



YOUR BUSINESS PLAN FOR  
LAUNCHING YOUR  
**REAL ESTATE  
CAREER**

A REAL ESTATE EBOOK FROM





# YOUR BUSINESS PLAN FOR LAUNCHING YOUR **REAL ESTATE CAREER**

If you're looking for a business plan guide for starting your own real estate career or company, look no further than this in-depth ebook. The template will help you navigate and identify everything you need to know and plan for when getting into the real estate industry. While this business plan ebook is specifically tailored towards real estate agents, anyone looking to start their own enterprise can follow this template.

For agents starting out at a brokerage, do not feel inclined to use every page presented within this plan. Some pages may not be appropriate for your current career and are more suited for those looking to start their own businesses or brokerage.

## **LET'S GET STARTED!**

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# SECTION 1

## WHO YOU ARE

## 1.1 EXECUTIVE SUMMARY

This 2-5 sentence summary describes who you are, what you do, where you're located, and who is in your target market. This is your elevator pitch for establishing your direction and selling to prospective partners and debtors, like banks.

### EXECUTIVE SUMMARY:

*(Insert Company/Agent Name) IS A (What Do You Do) SERVING (Who Is Your Target Market) IN THE (Where Do They Live). WE OFFER (What Specific Services Do You Offer).*

## 1.1 EXECUTIVE SUMMARY

Now it's your turn. Fill in the blank statement to get started.

### EXECUTIVE SUMMARY:

\_\_\_\_\_ IS A \_\_\_\_\_  
SERVING \_\_\_\_\_ IN THE \_\_\_\_\_.  
WE OFFER  
\_\_\_\_\_

## 1.2 MISSION STATEMENT

The Mission Statement is a 1-2 sentence descriptor that says why you exist, who you're providing a service to, and other important factors relating to your company's brand.

### MISSION STATEMENT:

*(Insert Company/Agent Name) PURPOSE IS TO HELP (Target Market)  
FIND HOUSING THAT MEETS THEIR NEEDS.*

## 1.2 MISSION STATEMENT

### MISSION STATEMENT:

\_\_\_\_\_ PURPOSE IS TO HELP  
\_\_\_\_\_ FIND HOUSING THAT MEETS THEIR NEEDS.

A modern office environment with several people working at desks, plants, and hanging pendant lights.

## SECTION 2

### YOUR TEAM

## 2.1 OUR TEAM

For those starting their own business, this section is where you will list all full-time and part-time members who will contribute to the team.

NAME	JOB	FULL TIME POSITION?

## 2.2 OFFICE OPERATIONS

This brief paragraph details where your office(s) is located and hours of operation. While this page may seem obvious, it's helpful to officially designate what you expect of your employees and/or yourself.

### OFFICE OPERATIONS:

*(Name of Company/Agent) OPERATES IN (Headquarters Location),  
WITH REGULAR HOURS BEING (Hours and Days of Operation).*

*ALL AGENTS ARE REQUIRED TO BE WILLING AND ABLE TO  
RESPOND TO CLIENT REQUESTS OUTSIDE OF THOSE HOURS,  
SPECIFICALLY DURING THE DAYS PRECEDING A CLOSING.*

## 2.2 OFFICE OPERATIONS

### OFFICE OPERATIONS:

\_\_\_\_\_ OPERATES IN \_\_\_\_\_,

WITH REGULAR HOURS BEING \_\_\_\_\_.

ALL AGENTS ARE REQUIRED TO BE WILLING AND ABLE TO RESPOND TO CLIENT REQUESTS OUTSIDE OF THOSE HOURS, SPECIFICALLY DURING THE DAYS PRECEDING A CLOSING.

*\*If you're just starting out your career, this page may be unnecessary for your business plan.*

A person in a suit is holding a smartphone in one hand and a coffee cup in the other. They are standing outdoors, with trees and a building visible in the background. The person is wearing a watch and a ring. The image is slightly blurred, suggesting movement.

## SECTION 3

# TARGET MARKET

## 3.1 TARGET MARKET OVERVIEW

The Target Market Overview will identify the type of client you plan on servicing for the majority of your operations and why. Feel free to include reference points or citations you can further discuss in the appendix.

### **TARGET MARKET OVERVIEW:**

*(Insert Name of Company/Agent) WILL SERVICE (Your Target Clientele). WE WILL DO THIS BECAUSE (Insert 2-3 Sentence Explaining and Justifying Why You're Targeting These People).*

Think of the area your target audience lives or will be living in. What about this city or town justifies targeting this clientele? Is it an influx of transplants? The growing economy or a specific industry? You need to have a reason why you're targeting them.

### 3.1 TARGET MARKET OVERVIEW

## TARGET MARKET OVERVIEW:

## WILL SERVICE

## WE WILL DO THIS BECAUSE

## 3.2 TARGET MARKET STRATEGY

This chart will help you further explain your target market demographics, psychographics and how to target them.

QUESTION	ANSWER	STRATEGY
Where do they live or want to live?		
What is the annual household income?		
What is their age?		
Who lives in the house and how many people is that?		
What are they looking for in a home?		
Do they have any concerns or strong feelings regarding the home search and/or purchase?		

## 3.3 MARKET SIZE AND GROWTH

This 5-year projection shows your growth expectations for specific target markets in your area. To calculate this projection, research and assume what you believe will be the growth rate over this time period. The formula to calculate current growth projections:

$$\text{CURRENT POPULATION} \times (1+R)^N = \text{FUTURE POPULATION}$$

**R** = GROWTH RATE

**N** = NUMBER OF YEARS

## 3.3 MARKET SIZE AND GROWTH

Still a little confused? Let's try an example. Let's say you believe the target population is 100,000 and will grow for 3% for the next 3 years, and 5% for two years after that.

### 1) CALCULATE THE 3-YEAR GROWTH POPULATION

$$100,000 \times (1+.03)^3 = 109,272.7$$

### 2) USING THE 3-YEAR GROWTH POPULATION, USE THE SAME FORMULA TO CALCULATE THE NEXT TWO YEARS GROWING AT 5%

$$109,272.7 \times (1+.05)^2 = 126,496.8$$

Rounding up, you would be projecting a **~26.5% POPULATION GROWTH** over the next 5 years.

## 3.3 MARKET SIZE AND GROWTH

Now it's your turn. Using a calculator and the back of this paper, fill in your year-over-year growth.

TARGET MARKET	YEAR 1 GROWTH RATE	YEAR 1 POPULATION	YEAR 2 GROWTH RATE	YEAR 2 POPULATION

## 3.3 MARKET SIZE AND GROWTH

Now it's your turn. Using a calculator and the back of this paper, fill in your year-over-year growth.

YEAR 3 GROWTH RATE	YEAR 3 POPULATION	YEAR 4 GROWTH RATE	YEAR 4 POPULATION	YEAR 5 GROWTH RATE	YEAR 5 POPULATION

## 3.4 MARKET TRENDS

In this section, you should provide current market trends and your projected outcomes.

### EXAMPLE:

*Denver's growing population from transient families will continue to grow with the city's infrastructure development. This development is planned to steadily increase for the next five years, and is growing in accordance to the city's predicted increase in population. When this increase stabilizes, development will slow down. At that point, Johnson Realty will focus on helping its existing customer base to find their second home in the Denver area.*

## 3.4 MARKET TRENDS

## CURRENT MARKET TRENDS & PROJECTED OUTCOMES:



## 3.5 SWOT ANALYSIS

A SWOT Analysis is the strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning.

### STRENGTHS

These attributes are things you or your company does well; qualities that separate and provide an advantage over the competition.

### WEAKNESSES

Things you or your company lacks; what your competitors do better than you.

### OPPORTUNITIES

Where do the opportunities lie; how can you take advantage of them.

### THREAT

Who are your emerging and current competitors; are there any upcoming regulation changes or other threats that could derail your initiatives?

## 3.5 SWOT ANALYSIS

### SWOT Analysis Example (Coffee Company)

#### STRENGTHS

- It is a global coffee brand built upon a reputation for fine products and services. It has almost 9,000 cafes in almost 40 countries.
- One of the Fortune Top 100 Companies to Work For in 2005. The company is a respected employer that values its workforce.
- The organization has strong ethical values and an ethical mission statement.

#### WEAKNESSES

- The organization has a strong presence in the USA with more than ¾ of their cafes located in the home market. It is often argued that they need to look for a portfolio of countries, in order to spread business risk.
- The organization is dependent on a main competitive advantage, the retail of coffee. This could make them slow to diversify into other sectors should the need arise.

#### OPPORTUNITIES

- New products and services that can be retailed in their cafes, such as Fair Trade products.
- The company has the opportunity to expand its global operations. New markets for coffee such as India and the Pacific Rim nations are beginning to emerge.
- Co-branding with other manufacturers of food and drink, and brand franchising to manufacturers of other goods and services both have potential.

#### THREAT

- Who knows if the market for coffee will grow and stay in favor with customers, or whether another type of beverage or leisure activity will replace coffee in the future?
- Company is exposed to the rises in the cost of coffee and dairy products.
- Since its conception in 1971, its success has lead to the market entry of many competitors and copy cat brands that pose potential threats.

## 3.5 SWOT ANALYSIS

This table should outline your competitive advantages (i.e., What gives you an advantage over the competition?)

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREAT

## 3.6 COMPETITION ANALYSIS

Who are your top three competitors, what are their strengths, and how do you plan to overcome these strengths? Also, identify what your competitors are doing better and how they are failing. Learning from your competitors' successes and failures provides you with information you can build on.

COMPETITOR	STRENGTH	ACTION AGAINST

## 3.7 MARKETING STRATEGY

In this section, you should extensively identify your social and advertising goals and associated strategies and tactics for implementation. You should also include initial costs and average monthly budget.

Feel free to also create specific marketing strategies as well for each social channel and your website specifically.

**STRATEGIES:** Describes how the ends (goals) will be achieved by the means (resources). This is your plan of attack.

**TACTICS:** How will you implement your attack to achieve your goals?

### EXAMPLE:

WE AIM TO SPEND *(Insert Budget Per Month)* ON SOCIAL AND WEBSITE TO *(What Are Your Goals (i.e. Generate Leads, Create Awareness, Etc.))*. IN ORDER TO DO THIS, WE WILL POST *(How Often Will You Post)* CONTENT THAT BOTH ENGAGES AND INFORMS. THIS CONTENT WILL BE *(What Type Of Content Will You Post (i.e. Video, Photos, etc))* THAT WILL FEATURE *(Topics, Themes, Concepts; This is What Exactly the Content Will Be)*.

## 3.7 MARKETING STRATEGY

### MARKETING STRATEGY:

WE AIM TO SPEND \_\_\_\_\_ ON SOCIAL AND WEBSITE TO

\_\_\_\_\_. IN ORDER TO DO THIS, WE WILL POST

\_\_\_\_\_ CONTENT THAT BOTH ENGAGES AND INFORMS.

THIS CONTENT WILL BE \_\_\_\_\_ THAT WILL FEATURE

## 3.7 MARKETING STRATEGY

### SOCIAL CHANNEL #1:

WE AIM TO SPEND \_\_\_\_\_ ON \_\_\_\_\_

TO \_\_\_\_\_. IN ORDER TO DO THIS, WE WILL POST

\_\_\_\_\_ CONTENT THAT BOTH ENGAGES AND INFORMS.

THIS CONTENT WILL BE \_\_\_\_\_ THAT WILL FEATURE

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## 3.7 MARKETING STRATEGY

### SOCIAL CHANNEL #2:

WE AIM TO SPEND \_\_\_\_\_ ON \_\_\_\_\_

TO \_\_\_\_\_ . IN ORDER TO DO THIS, WE WILL POST

\_\_\_\_\_ CONTENT THAT BOTH ENGAGES AND INFORMS.

THIS CONTENT WILL BE \_\_\_\_\_ THAT WILL FEATURE

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## 3.7 MARKETING STRATEGY

### BUDGET SHEET

#### SOCIAL MEDIA

Initial Cost: \_\_\_\_\_

Monthly Budget: \_\_\_\_\_

Where Will We Allocate:

LinkedIn: \_\_\_\_\_

Facebook: \_\_\_\_\_

Instagram: \_\_\_\_\_

#### WEBSITE

Initial Cost: \_\_\_\_\_

Monthly Budget: \_\_\_\_\_

Where Will We Allocate:

Domain Cost: \_\_\_\_\_

Operational Cost: \_\_\_\_\_

Human Capital Expenses: \_\_\_\_\_

Source: Wikipedia.com, Hootsuite.com

## 3.8 LEAD GENERATION

Essentially, how will you generate leads?

Leads are how you will get new clients and should be considered the lifeblood of your business.

In this section, you should consider the source(s) and projected leads you expect per year.

YEAR	# OF LEADS PROJECTED
1	
2	
3	
4	
5	

*\*Feel free to use the compound growth equation found on page 16 to calculate goals.*

## 3.9 SALES FORECAST

YEAR	REVENUE GENERATED	÷	# OF HOMES SOLD	=	REVENUE PER HOME
1	\$	÷		=	
2	\$	÷		=	
3	\$	÷		=	
4	\$	÷		=	
5	\$	÷		=	

\*If you provide other services, feel free to reprint this chart for projecting sales.

A professional woman with dark hair, wearing a white sleeveless top with a small black pattern, stands in front of a group of people seated around a table. She is gesturing with her hands as she speaks. The group consists of four men and one woman, all dressed in business attire. The setting is a modern office with large windows in the background. A white rectangular box with a thin black border is overlaid on the lower half of the image, containing the text.

## SECTION 4

# YOUR BUSINESS GOALS

## 4.1 BUSINESS GOALS

Most business plans use a three-year window to establish goals and predict success. Establish three goals, what you will need to do to succeed (Strategy) and how you will do it (Tactic).

### BUSINESS GOALS

GOALS	STRATEGY	TACTIC



## SECTION 5

# YOUR OWNERSHIP AND START-UP FINANCING SUMMARY

## 5.1 OWNERSHIP PERCENTAGES

If you're starting a business, this section is where you will detail the ownership percentage of all partners.

You can also include how these percentages were established.

### EXAMPLE:

THE OWNERSHIP OF *(Insert Business)* WILL BE SPLIT BETWEEN  
*(Insert # of Majority Owners)* AND *(# of Minority Owners)*.

MAJORITY OWNER #1: *(Insert % Ownership)*

MAJORITY OWNER #2: *(Insert % Ownership)*

MINORITY OWNER #1: *(Insert % Ownership)*

## 5.1 OWNERSHIP PERCENTAGES

### OWNERSHIP BREAKDOWN:

THE OWNERSHIP OF \_\_\_\_\_

WILL BE SPLIT BETWEEN \_\_\_\_\_ AND \_\_\_\_\_.

MAJORITY OWNER #1: \_\_\_\_\_

MAJORITY OWNER #2: \_\_\_\_\_

MINORITY OWNER #1: \_\_\_\_\_

## 5.2 START-UP SUMMARY

The Start-Up Summary states the initial start-up costs (rent, supplies, initial advertising) and balance sheet (assets, liabilities, and shareholders' equity). This summary is a strong indicator of the company's financial position at a specific point in time. We strongly suggest sitting down with an qualified accountant and creating this document at the beginning of your business as well as updating quarterly.

This summary is a strong indicator of the company's financial position at a specific point in time. To create a correct start-up balance sheet, make sure the following equation equals itself out:

**ASSETS** = LIABILITIES + SHAREHOLDERS EQUITY

## 5.2 START-UP SUMMARY

### BALANCE SHEET

START-UP EXPENSES	\$ COST
Legal	
Insurance	
Rent	
Advertising	
Accounting and Bookkeeping Fees	
Utilities	
Staff	
Miscellaneous	
<b>Total Start-up Expenses</b>	

START-UP ASSETS	\$ COST
Cash Needed	
Long-term Assets	
Other Assets	
<b>Total Assets</b>	

TOTAL FUNDING (ASSETS + EXPENSES)	\$ COST
Assets	
Non-Cash Assets from Start-up	
Cash Needed for Start-up	
Additional Cash Raised	
Cash Balance (Day of Operations Begin)	
<b>Total Assets</b>	

\*Please note, this balance sheet is an example and may not be appropriate for agents joining a brokerage. For any financial consultation, discuss with a qualified accountant or financial professional.

## 5.2 START-UP SUMMARY

### BALANCE SHEET (CONTINUED)

LIABILITIES	\$ COST
Current Debt	
Long-term Liabilities	
Outstanding Bills (Account Payable)	
Other Loans or Liabilities	
<b><i>Total Liabilities</i></b>	

CAPITAL INVESTMENT	\$ COST
Source #1	
Source #2	
Investment Still Needed	
<b><i>Total Planned Investment</i></b>	
<b><i>Total Start-up Expenses</i></b>	
<b><i>Total Capital</i></b> (Planned Investment - Total Start-up Costs)	
<b><i>Total Capital + Total Liabilities</i></b>	
<b><i>Total Funding</i></b> (Liabilities + Capital + Start-up Costs)	

\*Please note, this balance sheet is an example and may not be appropriate for agents joining a brokerage. For any financial consultation, discuss with a qualified accountant or financial professional.

## 5.3 BREAK-EVEN ANALYSIS

This financial calculation determines at what stage your company will become or could become profitable.

STEP 1: *Find out your "Break Even Point in Sales". To do this:*

**BREAK EVEN POINT IN SALES** = Fixed Costs / (Average Sale Price per Home - Variable Cost per Home)

STEP 2: *Find out your "Break Even Point in Dollars". To do this:*

**BREAK EVEN POINT IN DOLLARS** = Sales Price per Unit x Break Even Point in Sales

STEP 3: *Find out the "Number of Sales for Desired Profit". To do this:*

**# OF SALES FOR DESIRED PROFIT** = (Desired Profit in Dollars / (Average Sale Price per Home - Variable Cost per Home)) + Break Even Point in Sales

Once you complete these simple calculations, you'll have a good idea of how many sales you'll need to execute in order to break even and the number of sales you need to do in order to make your desired profit (i.e. Your Salary).

## 5.3 BREAK-EVEN ANALYSIS

Here's a helpful fill in the blank to get started. Feel free to use the back of this page as scrap paper.

STEP 1: *Find out your "Break Even Point in Sales". To do this:*

BREAK EVEN POINT IN SALES = \_\_\_\_\_ / ( \_\_\_\_\_ - \_\_\_\_\_ )

STEP 2: *Find out your "Break Even Point in Dollars". To do this:*

BREAK EVEN POINT IN DOLLARS = \_\_\_\_\_ x \_\_\_\_\_

STEP 3: *Find out the "Number of Sales for Desired Profit". To do this:*

# OF SALES FOR DESIRED PROFIT = ( \_\_\_\_\_ /

( \_\_\_\_\_ - \_\_\_\_\_ ) + \_\_\_\_\_

For more break-even examples and instruction, visit  
[myaccountingcourse.com/financial-ratios/break-even-point](http://myaccountingcourse.com/financial-ratios/break-even-point)

## 5.4 PROJECTED PRO-FORMA CASH FLOW

Cash flow is the net amount of cash being transferred into and out of your business. This section describes the volatility of money moving through your business. Please discuss with an accountant to create a conservative, valid pro-forma.

### CASH FLOW STATEMENT (USD \$ MILLIONS)

	2019	2020	2021	2022	2023
<b>Operating Cash Flow</b>					
Net Earnings					
Plus: Depreciation & Amortization					
Less: Changes in Working Capital					
<b>Cash from Operations</b>					
<b>Investing Cash Flow</b>					
Investments in Property & Equipment					
<b>Cash from Investing</b>					
<b>Financing Cash Flow</b>					
Insurance (repayment) of debt					
Issuance (repayment) of equity					
<b>Cash from Financing</b>					
Net Increase (decrease) in Cash					
Opening Cash Balance					
<b>Closing Cash Balance</b>					

## 5.5 LOAN REPAYMENT

This is a great way to demonstrate to banks and other loan partners how leveraged you are and when you plan on paying it off.

LOAN	AMOUNT	INTEREST RATE	PAY-OFF DATE

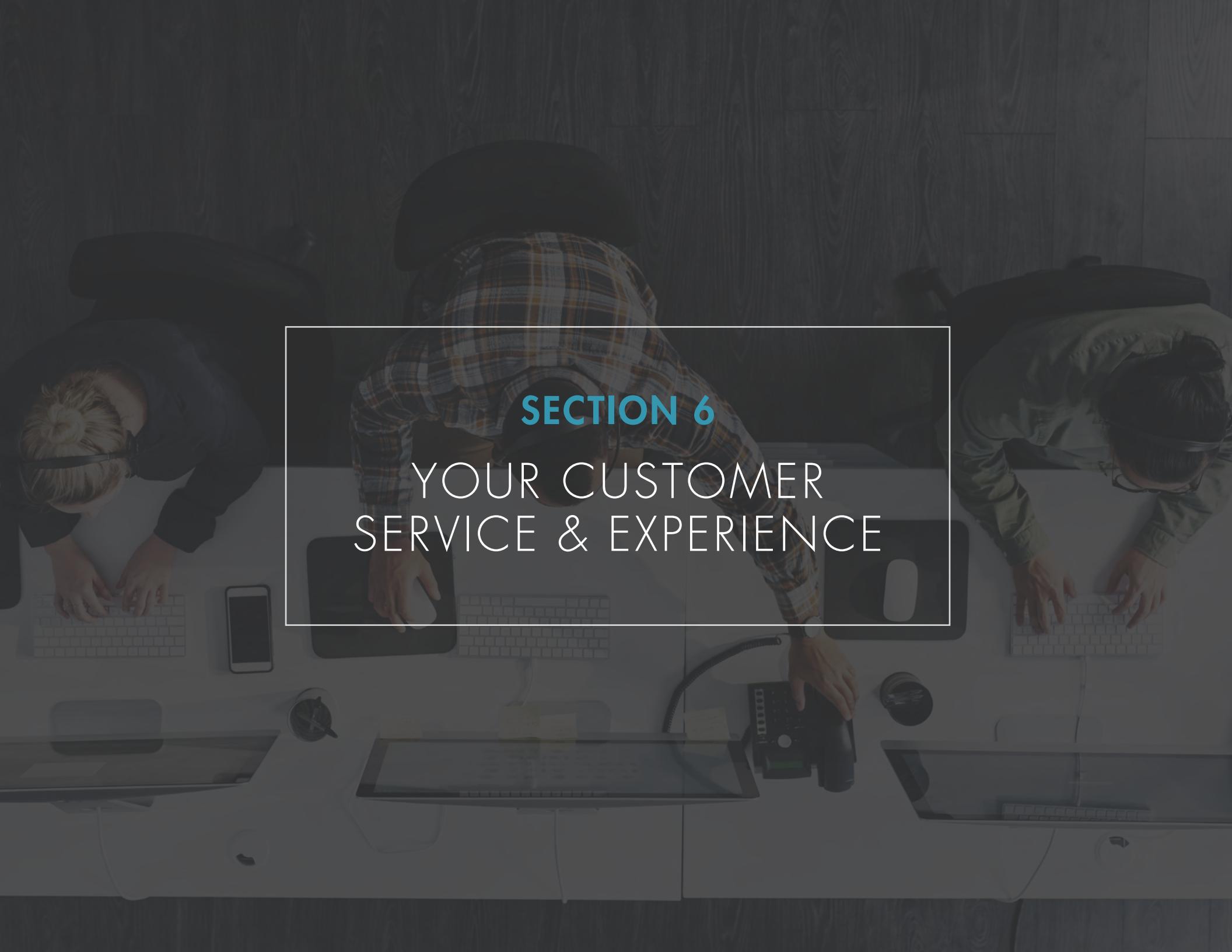
*\*Please note, this loan repayment chart may not be appropriate for agents joining a brokerage.*

## 5.6 SERVICES AND PARTNERSHIPS

In this section, you will provide the services you plan on providing and partnerships with outsource companies.

	PARTNER #1	PARTNER #2	PARTNER #3	PARTNER #4
Who Will You Be Working With?				
What Will They or You Be Doing?				

*\*Please note, this services and partnership chart may not be appropriate for agents joining a brokerage.*



## SECTION 6

# YOUR CUSTOMER SERVICE & EXPERIENCE

## 6.1 CUSTOMER SERVICE & EXPERIENCE

This section should list out the customer relationship tools you will use to best service your clients.

These are including, but not limited to:

- Analytics
- Databasing
- Email Marketing
- Performance Metrics
- Chat Support

You should also identify what kind of customer service each will provide, and a measurement as to how this will be successfully implemented, as well as which transaction management tool(s) you will use.

**To learn more about the tools you can use for CRM, check out Hubspot or research other tools that may work better for your business.**

## 6.2 KEY PERFORMANCE INDICATORS

KPIs are your performance measurement metrics. This will tell you if your business is achieving success or not.

QUESTION	MEASUREMENT
List all key business metrics for success.	
How often will we measure performance?	
Who is in charge of strategy changes and analysis of current situation?	
How will we measure employee satisfaction?	

*\*Please note, this KPI chart has certain questions that may not apply to an agent joining a brokerage.*



NEXT STEPS

## WHAT DO I DO NEXT?

Sit back, relax, and let the sales take care of themselves, right? Reality Check: Your success as a real estate agent depends on you. The number one thing you can do is utilize all your resources to your advantage and get grinding. These quick tips should help, but in the end, it depends on you.

### GENERATE LEADS

Try and create 1-2 solid leads a day. You can do this through community events, social media, cold calling, and can even purchase leads from companies like Zillow and Realtor.com. In the end, it's a numbers game. If you can generate 1 solid lead out of 100 calls, you are succeeding.

### USE YOUR NETWORK

Don't be afraid. Everyone should be fair game, even your great-grandma looking to move to Miami because she enjoyed the movie *Birdcage*.

### SOCIAL MEDIA

The cost to run local ads on social media websites like Facebook can provide an amazing return in comparison to purchasing an expensive highway billboard. Social gives you the ability to hyper-target your audience for as little as \$25 a week. If you want to learn more about how to utilize social media, please check out our *Using Social Media to Grow Your Real Estate Business* ebook.

### LEARN TO SUCCEED

It's highly unlikely that you'll succeed right away. It's okay. The best agents have failed before and still fail on occasion. However, what makes them great is their ability to learn from their mistakes. If you take the time to understand what you did wrong and figure out how you can do it better next time, then maybe one day you'll be one of the greats, too.

## ABOUT US

Founded in 2005, The CE Shop has become the leading provider of online real estate education through an encyclopedic knowledge of the real estate industry.

Our ever-expanding course catalog of Pre-Licensing, Exam Prep, Post-Licensing, and Continuing Education products are trusted throughout the industry and offer agents across the country the education they rely on.

With courses available in all 50 states and D.C., we're driven by a desire to constantly improve, both for ourselves and our students.

