

Steps to Form a Real Estate Brokerage Company:

To form a real estate brokerage firm in which you would be the owner of record, and be able to transact the activities of real estate similar to any other firms (ie; Coldwell Banker, ReMax, Century 21), I would recommend a Limited Liability Company (LLC). This is what needs to be done:

1. File for an LLC with the Florida Department of State. You can do this on line at sunbiz.org (\$125). Within this process you must file for an Employer Identification Number (EIN)
2. File for a license with the Department of Business Regulations (DBPR) your new LLC (\$77). This is form RE 7. Also file your new broker of record license number with the DBPR (\$77). This is form RE 13. You can download the appropriate forms from the web site myfloridalicense.com

With the above two steps you now own a real estate brokerage company. Other steps that I highly recommend:

3. Access to the Multiple Listing Service..... I recommend that a licensed real estate agent become a member of the local Realtor's Association (estimated yearly expense \$900). This would be paid by each individual agent. As your Broker of Record, I already belong to the Realtor's Association. However, your new LLC must pay a fee to register my new broker's license number with your firm at the Realtor's Association, if you join. . This is usually a nominal fee (estimated yearly fee \$200-\$300) based upon the fact that I am already on multiple Realtor Association Board's in Florida.
4. Professional Errors and Omissions Liability Policy.....You do not want to be in business without such a policy. Essentially this protects the people within the LLC from any civil action within the scope of your employment. I am very familiar with these policies. Based upon my present knowledge of the market place for these policies with a new start up LLC we are looking at an estimated yearly premium charge of at or around \$350 to \$500 yearly. Premiums depend upon your volume of business.

That is everything you need to become a active real estate brokerage company. Below are additional information that will improve your knowledge base.

5. Even if you are not licensed, you could own this LLC, hire agents, and charge them a monthly fee and/or a percentage of their commissions for real estate transactions. So long as your LLC has a active licensed Real Estate Broker of Record as your manager, this company which you own can perform all of the legal activities of real estate.
6. What about a physical office? Florida Real Estate Law requires that every real estate office have a primary office. The den in your residential home can be the actual physical office and address of your LLC. So long as you have one enclosed room in a building of stationary construction that will provide the privacy necessary to conduct negotiations , it will meet the requirements of a Real Estate primary office. In this room, of course, you should have a desk, computer, and a filing system to maintain records. Further I require that all final real estate closing transactions go through a Title Company or Attorney in Florida which will handle escrow, and the actual transfer of title.
7. In Florida, any real estate agent can perform the activities of real estate if they are under the license of an active real estate broker. I am the Broker of Record for multiple real estate brokerage companies. I would be more than happy to send you my qualifications and recommendations, as it is a very important part of what you will do. My major function is to make sure that you remain in compliance with all of the rules and regulations of the DBPR in performing real estate activity.
8. Finally, if you decide to go forward with forming an LLC and make me your Broker of Record , there are some bookkeeping items we need to discuss (ie; operating agreement between the member and the manager of the LLC)). However we can do this after you have digested the above information.

Thank you for your interest in my services, and I look forward to answering any questions you may have.

Charles D Medalie

Licensed Real Estate Broker.....BK3076050