

Resort Trades

Every Resort; Every Month

**EXTRAORDINARY RESORT;
EXTRAORDINARY GM
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**TAKE A BREAK FOR
THE TRADES LUNCH BUNCH**

Your virtual 'Brown Bag Lunch'
1:00 - 1:30 p.m. ET

October 2 - Joe Takacs, The MVP Service

October 9 - Scott Bahr, CX Artisans

October 16 - Jimmy Danz, Travel Resorts
of America

October 23 - Melody Bostic Brown, RCI

See ResortTrades.com/LearningCenter

RESORTTRADES.COM/LEARNINGCENTER

Keep Calm & Camp On!

RV Vacations Provide Low-Risk, High Rewards for Americans Escaping COVID Lockdown

By Marge Lennon

While the coronavirus has eviscerated air travel, nearly eradicated cruise lines and left major hotels and tourist hot spots deserted, one travel-related industry is dramatically accelerating during the pandemic: RV rentals and sales.

Travel experts and common sense all point in the same directions: driving road trips, separated lodging – without crowded elevators, lobbies, or shared hallways – and time spent outdoors are the biggest travel trends today. RV sales are shattering records, camping is drawing new recruits, and National Parks are more popular destinations than ever.

“With road trips now acknowledged as the safest form of travel, RV vacations are ideal for many Americans who are itching to venture out but wary of cities, crowds and the Coronavirus,” says Jimmy Danz, Executive VP for Travel Resorts of America (TRA.)

“Many recent RV purchasers probably would not have considered buying an RV if it weren’t for the pandemic,” he added. “RV dealers are seeing more first-time buyers seeking both new and



Archery at Rocky Fort Ranch, Kimbolton, Ohio

used inventory than ever before with demand surpassing available inventory for all types of trailers and motorhomes. These buyers recognize that RV vacations combine affordable private lodging and true social distancing in the great outdoors. They are attracted to TRA’s network of campground resorts because they offer boundless personal space, resort-like amenities and unique activities. Much like timeshare ownership, TRA membership provides opportunities to create great family vacations.”

Established in 1986, by Steven Baldelli, CEO, Travel Resorts of America is a private membership based RV park and campgrounds owner with 16,000 active members and nine RV resort parks for members, tent sites for campers and cabins for those seeking to rent at their growing list of resorts along the east coast. TRA hosted over 136,000 site nights in 2019.

TRA’s seven sales centers are located in New York, Pennsylvania, Georgia, Florida, Ohio and Southern Pines, North Carolina, where the company is headquartered. As demand continues to accelerate, TRA is considering expansion to acquire new sites in other regions. TRA is the #1 private membership RV park and campgrounds provider with Coast to Coast (similar to exchange networks that broaden access to destinations across the country for its members.)

Unlike camping experiences in the ‘80s, today’s TRA properties are much larger, often encompassing 600-800 acres that can accommodate different segments of the market. From a 5th wheel, pop-up, dry camper or travel trailers to luxury A, B, and C-class motor coach homes. TRA parks are so large they can support all styles and sizes. For those looking to test the experience, the company has about 200 fully-furnished cabins, allowing guests to bring their entire families (and dogs!) for a new vacation opportunity.



Lake at Sycamore Lodge, Jackson Springs, NC

The average Membership fee is \$10,500 and provides members with access to over 300 private RV campgrounds and 300 public parks – all at discounted rates. Annual maintenance fees of between \$400-\$500 help maintain the resorts in top shape for their members. Their market is primarily outdoor enthusiasts.

Professionals Needed. With the major growth in RV sales, Danz believes he is in the right travel segment at the right time, with more tours than sales agents. As RV sales increase, families will want to test their new “toys” at multiple locations. TRA is currently in a hiring blitz, seeking professionals in sales, sales management, administration, finance, marketing, management and leadership positions. For those in timesharing who are eager to experience working in a new setting in the great outdoors, please send all inquiries to Erin Brown at ebrown@travelresorts.com.

Existing RV owners are similar to an in-house timeshare tour, with programs producing 80% of distribution and high Volume per Guest (VPG) yields. The non-RV owner is similar to a front-line tour, currently generating 20 percent of distribution. This results in a

very rich blend being distributed to TRA’s sales teams. They have been experiencing blended net closing rates of over 20 percent with cancellations no higher than 10 percent. With sales positions at many timeshare sales centers reduced due to COVID, several leadership sales and management professionals have joined the TRA team. Unlike timeshare sales, there are only a few criteria for customers: if they are an RV owner, they are qualified. If not an RV owner, they must be a married couple or single professional with a \$50,000 combined income. The marketing team is focused on this rich blend of RV to non-RV ratio and is providing an opportunity for timeshare and hospitality pros to slide into a new thriving sector of the travel industry. No real estate license or testing is required. Interestingly, one out of 25 RCI members own an RV.

James (Jimmy) Danz, RRP, who will be a guest on the Trades Lunch Bunch this month, is a 35-year veteran of the timeshare and leisure industry. Jimmy joined TRA because it provided a great opportunity to be involved in an industry experiencing exponential growth, as well as having the ability to affect change. He was brought onboard in the summer 2019 as Chief Marketing



James (Jimmy) Danz, RRP

“With road trips now acknowledged as the safest form of travel, RV vacations are ideal for many Americans who are itching to venture out but wary of cities, crowds and the Coronavirus,”



Cabin at Rocky Fork Ranch, Kimbolton, Ohio

Officer. Recently named Executive VP, Jimmy is responsible for sales, marketing and assisting in the coordination of the C-Suite.

Past posts have included senior positions with Wyndham Worldwide in Hawaii, ICE (International Cruise & Excursions), Managing Partner at Trident Management, Chief Marketing Officer Global, Diamond Resorts International, Regional VP Starwood Hotels & Resorts Worldwide, Conrad Hotels & Resorts and Holiday Resort Properties of Australia. He is a seven-time ARDA award winner and has served on ARDA's Board of Directors.

Also on the executive staff are VP Marketing Michael Reyes, Regional VP Sales Robert Nelson, and Justin Joseph, Director CX - Customer Experience Center.

Shared Steve Baldelli, "Jimmy Danz has been the perfect sales and marketing professional to take our company into the next level of expansion. His high energy and leadership ability are the ideal fit for our growing company."

Adds Jimmy, "Over the years, I have learned that bad companies can be destroyed by a crisis and good companies will survive a crisis, but great companies are defined by a crisis. In spite of the current pandemic and resulting economic challenges, our goal is to remain in the latter group within the RV Park and Campground travel world. I don't believe this industry segment has been leveraged to its greatest potential. Where COVID hurt hospitality, we have enjoyed a positive uptick in both reservations, onsite visits, and inventory usage. When you are surrounded by 600-850 acres, there is definitely plenty of breathing room. Our motto of 'Keep Calm and Camp On' has enabled us to fill a needed niche for vacation-starved families."

COVID safety precautions and

social distancing were a paramount concern in Customer Experience Centers. Their robust 30-point onsite safety plan is implemented at each center every 2.5 hours with constant cleaning and re-sanitizing of everything touched by a customer.

Resort campgrounds owned and operated by TRA include Rocky Fork Ranch in Kimbolton, Ohio, with 255 campsites plus 120 lodging facilities, surrounded by 850 acres of wooded and rolling landscape. Another popular Ohio TRA campground is Wally World Resort in Loudonville on the Mohican River. The Gettysburg Battlefield Resort in Pennsylvania is on the southern edge of the most famous battlefield in civil war history. See travelresorts.com for more locations.

These properties deliver countless amenities which include everything an outdoor enthusiast would desire for the perfect family getaway. There are dog parks (rare at timeshare resorts), rodeos, boat and fishing ramps, horseback riding, a gun range, water sports, and activity centers.

Adds Danz, "Our resorts offer a premier luxury outdoor experience for lodgers, campers, Glampers and RV'ers, and a low-risk vacation destination, allowing members to disconnect from technology and the grid and to get back to nature by relaxing, recharging and reconnecting with family and loved ones. It's a great way to vacation."



Marge Lennon has been a publicist and writer for the timeshare industry since 1978. For story suggestions about your company, contact her at Marge@LennonCommunications.com

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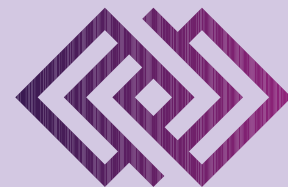
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The Lunch Bunch

Jimmy Danz appears as a Trades Lunch Bunch guest on October 16, beginning at 1:00 p.m. ET.



Visit ResortTrades.com/LearningCenter to register, view videos of past events, and learn more about upcoming events.

New Decade – New Visions

A Primer on Fractionals and Private Residence Clubs

By Marge Lennon & Richard Ragatz



In response to a recent Resort Trades' Survey, we learned that reader preferences include articles that describe the direction of the resort industry, how companies are overcoming challenges and what they anticipate in the future. In this second State-of-the-Industry article, Ragatz Associates has shared current statistics from its 20th annual report, Shared-Ownership Resort Real Estate Industry in North America, which includes Fractional interests (FI) and Private Residence Clubs (PRC).

Richard Ragatz, Ph.D. has been tracking performance of the industry since 1999. Sales volume for FIs and PRCs peaked in 2007, the year before the recession hit. In that year, sales volume was \$1.7 billion. Over the past 10 years, it has averaged \$237 million.

Definitions

Both FI and PRCs typically sell deeded ownership in shares of vacation homes, ranging from a 1/15 share with three weeks of annual use – to a 1/4 share – with three months of annual use. However, they vary in terms of price, product quality and degree of services and amenities. Ragatz Associates assumes that product selling for less than \$1,000

Both FI [fractional interests] and PRCs [private residence clubs] typically sell deeded ownership in shares of vacation homes, ranging from a 1/15 share with three weeks of annual use – to a 1/4 share – with three months of annual use.

per square foot falls into the fractional interest category, and product selling for more than \$1,000 per square foot falls into the private residence club category.

Industry Size/Location/Sales

Some 319 North American FI projects and PRCs were identified in the Ragatz survey. These developments are 67% in the United States, 17% in Canada, 9% in the Caribbean and 7% in Mexico. (Colorado and California contain 19 % of all developments. Of the 319 total projects, only 42 were actively selling new product in 2019. This is down from 153 in the peak year of 2007. Total

sales volume in 2019 from the 42 active projects was about \$198 million. (PRCs generated about 84% of this total.) This was the highest sales volume in the past three years, up from \$184 million in 2018 and \$175 million in 2017, with sales fairly consistent over the past ten years. Most of the 277 inactive developments are older, sold-out modest quality projects. By contrast – according to ARDA – timeshare sales in 2018 reached \$10.2 billion with about 1,580 resorts in the U.S.

Prices/Sizes

Average prices per share range from \$161,500 for FIs to \$248,000 for PRCs, or \$22,200 to \$64,475 per week, respectively. On a per-square-foot basis, they are \$630 and \$1,800, for an overall average of \$1,320. The overall average maintenance fee is \$1,750 per week, as compared to \$1,000 for a resort timeshare week. While the average timeshare unit is just over 1,000-square-feet, fractionals average about 1,635-square-feet. The most popular size of share is a 1/8, providing owners six weeks of annual use.



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Services/Looking ahead

On-site amenities and services are extensive in this industry, especially at the private residence club level. However, there was a trend in 2019 (as in recent years) to have fewer on-site services in order to conserve on annual dues. At the same time, there was a trend to provide more owner benefits such as rental and resale programs, and external exchange. In its annual report, Ragatz Associates believes shared ownership will rebound in the future since the product is a

concept based on personal use, rather than speculation and the fact that buyers prefer purchasing only the amount of time they can use and spend, in addition to exchange potential. Their consumer research suggests the decline in the industry's sales performance since the last quarter of 2007 has been more due to external factors such as the economy and lack of financing, and less due to lack of consumer interest in the concept.

About Ragatz Associates.

Founded in 1974 by Dr. Richard Ragatz, Ragatz Associates is an international consulting and market research firm in the resort real estate industry. They have worked on over 2,500 assignments in the resort real estate industry in 48 states and over 70 countries. The company specializes in the shared-ownership



industry, including fractional interests, private residence clubs, and resort timeshare. Tracy Ragatz and Roberta Cordell, serve as Senior Vice Presidents. Tracy is responsible for conducting the survey.



Richard Ragatz



Tracy Ragatz



Marge Lennon has had a front-row seat to the growth of the timeshare industry since 1978 and most enjoys writing about its entrepreneurial developers and their amazing staff. Contact her at Marge@LennonCommunications.com.