

THIS PAGE: The courtyard of Casa Luz, one of the 140 homes in 50 destinations that are available to members of the Ultimate Escapes vacation club. OPPOSITE PAGE: Golf resorts are among the popular Ultimate Escapes destinations.



FOR HER CONTINUING SERIES "THE FOURTH ESTATE" CONTRIBUTING EDITOR RUTH J. KATZ RESEARCHES, AND REPORTS ON, PRIVATE, RESORT-LIKE, MEMBER-EQUITY COMMUNITIES THAT ARE ESPECIALLY APPEALING PLACES FOR YOUR ESTATE-AWAY-FROM-HOME.

THE FOURTH ESTATE

# WHICH WAY FOR PARADISE?

For your estate-away-from-home, what's your pleasure? Buying into a vacation club that offers you homes in a multitude of gorgeous, disparate places, or buying a villa on a still-unspoiled Caribbean island that offers tax advantages?

By RUTH J. KATZ





THIS PAGE, CLOCKWISE FROM LEFT: Tropical destinations are highly popular with Ultimate Escapes members (but then, so are ski resorts and mountain retreats). The great room of one of the residences in Telluride features a two-sided fireplace. OPPOSITE PAGE: Detailed “destination guides” offer information and advice on available activities in the area, like horseback riding.

# ULTIMATE ESCAPES



It’s a vacation club—the sophisticated way to dwell luxuriously in a variety of alluring places, free of the hassles of homeownership



**S**UN-DRENCHED PLAYA DEL AMOR (Love Beach, or, as it’s also known, Playa del Amante, Lovers’ Beach) is a bridge of sea-burnished, frosty-white sand that links the tourmaline-and-jade-kissed Sea of Cortés with the more turbulent Pacific Ocean at the tip of Mexico’s Baja Peninsula. This spit of land’s end is accented by craggy, colossal boulders jutting up from the sea, as well as the much-photographed El Arco, a massive, arch-shaped rock formation that provides a peek-a-boo window between the seas.

Spend an hour or two here in a shallow glass-bottom boat, marveling at the multihued parrot, clown, and butterfly fish; then motor up to a weather-beaten promontory where a boisterous colony of seals perches to relish the sun-dappled island; then, perhaps, snorkel a bit . . . and you’ve had a memorable morning. Head home for the afternoon to your gracious casa (nearly 5,000 square feet) in Cabo del Sol, nestled on a knoll with a panoramic sea vista. Flop into the patio hot tub; or just luxuriate on a chaise longue; or dip into the pool and swim up to a sculpted underwater stool next to the bar at the edge of the pool and down a thirst-quenching Corona.

You might at that point, daydream about the lassitudinous and

lovely day you’ve enjoyed . . . and while slaking your palate with that iced beer, you may mentally focus on a bottle of its north-of-the-border cousin, Coors. Free association may whisk your cerebral cortex even farther northward—to snowy Telluride—as you imagine the inspiration for *that* brand’s signature label, a snow-capped mountain. It’s Mount Wilson, part of the majestic panorama you could enjoy from another one of “your” homes, in Telluride’s San Juan Mountains.

Abracadabra! Suddenly you’re planning your next escape, wafting yourself from the sun-dappled Mexican beach to the imposing slopes of crisp, wintry Colorado. If you are a lucky member of the Ultimate Escapes luxury destination club, you’ll nail that next trip, down to the most niggling details, with one phone call from your Cabo vacation home, *Casa Luz*: “Hello, Escape Planner? For our next trip, we’d like to go to Telluride for five days . . .”

Could planning a trip get any easier than this? And that is one reason, among many, why nomadic natives choose to join a destination club. It’s all about making your vacation at your “second” or “third” or “fourth” home an unproblematic one—and at the same time, it’s like having a home, but not having the



OPPOSITE PAGE, FAR LEFT: A typical mountain view from one of the club's four properties in Jackson Hole, Wyoming. NEAR LEFT: One of the club's residences in Telluride; its wall of windows affords breathtaking views. THIS PAGE: Mountain-biking is a popular warm-weather activity at many club destinations.

responsibilities for the care and feeding of that asset. And how about having concierge services—someone to stock the fridge for your arrival, make your dinner reservations, find you a babysitter, or do just about anything that you need done? An Ultimate Escapes stay gives you all the benefits of a fine hotel, but the privacy and comfort of a well-equipped, palatial nest ... a nest equipped with a detailed “destination guide” to the environs.

“We’ve owned a second home and a 40-foot yacht, and we currently live on ten acres in the woods in Bedford. We just do not need to own a second home now. We’ve simplified our lives,” comments Ray Sclafani, president of an executive coaching firm for financial professionals. “Joining Ultimate Escapes provides us with a variety of destinations and the resources to have all the arrangements made for us. It’s always a perfect experience.”

As is obvious, Sclafani could not be a bigger cheerleader for the concept of vacation clubs. He and his wife, Beth, have used their club membership over 80 (count ’em, 80) times in the past five years, since joining as charter members. “We have vacationed in Stowe, the outer banks of North Carolina, Punta Cana [Dominican Republic], Beaver Creek, Lake Las Vegas, Steamboat Springs, Marco Island, Cabo, and Turks & Caicos.” They, like other Ultimate Estates members, have access to 140 homes in 50 destinations located around the world.

The Sclafanis don’t limit their use of the club to resort destinations, either. “We also use the club properties for the occasional overnight or weekend in New York City, and we do the same thing in cities like Chicago.” (Members have access to more than 130 luxury boutique hotels worldwide—in addition to those homes in the 50 destination resorts.)

#### VARIETY, LUXURY, REFINEMENT, SOPHISTICATION—THE NEWEST WAY TO OWN VACATION HOMES

Vacation clubs have been around for about ten years—an extension, or corollary, perhaps, to their earlier cousins, fractionals. The clubs have reached a more refined level in today’s more rarefied real estate market, and after some initial shakeout, the field comprises about a dozen players today. In the simplest terms, these clubs differ from fractionals in this way:

- With fractional ownership, a home is sold to multiple titleholders, each of whom “owns” a piece of the residence and is assigned time for enjoying the domicile, based on the ownership stake.
- With a destination club, members pay an upfront fee (similar to the country-club model, where an initiation fee is required), which is partially or fully refunded when the member leaves the club. (At Ultimate Escapes, members are refunded 80 percent of the then-current fee.) In addition, there are annual dues. Membership assures a certain number of nights (which varies with the level of membership) in the organization’s properties; leveraging their capital, clubs use the amassed fees they collect to acquire properties.

This model has substantial traction for those who like to vacation in different places; most clubs offer vacation properties in the locations that are the “usual suspects”—ski locales that are also summertime sylvan retreats; tropical, sunshiny destinations with a beach; golf resorts; and urban destinations. Many clubs today (including Ultimate Escapes) also offer properties outside the United States—a Tuscan villa, anyone?—with places like Cabo San Lucas very high on the list of desired destinations.

Ultimate Escapes is the result of a merger of two power players in the industry, Ultimate Resort and Private Escapes, and while competitor Exclusive Resorts is the 800-pound gorilla in the industry, Ultimate Escapes boasts a solid membership of 1,300 who are coddled and ministered to. The member-to-home ratio is about 9 to 1 (without including the 130 hotel properties; factoring them in, it’s about 5 to 1). Initiation fees and yearly dues are tiered at three levels (based on the value of the homes—ranging from \$1 million to \$3 million—not on the number of nights allotted), with five options available in each category: At the Elite level, one-time fees range from \$200,000 to \$400,000, with dues between \$16,000 and \$49,000; Signature, from \$145,000 to \$300,000, and dues of \$11,500 to \$35,000; and Premiere, from \$70,000 to \$150,000, with dues between \$8,000 and \$17,000.

There are variables at each level that impact the total number of guaranteed nights and number of reservations available for various times of the year—the obvious, most popular times being Christmas/New Year’s and spring break. Most members acknowledge the financial advantage of membership, given, say, that a four- or five-bedroom home in Telluride would rent for about \$10,000 a night during the Christmas/New Year’s peak, and \$5,000 a night during the ski season. (*TME* did a test stay in one of the club’s properties there and can happily report back that it’s a magnificent, completely outfitted mansion.) Just start adding up the tariffs for hotels and condo rentals and it’s easy to see why this type of club is attractive to anyone who wants to savor vacations in a variety of places, while staying in a posh, fully-equipped home, with a concierge available for questions, errands, and so on—and do it without being tied down to the responsibilities of home own-

ership. (There is also a 7-day trial membership package available to those who are interested, but not quite ready to fully immerse a foot into the water, but just want to dip a toe in.)

Additionally, if you’re willing to park your money somewhere for at least 18 months, there is also the chance that the value of your investment will have increased. Departure from the club is dictated by a fairly common three-in/one-out rule, and at that time you receive 80% of the published rate for membership. According to Richard Keith, chairman of the combined company, “Memberships have appreciated sharply since Private Escapes [the original club that Keith established] launched in 2003. For a 28-day [Gold] plan, the original Premier membership sold at \$65,000 and it’s now \$105,000. The Signature Club opened at \$165,000; it’s now \$205,000. The Pinnacle/Elite Club was \$300,000 and is now \$335,000.”

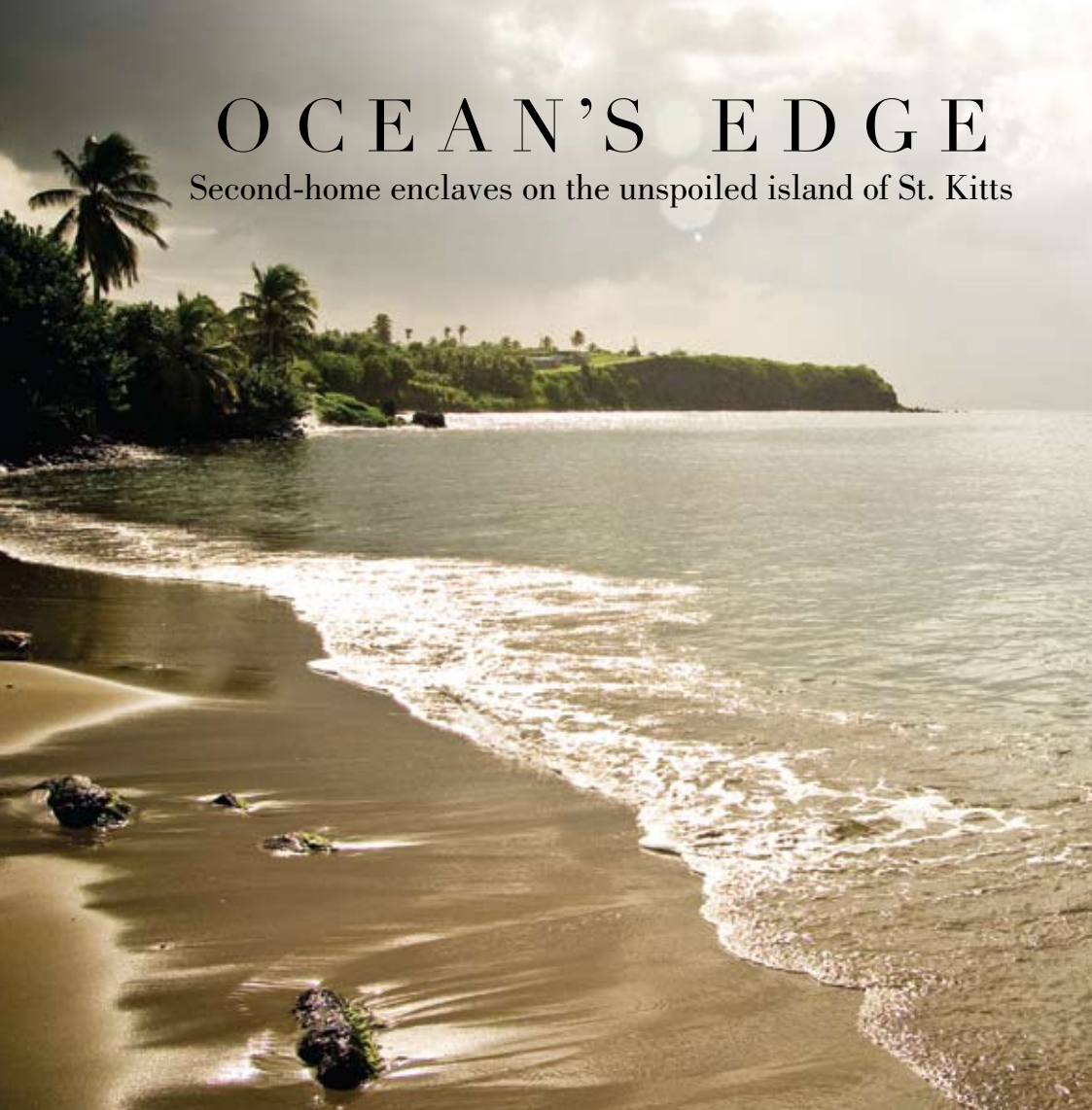
Is this for everyone? Perhaps not, but it’s assuredly a great move for those who love travel and want to sample many destinations. According to businessman David Drucker, an early member, “Maintaining another home was a responsibility I didn’t want, and because we love high-end travel, and because we can be somewhat flexible with our schedule, we decided that this was perfect for us. We weren’t investing at the time, not in real estate; we were investing in a concept, and for us it’s been perfect.” >>

Ultimate Escapes, 800.851.5597; [www.ultimatescapes.com](http://www.ultimatescapes.com)

PHOTOGRAPHS COURTESY OF ULTIMATE ESCAPES

# OCEAN'S EDGE

Second-home enclaves on the unspoiled island of St. Kitts



OPPOSITE PAGE: The unspoiled, sandy beaches of Nevis and St. Kitts; some are white sand and others, black, volcanic sand. THIS PAGE: How the Ocean's Edge Resort will look when it is completed.

THE MULTICOLORED LICENSE PLATES on the weather-beaten wooden ceiling beams of Sunshine's Beach Bar & Grill, a popular joint on the Caribbean island of Nevis, affirm visits from loyal patrons hailing from several dozen states—from Maine to Washington, Minnesota to Texas. They date as far back as 1984; almost all are vanity plates, with either droll sobriquets (“Foofy,” “Frosty”) or a statement proclaiming keen affection for the Caribbean and for this island and her sister isle, St. Kitts.

The owners of these defunct license plates are the vacation aficionados, ahead of the travel curve, who discovered this island paradise years ago, before the Federation of Saint Christopher and Nevis (the country's proper name) ratcheted up its effort to increase tourism. That it began to do in 2005, when the government shut down the production of the island's former financial foundation, sugar cane. (Irony of ironies—ocean voyager and adventurer Christopher Columbus, for whom St. Kitts is named, sailed right by the isles in 1493.) Hordes of tropics-loving tourists and beach worshippers will assuredly follow the earliest trailblazers—as, indeed, several hospitality organizations have already. (The Four Seasons is already on Nevis, the Marriott on St. Kitts,

and Kiawah Development Partners plans a major development, Christophe Harbour, on St. Kitts' southeast peninsula, which will include a Mandarin Oriental property.) But the islands are still (yes!) unspoiled.

This is the smallest nation in the Americas, in both area (St. Kitts is 68 square miles; Nevis, 36) and population (just over 40,000 for both islands), though it's one of the earliest to be settled. The islands are charming, with their “skirt-and-blouse” architecture and luxuriant vegetation, including imperial traveler's palm trees, amazing poinsettia bushes, and cheery-yellow “hello” flowers. There's fine cuisine as well as down-home cooking, and both beachy nightlife (a string of hot-spot bars and boîtes dot the shore) and casinos, as well. There is also a dormant volcano, Mount Liamuiga, nearly 4,000 feet high, and a lush rainforest where green vervet monkeys scuttle and dart around.

Among the building styles around the island, ancient structures and new ones stand side by side. The skirt and blouse architecture features an old technique: The “skirt” is composed of sturdy, local volcanic stone foundations and first-floors, while the white clapboard “blouse” is the “frilly” second floor, built with galler-

ies or New Orleans-style verandas, replete with curlicued wooden fretwork or gingerbread.

For those seeking a vacation home, the Ocean's Edge community, now under construction and located in the popular Frigate Bay area of St. Kitts (it's about a four-and-a-half hour direct flight from Gotham), provides a real-estate investment and vacation opportunity for every pocketbook. Tariffs start as low as \$359,000 for a one-bedroom beachfront apartment (approximately 800 square feet in total, including terrace) and go to about \$720,000 for a villa lot (sans domicile) of over one acre. Tucked into a secluded, curved hook of coastline overlooking the Caribbean, the attractive development will eventually comprise almost 200 assorted residences on 40 acres. There will be 66 hillside homes; 48 one-bedroom beachfront apartments; 8 two-bedroom beachfront apartments; 48 two-bedroom garden cottages; and 23 villa lots, high on the lush hillside, with expansive, commanding vistas.

Owned by the Cable Bay Hotel Development Company Limited, composed of developer Newfound NV and local partners, Ocean's Edge will also have the expected clubhouse, recreation/fitness center, restaurants, several pools, and tennis courts; house-

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keeping and concierge services will also be provided. Phase One is under way; several hillside homes are already occupied; Phase Two sales begin this year. In 2007, St. Kitts was named by *Island* magazine as one of 20 best islands to live on, and with its year-long temperate climate (from 77 to 83 degrees, and with virtually no rainy season), it's easy to see why.

Perhaps another attractive lure for international investors to become homeowners (about half of the purchasers in the development are from the UK, half from North America, with smatterings of buyers from Asia) is the St. Kitts Citizenship by Investment Programme, which allows for a fast-track to citizenship for those who qualify and who invest a minimum of \$350,000 in real estate in approved projects (Ocean's Edge is among that group); it's also worth noting that St. Kitts does not tax personal income, estates, sales, gifts, or capital gains (if property is kept for a minimum of 12 months).

But conceivably, the greatest enticement of all is the slow, easy lifestyle that characterizes an emerging tourist economy. That lifestyle is epitomized by the laid-back dining at Sunshine's, where the “beverage *du toujours*” is the five-dollar, revered Killer Bee Rum drink. Knock down a few of them and you'll want to leave with the T-shirt that declares “I Got Stung by a Killer Bee at Sunshine's.” And despite the fact that the walls of Sunshine's are dotted with colored snaps, many fading, of the likes of John Travolta, Kevin Bacon, and Kelly Ripa, it's still the country that missed out on the tourist bonanza of St. Maartin or St. Barths. Which is a good thing for the rest of us. TME

For information, call 888.450.0080; [www.oceansedgestkits.com](http://www.oceansedgestkits.com); [www.stkittstourism.kn](http://www.stkittstourism.kn)

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