

The Pros and Cons of Starting a Foreclosure Cleanup Business

Here are some pros and cons to consider as you ponder starting a foreclosure cleanup business. The good, the bad and the ugly in the foreclosure cleanup industry.

Oct. 9, 2009 - [PRLog](#) -- After reading so much fluff out there about starting a foreclosure cleanup business, I knew the time was ripe to write an article about the NOT SO PRETTY side of the foreclosure cleanup industry. This is a peek at the real for those who are considering diving in so they are FULLY informed.

Here are some pros and cons to consider as you ponder this business from someone who's out there.

Con: Waiting to get paid. Many banks take 60, 90, and 120 plus days to pay a simple invoice. If you don't have the cash flow to bank roll jobs, and you've chosen not to factor (sell) your invoices, the wait can be crippling for the small foreclosure cleaning start-up business.

Con: Your foreclosure cleanup business WILL depend on the efforts of others. As your business grows, you will have the need to outsource services. If Joe-Schmo doesn't show up on time, it's your business image he'll be ruining. If Lady Susan slips and falls on a job, it's your insurance that will be tapped.

Con: You won't get rich quick; this is a business that will grow over time with repeat customers. If you don't position your business appropriately from the outset so it thrives after the foreclosure crisis has leveled out, clients will only associate you with foreclosures and will feel they no longer need your foreclosure cleanup truck in front of a new listing doing repairs.

Con: Foreclosure cleanup is a paperwork intensive business. If you're running your business right, you'll have contracts, forms, receipts, property stat printouts, Excel invoice sheets, and more to deal with. If you're not organized, you'll be buried in paperwork and will quickly lose control of your business.

Con: This is manual labor, folks, and the work can be back-breaking, especially in the beginning, when most foreclosure cleanup business (<http://inkwebdesign.hypermart.net/fcbook/bookindex.htm>) owners will try to do everything themselves.

"Gender" Con:

If you're "a girl," many times you'll be in charge of guys who think they know more than you; and, sorry ladies, many times they will -- WHEN YOU'RE JUST STARTING OUT. Let's face it, lot of times our moms had us in the kitchen, while the little brothers were in the backyard with dad doing "guy stuff." But, it's foreclosure cleanup, not rocket science!

Immerse yourself in what you don't know from the very beginning. Roll up your sleeves, dawn a tool belt and some overalls and get to learning. Foreclosure cleanup consists of debris removal, lawn care, minor repairs and simple cleaning. What you don't know, you can learn in a matter of weeks to get you rolling -- and what you don't want to learn, you can outsource.

If you're a guy, you're gonna have to deal with a lot of us women in charge. Realtors are starting foreclosure cleanup businesses at a maddening pace, and, according to the National Association of Realtors, 60% of realtors are, you guessed it, women.

That's some of the bad stuff (we're keeping it real, remember), now for the good stuff:

Pro: Easy to Start, Low-cost Start-up. Remember, it's not rocket science; it's foreclosure cleanup. This is an easy business to "start." Notice I said "start" -- because the work is some of the most labor intensive I've encountered. But you don't need a college degree to start this business. You can do some solid initial research, get your license, tax ID, and insurance, order some business cards and car magnets, and start peddling your services.

You can start small, simply offering lawn maintenance and interior cleaning until you can afford a truck. Lawn maintenance and interior cleaning means minor "equipment" purchases (assuming you don't have it in your garage already) and cleaning supplies. The foreclosure cleanup business is an easy start-up, with minimal cash outlay.

Pro: You get to be in charge of your destiny. This is a business, not a job, and you can grow the heck out of it. You can expand as slowly or as quickly as you want. At last look, one in every 25 homes was in foreclosure, and with another round of adjustable rate mortgages set to mature in the near future, the foreclosure crisis is still in its infancy. This is a business that will burgeon for a long time. You can grow slow and handle everything yourself, with help from family and friends, or you can outsource tasks to other companies and grow quickly. It's up to you; you are in charge.

Pro: The real estate services industry is one in which you can easily "factor" your invoices so you don't have to wait to get paid. You can sell your invoices to a company who will do the waiting for you. When you sell them, say, a \$500 invoice, they will give you the \$500 for the invoice within 24-48 hours, LESS a certain percentage they will naturally keep as their fee for playing the waiting game with the company who owes you. Whether or not a factoring company approves you will be based on the credit of the company who owes you the money; NOT your credit.

Pro: You don't need an office space to start a foreclosure cleanup business; you can set up shop in your home. Choose a dedicated area in the home for your office and get organized early on. Most of your work will be in the field.

Pro: You can position your business to remain profitable even after the foreclosure crisis is over. You can call your business Foreclosure & Real Estate Cleanup, or Real Estate and Foreclosure Cleanup. When the market rights itself, your existing client base will use you for the same property preservation and maintenance type services for their regular, non-foreclosure properties. Real estate is not going anywhere; yard maintenance, minor repairs, cleaning, and debris removal will be needed as long as houses are being bought and sold.

There are varying pros and cons to owning a foreclosure cleanup business. Do your research and dive into entrepreneurship! Even with its cons, foreclosure cleanup is a solid, needed enterprise that will be ripe for years to come.

Good luck!

by Cassandra Black, CEO, Foreclosure Cleanup, LLC, Author of How to Start a Foreclosure Cleanup Business (<http://inkwebdesign.hypermart.net/fcbook/bookindex.htm>), The Pricing Guide for Foreclosure Cleaning & Real-Estate Service Businesses: How to Price Jobs for Profit eBook and How to Market Your Foreclosure Cleanup Business: A Step-by-Step, Shoestring Marketing Guide for Foreclosure Cleaning Business Owners.

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Foreclosure Cleanup, LLC specializes in clearing out & cleaning up homes that have been foreclosed upon in the Atlanta area. They are authoring company of "How to Start a Foreclosure Cleanup Business" e-Book. Website: <http://inkwebdesign.hypermart.net/fcbook/bookindex.htm>.

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