

## 8 Ways to Start a Real Estate Business With No Money

A lot of people wish to venture into real estate. Who wouldn't? Even millionaires say that it is still the best investment one can make today, according to CNBC. You may think that [starting a real estate business](#) needs a large amount of money, especially if you want to be successful. The [business plan](#) to grow your business, licenses, operational expenses—these are all realistically costly. The good news is, there are many ways to start this venture with no money! In this article, we will present to you all the strategies you need to become a realtor.

Here is a checklist of the things you can do to start your venture with zero budget.

### House Hacking

If you have multi-family [rental properties](#), or an empty bedroom and basement, then house hacking would be perfect for you! House hacking means renting out your other properties or a portion of your house. You can use your income to pay for your mortgages and other expenses. More importantly, you will have an easy financial source on your next real estate ventures.

### Lead Generation

Find clients who are looking for properties to rent, lease, or sell. To [get more productive leads](#), start at a local level. Also, tap your personal and professional networks. A database of interested parties is essential once you have searched for sellers. Find sellers on the internet. Once you have found compatible clients on certain properties, sell your leads to them.

### Closing the Deal and Getting Your Cut

Registration of properties can get complicated. Regardless, you can be a middleman if you want a more manageable task so you can make more time for other real estate ventures. Once the deal has been closed between the buyer and the seller, you'll get the share you have agreed with the seller.

### Partnership With an Investor

Managerial and administrative works such as [accounting](#), [analysis](#), [reports](#), and event-tracking aren't easy to handle. These are some of the reasons why investors get doubts about real estate ventures. Partner with an investor by handling the business's management. This way, you can run the business with fewer worries about the

operational expenses. Your skills will be reliable to investors who are into rentals, buying low and selling high, and fixing and flipping properties.

## **Borrowing Money**

There are a lot of options to choose from if you need to borrow money. You may tap your connections, such as your family and peers. Another way is to find a bank that will allow you to borrow money for a downpayment on top of the mortgage. To take out a home equity loan, you will have the option to pay it through credit or through using your home as collateral. Choose a bank that has a low-interest rate so that you can still make a profit on the property. Lastly, consider internet micro-lending services. There are websites on the internet that help borrowers find lenders for small loans. However, always be cautious of their rules and regulations to avoid serious disputes.

## **Leveraging**

Leveraging means using a borrowed capital or accessing financial instruments to increase your return of investment. Most properties require a 20% down payment before you can move in. Tap family and friends to lend you money for this project. Tapping your connections gives you the privilege to come up with a more convenient payment agreement. Once successful, the remaining 80% can be paid fully through a mortgage. In this, you pay your creditor monthly with interest until the loan gets fully settled. While the property value appreciates, you rent out or sell it at a higher price too.

## **Seller Financing**

A mortgage has certain qualifications, such as credit score, employment history, and required income. However, this source is not available to everyone. Seller financing is an option made for those who aren't qualified to loan from other financial institutions. The seller, this time, finances the purchase. In this case, the investor should still be able to meet the requirements of the seller or developer. This is the scenario wherein you make your [promissory note](#). It should indicate the interest rate, your schedule of payments, and consequences for unattended obligations. However, the disadvantage of seller financing is it may require a higher sale price. Since the purchase agreement is just between the buyer and seller, it becomes risky on their part. Its eviction process is usually too inconvenient and costly. Thus, you also need to sell yourself to the seller. Be straightforward about why you didn't make it with the mortgage. These will still be found sooner or later when the seller checks your credit history or background. Lastly, it is vital for you to check if the seller is legally entitled to finance the sale. Complications such as a hidden mortgage or tax liens are inevitable.

## **Rent to Own Investment**

Rent to own investment lets you acquire property by only settling monthly rentals. You can purchase the property at a particular time, depending on what terms you have in the [rental agreement](#). You will have the option to look for other properties to invest with while the rent-to-own property is locked to you. In this arrangement, make sure that the agreement has the property's final price.

You don't need to wait for a lot of years to save up for a business startup from your salary or wages. Start off with your own home! You can turn your basement into a bedroom and rent it out. Earn bucks from your empty houses. If you don't have those, then obtain money by helping people find properties, and the sellers sell. You can also find a financier who would trust your managerial and administrative skills. By partnering with an investor, you will earn from each sale your company makes. Borrowing money, either from people or financial establishments, is also one of the most common ways to start a business. If you have very limited loan options, turn to the seller or in-house financing. Consider a rent-to-own investment where you can enjoy the convenience of renting while making it your property in the future. With the tips stated above, you can start building your real estate empire slowly but surely.