



## **PROPERTY INVESTMENT TIPS**

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# **17 TIPS FOR GETTING STARTED IN PROPERTY INVESTMENT**

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# CONSIDER THE UK PROPERTY MARKET

*'The Demand for rental properties in the UK is higher than ever before with a growing need for high-quality rental accommodation'*



In recent years the buy to let market has taken a few knocks, with changing tax policies and potential price rises. However, the benefits of property investment far outweigh these. The demand for rental properties in the UK is higher than ever before with a growing need for high-quality rental accommodation ensuring a steady stream of tenants. When it comes to property investment, considering the UK buy to let market is one of the most important property tips to find the best investments for 2019, 2020, and beyond.

## What is an Investment Property?

An investment property is a property that generates a return on investment for the person who purchases it. The two ways people benefit from property investment are with regular rental returns, returns from the future resale of a property that's grown in value, or both.

## What is a Property Investor?

A property investor is somebody who purchases one or several properties for the purpose of renting them out or selling them for a higher cost. The role of a property investor is normally carried out alongside an additional career, but can sometimes become a full-time career in itself.

## Can I Invest in Property?

Those interested in investing in property can do so in a number of ways. Some people choose buy to sell property, while others select buy to let. Buy to let is where you purchase a property with the intention of letting it out to a tenant, and is one of the most popular property investment strategies.

## Is it a Good Idea to Invest in Property?

Property investment can be a great idea for those who want to generate additional income. Buy to let property investment can bring an ongoing income in the form of rental returns, along with the potential to gain large returns if your property's value grows over time.

## How to Get into Property Investment

If you want to get into property investment, you need to ask yourself two questions — what do I need to buy an investment property, and where is the best place to buy an investment property? Research the main elements of property investment, and decide which location offers the best opportunities.



## TIP 02

# EXPLORE DIFFERENT BUY TO LET STRATEGIES

*'With traditional buy to let investments, you're more likely to benefit from increased capital growth potential'*



There are different property investment strategies to consider when you first get started with buy to let. Before considering all the steps involved with property investment, you first need to establish the best buy to let strategy for you and explore the different options.

The most common types of buy to let are residential and student property investments, but there are some other types of strategy that you could follow. Here is a guide to rental property investment strategies for you to explore.

## Traditional buy to let

Traditional buy to let is when an investor purchases a residential or student property which they'll let out to tenants to regularly generate an income. Those who opt for a traditional buy to let investment strategy are likely to purchase an apartment rather than a house due to the lower costs and higher demand, especially in city-centre locations.

When you do the appropriate research and planning, traditional buy to let can provide you with attractive rental returns and plenty of tenant demand. With this type of investment, you're also more likely to benefit from increased capital growth potential, providing you with an attractive return on your investment when you decide to sell the property.

## HMO Investment

Along with student or residential property investment strategies, another option is HMO investment. This is similar to a more traditional buy to let strategy in the fact that you own a property which you're renting out to tenants. The difference is that by investing in HMO properties, you're able to rent to multiple groups of tenants within the one building – that's why they're called Houses of Multiple Occupancy.

But are HMO a good investment? Owning HMO investment properties can come with some benefits, including increased cash flow, while disadvantages like more costly and time-consuming management turn many investors away. If you're considering an HMO investment, it's important to read up on HMO investment properties to make a more informed decision.

## Hotel Investments

Hotel property investments are another option for those researching different property investment strategies. Hotel investment in the UK involves purchasing a hotel room and receiving returns through guest stays within the hotel. This works similar to investments in property, but with much shorter tenancies.

Like HMO's, there are pros and cons to hotel investments. One of the main benefits of choosing a hotel for your buy to let investment strategy is the fact that you can often generate high rental yields due to the cost of hotel stays. The downsides, however, are that you'll need to ensure that the hotel you invest in is popular enough to bring in a lot of demand. You also have less control with a hotel room investment since you don't own the entire property, leaving you at risk if the company was to fail.



## What is the Best Type of Property to Invest in?

When trying to decide on the best type of property investment, you should think about your main goals for buy to let and whether or not each strategy reflects them. While hotel investments and investing in HMO properties can be a good route to take for some, these are not usually considered the best buy to let strategy when compared to traditional residential and student buy to let. To fully take advantage of all that's on offer from buy to let, residential and student property investments are a solid choice to make.

## TIP 03

# UNDERSTAND WHAT'S INVOLVED

*'When investing in the UK property market, the best time to invest in property is when the market is at its highest-performing level'*



Before getting started with buy to let, it's important that you fully understand what's involved with a property investment venture. Investing in the UK property market may be promising, but it also requires a lot of preparation. In this section of our property investment guide, you can find out some of the most common things to consider and understand before making a buy to let purchase.

## Learn About the Rules of Investing in the UK Market

When investing in the UK property market, you need to adhere to certain rules and follow different legal requirements. This includes tenancy agreement laws and tax payments. Be sure to learn a bit more about these rules before moving forward with your investment.

## Think About the Right Time to Invest in Property

On a personal level, the right time to invest in property is when you have enough money available to do so. When investing in the UK property market, the best time to invest in property is when the market is at its highest-performing level. Right now, the UK market is looking highly promising due to predictions of increased property price growth over the coming years. With property prices still being affordable in a lot of UK areas, those considering making an investment should do so soon, before average house prices rise.

### City Residence - *The Apartments*

Prices from **£114,995**

**6% NET Rental Return**

Near **£5.5bn** Regeneration Area

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# KNOW THE RISKS

*'By identifying the risks involved, you can help to minimise any potential hazards and set yourself up for a strong venture'*



Although property investment can be a rewarding venture and a fantastic way to reach your financial goals, there is still some risk involved. While not as high-risk as other investment strategies such as buying shares, investing in property isn't always a guaranteed road to success.

If you're wondering how to start property investment in the safest and most sensible way possible, it's crucial to know about the risks involved such as loss of income and negative growth. This way, you can work out a strategy to avoid your investment being affected and improve your chances of a positive venture.

### **Is Property a Safe Investment?**

While property is by no means a completely safe investment, it can be a lot less risky than other asset classes. By identifying the risks involved and creating a strategy to avoid these, you can help to minimise any potential hazards and set yourself up for a strong venture.

### **Are Investment Properties Worth it?**

Investment properties are worth looking into if you want to generate an ongoing passive income. This type of investment can also offer you the chance to make big returns later in life. To get the most out of property investment, research the market, and be aware of how to avoid any pitfalls.

### **How Successful are Property Investors?**

Property investment can be a very successful venture for many people, especially those who are savvy to market changes and pick and choose the right opportunities. Successful property investors are knowledgeable, patient, focused, and decisive — with an ability to spot the best investments.

### **How do I Choose an Investment Property?**

To choose a good investment property, you should focus on high-growth areas, think about the future, seek out the highest rental yields, and consider the wants and needs of your tenant. Look for opportunities with the least risk and the highest potential for long-term success.

# FIND THE BEST LOCATION

*'Relentless regeneration is taking place throughout many central zones, most notably within the Northern Powerhouse'*



So you've chosen buy to let, but you're still unsure on how to get into property investment? A good place to start when investing in property is to research your location. A smart investor only selects the best performing UK regions for buy to let developments, which tend to be in urban areas.

Location is key to finding the best property for investment. Relentless regeneration is taking place throughout many central zones, most notably within the Northern Powerhouse. Northern hotspots like Liverpool and Manchester are now stealing the property top spot from cities in the South.

Around £3.4 billion in growth deals has been dedicated to regeneration in the North, highlighting the vast amount of money being ploughed into sectors of interest such as skills, innovation, transport and culture. In the wake of this renaissance, tenants are flooding to these thriving, modern cities which are helping to rebalance the UK economy.



## Why Invest in Liverpool Buy to Let?

When it comes to investment properties, Liverpool's property market is an option that's definitely worth considering. Liverpool boasts the UK's fastest-growing economy, with regeneration schemes such as the £5 billion Liverpool Waters project set to bring even further growth.

Competitive property prices offer lower-cost buy to let units which assure better yields than London. If you're thinking about going North when investing in property, Liverpool is home to six postcodes in Totally Money's Top 25 Buy to Let Property Hotspots and dominates the first three places.

Liverpool has the fastest-growing economy in the UK, bolstered by flagship developments such as the £5 billion Liverpool Waters scheme and the Regenerating Liverpool masterplan. The Liverpool Local plan is aiming to deliver 38,000 new jobs and 35,000 new homes by 2033, boosting the population above 500,000.

**Download Your FREE  
Guide to Investing  
in Liverpool Property**

**VIEW GUIDE**



## Why Invest in Manchester Buy to Let?

If you fancy taking another avenue into property investment, Manchester is the UK's second city and the North's answer to London. Set to see population growth of 14 per cent over the next twenty years, this city attracts plenty of rental demand and holds the best graduate retention rate outside of London.

This leading property market is seeing more new builds than most other cities and is home to a whole host of major businesses. Rated number one for residential price growth by property specialists, invest in property in Manchester to get a superior level of capital appreciation.

## Is London Still a Good Investment?

London property is no longer considered a lucrative and worthwhile investment. During the first half of 2018, London landlords spent 40 per cent less than in 2015. House prices in London are simply too high for many investors, paired with low average rental yields and plummeting house price growth.

This shift in the London property market has led a lot of investors to look elsewhere in the UK, investing in cities with high-performing markets like Liverpool and Manchester.



# UNDERSTAND YOUR TENANTS PROFILE: STUDENT VS RESIDENTIAL



It is difficult to separate location and its occupants, as the two come very much hand in hand. That's why identifying the best investment property for your target tenant helps you get one step closer to a successful investment.

By deciding who your ideal tenant is and what they are looking for, you can purchase a property that has a great appeal for them. For example, if you want to appeal to students then a property in a lively area might work well, but the same location might not be ideal for older tenants.

## Student Tenants

Student property has been growing in popularity over recent years, with a huge overseas demand for UK student property investments. The UK's higher education institutions are world class, and there are not enough student bed spaces available at the current time.

Students are paying more than ever before for their university accommodation, and rental yields are rising too. With low entry costs and an increasing standard of student accommodation, student property investment can be a lucrative strategy.

Student property is not only a good idea due to the high rental yields and steady demand, as students are also considered one of the best tenant types by many landlords. Because students care about their education and keeping their accommodation, they're likely to pay their rent without question to avoid any trouble. With the majority of students being at a younger age than other tenants, they also tend to see the landlord as an authority figure and so treat them with a lot of politeness and respect.

## Residential Tenants

Residential properties are another in-demand market in the UK. More young people are choosing to live and work in cities like Manchester and Liverpool. This is driving the demand for quality city-centre residential properties, which is good news for investors looking to make large returns.

For residential properties, the tenant type can vary depending on the property and its location. Young professionals are often the most popular type of tenant for residential properties located in or close to the city centre. Single professionals make good tenants as they work hard, tend to have stable, high-paying jobs, and are likely to rent on a long-term basis.

Similarly, young professional couples are the ideal tenant for a lot of landlords as they tend to look after the property due to sharing housework or hiring a cleaner, and will see the property as a space to entertain friends and family. Since there are two people paying rent, there's likely to be no issues if one tenant becomes unemployed as the other tenant can usually cover costs temporarily.

# DECIDE BETWEEN OFF-PLAN AND REFUBISHED PROPERTIES

*'Off-plan properties are able to increase in value before completion, making the potential for capital growth higher than other investments'*



Now that you know how to buy your first investment property in relation to its location and tenure, it's time to talk about off-plan versus refurbished properties. Your final decision to invest in either an off-plan or a refurbished property will have a big impact on the outcome of your investment.

Both off-plan and refurbished property investments offer different benefits depending on what you want from your investment, and also some risks. So what does this different terminology mean?

## What Does Buying an Off-Plan House Mean?

Buying an off-plan house means purchasing a property before it's been fully completed. This means that the property is still in the planning or development stages. Off-plan property is a popular investment type due to the potential for capital gains, the lower costs, and the appeal of a new build.

## What is a Refurbished Property?

Refurbished properties are typically historical buildings or period properties that have been renovated to meet modern standards. Refurbished properties can be popular with investors who favour the charm of older builds and want to put their own spin on an existing property.

## Is Buying Off-Plan Cheaper?

Buying off-plan property can be cheaper than buying a completed property. Many off-plan projects are offered at a lower rate as a way to attract investors. These properties are also able to increase in value before completion, making the potential for capital growth much higher than with other investment types.

## Pros of Off-Plan Properties

- Modern designs and features meaning less need for maintenance.
- Lower energy costs leading to more demand from eco-conscious tenants.
- Properties are offered at below-market rates.
- There's an increased chance of capital growth.

## Cons of Off-Plan Properties

- Aside from CGI imagery or virtual reality, you can't see the final outcome of the development before you buy.
- Some tenants prefer to rent refurbished properties over new builds.

## TIP 08

# LOOK FOR THE HIGHEST RENTAL YIELDS

*'Yields of 6 per cent or more are highly desirable and can be found in a number of key UK cities'*



When it comes to investing in property, a number of UK locations offer some competitive rental returns. Rental yields are assured by developers over a certain period of time, and often reflect a favourable location with strong tenant demand. Any investor that's serious about making a lucrative investment should always understand what a good rental yield is.

### **How is a Rental Yield Calculated?**

Rental yields can be calculated by taking the yearly rental income for the property and dividing it by the purchase price. Then, once you have this figure, multiply it by 100, and you'll be left with your rental yield percentage.

### **What is a Good Yield on a Rental Property?**

Anything above 5 per cent is generally considered a strong rental yield. Yields of 6 per cent or more are highly desirable and can be found in a number of key UK cities. The higher the rental yield, the stronger the cash-flow that will be available to the investor.

### **Where Are the Best Rental Yields in the UK?**

Rental yields can be increased in areas where there is a substantial lack of property and high tenant demand. University cities often present the most attractive yields, as cities with big student populations like Liverpool, Manchester and Leeds offer some of the highest yields.

### **How Much Profit Should you Make on a Rental Property?**

When owning a rental property, you should aim to make enough money to cover any costs like taxes and other expenses, while still generating attractive returns. The higher the rental yield, the more likely it is that you'll make an attractive profit from your investment.



# LOOK FOR PRICE GROWTH AND ESTABLISH AN EXIT STRATEGY

*'Cities that are seeing heaps of regeneration and attracting more tenants enable the rising of property prices'*



Similar to rental returns, when trying to answer how to invest in property, UK price growth through capital appreciation cannot be ignored. It's something all investors should look for in their chosen area of investment if they want to plan out a clear exit strategy for the future.

## What do you Mean by Capital Appreciation?

Capital appreciation refers to the increase in value on a property, and many UK property investments are experiencing such growth. Cities that are seeing heaps of regeneration and attracting more tenants enable the rising of property prices.

Certain areas of the UK have been experiencing major house price growth, and investors are benefiting from these across the country. Before investing, it is a good idea to look at what areas are performing the best in the UK house price index and choose a property that has the potential to rise in value.

## What is an Exit Strategy?

In property, an exit strategy is when an investor puts a plan in place for if they decide to sell their buy to let properties later in life. It's important to establish an exit strategy before making an investment to ensure you get the most profit out of your venture.

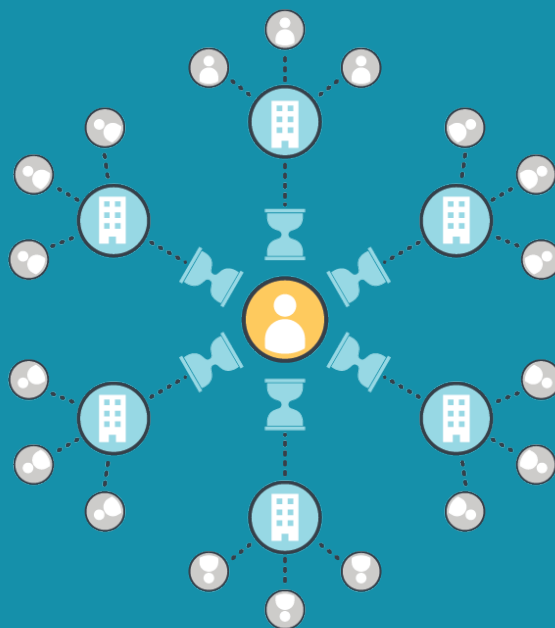
Usually an exit strategy is used when an investor decides they want to retire from property investment. An exit strategy might involve selling all your properties at once, selling particular properties separately, or selling when you feel it's necessary due to fluctuations in the property market. Whatever you decide, be sure to put research in to ensure everything runs as smoothly as possible.

## What are the Key Elements of an Exit Strategy?

The key elements of a property exit strategy are to ask yourself how long you intend to invest for, determining your risk level, how you might exit, and who your most likely buyer will be. Research the different possible exit strategies to discover which one best suits you and your goals.

# CONTEMPLATE A MANAGEMENT STRATEGY

*'Using a management company leaves you more time to focus on day-to-day life while still receiving consistent rental income'*



Another aspect that you need to consider for your buy to let property investment is a management strategy. The best property investments always require a solid strategy, helping to give you clarity on the investment and ensure you're taking things in the right direction.

Part of your rental property investment strategy should be whether you want to use a management company or tackle property management yourself. If you're a beginner that's wondering how to get into property investment and looking for some buy to let advice, read these tips about property management in our property investment guide.

## What Does Property Management Mean?

Property management means to oversee the management of a property. Usually, property management is provided as a service where a property management company runs certain day-to-day tasks for property investors. This is perfect for buy to let investors who don't want to manage the functional duties of the property themselves.

There are lots of reasons why you might choose to enlist the help of a property management company. One of the main reasons is so that you don't need to worry about finding a tenant, leaving the property management company to do this for you. This hassle-free approach is popular with investors who want to take a step back from the functional duties and demands of buy to let property.

## Are Property Managers Worth it?

Although hiring a property management company costs you money, it can be worth it for the time and hassle you save. Using a property management company leaves you more time to focus on your day-to-day life while still receiving a consistent rental income from property investing.

An established property management company will be used to managing the practical aspects of property investment. This includes arranging move-in dates, exchanging keys, and dealing with any maintenance issues. They can also help you with the legal side of property investment, like drawing up lease agreements and charging any fines.

## How to Find a Good Management Company?

When looking for a good property management company for your buy to let investment, check their track record to ensure they have a strong reputation. Do your research to find out whether the company offers the property investing services you're interested in, and whether their costs fit your budget.

At RWinvest, we work with a number of reputable property management companies in Liverpool, Manchester and beyond. The companies we choose are experienced in dealing with property investment for beginners in the UK and can help you with all aspects of your buy to let venture, equipped with the know-how and skills to help you succeed.

## TIP 11

# INTEGRATE TAX INTO YOUR BUDGET

*'Income tax is a tax on the rental income of a property, and capital gains is a tax payable on the profit earned upon sale of the property'*



If you're interested in finding out how to start investing in rental properties, it's so important to research the financial side of the investment. Tax is simply part of how property investment works, and so many people get carried away in budgeting for their next investment without factoring in tax.

## Which Taxes Will I Need to Pay?

The first is stamp duty; a tax paid on most buy to let investments. Student properties are exempt, but the tax is owed on residential properties with a purchase price of £40,000 and over. Once you hit the books on property investment stamp duty tax, you'll also realise there are taxes that come with income and capital gains.

Income tax is a tax on the rental income earned from property, and capital gains is a tax payable on the profit earned upon the sale of the property. There are different rates applied to each tax, and it's important to look into which banding you'll fall into as an investor.

Aside from income tax, another cost that you need to consider for property investment in the UK is stamp duty tax, which depends on the price of the property you're purchasing. If you're wondering how to invest in property in the UK with no money for taxes and additional costs, use our stamp duty calculator which will give you a better idea of what you could be paying. Once you're clear about the financial aspects of the investment as a whole, the better clarity you'll have on whether you want to go ahead and find a buy to let property for sale.

It is also worth considering real estate investment options where stamp duty doesn't apply, like student property investment which has become an increasingly popular choice. Tax policies are subject to change, and various governments have had different approaches to buy to let property investment.

### How Much Tax do you Pay on Rental Income?

The percentage of tax property investors pay on rental income is largely dependant on the profit they make. For the tax year 2019/20, there is a 40% income tax on rental income of £50,001 to £150,000, with a 45% tax on anything over £150,000.

### Do You Pay Tax When you Sell an Investment Property?

Property investors need to pay capital gains tax when they sell a buy to let investment property. The tax you pay when you sell the property will depend on the amount the property has appreciated by, and your income tax rate.

## Try Our FREE Stamp Duty Calculator Today

If you're buying a single or additional property or you're a first-time buyer, we can work out your Stamp Duty rates in seconds with our Stamp Duty calculator.



[GO TO CALCULATOR](#)

## TIP 12

# CONTEMPLATE A BUY TO LET MORTGAGE

*'If you're using a buy to let mortgage to buy an investment property, the minimum deposit required is usually 25%'*



When it comes to investing in property for beginners, deciding how you're going to pay for the investment is a big element to consider. For a lot of investors, using a buy to let mortgage seems the most suitable route to take.

If you want to know how to get an investment property when you haven't got the entire immediate funds, you can opt for a buy to let mortgage to streamline the process. Similar to a regular mortgage, you can take out a loan on a buy to let property which will be calculated on its rental income.



### How Much do you Have to Put Down for an Investment Property?

If you're using a buy to let mortgage to buy an investment property, the minimum deposit you need to put down is usually 25% of the properties value. If you're not using a buy to let mortgage, you'll need to put down a percentage of the property price as an initial deposit.

### How Much Money do you Need to Invest in Property?

To invest in property, you'll need to have a good level of financial security. If you're buying the property outright, you'll need to have enough money to pay for the property in full. You'll also need to put some money aside to cover taxes and any additional costs.



## Parliament Square - *Luxury City Centre Apartments*

Prices from **£104,950**

**6% NET** Rental Return

Rooftop Spa & Swimming Pool

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## TIP 13

# ALWAYS CONDUCT THOROUGH DUE DILIGENCE

*'Due diligence is an extensive process and investigation that should be undertaken before buying another company or asset'*



Along with thinking about what property to buy for investment and the best area to invest in, it's important to really be vigilant and make sure you're making the right decision. This is where due diligence comes in — perhaps the most important of all property investment tips!

## What Does it Mean to do Due Diligence?

Due diligence is an extensive process and investigation that should be undertaken before buying another company or asset. Before making a business decision, making an investment, or negotiating an agreement, you should do your research and take a responsible approach to ensure everything runs smoothly.

## How do you do Due Diligence on a Property?

Before buying an investment property, you should conduct due diligence in a number of ways. Take a visit to the property or property site, consider the surrounding neighbourhood, and think about tenant demand. You should also research the company you're working with to make sure they're reputable. When considering how to make money from property investment, you also need to check that the property you're investing in will generate the best rental yields.

# Download Your Guide to Investing Wisely



**DOWNLOAD GUIDE**

## TIP 14

# GET ADVICE FROM PROPERTY EXPERTS

*'Property investment companies help potential investors find the best opportunities and guide them through the process'*

**RWinvest**  
EST. 2004



Once you've done your research and found out more about the world of property, it's crucial to keep learning before rushing into your first investment. Along with reading our property investment guide, spend time speaking to a property investment expert who can offer you the right advice on how to get the most out of your property venture.

## Where to get Property Investment Advice?

You can get property investment advice by contacting a property company. Property experts within these companies can discuss different investment options, and advise you on the opportunities that fit your budget and goals. You could also talk to a financial advisor who will help you with the financial side of investing.

## What Does a Property Investment Company do?

Property investment companies help potential investors find the best opportunities and guide them through the investment process. Investing with a trusted property company means you can benefit from expert advice and impeccable customer service, and have the option to get help with things like property management.

If you're a first-time investor, getting in touch with a property investment company like RWinvest will give you some clarity. Our dedicated property specialists can talk you through the investment process, and help you decide whether or not property investment is right for you. We can also provide you with useful know-how like how to calculate return on investment in property, and give you a tour of the property site and area of the investment.

Once you decide to invest with RWinvest, we're with you every step of the way and are available if you have any questions or concerns. Our superb client care team are also dedicated to guiding you through the investment process, ensuring your venture runs as smoothly as possible.

## TIP 15

# DECIDE BETWEEN FURNISHED OR UNFURNISHED

*'Some tenants prefer moving into a property that's furnished, as they don't want the added hassle of buying their own furniture'*



Deciding between a furnished or unfurnished property is not always something a buy to let investor puts much thought into. Without thinking about this, however, you could end up limiting the potential of your investment. You want to make sure you attract as much tenant demand as possible, which is why you'll need to think about whether or not you're going to offer a furnished or unfurnished rental property.

## What is the Difference Between Furnished and Unfurnished?

In a furnished property, the property comes with necessary pieces of furniture such as a sofa, bed, and dining table. Unfurnished properties don't have furniture included, but they usually come with white goods like a fridge and washing machine. Sometimes, properties are offered part-furnished, with just a few pieces included.

While you're under no obligation to furnish your rental property, there are times when doing so could benefit you. Some tenants prefer moving into a property that's furnished, as they don't want the added hassle of buying their own furniture.

Students and young professional tenants tend to fall into this category, as they favour the convenience of being able to move into a property that's fully equipped with everything they need. If the furniture included in the property is modern and stylish, this is an added bonus that should attract even more demand.

## What Should a Landlord Provide in an Unfurnished Property?

In an unfurnished property, the landlord is usually expected to provide white goods such as a fridge, freezer, and other kitchen appliances. Some tenants will also expect curtain poles or blinds to be fitted, along with extractor fans. Think about items which will be mutually beneficial for both yourself and the tenant.

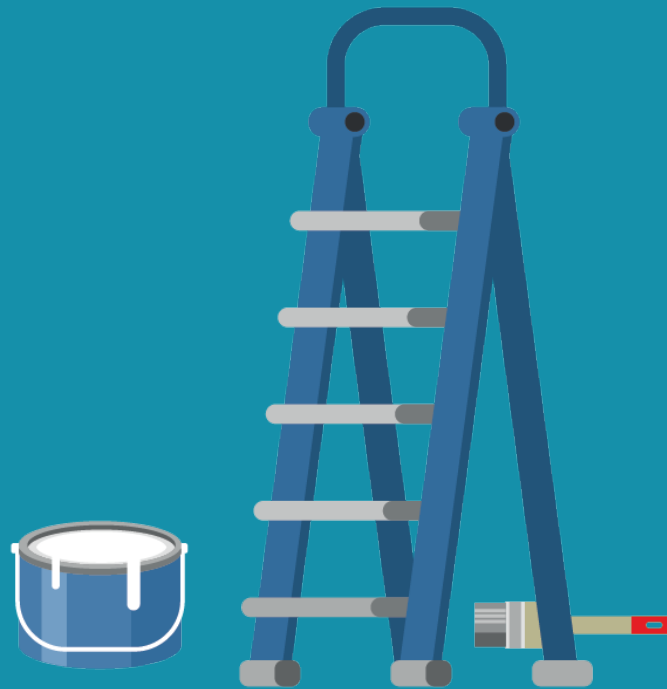
For instance, extractor fans can help prevent mould growth in moist areas, avoiding further costly repairs in the future. Fitting things like curtain poles can also benefit you as you can be sure the job is done correctly, rather than leaving it to your tenant who may end up causing damage.

Once you decide to invest with RWinvest, we're with you every step of the way and are available if you have any questions or concerns. Our superb client care team are also dedicated to guiding you through the investment process, ensuring your venture runs as smoothly as possible.

## TIP 16

# FIND OUT HOW TO BOOST A PROPERTIES VALUE

*'If you've purchased a new build, for example, you won't need to do as much work to get the property up to scratch as you would if it were a period property'*



We've covered the importance of capital appreciation, but what about the things you can do to boost the value of your property? House price growth plays a big part in the type of returns you could see once you choose to sell your investment, but there are also a number of ways you could add value to the property yourself.



## How to Boost Your Property Value

Some of the most popular ways to boost your properties value include redecorating, replacing old windows and fixtures, and creating an attractive garden or outdoor space. You should also take care of any damp or structural issues, and consider installing high-quality central heating systems.

The direction you take in boosting the value of your property depends on the type of investment you've made. If you've purchased a new build, for example, you won't need to do as much work to get the property up to scratch as you would if it were a period property.

If you want a new build/off-plan property's value to be increased, one way to do this is by picking and choosing the most attractive units. Investors can often get the first pick of the different units available, allowing them to invest in the most spacious properties or ones that have popular features like a balcony.

## Which Home Improvements Add the Most Value?

Home improvements that add the most value to a property include fitting a new kitchen and bathroom, converting the loft or garage, adding a conservatory or extension, and updating the flooring or carpets. Improving the exterior of the property can also help, boosting value while also attracting more potential buyers.

## How do you Maximise Rental Income?

Along with growing the value of your home in terms of capital gain, there are also ways to maximise your rental income. Renovations like painting and redecorating your property and upgrading the kitchen and bathroom can allow you to set higher rental costs, boosting your overall monthly income.

## TIP 17

# CONSIDER EXPANDING YOUR PROPERTY PORTFOLIO

*'Some tenants prefer moving into a property that's furnished, as they don't want the added hassle of buying their own furniture'*



Even after you've purchased your first property, the next thing you might want to think about is how to build a property portfolio. This is one of the most crucial property tips to consider if you're serious about making big returns from your investments.

## How do I Grow my Property Portfolio?

In order to grow a property portfolio, you need to have some prior experience with buy to let investment. Beginner investors should start small and gradually begin purchasing more properties. Consider buying a mix of different properties in various areas to diversify your portfolio.

When selecting any new additions to your property portfolio, seek out opportunities that differ from your existing investment. For instance, if you own a student property in Liverpool, invest in a residential property in Manchester. This is a good way to protect your property portfolio from any market changes. You could even consider venturing out of the UK and buying properties in different countries to diversify your portfolio even further — just be sure to do thorough research beforehand to find out how to build a property portfolio that works in your favour.

## Still Looking for Answers?

So you've made it to the end of the RWinvest complete guide to property investment and found out the most important things to know about how to start investing in property.

We hope that our tips on property investment for beginners in the UK have helped you grow your knowledge and given you the confidence to get started with your investments. If you're still unsure of some things and struggling to choose the right investment for you, go ahead and contact us for a helpful chat with a member of our team. Good luck!



## **Winners of Property Business of the Year 2020**

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