

State of the Vacation Timeshare Industry

2021

UNITED STATES STUDY



2021 EDITION
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EXECUTIVE SUMMARY	5
I. INDUSTRY OVERVIEW	8
Size	8
Resorts	9
Units	10
Intervals	12
Industry Response to the COVID-19 Pandemic	14
II. INDUSTRY HEALTH	15
Overall	15
III. INDUSTRY SEGMENTS	21
Resort Size	22
Sales Activity	22
Resort Type	23
Geographic Region	24
Year Resort Opened	25
IV. INDUSTRY OUTLOOK	26
APPENDICES	30
Appendix A	
Historical Sales Data	30
Resorts by State	30
Percentage of Units by State	30
Appendix B - Timeshare Resort Tracking	31
Appendix C - Methodology	32
Appendix D - Survey	34
Appendix E - A Brief History of the U.S. Timeshare Industry	48
GLOSSARY OF TERMS	52



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The State of the Vacation Timeshare Industry: United States Study 2021 edition provides an overview of important summary information on the U.S. timeshare industry for the year 2020.

The ARDA International Foundation (AIF) commissioned this survey and Ernst & Young LLP (EY) conducted the survey on its behalf. EY also reviewed current and previous AIF research to conduct this analysis. The study focuses on timeshare resorts that sell and maintain interval and points-based vacation lodging products. It excludes fractional resorts and private residence or destination clubs. Of the 1,570 identified timeshare resorts, 823 responded — a 52% response rate. Of these 823 responding resorts, 742 belong to a family of ten or more resorts, while 81 belong to a family of less than ten resorts. Of these 81, 58 were single-site resorts. For a full discussion of the methodology used, please see Appendix C of the report.

As noted above, the 2020 U.S. timeshare industry consisted of 1,570 timeshare resorts with approximately 205,490 timeshare units — an average of 131 units per resort. Resorts sell each of these timeshare units to consumers in parts or ownership pieces corresponding to varying amounts of time. Typically, these parts are either weekly intervals (seven nights worth of vacation time) or points. Points represent a reservation currency for the use of units in nightly or weekly increments — respondents converted their points into weekly interval equivalents for this study where needed.

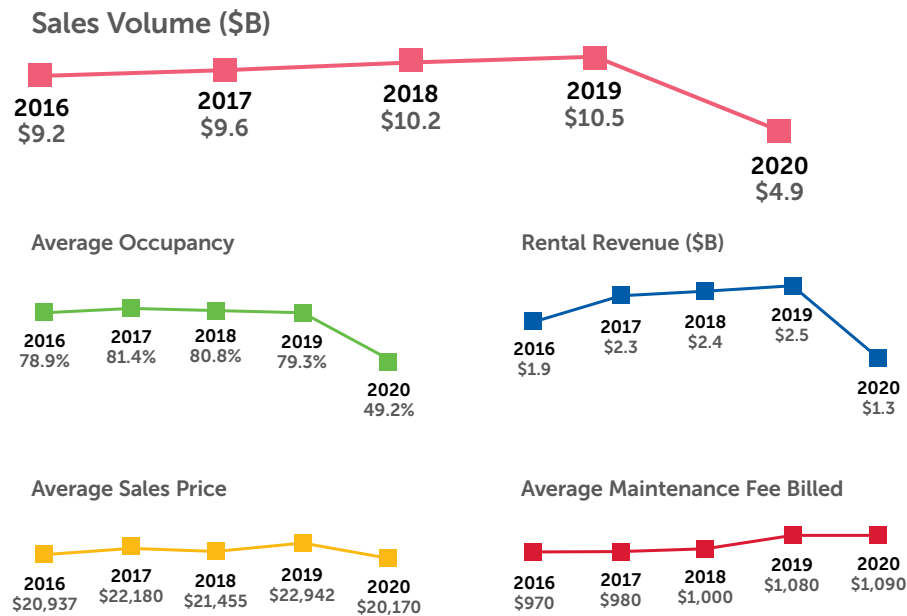
On March 11, 2020, the World Health Organization made the assessment that the coronavirus associated with COVID-19 outbreak was a global pandemic. From that time, the travel and leisure industry, including the timeshare component, worked to fashion a response that helped promote the safety of its consumers while maintaining continuity of service. The impact of COVID-19 was widespread in US society, and the timeshare industry was no different, as nearly 92% of responding resorts experienced some form of temporary closures at some point in 2020 due to the effects of the COVID-19 pandemic. Those effects include, but are not limited to, state and local emergency order and mandates as well as voluntary decisions to close resorts based on a variety of factors.

The results of this study illustrate some of the ways resort developers and management companies adjusted to the unique circumstances created by the pandemic. Not surprisingly, the pandemic impacted key industry performance measures, as seen in Figure ES.1. For the first time in more than a decade, total sales volume¹ decreased in 2020 — by nearly 53% from \$10.5 billion in 2019 to \$4.9 billion in 2020. It's worth noting that more than a third of resorts reported using online sales channels in 2020 — up from 20% in 2019. This increase is likely in large part attributable to the effects of the COVID-19 pandemic, as in-person opportunities became more challenging.

¹ All sales discussed in the report are first generation or developer sales, unless otherwise noted.

FIGURE ES.1

KEY TIMESHARE INDUSTRY TRENDS 2016 TO 2020



Average occupancy also decreased from 79.3% to 49.2% — by comparison, total room inventory (TRI)² hotel occupancy was 41.7% in 2020, according to Smith Travel Research. Because of the special circumstances this year, we also asked respondents to provide their average occupancy excluding rooms taken offline due to COVID-19. The average occupancy based on this calculation was higher for timeshare resorts — 67.7% on average. By comparison, hotel occupancy was 44.0%³ in 2020 — according to Smith Travel Research.

Rented units is a significant component of occupancy, and the number of nights rented in 2020 fell from over 13 million to around 7 million. As a result, rental revenues also decreased from \$2.5 billion in 2019 to \$1.3 billion in 2020.

Average sales price and maintenance fee billed did not see significant impacts from the pandemic. While the average sales price decreased from \$22,942 to \$20,170 per weekly interval, this metric tends to fluctuate year over year based on the mix of sales by unit configuration and brand. The average maintenance fee billed increased slightly from \$1,080 to \$1,090 per weekly interval. As noted, above, many resorts reported temporarily closing in 2020. To help ease some of the concerns of its owners and guests after re-opening, resorts adopted several measures to increase the safety and health of employees and guests alike. They were also aimed at slowing or stopping the spread of COVID-19 altogether at resort properties. Figure ES.2 summarizes some of the key steps taken in this respect. Nearly all resorts instituted common safety measures such as social distancing signage, extra cleaning and mandatory mask wearing. Most resorts instituted testing programs for their staff and remote or touchless check-ins. Nearly a third reported the use of a mass disinfection method such as fogging or UV light treatments.

² STR-TRI Monthly Hotel Review: December 2020, Smith Travel Research. Note this occupancy is based on Smith Travel's Total Room Inventory (TRI) calculation which includes rooms taken offline due to COVID-19

³ STR Monthly Hotel Review: December 2020, Smith Travel Research.

2020 was an anomaly for the global economy and for the timeshare industry. The impacts of travel restrictions, temporary business closures and the human toll of the COVID-19 pandemic played a distinct role in the industry's performance. This was reflected in reductions in sales volume, rental revenue and resort occupancy. While the economic recovery that began in late 2020 is still underway, the effects of the pandemic are still being felt in 2021 and are likely to continue to affect near-term performance.

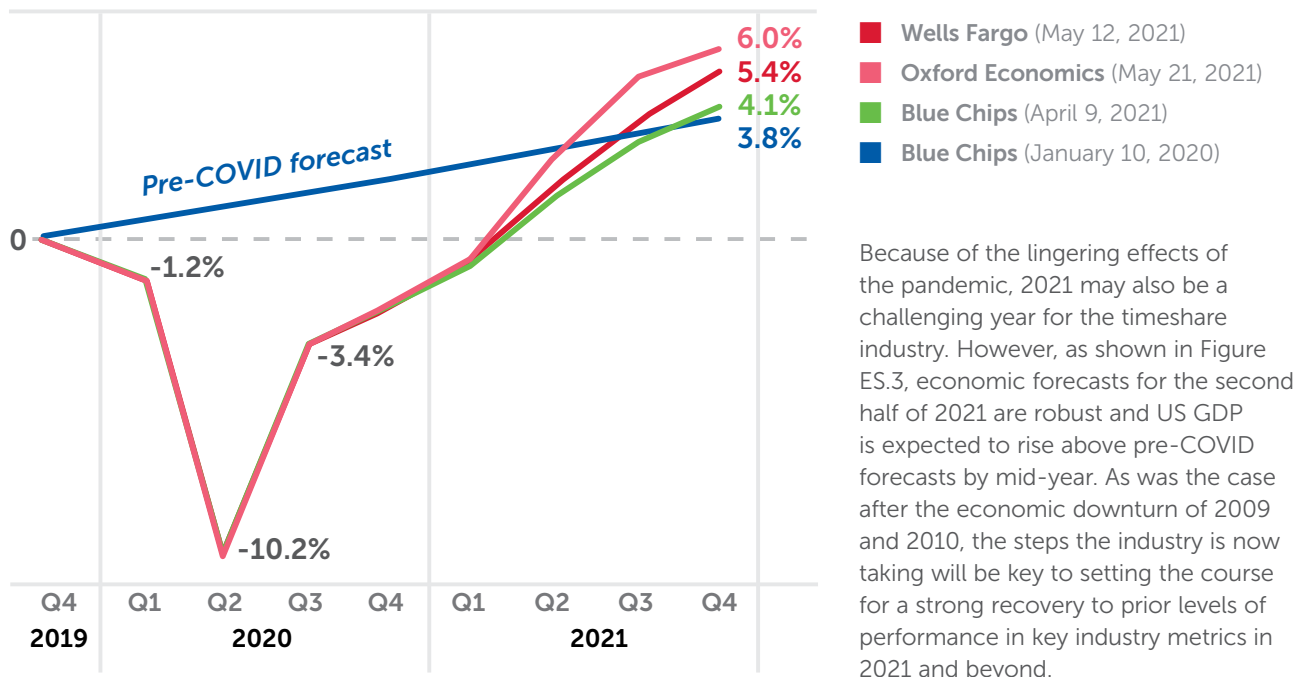
FIGURE ES.2

SANITIZATION MEASURES UNDERTAKEN BY RESORTS

Sanitization measure	Percent of resorts responding
Social distancing signage	98%
Increased frequency of disinfection/sanitization	97%
Enhanced staff training	95%
Cleaning stations (hand-sanitizer, wipes, etc.) throughout resort	94%
Mandatory mask wearing	93%
Extra COVID-specific cleaning in units	89%
Temperature checks	64%
Remote or touchless check-in	60%
Staff COVID-19 testing programs	58%
Provide additional in-room cleaning supplies	52%
Increase time period between guest check-ins	44%
Use of mass disinfection method such as fogging treatment or UV light treatment	31%
Use of high-tech cleaning devices such as robots	3%
Other	13%

FIGURE ES.3

US GDP GROWTH FORECASTS FOR 2021⁴



⁴ US Economic conditions and outlook May 21, 2021. EY Quantitative Economics and Statistics

This chapter presents an overview of the timeshare industry for 2020, examining industry size and structure. It includes information on

- the number and size of resorts,
- unit types/sizes,
- interval ownership structures, and
- industry response to the COVID-19 pandemic.

The AIF's timeshare database lists 1,570⁵ timeshare resorts in the United States⁶. As seen in Figure 1.1, these 1,570 resorts represent approximately 205,490 physical timeshare units — 131 units per resort on average. Counting lock-offs⁷ as separate units adds approximately 36,860 units, for a total of 242,350.

Size

Resorts sell each of these timeshare units to consumers in parts or ownership pieces corresponding to varying amounts of time. Typically, these parts are weekly intervals (seven nights worth of vacation time), biennials⁸ and/or points-based. Points represent a currency for the use of units in nightly or weekly increments — respondents converted their points into weekly interval equivalents for this study where needed.

FIGURE 1.1

INDUSTRY SIZE

Measure	2020
Resorts	1,570
Units	205,490
Average resort size	131
Total units including lock-offs	242,350

In addition to the timeshare resorts and units noted in Figure 1.1, timeshare owners have access to inventory that is not traditionally considered as timeshare inventory. For example, the two major exchange companies (Interval International and RCI) make non-timeshare accommodations available to their members. They also provide members the opportunity to trade their resort accommodations or home unit for options such as cruise, golf and spa vacations, as well as a variety of leisure experiences such as sporting events, shopping excursions, etc. In addition, some developers with affiliated hotel brands often make traditional hotel inventory available to owners who participate in their internal exchange programs.

⁵ ARDA International Foundation. Please see Appendix B for more information about the methodology for identifying timeshare resorts.

⁶ The United States is defined as the continental U.S. plus Alaska and Hawaii in this study.

⁷ The term "lock-off" refers to a type of vacation ownership unit consisting of multiple living and sleeping quarters, designed so they can function as two discrete units for purposes of occupancy and exchange.

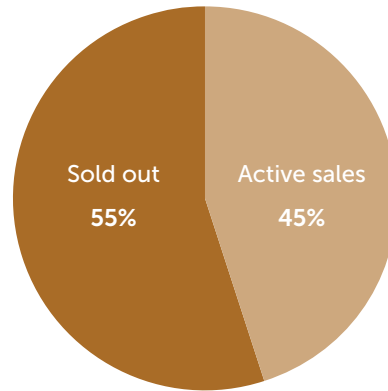
⁸ Biennials are vacation ownership products that provide a week's worth (or points equivalent) of timeshare interest every other year.

Resorts

Figure 1.2 shows a distribution of resorts by development stage, illustrating the two key industry components. The sold-out component consists mainly of resorts that either operate independently or are associated with a management company. In general, they are not engaged in significant sales activity, and rely mainly on revenues derived from maintenance fees, ancillary services, and rentals for operations. The active-sales component includes new resorts and resorts operating under the management of a company that continues to develop and sell timeshare inventory (“developers”).

We classified any resort that had sales activity and/or was part of a family of resorts with timeshare sales as an “active-sales” resort. Any resorts that reported no sales activity are classified as sold-out. Note that multi-site respondents report their sales data in aggregate rather than at the resort level — this means that all resorts in a family of resorts are classified as either in active-sales or sold-out. Please see Appendix C for a more detailed explanation of methodology.

FIGURE 1.2
RESORTS BY DEVELOPMENT STAGE



Based on assessment of resort sales status by AIF — see methodology section for details

Figure 1.3 shows the distribution of timeshare resorts by the year that each opened. Approximately 6% of responding resorts opened in 2016 or later; another 29% opened in 1985 or before. Nearly two-thirds of responding resorts opened between 1986 and 2015.

FIGURE 1.3
YEAR RESORTS OPENED

	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
1985 or before	29%	8%	76%
1986-1995	16%	16%	14%
1996-2005	29%	39%	7%
2006-2015	20%	28%	3%
2016+	6%	9%	0%

Percent of 345 responding resorts — percentages may not add due to rounding

Figure 1.3 also compares the results for active-sales versus sold-out resorts, illustrating that sold-out resorts tend to be older than active-sales resorts. More than 76% of sold-out resorts opened in 1985 or before, compared to only 8% of resorts that are still in active-sales. Less than 3% of sold-out resorts opened in 2006 or later, compared to 37% of resorts that are in active-sales.

We also asked respondents if any types of units other than timeshare are available for sale or rent at their resort. As shown in Figure 1.4, some resorts do report offering other types of units, including fractionals, hotels or whole ownership. In total, 22% of resorts are mixed-use resorts — they reported offering at least one of these choices.

FIGURE 1.4
MIXED-USE PROPERTIES

	Percent of resorts offering
Hotels	15%
Whole ownership	14%
Fractional	11%
Other	1%

Percent of 823 responding resorts — multiple responses allowed

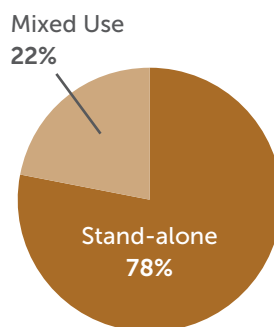


FIGURE 1.5
ENTITY WHICH EMPLOYS RESORT STAFF

Entity	Percent
Management company	70%
Resort HOA(s)	23%
Resort developer	6%
Other	5%

Percent of 563 responding resorts — multiple responses allowed

Finally, Figure 1.5 shows which entity employs the resort's staff. Most resorts report that a separate management company handles this responsibility.

Units

Next, we move from a discussion of resort-level data to results concerning individual units within resorts. Figure 1.6 shows the mix of units by the number of bedrooms. The two-bedroom unit is the most common configuration, with 59% of units, followed by one-bedroom units with 25%. Nine percent of units have three or more bedrooms; another 8% are studios.

FIGURE 1.6
MIX OF UNITS BY NUMBER OF BEDROOMS

Unit type	Count	Percent
Studio	15,880	8%
1 bedroom	50,990	25%
2 bedrooms	121,020	59%
3 bedrooms or more	17,600	9%
Total	205,490	100%

Percent of 780 responding resorts — percentages may not add due to rounding

In addition to varying types of the units, resorts also offer many amenities to make the vacation experience more attractive to owners. Figures 1.7 and 1.8 list the most common amenities offered at resorts and within timeshare units, respectively. They include the percent of resorts that:

- Offer the given amenity complimentary to resort guests — for example, 33% of resorts report offering complimentary movie rentals
- Offer the given amenity to resort guests for a fee - for example, 28% of resorts report offering movie rentals for a fee
- Offer the given amenity either complimentary to resort guests or for a fee — so in total, 45% of resorts offer movie rentals either as a complimentary offering and/or for an additional fee. In this case, some resorts may offer some free movie rentals and some other movie rentals, such as premium offerings, for an additional fee

At resorts, the most common amenities offered include swimming pools, whirlpools/hot tubs, resort Wi-Fi and exercise facilities. Within units, the most commonly offered features are Wi-Fi, DVD/Blue-ray players, and flat screen TV's. Other common amenities noted included laundry rooms (in resort as opposed to in unit), nature trails, fishing and BBQ/picnic areas.

FIGURE 1.7**RESORT AMENITIES OFFERED — AT RESORT**

Type	Complimentary	Fee	Complimentary and/or fee
Swimming pool	88%	2%	88%
Whirlpool/Hot tub	81%	1%	81%
Resort Wi-Fi	77%	1%	77%
Exercise room	64%	9%	68%
Concierge	56%	1%	50%
Front desk service	46%	1%	47%
Business room	44%	2%	45%
Movie rental	33%	28%	45%
Game room	36%	7%	39%
Guest computer	34%	6%	36%
Covered parking	30%	9%	33%
Playground	30%	1%	31%
Food/beverage	5%	59%	30%
Sports courts			
Tennis courts	24%	3%	26%
Basketball courts	19%	0%	19%
Racquet courts	11%	0%	11%
Other courts	21%	1%	21%
Sauna	20%	2%	21%
Live entertainment	14%	3%	15%
Miniature golf	10%	7%	12%
Health spa	2%	21%	11%
Ice skating	1%	1%	1%
Other	5%	4%	7%

Percent of 691 responding resorts — multiple responses allowed

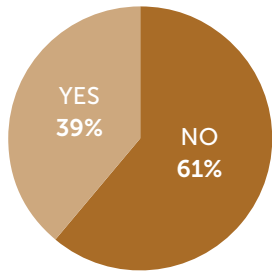
FIGURE 1.8**RESORT AMENITIES OFFERED — IN UNITS**

Type	Complimentary	Fee	Complimentary and/or fee
Wi-Fi	85%	3%	85%
DVD/Blue-ray player	84%	2%	84%
Flat screen TVs	82%	0%	82%
Laundry	69%	24%	73%
In-room movies	17%	70%	29%
Fireplace	26%	3%	26%
DVR	22%	0%	22%
Wired internet	19%	0%	19%
(In unit) Streaming	12%	9%	13%
Video games	9%	0%	9%
Other	8%	0%	8%

Percent of 666 responding resorts — multiple responses allowed

Some amenities have become more popular over the past several years. For example, in 2017, resort Wi-Fi was only reported at 50% of resorts but is now up to 77%. Within units, the presence of flat-screen TV’s has increased from 62% of resorts in 2017 to 82% last year. Also, the percent of resorts offering DVR’s has nearly tripled, from 9% in 2017 to 22% in 2020; similarly, the percent offering in-room movies has more than doubled from the 14% of resorts who reported offering this amenity in 2017. Access to streaming services are now offered by 13% of resorts in units, compared to just 5% of resorts in 2017.

FIGURE 1.9
RESORTS OFFERING A MOBILE APP



Percent of 823 resorts – numbers may not add due to rounding

Feature	Percent
Making reservations	70%
Mobile payment-maintenance fees	45%
Mobile payment-rental fees	44%
Virtual sales presentations	41%
Virtual tour of resort	39%
Check in	29%
Owner community building experience	18%
Access to units	11%
Mobile payment-other	8%
Other	<1%

Percent of 304 respondents – multiple responses allowed

As shown in Figure 1.9, 39% of resorts reported offering a mobile app to resort owners. The most common features were making reservations, facilitating mobile payments and accessing a virtual sales presentation.

Intervals

Finally, we conclude with a discussion of intervals — interval owners, types and legal structures in place.

Figure 1.10 displays the percent of intervals owned by different types of owners. Not surprisingly, most intervals are owned by timeshare consumers, referred to as resort owners in the industry. Approximately 17% are still owned by a resort developer and approximately 2% of intervals are owned by an HOA.

FIGURE 1.10
INTERVALS OR INTERVAL EQUIVALENTS OWNED BY TYPE OF OWNER

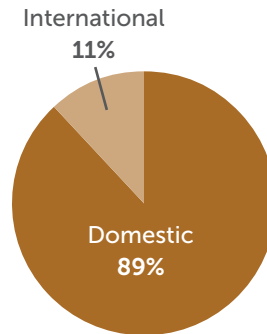
	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Intervals owned by owners	82%	81%	87%
Intervals owned by developers	17%	18%	2%
Intervals owned by HOA	2%	1%	11%

Percent of 476 respondents - percentages may not add due to rounding

Again, we compare the results for resorts in active-sales to those for sold-out resorts and see that intervals or interval equivalents are more likely to be owned by the developer at active-sales resorts.

We also asked respondents to report the percentage of their owners who reside in the United States and the percentage who reside in some other country. Figure 1.11 shows that respondents reported that 89% of their owners reside in the United States, compared to 11% of owners who reside in some other country.

FIGURE 1.11
COUNTRY OF RESIDENCE
FOR TIMESHARE OWNERS



Percent of 192 respondents

Figure 1.12 shows the prevalence of interval types by resort. Approximately 75% of respondents have intervals of the traditional weekly variety, while 71% have some form of points-based products and 47% of respondents have biennials. Active-sales resorts are more likely to have points-based products than sold-out resorts — in fact, points-based products are more common in those resorts than weeks-based products. The percentage of resorts with biennials is also higher among active-sales resorts - most of these resorts have biennials. Sold-out resorts are more likely to have weeks products and less likely to have points or biennials.

FIGURE 1.12
TYPES OF INTERVALS

Interval type	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Weeks	75%	67%	99%
Points	71%	88%	19%
Biennials	47%	58%	14%

Percent of 698 respondents - multiple responses allowed

Finally, respondents reported information about the legal structures for products at their resorts. Figure 1.13 shows that deeded or fee-simple real estate is the dominant structure in place for timeshare ownership. As the timeshare industry continues to mature, traditional weeks may be effectively converted into points-based vacation products. This may be accomplished by dedicating weeks to established points-based trusts or by simply “overlaying” a points usage option on top of weekly ownership. This process may result in a gradual shift from week-based inventory to points-based inventory within the same static pool of inventory over time.

FIGURE 1.13
LEGAL STRUCTURES OF PRODUCTS SOLD

	Percent of resorts responding
Deeded or fee-simple real estate	85%
Interest in a trust	39%
Right to use contractual interest that expires at some future date	14%
Other	<1%

Percent of 459 respondents - multiple responses allowed

Industry Response to the COVID-19 Pandemic

On March 11, 2020, the World Health Organization made the assessment that the coronavirus associated with COVID-19 outbreak was a global pandemic. From that time, the travel and leisure industry, including the timeshare component, worked to fashion a response that helped promote the safety of its consumers while maintaining continuity of service. In this year's questionnaire, we asked a few questions to help understand the nature of that response in the timeshare industry — this section includes results from those survey questions.

The impact of COVID-19 was widespread in US society, and the timeshare industry was no different. As shown in Figure 1.14, 92% of responding resorts temporarily closed at some point in 2020 due to the COVID-19 pandemic. It is also worth noting that two resorts reported permanently closing due to the pandemic.

To help ease some of the concerns of its owners and guests, the industry adopted several measures to increase the safety and health of employees and guests alike. They were also aimed at slowing or stopping the spread of COVID-19 altogether at resort properties. Figure 1.15 summarizes some of the key steps taken in this respect. Nearly all resorts instituted common safety measures such as social distancing signage, extra cleaning and mandatory mask wearing. Most resorts instituted testing programs for their staff and remote or touchless check-ins. Nearly a third reported the use of a mass disinfection method such as fogging or UV light treatments.

The impact of the pandemic on the industry was significant, and these results illustrate just some of the ways resort developers and management companies had to adjust. In the next chapter, we will see the severe impact the pandemic had on key industry performance measures.

FIGURE 1.14
RESORTS THAT TEMPORARILY
CLOSED ON 2020

Reason	Percent of resorts responding
COVID-19 pandemic	92%
Natural disaster	1%
Other	0%
No, did not temporarily close	8%

Percent of 533 respondents - multiple responses allowed

FIGURE 1.15
SANITIZATION MEASURES
UNDERTAKEN BY RESORTS

Sanitization measure	Percent of resorts responding
Social distancing signage	98%
Increased frequency of disinfection/sanitization	97%
Enhanced staff training	95%
Cleaning stations (hand-sanitizer, wipes, etc.) throughout resort	94%
Mandatory mask wearing	93%
Extra COVID-specific cleaning in units	89%
Temperature checks	64%
Remote or touchless check-in	60%
Staff COVID-19 testing programs	58%
Provide additional in-room cleaning supplies	52%
Increase time period between guest check-ins	44%
Use of mass disinfection method such as fogging treatment or UV light treatment	31%
Use of high-tech cleaning devices such as robots	3%
Other	13%

Percent of 431 respondents — multiple responses allowed

CHAPTER TWO

While chapter one provides an overview of industry size, understanding the health of the industry involves reviewing additional key indicators such as sales prices, occupancy rates and maintenance fees.

This chapter addresses these metrics, presenting a recent picture of important markers of industry performance. Throughout the chapter, we compare the performance metrics of active-sales resorts to sold-out resorts.

Overall

Figure 2.1 summarizes the timeshare industry's key 2020 performance metrics. Resorts sold approximately 244,800 weekly intervals or interval equivalents at an average price of \$20,170 per weekly interval or interval equivalent, yielding a total sales volume of approximately \$4.9 billion. Due to the COVID-19 pandemic, total sales volume decreased by nearly 53% from the previous year.

FIGURE 2.1

KEY PERFORMANCE METRICS 2020

Metric	2020
Sales volume	\$4.9 billion
Number of timeshare intervals or interval equivalents sold	244,800
Sales price per interval or interval equivalent	\$20,170
Number of timeshare transactions	263,240
Sales price per transaction	\$18,760
Rental revenue	\$1.3 billion
Occupancy	49.2%
Occupancy — excluding rooms taken offline due to COVID-19	67.7%
Average maintenance fee per interval or interval equivalent	\$1,090

Respondents also reported their timeshare sales transactions, and we used this to calculate the average sales price per transaction⁹. Note that for a given transaction, a consumer may purchase more or less time than a traditional timeshare week. There were approximately 263,240 U.S. timeshare transactions in 2020, and the average sales price per transaction was \$18,760. Dividing the 244,800 weekly interval equivalents sold by the 263,240 timeshare transactions yields a ratio of 0.93. Multiplying this ratio by seven indicates that the average timeshare transaction was between six- and seven-night worth of time.

Figure 2.1 also shows that resort occupancy was more than 49%. Average occupancy decreased by 30 percentage points in 2020 from 2019 — again due to impacts of the COVID-19 pandemic. As noted in the prior chapter, most resorts closed temporarily in 2020, and even when resorts were open, travel was significantly restricted. For this reason, this year we asked respondents to also calculate their occupancy rates excluding rooms that were taken offline due to COVID-19. Average occupancy based on this calculation was 67.7% — more than 18 points higher than when rooms taken offline due to COVID-19 are included.

The average billed maintenance fees increased by approximately 1% from 2019 to \$1,090 per interval. Rentals accounted for another \$1.3 billion in industry revenue, which was 51% lower than in 2019.

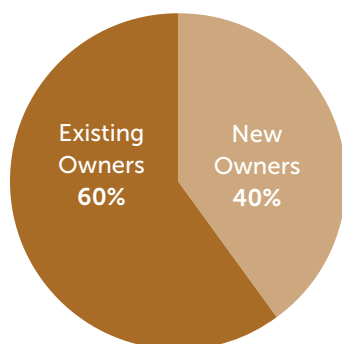
⁹ Transactions included points sales, week sales, multiple-week sales, EOY sales, upgrades and reloads.

The \$4.9 billion in sales volume does not include sales for resorts that primarily sell fractional and private residence clubs (PRC) products. Fractional resorts include an ownership interest that is either a shared equity or club interest representing a period not fewer than two weeks but usually three weeks or more. Fractional ownership typically offers additional services, amenities and flexibility relative to timeshare, so that a bundle of timeshare weeks would not be considered a fractional interest. PRC products are high-end fractionals. North American sales for fractional and PRC resorts were \$179 million for 2020 as reported in *The Shared-Ownership Resort Real Estate Industry in North America — 2021 Edition*, produced by Ragatz Associates.

One practice that has become a staple in the industry is “fee-for-service.” In general, developers provide sales and marketing support, including branding, to timeshare resorts they have not developed. The fee-for-service provider leverages the developer’s existing sales infrastructure and brand to improve cash flow, without the capital risks of developing its own property. Sales related to fee-for-service arrangements in 2020 among responding companies were approximately \$452 million¹⁰, down 59% from \$1.1 billion in 2019. Respondents reported approximately 21,310 fee-for-service transactions, so that an average fee-for-service transaction was \$21,200. Note that these fee-for-service sales are included in the \$4.9 billion total timeshare industry sales volume.

Figure 2.2 shows the percentage of sales made to new owners¹¹. On average, 40% of 2020 timeshare sales were to new owners. Sales to existing owners can take place via upgrades¹² or purchasing additional weeks or points. These sales to existing owners point to high satisfaction with the product. Marketing costs associated with repeat sales are typically lower than for first-time buyers.

FIGURE 2.2
SALES TO NEW OWNERS



Percent of 481 respondents — percentages may not add due to rounding

FIGURE 2.3
SALES CHANNELS

Metric	2020
In-person Sales Presentation (Tours): On-Site	96%
Telemarketing	95%
In-person Sales Presentation: Off-site (including homesits ¹³)	89%
Online	34%

Percent of 514 respondents — multiple responses allowed

Figure 2.3 shows types of sales channels reported by respondents. Nearly all respondents reported using telemarketing and in-person sales vehicles (tours). More than a third of resorts reported using online sales channels in 2020 — up from 20% in 2019. This increase is likely in large part attributable to the effects of the COVID-19 pandemic, as in-person opportunities became more challenging.

¹⁰ Note that this number reflects fee-for-service transactions for survey respondents only, and is not a projection to the full U.S. industry. We asked resorts if they “had any fee-for-service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort”. No respondents who provided sales activity reported having such arrangements, suggesting that fee-for-service sales are not double-counted by the resort and fee-for-service provider.

¹¹ “New owners” are owners that are new to the responding resorts/development companies, but not necessarily new to the timeshare industry.

¹² An upgrade sale is a transaction whereby a customer relinquishes the right to a currently held timeshare interval and obtains a higher-priced timeshare interval from the same seller.

¹³ At home presentations

As noted in Figure 2.1, average annual timeshare resort occupancy was approximately 49.2%. By comparison, total room inventory (TRI) occupancy at U.S. hotels was 41.7% in 2020¹⁴. Figure 2.4 shows a more detailed view of occupancy. Resorts reported their average *physical* occupancy in each of these categories, meaning that actual guest check-in occurred.

FIGURE 2.4

OCCUPANCY BREAKOUTS

Guest type	Average occupancy	Active-sales resorts	Sold-out resorts	Excluding rooms taken offline due to COVID-19
Owner/owner's guest	27%	27%	32%	37%
Exchange guest	9%	9%	17%	13%
Renter	9%	9%	12%	13%
Marketing guest	3%	4%	1%	5%
Vacant	51%	52%	39%	32%

Average occupancy based on 644 respondents (including percent of 509 active-sales resorts and 135 sold-out resorts), weighted by units — percentages may not add due to rounding. Occupancy for rooms taken offline due to COVID-19 is based on 322.

OCCUPANCY DISTRIBUTION

Occupancy level (%)	Percent of resorts responding
Less than 60	65%
60–69	14%
70–79	10%
80–89	6%
90+	6%

Percent of 644 respondents, weighted by units — percentages may not add due to rounding

Resort owners, their guests and exchange participants accounted for approximately 36% of available intervals; renters accounted for 9%, while marketing guests contributed another 3%. Dividing the 36 points of occupancy by the 49% value for total occupancy shows that nearly three-quarters of occupancy was accounted for by owners and their guests. Occupancy for sold-out resorts was higher than for active-sales resorts, mainly due to higher occupancy among owners and exchange guests.

As noted previously, we also asked respondents to provide a second set of occupancy percentages — excluding any rooms that were taken offline due to COVID-19. Average occupancy was more than 18 points higher based on this calculation, at 67.7% on average. The occupancy rate excluding rooms taken offline due to COVID-19 was 44.0%¹⁵ at hotels, just over two points higher than the TRI occupancy.

¹⁴ STR-TRI Monthly Hotel Review: December 2020, Smith Travel Research. Note this occupancy is based on Smith Travel's Total Room Inventory (TRI) calculation which includes rooms taken offline due to COVID-19

¹⁵ STR Monthly Hotel Review: December 2020, Smith Travel Research.

FIGURE 2.5

MAINTENANCE FEE BREAKOUTS

Unit type	Average maintenance fee	Active-sales resorts	Sold-out resorts
Studio	\$710	\$720	\$640
1BR	\$870	\$900	\$760
2BR	\$1,120	\$1,180	\$790
3BR+	\$1,360	\$1,440	\$890
Average	\$1,090	\$1,170	\$800

Averages based on 545 respondents, including 421 active-sales resorts and 124 sold-out resorts — percentages may not add due to rounding

MAINTENANCE FEE DISTRIBUTION

Maintenance fee	Percent of resorts responding
Less than \$700	12%
\$700 to \$799	10%
\$800 to \$899	16%
\$900 to \$999	11%
\$1,000 to \$1,099	16%
\$1,100 to \$1,199	6%
1,200 to 1,299	6%
More than \$1,300	24%

The average annual maintenance fee¹⁶ billed was \$1,090 per interval. Figure 2.5 shows the average maintenance fees charged by unit type, and the distribution of maintenance fees by dollar amount. Studio units averaged \$710 annually in maintenance fees, one-bedroom units averaged \$870, two-bedroom units averaged \$1,120, and three-bedroom units or larger averaged \$1,360 annually. Approximately 12% of resorts have maintenance fees averaging less than \$700, while another 24% have maintenance fees averaging \$1,300 or more. Maintenance fees for active-sales resorts average 46% more than those for sold-out resorts. Approximately 91.8% of maintenance fee accounts were current in 2020.

As noted in Figure 2.4, renters occupied 9% of timeshare intervals in 2020. Ninety-five percent of resorts reported offering some form of rental program. Figure 2.6 shows the types of rental programs offered. Nearly all (97%) resorts with a rental program offer daily rentals and most offer weekly rentals (91%). These rental programs generally have rates that vary by season (95%). Most also offer programs for marketing guests (72%).

FIGURE 2.6

TYPES OF RENTAL PROGRAM OFFERED

Rental type	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Daily rentals	97%	100%	89%
Weekly rentals	91%	89%	97%
Monthly rentals	30%	27%	36%
Rental rates that vary based on season	95%	97%	92%
Rental programs for marketing guests	72%	94%	19%

Percent of 650 respondents — multiple responses allowed

Figure 2.6 also compares the offerings between resorts that are in active-sales to those that are not. Programs for marketing guests are much more prevalent among resorts that are still in active-sales, while weekly and monthly rentals are more prevalent among sold-out resorts.

¹⁶ This is the average maintenance fee billed to owners annually including contributions to reserves but excluding taxes and special assessments.

Figure 2.7 details rental program revenue. Vacationers rented approximately 7 million nights at timeshare properties in 2020 at an average price of \$181 per night. This yielded more than \$1.3 billion in timeshare rental revenue for 2020. This rental revenue was 51% lower than reported in 2019, as the number of nights rented decreased by 41%.

FIGURE 2.7
RENTAL REVENUE

Metric	2020
Total rental revenue	\$1.3 billion
Total nights rented	7 million
Average rental price per night	\$181

Figure 2.8 lists methods used by resorts for publicizing the availability of rentals at the property. The most commonly reported are the resort's website and social media. Seventy-seven percent of resorts report using social media, including 91% of active-sales resorts. Other methods used include the Convention and Visitors Bureau (CVB) and area publications.

FIGURE 2.8
PUBLICIZING RENTALS

Method	Percent of resorts responding	Percent of resorts in active-sales	Percent of sold-out resorts
Resort website	92%	97%	81%
Social media	77%	91%	46%
Paid search/affiliate marketing	28%	39%	3%
External rental websites	24%	27%	19%
Television	21%	30%	1%
Physical bulletin boards at resort	14%	5%	34%
Radio	8%	10%	2%
Timeshare broker and/or broker website	6%	7%	2%
Newspaper	1%	0%	3%
Other	1%	1%	3%

Percent of 686 respondents — including 470 active-sales resorts and 216 sold-out resorts. Multiple responses allowed

FIGURE 2.9
ALTERNATIVE PROGRAMS TO ENHANCE/AUGMENT PRODUCT OFFERINGS

Entity	Percent of resorts	Percent of resorts in active-sales	Percent of sold-out resorts
Online travel agencies	41%	28%	77%
Partnerships with web driven 'sharing' entities (e.g. Airbnb)	31%	25%	46%
Travel clubs	23%	15%	46%
Branded or unbranded hotel	21%	20%	21%

Percent of 823 resorts, including 599 active-sales resorts and 224 sold-out resorts. Multiple responses allowed

Figure 2.9 shows that many resorts also use alternative programs to enhance or augment their product offerings. This includes 41% of participating resorts that use online travel agencies and 31% that report using partnerships with web-driven sharing entities such as Airbnb to distribute inventory. Sold-out resorts are more likely to report using online travel agencies, partnerships with sharing entities and travel clubs.

Finally, rental revenue is just one type of operating revenue collected by timeshare resorts. Figure 2.10 shows the percentage of operating revenues collected by resorts across several categories. The predominant source of operating revenues for resorts is maintenance fees, followed by rentals. The average percentage of revenue from rentals decreased from 8% in 2019 to 5% in 2020 — as shown above, occupancy due to rentals and the number of nights rented was much lower in 2020 due to the COVID-19 pandemic. Other revenue sources include things such as housekeeping, food & beverage, and special assessments — none of these categories constituted more than 1% of revenues collected. Active-sales resorts generally derive a higher share of revenues from maintenance fees than sold-out resorts, while sold-out resorts derive a greater percentage of their operating revenue from rentals.

FIGURE 2.10**OPERATING REVENUE**

Category	Percent of operating revenue	Percent of operating revenue —active-sales resorts	Percent of operating revenue —sold-out resorts
Maintenance Fees	88%	88%	83%
Rentals	5%	5%	10%
Other	7%	7%	7%

Percent based on 724 respondents — percentages may not add due to rounding.

CHAPTER THREE

This chapter uses some of the performance metrics reported in the previous chapter to compare specific industry segments. To do so, we segment resorts using the following characteristics:

- Average resort size, as measured by the number of units
- Sales activity
- Resort type
- Geographic region
- Year resort opened

For each segment within these classifications, we compare the following metrics:

- Percent of total resorts
- Resort size, as measured by the average number of units
- Occupancy — including and excluding rooms taken offline due to COVID-19
- Average maintenance fee billed

We also provide overall averages and totals for comparison purposes. For some segments, not all the respondents provided information that would allow classification. For example, not all respondents reported a resort type. Accordingly, in some cases the overall totals and averages may be inconsistent with the totals and averages for the subgroups¹⁷.

¹⁷ Since the number of resorts in a given industry segment may be quite small, changes in respondent pool can result in even more pronounced changes in metrics over the prior year — see Appendix C for a discussion of study methodology.

Resort Size

The first segmented analysis is resort size, using five categories: 50 units or less, 51-100 units, 101 to 150 units, 151 to 200 units and more than 200 units. While the average resort size is 131 units, 36% of resorts have 50 units or less, and 17% have more than 200 units. Figure 3.1 shows that the average maintenance fee billed per weekly interval generally increased with resort size in 2020.

FIGURE 3.1
PERFORMANCE BY RESORT SIZE

Number of units	Percent of resorts	Average size (# units)	Average occupancy	Average occupancy adjusted*	Average maintenance fees per interval
Less than 50	36%	27	53.9%	63.8%	\$970
51-100	28%	72	54.1%	68.7%	\$1,010
101-150	12%	124	54.1%	67.5%	\$1,020
151-200	7%	174	48.9%	70.9%	\$1,120
More than 200	17%	419	46.6%	67.2%	\$1,140
Overall	100%	131	49.2%	67.7%	\$1,090

Percent of 786 respondents — numbers may not add due to rounding

*Excluding rooms taken offline due to COVID-19

Sales Activity

Figure 3.2 compares the performance of resorts based on level of sales activity. This table summarizes prior analysis comparing sold-out resorts with active-sales resorts and adds information on resort size. The average number of units and average billed maintenance fees are both lower for sold-out resorts. Active-sales resorts tend to be newer and resorts have gotten larger over time, as we show in the appendix on historical results. It is also worth noting that the change in occupancy rates when adjusting for rooms taken offline mainly appears in active-sales resorts. Adjusted occupancy at active-sales resorts was more than 20 points higher than adjusted occupancy at sold-out resorts.

FIGURE 3.2
PERFORMANCE BY SALES ACTIVITY

Sales activity	Percent of resorts	Average size (# units)	Average occupancy	Average occupancy adjusted*	Average maintenance fees per interval
Sold-out resorts	55%	49	61.1%	65.0%	\$800
Active-sales resorts	45%	162	48.4%	69.0%	\$1,170
Overall	100%	131	49.2%	67.7%	\$1,090

Percent of 823 respondents — numbers may not add due to rounding

*Excluding rooms taken offline due to COVID-19

Resort Type

Respondents reported the vacation experience(s) offered at their resort and/or nearby. They also shared which characteristic best describes their resort. Figure 3.3 shows the results.

FIGURE 3.3

DISTRIBUTION BY RESORT TYPE

What vacation experience does this resort offer?

Type	Onsite	Nearby	Nearby and/or onsite	Which one characteristic best describes this resort?
Beach	40%	23%	59%	37%
Mountains	11%	30%	38%	10%
Desert	5%	20%	23%	8%
Country/Lakes	12%	31%	40%	7%
Ski	7%	26%	33%	7%
Theme park	1%	38%	39%	7%
Rural/Coastal	25%	25%	47%	6%
Golf	11%	77%	86%	6%
Island	11%	23%	31%	4%
Urban	16%	13%	28%	4%
Gaming	2%	35%	37%	<1%
Waterpark	2%	35%	37%	<1%
Other	1%	1%	2%	2%

Percent of 409 respondents - percentages may not add due to rounding. For onsite and nearby, multiple responses allowed.

Beach resorts are the most common primary resort type; golf is most often available nearby and/or onsite. Resorts reported five of these vacation experiences available per resort on average. Other vacation experiences noted include national and state parks, historic sites, and vineyards/wineries.

Figure 3.4 compares the performance for the most common resort types¹⁸. As in years past, theme park resorts tend to be the largest and mountain resorts tend to be the smallest. This year, beach and ski resorts had the highest occupancies, and country/lakes resorts had the lowest. Ski resorts also had the highest average billed maintenance fees, while mountain resorts had the lowest.

FIGURE 3.4

PERFORMANCE BY RESORT TYPE

Type	Percent of resorts	Average size (# units)	Average occupancy	Average occupancy adjusted*	Average maintenance fees per interval
Beach	37%	85	65.9%	72.9%	\$960
Mountains	10%	64	60.0%	68.5%	\$860
Desert	8%	162	59.2%	66.1%	\$930
Country/Lakes	7%	133	39.2%	48.7%	\$900
Ski	7%	84	61.1%	73.2%	\$1,250
Theme Park	7%	343	46.7%	55.3%	\$1,190
Golf	6%	174	49.2%	52.5%	\$980
Urban	4%	138	47.1%	51.5%	\$1,140
Other	14%	106	45.0%	52.4%	\$970
Overall	100%	131	49.2%	67.7%	\$1,090

Percent of 409 respondents. Note: "Other" Includes Rural/coastal, Gaming, Island, Waterpark and Other from Figure 3.3 — numbers may not add due to rounding

**Excluding rooms taken offline due to COVID-19*

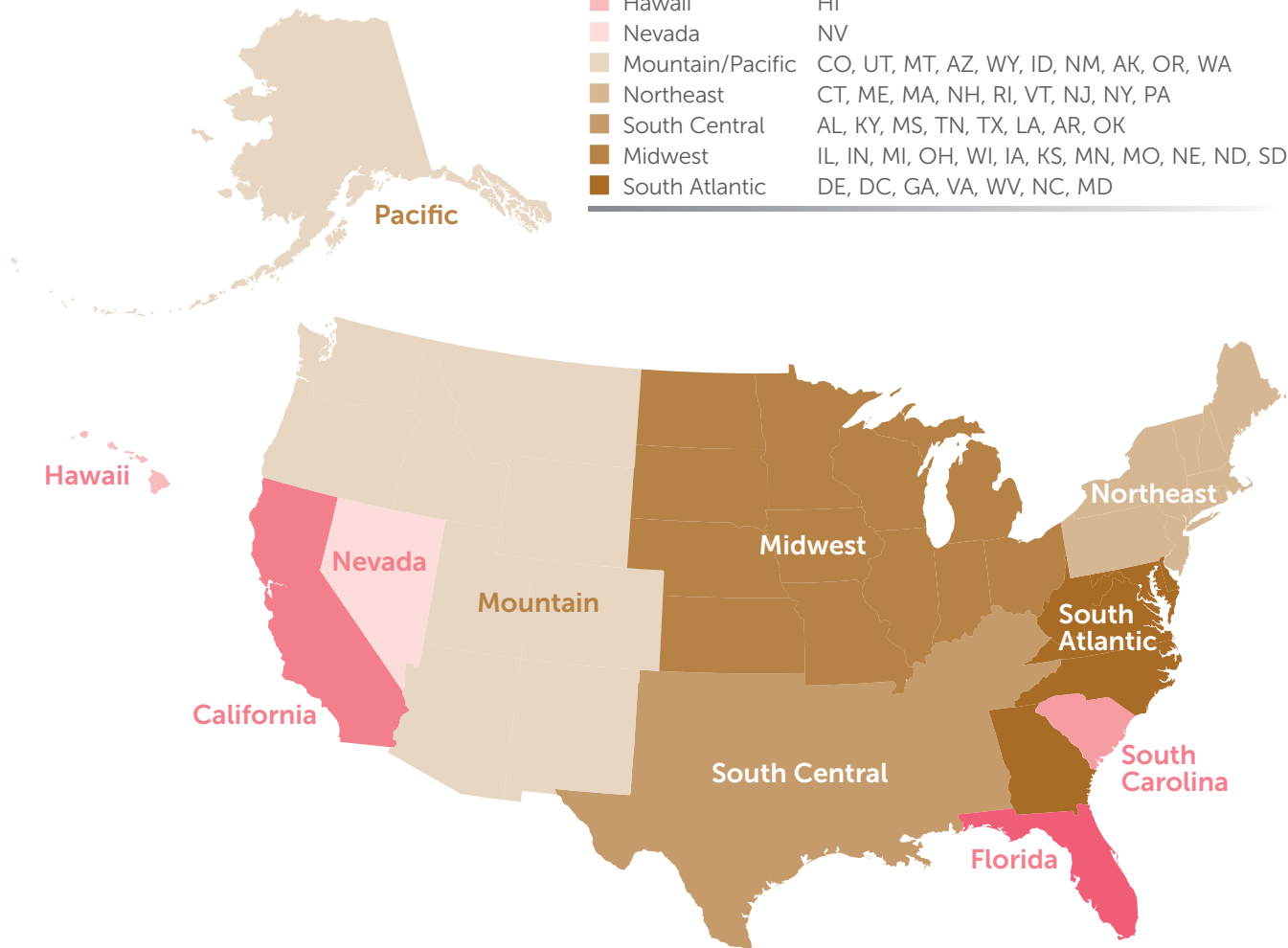
¹⁸ There was insufficient data to report on the other resort types.

Geographic Region

The next segment is geographical region of the country. Florida, California, South Carolina, Hawaii and Nevada are the five states with the highest number of timeshare resorts. These states contain nearly half of U.S. timeshare resorts and nearly two-thirds of all U.S. timeshare units (see Appendix A). The remaining states are grouped in regions, based on the U.S. Census Bureau's list of geographic regions. Figure 3.5 shows a list of states represented by each region, and Figure 3.6 compares the performance by region.

FIGURE 3.5
GEOGRAPHIC REGIONS

Region	States
Florida	FL
California	CA
South Carolina	SC
Hawaii	HI
Nevada	NV
Mountain/Pacific	CO, UT, MT, AZ, WY, ID, NM, AK, OR, WA
Northeast	CT, ME, MA, NH, RI, VT, NJ, NY, PA
South Central	AL, KY, MS, TN, TX, LA, AR, OK
Midwest	IL, IN, MI, OH, WI, IA, KS, MN, MO, NE, ND, SD
South Atlantic	DE, DC, GA, VA, WV, NC, MD



Florida has the most resorts, while Nevada has the largest resorts and the Mountain/Pacific region has the smallest. As noted above, Hawaiian resorts, which usually have among the highest average occupancy, had the lowest this year. However, their adjusted occupancy was more than twice their unadjusted occupancy rates. Hawaiian resorts did have the highest average billed maintenance fees, while the Midwest had the lowest.

FIGURE 3.6
PERFORMANCE BY GEOGRAPHIC REGION

Region	Percent of resorts	Average size (# units)	Average occupancy	Average occupancy adjusted*	Average maintenance fees per interval
Florida	24%	170	48.7%	66.5%	\$1,100
California	8%	119	54.2%	63.7%	\$1,090
South Carolina	7%	118	58.0%	94.2%	\$1,100
Hawaii	6%	141	35.9%	75.3%	\$1,130
Nevada	4%	257	43.7%	69.8%	\$1,000
Mountain Pacific	16%	75	59.9%	67.0%	\$1,010
Northeast	11%	102	44.5%	61.5%	\$900
South Atlantic	8%	95	49.3%	56.9%	\$980
South Central	8%	135	48.1%	54.2%	\$880
Midwest	8%	117	48.8%	59.2%	\$870
Overall	100%	131	49.2%	67.7%	\$1,090

Percent of 1,570 resorts - numbers may not add due to rounding. Note that there were 786 respondents for unit size, 644 for occupancy, 322 for adjusted occupancy and 545 for maintenance fee.
*Excluding rooms taken offline due to COVID-19

Year Resort Opened

Finally, we added a new industry segment for comparison this year, based on the year the resort opened. This segment includes four categories of resorts — those opened 1985 or before, 1986 to 1995, 1996 to 2005 and 2006 or later. The oldest resorts tended to be the smallest and have the lowest occupancy and average billed maintenance fees. Interestingly, those built between 1996-2005 tended to be the largest, as the trend of building larger resorts appear to have diminished since 2005. Average occupancy and billed maintenance fees were highest in resorts built between 1986 and 1995.

FIGURE 3.7
PERFORMANCE BY YEAR RESORT OPENED

Year resort opened	Percent of resorts	Average size (# units)	Average occupancy	Average occupancy adjusted*	Average maintenance fees per interval
1985 or before	29%	114	46.4%	51.8%	\$860
1986-1995	16%	166	60.7%	84.1%	\$1,140
1996-2005	29%	185	55.5%	67.7%	\$1,050
2006+	26%	159	47.9%	61.6%	\$1,100
Overall	100%	131	49.2%	67.7%	\$1,090

Percent of 345 responding resorts - numbers may not add due to rounding
*Excluding rooms taken offline due to COVID-19

Finally, in this chapter we examine the near-term industry outlook by observing recent performance trends and expected construction.

Figure 4.1 displays trends for the industry's five key performance measures over the past five years. It shows the significant impact of the COVID-19 pandemic on sales volume, average occupancy and rental revenue in 2020. Average sales price and billed maintenance fees, by contrast, saw little impact from the pandemic. Average sales price has historically fluctuated year over year based on the mix of sales by unit configuration, resort type and brand. Maintenance fees have generally risen year over year to accommodate the increasing costs of maintaining and operating timeshare resorts.

FIGURE 4.1
RECENT PERFORMANCE TRENDS (2016 TO 2020)

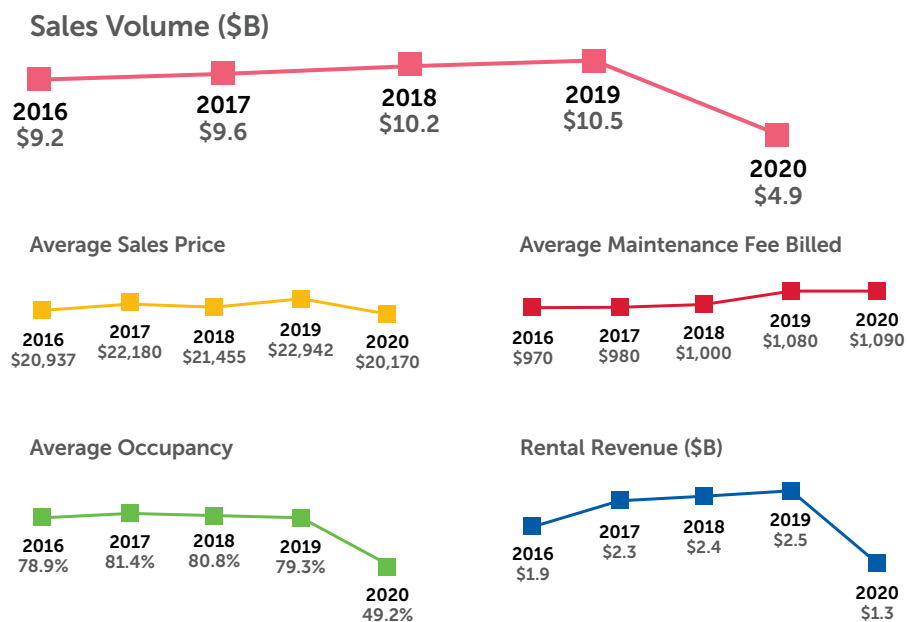


Figure 4.2 shows the change over the past year in key metrics for respondents having multiple resorts and reporting data in both years. The purpose of this table is to assess industry changes without respect to differences in the respondent pool year-over-year.

In 2019, these respondents represented 709 resorts and 92,305 units for an average resort size of approximately 141 units. In 2020, the number of resorts increased to 718 and the number of units increased to 94,765 for an average resort size of 143 units. Note that this increase in the number of resorts primarily reflects some consolidation in the industry, rather than new resort construction.

Total sales volume decreased by nearly 47% for these 2020 respondents — this is slightly less than the 53% decrease in estimated sales industry-wide. The difference is due to a methodology change in the sales calculation — see Appendix C for details. The 12% decrease in average sales price per interval/interval equivalent was in line with the industry overall, as were the 30.9 percentage point decrease in occupancy and 2% increase in average billed maintenance fees.

Respondents reported the number of timeshare units “recently built and planned at this resort.” Note that “planned” resorts and units include those for which the corporate finance committee has given its approval and/or financing has been secured and approved by the appropriate entity.

FIGURE 4.2

CHANGES FOR RESPONDENTS PROVIDING DATA IN 2019 AND 2020

	2019	2020	Change	Percent change
Number of resorts	709	718	9	1.3%
Number of units	92,305	94,765	2,460	2.7%
Total sales (\$M)	\$7,130	\$3,795	-\$3,336	-46.8%
Sales price	\$22,960	\$20,209	-\$2,751	-12.0%
Occupancy	79.7%	48.8%	-30.9%	-38.7%
Average units	141	143	2	1.5%
Maintenance fees	\$1,105	\$1,129	\$24	2.2%

Note: Numbers may not add due to rounding

FIGURE 4.3

RESORT AND UNIT CONSTRUCTION

Units built	137	Resorts planned — in the coming year	6
Units planned — in the coming year	1,002	Resorts planned — more than one year out	3
Units planned — more than one year out	1,928		

Construction results reported for respondents only — not industry-wide estimates. Based on responses from 7 timeshare developers and/or single site resorts.

Figure 4.3 shows that respondents reported building 137 units in 2020, down from the 865 they reported building in 2019. Respondents plan to add 1,002 units in 2021 — this includes 151 units at existing resorts and 851 units at planned new resorts. At the time of the survey, respondents reported plans to add 1,928 units in 2022 and beyond — this includes 897 units at existing resorts and 1,031 units at planned new resorts. Finally, respondents also reported plans for 9 new resorts (six in 2021 and three in 2022 and beyond).

FIGURE 4.4
JUST-IN-TIME INVENTORY

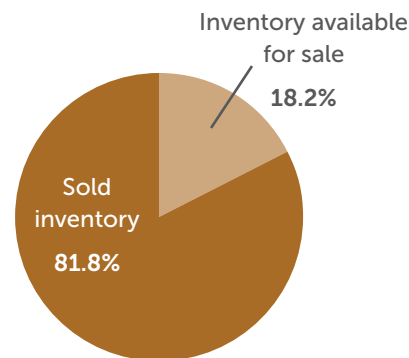
	2020
Just-in-time units added	282
Just-in-time units planned — coming year	323
Just-in-time units planned — more than one year out	54

*Just-in-times reported for respondents only - not industry-wide estimates.
Based on responses from 4 timeshare developers and/or single site resorts.*

Figure 4.4 reports on the level of “just-in-time” inventory activity by respondents. This includes turn-key inventory purchases and buy-backs from Property Owner Associations. Respondents reported adding 282 units via these methods in 2020, and plan to add 323 in 2021. They also plan to add 54 in 2022 and beyond.

The level of available timeshare inventory helps drive actual and anticipated timeshare construction. We asked active-sales respondents to report their total timeshare inventory (in weeks and/or points) and how much of that inventory was still available for sale. We used these two values to calculate the percent of timeshare inventory available for sale at active-sales resorts, and then weighted these percentages by the number of timeshare units to calculate an industry-wide average. Figure 4.5 shows that 18.2% of timeshare inventory at active-sales resorts, on average, is available for sale.

FIGURE 4.5
PERCENT OF EXISTING TIMESHARE INVENTORY AVAILABLE FOR SALE - AS OF YEAR-END 2020

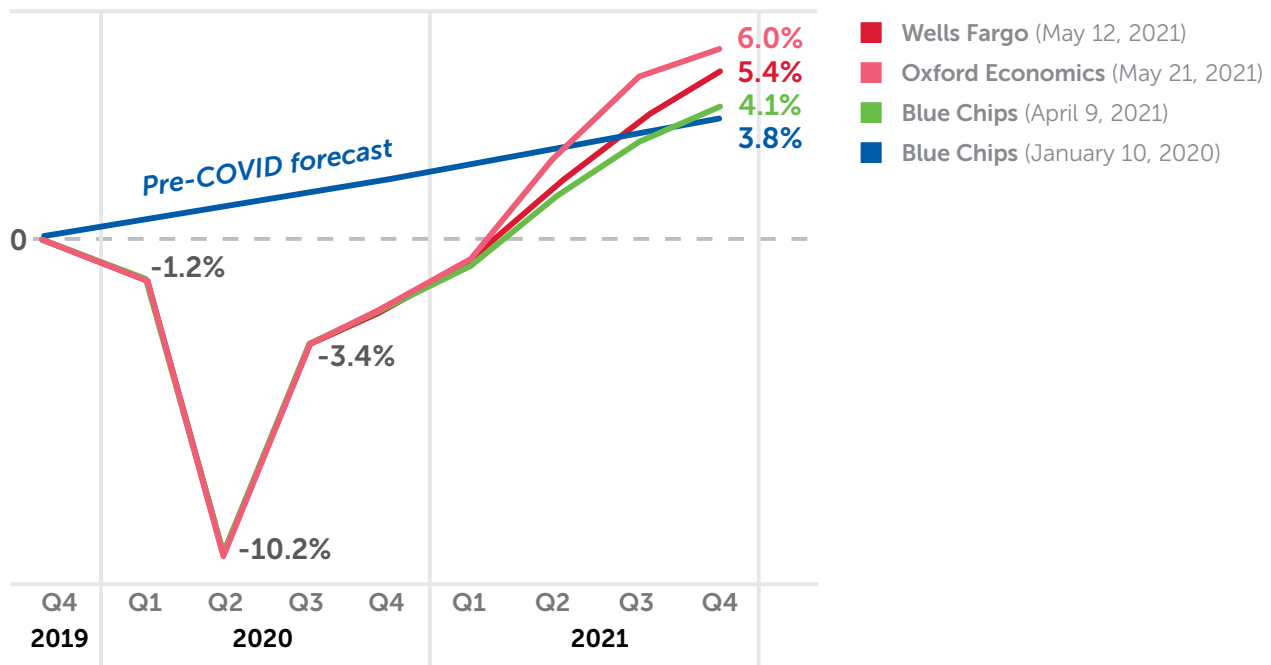


2020 was an anomaly for the global economy and for the timeshare industry. The impacts of travel restrictions, temporary business closures and the human toll of the COVID-19 pandemic played a singular role in the industry's performance. This was reflected in reductions in sales volume, rental revenue and resort occupancy. While the economic recovery that began in late 2020 is still underway, the effects of the pandemic are still being felt in 2021 and are likely to continue to affect near-term performance.

That said, the results of this report show an industry that is taking steps to address the enormous challenges posed by unexpected changes to its sales and operating models. While over 90% of resorts reported at least temporary closures due to the pandemic, nearly all returned to operation and were able to serve timeshare owners and guests in a manner reflecting the times. Enhanced sanitization measures were employed almost universally to help address health and well-being concerns and several developers added online channels to their sales operations as a new way of doing business.

Because of the lingering effects of the pandemic, 2021 may also be a challenging year for the timeshare industry. However, as shown in Figure 4.6, economic forecasts for the second half of 2021 are robust and US GDP is expected to rise above pre-COVID forecasts by mid-year. As was the case after the economic downturn of 2009 and 2010, the steps the industry is now taking will be key to setting the course for a strong recovery to prior levels of performance in key industry metrics in 2021 and beyond.

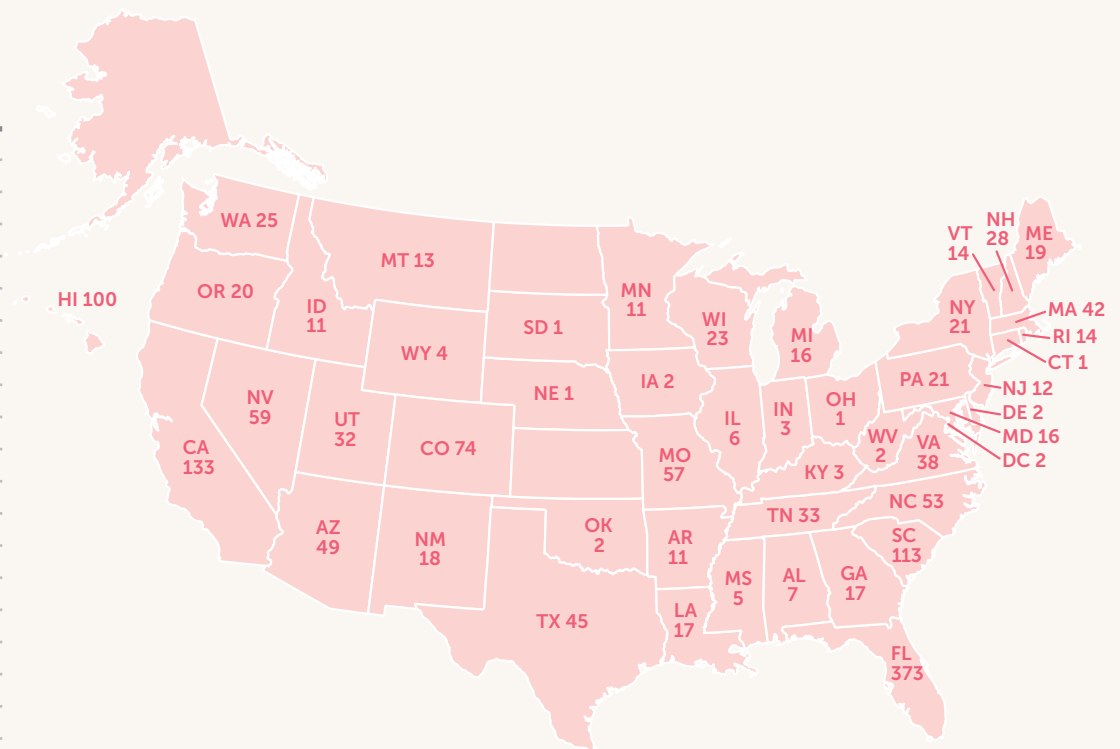
FIGURE 4.6
US GDP GROWTH FORECASTS FOR 2021¹⁹



¹⁹ US Economic conditions and outlook May 21, 2021. EY Quantitative Economics and Statistics

**HISTORICAL
SALES DATA**

Year	Sales (\$B)
1974	\$0.1
1975	\$0.1
1976	\$0.1
1977	\$0.3
1978	\$0.4
1979	\$0.4
1980	\$0.5
1981	\$0.6
1982	\$0.7
1983	\$0.8
1984	\$0.9
1985	\$1.0
1986	\$1.0
1987	\$1.0
1988	\$1.1
1989	\$1.2
1990	\$1.2
1991	\$1.3
1992	\$1.4
1993	\$1.5
1994	\$1.7
1995	\$1.9
1996	\$2.2
1997	\$2.7
1998	\$3.1
1999	\$3.6
2000	\$4.1
2001	\$4.8
2002	\$5.5
2003	\$6.5
2004	\$7.9
2005	\$8.6
2006	\$10.0
2007	\$10.6
2008	\$9.7
2009	\$6.3
2010	\$6.4
2011	\$6.5
2012	\$6.9
2013	\$7.6
2014	\$7.9
2015	\$8.6
2016	\$9.2
2017	\$9.6
2018	\$10.2
2019	\$10.5
2020	\$4.9

**RESORTS BY STATE**

State	Resorts	State	Resorts
FL	373	MD	16
CA	133	MI	16
SC	113	RI	14
HI	100	VT	14
CO	74	MT	13
NV	59	NJ	12
MO	57	AR	11
NC	53	ID	11
AZ	49	MN	11
TX	45	AL	7
MA	42	IL	6
VA	38	MS	5
TN	33	WY	4
UT	32	IN	3
NH	28	KY	3
WA	25	DC	2
WI	23	DE	2
NY	21	IA	2
PA	21	OK	2
OR	20	WV	2
ME	19	CT	1
NM	18	NE	1
GA	17	OH	1
LA	17	SD	1

**PERCENTAGE OF
UNITS BY STATE**

State	Percent of units
FL	32%
CA	10%
HI	10%
NV	9%
SC	7%
AZ	4%
MO	3%
VA	3%
TN	3%
CO	3%
All others	17%

Note: There was not sufficient response to report the number of units at the state level for each state.

Source: Ragatz Associates, American Economics Group and AIF



Timeshare Resort Tracking

The study universe in the State of the Vacation Timeshare Industry consists of the latest list of timeshare resorts in the United States. While there is not a single, mandated registration database of timeshare properties developed in the U.S., the ARDA International Foundation established an extensive process to identify existing and planned unique timeshare resorts.

Timeshare resorts are identified through a variety of primary and secondary research, including:

- Company press releases, earnings reports, and websites
- Exchange company directories
- Crittenden Resort Report
- Industry media searches
- General media searches
- Primary survey research which includes a Confirmation Survey and the State of the Vacation Timeshare Industry survey

Extensive verification is conducted to identify unique timeshare resort properties. The resort count does not include:

- Emerging vacation ownership product segments — fractional, private residence clubs, destination clubs, non-equity clubs, whole-ownership, or condo-hotel resorts
- Club entities that own partial inventory or partial intervals at a physical timeshare resort
- Vacation exchange rental property at non-timeshare resorts

Methodology

Ernst & Young LLP (EY) designed, built and distributed a password-secured, web-based survey questionnaire for data collection at the resort level. Data providers with multiple resorts received a corresponding version in Microsoft Excel. Individual responses to all questions were kept completely confidential. Only EY professionals responsible for the survey had access to individual survey responses. EY used the survey responses to produce most of the estimates detailed in this study — other sources are cited as appropriate. This study contains estimates of 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.

All identified timeshare resorts²⁰ in the United States were sent a survey questionnaire. Of the 1,570 identified timeshare resorts, 823 responded — a 52% response rate. Of these 823 responding resorts, 742 belong to a family of ten or more resorts, while 81 belong to a family of less than ten resorts. Of these 81, 58 were single-site resorts. In general, the information in this report includes estimates of industry-wide metrics. The exceptions are the estimates of construction activity and just-in-time inventory, which are reported only for those responding to the survey and not extrapolated to the universe of timeshare resorts.

How good are the estimates in this report? There are two primary sources of survey error: sampling and non-sampling error. Since the entire universe of identified resorts received a survey there is no sampling error and terms such as precision and confidence are not appropriate. Non-sampling error includes survey question bias, coverage and measurement error, and non-response. Non-sampling errors are present in every survey, but can be reduced with proper planning, good execution, and appropriate analysis.

For this survey, EY took the following steps to help reduce non-sampling errors at various stages of the survey process:

- The AIF annually updates its database of timeshare resorts to help reach all known timeshare resorts.
- EY conducted a questionnaire review session with experienced survey professionals and data providers to help clarify the meaning of key terms and new data points.
- The electronic survey questionnaires contain data edit checks designed to catch questionable responses at the point of data entry. For example, reported maintenance fees that appear too high based on previous response, or intervals owned per unit that seem implausible.
- Survey participants receive complimentary copies of the report as an incentive to respond.
- The AIF and EY conducted calling campaigns and sent electronic reminders to encourage response.
- EY followed up with respondents on confusing or inconsistent responses.
- EY also compares our results to historical data, expected trends and other AIF studies such as the annual Financial Performance Study.

²⁰ List of timeshare resorts maintained and provided by AIF. Please see Appendix B for more information about the methodology for identifying timeshare resorts.

The overall response rate is the most widely used measure of non-sampling error. The response rate has increased from 28% in 2005 (the year before EY began conducting the study) to 52% in 2021 and is well above the current typical response rate for surveys of this type. Our nearly 92% response rate among large developers (those with ten or more resorts) is very good, and suggests that industry health estimates, such as sales, are reliable, since these respondents generate most of the industry's sales. That said, because of the higher response rates of multi-site respondents, where appropriate, statistical weighting was used to help offset potential bias in the study respondents. A comparison of the distribution of responding resorts to the distribution of the universe by state did not reveal any systematic differences.

In general, a higher response rate helps improve the accuracy of estimates, but at the same time the higher rate can make comparisons to the results of previous years problematic. For example, if new respondents report relatively low unit counts for their resorts, this will drive the reported average resort size lower even though the industry may not have lost any units.

Note that the number of respondents varies across questions, since some questions (e.g., those related to sales activity) are only relevant to certain segments of the timeshare resort population. To aid interpretability of results, throughout the report we include the number of respondents to the survey question related to the corresponding table/graphic where appropriate. Also, in some cases, multiple responses were allowed for a single question — we have indicated such after each figure where appropriate. Furthermore, in some cases where a single response is required, the percentages in a single table may not appear to sum to 100% due to rounding — we have also indicated that where appropriate. Finally, in some cases, percentage changes year over year may be slightly different than expected due to rounding.

This year, we made an update to the way that we identify resorts that are active-sales vs. sold-out, and a corresponding adjustment to the methodology for estimating industry sales.

EY worked with the AIF to classify all multi-site data providers as either in active-sales or sold-out. We relied on a few techniques to help us assess sales status.

- Sales data provided from multi-site respondents- if a respondent reported sales data, we considered resorts in that portfolio to be in active-sales.
- Use of previously reported data, review of company websites and AIF industry knowledge for non-responding companies — we used this information to classify non-responding multi-site companies as either in active-sales or sold-out.

Finally, we combined this assessment of sales status with the reported sales data of our respondents to estimate the sales level of non-responding companies.

Special thanks are due to the timeshare industry professionals who dedicated their time and expertise to the development of the survey instrument employed to collect data for this report. Also, we truly appreciate the efforts of resort staff who committed their time and energy to complete the survey questionnaires.

State of the Vacation Timeshare Industry

UNITED STATES STUDY 2021 EDITION

SURVEY

Thank you for participating in the 2021 ARDA International Foundation (AIF) Survey! The following survey is about timeshare resorts. If you have questions regarding the survey or this website, please call Joe Callender at 202.327.5692 or email joe.callender@ey.com.

If you submitted a response to us last year, we have used that data to pre-populate fields that are unlikely to change. We hope this makes this questionnaire easier to complete. Please review the answers in case anything has changed since last year.

WEB ONLY: In some cases, multiple respondents from an organization may be completing this questionnaire. In that case, you may only be completing specific sections. Using the following table of contents, please de-select any sections which are not applicable to you before proceeding.

- | | |
|---|---|
| ☐ Resort Identification | ☐ Inventory Management |
| ☐ Resort Characteristics | ☐ Resort Management |
| ☐ Occupancy and Fees | ☐ Resort Construction and Improvements |
| ☐ Resort Timeshare Sales | ☐ Timeshare Rental and Resale Programs |

Note: Please refer to the glossary for the definition of any underlined terms.

I. Resort Identification

1. Are you responsible for providing data for multiple resorts?

- ☐ Yes — Please contact Joe Callender at 202-327-5692 or Joe.Callender@ey.com if interested in providing the information below via an Excel spreadsheet for all your resorts.
- ☐ No

2. Resort identifying information

Resort Name _____

Address _____

City _____ State _____ Zip Code _____

Primary Website _____

3. Contact person *(General information for individual completing survey)*

First Name _____

Last Name _____

Title _____

Company Name _____

Telephone Number _____

4. Resort management information *(Complete only if applicable)*

Name of Development Company _____

Name of Management Company _____

RCI Identification Number _____

Interval Identification Number _____

Home Owners Association(s) *If multiple HOAs please use a comma to separate* _____



II. Resort Characteristics

1. At which development stage is this resort currently? (Select one)

Note: If the resort is being built in phases, and a construction phase is complete, the resort should be considered open, even if a new phase is still under construction.

- ☐ Planned ☐ Temporarily Closed [ANSWER Q1a & 1c]
☐ Under Construction ☐ Permanently Closed [ANSWER Q1d & Q1e]
☐ Open [ANSWER Q1a & 1b]

1a. Please select the year this resort opened. (Only answer if stage above equals Open or temporarily closed)

1b. Did the resort temporarily close at any point in 2020 for any of the following reasons?

- ☐ COVID-19 pandemic ☐ Other, specify _____
☐ Natural disaster ☐ No, did not temporarily close

1c. What is the primary reason for being temporarily closed?

- ☐ COVID-19 pandemic ☐ Other, specify _____
☐ Natural disaster

1d. Please select the year this resort permanently closed (Only answer if stage above Closed) _____

1e. Please specify a reason why this resort permanently closed (Only answer if stage above Closed)

- ☐ COVID-19 pandemic ☐ Financial restraint
☐ Natural disaster ☐ Other, specify _____

2. Are any of the following types of units available for sale/rent at this property?

- ☐ Fractional
☐ Hotels
☐ Whole ownership
☐ Some other type of non-timeshare units (please specify) _____
☐ None of the above — this is a stand-alone/timeshare only property

3. Who controls the HOA/POA/COA (owner's association) at this resort?

- ☐ Owners ☐ Developer (Go to Q4)

3a. [If "Owners" SELECTED] At approximately what percentage of sell out did the owners gain control of the owner's association? _____

4. Who employs your resort's employees? (Check all that apply)

- ☐ Resort developer
☐ Resort HOA(s)
☐ Management company
☐ Other, specify _____

5. How many timeshare units does this resort have by size?

If you don't have a given type of unit, please fill in '0'.

NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.).

Total Units as of December 31, 2020

Count Lock-offs as one unit	Count Lock-offs as separate units
_____ Studio	_____ Studio
_____ 1BR	_____ 1BR
_____ 2BR	_____ 2BR
_____ 3+BR	_____ 3+BR
_____ Total Units	_____ Total Units

6. Which of the following types of intervals does this resort currently have? (Check all that apply)

- ☐ Timeshare points

One or more of the following types of weekly intervals

- ☐ Traditional interval weeks (including fixed and floating weeks)
☐ Interval weeks with the ability to use through a timeshare points system

II. Resort Characteristics — continued

7. Which of the following special types of intervals does this resort currently have?

- ☐ Biennials
☐ Triennials
☐ Limited-term vacation products
☐ Other, please specify _____

7a. What is the length of the term in years? _____

8. Please provide the following information on weekly equivalent intervals* at your resorts:

	Weeks: As of December 31, 2020	Points: As of December 31, 2020
What is the total number of weekly equivalent intervals owned at your resort as of December 31, 2020 by owners other than the developer or HOA ? Please include any intervals sold since the resort's inception, unless they have been reacquired by the developer or are owned by the HOA	_____	_____
What is the total number of weekly equivalent intervals at your resort that are owned by the HOA as of December 31, 2020?	_____	_____
What is the total number of weekly equivalent intervals at your resort that are owned by the developer as of December 31, 2020? Please include any intervals that have never been sold and intervals that have been reacquired by the developer.	_____	_____
Total	_____	_____

**Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.*

9. What was the actual number of owners as of each date?

December 31, 2019 _____ December 31, 2020 _____

10. What was the origin distribution of your shared vacation owners in 2020?

	%
Domestic	_____
International	_____
Total	100%

11. What is the legal structure of the shared vacation ownership products that are currently sold at your property? (Check all that apply)

- ☐ Right to use contractual interest that expires at some future date (generally referred to as a timeshare license and is not considered a real property interest at the state level) [ANSWER Q11A]
☐ Deeded or fee-simple real estate (generally referred to as a timeshare estate and would be considered a real property interest at the state level) [GO TO Q12]
☐ Interest in a trust (generally includes an owner receiving a beneficial interest in a trust that allows the owner to use property the is held in the trust for the benefit of the owners. Ownership could be evidenced by a certificate, deed (in the case of a Florida Land Trust) or other similar document)) [GO TO Q12]
☐ Other, specify [GO TO Q12] _____

11a. If "Right to use contractual interest" was selected above, how long is the contract, membership license or leasehold, if applicable?

- ☐ 100+ years ☐ 60-79 years ☐ 20-39 years ☐ 6-9 years ☐ 2-3 years
☐ 80-99 years ☐ 40-59 years ☐ 10-19 years ☐ 4-5 years ☐ 1 year or less

12. What vacation experience does this resort offer? (Choose all that apply.)

Vacation Experience	On site	Nearby	Vacation Experience	On site	Nearby
Beach	☐	☐	Ski	☐	☐
Country/Lakes	☐	☐	Theme Park	☐	☐
Desert	☐	☐	Urban	☐	☐
Gaming	☐	☐	Mountains	☐	☐
Golf	☐	☐	Waterpark	☐	☐
Island	☐	☐	Other, specify: _____	☐	☐
Rural/Coastal	☐	☐			

II. Resort Characteristics — continued

13. Which ONE characteristic best describes this resort? (Please select only one)

- | | | |
|--|--|--|
| ☐ Beach | ☐ Island | ☐ Mountains |
| ☐ Country/Lakes | ☐ Rural/Coastal | ☐ Waterpark |
| ☐ Desert | ☐ Ski | ☐ Other, specify: _____ |
| ☐ Gaming | ☐ Theme Park | |
| ☐ Golf | ☐ Urban | |

14. Which of the following amenities are provided at this resort?

Amenity	Complimentary	For additional fee	Amenity	Complimentary	For additional fee
24-hour front desk service	☐	☐	Movie rental	☐	☐
Business resource room	☐	☐	Playground	☐	☐
Concierge	☐	☐	Sauna	☐	☐
Covered parking	☐	☐	Sports courts		
Exercise room	☐	☐	Basketball courts	☐	☐
Food & beverage facility/ restaurant	☐	☐	Racquetball or squash courts	☐	☐
Game room	☐	☐	Tennis courts	☐	☐
Guest-use computer	☐	☐	Other sports courts	☐	☐
Health spa	☐	☐	Swimming pool	☐	☐
Ice skating	☐	☐	Whirlpool/Hot tub	☐	☐
Live entertainment	☐	☐	Wi-Fi throughout resort	☐	☐
Miniature golf course	☐	☐	Other, specify: _____	☐	☐

15. Which of the following amenities are provided in units at this resort?

	Complimentary	For additional fee
Flat screen TV(s)	☐	☐
DVR player or recorder	☐	☐
DVD or Blue-ray player	☐	☐
In-room movie rental	☐	☐
Streaming services, (e.g., Netflix)	☐	☐
Video game equipment or capabilities	☐	☐
Wi-Fi	☐	☐
Wired broadband Internet service	☐	☐
Laundry/washer/dryer	☐	☐
Fireplace	☐	☐
Other, specify _____	☐	☐

16. What enhanced sanitization measures has your resort taken to mitigate COVID-19 risk?

Mandatory mask wearing	☐
Cleaning stations (hand-sanitizer, wipes, etc.) throughout resort	☐
Remote or touchless check-in	☐
Social distancing signage	☐
Provide additional in-room cleaning supplies	☐
Increase time period between guest check-ins	☐
Temperature checks	☐
Staff COVID-19 testing programs	☐
Enhanced staff training	☐
Increased frequency of disinfection/sanitization	☐
Extra COVID-specific cleaning in units (ANSWER Q16a)	
Use of mass disinfection method such as fogging treatment or UV light treatment	☐
Use of high-tech cleaning devices such as robots	☐
Other, specify _____	☐

16a. What fee, if any, do you charge for the extra COVID-specific enhanced sanitization measures which you reported in the previous question?

- ☐ We do not charge an extra fee
☐ We charge a fee of \$_____ per night stay
☐ We charge a flat fee of \$_____

II. Resort Characteristics — continued

17. Do you offer a mobile application to owners and guests to enhance their experience?

- ☐ Yes ☐ No (Skip to Q18)

17a. Which of the following features are offered via the mobile application to your guests?

- ☐ Check in
☐ Access to units (unlock/lock unit using a phone)
☐ Making reservations
☐ Virtual sales presentation
☐ Virtual tour of resort (room/resort pictures, videos, etc.)
☐ Mobile payment — maintenance fees
☐ Mobile payment — rental fees
☐ Mobile payment — other, specify
☐ Owner community building experience
☐ Other, specify: _____

18. How do you communicate with your owners?

- ☐ Email (Answer Q19 about Email)
☐ Phone (Answer Q19 about Phone)
☐ Owner online forum (Answer Q19 about Owner online forum)
☐ Social media (Answer Q19 about Social media)
☐ Other, please specify _____ (Answer Q19 about Other)

19. With what frequency do you communicate with your owners? (Check all that apply)

	As needed	Weekly	Monthly	Quarterly	Yearly	Other
Email	☐	☐	☐	☐	☐	☐
Phone	☐	☐	☐	☐	☐	☐
Owner online forum	☐	☐	☐	☐	☐	☐
Social media	☐	☐	☐	☐	☐	☐
Other	☐	☐	☐	☐	☐	☐

20. What other types of products/services are offered through your internal exchange programs only?

- ☐ None ☐ Fractional ☐ Air travel
☐ Hotel ☐ Cruise ☐ Car rental
☐ Condo ☐ Shopping ☐ Other, please specify _____

21. How many non-timeshare entities are associated with the internal exchange program?

III. Occupancy and Fees

Please answer the following questions for your **timeshare units** only.

1. What was your timeshare occupancy mix by type? Report based on physical occupancy, meaning actual guest check-in occurred. Calculate percentages using weekly equivalent timeshare intervals available as the denominator — please do not include any inventory taken offline due to natural disasters such as hurricanes or regular maintenance. This corresponds to all units with certificates of occupancy, whether intervals are sold or unsold.

	In 2020 (including rooms taken offline due to COVID-19 related closures)	In 2020 (excluding rooms taken offline due to COVID-19 related closures)
Owner or owner's guest	_____	_____
Exchange guest	_____	_____
Renter	_____	_____
Marketing guest (sampler/trial membership, etc.)	_____	_____
Vacant	_____	_____
Total	100%	100%

III. Occupancy and Fees — continued

2. What were your maintenance fees billed per unit per interval in 2020, including contributions to reserves but excluding special assessments and property taxes? NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Maintenance fees billed *per unit per interval*

Studio _____ 1BR _____ 2BR _____ 3+BR _____

** Points-based developers may calculate weeks on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.*

3. What is the total amount of revenue your resort collected in 2020 over all intervals at this resort for each of the following categories? Please include amounts paid by the developer, for example, on unsold intervals held in inventory, and/or subsidies and guarantees.

In 2020

Maintenance fees	_____
Special assessments and other revenue sources	_____
Rentals (all fees, commissions, etc. collected by your resort)	_____
Resales (all fees, commissions, etc. collected by your resort)	_____
Recreational use fees (bike rentals, videos, etc.)	_____
Food & beverage	_____
Housekeeping	_____
Telecommunication (telephone, Internet etc.)	_____
Developer subsidy	_____
Laundry	_____
Other, please specify _____	_____
Other, please specify _____	_____
Total Revenue	_____

4. As of December 31, 2020, what percent of your total billed maintenance fees were in each of the following categories? Please include all maintenance fees billed in 2020 or before, but please do not include maintenance fees billed for 2021.

In 2020

Current (30 days delinquent or less)	_____
31–60 days delinquent	_____
61–90 days delinquent	_____
91–120 days delinquent	_____
121+ days delinquent	_____
Total	100%

5. How many timeshare foreclosures were completed in 2020?

	Number	% of intervals
Due to non-payment of mortgage	_____	_____
Related to non-payment of maintenance fees	_____	_____
Total	_____	_____

6. How many weekly equivalent intervals should be in foreclosure but due to time, cost or other constraints have not been pursued? If none, please enter "0" _____

7. What was the average cost to foreclose an assessment lien in 2020?

\$ _____

8. Is your association providing any of the following with regards to 2021 maintenance fees as a result of the COVID-19 situation? (Check all that apply)

- ☐ Reducing maintenance fees from the 2020 levels
- ☐ Extending the payment due date
- ☐ Allowing settlement in multiple payments
- ☐ Relaxing lock-out provisions for delinquent owners
- ☐ Other, please specify _____

IV. Resort Timeshare Sales

1. Did you offer new timeshare inventory for sale in 2020 on a weekly interval and/or points basis?

New inventory is considered "first generation" or "developer sales". (Note: If you had some small level of sales activity in 2020 (such as for sales of re-claimed inventory), please select yes and report your sales information.)

- ☐ Yes — weekly interval [Go to Q2]
☐ Yes — points [Go to Q10]
☐ No [Skip to next section]

Please answer the following questions in the context of new sales on a weekly interval basis for your timeshare units only.

2. Do you have any fee for service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

- ☐ Yes ☐ No

Timeshare Sales (\$):

3. What was your total sales volume net of rescissions and sales incentives for 2020, in dollars?

Include interval weeks sales, upgrade/reload sales, and sales from re-claimed inventory. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here..

\$ _____

4. Of your total net sales volume above, what is the amount sold for upgrades/reloads?

\$ _____

5. Of your total net sales volume above, what is the amount sold for limited-term vacation products?

(If Q7 from Resort Characteristics = Limited-term)? \$ _____

6. What was your 2020 sales volume net of rescissions and sales incentives...

Sales Volume (\$)

...for weekly based intervals* (Excluding biennials and triennials)?

...for biennials?

...for other products?

Weekly Intervals Sold:

7. How many weekly equivalent timeshare intervals were sold in 2020 for your weekly intervals?

Exclude sales for trial memberships and sampler programs.

\$ _____

8. What was the number of intervals sold in the following categories.

Number of Intervals Sold

...for weekly based intervals* (Excluding biennials and triennials)?

...for biennials?

...for other products?

Number of Weeks Based Sales Transactions: :

9. What was the total number of weekly interval sales transactions in 2020 at your resort (exclude rescissions)? Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), reloads (which should be part of all categories above, except upgrades).

Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

\$ _____

10. Of your total weeks based transactions above, how many were for upgrades/reloads?

\$ _____

IV. Resort Timeshare Sales — *continued*

Timeshare Inventory:

11. How many weekly intervals were available for sale at your resort? Include all intervals available as of Dec 31, 2019 and any that were made available during calendar year 2020.
- _____

Please answer the following questions in the context of new sales on a points basis for your timeshare units only.

Timeshare Sales (\$):

12. What was your total sales volume net of rescissions and sales incentives for 2020, in dollars?

Note: Include points sales, reload sales, and sales from re-claimed inventory. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

\$ _____

13. Of your total net sales volume above, what is the amount sold for reloads?

\$ _____

14. Of your total net sales volume above, what is the amount sold for limited-term vacation products?

(If Q7 from Resort Characteristics = Limited-term)

\$ _____

Points and Weekly Intervals Sold:

15. How many weekly equivalent timeshare intervals were sold in 2020 for your points-based products?

Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

Note: Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.)

16. How many total points were sold at your resort in 2020?

Number of Points Based Sales Transactions:

17. Number of points sales transactions (exclude rescissions) Transactions should include points sales and **reloads**. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

18. Of your total points based transactions above, how many were for reloads?

Timeshare Inventory:

19. How many total timeshare points exist in your inventory at your resort?

20. How many timeshare points were available for sale at your resort? Include all points available as of Dec 31, 2019 and any that were made available during calendar year 2020.

IV. Resort Timeshare Sales — *continued*

Following questions asked of all respondents.

21. What was your 2020 net sales volume associated with trial membership/sampler programs net of rescissions and sales incentives, in dollars? This value should not have been included in your response earlier in this section.
- _____

22. Of your total 2020 net sales volume net of rescissions and sales incentives as listed earlier in this section, indicate the approximate percentage sold to

	Percent
New owners (including owners who purchased as a result of participation in a trial membership program)	_____
Existing owners	_____
Total	100%

23. Does this resort offer any of the following for sale?

Yes	No	
☐	☐	Fractional sales
☐	☐	Private Residence Clubs
☐	☐	Whole ownership
☐	☐	Other, please specify _____

24. Please describe the types of sales channels you use for your resorts.

- ☐ In-person Sales Presentations (Tours): On-site
- ☐ In-person Sales Presentations: Off-site (including homesits)
- ☐ Online
- ☐ Telemarketing
- ☐ Other, please specify _____

25. Do you have any fee for service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

☐ Yes ☐ No

26. What was your total 2020 sales volume net of rescissions and sales incentives related to "Fee for service" arrangements? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

\$ _____

27. What was your total number of Fee for service related transactions for 2020?
- _____

V. Inventory Management

1. Do you accept trade-ins of intervals developed by other development companies?

☐ Yes ☐ No

2. Which of the following types of programs do you offer for intervals at properties which you have developed and/or manage? (Check all that apply)

- ☐ A buy-back program of timeshare intervals at a mutually agreeable price
☐ Right of first refusal when owners attempt to sell their timeshare interval
☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements with a fee
☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements - no fee
☐ Ability to convert to a reduced allotment of timeshare points and or/time (such as a fewer number of days or conversion to a biennial arrangement)
☐ A resale program that allows owners to sell their intervals on the secondary market
☐ Other, please specify _____
☐ None (GO TO Q4)

3. In 2020, how many intervals or points equivalents at your properties did you re-claim from timeshare owners? If you know the total number of weekly intervals or points equivalents re-claimed but are unsure of the number attributed to each reason, please write the total number in "Not sure of reason".

Under buy-back or time/point reduction programs	_____
Purchased on the secondary market	_____
Due to foreclosure	_____
Voluntary surrender (with or without fee)	_____
For other reasons	_____
Not sure of reason	_____
Total	_____

4. In 2020, how many of your owners transferred their ownership rights? If you know the total number of owners who transferred their ownership rights but are unsure of the number attributed to each method, please write the total number in "Not sure of method".

Via inheritance	_____
Via direct sale to another individual consumer	_____
Via direct sale to a third-party company	_____
Via some other mechanism (please, specify _____)	_____
Not sure of method	_____
Total	_____

5. Which of the following programs do you have in place to enhance/augment your product offerings?

Program	In Place	Associated Revenue (\$)
Developing partnerships or rental relationships with Airbnb or other web driven 'sharing' entity in order to distribute inventory	_____	_____
Use of branded or unbranded hotel as a way to extend destinations	_____	_____
Online travel agencies	_____	_____
Travel clubs	_____	_____
Other, please specify _____	_____	_____

VI. Resort Management**1. How many times in 2020 were special assessments levied by the governing body of the vacation plan (i.e. HOA, COA, VOA or Trust Owners Association)?**

- ☐ None (Skip to Q2)
- ☐ Once
- ☐ Twice
- ☐ 3 or more times, please specify _____

1a. Why was the special assessment necessary (select all that apply)?

- ☐ Natural disaster (such as a hurricane, a flood, etc.)
- ☐ COVID-19 pandemic
- ☐ Exhausted operating cash
- ☐ Unanticipated expansion of resort product or amenities
- ☐ Planned expansion of resort product or amenities
- ☐ Unanticipated or premature failure of capital assets (NOT related to natural disaster)
- ☐ Higher delinquency rate than expected
- ☐ Unanticipated refurbishment (NOT related to natural disaster)
- ☐ Planned refurbishment (NOT related to natural disaster)
- ☐ Other, specify: _____

2. Are there any special assessments planned in 2021?

- ☐ Yes ☐ No (Skip to Q3)

2a. Why will the special assessment be necessary (select all that apply)?

- ☐ Natural disaster (such as a hurricane, a flood, etc.)
- ☐ COVID-19 pandemic
- ☐ Exhausted operating cash
- ☐ Unanticipated expansion of resort product or amenities
- ☐ Planned expansion of resort product or amenities
- ☐ Unanticipated or premature failure of capital assets (NOT related to natural disaster)
- ☐ Higher delinquency rate than expected
- ☐ Unanticipated refurbishment (NOT related to natural disaster)
- ☐ Planned refurbishment (NOT related to natural disaster)
- ☐ Other, specify: _____

3. What was the date of the most recent reserve study?

- ☐ Have not conducted a reserve study (GO TO Q4)
- ☐ 2020
- ☐ 2019
- ☐ 2018
- ☐ 2017 or before
- ☐ Don't know/not applicable — GO TO Q4

3a. Was the study performed by an independent third party or in-house?

- ☐ Independent third party (GO TO Q4)
- ☐ In-house (GO TO 3b)

3b. Do you use a specialized software?

- ☐ Yes ☐ No

VI. Resort Management — continued

4. At the end of 2020 what were the estimated reserve funds on hand as a percentage of estimated total reserve funding? (Estimated total reserve funding is defined as the amount that would be necessary to completely replace all items contained in your reserve study to the extent an amount or portion thereof should have been set aside for the item as of a certain date, for example—if your reserve study stated the roof would cost \$50,000 to replace and it was at 1/2 its estimated useful life, your reserve should contain 50 % of the costs of roof replacement, \$25,000 at the certain date)

\$ _____

5. How often does your timeshare resort conduct a reserve study? [SKIP IF Q3 = 1]

- ☐ Have not conducted a reserve study
☐ Every year
☐ Every 2 years
☐ Every 3 years
☐ Every 4 years
☐ Every 5 years
☐ Other, please specify _____

6. What percentage of the billed maintenance fees were contributed to the reserve fund in 2020?

_____ %

7. In 2020, how did the contributions to the resort's reserve fund from maintenance fees compare to that recommended in the most recent reserve study. (Skip Q7, Q7a and 7b if Q3 =1)

- ☐ At or above the level recommended in the study (GO TO NEXT SECTION)
☐ 10% or less below
☐ More than 10% below

- 7a. What caused contributions to the reserve fund to be lower than the reserve study target (select all that apply)?

- ☐ Resorts experienced a higher level of maintenance fee delinquencies than expected
☐ The percentage of maintenance fees dedicated to reserves was not sufficient
☐ Reserve fund expenditures were higher than expected
☐ Other, specify: _____

- 7b. How did you make up the difference between what you collected and the recommendation of the reserve study?

- ☐ We did not make up the difference
☐ Special assessment
☐ Other, specify: _____

8. Does the resort receive any financial support from the developer? ☐ Yes ☐ No

9. A sunset clause features a future date where the timeshare would terminate unless the current form of ownership was voted to continue. Does your resort have a sunset/termination clause? ☐ Yes ☐ No

10. In the next 3 years, do you anticipate...

- ☐ Early termination of the timeshare plan
☐ "Right-sizing" by converting timeshare units to another real estate purpose
☐ Some other timeshare reduction approach (please, describe _____)
☐ None of the above

VII. Resort Improvement and Construction

1. How many timeshare units were recently built at this resort in 2020?

If you don't have a given type of units, please fill in '0'.

Number of Timeshare Units Built in 2020 _____

2. How many timeshare units were purchased as Just-In-Time/Completed Inventory (e.g. turn-key, Just in Time inventory purchases, buy-backs from Property Owner Associations) in 2020? If you don't have a given type of units, please fill in '0'.

Number of Just-in-time purchased units _____

Number of units bought back from owners/owner's associations _____

3. How many timeshare units are you planning to build at this resort?

If you don't have a given type of units, please fill in '0'.

Timeshare Units Planned to build in 2021 _____

Timeshare Units Planned to build in 2022 or beyond (w/firm commitments) _____

4. How many timeshare units do you plan to purchase as Just-In-Time/Completed Inventory (e.g. turn-key, Just in Time inventory purchases, buy-backs form Property Owner Associations)?

If you don't have a given type of units, please fill in '0'.

	Number of Just-in-time purchased units	Number of units bought back from owners/owner's associations/secondary market
# Timeshare Units Planned to Purchase as Just-In-Time/ Completed Inventory in 2021	_____	_____
# Timeshare Units Planned to Purchase as Just-In-Time/ Completed Inventory in 2022 or beyond	_____	_____

5. How many new resorts does your company plan to build, and what is the associated number of units?

Number of Resorts

New Resorts Planned for Completion in 2021 _____

Associated Number of Units in 2021 _____

New Resorts Planned for Completion in 2022 and beyond _____

Associated Number of Units in 2022 and beyond _____

6. Please indicate the typical life cycle for the following items at this resort in years.

_____ Soft goods (i.e., carpet, sofas, window coverings)

_____ Paint

_____ Electronics

_____ Case goods

_____ Appliances

_____ HVAC (Heat, Air Ventilation, and Cooling)

_____ Tile, cabinetry, plumbing fixtures

VIII. Timeshare Rental and Resales Programs

1. Does your resort offer a rental program to help rent weeks that are owned by either of the following?

Check all that apply

☐ Owners

☐ HOA(s)

☐ Developers

☐ None of the above (SKIP TO Q5)

VIII. Timeshare Rental and Resales Programs — *continued*

2. What types of rental programs do you offer? *Check all that apply*

- ☐ Daily rentals
- ☐ Weekly rentals
- ☐ Monthly rentals
- ☐ Rental rates that vary based on season
- ☐ Rental programs for marketing guests
- ☐ Other, please specify _____

3. Which of the following do you use to publicize the availability of rentals at this resort? *Check all that apply*

- ☐ Resort website
- ☐ External rental websites (e.g., Redweek.com or SellMyTimeshareNOW.com)
- ☐ OTAs (Priceline, Hotels.com, Expedia etc.)
- ☐ Sharing platforms (Airbnb, VRBO, etc.)
- ☐ Timeshare broker and/or broker website
- ☐ Physical bulletin boards at resort
- ☐ Newspaper
- ☐ Radio
- ☐ Television
- ☐ Social media (Facebook, Twitter, etc.)
- ☐ Blog
- ☐ Channel Manager (e.g. Siteminder, LeisureLink, etc.)
- ☐ Other, specify _____

4. What was the total number of nights rented and the associated rental income for 2020?

Total number of nights rented _____
 Associated rental revenue (\$) _____

5. Does your resort offer a resale program to help sell weeks that are owned by either of the following?

Note: Not including sales of timeshare intervals that are included in your developer sales

- ☐ Owners (Go To Q5a)
- ☐ HOA(s) (Skip To Q5b)
- ☐ None of the above [SKIP TO END]

5a. [IF A RESALE PRORAM IS AVAILABLE TO OWNERS], what commission percentage is paid by owners to re-sell their intervals or points equivalents? _____ %

5b. Who manages the resale program?

- ☐ Developer
- ☐ Management company
- ☐ Other, specify _____

5c. What channels do you use to promote resale?

- ☐ The resort's own website
- ☐ An onsite licensed real estate broker who is affiliated with your resort (HOA)
- ☐ An offsite licensed real estate broker who specializes in timeshare and is affiliated with your resort (HOA)
- ☐ A full service online licensed real estate brokerage that specializes in timeshare
- ☐ A licensed real estate broker that specializes in timeshare but is independent from your resort
- ☐ A licensed real estate broker who does not specialize in timeshare
- ☐ A website that specializes in advertising timeshares for sale or rent (not a licensed broker)
- ☐ An offline timeshare resale listing company
- ☐ A general advertising or auction website that does not specialize in timeshare, such as Craig's list or eBay
- ☐ A classified ad in a traditional printed periodical, such as a newspaper or magazine (which may also appear online, such as *USA Today*)
- ☐ A classified ad in a printed timeshare periodical, such as a catalogue or magazine (which may also appear online, such as *Timesharing Today*).
- ☐ Social media (e.g., Facebook, Twitter)
- ☐ Other, specify _____

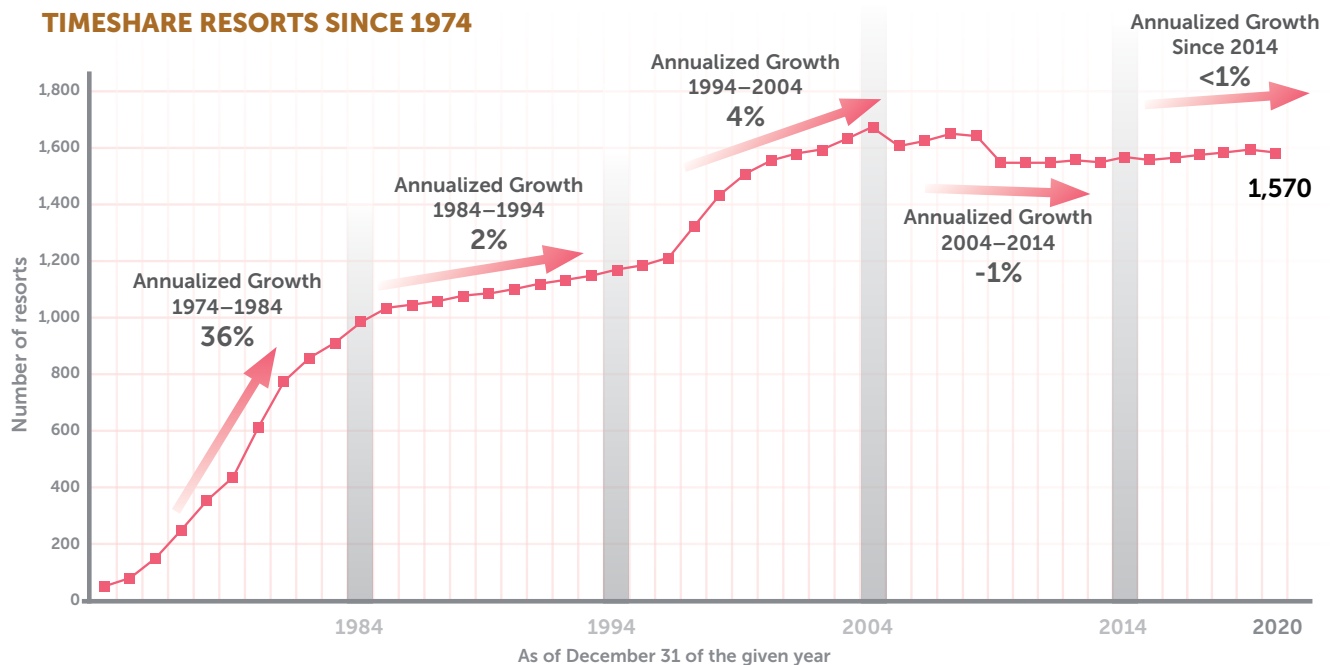
A Brief History of the U.S. Timeshare Industry

To help put the 2020 performance results in perspective, this chapter traces the growth of several key metrics over time since the industry's inception in 1974.

Figure E.1 traces the growth of U.S. timeshare resorts since 1974. It paints a picture of an industry with generally steady growth, punctuated by two major growth spurts. The first occurred at the industry's outset in the United States — the number of resorts grew by an average of 105 resorts per year from 1974 to 1981. The next was from 1996 to 2000, when the number of resorts grew by an average of 87 per year. In between, growth averaged 25 to 30 resorts per year. In recent years, growth in the number of resorts has moderated.

FIGURE E.1

TIMESHARE RESORTS SINCE 1974



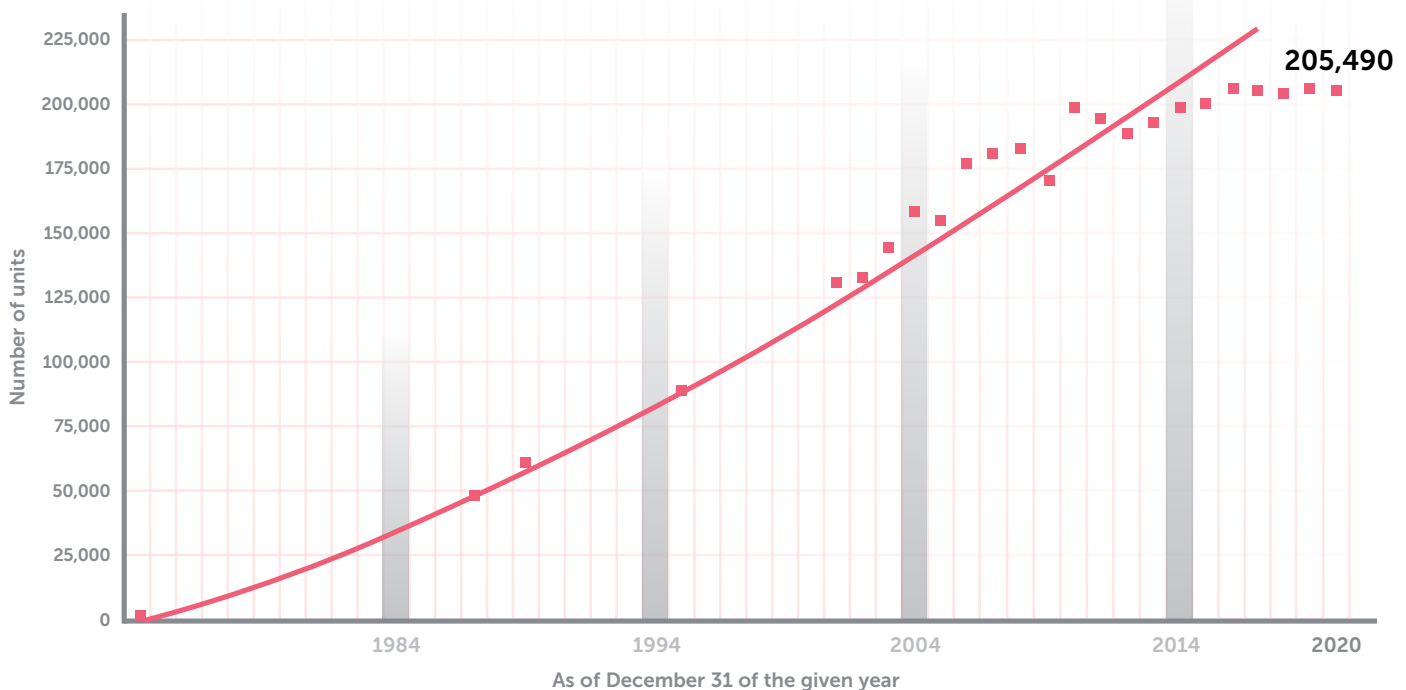
Source: Ragatz Associates, American Economics Group and the AIF

A change in the definition of the study population accounts for the drop in the number of resorts from 2004 to 2005. This change focused the analysis on traditional timeshares, including weekly intervals and points while removing such non-comparable entities as fractionals, non-equity clubs, private residence clubs and vacation clubs. The AIF stepped up its confirmation efforts again in late 2009 and early 2011 to verify the status of all identified timeshare resorts in its database, removing condo hotels and resorts with only contractual agreements to be used as timeshare. Improved rigor and scrutiny of resort count by the AIF led to a drop in the total timeshare resort count for the year 2009, 2015 and again in 2020.

The response rate for this report has increased from 28% in 2005 to 52% in 2021. While a higher response rate helps improve the accuracy of estimates, it can make comparisons to the results of previous years problematic. For example, if new respondents report relatively low unit counts for their resort or resorts, this will drive the reported average resort size lower — even though the industry may not have lost any units.

Figure E.2 shows the historical trend of unit growth through the available data points. Unlike timeshare resorts, the number of timeshare units was not tracked annually prior to 2001.

FIGURE E.2
TIMESHARE UNITS SINCE 1974

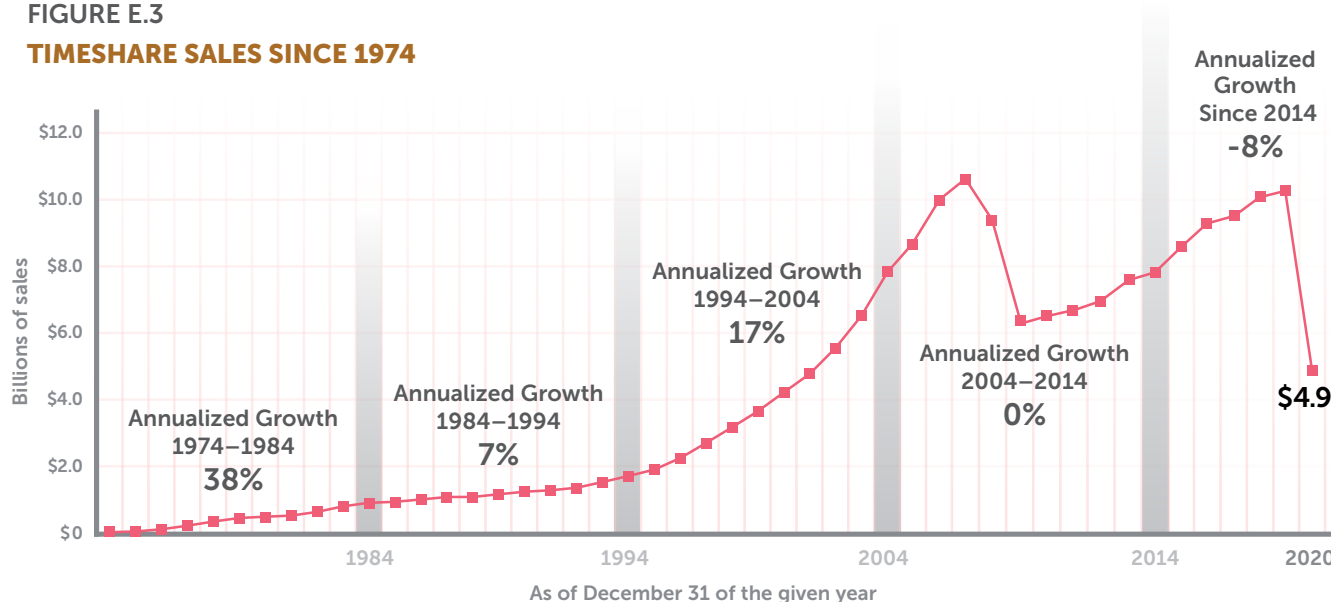


Source: Ragatz Associates, American Economics Group and AIF

Developers built larger, purpose-built resorts as the industry matured and larger, branded timeshare companies entered the market. In 1974, the average resort had approximately 27 units. By 1989, that number had more than doubled to 56 and by 2008 that had doubled again to 112. Over the past decade, this trend toward larger resorts has abated somewhat, growing from 125 on average in 2011 to 131 in 2020.

Figure E.3 shows the historical sales²¹ trend from 1974 through 2020. In keeping with the pattern of resort and unit growth, sales volume grew tremendously over the first 10 years (38% annualized growth), moderated in the middle 10 years (7%) and picked up again from 1994 to 2004 (17%). In 2004, a four-year sales boom began, with sales volume peaking in 2007 at \$10.6 billion. However, sales fell significantly in the next two years due to the recession, so that sales over the period from 2004 to 2014 were flat. Following the recession, the industry experienced another 10 consecutive years of growth from 2010 to 2019. However, the COVID-19 pandemic significantly impacted sales in 2020 causing a sharp decrease due to the impacts on the travel and leisure industry.

FIGURE E.3
TIMESHARE SALES SINCE 1974

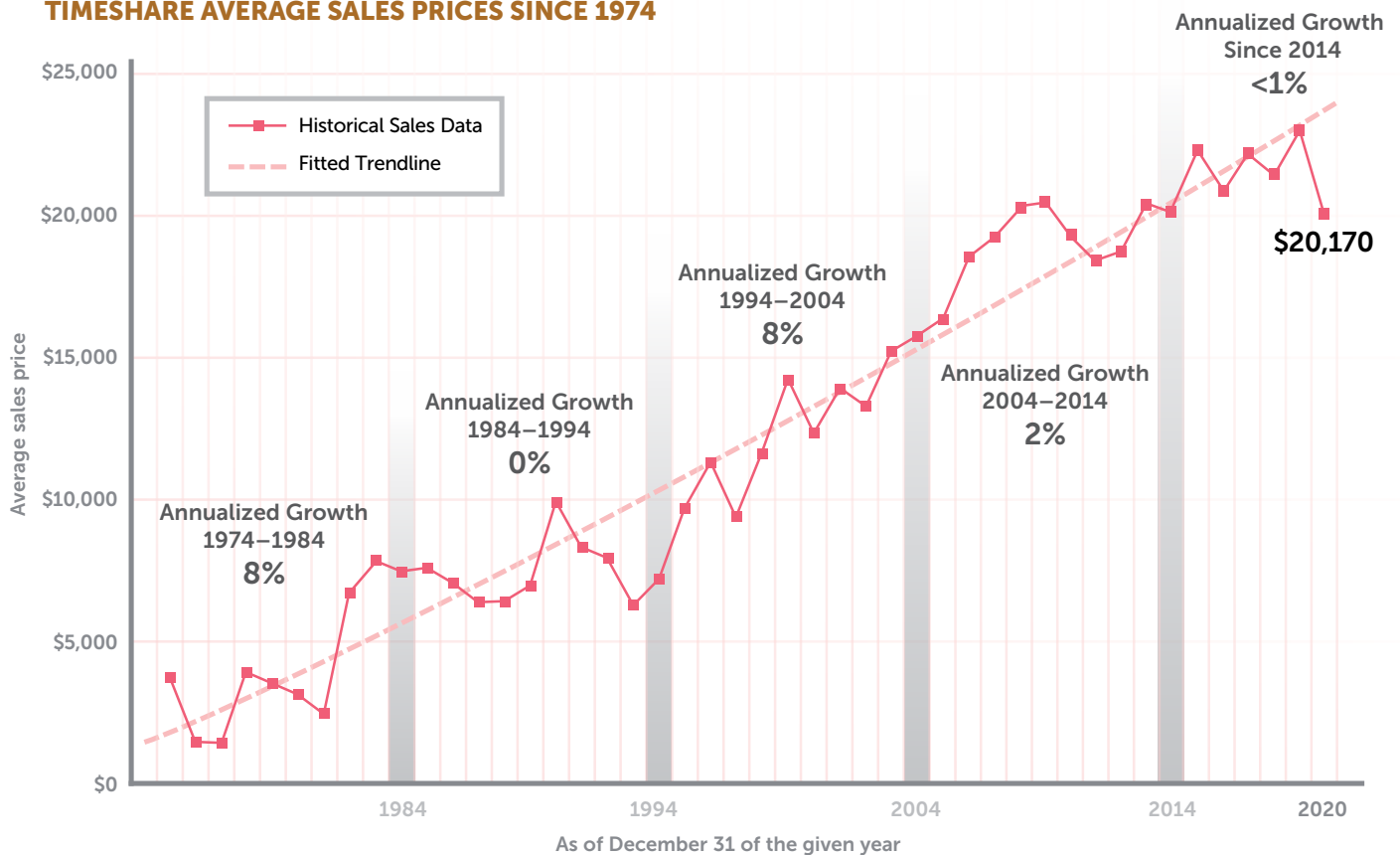


Source: Ragatz Associates, American Economics Group and the AIF

²¹ The sales volume collected is commonly referred to as contract or originated sales and does not further separate all the accounting metrics under the Financial Accounting Standards ASC 978 Real Estate – Timesharing Activities. This sales volume represents first generation or developer sales and does not include interests that were once owned and later resold on the secondary market.

Figure E.4 tracks the trend in interval or weekly interval equivalent sales prices from 1974 to 2020. The average sales price equals total industry sales volume, less sales upgrades where no incremental time is purchased, divided by the total number of intervals or interval equivalents sold. The growth in price has been more uneven than the growth in other measures. This may be due to the type, unit configuration, location, or developer brand of properties making up most of sales in a given year. To help smooth out these year-over-year variations, we added a fitted trend curve (the dotted line in the figure) that shows the upward movement in average price over time.

FIGURE E.4
TIMESHARE AVERAGE SALES PRICES SINCE 1974



Source: Ragatz Associates, American Economics Group and AIF

As noted previously, the industry has added various methods for timeshare purchases. Instead of selling one week per year, most now also offer increased flexibility by offering “points” that owners can use to customize their vacation needs. Consumers can break up or extend vacation weeks, travel during various times of the year and/or stay in various unit types at a range of locations. Some also offer biennial products that allow owners to use intervals every other year, instead of each year.

52 GLOSSARY OF TERMS

Available for sale

Unsold inventory of completed units ready for intended use, including reacquired and unsold product. Include intervals for a finished unit that were not sold as of December 31, 2019. Also include intervals for any unit where construction was completed and the unit made available for sale in calendar year 2020. Units that are ready for intended use but do not yet have a certificate of occupancy should be included as completed inventory. Also include unsold inventory of incomplete units available in phases that are in pre-sales.

Biennials

Vacation ownership product that provides a week's worth (or points equivalent) of timeshare interest every other year.

Estimated total reserve funding

The amount that would be necessary to completely replace all items contained in your reserve study to the extent an amount or portion thereof should have been set aside for the item as of a certain date, for example — if your reserve study stated the roof would cost \$50,000 to replace and it was at 1/2 its estimated useful life, your reserve should contain 50% of the costs of roof replacement, \$25,000 at the certain date.

Fractional

Ownership interest that is either a shared equity or club interest representing a period not fewer than two weeks but usually three weeks or more. Fractional ownership typically offers additional services, amenities, and flexibility relative to timeshare, so that a bundle of timeshare weeks would not be considered a fractional interest. Fractional sales and financed notes should be excluded from totals and averages reported in this survey.

Geographical Areas

Classify states (other than Florida, California, Hawaii, Nevada and South Carolina) as follows:

Northeast: CT, MA, ME, NH, NJ, NY, PA, RI, VT

Midwest: IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

South Atlantic: DC, DE, GA, MD, NC, VA, WV

South Central: AL, AR, KY, LA, MS, OK, TN, TX

Mountain: AZ, CO, ID, MT, NM, UT, WY

Pacific: AK, OR, WA

Interval weeks with the ability to use through a timeshare points system

Refers to a points system or vacation club backed by an interval week interest. The legal structure of the consumer's purchase is supported by a deeded week or week-based ownership interest, but the consumer has the ability to use the interest at its "home resort" or directly through a timeshare points-based system.

Just-in-time inventory

Inventory primarily sourced in transactions that are designed to closely correlate the timing of the acquisition with developer's sale of that inventory to purchasers.

Multiple resort family

A company that owns more than one timeshare resort.

New sales

First generation or developer sales; does not include interests that were once owned and later resold on the secondary market. Exclude temporary sales such as trial memberships, exit programs and sample programs. Include the incremental dollar value of upgrade sales and reloads, regardless whether the sale represents incremental ownership of time. For example, include the dollar value of upgrades from a biennial to an annual interval, as well as an upgrade from a shoulder season to peak season or an upgrade from a one-bedroom to a two-bedroom.

Planned timeshare resorts

Resorts to be constructed for which the corporate finance committee has given its approval and/or financing has been secured and approved by the appropriate entity.

Planned timeshare units

Units to be constructed for which the corporate finance committee has given its approval and/or financing has been secured and approved by the appropriate entity.

Private residence club

High-end fractional products with an average sales price of \$59,000 per week. Members usually pay maintenance and membership fees for privileged access to amenities and lodging.

Reload

A transaction whereby a customer obtains a second interval from the same seller but does not relinquish the right to the first, for example, obtaining an additional unit, an additional interval, or additional points.

Rescue, relief, postcard type companies

Companies that, for an up-front fee, offer to transfer ownership of one or more timeshare interests from a current owner to that company or another person.

Sales upgrade

A transaction where an owner has relinquished their rights to a previous purchase in order to have rights to a different timeshare interest such as a larger unit, longer time increment, or from a fixed-week to points program.

Rescissions

Sales contracts that are executed and for which the timeshare company has received valid funds in accordance with the sales contracts, but which do not close escrow within 30 days. Contracts that fail to have adequate funds should be viewed as pending contracts and should not be recognized as either gross sales or rescissions. Deeds in lieu of foreclosure and/or contracts obtained by the developer through foreclosure proceedings should not be reflected in the rescission amounts. Depositary rescissions, which are situations in which the buyer has made a deposit but hasn't yet provided the down payment necessary to qualify the transaction as a contract sale, are not counted as part of gross sales, and therefore are not counted as rescissions.

Reserve study

Comprehensive plan that predicts when various capital items are expected to wear out and estimates the funds set aside for replacement.

Sales volume

Net originated sales for the given year, which equals gross sales minus rescissions. Sales value should approximate the amount at which a timeshare interest would be sold in an all-cash sale, without financing or incentives. Determined by adjusting the stated sales price to the present value of the receivable, adding fees paid by the buyer that are unrelated to financing, and subtracting the value of incentives and services provided to the buyer (to the extent the fair value of the incentives or services exceeds the amount the buyer pays for the incentives or services).

Sampler or trial membership program

A marketing program under which a timeshare developer offers a customer, who has previously toured one of the developer's projects, a stay at one of the projects at a reduced rate. In exchange, the customer agrees to take another, subsequent tour of the project selected under the sampler program during the customer's stay at the project. If the subsequent tour results in a sale, the developer may allow the customer to apply some or the entire amount paid for the sampler toward the purchase of a timeshare, as a part of the down payment.

State of residence

The state where timeshare owners own their primary residence.

Timeshare occupancy rate

The percent of units occupied by a timeshare guest.

Timeshare

Vacation ownership interests that are usually sold in one-week increments but in some instances up to but less than 3-week increments (or points equivalent). It does not include the fractional interest product type.

Timeshare points

Refers to pure points systems. The consumer has purchased points or credits backed by a usage right to a club's internal network of resorts.

Traditional interval weeks

Refers to ownership of traditional interval weeks. The consumer has purchased a specific type of week at a specific resort. This week may then be exchanged through internal or external exchange systems, either for an interval week-based vacation or in some cases transferred for points, such as in a hotel brand frequent guest program.

Travel clubs

Provide members with services, discounts or other benefits, usually for three years or less, on the use or purchase of transportation, accommodations (that may include timeshare units) or other services related to travel. Generally, such clubs do not actually own any accommodations but may lease them on a short-term or as needed basis.

Vacant intervals

Intervals not used by anyone during the given year. Include all intervals which are not used by an owner, exchange guest, renter, or marketing plan participant, including rooms provided on a complimentary basis for purposes other than marketing. Do not include weeks set aside for maintenance.

Weekly intervals

Refers to ownership of traditional interval weeks or interval weeks with the ability to use through a timeshare points system.

Whole ownership

Vacation product in which each unit has one owner. Whole ownership sales and financed notes should be excluded from totals and averages reported in this survey.



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