What is the SBDC?

- Offers no cost, confidential, expert business advising to small business
- Grant funded by SBA, State of Ohio and local sources
- Over 25 SBDCs across Ohio
- Over 900 nationally
Miami Valley SBDC

• 4 advisers, one coordinator + consultants
• Serves 8 counties (Montgomery, Miami, Greene, Preble, Shelby, Champaign, Clark)

Areas of assistance:

Access to Capital          HR
Business planning          Marketing
 Buying/selling business    Online sales
Cash Flow management       Processes and procedures
Disaster preparedness     Social Media
Export Assistance          More ....
Home Builders in Ohio

2019 TOTAL REVENUE
$2.1bn

2019 TOTAL REVENUE - UNITED STATES
$96.6bn
Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

- **Having a high prior success rate (including completed prior contracts):** Having a proven financial, managerial and technical capacity to undertake new housing construction will give operators an advantage.

- **Ability to alter goods and services produced in favor of market conditions:** Successful contractors have a demonstrated capacity to shift their focus across various segments of the single-family housing market, from developing house and land packages to remodeling and constructing on contract.

- **Access to multiskilled and flexible workforce:** It is essential to have access to a pool of reliable tradespeople and subcontractors.

- **Ability to expand and curtail operations rapidly in line with market demand:** Operators need to be able to read the building cycle turning points and position operations accordingly.

- **Development of a symbiotic relationship with another industry:** It is important to maintain close links with financial institutions and residential property developers to ensure adequate flow of funding and new contracts.
US New Residential Construction

March numbers vs February:
• Starts – down 22.3% (1,216,000 vs 1,564,000)
• Completions – down 6.1%
• Permits – down 6.8%

Still above March 2019 numbers
About

COVID-19 (Coronavirus) Impact Update

IBISWorld's analysts constantly monitor the industry impacts of current events in real-time - here is an update of how this industry is likely to be impacted as a result of the global COVID-19 pandemic:

- While growth is expected to be relatively subdued as a result of the COVID-19 (coronavirus) pandemic, residential construction activity in 2020 is expected to be helped by relatively low interest rates.
- Some construction projects that were expected to come online in 2020 may be delayed to 2021, when economic activity stabilizes.
- The value of private nonresidential construction is expected to decline in 2020, which is likely to significantly hinder industry revenue growth for the year.

Note: The content in this report is currently being updated to reflect the trends outlined above.
SBA Loan Products for Covid 19 Relief

- Paycheck Protection Program (PPP)
- Economic Injury Disaster Loans (EIDL)
- Debt Relief for non-disaster SBA Loans
- SBA Express Bridge Loans
<table>
<thead>
<tr>
<th>Description</th>
<th>SBA Economic Injury Loan</th>
<th>Paycheck Protection Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>“To keep business in business”</td>
<td></td>
<td>Help small businesses cover near term expenses and keep employees working</td>
</tr>
<tr>
<td>Eligible businesses</td>
<td>Small business with fewer than 500 employees, non profits</td>
<td>Small businesses with fewer than 500 employees, 501c3, 501c19 or tribal business</td>
</tr>
<tr>
<td>Maximum loan amount</td>
<td>Up to $2,000,000</td>
<td>Up to $10M</td>
</tr>
<tr>
<td>Terms</td>
<td>3.75% (2.75% NFP), up to 30 years</td>
<td>1%, up to 2 years</td>
</tr>
<tr>
<td>Administered by</td>
<td>SBA <a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a></td>
<td>SBA approved lenders</td>
</tr>
<tr>
<td>Allowable uses of funds</td>
<td>Employee salaries, paid sick/medical leave, insurance premiums, mortgage, rent and utilities payments.</td>
<td>Payroll costs, health care benefits, salaries, commission, interest on mortgage, rent and utilities payments, interest on other debt obligations</td>
</tr>
<tr>
<td>Available loan forgiveness</td>
<td>Forgiveness on $10,000 advance, $1,000 per employee</td>
<td>Loan forgiveness of up to 8 weeks of payroll based on employee retention and salary levels</td>
</tr>
<tr>
<td>Prepayment penalties</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Deferred payment timeline</td>
<td>Up to 12 months</td>
<td>6 months</td>
</tr>
</tbody>
</table>
SBA Debt Relief

- The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.
SBA Express Bridge Loans

Enables small businesses who currently have a business relationship with an SBA Express Lender to access funds quickly.

- Up to $25,000
- Maximum maturity 7 years
- Maximum allowable interest is 6.5% over prime
- No collateral required
- Can be repaid with proceeds from EIDL loan

https://bench.co/blog/operations/express-bridge-loan-pilot-program/
Questions?

Miami Valley Small Business Development Center

Kim Woobury  kwoodbury@tecdayton.com
Cindi Green  cgreen@tecdayton.com
Mark Lankford  mlankford@tecdayton.com
LeKeisha Grant  lgrant@tecdayton.com

https://sbdctec.com/
937-281-0118