Finding Your Niche: First Time Home Buyers

Presented by:
In Touch Today
www.intouchtoday.com
“Every home buyer at one point or another in their lives is a first time home buyer.”
What We Will Discuss

- Ways to find first time home buyers
- Marketing loan products you can use for first time home buyers
- Identifying non-profit organizations that offer down payment assistance programs
What We Will Discuss

• How to conduct successful informational sessions
• Value-added offers you can provide
• Ways to tap into the newlywed first time home buyer market
Three Questions to Ask

1. Where can you find large groups of people who are first time home buyers?

2. Is there anyone in your market currently doing something similar? If so, investigate.

3. What are the probable trends for this niche going forward?
1. Locating Large Groups of Buyers

- Apartment complexes and inner-city apartment complexes
- Non-owner occupied rental homes
- Recent college graduates/those going to college/medical school
- Newlyweds or those planning to get married
- Realtors who specialize in working with first time buyers
- Builders who build homes in the FHA price range, condo conversions, condo/town home complexes
- Agencies who work with section 8 or disabled clients
- Community development corporations (CDC’s)
1. Locating Large Groups of Buyers

- Businesses who tend to employ younger workforce
- First time home buyer expos/fairs
- Local housing organizations and coalitions
- Corporations who hire recent college grads
- Immigrants
- Newly hired teachers, police officers and fire fighters
Professional Referral Sources

- Educate Realtors about this niche and value of this niche
  - Create flyers to accompany real estate sales flyers
  - Attend open houses
  - Provide leads to real estate agents to help them build their business
2. Anyone Doing Something Similar?

- **Review:**
  - Competitor web sites
  - Announcement section of newspapers
  - Public library bulletin boards

- **Contact:**
  - Local non-profit DPA organizations

- **Attend:**
  - Competitor’s first time home buyer session
3. Probable Trends?

- Look at population and employment trends in your community
  - People moving in/moving out?
  - Unemployment up/down?
  - New industry moving in?
  - Established industry staying or leaving?
3. Probable Trends?

- Determine which segment(s) of population are growing
- Areas of your community that have affordable housing options
  - Advertise in community newspapers
Using Loan Products

- FHA loan products
  - Market to local builders
  - Market to Realtors
  - Advertise in local real estate magazines with $999 move in
    - Couple with DPA and FHA loan
    - Need earnest and inspection money up front
  - Use call capture program for agents’ listings
Using Loan Products (cont’d)

• 80/20 loan products
  – Designed for borrowers who don’t have a down payment and don’t want to pay PMI
  – Isn’t a cash free closing

• 100% loan products
  – Designed for borrowers who don’t have a down payment
  – Isn’t a cash free closing
• Interest only loan products
  – Designed for borrowers who want a low monthly payment
  – May or may not include PMI
  – Isn’t a cash free closing
• Finance PMI
  – PMI rolled into loan which may increase interest rate deduction
Down Payment Assistance Programs

• Have access to multiple DPA’s
• Benefits
  – Increase your clients’ ability to buy
  – Turns a “no” into a “yes”
  – Co-host first time buyer sessions with authorized DPA
• Register to become an authorized DPA agent
• Use sign headers “free down payment grants” on For Sale signs
Your Buyer Doesn’t Qualify

• Create a “You Can Qualify” plan
  – Identify areas to be corrected
  – Market continually to prospects – stay in touch
• Educate prospects about rebuilding credit
• Refer prospects to reliable credit counseling agency
Your Buyer Doesn’t Qualify (cont’d)

- Use Score Advisor service (www.scoreadvisor.info) to analyze your client’s credit profile
  - Identifies the score effect of:
    - Derogatory items
    - Closed accounts
    - Active accounts
  - Creates a plan to maximize clients’ score
Gaining Prospects’ Attention

- Walk apartment complexes; leave door hangers
- Send monthly mailers
- Offer free reports
- Offer:
  - Credit report analysis meeting
  - Prequalification meeting
  - Seminars
  - Individualized credit repair counseling
Informational Seminars

• Seminars are a great way to:
  – Educate prospects
  – Build relationships
  – Increase your “expert” status

• Hold these sessions:
  – On a regular basis
  – At the same time and place

• Announce these sessions:
  – Web site
  – Business card
  – All correspondence
  – Public service announcements section of local newspaper
  – Mailers
Making Your Seminar a Success

• Provide enough notice
• Maintain a set schedule of sessions
• Offer snacks and drinks
• Invite a panel of industry experts
• Practice your presentation
• Provide free information packets
• Offer a give away item

FIRST TIME HOMEBUYERS SEMINAR
Everything you need to know to make buying your first home easy and affordable.
Newlyweds as First Time Home Buyers

- 65% of all newlyweds purchase a home within the first year of marriage
- 100% will review their insurance and financial planning situations
- More liquid cash available at this time than any other
Reaching Newlyweds

- Exhibit at wedding expo events
  - Offer educational information
  - Offer a prize and have people fill out entry form
  - Sponsor the fiancés TV and snack area
    - Splice a series of guy movie vignettes
    - Create a series of “homeowner” ads
    - Offer a give away item such as the DVD player or television being used during the expo
  - Use direct mail and stay in touch with prospects
    - Offer free information
    - Offer free seminars
Reaching Newlyweds (cont’d)

- Obtain names from county courthouse
- Co-market with wedding industry specialist
- Spring and Fall homeownership “fests”
- Discounts and free services with supplier network:
  - Wedding event
  - Items to set up housekeeping
Key Take Aways

• Identify where you can find first time home buyers
• Determine how your competition works with/obtains first time home buyers
• Identify loan products and down payment assistance programs you can use
• Create a program to help those buyers who can’t qualify now
Key Take Aways

• Stay in touch with credit challenged prospects
• Send frequent and consistent mailers
• Offer informational sessions on a consistent basis
• Use informational sessions as a way to build your professional referral sources
Key Take Aways

• Newlyweds are great “untapped” first time home buyer market
• Use this market to build your professional referral source base
• Get to newlyweds early in the planning phase of the wedding
• Create a strategic supplier network and offer discounts to newlyweds
Action Plan

1. Identify the first time home buyer market you want to capture
2. Identify what your competitors do well and take it to the next level
3. Identify professional referral source partners who currently work with first time home buyers
4. Choose a mailer, obtain a list and send frequent and consistent mailings
5. Identify a “free” offer you want to provide
6. Set up regular first time home buyer sessions and advertise
Thank You!

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