Stratified Ownership

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**Introduction**

Stratified ownership means multiple owners of a single property, building or resorts, etc. All of these various owners are rightful owners and can use the property but for a specific time only. They are not entitled the ownership wholly, but for a particular time of the year, for example, for a week. This kind of ownership is also known as, holiday ownership or vacation ownership and timeshare. Stratified ownership is common in the leisure business where people acquire resorts, villas, etc. property so that they can use it for a specific time during their vacations (Kaufman, Upchurch & Severt, 2006) or rent it for business purposes. The amount of buying or selling such property mainly is subject to the vocational season.

**Discussion**

Property ownership can be classified into two kinds, first is single ownership or wholly ownership, and second is stratified ownership. In many countries, most of the commercial buildings have individual owners, and stratified owners usually possess the offices or the suites. Owners in this kind of ownership typically are entitled to many amenities and services such as spa and restaurants within their owned property. Moreover, stratified ownership brings in enormous revenues each year, and it is also easier to manage these revenues as they are fixed revenues directly from the owners. Such revenues are easy to handle. With the increase of stratified ownership in current vocational or holiday ownership, more and more resorts are adopting innovative technologies to enrich their customers experience at the resorts. Many resorts are now providing virtual reality experience for their patrons resulting in more and more people wanting to visit regularly and own part of the property.

There is usually a resilient price race in the industry where stratified ownership is a common phenomenon, and this uncertainty often drives values uphill or downhill. Furthermore, often strong private investors drive these uncertainties; some people are prepared to descent the leasing amount of space to cover the budget of personal expenses, taxes or area maintenance or care concerns. On the other hand, a solely possessed building or resort vendor has more control over the price, renting and time which is not the case in stratified ownership. Similarly, solely-owned shareholders are likely to have more economic capacity to tolerate plunging market tendencies and adjust rents accordingly. In a wholly-owned property, the owners are more professional and persistently observe the market to make adequate choices for themselves.

The stratified ownership packages are extensive and have been changing with time and advances. One of the most significant advantages of stratified proprietorship is that it motivates many investors such as those who are not interested in investing wholly or cannot afford large investments; this is very good for the vocational or leisure business or industry (Brotherton, 2012). In the U.S, the demand for both holiday and business tourism is very high, resulting in continuous growth in the industry and price hike in the property and the services and products. The United States had been a significant state for Stratified Proprietorship Marketplace, resulting in an augmented amount of worldwide holidaymakers. Unlike many other countries, in Columbia, buildings such as shopping malls, etc. are retained by stratified owners. This is because there is a deficiency of funding for such properties and private ownership is welcomed. Multiple proprietors own most of the office buildings, malls, resorts, and residential buildingsproprietors. This stratified ownership affects the property market because of rapid prices hovering.

There is much confusion regarding stratified ownerships in the vocational industry. Simply put, in this type of ownership the owner has the right to use an apartment, office, resport, etc. every year for a specific time (Stringam, 2008). Even though a lot of people wish and regard such ownership but it is also tinted by financial writers as one of the worst purchase ones can make because of its drawbacks such as high costs and time restrictions. The stratified ownership is complex and deemed controversial as well (Stringam, 2010). Some people like the idea while, others do not prefer it and sees many negatives in it. No wonder stratified ownerships in leisure and hospitality industry is an extremely profitable business as each unit of the residential building, hotel or resort can be sold to or can be owned by several owners, but for a specific week of the year respectively. But unfortunately, many owners are not usually quite pleased with their ownership, and many have reported frauds in the industry.With the speedy evolution in stratified ownership, rip-offs and frauds are also escalating. Due to the surge in scams related to stratified ownership, its high fees and deceitful sales practices in the leisure industry has gained a corrupt repute (Rodwell, Teo, 2000).

**Problems**

There are also a number of issues associated with stratified ownership in the hospitality industry.

In the hospitality industry, the owners are allowed to use the property for a specific time and certain week of the year; thus, for people who prefer traveling spontaneously, stratified ownership in leisure industry is not a good move (Upchurch, Lashley, 2006). For people who want to visit the place especially the business people randomly, such ownership is overpriced as well as non-feasible. In Stratified ownership, the owner has to pay regular maintenance fees around the year. If the place is visited or not, it is mandatory to pay the costs incurred for the maintenance, and usually, these fees increase considerably every year (Powanga, Powanga, 2008). There are most of the times some unseen charges involved in stratified ownership in the hospitality industry such as maintenance fee; costs incurred due to changes in rules and regulations of the industry or the government policies etc. Renting can be an option for the owner if he or she wants to earn from the ownership or if in case the owner is not available to go on vacation. However, if in this case, the owner wants to rent his or her property, it is very difficult to find a client or buyer for one particular week of the year; even if the client intends to buy such a deal, the process will take some time, and more often the clients reject the proposal because of that precise week is not suitable for their vacation period. Hospitality ownership does not go up in worth usually but loses over half of its value as soon as the purchase takes place. Therefore, it cannot be termed as an excellent financial investment. Some critics also argue that stratified ownership in the hospitality industry is extremely overpriced and hectic as well. Selling out one’s property rights are also very challenging mainly because of time restrictions. Besides, the locality of such resorts and hotels poses a significant threat to the local weather and natural habitats. Hence, the hospitality industry and its stratified ownership should explore sustainable design and construction methods, ingredients, and methods to protect nature.

Stratified ownership can also be made available in the services area where there is ideally no time constraints and preservation fees, etc. For example, transport services, as well as food service, can be made available for multiple owners taking where these shareholders can have access to transportation such as yachts and food around the specific locations at any time of the year during the owner's visit. This should ideally be with no hidden charges or regular fees throughout the year so that the possessors can travel and use these facilities with no time restrictions.

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