

How Does Brexit Affect You, the Timeshare Owner?

Now that the UK has made the choice to leave the EU, how could this affect you as a Timeshare owner? Following The Lisbon Treaty, there is now a 2-year window to work out an exit and negotiation strategy that will decide how Britain will implement EU Directives into British law, and maintain trade and free passage agreements before the exit is finalised. During this period, current legislation remains the same.

Looking at other countries in Europe who are not part of the EU such as Norway, we can learn a lot from how they managed to keep such great relations with the EU, which allowed them to enjoy free trade and the freedom to travel whilst still maintaining their independence. This has stemmed not only from Norway's willingness to implement the EU Directives in their country but also due to the EEA (European Economic Area) which grants Norway access to the EU's internal market, on the same terms as the EU member states. This includes having access to the internal market's four freedoms: the free movement of goods, persons, services and capital. They are also part of the Schengen Agreement and cooperate with the EU on foreign and security policy issues.

So before we adopt our own strategy, what implications could we see from Brexit? The potential effects could be:

- Owners may be exempt from the EU Timeshare Directive and could lose the protection it provides, unless the new Prime Minister Theresa May can secure assurances from the EU regarding protection for UK Timeshare owners.
- The inconsistencies between the UK and the EU on timeshare regulations may provide disincentives for UK citizens considering buying a timeshare in the EU as well as timeshare companies.
- As the budget airline industry has currently been enjoying the benefits of a single internal market, new legislation will likely push the prices of tickets higher, making travel to the EU more expensive. New negotiations could mean less competition within the airline industry, which will push the price flights from the UK to Europe higher. The price of oil is likely to rise, also making for another rise in ticket prices. Not great if you enjoy holidaying with the family to your timeshare every year.
- The drop in the pound is already having a catastrophic effect on many companies trading within Europe, causing a huge loss in profit just from the drop in the value of the British Pound. We expect this will further push the price of maintenance fees up for UK citizens who are already feeling the pinch from rising yearly costs that go up much more than they were warned about when they bought their timeshare. For this reason alone, many timeshare owners are considering whether it's time

to get rid of their timeshare. It has been estimated that the price of a family holiday could rise to be the same as it was back in the 1980's.

- If free travel negotiations are not implemented before the exit, UK citizens may require a visa before travelling to their holiday home, which will probably come at a fee.

EasyJet have already taken a proactive approach and have written to the UK Government and the European Commission to ask them to prioritise the UK remaining part of the single EU aviation market, given its importance to trade and consumers. This means that the airline industry would be unaffected by the changes and could continue to fly freely within Europe and still offer low fares.

Meanwhile, RyanAir, who like other major budget airlines offered a huge sale on flights the day before the referendum, encouraged consumers to take advantage of the sale, as it would be the last one for a long time due to the decision to leave.

It's not all bad though, as we have to take into consideration that Britain is a major player in the economy of many European countries. In this case it is in everybody's best interests to negotiate ways to keep the same level of freedom and trade agreements so that we can continue to thrive and deliver long-term growth.

If you are a Timeshare owner however, now may be the time you want to think about offloading your timeshare while the future is so uncertain.