



Marketing Single Family Housing

An Introduction for CHDOs



Snap poll #1

- Is your organization a:
 - CHDO
 - Potential CHDO
 - Participating Jurisdiction
 - Other
 - What's a CHDO?



Snap poll #2

- If you are now developing, or if you have ever developed a HOME Single Family Project – How many units was it?
 - 11 or Less
 - 12-25
 - Over 25 Units



Meet marketing objectives

- Minimize risk
- Address the special nature of this market
- Address federal requirements
- Define your target market
- Develop your product and your market together
- Target approach to type of market
- Identify outreach channels and tactics



Design your marketing plan

- Marketing must be synchronized with development, so
- Write the plan before development starts
- Define market and product
- Describe approach
- Assign tasks to specific individuals



Minimize risk

- Know your target market thoroughly, including its special limitations
- Develop the product you know you will sell
- Differentiate your product from the competition successfully
- Have buyers ready when your product is ready



How is this market different?

- Only a narrow income range will qualify under bank AND program rules
- Need for subsidy – may come with restrictions
- Counseling and handholding essential
- Repairs / maintenance are challenging
- Buying a home means BIG changes



Plan for ...

- screening potential buyers
- homebuyer education
- credit repair needs
- income qualification issues
- a bigger waiting list to prepare for those who will opt out or be disqualified



Remember

- A ready lender may be your most important selling point!!
- Banks may have appraisal and value issues – Your good market plan will help



Need vs. Demand

- You may Identify a need (eg. Housing for large families) but if your target market cannot or will not buy the product, there is no demand!



Meet HOME and federal requirements

- Income certification is a principal compliance and timing issue
- Use the HOME Model Guide
- <http://www.hud.gov/offices/cpd/affordablehousing/library/modelguides/1780.cfm>
- Timing
 - Pre-qualifications
 - Coordinate with bank pre-approvals



Meet HOME and federal requirements

- Fair Housing
- Housing quality
- Agreements and Covenants
- CHDO status
- Layering analysis



Define the target market

- Who are we serving - SPECIFICALLY?
 - Age
 - Gender
 - Income
 - Family size
 - Culture
 - Special needs



Define the target market

- What are their assets?
 - Do they rent, or own homes?
 - Have savings?
- What are their barriers?
 - Debt? Credit issues?
 - Language?
 - Knowledge?



How is this market the same?

- Price is important – be ready to explain the real cost to the buyer
- Plan to show the houses and answer lots of questions about them
- Your sales contact must know the product and the pricing
- You face competition



Plan to study the competition

- Where else could your customers live?
 - Stay where they are; or rent
 - Buy some other house
- Who is already serving this market and at what price?
- What services do they provide?
 - Counseling
 - Job services



Define your product

- What product are we offering?
 - How does it meet the needs?
 - How is it priced?
 - Does anyone else offer this product?
 - If so, how is ours different
- Bottom line: Are there ready buyers for this product?



Determine your approach

- Different situations require different approaches
- High demand – lotteries (still must pre-screen early in the process)
- Pre-determined buyers – holding them on course
- Unknown demand – get your outreach started and focused



Snap Poll #3

- What is your local Real Estate Market?
 - High Demand
 - Moderate Demand
 - Distressed Demand
 - Unknown Demand



Gathering information

- Local planning department
- Ads and real estate pros
- Use your network
- Conduct focus groups
- Use available census data
- Conduct windshield surveys
- Other ideas?



Be strategic

- Recruit partners and stay in close touch
 - Lenders
 - City agencies
 - Service groups
 - Politicians
 - Real estate brokers
 - Others?



Strategies

- Combine outreach with pre-screening
- What tactics can we use?
 - Homebuyer fairs with access to credit reports
 - Direct contact with service organizations
 - Posters, flyers
- Which of these will reach our target market?
- Remember fair housing / equal access



Snap Poll #4

- What was your most successful outreach method?
 - Homebuyer Fairs
 - Direct Contact w/ Service Organizations
 - Posters or Flyers
 - Other (Let us Know)



Be specific

- Promotional message
 - Must be clear, concise, and specific
 - Must speak to the target audience
- Lotteries and applications should indicate exact status
 - Choose winners and alternates
- How and when will homes be shown?
- Always indicate the contact address, number, or person



Manage expectations

- All strategies require educating buyers on the complex specifics of a HOME deal
 - Price, product and financing
 - Qualifying
 - HOME rules and covenants
- Plan for keeping each potential buyer informed – defuse concerns



Review - The Marketing Plan

- Can you clearly describe your program and product?
- Can you clearly describe your intended customers?
- Will you have buyers ready for your product?
- What approaches and strategies will you use?
- Who will do what?



Implementing the plan

- Staff and helper assignments
- Tasks include:
 - Researching the market
 - Identifying buyers
 - Initial assessments of credit and income
 - Communication with lenders



Implementing the Plan, cont.

- More tasks are:
 - Establishing specific policies on subsidy and communicating them
 - Arranging and monitoring counseling
 - Ongoing follow up with buyers
 - Showing the homes and addressing structure-related questions
 - Monitoring changes in qualification status



Exercise: Self Evaluation

- Where is our most vulnerable point in getting houses sold on time?
- What are three things we should be doing this week?
- Ongoing evaluation:
 - Are we selling to our intended customers?
 - Are they following through on buying our product?
 - Why or why not?