Predictive Modeling in Preemptive Real Estate Wholesale Marketing

Student: Justin Milner
Advisor: Dr. Thomas Kinsman
What is Real Estate Wholesaling?

Seller → Wholesaler → Investor
Why is Marketing Important?

Facebook Sales Funnels

- Traffic From Facebook
- Create Leads
- Meet Clients
- Close Transactions
Overview: My Approach

1. Retrieve Data from Tompkins County Clerk
2. Gather dataset of “motivated sellers”
3. Market to the potential customers via email, mail, or both
4. Evaluate results and build a classifier driven by cost-effectiveness
5. Market to potential customers again based on classifier indication
My Dataset:

Attributes:
- Name
- Address
- Email
- Indicator (Absentee-Owned, Deed, Discharge of Mortgage)
- # of liens
- # of bankruptcies
- Age

2843 instances

70% to training
50% email
25% mail
25% both

30% to testing
Distribution determined by classifier
First, what's your name and how did we reach you?

Name:

- Mail
- Email
- Mail and Email
- Other

SUBMIT

The average time for homes sold in Tompkins County is 85 days on the market.

Our network of experienced Real Estate Investors can help you make your home sell in as fast as two weeks, with no home staging or repairs required.
The Classifier:

Challenges:

- Overfitting → small dataset
- Cost function → maximize cost of lead acquisition
- Strength of final conclusion → No definitively correct classification, small dataset
Milestones

Milestone 1.0 August 31st
Dataset is completed
Batch proportions are completed
Website is completed
Emails and postcards are ready to send

Milestone 1.1: September 1st
First non-predictive modeled batch (of three) is sent.
Milestones

**Milestone 2.0 October 9th**
Predictive modeling technique is completed and trained.

**Milestone 2.1 October 10th**
First predictive modeled batch (of three) is sent.
Milestones

Milestone 3.0 November 2nd
Results are inserted into analyses dashboards and poster is finished

Milestone 3.1 November 30th
Report Finished