

**altos** research

# How to Use Market Data to Build Your Real Estate Business



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# The Three Big Questions in Real Estate

I always like to say, there are only three big questions for the real estate consumer: “What’s for sale?”, “How much is my house worth?” and “How’s the market?”

Every real estate agent is armed with the tools to talk about what’s for sale and what a client’s house might be worth. All agents have access to the MLS, and every client listing presentation includes a CMA. And of course, home buyers all have their favorite home search apps!

But there are very few solutions to help Realtors communicate what’s actually happening in the market – whether it’s a good time to buy, where the opportunities are, or how to beat the competition in a tight market.

At Altos Research, we’ve developed a system for gathering local data about what’s happening right now in the market. We track over 100 million properties every week and use advanced software that interprets thousands of market variables and turns them into insights. We deliver these

real-time market insights every week in beautifully designed, interactive, mobile-optimized market reports.

Thousands of real estate agents, teams, and brokerages use our real-time market reports to attract and engage prospective buyers and sellers, to establish themselves as the market experts, and to move clients through the sales funnel automatically. They also rely on our data to understand what’s really happening in the always-changing, often surprising real estate market.

Interpreting and discussing market data can be intimidating. We created this eBook to demystify the data and give you everything you need to know in order to confidently talk about the stats, forecast what’s coming, and provide expert counsel to your buyers and sellers.

Thanks, and be well.



Mike Simonsen  
Founder and CEO  
Altos Research

## CHAPTER 1

# Navigating the Altos Market Report

There are just over 100 million total homes in the U.S., and at any given time, about 1% of these homes are available for sale. Each week, Altos tracks every one of these 100 million properties and surfaces analytics for every zip code, city, and state in the country. By looking at the active market, we can see changes in pricing, supply, and demand. We're also able to observe leading indicators which tell us where transaction prices will be in 30, 60 or even 90 days. We track all of this data in price range segments, because the high-end of the market may be behaving very differently from the low end. And, all of our data is real-time – if you walk into the market right now, this is what you'll experience.





# The Altos Market Report

## The Market Action Index

An at-a-glance answer to "How's the market?", Altos' proprietary index lets you know if it's a buyer's or seller's market and which way the market is headed.

Houses **Condos**

### CHARLESTON, SC

Fri Oct 09 2020

This week the median list price for Charleston, SC is \$649,900 with the market action index hovering around 37. This is about the same as last month's market action index of 37. Inventory has held steady at or around 717. [Click here to stay informed with the Charleston market!](#)

### MARKET ACTION INDEX

This answers "How's the Market?" by comparing rate of sales versus inventory.



Slight Seller's Advantage

In the last few weeks the market has achieved a relative stasis point in terms of sales to inventory. However, inventory is sufficiently low to keep us in the Seller's Market zone so watch changes in the MAI. If the market heats up, prices are likely to resume an upward climb.

### REAL-TIME MARKET PROFILE

Never miss important changes in the Charleston market.

Median List Price		\$649,900
Per Square Foot		\$295
Days on Market		134
Price Decreased		43%
Price Increased		8%
Relisted		7%
Inventory		717
Median Rent		\$2,200
Most Expensive		\$9,500,000
Least Expensive		\$35,000
Market Action		37

Slight Seller's Advantage

## Real-Time Market Profile

All of today's key market indicators in one, easy-to-read chart, with trend lines to see how the indicator has changed over the past three months.

## Market Narrative

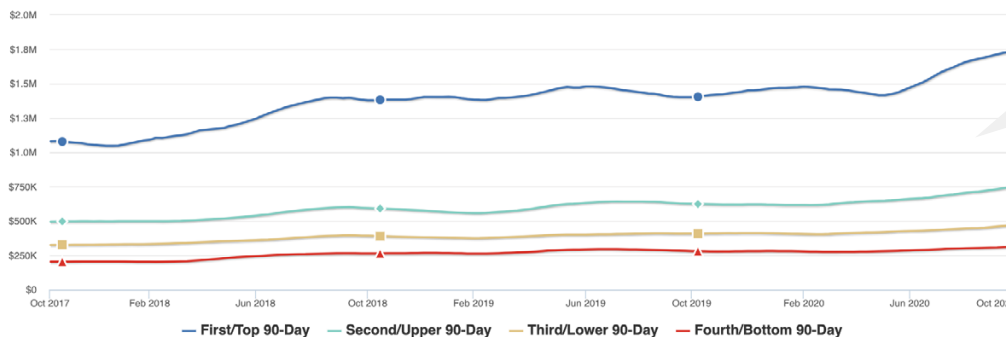
What do all these numbers mean? We break it down in plain English for buyers and sellers.

Click for more charts

### MEDIAN LIST PRICE

Market Segments

Click and drag in the plot area to zoom in.



The market seems to have paused around its high point. The Market Action Index is a good leading indicator for the durability of this trend.

### MARKET SEGMENTS

Each segment below represents approximately 25% of the market ordered by price.

Median Price	Sq. Ft.	Lot Size	Beds	Bath	Age	New	Absorbed	DOM
\$1,754,000	3,954	8,000 - 10,000 sqft	4	4	58	10	13	168
\$795,000	2,551	4,500 - 6,500 sqft	4	3	21	13	7	127
\$519,000	2,050	6,500 - 8,000 sqft	4	2	21	13	24	123
\$322,000	1,543	8,000 - 10,000 sqft	3	2	42	25	27	116

## Market Segments

The high end of the market often behaves differently than the low end. See the trends at all the price points in your market.

## Detailed Trends Charts

Run multi-year trend charts for 8 different market stats and compare how the market is performing in different price segments.

## CHAPTER 2

# Key Stats to Watch

### The Market Action Index (MAI)

Altos' Market Action Index (MAI) answers the question "How's the market?" by comparing the current rate of sales versus inventory plus additional demand metrics. It's an indicator of supply and demand and overall market competitiveness; i.e. whether it's a buyer's or seller's market, or if the market is heating up or cooling off.

- A MAI of around 30 indicates a balanced market, with just enough supply to meet demand.
- A MAI in the low 20s or below is a buyer's market, with more supply than demand and prices declining in the future.
- A MAI of 35 or more points to a seller's market, with demand outpacing supply and prices starting to rise.
- A MAI of 45 or more is a strong seller's market – inventory is very tight, demand is high, and prices are likely climbing.





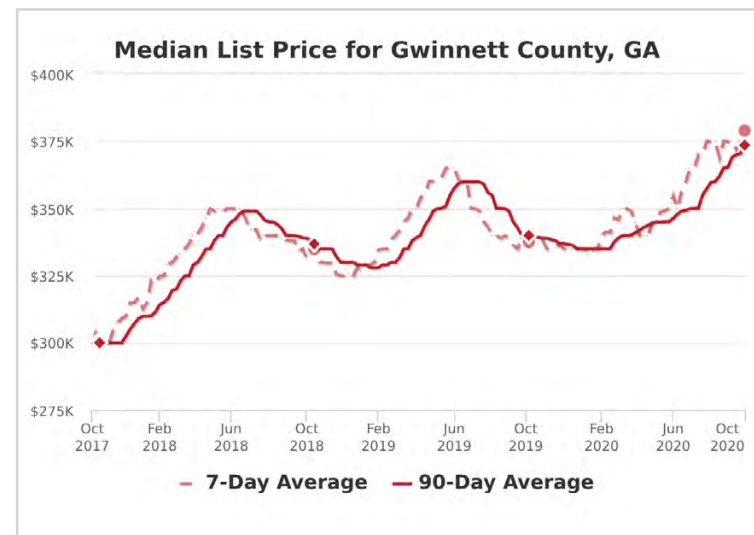
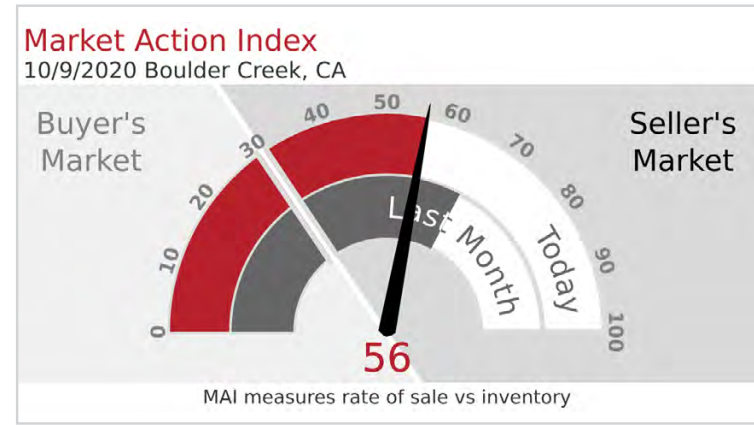
Across most markets in the U.S., we typically see the MAI rise in the spring, peak around June 30th, and fall in the second half of the year. Your market dynamics could be different.

## Median List Price

Median List Price is the median price of homes for sale in the market. It is the most useful, accurate measure of the current market – this is exactly what your clients will see if they shop for homes right now.

Median List Price is highly correlated with the eventual sales price of homes in 1-6 months and is a leading indicator of home values. A house that is listed today may get an offer next month, and close sometime after that. If you see that the market's Median List Price is climbing today, you'll see sales prices and home values in that market climbing in the future.

You can look at Median List Price as a barometer of sellers' current confidence levels, as current individual pricing decisions are based on recent pending and closed transactions.

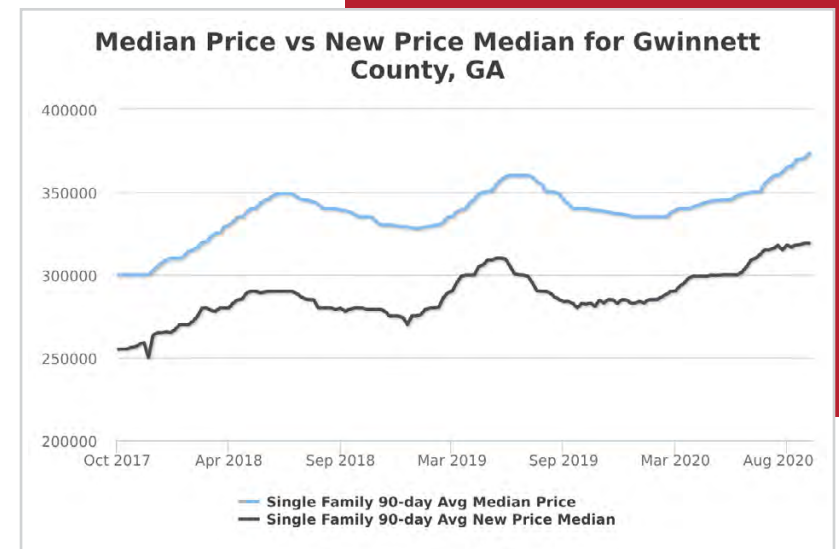




## Median Price of New Listings

Altos subscribers have access to a second, very powerful and unique way to look at home prices: the Median Price of New Listings.

When you price a listing, you do so with the knowledge of all the recent activity nearby. You know if the house down the street got multiple offers in the first week, and you price your listing accordingly. The Altos Median Price of New Listings is the very first place to see this market wisdom in the data. The new listings' prices will climb a month before the median price of the market as a whole, which will climb 30-90 days before the median sales price. What's going to happen to home values next quarter? Look at the Median Price of New Listings today.

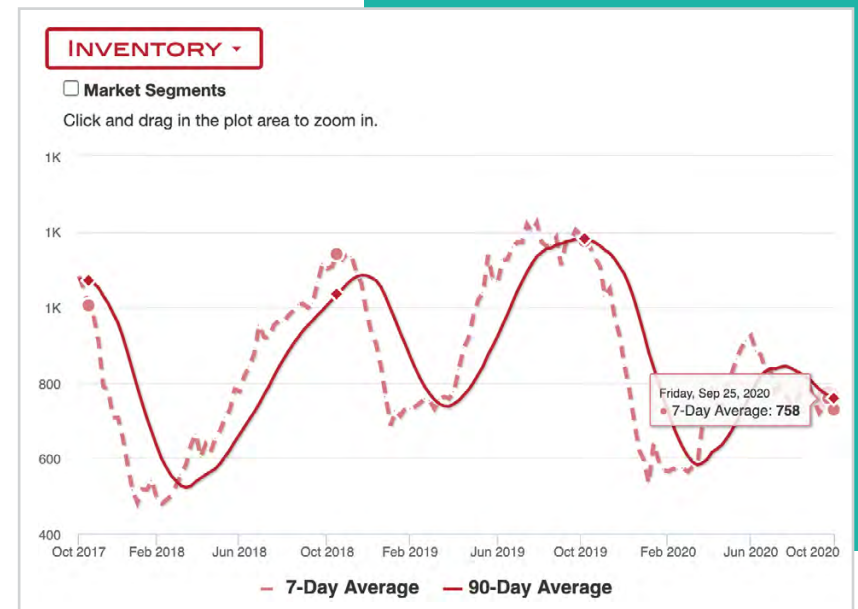




## Inventory

Inventory tells you how many homes are for sale in each market. Watch the inventory count for early indicators that sellers are returning to the market, and how fast. Inventory typically peaks in late June, with a trough in the second week of January. Rising inventory typically favors buyers, while tightening inventory favors sellers. However, during your market's peak season, you will typically see inventory increase and prices move up simultaneously. Use the Altos Market Action Index to measure the relative changes in supply and demand.

When a prospect asks you “Oh you’re a Realtor? How’s the market?”, replying with your current active inventory and how it’s different from last year is a simple way to establish your expertise. “Inventory’s very low right now – there are only 25 homes on the market! Are you thinking about buying or selling?”



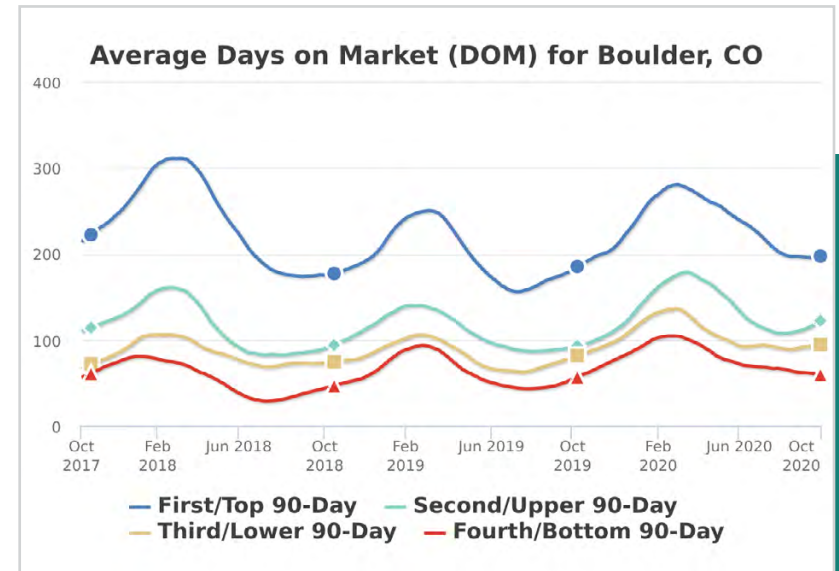


## Average Days on Market (DOM)

Days on Market (DOM) is a measure of market velocity – how long it takes homes to sell. A non-seasonal increase in DOM could indicate some softness in the market; a drop in DOM points to a market that's heating up.

DOM typically starts falling at the end of March during the peak buying season of April through June, then starts to climb in the second half of the year. However, this seasonal trend can vary depending on the market and the unique seasonal attributes of the area – for example, Phoenix has a different buying season than Detroit.

Look at a couple of years of your market's data to determine what's "normal" for your area in each month.







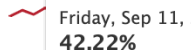



## % Price Decreased

The percent of active listings that have received a price decrease is a measure of demand. In a normal market, we tend to see about 30-35% of sellers initially over-price their homes and eventually reduce the price to attract buyers. In some markets with more inventory, it can be common to see price reductions at 40%. Below 30% signals solid demand at prevailing prices, while 40% or more generally indicates reduced demand. In the coolest markets, when buyer demand is weakest, you'll see % Price Decreased climb over 50%.

Price decreases also tend to have some seasonality; for example, price decreases happen more in the fall when it's time to move the listings before the holidays. Keep an eye on the price reductions trend to give your clients the early market signals before they read it in the news.

### REAL-TIME MARKET PROFILE

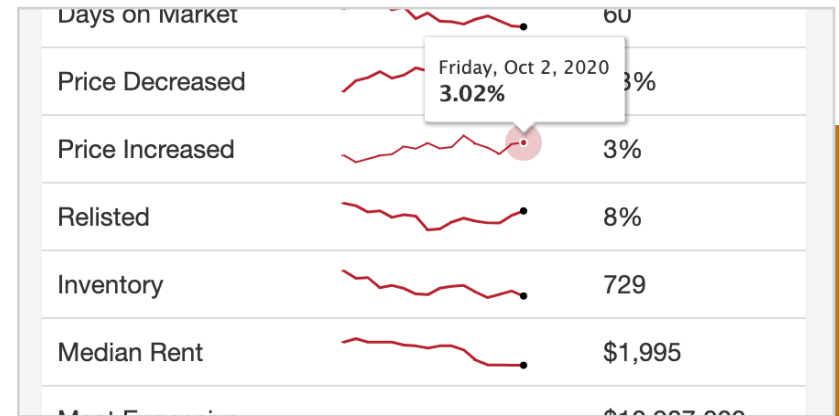
Never miss important changes in the Denver market.

Median List Price		\$650,000
Per Square Foot		\$344
Days on Market	 Friday, Sep 11, 2020 42.22%	60
Price Decreased		43%
Price Increased		3%
Relisted		8%



## % Price Increased

Price increases, on the other hand, are usually under 5%. When you see price increases climbing, it's often a sign of investor activity in a market, iBuyers and flips – or simply very high demand. This is a bullish signal for future sales prices and home values.

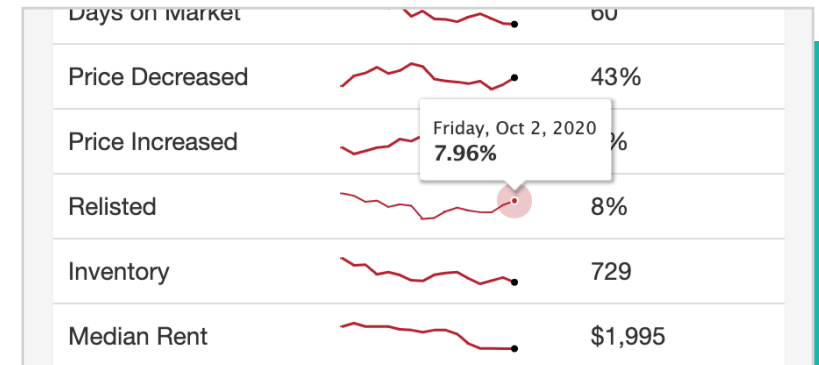




## Percent Relisted

Percent Relisted points to deals falling through or listings expiring – the percent of homes on the market which we've seen listed, withdrawn and relisted (often with a new agent). In a normal market, we typically see Percent Relisted under 10%, and in hot markets it's just a couple percent. Contracts are much less likely to fall through or listings to be withdrawn when the buyers are most active.

Advise your clients to keep an eye on this stat as they're making decisions about buying or selling. As Percent Relisted increases, it tells us that weakening competition is creating opportunity for buyers. If Percent Relisted climbs dramatically, as it did in the summer of 2006, this can be an early signal of a coming market correction. Also remember to run this number for different price segments, as the market for higher-priced homes may behave differently.





## New Listings Count vs. Absorbed Count

New Listings Count vs. Absorbed Count helps you to understand the velocity of the market: how fast properties are getting snapped up after they're listed. This is an excellent measure of demand and can be used to make decisions about pricing a home, how fast buyers need to move, and how much to offer for a property.

If properties are getting absorbed faster than new listings are coming onto the market, this points to strong demand and inventory tightening up.

### MARKET SEGMENTS

Each segment below represents approximately 25% of the market ordered by price.

Median Price	Sq. Ft.	Lot Size	Beds	Bath	Age	New	Absorbed	DOM
\$3,350,000	5,284	0.25 - 0.5 acre	4	3	26	2	4	202
\$1,850,000	3,452	0.25 - 0.5 acre	4	3	46	4	3	148
\$1,100,000	2,868	8,000 - 10,000 sqft	4	2	51	4	5	107
\$739,450	2,037	6,500 - 8,000 sqft	3	2	51	7	10	60



# Stats & Signals

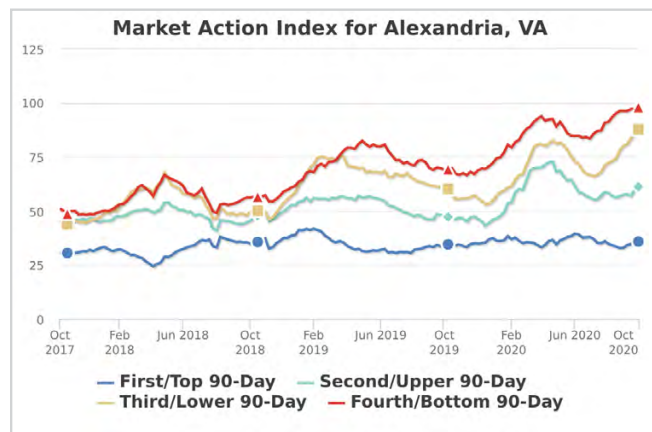
Here's an at-a-glance view of key stats and how to interpret them.

STAT	DESCRIPTION	SIGNAL
<b>Market Action Index (MAI)</b>	A proprietary Altos stat that provides a quick snapshot of supply and demand and overall market competitiveness.	Tells us whether it's a buyer's or seller's market, or if the market is heating up or cooling off. Helps us quickly see where prices are going to go in the future.
<b>Median List Price</b>	The median price of all homes currently for sale in the market.	Highly correlated with the eventual sales price of homes in 1-6 months and a leading indicator of home values in the future. Look at Median List Price as a barometer of sellers' current confidence levels, as current individual pricing decisions are based on recent pending and closed transactions.
<b>Median Price of New Listings</b>	The median price of homes that are just hitting the market. (Available to Altos subscribers only).	An early indicator of home values trending forward, because it leads the Median List Price by several weeks (and leads transaction prices by 1-6 months).
<b>Inventory</b>	Tells you how many homes are for sale.	Watch the inventory count for early indicators that sellers are returning to the market, and how fast. Rising inventory typically favors buyers, while tightening inventory favors sellers.
<b>Average Days on Market (DOM)</b>	A measure of transaction velocity - how long it takes homes to sell.	A non-seasonal increase in DOM could indicate some softness in the market; a drop in DOM points to a market that's heating up.
<b>% Price Decreased</b>	The percent of active listings that have received a price decrease is a measure of demand.	30-35% is normal for price decreases. Above average points to slowing demand; below average means demand is rising.
<b>% Price Increased</b>	The percent of active listings that have received a price increase is a measure of demand.	1-5% is normal for price increases. When price increases are above average or climbing, it's likely a sign of investor activity in a market, especially flips.
<b>Percent Relisted</b>	Points to deals falling through or listings expiring. In a normal market, we typically see Percent Relisted under 10%.	As Percent Relisted increases, it tells us that weakening competition is creating opportunity for buyers. Run this number for different price segments, as the market for higher-priced homes may behave differently.
<b>New Listings Count vs. Absorbed Count</b>	Points to the velocity of the market: how fast properties are getting snapped up after they're listed. The market tends to move more quickly in the first half of the year.	If properties are getting absorbed faster than new listings are coming onto the market, this points to strong demand and inventory tightening up.

## CHAPTER 3

# Working With Market Segments

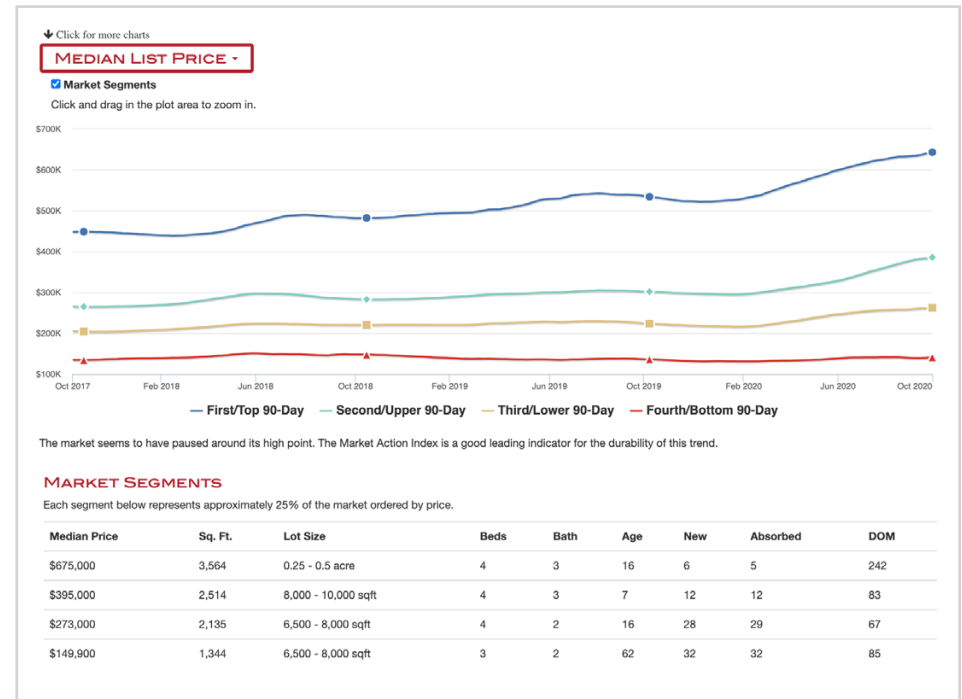
One of the most powerful features in Altos is the ability to see stats and trends by “Market Segments” – because the high end of the market may be behaving very differently from the low end. On your Altos report, each segment represents 25% of current active inventory – from the lowest-priced homes to the highest. By looking at the data split into Market Segments, you can see how the market is behaving in different price ranges, so you and your clients can make decisions based on trends in their price point.





In addition to being able to see any of our multi-year trend charts divided into Market Segments, Altos also shows the property characteristics for active inventory split into Market Segments at the bottom of every report, making it easy to see how much your client can get for their money, and how quickly homes in that segment are moving.

Have you ever needed to illustrate to your client that the price point for their home is the most (or least) competitive in the market? You'll have an effective answer with Market Segments. In the Market Segments table, you can quickly see Days on Market per segment – this often tells precisely the story you need them to hear. For another angle, view the Market Action Index by segment. While the MAI may indicate a “seller’s market” overall for the zip code, some segments may actually be in “buyer’s market” territory – an insight you wouldn’t have otherwise.



## CHAPTER 4

# How to Answer Buyer & Seller Questions with Market Data

Now that we've gone through the stats, you're ready to start answering buyer and seller questions like a pro. Here are a few of the most common questions we hear:

### "How's the market?"

**You can use inventory, DOM, and price to answer this question, as well as the Market Action Index in your Altos report.**

*"As a matter of fact, inventory is super tight right now. There are only X homes on the market. What part of town or price range are you thinking?"*

*"Demand has been really strong this summer – our average DOM is only 40 days. That's a lot faster than it usually is."*

*"Prices are up this year. The median price in that area is X. What price range are you thinking?"*

*"It's a seller's market right now – inventory is tight, and demand is high. I use this metric called the Market Action Index, which actually helps us see where prices are going to go in the future."*





## “What can I afford?”

We recommend looking at your Altos charts split into price ranges, using the “Market Segments” functionality, to see what’s happening in each price range.

*“You can see we’re in the upper middle of the market in your price range. There are 4 new homes on the market this week. It’s actually the most in-demand segment in town.”*

*“It looks like, in your price range, you’d be able to afford a 3 bedroom 2 bath with about 2,400 sqft, but the inventory is very tight right now.”*

*“You may be able to get more for your money in X neighborhood. Let’s take a look at what’s available there.”*

## “What’s going to happen in the market?”

There are several signals in the data we can look at to gauge the future: MAI, price decreases, and price of new listings. You can also look at the seasonal rhythm of the market to provide guidance.

*“We’re seeing a MAI of 40, and it’s climbing – this means it’s a strong seller’s market and it’s getting stronger.”*

*“A normal market might have 35% of homes taking a price reduction before they sell – we’re at 40%, which indicates that demand is a bit weak and prices should fall in the future.”*

*“We’re at about 25% price reductions, which is quite a bit lower than usual – this means demand is high, and homes are moving quickly and are probably getting multiple offers. I would anticipate that transaction prices will stay high for at least the next several months.”*

*“You can see that the price of new listings is climbing – this means listing agents see strong buyer demand. I would expect this trend to continue for at least the next few months.”*

*“We’re almost at the peak of the buying season – things will start to slow down later in the summer and into the fall.”*



## “Is now a good time to buy?”

Look at the rhythm of the market using three years of data. Have a sense of where you are in the annual seasonal cycle. Then look in their price range segment and understand if their segment is where the demand is, by looking at DOM by their price range. If their segment is the high demand part of the market, they need to act quickly and clearly when they find the right property.

*“It’s definitely a good time to buy! You just need the right information to have your best odds for success. Your price segment is actually moving more slowly than the rest of the market, so we might be able to get a good deal for you right now.”*

## “Is now a good time to sell?”

In addition to looking at seasonal trends, look at the MAI. If it’s greater than 30 and moving up, that means there’s solid buyer demand. Inventory is probably decreasing, and DOM is probably low or falling too. If the MAI is below 30 and falling, it’s moving into buyer’s market territory – still a good time to sell, as long as the house is priced appropriately so that you don’t get stuck on the market too long.

*“It’s a great time to sell. There’s a ton of demand and very low inventory. Homes are moving super fast.”*

*“The MAI is falling, and the market is starting to slow down. We should move quickly to get your home on the market soon, and make sure we price the house appropriately to move.”*

## “How much can I get for my home?”

When you give a seller an idea of what their home might be worth at the moment, Altos data can help you put that number in context: how likely it is they’ll get that price (inventory, % price decreased), how quickly they’ll be able to sell (DOM), and how much competition they’ll have (inventory, MAI).

*“Comparable properties are selling right now for around \$700,000, but the market is heating up, so we might actually be able to do better than that.”*

*“Properties in your neighborhood and price range are moving quite fast at the moment, and there are fewer price decreases than usual. At that price we should be able to sell pretty quickly.”*

*“Inventory is starting to come back on the market, but it’s still pretty tight. Now would be a great time to sell.”*



## “Do we need to take a price reduction?”

The number to watch here is % price decreased – 30-35% is normal in most markets. You can also use Altos Advanced Analytics to see the magnitude of the price drops and plan your strategy accordingly; prices may only be dropping by a small amount but many properties are taking price reductions, for example.

*“Price reductions are actually lower than usual, so we can probably ride it out at the current price for a bit.”*

*“We’re seeing almost half of properties take a price reduction right now – we should definitely consider dropping the price.”*

*“We’re seeing many more price reductions than usual, but the prices are only dropping by a small amount, so let’s consider a small price reduction.”*

## “Do I have a lot of competition?”

Look at the MAI to gauge whether it’s a buyer’s or seller’s market. You can also look at DOM in the price range compared to other parts of town.

*“The MAI is showing that it’s a buyer’s market right now, so you may not have as much competition from other buyers.”*

*“It’s a strong seller’s market right now, which means that inventory is very low and demand is high. We won’t have that much competition for selling your home.”*

*“You can see that properties in your price range in this neighborhood are moving more slowly than in other parts of town. You may have an easier time buying, with less competition.”*

### QUICK REFERENCE: IS IT A BUYER’S OR SELLER’S MARKET?

FAVORS...	MAI	DOM	% PRICE DECREASED	INVENTORY	NEW LISTINGS VS. ABSORBED	% RELISTED
Buyers	<30	↑	↑	↑	New listings faster	↑
Neutral	30	Market average	30-35%	Market average	Market average	Market average
Sellers	>30	↓	↓	↓	Absorbed faster	↓

## CHAPTER 5

# How to Use Market Data to Attract and Retain Clients

Buyers and sellers all want to know, “How’s the market?” That’s what makes market data a must-have for real estate professionals. It’s high-value content you can use to engage and bring in new clients, and it’s essential for working with your existing buyers and sellers. In fact, market data can be used in every stage of your sales and marketing process.

**LEAD GENERATION**

**LEAD NURTURE**

**CLOSING DEALS**

**TRANSACTIONS &  
NEGOTIATIONS**

**LOYALTY &  
ADVOCACY**





# Lead Generation

Whether you use it to engage and expand your sphere on social, as part of your farming efforts, or on your website, market data is the perfect content for generating leads.

## Zip Code Searches

With Altos, you'll generate new leads every time someone searches a new zip code in your report, or shares your reports via email or social media. Many of your other tactics will point prospects back to your custom-branded reports to run a search for their area.

Explore the market anywhere in the US

Subscribe to the **SAN FRANCISCO, CA 94114 Market Report**. Get access to search any other city or zip across the US.

Continue with Facebook

Or

Full Name

Name is required

Email

Email is required

Phone

Register

By submitting this form, I understand I may be contacted by Altos Market Data for Realtors in the future with related real estate information.



## Website Content

Remember the three big questions in real estate: “What’s for sale?”, “How much is my house worth?” and “How’s the market?” Consumers can easily answer the first two questions with listing apps like Redfin and Zillow, so the real differentiator is being able to answer the market questions: “Is now a good time to buy? Can I afford to live here? How does the future look?”

By adding live Altos market data charts to your website, you’ll become a trusted destination for local market insights.

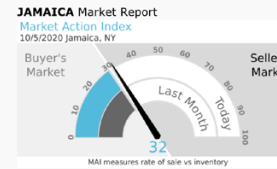
If you have a “Communities” section, you can embed live Altos charts and statistical graphics for each area into your community pages. These are all active images which automatically populate with fresh data each week, and direct back to your market report when clicked. Popular charts and stats to show include Median Price, the Real-Time Market Profile, and the MAI.

Another way to display the data is by adding a “How’s the Market?” button or navigation element to your site, which

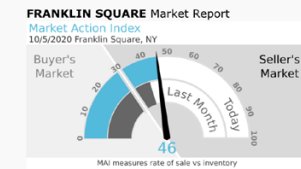
### Market Update Reports

Whether buying or a selling a home, following the market conditions is extremely important. Our goal is to provide you with the most current and accurate data to keep you informed as the market changes. Select any of the Queens or Nassau neighborhoods below to see a full, detailed report of the real estate market in that area.

#### QUEENS NEIGHBORHOODS



#### NASSAU NEIGHBORHOODS



takes you to a page with a series of charts or images that can be clicked to load the full version of the report.

You can even just add a button or header that says, “Get your free market report today”, with a series of links to your reports for different areas.

One additional suggestion: many of our clients prefer to promote a city-wide report instead of a zip code report, so that people will need to search for their zip code and thus provide their lead info... if you give them their zip code-specific report right away, they won’t have to put in their lead info to see it!



## Social Media Marketing

Coming up with great social media content can take a lot of time and effort. With Altos data, you'll have fresh content to share every day. We recommend posting any of the stats and charts from your report (which you can do with one click), and adding a little market commentary to demonstrate your expertise.

Don't forget to include a call to action so people know what to do with the data. For example, if you share the MAI, you might say, "We're seeing some great buying opportunities right now in Leesburg. Click the image below to view the full version of the report, and don't forget to subscribe."

You might also include some prompts around certain life stages, such as "Have you outgrown your existing home? Kids left the nest? Thinking about investing in real estate? Ready for a vacation home outside the city?"

Again, promoting a city-wide report can often make sense, so that people who click will need to search for their own zip code in your report (and provide their lead info).

 **Michael Steber** 🏠 @MichaelSteber · Dec 19

This week the median list price for Round Lake, IL 60073 is \$232,450 with the market action index hovering around 35. This is less than last month's market action index of 36. Inventory has held steady at or around 42. [#welcometosold](#) [#roundlake](#) [#realestate](#)



**Median List Price for Round Lake, IL 60073**

REAL-TIME MARKET NUMBERS Market Report for Round Lake, IL 60073  
The most up-to-date look at housing prices and market trends.  
[altos.re](#)



## Facebook Ads

You can also pay to promote your data-related social posts on Facebook. Market data is compelling and generates cost-effective clicks, making it a great way to put new leads in the top of your funnel.

If you're short on time, you can also promote your posts directly from the Altos system using our "Facebook Promote" feature. Just click "Promote" on your report, choose your budget, then place your order.

Altos does all the heavy lifting of Facebook Ads for you. We create, size, and test the images. We automatically generate relevant ad copy based on the local market conditions. We even automate the ad placement and optimization.

Based on your budget, we'll give you an estimate of how many leads you can expect to receive. When you place your order, we'll bill your credit card on file, and your ad will run for a week. Sit back, relax, and watch the leads come in.

The screenshot shows a 'Promote Your Report' modal window. It contains the following information:

- Title:** Promote Your Report
- Description:** Altos will promote your San Francisco, CA 94114 report using Facebook ads to generate buyer and seller leads by:
  - Writing the ad copy based on current market conditions
  - Selecting the best performing images
  - Placing the ad with our optimized targeting algorithms
- Text:** Enter your desired budget and we'll give you an estimate of how many leads you'll generate. Ads will run for one week.
- Budget:** A slider set to \$100.
- Estimated 6-10 leads\***
- Text:** Altos will charge \$100 to the credit card on your account.
- Button:** Promote Now
- Ad Preview:**
  - Logo: Altos Reports (Sponsored)
  - Text: Altos Market Data for Realtors Market Report for San Francisco, CA 94114
  - Image: A modern living room with a blue wall and a white desk.
  - Text: ALTOS.RE San Francisco real estate is super strong this fall. How do the surrounding areas compare?
- Footnote:** \* Based on \$8-10 estimated cost per lead plus 20% service fee



## Market Videos

Another powerful way to use the data – and showcase your expertise – is to record regular video walk-throughs of what’s happening in the market. You can record these on Zoom, Loom, or other video platforms. You can also go live on Facebook. Simply open one of your reports, hit “Record”, and start talking!

Start with a general overview of the report, and then pick 2-3 stats to highlight – show how inventory is dropping, or prices are climbing, or homes in the upper price ranges are moving more slowly. This is also a good way to get comfortable interpreting and talking through the data.

Make sure to include a call to action to run a report for their area on your website, so they’ll join your lead funnel.

Once you’re done, upload the video to YouTube, share it on social, and post it on your blog if you have one. If you can, try to do one of these every week or two, so your followers begin to expect and look forward to your market insights.

Total inventory falls to  
593,669

New listings up to  
73,185





## Direct Mail

With neighborhood walks and in-person farming tougher to do these days, direct mail has re-emerged as a high-impact marketing channel. Eye-catching Altos charts and stats are ideal for direct mail campaigns.

If you're planning a postcard campaign, consider including the Real-Time Market Profile graphic on your postcard, since it provides 11 different stats... or keep it simple with the MAI image, particularly if you've seen great growth over the month.

An example sellers postcard message could be:

*“Let’s be honest: making the decision to sell can be tough! With relevant data for your zip code, you can get strategic about your next move. Check out your free online market report, and when you’re ready to move forward, give me a call - I’ll make sure you get the best price.”*

If you prefer to send letters on your letterhead, simply include your intro message on the front, and our single page report printed on the back. Looks amazing.



Make sure to include a link to your website or your market report, with messaging like, “If you’d like a more detailed market report, visit [your website] and run a report for your zip.”

Some direct mail vendors can also help you set up a QR code that takes people directly to your website.



## Open Houses

As real estate agents, we want to talk to as many people as possible at our open houses, but sometimes people come in and put up a wall. And let's face it: not all of us are extroverts.

Altos data makes it super easy to strike up a conversation at open houses.

Start by printing out 3-4 individual reports. We recommend printing the 1-page summary with the 3-year price chart; the Median List Price; Inventory; and Days on Market.

Put the reports into a plastic sleeve – perhaps taped down – in a high-traffic area. As people walk by, they'll come over and look at the data. This is your opportunity to approach them and ask if they have any questions about the market. They'll typically ask one of the questions we outlined earlier, and you'll be ready to answer.

You can also show them the rhythm of the market and explain what's going on right now. For example, you might point out where prices are now vs. where they're likely to move later in the season; e.g. "Right now is the great time to buy – if you wait until February, you'll see inventory increasing, but prices will be going up."

We also recommend having your Altos report pulled up on your cell phone, and then saying, "I can email you the report, or I can text it to you. Which would you prefer?" After you've entered their lead information, they will be added immediately to your Altos database and email drip campaigns.





# Lead Nurture

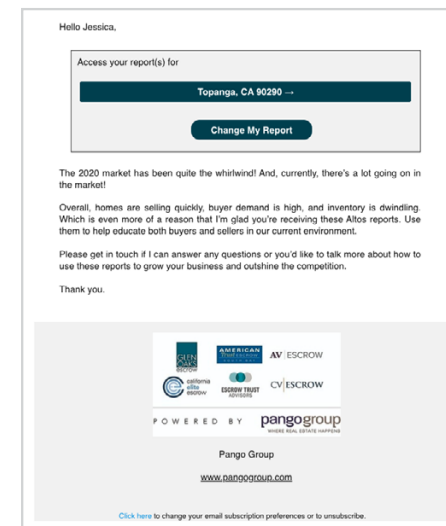
## Email Drip Campaigns

Depending on where you get your leads, many of your contacts won't be ready to buy or sell right away. Even those who are in the market typically need 7 or more touches before they convert. To get the most value out of your leads, you have to engage with them on a regular basis until they're ready to make a move.

Altos Reports are ideally suited for lead nurture programs, with automated email drip campaigns that are easy to set up and a breeze to manage. Simply use our pre-written emails and email schedule to get your campaigns going, or create your own campaigns from scratch. The Altos system will then send your branded market reports to your contacts every week (or on your own schedule) so you'll always be top of mind.

Altos Report emails have a 37% open rate – double the real estate industry average. But the REAL magic comes as people discover and interact with your reports. Your Altos dashboard will show who's opening, clicking, and viewing your reports the most – these are your warm leads!

Altos can also email or text you the minute someone opens your report email, clicks on your report link, or shares your report. This way, you know to call them right away and get the conversation going. The best time to connect with a potential client is when they're already thinking about you.





## Lead Qualification Campaigns

Altos email campaigns not only help you understand which contacts are ready to engage, but can also give you insights into which lead sources are delivering the most value. To do this, we recommend creating different campaigns for each of your lead sources so you can track how each one performs using Altos campaign engagement metrics.



For example, if you have Zillow leads coming in, create an Altos email campaign for these leads and add them to the campaign. Over the next few weeks or months, keep an eye on the open and click rate for the Zillow campaign, and compare how it performs to your other campaigns. You may see that your Zillow leads have a higher (or lower) open rate and click rate than others. These insights can help you make decisions about where to invest your leads budget in the future.

(Altos email campaigns are actually ideal for leads that come in from search sites such as Zillow, where consumers are asking, “How much is my house worth?”, because the next logical questions are ones that Altos data can help them answer, such as “How much am I likely to get for my house?” and “How fast can I sell?”)



# Closing Deals

## CRM Integration

Altos CRM Integration allows you to take advantage of Altos lead generation and lead nurture capabilities directly from your existing CRM system, with one-click access to local market insights for any contact.

Here's how to take advantage of Altos with your CRM:

### 1. Get more leads.

When prospects search new zip codes on your Altos Reports page, they'll be prompted to provide their contact info. Altos automatically adds them as a lead in your CRM system.

### 2. Nurture leads with weekly content.

Email Altos Reports to your CRM leads every week – new leads are automatically added to the campaign as they come into your system.

### 3. See who opens and clicks.

Track who's engaging with your Altos Reports emails, so you know who's active and ready to talk.

### 4. Work market data into your customer scripts.

When you have a prospect on the phone, access their local Altos report with one click, then make a quick comment on the latest inventory or price trends in their neighborhood. This creates a personal touch that people find magnetic.

Altos CRM Integration works with almost any CRM system. We have out-of-the-box integrations for Boomtown, Follow Up Boss, Contactually, Wise Agent, and Real Geeks. Altos can also integrate with other CRMs via Zapier and our extensible API.



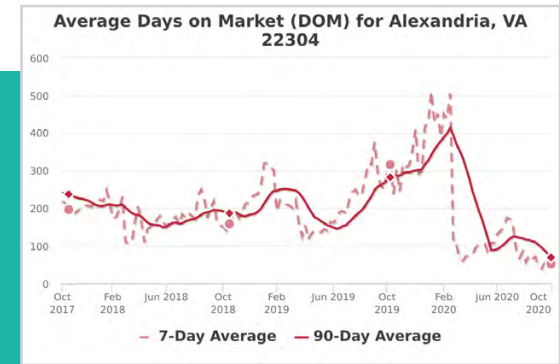


## Listing Presentations

Altos data is an absolute must-have for listing presentations – especially in a world where sellers have done their own research on Zillow, and your competitors all come armed with good CMAs.

Altos data differentiates your market analysis by putting your comps into the broader market context, allowing you to set realistic expectations about price and timing based on what's happening in the local market. As you walk your seller through the data, you'll also demonstrate how the unique insights you get from Altos will inform your strategy, and ultimately enable you to get them the highest possible price in the least amount of time.

And of course, being able to talk about the market in a sophisticated and insightful way, while also educating your seller, helps you build rapport, establish credibility, and develop trust – three key pillars of every successful sale.





Here's how to integrate Altos data into your next listing presentation – either before or after you review the comps:

### **1. Walk your seller through the local market conditions.**

Bring up your Altos market report for their zip code, and begin with the Market Action Index (MAI). You might say, “I use this metric called the Market Action Index, which actually helps us predict where prices are going to go in the future. You can see that it's becoming a seller's market – inventory is starting to drop, and demand is growing.”

Then scroll down to look at available inventory in their market segment, noting the specifics: “Not only is inventory tight in your price range, but there are only X homes on the market in your market segment.”

Next, bring up the chart for Days on Market for their segment, and point out how fast homes are moving at the moment. “Demand has been pretty strong this summer – our average DOM is only 54 days. That's faster than it usually is.”

### **2. Look at price activity in their market segment.**

Now that you've given them some market context, move on to price. Bring up the chart for the Median List Price and note where homes with similar characteristics are currently priced, and what's been happening over the past few months – are prices increasing or decreasing, and by how much (and how fast)?

In the scenario above, it's likely that prices are starting to creep up, and the seller might be able to price their home in the higher range of their market segment.

That being said, it's also important to show sellers the percent of active listings taking a price reduction – remember that 30-35% is average. Make sure to point out that nearly a third of active listings are overpriced out of the gate, and that their pricing decision should take this into consideration.



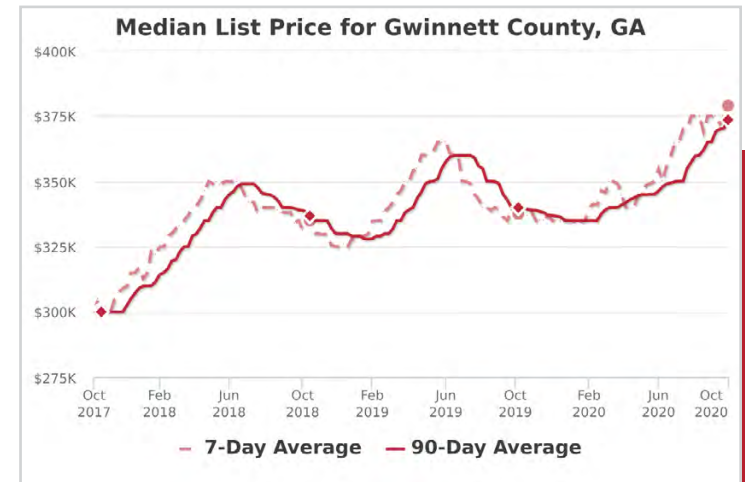
And finally, look at what's normal for this time of year. Pull up the three-year chart for prices and show them the rhythm of the market – when prices are going up and when they're going down. This will help them make a better pricing decision based on where the market is likely headed in the coming month or two.

You should include print-outs of these charts with your other materials for the seller to take home – don't forget to ask them to watch the MAI, price trends, inventory movement, and DOM in the reports you send them every week in your Altos campaign.

### 3. Involve them in the analysis.

There's a right way and a wrong way to share data. Coming in and rattling off a bunch of statistics doesn't necessarily help the seller understand how these stats drive the market and fit into their decision-making. That's why as you present the data, you should also be educating your sellers on how to interpret it, and bringing them in on the analysis so they feel empowered. This approach goes a long way

towards building rapport, credibility, and trust. Having real data will also help prevent emotions from creeping into decision-making!





# Transactions & Negotiations

## Seller Decisions

While we've covered how to think about initial pricing in the Listing Presentations section, let's look at how to use data to inform three of the most common seller decisions while their home is on the market:

### 1. Considering a price reduction.

The primary number to watch here is % price decreased – 30-35% is normal in most markets, so if it's nearing 40% or more, that could be a sign that demand is weakening. Also keep an eye on inventory and DOM – if these are climbing along with % price decreased, then it's a strong case for reducing the list price.

### 2. Accepting an offer below asking.

The same analysis applies here – if your seller's home has been on the market much longer than the average DOM

in their price segment, inventory is climbing, and more people than usual are decreasing the price of their homes, the seller may want to consider accepting the lower offer.

### 3. Taking their home off the market and relisting later.

If no acceptable offer comes in within the expected DOM in their price segment, you may want to recommend that your seller take their home off the market and relist it later. To guide this decision, go back to the three-year market trends charts and show when seasonal trends point to a more favorable reception.





## Buyer Decisions

While Altos data is great for helping your buyers understand what they can afford, it really shines when it comes to buyer strategy: when to buy, how fast to move, and how much to offer.

### 1. When to buy.

The first step is to evaluate where you are in the annual cycle with your client. Pull up the three-year median price chart and look at the rhythm of the market – is it high season? They may have more selection now, but prices and competition will be higher, and they'll end up paying a premium or having to make multiple offers.

Also look at median list price, price reductions and DOM in their target market segment – if prices are dropping and DOM is moving up, for example, now might be a good time to buy.

### 2. How fast to move.

Have your client keep an eye on DOM to understand how fast

### REAL-TIME MARKET PROFILE

Never miss important changes in the Denver market.

Median List Price		\$650,000
Per Square Foot		\$344
Days on Market		60
Price Decreased		43%
Price Increased		3%
Relisted		8%

they'll need to move once they're ready to make an offer. If it's the peak buying season and properties are moving quickly, they'll need to move fast. If DOM is flat or increasing, they may have some breathing room. You can also look at the new listing vs. absorbed count to understand the velocity of the market and gauge demand.

### 3. How much to offer.

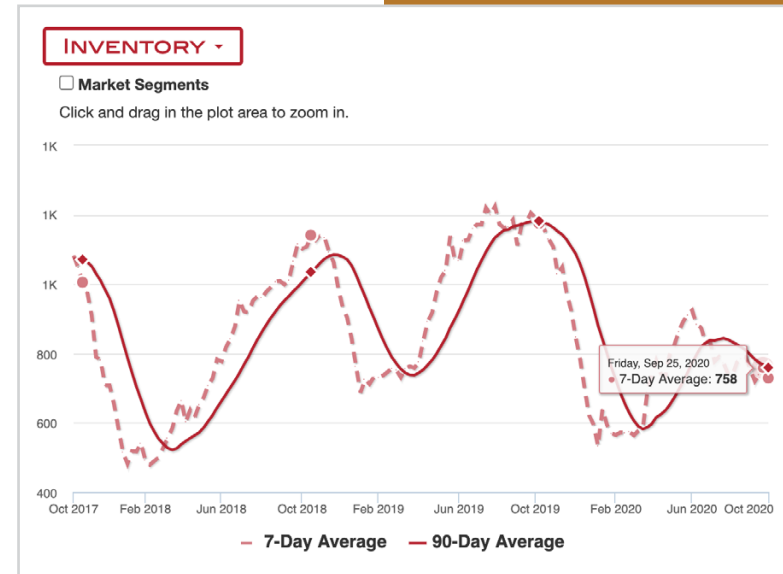
The new listing vs. absorbed count is also a helpful stat for when you're pricing the offer. If the absorbed number is



more than the new listings, there's a lot of demand, and your buyer will have to offer a little bit more.

You can also use Altos charts to negotiate on your client's behalf, particularly if you're coming in with a lower offer. With Altos data in hand, you'll be able to show the seller and listing agent exactly how you came to the price you did, based on real market data. Helps you avoid hurting the seller's feelings too!

By educating your buyer on the rhythm of the market and what to expect given the current market dynamics, you'll be setting them up to make the right offer at the right time, and move quickly and decisively when needed.





# Loyalty & Advocacy

## Client Email Campaigns and Referrals

You've won their business, you've helped them get a great deal on their home – the final step in the journey is turning them into repeat customers who refer all their friends.

But according to research by NAR, while [90 percent of buyers](#) would use their agent again or recommend their agent to others, the typical Realtor earned just [13 percent of their business](#) from repeat clients and 17 percent through referrals from past clients.

Why such a large disparity? The truth is, it's very difficult to stay top of mind with your past clients once they've bought or sold their home, especially when you're busy chasing new business and working on deals. By the time your past client is ready to make a move, they may have forgotten how



great their experience was with you (or even forgotten your name!) and gotten snapped up by another Realtor.

Altos client email campaigns make it easy to keep in touch with your past clients, so they'll think of you when they're ready to make a move. Our pre-written client campaigns



include helpful advice for keeping an eye on the market, and a link to your market report for their zip code. These campaigns can be activated in minutes and typically see a 37% open rate.

Because most of these contacts won't actively be looking to buy or sell for a while, we typically recommend that you send your client email campaigns on a monthly or quarterly basis.

And here's the magic part: Altos lets know when they ARE starting to look. Keep an eye on opens and clicks on these email campaigns – past clients who are suddenly active, or who are opening and clicking multiple times, may be thinking about their next move. Drop them a line and find out!

Of course, keeping top of mind with your past clients also helps to drive referrals. Not only will they remember to mention your name when friends and family ask for

recommendations, but they can also forward your client emails to these contacts with one click... and when they do, that lead will land in your Altos database.



# Conclusion

Congratulations – you made it to the end of the book! We hope this deep dive has given you a better understanding of how to use market data to grow your business.

Using Altos in your marketing mix can have both immediate and long-term benefits. You'll have a powerful new way to generate, qualify, and nurture leads. You'll build greater trust and credibility with prospects, and close more business. And, you'll up your client service game, be better positioned to negotiate deals, and ultimately win more repeat and referral business.

## Market Data Checklist

### Lead Generation

- Zip code searches
- Website content
- Social media marketing
- Facebook ads
- Market videos
- Direct mail
- Open houses

### Lead Nurture

- Automated email drip campaigns
- Lead qualification campaigns

### Closing Deals

- CRM Integration
- Listing presentations

### Transactions

- Seller decisions
- Buyer decisions

### Loyalty & Advocacy

- Client email campaigns
- Referrals