

Tech trend: new generation property finance

Clubbing together to get on the ladder

Buying your first property in the current market is tough. High house prices, unachievable deposits and strict lending criteria are all taking their toll on potential buyers. Many are stuck renting. A recent report* shows that between 2000 and 2014, the percentage of people aged 25-34 years old in rented households had more than doubled from 21.4% to 48.2%. Crowdfunding takes a model that has worked for other types of investment and applies it to property – the idea being that those who wouldn't have a big enough deposit to benefit from the investment gains of a booming market can get a share of the action after all.

Investing together is possible

Through websites such as [Property Moose](#) and [Property Crowd](#), users can invest as little as £10 into a property that is then either renovated and rented or rented out immediately. Investors make money based on their input on a monthly basis and also when the property is sold. Experts say that the format will increase in popularity in the near future and that in the US investment in real estate crowdfunding has already reached a whopping \$1billion.

Social Market Foundation publication

smf.co.uk/publications/locked-out-how-property-crowdfunding-could-help-the-next-generation-of-homeowners/