

# PHASE 2 / HOTEL INVESTMENTS IN WHISTLER

## Overview



### What are Phase 2 Properties?

The term "Phase 2 property" in Whistler typically refers to condos that are part of an existing hotel operation. The owner has full ownership of the unit, but a covenant registered on title regulates how the property can be used. These properties are designed for short-term accommodation, not full-time living, and personal use is limited.

When the owner is not using the property, the unit must participate in the hotel's rental pool. The hotel operator controls bookings, maintenance, and guest services. Pooled rental income is distributed to owners based on a predetermined share factor.

#### How Owner Use Works

- Owners can use their suite for up to 28 days in the summer and 28 days in the winter season
- No blackout dates if booked at a certain deadline
- Most hotels will allow short notice bookings if available
- Some hotels charge cleaning or parking fees
- Suite will be in the rental pool when not in owners use

#### Who Phase 2 is Best For

Phase 2 ownership is best suited for buyers looking for a hands-off way to own in Whistler. Having their own place to stay while helping to cover costs and earn some rental income. These properties are often considered lifestyle investments rather than primarily financial investments.

#### Quick Facts

- Every owner has to enter into the hotel management agreement
- No private rentals (Airbnb, etc) allowed
- No refurbishments / renovations allowed
- Some hotels allow day use of the facilities even when you are not staying in house (subject to availability)
- Every hotel operates slightly differently
- There are a couple of exceptions to this where a property's use is regulated by the Phase 2 covenant but owners are allowed to manage their own booking. **Ask me!**

#### Good to Know

Many Whistler hotels are currently undergoing renovations, which can significantly impact both revenue distribution and resale value. I'm happy to walk you through the details.

# Income, Expenses & Financing



## How Income Is Earned

The rental income is pooled across the entire hotel rather than tied to individual nightly bookings. Owners earn income based on their unit's share of the rental pool (often referred to as an IUD - Interest Upon Destruction).

### Factors that influence income include:

- Unit size and configuration
- Overall hotel performance
- Seasonality and demand
- Personal owner use (more use = less income)

*Typical Net ROI: ~3-5% (Before mortgage, after base expenses, assuming little or no owner use).  
Monthly returns fluctuate with tourism, seasonality, and hotel performance.*

## Typical Expenses to Expect

- Strata fees
- Tourism Whistler fees
- Property taxes
- Hotel management fees & expenses

It varies by property if all or some of these expenses are deducted before the income is distributed.

## Financing Realities

Financing for Phase 2 properties is different from residential purchases.

- Fewer lenders offer traditional mortgages for these types of properties
- Generally a minimum square footage and a kitchen in the suite are required for financing

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It is highly recommended that you speak to a local Whistler mortgage broker to find the best option for you.

