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COVER STORY

MARCH MADNESS

By JASON TURCOTTE

In a booming market, a broker needs do little more than place an ad to move a home. But those days are a distant memory and now agents and owners have had to put their heads together for creative ways to make noise, increase foot traffic and, ultimately, close the deal.

In today's market, the status quo marketing strategies of the past aren't getting brokers very far, says Reba Miller, president of RP Miller & Associates. But by implementing some unique approaches to residential sales, her firm is seeing anywhere from 25 to 30 people at open houses. That extra exposure may be what it takes for a broker to close a deal in today's challenging market.

"This is the time where you want to push marketing ... this is the time to

February, the firm offered a Valentine's Day promotion that included a romantic dinner for two. They've offered trips to Paris and, most recently, RP Miller hosted a March Madness event at The Prime at 333 W. 14th Street. The promotion made plenty of noise — literally. Cheerleaders manned the sidewalk just outside the sales office and street-level televisions broadcast the NCAA Tournament games during open houses. Buyers will be eligible for two tickets to March Madness.

The key, Miller says is narrowly tailoring promotions that best suit the buyer profile, which varies significantly from assignment to assignment.

"We don't have the European money. We don't have the Wall Street money. So we need to figure out who we are reaching out to," Miller said. "Every apartment has a different strategy.

Pricing is important, the willingness to negotiate is important and buyer financing is important."

Pricing flexibility is certainly one surefire way to close the books on a deal — even during the worst of markets. A holiday pricing promotion used by Edge

Residential last year was responsible for closing at least two deals for the firm. Edge offered buyers a cash back rebate program: a 1% rebate of the sales price, or the equivalent of \$15,000 in pocket for the purchase of a \$1.5 million unit. Buyers had the option of either taking the cash after closing or applying the savings directly to the final sales price.

"For many people, an extra percent can be the difference needed to reach a deal, while for others, it means that they can use it towards renovating or furnishing the apartment," said Baltasar Sahlin, director and co-founder of Edge Residential.

In that same vein, Classic Marketing unveiled an online promotion for its Century Tower and, more recently, its 149-unit Wellington Tower assignment at 350 East 82nd Street. The current offer promises that the sponsor will pay state and city transfer taxes at the time of closing from now through March 31. According to Classic director of sales Rae Gilson, the promotion has driven incredible traffic to Wellington's Web site and the property but, more importantly, the offer has demonstrated the seller's flexibility to the market and their willingness to listen to buyers.

And sometimes, it's the little things that get a deal done in a down market.

Just last week, Tom Postilio, managing director at CORE Marketing Group, closed a sale after going above and beyond with the ever-so-coveted Manhattan closet space. When the buyer couldn't envision the condo post-closet build-out, he and his client tapped Cara Spielvogel, of California Closets, to outfit the master

bedroom, second bedroom and linens closets for the buyer.

"It basically sealed the deal," Postilio said.

In booming markets it used to be that buyers would close on a floor plan but, with the state of the country's faltering economy (and many new developments on hold), a finished product seems to be a broker's best ally in securing a sale.

"The imagination doesn't work anymore," said Marc Lewis, president of Century 21 NY Metro.

Lewis said sellers and brokers — for both rental and sales units — have had to devote increased attention to the staging of residential space. Brokers are working with more interior designers today to create life-like home environments. And the days of buyers forking over cash for an unfinished product are over — for now, at least.

Other creative means of "sweetening the pie," noted Postilio, include tossing a storage cage into the mix (which typically costs anywhere from \$10,000-20,000). He's also demonstrated flexibility in letting the buyers have a bigger stake in the finishing touches. Postilio's worked with buyers to pick the stain color of the flooring. And Michael Katz, a sales associate at RP Miller, also noted that it isn't uncommon to have a buyer in today's market ask to alter the kitchen cabinetry, color schemes or build out a bathroom.

Katz knows that in this type of housing slump, little things can go a long way. That's why he's established a 24-hour operation for 333 W. 14th Street. The goal is to offer that extra flexibility so that buyers with a short-window of opportunity have a chance to view the units.

"I'm here all the time. No matter when someone calls or comes by, we can accommodate," Katz said. "At this point in time, you really have to go the extra step."

It's too soon to tell whether the strategy will pay off, but Katz has gone as late as midnight to show the property (to an out-of-town couple who passed the sign after dinner), and if closing a deal meant dropping drinks with friends at a bar late on Friday or Saturday night to show the property, Katz said he wouldn't think twice.

But all the concessions, specialty fixtures and free trips often pale in comparison to the splash price drops make, and

the dollar sign will always remain the tipping point that determines whether or not a buyer wants to sign on the dotted line.

"People want to feel like they're getting their money's worth: they want to see a price drop, they want to see negoti-

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— TOM POSTILIO

ating," Katz said.

"The biggest thing that improves foot traffic is when we have a price reduction," Postilio said. "I'm optimistic, but it's been hard to put a deal together recently because everybody's in that place where they don't want to be the first one to buy."

But CORE may have found a solution to that with a new price guarantee promotion it plans to offer with a few select properties. The promotion means that those who buy now would be issued a rebate — reflecting the price difference — if a comparable unit sells in the same building for less.

Attorneys are working to pin down the final language of the offer and Postilio said it could be implemented as early as next week. The offer may prove to be the perfect blend of creativity and practicality in a market where no one wants to get their feet wet first.

"Buyers want the clocks to roll back to 2002 prices," said Century 21's Marc Lewis, who noted that most buyers are waiting around for prices to drop by 25%.

Lewis acknowledged that "gimmicks" and strategies of all sorts — from staging, to give-a-ways and Facebook advertising — are being deployed left and right to close a deal. But while such efforts generate publicity, traffic and water cooler talk, he believes that seeing a sale through to fruition in a down market comes to one thing and one thing only: the final cost.

"There's a price point where everybody wants it," Lewis said. "It's not about the amenities, it's not about the location — it's all about price."

Cover shot: Cheerleader at The Prime on W. 14th Street by Lindo Alexander

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think outside the box," Miller said.

With buyers expecting — even demanding — bargains, concessions and give-a-ways, the era of promotions has reigned supreme. Brokers still trudging along in the standstill market have brainstormed innovative ways to garner the attention of buyers and, as quirky as some strategies sound, many are credited with closing the deal.

Last December, RP Miller had Christmas carolers from a local church sing outside one of their Manhattan assignments. Beyond attracting an influx of foot traffic, the tactic actually resulted in sealing

the deal for one buyer, according to Miller. In



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