

Recommended Real Estate Crowdfunding Companies

Over the last few years, I've been asked many times for recommendations for the [best real estate crowdfunding](#) websites. It was difficult to make a recommendation because they were all so new, I had not invested with very many of them, and there was not a lot of data to use to analyze them. However, over the last 5-6 years since the [JOBS act](#) passed and these companies showed up on the marketplace, especially as I've watched [my own investments](#) perform, it has become a little easier to sort out the stronger ones from the weaker ones and I now feel comfortable making at least some preliminary recommendations about the top real estate crowdfunding companies.



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Before we get into the list, it's important that you first understand the pluses and minuses of using a crowdfunding website/company to invest in real estate.

Pros of Investing in Real Estate

Crowdfunding

1. Mailbox Money – a very passive, high-yield investment
2. None of the hassles of direct real estate investing
3. Ability to choose your investments
4. Convenient way to invest in [syndicated real estate](#)
5. Low minimum investments
6. Accredited investor status not always required
7. Assistance in due diligence of syndicators
8. Tax benefits (depreciation) passed through to the investor (unlike [REITs](#))

Cons of Investing in Real Estate Crowdfunding

1. Sometimes an extra layer of fees compared to going directly to syndicators
2. Accredited investor status usually required
3. Less diversification than a REIT or fund
4. Best syndicators may not need to raise money through a crowdfunding website
5. Many different investments/payments to track
6. Can be difficult to do [1031 exchanges](#)

Three Main Types of Investments

These sites basically offer three different types of real estate investments – equity, debt, and private REITs or funds, each with their own pluses and minuses. There are also instances where preferred equity (kind of a combination of equity and debt) is offered.



Equity

Pros

1. Highest potential return
2. Depreciation shelters income
3. Potential 1031 exchange
4. High level of control in selecting investment

Cons

1. Highest risk
2. Illiquid for 3-7+ years
3. May require state tax returns to be filed
4. Payments may be only quarterly, semi-annually, or annually
5. Usually requires [accredited investor](#) status
6. No control in management of investment or timing of sale

Debt

Pros

1. Lowest risk
2. Short time period (typically 6-18 months)
3. Typically backed by the asset in 1st lien position
4. Typically monthly interest payments

5. No state tax returns required
6. High level of control in selecting investment



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Cons

1. Very tax-inefficient
2. Requires foreclosing in event of default
3. Usually requires accredited investor status
4. No control in management of investment

Private REITs and Funds

Pros

1. More diversification than individual investments
2. May not require accredited investor status
3. More liquidity than investing directly
4. No need to select individual investments

Cons

1. No control in selection of investments
2. No control in management of investments

Okay, let's discuss the companies that I think are worth

considering for your investment dollars. Note that I'm not going to discuss individual funds in this post (coming soon) nor individual syndicators. Be aware I have a financial relationship with each of these companies – i.e. if you invest after going through these links, I may get paid.

Top Real Estate Crowdfunding Companies

[# 1 CrowdStreet](#)



Offers mostly equity, some debt investments, and funds to accredited investors

Although it hasn't been around as long as RealtyShares, Crowdstreet is now the highest volume provider and is highly-ranked by those "in the know." They offer a wide variety of types of investments. Unlike RealtyShares, it charges fees to the sponsor/syndicator rather than the investor. It also allows you to interact directly with the sponsor rather than having to go through the crowdfunder. They provide a free 176-page ebook to teach you about real estate investing. Minimums tend to be significantly higher than with most companies.

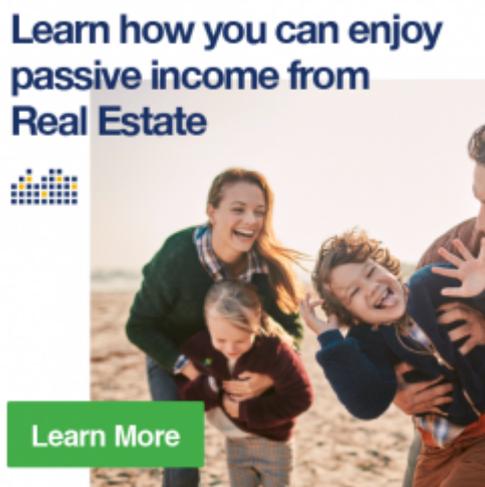
On the day I wrote this, there were nine equity offerings,

with minimums of \$25-50K and eight funds (including a debt fund) with \$10-50K minimums.

I have no current or prior investments with CrowdStreet.

[Invest with CrowdStreet today!](#)

[# 2 RealCrowd](#)



Offers mostly equity, some debt investments, and funds to **ACCREDITED INVESTORS ONLY.**

Like RealtyShares and Crowdstreet, RealCrowd is a relatively high volume provider. They don't do debt deals, at least not very frequently, but like Crowdstreet they don't charge you platform fees (the sponsors pay advertising fees) and allow you to interact with the syndicator a lot more directly. They also offer RealCrowd University, a free six-week course on real estate investing that will teach you everything from focusing on risk first to what questions to ask real estate sponsors.

On the day I wrote this, there were three available equity investments on the site, with \$25-50K minimums, plus five funds with \$25-100K minimums.

I have no current or prior investments with RealCrowd.

[Invest with RealCrowd today!](#)

[# 3 RealtyMogul](#)



Offers equity and debt investments to accredited investors and REITs to non-accredited investors

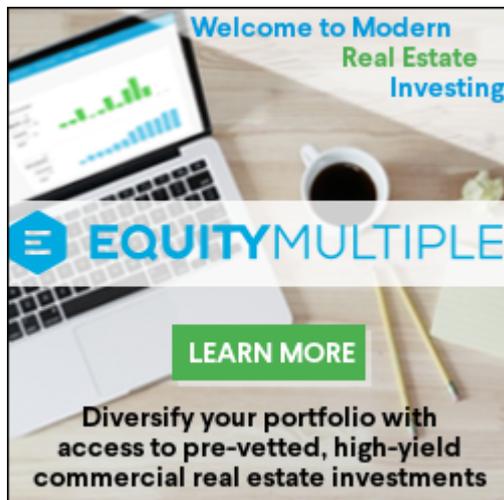
I have been partnering with RealtyMogul for years, having met their CEO back in 2013, and have been investing with them for nearly as long. At one point they had pretty good volume for accredited investor investments, but seem to have shifted their focus toward the non-accredited market. Platform fees are average to slightly higher than average. Minimums can be a little on the high side for the individual deals (but are very low for the REITs).

On the day I wrote this, there was one equity investment being offered (\$30K minimum), along with their two MogulREITs (\$1,000 minimum.) There were six more deals open to pledging, with \$25-35K minimums.

I have one current investment through RealtyMogul, which has had a few issues but is almost back up to proforma (expect 6%, getting about 5% due to late payments.)

[Invest with RealtyMogul today!](#)

4 EquityMultiple



Offers equity and debt investments to accredited investors

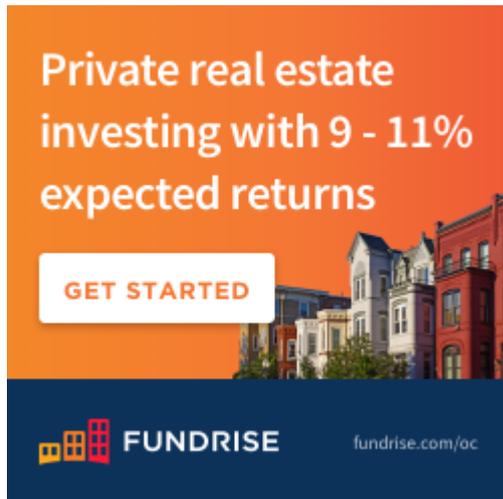
My favorite two things about Equity Multiple are their transparency and the fact that they invest alongside their investors on every deal. Since they have skin in the game, I expect them to be a little more conservative with their due diligence. Their volume is not as high as the three sites above, however. Minimums are typically only \$5-10K though.

On the day I wrote this, there were no investments available on the platform.

I have one current investment with EquityMultiple, performing as expected.

[Invest today with EquityMultiple!](#) (Management fee waived on your first investment when using this link)

5 Fundrise



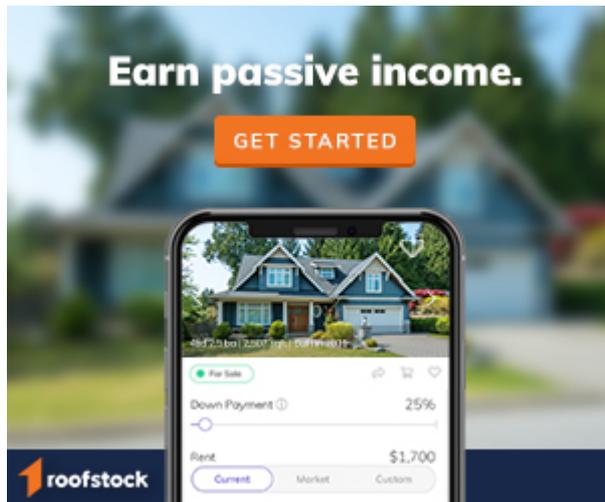
Offers REITs and funds to non-accredited investors

Fundrise has completely transitioned over to a REIT/fund structure offered to non-accredited investors, although the one investment I've had with them was prior to this transition (and in fact, the asset was sold to one of the REITs!). They now have seven REITs/Funds with various focuses, including income, growth, and various geographic areas. Minimums are the lowest I've seen, just \$500.

I have one past investment (preferred equity) through Fundrise, which performed exactly as expected.

[Invest with Fundrise today!](#)

#6 Roofstock



Marketplace for buying and selling single-family rental homes, enabling investors to acquire income-producing real estate in 40 markets across the country. Roofstock is a great solution for owners who want the benefits of direct ownership and want to have more control over their investment – you are buying the home directly and own it outright, with traditional home loan financing options available for most investors. Their team is available to guide you through the entire process from exploring the marketplace all the way through closing, and they also provide a 30-day money-back guarantee on every home.

[Invest with Roofstock today!](#)

7 [PeerStreet](#)



Offers debt investments to accredited investors

PeerStreet is perhaps the top-ranked site out there today, particularly for debt investments. They offer excellent transparency (every past deal is displayed), low default rates (1%), and low minimums (\$1,000.) It has never actually lost investor principal on any of its loans. Volume is pretty good too. It charges a pretty typical 1% fee. They also offer a 1% bump in yield to WCIers if you invest through this link.

On the day I wrote this, there were 10 available investments with \$1,000 minimums, offering yields of 6.5-8%.

I have had and currently hold dozens of PeerStreet investments, although purchased indirectly.

[Invest with PeerStreet today](#) and get a 1% bump in yield!

Other companies worth a mention include [Fund That Flip](#), 1031 Crowdfunding, Carlton Crowdfund, Sharestates, and Zeus Crowdfunding.

What do you think? Have you invested in crowdfunded real estate? Which companies have you used? What did you like or dislike about them? Comment below!