

# How fractional property lowers the barriers to real estate investing

**Blog** 

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Traditionally, investing in real estate requires significant capital, making it inaccessible to potential investors. However, fractional property investment is changing tradition by allowing individuals to invest in property without large upfront costs. This guide explains how fractional ownership works and the benefits it offers to investors.

### What is fractional property investment?

Fractional investment allows multiple investors to own a portion of a property, rather than purchasing it outright. Each investor holds a percentage stake and can benefit from rental income and potential property appreciation. This model provides an opportunity to participate in high-value properties that would otherwise be unaffordable, opening access to prime real estate and commercial properties with a potential return on investment.



### How fractional investment lowers barriers

One of the biggest obstacles to property investment entry costs. Fractional property investment allows investors to start with a smaller financial commitment, making real estate more accessible. With TAB Property, investors can invest in fractional property ownership, from as little as £1,000. Instead of committing all resources to a single property, investors can diversify their capital across multiple properties, mitigating risk and enhancing their portfolio.

Additionally, fractional property ownership relieves management responsibilities. Unlike traditional investments, where owners oversee tenant screening, maintenance, and rent collection, fractional models are managed by professional asset managers, allowing investors to enjoy passive income. Liquidity is also improved, as some fractional property investment platforms offer secondary markets where investors can sell their shares more easily.

# **Alternative investment types:**

Fractional bridging loan investments provide a distinctive alternative investment option for short-term investment and potential high-yield returns. TAB Lending, our fractional bridging loan investment product, allows you to invest with a minimum of £1,000, providing flexibility in terms and durations. You can build and manage your own diversified property portfolio, all while benefiting from the security of property-backed investments and maintaining control over your investment strategy.

## Key considerations and risks

Whilst fractional investment lowers many barriers, it is not without its risks. Market fluctuations can impact property values, and investors have limited control over decision-making compared to full ownership. Liquidity may also vary depending on the platform and market conditions, so investors should carefully evaluate exit strategies before committing.

Fractional property investment is changing the game in property by making it more accessible and manageable for investors. Whether you are looking to own a portion of a property or exploring bridging loan investment options, fractional ownership offers a flexible path to property investment.

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

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