



Business Creation Index

October 2016

National Association of REALTORS® Research Department

The Voice for Real Estate®



NATIONAL
ASSOCIATION of
REALTORS®



Introduction

The new Business Creation Index (BCI) was created to monitor local economic conditions from the perspective of NAR's commercial members. The quarterly report offers insight from commercial real estate professionals into whether businesses are opening or closing by industry, population density, and subregion. On a monthly basis, it tracks three key questions related to local market conditions:

1. An increase of businesses opening in local communities in the last 30 days
2. An increase of businesses closing in local communities in the last 30 days
3. Net businesses opening and closing in local communities in the last 30 days

On the *2016 Profile of Commercial Members*, NAR's membership was asked the above questions over the last year from July 2015 to June 2016. The results gave way to creating the survey to gather monthly data and report changes on a quarterly basis.

Additional topics will be examined in depth on <http://EconomicWasteOutlook.Blogs.realtor.org/>.

The next BCI survey releases for 2016 and 2017 will be:

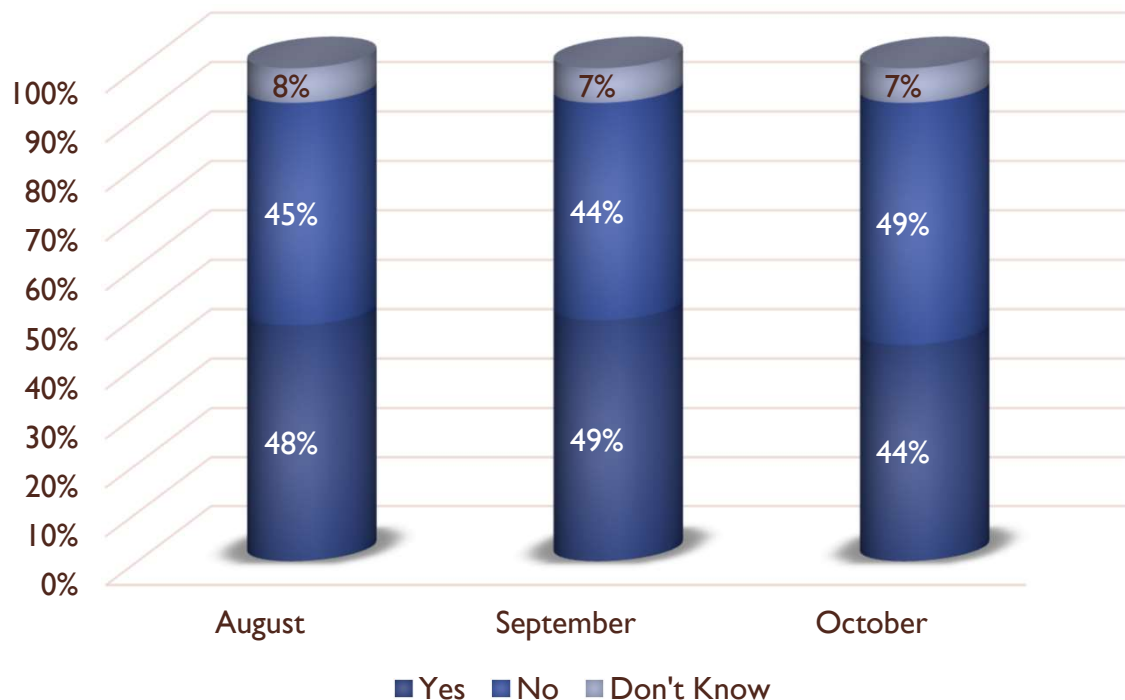
- December, 2016
- March, 2017
- June, 2017
- September, 2017
- December, 2017

New Businesses Opening in Communities

NAR commercial members were asked whether new businesses were opening in their communities in the previous 30 days for August through October.

- Forty-eight percent of respondents said they had seen an increase in businesses opening in August, 49 percent in September, and 44 percent in October.
- Forty-five percent of respondents said they had not seen an increase in businesses opening in August, 44 percent in September, and 49 percent in October.

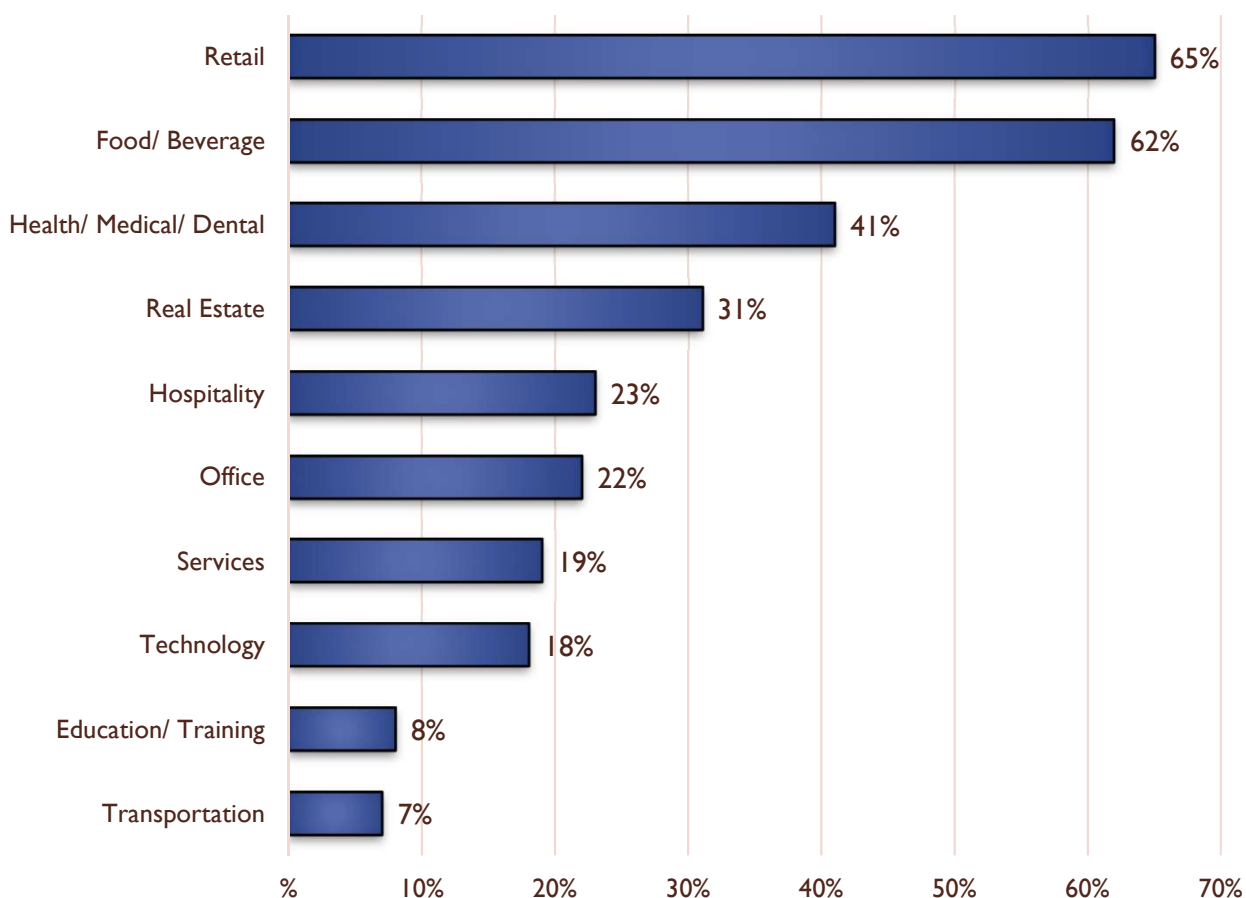
An increase of businesses openings in community in the last 30 days



Businesses Opening By Industry

- NAR commercial members were asked the types of industries they saw opening in their communities each month between August through October 2016.

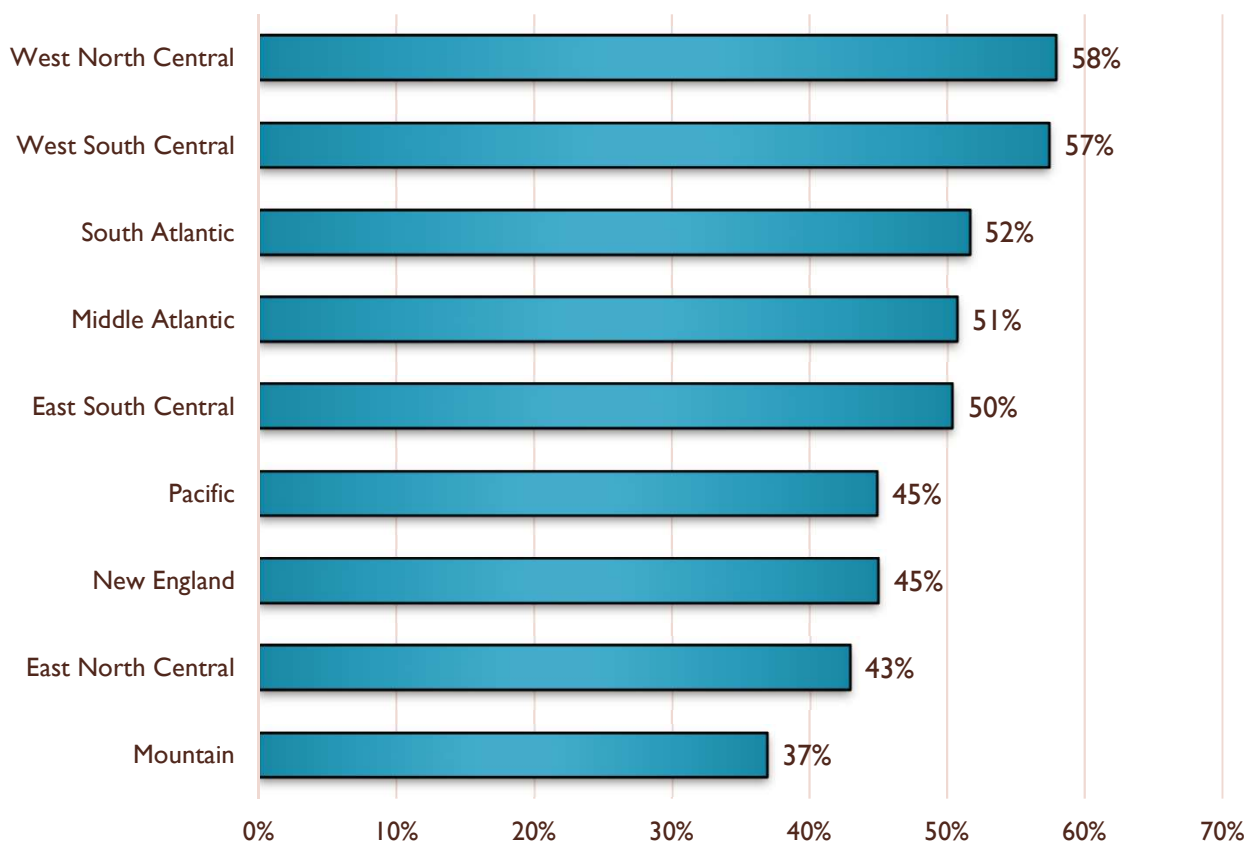
Industries Opening for August-October 2016



Businesses Opening By Subregion

- Fifty-eight percent of members in the West North Central subregion saw businesses opening in the last three months, followed by West South Central (57 percent), South Atlantic (52 percent), and Middle Atlantic (51 percent).

Businesses Opening by Subregion for August-October 2016

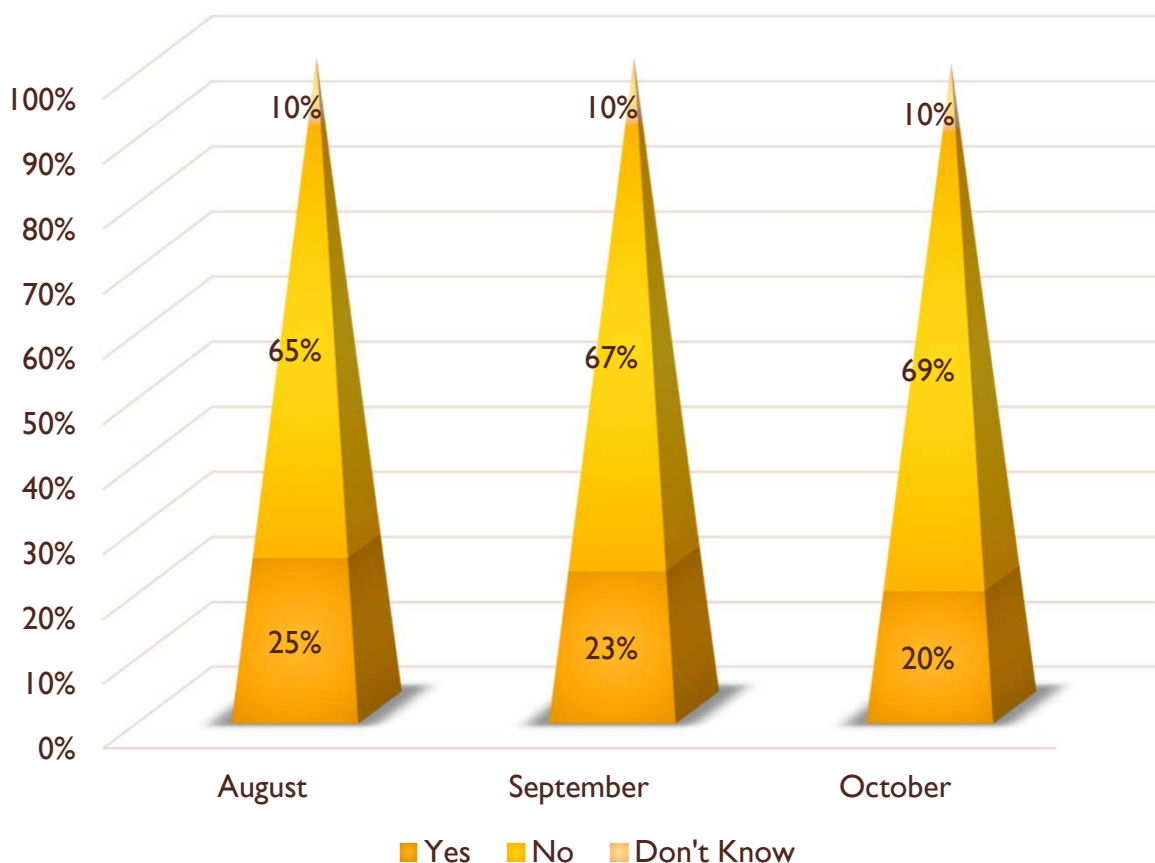


Businesses Closing in Communities

NAR commercial members were asked whether businesses were closing in their communities in the previous 30 days for August through October.

- Sixty-five percent of respondents said they had not seen an increase in businesses closing in August, 67 percent in September, and 69 percent in October.
- Twenty-five percent of respondents said they had seen an increase in businesses closing in August, 23 percent in September, and 20 percent in October.

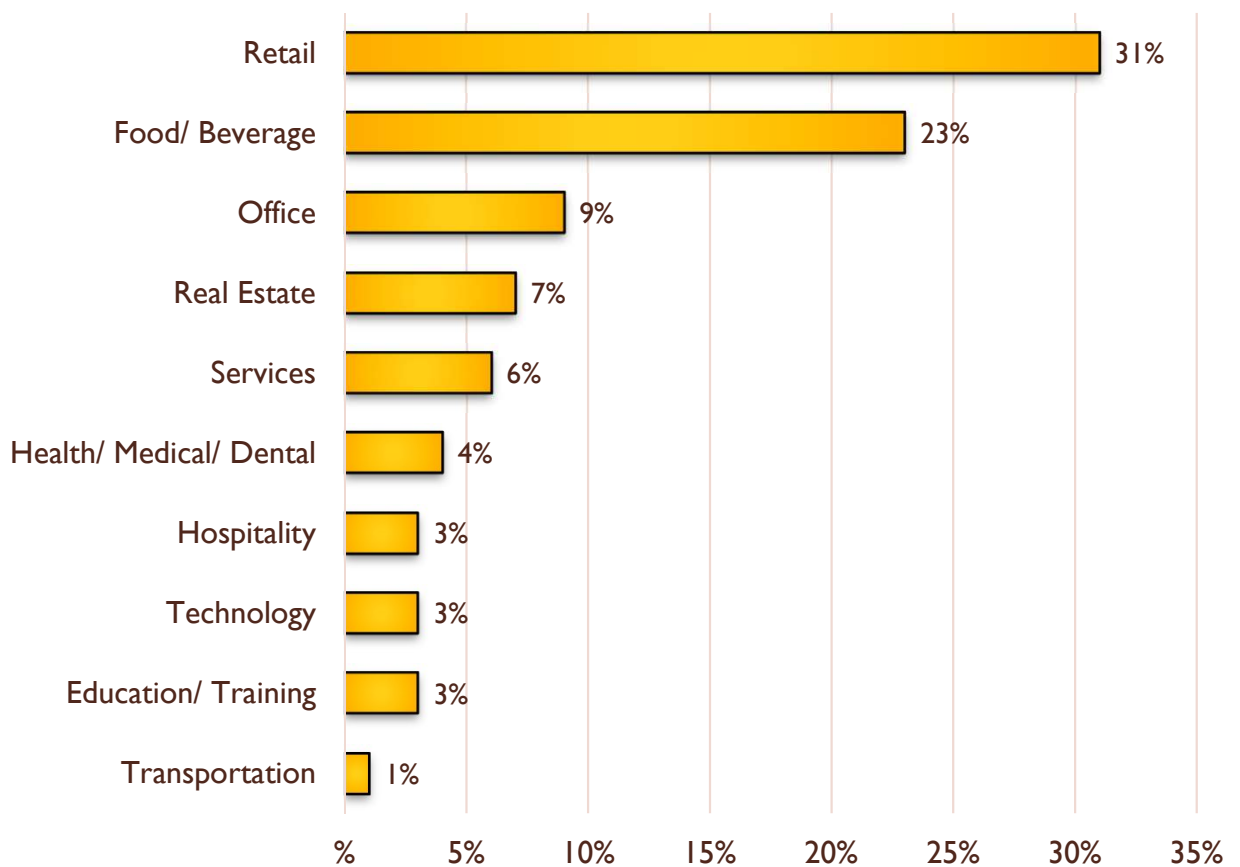
An increase of businesses closing in community in the last 30 days



Businesses Closing By Industry

- NAR commercial members were asked the types of industries they saw closing in their communities each month between August through October 2016.

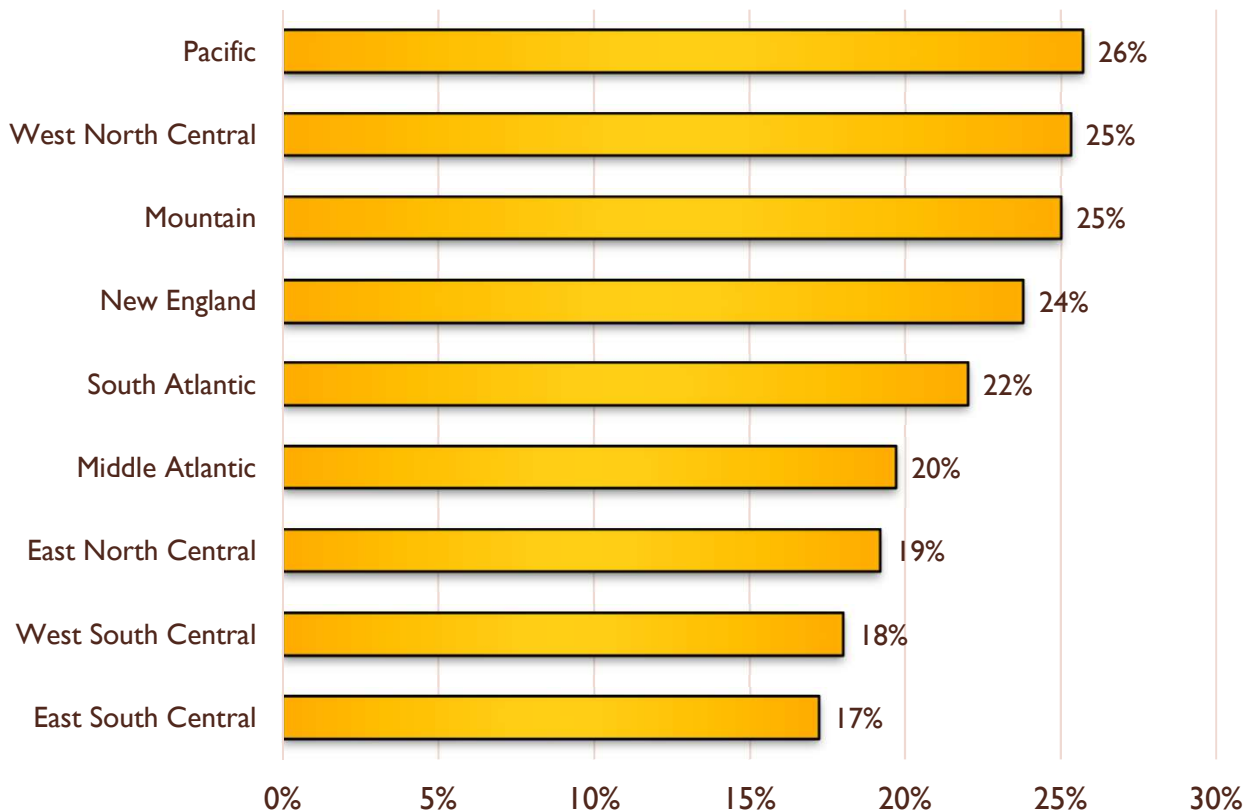
Industry Closings for August-October 2016



Businesses Closing By Subregion

- Twenty-six percent of members in the Pacific subregion saw businesses closing in the last three months, followed by Mountain and West North Central (25 percent), and New England (24 percent).

**Businesses Closing by Subregion
for August-October 2016**

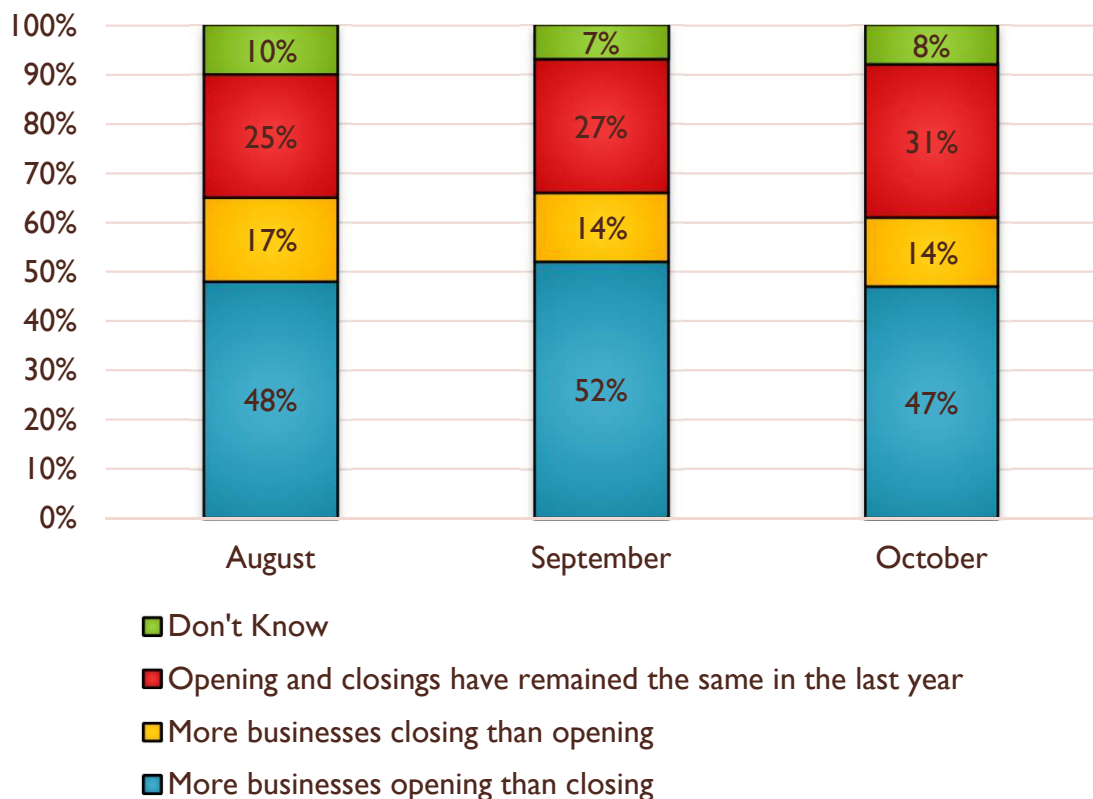


Net Change in Openings to Closings

NAR commercial members were asked to compare businesses opening to closing in their communities in the previous 30 days for August through October.

- Forty-eight percent of respondents said they had seen more businesses opening than closing in August, 52 percent in September, and 47 percent in October.
- Twenty-five percent of respondents said they had seen the ratio of businesses opening to closing had stayed the same in August, 27 percent in September, and 31 percent in October.

Net Openings and Closings for August-October 2016





Methodology

The survey was conducted by the National Association of REALTORS® Research Department. Each month, August through October 2016, a sample of NAR's commercial members were surveyed via email sampling.

Each month approximately 1000 commercial members responded to the survey. The data compiled for this report and was based on a total of 3,163 completed surveys.

Subregions are defined as follows:

- New England
 - – Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut
- Middle Atlantic
 - – New York, Pennsylvania, and New Jersey
- East North Central
 - – Wisconsin, Illinois, Indiana, Michigan, and Ohio
- West North Central
 - – North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, and Missouri
- South Atlantic
 - – Delaware, Maryland, Washington D.C., West Virginia, Virginia, North Carolina, South Carolina, Georgia, and Florida
- East South Central
 - – Kentucky, Tennessee, Mississippi, and Alabama
- West South Central
 - – Texas, Oklahoma, Arkansas, and Louisiana
- Mountain
 - – Montana, Idaho, Nevada, Wyoming, Utah, Arizona, Colorado, and New Mexico
- Pacific
 - – Washington, Oregon, California, Alaska, and Hawaii



The National Association of REALTORS®, “The Voice for Real Estate,” was America’s largest trade association, representing 1.2 million members, including NAR’s institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® was a registered collective membership mark that identifies a real estate professional who was a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America’s property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH DIVISION

The Mission of the National Association of REALTORS® Research Division was to collect and disseminate timely, accurate and comprehensive real estate data and to conduct economic analysis in order to inform and engage members, consumers, and policymakers and the media in a professional and accessible manner.

To find out about other products from NAR’s Research Division, visit www.REALTOR.org/research-and-statistics.

NATIONAL ASSOCIATION OF REALTORS®

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