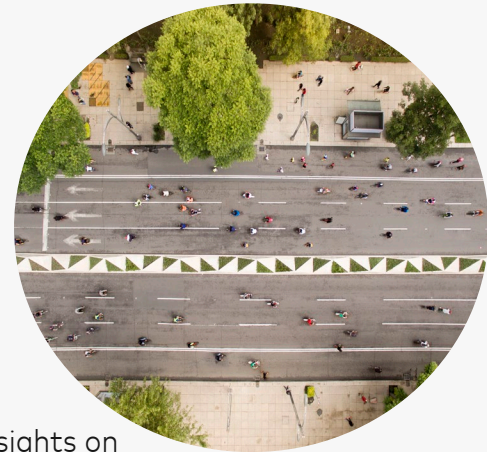


The Inclusive Growth Score™ was utilized by a small national commercial real estate lender to understand the economic and social stability of an under-served Kentucky community and make the case for investment in a commercial property



Context and Challenge

- A national lender that invests in commercial real estate wanted additional data-driven insights on providing loans for properties in communities that are working to revitalize.
- The borrower had the opportunity to invest in a mixed-use property in Winchester, Kentucky. The property included retail on the first floor and apartments above.
- The lender wanted to get an understanding of the property's surrounding community to understand the area's economic and social stability, and assess any risk associated with a potential investment.



Solution

- The lender created an Inclusive Growth Score Report to support their understanding of the community landscape. They examined IGS metrics for the property's census tract and for adjacent tracts to gain insight into the surrounding community. They looked for stable and improving scores across metrics, even if the baseline was low. They did not focus on high scores as they invest in areas that are often under-served and seek to help with community growth.





Results

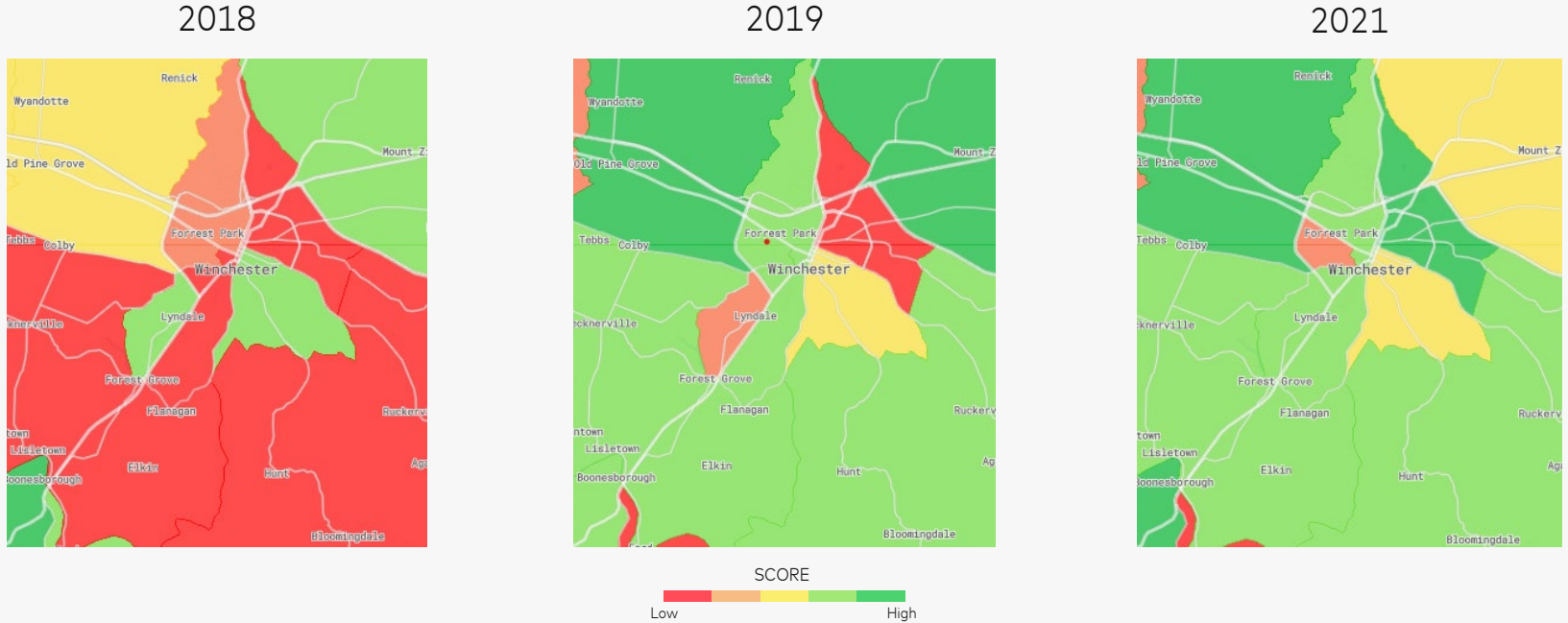
The insights gleaned from the Inclusive Growth Score inspired the necessary confidence in the lender to provide the potential owners with a loan.

Specifically, the Inclusive Growth Score revealed growth or general stability across new businesses and commercial diversity in the property's census tract as well as in some of the surrounding community. Without this insight, the lender would not have been as certain about providing the loan, potentially hindering positive community impact from the future renovation of the building.

Currently, the lender is monitoring the renovations to the building and will continue to monitor IGS metrics over the next few years to better understand the newly renovated building's impact to its surrounding community.



The Inclusive Growth Score™ revealed strong growth in new businesses in the property's tract over the past several years



The 8 census tracts that make up Winchester showed a 61%* increase in New Business Growth Scores from 2018 to 2021. Scores are derived by benchmarking tracts to other tracts of the same urban-rural composition.

*Percentage calculated with the following formula: $(2021 \text{ New Business Growth Score} - 2018 \text{ New Business Growth Score}) / 2018 \text{ New Business Growth Score}$. Score was the score for tracts in Winchester.



Next Steps

For more information on how to use these case studies with your account and if you have any questions, please contact:

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