What type of property investor are you?

10 important questions to ask yourself …

1. **How many properties do you own?**
    a. Only the one I live in, the next one will be my first property investment
    b. I'm looking for my second investment property
    c. I have a small portfolio of 3 to 6 properties
    d. I have a larger portfolio – over 7 properties

2. **How long do you expect to keep your investment property?**
    a. About 5 years
    b. Ten years or more
    c. I'd like my children to inherit it
    d. Probably less than 2 years

3. **What is your attitude to risk?**
    a. I am generally careful and will look at all angles
    b. I will avoid risk if at all possible
    c. Risk is something to be considered, but I don't want to miss a good opportunity
    d. I'm happy to take a gamble

4. **What is your current situation?**
    a. I'm looking for an investment to boost my purchasing power in a few years' time
    b. I'm nearing retirement/retired now and want to add to my pension income
    c. I've got quite a few years before retirement and want to help my children or build up extra income for when I do retire
    d. I already have a property portfolio

5. **What does your budget (including deposit and probable mortgage) look like?**
    a. Up to £250,000
    b. £250,000 - £500,000
    c. £500,000 - £1,000,000
    d. Over £1,000,000

P.T.O.

6. **What might make you need to sell your investment suddenly?**
    a. A change in job and/or a close relationship, or other personal change
    b. It's fairly unlikely, as I have other assets I could sell first
    c. I have no other need for this money for the foreseeable future
    d. I know I won't have to sell this property suddenly

7. **What is really important to you about your property investment?**
    a. Keeping the capital invested and seeing a steady growth
    b. A regular monthly income from the rent
    c. A balance between capital growth and monthly income
    d. Renovation, revamp, and sell on quickly at a profit

8. **Which areas would you like invest in?**
    a. Somewhere attractive (will consider edge of town) that still has opportunity for 'doing up'
    b. Somewhere very near my home that I know well
    c. I will consider an area that I don't know
    d. Don't mind – as long as the figures give me a good profit

9. **What type of rental would suit you?**
    a. Tight budget – cannot afford any void period of more than 1-2 weeks
    b. I'd prefer a minimum let of 12 months, and for as long as possible
    c. I can cope with occasional void periods – worth it to do some property upgrading and to keep the property looking good
    d. I can risk longer void period(s) to refurbish and increase the rent significantly

10. **What type of tenant will you be looking for?**
    a. I'd only want singles or couples with full-time, permanent jobs
    b. I would consider a negotiation on rent with a longer fixed tenancy
    c. I just want someone who will pay the rent when it's due
    d. I will consider sharers/students if I can charge more rent

Now add up how many a's, b's, c's and d's you have scored ….

How Many?	Totals
a's	
b's	
c's	
d's	
Total	10

What type of property investor are you?

Your Quiz Results:

Mostly 'a' = A prudent investor

You are a careful investor and will do lots of due diligence. You could buy a 2 double-bedroom freehold house, near to the town centre and rail station, that will have a smaller rental yield but where the capital growth is good. Look in established areas – such as 1980s and 1990s housing estates and where regeneration or new infrastructure will push up prices.

Mostly 'b' = Generally a risk adverse investor

You're seeking an easy and regular income from the monthly rent. Look to maximise your yield (for example, from well-kept ex-council properties) in good locations such as the town centre. Tenants will pay similar rents as for the period (more expensive to buy) properties that are nearby, especially if they have good storage space and/or off-road parking. Capital growth will be slower than for period properties.

Mostly 'c' = A classic buy-to-letter

You're looking for both the monthly income and the steady capital growth. Buy the best you can afford or refurbish an older property with great fixtures and fittings (new kitchen, bathroom, windows, etc) near to the town centre to achieve gross yields around 5-6% and with 2-3% capital growth.

Mostly 'd' = A property developer (and willing to take some risks)

To make a good and quick return you really need to be skilled in negotiation. Buy the properties that require some redevelopment (moving walls; adding a balcony, bathroom(s), loft or cellar space; or adding extensions into garden or the garage) and look carefully at the local planning regulations to ensure you can gain planning consent where necessary.