

NOT ENOUGH HOMES ON THE MARKET

Strategies for low inventory prospecting

GOALS FOR THIS SESSION

- Define low inventory
- Does it exist?
- Calculate absorption rate
- Client education
- Proactive marketing activities



DEFINE LOW INVENTORY?

- When the number of homes for sale in a given market is lower than the number of buyers in that same market or neighborhood.
- Also, when the absorption rate for the past twelve months is less than six months.

DOES YOUR MARKET HAVE LOW INVENTORY?

- What areas have low inventory?
- Can you find stats through your local MLS?
- Do you have buyers who can't find what they want?



ABSORPTION RATE

CALCULATE ABSORPTION RATE

The rate at which available homes are sold in a specific real estate market (neighborhood) during a given time period.

- This number will show how many months it will take to exhaust the current amount of inventory.
- Less than six months of inventory is considered to be low inventory.

HOW TO CALCULATE

Number of homes sold in the past 12 months in the chosen market, divided by 12 (months)

Example: The chosen neighborhood had 36 homes sold in last 12 months.

$36 \text{ homes} / 12 \text{ months} = 3 \text{ homes sold per month}$

The absorption rate for this neighborhood is 3 homes per month

If that same neighborhood has 9 active homes for sale. And the absorption rate is 3 homes per month, with 9 active listings the current inventory will be exhausted in 3 months, showing LOW INVENTORY.

CLIENT EDUCATION

Now that you've identified that there is low inventory it's time to educate your prospective clients.

- **Know the areas of town that have the lowest inventory**
- **Know the buyer needs of the other agents in your office**
- **Let your prospects know they have less competition**
- **Create urgency by letting them know there may not always be low inventory and interest rates could go up**

PROACTIVE PLAN

PICK YOUR TARGET

- What neighborhood or area will you prospect
- Know your stats for this area including absorption rate
- Be very specific in your marketing and discussions
- Do you have buyers for this area?
- Identify people who you may know in this area

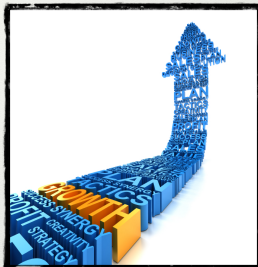


MARKETING ACTIVITIES

- **Direct mail- Pre-written but customizable letters. Check out Breakthrough Broker options**
 - Low inventory letter
 - Magic letter (I have a buyer for your area)
- **Door to door**
- **Social Media- “anyone know of anyone looking to sell in Cobb Hill?”**
- **NextDoor.com (must be in the neighborhood where you live)**

PERSISTENCE

- This type of marketing takes persistence
- One mailing may not be enough
- Consider a variety of angles, letter, door knock, postcard
- Remember listings create leverage to get more business



CALL ME TO WORK ON THIS
OR OTHER MARKETING
ACTIVITIES TOGETHER!
