

Where Seasoned Homebuyers Are Heading

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LOS ANGELES—Seasoned homebuyers are fueling the market for vacation homes, says Greg Spencer of Timbers Resorts in this EXCLUSIVE interview.



Greg Spencer is the CEO of Timbers Resorts.

LOS ANGELES—While we often hear that the home buying market is dead, there is a segment of buyers that are working on purchasing second and third homes, and beyond. This seasoned buyer pool is fueling the market for vacation homes, a niche

segment of real estate that combines hospitality and personalized living. To find out more about this niche, the demand from seasoned homebuyers today and how this niche market has evolved since the recession, we sat down with **Greg Spencer**, CEO of **Timbers Resorts**, a brand of private vacation residences, for an exclusive interview.

GlobeSt.com: What is demand like from buyers purchasing their third to fifth home?

Greg Spencer: We have witnessed this demand since 2001, and even during the credit crisis. Our demand took a break for the first half of 2009, but had returned by the end of the year. We feel that this demand is a little more consistent because of the other key trait of our owners. Our Owner pool has a 99% “children” rate, so even during the downturn we found that these families, whether they be grandparents or parents, would only put their vacation experiences on hold for so long. That is why we focus on the multi-generational traveler and buyer as opposed to dual-income no kids focus. As far as buyer trends, we have witnessed a very strong demand for both beach locations and for urban locations where there is an alternative to the proverbial hotel room. Our two most recent projects are beachfront locations, on Kauai and Kiawah Island respectively.

GlobeSt.com: Have you seen any specific buyer trends worth noting at your properties across the US?

Spencer: Timbers Resorts is a little unique in that our buyer’s average ownership is 2.52 homes before they buy with us. Furthermore, we offer a private residence club fractional ownership model, which lends itself well to folks that already may have a second or a third home. As anyone that owns a second home understands, unless you can use it for a significant stretch, it is a lot of work to say de-mothball a house for a single week’s stay.

GlobeSt.com: How has the seasoned home buying market evolved since the last recession?

Spencer: Before the credit crisis, there were a lot of “successful” developers that could basically assemble a third party team, drop some pretty renderings in the Journal, get a couple of thousand leads, and get a great conversion rate to sell out their projects. While the market was going strong and capital was cheap (for consumers and

developers), it was really hard not to be successful. A lot of these folks had really no formal training in real estate and were able to make “B” markets or locations work. The credit crisis and resulting lack of real credit in the hospitality sector has blown out any of the pretenders so to speak and just crushed any valuations for resort projects in non “A” markets.

You also had really major hospitality brands that overnight abandoned entire segments of business, whether they had thousands of customers or not, and everyone try to go to an asset light model. Sounds really good on paper but how do assets get built when no one wants to pay for the assets and everyone wants to eat (fee) the assets right from completion? All of this has really “seasoned” the home buying market and we have found consumers that do not know us have their armor and guard up on looking at any real estate. They want to know why we think we are going to be successful, confirm that we are in it for the long haul, and want to see buildings versus buying off of a plan.

GlobeSt.com: What are customers in this market looking for?

Spencer: We have a saying at Timbers, from our Founder/Chairman David Burden, of “chin up and nose down”. We practice this every single day. We only develop in A markets and at A locations because we know there will always be a consumer willing to pay for the right market and location. We also check our egos on trying to put our personal stamp on our developments. We put ourselves in the shoes of our consumers, and ask: What are they looking for? How do they want to live? How will they experience a location? By developing product that is authentic to the place, providing services focused on approachable luxury, and with authentic programming, we feel that we are meeting where the market is not only today, but where it will always be in our opinion for our end of the market.