

## **ECONOMICAL OPTIONS**

### **As prices for summer vacation properties soar, cheaper alternatives are springing up: It could mark the return of the affordable family cottage**

It's a grand and uniquely Canadian tradition: spending the summer kicking back at the cottage. But with vacation home prices hurtling into the stratosphere, what's a cash-strapped urban escapist-wannabe to do?

There's a host of creative and cost-effective options for those who hear the call of the wild but are just too broke to answer.

Condo-cottages, fractional ownership cottages, moored boats, trailers, timeshares or even sharing the cost of a place with friends or family are some of the many ways to own a cottage without busting the bank.

Forget that budget-mangling multi-million dollar pile in Muskoka. Now, many are finding that be it ever so humble, there's no place like a cottage done on the cheap.

The newest low-cost concept to hit Ontario's cottage scene is the condo-cottage. The idea is simple: take a cottage resort, apply some spit and polish and take it condo.

The price of full ownership can start as low as \$99,000, though municipalities often restrict usage to summer and shoulder months.

Like regular condos, buyers will own their unit outright and also own a proportional share of the land and amenities. Owners pay monthly maintenance fees and property taxes, just like in a condo.

And it means no lawn mowing, dock installing or other time-squeezing property maintenance issues.

Fractional ownership burst on the scene about five years ago. With fractionals, buyers get one share, usually representing a one-tenth ownership in a luxury cottage in a prime resort location. Prices can start as low as \$29,000 for each share – though in some cases owners may buy as many shares as they wish – and can move up to close to \$100,000.

John Puffer brought the fractional cottage concept to Ontario in 1999 with his first offering, Chandler Point. Chandler's six luxury cottages are on Haliburton's rugged Lake Kashagawigamog, which means Long and Windy Waters in the Algonquin language.

"I was always a cottage fanatic," Puffer says from the deck of his own Kashagawigamog cottage. "I used every excuse in the book to get to the cottage."

Puffer saw fractionals at Telluride in Colorado and thought the concept would translate well into Ontario's vast and varied cottage country market.

They have also proven to be a sound investment for early buyers: a five-week share at Chandler's Point sold for \$29,000 in 1999 and is bringing in almost double that now, Puffer says.

Buyers not only get an ownership share in the cottages, which are 1,536-square-foot with three bedrooms and two baths — but they also own a share in the surrounding 2,8 hectares, docks, boats and other amenities.

"What you see is what you get and unlike timeshares, you have 100 per cent ownership," Puffer says.

The company has developed three other fractional cottage resorts – William's Landing with 18 cottages and Marcus Beach with 19, both on Kashagawigamog, and Tory's Landing on Sparrow Lake with 18 cottages, for a total of 600 owners.

The five weeks include one in each season and a fifth week that rotates every year so each owner gets to experience Christmas or March break at the cottage.

Annual maintenance fees are \$2,175 per share and that includes cleaning, telephone, utilities, property taxes, satellite television, property maintenance, driveway plowing, even furniture and appliance replacement.

The concept is so popular with those who want to spend their time at the cottage having fun instead of working, that some clients have purchased as many as seven shares.

"People love cottaging, but they don't want to have to do all the work or have all the headaches," Puffer added. "It's a very cost-effective way to cottage." Puffer said each of his four cottage resorts sold out long ago, but resales do become available.

Glenn Scott bought his first fractional share William's Landing in 2003 after selling his cottage in the late 1980s. Since then, Scott has sold at William's Landing and bought three shares at Marcus Beach. His mother-in-law has also purchased a share in the same cottage. Because Scott bought the first shares in his Marcus Beach vacation home, the family has wrapped up the primo summer months of mid-July to mid-August.

"If you have any thought of buying intervals back-to-back, you'd better get in on the ground floor," Scott says. The concept is perfect for those who like to cottage, but don't want all the work. "It's cottaging light," he adds. Scott says that unlike timeshares, which sometimes lose their value, fractional shares move in lockstep with local real estate hikes. In fact, fractionals often increase at a faster pace because of their desirability.

Jan Holland, owner of Marina Del Rey on the shores of Lake Simcoe near Orillia, says more and more boaters are now using their watercraft as floating cottages. "Whether they can't afford a cottage or they just like the flexibility, we are seeing a lot of that now," Holland says. His marina operates more as a resort, with a swimming pool, campfire and horseshoe pits, a store, washrooms, showers and laundry facilities and lots of scheduled weekend activities. And each of the covered slips has a picnic table, hydro and water.

"Our marina is pretty well laid out like a little resort, it's like cottages in a row," adds Holland, who is from Germany and has operated the marina for four years with his British wife Sally. The cost of a 30-foot used live-aboard boat can start around \$30,000 and the annual fees for a covered slip for a boat that size would run \$3,256 or \$1,805 for an open slip. This makes boating a very affordable alternative to cottage ownership.

Holland says marina resorts like his are unique to North American. "I haven't seen them anywhere else in the Caribbean or Europe, where they usually have just finger slips," he adds.

The advantage of a boat is its portability. Lake Simcoe connects to Georgian Bay and Lake Ontario through the locks on the Trent system, so boaters can roam for miles.

Trailers are another popular and low cost alternative to cottage ownership.

Karen Challinor, president of the 450-member Ontario Private Camp Association, says a park trailer – one that is not on wheels and therefore does not move from place to place – is a perfect cottage alternative.

"The park model trailers are cottages and then some," says Challinor, who with her family operates the 226-site Red Eagle Family Campground and Trailer Sales on Wollaston Lake in the Kawarthas.

Doublewides can be as large as 900-square-feet, with two to three bedrooms, fireplaces, hardwood floors, skylights and Corian countertops. "The sky's the limit," Challinor says. "And these will cost \$80,000, max." Throw in another \$2,200 a year for a prime waterfront site, and all that adds up to a pretty cost-effective vacation home, she says.

But it can be done for much less. Newer park model trailers start around \$25,000 and an inland site, with sewer hookup, hydro and water, can be had for \$1,700 for the six-month season.

Challinor says many trailer parks are set up to cater to particular interests.

"There are party parks for the partiers, there are religious parks, there are no alcohol parks, there are nudist parks," she adds. "There is something for everyone." Private campgrounds typically come equipped with a host of family amenities, including rec halls, a long list of activities, swimming pools and sand beaches.

Also called interval ownership, timeshares have been around for some time. With a timeshare, you purchase one or two week blocks of time at a resort for a specified number of years. The industry has developed a black eye over high-pressure sales tactics and timeshare's sometimes low resale value. But the concept has its fans, since a one-week block of time at one resort can often be traded for time at another. Prices range from a few thousand dollars for one-bedroom or studio units up to \$25,000 or more for larger units in top resorts.