

F R A C T I O N A L O W N E R S H I P

by Carley Dangona, for The Bulletin



One-third owned as an investment



One-third owned as a second retirement home



For most people, owning a multi-million dollar vacation home is only slightly more realistic than competing in the Tour de France. Even those who can afford such an extravagance are dissuaded by factors like maintenance demands and an inability to get away from their primary residence for more than a few weeks out of the year.

While vacation rentals still remain a popular choice for the throngs of holiday-makers drawn to Central Oregon, the region's natural beauty and perpetually warm real estate market have made it irresistible to those seeking second-home ownership.

Taking a page from second-home hotbeds such as Aspen, Colorado, local developers like Four Pines Development and Pronghorn Estates offer an alternative to the vacation home blues: Fractional ownership is quickly becoming a way into the second home market without the prohibitive expense and inherent headaches of full ownership.

Investors can buy a percentage of a million-plus-dollar property and use it certain, contractually agreed upon weeks out of the year.

Trent Keeney, owner of Four Pines Development, describes his 5,300 square foot property on Awbrey Butte as "a pretty special place. That's one of the things that

makes this work. We created a home where we would like to go, and where we think people want to be. A place that can't be found just anywhere."

As is typical of a fractional ownership home, Four Pines properties are decorated before buyers enter the picture. Each room of the Keeney's Awbrey Butte house brims with well-appointed details, such as high-grade cookware in the kitchen, original artwork on the walls, thick, fluffy towels in the bathrooms, heated floors and a state-of-the-art sound system that may be individualized per room.

As any vacationer dreams of, there are pleasures to be found, no matter the taste: a chromotherapy spa bath in the master suite; a game room complete with a pool table, full bar and big screen television; a theatre room outfitted with surround sound and six high-back leather chairs for movie-watching nirvana. For the workaholic, a computer networked home-office with a printer and fax machine. And plenty of places to enjoy big, family meals while taking in a spectacular view of the Ochocos and Smith Rock.

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"Our biggest demographic is the baby boomer," says Keeney. "Someone who wants a nice place to vacation where the grandkids can come. It's a home just for the owners. They can't rent it out or trade it like a time-share."

"It works no differently than if five friends owned the house together, except the owners never have to meet," says Keeney. "They enter the title under a Tenants in Common Agreement, which is a way to take ownership of everything the furniture, television, land as individual owners."

When someone buys into a



One-third owned as a vacation home

does on single-family homes in the same market.

The amount of time a person gets to spend in their fractionally owned vacation home depends on the percentage at which they buy in. For example, if a family buys in at 10%, they can use the house every tenth week, which equals five weeks per year, or one week per quarter, plus an additional week. For legal purposes, specific weeks are scheduled into the deed, "but people are always switching the weeks up," says Keeney. Holidays are in rotation. "So, for example, if there are five owners, a family gets every fifth Christmas."

The role of a managing company like Four Pines is comprehensive. Housekeeping, yard maintenance, repairs, transportation arrangements, and all business matters are handled. In properties offered by larger corporations such as Pronghorn, additional services such as daily housekeeping, a shuttle to and from Mt. Bachelor and full concierge services are also part of the amenities.

In case buyers are worried that the place won't feel personal enough, there are lockers in the garage and kitchen for storing personal effects like photographs of the grandchildren, with a little room left over for the likes of golf clubs, skis and hiking boots.

fractional ownership vacation home, it works similarly to any other real estate transaction. Financing is usually available. Fractional investments are subject to the same fluctuations as the rest of the real estate market, which means they sell and re-sell at a price the market demands. Typically, an owner can sell anytime they like without permission from the other owners. Since fractional ownership properties are generally located in desirable areas, their value increases the same way it