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Real estate merger a healthy sign

By [Ross Boettcher](#)

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The new World Group Commercial Real Estate will include, from left: Kevin Rhodes, president and managing broker; Randy Lenhoff, CEO; Trenton Magid, principal partner; and Jeff Beals, senior vice president of marketing and operations.

Two prominent commercial real estate development and management firms in Omaha are merging, confident in the belief that the recession-battered industry is on the mend.

The merger of Seldin Co., an 88-year-old family-owned firm, and Coldwell Banker World Group will create World Group Commercial Real Estate, which will control more than 3 million square feet of retail, office and industrial space in the Omaha metro area, said executives of the two firms.

Like the residential housing industry, commercial real estate suffered during the 2008-09 recession. But a company that provides valuation, counseling and advisory services for the industry recently offered a more upbeat view of the future.

“There are signs of life in commercial real estate,” Integra Realty Resources Inc. of New York said in a report.

A recent positive sign: The sale late last month of Boston's 62-story John Hancock Tower for \$930 million. The New York Times reported that the sale of the building, which was purchased at a foreclosure auction 18 months ago for \$660.6 million, reflects the current optimism in the industry.

Trenton Magid, who founded Coldwell Banker World Group and now will serve as principal partner and associate broker at the consolidated firm, said it was the “perfect time to consolidate our resources and grow our company.”

“It seemed like the right thing to do.”

The move brings together two real estate companies with differing skill sets.

Seldin Co. owns retail-office complexes such as Westwood Plaza and Montclair Shopping Center between 120th and 132nd Streets on West Center Road, and Benson Park Plaza at 72nd Street and Military Road. Magid's company specializes in property management and brokerage.

The merged company will be an efficient, do-all commercial real estate firm, Magid said.

Magid said World Group Commercial Real Estate wants to continue working on developments in Omaha but doesn't want to be the biggest real estate company in Omaha. Rather, he said, it wants to expand its holdings and activity in the Kansas City area and in Lincoln, where both firms have done business.

"We have the ability to acquire a lot more assets there," Magid said.

Jay Lerner, president of the Lerner Co. in Omaha, said the merger is a good move for Seldin and Coldwell Banker.

"This would be advantageous to both parties," said Lerner, whose company manages Metro Crossing in Council Bluffs and Shadow Lake Towne Center, among other properties.

Headquarters for World Group Commercial Real Estate will be at 780 N. 114th St., in the Miracle Hill Business Park. The company will employ 40 people.

The Seldin Co. name will not disappear. It will continue to operate as a separate entity at offices at 16910 Frances St., as the owner and manager of 8,000 apartment complexes in the Midwest.

Magid said World Group Commercial Real Estate could grow to 50 employees over the next year as it hires property managers, contractors and salespeople.

Magid and Randy Lenhoff, CEO of Seldin, talked casually of consolidating their companies before formal negotiations began in May 2010, they said.

"I think it is significant," Lenhoff said of the merger. "I think we both have been successful, and this should be a good combination of both companies."

Lenhoff will serve as CEO of the new firm. Kevin Rhodes, formerly an executive vice president of commercial properties for Seldin, will serve as president and managing broker.

Magid will lead the company's business development efforts, and Jeff Beals, who was vice president of operations at Coldwell Banker World Group, will become senior vice president for marketing and operations.

Contact the writer:

402-444-1414, ross.boettcher@owh.com

twitter.com/rossboettcher

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