Home inspection business Business Plan: A Proven Sample for US Entrepreneurs

SafeGuard Home Inspections LLC (Texas LLC, founded January 2024) is led by James Carter (15-year construction inspector, 2,500+ inspections completed) and Lisa Tran (ex-Keller Williams top 10% agent, $120M closed volume). We provide residential home inspections at $415 average price point across Central Texas, targeting $207,500 Year 1 revenue with 65% gross margin. Business plan dated October 2024.

SECTION 1: EXECUTIVE SUMMARY

U.S. homebuyers lose $1.2B annually to undiscovered defects post-closing (NAR 2023). SafeGuard solves this with drone-assisted roof analysis and same-day digital reporting at $415/inspection (12% below franchise competitors). We capture defects 37% faster than industry average (InterNACHI benchmark data), reducing client repair costs by $2,100 per inspection.

Revenue model: 500 inspections Year 1 ($207,500), 750 Year 2 ($315,000), 1,000 Year 3 ($415,000). Gross margin 65% ($145.75 variable cost per inspection). Achieve EBITDA profitability Month 10 with $134,875 gross profit covering $115,000 operating expenses.

Seeking $70,000 SBA 7(a) loan (5-year term, 7% interest) to fund $50,000 startup costs and $20,000 working capital. Funds deploy: $7,200 equipment, $8,500 vehicle, $5,000 marketing launch. Enables 316-inspection break-even by Month 10, 16.8% net margin by Year 3.

SECTION 2: COMPANY OVERVIEW

Formed as Texas LLC for liability protection and pass-through taxation. Austin location chosen for 8.2% annual housing growth (Census Bureau Q2 2024) and 24,000 annual home sales in Travis County. Ownership: 60% James Carter (cash contribution $30,000), 40% Lisa Tran (cash contribution $20,000).

James Carter: Licensed TREC Inspector #40398 since 2009, completed 2,500+ inspections with 0 claims. Lisa Tran: 8-year real estate agent (Keller Williams), ranked top 10% by volume in Austin (2021-2023), managed 15-agent team.

Date	Milestone	Status	Next Steps
Jan 2024	TREC licensing secured	Complete	N/A
Feb 2024	Vehicle lease signed	Complete	N/A
Mar 2024	First 10 inspections delivered	Complete	Secure 5 agent partnerships
Jun 2024	50 inspections/month	Target	Hire part-time admin
Sep 2024	Break-even achieved	Target	Launch San Antonio expansion
Dec 2024	500 annual inspections	Target	Secure second inspector

SECTION 3: MARKET ANALYSIS

TAM: $400M (U.S. home inspections, IBISWorld 2024). SAM: $48M (Texas, 12% of national volume based on 400,000 annual TX home sales). SOM: $2.1M (Austin metro, 4.4% of SAM calculated from 5,000 annual inspections in Travis County per TREC data).

Primary customers: Real estate agents (65% of volume, avg. 15 inspections/month), homebuyers (25%, avg. budget $450), investors (10%, avg. 8 inspections/month). 78% of buyers use inspectors (NAR 2024), with 42% paying premium for drone/thermal services.

Key trends: 1) Sun Belt migration driving 9.1% Texas housing growth (Census Q1 2024); 2) 68% of lenders now require thermal imaging (MBA 2023); 3) Pre-listing inspections growing at 14% CAGR (NAR).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Real estate agents	1,365,000	8.2%	15%	Top agents control 70% of volume; $50 referral bonus yields 35% conversion
First-time buyers	525,000	6.5%	8%	Targeted via Facebook ads ($28 CAC)
Sellers (pre-listing)	210,000	14.0%	20%	12% higher margin; bundled with repair concierge

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
U.S. National	$400,000,000	N/A	N/A	IBISWorld report 42221a
Texas	N/A	$48,000,000	N/A	12% of national (TX 12% of US home sales)
Austin Metro	N/A	N/A	$2,100,000	4.4% of TX market (5,000 inspections x $420 avg)

SECTION 4: COMPETITIVE ANALYSIS

Market fragmented: 75% of competitors are solo operators (TREC data). Pillar To Post (franchise) holds 18% Austin market share at $475 avg price. WIN Home Inspection averages 22-day report turnaround (vs. our 24 hours). Certified Home Inspectors of Texas lacks drone capability (37% of competitors).

Competitive advantages: 1) Drone roof analysis included at no cost (saves clients $150 avg, adds $0 marginal cost); 2) Same-day reporting (vs. industry 48-72hr standard); 3) Free re-inspection guarantee (increases referral rate by 22% based on pilot data); 4) CRM integration with agent calendars (saves 1.2 hrs/booking).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Pillar To Post	$850,000	$450-$600	National brand	22-day report avg	Same-day reports + drone included
WIN Austin	$720,000	$425-$550	Agent relationships	No thermal imaging standard	Thermal standard at lower price
Certified HITX	$410,000	$375-$500	Local reputation	Manual reporting system	Digital reports + CRM sync

Strengths	Weaknesses	Opportunities	Threats
Licensed TREC inspectors (0 claims)	Limited brand awareness	San Antonio expansion (28% market growth)	Housing downturn (15% price drop risk)
65% gross margin	Single inspector capacity (25 inspections/week)	Builder partnerships (11th-month warranty)	Unlicensed competitors ($250 inspections)
Same-day reporting tech	No physical office	Radon testing expansion (TX EPA mandate)	FAA drone regulation changes

SECTION 5: PRODUCTS & SERVICES

Standard inspection ($425): 207-point checklist covering roof (drone footage), electrical (thermal scan), plumbing (moisture meters), HVAC. Digital report with annotated photos delivered within 24 hours. Includes sewer scope ($175 value) and 30-day repair re-inspection guarantee.

Pricing set at 10% below franchises ($475 avg) based on TREC fee survey. $350 new construction phase inspection priced 15% below competitors to capture builder volume. Bundled "Peace of Mind" package ($650 = inspection + radon + sewer) increases average revenue per inspection by $70.

Tier	Price	Features	Target Customer	Expected % Rev	Gross Margin
Standard	$425	207-point, drone roof, digital report	Buyers/Agents	65%	68%
Pre-Listing	$395	Repair prioritization report	Sellers	20%	72%
11th-Month	$375	Builder warranty defect ID	New home buyers	15%	65%

Metric	Value	Calculation/Notes
Price per unit	$415	Weighted avg of all services
COGS per unit	$145.75	Vehicle $42.50 + labor $85.25 + supplies $18.00
Gross Profit/unit	$269.25	$415 - $145.75
Gross Margin %	65%	$269.25 / $415
CAC	$115	$18,000 marketing / 156 customers Year 1
LTV	$1,245	3 inspections x $415
LTV:CAC	10.8	$1,245 / $115

Payback Period	1.9 months	CAC / (Gross Profit x repeat rate)

SECTION 6: MARKETING & SALES

Primary channel: Real estate agent partnerships. Target top 100 Austin agents (20% market coverage). $50 referral bonus yields 35% conversion (pilot data). Digital marketing: Google Ads CPC $2.40, CTR 3.2%, conversion rate 4.1% (145 leads/month at $58.60 CAC).

Sales cycle: 1) Lead from agent/referral (48hr response time), 2) Booking via Calendly (78% same-day rate), 3) Inspection (3.2hr avg), 4) Report delivery (24hr SLA), 5) Follow-up call (92% completion), 6) Re-inspection request (31% rate).

Retention: Free re-inspection guarantee increases repeat rate to 38% (vs. industry 22%). Annual roof check reminder email drives 12% re-engagement. Target churn rate: 2.1% monthly.

Channel	Monthly Budget	Expected CAC	Expected Leads/Mo	Conversion Rate	Expected Customers/Mo	ROI
Agent Referrals	$2,500	$45	55	35%	19	320%
Google Ads	**1,200**	**58.60**	**20**	**4.1%**	**8**	**215%**
Facebook Ads	600	72.00	12	3.8%	5	185%

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	1,200	600	500	0	300	2,600	32	13
2	1,200	600	500	0	300	2,600	32	13
3	1,200	600	500	500	300	3,100	37	15
4	1,200	600	500	500	300	3,100	37	15
5	1,200	600	500	500	300	3,100	37	15
6	1,200	600	500	500	300	3,100	37	15
7	1,200	600	500	500	300	3,100	37	15
8	1,200	600	500	500	300	3,100	37	15
9	1,200	600	500	500	300	3,100	37	15
10	1,200	600	500	500	300	3,100	37	15
11	1,200	600	500	500	300	3,100	37	15
12	1,200	600	500	500	300	3,100	37	15

SECTION 7: OPERATIONS

Daily workflow: 1) Booking via Calendly (82% automated), 2) Pre-inspection email (GPS coordinates, checklist), 3) On-site inspection (GPS-tracked, 3.2hr avg), 4) Data upload to HomeGauge (15min), 5) Report generation (template + custom notes), 6) Client delivery (automated email), 7) Follow-up call (92% completion rate).

Key vendors: HomeGauge ($99/month for reporting), DJI ($2,200 drone), FLIR ($1,899 thermal camera). All equipment purchased outright. Vehicle: 2023 Toyota Highlander leased at $450/month with $1,200 branding wrap.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
HomeGauge	Reporting software	99	Month-to-month	InspectorPro ($85/month)
Follow Up Boss	CRM	75	Annual billing	BoomTown ($110/month)
HUB International	Insurance	350	12-month policy	Next Insurance ($320/month)

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Calendly	Scheduling	12	2	Acuity ($23)
QuickBooks Online	Accounting	30	1	Xero ($25)
Google Workspace	Email/Storage	12	2	Microsoft 365 ($15)

SECTION 8: MANAGEMENT TEAM

Flat structure: CEO (operations), COO (sales), part-time admin ($25/hr). CEO salary: $67,540 Year 1 (65% of revenue). No equity grants; profit distributions after 15% revenue target. Hiring plan: Part-time admin Month 4, second inspector Month 10.

Advisory board: Mark Reynolds (ex-TREC chair, 20 years regulatory experience), Sarah Chen (CFO of ProTec Inspections, $3.2M revenue).

Month	Role	Salary	Priority	Source	Onboarding Time
4	Part-time Admin	1,000	High	Upwork	2 weeks
10	Inspector	4,000	Medium	TREC job board	4 weeks

SECTION 9: FINANCIAL PLAN

Key assumptions: 15 inspections/month starting Month 1 (grows to 83/month by Month 12), 5% monthly churn, $145.75 variable cost per inspection, $7,083 monthly fixed costs. Marketing generates 156 customers Year 1 at $115 CAC. COGS 35% of revenue.

Revenue drivers: 65% from real estate agents (avg. 15 inspections/agent/year), 25% direct buyers, 10% investors. Upsell adoption: 42% for radon ($125), 38% for sewer scope ($175), increasing average revenue to $432 by Year 3.

Cost structure: 35% variable (labor, vehicle, supplies), 65% fixed (marketing, software, insurance). Fixed costs scale linearly: +$3,200/month per additional inspector. Year 1 operating expenses $115,000 (55% of revenue).

Funding: $70,000 SBA loan covers $50,000 startup costs and $20,000 working capital. Provides 8.7 months runway. Milestones funded: 316 inspections break-even (Month 10), 50 inspections/month capacity (Month 6).

Ca	Item	Cost		Notes
Equipment	FLIR thermal camera	1,899		E8 model
Equipment	DJI Mavic 3 drone	2,200		Enterpris edition
Equipment	Sewer camera	2,400		100ft scope
Equipment	Moisture meters	700		2 units
Vehicle	Down payment	5,000		Toyota Highlanc
Vehicle	First month lease	450		$450/mo
Vehicle	Branding wrap	1,200		Full vehicle
Licensing	TREC fees	500		Initial license

Insurance	First year premium	4,200	$1M E&O
Technology	Website development	3,500	SEO optimize
Technology	Software setup	1,800	HomeGa CRM
Marketing	Launch campaign	5,000	Ads, print, events
Working Capital	3 months operating	15,000	$5,000/m
Professional Fees	Legal/accounting	2,500	LLC formation
Contingency	10% buffer	5,000	Unplann costs
	TOTAL	50,000	

C	Type	Monthly Cost	Annual Cost	Notes
Salaries	Fixed	5,628	67,540	CEO draw
Marketing	Fixed	1,500	18,000	Google/F ads
Software	Fixed	180	2,160	HomeGa CRM
Insurance	Fixed	350	4,200	General liability
Vehicle Lease	Fixed	450	5,400	Toyota Highland

Fuel/Maintenance	Variable	340	4,080		$0.68/mil @ 500 mi/mo
Inspector Labor	Variable	7,100	85,200		$85.25/in x 83 mo
Supplies	Variable	1,490	17,880		$18/inspe x 83 mo
Admin	Fixed	417	5,000		Part-time Month 4+
Loan Interest	Fixed	408	4,900		7% on $70,000
Professional Fees	Fixed	500	6,000		Accountin
Miscellaneous	Fixed	417	5,000		Office supplies
	Fixed Total	8,932	107,180		
	Variable Total	8,930	107,160		
	COMBINED	17,862	214,340		

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1 Total
Revenue	6,300	7,350	8,400	9,450	10,500	12,600	14,700	16,800	18,900	21,000	23,100	25,200	164,300
COGS	2,205	2,573	2,940	3,308	3,675	4,410	5,145	5,880	6,615	7,350	8,085	8,820	57,505
Gross Profit	4,095	4,777	5,460	6,142	6,825	8,190	9,555	10,920	12,285	13,650	15,015	16,380	106,795
Marketing	2,600	2,600	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	36,200
Salaries	5,628	5,628	5,628	5,628	5,628	5,628	5,628	5,628	5,628	5,628	5,628	5,628	67,540
Software	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Insurance	350	350	350	350	350	350	350	350	350	350	350	350	4,200

Vehicle	790	790	790	790	790	790	790	790	790	790	790	790	9,480
Admin	0	0	0	417	417	417	417	417	417	417	417	417	5,000
Loan Interest	0	0	0	408	408	408	408	408	408	408	408	408	4,900
Other OpEx	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Total OpEx	9,965	9,965	10,465	10,890	10,890	10,890	10,890	10,890	10,890	10,890	10,890	10,890	128,480
EBITDA	-5,870	-5,188	-5,005	-4,748	-4,065	-2,700	-1,335	30	1,395	2,760	4,125	5,490	-21,685
Depreciation	600	600	600	600	600	600	600	600	600	600	600	600	7,200
EBIT	-6,470	-5,788	-5,605	-5,348	-4,665	-3,300	-1,935	-570	795	2,160	3,525	4,890	-28,885
Interest	0	0	0	408	408	408	408	408	408	408	408	408	4,900
Taxes (25%)	0	0	0	0	0	0	0	0	0	390	983	1,370	2,743
Net Income	-6,470	-5,788	-5,605	-6,164	-5,481	-4,116	-2,751	-1,386	387	1,353	2,709	3,102	-36,528

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	20,000	13,530	7,742	2,137	-2,611	-8,092	-12,208	-14,959	-16,345	-15,958	-14,605	-11,896
Cash In	6,300	7,350	8,400	9,450	10,500	12,600	14,700	16,800	18,900	21,000	23,100	25,200
Loan Proceeds	70,000	0	0	0	0	0	0	0	0	0	0	0
Total Cash In	76,300	7,350	8,400	9,450	10,500	12,600	14,700	16,800	18,900	21,000	23,100	25,200
Cash Out	62,770	13,138	14,142	14,561	15,981	16,716	17,459	18,186	18,513	19,647	20,409	22,098
Net Cash Flow	13,530	-5,788	-5,742	-5,111	-5,481	-4,116	-2,759	-1,386	387	1,353	2,691	3,102
Ending Cash	13,530	7,742	2,000	-3,111	-8,592	-12,708	-15,467	-16,853	-16,466	-15,113	-12,422	-9,320

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	164,300	82,500	90,750	99,825	109,808	120,788	132,867	146,154	160,769	415,000
COGS	57,505	28,875	31,763	34,939	38,433	42,276	46,503	51,154	56,270	145,250
Gross Profit	106,795	53,625	58,987	64,886	71,375	78,512	86,364	95,000	104,500	269,750

OpEx	128,480	58,000	60,000	62,000	64,000	66,000	68,000	70,000	72,000	200,000
EBITDA	-21,685	-4,375	-1,013	2,886	7,375	12,512	18,364	25,000	32,500	69,750
Net Income	-36,528	-6,500	-2,000	1,500	5,500	9,500	14,000	19,000	24,500	45,000
Ending Cash	-9,320	5,680	20,680	35,680	50,680	65,680	80,680	95,680	110,680	110,680

Metric	Value	Calculation
Monthly Fixed Costs	7,083	($85,000 annual / 12)
Variable Cost per Unit	145.75	COGS breakdown
Price per Unit	415	Weighted average
Contribution Margin per Unit	269.25	$415 - $145.75
Contribution Margin %	65%	$269.25 / $415
Break-Even Units per Month	26.3	$7,083 / $269.25
Break-Even Revenue per Month	10,915	26.3 units x $415
Expected Break-Even Month	10	Per P&L projection
Safety Margin	62.5%	(83 units - 26.3) / 83

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	65.0%	64.5%	65.0%	60-70%
Operating Margin %	-13.1%	1.5%	16.8%	N/A
Net Profit Margin %	-22.2%	1.3%	10.8%	5-15%

Current Ratio	0.8	1.2	1.8	1.5+
CAC Payback	1.9 mo	1.7 mo	1.5 mo	6-18 mo
LTV:CAC	10.8	12.1	13.5	3:1
Monthly Burn Rate	3,044	0	0	N/A
Runway (months)	8.7	N/A	N/A	6+

SECTION 10: RISK ANALYSIS

Top risks: 1) Housing slowdown (probability 4/5, impact 5/5) - 15% price drop would reduce transaction volume by 12% (NAR elasticity data). 2) Unlicensed competition (probability 5/5, impact 3/5) - 22% of Austin market uses unlicensed providers (TREC sting operations). 3) Inspector error claim (probability 2/5, impact 5/5) - industry average $35,000 claim cost (NAIOP).

Mitigation: 1) Diversify into pre-listing inspections (20% of revenue target by Year 2) to offset buyer demand swings. 2) Partner with realtor associations to report unlicensed operators (3 formal complaints filed quarterly). 3) Implement mandatory peer review for 10% of reports (reduces error rate by 34% per InterNACHI data).

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Housing downturn	4	5	20	Diversify to pre-listing inspections	Reduce marketing spend 20%	Carter
Unlicensed competition	5	3	15	Agent referral program	Price match guarantee	Tran
Inspector error	2	5	10	Peer review 10% of reports	$1M E&O insurance	Carter
Drone regulation change	3	4	12	FAA Part 107 certified pilot	Manual roof inspection protocol	Carter

SECTION 11: IMPLEMENTATION TIMELINE

Critical path: Achieve 50 inspections/month by Month 6 to cover fixed costs. Dependencies: Agent partnerships must deliver 65% of volume; vehicle branding completion required for lead generation. Key priority: Secure 5 top agents by Month 3 (covers 30% target volume).

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Launch operations	First 10 inspections	Equipment, vehicle	10 inspections completed	Carter
2	Google Ads live	Campaign setup	$1,200 budget	50 website leads	Tran
3	Agent partnerships	5 signed agreements	Referral contracts	15 inspections from agents	Tran
4	Hire admin	Part-time contract	$1,000 budget	Admin handles 100% scheduling	Carter
5	50 inspections/month	Capacity test	Inspector overtime	50 inspections completed	Carter
6	Cash flow positive	Revenue > OpEx	Working capital	$1,353 net income	Carter
7	Loan repayment start	First payment	Cash reserve	$1,400 paid on time	Tran
8	Google Reviews	25 reviews	Review request system	4.8+ avg rating	Tran
9	Break-even analysis	Financial review	Accountant	26.3 units/month confirmed	Tran
10	EBITDA positive	Profitability	Operating discipline	$2,760 EBITDA	Carter
11	Second inspector hire	Training complete	$4,000 salary	100 inspections capacity	Carter
12	Year 1 review	Financial audit	Accountant	$164,300 revenue achieved	Tran

SECTION 12: APPENDIX

Supporting documents: TREC license #40398, SBA loan commitment letter, HomeGauge software agreement, vehicle lease contract. All assumptions documented with NAR, TREC, and IBISWorld sources. Full financial model available in Excel format.