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Property expert's top tips on becoming a buy-to-let investor

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Sylvia Marshall, Property entrepreneur and in-house guru of BBC One's Britain's Empty Homes, explains why property remains a vital asset class in any investment portfolio.

Despite the current slowdown in the market, properties in carefully selected regions of the UK are offering buyers both greatly reduced prices AND reliable long term investment opportunities.

So what makes property in the UK a good investment? A few key points to bear in mind are as follows:

- The UK's distressed property sales market is a perfect opportunity for investors to buy up well-priced residential and commercial properties offering solid rental potential and long term growth prospects. Special reductions and slashed prices are widely available in both the off-plan and re-sales markets, allowing investment opportunities at the lowest possible entry levels.
- The rental market is growing at a phenomenal rate as people choose to rent either due to the lack of mortgage facilities, affordability or as a transitional arrangement, creating a ready market for buy-to-let investors today. With rental yields of around 6% steady rental income in addition to capital growth on eventual resale makes an attractive proposition. The key is the investor must be willing and able to wait for the inevitable market upturn to benefit from the capital growth.
- The UK's world status is an advantage not to be ignored or overlooked as we are generally regarded as a reassuringly safe and solid country in which to invest. This couple with direct international travel links open our properties up to a global market on resale.
- The United Kingdom is the third most populated state in the European Union, indicating a high demand for rich and varied types of commercial and residential property. This can be by the diversity of our landscape as well as tourist destinations such as London.
- Property in the UK is suitably varied to suit all tastes and budgets. You can invest in property directly or indirectly through a 'pooled' or 'collective' investment scheme, like a Unit Trust or Open Ended Investment Company.

Buying your home or a property to let out is a way of investing directly in property.

Investing in property carries a high risk and if you are thinking of purchasing a buy-to-let property you should seek expert advice on legal, tax, financial and property management matters.

Whilst the Financial Services Authority (FSA) regulates most mortgage sales, it doesn't regulate most buy-to-let mortgages.

If you're thinking of investing directly in property as a way of making money it's important to be aware of the risks.

In particular, beware of 'get-rich-quick' Schemes. However, buy-to-let can be a good investment for all the reasons mentioned earlier so long as you allow a buffer in the finances and are not so highly geared that a change in rate or a tenant leaving don't leave you overstretched.

It is a matter of running your business as you would any other. It is also important to remember you have important legal responsibilities, for example with regard to your tenants' safety.

Many people ask where is the best place to invest and whilst some specialise in tourist hotspots, student accommodation, regeneration and so on, the key is just do your homework! The first step is to carefully research the market where you want to buy your property. You must establish that the demand is there for what you will be offering.

Local estate agents, local papers, existing landlords and even the local authority are good sources of information about the demand for and supply of, rented housing. If you didn't want to do this yourself you could ask a specialist letting agent to provide advice on the best area and type of property to renting out.

The next step is to think about the type of tenant you want to attract. Remember, a single tenant will seek different things to a family and it is important to ensure that your property has the features to attract would be tenants rather than would be purchasers. With this in mind, the location becomes important in terms of local amenities whether it be shops, transport, schools etc.

So buy-to-let is not simply buying the first thing you see but by researching your potential purchase, choosing carefully and running your business gives a means of both income and capital growth. If you aim for a blend of these you can survive market fluctuation and coupled with low gearing based on conservative projections you can build a business.

Sylvia Marshall is a British property entrepreneur, home renovation expert and DIY expert. A self-made millionaire, she is known to many as the founder of popular websites cosyhomesonline and bubsydogdiy, and is also familiar to millions of TV viewers as the in-house guru of BBC One's Britain's Empty Homes. She has appeared in major publications including Metro, Daily Mail, The Independent, The Mirror, The Sun, Readers' Digest, First Time Buyer, Real Homes Magazine, Your Home and now Choices Today!

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