

# State of the Vacation Timeshare Industry

2023

UNITED STATES STUDY

EXECUTIVE SUMMARY



2023 EDITION  
PREPARED BY



Market Intelligence | Career Advancement

# State of the Vacation Timeshare Industry

## UNITED STATES STUDY 2023 EDITION

### Industry Overview

The 2022 U.S. timeshare industry consisted of 1,541 timeshare resorts with approximately 201,600 timeshare units — an average of 131 units per resort. Resorts sell each of these timeshare units to consumers in parts or ownership pieces corresponding to varying amounts of time. Typically, these parts are either weekly intervals (seven nights worth of vacation time) or points-based. Points represent a reservation currency for the use of units in nightly or weekly increments — respondents converted their points into weekly interval equivalents for this study where needed.

### INDUSTRY SIZE

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

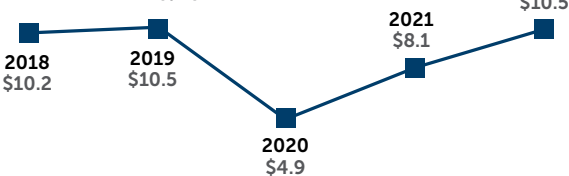
### Industry Health

By most measures 2022 marked the completion of a return to pre-pandemic levels for the timeshare industry. Sales volume<sup>1</sup> increased by 30% to \$10.5 billion in 2022, recovering fully to the level seen before the impacts of the COVID-19 pandemic. In general, operating performance metrics in 2022 were near or above 2019 levels. Average occupancy was 77.6%, increasing by more than 4 percentage points from the previous year. By comparison, hotel occupancy was 62.1%<sup>2</sup> in 2022, according to Smith Travel Research. Rental revenues totaled \$2.7 billion, increasing by 21% in 2022.

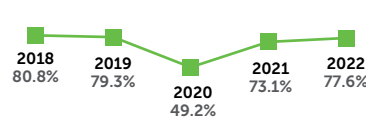
The average maintenance fee billed did not see any negative impacts from the pandemic in 2020, so the change in that metric was more muted in 2021 and 2022. The average maintenance fee billed increased from \$1,120 to \$1,170 per weekly interval, a 5.3% increase. This compares to an 6.5% inflation rate for 2022<sup>3</sup>. Resorts completed approximately 439,530 timeshare transactions in 2022. The average transaction price increased to \$23,940; this metric tends to fluctuate year over year based on the mix of sales by unit configuration and brand, but has grown by 37% over the past two years.

### KEY TIMESHARE INDUSTRY TRENDS 2018 TO 2022

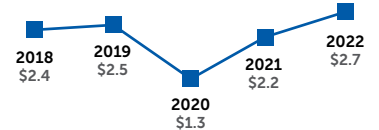
#### Sales Volume (\$B)



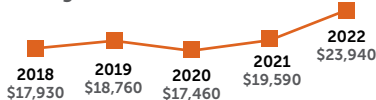
#### Average Occupancy



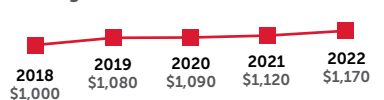
#### Rental Revenue (\$B)



#### Average Transaction Price



#### Average Maintenance Fee Billed



### RESORT AND UNIT CONSTRUCTION

Units built	132
Units planned – in the coming year	208
Units planned – more than one year out	1,29
Resorts planned – in the coming year	0
Resorts planned – more than one year out	5

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

Respondents also reported the number of timeshare units “recently built and planned at this resort.” Note that “planned” resorts and units include those for which the corporate finance committee has given its approval and/or financing has been secured and approved by the appropriate entity. Respondents reported building 132 units in 2022, up from the 31 they reported building in 2021. Respondents plan to add 208 units in 2023 — this is comprised entirely of units at existing resorts, as opposed to new resort construction. At the time of the survey, respondents reported plans to add 1,293 units in 2024 and beyond — this includes 708 units at existing resorts and 585 units at planned new resorts. Finally, respondents also reported plans for five new resorts (all in 2024 and beyond).

<sup>1</sup> All sales discussed in the report are developer sales, unless otherwise noted

<sup>2</sup> STR-TRI Monthly Hotel Review: December 2022, Smith Travel Research. Note this occupancy is based on Smith Travel’s Total Room Inventory (TRI) calculation which includes rooms taken offline due to COVID-19.

<sup>3</sup> Consumer Price Index: 2022 in review : The Economics Daily: U.S. Bureau of Labor Statistics (bls.gov)

## Industry Segments

Having a general picture of the overall industry's size and health, the next step is to segment the resorts by important characteristics. These include resort size, sales activity, resort type, geographic region and year resort opened. For each of these segments, the report presents four important industry measures: percent of resorts, average resort size, occupancy, and maintenance fees. The following observations emerged:

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- The average maintenance fee billed per weekly interval generally increased with resort size in 2022.
- The average number of units and average billed maintenance fees are both lower for not in active-sales resorts. Active-sales resorts tend to be newer, and resorts have gotten larger over time.
- Beach resorts are the most common primary resort type; golf is most often available nearby and/or onsite. Theme park resorts tend to be the largest resorts, while rural/coastal resorts tend to be the smallest. This year, beach resorts had the highest average occupancy, and country/lakes resorts had the lowest. Urban resorts had the highest average billed maintenance fees, while rural/coastal and mountain resorts tied for the lowest.
- Florida has the most resorts, while Nevada has the largest resorts, and the Northeast region has the smallest. Resorts in Hawaii had the highest average occupancy, while those in Nevada had the lowest. In 2022 South Carolina had the highest average billed maintenance fees and Northeast resorts had the lowest.
- Average occupancy was highest in resorts built in 2006 or later. The average billed maintenance fee generally increases in newer resorts.

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

## Methodology

Ernst & Young conducted a survey of 1,541 recognized timeshare resorts to provide an overview of the state of the timeshare industry in the United States. Responses were received from 759 resorts, representing a 49% response rate. This survey was commissioned by the ARDA International Foundation (AIF).

### PERFORMANCE BY RESORT TYPE

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

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

### PERFORMANCE BY GEOGRAPHIC REGION

Region	Percent of resorts	Average size (# units)	Average occupancy	Average maintenance fees per interval
Florida	24%	169	79.5%	\$1,250
California	9%	136	84.0%	\$1,190
South Carolina	7%	152	83.9%	\$1,290
Hawaii	6%	138	86.5%	\$1,250
Nevada	4%	234	73.6%	\$1,130
Mountain/Pacific	16%	107	78.8%	\$1,130
Northeast	11%	100	83.3%	\$960
South Atlantic	8%	110	75.4%	\$1,190
Midwest	8%	124	74.0%	\$1,170
South Central	7%	149	75.9%	\$1,210
<b>Overall</b>	<b>100%</b>	<b>131</b>	<b>77.6%</b>	<b>\$1,170</b>

Percent of 1,541 resorts - percentages may not add due to rounding



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



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