



# Timeshare no longer matter of last resort

**Lisa Allen**

The timeshare industry has shrugged off an unsavoury past as cashed-up Australians clamour to buy into its resorts, according to a new study.

The report, by AEC Group, reveals the \$700 million timeshare sector has recorded average growth of about 10 per cent a year for the past five years, while the number of timeshare resorts is expected to nearly double by 2014.

The domestic tourism sector has been lacklustre for the past few years, but the report, commissioned by the Australian Timeshare and Holiday Ownership Council, foreshadows timeshare resorts will increase from 73 in 2004-05 to 136 by 2014.

Where timeshare resorts were once concentrated on the Gold Coast, they are now spread throughout all states.

"The industry has come a long way since the problems of the 1980s and 1990s, when the public image of timeshare was tarnished due to the

questionable marketing practices of property entrepreneurs," ATHOC president Ramy Filo said yesterday.

"In the past six years, the number of timeshare owners has increased by 50 per cent to more than 125,000, the number of resorts has increased from 57 to 73 and the average annual net sales of timeshare have grown to \$173 million."

According to the report, more higher-income buyers are investing in timeshare resorts.

"Compared with all Australian households, timeshare owners are more affluent, with a distribution towards the upper-income brackets," Mr Filo said.

The report found 23 per cent of timeshare owners earned more than

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\$100,000 a year, while the average

purchase price paid was \$13,550, up from \$10,500 in 2002.

But the industry warned regulation was threatening its viability.

Mr Filo said ATHOC welcomed the recent inquiry by the Parliamentary Joint Committee on Corporations and Financial Services into timeshare and backed many of its recommendations.

But several recommendations were unworkable.

"While the parliamentary committee found that timeshare is essentially a tourism product, it found that it should still be regulated under the Corporations Act 2001 as a financial product," Mr Filo said. "This is a very complex and expensive burden for the industry to carry, and there is no doubt that the regulations are holding the industry back."

He said foreign investment regulations also needed to be reviewed, given the industry's resurgence was closely linked to the entrance of global timeshare companies.