




How to Invest  
**£1 Million**

**RWinvest**

EST. 2004



**H**ow to invest 1 million pounds? It's a question we've all asked ourselves at least once in our lives when imagining our future bank account. Would we buy a massive new home, a lightning-fast sports car, or go on a year-long holiday to explore the world? Whatever our initial thoughts, any millionaire would tell you spending the million isn't the hard part; it's keeping it.

Warren Buffet once said, "don't save what's left after spending, spend what's left after saving." This is where investing comes in. Throwing away a million haphazardly doesn't seem sensible. We want to grow our money and secure our financial future for the rest of our lives. Knowing how to invest 1 million pounds is the key to do this, but how to do it? Investing isn't easy and knowing exactly how to invest 1 million pounds is even more challenging. From the stock market and savings accounts to real estate, there are so many types of investments to choose from. This guide will show you exactly how to invest 1 million pounds, where to invest 1 million pounds, and how best to invest 1 million pounds.

NEW BLOCK JUST LAUNCHED



PARLIAMENT  
SQUARE

Liverpool

Prices from **£104,950**

**7% NET** Rental Return

Cherry Pick **New Units**

Find Out More



# Contents

---

5

## Risk Profiling

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It's a word we all dread to hear when it comes to money, but risk comes part and parcel with investing.

9

## Stock Market Investing

---

The epitome of high risk/high reward, you could make substantial gains one day and lose it all the next.

13

## Real Estate

---

Investing in real estate is potentially the best investment for 1 million pounds and is incredibly low risk.

19

## Bonds

---

There isn't just real estate and the stock market to consider, though. Investing is a vast field, and another form you could consider are bonds.

21

## Savings Accounts

---

Savings accounts are still a smart decision as they can generate interest and keep your money safe.

24

## RWinvest

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Our mission is to get the absolute best property for investors and help them to make money.

# Risk Profiling

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“Most investment opportunities pose a risk, and your attitude to risk is essential.”



It's a word we all dread to hear when it comes to money, but risk comes part and parcel with investing. Most investment opportunities pose a risk, and your attitude to risk is essential. Knowing how much trouble your financial situation can face is vital. It may sound stupid, but can you afford this investment?

With such a large sum of money burning in your back pocket, the answer is most likely yes. However, could you survive losing your investment? Would £100,000 or £50,000 disappearing overnight ruin your financial situation completely? Like the stock market, some forms of investment can be wildly temperamental, making losing vast amounts of money possible on any given day. Risk profiling is crucial, and if financial ruin is just a small step away, then perhaps don't spend the lump sum.

You may have earned your million over several years or may have just received a sizeable inheritance. Either way, it would be a tragedy for you to choose a risky strategy and lose your money. Compartmentalize your funds and distribute them over several sources to ultimately minimize your risk. This is true if you are a multi-millionaire or even a billionaire.





Asset allocation is critical for ensuring you make as much money as possible. If you can afford to get involved in risky strategies, consider safer options. You can still make incredible returns on smaller investments without needing a large sum of money. Read our guide on the “best way to invest 100k” to find out more.

The critical piece of information to take away from this section, along with understanding your attitude to risk, is this: In whatever way you choose to invest your funds, ensure it is spread around, so it is not concentrated in one area. Buying a property worth one million or investing in one company with the lump sum is incredibly dangerous, and you will be minimizing your gains. This is a sure way to turn your one million into one thousand. A successful investor will ensure they make different types of investments to keep their bank account secure. Asset allocation is key, and following this advice will ensure you maximize your funds.



It would be best if you also considered your goals when you are thinking of investing money. Do you want instant returns, or are you willing to sit on your funds for an extended period and earn constant passive income? Whatever your answer, it will have a direct impact on what investment type is right for you. Real estate is a long-term investment, and while you won't earn millions instantly, you will receive regular and frequent income. The founder of Loot, Nick Haase, said, “you only have so many hours in a day, let others make money for you.” Long-term investments like real estate will help you do this, but patience is a virtue.

NEW LAUNCH

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MERCHANT'S WHARF  
ORDSALL LANE, MANCHESTER

## Manchester

Prices from **£149,950**

**UP to 6.5%** Projected Rental Return

**55%** Below Market Value

Find Out More





# Stock Market Investing

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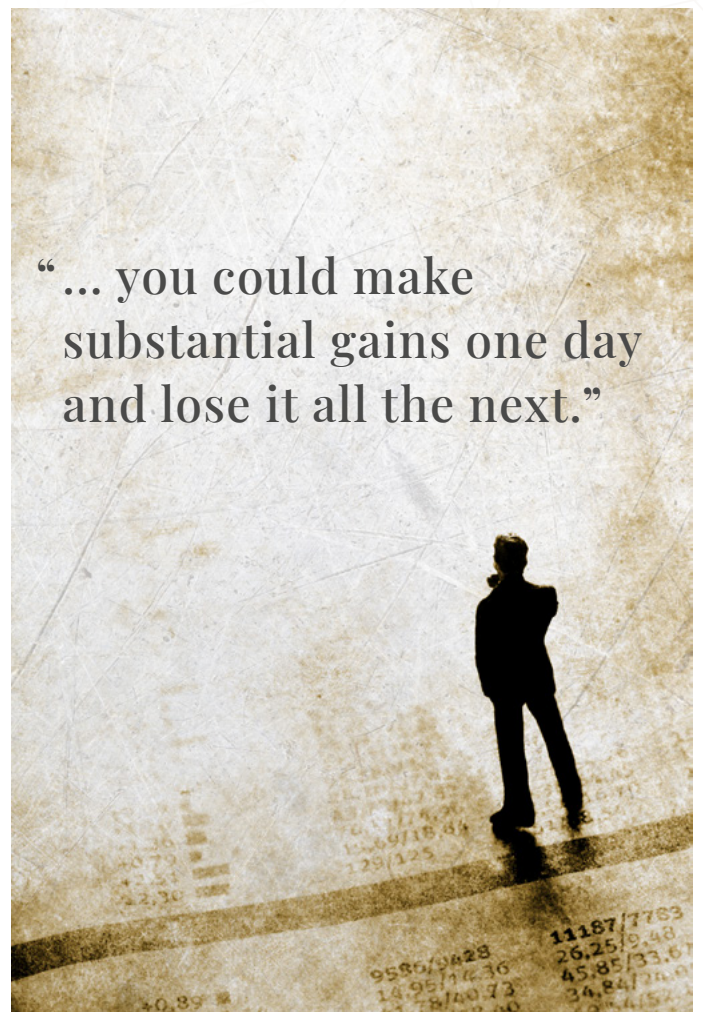
**S**tocks and shares are a wild beast. The epitome of high risk/high reward, you could make substantial gains one day and lose it all the next. If you bought one million worth of stocks and shares in Apple in the late 1970s, you would probably be living on a private island by now. However, for every success story, there are 10,000 failures.

Stocks, or equities, allow investors to buy small parts of a company. You can purchase multiple stocks, which will increase your total income through dividends. You can buy and sell shares at any time on the stock exchange, with you ideally selling stocks for a considerable profit when the company increases in wealth and popularity.

It sounds straightforward, but there's a nuance to stocks. Knowing what stocks will rise and what will decrease, the ideal time to sell, and exactly what company to invest in has confused even the most seasoned investors.

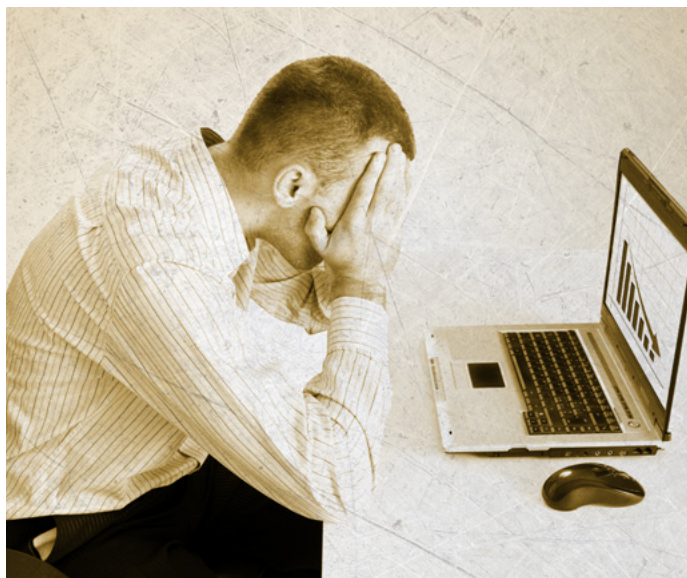
This nuance stems from the fact that the stock market is uncontrollable and incredibly volatile. Prices of stocks fluctuate almost always and can peak and trough from a variety of factors. From the crashing of overseas economies to a new tax introduced by a government on home soil, everything in the stock world is connected, and things can drastically change.

Stocks aren't safe. If you have any semblance of concern for your finances, you should avoid putting any sizeable percentage of your 1 million into the market.



“... you could make substantial gains one day and lose it all the next.”

## The Pros & Cons of Stock Market Investing



There are many success stories caused by the stock market. If you are brave enough, money can be made. This high-risk strategy brings with it some profound strengths.

Chiefly, stocks are flexible. You can quite easily buy them, with some apps available to buy stocks at any time of day. You can also buy through brokers and financial planners too, sometimes in the space of minutes. You can buy stocks in several companies and can decide how much you want to buy in each.

Likewise, they are easy to sell. Stocks are often classed as “liquid,” which means you can quickly turn the shares into real money by selling them. This is great if you need a quick buck, but as mentioned, doing this could mean you make sizeable losses.

Stocks are both short term and long-term investments. If you have the guile and willpower, you can sit on stocks for several years. Holding your nerve is key here and having the instincts to know when to hold on to a stock or sell it for a profit is critical. Your stock may increase by 1000% one day, but two days later, tank into oblivion and never recover in price. This is the world of stockbrokers – with each investor running the line between financial failure and vast wealth.



This shows the difficulty involved in stocks. You can buy and sell stocks in whatever company whenever you want, but this method lacks efficiency. You won't be making sizeable gains without research. You need to invest time to research companies and learn how to read financial statements and reports to determine what company will help you grow your wealth. After you've done that, you also need to monitor the stock market itself and how your company is doing to know if you should sell.

Stocks are an emotional rollercoaster. While technically a passive income, there doesn't seem to be anything passive about it. Monitoring is vital to maximizing success. If you have the strength of character to ride the wave, there is money to be made, but there are other more secure methods. You can certainly put some money into stocks, but large amounts of wealth are risky. This is perhaps not the best investment for 1 million pounds.

LIMITED UNITS REMAINING

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poet's place



POET'S PLACE

### Liverpool Student Investment

Prices from **£78,950**

**8% NET** Rental Return

**£7bn** Regeneration Zone

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# Real Estate

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ELEMENT - The Quarter, Liverpool



**O**n the other hand, Investing in real estate is potentially the best investment for 1 million pounds and is incredibly low risk. Like stocks, property investment is incredibly flexible. You can buy several different properties, such as apartments, commercial buildings, and houses, and rent them out. This means that if a tenant vacates a particular property, you will have several others, continuously generating income. This reduces the impact of a void period.

Unlike equities, though, real estate is remarkably stable and recovers well, even in times of crisis. Take Covid-19, for instance. The pandemic has spread across the globe and has decimated economies. Many sectors and industries have crumbled from the weight of the pandemic and two national lockdowns here in the UK. Yet, the property market is reaching new heights and is even breaking records. Figuring out where to invest a million pounds can be challenging, but real estate seems like the best choice, with some incredible market data.

Currently, house prices are rising at their fastest rate since 2014. According to Halifax, in late 2020, the average house price surpassed the £250,000 mark for the first time. The numbers are increasing so much that Savills has recently updated their five-year house price forecast. At the end of September 2020, Savills found that house prices will grow by 20.4% over the next four years, which is around 5% higher than their original estimation. These numbers show the low risk involved in property investment. You can continuously enjoy rental income and feel secure knowing your property is consistently growing in price. Rent provides an income you can get regularly.

Despite a year like no other, the answer to the question “How best to invest 1 million pounds in 2020?” is still investing in the property market. But how should you invest in real estate? There are so many property investment options. It may be challenging to know precisely, which will offer you the most income.



“... it seems now is an excellent time to invest in property.”

## REITs

Firstly, let's talk about REITs. Real Estate Investment Trusts, or REITs, are an increasingly popular form of real estate investment. Essentially, REITs are companies that own rental properties on behalf of shareholders. They work in the same way as mutual funds by pooling the money contributed to one fund, which is then used to buy properties.

There are plenty of rules to be classified as a REIT, but the one most interesting to investors is that they have to give at least 90% of the rental income to their shareholders. REITs are useful because they can help diversify a property portfolio with the ability to buy more properties than an individual is likely to afford.

However, you may have noticed the phrase “shareholders.” REITs act like any other company listed on the stock market. You can buy and sell shares in investment trusts, bringing along all the benefits and negatives attached to it.

Likewise, profits are split amongst tonnes of investors, which means you will earn less money than traditional real estate investing forms. If you are one of the over 2.4 millionaires in the UK, sharing profits may not sound appealing to you. With so much money, it makes more sense to cut out the middleman and directly invest in property.

## Buy to Let Investing Best Investment for £1 Million

So, what about buy to let property investment? Undoubtedly the most popular form of real estate investing, buy to let, refers to purchasing a property with the purpose of letting it to a tenant. All market data points to buy to let being the best investment for 1 million pounds.

As a landlord, you will receive income through rent. Excitingly, like house prices, rent prices are also continuing to rise in the UK. Homelet found that, in November 2020, the average rent in the UK was sitting at £974, which was 2.9% higher than the same month last year.

This growth has been even more significant for the areas outside London. Excluding the capital, the UK's average rent is £828, which is a staggering 5.6% increase over 2019. This means that not only can you enjoy increasing rental income, but you can also sit back and enjoy excellent capital growth for the future. Your initial investment can grow even more with buy to let. With the right purchases, you can turn your initial investment from one million to two.

With increasing numbers in both rental income and capital growth, it seems now is an excellent time to invest in property. This is particularly true when you consider the current stamp duty holiday. Stamp duty is a tax paid when you purchase a property. But since July, the tax rates have been reduced for buy to let investors and those buying a second home. The bottom line is it is now even cheaper to buy property, with potential savings of up to £15,000 according to the BBC.

Of course, becoming a landlord can be daunting. Meeting tenants' demands and collecting rent can be time-consuming, particularly if you have a full-time job. It requires a commitment to ensure you are an attentive landlord. Or does it?

There is an entirely hands-off approach to property investment, which will help ensure your income is as passive as possible. You can do so via a property management company. Property managers are ideal for those with multiple properties or who live away from the rental property. They can act as a point of contact for tenants, provide 24-hour coverage, and collect rent. This essentially means you can be completely hands-off and continue to generate rental income.

Buy to let investment is likely one of the best investments for 1 million pounds. If you are looking for smart investments and trying to figure out how best to invest 1 million pounds in 2020, this is the method for you.

## Where to Invest £1 Million?

So, let's say you have decided to try buy to let investment. The first question you may ask is "where to invest 1 million pounds?" Ideally, you will look at the places that offer the highest rental yields, that is, the highest return on your investment generated via rental income.

Market data suggests the North West is currently the best area for rental yields. As it stands, investing in property in Liverpool is a good decision as it offers the best rental yield in the UK in 2020, with yields of up to 10%. Generally, any rental yields higher than 5 or 6% are considered good, highlighting how high Liverpool's potential for investment is. Likewise, according to The Landlord Link, Manchester offers up to 7%.

Rental yield isn't the only aspect in which the North West is booming. Houses prices in the area are also increasing higher than anywhere else in the country. According to Savills, house prices in the North West will increase by 27.4% by 2024, which is almost 7% higher than the national average. Some areas in Manchester, like Old Trafford, have increased by nearly 45% over the past 12 months, according to Rightmove. It seems the region is the best place to invest in real estate.

Another aspect to consider is what type of property you want to buy. Residential and commercial property is incredibly popular, but research from Sourced Capital points out that residential buy-to-let offers a better investment opportunity than commercial property. Residential property will see you get over double the annual return in some areas.







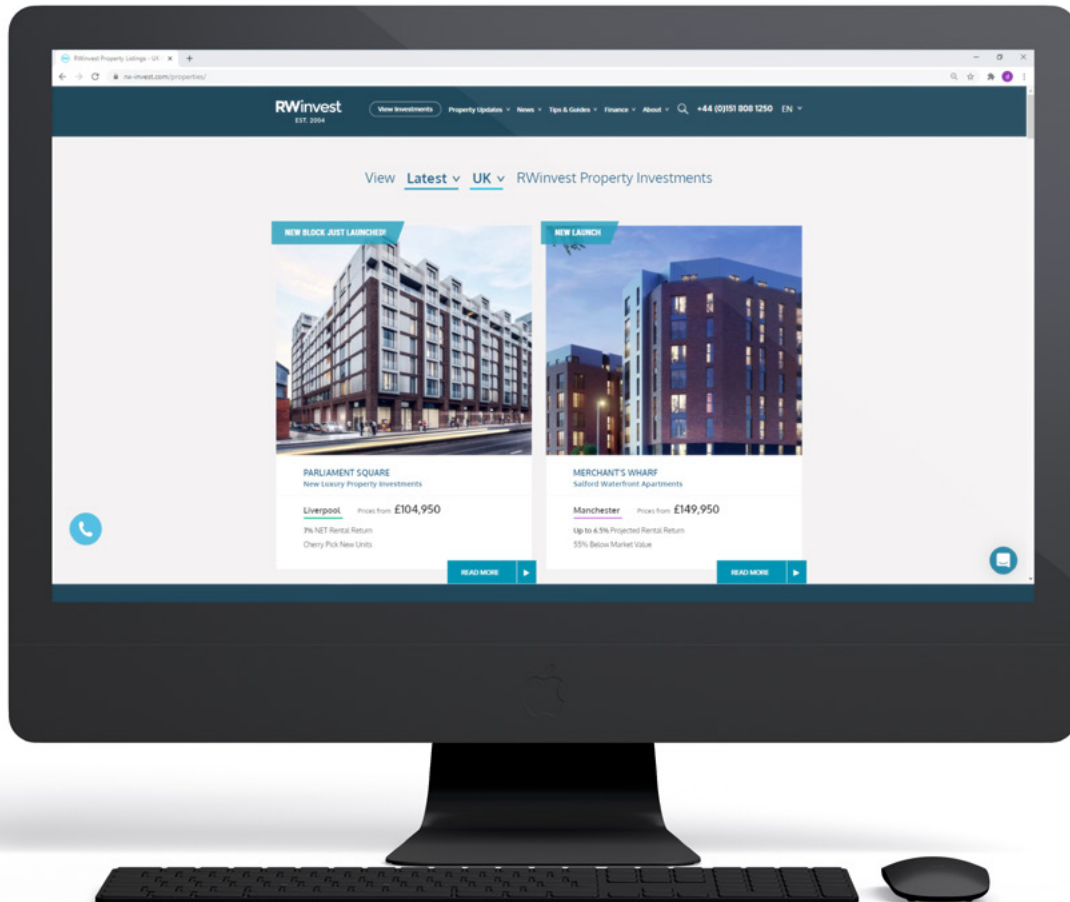
## Where to Invest a Million Pounds in Off-Plan?

If you want to buy multiple property purchases, another ideal method is to purchase a residential buy to let off-plan. Off-plan refers to purchasing a property when it is still under construction or in the planning stage. There are several benefits to off-plan, but the bottom line is it's cheaper, with much bigger investing returns.

Take Merchant's Wharf in Manchester, for instance, a set of apartments on Salford's waterfront. The value of the apartments starts from £149,950, which is 55% below the market price. This essentially means you can buy even more properties with your 1 million and build a property portfolio to rival anyone else's. This is a surefire way to maximize both your portfolio and the gains made. You can not only spread your finances throughout multiple properties but also multiple cities to truly ensure your investment is safe and sound.

If you are interested in buy to let property investment, consider investing through a company like ourselves here at RWInvest. Investing via an investment platform like us is as easy as ever, and you can buy a top of the range property like Parliament Square in Liverpool at a low cost.

# Start your search today.



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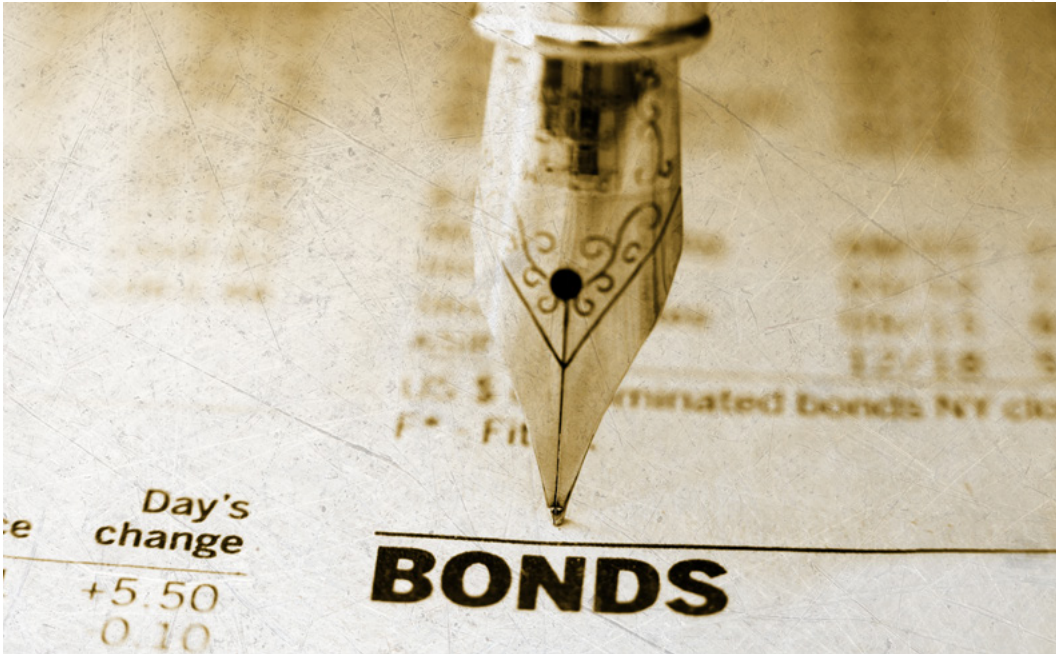
Click the button below to view our latest investments.  
Start your investment journey today.

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# Bonds

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**T**here isn't just real estate and the stock market to consider, though. Investing is a vast field, and another form you could consider are bonds.

Bonds are fixed-income investments used by companies, and even governments, to generate funds. A company will essentially borrow money from you, and they will pay a fixed interest rate over a period of time.

They can get a bit complicated, though, with bonds rated from Triple-A to C. Triple-A means there is little risk as the company involved is very likely to pay you back with interest added. Unsurprisingly then, C bonds are the lowest grade and are riskier but offer much higher yields.

There are several benefits to bonds. Firstly, the investing returns are fixed, so you know exactly what you are getting out of it. Compared to stocks, they are also far more reliable and less volatile. When a company is liquidated, they have to pay investors. Bondholders are paid first over shareholders in such an event. Likewise, the market for bonds is less volatile. While the value can change based on interest rates, they don't wildly change day to day as stocks do.

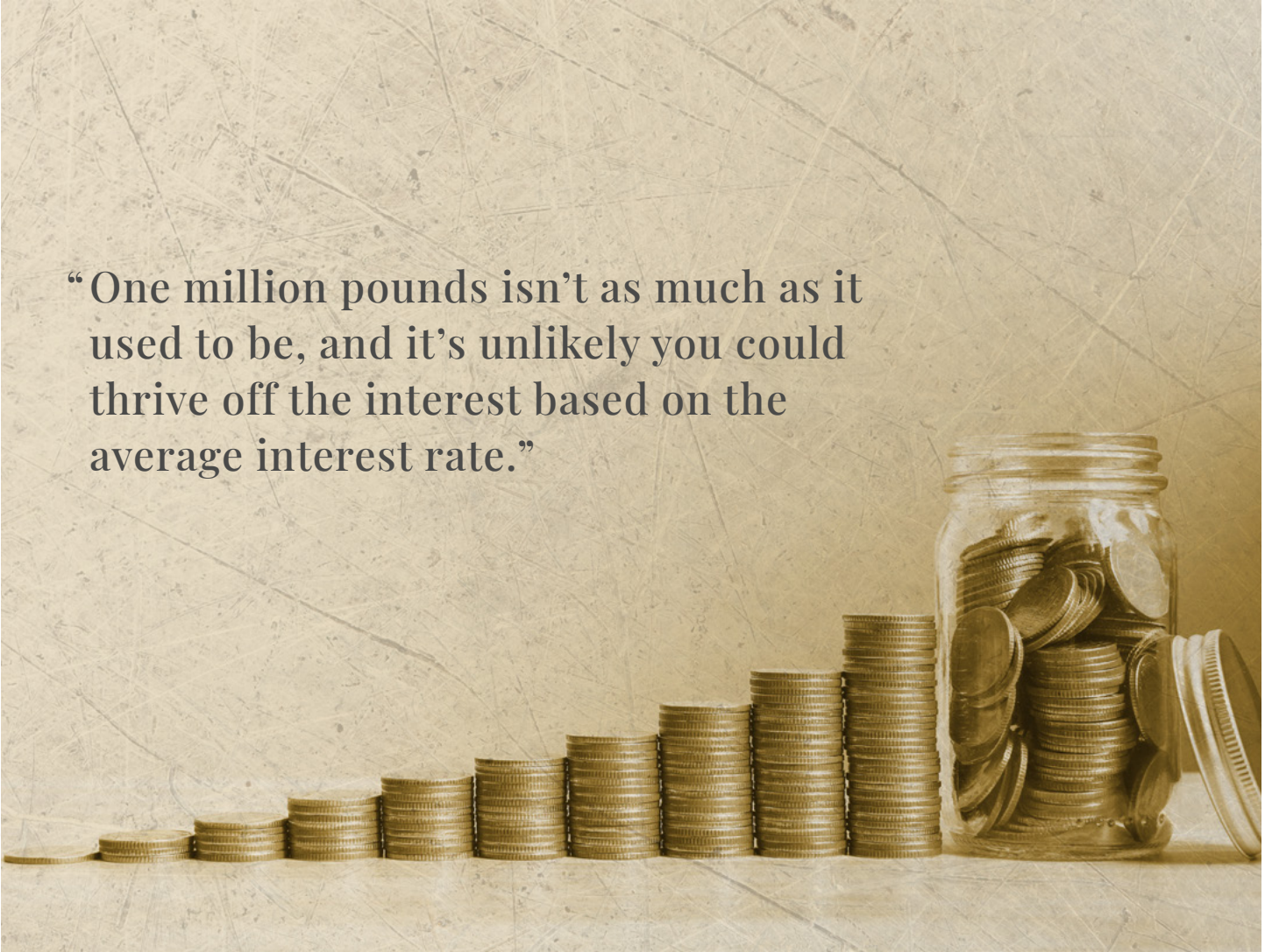
On the other hand, a fixed investment, while beneficial, can also be damaging. With stocks, you may run the risk of losses, but there is ample room for mammoth gains. However, with bonds, you are getting exactly what you expect, with little growth. Similarly, bonds can require large sums. Bonds can be bought at a low cost like £1,000 but can range far higher. Of course, with a million in your back pocket, it is unlikely for that to be a problem, but again, bonds seem far riskier than property investment.



# Saving Accounts

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“One million pounds isn’t as much as it used to be, and it’s unlikely you could thrive off the interest based on the average interest rate.”



**W**hile some people have luxury purchases on their minds, many consider the possibility of placing their imagined millions into savings accounts and living off the interest. One million pounds isn’t as much as it used to be, and it’s unlikely you could thrive off the interest based on the average interest rate. However, savings accounts are still a smart decision as they can generate interest and keep your money safe. While it won’t earn remotely near as much as property will, it is something worth considering.

On the surface, savings accounts are simple: You put money in the account, you generate interest. However, there is a nuance to choosing accounts, as some come with some extraordinary benefits.

Taxes aren’t fun. It’s something we all have to pay, but they have a knack of biting chunks out of earnings. Luckily though, there are ways to legally avoid paying tax, with the government promoting many methods. There are several savings accounts that aren’t taxed and are worth considering if you want to put some of your millions away.



## Cash ISA

You've most likely heard of Cash ISA's, but you may not be aware of the benefits attached to them. Cash ISA's are tax-advantaged savings accounts, which allow you to access the funds at any time. The money in the accounts is safe from tax, meaning you don't have to pay income tax or capital gains.

Income tax and capital gains can heavily damage your profits, which makes ISA's so ideal. You can deposit up to 20k a year into an ISA, so it may not be suitable if you wanted to put huge volumes of money in. If you are trying to find out where best to invest a million pounds, savings accounts are unlikely to fulfill your desires, but it is undoubtedly worthwhile.

## SIPP

Another excellent type of savings account is an SIPP. It's widely agreed that contributing to a pension is considered a good thing to do. Well, the government thinks so too. SIPP's act as a personal pension fund and provide similar tax relief to the pensions you get at work.

You can contribute up to 100% of your earnings, but the tax relief will apply to contributions up to 40k per tax year. A fantastic benefit of a SIPP is that the government will add 20% on top of a contribution, putting even more money into your future pocket.

Contributions placed into your pension are tax-deferred, which means you don't pay tax on it now, but later down the line when you withdraw it.

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## How to Invest £1 Million? Contact RWinvest Today!

**F**iguring out how best to invest 1 million pounds is a challenge, but hopefully, this guide has cleared the air. Saving and investing is a fantastic way of growing your money tree, with property investment in particular appearing to be the best choice as rent provides an income better than stocks or bonds.

Money-saving using accounts like ISA's is also an excellent choice, along with saving and investing some money in stocks. Essentially, asset allocation is critical here, and buying multiple investments in multiple areas is the absolute best way to turn your 1 million pounds into two.

Our mission to get the absolute best property for investors and help them make money dates back over 15 years to 2004. We are an investing company specializing in residential and student buy to let. Our massive portfolio of success stories has put money into the pockets of thousands of investors just like you.

If you want to figure out where to invest a million pounds and want to learn more about saving and investing, our expert sales team will guide you through all of the best opportunities available on the market. With properties like Parliament Square and Merchant's Wharf in the thriving North West market, you can be sure your money is in the safest of hands.

Contact us today to learn more.

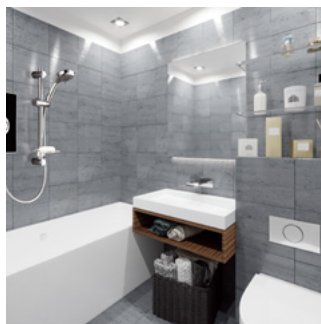
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City Terraces, Liverpool



## View Our Track Record

When we founded RWinvest in 2004, our mission was to help investors like you succeed, matching you with carefully vetted opportunities that offer excellent growth prospects. Our focus has always been on transparency, reliability and quality, bringing investors together with the best developers and management companies in the UK.

[rw-invest.com](http://rw-invest.com)

**Find Out More**





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