

World's their Oyster

BY MARTY HOPE, CALGARY HERALD NOVEMBER 14, 2009

David Burden talks about "front-row settings" as he discusses the properties he selects for his private residence development business.

He founded Timbers Resorts in 1998 with a goal of developing high-end resorts in unique locations, aiming to provide the best in accommodation, amenities, location and value.

With nine private residence clubs in its stable, the decade-old company is currently marketing four properties in diverse areas of the world.

The most recent, The Links Cottages at Doonbeg on the rugged southwest coast of Ireland, was opened this fall.

It was undertaken at a time when the resort industry was struggling with the downturn in the economy, as well as a general consumer malaise regarding real estate.

People were feeling uncertainty in the wake of the global recession.

Burden says that probably because of Timber Resorts' strategy of being particular about where it decides to develop -- "frontline settings" -- and about the services it provides, the company has been able to maintain a strong profile in the private residence club market.

Despite the downturn, Timbers Resorts enjoyed more than \$28 million in real estate sales to the end of September.

When searching out destinations, Burden says he looks at the opportunities presented by the location -- and then looks for the ideal site within it.

"Lots of developers do a fine job of second-or third-row projects and promote their lower prices, but we don't really sell on that level," he says. "Once we have chosen a site, we then set out to create something that is consistent with the hopes and expectations people have for that resort."

Timbers Resorts has nine properties through the United States and Europe: Timbers Club in Aspen, Colo.; One Steamboat Place in Steamboat Springs, Colo.; The Rocks in Scottsdale, Ariz.; Esperanza in Los Cabos, Mexico; Castello di Casole in Tuscany, Italy; The Preserve at Botany Bay in the Virgin Islands; The Orchard at The Carneros Inn in Napa Valley, Calif.; The Villas at Rancho Valencia in Rancho Santa Fe, Calif.; and the Doonbeg property.

The challenge Burden faced was in providing the level of services and accommodation Timbers has been known for at a time when the marketplace was staggering under the weight of financial

uncertainty.

"People were not being frivolous," he says. "They were being careful, so we had to assure them they were getting value for their money."

Burden, who focused on golf course communities prior to founding Timbers Resorts, has a penchant for locations with what he calls legacy.

"We aren't looking for the newest exotic island," he says in a recent interview online at www.fractionalcollection.com

com. "We like locations with legacy such as Scottsdale or Steamboat Springs, where high-end has sold in the past and will continue to sell in the future."

The Rocks, Esperanza and Timbers Club are completely sold out. Rancho Valencia -- which has one-eighth shares in 12 villas for \$515,000 US for four pre-planned weeks -- is 55 per cent sold.

Steamboat Place, which is scheduled to open in January, has 80 whole and fractional ownership residences.

Thirty-eight whole ownership units are priced from \$370,000 to \$4.5 million US, while 42 fractional units are being offered -- with one-eighth deeded ownership at \$625,000 and 1/12th shares for \$370,000.

Castello di Casole has 30 residences for both full and fractional ownership.

Whole-ownership homes range from \$5.45 million to \$9.2 million, while 1/12 fractional ownership runs from \$427,000 to \$656,000. The Orchard is 20-per-cent sold.

Marketing has just begun on the The Links Cottages at Doonbeg.

But Burden sees a solid marketplace for the development -- not only is it in Ireland, it's on a golf course that is considered the best of the new breed of links courses.

It is also just an hour's drive away from Shannon International Airport.

The Links Cottages at Doonbeg has eight spacious cottages, with a one-10th deeded ownership being offered at about \$243,000 US for three pre-planned weeks.

Each cottage has been constructed to the highest specifications, including French limestone floors, marble bathrooms, expansive bedrooms, spacious living areas and gourmet kitchens -- as well as spectacular panoramic views across the fairways and surrounding coastal landscape.

While marketing and sales have begun at Doonbeg, the company has plans to continue expansion with its Botany Bay project, which should hit the market in a couple of years.

Burden has no plans to change his business strategy, aiming to stick with what has got him this far in

10 years.

"People have realized the downturn isn't the end of the world," he says. " People want to vacation, but they want value for what they are buying."

He says a key for the company is that as the economy continues to work its way back, Timbers Resorts will be ready.

"We expect to expand as the economy improves and are making sure our marketing department is ready," he says in the blog interview.

"At the same time, although we've been asked to book into other parts of the world, like Asia and Australia, we haven't taken anyone up on it just yet."

IN SHORT

COMPANY: Timbers Resorts; David Burden, CEO and founder.

BUSINESS: The 10-year-old company has nine luxury private residence club properties in the United States, Italy, Ireland and the Virgin Islands. The residences in the various locations are sold as either whole or fractional ownership and can range in price from \$234,000 US for a fraction, or several million dollars under whole ownership.

OUTLOOK: While the resort and recreation property marketplace is still working its way out of the economic downturn and consumer malaise, Burden continues with his corporate strategy of finding "front-row" properties, and offering purchasers the best in amenities and services. While some prices have been adjusted to the market, he has avoided deep discounting that other developers have undertaken, he says.

INFORMATION: Visit the website at www.timbersresorts.com.

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