WHAT IS BIRD DOGGING & HOW TO DO IT THE RIGHT WAY

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Want to make money in real estate without owning property? Yes, it is possible–and it’s much simpler than you might think.

If you are interested in alternative [real estate investment strategies](https://www.mashvisor.com/blog/real-estate-investment-strategies), perhaps you’ve heard of [bird dogging](https://www.mashvisor.com/). Becoming a “bird dog” or [property locator](https://www.mashvisor.com/blog/make-money-property-locator-2020) is an excellent choice for many individuals, including aspiring investors who don’t want to assume the risk associated with [buying an investment property](https://www.mashvisor.com/). It is also a great business opportunity for entrepreneurs looking for a side hustle with the potential to turn it into a full-time career.

Likewise, if you are wondering [how to invest in real estate with little money](https://www.mashvisor.com/), this could be a strategy worth trying. Though bird dogging does cost some money, it is significantly cheaper than traditional real estate investing.

What Is Bird Dogging in Real Estate?

[Bird dogging](https://www.mashvisor.com/) is a term borrowed from hunters who use dogs to help them spot and retrieve fallen birds.

So, what does it mean to be a “bird dog” in the real estate industry?

Bird dogging in real estate simply means that you “spot” investment opportunities with a high potential for profit. Then, you hand off the leads to investors willing to make the purchase in exchange for monetary compensation.

While this might sound too good to be true, it’s not. However, that does not mean bird dogging is as easy as it appears. There is certainly a right and wrong way to do it, which we will explore later in this article.

Is Bird Dogging Illegal?

Yes and no.

Ultimately, it is your responsibility to check your local and state laws before assuming bird dogging is legal where you live.

Even so, the legality of bird dogging can be slippery, and you want to ensure that you don’t cross any lines.

While it isn’t clear what the penalties might be for illegally supplying [real estate leads](https://www.mashvisor.com/), it would be best not to find out in court. Even if an illegal bird dog was never caught, they would likely run the risk of tarnishing their reputation within the real estate community. This could make the job of a bird dog very difficult and potentially put them out of business.

The trouble with [bird dogging](https://www.mashvisor.com/) is that it is a fine line to walk. You do not need to necessarily be a licensed realtor to refer real estate leads. But becoming overly involved in real estate transactions can place a bird dog in a realtor or broker’s territory. A bird dog must never facilitate transactions between buyers and sellers because they are not qualified, and doing so is undoubtedly illegal.

That being said, collecting a “finder’s fee” for supplying basic information might be completely legal where you live. If you are interested in becoming a bird dog, it is simply a matter of checking local laws and finding out.

*Find out what the pros and cons of bird dogging are.*

Pros of Bird Dogging

There are many advantages to bird dogging real estate:

* Though not free, it is much cheaper to get into than traditional [real estate investing](https://www.mashvisor.com/).
* Because you are not making a property purchase yourself, there is almost no risk involved.
* Becoming a bird dog is an excellent way to learn about real estate investing while making money.
* It can become a full-time career or remain as little of a time commitment as you decide.

Cons of Bird Dogging

As with anything, there are a few drawbacks when it comes to bird dogging:

* Income isn’t guaranteed in commission-based businesses. You can spend a lot of time [looking for real estate deals](https://www.mashvisor.com/blog/find-real-estate-deals-ultimate-guide/) before getting paid.
* If you don’t protect yourself with a contract, a real estate investor might decide not to pay you for your leads.
* Without the proper tools or resources, it can be difficult to determine the right investment properties and find buyers.

How to Bird Dog: The “Right” Way

When it comes to real estate investment strategies, doing everything the right way is important for both staying within the law and turning a profit. [Bird dogging](https://www.mashvisor.com/) is no exception.

An important aspect of bird dogging properly is making sure you protect yourself with a contract. There are many resources online that allow you to print free contract agreements. But in order to ensure your utmost legal protection, you might choose to work with an attorney to prepare documents for you and your buyer to sign.

Though hiring a professional is slightly more expensive, you will save yourself a headache in the long run. Keep in mind that a handshake deal is never a good option. Scams do happen, and investors can fail to pay their fees. Without a contract, you have nothing to back you up in a dispute.

In addition to checking local laws and writing up a contract for your buyers, in order to make money as a bird dog, you must learn [how to find real estate deals](https://www.mashvisor.com/blog/how-to-find-real-estate-deals/). For this, you’ll need to conduct an [investment property analysis](https://www.mashvisor.com/blog/how-to-investment-property-analysis/).

How to Find Real Estate Deals: Fast and Easy

Real estate investment analysis allows you to narrow down the [best investment properties for sale](https://www.mashvisor.com/) with the highest potential for profitability. While it’s possible to spend hours hunting for real estate data and [rental comps](https://www.mashvisor.com/blog/rental-comps), it is not the most effective way to find leads. With this method, you’ll be stuck using [real estate investment analysis spreadsheets](https://www.mashvisor.com/blog/real-estate-investment-analysis-spreadsheet) and making complicated calculations.

Remember: with bird dogging, you only get paid when a real estate investor makes a purchase. Since investors want to purchase property that will make them money, you will be expected to find them the very best on the market. And the longer you take to find deals, the less you are being paid for your time.

The question is, how can you put in less work to find leads for investors?

Finding Property Leads: Mashvisor’s Tools

Mashvisor allows property locators to find the most profitable neighborhoods for purchasing investments with our [real estate heatmap](https://www.mashvisor.com/blog/real-estate-heat-map). This tool provides data such as listing price, rental income (traditional and Airbnb), [cash on cash return](https://www.mashvisor.com/blog/what-good-cash-cash-return/) (traditional and Airbnb), and [Airbnb occupancy rate](https://www.mashvisor.com/blog/good-airbnb-occupancy-rate). With this information, you can determine which locations are best for investing.

Once you determine a good location, our [property finder](https://www.mashvisor.com/blog/rental-property-finder-tool) will help you search for listings. You can use filters such as location, budget, type of real estate, and rental strategy to pin down the perfect find.

Lastly, Mashvisor’s [rental property calculator](https://www.mashvisor.com/blog/mashvisors-rental-property-calculator) will automatically generate metrics such as cash on cash return, cap rate, and cash flow. Bird dogs can use this tool to judge a property’s overall return on investment before passing it along to investors. What’s more, you’ll be able to easily share the analysis with investors by downloading the PDF report. That way, you aren’t just sharing an MLS listing but rather the proof that it’s a great find.

How to Find Buyers

No matter how great you are at finding leads, you won’t make any money without buyers.

Luckily, this should be fairly easy; there are (most likely) plenty of real estate investors in your community. To begin networking, you can start by putting the word out to family and friends as well as on social media. Letting people know you are in business is a great start. However, as this will only get you so far, you’ll want to get involved in real estate investment clubs as well.

The Takeaway:

While [bird dogging](https://www.mashvisor.com/) isn’t the right real estate investment strategy for everyone, it can be a great business model for those looking to break into the industry with little cash to invest.

As long as you are diligent in your research before getting started, you can earn an excellent income by bird dogging houses. Just double-check that it’s legal in your area, and arm yourself with Mashvisor’s [real estate investment tools](https://www.mashvisor.com/blog/6-must-have-real-estate-investment-tools) to ensure your success.