

Timeshare – an investment in leisure

Timeshare holiday accommodation is one of the fastest-growing sectors of the worldwide hospitality industry

by Catherine Taylor

Timeshare ownership has moved out of the doldrums and into the 21st century with a double-digit annual growth rate during the past two decades. Gold Coast-based industry leaders include Trendwest, Classic Holidays, Accor Premier Vacation Club (APVC) and RCI – the Australian arm of Resorts Condominium International, the world's largest timeshare exchange. Trendwest and APVC will spend more than \$100 million on property acquisitions in Australia this year.

Timeshare is one of the fastest-growing sectors of the international hospitality industry. Annual holiday ownership sales are estimated to exceed \$9.4 billion. Estimates show timeshare contributes \$150 million to the Australian economy each year. Timeshare owners have all the benefits of a vacation home without the year-round costs.

The Australian timeshare industry employs around 4000 people, about 2500 Gold Coast based. This region boasts 14 timeshare specific properties. Australia has 120 timeshare resorts with 140,000 timeshare owners occupying 150,000 timeshare weeks each year. This generated more than \$300,000 million in timeshare sales within Australia last year. Timeshare occupancy runs at 97 per cent while most hotels operate at around 76 per cent. The global industry is estimated to exceed \$15 billion

Trendwest South Pacific is part of Cendant Corporation, a global residential real estate and travel service provider. Cendant Timeshare Resort Group boasts 750,000 members. Trendwest South Pacific recently purchased Southern Cross Suites – a 120-room Sydney apartment complex.

APVC recently moved to purpose-built corporate headquarters in Robina Town Centre. RCI Pacific recently launched stage one of a Follow the Sun call centre to service North American members after business hours. A wing of RCI Pacific's Bundall office was transformed to accommodate a team of 48 operators. More staff will join the team as the project expands.

Timeshare gives people the opportunity to purchase blocks of time or redeemable points for use at more than 5400 resorts in about 100 countries around the world.



Southern Cross Suites, has been purchased by leading timeshare group Trendwest South Pacific, in a deal that opens the way for a change in the Sydney apartment and hotel market

The industry is highly regulated by Australian Securities and Investment Commission (ASIC) and the Australian Timeshare and Holiday Ownership Council ATHOC (a not-for-profit industry body established in '94 to represent industry interests and work toward best practice).

“Timeshare owners are more likely to spend more money in the areas they visit because they have already paid for their accommodation. They also tend to spend more time in the one area,” she says.

ATHOC general manager Laura Younger says timeshare ownership has changed dramatically since it originated in the 1960s. “The quality of the product continues to improve as hospitality leaders and respected independent developers introduce innovative designs and concepts to already high industry standards,” Ms Younger says.

“Most consumers successfully trade time and complaints are virtually nonexistent. Timeshare is the way millions of families around the world secure a lifetime of luxury holidays at today's

prices. Timeshare apartments are home away from home. Holiday ownership provides the space and flexibility needed to easily accommodate families and larger travelling parties,” she says.

Ms Younger says timeshare owners and guests spend about \$91 million in communities annually.

“Timeshare owners are more likely to spend more money in the areas they visit because they have already paid for their accommodation. They also tend to spend more time in the one area,” she says.

Ms Younger says the purchase process is simple. “Timeshare buyers make a one-time purchase of furnished resort accommodation at a fraction of whole ownership costs. They pay an annual maintenance fee. Each holiday ownership resort apartment is divided into intervals. These intervals can be weekly or a points equivalent. Points are sold separately,” she says.

“The accommodation price varies in accordance with a number of factors, including unit size, resort amenities, location and season. The purchaser owns the holiday accommodation for the amount of time they plan to use it – typically one or two weeks each year.

“Timeshare owners have all the benefits of a vacation home without the year-round costs. Allocated times (called intervals) implies the property is divisible in time. Several types of intervals are available. These include fixed, floating or holiday times.

Timeshare buyers make a one-time purchase of furnished resort accommodation at a fraction of whole ownership costs.

“Fixed time means the ownership periods are fixed by date. Floating time implies ownership is unrestricted except for allocated fixed weeks. Seasonality may impact on availability, depending on the location of the resort. Most resorts have high, medium and low seasons.

“Australian timeshare is considered a managed investment and must meet the requirements of the Managed Investments Act and the Corporations Act 2001. Timeshare is ASIC governed and must comply with the managed investment act but it is not an investment product; timeshare is a lifestyle choice,” she says.