

MARKETING STRATEGIES IN THE CANADIAN HOUSEBUILDING INDUSTRY

CHANGING MARKETING STRATEGIES IN THE CANADIAN HOUSEBUILDING
INDUSTRY: FROM MASS PRODUCTION AND MASS MARKETS TOWARDS
NICHE MARKETS AND CONSUMER SEGMENTATION, *c.* 1945 – 2000

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Abstract

Marketing means much more than mere advertising: trying to sell what manufacturers have decided to produce. It means the honing of product lines to suit ever-shifting consumer tastes. Studying the relationship between production and consumption is central to understanding modern consumer society. Housing is one of the most important consumer products most people will ever buy. Houses not only provide shelter but also are central to their occupants' identity. At the same time, housing production and consumption are vitally important to the health of the economy. Yet, despite the importance of housing, marketing practices in the speculative homebuilding industry have received no systematic attention in the marketing, consumer culture, or urban studies literatures. This research begins to fill this gap. Using a case study approach, this thesis examines how the marketing practices of builders in the Toronto area, Canada's largest real estate market, have evolved in response to shifts in consumer demand during the postwar period. The research draws on evidence from North American building and advertising trade journals and builders' advertisements that appeared in the *Toronto Star* between 1940 and 2005.

This research shows that since the 1950s, the housebuilding industry has moved from a focus on efficiency in production towards a concern with the needs and preferences of the consumer. This consumer focus, however, has not been an uninterrupted trend, as historians of marketing in other industries have argued. Interest in determining and satisfying consumer demand has gained impetus during certain periods and ebbed during others. This cyclicity can be attributed to market cycles and the relationship between supply and demand. The consumer focus in the homebuilding industry has been strongest during buyers' markets when supply has exceeded demand, periods of heightened competition between builders, and economic downturns.

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Chapter 1: Introduction

Housing production and consumption play a critical role in the national and local economy. New housing starts and sales serve as key economic indicators, with each new dwelling unit providing a market for thousands of different goods and services involved in the physical production of the house and subsequent occupation of the home. Any decline in either production or consumption has a ripple effect through the economy, affecting the demand for a whole range of other consumer goods from, from appliances to services and is “felt by thousands of factories, national distributors, and their local suppliers.”¹ This impacts millions of workers in construction and related occupations, and has far reaching effects on the national economy. And because most homeowners have most of their equity tied up in their place of residence a decline in demand for homeownership, and hence real estate prices, can result in a loss in national wealth and consumer confidence. At the same time, ownership carries significant personal importance for consumers. A house of one’s own, for instance, provides its residents a greater sense of control over their personal fortunes, gives them the ability to adapt their home environment to their liking, and is a signifier of wealth and personal achievement. Because of housing’s economic importance, governments in both the US and Canada have worked to promote homeownership as a safe, attainable, and desirable investment for consumers. It has been well documented how reforms to consumer credit and mortgage finance, the promotion of model building codes and comprehensive land use planning during the mid- to late-1930s helped to make new houses more affordable,

¹ Michael Sumichrast and Sara A. Frankel, *Profile of the Builder and His Industry* (Washington, DC: National Association of Home Builders, 1970): 7.

stabilize home values, and make the demand for new housing more predictable. The full effect of these government interventions was realized during the post-WWII housing boom, which saw the continued growth, and eventual dominance of large vertically integrated speculative building firms.²

Speculative, or operative, building contrasts with earlier patterns of custom building and owner building that had prevailed before 1945 and were guided by the buyer's initiative. Speculative building is largely driven by the producer initiative, with the builder putting up his own capital, determining the site, design, quality, and quantity of homes and assuming all of the risk if houses fail to sell.³ In essence, the builder is constructing a dwelling for an anonymous family or individual and the client-service provider relationship that exists with custom building is broken down.

Speculative builders confront questions unfamiliar to custom builders; specifically, what to build, where to build it, and how to sell it, thus demanding greater attention to marketing and an understanding of the nature of consumer demand. In 1976, however, Williams and Granzin argued that housing “has received little systematic attention from academic marketing research” and little has changed since then. We know little about how builders have tried to address these questions or how the style and

² Marc A. Weiss, “Marketing and financing home ownership: Mortgage lending policy in the United States, 1918-1989,” *Business and Economic History*, 18 (1989): 109-118; Richard Harris, *Creeping Conformity: How Canada became Suburban, 1900-1960* (Toronto: University of Toronto Press, 2004); Jeffrey M. Hornstein, *A Nation of Realtors: A Cultural History of the Twentieth-Century American Middle Class* (Durham: Duke University Press, 2005); Larry McCann, “Suburbs of desire: The suburban landscape of Canadian cities, c. 1900-1950” in *Changing Suburbs: Foundation, Form, and Function*, eds. R. Harris and P. J. Larkham (New York: Routledge, 1999): 111-45;

³ Sherman Maisel, *Housebuilding in Transition: Based on Studies in the San Francisco Bay Area* (Berkeley: University of California Press, 1953).

substance of their marketing and promotional strategies have evolved during the postwar period.⁴ The limited work on housing as a consumer good has either focused on exceptional cases, such as gated and new urbanist developments, or upon condominium marketing and development, with the everyday, suburban house being largely ignored. Geographers have also been reticent to explore the relationship between geography, advertising and housing despite the fact that advertising and marketing are inherently spatial practices, playing a crucial role in mediating the relationship between producers and consumers and are often targeted spatially and “towards particular social segments and lifestyle niches.”⁵ This study addresses a gap in urban research and business history. Specifically, it aims at determining how speculative builders’ perceptions of consumer demand and marketing practices changed during the postwar period and how this was reflected in the advertising of new suburban houses and in the physical and social character of subdivisions. Also, because advertising reflects consumers’ aspirations and desires, the research also provides insights into how consumer expectations changed during the period of this study.

Chapter 2 engages the relevant literatures on marketing theory, consumer culture, house building and suburban development. First, it looks at how marketing and advertising theory have evolved during the postwar period in response to changes in consumer culture and the fragmentation of consumers into tightly defined sub-groups that

⁴ R. H. Williams and Kent L. Granzin, “Market-segmentation in housing industry,” *Review of Business and Economic Research*, vol. 11, no. 2 (1976): 48-62, 48.

⁵ Peter Jackson and James Taylor, “Geography and the cultural politics of advertising,” *Progress in Human Geography* vol. 20, no. 3 (1996): 356-71, 356-57; See also Gwilym Pryce and Sarah Oates, “Rhetoric in the language of real estate marketing,” *Housing Studies*, vol. 23, no. 2 (2008): 319-48.

producers and marketers work to capture through advertising and the tailoring of products to the requirements of specific market segments. Next, it considers how actions by the state and private business interests led to the creation of the postwar house building industry and the rise of speculative suburban house building at the expense of owner and custom building and what this has meant for the physical and social character of suburban areas. The primary objective here is to situate the research question in its historiographical contexts.

Because the existing literature on house building provides limited insights into how builders' perceptions of consumer demand changed and how the industry adapted to changing market conditions, the main purpose of this thesis is to analyse how builders active in the Greater Toronto Area, Canada's largest real estate market, reacted to changes in consumer demand and how and when they adopted modern marketing and advertising techniques during the postwar period. To achieve this, the research draws on a variety of sources. These include professional building and advertising trade journals, and speculative builders' newspaper advertising to explore how the North American residential building industry, and especially builders active in the Toronto area, have moved from a primarily production and sales orientation following WWII towards a marketing and consumer focused one by the mid-1970s and how by the end of the twentieth-century one that serves a highly fragmented and segmented consumer market. The data sources and methods are discussed in Chapter 3. The remainder of the thesis chronologically examines four successive periods of homebuilding and how the

relationship between housing producers and consumers evolved in response to market conditions.

Chapter 4 considers the character of housing demand and production following the close of WWII—a period characterised by high housing demand and defined as a ‘sellers’ market.’ The lack of adequate housing, a rapidly rising urban population and high rate of family formation combined with the wider availability of credit for construction and home financing offered builders a ready-made market and set the stage for the dominance of large merchant building firms. Federal housing policy was largely driven by quantitative objectives and the promotion of scale and efficiency to meet the pent-up demand for shelter. I argue that builders during this period responded with more or less standardized and uniform construction targeted at an undifferentiated mass market that was grateful for any well-built house you could offer them. The character of housing was largely guided by the requirements of mass production with little concern for what consumers wanted beyond shelter. With new homebuyers being plentiful and competition for consumers sparse—builders on well-located land saw no need to spend on market surveys and promotional strategies to boost sales. Advertising from this period was unsophisticated, typically a simple classified ad announcing the availability of houses, their price, the availability of financing, the location, and maybe the number of bedrooms. This began to change by the mid-1950s.

The next chapter examines changes in the building industry brought about by qualitative changes in the market for new houses and the emergence of what can be characterised as a buyers’ market, when the supply of new houses exceeded demand. It

shows how the shift towards a buyers' market and the change in balance of power from producer to consumer created new challenges for builders, forcing them to commit greater resources to marketing, promotion, and also to anticipating and responding to demand. Low prices and increased family formation were no longer sufficient to spur sales.

Two factors contributed to this shift in housing demand: (1) A qualitative change in the market for new houses which was now increasingly composed of second-time buyers with growing families no longer looking for a starter home. These current homeowners had to be offered something new and better to become dissatisfied with their present homes. At the same time, consumers were becoming more knowledgeable and discriminating, demanding more space, better quality and modern, flexible floor plans. And (2) increasing competition from the older housing stock, which saw its price fall, limited the market for new low-cost housing that could not compete on the basis of price due to rising construction and land costs.⁶

Builders responded in several ways. Some established in-house marketing departments or employed a market analyst on a fee basis, but this was limited. Increasingly builders turned to the use of model houses, which allowed them to test the market and adjust their offerings according to visitor reactions. Builders during this period also invested more in the training of sales staff who served as the primary mediator between producer and consumer and at the same time improved post-sales

⁶ “Question: If this is the new mass market we want, why don't we go out and sell it? Answer: We can't sell it without a new kind of industry team work,” *House & Home*, (February 1960): 110.

service, with some builders offering warranties on workmanship. During this period builders also began to offer consumers more variety, larger and better-equipped houses, and limited customisation options.

Advertising came to emphasise choice in housing style and the affordability of new housing, especially the low financing rates. Ads from this period are also different from the previous period in that they place greater emphasis on the builder's reputation and history, community amenities, the investment value of a new home in a planned subdivision and make an overt effort to build a brand identity for the builder and subdivision.

Chapter 6 shows how between the late-1960s and late-1980s, growing sophistication on the part of the consumer and increased marketing savvy on the part of the building industry led to more innovative marketing and promotion. The biggest changes in marketing strategy during this period relate to increased product differentiation and an emphasis on authenticity and the symbolic properties of the home as a signifier of distinction. A high level of competition for consumers' dollars and increasing affordability issues characterized this period. Builders responded in several ways. Some left the industry altogether or diversified geographically to smaller urban centres that were believed to have less competition or moved into new housing types, such as row housing and apartments to escape the competition. Those that stuck with single-family housing during this period began to experiment with new architectural styles and increasingly drew on historical designs to imply craftsmanship. In part this was in response to consumers' reaction to the sameness and placelessness of mass-produced

housing tracts from the previous two periods, and to their increasingly diverse lifestyles. These changes were also motivated by the fact that land prices increased so rapidly during this period that consumers wanted more from a house that cost so much more to purchase.

Builders responded to consumer demands for distinction by offering more varied front elevations for new homes and by allowing purchasers a greater say in the finishing of the house. They offered a greater palette of colours to choose from and more upgrade options in terms of flooring material, cabinets and so on.

Advertising during this period also underwent a significant change. More and more builders shifted to using display ads as opposed to simple classifieds and included pictures of houses and, sometimes, happy families enjoying the ‘good life’. By the late-1960s, emphasis began to shift from affordability to themes related to luxury, privilege and distinction. However, by the early-1980s, with mortgage interest rates reaching record highs and new housing starts in Ontario dropping to their lowest levels since 1951, builders recognized that along with selling houses they also had to learn to sell financing as part of the housing package in order to show consumers that they could afford to own and provide purchasers with new incentives to purchase. Trade-ins, mortgage-rate buy-downs, guaranteed fixed rates and alternative financing instruments became increasingly important selling tools. The shift to display ads during this period is significant in that while classified ads work well with people looking for a new home they failed to pique the interest of those who were not actively in the market.

Chapter 7 examines the recent trend towards segmentation of the market on the basis of lifestyle, especially the emphasis on leisure, recreation, and the retirement market and the growth of themed developments that use architecture and site planning to engineer a sense of place that began to emerge in the early-1990s. It also considers the recent rise of mass-customisation as a strategy to reconcile the standardisation and uniformity demanded by volume building with consumers' desires for individuality and personalisation. Builders have helped consumers with the decision-making process by establishing décor centres staffed by professional interior decorators who can help them make the right choices.

Newspaper ads from this period tend to focus on specific market segments based on lifestyle and age and emphasise themes related to leisure and recreation. While newspapers remain an important advertising medium for speculative builders, most large builders now have an online presence too. Builders use their sites to present more information about their history and try to forge a more personal relationship with consumers with stories about the firms' founders and their commitment to craftsmanship and serving the client as opposed to an anonymous consumer. Also most large builders use their websites to collect consumer data related to income, age, family status and the type of house sought and preferred location.

The research shows that while the building industry has been criticized for being slow in adopting modern marketing techniques compared to other consumer goods manufacturers, once market conditions demanded it builders were, in fact, able to adapt marketing innovations and respond to social and demographic changes in the consumer

market. Overall, though, in terms of market research, product offerings and promotional activities the building industry can be best described as reactive rather than proactive, often having to be pushed by market conditions to change its business practices. I argue that during the second half of the twentieth-century, the house building industry has moved from a production and sales orientation where builders essentially operated as ‘order takers,’ selling already built standardized houses to an undifferentiated mass-market of consumers, to a marketing and consumer orientation where consumer segmentation and niche marketing have become the rule. During this same period the industry has come to place less reliance on speculative housing starts and more emphasis on pre-sales from model homes. This has allowed builders to respond to customer demands for distinction and customisation of the housing product. The research also shows that the shift to a marketing orientation and move away from speculative starts has been, in part, a result of the growth and dominance of large building firms. Large firms, unlike their smaller counterparts, have been able to invest more resources in advertising and consumer research to both develop a broader desire for new homeownership and create products that more closely satisfy consumer requirements. Yet, when it has come to the customisation of speculatively planned houses, smaller and more flexible builders have led the way, typically offering consumers the greatest choice. Consumer research by the big firms has benefitted the entire industry, with smaller house building firms typically following the example set by larger firms. At the same time, however, smaller producers have placed competitive pressure on the rest of the industry to give buyers a greater role in the production of their home.

Chapter 2 Literature Review

There has been much written about how the business practices and marketing decisions of manufacturers have evolved in response to economic conditions and consumer demand. Cultural and business historians have demonstrated how politically and socially engaged consumers' movements and individuals exercising their preferences in the marketplace have led to new forms of corporate organisation, since at least the 1950s.¹ Producers have had to become more nimble and adaptable to demand. There is also an extensive body of literature that examines the home as a site of consumption and the role of material objects in defining and creating individual identities that have meaning to the observer and observed.² However, there has been very little said about the home as a consumer product in itself and how homebuilders market their product and respond to consumer demand. Despite the home's central importance in the daily lives of its residents and the fact that it is the most expensive purchase most people will ever make, the homebuilding industry has largely been ignored. This represents a gap in the literatures on consumer culture, marketing and urban geography. Still, the existing scholarly work in these areas provides important insights into how and why homebuilders

¹ For a review of the literature on the relationship between consumers and manufacturers, and especially the influence of consumers on production and management decisions, see: Sally Clarke, "Consumer negotiations," *Business and Economic History*, vol. 26, no. 1 (1997): 75-92. See also: Richard S. Tedlow, *New and Improved: The Story of Mass Marketing in America* (New York: Basic Books, 1990); Shelley Nickles, "More is better: Mass consumption, gender, and class identity in postwar America," *American Quarterly*, vol. 54, no. 4 (2002): 581-622; and Damian Hodgson, "Empowering customers through education or governing without government?" in *Customer Service: Empowerment and Entrapment*, eds. A. Sturdy, I. Grugulis, and H. Willmott, (Palgrave, Basingstoke, 2001): 117-35.

² See, for example: Joy Parr, *Domestic Goods*. Toronto: University of Toronto Press, 1999); and Suzanne Reimer and Deborah Leslie, "Identity, consumption, and the home," *Home Cultures* vol. 1, no. 2(2004): 187-208.

came to adopt modern marketing practices during the period of this study and become more consumer oriented, especially during buyers' markets when supply exceeded demand. The main purpose of this chapter is to situate the homebuilding industry in the context of this rich literature. This provides an historical and theoretical grounding for the current study and allows me to compare how progressive the building industry was when it came to engaging the consumer and marketing.

First I consider how marketing and advertising theory have evolved during the post war period. It has been argued that changing production practices have been in response to changes in consumer culture and the fragmentation of consumers into tightly defined sub-groups. Producers and marketers work to capture these groups of consumers through targeted advertising and by tailoring their offerings to the requirements of specific market segments. Next, I look at how actions by the state and private business interests led to the creation of the post-war house building industry and the rise of speculative suburban house building at the expense of owner and custom building and what this has meant for the physical and social character of suburban areas.

2.1 The Evolution of Marketing during the Twentieth-Century

Modern marketing, encompassing production, distribution, promotion, and sales, is a relatively new concept. Only since the late-nineteenth century has it become the dominant means of achieving the social objective of satisfying and shaping consumer needs and desires.³ It serves as an alternative and complement to more traditional

³ Robert Bartels, *The Development of Marketing Thought* (Homewood, IL: Richard D. Irwin, 1962).

practices of reciprocity, redistribution, and self-provisioning.⁴ In contrast to the alternative strategies noted above, which discipline the impulse for personal gain through socially defined principles of behaviour, marketing is driven by the profit motive.⁵

The evolution of marketing in North America is generally understood to have followed three stages, moving from small, localised, and fragmented markets to mass markets by the end of the nineteenth-century, and towards segmented, or disaggregated mass markets since about the 1950s.⁶ Until about the 1890s, there was no such thing as a truly mass market. It was simply not possible. Most manufacturers lacked the capacity to produce goods in large enough volumes, and even if they did, the rudimentary transportation and communication infrastructure precluded access to markets outside their geographic base of operations. As a result, there were few nationally recognised brands and firms created profits by selling goods at high prices and reaping high margins on low volume sales.⁷

Technological changes, especially in the areas of transportation and communications, transformed the nature of business and business competition. By the end of the nineteenth-century a continental railway network was in place, enabling wider distribution than ever before, and telegraph cables had been laid, allowing easier and

⁴ Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 1957) as cited in Bartels, *The Development of Marketing Thought* (Homewood, Ill: Richard D. Irwin, 1962).

⁵ Ibid.

⁶ Ronald A. Fullerton, "How modern is modern marketing? Marketing's evolution and the myth of the 'production era,'" *Journal of Marketing*, vol. 52, no. 1 (1988): 108-25; Roland Marchand, *Advertising the American Dream: Making Way for Modernity, 1920-1940* (Berkeley: University of California Press, 1985); Tedlow, *New and Improved*.

⁷ Tedlow, *New and Improved*.

faster communication between producers, wholesalers, and retailers in far away places—in short, the constraints of geography had been significantly reduced. At the same time new production technologies, mechanisation, and reorganisation of the workplace around the requirements of modern assembly line production created the right mix for mass markets to be developed and tapped. New, larger, mechanised and more efficiently run firms achieved profits through exploiting economies of scale. In contrast to the earlier period, the manufacturing firm's main objective was to generate profits through high volume sales by lowering production costs and out-competing rivals on the basis of price.⁸ Product offerings and design were largely guided by production and technological requirements that would achieve the greatest production efficiency.⁹ As a result, most manufactured goods were standardised and aimed at an undifferentiated consumer market. During much of the period corporate strategies were geared towards achieving efficiencies in production, distribution, and management of operations. Concerns with the actual selling of output and the determination of what local markets wanted largely remained exogenous to the production process until the early-twentieth century.¹⁰ Producers usually enjoyed a sellers' market. With steadily rising real incomes, and growing urban populations demand was seen as guaranteed—the producers only concern was to ensure supply. The selling and advertising that did occur was, for the most part, left to wholesalers, merchants, and retailers.

⁸ Roy A. Church, "New perspectives on the history of products, firms, marketing, and consumers in Britain and the United States since the mid-nineteenth century," *Economic History Review*, vol. 52, no. 3 (1999): 405-35; Tedlow, *New and Improved*.

⁹ Church, "New perspectives."

¹⁰ *Ibid.*

As the rate of production continued to surge due to increasingly efficient production technologies and processes new concerns linked to overproduction emerged. Mass production increased pressures on producers to keep plants operating at their maximum efficient capacity.¹¹ Any slow down or stoppage in production meant a loss of interest on capital investments. Producers needed ways to stimulate and maintain demand—mass production demanded mass marketing.

The move towards mass marketing involved manufacturers integrating more and more of the steps involved in taking a product from initial conception, design, and production to the purchase by the consumer. Most significantly, this meant taking greater control of the distribution functions previously performed by a myriad of middlemen—wholesalers, merchants, and retailers—through such strategies as training salesmen, direct ownership or franchise agreements, and control of the relationship with consumers.¹² Control over distribution also offered producers closer contact with their markets, more reliable market data, and the ability to allocate sales personnel and distribute goods more efficiently.¹³ Taking place concurrently was the growth of advertising literature and the expansion of business schools and professional marketing training.¹⁴ Early writers on advertising, many with backgrounds in psychology, drew attention to the need to tap into the minds of consumers by evoking mental imagery

¹¹ Fullerton, “How modern is modern marketing?”

¹² Fullerton, “How modern is modern marketing?”; Tedlow, *New and Improved*.

¹³ Clarke, “Consumer negotiations.”

¹⁴ Bartels, *The Development of Marketing Thought*; Fullerton, “How modern is modern marketing?”

through associational advertising.¹⁵ They promised to help business overcome the problems of overproduction by manipulating and stimulating demand, educating consumers about new products and their uses, creating new wants, and assisting consumers in intelligent product selection.¹⁶ Meanwhile, marketing schools emphasised demand creation as the central business task.¹⁷ However, for much of the early-twentieth century consumer interests remained subordinated to the needs of business to sell what they produced and shaping demand to fit these requirements and not necessarily what consumers needed or wanted.¹⁸

The emphasis on business interests reflected a lack of interest in consumers, so long as goods sold. It also had to do with ignorance about the consumer market, and more importantly whether there was a single mass market or multiple markets with varying needs and wants.¹⁹ Although quantitative market data relating to demographics, sizes of local markets, income levels, and occupations existed, much of it was aggregated making it difficult to see the segmentation of the buying public.²⁰ The growing professionalization of marketing and advertising by the 1920s offered to overcome this deficiency. The establishment of specialised schools and university departments, and academic and trade journals allowed professional marketers and advertisers to compile and disseminate new ideas, concepts, and strategies and at the same time evaluate them

¹⁵ Bartels, *The Development of Marketing Thought*.

¹⁶ Bartels, *The Development of Marketing Thought*; Fullerton, “How modern is modern marketing?”

¹⁷ Fullerton, “How modern is modern marketing?”

¹⁸ Bartels, *The Development of Marketing Thought*.

¹⁹ Clarke, “Consumer negotiations”; Marchand, *Advertising the American Dream*.

²⁰ Clarke, “Consumer negotiations.”

and sell their services to business.²¹ Marketers set out to prove their worth by demonstrating how they could help businesses better understand the market for their goods and communicate more effectively with their customers through advertising. Until the early-twentieth century, advertising was generally perceived as just another “hole to throw your money into.”²² Marketing professionals, often in association with popular magazines and newspapers seeking to sell ad-space, took on the task of trying to define the class structure, tastes, and desires of the buying public.²³ To this end they conducted empirical surveys of the market and computed data on such things as purchasing power, brand preferences, occupation and social class of consumers in order to develop more effective means of tapping into the market. While these surveys did help to identify cleavages in the market, most producers and advertising copywriters were blinded by their own class position.²⁴

Throughout the 1920s, Marchand explains, the main division in the market was seen as that between the mass consumer market and upper-class consumers—defined as those earning higher than average salaries or wages.²⁵ Not only did this crude division of the market ignore a huge segment of the population, specifically those earning below average incomes, it also ignored any fundamental differences between the needs and desires of the masses and the upper-class. Advertising and products directed at both groups were essentially the same, the only difference being in the choice of media to

²¹ Bartels, *The Development of Marketing Thought*.

²² Tedlow, *New and Improved*, 364.

²³ Marchand, *Advertising the American Dream*.

²⁴ *Ibid.*

²⁵ *Ibid.*

present it in. Little effort was made to learn the subjective qualities, values or needs of the mass consumer market. The emphasis remained on selling what industry chose to produce and shaping consumer desires to fit the needs of producers. The social objective of advertising was to be a force for moral and cultural uplift of the masses, educating them, and helping them make more intelligent choices as consumers.²⁶

For much of the 1920s, advertising remained rather utilitarian, emphasising quality, performance, innovativeness, and making value-for-money propositions appealing to the “calculative rationality” of consumers.²⁷ This began to change by the end of the decade. Concerns about market saturation led marketing and advertising specialists to prod manufacturers to shed their “utilitarian outlook in favor of a new, more pleasure minded consumption ethic,” allow more personalisation through greater choice in styles and educating consumers to “imagine how much [they] might pleasurably consume, rather than how little [they] could get by on.”²⁸ Applying symbolic attributes to utilitarian goods and lifting them into the realm of “style, luxury, comfort, and convenience” also offered the prospect of escaping price competition in an increasingly crowded marketplace with so many new products competing for consumer dollars.²⁹ General Motors, in the 1920s, for instance, was able to challenge Ford’s market dominance by introducing annual model changes and offering greater choice in style to consumers.³⁰ Each make of car or truck was meant to appeal to a different set of customers. Unlike

²⁶ Ibid.

²⁷ Church, “New perspectives,” 411.

²⁸ Marchand, *Advertising the American Dream*, 118-20.

²⁹ Church, “New perspectives”; Marchand, *Advertising the American Dream*, 118-20.

³⁰ Tedlow, *New and Improved*.

with Ford and its Model T, General Motor's marketing strategy saw no specific make or model as the "universal car."³¹

The role of advertising and marketing in mediating between consumers and producers grew steadily throughout the first two decades of the twentieth century. Marketing concerns took on greater importance in the conception and design of products and marketers worked closely with the new design school trained industrial designers, recommending designs and packaging that would be more appealing to the buying public and introducing such concepts as stylistic obsolescence through regular model changes.³² Since the 1920s, according to Church, marketing has become the primary source of novelty in products.³³

The stock market crash of 1929 and the ensuing Depression of the 1930s, while dealing a serious blow to business and consumer confidence, provided advertisers and marketers an opportunity to take stock of what they had learned during the previous three decades and refine and develop new strategies. At the same time, the transition to a buyers' market compelled producers to innovate and become more concerned with marketing. Although the delay in economic recovery was initially blamed on such factors as overproduction and unregulated speculation in the stock market, by 1931 there was general consensus between government and the business community that the root cause was what the advertising trade journals liked to call "consumer constipation," or under

³¹ Ibid., 7.

³² Church, "New perspectives"; Fullerton, "How modern is modern marketing?"; Marchand, *Advertising the American Dream*.

³³ Church, "New perspectives."

consumption.³⁴ Some ad-men saw this as largely a psychological barrier to recovery—a barrier that they could help overcome through manipulative ad copy.³⁵ Marchand and others describe this period as the selling or hard sell era, characterised by aggressive selling and promotion of what firms had to offer, but not necessarily what consumers wanted.³⁶ Marchand argues that advertisers did not try to learn about popular tastes, attitudes, and concerns and try to reflect them in their copy because they simply did not care to.³⁷ Advertising during the period tried to tap into what admen assumed were public concerns and anxieties. They empathised; recognising concerns to economise and anxieties related to job insecurity, they offered compensatory satisfactions. Or alternatively, they tried to guilt consumers—especially women, considered to be the primary household consumer—into making purchases in order to ensure a good future for the family and children.³⁸

Although, as Marchand argues, some advertisers and manufacturers may have engaged in hard sell tactics, most probably did not. As competition for consumers' dollars intensified, few businesses could risk alienating potential customers.³⁹ As Fullerton and Clarke explain, marketing underwent a fundamental shift during the 1930s with producers listening to and trying to understand buyers' needs.⁴⁰ For instance, firms like General Motors established customer relations departments in the 1930s in order to

³⁴ Lendol Calder, *Financing the American Dream: A Cultural History of Consumer Credit*, (Princeton, NJ: Princeton University Press, 1999).

³⁵ Marchand, *Advertising the American Dream*.

³⁶ *Ibid.*; See also: Church, "New perspectives."

³⁷ Marchand, *Advertising the American Dream*.

³⁸ *Ibid.*

³⁹ Fullerton, "How modern is modern marketing?"

⁴⁰ Fullerton, "How modern is modern marketing?"; Clarke, "Consumer negotiations."

collect consumer feedback on dealers and products in order to improve their offerings.⁴¹ Growing recognition of consumers as central to ensuring a stable and robust economy led many producers to find ways to determine and satisfy consumers' needs and wants.

The building supply industry did not escape the revolution in consumer-oriented marketing brought about by the Depression and the shrinking of traditional markets. By the late-1920s, manufacturers of building components were realising that to prosper they would have to find and create new markets for their products. The key strategy that emerged was shifting advertising targets to consumers, instead of just builders and tradespeople.⁴² In response to reduced demand from the building industry, manufacturers like Johns-Manville and Kohler ramped up their consumer advertising during the 1930s. They worked to educate consumers on the uses of their products and show them how their products could improve their living arrangements.⁴³ Creating consumer demand was critical to their success. As Harris argues, during the 1930s many existing homeowners chose to make do by modernising and improving their existing dwellings instead of building and buying new.⁴⁴ With so few new houses being built and the surge in home improvement, manufacturers worked with dealers to diversify demand through consumer-oriented advertising, paying greater attention to consumer preferences, extending credit for purchase, and offering consumers new service packages.⁴⁵ Between 1930 and 1950,

⁴¹ Clarke, "Consumer negotiations."

⁴² Richard Harris and Aman Gill, "Marketing in a Depression: How Johns-Manville reformed the building industry," (unpublished manuscript).

⁴³ *Ibid.*; Regina Blaszczyk, *Imagining Consumers: Design and Innovation from Wedgewood to Corning*, (Baltimore): 170.

⁴⁴ Richard Harris, "Chapter 8: The State Makes Credit," in *Building a Market: The Rise of the Home Improvement Industry, 1914-1960* (Chicago: University of Chicago Press, 2012).

⁴⁵ *Ibid.*

knowledge of consumer preferences came to be thought of as the “domain and purpose of marketing.” The marketer’s aim became to “have what the consumer wants” and the “product became the consequence of marketing, not vice versa.”⁴⁶

The growing concern with consumers was also, in part, due to the increasing sophistication of consumers and the organizing of consumer movements in response to deceptive and manipulative advertising.⁴⁷ Consumers, recognising their reliance on information from manufacturers and advertisers, in the absence of impartial product information, were beginning to agitate for better standards from government and the impartial testing of products through consumer research groups. In the United States, government officials, aware of the need to restore consumer confidence to ensure a robust and stable economy, seized the opportunity to take an increased role in the economy and market. New regulations and regulatory bodies, such as the Food and Drug Administration, which imposed quality standards, were introduced. Business interests, in their resistance to any further government intrusions and the prospect of competition being reduced to where their products measured up on some sort of government imposed grading scale opted for voluntary standards, practices of fair competition and an increased commitment to consumer interests.⁴⁸ This new commitment to the consumer was seen

⁴⁶ Richard Harris, “Chapter 1: Introduction,” in *Building a Market: The Rise of the Home Improvement Industry, 1914-1960* (Chicago: University of Chicago Press, 2012).

⁴⁷ Bartels, *The Development of Marketing Thought*.

⁴⁸ Bartels, *The Development of Marketing Thought*; Lizabeth Cohen, “The New Deal state and the making of citizen consumers” in *Getting and Spending: European and American Consumer Societies in the Twentieth Century*, eds. S. Strasser, C. McGovern, and M. Judt (Cambridge: Cambridge University Press, 1998): 111-26.

most clearly in the postwar period as the economy returned to normalcy after years of economic depression and war.

By most accounts, by the 1950s marketing was concerning itself with determining and satisfying consumer needs, as opposed to those of the manufacturer.⁴⁹ Since then, a marketing strategy has emerged—consumer segmentation. The new marketing strategy established the link between expanding markets and firm profits and consumer satisfaction.⁵⁰ In the process, the source of competitive advantage for mass production firms shifted from lowering production costs and prices to the ability to determine, satisfy, and adapt to consumer demand.⁵¹

Smith defines consumer segmentation as a ‘people-centred’ approach to marketing that “adjusts production and marketing efforts to consumer requirements” and in doing so disaggregates the masses.⁵² Although, as Plumber explains, market segmentation has always existed, historically it was based on rather crude divisions, such as those between men and women, or buyers and non-buyers.⁵³ During the postwar period it became increasingly sophisticated. Market segmentation has been facilitated by several factors. These include more flexible production technology that has enabled a reduction

⁴⁹ Bartels, *The Development of Marketing Thought*; Franck Cochoy, “Another discipline for the market economy: Marketing as a performative knowledge and know-how for capitalism” in *The Laws of the Markets*, ed. Michel Callon (Oxford: Blackwell, 1998): 194-222; Theodore Levitt, “Marketing myopia,” *Harvard Business Review*, vol. 38, (July-August, 1960): 45-56; Tedlow, *New and Improved*.

⁵⁰ Cochoy, “Another discipline for the market economy.”

⁵¹ Levitt, “Marketing myopia”; Wendel R. Smith, “Product differentiation and market segmentation as alternative marketing strategies,” *Journal of Marketing*, vol. 21, no. 1 (1956): 3-8.

⁵² Smith, “Product differentiation and market segmentation,” 5.

⁵³ Joseph T. Plumber, “The concept and application of lifestyle segmentation,” *Journal of Marketing*, vol. 38, no. 1 (1974): 33-37.

in the minimum efficient size of production unit, improved methods of market research, and the increased discretionary purchasing power of consumers due to the wide availability of consumer credit (discussed below).⁵⁴

Market segments based on demographic and psychographic qualities have allowed producers to identify segments of the population that can be more easily communicated with and understood in order to tailor their offerings to more closely suit their needs.⁵⁵ Since the early-1980s there has been a noticeable move towards “mass customization,” or the tailoring of goods and services for specific groups with specific lifestyles, needs and wants. This has been beneficial to producers because it allows them to escape price competition and reap higher margins through ‘value pricing’ by giving customers ‘just what they wanted.’⁵⁶ The customer focus also offers producers a more stable and secure market position and helps them develop a positive brand identity.⁵⁷ As a result, producers today are more than ever focused on the consumer-centred, personalised approach to marketing and building a dialogue and relationship with consumers. Relationship building allows manufacturers to co-produce offerings by seeking consumer feedback, market testing through focus groups, and allowing greater personalisation by making products more adaptable and flexible to consumer requirements.⁵⁸

⁵⁴ Smith, “Product differentiation and market segmentation”; Fullerton, “How modern is modern marketing?”

⁵⁵ Tedlow, *New and Improved*.

⁵⁶ Hodgson, “Empowering customers,” 121; Church, “New perspectives,” 411.

⁵⁷ Levitt, “Marketing myopia”; Smith, “Product differentiation and market segmentation.”

⁵⁸ Hodgson, “Empowering customers”; Richard Normann and Rafael Ramirez, “From value chain to value constellation: Designing interactive strategy,” *Harvard Business Review*, vol. 71, no. 4 (1993): 65-77; Stephen L. Vargo and Robert F. Lusch, “Evolving to a new dominant logic for marketing,” *Journal of Marketing*, vol. 68, no. 1 (2004): 1-17.

Despite the manufacturers' commitment to consumers and satisfying their needs, Hodgson suggests that marketers continue to exercise power and control over consumers—in effect, manipulating behaviour and shaping desire. He argues that advertising, rather than reflecting realities actually shapes them, making the “production-consumption relationship less problematic.”⁵⁹ He describes how marketing links products to favourable and socially sanctioned identities and how advertising serves to educate consumers to make ‘correct’ and ‘responsible’ consumption choices. Hodgson links this to the marketer’s ability to segment the population by mapping social desires.⁶⁰ He suggests that the monopoly over information and how it is presented gives the marketer power over consumers. While advertising is used to influence consumers’ decisions to buy one product or service over another, to be effective, it has to resonate with consumers and reflect their desires. If a product fails to deliver what a marketer promises the likelihood of repeat sales and positive referrals also diminishes and affects a business’s success. As Cohen has shown, consumers are a powerful force in the market and are prepared and able to challenge manufacturers who misrepresent their product’s value and benefits.⁶¹

Marketing now plays a major role in the production process and in mediating the relationship between producer and consumer. However, mass marketing would have been stillborn without changes in societal values and the acceptance of a new ideology that both accepted and promoted consumption and the ability of the masses to afford the

⁵⁹ Hodgson, "Empowering customers," 121.

⁶⁰ Ibid.

⁶¹ Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Knopf, 2003).

output of manufacturers. The latter was largely facilitated by the growth of consumer credit.

Although it is often claimed that the credit revolution began in the 1950s, its origins are, in fact, older. As Calder shows, the foundations of the modern system of credit for purchase are rooted in the decades following 1915.⁶² Instalment credit extended by retailers was a particularly important source of credit during this period. In 1919, for instance, General Motors pioneered the instalment selling of automobiles with the establishment of the General Motors Acceptance Corporation (GMAC) that financed sales.⁶³ Retailers recognised the advantages instalment credit offered in terms of marketing. Credit was a valuable tool to expand the market of prospective buyers, especially for expensive consumer durables and, as retailers quickly discovered, more money could be made on instalment sales by charging higher prices and high interest rates that were concealed by low, manageable monthly payments. Credit customers also bought more and more expensive goods than cash customers. By the 1920s, the instalment plan was a “fixture in US consumer culture,” and by “1930, virtually all retailers had established instalment credit systems.”⁶⁴ In 1933, GMAC president Albert Deane could claim that “households had grown accustomed to monthly payments.”⁶⁵

The onset of the Great Depression helped further promote and legitimise the use of credit to finance the purchase of consumer durables. To overcome the economic downturn, Roosevelt’s New Deal aimed at enhancing household buying power. Several

⁶² Calder, *Financing the American Dream*.

⁶³ Harris, “Chapter 8: The state makes credit.”

⁶⁴ Calder, *Financing the American Dream*, 183 and 199.

⁶⁵ Harris, “Chapter 8: The state makes credit.”

strategies were designed to get commercial banks, which had become increasingly risk averse, into the lending business. Two of the most significant interventions were the creation of the Federal Housing Administration, which insured long-term amortized mortgages, and the Federal Deposit Insurance Corporation, which guaranteed deposits in chartered banks, thus freeing bankers from their commitment to liquidity and the need to keep large cash reserves on hand in the event of a run on the bank.⁶⁶ The strategy was effective—by the 1940s commercial banks were the largest lenders of consumer instalment credit, and because commercial banks had greater respectability than alternative sources of credit they were able to help promote and legitimize the use of credit. Since then, credit has been instrumental in expanding consumer purchasing power and the manufacturing and retail base of the national economy and ushering in the culture of consumption.

Houses, where lives are lived and lifestyles played out should have been an important consideration for historians of marketing, but they have not been. This is surprising considering that the owner-occupied dwelling is one of the most highly visible and most expensive possessions most people will ever own. The place of residence not only reflects identity but also shapes it. Homebuilding is also one of the most important components of the economy. The absence of homebuilding from the literature on marketing, especially during the postwar period when most new houses have been built on speculation, is a significant gap in our knowledge of how manufacturers perceive and respond to consumer demand. Despite the fact that houses are such an important

⁶⁶ Ibid.

consumer product and consumers' acceptance of certain types of housing over others is so critical for the housebuilding industry's success, historians of consumer culture have also largely ignored the building industry.

2.2 Consumer Culture and Economy

Although the literature on consumer culture has recognised the important role of the home as a site for consumption, historians of consumer culture have ignored the dwelling as an object of consumption in itself. Most have chosen to focus on the political, social, and economic conditions that led to the rise of consumer culture and the role that consumptive activities play in constructing and affirming individual identities. The promotion and the acceptance of the single-family house as a privileged consumer good worth going into debt for, deserve consideration.⁶⁷ Insights provided by the literature on consumer culture help in understanding how and why the marketing of the suburban house and the physical and social character of suburbs have changed during the period of the study.

Mass production and mass marketing required a new ideology—one accepting of and promoting consumption and a belief that life could and should be pleasurable.⁶⁸ This new ideology emerged in North America in the early-twentieth century, was strongly promoted by advertising and supported by government action in the 1930s and 1940s, but

⁶⁷ Jeffrey M. Hornstein, *A Nation of Realtors: A Cultural History of the Twentieth-Century American Middle Class* (Durham: Duke University Press, 2005).

⁶⁸ Tedlow, *New and Improved*.

only became dominant in the postwar period.⁶⁹ By 1950, mass consumer culture was firmly in place.

The shift to a mass consumer culture was not a smooth transition. It had to overcome strongly embedded cultural ideologies that expressed a distrust of material goods and material abundance.⁷⁰ Susman links the ability of consumer culture to overcome these deeply held ideologies to the development of a new form of self-consciousness that emerged in the early-twentieth century.⁷¹ He suggests that for much of the nineteenth century personal identity was based on ‘character’ and that the cult of character helped shape North American culture in a way that closely mirrored Puritan-Republican ideals. Advice manuals during the period instructed individuals that the best way to develop good character was through self-control, delayed gratification, duty to society, and hard work—all emphasising a commitment to producer values and appropriate to a society of scarceness. By the beginning of the twentieth century, advances in production technologies and processes and distribution were leading to reductions in the amount of time required to expand production. As a result, the middle-class had more discretionary time to spend and more goods available to them than ever

⁶⁹ Jean-Christophe Agnew, “Coming up for air: Consumer culture in historical perspective” in *Consumer Society in American History: A Reader*, ed. Lawrence Glickman (Ithaca, NY: Cornell University Press, 1999): 373-98; Cohen, “The New Deal state”; James Livingston, “Modern subjectivity and consumer culture” in *Getting and Spending: European and American Consumer Societies in the Twentieth Century*, eds. S. Strasser, C. McGovern, and M. Judt (Cambridge: Cambridge University Press, 1998): 413-29; Nickles, “More is better.”

⁷⁰ Michael Schudson, “Delectable materialism: Second thoughts on consumer culture” in *Consumer Society in American History: A Reader*, ed. Lawrence Glickman (Ithaca, NY: Cornell University Press, 1999): 341-58.

⁷¹ Warren I. Susman, *Culture as History: The Transformation of American Society in the Twentieth Century* (New York: Pantheon Books, 1984).

before.⁷² Continued economic growth required consumer demand to sustain it—it needed and encouraged a new ideology that would promote leisure and enjoyment, and consumption and use over the nineteenth century commitment to sacrifice and austerity.⁷³ Susman suggests that this came in the form of commitment to build ‘personality’ over ‘character.’⁷⁴ He describes how new advice manuals published in the late-nineteenth and early-twentieth century guided their readers to be “fascinating, attractive, be somebody—stand out from the crowd” and express your individuality.⁷⁵ Instead of the sacrifice and hard work promoted by the character builders, the new cult of personality advocated for self-fulfilment, self-expression, and self-gratification—qualities appropriate to the new age of abundance and consumption.

Livingston links this new emphasis on personality and the forging of identity through consumptive activities to changes wrought by reorganisation of the workplace and the subjugation of mental and physical labour to the requirements of modern mass production industries.⁷⁶ He argues that the commodification of labour wrested away workers’ control over production and, thus, workers could no longer be defined by their productive abilities. Similarly, Lukacs argues that mechanisation of the workplace, and the resulting deskilling of the workforce made it impossible to obtain gratification from productive activity and build identity around work.⁷⁷ This, Livingston suggests, forced

⁷² Livingston “Modern subjectivity and consumer culture.”

⁷³ Susman, *Culture as History*.

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*, 276.

⁷⁶ Livingston “Modern subjectivity and consumer culture.”

⁷⁷ Georg Lukacs, “Reification and the consciousness of the proletariat” in *History and Class Consciousness: Studies in Marxist Dialectics*, trans. R. Livingstone, (Cambridge, Mass: MIT Press, 1971): 83-222, as cited in Livingston “Modern subjectivity and consumer culture.”

people to seek gratification in material goods and that modern subjectivity is grounded in inanimate objects.⁷⁸

The 1930s, despite being a period of economic depression, were a pivotal period for the establishment and legitimisation of the mass consumption society that would dominate the postwar period.⁷⁹ By this time many of the prerequisites for mass consumerism were established and/or formalised. The middle-class had expanded considerably and had greater access to consumer credit and more discretionary time and money; mass marketing and distribution were in place; and, perhaps most importantly, there was growing recognition of “consumers as a self-conscious, identifiable interest group on a par with labor and business” whose wellbeing was critical for capitalism and democracy to prosper.⁸⁰ Roosevelt’s New Deal played an important role in promoting consumerism and the interest of the consumer. It held consumers up as the key to economic recovery and as responsible for high productivity and full employment. New Deal policies aimed at propping up the economy by balancing consumer interests against business self interest, and enhancing consumers’ purchasing power through greater access to credit and by endorsing collective bargaining.⁸¹ Empowering consumers also served the government’s belief that democratising consumption would provide a hedge against demands for more redistributive policies and the threats of communism and fascism.⁸²

⁷⁸ Livingston “Modern subjectivity and consumer culture.”

⁷⁹ Agnew, “Coming up for air”; Cohen, “The New Deal state.”

⁸⁰ Cohen, “The New Deal state,” 114.

⁸¹ Cohen, “The New Deal state”; Susman, *Culture as History*.

⁸² Ibid.

By the 1950s, rising industrial wages and reductions in work time due to gains made through collective bargaining, allowed consumer culture to reach the working class too and it could now truly be considered a mass cultural phenomenon. Critics of mass consumer culture warned about its homogenising effects on society and culture and the resulting loss of one's self in the life of the commodity.⁸³ Cohen, for instance, has suggested that by the end of the Depression, the autonomy of local urban commercial culture had diminished and local groups lost their ability to control the dissemination of mass culture.⁸⁴ This could be seen in the growth of chain stores and through the dominance of centrally programmed network television and radio. Although mass production did demand standardised production, as Agnew argues, consumers did not passively enter the market and accept consumer goods and the original meanings and values intended by their producers and advertisers—they appropriated and transformed these goods to suit their needs and to reaffirm their identity.⁸⁵

By the 1970s, improvements and advances in consumer research revealed and promoted an increasingly fragmented consumer culture.⁸⁶ Old market segments based on broad social class divisions, distinguishing between working, middle, and upper class tastes, which had been suited to the Fordist mode of mass production, characterised by the production of standardised goods using inflexible, dedicated machinery and processes

⁸³ Agnew, "Coming up for air."

⁸⁴ Lizabeth Cohen, "Encountering mass culture at the grass roots: The experience of Chicago workers in the 1920s," *American Quarterly*, vol. 41, (March, 1989): 6-33.

⁸⁵ Agnew, "Coming up for air."

⁸⁶ Allen J. Scott, "The cultural economy of cities," *International Journal of Urban and Regional Research*, vol. 21, no. 2 (1997): 323-39.

and the exploitation of scale economies, were no longer relevant.⁸⁷ The post-Fordist culture of consumption can be linked to a rejection of the modernist impulse to try to rationalise production and consumption through standardisation. Scott suggests that the Fordist mode of production and distribution made the cultural component of goods subservient to the functional requirements of production and that people were troubled by the placelessness and sameness of mass market goods and wanted a more ‘authentic’ experience.⁸⁸

Businesses have responded to the pluralism of tastes, niche markets, and fluidity of demand through new forms of corporate organisation that permit greater flexibility in order to respond to and create niche markets.⁸⁹ A fragmented consumer market has also meant that smaller, vertically disintegrated, more flexible producers stand at an advantage and have a more secure market position than larger producers committed to the Fordist mode of mass production.⁹⁰ By forging alliances, networks, and collaborative relationships with one another these small and mid-sized firms “compete as families”.⁹¹ By clustering together these firms are able to create synergies and draw on competencies from one another as well as a common labour pool of highly skilled workers drawn to the

⁸⁷ Meric S. Gertler, “Fordism” in *The Dictionary of Human Geography*, eds. R. J. Johnston, et al. (Oxford: Blackwell, 2000): 275.

⁸⁸ Scott, “The cultural economy of cities.”

⁸⁹ Ben Fine, “From political economy to consumption” in *Acknowledging Consumption: A Review of New Studies*, ed. D. Miller (New York: Routledge, 1995): 127-63.

⁹⁰ Ibid.

⁹¹ C. K. Prahalad and Venkatram Ramaswamy, “Co-opting customer competence,” *Harvard Business Review*, vol. 78 (2000): 79-87, 79.

area by the clustering of related industries.⁹² The concentration of related firms engaged in similar sectors of the economy has helped create place bound identities for some cultural products (e.g., Hollywood and film; Paris and high-fashion) and an air of greater authenticity than products from other regions.⁹³ Today, “cultural forms and meanings are becoming dominant elements of productive strategy” and producers are “infusing goods with symbolic and aesthetic meaning.”⁹⁴

Like the critics of other mass production industries, housing commentators following the postwar building boom charged the speculative building industry with creating placeless subdivisions featuring bland, homogeneous houses that failed to pique consumers’ interests or respond to their tastes and desires to express their individuality.⁹⁵ While this may have been true during the sellers’ market after the war, the variety in subdivision and house design has expanded greatly since then. Despite this, little has been written about how housebuilders went about adapting their product and marketing to the more discriminating and competitive market that emerged once the acute housing shortage was satisfied. Still, the literature on North American suburbs provides some important information on the changing nature of housing demand and business practices in the building industry.

⁹² Meric S. Gertler, "A cultural economic geography of production: are we learning by doing?" in *The Handbook of Cultural Geography*, eds. K. Anderson, et al. (London: Sage, 2003): 131-46.

⁹³ Scott, “The cultural economy of cities.”

⁹⁴ *Ibid.*, 323.

⁹⁵ See, for example: Humphrey Carver, “Chapter 6: The ultimate housing problem,” in *Houses for Canadians: A Study of Housing Problems in the Toronto Area, 1948* (Toronto: University of Toronto Press, 1948); W. Howard Clark, “Towards better communities, 1950,” Address to the National Conference of the Community Planning Association of Canada (Ottawa: 6 October 1950).

2.3 North American Suburbs and the Housing Market

Today, the suburban, owner-occupied, single-family house is one of the most prominent features of the North American landscape. Despite this, and the importance of housing production and consumption to individuals and the local and national economy, we know little about how it has been marketed. Urban geographers and historians have told us much about the residential search process, the changing physical and social character of the suburbs, and the role of government regulation, private land use restrictions and planning in shaping the suburbs, but few have considered how homebuilders and land developers have employed advertising and other marketing strategies to sell speculatively built houses.⁹⁶ The literature on North American suburbs and the suburban housing market, where most new single-family developments are located, suggests that marketing has become an increasingly important component of the residential development process since the 1950s and that demand has become more diverse forcing developers and builders to be more responsive to consumers and their needs.

During the early twentieth century, suburbs attracted a broad cross section of the population and exhibited a great deal of physical and social diversity. As Harris and

⁹⁶ See, for example, Larry Bourne, *The Geography of Housing* (New York: John Wiley & Sons, 1981) on the residential search process; Michael Doucet and John Weaver, *Housing the North American City* (Montreal: McGill-Queen's University Press, 1991) and Richard Harris, *Creeping Conformity: How Canada Became Suburban, 1900-1960* (Toronto: University of Toronto Press, 2004) for a discussion of the changing physical and social character of the suburbs; and Larry McCann, "Suburbs of desire: The suburban landscape of Canadian cities, c. 1900-1950" in *Changing Suburbs: Foundation, Form, and Function*, eds. R. Harris and P. J. Larkham (New York: Routledge, 1999): 111-45 and Marc A. Weiss, *The Rise of the Community Builders: The American Real Estate Industry and Urban Land Planning* (New York: Columbia University Press, 1987) on the role of government regulation and private land use restrictions in shaping the character of North American suburbs.

others show, individuals of any means, family status, or ethnic background could gain access to the suburbs.⁹⁷ This had much to do with the nature of the house building and land development industry. There were few developers in the modern sense that incorporated all of the functions of brokerage, subdivision, promotion, construction, and sales.⁹⁸ Most land was simply subdivided on gridded streets and sold off at auction for whatever purpose the purchaser had in mind.⁹⁹

Purposely-planned residential neighbourhoods first began in the early-twentieth century in high-status and high-income suburbs promoted by large-scale developers who recognised the willingness of homebuyers to pay a premium to live in a controlled residential environment. Control was typically achieved through private deed restrictions, and sometimes by lobbying for incorporation as a politically distinct district where the developer could impose by-laws to control the nature of development. Planning and the use of private deed restrictions gradually extended to middle- and working-class areas by the 1920s, and became the norm in the late-1940s.¹⁰⁰

⁹⁷ Harris, *Creeping Conformity*; See also: Doucet and Weaver, *Housing the North American City*; Richard Harris and Robert Lewis, “The geography of North American cities and suburbs, 1900-1950: A new synthesis,” *Journal of Urban History*, vol. 27, no. 3 (2001): 262-93; McCann, “Suburbs of desire”; and Ross Paterson, “Creating the packaged suburb: The evolution of planning and business practices in the early Canadian land development industry, 1900-1914” in *Suburbia Re-Examined*, ed. B. Kelly (New York: Greenwood Press, 1989): 119-32.

⁹⁸ Harris, *Creeping Conformity*; Paterson, “Creating the packaged suburb.”

⁹⁹ Doucet and Weaver, *Housing the North American City*; Sam Bas Warner, *Streetcar Suburbs: The Process of Growth in Boston, 1870-1900* (Cambridge, Mass: Harvard University Press, 1978).

¹⁰⁰ Warner, *Streetcar Suburbs*; Weiss, *The Rise of the Community Builders*.

Through the use of deed restrictions and planning controls land developers became the primary shapers of the suburbs.¹⁰¹ By imposing varying degrees of development controls they influenced the social character of the suburbs during the first half of the twentieth century, crafting “fully restricted” suburbs for the wealthy, “moderately restricted” neighbourhoods for the middle-class, and suburbs with few restrictions for the working-class.¹⁰² Planning was another tool that developers used to influence the physical and social character of suburban areas. Few regulations governed the subdivision process, beyond requiring subdividers to employ a surveyor to divide the land into building lots and have the resulting plan registered at the local land registry.¹⁰³ Some subdividers, to make their surveys more attractive to potential purchasers, might improve their survey by grading streets, installing sidewalks, and, perhaps, planting ornamental trees and bushes on vacant lots. Doucet and Weaver, however, show that these were the exceptions until the end of the nineteenth century, with most subdividers making few improvements to their holdings beyond clearing “a rough path to demarcate the road allowances in the subdivision.”¹⁰⁴ The eventual residents were left to petition local administrative bodies for infrastructure improvements and arrange with local utilities for services such as gas, water, and sewer hook-ups or, lacking the necessary tax

¹⁰¹ Carolyn S. Loeb, *Entrepreneurial Vernacular: Developers' Subdivisions in the 1920s* (Baltimore: Johns Hopkins Press, 2001).

¹⁰² Paterson, “Creating the packaged suburb.”

¹⁰³ Doucet and Weaver, *Housing the North American City*.

¹⁰⁴ *Ibid.*, 38.

base to pay for improvements, lobby to be annexed by cities that were in a better financial position.¹⁰⁵

The combined effect of a surging urban population, lack of subdivision regulation, and rampant land speculation resulted in a fragmented, uncoordinated suburban pattern, with many suburbs lacking basic services by the First World War.¹⁰⁶ The diversion of capital, building supplies and skilled labour to the war effort meant that there was limited residential construction during the war years, thus offering municipalities an opportunity to take stock of what had taken place over the previous decades and correct the problems of pre-war speculation. McCann describes how municipalities and other levels of government worked to consolidate existing areas of sprawl by providing essential services, encouraging new, but orderly managed suburban growth by revising and enacting new by-laws and suburban regulations during the 1920s and '30s, and making house building permits more restrictive to control the growth of owner-built “shack-towns.”¹⁰⁷ The overall effect of these changes was to raise the cost of homeownership, especially for lower income groups.¹⁰⁸

The 1920s and 1930s are a critical point in the evolution of North American suburbs. In the US, the 1920s saw the newly professionalized realtors and self-styled community builders, working with civic agencies, social reformers, building supply dealers, and financiers engage in promotional efforts to make homeownership widespread and central to middle-class identity by making it more affordable and a less risky

¹⁰⁵ Harris, *Creeping Conformity*.

¹⁰⁶ McCann, “Suburbs of desire.”

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

investment for mortgage lenders and prospective purchasers.¹⁰⁹ This growing interest in promoting homeownership paralleled growth in marketing thought. Just as marketers in other industries were discovering, the building industry was realising that it had to create demand for new houses by linking homeownership to a favourable identity. Through improved planning and promotion progressive builders and developers also sought to differentiate their developments from other subdivisions and develop reputations for being committed to solving consumers' housing problems and improving their living environments. The expanded interest in promoting ownership in general was also motivated by the high-rates of rural to urban migration and the fact that city dwellers were less likely to own than rent and more likely to live in attached multi-family buildings than detached single-family houses.¹¹⁰

To address affordability issues the network of housing reformers promoted voluntary standards that would increase efficiency through standardisation, thus eliminating waste in construction and making houses cheaper to construct as well as improving the overall quality of the final product.¹¹¹ And in order to make houses a more secure investment for prospective purchasers and lenders the network of housing interests advocated for building codes, land use zoning, and planning controls.¹¹² All of these strategies aimed at eliminating small-time land speculators and jerry-builders, who were seen as the main source of instability and inefficiency in the housing market, and promote

¹⁰⁹ Hornstein, *A Nation of Realtors*; Loeb, *Entrepreneurial Vernacular*.

¹¹⁰ Hornstein, *A Nation of Realtors*.

¹¹¹ *Ibid.*; Loeb, *Entrepreneurial Vernacular*.

¹¹² *Ibid.*

the interests of larger land developers.¹¹³ The federal government took a hands-off approach during much of the 1920s but played an important role in providing forums for national organisations of housing reformers to meet, share information, and coordinate promotional activities.¹¹⁴

The 1920s also witnessed a coordinated effort to promote the detached single-family home as a “privileged consumer durable worth going into debt for.”¹¹⁵ This was necessary to overcome the still prevalent Victorian money management ethic that stressed the ideal of saving and then buying. The National Association of Real Estate Boards, in coordination with the US departments of commerce and labour and local chambers of commerce launched Own-Your-Own-Home campaigns beginning in 1918 and the Better Homes movement in the early-1920s.¹¹⁶ Both used advertising and promotional techniques to associate homeownership with the ‘good life.’ Own-Your-Own-Home campaigns stressed how health, happiness, wealth and civic virtue would automatically flow from homeownership while Better Homes weeks, through demonstration homes, educated consumers to expect more from home life and showcased the modern conveniences available to homemakers and how they would contribute to a “wholesome, normal family life.”¹¹⁷ Similarly, north of the border, the Hamilton Real Estate Board

¹¹³ Weiss, *The Rise of the Community Builders*.

¹¹⁴ Hornstein, *A Nation of Realtors*; Loeb, *Entrepreneurial Vernacular*.

¹¹⁵ Hornstein, *A Nation of Realtors*, 120.

¹¹⁶ For a discussion of the Own-Your-Own-Home campaign in the United States see: Marc A. Weiss, “Marketing and financing home ownership: Mortgage lending policy in the United States, 1918-1989,” *Business and Economic History*, vol. 18 (1989): 109-118; On the Better Homes movement see: Loeb, *Entrepreneurial Vernacular*.

¹¹⁷ Hornstein, *A Nation of Realtors*, 129.

organised a Better Homes Exhibition at the Hamilton Armouries in 1922 to “educate the average renter into the methods and means of ownership.”¹¹⁸

The growing emphasis on promoting homeownership during the 1920s can be linked to heightened social unrest and political turmoil following the war.¹¹⁹ High rates of rural to urban migration, housing shortages, poor living conditions, and rising rents were contributing to class tensions between owners and tenants. It was argued that making suburban homeowners out of urban workers would restore political stability and squash labour protest.¹²⁰

With the collapse of the housing market in 1929, and the economy spiralling into a deepening depression in the 1930s, governments on both sides of the border were forced to take a more active role in the housing market.¹²¹ As Harris shows, there was a high rate of mortgage defaults, especially in poorly planned residential areas, which lost value quickly and were risky for lenders to extend capital on.¹²² It was believed that a reformed real estate industry would remove the risk for lenders, and because house building was labour intensive, and created demand for building supplies, and other expensive consumer durables it would lift the economy out of depression.¹²³

Two of the key reasons for the housing crisis were identified as the high cost of construction and the short supply and poor form of mortgage financing, specifically the

¹¹⁸ John Weaver, “From land assembly to social maturity: The suburban life of Westdale,” *Histoire Sociale*, vol. 11, no. 22 (1978): 411-440, 415.

¹¹⁹ Loeb, *Entrepreneurial Vernacular*; Weaver, “From land assembly to social maturity”; Weiss, “Marketing and financing home ownership.”

¹²⁰ Weiss, “Marketing and financing home ownership.”

¹²¹ Harris, *Creeping Conformity*; Hornstein, *A Nation of Realtors*.

¹²² Harris, *Creeping Conformity*.

¹²³ *Ibid.*

short-term balloon mortgage. To counter the high cost of construction, the 1931 White House Conference on Home Building and Home Ownership endorsed the standardization and simplification of house building through the increased use of prefabricated components and the open-plan minimal house with few specialised rooms which was well suited to mass production.¹²⁴ At the same time it developed model building codes, contract specs, zoning guidelines, and promoted comprehensive, coordinated planned developments based on Clarence Perry's neighbourhood unit plan.¹²⁵ Not only would these measures reduce the cost of construction, they would also make real estate a more stable investment for purchasers and lenders. To encourage private lenders to extend financing on the security of real estate the US government established the Federal Housing Administration in 1934 to insure mortgage loans, thus reducing the risk for lenders and allowing them to make long-term, low interest, amortised mortgages available.¹²⁶

In Canada, the federal government, to improve housing conditions, began developing its own minimum building standards with respect to the provision of basic services, street widths, subdivision layouts, construction materials, and so on in the 1930s and adapted the US model of mortgage insurance in 1935.¹²⁷ Approved lenders were encouraged to offer long-term amortised mortgages backed by *Dominion Housing Act* (later the National Housing Act, 1938) insurance. Because, as Harris explains,

¹²⁴ Loeb, *Entrepreneurial Vernacular*.

¹²⁵ Hornstein, *A Nation of Realtors*.

¹²⁶ Weiss, "Marketing and financing home ownership."

¹²⁷ John C. Bacher, "Canadian housing 'policy' in perspective," *Urban History Review/Revue d'histoire urbaine*, vol. 15, no. 1 (1986): 3-18; Harris, *Creeping Conformity*.

commercial banks were prohibited from lending on the security of real estate the Canadian government had to encourage other institutional lenders to enter the mortgage market by offering joint loans.¹²⁸ Under the arrangement, lenders were able to make insured joint loans of up to 80 percent of the purchase price with 20 percent coming from the government so long as homes were built to strict building and subdivision guidelines.¹²⁹ Because of the stringent building and planning standards required for government mortgage insurance, most mortgage money went to the suburbs where new homes in large newly planned neighbourhoods met the federal requirements.¹³⁰ In 1954 joint loans were replaced by straightforward insurance and revisions to the *Bank Act* opened the mortgage market up to chartered banks.¹³¹ The same year saw the implementation of inspections of housing developments by the Central (now Canada) Mortgage and Housing Corporation, which was established in 1946 to administer the NHA, to ensure that the development met agency building and subdivision guidelines.¹³² Strong-Boag and others argue that the actions of the government promoted the construction of mass produced, standardised (in shape, size, and layout), speculatively built housing over individual and custom built housing and favoured large developer-builders.¹³³ While such actions were effective in rationalising the construction process, making demand more predictable, and housing more affordable for middle-income

¹²⁸ Harris, *Creeping Conformity*.

¹²⁹ Ibid.; McCann, "Suburbs of desire."

¹³⁰ Ibid.; Veronica Strong-Boag, "Home dreams: Canadian women and the suburban experience, 1945-60," *Canadian Historical Review*, vol. 72, no. 4 (1991): 24-34.

¹³¹ Harris, *Creeping Conformity*.

¹³² Ibid.; Strong-Boag, "Home dreams."

¹³³ Ibid.; Bacher, "Canadian housing 'policy' in perspective"; James Lorimer, *The Developers* (Toronto: J. Lorimer, 1978).

buyers they also impacted consumer choice. Standardisation and the promotion of mass housing production reduced consumer choice in housing types, and also contributed to creating an industry that was more concerned with securing federally insured mortgage commitments than necessarily responding to consumers' desires.

The effects of government intervention in the housing market became most apparent during the post-World War II period. Following nearly two decades of limited new house construction due to the Depression and War, a rising urban population resulting from natural increase, rural-to-urban migration, and immigration, combined with a high rate of family formation and the wide availability of mortgage finance to trigger a huge surge in housing demand.¹³⁴ To satisfy the unmet demand, Lorimer and others argue that government actions at all levels worked to promote the growth of large land development and merchant building firms.¹³⁵ Housing critics at the time argued that the housing industry would remain inefficient as long as it was dominated by custom building and that only large-scale, vertically integrated merchant building firms could efficiently produce the large number of housing units required and achieve the economies of scale needed to satisfy the demand.¹³⁶ Government policies supported this contention. As Bacher describes, builder-developers that planned entire communities were given favoured government assistance and the necessary short-term financing from chartered

¹³⁴ Barbara Wake Carroll, "Post-War trends in Canadian housing policy," *Urban History Review*, vol. 18, no. 1 (1989): 64-74; Barbara M. Kelly, *Expanding the American Dream: Building and Rebuilding Levittown* (Albany, NY: State University of New York Press, 1993); Sherman Maisel, *Housebuilding in Transition* (Berkeley: University of California Press, 1953).

¹³⁵ Lorimer, *The Developers*; Bacher, "Canadian housing 'policy' in perspective"; Maisel, *Housebuilding in Transition*.

¹³⁶ Lorimer, *The Developers*; Maisel, *Housebuilding in Transition*.

banks to carry out their projects.¹³⁷ The objective of marketing in the building industry was to produce as many units as possible and sell what was easy to build. At the same time, municipalities unable and unwilling to finance the high cost of servicing new suburban developments began to shift the servicing costs on to developers, thus posing another obstacle for small-scale subdividers who lacked the capital to install services and carry the land through the lengthy planning, permitting, servicing, marketing, construction, and sales process.¹³⁸ By the late-1950s, suburban land development in metropolitan areas came to be dominated by large development corporations controlling large land banks.¹³⁹

Another factor that contributed to the concentration of the building and land development industry during the post-war period was the widespread use of government insured mortgage financing. National Housing Act insurance for construction and purchase removed much of the risk from speculative development and worked to attract investment capital. Because most investors were drawn to larger, more experienced building firms this allowed the largest of the merchant building firms to grow even larger, and in some areas dominate local housing markets.¹⁴⁰ The situation was similar in the US. Kelly notes that because of their scale, large merchant building firms were in a better position to take full advantage of new technological developments, such as prefabrication

¹³⁷ Bacher, “Canadian housing ‘policy’ in perspective.”

¹³⁸ Harris, *Creeping Conformity*; Lorimer, *The Developers*; Peter Spurr, *Land and Urban Development: A Preliminary Study* (Toronto: Lorimer, 1976).

¹³⁹ Bacher, “Canadian housing ‘policy’ in perspective”; Harris, *Creeping Conformity*; Spurr, *Land and Urban Development*.

¹⁴⁰ Spurr, *Land and Urban Development*.

of components, and achieve construction and cost efficiencies over smaller builders.¹⁴¹ Also, large firms were able to buy supplies in bulk direct from manufacturers, thus cutting out the middleman and achieving greater cost savings than smaller builders that could then be passed on to the consumer in the form of lower prices.¹⁴²

During the early postwar period, the government's and the building industry's primary concern was to produce as many houses as possible in the most efficient way. As a result, Maisel, in his study of suburban development in the San Francisco Bay Area, argues that the character of most early postwar housing developments was driven by the "producer initiative" with the producer, working within controls imposed by government, mortgage lenders, and land developer, determining the quantity and quality of housing as opposed to the buyer initiative in custom building.¹⁴³ Essentially, a predetermined, standardised product suited to the requirements of mass production was offered to a shelter-hungry public. While the volume of new construction went a long ways in satisfying the housing shortage and many were grateful for any well-built house that they could call their own, consumer choice in the new house market was limited. Once their immediate need for shelter was satisfied, housing consumers that could afford it, as those in other industries, demanded a more individualised product that reflected their uniqueness and satisfied their lifestyle requirements.

By the mid-to-late-1950s, as the housing shortage eased there were signs that the mass-market for standardised mass-produced, minimalist housing was becoming

¹⁴¹ Kelly, *Expanding the American Dream*.

¹⁴² Ibid.; Maisel, *Housebuilding in Transition*.

¹⁴³ Maisel, *Housebuilding in Transition*, 16.

saturated.¹⁴⁴ A shift from a seller's market to a buyer's market was taking place. At the same time, criticisms of suburbia and the suburban home were beginning to enter the mainstream media, with critics charging that suburbs were unresponsive to changing social and demographic conditions and that they were designed solely for the nuclear family.¹⁴⁵ In response to changing market conditions, house building firms were being compelled to increase their marketing efforts and take greater interest in determining what buyers really wanted and delivering it.¹⁴⁶ This involved providing more community amenities, houses with more features, and more variety in design. The reaction against standardized mass produced subdivisions can be linked to the fact that as mass suburbanisation took hold, suburbs lost much of their original exclusivity and social cachet that had attracted many new homebuyers. As a result, homebuyers began to seek new distinctions.¹⁴⁷ In part, this may be linked to the growing popularity of historic preservation and inner-city gentrification and the growing popularity of new urbanist and neo-traditional residential developments in the suburbs in recent decades. Yet, the literature on suburban development has not considered the extent to which consumer demand has influenced the character of suburban development or marketing strategies used by builders.

¹⁴⁴ Kelly, *Expanding the American Dream*; Maisel, *Housebuilding in Transition*.

¹⁴⁵ Strong-Boag, "Home dreams."

¹⁴⁶ Maisel, *Housebuilding in Transition*.

¹⁴⁷ Robert Bruegmann, *Sprawl: A Compact History* (Chicago: University of Chicago Press, 2005).

Conclusion:

Consumers have become an important force in the marketplace and their influence continues to grow. In most industries this has meant that producers have had to commit greater resources to marketing and defining and responding to consumer trends and consumers' desires for distinction. Consumers have also demanded a greater role and say in the production decisions of manufacturers. The existing literatures on housing and suburban development suggest that homebuilding's focus on the consumer has continued to increase since the mid-to-late-1950s, but no study has examined this trend systematically. Writers like Witold Rybczynski, and Pierre Bourdieu refer to the recent rise in the customisation speculatively built houses, but do not explore this issue in any great detail or in an historical context.¹⁴⁸ An historical context is necessary to understand, for instance, why housebuilders decided allowing consumers the option to customise was a better marketing strategy than focusing on production efficiencies through standardisation, which had served them so well during the postwar building boom. To answer such questions this thesis draws on insights provided by the literatures on marketing and consumer culture. It considers how economic conditions and changes in consumer demand influenced builders' production and management decisions. Also, writers who have examined North American suburban development have tended to have a preoccupation with large building/development firms. The focus has been on

¹⁴⁸ Witold Rybczynski, *Last Harvest: How a Cornfield Became New Daleville: Real Estate Development in America from George Washington to the Builders of the Twenty-first Century, and Why We Live in Houses Anyway* (New York: Scribner, 2007); Pierre Bourdieu, "Chapter 1: Dispositions of the agents and the field of cultural production" in *The Social Structures of the Economy*, trans. C. Turner (Cambridge, UK: Polity Press, 2005): 19-88.

production methods and government actions that promoted the growth of building firms and the standardisation of houses. While this is true, a large number of small and mid-sized firms still exist. Important questions related to how these firms survive have been ignored. Marketing historians have argued that smaller producers are better positioned to engage the consumer and coproduce value with them than larger ones. At the same time they are believed to be more flexible than bigger firms and able to adapt more quickly to changes in demand, and may, in fact, occupy a more secure position in the market.

Whether this is true in the building industry is unclear. The existing literature on housebuilding also fails to consider two of the most important components of modern marketing—the use of consumer research and advertising. Knowing what the consumer wants is essential to delivering a product that the market will accept. It is also necessary in developing advertising that speaks to your intended market. While some writers have considered advertising for developments intended for upper-income earners and noted how real estate marketers use the promise of exclusivity to appeal to them, the everyday suburban house has been dismissed as not warranting attention.¹⁴⁹ The role of consumer research in builders' production decisions has been ignored entirely. This is unfortunate. Knowing the role of consumer and market research in the production decisions of builders would help develop a richer understanding of the suburbs and how builders use advertising to appeal to distinct groups of consumers. Building on the arguments of historians of marketing and consumer culture, this thesis uses a case study approach to

¹⁴⁹ See for example: John Eyles, "Housing advertisements as signs: Locality creation and meaning systems," *Geografiska Annaler. Series B: Human Geography*, vol. 69, no. 2 (1987): 93-105.

determine how speculative builders in the Toronto area have adapted to changes in consumer demand and market conditions.

Chapter 3: Research Methods and Sources

To explore the marketing strategies used by speculative builders, and how they evolved between the end of WWII and the first decade of this century I use a variety of sources and methods. The most important of these are building and advertising trade journals, together with builders' advertising in a local newspaper. These sources and how in I used them are described below.

3.1 Trade Journals

Trade journals offer a rich, yet relatively untapped source of information. They provide an unparalleled insider's view of the industries they cover, and a partial view of consumer attitudes and preferences. For this study three building trade journals were examined; two of them were American publications and one Canadian. The two US-based journals were: *Architectural Forum* (1940 to 1952), its offshoot, *House & Home* (1952 to 1976), which came about after the growth of the speculative building industry, and the *Professional Builder* (1980 to 2000). The Canadian journal was *Canadian Builder* (1951 – 2009).¹ These represent three of the dominant journals in the building field and cover most of the post-war period. Besides these three journals, the *American Builder*, published between 1930 and 1969, was also influential with North American

¹ Until 1952, *Architectural Forum* covered all aspects of building, from industrial and commercial to residential construction, but was primarily targeted at professional architects and projects they were involved with. Thus, the average builder's subdivision, houses and marketing strategies were likely under-represented. Beginning in the mid-1940s, coinciding with the growth of the residential building industry, the journal began devoting more and more of its coverage to suburban homebuilding, eventually spawning a complementary publication, *House & Home*, devoted exclusively to residential building. The *Canadian Builder* underwent two name changes during the course of this study, becoming *Canadian Building* in 1969 and then simply *Building* in 1991. For simplicity, the journal is always referred to by its original title in the text of the dissertation, but in the footnotes, for accuracy, the actual title at the time of publication is used.

builders and land developers, but was not consulted due to accessibility and time constraints. The building trade journals offered insight into the state of the building industry, economic and market conditions, and the impact of federal housing policy on the house building industry throughout the postwar period. They also, and more importantly for my purposes, highlighted changes in marketing thought and marketing practices of builders. Most significantly, the editors and columnists of the journals throughout the postwar period advocated for individual builders, and the industry as a whole, to take a more market and consumer focused approach in their advertising, production decisions, and in dealing with consumers. Often this meant editorials that were critical of builders' reluctance to engage in consumer research, invest in 'good' advertising and failure to innovate and respond to consumer desires. Yet at the same time they were sympathetic to problems faced by builders, offering guidance on how builders could expand their markets through improved marketing and better use of available consumer data.

While two of the journals are American and focus primarily on conditions in the US and American builders' experiences they do contain coverage of Canadian issues, Canadian housing policy, and, from time-to-time, profiles of Canadian builders, especially those active in southern Ontario with *House & Home* having a Canadian bureau. Also, letters to the editors of the American journals and their coverage of Canadian building activity suggest that the American journals were also read widely north of the border. *Canadian Builder* is national in scope, but focuses primarily on southern Ontario, where it was published.

Each issue of all three journals was scanned for references to the marketing practices of individual builders and the industry as a whole. The main points of interest included references to advertising and promotional activity, consumer research, changing characteristics of consumer demand, changes in housing policy and the management structure of homebuilders. The pertinent material was photocopied or, in instances where digital copies of the journals were available, printed. When only microfilm volumes were available the relevant material was scanned and later printed.

These journals revealed two main types of information: The opinions of builders and industry analysts about the state of marketing in the industry. Typically these were expressed in editorials, opinion pieces, and through interviews with builders, industry consultants, marketers, and other interested parties, including the editors of consumer shelter magazines, home economists and consumer panels convened by the editors of the journal. The second type of information was more factual, typically presented in the form of a case study of a particular builder's marketing strategy, approach to consumer research, and advertising or in the form of an article presenting the findings of a research study into consumer preferences, the effectiveness of current marketing approaches, or market and economic conditions and how they were affecting demand for new housing. The journals were useful in revealing the state of marketing throughout the post-war period and how builders responded to economic conditions, changes in housing policy, social and demographic change, and changes in consumer preferences.

In addition to the building trade journals, two marketing trade journals were also consulted. These were *Printers' Ink* (1930 – 1968), described as the “early trade bible,”² and its successor *Marketing / Communication* (1969 – 1971).³ For the more recent period, *Advertising Age*, today's leading US-based trade magazine for advertising, and Canada's *Marketing Magazine* were also examined. A cursory search of their on-line databases revealed little of value to the research. The limited number of articles dealing with housing and the suburbs concerned themselves primarily with the location of consumer markets for other industries, specifically which regions were growing most rapidly and which were stagnating. The two former publications proved more useful. Like the building trade journals, *Printers' Ink* and *Marketing / Communication* were scanned for references to the advertising and marketing practices of homebuilders. These journals provided case studies of builders' and the building industry's promotional activities, and often comparisons of progress in marketing in the building industry relative to other major industries. These comparisons often involved the automobile industry, against which homebuilding has often been compared, both by builders and industry analysts. These journals were useful in providing an historical context through which to interpret the progress of builders' marketing activities.

Although trade journals provide useful insights, they should be used with caution. Journal content is not necessarily representative of the experience of all builders or the industry as a whole. For instance, all of the journals surveyed appeared to place more

² Terry O'Reilly and Mike Tennant, *The Age of Persuasion: How Marketing Ate Our Culture* (Toronto: Knopf Canada, 2009): 56.

³ *Printers' Ink* published both a weekly and monthly edition. For this study, only the weekly edition was consulted. *Marketing / Communication* was only published monthly.

emphasis on profiling exceptional or atypical cases. While this is valuable in itself as it provides some indication of the direction the industry is heading, it may overstate the main trends in the industry and influence the researcher's interpretation of the state of the art in the industry. Also, the trade publications tended to provide more coverage of large house builders and 'community builders' and their activities than smaller ones, thus the researcher needs to take caution in inferring what is taking place in the industry as a whole based on what the few larger builder/developers with more resources available to engage in marketing and consumer research are doing. The slanted coverage of big builders also suggests what may be a bias towards big builders on the part of the journals' editors and staff writers. Journal coverage also appears to be influenced by the journals' readership. This was most evident in the *Architectural Forum*. It regularly advocated for the use of an architect in the design of speculative houses and went as far as to criticize most speculatively developed subdivisions as exhibiting "inferior planning and atrocious taste."⁴ In May 1947, the journal's coverage of speculative house builder Levitt & Sons' success in Long Island, New York, a firm that did not employ a professional architect generated many letters to the editor from practicing architects critical of the journal's praise for the firm's organisation, production techniques and housing design. It is not clear whether this directly influenced the *Forum's* future coverage but any publication concerned about alienating subscribers and meeting their demands would likely take such views into consideration. Also, because all of the journals contained advertising and can

⁴ "Planning the Postwar House II," *Architectural Forum*, (February 1944): 69-74.

be considered ad-driven media the impartiality of their coverage, and especially opinion pieces cannot be taken for granted.

3.2: Advertisements

The primary purpose of the research is to understand how the marketing practices of builders' have changed during the post-war period, and second, how these changes have been reflected in builders' merchandising. To achieve this second objective the most important research strategy involved collecting advertisements for new owner-occupied single-family developments.

Because newspapers have historically been, and remain, builders' primary advertising medium, advertisements for new houses were collected from the *Toronto Star*, Toronto's most widely read newspaper.⁵ Advertisements were collected from the second Saturday issue for the month of April, the height of the spring real estate season, at five-year intervals between 1940 and 2005 using the *Star's* Pages of the Past online and searchable database containing digitized reproductions of the paper. Data collection was guided by two criteria: 1) The houses had to be newly built and intended for owner occupation by a single-family; and 2) The houses had to be set in a subdivision offering more than one house for sale (i.e., advertisements for individual houses on in-fill sites were ignored). In the end, advertisements representing a total of 679 unique subdivisions were amassed. The actual number of individual ads was slightly less than this total

⁵ According to the Canadian Circulations Audit Board (CCAB), during the twelve-month period ending December 2011, the *Toronto Star* had a total average weekday circulation of 361,323. Saturday circulation was 500,678, representing a readership of 1,211,100. Both circulation and readership were higher than any other daily newspaper in the Toronto market. (Canadian Circulations Audit Board, "Daily newspaper audit report for the 12 month period ended December 2011: *Toronto Star*, (Toronto: CCAB, 2012).

because some builders used a single advertisement to promote multiple developments that they were concurrently engaged in, a trend that increased in the latter period of the study.

Advertising, while just one component of marketing, is perhaps the most important tool any manufacturer has to bring a product or service to the public's attention. The contemporary advertising industry, dating from the threshold of the twentieth, century is built on the "premise that sales of a product would increase if that product could be linked to lifestyle and socially-significant trends and values."⁶ As such, ad content provides insights into the changing strategies employed by manufacturers to communicate about goods and negotiate their meanings with audiences as well as the changing cultural and social values of consumers, at least as far as these were perceived by marketers. "In this respect they represent a very important part of the discourse of consumption" and the development of consumer culture.⁷ Deconstructing advertising messages can provide "insight into the readers' consciousness, their ways of thinking, [and] their ideology." This is possible because advertisers "have to please their readers, never disturb or offend them; and because adverts are under this obligation to reflect the attitudes, hopes and dreams of their readers as closely as possible."⁸ Learning what appeals to a target market is simply good marketing. Therefore, real estate advertisements can provide a good source of information about the lifestyles and values of the intended market and illustrate how builders attempt to segment the market along these lines.

⁶ Marcel Danesi, *Messages, Signs, and Meanings: A Basic Textbook in Semiotics and Communication* (Toronto: Canadian Scholars' Press, 2004): 255.

⁷ William Leiss, Steven Kline, Sut Jhally, and Jackie Botterill, *Social Communication in Advertising: Consumption in the Mediated Market Place* (New York: Routledge, 2005): 161.

⁸ Torben Vestergaard and Kim Schroder, *The Language of Advertising* (Oxford: Blackwell, 1985): 121.

The data was subjected to a content analysis to document the selling points and appeals made to prospective buyers by builders and developers and how these appeals have evolved during the period of the study and the extent to which residential developers were targeting their subdivisions to specific market segments. Content analysis is an accepted method of investigation in the field of mass communication and the social sciences and allows for “rigorous, systematic explorations of representative samples” of data.⁹ Leiss *et al.* describe it as an important tool “for those interested in uncovering the ideological intents of advertising.”¹⁰ Because of the large volume of advertisements it was necessary to code the data. Coding served three important purposes. These were: 1) data reduction; 2) organisation and the creation of a searching aide; and 3) facilitated the analysis. As Cope suggests, data reduction is desirable because it facilitates familiarity and better understanding of the data and helps in analysis. Because coding puts data into smaller more manageable ‘packages’ it allows the researcher to organise data topically and along lines of similarity or relation, and, thus, allows the researcher to find data more easily. Finally, coding aides in analysis by helping “identify patterns, relationships, and disjunctures in the data, allowing them to be brought out for scrutiny.”¹¹

The initial stages of coding involved defining general categories from which more interpretive codes emerged as the research progressed. The existing literature on suburban development and a preliminary reading of the advertisements informed the

⁹ Leiss, *et al.*, *Social Communication*, 162; See also: M. Cope, “Coding qualitative data” in *Qualitative Research Methods in Human Geography*, 2nd ed., ed. I. Hay (Melbourne: Oxford University Press, 2005); and David Silverman, *Interpreting Qualitative Data: Methods for Analysing Talk, Text, and Interaction* (London: Sage, 1993).

¹⁰ Leiss, *et al.*, *Social Communication*, 163.

¹¹ M. Cope, “Coding qualitative data,” 226.

definition of these initial codes. These related to a sense of community, health, happiness, family togetherness, security of investment and the class, ethnic, and gendered aspects of the ads. Using these codes a database was built and a second reading of the ads was conducted. During this stage meaningful phrases and images in the advertisements were noted and entered into the database in the appropriate category as either a direct quotation or as my own interpretations of what the ad was trying to convey, the latter was primarily the case when illustrations were used in the advertisements. If a phrase or idea being expressed in an ad did not fit into an existing category a new code was added to the database. The codes are not mutually exclusive and a phrase or concept can appear under multiple codes. The final set of codes can be divided into four main categories. These are: social marketing concepts; lifestyle; exclusivity/prestige; and design. My justification for selecting these categories is provided below. For a complete list of codes and their definitions see Appendix A. Besides these interpretive codes, more general information about the builders, houses and subdivisions, and advertisements was also noted and recorded in the database. These related to the name of the builder, name of the subdivision, location of the development, whether the builder and/or subdivision used a logo, information about the builder's reputation, size of the houses, types of houses, the use of model homes, the length of the advertisement and so on. In the end all of the advertisements were linked to their corresponding row in the database to facilitate easy access in the future.

3.2.1: Social Marketing Concepts

Emotion plays a large role in the purchase decision for most products, and housing is not an exception. The social character of a residential area has a major impact on its residents. Unger and Wandersman have argued that most people feel more comfortable in socially homogeneous neighbourhoods comprised of people who share their values.¹² This desire for homogeneity, and escape from crowded and socially mixed inner-city areas, was one of the motivators behind some of the earliest planned suburbs.¹³ Living close to people with similar values allows people to feel like they belong and are part of a group.¹⁴ Blakely and Snyder link this desire for homogeneity to nostalgia for small-town living where everyone knows each other, or at least knows they have something in common.¹⁵ At the same time, however, conventional suburbs have been criticised for being too culturally and socially homogeneous and lacking community-oriented facilities. Codes under this category document whether there are references to the friendliness of residents, opportunities for social interaction (e.g., community centres, parks, community activities, etc), the diversity or homogeneity of residents, and the range of community amenities. Codes under this category also considered whether the houses were described as being set in a neighbourhood, community or area exhibiting, for

¹² Donald Unger and Abraham Wandersman, “Neighbouring in an urban environment,” *American Journal of Community Psychology*, vol. 10, no. 5(1982): 493-509.

¹³ Edward Blakely and Mary Gail Snyder, *Fortress America: Gated Communities in the United States* (Washington, DC: Brookings Institute, 1997).

¹⁴ David McMillan and David Chavis, “Sense of community: A definition and theory,” *Journal of Community Psychology*, vol. 14, no. 6(1996): 315-25.

¹⁵ Blakely and Snyder, *Fortress America*.

instance, a ‘small town feel,’ which carry positive connotations, as opposed to a development or project.

3.2.2: Lifestyle

A long and prominent social marketing theme in many consumer-oriented industries, from food and clothing to durable goods, has involved targeting clusters of consumers on the basis of lifestyle.¹⁶ Codes in this category are intended to determine the extent to which housebuilders have directed their marketing towards niches of consumers, as opposed to the mass housing market, by offering varied combinations of community amenities and different house types in new suburban developments. The lifestyle-oriented package of amenities, might, for instance, target young families by providing proximity to schools and playgrounds, or specific ethnic groups by setting aside space for religious institutions or using culture specific symbolism and subdivision names. Codes were used to document the combination of such amenities and features highlighted in builders’ print advertisements and to determine what the ad tells the reader about the intended market.

3.2.3: Exclusivity/Prestige

Targeted marketing means appealing to one, or a limited number of consumer profiles, to the exclusion of others. Codes in this category were intended to document whether and how individual builders’ ads seek to differentiate their product from competitors’ by appealing to buyers on the grounds of exclusivity and prestige.

¹⁶ See, for example: Roland Marchand, *Advertising the American Dream: Making Way for Modernity, 1920-1940* (Berkeley: University of California Press, 1985); Joseph T. Plumber, “The concept and application of lifestyle segmentation,” *Journal of Marketing*, vol. 38, no. 1 (1974): 33-37.

Specifically, I noted whether ads made explicit statements about a subdivision being exclusive to certain types of buyers, whether it emphasised a development was comprised exclusively of single-family houses, if only a ‘limited’ number of houses were available, and so on. I also documented whether ads made references to privacy and statements about the prestige associated with owning a house in a particular development or area. Codes in this category also considered the qualitative attributes of builders’ ads and the imagery they used. For example, if the advertisement used a distinct typeface, if illustrations depicted more expensive and ornate looking houses than were typical during the period of the development.

3.2.4: Design

Suburban planning techniques, house types, the architectural style of dwellings, and location are all important attributes of the housing package. Suburban design can be used to appeal to specific groups of consumers in different ways as well as confer exclusivity and distinction on a development. For example, a gated development might appeal to consumers looking for an exclusive setting, privacy, and security. Similarly, adjacency of a development to a park or conservation area might achieve the same objectives but also appeal to consumers looking for recreational opportunities. Codes in this category focused on what attributes of the subdivision and houses (e.g., features, opportunity to customise stock house plans, etc) the individual ads mentioned.

3.2.5: Benefits and Limitations of Analysing Advertisements

Advertising provides evidence of the material goods available to purchase at a particular time and reveals the current state of technology and style and “provides

guidelines for interpreting social functions of products, and perhaps, the economic and social structure of society.”¹⁷ As Fine suggests, advertisements “are the clearest index of the way in which attempts are made to endow objects of consumption with a particular use value and quality beyond and distinct from [their] physical content.”¹⁸ At the same time, Marchand claims that advertising reflects the reality of social aspirations of consumers as perceived by producers and marketers.¹⁹ As such, analysing housing advertisements provided important insights into how speculative builders’ and land developers’ perceptions of homebuyers and their needs have evolved since the end of WWII and helped in documenting how the physical character of suburbs and housing have changed.

Although newspaper advertising provides an important data source, it is only one component in the marketing of new housing and newspapers are not the only advertising medium used by builders. By relying primarily on advertisements appearing in the *Toronto Star*, a large metropolitan newspaper, I am able to achieve complete coverage of the Greater Toronto Area in a single publication and over time trace the suburban expansion of the region, which is beneficial. However, because of its mass distribution, the *Star* and the advertisers that use it must try to appeal to a large, relatively undifferentiated middle-class audience which may discourage the use of more targeted advertisements that appeal to distinct sub-groups, or niches, of consumers. For instance,

¹⁷ Roland Marchand, *Advertising the American Dream: Making Way for Modernity* (Berkeley: University of California Press, 1985): 165.

¹⁸ Ben Fine, “From political economy to consumption” in *Acknowledging Consumption: A Review of New Studies*, ed. D. Miller, 127-63 (New York: Routledge, 1995): 143.

¹⁹ Marchand, *Advertising the American Dream*.

builders may use a different advertising approach in local newspapers, the ethnic press, and other types of publications where advertising rates are less expensive and readership can be more narrowly defined and advertising targeted more directly. As a result, conclusions based solely on advertisements appearing in the *Star* may lead to an underestimation of the degree of consumer segmentation taking place in the market. Although newspapers remain the most widely used advertising medium for selling new houses, it is well documented that builders use other forms of advertising and promotion too. These can include billboards at or near the construction site, pamphlets and brochures, model houses, advertorials in local and regional publications, radio and television advertising, direct mail, etc. These may allow more targeted marketing and the dissemination of more information which would likely influence the ad content and reveal information that cannot be gleaned from advertising in the *Toronto Star* alone. Evidence from the existing suburban literature and the use of building trade journals helps to overcome these limitations to a degree.

3.3: Online Marketing

Over the past two decades the Internet has greatly expanded and there has been a corresponding increase in the numbers of Canadians who have access to it. The World Wide Web has transformed the marketing and communications landscape and producers of goods and services, recognizing its value as a marketing tool, have increasingly turned to it to promote their offerings. Consumers have also increasingly turned to the Internet to do research on products and other consumers' experiences dealing with a product or

service provider and make the buying decision.²⁰ Today, “virtually no brand can afford not to have a website.”²¹ The real estate industry is no exception, with builders and realtors frequently using the Internet as an advertising medium. Prospective homebuyers have quickly accepted the Internet as a tool to help in the purchase decision process. An Ipsos-Angus Reid poll found that over 85% of those who bought a new home in the two years prior to October 2003 used the Internet to examine home information and 78% of these said that the Internet had played a significant role in their home purchase decision.²² Since then, the proportion of buyers using the Internet has likely increased as more consumers have access to high-speed Internet connections and the percentage of builders and real estate agents using the Web as an advertising medium has increased.

The Internet offers several benefits over newspaper advertising to marketers. While newspapers are regarded as an information medium and are useful for dispensing limited amounts of information on relatively short notice, the consumers’ interaction with the ad is passive and it is difficult to target marketing efforts at a specific audience. Newspaper advertisers have to try to appeal to the entire reading audience and be careful not to offend or alienate potential customers. This makes it difficult to tailor advertising messages, present the right imagery, stir the emotions of potential buyers and engage consumers something that good advertising should do and more targeted media can achieve. One of the key benefits of online marketing is that consumers have sought the

²⁰ O’Reilly and Tennant, *The Age of Persuasion*.

²¹ *Ibid.*, 176.

²² Ipsos, *The Internet is a Key Tool in Looking for a New House* (Ipsos-Angus Reid, 2003): Accessed 30 November 2011 from <http://www.ipsos-na.com/news/pressrelease.cfm?id=1931>.

website out, and indeed “they might have even made quite an effort to find it.” Because interaction with a website is not “passive exposure ... a marketer is much more likely to make an impact through advertising online than through other media” such as newspapers and billboards.²³

To gain an understanding of how Canadian builders use the Web to market their houses and how widespread use of the Internet in the marketing of new subdivisions is a survey of builders active in the Greater Toronto Area was conducted. In December 2009, using the Tarion New Home Warranty program’s searchable online database of registered homebuilders an inventory of builders in the Greater Toronto Area was created.²⁴ Based on the builder’s registration number this yielded some 1620 unique entries, some of which were separately registered entities of a larger builder defined in the Tarion database as the ‘Umbrella Group.’ After filtering the data on the basis of the Umbrella Group a final total of 976 builders was established. For many builders the Tarion database listed a website address and this was recorded. When a website address was not listed an online search of the builder using an Internet search engine was carried out and if an Internet address for the builder was found this was also recorded. In the end, web addresses were found for 45%, or 443, of the registered builders. Because my primary interest was with speculative builders of single-family houses and the Tarion database did

²³ O’Reilly and Tennant, *The Age of Persuasion*, 103.

²⁴ The Tarion Warranty Corporation is a private corporation established in 1976 to administer the *Ontario New Home Warranties Plan Act*, which outlines the warranty protection that new home and condominium builders must provide, by law, to their customers. It is financed entirely by builder registration, renewal and home enrolment fees. Tarion’s responsibilities include registering new homebuilders and vendors, enrolling new homes for warranty coverage, investigating illegal building practices, and resolving warranty disputes between builders/vendors and homeowners (Tarion, *About Tarion*, (2011): Accessed 30 November 2011 from: <http://www.tarion.com/About-Tarion/Pages/default.aspx>).

not distinguish between the types of building activity construction firms were engaged in. I visited each builder's website in order to filter out custom builders and builders who were not significantly engaged in the speculative homebuilding field which left me with a total of 198 builders that ranged in average annual housing production between 2832 and 0.²⁵ Based on the annualized production of each builder, builders were divided into three categories: large builders (≥ 100 units/year); mid-size builders (26 – 99 units/year); and small builders (0 – 25 units/year) to determine whether builders of varying size and varying resources perform their online marketing differently. The main reason for investigating this relationship between size and marketing strategy was that evidence from the building trade journals suggested that larger builders, usually due to their superior resources, were leaders in new home marketing, typically investing more in market research, model homes, subdivision design, the training of sales staff, and advertising. This web site survey allowed me to test whether this was true when it came to the builder's web presence. It also let me see whether smaller builders emphasised different attributes than larger ones. For instance, a small builder might have the advantage of being able to offer consumers a more individualized product and more personalized service than a large builder and choose to focus on this, while a large building firm might opt to promote its experience in the industry by emphasising the number of individual housing units it had completed.

²⁵ The average annual housing production for each builder was based on the total housing unit output of the builder between 1999 and the third quarter of 2009 (or between when the builder registered with the New Home Warranty Program (NHWP) and the third quarter of 2009 if the registration date was after 1999). Because the NHWP does not distinguish between the type of housing production the annual average can be misleading, especially if the builder is heavily engaged in apartment or condominium development.

I visited each of the builders' websites and made notes about the types of content they included, how and whether they engaged the prospect, and how the appeals made through online marketing differ or resemble builders' newspaper advertising. In particular I was concerned with how builders, especially large ones, use their websites to bridge the distance between themselves and prospective homebuyers and mediate the relationship between producer and anonymous consumer. This could be achieved through pictures of the firms' founders, stories about the builders' histories, statements about their commitment to quality, craftsmanship and customer service, and through the use of testimonials from existing homeowners. I also looked at the number of active projects each builder was promoting on their website, the product range, the degree of customization options offered to consumers, and the builders' geographic distribution—things that can not easily be expressed through the relatively short newspaper advertisements. I also made notes about the aesthetic qualities of the websites—specifically whether they appeared to be professionally designed, well organized, informative, visually appealing, engaged the consumer, and were up-to-date.

3.4: Conclusion

Good marketing and advertising should satisfy two main criteria. First, it should bring a product to the buying public's attention, pique their interest and appeal to the calculative rationality of consumers, stressing the value and economy of the product and showing the consumer how the product can satisfy their requirements and differs from what competitors promise. Second, it should make an emotional impression on the prospect and be empathetic to and resonate with the qualities desired by consumers, such

as status, glamour and distinction. The latter forms the basis of the “non-rational” or symbolic grounding of consumption.”²⁶ Advertising tries to give commodities qualities they do not otherwise have. To achieve this, advertising must reflect the target audience and marketers must learn to use the language, imagery and operative codes of the market so that meanings are interpretable by readers.²⁷ Advertisers like to work with narrowly defined groups because the more narrowly one can define an audience the more specialized knowledge one can draw on and the more certain one can be of speaking to people in a language they will respond to. As the mass-market has become increasingly “fragmented into smaller and smaller market segments, the operative codes for each target group have become more specialized” forcing marketers to invest more resources into consumer research and probing the lifestyles and inner psyches of consumers.²⁸ Psychographic research has allowed marketers to learn the aspirations, attitudes, ideas and world views of consumers and segment the market into ‘tribes’, or groups, who share the same thinking on a product.²⁹ Defining the market on the basis of lifestyle and psychographic qualities has allowed manufacturers and marketers to tailor advertising and production to the requirements of tightly defined markets and bridge the distance between the producer and consumer and has led to the rise of niche marketing.

²⁶ Leiss, *et al.*, *Social Communication*, 153.

²⁷ O’Reilly and Tennant, *The Age of Persuasion*, 85-87; Leiss, *et al.*, *Social Communication*, 164-65.

²⁸ Leiss, *et al.*, *Social Communication*, 165.

²⁹ Richard S. Tedlow, *New and Improved: The Story of Mass Marketing in America* (New York: Basic Books, 1990); Damian Hodgson, "Empowering customers through education or governing without government?" in *Customer Service: Empowerment and Entrapment*, eds. A. Sturdy, I. Grugulis, and H. Willmott (Palgrave, Basingstoke): 117-35; O’Reilly and Tennant, *The Age of Persuasion*; Leiss, *et al.*, *Social Communication*.

Housing represents one of the biggest purchases most consumers will ever make, however we know little about how housing developers and promoters have employed advertising, marketing techniques, and urban design to appeal to distinct sub-groups of housing consumers in new owner-occupied single-family suburban residential developments. Examining the ad content of builders' advertising together with evidence from the building and advertising trade literature provides insights into the changing marketing strategies used to communicate to prospective homebuyers, stimulate their interest, and maintain the importance of housing to their everyday lives. Leiss *et al.* argue that an historical perspective has been “largely neglected in the advertising field detracting from our ability to understand the development of consumer culture.” Advertisements “provide a fixed account, or external record, of an attempt to create meaning ... and document strategies employed by advertisers to negotiate the meaning of goods with audiences, and in this respect they represent a very important part of the discourse of consumption.”³⁰

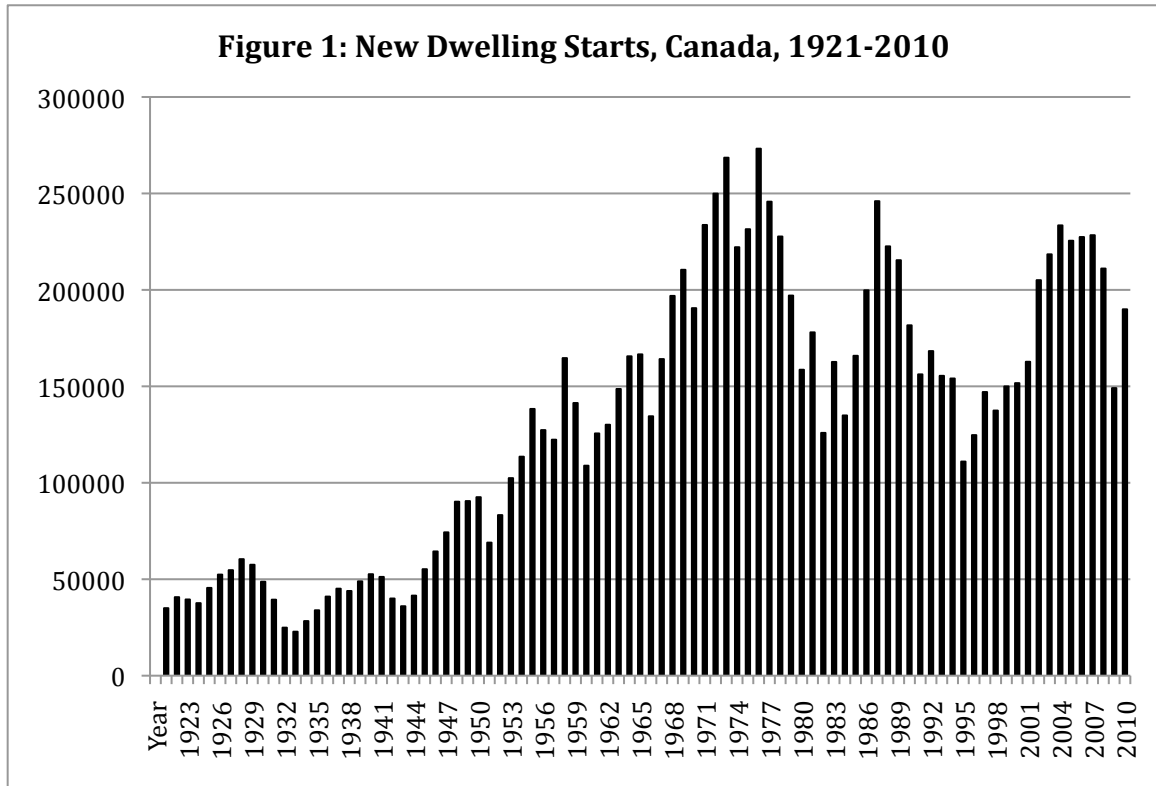
³⁰ Leiss, *et al.*, *Social Communication*, 161.

Chapter 4 – The Production Era, c. 1945-1955

Canadians emerged from the Second World War with a high level of optimism for what the future had in store and, flush with wartime savings, were ready to exercise their consumer muscle in the marketplace. Conditioned by wartime advertising by both governments and manufacturers, and following a decade and half of economic depression, war, rationing and doing without, Canadians entered the marketplace in force. High on the list of needs and wants for many was a home of their own. From 1929 to 1945 there had been little new private building, with most resources after 1939 being diverted to the war effort (Figure 1). Families had been forced to double-up and live in crowded, sometimes substandard, accommodations lacking modern conveniences like up-to-date electrical wiring and plumbing. Advertising by manufacturers and utility providers had taught them to expect more, tantalizing and spurring desires through advertisements touting new technologies and labour saving devices, and promoting the virtues of saving for a new home of their own fully equipped with these modern conveniences. The message was that the sacrifices they had made for the war would be rewarded with a more enjoyable domestic existence.¹ This, combined with a lack of adequate housing, a rapidly rising urban population, a high rate of family formation, and the wider availability of credit for construction and home financing, offered homebuilders a ready-made market and set the stage for the eventual dominance of large merchant

¹ Timothy Mennel, “Miracle house hoop-la: Corporate rhetoric and the construction of the postwar American house,” *The Journal of the Society of Architectural Historians* vol. 64, no. 3 (2005): 340-61.

building firms.²



(Source: CMHC, *Canadian Housing Statistics*, various years)

Confronting a massive housing shortage, and concerned that the lack of adequate housing options for returning soldiers might lead to social unrest, federal housing policy in Canada and the US was driven by quantitative objectives. Success was measured by

² For a discussion of the role of improved mortgage financing in the creation of the speculative house building industry see: Marc A. Weiss, “Marketing and financing home ownership: Mortgage lending and public policy in the United States, 1918-1989,” *Business and Economic History* vol. 18 (1989): 109-18; See also Richard Harris, “The birth of the housing consumer in the United States, 1918-1960,” *International Journal of Consumer Studies* vol. 33 (2009): 525-32; and Richard Harris, “Ch. 5: The growing influence of the state” in *Creeping Conformity: How Canada Became Suburban, 1900-1960* (Toronto: University of Toronto Press, 2004): 106-28 for a discussion of Canadian housing policy and mortgage finance; On the character of the postwar housing market and the growth of homebuilding firms see: Sherman Maisel, *Housebuilding in Transition: Based on Studies in the San Francisco Bay Area* (Berkeley: University of California Press, 1953); and Peter Spurr, *Land and Urban Development: A Preliminary Study* (Toronto: Lorimer, 1976).

the number of individual units constructed. The promotion of scale and efficiency was essential to meet the demand.³ Housing policy encouraged mass speculative building, while building and zoning codes, and planning policies promoted by mortgage lenders and insurers, led to the construction of houses standardised in shape, size, and layout.⁴ The implicit endorsement of certain house types by lenders and insurers, and the fact that efficiency and scale required standardisation and uniform construction, led to the erection of thousands of nearly identical homes in metropolitan areas across North America.⁵ Architectural style in speculatively-developed subdivisions was guided by what could be easily adapted to the requirements of mass production and lower production costs with little concern for what individual consumers wanted.⁶ Merchant builders set their sights on an undifferentiated mass market of middle-income homebuyers.⁷ Operating in a sellers' or builders' market, where demand outstripped supply, most builders assumed a "take it or leave it" approach, making little effort to learn consumer desires or understand their aspirations beyond their need for shelter.⁸ This worked, for a while. "In the seller's market after the war, people were grateful for any well-built house you could offer them"

³ Gregory C. Randall, *America's Original GI Town: Park Forest Illinois* (Baltimore: Johns Hopkins Press, 2000); See also John C. Bacher, "Canadian Housing 'Policy' in Perspective," *Urban History Review/Revue d'histoire urbaine* vol. 15, no. 1 (1986): 3-18.

⁴ Veronica Strong-Boag, "Home dreams: Canadian women and the suburban experience, 1945-1960," *Canadian Historical Review* vol. 72, no. 4 (1991): 24-34.

⁵ *Ibid.*

⁶ Carolyn Loeb, "The entrepreneurial vernacular subdivision" in *Entrepreneurial Vernacular: Developers' Subdivisions in the 1920s* (Baltimore: Johns Hopkins Press, 2001): 1-14.

⁷ Maisel, *Housebuilding in Transition*; Randall, *America's Original GI Town*.

⁸ Ernest M. Fisher, *Urban Real Estate Markets* (New York, 1951): 57; See also Leo Grebler, *The Production of New Housing: A Research Monograph on Efficiency in Production* (New York: Social Science Research Council, 1950): 116 and Herbert Gans, *The Levittowners: Ways of Life and Politics in a New Suburban Community* (London: Allen Lane, 1967): 11-13.

and no effort was made to ‘cultivate’ the ultimate consumer “in the hope for repeat sales.”⁹ One reason for this lack of consumer focus in speculative building, as housing economists Ernest Fisher and Leo Grebler suggest, may have been that individuals only infrequently enter the market for a new home.¹⁰

This chapter briefly examines the how the economic depression of the 1930s prompted the speculative building industry to begin thinking of the ultimate consumer of their product—homebuyers—their needs and wants and how to go about determining and satisfying them. Despite this initial impetus to become more market or consumer oriented, I argue that the postwar housing boom that took place between 1945 and the early-1950s led to builders largely ignoring the consumer in favour of increased production efficiency and higher sales through mass production and lower prices. In the process, individuality in the character of housing was sacrificed, leading to standardized monotonous housing tracts and subdivisions targeted at an undifferentiated middle-income segment of the population. One reason for this lack of interest in consumers’ unique requirements may have been that there was a widespread expectation on the part of builders and buyers that new owners would soon modify or finish their dwellings to their own tastes.¹¹ In the drive for production efficiency and sales based on low prices, consumers’ as individuals with distinct wants were ignored. This strategy was effective until the mid-1950s. By then, as Rodney Lockwood, retiring president of the National Association of Real Estate Boards observed, the desperate need for shelter had been

⁹ “Editorial: The lesson of the trade secrets house,” *House & Home* (Feb 1953): 85; and Fisher, *Urban Real Estate Markets*, 57.

¹⁰ Fisher, *Urban Real Estate Markets*; Grebler, *The Production of New Housing*.

¹¹ See, for example: Kelly, *Expanding the American Dream*.

“pretty much satisfied in most communities,” and consumers needed to be offered more than four walls and a roof to be stimulated to buy.¹²

Early Developments in Marketing in the Homebuilding Industry

Although the speculative building and selling of houses did not become the dominant form of housing provision until the postwar period, it has always existed, though on a relatively small scale. Because the typical speculative builder put up only a few houses a year on his own account, and operated locally, he had a good sense of his customer’s likes and dislikes.¹³ Marketing was a relatively straightforward process, often it meant just driving around looking at newly-completed houses and determining what features and forms sold well and which did not. Because of this, and the fact that the builder had only limited amounts of capital tied up in either land holdings or completed units, marketing efforts beyond these were rarely required. A simple ad in the real estate section of the local newspaper was usually sufficient. Few builders bothered to query the buying public about what they wanted in a new house. This began to change in the mid-1930s, with the creation of the Federal Housing Administration (FHA) in the US and the passing of the National Housing Act (NHA) in Canada. Both programs gave advanced commitments and preferred lending status to large-scale building firms that could employ modern building techniques to achieve efficiency in scale, and reduce the costs of homeownership for housing consumers.¹⁴ The new building industry, created by these

¹² Rodney Lockwood [retiring president of the National Association of Real Estate Boards] as quoted in “Home builders in convention ponder new market demands,” *Architectural Forum* (March 1950): 14-16, 15.

¹³ Harris, “The birth of the housing consumer.”

¹⁴ Harris, *Creeping Conformity*.

pieces of legislation, operated on a much larger scale on the fringes of cities in newly opening suburbs. It had to become more attuned to the market for new housing because it had so much more capital invested in site improvements, equipment and houses.

While government-generated data on such things as population growth, income levels, new household formation, and the condition of housing gave builders basic information on the size of the potential housing market, some progressive builders also turned to ad hoc market surveys of their own purchasers and prospects. Long Island-based Levitt and Sons, for instance, which got its start in custom building, cautiously entered speculative building in the mid-1930s. Building a series of twenty houses for sale at a time, three or four times a year, the firm was aware that it needed improved consumer data to ensure saleability of houses built on speculation for anonymous end consumers. Lacking concrete information about the nature of demand, the Levitts turned to those who had already bought from them. The firm regularly surveyed its purchasers to collect demographic information, data on income levels and occupations of buyers, whether the households owned a car and had servants, where they heard about the firm, and which weekday and weekend newspapers they read (Figure 2). All of this information was used to select the best advertising medium, price range of housing, and the number of rooms to include in the speculatively built units. An additional benefit of these mail-out surveys was that they provided the firm with testimonials from satisfied buyers that they could then use in their promotional material.¹⁵

¹⁵ “They dress them up,” *Architectural Forum* (November 1934): 382-84. After the war, with the emergence of the sellers’ market, Levitt and Sons would become synonymous with mass produced, standardized housing developments driven by the producer initiative.

Figure 2: Seeking consumer input
(Architectural Forum November 1934, P. 383)

SMITH, JOHN

ABRAHAM LEVITT & SONS, INC.
STATISTICAL DEPARTMENT

JUN 19 1935

Mr. John Smith
82 Marlborough Court
Rockville Centre, N. Y.

Dear Sir:

We are compiling records to assist us in the operation of our business. We are naturally progressive, and do not believe in the antiquated procedure in which the building fraternity has progressed, or, rather, has failed to progress for the past fifty years. Your co-operation in answering the questions below will greatly help us to maintain an informative and enlightened attitude in the future conduct of our company. You may rest assured that all information given to us will be treated as strictly confidential and is for use for our files only.

Very truly yours,
ABRAHAM LEVITT and SONS, Inc.

Former address? 535 West 110th St. New York City

How many in the family? 2 How many in help? None

Have you a checking account? Yes What bank? South Shore Trust Co. & Com. Bk. N.Y.

Savings account? Yes What bank? _____

Automobile? Yes Year and make? Crosser Runabout 1932

What business or profession are you in? Washing

For yourself? Yes If not, what company? Abraham Sons & Mott Inc

Did you come to us through an advertisement? Yes

What paper? Sunday Times

If not, how did you learn about us? _____

What paper or papers do you read on Sunday? Times Herald

On weekdays? Times Sun & Journal

Remarks: Sincerely & heartily want to thank you for your co-operation. Very much pleased.
John Smith

DO NOT WRITE IN THIS SPACE	
Name:	John Smith
Address:	82 Marlborough Court Rockville Centre, N.Y.
House No.:	S 49
Date Purchased:	April 4th, 1935
Price:	\$10,000.
Cash:	5,000.
Mortgage:	5,000.

From the text in Figure 2, above, that accompanied the Levitt's surveys, it is clear that the firm recognized that it was co-producing value in the housing it was building with its consumers and that it realized the importance of accurate and up-to-date information about its market in order to build a product that would be satisfactory to the needs of its purchasers.

Market-oriented examples like the Levitt's, however, were rare, especially among builders targeting the middle-income segment of the market. As the editors of *Architectural Forum* lamented in 1934, "The public is the client of the subdivider. But in few professions and businesses have the public's tastes been so little inquired into as in the business (or profession) of subdividing. Often in the past it has been content to move into communities ready-made from considerations of savings rather than comfort and adapted itself as best as it could to the houses it found and the lot on which it could afford to make a down payment."¹⁶ The lack of consumer orientation among builders was threatening a tenuous economic recovery and the survival of some homebuilders in general. The market was changing and consumers that could afford a new home wanted something better—something that responded to their changing lifestyles and satisfied more than just the need for shelter from the elements. Despite the prodding of building and advertising trade journals and also marketing professionals, most builders were unable to grasp these changes or simply chose to continue on with business as usual. For the most part, the building industry's merchandise was failing to keep pace with changes in the consumer market.

¹⁶ "A rarely questioned client," *Architectural Forum* (May 1935): 448.

New, up-to-date houses were demanded—new forms that allowed “more sunlight, [ultra] violet rays, exercise rooms” and had more room for all of the new technologies that were coming on to the market and that the “old, traditional plan” could not accommodate. As Roy Dickenson, writing for the advertiser’s trade journal *Printers’ Ink* put it—“new homes must be factories for the production of happy families” if the building industry is to open up the upgrade market of existing homeowners seeking to improve their housing conditions. Unless the building industry was prepared to offer this, the market for new homes would be restricted to the replacement market, and continue to depend on new family formation and population growth for expansion.¹⁷

Even with all of the psychological changes wrought by the economic crash, and technological advancements made since the onset of the Depression, builders continued to build what had sold well during the post-World War I boom of the 1920s.¹⁸ Then, builders had succeeded because they knew what would sell—but in the last five years there had not been “enough building to constitute reliable experience in what will sell.”¹⁹ Builders’ trade literature urged them to “borrow from industry the scientific technique of finding out what buyers want,” and to work at cultivating repeat customers as other industries did, instead of relying on high-pressure sales strategies to persuade the consumer to buy.²⁰ Instead of creating a false sense of urgency to get the consumer to purchase, builders were urged to give prospects reasons to buy. This meant showing them

¹⁷ Roy Dickenson, “The beaver hats of tomorrow,” *Printers’ Ink* (18 February 1932): 6, 10, 11, 10.

¹⁸ Allmon Fordyce and William I. Hamby, “Small houses for civilized Americans,” *Architectural Forum* (January 1936): 1-40.

¹⁹ *Ibid.*, 2.

²⁰ *Ibid.*

how much more a comfortable a newly built home could be, providing them the features they wanted, and giving them, at a minimum, some opportunity to customize the house by “help[ing] the buyer select the interior colour he wants.”²¹ The main problem for builders was that they simply did not know what the market wanted because so few had bothered asking the consumer this important question. This was, in part, a problem related to the scale of the average builder. Most were too small and lacked the skills to engage in costly market surveys. As for customisation, unlike the custom builder who could ask the client what features they wanted in a house, the speculative builder working for an anonymous customer did not have this luxury. For most speculative builders who sold from standing inventory, even offering the limited customisation option of paint colour threatened saleability. Many feared that leaving walls a blank white would “sacrifice the selling punch that colour, skilfully used can give.”²²

With limited improvement in marketing and the interior design and physical appearance of the speculatively built house and new house sales remaining stagnant, it was becoming increasingly clear to the industry by the end of the 1930s that it was falling short of offering the consumer what it wanted and was failing to excite the urge to buy. While attendance at home shows across the US dwindled, automobile shows exhibiting new and modern designs, were seeing their attendances surge.²³ Even those consumers who could afford homes during the depression were sitting at home refusing to spend their hard earned money, and so new houses were failing to excite the buying public. It

²¹ Ibid., 23.

²² Ibid.

²³ “Home shows,” *Architectural Forum* (June 1937): 2.

was becoming apparent that the building industry did not know its market or what it was looking for.

In response, newspapers that derived a sizeable portion of their income from builders' advertising, national magazines that ran manufacturers ads for home fixtures and appliances, and manufacturers' and builders' associations all marshalled their resources and embarked on a systematic appraisal of the housing market. Of interest was: what were the top reasons for buying a speculatively built house opposed to having one custom built; would individuals rather own or rent and why; and consumers' perceptions of builders' marketing and advertising. Among the findings of the various surveys was that builders' model houses ranked "low in the public's mind as a merchandising agent."²⁴ As the *Architectural Forum* concluded, while the model house is the "best and most effective means of selling other houses on a subdivision ... it is no secret [that it] has fallen short of its potentialities. The majority are stale copies of last year's successes ... they bore more people than they excite."²⁵ Surveys by the *Milwaukee Journal's* research bureau, "nationally famed for its consumer surveys," also revealed that most people who bought houses did so because they had a belief in homeownership," not because of builders' ability to market.²⁶ Similarly, an *Architectural Forum* survey of over one thousand households in the under five-thousand dollar house market—the largest segment of the housing market—found that eighty-percent of respondents favoured the

²⁴ The Milwaukee Journal Research Bureau as cited in "253 new home owners tell why and how they bought, why they preferred building to buying," *Architectural Forum* (August 1937): 147.

²⁵ "Publicising the model house," *Architectural Forum* (December 1937): 521, 521-26.

²⁶ The Milwaukee Journal Research Bureau as cited in "253 new home owners tell why," *Architectural Forum* (August 1937): 147.

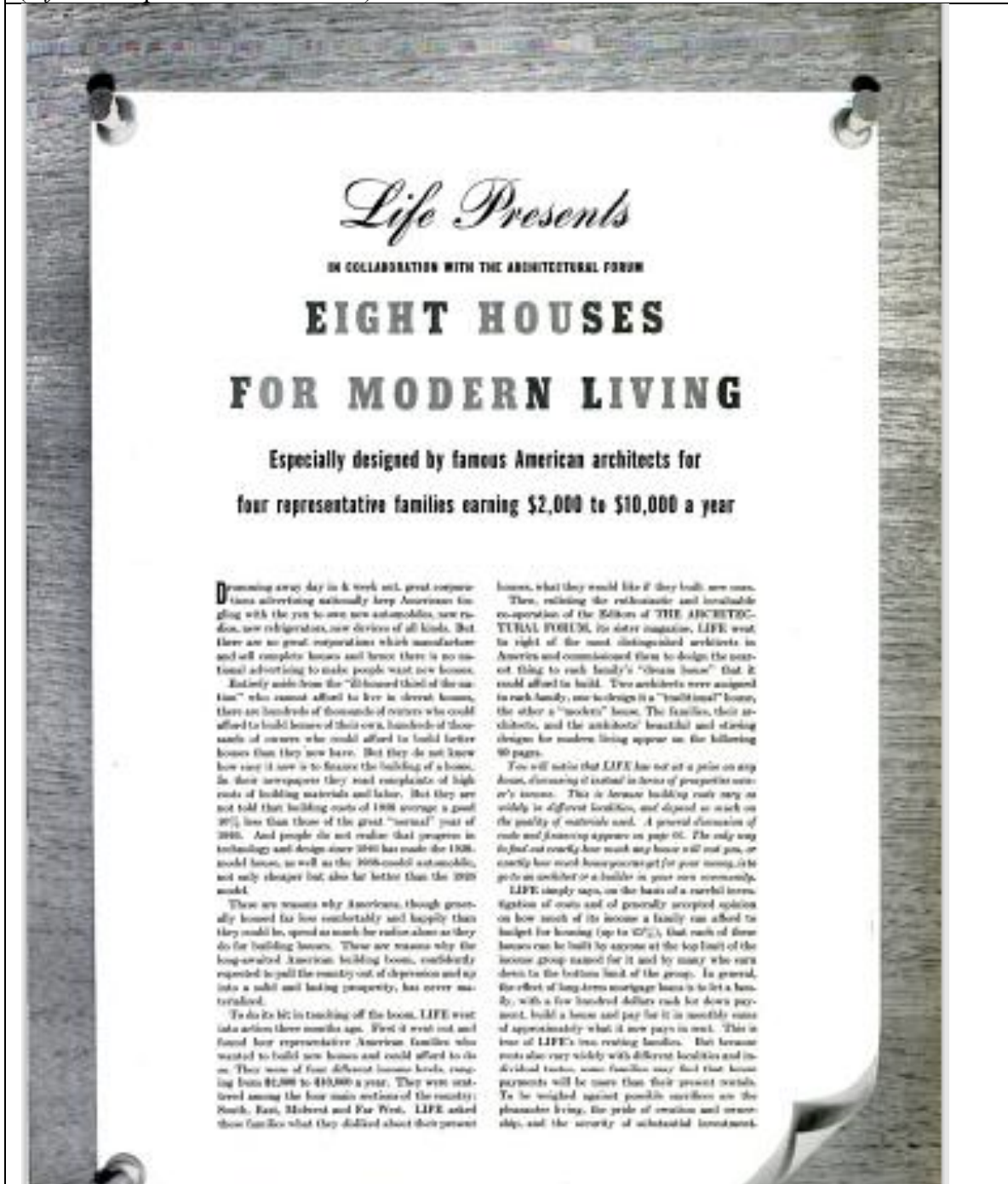
answer ‘like the feeling of ownership’ followed by ‘like to fix to suit self’ with ‘good investment’ coming in a distant third. All of this suggested that emotion played a much larger role in the purchase decision than previously believed. This was especially true for the youngest cohort of respondents. For this group, which was also the fastest growing segment of the new house market, individuality was a much bigger factor than for older prospects who were much more concerned with economy.²⁷ Also notable was that that forty-one percent of the men who preferred to own, but did not, had not bought because they could not afford the type of house they desired. The surveyors concluded that the consumers “tastes have been educated beyond their means” and that “the urge to own is based more on emotional than on financial grounds [and] is more concerned with satisfaction of the ego than with considerations of economy.”²⁸

To re-stoke the urge to own, manufacturers and national periodicals began a concerted advertising campaign to show consumers the improvements in new home construction and to persuade consumers that the price of ownership was not too high. In 1938, for example, *Life* magazine ran “22 consecutive editorial pages devoted to the longest and strongest ride ever given to home building and buying,” promoting the development of eight *Life* Houses designed by leading architects for income groups between \$2,000 and \$10,000 (Figure 3). This feature was described as the first step in a sustained drive to acquaint the public with a decade’s development in home design,

²⁷ “The urge to own,” *Architectural Forum* (November 1937): 370-78, 377.

²⁸ *Ibid.*

Figure 3: *Life* Presents Eight Houses for Modern Living
(*Life*, 26 September 1938: P. 45)



construction and finance “and to touch off the long awaited building boom.”²⁹ Readers were told to study the houses carefully, as they would help them decide on their “preferences in architectural styles ... show [them] how living space can be planned to meet [their] requirements,” and help them “get [their] housing problem crystal clear in [their] mind.” Complete technical details on the houses were published in a special issue of the *Architectural Forum*, and *Life* readers were encouraged to “talk to [their] architect, builder and realtor about” the houses to get “accurate costs, and answers [to the] many questions about a house designed specifically for you.”³⁰ Tying in with this drive, department stores across the US sold coloured cut-out models of the houses, complete with furnishings, with many of the stores planning model rooms and window displays to stimulate actual construction and the purchase of home décor items. Meanwhile, recognizing that for many consumers cost was a major hindrance to entering the market, the Producers’ Council, an AIA affiliate, embarked on a national newspaper campaign using charts and graphs to prove that homeownership was not too expensive and that homebuyers in 1938 got twenty-five to forty percent more house for their money than they did in the norm year of 1926, before the economic collapse.³¹

²⁹ “*Life Houses*,” *Architectural Forum* (October 1938): 2; See also: “*Life* presents in collaboration with the *Architectural Forum* eight houses for modern living: Especially designed by famous American architects for four representative families earning \$2,000 to \$10,000,” *Life* vol. 5, no. 3 (26 September 1938): 45-67.

³⁰ “After you have studied the 8 most talked-about houses in the US,” *Life* vol. 5, no. 13 (26 September 1938): 4. Not to miss out on a consumer research opportunity and to test consumers’ receptiveness to modern design, *Life* readers were encouraged to vote on the houses based on their architectural preferences. Those casting a ballot were asked only to vote on houses that fit their income bracket and to provide their age and to indicate if they “seriously plan[ed] to acquire a new house before the end of 1939” and if they planned to buy or build.

³¹ “*Life Houses*.”

Facing continued buyer resistance to their product, especially on the basis of price, builders tried to reposition their houses to appeal to the largest segment of the housing market—those seeking affordable, low-cost accommodation. In the mid-1920s, a period of tremendous economic expansion and rising incomes, builders had shifted their focus towards dearer, larger, more expensive houses that fit the rising incomes and expectations of new homebuyers; now they had failed to respond to the shrinking incomes and deteriorating faith in the economy brought about by the Depression. In 1929, the \$2,000 and up income bracket had accounted for over fifty-six percent of US non-farm families. During the depths of the Depression this group fell to only seventeen percent, and by 1939 had only marginally recovered to twenty-five percent. Meanwhile, the building industry had continued to focus the vast majority of its effort on this relatively prosperous but small segment of the market and overbuilding in its price class while mostly ignoring the large, stable, and untapped market for the low-cost house—families with an annual income ranging between \$1,000 and \$2,000—which accounted for about one-third of US non-farm families.³² One reason for this preoccupation with the higher price class may have been that builders did not believe that they could build a product acceptable to a lower income segment for a price that they could afford because they felt that consumer expectations were too high. In the end, the answer was seen to lie in supplying a more standardized product that made use of mass-produced components in an effort to bring costs in line with the ability to pay and, more importantly, below the mortgage caps set by the government insurers. Firms that adopted this approach did so by

³² “The low cost house market,” *Architectural Forum* (April 1939): 234-38.

limiting the number of different models and allowing standard material sizes (e.g., joists, studs, rafters, and masonry units) to dictate dimensions and designs and achieved considerable success, especially when plans lent themselves to some, but limited, variations in exterior treatment, fenestrations, and orientation which gave the development “pictorial variety.”³³

Any hopes for the housing industry’s recovery from the Depression were put on hold by the onset of WWII. With most resources being diverted to the war effort, civilian construction was stalled. The lull in building, however, gave the industry time to take stock of changes in consumer dispositions, advancements in building technology, and develop a more accurate appraisal of the existing market and determine how to adjust operations to satisfy it. Over the course of the next few years several things became apparent. For one, as housing economist and past Assistant Administrator of the FHA, Miles Colean, argued, “from what little information we have, we know that people want many different kinds of housing and many different kinds of neighbourhoods.”³⁴ There was no one-size-fits all house that would appeal to all households, even in a particular price class. Builders needed to expand their product offerings by providing consumers with more customization options and more varied house and neighbourhood plans. Second, advertising and promotion by the building industry and manufacturers, together with consumer shelter magazines, had educated homebuyers to expect and demand more

³³ “76 standardized houses keynote Washington’s one-man boomlet,” *Architectural Forum* (September 1939): 210-11, 238; “Life house subdivision sprouts in Boston suburb where builder and lumber dealer team up to capitalize on professional design and free promotion,” *Architectural Forum* (January 1941): 70-72.

³⁴ Miles L. Colean, “Fundamentals of land planning,” *Architectural Forum* (October 1943): 66-68, 158, 66.

from a house, or what *Fortune* magazine called “expanded designs for living.” This meant houses fully equipped with modern technologies like air conditioning, central heating and up-to-date electrical wiring to accommodate the full range of time and effort saving devices that industry promised to deliver once the war ended.³⁵ And third, the pre-war house was not good enough to compete against all of the new and modern products that would vie for consumers’ attention and pocketbooks once the economy returned to normalcy. As the editors of the *Architectural Forum* argued, “only a market that is pretty hard-up [would] accept” what building had been offering.³⁶

Although a *need* for housing had been statistically demonstrated by a variety of private and government agencies, converting this need into *demand* called for a more accurate appraisal of consumer wants and improved practices in subdivision, building, and promotion. A first step in this direction involved increased professionalization of the industry. In 1941, the Home Builders Institute of America began offering a two-week course in homebuilding methods for the speculative builder. The course, the first of its kind, was delivered through Penn State University and led by former NAHB president Paul Stark and “top architects and government experts.” It covered “all phases of operative home building, including such practical topics as cost budgeting, cost accounting, FHA requirements and market analysis.”³⁷ Around the same time, some

³⁵ “First choice: Houses,” *Architectural Forum* (December 1943): 47-48; See also: “Planning the postwar house,” *Architectural Forum* (January 1944): 75-80 and “Planning the postwar house II,” *Architectural Forum* (February 1944): 69-74.

³⁶ “Planning the postwar house,” 79; See also: “Cash for six million homes,” *Architectural Forum* (September 1943): 42-43.

³⁷ “Subdivider school,” *Architectural Forum* (July 1941): 2.

leading builders also began retaining architects on staff or on a fee for service basis as they prepared for a resurgence in homebuilding.³⁸

Despite wartime growth in marketing thought, the number of companies using marketing research as an important part of the sales department remained small. In part, this was due to the fact that the scale of private, market production remained limited as most resources were diverted to the war effort. As the war ended, the return of demobilised soldiers and new family formation unleashed an unprecedented demand for new housing. Progressive builders that had begun to adopt modern marketing principles, and those that had stuck with a production and sales orientation, both achieved great success with “anything that boast[ed] four walls and a roof [being] snapped up by a house hungry public.”³⁹ As one Colorado based builder remarked, there is “eager acceptance of anything at any price or terms by buyers.”⁴⁰ Although industry analysts warned that once the market returned to normalcy, and competition was keen again, it would be a smart move for development companies to invest more resources in marketing and consider teaming up with architects and home economists, who could serve as the “connecting link between manufacturer and consumer ... develop sales and advertising appeals and smooth out a multitude of troublesome customer relations ... [and address the] homemaker’s needs and requirements and her importance as a consumer,” most builders

³⁸ “Planning the postwar house.”

³⁹ Katharine Fisher, “How and why many a company can use a home economist,” *Printers’ Ink* (26 April 1946): 62, 64, 68-69, 64

⁴⁰ “Builders’ comment,” *Architectural Forum* (April 1946): 105, 107, 109, 109.

did not see the value in the added expense.⁴¹ Instead, the typical builder, who competed primarily on the basis of price, after nearly a decade and a half of relative inactivity in the building field and difficult sales, was anxious to cash in on the housing boom and saw little value in spending on expansive and time exhaustive market surveys when he could continue building what he wanted and still achieve success.

Builders focused, instead, on rationalizing the construction process by introducing construction efficiencies, increased standardization, and reducing the number of plans and layouts available to homebuyers in an effort to cut costs, speed-up the building process, and bring in a product at the mortgage cap set by insurers. As Alfred Levitt, designer for Long Island-based Levitt and Sons, that had achieved early success in custom building and now speculative building, summed up: as a custom builder “we had learned we could sell about 200 houses a year—every one more or less to order. The customer came first; he looked at the plan and mangled it as he wished and we built it with the customer for it in advance. By 1937 all three of us saw that the chop, chop, chop of the individual customer relationship ... gave us no peace of mind. So we settled on a new standard plan; seven basic plans and I think 44 elevations ... by 1940 ... we had only *three* floor plans. We built what *I* liked, what was easy to build and easy to live in.”⁴²

⁴¹ Fisher, “How and why,” *Printers’ Ink* (26 April 1946): 62. The use of home economists in marketing began in the 1920s in the food industry and slowly expanded to the manufacturing sector to teach consumers “how to use their product successfully, as many products were new and unfamiliar.” As R. W. Turnbull, President of Edison General Electric Appliance Company argued, “the home economist ... can best translate the consumer’s thoughts, desires and habits [into] selling situations” and let the manufacturer know how consumers use the product and what the consumer wants the product to do for them (Harold E. Green, “Home economists now moving further into sales development,” *Printers’ Ink* (1 February 1946): 26).

⁴² “In the making: Architects university-trained for the builder house,” *House & Home* (March 1952): 134-36, 136.

Clearly, as demand picked up the firm began placing less and less emphasis on the consumer and market research in its design decisions. Instead it sought to cash in on the housing boom while it lasted, producing as many houses as it could and as quickly as possible. Through standardization the firm was able to increase production efficiencies, bring costs down, and equip their houses with all sorts of modern conveniences, from electric ranges, fridges, and automated washers to book shelves, televisions, and venetian blinds, that the value conscious buyer sought. Selling houses “equipped to the hilt” for only \$6,900 when other builders were challenged to provide “even shelter at less than \$10,000” proved hugely successful for the firm, catapulting it to the ranks of the top house builders in the US.⁴³ The success of Levitt and Sons and other large production builders that were regularly profiled in the popular media and industry trade journals led smaller builders seeking similar growth to follow the move towards standardization.

The Role of Advertising:

During the initial early-postwar housing boom marketing and advertising were rarely considered—a simple ad announcing the availability of houses was sufficient. In the Toronto area, for instance, the typical weekend edition of the *Toronto Star* and *Toronto Telegram*, in April 1940, 1945 and 1950, during the peak of the spring selling season featured few ads for speculatively built houses. The ones that did appear were rather straightforward, simply announcing the availability of houses, sometimes the number of rooms, the house’s location, and starting price with emphasis on the low monthly payments and the availability of NHA financing (Figure 4). Few ads made

⁴³ “A Complete House for \$6,990,” *Architectural Forum* (May 1947): 70-72, 70.

Figure 4: New House Advertisements, 1950
(Toronto Star, 15 April 1950, P. 32)

CHARTERED TRUST COMPANY
WAVERLEY 7681

BUNGALOW BARGAIN
O'CONNOR-DONLANDS
\$9,250—Solid brick, containing 5 rooms, which are: a family size living room and dinette, modern kitchen, modern bathroom, a master bedroom suitable for twin beds and one smaller bedroom. Don't miss this buy in this desirable location. Evgs., Mr. Clare, HOWARD 6888.

O'CONNOR-COXWELL
\$9,750—6 lovely rooms, hot water heated, solid brick, garage. Ideally located for schools, shopping and transportation. Evgs., Mr. Clare, HOWARD 6888.

1½-STORY DE LUXE
\$14,900—Beautifully situated on Fallingbrook Rd., on lovely treed ravine lot, pre-war construction, 3 spacious rooms, on 2 floors, with 2 complete bathrooms, beautifully appointed. Hundreds of dollars worth of extras. Built HOWARD'S, oil heated. This is a genuine sacrifice. Evgs., Mr. King, GROVER 1491.

CHARTERED TRUST COMPANY
34 KING ST. WEST — WAVERLEY 7681

\$1,760 CASH
N.H.A.

BEST BUY IN NORTH TORONTO SUBURBS. \$6,400: SOLID BRICK, STOREY AND A HALF HOME, BUILT TO RIGID N.H.A. SPECIFICATIONS, CONSISTING OF 3 LARGE ROOMS AND 4-FEET BATH. HOWARD'S, PLUS 2 EXTRA LARGE BEDROOMS UPSTAIRS, IN YOUR OWN INTERESTS. PLEASE CALL US NOW AS THESE HOMES ARE GOING FAST!
HUDSON 2385—MOHAWK 2332.
A. E. REY, REALTOR
1098A AVENUE RD.

North Bathurst Value
ON LOVELY LARGE, FINISHED GROUNDS IN A SMART NEW SUBDIVISION SIDEWALKS AND OTHER ADVANTAGES

—N.H.A.—
OFFERING

OUTSTANDING — PICTURE-WINDOWED Modern 6-Rm. Bungalow
SOLID BRICK WITH DIVIDED BASEMENT

FULL PRICE \$9,950
\$2,210 CASH
AND ONLY \$49 MONTHLY

Come To Office — Inspect The Plans — Choose The Site —

ACT BEFORE THE LAST ONE IS SOLD!

Call Now

MAYFAIR 6531 OR REDFERN 4291
2131 YONGE 1742 AVENUE RD.

ERNEST RIDOUT
REAL ESTATE, LIMITED, REALTORS

OPEN FOR INSPECTION THIS WEEK-END

72 HARSHAW AVE.
BLOOE-JANE DISTRICT

6 rooms: 2-storey, HOT water heated with oil.

FIRST floor.
LIVING room with open fireplace. LARGE family size dining room. ULTRAMODERN kitchen.

SECOND floor.
LARGE master bedroom, 2 smaller bedrooms.

HOUSE IN AI condition.

GEMWOOD trim.
BEAUTIFUL hardwood throughout.
IMMEDIATE possession.
\$3,000 cash required.

SEE THIS AND MAKE YOUR OWN OFFER

LORNA M. YOUNG, BROKER
769 QUEENSWAY, NEW TORONTO 4580J
EXCLUSIVE LISTING

REX HESLOP OFFERS

IN ELMWOOD PARK
LONG BRANCH AREA
79 NEW HOMES

ONLY 1 BLOCK TO SCHOOL

\$1,290 down: 2-bedroom bungalow. Full price \$8,150.
\$1,310 down: 3 bedrooms. 1½ storeys. Full price \$8,950.
\$1,500 down: 3 bedrooms. 1½ storeys

UPSTAIRS COMPLETELY FINISHED WATER, SEWERS, ROADS PAID FOR. ALL THE HOMES BUILT UNDER N.H.A.

ALL homes have 4-piece tiled baths, flat-rate hot water heater, laundry tubs etc. Air-conditioned private side drive; possession dates June 20 to Dec 20.

REX HESLOP HOMES LTD.
681 HORNER AVE.
(WEST OF BROWN'S LINE)
MU. 8124—OFFICE OPEN EVERY DAY

PLENTY OF "ELBOW ROOM" IN SHEPPARD ACRES!

LARGE TRACTS OF FERTILE LIGHT CLAY LOAM SOIL; PLENTY OF ROOM FOR YOUR OWN FARM; TODAY'S RISING FOOD COSTS BY PLANTING A GARDEN AND GROWING YOUR OWN FRUITS

½-Acre Tracts From \$1,250
1-Acre Tracts From \$1,950

ELECTRICITY, GOOD STREETS, AND ONLY 5 MINUTES FROM SCHOOLS AND SHOPPING. SENSIBLE RESTRICTIONS FOR YOUR PROTECTION. GET STARTED TODAY TOWARD THAT SUBURBAN HOME YOU HAVE ALWAYS WANTED. BUILD NOW. ADD TO AND IMPROVE YOUR HOME AS TIME AND YOUR BUDGET PERMIT.

SEE THIS NOW

SHEPPARD ACRES IS LOCATED ONE BLOCK EAST OF CENTRE ROAD, PORT CREDIT, JUST NORTH OF THE QUEEN ELIZABETH WAY AND JUST SOUTH OF DUNDAS ST. DRIVE OUT OVER THE WEEK-END. SALESMEN ON PROPERTY. WATCH FOR SIGNS.

A. W. Farlinger, Realtor
2475 BLOOR, MU. 8151
OR G. MORRISON (AGENT)
OKSVILLE 3638J2

FINE HILL RESIDENCE
\$42,500—Conveniently located on Waverley Rd. this distinctive home of Georgian design in red brick and stone trim, is now offered for the first time.

THE spacious ground floor is well planned, centre hall and wash-room, attractive living room opening into an exceptionally large lounge sunroom with many windows overlooking beautifully landscaped garden, well proportioned dining room, paneled to ceiling in selected oak, butler's pantry and kitchen.

THE middle floor has a master suite of 2 fine bedrooms with private bathroom, 2 other large bedrooms, and a general bathroom, fully tiled.

ON upper floor there is a large family bedroom with private bathroom, separate servants' quarters of 2 bedrooms and bathroom, and a general bathroom. HOT water heating; attached garage.

NATIONAL TRUST COMPANY LIMITED
20 KING STREET EAST ELGIN 8141
ASK FOR MR. McHENRY

There's No Mud Here!
O'Connor-Coxwell District

NEW 5-ROOM SUPER BUNGALOWS
LOW DOWN PAYMENTS TO RESPONSIBLE PARTIES

\$10,300, featuring stone bay fronts, brick construction, hot water heating, tiled bathrooms and modern kitchens, top burning fireplaces in living rooms. Decorated in oils to suit your taste. Trade your older home.

MELVILLE REALTY LTD.
378 DONLANDS—GE. 1011
ANY TIME, OK. 2775

BROWN'S LINE

ATT. GARAGE — OIL HEAT — 6 ROOMS
\$10,500—Owner's home situated on large lot in fast growing western suburb, close to stores and schools, huge living room, full size dining room, modern roomy kitchen, 3 good bedrooms, 4-piece tiled bathroom, divided basement immaculate condition, priced right. Call FRANK LEACH

J. A. Willoughby & Sons
REALTORS
MURRAY 4344 NEW TORONTO 4347
AFTER HOURS 2470M

\$2,800 DOWN
6 ROOMS, 2 FLOORS
ARMOUR HEIGHTS DISTRICT
SOLID brick to roof, square plan, on 40-ft. lot, 16-ft. living room and large dining room both with picture windows, tiled cupboard-filled kitchen; upstairs has 3 sun-filled bedrooms and sparkling, tiled, 4-piece bathroom; steel beam construction, air-conditioned heating, and recreation room facilities available.

ISLINGTON GOLF COURSE
6 ROOMS—RAMBLING BUNGALOW
\$2,200 DOWN

CHOOSE YOUR 61-FOOT FRONTAGE

FEATURING

A 51-foot wide solid brick home with attached garage, built to N.H.A. specifications; walls and roof fully insulated; air-conditioned heat; 4-piece tiled bath; oak floors; individually designed windows; 3 large bedrooms; 10-block basement, divided for recreation room; copper plumbing; any many other features.

COME TO THE OFFICE ON THE PROPERTY THIS WEEK-END. FOLLOW THE YELLOW ARROWS—NORTH FROM DUNDAS ST. ON ISLINGTON AVE. TO GOLDFREST RD.

OFFICE OPEN 10 TO 5 P.M.
PRICE \$12,100—CARRIES \$55 MONTH
CALL NOW—RE. 3333

Harold M. Edwards, Broker

O'CONNOR-WOOD

\$14,500—If you like to be close to city conveniences and yet feel you live in a friendly village atmosphere here is the home for you. Of Cape Cod design, situated on what is considered the nicest residential street in the O'Connor Dr. area, on a deep ravine lot amongst high-class homes of individual design, centre hall entrance to large living room with log-burning fireplace, full dining room and modern kitchen, and ground floor bedroom; on 2nd floor are 2 more exceptional bedrooms and sparkling tile 4-piece bathroom; huge finished recreation room; basement tiled; air-conditioned with oil heat; attached garage;

7 Rooms—Storey and ½
Coxwell and O'Connor Dist.
IMMEDIATE POSSESSION

\$10,900—Solid rug brick, detached house, ideally situated close to schools and shopping and transportation, solidly constructed by one of Toronto's finest builders, embracing steel beam construction, top grade oak flooring, gleaming tile bathroom and kitchen.

LARGE living room with fireplace, full-sized dinette, 2 large bedrooms on first floor; second floor has 2 very large semi-finished bedrooms and 2-piece bathroom, fully roughed in.

COMPLETELY insulated, oil painted to your choice of colors; front and side cement walks paid for by builder. Perfect family home or subletting proposition. Reasonable cash payment. Phone

G. G. McDONALD
REAL ESTATE, HOWARD 4777

LAWRENCE-AVENUE RD.
3 BEDROOMS—OIL HEAT—IMMED. POS.

\$11,500—Brand new and ready to move into, large living room with open fireplace, extra large modern kitchen and bathroom, both with ceramic tiling; 2 bedrooms will take twin beds; recreation room facilities; air-conditioned heating with oil burner; sewers and pavement paid for; close to schools and transportation. This imported brick, 40'x20' bungalow is definitely an outstanding bargain! \$5,000 cash will handle.

CALL MR. FUMERTON
DAYS, HY. 8900; EVGS., RE. 8478
R. G. WALTON, REALTOR

STORE with 2 apartments for sale; corner property, Lakeside 0234.

VACANT—Bloor-Lansdowne district, solid brick, 6 rooms, all newly decorated, modern kitchen, open for inspection, 3-5 o'clock daily, 54 Campbell Ave.

VACANT, \$7,950; Danforth-Pape; 6 rooms; \$3,650 down payment, Lakeside 5550.

2 houses, empty, reasonable price. Apply 199 Jarvis St.

4-room solid brick bungalow, hardwood throughout. Excellent condition. Lot 32x125 ft., possession May 1, principals only. Mimico, New Toronto 1449V.

3-room modern bungalow; Eglington-Keels, close to school, shopping, and transportation, hot water heating, fixtures, venetian blinds, 3-room apartment in basement, large garage and nice garden. Owner leaving city. Murray 9291.

\$22,900—Do you want a beautiful home? Don't miss this. New carved broadloom throughout. Quality electric fixtures. New awnings, built-in leather breakfast cook, 3 large bedrooms. Additional washroom on main floor. Large income from separate basement apartment with shower. Many extras. Orchard 0688.

\$20,000—Moore Park, overlooking park, owner's lovely large, detached home; living room and dining room, both 16x14, modern kitchen, small bedroom and powder room on main floor; 3 above average bedrooms on second floor, also den, heated sunroom and 3-piece bath; 2 rooms on third floor; large recreation room, kitchen and 2-piece washroom in basement; oil heated; garage and side drive; large down payment. Box 2800 Star

\$18,000—3-suite apartment and store. Possession store and 1 suite; Dundas at Roncesvalles. Apply owner, 2163 Dundas St. W.

\$16,950 or best offer; Lakeside; 6 rooms, hot water heating, finished recreation room, toilet in basement, private drive, owner leaving city. Owner, Mayfair 3779.

\$15,500—Parkside Drive; 12-room duplex and 2 sunrooms, solid brick, detached,

91

mention of who the builder/developer was or his reputation in the building field, suggesting that neither brand building nor seeking repeat business and referrals from clients were among the builders' important marketing considerations at this time. The main reason to buy presented to home seekers boiled down to the availability of houses and a government insured financing package. Significantly, between 1940 and 1945 the number of advertisements that mentioned the availability of model houses open for inspection fell off dramatically. With demand high and houses essentially selling themselves builders did not need to bother with the expense of building and maintaining a model. Also, not wanting to risk missing out on sales by offering houses that could not be delivered until several months after the buyer had signed the purchase agreement, most builders focused on erecting houses as fast as they could and selling from standing inventory. Of the builders that continued to use models as a marketing tool, few bothered with the trouble and expense of furnishing them, with "some even arguing that furnishing made it more difficult to sell."⁴⁴ Builders essentially operated as vendors of already-built houses and few sought out professional sales help from marketing men. Their biggest concern was "how to get mortgage money fast enough and cheap enough because you could sell almost anything faster than you could build it, provided the terms were easy enough."⁴⁵

Things started to change as the 1940s drew to a close. As the housing shortage eased competition for consumers became more intense. This coupled with the rising costs

⁴⁴ "Remember when houses like these were easy to sell?" *House & Home* (March 1962): 103-106, 103.

⁴⁵ *Ibid.*, 106.

of construction and building materials, and higher interest rates led to growing buyer resistance to any house at any price.⁴⁶ The consumer was willing to hold out for an improved product, increased value, and better prices and mortgage terms. As the *Architectural Forum* pronounced in a 1949 survey of merchant building, “the consumer was once more sovereign... Buyers were becoming more choosy and critical, they were taking longer to make up their minds, and having increased difficulty getting mortgages. But if the price was right they were still buying.”⁴⁷

The first signs of ‘consumer sovereignty’ and buyer resistance in the US presented themselves in the real estate sections of newspapers in early-1947. *Architectural Forum* reported that “here and there, newspaper display ads on new-houses-for-sale were beginning to appear in a rather surprising volume.”⁴⁸ Industry analysts predicted that by the end of the decade there would be a flood of builders returning to the advertising columns of newspapers.⁴⁹ By 1948, according to the National Association of Real Estate Boards (NAREB), one-quarter of all cities in the US had reached a “normal supply” of single-family housing.⁵⁰ That same year, a Home Builders Institute survey of builders in the eastern United States revealed that “53% of builders interviewed had been forced to advertise” and “85% reported sales resistance to present

⁴⁶ “Inflation threatens builders, Dodge Corp. head warns,” *Printers’ Ink* (17 October 1947): 130; “Slight increase in advertising appropriations expected from house builders to offset the rising interest rates,” *Printers’ Ink* (2 January 1948): 10.

⁴⁷ “Merchant builder survey,” *Architectural Forum* (April 1949): 115-17, 150, 154, 117.

⁴⁸ “Building month,” *Architectural Forum* (February 1947): 9-10, 9.

⁴⁹ *Ibid.*; “Competition reappears in home market,” *Printers’ Ink* (9 March 1948): 9.

⁵⁰ “Shorting eases: Houses just slightly harder to sell,” *Architectural Forum* (August 1948): 14

building prices.”⁵¹ Similarly, San Francisco based builders reported a 30% decrease in new home seekers with buyers “comparing prices with value, using 1940 as a par.”⁵² The balance of power was beginning to shift from the producers of housing to the consumers as the market for low-cost houses for returning veterans was becoming exhausted.⁵³ Contributing to the decline in the low-cost house market was a surge in owner-building and the fact that the prices of old houses were dropping while new house prices, at current labour, material and financing costs, were increasing, leading prospects seeking a starter home to turn to the resale market where they believed they could get better value for their money.⁵⁴

By early-1949 the phrase ‘buyers’ market’ had entered the builder’s lexicon. That March, at the National Association of Home Builders national convention in Chicago, a record crowd of about 6,000 builders, industry analysts, and representatives of allied industries met to discuss the new market. Leading their list of concerns were: economic trends, cost reduction, design improvements, and, most importantly, selling houses and responding to a “new kind of consumer demand”—no longer concerned merely with shelter but improved living conditions.⁵⁵ Builders were no longer concerned about being able to produce volume in housing but about whether “the public would buy [their]

⁵¹ Ibid.; “News Vane: Things Here or on The Way,” *Printers’ Ink* (21 February 1947): 13.

⁵² “Building Month,” *Architectural Forum* (February 1947): 9-10.

⁵³ Ibid.

⁵⁴ Richard Harris and Michael Buzzelli, “House building in the machine age, 1920s - 1970s: Realities and perceptions of modernisation in North America and Australia,” *Business History* vol. 47, no. 1 (2005): 59-85; “Shorting Eases.”

⁵⁵ “Home Builders Rendezvous in Chicago to Fortify Themselves for a New Kind of Market,” *Architectural Forum* (March 1949): 16-18.

houses once [they] got them up.”⁵⁶ Builders were urged to “take advantage of all available research” before building. Federal Housing Administration representative Victor Alder argued, “When you build [or plan] first on paper, you can make changes easily and cheaply. You can’t do that on the site.”⁵⁷ Despite clear signs directing the builder to improve his market analysis and research most resisted. Instead, as one of Chicago’s leading builders maintained, he avoided market surveys, “feeling that the so-called ‘opinion’ of prospective customers is unimportant” and instead believed the best way to test whether a market existed in a specific area and price class was to try to sell it. The firm opted to issue pre-construction press releases, “placing all the facts—location, lot size, home size, prices, plans and renderings—before the public” and if these brought a flood of applicants with money on the line the firm was convinced.⁵⁸ Other builders followed a similar route, with some building a small test group of houses first, and if these sold well building more.⁵⁹ These, however, were the more progressive builders and the exceptions. Most, instead, followed the leaders, reproducing what builders who appeared to be having success were building. This sort of bandwagon jumping often led to overbuilding in certain price brackets and housing types that did not necessarily reflect the needs of the local market.

Conclusion:

By the end of the decade builders were forced to deal with reality and accept that the market had changed and, for many, business as usual was not going to lead to success.

⁵⁶ Ibid., 17.

⁵⁷ Ibid.

⁵⁸ “Slide-Rule Homebuilding,” *Architectural Forum* (February 1948): 74-78, 76.

⁵⁹ “A Complete House for \$6,990.”

Builders responded to the challenges posed by the buyers' market in several ways. Some strove to cut the size of their houses in order to price them closer to what the market would bear while others, concerned over "how much quality and size [they could] cut out of the product until they killed off the market," aimed at increasing the value and sales appeal of their homes by loading them up with all sorts of modern equipment or provided give-aways as inducements to accelerate sales.⁶⁰ Faced with stiff competition builders began to rediscover a "skill which for most of the past decade [had] been all but forgotten—salesmanship."⁶¹ This meant improved training of sales staff, new house plans, and an increased emphasis on advertising, promotion and the model house.

During the initial postwar housing boom, new home buyers were plentiful and competition for consumers sparse—builders on well-located land could sell easily and saw no need to spend on market surveys and promotional strategies to boost sales. "A simple ad in the real estate section of the local newspaper announcing the opening of a new project and a few directional signs" were more than sufficient to generate traffic and interested buyers.⁶² Most competition between builders was on the basis of price and large speculative builders that had achieved efficiency in scale could undersell their smaller competitors and grow larger with little consideration for consumers.⁶³ This began to change by the early-1950s as the housing shortage eased and competition for homebuyers intensified. Builders finding that they could not rely on family formation and

⁶⁰ "A Complete House for \$6,990"; "Merchant Builder Survey," 116; "Giveaways Halted as FHA Frowns on Latest Sales Trick," *Architectural Forum* (July 1949): 11.

⁶¹ "How to Sell Houses—For a New Kind of Market, a New Salesmanship. A Catalogue of Sales Tools," *Architectural Forum* (July 1949): 107-08, 114, 116, 118, 120, 122, 107.

⁶² Ned Eichler, *The Merchant Builders* (Cambridge, Mass.: MIT Press, 1982), 97.

⁶³ Maisel, *Housebuilding in Transition*.

low prices alone to spur sales began to turn to marketing and especially advertising to gain an edge in the now ever more competitive and crowded marketplace. Finding themselves competing against not just themselves, but also resale housing, owners building for themselves, and a host of other consumer products and services, like new and ‘exciting’ automobiles and vacations sold on the instalment plan, for a limited number of consumer dollars individual builders and the industry as a whole looked to promote just how much more comfortable a new, modern home equipped with modern technologies could be and reinstate the single detached house as a status symbol. Advertising and improved consumer research were two of the tools they would turn to.

Builders found themselves in a familiar situation, in some ways similar to the conditions following the 1929 housing crash and ensuing economic depression. In the 1930s, the main industry and government response had been to lower construction costs through the use of new materials and the rationalization of the building process. Standardization and simplification made new houses more affordable. Then, some progressive builders and industry leaders had also started to become market oriented, investing greater resources in consumer research, advertising and product development. This movement was, however, stillborn with the virtual shutdown of the private housing market during the war and then largely forgotten about during the early-postwar housing boom where anything anyone built was quickly bought up by a shelter hungry public. The new market and economic realities of the 1950s demanded a renewed focus on the consumer, just as there had been after the housing crash of the late-1920s.

Chapter 5: Learning to Merchandise in a Buyers' Market, c. 1955 - 1965

Introduction:

Entering the 1950s, North American builders were confronted by a drastically different market than they had enjoyed during the immediate postwar period. With most of those in need of shelter that could afford it already relatively well housed, more builders were competing for fewer prospects. To maintain production volumes, existing homeowners had to be encouraged to upgrade their living arrangements. To achieve this, consumers had to be offered something better than what they already had. Builders, and their associated industries that relied on continued high levels of housing production for profit and growth, responded to the new market realities in several ways, all of which signalled a new era in merchandising for the housing industry.

This chapter first examines changes in market conditions and the market for new houses. Specifically, it looks at how, as the war and depression-created housing shortage eased, builders had to contend with a more competitive market and new type of consumer no longer seeking a starter home. The potential market for new houses was becoming increasingly composed of savvier and more knowledgeable existing homeowners that were willing to hold out for houses that better fit their requirements than the houses they had settled for after the war. Next, it moves on to discuss how builders responded to the new market through design changes in speculatively built houses and subdivisions. It goes on to examine the role of market research in the production decisions of builders. With the housing shortage over, and consumers now holding the balance of power, builders had to learn more about their market in order to tap into consumers' motivations

to buy. Finally, it considers how homebuilders' expanded use of advertising reflected a new, and more discriminating market. Demand was no longer assured; it had to be created.

Changing Market Conditions:

By the early-1950s, homebuilding was becoming much more competitive. The war and depression-created shortage was almost over and fewer households were doubled-up than at any point since the depression. “The sales appeal of minimum down payments, low interest and slow amortization” that had driven the postwar market could “be pushed no further.”¹ *Architectural Forum* argued that if US builders hoped to replicate their earlier success they had to get their costs down, broaden the market, and make their houses “so much more attractive, so much better designed, so much more liveable, and so much better value than the homes most ... live[d] in now” so that a great new replacement market would open up.² The situation was similar in Canada, though the early signs of the emerging buyers' market did not present themselves until the mid-decade mark. In early-1956, Angus McClaskey, president of Don Mills Development Limited, a Toronto-area developer, concluded “that today, houses are not sold the way they used to be but must be merchandised ... The housing market no longer is supported mainly by purchasers seeking accommodation only.” He noted that the consumer market was now increasingly composed of existing homeowners who would only re-enter the market if they were offered something superior to what they already had. The new market

¹ “Low cost ways to improve the low cost house,” *Architectural Forum* (October 1951): 196-97, 242, 248, 196.

² *Ibid.*

was far more selective and more competitive than ever before.³ Similarly, in the same year, the Gordon Commission, a Royal Commission on Canada's economic prospects, concluded that house builders under the new competitive pressures would have to work harder to 'win' customers. It found that because of the great demand for shelter during the previous decade, the building industry had "not been under strong competitive pressure to diversify the range of its products or to advance the quality of design."⁴ The Commission found that the result had been housing of "somewhat stereotyped form, lacking the variety and refinement which is stimulated in a period of strong competition."⁵ This was not a new criticism. As early as 1948, Canadian housing experts had been raising concerns about the character of newly built suburbs and houses. Humphrey Carver described the "product of post-war residential construction [as] uniformly drab and uninspired" failing to "attract economic stable families who are at present not at all interested in the crude product of the speculative builder." He argued that because new housing hewed so close to "minimum standards" many who could afford it were opting to buy a used house better suited to their requirements.⁶ Now that builders had "built themselves out of their easy market" it was the time to win new

³ "How the home show helps boost builders' sales," *Canadian Builder* (March 1956): 25.

⁴ "The Gordon Commission looks at the prospects for housing," *Canadian Builder* (May 1956): 53-62, 60.

⁵ *Ibid.*

⁶ Humphrey Carver, "Chapter 6: The ultimate housing problem" in *Houses for Canadians: A Case Study of Housing Problems in the Toronto Area, 1948*, (Toronto: University of Toronto Press, 1948).

consumers by improving design and/or seeking new markets in higher—or lower price fields.⁷

Besides the fact that the housing shortage was becoming satisfied, there were also qualitative changes taking place in the consumer market for all products—not just housing. As Ernest Dichter, President of the Montrose, New York-based Institute for Research in Mass Motivation argued, “we are facing an entirely new type of consumer ... the consumer of today is not at all the one who existed as short a time ago as five or ten years.” The overriding characteristic of the new consumer, according to Dichter, was his/her “definite counter-reaction to mass-production, efficient assembly-line kind of production.” Instead, the consumer wanted to be treated as an ‘individual’ with distinct needs and preferences.⁸ In this regard, consumers were beginning to demand a more individualized product and a greater role in its design to fit their unique personalities.

Similarly, marketing executives and “leading academic social scientists” at the 4th Annual Conference on Consumer Behaviour at the University of Michigan in 1955, concluded that there was a “growing demand for more variations in mass [produced] products [and] a revolt against too much pressure for mass conformity.”⁹ This change was driven by several factors. A new, younger consumer was entering the market and was more demanding and accepting of innovation in design. The influence of the new consumer was especially evident in the automotive sector where manufacturers rushed

⁷ “What lies ahead for home building,” *House & Home* (January 1952): 138-39, 139.

⁸ Ernest Dichter, “What this ad business needs is ... CREATIVE RESEARCH,” *Printers’ Ink* (4 June 1954): 57-58, 60-62.

⁹ Harold E. Green, “Market researchers see product changes in near future,” *Printers’ Ink* (23 September 1955): 63.

out new special purpose makes in a growing number of colours in order to capture a larger share of the market and encourage existing owners to trade-up.¹⁰ At the same time, there were changes in income distribution and a convergence towards the middle. Although this would suggest the making of conformity, consumers were looking for ways to distinguish themselves and be “somewhat different from the mass” and exhibiting “strong desires to ‘splash’” more than in the past when years of economic depression and war had encouraged “increased social responsibility and less luxuriant spending.”¹¹ Now, with incomes increasing and economic stability, people were willing to try new things and could afford to demand more choices, or gradations, in mass-marketed goods. Though these changes in consumer dispositions challenged the foundation of mass-production—efficiency in standardization—demanding a more consumer oriented and flexible organization of the production process, the good thing for manufacturers was that while consumers were demanding more, they were also willing to pay more for an individualized product.¹²

Along with the desire for more choice the market for new houses was changing in other ways too. After the war, family formation had been the main driver for house building. By the mid-1950s, the new house market was becoming increasingly composed of families that were already homeowners and they had to be sold to in an entirely different way. Unlike first-time buyers, existing homeowners were savvier about their housing needs and had to be offered something better than they already had. They were

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

not buying out of desperation. In 1954, housing economist Miles Colean argued that the new nature of demand meant that the basis for the competition for consumer's dollars was now quality, novelty, price, and value.¹³ At the same time, households were demanding more space. As California-based builder Joseph Eichler described in 1954, three years previously most of his purchasers had been “young novices,” but now over sixty percent already owned a home, had “more money, more children, more possessions” and were more particular about their housing needs.¹⁴

The shelter market was becoming satisfied and builders that failed to adapt to the new market conditions were starting to find sales difficult to come by. In the years since the war, builders had put up too many two-bedroom houses and too few three-bedroom houses. One reason for this was that federal mortgage lending policy placed too much emphasis on low-cost, entry-level homes.¹⁵ The National Association of Home Builders urged its members to shift production to larger, higher-priced models and recommended that government policy be amended to “rely more heavily on reconditioned old dwellings to meet the housing needs of low income groups [and] ease the pressure for more construction under \$7,000.”¹⁶ As *Fortune* magazine argued, “people can afford to buy far better homes than they have been since the war” and the only way to get consumers to

¹³ “The big change in builders’ houses,” *House & Home* (January 1954): 92-95.

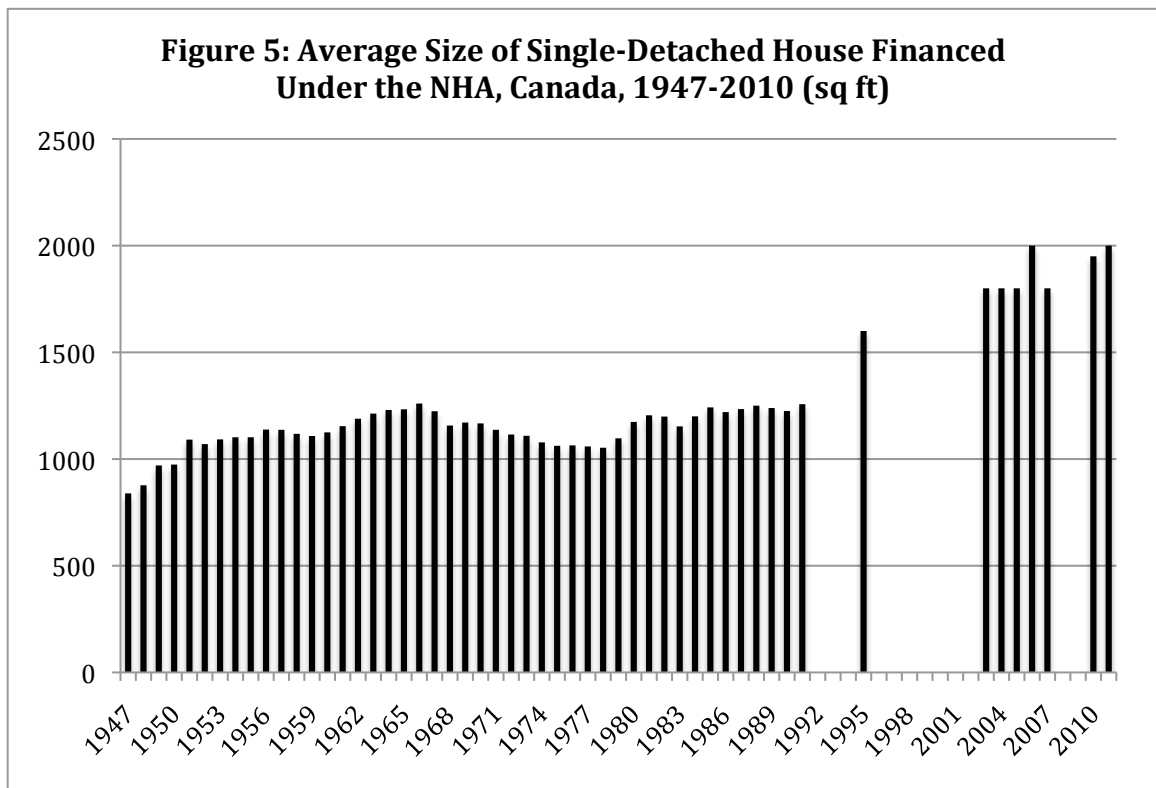
¹⁴ “Five changes inside—Eichler revamps his plans to fit buyer’s market,” *House & Home* (January 1954): 98-100.

¹⁵ Carver, “Chapter 6: The ultimate housing problem.”

¹⁶ “The low income family and the too cheap house,” *House & Home* (October 1952): 105-09, 108.

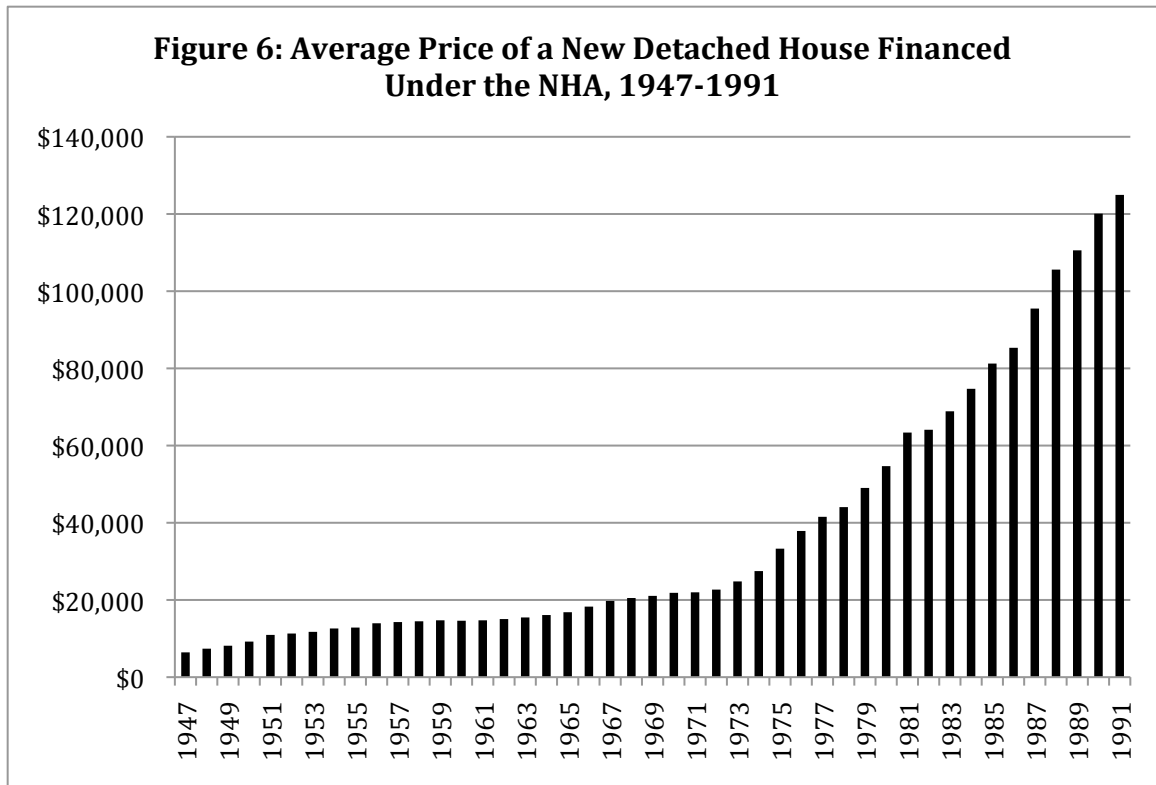
upgrade their living situations and spend more of their discretionary income on housing is to offer larger and better equipped housing.¹⁷

Changes in patterns of demand and shifts in production towards larger and dearer homes (Figure 5 and 6) were also being influenced by private institutional mortgage lenders and the fact that purchasers were becoming more knowledgeable of what was available to them. Consumers were learning about modern design and new features. Popular shelter and women’s magazines, like *Better Homes and Gardens*, *Life*, and in



(Source: Compiled from: CMHC, *Canadian Housing Statistics*, various years and *CHBA Pulse Survey*, various years)

¹⁷ *Fortune* magazine, as cited in G. Burck and S. S. Parker, “*Fortune* reports on: The changing market for housing,” *House & Home* (March 1954): 132-33, 130-33.



(Source: CMHC, *Canadian Housing Statistics*, 1957 and 1991)

Canada, *Chatelaine*, addressed their domestic problems and offered solutions by running features on new home designs and profiling progressive builders and their subdivisions and houses to show how much more comfortable home life could be for the modern family. At the same time, consumers were introduced to modern design and features by building supply manufacturers' consumer advertising that appeared in these magazines and targeted the renovation market by illustrating modern kitchens, bathrooms, and appliances. The editors of *House & Home* cautioned builders, "you can no longer afford to 'build down' to people—or 'design down' to them, or to fix your valuations on a house with the idea that 'public taste' is way behind your own."¹⁸ In many cases, public taste

¹⁸ "Better keep your eye on the newsstands ... because your customers do," *House & Home* (May 1955): 168-69, 169.

was far ahead of builders' and consumers were increasingly aware of the different features, designs, and fixtures available to them and were demanding them. By the mid-1950s, the editors of *House & Home* believed that shelter magazines were having such a great influence on patterns of demand and that they provided "such an important barometer of what the buying public is going to demand—and going to get"—that they began a monthly "pictorial review of what consumers are finding on their newsstands" and urged builders to keep an eye on what their consumers were reading to keep up with the market.¹⁹

At the same time, sensing a change in the market, and the fact that consumers were shopping around with an increasingly critical eye, mortgage lenders were becoming choosier about the projects they would finance. In Canada, for example, realizing that the critical housing shortage was coming to an end and that a high percentage of new house sales were being made to second and third time buyers, lenders eventually began to pressure builders to move out of the low-cost market and improve "design, style, planning, quality of construction, location, lot size, [and] amenities" in newly developed suburbs.²⁰ They felt that they had been too free with their money in the past leading to housing that lost its value and appeal too quickly. Now they wanted only houses that would hold their value for at least twenty-five years, the duration of most mortgages. This meant houses that expressed greater individuality, with "individual lines, room for families to relax and grow, the necessary [community] facilities to make living

¹⁹ Ibid.

²⁰ "Is mortgage money the whole story?" *Canadian Builder* (August 1956): 29-30, 30; "Problem: How to create consumer demand," *Canadian Builders* (December 1960): 26-27.

comfortable, and the strength to withstand the years.”²¹ Lenders pushed builders to become more responsive to consumer demand as a condition of financing.

The selectiveness of consumers was becoming especially apparent in competitive urban markets that had become overbuilt in the starter home price-class. Stricter lending policies compounded the builder’s problems. In Los Angeles in 1956, for instance, builders struggled to unload houses left over from the previous year.²² By mid-1957, in Toronto sales were down nearly seventy percent compared to 1955.²³ The situation was similar in the San Francisco Bay Area with starts off by thirty-percent.²⁴ Houses were becoming harder to sell than to build. Many builders blamed the downturn entirely on rising interest rates and the lack of cheap mortgage money. In Toronto, builders demanded government intervention and direct NHA loans, which were normally restricted to small towns of less than five thousand where approved lenders were not active.²⁵ Not all builders, however, accepted the lack of cheap mortgage money as the reason for the downturn. Unsympathetic to the struggling builder’s plight, California-based Joseph Eichler blamed the industry’s problems on “outdated design, poor selling, inept land use and higher prices.”²⁶ His former advertising and sales manager, James San Jule, agreed. He argued that too many builders were “still building a 1953 ranchburger

²¹ Ibid.

²² “In competitive Los Angeles sales stay up when luxury built in,” *House & Home* (February 1956): 110-111.

²³ “Canada: Toronto builders seeking direct government loans,” *House & Home* (July 1957): 85.

²⁴ James San Jule, “Why home building is sick in a boom area,” *House & Home* (August 1957): 47.

²⁵ “Canada: Toronto builders seeking direct government loans.”

²⁶ San Jule, “Why home building is sick in a boom area,” 47.

and trying to sell it at prices compelled by 1957 economics—higher land, material and labour costs—the only difference: more scallops” and that too few builders were making use of scientific marketing techniques to determine what consumers wanted. In his critique of the industry, he described how “from model homes, to advertising copy, to salesmen’s training the housing industry is still in the Model T stage.”²⁷

The oversupply of houses and increased competition between builders worked in the consumer’s favour. Purchasers could now exercise their freedom to choose between what they liked and did not like and drive harder bargains. The result was that prospective buyers could demand and get “more luxury features at \$13,000 to \$20,000 than you could find a short time ago in houses selling for \$30,000 or more.”²⁸ Builders that had relied on gimmickry or hard-sell tactics and stuck to outdated models in the hope to achieve construction efficiencies to win customers by undercutting the prices of rivals were finding the new market especially challenging. *House & Home*, in its 1956 survey of the Los Angeles market, reported that since the autumn of 1955, there had been no takers for basic starter homes offered at nothing down while larger and better-equipped homes at \$1,000 to \$3,000 down were selling briskly. The reason for this, the journal concluded, was that builders had been putting up too many look-alike houses and “in most cases . . . had taken their market for granted, [and] counted on easy terms to do the selling for them.”²⁹

²⁷ Ibid.

²⁸ “In competitive Los Angeles sales stay up when luxury built in,” 110.

²⁹ Ibid.

Compounding the starter-home builders' problem was competition from the used house market. A survey by the National Association of Real Estate Boards in 1956, showed a surge in the resale market at the expense of the new houses.³⁰ "More and more buyers were finding the existing house the best buy because of rising prices on new homes, [the] result higher building and land costs."³¹ Owners of existing homes who had bought when costs were lower had more room to negotiate on the basis of price with purchasers than new house builders that had to deal with current economic realities. At the same time, the resale market offered greater variety and choice. Existing homes were also more likely to be located in already established neighbourhoods with close access to amenities like schools that buyers demanded instead of on barren land at the edge of the city where purchasers might have to wait years for service to be expanded.

The industry's trade press and professional associations urged builders to not try to compete on price with the resale market by attempting to sell a "stripped-down model" or by building a "minimum house."³² Builders were told that their greatest market opportunity was the existing homeowner looking to trade-up. For those that already owned a home, housing was becoming an item of discretionary spending and "just providing shelter [was becoming] a factor of less and less importance in the housing market."³³ Builders were encouraged to reorient themselves to the higher price bracket

³⁰ "Boom in used homes," *House & Home* (July 1956): 59.

³¹ *Ibid.*, 59.

³² "Now that yesterday's best sellers won't sell ... what kind of house should you design for the market?" *House & Home* (September 1957): 88-115, 88; See also "Nothing is Wrong with Homebuilding that better Selling Cannot Cure," *House & Home* (May 1958): 111-137, 169.

³³ "Editorial: A new look at these 'Golden Sixties,'" *House & Home* (January 1961): 115-21, 119.

and to target existing homeowners and improve their merchandising to dispel the widely held belief “that houses were built better in the good old days.”³⁴ The best way to do this was to show the public how newer houses were easier to maintain and clean, how much more efficient they were to heat and cool, and how much more comfortable a modern, up-to-date house was.³⁵ In the words of Canada’s then Public Works Minister David Walker, “if builders are no longer assured of customers, they will have to persuade owners of existing houses that they should buy new ones by demonstrating the superiority of new houses and create demand” and “woo buyers with hard hitting merchandising.”³⁶

To woo the experienced buyer, builders were forced to change the way they did business. Builders responded to the buyers’ market by offering bigger and better designed houses, improving subdivision design, placing more emphasis on marketing and merchandising, and offering consumers more choice.

A New Approach to House and Subdivision Design:

By the early-1950s, some progressive, market-minded builders were already starting to adapt their designs and bring them closer in line with what they believed consumers wanted. Finding that older, traditional designs were not selling well, some builders were beginning to introduce new and “somewhat cleaner designed house types” with open and more flexible floor plans “to meet buyers’ more sophisticated demands”

³⁴ “Nothing is Wrong with Homebuilding that better Selling Cannot Cure,” 111; See also “In 1957, more than ever, *merchandising* will keep the buyers coming,” *Canadian Builder* (December 1956): 23-24.

³⁵ “Nothing is Wrong with Homebuilding that better Selling Cannot Cure.”

³⁶ “Problem: How to create consumer demand,” *Canadian Builder* (December 1960): 27, 26-27; “Editorial comment: Two in the house, one at the home show,” *Canadian Builder* (May 1961): 9.

for modern design.³⁷ The shift to more modern design was also driven by construction efficiencies. Homebuilders were finding that instead of investing time and expense on “twists and quirks” resources were better used in creating interior and exterior finishes and that a well thought out colour scheme provided the selling punch necessary to set a house apart from the competition (Figure 7). Colour was starting to play an important part in home merchandising “for the first time.”³⁸

At the same time, speculatively built houses were becoming larger in response to changing demographic conditions and larger households. Long Island-based Levitt and Sons, for instance, which had earlier achieved huge success with its standardized two-bedroom plus expansion attic models where homeowners were expected to finish the attic as need arose, was by 1951 facing sales resistance from buyers demanding more space. To meet consumer demand, the company planned to introduce new, larger three-bedroom models featuring two-bathrooms, double car garages, and more kitchen and storage space in its upcoming ‘Landia’ subdivision.³⁹ In late-1951, *Architectural Forum* found that “more builders than ever before” planned to introduce new and up-graded models for the 1952 season in response to a more selective and discriminating market. Similarly, finding

³⁷ “The Long Island Builder’s House: A round-up of the best design and construction ideas used by the merchant builders who serve the nation’s biggest housing market,” *Architectural Forum* (July 1950): 102-04.

³⁸ Ibid.; See also Miss B. A. Humphrys, “Colour—When properly used brings out good features,” *Canadian Builder* (April 1952): 23-25. In October 1954, *Printers’ Ink* heralded colour as a “new style factor in many products.” One of the main reasons for this was that ad media was better equipped to show colour and manufacturers were finding colour attracted attention and “sells more products” (Bernard Tolk, “1955 will be big year for colour,” *Printers’ Ink*, (15 October 1954): 23-25).

³⁹ “Landia—Long Island’s Levitt & Sons come up with an exciting new house and a new concept of the merchant builder’s responsibility towards community planning,” *Architectural Forum* (February 1951): 140-46.

Figure 7: Colour as a selling feature. Among the selling features listed to set these houses apart from the competition are coloured ceramic tiles and bathroom fixtures. (*Toronto Star*, 9 April 1955, P. 33)

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- 7—Youngstown steel kitchen units.
- 8—Ventilating fan in kitchen.
- 9—Colored ceramic tile bathroom with colored fixtures.
- 10—Lino tile floor in kitchen, bathroom and vestibule.

**SALES OFFICE LOCATED WEST OF
BATHURST ON SHEPPARD AVE. TO
GODDARD ST., NORTH TO WATERLOO
AVE.**

**Mr. Wolfman, ST. 8-6028
New Age Development
and Construction Ltd.**

**VISIT US AT THE HOME SHOW
BOOTH 655**

sales difficult and a lack of demand for starter-homes, by the end of the decade more Canadian builders were also shifting production to larger, upgraded models where profit margins were not as tight and they could afford to offer more choice.⁴⁰ At the same time, some progressive builders were realizing that they needed specialized help when it came to ‘good’ design and engaging the services of architects.⁴¹

Builders worked to differentiate their houses from the competition and expand consumer choice (Figure 8).⁴² They did this in two ways. Most were beginning to offer consumers more varied models to choose from. By 1962, Ottawa-based Minto Construction, for instance, was pegging its success on elevation variety, using different facing materials and colours to create pictorial variety and attract buyers.⁴³ Builders also began to cater to consumers’ desires for individuality by offering limited customization options. This was a significant development. “Not too long ago the only choice a buyer could get was colour. Now, that choice [had] been expanded to window details, combinations of materials, doors, etc.”⁴⁴ Customisation was initially a factor in competitive markets and the higher price bracket. Buyers in this price class had higher incomes and were demanding a “more customized product.”⁴⁵ Up-market builders like Toronto’s W. H. Shortill were finding that their buyers were becoming less concerned with financing and carrying costs and, instead, individuality was becoming the ‘big

⁴⁰ “Editorial Comment: The new twist in housing,” *Canadian Builder* (January 1962): 7.

⁴¹ “What builders plan for 1952,” *Architectural Forum* (October 1951): 206-08.

⁴² “Now that yesterday’s best sellers wont sell ... what kind of house should you design for the market?” *House & Home* (September 1957): 88-155.

⁴³ “Editorial Comment: The new twist in housing.”

⁴⁴ *Ibid.*, 7.

⁴⁵ “Marketing Roundtable,” *House & Home* (May 1965): 108-15, 119, 121, 124, 111.

Figure 8: Expanding consumer choice. With sales becoming more difficult and consumers more particular, by the early-1960s, builders had turned to increased product variety, offering more plans to choose from and a broader price range than in the past to capture a larger share of the buying public.
(Toronto Star, 9 April 1960, P. 38)

<p>ECONOMY PRICED QUALITY BUILT Park Royal PHASE 2 (CLARKSON) Offers For 1960 19 Eye-Opening Plans BUNGALOWS, SPLIT-LEVELS, & 2-STOREY HOMES DISTINCTIVE PRICED FROM \$14,460 Balance One 6% Look At The Features IN MOST PLANS 3 & 4 Bedrooms Completely Decorated Fireplaces Finished Recreation Rooms DRIVE OUT TODAY West On Queen Elizabeth Highway From Toronto To 5th Line, Clarkson, South Of Park Royal Information Office. Stop For Free Illustrated Brochures Of All Model Homes At Information Centre. OPEN EVERY DAY FROM 10 A.M. UNTIL 8.30 P.M. S. Rovet & Co., Realtor PARK ROYAL CR. 8-0001</p>	<p>Y PRICED Y BUILT Royal (CLARKSON) For 1960 ning Plans LS, & 2-STOREY HOMES DIFFERENT DOWN PAYMENTS FROM \$1,960 NHA Mortgage The Features 2 Washrooms Panelled Dens Attached Garages Storms & Screens T TODAY Highway From Toronto To 5th Line To Park Royal Information Office. Brochures Of All Model Homes At Information Centre. 10 A.M. UNTIL 8.30 P.M. AGENTS Co., Realtor HEAD OFFICE RO. 9-1153</p>	<p>BEST VALUE Applewood Acres Area Dixie Road And Queen Elizabeth Highway (South Side), Directly Across From Applewood Acres Shopping Centre, 200 Yards West Of The Dixie Plaza. Deborah Acres Prices From .. \$18,900 IF DOWN PAYMENT ASSISTANCE IS REQUIRED, WE HAVE AN EXCELLENT 2ND MORTGAGE ARRANGEMENT—NO DOWN PAYMENT, 10 YEARS TO PAY. 3-4-5 BEDROOMS Fully Decorated Finished Rec. Rooms Walnut Kitchen Cupboards Bathroom En Suite Two Shopping Centres Four Schools Adjoining Fully Serviced Sewers, Roads, Curbs And Sidewalks All Paid For Free Broadloom In Living Room And Dining Room To Purchasers Who Buy During April Drive Out Today! WEST ON QUEEN ELIZABETH HWY. SOUTH ON DIXIE ROAD TO SOUTH SERVICE ROAD. CONTINUE WEST ON SERVICE ROAD 2 BLOCKS PAST ACRES. EXCLUSIVE AGENTS S. Rovet & Co., Realtor DEBORAH ACRES CR. 8-0421</p>	<p>IN Applewood Acres Area Dixie Road And Queen Elizabeth Highway (South Side), Directly Across From Applewood Acres Shopping Centre, 200 Yards West Of The Dixie Plaza. Deborah Acres Prices From .. \$18,900 ASSISTANCE IS REQUIRED, WE HAVE AN EXCELLENT 2ND MORTGAGE ARRANGEMENT—NO DOWN PAYMENT, 10 YEARS TO PAY. BEDROOMS Attached Garages Paved Driveways Colored Fixtures Storms And Screens Next To Deborah Acres ing Deborah Acres Fully Serviced d Sidewalks All Paid For And Dining Room Buy During April Today! FROM TORONTO TO DIXIE ROAD, SERVICE ROAD. CONTINUE WEST ON SERVICE ROAD 2 BLOCKS PAST SHOPPING CENTRE TO DEBORAH ACRES. EXCLUSIVE AGENTS Co., Realtor HEAD OFFICE RO. 9-1153</p>
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thing.’⁴⁶ As one builder that built in the \$25,000 price class remarked in 1956, “after watch[ing] good prospects walk away because they needed extra bedrooms or a family room we didn’t have, we decided that a rigid plan was a luxury we couldn’t afford.”⁴⁷ According to Charlotte, North Carolina-based Charles Ervin, who built in the broad \$10 – \$50,000 price class, his buyers wanted “individuality and ... a house they help plan.”⁴⁸ In 1957, *House & Home* reported that “smart builders” were responding to the new consumer by “making a lot of individual changes [to stock models] to suit buyers.”⁴⁹ The situation was similar in competitive real estate markets across Canada and the US. By 1960, customisation was starting to be extended to the middle-income segment of the market. According to *House & Home*, “some tailoring [was] a must” in the builder’s house and builders were giving buyers a bigger role in the planning of their homes.⁵⁰ In 1964, *Canadian Builder* was able to claim, “in almost every case, the provision of ‘extras’ by way of special fixtures or special features for interior décor is seen.”⁵¹

The degree of customisation and level of consumer participation varied between builders and market segment. It could range from none, to choosing paint colours, all the way to altering plans. Toronto-based G. S. Shipp and Son, which focused on the competitive middle of the market, for instance, gave buyers a catalogue of plans and

⁴⁶ “Here’s how you can create more sales,” *Canadian Builder* (March 1959): 32-39.

⁴⁷ “Market trend: These \$25,000 houses started selling fast when builder offered fixed-price options,” *House & Home* (August 1956): 140-43, 140.

⁴⁸ Ibid.

⁴⁹ “You can do something to meet the market,” *House & Home* (July 1957): 98-132, 99.

⁵⁰ “The challenge right now: How to succeed with today’s serious buyers,” *House & Home* (January 1960): 121-34, 131.

⁵¹ Clifford Fowke, “New model homes in 1964, offer more space, more ‘extras,’” *Canadian Builder* (June 1964): 26.

styles and lists of optional extras to choose from. In 1960, buyers in a typical Shipp development could select one of five plans, room and equipment colours, and between gas and electric appliances.⁵² Typically, as a rule, the higher the price range the greater the level of participation expected by the consumer and allowed by the builder.⁵³ Builders that offered optional extras and custom changes in models found that even if it ended up costing more in the end the houses outsold less expensive stock models in the same development.⁵⁴ In the buyers' market, builders had to work harder at "analysing buyers' needs and wants and [relating] them to a particular house" and one of the best ways to do this was by including consumers in the planning.⁵⁵ This took more time and cost more money but it helped sell more houses.

Despite these developments, Canadian builders had a ways to go in satisfying consumers. A 1965 survey of the Canadian housing consumer by marketing firm Stanley Edge Associates showed that fifty-four percent of respondents were disappointed in the houses available to them and only thirteen percent of recent buyers of newly-built houses rated the styling of their homes as excellent, with ratings below 'good' accounting for twenty percent of responses.⁵⁶ The consumer's list of complaints related to "sloppy workmanship, lack of exterior style, excessive repetition in subdivisions, [too] small

⁵² "The challenge right now."

⁵³ Ibid.

⁵⁴ "What the Leaders are doing: An Easy to Change Plan Sells this Model," *House & Home* (April 1960): 204.

⁵⁵ "Here is a profile of the successful merchandiser of the '60s," *House & Home* (January 1961): 183-84, 183.

⁵⁶ "Canada's homebuyer: Colour him disappointed—in style, interiors, and quality of building," *House & Home* (March 1965): 17.

rooms, inadequate storage, poor landscaping, heating, wiring and ventilation.”⁵⁷ Edge urged builders in attendance at the NHBA’s annual meeting in Calgary to get away from “‘hammer & saw’ design” and to work more closely with architects and designers of building products that go into the house so that they could deliver a product more in line with consumer expectations.⁵⁸

Building Neighbourhoods in the Suburbs

Besides offering buyers more options, builders were also being forced to pay more attention to land use planning and creating more liveable neighbourhoods. Municipalities were requiring it and consumers were demanding it. Consumers wanted a more individualized residential experience and were reacting against large tract developments with standardized housing, subdivision layouts and a lack of community facilities. Some production builders were recognizing this trend by the early-1950s.

Architectural Forum reported in January 1951, “the Levitts have developed a new type of subdivision ... where the emphasis is on neighbourhood living and a complete integrated collection of community facilities.” Houses would be grouped in small neighbourhoods “rather than strung out in a single monotonous pattern of curving streets” that had been the usual practice in speculatively built housing developments.⁵⁹ Alfred Levitt, planner and house designer for the firm, explained the logic for the new strategy. Based on the company’s past experience with building Levittown, the firm had “learned that buyers

⁵⁷ Ibid.

⁵⁸ “A Special Report On—What sells a house?” 38.

⁵⁹ “Landia—Long Island’s Levitt & Sons come up with an exciting new house and a new concept of the merchant builder’s responsibility towards community planning,” *Architectural Forum* (February 1951): 141.

want to be identified with a neighbourhood, not a subdivision.”⁶⁰ In the Levitt’s newest subdivision, houses would be grouped in seven separate neighbourhoods defined by their individual street networks with community facilities like parks, recreational grounds, schools, and so on placed between adjoining neighbourhoods.⁶¹ This was considered a novel approach to community development at the time, but by the mid-1950s it was a full-on trend. In January 1963, *House & Home* argued that the “builder of 2,000 single-family houses a year on a single site vanished with the boom of the mid-50s.”⁶²

Buyers were becoming increasingly concerned with location and demanding subdivisions with distinct identities and community amenities. As Toronto builder Bob Schmitt argued, “the time is long past when we can expect home-seekers to move into treeless, grassless, community-facilityless construction areas.”⁶³ Although builders recognized that attractive neighbourhoods gave them a competitive edge when selling to the more discriminating buyer the problem for builders was that there were so few choice locations left. They were being forced into “not so great locations” at the edges of cities where they had to spend considerable resources on upgrading services, landscaping, and providing essential community facilities. This was especially a challenge for smaller builders who lacked the financial resources to improve the land. This became a particular problem in the mid-1950s when Ontario municipalities began to shift the responsibility

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² “The new housing industry,” *House & Home* (January 1963): 63-65, 64.

⁶³ “A new look at these ‘Golden Sixties,’” 117.

for infrastructure improvements onto the land developer.⁶⁴ However, the small builder had one significant advantage over the large volume builder—he was more flexible and better able to offer consumers the necessary variety in housing style and custom changes they were starting to demand—essential ingredients in creating neighbourhoods with distinct identities. As a result, by the mid-1960s, small builders and large building and/or land development firms were forging a symbiotic relationship. Big developers were inviting smaller builders into joint projects where they could capitalize on each other's comparative advantage. Developers provided the necessary planning, finished lots, and package of amenities, and often marketing services, while the smaller builder provided a more personalized service to consumers and brought variety to the development.⁶⁵

With consumers placing more and more emphasis on location, landscaping also became an increasingly important selling feature. William Molster, marketing director with the National Association of Home Builders, advised Canadian builders at their 1963 convention in Halifax that landscaping “is the single most important factor in creating a desire to live in [a] place.” He argued that with a well landscaped site “the buyer should be more than half sold before even entering the door” and reminded builders “that they were selling ‘living,’ not just four walls and a roof.”⁶⁶ The editors of *House & Home* agreed with Molster. They maintained that tomorrow's new house will have to be landscaped before it is sold and be part of a better planned community. “The day is past

⁶⁴ John Sewell, *The Shape of the City: Toronto Struggles with Modern Town Planning* (Toronto: University of Toronto Press, 1993),

⁶⁵ “Basic decisions for small builders: Independence vs. teamwork with big builders and developers,” *House & Home* (July 1965): 80.

⁶⁶ “Sell to the ‘snob’ buyer—He’s 65% of the market ... Molster,” *Canadian Builder* (March 1963): 43.

when builders can expect shelter-starved buyers to move into construction areas and live there while the rawness wears off.”⁶⁷ Builders needed to create an established community look and feel from the start and landscaping was the best way to achieve this. By the mid-1960, builders were heeding this advice. More builders’ models were being landscaped to give the house an established look and more builders were sodding the entire yard, not just the front, which had been the usual practice.⁶⁸

The Role of Consumer Research in the House Building Industry:

To serve a more discriminating market with the right product at the right location and price all industries needed to place more emphasis on consumer research. By the early-1950s, qualitative research was beginning to make gains.⁶⁹ The impetus for such research was two-fold. Companies were turning to consumer research to deal with growing competition within the marketplace and between products and they were looking for ways to stimulate consumption for their products.⁷⁰ And, second, the “growing sophistication of the consumer and his [or her] growing demand for better products” more suited to his/her individual requirements forced producers to learn how consumers used their products.⁷¹ Although the adoption of qualitative market research was slower in Canada than the US, due in part to the “acute shortage of experienced marketing research

⁶⁷ “A new look at these ‘Golden Sixties,’” 121.

⁶⁸ “Gimmicks are on the way out ... and skilful staging is in,” *House & Home* (March 1964): 112-16.

⁶⁹ “Motivation research gaining new impetus,” *Printers’ Ink* (5 June 1953): 10. Between 1943 and 1953, *Printers’ Ink* ran a total of thirty articles on psychological research in marketing. Thirty-three percent of these were published in 1952.

⁷⁰ “Special Report: Profit in Marketing I: The challenge to management: How to grow in the competitive market,” *Printers’ Ink* (6 June 1958): 21-30, 34, 36-39, 42, 23.

⁷¹ *Ibid.*

personnel,” by 1958, many Canadian firms were “making substantial provision for marketing research in their budgets for the first time.”⁷² The building industry, however, was an exception.

As late as November 1957, housing economist Robinson Newcomb described the “average builder [as] still flying into his next project by the seat of his pants ... running on hunches and playing follow the leader.”⁷³ He doubted that local research had “progressed very much since the ’20s.”⁷⁴ One reason for this, as a panel on marketing convened by building trade journal *House & Home* argued, may have been that homebuilding remained the domain of the small businessman, lacking any giants as in other industries. The average builder lacked the resources to afford market studies, motivation research, and the marketing knowhow that other industries were embracing.⁷⁵ In this case, the panellists urged manufacturers of building materials and appliances to muster their “advertising and merchandising talent” and apply their research methods to make existing homeowners dissatisfied with their houses and help builders sell more homes.⁷⁶

By the mid-1960s little had changed. Most builders continued to run on hunches and build what they thought their market wanted. Their only way of knowing if they had gotten it right was if their homes sold. A 1965 US Savings & Loan League symposium

⁷² Victor C. Gruneau “... a great hunger for consumer research data ...,” *Printers’ Ink* (3 January 1958): 22.

⁷³ “Housing market: A business of chance,” *House & Home* (November 1957): 46-47, 46.

⁷⁴ *Ibid.*

⁷⁵ “Round Table on selling,” *House & Home* (April 1957): 152-58, 318, 322-23, 154; see also “Housing Market: Do builders have enough information to build what buyers really want,” *House & Home* (April 1963): 8.

⁷⁶ “Round Table on selling,” 154.

on local housing research found that although the availability of market data had improved, most builders were not making use of it.⁷⁷ That same year, *House & Home* editor R. W. O’Neal concluded that “the study of consumer motivations and needs in housing is still primitive.”⁷⁸ Top housing market researchers actively working with leading homebuilders agreed with this assessment. They argued that the building industry invested “less than \$1 per house for professional market studies.” This, together with what builders spent doing research themselves amounted to “not much more than 1/10,000th of the \$18+ billion” Americans spent on housing each year.⁷⁹ Although there is no way of knowing whether this was true or just hyperbole from marketing men looking for a larger role in the homebuilding industry, from the evidence that is available, it is clear that speculative builders needed to improve their marketing. Besides the small size of the average builder and the fact that many felt the cost of hiring a research firm was prohibitive, builders’ reluctance to invest in market and consumer research also had to do with the fact that many believed they knew their market instinctively and did not understand what marketing research entailed and how it could help them.⁸⁰ As builder Lowell Siff summed up: “I’m afraid of motivation researchers ... people tell you what they would like to have but they never want to pay the bill ...”⁸¹

⁷⁷ “Symposium finds three weak spots in market analysis,” *House & Home* (March 1965): 31.

⁷⁸ “Marketing roundtable,” *House & Home* (May 1965): 108-15, 119, 121, 124, 110.

⁷⁹ Robert Murray “Market research: Housing’s most neglected selling tool,” *House & Home* (July 1963): 108-12, 108.

⁸⁰ *Ibid.*

⁸¹ “Marketing roundtable,” 110.

The more progressive builders that did invest in consumer and market research found it indispensable in the product planning and merchandising process. As early as 1953, Eichler Homes was making use of professional research firms to query its own purchasers as well as the buyers of competitors' houses to find out what features they wanted in new houses and how well their present home met their needs. Based on survey results the builder introduced new models and modified existing ones to meet market demand for larger homes with more storage space.⁸² Topeka, Kansas based builder Jack Sargeant took a do-it-yourself approach to consumer research. Using check-off cards on which visitors to his models could indicate the features they liked the builder was able to determine what was working and emphasize it in his advertising.⁸³ In Canada, Calgary-based E. V. Keith Enterprises gauged market preferences through the test marketing of new models. Each month the company built a new "pilot model" and based on consumer acceptance decided whether to include it in its standard line. The company found that test marketing ensured that a market existed and reduced its risk.⁸⁴

By 1960, more builders were recognizing the relationship between improved market research and sales. Pushed by lenders, builders were beginning to take a more professional approach to their production decisions. As D. Meredith, Executive Vice President at the Vermont National Life Insurance Company told NAHB economist Nat Rogg in early-1957, "if you want us to finance you, a good market survey would help convince us that there is a real need and a solid market for the new houses you plan to

⁸² "What a builder can learn from his customers?" *House & Home* (May 1953): 176-78.

⁸³ "Builders at work: What consumers want," *House & Home* (December 1953): 47.

⁸⁴ "This building team hunts design ideas from Calgary to California," *Canadian Builder* (April 1959): 42-44.

build.”⁸⁵ Until now, market analyses to back up mortgage applications were very rare and as Meredith communicated, “a careful market survey can not help but impress [lenders] that here is a builder who is also a good businessman.”⁸⁶ In 1960, over 100 builders, paying \$155 each, attended an NAHB sponsored marketing symposium in Washington, DC. Sessions included: ‘Knowing Your Market,’ ‘Reaching Your Market,’ and ‘Selling Your Market.’⁸⁷

By the mid-1960s, builders were starting to get the message that the market was more diverse than previously believed. Stiffer competition, the reaction against large tract developments, and consumers’ demands for a more individualized product all meant that builders had to change the way they framed their market. Throughout the postwar housing boom most builders had concentrated on the mass-market of middle-income earners. They had delivered a more-or-less standardized product and achieved success. Now, in the words of marketing consultant Harry Smith, “the so-called mass-market of the postwar boom years had exploded ... into a series of fragmented markets, each with its own needs, tastes, and way of life.”⁸⁸ Similarly, marketing expert Stanley Edge told builders “there is no such thing as an average person, and you cannot go out and build a perfect house for all people between 30 and 40 years of age”—there are “only subgroups with different wants and needs.”⁸⁹ Although builders had broadened their product lines,

⁸⁵ Nat Rogg “Try market analysis,” *House & Home* (February 1957): 132-33, 132.

⁸⁶ *Ibid.*

⁸⁷ “New marketing trends,” *House & Home* (January 1961): 173-81, 173.

⁸⁸ Robert Murray, “Market research: Housing’s most neglected selling tool,” *House & Home* (July 1963): 108-11, 111.

⁸⁹ “Round Table: What makes people buy or rent new housing?” *House & Home* (May 1967): 112-20, 115-16.

added some variation to their houses through the use of colour and different facing material, and, in some cases, limited customization of the interior of the house, for the most part they had stuck with a fairly conventional suburban house in a conventionally designed suburb.

They were still targeting what they thought was the ‘average consumer.’ Their problem stemmed from the fact that the industry’s market research had not kept pace with changes in the market. As Norman Ward, Director of Builder Marketing with US Plywood, argued as late as 1967, all of the building industry’s research efforts to date had focused on identifying what the ‘typical buyer’ wanted in a house.⁹⁰ The research failed to focus on any particular group, whether based on age, income, lifestyle, or geographic location. Because of this, most consumer research studies ran counter to what many experienced builders already knew instinctively about their local markets and came across as “unbelievable” leading many builders to shun expert advice in favour of the trial and error approach.⁹¹ Despite the growing interest in marketing and consumer research, most builders continued to rely on guesswork to determine what buyers wanted. Their main guide to consumer preferences was following the lead of successful builders and copying what they produced and the limited research conducted by consumer shelter magazines and newspapers, building supply manufacturers, and builders’ own professional associations.

⁹⁰ Ibid.

⁹¹ “Round Table: What makes people buy or rent new housing?” 115.

Consumer Research by Industry Affiliates

Consumer magazines played a significant role in defining consumer expectations in housing and framing the housing consumer for the building industry. Beginning in 1956, *McCall's* magazine, for instance, established an annual women's "Congress on Better Living" to help guide builders' house designs and determine what consumers thought of the houses currently available to them.⁹² The one hundred Congress delegates, selected from the winners of a *McCall's* sponsored housing design contest, represented what the magazine believed was the typical female head of household.⁹³ The participants' average age was thirty-one, all were housewives and most were mothers, their average annual household income was \$7,000, and 89% owned their home.⁹⁴ Although trade journal *House & Home* dismissed much of what the delegates had to say as "wishful thinking ... pure gripe ... [and] misinformation" it still believed it was worth the builder's while to listen, if only to hear what consumers had to say.⁹⁵ The main message taken away from the first Congress was that consumers wanted larger houses. "With more children and more possessions than her mother had, today's housewife must put up with more crowding and more noise" and what the modern housewife wanted most was "more space for things, space for people, [and] space for escape."⁹⁶ Most delegates

⁹² "These women are talking about you," *House & Home* (June 1956): 138-40; "Second Women's Congress: Builders and plumbers, look-alike homes, picture windows get verbal roasting," *House & Home* (November 1957): 54; see also "Better Living Newsletter" advertisement from *McCall's Magazine* announcing its 'Congress on Better Living' to be held in Washington, DC (October 9-11), *Printers' Ink* (11 October 1957): 31.

⁹³ "Second Women's Congress."

⁹⁴ *Ibid.*

⁹⁵ "These women are talking about you," 138.

⁹⁶ *Ibid.*

indicated their willingness to sacrifice gadgets for more space, especially in the bathroom, which *McCall's* described as “the most neglected room in the modern house.” They wanted bathrooms to be bigger, brighter, and have more colour options.⁹⁷ *House & Home* concluded that these women had “forgotten all about price” while formulating their demands. To accommodate their requests would require a house of some 1,250 to 1,500sqft at a time when the average size of a new house financed under the NHA in Canada was 1,138sqft.⁹⁸ Other concerns emerging from the 1956 and 1957 Congresses were that women wanted brand-name fixtures, not “some kind [they] never heard of just because [the builder] makes a bigger profit on them.”⁹⁹ Delegates also wanted improved landscaping, community planning, and more variety in house design and style.¹⁰⁰ Most felt that much of what merchant builders had to offer was “ugly [and] overpriced.”¹⁰¹ What surprised building trades observers that attended the second Congress most were the panellists’ “construction vocabulary and thirst for technical information.”¹⁰² Consumers were clearly more knowledgeable about construction and good design than builders had been giving them credit for and they wanted to be involved in the production process.

Like the shelter magazines, newspapers, heavily reliant on builders’ advertising for revenues, also tried to help guide builders through the changing market. In early-

⁹⁷ Ibid.

⁹⁸ Ibid.; Canadian Housing Statistics, 1955-1957, Table 56: Estimated costs of single-family dwellings financed under the National Housing Acts.

⁹⁹ “These women are talking about you,” 138.

¹⁰⁰ Ibid.

¹⁰¹ “Second Women’s Congress,” 54.

¹⁰² Ibid.

1959, *The Star Weekly*, a Toronto-based newspaper, interviewed over 3,000 Canadian families on what they wanted in a house of their own.¹⁰³ The consensus was a modern open-plan house with more space. Survey respondents indicated a strong preference for a three-bedroom, full-basement bungalow design featuring a large kitchen and combined living-dining room, priced at \$12,500, excluding land and servicing costs.¹⁰⁴ Toronto architect, Harry Kohl, was commissioned by *The Star* to design a house based on the survey results. The published plans sparked the interest of the Consolidated Building Corporation, which arranged to build it at its new Beaumonde Heights subdivision.¹⁰⁵

At the same time, building supply manufacturers and builders' associations were also beginning to engage in their own consumer research. In May 1957, the Better Heating-Cooling Council together with a host of other manufacturers' groups including the Portland Cement Association, the Copper & Brass research Association, the National Lumber Manufacturers' Association, and the National Association of Plumbing Contractors announced plans to probe consumer desires.¹⁰⁶ The group planned to convene a "Women's Congress" consisting of fifty housewives, one from each state plus Alaska and Hawaii, and ask them to "ponder what's needed in new house materials and design."¹⁰⁷

Similarly, in late-1960, the National Association of Home Builders together with the Housing Industry Council (HIC), representing building supply manufacturers,

¹⁰³ "All-Canadian home designed from results of newspaper survey," *Canadian Builder* (January 1960): 62-63.

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ "Women's congress planned by materials group," *House & Home* (May 1957): 83.

¹⁰⁷ Ibid.

announced one of the industry's first major research programs.¹⁰⁸ The NAHB and HIC each committed \$75,000 to engage New York-based advertising and market research firm Fuller & Smith & Ross to carry out three to four months of motivation research to learn the “deep-seated drives involved in home purchases.”¹⁰⁹ Once the “attitudes and inclinations” of home buying prospects was ascertained the group planned to draw up a test marketing program to promote homeownership.¹¹⁰ If these themes and techniques proved effective the NAHB and HIC envisioned a national campaign budgeted at \$3 million.¹¹¹ The goal was to advance housing sales by 250,000 annually and to push housing to the forefront of consumers' purchasing priorities.

What all of these research programs had in common was that they treated housing consumers as homogeneous from coast-to-coast. They failed to recognize that housing markets are largely local and that individuals have distinct needs that cannot be accounted for when research results are based on a ‘typical consumer’ profile and aggregated. By focusing on the mass-consumer they encouraged builders in geographically, culturally, and socially distinct parts of the continent to build housing of similar character. The upside, however, was that at least now someone was asking the consumer what he/she thought and trying to develop a product better suited to them.

¹⁰⁸ “Housing groups plan campaign to promote home owning,” *Printers' Ink* (11 November 1960): 16; see also “Builders, manufacturers team up to spur sales,” *House & Home* (December 1960): 39 and “Housing industry gets ready for a buyers' market,” *Printers' Ink* (3 March 1961): 5.

¹⁰⁹ “Housing groups plan campaign”; “Builders, manufacturers team up”; “Housing industry gets ready for a buyers' market,” 5.

¹¹⁰ “Housing groups plan campaign,” 16.

¹¹¹ *Ibid.*

While market research may have remained “housing’s most neglected selling tool,” by the mid-1960s some homebuilders were beginning to learn that the old rule that “the majority taste rules the market to the exclusion of minority tastes” no longer applied.¹¹² The trade press was telling large builders that a “broad architectural spectrum in any single subdivision” was their most effective marketing strategy, as such a subdivision would “reach out to every segment of the market” and expand their market penetration.¹¹³ Smaller builders were encouraged to carve out a niche, whether it was a price class where no one else was building or another neglected segment of the market deemed too small by the big builders to bother with.¹¹⁴ Homebuilders were slowly responding to the challenge. Builders were starting to focus their marketing and advertising efforts on specific subgroups of consumers. In 1961, for example, the NAHB reported growing builder interest in “housing for the aged, Veterans Administration-financed dwellings, and home modernization promotion.”¹¹⁵ By focusing on previously underserved segments of the population or a price-class where no one else was building, builders hoped to escape competition in the crowded middle segment of the housing market. By 1965, *House & Home* could claim, “a fuller line of houses is a discernable

¹¹² Robert Murray, “Market research: Housing’s most neglected selling tool,” *House & Home* (July 1963): 108-12, 108; Richard W. O’Neill, “Editorial: Design in housing: Not everyone likes plain vanilla—there is room in the marketplace for much more exciting design,” *House & Home* (September 1965): 61.

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ “Editorial: Design in housing: Not everyone likes plain vanilla,” 61.

trend.”¹¹⁶ Still, the housebuilding industry lagged behind other industries when it came to actual consumer research.

Merchandising:

Besides consumer research, generating sales also took on new importance in the buyers’ market. In 1953, *House & Home* inaugurated its first merchandising issue, suggesting that up until that point, finding prospects and making sales were not significant obstacles for most builders.¹¹⁷ One way builders coped with the buyers’ market was by offering prospects inducements to sign a purchase agreement. Inducements were not entirely new. Builders had used them in the past when sales in particular a market or subdivision had been slow.¹¹⁸ By the late-1940s, however, their use had become widespread, suggesting that houses were getting harder to sell and builders had to give consumers more reasons to buy. The most common inducements included new appliances like food freezers, gas ranges, and refrigerators, television sets, and wall-to-wall carpeting to accelerate house sales.¹¹⁹ Buffalo-based builder Pearce & Pearce, for instance, responded to consumer resistance to higher prices and demands for increased value by making previously optional equipment standard. By incorporating such features as automatic washers, Venetian blinds, storm windows, and landscaping into the base price of its houses the company hoped to set itself apart from the competition, “meet sales

¹¹⁶ “Residential housing lags behind general recovery trend,” *Printers’ Ink* (14 July 1961): 16.

¹¹⁷ “Revolution in selling,” *House & Home* (March 1962): 163.

¹¹⁸ “Staff Report: Significant news of the week as seen by the editors,” *Printers’ Ink* (22 October 1948): 9-10.

¹¹⁹ *Ibid*; See also “Giveaways halted as FHA frowns on latest sales trick,” *Architectural Forum* (July 1949): 11.

objectives and at the same time give buyers outstanding value.”¹²⁰ Builders that adopted such practices likely helped to redefine consumers’ minimum expectations of what to expect in a new house, forcing builders that had resisted to also include more features in their houses.¹²¹ While the strategy was effective it was quickly brought to a halt by federal mortgage lenders and insurers. In the US, the FHA demanded that the value of give-aways be deducted from the value of a house as a condition of mortgage approval.¹²² Instead of give-aways the answer was seen as the ‘package mortgage.’ The package mortgage, introduced in the US in 1949, enabled homebuyers to pay for “complete equipment under long-term mortgage credit” instead of more expensive and short-term consumer credit extended by furniture and appliance dealers and came to be viewed by both builders and consumers as a “sales implement of first importance.”¹²³

By the end of the 1940s, the model house, long the builders best merchandising tool, was also gaining in importance. During the postwar sellers’ market, many builders, having no trouble selling from a “nice water colour sketch or maybe a blueprint,” had chosen to invest most of their efforts and resources in building as quickly as possible and the model house had fallen by the wayside.¹²⁴ Now, with competition becoming keener and sales more difficult, many builders in tough markets were finding that they could not afford to do without at least one model, and its presentation was becoming more

¹²⁰ “Merchant Builder Survey,” *Architectural Forum* (April 1949): 117, 115-17, 150, 154.

¹²¹ “How to sell Houses—For a new kind of market, a new salesmanship. A catalogue of sales tools,” *Architectural Forum* (July 1949): 107-08, 114, 116, 118, 120, 122; “Staff Report: Significant news of the week as seen by the editors,” *Printers’ Ink* (22 October 1948): 9-10.

¹²² “Giveaways halted as FHA frowns on latest sales trick.”

¹²³ “How to sell Houses,” 107.

¹²⁴ *Ibid.*

important than ever before—“almost as much as the actual construction.”¹²⁵ In July 1949, *Architectural Forum* claimed that in most areas a furnished and decorated model had become essential and that it was now almost impossible to find a speculative builder without at least one.¹²⁶ This assertion, however, may have been somewhat premature and reflected a bias in the journal’s coverage. Because the journal was geared towards the architectural profession it focused primarily on larger building firms that retained the services of professional architects. These larger firms likely had more resources to engage the service of professional marketing and sales people than the average builder, and, as a result, be more progressive in their marketing approach.

In 1962, looking back ten years on its first feature on selling from model houses, the editors of *House & Home* remarked how in 1952, “so few builders were using model houses that finding material was as hard as the proverbial search for hen’s teeth.”¹²⁷ They argued, that the real break with the production orientation and “revolution in selling” could be dated to 1952, when NAHB president Alan Brockbank “warned the industry that the coming changes would force drastic revisions in sales methods.”¹²⁸ Whether the shift to model house merchandising and marketing came in the late-1940s, as the *Architectural Forum* suggested or a few years later as the editors of *House & Home* argued, one thing is clear—the industry was being forced to respond to a new and more competitive market. Early (re)adopters of model house merchandising likely set the trend for all other builders in their local markets. If one firm was using models to demonstrate the superior value of

¹²⁵ Ibid., 107-08.

¹²⁶ Ibid.

¹²⁷ “Revolution in selling,” *House & Home* (March 1962): 163.

¹²⁸ Ibid.

its houses and achieving success other builders would have eventually felt compelled to meet their competition head-on by also building a model or two. Those that did invest in model houses now went further than builders in the past. Instead of simply displaying the shell of a finished house they placed increased emphasis on furnishing it and decorating it. As one builder argued, it must be spotless, and “next in importance is a complete furnishing and decorating job.”¹²⁹ In tough markets this was a “competitive necessity.”¹³⁰ By the late-1950s, colour was also becoming an important selling tool for the model house builder. In 1957, New York-based colour consultant Beatrice West was able to compare the “progressive builder ... with automobile manufacturers who realized long ago that colour is one of the biggest factors in instilling the buying urge.”¹³¹ Many of these progressive builders now had a colour consultant on staff while others were turning to paint manufacturers’ booklets and coordinated colour schemes for advice to create a more saleable house. A 1957 *House & Home* survey of US builders revealed that seventy-five percent of model homebuilders insisted they be decorated and furnished in order to make visitors feel at home.¹³² By 1960, *House & Home* could say that a furnished and decorated model home had “become the standard way to merchandise a house.”¹³³ By then, more builders were turning to “top decorators for guidance,” placing

¹²⁹ “How to sell Houses,” 107-08

¹³⁰ *Ibid.*, 107.

¹³¹ How to use the model house for home merchandising,” *House & Home* (April 1957): 110-51, 124

¹³² *Ibid.*

¹³³ “The challenge right now: How to succeed with today’s serious buyers,” *House & Home* (January 1960): 121-33.

130.

Figure 9: Model House Merchandising. Recognising the diversity in taste, Arthur-Blakely Homes offers four models professionally decorated in four distinct themes.
(Toronto Star, 9 April 1960, P. 39)

<h1>Arthur-Blakely HOMES</h1> <p>Proudly Presents FOUR Furnished Models</p> <p style="text-align: center;">IN</p> <h2>Victoria Village</h2> <p>TORONTO'S MOST CONVENIENT LOCATION</p> <p>You Will Surely Enjoy Seeing Four Completely Different Themes By Beverly Jackson Of The Society Of Interior Designers Of Ontario.</p> <ol style="list-style-type: none"> 1. EARLY AMERICAN 2. BAY OF QUINTE TRADITIONAL 3. SWEDISH MODERN 4. EXTREME MODERN <p style="text-align: center;">PREVIEW OF SOME FURNISHINGS NEVER BEFORE SHOWN IN TORONTO</p> <p>WHILE you are admiring the beautiful decor take time to look at the furniture and take note of the work on the trim; the straight crack-free walls; the beautiful hand-rubbed, the wall hanging luncheon set. No other builder can make ship.</p> <p>ALSO take note of the luxurious view included in the price.</p> <p>YOUR home completely and professionally decorated to your choice and personal guidance of Beverly Jackson.</p> <p>YOUR front lawn professionally landscaped with Aberdeen Nurseries.</p> <p>HIGH quality electric light fixtures.</p> <p>STORM windows and screens for every room.</p> <p>NO extras to buy, just move in and start enjoying life in Toronto's most convenient location.</p> <p>SCHOOLS, shopping and TTC all in operation now.</p> <p style="text-align: center;">ROADS are already paved.</p> <p style="text-align: center;">DOWN PAYMENTS FROM</p> <h1 style="text-align: center;">\$2,340</h1> <p>SEE extremely interesting home exhibit to open every day 10 a.m. to 10 p.m. Be sure to see it soon. Bring these directions with you.</p> <p>Take Eglinton Ave. East To Sloane Ave., The First Street Light West Of Victoria Park Ave., Turn Left On Sloane To Wyndcliff Cres.</p> <p style="text-align: center;">ARTHUR-BLAKELY HOMES PL. 9-5633</p>	
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greater emphasis on the quality of furnishing, and refurnishing their models more often to keep people coming back and interest in the subdivision up (Figure 9).¹³⁴

Furnished and decorated model houses served several key selling functions. Furnished models allowed prospects to see how the house worked and whether their stuff would fit in it.¹³⁵ Builders like Toronto's G. S. Shipp and Son found that furnished and decorated models featuring optional extras allowed them to show their "houses at their best" and encouraged existing homeowners to trade-up.¹³⁶ Furnished models also drew larger crowds, which in a competitive market were necessary to make a sale and present the aura of a successful development in high demand, even if some visitors were just looking for decorating or home improvement ideas and had no intention of buying. Another important function of the model and the visitors it attracted was that it provided builders and their sales staffs improved contact with consumers in the market for new houses. Many builders required prospective buyers to complete 'visitors' cards' or voluntary contest ballots containing their contact information and personal information such as their age, annual income and the price class that they were shopping in. The data collected served in the creation of a follow-up list for the sales department for current and future developments.

Besides the increased emphasis on furnishing and decorating models, builders were also putting up more models than in the past. With the market becoming fragmented homebuilders were being forced to introduce more variety to their developments and

¹³⁴ "How to use the model house."

¹³⁵ Ibid.; see also "The challenge right now."

¹³⁶ "From Apple Trees to Built-ins—The Shipp's: Leaders in quality merchandising," *Canadian Builder* (January 1960): 35-42, 36.

build for multiple price classes. In 1963, *House & Home* recommended a minimum of three models for the typical speculative builder's subdivision in order to show the variety demanded by buyers and attract a range of buyer profiles.¹³⁷ St. Louis-based builder Mike Kodner suggested at least four models, arguing, "you need that much variety in today's competitive market."¹³⁸ In Toronto's Greenwin Gardens, the developer chose to include six furnished and landscaped models to promote its new 600-home development. Models included semi- and single-detached houses within an eight thousand dollar price variance from top to bottom. Sensing an increasingly diverse and fragmented market the builder felt it "advisable to shoot for a wide sector of the buying public" as possible but remaining committed to the middle price range where the company believed the largest segment of the market was.¹³⁹ As a rule of thumb, the editors of *House & Home* suggested, the more houses you plan to build, the more models you should have and that a builder should change his models when sales slowed down.¹⁴⁰

According to the editors of *House & Home*, the "pace of the selling revolution" increased significantly after 1956 and another downturn in new house production and sales (Figure 1).¹⁴¹ By then, a "brand new term," 'curb appeal,' had entered the builder's vocabulary, indicating that consumers were thinking more and more about the distinction that their place of residence conveyed, and that, beyond the need for shelter and

¹³⁷ "The economics of models: How many, what kinds, how much should they cost," *House & Home* (May 1963): 120-23.

¹³⁸ *Ibid.*, 121.

¹³⁹ "In Toronto, the nation's tightest market ... Greenwin invested \$30,000 in big opening," *Canadian Builder* (January 1962): 56-59, 57.

¹⁴⁰ "The economics of models."

¹⁴¹ "Revolution in selling," 163.

affordability, architectural style was becoming an important consideration for new homebuyers.¹⁴² In response, some builders, especially the larger ones, began retaining the services of professional consultants. Realtors, merchandising experts, interior designers, advertising agencies, and marketing consultants started to influence the production and selling strategies of speculative builders as the industry moved towards increased professionalization.

Improving Selling

With over eighty-percent of all new houses being built for sale, builders had to become more consumer-oriented.¹⁴³ The onset of the buyers' market pushed them in this direction. The quality of sales staff became critical. Ideally, the sales staff would be attentive and skilled enough to be the builder's 'eyes and ears,' pick up subtle cues about consumers' likes and dislikes, "keep tabs on public trends" and relay them back to the builder and influence design and production decisions. When this was the case, both the builder and consumer benefitted. The builder had a more saleable product and the consumer was offered a house better suited to his/her requirements. This, however, was rare. In most cases salesmen, according to *House & Home*, were woefully inadequate and little help to either the consumer or builder.¹⁴⁴ *Canadian Builder*, in 1957, told homebuilders to stop "sitting back waiting for better times—more mortgage money and a

¹⁴² Ibid.

¹⁴³ "Why more and more builders are working with Realtors," *House & Home* (December 1958): 113-17.

¹⁴⁴ "What's wrong with salesmen?" *House & Home* (May 1953): 156-57.

better buyer climate” and go out and trying to sell the market they had.¹⁴⁵ Rather than blaming the slowdown in new house sales on the economic climate the journal argued for improved salesmanship.

Progressive builders responded to the need for greatly sharpened selling in several ways. Some sought professional help from realtors for selling, as well as in the development and planning process. In late-1958, *House & Home* noted that this was growing trend in the industry. With their knowledge of the local market, realtors were able to advise on such things as the kinds of houses to build and where to build them, what selling features to include to make a house easier to sell and help plan advertising and promotion.¹⁴⁶ But even realtors, many of who had until now mostly focused on selling resale homes, needed help. G. S. Shipp and Son, for instance, which left its selling in the hands of professional realtors, insisted they meet with manufacturers of products included in the houses the company built so that they could find out how best to merchandise the house and features.¹⁴⁷ While realtors were one option, some builders opted to keep their sales departments in house. This way they could maintain greater control of the entire production and marketing process. These builders worked to improve the quality of their sales staffs. By the early-1960s, *House & Home* could claim that

¹⁴⁵ “Notes and comments: Sales still have to be made,” *Canadian Builder* (September 1957): 5.

¹⁴⁶ “Why more and more builders are working with Realtors.”

¹⁴⁷ “From apple trees to built-ins—The Shipp: Leaders in quality merchandising,” *Canadian Builder* (January 1960): 35-42.

builders everywhere were “raising their sales standards” and “demanding better than average salesmen.”¹⁴⁸

One way builders raised their sales standards was by improving sales training and offering better pay and fringe benefits to attract better talent.¹⁴⁹ In November 1959, for instance, some 150 builders and sales managers paid \$150 each to attend a three-day marketing seminar sponsored by the NHBA. One year later, nearly two thousand US builders and their sales managers enrolled in the association’s new Sales Managers Club.¹⁵⁰ By the mid-1960s, many new sales training schools and workshops were springing up across the US and “some Canadian builders [were sending] their personnel [to them] with good results.”¹⁵¹

Because selling new homes was increasingly demanding “specialist knowledge and experience” that builders lacked, by 1963 *Canadian Builder* noted that “at every convention of the NHBA, sessions [were] invariably [turning] to some aspect of sales.”¹⁵² Houses were being better built and advertised than in the past and now better selling needed to back them up. Some manufacturers who relied on new home construction to sell their own products were ready to step up and help the builder in this area. While many provided merchandising aides like advertising mats, signage for model home displays, promotional tie-ins, and information pamphlets meant to help the builder sell

¹⁴⁸ “The challenge right now: How to succeed with today’s serious buyers,” *House & Home* (January 1960): 121-34, 122, 132.

¹⁴⁹ *Ibid.*

¹⁵⁰ *Ibid.*

¹⁵¹ “Sell to the ‘snob’ buyer,” 43.

¹⁵² Gordon F. Perry, “The professional approach to selling more new homes,” *Canadian Builder* (July 1963): 32-33, 32.

the value of a new home equipped with the latest technology, one Canadian manufacturer went further than most. In 1963, after two-years' of research and development Domtar Construction Materials introduced a new sales training program aimed at "helping the builder introduce a knowledgeable and professional approach to the selling of new homes."¹⁵³ With the new program, Domtar hoped to introduce a "professional polish" to new home sales that would "put the prospect at ease, remove his sales resistance and make the salesman acceptable as a professional who can help with the prospect's housing problem." The company believed increased professionalism would "equal trust" because it would give the builder and sales staff an "air of competence."¹⁵⁴ The course was offered at no charge to builders agreeing to incorporate at least two of the manufacturer's products in their houses and allowing one of Domtar's salesmen to "actively sit in on the first 2 or 3 meetings to ensure the correct training procedure [was] being followed."¹⁵⁵ By July that year, some 150 people from across Canada had taken the course including staff from large building interests like Campeau Construction of Ottawa, Curran Hall of Toronto, Edmonton's McConnell Homes and Sekete Construction, and Montréal-based Prudential Homes.¹⁵⁶

Programs like Domtar's along with sales training courses and seminars sponsored by builders' professional associations helped somewhat ease the acute shortage of "high-calibre salesmen" in the housing industry noted by *House & Home* as late as 1965.¹⁵⁷

¹⁵³ Ibid.

¹⁵⁴ Ibid., 33.

¹⁵⁵ Ibid.

¹⁵⁶ Ibid.

¹⁵⁷ "Marketing Roundtable," *House & Home* (May 1965): 108-15, 119, 121, 124, 113.

Another strategy used by builders to address their selling problem was to look outside the building industry for talent and submitting prospects for sales positions to more rigorous screening than in the past. One sales manager, for instance, remarked to *House & Home* in 1963, that when hiring staff he “generally prefer[red] that new salesmen do not have a real estate background.” Instead, he wanted salesmen that had had experience selling big-ticket items like cars, appliances, furniture, or intangibles like stocks and insurance, “especially if they had a flair for husband-and-wife selling.” According to the journal, this was a common sentiment among sales managers across the country.¹⁵⁸ The reason for looking outside the industry likely had much to do with the fact that selling had been so easy for so long that many industry insiders never had to develop the sales skills now necessary to move houses and approached dealing with consumers and responding to consumer demand as a nasty inconvenience. At the same time, other consumer oriented industries, from which homebuilding now looked to attract talent, had historically invested a lot more resources in training their salesmen—a need that the building industry was just awakening to.¹⁵⁹

Because selling and the quality of the sales staff was becoming so critical to the builder’s success, by the early-1960s prospects for sales positions were being selected with greater care than ever before. In 1963, *House & Home* reported that some builders were beginning to administer psychological and personality tests to find the “best man for

¹⁵⁸ “New rules for sales staffs: Stricter hiring policies, tougher training methods,” *House & Home* (May 1963): 134-35.

¹⁵⁹ “Round Table: What makes people buy or rent new housing?” *House & Home* (May 1967): 112-20, 120.

the job.”¹⁶⁰ In 1965, a marketing roundtable convened by the journal came to the conclusion that “to compete for top personnel, housing must use modern aptitude testing to select newcomers ...”¹⁶¹ One developer that did heed this advice was Ventura, California-based land developer Janss, which also specialized in new home sales for builders. Prospects for sales positions at Janss were “interviewed in depth [and] subjected to a battery of aptitude and personality tests before they [were] even allowed to fill out an application form.”¹⁶²

By this time many builders were also beginning to develop their own in-house sales training programs.¹⁶³ Salesmen at Ross Cortese’s retirement development, Leisure World, underwent an extensive six-week training program. The program involved three to four nights a week of classroom study and sessions with a psychologist whose job was “grounding [the sales staff] in the most advanced psychological and motivating techniques” that would help the salesman tap into the “buyer’s deepest emotions” and make the sales pitch resonate with the prospect.¹⁶⁴ Similarly, at Janss new salesmen underwent a “month-long indoctrination,” then entered training sessions which continued through their careers with the company.¹⁶⁵

¹⁶⁰ “New rules for sales staffs,” 134.

¹⁶¹ “Marketing Roundtable,” 113.

¹⁶² “How to make the sale that other builders miss,” *House & Home* (May 1966): 93-111, 94.

¹⁶³ “New rules for sales staffs.”

¹⁶⁴ “Marketing Roundtable,” 112. William Brangham, president of New Horizons, the marketing arm of Leisure World, described the value of training in psychological and motivational sales techniques like this: “we never sell the product, we sell the picture—the way of life. Whatever distinctly emotional or romantic trappings can be put into the project, that is the thing to merchandise, not the square footage.”

¹⁶⁵ “How to make the sale,” 94.

Just how common these sort of practices were is unclear. In the end, it was probably mostly restricted to the largest builders who could afford to be selective about who they hired, had the resources to have aptitude tests administered and analysed, and could afford expensive training programs for their staffers. Even still, greater emphasis on the training and screening of sales staff by large builders likely had a positive influence on the industry as a whole, forcing other smaller builders to improve their selling programs in order to remain competitive.

Early Examples of Progressive Merchandising

Large builders and land developers like those behind Long Beach, California's Lakewood Park and, in Canada, suburban Toronto's Applewood Acres were at the forefront of the 'revolution in selling.' Both operating in tough markets, the former in "perhaps the most competitive market" in the US and the latter in Canada's largest real estate market, aimed at the mass market of homebuyers in the middle-income price range.¹⁶⁶ What set these two developments apart from others in their respective markets was the amount of resources committed to advertising and promotion and, especially in the case of Lakewood Park, the influence of the advertising department on the physical character of the subdivision and presentation of the model homes.

The developers of Lakewood Park, a 3,200-acre, \$250-million project meant to eventually house some 70,000 residents, contain a 150-acre shopping centre, 37 playgrounds, 20 schools, and 17 churches billed as the "largest housing development ever," adopted an "unusual real estate copy approach" described by *Printers' Ink's*

¹⁶⁶ Louis F. Thmann, "An unusual product needs unusual promotion," *Printers' Ink* (19 January 1951): 42; "To promote these homes: \$10,000," *Printers' Ink* (25 July 1952): 60.

Western editor, Louis F. Thomann, in 1951 as a “radical departure from normal real estate advertising.”¹⁶⁷ While most builders stuck to the classified ad sections of local newspapers and appealed to consumers on the basis of price and financing terms, Lakewood Park’s ad copy, prepared by the Los Angeles-based Dan B. Miner Company, took a human interest approach designed to “appeal to individual personal tastes.”¹⁶⁸ To get young families to consider moving out to the newly opening suburb, large display ads featuring a two-month old baby as the pitchman under the tagline “I’m really going to ‘live’ in Lakewood Park” were prepared. The advertising was meant to capture consumers’ attention and convince young parents that the subdivision was a safe place to raise healthy, well-adjusted children and that they ‘owed’ it to their family to consider a new home in Lakewood Park. The ads proved hugely successful with thousands of prospects visiting the development over the first weekend that ads were run.

The scale of advertising and promotion associated with Lakewood Park was also unique. *Printers’ Ink* described it as an “intensive saturation program.” Besides newspaper display advertising it also made extensive use of radio and outdoor advertising. “Advertising was launched on every available [radio] spot and program period between 6 a.m. July 12 and the evening of July 25 ... for an average of 51 commercials a day, including 14 commercials on Mutual’s Game of the Day daily major league [baseball] broadcast.”¹⁶⁹ Billboards announcing the opening of Lakewood Park were placed on every strategic artery leading to the development, as well as throughout

¹⁶⁷ “An unusual product needs unusual promotion,” 42.

¹⁶⁸ Ibid.

¹⁶⁹ Ibid.

the Los Angeles area. At the same time, the Dan B. Miner Company set out to redefine the look and colour scheme of the subdivision so that it would be more appealing to women, who were recognized as having a large influence on consumer spending and in making the final decision on whether to buy a particular house or not.¹⁷⁰ The firm introduced a “more feminine” palette of colours “featuring decorator tones” and updated the colour scheme of some 2,500 road signs and repainted bulletin boards that surrounded the 3,200-acre development to create a more unified image for the project.¹⁷¹

In Canada, G. S. Shipp & Son of Toronto, operating in a crowded real estate market also turned to advertising to set itself apart from the competition. In 1951, after thirty years in custom building, the firm entered the mass-production field with a group of 106 moderately priced houses. This first group sold out by the end of the first year with little promotional work. By early-1952, with the market for new homes becoming more competitive, the company saw that it needed to invest more resources in its advertising. It hired Toronto-based McKim Advertising to help launch a promotional campaign that would sell a second group of 132 houses planned for its Applewood Acres subdivision. The objective was to sell these homes as quickly as possible and “to build recognition and prestige for the growing development.”¹⁷² Working with its advertising agency the firm decided that construction on each of the six model homes would begin in March of that year and completion was planned for May “so that the apple trees on the

¹⁷⁰ Roberta Gery, “How to persuade a lady,” *Printers’ Ink* (31 August 1956): 21-23.

¹⁷¹ “An unusual product needs unusual promotion,” 42.

¹⁷² “To promote these homes: \$10,000,” 60.

property would be in full blossom during public inspection of the homes.”¹⁷³ The primary goal of the advertising campaign was to announce the opening of the subdivision, attract large crowds, and display the development to as many people as possible during the opening—actual sales over the weekend were a secondary consideration.

The endeavour was unique in Canada. There, most builders continued to write their own advertising copy and rely on the classified section of local newspapers to drum up prospects, and use price point and financing terms to make sales. Selling and advertising in Canada, in all industries, during this period was described in *Printers' Ink* as “too formal” and low key. In 1951, for instance, a panel of Canadian advertising executives at the annual convention of the International Affiliation of Advertising Clubs concluded “some US techniques will not work well in Canada, while the conservative Canadian approach could easily be interpreted as lack of selling aggressiveness in the United States.”¹⁷⁴ Nevertheless, in Applewood Acres, advertising and publicity were “deliberately patterned after those of such large-scale building projects in the United States as Gently Woods and Levittown,” and was anything but conservative and low-key.¹⁷⁵

The opening week promotion consisted of full page ads in each of Toronto’s three daily newspapers, one-minute radio spots twice a day over local station CFRB, advertising tie-ins from major suppliers and subcontractors, an airplane towing a banner reading “Visit Applewood Acres” that flew over the metropolitan area two hours each

¹⁷³ Ibid.

¹⁷⁴ “Selling too formal in Canada,” *Printers' Ink* (11 May 1951): 79.

¹⁷⁵ “To promote these homes,” 60.

day during the opening weekend, and 20,000 brochures that would be handed out on site. The main on-site draw was six model houses, three of which were completely furnished and decorated by a local department store, and a huge tent set up as a sales office. The tent also featured displays set up by subcontractors and suppliers where visitors could discuss “all construction details” with their representatives as well as the “Shipp salesmen who roved through the tent and mingled outside with prospects.”¹⁷⁶ This, in part, reflected the builder’s recognition of the growing sophistication of homebuyers who were taking longer to make up their minds than in the past and were increasingly engaging in comparison shopping, comparing construction specifications and features between builders. The take-it-or-leave-it approach that worked during the severe housing shortage was giving way to a more marketing and consumer oriented one.

Outside the model houses at Applewood Acres visitors were greeted by a public address system that “broadcast music and spot announcements about the features of the houses and the development.”¹⁷⁷ Inside the models visitors were met by “attractive girls [who] kept traffic flowing ... answered questions of potential buyers” and handed out brochures that featured a photograph or artist’s rendering of each house along with complete floor plans, a front elevation sketch of a planned shopping centre, and a directional map showing the development in relation to the city.¹⁷⁸ The brochures and appended price lists served an important function. With consumers shopping around a lot more before committing to a particular subdivision and house the brochure was meant to

¹⁷⁶ Ibid.

¹⁷⁷ Ibid.

¹⁷⁸ Ibid.

ensure that the development would remain at the top of their mind when they sat down to make a final decision and tried to remember the details of the various projects they had inspected during their search. The entire promotional campaign cost some \$10,000 and was a tremendous success. Within two-weeks, 126 of the 132 available homes had been sold.

Both Lakewood Park and Applewood Acres signalled an emerging new era in home selling. Growing competition meant that builders could no longer rely on price and financing terms alone to drive sales. Advertising and promotion were becoming a vital part of the development process demanding a new set of skills that most builders simply did not have. In response to these changes builders, especially the larger and more progressive ones, were turning to professional advertising agencies, improving the training of their sales staffs, and placing more emphasis and importance on the model home. The new costs associated with these initiatives meant that they had to be accounted for when planning and budgeting for a new development and this was easier for larger builders who could spread the costs over more units than their smaller competitors.

The Growing Role of Advertising:

By 1950, advertising and other forms of promotion were becoming a bigger factor in new house marketing than in the past. In early-1951, the National Association of Real Estate Boards commissioned New York-based advertising agency Benton & Bowles to conduct in-depth interviews to “determine, among other things, the attitude of people towards homeownership” and the advisability of raising three-million dollars “for a

complete public relations and advertising campaign to get more people to own homes.”¹⁷⁹ Builders and realtors worked to get the single-family house to the forefront of consumers’ spending priorities. In late-1949, *Printers’ Ink* reported a significant increase in builders’ advertising appropriations and a more than doubling of builders’ participation in National Homes Week compared to the previous year. That year, at least thirty-one US newspapers issued special sections, ranging from four to fifty-six pages, in connection with National Homes Week compared to only fourteen in 1948.¹⁸⁰ Buyers wanted more details about the production, location, and features of the house and neighbourhood and how they would satisfy their unique needs. Builders were encouraged by their trade press to differentiate their product from the competition and emphasise their homes’ quality features in their promotional literatures instead of simply relying on price and terms to sell more homes.¹⁸¹ As builder Joseph Eichler argued, “people are [now] more interested in better living than [better] terms.”¹⁸² One of the best ways a builder knew to stress quality was through the use of brand name equipment and advertising tie-ins with manufacturers. Ned Eichler described the value of such an approach. Through his personal experience he had found that nationally advertised products and features registered quality for the consumer and created confidence in the builder and

¹⁷⁹ “Realtors weigh \$3,000,000 drive on home ownership,” *Printers’ Ink* (12 January 1951): 67.

¹⁸⁰ “Staff Report: Significant news of the week as seen by the editors,” *Printers’ Ink* (25 November 1949): 9-10.

¹⁸¹ “Here’s how you can create more sales,” *Canadian Builder* (March 1959): 32-39.

¹⁸² “Built in merchandising lifts California builder Joe Eichler into the big time,” *House & Home* (July 1955): 128-35, 128.

workmanship.¹⁸³ Finding the same thing, Willard Woodrow, president of Los Angeles-based Aldon Construction, argued that “strong competition [had] made it necessary to sell homes on the basis of plus values derived from national advertising.”¹⁸⁴ In May 1957, his company launched its “Advertised in *Life*” campaign, announcing that only materials advertised in *Life Magazine* would be used in all Aldon homes. The firm believed that creating an “exclusive link with nationally advertised brands backed by the prestige of *Life*” would help differentiate Aldon’s homes from competitors’ and give its advertising “additional selling impact.”¹⁸⁵ Other builders supported this belief too. A 1957 *American Builder* survey of speculative builders in the US revealed a “heavy reliance on [the] listing of brand name products” in consumer advertising.¹⁸⁶ The survey found that in virtually every region of the country “better than 50% of builders said they ‘always’ or ‘usually’ play up well-known brand equipment in ads.”¹⁸⁷ Canadian builders followed a similar route tying in with nationally advertised brands (Figure 10). Many used manufacturers’ posters in their models to explain features such as heating systems, the type of paint used, built-in features and other important items to give consumers a sense of confidence in the quality and workmanship.¹⁸⁸

¹⁸³ Ibid.

¹⁸⁴ “Nationally advertised products used exclusively in Aldon homes,” *Printers’ Ink* (17 May 1957): 56.

¹⁸⁵ Ibid.

¹⁸⁶ “Builders value national products in home-selling,” *Printers’ Ink* (16 August 1957): 15.

¹⁸⁷ Ibid.

¹⁸⁸ “Here’s how you can create more sales,” *Canadian Builder* (March 1959): 32-39, 33; “From Apple Trees to Built-ins—The Shippis: Leaders in quality merchandising,” *Canadian Builder* (January 1960): 35-42.

Figure 10: Builder-manufacturer advertising tie-in. Realising the value of nationally recognised brand names, by the mid-1950s more and more builders were turning to advertising tie-ins with manufacturers to stress the quality of their houses. (*Toronto Star*, 9 April 1960, P. 16)

*Exclusively
for you in
Applewood
Heights.*

the luxury of a second
bathroom furnished by
AMERICAN-Standard



If you dream of the convenience of a second bathroom, or of the luxury of a built-in vanity complete with a wide, well-lighted mirror, then see the fashionable new homes in Applewood Heights. Luxurious bathrooms furnished with American-Standard coloured fixtures, bright with mosaic tile, are tailored to suit your desires.

\$18,000 to \$25,000 — 7 Finished models open daily for inspection

APPLEWOOD HEIGHTS

Dundas Highway just West of Dixie

Phone ATwater 9-8103

J. S. SHIPP & SON LIMITED



*"The Community
Builders since
1923"*

At the same time, builders tried to add “personality” to their developments by obtaining the services of well-known individuals in their community to endorse the project.¹⁸⁹ One reason for these shifts in the way new homes were promoted was, as *Printers’ Ink* suggested in 1956, a change in consumer temperament. Consumers were becoming more sceptical of advertising claims for all products and “unimpressed with mere noise.”¹⁹⁰ In response, advertisers were beginning to adopt a more editorial-style approach to their promotional literature and relying on testimonials from existing users of the product or trusted public figures (Figure 11). Some builders turned to issuing press releases to local newspapers to announce the opening of a new subdivision and inviting local personalities and elected figures, such as mayors and council members to ribbon cutting events to make their openings newsworthy. In 1961, Toronto-based builder Greenwin, for instance, opened its Greenwin Gardens, a new 600-house development in northwest Toronto with a grand opening reception for 250 invited guests including Miss Canada, provincial and municipal officials, manufacturers’ and suppliers’ representatives, and local media at a cost of some eight-hundred dollars.¹⁹¹ Like brand name products, the implicit endorsement of trusted public officials provided the development and houses an aura of quality and the impression that the builder was someone the public could trust.

While the model house remained the builder’s most important on-site merchandising tool, consumer advertising continued to grow in importance with the emergence of the buyers’ market. Up until 1957, *House & Home* reported that most

¹⁸⁹ “Here’s how you can create more sales,” 33.

¹⁹⁰ “Change in Public Taste,” *Printers’ Ink* (13 January 1956): 26.

¹⁹¹ “In Toronto, the nation’s tightest market ... Greenwin invested \$30,000 in big opening,” *Canadian Builder* (January 1962): 56-59.

Figure 11: Celebrity endorsement of the builder and houses. To build consumer confidence Runnymede Homes drew on the reputation of trusted consumer advocate, author, and radio and television personality Lynne Gordon of the nationally syndicated *Lynne Gordon Show*.
(*Toronto Star*, 13 April 1985, P. E15)

GLENDALE
CHAPTER TWO

COMING ON STRONG!

YOU'D BETTER BELIEVE IT!

Lynne Gordon

The Austin – 2,684 sq. ft.

GROUND FLOOR

SECOND FLOOR

Introducing the Austin

- Offering real luxury at an affordable price.
- Set in an established community, complete with parks, schools and excellent transportation.
- Guaranteed 3 and 5 year interest rates, with low down payments and excellent financing.
- Immediate occupancy.

FROM \$72,900

Homes ranging from 1,145 to 2,684 sq. ft.

Sales Promotion Hours:
Weekdays 12 noon to 8 pm
Weekends & Holidays
11 am to 6 pm
Telephone: 831-2325

City of Toronto
Runnymede Homes

When we build a house... it's a home.

builders “spend next to nothing, devote only an occasional effort to promotion.”¹⁹² One reason for this was that selling had been so easy in the shortage market after the war and builders had grown accustomed to houses selling themselves. Now they were being told that “no builder should budget less than 1% of his selling price for advertising.” This was at a time when, according to *House & Home*, ad budgets of “less than ½ of 1%” of a typical builder’s dollar volume were common.¹⁹³ Larger and more progressive builders spent more. Some went as high as high as 2% arguing that it paid off “faster and better than 1%” if the advertising was good.¹⁹⁴ By 1962, a *Life* magazine survey of its “Council of Home Builders” showed that that the industry average was finally reaching the figure suggested by *House & Home*. The survey found that most builders planned to spend “1 – 2% of [the] dollar volume of houses” they expect to sell in a 6 to 12 month period.¹⁹⁵

Advertising also changed and builders had started to advertise more consistently. Up until now many builders had chosen to keep the sales department in-house, write their own ad copy, and plan their own promotion or only contract an ad agency periodically on a project-by-project basis if sales slowed down. William Levitt, of housing giant Levitt and Sons, for instance, continued to serve as his own ad manager, copy editor, and account supervisor and usually conceived and wrote all of his own ad-copy into the 1960s, though the company did employ an advertising agency for professional help.¹⁹⁶

¹⁹² “How to use the model house for home merchandising,” *House & Home* (April 1957): 110-51, 131.

¹⁹³ “Realtor-builder-lender: Round Table plans teamwork to sell more homes,” *House & Home* (August 1957): 134-39, 137.

¹⁹⁴ Ibid.

¹⁹⁵ “How much to spend on advertising,” *House & Home* (October 1962): 59.

¹⁹⁶ “Levitt ads hit at homebuilder tactics,” *Printers’ Ink* (23 September 1960): 14.

This worked for the Levitts and their advertising resonated with their intended market of first-time buyers seeking an affordable starter home, but many other builders were finding it increasingly challenging going it alone. While they knew how to build a house, marketing was something most had not had to focus on in the past and they needed help. Builders were encouraged to get professional help and team up with realtors.¹⁹⁷ As *Printers' Ink* argued as late as 1961, the usual, “routine and often humdrum approach to promotion of homes” needed improvement in the “tough and highly competitive buyer’s market.”¹⁹⁸

By the early-1960s, “an advertising and marketing revolution” was slowly getting underway in the “nation’s biggest, least marketing-oriented industry.”¹⁹⁹ Until now most homebuilders had relied on routine listings in the classified sections of newspapers. “Now for the first time many smart builders [were] shopping for ad agencies and new ad approaches.”²⁰⁰ *Printers' Ink* reported that even small regional contractors— “never keen on spending promotional dollars—[were] now hiring ad agencies to sell their houses.”²⁰¹ Among the emerging trends in real estate advertising noted by advertising’s *Printers' Ink* were classified sections “blossoming forth with illustrations ... bolder use of white space ... [and] editorial copy approaches employing questions, a light touch, teasers, [and]

¹⁹⁷ “How much to spend on advertising.”

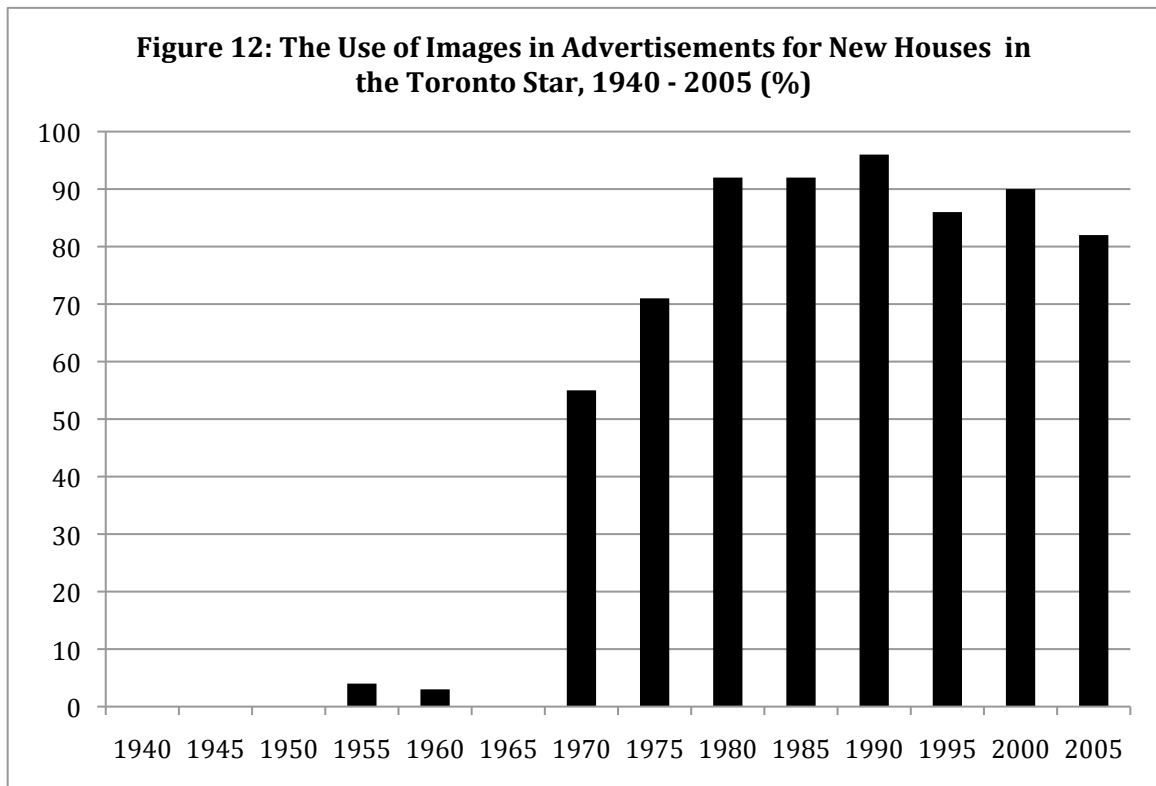
¹⁹⁸ “Realty advertisers try new approaches in a soft market,” *Printers' Ink* (5 May 1961): 5.

¹⁹⁹ “Worried builders turn to ads, marketing to end expected slump,” *Printers' Ink* (19 February 1960): 5.

²⁰⁰ “Realty advertisers try new approaches,” 5.

²⁰¹ *Ibid.*

repetition.”²⁰² In Canada, the use of illustrations in new house advertisements did not take off until the late-1960s (Figure 12).



Although the advertising and promotion of new homes was changing, builders remained committed to newspapers as the primary medium to get their message across to the buying public. Of the two-percent of selling price recommended for advertising by *House & Home*, the editors argued most (up to sixty-percent) should go to newspaper space because it was the “most effective way to publicise a development.”²⁰³ The actions of members of *Life* magazine’s Council of Home Builders supported this contention. They found that newspapers were the most efficient and cost effective way to sell new

²⁰² Ibid.

²⁰³ “How to plan your advertising—and your advertising budget,” *House & Home* (May 1960): 206-08, 207.

houses. On average they spent fifty-percent of their promotional budgets on newspaper advertising and found that it contributed to sixty-percent of their sales.²⁰⁴ The situation was similar in Canada. Tom Mathews, president of Toronto real estate firm Mathews-Allen Ltd., specializing in new home sales exclusively, argued that “dollar-to-completed sale percentage” newspaper advertising was the builder’s best option.²⁰⁵ Similarly, the editors of *Canadian Builder* felt that the best way to get prospect out to the property was through newspaper advertising.²⁰⁶

Perhaps the most significant change to take place in builders’ newspaper advertising during this period was the shift towards larger display ads. A 1958 *Canadian Builder* survey of builders’ advertising in a typical Friday edition of the *Toronto Telegram* found no display advertising of new houses; a similar survey three years later found six display ads ranging from full page treatments to a two column strip.²⁰⁷ The same was true for the *Toronto Star*. By 1960 it featured many display ads for new houses, a big change from only five years earlier (Figures 13 and 14). According to Toronto-based realtor Tom Mathews, the merit of display ads rested in the fact that while people actively in the market for a new home will turn to the classifieds “many people who have no intention of buying a home often visit a display of new homes after having seen and

²⁰⁴ “How much to spend on advertising,” *House & Home* (October 1962): 59. In terms of proportion of promotional dollars and cost effectiveness, newspapers were followed by billboards which accounted for sixteen-percent of the average builder’s budget and accounted for twenty-percent of sales; radio at nine-percent of the budget and six-percent of sales; television at three-percent and resulting in five-percent of sales; and other merchandising aides at twenty-two percent and nine percent of sales.

²⁰⁵ “What ad media should you use?” *Canadian Builder* (January 1961): 72-73, 72.

²⁰⁶ “Ads draw buyers: They don’t sell houses,” *Canadian Builder* (January 1962): 45-49.

²⁰⁷ “Merchandising,” *Canadian Builder* (January 1961): 7.

read an attractive display ad.”²⁰⁸ In 1963, US building trade journal *House & Home* attributed a twenty-one percent increase in single-family home starts in Toronto over the previous year to the fact that Canadian builders had “imported high-powered, US-style merchandising.”²⁰⁹ Top among the imported merchandising methods noted by the journal was the “heavy” use of display advertising—“some close to a full page.”²¹⁰ Besides the increased drawing power of display advertising, larger ads also allowed builders the opportunity to tell more of their story and differentiate their product from competitors.’ A *House & Home* survey of Canadian display advertisements, for instance, found that besides the usual emphasis on price and terms they included “even such seemingly insignificant competitive features as cleaning tissue holders in bathrooms.”²¹¹ More importantly, larger ads gave builders the opportunity to answer more of the consumer’s questions and possibly pre-sell the prospect before he/she even arrived at the site. For example, a well-designed display ad might feature a locational map situating the subdivision in relation to the city, transportation routes, employment centres, schools, churches, and other amenities; perhaps include renderings of the front elevations of available houses and their floor plans; a list of material and colour options; and information about the builder and his reputation. A large display ad also suggested the strength and stability of the builder, reassuring the consumer of his ability. In the end, the

²⁰⁸ “What ad media should you use?” 72.

²⁰⁹ “Canada: Builders find hoopla sells houses,” *House & Home* (October 1963): 31.

²¹⁰ Ibid. Other imported merchandising methods noted by the editors of *House & Home* included “carnival openings” featuring “bands, clowns, balloons, prizes, free pop and ice cream and radio broadcasts from the sales area and increased sales pressure with visitors having to pass through the sales office when entering and exiting the model house area.”

²¹¹ Ibid.

Figure 13: New House Advertisements, 1955. With sales coming easily during the buyers' market, most builders spent relatively little on advertising, and few sought professional help. A simple classified ad was usually sufficient. (Toronto Star, 9 April 1955, P. 33)

1 Properties for Sale	1 Properties for Sale	1 Properties for Sale	1 Properties for Sale	1 Properties for Sale
<p>BRETHOUR & MORRIS LIMITED, REAL ESTATE Canada's Biggest NHA Trade-In Headquarters New Homes For Old 8 Offices To Serve You</p> <p>WEST END 5156 DUNDAS W.—BE. 3-1256</p> <p>\$1,500 Down, Steal 4-ROOM SOLID BRICK, CITY STOP! Don't read any further, this is the home you are looking for. This home has 6 bedrooms, open kitchen, oil heated, modern kitchen and many extras. Don't miss this! Call for a lifetime phone Mr. Cotterell, BE. 3-1256</p> <p>Applewood—5% NHA \$2,500 down, \$13,800; 6-room solid brick bungalow, featuring 3 bedrooms, 4-piece tiled bath, modern tiled kitchen, aluminum storm and screen TV antenna, etc. of heat. Owner has never used it. Call Mr. Cotterell, BE. 3-1256, Mr. Cross</p> <p>Large Family or Income 7 rooms, Kilgore. This solid brick home features 4 extra large bedrooms, large living and dining rooms, 4-piece tiled bath, large modern kitchen, sunporch front and rear with oil heat. Owner is transferred. Call Mr. McGowan, BE. 3-1256.</p> <p>\$2,100-Down-\$2,100 6-room NHA solid brick bungalow at Birch-Birch Point, only 1 1/2 miles from the location close to transportation, shopping and both public and separate schools. Need I say more? Contact Murray Warrat at BE. 3-1256</p> <p>\$2,500 down—Swansea 6-room 2-story home with wide drive and garage, hardwood floors, open fire place, solid brick sunroom across the front, close to transportation, school and shopping. Asking price \$12,500. For appointment, call Mr. Cotterell, please call Mr. Fitzgerald, BE. 3-1256</p> <p>6 Rooms—Alderwood \$12,900—NHA 2-year-old resale home of 6 rooms, carries for \$57 monthly featuring a 5% 18-year mortgage. Large fenced lot close to everything. Call Ted Courter at BE. 3-1256</p> <p>NORTH END 288 LAWRENCE W.—RU. 1-4651</p> <p>Nothing Down If you own a bungalow for \$2,000 or more, we can have built for you a sparkling modern bungalow, your choice of plan, brick, etc. which will carry for as little as \$60 a month. Contract Planning Department, RU. 1-4651. Brethour and Morris Ltd., Real Estate.</p> <p>Riverview Hts.—Dixon Rd. 6-room 1 1/2-story NHA resale; attached garage oil heat, low down payment and early possession. LEWIS, RU. 1-4651</p> <p>\$2,200 Down—\$13,100! LAWRENCE—Dufferin area, close to everything; 5-room solid brick bungalow, colored bath, air-conditioned oil, natural fireplace, recreation room. A lovely home. Mr. Sugar, RU. 1-4651, at once.</p> <p>\$1,900—3 Bedrooms KEELE-WILSON, several visits this corner lot, 2-year-old solid brick bungalow with aluminum windows NHA mortgage carries for \$60 monthly. Hurry! inspect it this week-end with Mr. Cairne, RU. 1-4651.</p> <p>\$12,000—NHA Resale 6-room bungalow to Jane-Wilson area. Must be sold, drastically reduced in price. 4 1/2% NHA mortgage carries \$59 monthly. 4 years old, solid brick, several immediate possession. W. Humphrey, RU. 1-4651.</p> <p>Fantastic But True FOR as little as \$2,500 down we can arrange to have built for you a modern solid brick bungalow, your choice of plan, materials, etc. RD. 1-4651. Contract Planning Department, Brethour and Morris Ltd., Real Estate.</p> <p>No Salary NHA Resale BENDALE—Only 5 months old, solid brick modern 6-room bungalow, 1 more-late opportunity. Owner leaving town. 2-year old, RU. 1-4651.</p> <p>Lawrence Plaza Buy! \$18,500—Attached garage. Beautiful</p>	<p>BRETHOUR & MORRIS LIMITED, REAL ESTATE Canada's Biggest NHA Trade-In Headquarters New Homes For Old 8 Offices To Serve You</p> <p>EAST END 300 MAIN ST.—OX. 9-9673</p> <p>North of Danforth 8-room duplex just 1 block north of Danforth featuring: 1—2 absolutely self-contained apartments. 2—Main floor drive and double garage. 3—All-conditioned oil heating. 4—Finished hardwood floor throughout. 5—Only \$11,500 full price! To view, call Mr. Harley, OX. 9-9673.</p> <p>New—\$2,000 Down \$12,500 new! Beautiful new 6-room bungalow, large lot, gravelled drives, sodded lawn, all conveniences in and out for the kitchen, 4-piece tiled bath, full divided basement, air-conditioning oil heating. Don't hesitate, call now for appointment to view, either Mr. Carter, or Mr. Goodman, OX. 9-9673.</p> <p>Beach Area \$2,000 down; \$12,500 is the full price of beautiful 6-room home. Solid brick, hot air oil, central drive and garage with a nice big garden, immaculate front cellar, no repairs necessary for years to come. Close to every convenience. Call Mr. Woodcock, OX. 9-9673</p> <p>NHA, \$12,500, Oil 8 model homes for your inspection! All locations have storm and sanitary sewers; 2. All are of solid brick, some with wide tile and tile tile roads, etc. Fully paid for by the builder. Down payments from \$1,500 down and onwards. Trade your own home as down payment if necessary. Phone 9 Burke, AM. 1-4006.</p> <p>CENTRAL 1744 ST. CLAIR W.—RO. 7-3141</p> <p>Basement Apartment! \$4,000 down. Just 5 minutes to 5-room bungalow plus 2-room basement apartment; solid brick, modern kitchen, oil heating, 4-piece bath, extra 2-piece toilet, storm and screen, garage, close to everything. For appointment call Max Rizzari, RO. 7-3141.</p> <p>\$2,000 Down! BEAUTIFUL solid brick home, 7 rooms, immaculate hardwood floors, through hall, 4-piece bathroom, garage; ideal in every way for the money. Located in the Park district. Must be seen, cannot wait! Immediate possession. Act now! Call Mr. Wilton, or Mr. Harrow, RO. 7-3141.</p> <p>\$2,900 D'n-3 Kitchens! GOING for a very low price: 9-room solid brick on College-Spadina, a terrific heating area. Large rooms, nicely decorated, oil heat, hardwood throughout. Must be seen, cannot wait! Immediate possession. Act now! Call Mr. Wilton, or Mr. Harrow, RO. 7-3141.</p> <p>Parkdale—Income—8-Rm. \$250 monthly; 8 rooms, all large, ideal for renting; 3 bedrooms, huge immaculate, needs no repairs; many extras included. Now and live rent free. For a buy of buys, call now, explain! Walter, RO. 7-3141.</p> <p>Income Bungalow 5 year old, solid brick bungalow, located in most desirable area; basement apartment rents for \$75 monthly, carries for \$55 down. Take this lovely home today! For inspection call RO. 7-3141, Jim Grant.</p> <p>\$1,900 Down, \$8,900 Full BUNGALOW, 4 rooms, with extra bedroom in basement, semi-modern kitchen, hardwood floors, extra large home for a small family. Reasonable carrying charges. Investigate this bargain, buy! Bernie O'regan, RO. 7-3141.</p> <p>Special—Special! \$2,500 down, St. Clair-Wilsons; full brick, 6 rooms, 2 bedrooms, 2 baths, large, full sunroom, detached steel drive, garage, truly a steal. Will be sold tonight. Call now to view, John Bannan, at RO. 7-3141.</p> <p>6-Room Bungalow! SITUATED near Lambton golf course, only 5 years old, in terrific condition, basement apartment rents for \$75 per month, hot oil burner, pleasant 6-room wood throughout, garage with private drive. Selling—immediately.</p>	<p>A. HARVEY & CO. LIMITED Member Toronto Real Estate Board</p> <p>1749 DANFORTH RI. 7535 1751 DANFORTH GE. 5917</p> <p>DUPLEX SPECIAL WOODBINE-DANFORTH \$20,000—Solid rug brick duplex, consisting of 2 beautifully decorated large modern kitchens, 3 lovely bedrooms, oil heating, paved drive and garage, reasonable cash payment. Call exclusive agent for full appointment, John McIntyre, RI. 7535 or OX. 9-7443.</p> <p>GOLDEN MILE PHARMACY AND EGLINTON \$14,900—6-room solid brick bungalow, large tiled and dining room, ultramodern kitchen, 3 large bedrooms, 4-piece tiled bath, drive air-conditioned oil heat, aluminum combination doors, first mortgage 5%—\$54 monthly, convenient for schools, shopping and transportation. Call Ed. Heintz, RI. 7535.</p> <p>MILVERTON BLVD. \$4,000 down payment: 6-room brick home with garage and driveway, large living and dining room, modern kitchen, close to everything, full brick, 2 bedrooms, 2 1/2 bathrooms, close to schools, shopping and transportation. Call Ed. Heintz, RI. 7535.</p> <p>1 1/2-Storey Solid Brick PLAXTON DRIVE—ST. CLAIR \$3,500 down payment: 6-room solid brick bungalow, full brick, 2 bedrooms, 2 1/2 bathrooms, central air conditioning, 4-piece tiled bathroom, hot water heating, oil heat, modern kitchen complete, carries very easily. Call Mr. Price, RI. 7535.</p> <p>ST. CLAIR E. BEAUTY FINISHED RECREATION ROOM \$13,900—5-room solid brick bungalow, private paved drive, oil heated, large lot in every way, close to schools, transportation, shopping and recreation. Call Ray Gilbert, RI. 7535 or HU. 8-6692.</p> <p>CALL ANY TIME OVER WEEK-END RI. 7535</p>	<p>BIRD & CARTER REAL ESTATE LIMITED</p> <p>1207 BAY AT BLOOR—W.A. 2-1106 2075 COXWELL AVE.—OX. 9-9346 1975 AVENUE RD.—MA. 0771</p> <p>EAST END 1027 COXWELL AVE.—OX. 9-9346</p> <p>8-ROOM 1 1/2-STOREY \$18,700—2 1/2-story detached 8 rooms, 2 bathrooms, oil heat. Ten cent more than carries this home. Call early.</p> <p>OX. 9-9346, ANY TIME</p> <p>BUNGALOW BASEMENT APARTMENT \$14,200—East York, custom, stone front, oil heat, storm and screen, professionally landscaped. Terrific value this week! Call at once. OX. 9-9346, ANY TIME</p> <p>Victoria Park-St. Clair \$8,900—4 1/2-room bungalow. Name your own down payment for this modern home. Move right in, no additional expense. Complete in every way. Large landscaped lot, private drive, oil heat. Owner must sell. OX. 9-9346, ANY TIME</p> <p>Huge 6-Room Square Plan \$2,800 cash; solid brick, private drive garage. The home you have dreamed about at a price you can afford. Lovely east end area. Call early! Call Ed. Heintz, OX. 9-9346, ANY TIME</p> <p>Terraview Heights \$2,500—No salary requirements, 2 blocks to transportation, shopping, nicely decorated oil heat, complete in every way. Lovely family home or would make 2 practically self-contained apartments. OX. 9-9346, ANY TIME</p> <p>NEW NHA 4-ROOM BUNGALOW, BELOW COST NHA resale, very low cash from suitable purchaser. Large lot, 6-room bungalow in East Toronto's finest location. Separate schools, shopping, transportation, etc. Landscaped. Owner transferred. Many hours of hard work devoted to this property. OX. 9-9346, ANY TIME</p> <p>NORTH END 1975 AVENUE RD.—MA. 0771</p> <p>LIVE RENT FREE LOW DOWN PAYMENT 4 1/2% MORTGAGE \$13,900—Low down payment, buy this beautiful 6-room solid brick 1 1/2-story detached bungalow, 4 1/2% mortgage, located at Keele—Wilson. Main floor living room, modern kitchen, dining room, bedroom, modern bathroom, 4-piece tiled bathroom. Second floor has 2 large bedrooms, full built-in beds. Basement apartment, oil heat, complete in every way. Call Ed. Heintz, MISS DUDGEOON, MA. 0771, ANY TIME</p> <p>BATHURST-WILSON NHA 4-ROOM BUNGALOW—OIL \$13,500 or offer. Owner must sell his home. Beautifully decorated, landscaped grounds. Features overlaid living room, large dining room, full dining room, bathroom, modern kitchen, 4-piece tiled bathroom. Second floor has 2 large bedrooms, full built-in beds. Basement apartment, oil heat, complete in every way. Call Ed. Heintz, Mrs. Irwin Arnold, MA. 0771, ANY TIME</p> <p>YONGE-WELLESLEY LOOK! \$2,360 DOWN, PRICE SLASHED! \$12,500 is the full price for this lovely 6-room 2-story solid brick semi-detached home, hot air central furnace, garage facilities for 3 cars. Hurry for this money-maker. Call now. MRS. ALLERTON, MA. 0771, ANY TIME</p> <p>WESTON RD. LOW DOWN PAYMENT—EASY CARRYING \$1,800 down makes you owner of a low-carrying brick bungalow, a short step to all conveniences. Call Ed. Heintz, sell this well proportioned home featuring comfortable living room and dining room, 2 good sized bedrooms, modern kitchen, sunroom, full basement plus hot air central furnace, oil oil heating unit. Many extras. Call today. MRS. BEYD, MA. 0771, ANY TIME</p> <p>WE HAVE MANY OTHERS BIRD AND CARTER REAL ESTATE LIMITED J. J. LAMBERT REAL ESTATE LTD.</p>	<p>MANN & MARTEL LIMITED REALTORS</p> <p>NORTH BAYVIEW HEIGHTS \$13,500 DOWN—NEW—NHA 6-room solid brick bungalow, 3 spacious bedrooms, colored tile bathroom, air-conditioned oil heating, on severs. Mr. Trivet, BA. 5-1171</p> <p>BRAND NEW \$1,795 down, 6-room solid brick ranch bungalow, living-dining room combination, ultramodern kitchen with breakfast nook, air-conditioned oil heat, close to everything. Mr. Day, BA. 5-1171.</p> <p>WILLOWDALE BARGAIN! 3 ROOMS, 2 BATHS, 2-STOREY \$2,500 down, solid brick income home, self-contained apartment upstairs rents for \$70 a month, finished recreation room close to everything. Hurry for this home! Baker, BA. 5-1171</p> <p>DUPLEX—\$300 INCOME \$12,000 down, Dufferin-Kilgore, solid brick duplex, built-in garage, hot water oil heat, only half block to transportation. Chapman, BA. 5-1171.</p> <p>\$2,900-Down—\$17,900 1 1/2-STOREY—SACRIFICIAL ONLY 2 years old, immaculate family or income home, 4 1/2% Toronto in beautiful Willowdale, \$1,000 below market. Mr. Molenaar, BA. 5-1171.</p> <p>BATHURST—MELROSE CENTRE HALL BUNGALOW, 4 1/2% \$12,900 full price with low down payment. Immaculate 5-room bungalow, large sunlit, modern kitchen, formal bathroom, private drive, economical hot air heating, beautifully landscaped, first time offered. Mr. Rudolph, BA. 5-1171</p> <p>YONGE-FINCH 1 1/2-STOREY, \$14,900, LOW CASH LARGE Charm built home, solid brick, 3 spacious bedrooms, large finished recreation room, oil heat, landscaped lot, private drive, private drive, storm and screen and many more extras. Mr. Dalton, BA. 5-1171</p> <p>BATHURST-WILSON OPEN HOUSE, 25 MODEL AVE. \$17,500—Luxurious 6-room solid brick ranch bungalow, several, attached 2 1/2 bays, 20x20 living room, 18x12 dining room, extra large bedrooms, steel kitchen, formal bathroom, private drive, windows in all rooms, stairs from Wilson Ave. off Papworth, lot 63 by 70. We also have others on Finch Ave. and Goodwill Ave. Mr. Klavir or Mr. Aizer on property or phone WA. 4-6241.</p> <p>NEW AGE DEVELOPMENT HOMES Sheppard-Bathurst Area 4-ROOM RANCH STYLE BUNGALOWS 6-ROOM CENTRE HALL BUNGALOWS INDIVIDUALLY ARCHITECTURALLY DESIGNED NHA MORTGAGE AS YEARS FULL PRICE \$16,900 DOWN PAYMENTS \$3,850-\$3,950 FEATURES— 1—Poured concrete basement. 2—Heated basement. 3—Winter air-conditioning with oil. 4—Attached garage. 5—Bathroom with enamel hot water tank. 6—Bathroom with windows. 7—Younghusband steel kitchen unit.</p>

Figure 14: New House Advertisements, 1960. With competition returning to the real estate market builders had to invest more in advertising. Many turned to display ads for their ability to capture the consumer's interest. (Toronto Star, 9 April 1960, P. 40)

1 Properties for Sale	1 Properties for Sale	1 Properties for Sale	1 Properties for Sale	1 Properties for Sale	1 Properties for Sale	1 Properties for Sale
<p>Royal York Road's LUXURIOUS Chapman Valley Park The Lowest Prices In This Area BUILDER'S CLEARANCE ON THE LAST OF 6% NHA MORTGAGES</p> <p>ALSO NOW WITH EXCELLENT CONVENTIONAL MORTGAGES THIS IS THE CLOSEST SUBDIVISION TO DOWNTOWN TORONTO COMPLETE WITH PAVED ROADS, SEWERS, SIDEWALKS AND CURBS SHOPPING PLAZA, CHURCHES, SCHOOLS, ETC.</p> <p>12 Models To Choose From Featuring: — Fireplaces, Hostess Kitchens And The Finest In House Heating And Water Heating With— NATURAL GAS Giving An Abundance Of Hot Water For The Largest Family And Comfortable Living All Year Round.</p> <p>Also: — Double Garages, Finished Recreation Rooms, Some Ravine Lots, 6 And 7-Room Bungalows And Split-Levels.</p> <p>Furnished Model Homes NO PRESSURE SELLING BROWSE AROUND</p> <p>DIRECTIONS NORTH FROM DUNDAS OR SOUTH FROM LAWRENCE ON ROYAL YORK ROAD TO CHAPMAN VALLEY PARK—TURN AT SIGNS.</p> <p>William Dicker Real Estate Ltd. 4966 DUNDAS W., NEAR ISLINGTON BE. 3-5827</p> <p>Mitz & Pristupa Real Estate Brokers 9 BRACONDALE HILL RD. LE. 4-5420</p> <p>Robert W. Marshall Real Estate 1433 MYRON DR. CR. 8-3495</p> <p>OPEN FOR INSPECTION SHEPPARD DEVELOPMENTS LTD. PRESENTS</p>	<p>Arthur-Blakely HOMES Proudly Presents FOUR Furnished Models Victoria Village TORONTO'S MOST CONVENIENT LOCATION You Will Surely Enjoy Seeing Four Completely Different Themes By Berkeley Jackson Of The Society Of Interior Designers Of Ontario.</p> <ol style="list-style-type: none"> 1. EARLY AMERICAN 2. BAY OF QUINTE TRADITIONAL 3. SWEDISH MODERN 4. EXTREME MODERN <p>PREVIEW OF SOME FURNISHINGS NEVER BEFORE SEEN IN TORONTO</p> <p>WHILE you are admiring the beautiful decor take time to look past the furniture and take note of the work on the trim; the straight, reactive walls; the flawless finish; the wall hanging hardware. No other builder can match this craftsmanship.</p> <p>ALSO take note of the luxuries included in the price. YOUR home completely and professionally generated to your choice of floor and wallpaper under the personal guidance of Berkeley Jackson.</p> <p>YOUR front lawn professionally landscaped with Aberdeen Nursery Stock. HIGH quality electric light fixtures. STONE windows and screens for every room. NO stairs to buy. Just move in and start enjoying life in Toronto's most beautiful location. SCHOOLS, shopping and TTC all in operation now. ROADS are already paved.</p> <p>DOWN PAYMENTS FROM \$2,340</p> <p>OUR extremely interesting home is open every day 10 a.m. to 10 p.m. Be sure to see it soon.</p> <p>Take Eglinton Ave. East To Sloane Ave., The First Stoplight West Of Victoria Park To Wyndcliff Cres.</p> <p>ARTHUR-BLAKELY HOMES PL. 9-5633</p>	<p>ETOBICOKE'S MOST MODERN SUBDIVISION Developed & Architecturally Controlled By HODGSON THE EXCLUSIVE ROYAL YORK GARDENS North of St. George's Golf Club (South of Dixon on East Side of Islington Ave.) 23 DISTINCTIVE EYE-OPENING MODELS Priced From \$19,500 TO \$24,900 6% NHA MORTGAGES 3 & 4-Bedroom SPLIT-LEVELS & BUNGALOWS WITH 1 & 2-Car Attached Garages FEATURING HANDIWORK RECREATED IN OILS TO PURCHASER'S CHOICE BUILT-IN OVEN AND STOVE NO OVERHEAD WIRES FASHIONABLE SPLIT-LEVEL ENTRANCES ON MANY MODELS</p> <p>STONE FIREPLACES DREAMY HOLLYWOOD KITCHENS WITH CUSTOM CABINETS FINISHED RECREATION ROOMS BEAUTIFUL COLORED TILE BATHROOM WITH VANITY</p> <p>SOME WITH 3 BATHROOMS LOVELY SPACIOUS LIVING AND DINING ROOMS! PAVED ROADS, CURBS AND SIDEWALKS, STONE AND SANITARY SEWERS IN AND PAID FOR. SCHOOL, SHOPPING AND TRANSPORTATION.</p> <p>DRIVE OUT AND SEE Drive North on Islington Ave. (About 1/4-Mile Richview and Dixon Rd. Or From Hwy. 401, Proceed South on Islington Ave. of Dixon Rd. and Look for Model Home Sign on ton Ave.</p> <p>OPEN DAILY FOR YOUR INSPECTION FROM 10 ROYAL YORK BUILDERS' ASSOCIATION</p>	<p>GOLDEN MILE SEE AND COMPARE MUD-FREE Torrance Gardens FOR LOCATION—VALUE STYLE—FINANCING \$1,995 DOWN IF QUALIFIED LUXURY BUNGALOWS HOLLYWOOD KITCHENS ATTACHED GARAGES</p> <p>BELMAR Gardens EAST SIDE OF JANE ST., 3 BLOCKS NORTH OF WILSON. 3 AND 4 BEDROOMS EXECUTIVE HOMES BUNGALOWS AND SPLIT-LEVELS FULL PRICE \$18,900 to \$26,900 20 AND 25-YEAR 6 3/4%</p>	<p>Bankruptcy HOMES \$13,995 FULL PRICE DETACHED BUNGALOWS All Offers Subject To Approved Buyers LOCATED IN</p>		
<p>Country Living! So Close To The City</p> <p>NELIA HOMES OFFER 3-BED- ROOM DETACHED BUNGALOWS, SPLIT-LEVELS AND CONDO- MINIUMS IN EXCLUSIVE KING- DALE WOODLAND. This Fine Community Is Situated On The Banks Of The Credit River. The Ultimate Care Has Been</p>	<p>West Deane Park Homes Designed For The Young Executive WE LIST BELOW 6 SPECIFIC BENEFITS TO MEET THIS NEED</p> <ol style="list-style-type: none"> 1. For "outdoor" appointments— location: 27 Highway at 401; pro- vided 15 minutes to each down- town, north or east Toronto; 5 minutes to Milton airport. 2. For responsible living space— boarded recreation room with fire- place ready for tennis, board bath or roughed-in provided. 3. For relaxation—12 acres of natural, landscaped in the Milton 					

decision whether to use display ads or stick to the classifieds had a lot to do with what the competition was doing. *House & Home* found that in markets where builders had graduated to using large display space in the weekend home sections, classified ads were best left for selling resale homes rather than new ones.²¹² Toronto was one of these markets. By the early-1960s, builders were shifting their focus to weekend newspaper display space and away from the classifieds.²¹³

Despite the increased promotional budgets and emphasis on advertising during this period, builders' advertising, according to critics, left a lot to be desired and came up short when compared to other consumer advertising. As Tom Mathews, partner at leading Toronto-based real estate firm Mathews-Allen, argued in 1961, "far too many realtors and builders pay insufficient attention to the importance of properly written [advertising] material."²¹⁴ Similarly, the editors of *Canadian Builder* felt that "the attitude of many builders towards merchandising [was] about as unprofessional as that of children selling lemonade ... [and] in many instances, the children had to be given the advantage."²¹⁵ Based on their observations, the editors believed most Canadian builders approached "selling as if it were a nasty inconvenience not worth serious consideration. Or, worse still, they expect[ed] their houses to sell themselves."²¹⁶ They found that builders were inconsistent with their merchandising—increasing ad budgets in panics and then slashing them during good times. Instead of turning advertising "on and off," the journal advised

²¹² "How to plan your advertising."

²¹³ "Weekend push to sell houses," *Canadian Builder* (January 1961): 55.

²¹⁴ "What ad media should you use?" 73.

²¹⁵ "RPB—You need it to sell more houses," *Canadian Builder* (January 1962): 32-33, 32.

²¹⁶ *Ibid.*

builders to advertise consistently in order to create brand recognition and build consumer confidence and get professional help with their advertising.²¹⁷ Outside observers agreed with this assessment of Canadian new home merchandising. William Molster, marketing director with the National Association of Home Builders, in an address to delegates at the annual NHBA convention in Halifax in 1963, “slammed real estate advertising by saying that much of it has not changed in 10 years and is useless.”²¹⁸ American marketing consultant Stanley Edge, speaking to builders in Montréal in 1963, described the current state of new home advertising as “amateurish” and expressed a need for greater professionalism if builders were to compete in the buyers’ market.²¹⁹

The problem with Canadian housing advertisements, according to *Canadian Builder*, stemmed from the fact that while some large and progressive builders had gotten professional help, most were still creating their own ads, and many of them looked like they were simply “thrown together.”²²⁰ The journal recommended that builders leave merchandising to the experts because so “few builders know anything about advertising. Such things as typefaces, reverse cuts, [and] white space are mysteries to him.”²²¹ A professionally created ad would lend the builder more credibility and the subdivision an aura of distinction and “connote the quality of the houses.”²²² Two of the biggest criticisms levelled against the typical builder’s ads related to the fact that they failed to

²¹⁷ Ibid.

²¹⁸ “Sell to the ‘snob’ buyer—He’s 65% of the market ... Molster,” *Canadian Builder* (March 1963): 43.

²¹⁹ ‘Ches’ J. McConnell, “We need a more imaginative approach to selling new houses,” *Canadian Builder* (June 1963): 11.

²²⁰ “Ads draw buyers,” 45.

²²¹ Ibid.

²²² Ibid.

draw the attention of consumers and appeal to their “emotions and desires” and that because builders did not know what to include in ads they often told too much of their story.²²³ The main problem with the latter was that if a consumer spotted even “one thing in this long list of features which he doesn’t like, he won’t go near the project.”²²⁴ Even though new home advertising needed a lot of work, on a positive note, “even the worst [ads were] better than they were a few years ago.”²²⁵

Alongside newspaper advertisements and the builder’s model home, a new and important tool entered the merchandising mix in the 1960s. The brochure—described by *Canadian Builder* as the homebuilder’s “most important selling tool”—became a standard way to communicate large amounts of information about the builder, subdivision, and houses to potential buyers.²²⁶ As Gene O’Keefe, executive editor at *Canadian Builder*, described, the main benefit of a brochure was that it served as “a permanent record of detailed information concerning [the] product, and, in more cases than [the builder] may want to admit, ... the [consumer’s] final reference when comparing [the builder’s] houses with someone else’s.”²²⁷ Although brochures varied in form and size depending on the builder’s needs and budget, most shared one characteristic—they strove to answer consumers’ basic questions about the development and builder/developer. The typical brochure included front elevation and/or perspective

²²³ “RPB—You need it to sell more houses,” 33; “Ads draw buyers.”

²²⁴ *Ibid.*, 45.

²²⁵ “Housing ads go professional: The hard sell still works, but you see more low key appeals,” *House & Home* (May 1963): 142-45, 142.

²²⁶ Gene O’Keefe, “The Selling Brochure,” *Canadian Builder* (January 1961): 35, 37, 40-41, 35.

²²⁷ *Ibid.*

images and floor plans of the houses on offer, complete lists of standard and optional features of the houses, price lists and purchase information including financing arrangements, monthly payments, property taxes, and information on the NHA and CMHC. Most also included a map and list highlighting local amenities like “churches, schools, shopping, transportation, entertainment, etc” and proximity of the development to the city.²²⁸ Additional information recommended for inclusion by the editors of *Canadian Builder* included a history of the builder, a message from the company head, photos of construction taking place, a list of manufacturers whose products were going into the houses, and a list of professions of those who had already bought in.²²⁹ While most brochures consisted of simple information sheets tucked into a folder allowing for easy updates, some larger Canadian builders like G. S. Shipp and Son, Arthur-Blakely, and Sifton Construction had graduated to using “the magazine brochure.”²³⁰ The magazine brochure was issued monthly and sent out to a select list of subscribers including past purchasers and current prospects. Resembling a consumer shelter magazine, it featured advertising by suppliers who served the builder, photos and copy concerning the builder and his current projects, and general interest stories on housing and decorating. The Shipp’s magazine underwent minor updates, including a new cover, each month and a complete revision every four months. Because it resembled a consumer magazine, it tended to get more attention than the typical brochure and played an

²²⁸ Ibid., 37.

²²⁹ Ibid.

²³⁰ “Housebuilders Publish to Sell,” *Canadian Builder* (January 1961): 49.

important role in creating an identifiable brand image for the builder, distinguishing him from the competition and keeping his name at the forefront of prospects' minds.

Branding

With increased competition and buyers shopping around a lot more than in the past, advertising and promotion took on another important role—brand building. To differentiate their product and emphasise quality, creating a “good corporate image” became an essential ingredient in the marketing mix by the early-1960s.²³¹ This meant advertising consistently and keeping the builders name in front of the public. Some larger and more progressive builders had long realised the value of creating a readily recognised brand that consumers could identify with, but most builders were just coming around to it.

As early as 1956, Canadian firms like G. S. Shipp and Son and Sarcini Construction were making efforts to ensure that the public associated their names with homebuilding, in the hopes that when prospects entered the market they would look to them first. Speaking on the promotional value of the National Home Show, held each spring in Toronto, Harold Shipp described how even when the company did not have “homes to sell at the time of the show, [it] considered it expedient to keep [its] name actively associated with the house building industry.” This way “by keeping the name of the firm before the public, it [was] much easier for the [company] to put a sales campaign across at any time during the year when it [became] necessary to promote the sale of ...

²³¹ “Mass marketing: Now it’s homes,” *Printers’ Ink* (19 October 1962): 56-57, 57.

homes.”²³² Similarly, for Sarcini Construction, its home show participation “always [took] the form of an advertising promotion with no alliance to a direct sales campaign” and was designed to stimulate interest in the builder.²³³ Home shows functioned similarly to large subdivision openings. Both attracted large crowds of lookers, many of whom had no intention of buying, but allowed the builder to get his message across to large numbers of people who might at some point in the future enter the market or refer others to the builder and they offered the possibility of positive press coverage.²³⁴

To create a strong brand identity for the builder and his subdivision advertising also evolved. In more expensive developments targeted at higher income earners, for example, Marvin Gerstin, of ad firm House & Gerstin, described the advertising appeal that sold this market as a “quality ... highbrow [image] and soft-sell.” He advised builders to emphasise three qualities in their print advertising—(1) the prestige of the firm (e.g., awards won); (2) the quality of the houses and construction; and (3) the aesthetics of the community.²³⁵ To build a positive corporate image and an association with quality construction, New Jersey-based Robilt Inc. ran featured columns bylined by the company president on housing related issues in local newspapers.²³⁶ In the buyers’ market, consumers wanted to “know almost as much about the builder as the house itself”

232 “How the home show helps boost builders’ sales,” *Canadian Builder* (March 1956): 25.

233 Ibid.

234 “In Toronto, the nation’s tightest market.”

235 “Traffic,” *House & Home* (May 1961): 171-79, 172.

236 “Mass marketing: Now it’s homes,” *Printers’ Ink* (19 October 1962): 56-57.

and a solid corporate image was becoming essential.²³⁷ As *Canadian Builder* stressed, consumers are now relying more and more on the builder's "reputation and knowledge for assurance of value" and to differentiate between competing builders.²³⁸

Branding was now extending beyond just the builder to the actual subdivision and homes too. Between 1955 and 1960, the number of advertisements for houses located in named subdivisions appearing in the *Toronto Star* rose sharply (Figure 15). *Canadian Builder* advised homebuilders to "choose the name for your project with discretion" and "once the name has been chosen, work a theme around it."²³⁹ Ideally this theme would extend to the typeface for the name, the colours of on-site signs, and the names of the houses. The main thing was to present a "solid," consistent image to the public.²⁴⁰ Greenwin homes exemplified this philosophy in its promotion. At its openings it distributed chocolate bars featuring the company's name and logo and had masks for the hostesses who staffed its model homes "so that all would have the identical face of Miss Greenwin."²⁴¹ Even though builders were becoming more image conscious and taking actions to show consumers their commitment to quality, "the builder image [was] not as strong as it could be."²⁴²

²³⁷ "Gimmicks are on the way out ... and skilful staging is in," *House & Home* (March 1964): 112-16, 116.

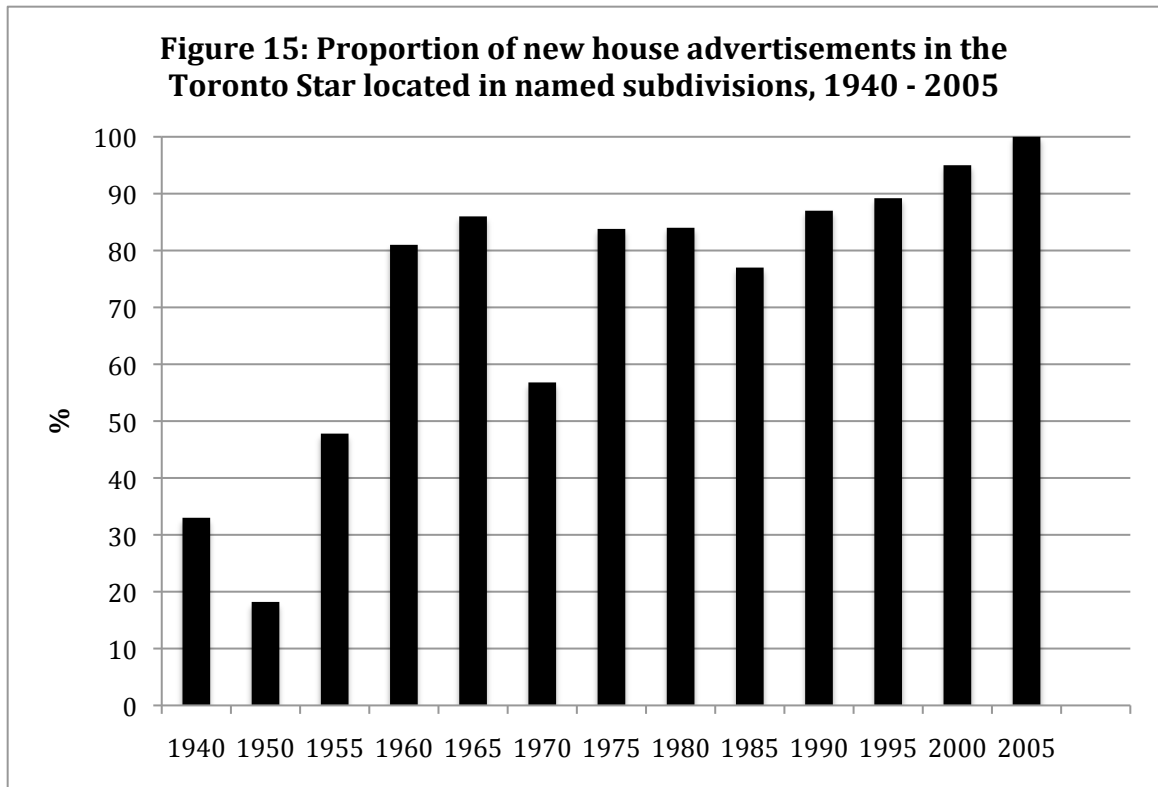
²³⁸ Clifford Fowke, "A Special Report On—What sells a house?" *Canadian Builder* (March 1965): 34-38, 34-35.

²³⁹ "Here are 10 specific areas where you should watch your step in merchandising," *Canadian Builder* (January 1962): 34.

²⁴⁰ *Ibid.*

²⁴¹ "In Toronto, the nation's tightest market," 59.

²⁴² "A Special Report On—What sells a house?" 34-35.



Improving Customer Service

One way builders attempted to improve their public image was by improving customer service, either by promptly responding to customer complaints and/or being more responsive to consumer demand. As early as 1950, Robbins Construction of Kenilworth, NJ, had established a customer relations department allowing it to address complaints quickly and keep clients happy. Company president Lester Robbins found that the complaints department was good for public relations among current owners as well as prospects and allowed the firm to identify areas of construction and materials that needed improvement.²⁴³ By then, several other large builders were also beginning to establish service departments. Levitt and Sons had uniformed staff go around and respond to

²⁴³ “Customer Complaints,” *Architectural Forum* (December 1950): 50, 54, 58.

service calls; Denver-based builder Frank Burns provided “each of his buyers with a ‘Construction Warranty Certificate’ guaranteeing them a year’s service on their new homes” and found it his “best customer relations tool”; Eichler Homes gave its buyers a “lifetime guarantee against defects and workmanship” finding that satisfied buyers were key to its success and future sales.²⁴⁴ A round table on consumer selling convened by *House & Home* in 1957, featuring advertising executives, architects, mortgage lenders, government observers and representatives from NAREB and the NAHB endorsed this approach. It concluded, “perhaps the one best sales aid a manufacturer can offer is a handsome warranty certificate.”²⁴⁵ In Canada, in 1959, *Canadian Builder* told its readers not to “overlook the value of a warranty [and to] give [the] consumer plenty of assurance you won’t neglect him after purchase.”²⁴⁶ By the early-1960s, more and more builders were accepting responsibility for construction defects and the argument that keeping buyers happy through a post-selling program led to new buyers through positive referrals.²⁴⁷

Despite the improved post-selling programs offered by some builders there were still a lot of dissatisfied homebuyers out there and they were the industry’s worst advertisement. A two-day marketing round table organized by *House & Home* in 1965, came to the conclusion that lack of consumer confidence in builders and their product

²⁴⁴ Ibid.; “Built in merchandising lifts California builder Joe Eichler into the big time,” *House & Home* (July 1955): 128-35, 134.

²⁴⁵ “Round Table on selling,” *House & Home* (April 1957): 152-58, 318, 322-23, 322.

²⁴⁶ “Here’s how you can create more sales,” *Canadian Builder* (March 1959): 32-39, 32.

²⁴⁷ “Here is a profile of the successful merchandiser of the ’60s,” *House & Home* (January 1961): 183-84; “Here are 10 specific areas.”

threatened to reduce sales.²⁴⁸ At present, according to builder Lloyd Bradhoff, housing was losing ground to other consumer goods and services “because the image of the builder, in general, stinks.”²⁴⁹ Industry wide promotions run by builders’ professional associations, like the NHBA in Canada, tried to correct this image.²⁵⁰ In 1961, for instance, general contractors and builders in Ontario hoped to have a private members bill introduced in the provincial legislature that would secure them professional status similar to that enjoyed by architects and engineers. By doing so, they hoped to “upgrade their respective industries ... avoid the obvious evils of municipal licensing” and improve the builder’s image in the eyes of the public.²⁵¹ In the US where, according to a 1964 *House & Home* editorial, the public saw builders as “irresponsible exploiters of consumers’ need for shelter” the NAHB promoted a similar course of action.²⁵² It proposed establishing a Registered Builder Program that would provide a “whole home guarantee” and allow consumers to file complaints against builders that might result in the offending builder’s license being revoked.²⁵³ By the mid-1960s, a consumer orientation was slowly taking hold in the homebuilding industry.

Conclusion:

Quantitatively, the building industry had made great progress through a period of frenzied new house construction after the war. By the early-1950s, most of those who

²⁴⁸ “Marketing Roundtable,” *House & Home* (May 1965): 108-15, 119, 121, 124, 114.

²⁴⁹ *Ibid.*, 109.

²⁵⁰ ‘Ches’ J. McConnell “Why should we sell ‘home ownership,’” *Canadian Builder* (December 1963): 37.

²⁵¹ “Editorial comment: Towards a combined professional status,” *Canadian Builder* (June 1961): 5.

²⁵² “Needed: A better image for the builder,” *House & Home* (November 1964): 67.

²⁵³ *Ibid.*

could afford it were now relatively well housed. Fewer families were living in crowded and substandard dwellings than during the depression and war-created shortage.

Qualitatively, however, there remained room for much improvement in new house and subdivision design, as well as builders' merchandising. The mass produced housing tracts of the postwar period were attracting considerable criticism for their inefficient use of land, their lack of community facilities and variety, and their unresponsiveness to changing consumer requirements. By the early-1950s, sales in such subdivisions were suffering. Builders were slowly realising that demand for new houses could not be taken for granted; it had to be created. The industry's production orientation was beginning to give way to a new selling and merchandising orientation.

As the housing shortage created demand was met, builders were realising that consumers would only re-enter the market if they were provided something better than what most builders had been offering. The builder's challenge was to deliver a product that met consumer expectations. Builders responded to the challenges of the buyers' market by investing more resources in advertising, promotion, customer service, and through changes in dwelling and subdivision design. Between 1950 and the early-1960s the housebuilding industry greatly improved its merchandising. By working more closely with realtors, advertising agencies, and manufacturers of building components, builders were able to do a better job of selling the value of a new, modern, up-to-date house in a well-planned neighbourhood. Although the industry's consumer research activity lagged compared to other sectors of the economy, builders were becoming more responsive to

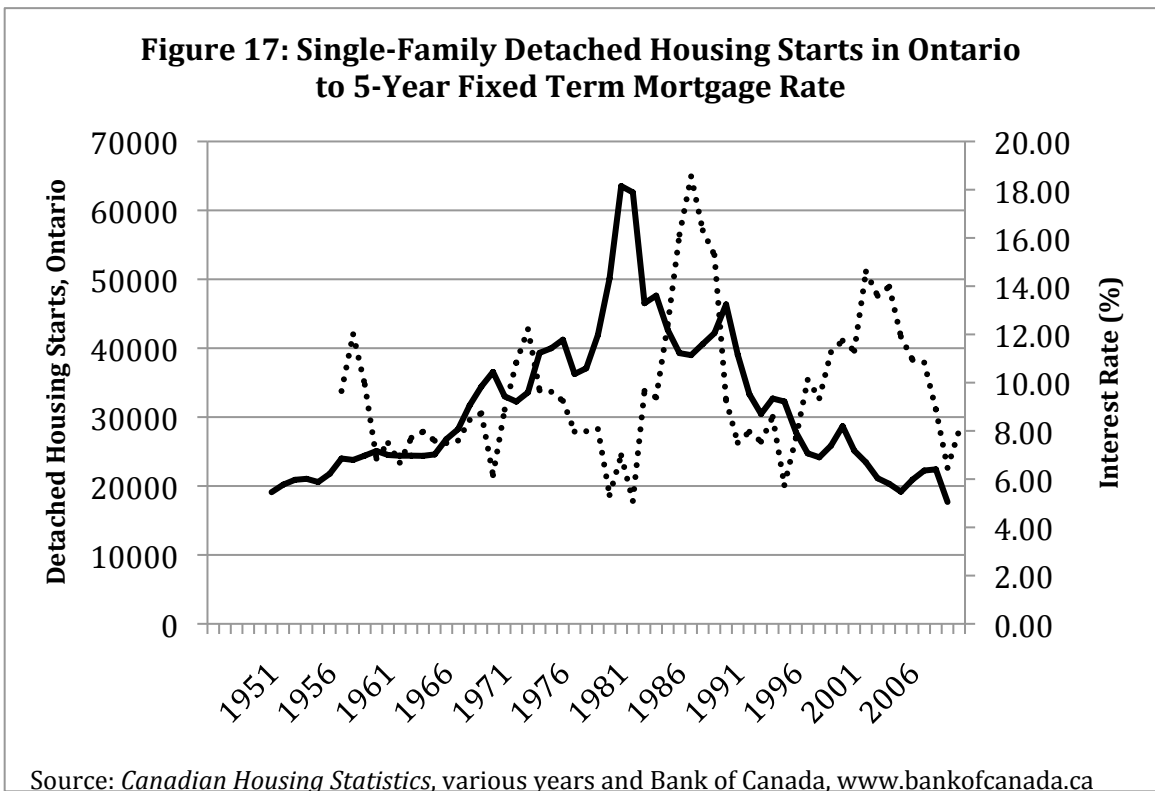
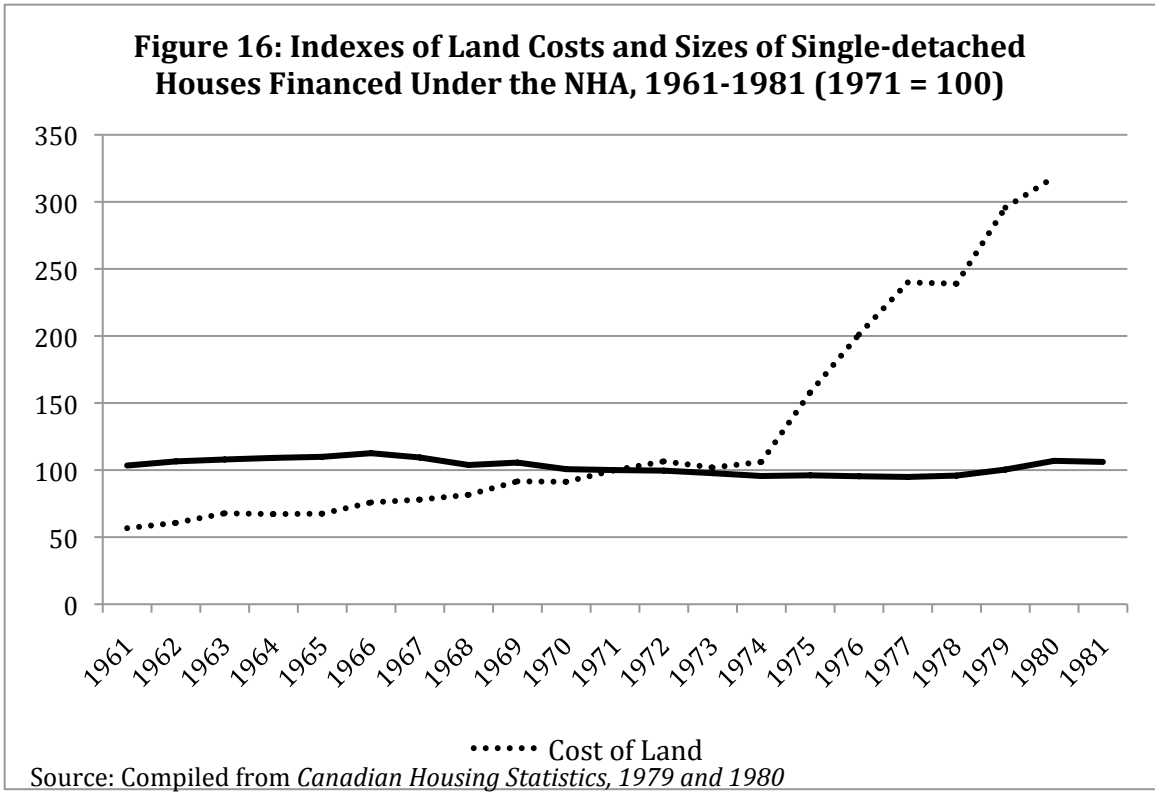
demand, by offering larger, better equipped houses, more varied design and greater consumer involvement.

Chapter 6: Marketing Through a Period of Economic Uncertainty, c. 1965 - 1983

By the mid-1960s, speculative builders were being challenged by consumers to create more distinct housing types that better suited their changing and diverse lifestyles. Through the 1950s builders had started to adapt to the new, more competitive buyers' market by sharply improving their advertising and merchandising skills. While some had increased their consumer orientation through improved consumer research and bringing new house and subdivision design more closely in line with consumers' demands and expectations, there remained considerable room for improvement. Besides a more discriminating consumer market builders were also faced with a faltering economy. With rising interest rates, high unemployment, and waning consumer confidence homebuilders were tasked with the job of convincing consumers that it was a good time to buy and that a new house was a good investment.

Builders dealt with these new challenges in various ways. Some left the industry altogether, diversified geographically to smaller urban centres that were believed to have less competition, or moved into new housing types, such as row housing and apartments. Those that stuck with single-family housing began to experiment with new architectural styles and increasingly drew on historical designs to imply craftsmanship. Builders responded to consumer demands for distinction by offering more varied front elevations for new homes and by allowing purchasers a greater say in the finishing of the house. This was, in part, a response to consumers' reaction to the sameness and placelessness of mass-produced housing tracts from the previous two periods. These changes were also motivated by the fact that land prices increased so rapidly during this period that

consumers wanted more from a house that cost so much more to purchase (Figure 16). Access to affordable financing became an even more important part of the housing package. This was necessary to convince prospects that they could afford to own. The biggest changes in marketing strategy during this period relate to increased product differentiation and an emphasis on authenticity and the symbolic properties of the home as a signifier of distinction. Advertising during this period also underwent a significant change. More and more builders shifted to using display ads as opposed to simple classified advertising and more advertisements contained pictures of houses and, sometimes, happy families enjoying the ‘good life.’ Themes related to affordability and value, however, continued to play a major role in builders’ advertising. With financing rates soaring upwards and reaching record highs by the early-1980s, and new housing starts in Ontario dipping to their lowest levels since 1951 (Figure 17), builders had to learn to sell financing packages along with houses. This chapter begins by examining the changing market conditions faced by homebuilders. Specifically, it looks at the growing affordability problem, especially in the entry-level market of first-time buyers, and how this impacted the business decisions of builders. It then considers the changing nature of consumer demand and the role of market research in builders’ production decisions. Next, it examines how builders responded to the challenges posed by consumers and the economy by adapting dwelling and subdivision designs in speculative developments and improving customer service and merchandising. Finally, it looks at the critical role of financing as a part of the housing package that builders offered consumers during this period.



Changing Market Conditions:

By the mid-1960s, the rising cost of serviced land and mortgage rates combined with stricter zoning restrictions and consumer demand for better quality and design had put the single-family detached home out of the reach of many first-time buyers, the largest segment of the potential housing market.¹ In the Toronto area, for instance, some fifty percent of the population consisted of those under the age of thirty who were just starting families and looking to buy their first home.² For these consumers, choice and the ability to afford a new home that met their requirements was constrained by the fact that over the previous decade the cost of the average lot for an NHA insured house had risen by sixty-nine percent and the price of the average single-family house had gone up by twenty-eight percent.³ In metro-Toronto, it now required an annual income of over \$7,500 to purchase a newly built single-family house that on average sold for \$28,000 including the lot valued at some \$10,000.⁴ *Canadian Builder*, in 1967, found that because of the rapidly rising cost of improved lots that now accounted for a huge chunk of the housing package (anywhere from 1/3 to 1/2) “the \$18,000 NHA mortgage [ceiling had] become irrelevant; and for some 90% of families carrying charges on conventional

¹ “Canada pays 8 5/8% for mortgages and keeps fingers crossed,” *House & Home* (March 1968):??

² Phil Meere, “Best Toronto sales in high-price market,” *Canadian Builder*, (March 1967): 64.

³ Clifford Fowke, “Survey ’65—A *Canadian Builder* feature report: Houses,” *Canadian Builder*, (August 1965): 65. Between 1963 and 1968, inflationary pressures had driven the price of a new home up even more quickly. In Toronto, North America’s largest housing market, house prices increased by fifty percent during this period and between 1964 and 1968 the price of serviced land went up by forty percent (“Canada pays 8 5/8% for mortgages and keeps fingers crossed,” *House & Home*, (March 1968).

⁴ “Best Toronto sales in high-price market.”

mortgages were too high.”⁵ Norm Stone, of major Toronto building and land development firm Cadillac Homes, commenting on the state of the market in 1967, described it as being in a state of confusion. “The homebuyer is bewildered that even with a yearly income of \$7,500 he can’t necessarily buy a house.” The company found that it was being forced to turn down more prospective buyers than it was qualifying due to rising income requirements. Some fifty percent of the houses it built were going to second-time buyers—and even then, Cadillac had to offer its own second mortgages of \$3,000 to augment NHA financing to close the deal.⁶

Builders responded to the changing market conditions in several ways. Some changed their product mix to include multiple-family residences or moved into new types of construction such as commercial and institutional, where financing was more readily available.⁷ Others began focusing on “larger and dearer houses more appropriate to the cost of the lots on which they [were] building.”⁸ For instance, while other builders struggled to build and sell a house at a price affordable for the mid- and entry-level market, in 1967 Alcan Design Homes found success with larger, more expensive two-storey designs in the 1,600 to 1,700 sq ft range featuring formal dining and entertaining areas. Mortgage availability was less of an issue for higher income earners, though the company found some “resistance to the 8% interest rate” that prevailed.⁹ Similarly, Moe

⁵ Ibid.

⁶ Ibid. Cadillac Homes focused most of its efforts on the middle-income segment of the market. The houses being referred to here were priced at \$28,000

⁷ “Another housebuilder moves into the apartment field,” *Canadian Builder*, (June 1965): 69.

⁸ “Survey ’65—A *Canadian Builder* feature report.”

⁹ “Best Toronto sales in high-price market.”

Emer, general manager of Victoria Wood Homes had “more confidence in the high-price market” than in any other segment of the market.¹⁰ Still, other builders like Consolidated Building Corporation opted to move their operations further into the suburbs to take advantage of lower land costs and looser zoning restrictions and planning requirements, or to cut costs by eliminating such things as “pseudo-colonial trimmings, shutters, window boxes, and other ‘gingerbread’” and “simplifying the interior” in order to increase construction efficiencies and lower prices so that they could tap the largest segment of the buying public—those in the middle-income bracket seeking a starter home.¹¹

Despite improved construction efficiencies and the fact that demand for a detached house on its own plot of land remained high, inflationary pressures together with rising interest rates and a tight mortgage market meant that by the early-1970s the single-family home was moving further out of reach of the average family.¹² Builders found NHA backed loans through approved lenders slow in being approved. Lenders did not want to be locked into long-term mortgages at a time when rates were rising. In 1968, *Canadian Builder* reported that builders who relied on NHA financing were finding it the most difficult; typically only receiving commitments based on sixty percent of valuation.¹³ Many builders looked to other sources of money in the private credit market, but even here it was difficult. One Toronto-based builder, for instance, needing

¹⁰ Ibid.

¹¹ Ibid.

¹² “Canada pays 8 5/8% for mortgages.”

¹³ “Brisk sales still the rule in Toronto but builders fear conditions may change,” *Canadian Builder*, (March 1968): 44-45.

commitments on fifty mortgages was only able to secure twenty after scouring the entire country for them.¹⁴ As one builder told *Canadian Builder*: “Mortgages are our biggest problem. We don’t like these new rates and we don’t want to be saddled with them should the financing costs decline.”¹⁵ The biggest losers were builders who paid too much for their lots and tried to put a relatively cheap house on them. With rising prices, consumers who could afford it were demanding more for their money.

One reason for the curtailment of financing for single-family residential developments was that private sector lenders, especially the insurance companies, were shifting their investment portfolios into multiple-family dwellings like apartments and condominiums.¹⁶ In October 1970, *Canadian Builder* reported that over ten thousand condominium units were either under construction or completed and more were in the planning stage because “condominium mortgage loans [had] become increasingly attractive to lenders.”¹⁷ The situation was similar south of the border, where in 1968 some fifty percent of housing starts were expected to be in multi-family dwellings.¹⁸ Investors preferred lending on apartments for the tax benefits they offered, specifically the fact they provided a depreciation shelter, and because rental apartments provided a continual source of income.¹⁹ Also, a single large loan for apartment construction was easier to place and service than multiple small loans for detached houses, thus making them more

¹⁴ Ibid.

¹⁵ Ibid., 45.

¹⁶ “Brisk sales still the rule in Toronto”; “Round Table: The difference in tomorrow’s housing market,” *House & Home*, (June 1968): 82-89; “Condominia: Builders, financiers think they are ‘it,’” *Canadian Builder*, (October 1970): 34.

¹⁷ “Condominia: Builders, financiers think they are ‘it.’”

¹⁸ “Round Table: The difference in tomorrow’s housing market.”

¹⁹ Ibid.

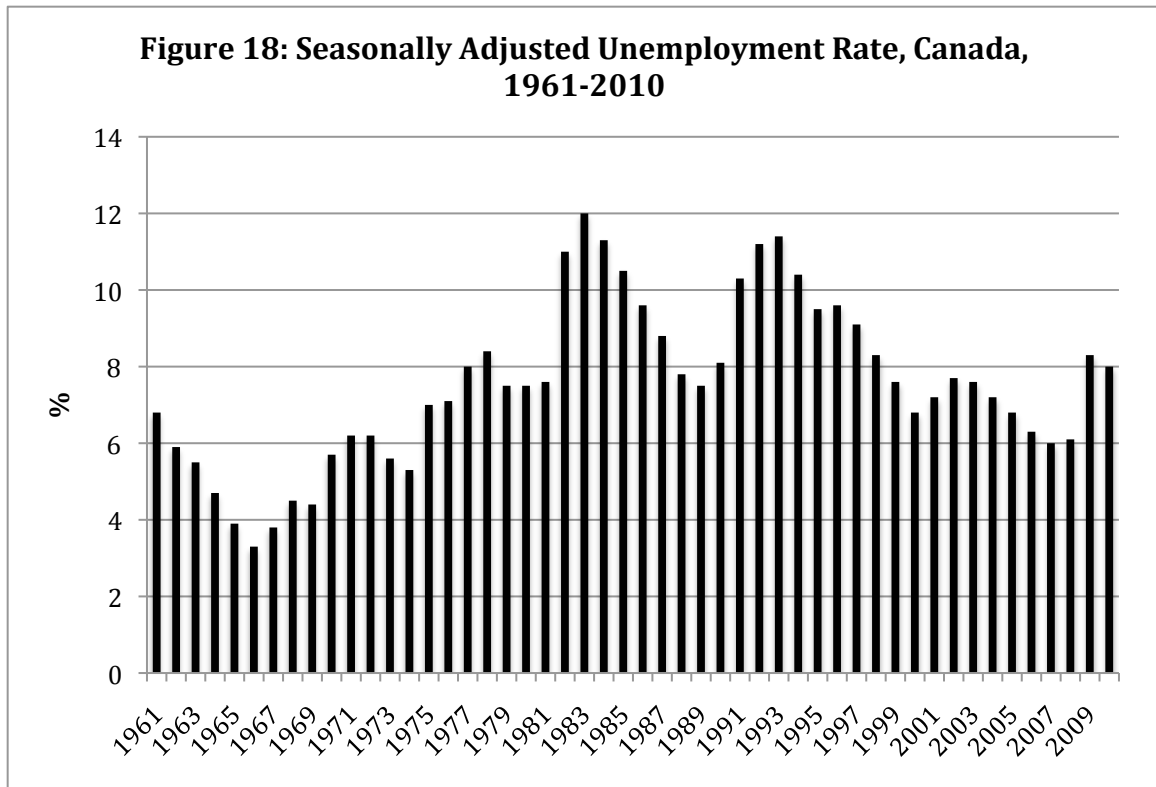
attractive to lenders. At the same time, in Canada, CMHC's new \$200-million Special Fund for Innovative Housing spurred condominium development prompting NHBA president S. Eric Johnson to declare "1970 must certainly be the 'Year of the Condominium' ... with lenders at last participating in a meaningful way."²⁰

Reduced housing demand and a faltering economy (Figure 18) prompted the Canadian government to take a more interventionist approach to housing policy. On August 29, 1968, the federal government appointed a task force to investigate "ways in which the federal government, in company with other levels of government and the private sector, [could] help meet the housing needs of all Canadians."²¹ The taskforce, headed by Paul Hellyer, the minister responsible for housing, and consisting of various experts drawn from the public and private sector, including economists, sociologists, bankers, builders, and land developers, reported back in early-1969. It found that "with the sharp increase in interest rates during the past 30 months, the cost of acquiring adequate housing [had] become a problem for more than merely, the lowest income groups."²² Among its recommendations was freeing the mortgage rate rather than having it pegged each quarter at 2 ¼% above long-term government bonds and raising the mortgage ceiling from \$18,000 to \$30,000 and extending the amortization period anywhere up to forty years on NHA backed loans to stimulate demand and attract much

²⁰ "Condominia: Builders, financiers think they are 'it.'"; S. Eric Johnson, "A look at the past year, a glance at 1971 trends as they affect housing," *Canadian Builder*, (February 1971): 35.

²¹ Paul T. Hellyer, *Report of the Federal Task Force on Housing and Urban Development*, (Ottawa: 1969): 1.

²² *Ibid.*



(Source: Statistics Canada. *Labour Force Survey Estimates (LFS)*, CANISM Table 282-0086)

needed private capital to the mortgage market.²³ Industry analysts read these recommendations as a clear attempt to “protect the single-family house’s” position as the preferred form of tenure.²⁴ Over the past decade, apartments had been “grabbing an enormous share of the [available] financing.”²⁵ In 1968, apartments accounted for some 53% of all new housing starts and in the first quarter of 1969 had risen to 62% (Figure 19).²⁶ In metro Toronto alone, between 1960 and 1970, there had been 175,115 unit starts

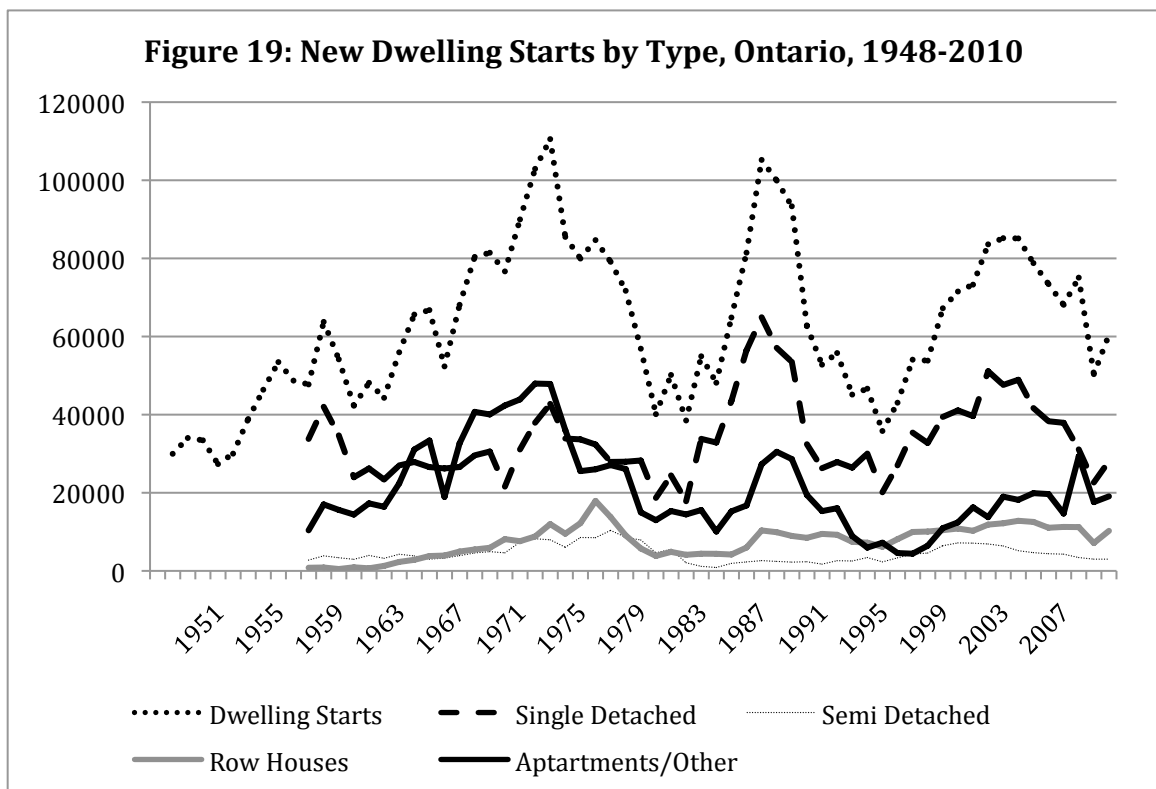
²³ Ibid.; Gene O’Keefe, “Expert tells Canada: Build a million homes—and hurry,” *House & Home*, (March 1969): 40.

²⁴ “When it comes to housing, you spell Canada Can-do,” *House & Home*, (July 1969): 5.

²⁵ Ibid.

²⁶ Ibid.

in high-rises versus only 81,899 detached and semi-detached houses.²⁷ In mid-1969 the federal government acted on the taskforce’s recommendations. It raised the ceiling on new-house loans insured by the NHA from \$18,000 to \$25,000, reduced minimum down payments to \$3,300 from \$5,900, stretched the maximum amortisation period from thirty to forty years, halved the 2% loan insurance fee, permitted lenders to reopen loans every five years to set new rates, and upped the ceiling on existing house loans to \$18,000 from \$10,000 to make it easier for existing owners to unload their old home and upgrade to a new one.²⁸



²⁷ “Toronto trend to single-family housing may reflect ‘high-rise backlash’—Gunby,” *Canadian Builder*, (October 1971): 33-41.

²⁸ “When it comes to housing.”

By this time, the credit crunch was also starting to impact the market for more expensive homes. Until now, builders had seen the upper segment of the market as the one bright spot in the otherwise gloomy market. During the previous decade many had shifted production away from starter homes and begun focusing on the trade-up market and achieved success. Then, it had been “perhaps the easiest and most profitable [segment] to build [for] because there was a market for it and, to some extent, ... easier to get financing for—Now that situation had changed!”²⁹ Despite government efforts to stimulate the mortgage market by raising interest rate ceilings on NHA backed mortgages, the market for dearer homes was drying up.³⁰ Eroding consumer confidence meant a “curtailment of the willingness to enter into long-term purchases and debt.”³¹ By mid-1971, a “substantial volume of unoccupied inventory had been built-up.”³² Existing owners, unable to qualify for as much house as they could even as recently as a few years ago, rather than pay higher rates for less house were choosing to stay put.³³ In the US, builders were finding resistance so strong that that it could not be overcome by the traditional harder sell—brighter lights, louder ads, etc—that they had often turned to in the past.³⁴ In the Toronto area, builders found that higher priced houses (\geq \$40,000) were hardly moving.³⁵ Even the rental market, where some builders had found opportunity,

²⁹ Clifford Fowke, “Single family houses,” *Canadian Builder*, (March 1970): 27.

³⁰ “Canada pays 8 5/8% for mortgages.”

³¹ “A look at the past year, a glance at 1971 trends,” 35.

³² *Ibid.*

³³ “The new hard sell,” *House & Home*, (June 1974): 77-97.

³⁴ *Ibid.*

³⁵ “In Toronto area, trend is to smaller homes beyond the present suburbs,” *Canadian Builder*, (March 1971): 17, 21.

was drying up.³⁶ In Canada, by early-1971, apartment construction was being curtailed or “hastily switched to take advantage of [new] federally sponsored programs,” meant to create homeownership opportunities for low-income Canadians.³⁷

To stimulate housing construction and the economy, in 1971, the federal government approved a \$942-million CMHC budget designed to “spur increased homebuilding for low-income Canadians.”³⁸ To encourage builders to make the switch, CMHC introduced an NHA rate reduction on loans for public housing and land assembly projects.³⁹ In the Toronto area, builders were heeding CMHC’s advice that it would be a “good year” if they focused “more directly on low-income housing.”⁴⁰ *Canadian Builder* noted that developers motivated by rising land prices, servicing costs and changes in NHA lending policies were “staking out sites well beyond Metro Toronto’s suburbs to build 5% down homes for people earning less than \$10,000-a-year” and that there was a discernable trend towards smaller homes beyond the present suburbs (Figure 5).⁴¹ The journal noted that, “almost without exception builders were looking to such areas as

³⁶ Maxwell C. Huntoon JR, “Editorial: A New Market is Burgeoning, but it’s Going to Take a New Kind of Builder to Handle it,” *House & Home*, (May 1972): 79; “A look at the past year, a glance at 1971 trends.”

³⁷ “A look at the past year, a glance at 1971 trends,” 35. During this period many builders switched from building rental apartments to building condominiums for sale. The majority of these condominiums in Ontario were geared towards low-income earners, those earning \$7,000 or less annually.

³⁸ “\$942 million CMHC budget portends bonanza building year during 1971,” *Canadian Builder*, (March 1971): 15.

³⁹ *Ibid.*

⁴⁰ *Ibid.*

⁴¹ “In Toronto area, trend is to smaller homes,” 17.

Burlington, Oakville, Georgetown, Acton, Barrie, Newmarket, and Aurora for siting single-family homes at a price that today's 30-year-olds can afford" (Figure 20)⁴²

Riley Brethour, president of PMA Realities, in an address to the Ontario Council of the Housing and Urban Development Council of Canada (HUDAC), noted that changes to mortgage financing under the NHA had created "the almost perfect marketing situation" if builders would adapt production to lower-cost models geared towards first-time buyers.⁴³ Similarly, Brian Sparks, general sales manager with builder Victoria Woods, argued that "the market is open to us if we can provide low-cost homes" and that the industry had "for too long concentrated on luxury homes that no one can afford."⁴⁴ Sam Lazaroff, sales manager at Toronto-based DelZotto Enterprises, felt that over the past few years the industry had been building houses "out of reach of 60% to 70% percent of prospective purchasers." He argued that "by gradually adding amenity upon amenity, builders [had] turned the tables upon themselves and [now] had to stand helplessly by as family after family was turned down, unable to meet salary requirements."⁴⁵ Lazaroff urged builders to look for things to eliminate, like gas ranges, double sinks, exhaust fans, landscaping and other "extras a purchaser could add himself later" rather than items to add if they wanted to bring homeownership back within the

⁴² Ibid.

⁴³ "Do builders need reminding? There's money and demand for low-cost homes," *Canadian Builder*, (May 1971): 28-29, 28.

⁴⁴ Ibid.

⁴⁵ Ibid.

Figure 20: Selling affordability in the outer suburbs
(Toronto Star, 12 April 1975)



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PETERBOROUGH

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by the Lake



SCARBOROUGH

\$76,590

Rosewood



reach of a wider circle of consumers.⁴⁶ Many builders did adapt production to take advantage of the new federal program. In 1971, the average size of a new detached house financed under the NHA fell to 1,137sqft, from 1,167sqft the previous year. This downward trend continued until 1979. For Brian Sparks, the industry's biggest task now was to "work together to educate the public to modify dreams away from a super luxury home to something a families can afford." He felt that "consumers must be convinced there is no way they can afford luxury housing and that a smaller, well-designed house is adequate for their needs."⁴⁷

The shift to lower-priced models also had to do with demographic changes influencing the market. The leading edge of the baby boom generation was now entering its mid-20s, an age range generally associated with homeownership, and was now looking to purchase starter houses and build equity in homes of their own (Figure 21).⁴⁸ Builders like G. S. Shipp & Son that had shifted production from detached houses to apartments during the 1960s were now "again concentrating on single-family houses."⁴⁹ At the same time, apartment construction had become less attractive to developers and investors after tax reforms in 1971 removed their tax shelter advantages and rents failed to keep pace with rising construction costs and interest rates.⁵⁰

⁴⁶ "Do builders need reminding?" 28. One way builders were able to eliminate 'extras' was by offering such eliminated, previously standard features as parts of an "increasing number of optional packages" (*Canadian Builder*, March 1971: 17, 21).

⁴⁷ Ibid.

⁴⁸ "Toronto trend to single-family housing."

⁴⁹ Ibid., 33.

⁵⁰ Ibid. One way out of the landlord business and the "accompanying [management] headaches" for developers during this period was condominium conversion of exiting buildings. In 1971, Lloyd Gunby noted a growing trend of this and feared that the industry's tendency to

Figure 21: Targeting young families. With the leading edge of the baby-boom generation entering the market and looking for a safe environment with close access to schools and playgrounds to raise a family, some builders shifted to smaller, more affordable models in the outer suburbs.
(*Toronto Star*, 11 April 1970, P. 23)

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Where it is close to playgrounds, swimming pools, hockey rinks, schools, stores.
And right next to a conservation area and the proposed site for a marina and sports centre.
With the TTC, GO Train and the 401 right nearby.
Only 25 minutes from downtown Toronto. Which makes it close to everything, yet far enough away to seem like a country village.

Homes feature arched entrance ways, bay windows, double garage, sunken family rooms, genuine antique brick, wood-burning fireplaces, and kitchens with furniture finish cupboards.
And as a pleasant surprise, homes start at only \$35,900. With modest down payments.
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“concentrate on one form of housing at the expense of others” might result in an oversupply of condominiums by the next year. Gunby’s predictions proved true. In October 1972, *Canadian Builder* noted that the “rush into high-rise condominium development” had produced a glut as the “public hadn’t ... got accustomed to the idea of buying instead of renting an apartment unit” (*Canadian Builder*, October 1972: 24). For a discussion of the 1971 tax reforms see George Fallis, 1993, “The suppliers of housing,” in John Miron (ed.) *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, McGill-Queens University Press: Montréal and Kingston, P. 84-85 and John Miron, 1993, “On progress in housing Canadians,” in John Miron (ed.) *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, McGill-Queens University Press: Montréal and Kingston, P. 14-15.

Changes in NHA lending policies that saw the mortgage ceiling raised and amortisation period extended combined with consumer demand for detached houses to temporarily expand the market for new houses. After a period of reduced demand, late-1971 saw a resurgence in single-family residential development.⁵¹ The recovery, however, was short lived. In the lower-end of the market financing costs remained a significant obstacle.⁵² Builders in all segments of the market found that consumers were becoming much more “practical and critical” than even a few years earlier, demanding much more for the heavy investment they were making.⁵³ By late-1974, *Canadian Builder* opined “it is ... probably that we have seen the last of unrestrained sellers’ markets for some time.”⁵⁴ After peaking at 47,251 in 1974, single-detached housing starts in Ontario fell by 30% in 1975 and continued their downward spiral until 1983, with a few minor recoveries in between. With average detached house prices topping \$40,000 and financing rates at 11% and climbing, all segments of the market were impacted. In early-1976, *Canadian Builder* concluded that first-time purchase of a newly built detached house was only attainable to the “top 15% of wage earners with not much hope in sight for the balance of the population.”⁵⁵ By 1977, there were clear signs that the industry had been overbuilding. There were excess amounts of unoccupied inventory

⁵¹ Frank A. Clayton, “Economist sees trouble brewing in the volatile single family housing market,” *Canadian Builder*, (August 1973): 47, 50.

⁵² “Economist sees trouble brewing.”

⁵³ *Ibid.*, 15.

⁵⁴ William Lurz, “Design and detail are the key elements in ‘total life-style’ home-marketing,” *Canadian Builder*, (September 1974): 13-15, 13.

⁵⁵ “Single family houses: A changing industry: Condominiums—the end of a dream for all but a privileged few,” *Canadian Builder*, (February 1976): 13-15, 13.

built-up in many parts of the country.⁵⁶ The affordability problem had reached such proportions that it prompted the Canadian Broadcasting Corporation's *The Money Makers* to run a six-part television series examining "the demise of the single-family detached dwelling as a realistic option for young Canadians." The series looked at "the problems in buying a house, the skyrocketing price of raw land, high interest rates" and the impact of increased servicing costs on affordability.⁵⁷ According to George Cormack, executive vice president at realtor A. E. Lepage, Ontario, the condominium was gaining in popularity because of its affordability and the detached house was beginning to play a smaller part in the plans of many builders.⁵⁸

The downturn in the market had a significant impact on many builders and trades. Toronto Construction Association (TCA) president Donald Griffin blamed the affordability problem for half of the TCA's member contractors being out of business and more than half of its tradesmen being unemployed.⁵⁹ With the number of properties on the market in 1976 some 23% greater than in 1975, and supply "far exceeding demand," CREA president James M. Robb concluded that "the scales at present are tipped in favour of the consumer of housing."⁶⁰ In April 1977, the incoming HUDAC president, Eric

⁵⁶ Howard Ross, "The name of the game is marketing," *Canadian Builder*, (January 1977): 28.

⁵⁷ "CBC series examines single family home," *Canadian Builder*, (March 1977): 7.

⁵⁸ "Single family houses: A changing industry."

⁵⁹ "President tells it as it is," *Canadian Builder*, (March 1977): 8.

⁶⁰ "CREA president forecasts 1977 as year of opportunity," *Canadian Builder*, (March 1977): 8.

Bergman, argued that now “no builder [could] afford not to market his homes.”⁶¹ Costain Canada’s president, Keith Morley, urged builders to “slow down a little” as consumers, concerned about a slowing economy, were in no hurry to buy.⁶² He urged builders to do a “good deal less speculative” building and instead build only with a pre-sale in hand.⁶³

To help builders weather the economic downturn the federal government, along with its provincial counterparts, introduced a number of new initiatives in the mid-1970s. Chief among them were the Assisted Home Ownership Program (AHOP) and the Assisted Rental Program (ARP).⁶⁴ Both, according to Jean-Robert Gauthier, Parliamentary Secretary to Urban Affairs Minister Andre Oullet, were intended to encourage builders to move into the “moderately priced market” and build “good, modest housing for ordinary people.”⁶⁵ Ray Hession, representing CMHC, felt that this would be a prudent course of action for builders, as interest in new homes would pick up if more affordable models were available to consumers.⁶⁶ Not all builders agreed with this assessment. Keith Morley, president of Richard Costain Canada, for instance questioned the advisability of building low-cost housing, citing the experience of US builders, who in the mid-1970s tried a similar course of action marketing “the no-frill house” and Canadian builders’ own experience of the early-1970s with promoting the “stripped-

⁶¹ James O’Neill, “1976 housing starts ‘borrowed ahead’ on this year’s demand: Marketing now vital is agreed by HUDAC speakers, delegates,” *Canadian Building*, (April 1977): 13-16, 24, 13.

⁶² *Ibid.*, 15.

⁶³ *Ibid.*, 16.

⁶⁴ The Assisted Home Ownership Program was introduced in 1973 and the Assisted Rental Program in 1975. Both were discontinued in 1978.

⁶⁵ “Ottawa says AHOP and ARP programs will boost 1977 housing market,” *Canadian Builder*, (February 1977): 30.

⁶⁶ “1976 housing starts ‘borrowed ahead.’”

down-house,” both of which, according to him, “became the lemon[s] of the ’70s.” He worried whether builders were bound to repeat past mistakes. Instead, he felt that the industry should simply pare back production until market conditions improved and consumer confidence returned.⁶⁷ Although some builders were successful in taking advantage of these new programs to build more affordable detached housing, other single-family house builders, like western-Canada based Nu-West and Engineered Homes instead made a “restrained move” into other affordable forms of accommodation like condominiums and townhouses (Figure 22).⁶⁸

Despite these government initiatives, 1977 was not a good year for builders in the Toronto-area. In early 1978, the THBA reported some “24,000 housing units standing at the roof stage or better and UNSOLD”—representing “WELL IN EXCESS OF A FULL YEAR’S SUPPLY OF NEW HOUSING SITTING IDLE THROUGHOUT [ITS] MARKETPLACE!” (emphasis original).⁶⁹ In a normal year, inventory would typically stand at 9-10,000 units. Then, between 1977 and 1978 housing starts took a significant hit. Starts reported under the Ontario HUDAC Warranty Program dropped from 79,000 to only 43,000.⁷⁰ To retain their share of a shrinking market builders worked to lower production costs and prices, but their efforts were only matched by consumers’ efforts to extract even better deals and

⁶⁷ Ibid., 16.

⁶⁸ Marnie Huckvale, “Vancouver housing market is looking up—but the breakthrough still ahead,” *Canadian Builder*, (April 1977): 42-43, 43.

⁶⁹ Murray Webber, “Toronto homebuilders urged to match production to a decreasing demand,” *Canadian Builder*, (February 1978): 14. Of this 24,000, some 16,000 were condominiums (7,300 townhouses; 8,700 high-rise); 3,600 semi-detached; and 4,400 single-family detached houses (*Canadian Builder*, (April 1978): 14).

⁷⁰ Colin Parsons, “The outlook for the housing industry,” *Canadian Builder*, (February 1979): 15-17.

Figure 22: Educating Consumers. With affordability becoming a major obstacle for new homebuyers during the 1970s, federal and provincial governments introduced a number of new programs to assist first-time buyers. Builders responded with new affordable forms of accommodation and took it upon themselves to educate consumers on how easy it could be to own a new house.
 (Toronto Star, 12 April 1975, P. 9)

Hurry! The new home rush has started!

\$1,500 in Ontario Government Grants now available to purchasers of Whitehall townhouses in Metro and Mississauga.

HOW DO THE NEW GOVERNMENT GRANTS WORK?

If you are a first-time home buyer in Ontario you receive a \$1,500 government grant when you move into your new home. You also receive optional grants of \$250 in each of the next two years providing you don't sell your home during that time.

Now you can purchase affordable Whitehall townhouses in your choice of locations for \$1,500 less!

That's right. The new government home buyer grants reduce the cost of these great new Whitehall townhouses. And in addition, the following exciting features are included in each Whitehall home at no extra charge:

- 11.5 sq. ft. double door refrigerator, ceramic clean range, dishwasher, garbage disposal, utility, DTV, well-soiled terrace, four underground parking with direct access through private entry into your new home and community recreation centre with sauna and heated swimming pool.

At Now! These new government grants mean that a lot of people will be buying homes—visit either sales office and choose your home while the selection is still good!

Brimley Forest Direction: Take 401 to Kennedy Road. Go south on Kennedy Road to Rich Avenue. Turn west on Rich Ave. to Brimley Road. Go west on Brimley Road to the Whitehall Sales Information Centre and model homes at the corner of Brimley Road and Silverwood Blvd.

Meadowdale Direction: Take Highway 401 to Mississauga Road. Go North on Mississauga Road to Derry Road (first streetlight). Go west on Derry Road (look under the 401 to Glen Echo Drive). Whitehall Sales Information Centre and Model Homes are located one block west of Glen Echo Drive on Derry Road.

Whitehall Meadowdale

Whitehall Brimley Forest

Whitehall Meadowdale & Brimley Forest
 Designed and built by the Whitehall Development Corporation Limited.

lower prices. The result was that the profit margins of all builders suffered.⁷¹ According to Statistics Canada, pre-tax profit went from an average of 9.8% of sales revenue between 1974 and 1976 to 5.9% in 1977 and down to just 3.2% in 1978.⁷² At the same time, waning consumer confidence was hampering any hope of an economic recovery. In the fourth-quarter of 1979, consumer confidence fell to its lowest point ever in the twenty years since the Conference Board of Canada first began tracking consumers' buying intentions (Figure 23).⁷³ Forty-five percent of those surveyed stated that they expected economic conditions to get worse in the next six months and some 53% expected inflation to rise. Consumers also felt less secure about their individual prospects, expressing "increased pessimism about job prospects and family financial positions." A significant majority (67%) believed that it was a bad time to buy a house, a car, major appliance, or any other big-ticket item that may require financing.⁷⁴

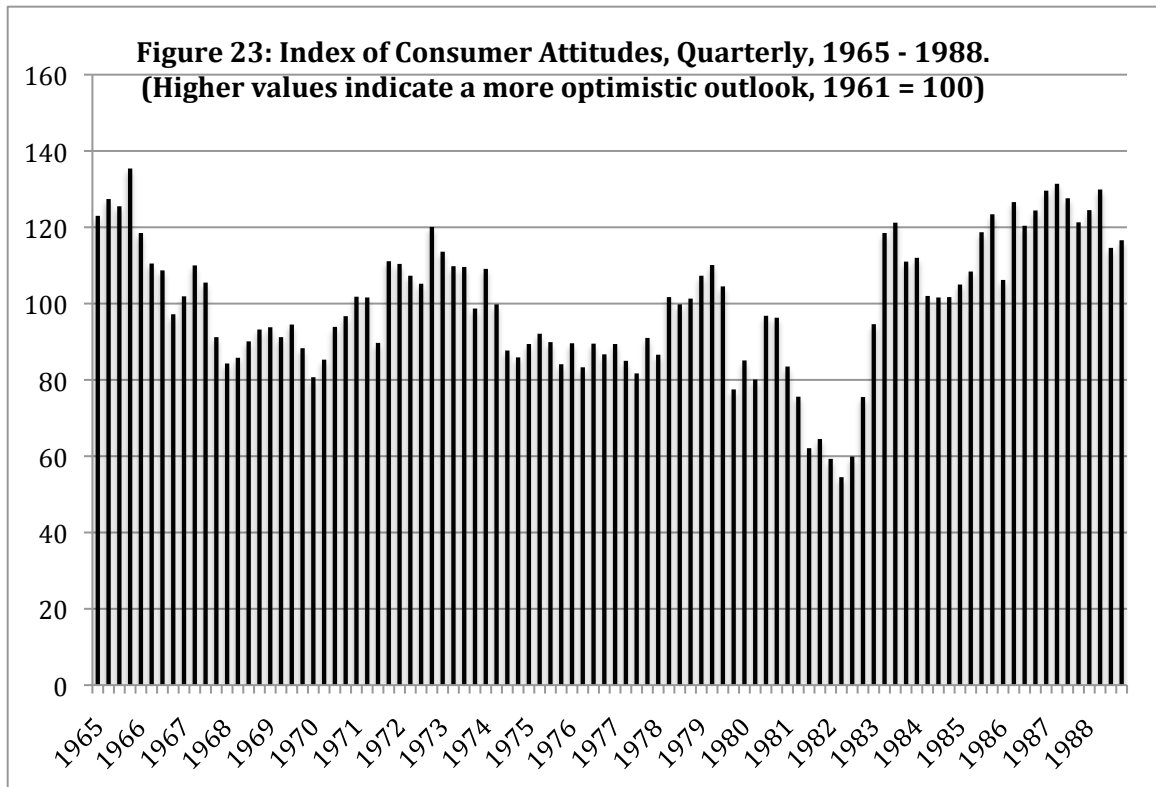
The situation was similar to that experienced by US builders in the mid-1970s. There, builders responded to shrinking demand by cutting back on speculative starts, paring back on the volume of improved land they carried, and carefully re-examining the product they were offering and the market they were serving. This approach contrasted with most builders' past strategies that had served them during better economic times.

⁷¹ Ibid.

⁷² "HBA president predicts smaller homes, more builder flexibility in the '80s," *Canadian Builder*, (March 1980): 5.

⁷³ Tom Messer, "Consumer confidence hits a low point," *Canadian Builder*, (February 1980): 47. Consumer confidence fell to "an unprecedented low of 79.9 in the fourth quarter of 1979 from a level of 107.4 in the third quarter."

⁷⁴ Ibid.



(Source: Compiled from Conference Board of Canada, 1982 and 1989)

Then, according to Colin Parsons, president of Monarch Construction and past president of the THBA, any builder who restricted his number of starts was viewed as a “conservative square”; now he was viewed as a “sensible man.”⁷⁵ The editors at *Canadian Builder* believed that builders in Canada would have to take a similar approach to the market if they were to be successful. In 1979, editor James G. Ripley predicted that most builders would have to “swing from speculative mass production to precision market targeting, almost custom building.”⁷⁶ In a slow market it was too costly to carry large inventories. Ripley also believed that customer service would have to take on increased importance. This new customer focus would have to extend to more flexible

⁷⁵ “The outlook for the housing industry,” 17.

⁷⁶ James G. Ripley, “Editorial: Housing outlook—A freer but slower market: Reduced subsidies and fewer buyers,” *Canadian Builder*, (February 1979): 1.

financing packages, better quality features and improved construction, and there would be increased pressure to satisfy consumer complaints promptly.⁷⁷ By the mid-1970s, firms that had chosen growth and geographic expansion as the surest way to increased production efficiency and sales were being forced to re-evaluate how they did business.

Growing Pains in the Building Industry

During the postwar boom, and through the 1950s, big builders able to take advantages of scale economies grew bigger. At the same time they began moving out of their home territories and into smaller secondary markets, a trend that became noticeable in the early-1960s, and by mid-decade was becoming common practice.⁷⁸ The primary motivations behind this were to escape competition in crowded markets, to maintain building activity in the event of a slowdown in one area, and to take advantage of more affordable land and improvement costs in smaller markets.⁷⁹ Some big Canadian builders even expanded internationally into the US. Toronto-based Consolidated Building Corporation was one of those leading the march south, establishing a US subsidiary in 1963. This, according to industry trade journal *House & Home*, was the “first Canadian construction company to move into the US on a large scale.”⁸⁰ Diversifying

⁷⁷ Ibid.

⁷⁸ “Multi-market builders crack new cities,” *Canadian Builder*, 1961(December): 33-37; “New Management Man,” *House & Home*, (January 1961): 123-45; “How to increase sales volume today: Sell in more places at more prices, to more prospects,” *House & Home*, (September 1962): 116-19.

⁷⁹ “Rural Unionville feeling impact of Toronto’s single family housing boom,” *Canadian Builder*, (July 1972): 37; “Housing boom hits Whitby as ‘West Lynde’ opens,” *Canadian Builder*, (September 1972): 32.

⁸⁰ “Canada: Canada’s top builder invades US,” *House & Home*, (April 1963): 28. *House & Home* noted that until Consolidated Building Corporation’s move south of the border in 1963 only a few smaller Vancouver, BC based firms had made forays into the US market. Most of these set up branch operations in Washington State.

geographically worked well for some builders and led many other builders to seek out growth opportunities in order to enter new markets. The easiest way to do this was by merging with a smaller firm already active in a particular market of interest. This way, the firm already had a management structure in place, a good relationship with local trades, and a familiarity with municipal planning, building and zoning requirements. Also, as Richard Locke, vice-president of Engineered Building, noted, it was easier than walking in as an outsider as “it is a natural local tendency [for consumers and regulators] to resent outsiders.”⁸¹ This strategy also offered the consumer assurance that this was not a ‘fly-by-night’ operation, but one committed to the community and one that would be available to resolve any construction problems that might arise with the houses.⁸² Other firms opted to make public stock offerings or team-up with other corporate interests (typically involved in the manufacturing of building products) to raise the capital needed to expand.⁸³ Size gave big builders several advantages over their smaller counterparts. For one, they had more resources to invest in promotion, marketing and planning. As *House & Home* noted in 1963, the emerging housing giants specialized in land development and provided much better planning than smaller competitors.⁸⁴ They were able to do this because they were heavily capitalized and could afford to invest huge sums

⁸¹ “Multi-market builders,” 36.

⁸² Ibid.

⁸³ “A General Motors of housing? More big corporate picks have been broken on the housing market than you can shake a stick at,” *House & Home*, (December 1967): 55; “Wall Street to the big homebuilders—Let’s team up for a ride on the boom,” *House & Home*, (January 1969): 4-5; “Round Table: Where will builders get the capital they need?” *House & Home*, (April 1969): 108-10.

⁸⁴ Gurney Breckenfeld, “The new housing industry: The emerging giants,” *House & Home*, (January 1963): 67-71, 113, 115.

in land improvement before even beginning lot and house sales. This, according to *House & Home*, was the big builder's "main sales weapon" because it added "much more true value into today's communities than the slap-dash subdivisions" of the typical builder.⁸⁵ Their heavy capitalization also enabled them to wait out market down turns. Brown Whately, president of Florida-based developer Arvida, for instance, described how his firm "purposely withheld a lot of property from the market ... for better gains later or to avoid losses if [it] had sold them."⁸⁶ Large building and land development firms also held one more critical advantage over their competition. Their resources enabled them to attract better management talent to head up their various divisions.⁸⁷ This one benefit of size along with improved access to capital, according to *House & Home*, outweighed the initial cost of a stock offering for the publicly traded building firm.⁸⁸

The benefits of growth also came with a downside that became especially noticeable during market slumps. Compared to their smaller counterparts, large builders had to deal with huge debt service charges during periods of slow sales.⁸⁹ Builders that had grown large during the postwar boom were forced to reconsider the advantages of size. The downturn of the mid-1970s meant that overall production and profits for all builders suffered, with many closing out 1974 deep in the red.⁹⁰ In the US, most builders

⁸⁵ Ibid., 67.

⁸⁶ Ibid., 68.

⁸⁷ "Major reorganisation at Levitt," *House & Home* (February 1969): 34.

⁸⁸ "Round Table: Where will builders get the capital."

⁸⁹ "A General Motors of housing?"

⁹⁰ "The biggest builders: How bad did they hurt in 1974?" *House & Home*, (March 1975): 63-75.

were forced to cut production significantly, some even to zero, until things improved.⁹¹ The situation in Canada was similar.⁹² In their survey of the Ontario homebuilding industry between 1978 and 1998, Buzzelli and Harris found that builders, including large ones, exited the market during busts, with some re-entering during boom periods.⁹³ In the US, the number of builders producing 1,000 or more units fell from 150 to only 97 between 1973 and 1974.⁹⁴ Although large builders suffered less than the industry as a whole due to their financial strength which helped them sustain losses and keep their management structure and staff intact, the “overshadowing presence of stockholders and corporate parents” meant there was a “strong tendency to force the market, even when all signs said slow down or stop.” The result was “acres of standing inventory eating up interest.”⁹⁵ Big builders also suffered from corporate rigidity and the inability to quickly adapt production to changing market conditions.⁹⁶ This was especially a problem for builders that operated in several different geographic areas and lacked an intimate knowledge of their market.⁹⁷ As a result, many large builders that had expanded into new regions began to withdraw into their old territories. These included such giants as Levitt & Sons, Larwin, and Hallcraft.⁹⁸

⁹¹ “1975: A good recovery if ...,” *House & Home*, (November 1974): 51-58.

⁹² Michael Buzzelli and Richard Harris, “Small is transient: Housebuilding firms in Ontario, Canada 1978-98,” *Housing Studies*, vol. 18, no. 3 (2003): 369-86.

⁹³ *Ibid.*

⁹⁴ “The biggest builders.”

⁹⁵ “The biggest builders,” 64.

⁹⁶ Maxwell C. Huntoon JR, “Editorial: Some winners and some losers,” *House & Home*, (August 1975): 39.

⁹⁷ *Ibid.*

⁹⁸ “1975: A good recovery if ...”

The Changing Consumer and Role of Consumer Research

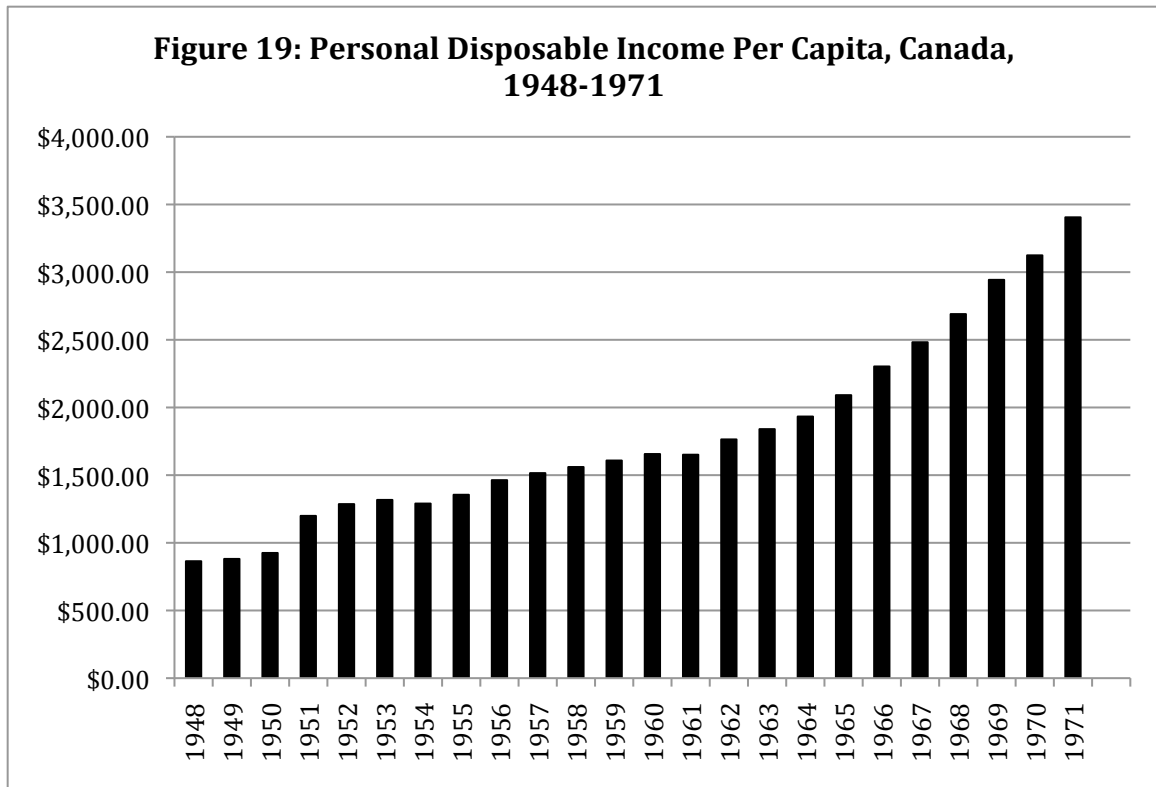
Changing economic and market conditions meant that consumer research should have taken on a new importance for all builders. There was growing recognition that the consumer market was far more diverse than previously perceived. Fragmentation of the market was the product of a number of factors. For one, ‘move-up’ buyers who already owned a home were playing a much larger role in the market. They were more knowledgeable about house construction, the options available to them, had more money, and they could afford to wait until they were offered a product that met their requirements. Consumers also led increasingly diverse lifestyles. New targetable segments were beginning to appear on the builder’s radar for the first time. These included a growing population of retirees and empty nesters no longer looking for a large detached home for a growing family. Instead, they were looking to downsize and an opportunity to lead a more leisure oriented lifestyle free from the responsibilities of owning a detached home in the suburbs. The pursuit of a leisure oriented lifestyle also drove buying motivations for younger first-time buyers who did not want to give up the freedom they had enjoyed as tenants for a life in what they believed were culturally devoid suburbs of their parents. At the same time, consumers’ decisions in all industries were increasingly being motivated by a desire on the consumer’s part to express his/her individuality. The desire for individuality led many consumers to balk at the prospect of buying a standardised and, much maligned in the popular media, suburban home. Parallel with these changes in consumer dispositions were rising incomes and an increase in disposable income (Figure 24). Between 1951 and 1980, average pre-tax family incomes

in constant 1996 dollars in Canada more than doubled, rising from \$22,743 to \$56,000. In large part this was due to increased paid labour force participation by women and more dual income families.⁹⁹ This meant that builders saw new opportunities in the upper end of the market. The lower end of the market, which offered the potential for greater volume sales proved difficult for the private sector to build for due to the tight cost accounting it demanded and small profit margins it yielded and was largely left to the resale market. Builders hoping to tap the upper-income market found that with more expensive homes prospects expected and demanded much more comfort, liveability, choice in features, and individuality. This meant that builders had to know much more about the potential buyer than in the past to be able to offer a package that would appeal to the consumer. Consumer research also took on greater importance due to the growth of multiple market builders. Builders could no longer rely on their intimate personal knowledge of the area alone.

By the mid-1960s, according to trade journal *House & Home*, motivational researchers were beginning to be used by builders to “pin down ... motivations to buy.”¹⁰⁰ Motivational research allowed builders that used it to account for the concerns of consumers and address them in the planning, merchandising, and selling of new houses and subdivisions. This was critical in the buyers’ market. As Chicago-based ‘interior merchandiser’ Gene Dreyfus of the Child/Dreyfus Group told *Canadian Builder*, because

⁹⁹ Roger Sauvé, *Trends in Canadian Family Incomes, Expenditures, Savings and Debt*, (Vanier Institute of the Family, 1999): 7.

¹⁰⁰ R. W. O’Neill, “The moment of truth,” *House & Home*, (December 1966): 69, 105, 69.



(Source: CMHC, *Canadian Housing Statistics*, 1960 and 1972)

buyer traffic was so difficult to come by, builders had to make an instant impression on the consumer and prove to him/her that they had “solved their problems functionally.” According to Dreyfus, when a buyer walked in it was important that “he think it is exactly as he would like to live.”¹⁰¹ Although individual builders were becoming more concerned with preliminary conceptual development in order to attract specific groups of buyers to their subdivisions than ever before, most consumer research continued to be carried out by those from outside the industry, like interior design firms, industrial design

¹⁰¹ “Merchandising—prove to the buyer your homes are exactly what he needs,” *Canadian Builder*, (April 1975): 42-45, 42. Although based in Chicago, the Child/Dreyfus Group had considerable experience in the Canadian market, actively working with builders from “Victoria to Toronto” to sell homes (*Canadian Builder*, (September 1975): 13).

groups, realtors' associations and manufacturers of building components.¹⁰² Trade journal *Canadian Builder* found that despite changing market conditions, most builders opted to “take the path of least resistance and continue building the same thing they always [had].”¹⁰³

Builders that did invest in consumer research and product development targeted a defined market segment and designed a product that better matched the consumers' requirements than the competition. These builders were able to avoid generalities about the consumer and by targeting a specific consumer profile sought to fill a void in the market. Unlike in the past, “‘when a house was a house’ and that’s what everybody wanted ... and the typical buyer was a couple, with two or three kids, who didn’t know too much about house construction, and who just wanted enough bedrooms, a front and back yard ... And that’s what you gave them,” target marketing recognised that not all consumers were looking for the same thing and that they led diverse lives and wanted a home that reflected this.¹⁰⁴ As residential marketing expert Stan Kates of Toronto-based Kates Advertising put it: “people aren’t just buying a home, they’re after a lifestyle too.”¹⁰⁵ Kates found that the modern consumer was highly individualistic with very specific needs and wants and that better targeted marketing could tap into his/her desires to buy. He urged builders to learn as much as possible about their potential market before

¹⁰² Ibid.; “You don’t sell to a family, you sell to a husband and wife—and they may not agree at all on what they want,” *House & Home*, (November 1967): 82-85; “This computer can put you on the path to better management and higher profits,” *House & Home*, (March 1967): 102-06.

¹⁰³ “Merchandising—prove to the buyer,” 45.

¹⁰⁴ “Narrowcasting—zero-in on your customer,” *Canadian Builder*, (September 1976): 13-16.

¹⁰⁵ Ibid.

rushing into a development and construction.¹⁰⁶ This would pay dividends in advertising—making it more efficient and resonate more closely with consumers.

Besides the changing and more challenging market, progress in consumer research (although slow), was also being driven by mortgage lenders and large corporate land developers. Because a better-planned and targeted development meant a greater likelihood of success, faster sales, and lower carrying costs, lenders and developers were either demanding market evaluations from builders or carrying them out themselves. In 1979, Andrew B. Greenman, president of Greenman Group Corporate Consultants, “a leading US residential marketing firm” that also did “a great deal of business in Canada” noted that “smart lenders and developers [were] hiring market research firms to study land parcels, population [and] demographics to see who lives/will live there and what the market is” (e.g., average income, lifestyle, etc).¹⁰⁷ This information then served as the basis for the profile of the resident and “the very home design itself” and informed the advertising, promotion and merchandising.¹⁰⁸

Despite the awareness of new and diverse market segments and the progress made by some larger and more progressive builders in consumer research and targeted marketing, most suburban builders, even by the early-1980s, still viewed their market as homogeneous “as it was [believed to be] in the ’50s”—and, according to the editor of

¹⁰⁶ Ibid.

¹⁰⁷ Andrew B. Greenman, “Marketing—What’s in it for the buyer?” *Canadian Builder*, (September 1979): 30.

¹⁰⁸ Ibid.

Canadian Builder, William Lurz, their product was just as homogenous.¹⁰⁹ The reason for this, according to Lurz, was that most builders who did do market research before planning a new subdivision relied almost exclusively on government statistics on population growth, new family formation, fertility rates, and so on.¹¹⁰ Using these demographic statistics they could “get a fix on the number of these neat little families in a geographic market” and that was the market they continued to build for, even though divorce rates were on the rise and society was becoming increasingly fragmented and coalescing along the lines of individual interests and non-traditional families were becoming a bigger part of the market.¹¹¹ Many continued to view marketing solely as selling and as something that could be turned on and off as needed during the sales phase.

While Canadian builders were slow in adapting to changes in the market for new houses, American builders’ response rates were a bit faster. In early-1981, *Canadian Builder* noted that “the impact of lifestyle fragmentation [was] already visible in some parts of the US, with extreme examples such as condominium projects designed and built specifically for tennis enthusiasts ... a clear-cut example of lifestyle target marketing.”¹¹² Though Canadian homebuilders were beginning to recognise the implications of a fragmented market, compared to their US counterparts, their efforts at segmentation were rather unsophisticated. *Canadian Builder* found that attempts at target marketing were only noticeable in instances where the market segment was clearly defined and visible—

¹⁰⁹ William H. Lurz, “Single family housing in the 80’s: Target marketing with the new demographic,” *Canadian Builder*, (February 1981): 13-15, 13.

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² Ibid.

for example the retirement and ‘empty nest’ market.¹¹³ Attempts to ferret out other lifestyle segments, based on factors other than simple demographics, were limited. According to the trade press, “single detached homebuilders in Canada seem[ed] to have tunnel vision, seeing only” families with children despite the “enormous growth in other lifestyle targetable segments.”¹¹⁴ Stan Kates, a Canadian pioneer in lifestyle target marketing, found this to be one of the builder’s greatest problems. He argued that by offering essentially the same product to a “society fracturing more and more everyday into shared interest groups,” with distinct needs and wants, builders were limiting their market and failing to respect consumers. This was leading certain groups, especially first-time buyers, to turn their backs on the single-family home in favour of condominiums where marketers and developers did a better job of serving their varied lifestyles. One reason builders failed to respond to new lifestyle segments, according to Kates, was that target marketing meant that the product had to be focused on one shared interest group at the exclusion of all others. Canadian builders, concerned about losing market share by excluding anyone with the ability to pay, resisted following this route. Instead they tended to “target only the price range.”¹¹⁵ By ignoring lifestyle, Canadian builders had a difficult time tailoring their product to fit the changing market.

¹¹³ Ibid. The fact that *Canadian Builder* saw the need to define the term ‘empty nester’ in 1981 suggests that it was something new—a market segment previously not considered by builders. The journal noted that empty nesters were “now perceived as a special market with clearly defined and easily understood wants and needs ... [and, as such] we see condominium apartments designed to appeal to these couples and *no one else*” (emph. original).

¹¹⁴ Ibid.

¹¹⁵ Ibid., 15.

To the extent that Canadian builders were learning the language of target marketing, most of the action in this area was reserved for advertising after the project was already planned. Lurz argued that this contrasted with the US, where “marketing people [were] much more important in all areas of the economy ... including housing [and tended] to control production decisions” to a much greater degree.¹¹⁶ Marketing, in Canada, was mostly used to shape demand after production decisions had already been made. This was due to the lack of consumer research by individual builders and the industry as a whole. As a result, Lurz argued that the “concept of lifestyle target marketing [had] not yet gained broad acceptance in [the Canadian] housing industry” even though it had caught on in “almost every other consumer industry.”¹¹⁷ Lurz concluded that “practically everyone ... [was] still relying on gut instinct” and “most builders and developers probably regard[ed] market research as an unnecessary expense.”¹¹⁸

Dwelling and Subdivision Design in Speculative Developments

In the mid-1960s, suburban builders were confronted by a reaction against homogeneous subdivision and house design. A 1966 *House & Home* survey of sales managers found that identity was one of the top five motivations to buy a particular home.¹¹⁹ The sales managers found that most consumers “want to be different, but not too

¹¹⁶ Ibid.

¹¹⁷ William H. Lurz, “The unknown housing consumer,” *Canadian Builder*, (March 1981): 1.

¹¹⁸ Ibid.

¹¹⁹ Other motivations to buy according to the sales managers interviewed by *House & Home* included: privacy, convenience, romance, and security (*House & Home*, (December 1967): 69.

different. They don't want 'way out' [design] but they do want individuality."¹²⁰ To meet this requirement builders found that they had to involve the prospect "with the choice of what goes into his house ... colours, textures, extras, floor-plan changes, and the like."¹²¹ The pursuit of identity through consumption decisions was beginning to drive production and planning decisions in the homebuilding industry to a much greater degree than ever before. The most notable trend to reflect this was the willingness of builders to allow buyers to customise stock house models. Progressive builders, the journal noted, were open to "make any change the buyer wants and will pay for."¹²² At the same time, builders that had expanded into new markets and tried to foist the same old plans on the public, regardless of geographic particularities and variations in demand of the area were beginning to face buyer resistance and being forced to re-evaluate their marketing strategies. The experience of Levitt and Sons provides a prime example of this. The company, which had aggressively expanded across the US and abroad after its initial successes in the Long Island area in the mid-1940s and had "built essentially the same product in all markets" to achieve construction efficiencies was by the mid-1960s confronting a new and more exacting consumer market. Company president, Richard Wasserman, noted that regional preferences were impacting Levitt's sales. In 1969, Wasserman announced that Levitt and Sons would undergo a major reorganisation by

¹²⁰ R. W. O'Neill, "The moment of truth," *House & Home*, (December 1966): 69, 105, 69.

¹²¹ *Ibid.*, 105.

¹²² *Ibid.*

creating fully autonomous regional divisions that would be able introduce new products and be more responsive to regional preferences.¹²³

Builders were being challenged by consumers to create a more interesting and ‘authentic’ residential experience. *Canadian Builder*, in the early-1970s, for instance, found a “growing desire for homey ‘real’ materials of yesteryear in the kitchen and elsewhere in the house.”¹²⁴ The journal went on to describe how “practically every barn on Ontario farmland [had] been stripped of barn boards that have been transported to line Toronto basement recreation rooms [and] as the barns ran out, naturally the manufacturers moved into the supply vacuum....”¹²⁵ The journal also noted how interior design was beginning to move “away from the clean, functional lines [that had] predominated ... toward a more ornate, even old-fashioned look.”¹²⁶ This same search for authenticity found expression in the exterior façade of the house. For instance, in 1979, Vancouver’s Quadrant Development Corporation, following a series of consumer interviews by its marketing consultants at Santa Monica, California-based Richard Clasky and Associates for its up-market Forest by the Bay development in suburban Tsawwassen, BC, found that identity was critical for its potential buyers. Specifically, buyers were interested in historic designs that would set the development apart from the conventional housing tract. Quadrant responded with what it called ‘New Antique’ design, a “kind of eclectic blend of Tudor and Traditional” architecture, and found that

¹²³ “Major reorganisation at Levitt.”

¹²⁴ “Kitchens growing bigger, bathrooms more numerous in 1973’s trend setting homes,” *Canadian Builder*, (May 1973): KB3-KB7, KB5.

¹²⁵ Ibid.

¹²⁶ “Explosion of colour hits the bathroom!” *Canadian Builder*, (May 1973): KB10-KB18, KB10.

buyer interest and sales remained high during a period of slow sales in conventional subdivisions in the area.¹²⁷

Other builders were arriving at similar conclusions. At the same time, builders were finding that consumers were more interested in what *Forbes Magazine* called ‘organic communities’ that included a mix of residential types and functions than the functionally segregated and rigidly zoned subdivisions that had become the norm in the postwar period.¹²⁸ They were getting tired of the “dull, monotonous” environments offered by the typical developer/builder.¹²⁹ Still, *House & Home* found that even the most progressive builders only offered a “relatively narrow range” of housing options.¹³⁰ The conventional suburb did not fit the new consumer lifestyle. People had more time and money to spend outside the house. In areas devoid of community amenities houses were not selling.¹³¹ *Forbes Magazine* argued that “sterilized suburbia, as we know it today, is a passing phase, a strange period when everyone wanted to become a mass-produced country squire.”¹³² Troubled by the anonymity of mass-produced housing tracts, consumers sought out a more ‘distinct’ community experience and wanted to be able to identify with a neighbourhood as opposed to a development. Some Canadian builders responded to this desire by turning to the neighbourhood unit plan popularised by Clarence Perry in the late-1930s, and advocated for by Canadian housing experts, like

¹²⁷ “Vancouver builder thrives in a slow market: Consumer research supplies vital input for ‘on-target’ marketing decisions,” *Canadian Builder*, (February 1979): 18-20, 20.

¹²⁸ James G. Ripley, “Editorial: Home marketing in the 80s: Inward and downward,” *Canadian Builder*, (September 1979): 1.

¹²⁹ “Housing’s market revolution,” *House & Home*, (January 1968): 48-59, 51.

¹³⁰ *Ibid.*

¹³¹ *Ibid.*; See also “Round Table: The difference in tomorrow’s housing market.”

¹³² “Home marketing in the 80s.”

Humphrey Carver, in the postwar period.¹³³ In the late-1960s, the New Communities Group of Cadillac-Fairview, developers of Erin Mills in suburban Toronto, for instance subdivided its 7,500-acre site into four major residential areas, each of which would contain small, separately named neighbourhoods of about 5,000 people. Each major residential area would also have its own commercial and community centre, shopping, educational, religious and park facilities, and other social and cultural amenities.¹³⁴ To relieve the monotony of a mass built tract, the developer selected some twenty different builders that would construct various types of residential accommodation including single- and semi-detached homes, townhouses, terrace housing and apartments¹³⁵ This would also ensure that the development appealed to a broad cross-section of the buying public (Figure 25). Builders' advertisements used the variety of houses as a selling point. A 1975 ad for houses in the Churchill Downs neighbourhood, for instance, described Erin Mills as a "uniquely planned subdivision ... architecturally planned so no 2 houses look the same."¹³⁶

¹³³ John Sewell, *The Shape of the City: Toronto Struggles with Modern Town Planning* (Toronto: University of Toronto Press, 1993): 7. See also: P. J. Smith, "Planning for residential growth since the 1940s," in *Edmonton: The Life of a City*, eds. Bob Hesketh and Frances Swyripa, (Edmonton: NeWest, 1995): 243-55. The neighbourhood unit plan was advocated for on the grounds that it result in increased privacy, safety, security of investment for homeowners and create an enhanced sense of belonging and community for residents in the suburbs.

¹³⁴ "Twenty builders cooperate in a new community concept," *Canadian Builder*, (May 1977): 29.

¹³⁵ Ibid.

¹³⁶ "Churchill Downs in Erin Mills," *Toronto Star*, (12 April 1975): 19, (advertisement).

Figure 25: Come to Life in Erin Mills. This developer’s ad emphasises the quality planning and “carefully selected” builders that have contributed to the “unique community feeling” that brings residents together and “generates friendships” in Erin Mills. The illustration suggests that everyone will feel at home in the subdivision. (*Toronto Star*, 13 April 1985, P. F12)

Come to Life in Erin Mills

Come to life in Erin Mills and discover a unique community feeling! Our many social clubs, recreational facilities and community festivals bring Erin Mills residents together, generating friendships and a real sense of closeness among neighbours.

Contemporary community planning has made Erin Mills a safe and beautiful place to live. Enjoy shopping and amenities at your fingertips—schools, churches, and corner stores are conveniently located throughout the neighbourhood. And we're just minutes from Toronto! Attractive home designs, clever streetscaping and natural woodland beauty make Erin Mills absolutely gorgeous!

Erin Mills has selected only the finest home builders to create the quality houses you'll find in our special community. Refer to this map and visit our five builders' sales pavilions today!

So come on—Come to Life in Erin Mills!

Built by the Erin Mills Community Builders.

ERIN MILLS

Accompanying this reaction against conformity were several other emerging trends. These included a renewed interest in the rehabilitation and gentrification of houses in cities and older suburbs, an increase in small-scale custom building, and a decline in standardized, large-scale speculative development in favour of pre-sales and customisation (Figure 26).¹³⁷

Figure 26: Gentrification: An emerging trend. As consumers reacted against the sameness and placelessness of mass-built housing tracts in the suburbs during the 1970s, there was renewed interest in city living, gentrification, and historic design. In 1975, the *Toronto Star* noted that “spot redevelopment of downtown property” was a growing trend.

(*Toronto Star*, 12 April 1975, P. E1)

19 old row houses in Beaches district renovated into fashionable townhouses

A type of spot redevelopment of downtown property that is gaining impetus in Toronto is typified by a project at Waverley Rd. and Norway Ave. in the Beaches area.

A block of what was once very ordinary row-housing has been remodelled and renovated into 19 two and three-bedroom townhouses each with an entirely different floor plan.

The project is four blocks east of Woodbine Ave. and a block north of Queen St. E. It will appeal strongly to people who work in the city and don't want to drive a car. It's about a two-minute walk to the Queen St. streetcar line.

The project has 11 two-bedroom townhouses which are priced at \$56,500 and eight three-bedroom units which sell for \$89,500.

Down payments range between \$2,000 and \$10,000 with the remainder financed at 10% per cent. A three-bedroom unit with \$10,000 down would carry for about \$479. Taxes would be between \$30 and \$50 a month extra.

The three-bedroom house has four levels with the kitchen and dining room in the lowest level which has a walkout to the parking area at the back of the project. In some models the entrance level, which is really the third storey, has a bedroom or den, a powder room and a mezzanine which overlooks the living room.

The living room in this design forms practically the entire second level. There is a bay window at one end. The other two bedrooms and

the full bathroom are on the fourth level.

The two-bedroom units have only three levels. They are similar to the three-bedroom layouts except for the mezzanine balcony and the extra bedroom.

In most floor plans the kitchen and dining rooms are on the lowest floor which is really at ground level at the rear of the building because the houses are built on a fairly steep slope.

The living room and extra wash-

room are on the street or entrance level and the two bedrooms and master bathroom are on the top level.

Most units have open or free fall staircases which the builder has agreed to carpet. A stove and refrigerator are supplied. Hardwood flooring is laid on the first and second levels with parquet flooring in the dining rooms. All units are electrically heated.

An asphalt parking area is to be provided at the rear of the project

and the purchaser of each house owns a particular parking spot. Unlike most townhouse projects common nowadays this is not a condominium.

The houses are within a few minutes walk of the Queen St. E. shopping area, the Boardwalk, the beaches, tennis courts, swimming pool and Greenwood racetrack.

The man behind the project is George Herzog, a builder who has specialized in renovating housing in Toronto for the past 14 years.



REMODELLED townhouses along the west side of Waverley Rd. at Norway Ave. in the Beaches area add a modern touch to an old Toronto district. The

renovated houses are within a few minutes' walk of the Queen St. streetcar line. Nineteen houses are offered ranging in price from \$56,500 to \$89,500.

¹³⁷ “Home marketing in the 80s.”

The Customisation of Speculatively Built Houses:

The push towards more individuality and less standardisation led to a rise in the customisation of builders' stock models and more reliance on pre-selling than pure speculative building. Until now, most builders had acted as the consumer's purchasing agent, deciding on the materials, features, and fixtures of the house. The problem with this, however, was, as *House & Home* argued as late as 1967, most builders continued to underestimate consumers' desires for new and better products and materials. Even though houses were becoming more expensive and better equipped and consumers' purchasing power was increasing, builders continued to put out what the journal called a "schlock product, using stale, dull, bottom of the line components."¹³⁸ Many builders believed that if they included all of the latest features they would end up pricing themselves out of the market. Builders also found it a challenge to predict how the buying public would receive new features. Builders concluded that the answer to this problem was customisation.

Some progressive builders had given consumers choice in the finishing of their home for some time. In 1964, for instance, *Canadian Builder* reported an "unusual feature" in New Brunswick-based Fredericton Housing Limited's houses. What was out of the ordinary about these houses was that purchasers were able to have kitchens custom-designed to their specifications. Options included a choice in materials (mahogany, plywood, or Douglas Fir) and countertop heights.¹³⁹ The fact that this was deemed 'unusual' by the journal suggests that Canadian builders had just begun

¹³⁸ R. W. O'Neill, "New houses vs. not-so-new houses: If you want buyers for your 1968 houses, you'd better not offer them the same old 1967 model," *House & Home*, (November 1967): 65.

¹³⁹ "Buyers can design their own kitchens," *Canadian Builder*, (January 1964): 41.

experimenting with custom options in a limited way in speculatively built houses. The degree of customisation and its widespread use as a marketing strategy did not pick up until the late-1960s.

Besides customisation options in the interior of the house, by the mid-1960s builders were also extending consumer choice to the exterior finishing and colour schemes of the house. Winnipeg's Bird Construction, working from ten basic plans offered buyers some eighty different silhouettes to choose from by allowing purchasers to vary roof lines, select from a list of some one hundred and fifty exterior features and providing options in exterior cladding that included brick and horizontal and vertical siding combinations.¹⁴⁰ In 1965, *Canadian Builder* noted that the best selling subdivisions offered consumers "a lot of options and extras."¹⁴¹ This was, according to the journal, because "monotony of repetition [was] a sales killing fault today."¹⁴² Progressive builders were developing comprehensive plans that coordinated roof types, colour, finishes, setbacks, and the general arrangement of buildings. Within this tightly controlled framework they were also giving buyers choice from a "pre-picked range" of colours and finishes.¹⁴³ To help consumers in the selection process some builders, like Ottawa's Ernie Asslay, provided buyers the services of interior and exterior decorators.¹⁴⁴

¹⁴⁰ "This new home development in Winnipeg exemplifies trend to overall control," *Canadian Builder*, (August 1964): 24-25.

¹⁴¹ "If you want to sell today's market, merchandise houses like cars and boats," *Canadian Builder*, (June 1965): 46-47, 46.

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ Ibid.

Customisation proved a win-win marketing strategy for producer and consumer. Consumers were able to take advantage of volume purchase savings passed on by the builder, get the house that they wanted with the unique, individual touches they wanted, and they got to be more involved in the production process. For the builder, customisation sped up sales and bolstered his reputation as a professional concerned with quality and consumer satisfaction. A 1973 consumer survey involving 1,500 face-to-face interviews of US housing consumers by the NAHB revealed that consumers were “most critical of the tract developer who [was] thought by 3 out of 5 people to increase his profits by using shortcuts in construction” while the custom builder was “looked upon by most people as providing the most attractive houses and the best construction.”¹⁴⁵ Options and customisation helped speculative builders bridge this gap. Survey respondents believed that the builder “who offers choice of plans and models” offered “the best home value for the money,” though his “image [remained] much less favourable than the custom builder’s.”¹⁴⁶

Customisation was facilitated by the fact that more and more builders were pre-selling from models and plans rather than trying to sell standing inventory. Arthur Vaile, a vice president at PMA Realty, which specialized in merchandising new houses noted that people bought “more willingly from plans and models if they [had] the opportunity to custom select” features because this got the consumer involved in the production of

¹⁴⁵ Keith Morley, “John Q. Public believes housing quality is decreasing!” *Canadian Builder*, (April 1973): 44.

¹⁴⁶ Ibid.

one of the most important purchases they would likely ever make.¹⁴⁷ Consumers were beginning to expect to be involved in design decisions and by the mid-1970s they were getting the opportunity more and more often. It was now common for purchasers to be able to select from a “wide range of exterior trim and decorative brickwork alternatives” and choice in interior decoration (e.g., paint colour, wallpaper patterns, etc) was now almost standard “with a wider selection of colours and styles available.”¹⁴⁸

Rising house prices and income requirements drove the trend of customisation. With home prices averaging over \$40,000 in most markets and financing rates in the double-digits in the mid-1970s, homebuyers not only demanded more for their money, but also expected a home that was exactly right for them. According to Brian Sparks, marketing manager at Victoria Woods, Canada’s “self-proclaimed” largest builder, almost all builders were in agreement that higher prices had “brought buyer pressure not to skimp but to expand inclusion of quality touches, premium extras, and fancy fittings.”¹⁴⁹ Sparks noted that, in the past, when buyers were shopping for less expensive houses an additional \$2,000 for optional extras was a lot, but now, for consumers “shopping for a \$50,000 home an extra \$2,000 hardly causes a blink.”¹⁵⁰

The degree of customisation varied from builder to builder and in some cases could be overwhelming for the consumer who had become more accustomed to buying a ready-made house ‘off the rack.’ To make the selection process easier for consumers,

¹⁴⁷ Arthur Vaile, “New lifestyles increase importance of kitchens & bathrooms in selling houses,” *Canadian Builder*, (May 1973): KB14.

¹⁴⁸ Keith Morley, “They don’t build them like they used to—fortunately,” *Canadian Builder*, (August 1973): 20, 50, 20.

¹⁴⁹ “Factors that sell in today’s market,” 14.

¹⁵⁰ *Ibid.*

suppliers provided builders with sample display materials and some progressive builders established décor centres. Scarborough-based McClintock Homes, for instance, found that after prospects had toured a number of its models they were “quite confused about what they [had] seen.” To ease the confusion, the builder established a sales pavilion that featured model kitchens and bathrooms, samples of materials, and so on that the prospect could inspect, and with the guidance of sales staff, select from.¹⁵¹

Customisation and the provision of optional packages assisted builders’ marketing in another important way too. With affordability becoming a bigger and bigger factor by the 1980s, builders turned to optional packages as a way to cut the base price of their houses. Joe O’Brien, executive vice president of Insmor Mortgage Insurance Corporation, recommended that builders “offer a no frills ... package with options the buyer can add if he has the capacity to carry the added debt.”¹⁵² This strategy worked well for companies like McClintock that had tried to market energy efficient homes during the 1980s. Although a US survey of American builders by the Dow Chemical Company found that eighty percent believed that their customers would be willing to pay a premium for a “well-insulated house,” Canadian builders’ experiences proved otherwise, especially in the big southern Ontario and Vancouver markets.¹⁵³ McClintock Homes, which, for instance, beginning in 1976, started putting higher grade insulation than required under

¹⁵¹ “The private home is the Canadian dream and here is how one builder sells it,” *Canadian Builder*, (September 1977): 22, 24.

¹⁵² “Home builders search for new ideas at HUDAC’s Montreal convention,” *Canadian Builder*, (February 1981): 18-22, 21.

¹⁵³ “US survey shows energy efficiency far more accepted there,” *Canadian Builder*, (January 1981): 12; “Homebuyers still sceptical that energy efficiency is worthwhile,” *Canadian Builder*, (January 1981): 14.

the building code in its houses found that it “lost a good deal of sales to other builders because people were not willing to pay for [the] extra energy saving methods.”¹⁵⁴ By 1980, the company had decided to stick to building to code requirements and only offer higher standards as options. Company general manager Joe Halajian summed up the lesson his company learned from this experience like this: “there is no sense in being the forerunner, and designing everything into the house, if the public does not want to pay for it.”¹⁵⁵

By the mid-1980s, pre-selling and customisation had become the standard way to merchandise suburban houses. Companies that had resisted the trend and focused on lowering production costs and sales prices through standardisation and mass production were forced to adapt to a new and more exacting market. The experience of housing giant Nu-West, which had grown tremendously through leveraged acquisitions during the early-1970s and then had its fortunes turn due to the changing economic climate, rising interest rates, inflation, and unemployment rates and found itself saddled with high carrying costs for improved land and a large standing inventory of houses in the early-1980s illustrates this.¹⁵⁶ Beginning in 1983, the company began to allow buyers to personalize their homes by requesting custom changes to standard plans. The builder’s hope was that this “flexibility would make [it] competitive with small builders at a time when people wanted more for their money.”¹⁵⁷ By 1984, Nu-West had decided to primarily work in the pre-sale market by offering “limited customisation of standardised

¹⁵⁴ Ibid.

¹⁵⁵ Ibid.

¹⁵⁶ Bettina Liverant, “Nu-West fights back,” *Canadian Builder*, (October 1984): 45-46.

¹⁵⁷ Ibid., 45.

models” and compete for sales with the numerous small, local builders that had lower overhead costs and “offer[ed] home customisation services” already.¹⁵⁸

Quality Concerns and Consumer Consciousness:

The new consumer market was not only more knowledgeable about construction, but also much more quality conscious and critical of the building industry than before. At the same time, some consumers had also developed a growing mistrust of large-scale tract builders, their commitment to the consumer, and the quality of their workmanship. It was not that consumers did not have faith in speculative builders’ abilities to produce a quality house, but rather, as *Canadian Builder* argued, people felt that builders had “to be watched so that buyers get the quality that they are paying for.”¹⁵⁹ In large part, according to the journal, this was due to negative stories circulating in the popular press about how many builders were only driven by the profit motive and expanding their bottom lines by cutting corners.¹⁶⁰ While most consumers believed that builders were reputable businessmen, they also believed that “their contracts [had] ‘traps’ in them, thus requiring a lawyer” to ensure that the builder followed through on his commitments.¹⁶¹ While consumers may have been more knowledgeable about home construction many also felt that they lacked the “ability to check quality themselves.”¹⁶² As such, prospective homebuyers often sought referrals from previous buyers, inspected builders’ past subdivisions and looked for advice from trusted professionals like mortgage lenders, real

¹⁵⁸ Ibid., 46.

¹⁵⁹ “John Q. Public believes housing quality,” 44.

¹⁶⁰ Ibid.

¹⁶¹ Ibid.

¹⁶² Ibid.

estate agents, lawyers and bankers. After buying, many also visited the construction site on a regular basis to monitor progress.¹⁶³

Clearly, the builder's reputation for delivering a quality, well-built product that he stood behind played a large part in the purchase decision for many consumers. Some progressive builders had been providing prospects with reassurance that they would not be abandoned after the sale by giving purchasers warranty certificates against defects since at least the mid-1960s. Builders that did this found that the certificates "proved a particularly successful sales-closer."¹⁶⁴ By the early-1970s, with the growth of consumer movements and their strength in the marketplace the rest of the industry was awakening to the need to demonstrate its commitment to the consumer through improved merchandising and post-sales service (Figure 27 and 28). In 1973, the president of HUDAC, Keith Morley, wrote that "never before has the industry been so concerned about quality and consumer satisfaction" than now.¹⁶⁵ To demonstrate this commitment an increasing number of building companies entered into HUDAC's voluntary new home warranty program and began establishing "efficient service departments" to deal with consumer concerns.¹⁶⁶

¹⁶³ Ibid. A 1973 NHBA survey of 1,500 housing consumers revealed that 77% of buyers checked references and visited past developments before committing to a builder. Sixty-three percent of the survey respondents also said they visited the construction site of their new home daily.

¹⁶⁴ "If you want to sell today's market," 46.

¹⁶⁵ "They don't build them like they used to," 20.

¹⁶⁶ Ibid., 50. HUDAC first introduced a voluntary home warranty program for its members in 1959 (*Canadian Builder*, 1976(April): 25). In 1976 the New Home Certification Program, which required participation of all member builders, was launched in Ontario, Manitoba, British Columbia and Quebec, and by the end of that year was extended to the remaining provinces (*Canadian Builder*, 1977(March): 66). By 1977 it had become a "requirement for all homes built under the NHA" (*Canadian Builder*, 1977(April): 14).

Figure 27: Guaranteeing consumer satisfaction. With buyers becoming increasingly critical of the quality of spec built houses, many builders looked for ways to reassure consumers of their ability to deliver a quality product that they were willing to stand behind.

(*Toronto Star*, 11 April 1970, P. 20)

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BROADLOOM INCLUDED.

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	TO QUALIFIED PURCHASERS



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Figure 28: Selling the builder's reputation and experience. One way builders sought to reassure the consumer of quality was by trying to instil confidence in their ability and experience in the industry.

(Toronto Star, 11 April 1970, P. 20)

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The new consumer orientation was driven by what *Canadian Builder* described as a “consumer revolution.” The journal found that the consumer was becoming “more cynical about the industry and more sophisticated in his approach to buying.” This meant that builders could “no longer afford the luxury of being indifferent to [the consumer] in their approach to construction development” and they had to convince the consumer they were “sincere” in their commitment to quality and service.¹⁶⁷

Housing consumers south of the border shared this growing cynicism about the motives of the homebuilding industry too. In 1973, *House & Home* reported that builders were “facing an aroused consumer class” and that “public discontent with builders was spreading.”¹⁶⁸ There, the consumer movement in housing was prompted by a series of high profile cases that involved misrepresentation, outright deception, and poor workmanship on the part of several large building firms.¹⁶⁹ Championing the affected homebuyers’ cause was renowned consumer advocate Ralph Nader.¹⁷⁰ Fresh from his campaign against the auto industry, Nader, motivated by letters from new homebuyers

¹⁶⁷ “Merchandising—prove to the buyer,” 42.

¹⁶⁸ Jenness Keene, “The builders get the word in California—and it’s a zinger: consumerism,” *House & Home*, (August 1973): 24.

¹⁶⁹ See, for example: D. L., “The lemon house replaces the lemon auto as Nader’s target for the ’70s,” *House & Home*, (May 1972): 16; “And a Nader-style buyers’ protest embroils a Levitt project in Maryland,” *House & Home*, (May 1972): 16; Jane Shaw, “Militant buyers light a fuse under Kaufman & Broad’s Midwest operation,” *House & Home*, (September 1972): 20, 24; “Eli Broad: ‘We’ve learned our lessons ...’” *House & Home*, (September 1972): 20; “K&B is not alone: Other big builders also under fire in the Chicago area,” *House & Home*, (September 1972): 24; Dennis Chase, “‘Forest preserve’ is really a dump, so buyers dump houses back on Larwin,” *House & Home*, (April 1973): 24.

¹⁷⁰ Ralph Nader first made headlines in 1965 with his book *Unsafe at Any Speed*, “a scathing indictment that lambasted the auto industry for producing unsafe vehicles.” The book led to US congressional hearings and a series of automobile safety laws passed in 1966, including the *National Traffic and Motor Vehicle Safety Act*, shifting responsibility for automobile safety from the consumer to the manufacturer (www.nader.org).

claiming their houses were “lemons” set his sights on the building industry. Speaking at an industry conference in 1972 he issued the following warning to builders: “I can assure you that the housing issue in the seventies will be what the auto issue was in the sixties ... No question about it.” He went on to caution builders to “watch out for the word [lemon]” as it meant buyers were “thinking of [the house] in terms of a consumer product.”¹⁷¹

Builders did not underestimate Nader’s influence. *House & Home* urged homebuilders to “police [themselves] or face the option of Congressional legislation to control the building business.”¹⁷² N. Richard Lewis, president of California-based public relations firm Lewis & Associates, advised builders to avoid misrepresentation and aim for “full disclosure in the sales office and models” to avoid a consumer backlash.¹⁷³ Levitt and Sons’ director of community relations in Bowie, MD, where the company was under investigation by a city council committee due to a large number of complaints for shoddy workmanship, told the *Washington Post* that the “Nader mystique was probably responsible” for the surge in complaints. He went on to add that when he bought his own Levitt house in the 1960s “owners had the same problems with new homes that they have today—but buyers had not yet learned to complain.”¹⁷⁴ Big builder Kaufman & Broad also had to deal with the growing influence of consumerism. Residents at its Sugarbrook subdivision near Chicago resorted to posting large cardboard cut outs of lemons on their lawns as a warning to prospective buyers of the remaining houses and taking their

¹⁷¹ “The lemon house replaces the lemon auto,” 16.

¹⁷² “The builders get the word in California,” 24.

¹⁷³ Ibid.

¹⁷⁴ “And a Nader-style buyers’ protest,” 16.

complaints directly to the *Chicago Tribune*, which ran a front page feature on poor construction in speculatively built houses, when the builder failed to correct construction defects.¹⁷⁵

Although there were no high profile cases of builder misconduct in Canada reported by *Canadian Builder*, the Canadian building industry appears to have been more proactive in ensuring consumers that quality standards would be met. In 1959, HUDAC introduced a voluntary home warranty program for its members and began investigating the possibility of making it mandatory across the country, something the US industry did not even consider until 1973.¹⁷⁶ Even then, the NAHB was only forced to react in response to the large number of builders that were embroiled in highly publicized consumer complaints and lawsuits due to construction defects and the “sometimes casual response [from builders] to well-founded complaints from buyers.”¹⁷⁷ In Canada, by then, representatives of six provinces’ builders’ associations had agreed to recommend to their respective governments entry into a “national independent Warranty and Insurance Protection Plan for new home buyers.”¹⁷⁸ And by 1977, HUDAC’s new home certification and warranty program had been implemented in all provinces, providing

¹⁷⁵ “Militant buyers light a fuse.”

¹⁷⁶ Howard Ross, “New home certification programs to be launched in four provinces this Spring,” *Canadian Builder*, (April 1976): 25; “NAHB will ask builder giants to finance stiff ten-year warranty plan,” *House & Home*, (May 1973): 12.

¹⁷⁷ “NAHB will ask builder giants,” 12.

¹⁷⁸ “National home buyers warranty takes first step to approval,” *Canadian Builder*, (January 1975): 5. By this time, Alberta builders had already started implementation of an industry operated warranty and insurance protection plan in cooperation with the provincial government.

uniform five-year protection for buyers of all new homes built under the NHA.¹⁷⁹

Builders embraced the new program and “made a major event out of the presentation” of the warranty certificates. They found it to be one of the best selling tools available to them during a time of “hesitant buyers” unsure of the builder’s commitment to quality and post-market service.¹⁸⁰ The warranty demonstrated that the builder was prepared to back up his work for quality and durability.

Warranty requirements raised the standards for all builders. Between 1977 and 1981, the high qualification requirements for builders registered under the warranty program led to 588 Ontario builders having their registration stripped for various reasons, including breach of contract, thus barring them from building houses for sale in the province. During this same period, another 226 had their registration applications refused “either because of previous infractions or lack of financial stability.”¹⁸¹ The editors of *Canadian Builder* saw this as an important step in improving the “poor builder-public relationship that exist[ed] in so many parts of the country.”¹⁸² The high warranty requirements also made it harder for the “casual builder to stay in business.”¹⁸³ This likely benefitted large financially stable builders the most. At the same time, however, the higher requirements for entry into the industry may have had a negative affect on consumer choice by limiting competition in the housing market.

¹⁷⁹ Eric Bergman, “Marketing is key priority this year to clear housing inventory build-up,” *Canadian Builder*, (February 1977): 42; “1976 housing starts ‘borrowed ahead.’”

¹⁸⁰ “How the builders revolted and formed their own warranty organizations,” *Canadian Builder*, (September 1977): 1.

¹⁸¹ “New home warranty program shows teeth,” *Canadian Builder*, (February 1981): 5.

¹⁸² “How the builders revolted,” 1.

¹⁸³ “The outlook for the housing industry,” 17.

Other measures that builders in the Toronto-area took to improve their public image included the creation of a weekly “magazine style” consumer publication and a 13-week “public service television series for prospective home buyers,” both coordinated by the THBA.¹⁸⁴ The THBA’s motivation for the publication, according to the *Canadian Builder*, was to counter “the long-term and often unmerited and sometimes biased stories in the public press” about builders, and “to provide the public with up-to-date information on housing.”¹⁸⁵ THBA president Murray Webber described the editorial direction as providing “background and in-depth interpretation of newsworthy events related to housing from a THBA, government and consumer viewpoint.”¹⁸⁶ Similarly, the television series, *Housing '76*, provided editorial coverage of the housing market from the builder’s perspective in an attempt to convince consumers that it was a good time to buy. *Canadian Builder* described the main message of the program like this: “new housing will continue to increase in price—not decrease!—The time to buy is now!”¹⁸⁷

Merchandising

In response to the downturn in housing demand, builders and their professional associations introduced a number of new marketing and merchandising initiatives beginning in the late-1960s. One of the most significant ones was a multi-year, international campaign coordinated by the NHBA and its US counterpart, the NAHB, which aimed to make owning a new home a top priority for consumers. Using the tagline

¹⁸⁴ “Toronto builders fight back with own weekly magazine,” *Canadian Builder*, (March 1977): 8; “Toronto home builders’ TV show to help new home buyers,” *Canadian Builder*, (December 1976): 21.

¹⁸⁵ “Toronto builders fight back,” 8.

¹⁸⁶ *Ibid.*

¹⁸⁷ “Toronto home builders’ TV show,” 21.

‘The Name of the Game is Living’ the campaign hoped to regain homebuilding’s share of the consumer’s disposable income that builders believed had been lost to other big ticket items bought on consumer credit. Industry research showed that ‘glamorizing’ the home was the “best way to reach today’s primary new home and apartment market: the young adult.”¹⁸⁸ Young families were believed to have the resources to buy new and better houses, but building industry research suggested they were spending it elsewhere. NHBA president E. L. Mayotte felt that until now his industry had not been doing a good enough job reaching out and gaining consumers’ attention or “competing for their dollars.” This campaign was seen as a way to correct this shortcoming and at the same time “enhance the image of the home-building industry.”¹⁸⁹

With the support of the Manufacturers’ Council the campaign enlisted the support of national manufacturers, many of whom agreed to use the ‘Living’ theme in their own advertising and public relations campaigns to stress that “while cars, appliances, furniture, [and] vacations may be enjoyable for the moment, the basis for all happy life is living, and the basic requirement for living is a good and comfortable home.”¹⁹⁰ By creating an emotional link between the house and a happy, comfortable home life, the campaign hoped to meet “the other more progressive industries full-on in their advertising.”¹⁹¹

¹⁸⁸ E. L. Mayotte, “‘The Name of the Game is Living’—New approach to home merchandising,” *Canadian Builder*, (April 1968): 66.

¹⁸⁹ Ibid.

¹⁹⁰ Clifford Fowke, “‘The Name of the Game is Living’—A rallying cry for the housing industry,” *Canadian Builder*, (June 1968): 38-40, 38.

¹⁹¹ “The Why and wherefore: We are selling negatively—Instead of the home we are selling the frills,” *Canadian Builder*, (June 1968): 41, 53, 41.

The quality of sales staff and sales training continued to take on greater importance as the market for new houses became more selective. Higher house prices meant that affluent and more sophisticated buyers, many who already owned a home, were dominating the market. This, according to the *Canadian Builder*, created the need for “more sophisticated salesmen—people who can discuss financing, legal and tax details with the acumen of a banker-lawyer while probing the buyer’s psyche with the insight of a Vienna psychologist.”¹⁹² At the same time, marketing expert Gene Dreyfus argued that the changing characteristics of the market and the consumer’s pursuit of individuality and identity through his purchase decisions had made sales training ever more important. The salesperson had to be able to make the potential buyer feel like a human being, not like lot #402.”¹⁹³ Jack Gillette, vice president of marketing for Consolidated Building Corporation (CBC), argued that salespeople had to be able to empathise with the consumer and if they could do this they would be able to get the consumer emotionally involved in the house, making it easier to close the deal.¹⁹⁴ The sales program at CBC tried to achieve this. The company’s sales staff was trained to engage the prospect and keep the purchaser involved throughout the construction process. Upon signing the agreement to purchase, buyers were provided a six-page question and answer brochure about their future home. The brochure covered such things as financial, legal and construction questions, closing costs, insurance matters, and how and where to

¹⁹² “Factors that sell in today’s market,” 13.

¹⁹³ “Don’t let a buyers’ market scare you—set your targets, tailor your promotion,” *Canadian Builder*, (September 1975): 13-14, 13.

¹⁹⁴ *Ibid.*, 17.

pick up the keys.¹⁹⁵ This way the consumer knew what to expect and there were no last minute surprises. In addition to the brochure, a week before closing the purchaser received a telephone call from a member of the sales staff to ensure all of the details were in order. And a day or two after move-in a salesperson dropped in on the new homeowner to make sure there were no problems with the house and drop off a home maintenance kit with tools (e.g., pliers, a hammer, screwdrivers, etc) that might be needed while setting up the house. The builder found that consumers liked this and that it helped build goodwill between the company and the buyer, which had the potential to translate into positive referrals that led to future sales.¹⁹⁶

The model home and the way it was furnished continued to play an important part in new home merchandising. The late-1970s, however, saw a new, complimentary merchandising tool added to some progressive builders' sales program. The 'Information Centre,' while similar in function to the traditional sales office, was designed to be more comfortable for the prospect to enter without the same pressure to buy that was implied by even the term 'sales office.' Like the sales office, the information centre featured such things as information about the builder, the project, floor plans and front elevation renderings, area amenities and so on. Where it differed was the emphasis that builders put on its design and the lifestyle aspects of the development and surrounding area.¹⁹⁷ The typical information centre was located at the construction site where prospects could also

¹⁹⁵ "Here it's service, before, as well as after the sale," *Canadian Builder*, (September 1973): 17. The effectiveness of the brochure led HUDAC to consider reprinting it and distributing it nationally for use by its member builders.

¹⁹⁶ Ibid.

¹⁹⁷ Bob Forrest, "Setting up a housing information centre," *Canadian Builder*, (May 1978): 25.

view completed models, but some builders also experimented with off-site locations situated closer to their target market. In April 1979 Cadillac-Fairview, for instance, opened what it called a ‘Living Centre’ in the heart of Toronto’s tony Yorkville shopping district.¹⁹⁸ *Canadian Builder* lauded it as an “innovative real estate concept.”¹⁹⁹ Living Centre manager Susan Wigderson described the concept as a “central home shopping location” for city residents.²⁰⁰ The centre was staffed by “qualified consultants” and equipped with a computer designed to determine what kind of home a prospect could afford and what location would best suit them based on a series of questions relating to lifestyle needs and financial status. The centre’s computer also proved to be a valuable tool for consumer research and planning future developments based on the stated preferences of visitors to the Living Centre.²⁰¹

Selling Financing as a Part of the Housing Package

Perhaps the biggest innovation in new home merchandising to take place during this period of economic uncertainty, rapid inflation, and high interest rates relates to home financing. To enable consumers to afford the purchase of new houses homebuilders had to come up with novel financing schemes and learn to sell financing as a part of the housing package.

Easily available financing has always been an important merchandising tool for the speculative housing industry. It has been well documented how the long-term

¹⁹⁸ “Developer tries novel marketing technique,” *Canadian Builder*, (June 1979): 6.

¹⁹⁹ Ibid.

²⁰⁰ Ibid.

²⁰¹ Ibid.

amortized mortgage transformed housing into a product of mass consumption.²⁰²

However, when rising house and land prices combined with escalating interest rates beginning in the late-1970s and continuing through the early-1980s, financing became an ever more important sales factor. As early as 1965, *Canadian Builder* argued that “easily available secondary financing was becoming one of the most important inducements in new subdivisions.”²⁰³ This was especially a factor at the lower end of the market and for first-time buyers who lacked the equity and income to make the required down payment and qualify for a conventional mortgage. Because rates on NHA insured mortgages were capped at six percent, during periods of high interest rates this became an especially acute problem.²⁰⁴ After 1959, when market interest rates crossed six percent, the private supply of NHA funds from banks, trust companies, and the like diminished as lenders shifted funds to conventional loans not subject to the cap. As a result, builders and buyers had to turn to more costly conventional financing, which under the *Bank Act* was limited to a maximum loan-to-value ratio of seventy-five percent.²⁰⁵ And because many consumers, especially first-time buyers, lacked sufficient equity to make a twenty-five percent down

²⁰² See, for example: Marc A. Weiss, “Marketing and financing home ownership: Mortgage lending and public policy in the United States, 1918-1989,” *Business and Economic History* vol. 18 (1989): 109-18; Richard Harris, “The birth of the housing consumer in the United States, 1918-1960,” *International Journal of Consumer Studies* vol. 33 (2009): 525-32; and Richard Harris, “Ch. 5: The growing influence of the state” in *Creeping Conformity: How Canada Became Suburban, 1900-1960* (Toronto: University of Toronto Press, 2004): 106-28.

²⁰³ “If you want to sell today’s market.”; “Factors that sell in today’s market.”

²⁰⁴ James V. Poapst (1993), “Financing of post-war housing,” in John R. Miron (ed.) *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, McGill-Queen’s University Press, Montréal and Kingston. PP. 94-109.

²⁰⁵ In conventional lending by the federally regulated life insurance, mortgage loan and trust companies, the “longstanding loan-to-value ratio” stood at 60% until being raised to 66 2/3% in 1961, 75% in 1964 and 80% in 2007. The reason for these increases was, as Poapst notes, high-ratio lending reduces the demand for junior mortgages that “necessarily carry a high rate of interest because of the risk” (Poapst, P. 96).

payment, they often required secondary financing, or a junior mortgage, that typically carried a higher rate of interest due to the higher risk it carried, to make up the difference.²⁰⁶ In 1973, for instance, Fred Witzu, vice president of sales for Costain Estates, noted that “people are shopping for attractive financing simply because they don’t have the cash—especially first-time buyers.”²⁰⁷

Beginning in 1967, to attract funds to the mortgage market and stimulate competition between lenders, the federal government made a series of revisions to the *Bank Act* designed to get commercial banks to enter the residential mortgage market in a bigger way.²⁰⁸ The federal government first opened to the door to banks, allowing them to lend on the security of real estate by making NHA backed loans for newly built houses in 1954.²⁰⁹ Until then, life insurance companies and mortgage loan and trust companies had dominated the field. The immediate impact of this change was that the banks became much more active in mortgage lending. This trend began to reverse in 1956, due to limited growth in bank assets and the heavy demand for business loans that commanded higher rates of interest.²¹⁰ Under the *Bank Act*, interest rates on NHA loans were capped at six percent, and, until 1992, lending limited to ten percent of bank deposits.²¹¹ As a

²⁰⁶ Poapst, “Financing of post-war housing.”

²⁰⁷ “Factors that sell in today’s market,” 13.

²⁰⁸ G. S. Fields, “Competition spurs mortgage innovations: New ideas become valuable sales tools,” *Canadian Builder*, (October 1979): 16, 34.

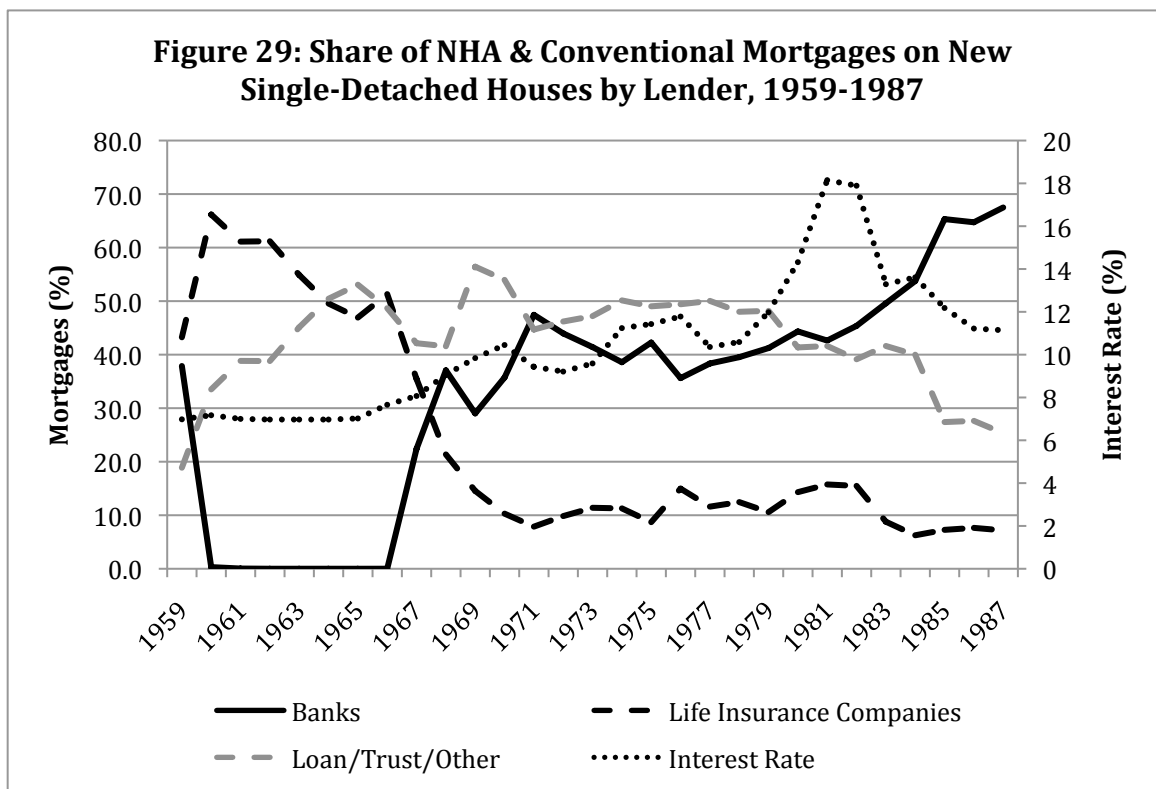
²⁰⁹ Harris, “Ch. 5: The growing influence of the state.”

²¹⁰ “Central Mortgage & Housing Corporation (CMHC),” <http://www.uo2000.com/mortgage/CMHC.htm>. Accessed 11 November 2011.

²¹¹ James V. Poapst, “Financing of post-war housing,” in John R. Miron (ed.) *House, Home, and Community: Progress in Housing Canadians, 1945-1986*, (Montréal and Kingston, McGill-Queen’s University Press, 1993): 94-109; John Kiff, (2009), “Canadian residential mortgage markets: Boring but effective?” International Monetary Fund Working Paper: Monetary and Capital Markets.

result, after 1959, “when market interest rates rose above 6%, the banks virtually withdrew from NHA lending” and there was a decline in housing starts (Figure 29).²¹²

Revisions to the *Bank Act* in 1967 authorised banks to make uninsured conventional loans not subject to the six percent rate cap on properties not covered by the NHA, and further amendments in 1969 removed the six percent limit on NHA loans.²¹³ That same year, changes to the *Canada Interest Act* permitted lenders to reopen mortgages every five years to set new rates. This way lenders would “no longer have to worry about having long term [mortgages] at fixed interest rates” which could fluctuate significantly



(Source: CMHC, *Canadian Housing Statistics*, various years)

²¹² Poapst, “Financing of post-war housing,” 96.

²¹³ Ibid.

over time.²¹⁴ This change was deemed a “major innovation” in mortgage financing and later spread to the United States where it became known as ‘The Canadian Mortgage.’²¹⁵ The biggest impact of this amendment to the *Interest Act* was that it shifted the interest rate risk from the lender squarely onto the shoulders of the consumer. The result of these changes was that mortgage lending activity by the chartered banks and other financial companies increased significantly as the lure of mortgages as investments grew and the supply of NHA funds became less unstable.²¹⁶

By the late-1970s a host of new lenders had entered the mortgage market.²¹⁷ Competition between lenders spawned a number of new, innovative and flexible mortgage instruments for the Canadian consumer. Most of these were copied from “similar versions in the US, with minor adjustments for the Canadian market.”²¹⁸ For the builder and consumer this was viewed as a positive development. During a period of economic uncertainty with prospective buyers reluctant to enter into long-term debt at unprecedented high interest rates, competition was seen as a way to spur housing demand and make it easier for consumers to buy. Still, the new financing packages created a lot of confusion for the buyer and made it necessary for builders to learn to market mortgages

²¹⁴ Michael A. Goldberg, *The Housing Problem: A Real Crisis? A Primer on Housing Markets, Policies and Problems* (Vancouver: University of British Columbia Press, 1983): 97.

²¹⁵ Ibid.

²¹⁶ Poapst, “Financing of post-war housing,” 96. In 2009, chartered banks held about 56% of Canadian residential mortgage debt. In 1970, this figure stood at 10%. Two changes to the *Bank Act* drove this trend: (1) in 1980, amendments to the Act allowed banks to book conventional loans in mortgage loan subsidiaries that could raise deposits but were exempt from reserve requirements; and (2) after 1992, commercial banks were permitted to own trust and loan and companies that had been key players in the mortgage market. Until 1992, conventional mortgages could only be held if their value was below 10% of bank deposits. (Kiff, “Canadian residential mortgage markets”).

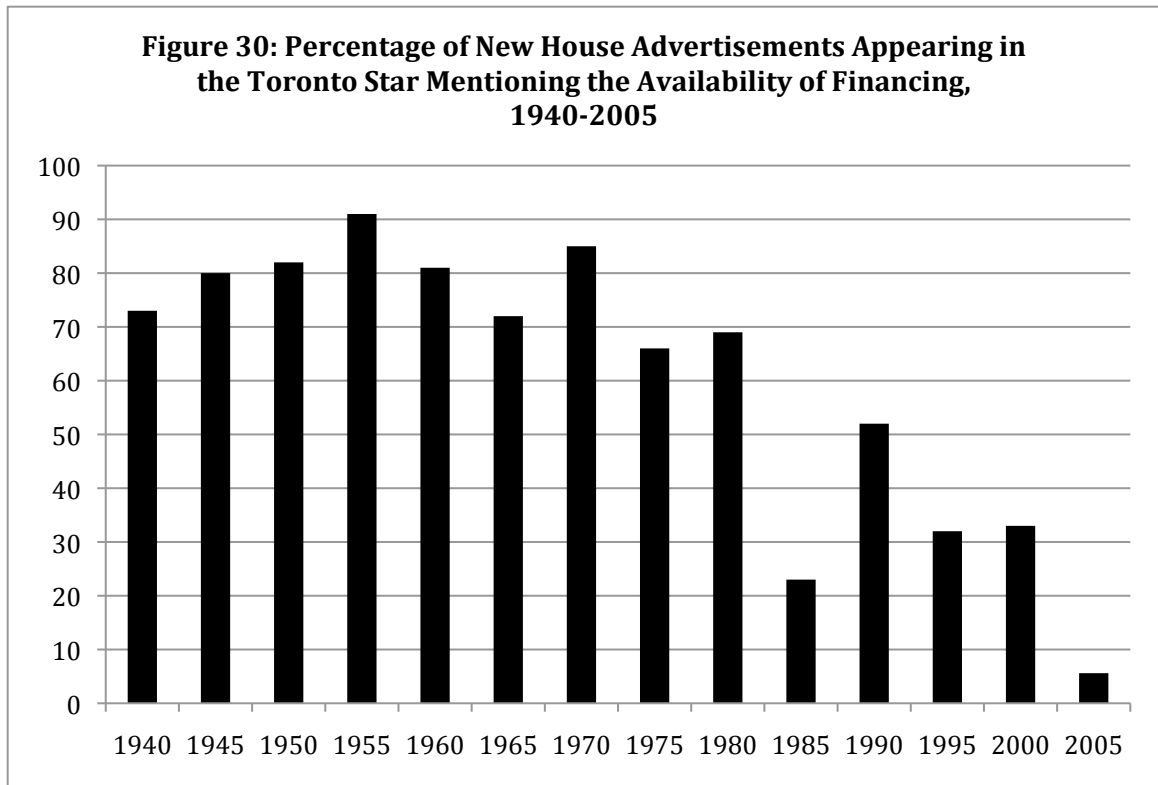
²¹⁷ “Competition spurs mortgage innovations.”

²¹⁸ Ibid., 16.

as part of the housing package. Changes in new house advertising reflected this. Promoting the availability of mortgages and NHA insurance was nothing new in itself. Builders had always done that (Figure 30). However, in the past, the availability of NHA financing typically only warranted a passing reference; now, by the mid-1970s, financing terms, interest rates, and monthly payments were placed front-and-centre in bold typeface in most builders' ads (Figure 31). An attractive financing package was used as the primary inducement to attract buyers and seen as the best way to address consumers' concerns related to affordability. This was a feature of builders' ads that persisted until the mid-1980s, when rates started to come down. Since then, the availability of financing has not figured as prominently in new house ads, with references to financing only exceeding 50% in 1990, a year that interest rates spiked. The fewer number of references to financing and terms likely has to do with fact that the general trend in interest rates has been downward.

With the deepening recession, individual provinces took on an active role in the mortgage market in an effort to stimulate homebuilding and make it easier for first-time buyers to enter the market. In 1982, the BC government, for instance, doubled the amount of the BC second mortgage to \$10,000 and reduced its interest rate to fifteen percent so that more people could qualify to buy a new house. At the same time it made it easier for buyers to qualify for first-time homebuyers grants of up to \$2,000.²¹⁹ That same year, the Ontario government, in “a move aimed to get the struggling housing industry rolling

²¹⁹ “BC assists home buyers,” *Canadian Builder*, (May 1982): 7. The amount of the BC first-time homebuyer grant was either \$1,000 for those with no dependant children at home or \$2,000 for those with one or more dependant child. The province first introduced first-time



(Source: *Toronto Star*, various years)

again,” introduced interest-free loans of up to \$5,000 for first-time buyers or those who had been renting for the past twelve-months to put towards a newly built house. Under the Ontario program, buyers had ten years before they had to start repaying the loan in equal instalments over the course of sixty months.²²⁰ Such provincial programs complemented or were complemented by federal housing initiatives.

homebuyer grants in the amount of \$500 in 1966 under the *Provincial Home Acquisition Act* (Goldberg, *The Housing Problem*, P. 66).

²²⁰ “Ontario aids home buyers, home builders,” *Canadian Builder*, (June 1982): 8-9.

Figure 31: Selling Affordability and Financing Terms
(Toronto Star, 12 April 1980, P. E2)

THE BEST BUY ON BURNHAMTHORPE

spectacular release today! 47 new homes priced at

\$64,900

THIS FEATURED HOME (601/2)
2-storers, 3 bedrooms, 1½ bathrooms
Full basement with roughed-in
fireplace in future family room
Patio walkout, attached garage.
\$64,900 complete
(4 different versions)



ARTIST'S IMPRESSION - MODEL 601-2

**OUR RATE
ON ALL HOMES**

11¹/₄%

**GUARANTEED FOR
FIVE FULL YEARS**

\$1000 Deposit holds your choice until
your fall closing date

\$5,500 Moves you in - One mortgage
for the entire balance

\$572¹⁹ Monthly payment carries your home -
Principal and interest

169 ft. Lots Many other choices available

**Meadows
by the
Square**

DIRECTIONS - Highway 10 to Burnhamthorpe/Square One.
West 1¼ miles to our sales office.
Sales Office Open: - 11 a.m.-9 p.m. Mon. thru Thurs.
10 a.m.-6 p.m. Fri., Sat., Sun.

Phone **276-4000**

Look for the big
white farmhouse
with all the flags!



R. M. LOWE
REALTY

Federal initiatives included new forms of financing and assistance to homebuyers. In 1979, CMHC introduced the Graduated Payment Mortgage (GPM) designed to assist low-income earners purchase a house they might not qualify for otherwise.²²¹ The GPM replaced the Assisted Home Ownership Program (AHOP) that CMHC introduced in 1973. AHOP encouraged the construction of affordable “housing units built to minimum standard on less expensive land, condominium tenure and homeownership in poor locations on the fringe of major urban areas.”²²² Some builders argued that the price ceilings under the program “had been set so unrealistically low ... that the minimal homes that [could] be built would not even attract low income buyers they were designed to serve.”²²³ Still, in the six years the program ran, some 94,000 borrowers took advantage of the reduced-rate five-year mortgage and direct cash assistance for a down payment AHOP offered.²²⁴ The success of the program was, however, questionable, with many families failing to succeed as homeowners. As the decade came to a close, there were an increasing number of defaults on AHOP loans. In 1979 alone, some 5,115 default claims were filed.²²⁵ That year, the Mortgage Insurance Corporation, a private insurer,

²²¹ “Competition spurs mortgage innovations.”

²²² Canadian Council on Social Development, *Social Policies for the Eighties* (Toronto: Lorimer, 1981): 22.

²²³ “What’s needed today is buyer confidence in Canada’s economy in the near future,” *Canadian Builder*, (September 1977): 28, 32, 32. The AHOP price ceiling for metro Toronto was set at \$47,000, while a lot in suburban Scarborough cost about \$40,000 in 1977. In the greater Toronto area, “with new single-detached homes costing a minimum of \$60,000, only condominiums could qualify” under the ceiling (Bacher, P. 250)

²²⁴ John Sewell, *Houses and Homes: Housing For Canadians* (Toronto: Lorimer, 1994): 91.

²²⁵ *Social Policies for the Eighties*.

reported a twenty percent spike in defaults compared to the previous year.²²⁶ In just the Peel region, west of Toronto, some 1,000 families walked away from their homes that year.²²⁷ In 1980, CMHC, itself, ended up with 8,000 homes back in its hands, and the following year, another 6,000, creating a glut of affordable housing on the market.²²⁸ In the end, the overall default rate on AHOP loans was about 8%.²²⁹ In growing suburban areas like Mississauga and Brampton, AHOP repossessions made CMHC the biggest landlord in the community.²³⁰ Builders blamed the default problem directly on the federal government and the AHOP program. As THBA president, Maurice Lamond, put it: “The trouble with these plans is they open the gates to homeownership before people are ready for homeownership by allowing low-down payments and high-ratio financing.”²³¹ When AHOP mortgages came up for renewal, after five years of artificially low rates, homeowners had to deal with unprecedented high interest rates that many simply could not afford. The program proved to be almost as disastrous for CMHC as the purchasers who lost their homes. As Bacher notes, AHOP “plung[ed] the Crown Corporation into a state of technical bankruptcy.”²³² The Graduated Payment Mortgage took a different

²²⁶ Marian Toft, “The solution lies in the size,” *Canadian Builder*, (March 1982): 19-22, 25.

²²⁷ Ibid.

²²⁸ Ibid. To move these houses, in 1982, CMHC adopted the practice of buying down financing rates by as much as 3%. The move proved effective, attracting first-time buyers, drawn in by the prices that could not be matched by other builders, and empty-nesters, cashing in the equity they had built-up in their old homes and downsizing to condominiums.

²²⁹ *Houses and Homes*, 91.

²³⁰ John C. Bacher, *Keeping to the Marketplace: The Evolution of Canadian Housing Policy*, (Montréal and Kingston: McGill-Queen’s University Press, 1993): 250.

²³¹ Rick Spence, “Housing crisis sparks a host of ‘solutions,’” *Canadian Builder*, (May 1980): 3-4, 3.

²³² Bacher, *Keeping to the Marketplace*, 249.

approach to making homeownership affordable. Under the program, monthly payments during the first few years of the mortgage were kept artificially low, gradually rising by five percent year-by-year until levelling out around year ten of the twenty-five year term at a “point well beyond the monthly amount the homeowner would have paid for a conventional mortgage.”²³³ The system was predicated on the belief that the young buyer’s income would rise at a fairly steep rate over the early years of the mortgage. Purchasers taking advantage of the program ended up paying about ten percent more over the life of the mortgage than if they had taken out or been eligible for conventional financing.²³⁴ In June 1982, the federal government introduced the Canadian Homeownership Stimulation Plan (CHSP).²³⁵ The motivation behind the program, as Bacher argues, was that with the rising cost of homeownership private investors had retreated from building houses for middle-income Canadians and CMHC was trying to “lure them back.”²³⁶ Initially, the CHSP was intended to last only one year, providing grants of \$3,000 to all purchasers of new houses where construction began before the end of the calendar year and to first-time buyers of existing houses completing transactions before that date.²³⁷ In the end, the program was extended for an additional year.²³⁸ The combination of federal and provincial stimulation programs proved a boon for the

²³³ “Competition spurs mortgage innovations,” 34.

²³⁴ Ibid.

²³⁵ Cyril Morgan, “Shortage looms as lid comes off,” *Canadian Builder*, (October 1982): 31.

²³⁶ Bacher, *Keeping to the Marketplace*, 250.

²³⁷ “Shortage looms.”

²³⁸ Bacher, *Keeping to the Marketplace*, 250.

industry. In October 1982, HUDAC president Cyril Morgan noted that sales activity had picked up and the excess supply of housing that had built up was now being depleted.²³⁹

Individual builders did not just sit by and wait for government action on improving access to home financing. Big builders offered their own secondary mortgages at discounted rates and worked actively with private sector finance companies to develop new, attractive mortgage instruments. Toronto's Victoria Woods Development Corporation in conjunction the Mortgage Insurance Company of Canada and the Toronto Dominion Bank, for example, introduced what it called the Flexible Loan Insurance Program (FLIP).²⁴⁰ The company's vice president of marketing, R. M. Griffith, boasted that it would "make it easier for hundreds of thousands of Canadian families to buy their first home and afford more home."²⁴¹ With the FLIP mortgage, as with conventional home financing, the purchaser put down ten percent of the purchase price of the home. Where it differed was with how it treated the deposit. Instead of giving the seller the entire down payment, the lender invested a portion of it for the buyer in an interest bearing account. Using this account as collateral the lender gave the buyer up to one hundred percent of the purchase price for payment to the seller. The funds from the savings account plus the accruing interest were used to lower payments for the first five years of the mortgage. During each of the five years monthly payments would rise, "so that at the beginning of the fifth year the buyer [was] paying more than the buyer under

²³⁹ Ibid.

²⁴⁰ "Will a flexible loan insurance mortgage induce potential house purchasers to buy?" *Canadian Builder*, (April 1979): 5.

²⁴¹ Ibid.

the conventional mortgage.”²⁴² Griffith calculated that the FLIP mortgage ultimately cost the buyer some seven percent more than if the buyer had obtained conventional financing, but in the short-term made ownership more affordable.²⁴³

As interest rates continued to escalate and lenders were disqualifying more and more buyers, builders introduced more novel financing packages in an effort to reopen the market. The buyers they hoped to attract were not restricted to low-income earners. Advertiser William Elias, chief executive officer of Ayliffe & Elias Advertising, which worked with a number of builders on projects “aimed at the luxury market” noted that his experience showed that many high income earners were unwilling to “sacrifice lifestyle to such an extent to afford ownership” and that, in fact, many simply could not afford it.²⁴⁴ He found that with the continued upward spiral of house prices and record high interest rates consumers had “lost [their] urgency to buy.”²⁴⁵ Elias argued this meant that builders had to either slash their prices or find “new, innovative forms of financing.”²⁴⁶ While some builders did reduce the size of their houses, introduced new, less expensive models and tried to cut prices by making previously standard features optional extras most builders opted for the latter of the two options. In April 1982, *Canadian Builder* argued that builders were now competing against each other primarily on the basis of

²⁴² Ibid.

²⁴³ Ibid.

²⁴⁴ Marian Toft, “Selling housing in a fear ridden market,” *Canadian Builder*, (September 1981): 41-42, 41.

²⁴⁵ Ibid.

²⁴⁶ Ibid.

financing rates.²⁴⁷ Real estate marketing specialist Cliff Bowman found that offering a special financing package was one of the best ways to draw people to model show homes, especially consumers that had thought they could not qualify for or afford a new home.²⁴⁸

The special financing packages offered by builders typically involved a reduced rate of interest for the first few years of the mortgage and/or a fixed financing rate for the first three to five years.²⁴⁹ These features of the mortgage were important in addressing consumers' concerns about high interest rates and their continued upward trend over the past few years. Interest rate buy downs also helped open up the market by reducing income requirements for purchasers. For example, Calgary-based Springer Homes found that by buying down mortgages by three percentage points in year one and two and one percent in years two and three, respectively, it was able to reduce the purchaser's income requirement by about fifteen percent below what it would be under a conventional mortgage.²⁵⁰ In 1980, approximately twenty percent of Nu-West's and its subsidiaries' Canadian sales were made under a similar graduated mortgage scheme.²⁵¹ The widespread use of buy down incentives meant that builders who had resisted in the past were now compelled to join in, just to compete against other builders. Wimpey Canada, while critical of the practice, arguing that it led to consumers getting confused by all of

²⁴⁷ "Mortgage interest rate war appears to be developing," *Canadian Builder*, (April 1982): 8.

²⁴⁸ Cliff Bowman, "Pry open the first-time buyer market with creative financing," *Canadian Builder*, (March 1982): 26-27." Cliff Bowman was the president of Calgary-based Cliff Bowman & Associates, a real estate marketing group active in western Canada and the US. Prior to this, Bowman was the national marketing director for A. E. Lepage Ltd.

²⁴⁹ See, for example: Bowman, "Pry open the first-time buyer market"; "Mortgage interest rate war"; and "Fixed interest rates open door to sales."

²⁵⁰ Bowman, "Pry open the first-time buyer market."

²⁵¹ Ibid.

the “conditions attached to the terms of the sale” and not fully understanding what they were getting themselves into, was forced to also buy down rates when “the sudden escalation of rates [in the summer of 1981] hit ... and some 24 pre-sold homes landed back in its hands as inventory.”²⁵² To move the inventory the company cut prices by as much as \$14,000 and arranged reduced rate financing for the first three years of the mortgage. According to the company’s housing manager for Ontario, “once the financing was locked in the product began to move again.”²⁵³

Besides rate buy downs, builders came up with a number of other innovative financing incentives as well. When JDS Investments had trouble moving its 200-house inventory at its Westney Heights subdivision in Ajax it first turned to reduced rate financing, offering buyers a 11 ³/₄% five-year fixed rate mortgages at a time when the industry standard stood at 13 ⁷/₈%, after buy downs.²⁵⁴ But feeling it needed to do more to beat the competition it also made a special arrangement with its financing company, Morguard Trust. Under the arrangement, when married couples were buying, Morguard Trust agreed to “qualify the husband at 100%, and if the wife [had] shown stability in the workforce, qualify her at 100%” as well.²⁵⁵

Recognition of married women’s contributions to household income was still a relatively new thing (Figure 32). It was only in 1972 that NHA lenders “became authorised to consider any or all of a spouse’s earnings rather than only 50% (introduced

²⁵² Marion Toft, “Fixed interest rates open door to sales,” *Canadian Builder*, (April 1982): 38-39, 38.

²⁵³ Ibid.

²⁵⁴ “Mortgage interest rate war.”

²⁵⁵ Ibid.

in 1968) in calculating the applicant's [gross-debt-to-service] ratio."²⁵⁶ Hugh Curtis, BC's Minister of Municipal Affairs and Housing, noted in 1977 that the recognition of the "second wage earner ... as a major contributor to family income ... [had] contributed significantly to an increased demand for housing in the early '70s."²⁵⁷ This strategy proved hugely successful for JDS. The first day the arrangement was in effect "buyers lined up 100 deep" and over the course of the first weekend some 6,000 people visited the sales pavilion and models, and "over 60 firm sales and 60 offers [were] made."²⁵⁸ Other strategies used by builders included interest only mortgages, no interest loans with short amortization periods, no payment periods for up to one year, insuring mortgages against job loss, and offering to buy homes back at their original price for up to two years if a purchaser was not completely satisfied, including if the house's value depreciated.²⁵⁹

Builders were able to offer special financing arrangements because of the heightened competition in the mortgage field. As Toronto real estate lawyer G. S. Field noted, the number of competitors was "growing faster than the [housing] market and there [were] simply too many dollars chasing too few mortgages."²⁶⁰ But still, to be able to offer such inducements, and especially their own second mortgages, builders had to have deep pockets to sustain any financial losses they might incur. For JDS Investments,

²⁵⁶ Poast, "Financing of post-war housing." The gross-debt-to-service (GDS) ratio is defined as the ratio of monthly mortgage payments plus municipal property taxes to the borrower's income.

²⁵⁷ 1976 housing starts 'borrowed ahead,'" 16.

²⁵⁸ Ibid.

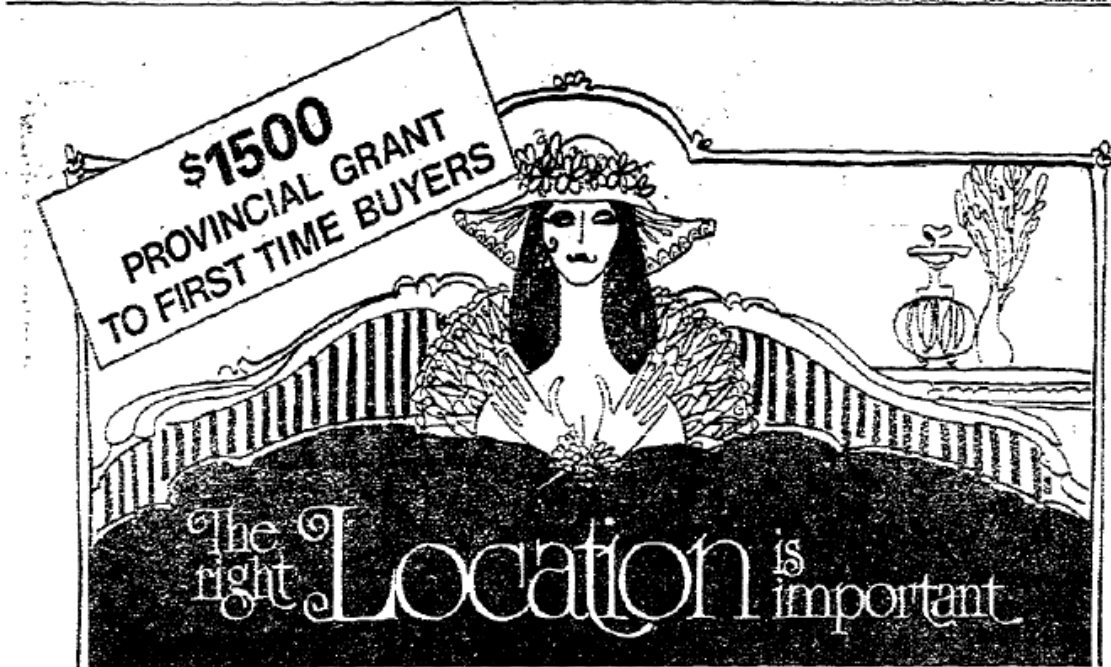
²⁵⁹ "Royal Trust introduces adjustable rate mortgage," *Canadian Builder*, (April 1982): 8; Harlow G. Unger, "US builders offer no-interest loans," (September 1982): 25-26; Bettina Liverant, "Nu-West fights back," *Canadian Builder*, (October 1984): 45-46.

²⁶⁰ "Competition spurs mortgage innovations," 16.

Figure 32: Recognising the working wife’s contribution to household income. With changes to NHA lending rules in 1972, authorising lenders to consider any or all of a married woman’s income when qualifying couples for financing, builders worked to educate consumers on how the second wage earner’s income could help put homeownership within reach.

(*Toronto Star*, 12 April 1975, P. 10)



10 THE TORONTO STAR, Sat., Apr. 12, 1975
 105 Homes for Sale 105 Homes for Sale 105 Homes for Sale 105 Homes for Sale 105 Homes for Sale 105 Homes for Sale 105 Homes for Sale



NORTH YORK

Do you and your wife together (counting 1/2 her income) earn \$290 a week?

Then you can afford to buy a townhouse in North York for as little as \$3,896 down with occupancy almost immediately.

Models are open (from 12 noon)—one block north of Finch Avenue on the West side of Jane Street.

YORK SQUARE SOUTH
 Call 635-7120

for example, most industry commentators believed buying down mortgages was a means to move already serviced land and not be saddled with carrying costs and taxes.²⁶¹ The way that JDS's president explained it was that "the company [was] trying to create and keep a buy/sell momentum in an otherwise flat market."²⁶² Besides having deep pockets, large firms like JDS were also in a better position to negotiate prices with their trades people and suppliers. According to *Canadian Builder*, JDS was able to offer inducements to buyers because the company's trades people had agreed to "discount their prices on the guarantee of work [and] some suppliers, needing to move inventory" had cut their prices.²⁶³ Thus, the market conditions were especially challenging for the small builder. Big builders could turn to cash reserves, their corporate parent, or the stock market to remain in business.²⁶⁴ Large firms also held large banks of land that they had bought up when prices were lower and they could now afford to sell for less than their smaller competitors. Even still, the new market realities were a challenge for all builders. As one US developer commenting on the use of mortgage incentives remarked: "No one is sitting on his high horse anymore. We're doing this a means to an end. All I want to do is walk away with my skin. Profit? Forget it. Everything we get goes to the bank to reduce our construction loan ..."²⁶⁵

²⁶¹ "Mortgage interest rate war."

²⁶² Ibid.

²⁶³ Ibid.

²⁶⁴ Harlow G. Unger, "Slow housing recovery seen as best hope," *Canadian Builder*, 1983(January/February): 26-27.

²⁶⁵ "US builders offer no-interest loans," 26.

Conclusion:

Through the 1960s and 1970s, rising consumer expectations and increasing affordability issues challenged homebuilders. Rising land improvement costs, interest rates and higher house prices meant consumer resistance to standardised design. Those that could afford to own were willing to hold out for something better. Builders responded by continuing to refine their merchandising skills and by improving their product offerings. Most turned to advertising to stoke consumers' interest in new houses and prove to them that a new house was within their economic grasp and a good investment. At the same time, more builders than in the past began seeking direct input from consumers in their design decisions. Some progressive builders did this by investing more resources in systematic consumer research, but this remained limited and largely restricted to larger builders who had the financial resources to do this without sacrificing profit margins by spreading the added cost over more units. Still, this benefitted the entire industry and all consumers, as most smaller builders continued to take their cues from what larger firms, with elaborate showrooms and sophisticated model home presentations were doing and achieving success with. The benefit of clustering in a competitive suburban market was that builders could easily shop the competition and poach ideas. This remained more common than actual consumer research by individual builders, as was providing consumers a bigger role in the design and finishing of their home through expanded customisation options. Customisation and the provision of optional extras also addressed another important consumer concern during this period—affordability. Options allowed builders to advertise low base prices, attract more prospects, and make greater

profits through higher mark-ups on upgrades. Pre-selling from models gave speculative builders more flexibility by allowing them to adapt the house to consumers' requirements and test the market before actual production. This was critical during a period of high interest rates and rising carrying costs for builders with large unsold inventories.

At the same time, builders sought ways to escape crowded and competitive markets. Market-oriented builders who were getting the message that consumer demand was fragmenting along lines of shared interests and that lifestyle was playing a bigger role in the purchase decision began to introduce greater variety in their subdivisions by offering more models to select from and/or identifying and targeting specific segments of the market that no one was building for. As interest rates declined, employment rates rose and the general economic climate improved through the late-1980s and 1990s and consumers were able to afford to demand more in their home environments the lessons that builders learned through this difficult economic period would become even more critical to their success.

Chapter 7: Refinement of Marketing and Consumer Segmentation, c. 1983-2000

Introduction:

Through the 1970s and early-1980s, a period of challenging economic conditions and shrinking demand, homebuilders greatly improved their advertising and selling abilities. By working more closely with real estate agents, architects, and interior decorators, and occasionally through consumer research, they had also improved their house designs and model home presentations and brought them closer in line with consumer expectations. Successful builders had learned that they had to create demand and that a consumer orientation gave them a more secure position in the market. Now that economic conditions were improving builders anticipated a greatly expanded, but also competitive market for new houses. They would deal with this by further refining their marketing skills. The key to most builders' success since the mid-1980s has been through expanding customisation options in speculatively built houses, finding and targeting new specialized segments of the market, and developing more consumer oriented advertising. By the early-2000s, a consumer orientation was firmly in place.

Market Conditions

As the mid-1980s approached, signs of a recovery in the housing market were emerging in both Canada and the US. Unemployment rates in Canada, after reaching record highs in the 12% range in 1983 were on their way down (Figure 18) and consumer confidence had improved considerably after hitting its lowest point in recorded history in the fourth quarter of 1982 (Figure 23). By the second half of 1983, consumer confidence,

as measured by the Conference Board of Canada, had risen to its highest level in eighteen years.¹ Interest rates on residential mortgages had also started to come down to more manageable levels after soaring to record heights during the early part of the decade (Figure 33). All of this boded well for the homebuilding industry, prompting the editor of *Canadian Builder* to declare in 1983, “the worst housing slump since the Great Depression is at last ending.”² Still, builders that had managed to survive the market turmoil continued to struggle, with many trying to “fight their way back from the brink” of collapse.³ Most, according to *Canadian Builder*, were struggling to get “debt to equity ratios back to respectable levels” and being forced to sell off more assets than they would have liked.⁴ Even the biggest firms, like Calgary-based Carma Limited and Vancouver’s Daon, that typically fared better than their smaller counterparts during down markets, were looking for ways to restructure debt and/or planning to make special share offerings to raise much needed cash to continue operations.⁵ The downturn in housing had been so severe that it had even prompted land development giant Cadillac-Fairview, one of Canada’s largest multi-national developers, to leave the industry altogether. In May 1982, the firm announced plans to sell its Canadian and American homebuilding operations and assets and instead focus on what it saw as the more stable and lucrative commercial

¹ “Developers and the recovery: Caution advised,” *Canadian Builder*, (September 1983): 7-8.

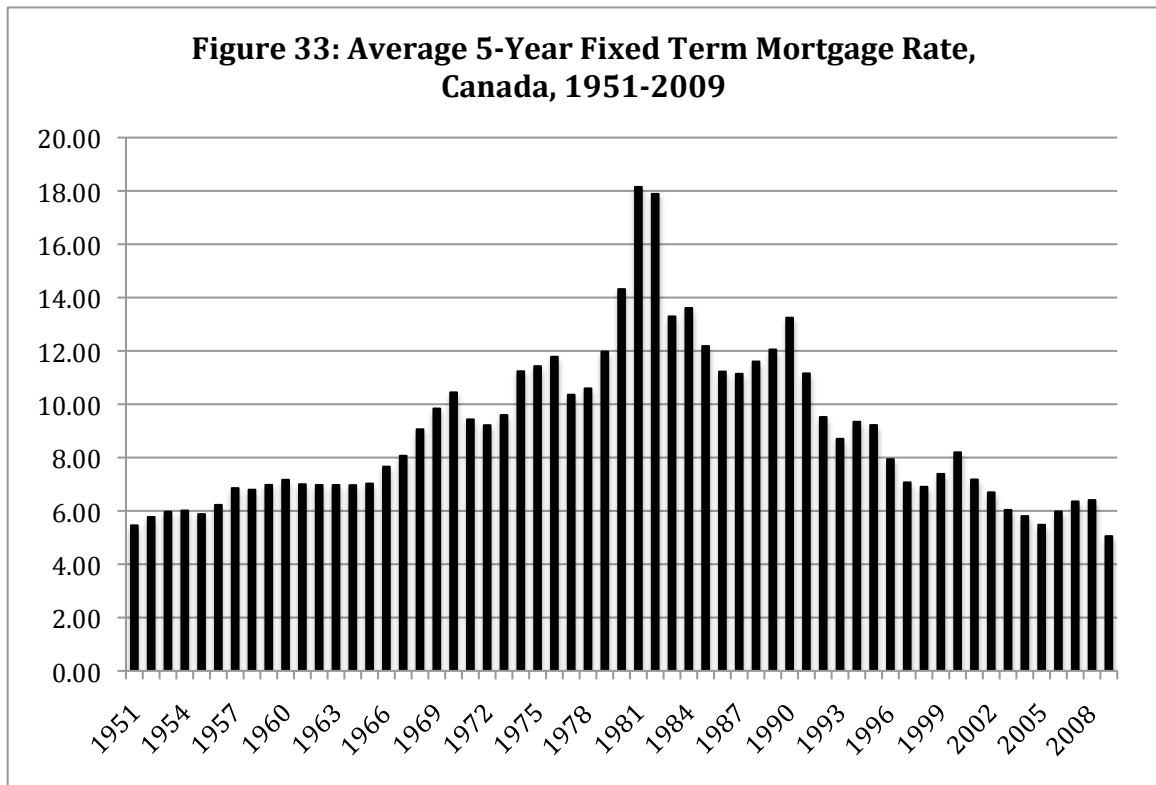
² William H. Lurz, “A breath of fresh air,” *Canadian Builder*, (April 1983): 43-47, 43.

³ “Developers and the recovery,” 7.

⁴ Ibid.

⁵ Ibid.

sector.⁶ Even with the positive economic signs, it was clear to most builders that it would be a slow and tenuous recovery. There was still a large standing inventory of completed houses that had been built up over the past few years in many parts of the country.



(Source: Bank of Canada)

With the changing economic climate, it was also becoming apparent that the nature of demand was beginning to shift too. In the early-1980s, builders, encouraged by federal and provincial programs like AHOP and grants to first-time homebuyers, had turned their attention to producing more affordable housing. Now, with consumers having a more positive outlook on the economy and financing costs coming down, ‘trade-up’ buyers looking for larger houses that were more attuned to their individual preferences

⁶ “New Cadillac Fairview head and operating plan announced,” *Canadian Builder*, (May 1982): 8.

were re-entering the market.⁷ This demanded that builders be nimble enough to adapt their designs, marketing and production methods once more to a discriminating clientele. Even in the retirement market, where downsizing remained the trend, there was soon a greater demand for luxury and customization than in the past.

Although an improved economy and lower financing rates meant that by 1985 affordability had “improved considerably since 1981,” it was still a bigger obstacle for first-time buyers than it had been in the 1970s.⁸ David Hulchanski, then professor of Housing Policy at the University of British Columbia, noted that while homeownership rates had remained consistent at 63%, the composition of homeowners had changed considerably. Now, “more homeowners [were] drawn from the upper income groups than ever before.”⁹ Hulchanski found that prior to 1967, the two lowest income groups had about a 60% chance of becoming owners; by 1985, their chances had decreased by “at least 20%.”¹⁰ The Canada Mortgage and Housing Corporation’s own research revealed a similar trend. It showed that affordability was especially impacting those between the ages of twenty-five and thirty-four, “long considered that primary buying age.”¹¹ CMHC

⁷ “Builders beware: Larger homes on the rise in the US,” *Canadian Builder*, (September 1983): 10-11.

⁸ Marianne Gobeil, “What happened to affordability?” *Canadian Builder*, (April 1985): 37-40, 37.

⁹ *Ibid.*; See also: David Hulchanski and C. Doyle, “The housing affordability gap in Canada: The need for new approaches, in R. Katz (ed.) *Housing in the '90s: Common Issues*, (Urbana-Champaign: University of Illinois Press, 1989): 73-84.

¹⁰ *Ibid.*

¹¹ *Ibid.*

found that in 1971, “50.2% of this group of renters could afford to buy; today [in 1985], only 28% could do so; and only 30% of new homes [were] sold to first-time buyers.”¹²

Norm Godfrey, president of the Toronto Home Builders Association, provided one reason for the diminishing role of first-time buyers in the new house market. Godfrey argued that builders simply could not “build small houses in good locations for the [right] price.” He recommended that first-time buyers look to “the resale market [which offered] greater flexibility in terms of price and product.”¹³ Another reason for the decline in first-time buyers was that lenders who had been impacted by volatile interest rates and high default rates had begun to exercise greater reluctance in qualifying purchasers and demanding higher down payments.¹⁴ As Toronto-based CMHC regional architect Wazir Dayal argued, these changes and a “trend back to larger homes with all the gadgets [was] forcing cash-poor buyers to delay purchases.”¹⁵ With this, housing experts like Toronto architect Ken Viljoen forecasted a need for more affordable housing to get first-time buyers—“vital for the health of the industry”—back into the market.¹⁶

More buyers began to look to the resale market or other forms of housing. This was especially true in the large urban centres. In 1987, for instance, *Canadian Builder* reported that first-time buyers in Metro Toronto, unable to find a new home they could

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid. After reaching an historic high of 1.5% in 1982, default rates fell to less than 0.7% in 1985. Writing in the *Canadian Builder* in 1985, Marianne Gobeil reported that high ratio loans of 95% were being replaced by minimum 10% down payment loans and that now “only one-third of mortgages [were] based on less than 25% equity.”

¹⁵ John Peck, “Affordability still key factor,” *Canadian Builder*, (March 1986): 33-35, 37, 33.

¹⁶ Ibid.

afford, were “putting a lot of pressure on resale homes.”¹⁷ In these centres, the condominium market picked up significantly. By the late-1980s, the condominium markets in Toronto, Vancouver, and Montréal were “booming.” Many were “designed specifically to meet the lifestyle needs and wants” of young homebuyers.¹⁸ Condominiums were no longer considered a ‘housing of last resort’; instead, some consumers sought out lifestyle amenities they provided.¹⁹ In Greater Toronto, condo sales increased from 1,446 in 1983 to a high of 13,703 in 1986, before settling back to 8,877 in 1987.²⁰ The trend was similar in BC. There, in 1987, condominiums and other strata titled properties accounted for about one-third of all housing starts in the province, with most (70%) located in the Greater Vancouver area.²¹ But, Vancouver and Toronto’s condominium markets differed. In Toronto, first-time buyers made up the bulk of purchasers, while in Vancouver, most were geared to the “elderly or those near retirement age,” looking to downsize.²²

¹⁷ M. J. Copps and G. Przybylowski, “Affordability: An historic issue,” *Canadian Builder*, (March 1987): 16-17, 19-20, 23, 20.

¹⁸ Al Zabas, “Comdomania continues,” *Canadian Builder*, (May 1988): 12-14, 12.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Frank O’Brien, “Boom in condo sales prompts worries about excess supply,” *Canadian Builder*, (May 1988): 15. Strata titled properties are typically high-rise, low-rise, or townhouse units that can be owned. The purchaser owns the unit and shares ownership rights for the common space of the building. Common space includes areas such as corridors, the grounds around the building, and facilities such as a swimming pool and recreation rooms. Strata owners together control the common areas through an owners’ association. The association makes decisions about using and maintaining the common space (Canada Mortgage and Housing Corporation, “Words to know when buying a home,” www.cmhc-schl.gc.ca, (Accessed: 25 May 2012).

²² Ibid. High real estate prices in Vancouver meant that the elderly, defined by *Canadian Builder* as those aged 50 and over, made up the largest segment of the entire housing market. In 1987, this group accounted for 21% of all homebuyers in the Vancouver area. The national average was 16%.

Because of the affordability challenges associated with serving the entry market, traditionally the most important, homebuilders turned to the move-up market (Figure 34 and 35). This made sense. Baby boomers, the first-time buyers of the 1970s and 1980s, were now looking to upgrade. They were selling their existing homes and increasing the supply of used houses on the market, which builders had difficulty competing with on the basis of price. For the move-up market, as Greg Goy, manager of economic and market analysis at CMHC, explained, price was less of a factor. Goy predicted that the move-up market was poised to “overtake the first-time buyer” becoming “the most important segment of the market in the ’90s,” and would remain so until the early-2000s when “the elderly senior buyer” segment became a “truly powerful force.”²³ This market, however, would present its own challenges. As Goy concluded, it would demand better quality, a broader more expensive range of features, and “the myriad of consumer profiles [it contained would] give Canada’s builders real headaches.”²⁴ Still, according to CHBA director Earle Berger, it would be easier to serve than the new breed of first-time buyer, who Berger described as being overly “competitive, narcissistic, economically cynical, ... spoiled and self-indulgent” and “difficult to please and hard to sell to.”²⁵

²³ Al Zabas, “On the move: The move up buyer will dominate the housing market of the ’90s,” *Canadian Builder*, (January/February 1989): 12-14, 12.

²⁴ Ibid.

²⁵ Ibid., 14.

Figure 34: Targeting the move-up market. By emphasising affordability and illustrating the floor plan, complete with room dimensions, this ad tries to appeal to young, growing families looking for more space and privacy. (Toronto Star, 13 April 1985, P. E13)

THE TORONTO STAR, SATURDAY, APRIL 13, 1985, E13

Move Up WITH WIMPEY IN AURORA FOR A STARTER HOME PRICE

FROM ONLY **\$106,990** FOR OUR INCREDIBLE NEW HILLVIEW 1705C DESIGN




THAT'S RIGHT. THIS PRICE FOR A HILLVIEW 1705C IT'S JUST ONE OF 7 REMARKABLE NEW DESIGNS YOU'LL FIND IN AURORA THIS WEEKEND FROM \$99,990

Is a luxury look without a luxury price an unachievable problem? Not for Wimpey! Today we're introducing astonishing prices for all the warm charm and elegance of the estate tradition. Authentically detailed brand new designs complete with dormer windows, Tudor trim and classic 19th century gables. At any price these homes would be remarkable. From \$99,990 they are simply incomparable.

Authentically detailed brand new designs complete with dormer windows, Tudor trim and classic 19th century gables. At any price these homes would be remarkable. From \$99,990 they are simply incomparable.

OTHER HOMES FROM \$99,990 UP TO 2,420 SQ. FT.

SEE OTHER GREAT WIMPEY VALUES AT THESE SITES:

 MISSISSAUGA New 1700 sq. ft. homes Telephone: 899-1700	 SCARBOROUGH New 1700 sq. ft. homes Telephone: 291-1700	 AJAX New 1700 sq. ft. homes Telephone: 565-1700	 BATHURST & STEELES New 1700 sq. ft. homes Telephone: 708-1700
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WIMPEY SOLVES YOUR PROBLEMS

© 1985 Wimpey Homes Ltd. All rights reserved. Plans and availability subject to change.

Figure 35: Targeting the move-up market. The promise of more space and privacy in a new home.

(*Toronto Star*, 12 April 1980, P. E21)



**PICTURE
YOUR
MASTER
BEDROOM.**

[26'6" x 12']

**Move up to the Lebovic space concept
in these all-brick Scarborough homes.**

You've probably outgrown your present home, and it's for people like you that Joseph and Wily Lebovic have designed a new selection of detached all-brick homes in Scarborough. Keynote of all these homes is spaciousness.

Take the popular Jeanette MacDonald/Nelson Eddy model, for example. As well as the huge master bedroom, it also offers a spacious living room 25 ft. 6 ins. x 12 ft. (with fireplace), a gracious dining room 14 ft. 8 ins. x 10 ft., a large kitchen 15 ft. x 10 ft. And, like all models in the series, it features an elegant curved staircase and a two-car garage.

We're sure to have the very type of house you're looking for—two stories, bungalows and back splits—come and choose from nine superb models, ranging from \$88,500 to \$93,900.

The Lebovic Promise—your deposit back if not satisfied on completion—is your guarantee of today's very best value.

So come and move up to your new home.

**WE EVEN
PROMISE YOU A
ROSE GARDEN!**

Make your reservations now and we'll make sure your Lebovic-built home comes with its own rose garden already planned.

Directions: Just north of the 401. Exit at Meadowdale Road, drive one block north.

Hours: Monday to Thursday 11 a.m. to 8 p.m. Closed Friday. Week-ends 11 a.m. to 5 p.m.

PHONE: 291-6531

15% Mortgages.

LEBOVIC ENTERPRISES
Designed and built by Lebovic Enterprises Limited,
Scarborough's largest developer with a background of more than
20 years of construction expertise and property management.

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While first-time buyers were, perhaps, the most affected by affordability, and, arguably, the most difficult to serve, challenges existed in other segments of the market too. Ted McLean, vice president of Vancouver-based Quadrant Development, found that market volatility had led to “psychological barriers,” even among well-heeled upper-income earners.²⁶ At the company’s development in tony West Vancouver, where it sold houses in the \$350,000 price range, Quadrant was finding prospects had no urgency to commit to long-term mortgage debt. Unlike in the past, these buyers were shopping around a lot more, making multiple visits, and looking for the best deal before making the decision to buy. McLean argued that because of still-wavering consumer confidence, the onus was now more than ever “on the builder to provide a product that satisfies both the financial and emotional elements of affordability.”²⁷ Similarly, CHBA president Albert DeFehr argued that because the “recession had been so devastating” it had changed the industry “as probably no other single event has.”²⁸ The biggest change he noted was with consumer temperament and sophistication. DeFehr argued, “the consumer is no longer leaving his brain at the curb and signing a contract” to purchase.²⁹ Consumers now had a better understanding of financing, residential planning, and the housing options available to them. To win this new consumer market builders had to do a better job of identifying market segments and delivering a product that satisfied their requirements.³⁰

²⁶ “What happened to affordability?” 38.

²⁷ Ibid.

²⁸ Marian Toft, “Ordertakers could be undertakers,” *Canadian Builder*, (November/December 1985): 61-62, 61.

²⁹ Ibid., 62.

³⁰ Ibid.

With the economy continuing to improve into the early-1990s, more existing homeowners looked to trade-up to a new house. This meant that used houses were becoming a greater source of competition for the new home builder. During the recession of the 1980s, many builders had shifted from purely speculative building to pre-selling from plans and/or model houses. This had been a positive move for two reasons. First, it limited the builder's risk if the houses failed to sell. Second, it allowed builders to offer consumers a degree of customisation that was not possible when they were selling from standing inventory. Pre-selling, however, had created its own challenges for the builder and buyer related to delivery of the finished product. In 1989, Robert Vasily, a marketing manager with the Ontario Home Builders' Association, described how "horror stories about late closings and [purchasers] living in hotels" while they awaited completion of their houses had led to some consumers opting "to buy what they know exists rather than take a chance with what hasn't even been started" (Figure 36).³¹ As a result, now that the market was picking up once more, builders not wanting to miss out on a sale were getting away from pre-selling and "trying to build as much as they can because they are getting used to selling ... without much concern over customer wants and tastes" (Figure 37)³²

As the new house market picked up, the resale market also benefitted from the fact that builders were finding it a challenge to deliver the volume of houses needed. During the recession, some building firms had left the industry altogether, while others had cut back considerably and not invested in the hiring and training of new employees. At the same time, fewer people had enrolled in trade schools in fields associated with

³¹ Robert Vasily, "Vive La difference," *Canadian Builder*, (April 1989): 46.

³² Ibid.

Figure 36: Guaranteeing the timely delivery of houses. In the wake of delayed completions, some builders tried to allay consumer concerns by guaranteeing that houses would be ready on time.

(*Toronto Star*, 14 April 1990, P. H14)

REAL PRICES STARTING AT \$179,900

Landrex has been recognized for its quality homebuilding by receiving a rating of "Excellent" from the Ontario New Home Warranty Program.

THE LANDREX PROMISE:
DREAM HOMES. REAL PRICES.

At Landrex, we believe you deserve to have the home you have always wanted... at a price you can afford.

Real Prices: Homes At Millstream Start At Just \$179,900.
That's right. Real homes on large lots. With 3 and 4 bedroom designer plans featuring volume ceilings, oak railings, open spaces, and sunken living rooms, you're sure to find that your dream home can become a reality.

Real Value: Large Lots From 50 feet.
Homes set on lots fifty feet or wider will give you breathing space — room to spread out and enjoy life in your new Landrex home! You won't find a

better value for your housing dollar.

Real Security: Landrex Guarantees Delivery in 1990.
Start making plans to move, because when you choose your lot, and write a contract between now and Victoria Day, May 21st, Landrex guarantees they will complete your new home before the year is out. You have our word on it.

Real Cash. Real Soon.
Visit Millstream at Fergus today and you could win the \$5000 savings bond we are giving away on Victoria Day. Just think of it. \$5000 to spend any way you like.


Millstream is located at the Southeast corner of Fergus and Watt Street.

Just follow the map to Millstream. This weekend, you may find the home of your dreams, and the prices are real. We promise.

MILLSTREAM
AT
FERGUS

**Sales Centre Open Monday-Thursday 12 to 8;
Friday 12 to 6; Saturday and Sunday 11 to 5. (519)843-7520**

Figure 37: Assurance of quality and the ability of the builders' to deliver houses on time. With growing consumer concerns over late housing completions, builders at Barchester Gardens focused on production, not pre-selling.
(*Toronto Star*, 13 April 1985, P. E20)



LEBOVIG *Victoria Wood*

**DON'T WORRY ABOUT IF, WHEN OR WHAT...
YOU CAN SEE WHAT YOU GET!**

HOMES AVAILABLE FOR MAY OCCUPANCY!

These homes include:

- 7 exterior house styles
- 3 & 4 bedroom models
- Fireplace in familyrooms
- Oak picket & handrail staircases
- Greenhouse kitchens
- 35' lots
- Community and neighbourhood parks

PRICED FROM \$99,990 to \$123,500

OVER 60 YEARS COMBINED BUILDING AND DEVELOPING EXPERIENCE


Lebovic and Victoria Wood bring you Barchester Gardens. Lebovic Enterprises, with over 30 years of award-winning building and developing experience, is the city of Scarborough's largest builder/developer.

Victoria Wood Development Corporation has a reputation for excellence in design, materials, workmanship and service. One of Ontario's most respected builder/developers.

For the new home buyer – a winning combination.

HOURS
 Mon. to Thur. - 1 p.m. to 8 p.m.
 Fri. - 11 p.m. to 6 p.m.
 Sat., Sun. & Hol. - 11 a.m. to 6 p.m.

281-5286



Barchester GARDENS

URBAN DEVELOPMENT INSTITUTE HUDAC

THIS COMMUNITY HAS NO SEMIS, TOWNHOMES OR APARTMENTS

residential construction. Now, with demand up, builders were finding a shortage of qualified tradespeople. In early-1990, *Canadian Builder* reported that the situation had become so dire in the Toronto area that some firms had stopped bidding on jobs offered by land developers in new subdivisions. They were afraid they would not be able to meet the commitments “because there was such a shortage of workers.”³³ The situation was similar in other parts of the country. In BC, the provincial branch of the CHBA in cooperation with the province’s Ministry of Advanced Education was developing an apprenticeship program to address the skill shortage and some builders in the Victoria area were starting to recruit at high school career fairs.³⁴ In Calgary, the local builders’ association had asked the Southern Alberta Institute of Technology (SAIT) to develop a 480-hour training program for framers and cribbers, involving eight to ten weeks of classroom work and two to four weeks of onsite training.³⁵

The good thing for builders who were caught unprepared for the upsurge in demand was that the recovery was short-lived. By mid-1990, after several years of declining mortgage rates, the cost of financing a new home began to inch upward again and unemployment rates also began to rise. In June 1990, *Canadian Builder* reported “high mortgage rates [had] forced Canadian homebuilders to a complete standstill and one-third of the industry’s workforce—about 100,000 workers—into potential jobless

³³ Al Zabas, “A call to arms: Builders are primed to battle a skills crunch,” *Canadian Builder*, (April 1990): 27-29, 31, 34, 27.

³⁴ *Ibid.*, 31. Under the BC apprenticeship program apprentices were indentured under the CHBA, rather than the employer, which was the normal practice. The reason for this was that the BC industry was unique “in that 80% of all homes [were] built annually by builders who build fewer than six homes with fewer than six employees ... and it [was] impractical for them to take on apprentices.”

³⁵ *Ibid.*

idleness this year.”³⁶ Housing starts across Canada dropped by 12% that April, led by Ontario where “monthly starts fell to 52,000, the lowest level since January 1986.”³⁷ By the fourth-quarter of 1990, the economic slowdown had officially become a recession.³⁸ According to John Bottomley, the Toronto-based head of corporate real estate for Citibank Canada, the financing of excessive construction had “left many financial institutions ... with large portfolios of non-performing loans” and now “frightened lenders” were limiting the number of real estate loans.³⁹ At the same time, tougher banking regulations were further increasing the scarcity of money in real estate markets by “forcing banks to restate earnings, reclassify portfolios, place tens of millions of dollars in non-performing status and take huge reserves against these non-performing loans.”⁴⁰ The situation continued relatively unchanged into the mid-1990s. In late-1995, *Building Magazine* reported that Canadian banks were still “desperately trying to unload distressed properties” and were “reluctant to provide real estate financing after the gyrations of the past five years.”⁴¹ It was the same with the life insurance companies, who were also cutting back on their real estate portfolios.⁴²

The 1990s also saw some consumers’ motivations to buy new and existing homes change. After the real estate crash of the early-1990s, and with little or no inflation in

³⁶ Frank O’Brien, “Counting the bodies,” *Canadian Builder*, (June 1990): 4.

³⁷ *Ibid.*

³⁸ “The year to spec,” *Canadian Builder*, (February/March 1991): 11.

³⁹ Bonnie McFeeters and Al Zabas, “Anxiety attack,” *Canadian Builder*, (November/December 1990): 14, 16, 19, 16.

⁴⁰ *Ibid.*

⁴¹ John Fennell, “The right project in the right place,” *Building Magazine*, (September 1995): 4-5, 4.

⁴² *Ibid.*

home values since, consumers no longer viewed a house as “a sure-fire investment.”⁴³ Now, as Eric Wegler, advertising director for the Greater Toronto Home Builders’ Association, argued, people viewed the house as a way to save money, rather than as an investment.⁴⁴ According to Wegler, unlike in the past when consumers bought houses according to size, “with bigger and more expensive [meaning] a better investment and a way of making money,” purchasers were more likely to buy the home that best accommodated their way of life.⁴⁵ While this may have been true for some purchasers, many consumers continued to view homeownership as a choice investment. A 1998 Re/Max survey revealed that for 49% of Canadians buying a home was their first investment choice, ahead of mutual funds and stocks.⁴⁶ The fact that consumers viewed homeownership as a way to save money, as well as an investment should not come as a surprise. Ownership has long been promoted as being superior to renting, allowing the owner to build up equity instead of paying someone else’s mortgage.⁴⁷ Still, whether purchasers were buying a home as an investment and/or a way of saving money, lifestyle continued to play an increasing role in the consumer’s decision to buy. Besides providing shelter, a new home had to meet and reflect the consumer’s way of life. In 1995, John

⁴³ John Fennell, “The right project in the right place,” *Building Magazine*, (September 1995): 4-5, 4.

⁴⁴ Albert Watson, “Housing (R)Evolution,” *Building Magazine*, (October/November 1996): 21-26.

⁴⁵ Ibid.

⁴⁶ “Re/Max survey finds Canadians buy homes for financial security,” *Building Magazine*, 1998(October/November): 20-21. According to the survey, stocks and mutual funds were the number one investment choices for 31% of Canadians. The survey also found that 45% of Canadians felt more confident about homeownership as an investment than three years earlier.

⁴⁷ See for example: Elaine Lewinnek, “Better than a Bank for a Poor Man?: Home Financing Strategies in Early Chicago,” *Journal of Urban History*, vol. 32, no. 2(2006): 274-301.

Fennell, writing in *Building Magazine*, argued that if “builders and developers are to be successful in today’s “transitionary” phase of the homebuilding industry, they will place strong emphasis on demographic and niche markets.”⁴⁸ Similarly, Paul Anisman, chief executive officer of Canadian Equity & Development Corporation, argued that the key to success in homebuilding was to be “the first to pinpoint unsatisfied niches in the marketplace and establish a credible reputation as a niche producer.”⁴⁹ By the mid-1990s, builders were heeding this advice and working to try and accommodate different buyer profiles. Product offerings were expanding and lifestyle factors were playing a bigger role in builders’ production decisions. In 1996, *Building Magazine* was able to state that “trends in housing across Canada have never been more buyer driven and market oriented.”⁵⁰ The journal went on to argue that “the mix of community-flavoured housing types, styles, prices, technologies, common recreational facilities and buyer profiles is nothing less than revolutionary.”⁵¹

As the decade came to a close, homebuilding activity improved appreciably (Figure 17). Even as the rest of the economy sputtered and slowed, homebuilding bucked the overall trend. The main difference between this economic downturn and earlier ones was that it was not accompanied by elevated interest rates, and, therefore, the affordability of new homes was not greatly affected.⁵² Also, because housing was less impacted by economic conditions than the stock market it was seen as a relatively safe

⁴⁸ “The right project in the right place,” 4.

⁴⁹ *Ibid.*, 5.

⁵⁰ “Housing (R)Evolution,” 21.

⁵¹ *Ibid.*

⁵² Peter Norman, “It’s all different this time around,” *Building Magazine*, (July/August 2001): 40.

and “attractive investment.”⁵³ A 2002 survey by US mortgage giant Fannie Mae, for instance, showed that 70% of Americans viewed the “purchase of a home as the safest, most lucrative place to put their money.”⁵⁴ Until the mid-2000s Canadian builders enjoyed a sellers’ market, with “inventory struggling to keep up” with demand.⁵⁵ The situation was similar south of the border. There, building trade journal *Professional Builder* described the market as featuring “no-haggle” pricing with salespeople simply quoting prices and acting as “order takers.”⁵⁶ It was easy to sell. Prices were rising rapidly and many of those buying were investors looking to flip houses in a few months anyway.⁵⁷ By early-2006 there were signs the market was turning. Builders were being forced to negotiate on prices and buyers were less plentiful.⁵⁸ By March of that year the inventory of completed but unsold houses on the market in the US had reached 128,000—the highest level since 1973.⁵⁹ Some large publicly traded builders were discounting prices by \$100,000 or more to try and maintain their sales volumes.⁶⁰ As California-based real estate consultant John Burns observed, “the public builders ... seem intent to grow their business regardless of the market, so they will sell their houses at whatever price necessary to maintain their velocities” and seek out other efficiencies.⁶¹

⁵³ Ibid.

⁵⁴ Bill Lurz, “Home buying seen as safe investment,” *Professional Builder*, (October 2002): 34.

⁵⁵ Peter Sobchak, “Home sweet home,” *Building Magazine*, (August/September 2003): 30-31, 30.

⁵⁶ Paul Deffenbaugh, “Discount Houses,” *Professional Builder*, (January 2006): 14.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Bill Lurz, “Spec Carefully,” *Professional Builder*, (June 2006): 25.

⁶⁰ Ibid.

⁶¹ Ibid.

Canadian builders were also impacted by the market slowdown, but not as severely.

Canadian builders fared better because there was less speculation in the real estate market on the part of investors and lenders adopted more conservative lending policies.

Marketing:

The volatile market conditions that characterised this period meant that builders had to continually re-evaluate their approach to the market. Throughout this, however, several things remained constant. There was a continued effort to identify niche markets and develop targeted marketing strategies to reach them, and builders continued to try and accommodate consumers' demands for distinction and individuality. To achieve these objectives, homebuilders looked for ways to differentiate their product from what the competition had to offer through such strategies as increased product variety and acknowledging the consumer's desire for greater involvement in the design of the house by allowing expanded customisation options. Unlike in the recession of the 1980s, when price and financing terms were the key motivations to purchase presented by builders, now, lifestyle, individuality, and exclusivity were stressed.

The Role of Consumer Research in the Building Industry:

Although the building trade press regularly talked about the diversity of demand and builders used the language of marketing, referring to market segments and the need to target advertising, surprisingly, most builders still showed little interest in consumer research. In 1985, *Canadian Builder* concluded that only about 50% of builders engaged

in some sort of market research, with most of it being ad hoc at best.⁶² A 1997 survey of speculative builders by the CHBA found that little had changed in the intervening decade. It concluded that “most builders do not undertake market research on a regular basis” and indeed “the majority of builders [do] not use the various types of market information” that are available.⁶³ The survey found that only 44% of respondents made “frequent” use of readily available information on demographic and economic trends and overall housing market indicators in their production decisions and only 19% frequently carried out “custom research on [the] size/characteristics of [their] target markets,” while 32% indicated that they “never” engaged in this type of research.⁶⁴ As Marianne Gobeil, writing in the *Canadian Builder* in 1985 argued, “market research ... is anathema to many builders. Most purport to know what the consumer wants based on experience or individual perceptions, with little or no data to support these preferences.”⁶⁵ Monarch Construction, one of Canada’s largest and longest established building firm’s approach to marketing supported this conclusion. Company president, Colin Parsons, explaining his firm’s resistance to consumer research described how Monarch took “great care not to do too much scientific market research, [because] in practice ... it seldom proves successful.” Parsons argued that “if a builder pays too much attention to [consumer surveys] he can become blinded by statistics given by consumers who have no

⁶² Marianne Gobeil, “Research strategies boost sales,” *Canadian Builder*, (September 1985): 13-16.

⁶³ Canadian Home Builders’ Association, “CHBA Pulse Survey,” (Spring 1997): 2.

⁶⁴ *Ibid.*, 9.

⁶⁵ Marianne Gobeil, “Kitchens and baths sway buyers,” *Canadian Builder*, (January/February 1985): 15-21, 23, 15.

responsibility for their answers and who combine wishful thinking with daydreams.”⁶⁶ Although the company did not put much faith in consumer surveys, it did not to shun consumer research altogether. Rather, its approach was more anecdotal than systematic and drew more on its own sales staff’s experience and daily interaction with prospects on the ground. The company solicited input from salespeople at weekly sales meetings and its management team used this information “to determine and meet market needs.”⁶⁷ This was the practice followed by most builders, whether they had their own sales people on staff or used an outside real estate firm. It provided them with a good deal of information about the people who visited their models and sales offices, what they were looking for, and how closely their product fit these consumer’s requirements. It was also less costly than engaging an outside marketing consultant. However, this practice only told them about those who bothered to take the time to visit the builder, and nothing about those who did not. As such, it did not help them define and target their product and merchandising at a specific market segment, as a more comprehensive market survey might allow.

Often, years of experience and intuitive judgement worked. Each sale reinforced the idea that the builder had matched the buyer’s expectations. However, as Gobeil argued, for every success there were a number of failures, as not every builder was “sophisticated enough or experienced enough to know the market.”⁶⁸ This may go a long way to explaining why two-thirds of Canadian homeowners surveyed by *Canadian*

⁶⁶ Rowena Moyes, “Model homes best advertising,” *Canadian Builder*, (November/December 1984): 44-47, 44-45.

⁶⁷ Ibid.

⁶⁸ “Research strategies boost sales,” 13.

Builder in 1985 were dissatisfied with their homes.⁶⁹ According to Earl Berger, vice president of Toronto-based market consultancy firm Environics, Canada was “five-years behind the US in its market research” with most people just doing ad hoc work and one shot deals instead of monitoring the market on a regular basis to establish longer, more stable trends.”⁷⁰ Polygon, one of Vancouver’s largest builders, for instance, claimed that its houses and condominiums geared at the entry-level market offered such great value they practically “sell themselves,” so investing in costly market surveys was not necessary.⁷¹ Vancouver’s real estate market, however, was unique at the time. Compared to other parts of the country, Vancouver builders enjoyed a sellers’ market. With Polygon’s developments in more competitive markets, including southern California, the company spent heavily on marketing.⁷² For instance, in Vancouver, the firm budgeted only 1.7% to 2% of project costs on all of its marketing and merchandising. This compared to a Canada-wide industry average of 7% to 12%, most of which went towards administrative and sales expenses, like building and maintaining model houses.⁷³ It is also important to note that Polygon spent considerably more on marketing and research in its more “up-scale” projects, where, according to company president Michael Audain, consumers could afford to be more exacting and “mistakes [were] pretty hard to rectify.”⁷⁴

⁶⁹ Ibid.

⁷⁰ Ibid., 15.

⁷¹ Ibid. In the Vancouver-area, Polygon largely avoided the more “competitive middle market,” focusing instead on the first-time buyer and competed primarily on the basis of price.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid., 16.

For most Canadian builders, well into the 1980s, target marketing remained a relatively novel concept, especially in the lower-end of the market. Most of the targeting that did take place was on the basis of price alone. In the entry-level market, “lifestyle and the individual character of the market” were secondary considerations.⁷⁵ THBA president Norman Godfrey argued that most builders sold first-time buyers “a product that, except for price, in all likelihood doesn’t meet the market’s expectations.”⁷⁶ Jarl Rosenberg, president of Vancouver-based Market Link Realty Consultants, compared the number of builders engaging targeting that went beyond price to the San Andreas Fault—“both moving slowly but measurably.”⁷⁷ One reason for its slow adoption was that many builders believed that target marketing would narrow the number of people who would buy, thereby increasing the risk of not selling.⁷⁸ While change in the industry was slow, Rosenberg noted that a new breed of business school trained builder and firm management was emerging and starting to challenge the status quo. These builders believed that by bringing a product to market that closely fit the requirements of the target market it would reduce the builder’s risk, speed up sales, and help the builder develop a positive reputation as a niche builder committed to quality and satisfying the consumer.⁷⁹ Susan Wigderson, marketing consultant with building and land development giant Olympia & York, for instance, described how her firm actively tried to differentiate its product from other builders,’ and, through target marketing, knew “which features to

⁷⁵ Ibid., 14.

⁷⁶ Ibid., 14.

⁷⁷ Ibid., 13.

⁷⁸ Ibid.

⁷⁹ Ibid.

stress to make the product stand out from the competition.”⁸⁰ By knowing its market, the company was able to ensure the right product was built and how best to position it in the market.

Companies that did do consumer research typically continued to rely on focus groups.⁸¹ Focus group participants were usually selected through responses to ‘teaser ads’ run in local newspapers announcing an upcoming new development, from past purchasers, or from prospects who had visited a builder’s sales centre.⁸² This sort of research, however, was generally restricted to larger builders.⁸³ Consumer research was expensive. Most small builders saw every dollar spent on marketing as one less dollar that could be invested in the property. As Rosenberg argued, “it is tough to pay for [the] marketing of a small project without digging into your own pockets.”⁸⁴ Mary Lawson, chair of the CHBA’s Sales & Marketing Committee, noted that the “average builder, who builds 10 to 12 homes a year is more likely to [turn to land] developer’s advice, market surveys from sources like Canada Mortgage & Housing Corporation, or that ‘sort of sixth sense’ honed through years in the industry.”⁸⁵ Other builders continued to rely on the time-tested strategy of shopping the competition to see what they were offering and how their own houses measured up. Bryan Fenske, president and general manager of Winnipeg’s Lifestyle Homes, for instance, described how his company would sometimes

⁸⁰ Ibid., 14.

⁸¹ Al Zabas, “Focusing on focus groups,” *Canadian Builder*, (February/March 1991): 29-30.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ “Research strategies boost sales,” 16.

⁸⁵ Ibid., 29. Lawson was also the president and owner her own Calgary-based sales and marketing consultancy.

have “people pose as buyers to gain all the information possible on the other builders in [its] market area.”⁸⁶ This way the company could get a grasp on the competitors’ costs, “make projections about their long-term plans” and decide what features it should include in its own houses and what price point it should enter the market at.⁸⁷ Similarly, London, Ontario-based Sifton Properties drew ideas from other builders too. Executive vice president Dennis Dalton explained how each year he and other senior staff made “a swing through the US—particularly California where everything starts—to look for ideas that [could] be incorporated with [its] own designs.”⁸⁸ Many builders also made use of external services provided by real estate firms and companies like Toronto’s Brethour Research Associates, which had been carrying out market surveys for builders since 1963, to keep tabs on the marketplace and decide what features to include in their houses and how to price them.⁸⁹ While this helped builders identify the existing options available to consumers, and possibly gaps in the market, it did not provide them with any concrete information about what consumers actually desired in housing.

One thing that did become apparent to builders by the mid-1980s, whether they engaged in consumer research or not, was that lifestyle groups, and how well a house and neighbourhood accommodated them, were becoming an important factor in making sales. The building trade press made a point of alerting developers about the varied lifestyles that existed and consumers’ desires to express their individuality through the choices they

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ John Fennell, “Imagination adds quality,” *Canadian Builder*, (September 1988): 17.

⁸⁹ Mary Jane Copps, “Marketing through mathematics,” *Canadian Builder*, (June 1987): 32-33, 35.; PMA Brethour Realty Group, “PMA Story”, <http://pmabrethour.com/pmastory/index.html>, (Accessed: 10 February 2012).

made in the marketplace. The homebuilding industry, and especially land developers, accommodated such demands by developing subdivisions with different combinations of community amenities, from shopping and recreational facilities to religious institutions, in order to attract specific consumer profiles, giving consumers more options in architectural style in a single development, and expanding the degree of customisation they allowed of stock plans.

Lifestyle Oriented Marketing


By the mid-1980s, catering to a recreation and leisure-oriented lifestyle was playing a major role in builders' and developers' planning and design decisions. Especially notable was the rise in golf centred developments targeted at the move-up market of baby boomers, many of whom were financially secure and looking for their second or third home and expanded opportunities for leisure in an exclusive setting. For many of these buyers, as US builder Mark Kaufman argued, homeownership was an "ego satisfying experience."⁹⁰ Buying a home in an exclusive setting proved to them and showed to outside observers that they had 'made it (Figure 38 and 39).' To serve this market, features that were once considered luxuries were now becoming essential "marketing tools."⁹¹

Many of these lifestyle developments that began emerging in the mid-1980s drew their inspiration from the US where builders had been having success with them for some

⁹⁰ Marianne Gobeil, "Kitchens and baths sway buyers," *Canadian Builder*, (January/February 1985): 15-21, 23, 16.

⁹¹ Ibid.

Figure 38: Selling Exclusivity. This subdivision offers “Toronto’s high achievers” an opportunity to join a “select number of kindred spirits” and enjoy a leisure-oriented lifestyle in an exclusive, “secluded ... ultra-luxurious” environment.
 (Toronto Star, 14 April 1990, P. H4)



Being away from home can be tough. Especially when home is Elderberry Trails of Aurora. Here, just 10 minutes from Highway 404, an exclusive, very limited collection of palatial residences stands foursquare and proud on individual 2-acre lots. Many are carefully sited on secluded cul-de-sacs... and all contain a host of ultra-luxurious features designed to gladden the hearts of Toronto's high achievers. We invite you to join a select number of kindred spirits who will undoubtedly become homesick on their next vacation.


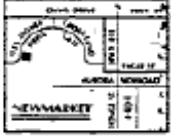



Illustration shows The Derby "A", 3710 sq. ft.
 Other homes on 2-acre lots from 3,500 to 4,706 sq. ft.
 Homes available from \$704,900



NUME
 Robert N. Nume Development Corporation

SALES OFFICE & MODEL HOME
 IN GLENWAY ESTATES &
 COUNTRY CLUB NEWMARKET

MORTGAGE FINANCING
ID BANK
 AVAILABLE

Mon - Tues. 12-6 pm
 Wed - Sun 12-6 pm
 Toronto 884-1951
 Newmarket 896-7261

 Registered by the Ontario New Home Warranty Program as an EXCELLENT BUILDER
 All plans and specifications are subject to change at vendor's discretion

Figure 39: Selling a leisure-oriented lifestyle at Chelsfield Estates, Acton, Ontario (*Toronto Star*, 8 April 1995, P. F6).

GRAND OPENING TODAY, 11am SHARP!

Lifestyles of the *Smart* and Famous.





FOR A FEW SMART HOME BUYERS, the dream of living next to the lush green fairways of a championship golf course is not so far away – 35 minutes from Toronto's International Airport in fact! Monmar Homes, in its continuing effort to blend their fine homes with the surrounding countryside, is pleased to announce the *Grand Opening* of their two model homes at Chelsfield Estate Residences. These signature homes, sited gracefully on one-acre-plus lots, boast an impressive list of standard features. Vaulted ceilings, multiple gas fireplaces, 9 ft. ceilings on main floors, and high-efficiency gas furnaces are just some of the details Chelsfield Home owners will enjoy. While the attention to detail in these homes is easily appreciated, the views of Blue Springs Golf Course, home of the Canadian Professional Golfers Association, and the Niagara Escarpment must be seen to be believed! At Chelsfield Estate Residences you'll find everything you are looking for in an estate lifestyle, everything that is, except the estate prices – incredibly we are able to offer these homes starting at just under \$300,000. an example of the Monmar commitment to value. Don't miss this opportunity—tour our model homes today.



Free Blue Springs Golf Course Membership for Phase I Purchasers!

starting under

\$300,000



Sales Centre Hours:
 Mon. – Thurs., 1-7pm
 Fri. by appointment
 Sat., Sun. & Holidays 11am - 6pm
 Sales Agent Damian Nitek at
 (905) 450-9344 or (519) 853-4804

time.⁹² One of the early Ontario examples was Glenway Estates and Country Club in suburban Newmarket (Figure 40). From market research by N. Barry Lyon Consultants, the developer found that there were no golf courses in the area and no one was building houses over 2,100 square feet.⁹³ Even though the research did not indicate whether a market for this type of development existed or not, the developer believed it had found a

⁹² Toni Robinson, “Careful market research sells Glenway Estates,” *Canadian Builder*, (January/February 1984): 40-42.

⁹³ *Ibid.*

hole in the market and set out to fill it by designing and developing a 400-acre site with 759 houses anchored by an eighteen-hole golf course. This according to *Canadian Builder* was “for the men.”⁹⁴ To attract families to the area, the development also included neighbourhood parks, baseball diamonds, soccer fields and tennis courts and “for wives ... a vital commercial component comprising 35 acres.”⁹⁵ Beyond this, the development also featured a “country club complex” with squash, racquetball, and tennis courts, a restaurant, banquet facilities, and a health club. As an added incentive for prospects to purchase the developer offered buyers a two-year prepaid membership to the golf club valued at \$3,500.⁹⁶ Providing these sorts of amenities in the development satisfied consumers’ demands for a “sense of community” and access to “urban conveniences in the suburbs.”⁹⁷ And as Myles Lawlor, vice president of marketing at Kates Advertising, noted, helped create a “strong, distinctive identity” for the development.⁹⁸ These sorts of developments, featuring a mix of land uses and residential types were becoming possible because builders and land developers were starting to work more closely with each other (Figure 41) and with “commercial developers, real estate investors, religious organisations, boards of education in order to create complete communities.”⁹⁹

⁹⁴ Ibid., 40.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Marry Jane Copps, “Builders aim to please,” *Canadian Builder*, (May 1987): 14-15,

14.

⁹⁸ Ibid.

⁹⁹ Ibid.

Figure 40: Lifestyle-Oriented Marketing at the Glenway Estates & Country Club, Newmarket, Ontario
(Toronto Star, 13 April 1985, P. F11)

**Immediate Occupancy
On Some Homes**

\$96,666

FROM

Luxury Homes On Golf Course Fairways

Wide Open Spaces

You'll enjoy the very low density — less than 800 homes on 400 acres, including 148 acres of fairways, greens and parkland. And more than 50% of all homes back onto the golfcourse or other greenspace. It's everything you ever wanted — all the delights of small town living, just minutes from the city.

The Ideal Family Community

Hospitals, supermarkets, restaurants, movie theatres, public and provincial transportation, two major shopping complexes — Upper Canada Mall & York Town Square — within walking distance, a sports arena, swimming, floodlit soccer and ball pitches — all the things that contribute to a happy, healthy lifestyle for kids and adults alike, are right here...yours to enjoy.

"Go" Transit To Your Door

If you prefer not drive, getting downtown is quick, easy and very relaxing.

Highway Access Makes Driving A Snap

Fast, modern superhighways like the 400 and the 404 give quick and easy access to downtown and Metro Toronto. It's true — drive a little further and you get a lot more value for your money!



The Rockwood — 2,340 Sq. Ft.
From \$132,999.

Superb Architectural Features

Distinctive brick entry features, lantern street lighting, extensive berming, trees and shrubbery — all add privacy, prestige and value to your home investment and to your community.

Better Built And Built To Last

A highly experienced team of professionals who assisted in the design and planning of the community • Strong site controls and full time supervision during construction • Glenway's own 2 year extended warranty that's twice as long as that offered by any other builder • Plus a superb after-sales service program guarantees peace of mind • These are the keys to community and a builder that's superior in every way!

We've Told You About It—Now It's Here!

The best planned, best featured, most successful country club community in Ontario. If you consider the advantages, you'll move to Glenway Estates and Country Club!

No Other Community Even Comes Close

The value is nothing short of incredible! 17 different models, bungalows, backspits and elegant 2 storeys to choose from, all on 50 x average 133' deep lots. With dynamic floorplans and all the luxury features you want. Plus, a spectacular club house with everything from squash & racquetball, to an outdoor pool, coffee shop, saunas & whirlpools and a licenced lounge.

Ontario's Resort Areas On Your Doorstep

Our community is close to year round recreational activities. Lake Simcoe is just minutes away with fishing, hiking, skiing, horseback riding, snowmobiling and sailing just around the corner.



Glenway Builders Limited

Glenway Estates & Country Club



NEWMARKET

SALES PAVILION & 4 DECORATED MODEL HOMES NOW OPEN.
CALL Toronto — 894-2651, Newmarket — 896-7262.
OPEN Mon. — Thurs. 12 — 6 pm Friday, Sat. & Sun. 11 — 6 pm.



HWY. 400 HWY. 401
BLOOMINGTON SIDE ROAD
HWY. 404
HWY. 401

Figure 41: Catering to Diverse Lifestyles through Developer-Builder Coproduction at Glen Abbey, Oakville, Ontario
(*Toronto Star*, 13 April 1985, P. E14)

What is it like to live world class?
Ask one of the 1,200 families who already call Glen Abbey home.

"Glen Abbey is close to my favourite shops."
"Glen Abbey is a world class golf course."
"Glen Abbey has five great ravines to kick around in!"
"Glen Abbey is a set on this court."
"Glen Abbey is a jaunt in the park."

Glen Abbey
Come to the central sales pavilion, before going to the builders' models.

GLEN ABBEY INFO CENTRE
NORTH SERVICE RD.
DORVAL DRIVE EXIT
FRANKLIN RD.
HWY 10
QEW

Glen Abbey. A 1000 acre world class community from Genstar. Glen Abbey has eight of Toronto's finest builders.
•ARTHUR-BLAKELY •DINA •GEORGIAN •GLEN ORCHARD
•GREENPARK •LAURIER •MATTAMY •SARICK

Join the great life!

Selling Exclusivity and Individuality:

Besides using community amenities to lend an aura of individuality and distinction to a development, builders and developers also used other planning measures to demarcate individual subdivisions from what lie outside and send a clear signal of exclusivity. The most explicit ways they did this were through the naming of subdivisions and the use of entrance gates, whether actually locked and manned or not. Monarch Construction, for instance, along with exercising strict “architectural control” to maintain

the right “community aesthetic” at its 410-acre Unionville development, also put up “imposing entrance gates” featuring the company name and logo in brass to define the community as distinct from neighbouring subdivisions.¹⁰⁰ Similarly, in suburban Oakville, Glen Orchard Homes, finding that “potential high-end buyers were frustrated because they couldn’t find a ... prestige homes in an exclusive neighbourhood” near the Glen Abbey golf course set out to correct the problem by creating an exclusive location.¹⁰¹ The developer offered large lots, some of which backed onto the golf course, house designs ranging in size from 2,800 to 5,000 square feet, private parks, putting greens, and tennis courts for the exclusive use of the residents. And to add that little extra bit of exclusivity surrounded the site with a wrought iron fence complete with a guardhouse.¹⁰² While this example is on the extreme side, by the end of the decade, according to *Canadian Builder*, the use of “entranceways ... often clearly defined by marble arches or gateways, identifying the houses as more than just another ‘subdivision’” was becoming common practice.¹⁰³

In many new subdivisions, exclusivity has also come to be guaranteed through the use of restrictive covenants. Private restrictions governing the use of land have long been used by the building industry to control and protect the physical and social character of new developments, make new subdivisions more marketable and guard against the loss of exchange value for homeowners. The argument for restrictive covenants has been that

¹⁰⁰ “Model homes best advertising,” 44.

¹⁰¹ Barrie McKenna, “Architect will customize luxury estate homes,” *Canadian Builder*, (April 1986): 39-40, 39.

¹⁰² *Ibid.* While the entrance gates did feature a guardhouse, it was only staffed during the Canadian Open Golf tournament held annually at Glen Abbey.

¹⁰³ “Builders aim to please,” 14.

they can be “more closely tailored to the interests of residents of a new subdivision than zoning by-laws” and are more responsive to consumer demand.¹⁰⁴ In essence, they allow builders to segment the market and create segregated enclaves in the suburbs. This, however, as Filion and Alexander argue, can lead to broader societal issues when exclusionary restrictions run counter to broader city-wide objectives of social inclusion. This has become an issue in Ontario since the late-1980s, when the province adopted new planning priorities directing all municipalities and planning boards to designate at least 25% of new residential units as affordable housing.¹⁰⁵ Filion and Alexander have found that developers increasingly turn to restrictive covenants to “frustrate these new planning objectives” by “forbidding non-single-family uses for single-family homes and setting standards that rule out the construction of affordable housing.”¹⁰⁶ In their study of the Kitchener-Waterloo area they found that during the 1985-1991 period 64.4% of all new development plans registered in the region were subject to restrictive covenants limiting affordable housing and non-single-family uses. This was in sharp contrast to the previous five-year period, when only 28.3% of new developments had such restrictions.¹⁰⁷ The authors of the study found that developers adopted such restrictions for two reasons. First, to ensure that builders used standards designed to enhance property values, and, second, “to assure a succession of homebuyers that the character of the neighbourhood [would] be maintained and to enhance the appeal of a subdivision for buyers, thus easing

¹⁰⁴ Pierre Filion and Michelle Alexander, “Restrictive covenants: Hidden obstacles,” *Plan Canada*, vol. 31, no. 1 (1995): 33-37, 34.

¹⁰⁵ Ibid.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

the selling process and enhancing property values.”¹⁰⁸ The increased use of restrictive covenants has been accompanied by the growth of homeowners’ associations, usually created by suburban developers at the beginning of a project to offer residents direct control over the character and maintenance of their neighbourhood and enforce restrictions.¹⁰⁹ Interestingly, while print ads in the *Star* sometimes implied or stated that a specific development was comprised ‘exclusively’ of detached houses, covenants and restrictions were not stressed as a benefit in any of the ads surveyed (Figure 42). The same was true for builders’ online advertising, which occasionally mentioned ‘strict architectural controls’ but did not elaborate.

While restrictive covenants conferred exclusivity and security of investment for homeowners, by the mid-1980s physical security was also becoming a factor in new home marketing. In 1982, *Canadian Builder* noted that with growing consumer awareness of security products, which were being directly marketed to consumers by alarm monitoring companies, “security [was] becoming more of a priority” in new developments.¹¹⁰ According to residential marketing expert Stan Kates, this trend was also being influenced by a rapid rise in property crime in urban areas and expanded media coverage of crime in general. In the Toronto-area, for instance, break and enters rose by more than 15% in 1981, compared to the previous year, and while violent crime had risen

¹⁰⁸ Ibid., 35.

¹⁰⁹ Witold Rybczynski, *Last Harvest: How a Cornfield became New Daleville: Real Estate Development in America from George Washington to the Builders of the Twenty-first Century, and Why We Live in Houses Anyway* (New York: Scribner, 2007).

¹¹⁰ “Safe and secure,” *Canadian Builder*, (May 1982): 33-37, 33.

Figure 42: Selling the safety of a homogeneous environment. Although restrictions and covenants are not mentioned in this ad, the implied message is that this is a safe place to live because it contains only detached and semi-detached houses intended for owner occupation by young families.
(*Toronto Star*, 8 April 1995, P. F14)

YOUR KIND OF PEOPLE YOUR KIND OF PLACE



A SAFER WORLD AWAITS *in Orangeville*

6 MODELS TO VIEW

Your Kind Of Price

\$119,900

FROM

6.9% FINANCING

THIS WEEKEND choose from SEMIS and SINGLES
Up to 2972 sq. ft. In an established community of parks and schools.
Moments from the heart of Orangeville. Minutes from Toronto.

COUNTRY MEADOW
estates

HOURS:
MON - THURS: 2PM-6PM
FRIDAY CLOSED
WEEKENDS: 12 NOON-6PM
CALL: 519-942-1941

HWY.10	HWY.9
POLLACK BLVD.	SALES SERVICE
	MEDIA
	JORDAN DR.
HWY.7	HWY.400
	HWY.401



less dramatically, in Canada, Kates noted, that it was almost always front-page news.¹¹¹

This kind of visibility had increased consumer demand for security features in new developments and homes and builders and developers had started to respond. Until only a

¹¹¹ Ibid.; The overall crime rate in Canada, after peaking in the early-1980s, has been decreasing. The same is true break and enters (Shannon Brennan and Mia Dauvergne, *Police-Reported Crime Statistics in Canada, 2010* (Ottawa: Statistics Canada, 21 July 2011): 2 and 14.

few years earlier, according to *Canadian Builder*, “demand for security above basic entry control [e.g., a deadbolt lock] was limited to the very luxurious condominium market and prime commercial space.”¹¹² Builders had been hesitant to emphasise security systems as part of the housing package fearing that the reaction would be ““this must not be a very safe area if they need all that security.””¹¹³ Stan Kates described how until very recently he “resisted using security features as a marketing tool,” but by 1982, he found it “essential in marketing.”¹¹⁴ The demand for security was also heightened by the fact that there were so many more single owners of homes and condominiums, many of whom were women and/or elderly, that the perceived need for security was now greater.¹¹⁵ Security was also an important consideration for the expanding retirement market. Many buyers in this segment wanted a low-maintenance home that they could lock up and not worry about when away on vacation.¹¹⁶ However, unlike in the US, where one builder noted a security system was “a necessity if you want to make a sale,” most Canadian builders offered them as optional extras.¹¹⁷

The Customisation of Spec Built Houses:

Another important way that builders were able to satisfy consumers’ desires for individuality and distinction was through expanded customisation options. As noted in chapter six, customisation was becoming standard practice for spec builders by the mid-1970s, especially in the middle- and upper-end of the market. Then, customisation

¹¹² Ibid., 33.

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ Ibid.

¹¹⁶ Rowena Moyes, “Meeting Lifestyles,” *Building Magazine*, (April/May 1992): 21-24.

¹¹⁷ “Safe and secure,” 36.

remained relatively limited, extending only to such things as paint colour, finishing material, and so on. Now, some speculative builders were starting to encroach onto the territory of custom builders. This was facilitated by the use of new technologies, such as computer-aided drafting (CAD), and the use of more pre-engineered building components, both of which allowed for greater flexibility for the builder.

As early as 1984, *Canadian Builder* noted that some builders were going beyond just cosmetic upgrades and starting to offer different structural options as well.¹¹⁸ Glen Orchard Homes of Oakville, which served the upper-end of the market, for instance, worked from eleven standard plans but allowed purchasers to make “minor, major, or complete alterations” to any of the designs.¹¹⁹ Buyers got to meet with the architects responsible for the plans for up to ten hours and “customise their unit to exacting standards.”¹²⁰ Major alterations entertained by the firm ranged from adding maid’s quarters, changing the location of the master bedroom, to enlarging rooms. In the end, according to supervising architect George Popper, “buyers [could] get a completely customised house.”¹²¹ By the end of the 1980s, pre-selling and customisation of production builders’ houses was the norm. As Doug Williams, president of McKnight Windows, a supplier to builders in the Toronto-area, exclaimed, “it seems like every house is semi-customised.”¹²²

¹¹⁸ “Model homes best advertising.”

¹¹⁹ “Architect will customize,” 39.

¹²⁰ Ibid.

¹²¹ Ibid.

¹²² Marshall Leslie, “At arms length: More contact key to solving gulf between builders and manufacturers,” *Canadian Builder*, 1989(January/February): 33-35, 34.

During the slow market of the early-1980s, pre-selling made a lot of sense to builders as it reduced their risk if houses failed to sell, and customisation requests were relatively easily accommodated. However, when demand picked up, this changed. Consumer demands for alterations to stock plans wreaked havoc on some builders and building materials suppliers schedules, resulting in delayed closings and substitutions, and angering purchasers. The reason for this was that with customisation builders had to wait on consumers to make decisions on finishings and upgrades before placing orders with their suppliers who did not necessarily have the materials in stock, further delaying the production process or requiring substitutions.¹²³ Consumer complaints about substitutions likely prompted the changes to the Ontario New Home Warranty program, which beginning in June 1988 allowed buyers to “claim damages, regain deposits, or terminate an agreement [to purchase] if ‘key elements’ [were] substituted without notice.”¹²⁴ Key elements covered under the warranty included the colour of paint, roofing material, exterior cladding, flooring, cabinets, window designs, and interior and exterior trim.¹²⁵ To get around this, builders had two options: (1) improve communications with purchasers and suppliers; and (2) limit the range of options available to consumers and the time they had to make their choices. Wimpey Homes and other progressive builders did both. Wimpey, for instance, made a point of keeping its purchasers up-to-date about the status of their new home and limited the amount of time consumers had to make their customisation selections to six-weeks from the date the purchase agreement was

¹²³ Ibid.

¹²⁴ Ibid., 34.

¹²⁵ Ibid.

signed.¹²⁶ Suppliers, themselves, urged builders to extend their construction seasons to a full year so that all orders did not have to be filled in an eight-month period.¹²⁷ In the Ontario market, and much of Canada, this simply was not feasible. As George Davidson, construction manager for Wimpey Homes noted, “the trouble with winter building is condensation, twisted studs, and poor workmanship. It costs us an extra \$4,000 to build, what with propane [for heating] and [added] security.”¹²⁸ Although Wimpey was one of the bigger builders in the Toronto market, it only scheduled about twenty-five jobs over the winter months, and only “to keep a few men busy” and not lose them to other industries.¹²⁹

Despite these challenges, most builders continued to offer marketable upgrades, especially in the upper-end of the market, where purchasers tended to be choosier.¹³⁰ Options typically played their biggest role in the kitchen and bathroom, described as the ‘power rooms’ and “major selling features of the home” because they depicted the lifestyle of the homeowner.¹³¹ These rooms were also the most expensive to build and equip, with the kitchen accounting for about 10% to 12% of the total construction cost and the bathrooms 8% to 10%.¹³² Builders did not want to risk erring in their decisions, especially now with the massive variety of choices being advertised directly to consumers by the kitchen and bathroom appliance and fixtures manufacturers in consumer-oriented

¹²⁶ Ibid.

¹²⁷ Ibid.

¹²⁸ Ibid., 34.

¹²⁹ Ibid.

¹³⁰ Toni Robinson, “Kitchens and baths: Higher land costs will demand better design to meet needs,” *Canadian Builder*, (March 1989): 30-31, 30.

¹³¹ Ibid.

¹³² Ibid.

lifestyle magazines. Manufacturers likely had two objectives in advertising directly to consumers. By showing consumers how much more comfortable and elegant a new or renovated home could be, they likely hoped to tap into the high mark-up renovation market of existing owners and at the same time encourage people to buy a new home. A second objective may have been to overcome builders' reluctance to experiment with new technologies and features by having consumers demand them. In fact, builders were often finding that purchasers were more knowledgeable than them in this area and often requested that specific upgraded features and brands be used in their new home. To accommodate these sorts of requests, by the late-1980s, some builders were bringing design teams on staff to help purchasers configure the rooms to their own specifications and select upgrade options that best suited their needs and lifestyles.¹³³

As the 1990s progressed, customisation options available to consumers expanded greatly. In late-1993, Ed Fitch, the editor in chief of the *Professional Builder*, after touring the operations of several progressive builders in the western United States, mused whether he had “witnessed a complete revolution in the homebuilding industry ... [the] focal point of [the] revolution [being] mass customisation.”¹³⁴ What he was referring to was the willingness and ability of production builders to ask consumers “‘Tell us what you want’—a la custom building” and delivering it.¹³⁵ Fitch found that builders like Las Vegas-based Morning Side Homes and California's Fieldstone Homes were literally “pushing the envelope” and making footprint changes to stock plans to meet customer

¹³³ Ibid.

¹³⁴ Ed Fitch, “Is this the Beginning of the end for Custom Builders,” *Professional Builder*, (November 1993): 11.

¹³⁵ Ibid.

requests.¹³⁶ Fieldstone’s new ‘Home Fitting’ program, for instance, allowed customers to use a home simulation software package to modify room configurations and add rooms and features like porches and view the home they helped design in a three-dimensional environment.¹³⁷ According to Fitch, these companies were prepared to “meet any change requested . . . without blinking an eye” and the result was a higher closing rate on sales for the builders.¹³⁸ Such advances in customisation, and especially the ability to modify the footprint of the house, meant that production builders were beginning to encroach on the turf traditionally reserved for custom builders. A 2010 CHBA survey revealed that in 2009, 39% of Ontario builders built semi-custom homes and a further 33% produced “fully customised” ones.¹³⁹

One way that builders were able to accommodate the expanded customisation requests was through the use of more pre-engineered and pre-fabricated components.¹⁴⁰ This not only reduced construction times and the reliance on onsite labour, but also allowed builders to “respond to changes in demand more quickly” because speculative starts could be kept to a minimum and more transactions completed on a pre-sale basis.¹⁴¹ Still, as the *Professional Builder* noted, the degree of customisation varied from builder-to-builder, with some offering a lot, “while others thrive with a take-it-or-leave-it

¹³⁶ Ibid.

¹³⁷ Ibid.

¹³⁸ Ibid.

¹³⁹ Canadian Home Builders’ Association, “CHBA Pulse Survey,” 2010(Winter): 11. While the proportion of builders engaged in semi-custom and custom building is high, statistics on the actual number of starts in these categories are not available.

¹⁴⁰ Peter Norman, “It’s all different this time around,” *Building Magazine*, (July/August 2001): 40.

¹⁴¹ Ibid.

approach.”¹⁴² The journal found that the level of customisation varied with market conditions, decreasing in a ‘hot’ market.¹⁴³ For instance, in 1995, Canada’s *Building Magazine*, noted that while much of the country suffered through a recession and builders in the Toronto-area were “willing to negotiate with buyers on price; that more upgrades [were] being offered; and that [special] financing and mortgage arrangements [were] being offered,” fewer builders in BC, where the market was “more buoyant” offered “either flexible floor plans or free upgrades.”¹⁴⁴ The *Professional Builder* also found an inverse relationship between the size of builder and the level of customisation offered, arguing that the “customisation of production-built homes is [an] area where the largest builder seem to lag behind a clear market trend.”¹⁴⁵ The journal went on to suggest that despite the fact that these big builders “spend lavishly to provide buyers with design centres to smooth out the upgrade and option process” the real goal might be to “enhance production efficiency rather than meet emerging consumer demand for true custom changes.”¹⁴⁶ Many of the largest firms restrict customisation options to a limited number of pre-picked combinations of features and finishes. Consumers can pick between packages but not mix and match within them or request non-standard upgrades. Smaller and mid-sized builders tend to allow greater choice. One mid-size speculative builder based in suburban Vancouver, for instance, described that while his firm offered consumers a limited selection of features and finishes in its showroom it also allowed

¹⁴² Patrick O’Toole, “Make no same plans: Mass Customization at Don Simon Homes,” *Professional Builder*, (September 2001): 52-53, 52.

¹⁴³ “Private builders ascending?” *Professional Builder*, (April 2005): 88-96.

¹⁴⁴ “News: Residential,” *Building Magazine*, (April/May 1995): 26-27, 26.

¹⁴⁵ “Private builders ascending?” 96.

¹⁴⁶ *Ibid.*

purchasers to mix and match them in any combination. If none of the finishes and features offered by the builder met the consumer's requirements the company also allowed purchasers to go out and buy materials on their own and have them sent to the construction site where the firms tradespeople will install them. According to the company's general manager, the degree of customisation small- and mid-sized builders are willing to offer is their competitive advantage against big builders.¹⁴⁷ In its survey of big US builders, the *Professional Builder* found that the largest of the publicly traded firms did the least semi-custom building, only 15% of total volume. This compared to the next size down which did 20.4%, while the biggest of the privately-held firms, most of which are smaller than the publicly traded ones, did the most at 22.8%.¹⁴⁸ Two reasons might explain this inverse relationship between size and customisation. First, large builders, with their greater resources, may have superior market knowledge and have designed a product that suits their target market(s), therefore requiring little modification. A second reason that big builders tend to offer fewer customisation options than smaller ones may be that they are competing more on the basis of price than smaller builders. With access to the stock market, to raise capital, they may be able to offer consumers more attractive financing packages, and due to the scale of their operations, their production costs may be lower, allowing them to sell a standardized product at a competitive price.

Besides increased responsiveness to consumers through expanded customisation options, some builders also sought out new ways to promote new houses and subdivisions

¹⁴⁷ Personal Communication, 9 April 2012.

¹⁴⁸ "Private builders ascending?" 96.

to segments of consumers they had identified. One of the most significant changes in this arena related to the choice of advertising medium.

Advertising and Promotion:

Because of the market downturn of the early-1980s, and the high-cost of newspaper advertising, some homebuilding firms began to question print advertising's value and whether promotion budgets could be better spent. Monarch construction was one of these companies. Beginning in the mid-1980s, the firm started to reallocate its marketing budget away from print ads and towards more "point-of-sale items," like its model homes, on and off site signage, brochures, and its sales centre.¹⁴⁹ Company president Colin Parsons described how at its Unionville development the firm had decided to spend heavily on its model home display, creating a boardwalk, "lattice work gazebos" and such, in order to create an inviting environment for visitors instead of running full page colour display ads in the *Toronto Star*, which cost \$12,000, like other builders were doing.¹⁵⁰ For Monarch, this was the best way it knew to sell the image of a slower paced, "older, more traditional" community known for its "quality and charm" that it was trying to convey.¹⁵¹ Although the company cut back on print advertising it did not eliminate it entirely. It still ran ads in the Toronto newspapers, but they were typically black and white, "usually a quarter page or less, and not weekly." The company also tried to advertise in places that reflected its purchasers' interests, like the *Financial Post*, *Financial Times*, *The Globe and Mail*, and *Toronto Life* magazine, which had readership

¹⁴⁹ "Model homes best advertising"

¹⁵⁰ Ibid.

¹⁵¹ Ibid.

across Canada, along with local publications including the *Markham Profile* and the *Markham Economist*.¹⁵² By advertising in these sorts of publications the firm likely hoped to add a sense of distinction and exclusivity to its development by associating it with an upper-income, well-educated readership, which was not necessarily possible with mass-distribution publications like the *Star*. While print advertising continued to play an important role in Monarch's promotional work, according to Parsons, off-site signage, in the form of billboards, "proved the main draw, attracting 60% of site visitors."¹⁵³

Like Monarch, by the late-1980s, Heron Homes was also starting to reconsider the value of print advertising. Summing up the firm's thinking, president Hugh Heron argued that "the enormous investment in advertising a large premium quality development can be better spent on the community itself."¹⁵⁴ To test this theory, in 1989 the company eliminated all newspaper advertising at its Saddlebrook subdivision in Unionville.¹⁵⁵ Instead, Heron opted to invest heavily in its sales centre and in creating a "huge referral network" of past purchasers.¹⁵⁶ Similarly, Glen Orchard Homes chose to forgo newspaper advertising at its Fairway Hills subdivision bordering Oakville's famed Glen Abbey golf course. To create a sense of exclusivity for the project the company's marketing team mounted an "extensive direct mail campaign" targeted at potential buyers that had inquired about homes in the company's other subdivisions in the area.¹⁵⁷ These prospects

¹⁵² Ibid.

¹⁵³ Ibid.

¹⁵⁴ "Commitment: Lifestyle Centre sets new directions in marketing for Heron Homes," *Canadian Builder*, (January/February 1989): 20.

¹⁵⁵ Ibid.

¹⁵⁶ Ibid.

¹⁵⁷ "Architect will customize," 40.

were invited to an “invitation only cocktail party at the Glen Abbey club house” where they could peruse plans and talk to company staff in a relaxed environment.¹⁵⁸ According to Elias Marketing & Communications, who devised the marketing plan, this was the best way to reach the top-end buyer “looking to move up to a luxury house in an exclusive spot.”¹⁵⁹

The examples noted above are all for more expensive developments targeted at the upper-end of the market and not necessarily indicative of an industry-wide trend. In fact, newspaper ads continue to play heavily in most builders’ promotional plans. A 1993 survey of US builders by the *Professional Builder* found that newspapers remained the primary advertising medium for homebuilders, with 82% of all builders using them. This compares with off-site signage at 60%, brochures at 46%, and buyer referrals at 34%.¹⁶⁰ What the examples cited above do illustrate is that builders were adapting their marketing and promotional strategies according to the market they were trying to reach. This sort of progress and diversity in marketing did not go unnoticed. As John Fennell, writing for the *Canadian Builder* in 1990, argued, while Canadian marketers had “long been considered poor cousins to the merchandisers from the US” this was no longer true.¹⁶¹ That year a number of Canadian firms won marketing awards from the Institute for Residential Marketing at the NAHB’s annual convention in Atlanta.¹⁶² Winners included the Bramalea Development Corporation and Stolp Homes in the best sales office category

¹⁵⁸ Ibid.

¹⁵⁹ Ibid.

¹⁶⁰ Susan Bady, “Marketing innovation rests in the hands of volume builders,” *Professional Builder*, (November 1993): 31-32, 38.

¹⁶¹ John Fennell, “Playing Smart,” *Canadian Builder*, (March 1990): 16-17, 16.

¹⁶² Ibid.

and Gabor & Popper Architects for their work with Glen Orchard Homes at Fairway Hills.¹⁶³

While newspapers remain most builders' most important advertising medium, ads during this period underwent several notable changes. Evidence from the survey of new home advertising in the *Star* shows that many builders, rather than running separate adverts for each concurrent subdivision they were engaged in opted, instead, to run one large ad providing the details of all of their projects (Figure 43). This change, in part, reflected the continued growth and diversification of large corporate builders and a move away from large tract developments towards smaller projects. It was also more economical. By spending less in the *Star* it freed up resources for other forms of promotion and, perhaps, more targeted advertising in smaller local publications for the individual subdivisions. One large ad may have also helped builders develop a brand identity by demonstrating their firm's size, strength and experience, a strategy some builders had begun adopting in the early-1990s (Figure 44). The drawback of a single large ad for multiple developments was that the builder was constrained by space and unable to tell prospects much about the houses or their location beyond, perhaps, price range and the type of houses found in each subdivision. By the mid-1990s, some builders found a way around this by directing consumers to a website.

¹⁶³ Ibid.

Figure 43: Selling Multiple Developments in One Ad.
 (Toronto Star, 9 April 2005, P. N5)

Mississauga
NEIGHBOURHOODS OF CHURCHILL IN ERIN MILLS

Choose Greenpark in Erin Mills!

An exciting new collection of Freehold Townhomes, Semi-Detached Homes and Fully Detached designs on lots 37' & 40' wide in a beautiful community, Mississauga's Best Neighbourhood.

Townhomes from **\$265,990***
up to 1,100 sq. ft.

Semis from **\$292,990***
up to 1,410 sq. ft.

Singles from **\$382,990***
up to 1,610 sq. ft.



Brampton
ELDORADO GLEN

Move in this Year!

Beautiful Fully Detached designs on 40' lots in a neighbourhood that's close to everything you want.

Singles from **\$369,990***
up to 1,600 sq. ft.



Brampton
GATES OF COUNTRYSIDE

Move in this Year!

Newly designed Freehold Townhomes with FREE appliances. Great Fully Detached Homes on lots 40' wide.

Townhomes from **\$239,990***
up to 1,100 sq. ft.

Singles from **\$339,990***
up to 1,400 sq. ft.



Brampton
HIGHLANDS OF CASTLEMORE

Fully Detached Homes on 40' x 110' & 40' wide Fully Detached lots in Brampton's prestigious Castlemore neighbourhood. Appliances correct lots available.

Singles from **\$378,990***
up to 1,410 sq. ft.



Brampton
THE ESTATES OF VALLEYCREAK

Grand Opening Phase 3!

All new Fully Detached designs on lots 40' x 100' wide in a mature setting. **Move in this Year!**

Singles from **\$379,990***
up to 1,410 sq. ft.

2 Models in 'Year!



WE BUILD IT BETTER™

GRAND OPENING CONTINUES!

Greenpark is The Natural Choice

In Aurora



ATTRACTIVE EXECUTIVE FREEHOLD TOWNHOMES
in a neighbourhood bordered by an immense Natural Heritage Greenway System.

- 4 FREE appliances
- Two-Storey and Two-Storey plus loft designs
- Amenities include excellent schools, abundant retail & the Aurora Leisure Complex

Townhomes from **\$257,990***
up to 2,399 sq. ft.





Markham
THE MANORS OF BIRCHGROVE

Our New Neighbourhood Has It All!

Freehold Towns, Semis and 45' Singles in a charming, family-friendly neighbourhood.

Townhomes from **\$268,990***
up to 2,180 sq. ft.

Semis from **\$279,990***
up to 2,090 sq. ft.

Singles from **\$395,990***
up to 3,170 sq. ft.



Markham
THE TOWNS OF OLD MARKHAM

Premium Townhomes!

Freehold Condo Townhomes with your own Backyard.

5 appliances and \$3,000 Upgrade Package – FREE!
Rear yard access from garage available.

Townhomes from **\$272,990***
up to 1,990 sq. ft.



SALES CENTRE HOURS
Monday to Thursday: 1 pm to 8 pm
Saturday, Sunday, & Holidays: 11 am to 4 pm

Greenpark
CANADA'S LARGEST HOME BUILDER

Over 6000 Homes Built

Greenpark
CANADA'S LARGEST HOME BUILDER

www.greenparkhomes.com

300

Figure 44: Building the builder’s brand. Instilling consumer confidence by selling the builder’s achievements and recent THBA Sales and Marketing awards, as well as several concurrent developments.
 (Toronto Star, 14 April 1990, P. H15)

ARCHITECTURALLY CONTROLLED COMMUNITIES OF OUTSTANDING HOMES

LANDFORD & SAM TOGETHER AGAIN.





1990 SAM Awards
The Grand Sam Award

**ARCHITECTURAL INNOVATION AND IMAGINATION
WIN LANDFORD HONOURS.**

Being awarded by the major Home Builder's Associations with their most sought after Sales And Marketing (SAM) awards is certainly not the only reason why Landford has strived to design and build many of today's most innovative new homes and communities.

However, winning such SAM awards as the Best Architectural Design for Newport Yacht Club in Stoney Creek does reflect our determination and dedication to creating homes and lifestyles not cut from the same mold.

Landford builds imagination into all they do by design. From the first architectural design drawings to the creation of the community to each and every finishing touch, our winning attitude shines through.

Call us or visit one of our communities today and see why we are your choice by design.



1990 SAM Awards
Most Innovative Product



SUNSET

Grandland Classic Townhomes
in Pickering From \$229,900
Call 426-5676





Legends

Single Family, Detached Homes
in South Brantford From \$149,999
Call 655-2000





PRESTON LAKE

Grand Opening Exhibition of Homes
From \$258,999 in Fresh Acre!
Call 841-4920





PRESTON LAKE

Water Lake 75m Homes
Call 737-6614





NEO WHIT

Boat House
90

April 27, 28, 29, 1990
Featuring the Landford Formula 1 Boat Race
Sunny occupancy available on homes
and boat slips. Homes From \$229,900
Call 643-6110



LANDFORD

Online Marketing:

The mid-1990s witnessed a reallocation of promotional and advertising budgets towards online marketing. Between 1996 and 1999 the number of Canadian builders with Internet access rose sharply from 28% to 60%.¹⁶⁴ During this same three-year period, the proportion of Canadian builders with websites increased from 8% to 26%. The numbers in Ontario were higher, rising from 11% to 33%.¹⁶⁵ My research indicates that growth in website development has continued, but at a slower rate. By December 2009, 45% of Greater Toronto Area builders registered with the Tarion New Home Warranty program had websites. When controlling for firm size it was found that all large builders, producing one hundred or more units per year, had an online presence, while the proportion of small builders (0 to 25 units per year) with websites was the lowest. A 1998 survey of Canadian builders' websites by Clayton Research Associates found that "virtually all ... websites include[d] general information on their company [and] a large proportion also include[d] information on specific projects and floor plans."¹⁶⁶ My 2009 survey found a similar trend, except that now virtually all websites include information on specific projects too.

Builders of all sizes use their websites to present consumers with more information about their firm's history and forge a more personal relationship with prospects than is possible with print advertising. They do this by providing information about the firm's founders, the company's strength and stability, and the builder's

¹⁶⁴ Canadian Home Builders' Association, "CHBA Pulse Survey," 1998/1999(Winter).

¹⁶⁵ Ibid.

¹⁶⁶ Ibid., 13.

commitment to craftsmanship and serving the client as opposed to an anonymous consumer. Greenpark Homes, a large builder, for instance uses its website to emphasize its longevity and the fact that it has built some 52,000 residential units since 1957. At the same time, the firm stresses that it is “100% Canadian and family owned” and that it has a “commitment to customer service.”¹⁶⁷ While small builder Calibre Homes, stresses that it is “a company of handpicked professionals who are committed, not to being the biggest, but to being the very best at what they do” and how it treats each home it builds as if it were their own.¹⁶⁸ Other firms choose to stress the number of awards they have won for their developments and the honours bestowed upon them by industry professionals. Country Homes, another large “family owned and operated firm,” for instance, emphasises the fact that its president, Ernie Rinomato, is “one of the most respected builder/developers in the GTA” and that the firm has been “honoured ... with a Master Builder Award” by the Residential Construction Council of Central Ontario.¹⁶⁹ Mid-size builder Branthaven Homes’ website highlights the company’s owner and president, Steve Stisits. It describes how he is a past president of the Hamilton-Halton Home Builders Association and has “worked in all facets of building in both Canada and Europe to further expand his knowledge” of residential construction and how the firm has received Tarion’s “after sales service award.”¹⁷⁰ These sorts of statements together with carefully selected testimonials from past purchasers help to bridge the distance between the producer and consumer and serve to reassure buyers that they are in ‘good hands’ and

¹⁶⁷ Greenpark Homes, <http://www.greenparkhomes.com/>, Accessed 2009(December).

¹⁶⁸ Calibre Homes, <http://www.caliberhomes.ca/>, Accessed 2009(December).

¹⁶⁹ Country Homes, <http://www.countryhomes.ca/>, Accessed 2009(December).

¹⁷⁰ Branthaven Homes, <http://www.branthaven.com/>, Accessed 2009(December).

will not be abandoned by the builder once the sale is closed. To this end, many websites, especially those of larger builders, have special areas reserved for new buyers, where they can login and track the progress of their new home, from the pouring of the foundation through to the finishing work.

Websites provide several other important benefits to builders and consumers. Because web pages are dynamic and can be updated relatively easily once they are set up, new projects and models can be added as they are introduced. This allows site visitors to view the full range of housing options offered by the builder, and if one design does not work for them perhaps another will. Also, compared to the costs involved in print advertising, web space and site hosting fees are relatively affordable. Unlike with newspaper advertising, space constraints are also less of an issue. This gives builders more opportunity to show the benefits of location and demonstrate the value of their houses. To achieve this, most websites feature maps highlighting the development's proximity to local amenities such as schools, shopping centres, and recreational areas and include photographs of the community and houses (inside and out). Many also contain links to the websites of community-based institutions that consumers should, presumably, be interested in learning more about. Some even contain short videos. Rosehaven Homes' website, for instance, includes video profiles of each community the builder is active in. These video vignettes stress the history of the area, nearby amenities, and why it is an ideal place to raise a family by arguing that Rosehaven "builds communities with families in mind" that offer a "safe, secure environment" for children where they can walk to

school.¹⁷¹ Many websites also include virtual tours of actual or computer generated models, fully decorated and furnished, saving consumers the time involved in actually visiting the builder's sales office. Builders also use their websites for one other important function—to collect information on consumers. Many builders, especially mid- and large-sized ones, ask site visitors to voluntarily provide a good deal of personal information on such things as age, family status, income level, current ownership status, preferred location and house type, and house size and price range sought.¹⁷² Information collected in this way can be used to develop a follow up list of prospects for direct mail campaigns, targeting advertising more effectively, and guide future production decisions.

Clearly, online marketing and promotion have become an important factor in the homebuilding industry. This is not surprising, considering that more and more consumers are going online to research products and manufacturers before deciding to purchase. The building industry has adapted to this new reality with often slick, dynamic websites. Most builders' websites appear to be professionally designed and inviting, providing consumers with considerable, but tightly controlled, information needed to make an informed purchase decision.

Targeting Niches:

One of the main trends to emerge in new home marketing since the mid-1980s has been the development and targeting of niches of consumers that share similar values and

¹⁷¹ Rosehaven Homes, <http://www.rosehavenhomes.com/>, Accessed 2009(December).

¹⁷² See for example: Rosehaven Homes, <http://www.rosehavenhomes.com/>, Accessed: 2009(December); Yorkwood Homes, <http://www.yorkwoodhomes.com/>, Accessed: 2009(December); Branthaven Homes, <http://www.branthaven.com/>, Accessed: 2009(December); Preston Homes, <http://prestonhomes.ca/>, Accessed: 2009(December); Oxnard Homes, <http://www.oxnardhomes.ca/>, Accessed: 2009(December).

interests. The two key motivators for builders to pursue this direction have been the fact that traditional markets for new homes, specifically the first-time buyer looking for shelter, were shrinking due to increased competition from existing houses and other forms of housing, like condominiums and row houses; and a growing recognition that demand for new homes is fragmented along demographic and lifestyle lines.¹⁷³ As Frank Clayton, Toronto-based economist and real estate market analyst, argued, “people can no longer be easily compartmentalized.”¹⁷⁴

Fragmented demand and niche development tends to favour the smaller builders, who usually have closer relationships with consumers and are better able to respond to individual needs and custom changes.¹⁷⁵ However, because responding to distinct lifestyle preferences extends beyond just providing houses, to include the community as a whole, large land developers have taken on a greater responsibility than ever before in planning the subdivision, conducting market research, maintaining overall control of the character of the development, including the physical character of the houses, and merchandising the subdivision.¹⁷⁶ Only large firms had “the resources to purchase, plan and service land” and build up front the appropriate living environment with the right amenities.¹⁷⁷ Because of this, and the fact that there is greater opportunity for profit in developing land than “building ‘lifestyle’ housing,” more and more large builders began

¹⁷³ Frank A. Clayton, “The new lifestyle,” *Canadian Builder*, (July/August 1990): 12-13, 15, 17; Moyes, “Meeting Lifestyles.”

¹⁷⁴ “The new lifestyle,” 15.

¹⁷⁵ Ibid.

¹⁷⁶ Jim Adair, “Merchants of change: Ability to respond quickly to demands will separate winners from losers,” *Canadian Builder*, (May 1989): 44-46.

¹⁷⁷ “The new lifestyle,” 17.

entering the development business.¹⁷⁸ To mitigate risk, offer greater variety in a single development, and draw on the benefits of a closer producer-consumer relationship that smaller firms could offer, many large builder/developers entered into joint ventures with mid- and small-sized builders or allowed them to bid on lots and “build in their community under specific guidelines.”¹⁷⁹

By the early-1990s, lifestyle communities and developments “moulded to appeal to a small, targeted segment[s] of the population” to the exclusion of all others were becoming a noticeable feature of the suburban landscape.¹⁸⁰ In 1992, for instance, Toronto-based developer Bramalea achieved success with its Noble Gate project, “which targeted wealthy Chinese Canadians [by using] Hong Kong British model names, feng-shui design, culture specific symbolism and Asian language newspaper advertising.”¹⁸¹ Similarly, in 1997, *Building Magazine* noted that Monarch Homes was employing “feng-shui principles” in the homes that it was building in “predominately Chinese neighbourhoods” in Scarborough and Markham.¹⁸² Monarch found it to be a lucrative strategy, but it required a good deal of cultural sensitivity. At Chartwell Place, one of the company’s high-rise projects, it had to omit numbering the fourth and fourteenth floors and none of the suites could have the number four in them, because, according to company president John Latimer, the “number sounds like death when spoken in

¹⁷⁸ Ibid.

¹⁷⁹ “Merchants of change,” 44; “The new lifestyle.”

¹⁸⁰ “The new lifestyle,” 13.

¹⁸¹ Rowena Moyes, “Meeting Lifestyles,” *Building Magazine*, (April/May 1992): 21-24, 21.

¹⁸² “Developer of the Year: Monarch’s Winning Ways,” *Building Magazine*, (January/February 1997): 13-14, 14.

Chinese.”¹⁸³ In the company’s detached residential developments, where changing addresses was more difficult, houses with the wrong number had to be sold “at a large discount.”¹⁸⁴ *Building Magazine* expected this sort of targeting of distinct ethnic groups to only increase “with immigration expected to form the backbone of future housing demand” and the increasing suburbanisation of the immigrant population.¹⁸⁵ However, at the same time, market analysts cautioned builders not to get too carried away with one market segment. Frank Clayton expressed concern that it would be “easy for builders to overbuild specific lifestyle niches in a given market.” He described this as the ‘herd’ mentality in the building industry. If one builder were perceived to be having success with a specific market or design, others would follow him, creating an oversupply.¹⁸⁶ This was especially a risk if builders did not do their own market research to test whether a market existed and how big it was. The experience of builders targeting the retirement marketing in the late-1980s bore this out.

Retirement communities as an example of consumer segmentation

As late as 1985, market segmentation remained a relatively novel concept in homebuilding. In Canada, housing and residential developments designed for seniors were rare. Michael Latimer, of Greenwin Construction, described Canada’s builders as “five years behind the US in providing innovative housing for an aging population.”¹⁸⁷ In the US, by this time, developers were actively creating “life-care communities” that

¹⁸³ Ibid.

¹⁸⁴ Ibid.

¹⁸⁵ “Meeting Lifestyles,” 22.

¹⁸⁶ “The new lifestyle,” 17.

¹⁸⁷ John Fennell and M. Eberle, “Builders overlook major market segment,” *Canadian Builder*, (May 1985): 37-41, 43, 37.

provided self-contained units and a “broad range of services including nursing beds and medical care.”¹⁸⁸ Gloria Gutman, director of gerontology research at Simon Fraser University, argued that the reason for this lack of builder/developer interest in this segment of the population was two-fold. First, retirement complexes in the US Sunbelt were proving a big draw for Canadians; and, second, because of universal healthcare, Canadians were not investing in the future.¹⁸⁹ Vancouver’s Pennyfarthing Development Corporation, which built retirement housing in Washington State, but not Canada, also cited universal healthcare as the main reason it and other developers skipped over this market segment.¹⁹⁰

Still, academic research, much of it funded through CMHC grants, indicated that the Sunbelt was not the ideal option for many retirees and that the potential of lifestyle-oriented retirement housing was considerable.¹⁹¹ In 1985, *Canadian Builder* noted that several recent studies had found that most elderly people, rather than face the possibility of isolation in a different city or country, would like to stay in the communities where they spent most of their lives and where their friends were.¹⁹² According to the journal, fewer than 5% of people over the age of 65 who moved actually relocated to the Sunbelt, with most moving less than one hundred miles from home, and the vast majority of retirees (70%) chose to stay put.¹⁹³ Staying put was increasingly becoming an option for

¹⁸⁸ Ibid.

¹⁸⁹ Ibid., 37.

¹⁹⁰ Ibid.

¹⁹¹ Ibid.

¹⁹² Ibid.

¹⁹³ Andrew B. Greenman, “Targeting for seniors: Retirement housing—not just a Sunbelt story,” *Canadian Builder*, (May 1985): 44, 46.

even the eldest members of this segment of the population because of new security technology and monitoring methods, such as cameras and sensors that detect activity in the home, which reduced the pressure from seniors' children to relocate.¹⁹⁴

Although Canadian builders were slow in developing this segment of the market, it could not be ignored. With the number of first-time buyers shrinking, builders had to find new markets. The retirement market was attractive for several reasons. Mainly, it was a relatively wealthy segment of the population, with most already homeowners with money in the bank and equity in their homes. In Canada, in 1989, the over-fifty population controlled “over 70% of the country’s assets.”¹⁹⁵ Similarly, in the US, it was estimated that those over the age of fifty held 55% of the country’s disposable income.¹⁹⁶ Seniors were also the fastest growing segment of the population.¹⁹⁷ However, because the elderly tended to move less often than the younger population and “took longer to decide to move” it demanded that builders be more creative to entice retirees to buy.¹⁹⁸ Merchandising had to be fully keyed to this segment of the population and had to offer a strong sense of community. By the mid-1980s, a few builders had started to target the retirement market. In 1985, *Canadian Builder* noted that small retirement communities were popping up across Canada, “complete with sophisticated, but less elaborate

¹⁹⁴ John Fennell, “Housing our elderly: Multitude of options needed to meet future demand,” *Canadian Builder*, (March 1989): 10-12, 15, 17.

¹⁹⁵ *Ibid.*, 10.

¹⁹⁶ “Targeting for seniors”; Hilary Stout, “Technologies help adult children monitor aging parents,” *New York Times*, (28 July 2010).

¹⁹⁷ John Fennell, “Housing the elderly,” *Canadian Builder*, (July/August 1987): 14-17.

¹⁹⁸ “Targeting for seniors,” 46.

Figure 45: Adult-Oriented Lifestyle Community
 (Toronto Star, 9 April 2005, P. N4)

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 So close to the city.

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amenities than found in the Sunbelt resorts.”¹⁹⁹ For example, instead of golf courses, you might find jogging trails, and instead of beaches, indoor and/or outdoor pools, spas, and fitness centres (Figure 45).

Because most members of this market segment already owned homes, builders and developers found that developments took longer to reach full occupancy and required a long-term commitment. While some developers were achieving success, *Canadian Builder* noted that others discovered “they had jumped on the bandwagon too soon.”²⁰⁰ In 1989, the journal found that this was especially the case when it came to the very elderly, seniors over the age of seventy-five. It noted that for developers and builders in this segment of the market “there have been many problems with overcapacity” with all major cities being overbuilt and full occupancy time running to three years.²⁰¹ Toronto-based geriatric consultant Shelly Jamieson noted that in Ontario, 60% of the developments for this demographic group were at less than 90% capacity, with most seniors being turned off by the “concentration of old, sick and frail people.”²⁰² According to Jamieson, only one-quarter of seniors had any interest in moving to a retirement village.²⁰³ *Canadian Builder* argued that real demand for lifestyle-oriented retirement communities would not emerge “until the early decades of the next [twenty-first] century.”²⁰⁴

¹⁹⁹ Ibid., 44.

²⁰⁰ Jeff Richardson, “Designing for retirement,” *Canadian Builder*, (October 1985): 13-15, 13.

²⁰¹ “Housing our elderly,” 10.

²⁰² Ibid., 12.

²⁰³ Ibid.

²⁰⁴ “Designing for retirement,” 13.

By the mid-1990s, as more and more people took early-retirement and the population of those over the age of fifty grew, more builders and developers began to target the retirement market. According to CMHC, between 1991 and 1995 the number of retirement communities in Ontario grew from 28 to “at least 42.”²⁰⁵ The actual number of projects geared to this demographic group was likely greater, as the CMHC statistics only counted developments that met the Ontario Ministry of Municipal Affairs’ definition of retirement community. To be deemed a retirement community under the definition, it had to be a “planned, low-density, age restricted development, offering a range of recreational service and constructed primarily by private capital as [a] profit making venture.”²⁰⁶ Despite the development industry’s growing interest in this market segment and the growing popularity of lifestyle-oriented communities among retirees, *Building Magazine* noted that they still were not selling as fast as marketing experts had anticipated.²⁰⁷ Don Goldhar, advertising sales representative for *CARP (Canadian Association of Retired Persons) Magazine*, suggested that this was because “most people prefer to stay in their [existing] home as long as they can” and those that did want to move were having trouble selling their house due to the state of the market.²⁰⁸

²⁰⁵ Albert Watson, “Young Folk’s Homes,” *Building Magazine*, (Summer 1995): 22-25, 24.

²⁰⁶ Ibid.

²⁰⁷ Ibid.

²⁰⁸ Ibid., 25.

For developers that had entered the retirement market, the start of the twenty-first century brought promising news. In 2001, CMHC forecast that by 2021, retirees would be “a significant force in Canadian housing.”²⁰⁹

Selling Authenticity through Historically Inspired Design:

One of the most noticeable changes to take place in homebuilding during the most recent period has been with the physical appearance of the house. There has been a resurgence of historically inspired design. The best known and most widely cited examples of this trend are new urbanist communities, such as Seaside in Florida and Cornell in suburban Toronto. These, however, are exceptional cases. Harris and Dostrovsky argue that the “great majority of new single-family homes with historicist styling have [in fact] been built in wholly conventional suburbs.”²¹⁰ This has been motivated by consumers looking for a more distinct house form that evokes authenticity in design, quality of workmanship, and has a grounding in the past, when times were simpler. Harris and Dostrovsky note that the rise in historicism has coincided with growth in gentrification and “popular concern with historic preservation.” They argue that as “modernism became discredited for its association with urban renewal it lost its social-democratic connotations” and there was an erosion of faith in cultural and economic progress.²¹¹ Oliver *et al.*, commenting on the English suburb, have argued that historic elements in suburban architecture symbolise identity and security. Consumers have

²⁰⁹ John Fennell, “The senior housing scene,” *Building Magazine*, (March/April 2001): 15-18, 15.

²¹⁰ Richard Harris and Nadine Dostrovsky, “The suburban culture of building and the reassuring revival of historicist architecture since 1970,” *Home Cultures*, vol. 5, no. 2(2008): 167-98, 168.

²¹¹ *Ibid.*, 168, 80.

looked to domestic architecture for reassurance in an otherwise uncertain world.²¹² As builder John Vicars, active in the suburb of Port Moody, outside of Vancouver, argued in 1985, “the recession has created the perfect climate for [heritage design]. Cautious buyers are looking for a house that echoes a time of workmanship.”²¹³ Allan Gregg, chairman of the marketing firm Decima Research and author of *The Big Picture*, which examined “issues disturbing the Canadian psyche,” agreed with this assessment.²¹⁴ Gregg contended that the overbuilt real estate market and recession had led to a “national psychological depression” with consumers no longer believing that urban growth was a good thing, and, instead, believing that developers were “somehow to blame for the perceived social moral deterioration in their urban environment.”²¹⁵ To counter this, he urged builders to recognise the consumer’s desire to “return to a simpler time ... step through the looking glass into a Norman Rockwell painting and let their projects mirror the values that grandma held so dear.”²¹⁶ While nostalgia likely influenced consumer taste for heritage design, Harris and Dostrovsky argue that a second, and perhaps more important factor also influenced residential design. They argue that the “steady but cumulatively dramatic shift” in the social position of women during the post war period and the accompanying blurring of gender roles also helped to soften the masculine façade

²¹² Paul Oliver, Ian Davis and Ian Bentley, *Dunroamin* (London: Barrie & Jenkins, 1981): 197.

²¹³ Frank O’Brien, “Heritage renaissance sweeps Vancouver,” *Canadian Builder*, (June 1984): 53-54, 53.

²¹⁴ Bonnie McFeeters and Al Zabas, “Anxiety attack,” *Canadian Builder*, (November/December 1990): 14, 16, 19, 14.

²¹⁵ *Ibid.*, 16.

²¹⁶ *Ibid.*

of the postwar suburban house.²¹⁷ Traditionally, the clean, hard lines of the façade have been considered masculine, in contrast to the more traditional, or feminine, arrangement and furnishing of domestic interiors, suggesting that women’s place was in the home.²¹⁸ Since the 1970s, closely paralleling the rise in historicism, the proportion of architects who are women has doubled, the number of women in residential brokerage has increased, and, in general, more women work outside the home.²¹⁹ At the same time, more men have begun to take an interest in interior decorating and have taken on more domestic responsibilities, like cooking, cleaning, and being stay-at-home husbands.

Whatever the reasons for the increased demand for historically inspired homes, by the mid-1980s, some progressive market-minded builders had already begun to recognise the value of heritage design in creating a distinct, sought after residential environment (Figure 46). The developers of Glenway Estates & Country Club, for instance, incorporated “some of the better features historically seen in Southern Ontario,” such as high-pitched roofs, “stepped out brickwork at the tops of chimneys, quoined corners, and indigenous materials” into the twelve different Victorian design inspired plans it offered buyers.²²⁰ At Glenway Estates, the historic theme extended to its advertising too, which

²¹⁷ Harris and Dostrovsky, “The suburban culture of building,” 183.

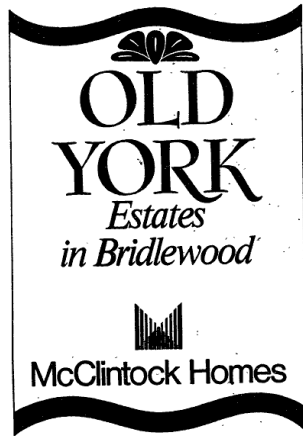
²¹⁸ Liz Bondi, “Gender symbols and urban landscapes,” *Progress in Human Geography* 16(1992): 157-70; Joy Parr, *Domestic Goods*. Toronto: University of Toronto Press, 1999); and Suzanne Reimer and Deborah Leslie, “Identity, consumption, and the home,” *Home Cultures* vol. 1, no. 2(2004): 187-208.

²¹⁹ Harris and Dostrovsky, “The suburban culture of building”; Jeffrey M. Hornstein, *A Nation of Realtors: A Cultural History of the Twentieth-Century American Middle Class* (Durham: Duke University Press, 2005).

²²⁰ Toni Robinson, “Careful market research sells Glenway Estates,” *Canadian Builder*, (January/February 1984): 40-42, 40.

Figure 46: Historically inspired design at Old York Estates
(Toronto Star, 12 April 1980: P. E7)

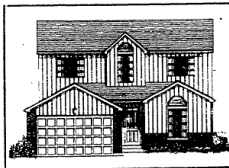
One look could last a lifetime



**OLD
YORK**
Estates
in Bridlewood

McClintock Homes

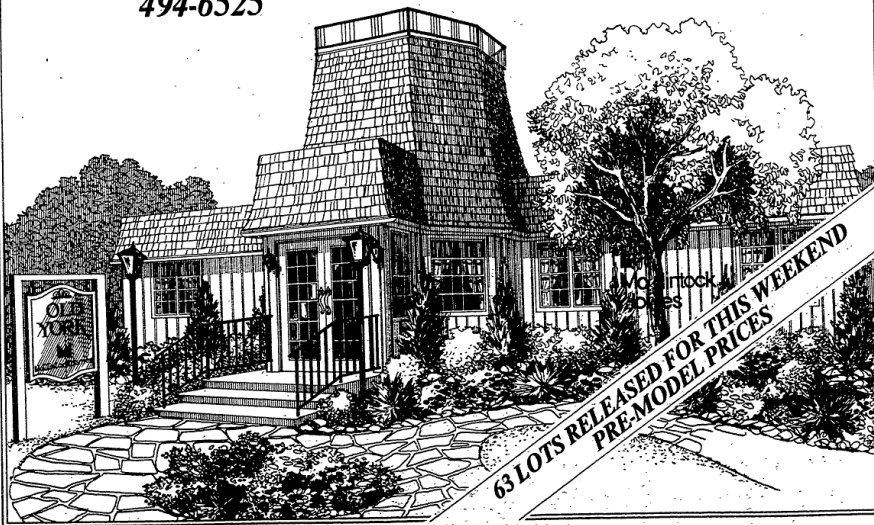
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Old York Estates! A planned family community blending flawless Early Canadiana architecture with today's innovative construction and energy conserving techniques. Features include skylights, second floor dens with fireplace, main floor family rooms, and master suites with ensuite bathroom and dressing area.

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Saturday & Sunday
10:00 AM - 6:00 PM
Steeles & Warden
494-6525



used a “nostalgic story telling manner.”²²¹ Similarly, Monarch Homes, at its Bridal Trail subdivision in Unionville, tried to create a “feeling of quality and charm” by using “cobblestone inserts in the streets, light standards reminiscent of old gas lights . . . and traditional styling” to blend in with Unionville’s historical character.²²² And because, as company president Colin Parsons put it, the firm was selling Unionville and its “small town charm” too, each model it offered was named for a prominent citizen and contained a framed history of his or her contribution to the community.²²³

The historical design movement did not come without its own challenges and was not for all builders. In 1984, *Canadian Builder* noted that builders in the Vancouver-area, for instance, were having trouble “training staff and finding materials to reflect the old fashioned look.”²²⁴ As one Vancouver builder who had experimented with historic design put it, “I don’t think I would ever build another one. There are a lot of hassles; most of the tradesmen are used to working on Vancouver specials, not these things.”²²⁵ The same was true in the Toronto market, where *Canadian Builder* found that builders did not like working with steeply pitched roofs, for instance, because they were too expensive to build.²²⁶ Some builders found that the best way to cope with the challenges of

²²¹ Ibid.

²²² “Model homes best advertising,” 44.

²²³ Ibid., 46.

²²⁴ “Heritage renaissance,” 53.

²²⁵ Ibid.

²²⁶ Jeff Richardson, “Runnymede: In for the long haul,” *Canadian Builder*, (April 1985): 45-46.

authenticity was to not bother with historical accuracy. As builder John Vicars described, “sometimes I just make it up as I go along.”²²⁷

Builders that were able to offer period designs and the aura of a long established single-family neighbourhood found that sales were brisk.²²⁸ But because of the new challenges and added costs involved with heritage design, most activity remained confined to housing geared to the upper-middle and higher income classes until the early-1990s. With the growing popularity of neo-traditional design, manufacturers of building materials responded by offering new materials for cladding.²²⁹ Such things as pre-constructed panels using traditional materials like stone and brick, roof tiles and shingles in a greater range of colours, prefabricated mouldings, and so on reduced the need for onsite labour and skilled craftsmen, allowing some of the design features to be extended to units targeted at lower-income earners.²³⁰ Increased affordability meant even greater demand for neo-traditional design elements in production built houses. In 1996, CMHC’s *Consumer Housing Choices and the Environment* report argued that “a return to traditional exterior features such as Victorian and Colonial-style façades” was

²²⁷ “Heritage renaissance,” 53. Harris and Dostrovsky note that historical accuracy has not been a priority for the average builder working in a conventional subdivision. They argue that “the historic revival has been both selective and eclectic. No style has been reproduced in its entirety, and the norm has been to combine elements from what purists would consider distinct traditions” (Harris and Dostrovsky, “The suburban culture of building,” 171).

²²⁸ Frank O’Brien, “Grace Estates preserves tradition,” *Canadian Builder*, (March 1986): 45-47.

²²⁹ Carol Besler, “Looking good,” *Canadian Builder*, (April 1990): 14-15, 17-18.

²³⁰ *Ibid.*

increasingly in demand in all segments of the market and being provided for by builders.²³¹

Conclusion:

Since the mid-1980s, builders have continued to build on and refine the merchandising and marketing skills that had developed through the postwar period. This has meant a growth in lifestyle-oriented developments and more targeted advertising that focuses in on a specific segment of the population, whether based on demographics, ethnicity, or shared cultural values. This has especially been the case in the upper-end of the market where consumers can afford to exercise greater choice in house type and location. The main tools speculative builders have used to achieve this have been improved advertising that speaks directly to targeted segments of the population and better site planning. Builders, for instance, have looked to alternative media such as ethnic newspapers and publications intended for retirees to reach specific segments of consumers. At the same time builders, especially small- and mid-sized ones, have forged closer working relationships with land developers who have the resources to plan and build targeted community oriented amenities, thereby easing the selling process. Builders, themselves, have responded to demands for individuality in house design and diverse consumer tastes by giving purchasers an increased role in planning their home through expanded customisation options, sometimes extending as far as making structural changes to speculatively planned houses. While consumer research by individual builders remains limited, the industry has come a long way from its production orientation

²³¹ “Housing (R)Evolution,” 22.

following the end of the war. Through pre-sales and engaging the purchaser through better targeted advertising and giving buyers choice through customisation the homebuilding industry has developed a consumer focus, in some cases closely mirroring the client-service provider relationship that which exists in custom building.

Chapter 8: Conclusions

In modern capitalist societies, as the scale of production has increased and its chains of production have become globalised, we naturally think of production and consumption as separate and sequential activities. In fact, in the era of pervasive marketing, they are interrelated. Marketing means much more than mere advertising: trying to sell what manufacturers have decided to produce. It means the honing of product lines to suit ever-shifting consumer tastes. Studying this relationship is important: it helps us understand the forces that influence, and arguably, guide the trajectory of modern consumer society. Most research in this area has focused on large, mass-production firms, like Ford and General Motors in the automotive industry. Marketing historians have shown that between the 1930s and 1950s producers in many industries shifted from a production orientation, where standardised products were targeted at an undifferentiated mass consumer market, towards a consumer oriented one. This meant more targeted marketing and advertising, first to niche markets and now increasingly to individuals. Historians of marketing have often implied that this has been not only a secular trend, but an uninterrupted one. Housing, however, has been largely absent from this story. This is a glaring omission. The owner occupied house is the most important consumer product that most people will ever purchase. Not only is it expensive and often requires going into substantial debt for but, more than any other, it also helps its occupants affirm and construct their identity. At the same time, housing production and consumption are vitally important for the health of the economy. As a product, clearly, it matters enormously.

But the housing market and housebuilding industry are also unique. The industry is dynamic and volatile. It is composed of various small producers that fluidly enter and exit the market depending on economic conditions and the characteristics of demand. The industry also lacks any of the truly large giants that have influenced the trajectory of business practices in other industries. To be sure, there have been very large builders like the Levitts in the US that have been the subject of much media and academic research interest, but these were not typical builders, nor were they harbingers of the future. Building has also remained a localised activity. While there are national and international manufacturers and distributors of building components, most houses continue to be produced in close proximity to their market. The housing market, more perhaps than any other, is also greatly affected by policy objectives at all levels of government. For instance, mortgage lending rules at the federal level have a tremendous impact on demand, while municipal planning and zoning restrictions affect what builders can produce. Conclusions gleaned from the literature on marketing do not necessarily apply to housing, and insights gleaned from the present study can be generalised only with caution. As such, this research is valuable in revealing how business practices have changed in the building industry. The span of the study, covering the entire postwar period, makes it possible to see how relationships between producers and consumers played out at various points in time, through economic ups and downs. It also provides important insights into the changing physical and social character of the suburbs. The use of Canadian and American advertising and building trade journals has allowed me to introduce a comparative component to the research and highlight some divergent trends

in home building in the two countries. Although local housing markets in Canada and the United States are broadly similar in terms of building materials and production methods, and, due to the interconnectedness of the two economies, builders in both countries faced similar economic conditions, marketing practices differed at various points in time. Canadian builders were slower in crafting targeted housing developments and marketing campaigns. In time, they caught up, often drawing inspiration from south of the border. However, in other ways, the Canadian industry has been more progressive, showing greater concern for the consumer. There were no high profile cases of builder misconduct in Canada reported by the trade press as there were in the US. The Canadian industry was more proactive in ensuring consumers of quality standards, with HUDAC introducing a voluntary home warranty program for its member builders in 1959. By 1977 it had been implemented in all provinces, providing uniform five-year protection for all new houses built under the NHA. Offering warranty protection to the purchasers of new houses was something the US industry did not even start to seriously consider until 1973.

Since the 1950s, the housebuilding industry has moved from a focus on efficiency in production towards a concern with the needs and preferences of the consumer. This consumer focus, however, has not been an uninterrupted trend, as historians of marketing have argued. Interest in determining and satisfying consumer demand has gained impetus during certain periods and ebbed during others. This cyclicity can be attributed to market cycles and the relationship between supply and demand. Before the period covered in the present study, with the collapse of the housing market in 1929, the building industry, together with the manufacturers of building components, consumer

publications, and other business interests affected by reduced demand for new housing, began to probe consumer attitudes and preferences. Surveys by the building trade press and consumer publications, like *Life* and *McCall's* magazine, queried consumers on such things as what they wanted in a new house, their perceptions of builders, and why they had chosen to purchase a used house, have one custom built, or bought a speculatively built one. Growing interest in the consumer during this period is consistent with what the marketing literature describes as the end of the production era and start of the marketing era. However, as this study shows, any interest in marketing and satisfying consumer demand, beyond the need for shelter, soon evaporated with the postwar housing boom. With demand high, builders focused on mass-producing standardised houses.

Interest in marketing and the consumer did not resume until the mid- to late-1950s. By this time, the acute depression and war-created housing shortage was almost over. Demand was no longer assured and sales were becoming harder to make. Homebuilders had to develop new motivations for consumers to buy. This meant a renewed focus on the consumer. The consumer orientation in marketing continued so long as making sales remained difficult. By the late-1980s, as demand picked up for a brief period after a prolonged stretch of high interest rates and unemployment levels, and low consumer confidence, many builders, not wanting to miss out on a sale, opted to focus squarely on production, rather than the consumer. This trend did not reverse until the recession of the early-1990s. Thus, it appears that the consumer focus in the homebuilding industry is strongest during buyers' markets, periods of heightened competition between builders, and economic downturns.

Change in the postwar building industry has been evolutionary, as indeed, it has always been. As a whole, building's progress has lagged other large industries when it has come to such things as advertising, brand building, and, especially, consumer research. That may be one reason why business and marketing historians have largely ignored it. Still, builders have adapted to changes in market conditions and consumer demand. Once production efficiency had been achieved and the sales appeal of low down payments and a standardized house could be pushed no further, the industry reoriented itself and began to place greater emphasis on merchandising.

By the mid- to late-1950s, most of those Canadian families who could afford it were already relatively well housed. Fewer households were doubled-up and living in substandard dwellings than at any point since the end of WWII. At the same time, rising incomes during this period meant that the nature of demand was changing. As societies become more affluent, people begin to attach more importance to self-expression. Consumers could now afford to demand more in a house and were willing to hold out until someone offered them something better than they already had, and better suited to their individual lifestyles. Builders adapted to the new consumer market. Although they did not abandon their commitment to efficient mass production methods, they built on them to satisfy growing consumer demand for greater variety in dwelling and subdivision design and a more individualised product. By working more closely with realtors and, sometimes advertising agencies and architects, they sharply improved their advertising and merchandising skills. Advertising became more interesting and visually appealing, while salesmen learned to sell the benefits of a modern, up-to-date house in a newly

planned subdivision. At the same time, to appeal to consumers' desires for self-expression and individuality, builders introduced greater variety in their developments by developing new models, varying rooflines, using colour more creatively, and so on. While this meant greater choice for buyers, it was still limited. Few builders were willing to sacrifice production efficiency, and in the absence of consumer research, unwilling to try anything too novel, lest houses might not sell. The customers of mass, as opposed to custom, builders could choose between slightly varied house styles, but rarely had the opportunity to customise a house. Still, the degree of choice offered by the typical builder now was remarkable compared to during the sellers' market. For the builder, providing more choice in house types in a single project meant the greater likelihood a development would appeal to a broader cross section of the public. This proved an effective marketing strategy for a while.

By the late-1970s, builders were compelled by market conditions to innovate and increase their focus on the consumer by further expanding choice in speculatively planned developments. With sales becoming harder to make, more builders started to pre-sell houses from models and plans. This not only reduced their risk if houses failed to sell, but also allowed them to give consumers a say in the finishing of their house. Today, pre-selling and customisation are the most commonly used and effective marketing strategies in the building industry, especially in the middle- and upper-income segments of the market. Choice and customisation options in the entry-level market, where affordability is a bigger factor, however, remain limited. At best, customisation might extend to minor cosmetic upgrades in the interior of the house. Presales have allowed

builders to test the market before actual production, while customisation has allowed consumers to get a house that more closely reflects their wishes. Both presales and customisation demand a closer relationship and dialogue between producer and consumer. This has been a positive development, as consumer research has never been a priority for most builders.

In recent decades, there has also been a growing recognition by builders in the Toronto-area and other large urban markets of the diverse lifestyles of purchasers and consumers' desires to express their individuality through their purchase decisions. As noted above, this is one area where Canadian builders lagged behind, in comparison to their US counterparts. This has been due to several factors. First, as the building and advertising trade journals argue, marketing professionals play a larger role in all sectors of the US economy, including housing, thus directly affecting production decisions. Historically, in Canada, most builders who have turned to professional marketers have only used them to devise advertising campaigns after production decisions had already been made. A second reason for the slow development of targeted lifestyle developments in Canada has been the country's relatively small population base. Many builders deemed certain targetable segments of the population as too small to be economical. This was especially the case when it involved providing expensive community amenities. Canadian's incomes, on average, have also been lower than those of Americans. This, combined with a lower willingness to go into debt and more conservative tastes, meant less demand for specialised developments in Canada. However, since the early-1980s, the Canadian building industry has been catching up. Since then new, targeted residential

developments have been cropping up across the country. By combining different sets of amenities, such as golf courses and health facilities and using different advertising mediums, for instance, the building industry has sought to target and cater to varied segments of the market. The industry has done this through increased cooperation between land developers, builders, commercial interests, and so on. The fragmentation of the market has also meant that smaller building firms that have been able to develop reputations as experts in a particular niche are better able to compete than when they vied for the same mass market of buyers that large, and arguably more efficiently run firms, targeted. Big builders have also adapted to the fragmented consumer market. Some have developed semi-autonomous regional and specialty market divisions. Unlike in the past, when big builders' essentially distributed centrally planned models, these smaller divisions are quicker to adapt to changes in local market conditions.

Over the course of the postwar period, the building industry has learned to serve an increasingly diverse market. Today, the speculative building industry is more consumer-oriented than at any point in its past, and the average building firm likely maintains a closer relationship with its consumers than most manufacturers. This closer contact between producer and consumer stems from the fact that homebuilding remains a localised business. The majority of new houses continue to be built in close proximity to their market, unlike most other consumer products, which are now produced in remote, centralised facilities. With presales becoming increasingly common, consumers can easily visit the construction site and watch as their new house takes shape. And, because the scale of most building operations remains relatively small, builders, or their

representatives, are more likely to be available to discuss production issues or concerns directly with purchasers. This degree of intimacy between producer and consumer is unusual for what is in other ways a mass-produced product. As a result, mass customisation can go further with housing and can even occur during the building process, an option unavailable in most other industries. In this respect, housing can in fact be considered ahead of the curve when it comes to marketing, and not behind it as it has so often been portrayed. Also, because most builders' operations are localised, they are dealing with a geographically segmented market. This allows them to be in a better position to respond to local and regional preferences, than, say, the auto industry, which relies on centralised facilities and an international distribution system. In the end, the fact that the building industry remains open to the small entrepreneur and amateur builder and is not like the auto industry, as many industry commentators after the war had hoped it would become, is perhaps one of its biggest assets.

8.1 Future Research:

While this research shows that the housebuilding industry's consumer focus has increased considerably since the early-postwar building boom, it also raises a number of questions and avenues for future research.

Targeted marketing on the basis of shared values and interests between consumers is a growing trend. Evidence from the building trade journals shows that builders and land developers have been targeting consumers on the basis of lifestyle and demographics since at least the early-1980s. Observed trends in advertisements for new houses appearing in the *Toronto Star*, a mass-market publication, bear this out. There are clear

examples of targeted advertising directed at retirees, golf enthusiasts, and young families. However, the proportion of ads that focus on one segment of the population, to the exclusion of others, is not as high as one would expect based on what the trade journals have to say. Because target marketing is most effective when linked to targeted media, a potentially fruitful avenue for future research into how the building industry segments the market would involve examining ads in specialty publications, such as those for retirees. Also, to be effective, marketing and advertising try to link products to favourable and socially sanctioned identities. As such, it would be valuable to see if the appeals and imagery used in media targeted at specific ethnic groups differs from those in mass publications like the *Star*, which must appeal to a broad, undifferentiated readership. Similarly, an analysis of business newspapers (e.g., *The Financial Post*) and other publications geared to high-income earners might reveal that marketers use a different set of codes to appeal to this segment of the population.

Another related area for additional research, that would shed some light on the interplay between production and consumption decisions in the housing market, is the role of consumer publications and television programs on consumer demand and builders' production decisions. *House & Home* recognised the role of shelter magazines early on. In 1955 it described them as providing the surest “barometer of what the buying public is going to demand—and what it is going to get” and advised builders to keep an eye on them.¹ Judging from the newsstand, and the number of publications devoted to shelter and lifestyle issues, these magazines and the consumer-oriented advertising from

¹ “Better keep your eye on the newsstands,” 169.

appliance and building supply manufacturers they contain, continue to influence demand. At the same time there has been a tremendous growth in home improvement and home purchasing related television programs in recent years. Such publications and programs, by showcasing the latest trends and technologies in house design, play an important role in educating consumers on what to expect in new houses, and the options and features available to them. This must surely have some impact on builders' production decisions. Interviews with builders would provide important insights into how they believe consumer demand has changed with the rise of such media. It would also provide evidence of the extent to which these media influence trends in new housing. For example, do builders pay attention to these publications and television programs and draw inspiration from them?

Critics have debated whether advertising actually reflects reality or only presents an idealised version of it and is used to manipulate consumers into buying.² Fieldwork in target marketed subdivisions, coupled with interviews with residents that have bought in, would provide important insights into how closely the lived experiences of residents meet the promises of residential marketers. At the same time, interviews and observations of buyers would also shed light on how important marketing tools like advertising, model homes, and customisation options are in persuading buyers to select specific homes and subdivisions over competing ones.

² Roland Marchand, *Advertising the American Dream: Making Way for Modernity, 1920-1940* (Berkeley: University of California Press, 1985); Damian Hodgson, "Empowering customers through education or governing without government?" in *Customer Service: Empowerment and Entrapment*, eds. A. Sturdy, I. Grugulis, and H. Willmott (Palgrave, Basingstoke): 117-35;

Fieldwork in recently completed subdivisions would also help to overcome any bias in the trade journals' coverage of home customisation, which they describe as a significant trend in speculative building. As noted earlier, both the Canadian and US based journals focused almost exclusively on large urban centres and tended to draw attention to atypical cases. Field surveys would make it possible to determine how many significantly customised houses there actually are in a typical subdivision. It would also allow for comparisons between subdivisions targeted at middle-, upper-, and lower-income segments of the population. Customisation options vary by price segment of the market, being the highest in more expensive developments and the lowest in entry-level housing. Standardisation, at least in the façade, seems to remain the rule in less expensive housing. A field survey would confirm this.

Another area for further exploration would involve examining the marketing practices of builders in mid- and small-sized housing markets. This research focused primarily on the suburban Toronto market and drew on the experiences of builders in other large centres. These are all highly competitive markets where consumers have a lot of choice between builders, location, and product type. Builders in these markets have to be responsive to consumers and give them choice. If they do not, the prospect will go elsewhere. As a result, as some builders began to improve customer service and give buyers customisation options, others had to follow suit to remain competitive. Builders in smaller centres, however, operate under different conditions. Large land developers play less of a role in planning and marketing new subdivisions, thus opening up the market to small producers. These smaller builders likely have fewer resources to engage in market

research and there may also be less competitive pressure to innovate. At the same time, small- and mid-sized markets may lack the necessary threshold populations to support targeted lifestyle developments. Consumers in these centres may also be more conservative and not as trend driven as those in larger markets, and not as demanding of distinctive housing types and subdivisions. These differences suggest that smaller-market builders likely do marketing differently. A comparative case study of smaller-market and larger-market builders would reveal whether this is the case. It would also provide important insights into the influence of market size and competition on marketing innovation.

Conclusion:

The physical and social fabric of the suburbs has changed considerably through the postwar period. After a brief period of standardisation in housing and subdivision form during the early postwar housing boom, consumer choice in housing style, type and neighbourhood design has expanded greatly. This has been the product of marketing and the evolving relationship between the producers and consumers. To maintain and expand the market for new houses, homebuilders had to learn to create and respond to demand. This meant improved advertising, merchandising, and a growing interest in determining consumer preferences. One thing that became clear to the building industry by the mid-1950s was that consumers wanted to be treated as individuals with unique needs and wanted products that reflected this and their varied lifestyles. Consumers wanted greater choice, and builders, slowly, began to offer it in both dwelling and subdivision design. One of the biggest innovations to take place since then has been increased dialogue

between builders and housing consumers. Instead of acting as the vendors of already built houses and adopting a take-it-or-leave-it approach, builders learned that through presales and the customisation of spec designs they could satisfy consumers' demands for individuality. Today, the suburbs around large urban centres contain a wide variety of housing forms. Consumers also have a good deal of choice in subdivision design and the package of amenities they contain. New subdivisions are cued to the specific lifestyle preferences of distinct segments of the population. These changes reflect the diversity of demand. However, while the suburbs do display much more diversity than, perhaps at any point since the end of WWII, new targeted developments also mean they are segregated based on such factors as age, income, ethnicity, and lifestyle. Robert Putnam has argued that urbanites, and suburbanites, have become less social in recent decades.³ The focus on customisation of the private interior of the suburban house, targeted and exclusive subdivisions, and the shift towards larger houses seems to reflect this inward turning trend. It seems that with consumers acting on their preferences, and builders and land developers delivering it, we may be recreating the social and cultural homogeneity that critics of the early-postwar suburb railed against, albeit on a smaller scale.

³ Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000).

Appendix A: Codes, Definitions and their Importance

A. Builder and subdivision information

- a. **Name of subdivision:** Documenting whether a subdivision was named or not allowed me to document the growing importance of creating an identity for suburban developments over time and the importance that homebuyers place on being identified with a defined neighbourhood as opposed to a housing tract.
- b. **Location:** The name of the suburb where each development was located was recorded. This, together with the builder's name, which was also recorded, allowed me to document the geographic distribution of builders' subdivisions and provided some insight into the importance of multiple-market builders over time.
- c. **Builder:** The name of the builder for each subdivision was documented and as above, together with the location this was important in determining the geographic distribution of projects by individual builders. It was also noted whether the building firm bore the name of its founder or an individual. As Marsel Danesi (2004) in *Messages, Signs and Meanings* argues, "The use of the manufacturer's name, rather than some invented name, assigns an aura of craftsmanship and superior quality to the product" (262). It transforms the good from just another assembly line product into an item of distinction—a strategy common in the fashion industry.
- d. **Contact information:** The contact information shed some light on who was responsible for the sales promotion. For example, if the name and telephone number listed in the ad was for a real estate sales firm it can be assumed that the builder has contracted out the promotion to a professional sales firm instead of producing adverts and promotional material in-house. It was also documented whether the advertisement included a map or driving directions to the building site. Evidence from the building trade journals indicates that this was an important marketing strategy to ensure that prospects arrived at the site via the most convenient and attractive route, avoiding, for instance, factories, and undesirable areas while taking the prospect by desirable amenities such as schools, employment centres, shopping centres, and so on. The inclusion of maps has also been important when new developments have been rising in fringe areas that prospects may not be familiar with. For the more recent period, the inclusion of a website and/or email address was also noted. Since the first Canadian builders moved onto the Internet in the mid-1990s (reference) online marketing has rapidly grown in importance as people increasingly going online to make buying decisions (O'Reilly and Tennant, 2009).
- e. **Transportation:** Here it was documented whether the advertisements made references transportation options and/or travel time between the subdivision and other locations and amenities. This could be either an explicit statement such as "only 30 minutes to downtown" or "close to public transit" or more

- subtle through the inclusion of a map showing the subdivision's proximity to major transportation routes and/or public transit.
- f. **Price:** Most advertisements either listed a starting price for homes or a price range for houses in the development. Documenting this allowed me to determine whether builders were targeting a wide spectrum of income classes and purchasers in different life stages (e.g., first-time buyers, move-up buyers) or not.
 - g. **Financing:** Because most new home buyers finance their purchase builders have often used attractive financing packages to give themselves an edge in a competitive market, as such noting whether financing played an important part in the ad provided some insight into how builders responded to changing market conditions.
 - h. **Size of ad:** Here, I simply documented whether the builder was using a simple classified ad or a larger display ad and the size of the ad in relation to the newspaper's page size.
 - i. **Builder's reputation:** It was noted whether the advertisement included any information about the builder's history, commitment to quality and craftsmanship, and guaranteeing of workmanship. When this was included in an ad it was typically in the form of a 'guarantee certificate', statement signed by the builder with his photograph beside it, or a testimonial from a happy existing homeowner.
 - j. **Logo/Slogan (builder and/or subdivision):** Documenting the use of slogans and corporate logos in the advertisements provided evidence of attempts to create brand identities for builders and their subdivisions. Branding helps to "create a personality for a product" (Danesi, 2004: 261) and defines what a product or service offers and how it differs from what competitors promise (O'Reilly and Tennant, 2009). This is especially important in product categories, such as housing, where differences between producers can be difficult to discern. An established brand allows marketers to create an "emotional impression" and attachment and forego arguments about superiority of the product—this is important when competitors can easily match your offerings (O'Reilly and Tennant, 2009: 187). Assigning a name, logo, and possibly a tagline to a product makes it more recognizable and can evoke positive impressions and make it more appealing.
 - k. **Incentives to purchase:** Here I simply documented any purchase incentives offered by builders. These typically increased during slowdowns in the housing market and included such things as free appliances, trade-in options, and special mortgage rates.
 - l. **Hard sell:** This category refers to builders' attempts to create a sense of urgency for consumers through the use of statements like: "selling fast", "only a few left", "act fast".
 - m. **Other:** When something did not fit into an existing category but seemed important it was entered into the 'other' category. Most entries in this category relate to the announcement of a 'grand opening' or 'preview opening' of a

new subdivision, a new phase in an existing subdivision or the introduction of new model house. The use of such phrases, which usually appeared in large bold type, seems to suggest that by getting in on the ground floor and purchasing early the prospect will get the best selection and maybe a better price.

B. Model houses and range of housing offered

- a. **Number of models and whether they are decorated:** Model houses have long been an important marketing tool used by builders, however the trade literature suggests that builders increased their use of models as the housing market became more competitive and builders began to rely increasingly on pre-sales from models before construction actually began in order to avoid carrying too much inventory. Here I documented the number of builders that employed models, the number of models each subdivision featured and whether they were furnished. This was useful in confirming the growing importance of pre-selling from models before construction actually begins in speculatively developed subdivisions. However, the reliability of advertising alone in confirming this is limited. It appears that as furnished model houses became increasingly expected and taken for granted by prospective purchasers builders began to place less and less emphasis on them in their ads, so relying on advertising alone to determine their rate of use may be misleading.
- b. **Names of models:** Here I recorded whether any model houses referred to or illustrated in the advertisements were named. Similar to the naming of subdivisions, the naming of models helps to evoke an emotional response from prospects and create an overall theme for the development.
- c. **Floor plans and elevations:** Here I recorded the number of different models, floor plans and unique front elevations being offered in the builders' advertisements. This helped to determine whether builders were targeting a single niche market or a range of market segments.
- d. **Size of house:** When an advertisement indicated the range of housing sizes this was recorded to again determine whether the builder was attempting to target a range market segments and buyer profiles or focusing on an single one.

C. Social marketing concepts

- a. **Village/Town/Neighbourhood:** This category included references to the social character of the subdivision and/or town where the development was set.
- b. **Friendly/Friendliness:** Here I recorded any reference to the ease in which homeowners can interact with other residents.
- c. **Home/Belonging:** References to how easily new residents will fit in and feel at home and comfortable in the development were recorded here.
- d. **Family/Togetherness:** Any references to the development being an ideal place to raise a family were recorded here.
- e. **Quality of people:** References to such things as 'good neighbours' and people who have 'earned' the privilege to live in the subdivision were entered here.

- f. **Sense of community:** Here I recorded references to cohesiveness within the development, references to shared and common interests of residents and the ability to feel at home and comfortable in the subdivision.
- g. **Community amenities:** Any reference to community infrastructure, such as schools, parks, playgrounds, public transit, shopping and so on were recorded here. By recording the types of features listed it is possible to determine if a builder is actively pursuing a specific segment of the market.
- h. **Homogeneity of people:** Explicit references to the homogeneity of people (e.g., ‘Your kind of people’, ‘People like you’) were entered here. This helped to determine whether the project was being targeted at a single lifestyle or demographic niche or more broadly.
- i. **Diversity of people:** Explicit references to the diversity of people (e.g., ‘A range of lifestyles’, ‘Whatever your lifestyle’) were entered here. This helped to determine whether the project was being targeted at a single lifestyle or demographic niche or more broadly.
- j. **Nostalgia:** Idealization of the past, whether through words or the style of the ad was recorded here.
- k. **Adult/Senior/Retirement:** Any reference to an adult oriented lifestyle or retirement living was entered here.

D. Photographs and Illustrations

Advertisements were scanned for photographs and illustrations and notes were made about what was illustrated. This allowed be to document the increasing importance of imagery in the ads. Initially, I believed that most ads would include photographs or illustrations of people engaged in activities that would resonate with the market segment being targeted and/or bucolic landscapes that would appeal to individuals seeking a quiet, safe retreat away from the city but this was not the case. The vast majority of ads that did include illustrations only showed the front elevation of a particular model set in a landscaped yard, and occasionally an illustration of the floor plan of a specific model. The absence of people in ads may be telling in itself, suggesting that builders may have been seeking not to alienate any potential buyers so long as they could afford the cost of entry into the subdivision. When an ad did include people this was documented and a note was made about the gender, ethnicity (when discernable), the style of dress, and any activities the people were engaged in. If this coincided with one of the social marketing or lifestyle variable this was recorded in that corresponding section of the database as well.

E. Lifestyle marketing

- a. **The good life:** Any reference to an enjoyable life free from stress that could be attained by moving into a subdivision was recorded here.
- b. **Leisure:** References to a relaxing, stress free life were entered here.
- c. **Active:** When activities were mentioned and/or illustrated or listed among the community amenities (e.g., golf courses, hiking trails, etc.) this was documented.
- d. **Rural/Country:** This refers to references to escaping the stress of the modern city and references to a subdivision’s proximity to rural or country landscapes.

- e. **Peaceful:**
- f. **Urban:**
- g. **City/Country:** This category applies to ads that offer the best of both worlds—typically by stressing the subdivision’s proximity to the city and/or the countryside and usually stress the houses location in a quiet, peaceful area but close enough to enjoy the cultural attractions of the city.
- h. **Happiness:** Ads that fit into this category either implicitly or explicitly suggest that by moving to the subdivision you will enjoy a contented life through statements like ‘join all of the happy families that already call [name of subdivision] home’.
- i. **Carefree/Maintenance free:** Most ads that fit into this category are condominium townhouse developments where outside maintenance (e.g., lawn mowing, snow removal) is taken care of. Other times the advertisement simply offers a carefree lifestyle with no explanation of how this is to be achieved.
- j. **Health:** Any ad that made references to a healthier life that could be attained by moving to the development was included here.
- k. **Choice:** Ads that made appeals to multiple lifestyle segments were included in this category.
- l. **Other:** When something did not fit into an existing category but seemed important it was entered into the ‘other’ category.

F. Heritage

Since the 1970s, there has been resurgence in the use of historic design elements in housing and subdivision design (Harris and Dostrovksy, 2006). In part, this can be interpreted as a reaction against the modernist impulse to standardize and rationalize development and the sameness of mass-produced speculative subdivisions. In this light it can also be seen as an attempt by builders and developers to increase the marketability of their product. The incorporation of historic detailing allows a builder to express craftsmanship and attention to detail and create an aura of authenticity that consumers may believe to be absent in conventional suburban tract developments. The inclusion of this category allows me to periodize when historic design became popular in the Toronto area and to determine how much emphasis builders place on it in their advertising. In this category I included any references to historic or period design and detailing in the houses and the planning of the development (e.g., the use of coach style street lamps).

G. Exclusivity/Prestige

- a. **Exclusivity/Prestige:** If the advertisement used the words or variations on the words exclusivity or prestige it was coded here.
- b. **Privacy:** References to privacy, seclusion and enclave were coded here.
- c. **Privilege:** References to people who have earned the lifestyle offered by the subdivision or ‘deserve’ it and/or use the word privilege were included here.
- d. **Club realm:** Any advertisement that referred to a club or country club setting or referred to the exclusive use of facilities was included in this category.

- e. **Upscale:** References to the quality of the development (e.g., luxury, elegance, finest, etc.) were coded here.

H. Security

- a. **Safety:** This category includes advertisements that mention security systems, gates, safe neighbourhoods and streets.
- b. **Security of investment:** Any advertisement that refers to the investment value and anticipated appreciation and/or stability in the exchange value of houses was coded here.

- I. Pride in ownership: This category includes any advertisement that mentions the superiority of homeownership over renting or simply the pride homeowners will feel by owning in the advertised neighbourhood.

- J. Nature: This category includes all advertisements that make references to the natural environment (e.g., proximity to nature reserves, lakes, ravines, parks, hiking trails etc.).

K. Affordability/Value

- a. **Affordability:** Any advertisement that used the term affordable or placed emphasis on the down payment, financing rates, monthly carrying charges or starting price (e.g., “From only...”) of houses while the actual price or price range was omitted or included in relatively small print was included here.
- b. **Value:** This code refers to ads that made claims about the good value the homes represent or claimed to offer the ‘best price’ and/or encouraged prospects to compare the price/value to what was being offered by other builders.

L. Design

- a. **Traffic:** References to the planning and street network were recorded here. For instance if an ad mentioned that a subdivision was a safe place for children to walk to school.
- b. **Identity/Sense of place:** This category included references to such things as the uniqueness of the development.
- c. **Community design:** Any references to the planning and design of the subdivision were recorded here.
- d. **Landscaping:** If an ad mentioned that landscaping was included (e.g., “fully sodded yard”) or illustrations of the houses showed them set in landscaped grounds it was documented.
- e. **Architecture:** Any descriptions and/or illustrations of the architectural style of the houses for sale were recorded.
- f. **Interior:** Any descriptions and/or illustrations of the interior of the houses for sale were recorded.
- g. **Individuality of home design:** If an ad described the residences as unique, or for instance or different from the conventional suburban house it was recorded here. If an advertisement emphasised the variety of houses available (e.g., “many models to choose from”) it was also recorded.
- h. **Customizability:** Any references to the availability of custom upgrades and modifications to houses were recorded.

- i. **Community integrity/Architectural control:** References to design standards, covenants and restrictions were documented here.
- M. Gendered aspects of ads: If an ad appeared to target or primarily appeal to a specific gender it was recorded here. For instance, some advertisements that emphasised the interior of the house stressed how easy the modern house was to clean for the modern house wife.
- N. Other

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