



Real Estate Investing Market Analysis

FINDING: Haste makes waste. Because the Demand Ratio is fixed at 2.4 people per door, **don't be fooled by hype** about "shrinking inventory" that is designed to **rush** you into making **regrettable** real estate investments and overspending on gurus, direct mail, commissions, excess interest, and bloated repair and closing costs. **Take your time, and get organized.** Prevent "Shiny Object Syndrome" by **setting your criteria and enforcing them.**

Work smart by focusing on **quality**, not quantity or speed. Avoid people and things that rush you, and **embrace tools and talent that help you be wise.** Apply what you read in Gary Keller's [Millionaire Real Estate Investor](#), and use [the HWD App for Real Estate Investors](#), which matches its specifications.

Real estate is a long game that requires exceptional foresight, organization, maturity, and **wisdom.** Since everyone needs a home, **it's actually not a game at all.** It's an intensely **human** enterprise entailing awesome responsibility. So before you take a gain, **please look around** and ask yourself whether, in the transaction you're considering, **everybody wins.** Try to be **circumspect** and **humane.** If you are, in the long run you'll **definitely succeed:** both **economically**, and **existentially.**

~ Kris Freeberg, Economist, [Making End\\$ Meet.](#)

FACTS, FROM U.S. CENSUS 07/01/2014:	DEMAND	SUPPLY	
Location	People	Doors	Demand Ratio: People per Door
Our country (U.S.)	318,857,056	133,957,180	2.4
Our state (Washington)	7,061,530	2,963,141	2.4
Nearest metro area (King County)	2,079,965	880,462	2.4
Our county (Whatcom County)	208,351	92,466	2.3

REI Guru Direct Mail Post Card or Yellow Letter Campaign Analysis

ASSUMPTIONS				
% of Housing Stock Owner/Occupant	44.0%			
% of Owner/Occupants Interested in Selling	25.0%			
Monthly Direct Mail Pieces per Investor	5,000			
Cost per mailing	\$0.35			
Gurus:				
Cost of Curriculum	\$750			
Average Cost of Premium Seminar Package	\$25,000			
Number of Gurus	50			
Average Guru Customer Base	5,000			
% of Customers Buying the Premium Package	33%			
% of Customers Following Mailing Instructions	10%			

COMPUTATIONS					
	Nation	State	Nearest Metro	County	
Total Housing Stock, Units ("Doors")	133,957,180	2,963,141	880,462	92,466	
Total Owner/Occupants	58,941,159	1,303,782	387,403	40,685	
Owner/Occupants Interested in Selling	14,735,290	325,946	96,851	10,171	

Market Investor Capacity (how many investors each market will support before it's saturated with mailings):

In one month:	5,000	pieces costing	\$1,750		
To every "Door"	26,791	593	176	18.5	
To All Owner/Occupants	11,788	261	77	8.1	
To Owner/Occupants Interested in Selling	2,947	65	19	2.0	
In one year of monthly mailings:	60,000	pieces costing	\$21,000		
To every "Door"	2,233	49	15	1.5	
To All Owner/Occupants	982	22	6	.7	
To Owner/Occupants Interested in Selling	246	5	2	.2	



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	Nation	State	Nearest Metro	County
Total Effective Direct Mail Cost (Before Market Saturation), Spent by All Investors:				
In one month:				
To every "Door"	\$46,885,013	\$1,037,099	\$308,162	\$32,363
To All Owner/Occupants	\$20,629,406	\$456,324	\$135,591	\$14,240
To Owner/Occupants Interested in Selling	\$5,157,351	\$114,081	\$33,898	\$3,560
In one year of monthly mailings:				
To every "Door"	\$562,620,156	\$12,445,192	\$3,697,940	\$388,357
To All Owner/Occupants	\$247,552,869	\$5,475,885	\$1,627,094	\$170,877
To Owner/Occupants Interested in Selling	\$61,888,217	\$1,368,971	\$406,773	\$42,719
Total Costs:				
Curriculum	\$187,500,000			
Seminars	\$2,062,500,000			
Total Annual Spending on Direct Mail	\$525,000,000			
Grand Total Cost	\$2,775,000,000			
Total Annual Nationwide Overspending (beyond saturation) on Direct Mail:				
To every "Door"	-\$37,620,156			
To All Owner/Occupants	\$277,447,131			
To Owner/Occupants Interested in Selling	\$463,111,783			