


New Homes priced from the \$160s to \$1 million

A tightly knit community known across the Triangle area for its small town appeal, Bedford revives the age-old idea that life is much richer when shared with family, friends and good neighbors.

BEDFORD
Raleigh, NC

OBSERVATIONS AND RECOMMENDATIONS

February 2003

Note to the Reader

Located in the Raleigh Durham, Chapel Hill (research triangle) in North Carolina, Bedford at 800 acres was and still is one of the largest Traditional Neighborhood Designed communities or TND projects ever assembled in this area. At build out the project will have over 1200 homes.

At the time Southcreek was introduced to the community, the inhouse onsite sales program was selling less than four homes a quarter and had 4 neighborhoods of different types of product open with manned model homes in each.

We re-vamped the inhouse sales system, oversaw the design and installation of new project signage, development enhancements, a new image for the ad & pr program and the re-introduction of the project to the market that effectively produced over 72 sales in the 59 days after our re-opening.

Bedford remains today as one of the top selling new home communities in the Southeast with over 300 homes sold annually ranging in price from \$280's to \$1mm's. www.bedfordtradition.com

1. **ENTRANCE & INITIAL PRESENTATION**

My first impression of the arrival statement at Bedford is that the style and design speaks to the true essence of a neo-traditional community. The entrance feels clean, solid and long standing. It sets the proper tone and image for the community's size, grandeur and permanence.

The long road simply needs more messages that speak to the consumer about what they are coming into to and how they are about to see a complete professional neo-traditional new town in the making. The presence of The Enclave (that is not part of Bedford) located to the right of the main parkway neighborhood adds confusion as to whether or not it is part of the project. Additional signage would help direct the visitor to view the Bedford story instead of the backyards of this neighborhood on the main parkway. There should be a large community announcement sign located at the turn into the main parkway on the Falls of The Neuse road.

The rotary is extremely well done and simply needs more directional signage denoting that the second curb cut is an exit from Bedford and a "Thank you for visiting and Have a Great Day" sign should go here. The first curb cut needs to say "Bedford Future Development" and it needs landscaping and monumentation.

Recommendations: There should be lifestyle signs of the wonderful renderings showing the neo-traditional lifestyle. A large sign showing an Oblique or 3-D master plan of the project should be beautifully designed and installed that would explain to the buyers that the project is a complete town. One of these lifestyle message signs should list all of the lifestyle amenities of this "New" town.

A sign just beyond the entrance to The Enclave should immediately explain that Bedford and its Information Center is just ahead. A sign should be erected on the curb cut denoting this large cleared area as a future development area (possibly a rendering on this sign of what is to be built here). A permanent monument should be built conveying the message "Thank you for visiting Bedford and Have a Great Day".

More signage directing prospects to the Information Center should be installed. Parking lot signs should be installed indicating "Future Resident" or "VIP Realtor" parking. The Information Center sign should be bold and permanent in appearance. An Information box should be installed for after hour brochure distribution. Leaving the Information Center another Oblique sign should welcome visitors to the residential villages. The Oblique sign should appear in numerous locations throughout the project so that the large undeveloped land tracts do not go unexplained.

Site renderings of each amenity area, park and the retail center should be strong and very visible by the visitors touring the project. Listings of the amenities in each park area could appear on the sign as well. More explicit model signs should be installed on the main parkway for the Charleston

collection. The Oblique sign could have all of the models. This way visitors will know that there are multiple model centers and feel comfortable they can get to them by themselves.

2. STREETSCAPES & VILLAGE SIGNAGE

The first street beyond the Information Center should have a two-sided streetscape. I wish the land planner would have known to give you a two-sided road statement as much as possible. That is the true essence of a neo-traditional community and you do not have this for this entire parkway into the project. It is too one sided... It feels un-balanced. There is no center or “heart” of the community at the end of the parkway. All of the hardscape is to the right so you only get a one-sided view of community.

A two-sided first street would have provided more of what a new town feels like and what a neo-traditional community of neighborhoods offers to the buyer once they leave the Information Center to drive to the various neighborhood models. It is nearly impossible to interpret the neo-traditional town with a one-sided streetscape as is the case today on the spine road throughout the community.

Each home collection should be indicated on the rendering signs at each model. Drees and Fortis need to change their signs to show streetscapes and not builder logos since lifestyle is what we are selling until the visitor steps into the model’s floor plan.

Recommendations: Create a two-sided streetscape just beyond the Information Center, by adding a detailed high end picket fence that is mirrored on the opposite side of the street on the main parkway spine road. Add gazebos, trellis arches, park benches and sections of heavy landscaping to balance the parkway as much as possible and make it appear to be two sided. When possible home collections should be mirrored on the opposite side of the street.

Drees and Fortis should name their collections and use these names on their model signs, in their sales collateral and sales displays. Since home collection names are being used instead of neighborhood names this treatment should be consistent throughout the community. Planter boxes should appear on all of the streetlights, banners on the lamppost and flowers installed at each four-sided intersection to increase the sense of home coming and welcoming. Brick pavers as curbs or aprons on the more expensive homes should be required. Heavier outdoor merchandising should be required on all homes that face the main parkway.

3. PRODUCT MIX

The product mix is fine and there are no major recommendations. However all the builders should make certain they fully merchandise the model homes they build and operate them as professional model centers. All of the builders’ agents should go through the Southcreek lifestyle training and know exactly what the lifestyle points are in the sales presentation. The Builders’ product should be pictured in the central brochure as a neighborhood or collection on a single consistently designed page or insert for the main brochure.

Follow up phone calls should be made by the developer reps to survey the newest residents to determine the satisfaction levels of the buyers' with the product and floor plans and if needed make recommendations to builders on any of plan or service changes needed..... The co-op agents did mention that the Charleston product should offer more spec homes with master down home plans.

Recommendation: The numerous products should be shown in the Information Center, the brochure and survey new residents to ensure customer satisfaction with the homes and plans of each builders' collection.

4. SALES COLLATERAL

New collateral should be created that will better serve to explain and reinforce the neo-traditional lifestyle of the community. The Bedford logo and TND lifestyle indicated in the the current renderings should be the dominant message and branding images. There are not enough neo-traditional lifestyle images in the materials today. There is no need for the Norman Rockwell images. The true story of Bedford is so strong that it does not need these overpowering, overly contrived drawings to tell its story. The community story should always include the critical path of the sales presentation of the community. This should appear not only in the sales brochure but the sales displays, web site and ad campaign materials.

Recommendations: To carry out the theme of the Neo-traditional community in the sales collateral, the main brochure piece should be styled with the Bedford logo and contain a strong selection of lifestyle pages permanently attached inside. This way the builders can simply hand out collection inserts to go into the main lifestyle piece. The centerpiece of the lifestyle pages can once again be the Oblique showing what the entire town will look like when complete. An insert can be the list of collections in the community and the site map showing the various site maps of each collection.

There should also be a development team story to support the fact that the community is in safe, stable and financially sound hands. This will resolve any concerns about the undeveloped land not being complete in the same manner of the project's current presentation. Since Neo-traditional communities still have such a small market share, the story of the developer's ability to see the project through to the end is very important plus sell the aspect of true neo-traditional living. The fabric of the brochure piece should be high end and understated elegance. This will help to continue to build the perceive value of the quality of the community.

The Bedford logo should be used on all materials in the community. The signature image should be the Oblique rendering and should appear in all collateral, sales displays and ad placements including the web site and cd diskette. It would be important to make certain that this brochure captures the feeling of the community and be emotionally enticing to prospective buyers. Also, that the inserts be consistent collection to collection.

5. THE INFORMATION AND SALES GALLERY

The Information Center's exterior is elegant and refined but feels too much like a home and not enough like a place to enter easily learn about real estate or the lifestyle of Bedford. Its exterior is welcoming but the interior is stuffy like Grandma's house. Too many knick knacks and not enough places to view the beautiful story Bedford. The current video is not done well and does not support the true beauty of the community. Plus the location of the viewing area is not positioned appropriately for the video to be watched in a comfortable, quiet area. The sales gallery is incomplete in portraying the lifestyle and "brand" of the community. The interior should exude more of an active urban neo-traditional lifestyle. The community representatives need more tools to demonstrate the attributes of Bedford and why it is so special.

Recommendations: Change the front parlor to critical sales program for the lifestyle story and Bedford branding. The centerpiece should be the signature image – The Oblique flanked by the wonderful renderings of the streetscapes and amenities. The master plan of the community should be displayed in a topo table that can be leaned on and invite visitors to linger longer. The table should be tall like a bar and have drawers for pull out displays of the retail center, parks and amenities.

On the opposite wall there should be the area site location map flanked by photos of the local area attributes – schools, hospitals, shopping centers, etc...

In the parlor to the right of the door, professional photos of Bedford's first families should appear with testimonial quotes indicating why they chose Bedford and how they love the community. There should also be a developer story on the walls somewhere in the front parlor area. A couple of photos of Brokers could also be used with testimonials.

The back foyer where the brick monument appears should contain each collection's renderings on display. More furniture and rugs should be installed to soften the noise factor and warm up the back area. Some of the furniture of the two front parlors could be re-worked for the back area. Smaller replications of the lifestyle displays should be created for each builder's model.

The bench in front of the brick monument should be removed and replaced with different furniture. Soft music should be played to warm the environment of the home. The round table in the breakfast area in the kitchen should be available for visitors to sit down if they have important questions or concerns.

As time goes by the display modules can be updated with wonderful lifestyle photography. At this time there is not enough finished areas to support a photo shoot. The renderings will work great for now. They feel historical and are very well done. The same artist should be used for the Oblique that created the current renderings.

6. MARKETING STRATEGY/AD CAMPAIGN/TRAFFIC GENERATION:

The mass marketing should continue but the images should change to reflect the signature Oblique along with the lifestyle renderings. During the timing of the Spring Grand Opening an aggressive direct mail campaign should be used to generate targeted traffic to the community. Because Bedford is a fairly unique type project – we must educate first excite second then drive the targeted buyer to the community.

We should carefully select the right targeted buyer profiles then create a series of direct mail pieces that work as a campaign and match the ads running in the mass market. The series of direct mail pieces should be as follows:

- 1) A development newsletter with an introduction letter inside – Articles for the newsletter should be:
 - a) Neo-traditional story – play up multiple lifestyles and neighborhoods plus 30 miles of sidewalks and 200 acres of green space (use John to talk about this)
 - b) Developer story
 - c) Future retail with Farmers Market
 - d) Builders story with testimonials
 - e) Realtor story with testimonials
 - f) Homeowners story with testimonials
 - g) Information Center with staff and photos of new sales displays
- 2) A fold over post card piece that shows the Oblique and creates a sense of being a part of this new town
- 3) A second post card piece that shows a streetscape and ask prospective buyers to join us for an open house weekend before the grand opening – early bird specials
- 4) A lifestyle rendering with the area site map showing what a great location Bedford is
- 5) A letter quoting several brokers who have testimonies of happy buyers – include a lunch coupon or something like this to encourage a visit
- 6) The grand opening preview party invite – VIP guests only at this
- 7) An invitation to the grand opening
- 8) A second newsletter touting the success of the project, the grand opening, etc...show lots of

Recommendations: There should be a combination of macro and micro advertising. The media mix should include a 6 – 8 piece direct mail campaign. The style of the ads should fit the neo-traditional look of the community's brand. The masthead of the newsletter should be permanent and should mirror the first start branding campaign. Direct mail pieces should be created to use as follow up for the prospects in the current database that have already visited the community and have not yet bought here.

7. **ONSITE SALES TEAM**

The co-op agents interviewed at our focus luncheon last week did not think the builders' agents in Bedford were skilled enough and seem to lack sales training. They said they were young and timid. They also commented that the Information Center agents were unskilled and did not seem to know how to close a prospect. This should be corrected. I believe Dawn could be trained but that Trish should be the administrative person or help only as a welcome person or hostess. Only skilled agents (Community Directors) who know how to sell the lifestyle of the project should handle the "close" on the prospects. A hostess can start presentations but the close should come from a trained Community Director. All this happens in about 8 – 12 minutes.

Recommendations: There should be two dynamic trained Community Directors in the Information Center. The number of homes sold each year should compensate them. They should know and understand the co-op Realtor community as well as they know the project.

The builders' agents should be trained and tested. If they do not pass the test they should not be allowed to hold a position in Bedford. It is that important! Bedford is so much more than just a subdivision, that it is important for all of the sales agents know how to sell its lifestyle as much or more than the homes or product. Training is needed for both the Community Directors and the Builders' agents. The new sales collateral should be used for the training and the training sessions should happen just before the grand opening so that all of the buyer activity is not miss-managed.

SUMMARY OF RECOMMENDATIONS

These are our top 10 recommendations:

1. Redo the signage as discussed above. Add elegant TND lifestyle signs throughout the community.
2. Redo the sales gallery. Provide Builders with Bedford lifestyle displays so that their story is consistent with the central gallery and that their agents can talk the lifestyle story..
3. Redo the sales collateral. Ensure that it is consistent with electronic campaign and print media.
4. Redo the Information Center staff to include 2 Community Directors and 1 or 2 admin people.
5. The Community Directors will be trained and change their compensation as suggested to include the overrides for builder sales.
6. The Builders' agents should be trained and given a team incentive to sell a certain number of homes as a team for the builders. Require each agent to have an orientation before they work in Bedford for a builder.
7. Start an aggressive direct mail campaign not only to a purchased list of targeted buyers but to the database of prospects who have already visited and the Broker community.
8. Hold a large Broker movie premier to introduce Bedford to them the night or two before the grand opening. Offer a sales incentive program of some type for the most homes sold this year.
9. I would call no less than 20 of the registered visitors to the Community to find out what their opinions were of Bedford.
10. Require all of the builders to have fully merchandised models and regular hours. Any builder who disobeys this could be terminated from the community.