

5 Ways in 2021/22

# Property Investment UK

How to Invest in Property?



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## Why Choose Property Investment UK 2021?

Offering a strong long-term investment, property investment in the UK can sustain a consistent and reliable income for several years with minimal risk or pressure.

There are currently three major reasons investing in UK property in 2021 is a good idea.

### Summary

- 1 UK house prices are currently growing at their fastest rate since 2004.
- 2 Rent is the highest it has ever been at £1,053 pcm on average, according to HomeLet.
- 3 Property demand is higher than it ever has, with buyer demand per property for sale more than double pre-pandemic levels, according to Rightmove.

# Single Let Property – Residential Buy-to-Let

The benchmark for property investment in the UK, traditional buy to let property is likely the first strategy that comes to mind when investing in property.

A single buy to let property is a property you rent to one tenant - including families.

Single buy to let properties and traditional residential buy to let property is likely the most popular form of investing in UK property as it's easy to understand and get started with.



Chapter 1

## Pros

- Easy to understand and get started with.
- High potential to earn strong yields if investing in the right area.
- Can sell the property down the line for huge capital appreciation.
- It can be completely hands-off with a property management company.
- Less risky and performs well in times of uncertainty.

## Cons

- A long-term strategy to allow capital appreciation, so not ideal for those looking for quick returns.
- Potential void periods if you fail to find a tenant.

# Student Property Investment – HMOs & PBSA

Another one of the most popular types of investemnts and a top way to invest in property is through student property investment.

You can target the student market in two main ways, through HMOs or purpose-built student accommodation.

## HMOs

Houses in multiple occupancies, otherwise known as HMOs, are properties where each room is rented to a different tenant.

These tenants often share some amenities, like a kitchen or bathroom, but individually pay rent.

### Pros

- More rental income as multiple tenants.
- Less chance of void periods.
- Potential for capital appreciation.

### Cons

- Strict rules and legislation are in place.
- Smaller market when trying to sell.
- Difficult to secure a mortgage.
- Higher maintenance costs.



# Purpose-Built Student Accommodation

Requiring less of an explanation than HMOs, purpose-built student accommodation is student property that has been specifically designed to house students.

PBSA has shot up in popularity in recent years thanks to offering investors a reliable income stream during the academic year.

Students have become more and more likely to want higher-quality modern living spaces, putting many students off from living in older HMOs.



## Pros

- Apartments are smaller, so much more affordable.
- Low prices and high rent means high rental yields.
- Consistent and predictable tenant cycle.
- It can be a completely hands-off investment.
- Potential for capital appreciation.

## Cons

- Less capital appreciation than single buy to let.
- Limited to one tenant group.





## Off Plan Buy-to-Let Property

The most affordable way to buy UK rental properties is through off plan.

Off-plan property is a property that is available to purchase but hasn't been completed. This means you can buy the property while it's under construction or still in the planning stage.

You can buy both residential and student property off the plan.



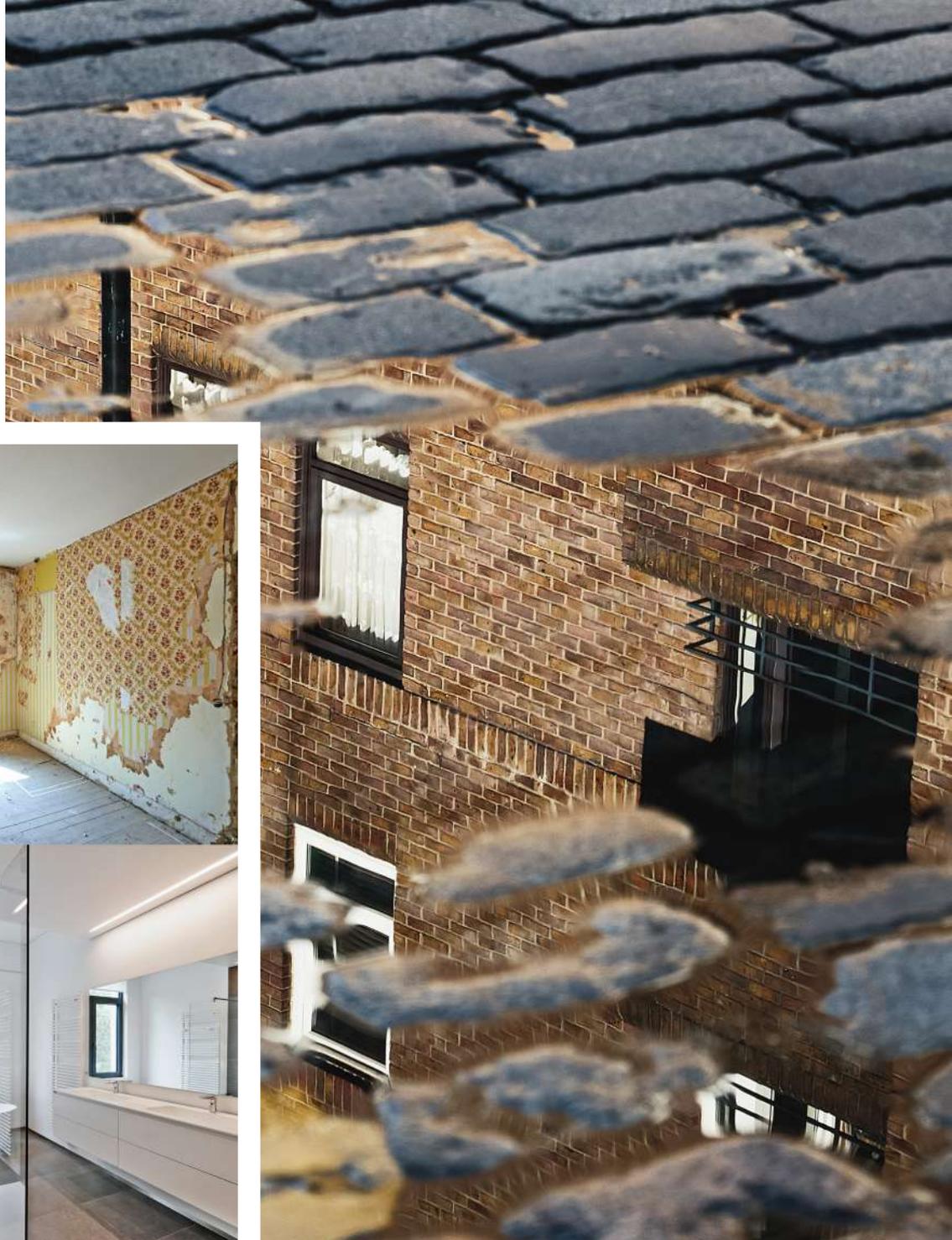
### Pros

- Properties are sold at below-market rates.
- Potential to get assured rental yields.
- Higher room for capital growth.
- You will get a brand-new property.
- Extra deals, including free furniture packs.
- Cherry-pick the best units in a new development.

### Cons

- Can have difficulties securing a mortgage.
- It will often require a cash deposit.
- Have to wait for the property to be finished.





## Buy-to-Sell/ House Flipping

Perhaps the most challenging property investment strategy for beginners, buy to sell is the process of buying a house to sell on for a quick profit.

This means an investor will not rely on rental yields, rental income, or tenants, and will instead look to buy a cheaper property to sell for a considerable profit.

### Pros

- Ideal for those looking for a short-term investment who want quicker returns.
- No landlord duties or tenants to find.

### Cons

- No passive income.
- Incredibly hands-on process.
- If things go wrong, it can be incredibly costly.

# Property on the Stock Market – REITs

REITs, otherwise known as Real Estate Investment Trusts, are companies that buy, manage, and own properties on behalf of their shareholders.

By investing in REITs, you are able to indirectly invest in property on the stock market. Real Estate Investment Trusts utilise a mutual funds model, where the company uses the money pooled from investors to buy up real estate.

Noteworthy for investors, these companies must give at least 90% of their income to shareholders to be classed as a REIT.



Pros
● Liquid asset.
● Easy to diversify your property portfolio.
● More affordable entry point.

Cons
● Prices can fluctuate constantly.
● Less return potential than traditional methods.
● Less room for capital appreciation.





## What is the Best Property Investment UK Strategy?

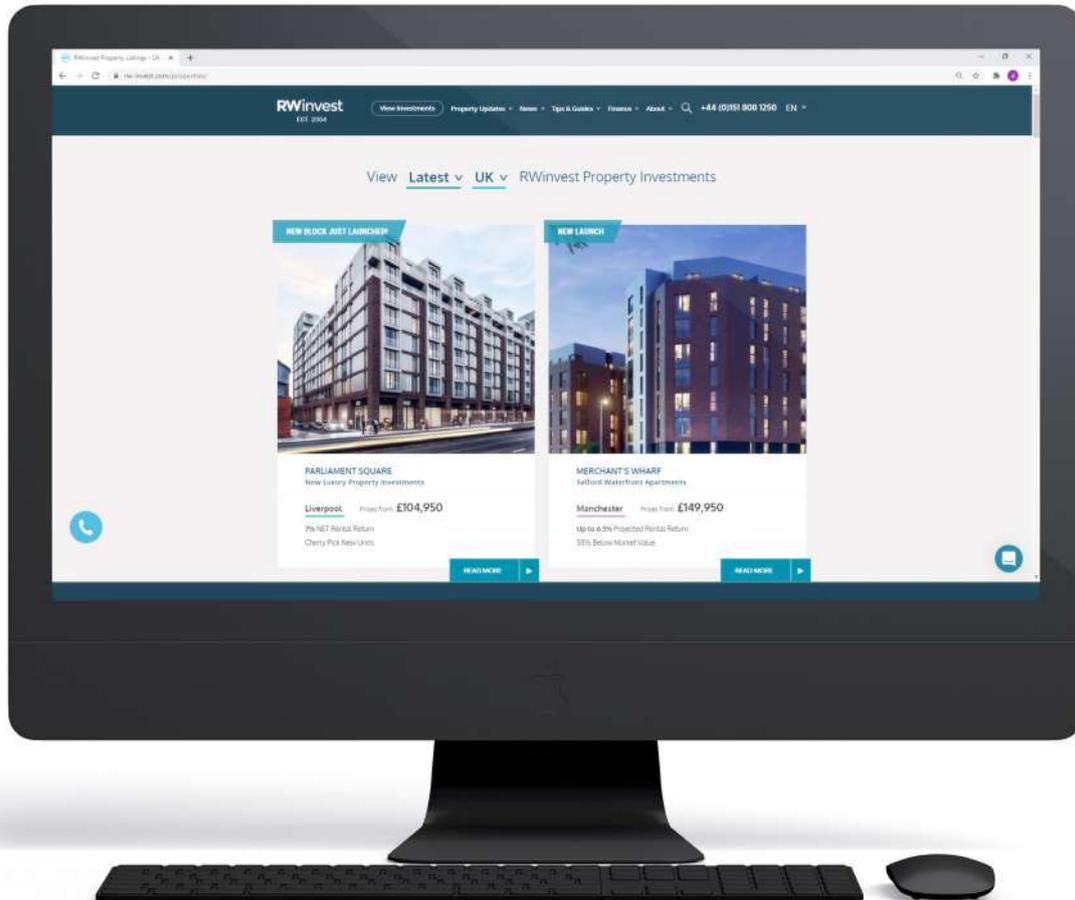
Many people ask what the best property investment strategy is, but unfortunately, there isn't a definitive answer for everyone.

Investment in UK property is a personal experience, and what you want out of an investment will directly correlate with what strategy you choose.

However, for our money, the current best property investment strategy for the highest returns is likely buying residential or student property off-plan.

This is because you get the benefits of reliable monthly rental income and capital appreciation, as well as being able to save thousands by buying off the plan.

# Start your search today.



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