Pulse Survey

A SURVEY OF TIMESHARE AND VACATION OWNERSHIP RESORT COMPANIES

2022 Q4

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 Fourth 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 February 8, 2023. Accordingly, changes and circumstances after that date could affect the findings outlined in this report.

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Deloitte & Touche LLP

March 7, 2023

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

All opinions and estimates included in this report constitute our judgment as of February 8, 2023 and are subject to revision.

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2022 Fourth 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 fourth quarter survey of U.S. timeshare companies that were in active sales during the fourth quarter of the year. The results herein include data from the period of October 2022 to December 2022. The results cover a total of 12 responding companies for which a total of 11 respondents provided sales information reporting aggregate net originated sales of approximately $1,781.8 million for the quarter ended December 31, 2022. The decrease in number of respondents from the Q3 2022 Pulse Survey is due to the consolidation of two companies for which data has been provided at the consolidated level for the Q4 2022 Pulse Survey and thus treated as one respondent. Five of the aggregate 12 companies who participated in the survey are publicly traded companies, and four of the 12 are affiliated with major hotel brands. The five public companies that provided sales information accounted for 81.4 percent of total net originated sales in Q4 2022 as reported by the 11 survey respondents. The four companies affiliated with major hotel brands account for 73.8 percent of total net originated sales in Q4 2022 as reported by the 11 survey respondents.

The financial information contained in this survey includes December 31, 2022 QTD (Q4 2022) compared to December 31, 2021 QTD (Q4 2021). The information also contains data as of December 31, 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 the Six Months Ended December 31, 2022 calculated as the combination of results from the 2022 Third Quarter Pulse Survey data as previously reported and 2022 Fourth Quarter Pulse Survey data herein for purposes of comparing to the Six Months Ended December 31, 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 September 30, 2022 (Q3 2022) as previously reported in the 2022 Third Quarter Pulse Survey, compared to data as of December 31, 2022 (Q4 2022).The timeshare industry began to experience significant COVID-19 impacts at the start of the second quarter of 2020, meaning Q4 2021 data reflects continued recovery from COVID-19 impacts. The industry has continued to see these impacts increasingly subside as evidenced in the Q4 2022 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 arrow. Indicators for which the change was less than 10 percent were denoted with a single arrow.

Key Performance Indicators	Trend
Sales Performance	
Net Originated Timeshare Sales (net of Sales Incentives and Rescissions) including Telesales increased 15.5 percent from Q4 2021 to Q4 2022, increasing from $1,542.5 million to $1,781.8 million.	⇧⇧ Increase
Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others) increased 16.4 percent from Q4 2021 to Q4 2022, increasing from $ 1,754.3 million to $2,042.9 million.	⇧⇧ Increase

Sales Metrics	
Weighted Average Transaction Value increased 4.5 percent from $22,243 in Q4 2021 to $23,236 in Q4 2022 (The simple average transaction value increased 5.1 percent from $21,327 in Q4 2021 to $22,417 in Q4 2022).	⇧ **Increase**
Weighted Average Rescission Rate remained at 12.4 percent when comparing Q4 2021 to 1 Q4 2022 (The simple average rescission rate increased 0.8 percentage points, or 8.3 percent, from 9.6 percent in Q4 2021 to 10.4 percent in Q4 2022).	⇔ **No Change**
Weighted Average Volume Per Guest (VPG) increased 2.0 percent from $3,935 in Q4 2021 to $4,015 in Q4 2022 (The simple average VPG increased 4.0 percent from $3,782 in Q4 2021 to $3,934 in Q4 2022).	⇧ **Increase**
Tours increased 26.3 percent from 382,763 to 483,297 tours from Q4 2021 to Q4 2022.	⇧⇧ **Increase**
Weighted Average Close Rate decreased 0.4 percentage points (or 2.2 percent) from 18.3 percent in Q4 2021 to 17.9 percent in Q4 2022.	⇩ **Decrease**
Portfolio Performance	
Currency increased by 1.2 percentage points (or 1.4 percent), increasing from 85.3 percent as of Q4 2021 to 86.5 percent as of Q4 2022.	⇧ **Increase**
Delinquencies greater than 60 days past due decreased by 1.6 percentage points (or 12.4 percent), decreasing from 12.9 percent as of Q4 2021 to 11.3 percent as of Q4 2022.	⇩⇩ **Decrease**
Gross Defaults increased 1.1 percentage points (or 20.8 percent), increasing from 5.3 percent in Q4 2021 to 6.4 percent in Q4 2022.	⇧⇧ **Increase**
Consumer Finance Experience	
Interest Rates remained at 14.2 percent when comparing Q4 2021 to Q4 2022.	⇔ **No Change**

Weighted Average Term decreased 0.1 percent from 124.1 months in Q4 2021 to 124.0 months in Q4 2022.	Decrease
Down Payments on non-upgrade sales decreased 2.0 percentage points (or 11.5 percent), decreasing from 17.4 percent in Q4 2021 to 15.4 percent in Q4 2022.	Decrease
Down Payments on upgrade sales increased 1.3 percentage points (or 3.0 percent), increasing from 43.5 percent in Q4 2021 to 44.8 percent in Q4 2022.	Increase
Other Metrics	
Weighted Average Occupancy increased 2.1 percentage points (or 2.7 percent), increasing from 77.6 percent in Q4 2021 to 79.7 percent in Q4 2022.	Increase
Number of Standard Bookings decreased by 99,111 bookings (or 13.6 percent), decreasing from 730,868 in Q4 2021 to 631,757 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of standard bookings increased by 9,296 (or 3.1 percent), increasing from 296,530 in Q4 2021 to 305,826 in Q4 2022.	Decrease
Number of Standard Cancellations decreased by 37,337 cancellations (or 13.5 percent), decreasing from 276,713 in Q4 2021 to 239,376 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of standard cancellations increased by 742 (or 0.9 percent), increasing from 82,863 in Q4 2021 to 83,605 in Q4 2022.	Decrease
Number of Sales & Marketing Package Bookings decreased by 16,414 bookings (or 10.8 percent), decreasing from 151,982 in Q4 2021 to 135,568 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of bookings increased by 3,559 (or 3.3 percent), increasing from 107,959 in Q4 2021 to 111,518 in Q4 2022.	Decrease
Number of Sales & Marketing Package Cancellations decreased by 1,921 cancellations (or 4.3 percent), decreasing from 44,442 in Q4 2021 to 42,521 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of cancellations increased by 2,881 (or 13.7 percent), increasing from 21,055 in Q4 2021 to 23,936 in Q4 2022.	Decrease
Capital Expenditures increased 62.1 percent from Q4 2021 to Q4 2022, increasing from $127.1 million to $206.1 million.	Increase
Six Months Ended 12/31/2022 compared to Six Months Ended 12/31/2019	
Net Originated Timeshare Sales (net of Sales Incentives and Rescissions) including Telesales of $3,544.5 million for the Six Months Ended December 31, 2022 reflects recovery within 2.9 percent of net originated timeshare sales (net of sales incentives and rescissions) including telesales for the Six Months Ended	

December 31, 2019 of $3,650.2 million.	**Decrease**
Net Originated Timeshare Sales (including Telesales and Fee-for-service, excluding Rescissions and Fee-for-Service sold by others) of $4,050.3 million reflects recovery within 2.0 percent of net originated timeshares sales (including telesales and fee-for-service, excluding rescissions and fee-for-service sold by others) for the Six Months Ended December 31, 2019 of $4,131.3 million.	⇩ **Decrease**
Weighted Average Transaction Value increased 7.2 percent from $21,492 in the Six Months Ended December 31, 2019 to $23,047 in the Six Months Ended 12/31/2022 (The simple average transaction value increased 11.6 percent from $19,944 in the Six Months Ended December 31, 2019 to $22,262 in the Six Months Ended December 31, 2022.)	⇧ **Increase**
Weighted Average Rescission Rate decreased 4.2 percentage points (or 25.3 percent) from 16.6 percent in the Six Months Ended December 31, 2019 to 12.4 percent in the Six Months Ended December 31, 2022 (The simple average rescission rate decreased 3.6 percentage points, or 26.3 percent, from 13.7 percent in the Six Months Ended December 31, 2019 to 10.1 percent in the Six Months Ended December 31, 2022).	⇩⇩ **Decrease**
Weighted Average Volume Per Guest (VPG) increased 35.3 percent from $2,958 to $4,002 from the Six Months Ended December 31, 2019 to the Six Months Ended December 31, 2022 (The simple average VPG increased 37.5 percent from $2,840 in the Six Months Ended December 31, 2019 to $3,905 in the Six Months Ended December 31, 2022).	⇧⇧ **Increase**
Weighted Average Close Rate increased 3.5 percentage points (or 24.3 percent) from 14.4 percent to 17.9 percent from the Six Months Ended December 31, 2019 to the Six Months Ended December 31, 2022.	⇧⇧ **Increase**
Currency decreased by 1.4 percentage points (or 1.6 percent), decreasing from 87.9 percent as of Q4 2019 to 86.5 percent as of Q4 2022. 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 0.9 percentage points (or 1.0 percent), decreasing from 87.4 percent as of Q4 2019 to 86.5 percent as of Q4 2022.	⇩ **Decrease**
Gross Defaults decreased by 1.1 percentage points (or 14.7 percent), decreasing from 7.5 percent in the Six Months Ended December 31, 2019 to 6.4 percent in the Six Months Ended December 31, 2022. Note one respondent reported a change in accounting policy related to write-off criteria from 2019 to 2022. When excluding this respondent, the resulting gross defaults decreased 0.2 percentage points (or 3.0 percent), decreasing from 6.6 percent as of Q4 2019 to 6.4 percent as of Q4 2022.	⇩⇩ **Decrease**
Weighted Average Occupancy increased 1.5 percentage points (or 1.9 percent) to 80.9 percent in the Six Months Ended December 31, 2022 as compared to 79.4 percent in the Six Months Ended December 31, 2019.	⇧ **Increase**

Survey Results

The following summarizes the survey results.

1. Timeshare sales volume increased in Q4 2022 when compared to Q4 2021.

Companies provided data on a set of key sales indicators. In total, the 11 respondents that provided sales information reported approximately $1,781.8 million in net originated timeshare sales[1] (including telesales) in Q4 2022, or a 15.5 percent increase when compared to Q4 2021. The increase in sales is reflective of the timeshare industry recovering from the impacts of COVID-19.

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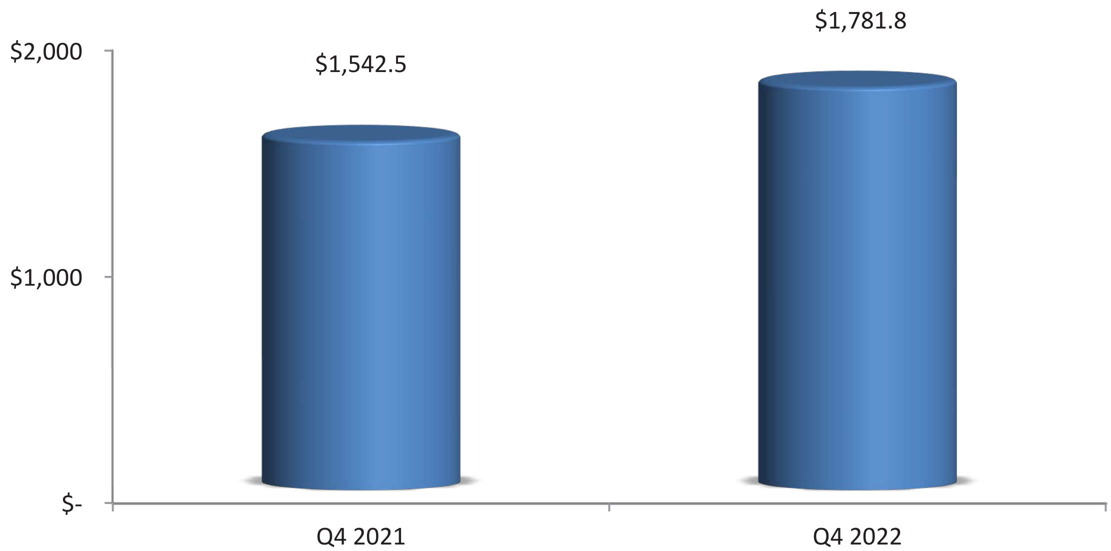
Figure 1. Net originated sales including telesales (Millions)

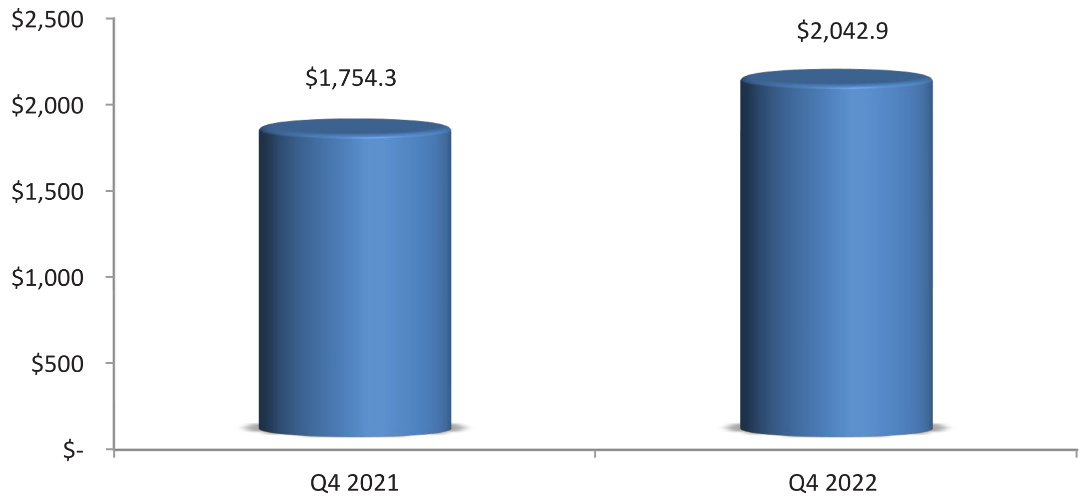


Source: Deloitte & Touche based on 11 company survey responses.

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. Two of the four respondents providing fee-for-service increased fee-for-service operations while the remaining two respondents decreased fee-for-service operations in Q4 2022 compared to Q4 2021. The respondents being provided fee-for-service decreased fee-for-service operations by 36.2 percent 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 $211.8 million in Q4 2021 to $261.0 million in Q4 2022. 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 16.4 percent in total net originated timeshare sales when compared to Q4 2021.

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

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

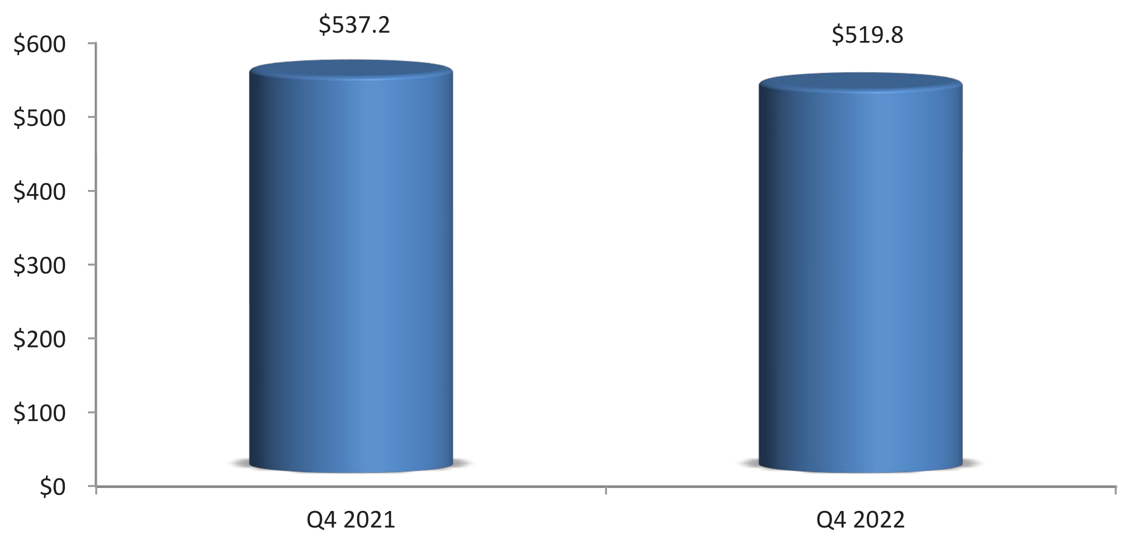


Source: Deloitte & Touche based on 11 company survey responses for net originated sales, 4 respondents reported providing fee-for-service arrangements, and 1 respondent reported being provided fee-for-service arrangements.

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 $519.8 million in new owner net originated timeshare sales (including telesales) in Q4 2022, which is a 3.2 percent decrease from Q4 2021, see *Figure 3* below. The 10 respondent companies that provided existing owner sales information reported approximately $888.7 million in existing owner net originated timeshare sales (including telesales) in Q4 2022 which is a 32.3 percent increase from Q4 2021 as reported by 10 respondents. 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 36.9 percent of the balance in Q4 2022, which is a decrease from 44.4 percent in Q4 2021 (see *Figure 4* below). Existing owner sales for Q4 2022 made up 63.1 percent of total net originated sales, which is an increase from 55.6 percent in Q4 2021.

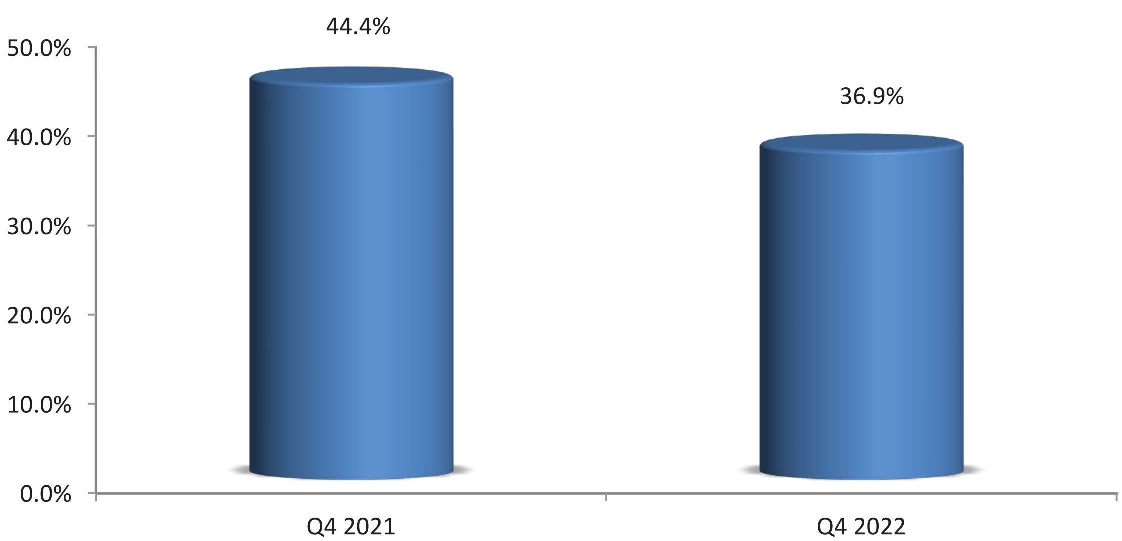
Note that the sum of the total new owner sales and existing owner sales differs from the total net originated sales due to the fact that one of the 11 respondents that provided net originated sales did not provide information related to new owner and existing owner sales.

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



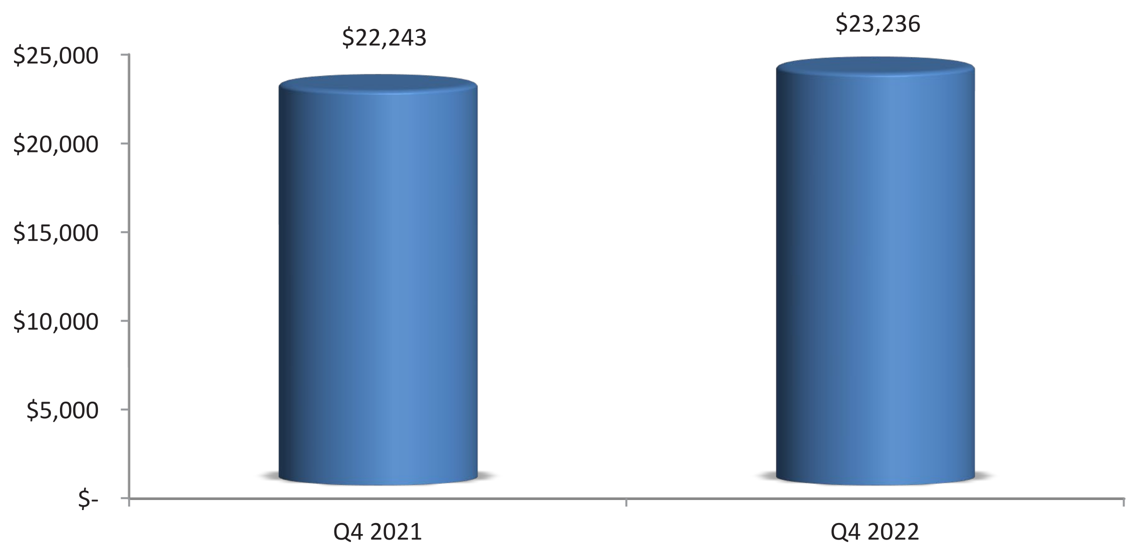
Source: Deloitte & Touche based on 10 company survey responses.

Ten companies reported net originated sales excluding telesales as well as detailed information on the number of tours and the number of sales transactions for Q4 2022. The companies reported that the aggregate number of tours[2] increased 26.3 percent, the aggregate number of sales transactions increased 25.0 percent, the weighted average transaction value increased 4.5 percent, the weighted average VPG increased by 2.0 percent, and the weighted average close rate decreased 2.2 percent.

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

As a further reflection of the multiple factors that can impact this measure, the responses differed by company. Eight respondents reported average transaction value had decreased from Q4 2021 and two 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 10 company survey responses.

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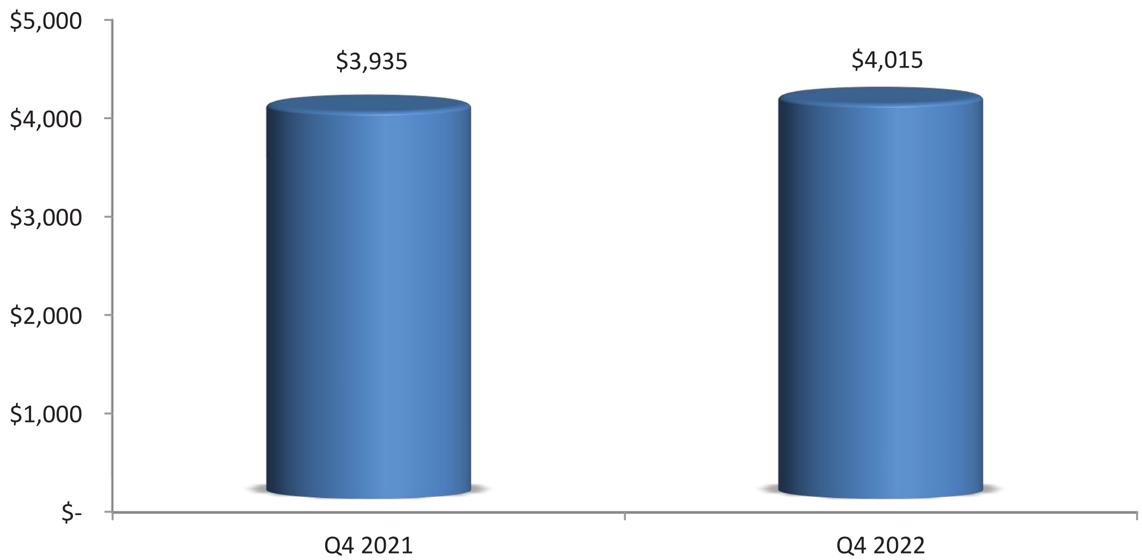
[2] This represents the number of tours taken by guests in the company's efforts to sell timeshares, including all tours of sales prospects, whether they occur on-site or at an off-site sales center.

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

VPG[4], a measure of sales efficiency calculated as net originated sales per tour, increased by 2.0 percent from Q4 2021 to Q4 2022.

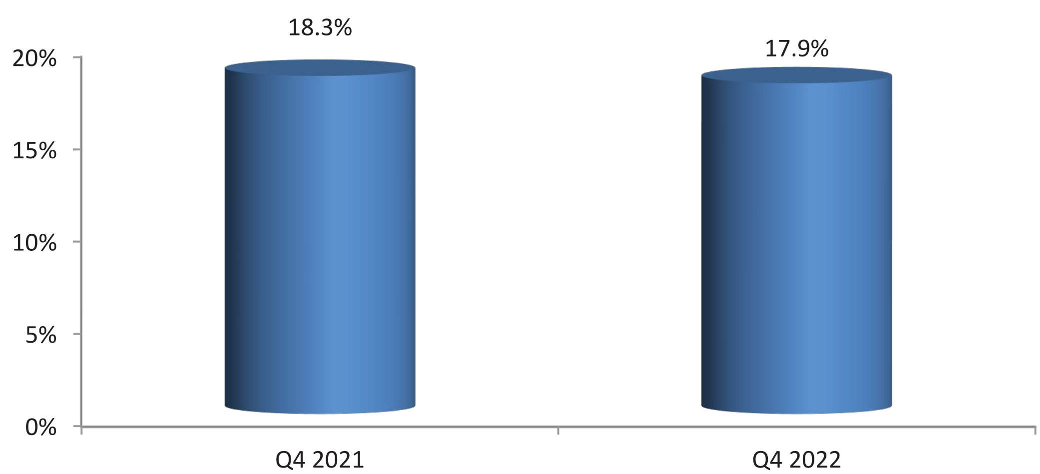
Figure 6. Weighted average VPG



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

The close rate, another measure of sales efficiency reflecting the number of sales transactions generatedfrom tour flow, decreased by 0.4 percentage points (2.2 percent) from Q4 2021 to Q4 2022.

Figure 7. Weighted average close rate



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

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

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

Figure 8. Weighted and simple averages for selected sales metrics

	Weighted Average Q4 2021	Weighted Average Q4 2022	Simple Average Q4 2021	Simple Average Q4 2022
Fourth Quarter				
Volume per guest	$3,935	$4,015	$3,782	$3,934
Average transaction value	$22,243	$23,236	$21,327	$22,417
Close rate	18.3%	17.9%	17.7%	17.6%

Source: Deloitte & Touche based on 10 company survey responses

Among the companies that provided key sales indicators, 11 provided rescission percentage information. The weighted average rescission (%)[5] among those companies was 12.4 percent in Q4 2022, which remained the same when compared to Q4 2021. Four companies reported a decrease, seven companies reported an increase in rescissions between Q4 2021 and Q4 2022. The simple average rescission rate increased 0.8 percentage points from 9.6 percent in Q4 2021 to 10.4 percent in Q4 2022. Further, respondents were asked to provide the rescission volume in dollars. For the 11 companies that provided this information, the total aggregate rescissions increased by 14.3 percent from $231.8 million in Q4 2021 to $264.9 million in Q4 2022.

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 23.1 percent in Q4 2021 to 23.6 percent in Q4 2022. Further, 10 respondents provided rescission information on new owner sales in dollars resulting in a decrease of 11.4 percent in the total aggregate rescission volume from approximately $124.0 million to approximately $109.8 million from Q4 2021 to Q4 2022. For the 10 respondent companies that provided rescission information on existing owner sales, the weighted average rescission rate increased from 11.0 percent in Q4 2021 to 11.6 percent in Q4 2022. Further, 10 respondents provided rescission information on existing owner sales in dollars resulting in an increase of 45.2 percent in the total aggregate rescission volume from $69.7 million to $101.2 million from Q4 2021 to Q4 2022.

Respondents were asked a question related to owner growth/(decline) rate over the prior year. For the 10 respondent companies that provided owner growth/(decline) rate data, the weighted average growth rate decreased from a 11.2 percent growth in Q4 2021 to a 0.1 percent growth in Q4 2022. Note this decrease is primarily driven by one respondent with a large growth rate in 2021 due to an acquisition. When excluding this respondent, the resulting weighted average owner decline rate increased from 0.8 percent decline in Q4 2021 to 1.0 percent decline in Q4 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 24.3 percent from $328.0 million in Q4 2021 to $407.8 million in Q4 2022.

[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 an increase in currency when comparing as of 12/31/2021 and as of 12/31/2022.

The composition of receivables portfolios[6] was evaluated as of December 31, 2022 and compared to the composition as of December 31, 2021. The total aggregate receivables for the 10 companies that provided receivables data was $12,754.5 million as of December 31, 2022, and $12,206.0 million as of December 31, 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 December 31, 2022, an increase of 1.2 percentage points from one year earlier. Further, as of December 31, 2022, 8.6 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, a decrease of 2.0 percentage points compared to one year earlier.

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

	Q4 2021	Q4 2022	Difference
Current	85.3%	86.5%	1.2%
31 to 60 days	1.8%	2.2%	0.4%
61 to 90 days	1.2%	1.4%	0.2%
91 to 120 days	1.1%	1.3%	0.2%
More than 120 days	10.6%	8.6%	-2.0%
Total	**100.0%**	**100.0%**	

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

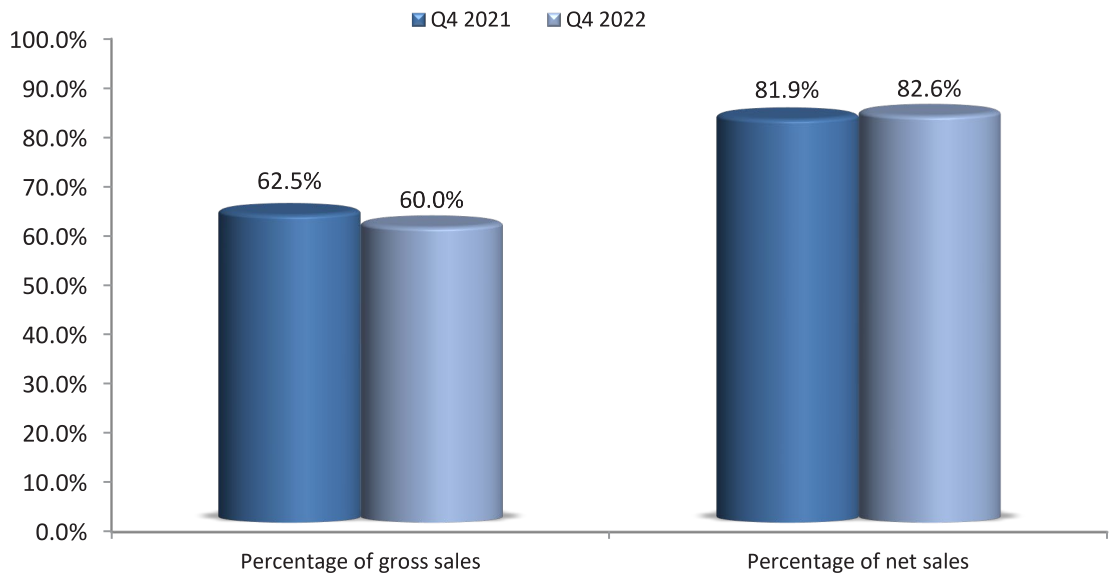
Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during Q4 2022, as a percentage of the gross outstanding portfolio balance at period-end. The weighted average default rate in Q4 2022 was 6.4 percent, which reflected an increase of 1.1 percentage points, or 20.8 percent, as compared to one year earlier. Of the 10 respondents, five respondents reported a decrease in the default rate when comparing Q4 2022 to Q4 2021, four respondents reported an increase in the default rate, while one respondent reported no change.

The respondents were also asked to provide the weighted average FICO score at origination (weighted by the outstanding principal balance of the receivables) for loans within the portfolio at the end of Q4 2021 and Q4 2022. Of the 10 respondents, nine respondents reported an increase in the weighted average FICO score and one respondent reported a decrease. The result was a 0.1 percent increase in the weighted average FICO score from 713 at Q4 2021 to 714 at Q4 2022.

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 2.5 percentage points (or 4.0 percent) from 62.5 percent for Q4 2021 to 60.0 percent for Q4 2022. Originations as a percentage of net sales increased by 0.7 percentage points (or 0.9 percent) from 81.9 percent for Q4 2021 to 82.6 percent for Q4 2022.

[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.

Figure 9b. Originations as a Percentage of Sales



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

2(B). Consumer timeshare loan portfolios experienced an increase in currency when comparing as of September 30, 2022 and as of December 31, 2022.

The composition of receivables portfolios was evaluated as of December 31, 2022 and compared to the composition as of September 30, 2022. The total aggregate receivables for the companies that provided receivables data was $12,754.5 million as of December 31, 2022 and $12,620.6 million as of September 30, 2022.

Receivables portfolios showed a decrease in delinquencies greater than 120 days past due as of December 31, 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 December 31, 2022, which was 0.2 percentage points higher than one quarter earlier. Further, 6.4 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance in Q4 2022, which was 1.1 percentage points higher compared to Q3 2022.

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

	Q3 2022	Q4 2022	Increase/(Decrease)
Current	86.3%	86.5%	0.2%
31 to 60 days	1.9%	2.2%	0.3%
61 to 90 days	1.3%	1.4%	0.1%
91 to 120 days	1.1%	1.3%	0.2%
More than 120 days	9.4%	8.6%	-0.8%
Total	**100.0%**	**100.0%**	

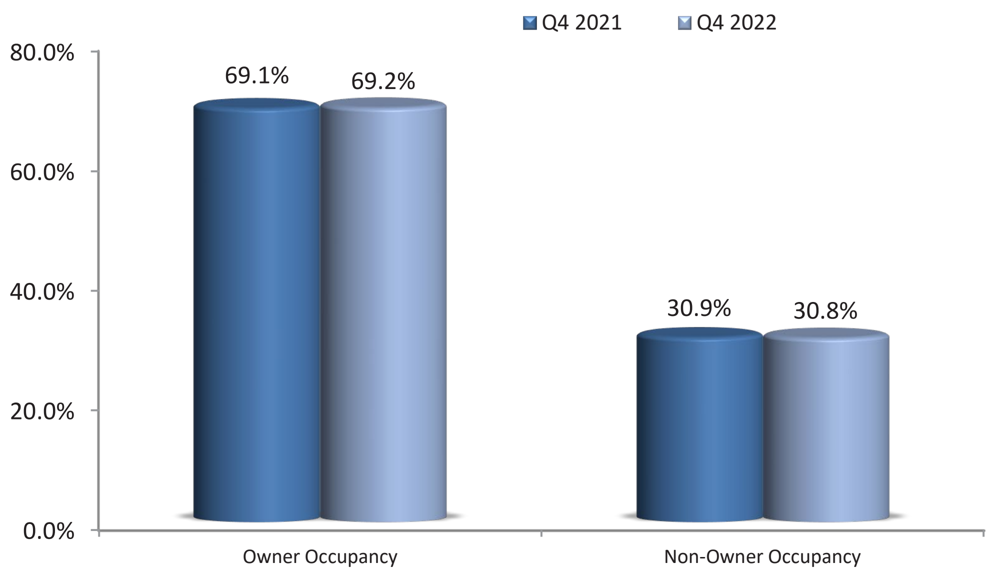
Source: Deloitte & Touche based on 10 company survey responses.

3(A). Resort occupancy increased 2.1 percentage points (or 2.7 percent) as compared to Q4 2021.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 12 companies that provided occupancy data, representing approximately 9.5 million available room nights in Q4 2022, the average occupancy rate increased 2.1 percentage points (or 2.7 percent) to 79.7 percent in Q4 2022, compared to 77.6 percent in Q4 2021. Available room nights increased 0.8 percent from Q4 2021 to Q4 2022, increasing from approximately 9.4 million room nights to approximately 9.5 million room nights as reported by 12 companies.

Additionally, respondents were asked to report on the occupancy based on whether the occupants were or were not timeshare owners.The mix increased by 0.1 percent from Q4 2021 for owner occupancy and decreased by 0.3 percent for non-owner occupancy.

Figure 11a. Occupancy by Sales Mix



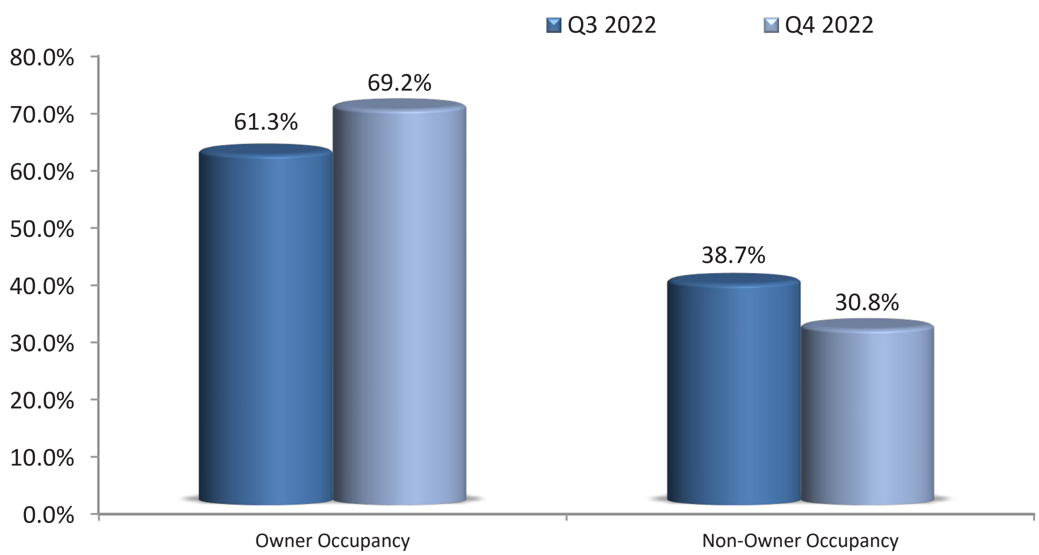
Source: Deloitte & Touche based on 11 company survey responses.

3(B). Resort occupancy decreased 2.4 percentage points (or 2.9 percent) as compared to Q3 2022.

Survey respondents were asked to provide information on timeshare unit occupancy. For the 12 companies that provided occupancy data, representing approximately 9.5 million available room nights in Q4 2022, the average occupancy rate decreased 2.4 percentage points (or 2.9 percent) to 79.7 percent in Q4 2022, compared to 82.1 percent in Q3 2022. Available room nights decreased 8.7 percent from Q3 2022 to Q4 2022, decreasing from approximately 10.4 million room nights to approximately 9.5 million room nights as reported by 12 companies.

Additionally, respondents were asked to report on the occupancy based on whether the occupants were or were not timeshare owners. The mix increased by 12.9 percent from Q3 2022 for owner occupancy and decreased by 20.4 percent for non-owner occupancy. Note the Q3 2022 results in Figure 11b reflect data as provided by 12 respondents, while Q4 2022 results reflect data as provided by 11 respondents.

Figure 11b. Occupancy by Sales Mix



Source: Deloitte & Touche based on 11 company survey responses for Q4 2022 and 12 company survey responses for Q3 2022.

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, the number of standard cancellations, number of sales and marketing package bookings, and number of sales and marketing cancellations demonstrated a decrease from Q4 2021 to Q4 2022. Seven companies provided standard bookings and cancellations (owners and guests) data. The number of standard bookings decreased by 13.6 percent from 730,868 in Q4 2021 to 631,757 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of standard bookings increased by 9,296 (or 3.1 percent), increasing from 296,530 in Q4 2021 to 305,826 in Q4 2022. The number of standard cancellations decreased by 13.5 percent from 276,713 in Q4 2021 to 239,376 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of standard cancellations increased by 742 (or 0.9 percent), increasing from 82,863 in Q4 2021 to 83,605 in Q4 2022.

Six 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 10.8 percent from 151,982 in Q4 2021 to 135,568 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of bookings increased by 3,559 (or 3.3 percent), increasing from 107,959 in Q4 2021 to 111,518 in Q4 2022. The number of sales and marketing package cancellations decreased by 4.3 percent from 44,442 in Q4 2021 to 42,521 in Q4 2022. The decrease is driven by one respondent. When excluding this respondent, the number of cancellations increased by 2,881 (or 13.7 percent), increasing from 21,055 in Q4 2021 to 23,936 in Q4 2022.

As reported by two companies, the average term of the product offered for the sales and marketing package purchases remained the same when comparing Q4 2021 to Q4 2022 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 Q4 2021 and Q4 2022.

Figure 12. Characteristics of occupancy bookings and cancellations

Fourth Quarter	2021	2022	% Increase/ (Decrease)
Number of standard bookings (owners and guests)	730,868	631,757	-13.6%
Number of standard cancellations (owners and guests)	276,713	239,376	-13.5%
Number of sales & marketing package bookings (non-owners)	151,982	135,568	-10.8%
Number of sales & marketing package cancellations (non-owners)	44,442	42,521	-4.3%

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

4. Average interest rate remained the same, FICO score at origination and average down payment on upgrade sales increased, while average term and average down payment on non-upgrade sales decreased in Q4 2022 as compared to Q4 2021.

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated to compare to Q4 2021.[7] The average interest rate on new consumer loans in Q4 2022 was 14.2 percent, which remained the same when compared to Q4 2021. The Q4 2022 average loan term was 124.0 months, which slightly decreased from 124.1 months in Q4 2021. The average FICO score for financed sales increased from 721 in Q4 2021 to 727 in Q4 2022.

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 9 respondents that provided non-upgrade down payment data, the average down payment on non-upgrade sales decreased to 15.4 percent of the stated sales price on financed sales in Q4 2022 compared to 17.4 percent in Q4 2021. For the 8 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 44.8 percent in Q4 2022, an increase of 1.3 percentage points from Q4 2021.

Figure 13. Characteristics of consumer timeshare loan financing

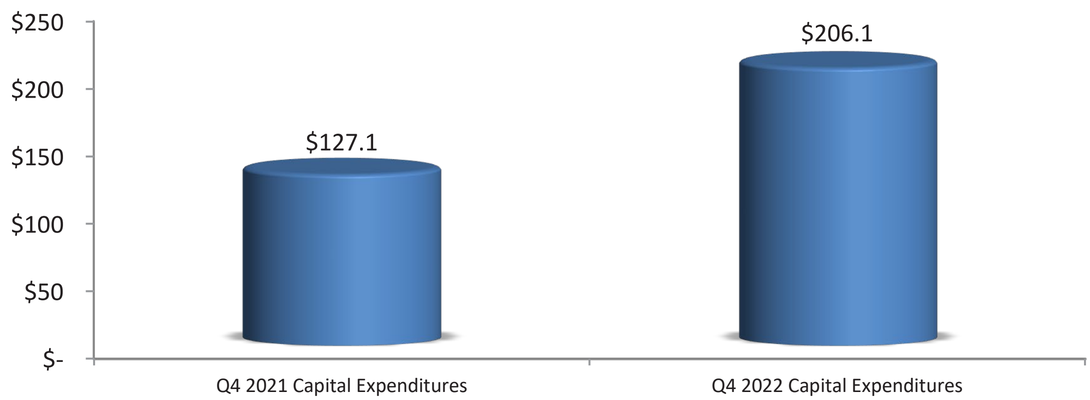
Fourth Quarter	2021	2022	Difference
Average:			
Interest rate (annual)	14.2%	14.2%	0.0%
Term (months)	124.1	124.0	-0.1 months
Down payment on non-upgrade sales (% of price)	17.4%	15.4%	-2.0%
Down payment on upgrade sales (% of price)	43.5%	44.8%	1.3%
FICO Score at origination (new sales)	721	727	6

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

5. Capital expenditures related to timeshare inventory increased overall in Q4 2022 when compared to Q4 2021.

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 62.1 percent in Q4 2022 compared to Q4 2021. Three respondents reported a decrease in capital expenditures related to timeshare inventory and five respondents reported an increase.

Figure 14. Capital Expenditures (Millions)

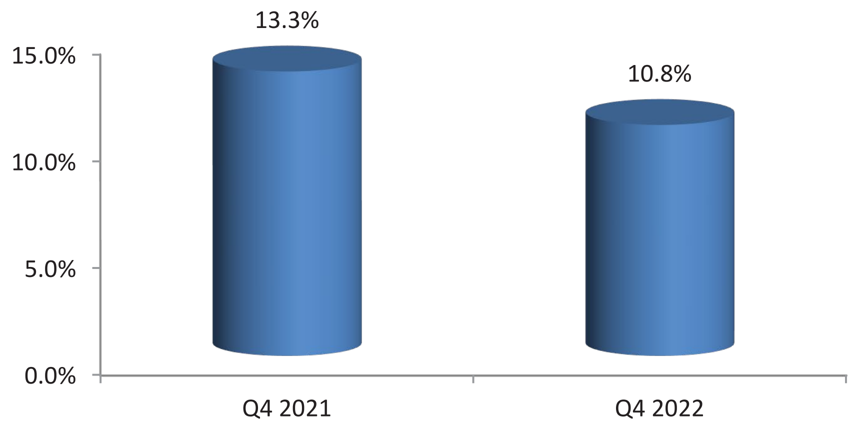


Source: Deloitte & Touche based on 8 company survey responses.

6. Employment

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 10.8 percent of positions were open for employment as of Q4 2022. This reflects a 2.5 percentage point decrease, or 18.8 percent, as compared to Q4 2021 of 13.3 percent as reported by seven respondents.

Figure 15. Open positions for employment



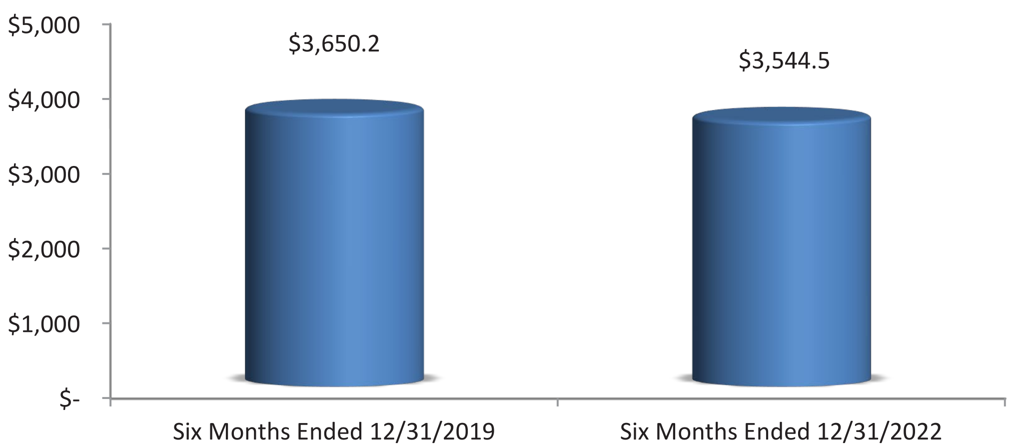
Source: Deloitte & Touche based on 7 company survey responses.

7. Six Months Ended 12/31/2022 compared to Six Months Ended 12/31/2019

We further compared sales performance, sales metric, and occupancy data for the Six Months Ended 12/31/2022 calculated as the combination of results from the 2022 Third Quarter Pulse Survey data as previously reported and 2022 Fourth Quarter Pulse Survey data herein for purposes of comparing to the Six Months Ended December 31, 2019, Pulse Survey data.

The 11 respondents that provided sales information for Q3 2022 as previously reported and Q4 2022 herein reported an aggregate amount of approximately $3,544.5 million in net originated timeshare sales (including telesales) in the Six Months Ended December 31, 2022. This is within 2.9 percent of net originated timeshare sales (including telesales) for the Six Months Ended December 31, 2019, thus evidencing the industry's recovery from COVID-19 impacts. Note the decrease in number of respondents from the Six Months Ended December 31, 2019, Pulse Survey 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.

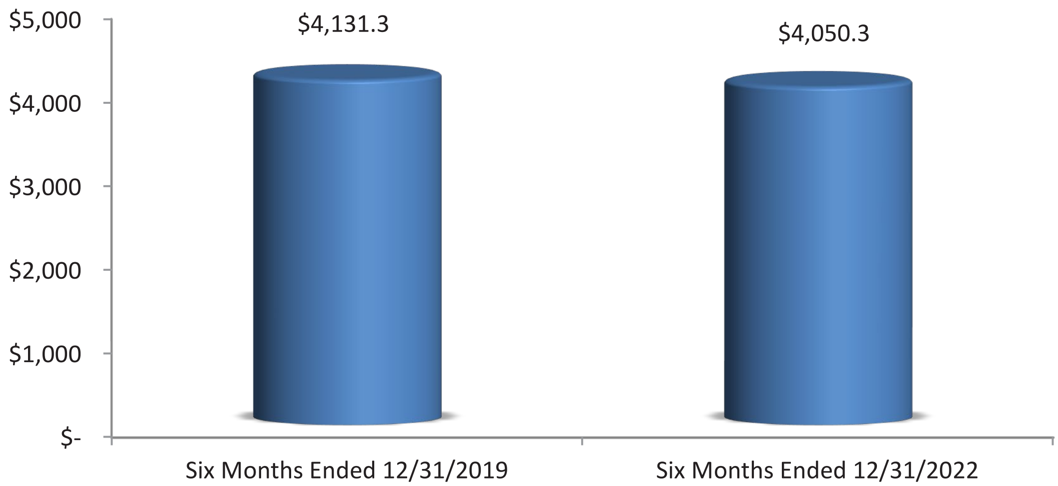
Figure 16. Net originated sales including telesales (Millions)



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 Six Months Ended December 31, 2022, sales reflects recovery within 2.0 percent of sales for the Six Months Ended December 31, 2019.

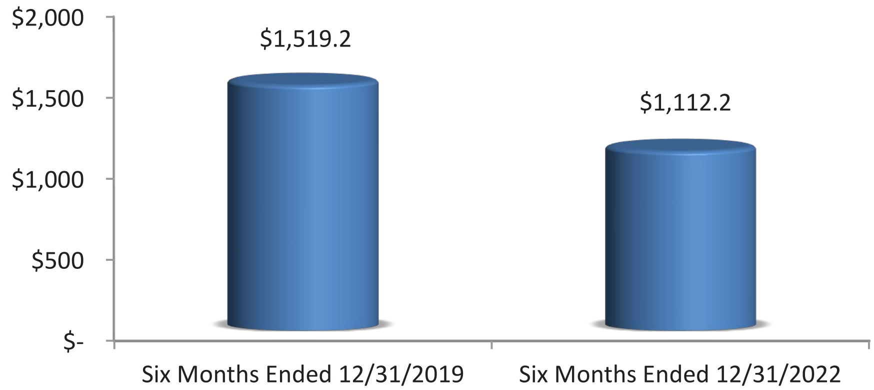
Figure 17. Net originated sales (including sales under fee-for-service arrangements) (Millions)



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

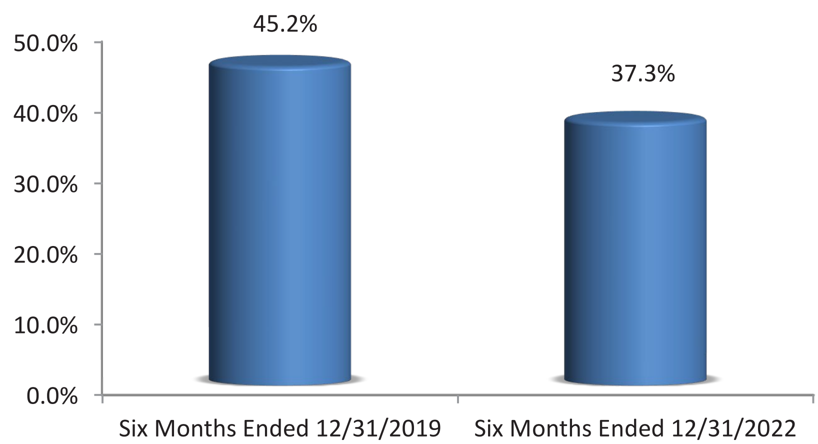
The 10 respondent companies that provided new owner sales information for Q3 2022 as previously reported and Q4 2022 herein reported an aggregate amount of approximately $1,112.2 million in new owner net originated timeshare sales (including telesales) in the Six Months Ended December 31, 2022, which reflects recovery within 26.8 percent of new owner net originated timeshare sales (including telesales) for the Six Months Ended December 31, 2019 as reported by 14 respondents, see *Figure 18* below. The 10 respondent companies that provided existing owner sales information for Q3 2022 as previously reported and Q4 2022 herein reported an aggregate amount of approximately $1,872.3 million in existing owner net originated timeshare sales (including telesales) in the Six Months Ended December 31, 2022, which reflects recovery within 1.7 percent of existing owner net originated timeshare sales (including telesales) for the Six Months Ended December 31, 2019, as reported by 14 respondents. Note the decrease in number of respondents from the Six Months Ended 2019 Pulse Survey is primarily due to the consolidation of three companies for which data has been provided at the consolidated level beginning in 2020 and thus treated as one respondent. As a percentage of total net originated sales as reported by Companies that provided new owner and existing owner sales information, new owner sales make up 37.3 percent of the balance in the Six Months Ended December 31, 2022, which reflects recovery within 17.5 percent of the new owner sales mix for the Six Months Ended 12/31/2019 (see *Figure 19* below). Existing owner sales for the Six Months Ended December 31, 2022 equals 62.7 percent of total net originated sales, which is an increase from 54.8 percent in the Six Months Ended December 31, 2019. 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 18. Net originated sales (including telesales) – New Owners (Millions)



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

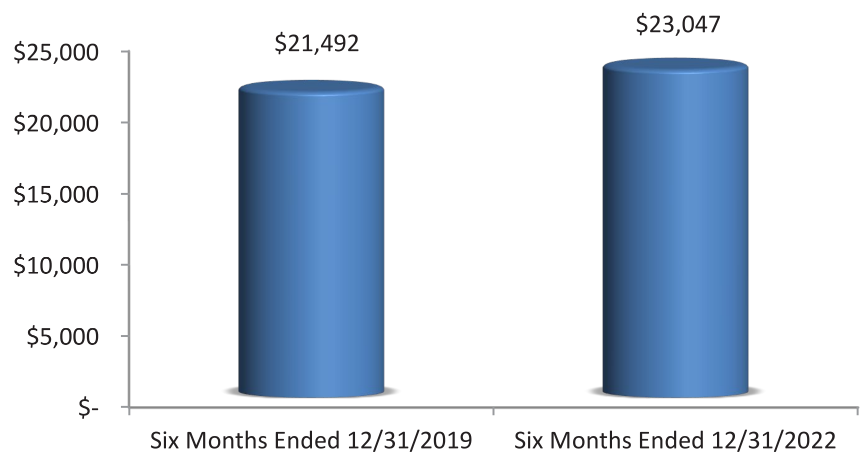
Figure 19. Percentage of total net originated sales (including telesales) – New Owner



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

Ten companies reported net originated sales excluding telesales as well as detailed information on the number of tours and the number of sales transactions for Q3 2022 as previously reported and Q4 2022 herein. The companies reported that the aggregate number of tours for the Six Months Ended December 31, 2022 reflects recovery within 26.9 percent of tour numbers for the Six Months Ended December 31, 2019. The weighted average transaction value increased 7.2 percent as compared to the Six Months Ended December 31, 2019. *Figure 20* below illustrates the average transaction value calculated using a weighted average. The simple average transaction value increased 11.6 percent from $19,944 in the Six Months Ended December 31, 2019, to $22,262 in the Six Months Ended December 31, 2022.

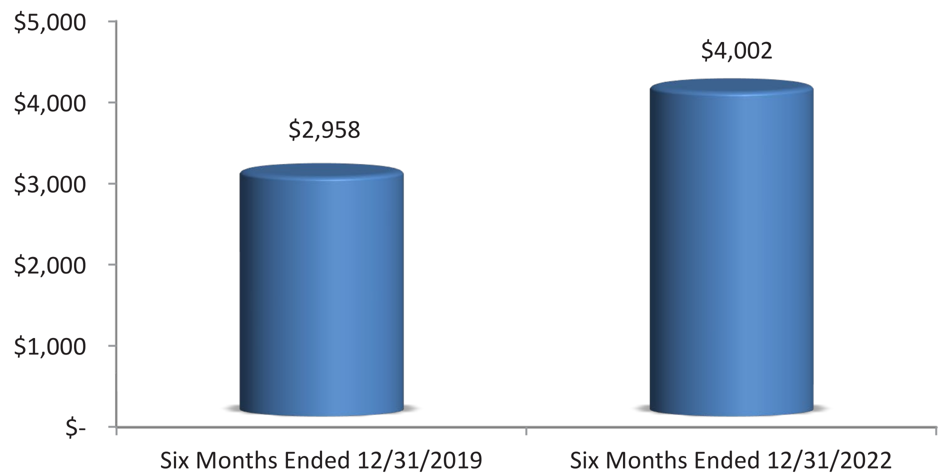
Figure 20. Weighted average transaction value



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

Weighted average volume per guest increased by 35.3 percent from the Six Months Ended December 31, 2019, to the Six Months Ended December 31, 2022. The simple average volume per guest increased 37.5 percent from $2,840 in the Six Months Ended December 31, 2019, to $3,905 in the Six Months Ended December 31, 2022.

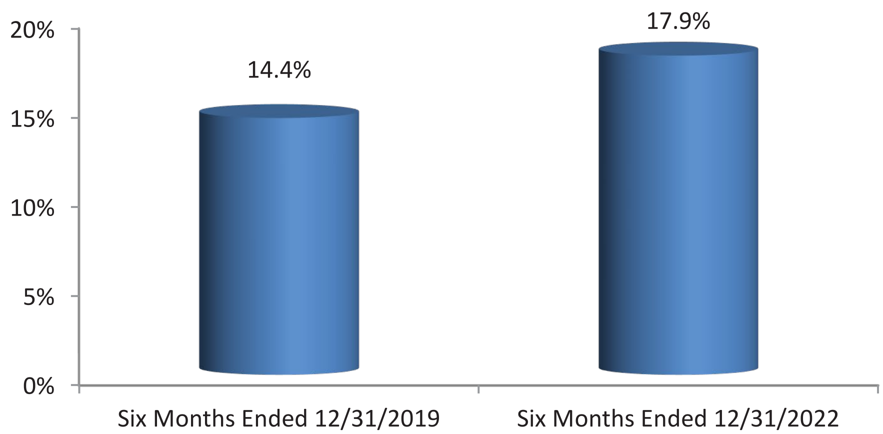
Figure 21. Weighted average Volume per Guest



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

The weighted average close rate, another measure of sales efficiency, increased by 3.5 percentage points (24.3 percent) from the Six Months Ended December 31, 2019, to the Six Months Ended December 31, 2022.

Figure 22. Weighted average close rate



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

Among the companies that provided key sales indicators, 11 provided rescission percentage information for Q3 2022 as previously reported and Q4 2022 herein. The weighted average rescission rate among those companies was 12.4 percent in the Six Months Ended 12/31/2022, which was a decrease of 4.2 percentage points from 16.6 percent in the Six Months Ended 12/31/2019. The simple average rescission rate decreased 3.6 percentage points from 13.7 percent in the Six Months Ended December 31, 2019 to 10.1 percent in the Six Months Ended December 31, 2022.

The composition of receivables portfolios was evaluated as of December 31, 2022 and compared to the composition as of December 31, 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 $12,754.5 million as of December 31, 2022 and $14,751.6 million as of December 30, 2019.

Receivables portfolios showed delinquencies (greater than 60 days past due) as of December 31, 2022 reflecting recovery 1.3 percentage points of delinquencies when compared to as of December 31, 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 December 31, 2022, which reflects recovery within 1.4 percentage points of currency as of December 31, 2019. Further, 6.4 percent of consumer timeshare loan portfolios by dollar value were charged against the allowance in Q4 2022, which was 1.1 percentage points lower compared to Q4 2019.

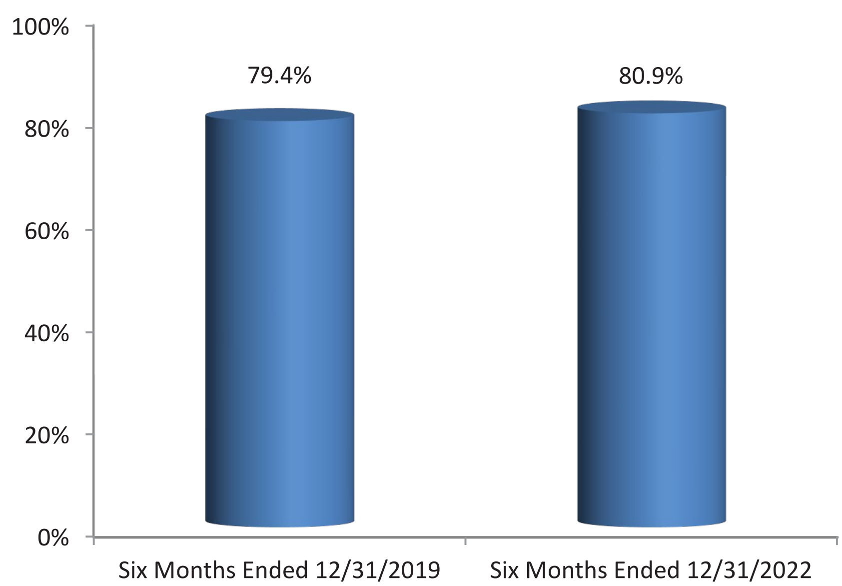
Figure 23. Aging of consumer timeshare loan portfolios by survey respondents

	December 31, 2019	December 31, 2022	Increase/(Decrease)
Current	87.9%	86.5%	-1.4%
31 to 60 days	2.1%	2.2%	0.1%
61 to 90 days	1.3%	1.4%	0.1%
91 to 120 days	1.3%	1.3%	0.0%
More than 120 days	7.4%	8.6%	1.2%
Total	**100.0%**	**100.0%**	

Source: Deloitte & Touche based on 12 company survey responses. The Fourth Quarter 2019 data herein was based upon the 17 responses obtained from Q4 2019 Pulse Survey.

For the 12 companies that provided occupancy data for Q3 2022 – QTD as previously reported and Q4 2022 – QTD herein, representing approximately 19.9 million available room nights in the Six Months Ended 12/31/2022, the average occupancy rate, was 80.9 percent in the Six Months Ended 12/31/2022, which reflects an increase of 1.5 percentage points (or 1.9 percent) from the average occupancy rate of 79.4 percent in the Six Months Ended 12/31/2019[8] as previously reported.

Figure 24. Occupancy



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

[8] The occupancy data for Q4 2019 reflects occupancy rates prior to the emergence of COVID-19. For purposes of a fair comparison, we have compared Q4 2019 regular occupancy rates to that of Q4 2022.

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated to compare to in Q4 2019 to observe the industry's recovery from COVID-19 impacts.[9] The average interest rate on new consumer loans in Q4 2022 was 14.2 percent, which was the same when compared to Q4 2019 of 14.2 percent. The Q4 2022 average loan term was 124.0 months, which is an increase of 1.4 months from Q4 2019 of 122.6 months. The average FICO score for financed sales of 727 in Q4 2022 increased from 725 Q4 2019.

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 9 respondents that provided non-upgrade down payment data, the average down payment on non-upgrade sales was 15.4 percent of the stated sales price on financed sales in Q4 2022 as compared to 18.4 percent in Q4 2019. For the 8 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 44.8 percent in Q4 2022, an increase of 2.3 percentage points from Q4 2019.

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

The following table shows the quarterly survey results in aggregate.

ARDA International Foundation – Three Months Ended December 2022 Pulse Survey					
****Three Months December 2022 Results****	**Three Months December 31 2021**	**Three Months December 31 2022**	**Increase/ (Decrease)**	**Increase/ (Decrease) Percent**	**Survey Responses**
General Characteristics					
1. Ownership status (public or private)	Public: 45% Private: 55%	Public: 45% Private: 55%			11
2. Are fee-for-service activities being provided by another developer on your behalf?		Yes: 9% No: 91%			11
Receivables Portfolio					
The following questions refer to the portfolio of receivables (total held and/or serviced receivables, including securitized and/or hypothecated receivables), including receivables for sales made in earlier years.					
3. Gross outstanding portfolio balance, at period end (in dollars)	$12,206,022,571	$12,754,522,623	$548,500,052	4.5%	10
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)	85.3%	86.5%	1.2%	1.4%	10
Between 31 to 60 days delinquent	1.8%	2.2%	0.4%	22.2%	10
Between 61 to 90 days delinquent	1.2%	1.4%	0.2%	16.7%	10
Between 91 to 120 days delinquent	1.1%	1.3%	0.2%	18.2%	10
More than 120 days delinquent	10.6%	8.6%	-2.0%	-18.9%	10
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)	5.3%	6.4%	1.1%	20.8%	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%	10
Inventory					
7. Total capital expenditures related to timeshare inventory	$127,123,309	$206,107,482	$78,984,173	62.1%	8
Resort Occupancy					
8a/b. Timeshare occupancy mix by type. Report based on physical occupancy, meaning actual guest check-in occurred.*					
Occupied (owner or owners' guest, exchange guest, renter, and marketing guest)	77.6%	79.7%	2.1%	2.7%	12
Vacant - please do not include any inventory taken offline due to natural disasters (i.e. hurricanes, fires, etc.) or regular maintenance	22.4%	20.3%	-2.1%	-9.4%	12
Total should equal 100%	100.0%	100.0%			

8c/8d. Market Segment occupancy*					
Owner Occupancy	69.1%	69.2%	0.1%	0.1%	11
Non-Owner Occupancy	30.9%	30.8%	-0.1%	-0.3%	11
Total should equal 100%	100.0%	100.0%			
9a/b. Total available room nights during period (This will be used to calculate the weighted average occupancy rate for the response set.) *	9,414,673	9,494,203	79,530	0.8%	12
10a. Number of standard bookings (owners and guests)*	730,868	631,757	(99,111)	-13.6%	7
10b. Number of standard cancellations (owners and guests)*	276,713	239,376	(37,337)	-13.5%	7
10c. Number of sales & marketing package bookings (non-owners)*	151,982	135,568	(16,414)	-10.8%	6
10d. Number of sales & marketing package cancellations (non-owners)*	44,442	42,521	(1,921)	-4.3%	6
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

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)	$1,542,486,668	$1,781,849,804	$239,363,136	15.5%	11
12a. Net originated sales (net of sales incentives and rescissions) that were new owner sales (in dollars):	$537,175,025	$519,820,474	($17,354,551)	-3.2%	10
12b. Net originated sales (net of sales incentives and rescissions) that were existing owner sales (in dollars):	$671,955,135	$888,705,418	$216,750,283	32.3%	10
13. Weighted average rescissions %	12.4%	12.4%	0.0%	0.0%	11
13. Recission Dollars ($)	$231,808,751	$264,870,030	$33,061,279	14.3%	11
14a. Weighted average rescissions that were new owner sales %	23.1%	23.6%	0.5%	2.2%	10
14a. Rescissions Dollars ($) - new owner sales	$123,978,828	$109,797,895	($14,180,933)	-11.4%	10
14b. Weighted average rescissions that were existing owner sales %	11.0%	11.6%	0.6%	5.5%	10
14b. Rescissions Dollars ($) - existing owner sales	$69,719,337	$101,228,065	$31,508,728	45.2%	10
15. Owner growth rate over prior year	11.2%	0.1%	-11.1%	-99.1%	10

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.	382,763	483,297	100,534	26.3%	10

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.)	67,877	84,823	16,946	25.0%	10
Weighted average close rate (excludes sales that are canceled through rescission, calculated based on formula)	18.3%	17.9%	-0.4%	-2.2%	10
18. Net originated sales (gross sales less incentives and rescissions) excluding telesales	$1,447,594,640	$1,901,441,331	$453,846,691	31.4%	10
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)	$3,935	$4,015	$80	2.0%	10
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)	$22,243	$23,236	$993	4.5%	10
19. Total net originated sales (gross sales less incentives and rescissions) for non-owned timeshare inventory sold under fee-for-service agreements	$213,475,528	$262,083,144	$48,607,616	22.8%	4
20. Total net originated sales (gross sales less incentives and rescissions) for owned timeshare inventory sold by others under fee-for-service agreements	$1,642,471	$1,048,542	($593,929)	-36.2%	1
Total net originated sales (excluding rescissions, including fee-for-service, excluding fee-for-service sold by others)	$1,754,319,725	$2,042,884,405	$288,564,680	16.4%	11
21. Total Rental Revenue	$327,981,602	$407,841,459	$79,859,857	24.3%	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.	14.2%	14.2%	0.0%	0.0%	10
23. Weighted average term (in months).	124.1	124.0	-0.1	-0.1%	10
24. Average down payment on non-upgrade sales	17.4%	15.4%	-2.0%	-11.5%	9
25. Average down payment on upgrade sales	43.5%	44.8%	1.3%	3.0%	8
26. Weighted -average FICO score (on new loans, weighted by original principal balance, exclude buyers without FICO scores)	721	727	6	0.8%	10
27a. Originations as a percentage of gross sales. The gross sales amount inclusive of upgrade contract selling prices.	62.5%	60.0%	-2.5%	-4.0%	7
27b. Originations as a percentage of net sales. The net sales should equal gross sales less upgrade contract selling prices.	81.9%	82.6%	0.7%	0.9%	8

Employment

28. Number of positions open for employment as a percentage of all positions.	13.3%	10.8%	-2.5%	-18.8%	7

Method

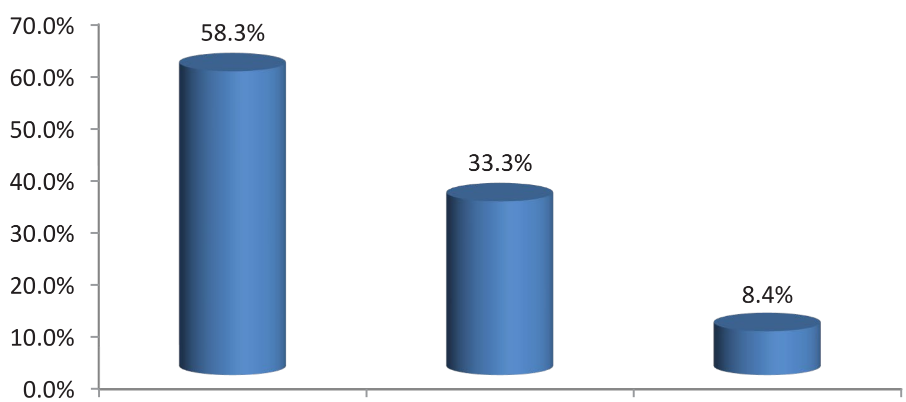
The 2022 Fourth Quarter Pulse Survey was conducted by Deloitte & Touche on the behalf of ARDA International Foundation. The purpose of the research was to compile current data and to provide a current perspective on the timeshare industry's financial performance.

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 January 16, 2023. The survey collection efforts focused on companies generating the largest volume of timeshare sales and companies that participate as board members of the American Resort Development Association (ARDA). Deloitte & Touche followed up with the companies by telephone and e-mail to encourage responses. Deloitte & Touche ended the survey collection effort on February 8, 2023. By February 8, 2023, 12 companies, or 4.5 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 12 responses were collected, most questions were not answered by all 12 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 Q4 2022 net originated sales, including telesales and excluding fee-for-service arrangements, of $1,781.8 million. Five of the aggregate 12 companies who participated in the survey are publicly traded companies, and four of the 12 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 25. Distribution of companies by headquarters location, 2022



[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 September 30, 2022. The current Pulse Survey functions similarly as a timely source of informationon several key statistics, with a focus on the three months ended December 31, 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 Q4 2021 and Q4 2022 results presented in this edition with results shown in reports of earlier periods without understanding that the response base and reporting period have changed.

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

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ARDA
American Resort Development Association