

How to Farm and Prospect for new Clients

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Grow your farm, then harvest it for leads

What do all REALTORS® want? Success! Whether it comes in the form of listings or accepted offers, every agent's goal is to get more clients to the closing table. Your current and future success hinges on getting in front and top of mind with those potential clients. That's the game and that's where farming, and RPR, comes in.

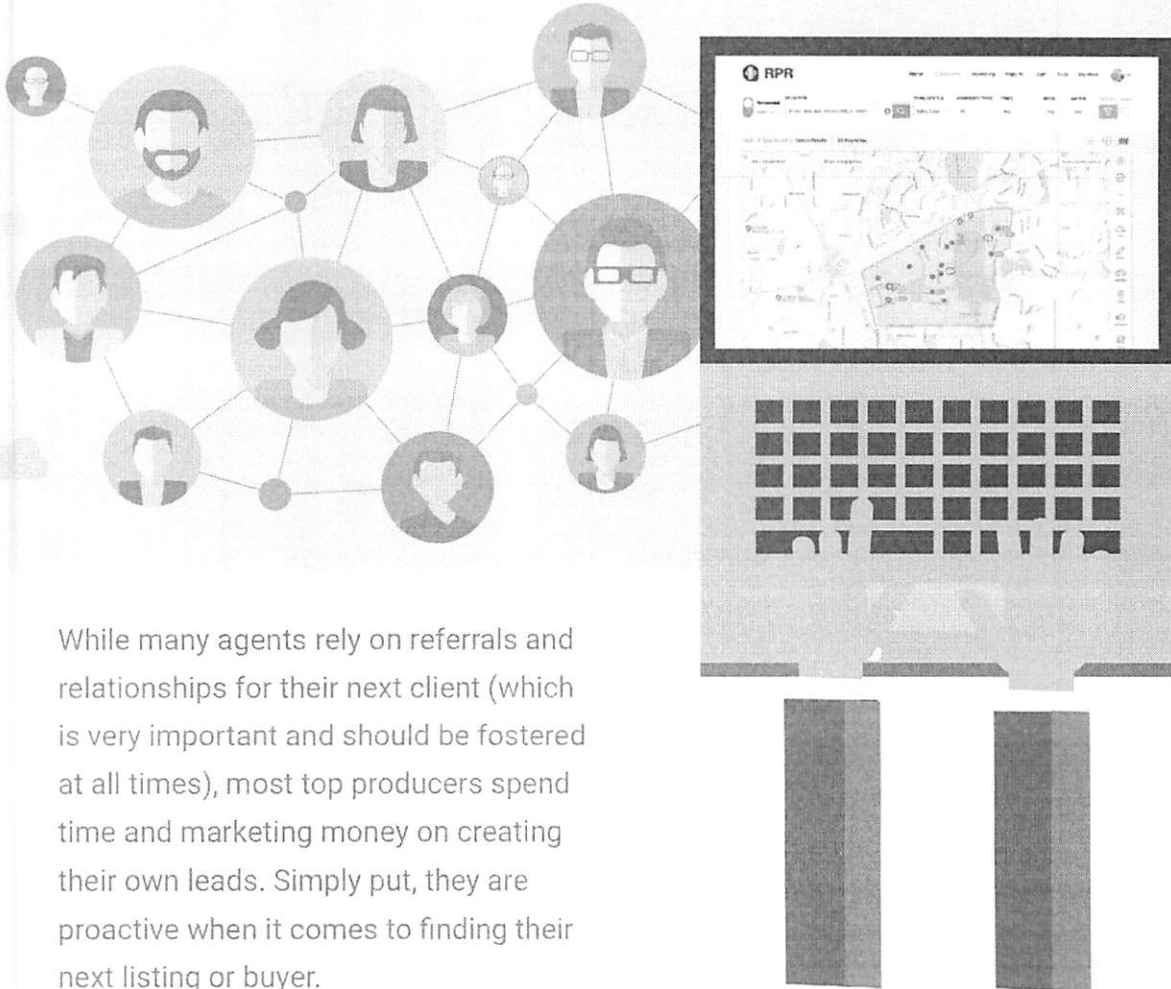
Geographic farming, often referred to as "prospecting", is a tried and true technique when it comes to a real estate agent's long term success. It's essential to identify areas and target owners that are ripe to sell (or buy) a home in that area.

It's not easy; there's no magic wand or flick of the switch. It takes effort, persistence and some long-term vision. However, it's also not *that* hard. With some pointers from RPR (plus tools, reports and access to practically unlimited data) you can learn to prospect like a pro. And if you commit to doing it properly, you'll transform your business and build up a nice pipeline. One that will flow with more clients and more profits.

Consider this eBook (an exclusive downloadable asset for RPR users) your all-inclusive, go-to source for prospecting. It's filled with tips, step-by-step how-to's, quick video lessons, research results, success stories and more. Keep it on your desktop and add it to your digital library to learn:

- What farming is and why farming/prospecting is so important
- Where to set up farming areas
- Who to target in those areas
- How to calculate turnover and absorption rates
- How to use RPR maps to create, customize and save map areas
- How to create mailing lists and labels

Why farm and prospect for clients?



While many agents rely on referrals and relationships for their next client (which is very important and should be fostered at all times), most top producers spend time and marketing money on creating their own leads. Simply put, they are proactive when it comes to finding their next listing or buyer.

This type of hustle when it comes to garnering new business is perfectly tied into geographic farming/prospecting. You need to find the right neighborhoods, crunch data to determine if they're a good fit, and effectively market yourself to the homeowners in the area over a sustained period.

What is farming?

If you're not familiar with geographical farming, here's a simplified explanation: a farm is an area, usually a neighborhood, that you identify as having great potential to market yourself to in order to find prospects and clients. Here are some other definitions:

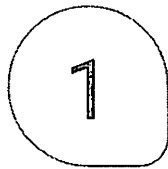
- IA** *Real estate farming* is concentrating your marketing and promotion efforts into one demographic or geographic area. The goal is to become the "go-to" agent in that real estate market. This goal is reached through consistent effort, identifying prime targets, expertise and the right tools.
- IA** *Real estate farming* is a marketing tactic used by top producing agents to bolster their business in a specific neighborhood, development or area. You "farm" by planting seeds and nurturing an area for leads and contacts. This can involve a mix of direct mail, social media posts, door knocking, postcards or RPR Property Reports, which can be sent via email, text or snail mail (which can still work!).
- IA** *Real estate farming* involves setting up a relationship with prospects and being actively involved in that community. That way, when one of these owners has a real estate need, you'll be top of mind.

RPR can help you implement all of the above!

Start your neighborhood farm off right

Congratulations on deciding to become a farmer! This is a proven method of marketing your real estate business to a neighborhood or local proximity in a way that raises awareness of your brand, captures leads, earns referrals and gains listings.

When used effectively, farming provides an excellent opportunity to connect with potential sellers. But what should you consider when selecting your farm area? Here are some questions to consider to help you get started:



1 Is the neighborhood nearby and easy to get to?

You want to farm areas that are close to you, or at least where you're comfortable commuting to within a certain mileage or time. It makes zero sense to farm an area two counties away, but if you're okay with a forty five minute drive, then make that your allowable parameter.

Setting up a reasonable travel radius is important because you'll be in this area, in person, quite a bit. Whether it's door knocking or being involved in community events, you have to be present in order to earn trust and top of mind awareness. You have to know the neighborhood! A consistent / promotion effort includes touchpoints at least every three to four weeks, on a long term basis, so easy access to your farm area is an important consideration.

2

Does the area have an acceptable turnover rate?

One of the most important aspects of identifying a farm area, turnover rate, is a simple calculation that helps to identify whether the area has enough sales activity to sustain your prospecting campaign.

To figure out the turnover rate in your potential farm area, divide the number of homes in your farm area by the number of homes sold in the last 12 months.

$$\frac{\text{\# Sales Last 12 Months}}{\text{\# of Homes in Area}} \times 100 = \text{Turnover Rate}$$

- For example, let's say **15 houses have been sold in the past 12 months**. There are **150 homes in the area**. Therefore: $(15 \div 150) \times 100 = 10\%$ turnover rate
- You typically want to see 5% turnover rate or higher.

Note: this formula is for an average market. Hot or cold markets can affect turnover rates and their target number. For example, turnover rates may be impacted by low inventory, so you may want to adjust the rate to 3-5%. Another thing to consider is how long someone has owned a home and how much equity they have. Someone who has owned a home for 10, 15 or 20 years is not contributing to the turnover rate, but they might be the perfect target to sell soon.



Pro Tip: How to Target Specific Homeowners

This RPR Shortcut will guide you through an example of how to search for Owner Occupied homeowners that have owned the property for between 5-15 years. **Try it now!** [rpr.me/find-sellers]

3

What's the Absorption Rate in the neighborhood?

Another helpful metric that can determine the potential for success is Absorption Rate—a calculation used to predict how many months worth of inventory are in a particular neighborhood.

To calculate months of inventory for your farm area, first calculate the rate of sales. Next we can use that to determine the Absorption rate.

Using the same example as above, we're looking at the last 12 months (365 days), and 15 homes have sold during that time period. And lastly, there are 3 current listings.

Rate of Home Sales calculation:

$$\frac{\text{Time Frame}}{\# \text{ of Sold Homes}} = \text{Rate of Home Sales}$$

- 365 days / 15 = 24.3

This tells us that 1 home is sold every **24.3 days**

Now we can calculate Absorption Rate:

$$\# \text{ of Active Homes} \times \text{Rate of Home Sales} = \text{Absorption Rate}$$

- 3 X 24.3 = 72.9 days (**Or 2.43 Months**)

This tells us that if market conditions remain consistent and if no new listings come on the market it will take 72.9 days (Or 2.43 months) for the current inventory to sell at the current pace of the market.

4

Is the number of homes manageable for consistent marketing outreach?

Your goal is to get your brand in front of as many eyes as possible. Yet, you need to sustain your farm campaign consistently, with depth and quality, and with a long-term vision in place. Keeping those costs and available resources in mind is important. The key? Market only to as many homes as your budget will allow, every month.

5

Does one agent currently dominate sales activity for the neighborhood or have homes been sold by many different agents?

Real estate is a competitive business with many agents establishing unspoken territories. Knowing that, and preparing is key to developing your farm area. Look for areas that have a multitude of agents selling with no defined market share. Chances are the area isn't being marketed heavily by any one agent, giving you an opportunity to consistently brand yourself as the local expert.

Use this Google spreadsheet as a template

Here's a spreadsheet to help you keep track of Turnover, Rate of Sales and Absorption Rates for your farm(s). Please remember to click "File" and then "Make a copy" to use it for yourself only.



Try it out!
rpr.me/farm-sheet

Geographic Farm The number of ...

(Please To use the Google Sheet, choose "File" and then "Make a copy".)

	Commuter	Neighborhood 1	Neighborhood 2	Neighborhood 3
Total Number of Homes	0	0	0	0
Total Homes sold in last 12 months	0	0	0	0
Number of Current Listings	0	0	0	0
Last 12 month turnover rate	0.00%	0.00%	0.00%	0.00%
Estimated cost per marketing	\$2.00	\$2.00	\$2.00	\$2.00
Estimated farming cost per marketing	\$3.00	\$3.00	\$3.00	\$3.00

Additional data points worth considering:

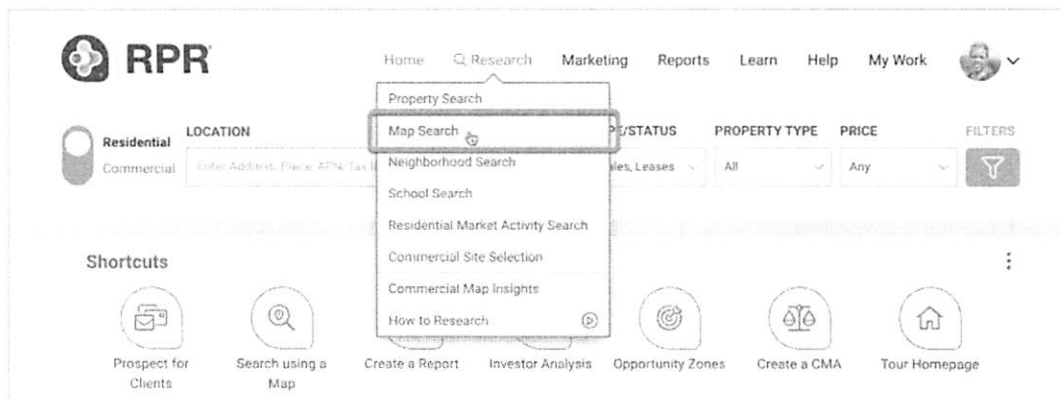
- Median days on market
- Total Agents in the neighborhood
- Median Estimated List Price
- Median Estimated Sales Price

Put your geographic farming plan into action

Let's say you have a hunch that a particular neighborhood not too far from you is a good area to target for farming. Perhaps it's a newer development, just about five years old, and no one agent is dominating the action. Now you use RPR to make sure the numbers add up and confirm that it's an optimal farming target.

Follow these step-by-step directions on setting up your area. First, let's get the number of homes in a neighborhood:

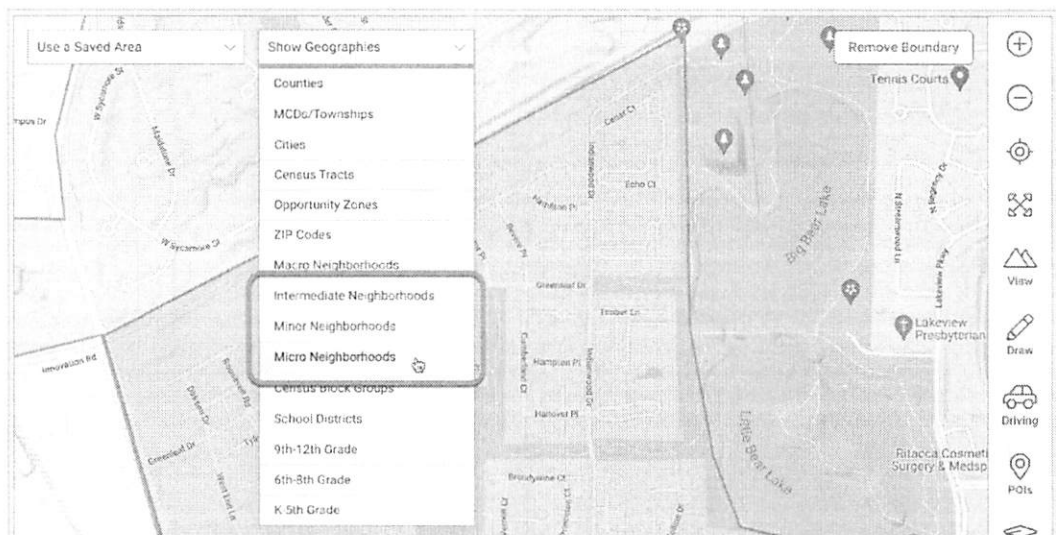
1. Sign on to narrpr.com
2. Select **Research** from the main navigation, and then choose **Map Search**.



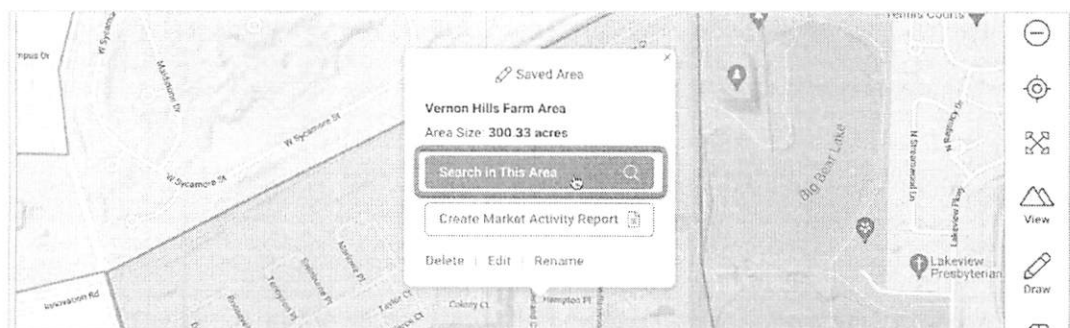
3. Enter the geographic (Neighborhood name, ZIP or City) area representing your potential farm area.
4. From the Type/Status dropdown select **Public Records**.



5. Select the magnifying glass to **Search**. (Note: if you've searched a zip code or larger area you may receive a message saying you have too many results. Click **Close**.)
6. Pan and zoom the map to center your farm area in the window.
7. Choose the geographic farm boundaries. This can be accomplished a few different ways:
 - Identify pre-defined neighborhoods:
 - From **Show Geographies** (located at top of the map), try Intermediate, Minor or Micro Neighborhoods.
 - Now select the geographic area that matches your potential farm. The area will turn orange.



- Draw a shape:
 - Use **Draw** (freehand, box, radius or polygon) or **Driving** (drive time or distance) to define a specific area.
 - Once the shape is set, choose **Save Area**. Enter a name, and Click **Save Area** again.
8. With the neighborhood still selected, choose **Search in This Area**. The count will be shown directly above the map.



Next step, we'll determine the number of homes sold in the neighborhood over the last 12 months.

11. Above the map, from the Type/Status dropdown select For Sale, and then select Closed.
12. Now click on the date field to the right of closed, then select **Last 12 Months**.
13. Also select Include public records solds.
14. Now select the orange magnifying glass to search again.

The screenshot shows a real estate search interface with the following elements:

- LOCATION:** Independence Square in Vernon Hills, IL
- TYPE/STATUS:** Sales
- INCLUDE:**
 - For Sale
 - For Lease
 - Public Records
 - Active
 - Active Under Contract
 - Pending
 - Hold
 - Closed (with date field: 8/27/2020 - 8/27/2021)
 - Include public records solds

The **Closed Date** picker is open, showing the following options:

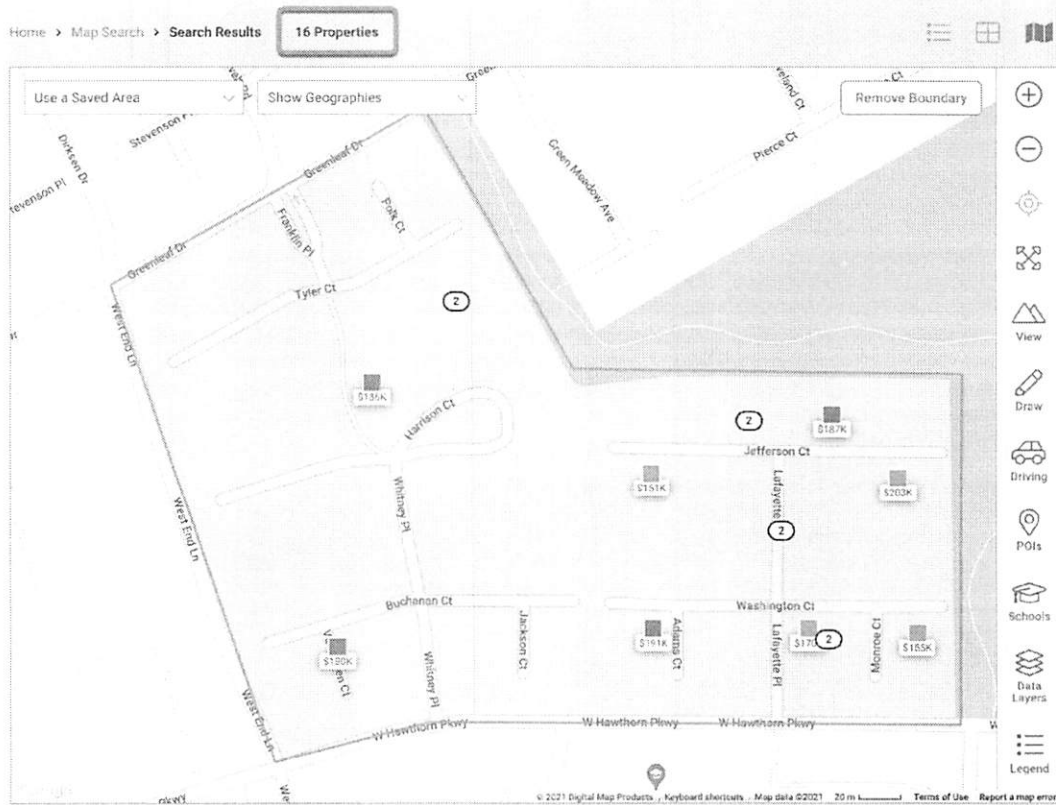
- This Month
- Last 30 Days
- Last 3 Months
- Last 6 Months
- Last 12 Months** (highlighted)
- Custom Date Range

The calendar shows the month of August 2020, with the date 27 selected. The date range is 8/27/2020 - 8/27/2021.

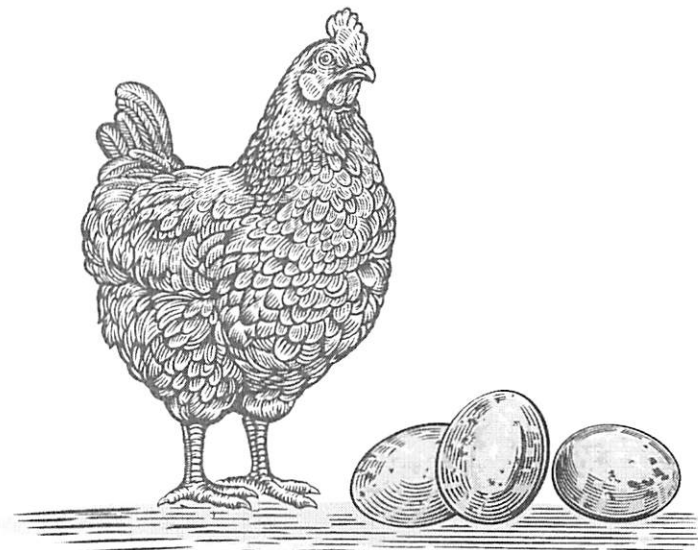
Buttons: Cancel, Apply

Checkbox: Apply to all selected statuses

15. Record the sold count of properties in your template worksheet.



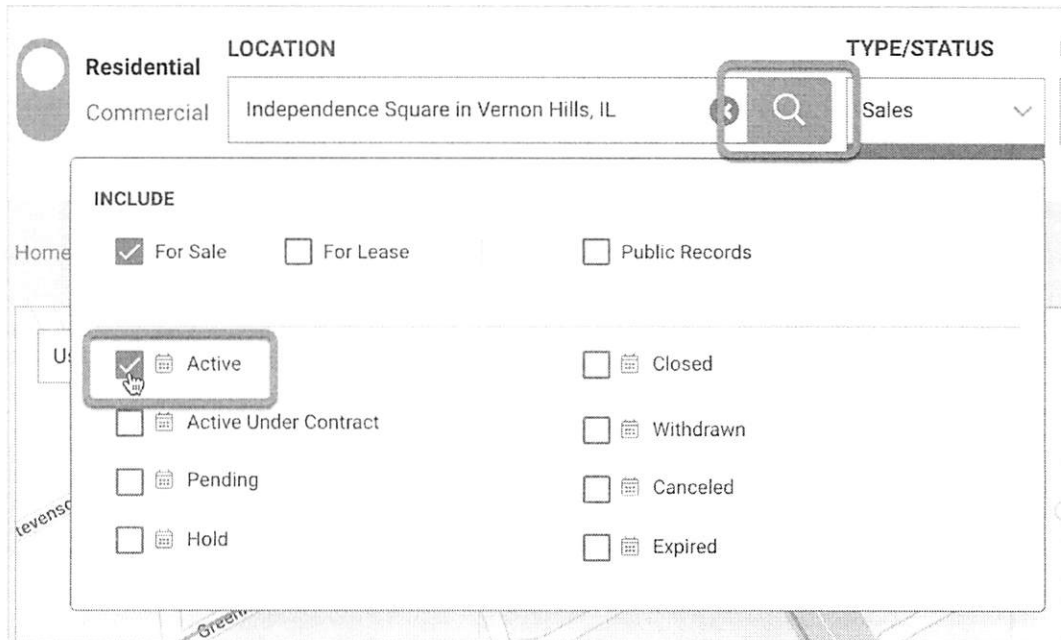
16. Repeat for each neighborhood you'll be comparing.



Identify the number of homes currently listed in the farm area.

17. For this, we need to go back up to the Type/Status dropdown and uncheck **Closed** and now check **Active**.

18. Select the **magnifying glass**.



19. View the number of homes currently listed under the map.

20. Record the number in your worksheet.



21. Repeat for each neighborhood you'll be comparing.
22. With your numbers added to the template worksheet, the **12-month turnover rate** is calculated.
23. Lastly, using your template worksheet, enter your estimated cost per mailing. This number does not come from RPR. It is the average per-piece marketing cost for each home in the farm area. Not sure? Try using the [USPS Every Door Direct Mail calculator \[www.uspsdelivers.com/direct-mail-cost-calculator\]](http://www.uspsdelivers.com/direct-mail-cost-calculator).

	Vernon Hills	Neighborhood 2	Neighborhood 3	Neighborhood 4
Total Number of Homes	256	157	98	306
Total homes sold in farm in last 12 months	16	20	3	18
Number of current listings	2	5	1	6
Last 12 month turnover rate	6.25%	12.74%	3.06%	5.88%
Estimated cost per mailing	\$0.36	\$0.36	\$0.36	\$0.36
Estimated farming cost per mailing	\$92.16	\$56.52	\$35.28	\$110.16

Create a Market Activity Report [rpr.me/market-activity] for the Neighborhood to find additional metrics such as Median Estimated Listing Price, Median Estimated Home Value and Median Days in RPR. The Metrics will be found on page #2 of the report.



How to reach your farm: mailing lists and labels

Once you've set up and saved/named your farm area, you need a plan for marketing your services and your brand to those owners. Plan for at least a year's worth of contact or touchpoints. These can be traditional door hangers with notepads or calendars, or maybe old fashioned door knocking. And, if you're experienced with social media, you can do monthly or bi-weekly posts (neighborhood Facebook pages and Nextdoor are perfect).

The above are just suggestions to add to your marketing mix. One to make mandatory though is direct mail. While "snail mail" may seem to be a thing of the past, it actually reaches home owners quite effectively. And RPR has a way for you to do mass mailings with ease!

Deliver results with RPR Mailing Labels

RPR's Mailing Labels feature provides REALTORS® the ability to create farming or prospecting lists and generate up to 2,000 pre-formatted labels per month for mailings to residential or commercial property owners, based on any RPR search.

The labels are available in popular formats, or users can choose to export the results into a standard CSV file. The data used to create the lists is licensed from Black Knight, RPR's public records provider.

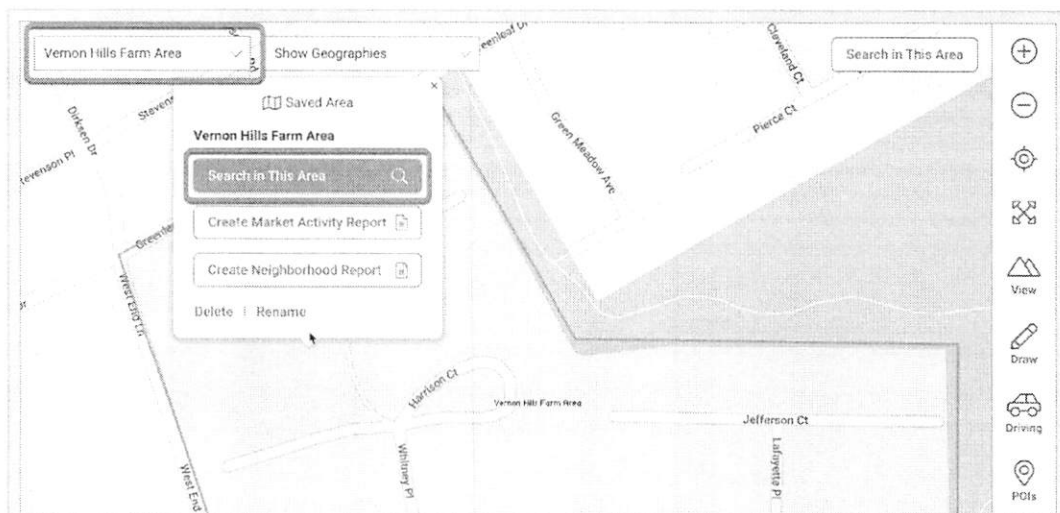
Mailing Labels are created from public records data and directly pulled from your search results. Filter your results through the advanced search, the left side of the results page or through the map drawing tools.

To see it action, check out [Create Your Own Mailing Labels In RPR: A How-To Video \[rpr.me/create-labels\]](#) or follow another step-by-step on how to do it:

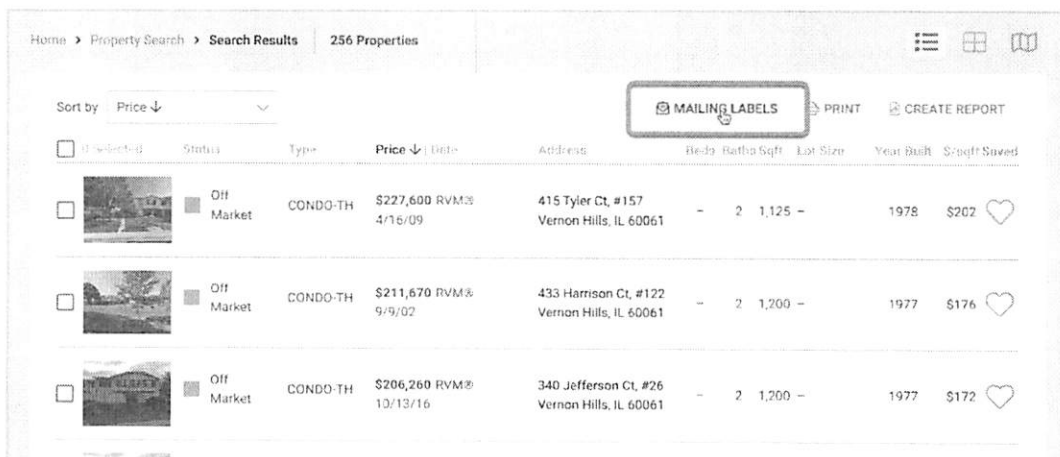
1. Sign on to **narrpr.com**
2. Select **Research** from the main navigation, and then choose **Map Search**.



3. From the top left corner of the map, select the **Saved area** we created earlier, and then click **Search in this Area**.



4. Now toggle over to List or Gallery view and confirm your results look correct.
5. Now select **Mailing Labels**.



9. Filter your labels:

Filters

Occupancy Type:

All Owner Occupied Absentee Owner

Exclude Listed Properties Exclude Properties on Do Not Mail List

Exclude Properties with Incomplete Addresses

Records to Export:

All From to

- Choose Occupancy Type:
 - All – Includes all properties in the search results
 - Owner Occupied -Only includes properties where the fields "owner occupied" is set to Yes
 - Absentee Owner- Only includes properties where the fields "owner occupied" is set to No
- Select which labels to exclude:
 - Exclude listed properties
 - Exclude properties on Do Not Mail list
 - Exclude properties with incomplete addresses
- Select which Records to export:

One Minute Mailing Labels Lesson

Learn how to create mailing labels and lists in minutes!

See how with this [one minute video](#) [rpr.me/mailling-labels].



What to send your future clients: RPR reports

Once you've established your farm area and created your list, you need to create materials to send or drop off. Postcards and flyers can certainly work, and you'll want to use them at various times of the year. However, when a potential client receives an RPR Property Report on their home, directly from you, that's when you start really making a connection. In this section, we'll outline a few reports best suited to your geographic farming needs, and how to instantly respond to on-the-spot consumer inquiries and leads.



Market Activity Report

RPR's Market Activity Report is a snapshot of all the changes in a local real estate market. It includes a list of active, pending, sold, expired and distressed properties, including recent price changes. You can choose to go back days or weeks, and even up to three months.

If you decide to walk your farm area, generate and save a Market Activity Report. Then, when striking up a conversation with a homeowner, you can use the RPR app to share the area's sales activity, even offering to email or text the report without skipping a beat.

Even if the homeowner isn't ready to sell, keep the conversation going by offering to send a monthly or quarterly Market Activity Report. Perhaps the neighborhood has a few distressed properties your new client is concerned about or they're thinking of selling when values increase. Here's your opportunity to get in on the ground floor.

Blanket your farm area with the Market Activity Report, either by email, snail mail, or in person. Customize the report to let them know updates are available at frequent intervals. Direct them to your website to sign up for the next report. Ask them to email it to their neighbors.

Here's what you will find in a Market Activity Report:

(Uncheck elements you wish to hide)

Report Elements:

- Market Snapshots
 - Estimated Home Values
 - 12-Month Change in Estimated Value
 - Concentration of Distressed Properties
 - Sales Price
 - List Price
- Market Activity Summary Stats
- Market Activity Property Details
- About RPR and Our Data
- Choose the report timeframe:
 - Last 3 Days
 - Last Week
 - Last Month
 - Last 3 Months
 - Last 6 Months
- Choose which statuses to show:
- New Listings
 - Pending
 - Price Change
 - New Distressed
 - Recently Sold
 - Expired
 - New For Lease
 - Recently Leased
 - Open House

The screenshot shows the 'Market Activity' report customization page. At the top, it says 'Market Activity (approx. 26 pages) Available for high-speed broadband View Sample'. Below this is a 'CUSTOM PAGES' section with 'No pages available...'. The main section is 'REPORT ELEMENTS' with a 'Reset All' link. It contains several checkboxes: 'Market Snapshots' (checked), 'Estimated Home Values' (checked), '12-Month Change in Estimated Value' (checked), 'Concentration of Distressed Properties' (checked), 'Sales Price' (checked), 'List Price' (checked), 'Market Activity Summary Stats' (checked), 'Market Activity Property Details' (checked), and 'About RPR and Our Data' (checked). There is a dropdown menu for 'Changes in the' set to 'Last 3 Months'. Below that is an 'Include' section with 'For Sale' and 'For Lease' both checked. The 'Change Types' section has 'New Listings' (checked), 'Closed' (checked), 'Price Change' (unchecked), 'Expired' (unchecked), 'Pending' (checked), and 'Distressed' (checked). 'Open House' is unchecked.

Neighborhood Report

RPR's Neighborhood Report is a user-friendly configuration of data that will help you know a farm area from the inside out. The report profiles the people, economy, quality of life, and housing for the areas you choose, and can be a great icebreaker when introducing yourself to homeowners with a "Get to Know Your Neighborhood" campaign.

Much like the Market Activity Report, generate the Neighborhood Report prior to walking your farm area. Then, when striking up a conversation with the homeowner, use your phone to share the Neighborhood Report, even offering to email or text the report to the homeowner. You might even want to pull out a fun or intriguing fact about the neighborhood and start the conversation off with a "Did you know" type of question.

Here's what you'll find in the Neighborhood Report:

(Uncheck elements you wish to hide)

- Age ranges
- Average income
- Occupations
- Education levels
- Voting trends
- Job growth, unemployment rate
- Cost of living
- Climate
- Average commute times
- Median list and sales prices
- Listing and sales volume
- Price range and price per square foot of homes sold

The screenshot shows a configuration interface for the Neighborhood Report. At the top, it says "Neighborhood (approx. 10 pgs) Available for Neighborhoods View Sample". Below this, there are two sections: "CUSTOM PAGES" and "REPORT ELEMENTS". The "CUSTOM PAGES" section is currently empty, showing "No pages available...". The "REPORT ELEMENTS" section has a "Reset All" button and a list of report elements, each with a checked checkbox and an information icon:

- Neighborhood: Housing Stats and Charts ⓘ
- Neighborhood: People Stats and Charts ⓘ
- Neighborhood: Economic Stats and Charts ⓘ
- Neighborhood: Quality of Life Stats and Charts ⓘ
- AARP Livability™ Index ⓘ
- About RPR and Our Data ⓘ



Property Report

RPR's Property Report takes a deep dive into a specific property. The report can include data points such as the home's physical characteristics, listing and foreclosure activity, market statistics, demographics, property history, taxes, and school information. The report also includes a property's photos when available.

RPR's Property Report is a great marketing tool for those follow-up efforts. And remember, with RPR you don't need to go back to the office to create one. Simply use the RPR app. Let the homeowner know that you can easily email, text, or hardcopy a Property or Mini Property Report to them, complete with your evaluation of the home's value as well as comps from the neighborhood.

Here's what you'll find in the Property Report:

(Uncheck elements you wish to hide)

- Property Values
- Comp Analysis Results
- Home and Homeowner
- Property Characteristics & Photos
- Refined Value
- Tax, Assessment and Mortgage History
- Sales and Financing Activity and Price Change History
- Distressed Info
- Map Layers
- Neighborhood Info
- School Scores and Reviews
- My Mobile Notes and Photos

The screenshot shows the 'Property Report' configuration interface. At the top, it says 'Property Report (approx. 25 pgs)' and 'View Sample'. Below this, there are two main sections: 'CUSTOM PAGES' and 'REPORT ELEMENTS'. The 'CUSTOM PAGES' section has a 'No pages available.' message. The 'REPORT ELEMENTS' section has a 'Reset All' button. The 'REPORT ELEMENTS' list includes the following items, all of which are checked:

- Subject Property Summary
- Property Values
 - Listing Price
 - Estimated Value Change
 - Comp Analysis Result
- Home Facts
 - Homeowner Facts
- Extended Home Facts
 - AARP Livability™ Index
- Property Photos
- Historical Photos
- Refined Value
- Comp Analysis
- Comps and Adjustments
- Property History
 - Assessed Values
 - Mortgage Records
- Sales and Financing Activity and Price Change History
- Distressed Info
- Map Layers
- Neighborhood: Housing Stats and Charts
- Neighborhood: People Stats and Charts
- Neighborhood: Economic Stats and Charts
- Neighborhood: Quality of Life Stats and Charts
- School Summary
 - School Reviews
- My Mobile Notes and Photos



Mini Property Report

As the name implies, RPR's Mini Property Report is a handy, cost-effective deliverable that homeowners will find easy to digest. Most importantly, when your photo and contact info are emblazoned on the report, it's sure to make a lasting impression on a potential client and ensure that you're easy to contact.

Here's what you'll find in the Mini Property Report:

(Uncheck elements you wish to hide)

- Value
- List Price
- Comp Analysis Results
- Home and Homeowner Facts
- Property Photos
- Historical Data (taxes, assessments, mortgages)

Mini Property (approx. 12 pgs) View Sample —

CUSTOM PAGES ⓘ

No pages available...

REPORT ELEMENTS Reset All

- Subject Property Summary ⓘ
 - Property Values ⓘ
 - Listing Price ⓘ
 - Estimated Value Change ⓘ
 - Comp Analysis Result ⓘ
- Home Facts ⓘ
 - Homeowner Facts ⓘ
- Extended Home Facts ⓘ
 - AARP Livability™ Index ⓘ
- Property Photos ⓘ
- Property History ⓘ
 - Assessed Values ⓘ
 - Mortgage Records ⓘ

Farming success stories

Lessons and checklists are great, but sometimes knowing how actual agents pull off their farming techniques can be a great help. Here's how some of your colleagues and peers have used RPR and geographic farming together to achieve success. You'll see that while there is a formula to farming, it can also help to add your own tactics, creativity and personal touches.

Julie Toy—Turning Past Buyers Into new Sellers



Julie Toy, REALTOR®
Coldwell Banker Advantage
Garner, North Carolina

Julie Toy, a REALTOR® from North Carolina, has come up with a really easy to follow way to prospect for leads and listings. She uses [RPR Sellers Reports \[rpr.me/sellersreports\]](#) and sends them to her past buyers to show them just how much their homes are now worth.

Here's how she does it: when past buyer clients reach the anniversary of their home purchase, she sends them an RPR Sellers Report and congratulates them on their awesome investment in real estate. Here is an example of what to say in an email, which is then followed up with a phone call or text a few days later: