ABAKUS. FINANCIAL

REAL ESTATE MEDIA · PEER BENCHMARK

How the numbers stack up

A percentage-based look at how real estate media companies compare on profitability and where the money goes. Every figure is a **percentage of income**: for example, a business earning $75,000 that spends $7,500 on editing would show editing at 10% of income.

84%	37%	49%
GROSS PROFIT MARGIN	NET PROFIT MARGIN	OPERATING COSTS
average and median both 84%	median · average is 26%	median, as a percentage of income

What these three numbers mean.

Net Profit Margin — of every dollar that comes in, what's left as profit after *all* costs. Shown for the typical (middle) business.

Gross Profit Margin — income left after only the *direct* costs (Cost of Goods Sold) of the work, such as editing and contracted shooters, before any overhead.

Operating costs — the overhead to run the business (payroll, software, rent, training…) as a percentage of revenue.

How they connect: start at 100% of income → subtract direct costs (Cost of Goods Sold, 16%) to get the 84% gross profit margin → subtract overhead → what remains is net profit margin.

Average vs. median — why we show both. The *average* adds every business together and divides by how many there are; it's the overall mean, but one unusual business can pull it far up or down. The *median* is the business in the exact middle when you line them all up — half above, half below — so it better reflects what's *typical*. We lead with the median and note the average alongside it. Figures reflect the trailing twelve months.

PROFITABILITY

What real estate media businesses keep

Gross Profit Margin shows how much income survives the direct cost of doing the work. Net Profit Margin is what's left after all the overhead — the truest measure of a healthy business.

GROSS PROFIT MARGIN

84% AVERAGE

84% MEDIAN

Income left after direct costs (Cost of Goods Sold) — editing, contracted shooters, cost of services. With no loss-making outliers, the average and median land in the same place.

NET PROFIT MARGIN

26% AVERAGE

37% MEDIAN

A few money-losing businesses pull the *average* (26%) below the *median* (37%). The median is the truer "typical," which is why we lead with it.

Where net profit margins land

Net income as a percentage of revenue. These show the full spread of profit across businesses — not just the middle — by lining everyone up from lowest to highest.

6%
25TH PERCENTILE
a quarter of businesses keep this or less

37%
50TH · MEDIAN
the typical business in the middle

48%
75TH PERCENTILE
better than 3 of 4 businesses

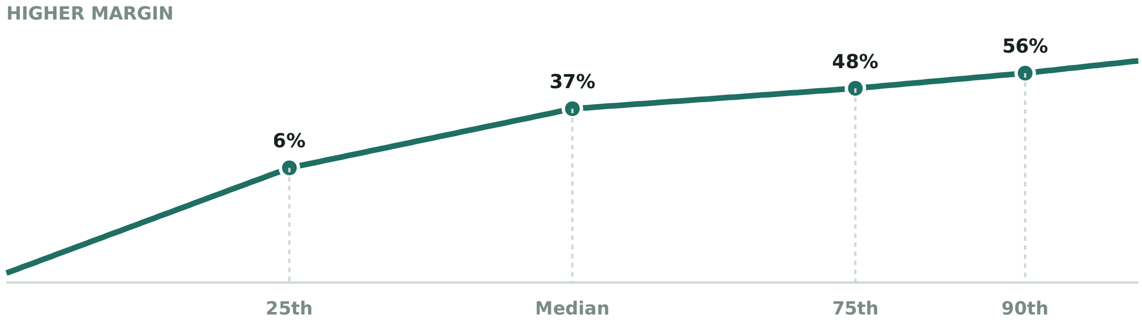
56%
90TH PERCENTILE
near the top of the field

Read the median, not the average. A handful of businesses run at a net loss right now, which drags the simple *average* down to 26% — even though most businesses are doing better than that. The *median* (37%) ignores those extremes and is the fairer picture of a typical real estate media business. The spread from the lower quarter to the top performers is wide, so where you land says a lot about cost discipline, not just sales.

HOW TO READ THIS

Percentiles, in plain English

Line every business up from the lowest net profit margin on the left to the highest on the right. A percentile just tells you where someone stands in that line.



Businesses ordered from lowest margin (left) to highest (right)

MARKER	WHAT IT MEANS
25th percentile · 6%	A quarter of businesses keep less than this; three-quarters keep more.
Median (50th) · 37%	The business right in the middle. The single best "typical" number.
75th percentile · 48%	Better than three out of four businesses. Strong cost control.
90th percentile · 56%	Near the very top of the field.

Why not just use the average? One or two outliers can swing an average hard. If a single business is having a rough year, it drags the average down even though most businesses are doing fine. The median ignores the extremes and tells you what's actually typical.

One caution: a percentile tells you your *rank*, not the *gap*. Moving from the 50th to the 75th might be a few points of margin or many — always read the rank alongside the actual percentages on the previous page.

COST STRUCTURE · DIRECT JOB COSTS

The cost of doing the work

Direct costs are what it takes to deliver the shoot — editing, contracted photographers, and other cost of services. Everything here is shown as a percentage of each business's own revenue, then averaged so every business counts equally regardless of size.

16%
DIRECT COSTS · AVG
median 16% of revenue

58%
OPERATING COSTS · AVG
median 49% of revenue

13%
LARGEST DIRECT COST
Editing, on average

Direct job costs as a % of revenue

ACCOUNT	AVG % OF REVENUE	MEDIAN %
Editing	**13.3%**	**14.0%**
Cost of Services	**2.1%**	**2.0%**
Contracted Photographers	**0.9%**	**0.0%**

Editing is the single biggest line in delivering the work, averaging 13.3% of revenue. Because direct costs are low overall — most businesses keep gross profit margins above 79% — the real battle for profit is fought in operating costs, on the next page.

COST STRUCTURE · OPERATING EXPENSES

Where the overhead goes

Every operating-expense account, as a percentage of revenue. Average weights every business equally; the median shows the typical business and quietly reveals which costs only some businesses carry.

ACCOUNT	AVG %	MEDIAN %
Payroll Expenses	13.0%	7.0%
Training	9.1%	7.6%
Contractors	5.7%	5.5%
Taxes & Licenses	4.2%	3.5%
Office Supplies & Software	4.1%	3.5%
Rent & Lease	3.6%	0.1%
Insurance	2.8%	0.7%
Job Supplies	2.7%	1.2%
Accounting	2.0%	2.1%
Travel	1.8%	1.1%
Phone	1.7%	0.8%
Meals	1.3%	1.0%

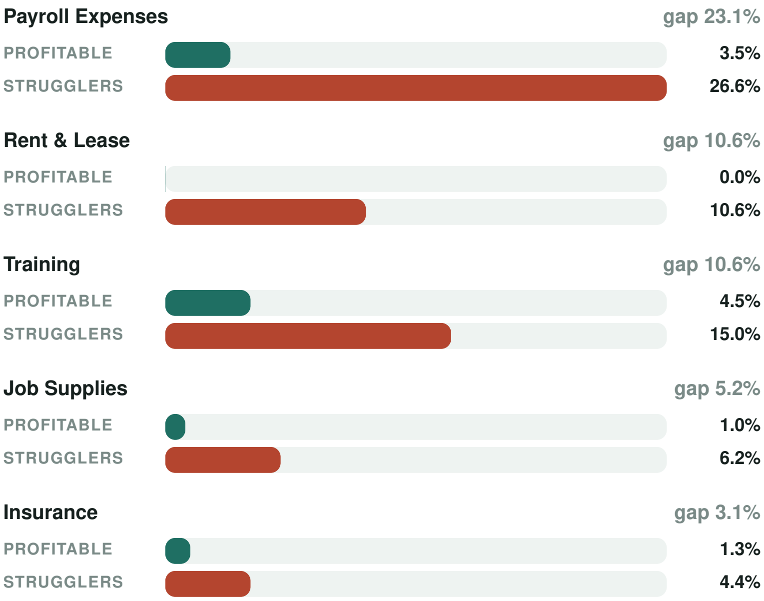
ACCOUNT	AVG %	MEDIAN %
Uncategorized Expense	1.2%	0.0%
Advertising & Marketing	0.9%	0.5%
Utilities	0.8%	0.0%
Memberships	0.6%	0.4%
Reimbursable Expenses	0.6%	0.0%
Ask Owner	0.5%	0.0%
Website	0.4%	0.2%
Interest Expense	0.4%	0.0%
Legal & Professional Services	0.2%	0.0%
Repairs & Maintenance	0.2%	0.0%
Bank Charges & Fees	0.2%	0.0%
Printing	0.1%	0.0%

When a median sits well below its average — like Payroll or Rent — it means only some businesses carry that cost heavily. Often that's an owner-compensation choice (wages vs. owner's draw) rather than overspending. Read those lines with the owner's setup in mind.

WHAT SEPARATES THE WINNERS

Where profitable businesses spend less

We split the field into the most-profitable businesses and the strugglers, then compared every cost as a percentage of revenue. These five lines show the widest gaps — green is what the profitable businesses spend, red is what the strugglers spend.



How to read this: a longer red bar means strugglers pour a bigger percentage of revenue into that line than profitable businesses do. The bigger the gap, the more that cost separates the two groups.

WIDEST GAP

23.1%

PAYROLL EXPENSES

Strugglers spend 26.6% of revenue here vs. just 3.5% for profitable businesses. But read this one carefully — see the note below.

What to do with this

Payroll is partly a setup difference, not overspending. Some owners run their own pay through payroll; others take an owner's draw that never shows here. That alone explains much of the payroll gap, so confirm an owner's structure before reading it as a problem.

Training is the controllable lever. It shows up as a top separator in *both* the plain-English comparison and the statistical test — and unlike payroll, it's a discretionary spend a business can dial in. It's the most defensible "watch this" line on the page.

METHODOLOGY & NOTES

How this was built

The sample

A group of Abakus real estate media bookkeeping clients over the trailing twelve months. Companies are shown anonymously and no individual figures are published — only group percentages.

Account mapping

Every line item from each Profit & Loss was standardized to the Abakus Chart of Accounts, with sub-accounts rolled into their parent (all meal categories into Meals; wages and payroll taxes into Payroll). Mapped totals were reconciled to each company's reported totals to the cent before any analysis.

The percentage method

Each account is expressed as a percentage of that company's own revenue, then averaged across companies — an "average of ratios." This weights every business equally regardless of size, which is why the whole report works in percentages.

Percentiles

Computed by linear interpolation. With a modest sample, treat percentiles and any correlations as directional signals, not population statistics.

What separates winners

Two independent methods. First, a plain comparison of the most- vs. least-profitable businesses' average spend on each line. Second, a statistical correlation between each cost (as % of revenue) and net profit margin. The lines that score high on both are the most defensible to watch — Training and Job Supplies among them. Strongest negative correlations: Job Supplies (r -0.89), Rent & Lease (r -0.77), Training (r -0.76), Utilities (r -0.76), Advertising & Marketing (r -0.75).

Caveats to carry

A few businesses run at a net loss, so the median is the fairer "typical." Owner compensation is inconsistent (payroll vs. owner's draw), which distorts payroll and net-income comparisons — confirm an owner's setup before reading payroll as overspending. Percentiles describe rank, not gap.