

## If you are thinking about reselling...



While the vast majority of timeshare owners are content with their vacation ownership product (more than 80% express satisfaction), there may come a time in your life when a timeshare doesn't make sense for you any more. The impact of the economy on travel plans, lifestyle changes or even 20 or more years of vacation ownership and use may have you thinking about--or needing--to resell.

The timeshare resale market which includes timeshare "resellers," internet advertisers and other types of resale companies are crowded in the marketplace and cause confusion for everyone. To help you navigate through the timeshare resale process, ARDA-ROC--an owner-focused subsidiary of the American Resort Development Association--has developed a list of frequently asked questions for consumers and provided answers to those questions about the timeshare resale process, resale companies and their practices and services in the marketplace.

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## How can I use existing resources?

If you want help to resell your timeshare interest, the first step is always to ask your resort developer, manager or owners' association. Your management company or homeowners' association may have a newsletter, a website or even a bulletin board where you can advertise your timeshare for resale. And, there are timeshare resorts today that have some type of resale program. Ask if the resort developer, management company or homeowners' association offers a resale program or is affiliated with a licensed broker to handle resales. If so, ask for the statistics on past resales (what did they sell for; what was the commission, etc.). Check with other owners at your resort. Those who own the weeks before or after you or who own only a small amount of points may wish to purchase more time.

Here are some additional things to consider:

- Run ads in the real estate or travel sections of newspapers in the resort area or your hometown or one of several publications or websites for timeshare owners such as Redweek.com and the Timeshare Users Group (TUG).
- Advertise it on consumer sales websites (eBay, Craigslist, etc.).
- Research online advertising sites for timeshares. Rates may be more cost effective than newspaper or magazine ads, but check and compare prices before acting.
- Check at your library to see what publications have a classified section for travel/real estate opportunities, but if no one else is advertising there, it may not be a good outlet for you either.

## What kinds of timeshare resale companies are there?

If the resort developer, management company or homeowners' association is unable to assist, there are basically three types of timeshare resale companies to pursue:

- Advertisers are companies that only help you market or advertise your timeshare—they can't really help you close a sale or rental.
- Licensed resellers (they employ licensed real estate agents) that can assist in all aspects of selling and renting.
- Other companies who offer to buy your timeshare interest, take it away for a fee, help you give it to charity, put your timeshare in a travel club or some other creative solution. Caution should be used with these companies (especially if they contact you out of the blue) as there are a number of fraudulent practices being used by some companies in this category.

• See more detail under How Do I Select a Resale Company on the ROC website at [www.ardaroc.org/roc/resource-library/default.aspx?id=2651&libID=2671](http://www.ardaroc.org/roc/resource-library/default.aspx?id=2651&libID=2671).

## What basic rules should I follow?

1. Be especially careful if a timeshare resale company contacts you first (rather than you contacting them).
2. Avoid giving your credit card number or paying any money to a company until you have a written contract. Reputable companies do not push you to give a credit card number or wire them money prior to seeing a contract and should be willing to allow you to determine the speed with which you wish to engage their services.
3. Always shop around and compare prices and services before deciding who gets your business. Costs and services in timeshare resales can vary greatly.
4. Investigate the company you plan to do business with—the higher the fee they're asking, the more carefully you should investigate.
5. Don't give up the right to use your timeshare while you are selling unless you have decided to rent your week/interval—for which you should receive the rental amount less any commissions after the rental is completed.
6. And remember that old saying: If it sounds too good to be true, it usually is too good to be true.
7. For additional more detailed information, read ARDA's **Consumer Advisories** (<http://www.ardaroc.org/roc/resource-library/default.aspx?id=2787&libID=2807>) on timeshare resales and How to Avoid Problems in the Frequently Asked Questions portion of the <http://www.ardaroc.org/roc/resource-library/default.aspx?id=2771> website.
8. Several state Attorneys General (Arkansas, Florida, Massachusetts, North Carolina, Oklahoma and West Virginia to name a few) have issued warnings about timeshare resale companies. Updated information about such complaints and other warnings can be found at [www.ardaroc.org](http://www.ardaroc.org).

## What should I do to prepare for selling my timeshare?

Get your paperwork in order as you will need to know all the basic information about what you own, where you own, the amenities at the resort, maintenance fee and tax information and have available several legal documents you received when you purchased (or which you can obtain from your resort manager). Use the **Timeshare Owner's Checklist** ([www.ardaroc.org/uploadedFiles/ARDA-ROC/Consumer\\_Resources/TRIC/Seller%20Checklist\(1\).pdf](http://www.ardaroc.org/uploadedFiles/ARDA-ROC/Consumer_Resources/TRIC/Seller%20Checklist(1).pdf)) as a guide to organize all your information and documents.

## How do I price my timeshare?

Don't expect to receive the same amount that you originally paid for your timeshare. Many factors influence the resale price including season, location, unit size, age and who the developer was. In particular, if you have owned your timeshare interest for less than five years (and haven't finished paying for it) or if it is not in a well-known resort location or not well-maintained, the resale price will reflect this. Remember, a timeshare should be considered a vacation-use product, rather than a traditional real estate investment, even though it may include a small interest in real estate.

If you decide to start by simply advertising your timeshare (rather than using a licensed real estate broker), be sure to research the asking prices for similar timeshares. This can be done by searching for your resort's name online and comparing those that are already for sale with yours. Then do the same search for your resort, but look for timeshares that have been sold. Chances are good that the asking price will be much higher than the sold price. If you have a fixed week, compare number of bedrooms and week number; if you have points, compare the price per point. If you price your timeshare too high, your chances of selling (or even getting an inquiry) will be dramatically reduced.

If you decide to use a licensed real estate broker (particularly one who specializes in timeshares), the broker should be able to advise you on a realistic price range for your timeshare.

## **If I can't resell, what other options do I have?**

**Rent** - If you haven't already tried to rent your timeshare, definitely check with your resort manager to see if your resort has a rental program. Or, you can look to rent it on your own. You might be able to recoup some of your maintenance fee costs by renting your unit to others.

**Donate** - Some charities have in the past and do now accept donated timeshares. However, due to the number of timeshares on the market today, fewer legitimate charities are interested (as they would have to pay the maintenance fee too), unless you have a highly desirable unit that could be sold or auctioned. Check individually with charities to determine their policy.

**Give it back** - Ask your resort developer or manager if they would allow you to give your timeshare back (either to the developer or to the owners' association). Ask if they would accept a quit-claim deed or a deed in lieu of foreclosure if you are in default of your mortgage or maintenance fee payments. Even if the developer or association allows you to return your timeshare, it is possible that you still might have to pay some fees or expenses to cover the costs of the transfer. Understand that any number of factors affects whether or not the developer or association will take your timeshare back and many developers and associations do not do this. But, it costs nothing to ask.