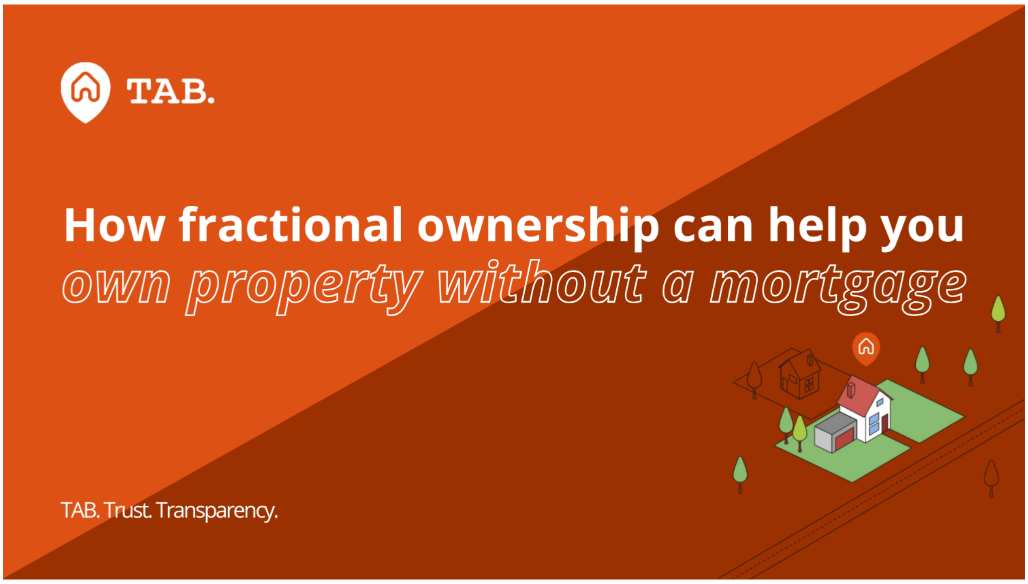
How fractional ownership can help you own property without a mortgage

Blog

03.04.25



Owning property normally requires significant capital or mortgage security, but fractional property investment is changing the landscape. This model allows multiple investors to collectively buy a share of a property, reducing the financial burden. It is an innovative solution for those looking to find an investment property without the challenges of securing a mortgage or large deposits.

What is fractional ownership?

Fractional property investment involves purchasing a share in a property rather than owning it outright. Investors receive their proportional benefits of a potential return-on-investment from rental income and any capital appreciation. Unlike conventional homeownership, this model enables individuals to step into the property market with a lower capital outlay.

How fractional ownership works

Investors buy fractions of a property. The percentage share an investor holds determines their share of their return-on-investment. This approach makes entering the real estate market more accessible whilst avoiding long-term commitments with traditional mortgages.

Benefits of fractional ownership

One of the biggest advantages is the reduced financial entry barrier. With TAB Property, you can invest in as little as £1,000. Additionally, you can diversify your shares across multiple fractional property investments, reducing your risk of capital depreciation and/or loss. This flexibility makes fractional ownership attractive to both seasoned and first-time investors.

Fractional ownership vs traditional property investment

Unlike buying a home outright, fractional property ownership eliminates the need for a large deposit or a **mortgage**. It also removes the pressure of mortgage repayments, making property investment more manageable. However, investors should be aware that, whilst this model offers lower entry costs, they will not have full control over property decisions.

How to invest in fractional property

Investors can enter the fractional property market through specialised platforms. Using tools such as our return calculator with TAB Property can help analyse your potential return-on-investment. Additionally, investors interested in short-term investments may explore our **bridging loan investment solution**, also known as TAB Lending.

Risks and considerations

While fractional ownership provides an alternative to regular property investment, it comes with potential risks. Market fluctuations can impact property values, and investors have limited control over asset management.

For those seeking property investment opportunities without taking on mortgage debt, **fractional property investment** offers an effective alternative. It provides accessibility, diversification, and flexibility in real estate ownership. However, as with any investment, it is crucial to assess risks involving capital and carefully read our key risks involved with TAB Property and TAB Lending, to learn more about our investment products in greater detail.

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.