

homeadvice



happy HOLIDAYS

Dreaming of vacations at luxurious resorts? Try timeshare, suggests Anne Barker

When the word “timeshare” is mentioned, people are either totally enthusiastic about their experiences, or remember so-called “travel expos” with freebies which were a cover for timeshare sales pressure.

However, timeshare has come of age and now has a responsible reputation, borne out by the 30,000 New Zealand families who own timeshare weeks.

What is timeshare?

Another term for timeshare is “holiday ownership”, where accommodation units – usually in prime holiday locations – are owned by many people. Owners buy weekly intervals or points that provide the opportunity to use the property for a week or more, either at the home resort, or at other resorts worldwide. Resorts are affiliated with exchange companies so people can exchange their week for another elsewhere.

With some timeshares, you buy a fixed time each year, while

others have a floating arrangement where you can change your yearly booking time. Some resorts put a limit on the use of the property for a set number of years, but others may give you use in perpetuity.

There are 28 resorts in New Zealand, from Paihia to Queenstown, but there are about 4,500 to choose from worldwide. Some people are so passionate about the concept that they buy weeks at multiple timeshares around the world.

What are the advantages?

The high quality and excellent amenities of most timeshares is guaranteed to make your holiday enjoyable, giving you the opportunity to do new things and meet different people. If you exchange your week, you can take an overseas holiday anywhere in the world at an affordable price. An added advantage is that timeshares are professionally managed, so holidays aren't spent maintaining a property.

When buying a timeshare, DO:

- Take your time and don't be influenced by free offers.
- Ask for full details about the property and check the type of ownership.
- Ask who is responsible for long-term management.
- Seek legal advice, so you understand purchase documents.
- Compare fixed and floating arrangements.

When buying a timeshare, DON'T:

- Forget to ask if the developer belongs to the NZHOC.
- Buy into a resort off the plans or one that isn't complete. It may never be!
- Forget to ask the cost of the annual fee and what it covers.
- Buy from a developer without having a broker check the resale price.
- Treat newly developed timeshare as an investment.

Imagine being able to cycle, swim, play tennis, golf and squash and use boating and fishing facilities while your children are catered for in their own playing areas – and that's without setting foot outside the timeshare.

By comparison, buying a holiday home means there is a large outlay of money as well as ongoing maintenance and rates bills. You will also tend to have all your holidays there instead of exploring other areas.

Ownership to suit

In New Zealand there are three types of timeshare ownership. **Title-based** (or permanent ownership) schemes are the most common and give the purchaser an undivided interest in the property. Title deeds can be inherited, gifted, sold or kept for use forever. A body corporate committee is elected annually by the owners to control the management on their behalf.

Right-to-use schemes give occupancy rights for a specified term of years, but the purchaser does not have any ownership interest or title to the property. When the ownership period ends, the property reverts back to the developer/owner or is sold with net proceeds being distributed to the timeshare owners.

Club ownership schemes give the purchaser occupancy rights to a number of different resorts with the same club. Purchasers buy a set number of points at a specific property to use or exchange with other club properties.

Annual maintenance fees average about \$350 to \$450 for a one-bedroom apartment and \$400 to \$550 for a two-bedroom apartment in New Zealand.

Exchange companies

The exchange system is similar to banking – you can deposit the week at your resort with an exchange company and request a swap for a week in another part of New Zealand or overseas. Some exchange companies have a membership fee and there will be an administration fee for processing your request.

Websites to look for include www.dialanexchange.co.nz and www.interchange-timeshare.com.au

Consumer protection

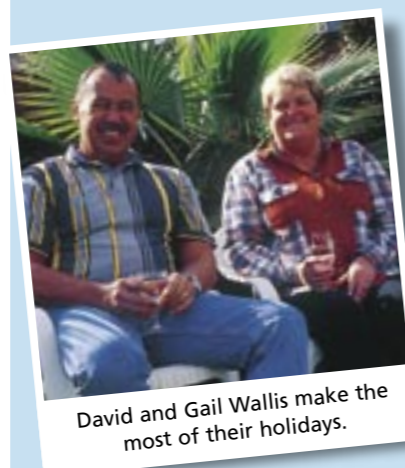
The New Zealand Holiday Ownership Council is an elected body comprising representatives of timeshare resorts, marketing and development companies and exchange companies. "We have a strict code of ethics and practice that protects the public from being misled, so it is important to check that any company you deal with is a member," says chairman Martyn Rix.

If you buy timeshare intervals from a member of the council, the code of practice includes a provision allowing purchasers to cancel the contract within five working days of signing, returning deposits in full. The council also investigates customer complaints. Contact the NZ Holiday Ownership Council, PO Box 1648, Christchurch, phone 0800 652 070 or visit www.nzhoc.org.nz

What about the resale market?

If you buy a new timeshare from a developer you pay a premium, but if you buy through a broker or reseller, you could buy at less than half the original price.

"Buying a second-hand timeshare with a permanent ownership title is a great way to ensure you have quality holiday accommodation at an affordable price," says Ken Greenwood, managing director of the Timeshare Market (www.timeshare.co.nz). "As an indication, expect to pay \$2000 to \$4000 for a one-bedroom floating week, or \$4000 to \$6000 for a fixed week. At the top end, a fixed week at peak holiday season in a very desirable resort will cost about \$15,000 to \$16,000."



David and Gail Wallis make the most of their holidays.

Luxury with timeshare

The concept of owning a timeshare had huge appeal to South Auckland schoolteachers David and Gail Wallis, as they enjoy travelling and want to make the most of their holidays.

"We bought a floating week at a Fijian resort nine years ago and thoroughly enjoyed it," says David. "The concept worked well for us – we've since bought three more floating weeks at a resort on Australia's Gold Coast, which provides different options."

Both resorts are by the sea and of a very high standard. As the apartments have two bedrooms, David and Gail can also take family or friends on holiday. After the initial investment, the couple's only annual cost is about \$500 per timeshare week for maintenance, and their airfares. They've also exchanged their timeshare weeks for enjoyable holidays in North America, Hawaii and other resorts in Australia and New Zealand.

"We bought from a reputable resale broker and got legal advice before buying," says David. "We look on timeshare as being an investment in our quality of life."