Although buying a timeshare in a resort location can look like a great way to afford the vacation property you long to own, you need to watch for developers hoping to make a fast buck and outright scams. Be a smart buyer and understand the legal and practical details of buying, owning and using a timeshare.

You can buy timeshares for the use of an entire facility or just a condo. Timeshares can be for a specific length of time during the year, and sometimes for a set number of years.

With **deed and title** purchases - also known as "interval ownership" - you buy a legal deed good for a set number of years. You own the property during this time. Management changes don't alter your ownership.

With "**right of use**" timeshares, you buy the right to use the property, but don't get a legal deed to the property. Your right to use the property is only as good as the integrity and financial health of the resort management.

You can buy a timeshare for the same time period every year (called a "**fixed timeshare**") or for the same length of time but at different times each year (called a "**floating timeshare**").

**Do Your Homework**

Timeshare developers are notorious for high-pressure sales tactics, offering prizes and discounts if you listen to the sales pitch. Before signing any contracts, get all the facts, including:

- Who owns the timeshare (the developer or an individual seller)?
- Is the property's title clear, without claims for liens or other debts?
- Are there restrictions on your power to transfer ownership?
- Whether you'll receive a deed as proof of ownership
- If the timeshare is for "right of use" only, the time left in the timeshare period
- Who owns the facility when all timeshares are sold
- Timeshare owners' role in property management
- Maintenance fees and other owner expenses such as property taxes
- Restrictions on how you can use the timeshare (usually found in a legal document called "CCRs"- short for "Codes, Covenants and Restrictions")

Visit the timeshare property if the sales office isn't on the actual site. Some developers don't give an accurate representation of a property, or development plans if it's not yet built.

Many states have "**cooling off period**" laws giving timeshare buyers several days to change their minds and cancel sales contracts without penalty. Contact the state's Attorney General's Office to see if there's a cooling off period that applies to your purchase.

**Timeshare Exchanges**

One of the benefits of owning a timeshare is the ability to exchange it for a timeshare in another location, through an exchange company. The value of your timeshare on the exchange market - called exchange **points** - depends on several factors including season, and property location, size and quality. Before using exchange services:

- Read and understand the exchange company contract carefully before you sign. Know how properties are rated and your contract duties
- Find out about membership fees and other expenses
- Know schedules for using the exchange service - sometimes these run a year in advance
- Aim for even exchanges - trading a timeshare in the off-season with a bad location won't net you a popular timeshare in peak season

Do your research before you buy. Using your timeshare can be the relaxing vacation you planned for.
Questions for Your Attorney

Which state's law controls a timeshare contract? The state where the sale is made or where the property is located?

Which licensing laws apply to sales agents and brokers selling timeshares?

Can I expect any consumer disclosures when I'm shopping for a timeshare?

Related Resources on Lawyers.com

- Contact a Real Estate Law Lawyer in your area for specific legal advice, and read Real Estate: Selecting a Good Lawyer
- Need a form? Access hundreds of Legal Forms for personal and business needs, including this Home Purchase Worksheet
- Read Making the Decision to Purchase a Home, Finding & Selecting a Real Estate Broker or Agent or access more Residential Real Estate articles and information
- Legal Dictionary
- Visit the Legal Forums for discussions on Real Estate Law topics