

Should I Buy Off-Plan Property?



The Complete Guide to Off-Plan Investment

Introduction



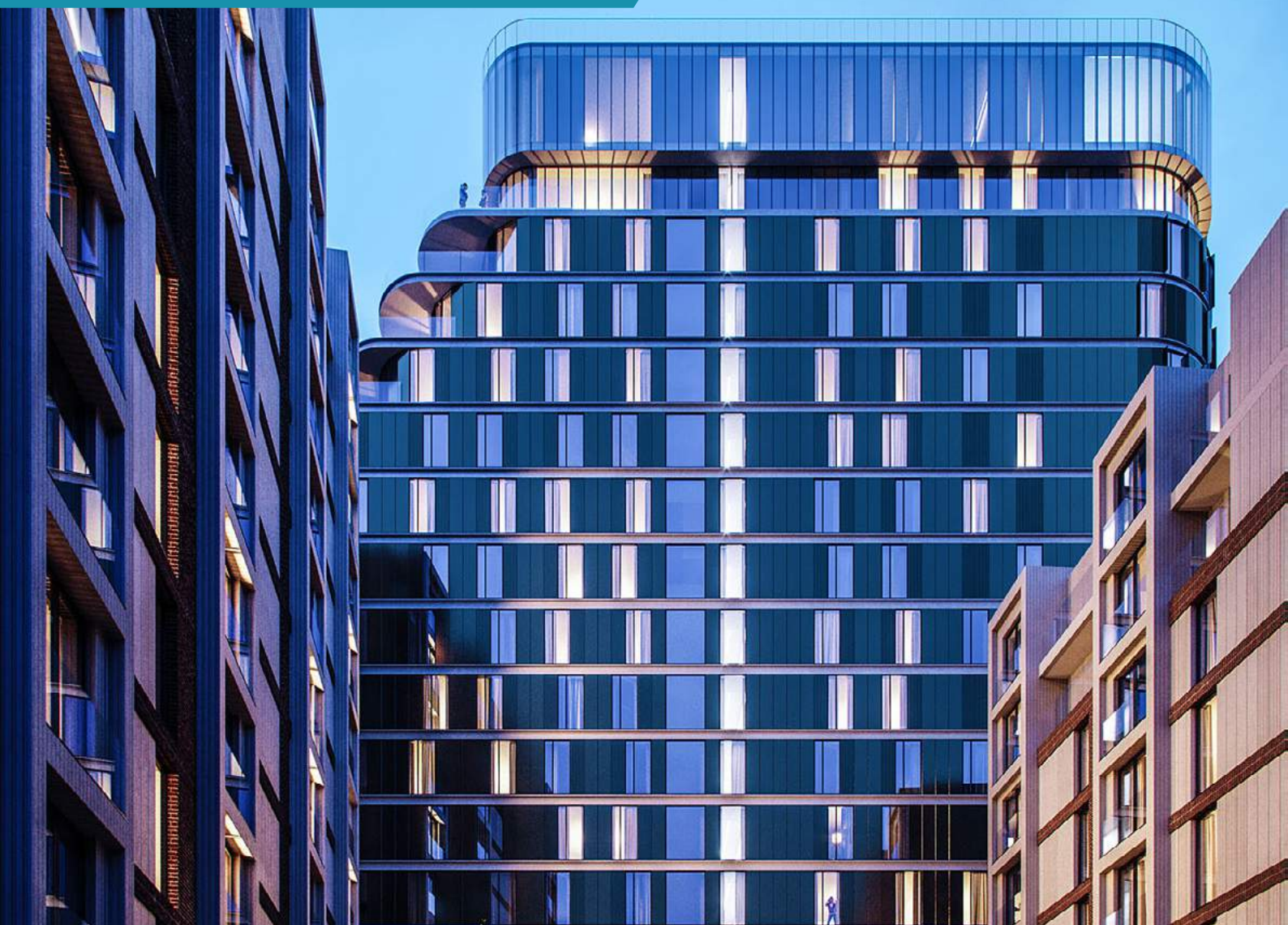
If you consider yourself clued up on the UK property investment market, chances are you will have heard of off plan property investments. Buying off-plan property means to purchase a property that's not yet completed. This may seem like a confusing concept to some, but with a bit of investment research and understanding, it's easy to see why off plan property in the UK is such an appealing option.

If you're keen to learn more about buying property off plan, make sure you read our complete guide to off plan investment. Here, we offer information on what off-plan property investments involve and the benefits of this property type, along with top tips on how to buy off plan property as successfully as possible. To find out why you should add off-plan to your property portfolio, keep reading for our in-depth article.

NEW BLOCK JUST LAUNCHED

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PARLIAMENT
SQUARE

Liverpool

Prices from **£104,950**

7% NET Rental Return

Cherry Pick **New Units**

Find Out More



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About Off-Plan Property: What is Buying Off-Plan?

First things first, before understanding why off plan property investment could be beneficial to you, you need to know what this type of investment is and how it works. So what is off plan investment, how does it work, and what are the different options available?

What is Off-Plan Investment?

Off-plan property investment is when an investor buys a property while it's still in the planning or construction stages. Unlike other property types, off-plan investment means that the buyer can only see how the property will look through a showroom, computer-generated imagery, or other technology.

How does Off-Plan Property Work?

Buying property off plan works differently to the process of buying more traditional properties. Those interested in buying off-plan will get to see how a property will look with the help of computer-generated imagery. Some people are put off by being unable to see the property in person, but the benefits of buying apartments off the plan far outweigh any uncertainties.

What is Off-Plan Property?

Off-plan property is a property that has not yet been completed. Construction may still be underway, or the project may still be in the planning stage. Off plan property is also referred to as 'off the plan', as to buy off plan means to purchase a property based on a plan rather than a finished building.

An off-plan investment is purchased either before or during the development's construction process. Those who buy off-plan property are choosing to purchase the property 'off the plan' and signing a contract without taking a physical tour to see or inspect the finished outcome.

What are the Different Types of Off-Plan Investment?

When buying UK property off plan, there are different property types to consider. With off-plan investment in the UK, property investment opportunities vary between residential or student, and each come with their own benefits.



Residential Off Plan Property

Residential properties are one of the most popular options when investing in property off the plan. The type of people who rent a residential property such as a city centre apartment are typically young people and young professionals. Research suggests that millennials are a lot more likely to buy into products or services if they have an eco-friendly quality. Since new-builds are naturally more eco-friendly due to using less energy, investing in an off-plan property will appeal to the environmentally-conscious tenant.

Aside from the eco-friendly aspect of new build properties, many young professionals will also favour this type of rental property due to the convenience that comes with it. If you lead a busy lifestyle, you'll barely have time to decorate your home or stay on top of maintenance such as broken plumbing or structural issues.

This is why off-plan developments are so perfect as they're already well decorated and up to date, meaning young tenants can simply move in. Because of these busy lifestyles, young professional tenants also tend to avoid renting houses as they struggle to keep up with the housework and maintenance that comes with them, and instead favour a one or two-bedroom flat which is more compact.

Many landlords consider young professionals to be the ideal tenant as they tend to take pride in their rental property. This means that they're likely to stay on top of housework in order to keep the property clean and tidy, especially when friends and family come to visit. This is great when buying apartments off the plan as the tenants you secure are likely to be either the first or one of the first people to live there. Keeping the property in good shape will benefit you as it will

ensure the off plan investment is just as attractive in years to come as it was after first being built.

Residential properties are highly in-demand, especially in prime locations surrounded by exciting regeneration and close to workplaces, transport links and top attractions. By buying off the plan for investment, you're catering to this high-demand from young professionals and limiting your risk of void periods by bringing a new and exciting rental opportunity to your demographic.



Student Off Plan Property

Some of the best off-plan properties for sale in the UK are student properties. When wishing to buy cheap properties off-plan, UK investors should look towards student accommodation which typically comes with a lower purchase price than residential. This is because the majority of new off-plan student properties are studio style, meaning that they're smaller and more compact – and therefore cheaper. This doesn't mean that rental yields have to suffer, however, as student properties in the UK can generate some impressive yields, provided they're in the right location.

One of our off-plan investment properties, Poets Place in Liverpool, is a prime example of the potential behind off the plan student investments. This property is classed as both a student and residential development and comes with net rental returns

of 8%. Along with the price and yields, there are some other benefits of buying off-plan student properties, such as high levels of demand.

Like young professional tenants, students are also likely to be drawn to off-plan new build accommodation. In the past, more students would settle with shared student housing, often in a renovated period property. While some tenants love the charm of staying in an older home, these types of properties often encounter issues such as damp, faulty plumbing and electrics, or other structural issues. For students, these problems can be a major inconvenience, which is why living in a newer, more modern property is so appealing.

When you invest in an off-plan property in one of the UK's top buy to let property hotspots, you'll have even

higher chances of a lucrative investment due to both demand and capital growth. Exploring student off-plan investment opportunities in top student cities like Liverpool will ensure you consistently secure tenants and have a high chance of making capital gains from your investment.

LIMITED UNITS REMAINING

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poet's place



POET'S PLACE

Liverpool Student Investment

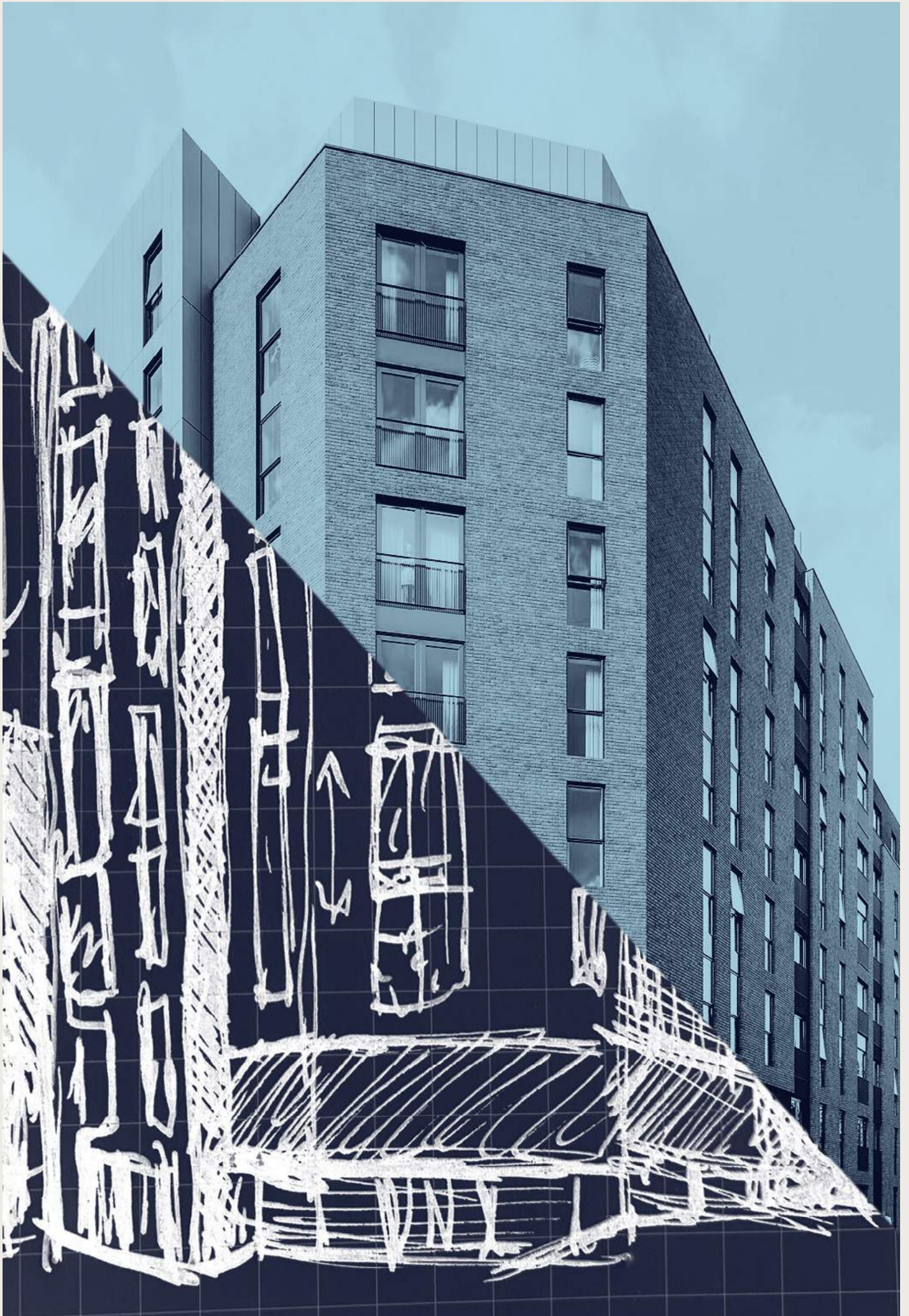
Prices from **£78,950**

8% NET Rental Return

£7bn Regeneration Zone

Find Out More





Why Buy Off-Plan? The Benefits of Off-Plan Investment

You wouldn't consider making any investment without first thinking about the benefits. Before you think about buying property off plan, take a look at the benefits of this type of property investment. So what are the advantages of buying off-plan property? Here are four important benefits of buying property off plan.

Better Capital Growth

Off-Plan properties are considered one of the most effective investment options when it comes to capital growth. When you purchase an off-plan property in an area with a lot of potential for capital appreciation, the chances are that by the time your property is ready for tenancy, it could have significantly increased in value compared to the price before completion.

At RWinvest, all of our off-plan properties are located in UK buy to let property hotspots — Liverpool and Manchester. Both these two cities have seen huge house price growth over the years, with the North West exceeding any other UK region. This property price growth isn't set to slow down any time soon, with predictions for the area to see 27.3% growth over the next five years.

If you buy off-plan property in Liverpool or Manchester, you increase your chances of making lucrative returns on your investment through capital growth — even more so than you would with a traditional investment.



NORTH WEST REGION
27.3%
GROWTH OVER THE NEXT
5 YEARS



Below Market Rates

So we know that off-plan investments allow you to make better gains on the value of your property, but what about price? Buying off-plan property in the UK is often cheaper than buying other investment types such as a refurbishment property because off plan property developers will often offer the property at a discounted sale price.

A lot of people that are just starting out in property investment will buy cheap properties off plan in UK cities as a trusted way to build their portfolio. We offer our off-plan developments at below market value rates for the lowest price, making the investments a lot more affordable while also maximising the potential for growth.

Our new Merchant's Wharf development, for instance, is located in a prime central Manchester location and includes luxury apartments priced from just £149,950, which is unheard of for the area. Within proximity to MediaCityUK, this below-market development offers a choice of one, two, or three-bedroom apartments featuring luxury onsite amenities to attract the most sophisticated tenants.

Similarly, our Parliament Square development can be purchased from £104,950 for an affordable off plan property investment. This off-plan development is based in Liverpool's Baltic Triangle; an area voted the 'coolest place to live' by the Times. This makes Parliament Square an excellent choice if you're keen to make an off-plan Liverpool property investment. Both of these off-plan developments have a high likelihood of increasing in value by the time construction is complete, and offer attractive rental yields of 6.5 and 7%.

Consistent Rental Returns

Off-plan property investments tend to perform well in terms of attracting rental demand. The majority of tenants appreciate the idea of a new build home as they value being one of the first people to live in a property. Since new-build off-plan properties are completely modern, they also tend to not need any maintenance or repairs prior to tenancy. Buying property off plan for your investment gives you peace of mind that tenants will always be interested in renting your property, ensuring a consistent cash-flow of rental income and lower void periods.

**OFF-PLAN
INVESTMENTS OFFER UP TO
7%
RENTAL YIELDS**

More Freedom

One of the final benefits of buying off-plan property is the freedom that comes with this investment type. Because these properties haven't been finalised, investors can pick and choose the best units. For instance, investors can research the different units available and consider whether the dimensions and specifications will be suitable for their investment goals. This increases an investors likelihood of high rental demand even further by selecting units with the most desirable features such as private balconies and spacious layouts.

NEW LAUNCH

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MERCHANT'S WHARF
ORDSALL LANE, MANCHESTER

Manchester

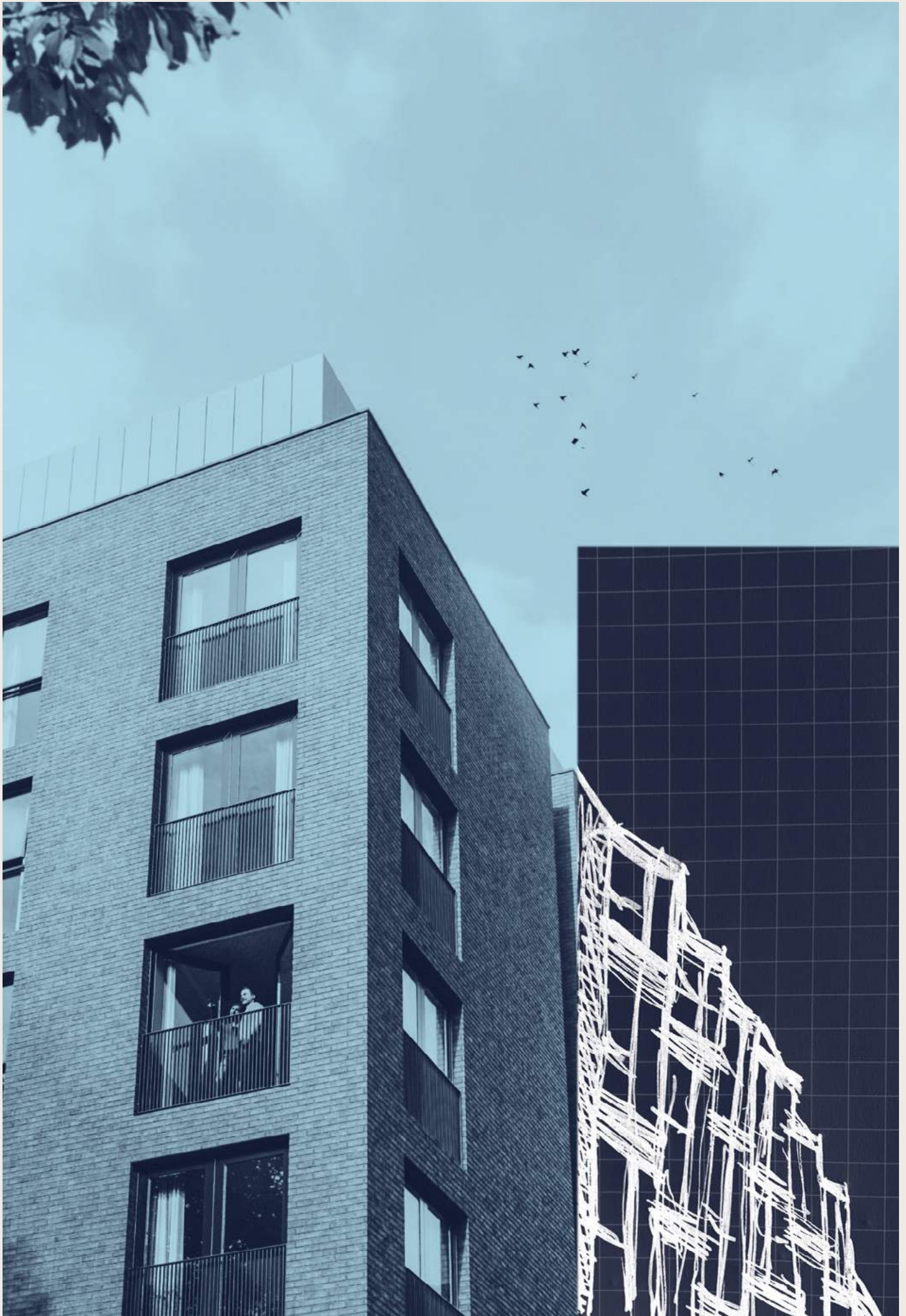
Prices from **£149,950**

UP to 6.5% Projected Rental Return

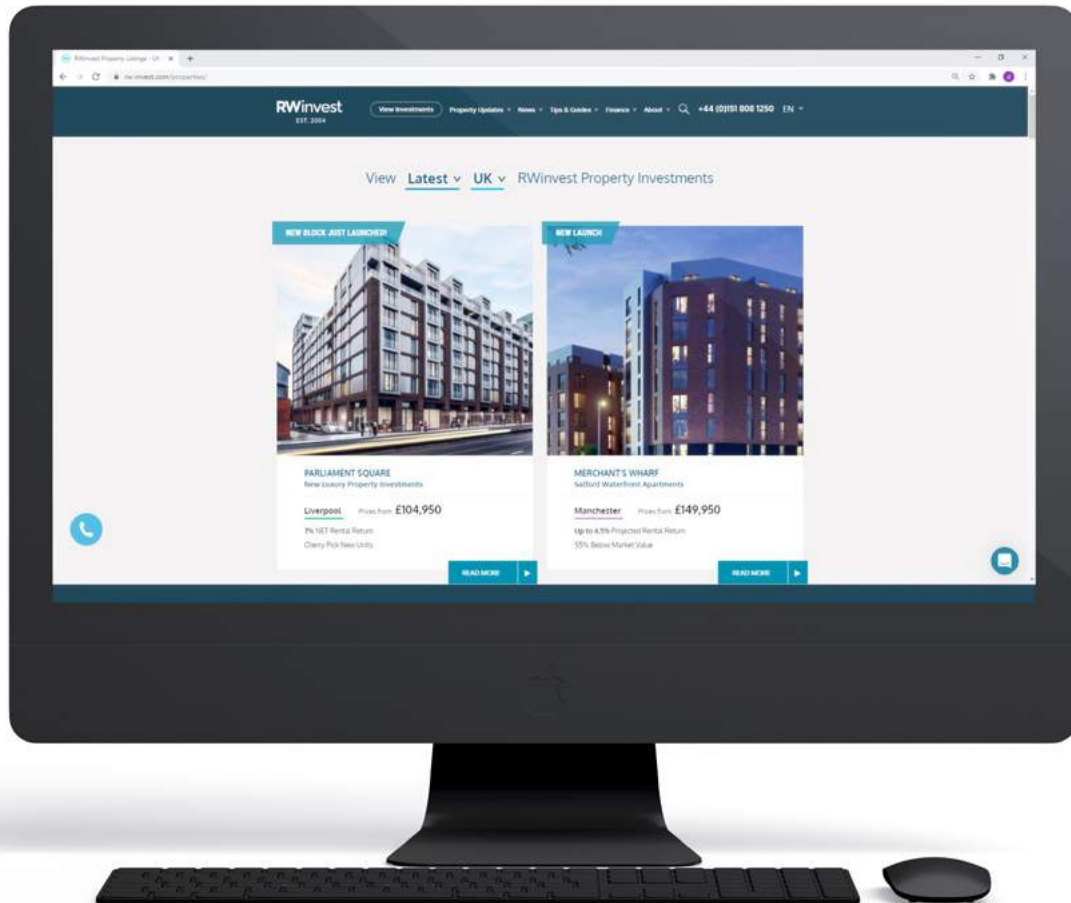
55% Below Market Value

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Click the button below to view our latest investments.
Start your investment journey today.

Find Out More



Frequently Asked Questions About Off-Plan Property

Is Buying a New Build a Good Investment?

Buying a new build off plan property is definitely a worthwhile investment if you're keen to attract plenty of rental demand, generate high yields, and give yourself a good chance of making strong capital growth returns.

As mentioned in this guide, off plan property in the UK is known to draw in attention from some of the UK rental markets most desirable tenants – young professionals and students. This means that investors who opt to buy off plan property won't have to worry about void periods where they lose income. Provided your rental property has been marketed well, you should see a lot of demand once the development is complete.

The fresh and modern design of the property also means that a lot of new build properties have a higher rental value than older apartments or houses that are in need of refurbishment. When investing in off plan developments in thriving UK cities, regeneration and ongoing growth mean that your property is likely to see some significant capital appreciation.



Is it Cheaper to Buy Off the Plan?

Buying property off the plan is often significantly cheaper than buying a finished property. This is because developers will often secure the most competitive rates for their off plan developments as a way to entice buyers.

As an example of the potential cost difference investors can expect, a two-bedroom off plan apartment based in Liverpool city centre within the popular development, City Residence, is listed for £165,995. In comparison, a completed two-bed apartment in Liverpool city centre costs £190,000, which highlights a price difference of around £24,000.



What Are the Best Places to Buy Off-Plan Property?

The best locations to buy off-plan property are cities and towns with a lot of capital growth potential. Off-plan properties have a reputation for increasing in value before they're even ready for tenancy. If your off-plan property has been built in a buy to let property hotspot, the chances of this happening are even stronger.

For a long time, when it comes to buying and selling property, London property has held the spotlight for UK property investment. Now, however, the disappointing growth rates and low yields that come with property in London have meant that the attention has shifted to the North for off-plan property investments.

The North West has the highest rate of house price growth compared to any other UK region, with predictions for even further growth over the next five years. Thanks to ongoing

regeneration projects that are bringing lots of interest to these two cities and boosting the economy, investors who buy off plan Manchester or Liverpool property are likely to see their property grow in value by the time it's ready for tenancy.

In Liverpool and Manchester, there's a lot of demand for rental properties from young professional tenants, making off plan investment opportunities more promising. If you buy off-plan property in Manchester or Liverpool, you'll want to make sure you appeal to this target tenant to attract as much demand as possible.

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View our **£1bn portfolio** today with projects launched in 16 major cities.

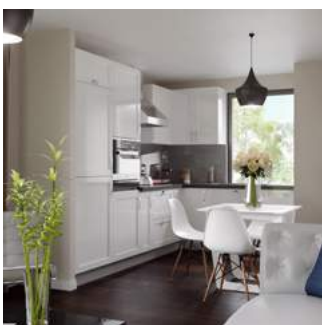
City Terraces, Liverpool



View Our Track Record

When we founded RWinvest in 2004, our mission was to help investors like you succeed, matching you with carefully vetted opportunities that offer excellent growth prospects. Our focus has always been on transparency, reliability and quality, bringing investors together with the best developers and management companies in the UK.

rw-invest.com



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This literature should be treated as general guidance and not construed as investment advice. Prospective purchasers must rely on their own due diligence. All information and details are given in good faith and are believed to be correct but any intending purchasers or lessees should not rely on them as statements or representations of fact but must satisfy themselves by inspection of the correctness.

This guide to house prices after Brexit was last updated in October 2020. Depending on the date you're reading this article, certain details or statistics may have changed since the content was last updated.