



# Buying Timeshare

## and the advantages of buying a resale

Summary information on Timeshare and the most

Often asked questions by consumers



### **What is Timeshare ?**

It is a firmly established concept which allows you to buy the use of a holiday home for the same weeks or weeks every year, at a fraction of the price of owning it all year round and without the exorbitant cost and worry of year round maintenance. In effect you are pre-buying holiday time, which you can use yourself, rent out, give away, sell or bequeath as you wish. Timeshare has many different variations with the same basic concept. It is also called vacation ownership, holiday ownership and club time.

It is one of the fastest growing sectors of the holiday industry and with the arrival of large hotel groups that saw the benefits of Timeshare such as Marriott's Hilton, Hyatt etc. the image of Timeshare has changed.

### **How did Timeshare start ?**

The French re-invented Timeshare in 1966 at a French resort - some say it was a sky resorts, others luxury villas in the South of France - (although the genuinely earliest known Timesharing in Europe was when the Albert Hall in London was built in the late 19th Century, when those subscribing to the building fund received in return a right to a specific seat and tickets at specific intervals). Timeshare was quickly seen to be a way of providing holiday homes in areas of beauty where housing was in short supply and at exorbitant prices. During the recession the luxury homes were not selling but sold in shares they become affordable to many. The concept was simple and economic and soon spread to Switzerland, Japan and the United States. The Americans are firm believers in Timeshare and many are multi-week owners. The first project in Britain opened in 1973 and it is estimated that there are now about 550,000 British Timeshare owners in the UK and abroad.

### **Is it a good investment ?**

Timeshare should not be considered as a form of property speculation but it is an excellent investment in leisure, assuring you of the highest standards of holiday accommodation and amenities for many years to come.

### **What are the advantages of Timeshare ?**

Firstly your holiday accommodation is paid once and for all at today's prices, thereby ensuring that a major part of your holiday costs are cushioned against rising costs in future years. Compare, for example, the cost of a weeks stay each year in a top class hotel, add the minimum amount of RPI and you will see that in only a few years, it will far exceed the cost of a weeks ownership. Remember, you will also be the owner of an asset that you can let, sell or bequeath. Because the purchase of your holiday home is shared between several people, you can enjoy a high level of design, furnishings and amenities, at a fraction of the cost of purchasing outright. The same applies to maintenance costs, which being shared, are kept to a minimum. The property is looked after by a resident management team all year round, so you have none of the security or damage problems associated with single owner holiday homes. There is of course the very real pleasure of returning each year at the time of residence and meeting old friends and entertaining guests in familiar surroundings.

Another very attractive reason for owning timeshare is the opportunity to exchange your week for a week at any of more than 5,700 other timeshare resorts in over 101 countries worldwide. For this you must become a member of an exchange organisation. You may choose to return to your home resort year after year, trade it for any of the thousands of affiliated resorts throughout the world, or alternate back and forth between the two! It is this kind of owner flexibility that brought the timeshare industry from nothing more than a great idea 30 years ago to the multi-billion dollar industry it is today.

With a timeshare, Mum and Dad can put the kids to bed in one bedroom and continue to enjoy themselves in the spacious living areas.

Most timeshare resorts now offer complimentary children's activities, such as arts and crafts, pool games, t-shirt making, karaoke, and more, giving parents a chance to spend some quiet time together. But with swimming pools, water parks, miniature golf courses, bowling, family game shows, and movie nights, just to name a few, activities abound for the entire family.

In addition to the spatial differences and available activities, a timeshare can open up a host of options that are not available to families staying in a hotel. The full kitchen allows families to eat meals in their unit rather than in restaurants. Many timeshares offer film rentals on-site and VCRs or DVD players in the units, so families can save money on entertainment as well.

It truly is the best way to go when travelling with groups, you get to spend time together while maintaining your privacy.

### **Enormous Savings**

**Here's a financial example of comparison (in high season):**

|                |  |
|----------------|--|
| £1050          | cost of hotel room based on £150 per night for family of four            |
| x 30           | number of years holidaying   |
| -----          |  |
| <b>£31,500</b> | <b>realistic cost of holidaying for 30 years <u>before inflation</u></b> |

With a timeshare of equivalent standard, based on a resale price from Travel & Leisure Group for say £4000 with an annual maintenance fee of £300. Your equation becomes:

|                |  |
|----------------|--|
| £300           | maintenance fees before inflation                              |
| x 30           | number of years holidaying                                     |
| -----          |  |
| £9,000         | cost of maintenance over 30 years                              |
| + £4,000       | purchase of timeshare (average price)                          |
| -----          |  |
| <b>£13,000</b> | <b>Cost of timeshare over 30 years <u>before inflation</u></b> |

And of course at the end of it you also have something that you can sell.

Using this calculation, **you could pay as much as £20,000 upfront** for a timeshare and still save thousands of pounds with comparable holiday hotel costs.

### **Home-like accommodations**

Most timeshare units have floor plans that closely resemble two bedroom, two bathroom villas or apartments, usually with an additional sleeper sofa in the living room. Timeshare unit sizes vary from studios to four bedrooms, allowing plenty of room for families.

Anyone who has been on a holiday with children or groups of friends can tell you that hotel accommodations are not ideal. There are some hotel chains that offer suites, but they are often difficult to find, and two or more bedrooms are hard to come-by. Adjoining hotel rooms are often much more expensive, and usually lack the living, dining, kitchen, and laundry amenities that make your vacation more convenient and affordable. In addition, timeshares come stocked with kitchen utensils, dishes, silverware, etc.. But, unlike your typical rental home, no need to pack sheets and towels.

### **What is an Exchange Company and how does it work ?**

There are several timeshare exchange companies. The most known are Resort Condominiums International (R.C.I.) and Interval International (I.I.). These exchange companies are affiliated with over 5,000 resorts across the globe. The concept is really quite simple. Timeshare exchanging means to trade your week at your resort with another timeshare owner's week at another resort. Between R.C.I. and I.I., over 3.4 million exchanges were processed last year alone. Joining is easy and affordable! Costs for joining I.I. is £79 for 1 year, £157 for 3 years and £294 for 5 years and for R.C.I. £130 for 2 years, £169 for 3 years, £269 for 5 years. There is now another exchange company, Dial an Exchange, which although much smaller, offers an efficient and friendly service at much lower rates. Obviously the choice of resorts is more limited.

### **What is a management fee ?**

Maintenance fees are established and collected by the Resort Management Company to maintain the property, pay insurance, utilities, refurbishing and taxes. These fees vary from resort to resort and with the type and size of the unit purchased.

### **What is a Fixed Timeshare Week ?**

A fixed week is a specific week during the calendar year usually identified by a number. Different resorts use different calendars. Ownership of a fixed week allows you the use of the unit for that specific week annually for as long as you own it.

### **What is a Floating Week ?**

A floating week is a week that may be used anytime during the year subject to resort availability. It is usually related to seasons - high, medium and low. Every year you will book with the resort your desired holiday period within the season you own or lower graded season. Seasons vary from resort to resort. Be sure to investigate this before purchasing to avoid disappointment.

### **What are Points ?**

The points system is a relatively new form of timeshare ownership. This system allows the owner to purchase points to be used for travel during specific seasons of the year. The more points purchased, the more flexibility offered when wishing to travel during high season. More points will entitle you to larger units or a higher standard resort. Another advantage to the point system is that it provides you with the flexibility to use a certain number of your points towards a one-night stay or up to the maximum number of weeks purchased. Flexibility is a major advantage to the point system, although everything is based upon availability. Nowadays points are a very popular system. However, if you need school holiday time, you cannot beat owning your own week in August, guaranteed occupancy for you year after year.

### **What is a Holiday Club ?**

It is a very recent Timeshare format which has its pitfalls. We do not advise the purchase of a Holiday Club unless they have been recognised by the OTE.

### **What Does it Mean to Spacebank a Week ?**

Spacebanking means to “deposit” your timeshare week with an exchange company to be saved for use at a later time in a different resort.

### **What is the Difference Between Red, White, Yellow, Blue and Green Time ?**

Each colour serves as a rating of the overall desirability of a particular week at a timeshare resort. Super Red is Peak season and the most desirable time of year to own, Red is considered high season, and is followed by white and yellow, and then blue and green, which are considered off-season.

### **What is an even years or odd years Timeshare ?**

Alternative year’s ownership allows the owner to use of the resort every other year.

### **What is a Gold Crown or Five Star resort ?**

A Gold Crown Resort is the equivalent of a Five Star rating in the R.C.I. (Resort Condominium International) system. I.I. (Interval International) uses Five Star to identify the most prestigious resorts, such as the rating for hotel groups.

### **What if I need to sell my Timeshare in the future ?**

Some resorts will handle the resale of your Timeshare, others will not as they need to sell their own stock. It is imperative to keep up with the payment of your maintenance fees to avoid repossession of your Timeshare through arrears in the maintenance charge. The most common way of selling is through a resale company such as Travel & Leisure Group. In recent times, many buyers such as yourself come to a reseller to take advantage of unbiased advice and a much reduced purchase price.

### **The advantages of buying a Timeshare resale**

When the consumers have made up their minds they want to buy a Timeshare, it is time to also look at the Resale market.

Timeshare has frequently been the subject of unfavourable comment, seldom directed towards standards or facilities, or indeed the concept, but rather to the somewhat unsavoury methods often employed in persuading people to purchase.

So how do Timeshare resales differ from direct selling? Quite simply, when you are coerced into a Timeshare presentation (an experience many of us would like to forget) you are immediately under intense pressure to hand over your money and purchase on the spot. With a resale you have no financial obligation right up to exchange of contracts.

## The advantages of resale are:

1. The business is conducted by telephone, mail and email with no pressure whatsoever on the purchaser. You make up your mind in the privacy of your own home. Re-sellers act as estate agents for Timeshare between existing owners who wish to sell and people who want to buy.
2. A reputable re-seller will only sell resorts of good standing and recognised structure.
3. Resorts offered are usually affiliated to RCI and Interval International or Dial an Exchange, giving the purchaser the same flexibility of exchanging holidays throughout the world.
4. Buying - you can save 000's! Resale prices are often less than 50% of developers price and purchasers get all the same benefits as buying on site.
5. Unbiased advice. Re-sellers acting as an estate agent and not linked to any one resort or country, are able to offer a much wider and better choice of Timeshare to suit the requirements with only the buyers interests in mind.
6. Travel & Leisure are members of the OTE (Organisation for Timeshare in Europe), the governing body of the Timeshare industry. Under the OTE's strict Code of Ethics, they are obliged to offer a 14 day cooling off period and to follow various other rules as protection to the consumer.

### Why are Prices so Low on the Timeshare Resale Market ?

It is no secret that upwards of 50% of the resort developer costs are sales and marketing related. When you purchase directly from the resort, unfortunately you are paying an inflated price to absorb all of the administrative and marketing costs associated with the sale of the property. When buying on the resale market, you only pay for the true fair market value of the property! As a timeshare resale buyer, you not only benefit from the use of the property, but you also enjoy savings of 30-50% or more! Obviously you may not have such a wider choice, but the resale market has matured and the resale inventory is nowadays very attractive to buyers. Some major groups such as Marriott have a right of first refusal if they feel the Timeshare is being re-sold at an unreasonably low price. They will then refuse to transfer the ownership to the new owner. This does not happen with other resorts where second hand buyers benefit from the low selling prices on the resale market, where supply and demand is much in the buyers favour.

Some price examples of bargain resales at Travel & Leisure;

Marriotts - 2 Bedroom, Occupancy 6, High Season  
Price on complex - £17,500  
Resale price - **£7,500**

Hilton - 1 Bedroom, Occupancy 4, High Season  
Price on complex - £7,000  
Resale price - **£2,500**

Clowance - 2 Bedroom, Occupancy 6, Mid Season  
Price on complex - £7,000  
Resale price - **£2,000**

Harbour Club, Tenerife - 1 Bedroom, Occupancy 4, May  
Price on complex - £3,500  
Resale Price - **£900**

Royal Savoy, Madeira - Studio, Occupancy 4, High Season  
Price on complex - £7,500  
Resale price - **£4,500**

Although this is a very good way of buying Timeshare, consumers must take precautions.

- You must be sure of the reputation and stability of the re-seller
- Re-seller should preferably be a member of the OTE. If anything goes wrong, the consumer has somewhere to go to with the problem and OTE members have to follow a strict code of conduct, closely monitored by OTE, certainly in regard to Resale Companies. OTE keeps a close eye on their performance and business practice.
- Ensure re-seller offers at least 10 days cooling off period.
- Monies are placed in an independent clients account in escrow, preferably in solicitors hands.
- Re-seller has a bonified conveyancing department or uses the service of a recognised Timeshare conveyancing firm.

### **PEACE OF MIND – BUYING THROUGH TRAVEL & LEISURE**

When you purchase a timeshare through Travel & Leisure you can be sure that you are in very safe hands.

**We are members of the Organisation For Timeshare In Europe (OTE), American Resort Development Association (ARDA) and broker members of the RBA (Resale Broker Alliance) whose founder members are also ARDA members. We strictly follow the European Directive on Timeshare and the UK Timeshare Act 1992, as amended, offering buyers and sellers full protection.**

This means when you purchase through Travel and Leisure you can relax in the knowledge that everything is being handled by an experienced and knowledgeable legal team.

Once you have left a deposit for your purchase to secure the week or weeks, a work sheet will be raised to go through to our legal department

Before you receive your purchasing contract the legal department checks that the timeshare

–

- Has no incumbrances
- Maintenance fee is up to date
- Week is available for you to use as agreed with your sales person
- Has no finance outstanding
- Details are correct with the resort
- Is not banked/allocated with the relevant exchange companies

This means when you receive the contract all you have to do is check it, sign and return it to us with the purchase monies.

The vendor will also receive a contract which they will have to sign.

Once both contracts and ownership documents are in house and purchase monies are received, our legal department can commence transfer of title. The legal department will send off all documentation to the resort, trustee and land registry office for them to effect transfer of title to you, the new owner.

This process can take up to 12 weeks, there is no need to worry as this a standard time period and our legal department are always on hand if you wish to follow up progress of your purchase.

Once the transfer of title is complete you will receive your new ownership certificate with a welcome letter from the resort. You can then start planning your luxury timeshare experience.

Now all you have to do is find that timeshare.... Call **0800 071 4674** to speak to one of our sales consultants.

Travel & Leisure are the largest independent resale company in Europe, operating for fifteen years with a well established international sales network. We are members of the Organisation For Timeshare In Europe (OTE), American Resort Development Association (ARDA) and broker members of the RBA (Resale Broker Alliance) whose founder members are also ARDA members. We strictly follow the European Directive on Timeshare and the UK Timeshare Act 1992, as amended, offering buyers and sellers full protection, a guarantee that you are in safe hands. Travel & Leisure act as Estate Agents for Timeshare between existing owners who want to sell and people who want to buy.

Under the OTE's strict Code of Ethics, we offer a 14 day cooling off period and the guarantee you are in safe hands.

## **BUYING - ENDLESS POSSIBILITIES**

Before you buy a Timeshare, check with Travel & Leisure Group first. We have many properties of this nature at our finger tips, all affiliated to either of the exchange companies giving the owner the flexibility to exchange their weeks all over the world. We match the discerning holiday taker with the right resort at the right price..... the key to our success. Timeshare changed image with the arrival of large hotel groups that saw the benefits of timeshare. Marriott, Hilton and Hyatt have now built many timeshare resorts around the world.

Buying a privately owned Timeshare through Travel & Leisure is a great way of saving money, prices are at less than 50% of developers price and you get all the same benefits as buying on site and un-biased advice. All properties offered by Travel & Leisure are affiliated with one of the major exchange companies, RCI or II giving the purchaser the choice of exchanging their weeks for another at over 5,500 resorts in 175 countries.

## **THE CHOICE IS ENDLESS**

The choice of over 5100 holiday developments in 110 different countries is now yours through R.C.I., I.I. and Dial An Exchange exchange network. The tropical islands of Barbados, St. Lucia, or Bali, the magic of Disneyland©, or nearer home the manor houses of England and the chateaux of France. These are just some of the exotic places where you can have your dream Timeshare vacation.

A Timeshare holiday is a holiday of a lifetime - golf, tennis, skiing, or just lazing on a sandy beach outside your apartment are all part of Timeshare ownership. Maria Mills-Farinas, Managing Director of Travel & Leisure points out that Timeshare is a luxury holiday. If you want to compare Timeshare holidays with a package trip, be realistic, you have to look at deluxe apartments or suites to be on the same levels as Timeshare - then you will see real savings of Timeshare.

A once only payment plus a small yearly maintenance fee and your holidays are paid for life. Package holidays taken over a few years will cost you a lot more and all you are left with are the memories. So before you decide on a holiday this year give Travel and Leisure a ring or visit them at Talas House, 47-48 Ballington Street, Sudbury, Suffolk CO10 2BX.

Thinking of Timeshare...? Think of **Travel & Leisure**

**The company that provides exactly what you are looking for at the right price...**

**With the OTE guarantee – you are in safe hands**

Call us now on

**0800 071 4674 (UK Freephone)**

**+ 44 1787 881111 (Outside UK)**

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