

CO-OWNERSHIP VERSES RENTAL



EXCLUSIVE CO-OWNERSHIP
HOLIDAY RESIDENCES

Are you considering buying a holiday home but having trouble justifying the cost? Second Home offers a co-ownership option that may be worth considering. Here's an example to compare buying a one-eighth co-ownership with Second Home, versus renting:

For an initial outlay of \$322,000 NZD, you can own freehold/unit title to a one-eighth co-ownership in an exclusive 3 Bedroom Jack's Point Apartment in Queenstown, New Zealand. This entitles you to six weeks use spread throughout the year.

Assuming your share of the annual expenses for the apartment of approx. \$10,000 including exit cleans, the total cost for ten years would be approx. \$100,000.

Property values in Queenstown have increased 96% in the past ten years (ref: realestate.co.nz). Even if we conservatively assume a 60% growth in the next ten years, each co-ownership share would be worth \$515,000, providing a capital growth of \$193,000 having enjoyed 60 weeks use of the home.

Alternatively, renting similar accommodation for \$6,000 per week over the same ten-year period would cost \$360,000.

VERSES

Buying a co-ownership share with Second Home could yield a gain of \$193,000 less annual fees of \$100,000, which amounts to a total gain of \$93,000.

In comparison, renting would cost \$360,000, resulting in a total gain of approx. \$450,000 over ten years for a similar experience.

Please note that these figures are based on assumptions and should not be relied upon when making your purchase decision.