

The Marketplace Shift and the Future of New Home Sales & Marketing

The Opportunity Gap

According to Zillow's 2019 New Construction Consumer Housing Trends Report: 64% of all home buyers were open to both new and resale homes when they began their home search. But, ONLY 9% bought a new home.

This means that our industry is currently LOSING 5x more customers than we are converting. It also means that we're losing 3 million potential sales each year to resale homes.

Why are 55% of Prospects Choosing Resale Over New?

While there are some obstacles to new homes that can't be easily overcome (like timing, location and availability), home shoppers cited two specific concerns that can ...

- + Home shoppers believe that new homes are complicated & time-consuming
- + Home shoppers say they can't figure out how much a new home will cost and desire price transparency

Visualizing New Homes Online

In 2020, these pre-existing consumer problems were suddenly compounded by the forced closure of physical sales offices with the emergence of COVID-19. For builders, the question suddenly became "How do we sell without a sales office?"

If they weren't doing it previously, over the past year, home builders have heavily invested in tools to help home shoppers completely visualize their homes online without requiring a visit to the model home. Most builders now provide virtual and video tours, interactive floorplans and lot maps, virtual design studios, virtual reality and more.

While these tools have all helped home shoppers visualize new homes without being physically onsite, as an industry we still haven't fully solved the customer's problem. (Remember, they see new homes as complicated, time-consuming and lacking price transparency).

While most industries have fundamentally changed in the past 10-15 years, even post-COVID there still hasn't been a fundamental change in the way new homes are researched and

purchased. Rather, we've worked to translate our "tried and true" processes to a new virtual reality.

Unfortunately, the "process" that requires shoppers to engage with a salesperson in order to compare new homes with resale is outdated, time-consuming and frustrating for consumers. And, ultimately, it is driving shoppers out of the new home market.

Today's Buyer Behavior

Think about the last couple of large purchases you've made. You likely researched the product entirely online, including reading reviews and comparing pricing and brands. It is unlikely that there was any information about the product that could only be obtained from a sales person. If you did visit a physical location it was probably to "experience" the product that you were planning to purchase or to compare it to a narrowed down list of options.

Even before the COVID-19 outbreak, we were researching and purchasing almost everything online. Unfortunately, our industry has not easily adapted. Interestingly, "construction" is only ahead of "hunting" and "government" for our industry-wide resistance to the adoption of new technology.

Age of Self-Service

In this New Age, customers often acquire virtually all the information they need to make a buying decision BEFORE they make contact with a seller.

In the case of home shopping, technology has created an environment where customers have the ability to quickly compare resale homes (think Zillow). But the home building industry has yet to give the customer the ability to easily compare new homes with resale.

For builders, this shift means that providing home shoppers the technology, information and tools they need to "help themselves" and to save them time is now the expectation.

The Current Reality

Think about the process your customer must currently go through to compare one of your (dirt start) homes with a resale home.

+ What steps do they have to take to figure out what the "base price" includes, what options are available, and how much they can expect to spend to get exactly what they want?

+ Is there currently a way for them to get that information without interacting with a sales person?

If we're honest, we'll acknowledge that the current process is pretty difficult. Some builders don't want to give shoppers all the information about their homes online, believing that if they do they'll remove the need for the shopper to visit their sales office.

However, when builders don't provide the information online that a shopper wants, the shopper may be ruling new homes out of their search before builders ever get the chance to interact with them at all.

As an industry it is time to fundamentally shift how shoppers research and purchase new homes. Not because of the need to "keep pace", but because the scale of the opportunity to capture the sales we're currently losing to resale is so vast.

The Shift

Instead of requiring customers to interact with your sales staff in order to rule your homes "in" or "out" of their search, what if you provide the information they want instead by:

- + Transferring control of the information about your new homes to the customer?
- + Giving the customer a fun, time-saving and interactive experience online, BEFORE personally interacting with them?
- + Removing the worry and simplifying the process by allowing customers to virtually "build" and price home plans, and estimate their monthly payment online so that they can feel more confident coming to the sales office?
- + Shifting the role of sales staff from "selling" to set them up as concierges of the new home purchase experience.

The Solution

PRICE BLD-R is a simple, user-friendly platform that deploys from a builder's website and allows shoppers to virtually "build" any home plan with an estimated price and accurate monthly payment (including tax rate and HOA).

The platform is customizable to each builder's unique offerings, giving shoppers a quick and easy way to understand the components (like floorplan options, elevation style, homesite, finish level and landscaping) that go into a new home, along with price estimates of the available options.

The PRICE BLD-R Platform...

√ Works great on both mobile and desktop devices

√ Deploys from a builder's website with builder-customized content

√ Delivers highly-qualified leads to sales staff along with an overview of the plan and features that the shopper wants – saving the both the shopper and the sales staff valuable time

√ Captures every configuration to build a data set of consumer preferences and price points by community

√ Works Regardless of Industry Conditions

In a Slow Market...

PRICE BLD-R converts shoppers lost to resale

In a Hot Market...

PRICE BLD-R reduces the volume of leads to the sales staff allowing them to focus on highly-qualified buyers

Delivering Qualified, Ready-to-Buy Shoppers

Designed to streamline the build from scratch process and provide desired price transparency, PRICE BLD-R allows shoppers to rule your homes “in” to their online search before they get overwhelmed. Then the system delivers highly qualified leads to sales staff along with an overview of the plan and features that the customer wants.

Now when that customer visits your sales office, the process is fun and clear as they go through actual selections and confidently sign a contract.

Learn more and try it out at pricebldr.com