United States Owners Report

2016

SHARED VACATION OWNERSHIP

CONSOLIDATED REPORT

2016 EDITION
PREPARED BY Leger
THE RESEARCH INTELLIGENCE GROUP

AIF
Market Intelligence | Career Advancement

U.S. Shared Vacation Ownership Owners Report

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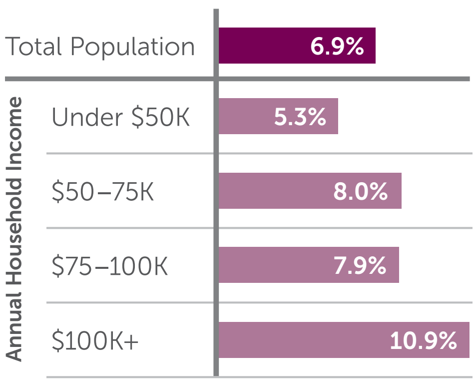
Incidence

Approximately 6.9% of U.S. households (over 9.2 million)[1] own one or more types of a shared vacation ownership product including timeshare weeks, points, fractional and/or Private Residence Club. In general, the incidence for timeshare ownership increases with household income.

Incidence for Timeshare Ownership in U.S.



Percentage of total U.S. households

Owner Profile

- Timeshare owners in the U.S. are ethnically diverse. With three-fifths being White, one-fifth are African-American and more than one in 10 are Asian-American.
- The average age of a timeshare owner is 46.8 years old.
- The majority of timeshare owners are married, while nearly one in five are single and have never been married.
- Approximately three in five timeshare owners are employed full-time, with nearly three in 10 working part time or retired.
- More than three in five timeshare owners have either graduated college or graduate school, with another one in five having attended some college.
- The mean household income is approximately $93K. The median household income is over $81K which is much higher than the median household income of $54K for the U.S.[2]

Methodology

This research was conducted by Leger, a full service marketing research and survey company, for the AIF. Interviews were conducted online in March 2016 among a national sample of 2,737 timeshare owners age 18+ who resided in the U.S. For the owners study, the AIF and Leger generated some sub-groups that best reflected the timeshare industry for analytical purposes.

Total Owners	All U.S. timeshare owners
Recent Purchaser (Upgrade/Reload)	Bought a timeshare in 2013 or later AND purchase **was** an upgrade or reload/add-on[3]
Recent Purchaser (Non-Upgrade/Reload)	Bought a timeshare in 2013 or later AND purchase **was not** an upgrade or reload/add-on
Non-Recent Purchaser	Bought a timeshare prior to 2013
New First Time Owner	Bought a timeshare in 2013 or later AND purchase is the first timeshare purchase made
Experienced Owner	Total owners excluding new first time owners

1 Source: U.S. Census Bureau USA Quick Facts (2016)

2 Source: U.S. Census Bureau, September 2015. Latest estimate from Census ACS Survey reports estimated median Income was $53,657 in 2014.

3 Reload: A reload sale is a transaction whereby an existing timeshare owner makes a new timeshare purchase from the same developer that sold their previous timeshare property, without trading in the existing timeshare contract. It is most commonly associated with 'points' purchases, when buyers 'reload' with additional points, on top of the 'points' they already own.

Upgrades: An upgrade sale is a transaction whereby a customer relinquishes the right to a currently held timeshare interval and obtains a higher-priced timeshare interval from the same seller.

Demographic Summaries		Total Owners (n=2,737)
Male		64%
Female		36%
Age	**18-34**	26%
	18-24	6%
	25-34	20%
	35-54	41%
	35-44	21%
	45-54	20%
	55+	33%
	55-64	12%
	65-74	18%
	75+	3%
	Mean	46.8
	Median	45
Ethnicity	Hispanic	7%
	Non-Hispanic	93%
Race	White	60%
	African-American	20%
	Asian-American	14%
	American Indian	4%
	Middle Eastern	1%
	Other	1%
Marital status	Married	68%
	Single, never married	17%
	Domestic partnership	4%
	Divorced	7%
	Widowed	3%
	Separated	1%
	Prefer not to answer	1%
Sexual orientation		
	Heterosexual	91%
	LGBT (net)	5%
	Bisexual	2%
	Gay	2%
	Lesbian	1%
	Transgender	<1%
	Prefer not to answer	4%

Demographic Summaries		Total Owners (n=2,737)
Residence (own/rent)	Own	84%
	Rent	16%
Location of residence	Suburb	47%
	City	38%
	Rural	15%
Employment status	Full time	61%
	Part time	10%
	Self employed	6%
	Not employed-retired	19%
	Not employed-not retired	5%
	Prefer not to answer	<1%
Household income	Mean	$92,589
	Median	$81,311
Education	High school or less	12%
	Some college	21%
	College graduate	42%
	Graduate school	21%
	Technical school	3%
Children living with you	Yes	44%
	No	56%
Number of children* (mean)		
	Under 6 years old	0.6
	6-11 years old	0.8
	12-17 years old	1.0
	Total number of children	2.4
Other adults in HH	Yes	38%
	No	62%
Number of adults currently living with you (mean)		
	Adult head of HH	0.5
	Parent of adult head of HH	0.2
	Children of adult head of HH	0.6
	All other adults	0.5

*Among Households with Children.

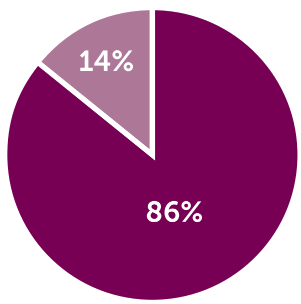
Experienced Owners vs. New First Time Owners

- New first time owners are more likely to be younger (42.6 years old vs. 47.4 years old) and less likely to be married (61% vs. 69%) than experienced owners.
- Experienced owners are more likely than new first time owners to be more affluent ($93k vs. $88k) and retired (20% vs. 11%).
- New first time owners are more likely than experienced owners to own their timeshare within North America only (91% vs. 85%).
- On average, experienced owners took more vacations in 2015 than new first time owners (3.5 vacations vs. 2.9 vacations).
- Experienced owners indicated traveling 100+ more miles comparatively than new first time owners (1,208 miles vs. 1,093 miles).
- Experienced owners who went on vacation in 2015, spent six more days on vacation than new first time owners in 2015 (27 days vs. 21 days).

Product Ownership

- About seven in 10 timeshare owners own a week at a timeshare resort or with a timeshare company (69%), and approximately two in five own vacation points (39%).[4]
- A vast majority of timeshare owners own their timeshare property or properties within North America.[5]
- Among those who own vacation points at a timeshare resort or with a timeshare company, more than three-fifths own a points-based with home resort only (62%), while nearly one-quarter own a points-based without home resort only (23%).
- The average length of time an owner has owned timeshare is nine years.

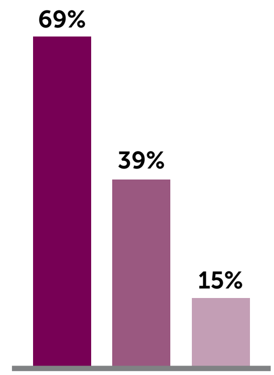
% Timeshare Location



Total Owners
(n=2,737)

- Within North America only
- Both within and outside of North America

% Type of Timeshare Owned



Total Owners
(n=2,971)*

Traditional Timeshare:
- A week at a timeshare resort or with a timeshare company
- Vacation points at a timeshare resort or with a timeshare company

- A share at a fractional resort/Private Residence Club where a share is typically 3 or more weeks a year

Multiple Answers Allowed: May add up to >100%.
* Includes n=234 who terminated by having fractional/PRC only.

Weighted Mean Tenure of Ownership
9 Years

4 Points: A product that provides more flexible scheduling. Purchasers buy resort inventory generally backed by a titled deed, which converts into points. Consumers may use their points for accommodations or other leisure travel related products. Typically, resort accommodations are assigned a point value based upon unit size, length of stay, location, and seasonality.

Week: A product that provides a week's accommodation at a resort, which may be exchanged on a like for like basis.

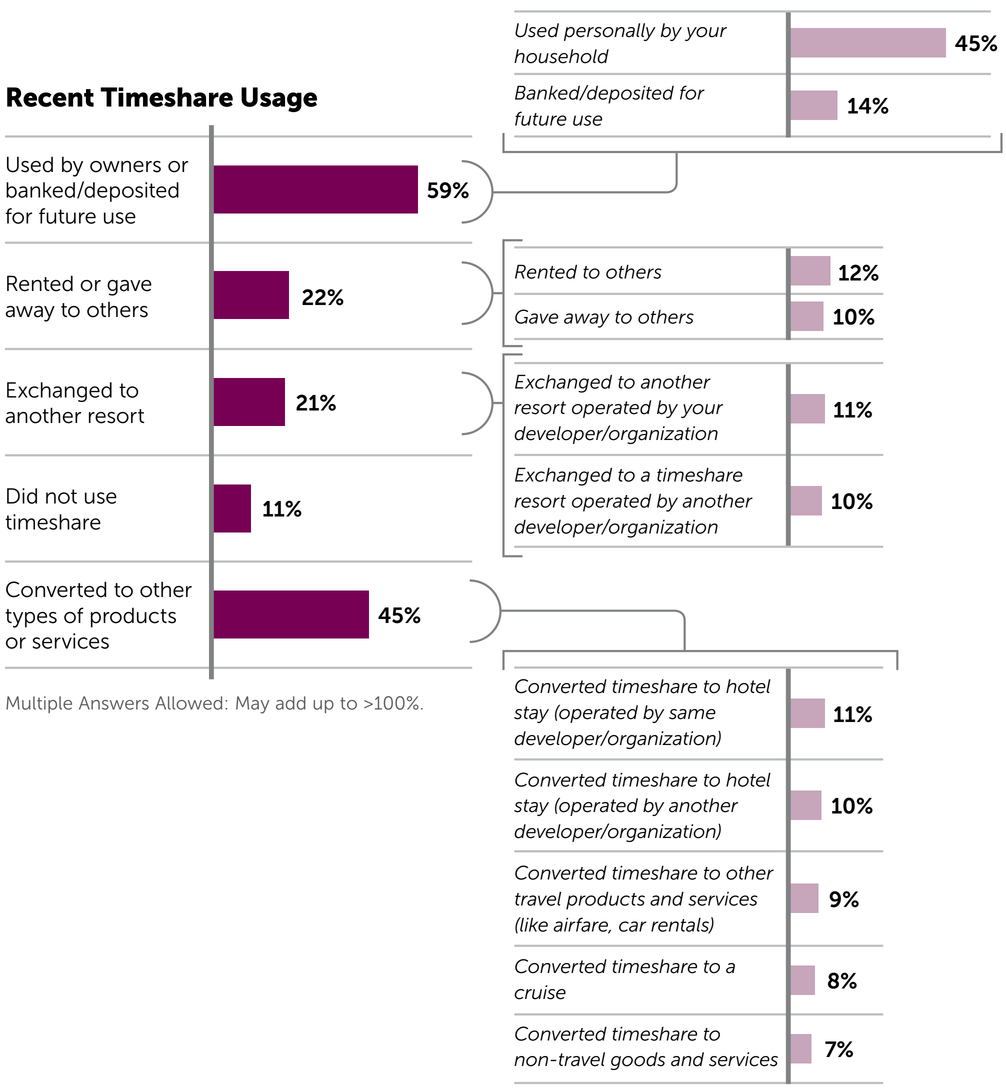
5 North America is defined as U.S., Canada and Mexico.

Attitudes and Opinions About Ownership

- Seven in 10 owners overall would definitely or probably recommend timeshare ownership (70%).
- Nearly three quarters of all timeshare owners would recommend their home resort or vacation ownership club, based upon their experience (72%).
- Approximately four out of five owners agree they know how to use the weeks and/or points they own (81%).

Recent Timeshare Usage

- Nearly 60% of timeshare owners either used their timeshare personally or banked/deposited their timeshare in 2015.
- Approximately 22% of timeshare owners rented or gave away their timeshare to others in 2015.



Multiple Answers Allowed: May add up to >100%.

Recent Purchasers vs. Non-Recent Purchasers[6]

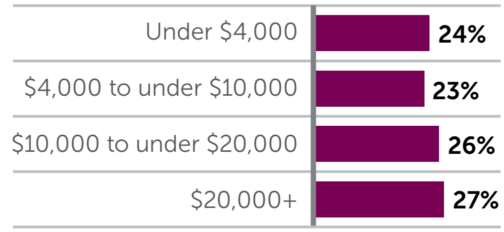
- Recent purchasers (upgrade/reload) have a higher proportion of African-American and Hispanic owners than other groups of purchasers.
- Recent purchasers (upgrade/reload) tend to be younger than other purchaser groups.
- While recent purchasers (upgrade/reload) are more likely to be single than their counterparts, non-recent purchasers report a higher tendency of being married.
- Recent purchasers (upgrade/reload) report a stronger tendency to be working full-time, while recent purchasers (non-upgrade/reload) and non-recent purchasers are more likely to be retired.
- Recent purchasers (upgrade/reload) took more vacations in 2015 than recent purchasers (non-upgrade/reload) and non-recent purchasers.

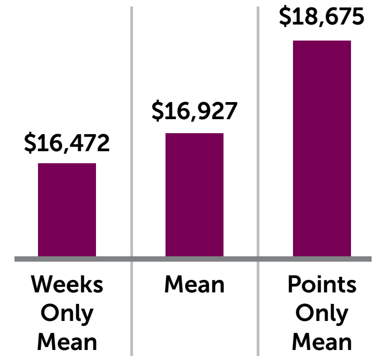
6 Please refer to the methodology section on page 2 for definitions of different subgroups.

Purchase Experience

- Purchase price varies ranging from less than $4,000 to more than $20,000. On average, recent purchasers (non-upgrade/reload) paid nearly $17k for their timeshare.
- More than half of recent purchasers (non-upgrade/reload) attended one sales presentation at the resort/company where they own now (53%), before purchasing their timeshare.
- Before purchasing their timeshare, one in five recent purchasers (non-upgrade/reload) stayed as a guest where they eventually purchased their timeshare (22%), while one in six stayed as a guest at other resort(s) (17%).
- The three most important reasons for purchasing a timeshare include location of the resort, saving money on future vacation costs, and making a vacation a certainty rather than a possibility.
- Over seven of 10 recent purchasers (71%) found their buying experience to be excellent or good.
- Nearly three in five recent purchasers (non-upgrade/reload) (58%) rated the assistance from their resort as excellent or good.
- Nearly two-fifths of recent purchasers (non-upgrade/reload) were provided free or reduced price accommodations at, or nearby, the resort or sales center (38%).
- Nearly half of timeshare owners indicate that WiFi (48%) and restaurants (46%) matter the most to them in terms of convenience items at a timeshare resort.

Final Purchase Price (n=274)





Resort Convenience Purchase Options	Total Owners (n=2,737)
WiFi	48%
Restaurants	46%
Excursions	25%
Snacks & beverages	22%
Room service	22%
Kid friendly games and arts & crafts	20%
Retail food items	19%
Bars	18%
Alcohol products, such as beer, wine, spirits	18%
In room movies (Pay Per View)	15%
Clothing	15%
Souvenirs	13%
Bicycle rentals	11%
Sundries	9%

Multiple Answers Allowed: May add up to >100%.

Vacation Profiles

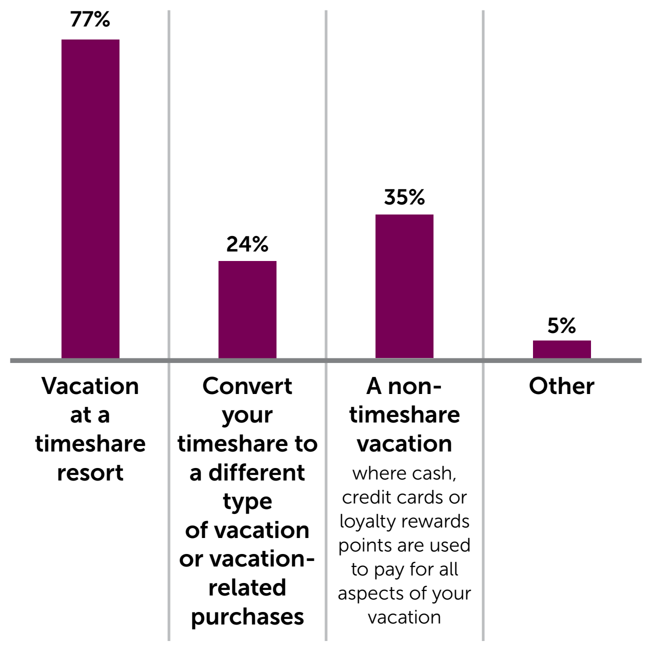
Owners are devout vacationers and most rely on timeshare ownership to fulfill at least part of their household's annual vacationing needs. On average, timeshare owners took more than three vacations in 2015. The majority of owners took a vacation in 2015 at a timeshare resort (77%).

This report examines three different types of vacations:

- Traditional timeshare vacations where owners stay, exchange or rent at a timeshare resort. The average length of a timeshare vacation was nine days.
- Converted timeshare vacations where owners convert their timeshare to other types of vacations (i.e. conversion) such as hotels or cruises. Timeshare conversions represent an additional way to create flexibility in timeshare ownership. Of the different types of conversions available, hotel stay operated by the same developer/organization, cruise conversions and hotel stay operated by another developer/organization were, by far, the most popular (67%, 53% and 43% respectively). The average length of a converted timeshare vacation was seven days in 2015.
- Non-timeshare vacations where timeshare has no role. The average length of a non-timeshare vacation was 10 days in 2015. Hotels/motels represent the primary accommodations (80%).

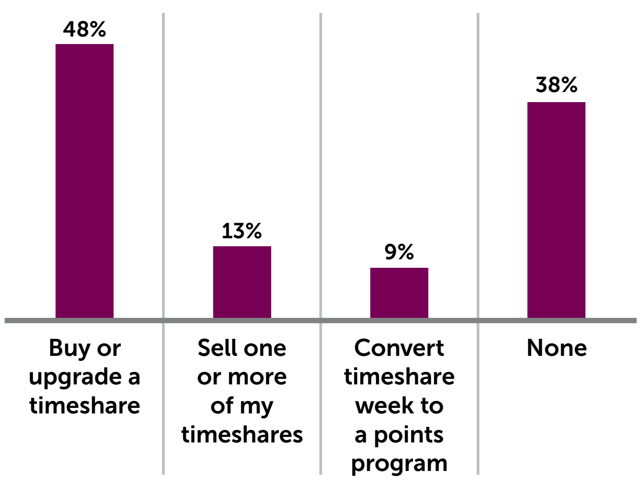
Types of Vacations Taken in 2015

Total Owners (n=2,737)



2-Year Plan for Timeshare

Total Owners (n=2,737)



Future Timeshare Plans

- Nearly half of owners plan to buy or upgrade a timeshare over the next two years (48%).
- If respondents were in the market to purchase another timeshare, U.S. (78%) would be the most popular location, followed by the Caribbean (11%), Canada (6%) and Mexico (5%).
- Nearly half of timeshare owners would like help with the 'booking' aspects of vacation planning (44%), particularly booking reservations and flights. On the other hand, more than one-third of total owners enjoy the process and want no help (42%).

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