

Fractionals: A Back Road into Cottage Country

Ownership option aimed at people who don't want to spend every weekend at their holiday

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With trees budding and temperatures rising, city dwellers are beginning to itch for a place in the woods to relax, golf, hike or just tune out.

As we wrote last week, the nicest holiday spots in the heart of cottage country in Muskoka, Halliburton and Kawartha are likely to be kept jealously within the family that's owned them for decades. Those that do go on sale are creeping into the \$400,000 range in the prime areas of Muskoka for nothing fancier than a bare-bones dwelling with aging septic-tank and a sliver of lake front. And there's no guarantee your neighbors won't be renting their place out to frat boys every weekend.

But the reality is that many people who might be in need of a cottage respite don't need it every weekend. They also might not find anything charming or rustic about driving two hours or more in heavy traffic for the privilege of repairing the property all weekend. For them, there's a growing number of fractional ownership holiday options popping up in cottage country.

Among the most luxurious of these is Touchstone on Lake Muskoka, a fractional community of three- and four-bedroom cottages and two- and three-bedroom villas situated on 30 acres between Bracebridge and Port Carling. The site used to be home to the Tamwood Lodge and Aston Beach Resort.

The first batch of residences and the main lodge are just being completed and will be ready for occupancy in September, but fractional titles are still for sale, starting at \$150,000 and going up to \$350,000, both for a quarter fraction (or 13 weeks usage).

"The challenge has been to educate and inform people about the benefits [of fractional ownership]," said Walter Thompson, president of GenerX, a commercial and retail builder in its first foray into resort development. "The reward is that when they understand all the benefits, they purchase very quickly. Our close rate is about 50 per cent."

Touchstone's two-storey cottages range between 2,100 and 2,800 square feet, with smaller villas ranging from 1,100 to 2,800 square feet, including a "treetop" model perched above the pines that includes a deck with a private hot-tub.

The lodge, which is nearing completion, will include a dining room, fitness centre, swimming pools and spa.

Fractional resort ownership is similar to condominium ownership, except that title to the property is portioned among multiple buyers who share use of the dwelling. The most common fraction stakes in Ontario's cottage country is 10 or 13 weeks of use a year, with some restrictions during high-demand seasons, but some developments are offering five-week fractions.

Buyers should be aware that fractional properties usually include monthly maintenance fees much like condominiums.

A more established fractional development is Taboo, 46 townhouse-style villas near Gravenhurst on the site of the old Muskoka Sands resort. Open since 1999, Taboo has established itself as a destination for golfers and gourmands, featuring a golf course favoured by 2003 Masters champion Mike Weir, and Elements restaurant and "culinary theatre" run by chef Jay Scaife.

Currently, there are 10-week fractions available ranging from \$115,000 and \$199,000, depending on how close they're situated to the lakeshore, according to real estate agent Sheila McElwain of Baker Real Estate Corp., the listing agent for resale fractions.

The three- and four-bedroom residences at Taboo are also available as hotel suites between \$900 and \$1,000 a night in high season, so the fractional terms appear to be more economical. This is especially true when you take into account that unused weeks can be banked and applied to other resorts operated around the world by RCI Global Vacation Network Inc.

Just north of Minett on Lake Rousseau, construction has begun on Red Leaves, a 178-room resort developed by Ken Fowler Enterprises and to be operated by J.W. Marriott Resort Hotels.

Red Leaves is a condominium hotel on a 1,400-acre site that will include a 700-acre nature reserve. Forty-three of these suites are being sold as condominium titles ranging from 464 to over 1,200 square feet between \$330,000 to \$1-million-plus. The arrangement would allow owners to share in the hotel income generated by their units when they're away.

Red Leaves offers the benefits of luxury hotel services, including use of the beachfront amenities, fitness centre and spa, but also privileges for reduced fees at The Rock golf course nearby.