HousingAlerts.com
Tomorrow's Real Estate Today

TO: HousingAlerts Active Members
FROM: Ken Wade

RE: New Micro Market Ranking Tools

BIG NEWS for Flippers, Wholesalers and Landlords!

We just enhanced one of the most powerful 'hot market finder' tools we've ever created!

You can now <u>target the best counties, zip codes and **NEIGHBORHOODS** in a single click!</u>

1) How to access Micro Market Ranking tool

GOLD and PRO level members can access these new tools (at no additional cost) via the drop-down menu or directly from your dashboard…

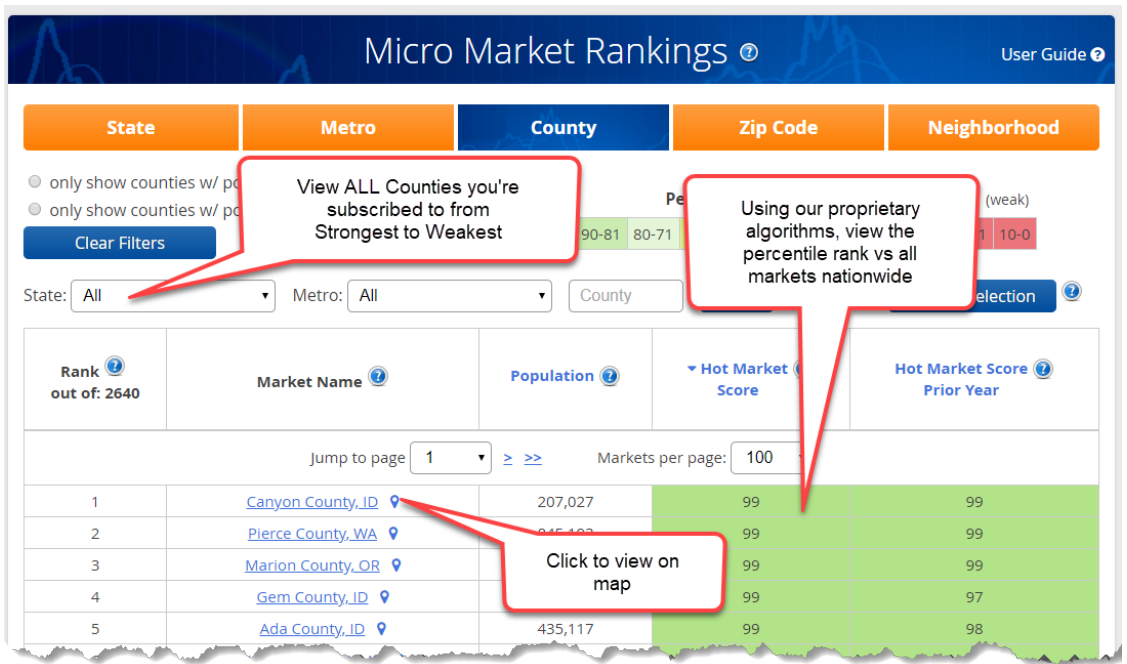Here's the new Dashboard view…
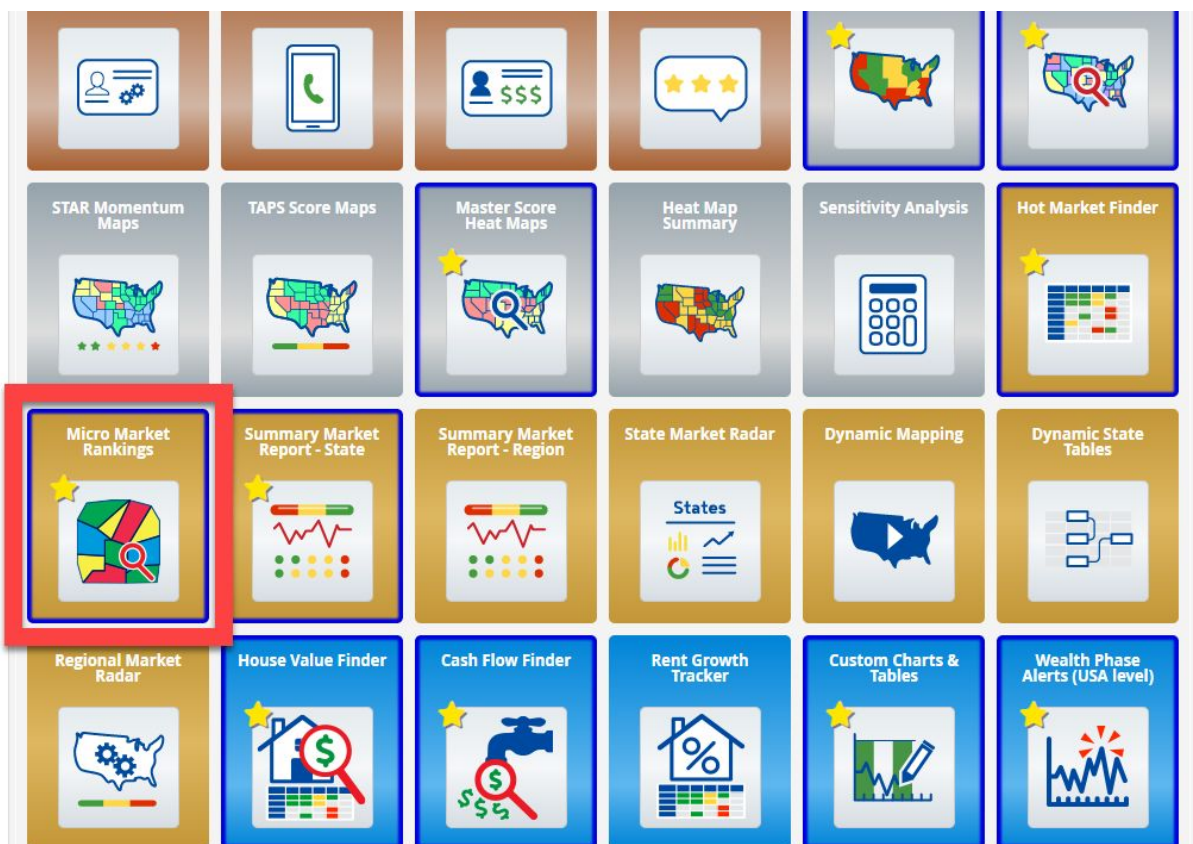
2) How to use the Micro Market Rankings tool

By default, the page loads with a ranked list of ALL the county markets within all the individual Cities and States you've subscribed to. *(This view is for the entire U.S.)*

Not a member yet? Join Now to access these sweet new tools.

Micro Market Rankings ⊘ — User Guide ⊘

| State | Metro | County | Zip Code | Neighborhood |

only show counties w/ po
only show counties w/ po
Clear Filters

View ALL Counties you're subscribed to from Strongest to Weakest

Using our proprietary algorithms, view the percentile rank vs all markets nationwide

(weak)
90-81 80-71 ... 10-0

State: All   Metro: All   County   ...election ⊘

Rank ⊘ out of: 2640	Market Name ⊘	Population ⊘	▾ Hot Market Score	Hot Market Score Prior Year
	Jump to page 1 ▾ ≥ ≫	Markets per page: 100		
1	Canyon County, ID 📍	207,027	99	99
2	Pierce County, WA 📍		99	99
3	Marion County, OR 📍		99	99
4	Gem County, ID 📍		99	97
5	Ada County, ID 📍	435,117	99	98

Click to view on map

You can also drill down INSIDE each STATE you're subscribed to…

Micro Market Rankings ⊘ — User Guide ⊘

| State | Metro | County | Zip Code | Neighborhood |

only show counties w/ population > 50k
only show counties w/ population > 150k
Clear Filters

Select any STATE you're subscribed to.

Percentile Ranking Colors ⊘   (weak)

| 99-91 | 90-81 | 80-71 | 70-61 | 60-51 | 50-41 | 40-31 | 30-21 | 20-11 | 10-0 |

State: Maryland   Metro: All   County   **Find**   💾 **Save Selection** ⊘

Ranked list of counties

Rank ⊘ out of: 24	Market Name ⊘	Population ⊘	▾ Hot Market Score	Hot Market Score Prior Year
1	Prince George's County, MD 📍	905,161	79	79
2	Worcester County, MD 📍	51,559	59	46
3	Charles County, MD 📍	156,021	42	47
4	Kent County, MD 📍	19,666	41	5
5	Caroline County, MD 📍	32,785	40	30

Using the Maryland example above, it's easy to see this state (in general) was looking relatively weak at the time of this screenshot… it only had one high performing county (note the GREEN shading).

After the first 'green' county, the next 2 are yellow (with scores ranging from the 42nd to the 59th percentile when compared to ALL counties nationwide).

(strong) **Percentile Ranking Colors** ⊘ (weak)

| 99-91 | 90-81 | 80-71 | 70-61 | 60-51 | 50-41 | 40-31 | 30-21 | 20-11 | 10-0 |

| Green is good (strong) | Yellow is mediocre | Red is bad (weak) |

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3) The Zip Code Ranking

The page loads displaying the score and ranking for ALL zip codes in ALL the Cities and States you've subscribed to.   We track and analyze all zips codes that had enough home sale transactions in a year to produce valid results. *(There are 16,754 zip codes in the current year database.)*

Although zip code 30310 in Fulton County, GA was ranked as #1 at the time this was made, ANY zip code with a score above 90 % is a 'top' micro market. (Don't think in terms of there being only one or a few 'best' micro markets.)

Any market with GREEN shading is a relatively strong market when compared to the entire U.S. The *darkest* green shading is reserved for the top 9% and includes over 1,500 individual zip codes!

In fact, you should NOT use these micro market tools as a stand-alone indicator. **You should first determine the best CITY-level market and only THEN drill down to find the best sub-markets or 'pockets' within that city to target your mailers, marketing and acquisition campaigns.**

Micro markets are not markets unto themselves. They're sub-markets that tend to follow what's happening at the CITY or metropolitan level in the sense of: *"a rising tide lifts all boats."*

Of course there are stronger pockets WITHIN a metro area you should focus on, and weaker pockets you should avoid. That's exactly what these micro market tools are designed to help you do, in a few clicks.

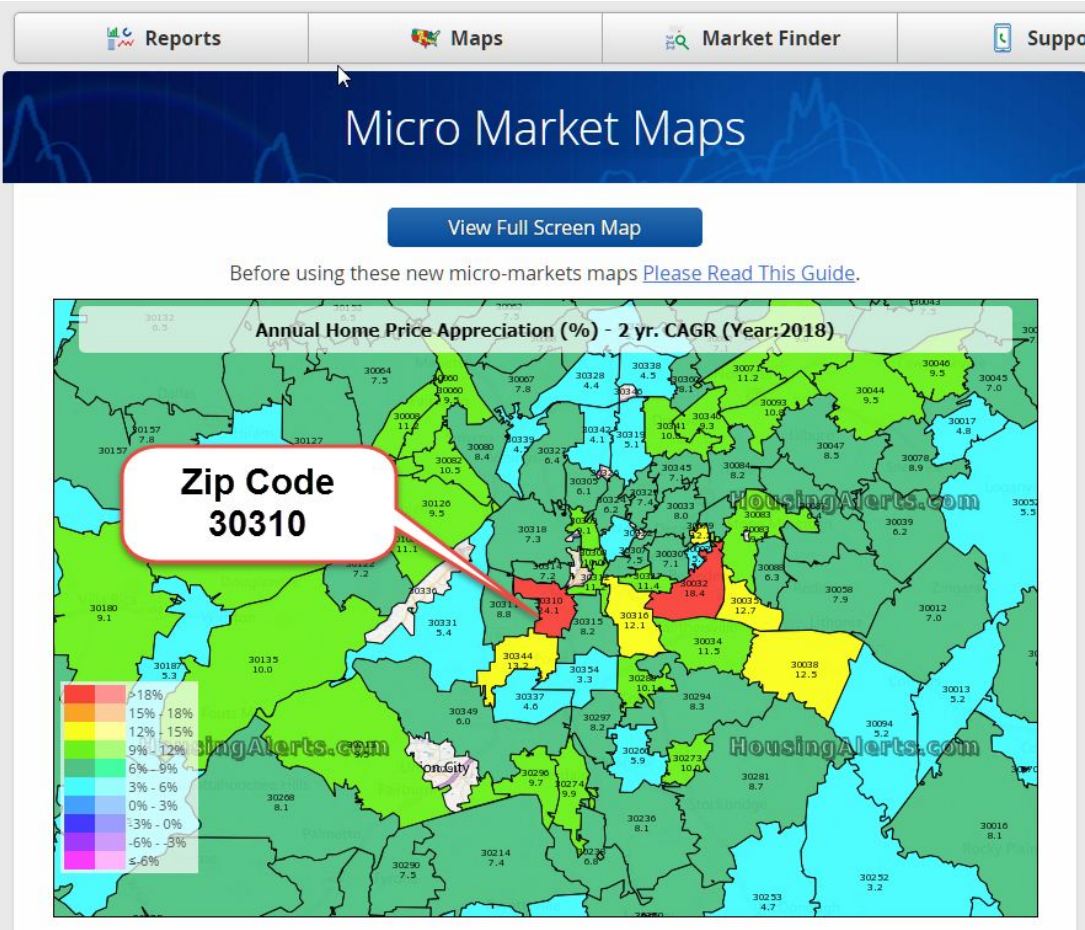**Not a member yet?** Join Now to access these sweet new tools.

Here's the general location MAP VIEW when you click on the #1 zip code above...
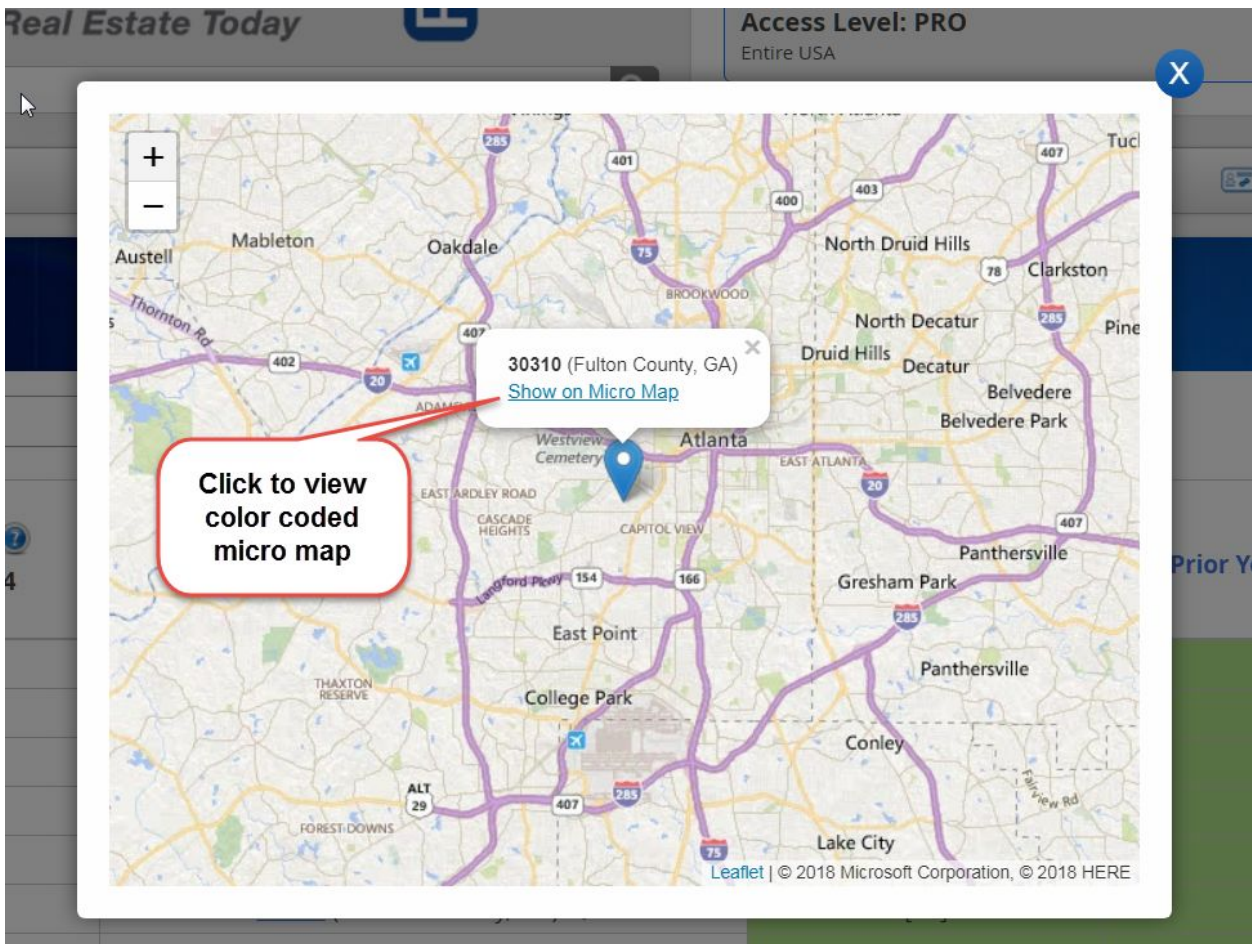
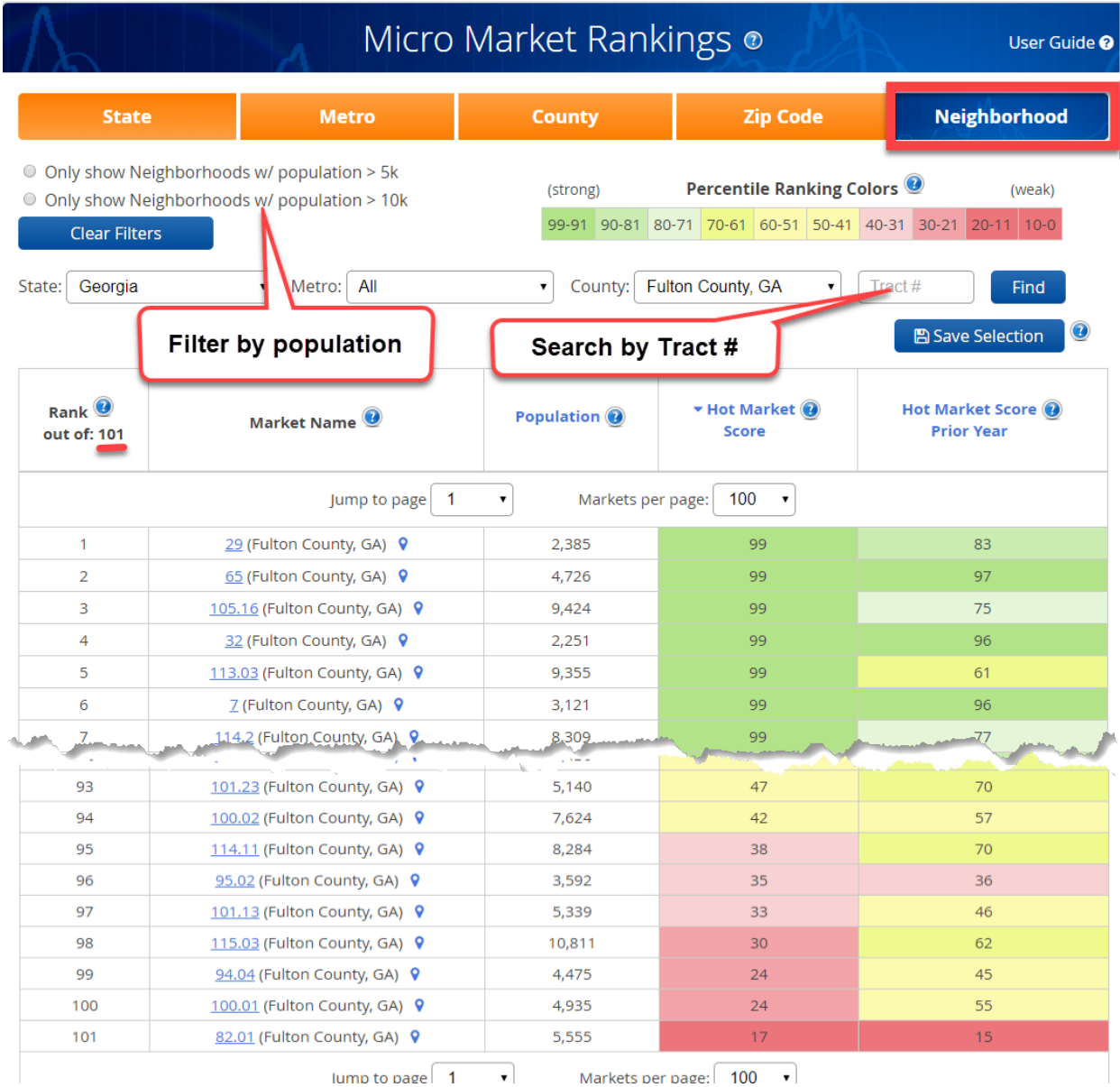...**below is the full color coded micro map for zip code 30310 in Atlanta** (i.e. - when you click "Show on Micro Map")...

Zip code 30310 is in Fulton County, GA which is in the Atlanta metro area. **Note how <u>there are only a few "red hot" zip codes</u> (in red, orange or yellow).** This is a prime example of why it's critical to pick your sub-markets carefully!

The next step would be to look INSIDE zip code 30310 (and the other red hot zip codes you see here on the map) to find the hottest **NEIGHBORHOODS**.

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Micro Market Rankings

| State | Metro | County | Zip Code | **Neighborhood** |

○ Only show Neighborhoods w/ population > 5k
○ Only show Neighborhoods w/ population > 10k

Clear Filters

Percentile Ranking Colors (strong) ... (weak)

| 99-91 | 90-81 | 80-71 | 70-61 | 60-51 | 50-41 | 40-31 | 30-21 | 20-11 | 10-0 |

State: Georgia   Metro: All   County: Fulton County, GA   Tract #   **Find**

Filter by population   **Search by Tract #**   🖫 Save Selection

Rank out of: 101	Market Name	Population	▾ Hot Market Score	Hot Market Score Prior Year
	Jump to page 1 ▾	Markets per page: 100 ▾		
1	29 (Fulton County, GA) 📍	2,385	99	83
2	65 (Fulton County, GA) 📍	4,726	99	97
3	105.16 (Fulton County, GA) 📍	9,424	99	75
4	32 (Fulton County, GA) 📍	2,251	99	96
5	113.03 (Fulton County, GA) 📍	9,355	99	61
6	7 (Fulton County, GA) 📍	3,121	99	96
7	114.2 (Fulton County, GA) 📍	8,309	99	77
93	101.23 (Fulton County, GA) 📍	5,140	47	70
94	100.02 (Fulton County, GA) 📍	7,624	42	57
95	114.11 (Fulton County, GA) 📍	8,284	38	70
96	95.02 (Fulton County, GA) 📍	3,592	35	36
97	101.13 (Fulton County, GA) 📍	5,339	33	46
98	115.03 (Fulton County, GA) 📍	10,811	30	62
99	94.04 (Fulton County, GA) 📍	4,475	24	45
100	100.01 (Fulton County, GA) 📍	4,935	24	55
101	82.01 (Fulton County, GA) 📍	5,555	17	15
	Jump to page 1 ▾	Markets per page: 100 ▾		

You can see from the NEIGHBORHOOD tool above, there are both very strong neighborhoods in zip code 30310 (dark green shading, scoring 99% of all U.S. neighborhoods) and some very weak areas (dark RED shading, scoring in the bottom 25% nationwide).

I wouldn't want to waste the cost of a stamp to mail into some of these weak areas, especially if I were looking to buy and hold.

But even for Wholesalers and Flippers, you want to invest in high demand areas with lots of appreciation and vibrant investment activity.

Why spend your limited time fishing in weak, dead or declining markets when you can (now) just as easily target the vibrant, hot markets?

Can you see the power of now being able to GEO-TARGET all of your acquisition efforts?

Let's take a look INSIDE a weak statewide market, at the zip code level … Connecticut…

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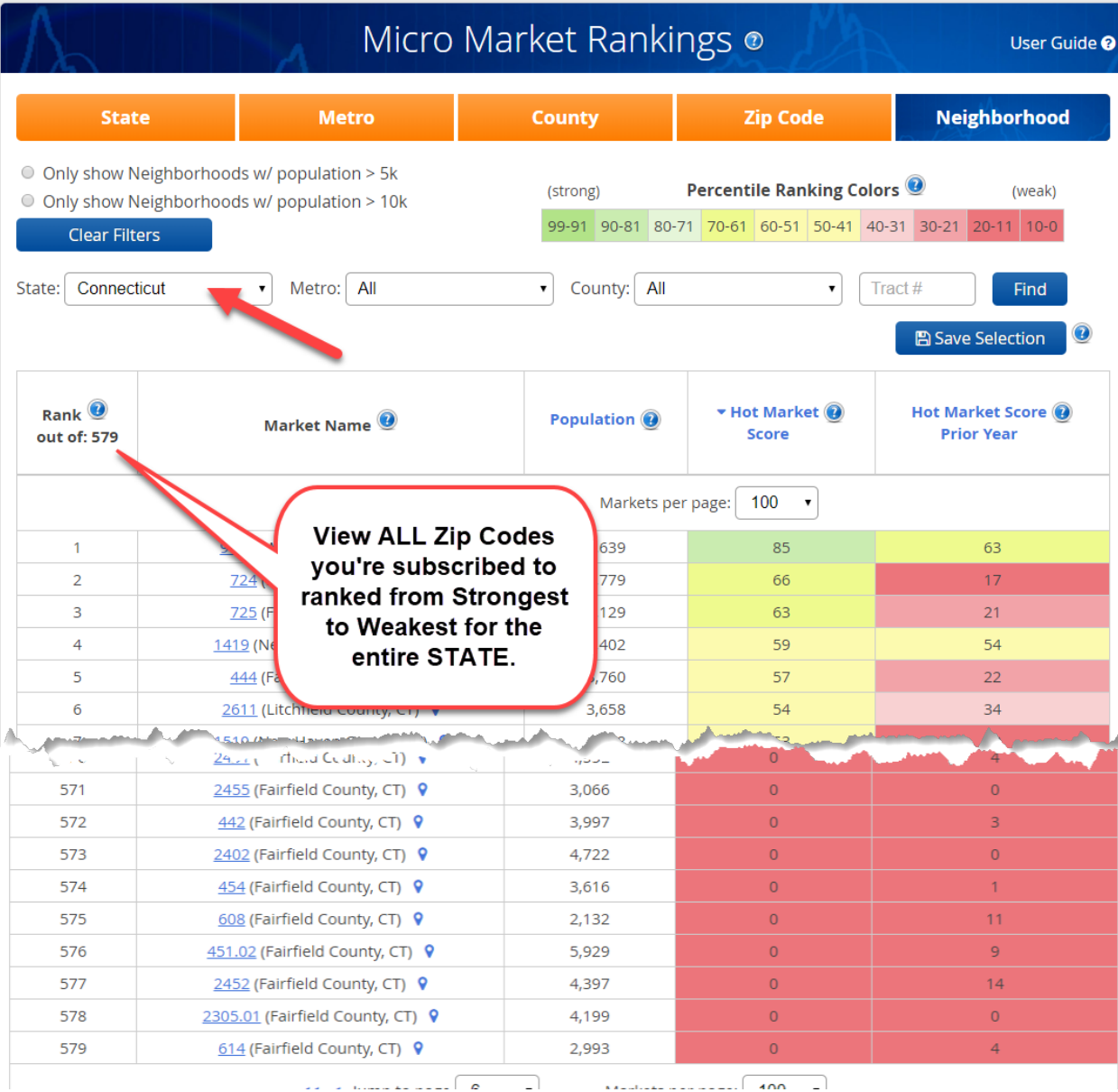
Similar to the Maryland "Counties" example earlier, the Connecticut ZIP CODES also show a vast majority of WEAK micro markets.

Only 1 of the 579 zip codes are green. All of the remaining 578 are shaded in red (weak) and yellow (mediocre).

With only a quick 30-second scan of this page, it's pretty evident Connecticut as a whole is very weak statewide (relative to all the other markets in the U.S.).
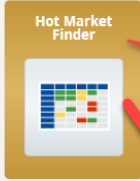
This is consistent with the *"Rising tide lifts all boats"* idea, but in reverse. A crummy statewide market will be dominated by crummy sub-markets, as you'd expect.

The same goes for city-level markets. Individual sub-markets (counties, zips & neighborhoods) are most likely to follow what's happening at the city level.

You should be suspect of micro markets that seem to be performing opposite of what its overall citywide market is doing. _Sometimes_ you can find that needle in a haystack micro market that's red hot in an otherwise weak city market, but it's not a high probability place to invest your time and money.

More typical is that outlier micro markets eventually can't sustain going against the local tide for extended periods and ultimately tend to perform more or less in line with its parent (CITY) market.

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As a Wholesaler or Flipper, you may still want to pursue TRANSACTIONAL deals in 'weak' states or cities even though the prospect of long term wealth from Leveraged Appreciation is not *currently* looking very likely or viable.

The next step would be to look INSIDE the top ranked zip codes and counties, using the "County" drop down feature …

Here is where it gets exciting…

We can now do on a local NEIGHBORHOOD level what we just did for zip code and county markets…

4) How to use the NEIGHBORHOOD Rankings

Here is a list of the top ranked NEIGHBORHOODS across the U.S. …

Remember the caution earlier about NOT getting overly focused on the 'top 1' or 'top 10' micro markets; **there are 483 NEIGHBORHOOD markets that fall in the TOP 1%** of all neighborhoods nationwide, and **over 4,300 that fall in the top 9% nationwide** (i.e. - shaded in the darkest green).

Statistically speaking, don't pick a neighborhood to target for mailers, marketing or acquisitions simply because it's in the 99th percentile over one in the 98th or even the 95th percentile. They are all top performing neighborhoods! Instead, look at the parent (CITY level) market and other factors in choosing between them.

The easiest way to select a strong CITY market is to pick one of the darkest green macro markets in our Hot Market Finder (HMF) tool and then drill down into hot counties, zip codes and neighborhoods using these new tools.

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To know which sub-markets to target, START with the "Hot Market Finder" tool to FIRST identify strong CITY level markets, THEN drill down into hot counties, zip codes and neighborhoods using the new 'Ranking' tools.

For this example we'll use the Hot Market Finder tool for CITIES to select the Bremerton-Silverdale, WA metro area; it ranked 8th (out of the 404 largest U.S. markets).

Whether we're Wholesaling, Rehabbing/Flipping or buying for Leveraged Appreciation, **we only want to be in the best, hottest, fastest appreciating, and most active neighborhoods.**

To save thousands of dollars in marketing costs and countless hours of wasted time 'farming' inferior neighborhoods, we'll look INSIDE the Bremerton-Silverdale market for the hottest neighborhoods.

Here's how you do that in less than 30 seconds!

Step 1:
Go to the Micro Market Ranking tool.

Step 2:
Select the state of "Washington" and "Kitsap County" in the drop down menu.

Step 3:
Voilà - You're now looking at the 50 NEIGHBORHOODS inside the Bremerton-Silverdale metro market, ranked from HOTTEST to weakest!

Location map view...

Micro Map view...

5) Eliminate 80% of your wasted Acquisition Marketing expenses

Most small wholesalers and flippers who are actually doing deals spend anywhere from $4,000 - $10,000 a month in direct mail, paid internet traffic, bandit signs, and other lead generation and marketing activities that costs a ton in terms of dollars or time – and usually BOTH.

Medium sized wholesaling outfits spend $10,000 to $30,000 a month on lead gen and employ staff 7 days a week to handle incoming calls while they're hot.

On top of their variable expenses (printing, postage, Pay Per Click, etc) they also invest big money upfront, usually on a 'per zip code' basis buying expensive lists. The high-end list sellers use credit bureau type of data mining in an attempt to target homeowners who show characteristics of financial distress or other 'motivated seller' indicators.

These 'stacked' lists can cost more than $10,000 per zip code.

…and they're worth it if it can increase your response rate from 1.5% to 2% and/or save from mailing to people who aren't motivated to sell.

Finding good leads can be outrageously expensive!

...and in my opinion, the majority of that cost is a TOTAL WASTE OF TIME and MONEY because you're mailing into micro-markets you should be avoiding, and NOT doing multiple mailers into markets you SHOULD be focusing on.

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<u>Bottom line:</u> The little guy simply can't afford to compete on the same playing field.

Until NOW!

For a teeny, tiny fraction of a single mailer's postage cost, you can now drill down INSIDE an entire metro market to know exactly which zip code or county or even WHICH NEIGHBORHOOD to specifically target.

You can also do it for the entire country!

Knowing WHERE to target is infinitely more valuable than knowing WHO to target.
…and can save you 80% or more on your lead gen time and expense.

Would a 'paint by numbers' map help you cut out the waste?
…and laser-focus your effort?
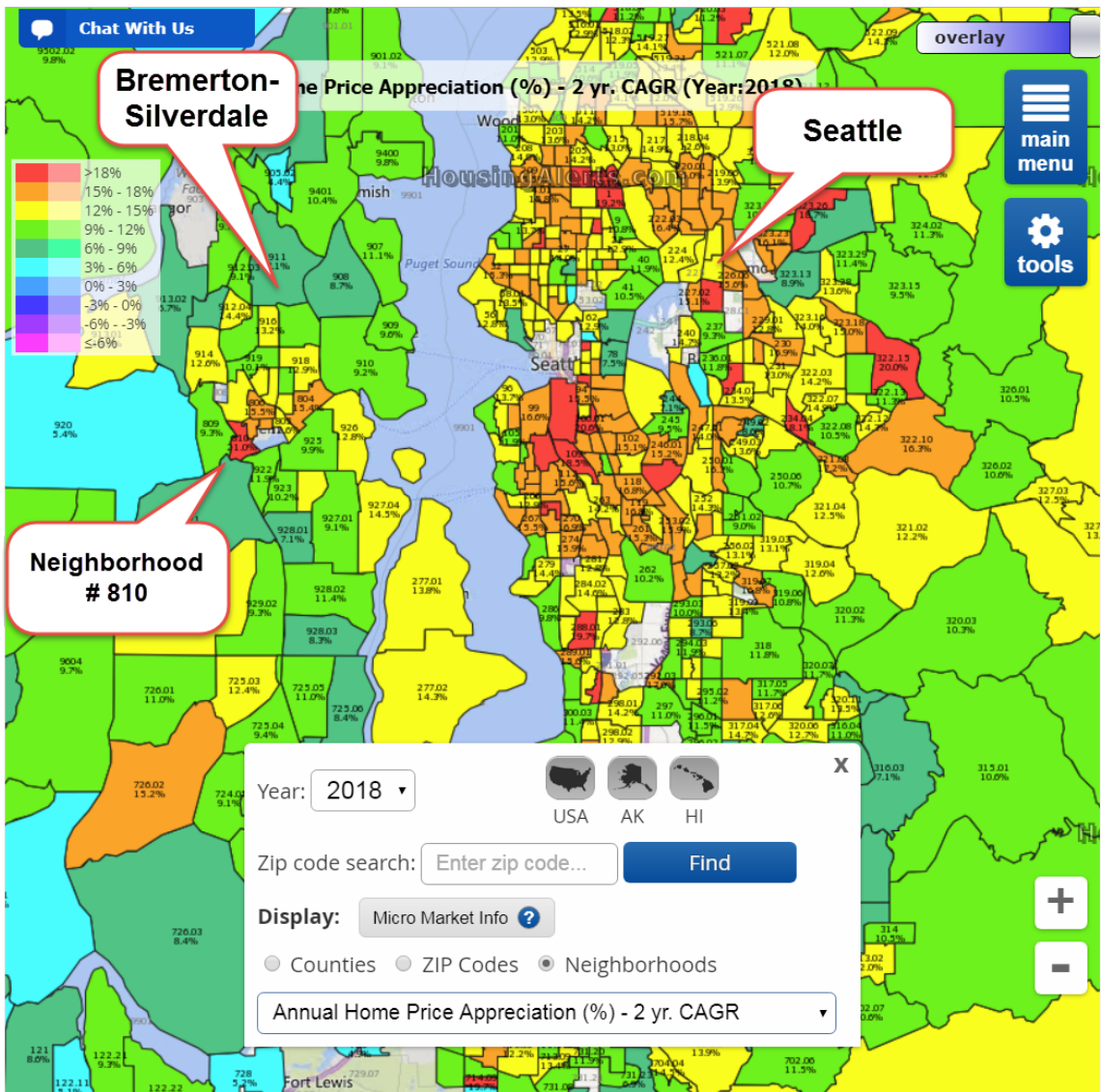
Even in some of the hottest metro markets in the country, like Bremerton-Silverdale and Seattle, you can see how some neighborhoods outperform others.

If you're going to invest in real estate, or spend significant effort and cash acquiring and 'working' motivated seller leads, why not do it in the micro markets where you'll earn the highest ROI, with less cost, risk and effort?

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