CRE Listing Price Analysis

Commercial Real Estate: Price Analysis by Demographics

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LoopNet has more traffic, listings, and geographic coverage than any other commercial real estate marketplace.

5 million
MONTHLY VISITORS

500,000
LISTINGS AVAILABLE

$240 billion
IN PROPERTY FOR SALE

5.1 billion
SQUARE FEET FOR LEASE

To what degree do demographics matter?

DEMOGRAPHICS

POPULATION	1 MILE	%	3 MILE	%	5 MILE	%
2022 Projection	7,100		68,125		148,255	
2017 Estimate	6,748		63,816		139,493	
2010 Census	6,249		57,009		126,546	
2000 Census	5,680		45,759		104,306	
Growth 2017 - 2022		5.22%		6.75%		6.28%
Growth 2010 - 2017		7.99%		11.94%		10.23%
Growth 2000 - 2010		10.02%		24.59%		21.32%

2017 EST. HOUSEHOLDS BY HOUSEHOLD INCOME	1 MILE	%	3 MILE	%	5 MILE	%
Income < $15,000	713	21.78%	4,884	17.66%	8,995	14.95%
Income $15,000 - $24,999	511	15.61%	3,614	13.07%	7,089	11.78%
Income $25,000 - $34,999	382	11.67%	2,945	10.65%	6,006	9.98%
Income $35,000 - $49,999	481	14.70%	4,192	15.16%	8,979	14.92%
Income $50,000 - $74,999	539	16.47%	4,509	16.30%	9,771	16.24%
Income $75,000 - $99,999	271	8.28%	2,535	9.17%	5,994	9.96%
Income $100,000 - $124,999	165	5.04%	1,874	6.78%	4,587	7.62%
Income $125,000 - $149,999	97	2.96%	1,102	3.98%	2,816	4.68%
Income $150,000 - $199,999	56	1.71%	918	3.32%	2,514	4.18%
Income $200,000 - $249,999	23	0.70%	455	1.65%	1,208	2.01%
Income $250,000 - $499,999	25	0.76%	437	1.58%	1,446	2.40%
Income $500,000+	10	0.31%	192	0.69%	765	1.27%
2017 EST. AVERAGE HOUSEHOLD INCOME	$50,675		$63,646		$73,867	
2017 EST. MEDIAN HOUSEHOLD INCOME	$35,856		$43,204		$48,202	

Demographics Data Collected

**12 Categories (70 variables):**
- Education
- Age
- Employment Industry
- Transportation to Work
- Employment Status
- Household Income
- Household size distribution (number of people)
- Number of rooms in residences
- Number of bedrooms in residences
- Residences by Year Built
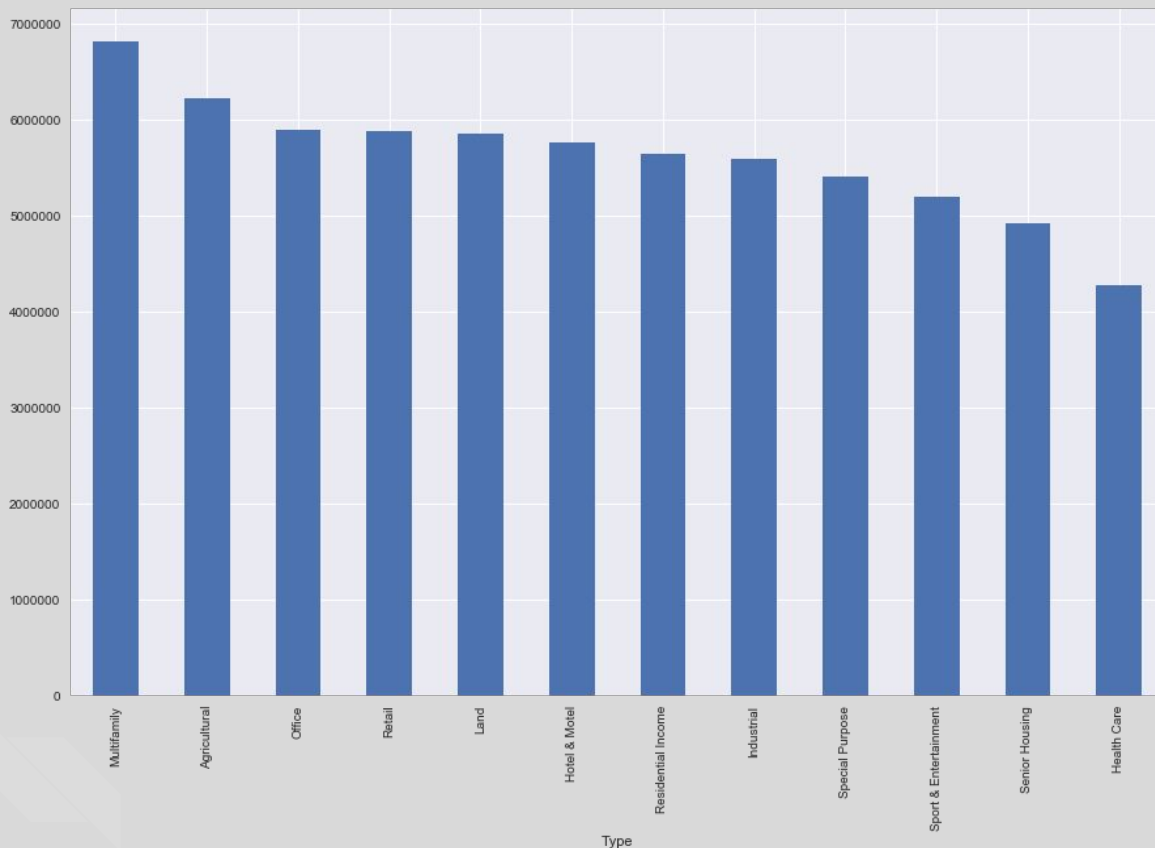- Owner vs Rental Occupancy
- Rent

9000 Commercial listings:
- 4300 unique zip codes
- All States

Frequency Breakdown by Type of Property
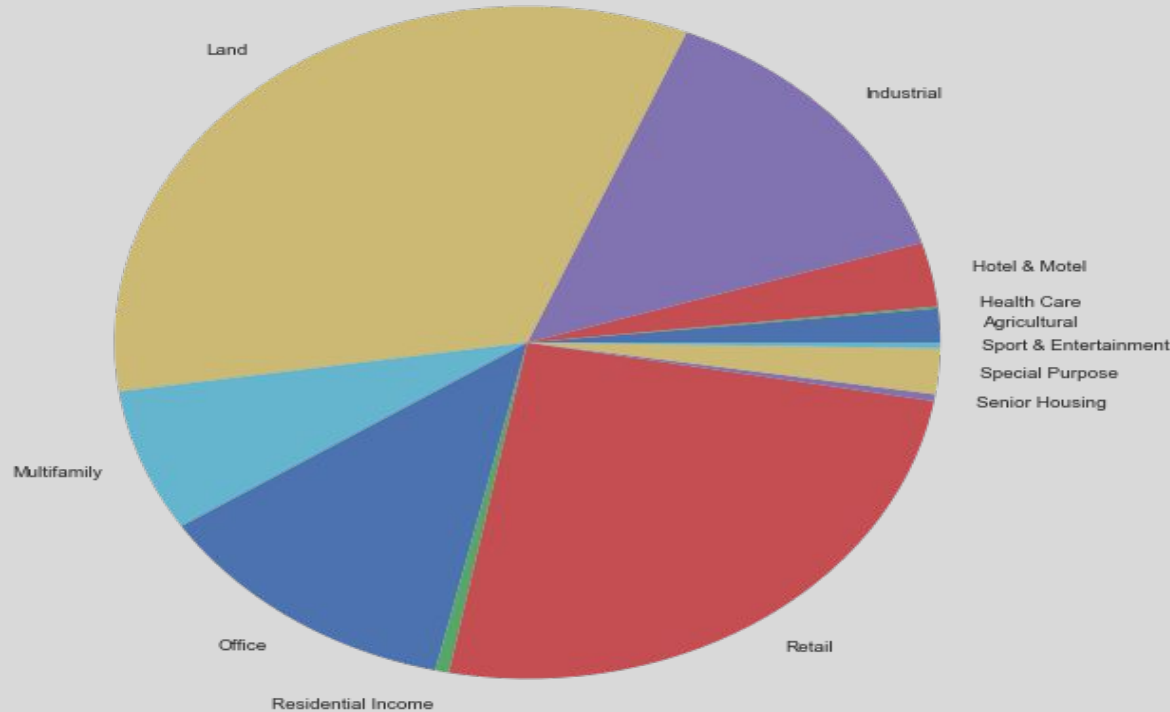
Land	2813
Retail	2113
Industrial	1163
Office	1023
Multifamily	574
Hotel & Motel	257
Special Purpose	183
Agricultural	136
Residential Income	44
Senior Housing	27
Sport & Entertainment	23
Health Care	8

Listing Price comparisons

Type of Property

Type of Property	
Multifamily	6,811,728
Agricultural	6,216,041
Office	5,887,366
Retail	5,882,607
Land	5,860,177
Hotel & Motel	5,763,648
Residential Income	5,645,084
Industrial	5,585,647
Special Purpose	5,413,186
Sport & Entertainment	5,198,589
Senior Housing	4,923,520
Health Care	4,273,750

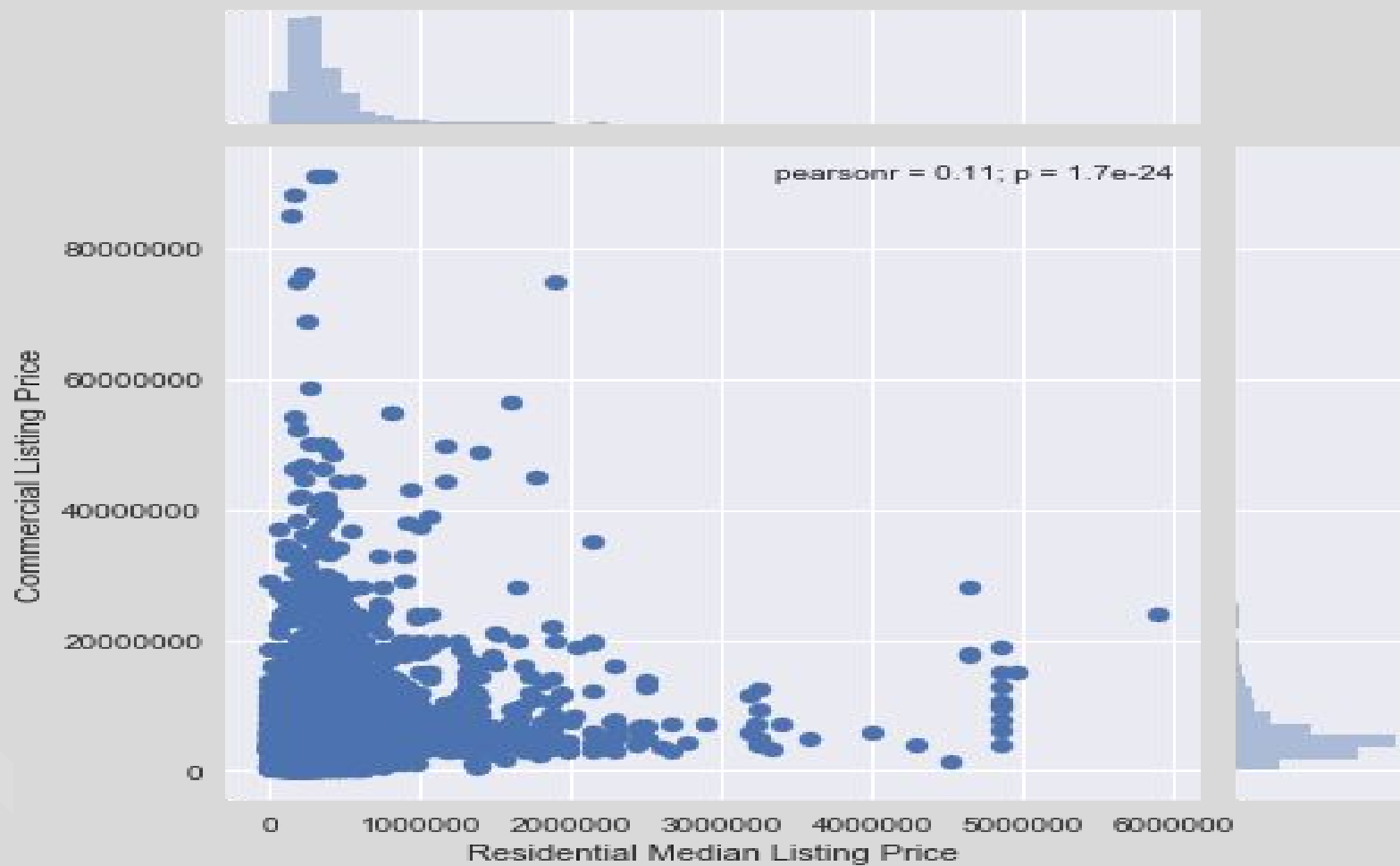# How do the different Types of Commercial Properties stack up against each other?

Listing Price by Type of Property
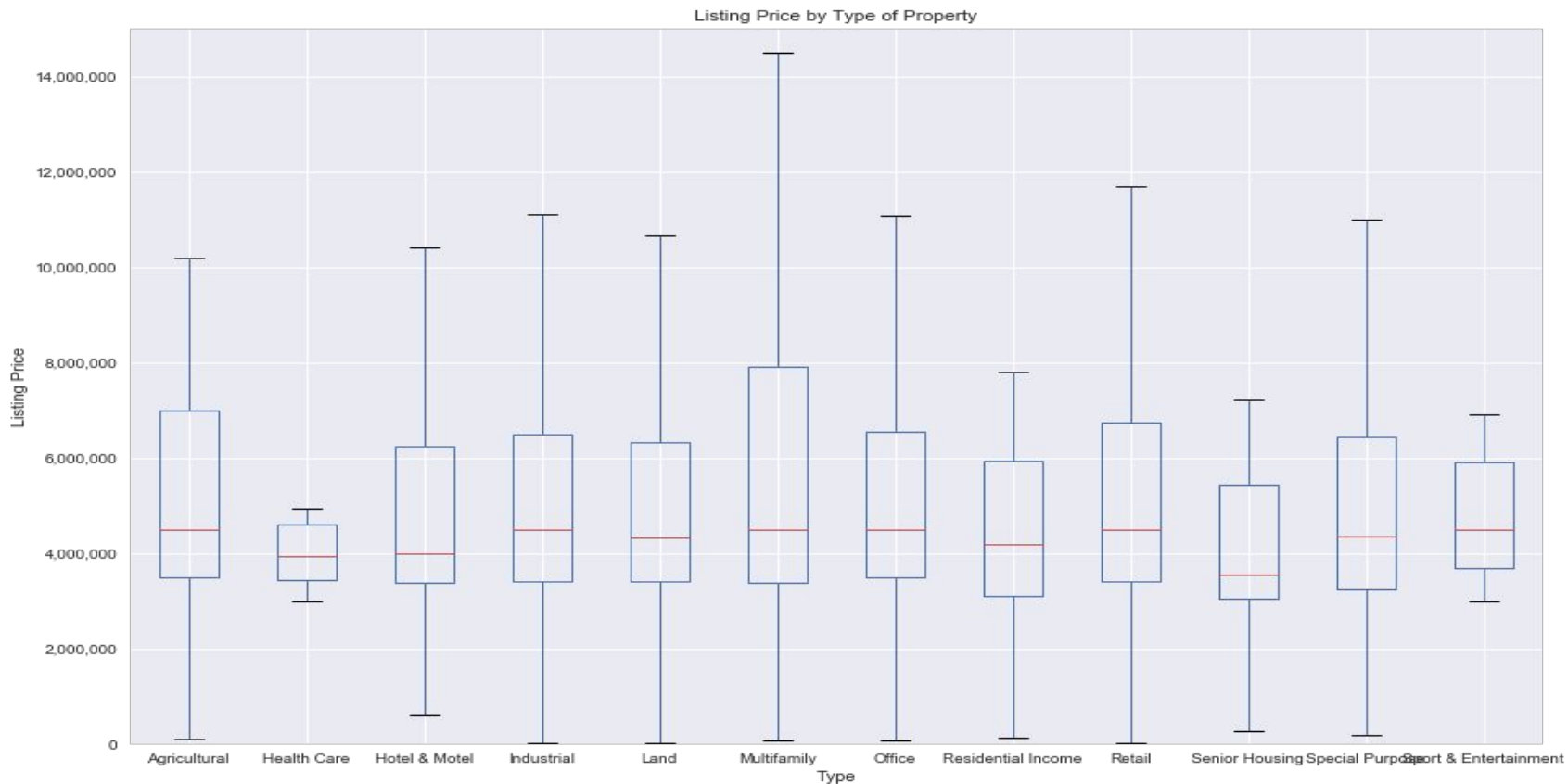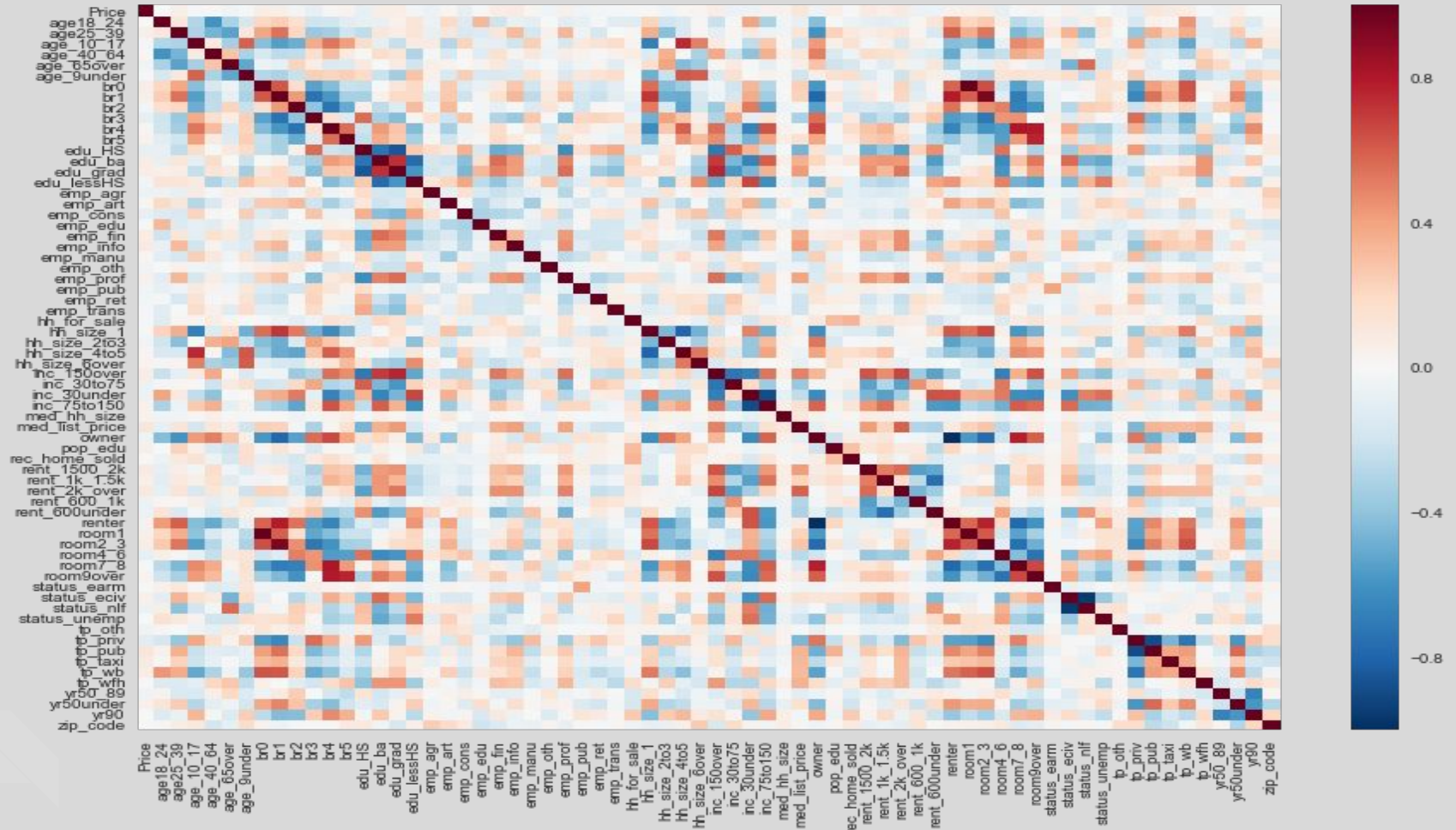
Correlation Plot

CRE Listing Price	Correlation (absolute value)
Median List Price	0.111364
Transportation to Work: Public Transportation	0.110089
Transportation to Work: Private Vehicle	0.107844
Rent: $2000 or more	0.097912
Employment Industry: Information	0.084084
Number of Rooms in Residences: 4 to 6	0.083767
High School Graduate	0.079779
Transportation to Work: Taxi	0.079358
Rent: $1500 - $2000	0.078969

| Residential Median List Price	Correlation (absolute value)
Rent: $2000 or more	0.592179
Income: $150k+	0.494019
High School Graduate	0.467541
Transportation to Work: Private Vehicle	0.452777
Bachelors or Associate Degree	0.428007
Rent: $1500 - $2000	0.418278
Employment Industry: Information	0.412366
Employment Industry: Professional	0.392689
Income: $30k - $75k	0.367507

	Variables	Correlation (absolute value)
Land Listing Price	**med_list_price**	0.085815
	tp_priv	0.07343
	tp_pub	0.073304
	room4_6	0.060271
	tp_wb	0.060112
	emp_info	0.057114
	br3	0.053162
	rent_2k_over	0.050186
	tp_taxi	0.049942
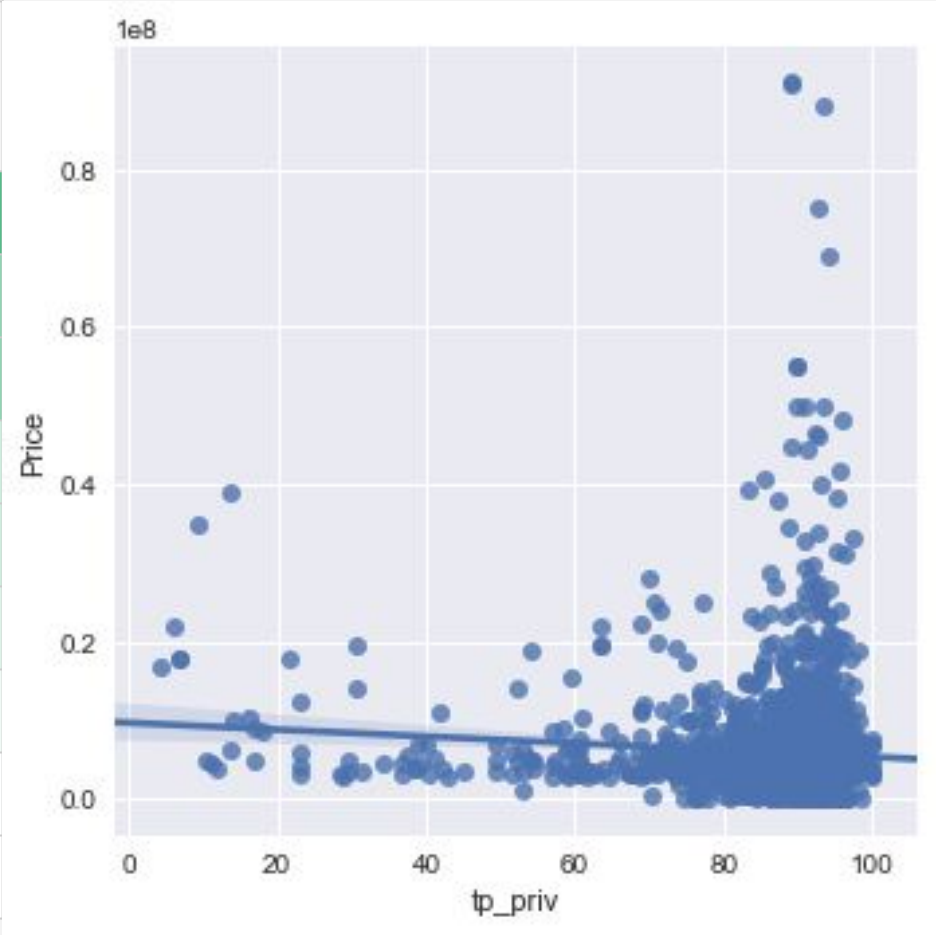
	Variables	Correlation (absolute value)
Retail Listing Price	**rent_1500_2k**	0.127294
	rent_1k_1.5k	0.12169
	rent_2k_over	0.117339
	rent_600under	0.11519
	edu_HS	0.114527
	emp_agr	0.114157
	inc_150over	0.109857
	med_list_price	0.108714
	room4_6	0.108338

pearsonr = 0.11; p = 4.1e-07
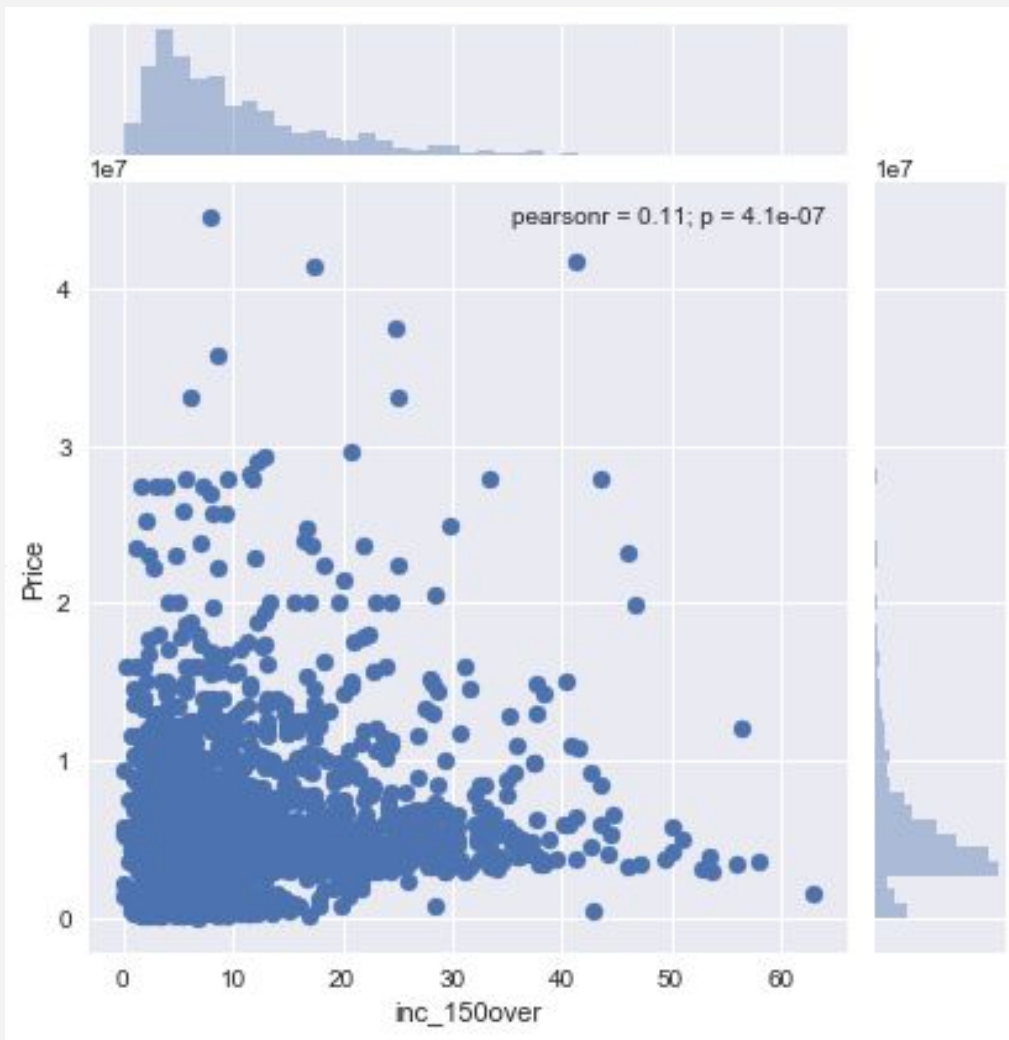
	Variables	Correlation (absolute value)
Industrial Listing Price	tp_pub	0.158404
	med_list_price	0.146702
	tp_priv	0.140642
	rent_600_1k	0.123927
	emp_info	0.112981
	age_65over	0.097433
	rent_1500_2k	0.092796
	age25_39	0.091296
	owner	0.09098
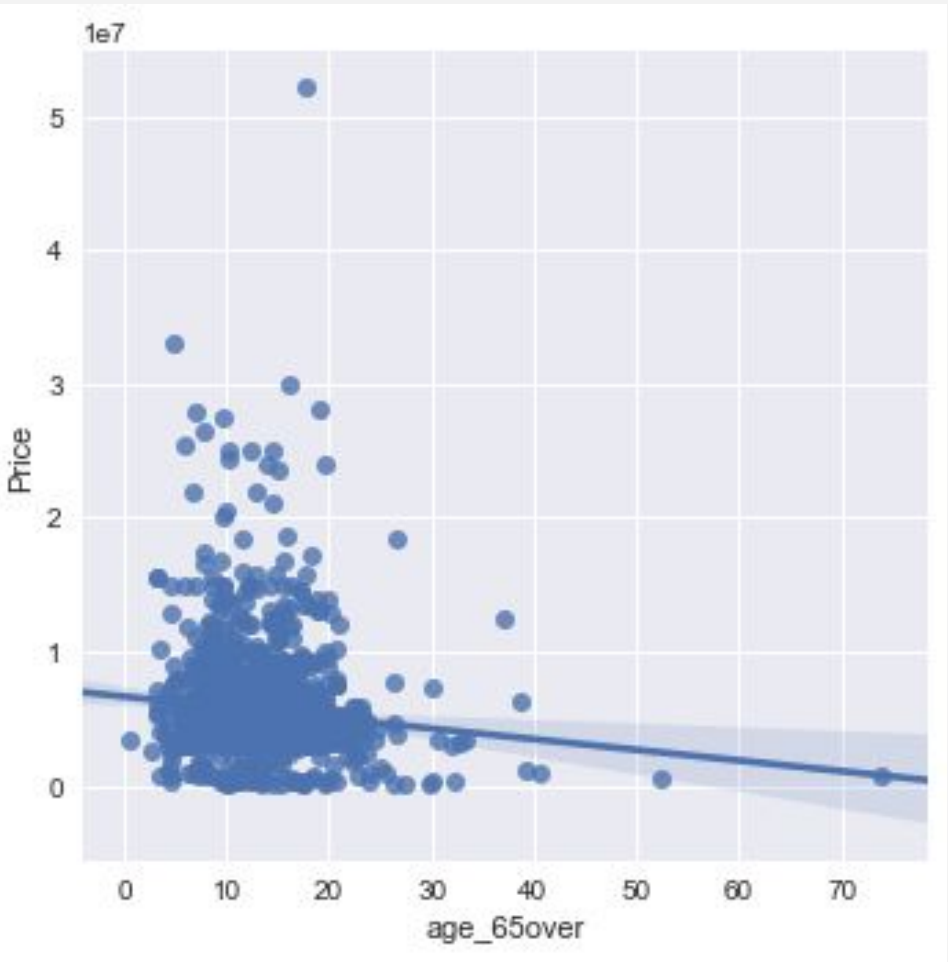
	Variables	Correlation (absolute value)
Office Listing Price	**med_list_price**	0.141229
	rent_1500_2k	0.127463
	rent_2k_over	0.127046
	tp_priv	0.126498
	room4_6	0.120115
	tp_wb	0.11697
	emp_info	0.11512
	emp_fin	0.107885
	rent_600_1k	0.107098
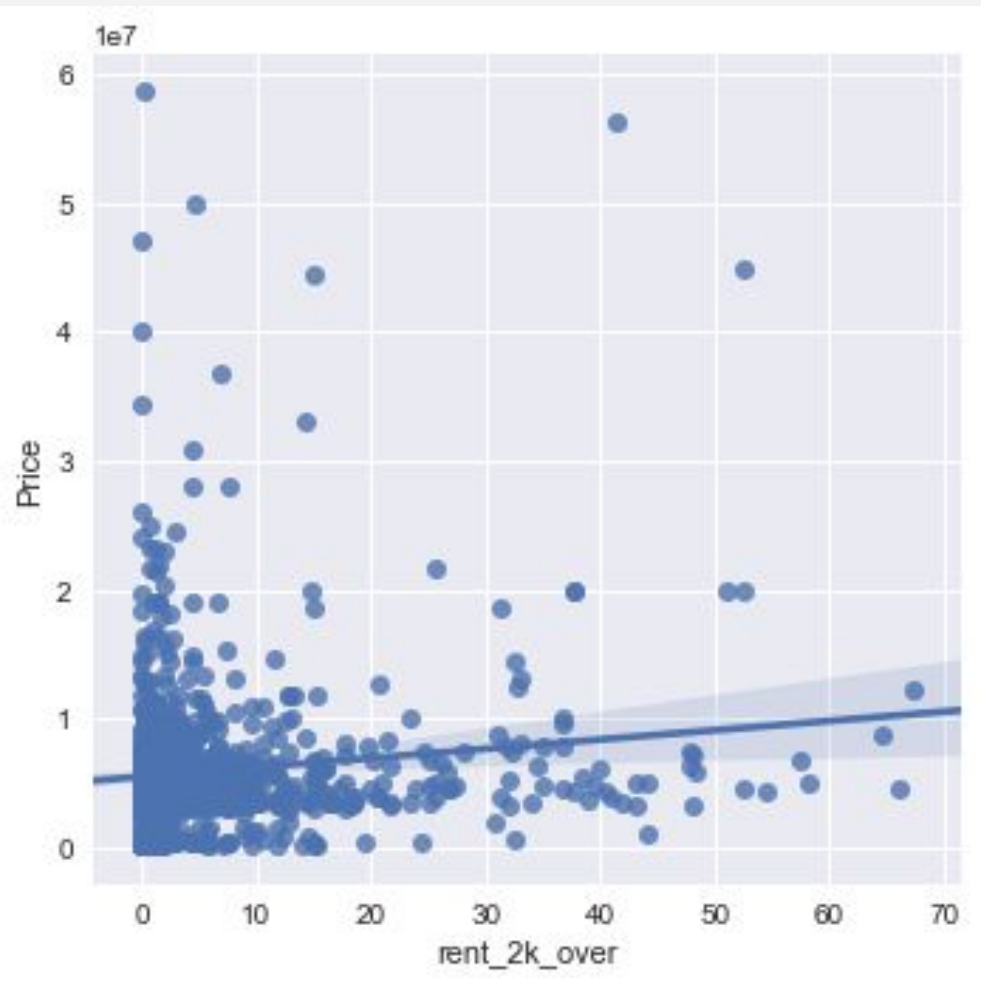
	Variables	Correlation (absolute value)
Multifamily Listing Price	**tp_taxi**	0.220319
	emp_fin	0.166367
	tp_priv	0.154676
	med_list_price	0.151586
	room4_6	0.15066
	inc_150over	0.148016
	tp_pub	0.143603
	rent_2k_over	0.140248
	edu_grad	0.138776
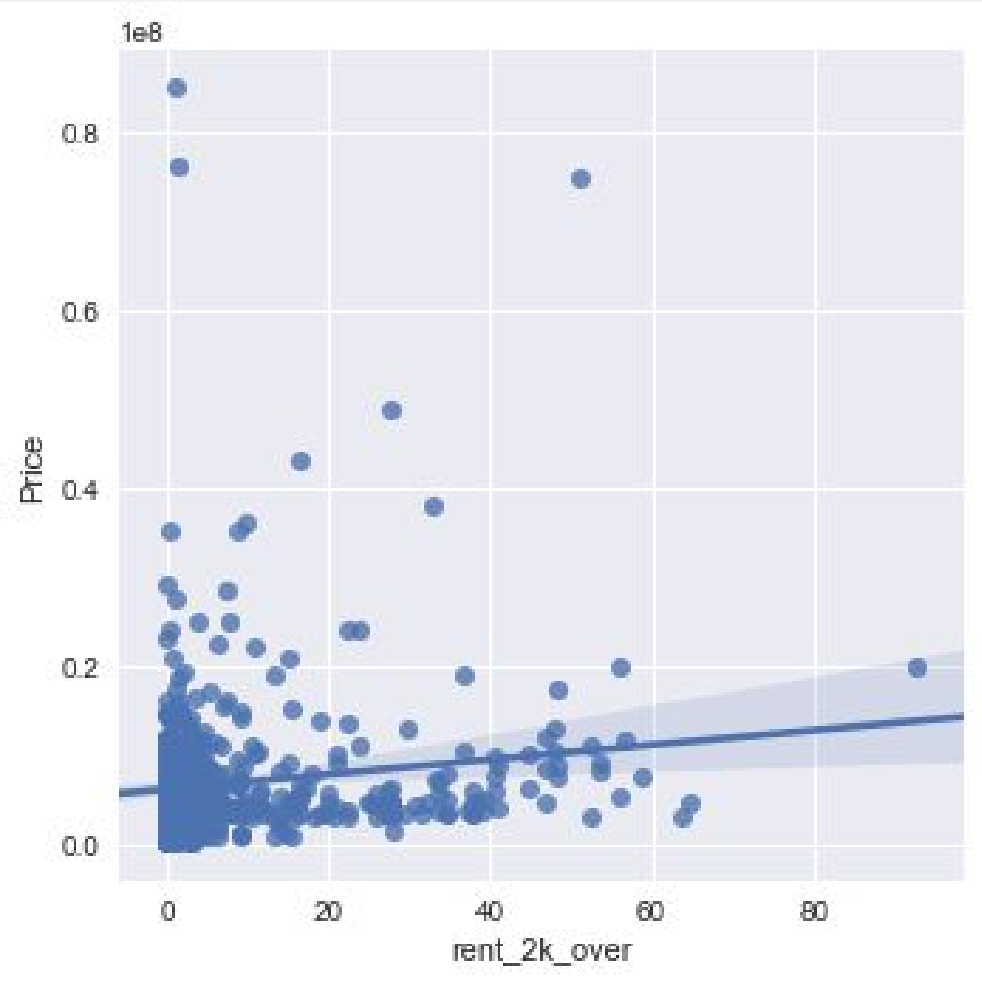
	Variables	Correlation (absolute value)
Hotel & Motel Listing Price	tp_pub	0.2941
	zip_code	0.221227
	inc_30to75	0.190263
	inc_150over	0.187601
	rent_2k_over	0.182423
	tp_priv	0.179565
	br1	0.178198
	room2_3	0.177532
	br3	0.174526

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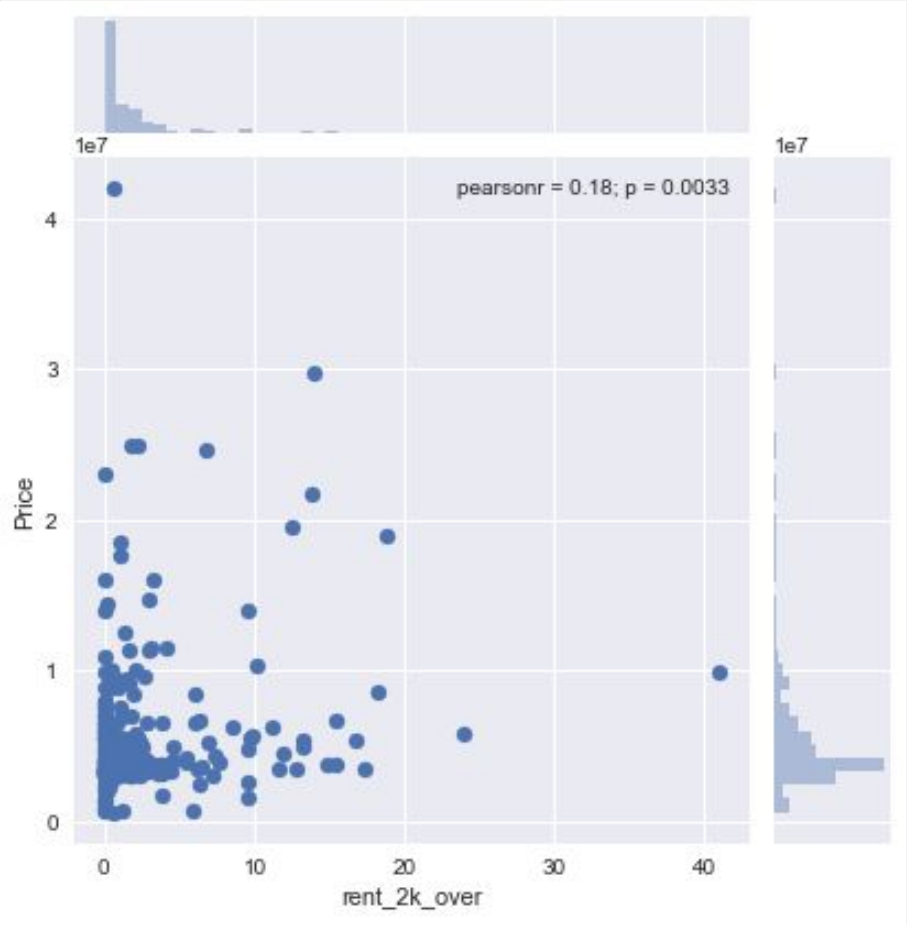
	Variables	Correlation (absolute value)
Agricultural Price	emp_edu	0.21177
	med_hh_size	0.186706
	emp_trans	0.186599
	zip_code	0.18649
	emp_agr	0.171381
	hh_for_sale	0.154581
	pop_edu	0.149915
	hh_size_6over	0.140087
	emp_cons	0.121202

pearsonr = 0.17; p = 0.046
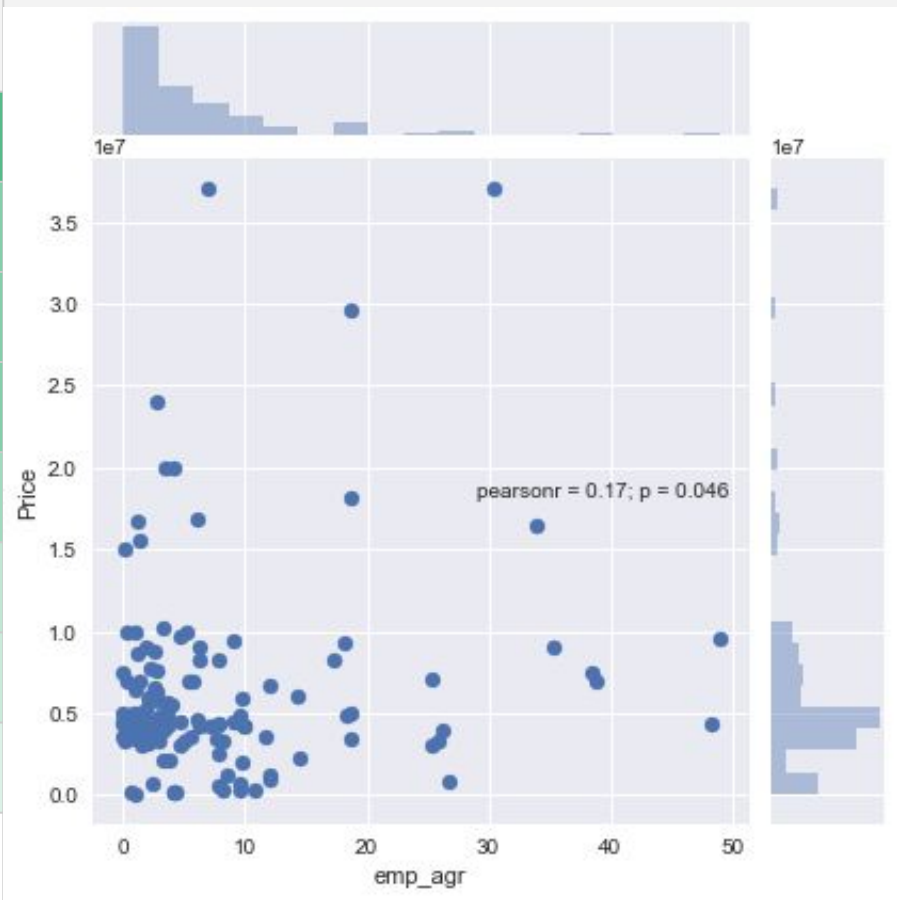
Which are brokers have the most experience?

Broker	Count
Glen Kunofsky	66
Alvin Mansour	32
Patrick R. Luther, CCIM	22
Doug Passon	21
Leasing and Sales	15
Brad Feller	15
Randy Blankstein	15

References

https://www.movoto.com/demographics/

http://www.loopnet.com/