**Your Guide To Building A Property Portfolio in the UK**

SEO Description: Thinking of building a property portfolio in the UK? Here are 8 pro tips to help you on your real estate investing journey so you can make the best property investments!

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**Introduction**When you take the right approach, building a property portfolio can turn out to be extremely profitable as a long-term investment. [**Building a property portfolio**](https://www.pfnfinance.co.uk/about/) can help you come up with the best property investments, and can really help you out when it comes to real estate investing.

This is why we’ve put together this article to give you tips on how you can go about building a property portfolio; from finances and long-term plans, to even just what kind of property to invest in, and how to choose the right tenants.

Read on to learn more!

**Building A Property Portfolio**

1. **Know Your Goals**

When you get started on building your property portfolio, you need to know exactly what your goal is. Ask yourself questions like: “am I looking for something long-term, so I can benefit from property price growth?” or “do I want to raise my earning via rental income?”. When you ask yourself these questions, you’ll have a clearer idea on what your goals are.

It’s very likely that you’ll want to achieve both of these things. Asking yourself these kinds of questions will give you a clearer idea on the type of property you want to invest in. Ask yourself things like whether you want to rent out to many tenants at once to maximise your income or not.

When you answer your own questions, you’ll be able to understand which route to take when building your portfolio. It’ll also help you avoid making expensive mistakes.

1. **Put In The Time To Do Your Research**Once you have a clearer idea on the kind of property you want to buy, and what kind of portfolio you want to build, you can go ahead and start researching.

You’ll want to research this thoroughly so you can identify the right property for you, in the right area, according to your long-term goals.

Here are some tips for putting in research:

* Talk to your local letting / estate agent to be up to date on current market trends, like the most popular aspects tenants look for.
* Look around at the best buy-to-let places in your area. This will help you understand where you can get the highest return, to make it the best property investment you can make.
* Make sure to look up the average property / rental prices to understand market activity.
* Join a community of people who are into real estate investing; this will help you answer lots of your key questions, and you can learn from people’s experiences as well.
* Consider the kind of tenant your property can attract; think about whether the amenities will be suitable for them.

When you do all of the above, you’ll have a better idea on the right location and property to invest in. You can start looking into rental yields after this, so you can get an idea of what your annual return will look like.

1. **Get Started On Your Portfolio With One Property First**

Starting slow and steady is the most efficient way to build your property portfolio. This will help you invest smartly. It isn’t recommended to jump right into it with multiple properties at once, as you don’t want to bite off more than you can chew. So, start small and build sustainably.

Your first investment needs to be chosen wisely, and well thought-out. So, think about whether you want a property that is close to where you live, to make maintenance easier, or if you’re okay with a property that is far away that can be outsourced to a letting agent.

Once you’ve invested in your very first property, you can think about expanding your property portfolio. Always dip your toes in before taking a big dive.

1. **Have An Offer Strategy**

When you get into [**real estate investing**](https://www.pfnfinance.co.uk/services/property-investment/), you have to think about value for money; this will ensure that your return is maximised.

So, when you find a property you’re willing to purchase, you should always have a strategy in hand. Think about the maximum price you’re willing to pay.

If you’re looking to finish things faster, you can offer the asking price from the get-go itself. If you have time and want to go slow, you can offer below the asking price, so you get a better return on a lower costing investment.

Also think about the seller’s circumstances while thinking of your offer strategy. Do they seem like they’re in a hurry? Are they in a chain?

Your POA can be heavily influenced by what market you’re in – buyer’s or seller’s. In a seller’s market, there is higher competition, so you will want to act quick. This may mean paying a little more than what you planned at first.

Another great way to pay a lower price for a better return is through buying “[below market value](https://www.investopedia.com/terms/b/belowthemarket.asp)” (BMV). You can invest in a property that looks like it may need a good amount of work, because it has good investment potential.

1. **Keep A Keen Eye On Your Finances**When you get started on building a property portfolio, keep a keen eye on your goals and more importantly, your finances. Think about the following:
* Does my rental income cover all my mortgage payments / outgoings, like landlord insurance?
* Is the return I’m getting reasonable?
* Will I be able to manage if my tenant moved out, or if I have to deal with maintenance emergencies like floods and fires?

It’s always best to keep a keen eye on your finances, as this is key to growing your portfolio in an efficient manner, without having to stress out. Keep track of your financial info so you can always be one step ahead of the game and make the smartest, best property investments.

1. **Make Sure To Find The Right Tenants, And Take Care Of Their Needs**

Once you've invested in your very first property, you’ll want to find the right tenants. This part of the process is integral in building a good property investment portfolio.

When you choose the best possible tenants for your property, they will most likely stay there longer and treat the property with care and love. This means your property will be occupied for a longer time, and you won't have to deal with the frustrating “void period” of no income. The perfect tenant will also ensure that your maintenance and repair costs will be at the very minimum, since they treat the property as their own.

Once you’ve found fitting tenants, make sure you have a good relationship with them. The following will help you:

* Make sure you’re easy to contact
* When asked for help with maintenance and repairs, be prompt and respond quickly
* Ensure your property is safe and compliant to local laws
* Make sure to give your tenants a good amount of notice before dropping by; nobody like an unwanted surprise
1. **Practice Caution While Building Your Property Portfolio**

Learn to walk before you try to run. Be cautious while you slowly build your portfolio and take it slow. Don’t rush into big investments without doing the right amount of research.

It is always best to keep track of the latest trends in the property market. Speaking to a mortgage advisor can help you immensely. To ensure you get the best property investment, contact us and we’ll help you on your real estate investing journey.

1. **Think Long-Term**

This should go unsaid but we’ll say it anyway – do not lose sight of your goals. Of course, you’ll have to prepare yourself for bumps in the road and minor changes along the way, but never take your eyes off your long-term plan.

Always keep your long-term plan in mind and have an exit strategy at hand. This can help you make sensible choices in building your property portfolio in the UK.

**Conclusion**

We hope these pro tips on [**building a property portfolio**](https://www.pfnfinance.co.uk/about/) helped you! If you’re interested in making the best property investments and getting started on your real estate investing journey, [**contact us**](https://www.pfnfinance.co.uk/contact/). We’d love to help you!