



## A Luxury Vacation Ownership Option That Makes Sense



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Here's another option to owning a luxury vacation home that makes sense. Invest cash in a luxury property through a Limited Liability Company (LLC) structure with five or six other partners. Then use it for 4-8 weeks annually or more depending on the size of your investment. An exit strategy is in place to sell the property in around eight years, which is typically how long a vacation home is held.

The upside--you get a more luxurious property than you probably would buy on your own at a lower cost. Forget about the downtime inherent in sole ownership when you're not using the home yet are paying for it. Sounds like fractional ownership or timeshare model, but it's not.

**Lifestyle Asset Group**, based in Fort Collins, Colorado has been doing this since 2013. This investment is sold as a Regulation D, Rule 506 security to accredited investors, as defined by the SEC.

Equity ownership shares are offered in top-shelf luxury vacation homes around the country (including Hawaii and the Caribbean.) Richard Keith, a co-founder, describes ownership in one of the LLC's as "*Warren Buffett meets Jimmy Buffett.*"

Karla Jones, a co-founder, explains. "*After significant research within the industry, we created a whole new approach that involves an exclusive group of owners who collectively acquire a vacation residence of immense quality and originality, all with a credible way to get a positive return on your investment.*"

Here's how it works: A Limited Liability Company is formed to purchase a property for all cash with money raised from the investors, typically 6-8 partners. **Lifestyle Asset Group** finds the property, secures the investors, manages the reservations and concierge services and then handles the property's resale at the end of the LLC term. Investors, whether individuals or companies, can acquire LLC membership interests from 10% to 100%.

Prices vary to the investor depending upon the offering. For example, if an investor purchases a 20% interest and the selling price is \$1,000,000, that 20% interest may be approximately \$230,000 once closing costs and related fees are included. That would entitle the investor/owner to approximately eight weeks of usage per year.

To date, **Lifestyle Assets** has sold out LLC's in Kauai, WaterColor, Florida, New York City, St. John, USVI, and Seabrook Island, South Carolina. There are 11 current luxury LLC offerings from Telluride, Colorado to Kauai's North Shore.

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## A Luxury Vacation Ownership Option That Makes Sense (cont.) Lifestyle Asset Group

In addition, investors in the LLCs have access through an agreement with Elite Alliance, a private travel program to more than 100 luxurious vacation properties internationally.

One satisfied investor/owner is Mike Gorney of Nashville. Gorney acquired an interest last fall in a 3,700 square foot home steps to the sand in Watercolor, Florida. He came to **Lifestyle Asset Group** as a referral from his agent, Matt McGuire of Scenic Sotheby's International Realty in Santa Rosa, Florida.

Gorney knows the business as a principal of Gorney Realty, a 30-year old commercial real estate firm in Nashville. *"We almost bought a condo in the area. It needed work and we would have been the sole owners. We terminated the purchase.*

*We then heard from our agent that he had an interesting idea for us. The home we saw was a size where we could have family and friends come to the beach with us,"* Gorney recalls. *"I ran the numbers and I liked the idea of shared ownership. It made good sense for us. Plus, we don't have to deal with management issues. I looked at the exit strategy and that worked for us also as I see getting appreciation in ownership on a debt-free basis."*

Investors come via referrals from current owners, real estate brokers and a variety of marketing efforts. Real estate agents with the right buyers introduce them to **Lifestyle Asset Group** and when the deal is cut and closes, the brokers are paid a commission/referral fee. *"Around 50% of our investors come from real estate agents who see the listings,"* Keith explains.

*"I was working with the Gornes for a while and they were looking for a condo in the Watercolor area in Florida with full-ownership. We couldn't find the space and location they wanted within their budget. So, we tabled it. I then saw the Lifestyle Asset Group's MLS listing on the Park Row property in Watercolor and sent it to Mike. I see it as a unique opportunity for buyers to get more through this form of shared ownership,"* said Scenic Sotheby's agent Matt McGuire.

Shared ownership is not a new idea. Yet the way **Lifestyle Asset** has it structured as a true investment partnership, it makes good sense for a certain segment of the luxury vacation home buyer.



Rancho Santa Fe, California



Kauai, Hawaii



Telluride, Colorado