


**FREE GUIDE**  
UNDERSTANDING  
FRACTIONAL OWNERSHIP

# LIVE LIKE A MILLIONAIRE... FOR A FRACTION OF THE COST



*“I LOVE FRACTIONAL OWNERSHIP. IT OFFERS CUSTOMERS THE OPPORTUNITY TO BUY INTO A PROPERTY THAT THEY COULD ONLY EVER DREAM OF OWNING OUTRIGHT. IT ALSO MEANS THAT PEOPLE DON’T HAVE TO PUT ALL OF THEIR LIFE SAVINGS INTO A SINGLE PROPERTY THAT THEY MAY ONLY USE FOR A FEW WEEKS OF A YEAR.”*



*“FRACTIONAL OWNERSHIP IS NOW THE LARGEST METHOD OF HOLIDAY HOME OWNERSHIP IN THE USA AND IS INCREASINGLY GAINING MOMENTUM IN EUROPE.”*

## LUXURY FOR LESS - FRACTIONAL OWNERSHIP

**F**ractional ownership is a unique opportunity where unconnected buyers collectively and securely own the freehold of a property. Here is a simple overview of fractional property ownership:

- **Live the dream lifestyle for less**
- **You own a fraction of the physical property**
- **Lower financial risk - less initial outlay**
- **Allows you to spread your property portfolio**
- **You have deeded ownership, therefore the price you pay is a true reflection of the value of the property**

### **Why is fractional ownership so popular?**

Born in the US, the popularity of fractional ownership has been growing over the past few years as more and more property buyers hear about it. Of course there are many reasons why people look at buying into fractional properties, but there tend to be two main reasons.

### **Own your dream property without the outlay**

You can now afford to experience the life you've always wanted for a fraction of what it would cost to buy a lavish property outright. For example, for around £20,000 you can own a share in physical 'bricks and mortar' of a luxury villa worth around £500,000. Not only is this affordable and simple but you also get to enjoy incredible holidays every year depending on your purchase agreement.

### **Diversify your portfolio**

Owning a fractional property also means that you can afford to own several properties in several locations, all for less than the cost of one full ownership property. Many people would now question spending £100,000 on one property in one location when for roughly the same money you can purchase 5 luxury properties in 5 different locations.

For buyers looking to spread their funds into as wide a portfolio as possible, as well as for those seeking several luxury homes overseas, fractional ownership is the perfect option.





## HOW FRACTIONAL OWNERSHIP WORKS

- **You can enjoy use of your dream property (depending on your package)**
- **You co-own the property deeds**
- **You make profit on any capital growth**

A company is created that owns the property. This company has a nominated number of membership fractions (usually 13 or 26) and owners can choose to buy one or more of these membership fractions.

Unlike timeshare where you only own the usage time, fractional ownership means you actually co-own the title deeds. When you sell your fraction you will make profit on any capital growth that has occurred.

### Live the dream

Most fractional packages will allow you time in the property every year and it will be allocated by a carefully constructed chart, by which each owner's usage will rotate annually. The system ensures that, every year, each owner will enjoy for example four weeks residency of their property – split between the high season and low season.

In some resorts, you can also choose to take advantage of a fixed rental return offered by the developer or you can choose to receive a 50/50 share of the nightly room rate split with the hotelier whilst still allowing some personal usage.

***“FRACTIONAL OWNERSHIP WAS BORN IN AMERICA AND IS QUICKLY GAINING POPULARITY IN OVERSEAS DESTINATIONS POPULAR WITH BRITISH HOLIDAYMAKERS AND INVESTORS.”***

*- Sunday Times*

*“EVERYONE HAS  
THE RIGHT TO  
FEEL SPECIAL  
AND FRACTIONAL  
OWNERSHIP IS  
ONE STEP TO  
ACHIEVING THAT.”*



## RESALE POTENTIAL

- **Sell on independently at any time**
- **Enjoy capital growth on your share**
- **Superb re-sales potential**

The value of your fraction will increase in-line with the property value – exactly the same as if you owned the whole property.

Remember you can sell your fraction at any time, meaning that you can profit from any capital growth. This doesn't affect any of the other

fractional owners of your property – all of you can sell independently. You will also get complete legal and tax benefits.

As an owner of a fractional purchase, you can also allow friends and family to use some of your usage – it's often the case that they may even look to buy a fraction too! If you're looking to sell, you must offer it first to the other existing fractional members, in case they would like more usage or income by purchasing it.

### Fractional Ownership

You actually own a fraction of the property. You physically own a share of the freehold of the property as an asset – the bricks and mortar. When you're ready to sell, you can do so at any time and with a realistic opportunity of making a profit.

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### Timeshare

You purchase the right to stay in a property for a given time period over a number of years (effectively a re-saleable, prepaid booking). This is completely different to fractional ownership – you do not own any part of the physical property.