



The Timeshare Resale Solution

By Linda J. Parker

How Timeshare Resales Have Evolved Into a Viable
— *and Valuable* — Segment of the Industry



Perhaps it was just too hard to imagine, in the early days of timeshare, that owners or vacation club members would ever want to resell their interval ownership at a resort in the Swiss Alps or their right-to-use timeshare condo on the beach in Honolulu. Yet over a lifetime, the average person's vacation patterns and needs change. At some point, most timeshare owners face the need to resell their timeshare property. For many years, timeshare resales have been the overlooked stepchild of the thriving vacation ownership industry.

Frustrated owners resorted to dump-your-timeshare-style auctions, netting only pennies on the dollar, or worse, they simply walked away from their commitment, even if it meant wreaking havoc on their personal credit ratings in the process. What to do with the timeshare the owner no longer wished to own was an unmet need begging to be fulfilled.

Timeshare Resales and the Age of the Internet

Enter the age of the Internet. The global visibility afforded by the World Wide Web enabled timeshare resale services to emerge as a viable segment of the industry. Via services offered either primarily or exclusively online, timeshare owners who want to sell their timeshare can choose from a timeshare resales brokerage company, a timeshare resales advertising and marketing company, or a company that offers an à la carte menu of both types of services. Timeshare sellers can choose how much of the timeshare sales transaction they want to handle themselves and how much they want to turn over to a timeshare broker or other industry professional. Companies offering timeshare resales services and timeshare resales advertising may have started small, but in a very short time, they have gained the attention of timeshare developers as well as that of a vast and ever increasing marketplace of interested timeshare buyers and renters.

In the United States alone, there are nearly 5 million timeshare owners who own over 6 million timeshare weeks or intervals, or the equivalent of one week in timeshare points. Year after year, industry research shows that satisfaction remains high among timeshare owners. Yet, a myriad of motivators drives both satisfied and less-than-satisfied timeshare owners

to want or need to resell. Divorce, relocation, lifestyle changes, and illness are all reasons people seek to sell timeshare. Highly satisfied timeshare owners also put their properties up for sale, with the goal of selling one timeshare and buying a different one that better suits their current needs.

In the tradition of, "if you build it they will come," successful timeshare resales websites have stepped up to fill the need for resales services, offering large inventories of timeshare intervals or units for sale or rent. Published statistics on the numbers of people buying resale timeshares are somewhat limited, because they must address both owner transactions and sales managed by timeshare professionals. While overall resales data is scarce, here is one commanding fact that stands out: a single timeshare company, SellMyTimeshareNOW.com, currently attracts an average of a million dollars per day in offers to buy or rent timeshare advertised on its website.

The Timeshare Industry Adjusts

Timeshare resales companies and timeshare advertising services may not have been part of the vacation ownership industry's original vision, but denying the need for them would be akin to saying automobiles can only be purchased new through dealerships or that homeowners cannot resell their residential properties. Timeshares are hardly disposable commodities, even though they do not appreciate in the same way other types of residential or commercial real estate increase in value. Industry statistics place the sales price of new timeshare at nearly \$20,000 per one week interval, however as resales, these same timeshare units may be priced 50 percent below the original purchase price.





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Much like the purchase of that new car, the timeshare buyer gets the benefit of using the vacation property, enjoying it, and at the right time, reselling it to recoup a portion of the original expenditure.

Which Resorts are in Demand as Timeshare Resales and Rentals?

Each year, SellMyTimeshareNOW.com publishes a list of one hundred timeshare properties that receive the greatest number of offers to buy or rent through their company.

Called the HOT 100 List, in 2007, the properties garnered 48,532 offers. Although this information reflects only the trend at one timeshare company, the results are in keeping with reported industry trends toward buying timeshare with strong exchange options and the power of a big-name hotelier's brand behind them.

The top ten timeshare resorts receiving offers at SellMyTimeshareNOW.com are:

- WorldMark by Wyndham, multi-destination resorts
- Westin Ka'anapali Ocean Resort Villas, Maui, Hawaii USA
- Orange Lake's West Village, Orlando, Florida USA
- Marriott's Aruba Surf Club, Palm Beach, Aruba
- Diamond Resorts Ka'anapali Beach Club, Maui, Hawaii USA
- Marriott's Maui Ocean Club, Maui, Hawaii USA
- Marriott's Newport Coast Villas, Newport Coast, California USA
- Harborside Resort at Atlantis, Paradise Island, Bahamas
- The Manhattan Club, New York, New York USA
- Marriott's Ko Olina Beach Club, Oahu, Hawaii USA

Eight of the ten properties that made the list this year were also on the 2006 HOT 100 list, with WorldMark by Wyndham jumping

from number seven on the list to claim the top spot at number one in 2007. New to the top ten are The Manhattan Club and Marriott Vacation Club's Ko Olina Beach Club in Oahu. Hawaii timeshares ranked in four of the top ten spots, while the timeshare resort brand that dominated the top ten list was Marriott Vacation Club.

A Unified Timeshare Industry

Regulating the marketing and selling of timeshares has led to important improvements in consumer protection and credibility for the industry. In 1977, when only three states in the United States had any type of timeshare regulatory laws on their books, the need for better timeshare regulation was obvious. During the decade that followed, when thirty-eight US states implemented new laws and the other twelve designated existing real estate laws to include timeshares, industry standards and practices in America improved significantly. Globally the European Union is working to tighten the language of timeshare laws by eliminating loopholes regarding timeshare packages and new products that do not fall under current legislation. Timeshare's next generation of hot-destinations in the Middle East and Asia have learned from the mistakes of others and have structured timeshare regulation from its inception to protect consumers, developers, and local economies. Worldwide, upstart companies with questionable practices have fallen by the wayside while reliable brands and industry icons have grown stronger, increased their portfolios, and expanded the services they offer. While timeshare companies may build their business on their uniqueness, tighter regulations and clearer legal parameters for sales and marketing are serving to grow the industry as a whole.

Widespread consumer internet access and use is also dramatically redefining the way timeshares—both new and as resales—are bought and sold. According to the 2006 Membership Profile of Interval International's U.K. members, nearly 75

percent of members state that they have purchased travel related products and services online. The report goes on to say that, "...the Internet has evolved, by far, as the most heavily used source to research vacation activities and information". With this significant trend towards the use of online information sources for holiday products, the timeshare resales industry should grow accordingly through the increased use of the Internet and its global reach.

As timeshare resales continue to carve out their place of value and acceptance in the marketplace, developers begin to better understand how resales companies contribute to the overall health of the industry. New timeshare sales companies take on more of the practices of resellers while timeshare resales companies and timeshare advertising companies become more like developers in the scope of services they offer. The lines that once divided developers from resellers and new timeshare from timeshare resales, grow blurrier all the time, and that's not only a predictable turn of events, it is one that will prove to be very beneficial for everyone involved.

MORE INFORMATION

SellMyTimeshareNOW.com provides internet advertising and marketing for timeshare owners who want to sell or rent timeshare. Founded in 2003, the company now employs 130 people and is headquartered in Dover, New Hampshire, USA.

In 2007, SellMyTimeshareNOW.com presented its customers over \$274 million in offers to buy or rent timeshares and currently receives more than two million website visitors monthly. Jason Tremblay is the CEO and president of SellMyTimeshareNOW.com

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