, peaking at 52,517 establishments. Although the most recent recession caused a decrease in business formation, the most recent 2014 figures show establishments bouncing back to 52,991.

Housing

Census Bureau data showed that Nebraska’s housing stock increased by 24,120 units, or 3.0 percent, over the past 5 years, as shown in Table C, below.

Region	2000 Census	2010 Census	2015 Estimate	% Change 2010-14
North	165,283	168,421	169,091	0.4%
South	208,107	217,678	220,629	1.4%
Urban	349,278	410,694	431,193	5.0%
Nebraska	722,668	796,793	820,913	3.0%

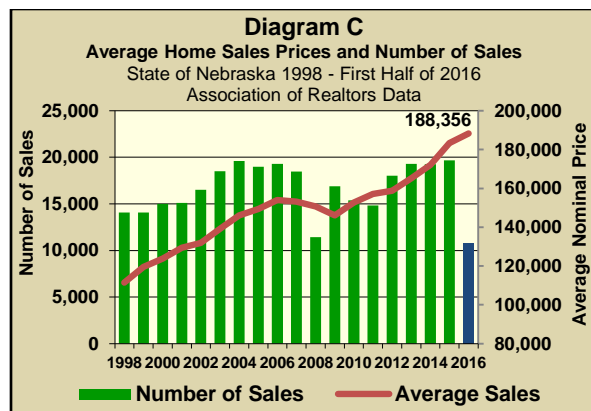
Increases occurred in the South and Urban zones of the state. In the North Zone, where population decreased by 1.1

percent, total housing stock increased by 0.4 percent. The Urban Zone housing stock grew by 5.0 percent during the past 5 years, rising to 431,193 units.

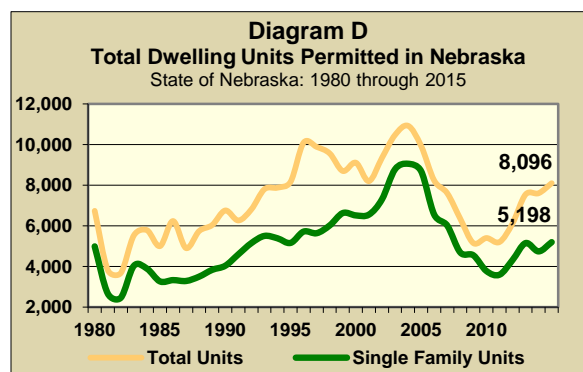
Data on residential property transactions were also provided by the Department of Revenue, Property Assessment Division (PAD), from fiscal years 1999 through 2016. These data provided information on several attributes of existing homes that are sold. The average size of existing homes sold was 1,423 square feet. Generally, newer homes were larger, with homes built between 1931 and 1960 averaging 1,147 square feet and homes built from 2011 to 2016 averaging 1,850 square feet.

Price per square foot increased as homes became newer. Homes built in 1930 or earlier had a sales price of \$51.17 per square foot, for an average value of \$65,303, but homes constructed from 2011 through 2016 reached \$142.60 per square foot for an average price of \$263,873. The PAD data indicate that the statewide average price for an existing single-family unit rose from \$91,617 in 1999 to \$169,248 in 2016.

The Nebraska Association of Realtors (NAR) provided sales price data from its member organizations. While these data are a composite of both existing and newly constructed homes, they indicate that prices have been steadily rising since 2009, increasing from \$146,088 in 2009 to \$183,355 in 2015, as shown on the following page in Diagram C.



Residential new construction permits issued in Nebraska reached a peak of 10,920 units in 2004, as shown below in Diagram D. The number of units permitted steadily fell through 2011, but rebounded and rose to 8,096 units in 2015. Single family development has been strong over the past year with single family units increasing by 454 units between 2014 and 2015, for a total of 5,198 units.



Overall, permitted new construction rose 6.5 percent from 2014 through 2015, with single family units rising by 9.6 percent, to 5,198 single family residential permits. Building is still strong, with the Lancaster Region seeing the largest over-the-year change in permitting activity. Still, average construction value of newly built units remains high. The real average value of Nebraska’s new single-family construction was \$171,540 in 2008, \$192,000 in 2012 and \$200,980 in 2015.

To assess Nebraska’s rental market, a telephone survey was conducted with apartment managers, Low Income Housing Tax Credit project managers, public housing authorities, and other rental agencies, covering both market rate and assisted rental properties in the last quarter of 2016.

This survey has been conducted in each of the past 15 years with the survey sample increasing each year; while 456 surveys were completed in 2002, 2,135 surveys were completed in 2015, as shown in Diagram E, below.

Although the number of survey’s completed in 2016 was less than the previous year, the number of units contacted remained nearly the same. This was due to consolidation within the apartment industry, with many complexes being sold to larger management companies.

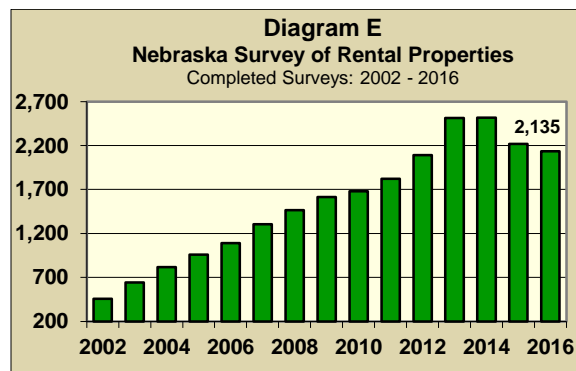
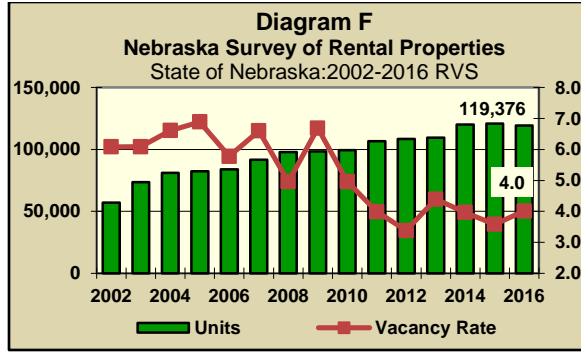


Diagram F, on the following page, shows the total number of units covered in each year of the survey rose from 57,009 units in the 2002 survey to 120,837 units in the 2015 survey, slipping slightly to 119,376 in 2016.

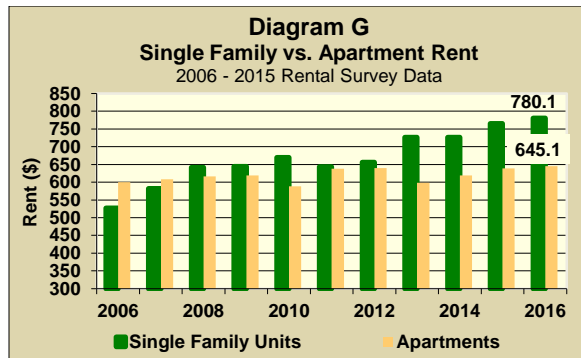


Rental vacancy rates moved lower this past year. The urban zone had the lowest vacancy rate, at 3.7 percent compared to 5.0 and 4.8 percent for the North and South regions respectively, as shown in Table D, below.

**Table D
Vacancy Rates
State of Nebraska
2012-2016 Survey Data**

Region	2012	2013	2014	2015	2016
North	4.2%	5.4%	4.0%	4.5%	5.0%
South	3.8%	4.4%	3.9%	3.2%	4.8%
Urban	3.1%	4.2%	4.0%	3.5%	3.7%
Nebraska	3.4%	4.4%	4.0%	3.6%	4.0%

Rental prices for single-family homes rose slightly to \$780, while apartment rental rates rose to \$645 as shown in Diagram G, below.



Of the 2,135 managers who completed a survey, 772 had waiting lists for their facilities, with a total of 9,150 persons on waiting lists. As expected, the largest waiting lists were in the Urban and South Zone. Of the 119,376 units covered in the

2016 survey, 16,046 had some form of rental assistance.

Summary

According to the 2015 intercensal estimates, population continued to rise, increasing to 1,896,190. The state’s economy continues with its recovery, with the unemployment rate falling to 3.0 percent, which was far lower than the national rate of 5.3 percent.

Average earnings per job continue to close in on the national average, shrinking that difference from \$9,885 in 2006 to \$4,474 in 2015. Real per capita income exceeded the national average by \$432 in 2015.

While Nebraska’s housing stock increased by more than 24,120 over the past five years, the Urban zone jumped by 5.0 percent and the South by 1.4 percent, with the North rising by 670 units.

Single family development increased from last year, but the state saw 5,198 single family permits issued. Total units permitted rose by 6.5 percent between 2014 and 2015, increasing to 8,096 total permits. Prices of homes have followed this path as well, with prices rising since 2009 and reaching over \$200,980 in 2015.

NIFA’s Rental Vacancy Survey covered some 2,135 housing providers and 119,376 rental units. Statewide, the vacancy rate rose from 3.6 percent last year to 4.0 percent. The relatively low vacancy rate and the continued increase in housing prices indicate a growing need for affordable housing options in many areas of the state, especially in the fast growing urban centers.

