



# CASE STUDY: HOW TO SUCCESSFULLY MARKET PRE-SALES USING RENDERS



## Introduction:

The following interview was with property marketing agent Charles Nitschke. Charles has a history and career that is as decorated as one can get within the property industry.

This is a “must-listen” for builders, developers, real estate agents, and brokers. Charles has found an indefensible way to mesh these roles together, finding record success in his local community of Spokane, WA.

Charles shares his statistics, results, and marketing insights on how to pre-sell property successfully and effectively. Grab a cuppa and strap yourself in.

### Topics covered today include:

04:00 - BoxBrownie.com as an important marketing tool in the digital space

05:00 - Utilising a builders inventory as another vertical in their business

06:00 - Differences between dealing with builders and agents



- 07:30 - A case study of an existing builder
- 08:00 - Payment windfalls for the agent through this process
- 08:30 - The advantages to the builder in pre-selling
- 12:00 - How to market the product for the builder
- 19:00 - An example of this type of marketing turning the builders business around
- 21:00 - Which images as renders get the most impact when pre-selling
- 21:30 - 3d Floor plans to match the Virtual Tour
- 23:00 - How to use even the clay drafts to get interest and sell the property
- 27:30 - Examples of three different pre-sale marketing examples and importantly the differences in buyer enquiry
- 30:00 - New Buyer behavior discussion 30mins
- 34:00 - Selling the same house with different facades
- 37:00 - Using 360 degree virtual tours for construction progress
- 38:00 - Double-ending 3 out of the 4 first sales

## **About Charles:**

Charles Nitschke is the Chief Marketing Officer for the Tomlinson Group of Companies, with responsibility for marketing programs, brand management, and technology partnerships spanning three unique brands, 17 offices and over 800 agents. Prior to joining the Tomlinson Group, he worked in strategic business development, marketing and management for a number of companies ranging from top tier real estate brokerages, new construction and developer firms, and as an outsourcing consultant for government and academic institutions.

Charles's greatest strengths are his creativity, passion, and leadership. He thrives on challenges, particularly those that expand the company's reach, or the agent's bottom line. His most recent project involved a strategic partnership with Move Inc to provide agents with the tools to capture, nurture and convert leads at levels that exceed the national averages.

In 2000, Charles was part of a team that was recognized by the National Association of Realtor's as being one of their Top 30 under 30 picks. He is also a frequent and highly rated speaker on industry-related topics.



## Transcript:

If you prefer to listen: <https://www.youtube.com/watch?v=OZ7YMDH1ErA>

**Peter:**

My name is Peter Schravemade, I'm with BoxBrownie.com. I am a business development manager or a strategic relationship manager, whichever you'd like to call it. I'm here with Chris Barnett who heads that Renders team. How are you going Chris?

**Chris:**

I'm very well, thanks, Pet. How are you today?

**Peter:**

No dramas. I'm going well. This morning, I'm pretty excited to invite to our session, Mr. Charles Nitschke. Charles, are you there?

**Charles:**

Yeah. How are you doing today?

**Peter:**

Really good. Welcome to BoxBrownie TV, I guess we're going to be calling this, but we're delighted to have you. Whereabouts do we find you this morning?

**Charles:**

I'm actually in Coeur d'Alene, Idaho, which is right on the border of Washington State in the very Northern tip of Idaho.

**Peter:** Fantastic. And it's not actually morning where you are either.

**Charles:**

No, we're just after four o'clock in the afternoon, so we're on the tail end of Friday before a holiday weekend.

**Peter:**

Fantastic. Excuse my ignorance. What holiday weekend are we celebrating in the U.S. this weekend?

**Charles:**

Now, I always get the two confused. We have Labor Day and Memorial Day, one start summer, one end summer, and so it's one of those two.

**Peter:**

And that is [crosstalk 00:01:11]-

**Charles:**

I never get it off, I'm always busy working, so it felt like it's a holiday for me, but.



**Peter:**

That brings me to my next question. What is it that you do? Explain. I've actually seen quite a bit about you and as discussed prior to us hitting record, I know your brother, which is interesting in itself, but explain what you do. What is it that you do?

**Charles:**

It's~ funny, my brother and I are a box set. He's actually lived with me since he was 16, I'm five years older than he is. We've always been the same place at the same time doing similar things. Until recently I was the chief marketing officer for the Tomlinson Group of Companies, which included the 28th largest Sotheby's in the United States, the 20th largest Century 21 and the eighth largest Coldwell Banker, which made us the 42nd largest real estate group in the United States according to the REAL Trends 500 that they put out every year.

**Peter:**

Impressive stuff.

**Charles:**

Yeah. Then my brother was running all the behind the scenes stuff. He set up our paperless system, he set up our processes. Then we set up a media company and he took over the media company. And about the time that we were meeting your team at Inman Las Vegas during the last face-to-face event that we could actually do, that's when there was a change of ownership within the Tomlinson Group, and really a change in vision and direction, and so I thought that was our cue to step out and do those things that we're passionate about.

**Charles:**

So I went back into private practice, moved my real estate practice over to a very energetic real estate startup called Professional Realty Services, which is one of the fastest growing real estate franchises in the United States. They're at about the 800-agent mark, which Tomlinson Group was an 800-agent organization. The difference is, it took Tomlinson Group a little over 100 years to get there, and it's taken this group of guys about six years to get there.

**Peter:**

Pretty fast moving.

**Charles:**

Yeah, very dynamic, very streamlined. Everything is digital, everything is super efficient, so it was really right up my alley. As a lot of people left the Tomlinson Group when I did, a couple of realtors decided to joint venture with me, and so I've got partnerships in the



Spokane, Washington market, the Coeur d'Alene, Idaho market, the Sandpoint, Idaho market. Then my brother and I co-own a marketing company that still services some of our former Sotheby's friends, some of them that went to Keller Williams, some that went to eXp, some that moved over to PRS. So we've got a really dynamic marketing company that shoots about two properties a day.

**Charles:**

Then I've focused on the business development side of these real estate partnerships that I have with these agents and especially focused on new construction and builder development, just because it was an area where I thought we had a lot of room to innovate. I've been doing new construction marketing going all the way back to the early 2000s and not much has changed since the early 2000s. So very excited to do the things that I've done, whether it be digital marketing with Matterport, so a 3D video, professional photography where you guys start stepping in.

**Charles:**

But then what we're doing in the 3D rendering and digital world with all of the new services that you guys are offering, you've definitely given me a much bigger toolbox to start taking our go-to market strategy in ways that nobody around us has yet to figure out.

**Peter:**

That's awesome. Massive overview there. You've gone from CMO, now you're largely doing business development and why... I suppose the question I've got for you is, why builders? I understand the gist, but why did you get in that line? Just because nothing had changed or are you looking at the ready supply of listings that builders have?

**Charles:**

When I look at it right now, one of the number one things that's going on within at least our market and several markets in the United States is a lack of inventory, and builders can solve that problem by manufacturing inventory. So it was a necessary evil, if you will, but I always picture real estate as a stock portfolio, you really do need to have a diversified business. So we're working on our resale, we're working on our luxury, we're working on our entry-level, and new construction and land development is just one leg in that four legged stool.

**Charles:**

I lost my ass back in the last recession because I was 100% focused in the verticals of new construction and development. And when the recession hit, that hit us very hard in our geographic area, and there was just no way to fire, blockade it, you just went from six figures a year and killing it to just dead on arrival within about 90 days. So I'd never



planned on being that vertical again, I like to be a little bit diversified within the same space.

**Peter:**

Great concept. Explain to me, a lot of the people that are going to be listening to this are going to be agents for sure, and maybe brokers, but explain to me, if you could, one or two differences between dealing with builders as opposed to dealing with residential real estate? I find there's a gulf of difference, but what are the main ones as far as you're concerned?

**Charles:**

The responsibilities are very different. Usually in a traditional real estate transaction, there's all the standard variables, but they're all usually within a very small geographic area, you're dealing with appraisals, you're dealing with inspections, you're dealing with those types of things versus a new construction, each builder has their own way to go about doing it. Right now, I've got a handful of builders. There's one builder that we work with who will literally go build 20 houses at a time, get his discounts on 20 houses worth of materials, and what he delivers is what you get, period.

**Charles:**

So he's just manufacturing straight inventory, and then I have to make that inventory meet the market and figure out how to get the market to respond to it versus, and I've got custom guys who take a year, two years to get a house done. Lots of micromanagement back and forth between very high demanding clients and the builder to keep that thing rolling for the 12 to 24 months it takes to complete. Then I've got my production builders who offer some customization, can get the job done within four to say, six months. That balances the two extremes that we've got there.

**Charles:**

And the builder that we've really been working with you guys is a new builder who's only been at this for about two years. When we met him, I think he'd had somewhere between six or eight houses under his belt. And I think we've done four within the last four weeks, so we're hoping to have five within the five weeks, which will be amazing, and eight by the time we get to the end of October, so double what he's done in his two-year career within just a couple of months.

**Charles:**

He's been very open and let us do this the way that we want to, so rather than the traditional, you buy the land, you build the house. When the house is done, then you start to market the house, then you sell the house, and then rinse and repeat. What we're doing



is we're keeping the momentum going and turning over sales using all at one construction loans, which means as realtors, we're getting paid within the first month that we sell the house versus at the end of the process.

**Charles:**

That means that the buyer is now in partnership with the bank and has a little bit more control over the builder, and we can do eight houses at once instead of the two houses that this builder has the ability to do on his own resources. So it's a very new thing that we've done, not only on the marketing and the technology side, but on the business development, and strategy, and actual execution side.

**Peter:**

That's excellent. I reckon there'll be a lot of people interested in your details at the end of this conversation as to how you go about doing that, so I'll park that for the moment. I'm not even sure if you want to provide them-

**Charles:**

I'll be more than happy work with anybody as long as they're not in my market.

**Peter:**

Fantastic. That builder that you were talking about is that Solid Ground-

**Charles:**

Yep.

**Peter:**

... Home Builders? I'm not sure whether you're seeing the screen due to the internet issues that we're having.

**Charles:**

Nope, I'm still missing the video component, so we're on a radio show.

**Peter:**

Yeah, yeah. I'm going to describe to you, I've got the presentation that you sent through up. Now, talk us through the marketing that you did. Or first of all, before we even get there, how did you find out about BoxBrownie?

**Charles:**

We'd actually met Brad at Inman Los Vegas the year beforelast.

**Peter:**

I'm sorry about that. Is that the [crosstalk 00:09:28]-

**Charles:**

No, that was freaking awesome. If you want to hang out in Vegas with anybody, it's Brad all the way.



**Peter:**

Here you go. I would agree with that. Was that around 360s or virtual tours? what were you having [crosstalk 00:09:41]

**Charles:**

It was such a weird whirlwind of an event because it was the first time that Inman had ever been done in Vegas, and so it just didn't meet any of the standard Inman flow.

**Peter:**

It felt weird, didn't? It did [crosstalk 00:09:53]-

**Charles:**

Brad was very interested in what we were doing is because my brother's the only guy who bothered to take a 360 camera and he shot the entire-

**Peter:**

[crosstalk 00:10:02]-

**Charles:**

... field area of Inman [crosstalk 00:10:03] all the booths where my brother's walking around the whole time shooting VR tours of it, and he's got his iPad in one hand that he's running the tour with, and then he's got an iPad in the other hand that he's showing people what a tour looks like. And it was a concept that I couldn't get Matterport to understand. Nobody had ever seen the technology before and Matterport's been at Inman for like a decade. They had a big booth in the back, and so-

**Peter:**

They did, they did.

**Charles:**

... my brother introduced himself to every single booth at Inman, exchanged information with a CEO or at least a top level salesperson who he sent that tour to at the end of Inman and they posted it on social media and really boosted his profile in the VR tour space around the country because he's on all the different forums. And that's how we bumped into Brad, "Hey, what are you guys doing?"

**Peter:**

I met Jeff at the same time. I don't remember meeting you though. Some weird-

**Charles:**

I was bogged down in a lot of meetings because I was actually there for Matterport, basically doing some training with brokers on how to start thinking about integrating VR into your process and how it could be just a way to completely change the dynamic of your real estate by taking your listings digital.



**Peter:**

And bizarrely enough, like the products that you've actually used have nothing to do with our 360 degree platform, which by the way, we hadn't even launched at that stage then.

**Charles:**

No, no. We started with you doing not a photo enhancements. You were a fantastic way to take production time and turn it into higher value production time by being able to outsource all of our photo touching to you, a lot of our virtual staging we outsourced to you.

**Peter:**

If you're watching this for the first time, you don't know what Boxbrownie.com does, the largest portion of what we do is image editing of some kind, so that might be enhancing images, it could be putting virtual staging and removing items, that kind of thing. But we're actually not here talk about that today, we're more of the building and construction. Walk us through how you actually go about marketing the product that you were talking about with the builder that you're working with.

**Peter:**

Just so everyone's aware, the builder was Solid ground Home Builders. They've come to you with a product I'm assuming that is either finished or in stages of finishing. What do you do?

**Charles:**

We'd actually met them because my partner, Jim controlled all of the lots that were for sale. So these guys were wanting to break into the neighborhood that we had all of the lots in. So they came to us because they wanted to purchase a lot or two, and my partner being really good at his job said, "You can buy a lot, but we're going to be able to get the list back on the house when it's finished." And they agreed to that. But they really didn't have anything to show. This was completely new product type for them that they had just drawn up with the architects. We really didn't have any samples to walk them through.

**Charles:**

We had just sold an \$800,000-house in another one of our subdivisions that we'd been playing around with Brad on this new 360 product that you guys were doing. We'd already shot Matterport on it. We were in the middle of COVID, so we were shut down completely to where we couldn't do open houses, we couldn't show houses. So the only way that we could do things was digitally and virtually. So the very first thing that we did with you in this 360 space was your team staged the great room, kitchen-dining area of this \$800,000 house that the builder was losing sleep over thinking that he was going to bankrupt himself on because the end was nigh because of COVID.



**Charles:**

And we actually, by the time we put that house on the market and listed it, we sold it within two weeks-

**Peter:**

Wow.

**Charles:**

... to which the builder, developer, or everybody thought that that was just the craziest thing that they'd ever seen because we had a house that was 99% done when we shot the Matterport tour. And because we were going to stage it, being able to virtually stage it was enough to tip it over to the end and get somebody to go on a contract.

**Peter:**

Great. What kind of staging? Is it just 2D staging, or was that-

**Charles:**

No, that was actually 360 staging.

**Peter:**

360 staging, right.

**Charles:**

You guys didn't have your three platform out yet, so what we did is we took that 360 image and embedded it as a Mattertag within the Matterport tour. So when you came in, you walked in, you got to the great room, there was a Mattertag and you'd click on it. And then suddenly you could go full screen and see what that room looked like fully staged, and color-corrected, and cleaned up and beautiful because we still hadn't done any cleanings on the house, so it was still dusty and messy at the time that we'd done the Matterport.

**Charles:**

But we had to go to market because the builder was getting really nervous that he was going to lose his shots on this deal, and so we couldn't wait for him to finish it up, and get it staged, and get it cleaned up. Was like, "Guys, let's get it into the MLS, let's find a buyer." And I think that that combination of the Matterport tour plus that 360 virtual staging that you did within that Matterport tour as a Mattertag, that was the tipping point for that deal.

**Peter:**

So that one was pretty much nearing completion at that stage or was completed-

**Charles:**

We were at the 99 yard line. We'd been shut down, we couldn't even get labor done at that time. Because he lived two doors down, he was in there every day working on the house to get it done. So it was very weird situation that necessitated us doing that.



**Peter:**

So incoming home builder on the other lots in the subdivision, they now have nothing to sell. They haven't even turned soil, I'm going to assume.

**Charles:**

Yep. Bare a lot.

**Peter:**

What do you do? Have they got blueprints, elevations, floor plans? [crosstalk 00:15:19]-

**Charles:**

They have their architectural and in the slides that I'd sent you, you could see what our competition was doing. Some of them were just taking the front shot of that blueprint. I wish I could have sent you the one from Realtor.com as well, because that one's got lots of blue ballpoint pen over it describing how it's not going to be the same house.

**Peter:**

I'm actually going through those at the moment. I can see some of the ones that [crosstalk 00:15:39]-

**Charles:**

They are at the very tail end of the slide deck. I just added those this morning because there was some other relevant data in there that I was really after. But you see the difference as to how new construction goes to market.

**Peter:**

Yes.

**Charles:**

[crosstalk 00:15:49] there's the front page or the front elevation of the house in a black and white 2D drawing, or here's some pictures of it in various stages of construction or deconstruction as you look at it.

**Peter:**

Yeah. I've got one at 4754 W Lowell of Spokane, which has a 2D black and white. That's pretty much just it. It doesn't appear that they've got anything else as far as their marketing is concerned.

**Charles:**

No, you can see the limit on that. That's all you get.

**Peter:**

Is that typical? Is that typical of-

**Charles:**

If they're not the big national production builders, that is par for course.



**Peter:**

Okay. Right.

**Charles:**

Even if you take it to the next one, that would be the other predominant style.

**Peter:**

Yeah, I'm getting them out, which is other than the 2D black and white, it's semi completed, 4730 W Lowell.

**Charles:**

Yeah. That looks like the perfect place that you'd like to park your half a million dollars. That's super inviting with all the waist high weeds there and-

**Peter:**

Yeah, that's that's right. Between those two, that's representative of where you think the market's at as far as, how do we market the intangible, a house that doesn't exist?

**Charles:**

Yeah. If we stop at those two for a moment, we had the construction set and we had just had this wonderful meeting with your team with both Chris and Brad, and you guys had the capability. Matter of fact, my brother had sent me a demo tour that you guys have built, and when I was looking at it, I was picking it apart for the virtual staging. And what I hadn't realized is as I was going through the entire home, that the entire home didn't exist.

**Peter:**

Yeah, that was [crosstalk 00:17:19]-

**Charles:**

The entire home was virtual.

**Peter:**

Maybe I should get that up for our view is right now. I'll actually display that for them just to demonstrate exactly what you're talking about. It is a-

**Charles:**

That was not clear to me because my brother didn't set me up for that, he just sent me that. And we'd started talking to you guys about the staging, and so because the renderings were of such high quality and just the lighting dynamics, and the ray tracing, and the level of finish that you guys put into this, I was not aware that the house wasn't real.

**Peter:**

Yes. We're looking at one at the moment. Chris, which one is this one? Do you know off the top of your head? This is one of Charles', is it not?



**Chris:**

Yeah. This is Charles' one. This is the solid home. This is actually the virtual tour that matches the front elevation that we were looking at earlier in the demonstration. So this is just a little full tour. You got the kitchen, the great room, the main bedroom, and then the ensuite. And it really just shows off those key selling points. As you can see, it looks realistic.

**Peter:**

Yeah. It's designed to be, I suppose, a virtual tour and whilst we're in the middle of a pandemic period at the moment. But not just limited to that, I suppose this is the easiest, fastest, safest way to actually get people to immerse themselves in the experience. That's really what the product's about. Charles, how about you? Were you were happy with end product of what we did on this virtual tour?

**Charles:**

Absolutely. And going a step beyond that, the very first one that I saw from you guys was a complete house rendering with all of the connective tissue. So you rendered out the staircase to get up to the second level. All the little dead areas were done so that it felt very natural like real house. But to do that at your price per tour, that was about an \$8,000 project. And there was zero appetite on the builders end, the realtors and anywhere in the production chain for somebody to roll the dice on each rend.

**Charles:**

So what we did with working with Chris is, we hit the highlights, what we needed on the house, which... The way that I've always taught, because I teach a lot of classes, do a lot of coaching. And when I'm talking about photos, photo number one, its only purpose on this world is to sell photo number two. So getting that elevation right on Zillow or on Realtor.com is critical. Because if they don't click on that, everything else is for not.

**Charles:**

So getting that front rendering was terribly important to us. Then from that, then the next five or six photos are the cliff notes. I got to tell everybody everything that they need to know about this house within the next five images or so. So, that means that I need to show off that kitchen, the great room, I need to show off the master bedroom, if it's a wild feature, the master bath, if it's special.

**Charles:**

Those are the four areas that we focused on, was the kitchen, the great room, the master bedroom master bath, and it was \$280 to do a still, and it was \$400 to do a 360. And my



back of the envelope map said that if I did the 360 because I own a marketing company, my brother's pretty talented, he could extract all of the stills that I needed for the listing.

**Charles:**

So what we did is we spent \$1,600 on the four 360s and 280 on the front elevation, 280 on the back elevation, so all in. That's what? 2160?

**Peter:**

Yeah.

**Charles:**

So about a quarter of doing the whole house gave us 90% of the go-to-market value.

**Peter:**

Yeah. You've raised some really, really excellent there. No one's going to click past the front image if it's rubbish, and telling the story within five to six. Beyond that, pretty much a man after my own heart right there that we 100% agree with that. I think that's been the message that I've been taking across America for the last couple of years. Now, we're looking at the front elevation, the back elevation. Chris, is another one or is it the same?

**Chris:**

This one here, the builder actually wanted to increase the size of the [inaudible 00:21:14], so the original one we're looking at was a three-car garage.

**Peter:**

Okay, this one.

**Chris:**

The next one we're looking at is a four-car garage, that was the second-elevation we did. Then these houses are actually built on a sloping lot, so they actually have a really cool basement underneath that we're actually working on some fun things with Charles. So this is the rear elevation showing off what the back will look like

**Peter:**

Gold. The floor plans, you also got floor plans down, is that correct?

**Charles:**

Yeah. We're doing the dollhouses on everything because once again, most people can't read a blueprint. And that dollhouse, when you do the dollhouse furnished, it really does give context to what those spaces mean.

**Peter:**

Yep. I agree. I agree 100%. These dollhouses that are not our standard, so we actually have 3D floor plans that sit at \$32. These ones are 52. Chris, what's the difference?



**Chris:**

These ones are special in regards to, if you look at this dollhouse and then you look back at the virtual tour, all of the finishes and fixtures that you're seeing in that virtual tour, much identical to these dollhouse. So our team actually takes it and you've never got a really concise, clear, this is what a property... You're looking at it at virtually 360, you're looking at in the floor plan, you can follow along where everything is.

**Peter:**

Fantastic. And where does this come in the render process, Chris? Is it a case of the chicken and the egg? Does this come before or after? Or is it just done synonymously as the render goes along?

**Chris:**

It's done the same time as your 360s are done. So as we are operating your 360 renders, you actually will see like a clay stage version of the dollhouse, which is also a great way of reviewing and checking that structurally you think the building's looking the way it should look. Then as it progresses through the different revision stages, your floor plan progression is the same as the renders.

**Peter:**

Charles, just coming back to you for a moment. I'm going to jump back to your slide. You've included a clay as part of the slideshow. Can you tell me why you've done that? There's a clay sitting there in the presentation book that you put forward.

**Charles:**

What you're looking at is a work in progress and we're doing real deals right now. So we can wait until we have professional, we can go to market with what we have. So we had two sales meetings this week, and so what I'm starting to do, and I'm going to start doing a weekly newsletter starting next week is as we're getting our work back from BoxBrownie, which depending on... You guys can turn this around in a week to two weeks because the builder on my case is so particular.

**Charles:**

It's taking us three to four weeks sometimes to turn this around just because I'm waiting on him to either give us what we need to get it started or I'm waiting on him to review your product at each stage. Rather than losing that critical marketing time, I've got a section that I'm calling on the boards, which is here's the clay model. This is now giving you the silhouette of what this house is going to look like. And that's instantly much more absorbable by a client than just flat stick drawing. [crosstalk 00:24:10]-



**Peter:**

Yeah, I'd actually never thought of this before, Charles, actually using the clay as a temporary holder. But I suppose when I look at the two existing incumbents that you showed me on Zillow, the black and white 2D and certainly the half completed, this is almost a better option midway than anything else, right?

**Charles:**

It certainly would be. And what we're doing is we're not going to full market, so we're not taking the clay to the MLS, but I'm doing that for internal. So anybody who's made an inquiry starts to get this weekly newsletter where we're showing recent sales, we're showing new plans as they come out, we're showing lots as they get reserved, so that we're creating that sense of urgency. Now I'll show them the clay model when it comes out, then we get our first colored draft that goes out. So what they're seeing is they're seeing progress.

**Peter:**

Yeah. Very good. Has that proven to be effective? Did that drive engagement back to you-

**Charles:**

It is because what I tell people is that, when I get to the final production drawing, is when I go to market and we go to Zillow. Now, the house that you've been looking at, the finished house on Lowell, we sold in 72 hours. Soon as it went to Zillow, it was in contract within 72 hours. So now using that as the benchmark, I'm telling people that you've got all the time in the world until this drawing comes back. As soon as it's completed, we go to Zillow and we're sold in 72 hours.

**Peter:**

That's unbelievable. You're kind of using the finished product is saying, "Look, that d-day if you haven't made a decision by then." That's unbelievable. While we're on it, I'm going to move forward through the slide deck. You've also got-

**Chris:**

That's not our work by the way, that one. Just [crosstalk 00:25:53]-

**Peter:**

No, no, no.

**Charles:**

... you guys are working on next week. We don't work in a bubble, and so the builder actually had a guy that could do renderings, that have done some renderings for him in the past. That rendering cost us \$250. But that guy is local, we could go down the street, we can stick a fork in him and get him to crank that out in 24 hours. And we use that to sell the



second home we ever sold because they really didn't want that modern farmhouse, they wanted a very modern house.

**Charles:**

So same exact floor plan as the modern farmhouse, just a very different look, very different elevation so we can put them next door to one another. While there was value in being able to do that within the 24 hours, our first meeting to get that second sale, the part about that was is the builder is like, "This is a good enough, we've already spent \$250 on it. Let's use it." And I'm like, "No, it's not the same quality is what we're trying to do with everything else."

**Charles:**

So we're actually killing that rendering and we'll be replacing it with one that you guys have done for the 280 that will probably start next week.

**Peter:**

Obviously, I am with BoxBrownie, but even myself marketing, my background is marketing houses that don't exist, and I would agree 100% with that just from keeping your branding consistent. Once you've started doing that, other builders are looking at it going, "How is Charles Nitschke coming up with a time and time again, that quality, that state of render?" I think it just makes you look top of the pops, as far as marketing's concerned.

**Peter:**

Moving through, I'd like you just finally to discuss with us these three Zillow slides that you sent through to us. Now I'm showing them.

**Charles:**

We'll circle to those, that's important, because if we start on that very first one, of the black and white drawing.

**Peter:**

Yes. Yep, I'm in now.

**Charles:**

If you look at the little chunk right there under the overview.

**Peter:**

Yes.

**Charles:**

Prime on Zillow, 73 days, 312 views, four saves. And this is how I measure whether or not we've hit the mark when we go to market, is how many people are eyeballing it. People are seeing it, so we've got it in the right place geographically, we're in the right price, people



are looking at it. If nobody's looking at it, is it a technical issue? Is it a product issue? Is it a price issue?

**Charles:**

The second stat for me is saves. Save means that somebody has decided to register with Zillow to save that home, to come back and look at it again.

**Peter:**

In 73 days on the market, four people have decided that looking at this property, they would like to register their details for more info.

**Charles:**

And look at the price on that, that's 480,000.

**Peter:**

Yup. Got it.

**Charles:**

Now, if we go to the next slide.

**Peter:**

Yeah, this is the half completed house.

**Charles:**

Now, 14 days on market, double the views. And if we follow the same logic, definitely doing better on saves.

**Peter:**

Yeah. Double, you've got eight people registering.

**Charles:**

And that price point is at 550.

**Peter:**

Right. A little bit more expensive.

**Charles:**

If we go to the next slide, your product.

**Peter:**

27 days on Zillow, 5,172 views and 265 saves. That's exponentially just blowing it out of the water. And you're attributing that directly to marketing.

**Charles:**

Absolutely. It's a product that people engage with, so I'm going to give part of the credit to the builder and his wife, she's the interior designer. He's the guy who designed the house. They hit the... What is that? Skip and Joanna Gaines modern farmhouse on the head.



**Peter:**

It's a sexy looking product.

**Charles:**

You guys brought it to life in a way that we couldn't have done until we were done building the house. So within the first 48 hours that we were on the market, we were getting a save or two an hour.

**Peter:**

That's unbelievable. Charles, my belief is that purchases are inherently visual by nature.

**Charles:**

Absolutely.

**Peter:**

And the more we can show them the more we can immerse them in a product, I think the more that empowers them to make a decision. They feel like they're better educated about the actual product that we're marketing towards. Would you agree with that? Do you have any comments around that?

**Charles:**

Absolutely, and I'm going to take that a step further. There's a behavior that we've seen this time around that we've never seen before. Spokane is right across the State lines. Spokane is in Washington, and then there's a little in-between town called Post Falls and then Coeur d'Alene Idaho where I live. So the Coeur d'Alene, Post Falls, that's part of the Kootenai County market, and then Spokane is the Spokane County market.

**Charles:**

And they're two of the hottest markets in the United States according to a report that was put out by Realtor.com a few months back with double digit year over year appreciation. Kootenai County is getting so expensive so quickly that for the first time ever, I have seen buyers go from Kootenai County to go look in Spokane County, cross that State line because they can't get the value for the money in Kootenai County.

**Charles:**

And so the people who bought this house actually drove over from Kootenai County after they saw it online and fell in love with it, wrote it up within the first 72 hours. And the buyer that I believe is going to be our fifth buyer that I'm working with just jumped in their car one evening, drove the hour and a half from where they lived in Coeur d'Alene to come all the way over on the chance that they could take a look at this house.

**Peter:**

Wow. You're saying the fifth buyer, there's not just on of these that you've moved.



**Charles:**

Yep. It's a new trend, I've never seen that before. The one market has out-priced and so people are starting to go the other way. For the longest time, people would go from Washington to Idaho because it was cheaper to build a house in Idaho, land was cheaper in Idaho. Washington, you have to pay sales tax on labor, so there are traditionally been a 10 or a \$20,000-price incentive to be on the Idaho side of the State line versus the Washington. And that's now inverted exponentially.

**Peter:**

And prior to these five buyers that you're at least dealing with, how many sales had happened in that particular area?

**Charles:**

We've got the four that are written up, and of the four, two of them are local, one of them is from Idaho, and one of them is from Florida, but they've been on and off living in the market. Then buyers that we have certainly right now, why I'm saying that we'll have the fifth one done by the end of next week, is we have the other Coeur d'Alene buyer. I've got a buyer coming up from Boise, Idaho to take a look, I've got a buyer coming in from Lewiston, Idaho to take a look, so that's Southern Idaho. They're in a different time zone, they're mountain time.

**Charles:**

Then we've got about three or four other people that are in various stages of interest. Some of them have just inquired online, some of them have actually came by and taken a look. So we've got another five or six buyers that are in the hopper behind the four signed contracts.

**Peter:**

Are those buyers, are they coming off the existing marketing?

**Charles:** Yeah, they're apparently off of Zillow.

**Peter:**

Your builder, that capacity to service those other five or six buyers, then they're going to build similar houses. They're working with them in order to get the job done. Is that correct?

**Charles:**

Every one of these house, we call it the 2055, because it's 2055 square feet on the main, 2055 square feet in the unfinished lower with four very different elevations. So even though we're going to have multiple houses in a row that are identical, you wouldn't tell it from driving by.

**Peter:**

[crosstalk 00:33:26] different facade.



**Charles:**

Yeah. And what's very interesting is, is the people who bought the show home, and this home is in the fall festival of the Homes, which is the Spokane home show, which is now a digital only show because of COVID. We lost all of that traffic that we were expecting the last week of September, the first week of October. This buyer can't move into this until October 5th, which is when the show officially ends. They've decided not to finish the basement, so that's why we're going to start sending the basement, so you guys start doing some dollhouses.

**Charles:**

The buyer who bought next door, we didn't think they were going to finish the basement, has now decided that they want to finish the basement. Then the two buyers on the other side where we've got the two vacant lots, they're also going to do full basements that are fully finished. So we went from a base price of 599 to where now we're hitting that 650, 675.

**Peter:**

So the prices are going up as well?

**Charles:**

Yeah. What we're doing is we're selling circles around the other builders that are on the same street whose houses we just looked at both in terms of numbers and in dollars per transaction.

**Peter:**

That's a telling fact. Obviously, you're doing something right. You're getting all the buyers coming to you, you're selling in an area. I'm assuming there haven't been many sales in the lead up to this, what you're experiencing now.

**Charles:**

No, leading up to this, it took them two years to get the first five houses done. And I believe that we'll have the second five houses sold within five weeks from us starting this marketing plan.

**Peter:**

That is crazy. Look, I really appreciate you putting all this all together. Obviously you didn't have to do that. Our relationship is a commercial relationship where you pay us for a product and a service, and we do that. But on behalf of Chris and myself, definitely, I thank you for putting this together. It's very enlightening. Obviously, I run around teaching people these things, but I quite often don't have ironclad stats in the way that you put it together. So thank you for doing that, Charles. I really appreciate it.



**Peter:**

Now, before we tie this up in a bow, I'm wondering how people get in contact with you if they're interested in either hearing about your experience, what you're doing there, how you go about marketing to builders, or even if they want to buy one of these properties themselves, how do they go about doing that?

**Charles:**

Really the best way right now is you've got my email address, so nitschkecharles@gmail.com.

**Peter:**

Yup.

**Charles:**

That's really the best way to get ahold of me because I spend most of my day working on the problems that are in front of me, and then the last half of the day before I go to bed, I take a look at all of the problems that are in front of me.

**Peter:**

That's a great way of looking at it. Okay, we're going to splash that up on the screen. I'm not sure when we're going live with this, but look, I really appreciate your time. Thank you so much for being on board with us this morning. And thanks for being a client of BoxBrownie. Looking forward to hanging out with you when the crazy finishes in Las Vegas next.

**Charles:**

That'll be awesome. We love the relationship, we love working with you guys. My brother, you guys have saved him so much time just in the photo editing to where literally he doesn't touch it anymore. He's been able to increase his price per photo shoot in order to cover the cost of sending you guys the work, so that's been phenomenal.

**Peter:**

I think in turn to that, Charles, it might be fitting twin or match, if you want to call it that to get Jeff on the show to discuss the image editing next.

**Charles:**

He literally just walked into my office. He just got back from a photo shoot.

**Jeff:**

I just walked in.

**Peter:**Hi, Jeff.

**Jeff:**

Then once the show Home is done, I'm going to shoot it again, Matterport and Zillow, and



I'm more than happy to share that with you guys, to where you guys could have from concept to an actual finished product.

**Peter:**

Really?

**Charles:** Yeah, you guys will be able to get this from the floor plan. He shoots Zillow on it and every major milestone and that's how the consumer can see that it's a real house that's under construction and at what stage it's at.

**Jeff:**

And that's not too dissimilar from your BoxBrownie to work.

**Peter:**

Yeah. But whichever one you decide to use, we're agnostic with regards to that, but-

**Chris:**

You'll see it all. You'll see what we did with you as the virtual tour to get it sold. You'll see the finished tour of it as Matterport, which is what we use to basically to showcase it for future sales.

**Jeff:**

And what I'll probably do is I'll probably talk to Brad and have him cue me up a free BoxBrownie tour, so that way we can build the final product in BoxBrownie, so that way it's BoxBrownie start to finish.

**Peter:**

I'm pretty sure he'll look after you on that one, Jeff. I got no dramas there.

**Peter:**

Just to be clear, you're using the virtual tour as progress reports? Is that right?

**Charles:**

Yes. We're using the Zillow platform every major milestone. When they framed it, we shot a tour, when they drywalled it, we shot a tour, when the cabinets went in, we shot a tour. They just put up all of the shiplap on the ceiling, the shiplap on the wall, so we shot a tour. So every time there's a milestone, we shoot a tour. And because the Zillow 3D tour is front and center on Zillow, which is the number one traffic driver, that shows people where this house is versus...

**Charles:**

Builders have had a bad rep, hey, since this house is available, I go drive by it and it's just a bunch of tumbleweeds in a pile of dirt. This is showing them where we are today, this is showing them where this house will be when it's done. And I think that's changed the



market for us. That's why people have the faith to go into contract. We've double ended three out of the first four sales, which is also unusual for us.

**Peter:**

That's brilliant.

**Charles:**

[crosstalk 00:38:43] at the top of the funnel instead of the bottom of the funnel, which is a very different place.

**Peter:**

I just think the whole way that you've put the whole transaction together from the start to the finish. Even at crowing the builder from an inquiry on the lot is pretty slick. I think there'll be a lot of people very interested in the outcome of this video. And we're going to be putting it on our blog and our social media, so keep an eye out for that. But-

**Charles:**

I'm more than happy to share, so anybody who wants to do it, we're more than happy to pop on the phone and do a call.

**Peter:**

Fantastic. And obviously, you take referrals for buys as well, so that'd [crosstalk 00:39:21]-

**Charles:**

Absolutely. Anybody moving to the Inland Northwest, we'd be more than happy to park him in a house.

**Peter:**

Gold. Look, thank you so much for your time. I've realized I've taken quite a lot of it today. Great to hear Jeff too on the other end there and we'll catch up with him as we go along. But I appreciate everything you've done for us today, and look, all the best. Stay safe where you are. Thank you so much for being here.

**Charles:**

All right. Perfect. Thank you.

**Chris:**

Thanks, Charles. Have a great afternoon.

**Charles:**

Yep. Thanks.

**Peter:**

Excellent, bye-bye.



**Charles:**

And Chris, be on the look out, I'll have my final edits coming back for those two that you're working on right now.

**Chris:**

Perfect. I look forward to the next project next week with you.

**Charles:**

Yep. That'll be awesome.

**Peter:**

See you soon. Bye.

**Charles:**

All right. Thanks. Bye.