



TIMESHARE IN TRANSITION:

THE RISE OF THE SECONDARY MARKET

Written by
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About this report

Timeshare in transition: The rise of the secondary market

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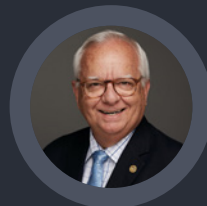
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Introduction

From humble origins at a single resort, timeshare has evolved into a major segment of the global travel industry. Change has been an industry constant, as new entrants and marketplace forces have reshaped the contours of the industry and redefined the role of all the players in it.

Consolidation is the defining trend of the times, a trend that will impact the entire timeshare ecosystem.

This report provides an overview of the evolution of the timeshare industry with a focus on the secondary, or resale, market. It will cover the size, scope and importance of the secondary market within the broader timeshare ecosystem, identify the leading companies that operate in the secondary market, and examine opportunities to broaden resale's role working with potential and existing owners and collaborating with developers.



An industry (re)emerges

Timeshare is a relatively new segment of the global vacation and leisure travel industry. The first ownership program was reportedly developed in the 1960s by a resort in France to give owners a guaranteed week of skiing in the Alps. The concept took hold throughout Europe and then spread to the U.S., where it quickly grew into a distinct industry segment including multiple resorts in key vacation destinations by the early 1970s.

The introduction of exchange programs in the mid 1970s, pioneered by RCI in 1974 and followed by Interval International in 1976, changed the dynamics of the emerging industry. By giving timeshare owners access to thousands of additional resorts and multiple destinations, the exchange programs enhanced the appeal of the product and gave resort developers a powerful new pitch to present during the sales process.

"What the exchange companies brought was very important to expand the footprint of timeshare and accelerate sales," says Chad Newbold, CEO of Vacation Innovations, a secondary market specialist whose family of brands includes the most highly trafficked and highest-revenue resale and rental platform in the industry, SellMyTimeshareNow.com. "They tied all the existing resorts together as affiliates, so when you bought at one resort you now had the ability to exchange and travel to another resort."

Exchange programs also generated an additional revenue stream in membership and exchange fees, essentially creating a new vertical within the industry.



What the exchange companies brought was very important to expand the footprint of timeshare and accelerate sales.

Chad Newbold
CEO, Vacation Innovations

Big brands boost the industry

About a decade after the debut of exchange programs, major hospitality brands entered the industry, beginning with Marriott in 1984. Hilton soon followed suit in 1992, later accompanied by Wyndham in 2004, and today Marriott Vacations Worldwide (MVW), Hilton Grand Vacations (HGV) and Travel + Leisure Co (formerly Wyndham Destinations) are dominant players in the developer space. Disney and Hyatt both entered the timeshare market in the 1990s. Disney Vacation Club launched in 1991, and Hyatt introduced Hyatt Vacation Club in 1994, rebranding as Hyatt Residence Club in 2009.

Some smaller, independent companies got a toehold in timeshare earlier than the major brands. These include Bluegreen Vacations, established in 1966, and Welk Resort Group, founded in 1964 by the television band-leader Lawrence Welk. Westgate Vacation Villas launched in 1982 and Diamond Resorts International launched in 1992; both Welk and Diamond have since been acquired by major developers (see Key Trends on page 8).

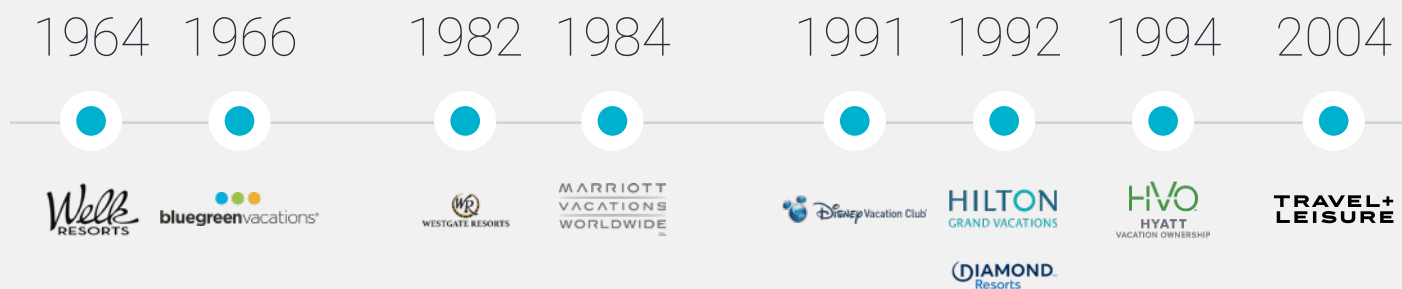


CHART 1 - Economic Impact of the U.S. Timeshare Industry

\$97.4 billion

Contribution to the U.S. economy

612,225

Full- and part-time jobs

\$37 billion

Income and wages

\$12.7 billion

Tax revenue

\$11.29 billion

Spent by timeshare owners and guests during stays

\$2.96 billion

Spent onsite at resorts

\$8.33 billion

Spent off-site in timeshare resort communities

Source: [Economic Impact of the Timeshare Industry on the U.S. Economy, 2020 Edition](#)
conducted by E&Y for the AIF

The entry of major hotel brands beginning in the 1980s gave the industry a significant credibility boost with consumers as well as expanding timeshare options in terms of product and destination choices.

"Looking back at our 50-year history, we've seen significant change and evolution," says Jason Gamel, President and CEO of the American Resort Development Association (ARDA). "As an association, we've evolved over time to become advocates for the development community, as well as for the 9.9 million timeshare owner families in the United States."

In 2019, the U.S. timeshare industry consisted of 1,582 timeshare resorts with approximately 206,380 timeshare units, according to the [Economic Impact of the Timeshare Industry on the U.S. Economy](#), 2020 edition. The research report was conducted by [EY](#) for [ARDA International Foundation](#) (AIF), the research arm of ARDA.

Prior to the 2020 global COVID-19 pandemic, industry sales were strong and steady. According to the EY/AIA report, sales volume for the U.S. industry increased for 10 consecutive years through 2019. For the five-year period through 2019, sales volume increased by more than 22% — an average of 5% annually — including a 3% increase from \$10.2 billion in 2018 sales to \$10.5 billion in 2019.

The average sales price per weekly interval has grown by 3% since 2015, and rental revenues totaled \$2.5 billion and have increased by over 9% annually from 2015 to 2019.

In total, the U.S. timeshare industry generated about \$97.4 billion of economic output through industry operations, vacation expenditures, and capital expenditures in 2019. As outlined in the report, the 612,225 jobs generated by the industry in 2019 pumped an additional \$37 billion into the economy.


Key trends

Several trends are slowly reshaping the timeshare industry as it heads into its sixth decade, led by consolidation in the developer space and the fast-shrinking pool of independent operators.

Hilton Grand Vacations announced its acquisition of Diamond Resorts International in March 2021 and Marriott Vacations Worldwide acquired Welk Resorts shortly thereafter in April. Both Diamond Resorts and Welk Resorts were independent timeshare operators.

“The consolidation in the industry started a number of years ago and continues today, and the smaller developers are phasing out,” says Kim Kreiger, founder of The Kreiger Group consultancy and a 35-year veteran of the timeshare industry. “For a lot of them, this is their exit strategy — build the business and then sell it. There are very few truly independent companies still operating in timeshare.”



A large resort pool at sunset with palm trees and a slide.

The consolidation in the industry started a number of years ago and continues today, and the smaller developers are phasing out.

Kim Kreiger

Founder, The Kreiger Group

As the number of players continues to shrink, he added, “It will be interesting to see how it all shakes out.”

Consolidation is also occurring in the secondary timeshare market and other industry verticals. As one example, in July 2020 Vacation Innovations [acquired](#) Holiday Systems International (HSI), a travel technology solutions provider and membership platform with a 27-year history in the industry.

“In the timeshare industry, we have seen consolidation among developers, and we’ve seen consolidation in areas we never thought we’d see, with exchange companies acquiring smaller exchange companies or coming under the umbrella of a developer organization,” Gamel says. “This is a very natural progression for a successful and maturing industry. It’s also a very exciting trend, and one that we see as a positive thing.”

Against that backdrop, the timeshare product itself continues to evolve to provide greater and greater flexibility to potential buyers.

“Today I believe we have moved on to the ultimate flexible product, which is a pure points and non-deeded product,” Kreiger explains. “It’s based on a consumer purchasing an interest in a Trust of some form where the consumer has specific use rights that are very flexible and designed to meet a wide variety of consumer needs.”

As part of the product evolution, legacy timeshare properties are converting to points-based products or providing an overlay to the timeshare regime in order to stay viable in today’s market. “Some of the older legacy properties are nearing the end of their lifespan, kind of like an airplane,” Kreiger says. “After so many takeoff and landing cycles, it’s time to rebuild them.”

Emergence of the resale market

The sale of a timeshare directly from one owner to another, with no involvement from the resort or developer, has existed informally since the earliest days of the industry. This secondary, or resale, timeshare market came into its own in the 1990s, driven by the changing needs of first-generation timeshare owners and the growth of the internet.

As they got older, many who purchased timeshare ownership in their 40s and 50s found the product was no longer a good fit. As developers did not have a viable return system in place, a secondary consumer-to-consumer market developed to fill the void.

The internet was another major contributing factor. “The secondary market gained credibility and got some legs in the mid- to late 90s when the internet boom exploded and people were actively searching online for a way to sell their timeshare,” says Newbold. “That’s when reputable companies saw there was a need to service these owners who no longer wanted their timeshare interest.”

“The development community for many years acknowledged that there was an issue with existing owners wanting to sell, but they did not come up with a formula based on long-range planning,” Kreiger explains. “The industry did not address this. Can you imagine if Chevrolet, Chrysler, Ford, or any car manufacturer didn’t take trade-ins, or that there were no outlets like Carvana or CarMax that would give you a check for your car so you could buy a new one?”

In the luxury market segment, there are many successful secondary markets for everything from cars to jewelry. They provide a valuable service to consumers by helping them find buyers for a product they no longer want,

and expertise in the transfer of that product. Secondary markets also bring in a different type of consumer who is not shopping for their product in the retail marketplace at the time, but who might buy retail in the future. The auto industry has a booming resale market that does not impact new car sales and builds brand and product affiliation for when it comes time for that consumer to buy a new vehicle.

“When you look at luxury retail brands and products, most have a primary market and a secondary market,” says Bryan Rand, President of Vacation Innovations. “They have different dynamics but they both exist, and they work with each other. We feel we work in the timeshare ecosystem in that same way. There is value to understanding how things work when they’re sold at retail, and how they work when they’re sold in the secondary market.”

Growth in the secondary market is driven by growth of available inventory and sales in the primary market. As developers expand their offerings and their sales, the secondary market also grows over time.

As reported by ARDA, timeshare sales have increased from \$8.6 billion in 2015 to \$10.5 billion in 2019.

“We’ve seen similar increases in our business as well,” notes Rand. “Since 2018 we’ve generated more than half a billion dollars in offers to rent or buy timeshare resales, and more than 10.1 million unique visitors through our family of websites.”

Key players in resale

Broadly defined, today's secondary market is a dynamic industry segment that includes multiple players who specialize in timeshare resales to some extent and in specific roles.

- Developers, some of which offer owners resale/exit options and have the right of first refusal (ROFR) on sales
- Resale companies connect timeshare sellers and buyers, typically in a for sale by owner structure, through large online marketplaces
- Real estate companies/brokerages broker deals between buyers and sellers
- Title companies handle title transfers and closings
- Timeshare rental agencies or marketplaces allow owners to rent out their unused timeshares while they look to sell or in years when they cannot use them

- Exit companies, a relative newcomer to the mix that is the source of many scams and false promises that have tarnished the reputation of the resale market, promise a “legal” means to get owners out of their timeshare contracts (see sidebar)

There are a number of different types of companies in the space, from e-commerce marketplaces and rental platforms to timeshare brokerages and exit companies.

Among the businesses that are true specialists in the secondary timeshare market, seven companies are generally recognized as the main players in the field. These include SellMyTimeshareNow.com, Timeshares Only, Vacatia, BuyATimeshare.com, RedWeek.com, DVC Resale Market, and Timeshare User's Group (TUG).



Metrics that matter

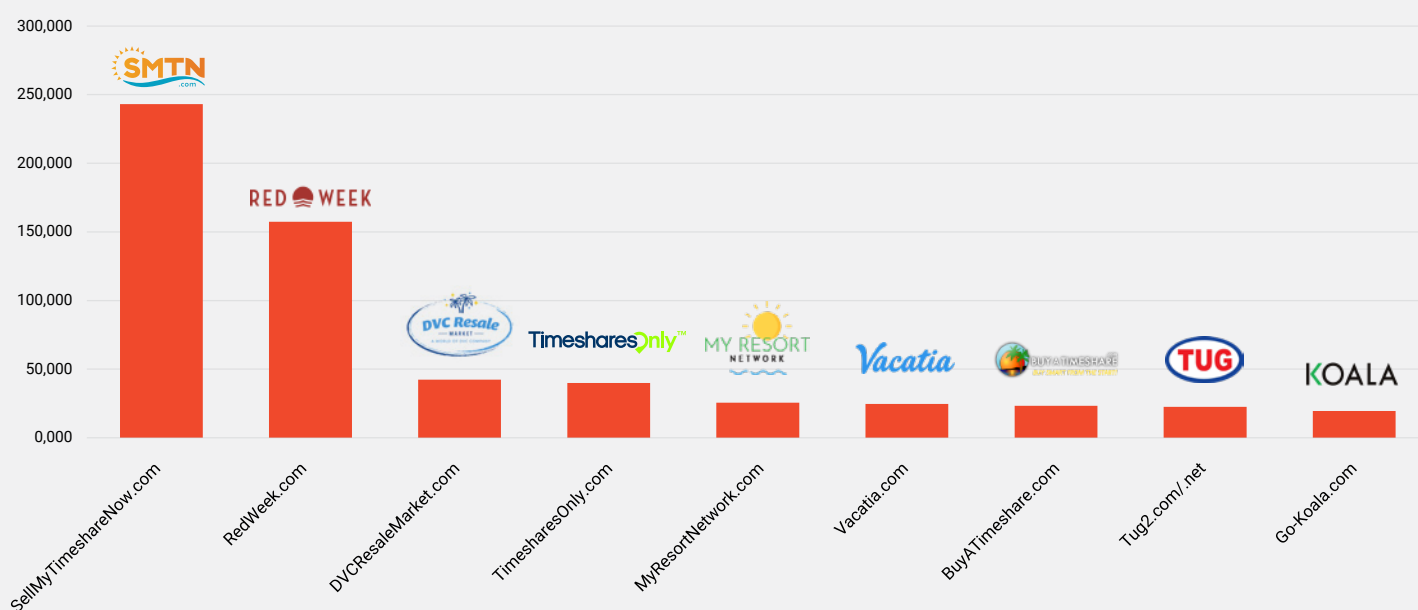
As the timeshare resale market is an e-commerce industry that solely exists online, verifiable metrics including web traffic and domain keyword search ranking are important measurements of a company's ability to attract potential buyers and renters.

For example, SellMyTimeshareNow.com appears within the first 10 results (generally the first web page) for 13,100 keywords, on average, according to data compiled by SEMrush, an online visibility management and content marketing platform, on 5/27/2021. SEMrush ranks RedWeek.com second, appearing in the first 10 results for 8,400 keywords, followed by MyResortNetwork.com, with 4,613 first-page search appearances. BuyATimeshare.com, TimesharesOnly.com, and Vacatia.com all come in at about 3,000 first-page search appearances.

Citing data generated by Google Analytics, Newbold says there was an average of more than 4.8 million visits to Vacation Innovations' family of websites annually between 2017 and 2019.

"We generate more than 5 times the organic search engine traffic for timeshare resale as compared to competitors. Search engine traffic is a vital indicator of a healthy marketplace as these are consumers actively searching for solutions to sell their ownerships or actively searching for vacation ownership products to purchase," he says. "Even during the pandemic in 2020, we still generated significant offers through our marketplace. Now, post-pandemic, we are seeing some of the highest volume months ever in the history of the company."

CHART 2 - Timeshare Resale Websites – Monthly Organic & Paid Search Engine Traffic



Source: Semrush, estimated monthly organic search traffic and paid search traffic for desktop and mobile searches. Data pulled 5/27/2021. Semrush uses proprietary machine learning algorithms and trusted data providers to present estimates regarding search engine traffic, which is an important measure of a website's online visibility and marketplace activity. Analytics may vary between different search engine traffic tools.

There are no industry-wide statistics on the resale market. Data has to be available on public sites or supplied by the resale companies themselves as most businesses in the space are privately held.

Of the data available, SellMyTimeshareNow.com reported a three-year average of more than 55,000 offers totaling \$242 million annually to purchase or rent timeshares through its platform and BuyATimeshare.com's published annual offer average over the past two years is stated as \$128 million.

"Each year, we make a significant investment to attract qualified buyers to our marketplace, and our offer data and revenue are a direct reflection of that," says Rand. "We invest millions of dollars every year to bring buyers to our sites, attracting multiple times the organic buyer traffic and producing 10 times the revenue annually compared to our nearest competitor. We're proud to be a market leader in this space."

To get a bead on transaction activity in the consumer-to-consumer resale marketplace, Timeshares Only conducted its own decade-long research of public data on the timeshare industry that included millions of public records and sales transactions.

The result: "Applying the appropriate filters, we are seeing around 20,000 legitimate consumer-to-consumer resale transactions with real market prices on them each year," says Sam Pontius, President of Timeshares Only. Of those 20,000 transactions, he added, 60% to 65% are handled by the small number of major reputable resale market companies.

"Resale transactions for most of the major brands are happening at pretty high volumes, and owners are netting substantial proceeds at the end of the use life of their product," Pontius says. "Our average sales price this year is \$8,700. Eighty-six percent of the inventory we've sold has an average price of \$10,000, and more than a third of our inventory sold is more than \$10,000 and has an average sales price of almost \$21,000."

"We've seen the average sales price steadily increase over the decades we have been in business, even through the pandemic, and we handle multiple transactions each year well above \$100,000," says Newbold. "The inventory sold on our platform represents the full range of the timeshare industry rather than just focusing on major name-brand products, with 1,021 unique ownership products sold in the last 3 years, and our largest transaction at \$335,000. We're proud to produce meaningful results for customers across the board, from lower-cost, single-resort intervals to high-end inventory priced in the tens to hundreds of thousands of dollars."

While online traffic statistics and transaction metrics are both critical data in evaluating the reach and effectiveness of resale businesses, so is the overall experience.

"Many resale companies have a limited or niche audience and shop out the real estate and title services," says Rand, "but few have everything in-house from marketing to sales to title services, providing a seamless experience for the owner. Almost anyone can put up a website these days," he adds, "but if it doesn't have third-party verifiable traffic data to support its claims, it is not an active marketplace."



A closer look at resale pricing

Resale values in the secondary market — a red hot topic with consumers and within the industry — are volatile and based on supply and demand economics directly related to a resort's segment category.

Currently, resorts in the major brand category, "have a reasonable balance of supply and demand," explains Bert Blicher, CEO of Timeshares Only and a past chairman of ARDA. "Over time, it appears these brands will have less supply on the resale market and higher demand, which will result in their resale prices increasing from an average of 50% to perhaps 85% of retail."

Blicher predicts that the category of non-branded resorts with ongoing sales and marketing initiatives in place will

come in at 15% to 30% below resale values for branded resorts. The legacy resort category sits at the bottom of the supply-demand value equation. "The legacy resorts will continue to have an imbalance, with supply staying much higher than demand," Blicher says. "Those resorts will not see much of an increase in resale value."

According to Newbold, another major factor impacting demand within the resale market is consumer awareness and perception.

"Attracting new, potential buyers and communicating the positive aspects of purchasing on the secondary market is key to driving demand and providing results for owners," he says. "With developer involvement and partnerships, consumer confidence in the secondary market as a valid resource would not only help to bolster resale pricing, but also improve perception of the timeshare industry as a whole."

Pontius shared a similar outlook, noting that reshaping resale pricing will require new market makers and an increase in institutional demand that will eat up a supply glut and raise equilibrium prices — and ultimately drive up the resale value of the product.

"Developers are a critical ingredient in the secondary market because institutional involvement is one of the biggest drivers of increased pricing," Pontius says. "If a developer is providing a legitimate exit solution or directing consumers to someone who can provide a legitimate exit solution, you will keep the supply down and that supply should then move at reasonable prices."

Importance of the secondary market to consumers

Legitimate and ethical companies operating in timeshare's secondary market provide significant value to consumers, developers, and the timeshare industry overall.

On the consumer side, they give owners who are ready to transition out of timeshare a way to do so responsibly, while also giving interested new and returning buyers the ability to purchase a product at a significant discount compared to a direct purchase from the developer.

For returning buyers in particular, "The secondary market is an attractive place to go," says Kreiger. "The consumer can take advantage of the pricing, and with companies such as Vacation Innovations and Timeshares Only, they know that the inventory being offered is good inventory, it's cleaned and pressed, they don't need to worry about a cloud on the title. It's really good stuff."

As more and more consumers have tapped the resale market to buy timeshare ownership, developers have imposed some restrictions on benefits, including points, and in Disney's case, restricted access to parks if ownership comes through the resale market.

"There's nothing wrong with that as long as the buyer understands up front what they are getting," Kreiger says. "In certain programs the benefits are exactly the same, but in others you need to be aware of what you are buying. Those are important distinctions the reputable secondary market companies can provide."

The rental component is also important to owners who can't travel in a given year and are looking to recuperate their maintenance fees through a rental.



Importance to developers

Companies specializing in the secondary market are also important to developers in multiple ways. On the customer/membership side, they help developers:

Maintain an engaged and happy membership base

"Because we have built this massive marketplace with 10 million visitors and over half a billion dollars in offers, we are allowing someone who is going to truly enjoy that product to take it from someone who might just be in different stage of life," says Rand. "Developers want people who are well funded, can pay their maintenance fees, and want to be in the product."

Reach a new and different customer base

Timeshare resale specialists also generate a new membership base for developers that they could not have reached through the traditional on-site sales process.

"There are tens of thousands of people who buy timeshare in the secondary market who would never go on a timeshare tour," notes Newbold. "When you open it up beyond taking a tour, and you can buy the same product online more efficiently, it expands your reach. It gives developers more brand recognition and helps them reach a completely new consumer base."

Generate new members — without any marketing costs

As an added bonus, secondary market transactions generate that new customer base without requiring any

marketing investment from the development community. That investment comes directly from the resale companies. Notes Newbold, "Our spend falls between \$5 million and \$10 million dollars every year to generate buyers and facilitate transactions on behalf of owners."


They also help developers on the critically important revenue and product side by:

Bolstering the industry

"A healthy, legitimate and liquid secondary market has the ability to bolster retail pricing, and along with that enhance the developer value proposition, which is incredibly important to them for sales and marketing purposes," says Pontius.

If consumers have confidence that they can eventually resell their timeshare for a significant return through the legitimate secondary market, he adds, "at the point of sale they are much more likely to say yes and enter into that contract, knowing that at the end of 20 years or so if they do want to sell they're not going to lose everything they put into it upfront."

"We're confident in the ability of the secondary market to effectively serve the needs of owners and buyers, while also providing significant benefits to developers," adds Newbold. "By establishing a trusted platform for resale, we're contributing to the health of the industry as a whole by providing legitimate solutions for owners in transition along with a lower barrier to entry for new timeshare owners who might not have otherwise explored this product or style of travel."



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Chad Newbold
CEO, Vacation Innovations

Paying maintenance fees and providing upgrade opportunities

The secondary market funnels a significant stream of direct funding to developers through maintenance fees; SellMyTimeshareNow, through its parent company Vacation Innovations, has paid more than \$105 million in maintenance fees to date.

Developers also have the opportunity to upgrade/upsell new members who come into timeshare through the resale market. And, as is the case with other luxury products, owners who first buy a product on the resale market are good potential prospects to buy direct from that same brand in the future.

Making inventory available to buy back and resell through ROFR

On the product side, through right of first refusal (ROFR) the secondary market helps enable developers to buy back needed inventory which they can resell at full price.

Companies like SellMyTimeshareNow have stepped in and serve as a middle man between the developer and the seller, with SellMyTimeshareNow having sold thousands of ownership interests back to developers through this process.

Partnership possibilities

Consolidation is currently reshaping the timeshare industry and the secondary market.

"This industry is in the midst of change. The major developers are consolidating and the market is changing, and we think the overall timeshare ecosystem will change as well," Newbold says. "We are at an inflection point in timeshare, and, by definition, in the resale market."

Pontius shares a similar view. "We've seen consolidation with developers, which will continue to play out, but there are also consolidation opportunities in the secondary market. The time is right, he adds, for "the cream to rise to the top" of the historically fragmented and decentralized secondary market. "I think Covid helped cleanse the

market a little bit and create new opportunities for those of us who had fortified a strong position earlier."

Those new opportunities include a broader working relationship between developers and the secondary market.

"There are great opportunities for the secondary market to work with developers," Newbold says. "We have millions of unique visitors looking for a timeshare, or who need a solution related to their timeshare, and we can partner with developers to find ways to solve their issues."

Options could include resale program partnerships, buy-back referral programs, inventory recovery programs, trade-in/trade-up services, tour generation through rental



platforms, and establishing a feedback loop to communicate issues from unhappy owners to developers.

“Direct collaboration is currently limited, but there is incredible potential here to benefit all involved, from legitimate secondary market organizations to developers and owners,” Newbold says.

New partnerships between developers and the secondary market are already emerging, some under the radar. Within the last few years, Pontius says, developers have started making “soft referrals” of specific resale companies when owners come to them asking for help in selling their timeshare.

“These are not advertised or promoted or marketed, but when an owner is communicating with a developer and asking for help, the developer has a go-to recommendation, someone they trust, and they know their owners will be in good hands,” he explains.

“There are only a few credible players in the secondary market with the scale, resources, expertise and trustworthiness for developers to partner with,” he adds. “The ones who have those characteristics will likely continue to advance and broaden their existing relationships with developers, and add new relationships moving forward.”



Industry outlook

As vaccinations against Covid-19 become more widely available and travel picks up, the timeshare industry is well positioned for recovery and growth.

Optimism among major developers is high and first quarter booking and sales indicators are strong.

At the same time, travel by timeshare owners appears to be rebounding more quickly in 2021 than that of the general traveler population. In ARDA's March 2021 [Back to Normal Barometer](#), half of owners surveyed said they planned to take their next timeshare vacation within the next six months, and nearly 75% who planned to take their timeshare vacation in 2021 or 2022 had already made their reservations.

Timeshare travel remained strong even during the midst of the pandemic, when 58% of owners reported using timeshare by the end of November 2020, according to [ARDA research](#).

"We have seen consistently that the timeshare traveler is a much more confident traveler than other leisure travelers," says ARDA's Gamel.

The statistics "show just how excited our owners are to get out there and travel," Gamel adds. "That is a testament, first and foremost, to the product itself. And the prepaid nature of the product has people looking to use their timeshare; they paid for it and they want to use it and now that demand is driving reservation rates such that the second half of 2021 will rival if not exceed 2019."

Kreiger believes the appeal of timeshare even in the midst of the pandemic was, "an illuminating moment in time for the industry," clearly demonstrating the appeal of vacation ownership by the consumer and the sustaining strength of the industry.

"When you are staying in your timeshare unit, you feel like you are at home," he says. "This is why I think that coming out of the pandemic timeshare is really going to flourish. Owners are going to realize what they have—a product they can enjoy that is like that second home."

Blicher has a similarly optimistic outlook. "I believe we will not only bounce back quickly, but thrive," he says, pointing to the rapid recovery of the timeshare industry following past recessions as a key indicator. "Covid is no exception to those recovery trends. In fact, Covid has taught us to be closer to our families and friends, and to maximize our time together. That is what our industry is all about — vacations with the ones we love."

Kreiger also sees a clear path to success for the secondary market: "Companies like Vacation Innovations, Timeshares Only and others that can layer on benefits to what they already own, create that home atmosphere, and provide a sense of security and adventure are going to succeed."

"The big developers have made investments in some of the best resorts in America and around the world, with millions of owners and annual industry revenues in excess of \$10 billion. Most people don't realize that timeshare is larger than Major League Baseball," adds Newbold, "There is an incredible amount of opportunity for companies to succeed in the resale market, and the companies that continue to work ethically and in conjunction with the developers are going to lead the industry to new levels, providing value for owners and developers alike."



We have seen consistently that the timeshare traveler is a much more confident traveler than other leisure travelers.

Jason Gamel
President and CEO, ARDA

Exit companies: The 'other' secondary market

Exit companies, a relative newcomer to the mix of players in the secondary market, are the source of many scams and false promises that have tarnished the industry's reputation.

"There are two secondary markets," says Kim Kreiger, founder of The Kreiger Group consultancy. "There is the secondary market that takes the listings and sells a piece of inventory by making it available through a network of marketing channels so somebody who is looking to purchase that inventory can do so. These are the reputable companies, and they do a very nice job representing the properties."

Kreiger makes no bones about his opinion of exit companies, which he defines as a subset of the resale market.

"They're bottom feeders," he says. "They are the ex-timeshare sales people who have found this little niche to convince you they can help you get out of your timeshare. You see them on TV, you hear them on the radio. They're all over the place saying things like, 'You've been duped. There is nothing good about timeshare, but I can help you get out of it because I'm the guy who put you in there in the first place.' Their pitch is always the same. It's always a negative sell."

According to Bryan Rand, President of Vacation Innovations, "The rise of these exit companies shows that there is market demand for addressing the changing needs of the consumer. We are hopeful that the secondary market can be part of solving that problem."

"Our view is that everybody who paid for a timeshare would rather sell it than pay someone to get out of it," he adds. "The last thing a developer wants is for someone to have a terrible experience with their product and have to pay someone to get out and get nothing in return."

In 2019, [The American Resort Development Association \(ARDA\)](#) collaborated with other key timeshare organizations to launch a responsible exit platform for consumers. The platform includes checklists and other information designed to educate timeshare owners about how they can responsibly and safely sell, modify, cancel, or exit their timeshares.

The fact that exit companies have had such a negative impact on consumer perception about timeshare and the resale market is a warning flag for legitimate and ethical secondary market companies.

"Consumers that come to companies for help in selling their timeshare are already at a heightened state of cautiousness," says Chad Newbold, CEO of Vacation Innovations. "Whether that's because they're frustrated that they can't get out of their timeshare through the developer, or perhaps they have been taken advantage of or been misled previously in their timeshare journey. The secondary market has to go above and beyond to earn their trust."





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