

Why You Should Consider Investing in a Private Residence Club for Your Second Home

A private residence club with a membership offering over 100 places to stay could be the best way to travel in 2021.



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Photo courtesy of Palazzo Ricci

There have been several stories and statistics around the boom in real estate and particularly the [second home market](#) in 2020. Increased interest and purchases in asset acquisition have primarily been domestic, but as we slowly inch toward having more confidence in [traveling abroad](#), there is a window to take advantage of the opportunities elsewhere. While the global pandemic and its effects are not gone, there have been advancements: Between vaccine distribution, multiple vaccine options available and increased [testing programs at airports](#), that postponed trip to Paris, Capri, Berlin may no longer have to be a far-off dream.

And so then comes research and weighing advantages of different investment models. A single-home investment property purchase—perhaps, an urban condo, or a timeshare. At this stage of the market and the world, the best option may not be the most popular one—or even one you’ve heard of before, but certainly should consider—that of a private residence club.

What is a private residence club, and why should it be on your radar?

Private residence club experiences are the future of travel. The first equity residence club was introduced almost 30 years ago at top-rated Deer Valley Resort in Park City, Utah. Since that time, residence clubs have been enthusiastically embraced by affluent buyers at premier destinations as diverse as Manhattan, the Rocky Mountains, Napa Valley, Bermuda, the Tuscan countryside and many other coveted international locations. If you purchase a private residence club, you own real estate, period. You can sell it through a licensed agent, or keep it as a legacy purchase for your family forever.

Fractional real estate ownership is a formalized method of owning a property with other like-minded buyers. This structure has been enthusiastically embraced in many prestigious international destinations and is increasingly popular in Europe. The most upmarket, fractionally owned properties are called private residence clubs. Residence club owners have an interest/share in one or more vacation residences with ongoing operations and maintenance costs proportionate to their ownership interest.

We know from experience—with many years in hospitality and development, and being multiple homeowners ourselves—what an ideal purchase should look like, and the questions you should ask when considering a purchase.

We believe in it so much that we are developing one currently: **Palazzo Ricci**—a 220-year-old noble palace building being reimaged into a private residence club debuting in 2022 in Casoli, Abuzzo, Italy, with 14 luxury residences rivaling accommodation at the world's finest resorts.

Palazzo Ricci ownership includes partnership with the **Elite Alliance Exchange Group**, a global network you should know if you're an avid traveler and like to explore new places. Elite Alliance is made of 135 private residence clubs which provide exchange privileges with owners at other prestigious properties in top international destinations. This is the prime reason that owning a private residence club can future-proof your travel. After a year like 2020, we should be prepared for just about anything as far as travel restrictions, guidelines and best practices. In the future, if travel restrictions arise in your country of residence or second-home country of residence, the Elite Alliance network provides access to multitudes of other destinations at the same high level, so owners can still travel stateside, or wherever allowed, to make use of the investment.

Most residence club owners around the world can afford their own holiday home, but most can't justify the cost and responsibilities relative to the amount of personal use, so it's important to do the research on what you get and know what support you have from the developers. Palazzo Ricci owners get a minimum of five and a half weeks per year of vacation time and the full benefits and amenities of a boutique luxury resort. What owners don't have are the high cost of owning and maintaining a luxury home and the responsibilities and worries associated with absentee ownership. Steve Dering, creator of the residence club concept, is a member of the Palazzo Ricci team and advisor on the best practices for owners, so there was no stone left unturned.

When deciding where to invest in a second home, think about where you wanted to be this year—where would you want to go to escape it all? Rural, underpopulated regions with an abundance of green outdoor space, a radius full of activity from mountains to beaches. We learned last year what we appreciated, what mattered and what makes us happy. If you want to invest in a smart way—and future-proof your travel in 2021 and beyond—a private residence club could be for you.

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