

Forum:[Hack Forums](#)

Thread: [How to start a Real Estate Empire under \\$3000](#)

Who Soup - October 30, 2017, 3:46 pm

Here' s a good method if you want to make money in the real estate industry.

Basically we will be renting out houses and putting them on Airbnb as vacation rentals and collecting a profit.

SWOT:

Strengths: Cheap way to get into real estate, Medium to medium low risk, fairly "hands off" depending on how you run it, fast money

Weakness: People will start to do this more and more, dealing with guests, Possibly have to clean units/fix things or hire people

Opportunity: Lots of room for quick expansion if done right, very quick money; you can withdraw quick, creates cash flow putting your risk lower with the more you have

Threats: Some states/countries may require permits, so this is a gray hat method if you choose to operate with out a permit, People could damage the home, Laws are being made to try and stop this method

Steps:

Step 1)

Create an [Airbnb](#) account.

Step 2)

Go on [Zillow](#) and find a place to rent, make sure it's near places of interests that tourists may visit. I would suggest a property in your area, preferably a single family home.

Step 3)

Compare vacation rental prices either on [Airbnb](#) or hotel websites such as [Expedia](#) and try to undercut them as much as possible while still getting a profit.

Useful Calculations:

Example:

Cost of rent (monthly): \$2500

Air BNB Daily price: \$150 (which on average in the US is pretty low)

Potential profit:

(Daily profit) * (# of days a month) = Potential Profit

$\$150 \times 30 = \$4500$ that can potentially be made

ROI (Return On Investment)

$(\text{monthly expense}) / (\text{Daily profit}) = \text{ROI}$

$\$2500 / \$150 = 16$ days to make back money

Now all you have to do is rent it out and make a profit. Try to work with customers as much as

possible and be friendly. Regarding fixing/cleaning you can either do it yourself or charge a small fee to hire someone to do it for you. If you decide to do this and have any questions feel free to PM me or post below and I'll help as much as possible. ?

Disclosure:

This guide is intended to be interpreted as a business concept. Please be sure to check your local laws before attempting to create the above business. Who Soup claims no liability and does not endorse any illegal or dishonest practice.

SIM-1567847 - October 30, 2017, 9:19 pm
Smart method.

Another great contribution.

Meowth - October 30, 2017, 9:21 pm

Definitely a high risk, high reward type situation. Nonetheless, awesome share. Not often do you see a unique share for free.

Who Soup - October 31, 2017, 1:10 pm

(Oct 30, 2017 09:21 PM)Borderlands Wrote: [\[CITE\]](#) Definitely a high risk, high reward type situation. Nonetheless, awesome share. Not often do you see a unique share for free.

I do have another real estate method that's free with high gains. I may be releasing this soon ?

Narrate - October 31, 2017, 1:11 pm

This is actually pretty cool.

I've always wanted to get into flipping houses, but never had the time nor the capital.

D?ceived - October 31, 2017, 1:15 pm

Very nice share op only problem for me would be no one wants to come stay where I live :(

SIM-1589588 - October 31, 2017, 1:18 pm

Definitely a nice share OP. Rated it 5 star.

Who Soup - October 31, 2017, 10:13 pm

(Oct 31, 2017 01:15 PM)D?ceived Wrote: [\[CITE\]](#) Very nice share op only problem for me would be no one wants to come stay where I live :(

You could always hire a property manager or do it all remotely.

MonEy - October 31, 2017, 11:24 pm

Really great idea, but you'd need some good money behind you to do it, anything could happen.

Just a tip: If it's some younger people renting from you, be friendly but intimidating. Make sure they know you're the boss and if they break anything there will be severe consequences along with a big bill.

Do you do this yourself?

'Ryan - November 1, 2017, 5:33 am

I do the same with leasing cars and the app Turo.

Who Soup - November 1, 2017, 4:27 pm

(Nov 1, 2017 05:33 AM)Ryan pid= Wrote:I do the same with leasing cars and the app Turo. I'm probably going to be making a thread about this too; turbo/Uber/lift/etc.

Cagey - November 2, 2017, 8:27 pm

Basically a sublet, not all places allow it though and high risk.

Homero - November 3, 2017, 10:41 am

(Oct 30, 2017 03:46 PM)Who Soup Wrote: [CITE](#) Here' s a good method if you want to make money in the real estate industry.

Basically we will be renting out houses and putting them on Airbnb as vacation rentals and collecting a profit.

SWOT:

Strengths: Cheap way to get into real estate, Medium to medium low risk, fairly "hands off" depending on how you run it, fast money

Weakness: People will start to do this more and more, dealing with guests, Possibly have to clean units/fix things or hire people

Opportunity: Lots of room for quick expansion if done right, very quick money; you can withdraw quick, creates cash flow putting your risk lower with the more you have

Threats: Some states/countries may require permits, so this is a gray hat method if you choose to operate with out a permit, People could damage the home, Laws are being made to try and stop this method

Steps:

Step 1)

Create an [Airbnb](#) account.

Step 2)

Go on [Zillow](#) and find a place to rent, make sure it's near places of interests that tourists may visit. I would suggest a property in your area, preferably a single family home.

Step 3)

Compare vacation rental prices either on [Airbnb](#) or hotel websites such as [Expedia](#) and try to undercut them as much as possible while still getting a profit.

Useful Calculations:

Example:

Cost of rent (monthly): \$2500

Air BNB Daily price: \$150 (which on average in the US is pretty low)

Potential profit:

(Daily profit) * (# of days a month) = Potential Profit

\$150 x 30 = \$4500 that can potentially be made

ROI (Return On Investment)

(monthly expense)/(Daily profit) = ROI

\$2500 /\$150 = 16 days to make back money

Now all you have to do is rent it out and make a profit. Try to work with customers as much as possible and be friendly. Regarding fixing/cleaning you can either do it yourself or charge a small fee to hire someone to do it for you. If you decide to do this and have any questions feel free to PM me or post below and I'll help as much as possible. ?Do you ask your landlord for permission? Most

landlords won't let you sublet.

Who Soup - November 3, 2017, 5:03 pm

(Nov 3, 2017 10:41 AM)Homero Wrote: [\[CITE\]](#) Do you ask your landlord for permission? Most landlords won't let you sublet.

I've seen it done with both the landlord permission and without.

ReelDeal - November 5, 2017, 1:41 am

Pretty nice method, pretty risky, but for sure smart

Homero - November 6, 2017, 3:50 am

(Nov 3, 2017 05:03 PM)Who Soup Wrote: [\[CITE\]](#) I've seen it done with both the landlord permission and without.

I would like to try it without landlord's permission, will probably get evicted tho.

CRATER - November 9, 2017, 5:42 pm

I think that this is a great method!

Who Soup - March 13, 2018, 3:21 pm

(Nov 6, 2017 04:50 AM)Homero Wrote: [\[CITE\]](#) I would like to try it without landlord's permission, will probably get evicted tho.

You more than likely won't be able to do do it without your landlord's permission. I would recommend talking to them, you could be surprised. As long as you're maintaining the unit and they're getting paid they might be ok with it.

Regulus - March 13, 2018, 3:24 pm

I'm legit thinking about saving up some money and do this in Sweden.

Not really sure where to start though, but Google shall be my friend.

I have a relative (My dads cousin) who is doing this and I'll be sure to ask him regarding this as well.

The Director - March 13, 2018, 11:57 pm

Great Idea surely, but only problem is most renters require a 6-month lease. so $\$2500 \times 6 = \$15k$ and that's not even including fixes/cleaning, w/e you decide to do. Also, you won't have a rental all the time, it really depends.

Techius - July 8, 2018, 6:52 am

I've thought about doing a similar thing a few weeks ago.

The problem I see with this are the stipulations in the tenancy agreement. At least here in Australia & New Zealand, renting out your property and letting others stay is basically prohibited. No real estate company would allow you to do this (being very conservative about it).

The second option you have is to get a private tenancy agreement. Even this might have the same stipulations, but since you'd be dealing with the owner you could get more leeway and could even remove this provision during negotiations.

A third option (the one I thought about) was buying a unit in the city, and renting that out. Use the AirBnB to repay the mortgage. I thought about 10xing it, but there's no reasonable way of getting enough of a deposit (35% at the very least + you'll need more money to show you can afford repayments). This could work one unit at a time. Get a unit, repay, and so on.

Tor - July 8, 2018, 10:37 am

(Mar 13, 2018 11:57 PM)The Don Juan Wrote: [\[CITE\]](#) Great Idea surely, but only problem is most renters require a 6-month lease. so $\$2500 \times 6 = \$15k$ and that's not even including fixes/cleaning, w/e you decide to do. Also, you won't have a rental all the time, it really depends.

This is very true. It's hard to find a renter who doesn't ask for a lease.

Ganja - July 13, 2018, 6:15 am

I thought about doing something similar with airbnb, but this is actually a smarter way to start. Great idea!

Small tip:

'People will start to do this more and more' - this is a threat, not a weakness.

BROCKNOCK - July 14, 2018, 10:31 am

Nice! Thanks for providing this valuable info! :)

Kill Joy - July 17, 2018, 4:58 am

(Nov 2, 2017 08:27 PM)Cagey Wrote: [\[CITE\]](#) Basically a sublet, not all places allow it though and high risk.

This. Read a story on marketatch a month ago where a couple had to pay a few hundred thousand dollars due to breaking the contract where they cannot sublease.

mistova - August 21, 2018, 10:16 pm

There's laws behind this. This will not work in some locations.

RAT - August 22, 2018, 4:48 pm

So basically subleasing the property you are renting from someone else? Is it allowed?

(Jul 8, 2018 06:52 AM)Techius Wrote: [\[CITE\]](#) A third option (the one I thought about) was buying a unit in the city, and renting that out. Use the AirBnB to repay the mortgage. I thought about 10xing it, but there's no reasonable way of getting enough of a deposit (35% at the very least + you'll need more money to show you can afford repayments). This could work one unit at a time. Get a unit, repay, and so on. It might work - the main factor still being the bank. Great one though, but might just also lease it out without airbnb for some longer term contracts.

johnston93 - August 23, 2018, 11:06 pm

Definitely know some guys doing this in my area. Great and low risk way to get into the business, thanks for the contribution. +1 points

mrfixitman - October 6, 2018, 6:34 am

Good idea. The only problem most experienced landlord put a non sublet language in the lease. But possible with inexperienced or small time landlords