

Business Plan for J and S Real Estate
Edition One -- October 1, 2008

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Name of the Company

J and S Real Estate

Corporation Type

To be determined pending meeting with Miguel Lopez, attorney.

Legal Address

1214 8th Avenue, New York, NY 11214

Office Locations

A Midtown Manhattan location is being sought. Within the next two years, additional offices will be located in Washington Heights and Brooklyn.

Phone

The current phone number is 718-369-0785. Once offices are established, phones will be added.

Fiscal Year

The fiscal year will be October 1 through September 30.

Leadership

J and S Real Estate will be led by Co-Presidents Jesse Temple and Scott Morrow. Additional board members will include Yvonne Ritter and Gail Temple.

Broker’s Licenses

Jesse Temple currently holds his broker’s license. Scott Morrow is working toward his.

Mission

The mission of J and S Real Estate is to provide professional, residential real estate sales services to a variety of sellers across Manhattan and Brooklyn. J and S Real Estate will engage in a high volume business – 40 transactions per month – by offering a 3% sales commission to sellers. This rate is half of the current market commission rate.

Staffing

During the first year, J and S Real Estate will be staffed as follows. Responsibilities are likewise included.

Co-Principal, Jesse Temple:

Jesse's responsibilities will be as follows:

1. acquire new listings
2. create affiliations and agreements with cooperating agents, including hiring, training and supervising
3. design, implement, evaluate and execute the promotional plan (including advertising, direct mail, E-marketing, radio, other print material, etc.)
4. show properties to prospective buyers
5. expand the business over time
6. supervise agents
7. implement office systems
8. co-sign all checks
9. complete all other tasks necessary to manage and expand the business

Jesse's compensation will be 20% of earned commissions. He will share this equally with co-principal Scott Morrow.

Co-Principal, Scott Morrow:

 Scott will match Jesse's responsibilities. In addition, Scott will:

1. pitch for new developments
2. set up open houses
3. make presentations

For compensation, see Jesse Temple.

Sales Agent, Yvonne Ritter: Yvonne will show properties and work cooperatively with the principals to move sales to closing. She will also co-sign checks following preparation by Mike Radice, or later the bookkeeper. She will also assist the principals in interviewing new agents and other personnel. For compensation, see Other Sales Agents.

Business Consultant, Mike Radice:

Mike will engage in the following activities:

1. write a business plan that includes a three-year budget projection
2. plan for new office systems
3. research new project developments through the procurement of one new development
4. perform the following bookkeeping functions until commission income reaches \$500,000, at which time a bookkeeper will be hired
 - a. write commission checks
 - b. pay all bills
 - c. prepare monthly income and expense summaries
 - d. prepare budgets
 - e. write checks
 - f. prepare for audits

Services to be provided pro bono.

Legal, Miguel Lopez and Mary Kosmark: Attorney responsibilities will include writing and reviewing all contracts, and being available for general Legal advice. Services will be provided pro bono until commission income reaches \$750,000.

Other Sales Associates: Independent contractor sales associates will be hired on an as-needed basis. They will report to Jesse Temple. Each will earn 75% of the 3% commission received from their respective listings.

Customers

J and S Real Estate anticipates contracting with all kinds of home owners, from the rich to the modest. Because the company offers a 3% commission on sales, it expects a democratic portfolio of listings. To reach sellers and buyers, J and S will promote its services as follows (see below: Promoting the Company).

Promoting the Company

A promotion plan and budget is attached. Promotional activities will include (but will not be limited to) weekly display advertising in *AM New York*, a website, direct and e-mail communications to prospective customers, circulars and pitch packages. Eventually, trade shows and radio spots will be added.

The Competition

The number of real estate sales offices in the city and region are too numerous to count. But it doesn't matter: J and S Real Estate will have one big thing to set it apart: its 3% commission rate on all sales. This rate will enable two things: (1) it will allow the seller to keep more cash in his or her pocket, and (2) it will result in a higher-than-usual volume of listings and sales.

Risk Factors and How to Address Them

Currently, the economy is in a recession that may be getting worse. The situation has created (and/or will create) the following opportunities for J and S Real Estate.

Credit Drying Up: Due to numerous financial institution failures and mergers, there are now fewer home loan sources. Of those that have survived, many are making fewer loans. To address this risk factor, J and S will research loan opportunities for buyers and will make that information available to buyers.

Much Stock on the Market Due to Economic Loss: More people are trying to sell their homes than in recent years. Many are either headed for foreclosure, or they have found a need to sell in a hurry to pay bills. This has created a glut in stock, and prices have begun to fall. The consequence of falling prices is less cash in the pockets of owners once sales are completed. To address this risk factor is J and S's 3% commission rate, which will allow sellers to keep more of their money during these tough economic times.

The Three-Year Budget and Financial Plan

See attached.

END OF BUSINESS PLAN
(See attachments)

Income and Expense Summary, Year One

[illegible]

Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	
Signage	0	200	0	0	0	0	0	0	0	0	0	0	200	
Total Expenses	1825	11800	11200	10050	9800	11200	13650	18310	26311	32369	39426	47934	233474	
Loan Principle Payments														
Temples	0	0	0	0	0	0	0	500	0	0	0	0	500	
Stanley Capital	0	0	0	0	0	0	0	11600	11600	11600	11600	11600	58000	1 year
Total Loans	0	0	0	0	0	0	0	12100	11600	11600	11600	11600	58500	6%
Loans needed														
Temple	500	0	0	0	0	0	0	0	0	0	0	0	500	
Stanley Capital	2000	12000	12000	11000	11000	10000	0	0	0	0	0	0	58000	
Total Loans	2500	12000	12000	11000	11000	10000	0	0	0	0	0	0	58500	
Cash On Hand	675	875	1675	2625	3825	2625	12039	39290	87869	159220	252344	365791		

	October	November	December	January	February	March	April	May	June	July	August	September	Total	Notes
Promotion														
AM New York	0	5600	7000	5600	5600	7000	5600	5600	7000	5600	5600	7000	67200	1/2 page ad per week
Website	10	0	0	0	0	0	0	0	0	0	0	0	10	
Press Releases	0	200	0	0	0	0	0	0	0	0	0	0	0	300 releases
Direct Mail														
Postage	0	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	14850	.27/card
Printing	0	300	300	300	300	300	300	300	300	300	300	300	3300	5,000/mnth
Name														
acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	Coles Digital Directory
Labels	0	200	200	200	200	200	200	200	200	200	200	200	2200	
Circular														
Printing	0	0	0	0	0	0	1500	0	0	0	0	0	1500	5,000
Postage	0	0	0	0	0	0	2100	0	0	0	0	0	2100	
Trade Show	0	0	0	0	0	0	0	0	0	0	0	0	0	See year 2
E-blasts	0	0	0	0	0	0	0	0	0	0	0	0	0	No cost, have names
Pitch Packages	0	800	0	0	0	0	0	0	0	0	0	0	800	220 copies
Total Promotion	10	8450	8850	7450	7450	8850	11050	7450	8850	7450	7450	8850	91960	

	October	November	December	January	February	March	April	May	June	July	August	September	TOTAL
Insurance													
Business Insurance	250	0	0	250	0	0	250	0	0	250	0	0	1000
Errors and Omissions	200	0	0	0	0	0	0	0	0	0	0	0	200
Total	450	0	0	250	0	0	250	0	0	250	0	0	1200