

Condominium Hotels

Affordable Real Estate Ownership With the Most Benefits and Greatest Flexibility

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If you are looking to buy a vacation home but don't know if you can justify it with the limited amount of time you will have to use it, consider the most flexible and affordable option available, a condominium hotel unit.

Condominium hotels have been around for decades in resort areas throughout the world. In Charlevoix, Michigan, as an example, the Weathervane Terrace was the first condo-hotel conversion in Michigan. Converted and sold out in the mid to late 70's, the first unit sold for \$13,900. In Charlevoix, the conversion was followed by Weathervane Phase II, Foster Boat Works, the Edgewater Inn, and Pointes North. Some of the original purchasers of these units are still owners today and have enjoyed significant appreciation in value and income, and rewarding personal use. In fact, a large percentage of hotel condominium owners own multiple units across the country. A testament to their performance and experience in this type of asset. Their ability to own several units is possible because they are in the most affordable form of vacation home ownership.

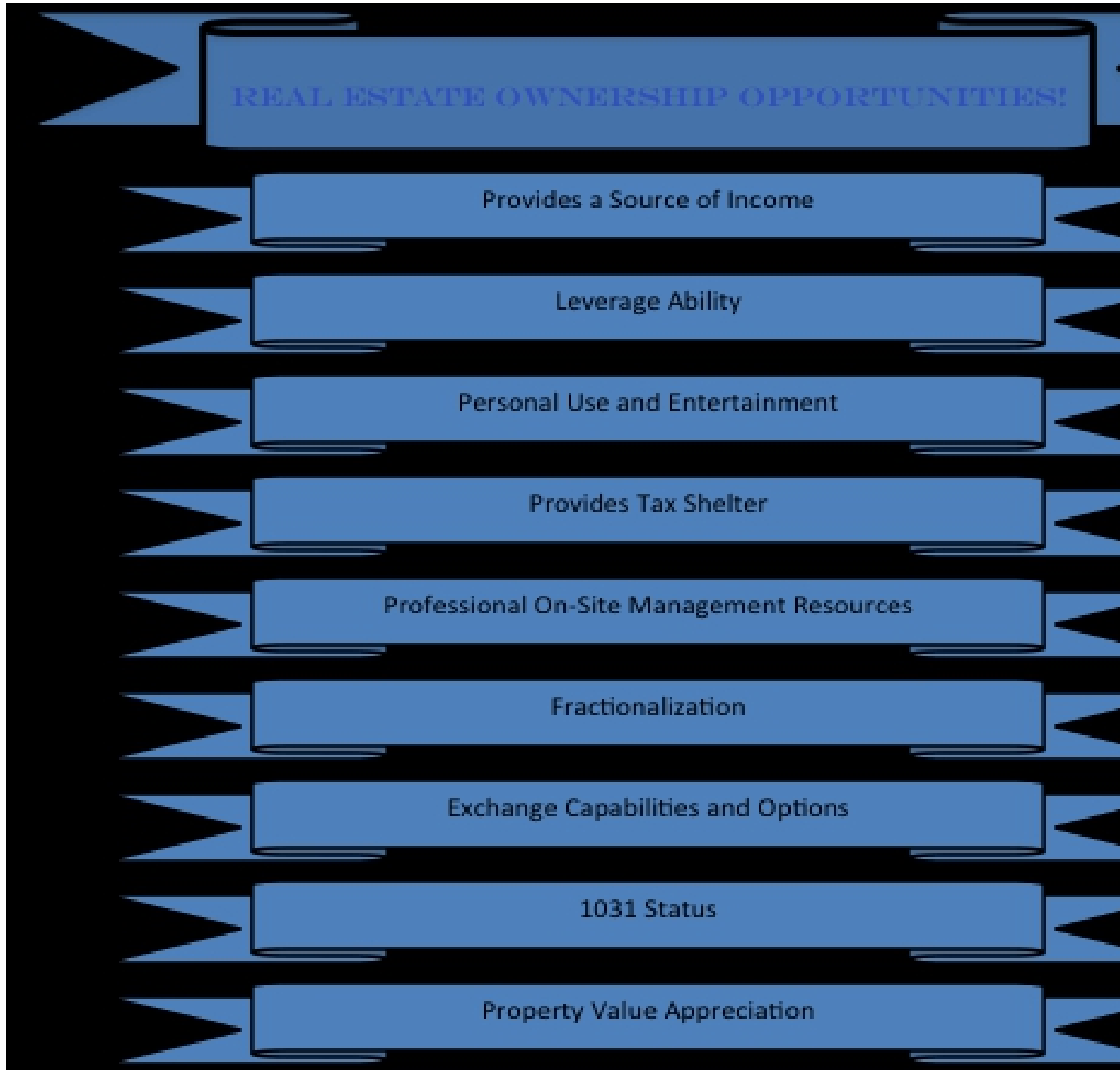
Different types of Real Estate offer different benefits, "the bundle of benefits". A primary home offers the necessary shelter for a family, the most common way to accumulate equity over time, and tax savings by writing off the interest and Real Estate taxes. A primary home also offers preferential tax treatment when it is sold.

Commercial and rental properties offer income, appreciation, tax shelter, and sometimes preferential tax treatment upon sale, but no personal use, just personal time used up in management.

Only a condominium hotel unit offers the complete "bundle of benefits" that Real Estate has to

offer, and in the most affordable way.

Real Estate Bundle Of Benefits



The Complete Bundle, Condominium Hotels

Income

Most owners offer their units for rent while they are not using it themselves. Because most condo hotels have on-site professional management and market themselves as a hotel, most properties have the maximum flexibility of renting by the day, week, month, or any combination thereof. The typical split of revenue between owner and management in the industry is 50/50, but this typically covers the cost of housekeeping, booking fees, and other expenses associated with running a hotel. If you choose wisely the income you receive should cover your cost of dues, Real Estate taxes, maintenance, and leave some to help cover any mortgage payments you may have.

On-Site Professional Management, 24/7

Most condominium hotels have on-site management watching out for your property every day. You don't have the typical worries of vacation home ownership associated with broken pipes, faulty furnaces or shoveling the drive. Simply let management know when you are arriving and management will make sure your unit is clean, warm and ready for your enjoyment.

Personal Use and Enjoyment

There is nothing like taking time off for a retreat at your own vacation home. The nice part is when you get here you don't have to mow the lawn or paint the porch. Just relax and enjoy the amenities of the hotel and the area. When you go home, just close the door. Management will take care of the rest. Some owners save thousands of dollars in what would have been a hefty hotel bill.

Tax Shelter

As long as your personal use does not exceed 14 days or 10% of the days rented, whichever is greater, your unit will qualify as an income property and costs and depreciation can be written off to shelter any rental income. This can result in significant tax savings to many individuals. You should consult your tax advisor to get an estimate.

1031 Status

As long as you qualify as an income property as described above, your unit is considered a 1031 property and can be exchanged into another 1031 property and postpone any capital gains tax. To qualify consult your tax advisor or an informed Real Estate professional on 1031 requirements.

Appreciation

Condo hotels are traditional Real Estate ownership opportunities and thus have the same potential for significant appreciation in value over an extended period. Like most property, you should buy for the long term (5 years or more) to maximize your potential for appreciation.

Leveragability

Like most Real Estate, condominium hotel units qualify for numerous mortgage options at very reasonable rates today, particularly if it is an established property.

Fractionalization

Some properties offer fractional interests in a unit, making ownership just that much more affordable. Common in northern Michigan is the 1/4 share, giving owners personal use opportunities in all 4 seasons at a fraction of the cost of whole ownership. Condominium hotels make it easy for this arrangement by providing a formal agreement and hands on management to make it seamless. It is common for 2 or more families to own a unit together because on-site management can handle all potential problems.

Exchange Capabilities

Some properties offer exchange capabilities to their owners, allowing them to exchange a week or more use of their unit for a week or more at thousands of wonderful destination resorts all over the world. For a nominal exchange fee an owner can save thousands on vacations at resorts owned by Marriot, Disney, and a wide range of other high-end properties.

When you add up the value of the condominium hotel units "Bundle of Benefits", it is easy to see how affordable, easy and rewarding ownership is. No other Real Estate opportunity can offer such a complete bundle or as much flexibility

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