

10 Reasons Why Timeshare is a Bad Investment

 foreignpolicyi.org/why-timeshare-is-a-bad-investment

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While timeshares are being sold as a profitable financial investment, they turn into a liability soon once you have to pay annual maintenance charges regardless if you use your asset or not.

According to [LinxLegal](#), a reputed timeshare cancellation company, “Very few people ever travel as much as they think they will. The lies that were told to you to be accurate, such as “You can sell your timeshare at a profit.” Wrong. A timeshare is, and always will be, a depreciating asset. Look at the [Wyndham rental market on eBay](#). As you can see, the better option is to rent a condo on eBay Timeshare Rentals for pennies on the dollar than to “own” an inflated timeshare.”

Investing your hard-earned money in a timeshare is absurd. There are many people considering cancellation of their timeshare purchases. Though it seems improbable, it's not impossible.



Source:hawaiiibusiness.com

After you have read this article, you may not want to sign up for a timeshare, even if you really wish to. There have been numerous cases of timeshare frauds. Customers usually end up having nothing. The reason for losing their hard-earned money is that most people who sign up to timeshares, do not weigh up the benefits and costs of their ownership. Unfortunate as it may seem, most people are not even aware of the costs until they are charged with taxes on their first bill. Also, in case of default of payment, people face the problem of fore disclosure with their collateral.

Since signing up for a timeshare is a scam and misery for your hard-earned money, here, we have organized a list of top reasons why you should not invest in a timeshare.

1. Highly Intelligent and Aggressive Sales Technique

Timeshare companies sell intelligently. People may want to fetch details on a timeshare, but they end up purchasing it because of the intelligent hard-sell of the salespeople. Some may even think of buying it and end up signing up contracts without doing a cost-benefit analysis of the ownership.



Source:startribune.com

If you're someone scammed with the purchase of a timeshare, you would surely want to find a way to cancel.

2. Mortgage Payment is Just the Start

Assuming that you don't have cash for a timeshare purchase, you may need a mortgage. Most people do not read the document carefully. Please be informed that in addition to the mortgage fees, you will be liable for maintenance, assessment fees, property taxes, and further utilities as well. Your inability to make payments for these add-up expenses would legally allow your contractor to block your contract.

3. No Market for Resale

You may want to reconsider investing in timeshares since they do not have a good market. There are hardly any buyers for your contract. Plus, you will lose good money when you opt to sell your contract. Timeshare is fine if only buying it helps you enjoy a good vacation at a luxurious resort. Otherwise, it's a bad idea for investment.

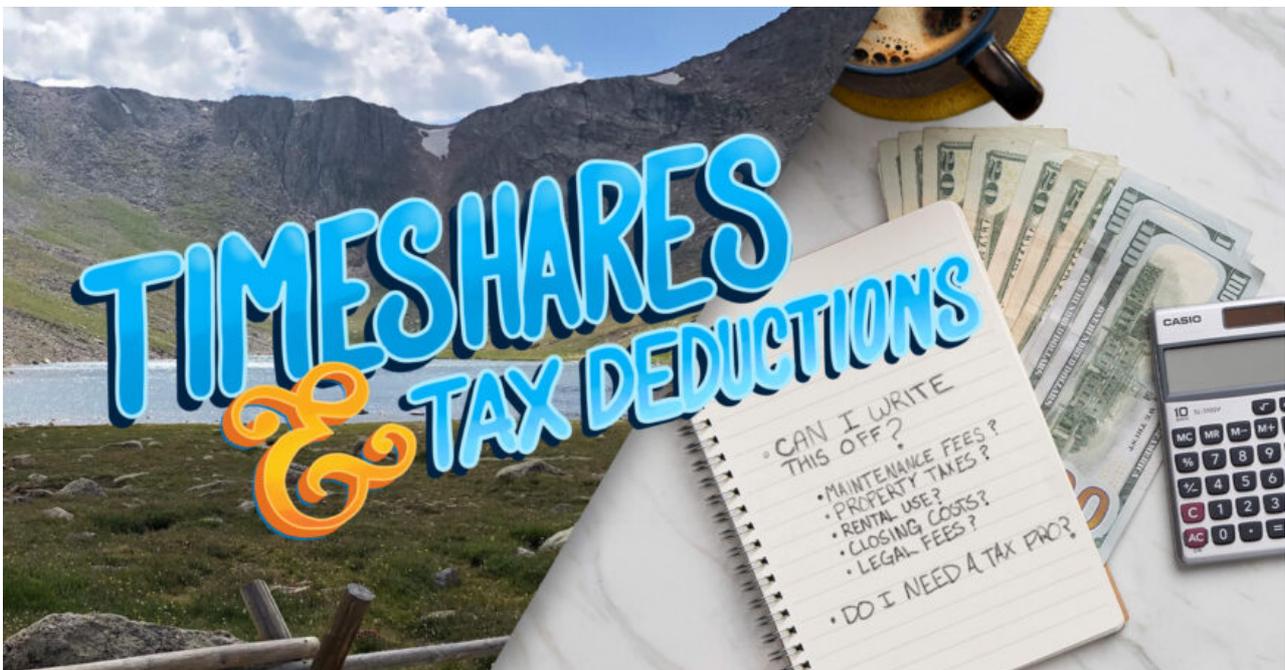
4. Possibility of Reselling is a Scam

Since selling timeshares is very rare, there are numerous scammers making false promises to sell your timeshares to buyers in the market. Though they promise to connect you with the clientele in exchange for hefty commissions, their commitments are never fulfilled. They may charge advances from you claiming you resell your timeshare. However, they never manage to find the right buyer and end up scamming you.

Please know that some states have enacted strict laws to regulate timeshare reselling. So, not all brokers are scammers.

5. **Losses Cannot Be Deducted from Tax Returns**

Timeshares are hardly sold benefiting their owners. Even if you manage to sell it at a loss, you're not likely to get a deduction of that loss from your tax returns. Getting it done is rather complicated. However, there are a few exceptions. Make sure you do some research online to find out more about how to deduct the loss from your returns.



Source: daveramsey.com

6. **In Case of Non-payment, Foreclosure of Collateral**

Going for timeshare purchasing through mortgages is not advisable at all. As mentioned above, there are various expenditures you are liable to pay for in addition to the mortgage price. However, in case of non-payment or default, you may experience foreclosure and the lender may enforce the sale of your collateral to recover the borrowed amount. Foreclosures will certainly hit hard on your credit score.

7. **The Lender Enforcing Foreclosure Can Get the Deficiency**

The sales amount retrieved is often not enough to cover for the mortgage. As a result, the lender can gain the benefit of deficiency too. The deficiency is the amount of difference between the sales amount of the collateral and the loan. Fortunately, certain states have robust policies to protect your right to a deficiency amount. However, there are some states that don't favor the debtors. Hence, the lender can manipulate the judgment in their favor and gain the benefit of deficiency as well.

8. Renting a Timeshare Is a Rare Possibility



Source:insurancequotes.com

At the start, the hard-sell of the salesperson attracts you to buy in. Renting seems feasible and easier as communicated by them. However, this is not true. Renting is complicated and is often extremely difficult. Again, this aspect needs a timeshare owner to thorough research so that they can know more about the available options.

9. Scheduled Acquisition is Almost a Scam Too!

Acquiring booked resorts at ease is deceptive than communicated by the false salespersons. Some states do not allow scheduled acquisitions. It's not that easy. It rarely happens.

10. Rent a Resort for Vacations Since It's Cheaper

Most people consider timeshares worth an investment. However, it's not true. Plus, you may want to consider renting an accommodation for your vacations in a resort of similar standards. Because it's cheaper and saves you from dumping your hard-earned money in timeshare scams. You not only save yourself from a lot of hurdles and hard-sell of salespersons, but you also save yourself from a lot of costs such as a mortgage, maintenance, services, utilities, and taxes.

