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Real Estate

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The 29-mile shoreline of Lake Geneva, Wisconsin, is an exceptionally expensive stretch of real estate with property starting at \$1 million, according to local real estate agents.

A 21st Century getaway

The cabin in the woods is getting an update in style – and price

By John Handley
Tribune Staff Reporter

A summer place, a weekend home, a retreat – in the woods, by the lake or on the beach. What could be more

appealing as the perfect antidote for our long, cold winter? But gasoline prices are up, so somewhere nearby would be preferable.

Research from the National Association of Realtors (NAR) indicates that most vacation homeowners want to be within a relatively short drive, less than half a day, “People want to be able

to use their second home frequently,” said Kenneth Roth, a senior economist with NAR.

He noted that about 6 percent of all homes sold each year are second homes, with 52 as the median age of all vacations homeowners.

“What we’re seeing is a gradual increase in second home sales as a result of the aging Baby Boomers,

who have more disposable income and more equity in the original home than previous generations,” said Roth.

Among favorite vacation spots within a 3-hour drive of Chicago are Lake Geneva, Wisconsin; Saugatuck, Michigan; and Galena, Illinois. Houses, cabins, cottages, townhouses and condos are available from \$90,000 to more than \$1 million.

But with the expanded market, a new wrinkle in vacation properties is emerging. The condo-hotel concept offers the potential for vacation residences to pay for themselves or even post a profit, those in the industry say. Popular for years in Florida, it is catching on in the midwest.

It works this way: When not in residence, owners of these units put them in a rental pool and share the revenue, usually on a 50-50 basis, with the hotel, which is the manager.

Owners have access to their condos throughout the year, unlike time-share units that are sold by the week in a particular time period.

Two new condo-hotels are being launched at Lake Geneva, and one is planned for Saugatuck.



All 225 units are sold out at Timber Ridge Lodge. It's one-bedroom units sold for \$175,000 to \$190,000 and it's two-bedroom units sold for \$209,000 to \$250,000.

Mill Creek, a 34-unit condo-hotel in downtown Lake Geneva, already is sold out. Timber Ridge Lodge, a 225-room condo-hotel with an indoor/outdoor water park, which is scheduled to open mid-July 2001 at Grand Geneva Resort & Spa, 2 miles east of downtown is also sold out.

“The typical buyer will spend two of three weeks a year in their condo, so it's in the rental pool the rest of the time. Return of income is the

motivation for many buyers.” said Michael Peterson, developer of both Lake Geneva properties and president of Chicago-based Diversified Real Estate Concepts Inc.

He added that 95 percent of buyers have been from the Chicago area.

Mill Creek's one-bedroom units sold for \$145,000 to \$190,000. Nightly rentals are \$160 to \$275. The units have fireplaces and covered balconies. Amenities include underground parking, an indoor/outdoor pool and fitness center.

At Timber Ridge Lodge, the one and two-bedrooms condos cost \$175,000 to \$250,000 and nightly rentals are \$150 to \$370. The units have fireplaces and covered balconies.

Built in a Pacific Northwest motif on 15 acres purchased from Marcus Hotels and Resorts, Timber Ridge Lodge will have a fitness center, two restaurants and a general store in addition to the 50,000-square-foot water park.

Lake Geneva has long been popular with Chicagoans. Victorian mansions ring the lake. Property directly on the 29 miles of lakefront costs \$1 million or more.



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