

Pulse Survey



A SURVEY OF TIMESHARE AND VACATION
OWNERSHIP RESORT COMPANIES

2021
Q2



PREPARED BY
Deloitte.



Deloitte & Touche LLP
Certified Public Accountants
Tampa City Center
201 North Franklin Street
Suite 3600
Tampa, FL 33602
USA

Tel: +1 813 273 8300
Fax: +1 813 229 7698
www.deloitte.com

To the Research Committee of
ARDA International Foundation
1201 15th Street NW, Suite 400
Washington, DC 20005

Dear Members of the Committee:

Deloitte & Touche LLP (Deloitte & Touche) is pleased to submit the results of the *2021 Second Quarter 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 April 6, 2021 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 August 9, 2021. Accordingly, changes in circumstances after that date could affect the findings outlined in this report.

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Deloitte & Touche LLP

August 26, 2021



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2021 Q2

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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 August 9, 2021 and are subject to revision.


























PREPARED BY
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2021 Second Quarter 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 2021 second quarter survey of U.S. timeshare companies that were in active sales during the second quarter of the year. The results herein include data from the time period of April 2021 to June 2021. The results cover a total of 13 responding companies with aggregate net originated sales of approximately \$1,442.3 million at June 30, 2021 for the 13 respondents that provided sales information. The financial information contained in this survey includes June 30, 2021 QTD (Q2 2021 – QTD) compared to June 30, 2020 QTD (Q2 2020 – QTD) as well as compared to data as of June 30, 2019 as previously reported for purposes of comparing to pre-COVID-19 balance sheet data to observe the industry’s recovery. We further compared sales performance, sales metric, and occupancy data for Q2 2021 – YTD calculated as the combination of results from the 2021 First Quarter Pulse Survey data as previously reported and 2021 Second Quarter Pulse Survey data herein for purposes of comparing to the Six Months Ended June 30, 2020 Pulse Survey data and the Six Months Ended June 30, 2019 Pulse Survey data. Note the respondent class may differ across survey results for the aforementioned period comparisons. The information also contains data as of March 31, 2021 (Q1 2021) compared to data as of June 30, 2021 (Q2 2021) as previously reported in the 2021 First Quarter Pulse Survey. The timeshare industry began to experience significant COVID-19 impacts at the start of the second quarter of 2020, meaning Q2 2020 – QTD data primarily reflects COVID-19 impacts. The industry has seen these impacts subside as evidenced in the Q2 2021 – QTD results. 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: Q2 2021 – QTD compared to Q2 2020 – QTD	
<u>Net Originated Timeshare Sales (net of Sales Incentives and Rescissions) including Telesales</u> increased 827.7 percent from Q2 2020 - QTD to Q2 2021 - QTD, increasing from \$155.5 million to \$1,442.3 million.	 Increase
<u>Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others)</u> increased 863.6 percent from Q2 2020 - QTD to Q2 2021 - QTD, increasing from \$169.8 million to \$1,636.1 million.	 Increase
Sales Performance: Q2 2021 – YTD compared to Q2 2019 – YTD	
<u>Net Originated Timeshare Sales (net of Sales Incentives and Rescissions) including Telesales</u> decreased 29.3 percent from Q2 2019 - YTD to Q2 2021 - YTD, decreasing from \$3,357.6 million to \$2,375.4 million.	 Decrease

<p>Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others) decreased 30.1 percent from Q2 2019 - YTD to Q2 2021 - YTD, decreasing from \$3,822.9 million to \$2,672.5 million.</p>	 Decrease
<p>Sales Metrics: Q2 2021 – QTD compared to Q2 2020 – QTD</p>	
<p>Weighted Average Transaction Value increased 76.3 percent from \$14,201 in Q2 2020 - QTD to \$25,038 in Q2 2021 – QTD (The simple average transaction value increased 64.9 percent from \$12,799 in Q2 2020 - QTD to \$21,108 in Q2 2021 - QTD).</p>	 Increase
<p>Weighted Average Rescission Rate decreased 3.3 percentage points (or 21.0 percent) from 15.7 percent in Q2 2020 - QTD to 12.4 percent in Q2 2021 – QTD (The simple average rescission rate decreased 6.6 percentage points, or 39.1 percent, from 16.9 percent in Q2 2020 - QTD to 10.3 percent in Q2 2021 - QTD).</p>	 Decrease
<p>Weighted Average Volume Per Guest (VPG) decreased 1.8 percent from \$4,534 to \$4,454 from Q2 2020 - QTD to the Q2 2021 - QTD (The simple average VPG increased 38.9 percent from \$2,846 in Q2 2020 - QTD to \$3,954 in Q2 2021 - QTD).</p>	 Decrease
<p>Tours increased 872.8 percent from 38,143 to 371,066 tours from Q2 2020 - QTD to Q2 2021 - QTD.</p>	 Increase
<p>Weighted Average Close Rate decreased 12.9 percentage points (or 40.8 percent) from 31.6 percent to 18.7 percent from Q2 2020 - QTD to Q2 2021 - QTD.</p>	 Decrease
<p>Sales Metrics: Q2 2021 – YTD compared to Q2 2019 – YTD</p>	
<p>Weighted Average Transaction Value increased 8.6 percent from \$21,249 in Q2 2019 - YTD to \$23,086 in Q2 2021 – YTD (The simple average transaction value increased 2.4 percent from \$19,884 in Q2 2019 - YTD to \$20,354 in Q2 2021 - YTD).</p>	 Increase
<p>Weighted Average Rescission Rate decreased 4.3 percentage points (or 26.1 percent) from 16.5 percent in Q2 2019 - YTD to 12.2 percent in Q2 2021 – YTD (The simple average rescission rate decreased 4.7 percentage points, or 32.2 percent, from 14.6 percent in Q2 2019 - YTD to 9.9 percent in Q2 2021 - YTD).</p>	 Decrease
<p>Weighted Average Volume Per Guest (VPG) increased 43.3 percent from \$2,908 to \$4,168 from Q2 2019 - YTD to Q2 2021 - YTD (The simple average VPG increased 36.5 percent from \$2,793 in Q2 2019 - YTD to \$3,813 in Q2 2021 - YTD).</p>	 Increase
<p>Tours decreased 51.7 percent from 1,285,143 to 621,052 tours from Q2 2019 - YTD to Q2 2021 - YTD.</p>	 Decrease

Weighted Average Close Rate increased 4.9 percentage points (or 34.8 percent) from 14.1 percent to 19.0 percent from Q2 2019 - YTD to Q2 2021 - YTD.	 Increase
Portfolio Performance: Q2 2021 compared to Q2 2020	
Currency increased by 1.1 percentage points (or 1.3 percent), increasing from 86.6 percent as of Q2 2020 to 87.7 percent as of Q2 2021.	 Increase
Delinquencies (greater than 30 days past due) decreased by 1.1 percentage points (or 8.2 percent), decreasing from 13.4 percent as of Q2 2020 to 12.3 percent as of Q2 2021.	 Decrease
Charge-Offs remained at 7.9 percent when comparing Q2 2020 – QTD to Q2 2021 – QTD.	 No Change
Portfolio Performance: Q2 2021 compared to Q2 2019	
Currency decreased by 1.7 percentage points (or 1.9 percent), decreasing from 89.4 percent as of Q2 2019 to 87.7 percent as of Q2 2021.	 Decrease
Delinquencies (greater than 30 days past due) increased by 1.7 percentage points (or 16.0 percent), increasing from 10.6 percent as of Q2 2019 to 12.3 percent as of Q2 2021.	 Increase
Charge-Offs increased by 0.9 percentage points (or 12.3 percent), increasing from 7.3 percent in Q2 2019– YTD to 8.2 percent in Q2 2021 - YTD.	 Increase
Consumer Finance Experience	
Interest Rates remained at 14.2 percent when comparing Q2 2020 – QTD to Q2 2021 – QTD.	 No Change
Weighted Average Term increased by 1.6 months (or 1.3 percent) from 122.2 months in Q2 2020 - QTD to 123.8 months in Q2 2021 - QTD.	 Increase
Down Payments on non-upgrade sales increased 0.7 percentage points (or 4.3 percent), from 16.2 percent in Q2 2020 - QTD to 16.9 percent in Q2 2021 - QTD.	 Increase
Down Payments on upgrade sales increased 5.9 percentage points (or 15.6 percent), increasing from 37.8 percent in Q2 2020 - QTD to 43.7 percent in Q2 2021 - QTD.	 Increase
Other Metrics	
Weighted Average Occupancy increased 62.1 percentage points (or 367.5 percent), increasing from 16.9 percent in Q2 2020 - QTD to 79.0 percent in Q2 2021 - QTD (including rooms at resorts that were closed due to COVID-19).	 Increase
Weighted Average Occupancy increased 50.3 percentage points (or 160.7 percent) to 81.6 percent Q2 2021 - QTD as compared to 31.3 percent in Q2 2020 - QTD (excluding rooms at resorts that were closed due to COVID-19).	 Increase

<p>Weighted Average Occupancy decreased 6.6 percentage points (or 8.5 percent) to 71.2 percent in Q2 2021 - YTD as compared to 77.8 percent in Q2 2019 - YTD (<u>excluding</u> rooms at resorts that were closed due to COVID-19).</p>	 Decrease
<p>Capital Expenditures decreased 1.1 percent from Q2 2020 - QTD to Q2 2021 - QTD, decreasing from \$92.2 million to \$91.2 million.</p>	 Decrease
<p>Impact of COVID-19</p>	
<p>Allowance for Loan Losses – On average, respondents reported an additional 0.6 percent recorded due to the impact of COVID-19 as a percentage of the total allowance balance for Q2 2021 - QTD as compared to the additional 6.4 percent for Q2 2020 – QTD, or a 90.6 percent decrease, and the additional 1.8 percent for Q1 2021 – QTD, or a 66.7 percent decrease.</p>	 Decrease
<p>Mortgage Deferment Program – Six companies offered mortgage deferment programs to owners to assist with loan payments as of Q2 2021. On average, 3.7 percent of owners took advantage of these programs as of Q2 2021. This increased from 2.6 percent (42.3 percent increase) of owners previously reported as of Q2 2020 and from 3.4 percent (8.8 percent increase) as of Q1 2021.</p>	 Increase

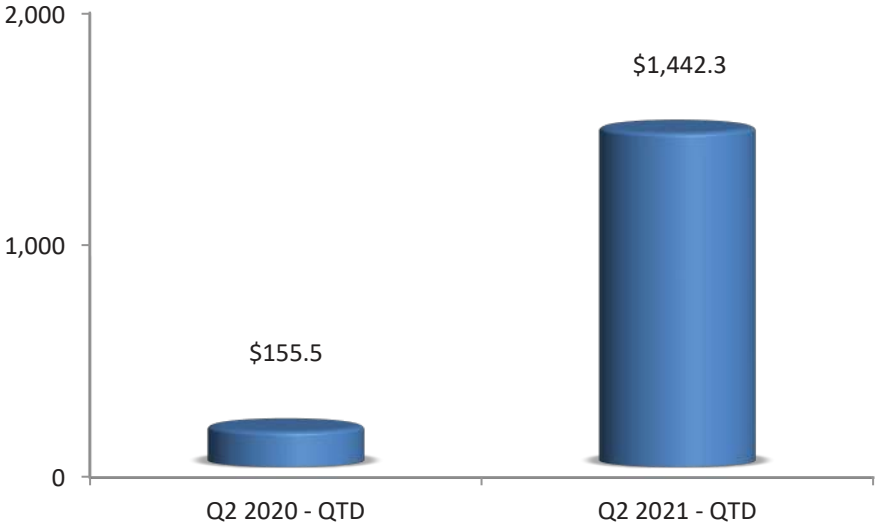
Survey Results

The following summarizes the survey results.

1(A). Timeshare sales volume increased in Q2 2021 - QTD when compared to Q2 2020 - QTD.

Companies provided data on a set of key sales indicators. In total, the 13 respondents that provided sales information reported approximately \$1,442.3 million in net originated timeshare sales¹ (including telesales) in Q2 2021 - QTD. This was an 827.7 percent increase in Q2 2021 - QTD when compared to Q2 2020 - QTD. The significant increase in sales is reflective of the timeshare industry recovering from the impacts of COVID-19 that were primarily observed beginning in the second quarter of 2020. See summary of COVID-19 impacts on the timeshare industry at the COVID- 19 Considerations section.

Figure 1a. Net originated sales including telesales (Millions)



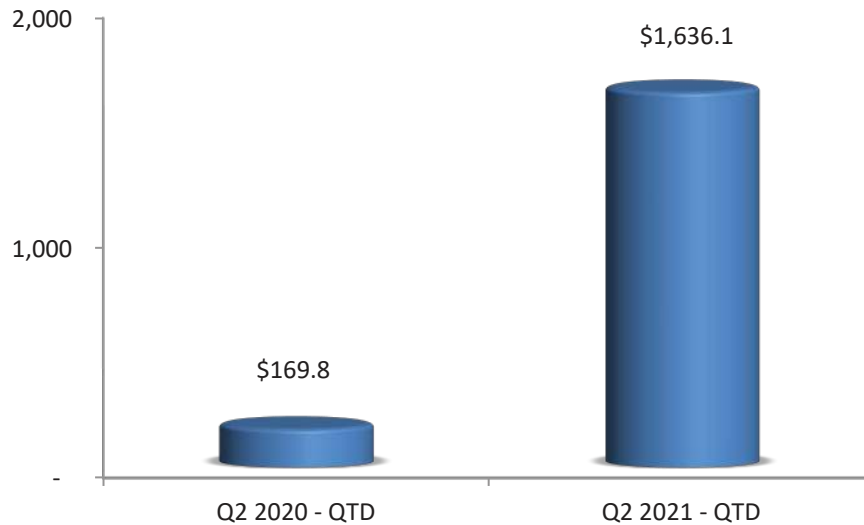
Source: Deloitte & Touche based on 13 company survey responses.

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 13 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. All four respondents providing fee-for-service increased fee-for-service operations in Q2 2021 – QTD compared to Q2 2020 – QTD. The respondent being provided fee-for-service increased 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 increased from \$14.3 million in Q2 2020 – QTD to \$193.8 million in Q2 2021 –

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

QTD. 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 an increase of 863.6 percent in total net originated timeshare sales when compared to Q2 2020 – QTD.

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

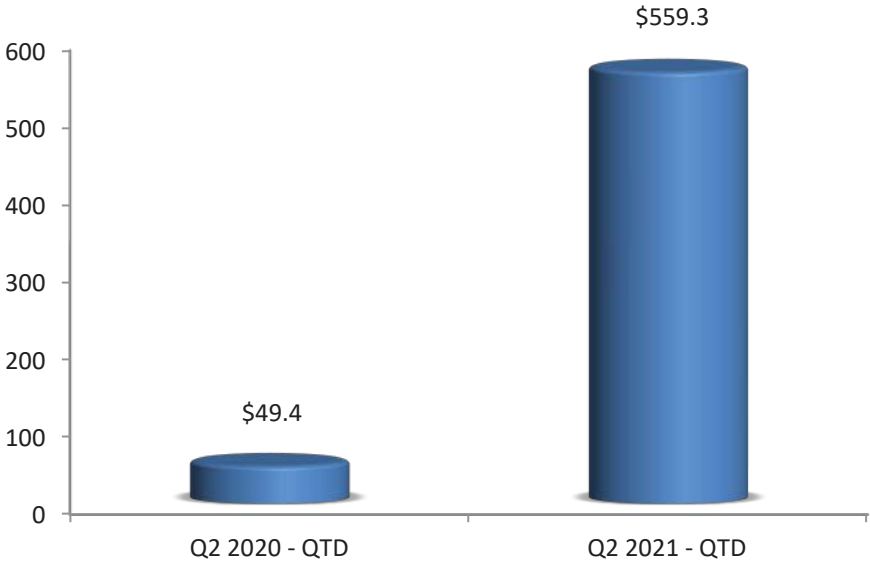


Source: Deloitte & Touche based on 13 company survey responses for net originated sales and 4 respondents reported providing fee-for-service arrangements, and 1 respondent reported being provided fee-for-service arrangements.

Respondents were asked to report the amount of net originated sales (including telesales) that were non existing owner and existing owner sales. The 12 respondent companies that provided new owner sales information reported approximately \$559.3 million in new owner net originated timeshare sales (including telesales) in Q2 2021 – QTD, which is a 1,032.9 percent increase from Q2 2020 – QTD, see *Figure 3a* below. The 12 respondent companies that provided existing owner sales information reported approximately \$757.2 million in existing owner net originated timeshare sales (including telesales) in Q2 2021 – QTD which is a 693.7 percent increase from Q2 2020 – QTD. 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 42.5 percent of the balance in Q2 2021 – QTD, which is an increase from Q2 2020 – QTD of 34.1 percent (see *Figure 4a* below). Existing owner sales for Q2 2021 – QTD equals 57.5 percent of total net originated sales, which is a decrease from Q2 2020 – QTD of 65.9 percent.

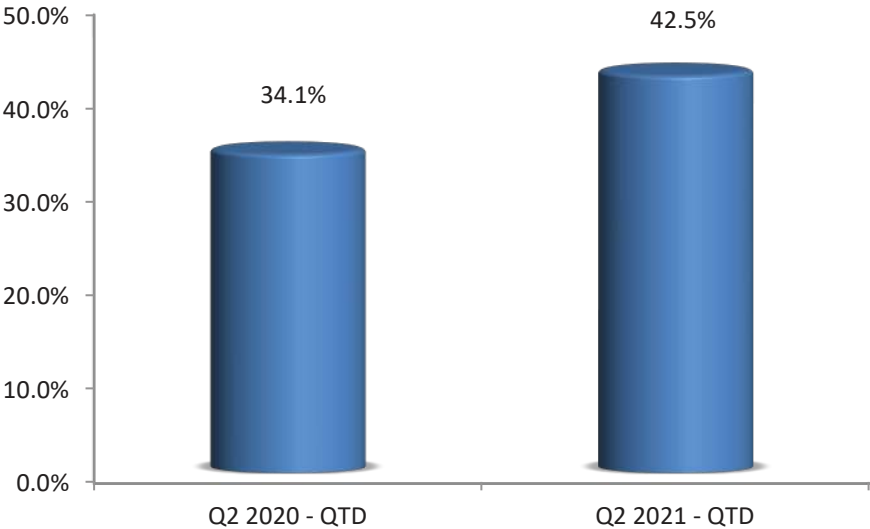
Note that the sum of the total new owner sales and existing owner sales differs from the total net originated sales due to the fact that one of the 13 respondents that provided net originated sales did not provide information related to new owner and existing owner sales.

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



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

Figure 4a. Percentage of Total Net originated sales (including telesales) – New Owner



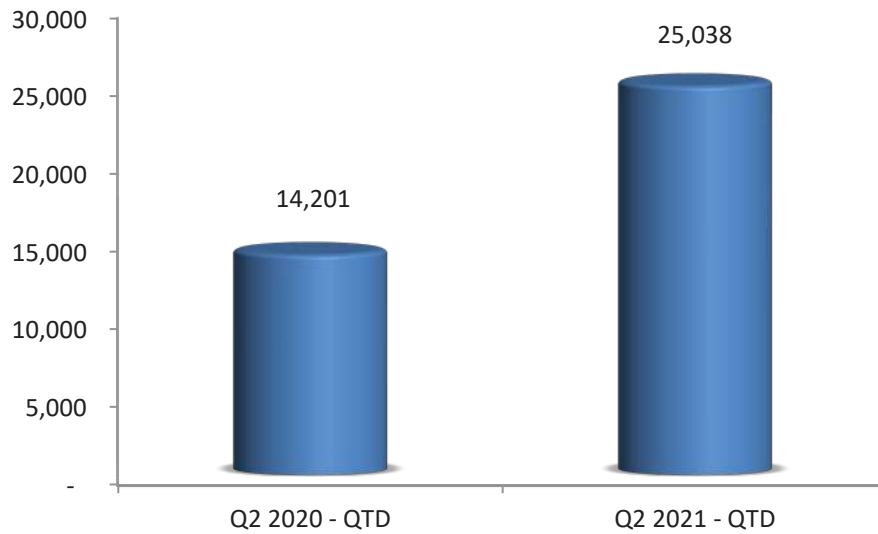
Source: Deloitte & Touche based on 12 company survey responses.

Twelve 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 tours² increased 872.8 percent, the aggregate number of sales transactions increased 719.4 percent, the weighted average transaction value increased 76.3 percent, the weighted average VPG decreased by 1.8 percent, and the weighted average close rate decreased 40.8 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 biennials³, 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. Seven respondents reported average transaction value had decreased from Q2 2020 – QTD and five respondents reported the value had increased. *Figure 5a* below illustrates the average transaction value calculated using a weighted average.

Figure 5a. Weighted average transaction value



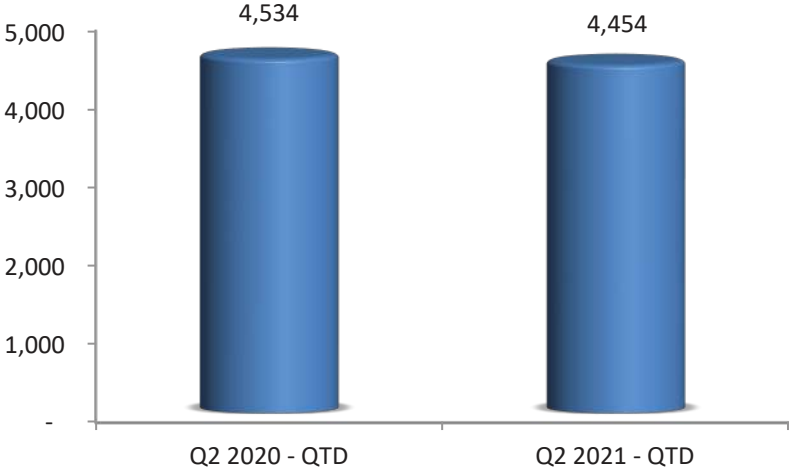
Source: Deloitte & Touche based on 12 company survey responses.

² This represents the number of tours taken by guests in the company's efforts to sell timeshares, including all tours of salesprospects, 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.

VPG⁴, a measure of sales efficiency, is calculated as net originated sales per tour, decreased by 1.8 percent from Q2 2020 – QTD to Q2 2021 – QTD.

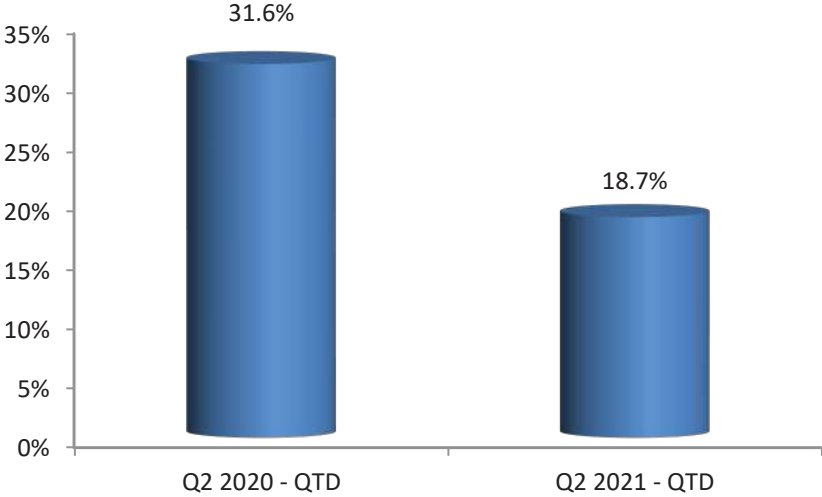
Figure 6a. Weighted average VPG



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

The close rate, another measure of sales efficiency, is the number of sales transactions generated from tour flow, decreased by 12.9 percentage points (40.8 percent) from Q2 2020 – QTD to Q2 2021 – QTD.

Figure 7a. Weighted average close rate



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

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 8* below. Note that metrics below were directionally the same under both the weighted and simple average calculations with the exception of volume per guest.

Figure 8. Weighted and simple averages for selected sales metrics

	Weighted Average Q2 2020	Weighted Average Q2 2021	Simple Average Q2 2020	Simple Average Q2 2021
Second Quarter				
Volume per guest	\$4,534	\$4,454	\$2,846	\$3,954
Average transaction value	\$14,201	\$25,038	\$12,799	\$21,108
Close rate	31.6%	18.7%	22.2%	18.7%

Source: Deloitte & Touche based on a minimum of 12 company survey responses

Among the companies that provided key sales indicators, 13 provided rescission percentage information. The weighted average rescission rate⁵ among those companies was 12.4 percent in Q2 2021 – QTD, which was a decrease of 3.3 percentage points from 15.7 percent for Q2 2020 – QTD. Eight companies reported a decrease in rescissions between Q2 2020 – QTD and Q2 2021 – QTD and five companies reported an increase in rescissions. The simple average rescission rate decreased 6.6 percentage points from 16.9 percent to 10.3 percent from Q2 2020 – QTD to Q2 2021 – QTD. Further, respondents were asked to provide the rescission volume in dollars. For the 13 companies that provided this information for Q2 2020 – QTD and Q2 2021 – QTD, the total aggregate rescissions increased by 502.5 percent from \$38.2 million to \$230.4 million in Q2 2021 – QTD.

Respondents were asked a question related to rescission information on existing and new owner sales. For the 12 respondent companies that provided rescission information on new owner sales, the weighted average rescission rate increased from 13.5 percent in Q2 2020 – QTD to 19.7 percent in Q2 2021 – QTD. Further, 12 respondents provided rescission information on new owner sales in dollars resulting in an increase of 550.9 percent in the total aggregate rescission volume from approximately \$18.7 million to approximately \$121.7 million from Q2 2020 – QTD to Q2 2021 – QTD. For the 12 respondent companies that provided rescission information on existing owner sales, the weighted average rescission rate decreased from 12.9 percent in Q2 2020 – QTD to 12.5 percent in Q2 2021 – QTD. Further, 12 respondents provided rescission information on existing owner sales in dollars resulting in an increase of 486.3 percent in the total aggregate rescission volume from \$14.8 million to \$86.9 million from Q2 2020 – QTD to Q2 2021 – QTD.

Respondents were asked a question related to owner growth rate over the prior year. For the 12 respondent companies that provided owner growth rate data, the weighted average growth rate decreased from 0.4 percent as of June 30, 2020 to 0.3 percent as of June 30, 2021. Note the lower owner growth rate as of June 30, 2021 is partially attributed to a higher rate of cancellations in 2021 as compared to 2020.

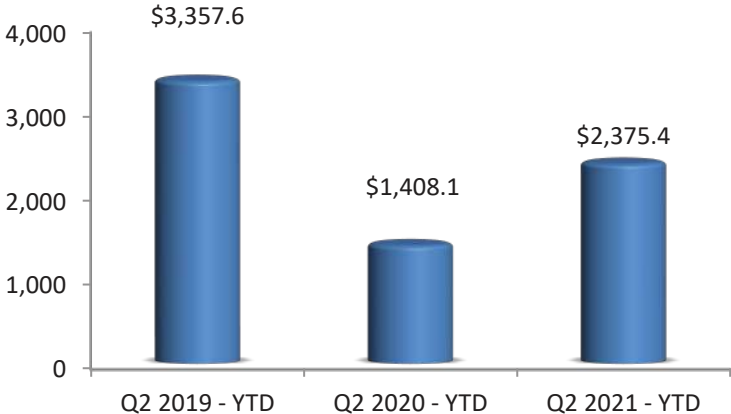
Respondents were asked a question related to total rental revenue recognized. For the 13 respondent companies that provided rental revenue, the total rental revenue increased 697.3 percent from \$51.2 million in Q2 2020 – QTD to \$408.3 million in Q2 2021 – QTD.

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

1(B). Timeshare sales volume increased in Q2 2021 – YTD when compared to Q2 2020 – YTD and decreased when compared to Q2 2019 – YTD.

The 13 respondents that provided sales information for Q1 2021 – QTD as previously reported and Q2 2021 – QTD herein reported an aggregate amount of approximately \$2,375.4 million in net originated timeshare sales (including telesales) in Q2 2021 - YTD. This was a 68.7 percent increase when compared to Q2 2020 – YTD and a 29.3 percent decrease when compared to Q2 2019 - YTD. The fluctuation in sales is reflective of the timeshare industry recovering from the impacts of COVID-19 that were primarily observed beginning in the second quarter of 2020. See summary of COVID-19 impacts on the timeshare industry at the COVID- 19 Considerations section.

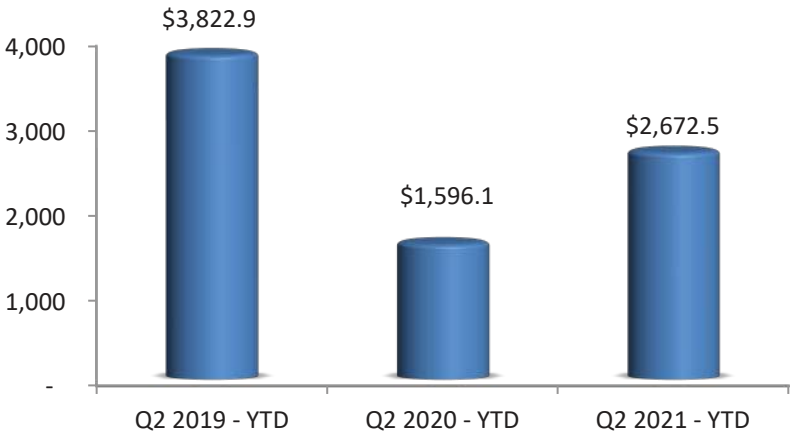
Figure 1b. Net originated sales including telesales (Millions)



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

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 an increase of 67.4 percent in total net originated timeshare sales when compared to Q2 2020 – YTD and a decrease of 30.1 percent when compared to Q2 2019 – YTD.

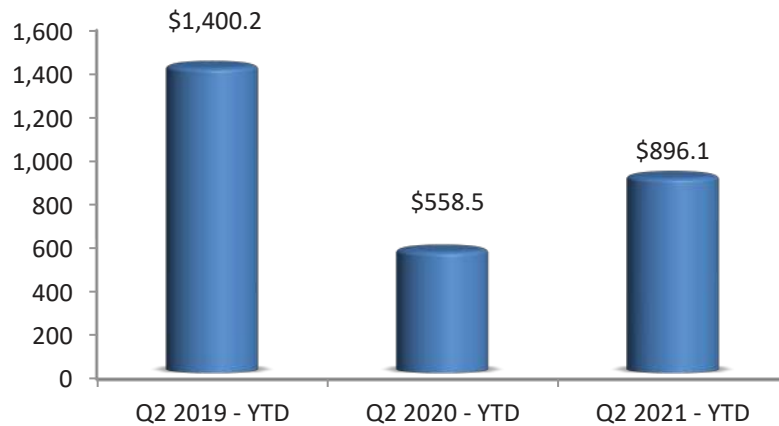
Figure 2b. Net originated sales (including sales under fee-for-service arrangements)



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

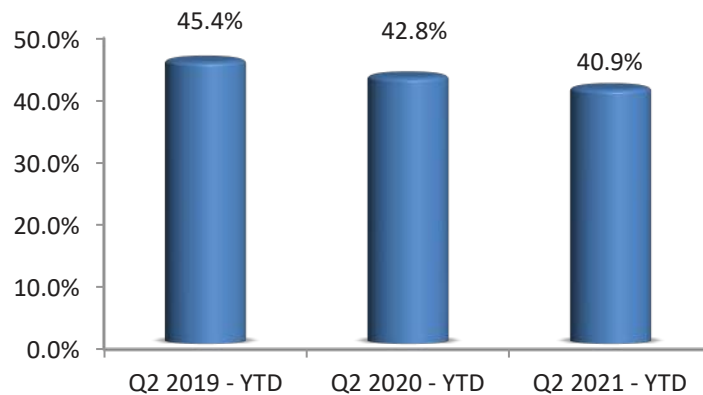
The 12 respondent companies that provided new owner sales information for Q1 2021 – QTD as previously reported and Q2 2021 – QTD herein reported an aggregate amount of approximately \$896.1 million in new owner net originated timeshare sales (including telesales) in Q2 2021 – YTD, which is a 60.4 percent increase from Q2 2020 – YTD and a 36.0 percent decrease from Q2 2019 – YTD, see *Figure 3b* below. The 12 respondent companies that provided existing owner sales information for Q1 2021 – QTD as previously reported and Q2 2021 – QTD herein reported an aggregate amount of approximately \$1,292.2 million in existing owner net originated timeshare sales (including telesales) in Q2 2021 – YTD, which is a 73.4 percent increase from Q2 2020 – YTD and a 23.3 percent decrease from Q2 2019 – YTD. 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 40.9 percent of the balance in Q2 2021 – YTD, which is a decrease from Q2 2020 – YTD and Q2 2019 – YTD of 4.4 percent and 9.8 percent, respectively (see *Figure 4b* below). Existing owner sales for Q2 2021 – YTD equals 59.1 percent of total net originated sales, which is an increase from Q2 2020 – YTD and from Q2 2019 – YTD of 57.2 percent and 54.6 percent, respectively. 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 respondents that provided net originated sales did not provide information related to new owner and existing owner sales.

Figure 3b. Net originated sales (including telesales) – New Owners (millions)



Source: Deloitte & Touche based on a minimum of 12 company survey responses

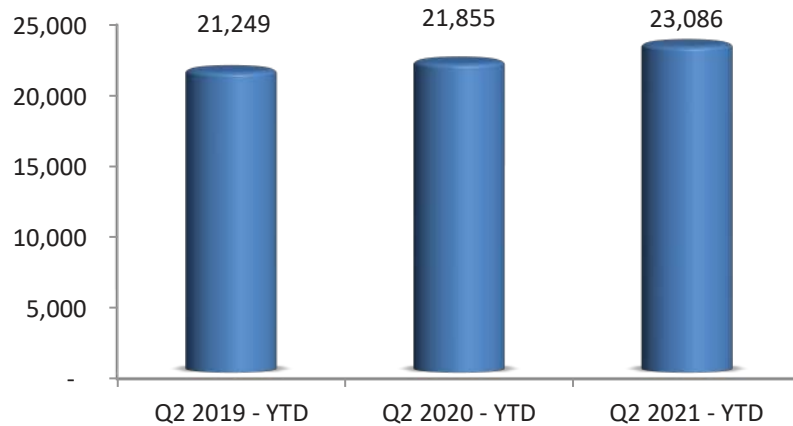
Figure 4b. Percentage of Total Net originated sales (including telesales) – New Owner



Source: Deloitte & Touche based on a minimum of 12 company survey responses

Twelve companies reported net originated sales excluding telesales as well as detailed information on the number of tours and the number of sales transactions for Q1 2021 – QTD as previously reported and Q2 2021 – QTD herein. The companies reported that the aggregate number of tours for Q2 2021 – YTD increased 32.3 percent as compared to Q2 2020 – YTD and decreased 51.7 percent as compared to Q2 2019 – YTD. The weighted average transaction value increased 5.6 percent as compared to Q2 2020 – YTD and increased 8.6 percent as compared to Q2 2019 – YTD. *Figure 5b* below illustrates the average transaction value calculated using a weighted average.

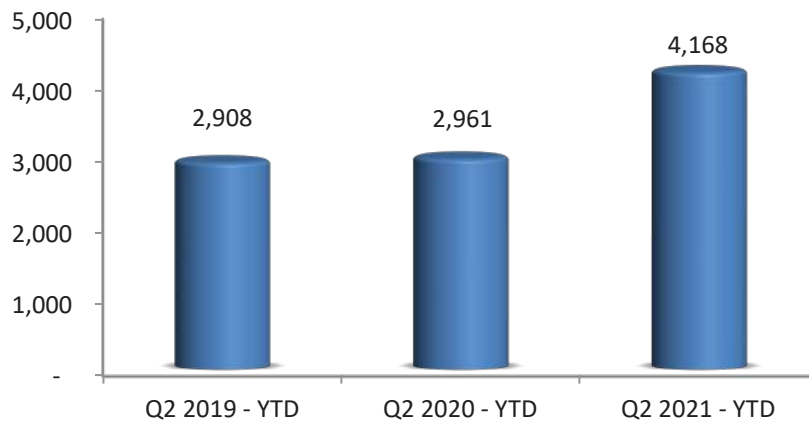
Figure 5b. Weighted average transaction value



Source: Deloitte & Touche based on a minimum of 12 company survey responses

VPG increased by 40.8 percent from Q2 2020 – YTD to Q2 2021 – YTD and increased by 43.3 percent from Q2 2019 – YTD to Q2 2021 – YTD.

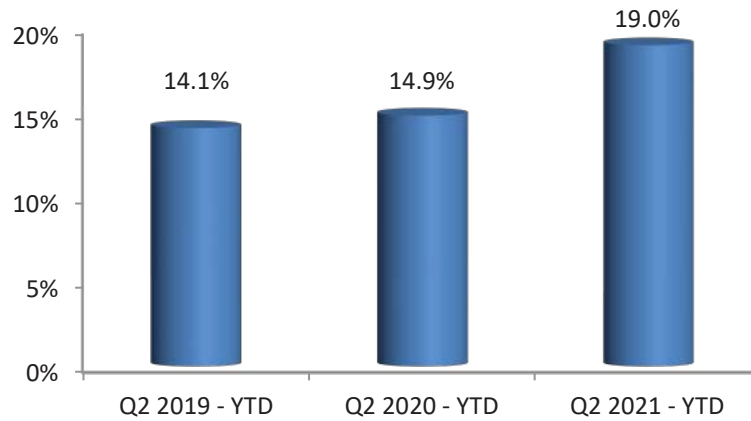
Figure 6b. Weighted average VPG



Source: Deloitte & Touche based on a minimum of 12 company survey responses

The close rate, another measure of sales efficiency, increased by 4.1 percentage points (27.5 percent) from Q2 2020 – YTD to Q2 2021 – YTD and increased by 4.9 percentage points (34.8 percent) from Q2 2019 – YTD to Q2 2021 – YTD.

Figure 7b. Weighted average close rate



Source: Deloitte & Touche based on a minimum of 12 company survey responses

Among the companies that provided key sales indicators, 13 provided rescission percentage information for Q1 2021 – QTD as previously reported and Q2 2021 – QTD herein. The weighted average rescission rate among those companies was 12.2 percent in Q2 2021 – YTD, which was a decrease of 8.5 percentage points from 20.7 percent in Q2 2020 – YTD and a decrease of 4.3 percentage points from 16.5 percent in Q2 2019 – YTD. The simple average rescission rate decreased 10.2 percentage points from 20.1 percent in Q2 2020 – YTD to 9.9 percent in Q2 2021 – YTD and decreased 4.7 percentage points from 14.6 percent in Q2 2019 – YTD.

2(A). Consumer timeshare loan portfolio delinquencies decreased when comparing as of 6/30/2020 and as of 6/30/2021.

The composition of receivables portfolios⁶ was evaluated as of June 30, 2021 and compared to the composition as of June 30, 2020. The total aggregate receivables for the 13 companies that provided receivables data was \$12,111.0 million as of June 30, 2021, and \$12,965.1 million as of June 30, 2020.

Respondents reported that payments for 87.7 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2021, an increase of 1.1 percentage points from one year earlier. Further, as of June 30, 2021, 9.1 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, an increase of 0.9 percentage points compared to one year earlier.

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

	June 30, 2020	June 30, 2021	Difference
Current	86.6%	87.7%	1.1%
31 to 60 days	2.0%	1.3%	-0.7%
61 to 90 days	1.6%	0.9%	-0.7%
91 to 120 days	1.6%	1.0%	-0.6%
More than 120 days	8.2%	9.1%	0.9%
Total	100.0%	100.0%	

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

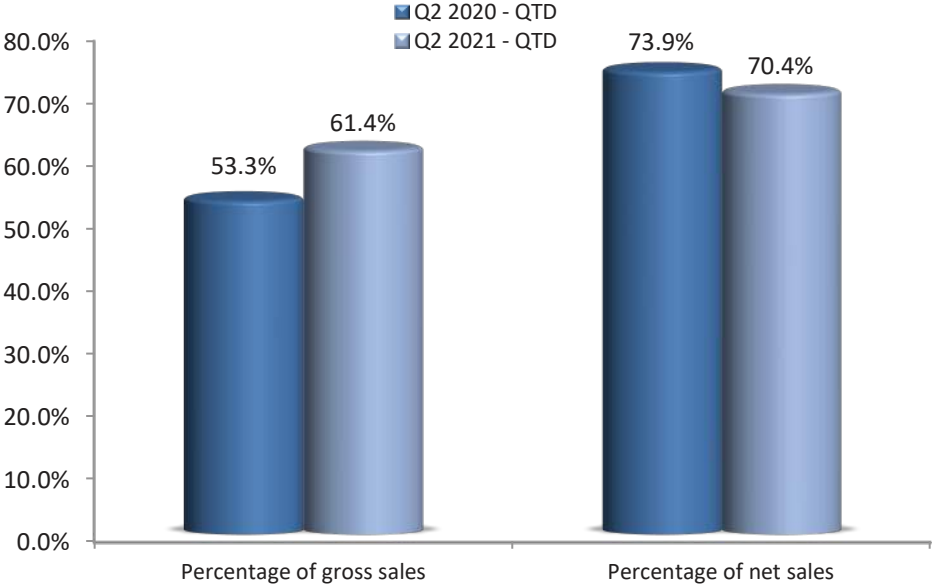
Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during Q2 2021 – QTD, as a percentage of the gross outstanding portfolio balance at period-end. The weighted average default rate in Q2 2021 – QTD was 7.9 percent, which reflected no change as compared to one year earlier. Of the 12 respondents, four respondents reported a decrease in the default rate when comparing Q2 2021 – QTD to Q2 2020 – QTD, seven respondents reported an increase in the default rate, while 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 Q2 2020 – QTD and Q2 2021 – QTD. Of the 12 respondents, six respondents reported an increase in the weighted average FICO score, five respondents reported a decrease, and one respondent reported no change. The result was a 1.3 percent increase in the weighted average FICO score from 706 at Q2 2020 – QTD to 715 at Q2 2021 – QTD.

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.

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 8.1 percentage points (or 15.2 percent) from 53.3 percent for Q2 2020 – QTD to 61.4 percent for Q2 2021 – QTD. Originations as a percentage of net sales decreased by 3.5 percentage points (or 4.7 percent) from 73.9 percent for Q2 2020 – QTD to 70.4 percent for Q2 2021 – QTD.

Figure 9b. Originations as a Percentage of Sales



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

2(B). Consumer timeshare loan portfolios experienced an increase in currency when comparing as of 3/31/2021 and as of 6/30/2021.

The composition of receivables portfolios was evaluated as of June 30, 2021 and compared to the composition as of March 31, 2021. The total aggregate receivables for the companies that provided receivables data was \$12,111.0 million as of June 30, 2021 and \$11,943.0 million as of March 31, 2021. Receivables portfolios showed a decrease in delinquencies (greater than 30 days past due) as of June 30, 2021, compared to one quarter earlier. Respondents reported that payments for 87.7 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2021, which was 1.2 percentage points higher than one quarter earlier. Further, 7.9 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance in Q2 2021 - QTD, which was 0.6 percentage points lower compared to Q1 2021 – QTD.

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

	March 31, 2021	June 30, 2021	Increase/(Decrease)
Current	86.5%	87.7%	1.2%
31 to 60 days	1.5%	1.3%	-0.2%
61 to 90 days	1.2%	0.9%	-0.3%
91 to 120 days	1.2%	1.0%	-0.2%
More than 120 days	9.6%	9.1%	-0.5%
Total	100.0%	100.0%	

Source: Deloitte & Touche based on a minimum of 12 company survey responses. Note the respondent pool may vary for the above period comparison.

2(C). Consumer timeshare loan portfolios experienced a decrease in currency when comparing as of 6/30/2019 and as of 6/30/2021.

The composition of receivables portfolios was evaluated as of June 30, 2021 and compared to the composition as of June 30, 2019 for purposes of observing the industry’s recovery from COVID-19 impacts. The total aggregate receivables for the companies that provided receivables data was \$12,111.0 million as of June 30, 2021 and \$14,103.4 million as of June 30, 2019.

Receivables portfolios showed an increase in delinquencies (greater than 30 days past due) as of June 30, 2021, compared to as of June 30, 2019. Respondents reported that payments for 87.7 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2021, which was 1.7 percentage points lower than as of June 30, 2019. Further, 8.2 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance in Q2 2021 – YTD, which was 0.9 percentage points higher compared to Q2 2019 – YTD.

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

	June 30, 2019	June 30, 2021	Increase/(Decrease)
Current	89.4%	87.7%	-1.7%
31 to 60 days	1.7%	1.3%	-0.4%
61 to 90 days	1.3%	0.9%	-0.4%
91 to 120 days	1.0%	1.0%	0.0%
More than 120 days	6.6%	9.1%	2.5%
Total	100.0%	100.0%	

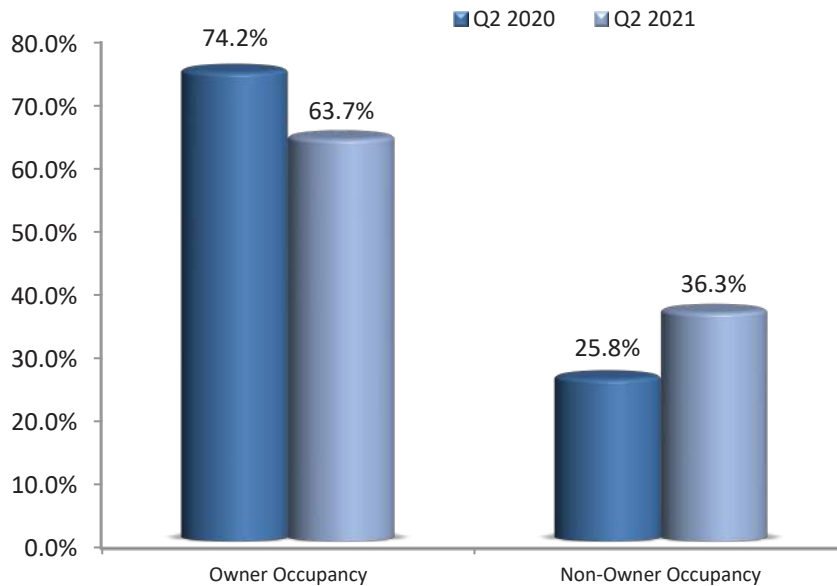
Source: Deloitte & Touche based on 12 company survey responses. The Second Quarter 2019 data herein was based upon the 17 responses obtained from the Six Months Ended 6/30/2019 Pulse Survey. Note the large decrease in respondents is primarily due to the consolidation of three of the responding companies for which data has been provided at the consolidated level beginning in 2020 and thus treated as one respondent since.

3(A). Resort occupancy including rooms at resorts that were closed due to COVID-19 increased 62.1 percentage points (or 367.5 percent) as compared to Q2 2020 - QTD.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 13 companies that provided occupancy data, representing approximately 9.9 million available room nights in Q2 2021 – QTD, the average occupancy rate, including rooms at resorts that were closed due to COVID-19, increased 62.1 percentage points (or 367.5 percent) to 79.0 percent in Q2 2021 – QTD, compared to 16.9 percent in Q2 2020 – QTD. When excluding rooms in resorts that were closed due to COVID-19, the Q2 2021 – QTD occupancy rate was 81.6 percent as compared to 31.3 percent for Q2 2020 – QTD. Available room nights including rooms at resorts that were closed due to COVID-19 increased 6.5 percent from Q2 2020 – QTD to Q2 2021 – QTD, increasing from approximately 9.3 million room nights to approximately 9.9 million room nights. When excluding rooms in resorts that were closed due to COVID-19, there were 7.3 million available room nights reported for Q2 2021 – QTD as compared to 4.1 million available rooms night reported for Q2 2020 – QTD as reported by 12 companies.

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 decreased by 14.2 percent from Q2 2020 – QTD for owner occupancy and increased by 40.7 percent for non-owner occupancy.

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



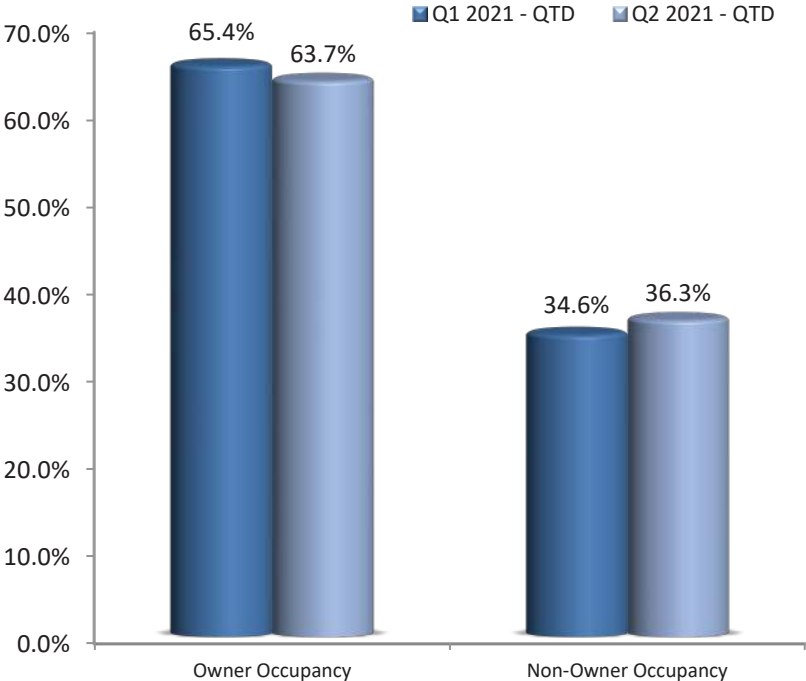
Source: Deloitte & Touche based on 12 company survey responses.

3(B). Resort occupancy including rooms at resorts that were closed due to COVID-19 increased 20.8 percentage points (or 35.7 percent) as compared to Q1 2021 – QTD.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 13 companies that provided occupancy data, representing approximately 9.9 million available room nights in Q2 2021 – QTD, the average occupancy rate, including rooms at resorts that were closed due to COVID-19, increased 20.8 percentage points (or 35.7 percent) to 79.0 percent Q2 2021 – QTD, compared to 58.2 percent in Q1 2021 – QTD as previously reported. When excluding rooms in resorts that were closed due to COVID-19, the Q2 2021 – QTD occupancy rate was 81.6, which is an increase of 20.7 percentage points (or 34.0 percent) as compared to 60.9 percent in Q1 2021 – QTD as previously reported.

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 decreased from Q1 2021 – QTD for owner occupancy by 2.6 percent and increased for non-owner occupancy by 4.9 percent.

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

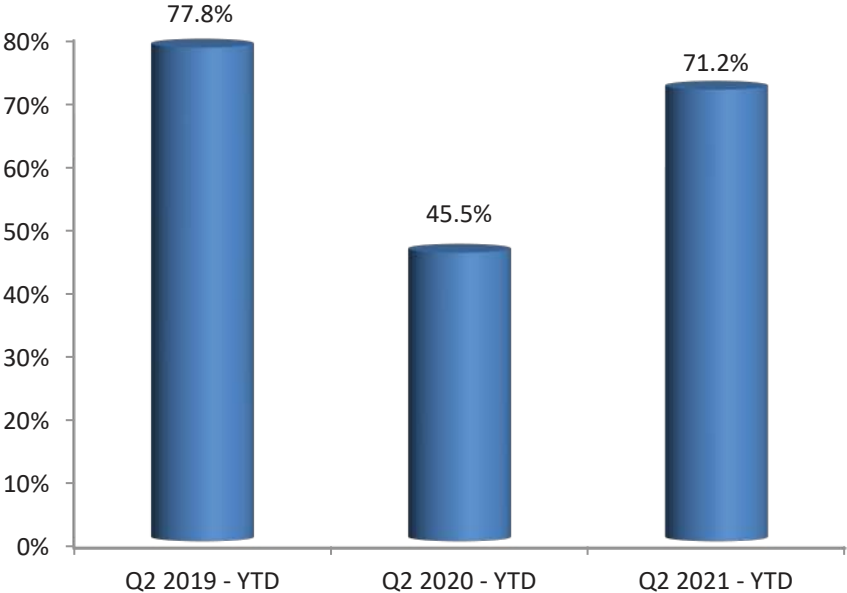


Source: Deloitte & Touche based on a minimum of 11 company survey responses.

3(C). Resort occupancy excluding rooms at resorts that were closed due to COVID-19 increased 25.7 percentage points (or 56.5 percent) as compared to Q2 2020 – YTD and decreased 6.6 percentage points (or 8.5 percent) as compared to Q2 2019 – YTD.

For the 13 companies that provided occupancy data for Q1 2021 – QTD as previously reported and Q2 2021 – QTD herein, representing approximately 14.6 million available room nights in Q2 2021 – YTD, the average occupancy rate, excluding rooms at resorts that were closed due to COVID-19, increased 25.7 percentage points (or 56.5 percent) to 71.2 percent Q2 2021 – YTD, compared to 45.5 percent in Q2 2020 – YTD as previously reported. Further, the average occupancy rate, excluding rooms at resorts that were closed due to COVID-19, decreased 6.6 percentage points (or 8.5 percent) when compared to 77.8 percent in Q2 2019 – YTD⁷ as previously reported.

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



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

⁷ The occupancy data for Q2 2019 – YTD reflects occupancy rates prior to the emergence of COVID-19. For purposes of a fair comparison, we have compared Q2 2019 – YTD regular occupancy rates to that of Q2 2021 – YTD and Q2 2020 – YTD excluding rooms closed due to COVID-19.

4. Average down payment on non-upgrade sales, average down payment on upgrade sales, and average term increased in Q2 2021 while average interest rate remained the same as compared to Q2 2020.

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated to compare to Q2 2020 – QTD and the Six Months Ended 6/30/2019 to observe the industry’s recovery from COVID-19 impacts.⁸ The average interest rate on new consumer loans in Q2 2021 – QTD was 14.2 percent, which is no change from Q2 2020 – QTD and a 0.1 percentage point increase from the Six Months ended 6/30/2019. The Q2 2021 – QTD average loan term was 123.8 months, which is a slight increase of 1.6 months from 122.2 in Q2 2020 – QTD and an increase of 1.8 months from 122.0 in the Six Months Ended 6/30/2019. The average FICO score for financed sales increased from 717 in Q2 2020 – QTD and decreased from 723 in the Six Months Ended 6/30/2019 to 718 in Q2 2021 – QTD.

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 11 respondents that provided non-upgrade down payment data, the average down payment on non-upgrade sales increased to 16.9 percent of the stated sales price on financed sales in Q2 2021 – QTD compared to 16.2 percent in Q2 2020 – QTD and decreased compared to 17.8 percent in the Six Months Ended 6/30/2019. For the 10 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 43.7 percent in Q2 2021 – QTD, an increase of 5.9 percentage points from Q2 2020 – QTD and a decrease of 1.4 percentage points from the Six Months Ended 6/30/2019.

Figure 12. Characteristics of consumer timeshare loan financing

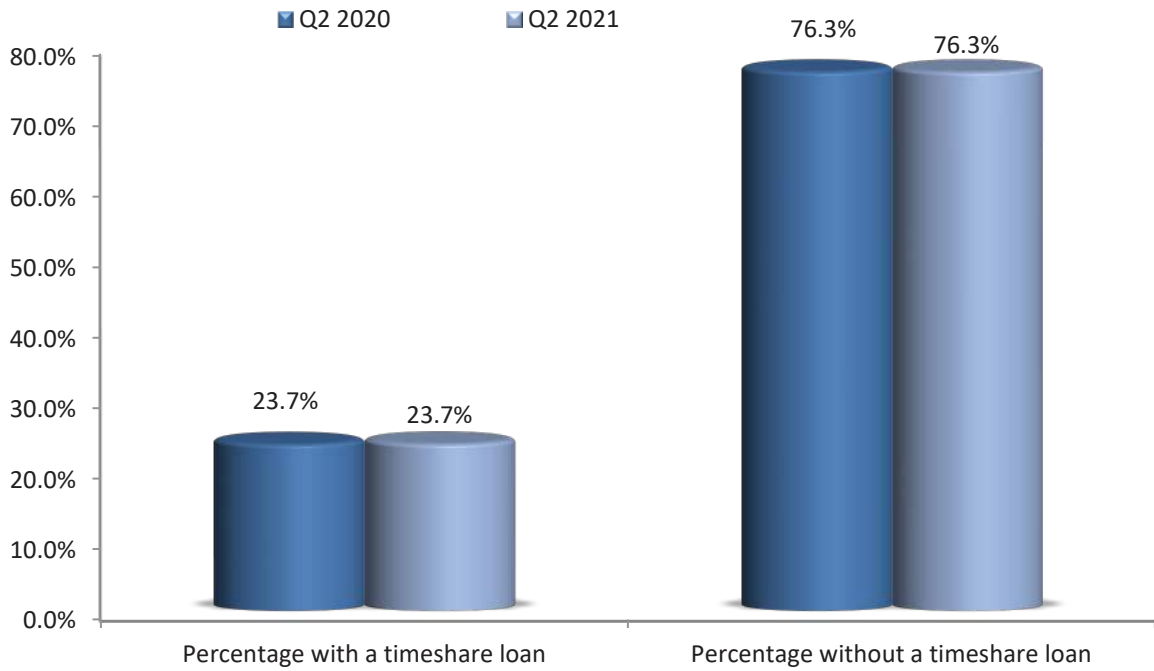
Second Quarter	2020	2021	Difference
Average:			
Interest rate (annual)	14.2%	14.2%	0.0%
Term (months)	122.2	123.8	1.6 months
Down payment on non-upgrade sales (% of price)	16.2%	16.9%	0.7%
Down payment on upgrade sales (% of price)	37.8%	43.7%	5.9%
FICO Score at origination (new sales)	717	718	1

Source: Deloitte & Touche based on a minimum of 10 company survey responses.

⁸ To calculate the average interest rate, down payment, and term, responses were weighted by the dollar value of net originated sales (including telesales).

Respondents were also asked to provide the percentage of owners with a timeshare loan as well as owners without a timeshare loan. As of Q2 2021, 23.7 percent of owners had a timeshare loan while 76.3 percent of owners did not have a timeshare loan. The composition of owners showed no change when compared to Q2 2020 as seen in *Figure 13* below.

Figure 13. Owner loan status

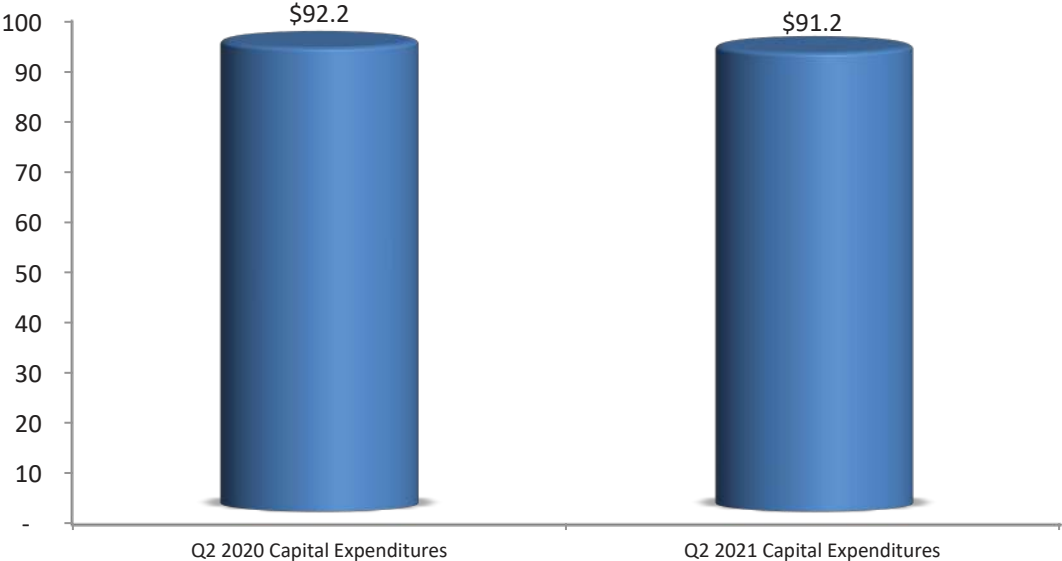


Source: Deloitte & Touche based on 11 company survey responses.

5. Capital expenditures related to timeshare inventory slightly decreased overall in Q2 2021 – QTD when compared to Q2 2020 – QTD.

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 1.1 percent in Q2 2021 – QTD compared to Q2 2020 – QTD. Seven respondents reported a decrease in capital expenditures related to timeshare inventory, three respondents reported an increase, and two respondents reported no change.

Figure 14. Capital Expenditures (Millions)



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

6. Impact of COVID-19

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.

Twelve respondents reported total resort closures due to COVID-19 as of June 30, 2021 ranged from a minimum of no resorts closed to a maximum of 16 resorts as compared to a minimum of no resorts closed and a maximum of 185 resorts as of June 30, 2020. The average number of resorts closed due to COVID-19 is 2 resorts as of June 30, 2021 as compared to 24 resorts as previously reported as of June 30, 2020. The average number of resorts reopened is 30 resorts as of June 30, 2021 as compared to 28 resorts as previously reported as of June 30, 2020.

Eleven respondents reported total sales center closures due to COVID-19 as of June 30, 2021 ranged from a minimum of no sales centers closed to a maximum of 27 sales centers as compared to a minimum of no sales centers closed and a maximum of 123 sales centers as of June 30, 2020. The average number of sales centers closed due to COVID-19 is 3 sales centers as of June 30, 2021 as compared to 21 sales centers as previously reported as of June 30, 2020. The same respondents reported a minimum of no sales centers to a maximum of 115 sales centers of those that closed have since reopened as of June 30, 2021. The average number of sales centers reopened is 23 sales centers as of June 30 as compared to 16 sales centers as previously reported as of June 30, 2020.

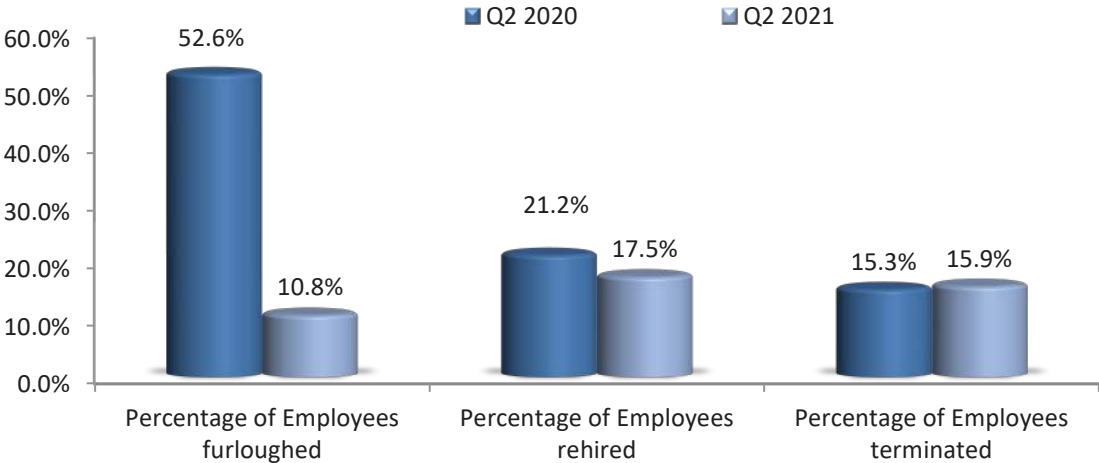
Figure 15. Impact on Resorts and Sales Centers due to COVID-19

Second Quarter	Closed		Reopened		Percentage of Total Closed		Percentage of Total Reopened	
	2020	2021	2020	2021	2020	2021	2020	2021
Resorts								
Minimum	0	0	3	0	0.0%	0.0%	16.0%	0.0%
Maximum	185	16	171	221	100.0%	25.0%	100.0%	100.0%
Simple Average	24	2	28	30	35.9%	4.0%	77.0%	73.2%
Sales Centers								
Minimum	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Maximum	123	27	68	115	100.0%	79.0%	100.0%	100.0%
Simple Average	21	3	16	23	53.6%	9.2%	72.5%	76.7%

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, 10.8 percent of total employees were furloughed as of June 30, 2021 since February 29, 2020 (prior to COVID-19). We defined a furloughed employee as one who was temporarily laid off from work. As of June 30, 2021, 17.5 percent of total employees had been rehired. An average of 15.9 percent of total employees were permanently terminated. See comparison of these metrics to that as of June 30, 2020 as previously reported in *Figure 16* below. The sum of percentage of employees rehired and terminated is greater than the percentage of employees furloughed for Q2 2021 as employees may have been directly terminated without being furloughed.

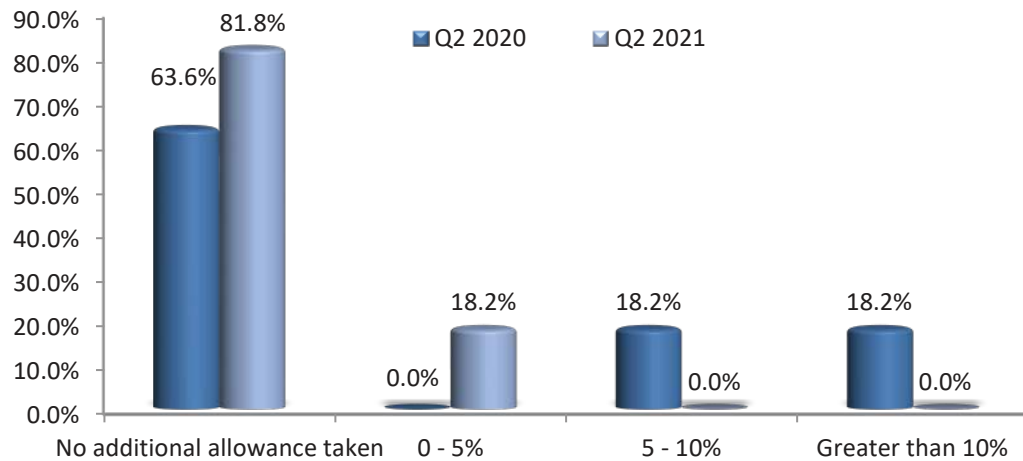
Figure 16. Impact on Employment due to COVID-19



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

Of the 11 companies who responded to the impact of COVID-19 on the Allowance for Loan Losses, 81.8 percent reported no additional allowance was taken as of Q2 2021 as compared to 63.6 percent as of Q2 2020. As of Q2 2021, 18.2 percent reported that the impact was greater than zero and less than 5 percent of the total Allowance balance as compared to 0 percent as reported as of Q2 2020. The simple average of Additional Allowance for Loan Losses recorded due to COVID-19 as a percentage of total Allowance for all respondents was 0.6 percent for Q2 2021 – QTD as compared to 6.4 percent for Q2 2020 – QTD and 1.8 percent for Q1 2021 as previously reported.

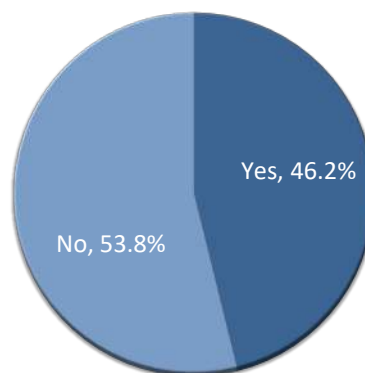
Figure 17. Additional Allowance for Loan Losses recorded due to COVID-19 as a percentage of total Allowance



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

Approximately 46.2 percent of the respondents reported that they offered a mortgage deferment program to owners due to the impacts of COVID-19 as of June 30, 2021. Three 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.

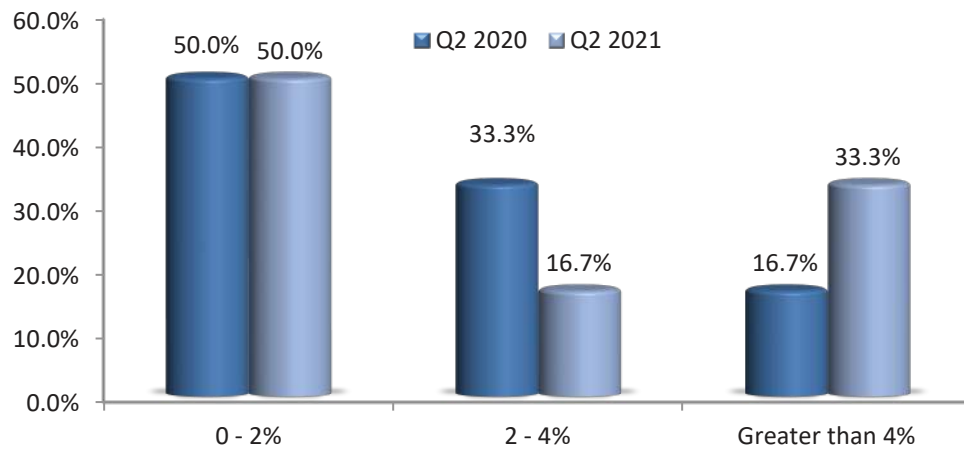
Figure 18a. Mortgage Deferment Offered to Owners due to COVID-19



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

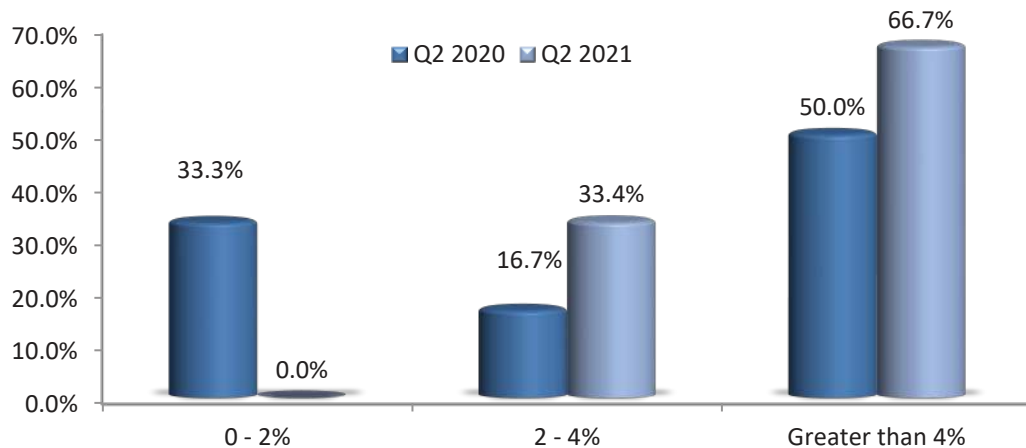
As reported by six companies, only a small percentage of owners took advantage of the mortgage deferral programs as of June 30, 2021. Approximately 50.0 percent of respondents reported that less than two percent of timeshare owners deferred mortgage payments as of June 30, 2021 and as of June 30, 2020. Consequentially, only a small portion of the total portfolio balance was impacted by the mortgage deferral programs as well. Of the six respondents that responded, 33.4 percent said that the deferred mortgage payments comprised of between 2 percent and 4 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 3.7 percent as of June 30, 2021 as compared to 2.6 percent as of June 30, 2020 and 3.4 percent as of March 31, 2021. The simple average dollar value impact of the deferral program as a percentage of total portfolio for all respondents was 5.6 percent as of June 30, 2021 as compared to 3.7 percent as of June 30, 2020

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



Source: Deloitte & Touche based on 6 company survey responses.

Figure 18c. Dollar value impact of the deferral program as a percentage of total portfolio

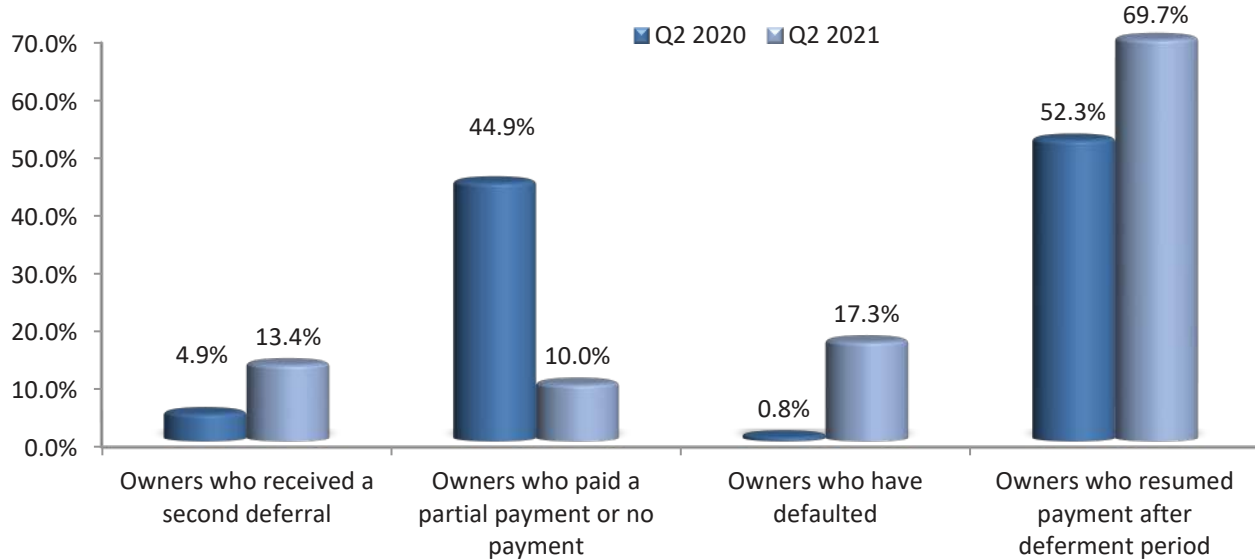


Source: Deloitte & Touche based on 6 company survey responses.

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 18d* below. On average, 13.4 percent of the owners who took advantage of the mortgage deferral program received a second deferral, 10.0 percent paid a partial payment or no payment, 17.3 percent have defaulted, and 69.7 percent have resumed payment after deferment period as of June 30, 2021. This compares to 4.9 percent of the owners who took advantage of the mortgage deferral program received a second deferral, 44.9 percent paid a partial payment or no payment, 0.8 percent have defaulted, and 52.3 percent have resumed payment after deferment period as of June 30, 2020. Note the percentages sum to greater than 100 percent as owners may fall into more than one category.

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



Source: Deloitte & Touche based on 8 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 79.0 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2021 as compared to 89.3 percent as of June 30, 2020. Further, 13.7 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent as of June 30, 2021 as compared to 0.8 percent as of June 30, 2020.

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

	June 30, 2020	June 30, 2021
Current	89.3%	79.0%
31 to 60 days	6.3%	3.0%
61 to 90 days	2.8%	1.9%
91 to 120 days	0.8%	2.4%
More than 120 days	0.8%	13.7%
Total	100.0%	100.0%

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

The following table shows the quarterly survey results in aggregate.

ARDA International Foundation – Three Months Ended June 2021 Pulse Survey

****Three Months June 2021 Results****

	<u>Three Months June 30 2020</u>	<u>Three Months June 30 2021</u>	<u>Increase/ (Decrease)</u>	<u>Increase/ (Decrease) Percent</u>	<u>Survey Responses</u>
General Characteristics					
1. Ownership status (public or private)	Public: 38% Private: 62%	Public: 46% Private: 54%			13
2. Are fee-for-service activities being provided by another developer on your behalf?		Yes: 8% No: 92%			13

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)	\$12,965,071,224	\$12,110,951,847	(\$854,119,377)	-6.6%	13
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)	86.6%	87.7%	1.1%	1.3%	12
Between 31 to 60 days delinquent	2.0%	1.3%	-0.7%	-35.0%	12
Between 61 to 90 days delinquent	1.6%	0.9%	-0.7%	-43.8%	12
Between 91 to 120 days delinquent	1.6%	1.0%	-0.6%	-37.5%	12
More than 120 days delinquent	8.2%	9.1%	0.9%	11.0%	12
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)	7.9%	7.9%	0.0%	0.0%	12
6. Average FICO score at origination (on loans in the portfolio at quarter-end, weighted by outstanding principal balance)	706	715	9	1.3%	12

Inventory

7. Total capital expenditures related to timeshare inventory	\$92,242,318	\$91,222,652	(\$1,019,666)	-1.1%	12
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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)	16.9%	79.0%	62.1%	367.5%	13
Vacant - please do not include any inventory taken offline due to natural disasters (i.e. hurricanes, fires, etc.) or regular maintenance	83.1%	21.0%	-62.1%	-74.7%	13
Total should equal 100%					

8c/8d. 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)	31.3%	81.6%	50.3%	160.7%	12
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Vacant - please do not include any inventory taken offline due to natural disasters (i.e. hurricanes, fires, etc.) or regular maintenance	68.7%	18.4%	-50.3%	-73.2%	12
8e/8f. Market Segment occupancy as of March 31, 2021 (Excluding rooms at resorts that were closed due to COVID-19)					
Owner Occupancy	74.2%	63.7%	-10.5%	-14.2%	12
Non-Owner Occupancy	25.8%	36.3%	10.5%	40.7%	12
9. Total available room nights during period (This will be used to calculate the weighted average occupancy rate for the response set.)					
a/c. <u>including</u> rooms at resorts that were closed due to COVID-19	9,336,308	9,929,632	593,324	6.5%	13
b/d. <u>excluding</u> rooms at resorts that were closed due to COVID-19	4,097,912	7,332,944	3,235,032	78.9%	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)	\$155,468,104	\$1,442,313,914	\$1,286,845,810	827.7%	13
11. Net originated sales (net of sales incentives and rescissions) that were new owner sales (in dollars):	\$49,371,882	\$559,324,896	\$509,953,014	1032.9%	12
12. Net originated sales (net of sales incentives and rescissions) that were existing owner sales (in dollars):	\$95,400,903	\$757,211,785	\$661,810,882	693.7%	12
13. Rescissions %	15.7%	12.4%	-3.3%	-21.0%	13
13. Rescissions \$	\$38,236,296	\$230,358,998	\$192,122,703	502.5%	13
14a. Rescissions that were new owner sales %	13.5%	19.7%	6.2%	46.0%	12
14a. Rescissions that were new owner sales \$	\$18,694,720	\$121,683,123	\$102,988,403	550.9%	12
14b. Rescissions that were existing owner sales %	12.9%	12.5%	-0.4%	-3.1%	12
14b. Rescissions that were existing owner sales \$	\$14,814,210	\$86,857,964	\$72,043,754	486.3%	12
15. Owner growth rate over prior year	0.4%	0.3%	-0.1%	-30.5%	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.	38,143	371,066	332,923	872.8%	12
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.)	8,483	69,508	61,025	719.4%	12
Weighted average close rate (excludes sales that are canceled through rescission, calculated based on formula)	31.6%	18.7%	-12.9%	-40.8%	12
18. Net originated sales (gross sales less incentives and rescissions) excluding telesales	\$108,571,120	\$1,467,175,667	\$1,358,604,547	1251.3%	12
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)	\$4,534	\$4,454	(\$81)	-1.8%	12
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)	\$14,201	\$25,038	\$10,837	76.3%	12
19. Total net originated sales (gross sales less incentives and rescissions) for non-owned timeshare inventory sold under fee-for-service agreements	\$14,421,119	\$195,218,058	\$180,796,940	1253.7%	4

20. Total net originated sales (gross sales less incentives and rescissions) for owned timeshare inventory sold by others under fee-for-service agreements	\$101,163	\$1,424,089	\$1,322,926	1307.7%	1
Total net originated sales (excluding rescissions, including fee-for-service, excluding fee-for-service sold by others)	\$169,788,060	\$1,636,107,884	\$1,466,319,824	863.6%	13
21. Total Rental Revenue	\$51,216,317	\$408,345,477	\$357,129,160	697.3%	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. Weighted average interest rate.	14.2%	14.2%	0.0%	0.0%	12
22. Weighted average term (in months).	122.2	123.8	1.6	1.3%	12
Average down payment.					
24. Average down payment on non-upgrade sales	16.2%	16.9%	0.7%	4.3%	11
25. Average down payment on upgrade sales	37.8%	43.7%	5.9%	15.6%	10
26. Weighted -average FICO score (on new loans, weighted by original principal balance, exclude buyers without FICO scores)	717	718	1	0.1%	12
27a. Originations as a percentage of gross sales. The gross sales amount inclusive of upgrade contract selling prices.	53.3%	61.4%	8.1%	15.2%	9
27b. Originations as a percentage of net sales. The net sales should equal gross sales less upgrade contract selling prices.	73.9%	70.4%	-3.5%	-4.7%	10
28a. Percentage of owners with a timeshare loan.	23.7%	23.7%	0.0%	0.0%	11
28b. Percentage of owners without a timeshare loan.	76.3%	76.3%	0.0%	0.0%	11

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 June 30, 2021.

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 June 30, 2021. We are defining a furloughed employee as a one who is temporarily laid off from work.

29a. Impact on Resorts due to COVID-19					
Number of Resorts closed	24	2	-22	-92.2%	12
Number of Resorts reopened	28	30	2	6.5%	12
29b. Impact on Resorts due to COVID-19 as a percentage of total resorts as of February 29, 2020 (pre-COVID-19)					
Percentage of Resorts closed	35.9%	4.0%	-31.8%	-88.8%	12
Percentage of Resorts reopened	77.0%	73.2%	-3.7%	-4.9%	12
30a. Impact on Sales Centers due to COVID-19					
Number of Sales Centers closed	21	3	(18)	-83.5%	11
Number of Sales Centers reopened	16	23	7	41.6%	11
30b. Impact on Sales Centers due to COVID-19 as a percentage of total sales centers as of February 29, 2020 (pre-COVID-19)					
Percentage of Sales Centers closed	53.6%	9.2%	-44.4%	-82.8%	11

Percentage of Sales Centers reopened	72.5%	76.7%	4.2%	5.8%	11
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31. 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	52.6%	10.8%	-41.8%	-79.4%	11
Number of Employees rehired	21.2%	17.5%	-3.7%	-17.2%	11
Number of Employees terminated	15.3%	15.9%	0.6%	4.2%	11

32. Additional Allowance for Loan Losses recorded due to COVID-19 as a percentage of total Allowance recorded for the three months ended June 30, 2021

	6.4%	0.6%	-5.8%	-90.6%	11
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33. Was a mortgage deferment program offered to owners due to COVID-19?

	Yes: 46%				13
	No: 54%				

Average number of owners who took advantage of the program as a percentage of total owners.

	2.6%	3.7%	1.1%	42.3%	6
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The average dollar value impact of the deferment program as a percentage of total portfolio.

	3.7%	5.6%	1.9%	51.4%	6
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34. Please report the following data as a percentage of total owners who took advantage of a mortgage deferment program as of June 30, 2021:

Percentage of owners who received a second deferral	4.9%	13.4%	8.5%	173.5%	8
Percentage of owners who paid a partial payment	44.9%	10.0%	-34.9%	-77.7%	8
Percentage of owners who have defaulted	0.8%	17.3%	16.5%	2062.5%	8
Percentage of owners who resumed payment after deferment period	52.3%	69.7%	17.4%	33.3%	8

35. At period end June 30, 2021, 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)	89.3%	79.0%	-10.3%	-11.5%	9
Between 31 to 60 days delinquent	6.3%	3.0%	-3.3%	-52.4%	9
Between 61 to 90 days delinquent	2.8%	1.9%	-0.9%	-32.1%	9
Between 91 to 120 days delinquent	0.8%	2.4%	1.6%	200.0%	9
More than 120 days delinquent	0.8%	13.7%	12.9%	1612.5%	9
Total should equal 100%	100.0%	100.0%			

Method

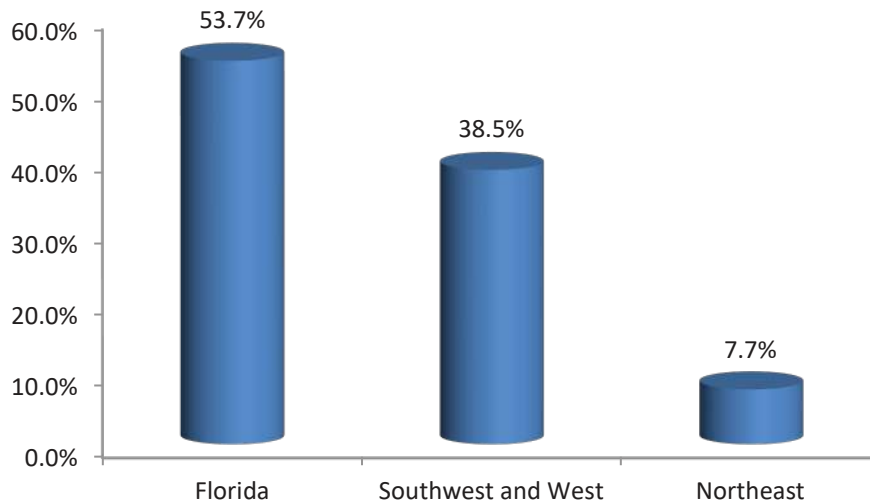
The 2021 Second Quarter Pulse Survey was conducted by Deloitte & Touche on the behalf of ARDA International Foundation. The purpose of the research was to compile current data and to provide a current perspective on the timeshare industry's financial performance.

Deloitte & Touche developed the survey instrument in connection with input from ARDA International Foundation and industry participants. Deloitte & Touche distributed the survey directly to 265 timeshare and vacation ownership companies on July 12, 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 August 9, 2021. By August 9, 2021, 13 companies, or 4.9 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 13 responses were collected, most questions were not answered by all 13 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 13 respondents that provided sales information reported aggregate Q2 2021 – QTD net originated sales, including telesales and excluding fee-for-service arrangements, of \$1,442.3 million. Six of the 13 companies are publicly traded companies, and four of the 13 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.⁹ No respondents were based in the Southeast (except for Florida), Midwest or Canada.

Figure 19. Distribution of companies by headquarters location, 2021



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

⁹ 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).

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 three months ended March 31, 2021. The current Pulse Survey functions similarly as a timely source of information on several key statistics, with a focus on the three months ended June 30, 2021. 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 Q2 2020 – QTD and Q2 2021 – QTD 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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