

# Valley

magazine

## LA's newest work of ART

Step inside the new Broad Contemporary Art Museum.

## Weekend Escapes

Get away from it all with a beach or desert sojourn.

## To Your Health

From diet counseling to pain management, check up on the latest health news.

# will smith

With "I Am Legend" enjoying box office success, this charismatic star continues his reign as one of Hollywood's most powerful (and likable) leading men.

# A Fractional Life

*From shared vacation properties to partial ownership of planes, jewelry and purses, it's no longer necessary to have big bucks to live like a mogul.*

By Patti Covello-Pietschmann



If living well is the best revenge, then living large for, well, a fraction of the cost, just makes that revenge even sweeter. The hottest trend in the upwardly mobile, luxury lifestyle marketplace, fractional ownership is making faux millionaires out of anyone with a few \$100,000 to invest. Thanks to this burgeoning billion-dollar industry, the fractional possibilities are endless—from your own pied-à-terre in Paris, villa in Tuscany or New York Westside apartment to private jets, luxury sports cars, jewelry and high-end accessories. Unlike rentals or timeshares, people who buy into the plan gain equity along with proletarian privileges. You might say fractional ownership makes fantasies come true—at least partial.

Fractional ownership, however, can be tricky, says James Butler, CEO of Shaircraft Solutions and a foremost authority on the subject. An attorney by trade, Butler says he's gotten many fractional owners out of hot water and saved potential investors from getting in over their heads. "Buyers need a specialist to make sure they get the deal that's right for them," he says. "Especially first-time buyers."

While he works in all areas of the fractional field, Butler says his primary focus is private jets. And with the cost of jet-share holdings ranging from \$332,000 to \$1,862,500 and up for 50 hours of flight time per year, plus assorted fees, making sure you've come up with a plan that's right for you before signing on the dotted line is of utmost importance.

For those who can afford the tab—mostly businesspeople and high-paid celebrities and athletes—the rewards can be well worth it. "Particularly if they fly between 50 and 200 hours a year to out-of-the-way spots," says Butler.

Butler advises potential private jet shareholders to do a profile of their travel needs: where you fly, how much luggage you tote, when you're most likely to fly and other factors. If you fly less than 25 hours a year, or take only 30-minute flights, it's not for you, he says. "Private jets are like time machines," he says. "They make time, you get there with no delays in airports waiting for connections, going through security, packing plastic bottles etc. It often shaves a day or two of travel."

With jets, and most all other forms of fractional ownerships, there are additional monthly or yearly dues. Since fractional ownerships are considered "deeded" property, which can be sold, it's important to read and re-read all contracts. When it's time to sell, in most cases, the profit, if any, is split with the ownership company, and the fractional owner gets roughly 60 percent plus purchase price back. Additional charges might also apply like cleanup fees.

The growing fractional ownership craze first began in Colorado 12 years ago with the opening of the Franz Klammer Lodge in Telluride—the first private residence club in the country, according to Tom Fulton, one of the founders who is now CEO of Epiphany Clubs & Resorts. Today, the company operates two deluxe facilities. One is The Club at Solaris in Vail, which features 19 three- and four-bedroom residences with amenities like an ice-skating rink, three-screen movie theater, bowling alley, spa and fitness facility. The other is the ski-in, ski-out Club at Tristant in Telluride, which offers 20 three- and four-bedroom residences measuring 2,600 to 3,100 square feet, with all the amenities of Solaris as well as use of a Range Rover and Telluride Ski & Golf Club membership (including annual season passes). However, the fractional investment is \$800,000 to \$1.9 million, plus dues.

"Most people spend an average of 23.7 nights a year, but we had one owner who stayed 144 days," says Fulton. And, note to snow bunnies: Epiphany provides perks like huge storage facilities, a concierge service that stocks your home with food

complex at W. 66th Street on New York's West-side, a stone's throw from Lincoln Center. With all the amenities of an upscale hotel and a minimum use of 45 days a year, the Phillips Club membership, which ranges from \$185,000 for a studio to

dream a reality. The couple purchased a 1/12th share of a 506-square-foot, one-bedroom apartment in the City of Light, with a view of the Eiffel Tower, for a mere \$112,000. Operated by Paris Pied-à-Terre, the apartment features contempo-



*A Fendi purse or Chanel bracelets are among the possibilities for fractionally owned accessories.*



and beverages and only charges for purchases and will also take care of any other chores members might request.

#### A Piece of the Real Estate Market

For Tarzana residents Dr. Jon Willen and his wife Sandy, buying into a luxury NYC apartment meant bicoastal living at a price they could afford. The couple decided to go fractional two years ago after hearing about The Phillips Club, a luxury

\$375,000, might not have included annual owner fees and optional cleaning services, but the Wil-lens didn't seem to mind. "It is our first and only fractional ownership, and we love it," says Sandy, "especially the phenomenal location right next to Central Park. We enjoy the flexibility to enjoy a city we love."

While some dream of NY, others fantasize about living in France. Dr. Iris Litt-Vaughan and her husband Dale Garell decided to make that

rary furnishings, hotel amenities and location, location, location, plus that awesome view. Talk about joie de vivre!

Both of these tales are from couples who understood how to make the most of their minimal fractional investment. Other fractional investors are living a bit more extravagantly. For example, while a villa in Tuscany could set you back more than \$5 million, for \$600,000, members of Colorado-based Timbers Club's Castello di Casole,

enjoy a luxury property set on 5,500 acres of breathtakingly beautiful terrain steeped in Italian history. And, the Italian partial homeowners also get access to a 100,000-square-foot castle fitted with a spa, fitness center, indoor/outdoor restaurant, art gallery and shops. While the fee converts into a whole lot of lire, these villas are truly knockouts.

For others, like money management executive Marshall Geller, a fractional ownership provides pure convenience. The West Los Angeles resident already owns a vacation home in Chianti, Italy, and recently invested in one of the two- to three-bedroom unit (or 1/8th of a share) in Palazzo Tornabuoni, restored 500-year-old building in the heart of Florence, complete with 30-foot-high ceilings, centuries-old frescoes and delicious appointments—and the place isn't even open yet. Geller says he and his wife couldn't resist buying into the project since they make frequent visits to Florence when they're in Italy. "It's great having our place to stay, share with friends and family and even a place to park our car," Geller explains. "I mean this is unheard of in Italy. You just pull up, and they take your car." Other privileges include concierge service for booking museums, concerts or basically anything you want and preferred access to hard-to-get-into places. Each of the 36 residences is distinctively designed with no two alike.

And, if real estate isn't enough, how about the shared use of a luxury yacht? Fractional owners of

one of 31, three- and four-bedroom homes (\$535,000 to \$605,000) at the elite Yacht Club at Capella Pedregal Residences & Casonas in Cabo San Lucas also receive use of any of eight yachts. Of course, there are yearly dues of \$5,500 and fuel, food and housekeeping fees. Each vessel comes with a captain and first mate, fishing supplies and/or nautical toys like Wave Runners and kayaks.

#### Bling Me Up: Grab a Bag & Accessorize

For those who want to make an impression with a fabulous designer outfit and fancy jewelry but don't have the bank account to shop til they drop, luxury clothing, jewelry and accessories are also available for fractional purchase. You can drape a \$37,000 diamond necklace around your neck, put a Rolex on your wrist, bling yourself with Vera Wang and Chanel or tote a Prada or Chanel bag without going bust. Just join a club like [www.bagborroworsteal.com](http://www.bagborroworsteal.com), for which you'll pay \$5 to \$10 a month, plus a weekly or monthly borrowing fee. For instance, a Vera Wang Tahitian pearl necklace, which retails for \$10,500, is available for \$265 by the week or \$795 a month. A Chanel white and crystal bracelet that costs \$1,050 runs \$50 a week or \$150 a month, and a Fendi Crossword Tote, which retails at \$2,300, goes for \$9 a week and \$275 a month. Other nifty rentable accessories are available at [www.fractional-ownership-information.com](http://www.fractional-ownership-information.com), [www.bingyourself.com](http://www.bingyourself.com) and [www.be-a-fashionista.co.uk](http://www.be-a-fashionista.co.uk). **VM**

#### How to Live Large

*Fractional ownership properties are spread out across the globe and available in just about every aspect of opulent living. So if you have some money to spare, this may be a good time to put it to good use.*

- *Capella Pedregal: Camino De La Plaza #145, Cabo San Lucas, BCS, Mexico; (858) 964-0814; [www.capellacabo.com](http://www.capellacabo.com).*
- *Castello di Casole: Timber Club, 201 Main St, Suite 202, Carbondale, CO; (866) 963-5005.*
- *Epiphany Clubs: 5600 S. Quebec Street, Ste. 325C, Greenwood Village, CO; (303)865-3810; (866)374-0689; [www.clubatristant.com](http://www.clubatristant.com); [www.clubatsolaris.com](http://www.clubatsolaris.com); (970)476-7885; [www.epiphanyclubs.com](http://www.epiphanyclubs.com).*
- *Palazzo Tornabuoni: Fingen Group and Kitebrook Partners, Piazza Stozzi, 1, 50123 Firenze, Italia, (866)753-6667; [www.palazzo-tornabuoni.com](http://www.palazzo-tornabuoni.com).*
- *PGA Residence Club, 54-500 W Residence Club Dr., La Quinta, CA; (888)650-9200; [www.destinationclub.com](http://www.destinationclub.com).*
- *The Phillips Club at Lincoln Center: 155 West 66th St., New York; (212)771-7700; [www.phillipsclub.com](http://www.phillipsclub.com).*
- *Paris Pied-A-Terre Fractional Ownership: [www.fractional.parispiedaterre.com](http://www.fractional.parispiedaterre.com).*
- *Shaircraft Solutions, 4550 Montgomery Ln., Ste 450, Bethesda, MD; (301)652-9885; [www.shaircraft.com](http://www.shaircraft.com).*