

VAIL GOES FRACTIONAL

Part-time ownership extends reach of prestigious resort offerings

The big buzz in Vail vacation ownership today can be seen, large as life, in the two colossal projects rising in the heart of town: One Willow Bridge Road, down the street from the International Bridge, and Vail Plaza Club, on the former site of the Village Inn.

What makes Vail's newest and most luxurious ownership opportunities so notable is that, in each case, the astute developer is banking on a stampede of demand for "fractional ownership."

Since the late 1990s, the math has been on the side of fractional, a refinement of the timeshare concept. Recent Vail Valley surveys reveal a large number of second-home owners occupying their homes for less than four weeks a year. Little wonder, then, that the vacationer is opting out of the brain damage and expense of the "mansion on the ridge" and turning instead to the blissful convenience of turn-key fractional ownership.

Part-time ownership offers customized wish fulfillment. If you only want to ski Vail two weeks in the winter, you can choose those two weeks and have them forever in a fully deeded ownership that is yours to sell or leave to the next generation. If your pleasure is, say, three weeks in the summer and three in the winter, fractional properties offer that option, too.

And all this fractional flexibility comes at, well, a fraction of the price of traditional bricks and mortar. For example, at One Willow Bridge Road, whole-ownership residences range from \$3.6 million to \$7.4 million, while a seven-week fractional ownership is available from a mere \$480,000.

Because the tariff is more attainable, the fractional trend increases the number of folks able to afford special family times in Vail, and more vacation dollars find their way into local restaurants, shops and night spots. Beyond financial advantages, there's the deluxe lifestyle: a cozy vacation nest in the equivalent, or the reality, of a five-star hotel where all things are at an owner's beck and call, from a spa with the limitless indulgence of massage, body and facial treatments to all manner of exercise equipment and classes.

Usually, superb gourmet restaurants are right on the premises, or certainly just down the street. The concierge will be delighted

to arrange your reservations for anything from dinner to dog sledding. If you'd rather stay in and don't feel like cooking, a professional chef can appear at your door, ready to whisk something up. Of course, the beds are always freshly made and the carpets vacuumed by the cleaning staff.

And that's not all. Many fractional properties offer to stock the refrigerator with your favorite goodies, the closets with your clothes and the end tables with your family photographs so you feel right at home. Some ownership contracts provide for preferred tee times at the valley's top golf courses. Other fractional clubs allow you exchange privileges to a number of alternate paradises.

Increasingly, fractional ownership is being recognized by Baby Boomers in their top earning years as the right type of vacation home at the right price at the right time. According to Pat Mitchell and Randy Martinez, partners with Tandem Group who market the Vail Plaza Club, the boom in resort real estate is being driven by boomers with empty nests, high incomes and recently inherited wealth that "change the rules of consumption."

They contend that these Boomers are particular about what they buy and why they buy it. Because they're still working and time-short, they're seeking a way to fit more fun into their lives. They aim to maximize the convenience and luxury of their vacation experience, while minimizing hassles. These requirements lead them inevitably to embracing fractional ownership.

"One of the reasons that fractional ownership sales are taking off is this desire for a better vacation experience," Mitchell says. "Time has become so precious, no one wants to waste a minute taking care of mundane things like shopping when that time could be spent enjoying friends and family."

With technology allowing people to work nearly anywhere, and affluence providing the means to balance that work with playtime, savvy Boomers are increasingly rewarding themselves with a lifestyle that comes packed with considerably more pleasure at a much earlier age than ever before.



One Willow Bridge Road

ONEWILLOWBRIDGEROAD.COM

Slated for a winter 2005-06 completion, this deluxe four-story development is located in the middle of Vail at the corner of East Meadow Drive and Willow Bridge Road. It features 22 condominiums, 12 of which are fractional residences sold in seven-week shares.

Full hotel amenities include daily housekeeping, concierge, offsite storage for skis, clothing and other personal items and underground parking. Owners may use the spa, athletic club, and room service at the nearby Sonnenalp Resort, as well as preferred tee times at the Sonnenalp Golf Course in Singletree.

By the end of last August, 90 percent of the full ownership units were sold, and only three-bedrooms were available in the fractional units. "We find many of our buyers are regular guests at the Sonnenalp, enjoy the service level and the amenities, and are eager to continue that with an ownership interest," says builder Bob McNichols, a Denver native who has been skiing Vail since the very first winter it opened in 1962.

Market surveys indicated that buyers wanted more space and more time, so the three-bedrooms average a generous 2,100 square feet and the very utmost in exceptional furnishings and finishes.

"The big attraction is that the fractional owners get the opportunity to use the equivalent of a \$3.5 million property for a \$630,000 investment," notes McNichols.

"People who buy know just how much time they have to spend in Vail, and this allows them to use that time efficiently and then vacation at other places they may like to travel, too. It doesn't require them to spend all the time here to justify the purchase, as does full home ownership."

The seven-week shares at One Willow Bridge Road are arranged so owners get three reserved weeks in winter, three reserved weeks in summer, and one floating week in either season.

According to McNichols, buyers range in age from mid-30s to the mid-70s and hail from all over the country, especially Florida and the East Coast. "They are buying to bring their children and grandchildren together in one place for family times," says the developer. "The prime location in Vail Village gives them proximity to the ski mountain and everything they need so they can abandon their car in the underground garage and join the lifestyle in the pedestrian village of Vail."

Vail Plaza Club

VAILPLAZACLUB.COM

Scheduled for occupancy in December 2006, Vail Plaza Club is being built on the site of the former Village Inn. The 38 condominiums are all fractional residences, ranging from one to four bedrooms, and including several penthouses.

Presales began in December 2004, with an incredible response: over \$20 million worth of real estate was sold in just over three months, according to Tandem Group marketing partners Pat Mitchell and Randy Martinez.

"The location has been a huge factor," says Mitchell. "I think successful fractional projects are defined primarily by access to whatever people are coming for, and here it's the ski slopes. These buyers want to walk to everything. The number two reason is the level of service. An important fractional industry survey reveals 80 percent of buyers say their reason for purchasing is service and amenities."

The Vail Plaza Club obliges by pampering with room service, storage of personal items and skis, refrigerator stocking, concierge service, and the like. The ski valet will be there to relieve you of your skis at the front door, and housekeeping takes care of the dishes and cleaning.

All the luxuries of a five-star hotel are at the owner-member's fingertips, too. The Spa features an array of massage and

therapeutic treatments, and there's also a Fitness Center with yoga and other classes. The Club's two on-premises restaurants are convenient gathering spots. And when the whole family shows up at once, members can reserve any of the Club's 100 hotel rooms at a special rate.

Vail Plaza Club enables maximum flexibility in choosing vacation time. Owners can select two weeks or longer, and their weeks can be adjacent or months apart. Weeks chosen are locked in forever in a specific residence; there's no lottery or first-come, first-served reservation system. Prices start in the \$90,000 range.

Hyatt Mountain Lodge

Located across the street from the Vilar Center in Beaver Creek, this is the Park Hyatt Beaver Creek's fractional sister. It's also the top-rated property in the string of 12 luxury resorts that comprise the Hyatt Vacation Club. According to Slifer Smith and Frampton on-site broker Deborah O'Neill Wagner, Hyatt Mountain Lodge is the fastest selling fractional in the history of the industry, having sold out in half the anticipated time, even before its 1999 opening.

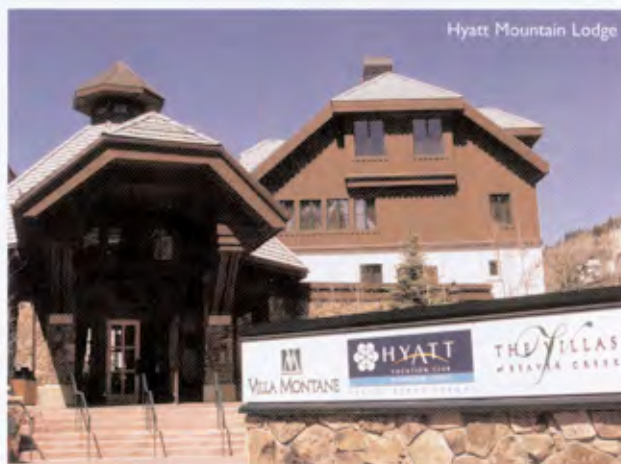
Resales are busy, too. Wagner says the enormous success of the project is largely due to the flexibility of the Hyatt point system, plus the ability to vary the resort experience by trading into the other Hyatt resorts. Through the point system, a smart buyer can expand their two-and-a-half week purchase into eight weeks or more. "I have owners who can come more than 10 weeks a year if they only visit in spring and fall," says Wagner, "and, yet, they have only actually bought a 1/20 share of two-and-a-half weeks."

Each owner purchases a guaranteed fixed winter week and 10

floating days in spring, summer or fall. Time not spent accumulates as points to be used in Vail or at the other Hyatt Vacation Clubs, some of which are located in Aspen, Lake Tahoe, Sedona, Carmel, Key West, Naples (Fla.) or Puerto Rico. "An owner can also do a partial ski week if he only wants to ski four days, leave those points in the account, and come back to ski another time, or they can use it in the summer, or at another Hyatt Club."

Wagner says there have been over 300 resales, and the average increase from the purchase price exceeds 55 percent.

The studio, two and three bedroom residences begin at \$26,000 (studio) and are professionally decorated by Slifer Designs. Amenities abound with discount lift tickets, year-round pool and hot tubs, daily complimentary continental breakfast and Camp Hyatt children's activities. Owners also partake of preferred tee times at the Beaver Creek Golf Course, access to the Park Hyatt's Allegria Spa and fitness facilities and underground parking.



"Most of our buyers are looking for an alternative to a second-home purchase," says Wagner. "They like the location in the heart of the village with so much to do and so many events in summer. And many like to travel. They enjoy trading into Hyatt hotels and the Hyatt Vacation Club worldwide. They know that the Hyatt properties are exceptional."

Ritz Carlton Club Bachelor Gulch

WWW.RITZCARLTONCLUB.COM/BC

The fractional aspect of the Ritz-Carlton Bachelor Gulch came on the scene in 2001 with 54 two- and three-bedroom residences sold in 21-day increments. Today, they're virtually sold out, though resales are ongoing. Many original buyers are now purchasing additional shares.

Owners can use their time during the winter, or the summer, or both, based on a rotating calendar. For a nominal fee, they can stay longer. Or, a portion of their time may be used at other Ritz-Carlton Club locations including Aspen, Jupiter (Fla.), St. Thomas (U.S. Virgin Islands) and more planned residences in California and Hawaii.

The prestigious Ritz-Carlton name assures members the optimum in amenities and services, including room service, airport pickup, pre-arrival provisioning, unpacking and even pressing of present garments, and placing personal items in the residence. The concierge will arrange a complete itinerary and any necessary reservations.

"The owner gets the benefits of having that dream second home in a great resort area, and added to that they have all the services of a five-star hotel," says project director Jeff Meyer. "It's the hassle-free way to own with everything taken care of for them before they arrive, so they can just start enjoying their vacation time the moment they step inside the Club."

In addition, members have access to the beautifully appointed Spa at the Ritz, and to its athletic club and two restaurants. Golf figures in with preferred tee times for members at the two acclaimed Red Sky Ranch courses. Owners also become automatic members of the Bachelor Gulch Club, which offers a myriad of organized social and recreational activities like snowshoeing, wine tasting parties, and regular club events.

"Our typical buyers are in their mid 50s, with children in college, just entering the glory years of their life," reports Meyer. "We also see a lot of three generations with kid and grandkids who use this as a gathering spot, coming in from where they're scattered across the globe."



The Residences at Vail Mountain Lodge and Spa

WWW.VAILMOUNTAINLODGE.COM

Once known as the Vail Athletic Club, this project was rechristened several years ago after local developer Ron Byrne's extensive renovation of the property into condominiums, rooms, and fractional residences. The 56 fractional shares are largely gone now, although resales continue.

In a delightful location on Gore Creek near the Covered Bridge, these two- and three-bedroom residences offer an 1/8 interest, which translates to three weeks. On-site diversions are plentiful. They include the extravagant, full-service spa and the 18,000-square-foot Athletic Club complete with climbing wall and classes in yoga, Pilates, spinning, martial arts, and more. Terra Bistro, an acclaimed valley restaurant, is on-premise and offers owners private catering.

An exchange program allows members to satisfy their wanderlust by visiting other private clubs in the U.S. and abroad. Locations include Snowmass, Deer Valley, Tahoe and Scottsdale, with more to come. ♦

