# tworiverstitlecompany, LLC Your Closing Partner

## 2018 REAL ESTATE BUDGET & MARKETING PLAN

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### Topics of Discussion:

- Steering clear of mistakes many others have made
   Proper Planning
- Avoiding the pitfalls of spending money without a true marketing plan
- Examples of marketing budgets and average dollars spent by agents
- An in-depth look at what, where and how much agents spend each year.
- How to build your marketing budget
- Where your marketing dollars are best spent
- How much should you spend to market a listing?
- Traditional marketing vs. expensive lead generation tools and developing a balance between both
- The average cost of buying leads
- Free and low-cost marketing solutions that really work!

Much of the general public is oblivious to all the costs associated with being a real estate agent. They mistakenly believe agents drive fancy cars and are grossly overpaid. Nothing could be further from the truth.

Carrying a real estate license comes with great expense, and understanding the associated costs as well as developing a marketing budget is vital to success.

You already have some fixed, nonnegotiable expenses: the cost of your license, joining your local REALTOR® board and MLS, and broker and continuing education fees. There's also gas, computer, and phone expenses, as well as business cards, yard signs, and lockboxes, depending on your setup.

To be a successful agent it is vital to have a clear and concise plan-ofaction along with your marketing budget that will not leave you broke each month.

### Setting realistic goals in very important.

What is your realistic income goal for 2018?

The hardest part most agents have a problem understanding to achieve their income goal is:

- The number of prospects you need in your pipeline?
- The amount of commission needed per transaction?
- The number of transactions?
- Number of sales per week/month?
- Number of listings sold?
- What are your monthly expenses and marketing costs?

It is important to note that as your income targets grow each year, the targets to get there will change as will your marketing budget and expenses.
DEVEOPING YOUR BUDGET AND CALCULATING YOUR EXPENSES

# **Budget and Expense Calculator**

<b>Monthly Regular Living</b>		\$	total (from left column annual Business Expense)	
\$	Mortgage or Rent	\$	Cell phone	
\$	Household Utiities	\$	Desk Fees(If Applicable)	
\$	Groceries	\$	– Software/ PC Media	
\$	Car Expenses (payment,	\$	Supplies/Maintenance	
	gas, oil, maintenance)	\$	_Car payment	
\$	Entertainment	\$	Gas and oil	
\$	Child care expenses	\$	Car insurance	
\$	Education /Continuing Ed.	\$	Office supplies	
\$	Investments/savings	\$	Client meals/entertainment	
\$	Medical Insurance	\$	Seminars and conventions	
\$	Misc (Clothes, gym, grooming)	\$	Leads generation subscriptions	
\$	SUBTOTAL (income	\$	Postcards and postage (EDDM)	
	needed after taxes)	\$	Property flyers and brochures	
\$ -	Divide by .70	\$	Yard Signs/Other signs	
\$ -	Monthly gross income needed	\$	Website(s)	
\$ -	Multiply by 12 months	\$	Newspaper (Print Media)	
\$	TOTAL gross income required	\$	Legal/professional/CPA	
		\$	_Assistant's ( Salary if applicable)	
<b>Annual Bus</b>	siness Expenses	\$	Online subscriptions /Social Media	
\$	Internet	\$	E & O insurance	
\$	MLS /Association Dues	\$	Industrial insurance	
\$	MLS lockboxes	\$	 Charity	
\$	total (carry over to the right)	\$ -	TOTAL	

## **Calculate Number of Transactions Needed**

Income and web conversion calculator

Step 1: Determine your average commission	Step 2: Income goal \$				
per transaction					
average house price range \$	÷ by commission per transaction -				
x% commission	= transactions needed per year \$ #DIV/0!				
= total gross commission \$					
÷ 2 (for sale side or listing side) \$					
x % (your commission split)					
= commission per transaction \$					
Sample Calculation					
Step 1:	Step 2:				
Determine your average commission					
per transaction \$ 300,000 avarage price range	\$ 150,000 income goal				
x 6% commission	÷ \$ 5,400 commission				
= \$ 18,000	= 28 transactions to reach goal				
÷ 2					
= \$ 9,000					
x 60% split					
= \$ 5,400 commission per transaction					

## **Calculate Number of New Prospects Needed**

## Calculate prospects needed per year

take the total transactions you want \_\_\_\_\_\_

X 40 (prospect-to-sale ration is 40 to 1)

= total number of prospects needed \_\_\_\_\_\_

### Break it down into daily number

annual prospects needed -

÷ by 12 months -

÷ by 30 days -

= prospects needed each day -

## Example

**50** transactions

**x 40** x 40

= 2,000 prospects per year

÷ 12 months

= 167 prospects per month

**÷ 30** days

= 6 new prospects per day

## Salary/Transactions/Listings/Summary Sheet

Goals: Quick Reference

Online Marketings should be a part of your overall marketing but not in every instance.

Income Goal for 2018	\$ 
Dollars per transaction to you	\$ 
Number of transactions needed for goals	
Number of listings	
Number of listings sold	
Number of sales	
Number of prospects in your database	
Number of prospects you need	
Break it down Listings needed per week	
sales per week	
Prospects needed per week	