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Key to Successful Site Selection? Geographic Information Software

By Patrick Riley



You have made decisions about sites many times – you may even consider yourself an expert. But site selection is a deceptively simple process. It seems so straightforward that developers often fail to give site selection the consideration an issue of this magnitude deserves.

The right site means many things, including an abundance of potential clients and customers. The wrong site, on the other hand, may doom you to spend your days scrambling to find the resources you need to make your project a success.

To increase your chances of making the right decision, assess prospective sites based on the following:

- Access to transportation, such as major highways;
- Availability of high-speed data connections and other communications infrastructure;
- Pro-business government officials and low business taxes;
- Reasonable utility rates;
- Environmental risk factors;
- Availability of skilled workers who can be hired at reasonable wage rates;
- Demographics that build a profile of the population in the area;
- Affordable cost of living; and



- Proximity to cultural and recreational facilities.

Site selection used to be a grueling process of comparing one site to another, heavily relying on intuition and luck. But these days, developers and investors increasingly depend on constantly improving Geographic Information System (GIS) software to boost the odds of choosing the right site.

GIS is not software that can be easily bought off the shelf and quickly installed and administered. The developer must have a clear understanding of the product's capa-

bilities and must commit to thoroughly learning how to use its functions and interpret its information products. All of those steps come before the implementation stage. It is important to comprehensively train users who will be working directly with the GIS and carefully explain each task that needs to be performed.

The newest versions of GIS software can both search for and rate potential sites. What's more, the software can reveal details about prospective customers or employees in specific locations. Programs use demographic and geographic data taken from massive databanks to compile detailed views of a site and its surrounding area. During the last decade, the availability of image, map and attribute data has become increasingly widespread due to the Internet and the explosion of commercial sources of data. Much of the data access is free and readily available. The most important aspect of data availability is understanding how to select data and utilize it in a meaningful way. In order to successfully match the data used to form geographic images with the needs of the company, the purpose of GIS must be clearly defined. With this main goal in mind, only the best data that specifically relates to this purpose should be selected. By narrowing down the demographic and geographic selections, a more targeted and exact

method will be produced.

A real-life situation in which GIS can offer solutions for common real estate site-planning may help to connect the dots. GIS works on the basis of layers, allowing the user to select an area by longitudes and latitudes or street address, and then select any number of qualities necessary. For example, a retail chain looking to build a new location and is deciding between Boston and Chicago could enter in specific addresses and then choose to view the layout of incomes per household in each city to compare. In addition, the spending habits of consumers in each city can be viewed as the second layer, with the first layer being the income variable. This would give the retailer or developer a more accurate picture of how the income levels compare with the spending habits of each city. The retailer may find that while the average household income within a five-mile radius of the Chicago location is higher, the spending habits in the Boston area may be significantly greater. Therefore, depending solely on one attribute can be deceptive.

Cost Considerations

The cost of site selection technology varies, with some off-the-shelf solutions available for less than \$3,000. The relatively basic programs, however, generally don't provide sophisticated mapping functions or database access.

If you can afford it, consider a customized package offering GIS and mapping functions. Most advanced solutions are priced around \$20,000 to \$25,000 for the first year. The cost can be considered a great investment in future profitability.

System requirements vary based upon the extensiveness of the program you choose. Some reputable companies offering the software include MapInfo, Caliper, Intergraph and Tactician.

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GIS is a software program, so there are multiple ways to go about purchasing the technology. Most vendors offer online or phone purchasing, but if this is the first technology of its kind you are considering,

it is recommended to invest in state-run GIS tutorials and classes. Such opportunities allow direct access to an expert in GIS, as well as hands-on experience with the software before purchase.

The Federal Emergency Management

Agency (FEMA) Web site (www.fema.gov) also offers a useful online tutorial that covers the basic points on the GIS process from start to finish.

To find out more about GIS, visit www.gis.com. ■