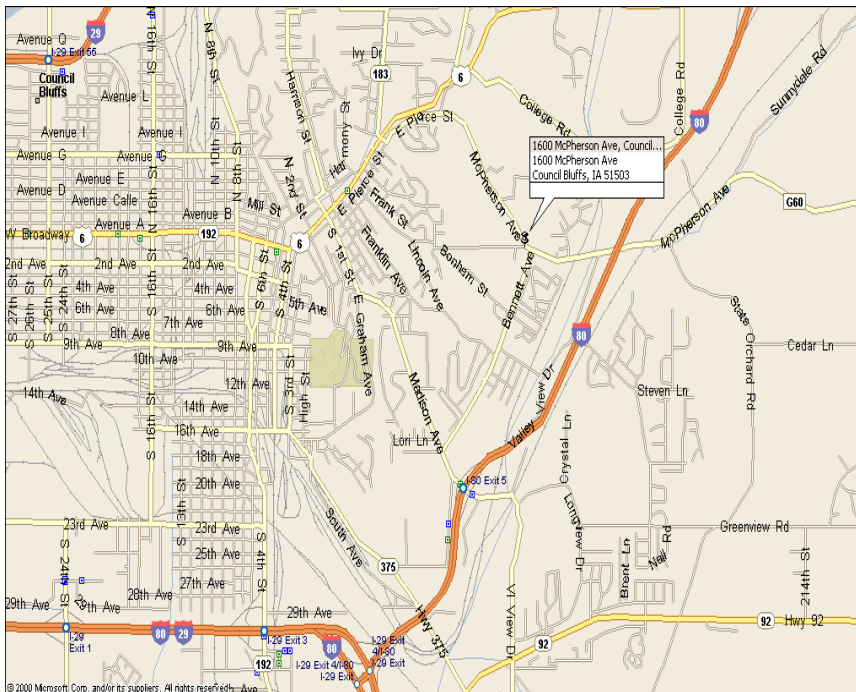


Property for Sale



Woodlands Rehabilitation • 1600 McPherson Ave, Council Bluffs, IA 51503



Property Highlights

- Real estate only list price: \$5,500,000
- Price with leasehold operation: \$6,500,000
- CAP rate: 12%
- Building Sq Ft: 56,938
- Occupancy: 100%
- Year remodeled: 2007, 1985
- Located 5 minutes from regional shopping center
- Good accessibility to area
- Well maintained grounds

Lease Highlights

- Term: 15 year NNN
- Increase: CPI every year



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Location Details

Woodlands Rehabilitation

2009 Population:	174,491
Number of Households:	67,945
Average Net Worth, Age 75+:	\$492,645
Population Employed:	94.6%
Average Household Income:	\$63,500
Population Age 85+:	2.8%



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Property Details

Woodlands Rehabilitation

Address:	1600 McPherson Avenue, Council Bluffs, Iowa 51503
Legal Description:	Part of Lot 2, Auditors Subdivision of the SE ¼, SW ¼, Section 29; and Part of Lot 1, Auditors Subdivision, of the NE ¼, NW ¼, Section 32, all in Township 75 North, Range 43 West of the 5 th P.M., Pottawattamie County, Iowa
Owner:	Duemeland Management & Investment, Bismarck, ND
Zoning:	R3, Low Density Multi-Family Residential
Site Size:	240,321 Square Feet or 5.52 Acres
Improvements:	One-story masonry building originally constructed in 1972 with 120 beds in an area of 37,824 square feet. The addition in 1986 contains 40 beds and 18,334 square feet. The Alzheimer's addition, completed in 2007, contains 22 beds and 780 square feet. Total building size is now 56,938 square feet.
Personal Property:	Personal property consists of furniture, fixtures, and equipment to be utilized in the operation of a nursing home facility.
Other Improvements:	Paved parking and drive areas, outside lighting, and landscaping
Best Use of Property:	As currently used - as a nursing home facility
Age:	Built in 1972, containing 37,824 square feet. In 1986, an addition of 18,334 square feet was completed. Alzheimer's addition in 2007 contains 780 square feet. Total square footage of the original structure and the additions is 56,938 square feet.
Perimeter:	The perimeter of the structure is 2,285 lineal feet.
Type of Construction:	Masonry
Type of Occupancy:	As of the date of the 2005 appraisal, the nursing home facility was licensed for 160 beds. These beds included 56 semi-private rooms and 42 private rooms.
Parking:	There is currently parking for 60 vehicles on the north, west, and south elevations of the improvements.
Foundation:	Reinforced concrete
Frame:	Exterior walls are 4" face brick over frame construction
Flooring:	4" reinforced concrete slab on grade over a vapor barrier over a washed gravel base



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Property Details

Woodlands Rehabilitation

Roof:	The structure has a flat roof with a mansard style overhang. The overhang has asphalt shingles, while the flat roof has a tar and gravel base.
Interior Walls:	Interior walls are painted drywall and ceilings are suspended with acoustical lay-in tiles or painted drywall.
Lighting:	Lighting is tract, incandescent and fluorescent, exposed and recessed.
Sprinklers:	The entire building is sprinkled with an overhead wet sprinkler system.
HVAC:	The original building is heated by a gas-fired forced-air furnace system. There are two boilers in the mechanical room with the second broiler installed at the time that the 40-bed addition was constructed. Each individual patient room has an electric combination heating and cooling wall unit. Electrical and plumbing systems are standard commercial grade.
Ancillary Rooms:	Ancillary rooms located in the facility include dining area, kitchen, laundry area, public restrooms, lobby area, nurse's stations, offices, TV room, recreational area, etc. The kitchen and food preparation area is adjacent to the main dining area, located in the center portion of the structure.
Individual Rooms:	Typical semi-private rooms are approximately 12' x 16' with a 4' x 7' toilet room. Private rooms are slightly smaller and also have the toilet room enclosure.
Interior Finish:	Interior finish of the individual units and common areas consist of painted drywall, suspended acoustical ceilings with lay-in tiles, and tile floor covering.
Site Improvements:	Other site improvements include approximately 25,000 square feet of paved parking on the south, west, and north, providing parking for 60 vehicles; landscaping; outside lighting; signage; etc.
Improvement Condition:	The improvements appear to be in average to good condition and exhibit a high degree of maintenance and housekeeping.
Furniture & Fixtures:	The facility is fully furnished with furniture, fixtures, and equipment which have been updated over the years, with the newer furnishings in the 1986 addition. Typical room furnishings include beds, dressers, chairs, etc.
Occupied:	100% leased until 2019
Amount of Lease:	NNN plus taxes, insurance, and maintenance



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Regional Highlights

Woodlands Rehabilitation

Served by two interstates, a major airport, and a skilled work force, Council Bluffs has strengthened its financial, medical, retail, trade, and transportation centers through a community-wide commitment to business growth. Our public and private community leaders have invested more than \$600 million over the last decade to create a wide mix of industries and build a highly diversified job base that is resistant to cyclical economic changes. With the proximity of a work force of more than 400,000 and an overnight market of more than 45 million people, Council Bluffs has positioned itself for economic leadership. The Pottawattamie County Growth Alliance, a partnership of local governing agencies, business, education, and economic development groups, works proactively to keep Council Bluffs on the leading edge of business opportunity.



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Neighborhood Description

Woodlands Rehabilitation

The subject property is located in the northeast section of Council Bluffs on the north side of McPherson Avenue. The immediate area of the subject property is a mixture of commercial, residential, and vacant land. Accessibility to the area is considered good, with McPherson Avenue (formerly Highway 6) being an east/west thoroughfare. The roadway serves eastern portions of Council Bluffs.

Other main street thoroughfares in the area include Bennett Avenue, which extends south of McPherson Avenue, and Gleason Avenue, which runs west of McPherson Avenue near the intersection of Bennett Avenue with McPherson Avenue. The streets are paved and all utilities for the most part are available to properties in the area.

Interstate 80 is located approximately one-half mile east of the subject property. However, there is no access to the interstate from McPherson Avenue. The nearest interchanges to Interstate 80 are from the new Highway 6, located about two miles north of the subject property, and from the Madison Avenue interchange located about two miles south, reached by Bennett Avenue to Madison, and then east to the interchange.

Topography for the area is considered hilly and rolling. Considerable land in the area remains undeveloped due to the topography, which causes difficulty and consequently extra cost in extending utilities.

Directly across the street, southwest of the subject property, is St. Albert's High School, and south on Bennett Avenue is Abraham Lincoln Public School. Iowa Western Community College is located off of the new Highway 6, and accessed by College Road (located one mile northeast of the subject property). Approximately two miles south, at the Madison Avenue/I-80 interchange, is a large regional shopping center known as Mall of the Bluffs. This shopping center contains major department stores and numerous shops and businesses.

McPherson Avenue is developed primarily with commercial properties in the vicinity of the subject property, with residential properties located generally off the street right-of-way. The area enjoys a reasonably good reputation and no detrimental influences are considered applicable to the neighborhood. The biggest drawback to continued development in the area is the rolling and hilly topography that causes increased costs in extending utilities. It is anticipated that the area will continue to see some future development, but probably at a somewhat slow pace as has been the trend in the past.



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Site Description

Woodlands Rehabilitation

The subject site is located in the eastern quadrant of the community of Council Bluffs, Iowa approximately one-half mile west of Interstate 80 and 15 blocks east of the Central Business District.

The entire site contains an area of 240,321 square feet or 5.52 acres. The site is quite irregular in shape and is located on the northeast side of McPherson Avenue. The site has some 940 feet of frontage along a curve on this thoroughfare. The site extends some 1,134 feet to the north on its east boundary line. The north boundary line is some 292 feet in length on an east/west axis. The west boundary line of the site generally runs from northeast to southwest and is approximately 300 feet in length.

The topography of the site is generally the southwest portion of a hill that peaks at the northeast corner of the site. The site has been modified for building purposes with a leveled off area generally in the middle of the site on which the nursing home improvements are located. The rear portion of the site remains a bluff and the improved portion of the site is estimated to be some 8 to 10 feet above grade to McPherson Avenue. The site has been modified and improved with the present facility which was initially built in 1972. The appraisers have not been afforded soil tests and are unaware of any adverse soil conditions which would affect the value of the site. All public utilities are available and connected to the site.

Access to the site is from McPherson Avenue with one curb cut and entry drive at the site's southwest corner. The western perimeter and north of the nursing home building has been improved with a parking area. There is also an asphalt drive that parallels McPherson and ends in a cul-de-sac or circle at the front entranceway to the building.

The subject site is zoned R3, Low Density Multi-Family Residential. The use of the property as a nursing home facility conforms to the zoning.



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Synopsis of Lease

Woodlands Rehabilitation

1. Lease with Signature Care of Johnston, Iowa
2. Triple Net lease where we collect taxes escrowed each month
3. CPI increase (estimated at 3%) annually
4. Lease originated on November 1, 2004; lease runs until October 31, 2019
5. Personal guarantee by Lessee
6. Absolute Triple Net
7. Full escrow to transfer to new buyer
8. Owners are a trust and past state president of Iowa Nursing Home Association
9. Owner receives state Health Department annual report of nursing home
10. Legal - Part of Lot 2, Auditors Subdivision of the SE ¼, SW ¼, Section 29; and Part of Lot 1, Auditors Subdivision of the NE ¼, NW ¼, Section 32, all in Township 75 North, Range 43 West of the 5th P.M., Pottawattamie County, Iowa
11. Landlord remits tax escrow each year
12. Tenant shall maintain insurance with A rated company as additionally named insured; may be reviewed from time to time for adequate coverage
13. Lessee agrees to indemnify lesser harmless in certain areas
14. Lessee agrees to maintain all buildings and improvements
15. Remodeled in 2007

DISCLOSURE

This brochure has been prepared solely for information purposes (and not as an offer) to assist a potential purchaser in determining whether it wishes to proceed with an in-depth investigation of the property. No representations or warranties, expressed or implied, as to the accuracy or completeness of this brochure or any of its contents (including, without limitation, any statement regarding the square footage or acreage of any property) shall be deemed made, and no legal commitment or obligation shall arise, by reason of this brochure or its contents. Interested parties are expected to review independently all documents relating to the property as to the accuracy or completeness of the information contained herein. All financial projections are provided for general reference purposes only. These projections have been based upon various assumptions relating to the general economy, competition, and other factors beyond the seller's reasonable control and, therefore, are subject to material variation. The properties described in this brochure are being sold on an "as is" basis.



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Exterior Photos

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Interior Photos

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