

# Module two: Real estate course, understanding the basics I Infographic

#### **Education**

#### 04.06.24

We've distilled the key insights from module two of our comprehensive property investment masterclass into a convenient infographic. This visual guide covers the essential topics every aspiring real estate investor needs to know, including:

- The different types of properties to consider for investment
- Crucial financial concepts and metrics to understand
- How a new investor should approach getting started
- Evaluating your investment performance effectively
- Financing options available for property investments
- Common pitfalls to avoid on your investment journey
- Advanced strategies to explore as you gain experience

Whether you're just beginning to explore property investing or looking to enhance your existing knowledge, this infographic serves as a handy reference packed with practical tips and valuable insights.

Watch the full masterclass webinar for more information or download a copy of the infographic for your own files!

Masterclass module two webinar

Download PDF.



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### Module @wo: Understanding

the basics

Property types:



**Residential properties:** Family homes flats. HMO's, bungalows and more.



retail spaces, warehouses and hotels.



Land: Investing requires thorough research of local regulations for promising long-term gains



Real estate investment trusts (REITs): Diversification without direct property



**Fractional ownership:** Multiple investors share ownership, spreading risk while maintaining direct ownership.

New investor steps:



**Define your goals:** Outline why you're investing in property and set clear financial milestones



Assess your resources: Check your budget, time and risk tolerance closely. Shaping your investment plan



Research the market: Dive into property types, market trends and investment approaches.



Seek expert guidance: Connect with financial advisers or property investment companies for tailored advice. They offer valuable insights to help you succeed.

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Financing options:

- Mortgages: Borrow with property as security, deposit of 5.00% or more and monthly payments over up to 30 years.
- Other financing options: Consider personal or business loans, partnership or private investors based on your finances and strategy.

This infographic provides a helpful starting point for property investing.

If you find the infographic useful, make sure you watch the webinar!



Key financial concepts:



Percentage of returns calculated



**Cash flow:** Income or loss from investment over time, positive if income exceeds expenses.



Yield: Percentage showing investment return by comparing income to total value.

Evaluate potential performance

- Gross rental yield:
  Annual rental income divided by property value, showing earning potential.
- Occupancy rate:
  How often your property is rented out. High occupancy means a ctandu income.
- Operating expenses:
  Management fees,
  maintenance and taxes.
  Subtract from rental
- Appreciation potential
  Assesses property value
  increase over time due
  to location, trends and
  docalogoment

## Avoiding pitfalls:



Overleveraging: Avoid borrowing too much it could strain finances if the property undergerforms



Neglecting due diligence: Research thoroughly to avoid unexpected issues like safety or legal concerns.



Ignoring market trends: Stay informed to make smart decisions; ignoring trends can hurt your investments.



Underestimating expenses: Assess costs accurately to avoid surprises; set aside funds for unexpected expenses.

Investment strategies:



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Read the property investment blog

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