Business

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**Introduction**

Stratified ownership is also referred to as timeshare, holiday ownership or vacation ownership. In this kind of purchase, a property such as resorts is owned by multiple owners. In such ownership, all the owner have the right to use that property, but for a specific time, for example, one owner can use the property for one week only. Stratified ownership is common in the vocational industry where people purchase the property so they can use it for a specific time during their vacations. The price depends on the high or low season if the owner chooses to get the right of using the property during high peak season then the price will be high. Units of the property may be vended as a partial proprietorship. The stratified ownership programs are wide-ranging and have been changing with time and developments.

**Discussion**

The advantage of stratified ownership for the business or industry is that it drives much higher occupancy rates since proprietors and exchange participants are consistent clienteles who come on an anticipated basis, reducing the seasonality issue (Brotherton, 2012). Stratified owners also have the facility to use the amenities 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 manage. 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.

In the United States, the demand for vacation and business travel is very high, pushing the market uphill continuously, which is why the United States has remained a key region for Stratified Ownership Market, resulting in increased number of international travelers. In Colombia unlike many other nations in the world, shopping malls are owned by stratified owners due to the shortage of funding for malls and office buildings. Most of the residential buildings, malls and office buildings in Columbia are also owned by several owners rather than wholly owned. This stratified ownership influence the market because of rapid prices increase or decrease.

There are numerous misunderstandings concerning stratified ownerships in the hospitality industry. In simple terms, in this kind of ownership one owns the right to use a luxury setting every year for a specific time. Even though a lot of people desire and admire such ownership but it is also highlighted by financial writers as one of the worst acquisition one could make. 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 vacation and hospitality industry is an enormously lucrative business as each unit of the resort or building can be sold to numerous owners, one for each week of the year. But, the many buyers, unfortunately, are not usually fully satisfied with their membership or either they report scams.With the rapid growth in stratified ownership, scams are also on the rise. Due to the rise of the scams, high prices and fraudulent sales practices, stratified ownership in the leisure industry has gained a bad reputation (Rodwell, Teo, 2000).

**Problems**

There is also a number of problems associated to stratified ownership in the hospitality industry.

**No Flexibility:** 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).

**High**[**fees**](https://www.timesharescam.com/blog/125-timeshare-maintenance-fees/)**:** Owners have to pay regular maintenance fees around the year, plus these fees usually increase considerably every year.

**Hidden fees**: There are always some hidden charges involved in stratified ownership in the hospitality industry such as maintenance fee, etc.

**Renting difficulty**: If in case the owner wants to rent his or her property, it is not easy to find a customer for one specific week of the year; even if a customer is interested still it will take some time to process it and while having one week time only usually is not feasible.

**Depreciation**: Hospitality ownership does not go up in worth usually, but lose over half of its value as soon as the purchase takes place. Therefore, it cannot be termed as a good 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 great 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.

Hospitality industry can also use stratified ownership method in services areas, where there is ideally no time restrictions and maintenance fees, etc. For instance, food service can be used for stratified ownership taking where owners can have access to food in specific locations at any time of the year, with no maintenance or regular fees and hidden charges around the year. In this way, owners can travel and use such facilities at any time of the year.

References

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