

Real Estate Case Study

A real estate agency is evaluating their market position and strategically planning for their short-term future. Their goal is to expand their market and increase revenue. The company has been in business for 3 years and employs 8 real estate agents. None of the agents have more than 10 years of experience.

The agency includes both buyer and seller agents for residential property and operates in a city with a population of 3 million people. Most of their business focuses on first-time homeowners and homes valued less than \$250,000 USD.

Despite being a new business and not having much brand or name recognition, most of the agents have received great reviews from clients and the agency has a positive reputation in their market. Two of the more experienced agents are active community leaders and have a large sphere of influence, especially within the technology industry.

There are many competing real estate agencies in this market, some with over 30 years of experience. The established agencies can offer more incentives to experienced or highly successful agents. A growing trend is that cash investors are buying up houses at the lower end of the market and converting them into short-term rentals. This reduces home availability, especially for new homeowners and drives up prices.

Over the last few years, mortgage interest rates have remained low, making loans more affordable. Additionally, newly implemented city and state tax incentives are attractive for technology sector businesses looking to relocate or expand their operations. As new technology businesses arrive, demand for existing housing also increases.

Directions:

1. Identify and record the strengths, weaknesses, opportunities, and threats.
2. Use the SWOT analysis to devise a business strategy for this agency to leverage their strengths and opportunities, while minimizing their weaknesses and external threats.