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## OPP Interview

How did Gary Moore turn his fractional development in Tuscany into a winner?

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WORDS | Amit Katwala

# A taste of Italy

**Award-winning fractional development Castello di Casole in Tuscany has turned the heads of those in the industry, as well as the high-net worth individuals it is targeting as buyers. Amit Katwala spoke to Gary Moore of Timbers Resorts, the development's project director, about why it has done so well. Top people talk to OPP.**



The Castello di Casole development in Tuscany is a stunning example of a fractional development that works well, providing a growing industry with something to aspire to. The development even picked up two awards at this year's Fractional Summit, scooping the prizes for Best Fractional Development EMEA and the coveted Readers' Choice Award, voted for by visitors to FractionalLife.com.

OPP spoke exclusively to Gary Moore of Timbers Resorts, the company behind the Castello di Casole project. He was unable to put his finger on just one single source for the development's success.

"I think it's down to a lot of things – the philosophy of Timbers Resorts. We don't view fractional opportunities differently. In resort locations people are looking for a way to come in and enjoy an ownership experience and they don't want to spend it fixing up their home."

The resort ethos behind Castello di Casole is evident. "It's unique and one of a kind – it's not just a location, but a location within a location. There are 4,200 acres of pristine, unspoilt property – all of that scattered so there's 100 acre per property."

Of course it's easy to get developments wrong, but for Moore, communication with potential buyers was key to the decision to develop a fractional product. He said: "Listening to our market was important, as was talking to and appealing to that market. We asked ourselves: 'How does this make sense for people? Will they want to own it?'"

"Fractional makes a lot of sense. Most people don't want to spend

months a year there. We do believe that this is the way that the majority will want to purchase and enjoy holiday homes."

Timbers is keen to provide optimal service, according to Moore. "We're continuing to improve on the functionality and design. The underlying thing it all comes down to is the team on the ground. You want a high level of interaction, but

friendly and relaxed as well." As part of this high level of interaction, the company does not employ a computer system to allocate who gets to use the properties when, unlike many other similar offerings.

"80% of the requests go through without any problem, and owners can use any of the farmhouses on the estate. If there is a clash, someone will call you up and talk through the

options and whether you're dead set on those weeks." The company also conducts lots of research into what buyers are looking for to move the brand and product forward.

Moore told OPP: "The research is primarily through our ownership base, and includes polling and surveys asking what people would like to see. We're not adverse to changing something. For example, we started with fractions of a



Upmarket | Prices at the Castello di Casole start at €275,000 cash-only

**"We've designed them in a way that is not mainstream but still appeals to multiple people"**

tenth, but people weren't really using all of it and putting their extra weeks into rental. The market was telling us that we only needed twelfth – this wasn't enough of a reduction to sway people one way or the other on price, but it's the right formula."

"We were convinced from the sheer beauty of the property that this was something that the marketplace would want, but we didn't know exactly what they would like. We've learned more now that we've completed 14 homes."

Often, fractional developments suffer from a lack of forward planning, or because they are developers' attempts to offload property that they couldn't sell under whole ownership. Timber Resorts has made sure to outfit Castello di Casole in a way appropriate for fractional ownership.

For example, explains Moore: "We designed wine cellars for the villas with 12 individual racks for the different owners. We store things

for the owners as well in a separate location, so that they don't have to bring anything with them."

"One of the downsides of fractional is that you can't design the house the way you want, so we've designed them in a way that's unique and not mainstream, but still appeals to multiple people. Co-ownership associations have an annual meeting, and if they have any suggestions or ideas they can raise them, with a 67% approval needed to make the changes."

Moore's approach to the resale of fractions is that he doesn't want owners to ever sell up, and instead focuses on how to enhance the owner experience so people want to keep their fractions through things like an internal exchange program. However, Moore said: "We have seen resales – 12 over the past three years. Prices dipped in 2008/09, but at Castello di Casole they seem to have come back."

Moore believes that the market is willing to pay a 15% to 20%

premium for fractions compared to whole properties, in recognition of the "substantial costs of building the organisation to support them".

"The market will pay a little more – it's willing to pay more for the managed aspect. We can't say we've figured it out entirely yet." And, as awareness of the fractional offering grows, the way in which it is marketed has changed too. Moore said: "We've got a good idea of

**"The urban aspect is something that our owners have told us they would quite like to see"**

where our markets are – we try to reach them through newspaper advertisement and direct mail campaigns, but the landscape has changed a lot in the last two or three years. PR is huge now, we're very focussed on it – people are more naturally sceptical. Individual relationships with luxury third party brokers and property companies

have been very important for us."

As a US company, Timbers found the differences between marketing to European buyers and US buyers striking. "Europe has about the same percentage of millionaires as the US, but everyone is different. Direct mail just doesn't work, and you have to put all your pricing and all your details on your marketing material. We've found it very challenging, but we've had some success by hitting top publications in the top markets."

Castello di Casole is attracting very high-end buyers. Moore said: "It's a fairly thin band – prices start at €275,000 and Italian law doesn't recognise fractions as mortgageable so it's all cash purchases. The typical buyer has €1m to €5m of liquid assets, as well as their home."

He also believes Tuscany's tight restrictions on building make it a good investment as well as a lifestyle choice.

"The Tuscan region has held fairly well – there is a zero-growth policy throughout the region. We've got

permission for 28 farmhouses, and a 41 suite hotel, and some hotel villas. But that's all we're entitled to – you have to have existing buildings available so you can transfer that volume to another location."

As with many resort developments, the new hotel will be key to the developments attraction. "It will add a new element of life and different visitors from around the world, and will open 1st April 2012."

So with Castello di Casole progressing nicely and picking up accolades, where next for Moore and Timbers Resorts? "The South of France, London and New York are places we've identified. The urban aspect is something that our owners have told us they'd quite like to see. We'd want two and three-bedroom flats. We're also looking at projects that are dead, but have good bones – and perhaps weren't executed quite right."

Castello di Casole seems to have been executed impeccably, if the praise from the industry and others is anything to go by, and Timbers could be well on its way to becoming a feature of the fractional landscape. 

