

House & Home

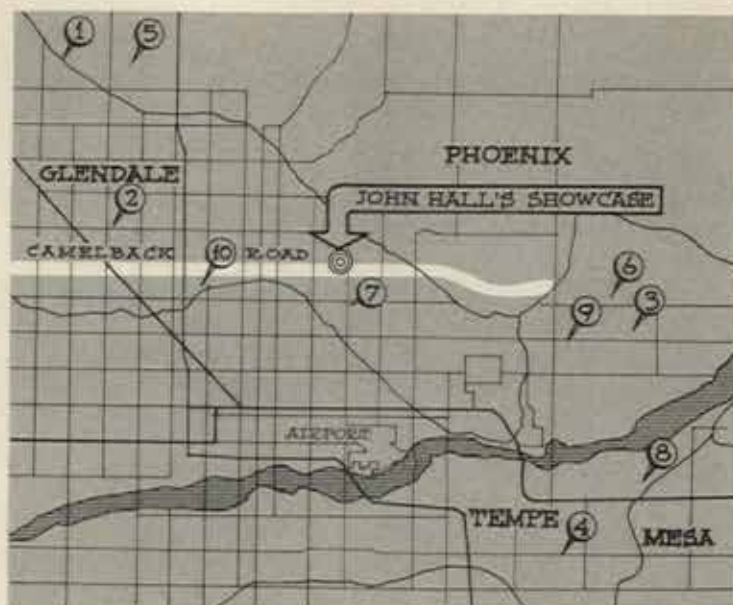
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Fast-selling townhouses in Alameda, Calif.

HOW A CRAFTSMAN BUILDER BEATS RISING COSTS

Also: Your own buyers can tell you how to make more sales



TEN SUBDIVISIONS of Hallcraft Homes are scattered throughout Phoenix but easy to reach from strategically located sales area (right). Nos. 1 through 5 are detached-house tracts; 6 through 10 are townhouse projects. Sales area, on main road from airport, attracts many Phoenix newcomers.



The economics of showmanship

Why a multi-tract builder clusters all his

Built on a main artery in Phoenix, this "Showcase of Homes"—ten model houses plus a sales building—serves two main purposes for John Hall's Hallcraft Homes:

1. It gives Hallcraft's models greater exposure (daily traffic past the site averages 54,000 cars), has thus increased sales in a so-so year for housing. Up to 15,000 visitors a day have shopped the models, and the company's sales rate is up 10%—from 76 to 84 units a month.

2. It has reduced Hallcraft's model-house inventory by more than \$1 million and cut the company's furniture investment by \$135,000.

Hallcraft builds in ten subdivisions in the Phoenix metropolitan area (map, above)—five for detached single-family houses and five for townhouses. The company also offers to build any model on a customer's lot.

Before he centralized his models—about a year ago—Hall maintained 37 fully furnished single-family houses, kept

a full sales staff at each subdivision and had to advertise each project separately.

Now he has only one or two unfurnished models (drapes and carpeting only) and a single salesman at each subdivision, and 75% to 80% of his single-family sales are made at the Showcase. What's more, Hall sells 5% of his Phoenix townhouses at the Showcase, even though its only townhouse merchandising aids are a scale model and brochures.

Hall's Showcase also makes for a more efficient marketing program

Once the single, high-traffic model area was established—by the end of May—Hall's over-all marketing costs dropped by 20% from their previous 5% to 6% or house price. Here, he says, is why the Showcase permits better marketing for less money:

Prospects can be exposed to a greater variety of model houses. Few subdivisions can afford the luxury of ten furnished



CENTRAL MODEL AREA with two-story sales and display building is near several large shopping centers. Passing traffic averages 54,000 cars a day.

models in one high-traffic location

models. By contrast, Showcase visitors can see all the most popular Hallcraft models, can pick out a lot in any of the five subdivisions and can sign a contract there and then.

Models can be replaced easily and economically. In the first six months of the Showcase operation, Hall tore down two slow-selling models and replaced them with new houses at a cost of only \$7,000 to \$8,000 each. Since the houses will never be occupied, wiring can be minimal (lighting circuits only), and plumbing lines are unnecessary. Also, when a model is scrapped, all valuable components (cabinets, plumbing and lighting fixtures, doors, windows, etc.) are salvaged for re-use. Finally, dismantling the houses costs Hall nothing because his carpenters and laborers do the job in exchange for the materials.

Advertising costs less. With one model area instead of five, Hall has found he needs far fewer ads to attract prospects. Since May, his advertising expenses have

been \$10,000 less per month than during the same 1966 period. That savings was partly offset this year because the company spent heavily for the Showcase opening. ("We probably overspent," says Hall, "but we wanted to be sure of getting off to a good start.")

Write-offs of lavish displays are eliminated. When a Hallcraft subdivision is sold out, the company needn't scrap an expensive display or sell shopworn models at a loss. And even before a new subdivision is opened, sales can start at the Showcase.

Traffic is consistent. The constant stream of passing autos, plus word-of-mouth advertising, has given the Showcase a steady flow of visitors, instead of the Sunday boom, weekday bust of most subdivisions. One result: Salesmen's hours can be scheduled more efficiently.

Sales supervision is easier. Sales Manager Dwayne Olson, who supervises 16 salesmen at the Showcase, now has direct

control of his men, and no longer has to spend a large part of his day driving from subdivision to subdivision.

But grouping all models in one area can also create sales problems

Says Hall:

Salesmen must be better trained and better informed. Instead of knowing just one neighborhood, for example, they must learn the individual characteristics—tax rates, school systems, transportation, shopping, etc.—of several.

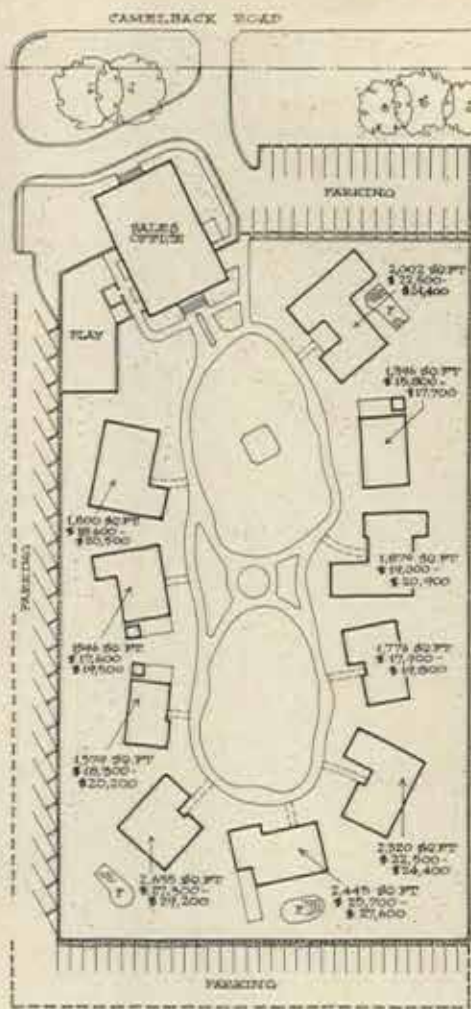
Some sales cannot be closed at the Showcase. Hall finds that roughly 30% of his serious prospects must be taken out to a subdivision before they will buy.

Heavy traffic makes it harder to qualify prospects. Many Showcase visitors are lookers who simply drop in on impulse. To weed them out, Hall now stations a hostess in each model. She answers general questions and calls in a salesman if the questioner seems seriously interested.

Here's a close-up look at Hallcraft's Showcase



TRAFFIC FLOW is channeled by carefully planned sidewalks. Extensive landscaping (cost: \$25,000) creates park-like atmosphere in strong contrast with desert-like look of surrounding area. Site plan at right shows range in house sizes and prices—1,396 sq. ft. to 2,635 sq. ft. and \$15,800 to \$29,200.



OPENING-DAY CROWDS taxed Hall's sales and display staff, but normal weekend and midweek traffic is more manageable.



PICTURE WINDOW IN SALES OFFICE gives visitors a view of Hallcraft's ten model houses in their landscaped setting.



TABLE-TOP MAPS of each subdivision let potential buyers position their houses in the area they select.



NIGHT LIGHTING makes impressive sales office a 24-hour advertisement for the Showcase and for Hallcraft Homes.