

# TIME SHARE COURSE OUTLINE

**COURSE OBJECTIVE:** To prepare the candidate for a **TIME SHARE SALESPERSONS LICENSE** by discussing and reviewing the principles involved in contracts and contract law, sales practices, and ethics, fair housing laws, anti-trust legislation and the concepts and different types of Time Share/Interval Ownership.

## **I. DEFINITION OF THE TERM TIMESHARING**

- A. Origin of the Term
- B. History of the Concept
- C. Why the Concept is Visible
  - 1. From the point of view of the developer
  - 2. From the point of view of the purchaser (user)

## **II. THE MAKING OF A SUCCESSFUL TIMESHARE DEVELOPMENT**

- A. Deeded **TIMESHARING** – Fee Ownership
  - 1. Condominium form of ownership
  - 2. Property Owners Association (P.O.A.)
  - 3. Rules, regulations, covenants & restrictions
  - 4. Intervals & seasons
  - 5. Benefits to the owner
  - 6. Benefits to the developer
- B. Right to Use **TIMESHARING** Programs
  - 1. Lease theory
  - 2. Rights, obligations, rules, & restrictions
  - 3. Intervals & seasons
  - 4. Benefits to the owner
  - 5. Benefits to the developer
- C. Comparison of Advantages and Disadvantages of Deed and Right to Use Programs
- D. Purpose Built **TIMESHARE** Resorts
  - 1. Freestanding units

2. Townhouses
3. Villas
- E. Converted Hotel Units
- F. Resorts That Offer Both Purpose Built & Converted Units
- G. Pricing the **TIMESHARE** Package: Factors
  1. Deed
  2. Right to use
  3. Seasons
  4. Location of the resorts
  5. Size of accommodations
  6. Facilities offered at location
  7. Pre-development
  8. Developed-active resort
- H. The Maintenance Fee
  1. What does it pay for
  2. How can it escalate
  3. The necessity of separating maintenance from the price
  4. Pros & cons of developer control
  5. Pros & cons of P.O.A. control
- I. Others Fees
  1. Amenity fees
  2. Discounts for owners
  3. Free usage of amenities
- J. Amenities
  1. Major advantage of owning a **TIMESHARE** plan as opposed to buying a vacation home without the amenities.
  2. Reciprocal right to use amenities at other **TIMESHARE** resorts
- K. Exchange

1. What is it? Why is it necessary? How do they work? Where can you go?
  2. Exchange plans: R.C.I., V.H.I., I.I. How they are similar and how they differ
  3. Benefits offered by exchange groups
    - a. Travel, cruise, car rental discounts
  4. How exchanging works in a fixed week vs. a floating week
- L. The Floating Week Ownership Plan
- M. The Fixed Week Ownership Plan
- N. Location of Resorts
1. The shore
  2. Mountains
  3. Europe
  4. Asia
  5. Quiet locations
  6. Exciting areas
  7. Locations for every taste
- O. Location of **TIMESHARE** Units in a Resort
1. Converted hotel unit      i.e. Playboy
  2. Purpose built              i.e. Shawnee
  3. Combination                i.e. Fernwood
- P. Discussion
1. Why would a developer want to convert a successful hotel operation into a timeshare operation?
  2. Can a dead or dying hotel be resurrected through timesharing?
- Q. Elements of a Success or Failure
1. Location
  2. Financing
  3. Marketing

- R. Marketing
  - 1. Competitive pricing
  - 2. Client generation programs
  - 3. D.M., O.P.C., hotel guest, brokers, parties, home-site, reload, newspaper, T.V. radio, walk-ins, referrals

### III. CONTRACT LAW

- A. **LEARNING OBJECTIVE:** Upon completion of this module, the student will be able to apply the principles learned to the contracts used within the industry.
- B. Content Outline:
  - 1. Overview of module
  - 2. Definition of a contract
  - 3. Types of contracts
    - a. Express
    - b. Implied
    - c. Unilateral
    - d. Bilateral
  - 4. Status of contract
    - a. Executory
    - b. Executed
  - 5. Legal effect of contracts
  - 6. Essential elements of a valid contract
    - a. Offer and acceptance
    - b. Consideration
    - c. Legally competent parties
    - d. Legalities of object
  - 7. Additional elements of a valid real estate contract
    - a. No undue influence or duress
    - b. All contracts for the sale of real estate to be in writing and signed in order to be enforceable – Pennsylvania Statute of Frauds
    - c. Accurate description of property
  - 8. Performance of contract
    - a. Each party of must meet full obligations
    - b. Time is of the essence
    - c. Assignment
    - d. Negation
    - e. Default
    - f. Breach
    - g. Statute of limitations

9. Other considerations of real estate contracts
  - a. Equitable title
  - b. Destruction of premises
  - c. Earnest money deposits
  - d. Provisions for notices and contingencies
  - e. Estimated statements of closing costs
10. Disclosures required by the Pennsylvania Licensing and Registration Act
11. Option agreements
12. Installment contracts
13. Practical exercises using appropriate sales contracts pertinent to local markets

#### IV. SALES ETHICS

- A. **LEARNING OBJECTIVE:** Upon completion of this module, the student will know the difference between legality and ethics, and will have an understanding of the ethical behavior expected in a transaction.
- B. Content Outline
  1. Overview of module
  2. Definition
  3. Ethics versus legalities
  4. Responsibilities to your principal
    - a. Protecting your principal's interests
    - b. Duty of full disclosures
    - c. Avoiding conflicts of interests
    - d. Avoiding fraud and unethical acts
  5. Responsibilities to the buyer
    - a. Whose agent are you
    - b. Explaining the agreement
    - c. Duty of full disclosure
    - d. Protecting the buyer's deposit
    - e. Avoiding unethical acts
  6. Responsibilities to the general public
    - a. Protecting the community and the environment
    - b. Protecting your professional image
    - c. Avoiding unethical acts
  7. Ethics in advertising
    - a. Representing properties honestly
    - b. Representing your role and intentions honestly

8. Fair Housing
  - a. Equal opportunity in housing – general concepts
  - b. Jurisdiction over salesperson
    - (1) Federal Fair Housing Laws – Prohibited Acts - Exemptions
    - (2) State Fair Housing Laws – Prohibited Acts - Exemptions
  - c. History of Federal Fair Housing Laws
    - (1) Civil Rights Act of 1866
    - (2) Executive Order Number 11063
    - (3) Civil Rights Act of 1964
    - (4) Title VIII of the Civil Rights Act of 1968 (Federal Fair Housing Act)
    - (5) Housing and Community Development Act of 1974
    - (6) Fair Housing Amendments Act of 1988
  - d. Pennsylvania Human Relations Commissions Act
  - e. Enforcement of Fair Housing Laws
    - (1) at the state level
    - (2) at the federal level
  - f. Case Studies and Examples
    - (1) handling certain prospects
  
9. Sherman Antitrust Act
  - a. History
  - b. Relevance to real estate
  - c. Application to real estate
    - (1) no price fixing
    - (2) no allocation of markets
    - (3) no boycotting of other agents or agencies
    - (4) penalties

## V. REAL PROPERTY, FORMS OF OWNERSHIP, FINANCING, LICENSE ACT

- A. **LEARNING OBJECTIVE:** Upon completion of this module, the student will have a working understanding of the technical aspects of Real Property ownership, conveyance, use and financing. This knowledge is necessary prior to the “on-site” practical training.
  
- B. Content Outline
  1. Overview of Module
  
  2. General Real Estate Concepts
    - a. Definitions
      - (1) land
      - (2) real estate
      - (3) real property
    - b. Legal descriptions
    - c. Control of land use
      - (1) zoning, subdivision and building codes as relevant to the area where course is taught
        - (a) Interstate Land Sales Full Disclosure Act
        - (b) Pennsylvania Laws

- d. Forms of ownership of property
    - (1) severalty
    - (2) tenancy in common
    - (3) joint tenancy
    - (4) tenancy by the entirety
    - (5) partnerships
    - (6) corporations
  - e. Leasehold estates
  - f. Deeds and titles
    - (1) essential elements and construction of valid deed
    - (2) covenants of warranty
    - (3) how title is acquired
    - (4) evidence of title
3. Real Estate Financing
- a. Mortgage loan instruments
    - (1) provisions of the note
    - (2) provisions of the mortgage document
  - b. Cost of credit
    - (1) discount points
    - (2) application for credit
    - (3) loan repayment
    - (4) rule of 78's
  - c. Financing legislation
    - (1) Regulation Z/Truth-in-lending
    - (2) Federal Equal Credit Act
    - (3) Real Estate Settlement Procedures Act
4. Pennsylvania Real Estate Licensing and Registration Act & Rules and Regulations of the Real Estate Commission
- a. Duties and powers of the Pennsylvania Real Estate Commission
    - (1) general powers
    - (2) investigations, hearings and appeals
    - (3) sanctions
    - (4) purposes of the license law
  - b. Licensing requirements
    - (1) activities requiring a license
    - (2) types of licenses
    - (3) eligibility for licensing
    - (4) license renewal
    - (5) change of license
  - c. Statutory requirements governing the activities of licensees
  - d. Statutory requirements governing subdivided or out-of-state

## VI. SALES PRACTICES AND TECHNIQUES

- A. Recognizing Types of Clients
  - 1. The novice – true first respondent to a promotion
  - 2. The expert – professional respondent

3. The young couple
  4. The middle age couple
  5. The retired couple
  6. C.P.A.'s and Engineers
  7. Single people – male/female
- B. The Bottom Line – Commissions – How Much Can I Make?
1. Commission rates
  2. Payment schedules
  3. SPIF's & LUGS
  4. Bonuses
  5. Charge backs
  6. Hold back accounts
- C. After the Sale
1. The final take away
  2. The button up
    - a. What is it
    - b. Who should do it
    - c. Why is it necessary
- D. Documentation
1. Supporting material
    - a. Magazine reprint
    - b. Newspaper reprint
    - c. Floor plans
    - d. Filing statements (if required)
    - e. Contracts
    - f. Credit application
    - g. Owners Manual
    - h. Rules and Regulations
- E. Cancellations
1. Why do they occur
    - a. Remorse
    - b. Lack of understanding
    - c. Contradiction (real or supposed) in what they were told and what they read
  2. How do you control and limit cancellations



3. Why a client would sit through an entire sale, presentation, do all the paper work, then cancel
  4. The first critical hours
  5. Remorse
    - a. Explaining it to the client
    - b. Why it happens
    - c. When is it likely to happen
    - d. The first critical hours
    - e. Methods used to overcome/assuage remorse
      - (1) follow up telephone call – the hardest call you'll ever make
      - (2) cards
      - (3) flowers and other gifts
- F. Inventory Control
- G. Collections
- H. The Sales Rep. – The Key Person of an Organization Without Whom Nothing Happens
1. Individual personalities
  2. Dress
  3. Grooming
  4. Manners
  5. Attitude
  6. The licensed rep.
  7. The unlicensed rep.
  8. Training programs

## VII. PSYCHOLOGY OF SALES

- A. Understanding Client Motivation – The Premium
1. The client will do anything to get into the sales presentation and say anything to get out of becoming an owner
  2. How does the client feel
    - a. awkward
    - b. trapped
    - c. hostile
    - d. friendly

3. Requirement on part of sales rep to make client feel comfortable - reassured
  4. Everybody wants a special deal
- B. Pre-judging a Client
  - C. First Impressions
    1. You never get a second chance
  - D. The Greeting
    1. Seating
    2. Control
    3. Warm-up
  - E. The Survey
    1. To use or not to use
    2. Who should fill it out
    3. Qualifying the client
    4. Establishing control
    5. Establishing courses of action/presentation

## **VIII. ESTABLISHING CREDIBILITY OF**

- A. Self
- B. Resort
- C. Developer
- D. Timeshare Industry
- E. Marketing Methods
  1. The impact of the front-end explanation/presentation
    - a. What should be covered
    - b. Anticipating certain objectives
    - c. Establishing basis for a sale
    - d. Using a pitch-book
      - (1) material that should be in a pitch-book
    - e. K.I.S.S.
  2. Developing the sales approach for different types of clients

3. The tour sequence
  - a. Importance of a tour
  - b. Painting a picture
  - c. Putting the client in a vacation situation
4. Entering into a closing sequence
5. Body language
6. Importance of client participation in the sales presentation sequence
  - a. Listening to the client
  - b. Questions that you want to hear

## **IX. PRESENTATIONS**

- A. Organization of the Room
- B. Head to Head Presentation
- C. Podium
  1. Podium to benefits presentation
  2. Podium to money presentation
- D. Podium Presentation Sequence
  1. Greet client
  2. Tour
  3. Survey, warm-up, brief intro to timesharing
  4. Creating value
  5. Podium
  6. Movie
- E. Podium Back End
  1. T – sheet presentation
  2. First day offer
  3. Money - financing
  4. The drop
- F. Closing Attempt on the Drop
  1. The T.O.

- G. Control of
  - 1. The presentation
  - 2. The client
    - a. Forcing objectives and questions
    - b. Seating
  - 3. The room
- H. Presentation Sequence
- I. Finding Hot Buttons
  - 1. What makes people buy
  - 2. Discussion of various client motivations to own
- J. Presentation Appeal To
  - 1. Logic
  - 2. Greed
  - 3. Emotion
- K. The T.O.
  - 1. What is it
  - 2. Theory of why it works
  - 3. How it works
  - 4. Creating the T.O. situation – the rep's objective

## **X. CLOSING ON A FINAL OBJECTION**

- A. Various Objectives
- B. Closing Sequences
  - 1. A minor closing sequence
  - 2. Entering a major closing sequence
- C. Asking For the Money
  - 1. Various ways of asking for the money
  - 2. When are you ready to ask for money

## **XI. SEMANTICS**

- A. Words to Use and Avoid
  - 1. Buy - own

2. Contract - agreement

3. Sign – o.k.

B. Establishing Urgency

1. What is it that makes the client buy today

2. Contract - agreement

3. Sign – o.k.

C. Methods of Establishing Urgency

1. Price – possible increase

2. Inventory - depletion

3. First day benefits

- a. establish value of benefits

4. Remote location

5. Questions and answers

6. Credibility

D. Objectives

1. Isolating the final objectives

2. Close on the objection

E. Typical Objections and Typical Responses

F. Objections Vs. Excuses