



Real Estate Business Plan Template - Individual Broker

Section One: **Who You Are**

The first section of your business plan is all about self discovery. These sections help you understand who you are and how you want to define yourself and your business in the big picture.

Mission Statement:

Take one or two sentences and define what you want your business to be all about. Even though this appears first in a business plan, we suggest you leave this section for the end to complete. Unless you have a mission statement already crafted, it is typically easier to come up with one after you've mapped out your real estate business plan. Think about this as your "reason for being."

Mission Statement:	
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Executive Summary:

Your executive summary sums up what you do, where you do it, and who you do it for, in a couple of sentences. Here's a good example of an executive summary in action for a solo agent:

"Chris Linsell is a full service Realtor serving the buying and selling needs of primarily residential customers in Northern Michigan. I also offer property management services for rental units and market analysis for financial institutions."

Executive Summary:	
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The Team

If you are a one man or woman operation, this section is short and sweet. If you have an admin or other assistant that is a part of your operation, list them here.

Team Name	Primary Responsibility

Section Two: Real Estate Market Analysis

In order to give your real estate business plan the best chance to succeed, you need to have a good understanding of the market you are operating in. If you want to make money in real estate, you need to have a complete sense of who is buying, who is selling, where, and for how much.

Market Trends

Use the tools provided in your MLS and get a by-the-numbers picture of the markets you will be working in. What is the average sale price of homes sold? How long are homes remaining on the market? What are the sales this month compared to last month? This month compared to the same month last year?

There are unlimited ways to look examine your market, pull the information that is going to govern the activity you expect for 2019 and 2020 and summarize it here.

Market Trends:



Market Opportunities

After you've taken a look at the trends in your market, combine that with your own anecdotal knowledge of what's going on in your community and identify where the opportunities are for success. For example:

"Average days on market for single family homes under 200k in my area is less than seven days, and I am constantly hearing from other agents that they have buyers at this price that can't find properties to purchase. This segment of the seller's market is an opportunity."

Market Opportunities:

Market Saturations

On the flip side of market opportunities are market saturations. A great example of this would be:

"The average sale price for waterfront condos has consistently fallen over the last 36 months, and the days on market has consistently risen. We may have hit the market saturation for these types of units, it doesn't make sense to pursue buyers and sellers in this space."

Market Saturations:

Section Three: Competition Analysis

Understanding the activity in the housing market is only half the picture. The other half is understanding the competition you have operating in your area.



Unfulfilled Niches

Look at the different segments of your local real estate markets. Are there particular areas that are underserved by the Realtors in your community? Maybe there are a LOT of agents targeting luxury buyers and sellers, but nobody specializing in vacant land? Use this section to help identify areas of opportunity for your business.

Unfulfilled Niches:

Competition Saturations

You are going to have a lot harder time winning clients and closing deals if you are competing with 20 other Realtors, many of them more experienced than you. Look for areas in your market where your competition gather and identify them.

Competition Saturations:

Section Four: Services Provided

Primary Offerings

As a Realtor, you're equipped to offer lots of different services. However, your focus should be in an area that you have interest, where you've identified a market opportunities, and where you've identified a gap in your competition that needs filling. How are you going to serve your real estate community?

Primary Offerings:



Potential Offerings

Sometimes your vision for the direction of your real estate business doesn't line up with the opportunities identified in your market and competition analysis. However, just because the luxury market is chock full of other successful, established agents doesn't mean you have to scrap the dream of being your city's go to luxury agent. Use this space to identify areas that you want to make a move towards once you've established a positive base to build on.

Potential Offerings:	
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Section Five: Your Customers

Understanding who your soon-to-be clients are allows you to market to them more effectively, increases your efficiency, and gets you to your goals faster. Using the knowledge you gained with your market analysis, as well as your knowledge of your community and your sphere of influence, describe the typical buyer and seller you expect to attract.

Be as specific as possible, talk about demographics, location, communication preferences, get granular. If you live in an area where rentals are king, feel free to change these headings to "Typical Renter" and "Typical Landlord".

Typical Buyer:	
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Typical Seller:	
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Section Six: **SWOT Analysis**

Time to pull all of the analysis we've done so far into a summary section that you can come back to and revisit as you continue to move towards your goals.

The SWOT (Strengths, Weaknesses, Opportunities, Threats) section of your real estate business plan pulls together your thoughts on the market, your competition, your offerings and your customers into a single page. Also make sure to factor in what YOU bring to the business (great marketing skills, experience on video, etc.).

We suggest keeping this information close, maybe take this page and tack it to the bulletin board in your office so you see it often.

Strengths:

List the things that make you a competitive force in your market, the items you would list in your highlight reel.

Weaknesses:

List the things that will hinder your progress forward towards your goals.

Opportunities:

List the opportunities you see for yourself in your local real estate market.



Threats:

List the threats to your opportunities, the factors that currently exist or could manifest themselves and threaten your success.

Section Seven: **Goals**

You've now firmly established who you are, the market you serve and the customers you are trying to reach; it's time to address your goals. These goals don't have to be of a certain type, they just have to be measurable. In other words, a goal of "be well known" doesn't work, but a goal of "5,000 social media followers" does.

We suggest three types of goals for this section; A financial goal, a market awareness goal, and a growth goal. Beneath each spot is an example for each to get you moving in the right direction.

Financial Goal:

EX: Collect \$125,000 in GCI in this calendar year.

**Market Awareness
Goal:**

EX: Collect 1,000 new email addresses for my mailing list this calendar year.



Growth Goal:

EX: Hire a PT Assistant by the end of the calendar year.

Tools for Achieving Your Goals

Now that you've established your goals, what tools are you going to combine with your time, dedication and hardwork to get the job done? Make a list of the tools that you will employ on a regular basis and the cost to operate them.

Physical Tools (things like your car or your laptop)

Tool Name	Cost To Operate	Primary Purpose

Digital Tools (things like your CRM or your social media management)

Tool Name	Cost To Operate	Primary Purpose



Advertising Budget (Where do you plan to spend money and how much?)

Outlet	Purpose	Budget

Outsourcing (Who do you plan to hire and for what purpose?)

Professional	Purpose	Budget

Section Eight: **Financial Analysis**

Time to get very specific about your numbers and what it will cost to operate your business. Our best advice for this section is to do as little estimating as possible; use hard numbers and stick to them. If your budget is blurry, your results will be too.

Startup Expenses

What do you need to spend money on to launch your business plan into action? This includes things like a new computer if the one you have isn't going to get the job done, business cards, maybe a couple of new outfits for meeting clients, etc.



Item	Purpose	Cost

Recurring Expenses

Creating and maintaining your systems has a cost to it. Whether it is an ongoing subscription to a digital content platform, the cost of your CRM, or your StitchFix subscription to keep you on trend and looking good, account for these expenses here. Don't forget to include things from the Tools section of the Goals area above that have a regular cost to them.

Item	Purpose	Cost

Assets

Now that you know your startup and ongoing costs, let's include the total amount in the bank you have set aside to support your real estate business as you launch your new business plan.

Pro-Tip: Remember to separate your personal money and your business money. You should never draw money from the same place to buy milk and Facebook ads. Not separating these two sources will make tax time a nightmare, and it is easy to go over budget in one direction or the other, and then you've got bigger problems. If your starting assets don't meet or exceed your startup costs, you'll need to go back and adjust your strategy so they do.



Starting Assets:

Remember, your starting assets will also have to support your recurring costs until you close your first deal and start generating some income, so plan on this number also covering up to six months or recurring costs as well.

Cash Flow Expectations

Now that you know what it will cost to effectively run your business every month, you need to decide on what you'd like to set for yourself as your take home pay. Remember, you're now the captain of this ship, you decide how much you want to take home every month. Of course, just deciding a number doesn't make it so, but setting a goal helps you understand what sort of business volume you will need to achieve in order to meet that goal.

Make sure to refer back to your Financial Goal in section seven when coming up with your monthly income goal.

Monthly Income:

Transaction Requirements

With all the numbers in place, you now know the total dollar amount required to run your business with your new business plan (Start-Up Costs + Recurring Costs + (Monthly Income x 12) - Assets). With this number, you can easily calculate the number of transactions you will need every year (and, by extrapolation, each month) to meet this goal.



Total Operating Cost	<input type="text"/>
÷	
Average Transaction In Your Market	<input type="text"/>
=	
Number of Transactions Required	<input type="text"/>

Section Nine: **Follow Up**

Your business plan is a living document that needs attention from time to time. We suggest a quarterly review of your goals and strategies to see if you are on track for achieving what you've set out to do. Schedule this important task just like anything else and stick to it.

Next Follow Up Date:	<input type="text"/>
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