

Economic Impact

2020

OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY



2020 EDITION
PREPARED BY



Market Intelligence | Career Advancement



Market Intelligence
Career Advancement

2020 SPONSORS

The ARDA International Foundation gratefully acknowledges the sponsors whose financial contributions made this study possible.

PLATINUM SPONSORS



GOLD SPONSORS

Capital Vacations
Disney Vacation Club



Economic Impact

OF THE TIMESHARE INDUSTRY
ON THE U.S. ECONOMY



EXECUTIVE SUMMARY	5
I. INTRODUCTION	7
II. SURVEY RESULTS	8
III. ECONOMIC AND FISCAL IMPACT ESTIMATION METHODOLOGY	12
VI. DETAILED ECONOMIC IMPACT RESULTS	16
V. DETAILED FISCAL IMPACTS	22
APPENDIX A DETAILED FISCAL IMPACT TABLES	25
APPENDIX B IMPLAN IMPACT MODELING METHODOLOGY	30
APPENDIX C SURVEY	31



**Building a better
working world**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.



Market Intelligence
Career Advancement

Use of Information Provided by AIF:

The information provided by the ARDA International Foundation is intended to give the reader general information regarding the industry and it does not constitute legal or other professional advice. The information should not be relied upon in making any determinations about a specific matter or issue. If you require counsel on a specific matter or issue, please contact the appropriate professional.

©Copyright 2020, the ARDA International Foundation. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means electronic, mechanical or otherwise, including photocopying, distribution by facsimile, re-creation as an electronic document by computer scan, etc., without securing prior written permission from the ARDA International Foundation. Send inquiries or requests to reproduce to: ARDA International Foundation, 1201 15th Street NW, Suite 400, Washington, D.C., 20005.

The impact of the timeshare industry on the U.S. economy extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the industry also includes the economic impacts of sales and marketing offices, corporate operations, the construction of new resorts and the renovation of existing resorts, and the significant impact of expenditures of vacationers during timeshare stays. This study estimates the comprehensive private- and public-sector benefits generated by the timeshare industry.

In addition to private-sector benefits, including jobs and income, the significant tax contributions of the industry are a source of revenue for federal, state, and local governments. The estimates described below show that the timeshare industry produces significant amounts of individual income tax and employment tax at the federal level, and contributes significantly to property tax, sales tax, and occupancy tax revenue for state and local governments in the states in which timeshare resorts are located.

The following results highlight the key economic and fiscal (tax) contributions of the timeshare industry. The results are summarized in terms of direct and indirect economic and fiscal impacts and presented for resort operations, sales and marketing, corporate operations, consumer spending, and construction. The direct impacts are generated through spending by the timeshare industry and its employees. The indirect impacts are from increased activity among suppliers and higher spending by employees due to increased incomes.

As shown in Table 1 below, in 2019, the timeshare industry supported 612,225 jobs, \$97.4 billion of output, \$37.0 billion in labor income, and \$12.7 billion in taxes.¹

TABLE 1
ECONOMIC CONTRIBUTIONS OF THE TIMESHARE INDUSTRY, 2019
Billions of dollars; Number of part- and full-time jobs

Impact	Direct	Indirect & Induced	2019 Total
Employment	293,386	318,839	612,225
Labor Income	\$18.0	\$19.1	\$37.0
Output	\$38.7	\$58.8	\$97.4
Taxes	\$7.1	\$5.6	\$12.7

Note: Includes economic contributions related to resort operations, corporate office operations, sales office operations, consumer expenditures, and capital expenditures in 2019.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

¹ Please note that the numbers in the tables and text of this report are rounded and may not appear to sum. Calculations referenced in the text were performed on precise numbers and will yield a slightly different result.

Employment: The timeshare industry directly supported employment of 293,386 people in 2019. This direct employment supported indirect employment at supplier and other businesses resulting in 318,839 additional jobs. Combining direct and indirect employment, the total employment contribution of the timeshare industry is estimated to be 612,225 jobs. For each direct job, an additional 1.1 jobs are supported in other industries due to the U.S. timeshare industry.

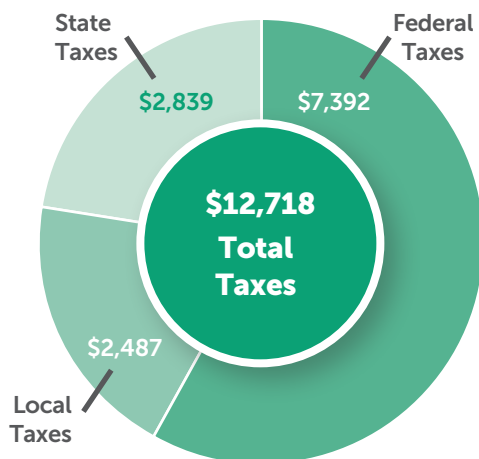
Labor Income: The total income contribution of the timeshare industry is estimated to be \$37.0 billion in 2019, including an estimated direct income impact of \$18.0 billion and an indirect impact of \$19.1 billion. Labor income includes employee compensation (wages plus benefits) and income to proprietors. The total impact of the U.S. timeshare industry on labor income was \$1.06 for each dollar of direct income.

Economic Output: The timeshare industry's direct impact on economic output (measured by revenues) was \$38.7 billion in 2019, while indirect and induced output supported by the timeshare industry was \$58.8 billion, resulting in a total economic output contribution of \$97.4 billion. The total impact on U.S. economic output is \$2.52 for each dollar of direct output.

Taxes: The timeshare industry generated almost \$12.7 billion in total taxes. Figure 1 shows the breakdown of total tax impact by level of government. The fiscal impact of the timeshare industry's operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown in more detail in "Detailed Fiscal Impact" on page 22, by level of government and type of taxes. In 2019, the timeshare industry generated an estimated \$7.4 billion in federal taxes, \$2.8 billion in state taxes, and \$2.5 billion in local taxes.

FIGURE 1
TOTAL TAX CONTRIBUTIONS OF
THE TIMESHARE INDUSTRY, 2019

Millions of dollars



Note: Includes estimated direct, indirect, and induced taxes paid as a result of the U.S. timeshare industry in 2019.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis.

Given the current economic and COVID-19 related conditions as of the publication of this report, the economic contribution of the timeshare industry for 2020 will contract as compared with the results presented in this report. However, special characteristics of the timeshare industry place it in a different position to maintain its activity than other components of the hospitality industry. These characteristics include the prepaid nature of ownership which makes it more likely for owners to travel and consistent revenue streams for resort operations provided by annual maintenance fees paid by all owners. A reduction in timeshare vacations will likely lead to around a 40% drop in consumer expenditures in 2020 as some expenditures, such as airfare, completely ceased for a few months in the spring and are likely to rebound more slowly.² Employment in the U.S. accommodations industry declined 42% between January and April and has only partially rebounded since. Looking at employment supported by all drivers of economic impact of the timeshare industry — resort operations (funded largely by maintenance fees), sales and marketing, corporate functions, off-site vacation expenditures and capital expenditures — we would expect the decline in the industry to be less than the overall hospitality industry and likely closer to a 30% decline in employment between 2019 and 2020.

² As a reference point, the Travel Industry is forecasting a 40% drop in room nights occupied and a 57% reduction in room revenue in 2020 compared to last year. See CBRE's forecast here <https://www.hotelbusiness.com/cbre-hotels-research-forecasts-full-demand-recovery-by-late-2022/> and forecasts from STR and Tourism Economics here <https://www.businesstravelnews.com/Lodging/STR-Tourism-Economics-Further-Downgrade-US-Hotel-Forecast>.

The timeshare industry provides joint ownership or leases of vacation property that combine the benefits of hotel-like amenities with the security and consistency of home-ownership. There were approximately 206,380 units in 1,582 timeshare resorts in the United States in 2019. This study excludes fractional resorts, Private Residence Clubs, and Destination Clubs. In 2019, sales volume totaled \$10.5 billion, increasing by 3% from 2018. Approximately 457,060 timeshare intervals were sold at an average price of \$22,942. The number of intervals sold changed by 6.0% since 2017, while the average price increased by almost 3.4%. In 2019, timeshare occupancy rate was 79%, a 2.1 percentage point decrease since 2017. The U.S. timeshare occupancy rate is significantly higher than the hotel industry's occupancy rate in 2019, which was 66.1%.³ Timeshare operations directly employ more than 293,386 people in 48 states.

As described in the report, the economic impact⁴ of the timeshare industry extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the modern U.S. timeshare industry includes the economic impacts of resort operations, sales and marketing offices; corporate, regional, and call center operations; the construction of new resorts and the renovation of existing resorts; and the expenditures of timeshare vacationers in local communities. In addition, the significant tax contributions of the industry are an important source of revenue for federal, state, and local governments, generating significant property tax, sales tax, and occupancy tax revenue for the states in which the timeshare resorts are located.

This report, prepared by Ernst & Young LLP (EY) and commissioned by ARDA International Foundation (AIF), documents the significant economic and fiscal contributions made by the timeshare industry in 2019.

Current events in 2020, however, are having a significant impact on the operations of the timeshare industry. Due to the global public health pandemic caused by COVID-19, U.S. timeshare owners stopped taking vacations in the spring of 2020 as travel restrictions and shelter-in-place orders went into effect throughout the United States. The situation continues to evolve, and it is likely that timeshare owners will exhibit caution when making future vacation plans for the remainder of the year.

Given the current economic and COVID-19 related conditions as of the publication of this report, the economic contribution of the timeshare industry for 2020 will contract as compared with the results presented in this report. However, special characteristics of the timeshare industry place it in a different position to maintain its activity than other components of the hospitality industry. These characteristics include the prepaid nature of ownership which makes it more likely for owners to travel and consistent revenue streams for resort operations provided by annual maintenance fees paid by all owners. A reduction in timeshare vacations will likely lead to around a 40% drop in consumer expenditures in 2020 as some expenditures, such as airfare, completely ceased for a few months in the spring and are likely to rebound more slowly. Employment in the U.S. accommodations industry declined 42% between January and April and has only partially rebounded since. Looking at employment supported by all drivers of economic impact of the timeshare industry — resort operations (funded largely by maintenance fees), sales and marketing, corporate functions, off-site vacation expenditures and capital expenditures — we would expect the decline in the industry to be less than the overall hospitality industry and likely closer to a 30% decline in employment between 2019 and 2020.

³ STR Monthly Hotel Review: December 2019, Smith Travel Research.

⁴ By "economic impact" we mean the employment, income, output supported by the activities of the timeshare industry.

The economic and fiscal impact analysis presented in this study relies on primary data collected through two national surveys, described below. Data collected through the surveys were supplemented with other public and proprietary information to present an estimate of the overall size of the timeshare industry's economic contribution in the United States in 2019.

State of the Vacation Timeshare Industry and Economic Impact Survey

The primary data source for the economic and fiscal impacts is a survey of timeshare resorts, developers, and management companies. This survey was conducted by EY for the ARDA International Foundation (AIF) in early 2020. The survey combined both State of the Industry questions and Economic Impact questions in one master survey. The State of the Industry data collected in this survey is summarized in the 2020 edition of AIF's report *State of the Vacation Timeshare Industry: United States study*, which provides an overview of key metrics of the U.S. timeshare industry such as total sales volume, average maintenance fees, and average sales price. EY also reviews resort, development organization, and management company websites, previous AIF research, and other industry sources to conduct this data analysis. The survey data is extrapolated to reflect the entire timeshare industry in the United States, excluding fractional resorts, Private Residence Clubs, and Destination Clubs.

All identified timeshare resorts and exchange companies in the U.S. were sent a survey questionnaire. Of the 1,582 identified timeshare resorts, 845 responded — a 53% response rate. Of these 845 responding resorts, 742 belong to a family of ten or more resorts, while 103 belong to a family of less than ten resorts, and of these 71 were single site resorts.⁵

EY uses these responses as the basis for most of the detailed estimates presented in this study. In some cases, the survey results are supplemented with public information, such as corporate income tax information from the *IRS Statistics of Income* and economic data from the Bureau of Economic Analysis.

As described above, the estimated economic impact of the timeshare industry is primarily based on the industry data collected in the surveys. The data from these surveys used in the estimation of the economic and fiscal impacts is summarized in the following pages. Table 2 presents an overall summary of the industry's expenditures and operations. The data presented in this section are translated into direct economic impacts, as described in the following section on economic and fiscal impact estimation methodology.

TABLE 2
DIRECT INDUSTRY OPERATIONS SURVEY DATA, 2019

Millions of dollars; number of part- and full-time jobs

	Employment	Employee Compensation	Economic Output
Resort Operations	117,037	\$3,881	\$15,142
Corporate Headquarters	51,181	\$4,364	\$8,344
Sales & Marketing	56,780	\$4,338	\$7,129
Total	224,998	\$12,583	\$30,615

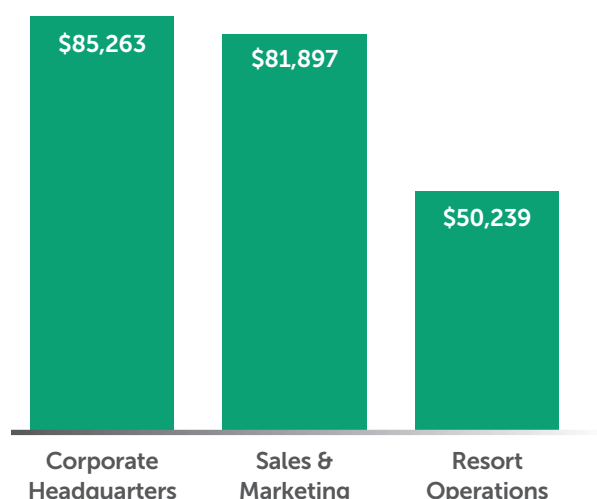
Note: Does not include off-site vacation expenditures and capital expenditure data.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis.

⁵ List of timeshare resorts maintained and provided by AIF.

FIGURE 2
AVERAGE ANNUAL COMPENSATION
BY INDUSTRY FUNCTION, 2019

Including payroll taxes and other benefits



Note: Does not include off-site vacation expenditures and capital expenditure data.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey.

TABLE 3
INDUSTRY OPERATIONS SURVEY DATA
PER UNIT AND RESORT

	Per Unit	Per Resort
Resort Employees	0.29	74
Total Employees ¹	1.08	141
Resort Revenue	\$73,465	\$9,583,671
Labor Cost	\$30,038	\$2,963,142

¹ Includes headquarters and sales & marketing employees.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey.

Resort Operations Activities: Data describing the annual operations of timeshares include employment, employee compensation, detailed operating expenditures, revenue information including maintenance fees (averaging \$1,080 per interval) for the intervals owned, and rental income. Economic output is the broadest measure of economic activity and includes all expenditures and payments to factors of production (labor and capital). In 2019, the direct economic output of timeshare resort operations was estimated to be \$15.1 billion, which included maintenance fee revenue of \$9.6 billion, rental income of \$2.5 billion, and revenue from on-site consumer spending of \$3.0 billion. Statistics are provided on a per unit/per resort basis in Table 3. Timeshare resort operations employed an estimated 117,037 employees, with average compensation of \$50,239 annually per employee, resulting in \$3.9 billion of employee compensation.

Corporate Activities: In 2019, the corporate operations of timeshare developers, operators, and exchange companies employed an estimated 51,181 employees, with average compensation of \$85,263 annually per employee, resulting in \$4.4 billion of employee compensation. Purchases from other firms, which are part of direct output, such as financial services, utilities, office supplies, and other operating expenditures, totaled \$3.5 billion.

Sales and Marketing Activities: In 2019, timeshare sales and marketing activities employed an estimated 56,780 employees, with average compensation of \$81,897 annually per employee, yielding \$4.3 billion of employee compensation. Purchases from other firms totaled \$2.5 billion.

Capital Expenditures for New Construction and Renovation Activities:

As shown in Table 4, new resort construction expenditures totaled \$310 million and resort renovations totaled \$669 million in 2019. Expenditures related to the construction of corporate and sales operations were \$15 million while renovations totaled \$56 million in 2019, resulting in total sales and corporate center capital expenditures of \$71 million. The construction and renovation expenditures include both structures and tangible personal property.

TABLE 4
CAPITAL EXPENDITURES IN THE
TIMESHARE INDUSTRY, 2019

Millions of dollars

Capital Expenditures	Direct Spending
Resort Capital Expenditures	\$979
New Construction	\$310
Renovation	\$669
Sales and Corporate Capital Expenditures	\$71
New Construction	\$15
Renovation	\$56
Total Capital Expenditures	\$1,050

Note: Renovation costs include costs related to renovation, furniture, fixtures, equipment, and other capital expenditures. New construction costs include expenses related to the purchase of land, construction, furniture, fixtures, and equipment, and other capital expenditures.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis.

Consumer Survey

AIF commissioned Leger, a market research company, to collect data via a survey on vacation expenditures by timeshare owners and visitors during their U.S. timeshare vacations in the last year. This analysis uses the data from that survey, summarized in Table 5, to estimate the impact of timeshare vacationer spending on the U.S. economy.

Consumer Spending by Timeshare Vacationers: Spending by timeshare owners and guests during timeshare stays was estimated at \$11.29 billion in 2019. Approximately \$2.96 billion was spent on-site at resorts, while \$8.33 billion was spent off-site in the communities where the timeshare resorts are located. The total vacationer expenditure was estimated based on average per-party expenditures from the 2020 *Shared Vacation Ownership Owners Survey*. The average per-party expenditure is then multiplied by the estimated 3.6 million vacation travel parties, which is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units occupied per party, as reported in the state of the industry, economic impact and owner surveys.⁶

⁶ This approach assumes that timeshare owners and other visitors to timeshare resorts have the same spending characteristics.

TABLE 5
DETAILED VACATION EXPENDITURE
SPENDING DATA¹

Vacation Spending Data	Average per Party			Total Off-site Spending (\$ billion)
	On-site Spending	Off-site Spending	Total Spending	
Air Transportation Services	—	\$674	\$674	\$2.45
Entertainment and Recreation	\$163	\$180	\$343	\$0.66
Hotels and Motel Services	\$459 ²	\$314	\$773	\$1.14
Restaurants & Bars	\$147	\$164	\$311	\$0.59
Clothing and Clothing Accessories	\$133	\$166	\$298	\$0.60
Groceries	\$123	\$128	\$251	\$0.46
Ground Transit	—	\$55	\$55	\$0.20
Gasoline Stations	—	\$133	\$133	\$0.48
Miscellaneous	\$39	\$46	\$85	\$0.17
Rental Cars	—	\$180	\$180	\$0.66
Theme Parks & Museums	\$89	\$110	\$198	\$0.40
Fitness & Sports	\$121	\$139	\$260	\$0.51
Total	\$1,274	\$2,289	\$3,563	\$8.33
Average Spending Per Person³	\$344	\$619	\$963	

1 Does not include gambling wins and losses.

2 Hotel and motel on-site expenditures are captured by the 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey as rental revenue and are not included in "on-site spending" referenced throughout the text.

3 Average travel party size is 3.7 people.

Source: 2020 Shared Vacation Ownership Owners Survey, prepared by Leger for AIF.

On average, each traveling party spent \$3,563 per vacation. Table 5 shows the distribution of total spending by timeshare vacationers across major categories of expenditures. Based on an average travel party size of 3.7 people, the average total spending per person is \$963. Note that only the off-site expenditures are included in the estimates of the economic impact of vacation expenditures. On-site spending by timeshare owners and visitors at timeshare resorts is captured separately in the impact of timeshare resort operations, shown in Table 2 on page 8.

Timeshare Conversions

Timeshares are occasionally converted into other types of vacations. The stability of owning a timeshare is maintained, but a different type of experience is created when an owner is able to convert their timeshare for a cruise, car rental, or a hotel stay. The ability to convert timeshares into other types of vacation experiences confirms the value of timeshare ownership as a form of "vacation currency". In 2019, over 42,109 of these timeshare conversion transactions were reported. These transactions are not included in the estimated total economic impact of the timeshare industry on the U.S. economy.

The annual operations of timeshare resorts, corporate operations, sales and marketing, vacation expenditures, and construction or renovations of both timeshare and operations result in significant output (sales), employment, income, and taxes in the U.S. economy. This section describes the estimation of the economic and fiscal impact of the U.S. timeshare industry based on the survey data presented and summarized in Tables 2 through 5 in the previous pages.

Economic Impact Methodology

Using a customized economic model of the U.S. economy, developed by IMPLAN Group LLC, this analysis estimated the direct and indirect economic impacts of the timeshare industry. The survey data discussed in previous pages was used to generate the direct impacts that served as inputs into the IMPLAN model. Detailed information on the IMPLAN model can be found in Appendix B. This model calculates the indirect and induced impacts, as described in the following pages.

FIGURE 3

OVERVIEW OF THE TIMESHARE INDUSTRY OPERATIONS' ECONOMIC IMPACT

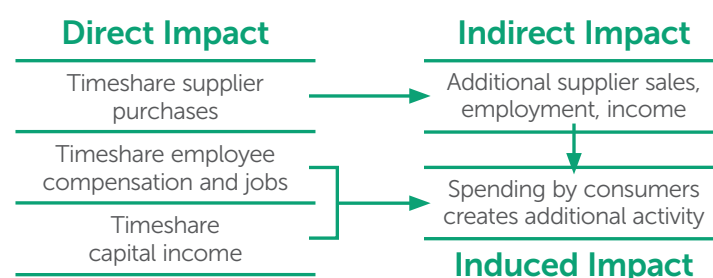


Figure 3 presents a high-level illustration of the channels through which the timeshare industry's operations translate into total economic impacts. As shown in the figure, the timeshare industry's direct operations create purchases from suppliers, employee compensation, and other forms of capital income. These various payments to factors of production (labor and capital) and suppliers create additional indirect economic impacts. As shown below, the industry's supplier purchases result in higher levels of additional sales, employment, and income by suppliers. This impact on suppliers is known as the "indirect" economic impact. Also shown below is the re-spending of employee compensation and other types of income by employees and owners of the timeshare industry, which creates additional spending by consumers at restaurants, retailers, and other businesses that sell to consumers. The impact from additional consumer spending is often referred to as the "induced" economic impact.

Direct Impacts

The estimated direct impact of each timeshare industry activity is measured as the additional output, personal income, or employment connected directly to the industry's operation. The direct public-sector benefits include increased federal, state, and local taxes, such as sales and use taxes, property taxes, occupancy taxes, individual and corporate income taxes paid directly by the timeshare industry, owners of timeshares, and timeshare industry employees. All data were collected through the *AIF 2020 State of the Industry/Economic Impact Survey*. Specific estimates of the direct impacts are calculated as described below.

Direct Economic Output

Direct economic output of the timeshare resort operators is estimated to equal total operator revenues from maintenance fees, rental revenue, and on-site spending by vacationers. In 2019, the direct economic output of timeshare resort operations was estimated to be \$15.1 billion that includes maintenance fee revenue of \$9.6 billion,⁷ rental income of \$2.5 billion, and revenue from on-site consumer spending of \$3.0 billion.⁸

TABLE 6

DIRECT ECONOMIC OUTPUT GENERATED BY RESORT OPERATIONS, 2019

Millions of dollars

	Amount
Economic Output	
Rental Revenue	\$2,541
Maintenance Fees	\$9,637
On-site Consumer Spending	\$2,964
Direct Economic Output	\$15,142

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis.

As shown in Table 7, direct output from the corporate operations of timeshare developers, operators, and exchange companies totaled almost \$8.3 billion in 2019, which was estimated as the sum of employee compensation of \$4.4 billion and operating expenses of \$3.5 billion as reported in the survey, plus an estimated profit margin of \$480 million, based on standard profitability for the accommodations industry, as reported in the U.S. Internal Revenue Service's *Statistics of Income*.

Direct output from the sales and marketing operations of timeshare developers, operators, and exchange companies totaled \$7.1 billion in 2019, which was estimated as the sum of employee compensation and proprietor income of \$4.3 billion and non-labor operating expenses of \$2.46 billion as reported on the survey, plus an estimated profit margin of \$337 million. See Table 7.

TABLE 7

DIRECT ECONOMIC OUTPUT GENERATED BY CORPORATE, SALES & MARKETING OPERATIONS, 2019

Millions of dollars

	Corporate Headquarters	Sales & Marketing
Labor Income	\$4,364	\$4,338
Non-labor Operating Expenses	\$3,500	\$2,455
Profits	\$480	\$337
Direct Economic Output	\$8,344	\$7,129

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact, IRS Income Statistics, BEA, and EY analysis.

⁷ Maintenance fee revenue was calculated by multiplying average maintenance fees of \$1,080 per interval times the number of intervals owned.

⁸ Rental revenue and on-site consumer spending were obtained from the survey responses and extrapolated to reflect the total population of resorts.

The direct economic output impact of capital expenditures (\$1 billion) is based on the amount of resort and non-resort construction and renovations, as reported in the survey. The output impact of new resort construction in 2019 is estimated using the number of new units constructed as reported in the *2020 State of the Industry Survey*. The analysis assumes that the approximate average capital outlay to construct a new timeshare unit is \$358,642.

The output impact of off-site vacation expenditures is estimated at \$7.1 billion, based on reported average off-site vacation expenditures of \$2,289 per party by 3.6 million vacation travel parties, and taking into account that some of the purchases were for goods manufactured outside the U.S.⁹

Direct Employment

Direct employment of the timeshare industry is equal to the sum of the reported full- and part-time employment for timeshare resorts (117,037 jobs), corporate (51,181 jobs), and sales and marketing (56,780 jobs), as reported in the survey.

The employment impact of other industry activities, such as capital expenditures and vacation expenditures, are estimated using the IMPLAN model of the U.S. economy, which contains information on the typical direct employment associated with spending in each industry.¹⁰

Direct Labor Income

Direct labor income earned by employees of the timeshare industry is equal to the sum of wages and benefits received by employees and proprietor's income earned by proprietors. Benefits include employer contributions for social insurance, health insurance, retirement, and other types of non-cash compensation. For resort, corporate, and call center operations, the direct income impact was reported in the survey responses. For other industry activities, such as capital and vacation expenditures, the direct income impact was estimated using the U.S. IMPLAN economic model based on the level of expenditures and estimated employment.

Indirect Impacts

The operating expenses incurred by the timeshare industry result in purchases of goods and services from other U.S. businesses, which create ripple or multiplier effects throughout the entire national economy. The multiplier is a measure of the impact the timeshare industry has on the employment, income, and output of supplier businesses that are meeting the timeshare industry's demand for goods and services. For example, a timeshare resort purchases linen services, food and beverages, cleaning supplies, landscaping services, and other goods and services supplied by other businesses. Likewise, the indirect impact of construction and renovation activities results from purchases of building materials from supplier companies.

The indirect impact of the timeshare industry is estimated by using the IMPLAN model of the U.S. economy based on the direct impacts described previously. To produce more accurate estimates of the industry's indirect economic impact, the model is calibrated to reflect the operating profile of the timeshare industry. Specifically, output per worker and compensation per worker were adjusted for resort operations, headquarter operations, and sales and marketing activities. For the industries involved in producing goods and services related to vacation expenditures and capital expenditures, output per worker and compensation per worker were not adjusted and reflect industry averages. For each commodity demanded by the timeshare industry, the model estimates the portion that would be supplied by domestic businesses based on trade flow data from the U.S. Department of Commerce and the U.S. Department of Transportation. These estimates are based on aggregate accommodations and lodging industry information that reflects average purchasing patterns within each industry; individual resorts may have different purchasing patterns.

⁹ An estimated 3.6 million vacation travel parties is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units per party, as reported in the SOI and Leger surveys.

¹⁰ The output-per-worker levels are indicated in the IMPLAN economic model. The direct employment impacts for expenditure-based impacts are calculated by the IMPLAN model based on national industry average relationships of output to employment.

Induced Impacts

The employment and wages of timeshare employees and employees of indirectly impacted firms (suppliers) stimulate additional consumer spending as the employees spend their earnings on restaurants, retail items, housing, and other goods and services produced in the national economy. The estimated induced impacts of the U.S. timeshare industry presented in Table 8 on page 16, were estimated using the IMPLAN U.S. economic model. The model estimates the re-spending of direct and indirect employees, reflecting typical personal consumption expenditure profiles and the typical proportion of consumption goods that are imported from outside the U.S. economy.

Fiscal Impact Methodology

The timeshare industry's economic contributions generate substantial tax revenues for federal, state, and local governments. These taxes are paid either directly by timeshare owners, visitors and employees, or indirectly by suppliers and their employees through higher levels of economic activity. Direct taxes paid by the timeshare industry, its visitors, and its employees include property taxes, sales taxes, personal and corporate income taxes, occupancy taxes, and other taxes. Indirect taxes occur as timeshare suppliers, retailers, service firms, and other businesses increase sales and economic activity in response to additional sales related to timeshare operations and consumer expenditures. These additional indirect taxes are generated through the economic multiplier effect.

Direct property tax, occupancy tax, and corporate income tax from resort operations were provided from the AIF 2020 *State of the Industry/Economic Impact Survey*. Direct property taxes totaled \$802 million while direct occupancy taxes for resort operations totaled \$606 million in 2019. Direct corporate income taxes paid by the timeshare resort operations totaled \$352 million (see appendix Table A1).

Sales tax attributable to capital investment and timeshare vacationer expenditures was estimated using national weighted average rates: 5.99% state sales tax rate and 1.57% local sales tax rate.¹¹

All other direct tax and all indirect tax contributions were estimated using ratios of the most recent US-wide tax collections to national personal income for each type of tax.

Estimates of the higher federal, state, and local taxes resulting indirectly from increased economic activity are based on EY's fiscal models for the timeshare industry. Using data from the U.S. Census Bureau's Governmental Finances, and the U.S. Bureau of Economic Analysis (BEA), the model calculates the ratio of federal, state, and local taxes to personal income for all major taxes in the US. The tax ratios were then applied to the estimated direct and indirect change in personal income due to the industry's operations, as estimated by the IMPLAN model. The resulting increase in tax collections is reported by tax type.

11 Sales and use tax for timeshare visitor expenditures and capital expenditures are estimated based on equipment and building material costs, which are assumed to be subject to the sales tax. Estimated construction labor, installation, and maintenance charges are excluded.

Table 8 shows the direct, indirect, and total economic impact of the U.S. timeshare industry on the national economy.

Direct impacts measure the economic output and income of the timeshare industry and its employees, while the indirect impacts reflect the economic contribution of suppliers to the timeshare industry, as well as induced consumer spending by employees that are directly and indirectly connected to the industry.

TABLE 8
DETAILED ECONOMIC IMPACTS OF THE TIMESHARE
INDUSTRY, BY FUNCTION, 2019

Billions of dollars; number of part- and full-time jobs

Output	Direct	Indirect & Induced	Total
Industry Operations	\$30.6	\$46.9	\$77.5
Resorts	\$15.1	\$21.1	\$36.2
Corporate	\$8.3	\$13.9	\$22.2
Sales and Marketing	\$7.1	\$11.9	\$19.0
Vacation Expenditures	\$7.1	\$10.0	\$17.1
Capital Expenditures	\$1.0	\$1.9	\$2.9
Total	\$38.7	\$58.8	\$97.4

Employment	Direct	Indirect & Induced	Total
Industry Operations	224,998	256,748	481,746
Resorts	117,037	116,773	233,810
Corporate	51,181	73,298	124,479
Sales and Marketing	56,780	66,677	123,457
Vacation Expenditures	61,807	52,631	114,438
Capital Expenditures	6,581	9,460	16,041
Total	293,386	318,839	612,225

Labor Income	Direct	Indirect & Induced	Total
Industry Operations	\$14.9	\$15.4	\$30.2
Resorts	\$6.2	\$7.2	\$13.4
Corporate	\$4.4	\$4.5	\$8.9
Sales and Marketing	\$4.3	\$3.6	\$7.9
Vacation Expenditures	\$2.6	\$3.1	\$5.8
Capital Expenditures	\$0.4	\$0.6	\$1.0
Total	\$18.0	\$19.1	\$37.0

Note: Labor income includes employee compensation shown in Table 2 and proprietor income.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Estimated Economic Output Impacts

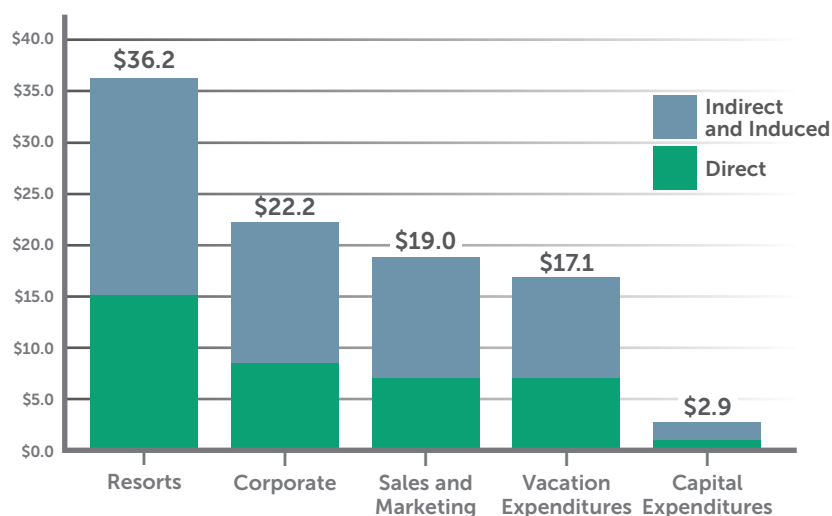
Economic output is the broadest measure of economic activity and is generally equivalent to revenue or total expenses. Specifically, for the timeshare industry, economic output is equal to the total revenue (total expenditures plus profit) from industry operations, spending by vacationers, and investment in construction and renovations. The estimated economic output impacts include the direct output impacts based on the calculations described previously and the indirect and induced economic impacts estimated by the IMPLAN economic model of the United States.

- **Resort Operations:** In 2019, resort operations' direct output totaled \$15.1 billion, while indirect and induced output was \$21.1 billion, resulting in a total contribution to U.S. economic output of \$36.2 billion. The output multiplier is 2.39 where each dollar of direct timeshare economic activity spurs \$2.39 dollars of total U.S. economic output.
- **Corporate Operations:** Direct output totaled \$8.3 billion while indirect and induced output was \$13.9 billion, resulting in a total impact on economic output of \$22.2 billion. The output multiplier estimates that each dollar of direct timeshare economic activity results in \$2.66 dollars of total U.S. economic output.
- **Sales/Marketing Operations:** Direct output totaled almost \$7.1 billion while indirect and induced output was \$11.9 billion, resulting in a total impact on economic output of \$19 billion. The output multiplier estimates that each dollar of direct timeshare economic activity results in \$2.67 dollars of total U.S. economic output.
- **Vacation Expenditures:** Direct spending off-site by timeshare owners and visitors totaled almost \$8.3 billion. After taking into account expenditures for goods produced outside the US, the direct impact of off-site consumer expenditures was \$7.1 billion in direct output. This direct spending created additional economic activity by firms that supply goods and services consumed by vacationers, which totaled \$10.0 billion. Combining the direct and indirect impacts on economic output, the total impact on U.S. economic output from timeshare vacation expenditures is \$17.1 billion. These results imply that each dollar of direct spending results in \$2.42 dollars of total U.S. economic output.
- **Capital Expenditures:** Spending by the timeshare industry on resort and non-resort construction and renovations totaled nearly \$1 billion in 2019, including purchase of land. Purchases of land were not included in the impact calculation, as expenditures on land do not contribute to economic output. Direct expenditures produced an additional estimated \$1.9 billion in indirect and induced output, resulting in a total impact on economic output of \$2.9 billion. The output multiplier implies that each dollar of direct spending results in \$2.91 dollars of total U.S. economic output.

FIGURE 4

ECONOMIC OUTPUT OF THE TIMESHARE INDUSTRY, 2019

Billions of dollars



Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Estimated Employment Impacts

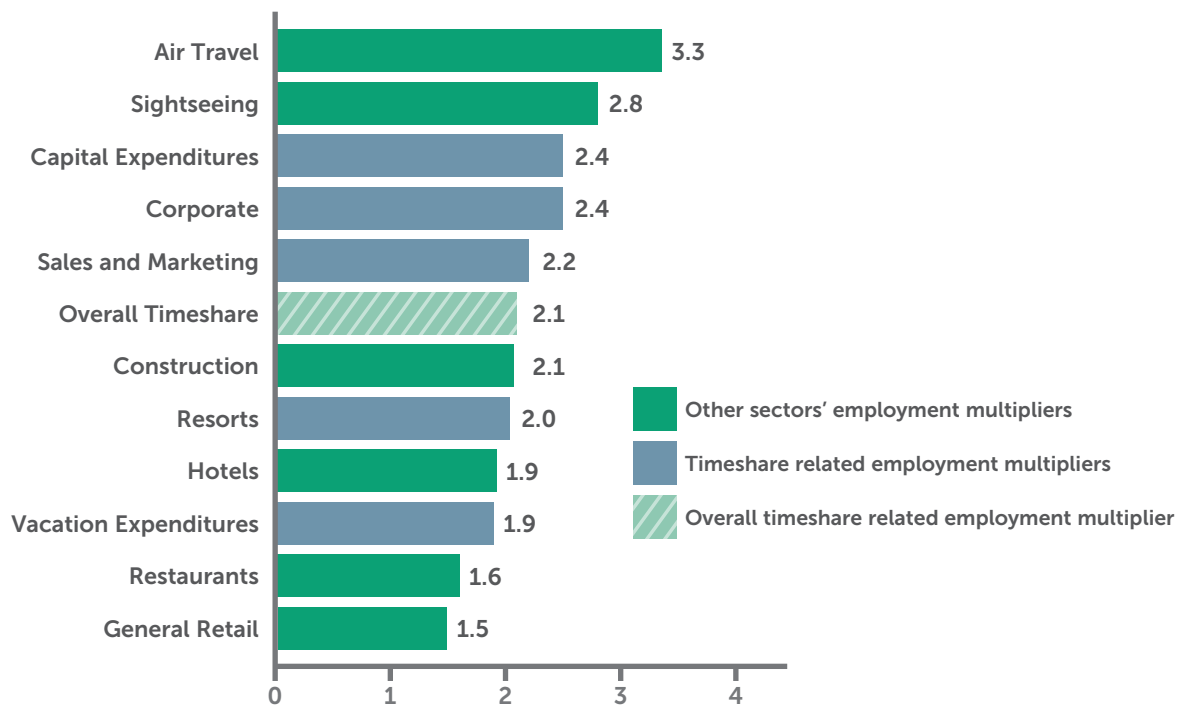
Direct employment associated with the timeshare industry was estimated to be 293,386 jobs (see Table 1). The re-spending of income earned by these employees combined with the indirect impacts from increased supplier activity is estimated to have generated an additional 318,839 jobs, resulting in an estimated 612,225 jobs attributable to the timeshare industry in 2019.

- Off-site vacation expenditures generated 19% of the total employment attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 79%, while capital expenditures represent the remaining 3%.
- On average, there are 2.1 total jobs created in the U.S. economy for each direct employee associated with the timeshare industry. Capital and corporate expenditures provide the highest multiplier effect, with a total of 2.4 jobs per direct job, while off-site vacation expenditures resulted in 1.9 jobs. According to an analysis of sectors using IMPLAN's model of the U.S. economy, the timeshare industry has a higher employment multiplier than retail and restaurant industries. See Figure 5.

FIGURE 5

COMPARISON OF TIMESHARE INDUSTRY EMPLOYMENT MULTIPLIERS TO SELECTED RELEVANT INDUSTRIES, 2019

Number of total employees per direct employee



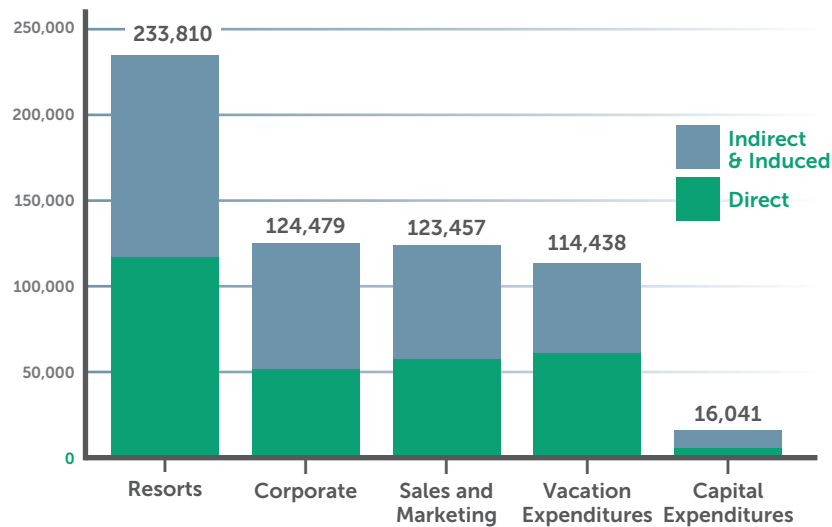
Note: Comparison multipliers shown are from selected industries and do not reflect the economy as a whole.

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

FIGURE 6

EMPLOYMENT OF THE TIMESHARE INDUSTRY, 2019

Number of employees



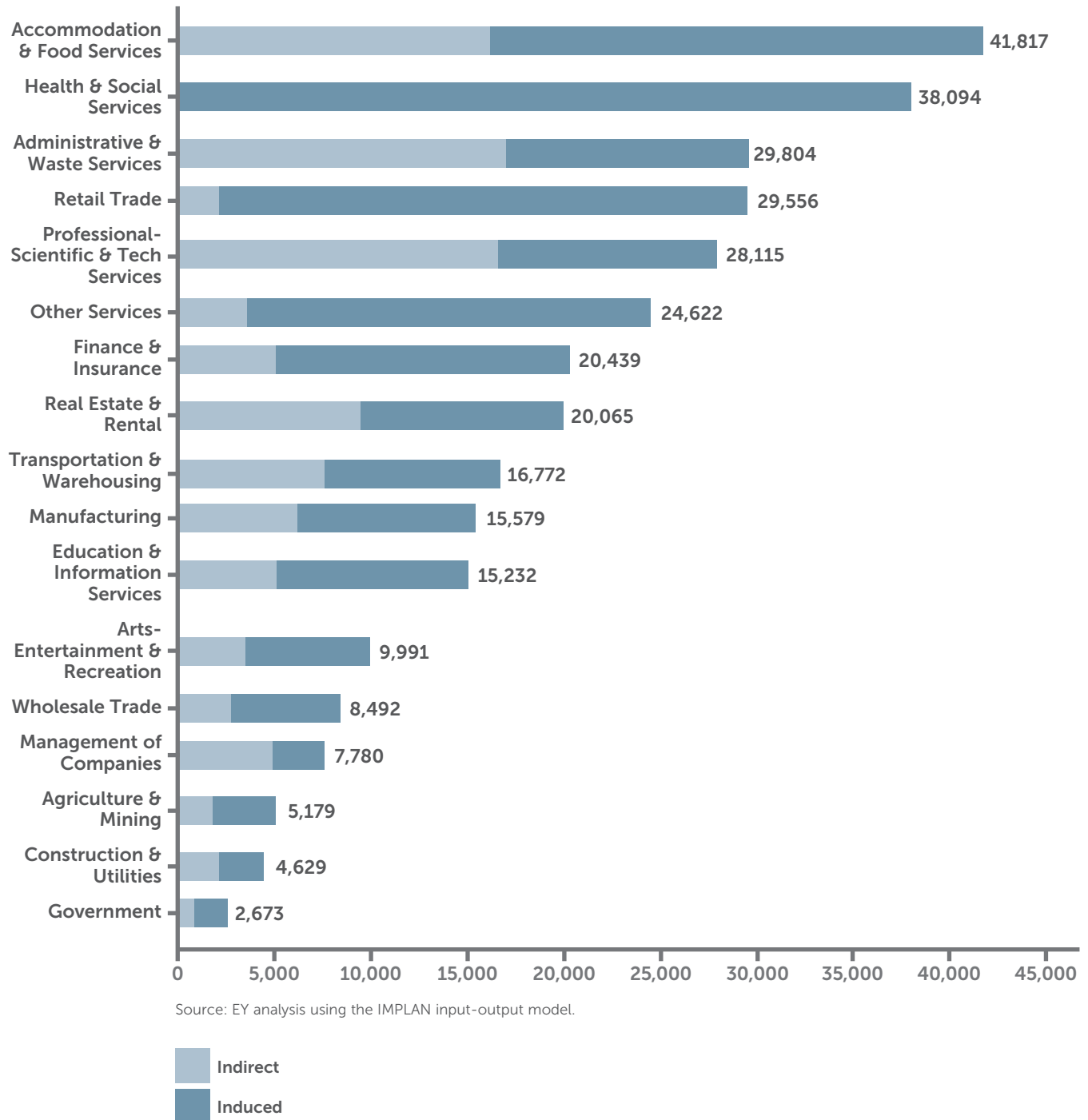
Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Figure 7 shows indirect and induced employment supported by the U.S. timeshare industry in 2019. Indirect jobs are based in supplier firms that sell goods and services to the timeshare industry (e.g. cleaning services), while induced jobs are at the businesses that sell goods and services to timeshare and supplier employees (e.g. grocery stores and restaurants). As shown in Figure 7, the timeshare industry's largest induced and indirect impacts are in industries where employees are spending money, such as at doctor offices and hospitals (health and social service industry), retail stores (retail), and hotels and restaurants (accommodation and food service).

FIGURE 7

INDIRECT AND INDUCED JOBS, BY INDUSTRY, 2019

Number of employees



Estimated Labor Income Impacts

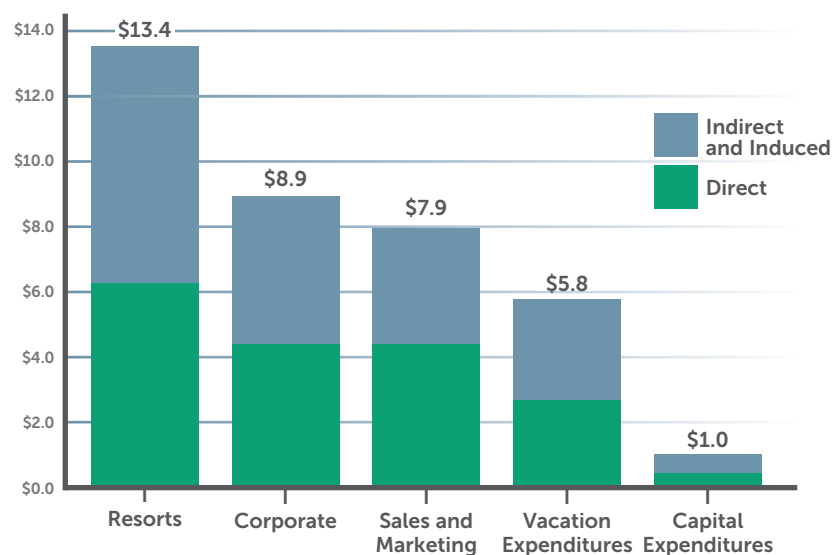
In 2019, resort, corporate, and sales and marketing operations supported an estimated \$14.9 billion of direct labor income. When combined with the indirect and induced personal income contribution of \$15.4 billion, the total annual contribution to U.S. personal income equals an estimated \$30.2 billion, or 81% of the timeshare industry's labor income impact. Vacation expenditures accounted for 16% of total income attributable to the timeshare industry, while capital expenditures represent the remaining 3%.

On average, each dollar of direct timeshare income results in \$2.06 of total income earned by employees in the U.S. economy. Capital expenditures provide the highest multiplier effect: direct compensation and proprietor income was \$0.4 billion, which generated a total income impact of \$1 billion, equivalent to \$2.32 in total income for each dollar of direct compensation paid to employees and proprietor income.

FIGURE 8

LABOR INCOME OF THE TIMESHARE INDUSTRY, 2019

Billions of dollars



Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

The fiscal impact of the timeshare industry's operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown below, by level of government. As summarized in Table 9, the timeshare industry generated \$12.7 billion in total taxes.

TABLE 9
SUMMARY OF FISCAL IMPACTS OF THE TIMESHARE INDUSTRY
BY FUNCTION, 2019

Millions of dollars

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Resorts	\$2,802	\$1,212	\$1,409	\$5,423
Corporate	\$1,729	\$521	\$383	\$2,633
Sales & Marketing	\$1,544	\$465	\$342	\$2,351
Vacation Expenditures	\$1,120	\$546	\$300	\$1,966
Capital Expenditures	\$197	\$95	\$53	\$345
Total	\$7,392	\$2,839	\$2,487	\$12,718

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

- The timeshare industry's operations generated a total of \$12.7 billion in federal, state, and local taxes. Federal taxes accounted for \$7.4 billion (58%), state taxes were \$2.8 billion (22%), and local taxes were an additional \$2.5 billion (20%).
- Resorts generated \$5.4 billion in total taxes, sales/marketing and corporate operations generated \$4.98 billion, vacation expenditures nearly \$1.97 billion, and capital spending related to new construction and renovation resulted in a total of \$345 million in taxes. See Tables A1-A5 in Appendix A.

TABLE 10

**SUMMARY OF DIRECT, INDIRECT, AND INDUCED FISCAL
IMPACTS OF THE TIMESHARE INDUSTRY BY FUNCTION, 2019**

Millions of dollars

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Property Tax	—	\$63	\$1,730	\$1,794
Resorts	—	\$37	\$998	\$1,035
Corporate	—	\$10	\$276	\$286
Sales and Marketing	—	\$9	\$246	\$255
Vacation Expenditures	—	\$7	\$179	\$185
Capital Expenditures	—	\$1	\$31	\$33
General Sales Tax	—	\$912	\$263	\$1,176
Resorts	—	\$242	\$73	\$315
Corporate	—	\$160	\$48	\$209
Sales and Marketing	—	\$143	\$43	\$187
Vacation Expenditures	—	\$312	\$84	\$396
Capital Expenditures	—	\$54	\$15	\$69
Other Taxes	\$7,392	\$1,863	\$493	\$9,748
Occupancy Tax	—	\$363	\$243	\$606
Excise Taxes	\$153	\$337	\$77	\$568
License Taxes	—	\$118	\$5	\$123
Corporate Income Tax	\$737	\$156	\$25	\$918
Individual Income Tax	\$4,018	\$821	\$75	\$4,913
Medicare and SSI Tax	\$2,355	—	—	\$2,355
Misc. Taxes	\$130	\$68	\$69	\$266
Total for All Taxes	\$7,392	\$2,839	\$2,487	\$12,718

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

- **Property Taxes:** The timeshare industry generated \$1.8 billion in property taxes in 2019, or 14% of the total \$12.7 billion tax impact. Direct resort operation property taxes totaled an estimated \$802 million. Indirect and induced taxes totaled \$223 million, totaling over \$1 billion in total resort operations property taxes, or 58% of total property taxes (see appendix Table A1). Of this amount, most was local property tax (\$998 million).
- **General Sales Taxes:** The timeshare industry generated \$1.2 billion in sales taxes in 2019, equal to 9% of the industry's total tax impact. Total direct, indirect, and induced sales taxes generated from off-site vacation expenditures account for 34% of total sales taxes, at \$396 million (see appendix Table A4).
- **Occupancy Taxes:** The timeshare industry generated an estimated \$363 million in state occupancy taxes and \$243 million in local occupancy taxes, totaling more than \$606 million.

- **Individual Income Taxes:** The individual income tax impact is greater than any other tax impact generated by the timeshare industry. The individual income tax impact totals \$4.9 billion, representing 39% of all taxes generated by the timeshare industry. Approximately 82% of individual income taxes are collected at the federal level, with 17% at the state level, and 1.5% locally.
- **Employment Taxes (Medicare and SSI Tax):** In addition to individual income taxes, Social Security, Medicaid, and other payroll taxes generate significant revenue for the federal government. The timeshare industry produced \$2.4 billion in payroll taxes or 19% of the total timeshare industry tax impact in 2019. These taxes are only collected at the federal level of government.

TABLE 11
SUMMARY OF DIRECT, INDIRECT, AND INDUCED FISCAL
IMPACTS OF THE TIMESHARE INDUSTRY BY TAX TYPE, 2019

Millions of dollars

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Property Tax	—	\$63	\$1,730	\$1,794
General Sales Tax	—	\$912	\$263	\$1,176
Occupancy Tax	—	\$363	\$243	\$606
Excise Taxes	\$153	\$337	\$77	\$568
License Taxes	—	\$118	\$5	\$123
Corporate Income Tax	\$737	\$156	\$25	\$918
Individual Income Tax	\$4,018	\$821	\$75	\$4,913
Medicare and SSI tax	\$2,355	—	—	\$2,355
Misc. taxes	\$130	\$68	\$69	\$266
Total Taxes	\$7,392	\$2,839	\$2,487	\$12,718

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A1

DETAILED FISCAL IMPACT OF RESORT OPERATIONS, 2019

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$1,396	\$1,407	\$2,802
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$26	\$30	\$56
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$283	\$107	\$389
Individual Income Tax	\$672	\$785	\$1,457
Employment Tax	\$394	\$460	\$854
Other Taxes	\$22	\$25	\$47
State	\$788	\$424	\$1,212
Property Tax	\$28	\$8	\$37
General Sales Tax	\$112	\$130	\$242
Excise Taxes	\$56	\$66	\$122
Occupancy Tax	\$363	—	\$363
License Taxes	\$20	\$23	\$43
Corporate Income Tax	\$60	\$23	\$83
Individual Income Tax	\$137	\$160	\$298
Employment Tax	—	—	—
Other Taxes	\$11	\$13	\$25
Local	\$1,098	\$311	\$1,409
Property Tax	\$774	\$224	\$998
General Sales Tax	\$34	\$39	\$73
Excise Taxes	\$13	\$15	\$28
Occupancy Tax	\$243	—	\$243
License Taxes	\$1	\$1	\$2
Corporate Income Tax	\$9	\$4	\$13
Individual Income Tax	\$12	\$15	\$27
Employment Tax	—	—	—
Other Taxes	\$11	\$13	\$25
Total	\$3,281	\$2,142	\$5,423
Property Tax	\$802	\$233	\$1,035
General Sales Tax	\$145	\$170	\$315
Excise Taxes	\$95	\$111	\$206
Occupancy Tax	\$606	—	\$606
License Taxes	\$20	\$24	\$44
Corporate Income Tax	\$352	\$133	\$485
Individual Income Tax	\$822	\$960	\$1,781
Employment Tax	\$394	\$460	\$854
Other Taxes	\$45	\$52	\$96

2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A2

DETAILED FISCAL IMPACT OF CORPORATE OPERATIONS, 2019

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$849	\$880	\$1,729
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$18	\$19	\$37
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$64	\$67	\$131
Individual Income Tax	\$474	\$491	\$965
Employment Tax	\$278	\$288	\$565
Other Taxes	\$15	\$16	\$31
State	\$256	\$265	\$521
Property Tax	\$5	\$5	\$10
General Sales Tax	\$79	\$82	\$160
Excise Taxes	\$40	\$41	\$81
Occupancy Tax	—	—	—
License Taxes	\$14	\$14	\$28
Corporate Income Tax	\$14	\$14	\$28
Individual Income Tax	\$97	\$100	\$197
Employment Tax	—	—	—
Other Taxes	\$8	\$8	\$16
Local	\$188	\$195	\$383
Property Tax	\$135	\$140	\$276
General Sales Tax	\$24	\$25	\$48
Excise Taxes	\$9	\$9	\$19
Occupancy Tax	—	—	—
License Taxes	\$1	\$1	\$1
Corporate Income Tax	\$2	\$2	\$4
Individual Income Tax	\$9	\$9	\$18
Employment Tax	—	—	—
Other Taxes	\$8	\$8	\$16
Total	\$1,293	\$1,340	\$2,633
Property Tax	\$140	\$146	\$286
General Sales Tax	\$103	\$106	\$209
Excise Taxes	\$67	\$69	\$136
Occupancy Tax	—	—	—
License Taxes	\$14	\$15	\$29
Corporate Income Tax	\$80	\$83	\$163
Individual Income Tax	\$579	\$601	\$1,180
Employment Tax	\$278	\$288	\$565
Other Taxes	\$31	\$33	\$64

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A3

DETAILED FISCAL IMPACT OF SALES & MARKETING OPERATIONS, 2019

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$844	\$700	\$1,544
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$18	\$15	\$33
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$64	\$53	\$117
Individual Income Tax	\$471	\$391	\$862
Employment Tax	\$276	\$229	\$505
Other Taxes	\$15	\$13	\$28
State	\$254	\$211	\$465
Property Tax	\$5	\$4	\$9
General Sales Tax	\$78	\$65	\$143
Excise Taxes	\$40	\$33	\$72
Occupancy Tax	—	—	—
License Taxes	\$14	\$11	\$25
Corporate Income Tax	\$14	\$11	\$25
Individual Income Tax	\$96	\$80	\$176
Employment Tax	—	—	—
Other Taxes	\$8	\$7	\$15
Local	\$187	\$155	\$342
Property Tax	\$135	\$112	\$246
General Sales Tax	\$24	\$20	\$43
Excise Taxes	\$9	\$8	\$17
Occupancy Tax	—	—	—
License Taxes	\$1	\$0	\$1
Corporate Income Tax	\$2	\$2	\$4
Individual Income Tax	\$9	\$7	\$16
Employment Tax	—	—	—
Other Taxes	\$8	\$7	\$15
Total	\$1,285	\$1,066	\$2,351
Property Tax	\$140	\$116	\$255
General Sales Tax	\$102	\$85	\$187
Excise Taxes	\$67	\$55	\$122
Occupancy Tax	—	—	—
License Taxes	\$14	\$12	\$26
Corporate Income Tax	\$80	\$66	\$146
Individual Income Tax	\$576	\$478	\$1,054
Employment Tax	\$276	\$229	\$505
Other Taxes	\$31	\$26	\$57

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A4

DETAILED FISCAL IMPACT OF OFF-SITE VACATION EXPENDITURES, 2019

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$512	\$608	\$1,120
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$11	\$13	\$24
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$39	\$46	\$85
Individual Income Tax	\$286	\$339	\$625
Employment Tax	\$167	\$199	\$366
Other Taxes	\$9	\$11	\$20
State	\$362	\$183	\$546
Property Tax	\$3	\$4	\$7
General Sales Tax	\$256	\$56	\$312
Excise Taxes	\$24	\$28	\$52
Occupancy Tax	—	—	—
License Taxes	\$8	\$10	\$18
Corporate Income Tax	\$8	\$10	\$18
Individual Income Tax	\$58	\$69	\$128
Employment Tax	—	—	—
Other Taxes	\$5	\$6	\$11
Local	\$166	\$135	\$300
Property Tax	\$82	\$97	\$179
General Sales Tax	\$67	\$17	\$84
Excise Taxes	\$5	\$7	\$12
Occupancy Tax	—	—	—
License Taxes	\$0	\$0	\$1
Corporate Income Tax	\$1	\$2	\$3
Individual Income Tax	\$5	\$6	\$12
Employment Tax	—	—	—
Other Taxes	\$5	\$6	\$11
Total	\$1,040	\$926	\$1,966
Property Tax	\$85	\$101	\$185
General Sales Tax	\$323	\$73	\$396
Excise Taxes	\$40	\$48	\$88
Occupancy Tax	—	—	—
License Taxes	\$9	\$10	\$19
Corporate Income Tax	\$48	\$57	\$106
Individual Income Tax	\$349	\$415	\$764
Employment Tax	\$167	\$199	\$366
Other Taxes	\$19	\$22	\$41

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A5

DETAILED FISCAL IMPACT OF OF CAPITAL EXPENDITURES, 2019

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$85	\$112	\$197
Property Tax	--	--	--
General Sales Tax	--	--	--
Excise Taxes	\$2	\$2	\$4
Occupancy Tax	--	--	--
License Taxes	--	--	--
Corporate Income Tax	\$6	\$8	\$15
Individual Income Tax	\$47	\$62	\$110
Employment Tax	\$28	\$37	\$64
Other Taxes	\$2	\$2	\$4
State	\$62	\$34	\$95
Property Tax	\$0	\$1	\$1
General Sales Tax	\$44	\$10	\$54
Excise Taxes	\$4	\$5	\$9
Occupancy Tax	--	--	--
License Taxes	\$1	\$2	\$3
Corporate Income Tax	\$1	\$2	\$3
Individual Income Tax	\$10	\$13	\$22
Employment Tax	--	--	--
Other Taxes	\$1	\$1	\$2
Local	\$28	\$25	\$53
Property Tax	\$14	\$18	\$31
General Sales Tax	\$12	\$3	\$15
Excise Taxes	\$1	\$1	\$2
Occupancy Tax	--	--	--
License Taxes	\$0	\$0	\$0
Corporate Income Tax	\$0	\$0	\$0
Individual Income Tax	\$1	\$1	\$2
Employment Tax	--	--	--
Other Taxes	\$1	\$1	\$2
Total	\$174	\$171	\$345
Property Tax	\$14	\$19	\$33
General Sales Tax	\$56	\$14	\$69
Excise Taxes	\$7	\$9	\$16
Occupancy Tax	--	--	--
License Taxes	\$1	\$2	\$3
Corporate Income Tax	\$8	\$11	\$19
Individual Income Tax	\$58	\$76	\$134
Employment Tax	\$28	\$37	\$64
Other Taxes	\$3	\$4	\$7

Source: 2020 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

IMPLAN Impact Modeling Methodology

The economic and fiscal impact analysis of capital investments and the timeshare industry's operations were estimated using detailed input-output and tax revenue forecasting models. The economic input-output model identifies the complex flows from producers to intermediate and final consumers within a region. The model uses data describing purchases of commodities and services by industries, compensation paid to employees, and total value added.

The U.S. economic multipliers in this study were estimated using the IMPLAN input-output model. IMPLAN is used by more than 500 universities and government agencies to estimate the economic and fiscal impacts of new investments and changes in demand, employment, and industry output. IMPLAN is the ideal model to quantify the timeshare industry's economic impact. Unlike other economic models, IMPLAN includes the interaction of 536 industry sectors, thus identifying the interaction of specific industries that relate to the timeshare industry.

This analysis includes direct, indirect, and induced economic effects. Direct effects are production changes associated with the immediate effects or final demand changes. Indirect effects are production changes in backward-linked industries caused by the changing input needs of directly affected industries (for example, additional purchases to produce additional output). Induced effects are the changes in regional household spending patterns caused by changes in household income generated from the direct and indirect effects and are included in the estimated impacts presented in this study.

Purchases for final use (final demand) drive the model. Industries producing goods and services for final demand purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services (indirect purchases) continues until leakage from the region (imports and value added) stops the cycle. These indirect and induced effects (the effects of household spending) can be mathematically derived. The resulting sets of multipliers describe the change of output for each and every regional industry caused by a one-dollar change in final demand for any given industry.

APPENDIX C

State of the Vacation Timeshare Industry and Economic Impact Survey

UNITED STATES STUDY 2020 EDITION

SURVEY

Thank you for participating in the 2020 ARDA International Foundation (AIF) Survey! The following survey is about timeshare resorts. If you have questions regarding the survey or this website, please call Joe Callender at 202.327.5692 or email joe.callender@ey.com

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

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

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

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 _____

Primary Website _____

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

First Name _____

Last Name _____

Title _____

Company Name _____

Telephone Number _____

4. Resort management information (Complete only if applicable)

Name of Development Company _____

Name of Management Company _____

RCI Identification Number _____

Interval Identification Number _____

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

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

- ☐ Interval international
- ☐ RCI
- ☐ Internal exchange program (the exchange program operated by your developer or management company)
- ☐ DAE (Dial-An-Exchange)
- ☐ ICE (International Cruise and Excursion)
- ☐ SFX Preferred Resorts (San Francisco Exchange)
- ☐ Other, specify: _____

II. Resort Characteristics

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

Note: Active sales resorts are defined as resorts that sold 100 or more new weekly intervals or points equivalent sales during 2019, excluding re-sales. All other resorts are considered not in active sales. If the resort is being built in phases, and a construction phase is complete, the resort should be considered open, even if a new phase is still under construction.

- ☐ **Planned**
- ☐ **Under Construction** — not in Active Sales
- ☐ **Under Construction** — in Active Sales (presales)
- ☐ **Open** — still in Active Sales [ANSWER Q1c]
- ☐ **Sold Out** — may have some resale activity [ANSWER Q1c]
- ☐ **Closed** [ANSWER Q1a & Q1b]

1a. Please select the year this resort closed.

(Only answer if stage above Closed) ____

1b. Please specify a reason why this resort closed.

(Open-ended...Only answer if stage above Closed) ____

1c. Please select the year this resort opened for sales.

(Only answer if stage above equals Open or Sold Out) ____

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 (Go to Q5)

4a. [If "Owners" SELECTED] At approximately what percentage of sell out did the owners gain control of the owner's association? _____

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

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

6. How are management fees determined?

- ☐ Not applicable
- ☐ Fixed amount
- ☐ As a percentage of the annual budget, operating expenses, etc. - excluding reserves and taxes [GOTO Q6a]
- ☐ As a percentage of total assessments which includes reserves (Go to Q6b)
- ☐ Other, specify _____

6a. What percentage of budget, operating expenses, etc. was allocated to management fees in 2019? _____

Note: Please exclude commissions on rentals and resales.

6b. What percentage of total assessments was allocated to management fees in 2019? _____

7. What was the total amount of management fees paid in 2019? _____

Note: Please exclude commissions on rentals and resales.

Please enter an actual dollar amount – do not use units such as thousands or millions.

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

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

II. Resort Characteristics — continued

9. 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, 2019			
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	

10. What is the average size of a unit at this resort in square feet? If you don't have a given type of unit, please fill in "0."

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

Unit size	Square feet
Studio	_____
1BR	_____
2BR	_____
3+BR	_____
Total	_____

11. 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

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

☐ Biennials

☐ Triennials

☐ Limited-term vacation products [Go To Q12a]

☐ Other, please specify _____

12a. What is the length of the term in years? _____

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

	Weeks: As of December 31, 2019	Points: As of December 31, 2019
What is the total number of weekly equivalent intervals owned at your resort as of December 31, 2019 by owners other than the developer or HOA ? Please include any intervals sold since the resort's inception, unless they have been reacquired by the developer or are owned by the HOA	_____	_____
What is the total number of weekly equivalent intervals at your resort that are owned by the HOA as of December 31, 2019?	_____	_____
What is the total number of weekly equivalent intervals at your resort that are owned by the developer as of December 31, 2019? Please include any intervals that have never been sold and intervals that have been reacquired by the developer.	_____	_____
Total	_____	_____

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

II. Resort Characteristics — continued

14. If you are a points based developer who converted your points into weekly equivalent in the previous question, how do you perform that calculation?

- ☐ N/A
☐ Divided the number of points redeemed during the year by the number of unit weeks occupied
☐ Calculated the implied internal interval week conversion factor for the system overall by using assigned values
☐ Other, please specify _____

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

December 31, 2018 _____ December 31, 2019 _____

16. What was the origin distribution of your shared vacation owners in 2019?

%

Domestic	_____	
International	_____	
Total	100%	

17. What is the legal structure of the shared vacation ownership products that are currently sold at your property? (Check all that apply)

- ☐ Right to use contractual interest that expires at some future date (sometimes called a membership or vacation license)
☐ Deeded or fee-simple real estate (you usually receive a mortgage, title insurance and a recorded deed)
☐ Interest in a trust (your shared vacation ownership use rights or deed is placed in an independent trust for your protection and you may receive a certificate or other document showing your interest in the trust that establishes your shared vacation ownership)
☐ Other, specify _____

- 17a. If "Right to use contractual interest" was selected above, how long is the contract, membership license or leasehold, if applicable?

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

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

Vacation Experience	On site	Nearby	Vacation Experience	On site	Nearby
Beach	☐	☐	Rural/Coastal	☐	☐
Country/Lakes	☐	☐	Ski	☐	☐
Desert	☐	☐	Theme Park	☐	☐
Gaming	☐	☐	Urban	☐	☐
Golf	☐	☐	Mountains	☐	☐
Island	☐	☐	Other, specify: _____	☐	☐

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

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

20. Which of the following amenities are provided at this resort?

Amenity	Complimentary	For additional fee	Amenity	Complimentary	For additional fee
24-hour front desk service	☐	☐	Movie rental	☐	☐
Business resource room	☐	☐	Playground	☐	☐
Concierge	☐	☐	Sauna	☐	☐
Covered parking	☐	☐	Sports courts		
Exercise room	☐	☐	Basketball courts	☐	☐
Food & beverage facility/ restaurant	☐	☐	Racquetball or squash courts	☐	☐
Game room	☐	☐	Tennis courts	☐	☐
Guest-use computer	☐	☐	Other sports courts	☐	☐
Health spa	☐	☐	Swimming pool	☐	☐
Ice skating	☐	☐	Waterpark (on-site)		
Live entertainment	☐	☐	Whirlpool/Hot tub	☐	☐
Miniature golf course	☐	☐	Wi-Fi throughout resort	☐	☐
			Other, specify: _____	☐	☐

II. Resort Characteristics — continued

21. Which of the following amenities are provided in units at this resort?

	Complimentary	For additional fee
Flat screen TV(s)	☐	☐
DVR player or recorder	☐	☐
DVD or Blue-ray player	☐	☐
In-room movie rental	☐	☐
Streaming services, (e.g., Netflix)	☐	☐
Video game equipment or capabilities	☐	☐
Wi-Fi	☐	☐
Wired broadband Internet service	☐	☐
Laundry/washer/dryer	☐	☐
Fireplace	☐	☐
Other, specify _____	☐	☐

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

☐ Yes ☐ No (Skip to Q23)

22a. 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)
- ☐ Virtual tour
- ☐ Mobile payment
- ☐ Owner community building experience
- ☐ Other, specify: _____

23. Which of the following programs do you have in place to manage your inventory?

Program	In Place	Associated Revenue (\$)
Developing partnerships or rental relationships with Airbnb or other web driven 'sharing' entity in order to push inventory	☐	_____
Leasing or buying rooms in branded or unbranded hotel as a way to extend destinations	☐	_____
Vacation rental marketplaces (Homeaway, VRBO or other web rental services)	☐	_____
Online travel agencies	☐	_____
Travel clubs	☐	_____
Other, please specify _____	☐	_____

24. How do you communicate with your owners?

- ☐ Email (Answer Q25 about Email)
- ☐ Phone (Answer Q25 about Phone)
- ☐ Owner online forum (Answer Q25 about Owner online forum)
- ☐ Social media (Answer Q25 about Social media)
- ☐ Other, please specify _____ (Answer Q25 about Other)

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

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

26. 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 _____

27. How many non-timeshare entities are associated with the internal exchange program?

III. Occupancy and Fees

Please answer the following questions for your timeshare units only.

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

	In 2019
Owner or owner's guest	_____
Exchange guest	_____
Renter	_____
Marketing guest (sampler/trial membership, etc.)	_____
Vacant	_____
Total	100%

2. **What were your maintenance fees billed per unit per interval in 2019, including contributions to reserves but excluding special assessments and property taxes?** NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Maintenance fees billed *per unit per interval*

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

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

3. **What is the total amount of revenue your resort collected in 2019 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 2019
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 Dec 31, 2019, what percent of your total billed maintenance fees were in each of the following categories?** Please include all maintenance fees billed in 2019 or before, but please do not include maintenance fees billed for 2020.

	In 2019
Current (30 days delinquent or less)	_____
31–60 days delinquent	_____
61–90 days delinquent	_____
91–120 days delinquent	_____
121+ days delinquent	_____
Total	100%

IV. Timeshare Operating Expenses

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

Resort Management Operations

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

In 2019

Annual average number of employees for 2019. Calculate using the average between the number of employees on January 1, 2019 and the number of employees on December 31, 2019. _____

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

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

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

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

In 2019

Annual average number of employees for 2019. Calculate using the average of the number of employees on January 1 and the number on December 31. _____

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

- Please provide your 2019 non-labor operating expenses for your sales operations in dollars.** Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.
\$ _____

IV. Timeshare Operating Expenses — *continued*

Corporate, Regional or Call Center Operations Expenses

5. Please provide the following information for your corporate, regional office and call center operations only.

Include full-time, part-time, temporary and contract employees. Exclude resort development costs such as payroll costs and non-compensation expenditures that are related to resort design and construction and will be reported under resort construction and improvement.

Annual average number of employees for 2019. Calculate using the average of the number of employees on January 1 and the number on December 31.

In 2019

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

6. Please provide your 2019 non-labor operating expenses at your corporate, regional office and call center operations in dollars. Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.

\$ _____

V. Timeshare Taxes

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

1. Please provide the total amount of property taxes paid during 2019, in dollars. Include information on the full level of property taxes paid, regardless of the individual or entity that actually makes payment to the local government entity.

In 2019

On resort property

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

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

2. Please provide the total amount of occupancy taxes paid during 2019, in dollars. Include any accommodation taxes paid by occupants of timeshare units, such as sales tax on room charges, room tax, transient occupancy tax and nightly taxes on owners. Include the full amount paid to state and local governments by occupants or resort. Enter a zero if no occupancy taxes were paid. Enter "N/A" if information on the amount of occupancy tax paid is not available.

In 2019

State Occupancy Taxes

Local Occupancy Taxes

3. Please provide the total amount of corporate income taxes paid by your organization for 2019, in dollars.

In 2019

State and Local Income Tax Paid

Federal Income Tax Paid

Total

VI. Resort Timeshare Sales

1. Did you offer new timeshare inventory for sale in 2019 on a weekly interval and/or points basis?

New inventory is considered "first generation" or "developer sales". (Note: If you identified as a "sold-out" resort above, but still had some small level of sales activity in 2019 (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 Q2 and then Q12]
☐ 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 2019, in dollars?

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

\$ _____

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 Q12 from Resort Characteristics = Limited-term) \$ _____

6. What was your 2019 sales volume net of rescissions and sales incentives...

Sales Volume (\$)

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

...for biennials?

...for other products?

Weekly Intervals Sold:

7. How many weekly equivalent timeshare intervals were sold in 2019 for your weekly intervals?

Exclude sales for trial memberships and sampler programs.

\$ _____

8. What was the number of intervals sold in the following categories.

Number of Intervals Sold

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

...for biennials?

...for other products?

Number of Weeks Based Sales Transactions:

9. What was the total number of weekly interval sales transactions in 2019 at your resort (exclude rescissions)?

Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), reloads (which should be part of all categories above, except upgrades). Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

\$ _____

10. Of your total weeks based transactions above, how many were for upgrades/reloads?

\$ _____

VI. Resort Timeshare Sales — *continued***Timeshare Inventory:**

11. How many weekly intervals were available for sale at your resort? Include all intervals available as of December 31, 2018 and any that were made available during calendar year 2019.
- _____

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

Timeshare Sales (\$):

12. What was your total sales volume net of rescissions and sales incentives for 2019, 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.

\$ _____

13. Of your total net sales volume above, what is the amount sold for reloads?

\$ _____

14. Of your total net sales volume above, what is the amount sold for limited-term vacation products? (If Q12 from Resort Characteristics = Limited-term)

\$ _____

Points and Weekly Intervals Sold:

15. How many weekly equivalent timeshare intervals were sold in 2019 for your points based products?

Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here. (Note: Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.)

16. How many total points were sold at your resort in 2019?
- _____

Number of Points Based Sales Transactions:

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

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

Timeshare Inventory:

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

20. How many timeshare points were available for sale at your resort? Include all points available as of December 31, 2018 and any that were made available during calendar year 2019.
- _____

VI. Resort Timeshare Sales — *continued*

Following questions asked of all respondents.

21. What was your 2019 net sales volume associated with trial membership/sampler programs net of rescissions and sales incentives, in dollars? This value should not have been included in your response earlier in this section.

22. Of your total 2019 net sales volume net of rescissions and sales incentives as listed earlier in this section, indicate the approximate percentage sold to

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

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

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

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

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

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

☐ Yes ☐ No

26. What was your total 2019 sales volume net of rescissions and sales incentives related to "Fee for service" arrangements? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

\$_____

27. What was your total number of Fee for service related transactions for 2019?

VII. Inventory Management

1. Do you accept trade-ins of intervals developed by other development companies?
☐ Yes ☐ No
2. Which of the following types of programs do you offer for intervals at properties which you have developed and/or manage? *(Check all that apply)*
 - ☐ A buy-back program of timeshare intervals at a mutually agreeable price
 - ☐ Right of first refusal when owners attempt to sell their timeshare interval
 - ☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements with a fee
 - ☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements - no fee
 - ☐ Ability to convert to a reduced allotment of timeshare points and or/time (such as a fewer number of days or conversion to a biennial arrangement)
 - ☐ A resale program that allows owners to sell their intervals on the secondary market
 - ☐ Other, please specify _____
 - ☐ None (GO TO Q4)
3. In 2019, how many intervals 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	_____
For other reasons	_____
Not sure of reason	_____
Total	_____
4. In 2019, 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)	_____
Total	_____

VIII. Resort Improvement and Construction

1. Please provide the dollar amounts spent for capital improvements related to existing timeshare units and related amenities in 2019. Please exclude capital improvements related to the construction of new timeshare units. At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

	In Dollars
Renovation, refurbishment	_____
Furniture, fixtures, equipment	_____
Other capital expenditures	_____
2. How many timeshare units were recently built at this resort in 2019? If you don't have a given type of units, please fill in '0'.

Timeshare Units Built in 2019 _____
- 2a. Please provide your total capital expenditures related to new resort/unit construction in 2019. Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory). At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

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

IX. Resort Improvement and Construction — *continued*

3. How many **timeshare units** were purchased as Just-In-Time/Completed Inventory (e.g. turn-key, Just in Time inventory purchases, buy-backs form Property Owner Associations) in 2019?

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

Timeshare Units Purchased as Just-In-Time/Completed Inventory in 2019 _____

- 3a. Please provide your total capital expenditures related to fully completed inventory for the year ended December 31, 2019. Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory). At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

In Dollars

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

4. Please provide your 2019 non-resort capital expenditures in the following categories.

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

5. 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'.

Number of Units

# Timeshare Units Planned to build in 2020	_____
# Timeshare Units Planned to build in 2021 or beyond (w/firm commitments)	_____

6. 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 form Property Owner Associations)? If you don't have a given type of units, please fill in '0'.

Number of Units

# Timeshare Units Planned to Purchase as Just-In-Time/Completed Inventory in 2020	_____
# Timeshare Units Planned to Purchase as Just-In-Time/Completed Inventory in 2021 or beyond	_____

7. 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 2020	_____
Associated Number of Units in 2020	_____
New Resorts Planned for Completion in 2021 and beyond	_____
Associated Number of Units in 2021 and beyond	_____

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

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

IX. Timeshare Rental and Resales Programs

1. Does your resort offer a rental program to help rent weeks that are owned by either 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 END)

- 1a. How do you calculate rental commissions and/or fees that are paid by owners?

- ☐ 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? _____ %

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 is the total number of nights rented and the associated rental income for 2019?

Total number of nights rented _____

Associated rental revenue (\$) _____

6. Please list the total amount paid in 2019 related to lodging taxes or other taxes related to rental programs only. *These taxes are separate from the occupancy taxes in the "Resort Timeshare Taxes" section*

\$ _____



Market Intelligence
Career Advancement

2020–2021 BOARD OF TRUSTEES

Officers

Chairman

Don Harrill, RRP
Holiday Inn Club Vacations

President

Jason Gamel, RRP
ARDA

Treasurer

Robert J. Webb Esq., RRP
Baker & Hostetler LLP

Secretary

William B. Ingersoll, RRP
Holland & Knight LLP

Immediate Past Chair

Robert A. Miller, RRP
Marriott Vacations Worldwide

Member/Staff Liaison:

Catherine Lacey, RRP
ARDA

Board Members

Christopher Agnew, Wyndham Destinations

Marcos Agostini, Interval International

Travis Bary, Capital Vacations

Bert Blicher, RRP, Blue Water Resort

Stuart Marshall Bloch, Congressional Bank

Sonya Dixon, Holiday Inn Club Vacations

Fiona Downing, RCI

Jon Fredricks, RRP, Welk Resorts

Lani Kane-Hanan, Marriott Vacations Worldwide

Kenneth L. McKelvey, RRP, Capital Vacations, Chair, ARDA-ROC

William Phillips, Resort Finance America LLP

Jared Saft, Westgate Resorts

Valerie Spangler, Hilton Grand Vacations

Robert Spottswood, Spottswood Companies, Chair, ARDA



1201 15th Street NW, Suite 400
Washington, DC 20005
(202) 371-6700
(202) 289-8544 fax

State Government Affairs Office

Landmark Center Two
225 E. Robinson Street, Suite 545
Orlando, FL 32801
(407) 245-7601
(407) 872-0771 fax



www.arda.org