

State of the Vacation Timeshare Industry

2022

UNITED STATES STUDY



2022 EDITION
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The *State of the Vacation Timeshare Industry: United States Study 2022* edition provides an overview of important summary information on the U.S. timeshare industry for the year 2021.

Results contained in this report are primarily sourced from a survey of timeshare resorts, developers, and management companies. The ARDA International Foundation (AIF) commissioned this survey and Ernst & Young LLP (EY) conducted the survey on its behalf. EY also reviewed current and previous AIF research to conduct this analysis. The study focuses on timeshare resorts that sell and maintain interval and points-based vacation lodging products. It excludes fractional resorts and private residence or destination clubs. Of the 1,549 identified timeshare resorts, 822 responded — a 53% response rate. Of these 822 responding resorts, 742 belong to a family of ten or more resorts, while 80 belong to a family of less than ten resorts. Of these 80, 64 were single-site resorts. For a full discussion of the methodology used, please see Appendix C of the report.

As noted above, the 2021 U.S. timeshare industry consisted of 1,549 timeshare resorts with approximately 203,810 timeshare units — an average of 132 units per resort. Resorts sell each of these timeshare units to consumers in parts or ownership pieces corresponding to varying amounts of time. Typically, these parts are either weekly intervals (seven nights worth of vacation time) or points-based. Points represent a reservation currency for the use of units in nightly or weekly increments — respondents converted their points into weekly interval equivalents for this study where needed.

Figure ES.1 summarizes industry operating performance for 2021 and shows five-year performance trends. It shows that total sales volume¹ increased by 64% to \$8.1 billion in 2021, showing significant recovery from the effects of the COVID-19 pandemic.

Other operating performance metrics impacted by the pandemic in 2020 also experienced a resurgence in 2021. Average occupancy was 73.1%, increasing by nearly 24 percentage points from the previous year. By comparison, hotel occupancy was 56.4%² in 2021, according to Smith Travel Research. Rental revenues totaled \$2.2 billion, increasing by 79% in 2021.

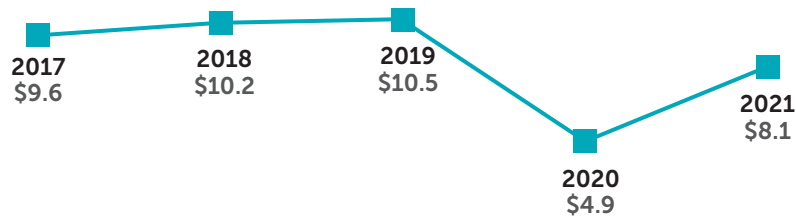
¹ All sales discussed in the report are first generation or developer sales, unless otherwise noted.

² *STR-TRI Monthly Hotel Review: December 2021*, Smith Travel Research. Note this occupancy is based on Smith Travel's Total Room Inventory (TRI) calculation which includes rooms taken offline due to COVID-19.

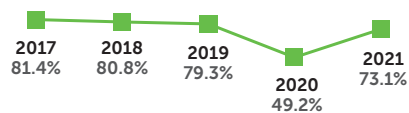
FIGURE ES.1

KEY TIMESHARE INDUSTRY TRENDS 2017 TO 2021

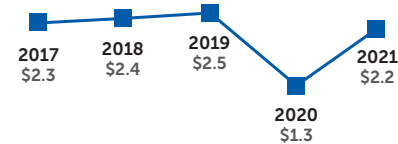
Sales Volume (\$B)



Average Occupancy



Rental Revenue (\$B)



Average Sales Price



Average Maintenance Fee Billed



Average sales price and maintenance fee billed did not see significant negative impacts from the pandemic in 2020, so the change in those metrics were more muted in 2021. The average sales price increased to \$24,140 per weekly interval; this metric tends to fluctuate year over year based on the mix of sales by unit configuration and brand. The average maintenance fee billed increased slightly from \$1,090 to \$1,120 per weekly interval.

2021 marked a major step in a return to normalcy for the timeshare industry. Sales volume increased by 64% and rental revenue by 79%. Occupancy returned to almost 2019 levels. While resorts remained vigilant in working to protect the health and safety of consumers, the need for increased measures softened some in 2021, as timeshare owners and guests returned to timeshare vacation experiences.

This chapter presents an overview of the timeshare industry for 2021, examining industry size and structure. It includes information on

- the number, size and characteristics of resorts,
- unit configurations,
- interval ownership structures, and
- the industry’s continued response to the COVID-19 pandemic.

The AIF’s timeshare database lists 1,549³ timeshare resorts in the United States⁴. As seen in Figure 1.1, these 1,549 resorts represent approximately 203,810 physical timeshare units — 132 units per resort on average. Counting lock-offs⁵ as separate units adds approximately 46,150 units, for a total of 249,960.

Size

Resorts sell each of these timeshare units to consumers in parts or ownership pieces corresponding to varying amounts of time. Typically, these parts are weekly intervals (seven nights worth of vacation time), biennials⁶ and/or points-based. Points represent a currency for the use of units in nightly or weekly increments — respondents converted their points into weekly interval equivalents for this study where possible.

FIGURE 1.1

INDUSTRY SIZE

Measure	2021
Resorts	1,549
Units	203,810
Average resort size	132
Total units including lock-offs	249,960

In addition to the timeshare resorts and units noted in Figure 1.1, timeshare owners have access to inventory that is not traditionally considered as timeshare inventory. For example, the two major exchange companies (Interval International and RCI) make non-timeshare accommodations available to their members. They also provide members the opportunity to trade their resort accommodations or home unit for options such as cruise, golf, and spa vacations, as well as a variety of leisure experiences such as sporting events, shopping excursions, etc. In addition, some developers with affiliated hotel brands often make traditional hotel inventory available to owners who participate in their internal exchange programs.

³ ARDA International Foundation. Please see Appendix C for more information about the methodology for identifying timeshare resorts.

⁴ The United States is defined as the continental U.S. plus Alaska and Hawaii in this study.

⁵ The term “lock-off” refers to a type of vacation ownership unit consisting of multiple living and sleeping quarters, designed so they can function as two discrete units for purposes of occupancy and exchange.

⁶ Biennials are vacation ownership products that provide a week’s worth (or points equivalent) of timeshare interest every other year.

Resorts

Figure 1.2 shows a distribution of resorts by development stage, illustrating the two key industry components. Working with the AIF, we classified all resorts in their database as either active-sales or sold-out. In general, any resort that had sales activity and/or was part of a family of resorts with timeshare sales is an “active-sales” resort. The active-sales component includes new resorts and resorts operating under the management of a company that continues to develop and sell timeshare inventory (“developers”).

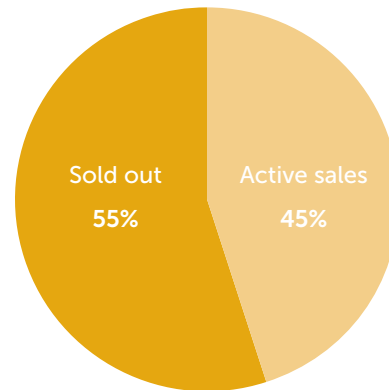
Any resorts that reported no sales activity are classified as “sold-out”. The sold-out component consists mainly of resorts that either operate independently or are associated with a management company. In general, they are not engaged in significant sales activity, and rely mainly on revenues derived from maintenance fees, rentals, and ancillary services operations.

Note that multi-site respondents report their sales data in aggregate rather than at the resort level – this means that all resorts in a family of resorts are classified as either in active-sales or sold-out. Please see Appendix C for a more detailed explanation of methodology.

Figure 1.3 shows the distribution of timeshare resorts by the year that each opened. Approximately 7% of responding resorts opened in 2016 or later; another 37% opened in 1985 or before. More than half of responding resorts opened between 1986 and 2015.

FIGURE 1.2

RESORTS BY DEVELOPMENT STAGE



Based on assessment of resort sales status by AIF — see methodology section for details

FIGURE 1.3

YEAR RESORTS OPENED

	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
1985 or before	37%	20%	73%
1986-1995	14%	13%	16%
1996-2005	25%	33%	9%
2006-2015	18%	25%	2%
2016+	7%	9%	1%

Percent of 361 responding resorts⁷ — percentages may not add due to rounding

Figure 1.3 also compares the results for active-sales versus sold-out resorts, illustrating that sold-out resorts tend to be older than active-sales resorts. More than 73% of sold-out resorts opened in 1985 or before, compared to 20% of resorts that are still in active-sales. Less than 3% of sold-out resorts opened in 2006 or later, compared to 34% of resorts that are in active-sales.

⁷ Note that the number of respondents varies across questions. To aid interpretability of results, throughout the report we include the number of respondents to the survey question related to the corresponding table/graphic where appropriate. See Appendix C for a more detailed explanation of methodology.

We also asked respondents if any types of units other than timeshare are available for sale or rent at their resort. As shown in Figure 1.4, some resorts do report offering other types of units, including fractionals, hotels or whole ownership. In total, 26% of resorts are mixed-use resorts — they reported offering at least one of these choices.

FIGURE 1.4
MIXED-USE PROPERTIES

	Percent of resorts offering
Hotels	20%
Whole ownership	5%
Fractional	5%
Other	1%

Percent of 822 responding resorts — multiple responses allowed

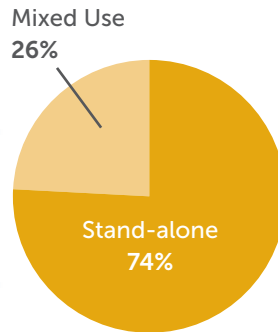


FIGURE 1.5
ENTITY WHICH EMPLOYS RESORT STAFF

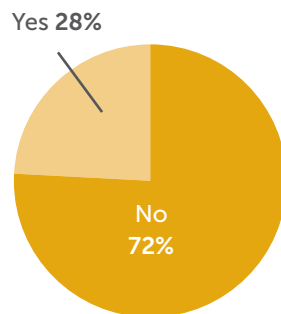
Entity	Percent
Management company	62%
Resort HOA(s)	29%
Resort developer	5%
Other	5%

Percent of 688 responding resorts — multiple responses allowed

Finally, Figure 1.5 shows which entity employs the resort's staff. Most resorts report that a separate management company handles this responsibility.

As shown in Figure 1.6, 28% of resorts reported offering a mobile app to resort owners. The most common features were accessing a virtual sales presentation, seeing a virtual tour of the resort, and making reservations.

FIGURE 1.6
RESORTS OFFERING A MOBILE APP



Percent of 822 resorts — numbers may not add due to rounding

Feature	%
Virtual sales presentations	43%
Virtual tour of resort	38%
Making reservations	32%
Check in	25%
Access to units	17%
Mobile payment—maintenance fees	8%
Mobile payment—rental fees	8%
Mobile payment—other	8%
Owner community building experience	3%
Other	<1%

Percent of 229 respondents — multiple responses allowed

Units and Intervals

Next, we move from a discussion of resort-level data to results concerning individual units and weekly or points-based intervals within resorts. Figure 1.7 shows the mix of units by the number of bedrooms. The two-bedroom unit is the most common configuration, with 60% of units, followed by one-bedroom units with 23%. Ten percent of units have three or more bedrooms; another 7% are studios.

FIGURE 1.7
MIX OF UNITS BY NUMBER OF BEDROOMS

Unit type	Count	Percent
Studio	14,750	7%
1 bedroom	46,680	23%
2 bedrooms	122,930	60%
3 bedrooms or more	19,450	10%
Total	203,810	100%

Percent of 707 responding resorts — percentages may not add due to rounding

Figure 1.8 displays the percent of intervals within these units that are owned by different types of owners. Not surprisingly, most intervals are owned by timeshare consumers, referred to as resort owners in the industry. Approximately 19% of intervals are still owned by a resort developer and approximately 1% of intervals are owned by an HOA.

FIGURE 1.8
INTERVALS OR INTERVAL EQUIVALENTS OWNED BY TYPE OF OWNER

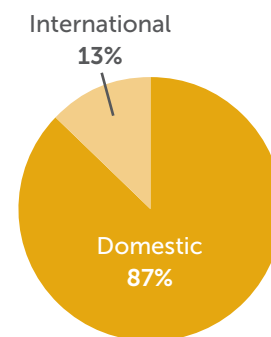
	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Intervals owned by owners	80%	79%	86%
Intervals owned by developers	19%	20%	2%
Intervals owned by HOA	1%	<1%	12%

Percent of 460 respondents — percentages may not add due to rounding

Again, we compare the results for resorts in active-sales to those for sold-out resorts and see that intervals or interval equivalents are more likely to be owned by the developer at active-sales resorts, while they are more likely to be owned by the HOA at sold-out resorts

We also asked respondents to report the percentage of their owners who reside in the United States and the percentage who reside in some other country. Figure 1.9 shows that respondents reported that 87% of their owners reside in the United States, compared to 13% of owners who reside in some other country.

FIGURE 1.9
COUNTRY OF RESIDENCE FOR TIMESHARE OWNERS



Percent of 173 respondents

Figure 1.10 shows the prevalence of interval types at resorts. Approximately 77% of respondents have intervals of the traditional weekly variety, while 72% have some form of points-based products and 52% of respondents have biennials. Active-sales resorts are more likely to have points-based products than sold-out resorts — in fact, points-based products are more common in those resorts than weeks-based products. The percentage of resorts with biennials is also higher among active-sales resorts — the majority of these resorts have biennials. Sold-out resorts are more likely to have weeks-based products and less likely to have points or biennials.

FIGURE 1.10
TYPES OF INTERVALS

Interval type	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Weeks	77%	71%	98%
Points	72%	88%	21%
Biennials	52%	62%	20%

Percent of 701 respondents — multiple responses allowed

Finally, respondents reported information about the legal structures for products at their resorts. Figure 1.11 shows that deeded or fee-simple real estate is the dominant structure in place for timeshare ownership. As the timeshare industry continues to mature, traditional weeks may be effectively converted into points-based vacation products. This may be accomplished by dedicating weeks to established points-based trusts or by simply “overlaying” a points usage option on top of weekly ownership. This process may result in a gradual shift from week-based inventory to points-based inventory within the same static pool of inventory over time.

FIGURE 1.11
LEGAL STRUCTURES OF PRODUCTS SOLD

	Percent of resorts responding
Deeded or fee-simple real estate	73%
Interest in a trust	39%
Right to use contractual interest that expires at some future date	14%
Other	<1%

Percent of 461 respondents — multiple responses allowed

Industry Response to the COVID-19 Pandemic

Survey results suggest that the industry experienced a significant recovery from the effects of the pandemic in 2021. For example, in 2020, 490 responding resorts reported closing temporarily due to COVID-19; in 2021, only 65 did so.

To address health and safety issues associated with the COVID-19 global pandemic and help ease some of the concerns of its owners and guests, the industry adopted several measures to increase the safety and health of employees and guests alike in 2020. In 2021, most resorts continued to implement these measures. Figure 1.12 summarizes some of the key steps taken in this respect — comparing results between 2021 and 2020. It shows that nearly all resorts instituted common safety measures such as cleaning stations and enhanced staff training.

FIGURE 1.12
SANITIZATION MEASURES UNDERTAKEN BY RESORTS

Sanitization measure	2020	2021
Cleaning stations (hand-sanitizer, wipes, etc.) throughout resort	94%	92%
Enhanced staff training	95%	90%
Mandatory mask wearing	93%	81%
Increased frequency of disinfection/sanitization	97%	79%
Social distancing signage	98%	77%
Extra COVID-specific cleaning in units	89%	76%
Staff COVID-19 testing programs	58%	56%
Use of mass disinfection method such as fogging treatment or UV light treatment	31%	51%
Provide additional in-room cleaning supplies	52%	40%
Temperature checks	64%	36%
Remote or touchless check-in	60%	30%
Increase time period between guest check-ins	44%	25%
Use of high-tech cleaning devices such as robots	3%	11%
Mandatory COVID-19 vaccination for staff	NA	9%
Other	13%	23%

Percent of 458 respondents — multiple responses allowed

That being said, resorts were less likely to report undertaking these measures in 2021 than they were in 2020 as the public health concerns continue to abate in the U.S. For example, increased disinfection was the most common measure undertaken in 2020 at 97% of resorts. That number fell to 79% in 2021 — still high but only the 4th most common measure undertaken. The use of some measures, such as temperature checks and remote or touchless check-in, was almost cut in half. On the other hand, the use of mass disinfection methods such as fogging and UV light treatment increased significantly.

While chapter one provides an overview of industry size, understanding the health of the industry involves reviewing additional key indicators such as sales prices, occupancy rates and maintenance fees.

This chapter addresses these metrics, presenting a recent picture of important markers of industry performance. Throughout the chapter, we compare the performance metrics of active-sales resorts to sold-out resorts. In general, the industry's performance reflects a significant revival from 2020, when the impact of the COVID-19 pandemic was severe.

Overall

Figure 2.1 summarizes the timeshare industry's key 2021 performance metrics. Resorts sold approximately 334,570 weekly intervals or interval equivalents at an average price of \$24,140 per weekly interval or interval equivalent, yielding a total sales volume of approximately \$8.1 billion. This represents a 64% increase from last year's total of \$4.9 billion, which was heavily influenced by the effects of the COVID-19 pandemic.

FIGURE 2.1

KEY PERFORMANCE METRICS 2021

Metric	2021
Sales volume	\$8.1 billion
Number of timeshare intervals or interval equivalents sold	334,570
Sales price per interval or interval equivalent	\$24,140
Number of timeshare transactions	412,350
Sales price per transaction	\$19,590
Rental revenue	\$2.2 billion
Occupancy	73.1%
Average maintenance fee per interval or interval equivalent	\$1,120

Respondents also reported their timeshare sales transactions, and we used this to calculate the average sales price per transaction⁸. Note that for a given transaction, a consumer may purchase more or less time than a traditional timeshare week. There were approximately 412,350 U.S. timeshare transactions in 2021, and the average sales price per transaction was \$19,590. Dividing the 334,570 weekly interval equivalents sold by the 412,350 timeshare transactions yields a ratio of 0.81. Multiplying this ratio by seven indicates that the average timeshare transaction was for approximately 5 nights' worth of time.

Figure 2.1 also shows that resort occupancy was more than 73% in 2021 — a 24 percentage point increase from 2020. Because of the impact of COVID-19, in 2020 we began asking respondents to also calculate their adjusted occupancy rate by excluding rooms that were taken offline due to COVID-19. Average adjusted occupancy based on this calculation was 67.7% in 2020 — much higher than the 49.2% calculation using the traditional metric. The 2021 occupancy rate of 73.1% is an increase of more than five points even over 2020 adjusted occupancy. Note that we also asked resorts to report adjusted occupancy in 2021, but with few exceptions it did not differ from the traditional metric.

The average billed maintenance fees increased by approximately 2% from 2020 to \$1,120 per interval. Rentals accounted for another \$2.2 billion in industry revenue — a 79% increase from 2020.

⁸ Transactions included points sales, week sales, multiple-week sales, EOY sales, upgrades and reloads.

The \$8.1 billion in sales volume does not include sales for resorts that primarily sell fractional and private residence clubs (PRC) products. Fractional resorts include an ownership interest that is either a shared equity or club interest representing a period not fewer than two weeks but usually three weeks or more. Fractional ownership typically offers additional services, amenities, and flexibility relative to timeshare, so that a bundle of timeshare weeks would not be considered a fractional interest. PRC products are high-end fractionals. North American sales for fractional and PRC resorts were \$255 million for 2021 as reported in *The Shared-Ownership Resort Real Estate Industry in North America - 2022 Edition*, produced by Ragatz Associates.

One practice that has become a staple in the industry is “fee-for-service.” In general, developers provide sales and marketing support, including branding, to timeshare resorts they have not developed. The fee-for-service provider leverages the developer’s existing sales infrastructure and brand to improve cash flow, without the capital risks of developing its own property. Sales related to fee-for-service arrangements in 2021 among responding companies were approximately \$1.1 billion⁹, a 146% increase from 2020. Respondents reported approximately 35,366 fee-for-service transactions, so that an average fee-for-service transaction was \$30,041. Note that these fee-for-service sales are included in the \$8.1 billion total timeshare industry sales volume.

FIGURE 2.2
SALES CHANNELS

Metric	2021
In-person sales presentation (tours): on-site	100%
Telemarketing	92%
In-person sales presentation: off-site	91%
Online	19%

Percent of 411 respondents – multiple responses allowed

Figure 2.2 shows types of sales channels reported by respondents. Nearly all respondents reported using telemarketing and in-person sales vehicles (tours). Nineteen percent of respondents reported using online sales channels, which was more in line with results prior to the pandemic. Last year, use of online sales channels increased in large part because of the COVID-19 pandemic, as in-person opportunities became more challenging.

As noted in Figure 2.1, average annual timeshare resort occupancy was approximately 73.1%. By comparison, total room inventory (TRI) occupancy at U.S. hotels was 56.4% in 2021¹⁰. Figure 2.3 shows a more detailed view of occupancy. Resorts reported their average physical occupancy in each of these categories, meaning that actual guest check-in occurred.

⁹ Note that this number reflects fee-for-service transactions for survey respondents only, and is not a projection to the full U.S. industry. We asked resorts if they “had any fee-for-service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort”. No respondents who provided sales activity reported having such arrangements, suggesting that fee-for-service sales are not double-counted by the resort and fee-for-service provider.

¹⁰ *STR-TRI Monthly Hotel Review: December 2021*, Smith Travel Research. Note this occupancy is based on Smith Travel’s Total Room Inventory (TRI) calculation which includes rooms taken offline due to COVID-19

Resort owners, their guests and exchange participants accounted for approximately 44% of available intervals; renters accounted for 14%, while marketing guests contributed another 5%. Occupancy for sold-out resorts was higher than for active-sales resorts, mainly due to higher occupancy among exchange guests.

FIGURE 2.3

OCCUPANCY BREAKOUTS

Guest type	Average occupancy	Active-sales resorts	Sold-out resorts
Owner/owner's guest	43.7%	43.7%	43.6%
Exchange guest	10.2%	9.7%	20.5%
Renter	14.0%	13.9%	16.8%
Marketing guest	5.1%	5.4%	0.2%
Vacant	26.9%	27.3%	18.8%

Average occupancy based on 676 respondents (including 538 active-sales resorts and 138 sold-out resorts), weighted by units — percentages may not add due to rounding.

OCCUPANCY DISTRIBUTION

Occupancy level (%)	Percent of resorts responding
Less than 60	16%
60-69	27%
70-79	23%
80-89	19%
90+	14%

Percent of 676 respondents, weighted by units — percentages may not add due to rounding

The average annual maintenance fee¹¹ billed was \$1,120 per interval. Figure 2.4 shows the average maintenance fees charged by unit type, and the distribution of maintenance fees by dollar amount. Studio units averaged \$720 annually in maintenance fees, one-bedroom units averaged \$900, two-bedroom units averaged \$1,110, and three-bedroom units or larger averaged \$1,410 annually. Approximately 12% of resorts have maintenance fees averaging less than \$700, while another 24% have maintenance fees averaging \$1,300 or more. Maintenance fees for active-sales resorts average 44% more than those for sold-out resorts. Approximately 88.8% of maintenance fee accounts were current in 2021.

FIGURE 2.4

MAINTENANCE FEE BREAKOUTS

Unit type	Average maintenance fee	Active-sales resorts	Sold-out resorts
Studio	\$720	\$730	\$700
1BR	\$900	\$920	\$840
2BR	\$1,110	\$1,160	\$830
3BR+	\$1,410	\$1,500	\$910
Average	\$1,120	\$1,220	\$840

Averages based on 475 respondents, including 333 active-sales resorts and 142 sold-out resorts — percentages may not add due to rounding

MAINTENANCE FEE DISTRIBUTION

Maintenance fee	Percent of resorts responding
Less than \$700	12%
\$700 to \$799	9%
\$800 to \$899	10%
\$900 to \$999	20%
\$1,000 to \$1,099	15%
\$1,100 to \$1,199	7%
1,200 to 1,299	4%
More than \$1,300	24%

As noted in Figure 2.3, renters occupied 14% of timeshare intervals in 2021. Ninety-two percent of resorts reported offering some form of rental program. Figure 2.5 shows the types of rental programs offered. Nearly all (96%) resorts with a rental program offer daily rentals and most offer weekly rentals (93%). These rental programs generally have rates that vary by season (95%). The majority also offer programs for marketing guests (59%).

¹¹ This is the average maintenance fee billed to owners annually including contributions to reserves but excluding taxes and special assessments.

FIGURE 2.5

TYPES OF RENTAL PROGRAM OFFERED

Rental type	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Daily rentals	96%	97%	82%
Weekly rentals	93%	92%	88%
Monthly rentals	29%	23%	44%
Rental rates that vary based on season	95%	95%	88%
Rental programs for marketing guests	59%	73%	18%

Percent of 702 respondents — multiple responses allowed

Figure 2.5 also compares the offerings between resorts that are in active-sales to those that are not. Programs for marketing guests are much more prevalent among resorts that are still in active-sales, while monthly rentals are more prevalent among sold-out resorts.

Figure 2.6 details rental program revenue. Vacationers rented approximately 10.9 million nights at timeshare properties in 2021 at an average price of \$206 per night. This yielded more than \$2.2 billion in timeshare rental revenue for 2021. This rental revenue increased by 79% from 2020, as the number of nights rented increased by 57%. For comparison, the average daily rate (ADR) at U.S. Resort hotels was \$209 in 2021¹², vs. the \$206 per night for the US timeshare resorts.

FIGURE 2.6

RENTAL REVENUE

Metric	2021
Total rental revenue	\$2.2 billion
Total nights rented	10.9 million
Average rental price per night	\$206

Figure 2.7 lists methods used by resorts for publicizing the availability of rentals at the property. The most commonly reported are the resort's website and social media. Seventy-seven percent of resorts report using social media, including 81% of active-sales resorts. Other methods used include emails and billboards.

FIGURE 2.7

PUBLICIZING RENTALS

Method	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Resort website	84%	86%	80%
Social media (Facebook, Twitter, etc.)	77%	81%	67%
Television	28%	37%	1%
Paid search/affiliate marketing	27%	36%	0%
Physical bulletin boards at resort	24%	20%	36%
Radio	24%	31%	2%
External rental websites (e.g., Redweek.com or SellMyTimeshareNOW.com)	22%	24%	16%
Newspaper	17%	22%	<1%
Timeshare broker and/or broker website	6%	7%	3%
Other	<1%	0%	3%

Percent of 689 respondents — including 516 active-sales resorts and 173 sold-out resorts. Multiple responses allowed

¹² STR-TRI Monthly Hotel Review: December 2021, Smith Travel Research. Resort hotel is defined as property located in a resort area or market where a significant source of business is derived from leisure/destination travel. Examples: Orlando, Lake Tahoe, Daytona Beach, Hilton Head Island, Virginia Beach.

Figure 2.8 shows that many resorts also use alternative programs to enhance or augment their product offerings. This includes 51% of participating resorts that use online travel agencies and 35% that report using partnerships with web-driven sharing entities such as Airbnb to distribute inventory. Sold-out resorts are more likely to report using online travel agencies, partnerships with sharing entities and travel clubs.

FIGURE 2.8

ALTERNATIVE PROGRAMS TO ENHANCE/AUGMENT PRODUCT OFFERINGS

Entity	Percent of resorts	Percent of resorts in active-sales	Percent of sold-out resorts
Online travel agencies	51%	41%	75%
Developing partnerships or rental relationships with Airbnb or other web driven 'sharing' entity in order to push inventory	35%	18%	75%
Use of branded or unbranded hotel as a way to extend destinations	30%	33%	23%

Percent of 822 resorts, including 574 active-sales resorts and 248 sold-out resorts. Multiple responses allowed

Finally, rental revenue is just one type of operating revenue collected by timeshare resorts. Figure 2.9 shows the percentage of operating revenues collected by resorts across several categories. The predominant source of operating revenues for resorts is maintenance fees, followed by rentals. Other revenue sources include things such as housekeeping, food & beverage, and special assessments – none of these categories constituted more than 2% of revenues collected. Active-sales resorts generally derive a higher share of revenues from maintenance fees than sold-out resorts, while sold-out resorts derive a greater percentage of their operating revenue from rentals.

FIGURE 2.9

OPERATING REVENUE

Category	Percent of operating revenue	Percent of operating revenue —active-sales resorts	Percent of operating revenue —sold-out resorts
Maintenance fees	81%	81%	80%
Rentals	9%	8%	12%
Other	10%	11%	8%

Percent based on 694 respondents – percentages may not add due to rounding.

This chapter uses some of the performance metrics reported in the previous chapter to compare specific industry segments. To do so, we segment resorts using the following characteristics:

- **Average resort size, as measured by the number of units**
- **Sales activity**
- **Resort type**
- **Geographic region**
- **Year resort opened**

For each segment within these classifications, we compare the following metrics:

- **Percent of total resorts**
- **Resort size, as measured by the average number of units**
- **Occupancy**
- **Average maintenance fee billed**

We also provide overall averages and totals for comparison purposes. For some segments, not all the respondents provided information that would allow classification. For example, not all respondents reported a resort type. Accordingly, in some cases the overall totals and averages may be inconsistent with the totals and averages for the subgroups¹³.

13 Since the number of resorts in a given industry segment may be quite small, changes in respondent pool can result in even more pronounced changes in metrics over the prior year – see Appendix C for a discussion of study methodology

Resort Size

The first segmented analysis is resort size, using five categories: 50 units or less, 51-100 units, 101 to 150 units, 151 to 200 units and more than 200 units. While the average resort size is 132 units, 41% of resorts have 50 units or less, and 18% have more than 200 units. Figure 3.1 shows that the average maintenance fee billed per weekly interval generally increased with resort size in 2021.

FIGURE 3.1
PERFORMANCE BY RESORT SIZE

Number of units	Percent of resorts	Average size (# units)	Average occupancy	Average maintenance fees per interval
Less than 50	41%	27	72.2%	\$950
51-100	22%	74	73.6%	\$1,070
101-150	12%	123	73.2%	\$1,010
151-200	7%	173	67.0%	\$1,130
More than 200	18%	419	68.0%	\$1,250
Overall	100%	132	73.1%	\$1,120

Percent of 707 responding resorts — numbers may not add due to rounding.

Sales Activity

Figure 3.2 compares the performance of resorts based on level of sales activity. This table summarizes prior analysis comparing sold-out resorts with active-sales resorts and adds information on resort size. The average number of units and average billed maintenance fees are both lower for sold-out resorts. Active-sales resorts tend to be newer, and resorts have gotten larger over time, as we show in the appendix on historical results.

FIGURE 3.2
PERFORMANCE BY SALES ACTIVITY

Sales activity	Percent of resorts	Average size (# units)	Average occupancy	Average maintenance fees per interval
Sold-out resorts	55%	58	81.2%	\$840
Active-sales resorts	45%	163	72.7%	\$1,220
Overall	100%	132	73.1%	\$1,120

Percent of 822 resorts — numbers may not add due to rounding.

Resort Type

Respondents reported the vacation experience(s) offered at their resort and/or nearby. They also shared which characteristic best describes their resort. Figure 3.3 shows the results.

FIGURE 3.3

DISTRIBUTION BY RESORT TYPE

What vacation experience does this resort offer?

Type	Onsite	Nearby	Nearby and/or onsite	Which one characteristic best describes this resort?
Beach	47%	43%	65%	31%
Rural/Coastal	38%	40%	54%	14%
Country/Lakes	21%	39%	45%	11%
Mountains	8%	44%	43%	8%
Ski	5%	44%	43%	8%
Golf	16%	77%	80%	6%
Theme park	2%	49%	46%	6%
Island	14%	36%	41%	5%
Desert	6%	33%	33%	5%
Urban	19%	30%	39%	3%
Gaming	2%	42%	40%	<1%
Waterpark	2%	39%	38%	0%
Other	1%	1%	1%	1%

Percent of 374 responding resorts - percentages may not add due to rounding. For onsite and nearby, multiple responses allowed.

Beach resorts are the most common primary resort type; golf is most often available nearby and/or onsite. Resorts reported between five and six of these vacation experiences available per resort on average. Other vacation experiences noted include national and state parks, historic sites, and vineyards/wineries.

Figure 3.4 compares the performance for the most common resort types¹⁴. Theme park resorts tend to be the largest resorts, while rural coastal/resorts tend to be the smallest. This year, beach resorts had the highest average occupancy, and country/lakes resorts had the lowest. Ski resorts had the highest average billed maintenance fees, while mountain resorts had the lowest.

FIGURE 3.4

PERFORMANCE BY RESORT TYPE

Type	Percent of resorts	Average size (# units)	Average occupancy	Average maintenance fees per interval
Beach	31%	121	77.3%	\$1,000
Rural/Coastal	14%	35	70.3%	\$920
Country/Lakes	11%	126	60.2%	\$1,020
Mountains	8%	46	72.4%	\$770
Ski	8%	107	69.3%	\$1,310
Golf	6%	140	61.5%	\$1,110
Theme park	6%	409	72.4%	\$1,080
Desert	5%	200	71.3%	\$1,000
Urban	3%	86	63.0%	\$1,190
Other	6%	124	74.7%	\$1,100
Overall	100%	132	73.1%	\$1,120

Percent of 374 responding resorts. Note: "Other" Includes Gaming, Island, Waterpark and Other from Figure 3.3 — numbers may not add due to rounding

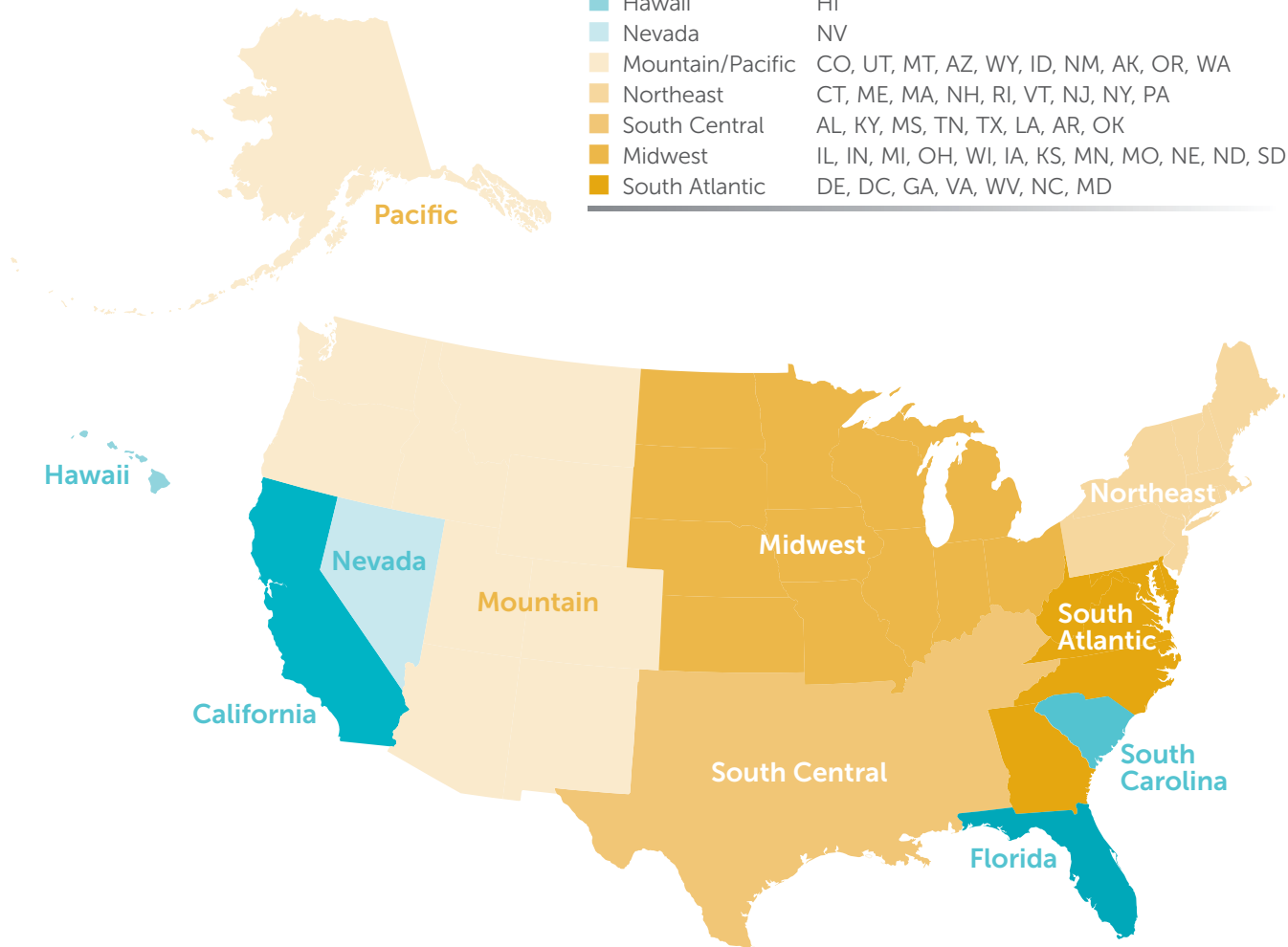
¹⁴ There was insufficient data to report on the other resort types.

Geographic Region

The next segment is geographical region of the country. Florida, California, South Carolina, Hawaii, and Nevada are the five states with the highest number of timeshare resorts. These states contain nearly half of U.S. timeshare resorts and nearly two-thirds of all U.S. timeshare units (see Appendix A). The remaining states are grouped in regions, based on the U.S. Census Bureau's list of geographic regions. Figure 3.5 shows a list of states represented by each region, and Figure 3.6 compares the performance by region.

FIGURE 3.5
GEOGRAPHIC REGIONS

Region	States
Florida	FL
California	CA
South Carolina	SC
Hawaii	HI
Nevada	NV
Mountain/Pacific	CO, UT, MT, AZ, WY, ID, NM, AK, OR, WA
Northeast	CT, ME, MA, NH, RI, VT, NJ, NY, PA
South Central	AL, KY, MS, TN, TX, LA, AR, OK
Midwest	IL, IN, MI, OH, WI, IA, KS, MN, MO, NE, ND, SD
South Atlantic	DE, DC, GA, VA, WV, NC, MD



Florida has the most resorts, while Nevada has the largest resorts, and the Mountain/Pacific region has the smallest. Resorts in South Carolina had the highest average occupancy, while those in the South Central had the lowest. As usual, Hawaiian resorts had the highest average billed maintenance fees. This year, Northeast resorts had the lowest average billed maintenance fees.

FIGURE 3.6

PERFORMANCE BY GEOGRAPHIC REGION

Region	Percent of resorts	Average size (# units)	Average occupancy	Average maintenance fees per interval
Florida	24%	180	70.6%	\$1,090
California	9%	124	73.6%	\$1,120
South Carolina	7%	145	78.8%	\$1,080
Hawaii	6%	118	71.2%	\$1,130
Nevada	4%	198	65.5%	\$1,000
Mountain/Pacific	16%	79	72.1%	\$1,030
Northeast	11%	105	73.8%	\$860
South Atlantic	8%	113	73.0%	\$940
Midwest	8%	126	61.6%	\$1,010
South Central	8%	146	57.5%	\$1,030
Overall	100%	132	73.1%	\$1,120

Percent of 1,549 resorts — percentages may not add due to rounding

Year Resort Opened

Finally, we compare operating performance based on the year the resort opened. This segment includes four categories of resorts - those opened 1985 or before, 1986 to 1995, 1996 to 2005 and 2006 or later. The oldest resorts tended to be the smallest and have the lowest occupancy and average billed maintenance fees. Interestingly, those built between 1996-2005 tended to be the largest, as the trend of building larger resorts appears to have diminished since 2005. Average occupancy was highest in resorts built between 1986 and 1995. The average billed maintenance fee generally increases in newer resorts.

FIGURE 3.7

PERFORMANCE BY YEAR RESORT OPENED

Year resort opened	Percent of resorts	Average size (# units)	Average occupancy	Average maintenance fees per interval
1985 or before	37%	107	65.4%	\$910
1986-1995	14%	155	74.4%	\$1,130
1996-2005	25%	183	69.8%	\$1,140
2006+	24%	165	66.0%	\$1,230
Overall	100%	132	73.1%	\$1,120

Percent of 361 responding resorts - percentages may not add due to rounding

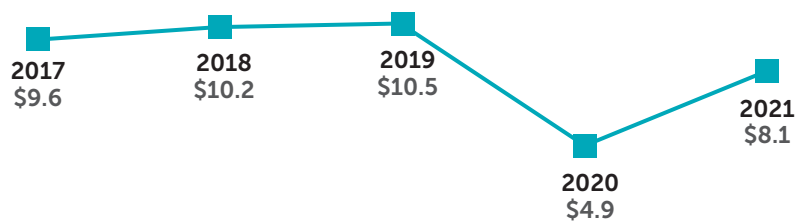
Finally, in this chapter we examine the near-term industry outlook by observing recent performance trends and expected construction.

Figure 4.1 displays trends for the industry's five key performance measures over the past five years. It shows the significant impact of the COVID-19 pandemic on sales volume, average occupancy, and rental revenue in 2020, and the recovery experienced in those measures in 2021. Average sales price and billed maintenance fees, by contrast, saw little impact from the pandemic. Average sales price has historically fluctuated year over year based on the mix of sales by unit configuration, resort type and brand. Maintenance fees have generally risen year over year to accommodate the increasing costs of maintaining and operating timeshare resorts.

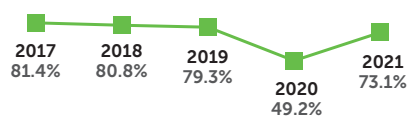
FIGURE 4.1

RECENT PERFORMANCE TRENDS (2017 TO 2021)

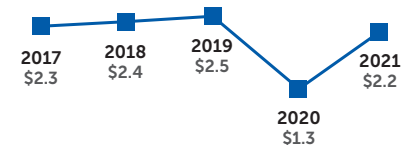
Sales Volume (\$B)



Average Occupancy



Rental Revenue (\$B)



Average Sales Price



Average Maintenance Fee Billed



Figure 4.2 shows the change over the past year in key metrics for respondents having multiple resorts and reporting data in both years. The purpose of this table is to assess industry changes without respect to differences in the respondent pool year-over-year.

In 2020, these respondents represented 739 resorts and 96,663 units for an average resort size of approximately 131 units. In 2021, the number of resorts increased to 758 and the number of units increased to 98,154 for an average resort size of 130 units. Note that this increase in the number of resorts primarily reflects some consolidation in the industry, rather than new resort construction. Correspondingly, the reduction in average resort size corresponds to acquisition of smaller resorts during this consolidation.

Total sales volume increased by nearly 58% for these 2021 respondents — this is slightly lower than the 64% increase in estimated sales industry-wide. The 20% increase in average sales price per interval/interval equivalent was in line with the industry overall. The 23.3 percentage point increase in occupancy and 2% increase in average billed maintenance fees were also in line with overall industry estimates.

Respondents reported the number of timeshare units “recently built and planned at this resort.” Note that “planned” resorts and units include those for which the corporate finance committee has given its approval and/or financing has been secured and approved by the appropriate entity.

FIGURE 4.2

CHANGES FOR RESPONDENTS PROVIDING DATA IN 2020 AND 2021

	2020	2021	Change	Percent change
Number of resorts	739	758	19	2.6%
Number of units	96,663	98,154	1,491	1.5%
Total sales (\$M)	\$3,795	\$5,980	\$2,185	57.6%
Sales price	\$20,209	\$24,197	\$3,988	19.7%
Occupancy	48.6%	71.9%	23.3%	47.8%
Average units	131	130	-1	-1.0%
Maintenance fees	\$1,130	\$1,152	\$22	1.9%

Note: Numbers may not add due to rounding

FIGURE 4.3

RESORT AND UNIT CONSTRUCTION

Units built	31	Resorts planned – in the coming year	1
Units planned – in the coming year	447	Resorts planned – more than one year out	6
Units planned – more than one year out	1,321		

Construction results reported for respondents only - not industry-wide estimates. Based on responses from 6 timeshare developers and/or single site resorts.

Figure 4.3 shows that respondents reported building 31 units in 2021, down from the 137 they reported building in 2020. Respondents plan to add 447 units in 2022 – this includes 148 units at existing resorts and 299 units at planned new resorts. At the time of the survey, respondents reported plans to add 1,321 units in 2023 and beyond – this includes 216 units at existing resorts and 1,105 units at planned new resorts. Finally, respondents also reported plans for seven new resorts (one in 2022 and six in 2023 and beyond).

FIGURE 4.4

JUST-IN-TIME INVENTORY

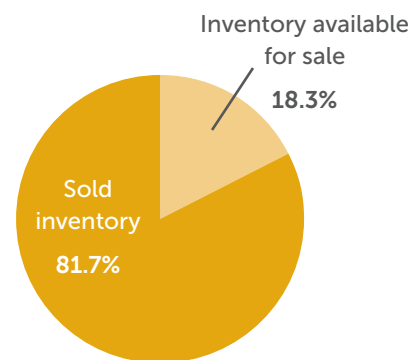
	2021
Just-in-time units added	455
Just-in-time units planned – coming year	117
Just-in-time units planned – more than one year out	163

*Just-in-times reported for respondents only - not industry-wide estimates.
Based on responses from 3 timeshare developers and/or single site resorts.*

Figure 4.4 reports on the level of “just-in-time” inventory activity by respondents. This includes turn-key inventory purchases and buy-backs from Property Owner Associations. Respondents reported adding 455 units via these methods in 2021, and plan to add 117 in 2022. They also plan to add 163 in 2023 and beyond.

The level of available timeshare inventory helps drive actual and anticipated timeshare construction. We asked active-sales respondents to report their total timeshare inventory (in weeks and/or points) and how much of that inventory was still available for sale. We used these two values to calculate the percent of timeshare inventory available for sale at active-sales resorts, and then weighted these percentages by the number of timeshare units to calculate an industry-wide average. Figure 4.5 shows that 18.3% of timeshare inventory at active-sales resorts, on average, is available for sale.

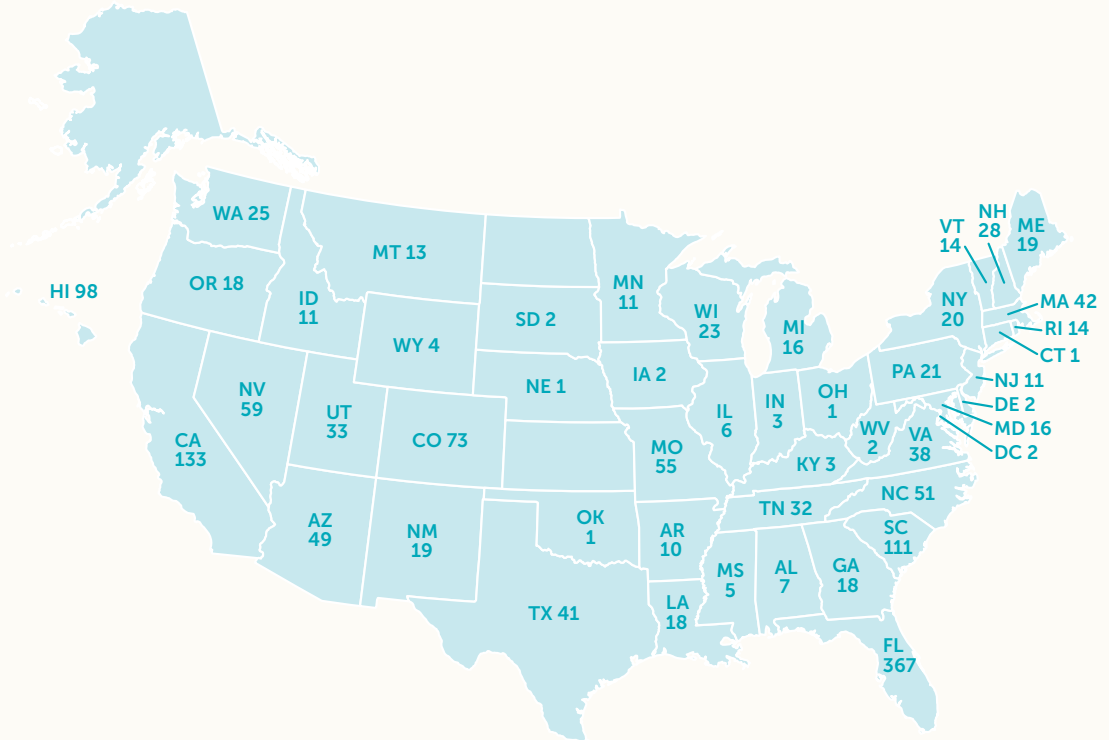
FIGURE 4.5

PERCENT OF EXISTING TIMESHARE INVENTORY AVAILABLE FOR SALE - AS OF YEAR-END 2021

2021 marked a major step in a return to normalcy for the timeshare industry. Sales volume increased by 64%, rental revenue by 79%, and occupancy returned to almost 2019 levels. While resorts remained vigilant in working to protect the health and safety of consumers, the need for increased measures softened some in 2021, as timeshare owners and guests returned to timeshare vacation experiences.

HISTORICAL SALES DATA

Year	Sales (\$B)
1974	\$0.1
1975	\$0.1
1976	\$0.1
1977	\$0.3
1978	\$0.4
1979	\$0.4
1980	\$0.5
1981	\$0.6
1982	\$0.7
1983	\$0.8
1984	\$0.9
1985	\$1.0
1986	\$1.0
1987	\$1.0
1988	\$1.1
1989	\$1.2
1990	\$1.2
1991	\$1.3
1992	\$1.4
1993	\$1.5
1994	\$1.7
1995	\$1.9
1996	\$2.2
1997	\$2.7
1998	\$3.1
1999	\$3.6
2000	\$4.1
2001	\$4.8
2002	\$5.5
2003	\$6.5
2004	\$7.9
2005	\$8.6
2006	\$10.0
2007	\$10.6
2008	\$9.7
2009	\$6.3
2010	\$6.4
2011	\$6.5
2012	\$6.9
2013	\$7.6
2014	\$7.9
2015	\$8.6
2016	\$9.2
2017	\$9.6
2018	\$10.2
2019	\$10.5
2020	\$4.9
2021	\$8.1



RESORTS BY STATE

State	Resorts	State	Resorts
FL	367	MD	16
CA	133	MI	16
SC	111	RI	14
HI	98	VT	14
CO	73	MT	13
NV	59	ID	11
MO	55	MN	11
NC	51	NJ	11
AZ	49	AR	10
MA	42	AL	7
TX	41	IL	6
VA	38	MS	5
UT	33	WY	4
TN	32	IN	3
NH	28	KY	3
WA	25	DC	2
WI	23	DE	2
PA	21	IA	2
NY	20	SD	2
ME	19	WV	2
NM	19	CT	1
GA	18	NE	1
LA	18	OH	1
OR	18	OK	1

PERCENTAGE OF UNITS BY STATE

State	Percent of units
FL	30%
CA	12%
HI	9%
NV	7%
SC	6%
CO	4%
AZ	3%
MO	3%
IL	3%
VA	3%
All others	19%

Note: There was not sufficient response to report the number of units at the state level for each state.

Source: Ragatz Associates, American Economics Group and AIF

Timeshare Resort Tracking

The study universe in the State of the Vacation Timeshare Industry consists of the latest list of timeshare resorts in the United States. While there is not a single, mandated registration database of timeshare properties developed in the U.S., the ARDA International Foundation established an extensive process to identify existing and planned unique timeshare resorts.

Timeshare resorts are identified through a variety of primary and secondary research, including:

- Company press releases, earnings reports, and websites
- Exchange company directories
- Crittenden Resort Report
- Industry media searches
- General media searches
- Primary survey research which includes a Confirmation Survey and the State of the Vacation Timeshare Industry survey

Extensive verification is conducted to identify unique timeshare resort properties. The resort count does not include:

- Emerging vacation ownership product segments — fractional, private residence clubs, destination clubs, non-equity clubs, whole-ownership, or condo-hotel resorts
- Club entities that own partial inventory or partial intervals at a physical timeshare resort
- Vacation exchange rental property at non-timeshare resorts

Methodology

Ernst & Young LLP (EY) designed, built, and distributed a password-secured, web-based survey questionnaire for data collection at the resort level. Data providers with multiple resorts received a corresponding version in Microsoft Excel. Individual responses to all questions were kept completely confidential. Only EY professionals responsible for the survey had access to individual survey responses. EY used the survey responses to produce most of the estimates detailed in this study — other sources are cited as appropriate. This study contains estimates of key metrics that provide an overview of the vacation timeshare industry in the United States. It is not a comment on any individual company, whose performance may vary from the information included in this study.

All identified timeshare resorts¹⁵ in the United States were sent a survey questionnaire. Of the 1,549 identified timeshare resorts, 822 responded — a 53% response rate. Of these 822 responding resorts, 742 belong to a family of ten or more resorts, while 80 belong to a family of less than ten resorts. Of these 80, 64 were single-site resorts. In general, the information in this report includes estimates of industry-wide metrics. The exceptions are the estimates of construction activity and just-in-time inventory, which are reported only for those responding to the survey and not extrapolated to the universe of timeshare resorts.

How good are the estimates in this report? There are two primary sources of survey error: sampling and non-sampling error. Since the entire universe of identified resorts received a survey there is no sampling error and terms such as precision and confidence are not appropriate. Non-sampling error includes survey question bias, coverage and measurement error, and non-response. Non-sampling errors are present in every survey, but can be reduced with proper planning, good execution, and appropriate analysis.

For this survey, EY took the following steps to help reduce non-sampling errors at various stages of the survey process:

- The AIF annually updates its database of timeshare resorts to help reach all known timeshare resorts.
- EY conducted a questionnaire review session with experienced survey professionals and data providers to help clarify the meaning of key terms and new data points.
- The electronic survey questionnaires contain data edit checks designed to catch questionable responses at the point of data entry. For example, reported maintenance fees that appear too high based on previous response, or intervals owned per unit that seem implausible.
- Survey participants receive complimentary copies of the report as an incentive to respond.
- The AIF and EY conducted calling campaigns and sent electronic reminders to encourage response.
- EY followed up with respondents on confusing or inconsistent responses.
- EY also compares our results to historical data, expected trends and other AIF studies such as the annual Financial Performance Study.

15 List of timeshare resorts maintained and provided by AIF. Please see Appendix B for more information about the methodology for identifying timeshare resorts.

The overall response rate is the most widely used measure of non-sampling error. The response rate has increased from 28% in 2005 (the year before EY began conducting the study) to 53% in 2022 and is well above the current typical response rate for surveys of this type. Our nearly 91% response rate among large developers (those with ten or more resorts) is very good, and suggests that industry health estimates, such as sales, are reliable, since these respondents generate most of the industry's sales. That said, because of the higher response rates of multi-site respondents, where appropriate, statistical weighting was used to help offset potential bias in the study respondents. A comparison of the distribution of responding resorts to the distribution of the universe by state did not reveal any systematic differences.

In general, a higher response rate helps improve the accuracy of estimates, but at the same time the higher rate can make comparisons to the results of previous years problematic. For example, if new respondents report relatively low unit counts for their resorts, this will drive the reported average resort size lower even though the industry may not have lost any units.

Note that the number of respondents varies across questions, since some questions (e.g., those related to sales activity) are only relevant to certain segments of the timeshare resort population. To aid interpretability of results, throughout the report we include the number of respondents to the survey question related to the corresponding table/graphic where appropriate. Also, in some cases, multiple responses were allowed for a single question – we have indicated such after each figure where appropriate. Furthermore, in some cases where a single response is required, the percentages in a single table may not appear to sum to 100% due to rounding – we have also indicated that where appropriate. Finally, in some cases, percentage changes year over year may be slightly different than expected due to rounding.

We made an update to the way that we identify resorts that are active-sales vs. sold-out, and a corresponding adjustment to the methodology for estimating industry sales.

EY worked with the AIF to classify all multi-site data providers as either in active-sales or sold-out. We relied on a few techniques to help us assess sales status.

- Sales data provided from multi-site respondents- if a respondent reported sales data, we considered resorts in that portfolio to be in active-sales.
- Use of previously reported data, review of company websites and AIF industry knowledge for non-responding companies – we used this information to classify non-responding multi-site companies as either in active-sales or sold-out.

Finally, we combined this assessment of sales status with the reported sales data of our respondents to estimate the sales level of non-responding companies.

Special thanks are due to the timeshare industry professionals who dedicated their time and expertise to the development of the survey instrument employed to collect data for this report. Also, we truly appreciate the efforts of resort staff who committed their time and energy to complete the survey questionnaires.

State of the Vacation Timeshare Industry

UNITED STATES STUDY 2022 EDITION

SURVEY

Thank you for participating in the 2022 ARDA International Foundation (AIF) Survey! The following survey is about timeshare resorts. If you have questions regarding the survey or this website, please call Joe Callender at 202.327.5692 or email joe.callender@ey.com.

If you submitted a response to us last year, we have used that data to pre-populate fields that are unlikely to change. We hope this makes this questionnaire easier to complete. Please review the answers in case anything has changed since last year.

WEB ONLY: In some cases, multiple respondents from an organization may be completing this questionnaire. In that case, you may only be completing specific sections. Using the following table of contents, please de-select any sections which are not applicable to you before proceeding.

- | | |
|---|---|
| ☐ Resort Identification | ☐ Resort Timeshare Sales |
| ☐ Resort Characteristics | ☐ Inventory Management |
| ☐ Occupancy and Fees | ☐ Resort Construction and Improvements |
| ☐ Timeshare Operating Expenses | ☐ Timeshare Rental and Resale Programs |
| ☐ Timeshare Taxes | |

Note: Please refer to the glossary for the definition of any underlined terms.

I. Resort Identification

1. Are you responsible for providing data for multiple resorts?

- ☐ Yes — Please contact Joe Callender at 202-327-5692 or Joe.Callender@ey.com if interested in providing the information below via an Excel spreadsheet for all your resorts.
- ☐ No

2. Resort identifying information

Resort Name _____

Address _____

City _____ State _____ Zip Code _____

3. Contact person *(General information for individual completing survey)*

First Name _____

Last Name _____

Title _____

Company Name _____

Telephone Number _____

4. Resort management information *(Complete only if applicable)*

Name of Development Company _____

Name of Management Company _____

RCI Identification Number _____

Interval Identification Number _____

Home Owners Association(s) *If multiple HOAs please use a comma to separate* _____

5. Please indicate any exchange companies with which you are affiliated.

- | | |
|--|--|
| ☐ Interval International | ☐ Arrivia [previously ICE (International Cruise and Excursion)] |
| ☐ RCI | ☐ SFX Preferred Resorts (San Francisco Exchange) |
| ☐ Internal exchange program (the exchange program operated by your developer or management company) | ☐ Other, specify _____ |
| ☐ 7Across (previously Dial An Exchange) | |

II. Resort Characteristics

1. At which development stage is this resort currently? (Select one)

Note: If the resort is being built in phases, and a construction phase is complete, the resort should be considered open, even if a new phase is still under construction.

- | | |
|---|---|
| ☐ Planned | ☐ Temporarily Closed [ANSWER Qa-d] |
| ☐ Under Construction | ☐ Permanently Closed [ANSWER Qe & Qf] |
| ☐ Open [ANSWER Qa & b] | ☐ Converted to a non-timeshare property [ANSWER Qe & Qf] |

a. Please select the year this resort opened. (Only answer if stage above equals Open or Temporarily Closed)

b. Did the resort temporarily close at any point in 2021 for any of the following reasons?

- | | |
|--|--|
| ☐ COVID-19 pandemic | ☐ Other, specify _____ |
| ☐ Natural disaster | ☐ No, did not temporarily close |

c. What is the primary reason for being temporarily closed?

- | | |
|--|---|
| ☐ COVID-19 pandemic | ☐ Other, specify _____ |
| ☐ Natural disaster | |

d. When do you expect the resort to re-open?

- | | |
|--|---|
| ☐ First half of this year | ☐ Next year or later |
| ☐ 2nd half of this year | |

e. Please select the year this resort permanently closed or converted to a non-timeshare property.

(Only answer if stage above = Closed or converted to a non-timeshare property) _____

f. Please specify a reason why this resort permanently closed or converted to a non-timeshare property. (Only answer if stage above = Closed or converted to a non-timeshare property)

- | | |
|--|---|
| ☐ COVID-19 pandemic | ☐ Financial restraint |
| ☐ Natural disaster | ☐ Other, specify _____ |

2. Are any of the following types of units available for sale/rent at this property?

- ☐ Fractional
- ☐ Hotels
- ☐ Whole ownership
- ☐ Some other type of non-timeshare units (please specify) _____
- ☐ None of the above — this is a stand-alone/timeshare only property

3. Who controls the HOA/POA/COA (owner's association) at this resort?

- | | |
|---|---|
| ☐ Owners (GO TO Q3a) | ☐ Developer (GO TO Q4) |
|---|---|

3a. [If "Owners" SELECTED] At approximately what percentage of sell out did the owners gain control of the owner's association? _____

4. Who manages the timeshare resort's day to day operation?

- ☐ Self-managed by the owner's association
- ☐ Managed by a management company that is affiliated with the resort developer
- ☐ Managed by a third-party management company
- ☐ Other, specify _____

5. How are management fees determined?

- ☐ Not applicable
- ☐ Fixed amount
- ☐ As a percentage of the annual budget, operating expenses, etc.— excluding reserves and taxes
- ☐ As a percentage of total assessments which includes reserves [ANSWER Q5b]
- ☐ Other, specify _____

a. What percentage of budget, operating expenses, etc. was allocated to management fees in 2021?

Note: Please exclude commissions on rentals and resales. _____

b. What percentage of total assessments was allocated to management fees in 2021? _____

6. What was the total amount of management fees paid in 2021?

Note: Please exclude commissions on rentals and resales. Please enter an actual dollar amount — do not use units such as thousands or millions. _____

II. Resort Characteristics — continued

7. Who employs your resort's employees? (Check all that apply)

- ☐ Resort developer
☐ Resort HOA(s)
☐ Management company
☐ Other, specify _____

8. How many timeshare units does this resort have by size?

If you don't have a given type of unit, please fill in '0'.

NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Total Units as of December 31, 2021

Count Lock-offs as one unit	Count Lock-offs as separate units
_____ Studio	_____ Studio
_____ 1BR	_____ 1BR
_____ 2BR	_____ 2BR
_____ 3+BR	_____ 3+BR
_____ Total Units	_____ Total Units

9. What is the average size of a unit at this resort in square feet?

If you don't have a given type of unit, please fill in '0'.

NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Unit size	Square Feet
Studio	_____
1BR	_____
2BR	_____
3+BR	_____

10. Which of the following types of intervals does this resort currently have? (Check all that apply)

- ☐ Timeshare points

One or more of the following types of weekly intervals

- ☐ Traditional interval weeks (including fixed and floating weeks)
☐ Interval weeks with the ability to use through a timeshare points system

11. Which of the following special types of intervals does this resort currently have?

- ☐ Biennials
☐ Triennials
☐ Limited-term vacation products (GO TO Q11a)
☐ Other, please specify _____

11a. What is the length of the term in years? _____

12. Please provide the following information on weekly equivalent intervals* at your resorts:

What is the total number of weekly equivalent intervals owned at your resort as of December 31, 2021 by **owners other than the developer or HOA**? Please include any intervals sold since the resort's inception, unless they have been reacquired by the developer or are owned by the HOA

What is the total number of weekly equivalent intervals at your resort that are **owned by the HOA** as of December 31, 2021?

What is the total number of weekly equivalent intervals at your resort that **are owned by the developer** as of December 31, 2021? Please include any intervals that have never been sold and intervals that have been reacquired by the developer.

Total

Weeks: As of December 31, 2021	Points: As of December 31, 2021
_____	_____
_____	_____
_____	_____
_____	_____

**Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.*

II. Resort Characteristics — *continued***13. What was the actual number of owners as of each date?**

December 31, 2020 _____ December 31, 2021 _____

14. What was the origin distribution of your shared vacation owners in 2021?

	%
Domestic	_____
International	_____
Total	100%

15. What is the approximate distribution of your owner population by age?

	%
18 to 24	_____
25 to 34	_____
35 to 44	_____
45 to 54	_____
55 to 64	_____
65+	_____

16. What is the legal structure of the shared vacation ownership products that you sell currently?*(Check all that apply)*

- ☐ Right to use contractual interest that expires at some future date (generally referred to as a timeshare license and is not considered a real property interest at the state level) [ANSWER Q16a]
- ☐ Deeded or fee-simple real estate (generally referred to as a timeshare estate and would be considered a real property interest at the state level) [GO TO Q17]
- ☐ Interest in a trust (generally includes an owner receiving a beneficial interest in a trust that allows the owner to use the property that is held in the trust for the benefit of the owners. Ownership could be evidenced by a certificate, deed (in the case of a Florida Land Trust) or other similar document) [GO TO Q17]
- ☐ Other, specify _____

a. If "Right to use contractual interest" was selected above, how long is the contract, membership license or leasehold, if applicable?

- | | |
|--------------------------------------|---|
| ☐ 100+ years | ☐ 10-19 years |
| ☐ 80-99 years | ☐ 6-9 years |
| ☐ 60-79 years | ☐ 4-5 years |
| ☐ 40-59 years | ☐ 2-3 years |
| ☐ 20-39 years | ☐ 1 year or less |

17. What vacation experience does this resort offer? (Choose all that apply.)

- | | | |
|--|--|--|
| ☐ Beach | ☐ Island | ☐ Mountains |
| ☐ Country/Lakes | ☐ Rural/Coastal | ☐ Waterpark |
| ☐ Desert | ☐ Ski | ☐ Other, specify: _____ |
| ☐ Gaming | ☐ Theme Park | |
| ☐ Golf | ☐ Urban | |

18. Which ONE characteristic best describes this resort? (Please select only one)

- | | | |
|--|--|--|
| ☐ Beach | ☐ Island | ☐ Mountains |
| ☐ Country/Lakes | ☐ Rural/Coastal | ☐ Waterpark |
| ☐ Desert | ☐ Ski | ☐ Other, specify: _____ |
| ☐ Gaming | ☐ Theme Park | |
| ☐ Golf | ☐ Urban | |

II. Resort Characteristics — continued

19. What enhanced sanitization measures does your resort have in place to mitigate COVID-19 risk?

- Mandatory mask wearing ☐
- Cleaning stations (hand-sanitizer, wipes, etc.) throughout resort ☐
- Remote or touchless check-in ☐
- Social distancing signage ☐
- Provide additional in-room cleaning supplies ☐
- Increase time period between guest check-ins ☐
- Temperature checks ☐
- Staff COVID-19 testing programs ☐
- Enhanced staff training ☐
- Increased frequency of disinfection/sanitization ☐
- Extra COVID-specific cleaning in units [ANSWER Q19a] ☐
- Use of mass disinfection method such as fogging treatment or UV light treatment ☐
- Use of high-tech cleaning devices such as robots ☐
- Mandatory COVID-19 vaccination for staff ☐
- Other, specify _____ ☐

19a. What fee, if any, do you charge for the extra COVID-specific enhanced sanitization measures which you reported in the previous question?

- ☐ We do not charge an extra fee
- ☐ We charge a fee of \$_____ per night stay
- ☐ We charge a flat fee of \$_____

20. Do you offer a mobile application to owners and guests to enhance their experience?

- ☐ Yes [ANSWER Q20a]
- ☐ No [GO TO Q21]

20a. Which of the following features are offered via the mobile application to your guests?

- ☐ Check in
- ☐ Access to units (unlock/lock unit using a phone)
- ☐ Making reservations
- ☐ Virtual sales presentation
- ☐ Virtual tour of resort (room/resort pictures, videos, etc.)
- ☐ Mobile payment — maintenance fees
- ☐ Mobile payment — rental fees
- ☐ Mobile payment — other, specify _____
- ☐ Owner community building experience
- ☐ Other, specify: _____

21. How do you communicate with your owners?

- ☐ Email [Answer Q22 about Email]
- ☐ Phone [Answer Q22 about Phone]
- ☐ Owner online forum [Answer Q22 about Owner online forum]
- ☐ Social media [Answer Q22 about Social media]
- ☐ Other, please specify _____ [Answer Q22 about Other]

22. With what frequency do you communicate with your owners? (Check all that apply)

	As needed	Weekly	Monthly	Quarterly	Yearly	Other
Email	☐	☐	☐	☐	☐	☐
Phone	☐	☐	☐	☐	☐	☐
Owner online forum	☐	☐	☐	☐	☐	☐
Social media	☐	☐	☐	☐	☐	☐
Other	☐	☐	☐	☐	☐	☐

23. [EXCEL ONLY] What other types of products/services are offered through your internal exchange programs only?

- ☐ None
- ☐ Fractional
- ☐ Air travel
- ☐ Hotel
- ☐ Cruise
- ☐ Car rental
- ☐ Condo
- ☐ Shopping
- ☐ Other, please specify _____

24. [EXCEL ONLY] How many non-timeshare entities are associated with the internal exchange program?

III. Occupancy and Fees

Please answer the following questions for your timeshare units only.

1. **What was your timeshare occupancy mix by type?** Report based on physical occupancy, meaning actual guest check-in occurred. Calculate percentages using weekly equivalent timeshare intervals available as the denominator – please do not include any inventory taken offline due to natural disasters (i.e., hurricanes, fires, etc.) or regular maintenance. This corresponds to all units with certificates of occupancy, whether intervals are sold or unsold.

	In 2021 (including rooms taken offline due to COVID-19 related closures)	In 2021 (excluding rooms taken offline due to COVID-19 related closures)
Owner or owners' guest	_____	_____
Exchange guest	_____	_____
Renter	_____	_____
Marketing guest (sampler/trial membership, etc.)	_____	_____
Vacant	_____	_____
Total	100%	100%

2. **What were your maintenance fees billed per unit per interval in 2021, including contributions to reserves but excluding special assessments and property taxes?** NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Maintenance fees billed *per unit per interval*

Studio _____ 1BR _____ 2BR _____ 3+BR _____

** Points-based developers may calculate weeks on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.*

3. **What is the total amount of revenue your resort collected in 2021 over all intervals at this resort for each of the following categories?** Please include amounts paid by the developer, for example, on unsold intervals held in inventory, and/or subsidies and guarantees.

	In 2021
Maintenance fees	_____
Special assessments and other revenue sources	_____
Rentals (all fees, commissions, etc. collected by your resort)	_____
Resales (all fees, commissions, etc. collected by your resort)	_____
Recreational use fees (bike rentals, videos, etc.)	_____
Food & beverage	_____
Housekeeping	_____
Telecommunication (telephone, Internet etc.)	_____
Developer subsidy	_____
Laundry	_____
Other, please specify _____	_____
Other, please specify _____	_____
Total Revenue	_____

4. **As of December 31, 2021, what percent of your total billed maintenance fees were in each of the following categories?** Please include all maintenance fees billed in 2021 or before, but please do not include maintenance fees billed for 2022.

	In 2021
Current (30 days delinquent or less)	_____
31–60 days delinquent	_____
61–90 days delinquent	_____
91–120 days delinquent	_____
121+ days delinquent	_____
Total	100%

IV. Timeshare Operating Expenses

Note: Ernst & Young is using an expenditure-based approach to quantify the economic impact of the timeshare industry. In this approach, Ernst & Young will estimate the typical level of expenditures generated by sales operations, resort management operations (including the operation of timeshare-related amenities), corporate offices and call centers. Therefore, in completing survey forms it is important that each employee or dollar of expenditures made by a particular company be reported in only one category. For mixed-use projects (e.g. timeshare resort and on-site hotel), allocate a portion of total resort employment and expenditures to the timeshare operation. This expense information will be used to derive economic multipliers that reflect the additional economic activity that will occur when timeshare properties purchase goods and services produced by suppliers located in the United States.

Resort Management Operations

1. Please provide the following information for your **resort employees only**. Include full-time, part-time, temporary and contract employees (Please do not include people in sales operations as these employees are reported in Question 2 below)

Annual average number of employees for 2021. Calculate using the average between the number of employees on January 1, 2021 and the number of employees on December 31, 2021

In 2021

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.

2. Please provide your non-labor operating expenses at your resort in dollars. Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.

\$ _____

Sales Operations (both on-site and off-site)

3. Please provide the following information for your **sales operations only**. Include full-time, part-time, temporary and contract employees. Include full-time, part-time, temporary and contract employees

Annual average number of employees for 2021. Calculate using the average between the number of employees on January 1, 2021 and the number of employees on December 31, 2021

In 2021

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.

4. Please provide your 2021 non-labor operating expenses for your sales operations in dollars. Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.

\$ _____

Corporate, Regional or Call Center Operations Expenses

5. Please provide the following information for your **corporate, regional office and call center operations only**. Include full-time, part-time, temporary and contract employees. Exclude resort development costs such as payroll costs and non-compensation expenditures that are related to resort design and construction and will be reported under resort construction and improvement.

Annual average number of employees for 2021. Calculate using the average of the number of employees on January 1 and the number on December 31

In 2021

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.

6. Please provide your 2021 non-labor operating expenses at your **corporate, regional office and call center operations in dollars**. Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.

\$ _____

V. Timeshare Taxes

Note: The goal of this question is to collect information on the full level of property and occupancy taxes paid, regardless of the individual or entity that actually makes payment to the local government entity. For example, include taxes that are paid by the HOA or management entity. If owners are responsible for paying property taxes directly, please include an estimate of the taxes paid by owners. If it is not possible to include an estimate of such taxes, please notify us. Property taxes include taxes on real estate and personal property.

1. Please provide the total amount of property taxes paid during 2021, in dollars. Include information on the full level of property taxes paid, regardless of the individual or entity that actually makes payment to the local government entity.

In 2021

On resort property _____

At sales centers, both on-site and off-site _____

For regional office, corporate office and/or call center operations _____

2. Please provide the total amount of occupancy taxes paid during 2021, in dollars. Include any accommodation taxes paid by occupants of timeshare units, such as sales tax on room charges, room tax, transient occupancy tax and nightly taxes on owners. Include the full amount paid to state and local governments by occupants or resort. Enter a zero if no occupancy taxes were paid.

In 2021

State Occupancy Taxes _____

Local Occupancy Taxes _____

3. Please provide the total amount of corporate income taxes paid by your organization for 2021, in dollars.

In 2021

State and Local Income Tax Paid _____

Federal Income Tax Paid _____

Total _____

VI. Resort Timeshare Sales

1. Did you offer new timeshare inventory for sale in 2021 on a weekly interval and/or points basis?

New inventory is considered "first generation" or "developer sales". (Note: If you had some small level of sales activity in 2021 (such as for sales of re-claimed inventory), please select yes and report your sales information.)

☐ Yes — weekly interval [GO TO Q2]

☐ Yes — points [GO TO Q10]

☐ No [SKIP TO NEXT SECTION]

Please answer the following questions in the context of new sales on a weekly interval basis for your timeshare units only.

2. Do you have any fee for service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

☐ Yes ☐ No

Timeshare Sales (\$):

3. What was your total sales volume net of rescissions and sales incentives for 2021, in dollars?

Include interval weeks sales, upgrade/reload sales, and sales from re-claimed inventory. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

\$ _____

VI. Resort Timeshare Sales — *continued*

4. Of your total net sales volume above, what is the amount sold for upgrades/reloads?
\$ _____
5. Of your total net sales volume above, what is the amount sold for limited-term vacation products?
(If Q11 from Resort Characteristics = Limited-term)? \$ _____
6. What was your 2021 sales volume net of rescissions and sales incentives... **Sales Volume (\$)**
- | | |
|--|-------|
| ...for weekly based intervals* (Excluding biennials and triennials)? | _____ |
| ...for biennials? | _____ |
| ...for other products? | _____ |

Weekly Intervals Sold:

7. How many weekly equivalent timeshare intervals were sold in 2021 for your weekly intervals?
Exclude sales for trial memberships and sampler programs.
\$ _____
8. What was the number of intervals sold in the following categories. **Number of Intervals Sold**
- | | |
|--|-------|
| ...for weekly based intervals* (Excluding biennials and triennials)? | _____ |
| ...for biennials? | _____ |
| ...for other products? | _____ |

Number of Weeks Based Sales Transactions:

9. What was the total number of weekly interval sales transactions in 2021 at your resort (exclude rescissions)? Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), reloads (which should be part of all categories above, except upgrades).
Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.
\$ _____
10. Of your total weeks based transactions above, how many were for upgrades/reloads?
\$ _____

Timeshare Inventory:

11. How many weekly intervals were available for sale at your resort? Include all intervals available as of Dec 31, 2020 and any that were made available during calendar year 2021.

Please answer the following questions in the context of new sales on a points basis for your timeshare units only.

Timeshare Sales (\$):

12. What was your total sales volume net of rescissions and sales incentives for 2021, in dollars?
Note: Include points sales, reload sales, and sales from re-claimed inventory. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.
\$ _____
13. Of your total net sales volume above, what is the amount sold for reloads?
\$ _____
14. Of your total net sales volume above, what is the amount sold for limited-term vacation products?
(If Q11 from Resort Characteristics = Limited-term)
\$ _____

VI. Resort Timeshare Sales — continued

Points and Weekly Intervals Sold:

15. How many weekly equivalent timeshare intervals were sold in 2021 for your points-based products?

Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

Note: Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.

16. How many total points were sold at your resort in 2021?

Number of Points Based Sales Transactions:

17. Number of points sales transactions (exclude rescissions) Transactions should include points sales and reloads. **Note:** Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

18. Of your total points based transactions above, how many were for reloads?

Timeshare Inventory:

19. How many total timeshare points exist in your inventory at your resort?

20. How many timeshare points were available for sale at your resort? Include all points available as of December 31, 2020 and any that were made available during calendar year 2021.

Following questions asked of all respondents.

21. What was your 2021 net sales volume associated with trial membership/sampler programs net of rescissions and sales incentives, in dollars? This value should not have been included in your response earlier in this section.

22. Of your total 2021 net sales volume net of rescissions and sales incentives as listed earlier in this section, indicate the approximate percentage sold to

	Percent
New owners (including owners who purchased as a result of participation in a trial membership program)	_____
Existing owners	_____
Total	100%

23. Does this resort offer any of the following for sale?

Yes	No	
☐	☐	Fractional sales
☐	☐	Private Residence Clubs
☐	☐	Whole ownership
☐	☐	Other, please specify _____

VI. Resort Timeshare Sales — continued

24. Please describe the types of sales channels you use for your resorts.

- ☐ In-person Sales Presentations (Tours): On-site
- ☐ In-person Sales Presentations: Off-site (including homesits)
- ☐ Online
- ☐ Telemarketing
- ☐ Other, please specify _____

25. Do you have any fee for service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

- ☐ Yes ☐ No

26. What was your total 2021 sales volume net of rescissions and sales incentives related to "Fee for service" arrangements? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

\$ _____

27. What was your total number of Fee for service related transactions for 2021?

VII. Inventory Management

1. Do you accept trade-ins of intervals developed by other development companies?

- ☐ Yes ☐ No

2. Which of the following types of programs do you offer for intervals at properties which you have developed and/or manage? (Check all that apply)

- ☐ A buy-back program of timeshare intervals at a mutually agreeable price
- ☐ Right of first refusal when owners attempt to sell their timeshare interval
- ☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements with a fee
- ☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements - no fee
- ☐ Ability to convert to a reduced allotment of timeshare points and or/time (such as a fewer number of days or conversion to a biennial arrangement)
- ☐ A resale program that allows owners to sell their intervals on the secondary market
- ☐ Other, please specify _____
- ☐ None [GO TO Q4]

3. In 2021, how many intervals or points equivalents at your properties did you re-claim from timeshare owners? If you know the total number of weekly intervals or points equivalents re-claimed but are unsure of the number attributed to each reason, please write the total number in "Not sure of reason".

Under buy-back or time/point reduction programs	_____
Purchased on the secondary market	_____
Due to foreclosure	_____
Voluntary surrender (with or without fee)	_____
For other reasons	_____
Not sure of reason	_____
Total	_____

VII. Inventory Management — continued

4. **In 2021, how many of your owners transferred their ownership rights?** If you know the total number of owners who transferred their ownership rights but are unsure of the number attributed to each method, please write the total number in "Not sure of method".

Via inheritance	_____
Via direct sale to another individual consumer	_____
Via direct sale to a third-party company	_____
Via some other mechanism (please, specify _____)	_____
Not sure of method	_____
Total	_____

5. **Which of the following programs do you have in place to enhance/augment your product offerings?**

Program	In Place	Associated Revenue (\$)
Developing partnerships or rental relationships with Airbnb or other web driven 'sharing' entity in order to distribute inventory	_____	_____
Use of branded or unbranded hotel as a way to extend destinations	_____	_____
Online travel agencies	_____	_____
Travel clubs	_____	_____
Other, please specify _____	_____	_____

VIII. Resort Improvement and Construction

1. **Please provide the dollar amounts spent for capital improvements related to existing timeshare units and related amenities in 2021.** Please exclude capital improvements related to the construction of new timeshare units. At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

In Dollars

Renovation, refurbishment	_____
Furniture, fixtures, equipment	_____
Other capital expenditures	_____

2. **How many timeshare units were recently built at this resort in 2021?**

If you don't have a given type of units, please fill in '0'.

Number of Timeshare Units Built in 2021 _____

3. **Please provide your total capital expenditures related to new resort/unit construction in 2021.**

Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory). At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

In Dollars

Land	_____
Construction (buildings and site work)	_____
Furniture, fixtures, equipment	_____
Other costs (soft costs, permits, consultants' fees, etc.)	_____

4. **How many timeshare units were purchased as Just-In-Time/Completed Inventory (e.g. turn-key, Just in Time inventory purchases, buy-backs from Property Owner Associations) in 2021?** If you don't have a given type of units, please fill in '0'.

Number of Just-in-time purchased units	_____
Number of units bought back from owners/owner's associations	_____

VIII. Resort Improvement and Construction — continued

5. Please provide your total capital expenditures related to fully completed inventory for the year ended December 31, 2021. Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory). At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

	In Dollars
Land	_____
Construction (buildings and site work)	_____
Furniture, fixtures, equipment	_____
Other costs (soft costs, permits, consultants' fees, etc.)	_____

6. Please provide your 2021 non-resort capital expenditures in the following categories.

	Related to sales offices	Related to regional office, corporate office and/or call center facilities only
New construction	_____	_____
Renovation, refurbishment	_____	_____
Other capital expenditures	_____	_____

7. How many timeshare units are you planning to build at this resort?

If you don't have a given type of units, please fill in '0'.

# Timeshare Units Planned to build in 2022	_____
# Timeshare Units Planned to build in 2023 or beyond (w/firm commitments)	_____

8. How many timeshare units do you plan to purchase as Just-In-Time/Completed Inventory (e.g. turn-key, Just-in-time inventory purchases, buy-backs from Property Owner Associations)? If you don't have a given type of units, please fill in '0'.

	Number of Just-in-time purchased units	Number of units bought back from owners/owner's associations/secondary market
# Timeshare Units Planned to Purchase as Just-In-Time/Completed Inventory in 2022	_____	_____
# Timeshare Units Planned to Purchase as Just-In-Time/Completed Inventory in 2023 or beyond	_____	_____

9. How many new resorts does your company plan to build, and what is the associated number of units?

	Number of Resorts
New Resorts Planned for Completion in 2022	_____
Associated Number of Units in 2022	_____
New Resorts Planned for Completion in 2023 and beyond	_____
Associated Number of Units in 2023 and beyond	_____

10. Please indicate the typical life cycle for the following items at this resort in years.

_____ Soft goods (i.e., carpet, sofas, window coverings)
_____ Paint
_____ Electronics
_____ Case goods
_____ Appliances
_____ HVAC (Heat, Air Ventilation, and Cooling)
_____ Tile, cabinetry, plumbing fixtures

IX. Timeshare Rental and Resales Programs

1. Does your resort offer a rental program to help rent weeks that are owned by any of the following?

Check all that apply

- ☐ Owners
☐ HOA(s)
☐ Developers
☐ None of the above [SKIP TO Q5]

2. What types of rental programs do you offer? *Check all that apply*

- ☐ Daily rentals
☐ Weekly rentals
☐ Monthly rentals
☐ Rental rates that vary based on season
☐ Rental programs for marketing guests
☐ Other, please specify _____

3. Which of the following do you use to publicize the availability of rentals at this resort? *Check all that apply*

- ☐ Resort website
☐ External rental websites (e.g., Redweek.com or SellMyTimeshareNOW.com)
☐ OTAs (Priceline, Hotels.com, Expedia etc.)
☐ Sharing platforms (Airbnb, VRBO, etc.)
☐ Timeshare broker and/or broker website
☐ Physical bulletin boards at resort
☐ Newspaper
☐ Radio
☐ Television
☐ Social media (Facebook, Twitter, etc.)
☐ Blog
☐ Channel Manager (e.g. Siteminder, LeisureLink, etc.)
☐ Other, specify _____

4. What was the total number of nights rented and the associated rental income for 2021?

Total number of nights rented _____

Associated rental revenue (\$) _____

5. Please list the total amount paid in 2021 related to lodging taxes or other taxes related to rental programs only. These taxes are separate from the occupancy taxes in the "Resort Timeshare Taxes" section

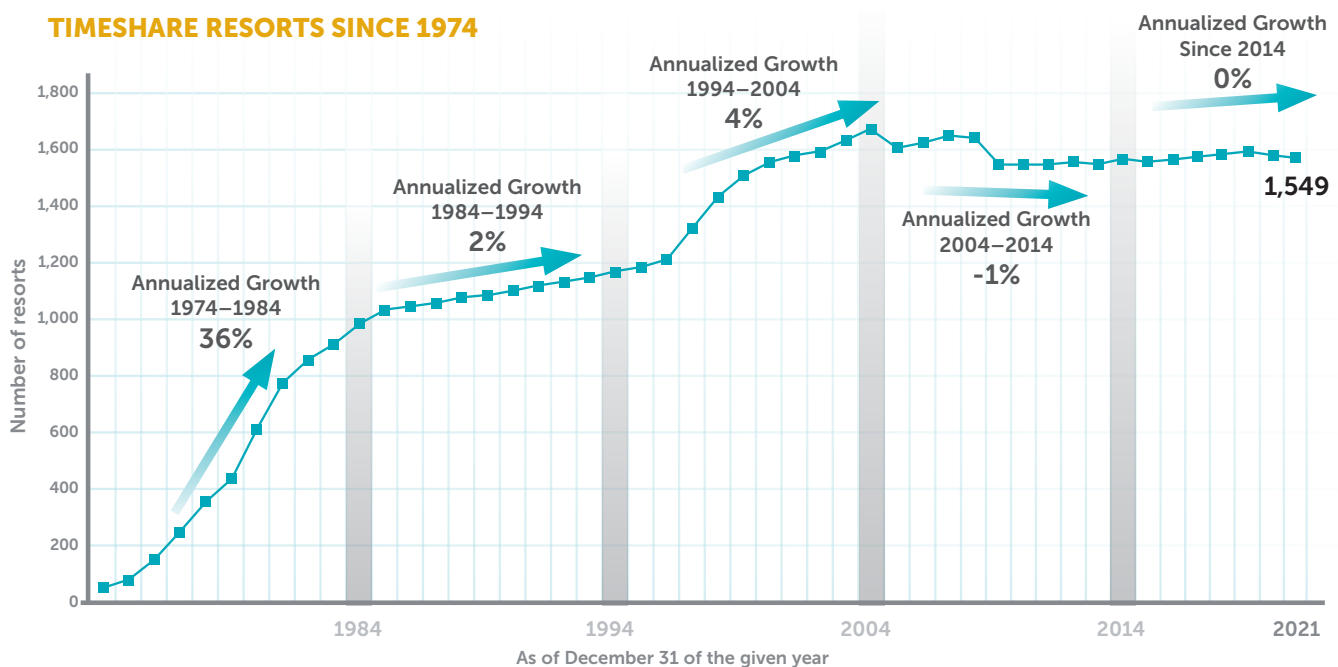
A Brief History of the U.S. Timeshare Industry

To help put the 2021 performance results in perspective, this chapter traces the growth of several key metrics over time since the industry's inception in 1974.

Figure E.1 traces the growth of U.S. timeshare resorts since 1974. It paints a picture of an industry with generally steady growth, punctuated by two major growth spurts. The first occurred at the industry's outset in the United States – the number of resorts grew by an average of 105 resorts per year from 1974 to 1981. The next was from 1996 to 2000, when the number of resorts grew by an average of 87 per year. In between, growth averaged 25 to 30 resorts per year. In recent years, growth in the number of resorts has moderated.

FIGURE E.1

TIMESHARE RESORTS SINCE 1974

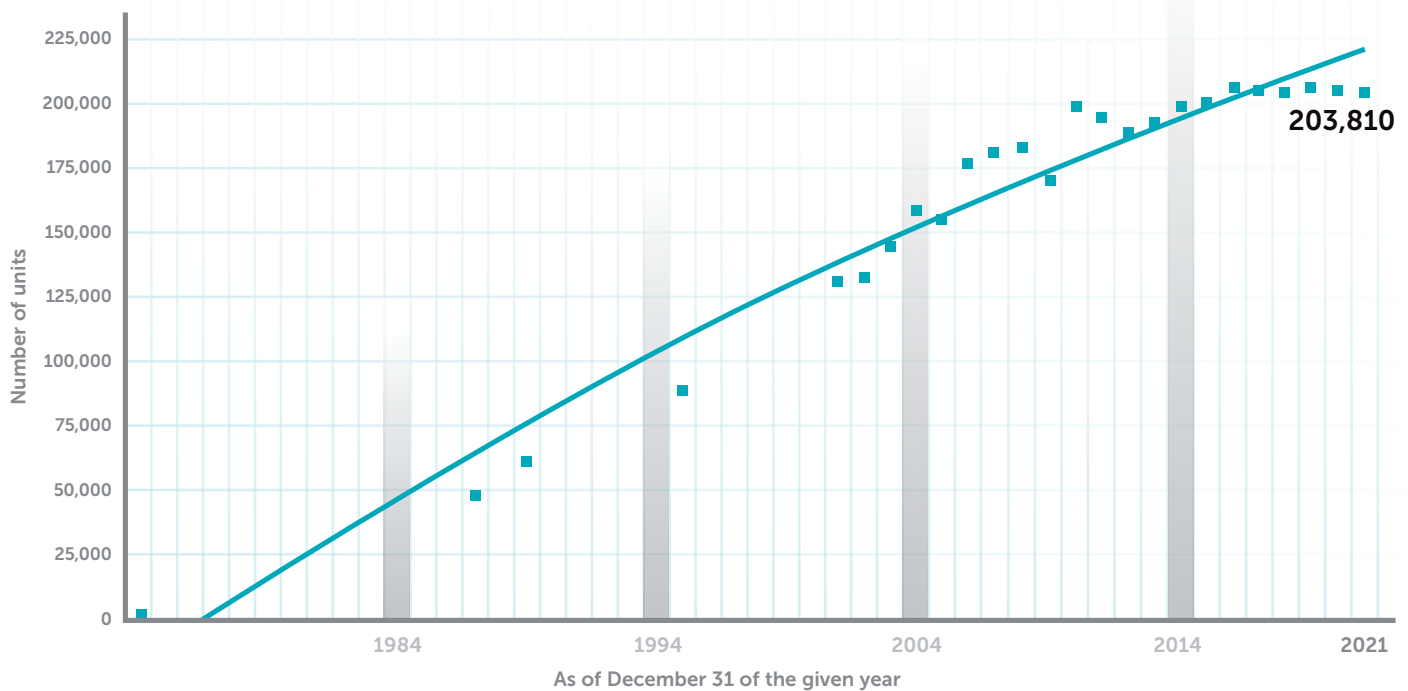


Source: Ragatz Associates, American Economics Group and the AIF

A change in the definition of the study population accounts for the drop in the number of resorts from 2004 to 2005. This change focused the analysis on traditional timeshares, including weekly intervals and points while removing such non-comparable entities as fractionals, non-equity clubs, private residence clubs and vacation clubs. The AIF stepped up its confirmation efforts again in late 2009 and early 2011 to verify the status of all identified timeshare resorts in its database, removing condo hotels and resorts with only contractual agreements to be used as timeshare. Improved rigor and scrutiny of resort count by the AIF led to a drop in the total timeshare resort count for the year 2009 and 2015. In 2021, the number of resorts decreased again due to a combined impact of pandemic, natural evolution of resorts and improved rigor and scrutiny of resort count.

Figure E.2 shows the historical trend of unit growth through the available data points. Unlike timeshare resorts, the number of timeshare units was not tracked annually prior to 2001.

FIGURE E.2
TIMESHARE UNITS SINCE 1974

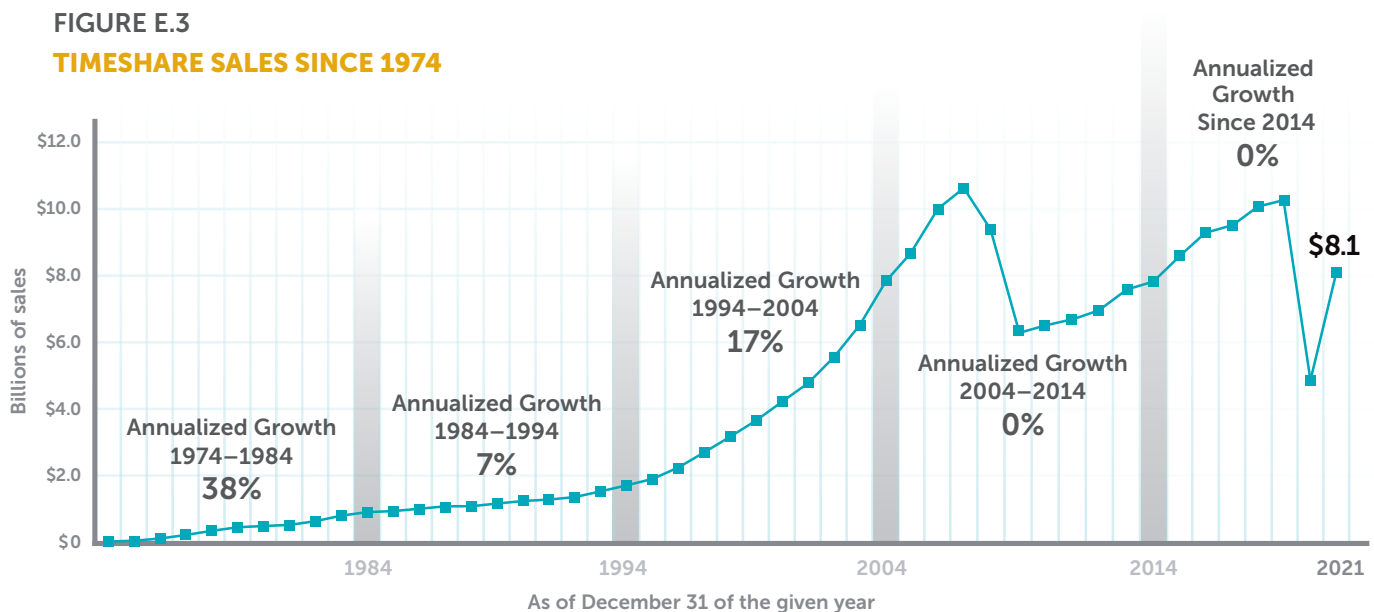


Source: Ragatz Associates, American Economics Group and AIF

Developers built larger, purpose-built resorts as the industry matured and larger, branded timeshare companies entered the market. In 1974, the average resort had approximately 27 units. By 1989, that number had more than doubled to 56 and by 2008 that had doubled again to 112. Over the past decade, this trend toward larger resorts has abated somewhat, growing from 125 on average in 2012 to 131 in 2021.

Figure E.3 shows the historical sales¹⁶ trend from 1974 through 2021. In keeping with the pattern of resort and unit growth, sales volume grew tremendously over the first 10 years (38% annualized growth), moderated in the middle 10 years (7%), and picked up again from 1994 to 2004 (17%). In 2004, a four-year sales boom began, with sales volume peaking in 2007 at \$10.6 billion. However, sales fell significantly in the next two years due to the recession, so that sales over the period from 2004 to 2014 were flat. Following the recession, the industry experienced another 10 consecutive years of growth from 2010 to 2020. However, the COVID-19 pandemic significantly impacted sales in 2020 causing a sharp decrease due to the incredible impacts on the travel and leisure industry. As seen in the graph and noted previously in the report, sales bounced back significantly in 2021.

FIGURE E.3
TIMESHARE SALES SINCE 1974

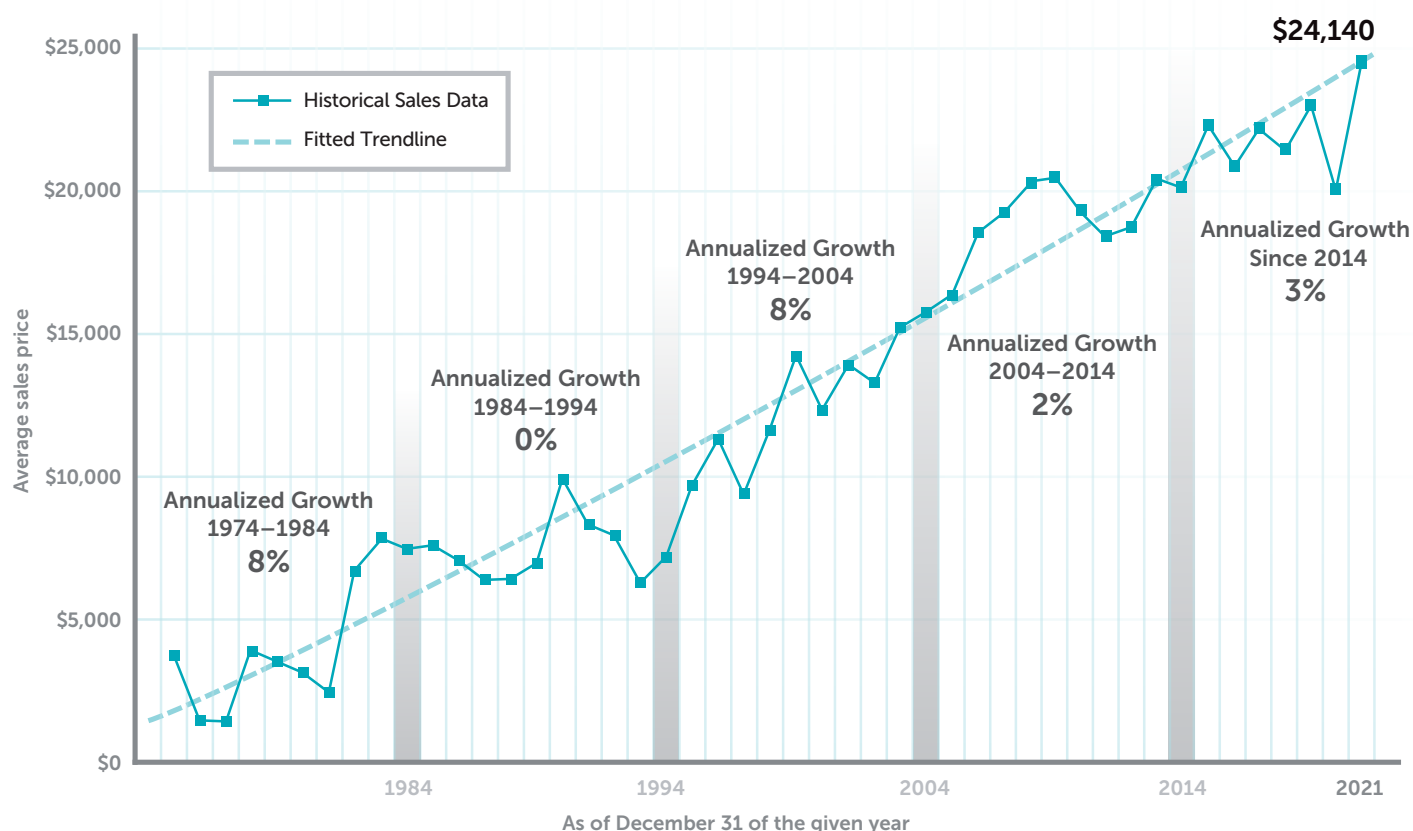


Source: Ragatz Associates, American Economics Group and the AIF

¹⁶ The sales volume collected is commonly referred to as contract or originated sales and does not further separate all the accounting metrics under the Financial Accounting Standards ASC 978 Real Estate – Timesharing Activities. This sales volume represents first generation or developer sales and does not include interests that were once owned and later resold on the secondary market.

Figure E.4 tracks the trend in interval or weekly interval equivalent sales prices from 1974 to 2021. The average sales price equals total industry sales volume, less sales upgrades where no incremental time is purchased, divided by the total number of intervals or interval equivalents sold. The growth in price has been more uneven than the growth in other measures. This may be due to the type, unit configuration, location, or developer brand of properties making up most of sales in a given year. To help smooth out these year-over-year variations, we added a fitted trend curve (the dotted line in the figure) that shows the upward movement in average price over time.

FIGURE E.4
TIMESHARE AVERAGE SALES PRICES SINCE 1974



Source: Ragatz Associates, American Economics Group and AIF

As noted previously, the industry has added various methods for timeshare purchases. Instead of selling one week per year, most now also offer increased flexibility by offering “points” that owners can use to customize their vacation needs. Consumers can break up or extend vacation weeks, travel during various times of the year and/or stay in various unit types at a range of locations. Some also offer biennial products that allow owners to use intervals every other year, instead of each year.

Available for sale

Unsold inventory of completed units ready for intended use, including reacquired and unsold product. Include intervals for a finished unit that were not sold as of December 31, 2020. Also include intervals for any unit where construction was completed and the unit made available for sale in calendar year 2021. Units that are ready for intended use but do not yet have a certificate of occupancy should be included as completed inventory. Also include unsold inventory of incomplete units available in phases that are in pre-sales.

Biennials

Vacation ownership product that provides a week's worth (or points equivalent) of timeshare interest every other year.

Estimated total reserve funding

The amount that would be necessary to completely replace all items contained in your reserve study to the extent an amount or portion thereof should have been set aside for the item as of a certain date, for example — if your reserve study stated the roof would cost \$50,000 to replace and it was at 1/2 its estimated useful life, your reserve should contain 50% of the costs of roof replacement, \$25,000 at the certain date.

Fractional

Ownership interest that is either a shared equity or club interest representing a period not fewer than two weeks but usually three weeks or more. Fractional ownership typically offers additional services, amenities, and flexibility relative to timeshare, so that a bundle of timeshare weeks would not be considered a fractional interest. Fractional sales and financed notes should be excluded from totals and averages reported in this survey.

Geographical Areas

Classify states (other than Florida, California, Hawaii, Nevada and South Carolina) as follows:

Northeast:	CT, MA, ME, NH, NJ, NY, PA, RI, VT
Midwest:	IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI
South Atlantic:	DC, DE, GA, MD, NC, VA, WV
South Central:	AL, AR, KY, LA, MS, OK, TN, TX
Mountain:	AZ, CO, ID, MT, NM, UT, WY
Pacific:	AK, OR, WA

Interval weeks with the ability to use through a timeshare points system

Refers to a points system or vacation club backed by an interval week interest. The legal structure of the consumer's purchase is supported by a deeded week or week-based ownership interest, but the consumer has the ability to use the interest at its "home resort" or directly through a timeshare points-based system.

Just-in-time inventory

Inventory primarily sourced in transactions that are designed to closely correlate the timing of the acquisition with developer's sale of that inventory to purchasers.

Multiple resort family

A company that owns more than one timeshare resort.

New sales

First generation or developer sales; does not include interests that were once owned and later resold on the secondary market. Exclude temporary sales such as trial memberships, exit programs and sample programs. Include the incremental dollar value of upgrade sales and reloads, regardless whether the sale represents incremental ownership of time. For example, include the dollar value of upgrades from a biennial to an annual interval, as well as an upgrade from a shoulder season to peak season or an upgrade from a one-bedroom to a two-bedroom.

Planned timeshare resorts

Resorts to be constructed for which the corporate finance committee has given its approval and/or financing has been secured and approved by the appropriate entity.

Planned timeshare units

Units to be constructed for which the corporate finance committee has given its approval and/or financing has been secured and approved by the appropriate entity.

Private residence club

High-end fractional products with an average sales price of \$59,000 per week. Members usually pay maintenance and membership fees for privileged access to amenities and lodging.

Reload

A transaction whereby a customer obtains a second interval from the same seller but does not relinquish the right to the first, for example, obtaining an additional unit, an additional interval, or additional points.

48 GLOSSARY OF TERMS

Rescue, relief, postcard type companies

Companies that, for an up-front fee, offer to transfer ownership of one or more timeshare interests from a current owner to that company or another person.

Sales upgrade

A transaction where an owner has relinquished their rights to a previous purchase in order to have rights to a different timeshare interest such as a larger unit, longer time increment, or from a fixed-week to points program.

Rescissions

Sales contracts that are executed and for which the timeshare company has received valid funds in accordance with the sales contracts, but which do not close escrow within 30 days. Contracts that fail to have adequate funds should be viewed as pending contracts and should not be recognized as either gross sales or rescissions. Deeds in lieu of foreclosure and/or contracts obtained by the developer through foreclosure proceedings should not be reflected in the rescission amounts. Depositary rescissions, which are situations in which the buyer has made a deposit but hasn't yet provided the down payment necessary to qualify the transaction as a contract sale, are not counted as part of gross sales, and therefore are not counted as rescissions.

Reserve study

Comprehensive plan that predicts when various capital items are expected to wear out and estimates the funds set aside for replacement.

Sales volume

Net originated sales for the given year, which equals gross sales minus rescissions. Sales value should approximate the amount at which a timeshare interest would be sold in an all-cash sale, without financing or incentives. Determined by adjusting the stated sales price to the present value of the receivable, adding fees paid by the buyer that are unrelated to financing, and subtracting the value of incentives and services provided to the buyer (to the extent the fair value of the incentives or services exceeds the amount the buyer pays for the incentives or services).

Sampler or trial membership program

A marketing program under which a timeshare developer offers a customer, who has previously toured one of the developer's projects, a stay at one of the projects at a reduced rate. In exchange, the customer agrees to take another, subsequent tour of the project selected under the sampler program during the customer's stay at the project. If the subsequent tour results in a sale, the developer may allow the customer to apply some or the entire amount paid for the sampler toward the purchase of a timeshare, as a part of the down payment.

State of residence

The state where timeshare owners own their primary residence.

Timeshare occupancy rate

The percent of units occupied by a timeshare guest.

Timeshare

Vacation ownership interests that are usually sold in one-week increments but in some instances up to but less than 3-week increments (or points equivalent). It does not include the fractional interest product type.

Timeshare points

Refers to pure points systems. The consumer has purchased points or credits backed by a usage right to a club's internal network of resorts.

Traditional interval weeks

Refers to ownership of traditional interval weeks. The consumer has purchased a specific type of week at a specific resort. This week may then be exchanged through internal or external exchange systems, either for an interval week-based vacation or in some cases transferred for points, such as in a hotel brand frequent guest program.

Travel clubs

Provide members with services, discounts or other benefits, usually for three years or less, on the use or purchase of transportation, accommodations (that may include timeshare units) or other services related to travel. Generally, such clubs do not actually own any accommodations but may lease them on a short-term or as needed basis.

Vacant intervals

Intervals not used by anyone during the given year. Include all intervals which are not used by an owner, exchange guest, renter, or marketing plan participant, including rooms provided on a complimentary basis for purposes other than marketing. Do not include weeks set aside for maintenance.

Weekly intervals

Refers to ownership of traditional interval weeks or interval weeks with the ability to use through a timeshare points system.

Whole ownership

Vacation product in which each unit has one owner. Whole ownership sales and financed notes should be excluded from totals and averages reported in this survey.



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