

LeadDeveloper

Property Development With No Money

3 Ingredients Of A
No Money Down Deal



Amber Khanna
Lead Developer | Founder
LeadDeveloper.io



Property Development With
No Money – The 3
Ingredients...

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Amber Khanna | Founder
[Lead Developer](#)



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Property Development With No Money



Property Development with No Money or Property Development without money or real estate development with no money is something that every property developer dreams about but very few achieve this feat. Doing a **No Money Down Deal**, is what attracts most wannabes in the property development industry. There are property development seminars dedicated to exploiting this ever elusive property development with no money or real estate development without money.

Why? because most of us want something for nothing. We wish the best of houses, best of cars, best all material things without ever doing much for it. So the wannabe property developers get lured into such seminars & fast forward 12 months, they've achieved nothing.



I know many people reading this article have been to such workshops, and the only reason they went to these seminars was that they figured that their property guru would put in his/her money and let them take a profit. To these people, I ask this, How is Property Development with no money going? Did you learn any real skills, did you option a deal?



Litmus Test For Property Development With No Money

Here Is A Litmus Test To Figure Out If Someone Will Do A No Money Down Deal With You?

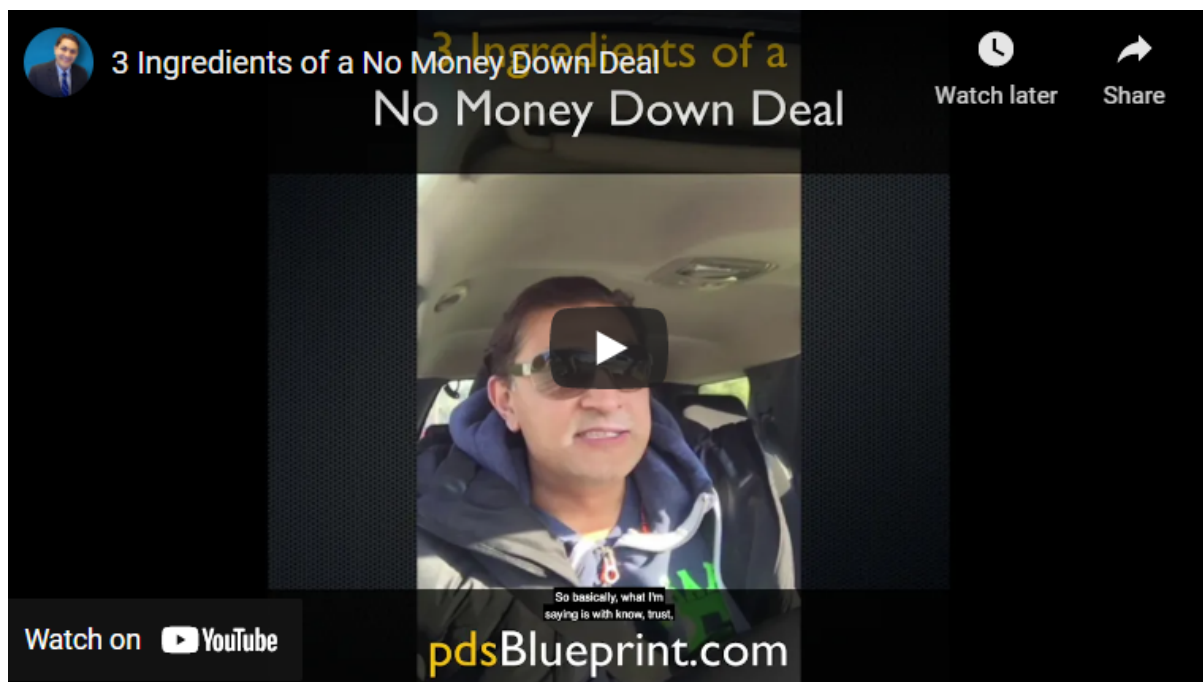
Stand in front of the mirror, and ask yourself honestly, knowing what you know about yourself, your current experience, your **property developer skills** set & your drive to **be a property developer**...

Would You Do A Property Development With No Money With You?

If your answer is an honest Yes, then you should continue reading the rest of the article as I discuss different creative strategies on how you can do property development with no money.



The Three Ingredients Of Property Development With No Money



In Order To Become A Property Developer With No Money You Need To Make Sure That Your Investors Know, Trust And Like You.

Now I know that most of us will have no problems with either of the three. We all have friends and family, who know us, like us and trust us. However, when it comes to someone trusting you



with their life's savings and hard earned money, it becomes a business decision.

TRUST splits into further two parts. It is made of two things, character and competence. Most people will tick the character part. Their family knows them and trusts that they will not misuse or squander their money and will protect it just like their own.

However, do your friends and family also believe that you have the competence to execute the development? Do they think that you have the necessary skills, experience & tools to source, stack, structure and execute a real estate development project? Especially when you have no skin in the game.

Property development without money requires many skills and a complete understanding of all moving parts of property development.

From [market research](#), [site sourcing and acquisition](#), [financial feasibilities](#), financial structuring and [managing your development](#).

Being good at construction is a +, but not good enough.

If you think you are good at construction, I can tell you right now; it's not enough. Why do you think most builders go under? If the knowledge of construction alone was the key, why aren't all the builders & contractors doing well in development? To become a no money down dealmaker, you MUST understand the in's and out's of property development. If you are interested, you can read the [Ultimate Guide to Getting Started in Property Development](#).

[Property development](#) with no money is excellent, as it doesn't require any money from you. However, it does require sweat



equity and it comes with a moral burden and a ton of responsibility and fear.

Not fear of losing your money, but if you are a developer with integrity, you should feel personally responsible for other people's money & also fear for their money. Because if things go wrong, although you won't lose any of your own money, you will lose your credibility forever. Personally, I would rather lose money than lose my name, even if it's just once.



The Role Of Ethics In Property Development With No Money

If you want to become a property developer without money, you have to be ethically inclined & have a higher than average standard of integrity for yourself.

Your number one goal should be to look after your investors; you have to put them before your interest, they, i.e. your investors come first. Understand that your investors are your clients. If they are happy and they're making money, you will always make money.

So make sure that you go out of the way to help them, you bend over backwards to make sure that your investors are making money. They always come before you, and it's all about them. Give them more value, have their best interest at heart and make sure that they win.



The Four Pillars Of Property Development With No Money

There are four ingredients of a no money down deal, and it's the only way you will be able to make that deal happen.

1. The Deal Of A Lifetime

The only way you can make a no money down deal is if you have in your hand, The Deal of a Lifetime. Think about it; if you have a really good, lucrative property development project in your possessions, you will be able to find investors reasonably quickly.

When I say a deal of a lifetime, it's in the sense that the deal is a no-brainer, it ticks all the boxes. Even your drunk friend knows that this deal has much profit in it. The downside is that the deal of a lifetime is a thing that happens very seldom & only to those who are actively looking for such opportunities.

2. Opportunity Cost For Your Investors

Almost every deal that makes a 20% developer **margin** is a good project, other variables being constant. However, the success of that project also depends upon how you present it to them. In other words, your project is such, or their circumstances are such that what you present or propose to them has the best



possible outcome for them as compared to their current situation.

While presenting, you should compare and contrast with what they've got on hand with the opportunity that you have for them. You also have to contrast the risk and rewards situation so that they understand what's involved in it.

This is where you need to uphold your integrity. Do not make any fake promises, make sure that you look out for them and always understand that they will only come to you if they can see that your opportunity is much better than their current situation.

3. When Your Investors Know More

Everyone is inherently driven by fear, so the only way your investors can overcome that fear is if he or she knows more. You've got to educate them on the process which takes time. Besides, you have to deal with their mindset. Your investors will not necessarily be on the same page as you in terms of their intrinsic beliefs & their mindset.

They might have access to money, but they do not have that mindset to be able to go out and do the development. But a lot of time it's because they don't know as much as you do, they don't know what's around the corner, they don't know what to expect next, and they don't know how it's going to pan out. So you need to take the lead and educate them about the property development process.

Get them to verify the process from their trusted sources or their trusted advisors, lawyers or accountants or friends & family. Your job is to show them what the development process is, what is your project's timeline, **what is a property development**



feasibility study? What do the numbers mean? Show them development case studies and present your business case. Then let them go out and get it verified from their trusted sources.



The Four Stages Property Investors Will Go Through Before They Invest In Your Project.

1. Awareness Stage

Potential property investors go through their awareness stage. This is the stage where you as a property developer need to spend the most time educating them because they don't even know what it is like to be part of a project. Unless you find someone who is already familiar with property development, which in the case of your friends and family may not always be true.

2. Consideration Stage

After you make them aware of the possibilities in a project with you, the second stage would be the consideration stage. While they are considering the project, in their minds they are already contemplating the pros and cons of your project.

They are also considering how their finances are going to pan out? They are unsure so they're talking with their friends, they're discussing the project with their other family members and are trying to get as much advice from other people as possible.

At this stage, they are listening to stories from anyone and everyone they are in touch with about property development. Mostly, they are listening to horror stories. Horror stories about



how a deal went belly up and how a developer didn't give them their uncle the money and how he got ripped off?

The only defence that you have to tackle these horror stories is to make sure that the property development business case you present to them is logical, coherent and thorough. It has been carefully researched, and your financial feasibilities are spot-on.

3. Preference Stage

The third stage is the preference stage & is the deciding stage where they either prefer your project or someone else's. So far, they've been made aware of how a **property development** project unfolds, and they've considered your deal.

However, now it's all about preference, now they have to choose between your property development business plan and someone else's, and the way you can set yourself apart is by presenting them with a business case or your project report.

Your project report should include your research, due diligence, feasibility as well as your assumptions. The more professional you are with your research and your business case, where every assumption is backed by facts and figures, the more trust you will generate and even for yourself, this kind of thorough business case will give you the confidence to be able to address questions from your investors.

4. Action Stage

The fourth stage is action as to whether or not they want to go ahead with your project. Basically, at this time they're consulting their lawyer & accountant. They are reading the unit holder's



agreement; they're reading your development management agreement, they are going over all legal paperwork with a fine comb with their trusted advisors.

Their lawyer is now advising them on all the bad things that can happen to the project & whether they are covered legally and all the clauses they can add to cover themselves. This is where you need to make sure that your lawyer and their lawyers are talking to each other.

You will need to facilitate this process as if you were to leave this in your or their lawyer's hands, I can guarantee, that your no money down project will never get off the ground.



Conclusion

If you manage to get your first property development project with no money off the ground and deliver this project with good returns, you will win your investors for your second project.

The reason I say that you've earned them for your next project is because an investor is also doing business. If they do a project with you once, is it likely that they will continue to work with you, but it is also likely that they will continue to seek the best opportunities with similar or lesser risk for their investment?

This should not upset you in any way, it's their money, and if you were in their shoes, you too would do your best to get the highest return with the lowest risk on your money.

The only way you get to keep your investors is by being 100% transparent in your dealings with them, by showing the integrity of the highest order and by being genuinely professional. Click [here](#) for a list of all [Property Development Courses](#).



FAQs

Is there money to be made in property development?

Try to be patient and hardworking; many property developers generate money by working a full-time job while working on their projects, allowing them to have a steady income. Depending on your circumstances and expertise levels, you'll need to weigh the advantages and disadvantages of each business model.

Can I legally build my own house?

Only when the city authorities have approved your building plan can you begin construction on the land. Aside from permissions from other government entities such as fire safety, environment, and transportation, you'll need a certificate from the development authority.