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Editorial Note: We earn a commission from partner links on Forbes Advisor. Commissions do not affect our editors' opinions or evaluations. Whether you have \$100 or \$100,000, investing in real estate can be a powerful wealth-building tool. I got my start with real estate investing in 2016 with the purchase of a run-down 1970s split level with four bedrooms. My W-2 income was less than \$23,000 at the time. I lived with a rotating cast of three other short and long-term renters for years while slowly renovating it. Deals like that are much harder to find today, but that doesn't mean you're shut out of the market entirely if you're in the same income bracket I was. Here are five proven ways to invest in real estate, ranging from hands-off approaches that take minutes and minimal funds to set up, to more involved strategies that could become your full-time occupation. What they are: REITs (Real Estate Investment Trusts) are companies that own, operate or finance income-producing real estate across various sectors like shopping malls, apartment buildings, offices, warehouses and hotels. They work similarly to mutual funds, allowing you to invest in real estate without actually buying or managing physical properties. If you're looking to invest in real estate immediately with limited funds at risk, REITs offer the most accessible entry point. REITs are required by law to distribute at least 90% of their taxable income to shareholders as dividends, which typically makes them excellent income-generating investments. Many REITs pay higher dividend yields than what you'll find with many stocks. Keep in mind that dividends from a REIT will be taxed at your income tax rate, not the lower capital gains tax rate you'd get with other investments, so you'll need to prepare for a larger tax bill or hold them in a tax-advantaged account. The beauty of REITs lies in their simplicity. You don't have to worry about finding tenants, fixing toilets or dealing with property taxes as the REIT management team handles all those headaches. You just invest your money and collect dividends when they do well. How to get started: You can buy shares of publicly traded REITs through any brokerage account, just like you would purchase stocks. If you're new to investing or don't have much capital, many investing apps like Robinhood, M1 Finance and Stash offer fractional shares of REIT ETFs (Exchange-Traded Funds), allowing you to start with as little as \$5. Expert tip: Consider diversifying across different types of REITs. Residential, commercial, healthcare and mortgage REITs each respond differently to economic changes, providing better portfolio protection. Since REITs pay through dividends, holding your REITs in a tax-advantaged account like a Roth IRA or Health Savings Account is a smart money move. What they are: Crowdfunding real estate platforms are online services that connect investors with real estate developers seeking funding for specific projects. Rather than investing in diversified portfolios of several properties like REITs, these platforms let you select individual properties or development projects to invest in. For investors who want more control over their real estate investments without the hassle of direct property ownership, crowdfunding platforms offer an intriguing middle ground. These platforms typically fund commercial or residential developments, apartment renovations or other real estate projects. The returns can potentially be higher than REITs, but so is the risk since you're often investing in a single property rather than a diversified portfolio. Consider that most crowdfunding investments lock up your money for several years. While some platforms offer early withdrawal options, they typically come with penalties or depend on another investor buying your shares. How to get started: Popular platforms include Fundrise (which allows investments starting around \$10) and CrowdStreet (which focuses on commercial real estate but typically requires larger minimum investments, often over \$25,000). Be aware that some platforms only accept accredited investors—individuals with a net worth over \$1 million (excluding primary residence) or annual income exceeding \$200,000. Expert tip: While crowdfunding is increasing in popularity, I don't recommend it for beginners. The fees are substantially higher and less transparent, plus they aren't diversified enough for people new to the industry. A REIT is a much better starting point until you better understand real estate investments. What is it: Perhaps the most common real estate investment most people make is purchasing a primary residence. By making mortgage payments, you gradually build equity in your home while potentially benefiting from property appreciation. If you continue to slowly climb the property ladder during your working years and then downsize in retirement, you're likely to benefit from a stable place to stay and a large check at the end of it. However, the financial returns might be less impressive than you'd expect. Even with the wild market recently, home prices have only averaged a 4.23% increase in value annually since 1987, according to data from the Federal Reserve. By comparison, REITs have historically delivered average annual returns around 11.28%, according to Nareit, while even a basic S&P 500 index fund has averaged roughly 10% returns long-term. That doesn't mean buying a home is a bad investment, it just means you should think of it as both a lifestyle choice and a financial one. Government programs for homebuyers, along with favorable mortgage terms, make homes much more accessible than other real estate investments. You can even follow my playbook and rent rooms out while living in your home for extra cash flow for renovations, to build equity faster or to reduce your housing expenses. How to get started: If you're considering buying a home, first assess whether you plan to stay in one location for at least three to five years (to offset transaction costs). Research first-time homebuyer programs in your area, which might offer down payment assistance or reduced interest rates. Make sure your monthly mortgage payment is well within your budget, as you'll be on the hook for maintenance as well as regularly increasing property taxes and insurance premiums. Expert tip: Don't rush to pay off a low-interest mortgage if you can earn higher returns by investing that extra money elsewhere. When a paid-off mortgage is an emotional win, it's rarely the smartest money move. Let's say you have room in your budget and can either pay off your 3% mortgage earlier or invest more in your 401(k) and you're in a 30% total tax bracket. Paying off your mortgage saves you 3% in interest, but investing in your 401(k) will give you an immediate 30% tax savings, and grow at an average rate of roughly 10% a year if investing in something like an S&P 500 index fund. What is it: Purchasing residential or commercial property to rent out to tenants is perhaps the most traditional form of real estate investing. This approach can provide both ongoing income and potential appreciation. Rental properties come in two main varieties: Long-term rentals: These properties are typically leased for at least a year, providing consistent monthly income (assuming reliable tenants). Options range from single-family homes to multi-unit properties. Short-term rentals: These cater to travelers and temporary residents through platforms like Airbnb and VRBO. While they typically generate higher nightly rates, they also require more active management and face more volatile seasonal and economic fluctuations. The appeal of rental properties lies in their wealth-building potential. A well-chosen rental property can provide monthly cash flow while it potentially appreciates, and your tenants essentially help pay down your mortgage. The downside? Becoming a landlord involves significant work. Finding tenants, handling maintenance, addressing emergencies and dealing with potential vacancies. Additionally, financing investment properties typically requires larger down payments and comes with higher interest rates than primary residences. I've been a landlord for most of the last nine years, generally living with or near my tenants. The vast majority of my tenants have been fantastic people, but the few bad ones were so bad that I stopped renting out my house entirely. Carefully consider if you have the stomach to deal with a nightmare scenario before you start investing in rental properties. How to get started: Research rental rates and property values in your target market. Many successful investors start with a small, manageable property like a duplex or condo. Consider "house hacking" by living in one unit of a multi-unit property while renting out the others, which can qualify you for better financing terms. Expert tip: Factor in at least one to two months of vacancy per year when calculating potential returns, along with setting aside 1% to 2% of the property value annually for maintenance and repairs. Many new landlords underestimate these costs and overestimate their cash flow. What is it: Property flipping involves purchasing homes or buildings, renovating them and selling them at a higher price. This strategy can deliver significant returns but requires substantial knowledge, capital, risk tolerance and ability (if you DIY your renovations). Despite what you might see on HGTV, flipping houses isn't a guaranteed path to quick profits. It requires identifying undervalued properties, accurately estimating renovation costs, managing contractors (or doing the work yourself) and understanding local market trends. The financial risks are considerable. Renovation costs frequently exceed initial estimates, permits can cause unexpected delays and market conditions might shift while your money is tied up in the project. Most flippers need to account for financing costs, realtor commissions, closing costs and capital gains taxes, all of which eat into profits. For those with construction experience or strong contractor relationships, flipping can be highly profitable. The key is buying properties at a sufficient discount to cover all expenses while leaving room for profit. How to get started: Before diving in, spend time learning your local market, attend open houses, track property values and build relationships with realtors specializing in distressed properties. Consider partnering with an experienced flipper on your first project to learn the ropes. Expert tip: Use the 70% rule as a starting point: Never pay more than 70% of a property's After Repair Value (ARV) minus renovation costs. For example, if a renovated home would sell for \$300,000 and needs \$50,000 in repairs, you shouldn't pay more than \$160,000 (\$300,000 x 0.7 - \$50,000). The best approach depends on your financial goals, risk tolerance, available capital and desired level of involvement: For passive income with minimal effort: REITs or real estate crowdfunding For building equity while meeting a basic need: Your primary residence For ongoing income plus appreciation: Rental properties For active income requiring significant effort: Property flipping Real estate investing can provide portfolio diversification, potential tax advantages and protection against inflation. But physical properties also come with illiquidity risks. You can't sell a house as quickly as you can sell a stock. For most investors, a balanced approach works best. Start with REITs to gain exposure to real estate while learning more about the market. As your knowledge and capital grow, you might consider adding a rental property or exploring more active strategies. Whatever approach you choose, remember that real estate—like any investment—requires research, patience and a clear-eyed assessment of both potential returns and risks. Talk with a financial advisor about how real estate fits into your overall investment strategy before making any major decisions. The path to real estate wealth is rarely a sprint; it's a marathon. But for those willing to put in the effort and make informed choices, it remains one of the most reliable routes to long-term financial security. Looking For A Financial Advisor? Get In Touch With A Pre-screened Financial Advisor In 3 Minutes Find A Financial Advisor Via Datalign Advisory What makes a good real estate investment? Any good investment has a high chance of success and a solid return on your investment. One of the factors in favor of real estate investing is the relatively small stake needed to get started, compared to investing in many other assets. A home mortgage generally requires a 20% to 25% down payment, but, in some cases, a 5% down payment is all it takes to purchase an entire property as a rental opportunity. That's great for those with do-it-yourself skills and plenty of spare time, but it's only one of several ways to make money in real estate without an outsized investment upfront. These are some other real estate investment strategies to consider, along with their pros and cons. Buying and managing rental property is an option for investors with do-it-yourself skills and the time to manage the property hands-on. "Flippers" look for undervalued properties and look to sell them quickly for a profit.REITs are an option for passive investing in real estate.REITs pay dividends and can be bought and sold on exchanges, like stocks.Online real estate investing platforms offer diverse opportunities for a relatively modest stake. Owning rental properties is a good choice for individuals who have do-it-yourself (DIY) skills, the patience to manage tenants, and the time to do the job properly. Although financing can be obtained with a relatively low down payment, it does require substantial cash on hand to finance upfront maintenance and to cover periods when the property is empty or tenants do not pay their rent. On the plus side, once the property starts bringing in cash, it can be leveraged to acquire more property. Gradually, the investor can acquire a number of income streams from multiple properties, offsetting unexpected costs and losses with new income. According to U.S. Census Bureau data, the sales prices of new homes (a rough indicator for real estate values) consistently increased in value from the 1960s to 2007, before dipping during the financial crisis. Subsequently, sales prices resumed their ascent, even surpassing pre-crisis levels. By the end of 2023, the average home sale price in the U.S. hit \$498,300, slightly off record highs recorded earlier in the year. Real estate investment groups (REIGs) are ideal for people who have some capital and want to own rental real estate without the hassles of hands-on management. REIGs are a pool of money from a number of investors, similar to a small mutual fund, that is invested in rental properties. In a typical real estate investment group, a company buys or builds a set of apartment blocks or condos. A single investor can own one or multiple units of self-contained living space, but the company operating the investment group collectively manages all of the units, handling maintenance, advertising vacancies, and interviewing tenants. In exchange for conducting these management tasks, the company takes a percentage of the monthly rent. A standard real estate investment group lease is in the investor's name, and all of the units pool a portion of the rent to cover vacancies. This means you'll receive some income even if your unit is empty. As long as the vacancy rate for the pooled units doesn't spike too high, there should be enough to cover costs. House flipping is for people with significant experience in real estate valuation, marketing, and renovation. This is the proverbial "wild side" of real estate investing. Just as day trading is different from buy-and-hold investing, real estate flippers are distinct from buy-and-rent landlords. Real estate flippers often aim to profitably sell the undervalued properties they buy in less than six months. Some property flippers don't invest in improving properties. They pick properties they hope have the intrinsic value needed to turn a profit without any alterations. Flippers who are unable to swiftly unload a property may find themselves in trouble because they typically don't keep enough uncommitted cash on hand to pay the mortgage on a property over the long term. This can lead to snowballing losses. There is another kind of flipper who makes money by buying reasonably priced properties and adding value by renovating them. This is a longer-term investment, and investors may only be able to take on one or two properties at a time. A real estate investment trust (REIT) is best for investors who want portfolio exposure to real estate without making a traditional real estate transaction. A REIT is created when a corporation (or trust) uses investors' money to purchase and operate income properties. REITs are bought and sold on the major exchanges like any other stock. A corporation must pay out 90% of its taxable profits in the form of dividends to maintain its REIT status. By doing this, REITs avoid paying corporate income tax, whereas other companies are taxed on profits and then determine whether and how to distribute after-tax profits as dividends. Like regular dividend-paying stocks, REITs are a solid investment for investors who seek regular income. REITs can afford investors entry into nonresidential investments such as malls or office buildings, that are generally not feasible for individual investors to purchase directly. More importantly, some (though not all) REITs are highly liquid because they are exchange-traded trusts. In practice, REITs are a more formalized version of a real estate investment group. When looking at REITs, investors should distinguish between equity REITs that own buildings and mortgage REITs that provide financing for real estate and may also invest in mortgage-backed securities (MBS). Both offer exposure to real estate, but the nature of the exposure is different. An equity REIT represents ownership in real estate, while a mortgage REIT focuses on the income from real estate mortgage financing. Real estate investing platforms are for those who want to join others in investing in a relatively large commercial or residential deal. The investment is made via online real estate platforms, which are also known as real estate crowdfunding. The best real estate crowdfunding platforms pool resources of investors looking for opportunities with other investors looking for financial backing for real estate projects. That gives the investor an opportunity for diversifying into real estate without putting up a large stake. Real estate is a distinct asset class that many experts agree should be a part of a well-diversified portfolio. This is because real estate does not usually closely correlate with stocks, bonds, or commodities. Real estate investments can also produce income from rents or mortgage payments in addition to the potential for capital gains. Direct real estate investments involve owning and managing properties. Indirect real estate involves investing in a pool of money that is used to buy and manage properties. REITs and real estate crowdfunding are examples. The typical minimum investment in real estate varies depending on whether you're pursuing direct or indirect investment strategies. When purchasing a rental property outright, you'll generally need \$25,000 to \$100,000 or more for a down payment plus closing costs and fees. This amount will also depend on the location, size, and quality of the property. For multi-family properties, the cost is often higher, potentially starting at \$150,000 or more, depending on its size and location. Indirect real estate investments generally have lower minimum requirements, making them more accessible to a broader range of investors. In fact, you can often buy shares of REITs for under \$100 per share, and real estate mutual funds often have similar minimums of a few hundred to a few thousand dollars. For real estate crowdfunding platforms, minimum investments can vary widely, typically ranging from \$500 to \$25,000 or more. Compared to other forms of real estate investing, crowdfunding can be riskier. Some of the projects available may appear on crowdfunding sites because they were unable to source financing from more traditional means. Moreover, many real estate crowdfunding platforms require investors' money to be locked up for several years, making it an illiquid investment.Still, the top platforms boast annualized returns of between 2% and 20%, according to Investopedia research. Good market conditions for real estate investing typically involve a combination of economic, demographic, and local factors that create favorable opportunities for investors. A robust job market with low unemployment rates and rising incomes often leads to increased housing demand, potentially driving up property values and rental rates. Areas experiencing population growth, especially from in-migration, tend to see heightened demand for both residential and commercial properties. Additionally, markets with low vacancy rates, ongoing infrastructure development, and landlord-friendly policies are often appealing to investors.On a broader economic scale, lower interest rates generally make borrowing more affordable, potentially stimulating demand for real estate as mortgages become more accessible. However, extremely low rates can sometimes lead to the market overheating. Moderate inflation can also benefit real estate investors as property values and rents typically increase with inflation, while fixed-rate mortgage payments remain constant. Conversely, high inflation can lead to increased interest rates, potentially cooling the market. It's important to note that these factors are general guidelines that often interact in complex ways, and their impact can vary depending on local market dynamics and specific investment strategies. Whether real estate investors use their properties to generate rental income or to bide their time until the perfect selling opportunity arises, it's possible to build out a robust investment program by paying a relatively small part of a property's total value upfront. As with any investment, there is profit and risk with real estate investing and markets can go up as well as down. When the stock market becomes volatile, many investors turn to alternative options, including real estate. Done right, real estate investing can be lucrative, help diversify your existing investment portfolio and eventually provide a stream of passive income. But understandably, many people — especially beginners to real estate — don't want the burden of being a landlord or maintaining a property. Thankfully, many of the best investments don't require showing up at a tenant's beck and call. Here are some of the best ways to make money in real estate, ranging from low maintenance to high.Real estate investment trusts (REITs) allow you to invest in real estate by purchasing shares in companies that own commercial real estate such as office buildings, retail spaces, apartments and hotels. REITs tend to pay high dividends, making them a popular choice for retirement investments. People who don't need or want regular income can automatically reinvest those dividends to grow their investment further.Are REITs a good investment? They can be, but they can also be varied and complex. Some trade on an exchange like a stock, while others don't. The type of REIT you purchase can be a big factor in the amount of risk you're taking on. Non-traded REITs aren't easily sold and might be hard to value, so new investors may want to stick with publicly traded REITs. You can also gain exposure to a more diversified selection of real estate investments by buying into a fund with interests in many REITs. You could do this through a real estate ETF or by investing in a mutual fund with multiple REIT shares.Answer a few simple questionsStart achieving your money goalsWhat's your financial priority?Match with a financial advisor for freeReal estate investment platforms connect developers to investors who want to finance projects through debt or equity. Investors hope to receive monthly or quarterly distributions in exchange for taking on significant risks and paying a fee to the platform. Like many real estate investments, these are speculative and illiquid — you can't easily unload them the way you can trade a stock.The rub is that you may need money to make money. Many of these platforms are open only to accredited investors, defined by the Securities and Exchange Commission as people who've earned income of more than \$200,000 (\$300,000 with a spouse) in each of the last two years or have a net worth of \$1 million or more, not including a primary residence. Alternatives for those who can't meet that requirement include Fundrise and RealtyMogul.Tiffany Alexy didn't intend to become a real estate investor when she bought her first rental property at age 21. Then a college senior in Raleigh, North Carolina, she planned to attend grad school locally and figured buying would be better than renting. "I went on Craigslist and found a four-bed-bedroom, four-bathroom condo that was set up student-housing style. I bought it, lived in one bedroom and rented out the other three," Alexy says.The setup covered all of her expenses and brought in an extra \$100 per month in cash — far from chump change for a grad student, and enough that Alexy caught the real estate bug.Alexy entered the market using a strategy sometimes referred to as house hacking, a term coined by BiggerPockets, an online resource for real estate investors. It essentially means you're occupying your investment property either by renting out rooms, as Alexy did, or renting out units in a multi-unit building. David Meyer, head of real estate investing at BiggerPockets, says that house hacking allows investors to buy a property with up to four units and still qualify for a residential loan.Of course, you can also buy and rent out an entire investment property. Find one with combined expenses lower than the amount you can charge in rent. And if you don't want to be the person who shows up with a toolbox to fix a leak — or even the person who calls that person — you'll also need to pay a property manager. "If you manage it yourself, you'll learn a lot about the industry, and if you buy future properties, you'll go into it with more experience," says Meyer. Related: Understand the different types of real estate investmentsThis is HGTV come to life: You invest in an underpriced home in need of a little love, renovate it as inexpensively as possible and then resell it for a profit. Called house flipping, the strategy is a bit harder than it looks on TV. It's also more expensive than it used to be, given the higher cost of building materials and mortgage interest rates. Many house flippers aim to pay for the homes in cash. "There is a bigger element of risk, because so much of the math behind flipping requires a very accurate estimate of how much repairs are going to cost, which is not an easy thing to do," says Meyer.His suggestion: Find an experienced partner. "Maybe you have capital or time to contribute, but you find a contractor who is good at estimating expenses or managing the project," he says.The other risk of flipping is that the longer you hold the property, the less money you make because you may be paying a mortgage without bringing in any income. You can lower that risk by living in the house as you make updates, especially if the changes are cosmetic and you don't mind a little dust.Answer a few simple questionsStart achieving your money goalsWhat's your financial priority?Match with a financial advisor for freeFinally, you could rent part of your home to bid the very edge of your toe in the real estate waters. Such an arrangement can substantially reduce housing costs, allowing people to stay in their homes as they continue to benefit from property price appreciation.Adding roommates can also make a mortgage payment more attainable for younger people. However, if you're not sure you're ready, you could try a site like Airbnb. It's house hacking for the commitment-phobe: You don't have to take on a long-term tenant, Airbnb at least somewhat prescreens potential renters, and the company's host guarantee protects against damages.Renting out a room feels more accessible than the complex concept of real estate investing. If you've got a spare room, you can rent it.Like all investment decisions, the best real estate investments are the ones that best serve you, the investor. Think about how much time you have, how much capital you're willing to invest and whether you want to be the one who deals with household issues when they inevitably come up. If you lack DIY skills, consider investing in real estate through a REIT or a crowdfunding platform rather than purchasing a property directly. Investing in real estate is a proven wealth-creation strategy. Real estate investments can also help you diversify your portfolio and protect it from stock market volatility. Let's look at the most popular options for investing in real estate.REITs are companies that own and manage rental properties. They can hold any type of commercial real estate, including medical office space, malls, warehouses, offices, or apartment buildings.REITs tend to have high dividend payments because they are required to pay out at least 90% of their net income to investors. If the REIT meets this requirement, it will not have to pay corporate taxes.Additionally, while selling a rental property could take months and mountains of paperwork, a REIT has the advantage of liquidity since many REITs trade on a stock exchange. Investing in a real estate investment group (REIG) is one way to keep the profit potential of private rental properties while possibly getting more upside than a REIT trading at a premium valuation to the value of its portfolio.REIGs purchase and manage properties. They sell interests in the property to investors who get a share of the rental income.The operating company receives a portion of the rent and manages the property. This means the company finds new tenants and takes care of all maintenance. REIGs often will retain some of the rent to pay down debt and meet other obligations if some units are vacant.Flipping housesFlipping housesFlipping houses is the most hands-on, challenging, and risky of these options, but it can be the most profitable. The two most common ways to flip houses are to buy, repair, and sell, or buy, rehab, rent, refinance, and repeat (BRRRR method). In either case, the key is to limit your initial investment with a low down payment and keep renovation costs low.Let's say you buy a house for \$250,000 with 20% down, or \$50,000. You spend another \$50,000 on renovations and then sell the house for \$400,000. You use the \$400,000 to pay off the \$200,000 loan and then have \$100,000 in profit on a \$100,000 investment. It's a great return if you can get it.The problem is that you usually can't. Housing markets can flip from a sellers' market to a buyers' market on a dime, which can affect your sales price. Meanwhile, keeping renovation costs to a minimum may sound easy, but it may be nearly impossible if you don't have direct construction experience. Inflation and delays can push costs through the roof.If you flip houses, do extensive due diligence. Also, make sure to build in a big cushion in case something doesn't go according to plan (which is usually the case).Real estate fundsReal estate fundsReal estate funds invest in REITs and real estate operating companies (REOCs). REOCs are like REITs, but they don't have to pay dividends, so they grow much faster.Real estate mutual funds or exchange-traded funds (ETFs) are the simplest ways to invest in real estate. Many have very low minimum investments (for example, Fundrise lets you invest in its real estate funds for only \$10, while many REIT ETFs cost less than \$100 per share). The fund's managers pick real estate stocks or property investments that generate income, allowing you to passively collect dividend income.Even if you're a stocks-only investor, consider using real estate funds to get diversification while keeping the liquidity profile you're used to. Investors have many high-quality REIT ETF options.Should you invest?Why should you invest in real estate?Here are a few pros and cons of investing in real estate: Pros Cons If you invest in physical property, you can control your investment. You could also have a totally passive investment that you don't need to manage if you hire a property manager. In a Great Recession type of event, prices can collapse and take down your entire portfolio. Can be a source of steady monthly income payments. With the amount of leverage required, even small price drops can wipe out your whole investment. Can reduce the overall volatility of your investment portfolio through diversification and lower price movements in general. If you choose to flip houses or personally own rental properties, it can turn into a career and use up significant free time. Can lead to long-term wealth creation through the use of leverage. Upfront costs can make initial investments difficult. You need to save enough for the down payment and to cover cash flow shortages when there are vacancies. If you choose to invest directly in real estate through a rental property or fix-and-flip, follow these five steps to get started:Save money: Real estate has some of the most expensive barriers to entry of any of the asset classes. Before you get started, you'll want to pay off your high-interest debt and have significant savings.Choose a strategy: Each of the strategies listed above can be successful. If you choose to buy REITs or funds, you can do online research about your options to help you get started. If you want to buy physical property, you'll need to decide on a market.Assemble a team: You may want to work with an agent when you get started. Great agents will send you off-book opportunities that haven't been listed yet. Eventually, you may need someone to manage your properties and an accountant to handle the financials. If you become successful, you may eventually need investors, too.Do deal analysis: Whether you're investing in residential or commercial real estate, you should do plenty of research on any investment. For example, with rental properties, you'll need to analyze future rent payments and expenses you may be liable for and forecast your potential sales price.Close the deal: The final step is making your first investment. Close on your property, or make the buy in your brokerage account. Real estate investing can seem intimidating at first. Not everyone has the time or ability to flip houses or handle having a tenant. The good news is there are options available for every level of investor, with each catering to different goals, skill levels, and time constraints. That allows anyone to get started today and let the wealth-creation potential of real estate investing begin. Yes, it can be worth getting into real estate investing. Real estate has historically been an excellent long-term investment (REITs have outperformed stocks over the very long term). It provides several benefits, including the potential for income and property appreciation, tax savings, and a hedge against inflation. Depending on the strategy, \$5,000 can be enough to invest in real estate. Many real estate strategies have investment minimums well below \$5,000. For example, you can invest in many REITs and REIT ETFs with a few hundred dollars or less. Meanwhile, some real estate funds have investment minimums of \$5,000 or less.However, you'll likely need more than \$5,000 to buy a rental property or invest in a house to fix and flip due to all the upfront costs of acquiring a property (down payment and real estate closing costs) and expenses to renovate the property or hold it until you rent it out. The easiest way to begin investing in real estate is to buy shares of a REIT or real estate fund. You can get started for only \$10 in some cases (Fundrise has a \$10 minimum investment). You can steadily invest more as you have additional money to invest to grow your real estate portfolio. The 2% rule in real estate is a popular guideline for determining whether a rental property would make a good investment. The rule states that the property should generate monthly rental revenue of at least 2% of the purchase price. For example, if you are considering a rental property that costs \$250,000 to buy, it should generate at least \$5,000 in rental income each month. Matt DiLallo has positions in Airbnb. The Motley Fool has positions in and recommends Airbnb. The Motley Fool has a disclosure policy.