



## How to Market NSP-Assisted Homes For Sale



Dublin, Ohio , June 10, 2009



### NSP Marketing Session Objectives

1. Discuss Marketing Challenges that inhibit sales of NSP-assisted homes.
2. Identify Target Markets and Marketing Strategies
3. Explore How to Sell The Value, Functionality, Affordability and Quality of Life of the House and the Neighborhood.
4. Consider Strategies to Link Buyers with Accessible and Affordable Purchase Mortgages and Down Payment Assistance.
5. Draft Job Description for NSP Implementation Manager and draft a strategy to identify how to staff the position, get it funded and get it approved in your community.



## Viral Marketing

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Days of Developer and Realtor-Driven “Build and They Will Come” are gone.

You have to go to the prospective Buyers and make the home purchase pitch.

**De-Mystify The Home Purchase Process!**

Do The Extra Work To Link Buyers With Accessible and Affordable Home Purchase Mortgages and Down Payment Assistance

**Sell “A Move-Up Home At A Starter Home Price.”**

Sell houses in move-in condition at a monthly payment comparable to rent payment.



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## What are Your Worries About Getting NSP-Assisted Houses Sold?

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List the issues specific to the neighborhoods where you have NSP houses for Sale

Categorize the issues in terms of:

- The Local Economy
- The Neighborhood
- The NSP-Improved Houses



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## Your Available Housing Stock

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- **Challenges of Your Housing Stock**
  - Older and Tired
  - Functionality not Ideal for Modern Households
  - May be Architecturally Insignificant
- **Challenges of Your Neighborhoods**
  - Perception of Crime
  - Potentially Disinvested Neighbors
  - Quality of the Schools
  - High Taxes and Poor Services



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## Homebuyer Cultivation and Marketing

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## What Sells a House?

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List the Three most important considerations that influence the home purchase decision.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**How well do your NSP-Improved Homes Address these Considerations?**



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## Who Are Prospective Buyers To Cultivate In Your Community?

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- First Time Homebuyers (*Stimulus Homebuyer Tax Credit ends in November 2009*)
- DINKS, Urban Pioneers, Empty Nesters
- Adjacent Property Owners
- Immigrant Populations & 1st-Generation Citizens
- Veterans
- Habitat for Humanity Families (for 50% AMI Set-aside)
- Buyers Who Lost Their Home To A Sub-Prime Loan or Defensible Set of Circumstances.



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## Generate A Profile of Your Target Markets

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- **Demographics and Family Structure**
- **Where do your target markets live now?**
  - **House Payment**
  - **Amenities**
  - **Why did they choose to live there?**
- **Income**
  - **What can they afford?** (*Exercise: Sample Affordability Analysis*)
  - **In your market, what can they buy with that?**



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## What Do Your Target Buyers **NEED**?

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### **House Functionality for Household:**

- **Flow and Functionality of Floor Plan.**
  - i.e. Washer & Dryer on 2<sup>nd</sup> floor close to bedrooms
- **# of Bedrooms and Baths**
- **Location. Proximity to services, schools, employment and quality of life.**
- **Security**
- **Accessibility**



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## What Do Your Target Buyers *DEMAND*?

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- **What are the Amenities that help make a House special for Your Target Buyer?**
  - A Move-Up Home at A Starter Home Price
  - **“Like New” Move In Condition**
  - Quality Appliance Package
  - **Porches**
  - **Quality Finishes:** Flooring, Counters and Cabinets
  - **Upgraded and Low Maintenance Landscaping**
  - **Affordable Homeownership: Low Maintenance and Manageable Utility Costs**



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## Your Available Housing Stock

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- **Opportunities of Your Housing Stock**
  - **Historically Significant and Well-built**
  - **Size and Floor Plan promotes Sustainability**
- **Opportunities of Your Neighborhoods**
  - **Street Grid with Sidewalks and Mature Trees for Sustainability**
  - **Access to Downtown and Employers**
  - **Sense of Community**
  - **Committed Homeowners**



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## Aligning Your Target Markets with What You Acquired

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- **Promoting Pre-Sales in Weak Markets**
- **Custom Rehab Home of Your Own**
  - Reduce surplus housing units and prevents speculation
  - Allows Homebuyers to customize and upgrade their home (*Think HGTV*)
  - Encourages Realtors and Developers to find the Buyer first
  - Promotes Value: Buyers pay less than what they rent
  - Traditional Neighborhood fosters Community



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## Coordinate The Components of *“Neighborhood Stabilization”*

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- Re-use of Foreclosed and Abandoned Property to Stabilize Neighborhood Blocks and Markets**
- Code Enforcement on Vacant and Rental Property. Challenge Mortgagees to Maintain their properties.**
- Homeowner and Rental Rehabilitation**
- Streetscape Improvements**
- Multifamily Rental**



The Components of  
*“Neighborhood Stabilization”* (cont’d)

Make the *NSP Home the Nicest and Highest Value Home on the Block!*

- Code Compliance
- Energy Efficiency
- Marketability



Test Your Assumptions

After you have generated your Profiles of Target Buyers and your strategies to reach them, **meet with a few Realtors and Appraisers** and have them test your assumptions and ask them What they think will work best.



## Homebuyer Cultivation & Marketing Delivery System: What's the work to do?

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## Outreach to Target Markets

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### *Where do they...*

- Work
- Live
- Pray
- Play
- Shop

### *Who should you talk to...*

- Housing Counselors
- Neighborhood Associations
- District Elected Officials
- Local Employers
- Ministers, Priest, Rabbis & Imans



## Outreach to Housing Professionals

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- **Realtors**
- **Lenders**
- **Developers**
- **Social Service Providers**
- **Housing Counselors**

*Get them on board to help  
with Marketing!*



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## What is Your Marketing Package to Reach Them?

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- **Use Your Affirmative Marketing Plan**
- **Realtor Listing**
- **Viral Marketing**
- **Website**
- **Brochures**
- **Newspaper, Radio, & Local TV**
- **Make It an Event!**

*Example: City of Fort Wayne*



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## Affirmative Marketing Plan

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### ***A Requirement and a Framework***

- **Who are Your Target Markets?**
- **What Can They Afford?**
- **What Housing Product and Amenities do they need and desire?**
- **How will You Reach Them?**
- **What Mortgage Product and DPA do they need?**



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## Homebuyer Education

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- **Assist to get Potential Buyers interested and enrolled in NSP**
- **Mandatory Homebuyer Education**
- **Income Certification & Affordability Analysis**
- **Pre-Approved for Financing**
- **Homebuyer Subsidy (if Applicable)**
- **Housing Needs and Preferences**
- **Pair them with a Realtor to find a house**



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## Linking the Buyer with a House

- **Get them linked to a Realtor**
- **Assist in choosing an NSP-eligible House**
- **Develop the Scope of Work based on their preferences and needs**
- **Enter an Agreement with Buyer to purchase NSP-house**
- **Have financing lined up for Private First Mortgage &/or DPA**



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## Show Them The Money!

- **Cultivate Sources of Home Purchase Mortgages**
  - **FHA & VA**
  - **Ohio Housing Finance Agency**
- **Embrace “Old School” Community Homebuyer Mortgage Terms**
  - **28% to 33% Housing To Income Ratio**
  - **38% to 42% Total Debt To Income Ratio**
  - **\$1,000 to 3% Cash From Buyer**
- **Explore Creative Uses of NSP to help Buyer affordability. Such As???**



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## Compliance Systems

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- **Homebuyer Education**
  - **Proof received mandatory 8 hours**
  - **Verified taught by HUD-certified Counselor**
- **Income Certification**
  - **120% AMI or below**
  - **25% Set-aside for 50% AMI or below**
- **Affordability Requirements (if Homebuyer Subsidy)**
- **Ensure Private First Mortgage meets NSP financing requirements**



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## **Homebuyer Cultivation & Marketing Delivery System: *Who's Going to Do the Work?***

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## Whose Going to Do the Work?

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- **Real Estate Agents**
- **Developers**
- **Housing Counselors**
- **Lenders**
- **Marketing Firms**

*What will they do?*

*What's the Incentives?*

### **Internal Staff –**

- Fair Housing and Income Certification
- Communications Department
- Community Intake Specialist



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## Cultivating an Implementation Manager

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## NSP Implementation Manager

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### **“Conductor of the Orchestra”**

- The Person in charge of and worrying about the NSP Delivery System
- **Champion to Make Neighborhood Stabilization Happen**



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## Roles & Responsibilities

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### **1. Develops, Manages & Coordinates the Day-to-Day of NSP**

- Acquisition
- **Construction Management**
- Homebuyer Cultivation
- **Financial Structuring**
- Compliance and Reporting
- **Public Relations**



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## Roles & Responsibilities (cont'd)

### **2. Cultivates Relationships**

- Elected Officials
- County &/or City Agency Heads
- Leaders in Real Estate Industry
  - Builders & Realtors Associations
  - Lenders
- Neighborhood & Community Leaders
- Funders to leverage NSP



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## Roles & Responsibilities (cont'd)

### **3. Analyzes Benchmarks and Production Goals to:**

- Make Funding Decisions
- Adjust Policy
- Report to Elected Officials and Agency Heads



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## Professional Qualities

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1. Entrepreneurial
2. Understands Politics and Relationship Building
3. Real Estate Professional
4. Strong Written & Verbal Communication Skills
5. Analytical and Decisive
6. Project Manager



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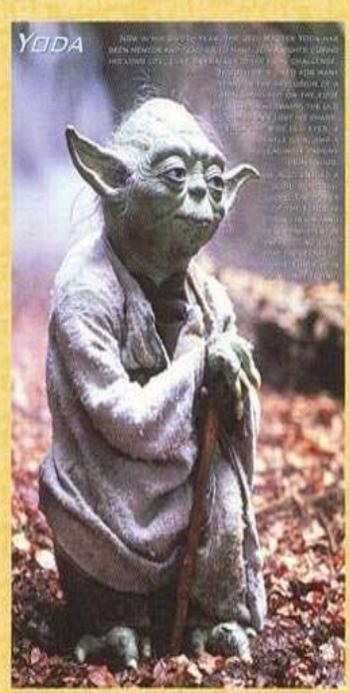
## Getting This Person on Your Team

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1. Who will this person report to?
2. How much will it cost to get the person you need?
3. Where can you recruit?
  - Talented Professionals are looking for jobs in this economy
  - Think about your local industry and network
4. With budget deficits, what's the case to get this person hired?



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**Jedi Warriors of  
Neighborhood  
Stabilization  
are you.**

**Important and Challenging is  
Your Journey.**

**MAY THE FORCE BE WITH YOU**

To Acquire What You Need  
To Renew Neighborhood Markets  
On Your Terms.



**Planners &  
Implementers**

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**Go Make Something Good Happen!!!!**

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