How to Start an Airbnb Business Without Owning Property

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Since its launch in 2008, Airbnb has become one of the world's most popular online rental platforms. And at this point, it's no wonder that more and more people are getting convinced to join the business. However, most people also assume that you have to buy at least one property to become an Airbnb entrepreneur, and more often than not, this has prevented non-owners from even planning to get started.

But, this is a huge misconception. The truth is, there's a business strategy that can help you make a profit on Airbnb without owning or buying property. This strategy is called "subleasing," and you'll learn more about it here.

Subleasing and business management

By definition, subleasing uses the rental arbitrage model. Rental arbitrage is where you use other people's properties to make a profit on your own. First, you have to find a property for rent, call the landlord and pitch the idea that you'll utilize their space as a short-term rental on Airbnb. Once you reach confirmation, you draft an agreement and get your business going.

Is this legal? Yes. Just think of yourself as a shop owner renting a spot inside the mall. The mall owner gets rent from you, and you're earning income on their space – it's a win-win! Plus, you're even learning how to manage your business

without having to buy the whole building.

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Subleasing – pros and cons

Before jumping in, you might want to know what you're getting into. So here are some of the pros and cons of using this strategy for your Airbnb business.

Pros:

1. You don't need to buy any property. Therefore start-up costs will be low.
2. Airbnb will do the marketing for your business.
3. You can build your income from here and start investing in other ventures.

Cons:

1. Your monthly bookings on Airbnb may fluctuate.
2. You're responsible for any damages and must pay for additional utilities on your rental property.

Now, if you're ready for all of these and you've decided that subleasing is a good fit, then it's time to look for the best kind of property you can rent and list on Airbnb.

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Subleasing within your budget

Typically, you sign a lease agreement for 12 months to rent a property. If your capital is a bit on the lower end, you can go for a studio, a one-bedroom apartment, or a two-bedroom house with a $1,500 monthly rent.

After paying the first month's deposit, you can set up your furniture, add a few decors and take professional pictures. These photos will be uploaded to your Airbnb site and are the first thing your guests will see.

Of course, depending on your capital, you can go for a bigger space. But all of these can be done even if your budget is within $7,000 to $15,000.

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Three things to check

1. City ordinances. The first thing you need to do is to make sure that you're operating in an area where Airbnb rentals are allowed. Approximately 97% of cities in the US allow short-term rentals with or without permits, but that leaves at least 3% that don't authorize its operation in their area.

For this, I would recommend going on Google to find the phone number of the local building department in the city you want to launch in and ask for their ordinances. This will help you save more time on the process.

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2. Property standards. Not all properties can be subleased, so you must ensure it's within your standards. First of all, your property should be within your budget. It would be ideal if you could get a place with parking for two vehicles or more.

Second, it has to have air conditioning and heat already installed. This ensures you don't have to go through the hassle of installing AC and heat using your money.

Your property should also have already been renovated because you don't want to renovate a property you don't own. Plus, if you can get a property that's already fully furnished, that

would be even better for your budget.

3. Property location. There are areas you must avoid when looking for a property to rent. These areas include properties close to train stations, busy roads and congested corners. This may not seem necessary, but those areas can sometimes be loud and disturbing. Your guests have booked your place to relax, and they won't be able to do that if they hear constant honking from incoming trains or cars.

These are just some of the most important things you need to know when starting an Airbnb business through subleasing. This can be your first step towards creating long-term wealth for you, your family, and future generations.

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