

A REPRINT FROM . . .

# The Condominium

THE MAGAZINE OF CONDOMINIUM BUSINESS • LIVING • DESIGN



**Fairmont Hot Springs —  
Canada's Largest and Finest  
Timeshare Resort**



# Why Fairmont?

## The Condominium

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**We Look at  
Fairmont  
Hot Springs**

For over two years now, we have been reporting, with increasing regularity, developments throughout the world in the field of Condominium Timesharing.

Condominium Timesharing has developed into a billion dollar industry (based on last year's annual sales in the United States) and every current trend indicates that the development of this emerging industry will continue unabated.

As most of our readers will be aware, the majority of Condominium Timesharing occurs, as the nomenclature implies, within condominiums. In the Province of Ontario, for example, the only two Timeshare resorts currently being marketed — Inducon's Lagoon City and Cranberry Village — are both Condominium projects.

This issue's special feature supplement is a look at the Fairmont Hot Springs resort in British Columbia.

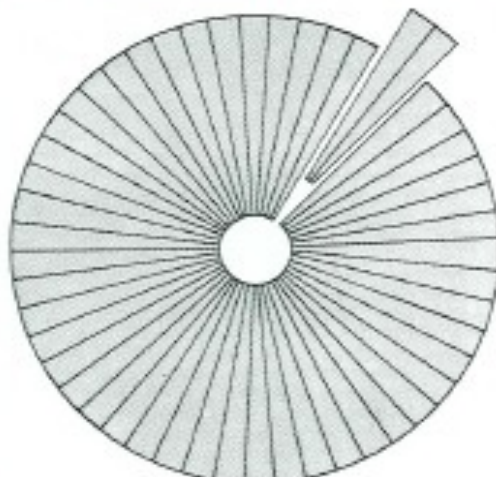
The fact that Fairmont, as a Timeshare project, is not based within a Condominium development, seemed of less importance to us when counterbalanced by the fact that Fairmont is, by far, Canada's most successful Timeshare resort to date. As Fairmont is, in our opinion, the obvious trendsetter, it was chosen as the subject of our first in-depth look at a Canadian Timeshare project.

The feature was prepared by numerous hands, after several enjoyable inspection tours to the project. Before deciding to go with Fairmont, we took an in-depth look at all aspects of the project. We have made every effort to ensure that before our editorial stamp went on Fairmont, we were satisfied that it lived up to its reputation.

All of us at The Condominium are pleased to have worked on the preparation of this feature supplement. We hope the reading is enjoyable and beneficial.

On a final note, our sincere thanks to Don and Carol Seabie, whose congenial hospitality made the preparation of the supplement all the easier.

## What is Timesharing?



Timesharing is now a worldwide phenomenon. Literally, it is an idea whose time has come.

The concept started in Europe more than a decade ago when Europeans found themselves prepaying hotel and resort accommodation in advance in order to secure occupancy in future years. The idea proved popular and eventually it crossed the Atlantic to Florida in 1972 and was introduced to the U.S. market by developers in order to sell condominium units within a then generally depressed Florida real estate market. The idea proved to have a number of unanticipated benefits and it soon spread quickly, as both consumers and developers recognized its advantages.

Consumers began to realize that they did not have to own an actual condominium or other resort lodging to be able to have it available for use when they wanted it. Timesharing became both a solution to getting the most for the vacation dollar and, at the same time, a way of helping to make vacations inflation-proof into future years. As an additional benefit, consumers realized that each Timeshare week purchased represented an investment — a unit week had value and was as much an asset as it was a vacation commodity for the owner's use.

In 1974, the first of two international exchange organizations was created providing Timeshare owners with an opportunity to exchange their Timeshare interval between resorts and between owners. The enormous appeal of the exchange program provided a major impetus to the Timeshare idea and is, perhaps, most responsible for spreading the concept with great speed around the world.

Annual sales of Timeshare intervals in the United States, estimated at some \$25 million in 1975, soared to nearly \$800 million in 1979, and over \$1 Billion in 1980.

Resort Timesharing is a relatively new concept in Canada, but already there are exciting resort locations in nearly every Province, from British Columbia and Alberta, through Ontario and Quebec to Nova Scotia, and many more developments are underway.

### TYPES OF TIMESHARING

Timesharing falls into two broad categories:

- **Fee Simple Ownership** — where you own your week, just like your house and any other real estate. You

Timesharing allows families to have a vacation home while only paying a fraction of the costs.

can own it forever, you can sell it, rent it, gift it or leave it in your will to your children.

- **Right to Use** — which represents ownership for a specific period of time, usually anywhere from 15 to 50 years. This is much like owning a lease. These weeks, too, can be sold, gifted or willed subject only to the parameters of the length of time of the interval week.

In North America, both types of Timesharing ownership are equally accepted. Each offers perceived advantages to the purchaser. Each type of program is usually most suitable to the type of resort in which it is used.

### TIMESHARING — FINANCIALLY SPEAKING

Regardless of the type of Timeshare week available (fee simple or right to use), all Timeshare ownership has a number of common financial obligations and similarities:

1. Timeshare weeks are all priced differently. You pay more for a week in high season than you do for a week in low season. A high season week in one resort may be far more or far less expensive than a high season week in another.
2. Every Timeshare owner is obligated to pay a maintenance fee. The concept of paying a maintenance fee will be very familiar to those who understand condominium ownership. All of the expenses associated with running a resort — utilities, insurance, grounds-keeping, building maintenance, cleaning staff, etc. — are divided between all of the unit week owners, generally on an equal basis. Each owner is obligated to pay her or his share of the maintenance. In 1980, the average maintenance fee was calculated at approximately \$135 per week.
3. Usually the purchaser of a Timeshare week will pay cash for the week bought. Financing is often available. Down payments on Timeshare projects generally require about 25% of the purchase price and, if the purchase is to be financed, it is usually to be paid over five years.

### TIME PERIOD

There are several ways of allotting the weeks of the year to the Timesharer for his vacation. The most frequent ways are:

1. **Fixed Time:** Where you buy a specific time period which recurs every year. With fixed time the Timesharer would probably pay a premium to secure a time period in the peak holiday time. Others who prefer to vacation in the low season would generally pay less. With fixed time, you are guaranteed this time every year without the need to make a reservation.
2. **Floating Time:** Allows the use of a given number of weeks each year. The actual dates are determined by a reservation system of one form or another. With floating time, all Timesharers may purchase a similar cost and must make application each year to reserve their vacation time.

If your time period is not convenient in any year, there is generally an arrangement which facilitates swapping with other members to more suitable time periods.



Timeshare Barbados...



Hawaii...



Florida.



# The Value of Vacations

Living in the increasingly competitive world of today has its effect on everyone — and escalating inflation is an additional burden that concerns every thinking person.

The value of taking regular family holidays is enormous. A holiday provides the essential change from routine that everybody needs, and an opportunity to relax in different surroundings and enjoy new experiences and cultures.

Many families had to give up holidaying at the better hotels, where the amenities may be superb, but the expense, in recent years, has become prohibitive.

Instead, they have turned to self-catering accommodation,

where costs can be kept down, but where standards and quality often vary considerably.

Even in self-catering holiday homes, the cost of finding an ideal location — particularly with a family — increases relentlessly every year, ahead even of the rise in the cost of living.

Of course, one way of living with inflation is to own a holiday home — and to benefit from the increase in value, as inflation spirals. But there are few who can afford present property prices — or the upkeep and maintenance costs, and the practical problems of whole ownership.

But now there is an alternative: you can afford the benefits of owning property — including the right to resell — without worrying about management or security when you are not there.

This is possible through timesharing, which allows many more families who thought that they would never be able to afford a holiday home to become timeshare owners.

## Beat Vacation Inflation

In Canada though the total inflation rate in 1980 was only slightly over 12%, luxury resort accommodation, has risen at over 17%. During the past seven years vacation accommodations over the world have been increasing at an alarming 15-24% and more per year.

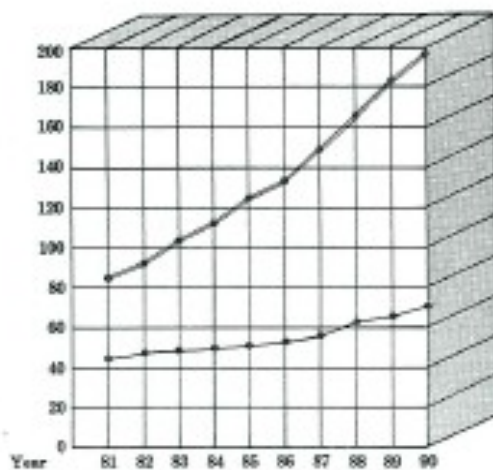
If we can assume a leveling off to a more controlled rate of 10% per annum, for the sake of projection, the chart below illustrates the effect.

Using 1981 as a base year, and a rate of \$85.00 per day, increasing at 10% per annum, the rental rate in 1990 (after only nine years) the renter would be paying about \$200.00 per day—better than double 1980 prices.

By purchasing a Timeshare unit at only \$7,000 for a 40 year lease, the daily base rate never varies from \$25.00 per day—regardless of what inflation does to other costs. The maintenance charge however is subject to inflation. With a 1981 rate of about \$19.00 per day, escalating at 10% for nine years, in 1990 the rate will be \$45.00. Adding the base of \$25.00 to the maintenance of \$45.00, for a total of \$70.00 a Timeshare owner will be saving approximately \$130.00 per day over the renter.

The longer a family owns the Timeshare the greater the savings become. It staggers the imagination to think about the savings over the 40 year lease period.

Timeshare owner Doug Mitchell states that "Buying a timeshare gives me the opportunity to make a small family acquisition that I can afford which will provide my family vacations for a life time. I often think back at the many opportunities to buy real estate I passed up waiting for prices to go down. Now because of inflation we cannot afford the real estate we've passed up but we know that having a luxury holiday home will always be available to our family to use. Thanks to Timeshare at Fairmont."



Luxury Accommodation Rental Cost ———  
Timeshare Cost including Maintenance - - - - -



Vacations are valuable to almost everyone, whether for rest and relaxation or for adventure. For skiers, a vacation's value lies in the excitement of the slopes. Fairmont Hot Springs offers these runs to vacationers. The slopes are well-groomed, and snow-making equipment keeps them in top shape all season.

## Fairmont Selected to Represent Canada in World's Fair

Fairmont has been selected as the only Resort to represent Canada in the World's Fair to be held in Knoxville, Tennessee, May through October, 1982. World Fair promoters said they selected Fairmont because of the high standard of planning, development and operation of the largest family owned and operated Resort — designed for family enjoyment — in Canada.

Fairmont spent several years and over \$100,000 to develop a master Conceptual Development Plan to map out the next twenty-five years of progress at Fairmont. Expert planners, engineers, biologists, agronomists, architects and others worked in close harmony with the Wilder family to produce the master plan, which is considered by many to be one of the finest total Resort plans. Copies have been requested by government agencies across Canada and Europe.

The World Fair has set aside a large pavilion to feature Vacations of the Future. Because of the tremendous growth and contribution to the economy of Timesharing, a large portion of the display will feature some of the top Time Share resorts of North America.

Congratulations to Fairmont for being selected to represent the Canadian Resort industry."

## Fairmont Game Reserve

Though Fairmont Hot Springs Resort is located in some of North America's greatest big game hunting territory, Fairmont's several thousand acres have been established as a Game Reserve.

Guests who can pull themselves away from the hot pools, ski hill or golf course can hike, ride horseback, or drive around the property and observe mother nature's beautiful creations, both flora and fauna.

While recently touring guests, Mr. Seale demonstrated how a careful development plan and a love of the land can enhance the wildlife population rather than disturb it. On this two-hour drive — all on Fairmont land, Mr. Seale showed his guests 19 big horn sheep, including six big rams with trophy curls, some thirty elk, several deer grazing on lawns of homes along the golf course, osprey, eagles, herons and many other species of animals. All of these were viewed within 100 yards without disturbing the animals.

The Fairmont golf course provides a secure grazing area for some 200 elk throughout the winter. Fairmont's restrictions on fences and loose dogs makes the whole area a true reserve for wildlife.

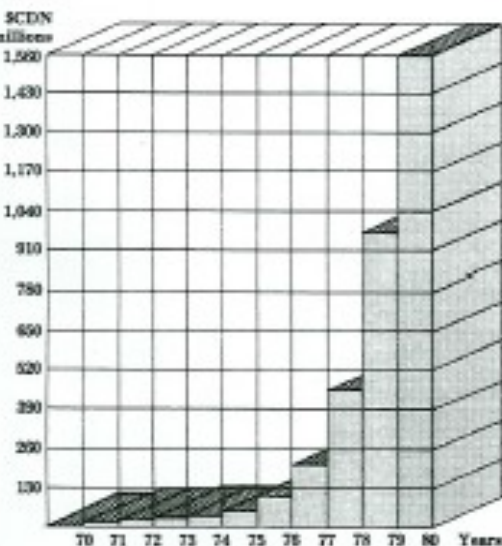
## A Look At Timeshare As An Investment

In general, Timeshare Resorts do not consider timeshare as an investment in the sense of buying and selling stocks, securities, gold, real estate, etc. However, it can be easily established that in terms of the family's vacation future it can be a tremendous investment. The following example was given as a common misunderstanding cited by many bankers and inexperienced investors. If you invest your \$8,000 at 12% interest, you will receive \$960 interest to spend on your holiday, and you still will have your \$8000 cash.

This suggests that this would be wiser than spending your money on a 40-year prepaid vacation lease. This argument fails to recognize that although you may receive \$960 in interest, the Crown and the Province are going to tax you on that at some rate, according to your income level, between 50 and 60%. Therefore you may in fact only receive between \$480 and \$600 to spend. In addition, inflation at the rate achieved this year, which was approximately 12%, has decreased the spending power of your \$8000 by \$960 (which the Crown does not allow you to write off), therefore your loss in fact is the full amount of the taxes that you paid, and you will have had no vacation.

On the other hand, when you invest \$8000 in a 40-year vacation lease, you provide your family with assured holidays at only \$200 per week, plus the maintenance charge of \$150. This same unit, at today's rental rate at Fairmont is \$115 per day, or \$805 per week. Therefore your immediate savings are \$455. If the inflation rate could be held down to 8%, we know that in 10 years the rental value of your unit will double, therefore the value of your lease will be \$1610 per week, yet your cost will still be only the \$200 for the leased week, plus your maintenance fee (which will also have doubled) of approximately \$300. Therefore your savings in the 10th year of your lease will be \$1110 for every week that you own. With continuing inflation, your lease becomes more and more valuable as time goes on, because you are hedging your family's vacation future against inflation.

Timeshare Purchases World Wide





# Fairmont — A Resort with an Interesting and an Exciting Future



The Fairmont Property was developed as early as 1900 as a ranch, and is now Canada's largest and most complete timeshare resort. It boasts an activity for everyone. The excitement of the hot spring pools and serenity of the Rocky Mountains. Avid golfers can tee off right outside their doors.

BY  
Hilary Clark

Fairmont Hot Springs combines the adventure of skiing, horseback riding, and helicopter tours with the placid serenity of the Rocky Mountains and the famous odourless and crystal clear Hot Springs Pools.

It has been a well-respected spa since its exciting hot mineral pools were first discovered by Canada's native people before recorded history. It is shared today by many people of varied backgrounds.

Fairmont Hot Springs Resort began providing its comforts to weary travelers early in the nineteenth century. The original bath house and stage coach stop still remain for the enjoyment of all of us with an interest in history.



Whether Helicopter tours or heliskiing ventures are the order of the day, Fairmont's copter pilot, Gilles Levesque is ready to provide a birds-eye view of the Fairmont Property.

Also preserved is the Geary house, one of the first settlers in the area. Along the bank of the Columbia River lies the remains of the last paddle wheeler steam boat piloted by Captain Armstrong before the turn of the century. This cumbersome boat, often 100 feet in length, drafting only eight to ten inches ferried prospectors, trappers and other pioneers up the winding Columbia before roads existed.

Lloyd Wilder purchased the resort lands in 1957 and commenced building the resort as it is known today. As adjacent lands became available they were acquired for the protection of the area.

## Set on Lower Slopes of Rockies

Over the years from the enviable basic ingredients of hot mineral springs, The Rocky Mountains, fishing rivers, riding trails, and unforgettable views, Lloyd Wilder developed Fairmont Hot Springs as a luxury resort. It caters to any vacationer weary of the commonplace, ready to enjoy the unusual in juxtaposition with the incredible!

Fairmont rests in the Rocky Mountain trench, shielded by the Fairmont Range, looking across the headwaters of the Columbia river to the mystical Purcells.

After an hour's drive from air connections at Cranbrook through an unspoiled countryside flush with many varieties of wildlife, the Hoodoos loom above the highway like the ribs of the legendary Indian fish they purportedly represent.

The village of Fairmont Hot Springs itself comes as a hospitable respite from the highway, set back as it is on the lower slopes of the Rocky Mountains.

The mineral springs have been contained in four cut-

door and one indoor pool. Water temperature is cooled down from its scalding natural state to a beneficial 42 degrees Celsius. It circulates through the pools at the volume of 2000 cubic meters daily. As Mrs. Joan Denhamer confessed, "... it's the best cure for the amateur skier's aches and pulled muscles I've come across. I almost like it better than skiing!"

The ski hill, managed by Lloyd Wilder's son, Gordon, has a vertical drop of 300 metres. "We have a facility here which is ideal for the beginning and intermediate skier, and unlike many mountains, we are able to secure excellent snow conditions nightly with our snow-making machinery." There are two lifts, two, night skiing, a lodge and pro-shop. A popular place on the hill is the kiddies' corral, an outdoor snow playground which is fenced like a corral, and contains swings, climbing structures and lots of snow. Here children can play happily protected from speeding skiers and in full view of the lodge personnel.

## Golf and Ski the Same Day

For visitors to Fairmont in the late fall and early spring, it is possible to golf and ski on the same day! An 18 hole golf course wraps itself across the lower edge of the village, presenting a par 72 course to challenge the recreational golfer. This course is always ready for play early in the season as the frost is coaxed out of the ground by warm water sprinklers. Hang-gliders overhead are a distracting novelty of this course! And cross-country skiers skirt its park-like greens during the time they are hidden by snow.



# Past,



ing and horseback riding combined with the quiet relaxation

A working ranch is still part of the interest of Fairmont. Lloyd Wilder has never allowed his original start on the property to be eliminated by modern recreational amenities. He prides himself on his prize winning herd of Charolais cattle, managed by long-time Alberta rancher, Slim Livingston. Gordon Wilder has added two lambs, some peacocks, and some opinionated wild turkeys. Bantam chickens and a flock of white ducks add colour and voice to the early morning scene.

The Fairmont Hot Springs Hotel enjoys an international



Every last detail is taken care of by members of the family. Here, Don Seabie checks the construction quality of a villa that is in its early stages. At Fairmont Hot Springs, there is no skimping allowed.

reputation, based on its friendliness, comfort, and the excellence of its cuisine. The dining room is inviting and looks out on the hotel's private hot pool. Many distinguished guests have dined at the Fairmont, but the staff isn't even informed. Jenny Weir, hostess, and former professor of nursing, states firmly, "Fairmont's the kind of place that treats everybody as an individual, and everybody gets the best service from my staff."

## Fairmont is A Family Affair

The running of this recreational complex involves virtually all of Lloyd Wilder's family. The family feeling also extends to the personnel and spills over with warmth and friendship to the guests. Brother-in-law, Bernard Gordon, manages the hotel. The pools, gift shops, restaurant, and entertainment all fall within his caring control. Only the convention area is left out to be dealt with by Lloyd's brother, Ray.

"We book conventions four to six years in advance," he comments, "and handle two to three hundred people at a time." Many options are open to convention planners with flexible facilities at their disposal and a healthy alternative to meetings planned for convention spouses.

For the adventurous, a helicopter service is available. Gilles Levesque will pilot intrepid fishermen into untouched lakes, make scenic jaunts to Banff, Lake Louise, and "I'll even return you down the Valley to the airport at Cranbrook," if speed and beauty appeals to the visitor.

If slower forms of transportation are preferred, horses are groomed for once-a-year riders, and outings arranged along the banks of the Columbia. For even the slower there are many attractive hiking trails for day or overnight trips. For the absolutely stationary, birdwatching is a fascinating way to spend a beautiful summer afternoon, as there are many varieties of birdlife in the valley. Among the birds to be seen are bald eagles, blue heron, ospreys and migrating swans and geese.

Enjoying all these recreational facilities is traditionally done by booking a week in the hotel or campsite, or driving by and hoping for a vacant room. But for those people who fall in love with the area, another vacation approach is possible: time-sharing. Time-sharing is a method by which people can buy a share in a home without having to buy the entire property. 52 weeks of the year. As Don Seabie, director of Fairmont Hot Springs Villas and president of the Vacation International Properties Management Ltd., the marketing organization for Fairmont, states,

"Vacation homes at most 'world class' luxury four season resorts today range well above \$100,000. (For example to buy a vacation home unfurnished at Fairmont would cost approximately \$150,000.)

"Not many of us can afford to finance a \$100,000 vacation home or condominium on an average family budget. Interest costs alone, at 14%, would be \$14,000.00, the taxes will approach \$1500, plus insurance charges of \$500 per year, for a total of \$16,000, and we haven't even discussed the maintenance and utility costs - and these costs are whether or not you are using your holiday home. Statistics show that Canadians use their second homes only 17 days or (2 1/2 weeks) per year!

## Costs Half as Much as Rental

"Time-sharing of luxury accommodations provides higher quality of accommodation whereby each time-share owner purchases and pays for the actual time period which he can use. That is, for every week he purchases, the time-share owner only pays 2% of the annual charges for interest, taxes and maintenance, because other time-share owners are also picking up the same 2% for each week they own. The average maintenance charge at Fairmont for a luxurious two-bedroom unit, with fireplace, dishwasher, compact, microwave oven, ice-making refrigerator, and the other first class amenities in the Villas, is approximately \$150.00 per week owned, per year. This includes maintenance of the interior, and exterior of the building, replacement of furnishings, care of lawns, snow removal, garbage collection, water, sewer, maid services, etc. Only by dividing these costs among so many owners, can they be kept at such a low level for each owner.

"The \$16,000 annual charge mentioned above for interest, taxes and insurance on a vacation home, will buy two weeks of prime timeshare for 40 years, with only the small annual maintenance fee in addition. This purchase locks in the timeshare owner's holiday costs at less than 50% of today's lodge rates for the duration of his lease ownership, and it is for this reason that time sharing is becoming so very popular with Canadians."

Vacation time-sharing has already been successfully tried in Europe. Development of time-sharing in Canada has the added advantage of a ready group of foreign vacation homes being available to the investor in a Canadian plan, on an exchange basis all over the world. Don and Carol See-

bie (formerly Wilder) work as a team to develop the time-sharing aspect of the Fairmont Hot Springs complex. Both serve on the Resort Time-Sharing Council of Canada which is working toward government legislation in the field of shared vacation homes. Both are strong promoters of consumer protection. "We believe without exception that if you protect your consumer you protect your industry." The Seabies also consult across the U.S. and Canada for other time share resorts and programmes.

The Villas at Fairmont are an attractive proposition. Not only from the point of view of vacation saving and stability, but also because of their beauty and siting are these homes a luxury investment.

Situated on the golf course, the villas are grouped like modern sculpture. They are stained to enhance the warm cedar plankings. All roofs are heavy cedar shakes. Windows frame unforgettable views of water, mountain and sky. The parking areas lead easily into each entrance-way without detracting from the woodland setting. Because of limited juxtaposition of each floor plan, there are few common walls. Insulation is well above required standard thickness, retaining warmth in winter and coolness in summer. Neighbour-noises are reduced to nothing.

The interiors are finished in fall colours. Natural stone faces the fireplace, beige linen-look vinyl covers the walls and deep carpeting in browns and rusts adds comfort and elegance.

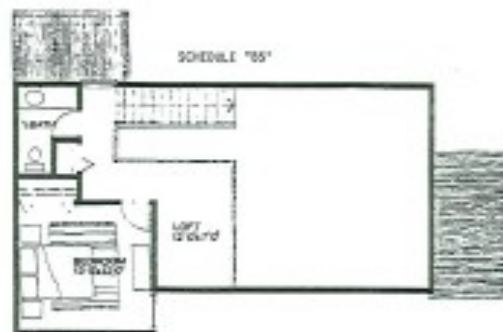
## "A Suitcase and a Smile."

The furniture is solid fruit wood which blends with the earth tones of fabric and accessories. Original water colours, antique aquatints, and modern silk screen prints decorate the walls.

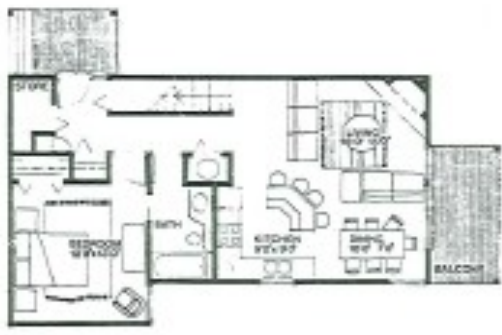
Kitchens have wheat coloured appliances. A washer and dryer are stacked in an entrance hall cupboard. One and a half bedrooms in golds and neutrals add to family convenience. All details are remembered: attractive table wear, stainless steel cookware, outdoor barbeque, even paper towels and detergent. As Joan Denham advises, "All you need to bring is a suitcase and a smile."

Time sharing is being used by Canadians today, as well as for its holiday function, as an investment, and as a bonus by companies for its employees to use.

The Fairmont idea of Lloyd Wilder's has developed on a family base for the enjoyment of all vacationers. The family commitment to the beauty of the site and their preservation of it for future generations is one of the ideals which makes Fairmont work now, and guarantees its future years safe in the continuity of this heritage. Time-sharing is a process which will ensure that the investor vacationer will also be part of that beauty and that future for the better part of his and his family's lifetime.



Second



Main

"FAIRMONT"  
2 BEDROOMS & LOFT 1187sqft





A second sports complex will be added at Fairmont for the exclusive use of the timeshare owners.



The Club house and golf course at Fairmont — A golfer's paradise.

## Sports Complex On Drawing Board

Fairmont Hot Springs Resort is announcing its plans to develop a Sports Complex in the centre of the timeshare Villa Community.

This complex will include racquet-ball courts, tennis courts, indoor swimming pool, sauna baths, jacuzzi baths, exercise room, games room, lounge and library for relaxation, as well as some health-food type vending machines.

This facility will be for the exclusive use of owners of Villas and homes located on Fairmont property.

The expected cost will be \$750,000, and plans are now being reviewed, and construction is expected to commence in the Spring of 1983.

Villa owners will, in the meantime, have the use of the facilities of the Fairmont Hot Springs Resort.

## Exchange Organizations: The Big Bonus

International Exchange Organizations give you the opportunity to exchange your vacation from resort to resort, year to year. You may even alter your fixed time periods for vacation within Canada and around the world. Most Timesharing resorts are members of an International Resort Timesharing Exchange organization of which there are two: Resort Condominiums International or Interval International. These exchange organizations have a rapidly growing membership now totalling nearly 300,000 members worldwide, participating in more than 800 timeshare resorts in some 28 countries where they facilitate accommodation exchanges between their member resorts.

It's a bit like putting money in the bank! An owner of a time period places his time into a bank of time periods made up of all the time periods offered by all the individual members of the exchange organization.

Each individual member has the right to use the same amount of time as he has deposited — say choosing Florida this year, the Caribbean next year, and the Riviera the year after, subject only to availability. He may nominate his new time period/new location when he places the time period of his home resort in the system.



Do not be misled, however, into thinking that you have found a way to "buy low and trade high". You should buy at the resort and during the season which most suits your recreational needs since exchange programs cannot guarantee that any specific exchange can be made year after year. Availability changes constantly. You will be most successful in your trades if you are trading similar accommodations at similar times.

## Interval International Looks North

Interval International, one of the two major world-wide exchange networks, is taking an increasingly close look at Canada as a Timeshare destination.

"Traditionally, the demand for resorts has centred on such 'sand and surf' destinations as Florida, Mexico and the Caribbean, and as a result, the majority of our 225 member resorts are concentrated in these spots," says Ray Knight, Director of Resort Membership of Interval.

However, the formation of the Resort Timeshare Council of Canada and the considerable interest shown by Canadian developers in be-

coming involved with Timeshare projects, has led the exchange organization to take a new look at Canadian developments across the country.

"Interval sees Canada as satisfying the growing market demand for winter skiing destinations," continues Mr. Knight. "It is important to recognize, however, that three- or four-season amenities and activities projects such as Fairmont Hot Springs make the project suitable for exchange purposes."

It is not surprising that Timesharing is beginning to take off in Canada.

## Lease vs Fee Simple Documentation

A specific lease given for a specific time period of a specific unit is by far the most simple form of transaction. It generally contains the full agreement in one form which is executed by the purchaser and seller and forwarded to the Trust company for review and filing. The legal interest in a lease is filed in a similar manner as a deed is filed in the land titles office. Fairmont uses Canada Trust for this purpose. A lease is protected in this manner against a double sale, proof of ownership, any mortgage is recorded on the lease for the protection of lenders and purchasers of timeshare from previous owners. If an owner elects to re-sell his lease, the transaction simply requires that he simply signs a release directly on his lease certificate relinquishing his rights and responsibilities and the purchaser signs below on the same document accepting the rights and responsibilities. The certificate is then sent to Canada Trust for re-filing in the new owner's name. There is no charge for this service and no expensive legal fees or filing fees exist.

Fee simple however normally involves a similar process involving attorneys, title searches and various legal and filing fees at the time of purchase and again on every resale.

### BOTH FORMS ARE MORTGAGEABLE

Canada Trust, The Royal Bank, The Imperial Bank of Commerce and other banks have recognized the value of Timesharing as financially strong well run resorts and accept the lease as sole collateral when a time purchase plan is desired. Other banks have also been taking the leases as collateral on personal loans recognizing the value of the asset. The general requirement is for 15%-25% down payment on the purchase price with terms up to 10 years.

### DEVELOPER COMMITMENT

The success of any project depends very highly on the commitment of the developer. On fee simple projects once the time share units are sold out the developer often has no further interest in the project and moves on to others. There is no real incentive to monitor the details of construction, maintenance and quality facilities that will provide a lifetime of economic service.

The developer of a lease type project realizes that at the end of the term he regains the use of the facilities, therefore he will generally insure absolutely top quality durable construction to ensure that there is still value to enjoy. Furthermore he will monitor and assist the maintenance of the timeshare units for the same reasons. He will always be responsible and available if any problems do arise. A very important consideration for any purchaser.

### AFTER 40 YEARS WHAT?

All buildings have a life span. At some point they will have limited if any value. Depending on the construction techniques and materials this can range from 30 to 60 years more or less.

In a lease arrangement a purchaser recognizes that the price must give a fair number of years of use and at the end of the lease his commitment and obligations end just as when we rent an office, hire a car or ride a plane. The purchaser hires the use of the item or service; then after he receives the benefit someone else takes the responsibility for the future of it.

On fee simple an owner does in fact own approximately 2% of a unit for every week purchased; however he can not do anything with that without the consensus of approximately 50 other owners for every unit. Imagine the problems of trying to locate the other owners after thirty, forty or fifty years. Some will have moved, died, had their deed tied up in litigation—either divorce, suits to settle,

debts etc. The legal expense of trying to protect this 2% interest and the time and frustration involved could far outweigh the value of any return.

Because one cannot predict that far in advance a purchaser must insure that the value of the purchase will be returned in enjoyment in his lifetime.

### CONSUMER PROTECTION

For the permanent protection of all purchasers against any possible financial loss on the Timeshare project, Fairmont Hot Springs Resort has turned over the title to the lands the Villas are constructed to Canada Trust free and clear of all encumbrances for the duration of all of the leases. All of the construction has been done out of Fairmont's operating capital and is certified as being debt free.

Fairmont insures the Villas against any and all damages. In addition, it has set up an emergency reserve of \$50,000 which is held in Trust for any damages or losses so that repairs or replacements if required can be made immediately without waiting for an insurance claim—the goal here being to ensure a first class Villa ready at all times for owners to use.

## Timeshare Ownership For Business

Timeshare ownership is rapidly growing as an important employee benefit for corporations, large and small. With a small investment, businesses can provide their employees with accommodations which can be used as an employee incentive, or for entertaining clients, for housing executives for Board meetings at choice resort locations, and also for rental revenue. The corporation has the advantage in that by using the resort accommodations for business purposes, they can capitalize their expense and depreciate it, and in addition, any interest charges incurred in financing the acquisition is tax deductible, as are the maintenance fees and other related costs.

Some corporations have been buying blocks of units for the same week, to provide guaranteed accommodation for their top executive and/or marketing personnel or other designated groups, so that a conference or seminar can be held away from the work site. These conferences are found to be extremely relaxing and productive, both from a business production as well as the change of pace standpoint. By buying timeshare, the corporation benefits in that the high costs of future accommodations will be sheltered in the future.

## 'Low Key Marketing' At Fairmont

"Time-sharing in some centres has received a bad name because of poor marketing techniques," states Don Seable, president of Vacation International Properties Management Ltd. "Many people are put off by high pressure sales in Hawaii and Florida, but are eventually very pleased with their investment."

Fairmont demonstrates a low key approach to marketing which is epitomized by a 30 day money back guarantee. Seable comments, "We believe in our product just as much as does Eaton's and other high integrity marketing firms."

"Fortunately, in Canada, we have benefited from mistakes in the U.S., and we are legislating to avoid those pitfalls."



# The Resort Timeshare Council of Canada



**RTCC**

The Resort Timesharing Council of Canada is the self regulatory body of the industry in Canada and is composed of and supported by the majority of responsible Canadian Resort Timesharing Developers, Marketing Agencies, Professional and Consulting Firms. It provides an authoritative voice for the Timesharing industry, setting standards of ethics and conduct and encouraging the organized and orderly development of the industry.

After you have properly shopped for the Resort and Timeshare that best fits

your desire and pocketbook, you should find out if the company from which you are considering your purchase is a member of RTCC.

While membership in RTCC does not guarantee the value of a purchase, it does signify that the member company has obligated itself to the high standards set by RTCC and has promised to abide by a strict Code of Ethics. This is for your protection.



Allan Ross President, The Resort Timeshare Council of Canada.



Construction of the Timeshare Villas at Fairmont commenced in 1979 when Lloyd Wilder decided it was time for timesharing in Canada.

## First Fairmont Homestead in 1887

The first white man to settle in the Fairmont area (which was then called Radium Hot Springs) was George Geary, who homesteaded in 1887. After just one year, Geary transferred the property to Sam Brewer, who operated a rest place at Fairmont for stage coaches running through the Valley. Brewer owned the property until the early 1900's, when it was purchased by W.H. Holland, an English Manufacturer, who was captured by the beauty of Fairmont and the abundance of hot mineral spring water.

The Holland family operated the property as a ranch and resort, until 1956, when it was purchased by Lloyd and Earl Wilder, who had long been fascinated by the area. Lloyd and Earl had come to the Valley from Saskatchewan in the late 1940's, and operated a logging business and later sawmills and planers. Soon after the purchase from Holland, Lloyd and Earl sold their other business and started developing the Resort by adding a 20-unit motel building, and renovating the existing pools. In 1965, Lloyd purchased Earl's interest, and became the sole owner. He then began the major expansion of the facilities which today welcome visitors from all parts of the world.

The first facility to be added was a 9-hole golf course, opened in 1966. Then in 1968 the first phase of the existing Fairmont Lodge was completed. In 1969 the Ski Hill was opened, and in this year also the pool area was again renovated and enlarged, to provide the tri-pool complex of 10,000 square feet of pool area. In 1972 another 9 holes were added to the golf course, to make it the most attractive and challenging course in the East Kootenay area. 1972 also saw the completion of the second phase of the lodge building, which now comprised 130 rooms (in addition to the motel and cottage accommodations at the Resort), with new dining room, enlarged kitchen and cocktail lounge facilities, coffee shop, the addition of convention facilities, gift shops, and other guest amenities. The Snack Bar serving the pool area was renovated and enlarged, the camp ground expanded to accommodate 140 trailers with full hook-ups. Other major expansion works undertaken in the last 18 months have been the re-designing of the ski area, the addition of new runs, the installation of a triple chair and platter lift, night skiing and snow making equipment and the building of a luxurious cedar day lodge at the ski hill, at the cost of approx. \$2. million.

In 1972 he was invited by the Federal Department of Industry, Trade & Commerce, to become one of the two B.C. members of the Tourism Advisory Council, whose invitation he accepted. In 1977 the Resort was awarded a "Park & Tilford" trophy, in the Commercial Development category, for natural beautification of the area.

Other development during the years has included two subdivisional areas at Fairmont, now completely sold, and a third subdivisional area, almost ready to be offered for sale. In 1979, the building of the Fairmont Vacation Villas was commenced — luxurious Villas, situated in the centre of the golf course, and available for purchase on a time-sharing basis. Lloyd Wilder pioneered this time share concept in Canada with the development of the Fairmont Villas, and it is proving to be very popular as it makes it possible for a visitor to the area to own his own Villa for as many

Two of Fairmont's distinguished guests.



Rt. Hon. John Diefenbaker



Sir Roland Michener

weeks in a year as he may want, at the time he chooses, and at the same time gives him an exchange privilege with other similar resorts throughout the world.

Many distinguished guests have visited Fairmont throughout the years that Lloyd Wilder has been at the helm, enjoying the facilities of the Resort. These include The Right Honourable and Mrs. John Diefenbaker, well known as a former Prime Minister of Canada and leader of the Opposition in Canada for many years, Sir Roland and Lady Michener when he was Governor-General of Canada, the Honourable W.A.C. Bennett, then Premier of British Columbia, and most recently, the Right Honourable Edward Schreyer, the present Governor-General, who stayed at the Resort with his family for several days in August, enjoying the full relaxation of golfing, and swimming in the mineral water pools. Another guest of note has been the 'Johnny Carson' of Japanese T.V., the top-rated Kay Ohashi, who visited the Resort to film and tape for his very popular T.V. talk show.



The Resort area was purchased by Lloyd Wilder in 1956, a man who is still fascinated by the area.



Skiers get off the lift to pursue the challenge of the Fairmont slopes.



Even under a blanket of snow the Fairmont Villas are warm and cozy.





For a copy of Resort Timesharing Council of Canada Consumer Guide and more information on Fairmont Hot Springs, please contact:

Detach here and mail.

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Att: Mr. Don Sesbie  
(604) 345-6321

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