

HOME NEWS ▾ PROPERTY IFISA ▾ VIDEO OPEN BANKING CRYPTOCURRENCY

FEATURES ▾ COMMENT & ANALYSIS WHAT IS P2P? PARTNERS EVENTS ▾ P2P POWER 50 ▾

SIGN UP TO OUR E-NEWSLETTERS MAGAZINE DIRECTORY JOBS MY ACCOUNT ▾



🔍 Search



SIGN UP

TO OUR DAILY AND WEEKLY NEWS BULLETINS

TO GET ESSENTIAL P2P NEWS DELIVERED STRAIGHT TO YOUR INBOX

MARCH
7
2018

Ultimate guide to Innovative Finance ISAs: Part four

MARC SHOFFMAN | COMMENT & ANALYSIS, INDUSTRY NEWS, NEWS | CAPITALRISE, IFISA, INNOVATIVE FINANCE

ISA, KUFLINK, LANDBAY, LANDLORDINVEST, OCTOPUS CHOICE, PROLEND, PROPERTY CROWD, RELENDEX |

PEER-TO-PEER property investing is a popular way to earn decent interest with the added security of bricks and mortar should things go wrong, and now many of those returns can be earned tax-free using an Innovative Finance ISA (IFISA).

Many of the providers will also offer reserve funds but watch out for fees and whether each product is a flexible ISA, meaning you can take money out and replace it during the same tax year without impacting your allowance.

POPULAR POSTS:

FCA temporarily lifts ban on crypto trading

How P2P lending administrations are progressing

Sunak set to extend loan schemes until end of March

Shawbrook buys RateSetter's property portfolio and team
LendingClub "cautiously optimistic" for 2021

LandlordInvest partners with bank for first time to...

We take a look at seven of the property-focused IFISAs on the market.

CapitalRise

CapitalRise provides loans for development projects, focused on Prime Central London property.

Users invest a minimum of £1,000 in the tax-free wrapper, targeting annual returns between 10 and 14 per cent.

Investors self-select their loans and projects and can earn average interest rates of 10 per cent tax-free. There is a minimum investment of £1,000 and you can withdraw and invest during the same year without impacting your allowance.

There is no secondary market to sell loans.

CapitalRise doesn't charge any account opening or ongoing fees but there is a £35 transfer out charge.

Kuflink

Bridging P2P lender **Kuflink** offers returns of up to 5.35 per cent a year with a minimum investment of just £100 in its IFISA.

There are no investment or withdrawal fees and you can either self-select or have your loans automatically chosen.

There is no secondary market should you want to sell your loans. Also, there is no reserve fund but Kuflink puts five per cent of its own money into each loan and will take the first loss on any defaults.

Landbay

Landbay was one of the first major P2P brands to **launch its IFISA**, releasing its product in February 2017.

The P2P lender backs buy-to-let mortgages. Funds are automatically allocated and diversified so you can't select loans.

For a minimum investment of £5,000 IFISA investors can target a fixed rate of 3.54 per cent, assuming you reinvest all interest.

There is also a tracker rate that follows LIBOR, currently priced at 3.26 per cent.

The IFISA is flexible and Landbay also offers a secondary market and a reserve fund to cover any defaults or missed payments.

It won't charge any set-up or ongoing fees for the IFISA but there is a £50 charge for transfers out.

LandlordInvest

LandlordInvest was the first P2P lender to provide a property-backed IFISA, having **launched the tax wrapper** in January 2017.

Investors can fund residential buy-to-let loans and bridging finance on the platform.

The minimum investment for the IFISA is £100 and there are no fees.

You are able to sell loans on a secondary market and the product is flexible so you can withdraw and replace funds in the same tax year.

Octopus Choice

Octopus Choice **launched its IFISA** in August 2017, targeting returns of four per cent per year.

Octopus Choice offers property-backed loans to investors, which are underwritten another lender under the Octopus umbrella, Octopus Property.

Loans are secured on the property but to provide investors with additional protection, Octopus also invests five per cent of its own money into every loan at first loss, meaning investors can get their initial investment back first, as well as receive any interest due to them before Octopus receives any.

The minimum investment is £10 and all loans are chosen by Octopus Choice's lending team.

There are no charges for moving money in and out of the Octopus Choice ISA, and no minimum or maximum transfer limits, although there may be exit charges administered by other ISA providers.

However, it is not a flexible ISA, meaning that any money you withdraw will still count towards your annual ISA allowance.

Property Crowd

Property Crowd offers tax-free returns of between seven and 12 per cent in its IFISA.

The minimum investment is £1,000 and investors have to manually select their own projects so are in charge of their own diversification.

There is an annual charge of 0.95 per cent and no fee for initial transfers in from other ISA providers. There is no secondary market if you want to sell out, although one is planned for the third quarter of 2018.

Proplend

The Proplend IFISA was **launched to existing investors** in May 2017 and **opened up to new investors** in August.

The platform provides loans backed by income-producing UK commercial property. Investors can fund loans for commercial mortgages or bridging finance.

The IFISA offers lenders tax-free interest rates of five to 12 per cent depending on the loans selected.

The tax wrapper is flexible and the minimum investment is £1,000, plus there are no management or transfer fees.

Proplend doesn't have a reserve fund but takes six months' interest from the borrower in advance.

Relendex

Relendex, which provides bridging and development finance loans, offers returns of up to 10 per cent in its tax wrapper, which was **launched last May**.

The minimum investment is £500 for new ISA funds and £1,000 for transfers.

The product isn't a flexible wrapper, so you can't withdraw and replace funds in the same tax year. Relendex says this helps them keep the product cost-free.

There is a secondary market where you can sell loans if needed though.

Shojin Property Partners

Shojin Property Partners typically provides development finance but has **recently expanded** into buy-to-let investments, with plans to launch mezzanine and bridge finance facilities.

Returns vary widely depending on the product. Its development equity product returns up to 27 per cent, while its income-only, buy-to-let facility offers four to six per cent annual yield.

The platform is usually restricted to sophisticated and high-net-worth individuals, but some of its new products will be open to retail investors – now with the benefit of tax-free earnings, after Shojin launched its IFISA in March.

There is typically a minimum investment of £5,000, depending on the project.

Shojin does not charge any fees for setting up the IFISA or managing it, but there may be small administrative fees in certain circumstances.

*Read our previous guides on **consumer** and **business lending-focused IFISAs (parts two and three)** and look out for our upcoming guides on the rest of the products on the market.*

Skiwear discounts for
Crowd2Fund investors
who fund Planks
Clothing loan

International Women's
Day: What's stopping
women investing?

RELATED POSTS



Residential
development
finance shows
resilience amid
pandemic



Assetz to start
reducing lender
fee from
February



Honeycomb
hailed for
“extremely
impressive”
performance

[Home](#)

[Contact](#)

[About](#)

[Team](#)

[Advertising](#)

[Subscribe](#)

[Privacy](#)

[T&Cs](#)

[Disclaimer](#)

FOLLOW US ON
SOCIAL MEDIA



© Peer2Peer Finance

News 2020

• Additional design by



