Part One of a Series on Making Boating Affordable

Timeshare ownership takes the concept of real estate investing to the open seas

BY PAMELA MONES CONTRIBUTING WRITER

you've seen them. Floating mansions. Glamorous vessels docked at marinas around the world, poised for the rest of us to just sit, stare, and salivate, wondering who of the rich-and-famous might be in town. Yachts to die for, and far from the reality lifestyle of the rest of us - or not.

Owning a yacht used to be reserved for the privileged class or company executives. But the concept of timeshare and fractional ownership has moved from the Colorado mountains and Caribbean resorts to the open seas.

"I call them 'yachtominiums," said Loren Simowitz, who credits himself with this innovative idea to bring yacht ownership to the masses.

As lead guru of Monocle Management Limited based in Ft. Lauderdale, Florida, Dr. Simowitz, (he has a Ph.D. in management), has taken fractional ownership and fashioned it into a unique option for people to invest in floating real estate.

"Dividing ownership into fractional units makes it affordable to anyone," he said, providing background for how the idea unfolded five years ago.

As a retired real estate developer — and boat owner — Dr. Simowitz knew a lot about both. When a friend of his wanted to sell his \$4 million yacht, he found it wasn't easy.

And understandably, considering the maintenance and upkeep necessary to keep the boat afloat. "It's management intensive and you don't get to use it all that often," he adds.

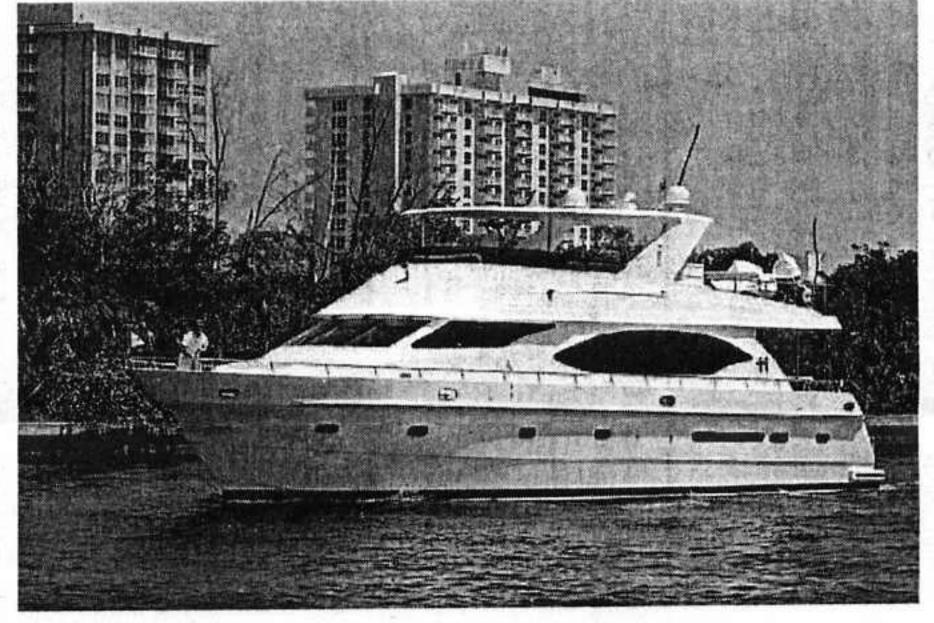
So, Dr. Simowitz suggested his friend divide up the yacht into ownership portions rather than trying to sell the yacht to a single buyer. In doing that, "more

people would be able to afford a 10 percent share at \$400,000 than at \$4 million," he explained. The costs of maintaining the boat would be shifted to all the owners, as in other real estate ventures on land.

Think of it, he said. "A boat can sit idle 90 percent of the time. This way, people can get more use out of because they buy an ownership interest in it say for four weeks a year and they don't have to worry about anything else. Just come aboard and be treated like royalty."

Now, that I can imagine. Stepping aboard a yacht docked in Mexico and have my meals cooked and served, beverages mixed and poured, and my own captain to navigate a chosen course. Then when the day is done, retire to one of those luxurious cabins after a demanding day sunning, swimming, and

snorkeling. An entire crew comes with the price, with sizes and costs of the yachts ranging from as little as \$130,000 to \$850,000 and beyond. Ownership can become tax deductible for businesses and private



Vitesse 68

Length: 68' Beam: 18.6'

Perfect size for the Chesapeake Bay or New England. Summer weeks are available.

State Rooms: 2 (Double Master)

Builder: Hargrave

Price Per Share: \$180,000

Financing Options: 75% Financing/100% Lease Program

Location: Ft. Lauderdale, Fla.



owners have the joy of a luxurious yacht without any of the maintenance. "We excel in the business because we know how to do management of these yachts extremely well," said Dr. Simowitz, noting that many others who have tried to copy the concept have failed. "It's all about

the management. That's what makes us so successful."

A skip through Monocles' assortment of yachts reveals a breathtaking array of options, from a 60-foot vessel with three staterooms to a 240foot yacht with more room than mere mortals could ever dream of needing. The average boat is about 120 feet costing \$5 million, with a IO percent fractional ownership totaling \$500,000 for four weeks a year.

So, where do you start? "The first thing we ask is, Where do you want to go?" since the boats move around. "We have them in Europe, South America, Hawaii.... We're matchmakers. We bring boats and owners together based on what they want."

So, if your dream of owning a yacht seemed out of reach, it doesn't have to be any longer. "Paying \$180,000 per share is a lot less than the cost of a second home," said Dr. Simowitz. And if that's still a stretch, sometimes, he said, a half share comes on the market for as little as \$150,000. The only additional costs would be, as with any such real estate investment, is covering the costs associated with upkeep of the yacht. The fees for the crew and property management services are com-

puted into the price.

Now, could there be a better way to feel like a millionaire without actually having to be one - even if it is for just a few weeks? Check out www.monocleyachts.com for a preview. \$\mathcal{L}\$