

CHALLENGES

- In a market that had heated up between 2004 and 2007, cap rates had dropped to 6.5% for well located retail property with good tenants. SANOMA, an experienced real estate owner with cash to deploy, recognized that prices were too high and required a cap rate of 9% or better.

PROPERTY

ADDRESS 2208 E. Avery Rd

PRICE \$750,000

SIZE 11,002 sq. ft.

PRICE PSF \$68.17



RESULT

- Cap rate of approximately 10% based on current tenancy.
- Low purchase price gave owner flexibility to retain tenants.

PROPERTY

ADDRESS 11511 S. 42nd Street

PRICE \$1,175,000 (\$1,500,000 with excess land)

SIZE 8,971 sq. ft.

PRICE PSF \$130.97



RESULT

- Secondary location and the excess land limited buyers.
- Buyer paid a higher price psf than he wanted but achieved a 9% cap rate and long term lease with a Fortune 500 company.
- Buyer's willingness to take the risk of excess land was critical.
- Excess land was sold the following year.

PROPERTY

ADDRESS 9105 Bedford

PRICE \$735,000

SIZE 9,900 sq. ft.

PRICE PSF \$74.24



RESULT

- Achieved a cap rate of over 9.5%.
- Somewhat tougher location is a risk but is countered by several smaller tenants. Roof, concrete walks and storefronts were all new, allowing for smaller reserves.

AGENT

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