

Why It Makes Sense to Market to Apartment Complexes!

By: Karen Deis, *President*, www.ApartmentToolKit.com, providing apartment mailing lists and marketing tools for real estate agents, loan originators and builders. Email Karen@ApartmentToolKit.com or call 1-800-535-3343.

I have a friend who manages 12 apartment complexes. He has tracked the turnover rates of tenants and year in and year out, 62% of the tenants move after one year. Another 28% move out after the 2nd year and the remaining percentage live in the complex 3 years or more. His statistics are backed by a survey conducted by apartment managers all over the U.S.

One more statistic before I bore you to death...the National Association of Realtors®, in their annual report called *Profile of Home Buyers and Home Sellers* says that over 40% of all home purchases over the last ten years have been made by first time homebuyers. What's more, almost 70% of them RENTED before buying their first home.

Bottom line: If you want to get your share of the first time homebuyer purchase business – apartment complex marketing is your ticket to unlimited leads.

Why? Because once you have the apartment addresses, the addresses never change – but there is a constant turn over of tenants – so you are always marketing to new people.

However, not all complexes are created equal. Here are some tips before you buy a list or spend your first marketing dollar!

Choose apartment complexes near your office.

First time homebuyers want you to hold their hands thru the entire purchase process. They want to meet with you face-to-face. If you market to complexes that are located too far away from your office, you won't have much success in getting them to meet with you.

The Internet is your friend.

Do you want to know which apartment complexes are located near your office? How much they charge for rent? How many units? Bedrooms and amenities? Would you like a map showing the directions from the complex to your office? While not all complexes are on every website, check out each of these websites and you'll find *almost* everything you need to know before you choose which ones to market to.

ApartmentGuide.com
Rent.com

ForRent.com
Apartments.com

MyNewPlace.com

How much are they paying for rent?

First time homebuyers will pay 50% for a mortgage payment than what they pay for rent. For example, if paying \$1,000 in rent, they will pay a \$1,500 mortgage payment, including taxes and insurance. Be sure you have properties with sales prices and mortgage payments that will fit with this formula.

Beware of a couple of traps here. Some apartment complexes are rent-subsidized but you would never know it thru your research on the web. I personally sent thousands of postcards to one apartment complex (with absolutely no phone calls) only to find out that while the advertising stated the rents were \$750 per month, most of the tenants were actually paying \$400 per month.

Don't choose complexes with high-end rent rates either. There are people who can afford to buy a home but have chosen to rent luxury apartment instead.

How to check for vacant units?

One of the reasons your marketing will fail is because a high number of units are vacant. No one is going to tell you either! You will need to visit the place yourself. Hop in your car and drive around between 8 to 9pm. Check to see how many cars are in the parking lot, how many lights are on in the units. Is there "stuff" on balconies? Spend about 30 minutes observing the activity around the complex. If you find a high percentage of units vacant, you will be mailing to *nobody!*

How unhappy are the tenants?

Apartment complexes, where tenants are not happy with the management, should be the ones you market to first (providing they meet the mortgage payment requirement). You may have already heard complaints from clients who have lived in certain complexes.

Another resource is www.ApartmentRatings.com. It's a site where tenants can "rant" about problems they have experienced. Not all complexes are listed, but if you find tenants who are unhappy online, or hear about them thru the grapevine, don't waste another minute. *These are the people most likely to move.*

How to Obtain Addresses

When I initially started marketing to apartment complexes, I hired a college student to drive around, write down each address and enter them in an Excel spreadsheet. While you can use the same technique yourself, it takes a lot of your time if you wish to do this yourself – or a lot of money if you hire someone to do this for you. However, we have created a unique system where we can get you the address list of most apartment complexes in the U.S. (regardless of the number of units) for a flat fee. www.ApartmentToolKit.com - order your lists. Best of all, you own them forever.

What should you send them?

Postcards and more postcards. A letter with an envelope will never get opened and it will cost you more money. The headline you use must catch their attention. ***"When your lease is up, do you know where you are going to live?"*** is one that I have used consistently and has generated a huge response. Oversize postcards that measure at least 5" X 7" or 8" by 10" are recommended. Use colors like orange or bright green so they stand out. Save money with a bulk-mailing permit because remember, you are mailing to just one zip code.

Once you have the addresses of each unit, consider their your own private gold mine. Why? Because the addresses never change – but the people who live there do – so you are constantly marketing to new people.