



The Danter Company Research Services Guide

About the Danter Company

The Danter Company is a national real estate research firm providing market and demographic information for builders, lenders, and developers in a variety of commercial markets. The Danter Company has completed over 16,000 studies in all 50 states, Canada, the Virgin Islands, and Mexico.

The Danter Company was founded in 1970 by Kenneth Danter and was one of the first firms in the country to specialize in real estate research. The Danter Company differs from most firms providing real estate research services in two key ways: real estate research is our only area of specialization, and we hold no financial interest in any of the properties for which we do our research. These principles guarantee that our recommendations are based on the existing and expected market conditions, not on any underlying interests or an effort to sell any of our other services.

Housing-related studies (multifamily, single-family, and condominium) account for most of our assignments. We also conduct evaluations for site-specific developments (hotels, office buildings, historic reuse, resorts, commercial, and recreational projects) and major market overviews (downtown revitalization, high-rise housing, and industrial/economic development).

All our site-specific research is informed by extensive proprietary research that we have been conducting for over 30 years on housing trends and buyer/renter profiles. Results of this research have been widely quoted in *The Washington Post*, *The Boston Globe*, *USA Today*, *Builder Magazine*, *Multi-Housing News*, *Professional Builder*, and publications produced by The Urban Land Institute and *American Demographics*. Based on this research, The Danter Company was named 6 consecutive years to *American Demographics*' "Best 100 Sources for Marketing Information."

The Danter Company's combination of primary site-specific research with our proprietary research into market trends has led us to pioneer significant market evaluation methodologies, particularly the use of the 100% Database for all market analyses. This Danter concept is of primary importance to real estate analyses because new developments interact with similar market-area projects throughout the rent/price continuum—not just with those normally considered "comparable." Other pioneer methodologies include **Effective Market Area (EMA)**SM analysis, the **Housing Demand Analysis (HDA)**SM, and the **Comparable Rent Analysis**.

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What We Do

We conduct several types of real estate research at The Danter Company: site-specific market studies, in-house research designed either for publication or as public-service media information, proprietary research provided as supplementary data for our Project Directors, real estate marketing and marketing analysis, and real estate market consulting services.

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Client-Specified Market Studies

Market Feasibility Analyses—Market feasibility studies are based on a **100% database analysis** of an **Effective Market Area (EMA)SM**. The EMA methodology was developed by The Danter Company to determine the smallest geographic area from which a project can expect most of its support. All analyses include a complete area demographic profile. Some commercial development analyses we specialize in include the following:

Market-rate/Low Income Housing Tax Credit (LIHTC) apartments—These studies include the complete 100% database field survey of existing and proposed area apartments at all rental levels, determination of appropriate unit mix, rent, unit size, and level of amenities, for the proposed development, and expected absorption rate. If necessary, we will suggest ways to make the proposed community more marketable. Our LIHTC studies comply with state housing finance agency and national syndicator requirements.

Government Subsidized Apartments—Includes all of the above, plus additional demand calculations as required by the presiding government agency

Apartment Repositioning—For this special study of an underperforming apartment project, we identify the Effective Market Area based on existing tenants' previous addresses, survey the existing apartment market, shop the project, and evaluate the existing marketing and pricing methods to recommend changes that maximize project performance and return on investment.

Single-family housing—Includes a 100% database field survey of existing and proposed single-family developments at all price levels, plus a calculation of area demand by price range and an estimated sales rate. We can also identify optimal lot sizes and critique site plans from a marketability standpoint. We also have extensive experience with integrating single-family residential and golf course development.

Hotel/Lodging—Includes a 100% database field survey of all lodging facilities in the Competitive Market Area, plus area lodging demand calculations, estimated occupancy projections by traveler category, and an analysis of projected room rates.

Condominium Development—Includes a 100% database field survey of area condominium developments, a demand analysis by price range, an analysis of optimum pricing strategies, and expected sales rate for the proposed development or conversion. We can also identify a project's potential for mixed for-sale/for-rent marketing if requested.

Elderly Housing Development—We study all types of housing designed for the elderly, including congregate care, assisted-living, nursing home, and independent-living options. These studies include an estimate of area demand based on a 100% database field study of the area's existing configuration of elderly-appropriate housing options, an analysis of optimum pricing strategies, and a projected absorption or sales rate.

Recreation—We conduct analyses for a variety of recreation options, including recreation centers and golf courses. Analyses include 100% database field survey of comparable development, calculation of demand for additional facilities, and optimal amenity package and pricing.

Resort Development—Resort development studies can include a variety of options as well as integrated lodging or for-sale/for-rent housing development. Analyses will identify demand, sales/absorption/occupancy rate, optimal pricing, and competitive amenity packages.

Conference Center—Conference center feasibility studies typically include a 100% database field study of existing area meeting space, calculation of demand for additional meeting space, projected occupancy, and optimal amenity package and meeting rental rates.

Office Development—Includes 100% database field survey of existing and proposed office development, calculation of demand for additional space, projected absorption rate, and optimal pricing strategies.

Retail/Shopping Center—Includes a 100% database field survey of area retail development, calculation of demand for additional retail development by SIC or NAICS Code, and optimal rental rate

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Other Analyses Available

Economic-Impact Studies—Economic-impact analysis can determine the dollar effect an industry or organization can have on a community. Our analyses incorporate the Bureau of Economic Analysis' RIMS II methodology for maximum accuracy in determining economic impact.

Survey Research—We conduct online, intercept and telephone surveys on a per-project basis for developers who need to know very specific characteristics of their market. Our survey administrators and analysts can develop, conduct, and produce survey results on any subject, providing general data and detailed crosstabs of any survey subject.

Consulting—Whether you need help identifying the best development alternative for your site, need to determine which markets have development opportunities, need help identifying why a property is not performing as expected, or need another real estate-related problem solved, our analysts are available at for consultation, in our offices and at your sites.

How We Do It

Overview

Our process begins where it happens: the marketplace. We build the most complete market profile through exhaustive primary research. For each study, we determine an Effective Market Area (EMA), which is the smallest area from which a project is likely to draw the most significant amount of support. We also establish a 100% database (see below) from all similar development within your project's EMA. We then fine-tune our primary research with the highest-quality, most recent and relevant secondary research for maximum validity.

The Danter process delivers what you need to accurately forecast marketplace performance. Our studies give you the advantage of a crystal clear forecast in a cloudy marketplace. We replace the element of surprise with the tools of success.

The 100% Database Methodology

Every study conducted by The Danter Company is based on one simple methodological principle: **The 100% Database**. We believe that the only way to determine market strength is to examine the market at every level, as this excerpt from *Apartment Resources*, our newsletter for multifamily professionals, explains:

Some analysts, when surveying an area for potential development, pay attention only to "selected comparables"—a sampling of projects that are considered to be directly competitive with the proposed project. Our belief is that the most accurate indication of a project's potential in a market comes from analyzing all of the projects that are similar in development type to the proposed project.

For example, a survey of selected comparable apartment complexes can tell you the state of the current market at that rent level. It can't tell you how many complexes exist at lower rent levels (even though they usually have tenants ready to step up to better housing), nor can it give you an indication of the "choke-point" for these residents—the highest increase in rent they would be willing to pay for better housing. It also can't tell you how many complexes exist in that market area at higher rent levels. Those complexes can attract potential tenants into the area, some of whom, after shopping the higher-priced projects, will decide that projects in the proposed project's rent range provide better value.

Therefore, we find selected-comparable analysis to have limited effectiveness in market research. Only by understanding where the proposed project belongs in a market's rent/price continuum can accurate analysis be conducted.

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Proprietary Research and Analytical Support

Once each study is complete, market information is added to our primary database on that development type. Our apartment database alone contains information on over 12 million units across the US. Data on housing units, condominiums, resorts, offices, and motels is available for recall. Currently, we have apartment information on 75% of the cities with populations of 250,000 or more. This includes, rents, vacancies, year opened, amenities, and quality evaluation.

We also maintain a significant base of proprietary research conducted over the last 25 years. These data, provided to our project directors as background information for their recommendations, are collected as ongoing proprietary research due to their cost—which is usually prohibitively high for developers on a per-study basis. Several different surveys are conducted, among which are the following:

- Apartment Mobility/Demographic Characteristics
- Tax Credit Multifamily
- Rural Development Tenant Profile
- Older Adult Housing Surveys
- Office Tenant Profiles
- Downtown Resident Surveys
- Shopping Habits
- Health-Care Office and Consumer Surveys

Every property surveyed by The Danter Company analysts is photographed for inclusion in our photographic database. This database provides not only a statistical justification of our findings, but also a visual representation of the entire market. It is used to train our field analysts to evaluate the quality ratings of projects in the field, and for demonstration purposes when consulting with clients.

These extensive databases, combined with our other ongoing research, allow The Danter Company to develop criteria for present and future development alternatives, and provide company analysts with background data to determine both short and long-range potential for any development type.

Pricing Structure

You will find that our analyses are affordable. We seek to fully understand our clients' objectives and the scope of study necessary to complete the task before quoting a price. Whenever possible, we quote fixed fees, which include all expenses. Site-specific multifamily studies typically require up to four weeks to complete, with more complex projects taking somewhat longer. We will, however, work with you to meet your deadline. In addition, we remain available for consultation *at no additional fee* on issues related to the market study.

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