

The Budget Model of the Millionaire Real Estate Agent

There are two key areas of expenses:

1. Cost of Sale*

This is the cost of acquiring the income and includes the salary and commission of a listing specialist and the commission of buyer specialists.

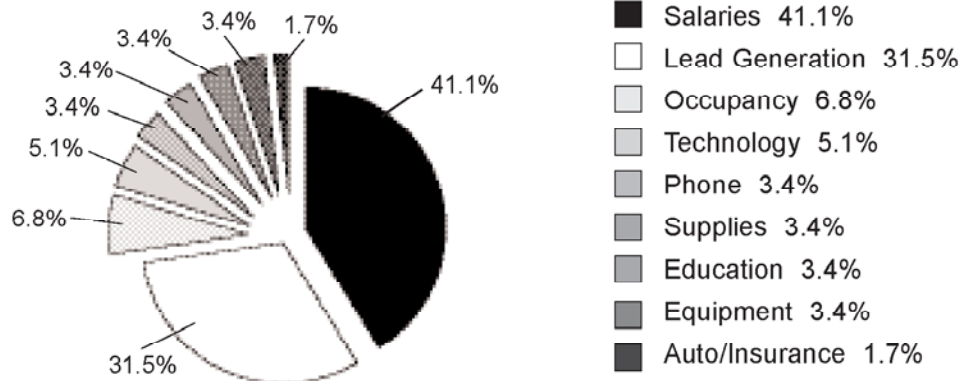
Seller Specialists	4.4%	\$100,000
Buyer Specialists	24.8%	\$600,000
Total Cost of Sales**	29.2%	\$700,000

2. Operating Expenses*

This is the cost to generate leads and run the business. Key categories here are:

1) Salaries	12%	\$288,000
2) Lead Generation	9.2%	\$220,000
3) Occupancy	2.0%	\$48,000
4) Technology	1.5%	\$36,000
5) Phone	1.0%	\$24,000
6) Supplies	1.0%	\$24,000
7) Education	1.0%	\$24,000
8) Equipment	1.0%	\$24,000
9) Auto/Insurance	0.5%	\$12,000
Total Expenses	29.2%*	\$700,000

The Big Two (Salaries and Lead Generation) make up 72.6% of Operating Expenses!



* Reflects percentage of annual \$2.4 million GCI goal from the Economic Model of the Millionaire Real Estate Agent

** Referral fees would also be included in Cost of Sales