

# Can fractional ownership help you invest smarter?

Blog

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## Introduction to fractional ownership

Real estate has long been a tried and trusted way of wealth building, but for many, the high costs of property ownership can be a barrier. Fractional ownership is changing the game, offering a better way to invest by allowing multiple investors to share ownership of a single property. This approach provides access to premium real estate without substantial upfront capital.

## Diversify your portfolio

Fractional property investment enables you to diversify your portfolio, spreading your risk across multiple properties rather than relying on a single asset. By co-owning real estate, you benefit from shared rental income and potential property appreciation while maintaining flexibility in investment strategy, making it an attractive option for those looking to find an investment property that fits their financial goals without overcommitting resources.

## **Complementing strategies: bridging loans and fractional ownership**

For investors seeking higher returns, fractional ownership can complement strategies such as bridging loan investments. Bridging loans, short-term financing options for property purchases or renovations, yield competitive returns when integrated into a diversified portfolio. As debt investments, they involve lending money for short-term property transactions, earning interest while being secured against property assets. This approach provides relatively lower risk and steady income, complementing fractional property investments that offer partial ownership and returns through rental income and property appreciation. Both strategies enable investors to diversify across distinct risk profiles in the property investment landscape.

## **Considerations and risk mitigation**

However, as with any investment, there are risks involved. Illiquidity can be a concern with fractional ownership, as selling your share may take time. Additionally, management and property upkeep fees can impact returns, but TAB mitigates this by setting aside a monthly reserve fund. Carefully evaluate these factors and seek professional advice when needed.

## **Building a balanced portfolio**

By combining fractional ownership with other strategies like bridging loan investments, you can create a balanced portfolio for growth and stability. TAB's commitment to providing clear and accurate information allows investors to navigate the complexities of real estate with confidence, ensuring smarter decisions.

## **TAB: supporting smarter investment decisions**

TAB offers creative solutions for investment and other property financing options. With a focus on transparency and flexibility, TAB helps investors explore opportunities that match financial goals. Whether you are interested in property investment and debt investments or specialist finance including residential investment property mortgages, land bridging loans, or property development finance, TAB's expertise and tools help you to invest smarter.

This information does not constitute advice or a personal recommendation. As with any investment, your capital is at risk, and you should seek advice concerning suitability from an investment adviser.

**Capital is at risk.** Property values can go down as well as up. Borrowers may default and investments may not perform as expected. Interest and income are not guaranteed. Returns may vary. You should not invest more than you can afford to lose. TAB is not authorised by the Financial Conduct Authority. Investments are not regulated and you will have no access to the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS). Past performance and forecasts are not reliable indicators of future results and should not be relied on. Forecasts are based on TAB's own internal calculations and opinions and may change. Investments are illiquid. Once invested, you are committed for the full term. Tax treatment depends on individual circumstances and may change.

You are advised to obtain appropriate tax or investment advice where necessary. Understand more about the key risks [here](#).

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