

Real Property Appraisals, PC

# Industry News



## Reality—Sometimes Hard to Accept

REO Bank sales are up considerably from 2010. This year there have been 1,476 MLS REO bank sales (18% of all sales are REO transactions). Compare that to 2010 with 1,382 REO sales for the entire year... This was certainly not the direction that many in the real estate business were hoping for. Despite interest rates at all time lows, one of the lowest unemployment rates in the country, and strong local economy—foreclosures continue to dominate Omaha’s market.

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[www.rpapc.com](http://www.rpapc.com)

13911 Gold Circle  
Suite 310  
Omaha, NE 68144  
P (402) 391-4205  
F (402) 391-1252

**Joe Dizona, Jr., CG**  
jdizona@rpapc.com

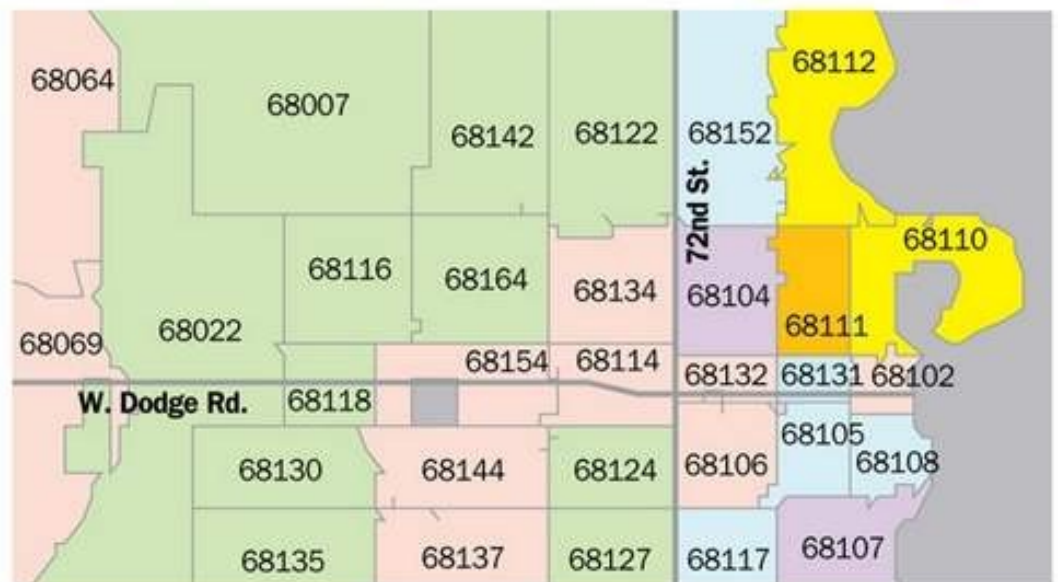
**Nick Dizona, CG**  
ndizona@rpapc.com

**Bob Boetcher, CG**  
bboetcher@rpapc.com

**Barbara Ramm, CG**  
bramm5066@aol.com

**PERCENTAGE OF HOME SALES THAT ARE BANK SALES**  
2011, through July

1%–10%
  11%–20%
  21%–30%
  31%–40%
  41%–50%
  50%+



SOURCE: Douglas County Assessor's Office

THE WORLD-HERALD

## Reality in Realty

22,000 of 225,000 Nebraska mortgages are currently underwater and another 14,000 have less than 5% equity. Granted, this figure is significantly lower than the national average but should give one pause to think that **1 in 6 mortgages are in trouble**.

Other facts to think about—

### YTD September 2010 vs 2011 MLS Numbers

MLS listings are down from 18,896 to 17,933

Listings Closed are down from 7,414 to 7,202

DOM (Days on Market) is up from 66 to 72

New Construction Sales are down from 958 to 721

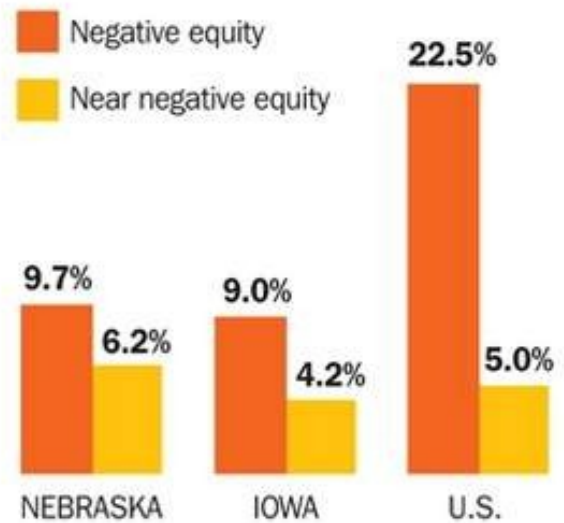
Average Sold \$ remains relatively flat from \$160,157 to \$160,042.

The truly troubling aspect of the local housing market involves negative push on one of Omaha's core strengths—business. Consider the impact of losing a major employer resulting in increased unemployment and the potential default on even more mortgages. Weakness in the business sector would signal a potential further slide in the local housing market. Also, those with the means to upgrade into a better home are taking notice of potential increases in property taxes as those with \$200,000 homes are already paying over \$4,000/Year. Many potential buyers are afraid of committing to an upgrade with so much uncertainty surrounding their current employment and fear of the unknown costs in the years to come.

Looking forward, there is little reason to expect 2012 to be any better than 2011. With one out of every six mortgages in trouble, there will likely be no shortage of REOs in the coming years.

[Omaha.com Article](#)

### PERCENTAGE OF MORTGAGES THAT ARE NEGATIVE EQUITY OR NEAR NEGATIVE EQUITY



SOURCE: CoreLogic

THE WORLD-HERALD

## TJ MAXX—Metro Crossing in Council Bluffs

TJ Maxx is now open for business at the Metro Crossing shopping Center. The facility is about 25,160 square feet and is located directly across from the Target. Major anchors include Bed Bath and Beyond, Hobby Lobby, PetSmart, TJ Maxx and Target to name a few. The commercial ground is currently being marketed by [Kimco Realty](#) with land having sold recently for \$13.75/SF for a 3/4 acre parcel. Pizza Ranch purchased their 1.4 acre parcel for \$13.50/SF in July of 2010. Additionally, Rare Hospitality purchased their 1.54 acre parcel for \$12.90/SF. Overall, Metro Crossing has shaped up to become one of the more successful new shopping centers in the Omaha metro. [Omaha.com Article](#)


Metro Crossing

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Michael Slusky

Integrity . Creativity . Stability
tel: 847-294-6446 | [msslusky@kimcorealty.com](mailto:msslusky@kimcorealty.com)

## North Twin Tower

The Omaha World Herald reported that the north tower of the Twin Towers in Midtown has begun the process for structural repairs ensuring the building will not be demolished. The north tower has been part of a dispute between the owners and the city for nearly a year as the City condemned the building citing structural problems with the garage. The owners countered with a court order halting demolition.



Mutual of Omaha—responsible for the \$300M Midtown Crossing development got into the fight with a lawsuit asking for relief in either development or demolition of the north tower. Their lawsuit claims that the building hampers their marketing efforts and is generally unsafe.



The north tower was purchased about three years ago for \$437,000 by Troy Strawhecker from West Des Moines with tax incentives totaling \$1.35M.

The owner has cited financing issues as the reasoning behind the delay.

[Omaha.com Article](#)

[KETV Video from 2009](#)

## Nissan and Toyota Headed to 180th and Dodge

Nissan, currently located at 115th and West Dodge, is planning to move its facility near Village Pointe. The overpass cut into their visibility and traffic counts and the move is an effort to recapture prominence along the corridor. Their new 50,000 square foot dealership will be built to LEED standards and will offer the Nissan Leaf all electric car. The LEED aspects include an irrigation system, motion activated lighting, and a car wash that can re-use water. They purchased their 5.34 acre site back in May of 2010 for \$1,400,000 or about \$6/SF.

Joining them in a couple years will be Toyota—having outgrown their current home at 601 N 108th Circle. Plans are in the works for the construction of a 100,000 square foot dealership to help create a true one stop shop for the most popular cars in the area.



Other dealerships in the market for a new home include Woodhouse Nissan in Bellevue. Tax incentives were approved for the dealership to move to a new building to be located east of the Kennedy Freeway along the Chandler corridor. They would join Performance Chrysler Jeep Dodge Ram of Bellevue that has already announced construction of their new 30,000 square foot facility will begin in early 2012 and should be complete before 2013.

[Omaha.com Article](#)

## New Factory Being Constructed in Council Bluffs

Ground has been broken on a new \$70M 100,000 square foot facility for [Plumrose](#). This new modern facility will boast a LEED certification, increased automation and will be complete in less than a year. The proposed building will be located at the intersection of 32nd Street and 21st Ave near their current facility at 2650 23rd Ave. The new facility will not replace the old one—it will add production to address their growing demand.

[Nonpareil Article](#)



## Keirle House Going Up For Sale



The historic former home (3017 Mormon Street) of Keirle family that immigrated from England will be going up for sale. The Keirle family started an ice company that has since become part of MUD. The Queen Anne home was ahead of its time—with electricity and gas back in 1905. The last of the descendants lived in the house until their death in 1994. Upon the death of the last in the line, the

property was willed to the Florence Historical Foundation. The foundation has not been able to justify the expense of maintaining the home and is looking to sell the property to someone willing to utilize the home. Currently the Keirle home is occupied as office space by Uta Hale but the costs of keeping up with the historical upkeep have outpaced rent payments. [Florence Historical Society Site](#) [Omaha.com Article](#)

## Details Released on New VA Hospital

A new \$560M hospital has been planned to replace the existing 60 year old facility. The new VA hospital will be about 1,000,000 square feet and offer superior parking, green space, natural light, and will serve about 161,000 veterans in the area.



The site for the proposed hospital is located near the existing VA hospital at 42nd Street and Woolworth Ave. The design of the proposed construction will be open with various wings off of the glass atrium. Funding for the project remains up in the air. Currently work is slated to begin in 2013 and would be expected to wrap up three to four years later. [Omaha.com Article](#)

### PLANNED NEW VA MEDICAL CENTER



THE WORLD-HERALD



SOURCE: Leo A. Daly/NBBJ

THE WORLD-HERALD

## Sales That Shaped 2011—Connectivity

Real Property Appraisals plans on introducing a new product for our clients come 2012—a brochure of the top sales that shaped the year. We will include a handful of carefully researched sales in each of the major sectors and explain their significance to the market. One of the sales that will be included is the Connectivity Solutions campus at 125th and I Street. The facility has a long history as being home to AT&T and Lucent. The 105 acre site with 1,300,000 square feet of improvements. The sale price has been kept confidential until the transaction becomes public record. The original asking price was \$19,160,000. [Original Listing](#)



The buyer is a 62 year old developer that has been in the business for nearly 40 years. He has holdings in 22 states totaling 85M square feet. His largest venture was an entire Air Force base in Sacramento that included 10M square foot vacant facility.



Connectivity is to be renamed Omaha Works and potential uses for the space range from storage, office, data center, schools, and manufacturing. Details on the proposed redevelopment are still to be released. [Omaha.com Article](#)

Look for more details once we release the yearly *Sales that Shaped* brochure