

A New Idea, Timesharing, Is Solving America's Growing Problem of "Vacation Inflation"



by Carl Burlingame

A vacation is to "enjoy" . . . an interlude of pure fun and relaxation. Above all else you're supposed to leave everyday concerns behind. But that's getting harder and harder to do. Because one of your biggest daily worries — inflation — is there waiting to cut even more deeply into the fun when you arrive at any resort worth going to. Your lodging probably costs about 10% more than just a year ago. Food and entertainment costs are up that much, too.

You try not to think about it while on vacation. Who wants to ruin a good time! But afterward, when the bill is added up, you can't help worrying that *next* year you may have to lower your expectations. Pick a cheaper resort. Not stay as long. Do less. And maybe, as inflation continues relentlessly, it won't be long before you can't afford a really good vacation at all.

A new idea, resort timesharing, is rapidly becoming a solution to "vacation inflation" for growing thousands of American families. Though timesharing plans have many variations, the idea is simple. Select the accommodations you want. A luxurious condominium or hotel suite. Select the weeks during the season you want to vacation. Then buy that week or weeks — in other words, buy a "timeshare" — in those accommodations at that resort. First of all, you have eliminated all worries about getting reservations when you want them, where you want them, for years to come.

Now here's the best part. Your timeshare probably will save at least 30% and possibly as much as 80% over what you would otherwise pay

for those same accommodations at the resort during the same week or weeks you would be vacationing there the ordinary way!

But that's not all. Most people want to use their timeshare regularly, but what about those years when they can't get away to use it or want to go somewhere else? Exchange or "swapping" networks, such as Resort Condominiums International, provide the answer. You put your timeshare into the network's "space bank," and you use an equal amount of time at one of scores of other participating resorts — not only in the U.S., but around the world.

So it's not surprising that over 40,000 American families have already purchased a timeshare, even though the trend is in an early stage. A short few years ago only a handful of U.S. resort hotels and condominiums offered timeshare plans. This year about 150 U.S. resort locations are offering timesharing. Clearly, the idea is spreading fast.

How is such a good deal possible? It sounds too good to be true. There *must* be a catch. There is no catch. There are two practical, commonsense reasons why a timeshare can save you a lot of money and be a profitable business for the timeshare operator, as well.

First, when you purchase a timeshare it means to the resort manager that you have bought one of his units for a week or more annually *long into the future* or permanently, if you happen to buy your interval outright, in fee simple. As a result, the resort manager does not have to spend money *year after year* on ad-

vertising, commissions paid to travel agents, and in other ways to keep the unit occupied during your annual time period. The resort is therefore able to pass along to you a substantial saving from the rental that you would be charged if you were not a timeshare owner.

Second, the resort manager can figure that timesharing is a good way to increase his *overall* business at comparatively little additional cost. Because it's a seasonal business, all resorts have empty rooms much of the year. A good part of the cost of these accommodations — such items as mortgage payments, real estate taxes, insurance — must be paid even when the accommodations are not used. Thus, getting the resort more fully occupied through timesharing often does not incur big additional operating expense. Moreover, the resort knows that a higher — and more predictable — level of guests means that all facilities — restaurants, recreational amenities like golf courses and tennis courts — can be operated more efficiently (and profitably). These advantages to the resort can be passed along to you in the form of an attractive timeshare price — relative to lodging rate you would otherwise pay.

Of course, you can always go out and buy a whole resort condominium unit or build a second home. But look at those prices! These days it's hard to find a resort condominium in most places under \$40-50,000, and price tags go up well over \$100,000. As for building a second home, you'll first spend \$12,000 or more for a good lot and at

least \$30-40,000 more to build the home. And you have to worry about all the annual expenses (which can run several thousand dollars a year) and the problems of renting when you're not there or protecting it against vandalism when it's unoccupied — which is most of the year.

On the other hand, in buying a timeshare you buy *only* the annual time you will actually use — more likely in an affordable range of \$2-4,000 per week — and you pay *only* your share of the expenses. You pay for the fun, not the problems.

Little wonder that timesharing is catching on quickly. You know you'll want, need, and deserve a first class vacation next year and every year ahead. Now, as a timeshare owner, you also know you'll be able to afford it!

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Questions & Answers On Timesharing

1. Q. Where did the timesharing concept originate?
A. Timesharing originated in France several years ago. The concept has grown in popularity and has been implemented in resort communities in the Caribbean, Hawaii, Mexico, California, Florida and other parts of the United States.

2. Q. How does timesharing minimize the cost of owning a luxury second home?
A. By limiting your investment to the time period you actually use.

3. Q. Under timesharing what will I actually own?
A. You will be the owner of an undivided interest in the townhouse of your choice as a tenant in common with other purchasers. Your time period will be specified in the recorded deed restrictions.

4. Q. How many people can reside with me?
A. Your vacation townhouse is designed, furnished and equipped to accommodate six vacationers comfortably. See inside pages for more details.

5. Q. Does this mean that other people will actually own my townhouse with me?
A. Yes. There will be other individual timeshare owners who, like yourself, understand the advantages of owning their vacation home, instead of renting.

6. Q. Can a timeshare purchase be financed?
A. Yes — at this time the developer is able to finance your purchase at competitive interest rates and on terms advantageous to you.

7. Q. Can I sell my timeshare interest?
A. Yes. Since you do own outright an interest in the townhouse, you may sell, rent, trade, bequeath or do with it anything you might do with any type of real estate, subject to the restrictions of your ownership interest.

8. Q. How can I be sure that the furnishings in my unit will be properly cared for when I'm not there?
A. We believe that pride of ownership and respect for "their" property will combine with the desire of the other timeshare owners to have the townhouse in good condition and to prevent any misuse. The timeshare documents provide that any damages that occur during a specific time period will be paid for by the responsible person. To anticipate the normal wear and tear that inevitably occurs, a portion of your monthly payment will be placed in a special fund for maintenance and replacement of the furnishings.

9. Q. Who will be responsible for managing the details of maintenance, rentals, trading of timeshare periods, furniture replacement, cleaning, etc.?

A. Harbor Springs Realty Co., Real Estate Management Specialists.

10. Q. What if I decide not to use my time period?
A. You can make your unit available for rent or if mutually agreeable, you can always trade your time period with another owner.

11. Q. In addition to the initial purchase price, what other expenses will I incur?
A. A yearly maintenance fee which covers all costs of ownership including management fees, utilities, telephone, cable T.V., real estate taxes, condominium association fees, liability and personal property insurance, a replacement and repair fund and cleaning charges in preparation for the next occupants.

12. Q. May I bring my pet?
A. Timesharing ownership does not provide for pets. However, excellent boarding facilities are available in the area.

13. Q. What kind of security and privacy will there be?
A. Harbor Cove is a private association and no one but members and their guests will be allowed within the property.