

Newark Development

*Fred Ernest
Heritage Ohio Conference
2015*

Due Diligence

- ✓ Rent rates and property values must justify investment and attract quality investors
= Return On Investment
- ✓ Market Analysis for Market Rate Living – Pay to have one performed
 - Identifies the needs and market
- ✓ Demographic Summaries for Commercial Businesses – Pay to have one performed
 - Recruit/Attract established businesses
- ✓ You might have to do the first project yourself - If you're afraid to do it, why should another person do it?
 - Pull an Investor Group together to reduce the risk or help your comfort level
- ✓ Historic Tax Credits vs. Conventional Development
 - Application process, higher development costs, cash flow
- ✓ Build Value and Demand
- ✓ Build top quality Commercial and Residential spaces – Make the space inviting
- ✓ Promote what's coming, build the excitement
 - Streetscape
 - Businesses
 - Attractions
 - However – be prepared for obstacles or construction



Vision?

Looking at the Potential





Vision?

Looking at the Potential

This photo sells the vision!
View from the front window

Solid Surface
Countertops



The Result



Original Maple Floors

Next Project

Look for the potential



Single Pane Glass and Vinyl Signage



Building needed work and upgraded utilities



Floors have a dark poor finish and wasted space in the display windows

Rear Entrance



Back entrance was private and parking lot was a mess. Parking lot is next to the Midland Theatre and entertainment usually parks their buses here.

Before



Light it Up

*Low ceiling, 2x4 white
panels, dirty*



Before

*Raised the ceiling,
black 2x2 panels,
hanging lights*



Original Maple floors

After

Rendering of Dual Business Setup with Common Share Area



Create the Excitement



Congressman Pat Tiberi in for the ribbon cutting

Announcement party for the new businesses



Dress Up the Front



Before



After

Make the Rear Inviting



Make the Rear Entrance Inviting

Before



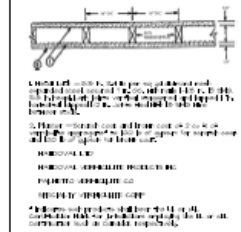
After



- Market study said there was a demand. Capture rate of 3.2% for Market Rate units
- Optimum size is roughly 550 SFT, keeps rent rates affordable for Millennial demographic and keeps SFT price attractive for the investor; Target y \$1.30/SFT or \$720/month
- Need quality; solid surface counter, stainless appliances, lighting, washer/dryer, energy efficient and keyless/electronic entry system
- Attractive color combination, exposed ductwork, storage and picture hanging system

Planning the Lofts

SHEET No.
A-1
OF 4 SHEETS



WALL KEY

 EXISTING WALL

 BRICKWORK - EXISTING WALL, 12" THICK
BRICKWORK - NEW, 12" THICK EXPOSED ON
EXTERIOR

 BRICKWORK - APPROXIMATE FOOTING
DETERMINED

Bringing it to Life

Lofts at 28 North



Transformation

Lofts at 28 North



- Study said there was a demand for Market Rate housing; Empty Nesters and Millennials
 - Build what the study dictates
 - All units were rented before project completion
 - \$1.28/SFT minimum - \$1.50/SFT Maximum
 - They pay all utilities except water and trash
- Recruit established businesses for commercial space – Market rate rents

Follow the Market Analysis