



Mergers & Acquisitions — inside

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"Any government big enough to give you all you want is big enough to take all you've got."

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Solutions toolbox expands at Holmes Murphy



Photo by Jeffery J. ...

By ...
Holmes Murphy ...
expanding its ...



As development market expands, NorthMarq positions itself locally

by Dwain Hebda

Responsiveness to opportunities and access to capital at reasonable rates has positioned NorthMarq Capital's financing operations favorably in Omaha. A recent merger and expertise that reaches around the block to across the country have solidified the Minneapolis-based company as a partner of choice among developers.

The commercial real estate market across the board has been growing, particularly in the last three years," said John Reed, Omaha office managing director. "We've got plenty of clients in need of capital and institutional capital right now is very abundant."

Reed said the average loan size generated by the Omaha operations is currently in the \$10 million range with the largest single deal of late

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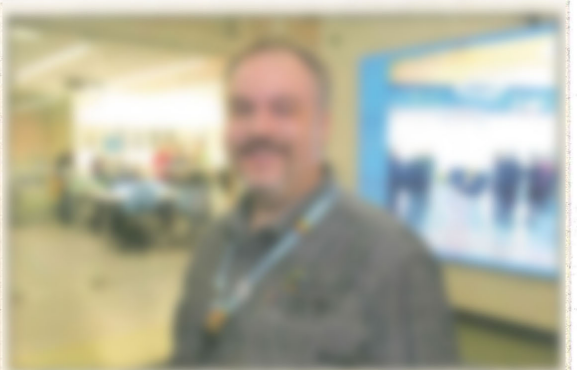


Photo by Jeffery J. ...

Omaha embraces technology access as Do Space celebrates three years

By ...
Do Space ...
celebrates three years ...

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Omaha office Managing Director John Reed ... The Omaha office's average loan size is in the \$10 million range with the largest single deal recently being \$80 million to finance Blue Cross & Blue Shield of Nebraska's project at Aksarben.

As development market expands, NorthMarq positions itself locally

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being \$80 million to finance Blue Cross & Blue Shield of Nebraska's project at Aksarben. Portfolio deals at the national level — involving multiple national assets — can easily run into the billions of dollars.

NorthMarq's acquisition of Omaha's Daisley Ruff Financial Corp., completed last year after nearly seven years of negotiations, has played a major role in keeping the funding pipeline flowing.

"Daisley Ruff expanded our capital sources somewhat," Reed said. "We are actively doing business with 43 lenders and many of those are exclusive to North-

Marq as a correspondent.

"On the two big components to our business — commercial real estate fundamentals and access to capital — right now, we're in a great spot. We have access to every institutional capital source that is doing business in our market. That's somewhat of a change since we've acquired Daisley Ruff and it's a major factor driving our business."

For nearly a decade, there has been no shortage of opportunity even at these eye-popping levels, a string following on the heels of the recession that bounced back with a vengeance.

"The basic drivers of our business

are strong commercial real estate fundamentals and demand from institutional investors for commercial mortgage loans," Reed said. "Those components have been really strong over the last eight years and business has been great.

"The Omaha NorthMarq office has typically done \$150 [million] to \$200 million in loans. I think Daisley Ruff was probably doing around \$50 to \$75 million. We're growing the business and we should hit \$350 million-plus this coming year, and our objective is to get that up to \$400 million."

While the development market is still robust by any measure, the sustained activ-

ity is presenting new challenges not seen when the run began. Primary among these challenges are construction costs and rising short-term interest rates.

"Now that we are in a mature commercial real estate market, the cost to develop commercial and multi-family properties

NorthMarq Capital

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Address: 801 North 96th Street, Suite 220, Omaha 68114

Service: mortgage banking

Employees: 10

Goal: The company is looking to grow its annual volume substantially, thanks to continued development and access to all 43 lenders within the local market. Current annual loan volume of around \$200 million is expected to reach \$350 million next year and ultimately reach \$400 million.

Website: northmarq.com/cities/omaha/

is increasing at a really rapid clip," Reed said. "I was just talking to a client that did a large project in March of this year, and who just had it rebid, and the cost to build this large commercial project was up 25 percent in that time period. That's a pretty extreme example, but it's indicative of the kind of cost inflation that our clients are seeing."

One way NorthMarq continues to stay poised for opportunities is through the company's 35 physical offices nationwide that, combined with advancing technology, helps the firm stay responsive to client needs from coast to coast. As such, NorthMarq stays as in-tune with clients' needs in greater Nebraska as those right outside their door.

"When we go to other markets, we can pull in our local office and get local expertise," Reed said. "It enables us, with our clients in the Midwest, to provide them with expertise no matter where they're expanding around the country. That's one thing about our business that's becoming more and more important."