

from The Independent & The Independent on Sunday

A shrewd and stylish investment

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Timeshare used to be bad news. It was what happened to unwary people on holiday in half-built Spanish resorts. Sharkish touts would promise couples free gifts (often an imitation brass carriage clock) or a ride in the company's speedboat and, in exchange, holidaymakers agreed to attend a "presentation" which would sometimes last several hours. Effectively detained against their will, kept in a darkened room and shown slides and "artists' impressions" of villas and apartments in mind-numbing profusion, many signed on the dotted line in order to secure their release. The price of freedom was often a lifetime of holidays in the Canary Islands.

Now timeshare has partly cleaned up its act and the business, which boomed in the mid-Nineties, continues to grow. The UK market, which is expanding faster than any other in Europe, has doubled over the past 10 years. The number of Britons who took timeshare holidays last year was 1,250,000 - more than went skiing or took a cruise. One of the reasons is that European legislation has given the consumer greater protection. Even Spain, which was dragging its feet on the issue, has now signed up to laws which give potential timeshare purchasers a cooling-off period of 10 days when no deposit may be taken and during which there is no penalty for a change of mind - an important point when 50 per cent of clients have second thoughts and cancel.

What is surprising is that timeshare has moved up-market. One of the world's largest timeshare exchange organisations, RCI, says the typical British timesharer is a home owner aged between 45 and 64, "well educated", with two cars and no children at home, who takes at least two holidays and two short breaks every year. The most satisfied customers among that group, according to VOICE, are people who have bought in the Resale market - that is, not at top prices straight from the developer - and who have shopped around for properties in desirable locations.

The location of the timeshare is an important guide to its bank ability in the exchange market. Few owners want to spend the rest of their holiday-making lives returning to the same place and a major incentive to buyers is the possibility of swapping their weeks for holidays in a choice of around 3,400 resorts spread across 90 countries worldwide. And this need not be an exchange of one poolside apartment for another - the timeshare bank includes weeks in log cabins in Alaska, in thatched villas in Kenya, in London lofts, Manhattan apartments, on a kibbutz in Israel and, in a recent addition to the timeshare world, on narrowboats on waterways from Nottingham to Bath.

The cost of using an exchange scheme may be £100 or so for each transaction but most customers seem happy to pay that, knowing that they can expect holiday accommodation of a

very high standard. Many complexes have their own health clubs, restaurants and tennis courts with links to golf courses and other sports facilities.

Stepping into this non-shady timeshare arena are some blue-chip companies such as Hilton, Sheraton, Marriott, Thomas Cook and Disney, which have all opened timeshare operations in Europe.

Over the last seven years, the industry has further matured and Timeshare has gone from strength to strength. According to OTEW press releases, 2006 was the first year where positive publicity on Timeshare out-weighed the negative.