Real Estate Brokerage Business Plan and Operations Starter Kit

A working kit for independent residential brokerages. It turns sides, sale prices and splits into company dollar, carries the agent split as its own line in every month, tracks leads to signed agreements by source, tests the roster's production against the plan and counts what attrition costs, finds cash break-even through the winter, and scores the plan on six pass-or-fail tests.

REAL ESTATE BROKERAGES
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PAGE 2

Start here

A brokerage can close forty sides in June and miss payroll in January. Rent, the administrator and the dues go out every month, a side pays only when it closes, and the agent keeps most of the commission. This kit writes those numbers down and tests them before a lender asks.

WHAT IS INSIDE

3	Business plan, part one: services, clients and lead sources, market area, splits
4	Business plan, part two, and the six-test pass or fail check
5	Startup budget: office and technology, setup, pre-opening, working capital
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7	Gross commission per side, the agent split as a revenue share, company dollar, and the fall-through check
8	Operating and cash break-even, break-even sides, office share and debt coverage
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HOW TO USE IT

1. Build side and fee sales on page 6 and costs on pages 5 and 8. Run the cash forecast on page 11, then score the plan on page 4. Draft pages 3 and 4 last.
2. Use pencil. Sale prices, commission rates and splits move before a side closes, and every worksheet expects your own figures.
3. Once you open, use the page 14 checklists on every pending side and the numbers review every week. Run the page 7 fall-through check every month and update the page 10 roster after every closing.

HOW THIS KIT WAS BUILT

- **AI tools helped create this kit.** Example figures are illustrative, not benchmarks.
- **The owner question** on page 3 is one of the real estate brokerage questions published at businessconsultant.services; the answer is general guidance, not a research finding.
- **The six questions** on page 14 were drafted by AI models from World Consulting Group desk research and challenged by a second AI model. None was measured in the field, so treat them as hypotheses to test, not findings.

SCOPE

This kit gives general operational information. It is not legal, tax, accounting, employment, disclosure, agency and trust-handling or financial advice. Licensing, registration, insurance, agent agreements and disclosure requirements vary by location; commission practices changed in 2024 and vary by market; review every one of them with a qualified professional. Review them with qualified professionals before you commit money.

PAGE 3

Business plan, part one

A lender will ask whether company dollar, after the agents are paid, covers the office, the administrator and the loan through the winter. Give each answer in plain sentences here and draft the full sections on separate sheets.

1. Executive summary (write it last)

Describe the brokerage, the market you serve, the money you need and what it buys, fit-out to first payroll; then give the month the page 6 forecast first clears cash break-even from page 8, and the page 4 result.

2. Services and clients

Set out who you serve, buyers, sellers or both, in which price band, and what the client values beyond a signed contract: an agent who answers, a price set from evidence, a closing that happens on the date. Say it as your clients would, and list where the leads come from.

3. Market area and roster capacity

Map the area and price bands you work. Count the agents on the roster, the sides each closes in a year, and the sides a month that buys; the plan cannot close more than the roster produces.

4. Splits, fees and company dollar

List each split plan, the fee that goes with it and the company dollar per side it leaves. A split copied from the franchise down the street, with no company dollar behind it, is a guess.

SPLIT PLAN	SPLIT TO AGENT	FEE PER SIDE	COMPANY DOLLAR PER SIDE

> *Owner question: we recruit agents all year and the roster never grows. Is our split too low?*
>
> Check this likely cause first: the agents who leave are the ones who never closed, and nobody owned their first ninety days. Record every departure with months on the roster, sides closed and the agent's stated reason (page 10), give every new agent a named mentor and a weekly lead-and-pipeline review for the first six months, and compare the retention of mentored agents with the earlier cohort, like for like by experience, before you raise the split; it is a comparison, not proof.

PAGE 4

Business plan, part two

5. Operations

Describe how a transaction runs from signed agreement to funded closing: the file, the disclosures, the coordinator's checklist, the review and the disbursement. Name who reviews a contract when you are away.

6. Team

List every role, its hours and its pay, including a market wage for your own hours, and every agent's plan. Name who can review a contract without you; the first question on page 14 checks that dependency.

7. Marketing and sales

Explain where leads come from, how a lead becomes a signed agreement, and why clients and agents stay.

8. Financials and funding

Attach pages 5, 6, 8 and 11 and the result below, with the money needed, its sources and its runway.

DOES THE PLAN PASS? SCORE IT BEFORE ANYONE ELSE READS IT

TEST	PASS?
Gate 0. Draft agent agreements with split plans, insurance quotes, the lease, listing service and association costs, and the requirements of every license and registration the plan needs are in writing, reviewed by a qualified professional where needed.	
1. In the expected case, sales reach cash break-even at the month-12 run rate (page 8) and closing cash, payment timing included, holds your floor for 24 months (page 11).	
2. Slow start (tested share of sales, page 11): closing cash holds at or above your floor every month (if not, note the reserve that would hold it).	
3. Planning debt service coverage at full-run sales and at the month-12 run rate (page 8) meets your lender's ratio, on your lender's definition.	
4. Sides planned in the busiest month (page 6) fit what the roster can produce (page 10), and planned sides reach break-even (page 8).	
5. Pending contracts back the side count and the roster backs the production; a lead count supports a forecast of appointments, not of closings.	
6. The full-run steady-state year (seasons in; not the forecast year) leaves net cash above zero after principal, before income tax set-aside, replacements and stock build-up; set aside its largest fall in running net cash, the year run twice.	

Not ready: Gate 0 fails. **Green:** Gate 0 and all six tests pass. **Amber:** Tests 1 and 3 pass, but Test 2, 4, 5 or 6 fails, so fix the plan before you sign a lease or recruit an agent. **Red:** Test 1 or 3 fails, so change the plan before you commit money. Tests 1 and 3 score the plan as written; Test 2 is the slow start, and the page 13 what-ifs stress-test Tests 1, 3 and 6. Count a test without evidence as a fail. Result: _____

PAGE 5

Startup budget worksheet

Fill the estimate column first, then record each source: a written quote from the insurer, the software vendor or the landlord, or a documented calculation. Brokerage budgets break on rent and dues before the first side closes, so leave no line blank without a reason.

LINE ITEM	INITIAL ESTIMATE	QUOTE OR SOURCE	APPROVED BUDGET	ACTUAL OR COMMITTED
OFFICE AND TECHNOLOGY				
Computers, phones, signage and lockboxes				
CRM and transaction software setup				
Brand, website and listing marketing templates				
SETUP AND APPROVALS				
Entity, brokerage registrations and association onboarding				
Insurance down payment				
Office deposit and first month				
PRE-OPENING				
Recruiting events and pre-opening payroll				
Launch marketing and open-house program				
Office fit-out				
WORKING CAPITAL				
Working capital reserve (cash you open with)				
Contingency for overruns on the lines above				
Total				

Size the reserve in two passes: run the page 11 expected case with opening cash of zero (no reserve, no other cash), set the reserve to your floor, plus one more month of fixed costs and principal as a buffer, plus how far its lowest closing cash falls below zero (zero if it never does), rounded up to the next $100, then rerun. If the Test 6 cushion (page 4) is larger than that buffer, add the difference. If the setup runs over, the contingency pays first and the reserve second; then rerun page 11.

PAGE 6

Sales forecast builder

Every other number depends on sales, so build them from pending contracts and the sides your roster can produce, not from the overhead you need to cover. Count the sides each agent closed last year; add your own sides at the volume your sphere supports.

```
Monthly sales for a line = units times average gross commission times days open in the month (or times 1
for units counted per month)
Days open in a month = days open per week times 52, divided by 12
```

SALES LINE	UNIT	UNITS PER DAY OR MONTH	AVERAGE GROSS COMMISSION	DAYS OPEN PER MONTH (OR 1 FOR MONTHLY UNITS)	MONTHLY SALES
Agent sides	sides				
Owner sides	sides				
Transaction fees	sides				

Full-run month

RAMP AND SEASONS

MONTH	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Ramp, % of full run												
Season, % of full-run month (M1 = opening month)												
Expected sales												

Expected sales for each month = full-run gross commission and fees times ramp (the share of full-run volume the roster and the pipeline have reached) times season. Use 100 percent where a factor does not apply. Ramp and season are your assumptions; write down the evidence for each, such as closings by month in your market; a side under contract with a closing date replaces its ramped figure that month.

CAPACITY CHECK

```
Sides the roster can close in a month = agents multiplied by the most sides one agent closes in a month
(page 10); full-run sides a month = agents times sides per agent a year, divided by 12
```

Write how many agents are on the roster, the sides each closed in the last twelve months and the most sides one agent closed in a month. Compare the sides the plan needs in its busiest month with what the roster can produce (page 10). If the plan needs more sides than the roster produces, the plan is wrong, whatever the lead count says.

PAGE 7

Commission splits and company dollar

Gross commission is what the client pays; company dollar is what the brokerage keeps after the agent's split. Build the plan on company dollar.

```
Gross commission per side = sale price times the commission rate for that side
Company dollar per agent side = gross commission times (1 minus the agent split); the company also keeps any transaction fee it charges
Monthly company dollar = agent sides times company dollar per agent side, plus owner sides times gross commission, plus the fees
```

WORKED EXAMPLE: ONE MONTH OF CLOSINGS (ILLUSTRATIVE)

FIGURE	VALUE	HOW
Average sale price	$385,000	Stated
Commission per side	2.6%	Stated
Gross commission per side	$10,010	Price times commission
Agent split	75%	Paid to the agent on agent sides
Company dollar per agent side	$2,503	Gross commission times (1 minus split)
Transaction fee per side	$395	Charged to the client or agent
Company keeps per agent side	$2,898	Company dollar plus the fee
Company pass-through per side	$150	Listing service, errors and omissions and transaction costs per side
Owner sides a month	2	Full commission, no split
Agent sides a month	7	84 a year

The agent split is paid in the month the side closes and sits on page 8 line 17 as the agent line's own share: 75 percent of agent sides, 0 on owner sides and fees, with the sales blend (56.6 percent) printed in the page 12 worked example, and charged line by line on page 11. Commission rates are negotiated on every side; practices changed in 2024 and vary by market. The page 12 worked example runs 7 agent sides and 2 owner sides a month at $10,010 gross commission each.

YOUR SPLITS AND COMPANY DOLLAR

AGENT TIER OR PLAN	SPLIT TO AGENT	CAP OR DESK FEE	TRANSACTION FEE	SIDES A YEAR	COMPANY DOLLAR PER SIDE	COMPANY DOLLAR A YEAR

PAYMENT TERMS AND THE COLLECTION PATTERN

In the worked example every line is collected in full in the month it is billed (at closing and funding), so page 11 carries no receivables and the collection pattern is $100 in that month for every $100 billed.

FALL-THROUGH AND PIPELINE CHECK

A side under contract is a promise, not income. Every month, compare the sides that closed with the sides that were pending, and log every fall-through with its reason.

```
Pending volume = sides under contract times average price; expected closings this month = pending sides times your historic close rate; company dollar at risk = sides that fall through times company dollar per side. Count a side as income only when it closes and funds.
```

PAGE 8

Break-even and coverage

Use this one numbered cost list everywhere in the kit. Loan interest is a fixed cost here. Loan principal is not an operating cost: it enters cash break-even below and the cash forecast on page 11, so interest and principal are each counted once. A line that starts or steps up during year 1 goes in at its amount once in place; page 11 uses each month's amount.

FIXED COSTS PER MONTH	PER MONTH
1. Office rent	
2. Errors and omissions, liability and property insurance	
3. Administrator and transaction coordinator, salaried, with payroll taxes (the minimum staff)	
4. Owner-broker's market wage (management, recruiting, review)	
5. Loan interest (fit-out, technology and launch loan)	
6. Phones, internet, listing service and association dues	
7. Marketing, website, signs and lead generation	
8. CRM, transaction management and accounting software	
9. Accounting, bookkeeping and bank fees	
10. Agent training, recruiting and onboarding	
11. Office supplies, printing and client events	
12. Board, lockbox system and other fixed costs	
Total fixed costs	

VARIABLE COSTS AS A SHARE OF NET SALES	SHARE
13. Per-side pass-through costs (listing service, errors and omissions, transaction)	
14. Variable support labor above the salaried staff (showing and overflow help)	
15. Payment and platform fees	
16. Marketing co-op paid per closing	
17. Agent split on agent sides (blended share of all sales)	
Total variable cost share	

```
Contribution margin ratio = 1 minus variable cost share; contribution = sales times the line's ratio
Operating break-even sales = fixed costs divided by contribution margin ratio
Cash break-even sales = (fixed costs with line 4 even if undrawn, plus principal and other recurring
cash out) divided by contribution margin ratio; page 13 covers a result with no usable number
Break-even agent sides = (fixed costs, principal and other recurring cash out minus owner-side and fee
contribution) divided by one agent side's contribution after the split, pass-through and fees
Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied
Planning debt service coverage (before income tax and replacements) = (full-run sales times contribution
margin ratio, minus fixed costs other than line 5) divided by (line 5 + principal)
```

RESULT	PER MONTH	PER WEEK	PER DAY OPEN
Operating break-even sales			
Cash break-even sales			
Break-even agent sides (use cash break-even)	one figure per month		
Office share and debt service coverage at full-run sales		ratios, monthly only	

Weekly = monthly times 12, divided by 52; per working day = weekly divided by days open per week. Office share = line 1 divided by net sales.

PAGE 9

Leads, signing rates and agent attrition

One market, several kinds of lead. A referral from an agent's sphere, a portal inquiry and an open-house visitor sign at very different rates, so track each source from lead to signed agreement, and track agent departures, because they decide whether the roster's production holds.

```
Appointment rate = appointments held divided by leads; signing rate = agreements signed divided by
appointments held
Leads needed = new sides you need divided by (appointment rate times signing rate)
Agent attrition = agents who left in the quarter divided by agents on the roster at its start
```

WORKED EXAMPLE: A QUARTER OF LEADS, BY WHERE THEY CAME FROM (ILLUSTRATIVE)

LEAD SOURCE	LEADS	APPOINTMENTS	SIGNED AGREEMENTS	APPOINTMENT RATE	SIGNING RATE	DAYS AGREEMENT TO CLOSING	LEADS FOR 21 WINS, THIS SOURCE ALONE
Sphere and referrals	45	30	18	67%	60%	45 days	53
Online and portal leads	120	30	18	25%	60%	75 days	140
Open houses and sign calls	60	18	7	30%	39%	60 days	180

The counts are illustrative and say nothing about why a referral signs when a portal lead does not; a quarter this small gives a direction, not a rate. These leads sign 43 agreements a quarter against the 27 sides the plan needs a quarter at full run (21 agent sides and 6 of the owner's); the 16 agreements of margin cover the sides that fall through and the listings that close in a later quarter, neither of which the example counts. The page 12 ramp follows closing dates, not signatures, and reaches full run in month 8. In this example, losing 0.5 of 8 agents over a quarter comes to roughly 2.1 percent a month leaving, measured against the roster at the start and before any recruits, so recruiting must replace that before it adds production.

YOUR LEADS, BY SOURCE

LEAD SOURCE	LEADS	APPOINTMENTS	SIGNED AGREEMENTS	APPOINTMENT RATE	SIGNING RATE	DAYS AGREEMENT TO CLOSING	LEADS NEEDED

SIGNED AGREEMENT LOG

CLIENT	AGREEMENT DATE	EXPECTED CLOSING	CLOSED OR FELL THROUGH	REASON FOR ANY FALL-THROUGH, IN THE CLIENT'S WORDS

PAGE 10

Agents, production and attrition

The roster is the brokerage's production capacity. Eight agents who each close ten sides a year produce seven sides a month, whatever the lead count says.

```
Sides a month = agents times closed sides per agent a year, divided by 12
Peak-month capacity = agents times the most sides one agent closes in a month; Test 4 compares it with the peak month's planned sides
Cost of departures a year = leavers times recruiting cost, plus leavers times sides per agent times (months to first closing divided by 12) times company dollar per side
```

WORKED EXAMPLE: THE ROSTER BEHIND THE SALES BUILD (ILLUSTRATIVE)

FIGURE	VALUE	HOW
Agents on the roster	8	Stated
Closed sides per agent a year	10.5	Stated
Sides a month at full run	7.0	Agents times sides, divided by 12
Peak-month sides per agent	1.3	The most one agent closes in a month
Attrition a year	25%	2.0 agents leave
Recruiting cost per agent	$3,500	Stated
Recruiting cost a year	$7,000	Leavers times cost
Months to a new agent's first closing	6	Stated
Sides lost a year when agents leave	10.5	Leavers times sides, prorated for the gap
Company dollar lost a year when agents leave	$30,424	Lost sides times company dollar per side

The peak-month figure is the most one agent closes in a month, not the average; Test 4 uses it. The page 12 example's sales build plans 7 agent sides a month; the roster produces 7.0, so the plan rests on this roster, not on hiring beyond it.

YOUR ROSTER

AGENT	MONTHS WITH THE COMPANY	SIDES LAST 12 MONTHS	PENDING SIDES	SPLIT PLAN	COMPANY DOLLAR LAST 12 MONTHS	COACHING OR EXIT PLAN

RECRUITING AND ATTRITION LOG

Agents leave, and every departure takes a pipeline with it and costs a recruiting cycle and months without a closing. Log every arrival and departure with the reason in the agent's words.

MONTH	AGENTS JOINED	AGENTS LEFT	REASON, IN THE AGENT'S WORDS	SIDES THEY CARRIED

PAGE 11

Twelve-month cash forecast

Enter $000 (51.25 means $51,250), receipts net of sales tax; collected tax stays out of closing cash.

EXPECTED CASE ($000)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Opening cash												
In: collections, in the month each payment lands, net of sales tax												
Memo, not cash: billed this month (page 6)												
In: owner money and loans received												
Out: per-side costs, fees and co-op (lines 13, 15, 16)												
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)												
Out: office rent (line 1)												
Out: agent split paid at closing (line 17)												
Out: other costs, with loan interest (lines 2, 5 to 12)												
Out: income tax set-aside, equipment replacement, stock build-up												
Out: loan principal												
Out: startup bills still to pay												
Net cash flow (in minus out)												
Closing cash, expected (your floor: _____)												
Actual closing cash, once open												
Memo: sales tax collected (not in closing cash)												
Memo: sales tax remitted												
Memo: tax owed = last month's + collected minus remitted												
SLOW-START CASE												
Sales receipts, slow start												
Out: variable costs, slow start (lines 13 to 17)												
Out: fixed, principal, bills, less funding												
Net cash flow, slow start												
Closing cash, slow start												

Month 1 opening cash is cash on the first day the office opens after startup spending is paid; each closing balance opens the next month, and the slow start opens with the same cash. Your floor is at least one full-run month of fixed costs plus principal. The agent split is paid at closing; the administrator and the office are paid in the month. For the slow start, test 70 percent of expected sales in every month (a stress assumption, not a benchmark; a higher share only with evidence); fixed costs, other cash out, principal, startup bills and funding stay as expected, and all variable lines fall with sales; line 14 holds only hours you would cut. The first month either case falls below your floor is your planning deadline: act before it. Then run a second year at the month-12 run rate (page 8), month by month with the seasons continuing, and check the floor holds.

PAGE 12

Runway, and what the winter costs

```
Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first day the office opens), before the first month in which closing cash falls below your floor
```

Worked example: a hypothetical brokerage

Figures for illustration only, not market benchmarks. Sides pay at closing; the administrator is on line 3 from the first month and the agent split is paid as each side closes. Cash floor $24,747. Gross commission and fees land in the month a side closes and the agent split goes out the same month (page 7); per-side costs go out with the closing; the owner takes the wage in cash; no new money comes in.

Page 5, budget	The full startup budget is $149,600, funded by a $65,000 loan (10.5 percent over 5 years) and $84,600 of owner money; the total includes a $66,400 reserve that covers the ramp, the thin winter months, the floor and the buffer. On page 5 the two passes are: floor $24,747, plus one more month of buffer, $24,747, plus $16,841 (the depth below zero of the first pass opened with no cash), rounded up to $66,400.
Page 8, costs	Fixed costs $23,878 a month, including $3,200 for storefront office and $528 of loan interest in the total; principal $869 a month (both year 1 averages); variable share 61.1 percent, which puts the contribution margin ratio at 0.389. Lines 13 to 17 take 1.5, 1, 0.5, 1.5 and 56.6 percent of sales. Lines 1 to 12 run $3,200, $650, $5,400, $7,500, $528, $900, $2,500, $600, $500, $800, $600 and $700 a month.
Page 8, break-even	Operating break-even is roughly $61,383 a month. Cash break-even (fixed $23,878 plus principal $869, divided by 0.389) is about $63,617 a month: 1.5 sides a month from agent sides after owner sides and fees have contributed, so 2, against the 7 the plan is built on.
Page 6, sales	Agent sides: 7 sides a month at $10,010. Owner sides: 2 sides a month at $10,010. Transaction fees: 7 sides a month at $395. The full-run month totals about $92,855; closings ramp 40, 50, 60, 70, 80, 90, 95 percent in the months 1 to 7, then 100 percent; season 96, 104, 115, 125, 118, 105, 100, 105, 87, 101, 67, 77 percent across months 1 to 12 on agent sides and owner sides alike.
Page 19, expected case	Month 1 gross commission and fees of $35,656; month 1 ends the month at $55,523, month 12 at $119,011. Low: month 2, closing $49,559, $24,812 beyond the cash floor.
Page 19, slow start	At 70 percent of the planned sides, month 1 sales $24,959; month 1 ends the month at $51,362, month 12 at $14,139. Cash slips below the floor in month 11 (closing $19,417), so the runway counted from opening is 10 months.
Page 8, coverage	At full-run gross commission and fees of $92,855, planning coverage, income tax and equipment replacement still to come, is 9.14 against the 1.25 the example lender calls for; at the month-12 run rate it shows 9.14, and Test 3 uses both. Office share is about 3.4 percent.

PAGE 4 RESULT FOR THIS EXAMPLE: AMBER

Gate 0 is assumed met for the example's purposes. Test 1 passes: sales at the month-12 pace come to about $92,855 a month, above the $63,617 break-even; and cash never touches the floor across a second year at the same pace (lowest month $128,940, month 1 of year 2). (Outside the test: expected sales first reach cash break-even in month 3.) Test 2 fails: with sides at 70 percent, the floor breaks in month 11; about $10,700 a bigger reserve at opening would pass it. Test 3 passes on the planning formula, and the lender's definition has the final say. Test 4 passes: in the peak closing month (month 4, season 125 percent, scored at full ramp) the plan asks the agents for about 8.75 sides against the 10.4 the roster can produce (8 agents at 1.3 sides each in a peak month, page 10; 10.5 sides each a year on average), so the production fits; the 7 planned agent sides pass the break-even count. Test 5 fails for want of evidence. Test 6 passes: the year at full run, winter included, leaves about $136,483 after principal, though monthly net cash runs below zero in month 11 of at least $546, the biggest drop in running cash (from its month 10 high to its month 11 low), and the page 5 buffer absorbs it. That is the steady-state year, not the forecast year, and page 19's first year adds about $52,611 to cash because closings build through the year and the first winter arrives before the first full spring. Break-even takes most of the agent sides in the plan, and the winter tests the reserve every year.

PAGE 13

What moves the result

Each row changes one input of the page 12 example and reruns the forecast. A row names Test 1, 3 or 6 when the change would newly fail or pass it; a test the example already fails stays failed. The last column also gives the slow start, which is Test 2.

WHAT MOVES THE RESULT (FULL-RUN MONTHLY CHANGES; DEADLINES RERUN; SLOW-START LOSSES SCALE WITH SALES)

CHANGE	MONTHLY CASH	CASH BREAK-EVEN AND DEADLINE
A tenth fewer sides (lines 13 to 17 fall)	minus $3,612	Expected case holds the floor
Agent sides: average gross commission 5 percent higher, same volume (payment fees, co-op and the split are the only costs that rise)	plus $806	Break-even sides fall from 1.5 to 1.4 a month, so from 2 to 2: per-unit costs stay the same, so the ratio falls from 0.389 to 0.383 on the new sales (sales-linked fees, lines 15, 16 and 17, take 77.0 percent of each added dollar)
Fixed costs $1,000 lower	plus $1,000	Cash break-even falls to about $61,046
The top 2 producers leave (2 sides a month, $20,020 of gross commission; their split goes with them), from month 6 onward	minus $4,894	Expected case still clears the floor; slow start below the floor in month 6 (closing $24,681)
Earned commission is received one month late (the split is paid when the commission arrives; the bills still paid on time)	no change	Expected case below the floor in month 3 (closing $21,929); slow start below the floor in month 3 (closing $12,998); would fail Test 1
One side a month under contract falls through before closing ($10,010 of gross commission a month; no split is paid on it), from month 6 onward	minus $2,447	Expected case still clears the floor; slow start below the floor in month 7 (closing $23,955)
Agent split rises 5 points (75 to 80 percent on agent sides; about $3,501 a month at full run)	minus $3,501	Cash break-even rises to about $70,444; expected case still clears the floor; slow start below the floor in month 4 (closing $23,789)
Average sale price 10 percent lower, same sides (gross commission $10,010 to $9,009 a side; $9,009 a month less), from month 1 onward	minus $3,483	Expected case still clears the floor; slow start below the floor in month 4 (closing $23,819)
Setup overrun of $10,000 beyond the contingency, drawn out of the reserve	no change	Expected case still clears the floor; slow start below the floor in month 3 (closing $22,462)
Opening 3 months late (storefront office, insurance, loan interest and principal, $5,247 a month, paid while closed; no sales; the ramp starts at the new opening, and seasons stay on the calendar)	no change	Expected case holds the floor; its low falls to $38,545 in month 6 from the planned opening, $11,014 lower than on time; slow start below the floor in month 6 from the planned opening (month 11 on time)

WHEN A PAGE 8 FORMULA GIVES NO USABLE NUMBER

```
Contribution margin ratio zero or below: break-even is N/A; score Tests 1 and 6 as failed
One unit's contribution, or the count it is multiplied by, zero or below: break-even units are N/A;
score Test 4 as failed
Other lines already cover fixed costs and principal: break-even units are 0, never a negative number
No loan: coverage is N/A; score Test 3 as passed
```

PAGE 14

Transaction checklists, weekly review, six questions

Operations checklists only, not a compliance program. Add the disclosure, agency, trust-handling and advertising steps your market and qualified professionals require.

WHEN A SIDE GOES UNDER CONTRACT

- ☐ Confirm the signed agreement, the commission terms and the agent's split plan.
- ☐ Confirm the expected closing date, the lender and the title or closing contact.
- ☐ Open the transaction checklist and assign the transaction coordinator.
- ☐ Record the side in the pending pipeline with its expected company dollar.
- ☐ Confirm every required disclosure is signed and in the file.
- ☐ Note the client's contact preference and the agent covering showings.

CLOSING AND MONTH END

- ☐ Record gross commission, split paid and company dollar on the day the side funds.
- ☐ Compare closed sides with last month's pending pipeline and log every fall-through.
- ☐ Review every file for the required documents before the commission is disbursed.
- ☐ Update each agent's sides, pending sides and plan on the page 10 roster.
- ☐ Log the lead source, the appointments and the signed agreements for the month.
- ☐ Ask every closed client for a review and a referral within a week.

WEEKLY NUMBERS REVIEW

MEASURE	TARGET	THIS WEEK	LAST WEEK	VARIANCE TO TARGET
Sides closed, gross commission, split paid and company dollar				
Pending sides, expected closing dates and the sides that fell through				
Sides closed by agent against each agent's yearly pace				
Agents joined, agents left and open recruiting conversations				
Leads, appointments and signed agreements by source				
Company dollar expected to fund within 30 days				
Owner sides and owner hours on contract review				

SIX QUESTIONS TO INVESTIGATE

1. **Founder dependency.** Does every contract wait on the owner to review it, and do agents hold a client question until the owner is free?
2. **Reactive operations.** Count the client and agent messages in a week that say nobody called me back, the file is missing a form or when do I get paid, and the closings that slipped a month.
3. **Growth without structure.** How many files a month are missing a document at closing, and how many closings slip because the file was not ready?
4. **Talent and retention.** How much of the company dollar comes from two agents, and what happens to the plan if they take their pipeline elsewhere?
5. **Revenue plateau.** How long does a new agent take to a first closing, and what share of recruits ever close a second side?
6. **Strategic confusion.** Do agents on one split plan produce very different company dollar, and does the plan the agent is on still match the support the agent uses?

Hypotheses from AI-assisted World Consulting Group desk research, described on page 2. Check each one against a record: the client message log, the pending pipeline, the lead record by source, or the roster and departure log.

PAGE 15

Your first 30 days

WHEN	DO THIS
Week 1	Start the weekly numbers review and log every pending side with its expected closing date. Log the owner's own sides.
Week 2	Fill the page 7 split table and mark any plan whose company dollar per side falls below the per-side costs.
Week 3	Set up the lead table on page 9 by source and record appointments and signed agreements.
Week 4	Enter actual closing cash on page 11 and recalculate runway. Write the decisions the transaction coordinator may make without calling you.
After month 1	Run the fall-through check on the pending pipeline and update the page 10 roster with the month's closings.

BEFORE YOU SIGN A LEASE, GET WRITTEN ANSWERS TO THESE

- [ ] Will you have to sign a personal guarantee, how much does it cover, and when does it end?
- [ ] Which charges sit on top of base rent, such as common area, property tax and insurance, and how are they settled each year?
- [ ] What does the space need before you can open, and who pays to add or upgrade it?
- [ ] Does the landlord contribute to the build-out, when is that money paid, and must any of it be repaid if you leave early?
- [ ] When does rent start, at signing, at permit or at opening?
- [ ] Are there limits on operating hours, signage, parking, deliveries or the uses allowed in the space?
- [ ] What happens to the lease and the fixtures if you sell the business?

Have a qualified professional review the lease before you sign. These questions prepare you for that conversation; they do not replace it.

WHAT THE FULL KIT ADDS

The full Real Estate Brokerage Business Plan and Operations Kit adds an editable business plan, a three-year financial model with profit and loss, cash flow and a debt schedule, a split-plan calculator from sale price and commission to company dollar per side, a pending pipeline and fall-through tracker, editable lead, roster and recruiting trackers, transaction checklists and onboarding checklists. Release status is on the kit page.

SOURCES

World Consulting Group material. Origin of the questions: AI-assisted World Consulting Group desk research on independent residential brokerages, 2026, an internal working file that is not published, described on page 2; the questions are hypotheses and no figure in this kit comes from it. Real estate brokerages owner questions, businessconsultant.services, 2026.

SCOPE AND DISCLAIMER

General information only. Not legal, tax, accounting, employment, disclosure, agency and trust-handling or financial advice. Provided as is, without warranty. © 2026 World Consulting Group. Free diagnostic tool at businessconsultant.services. The site's privacy page explains what the diagnostic tool sends to an AI provider for analysis and the third-party analytics on the site.

About the author. Kamyar Shah is the founder of World Consulting Group and works as a fractional COO and CMO. He has more than 25 years of experience and more than 650 engagements across more than a dozen industries. Contact and the latest version: businessconsultant.services.

PAGE 16

Customize this kit with AI

Attach this PDF to ChatGPT, Claude or Gemini, paste the prompt below, and answer with your own sides, splits and office costs. A copy-ready version is on the kit page.

BEFORE YOU RELY ON THE ANSWER

Check every total with a calculator. An AI assistant can misread a file or slip on arithmetic, even when it runs code, so rerun every figure you will act on with the page formulas. Check your AI provider's data settings first, and never paste personal data, account numbers, passwords, customer-level records or anything an agreement restricts, such as client contracts, client names or addresses, pending contract terms, agent agreements or bank account details. Totals and rounded figures serve the arithmetic, though rounding does not make a record anonymous, and you can run the arithmetic on your own computer.

I am opening (or running) an independent residential real estate brokerage. I have attached the Real Estate Brokerage Business Plan and Operations Starter Kit from businessconsultant.services. Help me turn it into my own plan for my agents, sides and splits, using my numbers only.

Follow these rules for the whole conversation:
1. Use only numbers I give you, or numbers you calculate from mine with the formulas below. Never invent a sale price, a commission rate, a split, a side count, percentage or benchmark, and never state a licensing or disclosure rule.
2. The numbers printed in the kit are worked examples. Never use them as my numbers, not even as a placeholder.
3. If a number you need is missing, ask me for it. If I ask you to estimate or use typical figures, write [NEED: ...] instead and tell me which quote, record or calculation will give me the real number. If I give you my own estimate, label it MY ESTIMATE.
4. Use these formulas exactly, and show your arithmetic for every number you calculate:
- Monthly sales for a sales line = sides times gross commission per side (fees = sides times the fee). Each month's expected sales = full-run gross commission and fees times ramp times season; a side under contract with a closing date replaces its ramped figure that month, never both; before opening, count expected closings by month, each marked MY ESTIMATE until confirmed.
- Net sales exclude sales tax. Labor = wages, payroll taxes and benefits, plus a market wage for the owner's management time (line 4); the owner's own sides earn full commission on the owner line; office hours go in line 3 or 14. Shift hours count as cash even if I skip my own pay, so the plan still holds when I step back from selling; only line 4 may go undrawn, and Tests 1 and 6 count it anyway.
- Contribution margin ratio = 1 minus variable cost share; a line's contribution = its sales times its own ratio. Operating break-even sales = fixed costs divided by contribution margin ratio. Cash break-even sales = (fixed costs with line 4 even if I do not draw it, plus monthly loan principal and any recurring other cash out) divided by contribution margin ratio; only the cash forecast drops an undrawn wage. A blended ratio holds only at its own sales mix: name that mix beside each break-even, and recompute from each line's own contribution when a what-if changes one line. Loan interest is fixed; principal is not an operating cost, so it never enters operating break-even or operating profit.
- Weekly = monthly times 12, divided by 52. Daily = weekly divided by days open per week.
- Break-even agent sides = (fixed costs, principal and other recurring cash out minus owner-side and fee contribution) divided by one agent side's contribution after the split, pass-through and fees. If the other lines already cover fixed costs and principal, report 0 and say so; never report a negative break-even count. Sides the roster can close in a month = agents multiplied by the most sides one agent closes in a month (page 10); full-run sides a month = agents times sides per agent a year, divided by 12.
- Office share = line 1 divided by net sales. Planning debt service coverage, before income tax and equipment replacement = (full-run sales times contribution margin ratio, minus fixed costs other than loan interest) divided by (loan interest + loan principal).
- Month-12 run rate = average monthly sales over a year at month 12's ramp and bookings, seasons applied (not month 12's own sales). Test 1 needs that rate at or above cash break-even and my floor held 24 months; Test 3, coverage at full run and at that rate.
- Test 6 = 12 months of (full-run sales minus their variable costs, minus full-run fixed costs, line 4 included, minus principal), seasons applied to every sales line but booked lines, which run in their own months, and seasonal fixed lines at each month's amount. The cushion to set aside = the largest fall in running net cash from a high to any later low, the year run twice so a dip can cross into month 1 (zero if it never falls).
- Full-run figures (break-even, coverage, floor) take a late-starting fixed line at its full amount, and a seasonal fixed line at its year average.
- For pages 7, 9 and 10, use the formulas printed on those pages of the attached kit, exactly as written, with my own figures.
- Cash forecast: closing cash = opening cash + cash in minus cash out. Month 1 opening cash = cash on hand on the first day the office opens after startup spending is paid. Place every receipt and payment (deposits, supplier invoices, startup bills, funding) in the month the cash moves. Income tax set-aside, equipment replacement and stock build-up go in their own row. Open month 1 with the cash I give; the page 5 two-pass size is advice to report beside it, never a substitute. Enter gross commission in the month the side closes and funds, pay the agent split in that same month, and pay the administrator, rent and dues in the month. A side under contract is not income until it closes. In the slow-start case, every month's sales, sides under contract included, are the tested share of expected sales; fixed costs, other cash out, principal, bills and funding stay as planned; all variable lines fall with sales, each figured from the slow-start sales of the same month, on the same payment timing as the expected case (fair because line 14 holds only hours I would cut). Runway = the number of consecutive future months, counted from the latest closed month (before opening, from the first day the office opens), before the first month in which closing cash falls below my cash floor.
(Continued on page 17.)

PAGE 17

The prompt, continued

Paste this part directly after the rules on page 16, as one message.

5. Do not give legal, tax, licensing, permit, disclosure, agency, employment, wage or lease advice. Do not name laws, license or permit types, agencies, government fees or wage rates, even as examples. When my question touches these, write only "Review this with a qualified professional" and continue with the rest. You may record and use figures I give from my own records, such as my sales tax rate and when I remit it, without checking, interpreting or advising on them.
6. Do not quote statistics, studies or sources that are not in the kit. For the market and marketing sections, use only what I tell you, and list the local facts I should gather.
7. Work every total step by step and recheck it a second way. In the cash forecast, show the arithmetic for month 1, one later month and the year total; give plain numbers for the other months.
8. If a formula would divide by zero or a contribution margin is zero or below, write N/A, say why, and do not continue that calculation. If my lender defines coverage differently, show both results and label each. If cash never falls below my floor in the forecast, write the runway as more than 24 months; otherwise give the runway in months and, separately, the first month below it, counting year 2. With no loan, Test 3 passes.
9. Use business figures only, with anonymous client IDs. Do not ask for names, property addresses, bank account or tax ID numbers.
10. Mark every output: Draft for my own planning. Not for a lender or investor until a qualified accountant has reviewed it.
11. If your full answer would be very long, deliver outputs 1 to 4 first, then stop and ask me to type "continue" for the rest.
12. Build the cash forecast month by month from the sales build, the cost lines, my payment terms and my opening cash; it does not need the inputs for pages 7, 9 and 10. Each month: cash in = sales receipts plus money arriving; cash out = each variable cost, calculated from the sales that created it and placed in the month it is paid under my terms, plus fixed costs (lines 1 to 12, with line 4 only if I draw it in cash), plus loan principal, startup bills and other cash out. Loan interest is already in line 5; never add it again. Supplier payments follow the cost of what I sold plus any stock build-up I give; if I buy ahead or carry supplier balances, ask me for purchases and payments by month instead. If you can run code, do every calculation in code.

Step 1. Before you write anything else, ask me for the inputs below in three rounds, one message per round. Ask round A as one numbered list, then wait for my answers. When I answer, ask round B and wait; then round C and wait. Start Step 2 only after I answer round C.
Round A, sales, capacity and evidence:
a. Services, client segments and lead sources, market area and price bands, the agents on my roster and the sides each closes in a year, the most sides one agent closes in a month, and days open per week.
b. Sales build: for agent sides, the agents on the roster, closed sides per agent a year, average sale price, commission rate per side and the split paid to agents; for owner sides, my own sides a month; the transaction fee per side; a ramp percentage of full-run volume for every month from 1 to 12 (ask me to confirm any month I leave out); a seasonal percentage for each month from closings by month in my market; and the slow-start percentage I want to test (this kit sets a 70 percent stress test, a kit rule rather than my estimate; use it unless I give evidence for a higher share). Give counts at full run, with month 1 as my opening month. Give the evidence behind each count (site counts, comparables, signed orders or my history).
c. For the commission page (price, commission rate, split, fee and sides are in b above): any cap or desk fee in my split plan, pass-through costs per side, and my historic close rate on pending sides.
Then wait for my answers.
Round B, costs, the startup budget and my lender:
d. Startup budget: an amount and its source (vendor quote, insurer quote, landlord quote or calculation) for each line on page 5, from computers to the working capital reserve and contingency.
e. Monthly fixed costs for lines 1 to 12 on page 8, including the administrator, listing service and association dues, loan interest and my market wage; whether I draw that wage in cash; and my monthly loan principal. Give interest and principal as year 1 monthly averages for break-even and coverage, and, for the cash forecast, any payment, fixed line or other cash line that changes in months 1 to 24 (a payment holiday, a balloon payment, a rent step) with its month. My market wage covers management time (line 4); my own sides earn full commission on the owner line; office hours go in line 3 or 14.
f. Variable cost shares of net sales for lines 13 to 17: line 13, per-side pass-through costs (listing service, errors and omissions, transaction); line 14, variable support labor above the salaried staff (showing and overflow help); line 15, payment and platform fees; line 16, marketing co-op paid per closing; line 17, agent split on agent sides (blended share of all sales); and any sales line whose own shares differ, given for that line.
g. For each lead source: leads, appointments and signed agreements last quarter, and days from signed agreement to closing; agents on the roster at the start of the quarter and agents who left; the number of new sides I need.
h. Agents on the roster, closed sides per agent a year, the most sides one agent closes in a month, attrition a year, recruiting cost per agent and months to a new agent's first closing.
i. The debt service coverage ratio my lender requires and how the lender calculates it, if I know them.
Then wait for my answers.
(Continued on page 18.)

PAGE 18

The prompt, last part

Paste this part directly after the text on page 17, still as one message.

Round C, cash timing, sales tax, deposits and Gate 0:
j. Payment terms: when gross commission reaches the brokerage (at closing and funding, or later), when the agent split is paid out, and when the administrator, rent and dues are paid.
k. For every other cash line (payroll, card settlements, insurance, loan payments, rent and fixed bills), when it is paid, or confirm it is paid in the month it is incurred.
l. Monthly cash out beyond operating costs: income tax set-aside, equipment replacement and any recruiting bonus or draw.
m. Cash on hand on the first working day after all startup spending, startup bills still to pay by month, owner money or loans still to arrive by month, and my minimum cash floor (at least one full-run month of fixed costs plus principal).
n. If I am already open: what customers owe me and what I owe suppliers and staff, each by the month it will be paid, deposits I already hold, and sales tax already owed with its payment month.
o. Sales tax: the rate I collect on taxable sales, from my own registration, which sales lines (or what share of each) are taxable, and when I remit what I collect (each month, each quarter or another schedule), so the forecast holds collected tax apart until it is paid.
p. Gate 0: which agreements, quotes and approval requirements I already have in writing.
Then wait for my answers.

Step 2. When I answer, produce these as plain tables I can copy back into the kit:
1. Business plan sections 1 to 8 for my brokerage, drafted from my answers, with gaps marked [NEED: ...].
2. The sales build by agent sides, owner sides, fees and month, with annual sales and the capacity check from page 6.
3. The completed startup budget, line by line as on page 5, with the total. Size the reserve by the page 5 rule; if I gave another, show both and the result for each.
4. Operating and cash break-even per month, per week and per day open; break-even agent sides (use cash break-even); office share and planning debt service coverage at full-run sales, labeled before income tax and equipment replacement, and on my lender's definition too if I gave it.
5. The 12-month cash forecast for the expected and slow-start cases, in thousands of dollars to two decimals (51.25 means $51,250) to match the kit, with, for each case, the first month below my cash floor and the first month below zero, and the runway; the second year's lowest closing cash (month 12's ramp and bookings held, each month with its own season, not a flat average); any extra reserve the slow start needs; and the Test 6 cushion, with whether the page 5 buffer covers it (add any excess to the reserve). Add memo rows for each month, kept out of closing cash: sales tax collected, remitted and owed at month end (last month's owed + collected minus remitted), and receivables (last month's + billed minus collected).
6. Company dollar per side and per month by split plan, with the fall-through exposure on pending sides.
7. Leads by source with leads needed and quarterly agent attrition.
8. Roster production against the sales build, the peak-month capacity check, and what departures cost in a year.
9. The kit's page 4 check: Gate 0 and pass or fail for each of the six tests with the reason (if Gate 0 fails, the result is not ready), and the overall result: not ready if Gate 0 fails, with no color; otherwise green, amber or red under the page 4 rules.
10. A final checklist: every MY ESTIMATE figure, every [NEED: ...] gap, every side count, split or payment term I should verify, and every question that needs a qualified professional.

WHEN THE ANSWER COMES BACK

Copy each table into the matching kit page in pencil. Check every [NEED: ...] gap and MY ESTIMATE figure, starting with sides by month, splits and roster production, before anyone sees the plan, and recheck the page 4 result with a calculator.

The worked example's twelve-month forecast, filled in

The page 12 example entered on the page 11 form, month by month, in dollars. Parentheses mean minus. Each column adds up as printed, so a row can move by a dollar between months with the same sales; each closing balance becomes the next month's opening cash. Cash floor $24,747.

LINE ($)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
EXPECTED CASE												
Opening cash	**66,400**	**55,523**	**49,559**	**49,735**	**56,594**	**65,945**	**75,332**	**84,899**	**98,079**	**104,757**	**116,491**	**115,945**
In: sales receipts	35,656	48,285	64,070	81,248	87,655	87,748	88,212	97,498	80,784	93,784	62,213	71,498
In: owner money and loans received	0	0	0	0	0	0	0	0	0	0	0	0
Out: per-side costs, fees and co-op (lines 13, 15, 16)	1,248	1,690	2,242	2,844	3,068	3,071	3,087	3,412	2,827	3,282	2,177	2,502
Out: payroll, line 4 if drawn in cash (lines 3, 4, 14)	13,257	13,383	13,541	13,712	13,777	13,777	13,782	13,875	13,708	13,838	13,522	13,615
Out: office rent (line 1)	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Out: agent split paid at closing (line 17)	20,181	27,329	36,264	45,986	49,612	49,666	49,929	55,184	45,724	53,083	35,213	40,468
Out: other costs, with loan interest (lines 2, 5 to 12)	7,778	7,778	7,778	7,778	7,778	7,778	7,778	7,778	7,778	7,778	7,778	7,778
Out: income tax set-aside, equipment replacement, stock build-up (none in the example; see below)	0	0	0	0	0	0	0	0	0	0	0	0
Out: loan principal	869	869	869	869	869	869	869	869	869	869	869	869
Out: startup bills still to pay	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow (in minus out)	**(10,877)**	**(5,964)**	**176**	**6,859**	**9,351**	**9,387**	**9,567**	**13,180**	**6,678**	**11,734**	**(546)**	**3,066**
Closing cash, expected	**55,523**	**49,559**	**49,735**	**56,594**	**65,945**	**75,332**	**84,899**	**98,079**	**104,757**	**116,491**	**115,945**	**119,011**
SLOW-START CASE (70 PERCENT OF EXPECTED SALES IN EVERY MONTH)												
Opening cash, slow start	**66,400**	**51,362**	**39,763**	**32,462**	**29,839**	**28,961**	**28,107**	**27,381**	**29,182**	**26,433**	**27,223**	**19,417**
Sales receipts, slow start	24,959	33,799	44,849	56,874	61,359	61,424	61,749	68,248	56,549	65,648	43,549	50,049
Out: variable costs, slow start (lines 13 to 17)	15,250	20,651	27,403	34,750	37,490	37,531	37,728	41,700	34,551	40,111	26,608	30,580
Out: fixed costs (lines 1 to 12), principal, bills, less funding	24,747	24,747	24,747	24,747	24,747	24,747	24,747	24,747	24,747	24,747	24,747	24,747
Net cash flow, slow start	**(15,038)**	**(11,599)**	**(7,301)**	**(2,623)**	**(878)**	**(854)**	**(726)**	**1,801**	**(2,749)**	**790**	**(7,806)**	**(5,278)**
Closing cash, slow start	**51,362**	**39,763**	**32,462**	**29,839**	**28,961**	**28,107**	**27,381**	**29,182**	**26,433**	**27,223**	**19,417**	**14,139**
STEADY-STATE YEAR FOR TEST 6 (RAMP DONE, SEASONS IN; NOT THE FORECAST YEAR)												
Net cash flow, steady-state year	**9,929**	**12,818**	**16,792**	**20,404**	**17,875**	**13,180**	**11,374**	**13,180**	**6,678**	**11,735**	**(546)**	**3,066**

Reading this forecast. It is in whole dollars, rounded so each column adds up, so a row can differ by $1 between like months; the page 11 form uses thousands. The floor is cash you never plan to spend. The page 5 buffer holds one more month of fixed costs and principal above it, so a small miss spends the buffer, not the floor. The opening cash was sized by the two passes on page 5, buffer included. The example sets aside no income tax (it depends on the owner's whole return, so take the figure from your accountant), replaces no equipment in its first two years and builds no stock beyond the opening stock in the startup budget; enter your own amounts. Second year at the month-12 run rate (about $92,855 a month, against month 12's own $71,498): closing cash runs $128,940 in month 1 and $255,494 in month 12, lowest $128,940 in month 1, above the floor. The example charges no sales tax on commissions or fees, so its tax memo rows are zero; if any of your lines is taxable, enter the rate and payment timing in the page 11 memo rows. If you borrow the reserve, add its interest and principal to the forecast and run both passes again. The slow start lets variable costs fall with sales, which is fair only because hours you cannot cut sit in line 3; waste or purchases you cannot cut make a real slow start worse.