
The logo for the state of Ohio, featuring a red outline of the state and the word "Ohio" in a dark red serif font.

Small Business
Development Centers

Covid 19

Current Business Conditions

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



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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

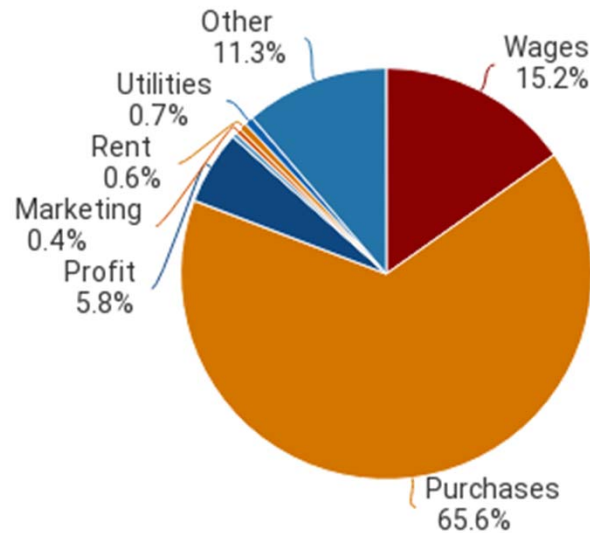
Social Media

Export Assistance

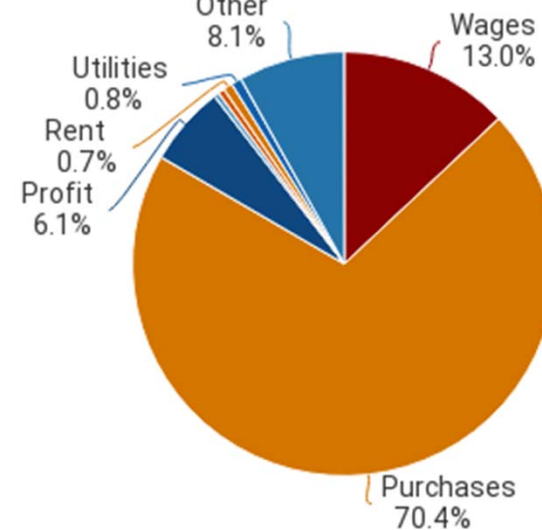
More

Home Builders in Ohio

Industry Costs (2019)



National Costs (2019)



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.

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

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.

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.

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.



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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

Construction in the US

Report by: Ryan Roth | April 2020

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 on line 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



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



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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/>



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Questions?

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