

REAL ESTATE
INVESTING
Under \$20K



Hello Everyone!

I'm excited to guide you through your journey into real estate investing, even if you've never done it before and have a budget of less than \$20,000.

You've been working hard and managed to save \$20,000. You're ready to invest your earnings in real estate, but you're not sure how to get started.

Becoming a real estate investor can be a sensible option if you're looking for opportunities to earn some passive income in a relatively safe investment and potentially build wealth.



In this ebook, I'll walk you through 10 creative ways to invest in real estate with just \$20,000. I hope this list inspires you and sets you on the path to earning money from real estate.

****None of the links or websites mentioned are affiliate links or paid collaborations.**

1. Converting Your Garage or Driveway into Storage

Do you have a driveway or parking spot that goes unused? You can rent out this space on websites, making it incredibly easy to earn extra income.

- **Rent to RV/Boat Owners:** People need places to store large items like RVs and boats.
- **Minimal Maintenance:** Storage spaces require less upkeep compared to living spaces.



Expenses:

- **Cleaning and Repairs:**
\$100 - \$500

Preparations:

- **Clean and Secure:** Ensure the space is clean and has a sturdy lock.
- **Accessibility:** Make it easy for renters to access their stored items.

Timeline:

- **Setup:** 1-2 weeks to prepare the space.

Finding Renters:

Storage Websites: List on storage rental platforms like Neighbor.com or Stashbee.

Local Groups: Post on Facebook local groups and online marketplaces like Craigslist.

Flyers: Distribute flyers in neighborhoods and marinas.

Risks and Mitigation:

Theft or Damage: Get insurance and use secure locks.

Vacancy: Advertise regularly and offer competitive rates.

Legal Issues: Make sure rental agreements specify that the renter must insure their belongings against theft and damage, similar to self-storage facilities.

Real-life examples to inspire you:

<https://www.neighbor.com/storage-blog/neighbor-self-storage-costs/>

<https://www.motoreasy.com/magazine/621/Renting-Out-Your-Driveway-Everything-You-Need-To-Know>

2. Tiny Home or Caravan in Your Backyard

Adding a tiny home or caravan in your backyard can be a smart investment:

- **Rent it Out:** You can rent it out to travelers, students, or anyone looking for affordable housing.
- **Move in and Rent Your Home:** If you're looking to downsize, you can move into the tiny home and rent out your main house. This can generate a significant income.



Expenses:

Tiny Home/Caravan: \$5,000 - \$20,000

Utilities Setup: \$1,000 - \$2,000

Permits: \$200 - \$1,000

Furnishing: \$500 - \$1,000

Preparations:

Zoning and Permits: Check local regulations at your municipality.

Utilities: Ensure access to electricity, water, and sewage.

Furnishing: Provide basic amenities.



Timeline:

Setup: 2-4 months, depending on regulations and construction speed.

Finding Renters:

Online Listings: Use online rental websites.

Local Colleges: Post on bulletin boards or online forums.

Social Media: Advertise in Facebook groups such as “Long term rentals in [name of your city or area]” or “Rent apartment in [name of your city or area].”



Risks and Mitigation:

Vacancy: Market effectively and keep rental rates competitive.

Legal: Make sure rental agreement requires renter is required to have insurance, with landlord assuming no liability.

Real-life examples to inspire you:

https://youtu.be/D9LtIYa_OZk?si=TQtqQi2aVB1wAGhp

<https://shorturl.at/Oumlo>

<https://shorturl.at/ciA9c>

3. Rent your home, your backyard or pool for Events and Parties

You can share your private outdoor spaces for rental income by the hour and/or by day. A handful of apps makes it easy to rent the outdoors.

- **Weddings and Parties:** Your property can become a venue for intimate gatherings.
- **Photoshoots:** Offer the space for professional or hobbyist photographers.



Finding Renters

Event Planners: Network with local event planners.

Booking Apps:

Swimply – pool sharing app available in 125 markets

Splacer – city-based event rental app available in New York, Chicago, Miami, Atlanta and San Francisco

Peerspace – event rental app available in all 50 states



Expenses:

Permits: \$100 - \$500

Amenities: Seating, lighting, and event supplies: \$2,000 - \$5,000

Cleaning and Maintenance: \$200 - \$500

Timeline:

Setup: 1-2 months to prepare the space.

Risks and Mitigation:

Property Damage: Require a security deposit and insurance.

Noise Complaints: Communicate with neighbors and set event hours.

Regulations: Comply with local laws regarding event spaces.

Legal: Make sure the renter assumes all liability for accidents, slips, and spills, and holds the landlord harmless against any and all outcomes related to the event.

4 • Divide Your House into Smaller Units

If you're an empty-nester, you can convert a single property into multiple rental units. Its an great way to generate Income while still living in your home. It can also be done with minimal investment in renovation depending on your home's layout. Make sure to comply with local zoning laws and building codes.

Expenses:

Renovation Costs: \$5,000 - \$10,000

Permits: \$200 - \$1,000

Legal Fees: \$500 - \$1,500

Preparations:

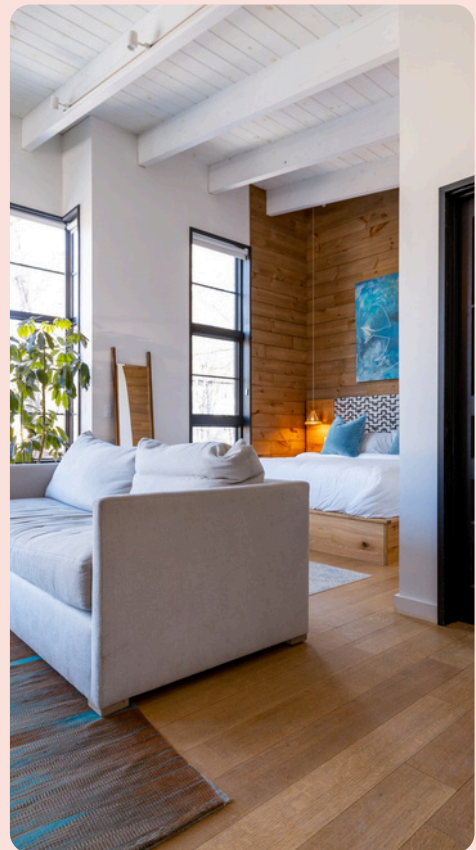
Renovation: Divide the property into separate living spaces.

Permits: Make sure you have the necessary permits.

Legal Agreements: Create lease agreements for each unit.

Timeline:

Setup: 3-6 months for renovations and legal preparations.



Finding Renters:

Rental Websites: List units on sites like Zillow, Craigslist, or Apartments.com.

Local Ads: Advertise in community centers and local publications.

Social Media: Promote on local groups and pages.

Risks and Mitigation:

Renovation Delays: Hire reliable contractors and plan for contingencies.

Vacancy: Price units competitively and market effectively.

Legal Issues: Ensure compliance with local zoning laws and building codes. Make sure rental agreement requires renter to have insurance with Landlord assuming no liability.

Real-life examples to inspire you:

<https://youtu.be/TXN5aGpiw5A?si=zaCEMOshC0PfAgkW>

5. Airbnb Your Home While You're Away on Vacation or Business Trip

When you're traveling, consider listing your apartment on Airbnb:



Extra Income: You can make money while you're away on business or vacation.

Flexibility: You control when the property is available.

Make sure to check local regulations regarding short-term rentals.

Expenses:

Cleaning: \$100 - \$300

Stocking Essentials: \$100 - \$200

Photography: \$100 - \$200

Preparations:

Clean Thoroughly: Make sure your apartment is spotless.

Stock Essentials: Provide toiletries, clean linens, and kitchen basics.

Safety: Install smoke detectors and provide emergency contact info according to Airbnb requirements.

Timeline:

Setup: 1 week to create a listing and prepare the space.

Finding Renters:

Airbnb: Create a detailed and attractive listing.

Booking.com: Originally focused on hotels, it has become a significant player in the short-term rental market.

VRBO (formerly HomeAway): Another platform for short-term rentals.

Risks and Mitigation:

Property Damage: Use Airbnb's host guarantee and screen guests.

Regulations: Stay informed about local short-term rental laws.

Vacancy: Optimize your listing and adjust pricing dynamically.

Legal: Make sure your current homeowners insurance isn't voided by Airbnb activity. If it is, ask your insurance agent to add an addendum to your policy permitting this activity.

Real-life examples to inspire you:

<https://news.airbnb.com/hosting-from-a-distance-and-earning-money-while-traveling/>

6. Partner with Other Investors

Teaming up with friends or family to invest in real estate can be a smart move. Combining your resources gives you more buying power and allows you to scale-up your properties. Plus, splitting up tasks like maintenance and rental management can make things easier. However, it's important to be strategic about it. Good communication and clearly defined roles are critical to avoid conflicts. Also, make sure you have a plan for what happens if someone wants to sell or if there's a disagreement on major decisions.

Expenses:

Legal Fees: \$500 - \$2,000

Finding Partners:

Trusted Connections: Partner with people you trust and know, such as family members or long-time friends.

Networking Events: Attend real estate investment meetups and build connections.

Risks and Mitigation:

Disagreements: Establish a clear decision-making process.

Exit Strategy: Define exit plans in the agreement.

Real-life examples to inspire you: When I didn't have enough money for a larger property, I partnered with four other investors to scale up my investments, and together we bought a property in Portugal.



7. Renting a Room in Your House to a Student or Professor

If you have a spare room, consider renting it out:

- **To a Student:** Many college students look for affordable housing options close to their campus.
- **To a Professor:** Professors often need temporary housing for a semester or a year.

This can provide a steady stream of income. You can also offer additional services such as a daily home-cooked meal or laundry service as ways to make even more income.



Expenses:

Furnishing: \$300 - \$1,000

Cleaning: \$50 - \$200

Legal Agreement: \$100 - \$300

Preparations:

Clean and Furnish: Make the room welcoming with basic furniture.

Legal Agreement: Draft a rental agreement to outline terms and conditions - there are free templates online or you can consult your lawyer.

Timeline:

Setup: 1-2 weeks to prepare the room.

Finding Renters:

University Housing Offices: Contact local colleges.

Online Listings: Use platforms like Roomster, Craigslist, or university bulletin boards.

Social Media: Advertise in Facebook groups such as "Sublets in [name of your city or area]."

Risks and Mitigation:

Compatibility Issues: Conduct thorough interviews and background checks.

Non-payment: Require a deposit and a signed lease agreement.

Privacy: Set clear boundaries and house rules.

Real-life examples to inspire you:

My mother used to rent a spare room to female professors from abroad who came to teach for a semester at the local university. This not only helped her earn extra income, she also formed new friendships.

8. Photo Shoot Location for Content Creators

Transform a space in your backyard, like a garage or a cabin, into a picturesque spot for photo shoots. Content creators on social media are always looking for unique locations for their shoots. Rent it out by the day or by the hour.



Expenses:

Interior Designer from Fiverr.com - \$100

Decorations and Props:
\$500 - \$1,000

Cleaning: \$50 - \$200

Preparations:

Decorate: Use versatile backdrops and props.

Cleanliness: Maintain a clean and organized space.

Timeline:

- **Setup:** 1-2 weeks to prepare the space.

Finding Renters:

Photography Forums: Post on local photography Facebook groups.

Social Media: Reach out to local influencers/Content creators on Instagram and Facebook.

Partner with local studios.

Risks and Mitigation:

Property Damage: Require a security deposit.

Vacancy: Keep the space unique and update your listings.

Noise and Disturbance: Set clear usage rules and hours.

Real-life examples to inspire you: There are platforms like Peerspace and Giggster that allow people to list their properties, including backyards, as potential photo shoot locations – <https://www.peerspace.com/>
<https://giggster.com/>

9. Peer-to-Peer (P2P) Real Estate Investment

Peer-to-peer (P2P) real estate investment is an innovative investing option that connects individual investors directly with real estate projects through online platforms. This method allows individuals to lend money to borrowers—often property developers or investors—without going through traditional financial institutions like banks.



Expenses:

Platform Fees: Varies by platform, often around 1-3% of invested funds.

Due Diligence Costs:

Potential costs for background checks or project evaluations.

Options:

Residential Renovations: Invest in projects that renovate residential properties.

Commercial Developments: Fund commercial real estate developments.

New Property Purchases: Lend money for the purchase of new properties.

Finding Investments:

The three largest peer-to-peer (P2P) lending platforms in the United States:

LendingClub: www.lendingclub.com

Upstart: www.upstart.com

Prosper: www.prosper.com

The three largest peer-to-peer (P2P) lending platforms in Europe:

Mintos: mintos.com

PeerBerry: peerberry.com

Twino: twino.eu

Risks and Mitigation:

Default Risk: If a borrower fails to repay, you may lose your capital. Some platforms offer guaranteed buybacks, but not all.

Market Risk: Property values can fluctuate. Diversify investments to mitigate this risk.

Liquidity Risk: P2P investments can be illiquid. Be prepared to commit funds for the duration of the project.

10. Real estate ETFs and REITs

Investing in real estate doesn't always mean buying physical property. Real Estate ETFs (Exchange-Traded Funds) and REITs (Real Estate Investment Trusts) are a convenient way to get exposure to real estate markets through the stock exchange. These are investment vehicles that allow you to diversify your portfolio geographically and by asset class without the need for direct property ownership.



Expenses:

ETF/REIT Purchase: Varies based on share price.

Brokerage Fees: \$0 - \$10 per trade, depending on the brokerage.

Preparations:

Brokerage Account: Open a brokerage account if you don't have one.

Timeline:

Setup: Immediate if you already have a brokerage account; otherwise, 1-2 weeks to open and fund a new account.

Options:

ETFs: Popular real estate ETFs include Vanguard Real Estate ETF, Schwab U.S. REIT ETF, and iShares U.S. Real Estate ETF.

REITs: Invest in publicly-traded REITs like Public Storage, Health care REIT Inc., and Equity Residential.

Finding Investments:

Stock Exchanges: Purchase ETFs and REITs through stock exchanges like NYSE or NASDAQ.

Brokerage Platforms: Use platforms like E*TRADE, Schwab, or Fidelity to find and invest in these assets.

Financial News Sites: Check performance and analysis on sites like Yahoo Finance or Bloomberg.

Risks and Mitigation:

Market Risk: Diversify by investing in multiple ETFs or REITs.

Liquidity Risk: ETFs and REITs are generally liquid, but check trading volumes.

Monitor the financial health of REITs to avoid potential dividend cuts.

Disclaimer:

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