

RWinvest

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Top 17 Tips for getting started in Property Investment: The Research Stage

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Explore Different Property Investment Strategies

'You first need to establish the best buy to let strategy for you and explore the different options'



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 that are important to explore when it comes to how to start investing in property.

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.

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.

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Hotel Investments

Hotel property investments are another option for those researching different property investment strategies. Hotel investment in the UK means purchasing a hotel room and generating returns thanks to guests staying in the hotel. This works in a similar way to the more typical type of property investment, but with shorter tenancies.

Like HMO's, there are pros and cons to hotel investments. One of the main reasons that some people consider hotel investments as the best property investment strategy is the fact that you're able to 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.

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What is the Best Type of Property to Invest in?

When trying to decide on the best way to invest in property, 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 type of investment property 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 when getting into property investment, and are recognised as the best property investment strategies.



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Understand What's Involved

'It's important that you fully understand what's involved with a property investment venture'



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 Property Market

When investing in the UK property market, you need to adhere to certain rules and follow different legal requirements. One of the most common legal requirements involved with buy to let investment is that you'll need to pay attention to tenancy laws when renting a property out to a tenant. This includes offering a tenancy agreement and keeping any tenant deposits in a protected tenancy deposit scheme. Other rules for buying an investment property include keeping up with any tax payments that are required, and deciding between a freehold or leasehold property purchase. We'll cover buy to let taxes a little further on in this guide. To read about freehold vs leasehold, take a look at our in-depth guide.

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. Being financially stable is one of the most important things to consider before you go ahead with an investment, so make sure you take the time to fully assess your finances before beginning your buy to let journey.

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.

KNOW THE RISKS

'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'



Although getting started in property 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 stocks and shares, getting started in property isn't always a guaranteed road to success.

Going into a venture with some uncertainty surrounding it can make you question 'how do I invest in property and make sure it's a 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.

One of the main risks associated with property investment is the fact that your property could decrease in value depending on the state of the property market. While this is always a possibility, conducting extensive research into property market predictions can help you avoid this.

Although predictions can change depending on a fluctuating market, research suggests that the UK will see positive house price growth over the next five years, particularly in the north-west. Purchasing a property in a UK property hotspot will reduce the likelihood of a risky investment. You should also think about whether any regeneration is set to take place in the area surrounding the property, as this could boost growth further.



Another risk that those investing in property need to be aware of is unreliable tenants. Tenants that struggle to pay their rent on numerous occasions can hurt your rental income, or even worse – the tenant could stop paying rent altogether.

Bad tenants are every landlord's worst nightmare, but the good news is that with a bit of preparation and some insurance, this risk can be avoided. Be sure to conduct thorough tenant screening, whether you do this yourself or use a management company.

Tenant screening reveals things like employment history and runs credit checks so that landlords can be made aware of any financial issues. In your landlord agreement, you could also state that you'll charge a late fee on delayed rent payments, making them aware of the exact date that rent is due.

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?

When choosing an 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.

Choosing an investment property is a crucial step of your investor journey and one of the key property investment tips for UK investors to keep in mind. By staying vigilant to the property market and thinking about what's on offer, you give yourself a better chance of avoiding any potential risks.



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Find the Best Property Investment Location in the UK



So you've chosen buy to let, but you're still unsure on how to get into property investment? When investing in property, tips are important to look out for, and one of the most common property investing tips 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, causing the North to be considered the best place to invest in property for UK investors.

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.

What should I look for in an Investment Property?

For anyone buying an investment property, knowing what to look for is crucial. When looking for the best property investment, UK areas should play a big part in your decision. This should include the type of rental yields on offer, the level of demand, and the potential for capital growth. You want to ensure your property will attract a steady stream of tenants, providing you with consistent rental returns.

One of the most important property tips is to always research the location to find out the type of rental yields you can expect from your buy to let investment, along with whether your property will be likely to increase in value over time. Areas with positive predictions for house price growth and a track record of past investment success are something to look out for.

The north-west region, for instance, has house price growth predictions of 21.6 per cent over the next five years - higher than any other UK region. Investing in a city with strong capital growth potential and high average yields puts you on the right track towards a lucrative investment.

**WHAT ARE THE BEST PLACES IN
THE UK TO INVEST IN PROPERTY?**

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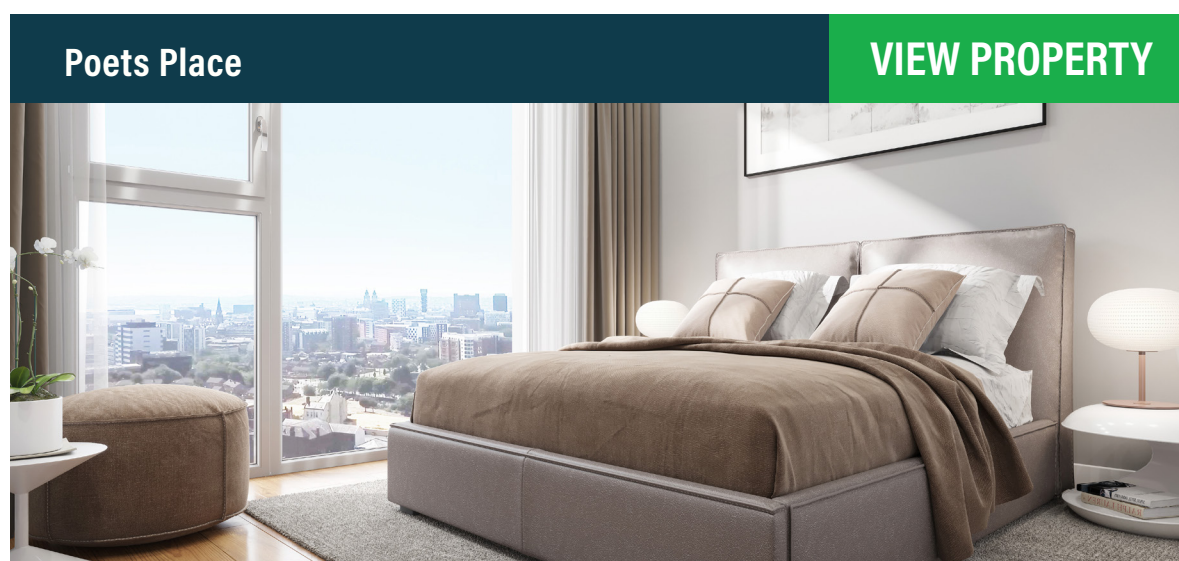
Why invest In Liverpool Buy To Let?

When it comes to investment properties, Liverpool's property market is an option that's definitely worth thinking about. With high house price growth in recent years and predictions to thrive even further, even when it comes to property prices after Brexit, Liverpool is a fantastic buy to let hotspot.

Competitive property prices in Liverpool 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.

Our investment properties such as Poet's Place in Liverpool have been developed within the most desirable Liverpool property investment postcodes, generating higher yields and attracting tenant demand.

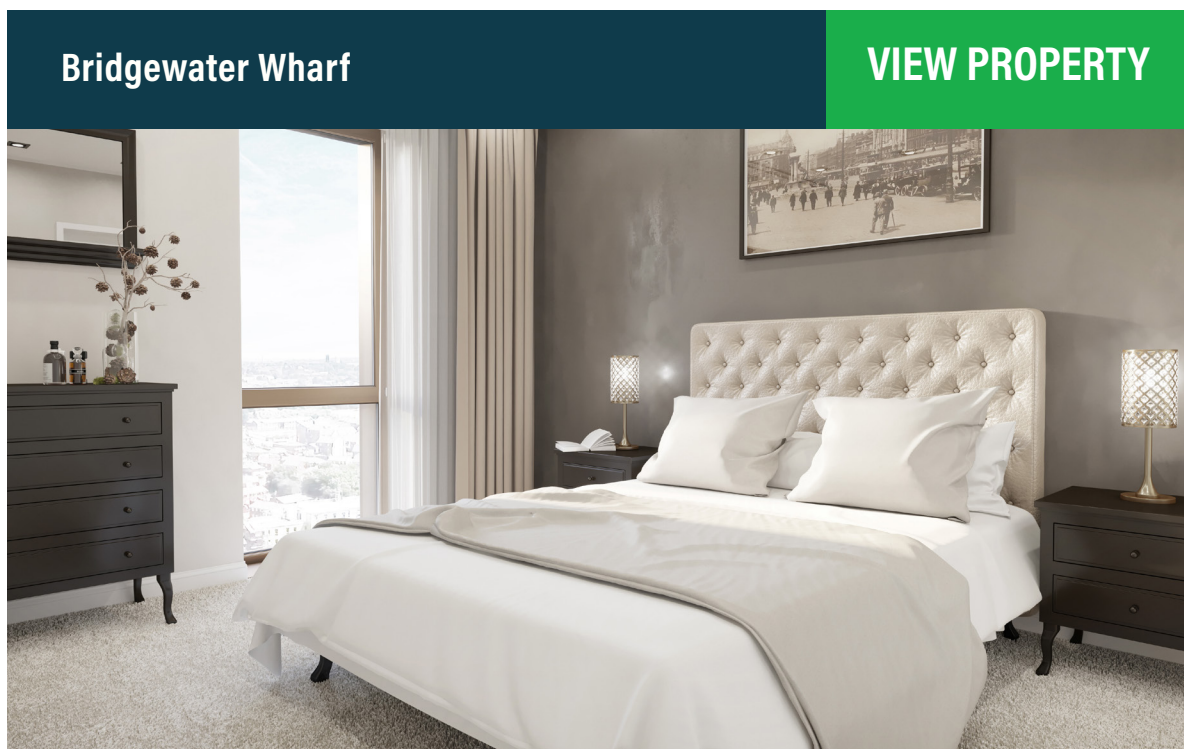


Why invest in Manchester Buy To Let?

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 Manchester to get a superior level of capital appreciation.

Properties like our Manchester Bridgewater Wharf development consist of high-quality apartment units located in a thriving part of the city, ensuring a strong potential for capital growth and a steady influx of tenants demand.



Is London still a Good Investment?

London property is no longer viewed as the best place to buy an investment property. 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, recognising cities with high-performing markets like Liverpool and Manchester as the best places to invest in UK property.

Which Cities Have the Best Property Investments for 2019 and 2020?

For 2019, Liverpool and Manchester prove to be the best places to invest for UK property investment. These cities offer the best property investments for UK investors as they have some of the best rental yields, tenant demand, and house price growth of recent years, with predictions to thrive even further by 2023.

'Liverpool and Manchester prove to be the best places to invest for UK property'



UNDERSTAND YOUR TENANTS PROFILE: STUDENT VS RESIDENTIAL

'Identifying the best investment property for your target tenant helps you get one step closer to a successful investment'



Another significant factor that's integral to answering the question of how to invest in property is identifying your target tenant. It is difficult to separate location and its occupants, as the two come very much hand in hand. Identifying the best investment property for your target tenant helps you get one step closer to a successful investment.

If you prefer to invest in property in a specific sector such as student property, you should keep this in mind when picking out a location. You will want your property to be close to a buzzing university campus and have great transport links. Alternatively, if your property interests favour residential developments, you should invest in properties close to business districts with exceptional leisure facilities nearby.

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 the best type of investment property might be one located in a lively area, while the same location may 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 moment.

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 respect.

**WHAT ARE THE BEST PLACES
TO INVEST IN STUDENT
ACCOMMODATION FOR 2020**

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Do you have to be a Student to live in Student Housing?

Student housing is generally only available to students. This type of housing is specially designed and marketed towards students, often with lower prices, proximity to university campuses, and amenities that appeal to this demographic. The student population in the UK is high, resulting in a lot of demand for student accommodation.

With such high demand, renting out a student property to non-students is a bad idea as it will take the accommodation options away from students that need them. For renters who are attracted by the designs and locations of student properties, residential properties are likely to appeal to this tenant type. Residential properties, such as those that we offer at RWinvest, are often based in prime city-centre locations and have modern, stylish designs.

STUDENT PROPERTY INVESTMENT GUIDE

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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.

'More young people are choosing to live and work in the cities like Manchester and Liverpool'



How do I find a Tenant fast?

To find good tenants, you need to offer the best properties in the most in-demand areas, market them effectively, and carry out thorough tenant screening. In the UK, there are a lot of tenants seeking residential and student properties. The property you choose is the first step in knowing how to begin property investment successfully.

Along with being well-located, your rental property should be presentable in order to quickly attract tenants. When buying an investment property, looking for properties with stylish decor and modern features and facilities is one of the key investment property tips if you want your property to stand out. This could mean investing in new-build properties with smart lighting, along with attractive features like a private balcony or on-site gym.

Once you're sure that your property ticks all the boxes and will appeal to your target tenant, use rental websites, social media, and word-of-mouth for advertising your listing. Remember to always include professional imagery of your property and concise, well-written content to draw in potential tenants.



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