

How to be Successful In A Difficult Real Estate Market

VW Homes hosts SMC meeting and builder panel at The Willows

In March, a packed room of builders, suppliers and news reporters turned out to hear eight Connecticut builders talk about how they were able to outperform the market over the past year, and more importantly, **over the first quarter of 2009!**

The Sales & Marketing Council invited the builders, and VW Homes hosted the event at The Willows, their successful new single family community in Wallingford.

VW Homes partners, Liz Verna (Verna Properties) and Bob Wiedenmann (Sunwood Development) participated on the panel.



L-R Randy Salvatore, Rob Mannarino, Mark Lovely, Jay Metcalfe, Chris Nelson, Johnny Carrier, Bob Wiedenmann & Liz Verna.

The eight builders represented different areas of the state, and their keys to success were just as varied. Bob Wiedenmann and Rob Mannarino are in towns like Wallingford and South Windsor, which offer unique homeowner advantages, and where they have little competition in new single family construction. Yet every builder on the panel was dealing with major roadblocks including:

- the sale of the prospect's existing home
- low consumer confidence
- the competition of discounted existing homes

BOB WIEDENMANN, SUNWOOD DEVELOPMENT/ VW HOMES spoke about The Willows, which is the first single family community in Wallingford in twelve years. Wallingford offers the advantages of low taxes, good schools and lower utility costs, because of the town's municipally owned electric company. The Willows is being developed for 65 homes on ½ to 1/3 acre lots. Bob and Liz hired nationally recognized housing architect, Jim Wentling, www.wentlinghouseplans.com, but before they designed the homes, they asked Connecticut Builder publisher and marketing consultant, Joanne Carroll, to conduct a focus group with potential buyers.

Bob Wiedenmann explained, "In this market, there's no room for error, so we did our homework. Some of the focus group results confirmed our assumptions about what buyers wanted, but we were surprised by some of the responses, and that allowed us to avoid costly mistakes."

As a result of this insight into what potential buyers considered "must have" features, Liz Verna added *woman focused* design elements, like a *drop zone* as you enter from the garage, a kitchen island with bar stool seating (see photo below) and a breakfast room, a large pantry lined with shelving, and a full laundry on the second floor.



Bob and Liz sold sixteen homes after their Grand Opening, but as the economy continued to slide, they made additional adjustments. They reviewed their specs and value engineered plans. They made more features optional to bring the price down; and they introduced a new, smaller 1,800 sf model, priced under \$400,000, as well as a ranch model.

Traffic is nervous, but they want to buy.

- Bob Wiedenmann

The number one roadblock to sales has been the sale of the existing home, so Bob and Liz began offering a *selling solutions program* at The Willows called *Smart Moves*, which is customized to each potential buyer with an existing home to sell. VW Homes will act as a counselor in obtaining a market analysis on the home, and help increase the home's market appeal with landscaping, de-cluttering and home staging techniques. In addition, they have a lender who can offer creative financing products to help with both the sale of the existing home and the

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purchase of the new home. Sales prices range from \$379,000 to \$550,000. In June, VW Homes signed a listing agreement with William Raveis New Homes Division, and their agent, Ann Francis, who has 30 years of experience in new home sales, is the on site sales manager. VW Homes controls advertising and promotion, as well as the options and selection process.

LIZ VERNA OF VERNA PROPERTIES had 15 sales in 2008 and 6 sales in the first two months of 2009 at *Whitney Crossing* in Vernon. The homes are 1,200-2,000sf and range in price from \$239,900-\$339,000. The \$8,000 tax credit has been very helpful with these first time buyers.