

How to Choose a Geographic Farm Territory

If you need additional income, move into a new neighborhood or territory and become the specialist in that new farm.

Consider these 7 Steps toward making the right decision:

1. Do you feel comfortable in this territory? Could you be just like one of these homeowners? Do you fit in? You have to be able to interact with these people and if you don't match up style-wise it probably won't be a good match. Remember that you will need to have lots of interaction in this neighborhood and with these property owners.
2. Niche marketing, or specializing in serving a unique market segment based on a common trait may be the answer. Finding an area where the homeowners share common interests and where you identify with the commonalities in that community. For example: golf community, boating community, first time homebuyer community, Hispanic community, Asian community, and condominium community, farm and ranch community.
3. To achieve this "special agent" status think about yourself, your family, and your past and current interests such as geography you prefer, lifestyle, hobbies, ethnicity, etc. Overlapping in any area could be a possible market niche for you. The more you and your clients have in common the greater the chances for successful business experience.
4. Look at the competition. A fragmented market is a better market than one that already has an agent with their name associated with that neighborhood. In a market that does not have the market share pre-determined by your competition you could plant, harvest and reap the rewards of your hard work faster.
5. Turnover Rate is very important. Be sure to choose a market area that is large enough to support you. The neighborhood may have only a few properties turnover each year because of the location of the area, age of the residents, increasing property values and such. This is not the neighborhood or geographic area that will feed your requirements as a business owner. Basically, if homes aren't selling, this is not your farm area.

You are looking for a minimum of 5% turnover annually. 5 – 10% annual turnover is healthy. If your turnover rate is 5% in the neighborhood, then you would need to have 2000 homes in your direct mail, marketing campaign to achieve the results you are desiring. This would be 100 homes per year that sold through you. If you have only 200 – 300 homes in your farm, your chance for listings goes down to 10 – 15 sales from listings per year. If you find a neighborhood with a high turnover rate, be

careful to check out any negative effects that may be causing this. Or, it could be your jackpot farm area such as a first time homebuyer neighborhood consisting of primarily production homes where the homeowners are consistently transitioning upward to a larger home in a custom community.

6. Is the farm within reasonable commuting distance? The care of your farm is ongoing with lots of marketing time involved for growing this new territory. Be sure you don't spend too much travel time. Every farm needs fertilizing, watering, and nurturing all along the way. You can not expect a good harvest by "crash cropping". This means waking up one day and mailing every home in the area and not doing any regular personal follow up thereafter. It doesn't work.
7. Farming has to be regular work. Being in touch with your homeowners at least once per month. As you grow your business stronger, keeping in touch with your farm should take on twice per month attention.

If you are using labeling from a mailing list, information can be obtained from database companies and over the Internet. You will want to personally address each piece of mail never put to "resident" or "occupant" on the mail piece. Keep in mind the best form of contact in your farm is personal contact so plan your activities for the year so that you have personal contact regularly.

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