

## TIMBERS CRASHES DOWN ON CARIBBEAN COMPETITORS

**Timbers Company** hopes to cross paths with **Auberge Resorts**, **Ritz-Carlton** and **Logwood Development Company** next year when construction gets underway on a \$100 million resort on the U.S. Virgin Island of St. Thomas. But for now, Timbers CEO **David Burden** is focused on crossing the pond into Europe, where he's developing the five-star **Castello di Casole** resort community in Tuscany, Italy.

Castello di Casole is being developed through a year-old partnership with property owner/developers **Guido** and **Giulio Antonello** and **SV/Timbers of Colorado**. SV/Timbers is a JV of Timbers Company and real estate investment company **SV Capital**, led by Principal **Mark Cooley**.

Featured on the 5,500-acre property is an 18<sup>th</sup> century castle and 10 surrounding farmhouses, which are being restored under a five- to seven-year master plan into a 30- to 40-suite hotel and vacation homes. By early 2007, Castello di Casole will offer 17 farmhouse villas, called casali residences, ranging from 4,000 s.f. to 6,000 s.f. Prices will range from \$5 million to \$6 million for whole ownership and \$600,000 for a 1/10<sup>th</sup> fractional interval.

The community's first seven restored residences, each rising on 20 to 40 acres, are slated for completion by the end of 2005. Burden finds that by offering both wholly owned and fractional product at his resorts, he's able to keep his risks at a minimum in markets like Europe where the concept of fractional ownership has not yet been embraced. Castello di Casole's design team includes project manager **Hank Bellamy**, architects **Allesandro Mendini** and **Gary Ross**, as well as interior designers **J Banks Design** and **Showcase Design**.

### Picks Up 367 Acres for Mixed-Use Resort

Meanwhile, Burden is in the process of scooping up 367-acres on St. Thomas' West End that will be used for development of **The Preserve at Botany Bay**. The mixed-use resort development will consist of a boutique hotel and private residence club, and with a mix of vacation real estate, including home sites and townhomes. Burden also is under contract to buy four and a half acres in Steamboat Springs, Colo., and has identified a site for a second resort in Mexico. Timbers' portfolio includes **The Timbers Club** in Snowmass, Colo., **Esperanza** in Cabo San Lucas, Mexico and **The Rocks Luxury Residence Club at Pinnacle Peak** in North Scottsdale, Ariz.

Growth-minded **Auberge Resorts** also is tracking the ultra-affluent demographic to the Caribbean where CEO **Mark Harmon** has teamed up with **J.B. Turbidy** of **Firesky Ventures** to develop the tentatively named **St. Kitts Island Resort**. The partnership, operating as **Auberge Firesky Ltd.**, expects to break ground late this year or in early 2006 on the resort's first phase, which Harmon estimates will represent an investment of \$300 million to \$400 million. Harmon most likely will bring aboard an internationally recognized, five-star brand to flag one of three planned hotels, but intends to keep the lion's share of the resort's operations under the Auberge Resorts brand.

In addition to the three hotels, St. Kitts Island Resort's 1,700-acre, 10-year master plan also calls for development of a marina, a golf course, 400 to 500 home sites and up to 600 fully furnished vacation villas priced from \$3 million to \$10 million. **Hart Howerton** is the project's designer.

Timbers Company isn't the only developer to take notice of heightened demand for vacation product in St. Thomas. **Ritz-Carlton** is seeking approval to convert some of the hotel rooms at its St. Thomas resort into 24 two-bedroom fractionals. **The Ritz-Carlton Club, St. Thomas**, which is Ritz-Carlton's only vacation ownership resort in the Caribbean, currently features 80 fractional units that company VP of Resort Development **David Holten** expects will be sold out before the end of the quarter. Fractional two- and three-bedroom residences at St. Thomas start at \$150,000 for a 1/12<sup>th</sup> interest.

**Logwood Development Company** is ushering the Ritz-Carlton brand to the British West Indies with development of **Molasses Reef, a Ritz-Carlton Resort**. Tentative plans call for development of 60 Ritz-Carlton branded villas, a 125-suite hotel, a full-service spa and two restaurants. The first 30 villas are scheduled to debut in Winter 2007. In addition to St. Thomas, Ritz-Carlton operates resorts in Montego Bay, Jamaica, San Juan, Puerto Rico and the Cayman Islands.