

2025

NEBRASKA INVESTMENT FINANCE AUTHORITY

HOUSING NEEDS ASSESSMENT

INFORMING POLICY, MEASURING IMPACT



Table of Contents

Overview of Analysis	3
Current Challenges	6
Population Trends	15
Owner-Occupied Housing	24
Renter-Occupied Housing	29
Citations	36



Overview of Analysis

The examination of housing need exists at the cross-section of supply and demand and the associated factors influencing both.

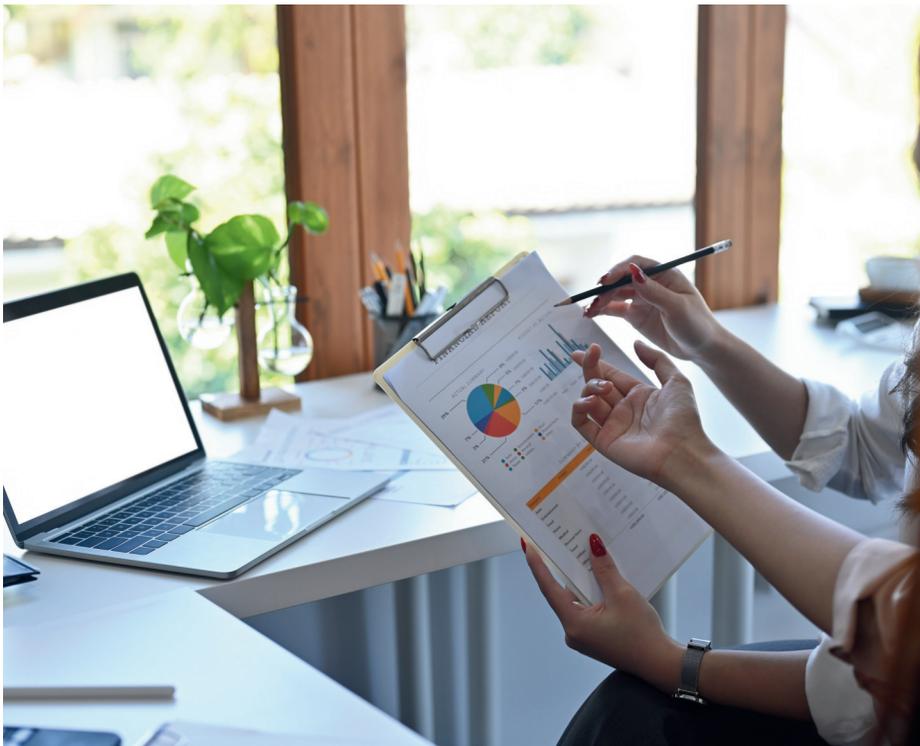
Since the publication of the 2022 Nebraska Statewide Housing Needs Assessment, Nebraska's housing market has continued to tighten as additional housing stock brought to market has slowed, interest rates have increased (yet stabilized), and housing price increases have outpaced household earning increases across markets. Overall, the five original, major themes identified in the original assessment remain relevant in the update and analysis of the 2025 assessment, including:

- **A deficit of housing unit production relative to population growth**, post 2006 housing market collapse, continues to challenge needed supply.
- **Development that is occurring is not targeted at the income levels where supply is most constrained**, specifically for households with income under \$20,000.
- **Gaps in affordability for both homeownership and rental markets are widening**, but Nebraska is still relatively attractive on a comparative basis.
- **Age, quality, and occupancy** of housing inform needed solutions.
- The **different realities across RUCC classifications** require varied approaches.



Living in or near a metro area affords opportunities that are not as readily available in rural areas: access to jobs, education, childcare, healthcare, new housing construction, etc. We expect that counties with higher populations, or counties with proximity to metro areas, would experience different housing challenges than rural counties not adjacent to metro areas. However, blighted, urban core areas and non-metro adjacent rural areas have some similar challenges.

There is not a one-size-fits-all solution for housing needs in Nebraska. Our communities differ in size, economy, primary industries, proximity to larger cities, and other local-level factors, influencing the inflow and outflow of population, as well as the demographic and socioeconomic compositions of communities. **Approaching the housing market with a “yes, and” mindset will be the best way forward** to expand supply, catch up with demand, and ease affordability concerns.



A key finding of this assessment is the use of RUCC designations to understand Nebraska’s housing needs. RUCC, as a measure of relative urbanity (or rurality), reflects adjacency to metro areas, beyond geographic clusters or population density clustering.

Objective

The objective of the Nebraska Statewide Housing Needs Assessment is to assist the Nebraska Investment Finance Authority (NIFA) and the Nebraska Department of Economic Development (DED) in evaluating the statewide demand for housing—both affordable and market-rate. **This assessment aims to build upon the consistent, data-driven framework established in 2022 for measuring housing needs across Nebraska and its communities in order to track and monitor current and emerging trends.**





Nebraska's Housing Environment

Current Challenges

When the Housing Needs Assessment was completed in 2022, Nebraska was facing multiple challenges that have negatively affected the housing market. Rising interest rates, job availability and security, lower permitting of new development, fluctuating economic markets, and an increasing population lead to a shortage of available and affordable homes for Nebraskans. In the past three years, Nebraskans have worked diligently to recover from the massive disruption following the COVID-19 pandemic, however many of the same problems persist. Rapidly increasing home prices and rental rates, as well as issues with the quantity and quality of available housing inventory, are shared realities facing communities in Nebraska and across the nation. Continued destruction and dilapidation of housing that is not sufficiently weather resistant, due to extreme weather events, is also a factor in Nebraska's ability to grow housing stock.

These shortages continue to be a barrier to job growth, community development, talent attraction and retention, and the overall quality of life for Nebraska and its communities. This updated needs assessment aims to continue to shed light on the acute challenges proliferating these barriers.

Different Realities Facing Different Geographies

Nebraska is a geographically diverse state, and community experiences in the housing market can vary location to location. While many of the barriers to creation and preservation of housing are experienced across the state, some are more prone to exist in communities within certain regions or based upon challenges related to distance from needed resources.



Affordability Gap

Home price and rental price increases are outpacing Nebraskan's income growth. Understanding the factors that contribute to this decoupling and teasing out how they are occurring are key to understanding how to address growing affordability concerns.



Methodology

In assessing housing market changes, NIFA analyzed data from the following sources covering the years 2000 to 2023:

- U.S. Bureau of Labor Statistics (BLS) - Quarterly Census of Employment and Wages (QCEW)
- U.S. Census Bureau - Decennial Census
- Current Population Surveys (CPS) - American Community Survey (ACS), 5-Year Estimates
- U.S. Department of Agriculture (USDA) - Rural-Urban Continuum Codes (RUCC)
- Federal Reserve Bank of St. Louis (FRED)
- U.S. Census Bureau - Building Permit Survey
- Great Plains Regional Multi-Listing Service (MLS)

The QCEW provides data on workers covered by state unemployment insurance. This excludes the self-employed, certain agricultural workers, and railroad workers covered by railroad unemployment insurance. Despite these exclusions, it is a consistent, comprehensive source of data on employment, firms, and wages by industry.

The U.S. Census data included demographic, housing, and household characteristics at the community level. This data is compiled annually through the ACS and is a consistent source of information throughout the entire state.

It is important to note that while this analysis focuses on RUCC as a delimiter for geographic data, action to improve housing supply are being addressed from a regional level, leveraging the 6 Regions, One Nebraska framework based on the community college service areas.

For purposes of this analysis, the term “housing cost burden” is defined as a household allocating over 30% of their annual gross income towards housing expenses.





Nebraska's Rural-Urban Continuum Codes

RUCC Classifications

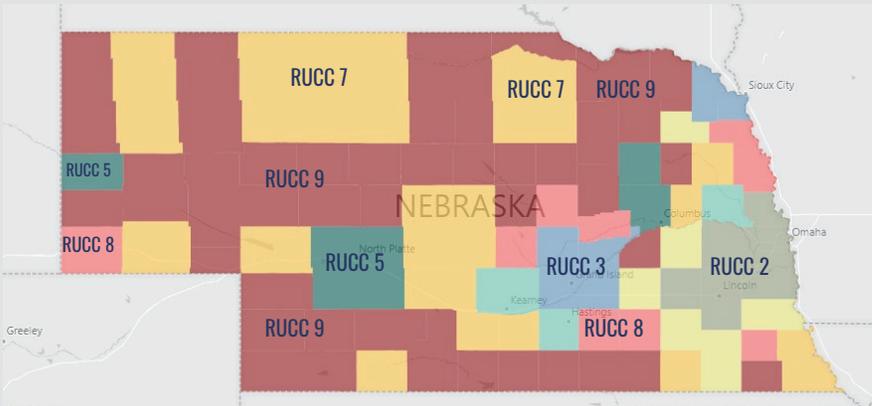
In order to best understand and analyze the varying needs of Nebraska's communities, the USDA's Rural-Urban Continuum Codes (RUCC) were used to group and classify Nebraska communities

According to the USDA, "The 2013 Rural-Urban Continuum Codes form a classification scheme that distinguishes metropolitan counties by the population size of their metro area, and nonmetropolitan counties by degree of urbanization and adjacency to a metro area. The official Office of Management and Budget (OMB) metro and nonmetro categories have been subdivided into three metro and six nonmetro categories. Each county in the U.S. is assigned one of the 9 codes."

Why RUCC?

"RUCC Codes allow researchers to break county data into finer residential groups, beyond metro and nonmetro, particularly for the analysis of trends in non metro areas that are related to population density and metro influence."

-USDA



Legend

RUCC 2	Metro - Counties in metro areas of 250,000 - 1,000,000 population
RUCC 3	Metro - Counties in metro areas of fewer than 250,000 population
RUCC 4	Nonmetro - 20,000 or more population, adjacent to a metro area
RUCC 5	Nonmetro - 20,000 or more population, nonadjacent to a metro area
RUCC 6	Nonmetro - 2,500 - 19,999 population, adjacent to a metro area
RUCC 7	Nonmetro - 2,500 - 19,999 population, nonadjacent to a metro area
RUCC 8	Nonmetro - Completely rural or less than 2,500 urban population, adjacent to a metro area
RUCC 9	Nonmetro - Completely rural or less than 2,500 urban population, nonadjacent to a metro area

RUCC 2	RUCC 7	RUCC 9	RUCC 9 cont'd
Cass	Box Butte	Antelope	Morrill
Douglas	Cherry	Arthur	Nuckolls
Lancaster	Cheyenne	Banner	Pawnee
Sarpy	Colfax	Blaine	Perkins
Saunders	Cuming	Boone	Pierce
Seward	Custer	Boyd	Polk
Washington	Dawes	Brown	Rock
	Dawson	Cedar	Sheridan
	Holt	Chase	Sioux
RUCC 3	Jefferson	Deuel	Stanton
Dakota	Kearney	Dundy	Thayer
Dixon	Keith	Franklin	Thomas
Hall	Nemaha	Frontier	Valley
Hamilton	Phelps	Furnas	Webster
Howard	Red Willow	Garden	Wheeler
Merrick	Richardson	Garfield	
		Gosper	
RUCC 4		Grant	
Adams	RUCC 8	Harlan	
Buffalo	Burt	Hayes	
Dodge	Clay	Hitchcock	
	Fillmore	Hooker	
RUCC 5	Greeley	Keya Paha	
Lincoln	Johnson	Knox	
Madison	Kimball	Logan	
Platte	Nance	Loup	
ScottsBluff	Sherman	McPherson	
	Thurston		
RUCC 6			
Butler			
Gage			
Otoe			
Saline			
Wayne			
York			

Macroeconomic Forces

The housing market is dynamic, complex, and influenced by a variety of macroeconomic factors like interest rates, market confidence, and the cost of raw materials.

Housing Inventory

Maintaining a supply of quality, affordable housing is essential for a sustainable housing market. Factors such as vacant properties, aging housing stock, interest rates, and the availability of contractors all play a role in shaping the overall health of Nebraska's housing market.

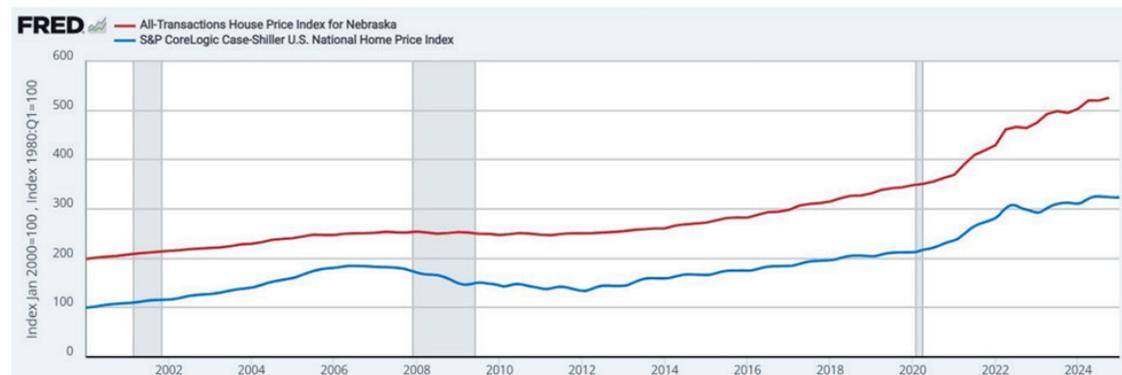
Rapidly Increasing Prices

Basic economic principles of supply and demand dictate that when supply is abundant, prices fall. The housing market is no exception to this, as when the supply of available homes is shallow, prices increase.

As seen in **Figure 3**, the rate of change of Nebraska's home price increases (red line) generally trended with national trends (blue line), but in the past three years, Nebraska has gradually outpaced the US with the gap continuing to widen. This means that home prices in Nebraska are increasing at a more rapid rate than in the rest of the US.

Figure 3

- All-Transactions House Price Index for NE
- S&P CoreLogic Case-Shiller U.S. National Home Price Index



Source: Federal Reserve Bank of St. Louis (FRED)

Mortgage Rate Environment

Before 2022, relaxed lending standards and low mortgage rates helped offset limited housing supply. However, the outlook since the 2022 Needs Assessment has shifted, influenced by factors such as the consumer price index, rising inflation, and the Federal Reserve's more restrictive monetary policy. While down from 2022's peak of 9.1%, the Consumer Price Index (CPI) is at 2.4% for all items, and 4% for housing specifically. These indices' tempering trends point to a slowing of inflation rates with the cost of living rising at a slower pace.

Interest rates have been steadily rising over the past five years, but after a rapid rise between 2021 and 2022 and a peak at the end of 2023, they have begun to stabilize in the mid-6 percent range.

Even with mortgage rates stabilizing, interest rates over the past three years are at the highest point since 2002 (seen in Figure 4) which, along with greatly appreciated property values, does not encourage existing homeowners with lower interest rates to sell. The combination of current, higher rates and increased property values means that even people who would like to downsize may face increased monthly mortgage payments, keeping them in their existing homes. While there are hopes that this interest rate tempering will bring more homes and buyers to market, it is uncertain how long these conditions may continue, particularly as markets have been fluctuating due to the imposition of tariffs and their potential effect on markets as a whole.

Figure 4
30-Year Fixed Mortgage Average, Nationally



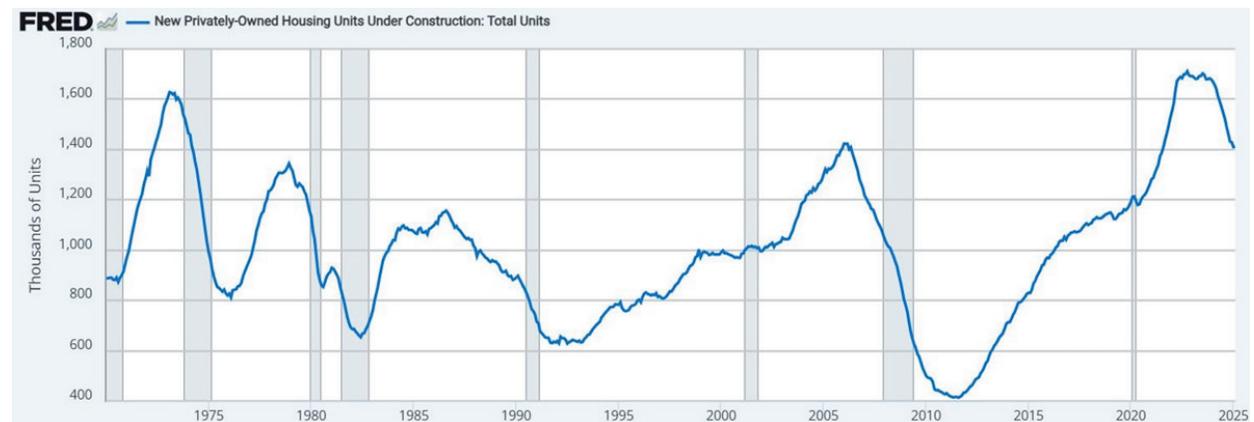
Source: Federal Reserve Bank of St. Louis (FRED)

Supply Constraints on New Construction

Common sense would dictate that when existing housing inventory is low, the resulting demand should, in turn, encourage the market to construct new inventory. The 2022 Needs Assessment showed an increasing rate of new construction housing across the nation between 2021 and 2023 years, however this influx of new construction, shown in Figure 5, has peaked and tapered off in recent years, returning, nationally, to 2021 rates of construction. Overall, the United States' new construction housing market peaked in 2006, with permits for new housing units exceeding two million in 2005. The bursting of the US housing bubble in 2006, and subsequent national recession, saw total national permits fall more than 73% from 2005 to 2009. In Nebraska, while the decrease in housing production was not as dramatic (a 52% decrease in total permitted housing units, from 10,920 in 2005 to 5,150 in 2009), the results have had a lasting impact on the supply of total housing units in the state.

Figure 5
Changes in New Construction Rates, Nationally

— Newly Privately-Owned Housing Units Under Construction: Total Units

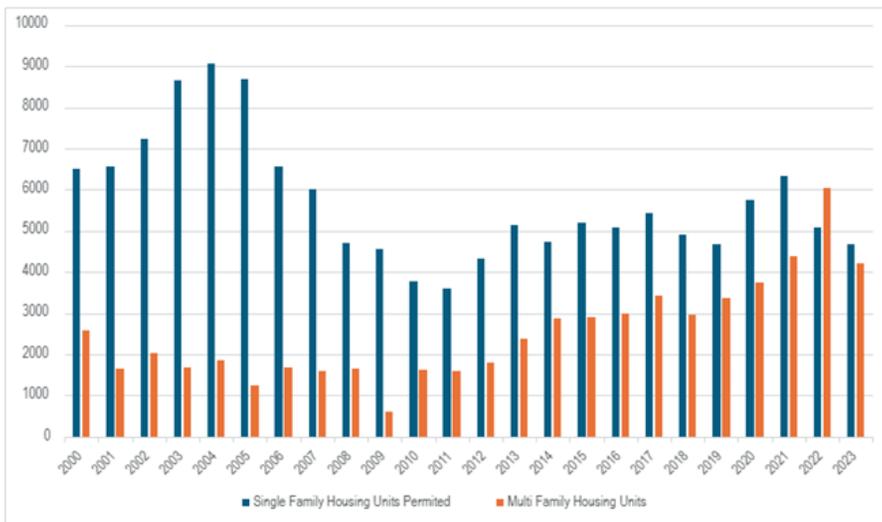


Source: Federal Reserve Bank of St. Louis (FRED)

Since the Great Recession, Nebraska has been steadily returning to the level of early 2000's permitting rates, realizing a record number of permits in 2022 with 11,113 permits issued. From 1980 to 2010, Nebraska realized a total statewide growth in population of 256,784 people, while permitting 225,481 new housing units in that same time period (or .878 units for each new person). Whereas, in the years from 2011 to 2023, when Nebraska realized a total statewide growth in population of 139,317, only 107,591 new housing units were permitted, constituting .772 units per new person, even as household size has decreased, meaning more housing per person is needed.

However, we must bear in mind that not all new construction units are additive to the bottom line of housing units available, since an estimated .5% of housing stock, per year, falls out of habitability, whether through destruction or dilapidation. With a current housing stock of 855,631 units, and a dilapidation rate of about .5%, this means approximately 4,063 new units each year go toward that deficit before adding to the overall available units. From 2011 to 2023, despite permitting over 100,000 new housing units, the available housing stock only grew by 58,838, meaning that the other 48,753 units permitted went towards that deficit. Destruction or dilapidation of long term vacant units in areas that are losing population moderates the number of units needed to fill the deficit, however specific data is not available in this regard.

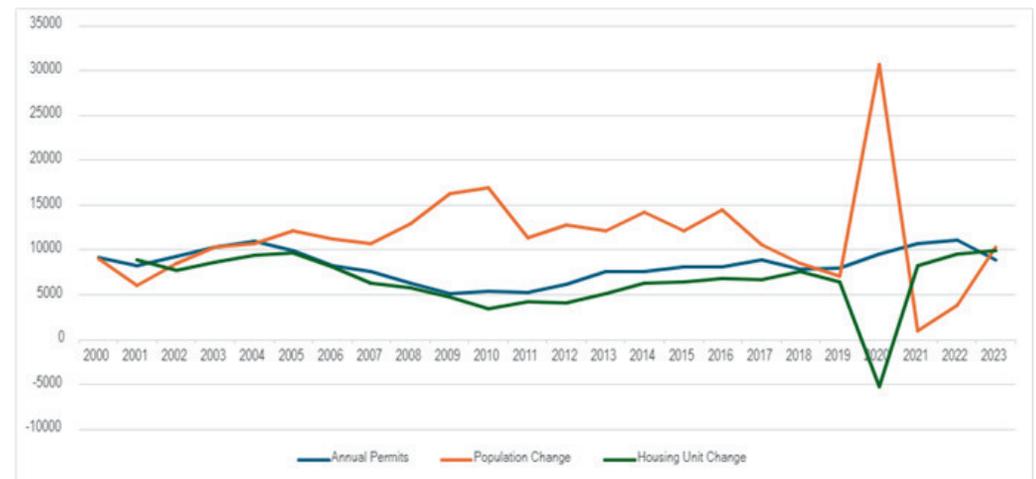
Figure 6
Change in Permitting and Single-Family Housing Units, Nebraska



Source: U.S. Census Bureau & National Association of Homebuilders

■ Single Family Housing Units Permitted
■ Multi Family Housing Units

Figure 7
Change in Population and Total Housing Units, Nebraska



Source: U.S. Census Bureau American Community Survey, 2019-2023

■ Annual Permits
■ Population Change
■ Housing Unit Change

Population Trends

Nebraska has experienced a steady growth of population since the 1990 census, with concentrated growth in urban and sub-urban centers. Since the 2010 census, Nebraska's overall population has increased by 139,317 people with a growth rate of 7.63%, which is inline with the growth rate of the United States. However, this growth has not occurred evenly throughout the state. **Only 22 counties have seen growth in their populations between 2010 and 2023, whereas in the 2022 Housing Needs Assessment (which analyzed population data up to 2020), there were 24 counties whose population grew.** These counties primarily house metro and non-metro urban areas (20,000 and above), yet we still see growth in some small population counties; four of the counties Keya Paha, Logan, Grant, and Arthur have a combined population of 2,530. Population growth necessitates attainable and affordable housing.

Regardless of population size, Nebraskans see housing affordability and availability impacted by changing demographic factors like age and income.

Job Growth

Job creation drives Nebraska's population growth. According to the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, Nebraska had 896,936 employees covering all industries and business sizes in 2010, and 1,022,181 in 2024, a 13.96% increase.



Generational Population Change

Even as interest rates began to stabilize after sharp increases following the COVID-19 pandemic, many baby boomers and Gen X'ers continue to choose to stay in their low-to-no-mortgage, family-sized homes, thereby reducing the availability of these homes to growing families. As shown in Figure 1, by 2030, Millennials and Gen Z'ers are projected to make up the largest segment of the population and, as they grow their families, availability of homes that suit their needs is vital.

The 2022 Housing Needs Assessment noted a particularly large, projected senior population increase of 42.4% in 2030, however adjusted projections now predict a percentage increase of 7.9%. Looking beyond 2030, as 45–64-year-olds age into retirement, available housing that suits their needs will continue to be a critical need for Nebraska's growth.

Figure 1

Age Group	2019-2023 ACS Population	2030 Projected Population	2019 % of Change	2023 % of Change
<20	539,381	564,584	3.0%	4.5%
20-44	645,322	661,801	2.4%	2.5%
45-64	459,058	526,414	-3.6%	12.8%
65+	322,165	349,962	42.4%	7.9%
Total	1,965,926	2,102,760	7.3%	6.5%

Source: U.S. Census Bureau, American Community Survey 2019-2023

Figure 2

2023	Nebraska		United States	
	Total	%	Total	%
Total Population 1 year and over	1,942,272	100.0%	328,888,644	100.0%
Population that moved	266,091	13.7%	57,324,668	17.4%
Population that moved from abroad	9,711	0.5%	19,733,319	6.0%
Population that moved from a different state	46,615	2.4%	7,564,439	2.3%
Population that moved within the state	209,765	10.8%	30,026,911	9.8%
Population that moved from a different county	67,980	3.5%	10,524,437	3.2%
Population that moved within the same county	141,786	7.3%	21,706,651	6.6%

Source: U.S. Census Bureau American Community Survey, 2019-2023. Geographic Mobility by Selected Characteristics in the United States – S0701

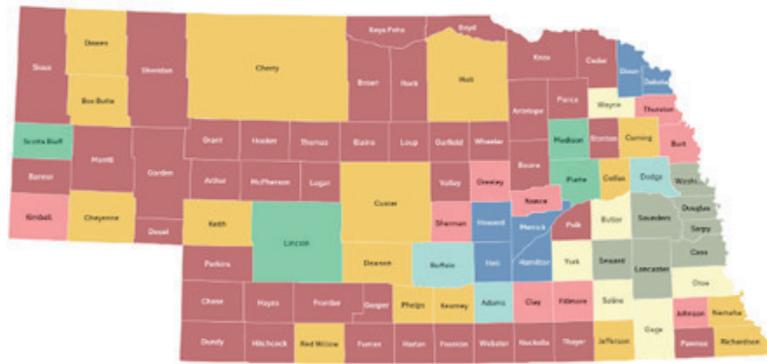
Nebraska's Population by RUCC

Table 1

	1980	1990	2000	2010	2020	2019-2023 ACS	Change 2000-2023	Change 1980-2023
RUCC 2	746,247	804,332	915,910	1,044,362	1,185,088	1,191,534	▲ 275,624	▲ 445,287
RUCC 3	96,419	94,780	104,300	108,856	113,655	112,949	▲ 8,649	▲ 16,530
RUCC 4	101,300	101,572	109,570	114,157	118,456	118,503	▲ 8,933	▲ 17,203
RUCC 5	135,033	130,942	138,379	140,641	140,373	139,952	▲ 1,573	▲ 4,919
RUCC 6	86,756	82,223	85,543	83,906	84,099	84,793	▼ (750)	▼ (1,963)
RUCC 7	179,707	165,325	167,943	159,814	155,220	154,603	▼ (13,340)	▼ (25,104)
RUCC 8	54,620	48,810	47,282	44,693	42,401	42,169	▼ (5,113)	▼ (12,451)
RUCC 9	169,743	150,404	142,337	130,180	121,944	121,423	▼ (20,914)	▼ (48,320)
Nebraska	1,569,825	1,578,388	1,711,264	1,826,609	1,961,236	1,965,926	▲ 254,662	▲ 396,101

Source: U.S. Census Bureau American Community Survey, 2019-2023

Nebraska's
Population Changes
by RUCC



Between 2020 and 2023, Nebraska has seen a net gain of about 5,000 people centered predominately in Metro and Nonmetro areas with populations of 20,000 or more (RUCCs 2 - 5). All four other RUCCs saw a decrease in population, with RUCC 7 experiencing the greatest decrease of population (617 people) since 2020.

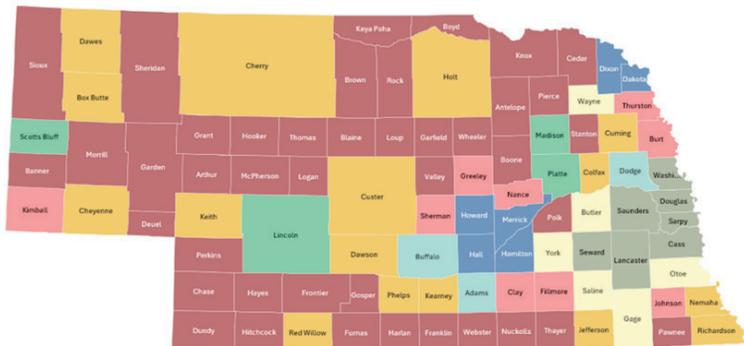
Total Housing Units

Total Housing Units (Occupied and Vacant) by RUCC

Table 2

	2000	2010	2020	2019-2023 ACS	Change 2000-2023
RUCC 2	374,132	437,906	490,863	499,954	▲ 125,822
RUCC 3	42,055	44,485	45,945	46,299	▲ 4,244
RUCC 4	45,312	48,998	50,944	51,590	▲ 6,278
RUCC 5	58,792	61,384	62,208	62,636	▲ 3,844
RUCC 6	36,058	37,293	37,280	37,501	▲ 1,443
RUCC 7	75,756	76,554	73,874	74,175	▼ (1,581)
RUCC 8	21,159	20,985	19,628	19,700	▼ (1,459)
RUCC 9	69,384	69,186	63,536	63,776	▼ (5,608)
Nebraska	722,668	796,793	844,278	855,631	▲ 132,963

Source: U.S. Census Bureau American Community Survey, 2019-2023



In addition to evaluating Nebraska's county-level data, the RUCC classification system allows a more dynamic analysis of Nebraska's housing needs. Looking beyond geographic clusters, RUCC explores population sizes and proximity to metropolitan areas as additional factors. RUCC analysis begins to highlight different housing realities facing Nebraska's communities.

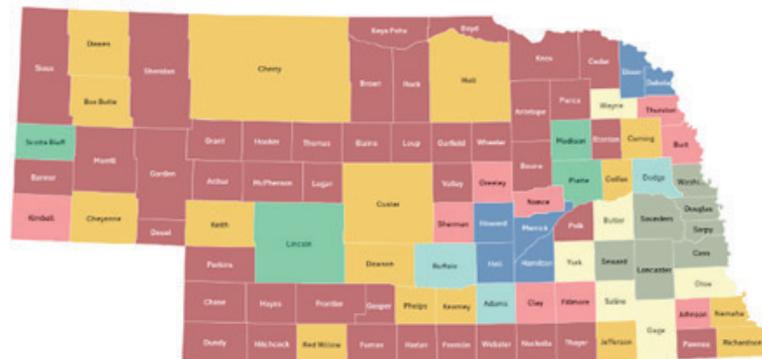
Age of Housing Inventory

Age of Housing Inventory (Year Built) by RUCC – All Housing Units

Table 3

	1939 or earlier	1940 to 1949	1950 to 1959	1960 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 to 2019	2020 or Later
RUCC 2	14%	3%	8%	11%	14%	10%	13%	15%	12%	1%
RUCC 3	20%	5%	9%	10%	19%	11%	11%	7%	8%	1%
RUCC 4	19%	6%	10%	11%	17%	8%	11%	10%	8%	1%
RUCC 5	19%	6%	12%	12%	20%	10%	9%	7%	5%	1%
RUCC 6	32%	5%	8%	10%	15%	7%	8%	9%	5%	1%
RUCC 7	28%	7%	11%	10%	17%	8%	7%	7%	4%	1%
RUCC 8	37%	6%	10%	9%	15%	7%	6%	6%	4%	0%
RUCC 9	36%	7%	10%	9%	15%	7%	7%	5%	4%	0%
Nebraska	19%	4%	9%	11%	15%	9%	11%	12%	9%	1%

Source: U.S. Census Bureau American Community Survey, 2019-2023



Total Occupied Housing Units

Total Occupied Housing Units by Tenure by RUCC

Table 4

	Total Occupied Housing Units	Owner-occupied	Renter-occupied	% Owner-occupied	% Renter-occupied
RUCC 2	474,320	301,974	172,346	63.7%	36.3%
RUCC 3	43,145	29,213	13,932	67.7%	32.3%
RUCC 4	47,425	31,595	15,830	66.6%	33.4%
RUCC 5	57,228	38,944	18,284	68.1%	31.9%
RUCC 6	33,640	25,146	8,494	74.8%	25.2%
RUCC 7	63,847	45,068	18,779	70.6%	29.4%
RUCC 8	16,569	12,449	4,120	75.1%	24.9%
RUCC 9	50,711	39,214	11,497	77.3%	22.7%
Nebraska	786,885	523,603	263,282	66.5%	33.5%

Source: U.S. Census Bureau American Community Survey, 2019-2023



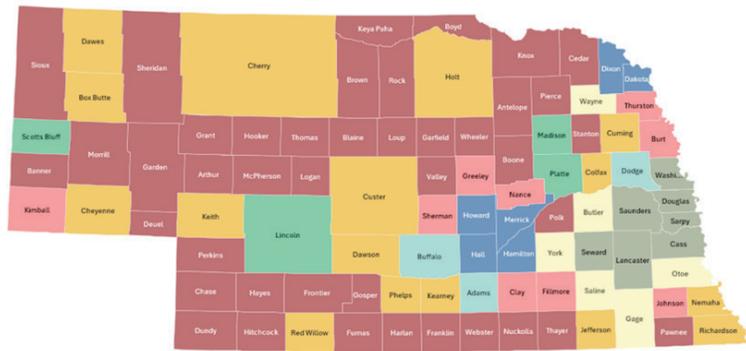
Housing Vacancy Rates

Occupied and Vacant Housing Units by RUCC

Table 5

	Total Housing Units	Occupied Housing Units	Vacant Housing	% of Vacant Units
RUCC 2	499,954	474,320	25,634	5%
RUCC 3	46,299	43,145	3,154	7%
RUCC 4	51,590	47,425	4,165	8%
RUCC 5	62,636	57,228	5,408	9%
RUCC 6	37,501	33,640	3,861	10%
RUCC 7	74,175	63,847	10,328	14%
RUCC 8	19,700	16,569	3,131	16%
RUCC 9	63,776	50,711	13,065	20%
Nebraska	855,631	786,885	68,746	8%

Source: U.S. Census Bureau, American Community Survey 2019-2023



The US Census states that “a housing unit is vacant if no one is living in it at the time of the interview, unless its occupants are only temporarily absent. In addition, a vacant unit may be one which is entirely occupied by persons who have a usual residence elsewhere.”

The greater number of vacant housing units as a percentage of total housing units in RUCC 6-9 is congruent with negative population trends in recent decades.

Age of Housing

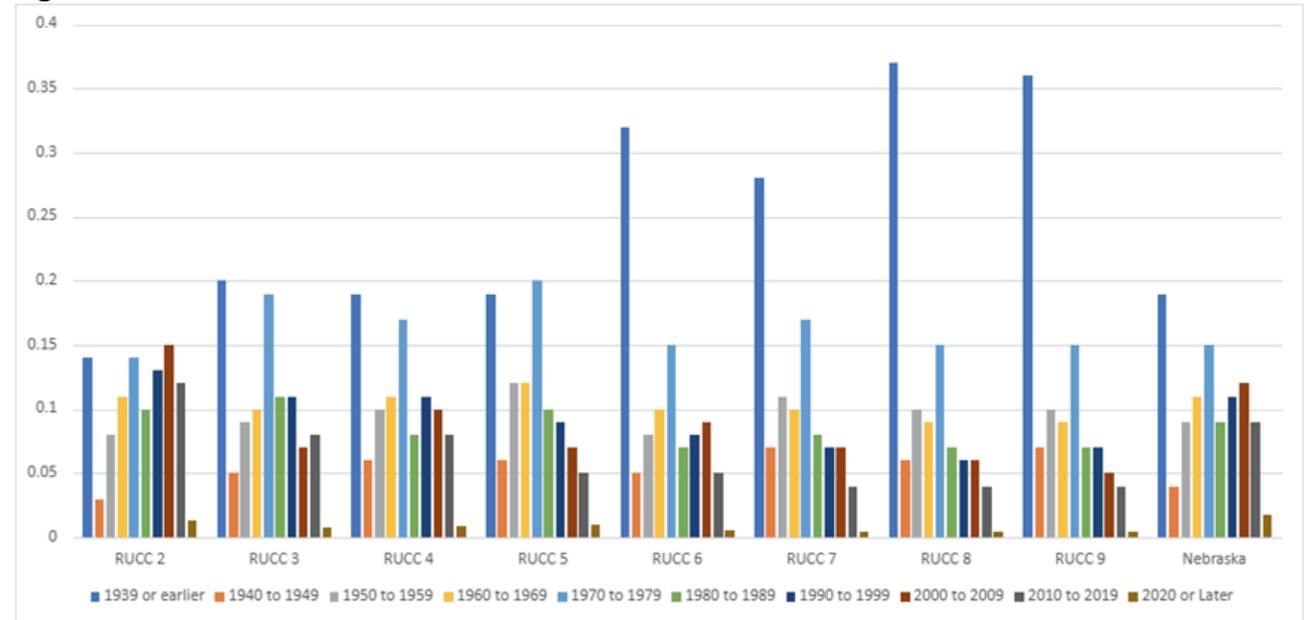
Housing Age by RUCC

Statewide, approximately 18% of Nebraska's total housing units were built prior to 1939, with 58% of the statewide housing units (498,694) built before 1980. When evaluated by RUCC, the varying age composition of Nebraska's housing market is visible at a more localized level.

In RUCC 6, 7, 8, and 9, more than 30% of the housing inventory was constructed prior to 1940, and cumulatively 74% of the housing units in these RUCC were constructed prior to 1980.

Approximately 75% of all of the housing units constructed since 2000 have been in RUCC 2.

Figure 8



Source: U.S. Census Bureau American Community Survey, 2019-2023



Construction Worker/Establishments

The BLS reports 927,511 construction establishments (or businesses) employing 7,950,260 individuals nationwide, or approximately nine workers per establishment. In Nebraska, the BLS reports 7,565 establishments statewide, employing 60,940 workers, at approximately 13 workers per establishment. **In order to better understand the impact of construction establishments and workers, we can measure them on a per household basis.**

Nationally, there are approximately 137 households per construction establishment and 16 households per construction worker. In Nebraska, there are approximately 104 households per construction establishment and 13 households per construction worker. However, these ratios differ significantly between Nebraska’s urban areas, with an average of 111 households per establishment and 11 households per worker in Nebraska’s largest metropolitan areas, and up to 120 households per establishment and 35 households per construction worker in Nebraska’s more rural counties.

This is particularly prevalent when evaluating the number of workers per establishment with almost 10 workers per establishment in RUCC 2, and only about 3 workers per establishment in RUCC 9. When comparing to the development rates in these RUCCs, as the ratio of households per worker increases, the number of housing units created since 2020 tends to decrease.

Table 6
Construction Worker/Establishment & Households per Construction Worker

	Establishments	Construction Worker/Establishment	Households per Construction Worker	Households per Establishment
United States	927,511	8.57	15.95	137.45
Nebraska	7,565	8.06	12.69	104.02
RUCC 2	4,251	9.62	11.28	111.58
RUCC 3	442	7.28	13.30	97.61
RUCC 4	455	7.37	14.04	104.23
RUCC 5	475	8.75	13.64	120.48
RUCC 6	310	4.09	26.45	108.52
RUCC 7	495	4.24	30.28	128.98
RUCC 8	131	5.02	25.54	126.48
RUCC 9	451	3.25	35.32	112.44

Source: U.S. Census Bureau American Community Survey, 2019-2023.

Owner Occupied Housing

Nebraska's owner-occupied housing market was significantly impacted by the 2006 housing market collapse. The stress on this sector of the market presents itself today in the form of affordability and housing cost burden. While jobs and population have increased in Nebraska, driving housing demand, production of new housing units remained low and is only just catching up to early-2000's levels of permitting, which, among factors including labor scarcity and increased material costs, is driving up the price of housing. In recent years, sellers often receive multiple offers, above listing price, and can command all cash purchase terms for properties in desirable locations. Data from ATTOM, which provides real estate and housing market data, affirms the impact of this supply deficit in concert with other macro-level factors, as the median price of a closed home increased by 65% from \$170,000 in 2016 to \$280,000 in 2023.



In the same time period, Nebraska's median household income increased by just 38%, from \$54,384 in 2016 to \$74,985 in 2023.¹

1. For purposes of comparison, these are reflected in nominal dollars which have not been adjusted for inflation.



Housing Shortage at the Lower-End of the Market

According to the Great Plains Regional Multiple Listing Service (MLS), the median sales price of a new construction home in Nebraska was \$424,990 in December 2024, while that of an existing home was \$285,000. This pricing data indicates that new construction is not consistently supplying homes at the lower end of the market, creating more stress and greater competition on lower priced homes.

Market data from the Great Plains Regional MLS 2024 shows a decreasing number of sales between 2022 and 2024 in price ranges below \$289,000. This market data, combined with American Community Survey (ACS) housing cost burden data, suggests a high degree of market absorption and a diminishing level of supply at these price points. ACS data indicates the greatest level of housing cost burden exists among the 21,631 mortgaged units owned by households earning up to \$34,999 in income, with associated affordable housing prices up to \$100,800.

Housing cost burden issues are also rapidly increasing among the 64,140 mortgaged households earning between \$35,000 - \$49,999 and \$50,000 - \$74,999 annually with housing cost burdens increasing in these two brackets by 18% and 17% respectively.

The decreasing level of sales under \$289,000, combined with the rapidly increasing percentage of households that are housing cost burdened earning under \$74,999, suggests a shortage of affordable options in the market. The extended period of escalating housing prices that have not kept up with earnings has resulted in people choosing to purchase even though the housing cost burden may be appreciable, as that is the only option for many seeking to obtain homeownership. In addition, significant increases in property insurance, due to more frequent storms and natural disasters, as well as continued increases in property taxes, have stressed many households and created additional housing cost burden.²

2. In the 2026 Fiscal Year, property tax credits will be applied directly to tax bills and should have a moderating effect on escrow payments that include increased insurance rates in the near term. 25

The 2023 American Community Survey (ACS) reports 523,603 owner-occupied housing units in Nebraska. **Approximately 59% of those units are mortgaged – a one percent decrease from the 2020 ACS.**

Since the 2022 Housing Needs Assessment, every income range and mortgage status increased in the levels of housing cost burden except for non mortgaged households earning over \$75,000 per year. Assuming a primary homeowner priority of affordability in finding housing, the number of households at different levels of income experiencing housing cost burden likely points to an overall shortage of units at that level of affordability.

The greatest shortage of housing in Nebraska’s owner-occupied market is found in households earning less than \$75,000 per year, as evidenced by the 91,821 households in that category who are experiencing housing cost burden. This number represents an increase of 38,244 households (or 71.38% of such households) who have become housing cost burdened over the three-year period since the previous needs assessment.

Table 7

Percentage of Households Experiencing Housing Cost Burden by Household Income and Ownership Status

Household Income	Less than \$20,000		\$20,000 to \$34,999		\$35,000 to \$49,999		\$50,000 to \$74,999		\$75,000+	
Not Mortgaged	18,749		25,118		24,984		39,588		104,047	
Housing Burdened		79%		32%		9%		3%		0%
Not Housing Burdened		21%		68%		91%		97%		100%
Mortgaged	8,722		12,909		19,656		44,484		221,849	
Housing Burdened		100%		92%		72%		40%		6%
Not Housing Burdened		0%		8%		28%		60%		94%
Total Households	27,471		38,027		44,640		84,072		325,896	

Source: U.S. Census Bureau American Community Survey, 2019-2023.

Table 8
Affordability Calculator

Utilizing an affordability calculation that estimates the cost of principal and interest on a 30-year mortgage with a 5% down payment and a 6% interest rate, along with estimates for property taxes and insurance, helps to contextualize what constitutes an affordably priced home (a home where the household is spending 30% or less of gross household income on housing).

Household Income	Affordable Housing Price	Affordable Monthly Payment
\$0-\$19,999	Up to \$57,600	\$500
\$20,000-\$34,999	\$57,600 to \$100,800	\$500 - \$875
\$35,000-\$49,999	\$100,800 to \$144,000	\$875 - \$1,250
\$50,000-\$74,999	\$144,000 to \$216,000	\$1,250 - \$1,875
\$75,000+	\$216,000+	\$1,875+

Source: NIFA Homeownership Team Mortgage Affordability Calculator

Table 9
Affordability by Occupation

Occupation	Employment	Median	Affordable Home Price
Food Preparation and Serving Related	85,620	\$30,948	\$84,850
Sales and Related	88,630	\$36,251	\$99,400
Office and Administrative Support	121,740	\$42,698	\$117,000
Transportation and Material Moving	92,240	\$43,986	\$120,600
Production	71,600	\$47,122	\$129,210
Construction and Extraction	49,450	\$50,824	\$139,350
Installation, Maintenance, and Repair	43,840	\$55,130	\$151,100
Educational Instruction and Library	57,240	\$55,934	\$153,350
Business and Financial Operations	59,000	\$68,921	\$188,980
Healthcare Practitioners and Technical	63,050	\$80,242	\$220,030
Management	72,910	\$104,895	\$287,630

Source: US Bureau of Labor and Statistics and NIFA Homeownership Program Mortgage

Noting that the current median home price in Nebraska is \$280,000, and the median household income is \$74,985, ten of the top eleven most prevalent occupations in Nebraska have incomes unable to afford the median home price. The median cost of housing is unaffordable to well over 50% of Nebraska households.



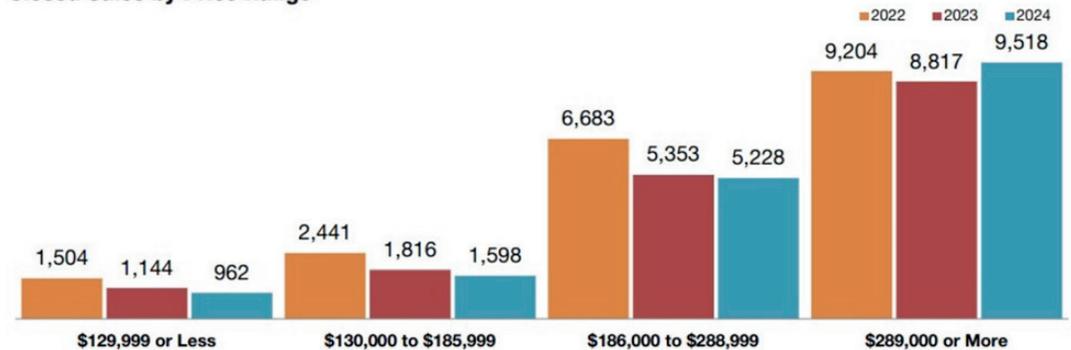
Supply Increases at Higher-End of the Market

An increase in supply in the Nebraska housing market of owner-occupied housing units priced up to \$220,000, targeting households with less than \$75,000 in annual income, would theoretically assist with the reduction of price and corresponding unit affordability. However, at current trends, the greatest share of sales is of homes over \$289,000.

Figure 9
Closed Sales by Price Range (Owner-Occupied)

\$289,000 or More	+ 8.0%	\$129,999 or Less	- 15.9%
<small>Price Range with the Most Closed Sales</small>	<small>Price Range with Strongest One-Year Change in Sales: \$289,000 or More</small>	<small>Price Range with the Fewest Closed Sales</small>	<small>Price Range with Weakest One-Year Change in Sales: \$129,999 or Less</small>

Closed Sales by Price Range



Source: Great Plains Regional Multiple Listing Service



Renter-Occupied Housing

At its peak in 2004, single-family housing accounted for 83% of all units permitted statewide. In the five years from 2019 to 2023, single-family permitting accounted for approximately 53% of all units permitted statewide, with the growth in larger, multifamily complexes accounting being a significant factor in the difference.

In 2005, multi-family developments with more than five units accounted for fewer than 10% of total units permitted, compared to 42% - 48% of total units permitted in more recent years. The 2010, ACS reported 218,494 occupied rent-paying units statewide, while the 2019-2020 ACS reports 249,084 occupied units paying rent in 2020 – a 14% increase. Multi-family housing developments comprised of five or more units have realized significant growth in Nebraska since 2010 , particularly in more urban areas.

Housing Shortage at the Lower-End of the Market

While development of multi-family housing has increased in recent years, affordability remains a challenge for many renting households. The 2023 ACS reports the median renter income for Nebraska as \$46,163 per year. When factoring in the average cost of utilities at \$196 per month, this sets the affordable monthly rent at \$958.

With approximately 131,641 households at or under the median income, and only 116,664 affordable units available to those at or below the median income, 14,977 households do not have any access to rental housing that would be affordable at the median income or below. Of those 116,664 available units, there is still a mismatch of units affordable and available to those at the very low household income levels. The greatest burden is on households earning less than \$20,000 per year, as over 34,000 households are unable to find an affordable home. Due to this shortage, 74% of renting households earning less than \$20,000 per year are experiencing a significant housing cost burden (allocating more than 50% of income to housing costs).

Table 10
Total Renting Households by Household Income

	Less than \$20,000	\$20,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000+	Total
RUCC 2	32,344	27,966	28,822	36,406	46,808	172,346
RUCC 3	2,973	2,687	2,387	2,753	3,132	13,932
RUCC 4	3,777	2,826	2,550	2,787	3,890	15,830
RUCC 5	4,246	3,585	3,118	3,620	3,715	18,284
RUCC 6	2,063	1,357	1,570	1,601	1,903	8,494
RUCC 7	4,474	3,147	3,227	3,624	4,307	18,779
RUCC 8	813	835	813	759	900	4,120
RUCC 9	2,460	2,029	1,951	2,232	2,825	11,497
Nebraska	53,150	44,432	44,438	53,782	67,480	263,282

Source: U.S. Census Bureau American Community Survey, 2019-2023

Table 11
Gross Rent Levels for Occupied Units

	Occupied Units Paying Rent	Less than \$500	\$500 to \$999	\$1,000 to \$1,499	\$1,500 or more
RUCC 2	167,547	7,629	53,412	69,217	37,289
RUCC 3	13,196	997	7,010	3,906	1,283
RUCC 4	15,190	1,470	7,573	4,755	1,392
RUCC 5	16,998	1,918	9,144	4,538	1,398
RUCC 6	7,799	1,341	4,494	1,602	362
RUCC 7	16,116	2,557	9,397	3,575	587
RUCC 8	3,471	724	2,060	493	194
RUCC 9	8,767	1,923	5,015	1,496	333
Nebraska	249,084	18,559	98,105	89,582	42,838

Source: U.S. Census Bureau American Community Survey, 2019-2023

The 2019-2023 ACS reports 53,150 total renting households with less than \$20,000 in household income – a 12% decrease since 2020. The survey also reports that total rental units affordable to this income bracket decreased from 52,045 in 2010 to 18,559 in 2023, suggesting a statewide shortage of 34,591 rental units for extremely low-income households.

At income levels \$20,000 - \$49,999, a greater number of renting households are experiencing housing cost burden, and specifically a significant housing cost burden (more than 50% of gross income going towards housing costs), aligning with the shifting of units available above affordability (\$1,053 per month).

The relatively small degree of housing cost burden experienced at income levels of \$50,000 and up corresponds with the overall increase and availability in rental units at the \$1,000-\$1,499 per month and \$1,500+ per month levels.

Table 12
Housing Cost Burden of Renting Households by Household Income

	Less than \$19,999	\$20,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000+
Total Households	45,438	42,407	42,481	51,136	63,194
No Housing Burden	10%	20%	53%	79%	97%
30%-50% Housing Burden	16%	51%	40%	19%	2%
Significant Housing Burden (50%+)	74%	28%	7%	2%	1%

Source: U.S. Census Bureau American Community Survey, 2019-2023

Rental Affordability Shortages

Rental Affordability Shortages by RUCC

Table 13

	Renters - Household Income Less than \$20,000	Rent Paying Units - Gross Rent Less than \$500	Gap	Ratio of Households to Units
RUCC 2	32,344	7,629	24,715	4.24
RUCC 3	2,973	997	1,976	2.98
RUCC 4	3,777	1,470	2,307	2.57
RUCC 5	4,246	1,918	2,328	2.21
RUCC 6	2,063	1,341	722	1.54
RUCC 7	4,474	2,557	1,917	1.75
RUCC 8	813	724	89	1.12
RUCC 9	2,460	1,923	537	1.28
Nebraska	53,150	18,559	34,591	2.86

Source: U.S. Census Bureau American Community Survey, 2019-2023

Table 13 calculates the number of rental housing units affordable and available in each RUCC by factoring household income, 30% of income available for housing, and the total number of occupied rental units and their associated gross rents in each RUCC.

The most urgent rental housing needs are identified for incomes less than \$20,000 throughout the state, and predominately in RUCC 2, where there are 4 extremely low-income households to every 1 affordable unit. In some areas these ratios are, on paper, smaller than households making above \$50,000, these households are able to find greater flexibility in the rental housing market and may choose to stay in a less expansive rental unit creating a higher demand and greater lack of supply for households with lower incomes.

Table 13
Estimated Affordable Rental Units per Renting Household

Household Income	Less than \$20,000	\$20,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000+
Gross Rent	Less than \$500	\$500-\$799	\$800-\$1,250	\$1,250-\$1,999	\$2,000+
RUCC 2	4.24	1.24	0.40	0.67	4.35
RUCC 3	2.98	0.69	0.40	1.30	10.99
RUCC 4	2.57	0.72	0.36	1.15	11.86
RUCC 5	2.21	0.75	0.40	1.71	8.93
RUCC 6	1.54	0.57	0.49	2.25	13.03
RUCC 7	1.75	0.58	0.49	2.66	18.73
RUCC 8	1.12	0.64	0.70	3.80	11.54
RUCC 9	1.28	0.60	0.76	3.17	18.23
Nebraska	2.86	0.93	0.42	0.84	5.44

Source: U.S. Census Bureau American Community Survey, 2019-2023

Conclusion

Building on the framework of the 2022 Nebraska Housing Needs Assessment, the 2025 Housing Needs Assessment examined the changes in supply and demand over the past three years. In that time, Nebraska's housing market has continued to tighten as additional housing stock brought to market has slowed, interest rates have increased (yet stabilized), and housing price increases have outpaced household earning increases across markets. Overall, the five original, major themes identified in the original assessment remain relevant in the update and analysis of the 2025 assessment, including:

- **A deficit of housing unit production relative to population growth**, post 2006 housing market collapse, continues to challenge needed supply.
- **Development that is occurring is not targeted at the income levels where supply is most constrained**, specifically for households with income under \$20,000.
- **Gaps in affordability for both homeownership and rental markets are widening**, but Nebraska is still relatively attractive on a comparative basis.
- **Age, quality, and occupancy** of housing inform needed solutions.
- The **different realities across RUCC classifications** require varied approaches.

There is not a one-size-fits-all solution for housing needs in Nebraska. Our communities differ in size, economy, primary industries, proximity to larger cities, and other local-level factors, influencing the inflow and outflow of population, as well as the demographic and socioeconomic compositions of communities. Approaching the housing market with a “yes, and” mindset will be the best way forward to expand supply, catch up with demand, and ease affordability concerns.

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