E2 Visa Business Plan

SAMPLE BUSINESS PLAN

DEVELOPED BY CERVITUDE.COM

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Confidentiality Agreement

The undersigned reader acknowledges that the information provided by Sample Company, LLC in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Sample Company, LLC.

It is acknowledged by the reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to Sample Company, LLC.

Upon request, this document is to be immediately returned to Sample Company, LLC.

Signature_____Date_____

Signature_____Date_____

This is a business plan. It does not imply an offering of securities.

Executive Summary

Sample Company (SC) is a property management and real estate rental firm located in Rhode Island. The company's primary service is the rental of high-quality apartments in the Providence area. The company offers services such as painting, cleaning, pressure washing, light maintenance, floors cleaning, repairs and installations, flipping units, hoarders and bio cleaning services, and post construction cleaning. In business since 2017, the company is currently servicing several properties across the greater Gainesville area.

The company has invested a substantial sum in the amount of $150,000 in order to help SC buy small, distressed properties, provide enough leverage to run large projects that need a lot of cash flow for labor and materials, help the Company to buy a new vehicle, increase the marketing budget to attract new prospects, and to help the company invest in local networks that demand investment of time and money.

The Property Management industry offers third-party or outsourced services to handle upkeep, maintenance and tenant relations for property owners or landlords. Demand for these services relies on how much multifamily residential space (i.e. apartment buildings), commercial space (e.g. office buildings) and industrial space is occupied by tenants, which is influenced by the attainability and attractiveness of homeownership and general economic activity. The industry is typically resistant to economic slowdowns, as it offers businesses a way to cut costs by reducing internal employment to focus more on core company operations.

Our marketing strategy will consist of dominating the attention of local consumers through social media, online marketing, direct contact sales, email marketing, Craigslist marketing, word of mouth, and business cards. We will have an extremely strong social media presence, avidly posting sales and documenting the day to day operations of the business, among several other strategies detailed in our marketing plan.

Company Description

Sample Company is a property management firm servicing the Gainesville, Florida area. SC was founded in March of 2017 by Jorge Villalobos and his wife, Susana Ulloa as a division of Best Restoration (founded 2006). In October of 2018, Jorge, President of the Best Restoration, decided to separate SC from The Best Restoration to have more control in aspects like cost, prices, operation and management.

The company provides a wide range of services to property management companies, apartment complexes, realtors, commercial facilities and private customers. Because of this, SC considers itself a do it all, “one-stop-shop” company. Our division offer painting, cleaning, pressure washing, light maintenance, floors cleaning, repairs and installations, flipping units, hoarders and bio cleaning services, and post construction cleaning.

Our location, (Gainesville, Florida) is perfect for this kind of work, because we have the University of Florida with more than 50,000 students and Santa fe College with 18,000. There are more than 125 apartment complexes where the students live and hundreds of rental properties that need help all year long. In addition, after all this year of operation in this city for our main company, The Best Restoration, we earned a great position in the market like the larger Carpet cleaning company in North Central Florida, we got selected in 2014 “Best Minority Company of the year” by the Chamber of Commerce, “Best supplier” in 2017 by the North Central Apartment Association”, “Volunteer of the year” in 2018 for the National Apartment Association.

E2 Visa Requirements

- Mr. Doe is a citizen of Columbia, of which holds a treaty of commerce and navigation with the United States.
- The Applicant, Jorge Doe, will invest a substantial sum of $150,000 into startup of Sample Company, LLC.
- The Applicant is solely seeking to enter the United States to manage the newly formed company. Jorge Doe (Colombian and American Citizen) holds 50% ownership of the company, with the remaining 50% owned by Carlos Doe (Colombian Citizen).

SWOT Analysis

Strengths

- Over 12 years of experience, combined with the connections that the founder has developed over the years, places the Company in a strong competitive position as they can find and close on deals that can provide a higher rate of return than the average investor can provide.
- The target markets of the Gainesville region in Florida has strong rental and sale demographics, which assure continued positive cash flow.
- An aggressive and focused marketing campaign will create an immediate impact on the market and its stakeholders.
- We have the top real estate specialists, most experienced management personnel, and a quality, full-service property management team.
- Concentrating on servicing the Florida area will allow the company to focus our marketing, ensuring results.
- The nature of the Florida & overall US housing market allows the company to have a wealth of potential customers.

Weaknesses

- The company is seeking an investment of $150,000 in order to fully execute the contents of this business plan.
- SC is a division of another company, making divestment a real possibility should the company fail to perform.

Opportunities

- There is no better time for customers to invest in or buy a home due to low interest rates, affordable prices, choice of inventory, and leverage with sellers.
- Technological advancements, particularly over the internet, provide almost unlimited potential for selling rentals online.
- Florida has strong population demographics which have yet to be exploited in the real estate sector.

Threats

- New marketing strategies and tactics by established property management companies can limit our market share.
- Tightening of the credit market can lead to fewer mortgages being issued by local banks and credit unions and lower loan approvals limits.

Market Research

All Topics	Florida	Gainesville city, Florida
Population estimates, July 1, 2018, (V2018)	21,299,325	NA
Population		
Population estimates, July 1, 2018, (V2018)	21,299,325	NA
Population estimates, July 1, 2017, (V2017)	20,984,400	132,249
Population estimates base, April 1, 2010, (V2018)	18,804,580	NA
Population estimates base, April 1, 2010, (V2017)	18,804,594	124,304
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018, (V2018)	13.3%	NA
Population, percent change - April 1, 2010 (estimates base) to July 1, 2017, (V2017)	11.6%	6.4%
Population, Census, April 1, 2010	18,801,310	124,354
Age and Sex		
Persons under 5 years, percent	△ 5.4%	△ 3.8%
Persons under 18 years, percent	△ 20.0%	△ 12.5%
Persons 65 years and over, percent	△ 20.1%	△ 9.7%
Female persons, percent	△ 51.1%	△ 52.0%
Race and Hispanic Origin		
White alone, percent	△ 77.4%	△ 66.0%
Black or African American alone, percent (a)	△ 16.9%	△ 22.0%
American Indian and Alaska Native alone, percent (a)	△ 0.5%	△ 0.3%
Asian alone, percent (a)	△ 2.9%	△ 6.9%
Native Hawaiian and Other Pacific Islander alone, percent (a)	△ 0.1%	△ 0.1%
Two or More Races, percent	△ 2.1%	△ 3.8%
Hispanic or Latino, percent (b)	△ 25.6%	△ 10.7%
White alone, not Hispanic or Latino, percent	△ 54.1%	△ 57.3%
Population Characteristics		
Veterans, 2013-2017	1,454,632	5,609
Foreign born persons, percent, 2013-2017	20.2%	11.1%
Housing		
Housing units, July 1, 2017, (V2017)	9,441,153	X
Owner-occupied housing unit rate, 2013-2017	64.8%	38.8%
Median value of owner-occupied housing units, 2013-2017	$178,700	$147,500
Median selected monthly owner costs -with a mortgage, 2013-2017	$1,432	$1,257
Median selected monthly owner costs -without a mortgage, 2013-2017	$475	$456
Median gross rent, 2013-2017	$1,077	$886
Building permits, 2017	122,719	X

All Topics	Florida	Gainesville city, Florida
Population estimates, July 1, 2018, (V2018)	21,299,325	NA
Families & Living Arrangements		
Households, 2013-2017	7,510,882	48,993
Persons per household, 2013-2017	2.64	2.32
Living in same house 1 year ago, percent of persons age 1 year+, 2013-2017	84.1%	68.1%
Language other than English spoken at home, percent of persons age 5 years+, 2013-2017	28.7%	15.7%
Computer and Internet Use		
Households with a computer, percent, 2013-2017	88.1%	90.0%
Households with a broadband Internet subscription, percent, 2013-2017	78.6%	81.1%
Education		
High school graduate or higher, percent of persons age 25 years+, 2013-2017	87.6%	91.5%
Bachelor's degree or higher, percent of persons age 25 years+, 2013-2017	28.5%	43.1%
Health		
With a disability, under age 65 years, percent, 2013-2017	8.6%	7.3%
Persons without health insurance, under age 65 years, percent	⚠ 15.9%	⚠ 12.1%
Economy		
In civilian labor force, total, percent of population age 16 years+, 2013-2017	58.4%	56.5%
In civilian labor force, female, percent of population age 16 years+, 2013-2017	54.1%	55.3%
Total accommodation and food services sales, 2012 ($1,000) (c)	49,817,925	391,156
Total health care and social assistance receipts/revenue, 2012 ($1,000) (c)	124,061,425	2,314,941
Total manufacturers shipments, 2012 ($1,000) (c)	96,924,106	587,633
Total merchant wholesaler sales, 2012 ($1,000) (c)	252,626,608	1,009,988
Total retail sales, 2012 ($1,000) (c)	273,867,145	2,169,422
Total retail sales per capita, 2012 (c)	$14,177	$17,211
Transportation		
Mean travel time to work (minutes), workers age 16 years+, 2013-2017	27.0	17.7
Income & Poverty		
Median household income (in 2017 dollars), 2013-2017	$50,883	$34,004
Per capita income in past 12 months (in 2017 dollars), 2013-2017	$28,774	$21,111
Persons in poverty, percent	⚠ 14.0%	⚠ 33.6%

BUSINESSES		
Businesses		
Total employer establishments, 2016	546,218[1]	X
Total employment, 2016	8,169,642[1]	X
Total annual payroll, 2016 ($1,000)	363,336,322[1]	X
Total employment, percent change, 2015-2016	5.0%[1]	X
Total nonemployer establishments, 2016	2,053,914	X
All firms, 2012	2,100,187	9,764
Men-owned firms, 2012	1,084,885	5,038
Women-owned firms, 2012	807,817	3,408
Minority-owned firms, 2012	926,112	2,811
Nonminority-owned firms, 2012	1,121,749	6,327
Veteran-owned firms, 2012	185,756	1,093
Nonveteran-owned firms, 2012	1,846,686	8,012

US Property Management Industry Analysis

Operators in the Property Management industry manage residential and nonresidential real estate for property owners. The industry is structurally resistant to economic downturns, primarily as a result of counter-cyclical demand trends. Property owners often reduce costs by outsourcing property management duties to industry operators during periods of economic turmoil to reduce additional staff and save through economies of scale in professional management. When the national economy struggles, the homeownership rate tends to decline as consumers and lenders alike remain cautious, creating demand for rental markets and, therefore, property management. During periods of economic prosperity, the residential market segment for this industry tends to weaken as homeownership becomes a more-attainable goal and the need for management slows. During economic upswings, the expansion of commercial properties becomes more important to the industry.

Key Statistics Snapshot	Revenue	Annual Growth 13–18	Annual Growth 18–23
	$80.7bn	4.0%	0.4%
	Profit	Wages	Businesses
	$18.1bn	$36.3bn	253,339

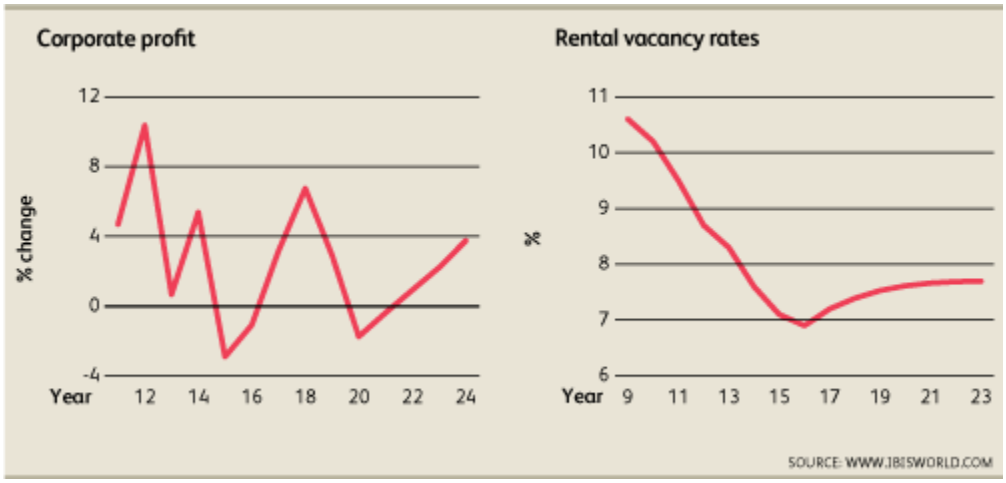
Over the five years to 2018, the US economy has been primarily focused on expansion; however, at the residential level, the homeownership rate declined due to various hiccups in growth. These hardships proved favorable for renters, as exhibited by an annualized decline in vacancy rates during the period. On the opposite side of the spectrum, economic expansion improved the performance of commercial sectors, causing demand for office space to exceed supply, curtailing office rental vacancy during the five-year period. The need for rental markets provided a large boost to the industry. Industry revenue is forecast to increase at an annualized rate of 4.0% to $80.7 billion over the five years to 2018. In 2018, industry revenue is expected to rise a more-subdued 1.0%.

Over the five years to 2023, the value of residential construction is expected to continue rising, expanding housing stock and lowering rental demand. Unfortunately for industry operators, the US homeownership rate is projected to rebound over the next five years, reducing the need for residential property management services. Regardless, the nonresidential market will provide the industry with growth markets as businesses expand and new operators enter the market, though office vacancy rates are expected to grow slowly over the next five years. As a result of these trends, industry revenue is expected to grow an annualized 0.4% to $82.3 billion over the five years to 2023.

Key External Drivers

Corporate profit

As corporate profit falls, businesses tighten spending habits, discouraging them from expanding or causing them to close branches. This trend, in turn, reduces demand for the leasing of commercial space, a key market for the Property Management industry. Corporate profit is expected to rise in 2018, representing an opportunity for the industry.



Rental vacancy rates

When the residential vacancy rate is high, industry demand falls, and vice versa. Since home prices and consumer income levels influence residential rental vacancy rates, consumers tend to rent rather than buy homes when they have less disposable income or when the price of homeownership is high. Rental vacancy rates are expected to increase in 2018, posing a potential threat to the industry.

Homeownership rate

The homeownership rate is the ratio of owner-occupied dwellings to total occupied dwellings in the United States. As the homeownership rate rises, demand for industry services generally declines, since the majority of industry revenue is associated with residential rental property management services. The homeownership rate is expected to stagnate in 2018.

Office rental vacancy

A high office rental vacancy rate indicates a large amount of unused commercial space and low industry demand. The rate is heavily influenced by general economic conditions, which facilitate or hamper the growth of new businesses and the expansion of existing ones. The industry derives substantial revenue from managing corporate campuses and business spaces. The office rental vacancy rate is expected to increase in 2018.

Current Performance

The Property Management industry offers third-party or outsourced services to handle upkeep, maintenance and tenant relations for property owners or landlords. Demand for these services relies on how much multifamily residential space (i.e. apartment

buildings), commercial space (e.g. office buildings) and industrial space is occupied by tenants, which is influenced by the attainability and attractiveness of homeownership and general economic activity. The industry is typically resistant to economic slowdowns, as it offers businesses a way to cut costs by reducing internal employment to focus more on core company operations.

Over the five years to 2018, the general economy has strengthened. Although residential construction markets have grown steadily over the past five years, the economic reality for most consumers has been variable. During the first half of the five-year period, tight credit markets and a general distrust of the recovery characterized middle- and lower-income groups. While per capita disposable income has risen over the past five years, real median incomes have not fared as well, with income inequality continuing to widen. Thus, a growing portion of the population has chosen or been forced to rent rather than own property, benefiting industry operators.

A much-improved office rental market has also been a boon for certain industry operators. Demand for office and factory space rose sharply over the five years to 2018 as companies expanded operations and enlarged their workforces where possible. Accordingly, office vacancy rates have declined for the majority of the five-year period. Moreover, strong demand for commercial space has widened the commercial segment in the industry. Over the five years to 2018, industry revenue is expected to rise an annualized 4.0% to $80.7 billion, including an anticipated 1.0% rise in 2018.

Residential rental boost

The industry has experienced strong countercyclical demand over the past five years from consumers looking to rent rather than purchase houses. Many consumers were forced to rent homes because of shaky income and relatively subdued consumer

confidence through most of the period, which resulted in deteriorating interest in or inability to purchase homes. Furthermore, access to credit was limited for many consumers, whose ability to invest in homes and properties lessened. Furthermore, the aggregate level of household debt did not reach its prerecessionary highs until the second half of the five-year period. These factors have coalesced to form a favorable renting market for industry operators.

During the period, the homeownership rate is expected to fall from 65.2% in 2013 to 63.9% in 2018. It was thought that strong economic growth would drive up demand for housing and improved credit conditions would incentivize potential homeowners to take out loans. Instead, the homeownership rate fell to its lowest point in over 40 years. One explanation for this continued decline despite an improving construction market is that potential buyers cannot keep up with the pace of house prices, discouraging young buyers and pushing them further toward the rental market. This trend has pushed more individuals into renting, which has benefited industry operators.

Nonresidential markets

Despite weak income growth, improving consumer conditions meant that businesses experienced increased demand for their services, enabling them to open their doors. Strong performance in capital markets and export growth led to increases in corporate profit through 2014. Since then, some uncertainty has permeated the country as issues in emerging markets and Europe have dragged down growth in the United States amid fears of another global economic slowdown. Furthermore, investment incentives that enabled companies to accelerate depreciation rates (i.e. capital consumption adjustments) expired in 2014. This meant that companies incurred less depreciation for tax-shielding purposes, increasing profit. Although corporate profitability has fluctuated over the past five years, profit has risen overall. Moreover, many of the macroeconomic issues plaguing corporate profit during the period have not directly affected commercial

and service markets as much they have industrial and manufacturing markets. Demand for office space has steadily risen over the past five years, more so than the supply of office space. Additionally, uncertain corporate profit levels ensures that businesses choose to rent over purchasing their own office space, benefiting industry operators. Over the five years to 2018, office rental vacancy has fallen at an annualized rate of 2.9%, driving industry growth.

Industry expansion

Property managers require few purchases and pay out most of their revenue in wage costs. Industry employees add substantial value, providing services based on their knowledge of local real estate trends, tenancy and building code laws. Thus, industry profit margins are also high and have risen over the past five years due to an improvement in demand for rental properties. Additionally, more operators have entered the industry. Over the five years to 2018, the number of industry enterprises is expected to increase at an annualized rate of 3.8% to 253,339 companies. Most of the new companies in the industry are small, nonemploying agencies that generate a low level of revenue. One of the effects of gaining more nonemploying operators in the industry is a slowdown in employment growth relative to establishment and enterprise growth. Overall, the number of industry employees is expected to grow at an annualized rate of 2.9% to 815,883 individuals over the five years to 2018.

Industry Outlook

Over the five years to 2023, the Property Management industry is expected to continue growing alongside rising residential rental costs and rising demand for floor space from US businesses. However, the US housing market will likely expand at a slower rate over the next five years, increasing the housing stock and limiting rental demand. This will result in less demand for rental services, and consequently, industry revenue growth is expected to taper off.

Despite slowing demand from residential markets, nonresidential property management will drive demand for industry operators. An increasing number of US businesses, coupled with expanding existing businesses, will lead to continued commercial demand for industry services and contribute to greater industry revenue. Companies are also expected to expand the services they offer to increase demand from consumers and businesses, which will help guarantee a continuous stream of new revenue. Overall, industry revenue is projected to grow at an annualized rate of 0.4% to $82.3 billion over the five years to 2023.

Residential rental demand falls

Property managers experienced an uptick in demand over the past five years due to a reduction in consumers' ability to purchase new properties, which forced them to rent, in turn creating demand for additional property managers. However, increasing private capital investment and historically low interest rates, which despite forecast growth remain mostly below typical levels, are leading property developers to invest in new housing stock. Over the five years to 2023, the number of housing starts is expected to increase at an annualized rate of 4.3%. With increased housing availability and more-flexible lending standards, the homeownership rate is expected to increase at an annualized rate of 0.6% over the five years to 2023. While the increasing price of homes throughout the country is expected to price out some would-be homeowners out of the market, especially those in younger demographics, demand for residential rentals is expected to decline moving forward.

Demand Determinants

Demand for the Property Management industry is mainly driven by the underlying health of the US real estate market, which fluctuates with economic cycles. Within the residential marketplace, changes in economic conditions can dramatically affect

demand for apartments and other rental units. Generally, demand for apartments rises as the economy strengthens because more individuals are able to afford to live on their own instead of with relatives and friends. At the same time, demand for apartments can be hindered by economic expansion, as more people are often able to afford to purchase homes. However, the rise in homeownership is also influenced by changes in interest rates and the availability of credit, which was particularly evident during the real estate boom in the first half of the 2000s.

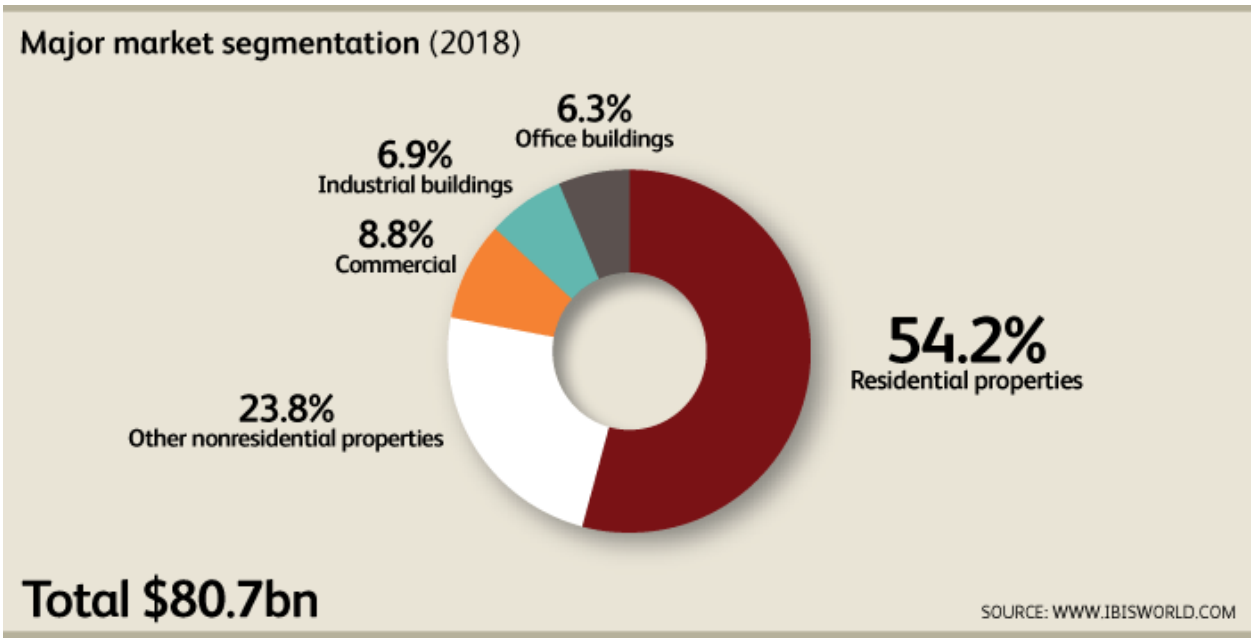
Within the commercial segment, economic conditions can influence demand for office, industrial or storage space as businesses generally determine their need for space by forecasting their future growth. Economic activity also influences the creation of new business ventures, with the number of companies increasing during periods of strong economic growth. In contrast, smaller or weaker companies often struggle to stay afloat during economic downturns, hurting demand for nonresidential space.

General economic conditions also influence the development of new buildings and properties, which is an important component of industry growth. Specifically, as more properties enter the market, the potential demand for industry services rises as the pool of facilities needing management grows. This metric is largely influenced by vacancy rates, with lower rates signaling a greater need for new developments and vice versa. Generally, both residential and nonresidential developments increase during economic booms. At the same time, property development is influenced by the availability of credit, interest rates and property appreciation.

Demand for industry services is also influenced by outsourcing activity because participants rely on real estate owners and investors to outsource property management functions. Over the past five years, industry participants have benefited from the rise in

the outsourcing property management. During this period, corporations, government agencies and other real estate owners have increasingly outsourced operations in an attempt to reduce operational costs. This trend has also supported the increase in facilities management services, as tenants and other large entities turn to market professionals to manage their real estate costs. At the same time, the outsourcing of property management functions will continue to come under pressure from the growth and influence of real estate investment trusts, as many of these large operators manage their own assets.

Major Markets



The Property Management industry provides services to two distinct markets: residential and nonresidential properties. Both sectors differ dramatically in regard to tenants, leasing terms and duration. As a result, property management services can differ greatly between the two segments. At the conclusion of the recession, industry activity shifted toward the residential market. Rising unemployment and high foreclosure rates lowered the homeownership rate in the United States, which raised demand for apartment rental and, in turn, for multifamily residence management. At the same time, lower consumer spending reduced demand for retail and other commercial space,

taking demand for commercial property management down, too. In subsequent years, however, this trend has slowed in response to improving economic activity, and downstream markets' revenue inflows are now near prerecession levels.

Residential properties

The residential segment primarily services the consumer market, including individuals, couples, families and other housemates. Occasionally, residential properties are leased to businesses or other entities, but this does not occur often because the majority of these leases are associated with the relocation of employees and new hires (i.e. executive packages). As a result of this structure, property managers typically interact with residential tenants and owners. Leases are traditionally standardized and negotiations are often limited. Residential clients will generate an estimated 54.2% of industry revenue in 2018.

Residential leases are typically shorter in duration than commercial leases, and many properties contain more tenants per square foot than do nonresidential properties, as consumers require less space than businesses and other organizations. As a result, residential property managers must be able to handle a high volume of tenant turnover, rental payments, service requests and tenant issues (e.g. nonpayment and security deposit claims). These properties are also occupied on a 24-hour basis, so this segment generally employs more individuals operating on a fixed schedule (e.g. business hours) than commercial properties.

Nonresidential properties

The nonresidential market is composed of office, retail, industrial and warehouse facilities and other nonresidential building types. Nonresidential tenants include a wide

variety of industries and businesses. The office segment (6.3% of industry revenue) is mainly composed of financial service companies and professionals, including accountants, lawyers, insurance companies and computer technology companies. In contrast, the industrial segment (6.9%) includes manufacturers. The commercial segment (8.8%) includes malls and shopping plazas, which contain movie theaters, clothing stores, restaurants and other consumer-oriented businesses.

Nonresidential properties have much more sophisticated leases, so property managers are often required to have skilled personnel to negotiate leases and deal with tenant issues. Leasable space also varies by the tenant, and each entity is normally responsible for the build-out and maintenance of the leased space.

Office rental vacancy

The office rental vacancy rate measures the percentage of available office units that are unoccupied in a particular year. Historical data is sourced from Cushman and Wakefield, a commercial real estate services firm.

- **Estimated value in 2019**: 13.7%
- **2014-2019 Growth**: -1.2 percentage points
- **Forecast value in 2024**: 14.2%
- **2019-2024 Growth**: 0.5 percentage points

Year	%	Change
2000	9.20	N/A
2001	10.50	1.3
2002	11.20	0.7
2003	12.50	1.3
2004	13.30	0.8
2005	12.20	-1.1
2006	11.60	-0.6
2007	9.80	-1.8
2008	11.80	2.0
2009	14.90	3.1
2010	15.40	0.5
2011	16.90	1.5
2012	16.00	-0.9

Year	%	Change
2013	15.60	-0.4
2014	14.85	-0.8
2015	13.80	-1.1
2016	13.20	-0.6
2017	13.20	0.0
2018	13.50	0.3
2019	13.70	0.2
2020	14.05	0.4
2021	13.40	-0.7
2022	13.64	0.2
2023	13.85	0.2
2024	14.16	0.3
2025	14.46	0.3

Current Performance

Office vacancy rates are inversely correlated with a range of macroeconomic variables, including total employment and corporate profit figures. As a result, vacancy rates are low when the economy is gaining strength; at this time, businesses are hiring and corporations are expanding their presence by renting out more offices in the United States. Vacancy rates are also impacted by technological trends, as the internet has enabled many workers to perform tasks remotely, tempering the need for office space.

This trend has mitigated declines in office space vacancy as many businesses are relying on work performed outside of the office and, increasingly, from workers abroad.

In 2009, office vacancies jumped to 14.9%, highlighting the devastating effects of the recession. Furthermore, many businesses opted to hire contract workers and workers that could function remotely, removing the need for office space and saving money while economic conditions were poor. Vacancy rates continued to rise in 2010 and 2011 as the economy struggled to recover from the recession. However, a turnaround finally occurred in 2012 as the office vacancy rate fell to 16.0%. In 2019, office rental vacancy rates are expected to decline to 13.7%. According to Cushman and Wakefield, many offices are using space more efficiently, meaning that they will require less office space per job, causing the office rental vacancy rate to remain moderately high.

Outlook

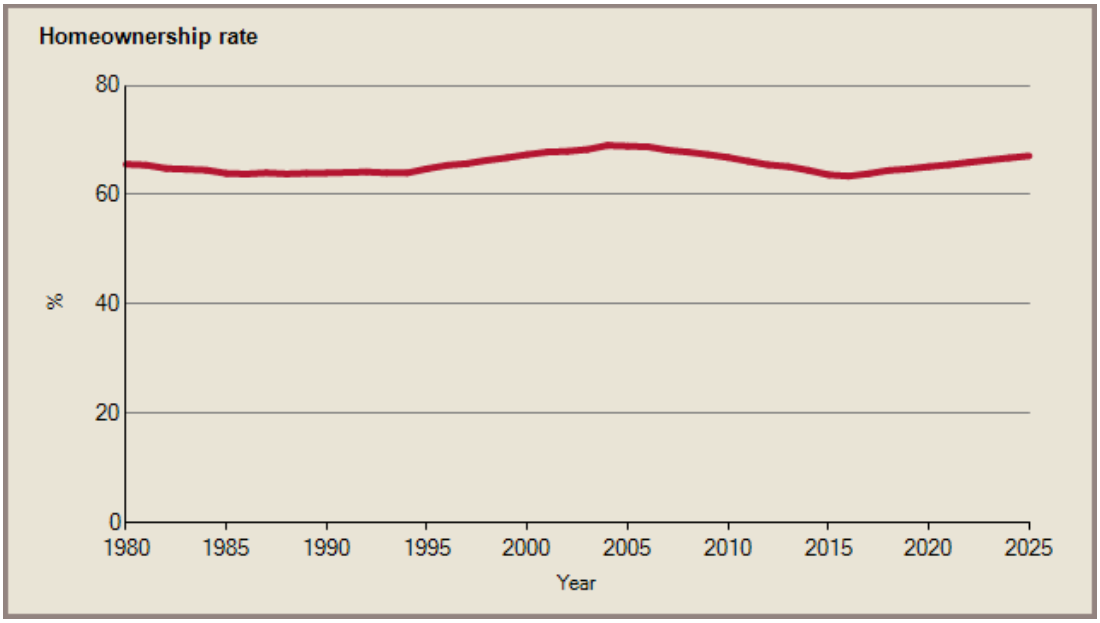
With the US unemployment rate is forecast to increase modestly over the next five years, vacancy rates are expected to increase 0.7 percentage points during the upcoming five-year period, reaching an estimated 14.2% in 2024. Demand for office rental space has lagged, partly driven by employers utilizing office spaces more efficiently, limiting their demand for office space rentals, on average. Overall, this vacancy rate is expected to remain slightly above vacancy rates observed before the recession, due to the acceleration of outsourcing tasks to emerging economies and employing labor that does not require office space.

Homeownership rate

The homeownership rate represents the proportion of households that own the home in which they live. Data is sourced from the US Census Bureau.

- **Estimated value in 2019**: 64.7%
- **2014-2019 Growth**: 0.2 percentage points

- **Forecast value in 2024**: 66.7%
- **2019-2024 Growth**: 2.0 percentage points



Year	%	Change
2000	9.20	N/A
2001	10.50	1.3
2002	11.20	0.7
2003	12.50	1.3
2004	13.30	0.8
2005	12.20	-1.1
2006	11.60	-0.6
2007	9.80	-1.8
2008	11.80	2.0
2009	14.90	3.1
2010	15.40	0.5
2011	16.90	1.5
2012	16.00	-0.9

Year	%	Change
2013	15.60	-0.4
2014	14.85	-0.8
2015	13.80	-1.1
2016	13.20	-0.6
2017	13.20	0.0
2018	13.50	0.3
2019	13.70	0.2
2020	14.05	0.4
2021	13.40	-0.7
2022	13.64	0.2
2023	13.85	0.2
2024	14.16	0.3
2025	14.46	0.3

Current Performance

The homeownership rate peaked in 2004 at 69.0%, as a booming housing construction industry and exceptionally low interest rates made houses more affordable than ever before. In addition, home prices were continually rising, making a home an attractive investment. Over the years following, however, the Federal Reserve raised interest rates to prevent runaway inflation. This effectively raised the price of homes and caused the homeownership rate to decline slightly in 2005 and 2006.

Homeownership dropped significantly between 2007 and 2009 as the subprime mortgage crisis decimated the housing sector and large-scale mortgage defaults set off a massive number of foreclosures. The subprime mortgage crisis lowered the homeownership rate directly and induced banks to restrict lending practices. In addition, housing prices collapsed, pushing many mortgages underwater, meaning the money owed for the house exceeds the market value of the house. Consequently, many of these homeowners simply abandoned their homes rather than continuing to pay.

The Federal Reserve cut interest rates, but homeownership still fell from the 2004 high of 69.0% to 65.5% in 2012. With a low volatility rate like homeownership, a drop over three percentage points represents a substantial drop. Homeownership further declined in 2013 and 2014, and was set to do well over 2016. The thought was that strong economic growth would continue driving up demand for housing and improved credit conditions would incentivize potential homeowners to take out loans. Instead, the homeownership rate fell to its lowest point in over 40 years. One explanation for this decline in the face of an improving housing market is that potential buyers were unable to keep up with the pace of house prices, distancing young buyers and pushing them further toward the rental market.

One factor that is expected to change this overall trend of decline is the fall in rental vacancy rates across the country. The overarching trend is clear. With rental vacancies falling and residential construction continuing to grow, the housing market is expected to tighten, which will bolster homeownership. As a result, the continued decrease that has occurred for nearly a decade is expected to slow moving forward. This shift began during the latter half of 2016, as homeownership began to increase after reaching a record low of 63.0% at the end of the second quarter in 2016. Since that low, the homeownership rate has inched upward. The shift has accelerated in 2018, as it has increased from 63.9% at the end of 2017 to 64.4% at the end of 2018. As residential

construction continues to expand in 2019, the homeownership rate is expected to rise further.

Outlook

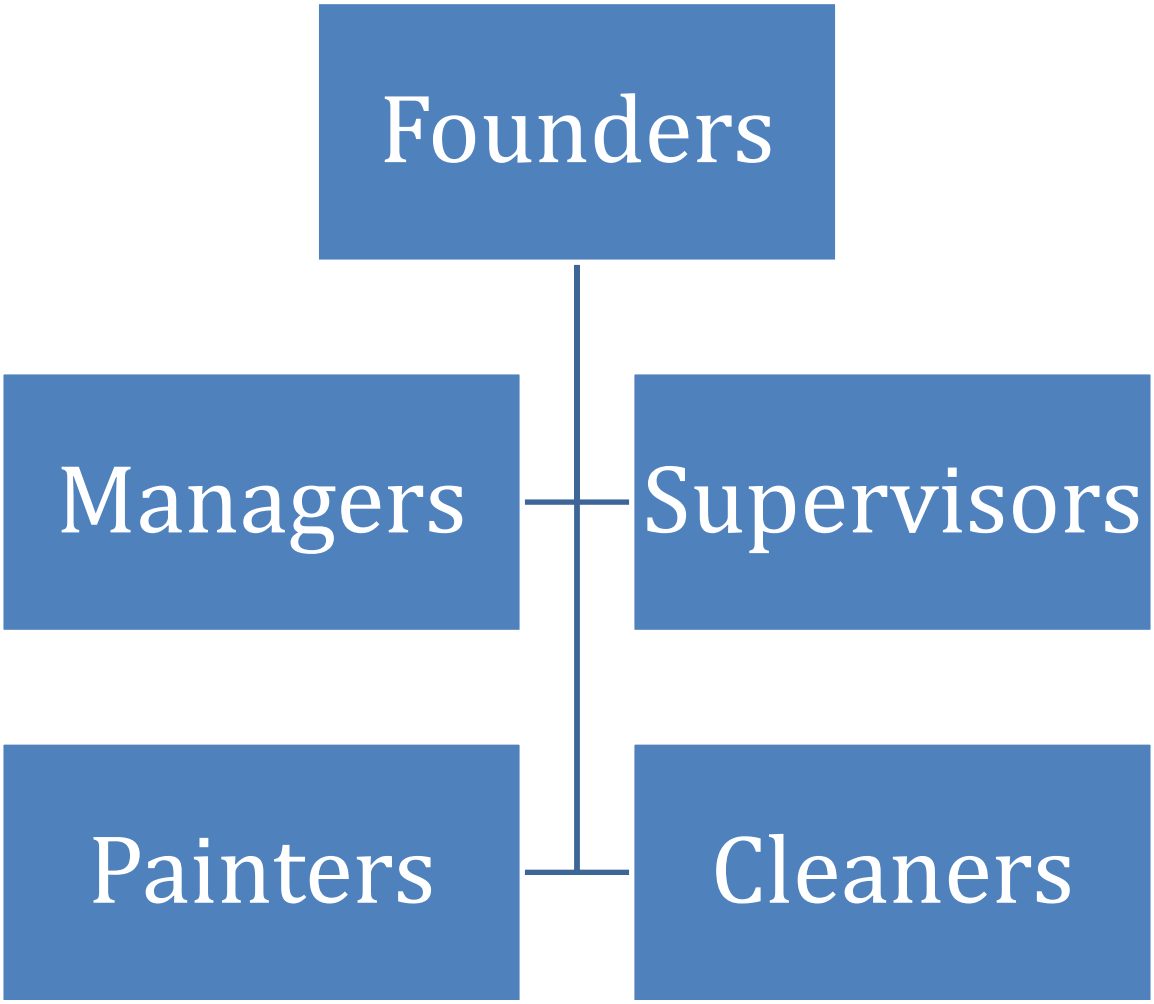
The homeownership rate is expected to increase over the five years to 2024. This increase is expected to stem partially from the booming economy, as the benefits have begun to be felt by the average American. The US housing market, and the homeownership rate more specifically, is noticeably cyclical. Prior to the low in the homeownership rate, the homeownership rate bottomed out in the late '80s and early '90s. As the economy began to expand strongly, however, the homeownership rate began to rise. In 2017, the homeownership rate increased for the first time since the recession as US consumers sought to finance the purchase of a new home amid relatively low interest rates. With per capita disposable income expected to increase over the next five years, consumers are expected to have the heightened income levels needed to finance large-item purchases, such as a home. Accordingly, with the US economy stronger than it has been in over a decade, IBISWorld expects the homeownership rate to trend upward over the years to come.

Data Volatility

The homeownership rate is primarily a product of long-term trends, such as population growth and housing policies, pursued at the state and national level. Consequently, sudden changes in the rate of homeownership are uncommon. However, some shorter-term factors do influence the variable, including the interest rate on a 30-year conventional mortgage, the level of housing supply, housing prices and conditions in rental markets.

Management & Operational Plan

The business will be fully managed and maintained by the owners, Jorge Doe & Carlos Doe whom both individually own 50% of the Company.



A good team that truly adds value is not just a group of high performing individuals but a balanced team with complementary skill sets and a culture that allows them to work together to make the most effective decisions for our organization. While the leadership from the top is crucial, the participation of every team member is also essential for effectiveness. We are confident that the team we will attract will continue to execute in a timely manner the business plan presented.

Marketing Plan

The company currently has its management members focused on executing this business plan. The team is focused on creating a strong brand, executing the following marketing strategies post-investment:

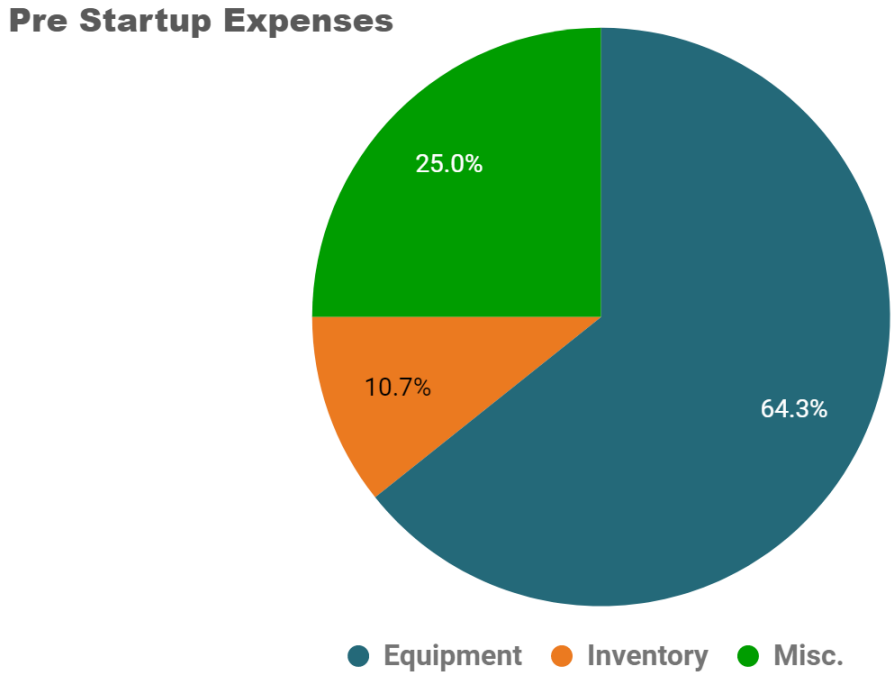
- **Direct Contact:** The company will have a strong focus on directly contacting real estate investment companies, big or small, through phone, email, “snail” mail, and social media.
- **Internal Sales Platforms / Our Website:** The company website will act as our main mode of finding information. This website will feature all of our discounts, information about our business, service pricings, and company news aggregated into a single platform for potential customers. This website will also allow those interested in our services to begin the purchase process by contacting our business to schedule a consultation within minutes.
- **Strong Cost Per Click Advertising**: The company will have an aggressive targeted cost-per-click advertising campaigns on platforms. We will primarily be using Google Adwords, as well as social networks that allow marketers to define the interests of their target viewers. This strategy will be used to drive traffic to our website in the most cost-effective, efficient manner possible manner. We will target phrases and interest that clearly indicate customers are seeking our products, such as “Florida property managers”, “Florida property management”, “Gainesville property managers”, “Gainesville property management”, “FL property managers”, and more.
- **A Facebook & Instagram Page**: A Facebook and Instagram page will be started. Administration duties will be outsourced. Each post will engage users by asking a question, pictures of our staff pr the properties we manage, the proposal of an idea, marketing collateral calls to action, or a sale of some form. We will include hashtags and geolocations with the heaviest pertinent traffic in our posts. These will be real estate sales and development hashtags such as #Developer, #RealEstate, #Properties, #Development, or any other trending hashtag that will generate targeted traffic. This will assure that these platforms are a lead generation service driving pertinent traffic to our website. We will be posting a minimum of twice per day on each platform.

Financial Projections

The Company, while minimal, will have expenses as it moves to initiate operations of its first location and eventually franchise the business into scaled profitability. It's important that the company estimate these expenses accurately and then plan on obtaining sufficient capital. Even with the best of research, however, expanding the business has a way of costing more or less than anticipated. The company has made allowances for surprise expenses, called contingencies to account for the unforeseeable. After careful research and talking to others who have started similar businesses to get a good idea of how much to allow for contingencies, and careful market research, the Company projects distribution of capitalization in the amount recorded below to operate and sustain the business for the first years of operations and beyond.

Pre-Startup Expenses

The company will invest the capital for startup operations in the following manner:



The above represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. The amounts and timing of any expenditure will vary depending on the amount of cash generated by our operations, and the rate of growth of our business. If an unforeseen event occurs or

business conditions change, we may use the proceeds of this offering differently than as described in this business plan prospectus.

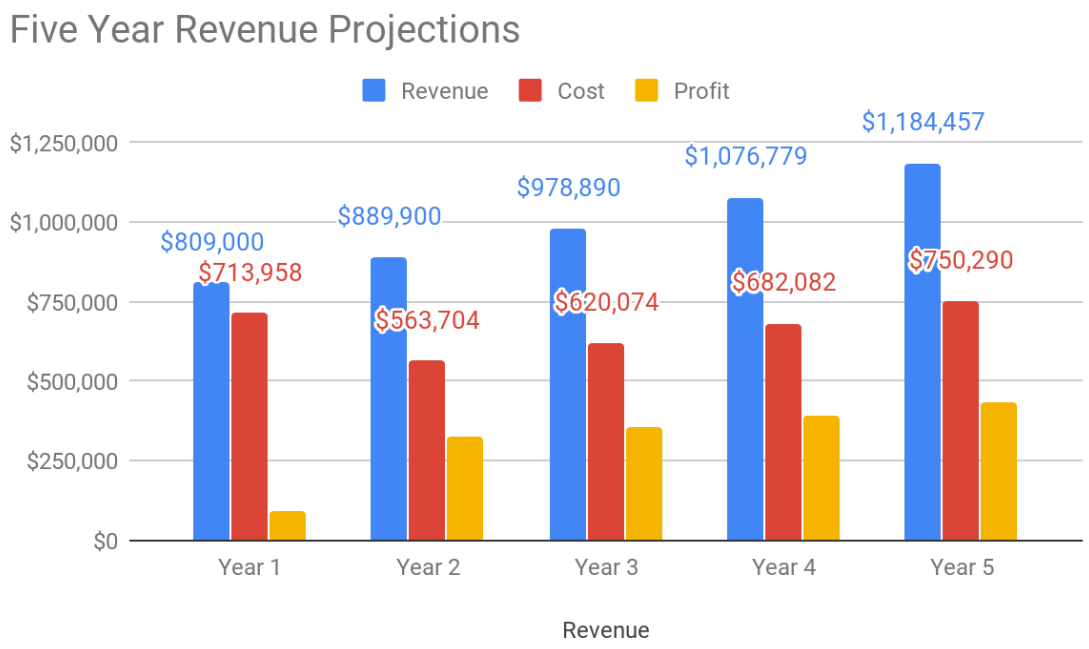
Financial Projections

The following is the company's financial revenue and expense projections. Together they constitute a reasonable estimate of our company's financial future. More important, the projections through the financial plan will improve our insight into the inner financial workings of our company. For a more detailed view of our revenues, profts, and projections, please view the attached Cash Flow statement.

Basis of Assumption

Based on SC' parent company, we assume the following:

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$809,000	$889,900	$978,890	$1,076,779	$1,184,457
Cost	$713,958	$563,704	$620,074	$682,082	$750,290
Profit	$95,042	$326,196	$358,816	$394,697	$434,167



Conclusion

Sample Company management is confident that the company can achieve its conservative financial projections, generating a gross revenue more than $800,000 million in year one following the startup of the business. In addition, management has carefully considered its market, potential customer base, and its ability to grow its sales average to capture market share of the total population in our area of business. With our projected numbers, and the total market share and revenue in the industry, we confidently project an over $2.2 million (2x) entity value in year five.

As owners, the Managers' commitment is to take personal accountability for all financial debt. The Company has taken the necessary precautions to ensure the business is fully capitalized and has addressed all financial shortfalls to ensure a successful business expansion.

In all the above we intend to communicate our ability to create a valued property management business that improves our consumers' lives. All the above promotional tools that we have mentioned throughout the plan shall be well integrated and utilized in tandem so as to maximize their effect.

Entrepreneurs have a tendency to paint any business plan with a very optimistic brush, highlighting strengths and camouflaging the risks. The Company Managers, as business owners, have a vested stake and financial commitment in the success of this business. The Company has taken all precautions to validate the Company business and financial models, focusing on realistic projections. If you have any questions, please contact us directly.