

Sharing the cost of luxury

Fractional ownership of real estate is catching on in Ontario

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In marketing, a little creative thinking goes a long way — and the same goes for owning a coveted luxury asset. You've most likely heard the term fractional ownership as an option in the purchasing of real estate; the concept has taken off big-time with cottage and vacation properties in Ontario. In fact, there are so many popping up on the market that a new company called Media Pull created an entire website (www.fractions.ca) dedicated to the topic. But did you know that the trend toward joint possession of everything from jewelry to jets?

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In fact, the concept of fractional ownership began years ago with passenger jets. It's easy to understand why private individuals or corporations would pursue owning a jet in a fractional agreement, but people's ingenuity never ceases to amaze me. The concept received a lot of attention last summer, when it made the news that 13 women in California jointly purchased a \$37,000 necklace and agreed to each having custody of the piece for four months out of the year. Considering that the number of functions to which a person could wear a \$37,000 necklace is limited, this was a brilliant idea.

Another of the new interpretations of the fractional ownership phenomenon is the sharing of art — with museums! Some collectors now offer their valuable pieces to galleries and museums for part of the year, helping to maximize the value of donors' tax deductions.

As I mentioned, the popularity of the fractional ownership of vacation

real estate has grown tremendously in Ontario over the past four years. According to Michael Stevens of mediapull.ca, the company recognized the need for a central source of information about opportunities in the province and launched the site.

"All developments are listed free of charge or consumers can contact us directly to sign up and then be informed as to new offerings," Stevens says.

Even though the site is fairly new, Stevens says the response has been overwhelming. The website has sections aimed at consumers, the media and builders — and contains the only comprehensive listing of fractional ownership properties in Ontario. Visitors will also find articles and other interesting resources.

Sharing ownership of a cottage or vacation property makes sense. The price of this real estate in Ontario has skyrocketed, placing it out of reach of many. Even some who can afford it question the return on their entertainment investment, when they will spend only a few weeks of the year enjoying it.

Enter the win-win proposition of fractional ownership. A group of people share in the purchase price and cost of maintaining the property and then split up its use during the year. And most of the time, the owners also own the boats and amenities such as docks.

Sharing the costs means owners can afford a more elaborate vacation property than they might be able to on their own. There is also the option of outsourcing the maintenance of the property, so that during the weeks they use the facilities, they can truly relax.

You won't find jewelry, jets or artwork at www.fractions.ca, but the site can open the door to your cottage or vacation lifestyle dream.

— Myles Lawlor of www.lawlor.com is a well-respected real estate marketing consultant

