

Branding and Marketing Smart Growth Communities

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The market is ready for smart growth, so how can we market it effectively? First, understand what it is you're selling. It's not a town center; it's greater convenience and social interaction. It's not a pocket park; it's eyes on the street and playing Frisbee on a Sunday afternoon. The job of branding and marketing is to communicate at every "touch point" with the buyer just how a smart growth community will enhance his or her **quality of life**. Buyers choose a community and a home based on the **experiences** they believe they will have — the positioning for smart growth communities must be about delivering those experiences.

Compact, walkable, transit-oriented, mixed-use communities that preserve and enhance natural resources rank high with more and more buyers today. These communities are commonly referred to as smart growth communities. A 2004 study by the National Association of Realtors found that 55% of Americans would choose compact, pedestrian-oriented, mixed-use neighborhoods. Many, especially Gen Xers (the generation born between 1965 and 1977), believe that buying a home in a smart growth community is "the right thing to do" (*Rocking the Ages: The Yankelovich Report on Generational Marketing*). Others want a new choice that provides more diversity in product, price, place, and people. They want more than suburban sprawl or monocultural subdivisions with segregated price ranges and uses.

Placemaking is the benefit

Ads and sales centers for conventional developments typically promote their communities' amenities as their competitive advantage. It used to be enough to list a swimming pool as an amenity. Developers then started adding a community center, then an Olympic-sized pool, next a water slide, a zero entry beach and now water mushrooms. Today's ads tout activity centers with every imaginable service and feature to lure the buyer and compete with other master-planned communities.

Smart growth communities have a different set of amenities that require both education and "benefit-oriented" communication to create the value proposition to the buyer. For many homebuyers, the **benefits** of smart growth communities are more important than the amenities of conventional developments. While more and more homebuyers have some familiarity with the term smart growth, what

they really care about are the benefits. Those benefits have to do with quality of life as well as the cost savings and environmental benefits associated with these communities. Your particular combination of these benefits makes up your Brand Promise. Once this is established, the brand focuses all of its energy on fulfilling those promises.

The list below shows a number of amenities commonly associated with smart growth and their benefits:

AMENITY	BENEFITS
Town center or neighborhood service	Fewer car trips; more convenient; saves time, gas, and money.
Sidewalks and traffic-calmed streets, garages in rear of house, homes close to street/sidewalk	More walkable, less dangerous for children, “eyes on the street” safety, promotes more active lifestyle with additional health benefits.
Community close to schools, jobs, shopping, services, recreation	Less time in the car, lower cost of transportation, and less pollution from vehicle use.
Diverse housing types, styles, and prices and smaller lots	More choices create a community with diversity, serving more buyers and allowing buyers to move within the neighborhood at various life stages. Smaller lots offer lower maintenance and cost of care.
Parks, planned open spaces, trails, bike paths, gardens, playgrounds	Opportunity for recreation, community interaction, nature study, and environmental education.
Developer’s commitment to develop a sustainable, environmentally responsible community	Cost benefit of lower maintenance and smaller lots. Personal benefit is that the purchase of a home and selection of this community means a decision to “do the right thing” and participate in smart growth.
Streetscapes and homes that offer a diversity of styles and a mix of sizes	More visually appealing streetscape that helps sell the neighborhood.
Public gathering spaces with planned activities and community-sponsored	Facilitates a sense of community for residents and encourages civic

arts, food, seasonal, environmental, educational, sports, entertainment, and children's events.	participation.
Plan that offers connectivity throughout the community	Easy to get to all areas of the community and safe for kids to navigate. Less traffic congestion since there are more route choices.
All or some of the homes in the neighborhood are Energy Star rated or built to meet the standards of various local and national green builder programs	Energy cost savings, better indoor air quality, less use of water and other natural resources, lower maintenance, durability, new standard of quality.

Tributary, west of Atlanta, is a large master-planned development with all the elements that make up a smart growth community, plus a location bordering a 2,500-acre state park and a future transit site for the Metro bus system. The developer asked buyers in a focus group to give the top reasons they chose this community. Community design, architectural quality, and green building (EarthCraft) were in the top five.

In the branding for Tributary, the Gen-X buyer is the primary target. With all the choices available here, the positioning tagline used in all communications is: "Reshaping the Possibilities." Since the Gen Xers are all about making their own decisions and "doing it my way," the positioning invites buyers to create a way of life that fits their style and desires. The sense of community is attractive here and the developer began a "refer a friend" promotion that netted 20 new homebuyers in a three-month period, a true barometer for customer satisfaction.

In all communications, the story must be bold and straightforward about the benefits, not just the features, of smart growth communities. At this point in the market, there are fewer opportunities to purchase homes in smart growth communities than there are potential buyers who would consider this alternative. So the law of supply and demand favors the communities that deliver on the promise of placemaking.

How can you show the smart growth difference?

In order for buyers to know that particular communities are designed around smart growth principles, developers and builders must **show** the difference as well as communicate a brand that sets these places apart from the ordinary. People believe what they can see. With Traditional Neighborhood Developments

(TNDs) and other smart growth communities, building a streetscape, finishing parks, and planting street trees all help buyers visualize a day in the life of their new community.

At New Town St. Charles in Missouri, Greg Whitaker of Whitaker Homes found that placemaking certainly commands a premium. He created his amenities, including the first of several neighborhood civic and retail centers, early in the development. As of March 2006, Whitaker Homes was pre-selling homes for delivery 13 months in the future at a rate of close to one a day. Prices ranged from the high \$100s to over \$1,000,000 (in the same neighborhood). As you drive through the community, you first notice all the people out and about. Community building centered around public spaces has been the lifeblood of this place with a wide variety of community events and civic gathering places. New Town was designed with TND/smart growth principles to create these benefits for residents: convenience in getting around because there is a mix of uses that are close to each other, narrow streets lined with houses and businesses to create safe streets for kids to walk to school and to their friends' homes, more choices with a variety of housing types for all ages and stages of life, and sustainable green development practices that are environmentally responsible and resonate with buyers. The results? New Town St. Charles is outselling the competition.

Today we see developments that offer “parts and pieces” of the promise to buyers. These faux smart growth places often have neo-traditional homes, open space, or other features they perceive buyers desire. This creates more confusion for the buyer. When buyers visit a community that offers **all** the parts and pieces, they can **experience** the amenities and the benefits that create a great place to live.

Co-branding

Co-branding with known brands like Energy Star and other green building programs is another way to convey the unique positioning and differentiation for smart growth communities. Real estate and allied trade organizations now give green development certification programs and smart growth design and land planning awards (US Green Building Council, Urban Land Institute, National Association of Home Builders' Best in American Living Award, Congress for the New Urbanism's Charter Award, and others). Industry publications are highlighting and giving awards to communities that fulfill growing demand from consumers (National Association of Realtors' *On Common Ground*, *Urban Land*, and *Big Builder Magazine*, to name a few). The credibility of recognized brands gives buyers a way to measure the claims and promises made by developers and builders. Aligning with known brands and going beyond green development to build “smart” houses in smart growth communities just make sense to some builders.

McStain, a respected builder in Colorado, has been out front with its commitment to green and environmentally responsible home building. It has been very successful at smart growth, new construction or adaptive reuse, in communities like Lowry and Stapleton in Denver, as well as in other communities in Colorado. In a presentation on its brand and how it works to co-brand with entities like Energy Star and Colorado's Built Green program, McStain cites some consumer research that validates its belief that homebuyers value the benefits of these types of homes and communities.

A 2003 Genesis Homebuyer Survey reported that 40 percent of current shoppers would prefer to purchase from a Built Green Builder. It also showed that 75 percent of buyers were willing to spend \$2,000 more on a new home for better energy efficiency and lower utility bills. A Built Green study conducted by Thomas Traber & Drazen found "two-thirds of Built Green buyers interviewed said that Built Green was a factor in their purchase decision." (*Built Green Colorado*, January 2006)

Another Genesis Group/University of Colorado study revealed that McStain homes resell for an average of 4 to 11 percent more than homes of comparable age and size in the same market, and that McStain homes sell for an average of \$10 per square foot more than their direct competitors in the seven-county Denver area. Homebuyers are obviously more than satisfied with their decision to purchase from McStain. Overall customer satisfaction rates for McStain neighborhoods vs. the national average in 2004 showed a 99 percent rate for McStain versus a 70 percent national average. (Medanich, *Is Sustainable Development Sustainable*)

How does McStain convey these benefits to the homebuyer? It is diligent and intentional about its brand. It re-enforces its green story with benefit-oriented messages including value, healthier indoor environment, and energy savings. In addition, McStain educates its buyers on how their home performs to preserve and conserve natural resources.

It's about choice

Smart growth communities provide marketing leverage to the developer and home builder in any economic environment because of their breadth of market. In smart growth communities with more choice in product, price, and place, marketing dollars go farther, and more prospective homebuyers can be served. Add to that the flexibility inherent in smart growth plans to react to the market (for example, lot sizes can be adjusted within block design) and the efficiency of mixed product offerings, and the equation is even more compelling. Regardless of whether the sales environment is tight, highly competitive, or slow, breadth of market makes sense in terms of serving more buyers.

During challenging times, the buyer's trade-offs in choosing a neighborhood can be influenced by: greater selection of house types and sizes, a range of prices, a choice of floor plans that fit their lifestyle, increased convenience, less maintenance, and a wider selection of both natural and created amenities. This again is where the story in the sales center and in all communications is critical to the success of the community. The Brand Promise and positioning must convey that this place offers a broader range of choices than other communities in the area.

Brand Identity

As more and more municipalities discover and implement smart growth, they look to the development community and the builders to create the great places that will change the real estate landscape across America. They will look to professionals who can help change the paradigm of development to offer more choices to homebuyers and renters.

In the case of Leyland Alliance, a New York-based development company, successful public-private partnerships and a dedication to building smart growth communities has given the company recognition and opened the door to more opportunities. With the Norfolk, Virginia, Redevelopment Housing Authority, Leyland created East Beach, a very successful TND in Norfolk. In South Carolina, Leyland partnered with the city of North Augusta to develop Hammond's Ferry, a 200-acre smart growth community on the Savannah River that uses innovative stormwater treatment technology and connects with the Greenway trail and a city recreation facility. Now Leyland is invited to submit RFPs for projects where communities are looking for responsible developers. Leyland Alliance is very intentional about what its brand promise is, and it delivers on those promises to its civic partners and to homebuyers.

Those developers and builders who have built a reputation for delivering great places and consistently reinforce brands that are identified with smart growth principles will be the winners.

Jackie Benson is a marketing and branding specialist. For over 20 years, she has been involved with the marketing and branding of over 200 new home communities and mixed-use neighborhoods.

Sources

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