



Free Download: Real Estate Business Plan

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Every business needs a plan to succeed; a plan gets you and your team on the same page and heading in the right direction.

A good real estate business plan shows you where you are today, where you want to be and how you'll get there. It also helps you measure your performance, and recognize where and when you need to make a course correction.

Our customizable template helps you create a real estate business plan that outlines what you'll do, how you'll do it and what success looks like—for you and your clients. Jot down your business goals, clarify the status of your finances, profile your target customers and more.

To populate the template, simply place your cursor in a **highlighted field** and enter the information. After you populate your template, save it to your laptop. Remember that your real estate business plan is a living document and you should expect to revisit and update it regularly.

Our business plan template covers the following topics:

- [Executive summary](#)
- [Mission statement](#)
- [Management summary](#)
- [Target customers](#)
- [Company goals](#)
- [Keys to success](#)
- [Financials](#)
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- [Personnel plan](#)
- [Customer service](#)
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Executive summary

Who are we? What services will we offer? Where will we operate? Whom do we serve?

Example: Mud to Mountain Realty is a full-service real estate company serving clients—primarily first-time home buyers—in Western Washington. We offer home buying and selling, mortgage and title services.

Executive summary

Mission statement

What is our reason for being, what are our guiding principles, what do we want to do and for whom?

Example: With a passion for helping people find their way home, Mud to Mountain Realty guides first-time home buyers through the process with a full complement of services including mortgage and title assistance.

Mission statement

Management summary

Office(s)

Where will we operate? What hours will we keep?

Example: Mud to Mountain Realty operates in Western Washington, with its office located in Shoreline. Regular business hours will be 9:00 a.m. to 5:00 p.m., with our agents understanding that they are “on-call” to clients outside those hours—within reason—and round-the-clock in the 48 hours preceding a closing.

Place of operation	Hours

Our team

What staff will we open the doors with? Who will manage our day-to-day operations?

Name	Function

Target customer

Who, specifically, is our target customer?

- First-time home buyers
- Home sellers
- Renters
- Other (e.g., relocations, retirees, investment properties, etc.)

What is our target customer’s story?

Example:

Question	Answer	Our strategy
Where do they want to live?	Suburban areas with open spaces; close to amenities and public transportation.	Familiarize ourselves with these neighborhoods; keep track of where light rail is expanding and bus routes are being cut.

Question	Answer	Our strategy
Where do they want to live?		
What is their age?		
What is their annual household income?		
What is the household makeup?		
What do they want from their home?		
What are their feelings and concerns about searching for and purchasing their home?		

Company goals

What are our top business goals for our first three years?

Example: Break even within 18 months.

Goals
1.
2.
3.

Keys to success

What are the top three ways we will achieve business success? How will we carry them out?

Example:

Keys to success	Action
1. Differentiate ourselves from the competition through exemplary customer service.	Answer phones by third ring, return texts and emails within five minutes, acknowledge all comments on social media.

Keys to success	Action
1.	
2.	
3.	

Who owns the final decisions in certain areas of the business?

Example:

Area	Final decision maker
Marketing	Catherine Smith Doe
Human Resources	John Doe

Area	Final decision maker

Financials

Ownership

Who will legally own this business and how will we split up the equity, if at all?

Example:

Legal owner	Percent of equity
Jane Doe	48
John Doe	48
Catherine Smith Doe	2

Legal owner	Percent of equity

Startup summary

What are our startup expenses, assets, liabilities and capital?

Startup expenses to fund	\$ Amount
Legal	
Insurance	
Rent	
Utilities	
Accounting and bookkeeping fees	
Expensed equipment	
Advertising	

Support staff salaries	
Other:	
Other:	
Other:	
Other:	
Total Startup Expenses	
Startup assets to fund	
Cash required	
Other current assets	
Long-term assets	
Total Assets	
Total funding required (Expenses + Assets)	
Assets	
Non-cash assets from startup	
Cash requirements from startup	
Additional cash raised	
Cash balance on starting date	
Total Assets	
Liabilities	
Current borrowing	
Long-term liabilities	
Accounts payable (outstanding bills)	
Other current liabilities (interest-free)	
Total Liabilities	
Capital	
Investor #1:	

Investor #2:	
Investor #3:	
Investor #4:	
Additional investment requirement	
Total Planned Investment	
Loss at Startup (Total Startup Expenses)	
Total Capital (Total Planned Investment - Loss at Startup)	
Total Capital and Liabilities (Total Liabilities + Total Capital)	
Total Funding (Total Liabilities + Total Capital + Loss at Startup)	

Break-even analysis

What average commission rate will achieve an average profitability per month, per unit? How many homes must we sell at our average commission rate to reach the break-even point by our target goal?

Profit and loss	Year 1	Year 2	Year 3
Sales			
Direct cost of sales			
Other costs of sales			
Total cost of sales			
Gross margin			
Gross margin %			
Expenses			
Payroll			
Sales & marketing and other expenses			
Depreciation			
Rent			

Utilities			
Insurance			
Payroll taxes			
Travel			
Other			
Total expenses			
Profit before interest and taxes (Gross margin - Expenses)			
EBITDA			
Interest expense			
Taxes incurred			
Net profit (Profit - EBITDA, Interest and Taxes)			
Net profit/Sales (Net profit/Gross margin)			

Cash flow

What is our projected cash flow for the first three years?

	Year 1	Year 2	Year 3
Cash from receivables			
Subtotal cash from operations			
Sales tax, VAT, HST/GST received			
New current borrowing			
New other liabilities (interest-free)			
New long-term liabilities			
Sales of other current assets			
Sales of long-term assets			
New investment received			
Subtotal cash received			

Cash spending			
Bill payments			
Subtotal spent on operations			
Sales tax, VAT, HST/GST paid out			
Principal repayment of current borrowing			
Other liabilities principal repayment			
Long-term liabilities principal repayment			
Purchase other current assets			
Purchase long-term assets			
Dividends			
Subtotal cash spent			
Net cash flow			
Cash balance			

Loan repayment

When will we pay off our short-term and long-term loans?

Example:

Loan	Amount	Interest rate	Pay-off date
Catherine Smith Doe	3,500	.01%	9 months

Loan	Amount	Interest rate	Pay-off date

Services

What real estate services will we provide our customers?

- Home searches
 - Moving consulting, quotes, planning, etc.
 - Mortgage consulting and loan pre-approval
 - Community information
 - Title transfer
 - Other (e.g., relocations, retirees, investment properties, etc.)
- Comparative market analyses (CMAs) for sellers
 - Appraisals
 - Inspections
 - Property preparation

If we have any partnerships with builders or lenders that we plan to leverage in marketing our business, what services will they add to our repertoire?

Example:

Partner	Service
ACES Mortgage Co.	Mortgage consulting

Partner	Service

If we plan to outsource any services, which ones will we outsource and to whom?

Example:

Vendor	Service
B&K Props	Staging equipment rental and design

Vendor	Service

Market overview

What is happening in the market our target customer operates in? How has the market behaved in the past few years? Where do we see this market going in the future? What circumstances affect this market?

Example: In the past six years, the housing market for first-time homebuyers in the Pacific Northwest has been steadily growing at an average annual growth of 3 percent. This percentage is expected to grow in large part due to millennials—the biggest group expected to start purchasing their first homes—being attracted to careers offered by this region’s financially stable tech industries.

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Market segmentation

What are the potentially different segments in our target market?

Example:

Target market segment: First-time home buyers
1. First-time home buyers, single family
2. First-time home buyers, multi-generational

Target market segment:	
1.	
2.	
3.	

Market size and growth

How many total potential customers are in our market? How much growth do we anticipate during the next three years?

Potential customers	Year 1	Year 2	Year 3
Target customer (describe):			
Other customer:			

Other customer:			
Total			

Market trends

What market trends do we see having an influence on our market segments and in what way?

Example:

Market trends	Possible outcomes
Multi-generational living is on the rise.	Clients may want larger homes, split levels or ones with secondary suites.

Market trends	Possible outcomes

SWOT analysis

What are our strengths, weaknesses, opportunities and threats?

Example:

Strengths	Weaknesses	Opportunities	Threats
Solid understanding of challenges facing first-time home buyers.	Overstaffed.	Raise brand awareness among first-time home buyers.	Cash flow could force us to reduce staff.

Strengths	Weaknesses	Opportunities	Threats

Competition

Who is our primary competition for this market and why? How will we address the challenges?

Example:

Competitor	Strength	Our action
XYZ Real Estate Inc.	<ul style="list-style-type: none"> 13 years in operation Multiple buyer and seller agents and licensed assistants 	<ul style="list-style-type: none"> Focus on becoming trusted real estate advisor Hire licensed assistant as soon as is viable

Competitor	Strength	Our action

Marketing strategy

Note: To create an in-depth version of your real estate marketing strategy, download Zillow's free [Real Estate Marketing Plan Template](#).

What marketing materials and methods do we use to reach our target audience?

Example:

Resource	Key features
Website (our own)	Listings with at least five photos each, blog articles, reviews, white papers, MLS and IDX feeds.
Social media	One listing for every three real estate-related (but non-sales) posts; congratulate clients on recent buys/sales and anniversaries; fun real estate eye candy.

Resource	Key features

Lead generation

What are our most effective methods of lead generation?

Example:

Lead generation method	# Leads per year
Website (our own)	480

Lead generation method	# Leads per year

Sales forecast

What is the breakdown of our projected sales for this year and for the next three years?

Forecast	Year 1	Year 2	Year 3
Agent sales			
Broker sales			
Referrals			
Other			
Total sales			

Personnel plan

What are our anticipated hires and their salaries over the next three years?

Example:

Title	Function	Year 1	Year 2	Year 3
Transaction coordinator	Project coordination, client relations, scheduling; base pay + bonuses	\$40,000	\$42,000	\$45,150

Title	Function	Year 1	Year 2	Year 3

Total payroll				

Customer service

What is the “perfect world” delivery of our customer experience?

Example:

Service	Measurement
Response time to incoming queries	Less than one minute regardless of whether it comes in by phone or email.

Service	Measurement

Customer relationship management

What customer relationship management (CRM) tool do we use?

What do we use the CRM for?

- | | | |
|--|---|--|
| <input type="checkbox"/> Analytics | <input type="checkbox"/> Customer database | <input type="checkbox"/> Property and listing details |
| <input type="checkbox"/> Automated lead capture, including website and third-party | <input type="checkbox"/> Document management | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Calendar and scheduling with reminders | <input type="checkbox"/> Email marketing | <input type="checkbox"/> Sales tracking |
| <input type="checkbox"/> Chat support | <input type="checkbox"/> Email support | <input type="checkbox"/> Social media integration |
| <input type="checkbox"/> Contact management, including profile and status | <input type="checkbox"/> Mail merging for letters, envelopes and labels | <input type="checkbox"/> Task lists |
| | <input type="checkbox"/> Marketing automation | <input type="checkbox"/> Wireless smartphone synchronization |
| | <input type="checkbox"/> Performance metrics | <input type="checkbox"/> Wireless support |

What other tools do we use and for what functions?

Tool	Function

What transaction management tool do we use?

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Measuring performance

How will we track and measure our business performance?

Example:

Question	Measurement
What are our key marketing success metrics?	Increased lead conversions and sales

Question	Measurement
What are our key business success metrics?	
What will success look like for each?	
How will we measure our business performance?	
Who will determine if and how we will change our approach?	
How often will we measure our business performance?	
How shall we make our performance visible to the entire company?	
How will we evaluate our customer service? How often?	
How will we measure customer satisfaction?	

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