

FRANCHISE ALERT #14: Real Estate-Related Franchises

NOTE: There are a number of real estate brokerage franchises; however, there is a broad range of real estate-related businesses that DO NOT require any realtor experience. This alert focuses on franchise opportunities that involve the purchase of real estate, caters to people involved in selling a piece of real estate like a homeowner or a realtor, or provides a service to people who own real estate.

WHAT FRANCHISES ARE IN THIS AREA:

1. Businesses that focus on owners getting a property ready to sell. Consider **junk removal services**, **estate sales** to help people downsize, **bathroom and kitchen renovations**, **moving services**, **storage units**, and the typical **home improvement services** of painting, pressure washing, cleaning, and so on.
2. Franchises that cater specifically to **real estate agents** so they can move properties. To start, realtors need a **brokerage** from which to work. They also need services for getting homes ready to sell. In-demand services are **home inspections**, **pest control** (termite letters), **cosmetic renovations**, **staging of homes**, drone photography, video production, and other **realty marketing services**.
3. Investments creating **rental income**. Look no further than **shared or co-working space** as well as **salon suites** and **laundromats**. Need help finding rentals to own or houses to flip? There's a great franchise for that, too!
4. If you are looking to **diversify your assets** and have more wealth creation and **cash flow from real estate investments**, you may wish to consider **daycare centers**, **preschools**, **senior living communities**, indoor **aquatic centers** (swimming schools), **car washes**, and **automotive repair shops**.
5. Real estate investors want **property management**. There are franchises in this space **for long-term, short-term, and vacation rentals**.

OWNER'S ROLE:

Depending on the business model specific to the real estate-related franchise, the role of the owner may be one of the following:

Owner/operator: This is a full-time commitment. The owner is actively involved with the business team members and customers on a daily basis.

Executive management: This is a full-time commitment. The owner manages both sales/marketing and operations functions. One or both of these positions may be filled at startup. As the business grows, the owner adds additional team members as needed, and maintains an oversight role.





Manage-the-manager: This has a limited or part-time commitment for the owner. This type of owner's role is also referred to as **semi-absentee**. The owner manages managers of multiple territories. The owner has the same responsibilities as the full-time executive management role described above; however, managers of each territory (or location if one is involved) oversee the daily operations.

Investor: Absentee owner: This has a very limited time commitment and minimal oversight.

SKILLS REQUIRED:

Owner/operator: great people and communication skills; ability to learn and apply the franchise training; ability to build, motivate and lead a team.

Executive management - strong people and business skills; ability to build, motivate and lead a team; execute the business plan; grow the business; and manage the business by the numbers.

Manage-the-manager (semi-absentee)- similar skills as executive management; ability to hold people accountable; hire, motivate, lead, and manage managers; execute the business plan; and scale the business to multiple territories.

Investor - (absentee) an experienced investor with keen financial analysis ability and business acumen.

UNIQUE CHARACTERISTICS:

The real estate industry can be cyclical just like the economy. Yet, not all aspects of the real estate industry follow the economic cycle. Naturally, the economic sensitivity of any business operating on a property may strongly affect the cash flow of the real estate investment. For example, an automotive repair shop may have increased revenues in down economies as people hang onto their older vehicles. When home prices are elevated and mortgage rates are high, these factors can be a boon for rental property management companies as rental demand increases

MINIMUM FINANCIAL QUALIFICATIONS:

For services that cater to homeowners, realtors, and real estate investors, a minimum of \$60K - \$100K of non-financed cash or liquidity with a Net Worth of \$150K - \$300K.

For a franchise involving the lease or purchase of real estate, a minimum of \$200K of non-financed cash or liquidity and a Net Worth of \$500K - \$600K.

For absentee investors, a minimum of \$300K of non-financed cash or liquidity and a Net Worth of \$1 Million.





HOT MARKETS: All across North America

NEXT STEP: 3 options

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 2. Schedule a confidential appointment with Anna by calling/texting 706.736.0579, emailing anna@selectfranchises.com, or [clicking here](#).
 3. Stay in touch and be informed by engaging on social media to get the latest news on what's hot in franchising and learn what you need to know about franchises.
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It's my pleasure to provide insightful economic data and information to you about real-estate related franchises!



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Learn. Launch. Live Your Dreams.



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