

# Does timeshare deserve its bad rap?

 By [Brent Dickson](#)

17 Jan 2018

Let's face it, the term 'timeshare' all too often conjures up images of late-night phone calls and promises of freebies if you can endure the persuasive sales pitch. Despite this poor reputation, timeshare in South Africa has been growing in stature over recent years as locals are pushed to seek affordable alternative holiday options with an increasingly unfavourable rand exchange rate.



Brent Dickson, Director, Dream Hotels & Resorts

The international timeshare industry features over 5,300 resorts in 121 countries and supports nearly 1.3 million jobs, according to the latest global omnibus survey conducted by Oxford Economics and Leger and released by the American Resort Development Association (ARDA) International Foundation.

Interestingly, according to the report, vacation owners spent 20.6 days on holiday per annum in 2016, while non-owners spent a shorter 14.6 days on holiday. This is certainly due to the financial affordability of the timeshare model, by virtue of owners' holidays being 'prepaid'.

What's more, in the USA, millennials and younger adults are more likely to be vacation owners. The 18 to 34 year age group makes up 69% of owners, 35 to 49-year-olds 21% and the 50+ group a smaller 10%. This is not the trend in South Africa but is one the industry in South Africa should address as younger consumers become more educated about the product and the product is sold ethically.

South Africa ranks among the top eight countries worldwide where timeshare acquisitions continue to be strong. The survey also indicates that our country ranks fifth in the world in terms of timeshare ownership and fourth in terms of future purchase interest.

## Regulatory overhaul welcome

This positive interest is despite a recent public enquiry by the National Consumer Commission (NCC) into the Vacation Ownership Industry to address consumer complaints, which resulted in NCC Commissioner Ebrahim Mohamed ruling that a regulatory overhaul would be the best remedy for the industry.

Clear regulation within the industry will benefit the end consumer, ensuring the professionalism of the industry and helping to clear up any misconceptions that are held around timeshare, which is actually still an affordable holiday alternative for South Africans.

Perhaps useful here would be to unpack the concept of timeshare which, simply put, is a property with a divided form of ownership or use rights. With timeshare, multiple parties hold the rights to use the property, with each owner given a certain period of time to use it.

## **Unscrupulous practices**

The concept of fractional holiday ownership in itself is attractive to the South African consumer. Frustration arises when salespeople overpromise and under-deliver. It's the way that timeshare is sometimes sold that tarnishes its reputation, not the actual timeshare itself.

One of the key criticisms of timeshare lies in the unscrupulous practice by some of over-selling limited accommodation, which in turn leads to accommodation not being available when consumers attempt to make bookings. This is unethical and consumers should check that their timeshare provider offers a delivery promise that guarantees they will receive the accommodation of their choice when they book in advance.

## **A home away from home**

Vacation Ownership Association of Southern Africa (VOASA) spokesperson, Alex Bosch, recently explained that consumers like the physical product associated with timeshare. They enjoy and appreciate the larger home-away-from-home accommodation with self-catering facilities including kitchen, laundry and separate bedrooms.

Travel providers confirm that in the current South African environment, travellers are increasingly leaving their travel booking to the last minute because they are not sure if they can afford it, and don't want to over-commit. There is also a great deal of shopping around for the most affordable deals and a renewed interest in self-catering accommodation.

## **Scam or opportunity?**

Despite its reputation, timeshare remains an affordable option for South African travellers who are committed to enjoying a holiday at least once annually. It is important, however, for travellers to do their homework and ask the right questions before embarking on any timeshare purchase.

VOASA has compiled a number of useful [guidelines](#) to empower consumers prior to purchasing timeshare.

## **ABOUT BRENT DICKSON**

A chartered accountant by profession, Brent Dickson is a director of DreamHotels & Resorts - a family business that includes components of timeshare and traditional hotel and resort accommodation.

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