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SILVER CROWN
RESORT

BARCLAY TOWERS PHASE I NEWSLETTER

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Once, if you said you owned a timeshare, you might get a withering look of disdain from someone who felt you had caved in to a hard sell for a vacation option that most people were as eager to exit as they were quick to sign up. But times have changed for timeshares, and a quiet revolution in the industry now shows that they can be a savvy vacation strategy.

The industry got off to a rocky reputational start in the U.S. in 1974, when developers capitalized on the concept to unload unsold condos during an era of overdevelopment, high interest rates, and soaring energy costs. Sneaky come-ons in the form of free show tickets, three-night getaways, and all-you-can-eat buffets lured attendees into multihour presentations complete with high-pressure sales tactics. And the offering was very inflexible: a fixed week, in a fixed unit, at a fixed location during the calendar year.

But the industry has become much more consumer-friendly and transparent, insiders insist, largely because major hospitality chains—such as Disney, Four Seasons, Hilton, Hyatt, Marriott, Ritz-

Carlton, Starwood, and Wyndham—are among the big players. The entry of these global giants has “solidified the product and brought credibility to the sales process,” says Michael Brown, chief operating officer of Hilton Grand Vacations, which operates 71 club-affiliated resorts. As befits any new “rebranding,” the industry has come up with more warm and fuzzy terminology to describe its expanding array of products, such as “vacation ownership” and “interval travel.”

There has also been a demographic shift among owners, which now number 9.1 million households. In 2014, consumers bought almost \$8 billion worth of timeshare properties in the U.S., with an average sales price of \$20,020 and average annual maintenance fees of \$880. Though the median age of timeshare owners is 51, the concept resonates loudly with younger people. Among owners who have bought in recent years, the median age is 39. And half of them have children younger than 18 living at home.

“New owners are younger, more affluent, more diverse, and better educated,” says Howard Nusbaum, president and chief executive officer of the

American Resort Development Association (ARDA), an industry trade group. “These are people looking for a way to enhance their family vacations—space for everyone to truly unwind—and lots of amenities and experiences for everyone.”

Fixed-week, fixed-resort timeshares are still around, but the trend now is more flexible plans that allow owners to vacation at any property around the world that’s affiliated with the brand. In other words, you’re not married to one place. Many of the plans are tied to points-based vacation ownership. You buy a certain number of points and use them at one or more resorts within a brand. In a points-based vacation plan or club, the number of points you need varies according to the length of the stay, size of the unit, location of the resort, and when you want to use it.

You can bank points, borrow against future points, buy additional points, and

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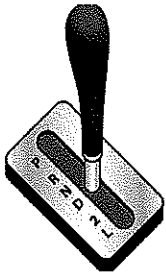
WE STRIVE FOR 5!

Tracy Hicks
Front Desk Manager
Salley Callahan
Timeshare Director
David Comerford
General Manager

even exchange them with other owners. Similar to hotel room rates, your points will go further by visiting offseason or on certain days. You’ll get less bang for your buck during peak periods.

2019 ANNUAL MEETING

October 26, 2019, at 2:00 P.M. We urge you to meet your BOD and to fill them in on your comments, questions and concerns.



SHIFTING GEARS

In the Jan-Feb, 2019 issue of TimeSharing Today magazine, the publisher, Step Altsuler, published an article called "Shifting Gears in a Challenging Marketplace." He talks about several areas which affect the legacy resort timeshares sustainability. One subject he discussed, which we are implementing at our resort, Barclay Towers in Virginia Beach, VA, is the "transient rentals" mentioned in the "future trends" part of the article.

He discusses "transient rentals" as a means to supplement revenues from declining maintenance fee collections and the lack of an active resale program." Declining maintenance fee collections are affecting **all** timeshare resorts worldwide, not just in the USA. Barclay Towers Phase I & II Associations are no exemption.

Barclay Towers is a legacy resort, but it is located beach front in one of the most popular beaches in the country, with a million dollar ocean view and an all suite resort with all the suites facing the beach. Nevertheless, winter also comes to Virginia Beach, and the white and blue units in the off-season are not contributing to our budgets. We must market those units

aggressively to get more revenue. That is where the "transient rentals" mentioned above comes into play. Instead of re-selling the units, which is almost impossible to do now, we are trying to rent them, which has much more appeal with the younger generation. We are doing transient rentals now, but not enough.

Another strategy that both boards (Ph I & Ph II) can consider is the concept of "Limited-term Deeds" in which a timeshare is sold for a limited time, usually five (5) year term, instead of in perpetuity, to attract the younger crowd who does not like to make long term commitments. This concept is being used by other Timeshare associations to sell more timeshares, which is extremely difficult to do now in the off-season timeframe. The annual maintenance fees are usually included in the sale price, therefore avoiding any hassles and insulating these owners from future maintenance fee increases and/or assessments during that 5 year period. At the end of the 5 year period, the timeshare deed reverts back to the Timeshare Owners Association. Our governing documents do not allow for "Limited-term Deeds," but they do not prohibit "Long-Term Rentals".

Phase II is in the process of affiliating with Interval International, which will allow for another avenue to market their slow-moving units.

With our \$420 maintenance fee, Barclay Towers is still the best bargain, by far, on the Virginia Beach Strip, where maintenances fees range between \$750—\$1,500 for comparable accommodations.

I am looking forward to seeing you at our next annual meeting on Oct-

ber 26, 2019, at our beautiful resort Barclay Towers, Virginia Beach. Please give us your comments or concerns through Salley Callahan, Director of Timeshare Services, and/or the comment cards provided in your check-in package and in your unit.

Dr. Arnaldo Vaquer, DVM, MBA
Phase I Director/Phase II V.P.

AT YOUR FINGERTIPS

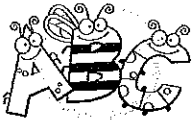


Let me introduce you to our website. There is a wealth of information on our site. Knowing what information is available to you on our website can save time for both you and your timeshare office. It's a win-win.

At least 75% of the information that our owners and exchangers need to know is easily accessible on barclaytowerstimeshare.com. The website has a check-in calendar, a tab where you can get a rental form or a guest certificate, and a listing of timeshares currently for sale at Barclay Towers. There is also a FAQ section that answers the most common questions that owners or exchangers ask us.

The Owner's Handbook on the site contains a unit inventory, charter member and charter parking information, dates and rates of the owner's off-season discounts, and more! Best of all, it's available 24 hours a day, 7 days a week.

After browsing the site, if you still have questions, please call or email your Timeshare Director. at barclaytowerstimeshare@hotmail.com. Leave a detailed message and your phone or email - we'll get right back to you!



THE ABC'S OF HOA'S

In reality, the actual owner of a timeshare resort is the HOA (Home Owners Association) established by the Resort developer for the purposes of maintaining ownership and management of the property. Every owner at a resort is a member of the HOA and has a say in every decision made about the resort. Usually a small group of individuals is actually responsible for specifically proposing and voting on these decisions. This group is defined as the Board of Directors (BOD) and is elected by the owners of the timeshare units.

Every HOA is governed by a set of rules that were established at the formation of the Resort, called the

Bylaws. Every owner at a timeshare resort should have a copy of these bylaws and read them at least once in their entirety. Owners need to be familiar with the rules and regulations, and their rights and responsibilities, at their resort.

The BOD is responsible for establishing annual maintenance fees and special assessments; for adopting, modifying and enforcing the bylaws; and for maintaining the day-to-day operations of running a timeshare resort. Often HOA's will choose to hire a 3rd party management company. The management company handles the day-to-day operations of the resort including housekeeping, groundskeeping, collection of maintenance fees, accounts payable/receivable, etc.

Each year the BOD produces a budget, listing each and every dollar the resort earned and each dollar it spent on expenses. At Barclay Towers the budget, next year's maintenance fee amount, and the minutes from the Annual Meeting are published in the Fall-Winter newsletter. All HOA's have regular BOD meetings where new proposals are announced and voted upon. Most owners at a resort do not live within a reasonable distance from the Resort to attend these meetings, but Minutes from each of these meetings are available for owners to read and see exactly what is taking place,

The Board has the duty to insure the resort is well run and well maintained, and it uses its best judgment in making decisions to accomplish that on behalf of the owners.

Many owners are perfectly happy not knowing the day to day workings and management of the resort, as long as it doesn't impact their vacation and as long as their maintenance fees remain reasonable! Unfortunately, until either of these things are impacted, most owners will not take any interest in BOD meetings.

Many members of your Board of Directors have served for years. Some would actually like to hand the reins over to someone else, but volunteers are **very** hard to find. That is a shame! Every owner at the resort is a part owner of the entire resort - not only financially responsible for their own ownership but an equal share partner with all the other owners in maintaining the entire resort.

We hope that each of you will consider becoming a part of the BOD, whether as a member, a researcher, an advisor, or in any other capacity that will assist the Board. We are always looking for new members to bring fresh eyes and ideas to our meetings. The board's goal is maintaining and improving your resort while keeping our maintenance fees affordable. Can you help us?

UPCOMING 2019 OCEANFRONT EVENTS

NORFOLK TIDES BASEBALL: Thru 9/2/19
WAR BIRDS OVER THE BEACH: 5/17 - 5/20
MONSTERS ON THE BEACH: 5/17 - 5/19
SALUTE TO SUMMER: 5/24 - 5/26
PUNGO STRAWBERRY FESTIVAL: 5/25 - 5/26
STEEL PIER SURF CLASSIC: 5/24 - 5/27
HOOTIE & BLOWFISH: AMPHITHEATRE: 5/30
PATRIOTIC FESTIVAL: 5/31 - 6/2
COUNTRY MEGATICKET: AMPHITHEATER: 6/12
LIVE ON ATLANTIC (NIGHTLY) 6/14 - 8/25
BOARDWALK ART SHOW: 6/13 - 6/16
LATINFEST: 6/21 - 6/22
SANDSTOCK: 6/28 - 6/30
RASCAL FLATS (Amphitheater): 6/29
STARS & STRIPES EXPLOSION: 7/4
FIREWORKS: SUN. & WED. 7/7 - 8/21
CHALK WALK ARTSPLOSION: 7/6
DIERKS BENTLEY: (Amphitheater): 7/12
JIMMY BUFFET: (Amphitheater): 8/3
KISS: (Amphitheater): 8/13
ECSC SURFING CHAMPIONSHIP: 8/18 - 8/25
FUNKFEST: 8/23 - 8/24
COASTAL CRAFT BEER FESTIVAL: 8/24
AMERICAN MUSIC FESTIVAL: 8/30 - 9/1
ROCK-N-ROLL ½ MARATHON: 9/1
NEPTUNE INT'L WINE FESTIVAL: 9/14 - 9/15
NEPTUNE BOARDWALK WEEKEND: 9/27 - 9/29
SGK VIRGINIA BEACH GUN SHOW: 10/219 - 10/20
CRAFT BEER FESTIVAL: 10/19 - 10/20
HOLIDAY LIGHTS AT THE BEACH: 11/22 - 1/1/20
HOLIDAY PARADE AT THE BEACH: 12/7

BARCLAY TOWERS
TIMESHARE OWNERS ASSN., INC.

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SOME NOTES FROM ARDA

By all accounts, this years' World Conference of the American Resorts Development Association (ARDA) was a resounding success. A new wave of leadership assumed key roles within ARDA, driving the changes our industry will see for the next generation.

One key focus was a stronger awareness of the importance for developers and legacy resorts (those at least 25 years old) to put resale programs in place for their owners. Lack of a legitimate secondary market has allowed "exit" and "cancellation" companies to hit the in-

dustry hard, and their message was clear. We must all work together to control the conversation, offer solutions and protect owners.

The overarching setback in our industry for the last several years has been widespread misinformation about timeshare, how owners feel about timeshare, and the issue surrounding timeshare exit. You may have noticed that many brands and resorts have strayed away from "timeshare" in their advertisements, websites or sales pitches. With the popularity of exit and cancellation companies influencing a mob mentality that timeshare is bad, "vacation ownership" has been adopted as a new tactic. "We as

According to the chairman of ARDA, "The industry is in a much better place than it was in 2008."

industry lost control of the narrative. The current message has gone out of balance," said Mark Wang, Chairman of ARDA. He cited that timeshare is outpacing hotels every year, with a 50% growth rate since 2010. That's huge! Despite negative messaging that there is no way out of a timeshare once you own it, Wang believes "the industry's in a much better place than it was in 2008."

Cancellation and exit companies prey on the vulnerability and financial instability among owners looking for a way out. Howard Nusbaum, ARDA's outgoing president, wanted it to be clear that the most important solution to this is "nurturing the secondary market. That journey is not done. I'm proud of what we accomplished but there is more that has to be done."

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