

Develop a Method for Your Owner Re-Sales

by Linda George

This two part article began with "Protect Your Resort Owners". If you missed that issue you can find it at www.thetrades.com link on the Management and Operations Magazine or www.cairesortservices.com under the tab Articles. In that issue we discussed timeshare resale scams. Lacking a legitimate resale option for the resort owners, we have followed that article with this simple, cost effective and non-competing way to Develop a Method for Your Owner Re-Sales.

Before anyone gets excited, let me express immediately that this outline and our suggestions to Develop a Method for Your Owner Re-Sales will have no effect on the current sales policy or procedures of active Resort Developers. The required Purchasers Acknowledgement Statement must continue to state ... neither the Developer nor any of its affiliates is engaged in the rental or resale of any Timeshare Period at the resort on behalf of any owners Etc.

There is only a small amount of cooperation required, whether it is the Developer or the Association that provides the resort website, and there is little additional cost for allocating space on the website for this purpose as outlined below.

Outline:

Allocate space on the resort website identified as "Units for Sale by Owner" where the individual owner can list their property "free of charge". The Developer in active sales can even secure these listing from the general public's view under a "Members Only" section. When the resort is under HOA control – public access should be available.

We consider this method to be Non-Competing with Developer Sales for these reasons:

A) The listed units will require cash payment, while Developer Sales offer a small down payment and provides pre-arranged financing terms. B) The listed units will not provide the complimentary stays or the free gifts offered to new tour visitors. C) The listed units will only be viewed by current resort owners, not the prospective new buyers who have absorbed a share of the Developers marketing budget. D) Neither

the sales presentation nor the closing agents can mention the free listing site – to avoid conflicting statements or misrepresentation.

Suggestions:

Under a "Units for Sale by Owner" section on the resort website, there must be a prominent disclaimer statement that all inquiries, offers or agreements are a private matter between buyer and seller- neither the Developer, the Association, its members nor affiliates make any representations or offer any assistance beyond providing a free source for listing resort properties for sale. The website visitor may even be required to "accept" before using the site.

The website should provide a form "Add Your Listing" for the owner to submit their listing. The form should require details of the unit-week-season-size-etc, the owner's contact information, a space for owner comments and the desired sales price.

There should be an acknowledgement statement on that form to the effect - the website is provided free for the convenience of the resort owner, no claims have been made, no aid or assistance has been offered by any resort member or affiliate. The individual named below, by submitting this form, acknowledges and accepts all responsibility for inquiries and all liabilities for offers or agreements entered into as a result of using this free listing space.

A tip sheet should be attached including contact information for several area Title Companies familiar with timeshare who charge a fee to complete the legal requirements for recording a timeshare sale, a closing agent.

A second form "Delete Your Listing" should be provided on the website for the owner to delete or remove listings. One particular office or department should be assigned the task of adding, deleting or updating the website listings.

We acknowledge that an in-house resale department is a much better option, however we understand there are circumstances where that option is neither desirable nor feasible. The simple, cost effective method

we have outlined can certainly be better written by the legal department and better designed by the IT department.

Whether this method would be effective or not - our point is - provide your resort owners a source for advertising their unit for sale. The only source available to them now is to pay a resale company an up front fee to list their unit and we know this is only effective in producing income for the resale company. The outline we have provided may not result in a sale for the listing owner however they have not spent \$499-\$599 with a resale company to receive the same results.

After reading many Resort Prospectus, Association By-Laws, rules and regulation documents, it is clear with a little cooperation and collaboration between the Developer and the Association, a plan for owner re-sales can be developed.

Serious efforts should be made toward such a program for the long term benefit of the resort and the resort owners.

Be sure to read the first (Protect Your Resort Owners) of this two part article for a better understanding of how critical it is to Develop a Method for Your Owner Re-sales.



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