HOW TO MAKE MONEY IN REAL ESTATE

WITHOUT A LICENSE

The enTREpreneur™ COMMUNITY

Real estate investing can be a lucrative way to generate income, build wealth, and achieve financial freedom. While many people believe that they need a real estate license to start investing in properties, that's not always the case. In fact, there are several strategies that you can use to make money in real estate without having a license.

In this ebook, we're going to explore three of these strategies in detail: buying long-term rentals, Airbnb arbitrage, and flipping houses. Each of these methods has its own advantages and challenges, but all of them offer the potential to generate significant profits over time.

By the end of this ebook, you'll have a solid understanding of three different ways to make money in real estate without needing a license. While each of these methods requires a different set of skills and approaches, all of them offer the potential to generate significant profits and help you achieve your financial goals. ***So let's get started!***

It's extremely important to have the ability to take advantage of any opportunity as it comes, so you've got to be able to shift and move with wherever the opportunity is.

-ALEX COFFMAN

Buying Long-Term Rentals

When it comes to investing in properties, many people believe that cash is king. However, the truth is that utilizing leverage can be a powerful tool when it comes to buying long-term rentals. The key is to ensure that you're getting a good deal on the property, so that the rent will cover your mortgage, insurance, and taxes. With tenants paying down your debt and the potential for gaining equity while collecting cash flow, buying long-term rentals can be a smart long-term investment strategy.

To determine whether a rental property is a good investment, you can use a simple rule of thumb called the one percent rule. This rule states that you should aim to collect at least one percent of the purchase price and rent each month. For example, if you buy a property for $200,000, you would want to collect around $2,000 a month in rent. This will help to ensure that after accounting for property management, taxes, insurance, repairs, and your mortgage, you still have some cash flow left over at the end of the month.

Another reason to consider buying long-term rentals is inflation. Inflation is a natural part of the economy, and it's happening on a daily basis. When you keep your money in a savings account, it's actually losing value over time because the banks aren't paying enough interest to keep up with inflation. The only way to beat inflation is to invest your money in assets that will appreciate over time. When inflation happens, cash decreases in value, but the prices of assets like real estate tend to rise.

Airbnb Arbitrage

Airbnb arbitrage is a low-cost and license-free way to generate income. It involves renting out properties and subletting them on the Airbnb platform, even if you don't own the property. Short-term rentals are currently in high demand, particularly as people begin to travel again. With Airbnb, it's possible to make three to four times the amount you would with a long-term tenant. For instance, if you rent a two-bedroom, two-bathroom condo in Austin for $1,500 per month and list it on Airbnb for $200 per night, and it's rented out for four nights a week, you could earn $3,200 per month. Although you'll have some expenses, such as utilities, you can charge tenants additional fees like a cleaning fee. However, to be successful in this strategy, it's essential to have a beautifully furnished property that provides excellent service to short-term renters, and you must strive for five-star reviews.

Flipping Houses

The beautiful thing about flipping houses is that you don't need a license to do it. You can be the buyer and the investor, and it only requires a small upfront cost compared to the profit you'll make at the end. On a recent flip, we put $22,000 into the property, including the down payment and closing costs for rehab, and made a little over a 400% return, coming in at $98,000 in profit.

To be successful in flipping real estate, there are four key things you need: a good deal, cash, a good crew to do the work, and a good real estate agent to sell the property. You can utilize somebody else's license to sell the house when it's done, paying them the 3% commission that they earned, and move on to the next flip property.

If you've never flipped a property before, don't go into it alone. There are plenty of opportunities for you to partner with people. You can JV with other investors, find the deal, bring the money, and gain experience to step out on your own in the future.

If you're a first-time home buyer looking for a property that you can add value to, a live-in flip might be for you. You can buy a property with some first-time homebuyer financing, have a low down payment, and fix up the property while living in it.

At the end of the day, there are many different ways to flip a property, but the main things you need are a good deal and the determination to find one.

Wholesaling

Wholesaling is finding good deals and transferring that value to another investor. To get started with wholesaling, you'll need to get a property under contract. This means you'll have the right to buy the property, and the seller can't sell it to anyone else. Then, you'll assign that contract to another buyer at a higher price than what you have it for, and you'll keep the difference.

You can find good deals on the market or the MLS, even though many people think it's too competitive. Pre-foreclosures, probates, driving for dollars, door knocking, or cold calling owners are also great ways to find deals. Other overlooked opportunities include for sale by owners, for rent by owners, and tired landlords. If a landlord is dealing with a difficult tenant, they might be willing to sell the property to you at a lower price.

You can wholesale anything, from residential and commercial properties to raw land and apartment complexes. As long as you can find a good deal and a buyer who will pay more for it, you can make a profit. It's that simple!


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ONE DEAL AWAY!
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