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FINANCIAL REVIEW

— NEWS WEBSITE OF THE YEAR —

THIRDHOME offers house swaps for the rich and property

Fiona Carruthers-Financial Review

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What's better than a rich friend with a luxury holiday home where you can stay? Answer: 10,000 rich friends with lavish mansions around the world, from Chicago to Dubrovnik and Hippo Point Kenya.

The business proposition behind American real estate agent Wade Shealey's share economy idea was that simple.

In 2008, the Nashville-based Shealey had a vacation home in Kennebunkport, Maine – the northernmost US state. He'd never rented it out – mainly because it was too much hassle. "I was always looking for someone with a ski home in Colorado I could do a trade with," he tells Life & Leisure. "However, it was a lot of work finding a direct exchange."

So he did what all rich people do: he got on the phone and called his similarly well-heeled friends. He suggested they start an informal club of people with posh weekenders they could swap to ensure cosy winters could be spent in Aspen and summers in upstate New York – without the hassle of having to own and maintain multiple homes.



Thirdhome founder Wade Shealey at his horse farm just outside Nashville in Tennessee.

"We started with zero homes. I called a few friends who I knew had vacation homes and told them to trust me, that we would add more to the club," Shealey explains.

In the first year of running Thirdhome as an official business in 2010, he had 200 homes on his books. By February 2018, Thirdhome hit 10,000 luxury homes in 93 countries, now including Australia and New Zealand.

The company is also about to expand into luxury rentals and curated trips.

Essentially, Thirdhome is simply another take on how to earn money or get more value by renting out your second home. These days, super high-end properties are available not just via

the big sites like Airbnb and Stayz, but also through an ever growing number of smaller sites like Sonder, Paris Perfect, Onefinestay and Luxe Houses by Contemporary Hotels. Indeed, some of the homes advertised on Thirdhome can also be booked via competitor sites. What's different about Thirdhome is it's more of a house swap for the rich, with a payment and points structure.



Honeymoon Bure on Yasawa Private Island in Fiji offers people the chance to enjoy 11 private beaches on the 22-kilometre long island.

Desirable locations

To join Thirdhome, your property must meet certain criteria. The average home on the site is valued at \$US2.3 million (\$2.9 million), while some are worth up to \$US50 million. They must be in a "desirable location", and be well furnished and maintained.

Thirdhome members pay a joining fee of \$3200, then nominate the weeks their home is available for use by fellow members. In this way, they earn "keys" (credits) that they can use to reserve other properties. A hierarchy applies whereby the more wow the home and the more available it is to be booked (including during peak times such as Christmas and Easter), the more keys you earn.

There are no annual fees, but an exchange fee of \$US395 to \$US995 a week applies to each booking you make, pending how many keys you have earned. The average exchange fee is \$US635 a week.



One of the three bedrooms at a private ski lodge in Montage Deer Valley, Utah.

To mark the company's launch in Australia in December last year, the joining fee has been temporarily waived.

The site has more than 80 Australian homes for rent, including Tranquility in Port Douglas, Queensland; Sunnyhirst in Yallingup, Western Australia; and The Grainger in Melbourne. Pacific House, in Palm Beach on Sydney's northern beaches, became the site's 10,000th home.

Pacific House is owned by Sydney couple Patrick and Karen, who signed up in late February after a January ski trip to Utah in the United States.

"We were thinking how great it would have been to do a house swap," says Patrick. "But it was just too much hassle. The chances of finding someone with a condo in Utah who wanted to be in Palm Beach the same week as we wanted to ski seemed very remote! What's good about Thirddhome is that it's a sort of hybrid between the good old-fashioned house swap and the modern share economy."



Since signing up, they have booked a home in north Auckland for three nights in March, and an Australian family has booked their Pacific House for part of October.

Some of these trophy homes can accommodate up to 20 people, earning their owners top credit points.

Mixing architecture styles

As for Shealey, his home base – a horse farm in the historic town of Franklin, just outside Nashville, Tennessee – isn't available for hire. But architecturally, his Franklin base is interesting enough to make you wish it was. "It's a unique set-up with multiple renovated barns," Shealey says. "I also have a collection of horses, dogs, chickens and ducks."



He's currently building a home on the property that's a combination of three different architectural styles: an 1800s log cabin for the master bedroom, a Gothic Carpenter farm house for the kitchen and den, and an all-glass contemporary-style living room with a rooftop garden.

"Each style of architecture creates a different feeling and emotion," he says. "Plus, I like all three styles and thought why not? I wanted to create a home that was fun and not boring."

When he's not mixing architecture styles, he's following the lead of other members in using Thirddhome to find a marble-tiled landing pad in out-of-the-way places he might not otherwise have visited.

"Many of our members like to go to places that aren't heavy tourist areas. We've had great feedback on our homes in Croatia as well as Iceland."

He names Villa Tranquilla, Villa Tiha and Villa Akuna by the Sea as good picks in Croatia, and quotes from a letter a recent Thirddhome member left his host in Iceland:

"Thank you, Olof, for sharing your wonderful cottage. Your home had everything we could possibly need. This is a gem of a place and we took advantage of all the country had to offer ... a helicopter ride of the golden circle, blue lagoon, Icelandic horses everywhere – and the highlight, Diamond beach where the glacier meets the ocean – spectacular." MJ Jennings, June 2017

Data shows that many owners of second homes decide to sell within five years of purchasing because "they've become tired of going to the same place", Shealey explains.

"With Thirdhome, they can keep the home they love but also enjoy increased flexibility to travel anywhere in the world and stay for a nominal fee."

As for Shealey, what became of his Maine weekender? After starting this business, he sold it. Spoilt for choice these days, you could say.

The boss' picks

The top five homes on Thirdhome founder Wade Shealey's books are:

- Villa Punto de Vista in Costa Rica, a 10-bedroom private villa for up to 24 guests on 2.5 acres of rainforest.
- Honeymoon Bure on Yasawa Private Island in Fiji – with 11 private beaches on the 22-kilometre long island.
- Palazzo Prugnoli in Tuscany, a traditional Italian stone villa with eight bedrooms for 18 people, and a professionally catered barbecue.
- Private three-bedroom ski lodge in Montage Deer Valley, Utah, for 10 of your best friends. Just minutes from downtown Park City.
- Te Kahu House or New Zealand Lake House in west Wanaka, New Zealand. Located near Queenstown, it won NZ House of the Year in 2010. Sleeps eight in four bedrooms. See thirdhome.com or call +615 454 2329.