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Fractional structure much better approach than typical timeshare

From a legal point of view, fractional ownership is far preferable to the common timeshare or interval ownership concept.

Under the timeshare model of resort ownership, participants typically have a time-limited interest, are exposed to the financial problems of the developer, and often experience difficulties in financing or reselling their interests. Resale values are often only a small percentage of the original promoter's price.

There have been cases where timeshare lease holders have lost their investments when the promoter went bankrupt. In addition, when the timeshare lease expires, the owners have no further interest in the project or the units.

Fractional ownership, on the other hand, is a new breed of title-holding that is a mixture of timeshare and condominium. Each unit or chalet is a registered condominium unit, deeded in writing forever to a number of separate owners.

The registered deed entitles each owner to a right to use the property for a set period of time (such as five weeks), along with a proportionate interest in attached facilities like a golf course, tennis courts, clubhouse, pool or other installations.

The weeks of ownership can be consecutive or spread throughout the year. The golf course and other facilities are the common elements of the condominium corporation, shared and paid for by the chalet unit owners.

Since the title is not a simple right of use like a timeshare, but is held by registered deed, it is readily transferable like any other real estate and can be financed with a conventional mortgage, unlike a timeshare.

Most important, in a recreational community where the participating owners have deeds to the land, they are the ones who control the management company and not the other way around which is the timeshare ownership model.

The deeded interests of the fractional owners survive permanently, as they do in a condominium project, even if the developer steps out of the picture.

The permanence and legal structure of fractional ownership offer many advantages over the timeshare and land-lease concepts.

In my view, it's a much better option.

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