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Conducting a gravity model analysis as part of your comprehensive business attraction strategy

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As program manager of real estate at the Connecticut Economic Resource Center Inc. (CERC), I often get to travel to many parts of the state for regional CID meetings, municipal economic development events, or site visits. I've gotten acquainted with some of the less traveled, small bedroom communities with old historic character that date back hundreds of years, and frequent the more talked about popular cities that we're all familiar with.

Each town has its own set of challenges, but most share a common concern - vacancies - empty store fronts on Main St., old mill buildings, dark warehouse space. Viewed as priority number one, and probably one of the most frequently asked questions I hear is, "What can we do to get businesses to move here?" or "Do you know of any companies that may have a use for this space?" Attracting businesses and achieving maximum commercial occupancy is a goal and challenge that is shared by all 169 municipalities in Connecticut.

I think most people know that listing your property online is an essential first step in getting it noticed. At CERC I manage our SiteFinder database (CTSiteFinder.com), which is a free searchable/unrestricted economic development tool utilized by site selectors and potential end users to search for available commercial real estate and quantitative data exclusive to Connecticut. But how do you get the right tenant to notice your property. And by right, I mean the right fit for not only the property - but the community - something that would prove to be sustainable for the business itself, and beneficial for the community and local economy.

I, along with our research department, would recommend a more comprehensive approach - one that might include initiating a gravity model study, for example, which would allow a community to determine which industry or type of service provider it would benefit from, and vice versa. A gravity model study sets the groundwork for an objective and focused business attraction effort. By tracking current retail sales and local consumer trends in a targeted area, the analysis would communicate that (hypothetically) adding one more retail establishment could create a cluster, which in turn could act as a destination for similar retail in the region serving X people, who spend Y dollars. It can also provide objective and accurate estimates of potential retail sales by taking into account nearby retail centers that would compete for sales with the new center and consumer expenditures in the market area.

CERC recently completed a gravity model analysis for the Upper Washington Ave. section of North Haven. They can now use the findings to target a specific group of end users that could seamlessly be integrated into, and benefit from, the assets and infrastructure they currently have in place.

In the event you happen to be representing a property or thinking about the marketing strategy, consider conducting a gravity model analysis as part of your comprehensive business attraction strategy. And if your site is located in Connecticut, contact us if you would like more information.

Each gravity model constructed by CERC is customized to the specific factors of the area, considering regional factors such as income dispersion, consumer purchases outside of the region, and expenditures of local tourists.

CERC is a public-private partnership that provides economic development services consistent with state strategies, leveraging Connecticut's unique advantages as a premier business location. CERC SiteFinder, developed and managed by CERC, is Connecticut's local source for free commercial real estate and demographic data to help businesses analyze a potential investment.

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