



ANDI LUSCAN EXPERT INTERVIEWS JANUARY 21, 2019

Expert Interview: Gordon Newton Talks Timeshare Exits



Gordon Newton, Newton Group Transfers

For our latest Expert Interview, we had the pleasure of talking to Gordon Newton, president and co-founder of Newton Group Transfers.

as well as revealing the common scams to avoid — the main subject of his recent *Consumer's Guide to Timeshare Exit*. The guide sheds light on the industry, while disclosing confusing contractual language often used by resorts to keep customers in the dark.

We asked Gordon to tell us a bit more about how he is helping consumers avoid timeshare scams and how we can learn more about the difference between **investing in real estate** versus investing in the timeshare industry. Read on to find out more.

Q: Tell us a little bit about your background and how you became an expert in the timeshare industry.

My company built the first CRM for the timeshare exit industry. In doing so, we documented the complete process from customer acquisition and follow up through having the customer relieved of their timeshare. I have spent over a decade in this industry, and through this experience I saw how much of a challenge it was for so many people — from consumers to journalists and consumer advocates — to properly vet timeshare exit companies and timeshare exit attorneys. These experiences led me to write the *Consumer's Guide to Timeshare Exit*.

This is where people interested in purchasing a timeshare property get confused — it is not a financial investment, but rather a liability.

Most timeshare contracts are written in perpetuity. Therefore, timeshares should be viewed as the direct opposite of an investment — they don't do anything to build your financial portfolio over time. Timeshares are a lifelong financial obligation. A timeshare instantly depreciates upon purchase and becomes harder to get rid of as time passes.

Vacation homes, on the other hand, represent a true financial investment because you are purchasing real estate, which historically has usually appreciated over time. You get the enjoyment of having a vacation home you can use whenever you like while also having the option to make money from the property in other ways, like offering weekly rentals through online holiday arrangements or by-owner rental sites. This money can be used to pay the mortgage for the home, and once you pay it off completely, you can generate cash flow from the property.

Q: What are some of the most common scams used in the industry?

Over the years, we've seen many timeshare exit scams become more popular while others have

- **A company tells you to wire money outside of the U.S.** If you don't hear from that company after sending your money, you will typically have little to no recourse in getting your money back.
- **A company tells you they have a buyer and asks you to pay closing costs or put money in escrow for the transaction.** After you make the payment, you never hear from the company again. If you receive a call from a company telling you to do this, they're a fraud.
- **A company tells you to donate your timeshare for a tax deduction.** You could end up in trouble with the IRS if you do this, especially if you claim an invalid deduction. If you attempt to deduct an amount that is greater than fair market value, you also might invite an audit of your tax returns from the IRS.
- **A company charges hundreds to help you list your timeshare for sale.** The truth is that the timeshare resale market is virtually nonexistent, so the chances of it being sold are slim to none.
- **A timeshare exit company (or advocacy group) emphasizes that they have "attorneys on staff."** This sounds great, but it does nothing to protect you as a consumer. If these attorneys aren't representing you, the timeshare owner, the fact that they have

representation in the process.

Those “on staff” attorneys represent the company and not the customers of the company. Since the customers do not have legal representation, this leaves them vulnerable to credit damage and lawsuits from the resorts.

Q: How hard is it to sell the timeshare if you wish to get out?

It is incredibly challenging to sell your timeshare; in fact, I’d say it’s virtually impossible. The resale market is flooded with devalued timeshares; you can often find them listed online for sale for \$1 or even for free.

With such limited options, getting out is challenging, and this is often what leads people to get scammed because they don’t know who to trust or where to go. This can bring on feelings of desperation and stress because timeshare owners continue to remain obligated for maintenance fees for a timeshare that they no longer want and may not even use.

Q: What advice would you offer to someone interested in purchasing a timeshare?

For those interested in purchasing a timeshare, I would make sure they understand that it is not a financial investment. If someone is determined to buy one, I would advise them to buy one as a

They also need to keep in mind that the annual maintenance fees* have historically risen faster than the rate of inflation. Lastly, when they no longer want their timeshare, they will likely have to pay a fee to end their ownership.

** Maintenance fees nearly doubled between 2005 and 2015, increasing from \$471 to \$920. The average annual maintenance fee was \$981 for a one-week timeshare interval in 2017.*

Q: Any other insights you'd like to share?

Timeshare owners are never more vulnerable than when they have decided to end their ownership. Many timeshare owners have fallen victim to timeshare exit and/or resale scams, because they believe (or have been told) that their timeshare has monetary value. I believe it is important for timeshare owners to be educated regarding what they own versus what they think they own.

This is why I wrote the *Consumer's Guide to Timeshare Exit*, to educate and empower consumers. It is a free resource and it can be downloaded [here](#).

About Gordon Newton

author of the *Consumer's Guide to Timeshare Exit*. Newton Group Transfers take pride in their honest approach to helping their customers, committing to their clients and helping them become timeshare-free. You can find more information about them [here](#).

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Andi Luscan

Andi is a marketing and communication specialist for PropertyShark and CommercialCafé. Focused on building connections, his background in HR recruitment complements his researching skills and networking abilities to the fullest. In his spare time, he enjoys adventures with his dog or catching up on the latest comic books.