

HOW MUCH DOES IT COST TO:

**START A USED
CAR DEALERSHIP
ON A LOW BUDGET**

BE YOUR OWN BOSS

WHAT ARE THE FIRST THINGS I NEED?

- BUSINESS PLAN
- DEALER'S LICENSE
- PATIENCE
- MINDSET
- MONEY

BUSINESS PLAN AND RESEARCH

- A BUSINESS PLAN WILL DIRECT YOU ON HOW YOU WANT TO ESTABLISH YOUR DEALERSHIP**
- ESTABLISH YOUR PROTOCOLS AND A BLUEPRINT**
- DOING THIS GIVES YOU CLARITY**
- CHECK OUT MY VIDEO ON HOW TO BUILD YOUR BUSINESS PLAN!**

GET YOUR DEALER'S LICENSE

- CHECK WHAT IS REQUIRED IN YOUR STATE, PROVINCE OR COUNTRY
- TAKE THE COURSE: \$140 (IF YOU LIVE IN FLORIDA, OREGON OR CALIFORNIA I RECOMMEND: <https://www.atyourpaceonline.com/courses.php>)
- CREATE AN IRS TAX ID: \$0
- SET UP AN LLC WITH LAWYER ASSISTANCE (REVIEW LEASE TERMS): \$500*
- REGISTER YOUR BUSINESS WITH THE STATE: \$200

LOCATION, LOCATION, LOCATION!

- MAKE SURE YOUR LOCATION IS ZONED FOR A DEALERSHIP**
- GET THE LOWEST RENT OR LEASE POSSIBLE: \$1,500* OR LESS**
- FIRST MONTH, LAST MONTH AND SECURITY: \$4,500**
- DOESN'T NEED TO BE FANCY, BUT SAFE! (SAFETY FIRST: CHECK THE CRIME RATES IN THE AREA)**

LOCATION PART 2

- CITY/COUNTY/STATE INSPECTION: \$150
- TRY NOT TO GET A PLACE THAT HAS A WELL OR SEPTIC TANK!
(INSPECTION WILL COST YOU EXTRA AND IS A HEADACHE)
- CLOSE TO A MAIN STREET, EASY TO FIND ON A GPS
- IF YOU BUILD IT AND PRICE YOUR CARS RIGHT THEY WILL COME:
OVER 80% OF YOUR CUSTOMERS WILL FIND YOU ONLINE!

QUICK TIP FOR QUICK FLIPS

- FIND OUT WHAT CELL PHONE PROVIDER HAS A CELL TOWER NEARBY AND USE THAT SERVICE PROVIDER AS YOUR BUSINESS PHONE**

- IN CASE YOUR INTERNET GOES OUT, YOU CAN USE YOUR PHONE'S HOT SPOT TO COMPLETE YOUR SALE**

DEALER LICENSE ESSENTIALS

- **GARAGE LIABILITY OR GENERAL LIABILITY INSURANCE: \$300 PER MONTH (HOPEFULLY LESS—DEPENDS ON THE LOCATION): TOTAL PREMIUM—\$3,600**
- **YOU WOULD USUALLY HAVE TO PAY AT LEAST \$1,000* UP FRONT**
- **BOND INSURANCE: The purpose of a surety bond is to protect the state & the general public against potential fraudulent activities that can be committed by the dealer. It is a guarantee that this dealership is safe to do business with.**
- **Cost depends on your credit, the better your credit the less you pay: \$750*/yr (Good credit: \$350/yr. Bad Credit: \$2,000+/yr)**

LICENSE ESSENTIALS PART 2

- OCCUPATIONAL BUILDING LICENSE: \$100
- FIRE MARSHALL INSPECTION AND FIRE EXTINGUISHER CERTIFICATE: \$200
- ELECTRONIC FINGERPRINTS: \$100 (USUALLY LESS)
- COST OF DEALER APPLICATION: \$300
- BUY HERE PAY HERE CERTIFICATE: \$150* (CAN BE LESS)
- STATE TAX EXEMPTION LETTER: \$0

I'VE GOT MY LICENSE: WHAT'S NEXT

- OPEN A BUSINESS BANK ACCOUNT: \$100
- SECURITY SYSTEM: \$500 (GET IT FROM AMAZON)—IF GETTING ADT, EXPECT \$1,200
- SIGNAGE (LOW BUDGET): \$500
- UTILITY INSTALL: \$200
- INTERNET/HARDLINE PHONE INSTALL: \$150 (ONLY GET ONE PHONE LINE, DON'T GET A FAX!)

BE FRUGAL!

- PC COMPUTER WITH VIRUS PROTECTION (NO APPLE COMPUTERS): \$500
- BROTHER MONOCHROME LASER JET BLACK INK PRINTER: \$110
- BLACK INK CARTRIDGE: \$75
- OBD II SCANNER (BLUETOOTH): \$110
- SCHUMACHER ENGINE STARTER AND BATTERY CHARGER: \$180

BUDGET WISELY

- DEALER TAG (1): \$387
- FRAZER DEALER SOFTWARE: \$150 INSTALL (\$55/MO)
- CAR SEARCH OPTIMIZATION AND WEBSITE: \$200/MO
- MEDIUM SIZE SAFE: \$200

BUDGET WISELY PART 2

- TRASH PICK UP: \$55/MO
- CELL PHONE FOR BUSINESS (DOWNLOAD AN eFAX APP!): \$500
- SMALL AIR COMPRESSOR: \$80
- DEALER STICKERS/FLAGS/SCREWS/CAR KEY TAGS/DECALS (AMAZON/eBAY): \$100

KEEP YOUR COST SUPER LOW

- **REPAY FOR ONLINE CUSTOMER PAYMENTS ON FRAZER (A MUST IF YOU ARE DOING BHPH): \$150* INSTALL**
- **MISCELLANEOUS (PAINTING/REMODELING): \$500**
- **INTERNET/CELL PHONE/UTILITY BILLS FOR FIRST MONTH: \$200**
- **FRAZER DEALER SOFTWARE: \$150 INSTALL (\$55/MO)**
- **CAR SEARCH OPTIMIZATION AND WEBSITE: \$200/MO**

MY OFFICE COST

- **DESK (GET OFFICE EQUIPMENT SECOND HAND: NO SHAME— BE SMART): \$100**
- **EXECUTIVE CHAIR AND SEATING FOR CUSTOMERS: \$150**
- **FILING CABINET: \$50**
- **OFFICE SUPPLES/PAPER (DOLLAR TREE AND AMAZON!): \$100**

LOOK PROFESSIONAL ON A BUDGET

- IF YOU CAN'T DESIGN YOUR OWN LOGO, USE FIVERR.COM (MAKE SURE IT'S AUTHENTIC, PROFESSIONAL LOOKING & SIMPLE): \$100*
- (CHECK OUT MY VIDEO ON EASY LOGO DESIGN)
- BUSINESS CARDS (NEXTDAYFLYERS.COM): \$100
- GET DECOR FOR YOUR OFFICE FROM A THRIFT/CONSIGNMENT STORE AND WISH.COM: \$50

LAST, BUT NOT LEAST: THE CARS!

- BE VERY METICULOUS AND BE VERY PATIENT (ESPECIALLY IF IT'S YOUR FIRST TIME FLIPPING A CAR AND HAVE NO TRAINED MECHANICAL EXPERIENCE)
- GO THROUGH YOUR CHECKLIST (**CHECK OUT MY FUTURE VIDEO ON HOW TO INSPECT A VEHICLE**)
- YOU MAY BUY A COMPLETE “DUD” (BE CAREFUL, BUT DON'T BE DISCOURAGED)

CARS TO FLIP PART 2

- RECOMMEND NOT BUYING MORE THAN 3-4 CARS: \$4,500
- BUY CARS WITH HIGH VALUE AND ARE SOUGHT AFTER (SUVs/TRUCKS, LARGE SEDANS)—THEY DON'T HAVE TO BE JAPANESE BRANDS
- DO NOT BUY A MINIVAN OR MANUAL TRANSMISSION VEHICLES (U.S.)!

FLIP OR A COMPLETE FLOP

- NOT A HARD FAST RULE, BUT, TRY TO GET SUVS UNDER 200K MILES, TRUCKS UNDER 250K MILES AND SEDANS UNDER 170K MILES (IF POSSIBLE)
- WHEN STARTING YOUR BUSINESS DON'T TRY TO BUY CARS DURING TAX SEASON (JUST A RECOMMENDATION)
- HAVE FUN, PRICE THE VEHICLE CORRECTLY AND SELL THE CAR AS QUICKLY AS POSSIBLE

SHOW ME THE MONEY!

- DO NOT BE GREEDY, YOU ARE COMPETING AGAINST THE PRIVATE SELLER, NEVER AGAINST OTHER DEALERSHIPS!**
- YOUR ARE NOW FINALLY READY TO MAKE MONEY!**
- CHECK OUT THE SPREADSHEET AND THE TRUE BASIC COST TO OPEN YOUR USED CAR DEALERSHIP!**

HOW MUCH?

FLIPPING CARS FOR REAL

DEALER COURSE	\$140.00
IRS TAX ID	\$0.00
LLC SETUP/ARTICLES OF ORGANIZATION/LAWYER FEES*	\$500.00
REGISTER BUSINESS WITH STATE	\$200.00
RENT: 1ST MO/LAST MO/SECURITY (\$1,500/MONTH)*	\$4,500.00
CITY/COUNTY/STATE INSPECTION	\$150.00
GARAGE/GENERAL LIABILITY INSURANCE DOWN PAYMENT*	\$1,000.00
BOND INSURANCE (FAIR CREDIT SCORE)*	\$750.00
OCCUPATIONAL BUILDING LICENSE	\$100.00
FIRE MARSHALL INSPECTION/EXTINGUISHER CERTIFICATE	\$200.00
ELECTRONIC FINGERPRINTS	\$100.00
STATE DEALER APPLICATION	\$300.00
BUY HERE PAY HERE CERTIFICATE*	\$150.00
STATE TAX EXEMPTION LETTER	\$0.00
SECURITY SYSTEM*	\$500.00
SIGNAGE*	\$500.00
UTILITY INSTALL	\$200.00
INTERNET/HARDLINE PHONE INSTALL	\$150.00
CELL PHONE FOR BUSINESS*	\$500.00
DEALER TAG	\$387.00
PC COMPUTER*	\$500.00
LASER JET BLACK INK PRINTER	\$110.00
INK CARIDGES	\$75.00
FRAZER DEALER SOFTWARE (INSTALL)	\$150.00
CAR SEARCH OPTIMIZATION/WEBSITE*	\$200.00
MEDIUM SIZE SAFE	\$200.00
OBD II SCANNER	\$110.00
ENGINE STARTER AND BATTERY CHARGER	\$180.00
REPAY FOR ONLINE CUSTOMER PAYMENTS (IF DOING BHPH)*	\$150.00
TRASH PICK UP*	\$55.00
INTERNET/CELL PHONE/UTILITY BILLS (FIRST MONTH)	\$200.00
SMALL AIR COMPRESSOR	\$80.00
Office Supplies	\$100.00
BUSINESS CARDS	\$100.00
OFFICE DECOR	\$50.00
DEALER STICKERS/FLAGS/SCREWS/CAR KEY TAGS/DECALS	\$100.00
OPEN A BUSINESS BANK ACCOUNT	\$100.00
MISCELLANEOUS (MAY INCLUDE PAINTING/REMODELING)	\$500.00
START WITH 3 CARS*	\$4,500.00
COST TO START YOUR CAR DEALERSHIP	\$17787.00

***COST CAN VARY**

HOW MUCH DOES IT COST TO:

START A USED CAR DEALERSHIP ON A LOW BUDGET

BE YOUR OWN BOSS: YOU'VE GOT TO INVEST MONEY TO MAKE MONEY

ROUGHLY \$13,500–\$17,000 (DEPENDING ON THE CITY AND THE ECONOMICS OF YOUR LOCATION)