

State of the Vacation Timeshare Industry

2023

UNITED STATES STUDY



2023 EDITION
PREPARED BY



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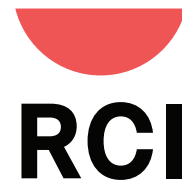


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The *State of the Vacation Timeshare Industry: United States Study 2023* edition provides an overview of important summary information on the U.S. timeshare industry for the year 2022.

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 1,541 identified timeshare resorts, 759 responded — a 49% response rate. Of these 759 responding resorts, 699 belong to a network of 10 or more resorts, and 60 belong to a network of less than 10 resorts, including 48 single-site resorts. For a full discussion of the methodology used, please see Appendix C of the report.

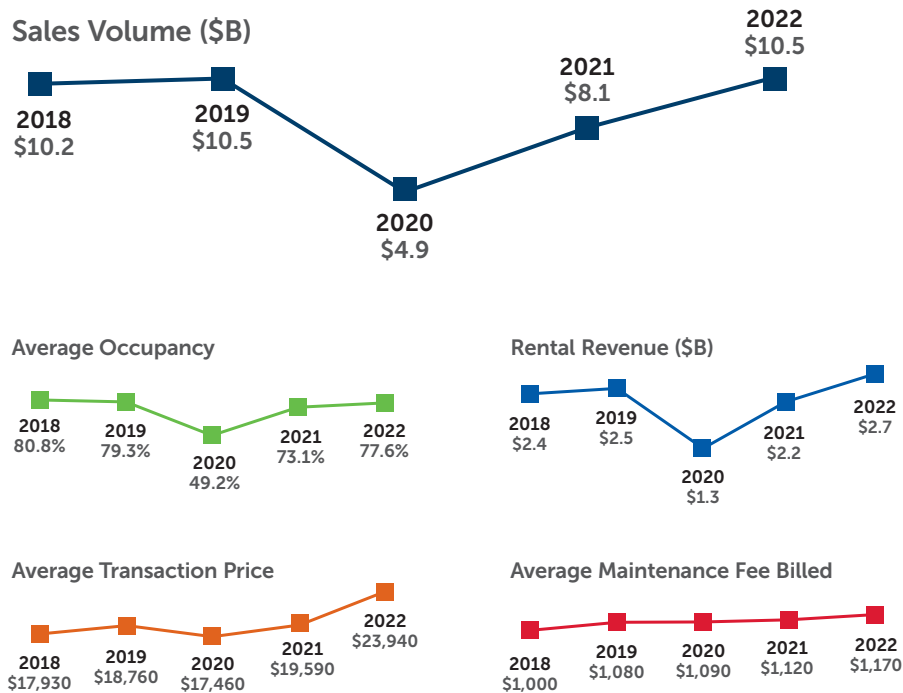
As noted above, the 2022 U.S. timeshare industry consisted of 1,541 timeshare resorts with approximately 201,600 timeshare units — an average of 131 units per resort. Resorts sell each of these timeshare units to consumers in parts or ownership pieces corresponding to varying amounts of time. Typically, 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 2022 and shows five-year performance trends. By most measures 2022 marked the completion of a return to pre-pandemic levels for the timeshare industry. Sales volume¹ increased by 30% to \$10.5 billion in 2022, recovering fully to the level seen before the impacts of the COVID-19 pandemic. In general, operating performance metrics in 2022 were near or above 2019 levels. Average occupancy was 77.6%, increasing by more than 4 percentage points from the previous year. By comparison, hotel occupancy was 62.1%² in 2022, according to Smith Travel Research. Rental revenues totaled \$2.7 billion, increasing by 21% in 2022.

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

² *STR-TRI Monthly Hotel Review: December 2022*, 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 2018 TO 2022

The average maintenance fee billed did not see any negative impacts from the pandemic in 2020, so the change in that metric was more muted in 2021 and 2022. The average maintenance fee billed increased from \$1,120 to \$1,170 per weekly interval, a 5.3% increase. This compares to an 6.5% inflation rate for 2022³. The average transaction price increased to \$23,940; this metric tends to fluctuate year over year based on the mix of sales by unit configuration and brand, but has grown by 37% over the past two years.

³ Consumer Price Index: 2022 in Review: The Economics Daily: U.S. Bureau of Labor Statistics (bls.gov)

This chapter presents an overview of the timeshare industry for 2022, examining industry size and structure. It includes information on:

- the number, size, and characteristics of resorts,
- unit configurations, and
- interval ownership structures.

The AIF's timeshare database lists 1,541⁴ timeshare resorts in the United States.⁵ As seen in Figure 1.1, these 1,541 resorts represent approximately 201,600 units. Counting lock-offs⁶ as separate units adds approximately 50,870 units, for a total of 252,470.

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), biennials⁷ 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	2022
Resorts	1,541
Units	201,600
Average Resort Size	131
Total units including lock-offs	252,470

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.

⁴ ARDA International Foundation. Please see Appendix B for more information about the methodology for identifying timeshare resorts.

⁵ The United States is defined as the continental U.S. plus Alaska and Hawaii in this study.

⁶ 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.

⁷ Biennials are vacation ownership products that provide a week's worth (or points equivalent) of timeshare interest every other year.

Resorts

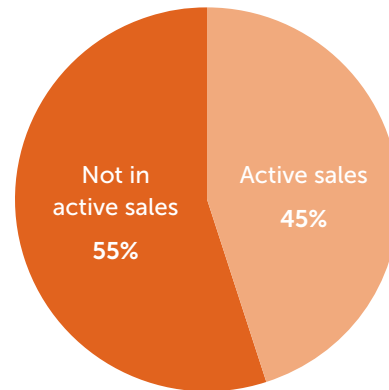
Figure 1.2 shows a distribution of resorts by development stage, illustrating the two key industry components. Working with the AIF, we classified all resorts in the AIF database that belong to a network of two or more resorts as either in active-sales or not in active-sales. In general, any resort that had sales activity and/or was part of a network of resorts with timeshare sales is in “active-sales”. 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 not in active-sales. This component consists mainly of resorts that either operate independently or are associated with a resort management company. In general, they are not engaged in significant sales marketing activity, and rely mainly on revenues derived from maintenance fees, rentals, and ancillary service 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 network of resorts are classified as either in active-sales or not in active-sales. 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 8% of responding resorts opened in 2016 or later; another 32% opened in 1985 or before. Sixty percent of responding resorts opened between 1986 and 2015.

FIGURE 1.2
RESORTS BY DEVELOPMENT STAGE



Based on assessment of resort sales status by ARDA – see methodology section for details

FIGURE 1.3
YEAR RESORTS OPENED

	Percent of resorts responding	Percent of resorts in active-sales	Percent of resorts not in active-sales
1985 or before	32%	20%	77%
1986-1995	13%	12%	16%
1996-2005	27%	33%	6%
2006-2015	20%	26%	1%
2016+	8%	9%	0%

Percent of 316 responding resorts⁸ — percentages may not add due to rounding

Figure 1.3 also compares the results for active-sales and not in active-sales resorts, illustrating that not in active-sales resorts tend to be older than active-sales resorts. More than 77% of not in active-sales resorts opened in 1985 or before, compared to 20% of resorts that are still in active-sales. Less than 2% of not in active-sales resorts opened in 2006 or later, compared to 35% of resorts that are in active-sales.

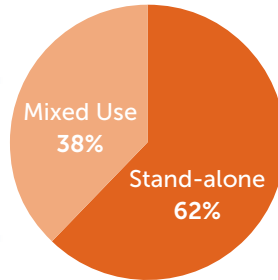
⁸ Note that the number of respondents varies across questions. To aid interpretability of results, throughout the report we include the number of respondents to the survey question related to the corresponding table/graphic where appropriate. See Appendix C for a more detailed explanation of methodology.

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, 38% 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%
Fractional	12%
Whole ownership	9%
Other	1%

Percent of 759 responding resorts — multiple responses allowed

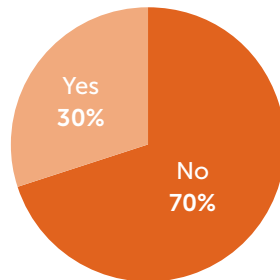
**FIGURE 1.5****ENTITY WHICH EMPLOYS RESORT STAFF**

Entity	Percent
Management company	61%
Resort HOA(s)	28%
Resort developer	6%
Other	5%

Percent of 577 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, 30% 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 759 resorts — numbers may not add due to rounding

Feature	%
Virtual sales presentations	74%
Virtual tour of resort	63%
Making reservations	57%
Check in	24%
Access to units	16%
Mobile payment-maintenance fees	9%
Mobile payment-rental fees	8%
Mobile payment-other	8%
Owner community building experience	3%
Other	<1%

Percent of 230 respondents — multiple responses allowed

Respondents also reported on temporary resort closures in 2022. Nine resorts were reported as being temporarily closed as of December 31, 2022, and another 19 were reported as having temporarily closed at some point during 2022 but having re-opened. Ninety percent of those who provided reasons for the temporary closure indicated that the primary reason was a natural disaster.

Figure 1.7 shows the expected timeframe for re-opening for resorts that are currently closed, and the length of closure for those who were temporarily closed but have since re-opened. Among those that are currently temporarily closed, two-thirds expect to re-open in the first half of 2023. It is worth noting that two resorts did not expect to re-open in 2023 at all, demonstrating the severe impact of some of the storm damage experienced by these resorts. Among those who were temporarily closed at some point in 2022, the most common lengths of time were 1 to 3 months (42% of respondents) or 1 to 4 weeks (38%).

FIGURE 1.7
TEMPORARY CLOSURES

Expected re-opening date	%	Length of temporary closure	%
1st quarter of 2023	11%	Less than one week	8%
2nd quarter of 2023	56%	1 to 4 weeks	38%
3rd quarter of 2023	0%	1 to 3 months	42%
4th quarter of 2023	11%	More than 3 months	13%
2024 or later	22%		

**Percent of 9 resorts that are currently temporarily closed*

**Percent of 24 resorts that temporarily closed in 2022, including those who re-opened and those who remain closed*

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 1.8 shows the mix of units by the number of bedrooms. The two-bedroom unit is the most common configuration, with 61% of units, followed by one-bedroom units with 22%. Nine percent of units have three or more bedrooms; another 7% are studios.

FIGURE 1.8
MIX OF UNITS BY NUMBER OF BEDROOMS

Unit type	Count	Percent
Studio	15,090	7%
1 bedroom	44,710	22%
2 bedrooms	122,880	61%
3 bedrooms or more	18,910	9%
Total	201,600	100%

Percent of 671 responding resorts – percentages may not add due to rounding

Figure 1.9 displays the percent of inventory that is owned by different types of owners. The majority of resorts are owned by timeshare consumers, referred to as resort owners in the industry. Approximately 16% of intervals are still owned by a resort developer and approximately 3% of intervals are owned by an HOA.

FIGURE 1.9
PERCENTAGE OF INVENTORY OWNED BY TYPE OF OWNER

	Percent of resorts responding	Percent of resorts in active-sales	Percent of resorts not in active-sales
Intervals owned by owners	81%	82%	67%
Intervals owned by developers	16%	17%	0%
Intervals owned by HOA	3%	<1%	33%

Percent of 396 respondents – percentages may not add due to rounding

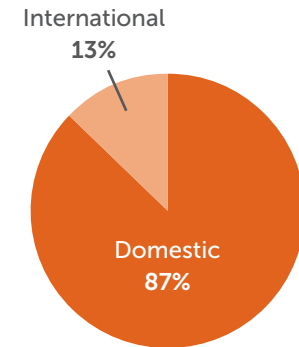
Again, we compare the results for resorts in active-sales to those for not in active-sales resorts and see that intervals or interval equivalents are more likely to be owned by the developer at active-sales resorts, while they are more likely to be owned by the HOA at not in active-sales resorts.

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 1.10 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 1.11 shows the prevalence of interval types at resorts. Approximately 89% have some form of points-based products, while 79% of respondents have intervals of the traditional weekly variety; 80% of respondents report offering biennials. Ninety-three percent of active-sales report offering points-based products, compare to only 15% of resorts that are not in active-sales. The percentage of resorts with biennials is also higher among active-sales resorts. All resorts that are not in active-sales report offering weeks-based products.

FIGURE 1.10

COUNTRY OF RESIDENCE FOR TIMESHARE OWNERS



Percent of 265 respondents

FIGURE 1.11

TYPES OF INTERVALS

Interval type	Percent of resorts responding	Percent of resorts in active-sales	Percent of resorts not in active-sales
Points	89%	93%	15%
Weeks	79%	78%	100%
Biennials	80%	83%	24%

Percent of 593 respondents — multiple responses allowed

Finally, respondents reported information about the legal structures for products at their resorts. Figure 1.12 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 “overlying” 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 1.12

LEGAL STRUCTURES OF PRODUCTS SOLD

	Percent of resorts responding
Deeded or fee-simple real estate	91%
Interest in a trust	40%
Right to use contractual interest that expires at some future date	34%
Other	<1%

Percent of 446 respondents — multiple responses allowed

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

This chapter includes 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 resorts that are not in active-sales. 2022 Industry performance reflects a continued recovery from 2020 and the impacts caused by the COVID-19 pandemic – most performance metrics are near or even above 2019 levels.

Overall

Figure 2.1 summarizes the timeshare industry's key 2022 performance metrics. Resorts completed approximately 439,530 timeshare transactions at an average price of \$23,940 each, yielding a total sales volume of approximately \$10.5 billion. This represents a 30% increase from last year's total of \$8.1 billion and more than double the 2020 total of \$4.9 billion.

FIGURE 2.1

KEY PERFORMANCE METRICS 2022

Metric	2022
Sales volume	\$10.5 billion
Number of timeshare transactions	439,530
Sales price per transaction	\$23,940
Rental revenue	\$2.7 billion
Occupancy	77.6%
Average maintenance fee per interval or interval equivalent	\$1,170

Figure 2.1 also shows that resort occupancy was nearly 78% in 2022 – a more than 4 percentage point increase from 2021 and close to 2019 levels. The average billed maintenance fees increased by approximately 5% from 2021 to \$1,170 per interval. Rentals accounted for another \$2.7 billion in industry revenue – a 21% increase from 2021.

The \$10.5 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 American⁹ sales for fractional and PRC resorts were \$624 million for 2022 as reported in *The Shared-Ownership Resort Real Estate Industry in North America - 2023 Edition*, produced by Ragatz Associates.

One practice that has become a staple in the industry is “fee-for-service.” In general, a timeshare company will provide sales and marketing support, including branding, to a resort they have not developed. The fee-for-service provider leverages its existing sales infrastructure and brand to improve the resort's cash flow without the capital risk of developing the property. Sales related to fee-for-service (FFS) arrangements in 2022 among responding companies were approximately \$1.8 billion¹⁰, a 64% increase from 2021. There were 67,260 FFS transactions for an average transaction price of \$27,727. Note that these FFS sales are included in the \$10.5 billion total timeshare industry sales volume.

⁹ Includes the Caribbean

¹⁰ 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.

Figure 2.2 shows types of sales channels reported by respondents. Nearly all respondents reported using telemarketing and in-person sales vehicles (tours). Seventeen percent of respondents reported using online sales channels, which was consistent with 2021 usage.

FIGURE 2.2
SALES CHANNELS

Metric	2022
In-person sales presentation (tours): on-site	100%
Telemarketing	98%
In-person sales presentation: off-site	97%
Online	17%

Percent of 390 respondents — multiple responses allowed

As noted in Figure 2.1, average annual timeshare resort occupancy was approximately 77.6%. By comparison, total room inventory (TRI) occupancy at U.S. hotels was 62.1% in 2022¹¹. 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.

FIGURE 2.3
OCCUPANCY BREAKOUTS

Guest type	Average occupancy	At active-sales resorts	At resorts not in active-sales
Owner/owner's guest	46.9%	47.4%	38.9%
Exchange guest	10.0%	9.3%	23.3%
Renter	14.9%	14.8%	16.5%
Marketing guest	5.7%	6.0%	0.2%
Vacant	22.4%	22.5%	21.1%

Average occupancy based on 664 respondents (including 539 active-sales resorts and 125 not in active-sales resorts), weighted by units - percentages may not add due to rounding.

OCCUPANCY DISTRIBUTION

Occupancy level (%)	Percent of resorts responding
Less than 60	17%
60-69	13%
70-79	18%
80-89	30%
90+	22%

Percent of 664 respondents, weighted by units — percentages may not add due to rounding

Resort owners, their guests and exchange participants accounted for approximately 57% of available intervals; renters accounted for 15%, while marketing guests contributed another 6%. Occupancy for resorts not in active-sales was higher than for active-sales resorts, mainly due to higher occupancy among exchange guests.

¹¹ STR-TRI Monthly Hotel Review: December 2022, 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.

The average annual maintenance fee¹² billed was \$1,170 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 \$740 annually in maintenance fees, one-bedroom units averaged \$930, two-bedroom units averaged \$1,150, and three-bedroom units or larger averaged \$1,480 annually. Approximately 9% of resorts have maintenance fees averaging less than \$700, while another 28% have maintenance fees averaging \$1,300 or more. Maintenance fees for active-sales resorts average 55% more than those for resorts that are not in active-sales. Approximately 89% of maintenance fee accounts were current in 2022.

FIGURE 2.4

MAINTENANCE FEE BREAKOUTS

Unit type	Average maintenance fee	Active-sales resorts	Not in active-sales resorts
Studio	\$740	\$770	\$640
1BR	\$930	\$970	\$780
2BR	\$1,150	\$1,200	\$840
3BR+	\$1,480	\$1,570	\$940
Average	\$1,170	\$1,270	\$820

Averages based on 404 respondents, including 304 active-sales resorts and 100 not in active-sales resorts — percentages may not add due to rounding

MAINTENANCE FEE DISTRIBUTION

Maintenance fee	Percent of resorts responding
Less than \$700	9%
\$700 to \$799	6%
\$800 to \$899	9%
\$900 to \$999	19%
\$1,000 to \$1,099	12%
\$1,100 to \$1,199	13%
1,200 to 1,299	4%
More than \$1,300	28%

As noted in Figure 2.3, renters occupied 15% of timeshare intervals in 2022. Eighty-nine percent of resorts reported offering some form of rental program. Figure 2.5 shows the types of rental programs offered. Nearly all (92%) resorts with a rental program offer daily rentals and most offer weekly rentals (89%). These rental programs generally have rates that vary by season (90%). The majority also offer programs for marketing guests (69%).

FIGURE 2.5

TYPES OF RENTAL PROGRAM OFFERED

Rental type	Percent of resorts responding	Percent of resorts in active-sales	Percent of resorts not in active-sales
Daily Rentals	92%	96%	83%
Weekly Rentals	89%	87%	94%
Monthly Rentals	24%	20%	34%
Rental rates that vary based on season	90%	91%	90%
Rental programs for marketing guests	69%	89%	15%

Percent of 398 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 resorts not in active-sales.

¹² This is the average maintenance fee billed to owners annually including contributions to reserves but excluding taxes and special assessments.

Figure 2.6 details rental program revenue. Vacationers rented approximately 11.6 million nights at timeshare properties in 2022 at an average price of \$235 per night. This yielded more than \$2.7 billion in timeshare rental revenue for 2022. This rental revenue increased by 21% from 2021.

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-one percent of resorts report using social media, including 76% of active-sales resorts.

FIGURE 2.6**RENTAL REVENUE**

Metric	2022
Total rental revenue	\$2.7 billion
Total nights rented	11.6 million
Average rental price per night	\$235

FIGURE 2.7**PUBLICIZING RENTALS**

Method	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Resort website	91%	94%	90%
Social media (Facebook, Twitter, etc.)	71%	76%	61%
Television	27%	35%	1%
Paid search/affiliate marketing	26%	34%	0%
Physical bulletin boards at resort	25%	19%	46%
External rental websites (e.g., Redweek.com or SellMyTimeshareNOW.com)	21%	22%	17%
Timeshare broker and/or broker website	6%	7%	4%
Radio	7%	<1%	2%
Newspaper	<1%	<1%	1%
Other	<1%	0%	1%

Percent of 711 respondents – including 541 active-sales resorts and 156 not in active-sales resorts. Multiple responses allowed.

12 STR-TRI Monthly Hotel Review: December 2022, 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 59% of participating resorts that use online travel agencies and 42% that report using partnerships with web-driven sharing entities such as Airbnb to distribute inventory. Resorts that are in active-sales are more likely to report using online travel agencies, while those not in active sales are more likely to report partnerships with sharing entities and travel clubs.

FIGURE 2.8

ALTERNATIVE PROGRAMS TO ENHANCE/AUGMENT PRODUCT OFFERINGS

Entity	Percent of resorts responding	Percent of resorts in active-sales	Percent of resorts not in active-sales
Online travel agencies	59%	61%	52%
Developing partnerships or rental relationships with Airbnb or other web driven 'sharing' entity in order to push inventory	42%	39%	52%
Use of branded or unbranded hotel as a way to extend destinations	40%	54%	0%

Percent of 759 resorts, including 560 active-sales resorts and 199 not in active-sales 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 not in active-sales resorts, while not in active-sales 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 - resorts not in active-sales
Maintenance fees	80%	80%	80%
Rentals	9%	9%	15%
Other	11%	11%	5%

Percent based on 557 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 131 units, 38% of resorts have 50 units or less, and 20% have more than 200 units. Figure 3.1 shows that the average maintenance fee billed per weekly interval generally increased with resort size in 2022.

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	38%	28	79.8%	\$980
51-100	23%	74	79.8%	\$1,180
101-150	12%	124	76.8%	\$1,160
151-200	7%	172	80.1%	\$1,260
More than 200	20%	424	80.7%	\$1,470
Overall	100%	131	77.6%	\$1,170

Percent of 682 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 not in active-sales 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 not in active-sales 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
Not in active-sales resorts	55%	50	78.9%	\$820
Active-sales resorts	45%	159	77.6%	\$1,270
Overall	100%	131	77.6%	\$1,170

Percent of 759 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	55%	31%	64%	27%
Rural/Coastal	46%	25%	54%	14%
Country/Lakes	21%	51%	57%	13%
Ski	4%	47%	46%	10%
Golf	16%	77%	82%	8%
Theme Park	2%	48%	47%	6%
Island	13%	39%	44%	6%
Mountains	7%	47%	48%	5%
Desert	5%	36%	36%	5%
Urban	37%	18%	42%	4%
Gaming	1%	44%	43%	<1%
Waterpark	2%	40%	40%	<1%
Other	1%	1%	1%	1%

Percent of 344 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 six of these vacation experiences available onsite or nearby on average. Other vacation experiences noted include national and state parks, historic sites, and wooded trails.

Figure 3.4 compares the performance for the most common resort types.¹⁴ 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. Urban resorts had the highest average billed maintenance fees, while rural/coastal and mountain resorts tied for the lowest.

FIGURE 3.4

PERFORMANCE BY RESORT TYPE

Type	Percent of resorts	Average size (# units)	Average occupancy	Average maintenance fees per interval
Beach	27%	108	90.3%	\$1,240
Rural/Coastal	14%	41	89.0%	\$990
Country/Lakes	13%	129	76.7%	\$1,270
Ski	10%	124	89.4%	\$1,330
Golf	8%	131	86.6%	\$1,160
Theme Park	6%	418	89.4%	\$1,310
Island	6%	106	81.7%	\$1,290
Mountains	5%	59	80.9%	\$990
Desert	5%	212	82.6%	\$1,220
Urban	4%	94	83.8%	\$1,390
Other	2%	152	80.6%	\$1,210
Overall	100%	131	77.6%	\$1,170

Percent of 318 responding resorts. Note: "Other" includes Gaming, Waterpark and Other from Figure 3.3 - numbers may not add due to rounding.

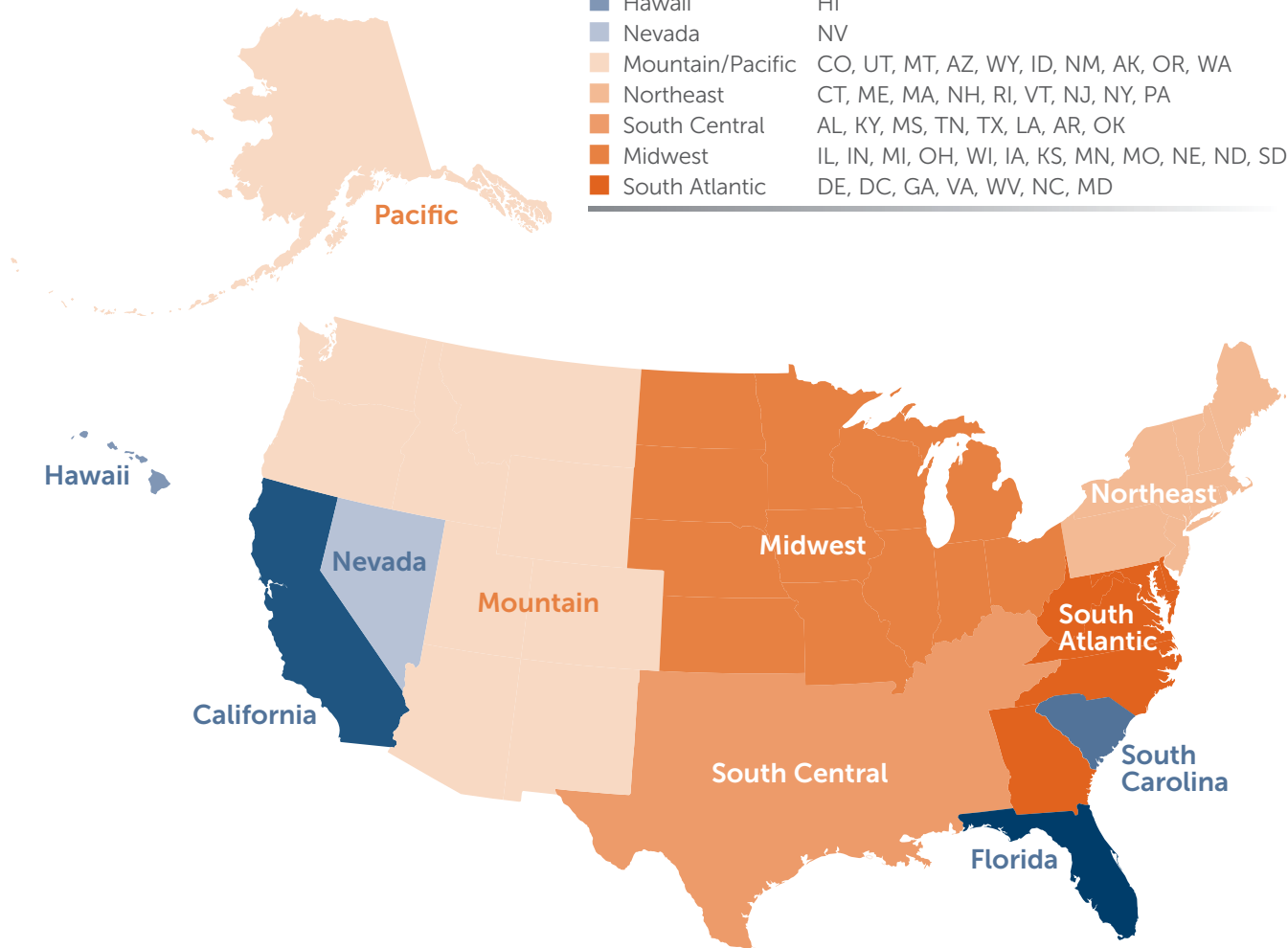
¹⁴ There was insufficient data to report on the other resort types.

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 Northeast region has the smallest. Resorts in Hawaii had the highest average occupancy, while those in Nevada had the lowest. In 2022 South Carolina had the highest average billed maintenance fees and 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%	169	79.5%	\$1,250
California	9%	136	84.0%	\$1,190
South Carolina	7%	152	83.9%	\$1,290
Hawaii	6%	138	86.5%	\$1,250
Nevada	4%	234	73.6%	\$1,130
Mountain/Pacific	16%	107	78.8%	\$1,130
Northeast	11%	100	83.3%	\$960
South Atlantic	8%	110	75.4%	\$1,190
Midwest	8%	124	74.0%	\$1,170
South Central	7%	149	75.9%	\$1,210
Overall	100%	131	77.6%	\$1,170

Percent of 1,541 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 lower 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 in 2006 or later. 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	32%	113	79.5%	\$1,020
1986-1995	13%	175	78.8%	\$1,350
1996-2005	27%	191	83.3%	\$1,350
2006+	28%	165	84.0%	\$1,460
Overall	100%	131	77.6%	\$1,170

Percent of 316 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 and 2022. Average transaction price and billed maintenance fees, by contrast, saw little impact from the pandemic. Average transaction 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 (2018 TO 2022)

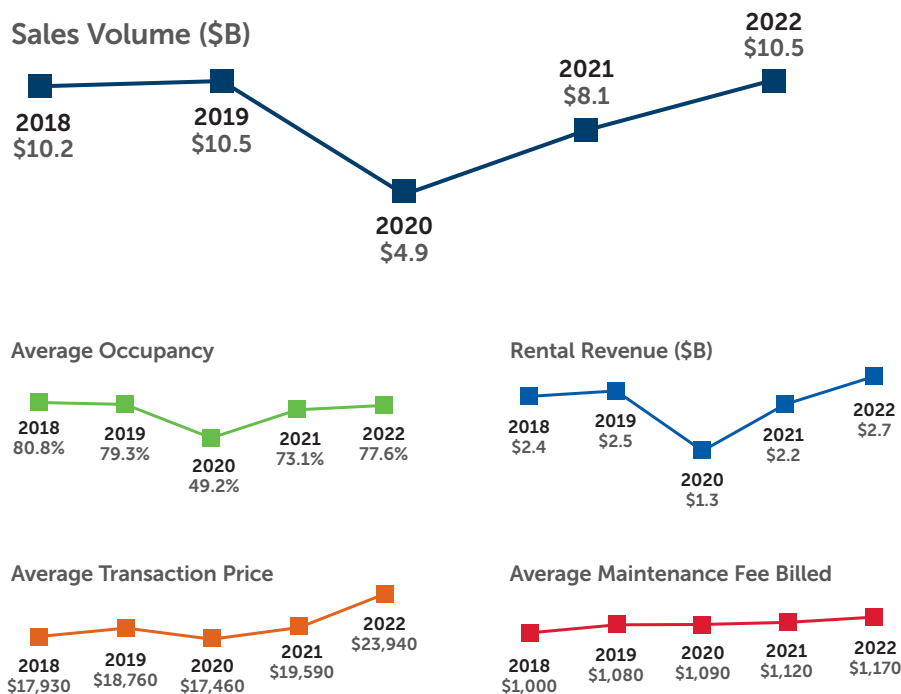


Figure 4.2 shows the change over the past year in key metrics for respondents having multiple resorts and reporting data in both years. The purpose of this table is to assess industry changes without respect to differences in the respondent pool year-over-year.

The number of resorts and corresponding number of units was roughly the same between the two years. Total sales volume increased by nearly 34% for these 2022 respondents – this is slightly higher than the 30% increase in estimated sales industry-wide. The 22% increase in average sales price per transaction was in line with the industry overall, as were the 5.3 percentage point increase in occupancy and 4.6% increase in average billed maintenance fees.

Another important indicator of industry outlook is recent and planned construction – both of new resorts and units added to existing resorts. 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 2021 AND 2022

	2021	2022	Change	Percent change
Number of resorts	661	660	-1	-0.2%
Number of units	91,503	91,163	-340	-0.4%
Total sales (\$M)	\$7,118	\$9,523	\$2,405	33.8%
Sales price per transaction	\$19,601	\$23,909	\$4,308	22.0%
Occupancy	72.3%	77.6%	5.3%	7.4%
Average units	138	138	0	-0.2%
Maintenance fees	\$1,152	\$1,204	\$53	4.6%

Note: Numbers may not add due to rounding

FIGURE 4.3

RESORT AND UNIT CONSTRUCTION

Units built	132	Resorts planned – in the coming year	0
Units planned – in the coming year	208	Resorts planned – more than one year out	5
Units planned – more than one year out	1,293		

Construction results reported for respondents only - not industry-wide estimates. Based on responses from 3 timeshare developers and/or single site resorts

Figure 4.3 shows that respondents reported building 132 units in 2022, up from the 31 they reported building in 2021. Respondents plan to add 208 units in 2023 – this is comprised entirely of units at existing resorts, as opposed to new resort construction. At the time of the survey, respondents reported plans to add 1,293 units in 2024 and beyond – this includes 708 units at existing resorts and 585 units at planned new resorts. Finally, respondents also reported plans for five new resorts (all in 2024 and beyond).

FIGURE 4.4

JUST-IN-TIME INVENTORY

	2022
Just-in-time units added	233
Just-in-time units planned – coming year	140
Just-in-time units planned – more than one year out	30

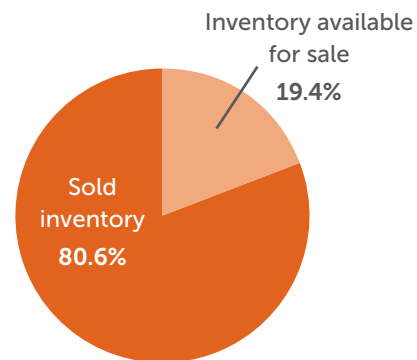
*Just-in-times reported for respondents only - not industry-wide estimates.
Based on responses from 7 timeshare developers and/or single site resorts.*

Figure 4.4 reports “just-in-time” inventory activity by respondents. This includes turn-key inventory purchases and buy-backs from Property Owner Associations. Respondents reported adding 233 units via these methods in 2022, and plan to add 140 in 2023. They also plan to add 30 in 2024 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 19.4% of timeshare inventory at active-sales resorts, on average, is available for sale.

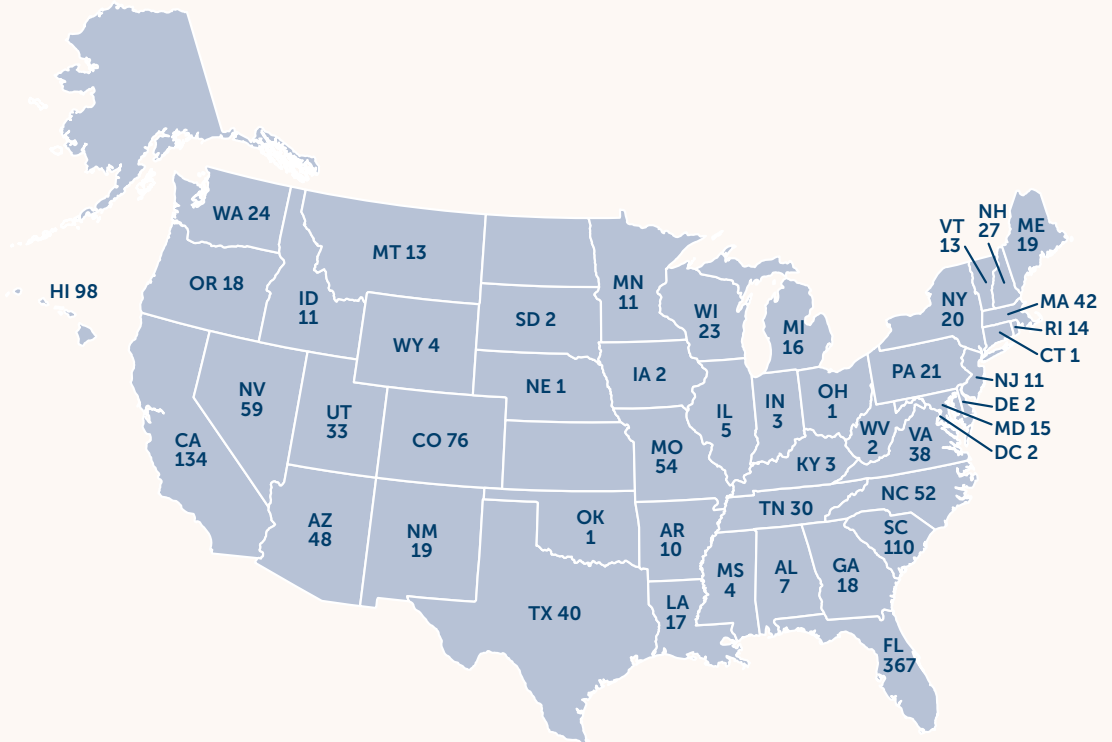
By most measures 2022 marked the completion of a return to pre-pandemic levels for the timeshare industry. Sales volume and occupancy were at or near 2019 levels at \$10.5 billion, and nearly 78%, respectively. Rental revenue actually was above 2019 levels at \$2.7 billion.

FIGURE 4.5

PERCENT OF EXISTING TIMESHARE INVENTORY AVAILABLE FOR SALE - AS OF YEAR-END 2022

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
2022	\$10.5



RESORTS BY STATE

State	Resorts	State	Resorts
FL	367	MI	16
CA	134	MD	15
SC	110	RI	14
HI	98	MT	13
CO	76	VT	13
NV	59	ID	11
MO	54	MN	11
NC	52	NJ	11
AZ	48	AR	10
MA	42	AL	7
TX	40	IL	5
VA	38	MS	4
UT	33	WY	4
TN	30	IN	3
NH	27	KY	3
WA	24	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
OR	18	OH	1
LA	17	OK	1

PERCENTAGE OF UNITS BY STATE

State	Percent of units
FL	28%
HI	11%
CA	10%
NV	8%
SC	6%
AZ	5%
CO	5%
MO	3%
TN	3%
TX	3%
All others	18%

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

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 1,541 identified timeshare resorts, 759 responded — a 49% response rate. Of these 759 responding resorts, 699 belong to a network of ten or more resorts, while 60 belong to a network of less than ten resorts including 48 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 49% in 2022 and is well above the current typical response rate for surveys of this type. Our nearly 93% 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. not in active-sales, and a corresponding adjustment to the methodology for estimating industry sales in 2021.

EY worked with the AIF to classify all multi-site data providers as either in active-sales or not in active-sales. 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 not in active-sales.

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 2023 EDITION

SURVEY

Thank you for participating in the 2023 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.

- | | |
|---|---|
| <input type="checkbox"/> Resort Identification | <input type="checkbox"/> Inventory Management |
| <input type="checkbox"/> Resort Characteristics | <input type="checkbox"/> Resort Construction and Improvements |
| <input type="checkbox"/> Occupancy and Fees | <input type="checkbox"/> Timeshare Rental Programs |
| <input type="checkbox"/> Resort Timeshare Sales | |

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.

- | | |
|--|--|
| <input type="checkbox"/> Interval International | <input type="checkbox"/> Arrivia [previously ICE (International Cruise and Excursion)] |
| <input type="checkbox"/> RCI | <input type="checkbox"/> SFX Preferred Resorts (San Francisco Exchange) |
| <input type="checkbox"/> Internal exchange program (the exchange program operated by your developer or management company) | <input type="checkbox"/> Other, specify _____ |
| <input type="checkbox"/> 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.

- | | |
|--|---|
| <input type="checkbox"/> Planned [Skip to Q2] | <input type="checkbox"/> Temporarily Closed [ANSWER Qa & Qc-f] |
| <input type="checkbox"/> Under Construction [Skip to Q2] | <input type="checkbox"/> Permanently Closed [ANSWER Qa, Qh & Qi] |
| <input type="checkbox"/> Open [ANSWER Qa, b, d & f] | <input type="checkbox"/> Converted to a non-timeshare property [ANSWER Qa, Qh & Qi] |

a. Please select the year this resort opened. (Only answer if stage above equals Open, Temporarily closed, Permanently Closed, or Converted to a non-timeshare property) _____

b. Did the resort temporarily close at any point in 2022 for any of the following reasons?

- | | |
|--|--|
| <input type="checkbox"/> COVID-19 pandemic | <input type="checkbox"/> Other, specify _____ |
| <input type="checkbox"/> Natural disaster | <input type="checkbox"/> No, did not temporarily close (Skip to f) |

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

- | | |
|--|---|
| <input type="checkbox"/> COVID-19 pandemic | <input type="checkbox"/> Other, specify _____ |
| <input type="checkbox"/> Natural disaster | |

d. How long was the resort temporarily closed/has it been temporarily closed?

- | | |
|---|--|
| <input type="checkbox"/> Less than one week | <input type="checkbox"/> 1 to 3 months |
| <input type="checkbox"/> 1 to 4 weeks | <input type="checkbox"/> More than 3 months, specify _____ |

e. (If temporarily closed in Q1) When do you expect the resort to re-open?

- | | |
|---|---|
| <input type="checkbox"/> First quarter of this year | <input type="checkbox"/> 4th quarter of this year |
| <input type="checkbox"/> 2nd quarter of this year | <input type="checkbox"/> Next year or later |
| <input type="checkbox"/> 3rd quarter of this year | |

f. Are you planning to convert the resort to a non-timeshare property?

- | |
|--|
| <input type="checkbox"/> Yes, in 2023 [Answer Qg] |
| <input type="checkbox"/> Yes, in 2024 or later [Answer Qg] |
| <input type="checkbox"/> No |

g. Please explain why you are planning to convert the resort to a non-timeshare property.

h. Please select the year this resort permanently closed or converted to a non-timeshare property. (Only answer if stage above = Permanently Closed or Converted to a non-timeshare property) _____

i. Please specify a reason why this resort permanently closed or converted to a non-timeshare property

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

- | | |
|--|---|
| <input type="checkbox"/> COVID-19 pandemic | <input type="checkbox"/> Financial restraint |
| <input type="checkbox"/> Natural disaster | <input type="checkbox"/> Other, specify _____ |

2. What type of construction is this timeshare property?

- ☐ Purpose built
☐ Conversion

3. 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

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

- ☐ Owners
☐ Developer

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

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

II. Resort Characteristics — continued

6. 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, 2022

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

7. 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

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

☐ Biennials

☐ Triennials

☐ Limited-term vacation products [ANSWER part a]

☐ Other, please specify _____

8a. What is the length of the term in years? _____

9. Please provide the following information on timeshare inventory at your resort(s):

	%
What percentage of your inventory is owned 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	As of December 31, 2022 _____
What percentage of your inventory is owned by the HOA ?	_____
What percentage of your inventory is owned by the developer ? Please include any intervals that have never been sold and intervals that have been reacquired by the developer.	_____
Total	_____

10. What was the actual number of owners as of each date?

December 31, 2021 _____ December 31, 2022 _____

11. What was the origin distribution of your shared vacation owners in 2022??

	%
Domestic	_____
International	_____
Total	100%

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

	% of owners
18 to 24	_____
25 to 34	_____
35 to 44	_____
45 to 54	_____
55 to 64	_____
65+	_____
Total	100%

II. Resort Characteristics — continued

13. 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 Q13A]
- ☐ 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 Q14]
- ☐ Interest in a trust (generally includes an owner receiving a beneficial interest in a trust that allows the owner to use property the 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 Q14]
- ☐ Other, specify [GO TO Q14] _____

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

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> 100+ years | <input type="checkbox"/> 6-9 years |
| <input type="checkbox"/> 80-99 years | <input type="checkbox"/> 4-5 years |
| <input type="checkbox"/> 60-79 years | <input type="checkbox"/> 2-3 years |
| <input type="checkbox"/> 40-59 years | <input type="checkbox"/> 1 year or less |
| <input type="checkbox"/> 20-39 years | |
| <input type="checkbox"/> 10-19 years | |

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

	On-site	Nearby
Beach	<input type="checkbox"/>	<input type="checkbox"/>
Country/Lakes	<input type="checkbox"/>	<input type="checkbox"/>
Desert	<input type="checkbox"/>	<input type="checkbox"/>
Gaming	<input type="checkbox"/>	<input type="checkbox"/>
Golf	<input type="checkbox"/>	<input type="checkbox"/>
Island	<input type="checkbox"/>	<input type="checkbox"/>
Rural/Coastal	<input type="checkbox"/>	<input type="checkbox"/>
Ski	<input type="checkbox"/>	<input type="checkbox"/>
Theme Park	<input type="checkbox"/>	<input type="checkbox"/>
Urban	<input type="checkbox"/>	<input type="checkbox"/>
Mountains	<input type="checkbox"/>	<input type="checkbox"/>
Waterpark	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>

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

- | | | |
|--|--|--|
| <input type="checkbox"/> Beach | <input type="checkbox"/> Island | <input type="checkbox"/> Mountains |
| <input type="checkbox"/> Country/Lakes | <input type="checkbox"/> Rural/Coastal | <input type="checkbox"/> Waterpark |
| <input type="checkbox"/> Desert | <input type="checkbox"/> Ski | <input type="checkbox"/> Other, specify: _____ |
| <input type="checkbox"/> Gaming | <input type="checkbox"/> Theme Park | |
| <input type="checkbox"/> Golf | <input type="checkbox"/> Urban | |

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

- ☐ Yes [ANSWER Q16a] ☐ No [GO TO Q17]

16a. 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: _____

II. Resort Characteristics — continued

17. How do you communicate with your owners?

- ☐ Email [Answer Q18 about Email]
☐ Phone [Answer Q18 about Phone]
☐ Owner online forum [Answer Q18 about Owner online forum]
☐ Social media [Answer Q22 about Social media]
☐ Other, please specify _____ [Answer Q18 about Other]

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

	As needed	Weekly	Monthly	Quarterly	Yearly	Other
Email	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owner online forum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. [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 _____

20. [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? If available, please calculate a values which include rooms taken offline due to temporary resort closures for natural disasters and separate values where such rooms are excluded. Report based on physical occupancy, meaning actual guest check-in occurred. Calculate percentages using inventory available as the denominator – please do not include any inventory taken offline due to regular maintenance. This corresponds to all units with certificates of occupancy, whether intervals are sold or unsold

	Occupancy In 2022 (including rooms taken offline due to temporary resort closures for natural disasters (i.e., hurricanes, fires, etc.)	Adjusted occupancy In 2022 (excluding rooms taken offline due to temporary resort closures for natural disasters (i.e., hurricanes, fires, etc.)
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 2022, 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.

III. Occupancy and Fees — continued

3. What is the total amount of revenue your resort collected in 2022 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 2022
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, 2022, what percent of your total billed maintenance fees were in each of the following categories? Please include all maintenance fees billed in 2022 or before, but please do not include maintenance fees billed for 2023.

	In 2022
Current (30 days delinquent or less)	_____
31–60 days delinquent	_____
61–90 days delinquent	_____
91–120 days delinquent	_____
121+ days delinquent	_____
Total	100%

VI. Resort Timeshare Sales

1. Did you offer new timeshare inventory for sale in 2022 on a weekly interval and/or points basis?

New inventory is considered "developer sales" – sales of inventory that is still owned by the developer as opposed to inventory owned by the HOA or timeshare owners. (Note: If you had some small level of sales activity in 2022 (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 POINTS SECTION IF "WEEKLY INTERVAL" NOT ALSO SELECTED]
☐ 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 2022, in dollars?

Include interval week 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 Q8 from Resort Characteristics = Limited-term) \$ _____
6. What was your 2022 sales volume net of rescissions and sales incentives... Sales Volume (\$)

...for weekly based intervals (Excluding biennials and triennials)?	
...for biennials?	
...for other products?	

Number of Weeks Based Sales Transactions:

7. What was the total number of weekly interval sales transactions in 2022 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.
\$ _____
8. Of your total weeks based transactions above, how many were for upgrades/reloads? \$ _____
9. What was the average number of nights per weeks-based transaction in 2022? _____

Timeshare Inventory:

10. How many weekly intervals were available for sale at your resort? Include all intervals available as of Dec 31, 2021 and any that were made available during calendar year 2022. _____

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

Timeshare Sales (\$):

11. What was your total sales volume net of rescissions and sales incentives for 2022, in dollars? 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.
\$ _____
12. Of your total net sales volume above, what is the amount sold for reloads?
\$ _____
13. Of your total net sales volume above, what is the amount sold for limited-term vacation products?
(IF Q8 from Resort Characteristics = Limited-term)
\$ _____

VI. Resort Timeshare Sales — continued

Number of Points Based Sales Transactions:

14. 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.
- _____

15. Of your total points-based transactions above, how many were for reloads? _____

16. What was the average number of nights per points sales transaction in 2022? Please calculated using your best estimate _____

Timeshare Inventory:

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

18. How many timeshare points were available for sale at your resort? Include all points available as of Dec 31, 2021 and any that were made available during calendar year 2022. _____

Following questions asked of all respondents.

19. What was your 2022 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.
- _____

20. Of your total 2022 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%

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

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Fractional sales
<input type="checkbox"/>	<input type="checkbox"/>	Private Residence Clubs
<input type="checkbox"/>	<input type="checkbox"/>	Whole ownership
<input type="checkbox"/>	<input type="checkbox"/>	Other, please specify _____

22. 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 _____

23. [Excel Only] Do you have any fee for service arrangements with other timeshare companies/resorts by which you are selling timeshare inventory for them? 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

VI. Resort Timeshare Sales — continued

24. [Excel Only] What was your total 2022 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.
\$ _____

25. [Excel Only] What was your total number of Fee for service related transactions for 2022?

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 free
- ☐ 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 2022, 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	_____

4. In 2022, 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. How many timeshare units were recently built at this resort in 2022?

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

Number of Timeshare Units Built in 2022 _____

2. 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 2022? 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 _____

3. 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 2023 _____

Timeshare Units Planned to build in 2024 or beyond (w/firm commitments) _____

4. 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 2023	_____	_____
# Timeshare Units Planned to Purchase as Just-In-Time/ Completed Inventory in 2024 or beyond	_____	_____

5. 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 2023	_____
Associated Number of Units in 2023	_____
New Resorts Planned for Completion in 2024 and beyond	_____
Associated Number of Units in 2024 and beyond	_____

IX. Timeshare Rental 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 (GO TO Q1a)
☐ HOA(s) (GO TO Q2)
☐ Developers (GO TO Q2)
☐ None of the above (SKIP TO Q5)

- 1a. How are rental fees paid by owners determined?

- ☐ As a fixed amount [GO TO Q1b]
☐ As a commission-based percentage [GO TO Q1c]
☐ Other, please specify _____

- 1b. What is the average flat fee charged to owners as part of this program? [GO TO Q2] _____

- 1c. What commission percentage is paid by owners to rent out their intervals? _____%

IX. Timeshare Rental Programs — *continued*

2. Who manages the rental programs?

- ☐ Developer
- ☐ Management company
- ☐ Other, please specify _____

3. 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 _____

4. 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 _____

5. What was the total number of nights rented and the associated rental income for 2022?

Total number of nights rented _____

Associated rental revenue (\$) _____

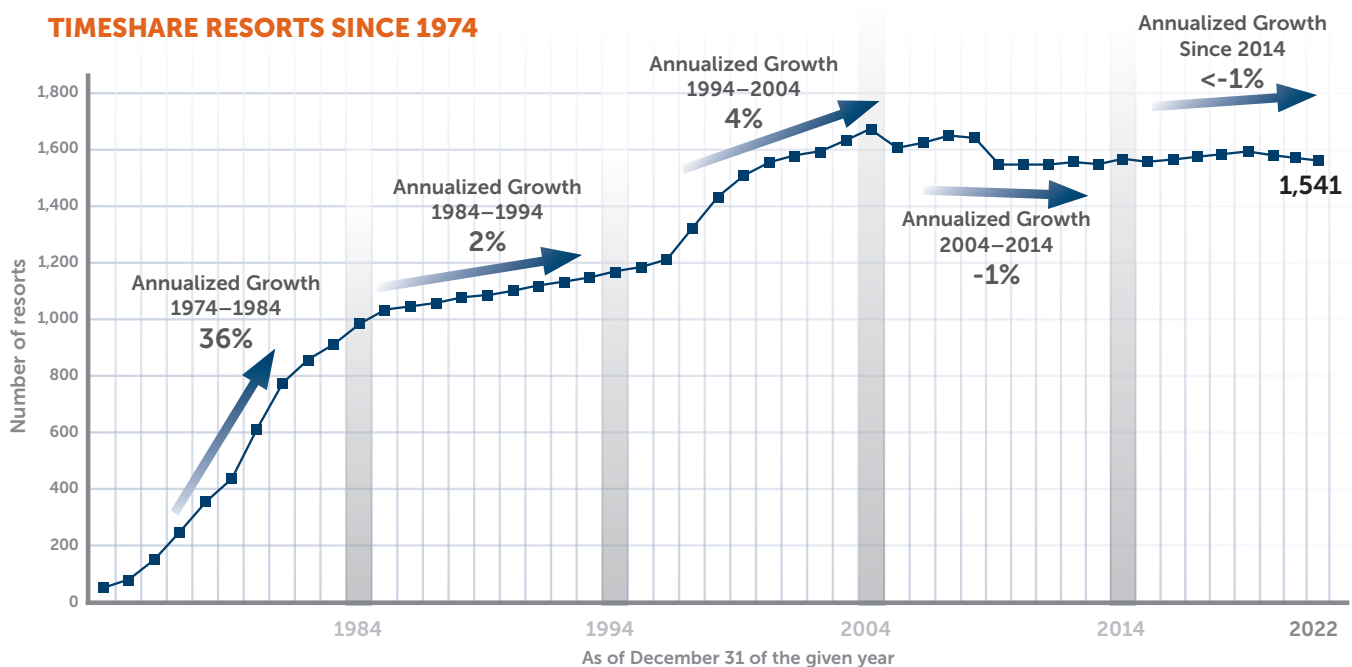
A Brief History of the U.S. Timeshare Industry

To help put the 2022 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



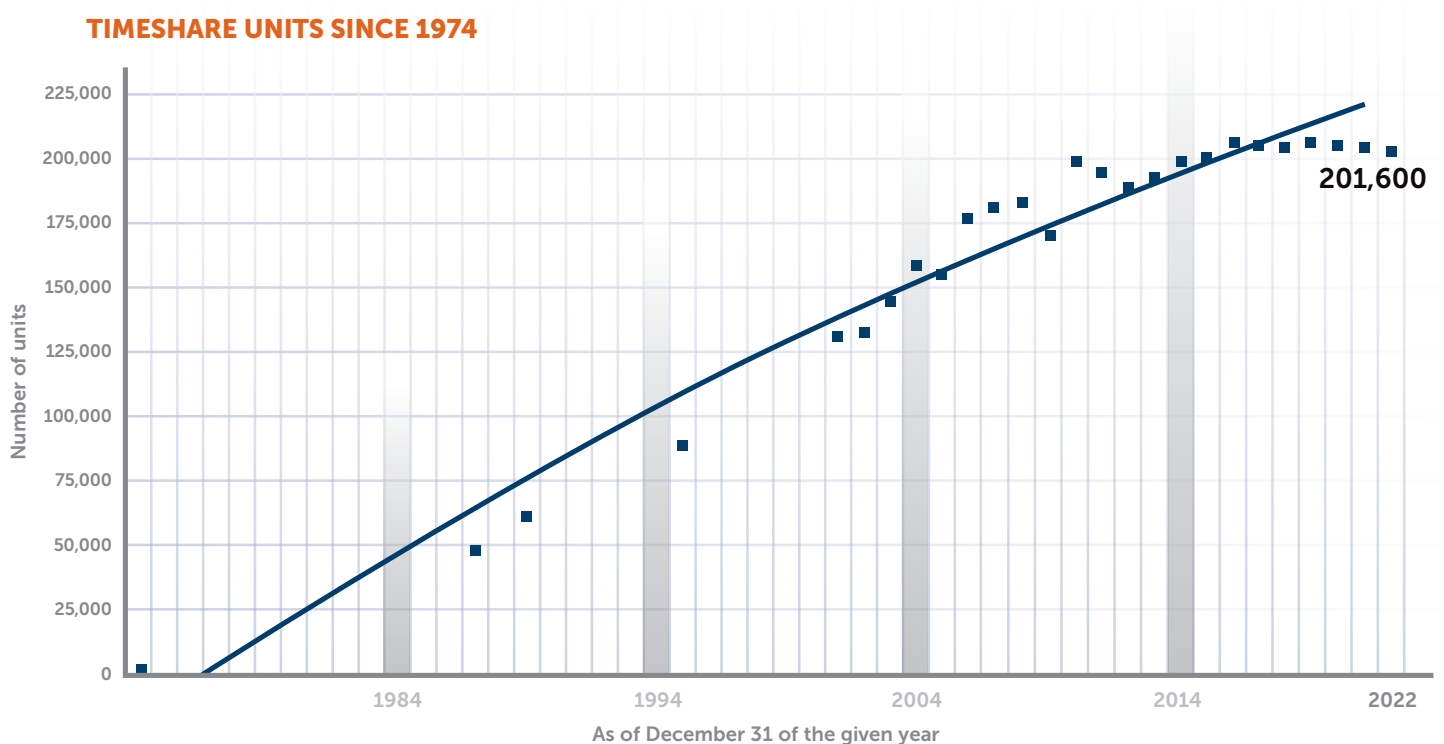
Source: Ragatz Associates, American Economics Group and the AIF

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 2022, the number of resorts decreased again due to a combined impact of the pandemic, natural evolution of resorts, natural disaster and improved rigor and scrutiny of resort count.

The response rate for this report has increased from 28% in 2005 to 49% in 2022. While a higher response rate helps improve the accuracy of estimates, it can make comparisons to the results of previous years problematic. For example, if new respondents report relatively low unit counts for their resort or resorts, this will drive the reported average resort size lower – even though the industry may not have lost any units.

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

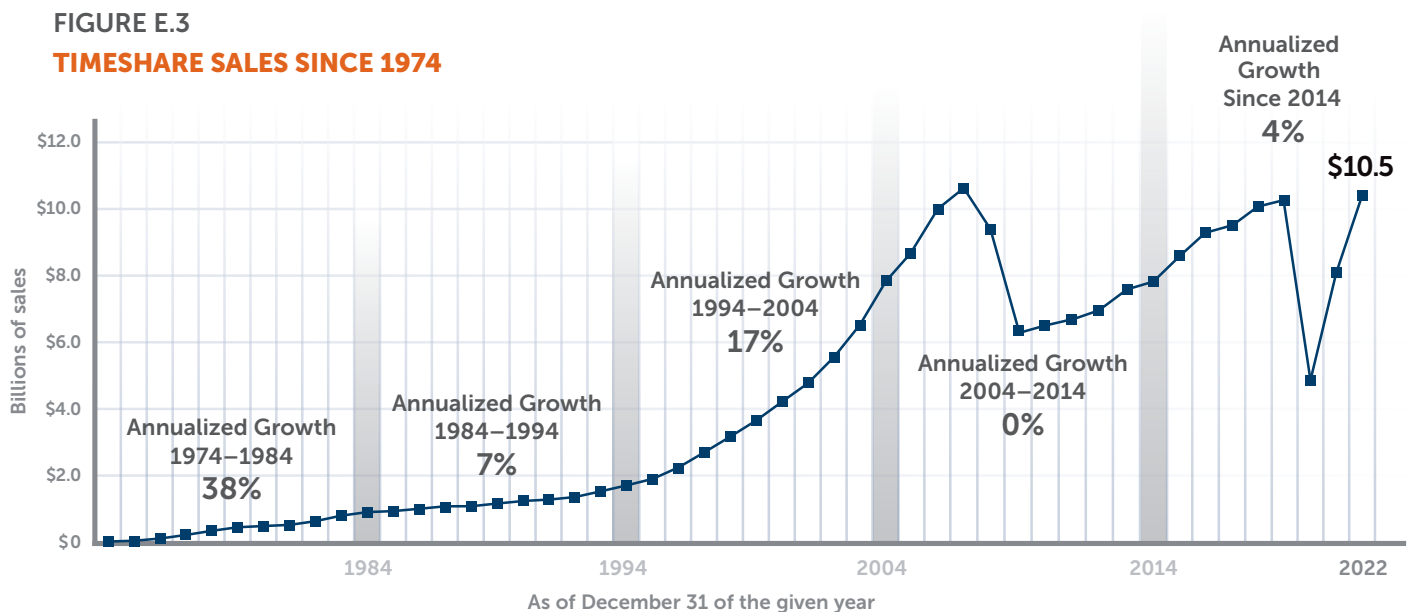


Source: Ragatz Associates, American Economics Group and AIF

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 122 on average in 2012 to 131 in 2022.

Figure E.3 shows the historical sales¹⁶ trend from 1974 through 2022. 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 2022 — to the 2019 level.

FIGURE E.3
TIMESHARE SALES SINCE 1974



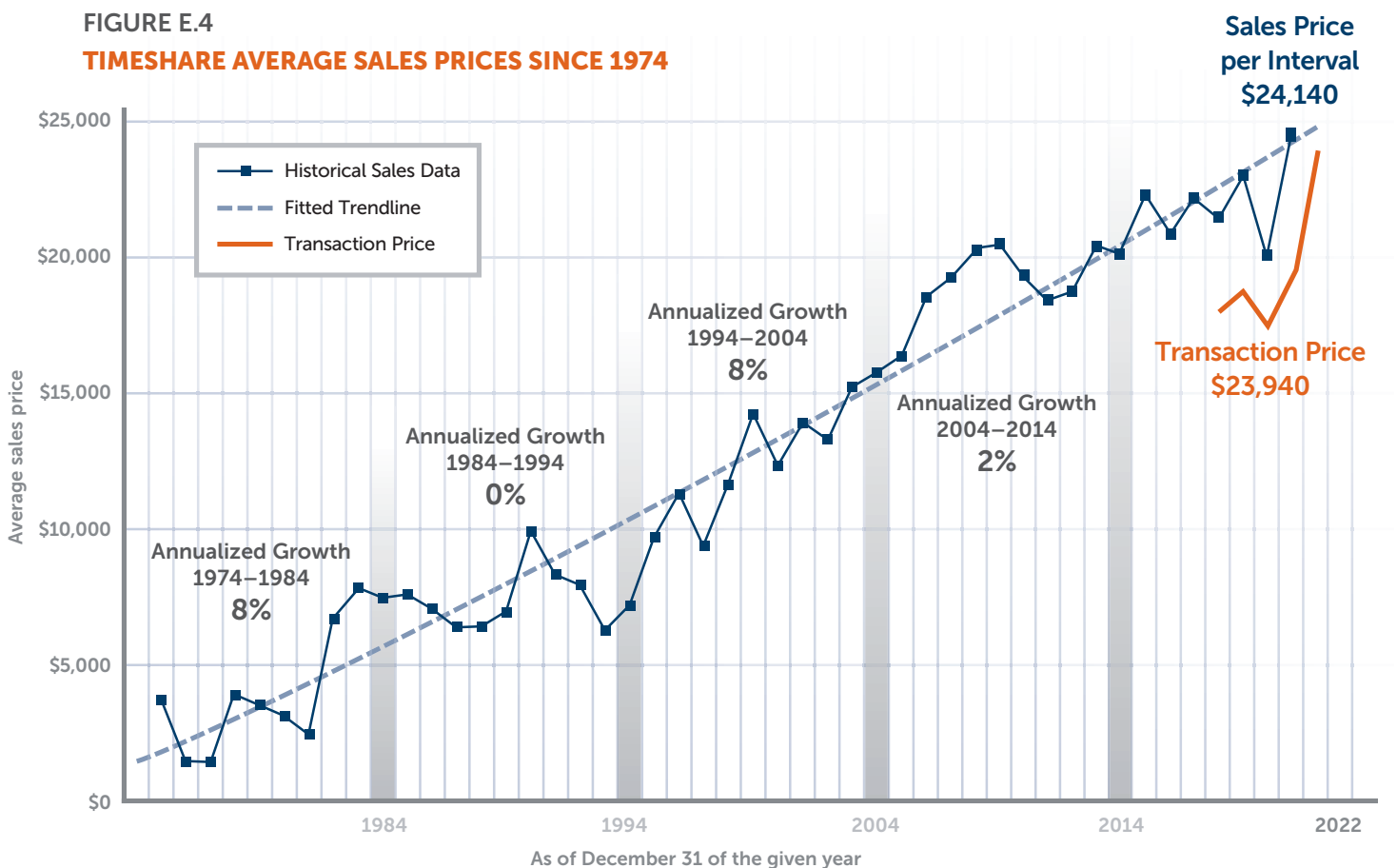
Source: Ragatz Associates, American Economics Group and the AIF

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 and that in transaction price since 2018. As the industry has shifted to more of a points-based model (especially for active-sales resorts), the concept of a sales price per weekly equivalent has become both less meaningful and more difficult to calculate. As a result, in 2022 we stopped reporting on the average weekly sales price and focused exclusively on the average transaction price. To help understand the history of timeshare sales, we have continued to include the data on sales price from 1974 through 2021 in this chart, alongside the trend in transaction price.

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. Note that where data is available for both years, the trend is directionally similar for both metrics.

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.

44 GLOSSARY OF TERMS

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, 2021. Also, include intervals for any unit where construction was completed and the unit made available for sale in calendar year 2022. 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.

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 time-share 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 time-share, 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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