

## A Fair Share?

### The Sunday Times

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Are upmarket timeshares a costly extravagance or a fabulous home from home, asks Greg Gordon

If the property boom of the past seven years has taught us anything, it is that sinking your spare cash into bricks and mortar is the best investment you could make. With capital growth of about 20 percent a year in most areas of Scotland throughout the past few years, surely nobody in their right mind would put their money into a holiday timeshare, right?

The common perception of these schemes is that you're forking out for an inflexible, overpriced annual holiday in a location you're likely to tire of. Remarkably, however, a new generation of timeshare-style developments is emerging, and this time the clients are so-called rational rich rather than the gullible of yesteryear.

Those flocking to luxury Perthshire developments such as Duchally estate and Glenmor at Gleneagles are prepared to pay a premium for their peace of mind, avoiding the headaches associated with buying, maintaining and renting out a property they would otherwise use for just four to six weeks a year.

Peace of mind, especially for those in search of a jet-set lifestyle, does not, however, come cheap. Glenmor is a new development of 50 traditional-style homes set in private grounds next to the Gleneagles Hotel. Featuring high-gabled ultra modern three and four bedroom open-plan homes with spectacular views, Glenmor's "seasonal ownership" scheme is being marketed as a new twist on the Gleneagles hallmarks of quality, service and relaxation.

The marketing manager, Dorothy Welsh, says: "This is simply a different way to enjoy Gleneagles – it's a home from home with a world-class hotel's benefits on tap.

“It’s a timeshare, yes, but with none of the negative associations. You’re effectively buying the right to use a home at a specified time for the duration of the lease. It’s ideal for young families or people who want an element of self-catering mixed in with Gleneagles obvious benefits such a food lounges, leisure facilities and beauty treatments.”

Glenmor offers a 55 year lease with a minimum requirement that you rent a block of seven nights’ accommodation per year.

The cheapest off-peak week in January costs £7,5000, but you can pay anything up to £55,000 per week for a four bed luxury home over Hogmany. Owners pay nothing for the lease itself, but there is an annual management charge, ranging from £875 to £1,085.

There appears to be no lack of appetite for the Glenmor product despite the hefty price tag. Half of the 50 properties which will be completed over the next 18 months have already sold.

“This clearly isn’t an investment in a strictly financial sense” says Welsh. “Most people who’ve bought here look on it as an investment in their family and they make full use of what Gleneagles has to offer”.

Ronnie Ludwig, a property consultant at Edinburgh’s Saffery Champness chartered accountants suggests that you should look beyond the razzmatazz and prioritise your requirements before plunging into any such commitment.

“With seasonal ownership schemes or timeshare you have to be happy that your two weeks holiday per year will have a very high premium. In many cases you’ll be paying upwards of £5,000 per week. These firms are considerable profit and you should do your research and decide if what’s on offer represents value for money for you and your family.”

For Ludwig, there are a few fundamental questions, “You need to know if you are buying a lease for 20 or 50 years or if you own the freehold on the property? Can you sell it or gift it to your kids in a will? If you

decide to let it out, what are the tax implications? Will you be taxed on your rental profits?

“Find out the likely capital appreciation if you own your own investment and if the usually hefty standing charges are likely to escalate in the coming years”

For those who demand that their luxurious leisure time is combined with potential for a cash return, then Duchally Estate’s leaseback properties could be the answer.

Set in a beautiful 27-acre Perthshire estate in the grounds of an award winning country house hotel, Duchally Estate’s two and three bedroom homes, being marketed by CLC Country Homes, are the last word in commodious contemporary living. All homes come complete with private decking areas overlooking the landscaped grounds, and there is a leisure centre with indoor swimming pool, sauna, spa and gymnasium.

As Alida Melaragni, an agent for the estate, explains: “You buy a freehold here and take out a leaseback agreement with us for an agreed term. We administer the running of the property on your behalf and guarantee you 7 percent of the annual rental income, whether it’s rented or not.”

If market conditions and rental yields improve, you can negotiate more preferential returns, Melaragni says “If you want to sell, we undertake to offer to take the property from you regardless of the state of the market.”

Melaragni says that in the quietest winter months rentals are still a respectable £700 per week. At Hogmanay or during the 2014 Ryder Cup, she says, “the sky is the limit”.

“These are holiday homes not timeshares,” Melaragni insists. “In fact, your rentals come primarily from timeshare owners with properties at any one of Club La Costa’s 55 worldwide resorts.”

Of the 54 properties offered for sale at Duchally in January, there are only four properties left, including a luxury two-bedroom home at £277,000 and a three-bedroom home at £330,000.

Andy Hudson, a financial services executive, and his wife Gill, were smitten by the investment potential of Perthshire when they purchased a three-bedroom home at Duchally last year.

“On top of the 7% rental returns, there is property appreciation,” says Hudson. “When I was working in the City, part of my job was to keep track on property prices across the country, and over the past few years, while prices in England have started to level off, or even dip, in Scotland, they have continued to show a steady rise and there are no signs of a downturn in this market any time soon.”

Hudson and his family have sold their home in Kent at the peak of the market and moved into rented accommodation. He has invested in a Duchally estate property and put it in a self-invested pension plan.

He says: “In the unlikely event we get bored with visiting Duchally for four weeks a year, I can either rent my home out privately for this period – and I’ve already had great interest from friends and family, including some forward thinkers who are desperate to book for 2014, when the Ryder Cup is scheduled for Gleneagles – or else I can exchange my property at Duchally for any of the quality Club La Costa resorts around the world.”

- Glenmor at Gleneagles, 01764 694 321, [www.gleneagles.com](http://www.gleneagles.com); Duchally Country Estate, 01764 663 071, [www.duchally.com](http://www.duchally.com)

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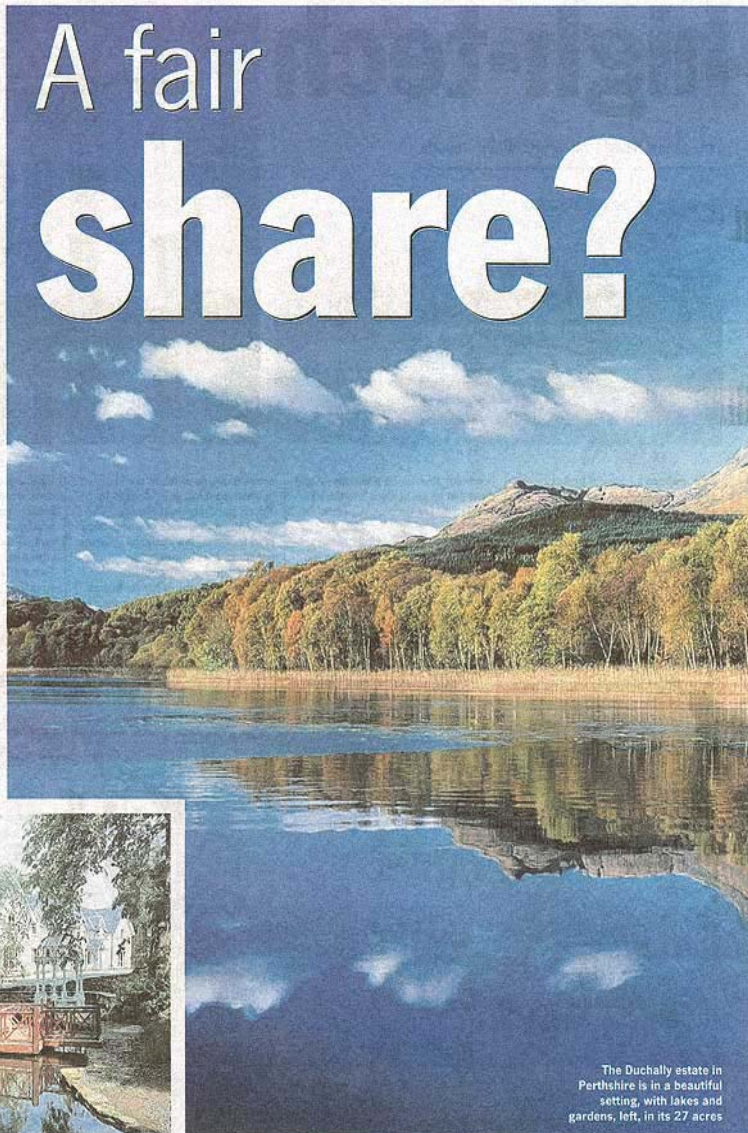
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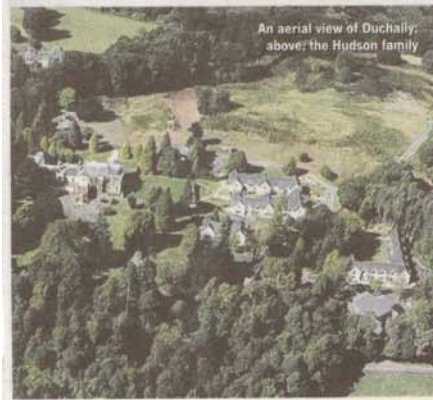
# A fair share?



The Duchally estate in Perthshire is in a beautiful setting, with lakes and gardens, left, in its 27 acres



Owners at Glenmor will pay between £7,500 and £55,000 a week



An aerial view of Duchally; above, the Hudson family

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