

Should I Consider Timeshares for My Condo Units?

You should consider whether a fractional interest is right for your project. With a "fractional interest" project, you would sell undivided interests in a single specific condominium unit. This is notably different than the traditional form of timeshare, which involves "intervals" or buying "points" which can be exchanged for "time" in a particular resort community, or perhaps for a choice of many different resort communities pursuant to an exchange arrangement.

Each fractional interest would include the right to use the unit for a specified use period which reoccurs every year. You would manage the use periods for these fractional interests similar to how you manage your current rentals. Title insurance companies will insure these fractional interests. Further, this structure may bring interest from buyers who cannot afford a second home, but who can afford to own a few weeks of a vacation home.

Finding a source of financing for prospective buyers of fractional interests can be a challenge, but some developers have worked with lenders to put financing programs into place. Furthermore, fractional interests are sometimes so inexpensive that buyers are willing to buy them with cash.

Since this fractional interest form of timeshare is still a "timeshare" under Wisconsin law, it does require compliance with the Wisconsin timeshare statute.

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