

**Realty One Franchise
Business Plan**

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Executive Summary

- Real estate agents and their success can be cyclical, but good agents always shine through in the long run. They support their clients with thorough preparation, expert local knowledge and strong negotiation. And they build trust in their community, leading to repeat work, referrals and consistent commission.
- This business plan is produced for the benefit of an experienced real estate agent currently seeking to become a new franchisee of the Realty One Group. It serves as both a blueprint for ongoing success; clearly laying out the opportunity and strategy and supporting documentation for financing.
- The agent behind this plan Jenelle McCleary, a brilliantly talented woman who is professional, personable and tenacious. With a tremendous amount of experience in sales and marketing and the added ability to train reps and their teams.
- The franchise opportunity is with Realty One Group, a leading agency who prioritize fun, success and support. Realty One Group has built a strong brand

and an even stronger team who support their agents with the most up-to-date selling tools, training and marketing resources in the industry.

- They are successful too, with thousands of agents all over the country enjoying franchise success. They're not the only ones though. There were 5.34 million [existing homes](#) were sold in 2019 which outlines the magnitude of home selling and the opportunities for agents and their agencies.
- At the heart of this business plan is two proven performers — Jenelle and Realty One Group — combining in a lucrative, yet competitive industry. To succeed, the new franchise needs to be operationally excellent, relationship-focused and at the forefront of new technology. Both parties are and will be a dynamic team.
- Funding is sought to pay franchise fees, lease office space and support an integrated go to market strategy.

The Real Estate Market

Real Estate Agent and Technology Statistics

- Realtors earning \$100,000 or more in gross commission income are more than twice as likely to use advanced technology tools like a CRM than agents who earn less.
- Realtors most often prefer to communicate with their clients through email, at 93%. Ninety-two % prefer to communicate through text messaging, and 37% through instant messaging.
- Realtors who were 49 years and younger were the most likely to have a real estate blog, at 11%.
- 76% of female Realtors and 73% of male Realtors use social media for professional use.
- Members found that the three most valuable technology tools used in their business, excluding email and cell phones were local MLS websites/apps (64%), lockbox/smart key devices (39%), and social media platforms (28%).
- The top 3 tech tools that have given the highest quality of leads: social media at 47%, MLS site at 32%, brokerage's website and listing aggregator site, both at 29%.

- 48 percent of all real estate firms cited keeping up with technology as one of the biggest challenges facing their firm in the next two years.

Real Estate Agent Commission Statistics

- The average income for a real estate agent working between 21 and 39 hours a week is \$46,458.
- The average income for real estate agents working 60 hours a week is \$145,347.
- The average income of real estate agents who've been full-time in the real estate business between four and 10 years is \$63,595.
- The average income of real estate agents who've been full-time in the real estate business between 11 and 25 years is \$101,633.
- The average real estate agent in the United States closes 12 deals a year.

The Franchisor

Realty ONE Group is the answer to an industry that is becoming stale, ordinary, and unimaginative. As a dynamic, full-service lifestyle Real Estate brand and franchise model, Realty ONE Group offers much more than the traditional prototype; ONE that allows us

to break boundaries and paradigms that make us UNtraditional and UNordinary—we are the UNbrokerage!

Since May of 2005, Realty ONE Group has been a 100% family-owned company whose number ONE goal is to build a brand that invests in the success of our real estate professionals. Our aim is true to this day as we have successfully created a company that focuses on fostering a unique “coolture” where everyONE has a voice. We are a family of professionals, entrepreneurs and dreamers who have come together to disrupt and take charge of an industry we are passionate about. We are redefining the way brokerages should approach change!

The Franchisee

The Location

Bend, Oregon is well-known for its outdoor recreation, hospitality scene and breweries, and it's the location where this new Realty One franchise will be set up. Bend has a population of 90.5k people with a median age of 38.6 and a median household income of \$63,468. The 5 largest ethnic groups in Bend, OR are White (Non-Hispanic) (85.6%), White (Hispanic) (7.05%), Two+ (Non-Hispanic) (2.34%), Asian (Non-Hispanic) (1.86%), and Other (Hispanic) (1%).

The median property value in Bend, OR is \$363,200, and the homeownership rate is 58.8%. Most people in Bend, OR commute by Drove Alone, and the average commute time is 14.2 minutes. The average car ownership in Bend, OR is 2 cars per household.

Bend Real Estate Statistics

- Average sales price up 28.2% to \$666,293*
- Median sales price up 31.5% to \$577,500
- New listings down 12.3% to 135
- Homes for sale down 84.1% to 89
- Pending sales up 104.4% to 280
- Sales up 12.4% to 154
- Average days on market down 76.9% to 18
- Median days on market down 90.2% to 4
- Months of supply down 86.2% to 12 days
- Average price per square foot up 26.7% to \$332
- Median price per square foot up 23.1% to \$304
- Average percentage of list price received up 3.2% to 102.1%
- Dollar volume of sales up 44.1% to \$102,609,047

(Note, Covid-19 has impacted real estate in Bend and even though there are fewer listings, the average time to sell and other key metrics are improving.)

Realtors in Bend

There are 794 listed real estate agents in Bend. We aim to acquire 10% of them with our aggressive sales and recruitment campaigns. With 10% of the agent market, we'll achieve efficiencies in all aspects of our business and also cover expertise in locations, buildings, eras and more. Agents who fly the Realty One Group flag will help us build brand awareness and make it easier to attract high quality clients and repeat business.

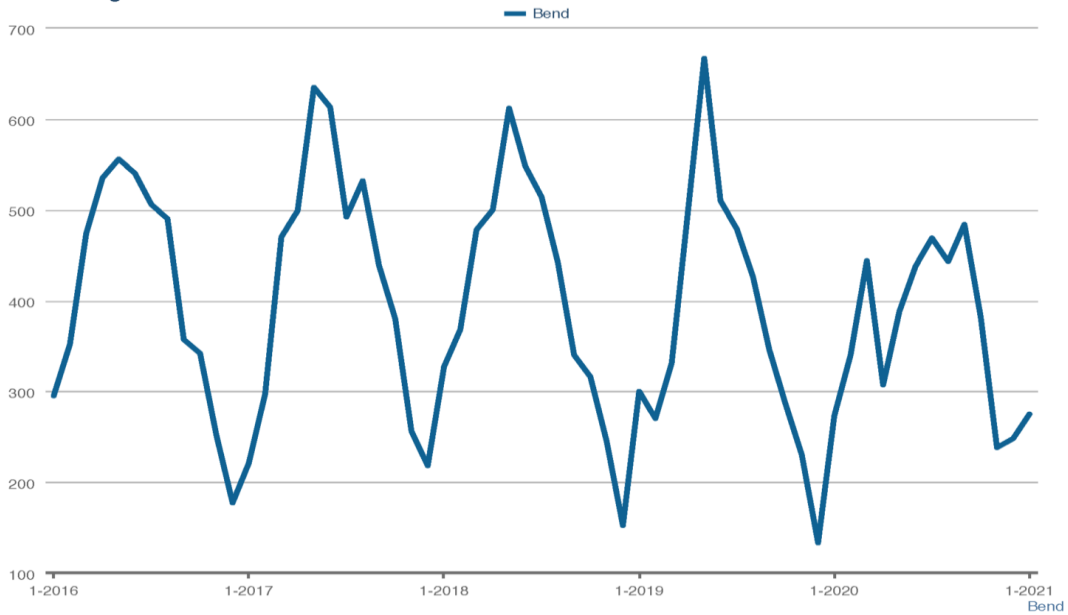
We believe the Realty One Group approach to real estate, career development and fun (i.e. coolture) will hold us in good stead in recruiting them. Especially when combined with better commission and fee structures.

Recent Sales Information in Bend

Total Home Sales Bend, Oregon Q4 2020

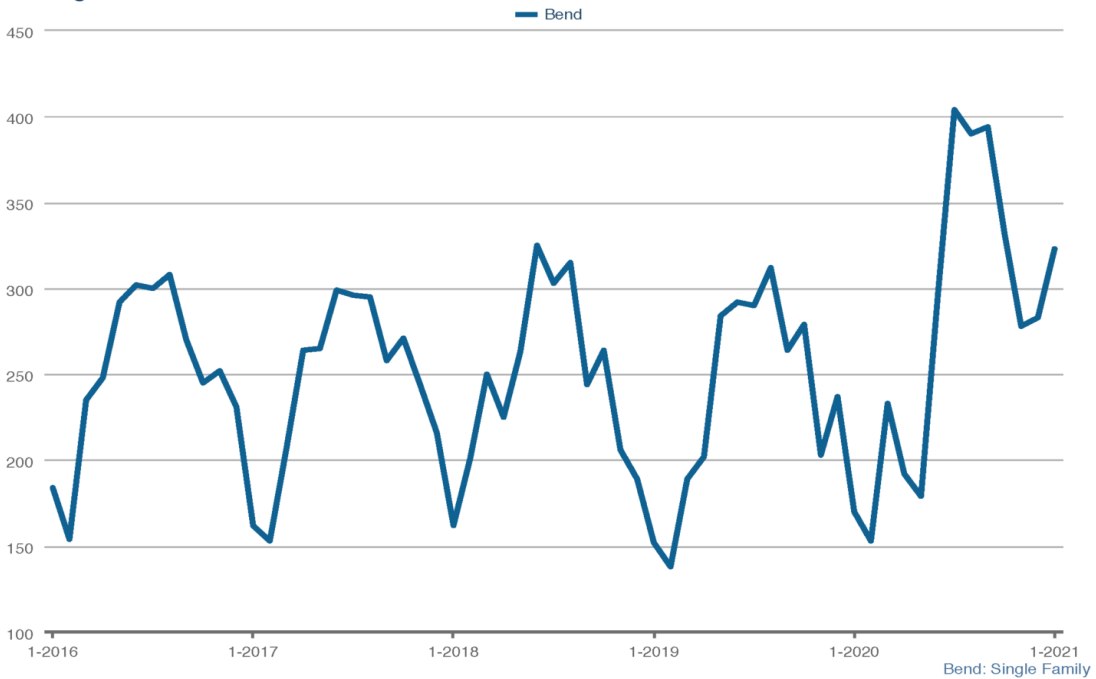
https://coar.com/files/2020_Market_Stats/Quarter_4_Market_Statistics/City_Bend_Q4_2020_Statistics.pdf

New Listings



Each data point is one month of activity. Data is from February 17, 2021.
All data is from the Multiple Listing Service of Central Oregon. Data deemed reliable but not guaranteed. InfoSparks © 2021 ShowingTime.

Pending Sales



Each data point is one month of activity. Data is from February 17, 2021.
All data is from the Multiple Listing Service of Central Oregon. Data deemed reliable but not guaranteed. InfoSparks © 2021 ShowingTime.

The Principal

Jenelle McCleary, Founder and CEO

Results-focused community relations and office management professional with significant experience that spans over a decade. Recognized as a strong leader who not only meets but exceeds both client and company expectations while increasing revenue and strategically reducing costs. Ability to communicate with various types of people and personalities which has aided in cultivating client relationships, diffusing situations and having positive interactions with colleagues.

Highly skilled at managing teams, developing marketing campaigns that speak to desired demographic, anticipating client needs, handling complex negotiations and streamlining business processes.

Demonstrated successes training, mentoring and developing top-performing teams.

Thrives in environments that require the capacity to prioritize concurrent projects both calmly and efficiently. Possesses an in-depth understanding of the sales cycle process and remain focused on customer

satisfaction throughout all stages. Currently seeking a position within a company that will view my skill set as beneficial and a valuable addition to their team.

The Competitive Advantage

Strengths	Opportunities
<ul style="list-style-type: none">- Demonstrated history of business excellence including organizational efficiency, leadership and sales and marketing.- Strong franchise brand that resonates with the Bend demographic.- Franchisor support and mentorship to optimize selling strategies and brokerage / agency backend.	<ul style="list-style-type: none">- Pivot rapidly to be the safest agent in the region during times of lockdown, virtual tours, social distancing.- Sales and marketing lead generation, nurture and management through technology and communication.- Community sponsorship opportunities to build a profile and reputation in the Bend region.

- | | |
|--|--|
| <ul style="list-style-type: none">- Low fee commission model will attract customers and referrals. | |
|--|--|

The Recruitment

In order to grow a successful brokerage, we need to recruit the very best established and up-and-coming agents in the Bend area. We believe we are well-equipped to do this with our expertise in establishing successful teams and or investment in ongoing training. Here are a few more reasons why we believe more agents will want to work for us than any other office in the region:

- **Realty One Group and Coolture.** Coolture is the Realty One Group's approach to culture and coaching. It's a word that explains that Realty One Group is a dynamic, full-service lifestyle Real Estate brand with exceptional support, dedicated to empowering and advancing tomorrow's Real Estate professionals, today. The Coolture is engaging, aspiration and likely to help us attract key talent.

- **Fee Structure.** The fee structure is important because agents pay way less fees than with most other firms, but the even bigger piece is how much other invaluable tools and support they receive compared to other offices.
- **Technology.** Unlike at other firms where agents have to complete manual, repetitive paperwork, lead follow up and advertising, our agents will be supported by the best applications and tools. Software, apps and proprietary sales tools are provided by Realty One Group as part of the franchise agreement.

The Growth Plan

In order to be competitive in the world of real estate, an agent must be well-connected, hardworking, digitally savvy and creative. Therefore, the growth plans for the business center around experiential marketing and networking strategies against a backdrop of relationship building and nurturing. Here's how our franchise will stand out from the crowd:

- Outreach - the first step to any network or list building is outreach. We need to hit the pavements to meet potential new agents to grow our business. This can be either new real estate agents seeking to join a broker to launch their careers

for experienced agents looking to make the switch to the progress Realty One Group.

- Technology - as the statistics indicate above, the agents that leverage lead generation tools, appointment setting, virtual tours and automated follow up technology enjoy better results. Being digitally savvy, and being supported by the Realty One Group, means we can use the apps and tools at our disposal for more listings, larger buying and selling databases and better outcomes for our clients.
- Community Involvement - the first ever real estate agents were omnipresent and were widely known in their community. Nowadays, there are hundreds in each region and they're too focused on new business and fast sales. We want to bring back the focus on friendly service, earn our client's trust and become their go to expert on all things property. This approach leads to referrals and repeat customers. This means sponsoring local events, showing up at community gatherings and being friendly and approachable in all our dealings.
- New Openings. After we successfully establish the Bend office, we'll look to open offices in Sunriver and Hood River. Additional offices will help us maximize resources, share expertise, build economies of scale and more.

The Financials

Agent Count and Revenue

	2021	2022	2023	2024	2025
Number of Agents	1	3	6	12	24
Homes Sold	4	18	32	46	60
Avg. Sales Price	\$350,000	\$375,000	\$390,000	\$405,000	\$415,000
Commission Rate	2.50%	2.50%	2.50%	2.50%	2.50%
Total Office Commission	\$35,000	\$168,750	\$312,000	\$465,750	\$622,500
Less Agents Take	\$17,500	\$84,375	\$156,000	\$232,875	\$311,250
Less Franchise Fees					
Compliance Fees	3800	17100	30400	43700	57000
Transaction Fees	2000	9000	16000	23000	30000
Total Franchise Fees	5800	26100	46400	66700	87000
Office Revenue	\$11,700	\$58,275	\$109,600	\$166,175	\$224,250

Profit and Loss Statement

	\$11,700	\$58,275	\$109,600	\$166,175	\$224,250
Revenue					
Less Startup Costs					
Initial Franchise Fee	\$20,000				
MLS Setup Fee	\$2,500				
Grand Opening Advertising	\$7,500				
Initial Training	\$5,000				
Total Startup Costs	\$35,000				
Less Operating Expenses					
Franchise Tech Fee	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Office Lease	\$50,040	\$51,041	\$52,062	\$53,103	\$54,165

Advertising	\$25,000	\$26,250	\$27,563	\$28,941	\$30,388
Utilities	\$12,000	\$13,200	\$14,520	\$15,972	\$17,569
Insurances	\$6,000	\$6,600	\$7,260	\$7,986	\$8,785
Computer Leasing	\$2,500	\$3,750	\$2,501	\$3,752	\$2,502
Total Operating Expenses	\$97,340	\$98,891	\$103,204	\$107,801	\$112,706
Total Profit / Loss	-\$120,640	-\$40,616	\$6,396	\$58,374	\$111,544