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RECREATION AND INVESTMENT PROPERTIES

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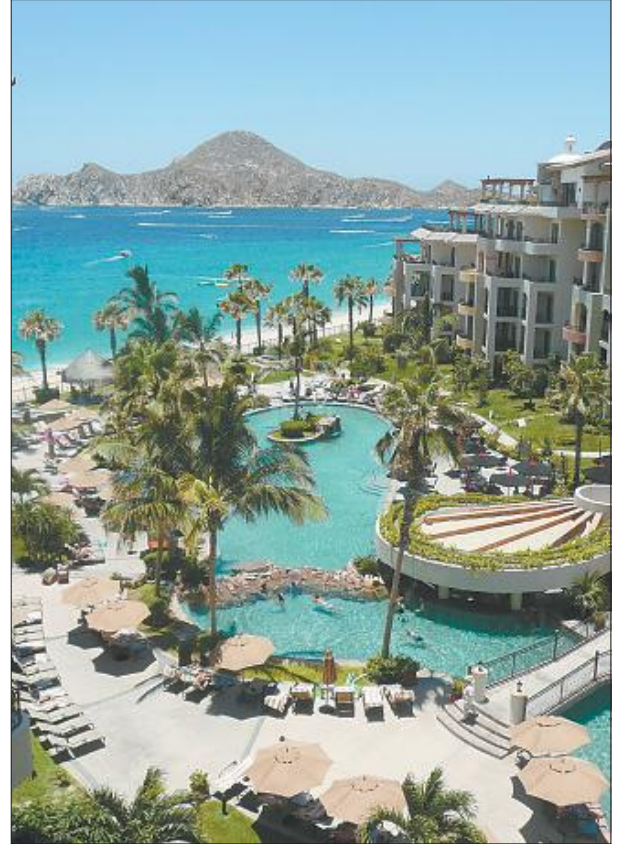
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Luxus Vacation Properties runs like a mutual fund, pooling investor money to buy vacation properties like this one in Hawaii. SUPPLIED



The pool at a Cabo San Lucas property SUPPLIED

Ride the new wave in vacation properties

Sherwood Park company offers co-ownership model for investors

JODIE McKAGUE
Special to The Journal
 SHERWOOD PARK

Craig Murdoch is a family man first and a businessman second.

So when the 37-year-old father of two small children heard about a partnership opportunity with Luxus Vacation Properties that could help him achieve both his personal and financial goals, it didn't take much to convince him this was the investment plan he had been waiting for.

"For myself and my family, we work hard, but we work hard so we can travel," says Murdoch, who owns and oper-

ates a personal training business in Sherwood Park.

"It's nice to know that you are going to get a good return on your investment. But it's more about the lifestyle — the chance to travel and spend time with the kids that's more important to us."

Which is exactly why founder and president Stephen Petasky started Luxus Vacation Properties in the first place. The luxury real estate private equity group operates like a mutual fund, collecting lump sums from investors in Alberta, B.C. and Saskatchewan and pooling the money to purchase million-dollar vacation homes at popular destinations

across North America.

The properties are then professionally furnished and managed by holding companies, and as the property values increase over the years, so does the return on investment.

Unlike traditional destination buy-ins such as time-shares or fractional ownerships, Luxus's unique co-ownership model means that partners can use any of the properties in the diversified portfolio as second homes, free of charge, at any time as long as they are available.

"Our partners are looking at this from a lifestyle perspective," says Petasky, pointing out that the majority of current investors are professionals or business executives who want to get away with their families for four to eight weeks during the year, but don't have the time or energy to find accommodations or organize itineraries.

"All of our properties meet what we call The Luxus Standard," he says.

That includes owner access to an online reservation system and personal trip planning and concierge services provided by the company's Alberta-based support team.

"All you have to do is pack a toothbrush and a bag and show up," Petasky continues.

Not a bad deal, considering in just 14 months, Luxus has acquired properties in easily accessible vacation hot spots such as Canmore, Vernon, Scottsdale, Palm Springs, Maui, Las Vegas, Cabo Sans Lucas and New York. Plans are to expand to "30 properties in 20 destina-



At Panorama Mountain Village, owners can visit when properties are free. SUPPLIED

tions in 10 years," says Petasky.

Since partnering with Luxus one year ago, Murdoch and his family have already booked four vacations at locations in Palm Springs, Hawaii and Panorama, and still have points reserved for future travel dates.

"The properties are unbelievable. It's like going to the nicest house you've ever been in," raves Murdoch, when asked what he thinks about the overall presentation of the vacation homes.

"It's really exciting to walk into these really beautiful places that you'd never be able to buy on your own, and know that you can come back again, and again and again."

Investment opportunities start at \$147,000 and go up to \$246,000, with an additional \$7,500 annual maintenance fee, which is reviewed and reconciled at the end of each fiscal year. It would cost around \$2,800 per week to rent similar vacation properties that don't include the long-term ROI Luxus partners receive.

Luxus is only designed for 200 partners, meaning that properties are purposely underutilized to ensure there is enough availability to accommodate advanced bookings and last-minute get-aways.

Petasky says the softening real estate market in Canada and the U.S. means there are more opportunities to invest in luxury properties that wouldn't have been affordable two or three years ago. "America is essentially on sale. There is not a better time to buy."

But Petasky has no intention of luring investors with a pushy sales pitch. He knows that the key to managing a healthy portfolio is to partner with investors that are the right fit for Luxus Vacation Properties.

"All of our business so far has literally been based on word of mouth," says Petasky. "We're very non-aggressive. In fact, many of our partnerships have been made six to eight months after the initial meeting."

If unforeseen circumstances arise, investors can withdraw from the partnership before the proposed 2018 liquidation date.

"Everyone's life changes. Sometimes there are barriers to get out of these types of things," Petasky says. "We make it so that those who want to get out can still get their piece of the pie and invest in new opportunities."

To learn more about Luxus Vacation Properties, call 1-866-51-LUXUS, or go to www.luxusvacationproperties.com.