



CAPELLA™

PEDREGAL

CABO SAN LUCAS



Cabo's Capella Pedregal Stands Out as "Best of Breed" in a Strong Fractional Real Estate Market

CABO SAN LUCAS, MEXICO (April 22, 2008) – In today's tough real estate market, fractional ownership is growing steadily, even as overall second home sales have slowed. In fact, the fractional market is the fastest growing segment of the luxury vacation home industry, with sales growing from \$8 million in 1992, when the concept was still nascent, to \$2.5 billion by 2006. It's a segment that continues to offer great potential for growth, particularly on the international scene, according to Jim Whitteron, principal of Spring

Creek Partners, Inc., who pioneered the private residence club concept in the 1990s at Utah's Deer Valley Resort and today lends his expertise to one of the industry's top success stories in progress: **Capella Pedregal in Cabo San Lucas**.

Managed by top-tier hospitality brand Capella Hotels and Resorts, Capella Pedregal is being developed on one of the most sought-after parcels of land in Cabo San Lucas by the first family of real estate development in Cabo: the Diaz Riveras. Its Phase I offerings sold out quickly and Phase II sales continue to surpass projections as the development looks forward to the December 2008 opening of its centerpiece, the 66-room Capella Resort and Spa. Prices start at \$475,000 for the 38 shared-ownership Residences and Casonas, which are complemented by 11 full-ownership Capella Villas and one grand whole-ownership Estate.

"Cabo San Lucas continues to be a very strong vacation home market and is expected to maintain that status," said Whitteron. Yet even within the robust Cabo market, Capella Pedregal is a stand-out, thanks to several key distinctions:

- **Capella caché:** The development's success benefits greatly from the Capella name. "Our buyers are looking for that personal, high level of luxury service. Horst Schulze invented it," said Whitteron, referring to Capella Hotels and Resorts' visionary founder, who, as the former president and COO of The Ritz Carlton Company, created the service standards on which modern luxury hospitality is based. Capella Pedregal homeowners enjoy a highly sought-after lifestyle afforded by distinctive Capella services and amenities that include a Sylvia Sepielli-designed signature Auriga spa, three beachfront restaurants, an exclusive Beach Club, fitness center, business center, and the services of a personal Majordomo for each owner.
- **Fractional home + fractional yacht = Once-in-a-lifetime opportunity:** Fractional ownership is the fastest growing segment of both the luxury vacation and motor yacht industries, according to Whitteron, and Capella Pedregal is the only place in the world to combine the two. Residence and Casona purchasers automatically own an interest in a fleet of 60 foot Viking Sport Fishing and Sport Cruising yachts at the Capella Pedregal Yacht Club.
- **Location:** Private residence clubs do best in destinations in which affluent travelers love to vacation, and enjoy returning to several times a year. The best locations balance accessibility and attractions with exclusivity and privacy. International destinations have the greatest growth potential for the fractional market. Capella Pedregal delivers on all points, combining a prime Cabo

beachfront location with an exceptional level of privacy, afforded by its secluded cliffside setting that is accessed from downtown Cabo by a private, 1,000-foot-long tunnel carved through the mountainside.

- **Baby boomer appeal:** The fractional home buyer has an average annual income of \$300,000+ and a net worth of \$5 million or more. As baby boomers hit their peak earning years, resort real estate and second home markets are poised for growth. Whitteron describes the Capella Pedregal buyer as a 40- to 50-year-old “who loves to travel to Cabo, loves the Cabo lifestyle, and appreciates the benefits of owning and living in a spacious villa with extraordinary amenities and services.”

Capella Pedregal residences range in size from 3,000 to 4,000 square feet, evoking a true sense of place through sophisticated, custom spaces conceived by Dallas-based Paul Duesing Partners and architects HKS, the acclaimed duo behind Las Ventanas. Among the custom details are murals from local artisans, unique cactus plaster walls, handpicked finishes, locally quarried stone, tiles made exclusively for Capella Pedregal, and color palettes that reflect the arid beauty of the Cabo San Lucas setting.

Capella Pedregal brings Horst Schulze’s Capella Hotels and Resorts brand to North America. Debuting in December 2008, it is the only luxury hotel and residence resort with immediate proximity to the world-class Cabo Marina, and will be complemented by a 10,000-square-foot Sylvia Sepielli-designed signature Auriga spa and wellness center and the Capella Pedregal Yacht Club, which is home to a fleet of Viking 60 foot yachts. Hotel guests will be attended to by Capella’s signature Private Assistants – on hand to arrange dining, yacht excursions and access to Cabo’s many attractions, while residents enjoy the bespoke services of their own personal Majordomo.

For more information on Capella Pedregal, please call (866) 956-7222 or visit www.capellacabo.com.

Capella Hotels and Resorts serves today’s top-tier travelers and residential property owners and is setting a new standard in the hospitality industry. Capella promises the unique benefits of the finest boutique hotels, including superb architecture and interior design, privacy,

individualized service and attention to detail – combined with the amenities and activities of the world's great luxury hotels and resorts. Capella, led by founder Horst Schulze, is a brand focused on customer choice, and offers choices that no other hotel company in the world can match. Capella is opening world-class properties in gateway cities and high-profile resort destinations around the world, including: Breidenbacher Hof, a Capella Hotel (Düsseldorf, Germany); Capella Bahia Maroma (Riviera Maya, Mexico); Capella Castlemartyr (Cork, Ireland); Capella Dunboy Castle (Castletownbere, Ireland); Capella Ixtapa (Ixtapa, Mexico); Capella Pedregal (Cabo San Lucas, Mexico); Capella Singapore (Sentosa Island, Singapore); Capella Telluride (Telluride, Colorado); and Schloss Velden, a Capella Hotel (Velden, Austria). Learn more at www.capellahotels.com

* * *

MEDIA CONTACTS:

Melissa Pogue/Kathleen Cullinane

Middleton & Gendron, Inc.

212-284-9937/212-980-9194

mpogue@mg-pr.com/kcullinane@mg-pr.com