

655 N 108 AVENUE | OMAHA, NE 68154

WYNDHAM



HOTEL CONVERSION TO THE NEW
SPRING HOUSE SENIOR LIVING
Independent Living, Assisted Living & Memory Care Community

Marcus & Millichap
THE NEVAREZ GROUP

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HOTEL CONVERSION TO THE NEW
SPRING HOUSE SENIOR LIVING

TABLE OF CONTENTS

Investment Overview

- EXECUTIVE SUMMARY
- PROPERTY OVERVIEW
- RENOVATION & RETROFITTING PLAN
- PROPERTY FEATURES
- LOCATION ADVANTAGE
- REGIONAL MAP

Financial Analysis

- CONVERSION BUDGET
- 5-YEAR PRO-FORMA

Area Overview

- MARKET ANALYSIS
- AREA OVERVIEW
- DEMOGRAPHICS
- MAJOR EMPLOYERS

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SPRING HOUSE SENIOR LIVING

Investment Overview

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EXECUTIVE SUMMARY

The Nevarez Group of Marcus & Millichap is thrilled to present this exceptional investment opportunity. The conversion of the Wyndham Hotel into Spring House Senior Living of Omaha is poised to meet the growing need for senior living facilities in the Omaha area. With a strategic location, significant upside potential, a well-defined renovation plan, and property approval with permits ready, this investment offers a unique opportunity to capitalize on the expanding senior living market.

WYNDHAM

HOTEL CONVERSION TO THE NEW
SPRING HOUSE SENIOR LIVING



221-Room Hotel
to be Converted into
155 Senior Living Units

STRATEGIC ADVANTAGES

The proposed conversion of the Wyndham Hotel into Spring House Senior Living of Omaha represents a compelling investment for several key reasons:

Strategic Location

- Situated at the epicenter of business activity in suburban Omaha
- Proximate to over three million sq. ft. of high-quality office space, including the world headquarters of TD Ameritrade
- Across I-680 from Westroads Mall, Nebraska's largest shopping center

Corporate Presence

Omaha is headquarters for five Fortune 500 companies:

- ConAgra Foods
- Union Pacific Corporation
- Mutual of Omaha
- Kiewit Corporation
- Berkshire Hathaway

Local Attractions

Hosts The College World Series every August at the TD Ameritrade Park near downtown

Nearby institutions include the University of Nebraska-Omaha, Methodist Hospital, and Children's Hospital

Significant Upside Potential

The senior living market in Omaha is experiencing a growing demand, particularly for independent living and memory care options.

Clear Renovation Plan

Detailed plans for renovation ensure that the project will meet high standards and cater to the specific needs of senior living residents.

Unencumbered Sale

The property is being sold unencumbered of management, providing flexibility for the new owner.

Ready for Development

The property is approved with permits and ready to be converted, facilitating a smooth transition to senior living facilities.

PROPERTY OVERVIEW

Property Address

655 N 108 Avenue, Omaha, NE 68154

Current Use

Wyndham Hotel with 221 keys

Proposed Use

Conversion into Spring House
Senior Living of Omaha

Planned Units

155 units of independent and assisted living
residences, including memory care

Quality

Average quality construction, above-average
physical condition upon completion

Location

Epicenter of business activity in suburban
Omaha, at the intersection of Interstate 680
(I-680) and Dodge Road

Permits

Property is approved with permits and ready
to be converted



WYNDHAM

**HOTEL CONVERSION TO THE NEW
SPRING HOUSE SENIOR LIVING**



RENOVATION & RETROFITTING PLAN

The planned investment of **\$5,670,000** will transform the existing hotel structure into a state-of-the-art senior living community. Renovations are expected to include:



Modernizing

the building's infrastructure



Upgrading

interior finishes to high-end, modern amenities



Enhancing

common areas and amenities to meet the needs of senior residents



Ensuring

compliance with all health and safety regulations

\$5,670,000 Planned Investment







PROPERTY FEATURES

The subject's offering will include both a real estate component (building and land) and a business operation component (services provided to the residents).

Independent Living Services

- Three meals daily with snacks
- Weekly housekeeping and laundry
- All maintenance services
- Scheduled transportation
- Social activities
- Medication reminders
-

Assisted Living Services

- Three meals daily with snacks
- Weekly housekeeping and laundry
- All maintenance services
- Scheduled transportation
- Social activities
- Medication reminders
- Assistance with activities of daily living (ADLs) such as bathing, dressing, transferring (moving), eating, and toileting

Note: Only private payers will be accepted

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Memory Care Wing

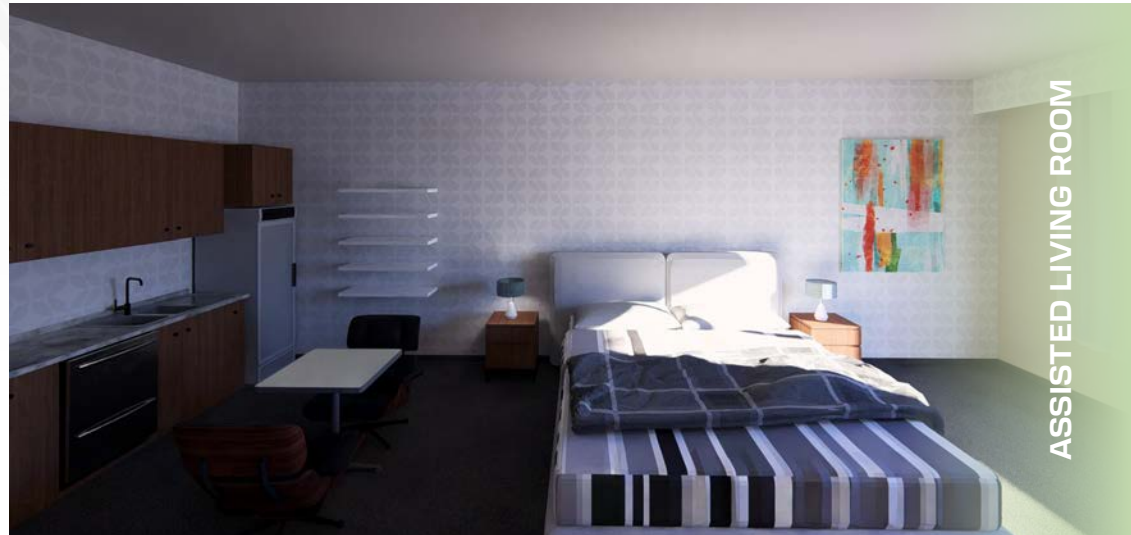
Secured environment for residents with memory problems such as Alzheimer's disease

Services similar to those provided to standard assisted living residents, with tailored services and activities catering to dementia and memory loss residents

Note: Only private payers will be accepted



INDEPENDENT LIVING ROOM



ASSISTED LIVING ROOM



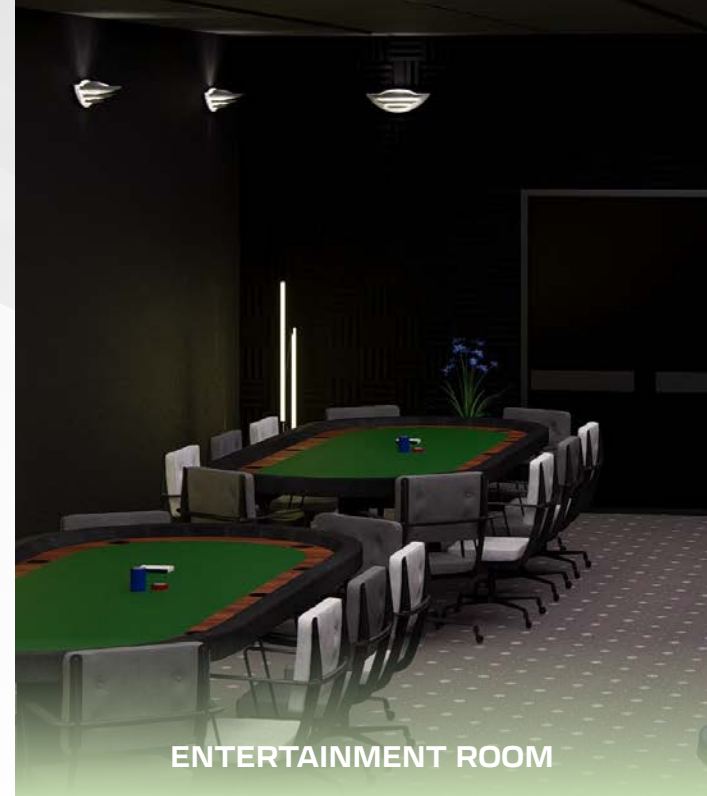
MEMORY CARE ROOM



COURTYARD



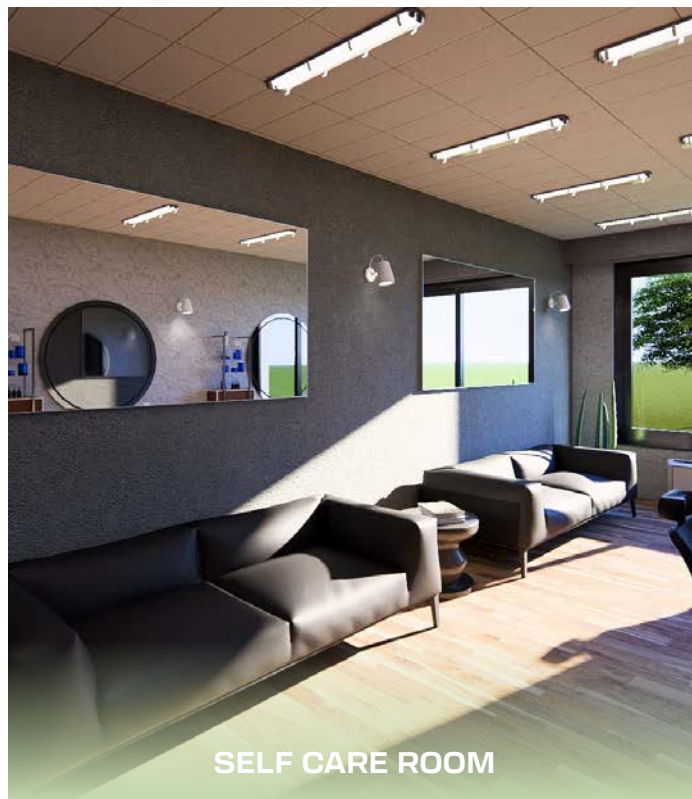
INDOOR POOL



ENTERTAINMENT ROOM



MOVIE THEATER



SELF CARE ROOM



SPA ROOM

LOCATION ADVANTAGE

Prime Location

The property is situated at 655 N 108 Avenue, Omaha, NE 68154, in a bustling and well-connected part of the city. Omaha is renowned for its vibrant economy, rich cultural heritage, and diverse demographic profile, making it an ideal location for a senior living community.

Health Care Facilities

The subject and local area are primarily served by:

The Nebraska Methodist Hospital
Children's Hospital Nebraska
Midwest Surgical Hospital

Retail & Dining

The property is conveniently located near various retail and dining options, providing residents with easy access to everyday necessities and leisure activities. Notable nearby establishments include:

Westroads Mall
Village Pointe
Regency Shopping Center

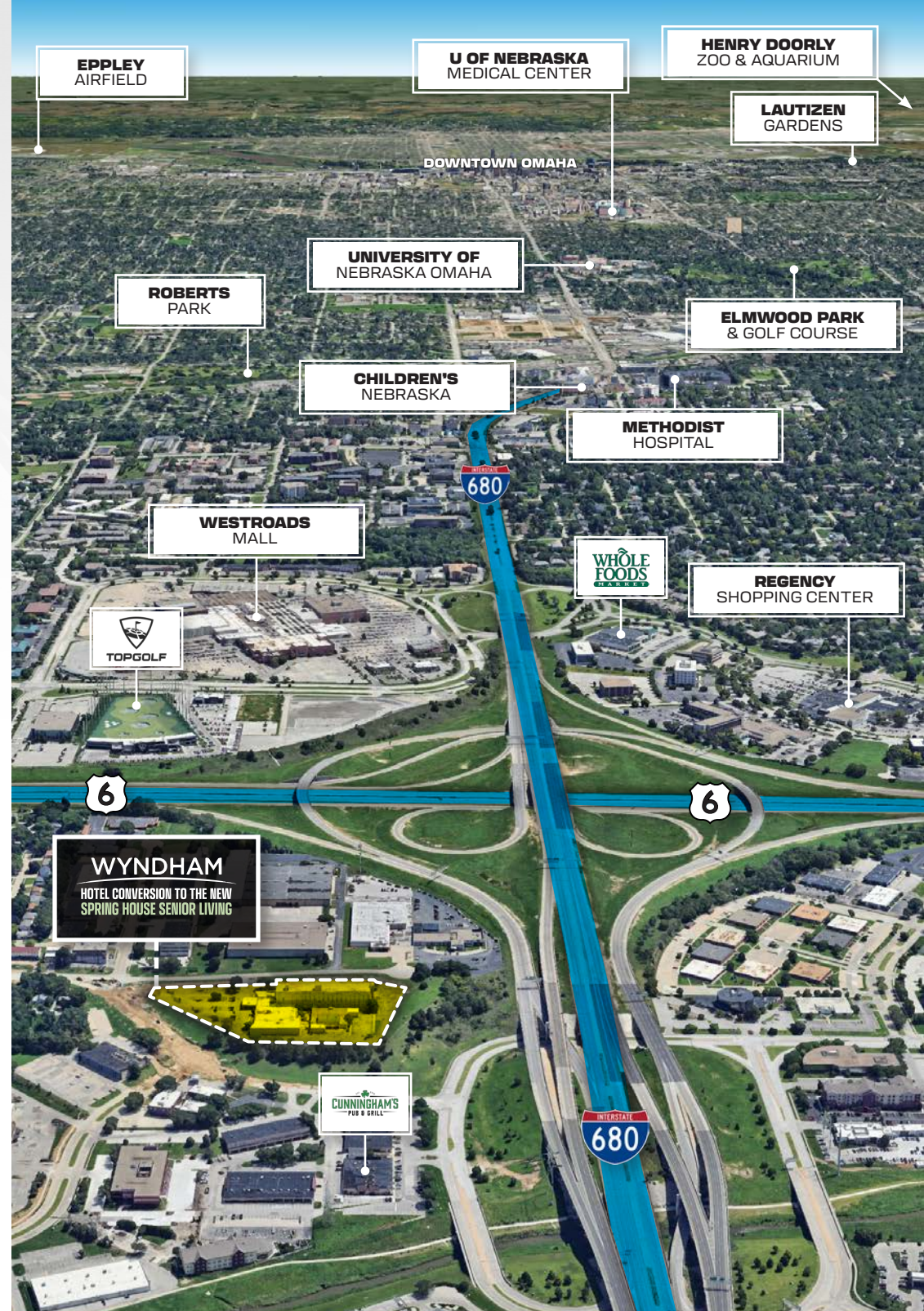
Transportation

The property is well-served by public transportation, making it easily accessible for residents, visitors, and staff. Major roadways such as West Dodge Road and North 108th Avenue provide excellent connectivity to the rest of Omaha and surrounding areas.

Community & Recreation

Omaha offers numerous recreational and cultural attractions, including parks, museums, and theaters. Notable nearby attractions include:

Omaha's Henry Doorly Zoo and Aquarium
Lauritzen Gardens
The Durham Museum



REGIONAL MAP

VILLAGE POINT

BEST BUY		
SCHEELS <small>EMPLOYER OWNED</small>	SEPHORA	OLD NAVY

NORTHWEST OMAHA

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HOTEL CONVERSION TO THE NEW SPRING HOUSE SENIOR LIVING

CENTRAL OMAHA

	JCPenney	VON MAUR	

NORTH OMAHA

DOWNTOWN OMAHA

DOWNTOWN OMAHA

WEST OMAHA

SOUTH CENTRAL OMAHA

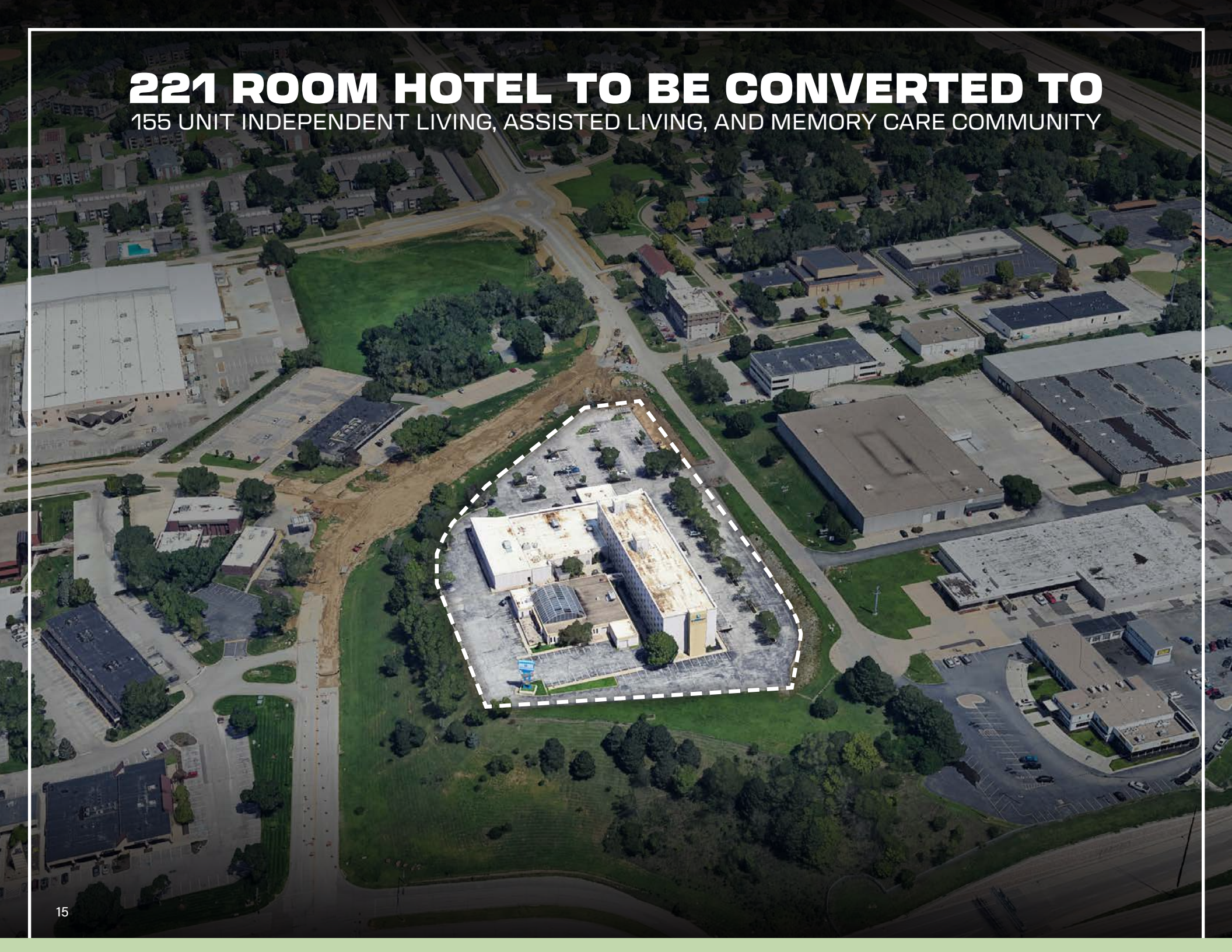
WEST OMAHA

Dillard's	KOHL'S	BARNES & NOBLE	

RALSTON

EPPLEY AIRFIELD
CRATER LAKE

221 ROOM HOTEL TO BE CONVERTED TO 155 UNIT INDEPENDENT LIVING, ASSISTED LIVING, AND MEMORY CARE COMMUNITY



WYNDHAM

HOTEL CONVERSION TO THE NEW
SPRING HOUSE SENIOR LIVING

Financial Analysis



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CONVERSION BUDGET

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HOTEL CONVERSION TO THE NEW
SPRING HOUSE SENIOR LIVING

ASKING PRICE	
Asking Price	\$17,500,000
SOFT COSTS	
Insurance	\$100,000
Soils, environmental, testing fees	\$35,000
Performance Bond (2% of hard construction)	\$10,000
Architect & Engineering	\$250,000
Civil Engineering Fees	\$150,000
Project Management	\$434,049
Acquisition Fee	\$375,000
Working Capital	\$500,000
Property Taxes	\$150,000
Indoor/Outdoor signs	\$100,000
Miscellaneous Closing/Permit Cost	\$100,000
TOTAL	\$2,204,049
RENOVATION COSTS	
Hard Costs	\$5,000,000
FF&E (including taxes & freight)	\$1,000,000
Contingency	\$699,150
TOTAL	\$6,699,150
LOAN FINANCING COSTS	
Arriba Broker Fee (1% of the total loan amount)	\$152,000
Lender Fee (1% of the total loan amount)	\$152,000
Interest Reserve	\$1,642,801
Closing/Legal Fees/Title	\$100,000
TOTAL	\$2,046,801
STABILIZED APPRAISED VALUE	\$28,450,000

\$17,500,000

ASKING PRICE

FIVE YEAR PRO-FORMA

INCOME	2024	2025	2026	2027	2028	2025	2028	2025	2028	2025
Rooms	168	168	168	168	168	168	168	168	168	168
Available Apartment Months	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Apartment Months Rented	665	1,391	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714
Occupancy	33%	69%	85%	85%	85%	85%	85%	85%	85%	85%
Average Monthly Rent	\$5,799.27	\$5,799.27	\$5,973.25	\$6,152.44	\$6,337.02	\$6,527.13	\$6,722.94	\$6,924.63	\$7,132.37	\$7,346.34
REVENUE	2024	2025	2026	2027	2028	2025	2028	2025	2028	2025
Gross Potential Rental Income	\$11,691,324	\$11,691,324	\$12,042,064	\$12,403,326	\$12,775,425	\$13,158,688	\$13,553,449	\$13,960,052	\$14,378,854	\$14,810,219
Vacancy	\$7,833,187	\$3,624,310	\$1,806,310	\$1,860,499	\$1,916,314	\$1,973,803	\$2,033,017	\$2,094,008	\$2,156,828	\$2,221,533
Concessions	\$116,913	\$116,913	\$120,421	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Effective Rental Income	\$3,741,224	\$7,950,100	\$10,115,334	\$10,542,827	\$10,859,112	\$11,184,885	\$11,520,431	\$11,866,044	\$12,222,026	\$12,588,687
Total Other Income	\$349,251	\$625,045	\$643,796	\$663,110	\$683,004	\$703,494	\$724,598	\$746,336	\$768,727	\$791,788
Total Revenue	\$4,090,475	\$8,575,145	\$10,759,130	\$11,205,937	\$11,542,115	\$11,888,379	\$12,245,030	\$12,612,381	\$12,990,752	\$13,380,475
Revenue Growth		110%	25%	4%	3%	3%	3%	3%	3%	3%
Gross Operating Income	\$4,090,475	\$8,575,145	\$10,759,130	\$11,205,937	\$11,542,115	\$11,888,379	\$12,245,030	\$12,612,381	\$12,990,752	\$13,380,475
DEPARTMENTAL EXPENSES	2024	2025	2026	2027	2028	2025	2028	2025	2028	2025
Senior Living Expense	\$77,164	\$100,781	\$103,804	\$106,919	\$110,126	\$113,430	\$116,833	\$120,338	\$123,948	\$127,666
Culinary Services	\$342,788	\$719,797	\$741,391	\$763,633	\$786,542	\$810,138	\$834,442	\$859,475	\$885,260	\$911,817
General & Administrative	\$28,800	\$29,772	\$30,665	\$31,585	\$32,533	\$33,509	\$34,514	\$35,549	\$36,616	\$37,714
Sales, Marketing, & PR	\$152,400	\$156,972	\$161,681	\$166,532	\$171,528	\$176,673	\$181,974	\$187,433	\$193,056	\$198,847
Repairs & Maintenance	\$188,676	\$260,579	\$268,396	\$276,448	\$284,741	\$293,283	\$302,082	\$311,144	\$320,479	\$330,093
Payroll/Compensation	\$2,192,942	\$2,723,972	\$2,805,691	\$2,889,862	\$2,976,557	\$3,065,854	\$3,157,830	\$3,252,565	\$3,350,142	\$3,450,646
Utilities	\$241,200	\$248,436	\$255,889	\$263,566	\$271,473	\$279,617	\$288,005	\$296,646	\$305,545	\$314,711
Total Departmental Expenses	\$3,223,970	\$4,240,308	\$4,367,517	\$4,498,543	\$4,633,499	\$4,772,504	\$4,915,679	\$5,063,150	\$5,215,044	\$5,371,496
Gross Operating Profit	\$866,505	\$4,334,837	\$6,391,612	\$6,707,394	\$6,908,616	\$7,115,874	\$7,329,351	\$7,549,231	\$7,775,708	\$8,008,979
FIXED EXPENSES	2024	2025	2026	2027	2028	2025	2028	2025	2028	2025
Insurance	\$132,000	\$135,960	\$140,039	\$144,240	\$148,567	\$153,024	\$157,615	\$162,343	\$167,214	\$172,230
Property Taxes & Business Taxes	\$140,000	\$200,000	\$267,000	\$271,005	\$275,070	\$279,196	\$283,384	\$287,635	\$291,949	\$296,329
Management Fees	\$203,282.69	\$428,745.67	\$537,956.49	\$560,296.85	\$577,105.76	\$594,418.93	\$612,251.50	\$630,619.04	\$649,537.61	\$669,023.74
Reserve for Replacement	\$42,000.00	\$43,260.00	\$44,557.80	\$45,894.53	\$47,271.37	\$48,689.51	\$50,150.20	\$51,654.70	\$53,204.34	\$54,800.47
Total Fixed Charges	\$517,283	\$807,966	\$989,553	\$1,021,436	\$1,048,014	\$1,075,329	\$1,103,401	\$1,132,252	\$1,161,905	\$1,192,383
Total Expenses	\$3,741,253	\$5,048,274	\$5,357,071	\$5,519,979	\$5,681,514	\$5,847,833	\$6,019,080	\$6,195,402	\$6,376,949	\$6,563,878
%	91%	59%	50%	49%	49%	49%	49%	49%	49%	49%
NET OPERATING INCOME	\$349,222	\$3,526,871	\$5,402,059	\$5,685,958	\$5,860,602	\$6,040,546	\$6,225,950	\$6,416,979	\$6,613,803	\$6,816,596
	9%	41%	50%	51%	51%	51%	51%	51%	51%	51%
Debt Service	\$1,265,750.00	\$1,319,201.63	\$1,319,201.63	\$1,319,201.63	\$1,319,201.63	\$1,319,201.63	\$1,319,201.63	\$1,319,201.63	\$1,319,201.63	\$1,319,201.63
Net Cash Flow	\$(916,527.83)	\$2,207,669.82	\$4,082,857.70	\$4,366,756.07	\$4,541,399.88	\$4,721,343.97	\$4,906,748.28	\$5,097,777.54	\$5,294,601.44	\$5,497,394.77
DSCR	0.28	2.67	4.09	4.31	4.44	4.58	4.72	4.86	5.01	5.17
Debt Yield	2.29%	23.13%	35.42%	37.28%	38.43%	39.61%	40.83%	42.08%	43.37%	44.70%

WYNDHAM

HOTEL CONVERSION TO THE NEW
SPRING HOUSE SENIOR LIVING

Area Overview



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MARKET ANALYSIS

Omaha, classified as a secondary market for senior housing properties, shows promising trends:

Undersupply of Independent Living

There is a notable shortage of independent living units in the area, providing an opportunity to fill this gap.

Balanced Demand for Assisted Living and Memory Care

The demand for assisted living and memory care units remains strong.

Occupancy Rates

Independent Living: **76.2%**

Assisted Living: **78.5%**

Memory Care: **83.4%**

Overall Market (all care types): **62.0%**, reflecting the impact of the COVID-19 pandemic.

Excluding severely impacted communities, the overall market occupancy rises to **95.4%**.



OMAHA NEBRASKA

Omaha, Nebraska's largest city, boasts a diverse and robust economy, hosting Fortune 500 companies like Berkshire Hathaway and Union Pacific Railroad. Key sectors include finance, insurance, telecommunications, construction, and transportation.

The city is rich in cultural heritage, featuring attractions like the Durham Museum and Joslyn Art Museum. The Old Market district offers historic charm with its cobblestone streets, shops, galleries, and restaurants.

Strong educational institutions like Creighton University and the University of Nebraska at Omaha contribute to a well-educated workforce and foster innovation.

Omaha is home to top-tier healthcare facilities, including the Nebraska Medical Center and Methodist Hospital, ensuring comprehensive medical services for residents.

The city is well-connected via major highways and Eppley Airfield, offering convenient air travel. Public transportation is managed by Metro Transit, providing extensive bus services.

Omaha offers a range of recreational activities, including the Henry Doorly Zoo and Aquarium, Lauritzen Gardens, and numerous parks. The performing arts scene is vibrant, with venues like the Holland Performing Arts Center.

Omaha is a dynamic city with a strong economy, rich cultural heritage, diverse population, and excellent healthcare, education, and recreational opportunities, making it an attractive place to live, work, and visit.



Creighton University

Henry Doorly Zoo

OMAHA

DEMOGRAPHICS

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
 Population	10,095	94,058	272,182
 Daytime Population	23,545	149,388	348,772
 Households	5,406	41,119	113,570
 Average Household Income	\$89,307	\$100,484	\$98,485
 Median Household Income	\$56,256	\$66,696	\$70,736



MAJOR EMPLOYERS

EMPLOYERS	EMPLOYEES
Farmers Insurance Exchange-Farmers Insurance	5,073
Sedgwick Claims MGT Svcs Inc-Sedgwick	5,059
Icon Development Solutions LLC	4,950
Archbishop Bergan Mercy Hosp	2,500
Nebraska Furniture Mart Inc-Nfm	2,126
Transaction Systems AR	2,000
Kellogg USA LLC	1,548
Bakers Supermarkets Inc	1,494
Command Center Inc-Command Labor	1,356
Creighton Univ Med Ctr-St Jo	1,280
Childrens Nebraska	1,275
Nebraska Methodist Hospital-BESTCARE	1,250
Bakers Supermarkets Inc	1,247
Signature Performance Inc	1,220
Valmont Industries Inc-Valmont	1,200
Father Flanagans Boys Home-Boys Town	1,100
Prime Therapeutics LLC	1,051
Compass Group Usa Inc-Canteen of Omaha	1,035
Signal 88 Franchise Group Inc-Signal 88 Security	1,000
Core Energy Trading LLC	1,000
Blue Cross & Blue Shield Neb-Blue Cross	1,000
Eastern Neb Humn Svcs Agcy	850
Hy-Vee Inc-Hy Vee No 1535	845
Prime Therapeutics LLC	788
Priority Data Systems Inc	685

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