

HEARTLAND REAL ESTATE BUSINESS™

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END OF THE ESTIMATE?

BLUERIDGE Analytics' SITEOPS computer software is saving time and money for the land development industry.

Kevin Jeselnik

BLUERIDGE Analytics has engineered a new software program that is shaking up the land development industry. The company's program, SITEOPS, is refining the process used to estimate the cost of developing single-pad retail sites by providing optimized site designs and cost in a fraction of the time it usually takes to get such accurate numbers. SITEOPS was launched in May, and quickly caught on with a number of

retailers, land developers and civil engineering firms.

"We have Top 50 and Top 10 'Fortune 500' companies using the product; we're getting a lot of traction," says Mike Detwiler, president and CEO of BLUERIDGE Analytics. "It took me a while, when we started this business, to understand just how much risk these land developers are taking. They know what the building costs; they know what the land costs — but as far as site

development costs, which are often as much as 30 percent of the budget, they just don't know what that number is and they have to guess at it up front. And they usually guess wrong; we've seen developers off by as much as 100 percent."

SITEOPS allows the land developers to offset risk and get an immediate, accurate idea of land development costs. Users can access the program anywhere they have Internet capability,

Steps Taken

Step #1

Load Site

Duration: 15 minutes

Step #2

Edit Rules/Costs

Duration: 15 minutes

Step #3

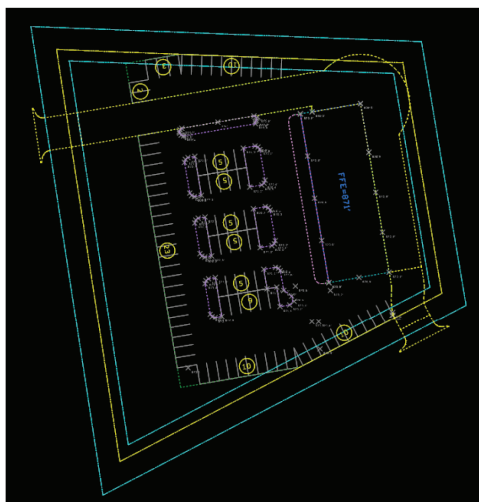
Optimize Site

Duration: 6 hours

Results

Savings: \$124, 374.22

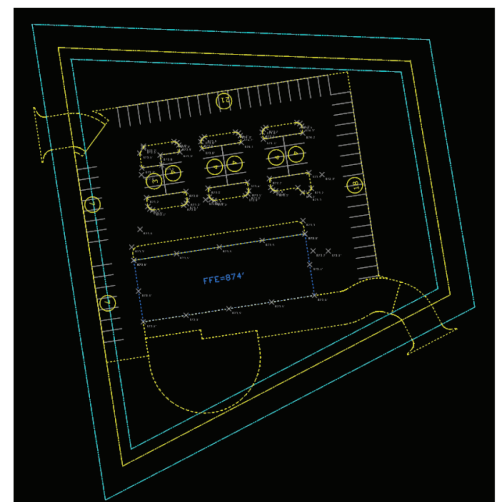
Initial Design



SITEOPS Initial Cost

\$371,789.59 / FFE: 871

Cost Optimized Design



SITEOPS Optimized Cost

\$247,415.37 / FFE: 874

BLUERIDGE Analytics' SITEOPS computer software allows users to upload a CAD drawing of a prospective development site, and plug in the necessary numbers, and produces optimized site plans and development costs that have, so far, saved land developers an average of \$100,000 per project.

and SITEOPS can read any CAD file available for the prospective tract of land.

"It really allows the land developer or engineer to put the topography document to great use," Detwiler says. The user can upload the document, identify the property line, enter costs and send it to the optimizer. Results take no more than 24 hours, and often come back in approximately 6 hours for 15- to-30-acre sites. While a truly accurate work up of land development costs can take up to 6 months for some sites when coming from traditional sources, SITEOPS can identify and present a collection of the best, most efficient options in a day. And the process is saving those that use it money, right away.

"Land developers are using this product to get a good number upfront on the overall site development costs and to look at alternative designs to make sure they have the best design," Detwiler continues. "We have found that users, on average, are getting \$100,000 in savings for retail sites of between 15 and 30 acres. The product will literally sort through millions of options to find the best, most cost-efficient designs."

One user decided to try SITEOPS for the first time on a site for which the land development evaluation had

already been completed. While running the site through the program to double check the existing results, SITEOPS identified a different grading plan that saved the developer approximately \$800,000. Another user was able to catch a \$600,000 paving error by using the program.

SITEOPS' biggest benefits are the savings it can provide and the speed with which it produces results. Land developers and civil engineers continue to estimate costs to the best of their ability simply because there hasn't been a more viable option, other than to take 4 to 6 months to evaluate each site before committing to buy and develop it. With the competitive nature of real estate, developers and retailers do not have the time to do that. Sites must be identified and acquired quickly, which means that the best guess regarding land development costs has to be good enough. That creates the danger that a miscalculation can occur, which can turn a profitable development into a losing proposition.

BLUERIDGE Analytics has tested its program, and run it against the most accurate numbers of civil engineering programs, and the company feels that its grading numbers are the best in the business. The industry has taken notice as well. Aside from Lowe's Home Improvement Warehouse and

an unidentified Top 10 "Fortune 500" user, many land developers, civil engineering firms and design/build firms are catching on to the product and the savings it provides. BLUERIDGE has identified 500 of the top companies in these fields, and is working to familiarize these firms with the benefits of SITEOPS.

With the single-pad program in the market and producing results, the company's next step is to launch the multi-pad iteration, for which Detwiler expects to debut the prototype in the first quarter of next year. Allowing users to map out the best site development options for multi-tenant shopping centers and other commercial developments, BLUERIDGE is counting on the multi-pad program to have a huge impact on the industry. The company will also roll out its programs on the international market in 2008, and is planning to launch SITEOPS Residential in 2009.

Because of the risky and time-consuming nature of land development, SITEOPS potentially fills a void in the market that could lead to greater efficiency in development costs and schedules. Time is money, and BLUERIDGE Analytics may have found a way to save many in the commercial real estate industry both. □



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