Arizona Daily Star

A piece of the good life: 2 Owners, 1 Luxury Home
Canadian firm with novel plan enters South Arizona market

July 26, 2011 (Dale Quinn, The Arizona Daily Star, Tucson) -
Soon, in the swankiest communities around Tucson, families may start sharing ownership of million-dollar homes. That's two families on the deed of one house in a luxury, amenity-laden resort community. While they would share ownership, the two families might never see each other.

The time they'd spend at the home would already have been carefully — and contractually — planned out.
"It's sort of the luxury version of a time share," said Russell Long, a luxury broker with Long Realty. "Except in a time share you get maybe a week a year and there's 51 other owners. In this case, there's only one other owner of it, and you can use the house as much as you want up to six months."

A Vancouver, British Columbia-based company, Ownermatch International, recently launched its U.S. operations in Scottsdale and the idea is gaining traction in Southern Arizona, where high-end homes have languished on the market. The lingering tepid market has forced owners to slash prices and real estate agents to turn to increasingly creative methods — such as co-ownership — to sell the pricey homes.
Russell Long sells high-end real estate property on a team with his wife, Christine. Right off the bat, the idea of two owners sharing the costs and splitting time at multi-million dollar homes struck Russell Long as a "brilliant concept."

It allows buyers, who likely will only spend a couple months per year at the home anyway, to get more luxury than they could otherwise afford, said Long, whose grandfather founded the prominent Tucson real estate company.
Right now, Long has a listing for a 5,164-square-foot home in Stone Canyon — an exclusive community in Oro Valley — that went on the market about three years ago for $2.8 million. The price for the four-bedroom home has since dropped to $1.599 million. That means a buyer could co-own the house for $800,000.

Other high-end brokers have started offering properties through Ownermatch International for the same reason.
"It made a lot of sense for seasonal buyers because there are people who really love luxury amenities and want to have a place here in Tucson," said Barbara Bardach, a Realtor with Russ Lyon Sotheby's International Realty. "But the level they wish to have is not the one they wish to spend for."

The idea won't work for winter residents who plan to spend six months in Tucson, she said. It's more for those who are looking for a second or third "vacation" home.
Sellers who've seen their homes sit on the market for years are generally receptive to any new ideas that might move their house, said Maria Anemone, who's also with Russ Lyon Sotheby's International Realty.
At its core, the process is a business transaction, but Ownermatch does have to pair up buyers with similar wants and needs, said Dudley Merkel, the president of Ownermatch Southwest.
The company's website, speckled with words like "seeking," "sharing" and "lifestyle," reads a bit like an online dating site. Homes on the site are called opportunities.
"The key to making these financial and lifestyle benefits possible is our ability to profile, match and bring together the right people so that co-owners can enjoy all the lifestyle benefits of owning 100% of a property for 50% of the cost!"

When browsing the site, www.ownermatchresorthomes.com, you can almost hear the voice of Dr. Neil Clark Warren, the white-haired, bespectacled founder of eHarmony, who chatters about 29 dimensions of couple's compatibility in commercials for the online dating site.

For many, buying a house is a bigger deal than a flash-in-the-pan romantic relationship. For them to split a home there needs to be solid legal groundwork in place.

No co-ownership deals have closed yet in Arizona, Merkel said. The company was launched in Canada by Wayne Wilkins several years ago, and the deals there have been primarily cash transactions. Anyone linked up through the company will have to lay down at least 50 percent cash, and the homes will be split only between two owners.
For its part, Ownermatch collects 1 percent of the sale price and agents pay a standard referral fee.

The contract is written so that, if one owner defaults, it would result in a financial "windfall" for the second owner because there would already be substantial equity in the home, Murkel said. The owners split the cost of managing the property when it's unoccupied, and a design team handles furnishing the home, Merkel said.

Most contracts allow the owners to revisit the deal every five years to make sure it's working out, he said. Details of either owner's selling his half of the home are also laid out in the contract.

As for convincing those with more than $1 million that it's worthwhile to split a home when they could just buy their own, Merkel said buyers are already cautious about taking on the entire burden by themselves — especially if they're only going to be in the home for a few months per year.
"People are tighter with their money," Merkel said.