

Searching for PARADISE

If happiness is owning a second home, then unbridled joy must be acquiring a third (or fourth), right? Here are a few ways people are pursuing their dreams. *By Tom Connor*

ANNE McBRIDE and her husband, Jordan Schreiber, have a fashionable apartment on Manhattan's Upper East Side. They have a second home in Princeton, New Jersey. They had a beach house in the Hamptons, but "I found it enormous work and never really fun," says Anne. "It was a burden."

Even so, Anne, who is the vice chairman of a strategic financial communications firm, loves houses, and she loves to travel. Scanning the real-estate listings in the *Wall Street Journal* one day four years ago, her eyes landed on an alluring ad. "It read, 'Would you like to have a home in Hawaii, in Mexico's Cabo San Lucas, in Colorado?'" she recalls. "And I said yes!"

In 2002 the couple joined Exclusive Resorts—a Denver-based travel club that combines high-end residences with five-star facilities—and they have been vacationing in glamorous apartments, villas and houses around the world ever since. They've spent an average of forty days a year at the club's properties, including ones in Hawaii, Newport, Paris, London and Cabo San Lucas (three times); Arizona's Miraval spa; and on *The World* cruise ship (the club owns five apartments onboard). This April, they'll visit a private island in the Caribbean; in August they're heading to Bali.

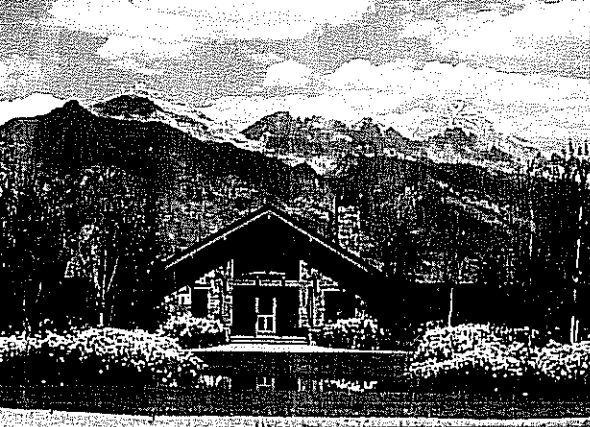
"I've had the luxury of choice," says Anne. "There has never been a place we haven't liked. When we came back from Miraval, I said, 'That's the best place.' Then we went to Los Cabos and I said, 'That's the best place!' I've found paradise everywhere we've gone. This is one of the most pleasurable parts of my life."

Today more and more people are discovering the seduction of vacation houses—not to mention multiple vacation houses—in locations above and beyond the usual mountains or shores. As demand increases, so does an unprecedented number of options. Here are a few of the best.

Renting

Renting an apartment, condo, house or estate remains the surest way to test the waters at a new destination before taking the plunge. Committing for just two weeks or a month annually—the average length of time owners of vacation homes actually spend in them—can beat paying lots of money for a place you would probably visit only a few times a year. The drawbacks are that you can't fly in for the weekend whenever you want, and the rental fee doesn't build equity in the property; it simply flies out the window. What's more, the more popular the location, the harder it is to find luxurious rentals during prime seasons when owners typically want to use them. After all, most owners don't really need the rental income.

That said, the Web has made hunting for a vacation rental much more varied and interesting proposition. For example, the Web site of Cuendet & Cia (www.cuendet.com), a property agent in Monteriggioni, Italy, lists hundreds of castles, villas, farmhouses, cottages and apartments for rent throughout Italy and France. Prices range from \$650 a week for an apartment in



From left: Looking to buy? Perhaps a Wyoming ranch house (through Sotheby's International Realty) would suit. Rather share? Try a suite at Paris's Hotel Lancaster or London's Milestone (both through the Leading Residences of the World), or one in Los Cabos (Exclusive Resorts lists many).

a modern villa in the Florentine hills in late fall to tens of thousands for an estate outside Florence for a week during the peak summer season.

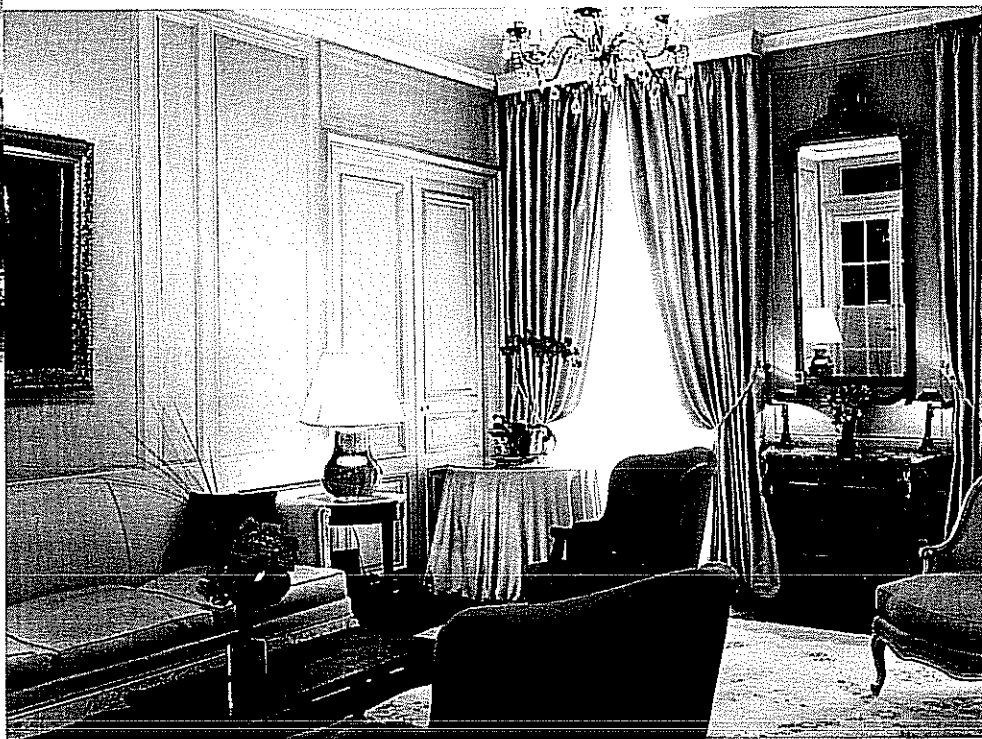
Sotheby's International Realty is one of a number of large real-estate companies that handle rentals as well as sales in selected markets. With offices throughout the U.S. and affiliates in other countries, Sotheby's can locate properties anywhere in the world—from the Hamptons, where a house right on the ocean can go for \$250,000 a month, to an apartment in Paris for considerably less. "The Hamptons were very hot last year," says Laura Killam, a senior vice president of marketing with Sotheby's in New York City, "but so were the Monterey peninsula, Jackson Hole and London."

Sharing

Time-sharing, that mod, '70s fascination with spending a set period every year in somebody else's condo, has morphed into a new concept for this real-estate-conscious era: fractional ownership.

In the fractional world, vacationers buy from a fourth to a twelfth of an interest in a resort house, condo, villa or an apartment, with a guaranteed number of weeks' use every year. What makes this spin on sharing distinctive are the luxury hotels and residence clubs offering shares. They provide resort-style benefits and services in a variety of sought-after settings: beaches, slopes, links, desert spas, hotels and foreign destinations. In most clubs, when owners resign their membership and their fractional shares are resold, they realize whatever gain in equity the unit has accumulated. (But what goes up almost always comes down, and abruptly, making it dangerous to think of these clubs as risk-free investments.)

In Aspen, one of the most expensive second-home markets in the country, fractional ownerships make particular sense. Chris Roden, an investment manager who owns homes in Connecti-



cut and Florida, has a fractional ownership in an Aspen condo at the Timbers Club at Snowmass, a private residence club. "It would cost millions to own a first-class property like this, plus I'd have to pay for taxes and upkeep and hire a managing agent," says Roden. In contrast to the average \$2.47 million price tag for a home in Aspen, membership in the Timbers Club starts at around \$400,000, with annual dues around \$9,000, entitling a member to at least four weeks' occupancy. "We don't have to worry about anything," Roden continues. "They bring our things out of storage before we arrive"—meaning clothes, ski equipment, even family photographs—"secure our lift tickets and warm our ski boots. We just show up."

Many fractional clubs also have exchange programs, whereby members can swap their shares of time for a stay at another club property. Roden, for example, has traded time in Aspen for week-long stays at Esperanza, the Timbers' resort in Cabo San Lucas.

The Four Seasons Residence Clubs offer fractional ownerships at four properties integrated with the Four Seasons hotels in Scottsdale; Jackson Hole; Carlsbad, California; and Costa Rica. Members are free to swap times and homes, depending on availability. The Ritz-Carlton Club also offers members the chance to use all club properties, which can be found in Aspen, Bachelor Gulch in Vail, Colorado; Jupiter, Florida; and St. Thomas, in the U.S. Virgin Islands.

Then there are destination clubs like Exclusive Resorts, which reportedly has some 1,700 participants and a portfolio of 260 properties. Members pay an initial fee ranging from \$195,000 to \$395,000, plus an annual fee based on the number of days they book. A similar plan is in place at the Leading Residences of the World (an offspring of Leading Hotels of the World), which offers homes, villas and apartments in more than thirty luxury hotels



across the country and in Europe and the Caribbean, with access to hotel amenities and services and no limit on the number of visits. The one-time membership deposit of \$325,000 is 80 percent refundable when a member resigns, though the \$15,000 annual fee is not.

With none of the responsibilities that come with owning a third or fourth home outright, fractional owners and travel-club members are free to come and go as they please, which explains why these organizations are the hottest trend in the high-end vacation-housing market right now. The downside? Sooner or later, all the other part-time owners show up, making these vacation destinations always feel like a fraction of a home.

Owning

Renting and sharing aren't everyone's cup of cappuccino, of course. Some people simply want a place—or places—of their own, no matter how distant, how little time they spend there or how much it may cost. "The trend is for people to buy more and more real estate and think less and less about where it is," notes Sotheby's Laura Killam. "Because people can be mobile and online, some of the more remote destinations, like Jackson Hole, have become more desirable."

But the biggest trend, at least among the upper market, is to purchase entire houses built on the grounds of resorts, with the resorts handling management and maintenance.

Miraval, the destination spa in Catalina, Arizona, is building thirty one-bedroom and twenty two-bedroom villas on its 400-acre desert site. Each villa is

priced from \$720,000 to \$1.4 million. For an additional \$10,000 annual membership fee, owners can use a new spa and yoga center that will be built around the villas, and they'll have preferred access to Miraval programs and services.

Most of the luxury hotels that have set up fractional-ownership clubs, including the Ritz-Carlton and the Four Seasons, also sell dwellings on their properties, along with the right to take advantage of the hotel's services and amenities.

More paradisiacal, perhaps, are the homes being built in exotic climes. Dolan, Pollak & Schram, a developer of resort communities, has begun marketing the Turks & Caicos Sporting Club, at Ambergris Cay, in the Caribbean. Lots start at \$550,000—yes, you still have to build your own house—and an equity membership is \$75,000, but it entitles you to use a clubhouse, marina, spa and an equestrian center.

"There are no fractional shares," stresses Patti Spaniak, the fast-growing company's director of marketing. "There are no tourists, no tourist season. It's the closest thing to having your own private island."

Sound seductive? Opportunities like this one will likely increase in the coming years because, more and more, high-end vacation alternatives are exceeding paradise sought; they're on the horizon of paradise found. ❖

HOME PORTFOLIO

A guide to the sources mentioned in this article.

- Cuendet & Cia, 011-39-0577-576-330; www.cuendet.com.
- Exclusive Resorts, 800-447-8988; exclusiveresorts.com.
- Miraval, 520-825-4933; miravalresort.com.
- The Ritz-Carlton Club, 800-278-0121; ritzcarltonclub.com.
- Sotheby's International Realty, 212-606-4100; sothebysrealty.com.
- The Leading Residences of the World, 866-LRW-CLUB; lrwclub.com.
- The Four Seasons Residence Clubs, 800-343-0799; www.fourseasons.com/residenceclubs.
- The Timbers Club, 866-963-5005; timberscompany.com.
- Turks & Caicos Sporting Club at Ambergris Cay, 212-759-4666; tcsportingclub.com.