

SUMMIT FINANCIAL AND INVESTMENT GROUP, LLC

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Business Consultants - Financing - Packaging - Risk Analysis

Market & Feasibility Studies

A Market and Feasibility Study is a full narrative study and is performed for proposed projects or for existing properties being considered for significant changes. The study is an analysis of market conditions, economic and demographic factors, and how they could affect the proposed project. The study estimates the operating performance of the proposed project and may suggest variations in size or scope that would improve performance.

Lenders may require a feasibility study as part of a financing application. Developers, investors, owners, and managers may use a feasibility study in their planning process.

A well conceived feasibility study will not only consider an owners expectations and plans for the property but will also candidly disclose benefits and weaknesses not yet known by an owner or future owner and suggested courses of action.

A market feasibility study typically includes two types of research – secondary and primary. Secondary research consists of information already in existence and provides an overview of the industry in which the project or Subject Property will be competing. It typically includes industry size and growth trends. Primary research, used to compile information not in existence, is conducted in the form of a market survey and provides detailed information about the interest level and market strength or weaknesses of the potential product, Subject Property or service.

Armed with the information from the secondary and primary research, an in depth analysis of the data including a full narrative report with key findings can be presented to investors, lenders or used by company management to make a decision regarding the feasibility of launching or changing the project and the reality of attaining financing and the impact thereof.

The engaged consultants should perform extensive supply and demand interviews in researching performance levels of the specific property within a market and regional markets. The Subject Property should be represented by a detailed analysis of the market by evaluating competitive factors, several databases of financial information, and comparisons with other similar specific property types using industry standards and should include, but not be limited to and in no particular order:

What is the best and most viable ongoing use of the property?

If the use or marketing of the property is to be considered for change, what is the best and most economically viable option to do so optimizing profits and returns in a reasonable time frame?

How should the property be marketed?

What can be done to make the property more attractive to buyers, the existing market or the proposed market?

What impact will redevelopment or repositioning have on the property and community?

Economic Forecasting.

Economic Viability of planned changes.

Suggested re-development strategies.

Proforma's and timelines taking into account borrower provided materials and costs but made without regard to such material if in variance to actual market or known costs, etc.

Identification of risk issues associated with the proposed development or change.

Determine the most probable appropriate size or scope of development or change with disclosure or discovery of unique characteristics unique to the Subject Property.

Analysis of the existing in-place competition and proposed or planned competition.

Area review.

Site analysis.

Supply and demand analysis.

Current position of Subject Property in its market.

Identify usage patterns.

Estimated costs of advertising and marketing.

Identify and understand key distinctions between target buyer groups.

Determine market share relative to competitors.

Determine pricing strategy and flexibility.

Identify probable dollar value target market would likely place of new development and offerings.

Logistical and tactical problems related to implementation of development or redevelopment.

Final Subject Project Recommendations.