

Fractional Ownership Puts Summer Respite Within Reach

DEREK RAYMAKER

April 27, 2007

You wouldn't have known it through most of March and April, but last weekend's splash of sun reminded us that, yes, we do indeed live in a temperate zone allowing for humans to frolic in the bounty of nature. So with temperatures finally breaking 20, thoughts turn to packing up the parka and mittens and going swimming, hiking, boating, fishing, or just swinging back and forth in a hammock with a good book and cold beverage.

Unfortunately, outright ownership of a decent holiday property in Muskoka-Gravenhurst cottage country is rapidly moving out of reach for most families, unless it's a clapboard shack on stilts.

There are more affordable cottage properties in the Kawarthas northeast of Peterborough, and in the area that stretches toward the Frontenac region north of Kingston. It's a longer drive, but in many areas it's less concentrated, with the additional peace and quiet that comes with that.

But with cottage ownership comes what the economists call opportunity cost. For all that you invest in a holiday property — not just the purchase price but the maintenance costs — you're also forgoing the chance to invest that money elsewhere. There's also the intangible pressure to make the most out of your investment, so every summer you'll try to squeeze as much use out of it as possible. This is fine if you feel some kind of mystical attachment to your cottage, but maybe you would also love to visit Paris, Rome and London, too.

Over the past three years, developers have been promoting a solution to the opportunity-cost quandary: fractional ownership. They build a condominium-style holiday property and sell off ownership fractions, usually in four- or five-week increments, guaranteeing you a certain amount of time to enjoy the property every year.

Most of these projects are geared to take advantage of recreational facilities nearby, especially the ski hills and golf courses clustered near the Village of Blue Mountain.

If you think this sounds perilously close to time-sharing, you would be right. The major difference is that fractional ownership offers the customer partial title to the property, and the unrestricted ability to borrow against or resell that comes with it.

Some fractional projects that have been built in and around Collingwood have been undertaken by resort giants such as Intrawest Corp., which offers owners the chance to trade in their fractions for time at the companies other far-flung resorts, such as Whistler, B.C., or Mont Tremblant in Quebec.

While these types of holiday accommodations aren't exactly the rustic properties of traditional cottage country, the upside is that you won't have to spend your weekends and holidays rebuilding boathouses or dealing with aging septic tanks.