

INTERNET

Lifestyle Asset Group hits affluent second-home buyers with original equity model

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By RACHEL LAMB

Lifestyle Asset Group is aiming for an ultra-affluent group database for PortfolioOne, its second-home ownership model in which consumers can become homeowners with unrestricted use of luxury homes in multiple locations.

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Luxury Daily

Only 100 positions are available until the close-out date Feb. 28. Those in the market to own a second luxury home can travel at their discretion to 12 locations in the United States and Caribbean for the next seven years.

“We don’t really compete with anyone because we do not believe that there is anything like this on the market,” said Richard Keith, CEO of [Lifestyle Asset Group](#), Fort Collins, CO. “We tried to hit a niche audience and think – what doesn’t exist yet?”

“It’s really for people that enjoy traveling to different places or do not travel enough to any one location,” he said.

Open spaces

PortfolioOne requires a fully refundable \$10,000 deposit to guarantee one of the 100 positions. Each year, owners pay an additional \$24,000 to keep their spot.

The group currently offers travel properties in four destinations: Charleston, SC; Cap Cana, Dominican Republic; Cabo San Lucas, Mexico; and Deer Valley, UT. Consumers who sign will be able to immediately use the residences.



Deer Valley, UT

After the Feb. 28 close-out, each owner will pay a one-time payment of \$290,000. Also at close-out, Lifestyle Assets will close on at least eight of the 12 homes.

The rest of the homes are in San Diego; Scottsdale, AZ; WaterColor, FL.; New York; Napa Valley, CA; Chicago; Palm Beach, FL; and Turks & Caicos.



Scottsdale, AZ

As Lifestyle Assets closes on each of the homes, the homeowners will be able to go to those residences, as well.

The group accepts payments in cash, minimizing the risk of debt, according to Lifestyle Assets.

The cost of ownership covers 35 days of travel per year. Averaging this together, this is approximately \$700 per night, according to Mr. Keith.

At the end of the seven-year term, Lifestyle Assets will sell the residences and divide the

proceeds to the equity owners. Furthermore, any gains in that period will be disbursed amongst the owners.

Lifestyle Assets will retain approximately 5 percent of the capital from each owner's contribution.

The group also has plans to launch PorfolioTwo and PortfolioThree in the coming year.

PortolioTwo will have a slightly lower pricepoint than PorfolioOne and PorfolioThree will be city-based residences only.

Furthermore, buyers will be able to visit locations in other groups. In other words, a PorfolioOne owner will be able to visit locations in PorfolioTwo and vice-versa.



Property in Los Cabos

Join the club

Lifestyle Assets has chosen email marketing to target ultra-affluent consumers.

“We have developed a database of 40,000 affluent buyers who have expressed interest in travel needs and we’ve been going to them through email marketing, really starting to get things percolating in that regard,” said Eric Kidd, marketing manager at Lifestyle Assets.

“We’ve focused almost exclusively on email,” he said.

Since email newsletters are totally opt-in, marketers have a better chance of hitting consumers who really want to get in touch with the brand through this medium.

Other companies looking to hook consumers in the market for a second home are doing so via multiple marketing mediums.

For example, California-based Terranea Resort is promoting a program for new homeowners at its residences called the Terranea Luxury Club that offers an exclusive collection of lifestyle upgrades through traditional marketing channels ([see story](#)).

Additionally, Los Cabos, Mexico-based Del Mar Development is promoting its three communities neighboring the One&Only Pamilla Hotel through a mix of local and international print, Web site and event marketing ([see story](#)).

“We’re targeting anyone from the successful couple in their 30’s to the retirees that are saying, ‘Okay, this is the time for ourselves,’” Mr. Keith said. “The most powerful component is that when you think of the average member only traveling 35 days per year to multimillion-dollar homes, it’s only around \$700 per night.

“We think that we’ve got the price per night down to a metric that competes with anything in the market,” he said.

Final Take

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