


 CED · JOLI
Community Economic Development • Job Opportunities for Low-Income Individuals

MARKET ANALYSIS
A Training Symposium for the
U.S. OCS CED/JOLI
NEW GRANTEE CONFERENCE
FEBRUARY 18-20, 2009
PRESENTERS:
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**MARKET STUDY
CONSIDERATIONS**


OCS Commercial/Retail Projects


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DESCRIPTION OF THE BUSINESS

Products/Services
 Proprietary Position
 History of Project


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MARKET RESEARCH

Sample Customer Base/ Demographics

- Shopper Volumes
- Households (*size/income, homeownership percentage*)
- Residential Characteristics (*1-mile radius / 2 or 3-mile radius*)
- Spending Power – *Sample Expenditures/Purchasing Patterns*

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MARKET RESEARCH

- Competition
Retail Supply/Demand/Leakage
- Estimated Sales
*Potential Aggregate
Projected Square Foot Average*
- Market Share / Capture Ratio

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MARKETING PLAN IMPLICATIONS


- Conventional Advertising
- Loyalty Programs
- In-Store Marketing
- Social Initiatives
- Public Relations Initiatives

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GOOD PRACTICE
<ul style="list-style-type: none"> ▪ How to determine draw area for our neighborhoods ▪ Supply side in our neighborhoods ▪ Site analysis/community-based ▪ Project analysis/community-based

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OUTCOMES
<ul style="list-style-type: none"> ▪ Competitiveness (or perceived lack thereof) and Complementarity ▪ Neighborhood jobs ▪ Community revitalization

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CONCLUSIONS
<ul style="list-style-type: none"> ▪ Drawing market conclusions and selling them to investors, lenders and funders ▪ Looking for capture ▪ Reducing cost burden ▪ Fashioning the report

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**BANKER'S VIEW
OF A MARKET STUDY**


**Its Role and Value
in Underwriting &
Structuring Financing**

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**RETAIL / OFFICE COMMERCIAL
V. HOUSING**


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**BANK'S UNDERWRITING OF
MARKET STUDIES**

Context of Market Studies in Underwriting

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FINANCING STRUCTURE

- Terms

- Conditions

- Size



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TYPE OF FINANCING

- Construction

- Term


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TYPE OF REAL ESTATE

- Mixed Use

- Strip

- Large Stand Alone


- Small Stand Alone


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TYPE OF TENANT CLASS

- Chain
- Franchise
- Mom-Pop
- Start Up


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“COMMUNITY DEVELOPMENT LENDING” v. CONVENTIONAL


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WHY IT IS IMPORTANT

- 1. Borrower / Owner: Debt Payments**
- 2. Use of Market Studies for Financing Negotiations**
 - Bank Risk
 - Bank Risk Mitigation
 - Financing Structure
- 3. Ancillary Credit Support**
 - Subordinate Debt
 - Technical Assistance
 - Operating Capital


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