

Using Place Branding Strategy to Create Homebuyer Demand in Middle Neighborhoods

*Marcia Nedland
Fall Creek Consultants*

The fundamental law of supply and demand applies to neighborhoods as much as any other product or service. Leaders in legacy city neighborhoods know that when the supply of homes for owner-occupancy seriously exceeds demand, it will also be immediately apparent whether their neighborhood is a place where people with choices will choose to live.

While developing quality homes for purchase through the Neighborhood Stabilization Program (NSP), those working on neighborhood improvement learned that a neighborhood's image is just as important to its success in reaching prospective buyers as the quality and price of an individual home. Image exerts an enormous influence over the behavior and choices of homebuyers, particularly in a weak market with many choices of homes and neighborhoods at affordable prices.

Neighborhoods are dynamic places. People move in and out, and homes turn over regularly. All neighborhoods need replacement households to thrive—but not just any replacement household. They need households who are able and willing to maintain neighborhood standards of property maintenance and community life in order to retain existing neighbors and attract new ones. Replacement households that do not contribute to these goals, such as investors who are incompetent or only interested in cash flow, undermine confidence and hasten the depopulation spiral.

When neighborhoods fail to attract appropriate residents, neighborhood leaders often think they need a promotion strategy to improve the neighborhood's reputation. But a promotion strategy will not work if the product—the neighborhood—is not competitive. The special challenge that legacy city neighborhoods face is that being just an adequate place to live is not enough to compete for a shrinking pool of homebuyers.

Legacy City Neighborhoods Need A Special Strategy For Revitalization

In my experience working in legacy city neighborhoods throughout the Midwest, Southeast, and Northeast, I've seen many local governments and other community developers struggle to redirect declining neighborhoods. Besides the obvious market challenges, I believe there are two main reasons for this struggle.

The first is that community developers are working with tools that are designed to create housing supply instead of increasing demand in neighborhoods where there is already too

much supply. Federal housing policy has largely devolved into addressing only what policymakers living in major, high-demand cities see as the problem: scarcity of housing and high housing prices. The key tools and funding available to cities and nonprofits are the Community Development Block Grant (CDBG), the HOME Housing Investment Partnerships Program (HOME), and the Low Income Housing Tax Credit (LIHTC), all of which are income-restricted supply programs. These income constraints and the increase in supply makes sense in markets where, absent these programs, the neighborhoods would be flooded with high-income households, and where the absence of affordable housing would drive more moderate-income people out. This, however, is most certainly not the case in legacy cities. All of these federal programs are also focused on unit production, assuming that every place needs additional supply. In fact, new units in low-demand communities can draw the strongest households away from other housing, creating lower values and more vacancy.¹

The second reason for the struggle in finding the right approach to neighborhood improvement is that planners, city officials, and neighborhood leaders tend not to see neighborhoods as competing with each other. They have been conditioned to seek only the perspectives of current residents and businesses in defining goals and strategies for improvement. This commitment to citizen participation in planning processes, while appropriate, has omitted a critical participant: the desires of new households. Without input from potential newcomers, planners and leaders may design approaches that reduce the number of deficits in the neighborhood, without creating and communicating net value that is meaningful to prospective homebuyers, who have many affordable choices of homes and neighborhoods.

A discipline called place or destination branding could transform work in legacy cities.

Place Branding: History and Definitions

Branding is what creates the difference in our minds between a cup of coffee and Starbucks, between a room at a Holiday Inn and a room at a Hampton Inn, between a Budweiser and a Stella Artois. Product branding, therefore, differentiates a product from its competitors.

Place branding evolved as a fully integrated discipline distinct from product branding in the late 1990s. One of the earliest examples is the Australian “shrimp-on-the-Barbie” campaign for Australian tourism. Today, it is common for nations, states, and cities to adopt a brand strategy to take control of, or at least shape, their reputation with important target markets.

Place branding is not the same as marketing a home for sale or even designing a logo for a neighborhood. Place branding is an integrated approach to repositioning a place to attract demand, whether it be visitors, home buyers, business interests, or development. Place branding views the place as a product competing with others for target customers. A brand is how others see the place, rather than how those in the place see themselves. It is the place's reputation, created by the experience others have when they come into contact with the neighborhood,

1 This could be a fine strategy if the only goal is to replace substandard housing, but to avoid further weakening the market, one would have to remove the substandard housing altogether.

either by visiting and experiencing it for themselves or hearing about it from others.

Place branding helps leadership develop a guiding vision for a place with the target markets necessary to its survival, and then aligns all actions and communication to support and reinforce the brand. In place branding, this vision takes the form of a brand statement or brand promise. A brand statement is king. It is arrived at through a well-researched process in which leadership prioritizes goals for demand, identifies target markets that can deliver that demand, understands what these market segments want, and compares those customer wants with what the place has to offer.

Brand statements (which are akin to a vision statement in terms of prominence in the planning hierarchy) are built around a small number of attributes of the place that meet three criteria:

- **They are important to target markets:** Low-demand neighborhoods must prioritize the assets and amenities they want to invest in. One way is to focus on what matters to the prospective households. For example, a social service agency may be seen as an asset to current residents, but if it is not a compelling attribute to potential home-buyer target markets, it will not be useful as a core brand attribute.
- **The place can deliver the attributes reliably and well:** It is not useful to build a neighborhood's reputation on an attribute that the neighborhood does not excel in. For example, good schools are often highly important to homebuyers. But improving underperforming schools is a long process. In the near term, it may be better to market the neighborhood to the many childless households that might be attracted to the neighborhood for its other assets, such an urban feel with closeness to downtown.
- **The place delivers the attributes better than competing places:** A neighborhood should build its brand around attributes that are special enough to give a target home-buyer a reason to choose that neighborhood over other similarly-priced neighborhoods. In a legacy city, there may be many low-cost neighborhoods that have old houses with character, but only one that also has recreational trails or an international restaurant scene or an annual jazz festival or is next door to a university.

The attributes that meet all of these criteria become the core brand attributes around which the brand statement is created. For example, a group of five neighborhoods in Pocatello, Idaho, decided to co-brand under the name "The Neighborhoods of Historic Old Town". After many focus groups, interviews and other market research, the Old Town neighborhoods decided their core brand attributes would be:

1. **Healthy, Active Lifestyle:** These neighborhoods are home to trailheads of a wonderful new Portneuf Greenway, many parks, easy access to the foothills, and are very walkable with a dense grid layout.
2. **Exciting Downtown Location:** One of the five neighborhoods in Old Town includes the historic downtown business district, which has many events, eclectic dining and specialty shopping.

3. Friendly Neighbors: The local NeighborWorks network affiliate, NeighborWorks Pocatello, is organizing neighbors in each of the five neighborhoods through social and beautification activities to leverage the existing sense of community spirit.

Based on these core brand attributes, leaders crafted the following brand statement:

“For people who want a healthy, active lifestyle in a downtown location, the Neighborhoods of Historic Old Town are the gateway to a unique mix of urban vibe, outdoor recreation, and eclectic dining and shopping—all in a walkable community with friendly neighbors.”²

Once a community has identified its core brand attributes and its brand statement, partners are trained on the brand, and all of the actions taken in the place and messages communicated about it are shaped to ensure that the neighborhood delivers on its promise.

Adapting Place Branding to Legacy City Neighborhoods

Place branding adds a useful and novel perspective to the typical program planning process for neighborhood improvement. First, it does not limit target markets to current residents. If goals for neighborhood health include typical market indicators such as more owner-occupant homebuyers, stronger home values, and less vacancy, target markets will include prospective homebuyers and real estate agents as well as existing residents. The place branding process will compel leaders to learn a lot about what these target markets want and who their competition is.

Second, in the course of thinking beyond the needs and interests of existing neighborhood residents, neighborhood leaders typically see their community with fresh eyes. The definition of success becomes making the place good enough to attract newcomers as well as retaining existing residents. In legacy cities, any standard less than this will fail to restore neighborhoods to a healthy market condition.

Successful place branding requires leaders to identify and strengthen those attributes of a place that meet all of the three criteria noted above. Once identified, these core attributes are worked into a brand statement that expresses who might be attracted to the neighborhood and why. Once that brand statement is created, the goal is to organize resources (programs, communications, events, incentives, projects) to build on and reinforce the promise the brand statement makes. A basic principle of place branding is that every act of promotion, communication, policy or program must be seen not as an end in itself but as an opportunity to build the place’s image and reputation.

One of the challenges in rebranding a neighborhood and identifying prospective buyers is to match the assets of the neighborhood to the many niches in the housing market that might be attracted to a neighborhood. Existing residents and planners often have a narrow view of the kinds of movers who might be interested in the neighborhood. They often think

² NeighborWorks Pocatello worked with Fall Creek Consultants (with which the author of this chapter is affiliated), a neighborhood branding and market-rebuilding company based in Ithaca, NY.

in general terms, when far more calibrated analysis is needed. For example, discussions about attracting newcomers often get bogged down in quality of schools. Yet, two-thirds of households in the United States do not have school-aged children. More households have dogs than children in the United States. Millennials, for example, may be attracted to a particular neighborhood because of its location, housing style, or access to parks and other outdoor recreation. Empty nesters seeking urban living may want smaller homes and yards, walkable access to downtown retail and cultural events, and a neighborhood with the character and charm that was lacking in the suburbs in which they raised their children. These Millennials and empty nesters are two categories of households without children, and there are many subcategories. One leading housing market analyst lists 15 subcategories for each of these two groups.³

Place Branding at Work in Weak Market Neighborhoods

A small but growing number of legacy city neighborhoods are using a place branding approach to neighborhood revitalization. I outline a few below.

Nobo, Columbus, Ohio

One of the most common ways for community developers to use place branding is through clustered real estate development, like that in the North of Broad neighborhood in Columbus, Ohio. Homeport is the nonprofit developer that managed the project and worked with existing neighborhood leaders to create the NoBo brand strategy.

NoBo, or “North of Broad,” refers to an area along North 21st Street that is north of Broad Street. This area, which includes approximately 200 households along Long Street, North 20th, North 21st, and North 22nd streets, has a rich history of African American culture and music. During the 1930s through the 1950s, the neighborhood was a hub of the African American community, with many jazz clubs and African American–run businesses. The neighborhood began to decline in the 1960s with the construction of Interstate 71, which cut through the city and isolated many parts of the neighborhood. Vacant properties soon became common and many homes were converted into poor-quality rental properties. Some buildings were torn down, and fires destroyed others.

Homeport planned carefully to make sure all of the ingredients of a successful revitalization project were present, or achievable before they decided on a target area. One of the primary considerations was scale. The neighborhood that was later defined as “NoBo” is positioned in a much larger neighborhood – called “King Lincoln” – that suffered from all of the same negative impacts of disinvestment. By focusing first on a smaller area, Homeport



3 Laurie Volk, Zimmerman and Volk, http://www.zva.cc/zva_transect.pdf

felt it could better control and manage the redevelopment – and maintain a vibrant perception of the many exciting changes about to take place, including removal of blighted and abandoned houses and construction of new homes.

The neighborhood had declined to a point where new construction was seen as the right strategy to invigorate reinvestment. The first buyers of new homes were “urban pioneers” (people who had a high tolerance for risk and valued an urban environment) and people that were already affiliated somehow with the neighborhood. . They were already interested in moving into the neighborhood, and Homeport helped them do that by building a housing product they liked, with financing they could access⁴.

The next wave of buyers were people priced out of adjacent neighborhoods, who could see high-quality development happening and felt confidence in the future of the neighborhood. As more construction could be seen on N. 21st Street, Homeport received more contracts for new homes. This all happened during a very weak national market, 2009 – 2012.

Leadership knew that the homes would not sell unless Homeport also “sold” the neighborhood. To do that required dispelling misperceptions and focusing on the area’s many attractive features. North of Broad needed to be rebranded.

The NoBo brand focuses on 1) high-quality new homes with attributes that are competitive with suburban options, 2) youthful, urban, trendy location, and 3) jazz music history in the neighborhood.

Homeport created marketing messages that played up the 1930s and 1940s jazz theme, using taglines such as “Cool digs, right downtown” and “Jazzed up homes in a grand old neighborhood.” A new logo played off that same jazzy theme: a penguin in a tuxedo. This identifiable character drew attention to the neighborhood and helped give it a new persona. All marketing materials include a tagline and the logo and bright, modern colors to give a positive and exciting impression.

The brand guides the overall neighborhood revitalization strategy. In addition to housing strategies, for example, Homeport teamed up with a historic theater in the neighborhood that had a vacant storefront. Homeport established an art gallery there and now pays the utilities for the space. The gallery features local artists on a six-week rotation, and presents information on Homeport programs and homes for sale. Volunteers operate the art gallery, and local businesses and nonprofits host occasional happy hours and other events in the space.

The agency integrated its marketing and homeownership strategies through monthly strategy meetings. Homeport also worked closely with a real estate agent who held all of the North of Broad listings.

4 The City of Columbus helped by providing subsidy raised through a bond issue that helped bridge the difference between development cost and appraised values—with no income restrictions. A special first mortgage product was created by Huntington Bank especially for buyers of the new NoBo homes. This portfolio product allowed for a low downpayment and modified underwriting during the worst of the national credit crunch. Later, NSP funds were also used as subsidy.

While many other city neighborhoods in Columbus saw decreases in home values, appraisals in the North of Broad neighborhood grew. In a deliberate market-building strategy, Homeport sold the first homes in the \$125,000 range. Gradually, sales prices moved up to the \$140,000 price range. Attracting mixed-income buyers supports Homeport's desire to create long-term, sustainable neighborhoods that are not solely dependent on subsidies to grow and thrive.

Homeport has begun the same process on adjacent blocks, incorporating a rehab component into the development strategy in an effort to save the large, stately brick duplexes on N. 20th and surrounding blocks.

Middle Main, Poughkeepsie, New York

In the 1800s, Poughkeepsie was known as the “Queen City of the Hudson” for its thriving shipping trade, paper mills, and breweries. Like other manufacturing cities, Poughkeepsie suffered economic decline in the late 20th century, followed by residential disinvestment and blight. Many of the old mill buildings were demolished to make way for new development, but the area continued to struggle.

Hudson River Housing was formed in 1982 to provide shelter and services to a growing population of homeless people in Poughkeepsie. During the last decades, Hudson River Housing expanded its work to develop permanent affordable housing for people of a variety of incomes, focusing much of its efforts in the northern part of Poughkeepsie, home to many of the city's low income and minority residents.

Hudson River Housing focused its redevelopment efforts on the Middle Main neighborhood, which includes a five-block stretch of mixed-use Main Street and surrounding residential blocks. As part of a NeighborWorks America program, the agency received a grant and technical assistance to develop a brand strategy and marketing campaign for the neighborhood. A national place-branding consultant worked with staff and the neighborhood on a brand and campaign.

Goals for the neighborhood's revitalization include cultivating a thriving retail district on Main Street, redeveloping a vacant mill building as mixed-income housing, and attracting and retaining a diverse group of neighbors committed to improving the quality of life in the neighborhood. The neighborhood's brand was built around its eclectic and quirky mix of neighbors and businesses, openness to new ideas and possibilities, and up-and-coming position as a place of opportunity.

Middle Main's brand statement is expressed in a “brand platform” format that addresses the target audience, a geographic frame of reference, the “point of difference” or competitive edge the neighborhood has, and the benefit the neighborhood offers its target audience.⁵

⁵ Hudson River Housing worked with the place branding company Northstar, headquartered in Nashville, TN.



The neighborhood also created a logo, including the tagline “just a little off center” to recognize both its geographic location (a block off the main downtown business district) and its quirky eclecticism.



Strategies to promote the brand included a mix of promotional, community building, economic development, and physical improvement strategies, as one might expect with any revitalization plan. However, Middle Main’s strategies are all inspired by and operate within the framework of the brand statement. This coordination works to leverage the power of each strategy, but the most important difference is that all strategies are oriented to rebuilding the market and cultivating demand.

Staff maintains an active Facebook page for the neighborhood and fills it with posts that reinforce the brand elements. A "Made in Middle Main" campaign signs up neighborhood businesses to be active partners in promoting the brand. In turn, the businesses are heavily marketed on Facebook and through other channels. Hudson River Housing supports and promotes neighborhood events celebrating cultural history (such as a Dia de la Muerta cookie decorating event at a local bakery) in partnership with local businesses, and businesses have access to business and leadership education.

Early results include:

- Hudson River Housing trained fifteen community leaders through its first Leadership Training Program, taught entirely in Spanish. Several leaders subsequently launched new initiatives in the neighborhood, including a 24/7 Spanish-language radio station with nine live programs; a bi-weekly “Intercambio” language exchange; and a Multicultural Council hosting monthly movie nights, special events, and planning for a Multicultural Festival this summer.
- The Dia de la Muerta 2014 festival brought 400 people to the neighborhood (up from 40 in its first year, 2011), some coming from more than twenty miles away.
- Seventeen businesses participate in the Made in Middle Main campaign. A series of workshops (pizza making, flan making) is being launched to highlight them.
- A 2014 inventory of businesses showed that vacant storefronts decreased by 26% in the previous year.
- A resident survey showed 74% of residents are satisfied with the community, and 68% would recommend it to others.
- There has been an uptick in inquiries regarding properties for redevelopment, with six private investors/developers reaching out for information or partnership possibilities in a recent six-month period.

The mill building is in the process of being developed; Hudson River Housing hopes the place branding and business development work will be a major factor in building greater residential demand (from a variety of income groups) for both existing homes and those in the mill building. Meanwhile, the organization is turning current residents into enthusiastic brand ambassadors.

Layton Boulevard West, Milwaukee, Wisconsin

The Layton Boulevard West neighborhoods – Silver City, Burnham Park and Layton Park – are clustered on the southern border of the Menomonee Valley, a 300-acre brownfield redevelopment area that runs through the center of Milwaukee, Wisconsin.

In the late 1800’s, the Valley employed thousands of workers in industrial jobs, and they established the first residential neighborhoods west of downtown. But by the late 1900s, as manufacturing practices changed, the Valley became a blighted area with abandoned, contaminated land and vacant industrial buildings. Bridges into the Valley were demolished, and businesses left. The neighborhoods adjacent to the Valley declined along with it, losing jobs and population.

In 1998, city leaders joined forces to create a redevelopment plan for the Valley, and in the past ten years, 39 companies moved in and 5,200 jobs have been created. The contamination of the site has been mitigated and the Valley now enjoys 45 acres of native plants, seven miles of trails, and a nationally recognized storm water treatment system. The Valley

is the location of the Milwaukee Brewers' stadium, and 10 million people visit the Valley for recreation and entertainment each year.

Meanwhile, the nonprofit Layton Boulevard West Neighbors (LBWN) has been working on revitalizing the three neighborhoods it serves through a market-building strategy that seeks to rebrand the area, build confidence in the future among internal and external stakeholders, update housing stock and attract owner-occupant homebuyers.

In the mid-2000s, Layton Boulevard West neighbors developed a neighborhood marketing plan⁶ that focused on the goal of reversing the trend of home sales to absentee investors. The plan identified target markets for new homebuyers by examining recent buyers, who represented young, multicultural households seeking high-quality homes in a friendly, urban location. One of the first strategies was to produce a video with testimonials by these recent buyers talking about why they chose the neighborhood. Talking points included high-quality homes with character; friendly, diverse neighbors; access to recreational opportunities in the Valley; and the international flavor of retail businesses.

LBWN promotes these key assets through an array of events such as tours of homes for sale, historic home tours, and the Silver City International Food and Art Walk; a website; a newsletter; partnerships with Realtors; and more videos and related marketing materials.

The rebranding of the Layton Boulevard West neighborhoods has had a great impact on the area's image and on home sales.

- Since 1995, LBWN has connected neighbors with resources to renovate over 1,000 homes resulting in \$7.2 million in neighborhood investment.
- Since 2006, LBWN has facilitated 71 home sales resulting in \$6.2 million in neighborhood investment.
- Since 2012, LBWN has conducted two Tour of Homes events each year to attract new homebuyers to the neighborhood. As part of the Tours, LBWN administers pre- and post-event surveys to gauge perceptions of the neighborhood. In aggregate, responses show a pre-tour "positive perception" of 78% and post-tour positive perception of 87%.
- While this 9% increase is significant, even more significant is that prior to the Summer 2013 tour, the normal starting point on the pre-tour survey would range from 50-60%. Because of the other branding work LBWN did up to Summer 2013, the organization believes that more recent home tour attendees start with a much higher positive perception of the neighborhood, which increases even more with the tour.

Geneva, New York

The small city of Geneva (population 13,199) is located in western New York State's Fingerlakes region. Despite its location at the top of the beautiful 38-mile Seneca Lake, and its status as the home to William Smith and Hobart Colleges, the city in 2008 was declining

⁶ With Fall Creek Consultants in Ithaca, NY.

by a number of measures. Population was declining, poverty was concentrating, owner-occupancy and property values were down, and city leadership felt it was not getting the kind of results it sought for investment of money and staff resources.

As the largest town in a rural area, Geneva attracted a disproportionate share of social services and very low-income households. Its reputation in the region was increasingly associated with urban problems that drive buyers with choices away. Residents of all incomes felt overwhelmed and unable to control their environments.

The City engaged a planning firm that specializes in residential market-building strategies⁷, which advised them to organize the residential blocks into neighborhoods, name them in dialogue with residents and begin investing in a number of strategies to build social connections and leadership within the newly defined neighborhoods. This leadership was incentivized with small grants and staff support to raise standards of curb appeal and improve quality of life in other ways that were meaningful to them.

Meanwhile, the City examined and reorganized all City services to build confidence in the future of the city and its neighborhoods; both with existing residents and business, and with potential ones. Services were analyzed to focus on how traditional service delivery platforms aligned with neighbor expectations, and amended where appropriate. The City reorganized its community development programming and rebranded the vehicle for delivery as the Office of Neighborhood Initiatives. Its chief product, the Geneva Neighborhood Resource Center, was relocated to a downtown storefront, and serves today as a hub for neighborhood support activities.

• BRAND ESSENCE •

(our DNA, Heart and Soul)

BEAUTIFUL:

Perhaps the most inarguable part of the brand, the beauty of the area speaks for itself. It applies to the natural beauty as well as the aesthetic appeal of the built environment.

HISTORICAL:

Geneva's architecture has remained intact amidst urban renewal era, adding greatly to the beauty of Geneva. This architectural wonder is situated in a part of the country rich with unique stories to be told.

UNIQUELY URBAN:

A cross between a small town and a big city, Geneva's downtown has a palpable vibrancy, where there is always something to do. This element also speaks to the diversity— of the population, backgrounds, perspectives— all of these bring something different and unique to Geneva. Residents and visitors find a wide— and growing— selection of restaurants and a vibrant college community.

⁷ czbLLC, headquartered in Alexandria, Virginia.



the city, regardless of income. Staff works to source good contractors and good materials for those contractors. The City is too small to receive very much HUD funding. It uses the CDBG and HOME grants it has, combined with general revenue and foundation grants to focus heavily on building curb appeal and social connections.

During the implementation of the neighborhoods strategy, the City contracted with the Ad Council of Rochester, New York to create a brand strategy, which dovetails nicely with the market-driven neighborhood strategy. The core elements of the brand are “beautiful, historical and uniquely urban”, described above as the “brand essence”.

The city created a new logo, and each neighborhood has been developing its own logo, with matching entryway signage and street sign toppers.

The City heavily integrated brand elements and neighborhood strategic planning efforts into the annual budget and operational planning exercises. At the onset of each investment strategy round, City Departments and any other organization seeking City funds are provided with copies of the brand elements, and charged with tying any request for discretionary spending to an element of the brand. Investment proposals for programs, services, or facilities are ranked according to their alignment with branding and neighborhood strategy.

This intense focus on brand and market-based strategy is beginning to pay off. The City recently conducted an update to its block level analysis of housing conditions. In areas where neighbors engaged in strategic planning and branding efforts, housing conditions are showing marked improvement. Nine of the City’s eleven originally-identified neighborhoods have active neighborhood associations; all of which have engaged in strategic planning and place-based branding and marketing.

In 2014, the City began an aggressive program of marketing the neighborhoods—contracting with nearby Neighborworks Rochester to engage a communications staffer in promoting the assets of each neighborhood through traditional and social media. The City also engaged directly with area Realtors, providing neighborhood “personality profiles” and recruitment toolkits in order to present prospective residents with an array of positive choices and neighborhood-crafted messaging designed to highlight the most marketable aspects of each place.

Implications for Practitioners and Policymakers

A place-branding approach to rebuilding demand in weak neighborhood housing markets has important implications for practitioners and policymakers.

For many practitioners, the special challenges of place branding will require new ways of thinking and acting. These include:

1. Understanding that the proper goal in many legacy cities neighborhoods is rebuilding neighborhood real estate markets to a sustainable point of demand and supply. Without this goal, actions often do not help the neighborhood compete for a dwindling supply of homebuyers, good landlords, and renters.
2. Understanding that practitioners must view the neighborhood brand as a strategic framework for all other actions, rather than as incidental or secondary to core business.
3. Understanding that neighborhood revitalization is different from providing affordable housing, and that neighborhood branding strategies should focus on reaching new market segments, without regard to income limits.
4. Understanding that practitioners must help current residents, staff, board members and funders transform fears of gentrification (which are largely irrational in weak markets) into an informed, thoughtful course of action that translates goals for the neighborhood into concrete target markets and strategies to recruit homebuyers, landlords, and renters.
5. Ensuring that neighborhood leaders, real estate agents, and others concerned with neighborhood recovery understand the local market and its competitors, and remain objective about the extent to which the neighborhood is succeeding or failing to attract target markets.
6. Understanding that neighborhood revitalization strategies must balance the interests of current residents with the preferences of those being wooed to the neighborhood. Planners are very good at the former, but need more skills in reading the interests of the potential newcomers.
7. Understanding that someone is needed to train, influence, and coordinate a large number of stakeholders who influence the neighborhood's brand, but who are independent of the lead organization.
8. Creating organizational and neighborhood leadership that works to maintain a culture in which everyone is responsible for applying the brand in communications, program design, activities, events, policy and behavior, not just the "brand manager".

Although these may seem like big changes, the place-branding industry⁸ has strategies and best practices developed to work with municipal and national clients that can help.

Policymakers have their own set of perspectives and practices that could be better aligned to produce market change through place branding:

1. For funders, gentrification in middle neighborhoods in legacy cities should not be the primary concern: continued decline is the bigger worry.
2. Funding should be available for demand strategies, not just for building supply. Nowhere is this more critical than at HUD because HOME and CDBG and the LIHTC (and previously NSP) are the sources of funding on which so many practitioners rely. HUD needs an ability to distinguish weak and hot markets, and adjust expectations and funding accordingly.
3. Because they are so much more attuned to regional and local markets, states should invest in place branding strategies, particularly in ways that align with economic development strategies.
4. Where lack of demand by homebuyers is a critical factor in decline and vacancy, funding should allow for housing products and incentives without regard to income limits (that is, not just for those earning below 80 percent of area median income).
5. New partnerships should be forged between community developers (especially those focused on housing) and organizations that are historically more market savvy and demand-oriented, such as local tourism bureaus, some real estate boards, chambers of commerce, and the more entrepreneurial economic development departments. The natural instincts of these types of organizations could lend perspective and capacity to nonprofits and housing departments trying to adapt.
6. Training for practitioners should more effectively build capacity to implement demand strategies, including place branding. This includes helping practitioners cultivate and maintain detailed, timely knowledge of local housing markets that will help them adjust strategies to compete effectively⁹.

⁸ Entities in the industry of place or destination branding include for-profit brand development agencies; convention and visitor bureaus, which are sometimes generically called “destination management organizations” or DMOs; and two national trade associations, one for the for-profits – the Association of Destination Management Executives or ADME – and one for the nonprofits – Destination Marketing Association International or DMAI. The industry seems to be more weighted to tourism than other goals.

⁹ For example, with my colleague Karen Beck Pooley of czb LLC, I’ve been examining shares of sales to owner-occupants and to investors against price range and number of bedrooms and baths. I’m finding that homes priced below \$50,000 and homes with only one bathroom are very difficult to sell to an owner-occupant buyer. Neighborhoods with a big share of these homes must develop strategies to update them physically and build values to get mortgage-qualified owner-occupants to even look at them. But most community development organizations lack this kind of market data.

NeighborWorks America's Neighborhood Marketing Program

Both Homeport and Hudson River Housing are graduates of NeighborWorks America's Neighborhood Marketing Program, the only national example of an effort to build the capacity of community development organizations to promote place branding in neighborhoods. NeighborWorks America launched its Neighborhood Marketing Program in 2012 to partner with communities to create strong neighborhood brands and rebuild market demand. Through the first two rounds of the program, NeighborWorks supported 33 of its network member organizations across the country in developing neighborhood brands and implementing a range of creative strategies aimed at bolstering neighborhood strengths, increasing pride and confidence, and attracting and retaining residents, businesses and investment.

Through a competitive proposal process, grant winners receive the services of a branding and marketing consultant¹⁰ to help articulate goals, research the market, and develop a brand statement and strategies for cultivating the brand. Where needed, NeighborWorks provides the services of a graphic designer to create a logo for the neighborhood. A small cash grant is awarded to seed implementation of the strategies, and grantees share challenges and successes through peer exchanges and other training. Funding for the program has come from Wells Fargo Housing Foundation, Citi, and Capital One.

The program is administered by NeighborWorks America's Community Stabilization Initiative, a department initially created in response to the foreclosure crisis to assist member organizations that were working to stabilize neighborhoods hit hard by foreclosure. Most often, the organizations were redeveloping foreclosed property as subgrantees to participating jurisdictions in the federal NSP program. Like many NSP grantees, these organizations often faced challenges selling redeveloped homes because of a weak market and a scarcity of qualified buyers. The other clear impediment was the image of the neighborhoods in which homes were located, and their inability to compete against places with better known amenities and positive reputations.

From this experience, NeighborWorks developed the Neighborhood Marketing Program as a hybrid marketing/revitalization strategy framework that helps nonprofits reposition neighborhoods and rebuild healthy real estate markets that can attract the replacement households they need to grow and prosper. Key elements from this approach include:

- **An Assessment of Neighborhood "Readiness:"** Neighborhoods have varying levels of "readiness" to undertake a neighborhood marketing campaign – especially a campaign focused on attracting new homebuyers. In selecting participants for the program, NeighborWorks America seeks to identify neighborhoods where community stabilization efforts have resulted in tangible strengths. That's not to say that

¹⁰ NeighborWorks America contracts with a number of consultants who have experience with branding or with weak market neighborhood revitalization, or both. One of the growing accomplishments of the program is the development of a pool of contractors who understands both disciplines and can combine them in hybrid branding/revitalization plans.

everything needs to be perfect. But there should be signs of growing optimism and confidence in the future of the neighborhood (e.g. residents speak favorably of the neighborhood, the housing market has stabilized, and efforts to address blight or crime are gaining ground).

- **Resident and Stakeholder Engagement:** Place brands need to be owned at the grass-roots level. No single organization or entity can (or should) control the brand. In order to be sustainable, residents and other stakeholders need to embrace the brand and adopt it as their own. The Neighborhood Marketing Program includes steps to engage residents, business owners, nonprofits, real estate agents, media, anchor institutions and other community stakeholders in the process of defining the new brand and implementing the resulting marketing campaign.
- **Internal vs. External Marketing Strategies:** Related to the points above, the Neighborhood Marketing Program encourages participants to undertake marketing strategies directed at both internal and external audiences. Internal marketing is aimed at creating pride among existing residents and inviting their participation in community-building activities. This serves to create confidence, build excitement and reinforce the strengths that underlie the new brand. As a result, internal marketing creates the preconditions necessary to begin to market the neighborhood to external audiences (e.g. new homeowners).
- **Building on Strengths:** Place branding is inherently asset based; the goal is to identify, enhance and promote the special qualities that make these neighborhoods unique. This is different than many revitalization planning efforts that begin with a problem statement and offer strategies to address deficiencies. The asset-based orientation that is at the core of the Neighborhood Marketing Program approach serves to energize residents and stakeholders who might not get involved in traditional “crime and grime” efforts. Instead of responding to problems, residents and stakeholders are encouraged to participate in fun activities that create a sense of pride and buzz for the neighborhood.
- **Taking Risks:** The work of place branding is substantially different than many of the Neighborhood Marketing Program participants’ core business of real estate development. Place branding requires a holistic view of the neighborhood’s place in the regional marketplace, brand attributes and target markets. Marketing campaigns aimed at attracting homeowners, businesses and investment requires testing new ideas and exploring creative ways to make the neighborhood stand out amid the competition. Taking a risk on an edgy marketing tactic (e.g. the North of Broad penguin or the Middle Main “little off center” tagline) can pay dividends. The Neighborhood Marketing Program participants are also equipped with an evaluation framework to assess what works (and what doesn’t) so they can continue to innovate and adapt to ensure that the marketing messages are having the desired effect.

NeighborWorks organizations that are participating in the Neighborhood Marketing Program have reported gains in two main areas. First, the program has fundamentally reshaped the way many of the participants approach their community stabilization efforts. Realizing that the new brands need to be reinforced by positive conditions on the ground, the participants are undertaking creative strategies to bolster neighborhood strengths. This asset-based approach has led to renewed enthusiasm and engagement among residents and has leveraged additional partners and funding to support the neighborhood marketing and community stabilization efforts.

Second, the participants have made tangible gains in fostering neighborhood pride and attracting attention from their key target markets, including external audiences. This has been accomplished through a wide range of marketing tools and strategies, including neighborhood websites, newsletters, videos, events, and more. Although the campaigns are still in the initial stages, several organizations have also credited the program with enhancing their ability to sell homes in their target neighborhoods.

Conclusion

For a low-demand neighborhood to stand any chance in catching the eye of real estate agents and homebuyers in a highly competitive marketplace, it is essential that everyone is playing from the same sheet of music. Everything the neighborhood does and says, how others talk about it and make policy about it, and how it looks and feels to current and prospective residents, must reinforce the same compelling story, the same values, the same personality. This story must be one that conveys the neighborhood's unique and positive attributes to households who have choices among many neighborhoods, and the revitalization strategy must prioritize the cultivation of those attributes. Place branding offers a method and perspective that can help community developers and neighborhood residents determine what that story is and to organize a broad range of stakeholders and interventions to deliver it.

Marcia Nedland is the principal of Fall Creek Consultants, a national firm delivering training and technical assistance to nonprofits, government, national intermediaries, funders and other policy makers on neighborhood revitalization and stabilization in weak markets. Nedland specializes in marketing neighborhoods and building demand from strong homebuyers and renters for homes in those neighborhoods. Nedland is an award-winning trainer at the national NeighborWorks Training Institute on topics related to neighborhood stabilization, marketing and sales.