

# How To Build a Real Estate Empire

With Real Estate Franchises



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After searching our database of over 500+ available franchises I was shocked that I got 89 results for the keyword 'real estate'.

There are many different real estate franchise models. Some are owner-operated. Some are passive income opportunities. Some require a license. Most do not.

To help you better understand the opportunities available with real estate franchises, this post will lay out 3 types of real estate franchises, and present you with the pros and cons of each to help you build a real estate empire with real estate franchises.

### 3 Real Estate Franchise Models

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#### Residential Assisted Living

One of the newer and hotter real estate franchise concepts is Residential Assisted Living. The concept is to convert a single-family home into a multi-tenant senior living facility with 8 to 16 unit rooms staffed with a home director and care assistant(s) to assist seniors with their needs. Generally, this franchise concept is not for seniors who are not self-sufficient and require a nursing home.

## Pros

- Greater total revenue opportunity than traditional rental or even AirBnB model
- Multiple revenue stream opportunities (see our upcoming post on RAL)
- The Silver Tsunami is here. Demographic trends show there will be 10,000 seniors a day turning 75 years old in 2025.
- Placements are provided by services that help look for assisted living for seniors and are overflowing with requests for senior housing assistance.

## Cons

- Higher upfront investment in build-out to fit needs of a residential assisted living model
- A significant amount of ADA, compliance and health regulations
- High turnover due to aging and changing medical conditions.

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## Property Management

Property management as a business opportunity may not be sexy, but it definitely provides for many sources of revenue, and a growing market that is very recession-proof. If you are interested in real estate we highly encourage you to look at property management as a great business opportunity. There is an extreme need for quality property management in today's marketplace (and we can speak from experience here).

### Pros

- Property Management is very much recession-proof as housing is all a basic need for everyone even during recessionary economic periods.
- This is our favorite pro. Property management offers multiple recurring streams of revenue, the primary being the monthly management fees that often run around 10% of total rental revenue managed.
- Property management offers a low upfront investment to get started. There is no need for a large office or buildout, and in fact, many run their property management services right from their primary residences (small office at most)
- In property management, you have a very short time frame to get started. Get trained and you are ready to take on clients (and sometimes even sooner).

### Cons

- Renters are not the easiest bunch of folks to provide services for as many have excessive expectations compared to the rents being paid.
- One that is not on the radar often is social media exposure from the renters. In talking with property managers they often discuss social media being a time-suck due to bogus renter complaints when evictions are involved.
- One that is both a pro and a con is dealing with repair needs on properties that can be frequent and excessive. On the other hand, many property managers also provide light maintenance services themselves or are given nice referral fees from other maintenance and handyman services.
- Of course, there are the headaches of dealing with in some cases multitudes of health departments within their regions, and many of them have complicated and significantly different regulations and requirements.

## Real Estate/Agency

The last Real Estate franchise concept that can be very lucrative is that of the Real Estate Brokerage or Agency. Most of us have used a real estate agent to assist us in acquiring a property or selling a property so we are familiar with the services provided, and fees charged as a seller of a property. With a Real Estate Brokerage or Agency franchise, you run the business, find the agents, provide the offices, train the agents, provide technology, help provide the marketing, and participate in the fees collected on each property sold by your agents. Interestingly enough many real estate brokerages/agencies also provide property management services as well.

### Pros

- Starting a Real Estate Brokerage/Agency has a relatively low upfront investment to get started. You don't need an office (particularly today) or you need only provide a shared space for agents
- Because there is no large build-out required, Real Estate Brokerages/Agencies often offer a short time frame to get started.
- One large benefit of a Real Estate Brokerage/Agency franchise is that all the upfront training is already packaged and provided by the franchisor as part of their franchise system
- As well as the underlying technology, marketing and legal requirements (forms and documents)
- Allows the agency/brokerage to grow without all the costs of a traditional agency/brokerage by leveraging the multitudes of years or Real Estate experience provided by the franchisor
- Possibly being the disruptor in a traditional very homeowner expensive industry reducing the costs to sellers in an industry with what can be excessively large seller costs to sell a property

### Cons

- For many Real Estate Brokerage/Agencies and agents it takes many years and a long and large learning curve to be considered professional.
- Real Estate Brokerage/Agencies are subject to the ups and downs of the real estate market itself. It can often be very cyclical with boom and bust periods. Thus many offer less volatile services such as property management in addition to the traditional real estate transaction services. Some even offer full repair and maintenance services for properties as well.
- Real Estate Brokerage/Agency is a very old and established industry which recently has been rapidly changing industry subject to disruption.

# 3 Great Real Estate Franchise models to get your Real Estate Empire supercharged!

As you can see from these 3 different types of real estate industry franchising opportunities there is quite a difference in the opportunities available. But regardless of which one (or combination) of the above real estate franchise opportunities real estate offers, and has always offered, great opportunities to turn your capital and resources into a real estate empire.

So don't wait! Get started today and reach out to us for a **NO COST initial consultation** to have us assist you with your choice of which real estate type franchise is going to help you build a real estate empire.



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