Worldwide Report

2016

SHARED VACATION OWNERSHIP

EXECUTIVE SUMMARY

2016 EDITION
PREPARED BY
OXFORD ECONOMICS
Leger
THE RESEARCH INTELLIGENCE GROUP
AIF
Market Intelligence | Career Advancement

Worldwide Report

SHARED VACATION OWNERSHIP **2016 EDITION**

EXECUTIVE SUMMARY

Global shared vacation ownership is an economic force

Worldwide, the shared vacation ownership industry supported nearly 1.3 million jobs in 2015. Of these 1.3 million total jobs, industry operations, off-resort vacation expenditures, and capital expenditures generated more than 577,000 direct jobs. Another 702,000 jobs were sustained through the supply chain (indirect impacts) and as incomes generated by the shared vacation ownership industry were spent (induced impacts).

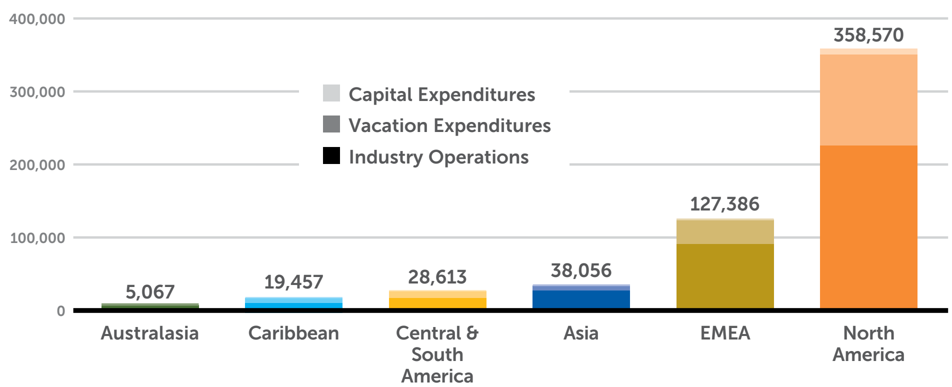
The global shared vacation ownership industry directly generated more than $57 billion in direct economic output in 2015 through the activity of corporate, sales & marketing, resort operations, off-resort vacation expenditures, and capital expenditures. The total impact of the shared vacation ownership industry reaches nearly $146 billion when including indirect and induced impacts.

Nearly $17 billion in taxes were generated by the shared vacation ownership industry. And the shared vacation ownership industry generated personal income exceeding $45 billion in 2015.

Shared Vacation Ownership Economic Impacts (Direct, Indirect, and Induced)

Region	Output (U.S. $ Millions)	Employment (Total Jobs)	Income (U.S. $ Millions)	Taxes (U.S. $ Millions)
Asia	$5,260	73,088	$1,382	$510
Australasia	$963	11,175	$423	$125
Caribbean	$2,457	51,953	$1,097	$182
Central & South America	$3,593	66,398	$1,041	$310
EMEA[1]	$24,504	280,448	$8,622	$3,211
North America	$109,213	796,081	$32,932	$12,582
Total, World	**$145,990**	**1,279,144**	**$45,497**	**$16,920**

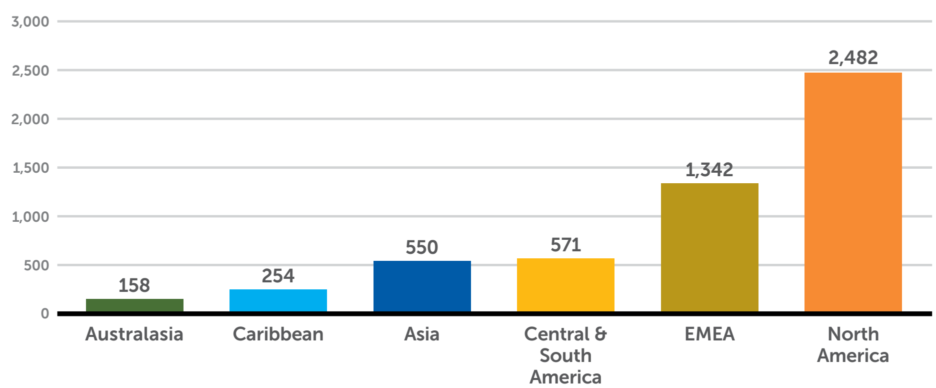
Worldwide Shared Vacation Ownership Direct Employment, 2015



Global shared vacation ownership is massive

There are nearly 5,400 shared vacation ownership resorts around the world which include more than 527,000 units. The 527,000 units within these resorts generated more than 18 million room nights in 2015. North America has the highest concentration of shared vacation ownership in the world with nearly 2,500 resorts and 294,000 units, representing 46% of all worldwide shared vacation ownership resorts and 56% of all units.

Global Shared Vacation Ownership Resorts, 2015

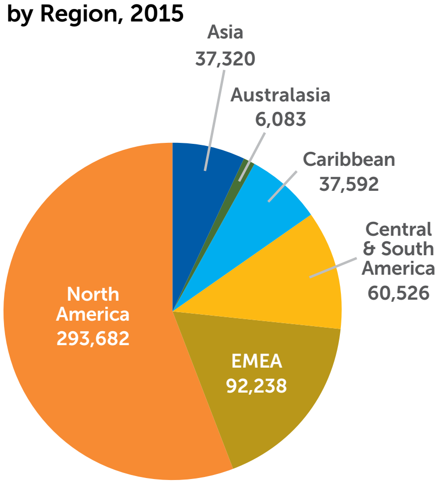


1 EMEA is a shorthand designation meaning Europe, the Middle East, and Africa.

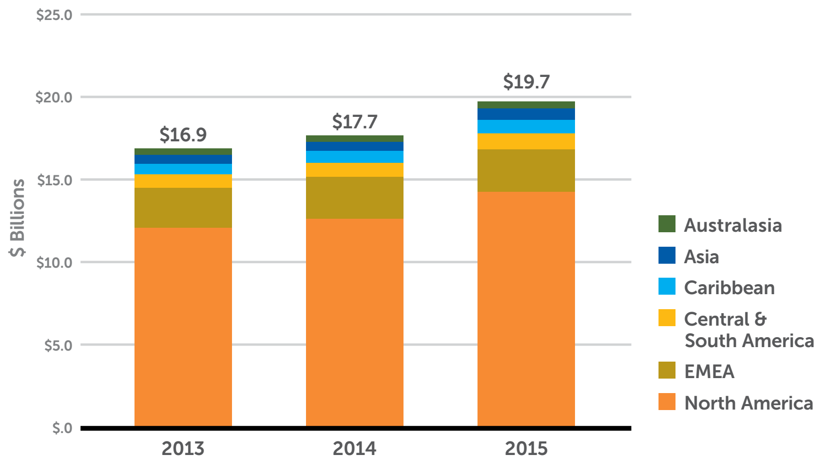
Shared vacation ownership in EMEA encompasses more than 1,300 resorts and 92,000 units. At 69 units per resort, shared vacation ownership properties in EMEA tend to be smaller than in most other regions except for Asia and Australasia where the average resort size is 68 and 39, respectively. The Caribbean, North America, and Central & South America have average resort sizes of 148, 118, and 106 units, respectively.

The Caribbean and Central & South America host a combined 825 shared vacation ownership resorts with more than 98,000 units. Asia and Australasia are home to 550 and 158 shared vacation ownership resorts, respectively.

Worldwide Shared Vacation Ownership Units by Region, 2015



Worldwide Shared Vacation Ownership Sales, 2015 (U.S. $ Billions)



In 2015, the global shared vacation ownership industry sold more than one million intervals, representing nearly $20 billion in sales. These interval sales comprise 5.0% of the total inventory of intervals owned worldwide.

Global shared vacation ownership is diverse

Shared vacation ownership is a truly global industry with properties in 121 countries. In addition to its geographic diversity, shared vacation ownership offers a wide variety of product experiences. Survey respondents indicated their properties offer experiences spanning country/lakes, rural/coastal, beach, urban, ski, beach, and gaming. The global shared vacation ownership product offerings are also multi-faceted. Although the majority of shared vacation ownership product is in the form of traditional interval weeks, respondents indicated that points systems and biennials are just as important. More than half of share vacation ownership properties in Asia, the Caribbean, EMEA, and North America offer points systems, and points represented 44% of total worldwide sales in 2015. Biennials comprised approximately 40% of Central & South American sales and 27% of Caribbean sales in 2015.

In addition, shared vacation ownership resorts around the world are diversified into other forms of real estate, including condo hotel and whole ownership products.

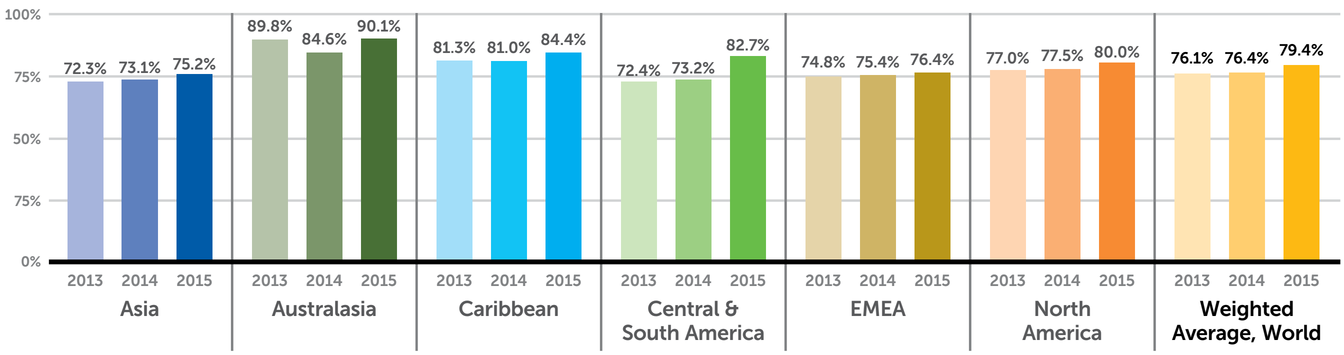
Global shared vacation ownership remains steady

Our three-year analysis of the shared vacation ownership industry revealed steady improvement in a post-recession global economy. Global shared vacation ownership sales increased from $16.9 billion to $17.7 billion between 2013 and 2014, representing a 4.8% growth. Between 2014 and 2015, global sales increased 11.5% from $17.7 billion to $19.7 billion. Asia experienced the biggest increase in sales volume between 2013 and 2015 with a compound annual growth rate of 9.3%. The Caribbean and Central America had compound annual growth rates of 6.4% and 6.0%, respectively, between 2013 and 2015.

Through this period, the average shared vacation ownership sales price has been more stable. The average worldwide shared vacation ownership sales price remained flat at $18,340 per interval in 2013 and $18,626 per interval in 2015, representing a 0.5% compound annual worldwide growth rate between 2013 and 2015.

Occupancy rates in the shared vacation ownership industry have remained strong since the global recession in 2009. Global shared vacation ownership occupancy registered 79.4% in 2015, up slightly from 76.4% in 2014. This compares favorably with the worldwide hotel industry, as shared ownership properties tend to operate at higher occupancy rates. For example, hotel occupancy rates in Asia Pacific regions averaged 68.2% in 2015, which was flat with 2014, according to STR Global[2]; while shared vacation ownership resorts in Asia registered a higher occupancy rate of 75.2%. The research has revealed similar divergences across the world regions analyzed. For example, vacation ownership resorts in North America achieved 80.0% occupancy in 2015, as compared to hotel occupancy of 65.5%, according to STR Global.

Shared Vacation Ownership Occupancy Rates 2014-2015, by Region



Global shared vacation ownership is forging ahead

Survey respondents indicate they will complete 46 new properties with more than 6,900 total units worldwide in 2016. The largest number of new properties opening in 2016 will be in Central & South America, encompassing nearly 2,400 total units. Asia follows with ten new properties with nearly 800 total units. In terms of development plans at existing properties, survey respondents indicate they will add approximately 3,100 units at existing properties in 2016. North American properties will add more than 1,600 units, while Central & South American properties will add 600 units at existing properties in 2016.

Looking ahead, survey response data indicates the global shared vacation ownership industry will add 91 new properties in 2017 and beyond, including nearly 7,300 total units. The Caribbean and Central & South America will have the highest number of new properties in 2017 and beyond, with 29 and 20 new properties, respectively. In 2017 and beyond, survey respondents will add more than 2,900 units at existing properties, including 900 units at existing properties in North America, 800 units at properties in EMEA, and 700 units at existing properties in Central & South America.

Development Plans for New Properties, 2016 and Beyond

Region	New Properties Planned for Completion in 2016	New Units at New Properties in 2016	New Properties Planned for Completion in 2017 and Beyond	New Units at New Properties in 2017 and Beyond
Asia	10	792	17	1,426
Australasia	1	88	4	400
Caribbean	8	1,655	29	480
Central & South America	12	2,372	20	2,582
EMEA	3	261	5	448
North America	12	1,744	16	1,955
Total, World	**46**	**6,912**	**91**	**7,291**

2 STR Global. (2016, January). "Global Hotel Review."

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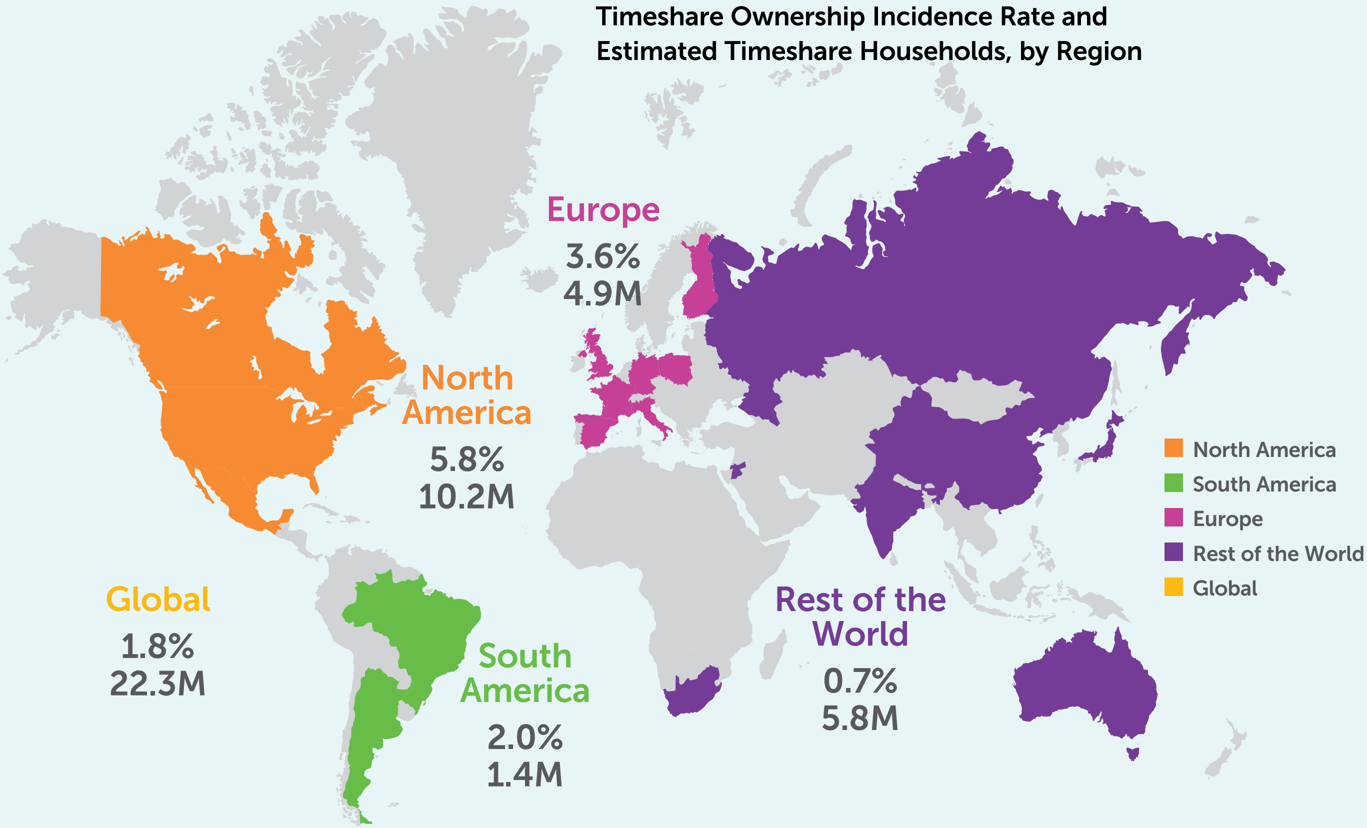
Timeshare Ownership Incidence by Region

In 2016, global timeshare ownership was just under 2%, primarily driven by North America with 5.8% (US: 6.9%). Europe has the second highest ownership level at 3.6%.

Timeshare Ownership Incidence Rate and Estimated Timeshare Households, by Region



A total of 22.3 million estimated timeshare owning households in 18 countries.

Timeshare Ownership Incidence Rate, by Country

North America	
Canada	5.1%
Mexico	1.0%^
United States	6.9%

South America	
Argentina	1.4%^
Brazil	2.1%^

Europe	
Finland	13.1%
France	1.2%^
Germany	3.0%
Italy	3.6%
Spain	5.6%
United Kingdom	4.9%

Rest of the World	
Australia	6.7%
China	0.2%^
India	0.3%^
Israel	14.4%
Japan	3.6%
Russia	1.8%^
South Africa	6.6%

^ Small sample sizes: Please note that for any countries that were under 3% for overall timeshare ownership incidence ,the number of owners will have been under n=30, our standard for reporting accurate numbers. Slides that show ^ small sample size should be used as more of a directional guide. In this case, we are referring specially to Argentina, Brazil, China, France, India, Mexico and Russia

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Methodology

A resort survey was distributed by Oxford Economics among 3,506 unique shared vacation ownership developer/operators worldwide in 5 different languages and two research modes (online & Excel). Responses were received from 770 shared vacation ownership resorts in 48 countries, resulting in a 22% response rate for non-U.S. properties. Based on the total number of responses, survey results provide a margin of error of 2.2 points at a 95% confidence level. During the meantime, a global household omnibus survey was conducted by Leger in 18 countries worldwide in local languages to estimate the percentage of households in those countries that own at least one shared vacation ownership product.

MEMBER $250 | NON-MEMBER $400