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What is the Difference Between Stocks and Shares Investment and Property?

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Investing your money is one of the best ways to make returns on capital that would otherwise sit in a low-interest rate savings account. With the UK standard interest rates being some of the lowest in the world and the global economy not offering a large amount to make through merely putting your money in an account, more people are investing than ever before. However, looking to invest your money doesn't change the fact that there are risks associated with investing, and you need to be careful when putting a large amount of your money into an investment, whether it is stocks and shares or property.

The two main types of investment are stocks, shares and [property](#); all of which are popular choices that provide individuals with the chance to make returns on their initial investment through financial gain and asset appreciation. Making the difficult to choose between these types of investment can be difficult, especially when you have a budget but want to still make as much money as possible.

Property Investment: What You Need to Know and the Advantages of it

Property has always been regarded as a secure and stable investment type because of how the market works. Plus, most of us have a knowledge of property since we've bought a home already and know how the process vaguely works. Having market knowledge means we're more confident with our choices, which means people often opt for property investment because it's familiar to them.

Property investment can be split into multiple different elements, but the most popular and lucrative is buy to let. Buy to let property is when someone will purchase property and then rent it out to tenants for money. Not only are you gaining rental income from that property monthly, but if you choose the right area, your property will appreciate in value over time. If you're seriously considering investing in property, then research will be your best friend. [RWinvest](#) offers a range of blogs, guides and podcasts surrounding the UK property market and what you should look out for as an investor; this will help you make key decisions for your next venture.

Advantages

? You can make good rental yields of 7 – 10% throughout the country depending on where your property is located. Liverpool is actually a top-performing city when it comes to property

investment as the average rental yield is highest in the country at 10% in the L1 postcode.

? Capital growth is strong, which means your property price will continue to grow while you're charging tenants – it's essentially hassle-free.

? Anyone can enter the property market; as long as you have the capital to get started, then it's your choice.

Stocks and Shares: The Riskier Option

Despite their popularity, stocks and shares hold a lot more risks when it comes to investing your money. This is especially true since people tend to lose a lot more money when investing in stocks or shares. The market fluctuates a lot more when it comes to stocks and shares, and it's not as stable. Therefore, investors should be aware of the risks that come with deciding on this investment type.

While the money from certain shares is more easily accessible, this is mostly outweighed by the idea that it's a riskier option. There are huge differences between this investment and property; one of the biggest differences is that stocks and shares take less time to manage. Depending on whether you opt for a hands-on or hands-off investment strategy, your property investment may take up a large percentage of your time. Those of you who have busy lives, with family and work to think about will want to choose a hands-off strategy.

Photo:  **Erol Ahmed**

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