

INTERNATIONAL
Herald Tribune
THE GLOBAL EDITION OF THE NEW YORK TIMES

Published August 8, 2008



The Borgo di Vagli is a restored 14th-century hamlet in the Tuscan hillside that is shared between a group of fractional owners who might not want to invest in an entire vacation home.

Buy your own small part of the Old World

By Amy Cortese

A few years ago, Michael Farver decided that it was time to start thinking about making changes in his life. For one thing, he wanted to travel more with his wife, Susan, and their 4-year-old daughter, Natalie.

"If I could spend six months a year in Italy, I would buy an old farmhouse and fix it up," said Farver, who lives in Plantation, Florida. "But that's not going to happen."

But Farver, who maintains a busy schedule running the nonprofit group

End Childhood Hunger, found another way to fulfill his dream: he bought a share in Borgo di Vagli, a restored 14th-century hamlet in the Tuscan hillside. "The thought of being able to own a piece of that struck a chord," he said.

Long popular in the United States, fractional ownership - in which the costs of a vacation home or other asset are divided among a pool of members - is steadily making its way across the Atlantic. For prices starting at \$100,000, not including annual dues, buyers can own a piece of a coveted property in the Tuscan hills, in the heart of Florence or in other European locales.

Unlike two other cost-sharing models - timeshares and destination clubs - fractional ownership plans give members an equity stake in the property, which can be sold or transferred. The members own the club and the real estate, while the developers make money from the initial sales.

The hottest segment of the market in Europe, as in the United States, is the so-called private residence club - high-end properties that come with luxury amenities and services. The clubs have limited membership, and because they are in premier locations, they are often viewed as investments that can appreciate.

While the second-home market has dropped off, sales for private residence clubs grew by 12 percent in 2007, according to a study of the North American market released this year by Ragatz Associates, a consulting company in Eugene, Oregon.

Timbers Resorts, a developer in Colorado, has been hard at work at Castello di Casole in Tuscany, among the largest private land holdings in Italy. Thirty restored farmhouses scattered across 1,700 hectares, or 4,200 acres, of quintessential Tuscan landscape, with vineyards and olive groves, will be available for full or fractional ownership. A one-twelfth interest in one of the houses, or casali, ranges from €290,000 to €590,000, or \$440,000 to \$900,000. That guarantees three weeks a year, and unlimited time on a space-available basis.

Abercrombie & Kent, a luxury tour operator based in Illinois, plans to buy properties in Paris, Rome and other European cities as part of a residence club it is starting later this year. The Hideaways Club, a residence club based in London that was created last year, plans to develop properties in several European areas, including southern France, Italy and Spain.

The bulk of the activity is now in Italy. Palazzo Tornabuoni is an urban private residence club located in a former Medici palace, one of four such palaces in Florence and the only one in private hands. When a \$150 million renovation is completed later this year, Palazzo Tornabuoni will feature 36 residences - from studios to three-bedrooms - that will be available exclusively to 288 members from €210,000 to €528,000 for a one-eighth share. The Four Seasons will manage the property, and members may use the amenities of a nearby Four Seasons hotel set to open this autumn.

The Palazzo's members will have access to Florentine hunting lodges, golf clubs and special wine tastings, thanks to the connections of one of its developers, Jacopo Mazzei, who is from one of a handful of Florentine noble families. His family is also one of the oldest Chianti producers.

"Our raison d'être is access to a Florentine lifestyle," said J. Byrne Murphy, the chief executive of Kitebrook Partners in Washington, Mazzei's co-developer. About half of the first 160 memberships being offered have already been sold, Murphy said.

Patricia Gellar, an interior designer who lives in Los Angeles, and her husband, Marshall, bought a share in the Palazzo a year ago. Gellar, who collects old masters drawings, loves the cultural access that comes with membership, while her husband, an investment banker, enjoys the perks, which include having a chauffeur-driven Maserati meet them at the airport.

About an hour-and-a-half drive away is Borgo di Vagli, where Farver paid \$85,000 for his one-tenth share of a two-bedroom residence. The developer and architect, Fulvio di Rosa, spent 10 years restoring the hamlet's 10 stone buildings, retaining its medieval spirit while adding modern amenities like a 20-meter, or 66-foot, swimming pool. An on-site concierge can arrange wine tours and dinner reservations.