

# Raising the bar

Long recognised for its natural beauty, history and culture, Italy has much to offer timeshare developers and buyers alike. SARAH DAVIS looks at how the Italian market is setting the upscale pace and what you need to compete in this environment.

Italians like Italian resorts. And who can blame them? As you would expect from this most stylish of countries, resorts are beautiful properties retaining enough old world charm to remind you that you're at the heart of one of the world's greatest civilisations.

It's not surprising then that four Italian resorts have joined The Registry Collection, a luxury fractional product.

Danilo Ferri, RCI's account manager Europe, responsible for accounts in Italy, explained: "The trend here is for a high quality luxury product, as well as offering a genuine Italian countryside experience. However, despite this trend, the middle market is still pretty active.

"All Italian resorts are focussed on quality, offering new buyers fantastic holiday destinations as well as additional services and activities for the body, mind and soul.

"In Italy timeshare is no longer just about taking a holiday. Developers are giving buyers something extra, be it a cultural experience, a relaxing break away from their busy lives or the opportunity to stay in traditional Italian accommodation."

All these options come at a price and to buy a piece of the Italian countryside doesn't come cheap. The average one-bedroom

apartment near Florence costs approximately €350,000. But it is in this kind of buoyant property market that fractionals flourish.

Ovidio Zapico, based in Spain, is account director for new acquisitions and the Personal Use Rental and Exchange (PURE) product in the region. He said: "Fluctuating property prices mean buying a holiday home is very difficult. Timeshare meanwhile is less about having a nice holiday in Italy but more about owning a piece of the country, and having an investment that can be used, exchanged or rented to third parties.

"The PURE product should definitely be considered in Italy as it offers a really good alternative to the second home buyers' market, providing owners with a potential income as well as a holiday home and holiday exchange options."

The real challenge for Italy lies in its seasonality. The climate means the country is perhaps at its best from April to October, but most Italians like to take their holidays in July and August.

Ferri believes developers need to ensure their resort properties appeal to other markets if they are to fill them throughout the rest of the season and beyond. He said: "By gaining more buyers from international markets, such as the US and the

UK, where people are more likely to travel from April to June and September to October, resorts can overcome low occupancy and buyers see the country when it is arguably at its best.

"In turn visitors will be able to discover the history and culture that can be found in every corner of the country and buy a real Italian experience."

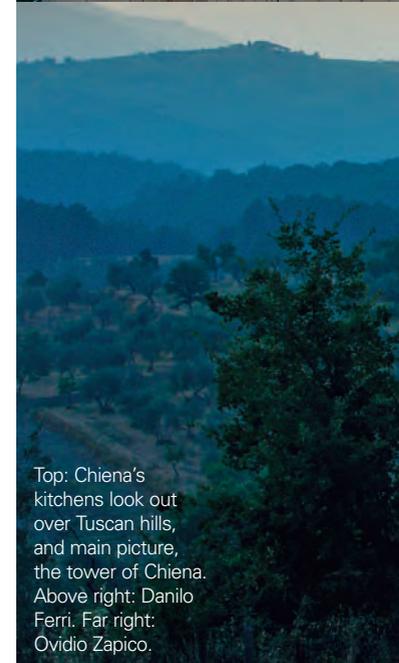
## Dominant Domina's timeshare tradition

Timeshare giant Domina Comproprietà has long had a strong foothold in the Italian market.

The company, headed up by chairman Paolo Vittorio Michelozzi since 2005, has 10 resorts affiliated to RCI Global Vacation Network – nine in Italy, and one in Sinai, Egypt.

Since Michelozzi moved over to Domina Comproprietà from the company's property management arm, he has been reviewing the timeshare business with an eye on the future.

He said: "For a long time I thought we needed to change our focus and come back to the original values of timeshare – that it is an investment in a lifestyle and not just a holiday. Our client isn't someone that wants to take a holiday somewhere, but someone interested in owning a second home, who will choose to stay at



Top: Chiena's kitchens look out over Tuscan hills, and main picture, the tower of Chiena. Above right: Danilo Ferri. Far right: Ovidio Zapico.

a resort that takes care of them.

"We have refocussed our efforts and are trying to satisfy our clients by concentrating on the product we are offering instead of slick sales techniques."

Mid-market Domina Comproprietà, part of the larger Pro Kapital group, spun off from Domina Vacanze – the hotel side of the business – in January and will be completely focussed on timeshare within the next couple of months.

Michelozzi, who has a 25-year career in property with Pro Kapital, believes timeshare needs a return to old values.

"There are many professional people who would appreciate quality holiday accommodation – lawyers, company directors, managers, etc. But with property prices as they are in Italy it's just



Paolo Vittorio Michelozzi.

Domina Inn Palumbalza.

Domina Inn Parco Dello Stelvio.

not affordable to have a second home. People's spending power has decreased," he said.

"To be successful in the future you have to offer people the right product at the right price and, above all, make them feel at home.

"We are doing a lot to make people feel at home – small things like greeting clients by

name and learning about their interests. We want to know if you like cheesecake instead of apple cake so we know what to serve you. But this requires a big change in culture."

Michelozzi's business philosophy doesn't end there. He wants to remove the gloss from marketing campaigns and ensure clients never feel disappointed by

their purchase. He explained: "I would prefer to lose money than decrease prices in a promotion as I want owners to feel they made the right choice to buy with us.

"In the last 20 years the industry has been hiding behind branding and marketing while everyone forgot about the products and the target audience. People will look at the

branding but eventually they come back to the product and ensure it is something they like.

"We want to teach people that timeshare is not something dirty and want people to feel that Domina Comproprietà is giving them something they like."

When it comes to new markets, Michelozzi, who lives in Riga, Latvia, has an eye on the



Above: Lee Cogher, left, and Fulvio Di Rosa of Borgo di Vagli. Right: Borgo di Vagli.

Baltic States. He said: “We already have an established name there, in Domina Vacanze, and these states have a burgeoning middle class to whom our product would appeal.”

### Borgo di Vagli finds its niche

Converting a rundown 14th century hamlet into a traditionally-styled timeshare resort may have seemed a unworkable proposition. But that was before Fulvio Di Rosa’s restoration project, Borgo di Vagli, won architectural acclaim, sold timeshare, and then moved into the fractional market as one of The Registry Collection’s first European signings.

Unsurprisingly for a 600-year-old resort, Borgo di Vagli is unlike any other in Italy. Yes, it has been lovingly restored and rebuilt using original stone and timber, and is set within hectares of stunning countryside. But where this Tuscan property distinguishes itself is in its treatment of its history. Borgo di Vagli is a living, breathing, historical experience.

As expected the 10 detached residences come with modern equipment and fittings – fitted kitchens, televisions and air-conditioning – the small windows, antique furniture and traditional touches offer a constant reminder of the lifestyle philosophy that clients have bought into.

“It is for this reason that we have a special kind of client,” says Lee Cogher, the resort’s sales director.

“Perhaps unusually for Italy,



many of our owners are from the US and UK, and with Ryanair now flying to Perugia the hamlet is more accessible from London.

“We have had a lot of interest from the US, where our direct marketing campaign received a response rate of more than one per cent. This is a huge amount as you would normally get just a third of that.”

Di Rosa added: “Our owners are looking for something different and genuine – they have often stayed in the finest hotels but when they come here they find they can completely unwind and rest. Borgo Di Vagli offers a true experience in a Tuscan hamlet with the luxury of peace, quiet, history and culture in magnificent surroundings – our clients come here and fall in love with the place.”

The Borgo di Vagli team are also looking at other ways to generate leads and have been able to attract the right sort of prospects from the UK and the US with their new marketing campaigns. Their marketing depends very much on the perceptions they create said Cogher. “We have toned down the descriptions of the property in our marketing materials so when people come here they are surprised by its charms rather than disappointed by over promise.”

The team is also opening an office in the historic town of Cortona where it hopes to market the secluded resort to tourists.

Borgo di Vagli moved into fractional ownership in August 2006. “One of the reasons for this was the profile of our then timeshare members,” said Cogher. “They were interested in returning regularly and looking for ownership in perpetuity rather than membership.

Fractional ownership offers both. We also wanted to give our owners more flexibility – they don’t buy time but have unlimited access to their residence subject to availability.

“Our owners yearn for a home and homes are flexible – not ‘you can come here in the third week of June.’”

When Di Rosa and Cogher talk about Borgo Di Vagli, it is with pride and a sense of achievement. What they have achieved is no mean feat – the one- and two-bedroom fractionals sell for €48,500 and €75,000 respectively, and owners understand what they are buying. One said: “It’s not for everyone, but for people whose dream it fits, it’s totally awesome.”

Di Rosa isn’t planning to stop there either. “What we have done here can be applied anywhere, provided it is unique,” he explained, detailing how a similar development could work in a secluded location in the Amazon, though he admits this is merely a dream.

He said: “I had a call recently from a US investor who wanted me to look at a project building something that smells and feels



Top: Nerina Keeley with Chiena in the hills behind. Above: Old meets new at Chiena.

like Tuscany close to Bombay, India.”

To a purist like Di Rosa this is a long way out of his comfort zone. “This is where the market is going,” he said. “But it’s a path I can’t follow.”

### The key to the luxury market

When Nerina Keeley bought Chiena, a €1.4 million dilapidated property close to Florence, she knew she was at home.

And it’s this sense of home that she wants to pass on to her prospective fractional owners when the resort opens in June.

In Keeley’s first foray into shared holiday ownership, Chiena will join The Registry Collection on opening, selling four- and eight-week, 25-year fractionals from €17,000 a week.

She said: “When I bought Chiena 40 per cent of the roof had collapsed. It’s taken four years to come to fruition but it’s been a joy to restore.

“It’s one thing to restore the old but another to respect it, and we have reused all the original materials, as well as adding



traditional features like white Tuscan tiles and stone floors in the bathrooms.”

Although Chiena has been restored with love and an appreciation for local tradition, each unit has windows large enough to capture the magnificent views, under floor heating in the bathrooms, whirlpool baths and other modern features you’d expect of an upscale development, including a helipad.

One of the nice touches is the oversized key that will come with each of the units and has become the resort’s logo.

Though Chiena is Keeley’s first development in Italy, she has much resort design experience. Alongside a number of residential projects, she has also worked on game lodges in Botswana and a five-star island resort in the Seychelles.

“I have other projects I plan to work on after Chiena, so I’ve employed general manager Gianpaolo Padula to run it. His experience from numerous international five-star hotels made him perfect for the job,” she said.

“We believe in soft timeshare sales, so there will be no hard sell. We plan to run Chiena as a hotel first and if people like it they will buy.”

Aside from its accommodation Chiena’s other attraction is its produce. The resort will operate an agricultural spin off from the fractionals – producing wine from its vineyards and olive oil from its olive groves. This is

Above: La Casella is not a mass market product. Above right: Nino and Luciano Nenna. Right: Horse riding is just one of the ways visitors to La Casella and other resorts in the region rediscover life in the countryside.

being operated under the mantle Farmshare, a trademark registered to Chiena.

“I’ve found that although there are a number of places in Italy offering farm home stays, few are very elegant,” Keeley said, stating that agro-tourism had become a byword for basic rural accommodation.

“I want to create a luxury resort that offers people a break from the city and a chance to experience something different. Also, wouldn’t it be wonderfully elegant for people to say ‘I own an apartment on a farm estate that produces its own oil and wine’.

“A lot of English people seek a home in the countryside and Italy is a wonderful place to find this, so I expect a lot of interest from the UK,” she said. And with Florence 25 kilometres away, a designer outlet shopping centre just seven minutes away and the Chianti wine region on its doorstep, Chiena offers something for everyone.

As a newcomer to timeshare and fractionals, Keeley hasn’t been put off by entering an industry that has suffered from a difficult image. She said: “Chiena is my home and I love living here. I think if people realise that you are serious and that it is your home you won’t be seen as a fly-by-night. All I can hope is that people feel at home and love Chiena too.”

## A cultural draw

When people buy timeshare at La Casella they buy more than a unit in a resort in a nice holiday destination.

Instead they buy an education and a cultural experience – part of Nino and Luciano Nenna’s dream.

The brothers opened the resort in 1987, within a number of converted farmhouses off the main A1 highway, between Rome and Florence.

Again, as is the case in much of Italy’s rural heartland, the farmhouses were restored in original style using traditional materials.

Luciano said: “Our resort was one of the first examples of how tourism had been successfully mixed with agriculture – we produce honey, tea, olive oil and more. It also brings together a love of the land, a love of good food, and a chance to discover your culture.”

Italians make up the client base at La Casella and they buy at the RCI Points resort for the food and cultural experiences, the chance to learn old farming methods, and visit various historic sites nearby.

Perhaps this is an unusual concept for a timeshare property, but Luciano and Nino say there is a real interest in this type of tourism in Italy.

“A lot of our clients are post-war baby boomers who

want to rediscover their rural roots,” said Luciano.

“They come here to understand their identity, learn how people tended the land and about the Italian way of life as it was years ago. It’s for people who don’t want to just look at historic sites but to understand and experience them, so it’s bigger than tourism. This isn’t a mass product.”

At La Casella meal times are traditionally Italian – a relaxed social affair where staff and guests eat together and discuss the day’s events.

Luciano said: “It helps guests feel part of a group – part of a bigger experience.”

Nino, a developer, and Luciano, who has a marketing background, moved into RCI Points after improving the concept of their resort.

The brothers upgraded the accommodation last June and added a wellness centre. They plan to further expand with more units in the near future. (V)