

ILLUSTRATED PROPERTIES

700 East Atlantic Ave. Delray Beach, FL 33483
(561) 272-4065

Owners

Michael I. Pappas
Timothy D. Pappas

- **Mailing Address:**
 - 2725 PGA Blvd, Palm Beach Gardens, FL 33410
- **Current Business Address:**
 - 700 East Atlantic Blvd, Delray Beach, FL 33483
- **Lease Term: 12/31/2018** — a new extension is in process and will extend our lease out until 12/31/2023
- **Square footage of space:** 1,600 Sq. Ft.
- **Monthly Base Rental Rate:** \$ 3,601.63
- **Total Monthly Rental Rate (including CAM, taxes, fees, if applicable):** \$ 3,846.54

Application Highlights

- We are completely renovating the interior office space at 700 E. Atlantic Ave, including replacing the flooring, kitchen area, lighting, replacing/repairing window glass and signage and opening up walls to improve our associate space. We estimate total cost of improvements to be \$200,000.
- We currently have 36 Illustrated Properties associates and 2 staff at our current location. After completion of the renovation, we will combine both the Keyes and IP offices, for a total of approximately 90 associates and anticipate a 8% growth per year.

Executive Summary

Illustrated Properties was established in 1975 and our sister company, Keyes Real Estate in 1926. Both firms have maintained a presence on Atlantic Ave in Delray Beach for many years.

Illustrated Properties mission is to be the premier real estate company of choice for buyers, sellers and associates.

We are requesting a grant of \$ 50,000 for the renovations of our Delray office.

Core Products & Services

- Illustrated Properties is a full service real estate broker offering one-stop service with residential, commercial and vacant land sales and listings, business brokerage, rental properties and our affiliated companies provide mortgage, title, insurance and property management.

Products & Services Vision

- Our goal is to merge our Keyes-branded operation in Delray Beach with Illustrated Properties-branded operation, effectively doubling these individual businesses and then integrate our agents into one brand. In the next 2-3 years we plan to increase our gross revenues by 10% annually through increased efficiencies, collaboration and market presence. Long term we anticipate an additional 15% growth as our business plan grows and evolves. We want to transition into a single brand in the market vs our current fractured brands.
- As we are currently a full service real estate broker and one of the leaders of the industry, we continue to monitor our competition in order to stay on top of technology and training which is the future and a necessity in order to stay at the top of our industry.

Target Customers

- Our target customer is in the middle to upper class income bracket, ages 25 – 75, either a part-time or full-time resident. They can be single, married, family or investors, full or part time residents. Our company's service area extends from the Florida Keys to New Smyrna Beach, with an annual income of \$ 100,000+.
- Our typical customer will purchase 1 home every 7 years, and our Delray Beach clients typically spend between \$ 500,000 and 3 million dollars on a home.

Market Analysis

- The real estate business is among the largest in the world, as nearly 100% of the world's population will use at least one type of the services we offer. Our major competition in the South Florida market include Coldwell Banker, United Realty Group, Berkshire Hathaway and Lang Realty. Our local/regional competition are Corcoran Group, Lang Realty, Douglas Elliman and Coldwell Banker.
- Currently we are #1 in market share having increased from 5% to 5.8% in 2017. We envision our market share increasing to 10% within the next 10 years.

Marketing & Promotion Plan

- We differentiate ourselves from other real estate brokers by belonging to some very select affiliations including Christies Great Estates, Leading RE Companies of the World and Luxury Portfolio all of which cater to very select clientele.
- We use a variety of marketing strategies to promote our company, associates and listed properties such as (but not limited to):
 - Our website: www.ipre.com
 - Paper advertisements (Incl. Palm Beach Post, Shiny Sheet, Coastal Star)
 - Social media – Facebook (with auto posts on articles of interest, and IP home listings) Twitter, LinkedIn
 - Special events – Including local events, shred events, local maps, Palm Beach Boat show
 - Marketing collateral – Brochures, listing presentations, drone video and photography, Showcase tours

Management Team

Michael I Pappas – Owner

Orlando Morales – CFO

Virginia Spencer – GM

Cathy Weiss – Controller

Lisa Kells – Marketing Dir

Debbie Zuloaga – Manager of Recruiting

All are full time employees, working 40+ hours per week.

Timothy D Pappas – Owner

Steven Reibel – VP

Joy Linet – VP

Wendi Iglesias – Dir of IT

Denise Talboy – Dir of Relo

You may find details about each of our management staff on the following links:

<https://www.ipre.com/our-leadership.aspx>

<https://www.keyes.com/our-leadership.aspx>

Support Team

- Currently our Delray Beach branch has 90 agents with 2 full time staff. However, with over 3,700 agents and 400 employees company wide, there are too many to list. Our agents are all full-time agents and our staff are both full and part time employees.
- As our employees leave or retire we do replace them and as the company grows we do anticipate the need to fill new job opportunities.

Business Model

- Illustrated Properties/Keyes Real Estate is engaging in an aggressive plan to grow our real estate sales organization in addition to our affiliated companies. We plan to develop our team of existing agents into higher levels of sales performance via our established coaching programs and recruiting additional agents. We anticipate an 8% increase in revenues in 2018 and 11% in 2019 by implementing this plan.
- We expect little expense in implementing this plan, as we already have established coaching programs in place which are being utilized by the company with excellent results.

Risk Factors

- In the real estate industry, retention of sales agents is key to remaining a successful company and the #1 Broker in Volume Sold in Palm Beach county for over 17 years. Illustrated Properties/Keyes Real Estate invests in each of our sales agents by first recruiting quality associates, and then supporting them with continuous training and the best technology and our excellent support staff. We strive to remain the #1 broker in Palm Beach county by staying one step ahead of our competition.
- We stay in constant contact with our sales agents, and strive to do what is necessary to assist and keep them with our firm.

Financial Summary

- Start-up capital requirements: N/A we have been well established for many years and are looking to become a fixture by renovating our current location.
- 3-Year Financial Projection

– 2018: Revenues	\$ 285,500
• Expenses	\$ 248,500
– 2019: Revenues	\$ 294,000
• Expenses	\$ 256,000
– 2020: Revenues	\$ 302,900
• Expenses	\$ 263,600

Contact Information

- Owners: Michael I. Pappas and Timothy D. Pappas
- Main Contact for this project:
- Marc Hershman
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