

## PRACTICE BRIEFING

### The Marketing of Extra Housing Schemes

#### Introduction

This briefing provides an overview of how specialist Extra Care Housing marketing services can ensure customer service standards, early capital receipts, reduced development interest and low commercial risk. It builds on the Housing LIN report, *Marketing Extra Care Housing*<sup>1</sup> (2009), to help identify the feasibility of developing Extra Care Housing.

#### The need for specialist marketing services

As recently identified in the Housing LIN/ADASS Strategic Housing for Older People Resource Pack, *Planning, designing and delivering housing that older people want*<sup>2</sup> (2011), specialist Extra Care Housing marketing advice is critical for high value capital projects. In particular, it should include:

- Market research, demographic age and care projections
- Marketing data analysis to define the appropriate “product model”
- Marketing design and specification brief should form part of the architect’s design brief
- Marketing strategy and sales exchange forecast programme should be established at scheme feasibility stage

#### Analysing the Market - Establishing the Product

Understanding the Extra Care Housing market and having the experience to determine the appropriate scheme model in terms of tenure mix, care profile, age profile, communal facilities and accommodation design is the key to positioning the scheme in the appropriate market sector. It is important to “future proof” scheme models from the outset to ensure long term demand and revenue viability. The SHOP Resource Pack advocates a Market Position Statement. However, specialist Extra Care Housing RICS valuation advice is also essential.

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<sup>1</sup> [www.housinglin.org.uk/pageFinder.cfm?cid=5396](http://www.housinglin.org.uk/pageFinder.cfm?cid=5396)

<sup>2</sup> [www.housinglin.org.uk/SHOP\\_resource\\_pack](http://www.housinglin.org.uk/SHOP_resource_pack)

## **The Project Management Team**

In order to advance the marketing of Extra Care Housing, many specialist providers are able to assemble a project team to include:

- Development
- Care and support
- Housing management
- Finance
- Commissioner (where relevant)

However, the vast majority of private sector and social housing providers do not have in-house specialist Extra Care Housing sales and marketing staff to compliment the operational management team. As a result, operational planning is essential. For example, planning and marketing an Extra Care Housing scheme programme is complex and inexperienced operational sales staff are unlikely to have the multi-discipline skills to successfully deliver a project on time. As a result, specialist support and staff training is important prior to embarking on high value capital projects.

Moreover, all members of the project team need to understand the scheme ethos and customer service standards and the importance these have on the sales and marketing programme. Indeed, failure to seek specialist Extra Care Housing marketing advice can result in:

- Poor customer service standards
- Designs and specifications which do not meet market expectations
- Inappropriate care and age profile models
- Unsuitable tenure mix for scheme location, including shared ownership
- Incorrect sales valuations
- Non-viable services
- High commercial risk
- Absence of contingency planning
- No clear marketing strategy
- Unrealistic programme planning and late sales release
- Poor understanding of local care eligibility criteria (where appropriate), nominations or choice based lettings arrangements
- Post development voids
- Loss of revenue income including rent, service and care charges

## **The Project Plan**

The project team need to incorporate all elements of the scheme model into the project plan, including:

- Scheme management ethos
- Management policies
- Selection criteria
- Nominations process
- Care assessment process
- Integrated care provision
- Provider and Local Authority synergy – scheme model interpretation
- Local Authority Housing and Elderly Care Strategy or Market Position Statement

- Links with local NHS e.g. primary care and/or acute hospital trusts
- Relationships with external professionals/partners
- Development programme
- Sales and marketing programme
- Financial targets and performance monitoring

Where external marketing consultants are engaged they should understand the provider must remain in control of the key decisions and, therefore, appropriate systems should be in place prior to the marketing launch.

## **The Marketing Strategy**

This section outlines some key components that should form part of a marketing strategy. They include:

### *Putting Customers First - Care from Enquiry Stage*

Before embarking on the professional aspects of Extra Care Housing sales and marketing, including the commercial objectives, it is important to focus on the overriding need to genuinely put the customer first. The saying “the customer is king” is as important in the Extra Care Housing market as any other market and this applies equally to all, regardless of tenure.

### *Understanding Customer Buying – Extra Care Housing Schemes*

Understanding the diverse range of older people’s needs and having empathy with them is essential. Many are unaware of the Extra Care Housing model and believe these schemes are akin to registered care homes. Many are vulnerable with health issues and face major change, perhaps having lost a loved one. Some are unfamiliar with the property sale and buying process and have major concerns about capital and revenue affordability. Equally they have concerns about care services and welfare benefits entitlement. Majority will need to sell their existing home to fund a retirement property.

Other sectors of the retired community are financially independent and seek an active lifestyle in lower dependency schemes. They are planning retirement with the guarantee of care in their own home should they need this in future years.

### *Getting To Know Customer Needs – Building Relationships*

The following are common to all elderly customers:

- Need to stay independent and live life to the full
- Confidential customer relationships
- Respect, politeness and courtesy
- Provision of quality advice and service information
- Non pressurised sales – space and time to consider purchase options
- Buying is more than a property purchase decision – customers need to trust the provider to care for them in their most vulnerable years
- Need to secure a retirement property reservation before marketing their existing home

Traditional property sales methods are inappropriate for Extra Care Housing retirement sales as customers need much greater help and support.

### *Commercial Targets – Selling in a Caring Environment*

It is possible to deliver a caring sales approach and meet the commercial property sales objectives. Care during the sales process ensures early reservations and healthy customer relationships in to scheme management.

The sales person who is professionally trained will use the appropriate style for the appropriate situation. In other words, they adopt a helpful caring approach for the elderly person and a commercial approach with solicitors and Estate Agents during the conveyancing progress chasing phase.

### *Thinking Strategically – Formulating the Marketing Strategy*

The following are some of the elements which should be addressed:

- Develop the brand
- Marketing budget
- Public awareness campaign
- Maximisation of publicity
- Media schedules
- RICS values and sales prices
- Marketing materials – USP's
- Marketing complex – development signage
- On site sales and care team training
- Revenue housing costs with Local Authority prior approval
- Methods for handling volume enquiries
- Sales release timing programme
- Affordability – customer capital and revenue forecasts
- Welfare benefits assessments
- Conveyance and performance management systems
- Sales exchange and legal completion target programme
- Capital receipts targets
- Logistics planning
- Complaints procedure

### *Extra Care Housing Lifestyle Marketing*

Early “Lifestyle Marketing” is an essential requirement to achieve off plan reservations and a successful sales programme with high levels of customer satisfaction.

## **Conclusion**

It is important for providers to understand the complexity of Extra Care Housing scheme marketing and seek specialist advice where necessary. The formation of a multi-disciplined project team, market research and analysis, strategic planning and operational staff training are key components. Bespoke marketing strategies are necessary for individual scheme models in different geographical locations and advanced “lifestyle marketing” is the key to success.

The provider ethos should focus on caring for and enabling older people from enquiry stage onwards. A well trained and caring sales team will deliver sales to commercial performance targets and maintain high levels of customer service in to scheme management.

## **Related Housing LIN products**

There are three essential Housing LIN resources available on our website that are relevant to marketing. They are:

### Resource Pack:

*Strategic Housing for Older People: Planning, designing and delivering housing that older people want* (2011) [www.housinglin.org.uk/SHOP\\_resource\\_pack](http://www.housinglin.org.uk/SHOP_resource_pack)

### Report:

*Marketing Extra Care Housing* (2009) [www.housinglin.org.uk/pageFinder.cfm?cid=5396](http://www.housinglin.org.uk/pageFinder.cfm?cid=5396)

### Case Study:

*Extra Care Housing in Cambridgeshire: Developing a Marketing Strategy*  
[www.housinglin.org.uk/pageFinder.cfm?cid=8558](http://www.housinglin.org.uk/pageFinder.cfm?cid=8558)

## **About the Housing LIN**

We are the leading national network for promoting innovative new ideas in enhancing the housing choices for older people and supporting change in the delivery of housing and related care and support services. The Housing LIN formerly managed the Department of Health's Extra Care Housing Fund and continues to raise the profile, raise the standards in housing with care.

To get involved, visit our website at [www.housinglin.org.uk](http://www.housinglin.org.uk)

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