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## Fractional Ownership News

### Gay Community Embraces Fractional Property



The phenomenon of the pink pound has been well documented in the press – gay and lesbian consumers tend to be affluent and have high levels of disposable income. The Guardian reported in 2006 that the average annual salary of gay men and women was around £10,000 higher than their straight counterparts.

Consequently many business have sprung up offering services aimed squarely at the gay market, and in Puerto Vallarta, Mexico, a fractional ownership resort is selling shares in apartments exclusively to gay buyers.

Casa Cupula is described as “one of the world's most luxurious gay boutique hotel resorts”. It has been popular for years with US and Mexican holidaymakers and has branched out into the world of the private residence club. Seattle-based developer Milagro Properties is offering fully deeded 28-day fractions in the highest specification units at Casa Cupula for prices starting at US\$50,000. The resort is closed in August and September for maintenance, but other than that it offers a very flexible usage scheme, with owners able to trade dates to suit them.

As far as Milagro boss Don Pickens is aware, Casa Cupula is the only resort in the world selling fractional properties specifically to the gay market, although there are well established gay timeshare resorts in the US such as The Gardens in Orlando, Florida.

Pickens says the fractional offer is popular with a certain section of Casa Cupula visitors. “The fractional offering has been well-received in past years, for those for whom it makes sense. People who want a full time retirement place aren’t interested, and people who only visit occasionally aren’t interested. But those who come regularly to Vallarta like the deal, as long as they understand the rental income component and don’t call it a timeshare. They also want the ability to trade weeks from their allotted month.”

When asked if he thinks if the fractional model is particularly suited to the gay market, Pickens says the exchange network option, which can be a deal clincher for some customers, is definitely not a selling point for his. "Our gay customers are not interested in the trading opportunities, which put them in a resort full of screaming children and straight people where they will be uncomfortable. In fact trading has rarely come up. People want gay or gay-focused resorts. There needs to be more development here specifically."

The design and specification of the units at Casa Cupula are tailored for their specific market. "There are structural differences. We don't use dining rooms and kitchens as much (lacking kids for the most part) and prefer more baths and equal sized rooms. For example, the units have two master bedrooms rather than one. High-end and very trendy design are way more important for our client base than the normal purchaser," says Pickens.

Despite the well devised and unique concept of Casa Cupula, it seems the pink pound, or pink dollar in this case, is not recession proof. "The gay market is suffering with everyone else and is overshadowed by the general economic situation. Gay people are equally affected by decline in housing values and fear of job losses, and they have generally stopped buying right now," Pickens says.

## Languedoc/Provence, South of France

**Meanwhile, in the depths of Languedoc in Provence, a very different fractional proposition is targeting the gay market.** French entrepreneur Pierre Guillery and his business partners are looking for three investors to fund the renovation and conversion of a farmstead near Uzès. When the renovation is complete, investors will retain a 1/8 share in one of the apartments, while sharing in the profits generated by sales of the remaining fractions.

Guillery anticipates that investors could turn their initial stake of €220,000 into €348,000 in three years, while retaining a six-week fraction worth €105,000. He explains the business model thus: "For obvious reasons, we don't think turning to banks for financing beyond our launch capital is a reasonable option. That's why we are looking for private investors, who are exploring alternatives as they can no longer rely on the stock market (or exotic financial products) or on traditional real estate to generate the return they require. Also, we believe in the power of networking: as soon as investors become involved in the project, they will surely talk about their "new vacation home in the South of France" to their friends – who will then talk to their own friends, etc. Pretty basic, but we think that should help sell the shares quickly, and reduce the risk of the overall project."

For more information visit:

[www.casacupula.com](http://www.casacupula.com)

[www.gayfractionalinvest.com](http://www.gayfractionalinvest.com)

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