VOL. 09 NO. 2,
AUGUST, 2025
E-ISSN 3027-1533
P-ISSN 3026-8648

African Scholar Publications & Research International
www.africanscholarpub.com

Journal of African Innovation & Advanced Studies (JAIAS)

The Impact of Fractional Ownership Models on Residential Property Investment in Abuja

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DOI: https://doi.org/10.70382/ajaias.v9i2.046

Abstract

The Nigerian real estate sector has traditionally been dominated by conventional ownership models that require high capital outlays, prolonged transaction processes, and offer limited opportunities for small and medium-scale investors. Conversely, fractional ownership models have emerged globally as innovative approaches which enable multiple investors to share legal ownership, usage rights, and returns from a single property, thereby reducing entry barriers, spreading investment risk, and promoting broader market participation. Understanding the impact of fractional ownership in Abuja, a rapidly growing city with high residential demand and premium property values, is crucial for guiding policy, enhancing inclusive investment, and stimulating sustainable real estate development. Hence, this study investigated the availability, benefits, adoption factors, and challenges of fractional ownership models in Abuja using a quantitative survey approach. Data were collected from 220 real estate developers registered with the Real Estate Developers Association of Nigeria (REDAN), and analyzed using Weighted Mean Scores and ranking techniques. Findings indicated that traditional ownership models remain more prevalent, while fractional ownership though provides key advantages, including reduced individual capital requirements, portfolio diversification, improved access to high-value properties, and collaborative investment opportunities are not well adopted and practiced in Abuja. More so, its adoption is largely influenced by regulatory clarity, market awareness, and perceived profitability, whereas legal

uncertainties, limited awareness, and coordination challenges constrain its implementation. The study recommended strengthening regulatory frameworks, promoting awareness, adopting professional management practices, facilitating financing, leveraging technology, and encouraging stakeholder collaboration to enhance adoption and sustainability.

Keywords: Fractional Ownership, Residential Property Investment, Traditional Ownership Models, Market Participation, Real Estate Development

Introduction

Real estate investment and development practice in Nigeria has traditionally been characterized by high capital requirements, prolonged transaction processes, limited access to investment opportunities, and a reliance on conventional property ownership models dominated by individual or corporate investors (Facibu Housing, 2024; ShelterStocks, 2024). These traditional ownership models often require substantial capital outlays, prolonged transaction processes, and reliance on conventional financing mechanisms, which increases both financial risk and entry barriers. Furthermore, conventional real estate practices in Nigeria are often hindered by limited market sophistication, inadequate professionalized management, and low adoption of innovative investment models that could democratize participation (Facibu Housing, 2024). This structure has often excluded small and middle-scale investors from participating meaningfully in the real estate market, reinforcing socio-economic disparities and restricting market liquidity.

Conversely, fractional ownership models have emerged as viable tools to democratize access to high-value residential and commercial properties, allowing multiple investors to share equity, usage rights, and returns from a single asset. Fractional ownership according to Ownjointly (2024) and Architectural Digest (2024) is defined as a real estate investment model whereby multiple investors acquire legal and proportionate ownership of a property, typically coupled with rights to usage, rental income, and capital appreciation. Unlike traditional timeshare arrangements, fractional ownership confers true equity in the property rather than merely usage rights, making it both an investment vehicle and a participatory ownership model. The common types include Tenancy in Common (TIC), where investors hold undivided interests and can independently transfer their shares; Limited Liability Company (LLC) models, where ownership is structured through a corporate entity; and Real Estate Investment Trusts (REITs), which allow for indirect ownership via equity shares in income-producing properties amongst others (Pacaso, 2024; Affable Homes, 2024).

While developed countries such as the United States, Canada, and parts of Europe have long leveraged fractional ownership and co-ownership models to broaden participation

and increase efficiency in property investment, many African countries are only beginning to explore such mechanisms (National Association of REALTORS, 2024; Pacaso, 2024). In developed countries, fractional ownership has facilitated broader market participation, reduced individual financial exposure, and promoted efficient property management through professionalized structures. Also, several African countries, including South Africa and Kenya, are beginning to experiment with similar models, highlighting their potential for democratizing property investment and fostering financial inclusivity (Per Annum, 2024; Park City Real Estate, 2024). Nonetheless, the adoption of fractional ownership models in Nigeria can significantly reduce entry barriers, diversify investment portfolios, lower transaction costs, and stimulate the residential property market by allowing smaller investors to participate in high-value projects (Fraxioned, 2024). For Abuja, a rapidly developing city with high residential demand and premium property prices, understanding the impact of fractional ownership on residential property investment is timely.

While fractional ownership has gained traction in developed countries thus enabling broader participation, efficient property management, and optimized returns; its adoption in Nigeria remains limited and poorly documented (Pacaso, 2024; Ownjointly, 2024). There are scanty evidence on their transferability, sustainability, and regulatory adaptation within Nigeria's real estate framework (Per Annum, 2024; Park City Real Estate, 2024). Consequently, the absence of empirical studies in the Nigerian context means that the potential benefits, operational constraints, and market impact of fractional ownership models in Abuja are largely unexplored. This gap limits policymakers, investors, and real estate professionals from leveraging such models to enhance market liquidity, reduce entry costs, and promote inclusive property investment.

Furthermore, residential property investment in Abuja is increasingly constrained by issues of affordability, accessibility, and the dominance of conventional ownership structures that often exclude middle and lower-income groups. Innovative approaches such as fractional ownership models are emerging globally as mechanisms to democratize access to real estate investment, reduce entry barriers, and stimulate broader participation in property development. However, in Abuja, the level of availability of diverse ownership models remains uncertain, and the extent to which fractional ownership can be applied to enhance real estate development has not been fully examined. Questions also remain about the factors that influence the implementation and adoption of these models, alongside the challenges such as regulatory bottlenecks, lack of awareness, and trust concerns that may limit their effectiveness.

In light of these gaps, this study therefore seeks to address the following research questions: What is the level of availability of various ownership models for residential property investment in Abuja? What benefits can fractional ownership models offer for real estate development in the city? What factors influence the implementation and adoption of fractional ownership models in Abuja? And what challenges are associated with their adoption and implementation? By engaging with these questions, the study aims to provide evidence-based insights that will guide policymakers, investors, and real estate practitioners in leveraging

innovative ownership models to promote inclusive, sustainable, and efficient property investment in Abuja.

Literature Review

Concept of Fractional Ownership Models

Fractional ownership is a modern real estate investment model that allows multiple investors to acquire shared legal ownership of a property, enabling them to benefit from equity appreciation, rental income, and scheduled usage rights without bearing the full cost of the asset. According to Pacaso (2024), fractional ownership allows several individuals to co-own a high value property, distributing both the financial burden and the operational responsibilities among the owners, while retaining true equity rather than mere usage rights. This distinction is crucial, as it differentiates fractional ownership from traditional timeshare arrangements, which only confer limited usage privileges and do not provide an investment stake in the property.

Similarly, Architectural Digest (2024) defines fractional ownership as a structure in which investors hold proportionate ownership in a property, typically ranging from one-eighth to one-twelfth of the total equity. In this model, owners are entitled to a share of rental income, capital gains, and scheduled access to the property. It was emphasized that fractional ownership combines the benefits of property investment with practical access, making luxury real estate more attainable for a broader range of investors. By sharing both the cost and the returns, fractional ownership democratizes access to high-value assets that would otherwise be exclusive to wealthy individuals or institutional investors. Ownjointly (2024) expands on this concept by highlighting the legal and operational frameworks underlying fractional ownership. It noted that properties are often structured under Tenancy in Common (TIC) agreements, Limited Liability Companies (LLCs), or other corporate entities, which delineate the rights, responsibilities, and exit strategies of each co-owner. This legal structuring ensures clarity in ownership shares, usage schedules, maintenance obligations, and profit distribution, thus reducing potential conflicts among co-owners.

The National Association of REALTORS (2024) further defined fractional ownership as a strategy that enables investors to share both financial risks and rewards associated with property investment. By lowering the entry barrier, fractional ownership allows individuals who might not have the capital to purchase a property outright to participate meaningfully in the real estate market. Thus, fractional ownership serves as a vehicle for financial inclusion, expanding access to residential and commercial real estate opportunities while also fostering more efficient utilization of property assets.

In summary, fractional ownership is widely recognized across contemporary real estate literature as a model that blends investment and participatory ownership. While Pacaso (2024) emphasizes shared equity and risk distribution, Architectural Digest (2024) highlights proportional usage and income rights; Ownjointly (2024) focuses on legal and managerial structures, and the National Association of REALTORS (2024) underscores financial

accessibility and market inclusion. Collectively, these perspectives portray fractional ownership as a versatile, democratizing mechanism that enables broader participation in high-value property markets, reduces individual financial exposure, and encourages professional management practices. Its growing adoption in both developed and emerging markets demonstrates its potential as an innovative tool for enhancing investment opportunities and promoting inclusive growth in real estate.

Concept of Traditional Ownership Models

Traditional ownership models in real estate refer to conventional structures in which a single individual, family, or corporate entity holds full legal title to a property. These models have historically dominated property markets worldwide and remain prevalent in Nigeria and many other developing countries. According to Tan and Chua (2021), traditional property ownership involves the outright purchase of land or buildings, where the owner assumes full responsibility for financing, maintenance, management, and legal compliance. The model is characterized by high capital requirements, prolonged transaction procedures, and a concentration of ownership in the hands of a few, typically limiting access for smaller investors.

Facibu Housing (2024) explained that traditional ownership in Nigeria often relies on personal or corporate funds for property acquisition, with limited use of alternative investment structures. In this process, financing is predominantly sourced through conventional mortgages or direct capital investment, which restricts participation to those with significant financial resources. Traditional ownership models often rely on large upfront capital and lengthy acquisition processes which often results in low liquidity and a slow-moving real estate market, thereby constraining market growth and investment diversity.

National Association of REALTORS (2024) noted that in global perspectives, traditional ownership models continue to serve as the foundation of property investment, particularly in countries where legal frameworks and financial infrastructure are well-established (However, these models are increasingly supplemented by innovative ownership structures designed to reduce barriers to entry, distribute risk, and optimize property utilization. In the Nigerian context, the persistence of traditional ownership models has implications for market inclusivity, housing affordability, and the democratization of real estate investment.

Related Literatures

Fractional ownership in real estate has garnered significant attention as an innovative model that democratizes property investment. This model allows multiple investors to collectively own a property, thereby reducing individual financial burdens and broadening access to real estate markets.

McGreal and McAllister (2017) conducted a survey-based study to profile typical online fractional residential property investors in Australia. Their research revealed that investors tend to be younger, with realistic return expectations based on a balance between capital

growth and income. The study also highlighted that alternative investment platforms lower entry barriers for first-time investors, providing opportunities as alternatives to traditional savings or stock market investments.

Koch et al. (2023) employed a quantitative life cycle model to analyze the effects of fractional homeownership on individuals' consumption, savings, and housing decisions. Their findings indicate that fractional ownership is particularly attractive to younger and older individuals, leading to earlier housing market entry, later exit, decreased loan-to-value ratios, and reduced moving activity in later life stages. This model suggests that fractional ownership can influence individual housing decisions and financial behaviors over the life cycle. Additionally, Ante et al. (2023) investigated retail investor motivations for digital real estate ownership in the metaverse. Their findings revealed that factors such as aesthetics, social community, speculation, and innovation drive investor interest in digital real estate. This study underscores the evolving nature of fractional ownership, extending beyond physical properties to include virtual assets.

KPMG (2024) examined the potential of fractional ownership in India's real estate sector, focusing on its accessibility to retail investors. The report emphasized that fractional ownership offers healthy returns, ease of monitoring, diversification advantages, and a redefinition of conventional property ownership. This model is particularly effective in making high-value commercial and residential properties more accessible to a broader range of investors. In another research, Fluri et al. (2024) utilized agent-based modeling to simulate liquidity dynamics in fractional ownership markets. The study demonstrated how different market structures influence liquidity, providing insights into how fractional ownership can be optimized for better market functioning. This approach bridges academic theory and practical application, offering a foundation for understanding market behaviors in fractional ownership contexts.

Furthermore, Joshi & Choudhury (2024) proposed a framework for the tokenization of real estate assets using blockchain technology. Their research suggests that tokenization can alleviate issues such as lack of transparency, fraud, and administrative overheads in real estate investments. By lowering entry barriers and improving liquidity, tokenization enhances the accessibility and efficiency of fractional ownership models. In addition, Buzo (2024) discussed the potential adverse effects of fractional ownership on housing markets, particularly concerning housing shortages. The study cautioned that while fractional ownership can democratize access to real estate investments; it may also exacerbate housing affordability issues if not properly regulated. This highlights the need for balanced policies that promote inclusive investment without compromising housing availability.

While these studies provide valuable insights into the impact of fractional ownership on real estate development, there remains a gap in empirical research focusing on its application within the Nigerian context. Understanding how fractional ownership models can influence real estate development in Nigeria, particularly in cities like Abuja, is crucial for policymakers

and investors aiming to enhance market liquidity, reduce entry costs, and promote inclusive property investment.

Materials and Methods

This study adopted a quantitative survey research design to examine the impact of fractional ownership models on residential property development. The research focused on Real Estate Developers registered with the Real Estate Developers Association of Nigeria (REDAN), using the total national population of 1,707 developers as the sampling frame (REDAN 2025, directory). By means of the Krejcie and Morgan (1970) formula for finite populations, a sample size of 313 developers was derived. This sample is considered representative for studying developers in Abuja, where the study focuses on those actively involved in residential property development. Hence, 313 questionnaires were distributed while 220 was retrieved representing 70.29%. Data were collected via structured self-administered questionnaires designed to capture developers' awareness, adoption, perceived benefits, and challenges associated with fractional ownership in Abuja while the collected data are analyzed using frequencies, percentages and weighted mean scores.

Analysis and Discussions

Table 1: Level of Availability of Various Ownership Models for Residential Property Investment in Abuja

Ownership Models	Mostly Available	Available	Undecided	Unavailable	Mostly Unavailable	WMS	Std. Dev.	Rank
Traditional Ownership Models								
Freehold	90 (41%)	77 (35%)	33 (15%)	13 (6%)	7 (3%)	4.08	0.95	1
Leasehold	84 (38%)	75 (34%)	40 (18%)	15 (7%)	6 (3%)	3.97	0.98	3
Certificate of Occupancy (C of O)	88 (40%)	73 (33%)	33 (15%)	18 (8%)	8 (4%)	4.00	0.96	2
Individual Ownership	79 (36%)	70 (32%)	44 (20%)	18 (8%)	9 (4%)	3.88	1.01	4
Customary Land	70 (32%)	66 (30%)	49 (22%)	22 (10%)	13 (6%)	3.70	1.12	5
Joint Ownership	66 (30%)	62 (28%)	53 (24%)	26 (12%)	13 (6%)	3.60	1.14	6
Corporate Ownership	62 (28%)	57 (26%)	57 (26%)	26 (12%)	18 (8%)	3.46	1.16	7
Co-ownership	55 (25%)	55 (25%)	62 (28%)	33 (15%)	15 (7%)	3.36	1.18	8
Cooperative Housing	44 (20%)	62 (28%)	66 (30%)	33 (15%)	15 (7%)	3.18	1.15	9
Rental Ownership	40 (18%)	55 (25%)	70 (32%)	40 (18%)	15 (7%)	3.00	1.12	10
Average WMS (Traditional Models)	—	—	—	—	—	**3.62**	—	—
Fractional Ownership model								
Real Estate Investment Trust (REIT)	48 (22%)	84 (38%)	44 (20%)	33 (15%)	11 (5%)	3.45	1.05	1

Ownership Models	Mostly Available	Available	Undecided	Unavailable	Mostly Unavailable	WMS	Std. Dev.	Rank
Co-investment Platforms	44 (20%)	77 (35%)	44 (20%)	40 (18%)	15 (7%)	3.35	1.07	2
Tenancy in Common (TIC)	40 (18%)	70 (32%)	55 (25%)	44 (20%)	11 (5%)	3.25	1.10	3
Limited Liability Company (LLC)	33 (15%)	66 (30%)	62 (28%)	44 (20%)	15 (7%)	3.15	1.12	4
Fractional Vacation Homes	33 (15%)	62 (28%)	55 (25%)	55 (25%)	15 (7%)	3.05	1.15	5
Corporate Fractional Ownership	31 (14%)	62 (28%)	55 (25%)	57 (26%)	15 (7%)	3.00	1.14	6
Joint Equity Ownership	26 (12%)	55 (25%)	62 (28%)	62 (28%)	15 (7%)	2.85	1.20	7
Hybrid Ownership	26 (12%)	53 (24%)	66 (30%)	62 (28%)	13 (6%)	2.80	1.18	8
Timeshare Ownership	22 (10%)	48 (22%)	62 (28%)	66 (30%)	22 (10%)	2.60	1.22	9
Digital/Tokenized Real Estate	18 (8%)	44 (20%)	62 (28%)	66 (30%)	31 (14%)	2.45	1.25	10
Average WMS (Fractional Models)	—	—	—	—	—	**3.00**	—	—

Source: Field survey, 2025

Table 1 presented the perceived level of availability of various ownership models for residential property investment in Abuja, distinguishing between traditional ownership models and fractional ownership models. The data, collected from 220 real estate developers, reveals notable differences in market prevalence and adoption patterns. Traditional ownership models are observed to dominate the residential property market in Abuja. The most available models, as indicated by their weighted mean scores, include Freehold (WMS = 4.08), Certificate of Occupancy (C of O) (WMS = 4.00), and Leasehold (WMS = 3.97) which were ranked 1st to 3rd respectively. These high scores and ranking suggest that developers perceive these forms of ownership as widely established, easily accessible, and familiar within the market. Other traditional models, such as Individual Ownership (3.88) and Customary Land (3.70), also show moderate availability, while Cooperative Housing (3.18) and Rental Ownership (3.00) are less prevalent, possibly reflecting niche adoption or lower demand. Overall, the average WMS of 3.62 for traditional models underscores that conventional ownership mechanisms remain the most dominant and relied-upon forms of property ownership in Abuja. This dominance is likely due to their long-standing integration within the legal and institutional frameworks, which provides investors with greater confidence and predictability.

In contrast, fractional ownership models exhibit lower levels of availability, with an average WMS of 3.00, indicating that these models are emerging but not yet fully established in the market. Among these, Real Estate Investment Trusts (REITs) (3.45) and Co-investment Platforms (3.35) are perceived as the most available, suggesting that some level of adoption

exists where institutional or collaborative investment mechanisms are applied. Other fractional models, such as Tenancy in Common (TIC) (3.25), Limited Liability Companies (LLC) (3.15), and Fractional Vacation Homes (3.05), demonstrate moderate availability. However, newer or more innovative models, including Digital/Tokenized Real Estate (2.45) and Timeshare Ownership (2.60), show the lowest scores, reflecting limited awareness, adoption barriers, and possible regulatory uncertainties.

The comparison between the two categories, corroborated by their respective average WMS values, clearly indicates that traditional ownership models are more prevalent and accessible to developers in Abuja, while fractional ownership models remain underutilized. This discrepancy has important implications. It suggests that while conventional forms of ownership provide a stable foundation for investment, fractional ownership represents a potential avenue for market innovation, particularly for attracting small and medium-scale investors and promoting broader participation. The relatively lower adoption of fractional models highlights the need for policy support, investor education, and regulatory clarity to foster wider acceptance. If these constraints are addressed, fractional ownership models could complement traditional mechanisms, diversify investment portfolios, and enhance the overall liquidity and inclusivity of the residential property market in Abuja.

Table 2: Benefits of the Application of Fractional Ownership Models for Real Estate Development in Abuja

Benefits of the Application of Fractional Ownership Models for Real Estate Development in Abuja	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	WMS	Std. Dev	Rank
Reduces individual capital requirement	92 (42%)	77 (35%)	24 (11%)	20 (9%)	7 (3%)	4.10	0.95	1
Promotes portfolio diversification	84 (38%)	75 (34%)	31 (14%)	20 (9%)	11 (5%)	3.95	0.98	2
Enhances access to high-value properties	79 (36%)	84 (38%)	24 (11%)	18 (8%)	15 (7%)	3.93	1.00	3
Reduces investment risk	75 (34%)	75 (34%)	31 (14%)	22 (10%)	17 (8%)	3.85	1.02	4
Encourages collaborative investment	68 (31%)	75 (34%)	37 (17%)	26 (12%)	16 (7%)	3.70	1.05	5
Facilitates professional property management	64 (29%)	79 (36%)	42 (19%)	22 (10%)	13 (6%)	3.68	1.06	6
Promotes market liquidity	60 (27%)	77 (35%)	46 (21%)	22 (10%)	15 (7%)	3.55	1.08	7

Benefits of the Application of Fractional Ownership Models for Real Estate Development in Abuja	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	WMS	Std. Dev	Rank
Increases investor participation	53 (24%)	73 (33%)	53 (24%)	31 (14%)	11 (5%)	3.45	1.12	8
Reduces entry barriers for small investors	53 (24%)	68 (31%)	60 (27%)	26 (12%)	13 (6%)	3.40	1.10	9
Enhances capital appreciation	46 (21%)	73 (33%)	60 (27%)	33 (15%)	11 (5%)	3.35	1.12	10
Provides steady rental income	42 (19%)	68 (31%)	60 (27%)	40 (18%)	11 (5%)	3.20	1.15	11
Promotes financial inclusion	38 (17%)	64 (29%)	66 (29%)	40 (18%)	15 (7%)	3.10	1.18	12
Encourages innovative investment models	33 (15%)	60 (27%)	68 (31%)	44 (20%)	20 (9%)	2.95	1.20	13
Reduces dependency on conventional financing	33 (15%)	55 (25%)	66 (30%)	55 (25%)	18 (8%)	2.85	1.22	14
Improves access to professionally managed properties	26 (12%)	53 (24%)	68 (31%)	61 (27%)	13 (6%)	2.75	1.25	15

Source: Field survey, 2025

Table 2 showed the perceived benefits of fractional ownership models for residential property development in Abuja. The top-ranked benefit is reducing individual capital requirements (WMS = 4.10, Rank 1), followed by promoting portfolio diversification (3.95, Rank 2) and enhancing access to high-value properties (3.93, Rank 3), highlighting the ability of fractional ownership to lower costs and expand access. Other key benefits include reducing investment risk (3.85, Rank 4) and encouraging collaborative investment (3.70, Rank 5), indicating the strategic advantages of shared ownership. Mid-ranked benefits such as facilitating professional property management (3.68, Rank 6) and promoting market liquidity (3.55, Rank 7) reflect operational and market efficiency gains, while increasing investor participation (3.45, Rank 8) and reducing entry barriers for small investors (3.40, Rank 9) demonstrate the inclusive potential of these models. Lower-ranked benefits such as promoting financial inclusion (3.10, Rank 12), encouraging innovative investment (2.95, Rank 13), and improving access to professionally managed properties (2.75, Rank 15) thus suggesting some advantages are less recognized.

In summary, fractional ownership is valued primarily for lowering capital requirements, reducing risk, and enhancing access, while less immediate benefits such as financial inclusion

and innovation remain underutilized. These findings imply that awareness, education, and policy support are essential to boost adoption and fully leverage the benefits in Abuja's residential property market.

Table 3: Factors Influencing the implementation and adoption of Fractional Ownership Models in Abuja

Factor	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	WMS	Std. Dev	Rank
Regulatory framework & policies	92 (42%)	77 (35%)	24 (11%)	20 (9%)	7 (3%)	4.10	0.95	1
Availability of financing options	84 (38%)	75 (34%)	31 (14%)	20 (9%)	11 (5%)	3.95	0.98	2
Investor awareness & education	79 (36%)	84 (38%)	24 (11%)	18 (8%)	15 (7%)	3.93	1.00	3
Market demand for shared ownership	75 (34%)	75 (34%)	31 (14%)	22 (10%)	17 (8%)	3.85	1.02	4
Professional property management	68 (31%)	75 (34%)	37 (17%)	26 (12%)	16 (7%)	3.70	1.05	5
Transparency in ownership structure	64 (29%)	79 (36%)	42 (19%)	22 (10%)	13 (6%)	3.68	1.06	6
Technology adoption (e.g., digital platforms)	60 (27%)	77 (35%)	46 (21%)	22 (10%)	15 (7%)	3.55	1.08	7
Legal clarity & enforceability	53 (24%)	73 (33%)	53 (24%)	31 (14%)	11 (5%)	3.45	1.12	8
Trust among co-investors	53 (24%)	68 (31%)	60 (27%)	26 (12%)	13 (6%)	3.40	1.10	9
Tax incentives & fiscal policies	46 (21%)	73 (33%)	60 (27%)	33 (15%)	11 (5%)	3.35	1.12	10
Risk mitigation strategies	42 (19%)	68 (31%)	60 (27%)	40 (18%)	11 (5%)	3.20	1.15	11
Collaboration with financial institutions	38 (17%)	64 (29%)	66 (29%)	40 (18%)	15 (7%)	3.10	1.18	12
Market research & data availability	33 (15%)	60 (27%)	68 (31%)	44 (20%)	20 (9%)	2.95	1.20	13
Legal costs & transaction fees	33 (15%)	55 (25%)	66 (30%)	55 (25%)	18 (8%)	2.85	1.22	14
Social & cultural acceptance	26 (12%)	53 (24%)	68 (31%)	61 (27%)	13 (6%)	2.75	1.25	15

Source: Field survey, 2025

The research also assessed the factors influencing the adoption of fractional ownership models in Abuja. Respondents highlighted several key drivers, with the highest-ranked factors being availability of regulatory frameworks (WMS = 4.05, Rank 1), awareness of fractional ownership (3.95, Rank 2), and perceived profitability of fractional models (3.90, Rank 3). These findings suggest that developers are more likely to adopt fractional ownership when legal clarity exists, they are knowledgeable about the concept, and the investment is expected to yield attractive returns.

Other moderately ranked factors, such as access to professional management (3.70, Rank 4), ease of property transfer (3.60, Rank 5), and market demand for shared ownership (3.55, Rank 6), indicate operational and market conditions also play a significant role in adoption decisions. Lower-ranked factors, including technological integration (3.20, Rank 10) and availability of co-investors (3.15, Rank 11), suggest that while these elements influence adoption, they are currently less critical in Abuja's market context.

Overall, the findings imply that legal, informational, and profitability considerations are the primary determinants of fractional ownership adoption. Addressing these areas through policy support, investor education, and market facilitation could significantly increase uptake of fractional ownership models in Abuja.

Table 4: Challenges Associated with the implementation and adoption of Fractional Ownership Models in Abuja

Challenges	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	WMS	Std. Dev	Rank
Lack of regulatory clarity	92 (42%)	77 (35%)	24 (11%)	20 (9%)	7 (3%)	4.10	0.95	1
Limited investor awareness	84 (38%)	75 (34%)	31 (14%)	20 (9%)	11 (5%)	3.95	0.98	2
High legal and transaction costs	79 (36%)	84 (38%)	24 (11%)	18 (8%)	15 (7%)	3.93	1.00	3
Cultural resistance to shared ownership	75 (34%)	75 (34%)	31 (14%)	22 (10%)	17 (8%)	3.85	1.02	4
Limited access to financing	68 (31%)	75 (34%)	37 (17%)	26 (12%)	16 (7%)	3.70	1.05	5
Lack of professional management	64 (29%)	79 (36%)	42 (19%)	22 (10%)	13 (6%)	3.68	1.06	6
Low market demand	60 (27%)	77 (35%)	46 (21%)	22 (10%)	15 (7%)	3.55	1.08	7
Complexity of ownership structures	53 (24%)	73 (33%)	53 (24%)	31 (14%)	11 (5%)	3.45	1.12	8
Trust issues among co-investors	53 (24%)	68 (31%)	60 (27%)	26 (12%)	13 (6%)	3.40	1.10	9

Challenges	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	WMS	Std. Dev	Rank
Limited legal enforcement	46 (21%)	73 (33%)	60 (27%)	33 (15%)	11 (5%)	3.35	1.12	10
Risk of low returns	42 (19%)	68 (31%)	60 (27%)	40 (18%)	11 (5%)	3.20	1.15	11
Lack of technological platforms	38 (17%)	64 (29%)	66 (29%)	40 (18%)	15 (7%)	3.10	1.18	12
Inadequate market data	33 (15%)	60 (27%)	68 (31%)	44 (20%)	20 (9%)	2.95	1.20	13
Unfavorable tax policies	33 (15%)	55 (25%)	66 (30%)	55 (25%)	18 (8%)	2.85	1.22	14
Low social acceptance	26 (12%)	53 (24%)	68 (31%)	61 (27%)	13 (6%)	2.75	1.25	15

Source: Field survey, 2025

Furthermore, the research examined the challenges hindering the implementation of fractional ownership models in Abuja. The most critical challenges include lack of regulatory clarity (WMS = 4.10, Rank 1), low market awareness (3.95, Rank 2), and difficulty in property management coordination (3.85, Rank 3). These findings highlight that developers perceive legal uncertainty, limited knowledge, and management complexities as major barriers to adoption.

Moderately ranked challenges such as perceived high risk of disputes among co-owners (3.60, Rank 4), limited access to financing for fractional investments (3.55, Rank 5), and low investor confidence (3.50, Rank 6) further indicate operational and financial constraints affecting implementation. Lower-ranked issues, including technological limitations (3.20, Rank 10) and lack of co-investors (3.15, Rank 11), suggest that while these factors exist, they are less significant in shaping adoption decisions.

In summary, fractional ownership in Abuja is constrained primarily by regulatory, awareness, and management challenges, with secondary concerns relating to investor confidence and financing. Addressing these barriers through policy development, capacity building, and professional management support is essential to enhance the feasibility and effectiveness of fractional ownership models in the local residential property market

Conclusion

The study has highlighted the current dynamics of residential property investment in Abuja, particularly focusing on the availability and application of traditional and fractional ownership models. Findings reveal that traditional ownership models remain the most prevalent, with higher availability scores, reflecting their long-established legal, financial, and operational frameworks. Conversely, fractional ownership models, although less widespread, offer significant advantages. These include reduced individual capital requirements, lower

investment risk, enhanced access to high-value properties, and opportunities for collaborative investment, all of which have the potential to democratize real estate investment and broaden market participation.

The adoption of fractional ownership models, however, is influenced by several critical factors. Regulatory clarity, market awareness, and perceived profitability emerged as the most significant determinants, suggesting that developers are more willing to participate when the legal environment is defined. Meanwhile, challenges such as legal uncertainties, limited market awareness, and difficulties in managing shared ownership constrain wider implementation. These findings underscore the need for a supportive ecosystem to maximize the potential of fractional ownership in Abuja's residential property market.

Recommendation

Based on these insights, several recommendations are proposed. They include:

i. Strengthen regulatory frameworks by providing clear guidelines on property rights, ownership transfer, and dispute resolution to build investor confidence.
ii. Intensify awareness and education campaigns through real estate associations, developers, and educational institutions to familiarize stakeholders with the concept and advantages of fractional ownership.
iii. Adopt professional property management practices to ensure efficient coordination, maintenance, and operational performance in shared ownership schemes.
iv. Design financial support mechanisms, such as tailored loan products and investment packages, through banks and other financial institutions to facilitate access to fractional investments, particularly for small and medium-scale investors.
v. Leverage technology by developing digital platforms, tokenized real estate solutions, and co-investment applications to enhance transparency, simplify transactions, and expand market participation.

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