

## A “Baker’s Dozen” Tips for Marketing CLT Homes

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Obviously, one of the most critical tasks for the CLT is to sell units that it has created. I have a strong sense, however, based on years of experience, that there is a fundamental flaw in the assumption that we can separate the marketing of units in a particular project from the work of educating potential and actual CLT lessee/homebuyers and the effort to “sell” the CLT model to various constituencies.

What we are creating and, frankly, *selling* is a unique, innovative, effective mechanism for creating a supply of housing. It is a good deal – for all parties involved. But it is neither a familiar model nor is it a model that people sort of innately and intuitively come to. It needs to be explained and promoted. And, when it’s well explained and well understood, people like it. But folks don’t just “get it” on their own. That’s our job.

Let me offer a few suggestions for you to consider as you market homes through your community land trust.

1. There are lots of people out there who need – and want – the homes that you have worked so hard to make affordable. But do not fall into the trap of “If you build it, they will come”.
2. Really think through whom is your target market. It doesn’t cut it to say that your target market is “families and individuals who are currently priced out of the market”. And don’t tell me “we serve households below 80% of median income”. That includes, I would guess, some 90% of the world’s population. I strongly encourage you to think about profiling – in the *positive* sense of the word. Take a look at the homes you are creating – location, size, number of bedrooms. Think through specific examples of the household constellation that would fit in that home – how many people? how many kids? what ages? Think about income: you know about the *maximum* income ceilings for eligibility; run the numbers and determine the income floor – that is, the *minimum* income needed to buy one of your homes. What kind of income and out-of-pocket down payment and closing costs – and creditworthiness – does this household need to have?

So, now you know what this family looks like. Now, think through: *where* are they? Is this a household headed by one – or two – schoolteachers or police officers or office workers or bank tellers or carpenters or retail clerks at some local “big box” store. I’m serious about literally drawing out a profile of who “fits” into this particular housing unit – and developing strategies and materials to go out and specifically make sure these households know about the opportunity you have provided.

3. Related to this: don’t assume that your target market is looking for the home(s) you’ve created. Sadly, many of the households eligible for the homes we are creating have given up the search – resigned to the fact that they’ll never reach the American Dream, especially now as we still deal with the fallout from the Great Recession. Often, when a nonprofit housing organization – including CLTs – creates homes for sale, the first thing they think about when marketing is to take out an ad in the “Homes For Sale” classifieds of

the local newspaper. Maybe that will work in your market. But, I suggest, that many of the households you are targeting may not be able to afford a subscription to the newspaper. And, if they're looking in the "want ads", they aren't looking in the "Homes For Sale" section. They're more likely looking in the "Apartments For Rent" section – looking for a more affordable rental. How about a "If You Can Afford to Rent, You Can Afford to Own – Call Us" ad in the "Apartments for Rent" section? Or they're looking in the "Garage Sales" section because they need a playpen, so what about a "CLT Home for Sale" ad there?

Again, who is your market – and where are they?

4. Where is your target market? Supermarkets. Laundromats. Neighborhood Centers. Cafes. Apartment complexes. Daycare centers. The "big box" Marts. The swimming pool. Pay attention.
5. Do lots of marketing. My experience over 30+ years is that you need to reach 75+ people to orient 30 to pre-qualify 6-8 to sell one affordable home. Many of the people who will contact you in response to your marketing efforts will be over-income. Many will have too little income – or will lack the creditworthiness – to qualify for the after-subsidy, reduced-mortgage loan needed to buy your affordable home. At the risk of sounding like "Chicken Little", let me suggest that this problem will only worsen as the credit market remains incredibly tight. You are geniuses at *creating* affordability – and masters at *preserving* that affordability – but you do not, as far as I can tell, have a magic wand.
6. It follows, then, that you must not wait too long to start your marketing. If you haven't done your profiling and thought through your marketing strategies and developed your materials – and are ready to hit the proverbial streets – by the time your units begin construction, you're too late.
7. Always remember what it is that people want – what they are looking for. They want to own a home. They're not interested – at least not at the outset – about your organization or even about how the CLT model works. I would suggest that one of the best marketing opportunities are those regular orientation sessions held by your CLT to explain the CLT model. Too often, however, I've sat in on CLT orientation sessions – with a room full of potential buyers who are nervously sitting there – experiencing a mix of excitement about the possibility of being able to buy a home that they never, in their wildest dreams thought they could and of dread that this whole deal may, in fact, turn out to (once again) be too good to be true – and the CLT person gets up and welcomes them and begins: "This is a history of our organization. And these are our Board of Directors. And here are pictures of their children. And here are our audited financial statements for the past five years....."  
I'm, of course, being a bit facetious – but, for heaven's sake, people are coming to these orientation sessions – taking time out of their demanding schedules to come to your offices or the church basement or civic center or wherever you're holding this orientation session *because they desperately want to own a house*. So market the home! Start out with descriptions and pictures of the homes – and their locations and their amenities. Explain how wonderful these homes are. And tell them about the price.  
I'm not suggesting that we ignore or gloss over the restrictions on use and occupancy and equity basic to the CLT deal. But I am suggesting that we treat people fairly, respecting where they're at. Explain the great homes that we've made affordable.

And, once you've marketed the homes, *then* explain – carefully and thoroughly – this mechanism that you've developed – called a community land trust – that will assure that the opportunity to buy this home will be preserved and made available for other families just like theirs in the future. Explain that they will be asked to leave the affordability was provided to them for the next buyer. Then explain – carefully and thoroughly – how the CLT model works.

Emphasize what the buyer is looking for: a good home and a good deal. They're not particularly interested – up front – in how the structuring of the subsidy to assure long-term affordability makes sense to public and private funders. They want to know **how** this is a good deal for them: the numbers (their monthly housing cost); the CLT will try to buy it back (no selling hassle; perhaps no realtor fees); and what they get on the back end (what they might be able to pocket from the sale of their home). They need to know – and, in the vast majority of the cases, will be OK with the fact – that the deal has been structured so that this good deal that has been created to assure housing affordability for them is something that they will share with other homebuyers like themselves in the future.

8. Most of us – certainly lower-income renters who've resigned themselves to the fact that they'll never own a home of their own – can't relate to a figure like \$100,000 or \$160,000. When I hear, "You can own this home for only \$125,000", I don't know what this means; I can't relate that number to my life – except that it sounds big. What I can relate to is \$625 – "your monthly housing costs will be "\$625" – or whatever the number is.
9. It is critically important to emphasize "the deal" – full disclosure that this is limited equity but this is not a bad deal – in fact, it's a good deal. Good materials and good media are needed to make these points clearly and effectively. Too often, the criticism leveled at CLTs that we are *taking away* our homeowners' rights to build wealth. On the contrary, we are *providing* limited-income households, otherwise priced out of the market, with the opportunity to buy a home and build what may be the first equity they've earned.
10. Waiting lists are tricky things. You will want, I suggest, to market constantly – educating the public in which you operate about what you are doing. Be careful, however, to match the scale of your marketing initiatives to the scale of your developments. Outreaching to dozens of schools and agencies and employers for two units may be a little overkill. At the same time, you want to make sure that you have an adequate pool of eligible, potentially qualified buyers – and it doesn't hurt to have some folks on your waiting list.

At the same time, waiting lists need to be maintained and cultivated – otherwise, folks don't continue to wait. If you have units in the hopper and on the drawing Board, figure out ways to keep your waiting list "hot". Keep them informed – so that they can stay as interested and fluid-at-the-right-time as possible. Without nurture and information, your waiting lists will dwindle.
11. Don't overlook employers as a potential source for marketing units. Affordable housing is increasingly being recognized as an economic development issue – as well as a community development issue. Affordable housing is key to economic vitality and job retention. Some of the strongest supporters of affordable housing in general – and permanently affordable CLT housing, in particular – are employers. We have friends and allies at the Chamber of Commerce. Business owners and leaders and managers like the

fiscally conservative “bottom line” approach of CLTs, as well as the permanency and community control at the core of community land trusts. Look to them not only as sources of support but also as marketing venues.

12. Finally, effective marketing is time-intensive, labor-intensive work. Make sure that your organizations allocate adequate financial and human resources to get the job done – and build in these costs, to the extent that you can, into your development *pro forma*. Remember also that there are graphic designers and advertising agencies and PR firms – and other marketing professionals – who can be tapped for *pro bono* and/or reduced rate assistance. It won’t happen automatically – if you build it, they may not come – because they don’t know about it.
13. Finally, ***dream no small dreams***. You are great, important work that will be of benefit for generations to come. Be smart. Be careful. But be bold. The world will be better for it.