

MARKETING

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MARKETING KING CONDO

How Brad Lamb and his fellow real estate agents are tapping into the web to connect Canadians to multi-million dollar condo developments



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AGENT OF FORTUNE

Brilliantly cheesy marketing helped turn Toronto's Brad Lamb into the "condo king." Now he and his fellow real estate agents are turning to the web to sell Canadians on multi-million dollar developments **BY WING SZE TANG**



The Brad J. Lamb brand owes a big thank you to a stubborn paper-pusher. Back in 1995, when Lamb was poised to christen his new real estate company Toronto Condo Realty Inc.—a serviceable if instantly forgettable name—he hit an unexpected roadblock at the registrar's office. "You know how government people are, they're just unable to give an inch on anything," says Lamb. "She said, 'Oh no, you can't use that name. It's too specific. What if you sell a house? Wouldn't you be confusing your customers?' The woman could not get it." Faced with the refusal, Lamb opted to name the firm after himself—a decision that would push his persona to the forefront.

"If I had called it Toronto Condo Realty, I probably would have franchised it and had many of them across the city," says Lamb, the president and CEO of Brad J. Lamb Realty Inc. "I might have created a completely different model than what I decided to do, which was build a company around my likeness and my personality and use myself as kind of a spokesman and icon."

But even before starting his own firm, a move he made after spending seven years honing his skills under pioneering condo developer Harry Stinson, Lamb had already been plastering his face all over ads and newsletters to bolster his profile as an agent. "The best real estate agents or brokers in the world are the ones with the most property to sell," he says, explaining the need to be instantly recognizable in his neighbourhoods. "Everybody has to know you. I thought I had to make myself almost a celebrity within all the buildings I was selling in."

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It shouldn't have been surprising, then, to see Lamb's most (in)famous marketing idea: covering garbage bins all over downtown Toronto with posters of his own head stuck on a lamb's body, accompanied by the slogan "This Lamb Sells Condos." It was designed to grab attention by being everywhere, being different and, yes, being too stupid to ignore. Today, the garbage-bin ads hang prominently, gallery-style, by the reception desk at Lamb's King West office.

"Most real estate campaigns show a guy going, 'I'm the number one seller,' which is always bullshit," says Lamb. "Everyone's the number one seller. You see that everywhere, so why would you call that person? I thought the best way to do it was make people stop in their cars and go, 'Holy shit, look at that idiot,' and then they'll look at my logo and look at what I'm telling them, which is that I sell a ton of condos. It's been discussed as the worst advertising ever and the best ever. It's so bad, it's so embarrassing and so lowbrow that it's actually good, because it works."

The visibility and success of that early marketing campaign helped turn Lamb's "small shop" into the top condo broker in one of North America's largest, most competitive markets. Last year alone, he and his 18-member sales team sold 2,000 condos totalling about \$800 million. His offerings now include a mortgage company, a property management company and, most recently, a small insurance company. As the president and CEO of Lamb Development Corp., founded in 2001, he has even expanded into condo development and construction, with fashionable projects in Toronto (Leslieville Lofts, The King East, Worklofts), Ottawa (Central) and Montreal (McGill Ouest), plus a five-star resort/condo in Turks and Caicos.

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**BRAD J. LAMB
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"Our development company spends millions of dollars a year on marketing and advertising. Our real estate sales company, Brad J. Lamb Realty, spends—the exact number I don't know—but I would say it's well over a million dollars in advertising alone," Lamb says.

Beyond the garbage cans (he's Toronto's biggest mega-bin advertiser, with just under 60 placements), the company distributes over two million pieces of direct mail a year (including 100,000 flyers, at a cost of \$20,000, twice a month), advertises in all the major newspapers, runs a weekly e-mail campaign (60,000 messages), sets up 150 sandwich boards across the city and produces an online magazine, *Condo & Loft* (TorontoCondoMagazine.ca). He has also signed on for a third season of *Big City Broker*, HGTV's behind-the-scenes "docu-soap" of his business.

But standing in the spotlight also brings its share of slings and arrows. Lamb admits to getting hate e-mail and he has even been mercilessly mocked in song. Award-winning musician Final Fantasy's unambiguously titled "This Lamb Sells Condos" takes a few below-the-belt jabs. Among the "kinder" lyrics: "There's a merchant in our midst and with a barrel fist/He's coloured every surface, he's slapped up a portrait/And yes, it is his own! He's gonna take your home!" The attacks don't seem to faze Lamb, whose unshakeable confidence is tempered by a self-deprecating sense of humour. "People just make assumptions about you, and it's inevitable," he says. "It's just the nature of being a public businessperson, and I honestly don't care."

A ubiquitous presence is essential in the industry, Lamb says. "We do everything. To stay on top of the real estate world, you have to be 24/7 in people's faces. As annoying as it is for consumers, they react to it." He concedes that the effectiveness of some conventional condo marketing practices is fading.

"It's almost a complete waste of time to advertise in the newspaper," he admits. "But we do it because it's the 'Throw as much crap against the wall as you can' approach," he says. "It's now so hard to reach people by phone. I don't even have a home phone." The Internet offers the easiest, cheapest alternative: "The most effective thing we have now is reaching people through their e-mail address, and that is the future of real estate marketing."

Earlier this year, in an effort to reach its own young, web-savvy target audience, Toronto condo developer Urbancorp launched a Facebook quiz that invited people to assess if they were a "Queen Wester," and categorized users with labels like "activist," "clubland refugee" or "ironist." Local real estate agent/blogger John Pasalis slammed the tool as disingenuous: "Did they

honestly believe that people would flock 'virally' to be socially pigeonholed by a condo developer?" he fumed.

But despite this stumble, the web is clearly playing a more prominent role in condo marketing. The 42, an "eco-chic" loft development in Waterloo, Ont., not only has its own Facebook page boasting nearly 300 "fans," but also advertises on the social networking site, which allows the company to cheaply target viewers by age and location.

Ian Watt, a realtor with MacDonald Realty in Vancouver who specializes in resale, switched to a digital strategy last fall, abandoning direct mail in favour of e-mail, running multiple niche websites to target different buyers and even starting a daily video blog, which he says gets 1,000 page loads a week (in comparison, each of his old flyer campaigns typically elicited only one or two inquiries).

Another key advantage the web offers developers is the ability to grab demographic details on potential buyers when they pre-register online. "In that initial placeholder page, they are selling a lifestyle. They're not selling floor plans or price point," says Jane Renwick, executive vice-president of Urbanation, a firm that tracks Toronto's high-rise scene and provides site-specific marketing services to developers. Gathering information on people attracted to that lifestyle allows condo marketers to ensure they are positioning the building properly.

They can adapt their strategy accordingly, she says, before blowing the budget on print ads, a very pricey way to get one-day exposure. "You go to the appropriate media for that target market. If you want to target empty nesters, you are probably more apt to do a direct mail piece to the postal codes in the immediate vicinity of the site. If you are looking for first-time buyers, who are more mobile, you might do more broad campaigning." Attracting first-time buyers, a segment that comprises the biggest part of the condo market, may involve more experimental online tools like Facebook.

According to Renwick, the condo craze in cities like Toronto—where last November, the hotly anticipated 1 Bloor tower saw a lineup form two weeks before the sales centre opened—is fueled by broker incentives (such as four or even six per cent commissions) and driven by investors, not the average homeowner. "That's broker behaviour. That is not end-user behaviour," she says. "In that case, it's the almighty dollar pushing the market. The brokers show up and hopefully they've got a list of buyers to purchase those condominiums, which they are either putting on hold or hoping to unload in the

10-day decision period. But there are no end-users in those lines." Demand was so high for the property, located at the prime downtown intersection of Yonge and Bloor, that developer Bazis International promptly jacked up the unit starting price to \$500,000 from \$300,000 before the doors even opened. The subsequent media coverage arguably got more attention for the condo than any ads could have.

This summer, Bazis tried to garner more free buzz for another Toronto high-rise, Emerald Park, by pointing to the same lineup-worthy demand in its marketing. "Attention: Assignment Editors," read a press release blasted out by e-mail. "The preview sales event does not start until July 10th but already real estate agents, brokers and their designates have set up sleeping beds, lawn chairs and even cots in front of the Nestle Building at Yonge and Sheppard."

But such condo mania has also prompted complaints of glitzy but empty marketing hype. "This market is driven by hysteria buying. You have to feel that it's very tough to get what you want," said Toronto broker Charles Hanes

in an interview with CBC's *Marketplace*, explaining what he called the huge condo marketing machine. And Lamb estimates that a developer spends at least \$1 million on marketing for a 200-unit project.

"The number one challenge is that there are 300 actively marketed projects in Toronto right now. How do you differentiate?" says Renwick. "I do believe that people see a lot of value in what they get from a condominium, so it's not all marketing fluff. I think the marketing is honing in on a lifestyle—that 'live, work, play' thing—so between lifestyle, price point and location, there are compelling reasons to buy a condominium. And as long as the marketing stays real, it keeps lending integrity to the market. At the end of the day, they're selling bricks and mortar."

The U.S. sub-prime mortgage crisis and economic slowdown have already had a dramatic effect on what has been a generally buoyant Canadian real estate market however. While a record 26,000 new condos were sold in Toronto last year, Lamb says that "this year, we'll be lucky if 14,000 condos are sold."

But the record-setting numbers were "unsustainable and silly," he notes, and despite a cooling market, he is sure that condos will be the homes of choice in urban centres like Toronto and Montreal. "High-rise living will probably represent 75 to 80 percent of all the new housing starts in 10 years. Going forward, the condo market is the only future in housing."

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Brad Lamb's infamous "This Lamb sell condos" ads have been lambasted in print and online, and even inspired a song by Canadian musician Final Fantasy. Lately, though, the Toronto broker has adopted a more serious approach. Meanwhile, condo developer Urbancorp (left) has attempted to harness the power of social media sites like Facebook in its marketing

