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