EXECUTIVE SUMMARY

2025

Financial Performance

A Survey of Timeshare & Vacation Ownership Companies

ARDA
Research & Insights

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Sales activity

- **Net originated sales excluding fee-for-service decreased 0.1 percent, while net originated sales including fee- for-service decreased 3.5 percent.** In total, the 8 respondents that provided sales information reported $6.849 billion in net originated timeshare sales excluding fee-for-service in 2024. Total net originated sales including fee-for-service arrangements decreased 3.5 percent from 2023 to 2024, decreasing from $7.799 billion to $7.523 billion.
- **Points sales represented 66.5 percent of the $6.849 billion of net originated sales excluding fee-for-service.** Of the $6.849 billion of net originated sales reported by 8 companies in 2024, $4.556 billion (66.5 percent) was classified as points sales, while $2.292 billion (33.5 percent) was classified as interval sales.
- **The amount of U.S. net originated sales that were sold on behalf of others under fee-for-service arrangements decreased 28.7 percent from $946.7 million in 2023 to $674.7 million in 2024.**
- **Net originated sales at U.S. locations averaged $27.9 million per resort in active sales.**
- **Total capital expenditures increased by 31.7 percent from 2023 to 2024 while capital expenditures related to completed timeshare inventory decreased by 30.7 percent from 2023 to 2024.** Total capital expenditures increased from $642.7 million to $846.7 million from 2023 to 2024, respectively. Total capital expenditures related to completed timeshare inventory decreased from $166.2 million in 2023 to $115.1 million in 2024.
- **The average yield per week decreased 7.0 percent in 2024, with a weighted average yield of $40,790.**
- **Sales tours and existing owner sales increased while new owner sales, weighted average transaction value, volume per guest and net close rate decreased from 2023 to 2024.** In 2024, 7 respondents reported hosting 1.921 million sales tours, compared to 1.920 million sales tours in the previous year. Respondents achieved a weighted average net closing rate of 14.9 percent, which decreased from the 15.5 percent reported for 2023. During the year, weighted average volume per guest decreased from $3,689 in 2023 to $3,564 in 2024, and weighted average transaction value decreased from $25,115 in 2023 to $24,714 in 2024. Net originated sales volume (excluding telesales) resulting from existing owner sales increased from 65.4 percent in 2023 to 68.0 percent in 2024, while the remainder of net originated sales volume resulting from new owner sales decreased from 34.6 percent in 2023 to 32.0 percent in 2024.
- **Average transaction value for new owner sales increased and decreased for existing owner sales from 2023 to 2024.** Respondents reported that the average transaction value for new owner sales increased from $17,702 in 2023 to $20,536 in 2024 and the weighted average transaction value for existing owner sales decreased from $37,978 in 2023 to $34,120 in 2024.
- **Rescissions, as a portion of gross sales, increased 1.3 percentage points to 14.4 percent in 2024 from 13.1 percent in 2023.**

SALES TOURS METRICS BY COMPANY CATEGORY, 2024, U.S.

		Company size			Average yield per week		
	All respondents	$500M or more	$100M to $499M	Less than $100M	$30,000 or more	$20,000 to $29,999	Less than $20,000
Number of tours	1,920,893	1,897,178	N/A	23,715	1,194,583	479,401	9,710
Number of sales transactions	279,982	275,496	N/A	4,486	156,698	87,985	2,248
Net close rate	14.9%	14.8%	N/A	17.3%	13.2%	18.5%	23.2%
Net originated sales excluding telesales (mill)	$7,227.9	$6,638.3	$491.0	$98.6	$4,492.0	$1,976.8	$17.5
Weighted volume per guest ("VPG")	$3,564	$3,542	N/A	$5,080	$3,375	$4,127	$1,805
Weighted average transaction value	$24,714	$24,619	N/A	$31,170	$25,921	$23,277	$7,798

Source: Deloitte & Touche LLP Company size data based on 7 company survey responses, Average yield per week data based on 6 company survey responses.

Methodology

Deloitte & Touche conducted a survey of 9 timeshare developing companies encompassing 500 resorts that were open and in active sales during 2024 that account for a predominance of industry sales. It is important to understand that, contrary to the annual ARDA Research & Insights' State of the Vacation Timeshare Industry Report: U.S. Study that forecasts metrics for the entire U.S. industry, this survey is not a projection of the timeshare industry metrics as it is not based on a random sample of companies, nor is it a census of all companies. This survey is designed to further examine the industry's financial performance by providing timely information that permits companies to compare operations to industry benchmarks and a reference for tracking industry trends. It is also a valuable resource for potential entrants to the industry and others seeking to better understand the vacation timeshare industry.

Key ratios

- **Estimated uncollectible sales, as a portion of net originated sales, averaged 18.5 percent in 2024.**
- **Product costs, as a portion of net originated sales, averaged 12.1 percent in 2024.**
- **Sales commissions, as a portion of net originated sales, averaged 18.1 percent in 2024.**
- **Other sales and marketing costs, as a portion of net originated sales, averaged 25.8 percent in 2024.**
- **General and administrative costs, as a portion of net originated sales, averaged 7.0 percent in 2024.**
- **Homeowners association (HOA) subsidies and maintenance fees for unsold units net of rental revenues, as a portion of net originated sales, averaged 3.1 percent in 2024.**
- **Operating profit margin on timeshare sales operations averaged 15.4 percent in 2024.**
- **Respondents reported that 65.5 percent of average net originated sales, by dollar value, in 2024 were to existing owners, on a weighted average basis.**

KEY RATIOS AS A % OF NET ORIGINATED SALES VALUE, 2024, U.S.

	All respondents	Interval companies	Points companies	Public companies	Private companies
Estimated uncollectible sales	18.5%	15.3%	21.3%	16.5%	34.6%
Cost of sales, also referred to as product cost	12.1%	17.2%	8.1%	12.6%	8.0%
Sales commissions	18.1%	19.8%	16.7%	18.5%	14.6%
Other sales and marketing costs to sell timeshare intervals or points	25.8%	23.2%	27.8%	25.4%	28.7%
Sub-total: Sales commissions and other sales and marketing costs	**43.9%**	**43.0%**	**44.5%**	**43.9%**	**43.3%**
General and administrative costs related to timeshare sales operations	7.0%	2.2%	10.7%	5.7%	17.0%
HOA subsidies and/or maintenance fees	3.1%	2.9%	3.2%	3.5%	0.0%
Pre-tax margin of timeshare sales operations	15.4%	19.4%	12.2%	17.8%	-2.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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

Hypothecation of receivables

- **The average interest rate and the average advance rate increased when compared to 2023.** Three respondents provided information on hypothecations of receivables that occurred during 2024, totaling 449.4 million. The average interest rate increased from 7.1 percent in 2023 to 8.1 percent in 2024. The average advance rate increased from 72.5 percent in 2023 to 79.9 percent in 2024.

Portfolio sales and securitization

- **For respondents who reported securitizations in both 2023 and 2024, both the average transaction size of securitizations and average advance rate increased while the average interest rate decreased.** For those respondents that reported securitizations in both 2023 and 2024, the average transaction size of reported securitizations increased 14.2 percent from $323.6 million in 2023 to $369.6 million in 2024; the average advance rate increased 2.1 percentage points from 94.0 percent in 2023 to 96.1 percent in 2024; and the average interest rate decreased 1.0 percentage points from 6.5 percent in 2023 to 5.5 percent in 2024. The six separate securitization transactions reported by survey respondents in 2024 represented a total value of $2,217.7 million, measured as the gross value of the sales contracts securitized. This reflects an increase from the six separate securitization transactions in 2023 with a total value of $1,941.6 million.

Consumer financing and receivables portfolio performance

- **Of the $6.078 billion of net originated timeshare sales in which respondents provided financing information, $3.308 billion (54.4 percent) were financed in 2024.** Respondents reported that in 2024, the weighted average interest rate on new loans to consumers including servicing fees was 14.8 percent and the weighted average interest rate on new loans to consumers excluding servicing fees was 14.4 percent. The weighted average down payment associated with non-upgrade sales was 16.4 percent of the contract price, and the average down payment associated with upgrade sales, including the equity in their existing vacation ownership interest, was 49.0 percent of the contract price.
- **Current receivables decreased by 0.3 percentage points from 2023 to 2024, while those more than 120 days delinquent increased by 0.6 percentage points.**

PERFORMANCE OF CONSUMER RECEIVABLES PORTFOLIOS AT YEAR-END, 2023 AND 2024, ALL GEOGRAPHIES

	2023	2024
Current	86.4%	86.1%
31 to 60 days	2.1%	2.0%
61 to 90 days	1.4%	1.4%
91 to 120 days	1.3%	1.1%
More than 120 days	8.8%	9.4%
	100.0%	100.0%

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

- **Gross defaults, as a portion of the gross outstanding portfolio balance at year-end, averaged 11.1 percent in 2024, which is an increase of 1.3 percentage points as compared to 2023.**
- **The weighted average allowance for uncollectible accounts, as a portion of gross outstanding portfolio balance at year-end, was 21.4 percent in 2024.** This was an increase of 1.3 percentage points as compared to 2023.
- **The weighted average interest rate exclusive of servicing fees and inclusive of servicing fees on loans held in portfolios remained consistent from 2023 to 2024. The average remaining term decreased from 2023 to 2024.** The weighted average interest rate on timeshare consumer loans held in portfolios at year-end was 14.1 percent in 2024 exclusive of servicing fees and 14.4 percent in 2024 inclusive of servicing fees. The weighted average term to maturity for loans held was 96.5 months.
- **The weighted average general and administrative costs of financing operations, as a portion of outstanding portfolio balance, was 1.3 percent in 2024, which is consistent with 2023.**

FICO scores

- **The use of FICO scoring as an underwriting component in 2024 remained consistent from 2023.** All of the respondents reported that they utilize FICO scoring in their underwriting criteria in 2024, which is consistent with 2023.
- **Average FICO scores on loans held in receivable portfolios increased in 2024 as compared to 2023.** The weighted average FICO score on loans held in receivables portfolios at year-end, as reported by respondents, increased five points from 716 in 2023 to 721 in 2024.
- **The weighted average FICO scores on new financings in 2024 increased as compared to 2023.** The weighted average FICO score on new financings of 738 in 2024 is eight points higher than 730 in 2023.
- **The weighted average static pool default rate was 22.9 percent in 2024, which is a 0.7 percentage point increase from 2023, as reported by 7 respondents.**
- **The static pool default rate by FICO score (the static pool default percentages by FICO score range at the time the loan was made to purchasers) increased for all band categories excluding the band category ranging from 500 to 549 when comparing 2024 to 2023.**
- **Weighted average originations as a percentage of gross sales and as a percentage of net sales did not change and decreased 0.5 percentage points, respectively, from 2023 to 2024.**

Occupancy bookings and cancellations

- **The number of sales and marketing package bookings increased and standard cancellations as a percentage of gross bookings remained consistent, while the number of standard bookings and number of sales and marketing package cancellations as a percentage of gross bookings decreased from 2023 to 2024.** The number of standard bookings decreased by 0.2 percent from 2,289,975 in 2023 to 2,284,509 in 2024. Standard cancellations as a percentage of gross bookings remained consistent from 2023 to 2024. The number of sales and marketing package bookings increased by 4.3 percent from 645,934 in 2023 to 673,799 in 2024. The number of sales and marketing package cancellations as a percentage of gross bookings decreased by 9.2 percent from 89.3% in 2023 to 81.1% in 2024.

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