# Economic Impact

# 2014

## OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY

2014 EDITION
PREPARED BY EY
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The impact of the timeshare industry on the U.S. economy extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the industry also includes the economic impacts of sales and marketing offices, corporate operations, the construction of new resorts and the renovation of existing resorts, and the significant impact of expenditures of vacationers during timeshare stays. This study estimates the comprehensive private- and public-sector benefits generated by the timeshare industry.

In addition to private-sector benefits, including jobs and income, the significant tax contributions of the industry are a source of revenue for federal, state and local governments. The estimates described below show that the timeshare industry produces significant amounts of individual income tax and employment tax at the federal level, and contributes significantly to property tax, sales tax, and occupancy tax revenue for state and local governments in the states in which timeshare resorts are located.

The following results highlight the key economic and fiscal (tax) impacts of the timeshare industry. The results are summarized in terms of direct and indirect economic and fiscal impacts and presented for resort operations, sales and marketing, corporate operations, consumer spending and construction. The direct impacts are generated through spending by the timeshare industry and its employees. The indirect impacts are from increased activity among suppliers and higher spending by employees due to increased incomes.[1]

As shown in Table 1 below, in 2013, the timeshare industry accounted for more than 473,000 jobs, $68.7 billion of output, and $23.6 billion in income.

**TABLE 1**

**SUMMARY OF TOTAL ECONOMIC IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013**

| Impact | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Output ($ billions) | $28.8 | $40.0 | $68.7 |
| Employment | 219,295 | 253,929 | 473,224 |
| Income ($ billions) | $10.2 | $13.3 | $23.6 |

*Source: EY analysis*

1 *Please note that the numbers in the tables and text of this report are rounded and may not appear to sum. Calculations referenced in the text were performed on precise numbers and will yield a slightly different result.*

**Economic Output:** The timeshare industry's direct impact on economic output (measured by revenues) totaled $28.8 billion in 2013, while indirect and induced output was $40.0 billion, resulting in a total economic output impact of $68.7 billion. The total impact on U.S. economic output is $2.39 for each dollar of direct output.

**Employment:** The timeshare industry's direct employment impact in 2013 was estimated at 219,295 people. This direct employment created additional indirect employment by suppliers and other businesses of 253,929 jobs. Combining the direct and indirect employment effects, the total employment impact is estimated to be 473,224 jobs. For each direct job, the total impact is 2.16 jobs.

**Personal Income:** The total direct and indirect income impact totaled $23.6 billion in 2013, including an estimated direct personal income impact of $10.2 billion and an indirect personal income impact of $13.3 billion. The total impact on U.S. personal income was $2.30 for each dollar of direct income.

**Taxes:** The fiscal impact of the timeshare industry's operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown in Table 2, by level of government. As summarized in Table 2, the timeshare industry generated nearly $8.5 billion in total taxes.

TABLE 2

**SUMMARY OF TOTAL FISCAL IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013 ($ MILLIONS)**

| Industry Component | Federal Taxes | State Taxes | Local Taxes | Total Taxes |
|---|---|---|---|---|
| Resorts | $1,679 | $599 | $1,064 | $3,342 |
| Corporate | $940 | $279 | $203 | $1,422 |
| Sales & Marketing | $971 | $288 | $209 | $1,469 |
| Vacation Expenditures | $1,145 | $545 | $294 | $1,985 |
| Capital Expenditures | $156 | $65 | $38 | $259 |
| **Total** | **$4,892** | **$1,775** | **$1,809** | **$8,476** |

*Source: EY analysis*

- The timeshare industry generated an estimated total of $8.5 billion in federal, state and local taxes: $4.9 billion in taxes at the federal level, $1.8 billion at the state level, and $1.8 billion at the local level.
- Resort operations produced an estimated $3.3 billion in federal, state and local taxes. Property taxes accounted for 54% ($892 million) of the state and local tax impact from resort operations (see appendix Table A1).
- Off-site vacation expenditures generated an estimated $2.0 billion in total tax revenue, of which an estimated $314 million was direct state and local sales taxes paid on off-site purchases of taxable items during vacation (see appendix Table A4).
- Capital spending related to new construction and renovation resulted in a total of $259 million in taxes.

# Introduction



CHAPTER ONE

The timeshare industry provides joint ownership or leases of vacation property that combine the benefits of a vacation in a full-service hotel with the security and consistency of home-ownership. There were approximately 192,400 units in 1,540 timeshare resorts in the United States in 2013. This study excludes fractional resorts and Private Residence or Destination clubs. Year 2013 sales volume totaled $7.6 billion, increasing by 16.5% from 2011. Approximately 370,600 timeshare intervals were sold at an average price of $20,460. The number of intervals sold increased by 5% since 2011, while the average price increased by 11%. In 2013, timeshare occupancy rates remained at just under 80%. This occupancy rate is significantly higher than the hotel industry in 2013 which was 62%.[2] Timeshare operations directly employ almost 146,000 people in 48 states.

As described in the report, the economic impact of the timeshare industry extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the modern U.S. timeshare industry includes the economic impacts of resort operations, sales and marketing offices; corporate, regional, and call center operations; the construction of new resorts and the renovation of existing resorts; and the expenditures of timeshare vacationers in local communities. In addition, the significant tax contributions of the industry are an important source of revenue for federal, state and local governments, generating significant property tax, sales tax, and occupancy tax revenue for the states in which the timeshare resorts are located.

**This report, prepared by Ernst & Young LLP (EY) and commissioned by ARDA International Foundation (AIF), documents these significant economic and fiscal contributions made by the timeshare industry in 2013.**

**2** *STR Monthly Hotel Review: December 2013, Smith Travel Research.*

# Survey Results

## CHAPTER TWO

**The economic and fiscal impact analysis presented in this study relies on primary data collected through two national surveys, described below. Data collected through the surveys were supplemented with other public and proprietary information to present an estimate of the overall size of the timeshare industry's economic contribution in the United States in 2013.**

### State of the Vacation Timeshare Industry and Economic Impact Survey

The primary data source for the economic and fiscal impacts is a survey of timeshare resorts, developers and management companies. This survey was conducted by EY for the ARDA International Foundation (AIF) in early 2014. The survey combined both State of the Industry questions and Economic Impact questions in one master survey. The State of the Industry data collected in this survey is summarized in the 2014 edition of AIF's report *State of the Vacation Timeshare Industry: United States study*, which provides an overview of key metrics of the U.S. timeshare industry such as total sales volume, average maintenance fees, and average sales price, etc. EY also reviews resort, development organization and management company web sites, previous AIF research, and other industry sources to conduct this data analysis. The survey data is extrapolated to reflect the entire timeshare industry in the United States, excluding fractional resorts, Private Residence Clubs, and Destination Clubs.

All identified timeshare resorts in the United States were sent a survey questionnaire. Of the 1,540 identified timeshare resorts, 738 responded – a 48% response rate. Of these 738 responding resorts, 637 belong to a family of ten or more resorts, while 101 belong to a family of less than ten resorts. Of these 101, 66 were single site resorts.[3]

EY uses these responses as the basis for most of the detailed estimates presented in this study. In some cases, the survey results are supplemented with public information, such as corporate income tax information from the IRS Statistics of Income and economic data from the Bureau of Economic Analysis.

As described above, the estimated economic impact of the timeshare industry is primarily based on the industry data collected in two surveys. The data from these surveys used in the estimation of the economic and fiscal impacts is summarized below. Table 3 presents an overall summary of the industry's expenditures and operations. The data presented in this section are translated into direct economic impacts, as described in the following section on economic and fiscal impact estimation methodology.

TABLE 3

**INDUSTRY OPERATIONS SURVEY DATA**
**(EXCLUDES OFF-SITE VACATION AND CAPITAL EXPENDITURES)**

| Industry Operations | Direct Output ($ millions) | Direct Employee Compensation ($ millions) | Direct Jobs | Average Direct Annual Compensation |
|---|---|---|---|---|
| Resorts | $11,151 | $2,713 | 75,555 | $35,902 |
| Corporate | $4,780 | $1,957 | 27,718 | $70,607 |
| Sales and Marketing | $5,332 | $2,567 | 42,512 | $60,372 |
| **Total** | **$21,263** | **$7,236** | **145,785** | **$49,636*** |

*Source: 2014 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey*
** Average rather than total*

**3** *List of timeshare resorts maintained and provided by AIF.*

TABLE 4

## INDUSTRY OPERATIONS SURVEY DATA PER UNIT OR RESORT

| | Per Unit | Per Resort |
|---|---|---|
| Resort Employees | 0.39 | 49 |
| Total Employees (incl HQ and sales) | 0.76 | 95 |
| Resort Revenue | $57,950 | $7,240,689 |
| Labor Cost | $14,348 | $1,792,714 |

*Source: 2014 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey*

**Resort Operations Activities:** Data describing the annual operations of timeshares include employment, wages, detailed operating expenditures, and revenue information including maintenance fees (averaging $845 per interval) for the 8.5 million intervals owned, and rental income. Economic output is the broadest measure of economic activity and includes all expenditures and payments to factors of production (labor and capital). In 2013, the direct economic output of timeshare resort operations was estimated to be $11.2 billion, which included maintenance fee revenue of $7.2 billion, rental income of $1.8 billion and revenue from on-site consumer spending of $2.1 billion. Statistics are provided on a per unit/per resort basis in the above table.

**Corporate Activities:** In 2013, the corporate operations of timeshare developers, operators and exchange companies employed an estimated 27,718 employees, with average compensation of $70,607 annually per employee, resulting in $2.0 billion of employee compensation. Purchases from other firms, which are part of direct output, such as, financial services, utilities, office supplies, and other operating expenditures, totaled $2.5 billion (see Table 7).

**Sales and Marketing Activities:** In 2013, timeshare sales and marketing activities employed an estimated 42,512 employees, with average compensation of $60,372 annually per employee, yielding $2.6 billion of employee compensation. Purchases from other firms totaled $2.4 billion (see Table 7).

**Capital Expenditures for New Construction and Renovation Activities:** As shown in Table 5 below, new resort construction expenditures totaled $380 million and resort renovations totaled $414 million in 2013. Expenditures related to the construction of corporate and sales operations totaled $57 million while renovations totaled $13 million in 2013, resulting in total sales and corporate center capital expenditures of $69 million. The construction and renovation expenditures include both structures and tangible personal property.

TABLE 5

## CAPITAL EXPENDITURES

| Capital Expenditures | Direct Spending ($ millions) |
|---|---|
| Resort Capital Expenditures | $794 |
| New Construction | $380 |
| Renovations | $414 |
| Sales and Corporate Capital Expenditures | $69 |
| New Construction | $57 |
| Renovations | $13 |
| **Total Capital Expenditures** | **$863** |

*Source: AIF 2014 & 2012 United States State of the Vacation Timeshare Industry and Economic Impact Survey*

## Consumer Survey

AIF commissioned HSRA, a market research company, to collect data via a survey on vacation expenditures by timeshare owners and visitors during their U.S. timeshare vacations in the last year. This analysis uses the data from that survey, summarized in Table 6, to estimate the impact of timeshare vacationer spending on the U.S. economy.

**Consumer Spending by Timeshare Vacationers:** Spending by timeshare owners and guests during timeshare stays was estimated at $10.0 billion in 2013. $2.1 billion was spent on-site at resorts, while $7.9 billion was spent off-site in the communities where the timeshare resorts are located. The total vacationer expenditure was estimated based on average per-party expenditures from the 2014 Vacation Timeshare Owners Survey. The average per-party expenditure is then multiplied by the estimated 5.1 million vacation travel parties, which is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units occupied per party, as reported in the SOI/EI and owners surveys. Note that this approach assumes that timeshare owners and other visitors to timeshare resorts have the same spending characteristics.

On average, each traveling party spent $1,967 per vacation. Table 6 shows the distribution of total spending by timeshare vacationers across major categories of expenditures. Based on an average travel party size of 3.45 people, the average total spending per person is $571. Note that only the off-site expenditures are included in the estimates of the economic impact of vacation expenditures because spending by timeshare owners and visitors at timeshare resorts on-site is captured separately in the impact of timeshare resort operations, shown in Table 3.

### TABLE 6
### DETAILED VACATION EXPENDITURE SPENDING DATA

| | Average per Party | | | Total Off-site Spending ($ billions) |
|---|---|---|---|---|
| Vacation Spending Data | On-site Spending | Off-site Spending | Total Spending | |
| Air Transportation Services | $0 | $466 | $466 | $2.37 |
| Entertainment and Recreation | $119 | $217 | $336 | $1.10 |
| Hotels and Motels, including Casino Hotels | $109 | $114 | $223 | $0.58 |
| Restaurant, Bar, and Drinking Places | $77 | $220 | $297 | $1.12 |
| Clothing and Clothing Accessories | $54 | $144 | $198 | $0.73 |
| Groceries | $52 | $119 | $171 | $0.60 |
| Ground Transit | $0 | $130 | $130 | $0.66 |
| Gasoline Stations | $0 | $122 | $122 | $0.62 |
| Miscellaneous | $12 | $11 | $23 | $0.06 |
| **Total** | **$423** | **$1,544** | **$1,967** | **$7.85** |
| **Average Spending per Person*** | **$123** | **$448** | **$571** | |

**Average travel party size is 3.45 people.*
*Source: 2014 Vacation Timeshare Owners Survey, prepared by HSRA for AIF*

## Timeshare Conversions

Timeshares are occasionally converted into other types of vacations. The stability of owning a timeshare is maintained, but a different type of experience is created when an owner is able to convert their timeshare for a cruise, car rental, wine club, or a hotel stay. The ability to convert timeshares into other types of vacation experiences confirms the value of timeshare ownership as a form of “vacation currency”. In 2013, over 9,400 of these timeshare conversion transactions were reported. These transactions are not included in the estimated total economic impact of the timeshare industry on the U.S. economy.

# Economic and Fiscal Impact Estimation Methodology



**The annual operations of timeshare resorts, corporate operations, sales and marketing, vacation expenditures, and construction or renovations of both timeshare and operations result in significant output (sales), employment, income, and taxes in the U.S. economy. This section describes the estimation of the economic and fiscal impact of the U.S. timeshare industry based on the survey data presented above and summarized in Tables 3 through 6 above.**

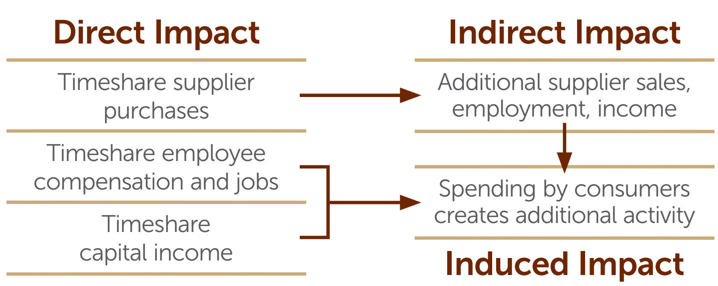
## Economic Impact Methodology

Using a customized economic model of the U.S. economy, developed by IMPLAN Group LLC, this analysis estimated the direct and indirect economic impacts of the timeshare industry. The survey data discussed above was used to generate the direct impacts that served as inputs into the IMPLAN model. Detailed information on the IMPLAN model can be found in Appendix B. This model calculates the indirect and induced impacts, as described below.

Figure 1 presents a high level illustration of the channels through which the timeshare industry's operations translate into total economic impacts. As shown in the figure, the timeshare industry's direct operations create purchases from suppliers, employee compensation, and other forms of capital income. These various payments to factors of production (labor and capital) and suppliers create additional indirect economic impacts. As shown below, the industry's supplier purchases result in higher levels of additional sales, employment, and income by suppliers. This impact on suppliers is known as the "indirect" economic impact. Also shown below is the re-spending of employee compensation and other types of income by employees and owners of the timeshare industry, which creates additional spending by consumers at restaurants, retailers, and other businesses that sell to consumers. The impact from additional consumer spending is often referred to as the "induced" economic impact.

FIGURE 1

**OVERVIEW OF THE TIMESHARE INDUSTRY OPERATIONS' ECONOMIC IMPACT**



## Direct Impacts

The estimated direct impact of each timeshare industry activity is measured as the additional output, personal income, or employment connected directly to the industry's operation. The direct public-sector benefits include increased federal, state and local taxes, such as sales and use taxes, property taxes, occupancy taxes, individual and corporate income taxes paid directly by the timeshare industry, owners of timeshares, and timeshare industry employees. All data were collected through the AIF 2014 SOI/EI Survey. Specific estimates of the direct impacts are calculated as described below.

### *Direct Economic Output*

Direct economic output of the timeshare resort operators is estimated to equal total operator revenues from maintenance fees, rental revenue, and on-site spending by vacationers. In 2013, the direct economic output of timeshare resort operations was estimated to be $11.2 billion which includes maintenance fee revenue of $7.2 billion, rental income of $1.8 billion and revenue from on-site consumer spending of $2.1 billion (all figures rounded). Maintenance fee revenue was calculated by multiplying average maintenance fees of $845 per interval times 8.5 million intervals owned. Rental revenue and on-site consumer spending were obtained from the survey responses and extrapolated to reflect the total population of resorts.

Direct output from the corporate operations of timeshare developers, operators and exchange companies totaled $4.8 billion in 2013, which was estimated as the sum of employee compensation of $2.0 billion and other expenses of $2.5 billion as reported on the survey, plus an estimated profit margin of $340 million, based on standard profitability for the accommodations industry, as reported in the U.S. Internal Revenue Service's *Statistics of Income*.

Direct output from the sales and marketing operations of timeshare developers, operators and exchange companies totaled 5.3 billion in 2013, which was estimated as the sum of employee compensation of $2.6 billion and non-labor operating expenses of $2.4 billion as reported on the survey, plus an estimated profit margin of $334 million. See Table 7.

TABLE 7
**COMPONENTS OF ECONOMIC OUTPUT**

| Components ($ millions) | | Resorts | Corporate | Sales and Marketing |
|---|---|---|---|---|
| **Sales** | Rental Revenue | $1,849 | n/a | n/a |
| | Maintenance Fees | $7,154 | n/a | n/a |
| | On-site Consumer Spending | $2,148 | n/a | n/a |
| **Profit & Expenses** | Employee Compensation | n/a | $1,957 | $2,567 |
| | Non-labor Operating Expenses | n/a | $2,483 | $2,432 |
| | Profits | n/a | $340 | $334 |
| **Total** | | **$11,151** | **$4,780** | **$5,332** |

*Source: 2014 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey*

The direct economic output impact of capital expenditures ($830 million) is based on the amount of resort and non-resort construction and renovations, as reported in the survey. The output impact of new resort construction in 2013 is estimated using the number of new units constructed as reported in the 2014 State of the Industry Survey. The analysis assumes that the approximate average capital outlay to construct a new timeshare unit is $281,000.[4]

The output impact of off-site vacation expenditures is estimated at $6.7 billion, based on reported average off-site vacation expenditures of $1,544 per party by 5.1 million vacation travel parties, and taking into account that some of the purchases were for goods manufactured outside the United States.[5]

### *Direct Employment*

Direct employment of the timeshare industry is equal to the sum of the reported full- and part-time employment for timeshare resorts (75,555 jobs), corporate (27,718 jobs), and sales and marketing (42,512 jobs), as reported in the survey.

The employment impact of other industry activities, such as capital expenditures and vacation expenditures, are estimated using the IMPLAN model of the U.S. economy, which contains information on the typical direct employment associated with spending in each industry.[6]

### *Direct Income*

Direct income earned by employees of the timeshare industry is equal to the sum of wages and benefits received by employees and proprietor's income earned by proprietors. Benefits include employer contributions for social insurance, health insurance, retirement, and other types of non-cash compensation. For resort, corporate, and call center operations, the direct income impact was reported in the survey responses. For other industry activities, such as capital and vacation expenditures, the direct income impact was estimated using the U.S. IMPLAN economic model based on the level of expenditures and estimated employment.

## Indirect Impacts

The operating expenses incurred by the timeshare industry result in purchases of goods and services from other U.S. businesses, which create ripple or multiplier effects throughout the entire national economy. Businesses interact with other businesses to supply the demand for additional goods and services by the timeshare industry. For example, a timeshare resort purchases linen services, food and beverages, cleaning supplies, landscaping services, and other goods and services supplied by other businesses. Likewise, the indirect impact of construction and renovation activities results from purchases of building materials from supplier companies.

The indirect impact of the timeshare industry is estimated by using the IMPLAN model of the U.S. economy based on the direct impacts described above. To produce more accurate estimates of the industry's indirect economic impact, the model is calibrated to reflect the operating profile of the timeshare industry. Specifically, output per worker and compensation per worker were adjusted for resort operations, headquarter operations, and sales and marketing activities. For the industries involved in producing goods and services related to vacation expenditures and capital expenditures, output per worker and compensation per worker were not adjusted and reflect industry averages. For each commodity demanded by the timeshare industry, the model estimates the portion that would be supplied by domestic businesses based on trade flow data from the U.S. Department of Commerce and the U.S. Department of Transportation. These estimates are based on aggregate accommodations and lodging industry information that reflects average purchasing patterns within each industry; individual resorts may have different purchasing patterns.

**4** *This estimate is derived from survey data during the 2010 economic impact survey factoring in an increase for inflation.*

**5** *An estimated 5.1 million vacation travel parties is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units per party, as reported in the SOI and HSRA surveys.*

**6** *The output per worker levels are indicated in the IMPLAN economic model. The direct employment impacts for expenditure-based impacts are calculated by the IMPLAN model based on national industry average relationships of output to employment.*

## Induced Impacts

The employment and wages of timeshare employees and employees of indirectly impacted firms (suppliers) stimulate additional consumer spending as the employees spend their earnings on restaurants, retail items, housing, and other goods and services produced in the national economy. The estimated induced impacts of the U.S. timeshare industry presented in Table 8, were estimated using the IMPLAN U.S. economic model. The model estimates the re-spending of direct and indirect employees, reflecting typical personal consumption expenditure profiles and the typical proportion of consumption goods that are imported from outside the U.S. economy.

### *Fiscal Impact Methodology*

The timeshare industry's economic contributions generate substantial tax revenues for federal, state, and local governments. These taxes are paid either directly by timeshare owners, visitors and employees, or indirectly by suppliers and their employees because of higher levels of economic activity. Direct taxes paid by the timeshare industry, its visitors, and its employees include property taxes, sales taxes, personal and corporate income taxes, occupancy taxes, and other taxes. Indirect taxes occur as timeshare suppliers, retailers, service firms, and other businesses increase sales and economic activity in response to additional sales related to timeshare operations and consumer expenditures. These additional indirect taxes are generated through the economic multiplier effect.

Direct property tax, occupancy tax, and corporate income tax from resort operations were provided from the AIF 2014 SOI/EI Survey. Direct property taxes totaled $725 million while direct occupancy taxes for resort operations totaled $205 million in 2013. Direct corporate income taxes paid by the timeshare resort operations totaled $188 million.

Sales tax attributable to capital investment and timeshare vacationer expenditures was estimated using national weighted average rates: 6.02% state sales tax rate and 1.44% local sales tax rate.[7]

All other direct tax and all indirect tax contributions were estimated using ratios of the most recent U.S.-wide tax collections to national personal income for each type of tax.

Estimates of the higher federal, state and local taxes resulting indirectly from increased economic activity are based on EY's fiscal models for the timeshare industry. Using data from the U.S. Census Bureau's Governmental Finances, and the U.S. Bureau of Economic Analysis (BEA), the model calculates the ratio of federal, state and local taxes to personal income for all major taxes in the United States. The tax ratios were then applied to the estimated direct and indirect change in personal income due to the industry's operations, as estimated by the IMPLAN model. The resulting increase in tax collections is reported by tax type.

**7** *Sales and use tax for timeshare visitor expenditures and capital expenditures are estimated based on equipment and building material costs, which are assumed to be subject to the sales tax. Estimated construction labor, installation and maintenance charges are excluded.*

# Detailed Economic Impact Results

CHAPTER FOUR

## The tables below show the direct, indirect, and total economic impact of the U.S. timeshare industry on the national economy.

Direct impacts measure the economic output and income of the timeshare industry and its employees, while the indirect impacts reflect the economic contribution of suppliers to the timeshare industry and induced consumer spending by employees directly and indirectly connected to the industry.

TABLE 8

**TOTAL ESTIMATED ECONOMIC IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013**

| Output ($ billions) | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Industry Operations | $21.3 | $28.9 | $50.2 |
| Resorts | $11.2 | $14.8 | $25.9 |
| Corporate | $4.8 | $7.5 | $12.3 |
| Sales and Marketing | $5.3 | $6.6 | $11.9 |
| Vacation Expenditures | $6.7 | $9.6 | $16.3 |
| Capital Expenditures | $0.8 | $1.5 | $2.3 |
| **Total** | **$28.8** | **$40.0** | **$68.7** |
| **Employment** | **Direct** | **Indirect & Induced** | **Total** |
| Industry Operations | 145,785 | 187,800 | 333,585 |
| Resorts | 75,555 | 96,078 | 171,633 |
| Corporate | 27,718 | 48,402 | 76,120 |
| Sales and Marketing | 42,512 | 43,319 | 85,831 |
| Vacation Expenditures | 68,690 | 57,356 | 126,046 |
| Capital Expenditures | 4,820 | 8,773 | 13,594 |
| **Total** | **219,295** | **253,929** | **473,224** |
| **Income ($ billions)*** | **Direct** | **Indirect & Induced** | **Total** |
| Industry Operations | $7.3 | $9.9 | $17.2 |
| Resorts | $2.8 | $5.0 | $7.8 |
| Corporate | $2.0 | $2.7 | $4.6 |
| Sales and Marketing | $2.6 | $2.2 | $4.8 |
| Vacation Expenditures | $2.6 | $3.0 | $5.6 |
| Capital Expenditures | $0.3 | $0.5 | $0.8 |
| **Total** | **$10.2** | **$13.3** | **$23.6** |

**Note: Includes employee compensation reported in Table 3 and proprietor's income*
*Source: EY analysis*

## Estimated Economic Output Impacts

Economic output is the broadest measure of economic activity and is generally equivalent to revenue or total expenses. Specifically, for the timeshare industry, economic output is equal to the total revenue (total expenditures plus profit) from industry operations, spending by vacationers, and investment in construction and renovations. The estimated economic output impacts include the direct output impacts based on the calculations described above and the indirect and induced economic impacts estimated by the IMPLAN economic model of the United States.

- **Resort Operations:** In 2013, resort operations' direct output totaled $11.2 billion and indirect output was $14.8 billion, resulting in a total contribution to U.S. economic output of $25.9 billion. The output multiplier, a measure of the relative size of total impact to the direct impact, is 2.32. In other words, each dollar of direct timeshare economic activity spurs $2.32 dollars of total U.S. economic output.
- **Corporate Operations:** Direct output totaled $4.8 billion while indirect output was $7.5 billion, resulting in a total impact on economic output of $12.3 billion. The output multiplier estimates that each dollar of direct timeshare economic activity results in $2.58 dollars of total U.S. economic output.
- **Sales/Marketing Operations:** Direct output totaled $5.3 billion while indirect output was $6.6 billion, resulting in a total impact on economic output of $11.9 billion. The output multiplier estimates that each dollar of direct timeshare economic activity results in $2.24 dollars of total U.S. economic output.
- **Vacation Expenditures:** Direct spending off-site by timeshare owners and visitors totaled almost $7.9 billion. After taking into account expenditures for goods produced outside the United States, the direct impact of off-site consumer expenditures was $6.7 billion in direct output. This direct spending created additional economic activity by firms that supply goods and services consumed by vacationers, which totaled $9.6 billion. Combining the direct and indirect impacts on economic output, the total impact on U.S. economic output from timeshare vacation expenditures is $16.3 billion. These results imply that each dollar of direct spending results in $2.44 dollars of total U.S. economic output.
- **Capital Expenditures:** Spending by the timeshare industry on resort and non-resort construction and renovations totaled $0.9 billion in 2013. Some of the purchases, such as TVs or other electronics, were manufactured outside the United States resulting in a direct output of these expenditures of $0.8 billion. Direct expenditures produced an additional estimated $1.5 billion in indirect output, resulting in a total impact on economic output of $2.3 billion. The output multiplier implies that each dollar of direct spending results in $2.75 dollars of total U.S. economic output.

TABLE 9

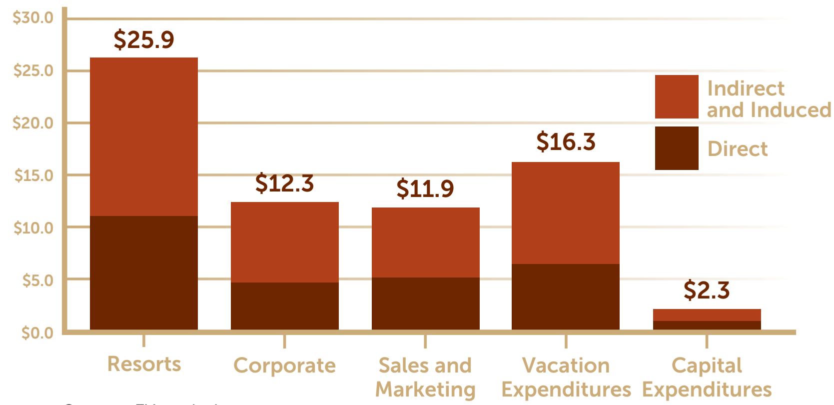
**ESTIMATED OUTPUT IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013 ($ BILLIONS)**

| Output ($ billions) | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Industry Operations | $21.3 | $28.9 | $50.2 |
| Resorts | $11.2 | $14.8 | $25.9 |
| Corporate | $4.8 | $7.5 | $12.3 |
| Sales and Marketing | $5.3 | $6.6 | $11.9 |
| Vacation Expenditures | $6.7 | $9.6 | $16.3 |
| Capital Expenditures | $0.8 | $1.5 | $2.3 |
| **Total** | **$28.8** | **$40.0** | **$68.7** |

*Source: EY analysis*

FIGURE 2

**DIRECT, INDIRECT, AND INDUCED OUTPUT ECONOMIC IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013 ($ BILLIONS)**




*Source: EY analysis*

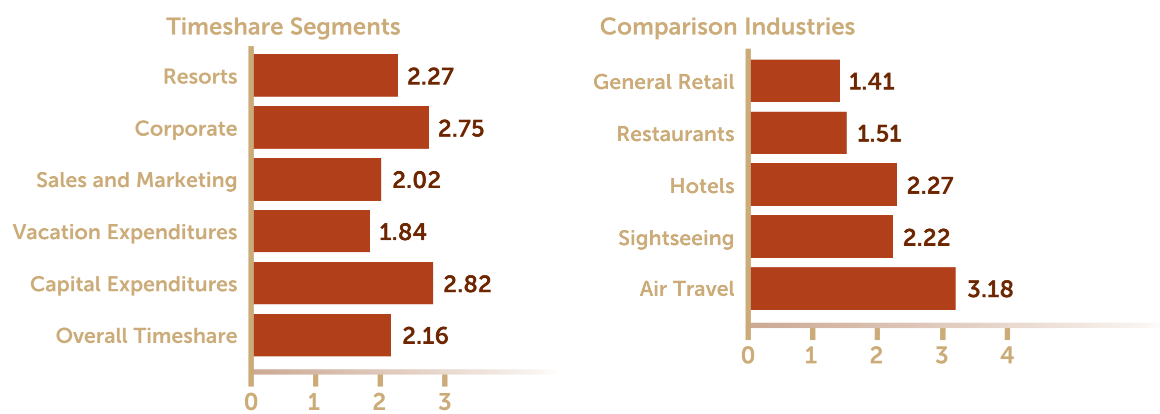
## Estimated Employment Impacts

Direct employment associated with the timeshare industry was estimated to be 219,295 jobs (see Table 10). The re-spending of income earned by these employees combined with the indirect impacts from increased supplier activity is estimated to have generated an additional 253,929 jobs, resulting in an estimated 473,224 jobs attributable to the timeshare industry in 2013. Figure 3 displays the multipliers listed below in relative to comparison industries.

- Off-site vacation expenditures generated 27% of the total employment attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 70%, while capital expenditures represent the remaining 3%.
- On average, there are 2.16 total jobs created in the U.S. economy for each direct employee associated with the timeshare industry. Capital expenditures provide the highest multiplier effect, with a total of 2.82 jobs per direct job while off-site vacation expenditures resulted in 1.84 jobs. According to an analysis of sectors using IMPLAN's model of the U.S. economy, the timeshare industry has a higher employment multiplier than retail and restaurant industries. See Figure 3.

FIGURE 3

**EMPLOYMENT MULTIPLIERS FOR TIMESHARE INDUSTRY AND COMPARISON INDUSTRIES, 2013**




*Source: EY analysis using IMPLAN model of U.S. economy*

TABLE 10

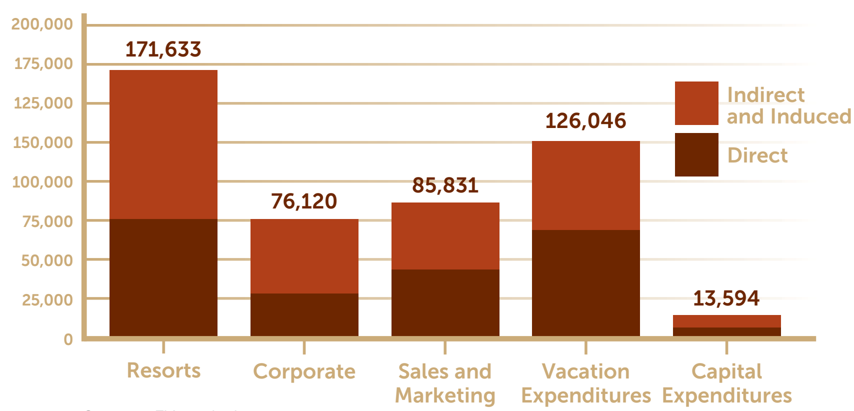
## ESTIMATED EMPLOYMENT IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013

| Employment | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Industry Operations | 145,785 | 187,800 | 333,585 |
| Resorts | 75,555 | 96,078 | 171,633 |
| Corporate | 27,718 | 48,402 | 76,120 |
| Sales and Marketing | 42,512 | 43,319 | 85,831 |
| Vacation Expenditures | 68,690 | 57,356 | 126,046 |
| Capital Expenditures | 4,820 | 8,773 | 13,594 |
| **Total** | **219,295** | **253,929** | **473,224** |

*Source: EY analysis*

FIGURE 4

## DIRECT, INDIRECT, AND INDUCED EMPLOYMENT ECONOMIC IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013




*Source: EY analysis*

## Estimated Personal Income Impacts

In 2013, the timeshare industry generated an estimated $10.2 billion of direct personal income. When combined with the indirect personal income contribution of $13.3 billion, the total annual contribution to U.S. personal income equals an estimated $23.6 billion.

- Vacation expenditures accounted for 24% of total income attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 73%, while capital expenditures represent the remaining 3%.
- On average, each dollar of direct timeshare income results in $2.30 of total income earned by employees in the U.S. economy. Resort operations provide the highest multiplier effect: direct compensation and proprietor income was $2.8 billion, which generated a total income impact of $7.8 billion, equivalent to $2.81 in total income for each dollar of direct compensation paid to employees.

TABLE 11

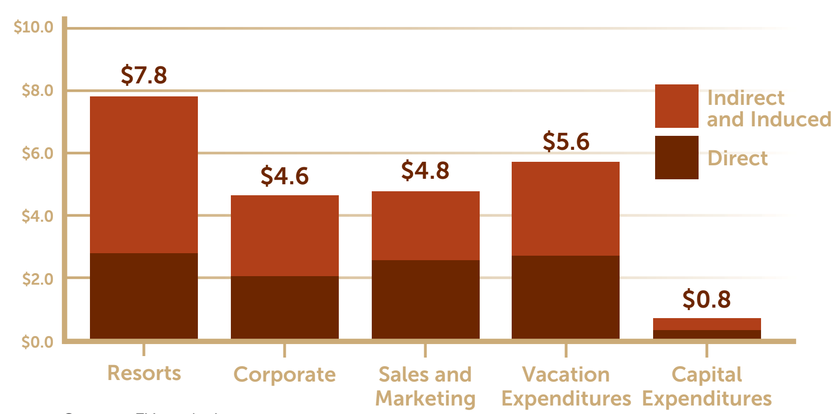
**ESTIMATED INCOME IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013 ($ BILLIONS)**

| Income ($ billions) | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Industry Operations | $7.3 | $9.9 | $17.2 |
| Resorts | $2.8 | $5.0 | $7.8 |
| Corporate | $2.0 | $2.7 | $4.6 |
| Sales and Marketing | $2.6 | $2.2 | $4.8 |
| Vacation Expenditures | $2.6 | $3.0 | $5.6 |
| Capital Expenditures | $0.3 | $0.5 | $0.8 |
| **Total** | **$10.2** | **$13.3** | **$23.6** |

*Source: EY analysis*

FIGURE 5

**DIRECT, INDIRECT, AND INDUCED INCOME ECONOMIC IMPACTS OF THE U.S. TIMESHARE INDUSTRY, 2013 ($ BILLIONS)**




*Source: EY analysis*

# Detailed Fiscal Impacts

CHAPTER FIVE

**The fiscal impact of the timeshare industry's operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown below, by level of government. As summarized in Table 12 below, the timeshare industry generated $8.5 billion in total taxes.**

TABLE 12

**SUMMARY OF TOTAL (DIRECT AND INDIRECT) FISCAL IMPACTS OF THE U.S. TIMESHARE INDUSTRY BY LEVEL OF GOVERNMENT, 2013 ($ MILLIONS)**

| | Federal Taxes | State Taxes | Local Taxes | Total Taxes |
|---|---|---|---|---|
| Resorts | $1,679 | $599 | $1,064 | $3,342 |
| Corporate | $940 | $279 | $203 | $1,422 |
| Sales & Marketing | $971 | $288 | $209 | $1,469 |
| Vacation Expenditures | $1,145 | $545 | $294 | $1,985 |
| Capital Expenditures | $156 | $65 | $38 | $259 |
| **Total** | **$4,892** | **$1,775** | **$1,809** | **$8,476** |

*Source: EY analysis*

- The timeshare industry's operations generated a total of $8.5 billion in federal, state and local taxes. Federal taxes accounted for $4.9 billion (58%), state taxes were $1.8 billion (21%) and local taxes were an additional $1.8 billion (21%).
- Resorts generated $3.3 billion in total taxes, sales/marketing and corporate operations generated $2.9 billion, vacation expenditures nearly $2.0 billion and capital spending related to new construction and renovation resulted in a total of $259 million in taxes.

TABLE 13

**SUMMARY OF TOTAL (DIRECT AND INDIRECT) FISCAL IMPACTS OF THE U.S. TIMESHARE INDUSTRY BY TAX TYPE, 2013 ($ MILLIONS)**

| | Federal Taxes | State Taxes | Local Taxes | Total Taxes |
|---|---|---|---|---|
| **Property Tax** | | | | |
| Resorts | $0 | $25 | $867 | $892 |
| Corporate | $0 | $4 | $150 | $155 |
| Sales and Marketing | $0 | $4 | $155 | $160 |
| Vacation Expenditures | $0 | $5 | $183 | $189 |
| Capital Expenditures | $0 | $1 | $25 | $26 |
| *Subtotal: Property Tax* | *$0* | *$40* | *$1,382* | *$1,421* |
| **General Sales Tax** | | | | |
| Resorts | $0 | $141 | $39 | $179 |
| Corporate | $0 | $84 | $23 | $107 |
| Sales and Marketing | $0 | $87 | $24 | $110 |
| Vacation Expenditures | $0 | $308 | $75 | $383 |
| Capital Expenditures | $0 | $32 | $8 | $40 |
| *Subtotal: Sales Tax* | *$0* | *$652* | *$169* | *$821* |
| **Other Taxes** | | | | |
| Occupancy Tax | $0 | $99 | $107 | $205 |
| Excise Taxes | $102 | $232 | $49 | $383 |
| License Taxes | $0 | $93 | $3 | $96 |
| Corporate Income Tax | $623 | $90 | $15 | $728 |
| Individual Income Tax | $2,585 | $520 | $46 | $3,150 |
| Medicare and SSI Tax | $1,507 | $0 | $0 | $1,507 |
| Misc. Taxes | $75 | $51 | $39 | $164 |
| *Subtotal: Other Taxes* | *$4,892* | *$1,084* | *$259* | *$6,235* |
| **Total for All Taxes** | **$4,892** | **$1,775** | **$1,809** | **$8,476** |

*Source: EY analysis*

- **Property Taxes:** The timeshare industry generated $1.4 billion in property taxes in 2013, or 17% of the total $8.5 billion tax impact. Direct resort operation property taxes totaled an estimated $725 million and indirect taxes totaled $168 million, totaling $892 in total resort operations property taxes, or 63% of total property taxes (see appendix Table A1). Of this amount, most was local property tax ($867 million).
- **General Sales Taxes:** The timeshare industry generated $821 million in sales taxes in 2013, equal to 10% of the industry's total federal, state, and local tax impact. Total direct, indirect, and induced sales taxes generated from off-site vacation expenditures account for 47% of total sales taxes, at $383 million (see appendix Table A4).
- **Occupancy Taxes:** The timeshare industry generated an estimated $99 million in state occupancy taxes and $107 million in local occupancy taxes, totaling more than $205 million.
- **Individual Income Taxes:** The individual income tax impact is greater than any other tax impact generated by the timeshare industry. The individual income tax impact totals $3.2 billion, representing 37% of all taxes generated by the timeshare industry. 82% of individual income taxes are collected at the federal level, with 17% at the state level and 1% locally.
- **Employment Taxes (Medicare and SSI Tax):** In addition to individual income taxes, Social Security, Medicaid, and other payroll taxes generate significant revenue for the federal government. The timeshare industry produced $1.5 billion in payroll taxes or 18% of the total timeshare industry tax impact in 2013. These taxes are only collected at the federal level of government.

TABLE A1

## DETAILED FISCAL IMPACT OF RESORT OPERATIONS ($ MILLIONS)

| FEDERAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $0 | $0 | $0 |
| General Sales Tax | $0 | $0 | $0 |
| Excise Taxes | $12 | $22 | $34 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $0 |
| Corporate Income Tax | $161 | $111 | $272 |
| Individual Income Tax | $303 | $549 | $852 |
| Employment Tax | $177 | $320 | $497 |
| Other Taxes | $9 | $16 | $25 |
| **Total** | **$661** | **$1,018** | **$1,679** |

| STATE | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $20 | $5 | $25 |
| General Sales Tax | $50 | $91 | $141 |
| Excise Taxes | $27 | $49 | $76 |
| Occupancy Tax | $99 | $0 | $99 |
| License Taxes | $11 | $20 | $31 |
| Corporate Income Tax | $23 | $16 | $39 |
| Individual Income Tax | $61 | $110 | $171 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $6 | $11 | $17 |
| **Total** | **$297** | **$302** | **$599** |

| LOCAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $704 | $163 | $867 |
| General Sales Tax | $14 | $25 | $39 |
| Excise Taxes | $6 | $10 | $16 |
| Occupancy Tax | $107 | $0 | $107 |
| License Taxes | $0 | $1 | $1 |
| Corporate Income Tax | $4 | $3 | $7 |
| Individual Income Tax | $5 | $10 | $15 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $5 | $8 | $13 |
| **Total** | **$845** | **$220** | **$1,064** |

| TOTAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $725 | $168 | $892 |
| General Sales Tax | $64 | $116 | $179 |
| Excise Taxes | $45 | $81 | $126 |
| Occupancy Tax | $205 | $0 | $205 |
| License Taxes | $11 | $20 | $32 |
| Corporate Income Tax | $188 | $130 | $318 |
| Individual Income Tax | $369 | $669 | $1,038 |
| Employment Tax | $177 | $320 | $497 |
| Other Taxes | $19 | $35 | $54 |
| **Total** | **$1,803** | **$1,539** | **$3,342** |

*Source: EY analysis*

TABLE A2

## DETAILED FISCAL IMPACT OF CORPORATE OPERATIONS ($ MILLIONS)

| FEDERAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $0 | $0 | $0 |
| General Sales Tax | $0 | $0 | $0 |
| Excise Taxes | $9 | $12 | $20 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $0 |
| Corporate Income Tax | $44 | $59 | $103 |
| Individual Income Tax | $215 | $292 | $507 |
| Employment Tax | $125 | $171 | $296 |
| Other Taxes | $6 | $8 | $15 |
| **Total** | **$398** | **$542** | **$940** |
| **STATE** | **Direct** | **Indirect & Induced** | **Total** |
| Property Tax | $2 | $2 | $4 |
| General Sales Tax | $36 | $48 | $84 |
| Excise Taxes | $19 | $26 | $45 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $8 | $11 | $18 |
| Corporate Income Tax | $6 | $9 | $15 |
| Individual Income Tax | $43 | $59 | $102 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $4 | $6 | $10 |
| **Total** | **$118** | **$161** | **$279** |
| **LOCAL** | **Direct** | **Indirect & Induced** | **Total** |
| Property Tax | $64 | $87 | $150 |
| General Sales Tax | $10 | $13 | $23 |
| Excise Taxes | $4 | $6 | $10 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $1 |
| Corporate Income Tax | $1 | $1 | $3 |
| Individual Income Tax | $4 | $5 | $9 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $3 | $4 | $8 |
| **Total** | **$86** | **$117** | **$203** |
| **TOTAL** | **Direct** | **Indirect & Induced** | **Total** |
| Property Tax | $66 | $89 | $155 |
| General Sales Tax | $45 | $62 | $107 |
| Excise Taxes | $32 | $43 | $75 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $8 | $11 | $19 |
| Corporate Income Tax | $51 | $69 | $120 |
| Individual Income Tax | $262 | $356 | $618 |
| Employment Tax | $125 | $171 | $296 |
| Other Taxes | $14 | $19 | $32 |
| **Total** | **$602** | **$820** | **$1,422** |

*Source: EY analysis*

TABLE A3

## DETAILED FISCAL IMPACT OF SALES & MARKETING OPERATIONS ($ MILLIONS)

| FEDERAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $0 | $0 | $0 |
| General Sales Tax | $0 | $0 | $0 |
| Excise Taxes | $11 | $10 | $21 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $0 |
| Corporate Income Tax | $57 | $49 | $106 |
| Individual Income Tax | $282 | $242 | $524 |
| Employment Tax | $164 | $141 | $305 |
| Other Taxes | $8 | $7 | $15 |
| **Total** | **$522** | **$449** | **$971** |

| STATE | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $2 | $2 | $4 |
| General Sales Tax | $47 | $40 | $87 |
| Excise Taxes | $25 | $22 | $47 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $10 | $9 | $19 |
| Corporate Income Tax | $8 | $7 | $15 |
| Individual Income Tax | $57 | $49 | $105 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $6 | $5 | $10 |
| **Total** | **$155** | **$133** | **$288** |

| LOCAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $84 | $72 | $155 |
| General Sales Tax | $13 | $11 | $24 |
| Excise Taxes | $5 | $5 | $10 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $1 |
| Corporate Income Tax | $1 | $1 | $3 |
| Individual Income Tax | $5 | $4 | $9 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $4 | $4 | $8 |
| **Total** | **$113** | **$97** | **$209** |

| TOTAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $86 | $74 | $160 |
| General Sales Tax | $59 | $51 | $110 |
| Excise Taxes | $42 | $36 | $78 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $10 | $9 | $19 |
| Corporate Income Tax | $67 | $57 | $124 |
| Individual Income Tax | $343 | $295 | $638 |
| Employment Tax | $164 | $141 | $305 |
| Other Taxes | $18 | $15 | $33 |
| **Total** | **$790** | **$679** | **$1,469** |

*Source: EY analysis*

TABLE A4

## DETAILED FISCAL IMPACT OF OFF-SITE VACATION EXPENDITURES ($ MILLIONS)

| FEDERAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $0 | $0 | $0 |
| General Sales Tax | $0 | $0 | $0 |
| Excise Taxes | $12 | $13 | $24 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $0 |
| Corporate Income Tax | $59 | $66 | $125 |
| Individual Income Tax | $290 | $327 | $618 |
| Employment Tax | $169 | $191 | $360 |
| Other Taxes | $8 | $9 | $18 |
| **Total** | **$538** | **$607** | **$1,145** |

| STATE | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $2 | $3 | $5 |
| General Sales Tax | $254 | $54 | $308 |
| Excise Taxes | $26 | $29 | $55 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $10 | $12 | $22 |
| Corporate Income Tax | $8 | $10 | $18 |
| Individual Income Tax | $58 | $66 | $124 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $6 | $6 | $12 |
| **Total** | **$365** | **$180** | **$545** |

| LOCAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $86 | $97 | $183 |
| General Sales Tax | $61 | $15 | $75 |
| Excise Taxes | $6 | $6 | $12 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $1 |
| Corporate Income Tax | $1 | $2 | $3 |
| Individual Income Tax | $5 | $6 | $11 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $4 | $5 | $9 |
| **Total** | **$164** | **$131** | **$294** |

| TOTAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $89 | $100 | $189 |
| General Sales Tax | $314 | $69 | $383 |
| Excise Taxes | $43 | $49 | $92 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $11 | $12 | $23 |
| Corporate Income Tax | $69 | $78 | $146 |
| Individual Income Tax | $354 | $399 | $753 |
| Employment Tax | $169 | $191 | $360 |
| Other Taxes | $18 | $21 | $39 |
| **Total** | **$1,067** | **$918** | **$1,985** |

*Source: EY analysis*

TABLE A5

## DETAILED FISCAL IMPACT OF CAPITAL EXPENDITURES ($ MILLIONS)

| FEDERAL | Direct | Indirect & Induced | Total |
|---|---|---|---|
| Property Tax | $0 | $0 | $0 |
| General Sales Tax | $0 | $0 | $0 |
| Excise Taxes | $1 | $2 | $3 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $0 |
| Corporate Income Tax | $7 | $10 | $17 |
| Individual Income Tax | $34 | $51 | $84 |
| Employment Tax | $20 | $29 | $49 |
| Other Taxes | $1 | $1 | $2 |
| **Total** | **$63** | **$94** | **$156** |
| **STATE** | **Direct** | **Indirect & Induced** | **Total** |
| Property Tax | $0 | $0 | $1 |
| General Sales Tax | $24 | $8 | $32 |
| Excise Taxes | $3 | $5 | $8 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $1 | $2 | $3 |
| Corporate Income Tax | $1 | $1 | $2 |
| Individual Income Tax | $7 | $10 | $17 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $1 | $1 | $2 |
| **Total** | **$37** | **$28** | **$65** |
| **LOCAL** | **Direct** | **Indirect & Induced** | **Total** |
| Property Tax | $10 | $15 | $25 |
| General Sales Tax | $6 | $2 | $8 |
| Excise Taxes | $1 | $1 | $2 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $0 | $0 | $0 |
| Corporate Income Tax | $0 | $0 | $0 |
| Individual Income Tax | $1 | $1 | $1 |
| Employment Tax | $0 | $0 | $0 |
| Other Taxes | $1 | $1 | $1 |
| **Total** | **$18** | **$20** | **$38** |
| **TOTAL** | **Direct** | **Indirect & Induced** | **Total** |
| Property Tax | $10 | $15 | $26 |
| General Sales Tax | $30 | $11 | $40 |
| Excise Taxes | $5 | $7 | $13 |
| Occupancy Tax | $0 | $0 | $0 |
| License Taxes | $1 | $2 | $3 |
| Corporate Income Tax | $8 | $12 | $20 |
| Individual Income Tax | $41 | $62 | $103 |
| Employment Tax | $20 | $29 | $49 |
| Other Taxes | $2 | $3 | $5 |
| **Total** | **$117** | **$142** | **$259** |

*Source: EY analysis*

# IMPLAN Impact Modeling Methodology

The economic and fiscal impact analysis of capital investments and the timeshare industry's operations were estimated using detailed input-output and tax revenue forecasting models. The economic input-output model identifies the complex flows from producers to intermediate and final consumers within a region. The model uses data describing purchases of commodities and services by industries, compensation paid to employees, and total value added.

The U.S. economic multipliers in this study were estimated using the IMPLAN input-output model. IMPLAN is used by more than 500 universities and government agencies to estimate the economic and fiscal impacts of new investments and changes in demand, employment, and industry output. IMPLAN is the ideal model to quantify the timeshare industry's economic impact. Unlike other economic models, IMPLAN includes the interaction of 440 industry sectors, thus identifying the interaction of specific industries that relate to the timeshare industry.

This analysis includes direct, indirect, and induced economic effects. Direct effects are production changes associated with the immediate effects or final demand changes. Indirect effects are production changes in backward-linked industries caused by the changing input needs of directly affected industries (for example, additional purchases to produce additional output). Induced effects are the changes in regional household spending patterns caused by changes in household income generated from the direct and indirect effects and are included in the estimated impacts presented in this study.

Purchases for final use (final demand) drive the model. Industries producing goods and services for final demand purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services (indirect purchases) continues until leakage from the region (imports and value added) stops the cycle. These indirect and induced effects (the effects of household spending) can be mathematically derived. The resulting sets of multipliers describe the change of output for each and every regional industry caused by a one-dollar change in final demand for any given industry.

# APPENDIX C



The consumer expenditure questions for the economic impact analysis were included in a larger survey form that was used for a major online survey of timeshare owners that the AIF sponsored in February 2014.[8]

Considering only the time you spent in your vacation destination on your most recent timeshare vacation, please estimate the total expenditures of your entire visitor party for each of the following items below.

**METRIC A** Please enter the expenditures you incurred **onsite** at the timeshare resort. Enter a zero if nothing was spent in a category.

**METRIC B** Please enter the expenditures you incurred **offsite** at the timeshare resort. Enter a zero if nothing was spent in a category.

| | Expenditures incurred ONSITE | Expenditures incurred OFFSITE |
|---|---|---|
| **TRANSPORTATION** | | |
| Airfares between your home and main destination | n/a | $_________ |
| Other airfares (excluding expenditures entered for the preceding item) | n/a | $_________ |
| Rental car/moped | n/a | $_________ |
| Gasoline and parking | n/a | $_________ |
| Other transportation (taxis, buses, trolleys, etc.) | n/a | $_________ |
| **LODGING** | | |
| Lodging in the resort area before use of your timeshare | $_________ | $_________ |
| Lodging in the resort area after use of your timeshare | $_________ | $_________ |
| Lodging in the resort area during use of your timeshare | $_________ | $_________ |
| **SHOPPING/DINING** | | |
| Groceries, sundries, liquor bought in stores | $_________ | $_________ |
| Shopping for items other than food, sundries, or liquor (clothes, leather goods, souvenirs, art, jewelry, cosmetics/perfumes, handicrafts, etc.) | $_________ | $_________ |
| Restaurant meals, take-out food, dinner shows, drinks in bars | $_________ | $_________ |
| **RECREATION** | | |
| Attractions, tours or other entertainment (theme parks, museums, theaters, concerts, etc.) | $_________ | $_________ |
| Downhill or cross-country skiing | $_________ | $_________ |
| Golf | $_________ | $_________ |
| Tennis | $_________ | $_________ |
| Exercise facilities | $_________ | $_________ |
| Health spa/or related | $_________ | $_________ |
| Boating/fishing | $_________ | $_________ |
| Water sports (snorkeling, scuba diving, windsurfing, etc.) | $_________ | $_________ |
| Net Gambling Winnings or Losses | | |
| Enter net gambling winnings here | $_________ | $_________ |
| Enter net gambling losses here | $_________ | $_________ |
| **OTHER** | | |
| Other expenses and services incurred in the resort area (not including occupancy or maintenance fees charged by the timeshare resort) Please specify_____________. | $_________ | $_________ |

8 *Other results of this broader survey will be published in the AIF's Shared Vacation Ownership Owners Report 2014 Edition, which will be available from the AIF.*

# SURVEY

Thank you for participating in the 2014 ARDA International Foundation (AIF) Survey!

The following survey is about timeshare resorts. If you have questions regarding the survey or this website, please call Joe Callender at 202.327.5692 or email joe.callender@ey.com.

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

PLEASE COMPLETE AND SUBMIT NO LATER THAN **FEBRUARY 15, 2014**. Return via email to Joe.Callender@ey.com

## I. Resort Identification

1. **Is this resort part of a multiple resort family?**
   - ☐ Yes – *Please contact Joe Callender at 202-327-5692 or Joe.Callender@ey.com if interested in providing the information below via an Excel spreadsheet for all your resorts.*
   - ☐ No

2. **Resort identifying information**

   Resort Name ______________________________
   Address ______________________________
   City______________________________ State ________ Zip Code ______________
   Website ______________________________

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

   First Name ______________________________
   Last Name ______________________________
   Title ______________________________
   Company Name ______________________________
   Telephone Number ______________________________

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

   Name of Development Company ______________________________
   Name of Management Company ______________________________
   Home Owners Association(s) *If multiple HOAs please use a comma to separate*
   ______________________________
   Name of Marketing Company ______________________________

## II. Resort Characteristics

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

   *Note: Active sales resorts are defined as resorts that sold 100 or more new weekly intervals or points equivalent sales during 2013, excluding re-sales. All other resorts are considered not in active sales. If the resort is being built in phases, and a construction phase is complete, the resort should be considered open, even if a new phase is still under construction.*

   - ☐ Planned
   - ☐ Under Construction - not in Active Sales
   - ☐ Under Construction - in Active Sales
   - ☐ Open - Still in Active Sales
   - ☐ Sold Out *Note: Resort may have some resale activity*
   - ☐ Closed
   - ☐ Other, specify__________________

   ____ **Please select the year this resort opened for sales.**
   (Only answer if development stage equals Open or Sold Out)

   ____ **Please select the year this resort closed.**
   (Only answer if development stage equals Closed)

   ____ **Please specify a reason why this resort closed**
   (Open-ended; only answer if development stage equals Closed)

2. **Who is the resort controlled by:**
   - ☐ HOA (s)
   - ☐ Developer

3. **Who manages the timeshare resort's day to day operation?**
   - ☐ Self-managed by HOA(s)
   - ☐ Managed by a management company that is affiliated with the resort developer
   - ☐ Managed by a third party management company
   - ☐ Other, specify ______________

## II. Resort Characteristics — *continued*

4. **How many timeshare units does this resort have by size as of December 31, 2013?**
*If you don't have a given type of unit, please fill in '0'. NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

**Count lockoffs as one unit**
_____ Studio
_____ 1BR
_____ 2BR
_____ 3BR+
_____ **Total**

**Count lockoffs as separate units**
_____ Studio
_____ 1BR
_____ 2BR
_____ 3BR+
_____ **Total**

5. **What is the average size of a unit at this resort in square feet?**
*If you don't have a given type of unit, please fill in "0." NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

Studio ____________________________
1BR ____________________________
2BR ____________________________
3BR+ ____________________________

6. **Which of the following types of intervals does this resort currently have?** *(Check all that apply)*
☐ Timeshare points
One or both of the following types of weekly intervals:
☐ Traditional interval weeks
☐ Interval weeks with the ability to use through a timeshare points system

7. **Which of the following special types of intervals does this resort currently have?** *(Check all that apply)*
☐ Biennials ☐ Triennials ☐ Other, specify_________

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

| | As of December 31, 2013 |
|---|---|
| **What is the total number of weekly equivalent intervals owned at your resort as of December 31, 2013 by owners other than the developer or HOA?** *Please include any intervals sold since the resort's inception, unless they have been reacquired by the developer or are owned by the HOA.* | ________ |
| **What is the total number of weekly equivalent intervals at your resort that are owned by the HOA as of December 31, 2013?** | ________ |
| **What is the total number of weekly equivalent intervals at your resort that are owned by the developer as of December 31, 2013?** *Please include any intervals that have never been sold and intervals that have been reacquired by the developer.* | ________ |
| **Total** | ________ |

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

9. **Excluding intervals owned by the HOA or developer, how many intervals are owned by each of the following entities?** *Note: The total in this table should equal the amount provided in the first line of the table from the previous question.*

| | Number of Intervals Owned |
|---|---|
| Individuals who own one weekly intervals | ________ |
| Individuals who own two or three weekly intervals | ________ |
| Individuals who own four to six weekly intervals | ________ |
| Individuals who own seven or more weekly intervals | ________ |
| Timeshare clubs | ________ |
| Travel clubs (provide members with services, discounts or other benefits on services related to travel) | ________ |
| Rescue, relief, postcard type companies (offer to transfer ownership of timeshare interests to the company or another person) | ________ |
| Other, please specify ________________________________ | ________ |
| Total (Should equal first line of the table in Q8) | ________ |

## II. Resort Characteristics — *continued*

**10. Do your resort's owners own interests in real estate at your resort?**

☐ Yes (Answer Q10a) ☐ No (Answer Q10b)

**10a. Please select any applicable legal structures of your owners' timeshare interests**

- ☐ Undivided interest (UDI)
- ☐ Deeded weeks
- ☐ Points
- ☐ Deeds held in trust
- ☐ Condominium
- ☐ Interest in a cooperative corporation (an association or corporation owned by individual consumers whose interest (often shares of stock) in the cooperative entitles them to use the timeshare accommodations that the coop owns)
- ☐ Both deeded and right-to-use
- ☐ Other, please specify ____________________

**10b. Please select any applicable legal structures of your owners' timeshare interests:**

- ☐ Points
- ☐ Right to use
- ☐ Membership
- ☐ License
- ☐ Lease
- ☐ Both deeded and right-to-use
- ☐ Other, please specify ____________________

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

| | On-site | Nearby |
|---|---|---|
| Beach | ☐ | ☐ |
| Country/Lakes | ☐ | ☐ |
| Desert | ☐ | ☐ |
| Gaming | ☐ | ☐ |
| Golf | ☐ | ☐ |
| Island | ☐ | ☐ |
| Rural/Coastal | ☐ | ☐ |
| Ski | ☐ | ☐ |
| Theme Park | ☐ | ☐ |
| Urban | ☐ | ☐ |
| Other, specify: _______ | ☐ | ☐ |

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

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

## III. Occupancy and Fees

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

**1. What was your timeshare occupancy mix by type?** *Report based on physical occupancy, meaning actual guest check-in occurred. Calculate percentages using weekly equivalent timeshare intervals available as the denominator. This corresponds to all units with certificates of occupancy, whether intervals are sold or unsold.*

| | 2013 |
|---|---|
| Owner or owner's guest | __________ |
| Exchange guest | __________ |
| Renter | __________ |
| Marketing guest | __________ |
| Vacant | __________ |
| **Total** (should be 100%) | __________ |

**2. What were your maintenance fees billed per unit per interval in 2013, including contributions to reserves but excluding special assessments and property taxes?** *NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

**Maintenance fees billed per unit per interval**

Studio __________ 1BR __________ 2BR __________ 3+BR __________

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

## III. Occupancy and Fees — *continued*

3. **What is the total amount of revenue you collected in 2013 over all intervals at this resort for each of the following categories?** *Please include amounts paid by the developer, for example, on unsold intervals held in inventory, and/or subsidies and guarantees. NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

| | In 2013 |
|---|---|
| Maintenance fees | ___________ |
| Special assessments and other revenue sources | ___________ |
| Rentals | ___________ |
| Re-sales | ___________ |
| Recreational use fees (bike rentals, videos, etc.) | ___________ |
| Food & beverage | ___________ |
| Housekeeping | ___________ |
| Telecommunication (telephone, Internet etc.) | ___________ |
| Developer subsidy | ___________ |
| Laundry | ___________ |
| Other, please specify _________________________ | ___________ |
| **Total Revenue** | ___________ |

4. **As of Dec 31, 2013, what percent of your total billed maintenance fees were in each of the following categories?** *Please do not include maintenance fees billed for 2014.*

| | |
|---|---|
| Current (Fewer than 30 days delinquent) | ___________ |
| 31–60 days delinquent | ___________ |
| 61–90 days delinquent | ___________ |
| 91–120 days delinquent | ___________ |
| 121+ days delinquent | ___________ |
| **Total** (should be 100%) | **100%** |

## IV. Timeshare Operating Expenses

*Note: Ernst & Young is using an expenditure-based approach to quantify the economic impact of the timeshare industry. In this approach, Ernst & Young will estimate the typical level of expenditures generated by sales operations, resort management operations (including the operation of timeshare-related amenities), corporate offices and call centers. Therefore, in completing survey forms it is important that each employee or dollar of expenditures made by a particular company be reported in only one category. For mixed-use projects (e.g. timeshare resort and on-site hotel), allocate a portion of total resort employment and expenditures to the timeshare operation. This expense information will be used to derive economic multipliers that reflect the additional economic activity that will occur when timeshare properties purchase goods and services produced by suppliers located in the United States.*

### Resort Management Operations

1. **Please provide the following information for your resort employees only.** *Include full-time, part-time, temporary and contract employees (Please do not include people in sales operations as these employees are reported in Question 3 below)*

| | In 2013 |
|---|---|
| Annual average number of employees for 2013. Calculate using the average between the number of employees on January 1, 2013 and the number of employees on December 31, 2013 | ___________ |
| Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees. | ___________ |

2. **Please provide your non-labor operating expenses at your resort in dollars.**
*Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.* $ ______________

## IV. Timeshare Operating Expenses — *continued*

### Sales Operations (both on-site and off-site)

3. **Please provide the following information for your <u>sales operations only</u>.**
*Include full-time, part-time, temporary and contract employees.*

**In 2013**

Annual average number of employees for 2013. Calculate using the average of the number of employees on January 1, 2013 and the number on December 31, 2013. ______________

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees. ______________

4. **Please provide your non-labor operating expenses for your sales operations in dollars.**
*Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.* $ ______________

### Corporate, Regional or Call Center Operations Expenses

5. **Please provide the following information for your <u>corporate, regional office and callcenter operations only</u>.** *Include full-time, part-time, temporary and contract employees.*

**In 2013.**

Annual average number of employees for 2013. Calculate using the average of the number of employees on January 1, 2013 and the number on December 31, 2013. ______________

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation.  Figures reported should be the annual total, and should correspond to the employees reported above.  Cash and stock bonuses should be reported in the year in which they are paid to employees. ______________

6. **Please provide your non-labor operating expenses at your corporate, regional office and call center operations in dollars.** *Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.* $ ______________

## V. Timeshare Taxes

*Note: The goal of this question is to collect information on the full level of property and occupancy taxes paid, regardless of the individual or entity that actually makes payment to the local government entity. For example, include taxes that are paid by the HOA or management entity. If owners are responsible for paying property taxes directly, please include an estimate of the taxes paid by owners. If it is not possible to include an estimate of such taxes, please notify us. Property taxes include taxes on real estate and personal property.*

1. **Please provide the total amount of property taxes paid during 2013, in dollars.**
*Include information on the full level of property taxes paid, regardless of the individual or entity that actually makes payment to the local government entity.*
*NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

| | In 2013 |
|---|---|
| On resort property | ______________ |
| At sales centers, both on-site and off-site | ______________ |
| For regional office, corporate office and/or call center operations | ______________ |

## V. Timeshare Taxes *— continued*

2. **Please provide the total amount of occupancy taxes paid during 2013, in dollars.**
*Include any accommodation taxes paid by occupants of timeshare units, such as sales tax on room charges, room tax, transient occupancy tax and nightly taxes on owners. Include the full amount paid to state and local governments by occupants or resort. Enter a zero if no occupancy taxes were paid. Enter '0' if information on the amount of occupancy tax paid is not available. NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

| | In 2013 |
|---|---|
| State Occupancy Taxes | ______________ |
| Local Occupancy Taxes | ______________ |

3. **Please provide the total amount of corporate income taxes paid by your organization for 2013, in dollars.** *NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

| | In 2013 |
|---|---|
| State and Local Income Tax Paid | ______________ |
| Federal Income Tax Paid | ______________ |
| Total | ______________ |

## VI. Resort Timeshare Sales

1. **Did this resort offer new timeshare inventory for sale in 2013? New inventory is considered "first generation" or "developer sales".**
☐ Yes ☐ No (Skip to section VII)

**Please answer the following questions in the context of new sales for your timeshare units only.**

2. **What were your total new timeshare sales net of rescissions for 2013?** *NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)*

How many timeshare intervals were available for sale at this resort? Include all intervals available as of Dec 31, 2012 and any that were made available during calendar year 2013. ______________

Of these how many were sold in 2013? Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied. Or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall. Count biennial sales as 1/2 of a week and triennial sales as 1/3 of a week. ______________

What was the total sales volume associated with these sales net of rescissions, in dollars? Include interval weeks and/or points sales and upgrade/reload sales. Exclude sales for trial memberships and sampler programs ______________

3. **For your new timeshare sales listed above, how much is allocated in the following categories.**
*Exclude sales for trial memberships and sampler programs and sales of biennials and triennials*

| | In 2013 | | |
|---|---|---|---|
| | Intervals available for sale | Number of intervals sold | Net sales volume ($) |
| Points based intervals (Excluding biennials and triennials) | _________ | _________ | _________ |
| Weeks based intervals* (Excluding biennials and triennials) | _________ | _________ | _________ |
| Total | _________ | _________ | _________ |

**Includes traditional interval weeks and interval weeks with the ability to use through a timeshare points system*

## VI. Resort Timeshare Sales — *continued*

4. **For your new timeshare sales listed above, how much is allocated in the following categories.**
*Exclude sales for trial memberships and sampler programs*

| | In 2013 | |
|---|---|---|
| | Number sold (do not convert to weekly equivalent) | Net sales volume ($) |
| Biennials | __________ | __________ |
| Other | __________ | __________ |

5. **What was your net 2013 sales volume associated with sales upgrades programs net of rescission, in dollars?** *Include upgrade sales that do not result in incremental ownership of time, such as a change in unit type, resort, or season.* $ ___________

6. **Of your total 2013 net sales volume as listed in question 2, indicate the approximate percentage sold to**

| | Percent |
|---|---|
| New owners (including owners who purchased as a result of participation in a trial membership program) | __________ |
| Existing owners | __________ |

7. **What was your 2013 net sales volume associated with trial membership/sampler programs net of rescissions, in dollars?**
*This value should not have been included in your response to question two of this section.* $ _________

8. **Does this resort offer any of the following for sale?**
   - ☐ Fractional sales
   - ☐ Whole ownership
   - ☐ Private Residence Clubs
   - ☐ Other, specify___________________

9. **Of the timeshare interests sold in 2013 that are matched to units at this resort, what percentage was purchased at sales offices...**

| | Percent |
|---|---|
| ...in the state | ___________ |
| ...outside of the state | ___________ |

## VII. Resort Improvement and Construction

1. **How many timeshare units are recently built and planned at this resort? If you don't have a given type of units, please fill in '0.'**

| | Number of Units |
|---|---|
| # Timeshare Units Built in 2013 | ___________ |
| # Timeshare Units Planned for 2014 | ___________ |
| # Timeshare Units Planned for 2015 or beyond (w/commitments) | ___________ |

2. **Please provide the dollar amounts spent for capital improvements in 2013.**
*Only include capital improvements related to existing timeshare units and related amenities, exclude capital improvements related to the construction of new timeshare units. At mixed-use projects, allocate a portion of expenditures to the timeshare operation.*

| | In Dollars |
|---|---|
| Renovation, refurbishment | ___________ |
| Other capital expenditures | ___________ |

## VII. Resort Improvement and Construction — *continued*

3. **How many new resorts does your company plan to build, and what is the associated number of units?**
These units should not count as a new resort unless they are the first such units build at the site. Include any resorts with partially built units, so long as the units will be made available for sale in 2014 or later.

| | Number of Resorts |
|---|---|
| New Resorts Planned for Completion in 2014 | __________ |
| Associated Number of Units in 2014 | __________ |
| New Resorts Planned for Completion in 2015 and beyond | __________ |
| Associated Number of Units in 2015 and beyond | __________ |

4. **Please provide your total capital expenditures related to new resort/unit construction in 2013.**
Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory).

| | In Dollars |
|---|---|
| Land | __________ |
| Construction (buildings and site work) | __________ |
| Furniture, fixtures, equipment | __________ |
| Other costs (soft costs, permits, consultants' fees, etc.) | __________ |

5. **Please provide your 2013 non-resort capital expenditures in the following categories.**

| | Related to sales offices | Related to regional office, corporate office and/or call center facilities only |
|---|---|---|
| New construction | __________ | __________ |
| Renovation, refurbishment | __________ | __________ |
| Other capital expenditures | __________ | __________ |

## VIII. Timeshare Rental Program

1. **Does your resort offer a rental program?**
☐ Yes
☐ No (Skip to end)

2. **What types of rental programs do you offer?** *(Check all that apply)*
☐ Daily rentals
☐ Weekly rentals
☐ Monthly rentals
☐ Rental rates that vary based on season
☐ Rental programs for marketing guests
☐ Other, specify _________________

3. **Which of the following do you use to publicize the availability of rentals at this resort?**
*(Check all that apply)*
☐ Resort website
☐ External rental websites (e.g., Redweek.com or SellMyTimeshareNOW.com)
☐ Timeshare broker and/or broker website
☐ Physical bulletin boards at resort
☐ Newspaper
☐ Radio
☐ Television
☐ Social media (Facebook, Twitter, etc.)
☐ Other, specify _________________

4. **What is the total number of nights rented and the associated rental income for 2013?**

Total number of nights rented ___________________________
Associated rental revenue ($) ___________________________

5. **What is the commission rate you charge for rentals?** ________%

6. **Please list the total amount paid in 2013 related to lodging taxes or other taxes related to rental programs only.** *These taxes are separate from the occupancy taxes in the "Resort Timeshare Taxes" section.*

$________

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