**Free Real Estate Developer Business Plan**

It should be noted that there is no special software required to use these templates. All business plans come in Microsoft Word and Microsoft Excel format. Each business plan features:

**Excecutive Summary**

Company and Financing Summary

Products and Services Overview

Strategic Analysis with current research!

Marketing Plan

Personnel Plan

3 Year Advanced Financial Plan

Expanded Financial Plan with Monthly Financials

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**1.0 Executive Summary**

The purpose of this business plan is to raise $900,000 for the development of a real estate development firm that specializes in residential properties while showcasing the expected financials and operations over the next three years. The Real Estate Developer, Inc. (“the Company”) is a New York based corporation that will provide real estate development and rental services to customers in its targeted market. The Company was by John Doe.

**1.1 Products and Services**

The primary revenue center for the business is acquiring land with the intent to develop new residential units with the intent to resell, or rent the properties to the general public. This is a strategy that is popular in any economic climate as profits come from the sale of the property after it is completed. Immediate wealth is created from the moment that the property is complete. The primary focus of the Company’s marketing strategies will be the sale of properties, but the business may rent its completed units in the event that the property does not sell within 90 days of placing the property on the market. The third section of the business plan will further document the residential development services offered by the business.

**1.2 The Financing**

Mr. Doe is seeking to raise $900,000 from an investor. The terms, dividend payouts, and aspects of the deal are to be determined at negotiation. This business plan assumes that an investor will receive 50% of the Company’s stock, a regular stream of dividends, and a seat on the board of directors.

**1.3 Mission Statement**

Mr. Doe’s mission is to develop the Real Estate Developer firm into a premier regional development firm that will develop and sell houses profitably.

**1.4 Mangement Team**

The Company was founded by John Doe. Mr. Doe has more than 10 years of experience in the real estate industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

**1.5 Sales Forecasts**

Mr. Doe expects a strong rate of growth at the start of operations. Below are the expected financials over the next three years.

**1.6 Expansion Plan**

The Founder expects that the business will aggressively expand during the first three years of operation. As the real estate market returns to normal conditions, the Real Estate Developer will be an excellent position to recognize profits from the sale of completed properties. In the future, the business may also develop mortgage brokering operations to assist homebuyers with financing their purchases from the business.

**2.0 Company and Financing Summary**

**2.1 Registered Name and Corporate Structure**

Real Estate Developer, Inc. The Company is registered as a corporation in the State of New York.

**2.2 Required Funds**

At this time, the Real Estate Developer requires $900,000 of investor funds. Below is a breakdown of how these funds will be used:

**2.3 Investor Equity**

John Doe intends to sell 50% of the Real Estate Developer, Inc. in exchange for the capital.

**2.4 Management Equity**

John Doe will retain 50% of the business once the capital is raised.

**2.5 Exit Strategy**

If the Residential Real Estate Developer is very successful, Mr. Doe may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of the Company. Based on historical numbers, the business could fetch a sales premium of up to 4 times earnings.

**3.0 Products and Services**

Below is a description of the real estate services offered by the Real Estate Developer

**3.1 Developer of Residential Real Estate**

The Real Estate Developer will primarily engage the business of developing residential properties with the intent to sell or rent the property once the project is completed. If the real estate market does not provide a fair and reasonable market value for the property, then Management will aggressively rent the units until such time when the building can be divested at a fair market value. After the development process is complete, the Company can quickly divest these assets to a real estate investor for a significant profit. There are several considerations that the Company must deal with before purchasing land for development purposes. Once the property is competed the business will then seek to divest the property or rent the units in order to generate income to satisfy the debt obligations of the business.

**3.2 Rental of Completed Properties**

The direct finance and purchase of residential property is the secondary business of Real Estate Developer. Residential real estate will provide a continuous stream of rental income that the Management will use for reinvestment and profit stability for the Company. Management is developing a complex economic pricing strategy that will determine the fair market rate of a property based on its capitalization rate in conjunction with the market values of residential property. Residential real estate is the least risky form of real estate investing because the service offered is a necessity.

**4.0 Strategic and Market Analysis**

**4.1 Economic Outlook**

The Real Estate Developer will be actively engaged in two primary business units that will seek to generate revenue in any real estate market. These strategies include developing residential properties and the rental of completed properties. Management is developing a very complex pricing method to ensure that the Company can continue to provide its units at profit despite possible drawbacks in the overall economic market. The Company’s two prong approach to real estate will allow the business to grow successfully in the rapidly changing real estate market. More importantly, this strategy will allow the Company to offset the risks from each business unit so that there is a diversified balance in the Company’s real estate portfolio. This is especially important as the business uses leverage to finance the acquisition of its properties.

4.2 Industry Analysis

The U.S. Economic Census estimates that there are 21,300 companies that specialize in the construction of new residential units in the United States. On an annualized basis, these companies generate fees of $43.9 billion dollars while concurrently providing jobs to more than 520,000 people. In each of the last five years, aggregate payrolls have exceeded $20 billion dollars. However, the industry has recently come under some turmoil has the value of housing and commercial properties has plummeted over the last two years. Many real estate developers are holding onto substantial inventories of properties that have depreciated significant. While this is a prominent issue in the housing market, it presents an excellent opportunity for the Company to develop properties inexpensively so that they can be sold at the current market rate at profit. Recently, the number of real estate sales has increased significantly within the last year. This is one of the primary signals of an overvalued real estate market. As stated earlier, the Bureau of Economic Analysis estimates that homes on the market have increased more than 13% over last years figures. During the boom time for real estate over the last five years, many people overextended and over leveraged their properties with floating interest only loans.

4.3 Customer Profile

As the Company intends to operate among several different investment and operating units, it is hard to characterize any specific tenant that will occupy the Company’s properties. However, Management will enact strict tenant quality and credit review procedures to ensure the Company’s revenues will not be interrupted by tenant default.

4.4 Competitive Analysis

Since real estate is effectually one of the most free market oriented businesses in the country, competition can not be accurately categorized. The Company anticipates that there will be a sizable amount of competition from both single owner investment firms to large construction companies that are seeking to gain from the real estate prices throughout the target market.

5.0 Marketing Plan

The Real Estate Developer intends to maintain an extensive marketing campaign that will ensure maximum visibility for the completed units in its targeted market. Below is an overview of the marketing strategies and objectives of the Real Estate Developer.

5.1 Marketing Objectives

• Establish relationships with other real estate brokers and agents within the targeted market.

• Implement a local campaign with the Company’s targeted market via the use of flyers, local newspaper advertisements, and word of mouth.

• Develop an online presence by acquiring accounts for major online real estate portals.

5.2 Marketing Strategies

Property and home buyer marketing will be the most difficult portion of the marketing strategy. This task will be accomplished through the business’s broad marketing campaign throughout its targeted market. The Company will also use an internet based strategy. This is very important as many people seeking real estate for purchase or rent use the Internet to conduct their preliminary searches. Mr. Doe will register the Real Estate Developer and its properties with these online portals so that potential buyers/renters can easily reach the Company. The Company will also develop its own online website. The Company will maintain a sizable amount of print and traditional advertising methods within local markets to promote the homes and properties that the Company is selling.

5.3 Pricing

The Company expects that each house will sell for approximately $100,000 of revenue. Expected margins from sales will reach 60%. Rental income is to be determined based on market conditions.

6.0 Organizational Plan and Personnel Summary

6.1 Corporate Organization

6.3 Management Biographies

In this section of the business plan, you should write a two to four paragraph biography about your work experience, your education, and your skill set. For each owner or key employee, you should provide a brief biography in this section.

7.0 Financial Plan

7.1 Underlying Assumptions

• The Real Estate Developer will have an annual revenue growth rate of 16% per year.

• The Owner will acquire $900,000 of investor funds to develop the business.

• The Company will not seek debt financing in the first three years of operations.

7.2 Sensitivity Analysis

The Company’s revenues can change depending on the general economic climate of the real estate industry. In times of economic recession, the Real Estate Developer may have issues with its top line income as fewer sales will be made. However, the Company will generate income from its rental business, which will reduce the risks associated with this business.

7.3 Source of Funds

7.4 General Assumptions

7.5 Profit and Loss Statements

7.6 Cash Flow Analysis

7.7 Balance Sheet

7.8 General Assumptions

7.9 Business Ratios