Pulse Survey

A SURVEY OF TIMESHARE AND VACATION OWNERSHIP RESORT COMPANIES

AIF

2022 Q2

PREPARED BY

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

Deloitte & Touche LLP (Deloitte & Touche) is pleased to submit the results of the *2022 Second Quarter Pulse Survey: A Survey of Timeshare & Vacation Ownership Resort Companies.* Our services were performed and this report was developed in accordance with our engagement letter dated December 2, 2021 and are subject to the terms and conditions included therein.

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

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available by the survey respondents through August 3, 2022. Accordingly, changes in circumstances after that date could affect the findings outlined in this report.

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Deloitte & Touche LLP

August 26, 2022

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2022 Q2

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

All opinions and estimates included in this report constitute our judgment as of August 3, 2022 and are subject to revision.

PREPARED BY

Deloitte.

2022 Second Quarter Pulse Survey Overview and Key Findings

This survey is a summary of selected key metrics that provide an overview of the vacation timeshare industry in the United States. It is not a comment on any individual company, whose performance may vary from the information included in this study. To provide current information on the financial performance of the vacation timeshare industry, ARDA International Foundation engaged Deloitte & Touche LLP (Deloitte & Touche) to conduct the 2022 second quarter survey of U.S. timeshare companies that were in active sales during the second quarter of the year. The results herein include data from the period of April 2022 to June 2022. The results cover a total of 13 responding companies for which a total of 11 respondents provided sales information reporting aggregate net originated sales of approximately $1,708.1 million at June 30, 2022. Six of the aggregate 13 companies who participated in the survey are publicly traded companies, and three of the 13 are affiliated with major hotel brands. Note two of the six publicly traded company respondents provided separate survey responses, though consolidate as one reporting entity for SEC filing purposes. The six public companies that provided sales information accounted for 79.2 percent of total net originated sales in Q2 2022 – QTD as reported by the 11 survey respondents. The three companies affiliated with major hotel brands account for 63.9 percent of total net originated sales in Q2 2022 – QTD as reported by the 11 survey respondents.

The financial information contained in this survey includes June 30, 2022 QTD (Q2 2022 – QTD) compared to June 30, 2021 QTD (Q2 2021 – QTD) as well as compared to data as of June 30, 2019 as previously reported for purposes of comparing to pre-COVID-19 balance sheet data to observe the industry's recovery. We further compared sales performance, sales metric, and occupancy data for Q2 2022 – YTD calculated as the combination of results from the 2022 First Quarter Pulse Survey data as previously reported and 2022 Second Quarter Pulse Survey data herein for purposes of comparing to the Six Months Ended June 30, 2019 Pulse Survey data. Note the respondent class may differ across survey results for the aforementioned period comparisons. The information also contains data as of March 31, 2022 (Q1 2022) as previously reported in the 2022 First Quarter Pulse Survey, compared to data as of June 30, 2022 (Q2 2022). The timeshare industry began to experience significant COVID-19 impacts at the start of the second quarter of 2020, meaning Q2 2021 – QTD data reflects initial recovery from COVID-19 impacts. The industry has continued to see these impacts increasingly subside as evidenced in the Q2 2022 – QTD results. The trends associated with the performance indicators were developed based on quantitative factors. For example, each indicator that had a change of 10 percent or greater was denoted with a double green arrow or double red arrow. Indicators for which the change was less than 10 percent were denoted with a single green arrow or single red arrow.

Key Performance Indicators	Trend
Sales Performance	
Net Originated Timeshare Sales (net of Sales Incentives and Rescissions) including Telesales increased 18.4 percent from Q2 2021 - QTD to Q2 2022 - QTD, increasing from $1,442.3 million to $1,708.1 million.	⇧⇧ Increase
Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others) increased 19.7 percent from Q2 2021 - QTD to Q2 2022 - QTD, increasing from $1,636.1 million to $1,958.6 million.	⇧⇧ Increase

Sales Metrics	
Weighted Average Transaction Value increased 8.3 percent from $21,311 in Q2 2021 - QTD to $23,070 in Q2 2022 – QTD (The simple average transaction value increased 10.1 percent from $20,396 in Q2 2021 - QTD to $22,450 in Q2 2022 - QTD).	Increase
Weighted Average Rescission Rate increased 0.1 percentage point (or 0. 8 percent) from 12.4 percent in Q2 2021 - QTD to 12.5 percent in Q2 2022 – QTD (The simple average rescission rate decreased 1.4 percentage points, or 14.0 percent, from 10.0 percent in Q2 2021 - QTD to 8.6 percent in Q2 2022 - QTD).	Increase
Weighted Average Volume Per Guest (VPG) increased 25.1 percent from $3,859 to $4,826 from Q2 2021 - QTD to the Q2 2022 - QTD (The simple average VPG increased 9.7 percent from $3,717 in Q2 2021 - QTD to $4,077 in Q2 2022 - QTD). Note the large increase in VPG was driven by one respondent. When excluding this respondent, the resulting weighted average VPG increased 4.5 percent from $3,766 in Q2 2021 – QTD to $3,935 in Q2 2022 – QTD.	Increase
Tours increased 18.6 percent from 411,622 to 488,098 tours from Q2 2021- QTD to Q2 2022 - QTD.	Increase
Weighted Average Close Rate increased 2.7 percentage points (or 14.5 percent) from 18.6 percent to 21.3 percent from Q2 2021 - QTD to Q2 2022 - QTD.	Increase
Portfolio Performance	
Currency decreased by 1.2 percentage points (or 1.4 percent), decreasing from 87.7 percent as of Q2 2021 to 86.5 percent as of Q2 2022. Note one respondent reported a change in accounting policy related to write-off criteria from 2021 to 2022. When excluding this respondent, the resulting currency increased by 1.6 percentage points (or 1.8 percent) from 87.1 percent as of Q2 2021 to 88.7 percent as of Q2 2022.	Decrease
Delinquencies greater than 60 days past due increased by 0.9 percentage points (or 8.2 percent), increasing from 11.0 percent as of Q2 2021 to 11.9 percent as of Q2 2022. Note one respondent reported a change in accounting policy related to write-off criteria from 2021 to 2022. When excluding this respondent, the resulting delinquencies greater than 60 days past due decreased 1.9 percentage points (or 16.4 percent), decreasing from 11.6 percent as of Q2 2021 to 9.7 percent as of Q2 2022.	Increase
Charge-Offs decreased 0.5 percentage points (or 8.3 percent), decreasing from 6.0 percent to 5.5 percent from Q2 2021 – QTD to Q2 2022 – QTD. Note one respondent reported a change in accounting policy related to write-off criteria from 2021 to 2022. When excluding this respondent, the resulting charge-offs decreased 0.7 percentage points (or 10.9 percent), decreasing from 6.4 percent to 5.7 percent from Q2 2021 – QTD to Q2 2022 – QTD.	Decrease

Consumer Finance Experience	
Interest Rates remained at 14.1 percent when comparing Q2 2021 – QTD to Q2 2022 – QTD.	⇔ **No Change**
Weighted Average Term increased by 0.4 months (or 0.3 percent) from 124.0 months in Q2 2021 - QTD to 124.4 months in Q2 2022 - QTD.	⇧ **Increase**
Down Payments on non-upgrade sales decreased 2.3 percentage points (or 13.7 percent), from 16.8 percent in Q2 2021 - QTD to 14.5 percent in Q2 2022 - QTD.	⇩⇩ **Decrease**
Down Payments on upgrade sales increased 1.8 percentage points (or 4.1 percent), increasing from 43.4 percent in Q2 2021 - QTD to 45.2 percent in Q2 2022 - QTD.	⇧ **Increase**
Other Metrics	
Weighted Average Occupancy increased 3.1 percentage points (or 3.9 percent), increasing from 79.0 percent in Q2 2021 - QTD to 82.1 percent in Q2 2022 - QTD (including rooms at resorts that were closed due to COVID-19).	⇧ **Increase**
Weighted Average Occupancy increased 1.8 percentage points (or 2.2 percent) to 83.2 percent Q2 2022 - QTD as compared to 81.4 percent in Q2 2021 - QTD (excluding rooms at resorts that were closed due to COVID-19).	⇧ **Increase**
Number of Standard Bookings increased by 2,136 bookings (or 0.4 percent), increasing from 576,605 in Q2 2021 - QTD to 578,741 in Q2 2022 - QTD.	⇧ **Increase**
Number of Standard Cancellations decreased by 1,448 cancellations (or 0.8 percent), decreasing from 185,623 in Q2 2021 - QTD to 184,175 in Q2 2022 - QTD.	⇩ **Decrease**
Number of Sales & Marketing Package Bookings decreased by 5,737 bookings (or 4.5 percent), decreasing from 126,367 in Q2 2021 - QTD to 120,630 in Q2 2022 - QTD.	⇩ **Decrease**
Number of Sales & Marketing Package Cancellations decreased by 2,237 cancellations (or 9.1 percent), decreasing from 24,538 in Q2 2021 - QTD to 22,301 in Q2 2022 - QTD.	⇩ **Decrease**
Capital Expenditures increased 89.6 percent from Q2 2021 - QTD to Q2 2022 - QTD, increasing from $89.1 million to $168.9 million.	⇧⇧ **Increase**

Q2 2022 YTD compared to Q2 2019 YTD	
Net Originated Timeshare Sales (net of Sales Incentives and Rescissions) including Telesales of $3,076.0 million for Q2 2022 – YTD reflects recovery within 8.4 percent of net originated timeshare sales (net of sales incentives and rescissions) including telesales for Q2 2019 - YTD of $3,357.6 million.	⇩ **Decrease**
Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others) of $3,510.1 million for Q2 2022 – YTD reflects recovery within 8.2 percent of net originated timeshare sales (including telesales and fee-for-service, excluding rescissions and fee-for-service sold by others) for Q2 2019 - YTD of $3,822.9 million.	⇩ **Decrease**
Weighted Average Transaction Value increased 8.7 percent from $21,249 in Q2 2019 - YTD to $23,097 in Q2 2022 – YTD (The simple average transaction value increased 14.3 percent from $19,884 in Q2 2019 - YTD to $22,727 in Q2 2022 - YTD).	⇧ **Increase**
Weighted Average Rescission Rate decreased 4.2 percentage points (or 25.5 percent) from 16.5 percent in Q2 2019 - YTD to 12.3 percent in Q2 2022 – YTD (The simple average rescission rate decreased 5.5 percentage points, or 37.7 percent, from 14.6 percent in Q2 2019 - YTD to 9.1 percent in Q2 2022 - YTD).	⇩⇩ **Decrease**
Weighted Average Volume Per Guest (VPG) increased 55.7 percent from $2,908 in Q2 2019 – YTD to $4,527 in Q2 2022 - YTD (The simple average VPG increased 45.8 percent from $2,793 in Q2 2019 - YTD to $4,072 in Q2 2022 - YTD). Note the increase is primarily driven by one respondent. When excluding this respondent, the resulting weighted average VPG increased 40.6 percent from $2,902 in Q2 2019 – YTD to $4,081 in Q2 2022 – YTD.	⇧⇧ **Increase**
Weighted Average Close Rate increased 5.9 percentage points (or 41.8 percent) from 14.1 percent to 20.0 percent from Q2 2019 - YTD to Q2 2022 - YTD.	⇧⇧ **Increase**
Currency decreased by 2.9 percentage points (or 3.2 percent), decreasing from 89.4 percent as of Q2 2019 to 86.5 percent as of Q2 2022. Note one respondent reported a change in accounting policy related to write-off criteria from 2021 to 2022. When excluding this respondent, the resulting currency would show a decrease of 0.3 percentage points (or 0.3 percent), decreasing from 89.0 percent as of Q2 2019 to 88.7 percent as of Q2 2022.	⇩ **Decrease**
Charge-Offs decreased by 1.8 percentage points (or 24.7 percent), decreasing from 7.3 percent in Q2 2019 – YTD to 5.5 percent in Q2 2022 - YTD. Note one respondent reported a change in accounting policy related to write-off criteria from 2021 to 2022. When excluding this respondent, the resulting charge-offs decreased by 0.9 percentage points (or 13.6 percent), decreasing from 6.6 percent in Q2 2019 – YTD to 5.7 percent in Q2 2022 – YTD.	⇩⇩ **Decrease**

<u>**Weighted Average Occupancy**</u> increased 2.1 percentage points (or 2.7 percent), increasing from 77.8 percent in Q2 2019 – YTD to 79.9 percent in Q2 2022 - YTD (excluding rooms at resorts that were closed due to COVID-19).	⇧ **Increase**

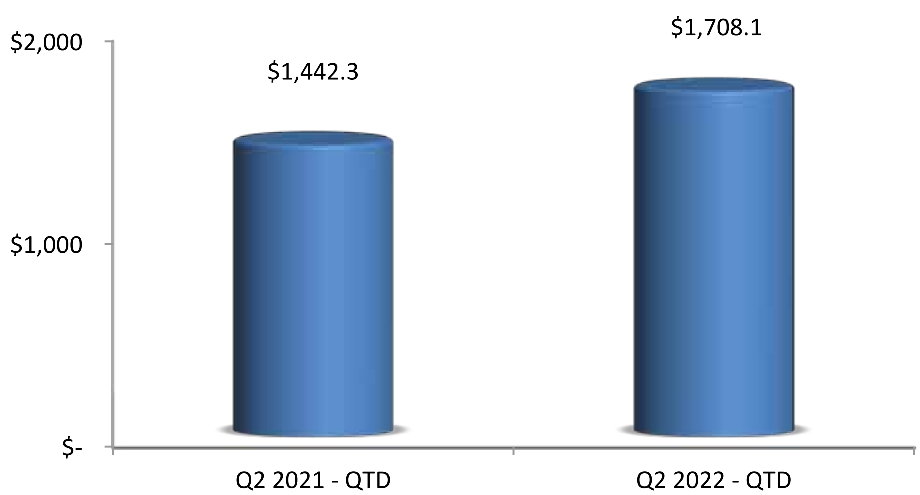
Survey Results

The following summarizes the survey results.

1. Timeshare sales volume increased in Q2 2022 - QTD when compared to Q2 2021 - QTD.

Companies provided data on a set of key sales indicators. In total, the 11 respondents that provided sales information reported approximately $1,708.1 million in net originated timeshare sales[1] (including telesales) in Q2 2022 - QTD. This was an 18.4 percent increase in Q2 2022 - QTD when compared to Q2 2021 - QTD. Note the net originated sales data for Q2 2021 – QTD in *Figure 1* reflects data as reported by 12 respondents, while net originated sales data for Q2 2022 – QTD reflects data as reported by 11 respondents. The difference in respondents is due to one company who provided Q2 2021 – QTD net originated sales data only. When excluding this respondent from the Q2 2021 – QTD sales, the resulting net originated timeshare sales (including telesales) increase was 36.8 percent from $1,248.8 million in Q2 2021 – QTD to $1,708.1 million in Q2 2022 – QTD. The increase in sales is reflective of the timeshare industry recovering from the impacts of COVID-19. See summary of COVID-19 impacts on the timeshare industry at the COVID- 19 Considerations section.

Figure 1. Net originated sales including telesales (Millions)



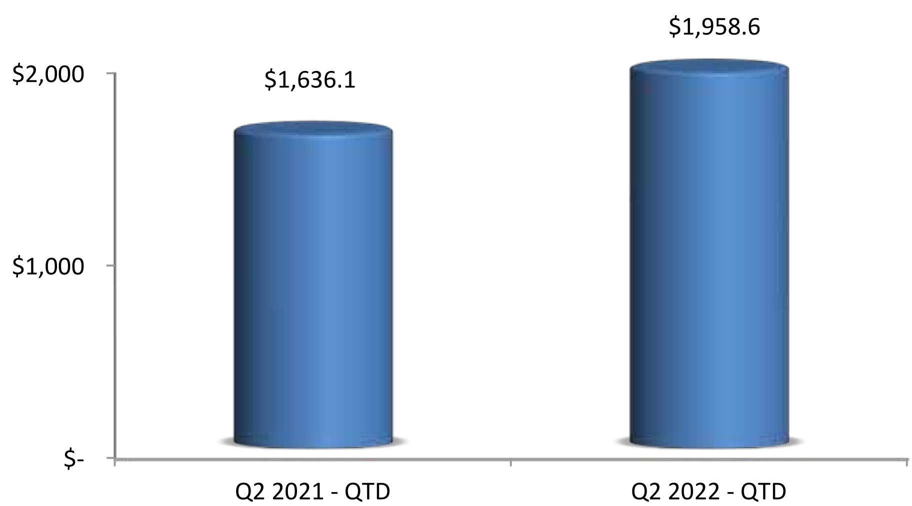
Source: Deloitte & Touche based on a minimum of 11 company survey responses.

Fee-for-service arrangements have become an established feature within the industry over the last decade. Respondents were asked a question related to sales for non-owned timeshare inventory sold under fee-for-service agreements as well as sales for owned timeshare inventory sold by others under fee-for- service agreements. Of the 11 companies, four are selling and marketing timeshare on behalf of other developers. One company is engaging others to sell and market timeshare on their behalf. Three of the four respondents providing fee-for-service increased fee-for-service operations while one of the four decreased fee-for-service operations in Q2 2022– QTD compared to Q2 2021 – QTD. The respondent being provided fee-for-service

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

decreased fee-for-service operations for the same period. The net overall timeshare sales (total fee-for-service provided less total fee-for-service received) under these arrangements increased from $193.8 million in Q2 2021 – QTD to $250.5 million in Q2 2022 – QTD. When sales of respondents' non-owned timeshare inventory under fee-for-service arrangements (excluding fee-for-service sold by others) are combined with respondents' sales of their own timeshare inventory, there was an increase of 19.7 percent in total net originated timeshare sales when compared to Q2 2021 – QTD. As discussed above, the net originated sales data for Q2 2021 – QTD reflects data as reported by 12 respondents, while net originated sales data for Q2 2022 – QTD reflects data as reported by 11 respondents. The difference in respondents is due to one company who provided Q2 2021 – QTD net originated sales data only. When excluding this respondent, the resulting net originated timeshare sales (including sales under fee-for-service arrangements) growth increased by 35.8 percent from $1,442.7 million in Q2 2021 – QTD to $1,958.6 million in Q2 2022 – QTD.

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

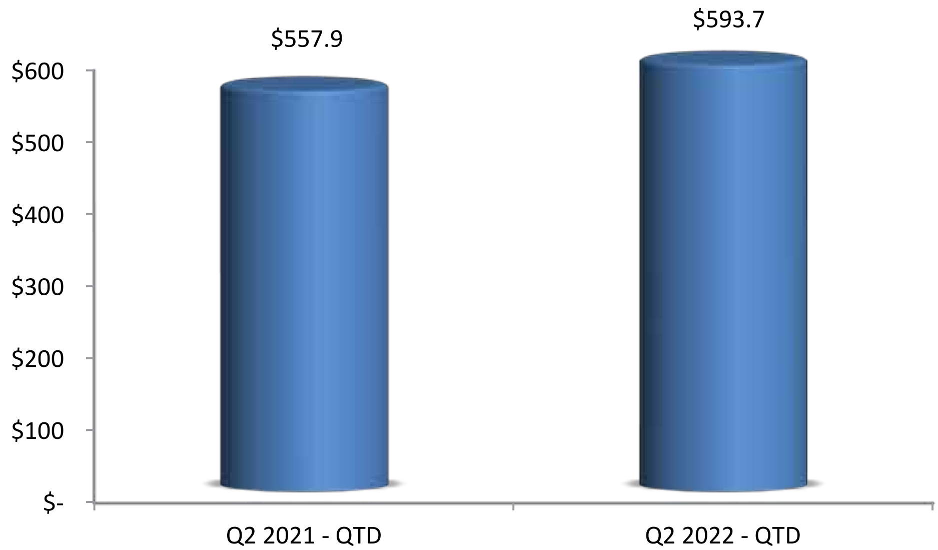


Source: Deloitte & Touche based on a minimum of 11 company survey responses for net originated sales, 4 respondents reported providing fee-for-service arrangements, and 1 respondent reported being provided fee-for-service arrangements.

Respondents were asked to report the amount of net originated sales (including telesales) that were new owner and existing owner sales. The 10 respondent companies that provided new owner sales information reported approximately $593.7 million in new owner net originated timeshare sales (including telesales) in Q2 2022 – QTD, which is a 6.4 percent increase from Q2 2021 – QTD, see *Figure 3* below. The 10 respondent companies that provided existing owner sales information reported approximately $917.3 million in existing owner net originated timeshare sales (including telesales) in Q2 2022 – QTD which is a 20.9 percent increase from Q2 2021 – QTD. As a percentage of total net originated sales as reported by Companies that provided new owner and existing owner sales information, new owner sales made up 39.3 percent of the balance in Q2 2022 – QTD, which is a decrease from 42.4 percent in Q2 2021 – QTD (see *Figure 4* below). Existing owner sales for Q2 2022 – QTD made up 60.7 percent of total net originated sales, which is an increase from 57.6 percent in Q2 2021 – QTD.

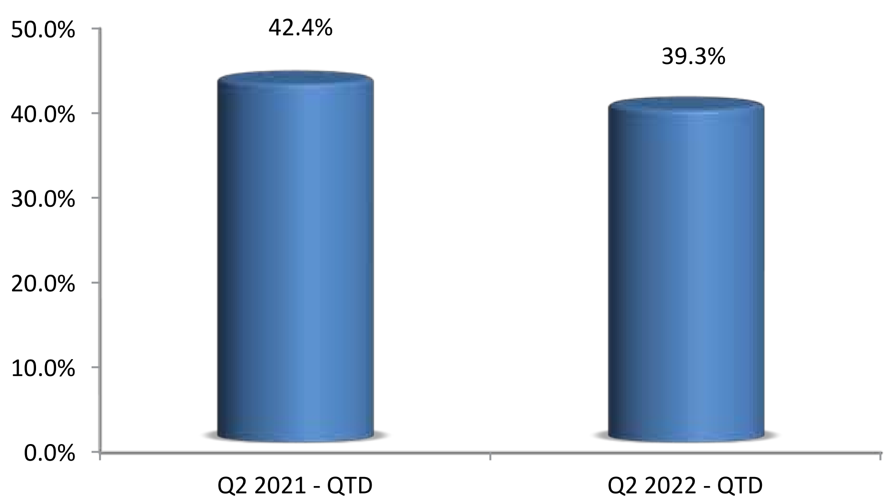
Note that the sum of the total new owner sales and existing owner sales differs from the total net originated sales due to the fact that one of the 11 respondents that provided net originated sales did not provide information related to new owner and existing owner sales.

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



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

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

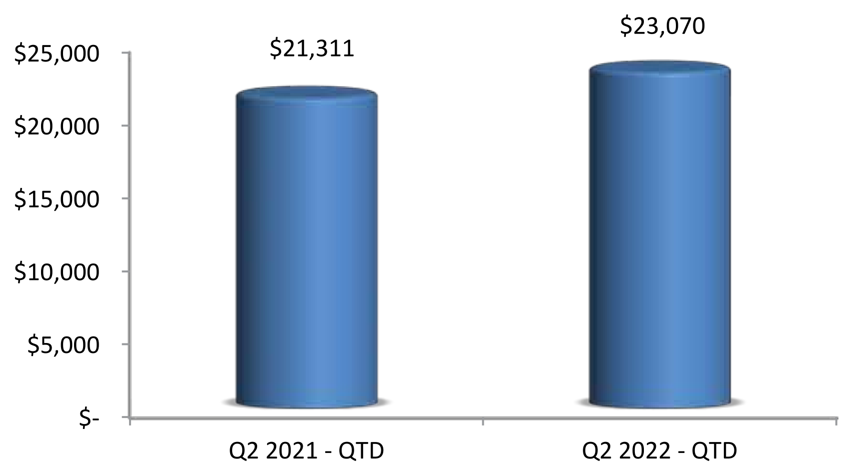


Eleven companies reported net originated sales excluding telesales as well as detailed information on the number of tours and the number of sales transactions for Q2 2022 – QTD. The companies reported that the aggregate number of tours[2] increased 18.6 percent, the aggregate number of sales transactions increased 18.2 percent, the weighted average transaction value increased 8.3 percent, the weighted average VPG increased by 25.1 percent, and the weighted average close rate increased 14.5 percent.

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

As a further reflection of the multiple factors that can impact this measure, the responses differed by company. Seven respondents reported average transaction value had decreased from Q2 2021 – QTD and four respondents reported the value had increased. *Figure 5* below illustrates the average transaction value calculated using a weighted average.

Figure 5. Weighted average transaction value



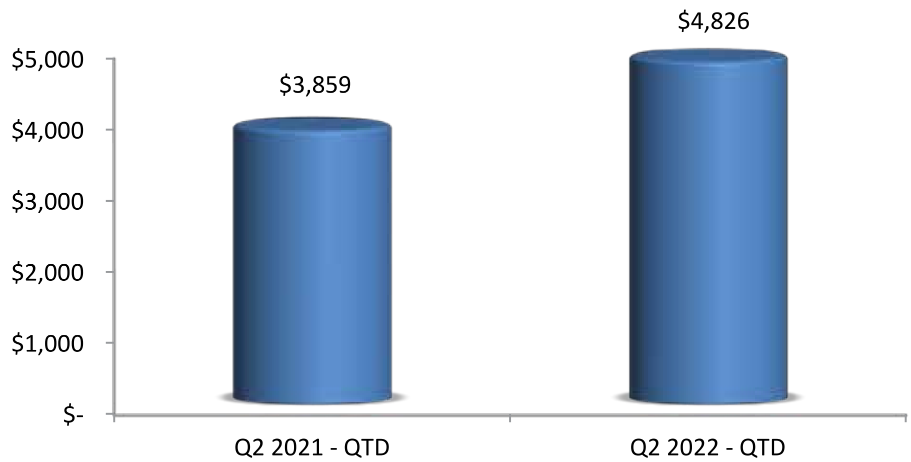
Source: Deloitte & Touche based on 11 company survey responses.

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

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

VPG[4], a measure of sales efficiency, is calculated as net originated sales per tour, increased by 25.1 percent from Q2 2021 – QTD to Q2 2021 – QTD. Note the increase is primarily driven by one respondent. When excluding this respondent, the resulting weighted average VPG increased by 4.5% from $3,766 as of Q2 2021 – QTD to $3,935 as of Q2 2022 – QTD.

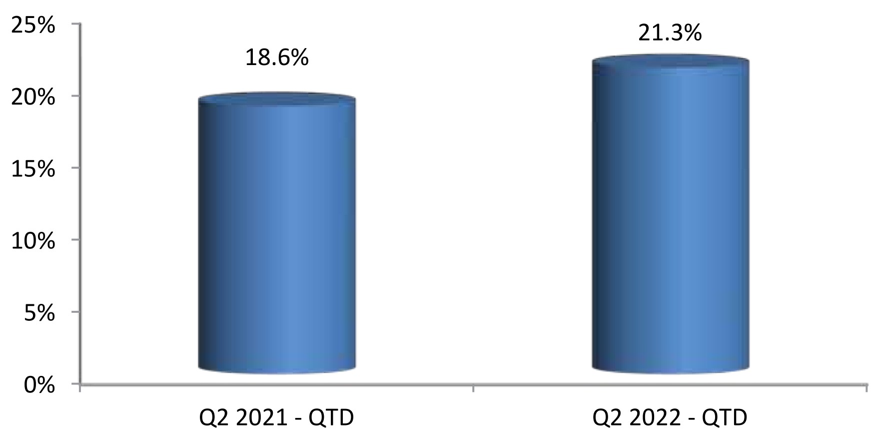
Figure 6. Weighted average VPG



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

The close rate, another measure of sales efficiency, is the number of sales transactions generated from tour flow, increased by 2.7 percentage points (14.5 percent) from Q2 2021 – QTD to Q2 2022 – QTD.

Figure 7. Weighted average close rate



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

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

The averages reported above are weighted averages; however, we also disclose the simple averages for the close rate, VPG, and average transaction value herein, see *Figure 8* below. Note that metrics below were directionally the same under the weighted and simple average calculations for VPG and average transaction value. The close rate showed an increase between periods under the weighted average calculation and no change under the simple average calculation.

Figure 8. Weighted and simple averages for selected sales metrics

	Weighted Average Q2 2021	Weighted Average Q2 2022	Simple Average Q2 2021	Simple Average Q2 2022
Second Quarter				
Volume per guest	$3,859	$4,826	$3,717	$4,077
Average transaction value	$21,311	$23,070	$20,396	$22,450
Close rate	18.6%	21.3%	18.2%	18.2%

Source: Deloitte & Touche based on 11 company survey responses

Among the companies that provided key sales indicators, 11 provided rescission percentage information. The weighted average rescission rate[5] among those companies was 12.5 percent in Q2 2022 – QTD, which was an increase of 0.1 percentage points from 12.4 percent for Q2 2021 – QTD. Six companies reported a decrease in rescissions between Q2 2021 – QTD and Q2 2022 – QTD and five companies reported an increase in rescissions. The simple average rescission rate decreased 1.4 percentage points from 10.0 percent to 8.6 percent from Q2 2021 – QTD to Q2 2022 – QTD. Further, respondents were asked to provide the rescission volume in dollars. For the 11 companies that provided this information for Q2 2021 – QTD and Q2 2022 – QTD, the total aggregate rescissions increased by 23.1 percent from $230.3 million to $283.6 million in Q2 2022 – QTD.

Respondents were asked a question related to rescission information on existing and new owner sales. For the 10 respondent companies that provided rescission information on new owner sales, the weighted average rescission rate increased from 42.7 percent in Q2 2021 – QTD to 52.2 percent in Q2 2022 – QTD. Further, 10 respondents provided rescission information on new owner sales in dollars resulting in an increase of 10.0 percent in the total aggregate rescission volume from approximately $121.3 million to approximately $133.4 million from Q2 2021 – QTD to Q2 2022 – QTD. For the 10 respondent companies that provided rescission information on existing owner sales, the weighted average rescission rate increased from 16.2 percent in Q2 2021 – QTD to 26.9 percent in Q2 2022 – QTD. Further, 10 respondents provided rescission information on existing owner sales in dollars resulting in an increase of 14.8 percent in the total aggregate rescission volume from $87.2 million to $100.2 million from Q2 2021 – QTD to Q2 2022 – QTD.

Respondents were asked a question related to owner growth rate over the prior year. For the 8 respondent companies that provided owner growth rate data, the weighted average growth rate increased from 0.7 percent as of June 30, 2021 to 1.6 percent as of June 30, 2022.

Respondents were asked a question related to total rental revenue recognized. For the 11 respondent companies that provided rental revenue, the total rental revenue increased 13.6 percent from $373.3 million in Q2 2021 – QTD to $424.3 million in Q2 2022 – QTD.

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

2(A). Consumer timeshare loan portfolios experienced a decrease in currency when comparing as of 6/30/2021 and as of 6/30/2022.

The composition of receivables portfolios[6] was evaluated as of June 30, 2022 and compared to the composition as of June 30, 2021. The total aggregate receivables for the 11 companies that provided receivables data was $12,228.3 million as of June 30, 2022, and $11,894.0 million as of June 30, 2021.

Respondents reported that payments for 86.5 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2022, a decrease of 1.2 percentage points from one year earlier. Further, as of June 30, 2022, 9.8 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, an increase of 0.7 percentage points compared to one year earlier. Note one respondent reported a change in accounting policy related to write-off criteria from 2021 to 2022. When excluding this respondent, the resulting currency increased by 1.6 percentage points (or 1.8 percent) from 87.1 percent as of Q2 2021 to 88.7 percent as of Q2 2022. Further, the resulting delinquencies (more than 120 days past due) when excluding this respondent decreased by 2.2 percentage points from 9.8 percent as of Q2 2021 to 7.6 percent as of Q2 2022.

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

	Q2 2021	Q2 2022	Difference
Current	87.7%	86.5%	-1.2%
31 to 60 days	1.3%	1.6%	0.3%
61 to 90 days	0.9%	1.1%	0.2%
91 to 120 days	1.0%	1.0%	0.0%
More than 120 days	9.1%	9.8%	0.7%
Total	**100.0%**	**100.0%**	

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

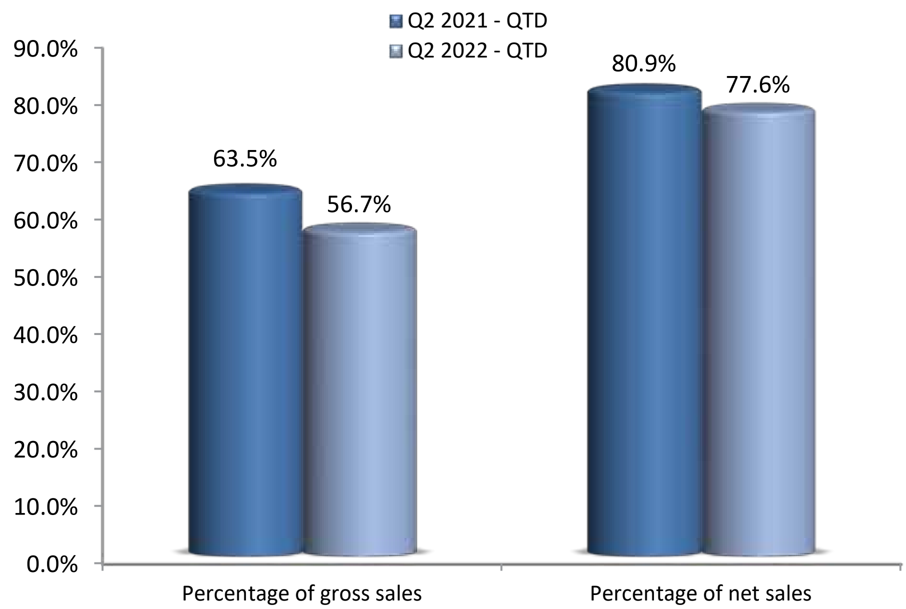
Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during Q2 2022 – QTD, as a percentage of the gross outstanding portfolio balance at period-end. The weighted average default rate in Q2 2022 – QTD was 5.5 percent, which reflected a decrease of 0.5 percentage points, or 8.3 percent, as compared to one year earlier. Of the 10 respondents, six respondents reported a decrease in the default rate when comparing Q2 2022 – QTD to Q2 2021 – QTD, three respondents reported an increase in the default rate, while one respondent reported no change. Note one respondent reported a change in accounting policy related to write-off criteria from 2021 to 2022. When excluding this respondent, the resulting weighted average default rate decreased 0.7 percentage points, or 10.9 percent, from 6.4 percent in Q2 2021 – QTD to 5.7 percent in Q2 2022 – QTD.

The respondents were also asked to provide the weighted average FICO score at origination (weighted by the outstanding principal balance of the receivables) for loans within the portfolio at the end of Q2 2021 – QTD and Q2 2022 – QTD. Of the 11 respondents, six respondents reported an increase in the weighted average FICO score, three respondents reported a decrease, and two respondents reported no change. The result was a 0.1 percent increase in the weighted average FICO score from 713 at Q2 2021– QTD to 714 at Q2 2022 – QTD.

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

Respondents were also asked to report originations as a percentage of both gross sales and net sales. Note that gross sales for the purposes of the survey question are inclusive of upgrade contract selling prices while net sales are equal to gross sales less upgrade contract selling prices. Originations as a percentage of gross sales decreased by 6.8 percentage points (or 10.7 percent) from 63.5 percent for Q2 2021 – QTD to 56.7 percent for Q2 2022 – QTD. Originations as a percentage of net sales decreased by 3.3 percentage points (or 4.1 percent) from 80.9 percent for Q2 2021 – QTD to 77.6 percent for Q2 2022 – QTD.

Figure 9b. Originations as a Percentage of Sales



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

2(B). Consumer timeshare loan portfolios experienced a decrease in currency when comparing as of 3/31/2022 and as of 6/30/2022.

The composition of receivables portfolios was evaluated as of June 30, 2022 and compared to the composition as of March 31, 2022. The total aggregate receivables for the companies that provided receivables data was $12,228.3 million as of June 30, 2022 and $11,759.7 million as of March 31, 2022.

Receivables portfolios showed an increase in delinquencies greater than 120 days past due as of June 30, 2022, compared to one quarter earlier. Respondents reported that payments for 86.5 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2022, which was 1.6 percentage points lower than one quarter earlier. Further, 5.5 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance in Q2 2022 - QTD, which was 0.2 percentage points lower compared to Q1 2022 – QTD.

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

	Q1 2022	Q2 2022	Increase/(Decrease)
Current	88.1%	86.5%	-1.6%
31 to 60 days	1.6%	1.6%	0.0%
61 to 90 days	1.2%	1.1%	-0.1%
91 to 120 days	1.2%	1.0%	-0.2%
More than 120 days	7.9%	9.8%	1.9%
Total	**100.0%**	**100.0%**	

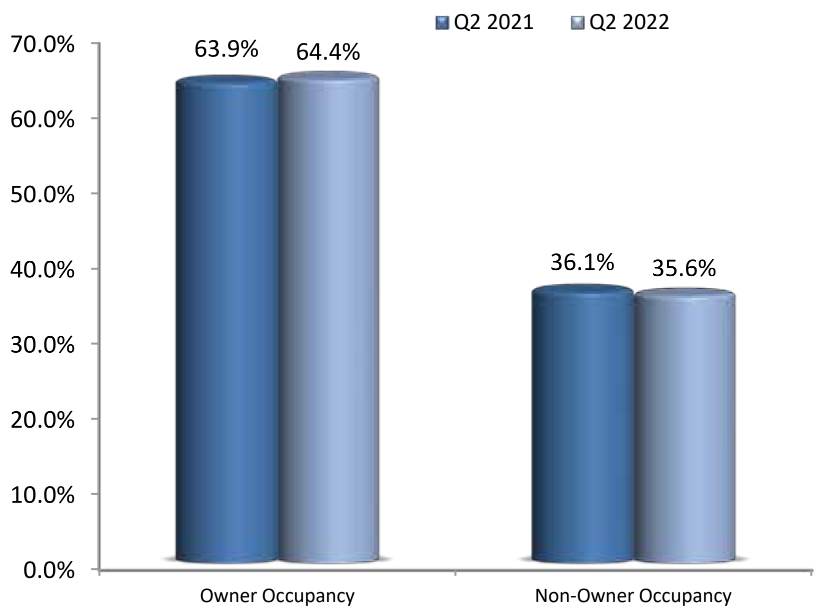
Source: Deloitte & Touche based on 11 company survey responses.

3(A). Resort occupancy including rooms at resorts that were closed due to COVID-19 increased 3.1 percentage points (or 3.9 percent) as compared to Q2 2021 - QTD.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 13 companies that provided occupancy data, representing approximately 10.3 million available room nights in Q2 2022 – QTD, the average occupancy rate, including rooms at resorts that were closed due to COVID-19, increased 3.1 percentage points (or 3.9 percent) to 82.1 percent in Q2 2022 – QTD, compared to 79.0 percent in Q2 2021 – QTD. When excluding rooms in resorts that were closed due to COVID-19, the Q2 2022 – QTD occupancy rate was 83.2 percent as compared to 81.4 percent for Q2 2021 – QTD. Available room nights including rooms at resorts that were closed due to COVID-19 increased 2.3 percent from Q2 2021 – QTD to Q2 2022 – QTD, increasing from approximately 10.1 million room nights to approximately 10.3 million room nights as reported by 13 companies. When excluding rooms in resorts that were closed due to COVID-19, there were 8.0 million available room nights reported for Q2 2022 – QTD as compared to 7.5 million available rooms night reported for Q2 2021 – QTD as reported by 12 companies.

Additionally, respondents were asked to report on the occupancy excluding rooms at resorts that were closed due to COVID-19 based on whether the occupants were or were not timeshare owners. The mix increased by 0.8 percent from Q2 2021 – QTD for owner occupancy and decreased by 1.4 percent for non-owner occupancy.

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



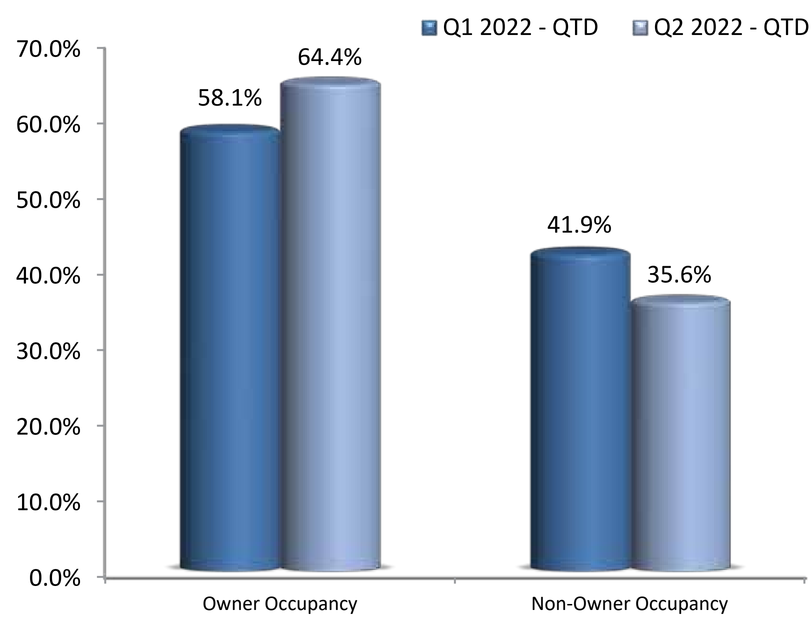
Source: Deloitte & Touche based on 12 company survey responses.

3(B). Resort occupancy including rooms at resorts that were closed due to COVID-19 increased 8.4 percentage points (or 11.4 percent) as compared to Q1 2022 – QTD.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 13 companies that provided occupancy data, representing approximately 10.3 million available room nights in Q2 2022 – QTD, the average occupancy rate, including rooms at resorts that were closed due to COVID-19, increased 8.4 percentage points (or 11.4 percent) to 82.1 percent Q2 2022 – QTD, compared to 73.7 percent in Q1 2022 – QTD as previously reported. When excluding rooms in resorts that were closed due to COVID-19, the Q2 2022 – QTD occupancy rate was 83.2, which is an increase of 6.6 percentage points (or 8.6 percent) as compared to 76.6 percent in Q1 2022 – QTD as previously reported.

Additionally, respondents were asked to report on the occupancy excluding rooms at resorts that were closed due to COVID-19 based on whether the occupants were or were not timeshare owners. The mix increased from Q1 2022 – QTD for owner occupancy by 10.8 percent and decreased for non-owner occupancy by 15.0 percent. Note Q1 2022 – QTD results in *Figure 11b* reflect data as provided by 11 respondents, while Q2 2022 – QTD results reflect data as provided by 12 respondents.

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



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

3(C). Characteristics of Occupancy Bookings and Cancellations

Survey respondents were asked to provide information on timeshare unit bookings and cancellations as shown in *Figure 12* below. Overall, the number of standard bookings demonstrated an increase from Q2 2021 – QTD to Q2 2022 – QTD while the number of standard cancellations, number of sales and marketing package bookings, and number of sales and marketing cancellations demonstrated decreases from Q2 2021 – QTD to Q2 2022 – QTD. Seven companies provided standard bookings and cancellations (owners and guests) data. The number of standard bookings increased by 0.4 percent from 576,605 in Q2 2021- QTD to 578,741 in Q2 2022 – QTD. The number of standard cancellations decreased by 0.8 percent from 185,623 in Q2 2021 – QTD to 184,175 in Q2 2022 – QTD. Four companies provided responses on the number of sales and marketing package bookings and cancellations (non-owners). The number of sales and marketing package bookings decreased by 4.5 percent from 126,367 in Q2 2021 – QTD to 120,630 in Q2 2022 – QTD. The number of sales and marketing package cancellations decreased by 9.1 percent from 24,538 in Q2 2021 – QTD to 22,301 in Q2 2022 – QTD.

As reported by two companies, the average term of the product offered for the sales and marketing package purchases remained the same when comparing Q2 2021 – QTD to Q2 2022 – QTD ranging from 12 to 36 months. As reported by one company, the average remaining term on sales and marketing packages related to cancellations is 6 months as reported for both Q2 2021 – QTD and Q2 2022 – QTD.

Figure 12. Characteristics of occupancy bookings and cancellations

Second Quarter	2021	2022	% Increase/ (Decrease)
Number of standard bookings (owners and guests)	576,605	578,741	0.4%
Number of standard cancellations (owners and guests)	185,623	184,175	-0.8%
Number of sales & marketing package bookings (non-owners)	126,367	120,630	-4.5%
Number of sales & marketing package cancellations (non-owners)	24,538	22,301	-9.1%

Source: Deloitte & Touche based on a minimum of 4 company survey responses.

4. Average term, average down payment on upgrade sales, and FICO score at origination increased while average down payment on non-upgrade sales decreased and average interest rate remained the same in Q2 2022 as compared to Q2 2021.

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated to compare to Q2 2021 – QTD.[7] The average interest rate on new consumer loans in Q2 2022 – QTD was 14.1 percent, which remained the same as compared to Q2 2021 – QTD. The Q2 2022 – QTD average loan term was 124.4 months, which is a slight increase of 0.4 months from 124.0 in Q2 2021 – QTD. The average FICO score for financed sales increased from 717 in Q2 2021 – QTD to 725 in Q2 2022 – QTD.

Respondents were asked to provide the average down payment on upgrade sales separate from non-upgrade sales. As a result, down payments on upgrade sales are typically higher than on non-upgrade sales, and a change in the mix of upgrade and non-upgrade sales could impact the overall average down payment. For the 10 respondents that provided non-upgrade down payment data, the average down payment on non-upgrade sales decreased to 14.5 percent of the stated sales price on financed sales in Q2 2022 – QTD compared to 16.8 percent in Q2 2021 – QTD. For the 9 respondents that provided existing owner down payment data, the average down payment on upgrade sales, which includes the value of equity in the owners' existing vacation ownership interests, was 45.2 percent in Q2 2022 – QTD, an increase of 1.8 percentage points from Q2 2021 – QTD.

Figure 13. Characteristics of consumer timeshare loan financing

Second Quarter	2021	2022	Difference
Average:			
Interest rate (annual)	14.1%	14.1%	0.0%
Term (months)	124.0	124.4	0.4 months
Down payment on non-upgrade sales (% of price)	16.8%	14.5%	-2.3%
Down payment on upgrade sales (% of price)	43.4%	45.2%	1.8%
FICO Score at origination (new sales)	717	725	8

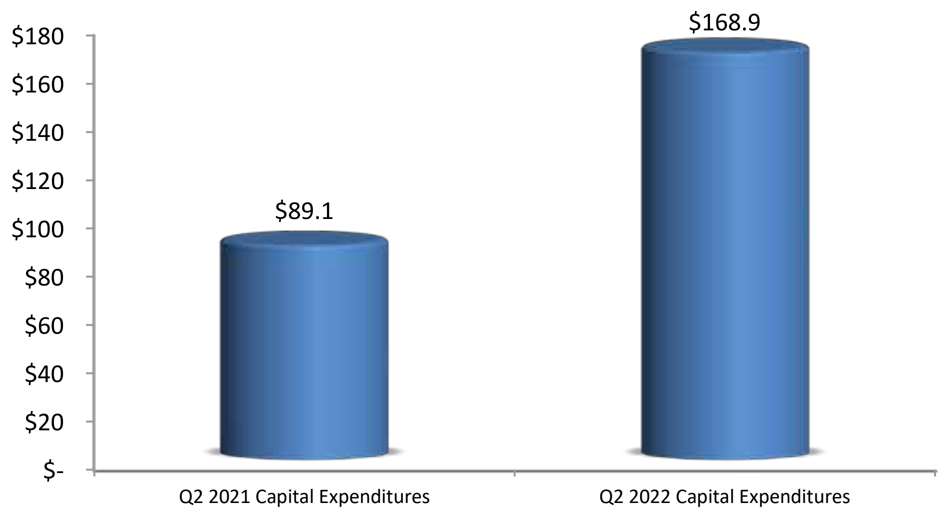
Source: Deloitte & Touche based on a minimum of 9 company survey responses.

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

5. Capital expenditures related to timeshare inventory increased overall in Q2 2022 – QTD when compared to Q2 2021 – QTD.

Survey respondents were asked to provide total capital expenditures related to timeshare inventory projects (including turn-key, just-in-time inventory purchases, and buy-backs from property owner associations). Overall, capital expenditures increased 89.6 percent in Q2 2022 – QTD compared to Q2 2021 – QTD. Four respondents reported a decrease in capital expenditures related to timeshare inventory and four respondents reported an increase. Note one respondent provided capital expenditure data for Q2 2021 – QTD only, thus the Q2 2021 – QTD data in Figure 14 reflects 9 respondents while the Q2 2022 – QTD data reflects 8 respondents.

Figure 14. Capital Expenditures (Millions)

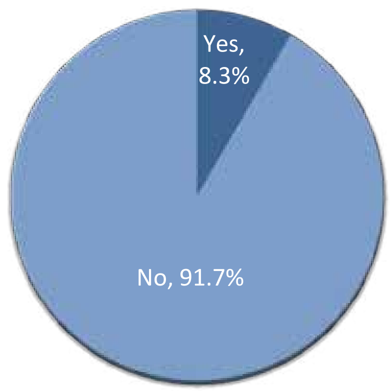


Source: Deloitte & Touche based on a minimum of 8 company survey responses.

6. Impact of COVID-19

Participants were asked specific questions related to the impact of COVID-19 on the Company, which included questions around mortgage deferment programs Of the 12 respondents, one respondent (or 8.3 percent) reported that they offered a mortgage deferment program to owners due to the impacts of COVID-19 as of June 30, 2022.

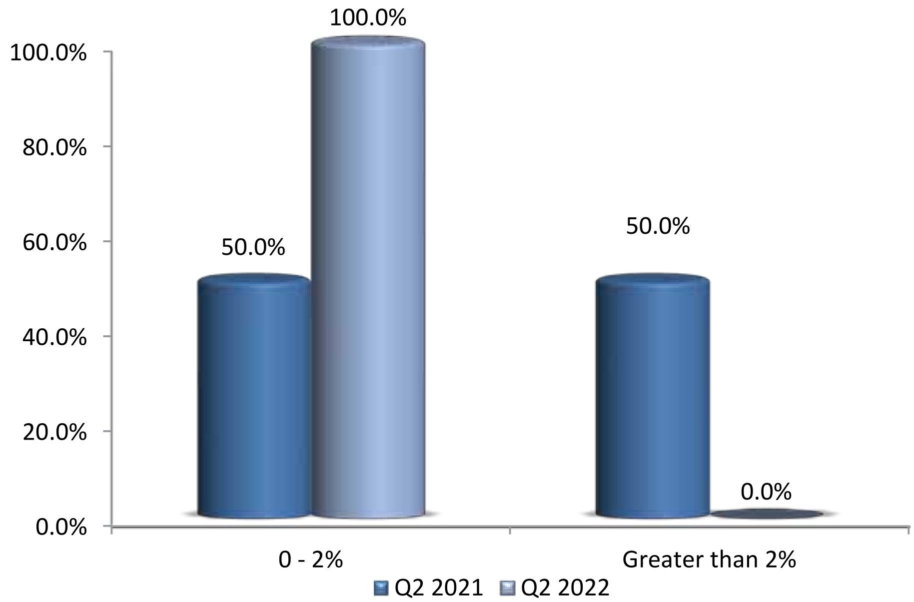
Figure 15a. Mortgage Deferment Offered to Owners due to COVID-19



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

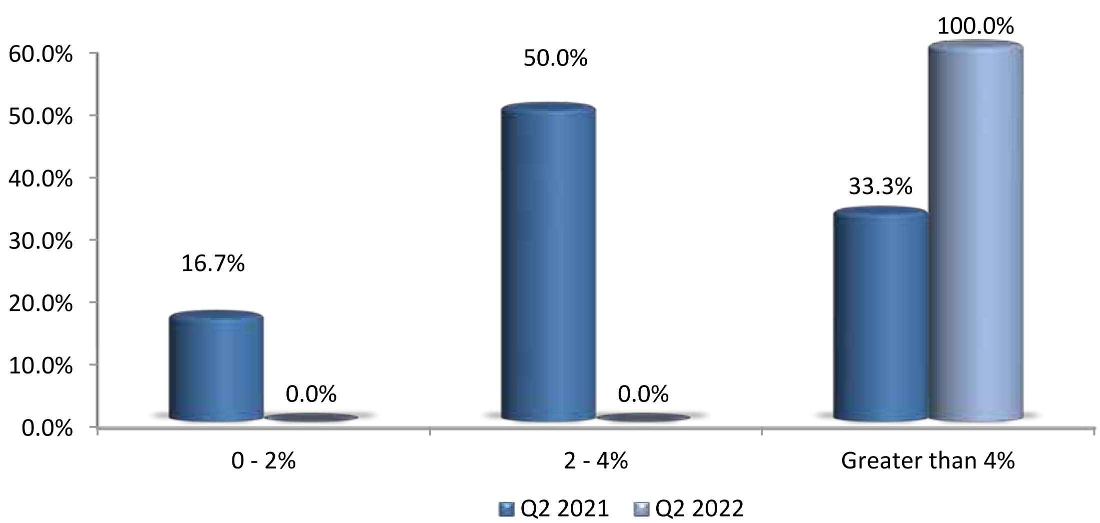
As reported by one company who still offered a mortgage deferment program due to impacts of COVID-19 as of June 30, 2022, only a small percentage of owners took advantage of the mortgage deferral programs as of June 30, 2022. This one respondent reported that less than two percent of timeshare owners deferred mortgage payments as of June 30, 2022. This compares to 50 percent of six respondents who reported that less than two percent of timeshare owners deferred mortgage payments as of June 30, 2021. The simple average number of owners who took advantage of the program as a percentage of total owners for all respondents was 1.6 percent as of June 30, 2022 as reported by one respondent, as compared to 4.1 percent as of June 30, 2021 as reported by six respondents, and 4.7 percent as of March 31, 2022 as reported by three respondents. The simple average dollar value impact of the deferment program as a percentage of total portfolio for all respondents was 4.6 percent as of June 30, 2022 as reported by one respondent, as compared to 4.2 percent as of June 30, 2021 as reported by six respondents.

Figure 15b. Owners who took advantage of the program as a percentage of total owners



Source: Deloitte & Touche based on a minimum of 1 company survey responses.

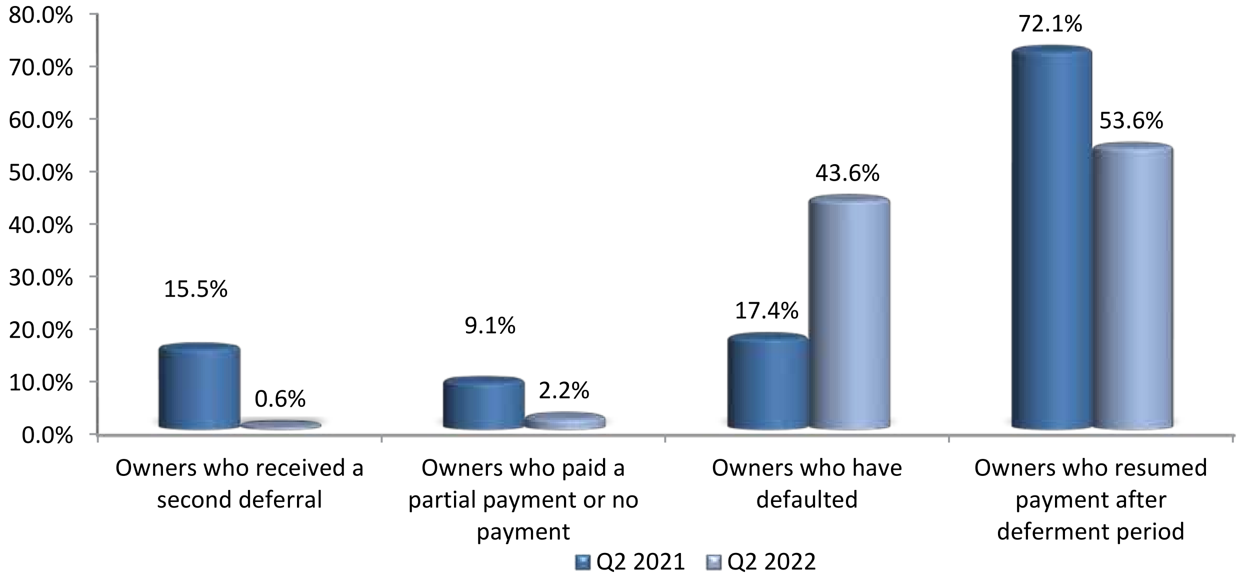
Figure 15c. Dollar value impact of the deferment program as a percentage of total portfolio



Source: Deloitte & Touche based on a minimum of 1 company survey responses.

Of the companies who offered owners a mortgage deferral program, we gathered further data on the owners who took advantage of the mortgage deferral program as seen in *Figure 15d* below. On average, 0.6 percent of the owners who took advantage of the mortgage deferral program received a second deferral, 2.2 percent paid a partial payment or no payment, 43.6 percent have defaulted, and 53.6 percent have resumed payment after deferment period as of June 30, 2022. This compares to 15.5 percent of the owners who took advantage of the mortgage deferral program received a second deferral, 9.1 percent paid a partial payment or no payment, 17.4 percent have defaulted, and 72.1 have resumed payment after deferment period as of June 30, 2021. Note the percentages sum to greater than 100 percent as owners may fall into more than one category.

Figure 15d. Simple Average of Owners as a percentage of total owners with a mortgage deferment



Source: Deloitte & Touche based on 3 company survey responses.

Considering the receivables portfolios of only the loans of owners who took advantage of a mortgage deferral program, respondents reported that payments for 63.7 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2022 as compared to 81.5 percent as of June 30, 2021. Further, 33.4 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent as of June 30, 2022 as compared to 12.9 percent as of June 30, 2021.

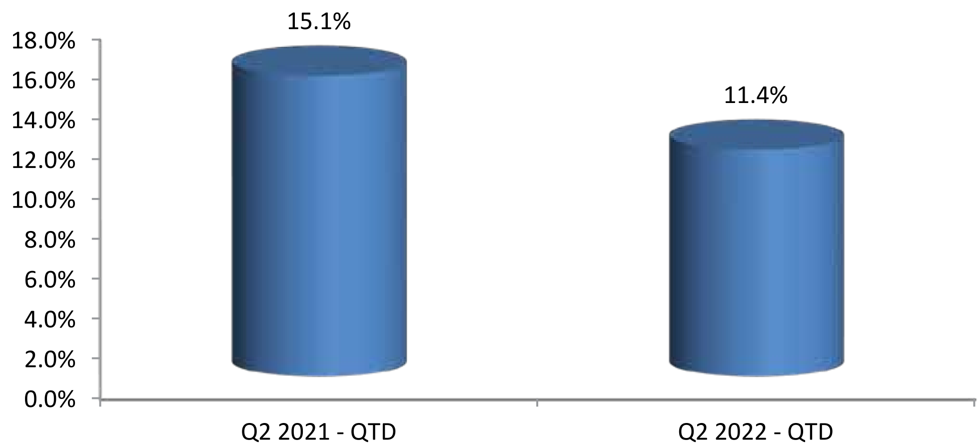
Figure 15e. Aging of consumer timeshare loan portfolios with a mortgage deferment

	June 30, 2021	June 30, 2022
Current	81.5%	63.7%
31 to 60 days	2.4%	1.2%
61 to 90 days	1.3%	1.0%
91 to 120 days	1.9%	0.7%
More than 120 days	12.9%	33.4%
Total	**100.0%**	**100.0%**

Source: Deloitte & Touche based on 4 company survey responses for 2022 and 7 survey responses for 2021.

Participants were further asked a question related to the number of positions open for employment as a percentage of all positions. Seven respondents provided data which indicated on average 11.4 percent of positions were open for employment as of Q2 2022. This reflects a 3.7 percentage point decrease, or 24.5 percent, as compared to Q2 2021 of 15.1 percent.

Figure 16. Open positions for employment



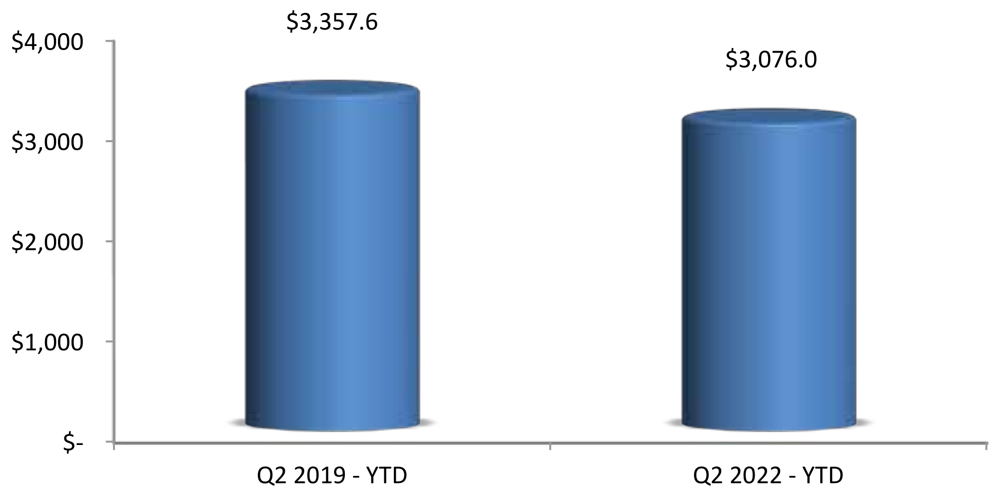
Source: Deloitte & Touche based on 7 company survey responses

7. Q2 2022 - YTD compared to Q2 2019 - YTD

We further compared sales performance, sales metric, and occupancy data for Q2 2022 – YTD calculated as the combination of results from the 2022 First Quarter Pulse Survey data as previously reported and 2022 Second Quarter Pulse Survey data herein for purposes of comparing to the Q2 2019 – YTD Pulse Survey data.

The 11 respondents that provided sales information for Q1 2022 – QTD as previously reported and Q2 2022 – QTD herein reported an aggregate amount of approximately $3,076.0 million in net originated timeshare sales (including telesales). This is within 8.4 percent of net originated timeshare sales (including telesales) for Q2 2019 – YTD, thus evidencing the industry's continuous recovery from COVID-19 impacts.

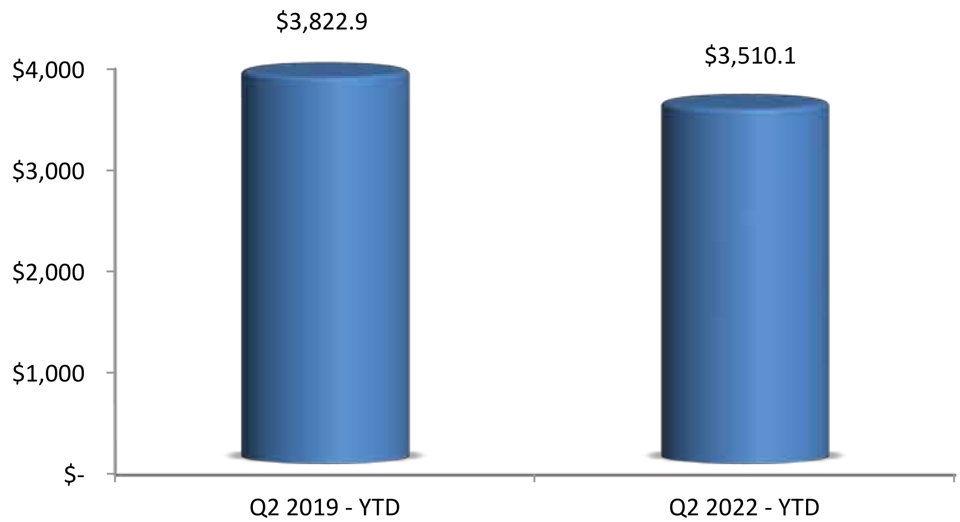
Figure 17. Net originated sales including telesales (Millions)



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

When sales of respondents' non-owned timeshare inventory under fee-for-service arrangements (excluding fee-for-service sold by others) are combined with respondents' sales of their own timeshare inventory, the Q2 2022 - YTD sales reflect recovery within 8.2 percent of sales for Q2 2019 – YTD.

Figure 18. Net originated sales (including sales under fee-for-service arrangements) (Millions)



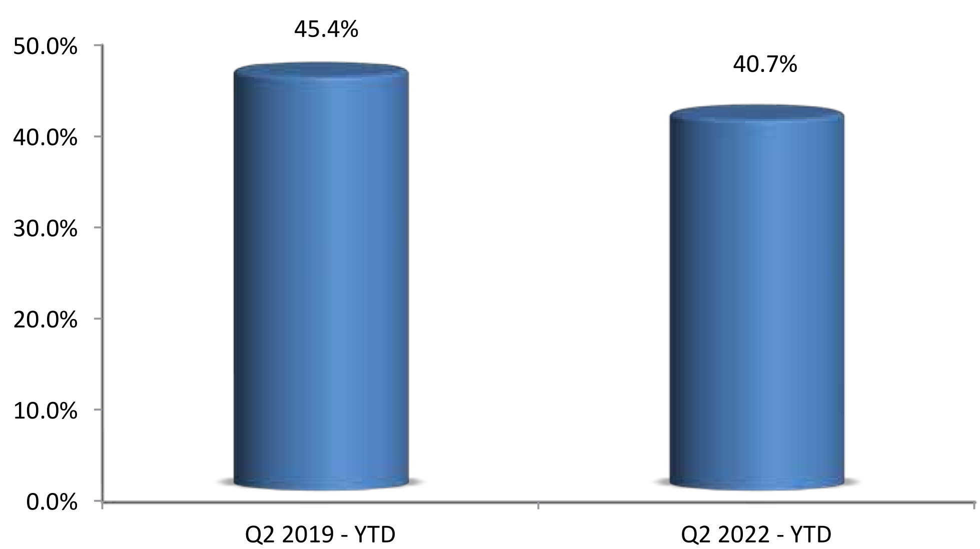
Source: Deloitte & Touche based on a minimum of 11 company survey responses

The 10 respondent companies that provided new owner sales information for Q1 2022 – QTD as previously reported and Q2 2022 – QTD herein reported an aggregate amount of approximately $1,114.1 million in new owner net originated timeshare sales (including telesales) in Q2 2022 - YTD, which reflects recovery within 20.4 percent of new owner net originated timeshare sales (including telesales) for the Q2 2019 – YTD, see *Figure 19* below. The 10 respondent companies that provided existing owner sales information for Q1 2022 – QTD as previously reported and Q2 2022 – QTD herein reported an aggregate amount of approximately $1,623.9 million in existing owner net originated timeshare sales (including telesales) in Q2 2022 - YTD, which reflects recovery within 3.7 percent of existing owner net originated timeshare sales (including telesales) for Q2 2019 – YTD. As a percentage of total net originated sales as reported by Companies that provided new owner and existing owner sales information, new owner sales made up 40.7 percent of the balance in Q2 2022 - YTD, which reflects a decrease of 4.7 percentage points, or 10.4 percent, of the new owner sales mix for Q2 2019 - YTD (see *Figure 20* below). Existing owner sales for Q2 2022 - YTD made up 59.3 percent of total net originated sales, which is an increase from 54.6 percent in Q2 2019 – YTD. Note that the sum of the total new owner sales and existing owner sales differs from the total net originated sales due to the fact that one of the respondents that provided net originated sales did not provide information related to new owner and existing owner sales.

Figure 19. Net originated sales (including telesales) – New Owners (Millions)

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

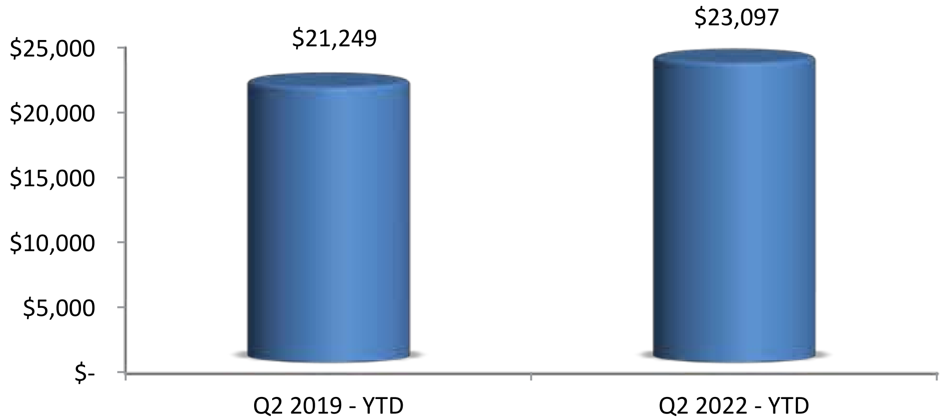
Figure 20. Percentage of Total Net originated sales (including telesales) – New Owner



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

Eleven companies reported net originated sales excluding telesales as well as detailed information on the number of tours and the number of sales transactions for Q1 2022 – QTD as previously reported and Q2 2022 – QTD herein. The companies reported that the aggregate number of tours for Q2 2022 - YTD reflects recovery within 36.8 percent of tour numbers for Q2 2019 - YTD. The weighted average transaction value increased 8.7 percent as compared to Q2 2019 - YTD. *Figure 21* below illustrates the average transaction value calculated using a weighted average.

Figure 21. Weighted average transaction value



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

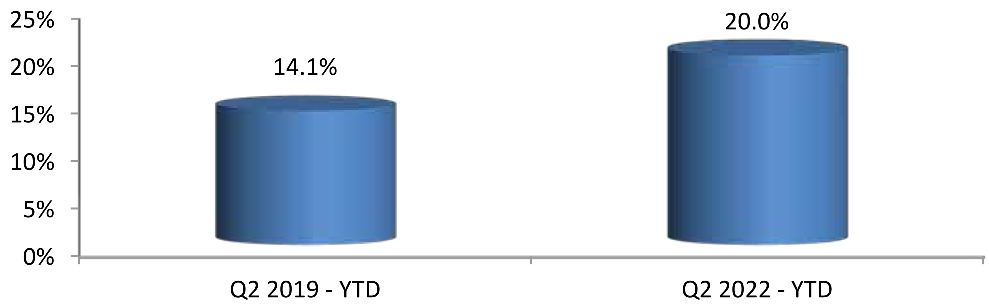
Weighted average VPG increased by 55.7 percent from Q2 2019 - YTD to Q2 2022 - YTD. Note this increase is primarily driven by one respondent. When excluding this respondent, the resulting weighted average VPG increased by 40.6 percent from $2,902 in Q2 2019 – YTD to $4,081 in Q2 2022 – YTD.

Figure 22. Weighted average Volume per Guest

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

The weighted average close rate, another measure of sales efficiency, increased by 5.9 percentage points, or 41.8 percent, from Q2 2019 – YTD to Q2 2022 – YTD.

Figure 23. Weighted average close rate



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

Among the companies that provided key sales indicators, 11 provided rescission percentage information for Q1 2022 – QTD as previously reported and Q2 2022 – QTD herein. The weighted average rescission rate among those companies was 12.3 percent in Q2 2022 – YTD, which was a decrease of 4.2 percentage points from 16.5 percent in Q2 2019 – YTD. The simple average rescission rate decreased 5.5 percentage points from 14.6 percent in Q2 2019 – YTD to 9.1 percent in Q2 2022 – YTD.

The composition of receivables portfolios was evaluated as of June 30, 2022 and compared to the composition as of June 30, 2019 for purposes of observing the industry's recovery from COVID-19 impacts. The total aggregate receivables for the companies that provided receivables data was $12,228.3 million as of June 30, 2022 as compared to $14,103.4 million as of June 30, 2019. Receivables portfolios showed delinquencies (greater than 60 days past due) as of June 30, 2022 reflecting recovery within 3.0 percentage points of delinquencies when compared to as of June 30, 2019. Respondents reported that payments for 86.5 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of June 30, 2022, which reflects a decrease of 2.9 percentage points when compared to as of June 30, 2019. Note one respondent reported a change in accounting policy related to write-off criteria from 2019 to 2022. When excluding this respondent, the resulting currency decreased by 0.3 percentage points (or 0.3 percent) from 89.0 percent as of Q2 2019 to 88.7 percent as of Q2 2022. The resulting delinquencies (more than 120 days past due) when excluding this respondent increased by 0.4 percentage points from 7.2 percent as of Q2 2019 to 7.6 percent as of Q2 2022. Further, 5.5 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance in Q2 2022 – YTD, which was 1.8 percentage points lower compared to Q2 2019 – YTD. When excluding the respondent who reported a change in accounting policy related to write-off criteria from 2021 to 2022, the resulting charge-offs decreased by 0.9 percentage points (or 13.6 percent), decreasing from 6.6 percent in Q2 2019 – YTD to 5.7 percent in Q2 2022 – YTD.

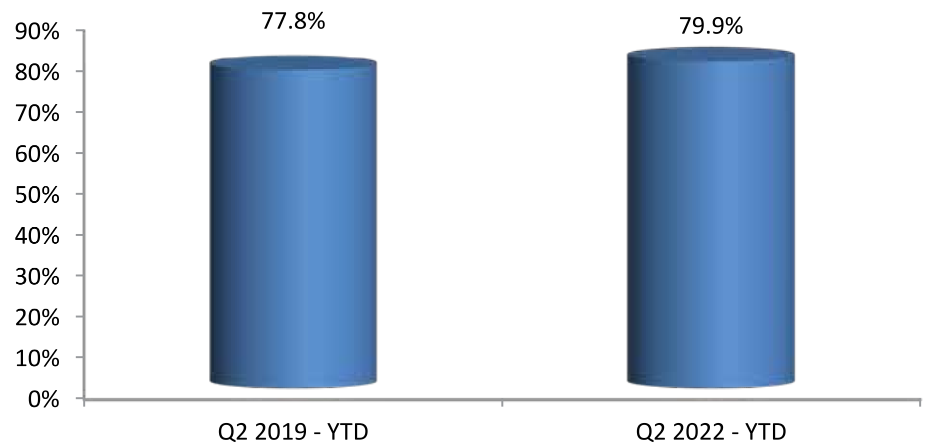
Figure 24. Aging of consumer timeshare loan portfolios by survey respondents

	Q2 2019	Q2 2022	Increase/(Decrease)
Current	89.4%	86.5%	-2.9%
31 to 60 days	1.7%	1.6%	-0.1%
61 to 90 days	1.3%	1.1%	-0.2%
91 to 120 days	1.0%	1.0%	0.0%
More than 120 days	6.6%	9.8%	3.2%
Total	**100.0%**	**100.0%**	

Source: Deloitte & Touche based on 11 company survey responses. The Second Quarter 2019 data herein was based upon the 17 responses obtained from Q2 2019 Pulse Survey. Note the large decrease in respondents is primarily due to the consolidation of three of the responding companies for which data has been provided at the consolidated level beginning in 2020 and thus treated as one respondent.

For the 12 companies that provided occupancy data for Q1 2022 – QTD as previously reported and Q2 2022 – QTD herein, representing approximately 15.0 million available room nights in Q2 2022 – YTD, the average occupancy rate, excluding rooms at resorts that were closed due to COVID-19, was 79.9 percent in Q2 2022 – YTD, which reflects an increase of 2.1 percentage points (or 2.7 percent) of the average occupancy rate of 77.8 percent in Q2 2019 – YTD[8] as previously reported.

Figure 25. Occupancy excluding rooms at resorts that were closed due to COVID-19



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

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated to compare to Q2 2019 – YTD to observe the industry's recovery from COVID-19 impacts.[9] The average interest rate on new consumer loans in Q2 2022 – QTD was 14.1 percent, which remained consistent with the average interest rate in Q2 2019 - YTD. The Q2 2022 – QTD average loan term was 124.4 months, which is an increase of 2.4 months from Q2 2019 – YTD of 122.0 months. The average FICO score for financed sales of 725 in Q2 2022 – QTD increased from 723 in Q2 2019 – YTD.

Respondents were asked to provide the average down payment on upgrade sales separate from non-upgrade sales. As a result, down payments on upgrade sales are typically higher than on non-upgrade sales, and a change in the mix of upgrade and non-upgrade sales could impact the overall average down payment. For the 10 respondents that provided non-upgrade down payment data, the average down payment on non-upgrade sales was 14.5 percent of the stated sales price on financed sales in Q2 2022 – QTD as compared to 17.8 percent in Q2 2019 – YTD. For the 9 respondents that provided existing owner down payment data, the average down payment on upgrade sales, which includes the value of equity in the owners' existing vacation ownership interests, was 45.2 percent in Q2 2022 –QTD, an increase of 0.1 percentage points from Q2 2019 – YTD.

[8] The occupancy data for Q2 2019 - YTD reflects occupancy rates prior to the emergence of COVID-19. For purposes of a fair comparison, we have compared Q2 2019 - YTD regular occupancy rates to that of Q2 2022 – YTD excluding rooms closed due to COVID-19.

[9] To calculate the average interest rate, down payment, and term, responses were weighted by the dollar value of net originatedsales (including telesales).

The following table shows the quarterly survey results in aggregate.

ARDA International Foundation – Three Months Ended June 2022 Pulse Survey

****Three Months June 2022 Results****	**Three Months June 30 2021**	**Three Months June 30 2022**	**Increase/ (Decrease)**	**Increase/ (Decrease) Percent**	**Survey Responses**
General Characteristics					
1. Ownership status (public or private)	Public: 42% Private: 58%	Public: 50% Private: 50%			12
2. Are fee-for-service activities being provided by another developer on your behalf?		Yes: 8% No: 92%			12
Receivables Portfolio					
The following questions refer to the portfolio of receivables (total held and/or serviced receivables, including securitized and/or hypothecated receivables), including receivables for sales made in earlier years.					
3. Gross outstanding portfolio balance, at period end (in dollars)	$11,894,007,948	$12,228,295,359	$334,287,411	2.8%	11
4. At period end, on a contractual basis what percentage of the dollar amount of this portfolio was:					
Current (current or fewer than 31 days delinquent)	87.7%	86.5%	-1.2%	-1.4%	11
Between 31 to 60 days delinquent	1.3%	1.6%	0.3%	23.1%	11
Between 61 to 90 days delinquent	0.9%	1.1%	0.2%	22.2%	11
Between 91 to 120 days delinquent	1.0%	1.0%	0.0%	0.0%	11
More than 120 days delinquent	9.1%	9.8%	0.7%	7.7%	11
Total should equal 100%	100.0%	100.0%			
5. Gross defaults (total amount charged against the allowance for uncollectible accounts during period as a percentage of gross outstanding portfolio balance at period end)	6.0%	5.5%	-0.5%	-8.3%	10
6. Average FICO score at origination (on loans in the portfolio at quarter-end, weighted by outstanding principal balance)	713	714	1	0.1%	11
Inventory					
7. Total capital expenditures related to timeshare inventory	$89,090,324	$168,918,139	$79,827,815	89.6%	8
Resort Occupancy					
8a/8b. Timeshare occupancy mix by type. Report based on physical occupancy, meaning actual guest check-in occurred. (including rooms at resorts that were closed due to COVID-19)					
Occupied (owner or owners' guest, exchange guest, renter, and marketing guest)	79.0%	82.1%	3.1%	3.9%	13
Vacant - please do not include any inventory taken offline due to natural disasters (i.e. hurricanes, fires, etc.) or regular maintenance	21.0%	17.9%	-3.1%	-14.8%	13
Total should equal 100%	100.0%	100.0%			

8c/8d. Timeshare occupancy mix by type. Report based on physical occupancy, meaning actual guest check-in occurred. (excluding rooms at resorts that were closed due to COVID-19)					
Occupied (owner or owners' guest, exchange guest, renter, and marketing guest)	81.4%	83.2%	1.8%	2.2%	12
Vacant - please do not include any inventory taken offline due to natural disasters (i.e. hurricanes, fires, etc.) or regular maintenance	18.6%	16.8%	-1.8%	-9.7%	12
Total should equal 100%	100.0%	100.0%			
8e/8f. Market Segment occupancy as of June 30 (Excluding rooms at resorts that were closed due to COVID-19)					
Owner Occupancy	63.9%	64.4%	0.5%	0.8%	12
Non-Owner Occupancy	36.1%	35.6%	-0.5%	-1.4%	12
Total should equal 100%	100.0%	100.0%			
9. Total available room nights during period (This will be used to calculate the weighted average occupancy rate for the response set.)					
a/c. including rooms at resorts that were closed due to COVID-19	10,109,854	10,339,609	229,755	2.3%	13
b/d. excluding rooms at resorts that were closed due to COVID-19	7,513,166	7,990,637	477,471	6.4%	12
10a. Number of standard bookings (owners and guests)*	576,605	578,741	2,136	0.4%	7
10b. Number of standard cancellations (owners and guests)*	185,623	184,175	(1,448)	-0.8%	7
10c. Number of sales & marketing package bookings (non-owners)*	126,367	120,630	(5,737)	-4.5%	4
10d. Number of sales & marketing package cancellations (non-owners)*	24,538	22,301	(2,237)	-9.1%	4
10e. For sales & marketing package purchases, please indicate the term of the product (in months)*	12 to 36	12 to 36			2
10f. On average, please indicate the remaining term on sales and marketing packages related to cancellations (in months)*	6	6	-	0.0%	1

* Indicates a new question or questions that reflect changed wording from the Q1 2022 survey form.

Selected Sales Metrics (Including telesales and home sits)

Sales metrics. Include telesales in the following responses. 11. Net originated sales (net of sales incentives and rescissions) (in dollars)	$1,442,288,097	$1,708,087,917	$265,799,820	18.4%	11
12a. Net originated sales (net of sales incentives and rescissions) that were new owner sales (in dollars):	$557,944,309	$593,742,244	$35,797,935	6.4%	10
12b. Net originated sales (net of sales incentives and rescissions) that were existing owner sales (in dollars):	$758,566,556	$917,312,067	$158,745,511	20.9%	10
13. Weighted average rescissions %	12.4%	12.5%	0.1%	0.8%	11
13. Rescissions $	$230,325,330	$283,597,994	$53,272,664	23.1%	11
14a. Weighted average rescissions that were new owner sales %	42.7%	52.2%	9.5%	22.2%	10
14a. Rescissions that were new owner sales $	$121,295,878	$133,406,747	$12,110,869	10.0%	10
14b. Weighted average rescissions that were existing owner sales %	16.2%	26.9%	10.7%	66.0%	10

14b. Rescissions that were existing owner sales $	$87,211,540	$100,159,663	$12,948,123	14.8%	10
15. Owner growth rate over prior year	0.7%	1.6%	0.9%	128.6%	8

Selected Sales Metrics (Excluding telesales)

Sales metrics. Exclude telesales from the following responses. Include sales to existing owners and other in-house guests.

16. Number of tours. Represents the number of tours taken by guests in the company's efforts to sell timeshares. Include all tours of sales prospects, whether they occur on-site or at an off-site sales center.	411,622	488,098	76,476	18.6%	11
17. Number of sales transactions (exclude rescissions) (Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), points sales, and reloads (which should be part of all categories above, except upgrades). Transactions should not include sales of Sampler programs.)	75,008	88,640	13,632	18.2%	11
Weighted average close rate (excludes sales that are canceled through rescission, calculated based on formula)	18.6%	21.3%	2.7%	14.5%	11
18. Net originated sales (gross sales less incentives and rescissions) excluding telesales	$1,529,877,280	$1,989,969,768	$460,092,488	30.1%	11
Weighted average volume per guest ("VPG"). Represents timeshare sales revenue per guest and is calculated by dividing net originated sales, excluding telesales and home sits, by the number of tours. (calculated based on formula)	$3,859	$4,826	$967	25.1%	11
Weighted average transaction value (this is calculated based on net originated sales and excludes any charges not reflected in net originated sales, such as closing costs)	$21,311	$23,070	$1,759	8.3%	11
19. Total net originated sales (gross sales less incentives and rescissions) for non-owned timeshare inventory sold under fee-for-service agreements	$195,231,108	$251,788,809	$56,557,701	29.0%	4
20. Total net originated sales (gross sales less incentives and rescissions) for owned timeshare inventory sold by others under fee-for-service agreements	$1,383,324	$1,310,241	($73,083)	-5.3%	1
Total net originated sales (excluding rescissions, including fee-for-service, excluding fee-for-service sold by others)	$1,636,135,881	$1,958,566,484	$322,430,603	19.7%	11
21. Total Rental Revenue	$373,321,180	$424,266,760	$50,945,580	13.6%	11

Consumer Financing

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

22. Weighted average interest rate.	14.1%	14.1%	0.0%	0.0%	11
23. Weighted average term (in months).	124.0	124.4	0.4	0.3%	11
24. Average down payment on non-upgrade sales	16.8%	14.5%	-2.3%	-13.7%	10
25. Average down payment on upgrade sales	43.4%	45.2%	1.8%	4.1%	9
26. Weighted -average FICO score (on new loans, weighted by original principal balance, exclude buyers without FICO scores	717	725	8	1.1%	11

27a. Originations as a percentage of gross sales. The gross sales amount inclusive of upgrade contract selling prices.	63.5%	56.7%	-6.8%	-10.7%	8
27b. Originations as a percentage of net sales. The net sales should equal gross sales less upgrade contract selling prices.	80.9%	77.6%	-3.3%	-4.1%	9
Impact of COVID-19					
28. Was a mortgage deferment program offered to owners due to COVID-19?		Yes: 8% No: 92%			12
Average number of owners who took advantage of the program as a percentage of total owners.	4.1%	1.6%	-2.5%	-61.0%	1
The average dollar value impact of the deferment program as a percentage of total portfolio.	4.2%	4.6%	0.4%	9.6%	1
29. Please report the following data as a percentage of total owners who took advantage of a mortgage deferment program as of June 30:					
Percentage of owners who received a second deferral	15.5%	0.6%	-14.9%	-96.1%	3
Percentage of owners who paid a partial payment	9.1%	2.2%	-6.9%	-75.8%	3
Percentage of owners who have defaulted	17.4%	43.6%	26.2%	150.6%	3
Percentage of owners who resumed payment after deferment period	72.1%	53.6%	-18.5%	-25.6%	3
Total should equal at least 100%	114.1%	100.0%			
30. At period end June 30, considering only the loans of owners who took advantage of the mortgage deferment program, what percentage of the dollar amount of this portfolio was					
Current (current or fewer than 31 days delinquent)	81.5%	63.7%	-17.8%	-21.8%	4
Between 31 to 60 days delinquent	2.4%	1.2%	-1.2%	-50.0%	4
Between 61 to 90 days delinquent	1.3%	1.0%	-0.3%	-23.1%	4
Between 91 to 120 days delinquent	1.9%	0.7%	-1.2%	-63.2%	4
More than 120 days delinquent	12.9%	33.4%	20.5%	158.9%	4
Total should equal 100%	100.0%	100.0%			
31. Number of positions open for employment as a percentage of all positions.	15.1%	11.4%	-3.7%	-24.5%	7

Method

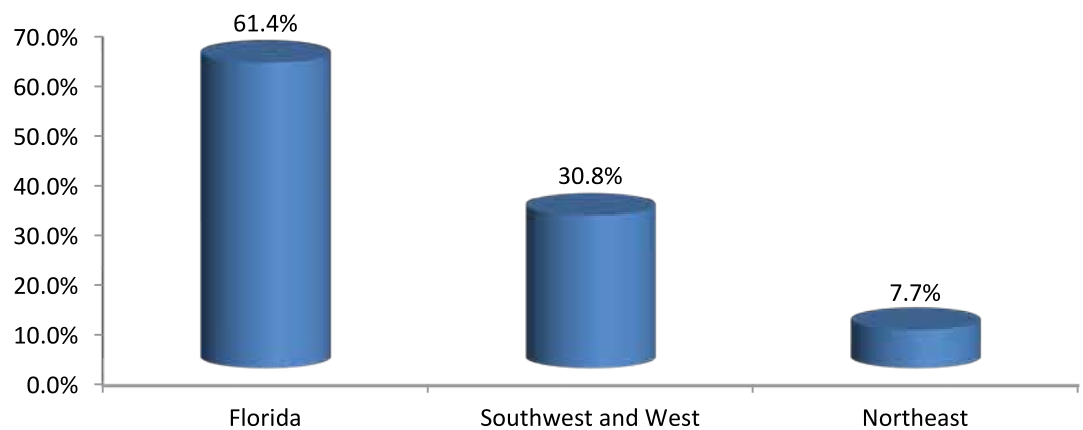
The 2022 Second Quarter Pulse Survey was conducted by Deloitte & Touche on the behalf of ARDA International Foundation. The purpose of the research was to compile current data and to provide a current perspective on the timeshare industry's financial performance.

Deloitte & Touche developed the survey instrument in connection with input from ARDA International Foundation and industry participants. Deloitte & Touche distributed the survey directly to 265 timeshare and vacation ownership companies on July 11, 2022. The survey collection efforts focused on companies generating the largest volume of timeshare sales and companies that participate as board members of the American Resort Development Association (ARDA). Deloitte & Touche followed up with the companies by telephone and e-mail to encourage responses. Deloitte & Touche ended the survey collection effort on August 3, 2022. By August 3, 2022, 13 companies, or 4.9 percent of those surveyed, responded.

During the data analysis phase, Deloitte & Touche contacted several of the respondents with follow-up questions about specific answers they provided. Responses to some questions that were left blank or were unusual were ultimately excluded from the analysis. Though a total of 13 responses were collected, most questions were not answered by all 13 respondent companies as indicated in the "survey responses" column on the "Aggregate Results" tables.

The response base includes major companies in the U.S. timeshare sector. The 11 respondents that provided sales information reported aggregate Q2 2022 – QTD net originated sales, including telesales and excluding fee-for-service arrangements, of $1,708.1 million. Six of the aggregate 13 companies who participated in the survey are publicly traded companies, and three of the 13 are affiliated with major hotel brands. Note two of the six publicly traded company respondents provided separate survey responses, though consolidate as one reporting entity for SEC filing purposes. The survey is focused on the U.S. considering the location of companies' headquarters provides an indication of the geographic regions represented by the response base. Many of the U.S. respondents are based in the Southeast, including seven in Florida, though companies in the Northeast region, and Southwest and West region also responded.[10] No respondents were based in the Southeast (except for Florida), Midwest or Canada.

Figure 26. Distribution of companies by headquarters location, 2022



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

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

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

The companies that participated in this survey are not identical to those that participated in prior editions of the Pulse Survey or of the Financial Performance Survey, which is an annual survey conducted on behalf of the ARDA International Foundation. The most recent previous Pulse Survey reported on activity for the three months ended March 31, 2022. The current Pulse Survey functions similarly as a timely source of informationon several key statistics, with a focus on the three months ended June 30, 2022. Due to the relatively large size of some of the companies participating, the changing composition of the response base can materially impact the results reported in this version compared to previous editions. Also, the timeshare industry experiences changes in activity levels during different seasons of the year. It is not accurate to compare the Q2 2021 – QTD and Q2 2022 – QTD results presented in this edition with results shown in reports of earlier periods without understanding that the response base and reporting period have changed.

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

American Resort Development Association

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