

MUSKOKA

Next great wave in real estate makes big splash on shores of Lake Muskoka.
Touchstone meets investment demand for luxury fractional ownership.



Grand Muskokan Cottage: Surrounded by the wonders of sparkling Lake Muskoka, these 3 or 4 bedroom Cottages blend the traditional romantic style of Lake Muskoka with casual modern elegance.

Growing trend in U.S. real estate makes smart Muskoka cottage investing

Luxury fractional real estate

In Muskoka, Canada's most coveted year round cottage paradise, people can purchase a quarter interest of a luxurious fully furnished three bedroom cottage for only \$248,000 at Touchstone On Lake Muskoka. This compares quite favourably to the United States where values for a similar interest now average nearly three times that amount. And even more favourably to the multi-million dollar price tags that often adorn Muskoka cottages. It also speaks to the investment potential of the luxury fractional real estate market in Canada over the years to come. You want to own an impressive vacation home in an expensive resort area. The problem is you can't quite justify the expense because you'll only be using it for a portion of the year. If that's the case, you may want to consider fractional ownership. It's the smart way to own your dream vacation home and is a trend that is catching on across North America. Contributing to what some are calling the next great wave of the real estate boom.

The market has grown from US \$160M in 1999 to US \$1.5B by

at the market's early stages and enjoy their dream cottage while increasing demand in Canada for the limited supply of luxury product allows values to catch up to those in the United States.

For many, luxury fractional vacation home real estate is considered the perfect alternative to owning a year-round second home. It allows owners to tailor their ownership to accommodate their anticipated usage without the investment, ongoing expense and maintenance hassles of whole ownership.

According to Walter Thompson, president of The GenerX Corporation, the company developing Touchstone On Lake Muskoka, a \$75-million, 30-acre luxury fractional lakeside community of cottages and villas on Lake Muskoka, buying fractionally not only makes luxury properties more affordable, it just makes sense.

"After all, why own a cottage year-round when you really only want to use it a few months a year? Why pay a full year of realty taxes and a full year of maintenance costs when you can enjoy all the benefits of cottage ownership for only a fraction of the price?" says Thompson.

to or better than whole ownership cottages that sell in the millions.

And because people are only purchasing the fraction of the cottage or villa they can use, it costs them less to operate as well. Realty taxes and maintenance costs for a quarter interest of a 3 bedroom Grand Muskokan Cottage at

and they want to enjoy other parts of the world without feeling guilty. Fractional ownership lets them do that."

The trend seems to be catching on with people from just about every walk of life: couples managing busy careers and raising children; young professionals looking for the perfect escape; and those who

MARKET HIGHLIGHTS & POTENTIAL

- Market grew from US \$160 M in 1999 to US \$1.5B in 2005
- Only 17 of North America's 188 Fractional Interest Properties reside in Canada
- 93% of owners satisfied with their investment
- 77% of U.S. households with incomes of \$150,000 or greater think the concept is a good idea
- Most commonly cited motivation to purchase: the advantage of second home ownership without the associated high cost

Touchstone are only \$700 a month—the same amount some high rollers spend to rent a Muskoka cottage for a day! Ownership is through a traditional deeded interest. As with traditional whole ownership, people are free to sell, mortgage or bequeath their investment to a loved one. "Many people are more familiar with fractional ownership than they may realize", says Thompson. "The children who inherited their cottage from their parents are really living in a fractional arrangement. With Touchstone, all the messy bits of sharing costs and time are sorted out for you."

A usage calendar determines when owners occupy their units. In the case of Touchstone this has been adopted to the Muskoka lifestyle. A purchaser of a quarter interest owns 2 fixed weeks in July or August and 1 week every other month of the year. Pretty much the average a Muskoka cottager will use their cottage according to a recent survey by the District of Muskoka.

"People don't want to be hamstrung by their cottage," says Thompson. "People's busy lives take them elsewhere

have retired or are planning on retiring in a few years. The one thing they all have in common is the desire to own a hassle-free luxury vacation home in a prime location, and one that provides access to plenty of amenities and services.

In a recent study published in the United States, 71% of fractional owners report being "Very Satisfied" with their purchase—and they're telling their friends and relatives. This is adding fuel to the industry and experts predict an explosive growth over the next twenty years.

In the case of Touchstone on Lake Muskoka, Thompson says: "Fractional ownership is one of the most flexible, cost effective ways of owning your year-round, dream vacation home. At Touchstone, you're not just buying an exceptional cottage or villa to build a lifetime of memories, you're also investing in a real estate opportunity that is sweeping North America and is expected to appreciate substantially in the years to come."

To learn more, visit the Fractional Ownership Resource Centre. Only at balancemuskoka.com

Touchstone. Balanced Living. Muskoka Style.

Advertorial Exclusive
BY ROSE REISMAN

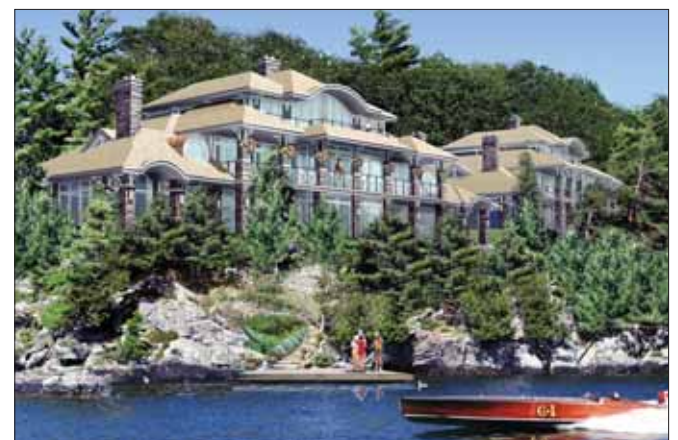
There are places outside that nurture our places within. You'll find one of those special places at Touchstone. There, on the last great expanse of Lake Muskoka shoreline, you can enjoy the full Muskoka experience with none of the maintenance or chores that traditionally come with cottage ownership.

I'm often called upon to talk about the art of living well and about what I call the "Six F's" of a well-balanced life: Finance. Family. Friends. Fitness. Food. And Fashion. When you pay attention to all those areas and harmonize the amount of work and play in your life, you'll find you can achieve a balanced, highly satisfying life.

And as you can discover by visiting balancemuskoka.ca, a luxurious cottage or villa at Touchstone on Lake Muskoka offers rich rewards in all six of these key areas of life.

For one, it fits your finances perfectly. With Touchstone's fractional ownership opportunity, you can purchase a quarter interest of a magnificent two-bedroom villa for only \$198,000.

But buying "fractionally" doesn't only make luxury Muskoka real estate more affordable to acquire - it makes it more affordable to operate as well. After all, why pay a full year of realty taxes and maintenance costs when you can only enjoy the benefits of cottage ownership a few months a year?



Cascade Villas: Located on top of a tree-lined promontory, these 2 and 3 bedroom Villas are designed to appear as elegant Muskoka cottages, cascading above and over a rocky perch.

A cottage or villa at Touchstone allows you to strengthen ties with family and friends, and to enjoy quality time with them, instead of having to tend to the maintenance and upkeep that comes with a traditional cottage.

It goes without saying that fitness too is crucial to maintaining a healthy, balanced lifestyle. At Touchstone, fitness just comes naturally, whether you're canoeing along the shores, cross-country skiing through the woods, swimming, water-skiing, whatever. Or when the mood strikes, take advantage of the fully equipped fitness centre or Touchstone's health and wellness spa complete with infinity pool overlooking fabulous Lake Muskoka.

Food is important too. It not only fuels the body so we can stay fit, but it's also one of the greatest sensory pleasures we enjoy. So

at Touchstone, you'll enjoy the convenience of making great meals in your own gourmet kitchen with all the appliances, accessories and dinnerware waiting for you when you arrive. Or forget about cooking for the night and head to Touchstone's casually elegant restaurant instead. Finally, there's Fashion. Here, I'm not talking about clothes but rather the general ambience that's the attraction here, and how very fashionable you'll feel cottaging in Muskoka—Canada's premier cottage destination.

Developed by The GenerX Corporation, Touchstone is an intimate lakeside retreat of magnificent cottages and beautifully appointed villas anchored by relaxed, life-enhancing amenities that set a new standard in Muskoka without intruding on your family's private time.

Here you can enjoy maintenance-free living on the last great expanse of Lake Muskoka shoreline. No landscaping or cutting the grass. No ploughing the snow. No fussing with the plumbing. Your time is 100% yours to enjoy. Just arrive, unplug and relax.

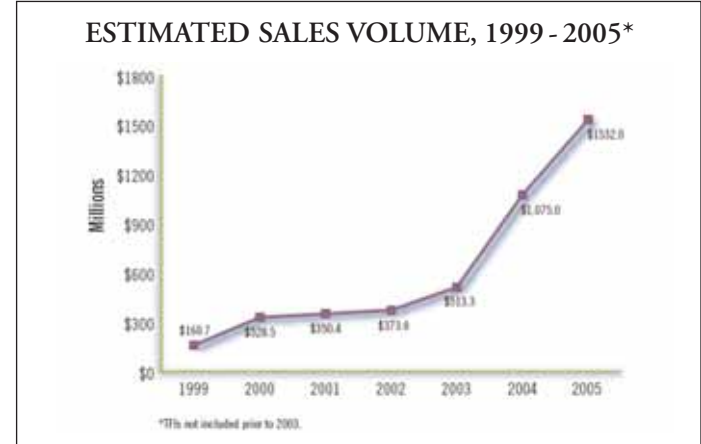
Choose a three or four bedroom cottage along the water's edge or a two or three bedroom villa, perched on a rocky outcrop under towering long-needed pines. Each is designed in a classic Muskoka style and features custom finishes throughout, including beautifully appointed kitchens, luxurious baths, comfortably elegant entertaining areas, and generous decks and Muskoka Rooms

offering unobstructed views of sparkling Lake Muskoka At Touchstone, everything will be left unspoiled... except you. A limited release of 4 cottages and 6 villas is currently underway. But with construction already begun and people beginning to create their own Muskoka memories next Spring, the time to strike a balance is now.

Located just two hours north of Toronto, Touchstone can be found a few minutes outside of Bracebridge on Hwy 118, between Bracebridge and Port Carling.

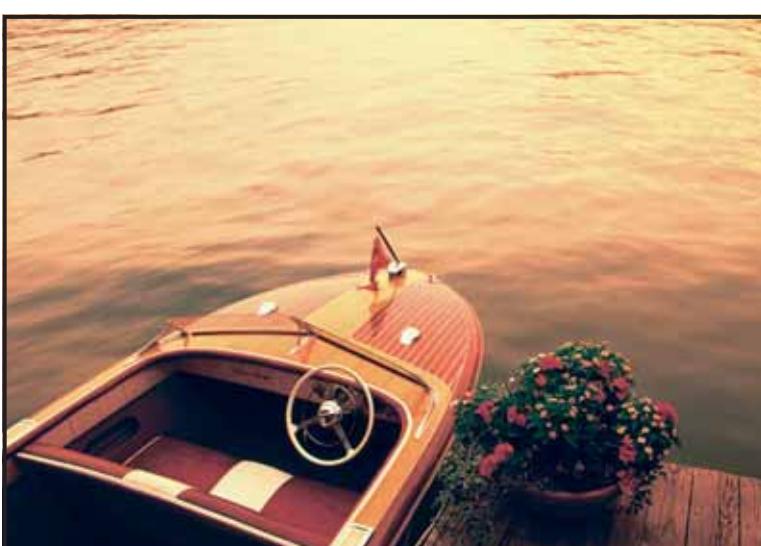
To learn more or to register to spend a relaxing day at Touchstone, look for me on the Touchstone website at balancemuskoka.ca or call 1-866-492-1888.

See you soon at balancemuskoka.ca



the end of 2005 but is still in its infancy in Canada where only 17 of the 188 Fractional Interest Properties reside according to Ragatz and Associates, a leading consulting firm tracking the industry. This is good news for Canada's early adopters who can buy in

Touchstone, patterned after the highly successful model developed in the United States, provides luxurious 3 and 4 bedroom cottages and fabulous 2 and 3 bedroom villas appointed with finishes and furnishings comparable



TOUCHSTONE
ON LAKE MUSKOKA

Visit BalanceMuskoka.ca today to learn more

Luxury Cottage Ownership
Priced Fractionally from \$148,000

Construction Underway
Limited Release NOW Available

1-866-492-1888

Rose Reisman,
a leading
authority on
balanced living.