BROKER *to* BROKER

Management Lessons from America's Most Successful Real Estate Companies

Edited by Robert Freedman,
Senior Editor, *Realtor® Magazine*

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Broker *to* Broker

REALTOR MAGAZINE

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Foreword

There's no shortage of management resources for brokers and owners of residential real estate offices, but searching for what's available is time consuming. Every minute you spend combing the Internet or flipping through books and magazines looking for ways to respond to a problem or to get ideas for helping your associates ramp up their business is time spent away from your core activities—the activities through which you add value to your business.

It's in the pursuit of solving this time problem that the editors of REALTOR® Magazine, the flagship publication of the National Association of REALTORS®, bring you this brokerage management compilation of best practices. By packaging together articles from REALTOR® Magazine on the latest thinking in the business, the editors have conducted much of your research for you. You'll find articles on shoring up your brokerage's bottom line, planning for changes in your marketplace, attracting and retaining sales associates, and implementing sound risk management policies, among dozens of other articles on a wide range of essential topics.

At the same time, throughout the compilation the editors direct you to additional resources online, from the National Association of REALTORS® and elsewhere. In that way the compilation goes beyond the pages of REALTOR® Magazine to the latest thinking throughout the real estate industry—all brought to you in a format that puts a premium on one of the most scarce resources you have: your time.

—Thomas M. Stevens, 2006 president, National Association of REALTORS®, and senior vice president, NRT Inc., Parsippany, New Jersey.

INTRODUCTION

Bringing Management Best Practices to You

Tod Beaty, broker-owner of two Hammond GMAC Real Estate offices in Cambridge, Massachusetts, has people strolling up to his storefront on Brattle Square at all hours to stare at his front window. Yes, he has pictures of his listings there, like virtually every other broker in his market. But his pictures are on a big television monitor and anyone on the sidewalk outside his office with a cell phone can scroll through the listings, pull up detailed information, and, if they like what they see, send a message to the listing agent whom they'd like to talk to.

The application is still so new—it launched in mid-May 2005, and his is the first company to use it, either in the United States or elsewhere, he says—that it's too soon to tell how much it will boost his foot traffic, if at all.

But it couldn't be a better way to reach out to people who are thinking about buying but aren't yet ready to walk into a real estate office to start the process.

"It's a nice bridge people can take without having to come into the office to get more information," says Beaty.

Equally innovative, Matthew Widdows, broker-owner of HomeSmart Real Estate in Phoenix, uses one employee to staff the receptionist desk in his four offices. Operating out of the HomeSmart headquarters, the receptionist appears on a flat-screen TV in the reception area of the branch offices and, through the use of cameras, interacts with customers remotely. The result is tech wizardry that appeals to young customers and enables Widdows to pay for the reception function at several offices with a single paycheck.

"The savings from not having to hire people for each office, train and manage them, and provide benefits offsets the upfront costs of the technology," says Widdows.

Welcome to the way brokers are operating residential real estate offices today. Fueled by years of strong home sales and a stream of new licensees entering the business, broker-owners and their managers are tapping technology innovation to stay ahead of the competition. But the dynamism in the industry isn't just about technology aimed at boosting customer traffic, although that's a big part of it. In their efforts to attract customers and help their sales associates prosper, brokers are pushing the envelope in every way they run their business. Consider these few ideas:

- Leeann Iacino, CRB, GRI, and Jack O'Connor, CRB, founders of Prestige Real Estate Group LLC, in Denver, make company equity shares available to their associates. Nothing new in that, but they're taking the opportunity to a level that, O'Connor thinks, is the highest in the industry. About a third of their more than 300 associates have an equity stake, with some owning as much as 8 percent of the company. *Why they do it:* O'Connor says the opportunity to take a large equity stake encourages associates to build the company's performance into their calculus for personal success.
- Mark Dandrea of A-List Realty in Columbus, Ohio, in a move that goes against mainstream thinking in the industry, encourages his sales associates to affiliate with his company part-time. Dandrea doesn't subscribe to the idea that part-timers aren't professional and should be discouraged from affiliating. *Why he does it:* Dandrea thinks letting associates launch their careers part-time helps them build sound sales habits for the long term because they're not under as much financial pressure to get up to speed quickly.
- Debbie D'Valentine, CEO of Tomie Raines Inc., in Lansing, Michigan, requires her associates to tell customers up front what services to expect and to get customer feedback after closing on how well they delivered on those services. *Why she does it:* Implementing a rigid process like this isn't something some associates like to do be-

cause it goes against their sense of independence, D'Valentine says. But by creating conditions for accountability, associates acquire a strong incentive to make customer-service a top-of-mind practice, and that boosts repeat business, she says.

- Marianne Barkman, senior vice president at John L. Scott Real Estate in Bellevue, Washington, talks books with her sales associates at regular get-togethers. She has more than literature on her mind, though. *Why she does it:* The discussions give her and her associates a chance to bond in a relaxed environment and, more importantly, help them learn that sales performance isn't everything. That realization is a starting point for her associates to achieve the work-life balance that's necessary to avoid burnout, she says.
- Bill Mathers, owner of MathersRealty.com, in Charlotte, North Carolina, gets recruiting help from minority and immigrant leaders in his market. He makes regular stops at churches and community groups. *Why he does it:* The recruiting effort creates a win-win situation, he believes. The community leaders learn of opportunities for their members, who might otherwise consider only nonprofessional work, and he gets credibility with recruits who are crucial for his success in an increasingly multicultural market.

"The range of innovation in how brokers and managers build business and run their offices has never been greater," says Thomas M. Stevens, 2006 president of the National Association of REALTORS® (NAR) and senior vice president of NRT Inc., Parsippany, New Jersey.

Keeping up with fast-paced innovation isn't easy. Anyone tackling the day-to-day challenges of running a brokerage has little time to spare for a strategic survey of what others in the business are doing to get ahead. And yet keeping abreast of brokerage innovation, and charting your business course for the future based on what you find, isn't optional for long-term success, brokers say.

"You should spend some time thinking about what isn't right in front of you," says Harold (Hal) Kahn, CRB, CRS®, broker-owner of Kahn Inc., REALTORS®, in Newburgh, New York. "Timing is the critical component in executing any business plan, so knowing what's taking place in your marketplace is crucial."

It's with this challenge in mind that the editors of REALTOR® Magazine, the flagship publication of the National Association of REAL-

TORS®, bring you this compilation of brokerage management best practices. The 70 pieces here, culled from articles featured in the "For Brokers" section of the magazine over the past two years, have been selected based on their usefulness to you.

The "For Brokers" section appears each month in an edition of REALTOR® Magazine that goes to the approximately 160,000 brokers and managers in the REALTOR® community. The content is targeted exclusively at meeting the needs of those who manage the people who do the selling.

In this compilation, you'll read about how much it cost Beaty to install and operate his interactive window display and how effective he thinks it will be in boosting his office traffic. In a piece on HomeSmart, Widdows talks about bottom-line issues such as the cost of his virtual receptionist. That kind of practical information, loaded with ideas for you, is what we try to provide in the "For Brokers" section, and we believe the pieces selected for this compilation do a solid job meeting that test. They won't provide you with all of the information you will need to make a decision, of course. But we think you'll get enough to know whether what one broker is doing is right for you, and whether it's practical for you to try it in your market.

What's more, we try to give you direction for getting more information or for making a first contact so you can get the ball rolling in your own company. A piece on the latest thinking in office design, for example ("Office design that keeps associates on top," p. 163), lets you know how much various design ideas cost, and sends you to our magazine's sister publication on the Internet, REALTOR® Magazine Online, for resources compiled by NAR information specialists on office design.

Best of all, these ideas are coming to you from your colleagues in the brokerage community, the professionals on the ground. As in all REALTOR® Magazine articles, the voice of the practitioner is front and center, reflecting what's actually happening in markets today. In this way, the pieces are part of the larger conversation you have with your colleagues each day on what works and what doesn't when it comes to improving your business. But because you can't take time out from running your business to talk to everyone you'd like to, we bring those conversations to you, edited and organized to meet your busy schedule.

The compilation is built around three sections: Managing Operations, Managing People, and Managing Risk. In each is a selection of articles that gives you a snapshot of ideas. In Managing Operations, for example, there are five chapters—finances, operations, marketing, planning, and technology categories—and each includes a handful of short pieces on what companies are doing to tackle a problem or meet a need—centralizing closing services through video conferencing, for example, or expanding your business through the use of virtual assistants.

Each section closes with profiles of companies whose operations offer ideas for you. An example is Realty Select, Inc., in Lancaster County, Pennsylvania, a brokerage launched in 2003 that aims to compete for talent with established area companies by hiring new licensees as employees. It offers them a salary with small commission split plus health and retirement plans. It also hands them significant business right off the bat by pulling in sellers at high volume with low flat-fee pricing.

If you have companies doing something similar in your market, you gain by getting insight into how a company like this works.

We hope you enjoy reading through these selections and, even better, finding something that sparks an idea for your company. For those of you who've already read some of these pieces in the magazine, you'll find value in the way we've organized the selections in an easy-reference format, broken out some high-impact material for quick accessibility, and updated information on the people we quote. There are also a few pieces that hadn't yet appeared in the magazine at the time this compilation went to press, so the content is as fresh as can be.

We think this brokerage management tool is a resource you'll go back to again and again. You can read the sections and the pieces within them in any order. We thus invite you to browse the contents then dip into the selections that pique your interest. You're sure to stumble on some interesting ideas and companies that you weren't expecting to find.

—ROBERT FREEDMAN

Washington, D.C.

SECTION I

Managing Operations

Smart Moves

It's never been more challenging to operate a residential real estate office. Thanks to strong markets, the number of people earning—and looking for a place to hang—their real estate license is on a sharp incline. The number of new licensees in my state of California, for example, was 500 to 1,500 a month at the end of 2004, a rate that's expected to continue through 2005 and into 2006, regulators here say. This surge in new licensees, many of them young adults with tech savvy but little sales experience, heightens the importance of the training, technology, and performance incentives you offer.

At the same time, as managers, we must stay attuned to new ways of keeping our operations profitable, even as bargain-shopping consumers put downward pressure on commissions. For some of us, that means structuring commission plans that help ensure that our overhead for each associate is covered. It also means staying on top of the latest in risk-management strategies and technology security.

Here, you'll find dozens of ideas from specialists in finances, operations, marketing, planning, and technology to give you a leg up as you tackle today's management's challenges. You'll also find case studies of companies trying out ideas that you might want to try in your own operations.

—Larry Knapp, CRB, e-PRO, president and COO,
Alain Pinel, REALTORS®, Saratoga, California.

CHAPTER

1

Finances

Boosting Your Bottom Line

QUICK TIPS

Double up associates.

Add rookies.

Toughen criteria for higher splits.

Give associates more responsibility for ads—on both content and cost.

Diversify income streams.

Gene Ward, CRS®, added 15 associates in two years without expanding his office space. How'd he do it? The managing broker of the Lincolnshire office of Woods Bros. Realty in Lincoln, Nebraska, puts two, sometimes three, associates into a single office and also doubles them up in cubicles.

Cozy quarters wasn't the most popular move among the sales force, which numbered 130 at the time, but no one has left in search of solitude, he says. That's because he's made it clear to his associates that such cost-cutting is crucial for his office's survival in today's environment of rising business costs. And now, Ward says, he has the largest real estate office in his market.

At a time when sales associates are demanding greater commission splits and technology and marketing costs are eating more of the company dollar, brokers and managers are embarking on a variety of strategies to grow their profitability. Among other things, they're adding services to boost revenue and shifting more costs to associates. Some are also recruiting rookies to push down the average commission split they pay their associates.

"Our business is so competitive today and has so many more costs than it did years ago that you have to continually evaluate your operations to stay profitable," says Nancy Kinney, GRI, manager of Real Living Premier in Marion, Ohio.

The rise in the average commission split for veteran associates is at a crisis level in many markets, say some brokers and managers.

Years ago, the typical split for veteran associates was 60 percent to 65 percent of commissions. Today it's not unusual for associates to quickly earn 80 percent or more—sometimes as much as 95 percent. "Associates make a lot of money; brokers don't," says Ronda Needham, CRB, who oversees the Highland Park office of Ebby Halliday, REALTORS® in Dallas.

To combat the problem, Needham's company makes generous splits something to strive for, not a given. Most new associates start with a 50–50 split, but once they bring in $87,000 in gross commissions their split grows to 80 percent. The split increases to 90 percent once they bring in gross commissions of $260,000. Reaching that level is a reasonable challenge, Needham says, because the average sale price in her market is $583,000.

Chris Harris, GRI, who in 2004 oversaw the main office of Keystone Realty in Reno, Nevada, used a similar strategy for keeping splits down. He scouted real estate schools with the express purpose of affiliating rookie salespeople and quickly brought on 25 new associates at a 55–45 split. Veteran associates received an 80 percent split once they brought in $50,000 in gross commissions.

The result? An immediate jump in the company dollar, from about 22 percent to 27 percent, Harris says. He estimated that the lower commission splits of new recruits more than compensated for the fewer sales they generated and the added training and other costs they incurred. At the same time, given the strong market during that period, even newbies were quickly generating robust sales, as well as showing a lot of loyalty. "The new licensees appreciated what the brokerage was doing for them in terms of training and potential for greater splits," Harris said. "We lost few people."

Harris is now a broker with Coldwell Banker Village Realty in Reno.

Cost Cutting

Ebby Halliday's Needham is pleased to see associates reach the upper ranks of her tiered commission structure, because it shows they're performing well. But to keep costs down, she shifts some key expenses, including most property advertising, to associates, no matter at what level they're performing.

Her associates are generally amenable to absorbing the ad costs, because "they'd rather have the opportunity to make choices in how their properties are advertised," she says.

What's more, the company uses its big size to negotiate favorable rates for graphics work, so associates can get professionally designed materials at a discount. Plus, her office saves by not having to hire staff to create ads or stock paper. Needham estimates she'll save at least $35,000 annually by contracting with a design company rather than hiring someone to do it.

Kinney of Marion, Ohio, says she practices the meticulous art of analyzing her business—where her sales come from and where her expenses go—to better calibrate her costs. For example, within the past year she's pulled significant amounts of money out of newspaper advertising and plowed it into Internet and cable TV advertising, because those sources were generating more efficient uses of her ad dollars than newspapers.

"We're paying $14 a week for each house we show on a local cable channel. That represents 1,200 potential viewers of the listing a day and our biggest value," she says. "A lot of people in our market shop for houses on cable."

Expand Your Interests

Cost-cutting is an obvious source of increased profits, but many companies are looking at the revenue side, too, diversifying their services to reduce their reliance on sales as their main income source.

Ancillary services account for 28 percent of Realty Executives of Phoenix's bottom line, says John Foltz, CRB, president. Specifically, the company generates revenue through mortgage and title services, even though it doesn't own the providers. Instead, it works through affiliated business arrangements with partners and takes a percentage of their net revenues. "That way we don't have to become experts in mortgage and title services," says Foltz. His company generates gross annual sales of some $5 billion and 30,000 transactions in 17 offices.

Long & Foster Real Estate, the mid-Atlantic regional giant headquartered in Fairfax, Virginia, takes a different approach to ancillary services. The company, which has about 10,600 associates in 200 offices in eight states and Washington, D.C., owns a mortgage company with Wells Fargo, the banking giant. The income adds "a lot" to Long & Foster's bottom line, says Wes Foster, president.

Foster's company also partners with a title company and owns an insurance business, both of which add some but not a huge amount to company revenue.

For big companies such as Realty Executives of Phoenix and Long & Foster, offering ancillary services is largely beyond debate. Consumers have come to expect large real estate companies to offer something close to one-stop shopping. But adding ancillary services can pay off for smaller companies, too.

Kerry Veach, broker-owner of RE/MAX Southern Realty, a three-office brokerage in Fort Walton Beach, Florida, launched a title company two years ago. The move is paying off well, generating about 10 percent of his company's bottom line this past year, he says.

Associates can buy stock in the title company in amounts based on the volume of sales they generate, giving them a stake in the affiliate's performance. The title service has about a 40 percent capture rate of the sales the associates bring in.

For the smallest brokerages, ancillary services may not be in the cards, unless they partner with an affiliated business. And even then small brokers may just prefer to stay focused on brokerage services. "I've been approached with opportunities to add services over the years, but I like to keep my operation as simple as possible," says Lydia A. Odle, broker-owner of Lydia A. Odle, REALTOR®, in Alexandria, Virginia, with 11 sales associates.

Whether you're running a one-stop shop or a boutique that focuses exclusively on brokerage, boosting profits requires constant vigilance over your operations. Analyzing every expense and every potential new revenue source is the surest path to greater profits.

—Robert Freedman, with additional reporting by Pat Taylor. This piece originally appeared in the July 2003 issue of REALTOR® Magazine.

SIX SMALL WAYS TO ACHIEVE BIG PROFITS

How are brokers and managers maintaining a healthy income? Here are a few ideas.

1. *Float commissions.* Every day John Foltz of Realty Executives of Phoenix deposits funds used to pay commissions into an interest-bearing account. That way, the funds draw interest between the time a commission check is written and the associate cashes the check. The practice contributes five percent to his company's bottom line.
2. *Balance your associate mix.* Nancy Kinney, GRI, manager of Real Living Premier in Marion, Ohio, says concentrating on a niche market can gain you visibility in that market. But it can be risky to your cash flow if sales in the niche take a turn for the worse. Affiliate associates whose market specialties fill gaps in your ranks. Several strong associates working middle-market sales can keep your cash flow strong, while a few strong performers in high-end homes can generate nice profits.
3. *Purchase advertising, such as classified space, in bulk to obtain price discounts.* Parcel out the costs with a small markup to associates who advertise their listings in the ads. Foltz's company charges his associates $5.50 per line, a nominal increase over the bulk rate the company receives.
4. *Charge consumers a set transaction fee.* It helps offset administrative costs per transaction, says Wes Foster of Long & Foster Real Estate in Fairfax, Virginia. "It's rare that consumers don't pay the fee," he says. But if they don't, the company and salesperson share the cost.
5. *Manage risk.* Apply tough, standardized quality control measures to each transaction to reduce liability and costs for E&O insurance and litigation, suggests Foltz. His company maintains a staff of three who review

every purchase contract to ensure all disclosures and other requirements are met.

6. *Charge online referral fees*. Foltz charges $800 to associates who receive qualified leads from the company's web site. The fee applies only to leads generated from houses not listed by the company but made available for viewing on its Internet Data Exchange (IDX)-enabled web site, and salespeople pay only if the deal closes and they receive a commission.

MORE ONLINE

Brokerage Financial Management Courses

The Council of Real Estate Brokerage (CRB) Managers, an affiliate of the National Association of REALTORS®, offers a two-day financial management and planning course that provides help understanding financial statements, forecasting revenues, and developing an expense budget, among other finance areas. Learn about this and other CRB financial management courses, including instruction online and on CD-ROM, at the CRB web site, www.crb.com. You'll find information on the group's courses under "Education."

Taking Control of Your Accounting

QUICK TIPS

Digitalize your bookkeeping.

Stay abreast of ever-changing business tax deductions.

Know which IRS business-entity structure makes sense.

Orson Woodhouse, GRI, broker-owner of Woodhouse Group in Boise, Idaho, is paying 50 percent more for accounting services than he was at the end of 2002. He couldn't be happier.

That's because he replaced his old accounting firm with one that brings real estate and small-business experience to the table. His experience shows how critical it is to understand the ways accounting and tax issues can impact your bottom line.

The new firm proved its worth quickly by saving Woodhouse money on his taxes and creating more efficiency in his operations. "I didn't have a bad experience with my old firm," says Woodhouse, whose company specializes in new-home sales and relocation. "It just wasn't leading-edge in our industry."

Right off the bat, the new firm—Balukoff, Lindstrom & Co., in Boise—replaced Woodhouse's manual bookkeeping system with QuickBooks, which enables the brokerage to tabulate everything electronically, then e-mail quarterly and annual reports to the accounting firm. When there's a problem, the electronic system makes it easy to make changes. "We've seen a fivefold increase in bookkeeping efficiency," Woodhouse says.

The accounting firm also recommended changes in how Woodhouse categorizes expenses, saving him money on his 2002 taxes. Among other things, it recommended that Woodhouse take advantage of tax laws favorable to real estate professionals for income-property investment losses. "Practitioners can write off 100 percent of their income-property losses, an option not open to passive investors," says Michael Lindstrom, who was president of Balukoff when it worked with Woodhouse. Lindstrom is now a tax partner with Eide Bailly LLC.

The firm also recommended strategies that make sense for brokerages with independent contractors and a handful of employees. Among them:

Asset growth. Changes to federal deduction laws enacted a couple of years ago enable business owners to deduct $100,000 a year, up from $24,000, on business assets such as software. "We recommended that Woodhouse spend money on assets rather than pay taxes," says Lindstrom.

Family savings. Federal laws provide favorable tax treatment for employing family members to do odd jobs such as post For Sale signs. A certain amount of compensation to family members isn't subject to payroll tax. And children's income is typically taxed at a lower rate. At Woodhouse Group, Woodhouse's wife keeps the company books.

Large vehicle deduction. A business car weighing more than 6,000 pounds can be written off, although tax-law changes enacted in 2004 place new limits on depreciation amounts.

An accounting firm also can advise on how to structure your business entity, whether as an S, C, or limited-liability corporation. Each has advantages under certain conditions, and owners can change their structure as company goals change. (See "Match Company Structure to Your Goals.")

So, how do you pick the right accounting firm? Woodhouse assembled leads by talking to colleagues in his market. He interviewed five companies before settling on Balukoff. "You can always find someone who can get your taxes done correctly," he says. "It's worth it to pay more for someone who has your long-term health in mind."

—Robert Freedman. This article originally appeared in the November 2003 issue of REALTOR® Magazine.

MATCH COMPANY STRUCTURE TO YOUR GOALS

Here are three examples of how to structure your business to respond to your company's changing goals, according to Michael Lindstrom, a tax partner with Eide Bailly LLC, Boise, Idaho. For specific advice, consult an accountant.

C Corporation

Advantage: Put yourself on a salary and get 100 percent of employee medical insurance costs deducted from your taxes. Helpful if anticipating high medical bills.

Disadvantage: May be expensive if there are more than a few employees.

Limited-Liability Corporation

Advantage: Maximize retirement benefits up to a certain point.

Disadvantage: Benefits are limited if the owner reaches $200,000 in income. In these cases, it may make sense to adopt an S corporation structure.

S Corporation

Advantage: Get favorable payroll-tax treatment.

Disadvantage: Lose out on the ability to fund retirement plans.

MORE ONLINE

Finding an Accountant

The National Association of Small Business Accountants maintains a database of member accountants, searchable by state, on its web site, www.smallbizaccountants.com. Before you select an accountant, the association recommends you check first about the types of businesses they specialize in, the accounting services they provide, and the amount of experience they have. The database is under "Find an Accountant."

Preparing for a Financial Turn for the Worse

In the college town of Amherst, Massachusetts, where the tide of real estate business ebbs and flows with the rhythm of the academic calendar, a broker's finances can sometimes be as barren as a New England winter. Between September and February, area home sales tend to drop by half, a major hit to brokers' bottom line, says Gerald L. Jones, CRB, GRI, broker-owner of Jones Town & Country Realty in Amherst.

To make sure his company is financially prepared to weather the annual fall-off in business, Jones:

Keeps higher amounts of working capital on hand than would otherwise be necessary. How? By making fewer draws for profit-taking or profit-sharing during the flush months. That way, in lean months, there's money available to cover costs, including profit-taking and profit-sharing.

Pays a year's premium for errors and omissions insurance in an upfront lump sum. You can negotiate a better rate that way, he says.

Buys (in cash) rather than leases some office equipment, such as copiers and the phone system.

Sets up a company line of credit during flush periods, when the money isn't needed, to handle unexpected costs, rather than waiting until lean months. The timing puts you in a better position for shopping around and negotiating the terms. "It's just a matter of living below your means rather than to the maximum of your means," says Jones, whose three-office company has 75 associates.

Even if your company doesn't face the sales extremes of a college town, preparing your bottom line to absorb unexpected hits is crucial for long-term viability.

Alan Mauldin, GRI, and Michelle Mauldin, CRS®, GRI, co-owners of Signature Realty in Edmond, Oklahoma, were surprised in 2002 to find that they faced a 100 percent increase in E&O insurance. They'd had no prior claims, but in the three years since they'd locked in a contract term, their sales volume had increased 65 percent. The Mauldins have been finding savings in other areas:

Health insurance. They took out a policy with a maximum $5,000 deductible and maintain a health savings account to pay for costs incurred up to the deductible. That has saved them hundreds in monthly insurance premiums while allowing them to build up a savings account that's exempt from federal income taxes.

Vendor costs. They've reduced their advertising costs with local print publications 20 percent to 25 percent, for example, by leveraging the volume of business they give the publications.

Other tips from brokers include:

Own your office and lease it back to your company. You build your equity while locking in your lease payments. My company is a Subchapter S corporation. An LLC owns the real estate itself.

Reed Simmons, CRB, broker-owner,
Dickson Realty Inc., Reno, Nevada

Accumulate reserves during flush months and make loans to yourself to cover unexpected costs or capital projects.

William D. Seawell Jr., CRS®, GRI, broker-owner,
Seawell, REALTORS®, Greensboro, North Carolina