**Real Estate Brokerage Sample Business Plan**

Executive Summary

RJ Wagner & Associates Realty, Inc., is an S corporation domiciled in the state of Texas. This corporation is capitalized by one single stockholder and one principal investor, Regina Wagner. Regina Wagner is a licensed broker and the sponsoring broker for this firm. The licensed broker of this firm will sponsor licensed real estate agents (independent contractors) in the state of Texas. This corporation will formalize the real estate services offered.

RJ Wagner & Associates Realty, Inc., will open its doors for operation in July. The office is located in Houston, Texas (Champions area) in the Greenwood Square Shopping Center, to provide services to the higher income section of Metropolitan Houston.

Credibility and reputation excel with the broker of this firm, with a published real estate book and real estate organizational programs placed in the Houston Association of Realtors and the Dallas Association of Realtors bookstores and superstores. For the past year novice licensed agents have enjoyed the organizational tools and guidance offered in the book Texas Real Estate/The Mobile Mentor.

1.1 Objectives

The primary objectives of our organization are to:

Become a profitable organization allowing us the freedom of taking advantage of other real estate investment opportunities as they become available.

Recruit and hire self-motivated, success-oriented, and hardworking sales agents.

Maintain an office of at least 15 sales agents who meet the previous requirements.

Develop a solid, corporate identity in our specified targeted market area.

To establish good working relationships and begin working as a team, promoting communication and suggestions from all participants.

Become one of the top brokerage firms in operation in the Champion area by our third year of operation, or before.

Realize a positive return on investment within the first 12 months.

We believe the above-mentioned objectives are obtainable because of the professionalism of the manager and sales associates this corporation will hold. Individuals gaining a real estate license leave school with the knowledge of the real estate laws and procedures. The turnover rate in this business is high since agents have no training outside the laws and regulations of the business itself. Once they have a license, only then, they may obtain the sales and marketing training that is needed upon entering the profession. This training is available at a high price to the agent. When starting out, most agents are not able to obtain this training at the high prices set forth, and without the proper training the average earnings of a beginning real estate agent is very low in comparison to industry standards.

The office environment we will be providing will be productively arranged yet inviting to the agent as well as the client. There will be a location in the office each day with a daily marketing routine/schedule to follow. Agents have the opportunity to be guided each day through a marketing plan to gain clients. They may choose to follow the guidelines and training provided or they may follow their own daily routines. We will be supplying a program allowing the new agents to earn more than the average real estate agent by providing guidance and stability.

If an agent with our company sets a goal to obtain only one seller and one buyer for the month, on an average of $150,000 sale on each side, would earn the agent $6,750 per month X 12 months = $81,000 per year. Regina’s goal as the broker is to assist each agent in conquering this goal.

The same sales as noted above would profit the corporation $2,250 per month X 12 months = $27,000 for the year X 15 agents = $405,000. This is not including sales from the active broker of this corporation which would be $4,500 commission from each side to total $9,000 (100%) to the corporation. The broker will receive a salary from the corporation.

**1.2 Mission**

This plan is written as a guide for starting and managing this new business, and will also serve as the basis for a separate, detailed marketing plan. Following is a summary of the main points of this plan.

The objectives of RJ Wagner & Associates Realty, Inc., are to generate a profit, grow at a challenging and manageable rate, and to live up to the ethical codes set forth by the Texas Real Estate Commission.

The first mission of RJ Wagner & Associates Realty, Inc., is to first recruit Texas real estate agents. The agents choosing this firm will receive top commission allowing them more financial advantage for advertising in order to gain more business.

The ongoing mission will be to assist both homeowners selling their homes, as well as homebuyers purchasing the home of their future, by providing professional and personal assistance. Ensuring customer’s best interest are always of the utmost importance.

The keys to success for RJ Wagner & Associates Realty, Inc., are marketing and networking, responsiveness and quality of customer service and generating repeat customers.

We wish to establish a successful partnership with our clients, our staff members, and our title companies, that respect the interests and goals of each party.

The local market for this business, while not new, is wide open for new and expanding brokerage firms.

An initial financial analysis of the viability of this venture shows outstanding promise and results. Several sources note that the real estate business has proven to be quite lucrative in today’s fast-paced world.

While so doing, the company will always continue to strengthen its position in the target market area by providing superior customer service to clients and to sales associates.

In conclusion, as shown in the highlights chart to follow, this plan projects rapid growth, as additional agents join, and high net profits over the next three years. Implementing this plan, in conjunction with a comprehensive and detailed marketing plan, will ensure that RJ Wagner & Associates Realty, Inc., rapidly becomes a profitable venture for the owner as well as for the contracting agents.

Company Summary

RJ Wagner & Associates Realty, Inc., is a new company that provides high-level expertise in real estate sales in the state of Texas. It will focus initially on homesellers and homebuyers, as well as in-house sales agents. Our customer service philosophy is unique. In a philosophic sense, RJ Wagner & Associates Realty, Inc., has three distinct customer groups: sellers, buyers, and agents.

Sellers of real property are our first customers. Listers of properties (sellers) pay commissions from the sale of their property and are the direct clients of the real estate brokers. We will never lose our focus that clients who have retained RJ Wagner & Associates Realty, Inc., to list and sell their properties are our first obligation.

Our second real customer is the buyer of residential real estate. We will provide superior personal services to buyers.

Our third real customer is the licensed real estate sales agent. It is the agent’s job to provide a professional service to both sellers and buyers, specifically in this order. Therefore, it is the direct responsibility of RJ Wagner & Associates Realty, Inc., to provide service to our sales agents.

As it grows, it will take on new agents providing them with a highly competitive commission earnings, as well as providing them with a support service that will allow for more productive time in order to gain clients at a faster pace. Hence motivating productive licensed agents in the real estate arena. As it grows, it will look for additional marketing techniques to offer clientele and serve the public in the high standards handed down by the Texas Real Estate Commission.

**2.1 Company Ownership**

RJ Wagner & Associates Realty, Inc., has been formed as an S corporation domiciled in the state of Texas. This corporation is capitalized by one single stockholder and one principal investor, the owner and broker of this firm, Regina J. Wagner.

**2.2 Start-up Summary**

Our start-up costs are outlined in the following chart. Said start-up costs derive from website design, office equipment, main computer station (complete with all realtor information for agent usage), stationery, legal costs, furnishings, office advertising and services, and expenses associated with opening our first office. The start-up costs are to be financed by direct owner investment and credit.

**Services**

At RJ Wagner & Associates Realty, Inc., our principal service consists of selling residential real estate in a targeted market area. Our services provide our clients with an international network of buyers and sellers through the multiple listing service (MLS). Because of our capabilities to network with other brokers, we will sell homes faster than our clients could if they tried to market their home without the assistance of a licensed real estate agent.

In addition, our customers will list their homes with our agency because of our aggressive and highly-skilled professionals. We will continuously have an above-average sales force to generate and close residential listings.

The owner and broker of RJ Wagner & Associates Realty, Inc., is committed to success in the real estate market and adheres to the strict rules handed down by the Texas Real Estate Commission. Our high level of commitment will enable the company to attract top professionals as sales associates and clients looking to buy and sell residential real estate.

Agents with this firm will be provided with the following services:

Top commissions.

24/7 hour office access.

Own Web page.

Marketing/sales guidelines to follow each day.

Personal goal setting training

Professional/commercial office setting in a highly visible and reputable location in the city of Houston.

24-hour answering service.

Free inside/outside panoramic photography of each property listing. All photos are placed on HAR/MLS (Multiple Listing Service) and to the Internet realty sites.

Full broker support.

Professional flyer will be furnished complete with property photos for advertisement.

Yard signs will be supplied and installed for the agent.

Flyer distribution to other broker sites/agents.

Sellers will be provided with the following services:

Free CMA (Comparative Market Analysis).

Inside/outside photos in panoramic view placed on MLS (Multiple Listing System) and real estate Internet sites. This allows potential buyers to view our seller’s property online.

Advertising in local real estate publications.

We design an attractive pamphlet with all property information, room dimensions, tax information, a letter from the seller, and a complete history of the home for potential buyers to read while viewing the property. This pamphlet is for the seller to keep or to give to the new owner when the home sells.

Attractive yard signs with flyer tubes attached for potential buyers driving by.

“Just Listed Post Cards” mailed to surrounding neighborhoods.

Listing flyers distributed to other broker sites.

Circulated open house invitations (per seller approval).

Supra System Computerized Lockboxes (we know when and who entered premises at all times).

Excellent follow-up system on each showing.

If no contract is submitted within the first listed month, we re-analyze our future marketing procedures with the seller.

Buyers will be provided with the following services:

We match buyers to homes. We have an extensive questionnaire for our buyers to list their wants and needs. We then take this questionnaire and put the supplied information into our Passport program to match buyers to the homes matching their criteria. (Passport is the latest software available to licensed real estate agents and brokers in the state of Texas.)

We go a step further with our buyers and we go on-site for them. We visit the homes of their choice and take inside and outside panoramic photos for their viewing. We can email the photos or have a face to face showing with the buyer. The buyer does not have to go on-site unless they choose to. We bring the home to them.

We present their offers and comply with all negotiating for them.

Market Analysis Summary

RJ Wagner & Associates Realty, Inc., will be focusing on supplying homebuyers and homesellers professionalism and expertise in reaching a successful sale and/or purchase in their real estate needs. Our concentration also lies with our in-house agents. We feel by providing our in-house agents the support program they need our productivity should excel at a rapid pace.

Due to the strengthening of the economy in Houston area, more homebuyers today are looking to purchase homes. These changes in attitudes of homebuyers are a tremendous boost to real estate firms.

We are poised to take advantage of these changes, and expect to become a recognized name and profitable entity in the Houston real estate market. We chose to locate our office in the area of most revenue potential. Our targeted market area, the Champions area, shows stability and growth. We have a beautiful office, centered in the Champions area. This location will enable our sales associates to work in an area that will allow them to make more money in a shorter period of time.

The first quarter home values were up 8.8% from the same period in 2000, the Office of Federal Housing Enterprise Oversight says. The gain reflects an increase from the previous quarter, when residential real estate values saw year-over-year growth of 8.1%.

As stated in the Objectives section–we outline the profits to be gained with each agent striving for one seller and one buyer each month. We also state the extensive marketing plans, goal setting and training provided by this corporation to assist each agent in reaching this goal.

As stated in the Services section–we outline the services we will be supplying to the agents, sellers and buyers (all of which this corporation considers to be our customer).

As the outline following will indicate–our agents will earn top commissions, be supplied with the latest in marketing and advertising assistance, and have on-site broker assistance at all times. This coupled with the teamwork and excellent marketing programs provided, we feel we have a recipe for success.

4.1 Market Segmentation

Our most important market segment is the homeseller. The seller will be calling upon RJ Wagner & Associates Realty, Inc., for our excellent marketing strategies and techniques, and our ability to deliver personal consulting, professionalism and a follow up system.

As important would be the homebuyer. These buyers will be calling on RJ Wagner & Associates Realty, Inc., to “match” their criteria selections. This corporation will be previewing matching criteria homes for the buyer, thus providing the buyer with on-site viewing capabilities without actually visiting the home site.

Individuals desiring to lease will also be guided to lease properties of their matching criteria needs.

When referring a client outside our expertise range, we would search for a reputable and knowledgeable agent to assist them at their destination. When this corporation is the recipient of a referral–we would match the buyer to homes meeting his/her criteria specifications.

Last, but not least, would be the corporation in-house agents. We view each one as a customer and are sensitive to their needs. Tools, training, marketing techniques and strategies, and guidance needed is available at all times. Each agent will have the opportunity to be assisted in designing a work schedule that adheres to their work style, hence allowing greater productivity. All agents will receive on-site guidance in all areas needed.

4.2 Target Market Segment Strategy

We cannot survive just waiting for the customer to come to us. Instead, we must get better at focusing on the specific market segments whose needs match our offerings. Focusing on targeted segments is the key to our future.

Therefore, we need to focus our marketing message and our services offered. We need to develop our message, communicate it, and make good on it.