





HOME'S A CHARM

**MULTI-
HOMEOWNERSHIP
IS MADE EASIER,
THANKS TO
AN INNOVATIVE
INTERNET-BASED
COMPANY.**

by SCOTT KAUFFMAN

GOOD DAY, SUNSHINE!
The Palms Private Residence Club in
Playa Flamingo, Costa Rica, is among
3rd Home's residential offerings.

Over the years, Kansas City, Missouri, residents Laura Welch and her husband Lantz have loved visiting the Hawaiian Islands, regularly spending as much as six weeks at a time in Maui's Kihei area. The avid travelers equally enjoy going to Costa Rica. So when it came time for the couple to decide on a vacation home, they were "very torn," Laura recalls.

"We almost bought [a vacation house] in Costa Rica," she adds, "but we were staying in Hawaii quite a bit, so we were really torn about where to purchase." As it turned out, Laura and Lantz, both lovers of the outdoors, went in a completely different direction and chose Aspen instead. They were drawn to the majestic Colorado Rockies and the wonderful mountain lifestyle it provides. That was in 1990. Ten years later, the couple acquired an even larger 6,200-square-foot Aspen vacation home: a luxurious \$10 million property on Red Mountain.

Laura says that proximity to their main Kansas City residence was the deciding factor in purchasing their first Aspen home, rather than buying a dream vacation home in balmy Costa Rica and Hawaii. "What specifically led us to the [Aspen] mountains is that it's three hours from our primary home, so it was very easy for us to get there," Laura says. "We do love to ski and hike, and I love to climb mountains."

Yet Laura, who climbed Mount Kilimanjaro last year and is about to visit Kashmir this year, has always had a soft spot for sandy beaches. She even concedes that she came close to purchasing a third vacation home in Costa Rica several years ago but decided against it due to the time-consuming burdens associated with maintaining and managing rarely used vacation homes.

Now, Laura and others faced with similar vacation home dilemmas never have to make these difficult decisions again. That's because Welch has vacation homes in Costa Rica, Hawaii, and Brazil that she and Lantz can enjoy without the costs of fully owning them, thanks to a new travel/vacation home club called 3rd Home (3rdhome.com). And these were just three of the places Laura and Lantz visited in the previous 12 months alone.

If more people like Laura and Lantz Welch latch onto 3rd Home, this upstart Internet-based company has the potential to revolutionize how people view vacation homes in the future. Basically, for a mere \$495 membership fee, 3rd Home allows vacation-home owners to trade their luxurious homes in exchange for visiting other multi-million-dollar vacation homes all around the world for a weekly rental fee of just \$495.

After launching its business less than three years ago, 3rd Home now numbers 932 vacation homes in 57 countries, according to company founder/chairman Wade Shealy. The average price of the network's homes is approximately \$2.2 million. The homes range in value from \$500,000 to more than \$25 million, featuring everything from a penthouse villa in the French Riviera to an exquisite 43,000-square-foot oceanfront mansion in Costa Rica and a fabulous 7,000-square-foot coastal home in Florianapolis, Brazil, that has hosted actors George Clooney and Robert Downey Jr., and, most recently, the Welches this January.

"It's just a great way to vacation," says Laura, a business development/strategic planning consultant focused on social change. "You're spending all this money on vacations anyway, why not trade [using 3rd Home]? I love the fact that 3rd Home is global, very easy to use, and flexible, and the staff and service is unbelievable. We've [never



THE GOOD LIFE
Clockwise, from top left, a home in Edgartown, on Martha's Vineyard; a living room and outdoor setting at Baan Tao Talay Villa in Koh Samui, Thailand; a swimming pool at The Palms Private Residence Club in Costa Rica; and the Club and a putting green at The Grand Del Mar in San Diego.





CABO TIME
Clockwise, from top left, a swimming pool at Villa Las Palmas; coastal scenery at Esperanza resort; a living area inside one of Esperanza's private residences; an aerial view of Villa Las Palmas; and a poolside patio at Las Arenas 103 at Punta Ballena Community, all located in Cabo San Lucas, Mexico.



had] one person who I'm exchanging info with not say, 'We will take great care of your home.'"

That wasn't always the case when Laura began renting out her Aspen home prior to joining 3rd Home a couple of years ago. "Now we've got a better chance of having a good [rental] outcome," she says. "It's a win-win. You have these incredible opportunities to travel and stay at these wonderful homes around the world and know the fact someone is going to be taking care of your home at the same time. What 3rd Home has really given us is that beach home we always wanted. And I'm sure people who have beach homes feel the same way. In the summer they might say, 'You know what, let's go to the mountains,' or they might want to go skiing for a week. Whether you want to be in the mountains or whether you want to be at the beach, 3rd Home gives you the option of having it all." Not the least of which are a lot fewer vacation home-ownership headaches.

"Most people today consider the ownership of a second home as the most underutilized asset that they own," says Shealy, who's nearing 30 years as a resort real estate specialist. "What we want to do is change people's attitudes [so that] people start to consider ownership of a second home as a very valuable asset they own, because it allows them to travel to other places with their families as well."

Shealy feels that membership in something like 3rd Home will eventually go hand in hand with multi-home ownership. "I really think 10 years from now, nobody would even consider purchasing a second home without a service or component like 3rd Home or something like the company that they can tie into," he says. "Just like nobody today would consider buying a time-share without an exchange component available to them as well."

To be sure, 3rd Home isn't the only group servicing the country's 7.9 million seasonal or year-round vacation homeowners. However, most of the competitors operate as "direct, yours-for-mine exchange services." Of the estimated 50,000 families throughout the world that trade mostly primary residences every year, many of them find this process of finding not just the right place, but also the right time to be very labor-intensive and time-consuming, even with the help of a third party.

The beauty of 3rd Home, according to Laura, is that it's an indirect transaction, meaning members of the network aren't limited to staying at vacation homes of only those people who happen to find the member's place desirable. Thus, 3rd Home is extremely flexible.

The way 3rd Home works is that members "deposit" into the network however many weeks they'd like to make available in their home. Then, depending on the value of their home, members receive a "key" they can use to "buy" weeks elsewhere. If a house is worth \$1 million or less, the owner gets one key. A residence worth \$1 million to \$2 million receives two keys; \$2 million to \$3 million homes warrant three keys, and so on up to five keys maximum for every \$4 million-plus property. Once keys are received, they can be used instantly in any combination of homes in the 3rd Home network. Owners don't have to wait until another member reserves their vacation home to use keys, and there's even a "Watch This Property" feature that alerts members when weeks have been deposited into the network at highly coveted destinations.

One of the more attractive aspects of 3rd Home, Laura says, is the endless amount of vacation choices. For example, she points out that maybe it's just she and her husband who are going to Buenos Aires for a quick trip, so they

don't need a lot of space. Yet, they still want something really nice to stay in.

"We might use a little place that's either an apartment or condo, but it's only two keys, so we don't use up all of our keys," adds Laura, who has a trip planned for Hawaii next year. "Or maybe we want to take some family or we're going with friends to Costa Rica, and we can stay in a five-key pad with 10 bedrooms."

Regardless of size and style of accommodation, Laura wants to know that wherever she stays in a 3rd Home, it's a "good place and is being taken care of." It's this latter element that is paramount for affluent property owners like the Welches.

When asked about the future of his company's growth, Shealy says. "The major criterion for us is service. We really want to give unbelievable service to every single one of our members and deliver more than they ever dreamed possible as far as the vacation experience [goes]."

In the end, regardless of how big it gets, 3rd Home wants to be the finest luxury second-home exchange program in the world that has the highest standards in the industry. So far, if you ask Laura, the company is already achieving its goal.

"Here's a company that's managing quality of homes and the people that are going to be accessing them, so I trust and know beyond a shadow of doubt that 3rd Home is going to take care of me," Laura says. "When I show up at that beach home, I know that [it] is going to be at the quality of where I want to stay and any questions I have, there's a great staff I can go to [for help]. And I know that while I'm gone, if somebody is staying at my home, it's going to be well taken care of. To me, that's why I say it's a win-win."

In many respects, for Laura and Lantz Welch, when it comes to vacation homes, the third time really is a charm.