

HOW TO TARGET THE RIGHT COMPLEXES

Karen: Hi, and welcome to the next session of Marketing to Apartment Complexes. This is Karen Deis with Loan Officer Training, and our website, apartmenttoolkit.com, is a great tool to market to first time home buyers and potential home buyers who are going through some sort of transition in their lives, like a divorce, widowed, a job change, those types of things. This is a great way to create joint marketing synergies also with your realtors and your builders. In the last session we talked about the demographics of apartment dwellers, a general outline of a marketing campaign, and some headlines that you can use to generate phone calls. We also talked about how you could, if you wanted to, drive around, write down all the addresses, and create your own database. But because we have the technology, you are able to order from the website, at a fraction of the cost of the time that it would take you to spend to pay for someone else to do this for you, and it's very, very accurate.

What I'd like to share with you today is how to target the right complexes, exactly when you should begin your campaign, and what to send them, what to say when you start receiving phone calls for the free report. So let's go ahead and start out with the complexes, themselves, and how do you target the right ones? First of all, I recommend that you determine the average sales price of the home in your area of the country. In my area, a starter home is about \$200,000, and the P&I, T&I payment is about \$1,600 per month. One caveat that I need to warn you about is that it's important to include property taxes and insurance when you quote a monthly payment.

Most ads only quote a P&I payment, and first time home buyers become very distrustful if they walk into your office and are totally surprised because the payment is \$500.00 higher than what was quote on your postcards or in your ads. Remember, these are first time homebuyers, and they may not even know about taxes and insurance in the first place. The general rule of thumb is that first time homebuyers will accept a payment of about one and a half times higher than the rent that they're paying now. So for example, based on the starter home at \$200,000, the complexes you would need to target would be around \$1,000 a month range.

The worst mistake you could make is targeting your apartment complexes too high or too low. If it's too low, very few people will be able to afford the average price of the house, and if it's too high, these are the people that can afford to buy a home and have made the conscious decision to rent, instead. Start marketing apartment complexes that are closer to your office. Remember that these first time homebuyers want someone to hold their hand, and feel more comfortable if your office is located nearby. They probably want to meet with you face to face and be able to drop off documents, and they may even want you to attend the closing. So, working with first time homebuyers is just a little bit different than with resales or refinances.

Now when you register at apartment toolkit, and I know many of you have, you'll receive information absolutely free on how to research three websites to determine the dollar amount of rent paid per complex, the number of units, and most of them will have maps so you can locate each complex to determine how close it is to your office.

On the previous telephone conference we also talked about how to determine the vacancy ratios, and it plays a very important part to make sure you're selecting the right target market. I won't go into it any further than to say one of the reasons that apartment complex marketing could fall on its face for you is because of high vacancy ratios.

Next, let's talk about the best time to market. Using postcards is the most effective way to get your marketing piece read. There's no envelope to open up, the front of the postcard asks them a question like when your lease is up, do you know where you're going to live? And the back of the postcard tells them how they can own a home instead. Apartment managers say that there's about a 60 percent turnover in the spring and the fall of every year. The most popular months to move are May and September, and it really doesn't matter what area of the country you live in, either.

What that means is that since they will be moving during those months, you'll need to market to them at least 60 days ahead of time. That means your postcards and marketing pieces will need to be mailed in February and July. It's also important that they receive a series of at least three postcards within 10 days of each other. So for example, the first mailing would be on February 1st, the second on February 10th, and the third on February 20th, and then the same thing for July, July 1st, July 10th, and July 20th.

My personal statistics, and those of other loan officers who use this system throughout the country have proven over and over again that you will get the largest response, the most amount of telephone calls, after the third mailing. What has happened there is they've seen your information three times now, and you're subtly planting the idea that buying a home instead of continuing to pay rent may be in their best interest, and they should research it further with you to find out if that's true. The marketing systems we've created provide you with the sample postcards and renter's free report, how to set up the phone number and what to say on the recording for those who call in to request a copy of the free report. That information is posted on apartment toolkit's site.

Now one of the things that we want to cover is what to do and say when somebody calls you to request a copy of the free report. First of all, do not send them anything in the mail, even though you say you're going to, without calling them back and screening them first. By calling them, you're confirming, first of

all, that it's a valid phone number, because it's not a lead if you can't ever get a hold of them again.

In regards to this screening process, you need to ask them if there's something you can help them with right now. My experience has shown that if you receive 10 telephone calls, two of them are either from your competitors, children, or they may even give you a fake telephone number. It may be a correct address, but you need to be able to get a hold of them and make sure that they are a valid lead.

Look at it this way, if you were to purchase a lead and the phone number did not exist, it's not a lead, right? It's the same way with apartment complexes. You would be spending your money and your time mailing marketing pieces, and they were never going to do anything with you in the first place, let alone even knowing that they really exist. Your first priority should be to try to talk to somebody in person. Try calling different times of the day, and if you can, set your voice mail to record the time the person calls for their free report. That's about the time that you should also be calling them back.

What I have found is that about one third of your telephone calls will be between midnight and 3:00 a.m. So when you call these people back, call them either late in the morning or later in the evening. Here's the script that I use when I talk to them over the phone, and if you cannot talk to them over the phone, you can leave this on the voice message. "Hi this is Karen Deis, and you called for a copy of the free report on how to buy a home, and I just wanted to confirm your address with you. I have . . ." and then give the address. "Is there something I can help you with prior to sending out the free report?"

And of course, their answer is usually, "No." If it's "Yes," OK, that's a different conversation, but if it's "No," you'll go on to say, "I'll go ahead and send you a copy of the free report and I will call you back on," and give a date about 10 days into the future. Give the specific date, and try to give a specific time, and ask for the best phone number to call them back. So it goes something like this. "I'll send you a copy of the free report, and I'll call you back on October 26th. Is this time of the day OK with you, or is there a better time? And what phone number should I call you back at?" Don't try to sell anything whatsoever on the first phone call. Consider it a screening call, and make sure that that person is real.

Secondly, by asking for permission to call them back on a specific date and time, you are setting up the expectation that you'll be contacting them again. Now timing is extremely important in marketing this way. First of all, be sure to call them back within 24 hours of them leaving a message requesting the free report. Secondly, and this is even more important, that you call them back on the date, time, and phone number that you confirmed with them ahead of time. So the callback goes something like this. "Hi, this is Karen Deis, and you asked me to call you back today. I wanted to make sure that you received the free report, and if you had any questions."

And regardless of what they say next, you ask them if they'd like to come in for an appointment. You go for the appointment right away. The free report really serves as your sales brochure telling them why they need to see you about getting a mortgage, and you being able to recommend the right real estate agent or the builder for them. Now if they say "Yes," great, you know, you've got an appointment. If they say "No," they're not ready yet, ask why not. This is a great opportunity to find out what their objections are, why they're delaying the process, what you can do to move it along. Maybe they're you know, they're a few months away from getting married, or they're going through a divorce, or waiting for their lease to expire. Most of the time the answer is that they're waiting for their lease to expire, so here's your answer to that.

"If I could find a real estate agent for you who is able to negotiate that the seller pay for the balance of your lease, would you be willing to purchase the home?" Sometimes it's a matter of money for closing costs, that's another thing that the seller can pay for. Now a couple things to consider here, make sure that the buyout of the balance of their lease or the closing costs don't go over the three or six percent allowed by Fannie, Freddie, or FHA. But this is a way that you can come back with the objection of them waiting for their lease to expire by offering to have somebody buy out the lease.

Whatever their objection is, try to get on the topic of credit scoring. And even if they don't end up doing anything with you, at least they should know about their credit score, and any glitches that appear on their credit report. Offer to provide them with a free copy of their credit report, along with a free credit scoring. Even if they don't want the report, send them some info on credit scoring. On the website you can purchase the free report created by Ed Jameson, who is an attorney, specializes in credit scoring. He also is providing his credit savvy DVD and book exclusively for homebuyers, and he has reduced the price for these products on our website.

The whole process with working with first time homebuyers, people who live in apartment complexes is relationship building. Apartment complex marketing is a longer-term sale, however, if you do it consistently, you'll have hundreds of leads in your database that you know that have called you, identified themselves, and they're interested in looking at buying a home. You know, they wouldn't have called you in the first place if they weren't. At any given time, I averaged about 800 leads in my database for apartment complex marketing. These are the people who called, asked for a copy of the free report, and I can tell you that every week two or three people called me to buy a home because they've reached that time in their lives when they were ready to do so.

So what do you do in the months between February and July? Here are a couple ideas for you. First of all, you might want to hold first time homebuyer seminars. Hold the seminars in a neutral location, and again, this is a postcard that you can send talking about the first time home buyer seminar, what they expect to learn,

credit scoring, those types of things. Whatever you do, don't go into mortgage programs. They really don't care about that, plus every single person is going to be completely different. They want to know about the tax benefits of home ownership versus renting, they want to know what's involved in credit scoring.

And again, on the website Mike Moffett has a wonderful program where he has recorded the audio and a PowerPoint presentation that he gives his first time home buyer seminars, where an average of 100 people a month attend his seminars. I recommend that you pick only one or two apartment complexes, and send them a postcard with the date, time, place, and what they're going to learn. Now, partnering with the real estate agent or a builder is going to be a couple of the things that I recommend happen in the months in between time.

Now think about this concept. That you send a picture of a home for sale in their price range, and on the back of the postcard, give the information about the monthly payment, the taxes, and the insurance. Now also be sure to show the APR disclosures, and with the RESPA laws, the real estate agent will need to pay for their fair share of the marketing piece.

What you could do with the series of postcards is send three or four different styles of homes. You don't know what they like, so giving them a range of different styles of homes are important. Like maybe a ranch style home, a two-story home, a tri-level home. However, don't give the address, but give the estimated sales price. Chances are by the time that they receive the postcard the home's going to be sold, but you are now giving them different ideas of what types of homes, what sales prices, taxes, and insurance are out there. So it kind of builds up their appetite for the possibility of buying homes in the future.

In addition, as I said, this is relationship marketing. Call them every 30 or 60 days to make sure that they're getting your information, and see if anything's changed. Maybe the wedding date is moved up, maybe the wedding's been postponed or cancelled, maybe they got a raise at work and they can afford to buy more of a house, or they want to start the pre-qual process. Ask them when you do reach them on the telephone or on their answering machine if they want to come in for an appointment.

The Apartmenttoolkit website was created out of frustration on my part because of what I had to do to get apartment complexes. Remember that the people always change, there's a huge turnover in tenants in apartment complexes, but the addresses remain the same. So this is an ongoing marketing campaign for you. Secondly, when you register on the site we give you a way to research the apartment complexes free, creating marketing materials that you can give to first time home buyers, credit scoring information, and a wealth of information on how to do your research.

Now on our next call we're going to be talking about the psychology of the free report marketing, why it works, and the important components of the report. This is a critical piece in the overall marketing to apartment complexes because this is the first step in building the relationship, giving enough information to that potential home buyer that they will want more information from you as time goes by. I want to thank you for listening, and please feel free to e-mail me at Karen@apartmenttoolkit.com, or call at 800-535-3343. You can also visit our other website at Loanofficertraining.com for more sales and marketing ideas.