

Real Property Appraisals, PC

Industry News



Up or Out — Omaha Metro 2050

Spanning suburbia or dense urban life? That is the question a three year \$2M study will hope to answer. An Omaha.com article raises concern over the spanning suburbia scenario and prefers the solar powered light rail that will move Omahans from point A to point B. There is little doubt that Omaha has done about everything in its power to support the downtown core; TIF availability, TD Ameritrade Stadium, CenturyLink Convention Center, support of new hotels, redeveloped riverfront, Bob Kerry Pedestrian Bridge...

The trend away from the traditional single family housing development that spans for miles maybe taking a hiatus no matter what the study says. The next generation of home buyers are not like Generation X. Many carry significant student loans and don't value home ownership in the same way previous generations do.



The likely result of this survey will be continued support of improving Omaha's Core and focusing on ways of attracting more young professionals. Prediction—It feels like this study maybe the precursor towards reviving the long debated streetcar issue.

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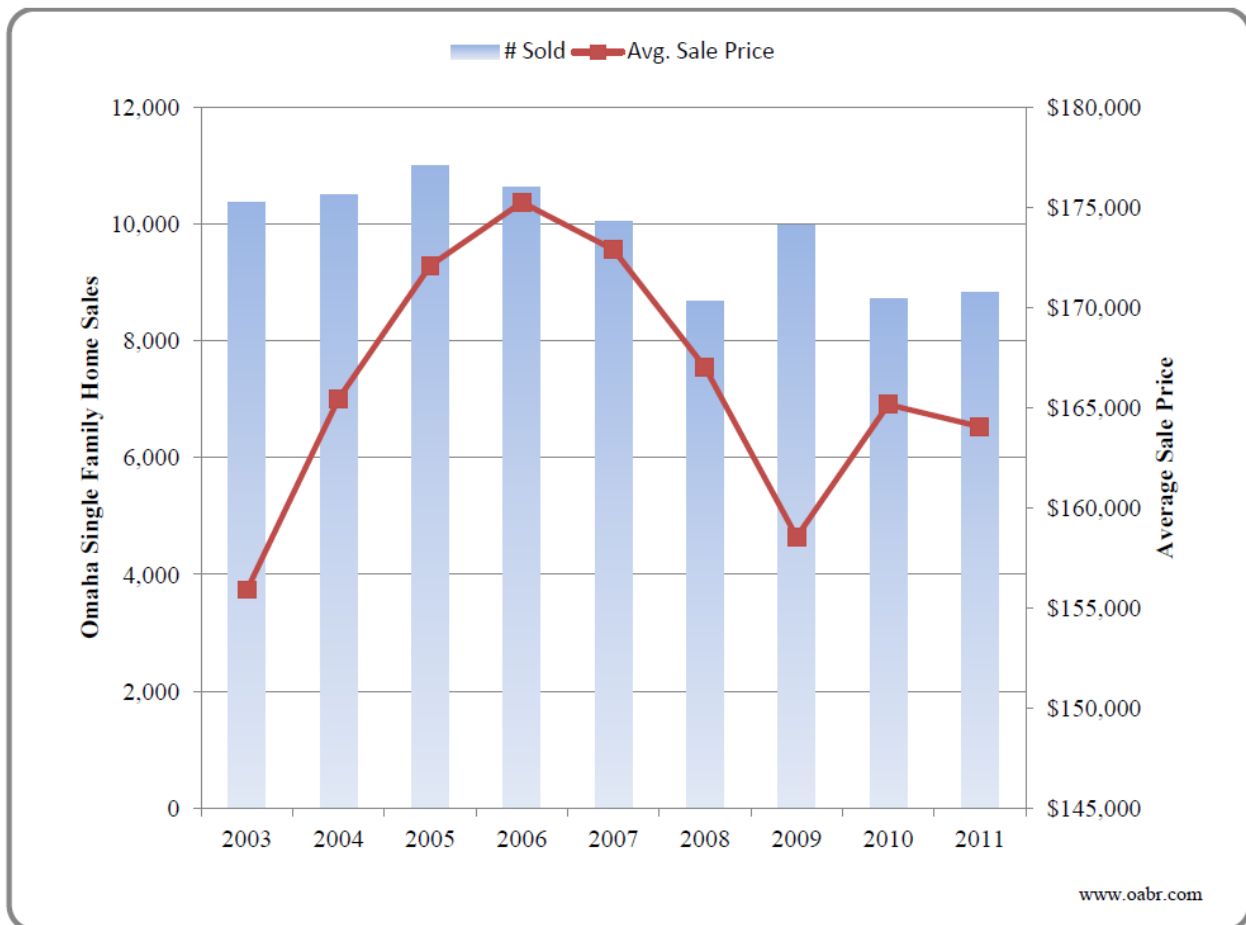
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Single Family Home Timeline for the Omaha Metro



2005—2007 The Good Old Days when all you needed was a heart beat to qualify

2008 The Beginning of the End when the MBS market came crashing down

2009 The Federal Government offers tax credits to home buyers

2010—2011 New Normal—Don't expect to see much different come 2012

Appraisers forecast based on correlations on lag lead indicators. The metrics that we use when forecasting home sales are: Unemployment, mortgages underwater, building permits (see next page), development land sales, and the stock market. Interestingly enough, we have found no correlation between interest rates and housing sales. No one factor in itself paints a picture of the coming year. The combination of tens of thousands of local mortgages underwater combined with a glut of existing REOs that have yet to be sold have all but confirmed another “new normal” year.

Another Reason House Sales Are Down....Generation Y

One aspect of forecasting that appraisers and brokers tend to ignore is the “generation gap” effect. Apartment owners and developers in Midtown that cater to students have an insight into the coming group of home buyers that most of us are just now beginning to see. Instead of losing tenants to new homes; many apartment managers noted that tenants left in search of better amenities. Much of this can be attributed to the high cost of education that leaves many students with large student loans. Another component to this could be that Generation Y doesn’t value home ownership like previous generations did.

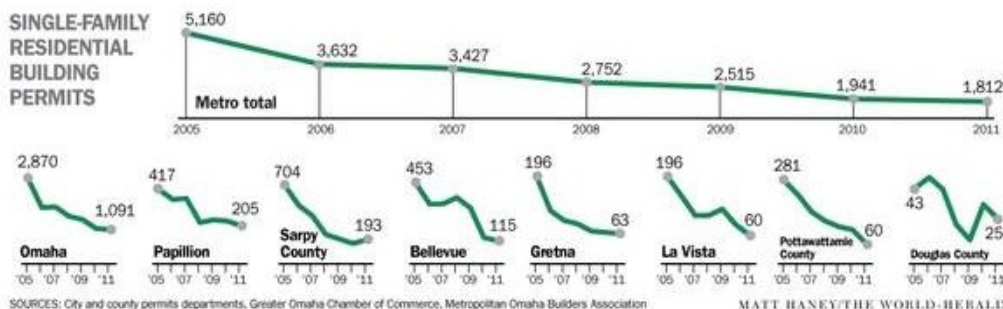
The Generation Y is notoriously known as the Peter Pan generation as they tend to delay traditional rites of passage—such as getting married, starting a family, and owning a home. Developers like NuStyle and Urban Village are tapping into that philosophy with housing geared for college students and young professionals. It is no longer uncommon for recent graduates to stay in their apartments for many years after they graduate.

Future Generation of Home Buyers

Generation Y’s attitude is more than a response to vanishing equity, rising foreclosures and tight credit. It also reflects a different set of priorities than the ones that led baby boomers to gravitate to farther and farther away suburbs.

In survey after survey, today’s 20-somethings — the leading edge of Generation Y — express a strong desire to live in urban environments close to jobs, entertainment and each other — at least until they start having children but perhaps beyond.

“They don’t care about having a large home in the middle of nowhere,” says Rosie Derryberry, a 29-year-old agent with Realty Executives in Scottsdale, Ariz. “They would rather have something smaller and more manageable in order to be in the heart of the city.”



SOURCES: City and county permits departments, Greater Omaha Chamber of Commerce, Metropolitan Omaha Builders Association MATT HANEY/THE WORLD-HERALD

Hearthstone's Plan to Survive

Although rumors that the area's largest volume home builder is going out of business have been refuted by Neil Smith; What is true is that the workforce has been drastically cut and new home sales are down from a high of 962 in 2007 to 300 in 2011. The forecast for 2012 is another 275—300 homes. The company has struggled with payments to its vendors but is striving to remain the lead builder in the Omaha area.

[Omaha.com Article](#) [Omahanewhomes.com](#)



Chick—fil—A Coming to Papillion

Although Chick-fil-A is already in the Omaha market inside the Mutual of Omaha building at 33rd and Dodge; significant buzz is being made about their proposed restaurant in Papillion. The plan is to construct a 4,569 square foot stand alone facility at 8710 S 71 Plaza in Market Pointe. Most people think of Chick-fil-A as the company that puts on the Eat Mor Chikin commercials. Chick-fil-A has a following comparable to the likes of White



Castle with some patrons willing to drive significant distances for their cuisine. The hope is that this announcement will lure more people to Papillion to try the new restaurant and recreate the success they have had in other markets.

[Website](#)

[Omaha.com Article](#)

New Look For Dundee

Dundee’s historic downtown district is ripe for an update. Billions of dollars have been spent between the Missouri River and Mutual of Omaha and now the time is right to start taking a look at Dundee. New development south of Dundee along the Dodge Street Corridor of the Piano Building and the CVS has helped pave the way for other potential redevelopment in Dundee. Dundee merchants looking not to be left out of the redevelopment movement have put together a \$2.5M plan to upgrade the streetscapes in hopes of bringing added attention to the area.



[Omaha.com Article](#)

Dundee’s most significant attribute is its history and effort to retain the flavor that separates

it from the rest of the city. The [Dundee Memorial Park](#) neighborhood was recently rated among the nation’s 10 best by American Planning Association. Its rating is a testament to the success of maintaining the varied architecture, preserving the roots to its past, and offering residence a

sense of community not found in many other places in Omaha. Above is a walking trail detailing some of the historical landmarks in Dundee that helped put Dundee in the nation’s top 10 neighborhoods.



Dundee – Memorial Park Neighborhood Association

[Omaha.com Article](#)

Piano Building Opens Its Doors

One of the cooler renovation projects officially opened its doors this month as the Renier's Piano Building returns to its former glory. The \$4.3M project with about \$300,000 in TIF along with the new CVS has created an attractive entrance to historic Dundee. With most of the new development centered around Midtown and Downtown; these two projects stick out as an example of what is to come along the Dundee Dodge Corridor.

The question still remains—what were the owners thinking when they covered this beautiful Tudar masonry building with wood paneling essentially making it look like everything else? I don't have an answer to that question but we can say that the Piano Building project has successfully brought back a piece of history that had long been forgotten by most.

I should note that many were against the CVS project for a variety of reasons. Although I took much heat for defending the project; most would look at what is there now and feel it is a definite improvement over what was there before. The developer admitted as much (see KETV video) after the CVS project was approved. Without the CVS, it is likely that the piano building would have had much more difficulty in landing tenants.



[Omaha.com Article](#)

[KETV Video of Construction](#)

New Way to Work...Regus Enters the Omaha Market

I have had heard about Regus in the past but never knew they were in the Omaha market until recently. Regus offers a variety of services ranging from Mailbox Etc like postal forwarding to a complete virtual office with private access. Regus has been very popular in larger cities and internationally where the barriers to entry are much more expensive than they are in smaller cities like Omaha. Regus is designed to give small companies a big appearance allowing them to expand without signing long term expensive leases. Larger companies can benefit from the service by moving into new markets on a test basis on a budget.

Locally, they are located at 14301 First National Bank Parkway Suite 100. The Omaha location has 17,000 square feet, 82 offices and two more are proposed both in Downtown Omaha and in Lincoln. Costs for the Omaha location are reasonable...

Mailbox Plus \$49/Month

Telephone Answering \$79/Month

Virtual Office \$99/Month (2 Days of private office access)

Virtual Office Plus \$219/Month (5 Days of private office access)

Omaha area businesses looking for a presence in New York at the Chrysler Building would otherwise find the costs as the major

barrier. Regus gets you 5 days of private office use; an address for meetings, mail, and prestige; the ability to network with other professionals; and a New York phone service that will forward calls and take messages for \$489/Month.

Locally this seems to be a great option for businesses looking to move up from a home based operation. It also allows those that are currently leasing office space without a large conference room the ability to meet at a professional setting without upgrading to a new space entirely. [Omaha.com Article](#) www.regus.com



Farm Land Up ... Again

Farmland has long been touted as the next bubble to burst. Looks like that mantra will continue for another year or so as buyers continue to shell out more and more for high quality rated farms. Despite the increase in prices; finding quality, high production, irrigated land remains a challenge. Another interesting aspect to this rise in farm prices is the fact that much of it is being done without loans. Also, more and more farmers are looking to buy rather than investors that were looking for an alternative to the stock market and gold. Even water starved farmland in Kansas and Texas is seeing new highs.

HIGH QUALITY LAND VALUES

Sale prices per acre

Kansas

'10 \$3,000

'12 \$4,500

Nebraska

'10 \$6,500

'12 \$8,500

South Dakota

'10 \$6,000

'12 \$6,600

Iowa

'10 \$7,000

'12 \$9,500

SOURCE: Farmers National Company Agent Survey

THE WORLD-HERALD

LAND AUCTION

Serving America's Landowners Since 1929
L-1200099

311+/- Acres, Bremer County, Iowa
Tuesday, January 10, 2012 • 10:00 AM
 Thomas Woods Legion Post #223
 111 East 1st Street • Sumner, Iowa
 SELLING IN THREE TRACTS

www.FarmersNational.com

PROPERTY DESCRIPTION

Property Location: From Sumner, Iowa, go two miles north on Hwy V62 and then west on 110th St 3/4 mile.

Legal Description: SW1/4 NW 1/4 & W1/2 SW1/4 " Ex Parcel A" & N1/2 SE 1/4NW1/4 all in Section 2 and SE 1/4 "Except N Fr" & "Except Parcel D" of Section 3 and NW1/4 NE1/4 "Ex N 225" x E 450" of Section 10 all in Township 93 North, Range 11 West of the 5th P.M or better known as Sumner Township in Bremer County, Iowa.

Property Description: Exceptional quality farms with above average productivity potential! Nearly all tillable and plenty of drainage tile! History of poultry manure application with high overall fertility levels! Located in strong agricultural area with close proximity to local, river, and processor grain markets. Nice tract sizes. The farm is cash rented at \$400 per tillable acre for 2012 crop year and the lease will be assigned to the Buyer(s).

Farm Data:

	Tract 1	Tract 2	Tract 3
Cropland	120.95 acres	128.47 acres	37.95 acres
Non-crop	11.05 acres	11.63 acres	85 acres
Total	132.00 acres	141.00 acres	38.00 acres

FSA Information:

	Base	Yield
Corn	217.3 acres	139 bushels
Soybeans	70.4 acres	41 bushels

CSR Rating: Tract 1- 85.4, Tract 2- 85.4, Tract 3- 87.9

Taxes: Tract 1-\$1,926, Tract 2-\$3,050, Tract 3-\$880

Aerial Photo

For additional information, please contact:
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One example of an auction that brought in \$10K+/Acre sale prices was in Bremer County, Iowa. Tract 1 sold for \$10,500/Acre; Tract 2 sold for \$8,800/Acre; and Tract 3 sold for \$13,300/Acre.

Another auction was held December 28th 2011 in Grundy County, Iowa where 26+- acres was sold for \$13,450/Acre.

Prices that were unthinkable five years ago have become the new normal. Another aspect to consider is the ease by which these farms are sold. Its only a matter of getting word out to find willing buyers. Certainly up for consideration for easiest job of the year will be farm broker. Demand for farmland is coming in all directions with little reason to think it will stop soon.

[Farmers National](#) [Omaha.com Article](#)