



**Urban Land  
Institute**

# REAL ESTATE **MARKET ANALYSIS**

Trends, Methods, and Information Sources

THIRD EDITION

Deborah L. Brett

# CONTENTS

Abbreviations and Acronyms .....	viii	Demographic Data Sources .....	42
<b>CHAPTER 1</b>		Consumer Surveys and Focus Groups .....	45
<b>Understanding Real Estate Market Analysis .....</b>	<b>2</b>	Documentation of Historical Supply Trends and Current Conditions .....	49
What Is Real Estate Market Analysis? .....	5	Importance of Fieldwork .....	54
Why Do a Market Analysis? .....	5	Documentation of Historical and Future Construction Activity .....	55
How Does Market Analysis Fit into the Development Process? .....	7	Presentation of Findings .....	55
Who Uses Market Analysis? .....	7	<b>CHAPTER 4</b>	
Who Does Market Analyses? .....	9	<b>Housing .....</b>	<b>58</b>
Factors Affecting the Cost of a Market Study .....	11	Housing Stock Overview: Products and Community Types .....	59
Summary .....	12	Single-Family and Multifamily Stock: Size and Age .....	67
Book Outline .....	12	Cyclical Nature of New Housing Construction .....	68
<b>CHAPTER 2</b>		Characteristics of New Single-Family Homes .....	69
<b>Basic Approach to Real Estate Market Studies .....</b>	<b>14</b>	New Multifamily Buildings: Styles, Sizes, and Features .....	71
Describing the Regional or Metropolitan Setting .....	15	Housing Tenure .....	73
Defining the Market Area .....	16	Demographic Trends Affecting U.S. Housing Markets .....	77
Inspecting the Site .....	18	Preparing a Housing Market Study .....	83
Demand Analysis .....	19	Recommendations and Monitoring .....	97
Supply Analysis .....	20	Data Sources .....	98
Reconciling Demand and Supply .....	21	<b>CHAPTER 5</b>	
Recommendations .....	23	<b>Retail Space .....</b>	<b>104</b>
Importance of Illustrations .....	24	Why Do a Retail Market Study? .....	105
Providing an Executive Summary .....	25	Trends in Shopping and Spending .....	106
<b>CHAPTER 3</b>		Types of Shopping Centers .....	112
<b>Market Conditions: Employment, Demographics, Demand, and Supply .....</b>	<b>26</b>	Staying Competitive .....	119
Economic Indicators .....	28	Prospects for New Construction .....	121
Visitor Profiles and Tourism Trends .....	36		
Consumer Demographics .....	36		

Preparing a Retail Market Study .....	122		
Defining the Trade Area .....	123		
Trade Area Demand Demographics and Purchasing Power.....	125		
Using Shopper Data Analytics.....	129		
Understanding the Supply Side .....	130		
Construction Activity and Future Competition .....	131		
Putting It All Together.....	131		
Data Sources .....	131		
<b>CHAPTER 6</b>			
<b>Office Space .....</b>	<b>136</b>		
Characteristics of Office Buildings .....	137		
Using Office Market Studies.....	142		
Preparing an Office Market Study .....	143		
Defining the Market Area .....	143		
Site Evaluation .....	144		
Demand for Office Space.....	144		
Tracking Supply.....	149		
Evaluating Competitive Buildings .....	151		
Putting It All Together.....	152		
Data Sources .....	153		
<b>CHAPTER 7</b>			
<b>Industrial and Warehouse Space .....</b>	<b>156</b>		
Characteristics of Industrial and Warehouse Buildings .....	157		
Specialized Markets .....	162		
Demand for Industrial Space.....	163		
Defining the Market Area .....	164		
Supply Analysis.....	165		
Putting It All Together.....	169		
Data Sources .....	169		
<b>CHAPTER 8</b>			
<b>Hotels and Lodging .....</b>	<b>172</b>		
Hotels as Real Estate .....	174		
Product Types .....	175		
Preparing the Market Study.....	183		
Evaluating a Site.....	184		
Determining the Competitive Market Area.....	184		
Analyzing Demand Segments.....	185		
Fluctuations in Demand.....	189		
Competitive Inventory.....	190		
Future Supply.....	192		
Projecting Performance .....	193		
Data Sources .....	194		
<b>CHAPTER 9</b>			
<b>Mixed-Use Development.....</b>	<b>196</b>		
Background.....	197		
Analyzing the Market Potential of Mixed-Use Projects .....	200		
Understanding Synergy .....	202		
Using Consumer Research and Social Media .....	206		
Putting It All Together .....	207		
<b>Appendixes .....</b>	<b>210</b>		
A. Glossary.....	211		
B. Bibliography.....	217		
<b>Index .....</b>	<b>224</b>		