



## PRIVATE RESIDENCE CLUB FRACTIONAL OWNERSHIP

The Newest Way To Vacation In Style

Story & Photography: Cindy Karp and John Morrison

Imagine this: You are going on an extended vacation to one of your favorite destinations – say Florida or New Mexico – and you call ahead to the staff at your private residence club home. At your request, the staff shops for your groceries, dry-cleans your clothing, makes your restaurant reservations, heats your private splash pool, and places knick-knacks and favorite pictures of family members around your residence. These are only a few of the conveniences of a private residence club.

Get the picture? Private residence clubs are NOT the ordinary second home. Becoming part of somewhere you love is an experience like few others. What is making this experience better is the newly emerging ownership program called “fractional ownership”.

Private Residence Club membership is the smart way to own an

exclusive, luxury vacation home without the hassle of a second home. These clubs feature ownership in the luxury, high end of the property market. They provide the services and amenities of five star



hotels, and even some of the luxury hotel groups run their own private residence clubs. Today, many private residence clubs are sold as “fractional ownership” real estate where upscale luxury privileges allow owners to have incredible accommodations several times per year but at a fraction of the cost of whole ownership.

Part of the overwhelming appeal of fractional ownership is that, for the most part, they are completely hassle-free. In addition to having a staff for personalized service at your disposal, at a private residence club you never have to worry about repairs, maintenance or housekeeping. Everything is included in the price and annual fees are taken care of by the professional management company.

Such opulence can now be experienced at Magnolia Private Residence Club in Rosemary Beach, Florida and El Corazon de Santa Fe in Santa Fe, New Mexico. Both of these private residence clubs offer fractional ownership complete with extensive amenities.

Many people confuse fractionals and private residence clubs with timeshares. In reality, they have vast differences. Fractionals are far more exclusive and include many more luxury amenities and



services than timeshares. They tend to be larger homes, usually three-to-five bedrooms so there is plenty of room for family, friends or clients. The really big difference is usage. Timeshares are typically for one-to-two weeks per year. Fractionals generally offer from two-to-13 weeks per year, and those don't necessarily have to be consecutive weeks. So, you can "cherry pick" the weeks you want and choose all different ones the following year. Conversely, timeshare buyers purchase time, not real

estate. Private residence club owners are buying real estate that they can sell, or place in a trust or will like any other form of real estate.

El Corazon de Santa Fe is a private residence club with two-bedroom residences, gourmet kitchens, slate floors and private balconies or courtyards. In the center of the city's vibrant culture center, residence club members are close to fine dining, boutiques, museums and art galleries. Owners also benefit from special discounts at several partner restaurants, spas,

and golf courses in Santa Fe.

Magnolia Private Residence Club is located right in the heart of Florida's enchanting Emerald Coast. This stretch of Highway 30A is the home to the beautiful Magnolia Private Residence Club as well as some of the world's most beautiful beaches and is a well-known vacation destination for people in the South East. Magnolia offers seventeen three-bedroom fractionally owned, luxury condominiums. Just steps from the emerald waters and famous, white sand

beaches of South Walton, this property offers the ultimate in luxury, amenities, services and location

If you want to own an impressive second home complete with personalized services and located in an expensive resort area but can't quite justify the expense because you'll only be using it a few weeks or months of the year, this type of real estate arrangement may appeal to you. Fractional ownership affords much of the freedom and usage

benefits offered in timeshare; however, the fundamental difference with fractional ownership is that the purchaser owns part of the title (as opposed to units of "time"). Therefore, if the property appreciates in value so do the shares of ownership.

Financing a timeshare with a bank or mortgage company loan is typically difficult. Rates can be high, regardless of how good your credit. Banks and mortgage firms consider fractionals to be appreciating assets and will often treat them like any other second-home purchase. Also, fractionals tend to appreciate because more of the buyer's dollar goes to high-quality finishes; bricks and mortar vs. sales commissions which on timeshares which can be as high as 40 to 50 percent of the purchase price.

As always, even in today's volatile market, owning real estate is still better than renting. So to make the good even better, owning in a place you love, in an inspirational destination without any of the headaches that come with managing the day-to-day issues of another home is an outstanding opportunity. Because you are purchasing a residence at a fraction of the cost of sole ownership, with a fraction of the risk, your creative ownership opportunity can be a very promising asset. □

*Cindy Karp and John Morrison are veteran travelers, writers and photographers. When they are not traveling to exotic locales they are helping buyers and sellers in the Athens area with their real estate needs as managing partners of Cindy Karp Realty. They can be reached at 706.549.3200.*

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