Newark Development

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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

Building needed work and upgraded utilities

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

Single Pane Glass and Vinyl Signage
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.
Light it Up

Before

Low ceiling, 2x4 white panels, dirty

After

Raised the ceiling, black 2x2 panels, hanging lights

Original Maple floors
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 $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.
• 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