Pulse Survey

A SURVEY OF TIMESHARE AND VACATION OWNERSHIP RESORT COMPANIES

AIF

2020 Q3&4

PREPARED BY

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To the Research Committee of
ARDA International Foundation
1201 15th Street NW, Suite 400
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Dear Members of the Committee:

Deloitte & Touche LLP (Deloitte & Touche) is pleased to submit the results of the *Six Months Ended December 31, 2020 Pulse Survey: A Survey of Timeshare & Vacation Ownership Resort Companies.* Our services were performed and this report was developed in accordance with our engagement letter dated June 24, 2020, and are subject to the terms and conditions included therein.

Our services were performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we are providing no opinion, attestation, or other form of assurance with respect to our work and we did not verify or audit any information provided to us.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available by the survey respondents through February 22, 2021. Accordingly, changes in circumstances after that date could affect the findings outlined in this report.

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Deloitte & Touche LLP

March 18, 2021

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Although the information in this report has been obtained from sources that Deloitte & Touche LLP believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete. This report is for information purposes only.

All opinions and estimates included in this report constitute our judgment as of February 22, 2021 and are subject to revision.

PREPARED BY

Deloitte.

Six Months Ended December 31, 2020 Pulse Survey Overview and Key Findings

This survey is a summary of selected key metrics that provide an overview of the vacation timeshare industry in the United States. It is not a comment on any individual company, whose performance may vary from the information included in this study. To provide current information on the financial performance of the vacation timeshare industry, ARDA International Foundation engaged Deloitte & Touche LLP (Deloitte & Touche) to conduct the six months ended 12/31/2020 survey of U.S. timeshare companies that were in active sales during the second half of the year. The 2020 survey included additional questions related to COVID-19 to assess the impacts. We will continue to assess the COVID-19 impact on the timeshare industry in future surveys. The results herein include data from the time period of July 2020 to December 2020. The results cover a total of 14 responding companies with aggregate net originated sales of approximately $1,771.5 million at December 31, 2020 for the 14 respondents that provided sales information. The amount of responding companies decreased by two from the Second Quarter Year-to-Date Pulse Survey primarily due to the consolidation of three of the responding companies. The three respondents have consolidated over the last two years but had not previously fully integrated their total company data in order to provide responses on an overall basis. As their responses were provided at the consolidated level for the Six Months Ended 12/31/2020 Pulse Survey, we treated them as one respondent herein. The financial information contained in this survey includes Six Months Ended December 31, 2020 compared to Six Months Ended December 31, 2019 as well as data compared to Six Months Ended June 30, 2020 as previously reported. The information also contains data as of December 31, 2020 (Q4 2020) compared to data as of September 30, 2020 (Q3 2020) as previously reported in the Third Quarter Quarter-to-Date Pulse Survey. The trends associated with the performance indicators were developed based on quantitative factors. For example, each indicator that had a change of 10 percent or greater was denoted with a double green arrow or double red arrow. Indicators for which the change was less than 10 percent were denoted with a single green arrow or single red arrow.

Key Performance Indicators	Trend
Sales Performance	
Net Originated Timeshare Sales (net of Sales Incentives and Rescissions) including Telesales decreased 51.2 percent from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020, decreasing from $3,629.7 million to $1,771.5 million.	Decrease
Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others) decreased 52.3 percent from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020, decreasing from $4,131.1 million to $1,968.6 million.	Decrease
Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others) increased 23.3 percent from the Six Months Ended 6/30/2020 to the Six Months Ended 12/31/2020, increasing from $1,596.1 million to $1,968.6 million.	Increase

Sales Metrics	
Weighted Average Transaction Value decreased 5.9 percent from $21,649 in the Six Months Ended 12/31/2019 to $20,372 in the Six Months Ended 12/31/2020. (The simple average transaction value decreased 8.1 percent from $20,112 in the Six Months Ended 12/31/2019 to $18,485 in the Six Months Ended 12/31/2020.)	Decrease
Weighted Average Rescission Rate decreased 2.7 percentage points (or 17.3 percent) from 15.6 percent in the Six Months Ended 12/31/2019 to 12.9 percent in the Six Months Ended 12/31/2020. (The simple average rescission rate decreased 2.5 percentage points, or 19.5 percent, from 12.8 percent in the Six Months Ended 12/31/2019 to 10.3 percent in the Six Months Ended 12/31/2020.)	Decrease
Weighted Average Volume Per Guest (VPG) increased 21.4 percent from $2,980 to $3,617 from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020. (The simple average VPG increased 19.9 percent from $2,858 in the Six Months Ended 12/31/2019 to $3,427 in the Six Months Ended 12/31/2020.)	Increase
Tours decreased 62.9 percent from 1,379,779 to 512,417 tours from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020.	Decrease
Weighted Average Close Rate increased 3.9 percentage points (or 26.9 percent) from14.5 percent to 18.4 percent from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020.	Increase

Portfolio Performance	
Currency decreased by 3.4 percentage points (or 3.8 percent), decreasing from 89.4 percent in the Six Months Ended 12/31/2019 to 86.0 percent in the Six Months Ended 12/31/2020.	Decrease
Delinquencies (greater than 30 days past due) increased by 3.4 percentage points (or 32.1 percent), increasing from 10.6 percent in the Six Months Ended 12/31/2019 to 14.0 percent in the Six Months Ended 12/31/2020.	Increase
Charge-Offs increased by 1.4 percentage point (or 16.7 percent), increasing from 8.4 percent in the Six Months Ended 12/31/2019 to 9.8 percent in the Six Months Ended 12/31/2020.	Increase
Consumer Finance Experience	
Interest Rates increased by 0.1 percentage point (or 0.7 percent) from 14.1 percent in the Six Months Ended 12/31/2019 to 14.2 percent in the Six Months Ended 12/31/2020.	Increase
Weighted Average Term increased by 0.4 months (or 0.3 percent) from 121.8 months in the Six Months Ended 12/31/2019 to 122.2 months in the Six Months Ended 12/31/2020.	Increase
Down Payments on non-upgrade sales decreased 0.5 percentage points (or 2.7 percent), from 18.8 percent in the Six Months Ended 12/31/2019 to 18.3 percent in the Six Months Ended 12/31/2020.	Decrease
Down Payments on upgrade sales decreased 3.4 percentage points (or 7.5 percent), decreasing from 45.3 percent in the Six Months Ended 12/31/2019 to 41.9 percent in in the Six Months Ended 12/31/2020.	Decrease

Other Metrics	
Weighted Average Occupancy decreased 23.5 percentage points (or 29.7 percent), decreasing from 79.0 percent in the Six Months Ended 12/31/2019 to 55.5 percent in the Six Months Ended 12/31/2020 (including rooms at resorts that were closed due to COVID-19). **Weighted Average Occupancy** increased 2.7 percentage points (or 5.1 percent) to 55.5 percent in the Six Months Ended 12/31/2020 as compared to 52.8 percent as previously reported for Q3 2020- QTD (including rooms at resorts that were closed due to COVID-19).	Decrease Increase
Capital Expenditures decreased 41.9 percent from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020, decreasing from $429.9 million to $250.0 million.	Decrease

Impact of COVID-19
Allowance for Loan Losses – On average, respondents reported an additional 5.9 percent recorded due to the impact of COVID-19 as a percentage of the total allowance balance for the Six Months Ended 12/31/2020 as compared to the additional 13.4 percent for the six months ended 6/30/2020. Note the respondent pool may vary across surveys as it relates to the aforementioned results.
Mortgage Deferment Program –Nine companies offered mortgage deferment programs to owners to assist with loan payments as of Q4 2020. On average, 3.2 percent of owners took advantage of these programs. This increased from the 1.3 percent of owners previously reported as of Q2 2020. Note the respondent pool may vary across surveys as it relates to the aforementioned results.

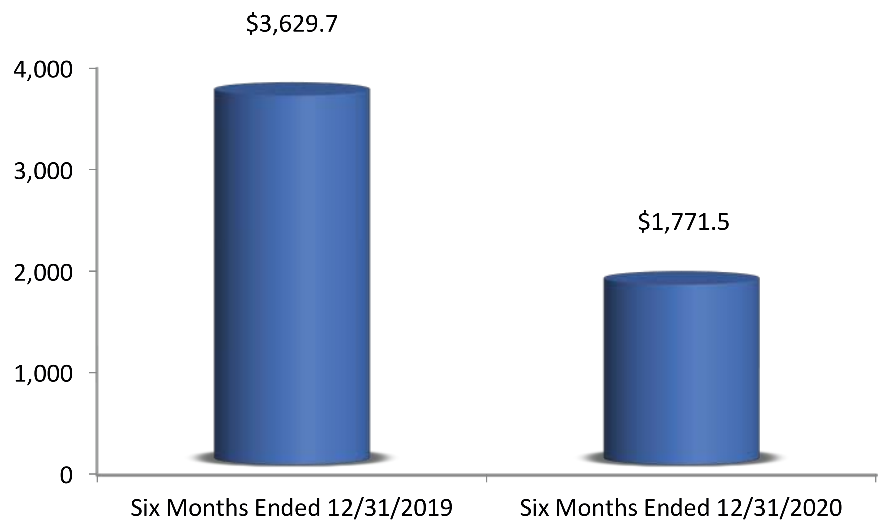
Survey Results

The following summarizes the survey results.

1. Timeshare sales volume decreased in the Six Months Ended 12/31/2020 when compared to the Six Months Ended 12/31/2019.

Companies provided data on a set of key sales indicators. In total, the 14 respondents that provided sales information reported approximately $1,771.5 million in net originated timeshare sales[1] (including telesales) in the Six Months Ended 12/31/2020. This was a 51.2 percent decrease in the Six Months Ended 12/31/2020 when compared to the Six Months Ended 12/31/2019, as reported by the same respondents. This significant decrease in sales is primarily attributed to the impacts of COVID-19 on the timeshare industry. See summary of COVID-19 impacts on the timeshare industry at the COVID-19 Considerations section.

Figure 1. Net originated sales including telesales (Millions)



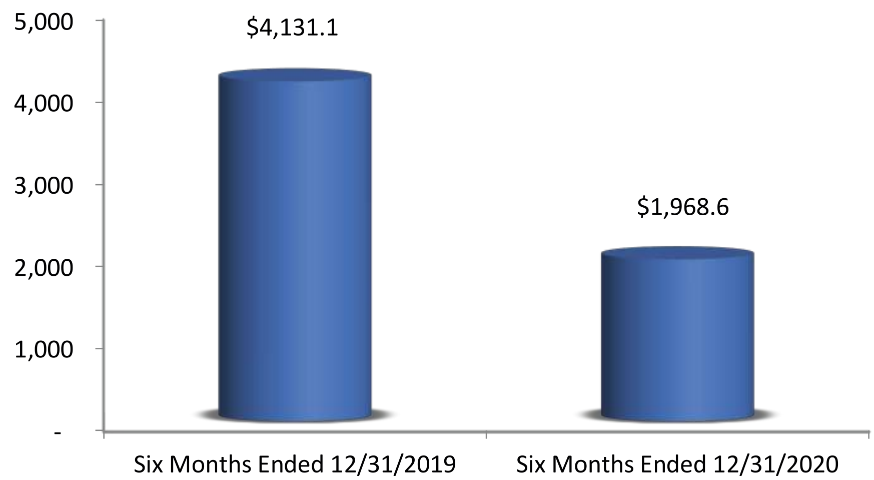
Source: Deloitte & Touche based on 14 company survey responses.

Fee-for-service arrangements have become an established feature within the industry over the last decade. Respondents were asked a question related to sales for non-owned timeshare inventory sold under fee-for-service agreements as well as sales for owned timeshare inventory sold by others under fee-for-service agreements. Of the 14 companies, four are selling and marketing timeshare on behalf of other developers. One company is engaging others to sell and market timeshare on their behalf. Three of the four respondents providing fee-for-service decreased fee-for-service operations in the Six Months Ended 12/31/2020 compared to the Six Months Ended 12/31/2019 while one respondent increased fee-for-service operations. The respondent being provided fee-for-service decreased fee-for-service operations for the same period. The net overall timeshare sales (total fee-for-service provided less total fee-for-service received) under these arrangements decreased from $501.4 million in the Six Months Ended

[1] Net originated sales refers to gross sales revenues net of incentives and rescissions, but before reduction of revenue for uncollectible accounts.

12/31/2019 to $197.1 million in the Six Months Ended 12/31/2020, or a decrease of 60.7 percent. When sales of respondents' non-owned timeshare inventory under fee-for-service arrangements (excluding fee-for-service sold by others) are combined with respondents' sales of their own timeshare inventory, there was a decrease of 52.3 percent in total net originated timeshare sales when compared to the Six Months Ended 12/31/2019.

Figure 2. Net originated sales (including sales under fee-for-service arrangements, excluding fee-for-service sold by others) (Millions)

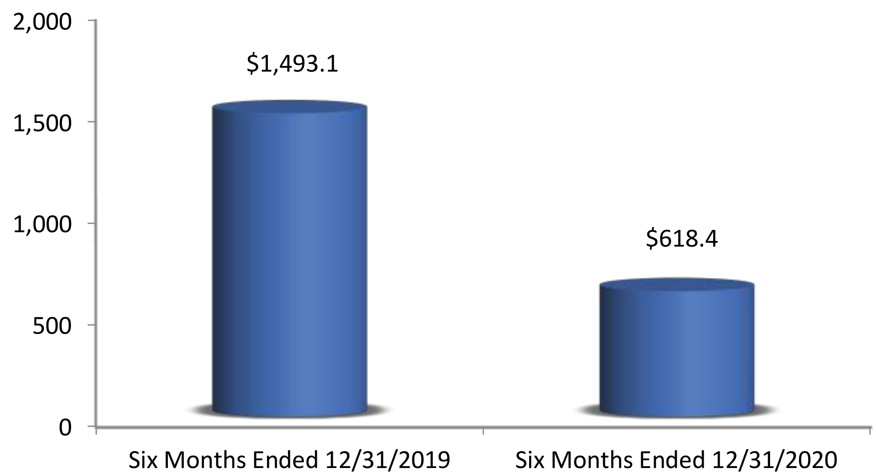


Source: Deloitte & Touche based on 14 company survey responses for net originated sales and 4 respondents reported providing fee-for-service arrangements, and 1 respondent reported being provided fee-for-service arrangements.

Respondents were asked to report the amount of net originated sales (including telesales) that were non existing owner and existing owner sales. The 13 respondent companies that provided new owner sales information reported approximately $618.4 million in new owner net originated timeshare sales (including telesales) in the Six Months Ended 12/31/2020, which is a 58.6 percent decrease from the Six Months Ended 12/31/2019, see *Figure 3* below. The 13 respondent companies that provided existing owner sales information reported approximately $1,064.9 million in existing owner net originated timeshare sales (including telesales) in the Six Months Ended 12/31/2020 which is a 42.3 percent decrease from the Six Months Ended 12/31/2019, see *Figure 4* below. As a percentage of total net originated sales as reported by Companies that provided new owner and existing owner sales information, new owner sales make up 36.7 percent of the balance in the Six Months Ended 12/31/2020, which is a decrease from the Six Months Ended 12/31/2019 of 44.7 percent. Existing owner sales as of the Six Months Ended 12/31/2020 equals 63.3 percent of total net originated sales, which is an increase from the Six Months Ended 12/31/2019 of 55.3 percent.

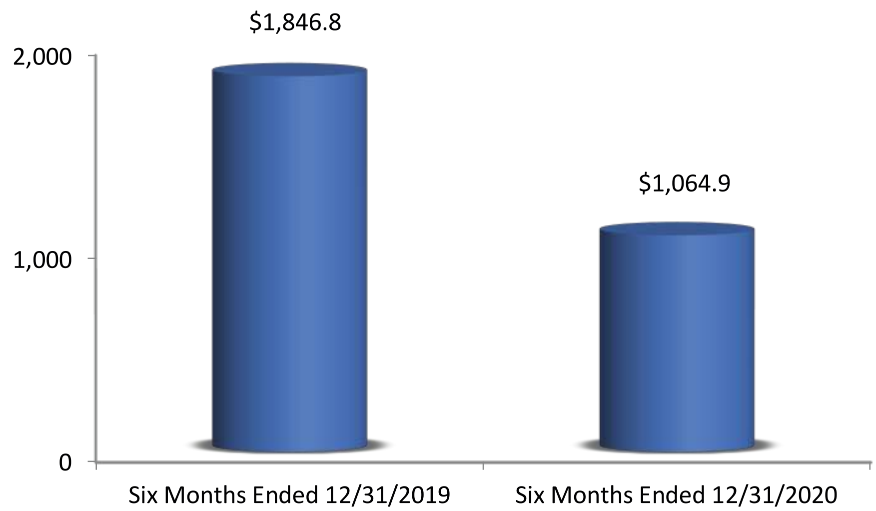
Note that the sum of the total new owner sales and existing owner sales differs from the total net originated sales due to the fact that one of the 14 respondents that provided net originated sales did not provide information related to new owner and existing owner sales.

Figure 3. Net originated sales (including telesales) – New Owner (Millions)



Source: Deloitte & Touche based on 13 company survey responses.

Figure 4. Net originated sales (including telesales) – Existing Owner (Millions)



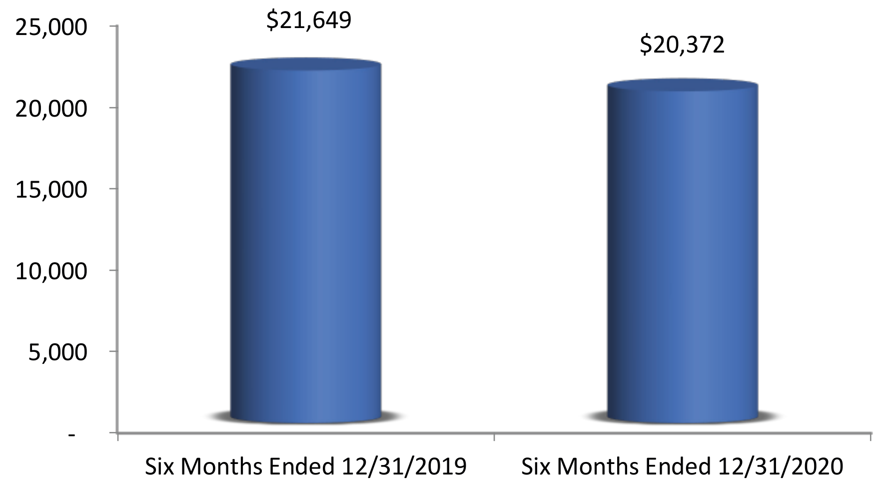
Source: Deloitte & Touche based on 13 company survey responses.

Thirteen companies reported net originated sales excluding telesales as well as detailed information on the number of tours and the number of sales transactions. The companies reported that the aggregate number of tours[2] decreased 62.9 percent, the aggregate number of sales transactions decreased 51.6 percent, the weighted average transaction value decreased 5.9 percent, the weighted average VPG increased by 21.4 percent, and the weighted average close rate increased 26.9 percent. The respondents reported a decrease in net inventory sold under fee-for-service arrangements of 61.2 percent.

Average transaction value is calculated as the dollar value of net originated sales divided by the number of sales transactions and excludes amounts such as closing costs that are not included in net originated sales. Responses are weighted by the dollar value of net originated sales (excluding telesales). It is a measure of the average purchase amount per buyer during a given period and is potentially influenced by numerous factors, including the mix of timeshare products sold. For example, in a given period, buyers may purchase a greater mix of one-bedroom units or biennials[3], resorts may have fewer high season intervals available or new resorts may open for sales. As a result, the average transaction value may change even though there were no changes to existing pricing.

As a further reflection of the multiple factors that can impact this measure, the responses differed by company. Nine respondents reported average transaction value had increased from the Six Months Ended 12/31/2019 and four respondents reported the value had decreased. *Figure 5* below illustrates the average transaction value calculated using a weighted average.

Figure 5. Weighted average transaction value



Source: Deloitte & Touche based on 13 company survey responses.

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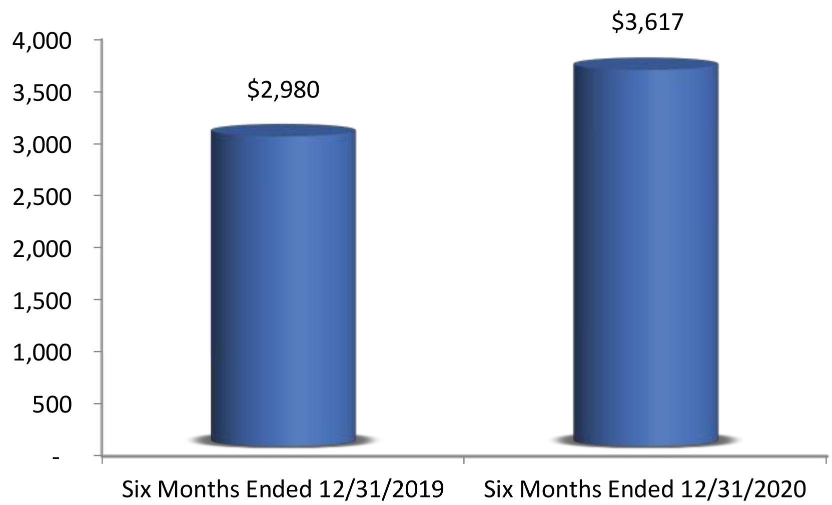
[2] This represents the number of tours taken by guests in the company's efforts to sell timeshares, including all tours of sales prospects, whether they occur on-site or at an off-site sales center.

[3] Biennial products allow owners to use intervals every other year, instead of each year.

VPG[4], a measure of sales efficiency, is calculated as net originated sales per tour, increased by 21.4 percent from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020.

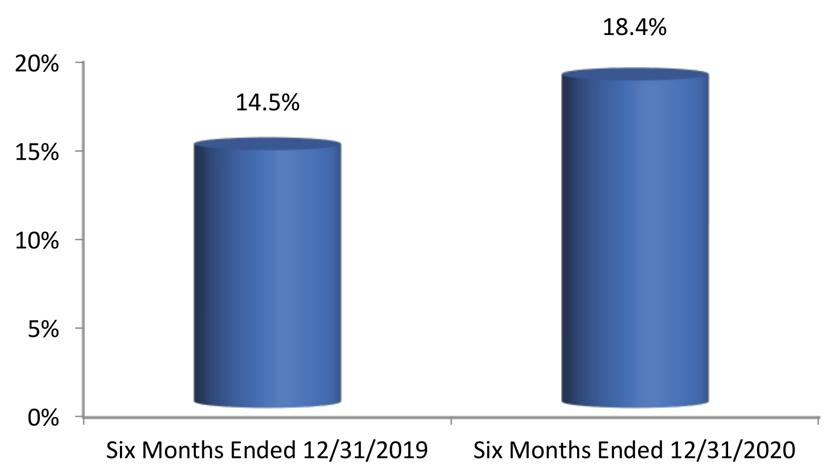
Figure 6. Weighted average VPG



Source: Deloitte & Touche based on 13 company survey responses.

The close rate, another measure of sales efficiency, is the number of sales transactions generated from tour flow, increased by 3.9 percentage points (26.9 percent) from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020.

Figure 7. Weighted average close rate



Source: Deloitte & Touche based on 13 company survey responses.

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[4] VPG is calculated as net originated sales excluding telesales, divided by the number of tours, responses are weighted by the dollar value of net originated sales (excluding telesales).

The averages reported above are weighted averages; however, we also disclose the simple averages for the close rate, VPG, and average transaction value herein, see *Figure 8a* below. Note that metrics below were directionally the same under both the weighted and simple average calculations.

Figure 8a. Weighted and simple averages for selected sales metrics

	Weighted Average Six Months Ended 12/31/2019	Weighted Average Six Months Ended 12/31/2020	Simple Average Six Months Ended 12/31/2019	Simple Average Six Months Ended 12/31/2020
VPG	$2,980	$3,617	$2,858	$3,427
Average transaction value	$21,649	$20,372	$20,112	$18,485
Close rate	14.5%	18.4%	14.2%	18.5%

Source: Deloitte & Touche based on a minimum of 13 company survey responses

Additionally, the Six Months Ended 12/31/2020 VPG, average transaction value, and close rate were compared to the Six Months Ended 6/30/2020 in *Figure 8b* below. All metrics increased from the Six Months Ended 6/30/2020 to the Six Months Ended 12/31/2020 with the exception of average transaction value as seen below. Note the respondent pool was the same for the period comparison below.

Figure 8b. Weighted and simple averages for selected sales metrics

	Weighted Average Six Months Ended 6/30/2020	Weighted Average Six Months Ended 12/31/2020	Simple Average Six Months Ended 6/30/2020	Simple Average Six Months Ended 12/31/2020
VPG	$2,961	$3,617	$3,104	$3,427
Average transaction value	$21,855	$20,372	$19,873	$18,485
Close rate	14.9%	18.4%	15.6%	18.5%

Source: Deloitte & Touche based on a minimum of 13 company survey responses

Among the companies that provided key sales indicators, 12 provided rescission percentage information. The weighted average rescission rate[5] among those companies was 12.9 percent in the Six Months Ended 12/31/2020, which was a decrease of 2.7 percentage points from 15.6 percent for the Six Months Ended 12/31/2019. Ten companies reported a decrease in rescissions between the Six Months Ended 12/31/2019 and the Six Months Ended 12/31/2020 and two companies reported an increase in rescissions. The simple average rescission rate decreased 2.5 percentage points from 12.8 percent to 10.3 percent from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020. Further, respondents were asked to provide the rescission volume in dollars. For the 14 companies that provided this information for the Six Months Ended 12/31/2019 and the Six Months Ended 12/31/2020, the total aggregate rescissions decreased by 62.1 percent from $804.1 million to $304.4 million in the Six Months Ended 12/31/2020.

Respondents were asked a question related to rescission information on existing and new owner sales. For the 11 respondent companies that provided rescission information on new owner sales, the

[5] Measured as the dollar amount of rescissions as a portion of gross sales weighted by the dollar value of net originated sales.

weighted average rescission rate decreased from 32.9 percent in the Six Months Ended 12/31/2019 to 25.2 percent in the Six Months Ended 12/31/2020. Further, 13 respondents provided rescission information on new owner sales in dollars resulting in a decrease of 64.5 percent in the total aggregate rescission volume from approximately $460.3 million to approximately $163.2 million from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020. For the 11 respondent companies that provided rescission information on existing owner sales, the weighted average rescission rate decreased from 17.7 percent in the Six Months Ended 12/31/2019 to 16.1 percent in the Six Months Ended 12/31/2020. Further, 13 respondents provided rescission information on existing owner sales in dollars resulting in a decrease of 51.2 percent in the total aggregate rescission volume from $242.9 million to $118.5 million from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020.

Respondents were asked a question related to total rental revenue recognized. For the 13 respondent companies that provided rental revenue, the total rental revenue decreased 17.2 percent from $500.4 million in the Six Months Ended 12/31/2019 to $414.1 million in the Six Months Ended 12/31/2020. As compared to the Six Months Ended 6/30/2020, total revenue slightly decreased 0.4 percent from $415.9 million in Q2 2020 – YTD to $414.1 million in the Six Months Ended 12/31/2020.

2(A). Consumer timeshare loan portfolio delinquencies and charge-offs increased when comparing as of 12/31/2019 and as of 12/31/2020.

The composition of receivables portfolios[6] was evaluated as of December 31, 2020, and compared to the composition as of December 31, 2019. The total aggregate receivables for the 14 companies that provided receivables data was $12,286.0 million as of December 31, 2020, and $14,337.5 million as of December 31, 2019.

Respondents reported that payments for 86.0 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of December 31, 2020, a decrease of 3.4 percentage points from one year earlier. Further, as of December 31, 2020, 9.4 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, an increase of 3.7 percentage points compared to one year earlier.

Figure 9a. Aging of consumer timeshare loan portfolios by survey respondents

	December 31, 2019	December 31, 2020	Difference
Current	89.4%	86.0%	-3.4%
31 to 60 days	2.2%	2.0%	-0.2%
61 to 90 days	1.4%	1.3%	-0.1%
91 to 120 days	1.3%	1.3%	0.0%
More than 120 days	5.7%	9.4%	3.7%
Total	**100.0%**	**100.0%**	

Source: Deloitte & Touche based on 14 company survey responses.

Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during the six months ended 12/31/2020, as a percentage of the gross outstanding portfolio balance at period-end. The weighted average default rate in the Six Months Ended 12/31/2020 was 9.8 percent, which was an increase of 1.4 percentage points compared to one year earlier and an increase of 1.5 percentage points compared to the Six Months

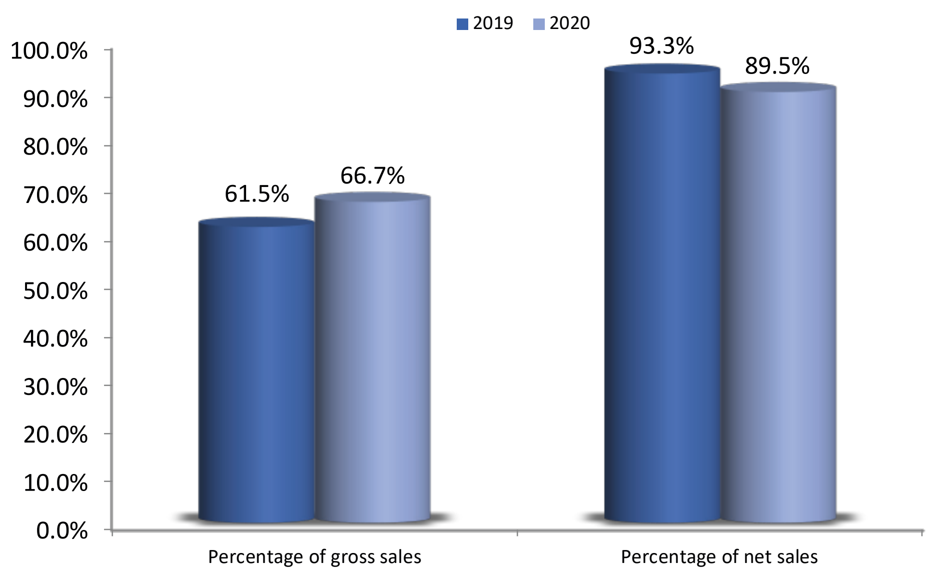
[6] Receivables portfolio is defined as the total portfolio of consumer timeshare loan receivables held and/or serviced by the company, including securitized and hypothecated receivables, and receivables for sales made in earlier years.

Ended 6/30/2020. Of the 14 respondents, four respondents reported a decrease in the default rate when comparing the Six Months Ended 12/31/2020 to the Six Months Ended 12/31/2019 and 10 respondents reported an increase in the default rate. Three respondents reported a decrease in the default rate when comparing the Six Months Ended 12/31/2020 to the Six Months Ended 6/30/2020, 10 respondents reported an increase in the default rate, and one respondent reported no change.

The respondents were also asked to provide the weighted average FICO score at origination (weighted by the outstanding principal balance of the receivables) for loans within the portfolio at the end of the Six Months Ended 12/31/2019 and the Six Months Ended 12/31/2020. Of the 13 respondents, three respondents reported an increase in the weighted average FICO score, six respondents reported a decrease, and four respondents reported no change. The result was a 0.3 percent decrease in the weighted average FICO score from 715 at the Six Months Ended 12/31/2019 to 713 at the Six Months Ended 12/31/2020.

Respondents were also asked to report originations as a percentage of both gross sales and net sales. Note that gross sales for the purposes of the survey question are inclusive of upgrade contract selling prices while net sales are equal to gross sales less upgrade contract selling prices. Originations as a percentage of gross sales increased by 5.2 percentage points (or 8.5 percent) from 61.5 percent for the Six Months Ended 12/31/2019 to 66.7 percent for the Six Months Ended 12/31/2020. Originations as a percentage of net sales decreased by 3.8 percentage points (or 4.1 percent) from 93.3 percent for the Six Months Ended 12/31/2019 to 89.5 percent for the Six Months Ended 12/31/2020.

Figure 9b. Originations as a Percentage of Sales



Source: Deloitte & Touche based on a minimum of 8 company survey responses.

2(B). Consumer timeshare loan portfolios experienced an increase in currency when comparing as of 9/30/2020 and as of 12/31/2020.

The composition of receivables portfolios was evaluated as of December 31, 2020, and compared to the composition as of September 30, 2020. The total aggregate receivables for the companies that provided receivables data was $12,286.0 million as of December 31, 2020 and $9,589.7 million as of September 30, 2020.

Receivables portfolios showed a decrease in delinquencies (greater than 30 days past due) as of December 31, 2020, compared to one quarter earlier. Respondents reported that payments for 86.0 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of December 31, 2020, which was 0.4 percentage points higher than one quarter earlier. Further, as of December 31, 2020, 9.8 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance for the period, which was 2.5 percentage points higher compared to September 30, 2020.

Figure 10a. Aging of consumer timeshare loan portfolios by survey respondents

	September 30, 2020	December 31, 2020	Increase/(Decrease)
Current	85.6%	86.0%	0.4%
31 to 60 days	1.7%	2.0%	0.3%
61 to 90 days	1.3%	1.3%	0.0%
91 to 120 days	1.3%	1.3%	0.0%
More than 120 days	10.1%	9.4%	-0.7%
Total	**100.0%**	**100.0%**	

Source: Deloitte & Touche based on 14 company survey responses. The Third Quarter 2020 data herein was based upon the 14 responses obtained from the 2020 Third Quarter Pulse Survey. Note the respondent pool is the same for the above period comparison.

2(C). Consumer timeshare loan portfolios experienced an increase in currency when comparing as of 6/30/2020 and as of 12/31/2020.

The composition of receivables portfolios was evaluated as of December 31, 2020, and compared to the composition as of June 30, 2020. The total aggregate receivables for the companies that provided receivables data was $12,286.0 million as of December 31, 2020 and $13,629.6 million as of June 30, 2020.

Receivables portfolios showed a decrease in delinquencies (greater than 30 days past due) as of December 31, 2020, compared to as of June 30, 2020. Respondents reported that payments for 86.0 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of December 31, 2020, which was 0.9 percentage points higher than as of June 30, 2020. Further, as of December 31, 2020, 9.8 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance for the period, which was 1.5 percentage points higher compared to June 30, 2020.

Figure 10b. Aging of consumer timeshare loan portfolios by survey respondents

	June 30, 2020	December 31, 2020	Increase/(Decrease)
Current	85.1%	86.0%	0.9%
31 to 60 days	1.8%	2.0%	0.2%
61 to 90 days	1.7%	1.3%	-0.4%
91 to 120 days	1.5%	1.3%	-0.2%
More than 120 days	9.9%	9.4%	-0.5%
Total	**100.0%**	**100.0%**	

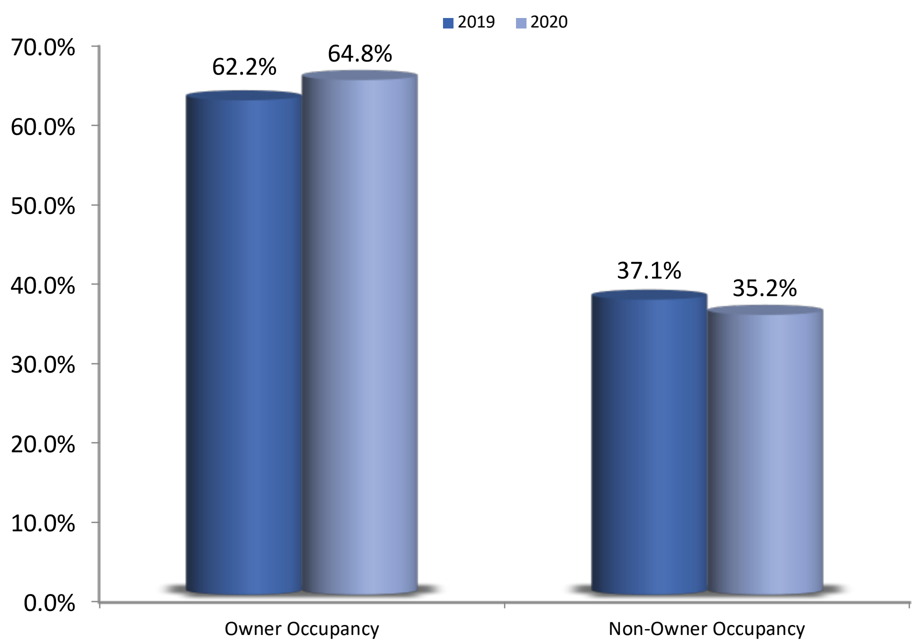
Source: Deloitte & Touche based on 14 company survey responses. The Second Quarter YTD 2020 data herein was based upon the 16 responses obtained from the 2020 Second Quarter YTD Pulse Survey.

3(A). Resort occupancy decreased 23.5 percentage points (or 29.7 percent) as compared to the Six Months Ended 12/31/2019.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 13 companies that provided occupancy data, representing approximately 17 million available room nights in the Six Months Ended 12/31/2020, the average occupancy rate, including rooms at resorts that were closed due to COVID-19, decreased 29.7 percent to 55.5 percent in the Six Months Ended 12/31/2020, compared to 79.0 percent in the Six Months Ended 12/31/2019. When excluding rooms in resorts that were closed due to COVID-19, the Six Months Ended 12/31/2020 occupancy rate was 58.8 percent. Available room nights including rooms at resorts that were closed due to COVID-19 decreased 12.8 percent from the Six Months Ended 12/31/2019 to the Six Months Ended 12/31/2020; decreasing from approximately 18.9 million room nights to approximately 16.5 million room nights. Note the majority of respondents reported an increase in available room nights as compared to the Six Months Ended 12/31/2019, however there was one outlier who reported a large decrease resulting in the aggregate decrease for total respondents. When excluding rooms in resorts that were closed due to COVID-19, there were 13.1 million available room nights reported for the Six Months Ended 12/31/2020.

Additionally, respondents were asked to report on the occupancy excluding rooms at resorts that were closed due to COVID-19 based on whether the occupants were or were not timeshare owners. The mix increased by 4.2 percent from the Six Months Ended 12/31/2019 for owner occupancy and decreased by 5.1 percent for non-owner occupancy.

Figure 11a. Occupancy by Sales Mix excluding rooms at resorts that were closed due to COVID-19



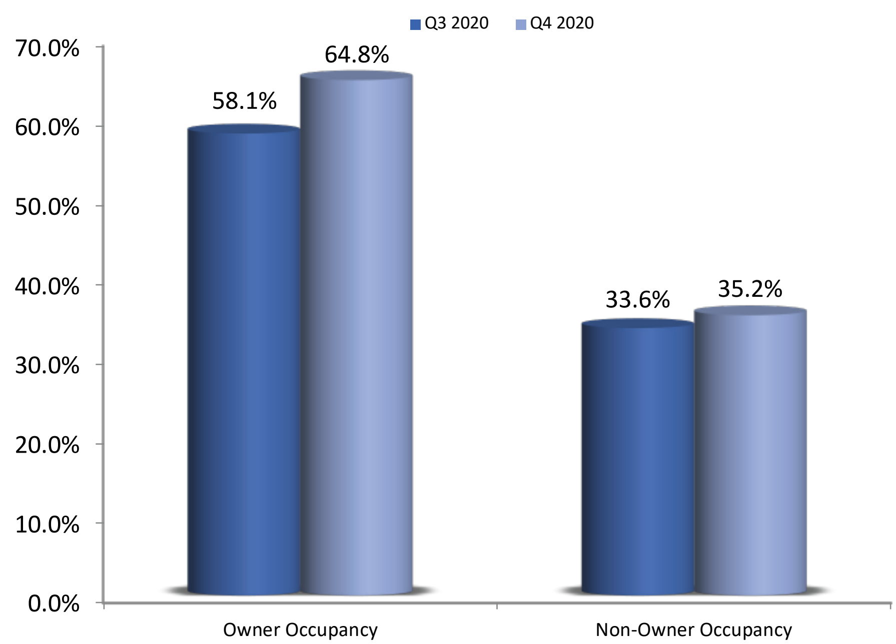
Source: Deloitte & Touche based on 13 company survey responses.

3(B). Resort occupancy including rooms at resorts that were closed due to COVID-19 increased 2.7 percentage points (or 5.1 percent) as compared to Q3 2020 - QTD.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 13 companies that provided occupancy data, representing approximately 17 million available room nights in the Six Months Ended 12/31/2020, the average occupancy rate, including rooms at resorts that were closed due to COVID-19, increased 5.1 percent to 55.5 percent in the Six Months Ended 12/31/2020, compared to 52.8 percent in Q3 2020 – QTD as previously reported. When excluding rooms in resorts that were closed due to COVID-19, the Six Months Ended 12/31/2020 occupancy rate was 58.8 percent, which is an increase of 2.9 percentage points (or 5.2 percent) as compared to 55.9 percent at Q3 2020 – QTD as previously reported. Note the respondent pool may vary across surveys as it relates to the aforementioned results.

Additionally, respondents were asked to report on the occupancy excluding rooms at resorts that were closed due to COVID-19 based on whether the occupants were or were not timeshare owners. The mix increased from Q3 2020 for owner occupancy by 11.5 percent and for non-owner occupancy by 4.8 percent.

Figure 11b. Occupancy by Sales Mix excluding rooms at resorts that were closed due to COVID-19



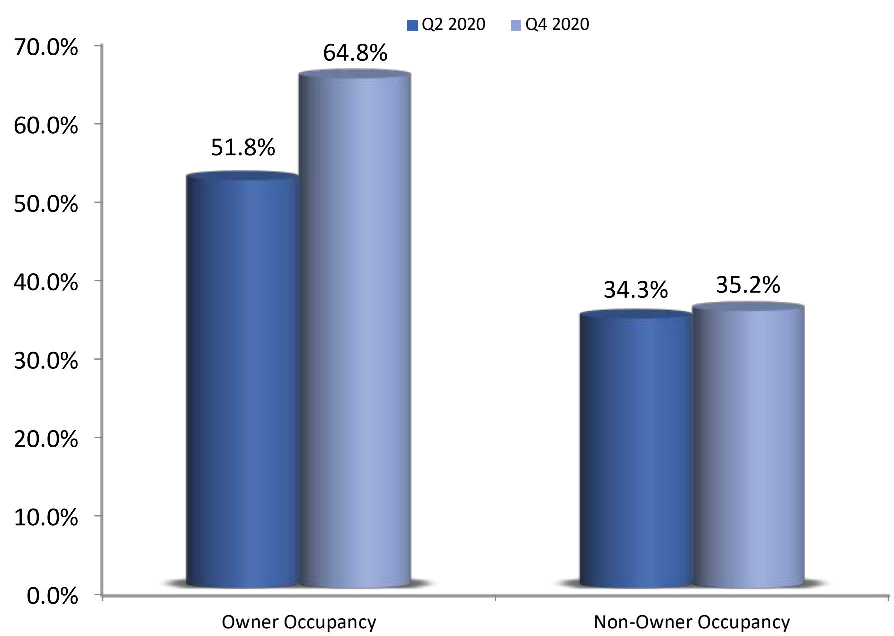
Source: Deloitte & Touche based on a minimum of 13 company survey responses.

3(C). Resort occupancy including rooms at resorts that were closed due to COVID-19 increased 14.9 percentage points (or 36.7 percent) as compared to Q2 2020 - YTD.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 13 companies that provided occupancy data, representing approximately 17 million available room nights in the Six Months Ended 12/31/2020, the average occupancy rate, including rooms at resorts that were closed due to COVID-19, increased 36.7 percent to 55.5 percent in the Six Months Ended 12/31/2020, compared to 40.6 percent in Q2 2020 - YTD as previously reported. When excluding rooms in resorts that were closed due to COVID-19, the Six Months Ended 12/31/2020 occupancy rate was 58.8 percent, which is an increase of 13.3 percentage points (or 29.2 percent) as compared to 45.5 percent at Q2 2020 - YTD as previously reported. Note the respondent pool may vary across surveys as it relates to the aforementioned results.

Additionally, respondents were asked to report on the occupancy excluding rooms at resorts that were closed due to COVID-19 based on whether the occupants were or were not timeshare owners. The mix increased from Q2 2020 for owner occupancy by 25.1 percent and for non-owner occupancy by 2.6 percent.

Figure 11c. Occupancy by Sales Mix excluding rooms at resorts that were closed due to COVID-19



Source: Deloitte & Touche based on a minimum of 13 company survey responses.

4. Average down payment on non-upgrade sales and average down payment on upgrade sales decreased in the Six Months Ended 12/31/2020, while average term and average interest rate increased.

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated.[7] The average interest rate on new consumer loans in the Six Months Ended 12/31/2020 was 14.2 percent, which is a 0.1 percentage point increase from the Six Months Ended 12/31/2019. The Six Months Ended 12/31/2020 average loan term was 122.2 months, which is a slight increase in 0.3% from 121.8 in the Six Months Ended 12/31/2019. The average FICO score for financed sales decreased from 719 in the Six Months Ended 12/31/2019 to 715 in the Six Months Ended 12/31/2020.

Respondents were asked to provide the average down payment on upgrade sales separate from non-upgrade sales. As a result, down payments on upgrade sales are typically higher than on non-upgrade sales, and a change in the mix of upgrade and non-upgrade sales could impact the overall average down payment. For the 12 respondents that provided non-upgrade down payment data, the average down payment on non-upgrade sales decreased 0.5 percentage points to 18.3 percent of the stated sales price on financed sales in the Six Months Ended 12/31/2020 compared to 18.8 in the Six Months Ended 12/31/2019. For the 11 respondents that provided existing owner down payment data, the average down payment on upgrade sales, which includes the value of equity in the owners' existing vacation ownership interests, was 41.9 percent in the Six Months Ended 12/31/2020, a decrease of 3.4 percentage points from the Six Months Ended 12/31/2019.

Figure 12. Characteristics of consumer timeshare loan financing

Six Months Ended 12/31	2019	2020	Difference
Average:			
Interest rate (annual)	14.1%	14.2%	0.1%
Term (months)	121.8	122.2	0.4 months
Down payment on non-upgrade sales (% of price)	18.8%	18.3%	-0.5%
Down payment on upgrade sales (% of price)	45.3%	41.9%	-3.4%
FICO Score at origination (new sales)	719	715	-3

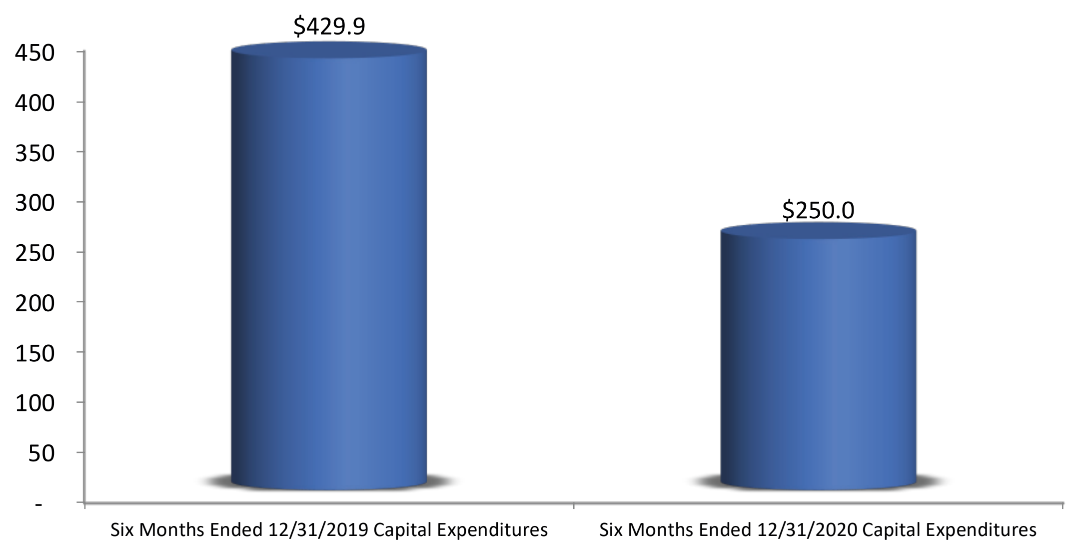
Source: Deloitte & Touche based on a minimum of 11 company survey responses.

7 To calculate the average interest rate, down payment, and term, responses were weighted by the dollar value of net originated sales (including telesales).

5. Capital expenditures related to timeshare inventory decreased overall in the Six Months Ended 12/31/2020 when compared to the Six Months Ended 12/31/2019.

Survey respondents were asked to provide total capital expenditures related to timeshare inventory projects (including turn-key, just-in-time inventory purchases, and buy-backs from property owner associations). Overall, capital expenditures decreased 41.9 percent in the Six Months Ended 12/31/2020 compared to the Six Months Ended 12/31/2019. All 11 respondents decreased capital expenditures related to timeshare inventory.

Figure 13. Capital Expenditures (Millions)



Source: Deloitte & Touche based on a minimum of 11 company survey responses.

6. Impact of COVID-19

In the Six Months Ended 12/31/2020 survey, participants were asked specific questions related to the impact of COVID-19 on the Company, which included questions around resort closures, employee furloughs, impairments, and the allowance for loan loss.

Eleven respondents reported total resort closures due to COVID-19 as of December 31, 2020 ranged from a minimum of 2 resorts closed to a maximum of 185 resorts. The average number of resorts closed due to COVID-19 is 31 resorts as of December 31, 2020 as compared to 34 resorts as previously reported as of September 30, 2020. The same respondents reported a minimum of 3 resorts to a maximum of 170 resorts of those that closed have since reopened as of December 31, 2020. The average number of resorts reopened is 29 resorts as of December 31, 2020 as compared to 31 resorts as previously reported as of September 30, 2020. Note the respondent pool may vary across surveys as it relates to the aforementioned results.

Eleven respondents reported total sales center closures due to COVID-19 as of December 31, 2020 ranged from a minimum of 1 sales center closed to a maximum of 123 sales centers. The average number of sales centers closed due to COVID-19 is 25 sales centers as of December 31, 2020 as compared to 24 sales centers as previously reported as of September 30, 2020. The same respondents reported a minimum of 1 sales center to a maximum of 90 sales centers of those that closed have since reopened as of December 31, 2020. The average number of sales centers reopened is 19 sales centers as of December 31, 2020 as compared to 20 sales centers as previously reported as of September 30, 2020. Note the respondent pool may vary across surveys as it relates to the aforementioned results.

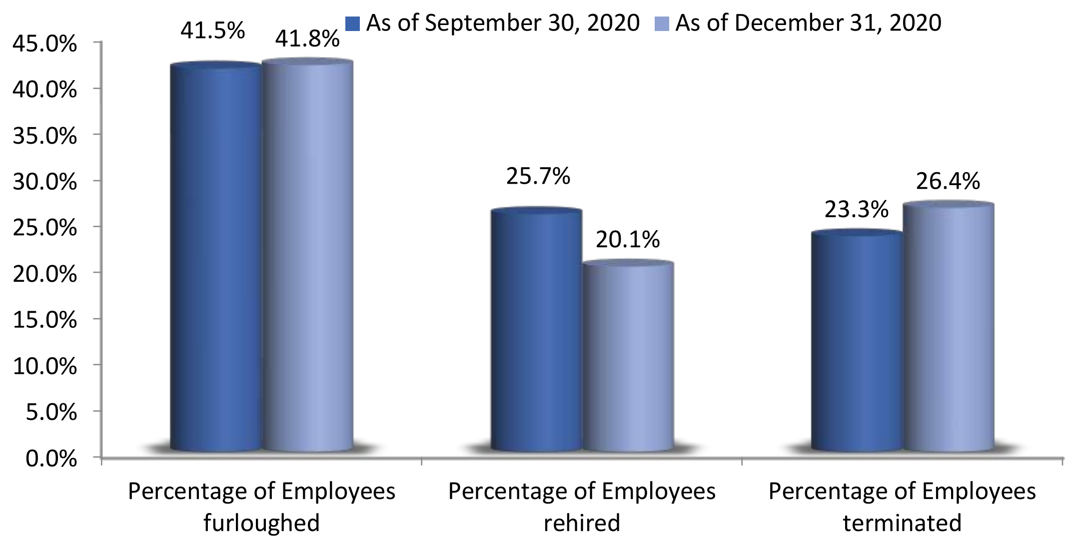
Figure 14. Impact on Resorts and Sales Centers due to COVID-19

	Number Closed	Number Reopened	Percent of Total Closed	Percent of Total Reopened
Resorts				
Minimum	2	3	13.0%	18.0%
Maximum	185	170	100.0%	100.0%
Simple Average	31	29	68.0%	73.0%
Sales Centers				
Minimum	1	1	25.0%	0.0%
Maximum	123	90	100.0%	100.0%
Simple Average	25	19	85.9%	73.2%

Source: Deloitte & Touche based on a minimum of 11 company survey responses.

Eleven respondents reported data around the impact on employment due to COVID-19. On average, 41.8 percent of total employees were furloughed as of December 31, 2020 since February 29, 2020 (prior to COVID-19). We defined a furloughed employee as one who was temporarily laid off from work. As of December 31, 2020, 20.1 percent of total employees had been rehired. An average of 26.4 percent of total employees were permanently terminated. See comparison of these metrics to that as of September 30, 2020 as previously reported in *Figure 15* below. The sum of percentage of employees rehired and terminated is greater than the percentage of employees furloughed as employees may have been directly terminated without being furloughed. Note the respondent pool may vary across surveys as it relates to the aforementioned results.

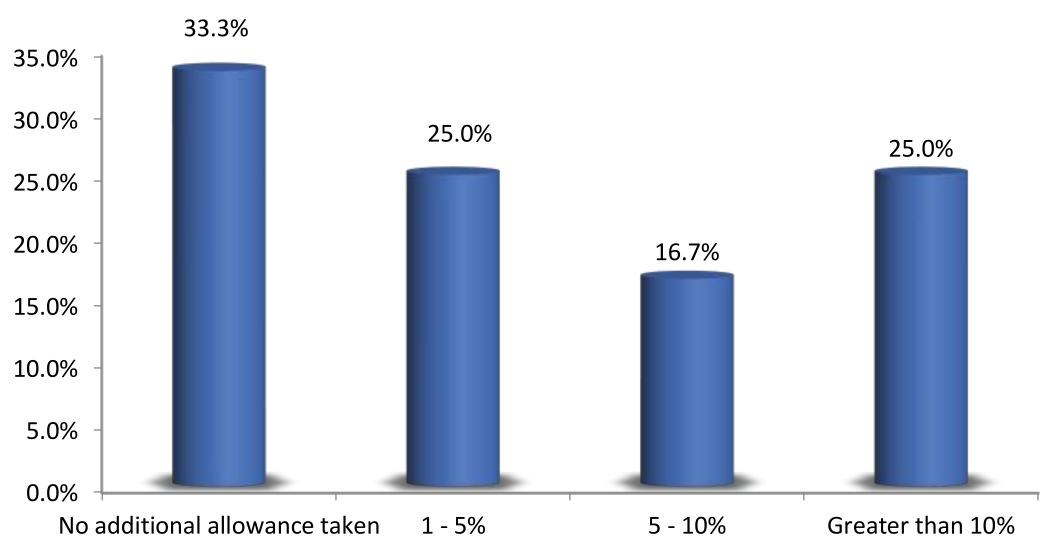
Figure 15. Impact on Employment due to COVID-19



Source: Deloitte & Touche based on 11 company survey responses.

Of the 12 companies who responded to the impact of COVID-19 on the Allowance for Loan Losses, 33.3 percent reported no additional allowance was taken and 25.0 percent reported that the impact was greater than zero and less than 5 percent of the total Allowance balance. The simple average of Additional Allowance for Loan Losses recorded due to COVID-19 as a percentage of total Allowance for all respondents was 5.9 percent for the six months ended December 31, 2020 as compared to 13.4 percent for the six months ended June 30, 2020 and 6.1 percent for the three months ended September 30, 2020 as previously reported. Note the respondent pool may vary across surveys as it relates to the aforementioned results.

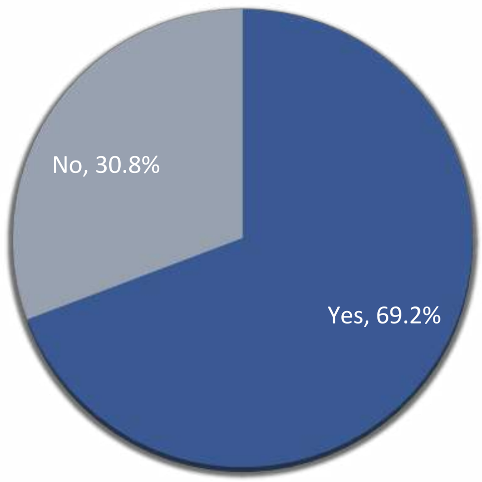
Figure 16. Additional Allowance for Loan Losses recorded due to COVID-19 as a percentage of total Allowance



Source: Deloitte & Touche based on 12 company survey responses.

Approximately 69 percent of the respondents reported that they offered a mortgage deferment program to owners due to the impacts of COVID-19 as of December 31, 2020. Six companies had a similar program in which they offered owners a payment deferral up to three months. Specific repayment terms varied by company, for example, some programs deferred the payments to the end of the loan while other programs increased the owner's monthly payment after the deferment period in order to catch up on the loan.

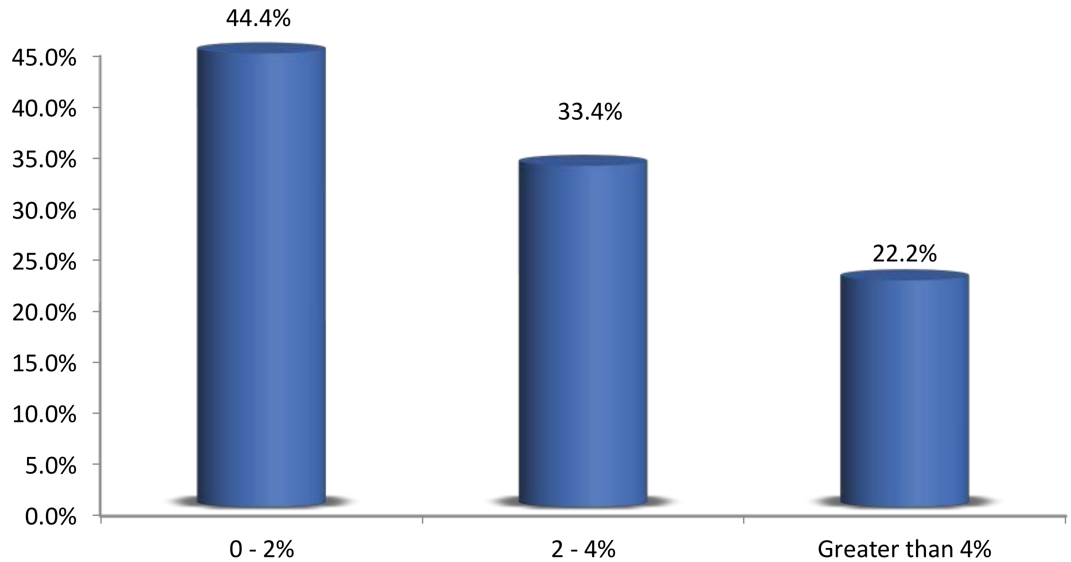
Figure 17. Mortgage Deferment Offered to Owners due to COVID-19



Source: Deloitte & Touche based on 13 company survey responses.

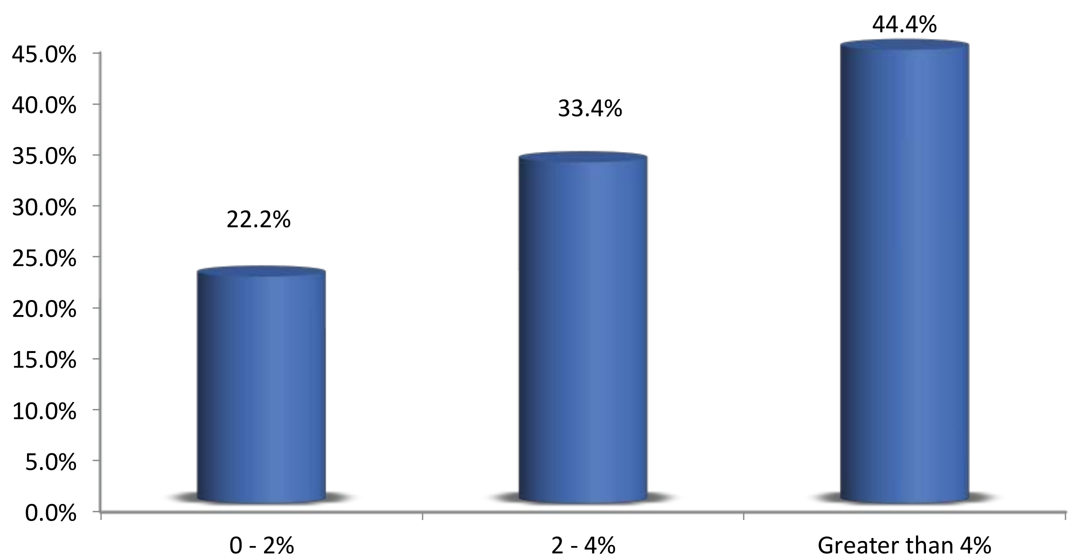
As reported by nine companies, only a small percentage of owners took advantage of the mortgage deferral programs. Approximately 44.4 percent of respondents reported that less than two percent of timeshare owners deferred mortgage payments. Consequentially, only a small portion of the total portfolio balance was impacted by the mortgage deferral programs as well. Of the nine respondents that responded, 22.2 percent said that the deferred mortgage payments comprised of less than 2 percent of the total portfolio balance. The simple average number of owners who took advantage of the program as a percentage of total owners for all respondents was 3.2 percent as of December 31, 2020 as compared to 1.3 percent as of June 30, 2020. Note the respondent pool may vary across surveys as it relates to the aforementioned results. The simple average dollar value impact of the deferment program as a percentage of total portfolio for all respondents was 4.3 percent.

Figure 18a. Owners who took advantage of the program as a percentage of total owners



Source: Deloitte & Touche based on 9 company survey responses.

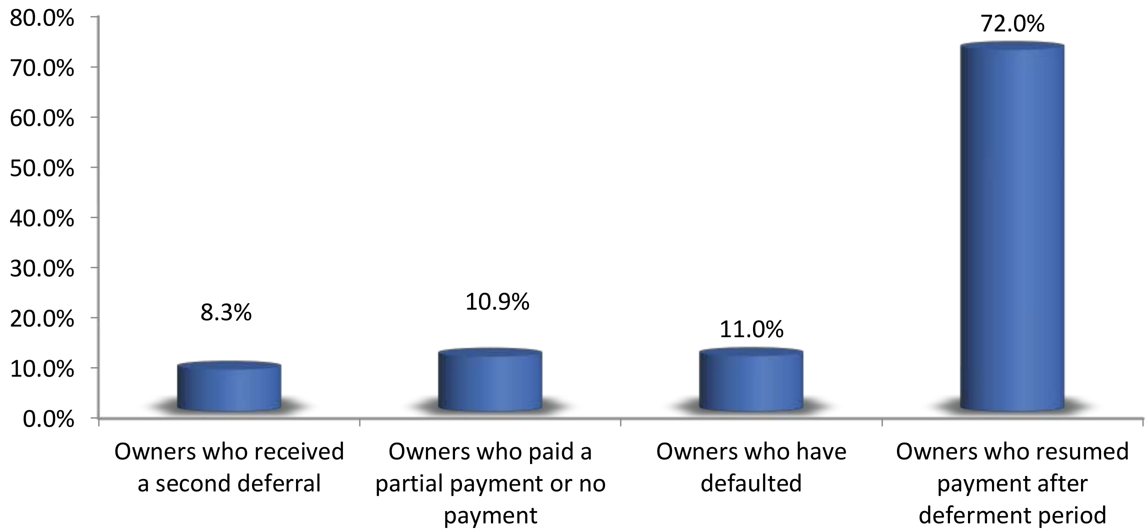
Figure 18b. Dollar value impact of the deferment program as a percentage of total portfolio



Source: Deloitte & Touche based on 9 company survey responses.

Of the companies who offered owners a mortgage deferral program, we gathered further data on the owners who took advantage of the mortgage deferral program as seen in Figure 18c below. On average, 8.3 percent of the owners who took advantage of the mortgage deferral program received a second deferral, 10.9 percent paid a partial payment or no payment, 11.0 percent have defaulted, and 72.0 percent have resumed payment after deferment period. Note the percentages sum to greater than 100 percent as owners may fall more than one category.

Figure 18c. Simple Average of Owners as a percentage of total owners with a mortgage deferment



Source: Deloitte & Touche based on a minimum of 7 company survey responses.

Considering the receivables portfolios of only the loans of owners who took advantage of a mortgage deferral program, respondents reported that payments for 72.3 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of December 31, 2020. Further, 11.8 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent as of December 31, 2020.

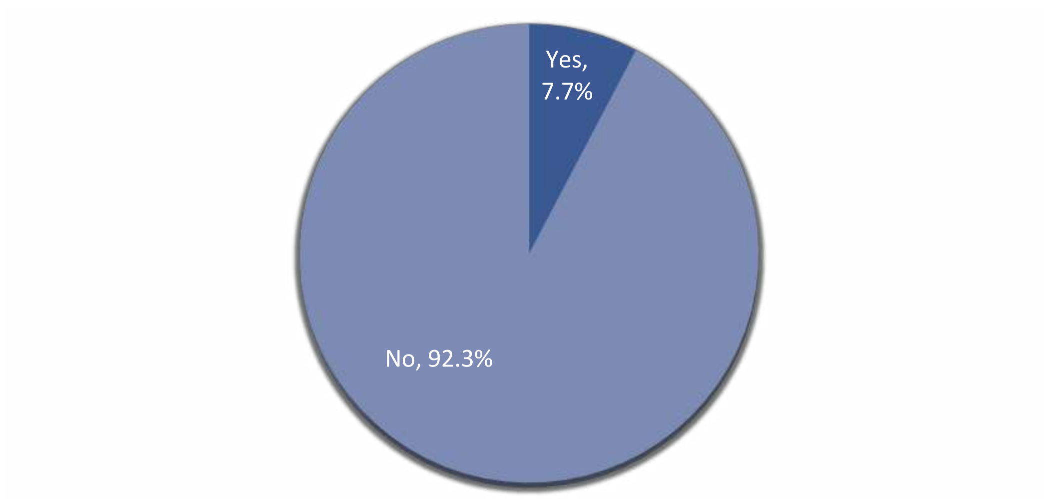
Figure 18d. Aging of consumer timeshare loan portfolios with a mortgage deferment

	December 31, 2020
Current	72.3%
31 to 60 days	8.2%
61 to 90 days	4.3%
91 to 120 days	3.4%
More than 120 days	11.8%
Total	**100.0%**

Source: Deloitte & Touche based on 9 company survey responses.

One of 13 respondents impaired assets due to COVID-19 for the six months ended December 31, 2020. The respondent reported right-of-use assets, leasehold improvements, and other fixed assets as impaired assets. The average impairment was $6.8 million for the six months ended December 31, 2020 as compared to $16.3 million for the six months ended June 30, 2020 as previously reported.

Figure 19. Impairments due to COVID-19



Source: Deloitte & Touche based on 13 company survey responses.

The following table shows the quarterly survey results in aggregate.

ARDA International Foundation – Six Months Ended December 2020 Pulse Survey					
Six Months Ended December 2020 Results	Six Months December 31 2019	Six Months December 31 2020	Increase/ (Decrease)	Increase/ (Decrease) Percent	Survey Responses
General Characteristics					
1. Ownership status (public or private)	Public: 36% Private: 64%	Public: 36% Private: 64%			14
2. Are fee-for-service activities being provided by another developer on your behalf?	Yes: 7% No: 93%	Yes: 7% No: 93%			14
Receivables Portfolio					
The following questions refer to the portfolio of receivables (total held and/or serviced receivables, including securitized and/or hypothecated receivables), including receivables for sales made in earlier years.					
3. Gross outstanding portfolio balance, at period end (in dollars)	$14,337,483,021	$12,286,045,352	($2,051,437,669)	-14.3%	14
4. At period end, on a contractual basis what percentage of the dollar amount of this portfolio was:					
Current (current or fewer than 31 days delinquent)	89.4%	86.0%	-3.4%	-3.8%	14
Between 31 to 60 days delinquent	2.2%	2.0%	-0.2%	-9.1%	14
Between 61 to 90 days delinquent	1.4%	1.3%	-0.1%	-7.1%	14
Between 91 to 120 days delinquent	1.3%	1.3%	0.0%	0.0%	14
More than 120 days delinquent	5.7%	9.4%	3.7%	64.9%	14
Total should equal 100%	100.0%	100.0%			
5. Gross defaults (total amount charged against the allowance for uncollectible accounts during period as a percentage of gross outstanding portfolio balance at period end)	8.4%	9.8%	1.4%	16.7%	14
6. Average FICO score at origination (on loans in the portfolio at quarter-end, weighted by outstanding principal balance)	715	713	-2	-0.3%	13
Inventory					
7. Total capital expenditures related to timeshare inventory	$429,902,951	$249,986,227	($179,916,724)	-41.9%	11
Resort Occupancy					
8a/8b. Timeshare occupancy mix by type. Report based on physical occupancy, meaning actual guest check-in occurred. (including rooms at resorts that were closed due to COVID-19)					
Occupied (owner or owners' guest, exchange guest, renter, and marketing guest)	79.0%	55.5%	-23.5%	-29.7%	13
Vacant - please do not include any inventory taken offline due to natural disasters (i.e. hurricanes, fires, etc.) or regular maintenance	21.0%	44.5%	23.5%	111.9%	13
Total should equal 100%					

8c. Timeshare occupancy mix by type. Report based on physical occupancy, meaning actual guest check-in occurred. (excluding rooms at resorts that were closed due to COVID-19)					
Occupied (owner or owners' guest, exchange guest, renter, and marketing guest)		58.8%			12
Vacant - please do not include any inventory taken offline due to natural disasters (i.e. hurricanes, fires, etc.) or regular maintenance		41.2%			12
8d/8e. Market Segment occupancy as of December 31, 2019 (Excluding rooms at resorts that were closed due to COVID-19)					
Owner Occupancy	62.2%	64.8%	2.6%	4.2%	13
Non-Owner Occupancy	37.1%	35.2%	-1.9%	-5.1%	13
9. Total available room nights during period (This will be used to calculate the weighted average occupancy rate for the response set.)					
a/b. including rooms at resorts that were closed due to COVID-19	18,946,575	16,516,828	(2,429,747)	-12.8%	13
c. excluding rooms at resorts that were closed due to COVID-19		13,147,048			12
Selected Sales Metrics (Including telesales and home sits)					
Sales metrics. Include telesales in the following responses.					
10. Net originated sales (net of sales incentives and rescissions) (in dollars)	$3,629,671,317	$1,771,508,513	($1,858,162,804)	-51.2%	14
11. Net originated sales (net of sales incentives and rescissions) that were new owner sales (in dollars):	$1,493,142,486	$618,352,408	($874,790,078)	-58.6%	13
12. Net originated sales (net of sales incentives and rescissions) that were existing owner sales (in dollars):	$1,846,786,298	$1,064,900,085	($781,886,213)	-42.3%	13
13. Rescissions %	15.6%	12.9%	-2.7%	-17.3%	12
13. Rescissions $	$804,108,450	$304,448,031	($499,660,419)	-62.1%	14
14. Rescissions that were new owner sales %	32.9%	25.2%	-7.7%	-23.5%	11
14. Rescissions that were new owner sales $	$460,286,417	$163,230,510	($297,055,907)	-64.5%	13
15. Rescissions that were existing owner sales %	17.7%	16.1%	-1.6%	-9.0%	11
15. Rescissions that were existing owner sales $	$242,930,954	$118,493,696	($124,437,258)	-51.2%	12
Selected Sales Metrics (Excluding telesales)					
Sales metrics. Exclude telesales from the following responses. Include sales to existing owners and other in-house guests.					
16. Number of tours. Represents the number of tours taken by guests in the company's efforts to sell timeshares. Include all tours of sales prospects, whether they occur on-site or at an off-site sales center.	1,379,779	512,417	-867,362	-62.9%	13
17. Number of sales transactions (exclude rescissions) (Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), points sales, and reloads (which should be part of all categories above, except upgrades). Transactions should not include sales of Sampler programs.)	196,096	94,993	-101,103	-51.6%	13
Close rate (excludes sales that are canceled through rescission, calculated based on formula)	14.5%	18.4%	3.9%	26.9%	13
18. Net originated sales (gross sales less incentives and rescissions) excluding telesales	$3,943,956,330	$1,755,923,982	($2,188,032,348)	-55.5%	13

Weighted average volume per guest ("VPG"). Represents timeshare sales revenue per guest and is calculated by dividing net originated sales, excluding telesales and home sits, by the number of tours. (calculated based on formula)	$2,980	$3,617	$637	21.4%	13
Weighted average transaction value (this is calculated based on net originated sales and excludes any charges not reflected in net originated sales, such as closing costs)	$21,649	$20,372	($1,277)	-5.9%	13
19. Total net originated sales (gross sales less incentives and rescissions) for non-owned timeshare inventory sold under fee-for-service agreements	$503,895,576	$195,437,394	($308,458,182)	-61.2%	4
20. Total net originated sales (gross sales less incentives and rescissions) for owned timeshare inventory sold by others under fee-for-service agreements	$2,503,769	($1,613,314)	($4,117,083)	-164.4%	1
Total net originated sales (excluding rescissions, including fee-for-service, excluding fee-for-service sold by others)	$4,131,063,124	$1,968,559,221	($2,162,503,903)	-52.3%	14
21. Total Rental Revenue	$500,437,053	$414,143,975	($86,293,078)	-17.2%	13

Consumer Financing

The following items refer to new financing provided to consumers during the period. For upgrade sales, use the characteristics of the new loan. For example, if an owner with $4,000 of equity and $6,000 principal balance outstanding on an existing loan purchases an upgrade vacation ownership interest with a stated sales price of $20,000, and uses the equity in their existing interval as the down payment, resulting in a new loan with a principal balance of $16,000, use the interest rate and term of that $16,000 loan.

22. Average interest rate.	14.1%	14.2%	0.1%	0.7%	13
22. Average term (in months).	121.8	122.2	0.4	0.3%	13
Average down payment.					
24. Average down payment on non-upgrade sales	18.8%	18.3%	-0.5%	-2.7%	12
25. Average down payment on upgrade sales	45.3%	41.9%	-3.4%	-7.5%	11
26. Weighted -average FICO score (on new loans, weighted by original principal balance, exclude buyers withouth FICO scores	719	715	(4)	-0.6%	13
27a. Originations as a percentage of gross sales. The gross sales amount inclusive of upgrade contract selling prices.	61.5%	66.7%	5.2%	8.5%	8
27b. Originations as a percentage of net sales. The net sales should equal gross sales less upgrade contract selling prices.	93.3%	89.5%	-3.8%	-4.1%	10

Impact of COVID-19

For the following questions regarding Resorts and Sales Centers that have closed, please respond with the total number, including those that have since reopened as of December 31, 2020.

For the following questions regarding employees who have been furloughed, please respond with the total number, including those who have been since rehired as of December 31, 2020. We are defining a furloughed employee as a one who is temporarily laid off from work.

28. Impact on Resorts due to COVID-19		
Number of Resorts closed	31	11
Number of Resorts reopened	29	11
Percentage of Resorts closed	68.0%	11
Percentage of Resorts reopened	73.0%	11

29. Impact on Sales Centers due to COVID-19

Number of Sales Centers closed	25	11
Number of Sales Centers reopened	19	11
Percentage of Sales Centers closed	85.9%	11
Percentage of Sales Centers reopened	73.2%	11
30. Impact on Employment due to COVID-19. Please consider full time and part time employees when answering this question. The response should be recorded as a percentage of total employees as of February 29, 2020 (pre-COVID-19).		
Number of Employees furloughed	41.8%	11
Number of Employees rehired	20.1%	11
Number of Employees terminated	26.4%	11
31. Additional Allowance for Loan Losses recorded due to COVID-19 as a percentage of total Allowance recorded for the Six Months ended December 31, 2020	5.9%	12
32. Was a mortgage deferment program offered to owners due to COVID-19?	Yes: 69.2% No: 30.8%	13
Average number of owners who took advantage of the program as a percentage of total owners.	3.2%	9
The average dollar value impact of the deferment program as a percentage of total portfolio.	4.3%	9
33. Please report the following data as a percentage of total owners who took advantage of a mortgage deferment program as of December 31, 2020:		
Percentage of owners who received a second deferral	8.3%	9
Percentage of owners who paid a partial payment	10.9%	9
Percentage of owners who have defaulted	11.0%	9
Percentage of owners who resumed payment after deferment period	72.0%	9
34. At period end December 31, 2020, considering only the loans of owners who took advantage of the mortgage deferment program, what percentage of the dollar amount of this portfolio was		
Current (current or fewer than 31 days delinquent)	72.3%	9
Between 31 to 60 days delinquent	8.2%	9
Between 61 to 90 days delinquent	4.3%	9
Between 91 to 120 days delinquent	3.4%	9
More than 120 days delinquent	11.8%	9
Total should equal 100%	100.0%	
35. Were there any impairments due to COVID-19?	Yes: 7.7% No: 92.3%	13
The average dollar value impact of the asset impairment.	$6,811,767	1

Method

The Six Months Ended 12/31/2020 Pulse Survey was conducted by Deloitte & Touche on the behalf of ARDA International Foundation. The purpose of the research was to compile current data and to provide a current perspective on the timeshare industry's financial performance.

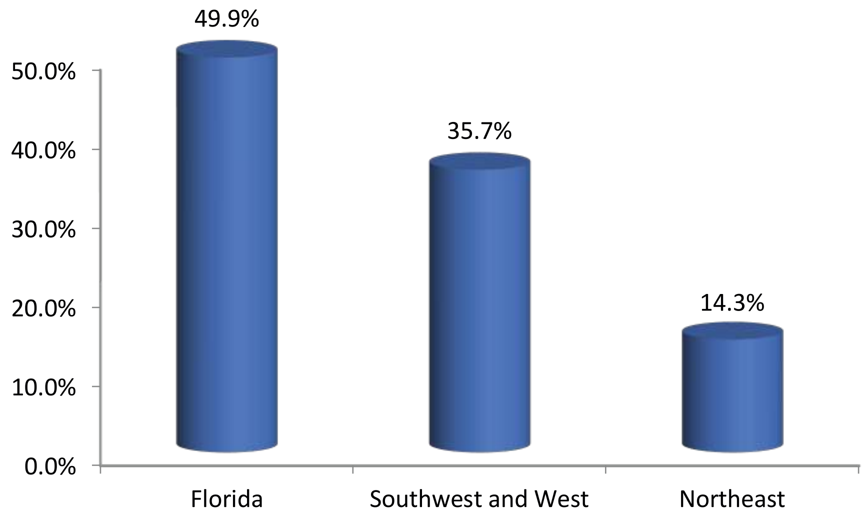
Deloitte & Touche developed the survey instrument in connection with input from ARDA International Foundation and industry participants. Deloitte & Touche distributed the survey directly to 269 timeshare and vacation ownership companies on January 18, 2021. The survey collection efforts focused on companies generating the largest volume of timeshare sales and companies that participate as board members of the American Resort Development Association (ARDA). Deloitte & Touche followed up with the companies by telephone and e-mail to encourage responses. Deloitte & Touche ended the survey collection effort on February 22, 2021. By February 22, 2021, 14 companies, or 5.2 percent of those surveyed, responded.

During the data analysis phase, Deloitte & Touche contacted several of the respondents with follow-up questions about specific answers they provided. Responses to some questions that were left blank or were unusual were ultimately excluded from the analysis. Though a total of 14 responses were collected, most questions were not answered by all 14 respondent companies as indicated in the "survey responses" column on the "Aggregate Results" tables.

The response base includes major companies in the U.S. timeshare sector. The 14 respondents that provided sales information reported aggregate Six Months Ended 12/31/2020 net originated sales, including telesales and excluding fee-for-service arrangements, of $1,771.5 million. Five of the 14 companies are publicly traded companies, and three of the 14 are affiliated with major hotel brands. The survey is focused on the U.S. considering the location of companies' headquarters provides an indication of the geographic regions represented by the response base. Many of the U.S. respondents are based in the Southeast, including seven in Florida, though companies in the Northeast region, and Southwest and West region also responded.[8] No respondents were based in the Southeast (except for Florida), Midwest or Canada.

[8] Regional definitions: Florida (FL); Northeast (CT, DC, DE, KY, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV); Midwest (IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI); Southeast (AL, AR, GA, LA, MS, NC, SC, TN); and Southwest and West (AK, AZ, CA, CO, HI, ID, MT, NM, NV, OK, OR, TX, UT, WA, WY).

Figure 20. Distribution of companies by headquarters location, 2020



Source: Deloitte & Touche based on 14 company survey responses.

To effectively interpret the survey results it is important to understand that the survey is not a projection as it is not based on a random sample of companies, nor is it a census of all companies. The survey is based on responses from participating companies that account for a predominance of industry sales, and this is one of the reasons it is seen as a valuable resource.

The companies that participated in this survey are not identical to those that participated in prior editions of the Pulse Survey or of the Financial Performance Survey, which is an annual survey conducted on behalf of the ARDA International Foundation. The most recent previous Pulse Survey reported on activity for the third quarter of 2020. The current Pulse Survey functions similarly as a timely source of information on several key statistics, with a focus on the Six Months Ended 12/31/2020. Due to the relatively large size of some of the companies participating, the changing composition of the response base can materially impact the results reported in this version compared to previous editions. Also, the timeshare industry experiences changes in activity levels during different seasons of the year. It is not accurate to compare the Six Months Ended 12/31/2019 and Six Months Ended 12/31/2020 results presented in this edition with results shown in reports of earlier periods without understanding that the response base and reporting period have changed.

Unless otherwise noted specifically as simple averages, all averages in this report are weighted averages. For example, responses to questions related to sales topics, such as VPG, are weighted by net originated sales volume.

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ARDA
American Resort Development Association