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GTA EDITION

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Fractional ownership

Own a piece of a bigger luxury pie

By Hunter Milborne



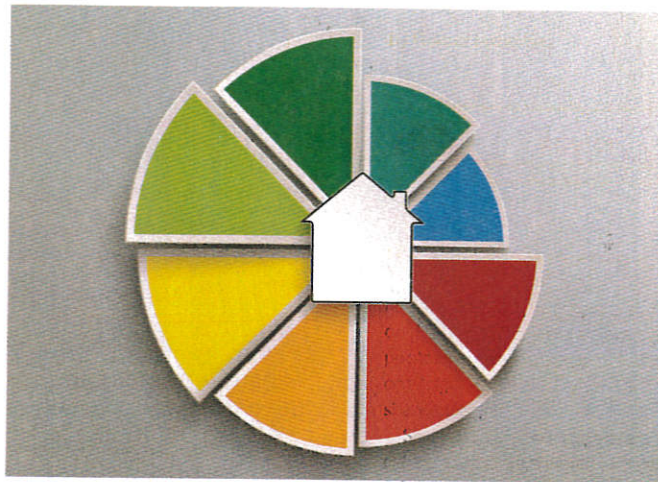
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FRACTIONAL OWNERSHIP began decades ago when companies who needed to use a private jet, but couldn't afford to own one outright, pooled their resources, purchased one together and scheduled its shared usage.

Since then, the concept has extended to everything from high value jewellery to RVs, sports cars, yachts and real estate. The concept involves the partial ownership of an asset for an attainable price point, and vacation properties are a natural fit. Most cottage owners, for example, spend approximately three weeks per year at their vacation homes, yet are responsible for the expenses that come along with ownership all year long.

Benefits to fractional property owners include the ability to seek financing from a traditional mortgage provider, buy or sell at will, and bequeath their share to family. Lifestyle perks also rank high on people's lists. For example, many can afford to own a piece of a bigger luxury pie than if they were to purchase the entire residence. Plus, when they stay in the residence, they are actually on holiday. If the home is situated in a resort, they'll have time to enjoy its amenities and attractions. Similar to condominium ownership, fractional owners pay a maintenance fee to have the upkeep and repairs in these shared areas done for them.

At Fox Harb'r Resort in Wallace, Nova Scotia, for example, there are



fully-furnished, luxury three-bedroom townhomes with a fractional ownership option available. "At Fox Harb'r, they own one-quarter of a townhome, so up to four owners per," said Eric Lum, sales manager for Fox Harb'r. "People may also choose to buy an additional quarter, depending on their needs. Fractional ownership is not a timeshare; it is deeded real estate, and owners build equity over time. We have already had intense interest from across the country," said Lum.

Each fractional ownership program is different, so check with the resorts you are considering as to how they work. At Fox Harb'r, fractional owners own a quarter of the townhome and become resident members of the resort. Prices for quarter shares begin from \$169,900. This is incredibly affordable, considering the resort is home to a jetport airstrip, golf courses, spa, marina, vineyard, restaurants and a clay shooting facility. "Fractional owners of one-quarter share in a townhome pay 25 per cent of initiation fees and membership costs," Lum said.

The rotation is two weeks on, six weeks off, and owners can switch slots for flexible timing. "We offer added value in the form of an agreement with Scrub Island, an incredible Virgin Islands property, through which owners here switch homes one week per year with residents there. We are also affiliate members of the Pacific Links Golf Network of more than 450 courses across 20-plus countries, where our fractional owners can golf for significantly reduced rates, sometimes free," he added.

Holidays exist so that we have time to relax, renew and rejuvenate by getting away from things like yard work and home repairs. As with any real estate purchase, fractional ownership agreements should be looked over by your lawyer so you can buy with confidence.

Hunter Milborne is the founder and CEO of Milborne Real Estate Inc., now in its 40th year. He's one of the pioneers of new-condominium sales in Canada and personally responsible for the marketing and sales of over \$25 billion in properties, having sold over 160,000 units.