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COMPANY PROFILE | **NATIONWIDE REALTY INVESTORS**

Helping reshape its own backyard

By Megan Brody

Columbus, Ohio officials have created a vision and plan; Nationwide Realty Investors has had a hand in making that plan tangible. The Columbus-based company, holding true to its name, has projects from coast to coast though much of its development is focused in Ohio, and its highest profile project is in the state's capital city. Although it is the city officials who have called for a transformation of Columbus, Nationwide Realty Investors has moved the dirt, monitored project implementations and watched its successes unfold.

Nationwide Realty Investors is the real estate development affiliate of Nationwide Mutual Insurance Co.-a Fortune 100 firm and one of the largest diversified insurance and financial services organizations in the world. The parent company has always served as a vehicle to own real estate and has been investing in the market since the 1950s. However, it wasn't until the mid-1990s that company decision makers created a division solely responsible for the company's real estate investments. Since Nationwide Realty Investors inception in 1997, Brian Ellis-a 16-year company veteran-has been at the helm as its president and COO, calling the shots affecting the more than \$1.3 billion the company has poured into its various real estate ventures.

From Good to Great

In its home base, Nationwide Realty has been involved in several downtown redevelopment proj-



The \$750 million Arena district is Nationwide Realty's most widely acclaimed and well-known project. It has created a vibrant social setting through its collection of bars, eateries and housing units, in addition to bringing Columbus its first professional sports franchise-the NHL's Blue Jackets; the team that plays in the appropriately named Nationwide Arena.

ects, effectively pumping life into the struggling city.

"We picked several geographic areas and targeted them as redevelopment areas," Ellis says, during an interview at the posh Athletic Club of Columbus, located just a stone's throw from the Ohio Statehouse. From the comfort of a private library decorated in deep maroons and greens and flanked by handful of public relations executives, Ellis tells a tale about the integral role his company has played in the attempt to turn Columbus into a first-rate city.

Key to it all is the \$750 million Arena District, which has created a vibrant social setting through its collection of bars, eateries and housing units, in addition to bringing Columbus its first professional

sports franchise-the NHL's Blue Jackets; the team that plays in the appropriately named Nationwide Arena. The company has been recruited to add Huntington Park to the site, the new home for the triple-A baseball team, the Columbus Clippers, making the area, which already attracts 3 million visitors per year, a perennial attraction. The company has offered to develop Huntington Park at no charge, which will be finished in 2008.

"This is a unique period," Ellis says, "Some things are in front of us where we can make a difference, and we've been asked to make a difference."

Getting noticed

Mark Heath, a regional vice president with

Chipotle, latched onto the Arena District to open one of the 24 area locations for the taco and burrito haven. Later, Heath relocated his office to the site. Occupancy in the district hovers around 90 percent, while vacancy levels downtown linger around 20 percent.

“The residential is really what’s about to take it to the next level,” Heath says, “Obviously more office won’t hurt. They’ve created lots of new office buildings and are occupied by a pretty broad range of tenants. Office-wise, they should be able to lease more space. They’ve got the ball rolling and got it rolling well.”

Demonstrating the company’s confidence in the market, it is constructing the 20-story condominiums at the North Bank Park within the Arena District on a purely speculative basis. The \$50 million project will generate 109 luxury units, priced from \$300,000 to \$1 million. The city’s mayor, who is pushing for a downtown housing boom, has described the overall project as “a huge shot in the arm.” The Arena District has served as a catalyst for Columbus by showing people downtown living is indeed functional.

“It works now to live downtown where before there weren’t enough amenities. It just didn’t work,” says Wayne Harer, executive vice president of Continental Realty, a Cushman & Wakefield affiliate, who is charged with leasing the office portion of the development.

The Arena District is certainly Nationwide Realty’s most widely acclaimed and well-known project.

“We can’t be more pleased with the reception we’ve gotten at every level,” Ellis. “The immediate challenge is to capture the momentum we’ve created.”

Building on success

The company is doing just that after having been recruited by the Pittsburgh Penguins, who have partnered with the Isle of Capri Casinos, to replicate the energy Nationwide Realty has brought to the Blue Jackets.

After Pittsburgh officials told franchise owner Mario Lemieux, who bailed the Penguins out of

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Brian Ellis
President and COO
Nationwide Realty Investors

bankruptcy in 1999, there was no public money available to fund the construction of arena, gaming was soon explored as an alternative funding source. The Isle of Capri has applied for the single Pittsburgh slots license. There are currently three applicants for vying for one license, which will be awarded at the end of the year. If successful, the casino company will front the \$290 million in profits to fully fund the construction of a new arena, a casino and possibly a hotel.

Nationwide Realty is no stranger to Pittsburgh. The company completed The Waterfront, a 270-acre, 1.5 million square foot retail, residential office and light industrial development along the Monongahela River.

Continuing the company’s interest in urban development, it will lead the transformation of RiverSouth, a collection of 23 blocks in the southwestern portion of downtown Columbus. Much of the area contains warehouses and parking lots, but also encompasses the fledgling City Center mall. Nationwide Realty has been charged with developing five blocks owned by the Columbus Downtown Development Corp., the non-profit development arm of the city, and is working with owners to transform the rest. Construction is scheduled to begin this fall or winter.

“We’re creating an ‘aha!’ for RiverSouth, making that place distinctive. It’s still in its early stages,” Ellis says.

Branching out

In addition to Nationwide Realty’s work in Columbus and Pittsburgh, the company has developed a 500,000 square foot building in Des Moines, Iowa, which houses the headquarters for Allied Insurance—a Nationwide company. The building serves as the anchor in the redevelopment of the Western Gateway, a vital part of downtown Des Moines.

Nationwide Realty also has a significant office portfolio in the Phoenix region and has completed construction on the Gainey Ranch Corporate Center, a 560,000 square foot Class A suburban office complex in Scottsdale. The corporate center is flanked by golf courses on either side and is home to such high profile companies as Scottsdale Insurance Co., Merck & Co. and Prudential Securities.

The company is fueling the condo craze in Palm Beach City, Florida with Cannonsport Condominiums and Marina under development. The project includes 36 upscale residences and 64 boat slips, scheduled to open in late 2006. Nationwide also owns a few thousand apartment units scattered throughout Ohio, North Carolina and Pittsburgh. Another new venture is the completed development of two golf course communities in La Quinta, California.

The philosophy

While the company is willing to diversify in terms of projects, the people behind Nationwide Realty are certain of the company’s strengths.

“We think that we are particularly adept at urban projects. As opposed to being shorter in our thinking, we are building a portfolio of investments that are synergistic,” Ellis says. “As an affiliate of a financial institution, we can take along their view. We can take on larger, urban, mixed-use projects.”

The company will continue to focus on urban. The firm of 50 shares a common vision, especially exemplified by its work in Columbus.

“There’s a lot of opportunity for urban areas in Midwestern cities,” Ellis says, “Everyone that works on our team is there to make a positive change on a city.”