

SOLD! Nebraska's Largest Building



INDUSTRIAL REALTY GROUP SPECIALIZES IN REDEVELOPING INDUSTRIAL BUILDINGS

SALES & LEASING

John Dickerson, CPM
 Lee Ehlers, CCIM
 Brian Farrell
 Steve Farrell, CCIM, SIOR
 Ember Grummons, CCIM
 John Heine, CCIM
 Jerry Heinrichs, CCIM
 Jerry Huber, CCIM
 Tim Kerrigan, CCIM
 Brian Kuehl
 Mike Moylan, CCIM
 RJ Neary, CCIM, SIOR
 J.P. Raynor
 Patrick S. Regan
 Mike Rensch
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 Kevin J. Stratman
 Ryan Zabrowski, CCIM, SIOR

PROPERTY MANAGEMENT

Carla Chin, CPM
 Correen Harrell
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 John Krecek, CPM
 Jeni Sadler, CPM
 Jeanette Weber, CPM
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Investors Realty is pleased to announce that Industrial Realty Group of Downey, Calif., has purchased the former Connectivity industrial building at 125th and I Streets. Investors Realty brokers Ryan Zabrowski and R.J. Neary announced the closing in November. The plant had been for sale since May 2010 when Connectivity announced it would close operations at the plant.

Investors Realty will represent Industrial Realty in marketing the renovated spaces for lease. Industrial Realty Owner and Founder Stuart Lichter said, "We're going to put people back to work in these buildings." Lichter has completed 80 similar projects across the country for several Fortune 500 companies including B.F. Goodrich in Akron, Ohio.

The challenge in marketing the building for Zabrowski and Neary was to find a



developer who could find a way to divide the property into multi-tenant spaces.

"We knew our chances of finding one entity to fill the space were slim," said Zabrowski. "So we looked for a developer with a track record of converting large spaces into sizes more usable by today's companies."

"Industrial Realty Group has the expertise and track record to make this a successful project for Omaha," added Neary. "We're looking forward to working with them to successfully lease the property."

The property consists of a 140,000 square-foot office building, which can be divided into smaller suites, a data center, land for expansion, and a one-million-square-foot rail-served manufacturing and distribution building that will be divided into multi-tenant spaces as small as 100,000 square feet.

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STORY CONTINUED FROM FRONT

A LITTLE HISTORY OF THE BIG BUILDING

In the 1950s the demand for phone wiring was equivalent to today's expansion of the cell phone industry. Western Electric Company built several factories across the country to supply the equipment to this expanding industry. It was during the post-war era when women were in the workforce for the first time and service men were returning from war.

Metropolitan Omaha was growing quickly when the plant opened in 1958. Houses were springing up in Omaha suburbs. The President Eisenhower Interstate System was being built.

Millard, a small town outside Omaha, landed one of the approximately 2,500,000 square-foot Western Electric Plants. Peter Kiewit Company built the structure, which in its heyday had 7,700 employees working in the building around the clock. The company had its own medical clinic and cafeteria to care for and feed workers.

Times have changed and recently only 400 people worked in the building. Several land parcels were sold to local companies Specialty Finishing and Millard Lumber.

We welcome Industrial Realty Group to Omaha and to Investors Realty, Inc.'s network of clients.

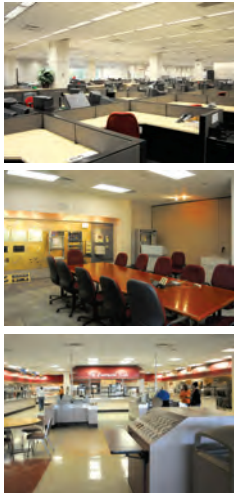
Land Size **93 acres**

Building Size **1,300,000 sq. ft.**

Seller **Connectivity Solutions Manufacturing, Inc.**

Buyer **Industrial Realty Group**

Listing to Closing **18 months**



- 1** Main Plant
1,011,255 sq. ft.
- 2** Office Building
201,685 sq. ft.
- 3** Central Plant Buildings
71,803 sq. ft.



**OMAHA
OFFICE
MARKET
DECLINES**

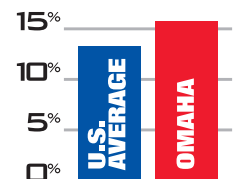
U.S. OFFICE MARKET POSTS STRONG THIRD QUARTER

According to Costar, the U.S. office market absorbed 19 million square feet of office space in the third quarter of 2011. The service attributes the absorption to a lack of construction of new space. In addition, many tenants are trading up for better or more space because rents have been reduced.

The national vacancy rate for office space is 13.19 percent, down nearly a half percentage point from the previous quarter. The service warns this decline may result in a rent increase.

Omaha, by contrast, had a negative third-quarter absorption of nearly 80,000 square feet. Construction projects for CSG Systems and NorthStar Financial added approximately 240,000 square feet to the city's available Class B space.

According to Xceligent, the Omaha vacancy rate for the third quarter 2011 was at 15.4 percent.



**RENOVATE OR
BUILD NEW?
WHAT'S IN YOUR
TOOLBOX?**

*VARIOUS CREDITS
CAN SHAVE OFF FROM
10 TO 50 PERCENT OF
TOTAL PROJECT COST*



Have you ever wondered what is involved in renovating older buildings? Is it financially feasible? What are the "tools" developers have in their toolbox when working on renovation projects?

In the Omaha market the primary tools are **Tax Increment Financing (TIF)**, **Historic Tax Credits** and **Low Income Housing Tax Credits**. Other less common tools are Non-Historic Tax Credits, CBGD (Community Block Grant Development) grants, Home Funds and New Market Tax Credits.

TIF financing can be used for both commercial and residential renovation.

Basically the City returns the difference between the taxes collected before renovation and the new taxes after renovation to the developer to apply to loan payments over a 15 year period. TIF funds can be used to pay for public infrastructure improvements. Granting TIF financing really doesn't "cost" the city anything. At the end of 15 years, the increased taxes go to the normal taxing authorities, i.e., schools, city, county. You can usually count on 10-15 percent of the total project being paid from TIF funds.

The federal government pitches in with Historic Tax Credits.

Normally Historic Tax Credits are 20 percent of the cost of renovation of a project. If a project costs \$1 million, there are \$200,000 of Historic Tax Credits available to the developer. The developer can either keep them (they now can be used against an individual's income taxes) or he can syndicate (sell) them. Historic Tax Credits are usually applied to larger projects where corporations invest funds and use the tax credits against their tax bill. Some states have Historic Tax Credits as well; Nebraska does not at this time. Learn more at www.nps.gov/history/hps/tps/tax

Low Income Housing Tax Credits help fund rent-controlled residential units through the use of tax credits. If you build



a \$1 million apartment project and rent it to low-to-moderate income tenants you can take a nine percent credit against income for 10 years. Getting the credits has become competitive over the

last few years so it's not always easy to get your allocation of the credits. They are allocated through the Nebraska Investment Finance Authority, but they are credits for federal taxes. The credits are usually syndicated and sold at a discount of 80-90 percent of value, much like the Historic credits. The rents are set less than market rate and good management is critical to be in compliance with the paperwork. Learn more at www.nifa.org/index.html

You can also take a 10 percent tax credit for a non-historic renovation of a commercial structure. The building must have been constructed prior to 1946. The other tools, Home Funds are for residential structures only and are administered by the Federal Home Loan Bank of Topeka and CBGD Grants are only for qualified uses.

A rare (and getting more difficult to secure) tool/credit is the New Market Tax Credits. These are only used on large projects of \$2 million or more because of the high cost and arduous task of writing and securing them. They cannot be used with low-income credits. The NMTC apply to projects that derive 80 percent or more of their income from commercial businesses. Learn more at www.cdfifund.gov/what_we_do/programs_id.asp?programID=5

As you see, these credits can add up to 10 to 50 percent or more of a project's costs. The intent is to offset increased costs of renovation of older historic buildings in order to save them from the wrecking ball or to offset lower-than-market rents for low-income residents. If you have an interest in redeveloping an older property, visit with Omaha's Planning Department or contact Investors Realty. We have experience assisting clients with these projects.

**SUNDAYS,
HOLIDAYS
NEED SECURITY
REVIEWS**

Most office buildings today have security systems that can be programmed to automatically lock and unlock the entry doors on a specified schedule throughout the year. These systems allow workers to have identity card access when the building is locked, and can be programmed to different schedules for weekends and holidays.

The coming holidays are a good time for building managers and owners to schedule time to review existing and upcoming holiday schedules.

Because Christmas and New Year holidays are on Sunday this year, most office buildings will be locked, however, the Mondays after the holidays are the designated "days off" for most companies, and adjustments to the door-locking schedule may be necessary to ensure the building is not inadvertently left open.

Auto locking systems provide peace of mind that your building is only open when you want and locked when you want it locked. The beginning of each year is the perfect time to look at the yearly calendar and program the locking system to adjust for all holidays, days off and other variations.



**NEW FACES
AT INVESTORS
REALTY**

*INVESTORS
WELCOMES
MIKE RENSCH AND
CHUCK NELSON*



MIKE RENSCH

Investors Realty welcomes Mike Rensch as a new broker, who joined our office team in November. Mike will specialize in selling and leasing office space in the Omaha area.

He earned a bachelor's degree in Business

Administration from the University of Nebraska Lincoln in 2006 and has been a licensed real estate agent in Nebraska since 2009. Mike sold residential real estate with NP Dodge for two years and is a past member of the Omaha Area Board of Realtors. Mike is excited to make the transition to commercial real estate and will use his skill in matching clients to properties that best fit their needs and budgets.



CHUCK NELSON

We also introduce Chuck Nelson, who started with the Investors Realty Maintenance Department in October.

Chuck is part of the skilled maintenance team that serves all of Investors-managed properties. He comes to Investors with 11 years of maintenance experience at the Pro Vet Products Building in Omaha.

Chuck enjoys fishing, watching football and NASCAR and spending time with his grandchildren.

WHAT WE'VE DONE **LATELY**

DECEMBER 2011

LAND

- PENDING 9,600 sq. ft. commercial land at 19th & Capitol St.
- SOLD 50,530 sq. ft. commercial land at 22nd & Poppleton Ave., to **Foundations Development, LLC**
- PENDING 43,371 sq. ft. commercial land at 168th & Pacific St.
- PENDING 33,262 sq. ft. commercial land at Sunny Brook Drive & Hwy. 20

BUILDINGS

- PENDING 131,110 sq. ft. industrial building at 134th & Cornhusker Rd.
- SOLD 45,429 sq. ft. industrial building at East Dodge & South Union, Fremont, to **Victory Lake Marine**
- PENDING 38,400 sq. ft. commercial building at 19th & Capitol St.
- PENDING 26,360 sq. ft. office building at Regency Parkway & Dodge St.
- LEASED 23,082 sq. ft. office space at Papillion Pkwy. & Blondo St., to **Nebraska Families Collaborative**
- PENDING 19,100 sq. ft. industrial building at 118th & Harrison St.
- SOLD 15,840 sq. ft. industrial building at 20th & Pierce St., to **1045, LLC**
- LEASED 15,300 sq. ft. industrial space at I-80 & Hwy. 50, to **Salon Centric**
- PENDING 12,362 sq. ft. industrial building at 94th & Ida St.
- SOLD 12,000 sq. ft. industrial building at 90th & F St., to **Ramm Development**
- LEASED 9,711 sq. ft. office space at 90th & Boyd St., to **LL Interests**
- LEASED 6,970 sq. ft. commercial space at 120th & Fort St., to **M & E Williams, LLC**
- LEASED 6,462 sq. ft. office space at 103rd & Pacific St., to **Peter Kiewit Foundation**
- LEASED 6,127 sq. ft. office space at 170th & Marcy St., to **Adams Land and Cattle Co.**
- LEASED 4,800 sq. ft. commercial space at 180th & Q St., to **Acme Fitness, A Nebraska Limited Corporation**
- LEASED 4,440 sq. ft. commercial space at Hwy. 6/31 & Schram Rd., to **So Big Enterprises**
- LEASED 3,966 sq. ft. flex space at 88th & L St., to **Tim Tvrdy**
- LEASED 3,900 sq. ft. commercial space at 14th & Jackson St., to **Spone Corporation**
- LEASED 3,884 sq. ft. commercial space at 72nd & Dodge St., to **Mid America Chapter National Multiple Sclerosis Society**
- LEASED 3,309 sq. ft. office space at 116th & Arbor St., to **General Electric Company**
- LEASED 3,240 sq. ft. office space at 90th & Hwy. 133/Sorensen Pkwy., to **House on the Rock**
- SOLD 3,225 sq. ft. industrial building at Fort Crook & Capehart Rd., to **Scott Coats**
- LEASED 3,021 sq. ft. office space at 63rd & Center St., to **CSG Actuarial, LLC**
- LEASED 2,860 sq. ft. commercial space at 74th & Pacific St., to **Lighthouse Restaurant, LLC**
- LEASED 2,800 sq. ft. office space at 74th Plaza & Pacific St., to **Admission Possible**
- LEASED 2,800 sq. ft. industrial space at 90th & Sorensen Pkwy., to **Electric Pump, Inc.**
- LEASED 2,382 sq. ft. office space at 90th & Boyd St., to **Concord Center**
- LEASED 2,250 sq. ft. industrial space at 140th & I St., to **Omaha Gutter & Siding Company**
- LEASED 2,160 sq. ft. office space at 94th & G Streets, to **ASI Systems, Inc.**
- LEASED 2,008 sq. ft. industrial space at 146th & Shepard, to **Associated Underwriters**
- LEASED 2,000 sq. ft. commercial space at 62nd & Center St., to **Express Employment Professionals**
- LEASED 2,000 sq. ft. commercial space at 114th & West Dodge Rd., to **FB Nebraska Restaurants**
- LEASED 1,975 sq. ft. office space at 74th Plaza & Pacific St., to **Richard Whitman DDS, PC**
- LEASED 1,800 sq. ft. commercial space at Hwy. 6 & Schram Rd., to **Region V Services**
- LEASED 1,535 sq. ft. industrial space at 93rd & Maple St., to **Essential Pregnancy Services**
- LEASED 1,517 sq. ft. office space at 19th & Douglas St., to **Gilbert M. & Martha H. Hitchcock**
- LEASED 1,482 sq. ft. commercial space at 70th & Pioneers Blvd., to **Neesen Holdings, Inc.**
- LEASED 1,416 sq. ft. commercial space at 168th & Harrison St., to **Edward D. Jones & Co.**
- LEASED 1,400 sq. ft. industrial space at 60th & Grover St., to **Double D. Builders RSG, LLC**
- LEASED 1,399 sq. ft. office space at 91st & West Dodge Rd., to **The Planners Group, LLC**
- LEASED 1,397 sq. ft. commercial space at Hwy. 6/31 & Schram Rd., to **NY Hoang Le**
- LEASED 1,385 sq. ft. industrial space at 90th & Cornhusker Rd., to **Fearless Fitness, Inc.**
- LEASED 1,350 sq. ft. commercial space at 156th & Blondo St., to **Khaleeq Law Firm**
- LEASED 1,250 sq. ft. office space at 144th & L St., to **Hallmarq Construction**
- LEASED 1,236 sq. ft. commercial space at 16th Avenue & Galvin Rd., to **Anthony & Marie Gould**
- LEASED 1,215 sq. ft. office space at 168th & Pacific St., to **Kelley Financial Services, Inc.**
- LEASED 1,200 sq. ft. commercial space at 74th & Pacific St., to **Alicia Henrichs, Donna Pletcher & Fruitworks, LLC**
- LEASED 1,000 sq. ft. commercial space at 107th & Pacific St., to **BalanceWorks Massage Center**

INVESTORS TO LEASE, MANAGE DURHAM PLAZA

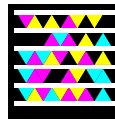
Investors Realty has been awarded the leasing and property management account for Durham Plaza, 8401 West Dodge Road.

Durham Plaza is a landmark building on the southwest corner of 84th Street and West Dodge Road. The property is adorned with beautiful landscaping and features large windows overlooking the hustle and bustle of the West Dodge office corridor. Passers by will notice two large American flags reflecting in the glass exterior when as they pass by along Dodge Street.

Starting October 1, 2011, J.P. Raynor, J.D., and R.J. Neary, CCIM, SIOR, became responsible for leasing and asset management. Bruce Klein, CPM, will oversee property management. For the next year, they will focus on working with the current, long standing tenants to make sure they are satisfied in their office suites. They will also work with the property owners to ensure the energy management system is working efficiently. In addition, they plan to develop long-term plans for improvements to interior spaces.

Investors is honored and privileged to represent a respected and renowned Omaha family name like Durham.



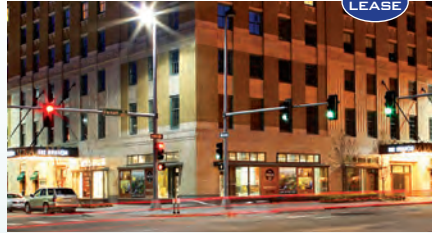


FOR LEASE



▶ **50TH & GROVER STREET Grover Square**
1,200 to 2,400 sq. ft. commercial space with clean and efficient vacancies. Two blocks to I-80. Full movement access points.

FOR LEASE



▶ **14TH & FARNAM STREET The Paxton Building** 6,200 sq. ft. commercial space with turnkey restaurant space available! Near the Holland Center and Orpheum Theatre, which have a total of over 350,000 visitors between both facilities annually.

FOR LEASE



▶ **155TH & Q STREET**
1,704 sq. ft. commercial space on the southeast corner which is highly visible, completely remodeled with a new roof and HVAC unit. Space is gutted and ready for improvements.

FOR LEASE



▶ **125TH & I STREET Omaha Works**
100,000-1,275,000 sq. ft. industrial space with flexible sizes and layouts designed to fit your needs. Terrific central access to major thoroughfares on L, 120th and 132nd Streets. Part of vast campus setting and close to all amenities at L Street Marketplace.

FOR LEASE



▶ **138TH & C PLAZA**
2,000 to 3,600 sq. ft. industrial space includes private offices, shop space, drive-in or dock doors and outdoor storage/parking. Very reasonable rent makes this affordable for a new or established business.

FOR LEASE



▶ **86TH & G STREET**
6,720 sq. ft. centrally located industrial flex building with two docks and two drive-in doors. Access to I-80 is only a few minutes from the site.

FOR LEASE



▶ **87TH & G STREET**
2,760 sq. ft. centrally located industrial flex space with a showroom and warehouse. Park at your front door, dock-high door possible. Located just west of 84th Street; access to I-80 is just moments away.

FOR LEASE



▶ **147TH & F STREET Altech Business Park**
Potential for 20,000 to 50,000 sq. ft. of office space in three adjoining buildings. Lease an entire building or as little as 5,000 sq. ft. Great, accessible location with all amenities nearby.

FOR LEASE



▶ **84TH & DODGE STREET Durham Plaza**
15,510 sq. ft. office space in this highly recognizable, well-maintained property. Enjoy great views of the mature landscaping out of the many windows. Close to all Dodge Street amenities.

FOR LEASE



▶ **127TH & I STREET Omaha Works**
201,685 sq. ft. office space on a centrally located campus redevelopment site with new ownership that focuses on the big picture! Flexible floor plans/layouts and building signage available.

FOR LEASE



▶ **MILL VALLEY ROAD & PAPILLION PARKWAY Old Mill Business Campus** **SUBLEASE**
19,480 sq. ft. office space with flexible bay sizes and abundant parking. All services in immediate area with convenient access to I-680.

FOR LEASE OR FOR SALE



▶ **133RD & B STREET**
6,988 sq. ft. freestanding industrial showroom and warehouse building. Outdoor storage possible and one dock door. Located in Southwest Industrial Park, just north of 132nd & Industrial Road, minutes from interstate access.

LEASE



► **108TH & GILES ROAD Val Vista Lot 4 – 0.8 ACRES**

A small lot located on the hard corner approximately one mile from I-80 access. Near developing area of Southport as well as neighboring businesses such as Yahoo!, Oriental Trading Company, PayPal and Cabela's.



► **24TH & CENTER STREET**

18,618 sq. ft. warehouse building with two dock-high doors with hard-to-obtain heavy industrial zoning, allowing for many industrial possibilities.



► **28TH & VINTON STREET**

22.44 acres industrial land located off I-480 offers high visibility and rare heavy industrial zoning.



► **2701 RIVER ROAD Waterloo, NE**

3.04 acres with a 5,000 sq. ft. industrial building with three drive-in doors, floor drains, air lines and mezzanine storage. Site includes 1,348 sq. ft. house.



► **109TH & MOCKINGBIRD DRIVE**

30,492 sq. ft. commercial lot offering the rare opportunity to build in a central location, just a block from 108th Street. Flat, ready to build site located in the Empire Park area in Southwest Omaha, only five minutes from I-80 access.



► **36TH & CENTER STREET**

1,764 sq. ft. commercial building for sale. Recently renovated service garage with a new roof, three drive-in doors, floor drains and 630 sq. ft. of finished office space. Great street presence and fenced yard.



► **41ST & HARRISON STREET**

2,505 sq. ft. office building completely renovated in 2005. Freestanding medical clinic with multiple exam rooms, including sinks and lead-lined x-ray room. Concrete parking lot. Perfect for physicians, dentists or chiropractors.

LAND

SALE