

Real Property Appraisals, PC

Industry News



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Greatest View in Town

If there were an award for Most Difficult Listing—2223 Dodge would likely make the ballot. The former Northern Natural Gas building was on the market in 2007 for \$11,950,000 (or about \$46/SF) - then for \$10,950,000 (\$42/SF) in 2009 - then \$9,995,000 (\$30/SF) and \$7,950,000 (\$20/SF) in 2010 before being dropped to \$5,350,000 (\$20/SF) in 2011. The building finally sold in July 2011 for \$2,300,000 (\$9/SF)—about 1/5 what Mid City Bank paid at the sheriffs sale in 2001.

Why such a low price?: Weakness in the downtown office market, size of the improvement, location too far from Midtown Crossing and Old Market, high cost of redevelopment, unknown environmental issues—take your pick. The buyer (NuStyle) plans on transforming the 60 year old office building into apartments similar to their development across the street at *The Bank* (Farm Credit Building). The planned \$30M development will add 180—200 apartments.

[Article](#) [Listing—See Next Page](#)



Project: **2223 Building - 2223 Dodge Street-Omaha, NE**

2433

Date: 11/04/02

Proj. No.

			floor total
15th floor	8685	1071	9,756
14th floor	8938	1103	10,041
13th floor	8938	1103	10,041
12th floor	8938	1103	10,041
11th floor	8950	1091	10,041
10th floor	8940	1101	10,041
9th floor	8950	1091	10,041
8th floor	8956	1085	10,041
7th floor	9349	1095	10,444
6th floor	16728	2197	18,925
5th floor	19625	1700	21,325
4th floor	19386	1863	21,249
3rd floor	19472	1819	21,291
2nd floor	19425	1869	21,294
1st floor	19609	1666	21,275
Grnd floor	25582	2128	27,710
Sub-level 1	14877+292		15,169
Sub-level 2			0
total rentable area		220,471	
total non-rentable area		38,254	
total gross area		258,725	



FOR SALE/LEASE



2223 DODGE
2223 Dodge Street
Omaha, Nebraska

property highlights

- **SALE PRICE REDUCED!** ~~\$7,956,000~~ **\$5,350,000**
- \$10.50 PSF gross lease price
- 220,471 RSF
- Varied floor plates from 8,685 to 25,582 SF
- 557 parking stalls of which 208 are covered
- Beautifully maintained landmark property in downtown area listed as a National Historic Building eligible for Historic Tax Credit
- Building offers full kitchen and cafeteria, conference center and training rooms, secured storage and loading facilities
- **Residential conversion opportunity!**

loopnet number
Sale: 15322350
Lease: 15323702

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Living at *The Bank*

NuStyle recently began marketing apartments at its newest development—The Bank (The former Farm Credit building at 19th and Douglas). Half of the structure was built in 1923 and the other half was completed in 1934 after president FDR established the Farm Credit Administration to deal with the high rate of farm foreclosures.



Staying with art deco mobster era theme, *The Bank* offers floor plans with names such as “The Capone”, “The Dillinger”, and “The Untouchable”. The \$16.5M complex includes a rooftop deck with a 360 degree view of Omaha’s skyline, a 24/7 fitness center, parking garage, free WiFi, and a community room (former penthouse). The former Farm Credit building was purchased in July of 2010 for \$1,600,000. The development itself was made feasible with the help of federal income tax credits and TIF from the city. The end result is a 145,000 SF, 106 unit complex with 11 stories.

The Bank will cater to a number of different demographic groups with close proximity to

Name	Beds	Baths	Price
The Babyface	1	1	\$720-\$740
The Diamond	1	1	\$800-\$825
The Charleston	1	1	\$825-\$850
The Johnny Red	2	2	\$875-\$1000
The Dillinger	2	2	\$950-\$1150
The Untouchable	2	2	\$985-\$1015
The Capone	2	2	\$1125-\$1175

UNO, Mutual of Omaha, and Downtown Omaha. In addition to the residential apartments, retail space is also available for \$16.00/SF NNN with the nets estimated at \$2.50/SF.

[Loopnet Listing](#)

[Article](#)

[The Bank Website](#)

Farm Prices—The Next Bubble or New Reality?

Facts

- 1) Demand for food is at an all time high and world food prices are expected to continue upward.
- 2) The prices paid for Nebraska and Iowa farm land has nearly doubled in six years.
- 3) The best irrigated land in Eastern Nebraska commands \$8,000/Acre.
- 4) Even dry land is seeing prices near \$6,000/Acre.
- 5) World supply of arable land is diminishing.

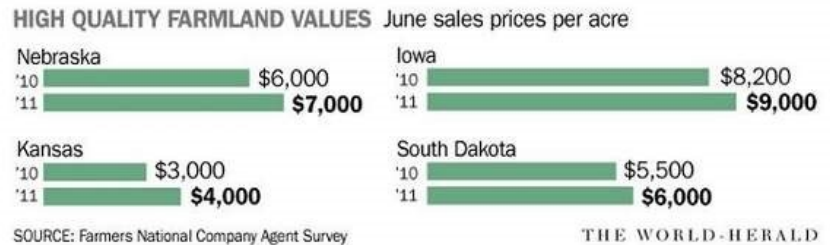
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And the fact that gives pause to everyone invested in farm land...

40% of the nation's corn crop is expected to go to factories for the production of ethanol.

The new breed of farm buyers tend to be people with no desire to dirty their hands. The new buyers tend to be speculators looking for a solid safe return and they see farm land an alternative to traditional investments. With interest rates at record lows (average interest rates for farm operations dropped to 4.7% from 5.3% since last quarter), speculation of a world melt down and few options for major investors—farm land prices will likely continue upwards. The same people that would look to diversify in gold at historically high levels would be the same type of people that would invest in farm land. The benefit of farm land over gold is obvious—if the world were to fall apart—*corn tastes much better than gold*. However...those looking for a safe place to park their money should consider the impact of the Federal Government eliminating the ethanol subsidy program given their recent budget concerns.

[Article](#)



DLR Building LEED Gold Certified

Aksarben Village is the new home for another LEED Gold Certified building. It is not surprising that an engineering and architect company is responsible for the design of the new building. The \$10 Million 39,000 square foot building will be headquarters for the DLR Group. The LEED elements of the building include:

- 1) Large windows to let in natural light and limit electricity expenses
- 2) Specialized light fixtures with a dimming device for sunny days
- 3) Raised floor to hide data and power wires
- 4) Heating and cooling ducts will be placed in the flooring as well—closer to people
- 5) Motion sensors at work stations that turn off unneeded equipment when no one is using it
- 6) Parking lot will have outlets so people can charge their electric cars.
- 7) Original plans called for a green living roof but it was scaled back because of budget constraints. The living roof concept is still included in the design and will be easily upgradable as costs decrease.



Aksarben Village Updates—From Omaha.com

Coming soon: A chiropractor, a sushi bar, a women's boutique.

The 83,000-square-foot entertainment complex is fully committed, with a few merchants yet to move in, said John Hughes of Magnum Development Corp. Commercial space developed by Noddle Co. is 93 percent occupied, said spokesman Kyle Peterson of Colliers International.

The 70-acre village is about 50 percent built, said Hughes, and “demand is exceeding supply.”

Among newest tenants: DLR, Mojo's Smokehouse & Ales restaurant and bar, Blue Cross Blue Shield.

Federal Trust Building Sale

The Federal Trust Building in Lincoln was facing demolition about 10 years ago before developer Gerald Keating took up the project of redeveloping the 1926 Gothic Revival style building. A buyer from California paid \$5,775,000 (about \$75/SF GBA) for the 77,455 square foot building on a 8.75% Cap Rate. In staying with the theme of this newsletter—



Gerald Keating's motivation for selling the building was to expand an agri business in Blaine and Holt County Nebraska.

Tenants in the building include technology companies, lawyers, financial consultants, government agencies and other like tenants.

The sale is significant and improves on the \$48/SF paid for the Tier One Bank Tower in Downtown Lincoln (July 2011). The building was originally put on the market in 2005 for \$6,785,000 and was relisted in 2011 for \$5,775,000. The building was on the market for about 5 months at the reduced asking price.

Building	77,455 SF, 63,029 NRA
Floors	12
Built	1926, remodeled 2002
Zoning	B-4 Business
Cap Rate	8.75%
Restoration Costs	\$7,000,000
Occupancy	93.72%
Sold for	\$5,775,000

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