

12 STEPS

OF THE DEVELOPMENT PROCESS

STEP TEN: MARKETING

One of the major road blocks for developers can occur at the key Marketing Stage. Often, your funding approval can be conditional on obtaining certain outcomes relating to

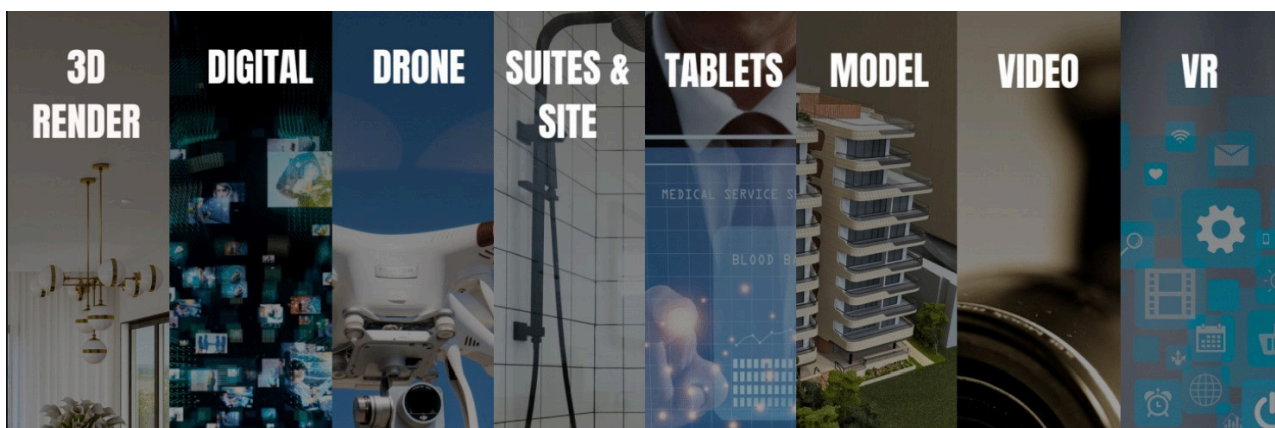
- a) Profitability &
- b) Pre-Sales

Property Development isn't really like normal residential real estate. Whilst most agents will tell you that they sell off the plan properties, the simple reality is that this is significantly different to selling traditional real estate. Most purchasers like to see/touch/smell what they are buying. They become emotionally invested in the purchasing process and property.

Off the plan selling involves selling extremely valuable products that don't exist at the time of purchase - essentially trading in promises. Trends have changed over the years, and buyers are no longer just investing in the bricks and mortar. Whether looking in residential or investment property, buyers are concerned with the elements surrounding the property itself, including the lifestyle, location and culture of the area. Then there's access to health services, transport, education, entertainment, day-to-day living conveniences - all of these things influence the choice of a buyer.

Marketing off the plan sales can become a very expensive exercise. Technology has certainly aided in this area, however, it is always very easy for someone else to spend your money, this time on an advertising campaign. New techniques can include:

- Naming of projects
- Buyer
- Media space - dedicated advertising in papers, radio and TV
- Project Branding
- Launch Events/Pre-release
- Discount Pricing
- Project Website Development
- Project Fly-throughs & Lifestyle Videos
- Public Relations
- Sales Kits
- Draft Strata & Levy Estimates
- Display Suite
- Design Brochures and Signage
- 3D Renders
- Floor Plans
- Inclusions Lists
- Colour Boards
- Graphic Design
- Interior Design



The hardest thing with this market is trying to build an audience and create scarcity. When you are looking to sell a development from scratch you often need to obtain a certain level of sales, and fast.

Dealing with an agent experienced in selling off the plan properties, in our experience, is worth the extra effort. When you are starting out, you need to leverage off people who have been there and done that. There is always a temptation to appoint an agent based on their commission, but this can be a huge mistake. A low commission rate doesn't guarantee a great sales outcome. Focusing on experience and track record should point you in the right direction. Remember, if your marketing agent provides a good service and result, make sure you pay them accordingly.

You also need to work through what will provide you with the best bang for your buck. Just because another developer is running with a designated website or free upgrade packages doesn't mean it's the best thing for you. You need to look at the size of your development, the number of pre-sales needed and the appetite in the market.

A large sized development needs to sell a lot of units before they meet their pre-sale requirements, and spreading the costs of a website or TV advertising over a few hundred apartments might not make a huge impact to their marketing budget. But if you just have to sell two out of four town houses, priced competitively in a highly sought after suburb, all you might need to do is a few quality renders, some floorplans and a nice brochure for the agent to create some enquiry. The other thing to consider is the quality of your product. If you are marketing a high end product, you probably need to consider having the marketing collateral to support.

We like to take control of the marketing process of our projects, just so we can have brand synergy to our collateral. This way we control the language and messages being portrayed to the public. Whilst I'm not suggesting that you need to have this much control, particularly when starting out, you should be conscious of the message you are sending out with your marketing.

As a minimum, we like to run with:

- Exposure on Domain and Real Estate.com
- Quality Marketing Brochures and Flyers
- On Site Signage
- 3D Renders
- Floor Plans
- Inclusions Lists
- Colour Boards



In your interview with prospective agents, ask to see their collateral for other projects, if they designed them and what type of campaign they would propose to maximize your projects exposure.

How large is their active data base, and have they had other developments in the area where buyers missed out (They may be able to leverage off other projects to help fill sales in your own development).

Because we operate in specific locations that are often near other developments we are also doing, we have often sold properties to people who initially enquired on a different project.

Getting social

When it comes to social media, it is certainly an area of growing importance. Agents are still yet to fully embrace the benefits of Social Media, but it can be an effective means of communicating and growing an audience for your project.

Don't discount the interest that can also be generated from your own "network". We have picked up numerous opportunities from friends and contacts, specifically because we were involved. Without that personal connection, they may not have even considered our project (or even investing at all), so tap into your network for exposure and referrals.

