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Section: NEWS

Bonita house needs nine more owners

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Nine purchasers are being sought to buy their own piece of Bonita Beach.

And a very nice house to go with it.

The Casa Playa may be the community's first fractionalized home development, said Jeff King, 53, president of Fractional-Homes.

The nine purchasers -- plus he and his wife Judy, 50 -- will each own a tenth of the three-story, 7,140-square-foot house on Hickory Boulevard on Bonita Beach.

"The house should sell itself," said King, who is also a certified public accountant.

The luxury home -- with a heated pool and spa on the second floor -- offers a sweeping view of the Gulf of Mexico and the beach.

Locally, the idea of fractional ownership is catching on partly because of soaring waterfront prices in Southwest Florida.

It allows buyers to have all the luxury of a beach residence at a fraction of the cost, King said.

In the case of Casa Playa, each of the 10 investors will put up \$498,500, King said.

The price, he said, was derived from dividing the total number of owners into the \$4,985,000 value of the house.

There is a discount if a purchaser buys more than one share. For example, for a person who wants two shares, equalling a one-fifth ownership, the sale price would be \$940,000, Judy King said.

Each one-tenth ownership equals a guaranteed use of the property for five weeks each year, Jeff King said.

"This is just like owning the house, only you own one-tenth of it," said Judy King.

The one-tenth deeded ownership can be mortgaged, willed, owned through a trust or limited liability corporation, or resold subject to Casa Playa's bylaws.

Their targeted market, Jeff King said, includes corporate executives, European tourists who normally take long vacations, and families.

"We've had an awful lot of interest from the United Kingdom," he said.

What they get is full use of Casa Playa, which includes:

- Four bedrooms and a den.

- 4.5 baths.

- A theater room with a 96-inch flat-screen TV with satellite television service.

- A heated pool and spa on the second floor off the master bedroom. The large patio is equipped with a gas grill and refrigerator.

The house also features a gas fireplace and wine cellar on the first floor.

The large master bedroom has a connecting den with computer hookups and a sea view.

The large kitchen features an island in the middle and has black granite countertops.

To get from one floor to the next, owners may use the stairs or an elevator.

Other amenities include a concierge service that will stock the refrigerators before an owner's arrival.

The service can arrange tee times for golf, boat rentals, car rentals, airport pickup and drop off, concert tickets, plane trips and even a chef to prepare meals, King said.

"It's a completely hassle-free vacation. You own the whole place. There are no other tenants during your time slot," he said.

There will be a two-week maintenance period each year when the house is not used by the owners.

An annual fee -- including costs of management, utilities, property taxes and insurance -- is \$12,700 for each owner.

Through the service, owners can take advantage of an international worldwide program to trade some or all of their weeks on Bonita Beach for a skiing lodge or other vacation destinations, King said. After 10 years, the property will be sold unless the 10 owners decide, by majority vote, to retain the property.

"This gives the investors an exit strategy," King said.

He said he feels confident he can find the buyers.

"It's an idea whose time has come," King said.

POTENTIAL PITFALLS

Fractionalized ownership first began about 12 years ago in Utah and quickly spread worldwide, including Southwest Florida.

The allure is that people can have access to luxury beach homes, skiing lodges and mountain retreats at a fraction of the cost.

The concept is similar to time sharing.

Only pricier.

Multiple owners -- say five to 10 -- pay several hundred thousand dollars each to own their vacation residence.

They then have the right to use the upscale property and amenities for a month or more each year.

In the real estate industry, opinions vary on fractionalized ownership.

All agree that whomever is thinking about plunking down -- or securing financing for -- a large amount of cash for a fractional ownership should retain a good real estate lawyer to help avoid potential pitfalls.

"I like the idea a lot," said Kevin F. Jursinski, a Fort Myers real estate attorney.

Fractionalized ownership can be good for both the buyer and the original owner of the property to be divvied up, since he is looking to maximize the sale price of the house, Jursinski said.

"A lot of people would like to come down and own part of a beach house that's well maintained," he said.

But to avoid potential snags, an agreement needs to be drafted spelling out the details, he said.

Indeed, "the devil is in the details," said Christopher J. Shields, a Fort Myers real estate attorney.

A major potential problem, Shields said, is that "you're getting in bed with a group of owners you don't even know."

There also are other "what-ifs," Shields said, that need to be considered:

- What if one of the owners sells his share to somebody none of the owners like?

- Who decides who gets to spend what time of the year living in the house?

"You need to go into something like this with your eyes wide open and retain a good real estate attorney," Shields said.

Jeff King, developer of the Casa Playa fractional home ownership development on Bonita Beach, said he doesn't foresee any conflicts among owners that can't be resolved because they may generally have the same lifestyle, including corporate executives and Europeans on holiday.

Casa Playa, a large luxury house on the beach, will have 10 owners. King and his wife, Judy King, will own one-tenth and there are nine more fractional ownerships for sale.

King said he believes the agreement drafted for the owners of the property also has the necessary safeguards to avoid potential problems.

First, the agreement, King said, must pass the review of state officials.

The agreement has several provisions, including:

- The 10 owners will belong to a homeowners' association.

- Should someone refuse to pay annual maintenance fees, for example, they face having liens placed on their ownership and possible foreclosure.

- An owner may sell his interest at any time.

- It will be decided each year the weeks that each owner will stay in the house. Provisions are built into the agreement in case two owners want the same weeks.

- After 10 years, the property will be sold unless the 10 owners, by majority vote, agree to retain the property.

The agreement was drafted by Robert Webb, an Orlando real estate attorney experienced with fractionalized home ownership in Florida, Judy King said.

"You just can't go into these things willy nilly. It's a comprehensive agreement to protect the owners and their investment," she said.