2012
EXECUTIVE SUMMARY

WORLD WIDE
Shared Vacation Ownership
REPORT

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2012 EDITION

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Shared Vacation Ownership Report

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Global Shared Vacation Ownership is an Economic Force

Worldwide, the shared vacation ownership industry supported nearly 1.1 million jobs in 2010. Of this sum, industry operations, off-resort vacation expenditures, and capital expenditures generated over 498,000 direct jobs. Another 554,000 jobs were sustained through the supply chain (indirect impacts) and as incomes generated by the shared vacation ownership industry were spent (induced impacts).

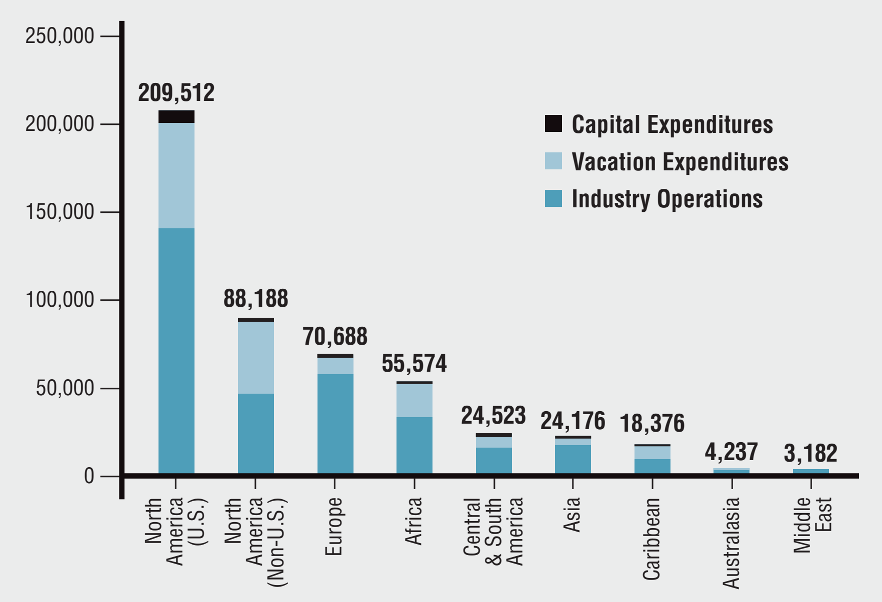
The global shared vacation ownership industry directly generated over $45 billion in direct economic output in 2010 through the activity of corporate, sales & marketing, resort operations, off-resort vacation expenditures, and capital expenditures. The total impact of the shared vacation ownership industry reaches nearly $114 billion when including indirect and induced impacts.

Over $13 billion in taxes were generated by the shared vacation ownership industry. And the shared vacation ownership industry generated personal income approaching $43 billion in 2010.

Total Worldwide Shared Vacation Ownership Economic Impacts — Direct, Indirect, and Induced ($ Millions and Total Jobs)

Region	Output ($ Millions)	Employment (Total Jobs)	Income ($ Millions)	Taxes ($ Millions)
Africa	$3,845	101,658	$1,840	$486
Asia	$3,296	43,742	$1,215	$317
Australasia	$819	8,159	$255	$109
Caribbean	$2,214	48,580	$753	$166
Central & South America	$3,143	56,259	$1,434	$273
Europe	$15,925	134,527	$6,228	$2,372
Middle East	$475	6,303	$175	$46
North America	$84,193	653,247	$30,710	$9,606
North America (U.S.)	$73,470	497,156	$25,982	$8,374
North America (Non-U.S.)	$10,723	110,868	$4,728	$1,232
Total, World	**$113,910**	**1,052,475**	**$42,609**	**$13,376**

Worldwide Shared Vacation Ownership Direct Employment Attributable to Industry Operations, Capital Expenditures, and Vacation Expenditures, 2010 (Jobs)



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Global Shared Vacation Ownership Is Diverse

Shared vacation ownership is a global industry with properties in 108 countries. In addition to geographic diversity, the types and settings of shared vacation properties vary greatly. Our survey of non-U.S. shared vacation ownership resorts found a broad distribution of product experiences spanning urban, beach, golf, theme park, ski, golf, country/lakes, and gaming. And the shared vacation ownership product offered around the world is also multi-faceted. Although the majority of shared vacation ownership product is in the form of traditional interval weeks, respondents indicated that the combination of points systems and biennials are just as important. Biennials comprised over 40% of sales in Central and South America in 2010. Points systems are most important in Australasia and Africa.

In addition, shared vacation ownership resorts around the world are diversified into other forms of real estate, including condo hotel and whole ownership products.

Vacation Experiences Offered by Non-U.S. Properties, 2010

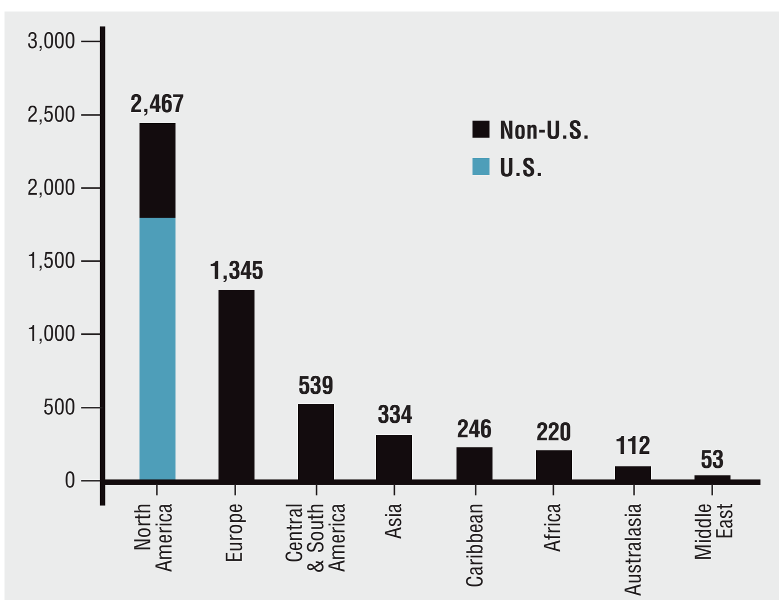
Region	Country/ Lakes	Desert	Gaming	Golf	Island	Rural/ Coastal	Ski	Beach	Theme Park	Urban	Other
Africa	50%	0%	50%	85%	50%	50%	0%	90%	50%	50%	0%
Asia	24%	0%	15%	67%	59%	11%	0%	67%	0%	33%	11%
Australasia	60%	0%	0%	33%	14%	67%	47%	87%	14%	33%	0%
Caribbean	0%	0%	19%	35%	73%	11%	5%	91%	6%	0%	21%
Central & South America	34%	0%	20%	63%	32%	49%	26%	84%	11%	52%	33%
Europe	41%	0%	14%	14%	14%	18%	23%	50%	14%	23%	33%
Middle East	28%	30%	33%	0%	0%	0%	0%	50%	28%	0%	0%
North America (Non-U.S.)	26%	7%	22%	57%	15%	18%	25%	68%	9%	22%	41%
Non-U.S. (Weighted Average)	**30%**	**2%**	**20%**	**45%**	**30%**	**25%**	**19%**	**70%**	**12%**	**28%**	**29%**

Note: Respondents were allowed to select multiple choices.

Global Shared Vacation Ownership Is Massive

There are over 5,300 shared vacation ownership resorts around the world, which include more than 497,000 units. The 497,000 units within these resorts generated over 250 million room nights in 2010. As a basis for comparison, this is the equivalent of 25% of all hotel room nights sold in the U.S. in 2010. North America, including the U.S., Canada, and Mexico, has the highest concentration of shared vacation ownership in the world with nearly 2,500 resorts and 261,000 units, representing 46% of all worldwide shared vacation ownership resorts and 53% of all units.

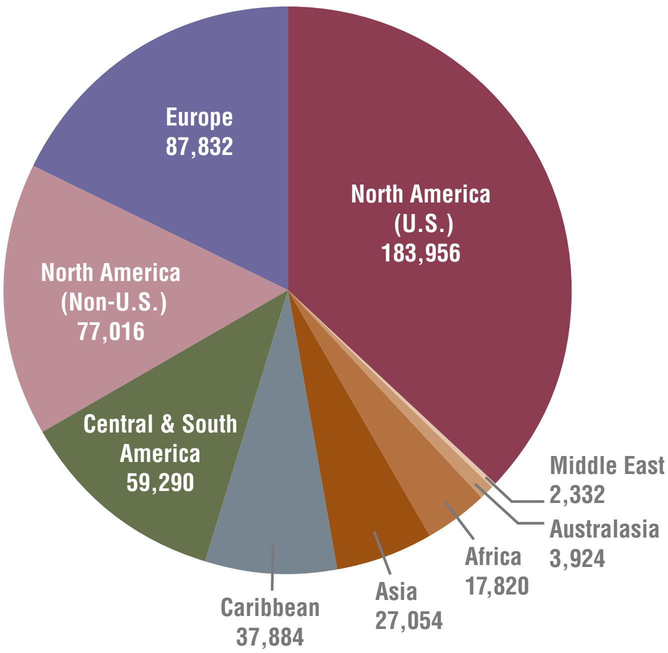
Global Shared Vacation Ownership Resorts, 2010



Shared vacation ownership in Europe encompasses over 1,300 resorts and nearly 88,000 units. At 65 units per resort, shared vacation ownership properties in Europe tend to be smaller than in most other regions except for Australasia and the Middle East where the average resort sizes are 35 and 44, respectively. The Caribbean, North America, and Central and South America have average resort sizes of 154, 106, and 110 units, respectively.

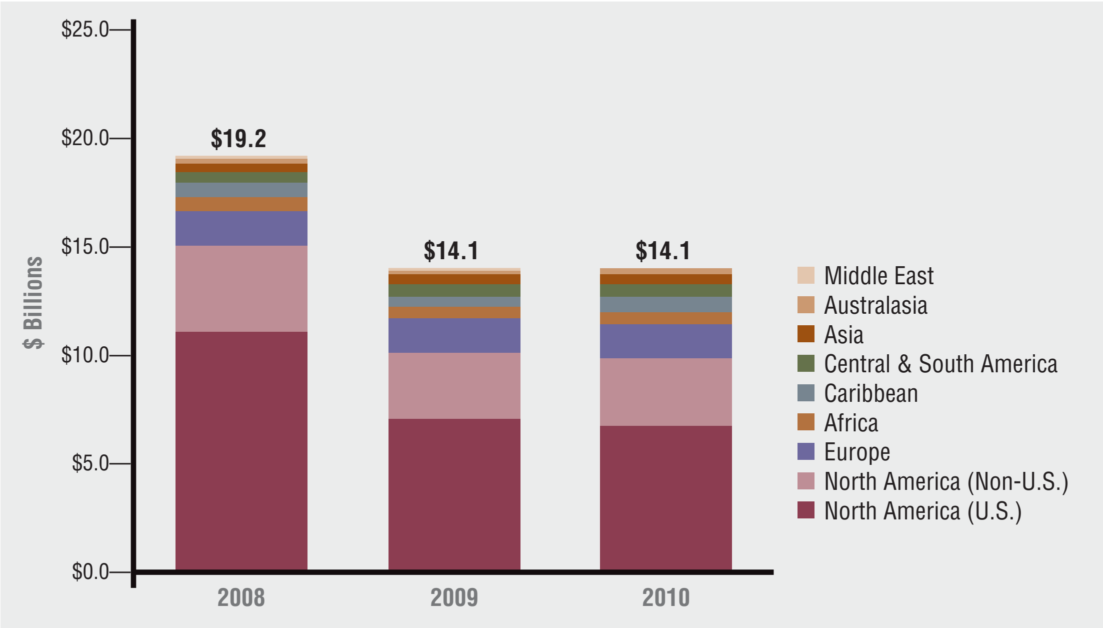
Central and South America and the Caribbean host a combined 785 shared vacation ownership resorts with over 97,000 units. Asia and Australasia are home to 334 and 112 shared vacation ownership resorts, respectively. There are 220 shared vacation ownership resorts in Africa with nearly 18,000 units.

Worldwide Shared Vacation Ownership Units by Region, 2010

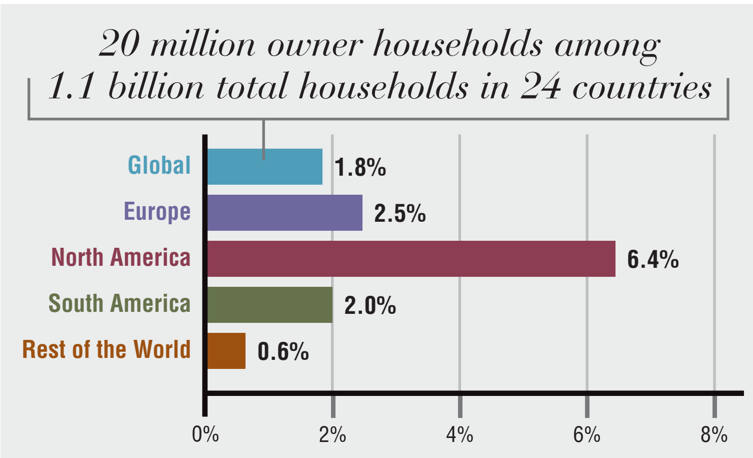


In 2010, the global shared vacation ownership industry sold nearly 785,000 intervals, representing over $14 billion in sales. These interval sales comprise 4.7% of the total inventory of intervals owned worldwide.

Worldwide Shared Vacation Ownership Sales, 2010 ($ Billions)



Shared Vacation Ownership Incidence Rate, by Region



Based on a global omnibus survey conducted by The Research Intelligence Group (TRiG) for the AIF as the consumer side of the study, the incidence rate of global shared vacation ownership in 2012 is approaching 2%, primarily driven by ownership in North America with 6.4%. There are approximately 20 million owner households worldwide.

Global Shared Vacation Ownership Is Resilient

Our three-year analysis of the shared vacation ownership industry revealed impressive stability through a global financial crisis. Sales in 2010 held steady after a 27% drop in 2009. In some regions, namely Asia, Central and South America, and Africa, sales volume actually increased from 2008 to 2010.

Through this period, the average shared vacation ownership sales price has been more stable, declining just 9%. The average price per interval fell to $18,000 in 2010 from nearly $20,000 in 2008. This reflects several factors, including shifts in the mix of product types, some discounting, and differences across regions. For example, prices in the U.S. fell 10% while prices in Central and South America and Asia increased 3%.

Occupancy rates also remained strong through the recession period. Global shared vacation ownership occupancy registered 76% in 2010, down just slightly from 78% in 2008. This compares favorably with the worldwide hotel industry whose occupancy rates are now substantially lower than shared vacation ownership properties. For example, Asian hotel occupancy rates were 70% in 2008 according to STR Global while shared vacation ownership resorts registered an occupancy rate of 69%. However, hotel occupancies in Asia fell to 61% by 2010 while shared vacation ownership occupancy rates increased to 70%. The research has revealed similar divergences across most world regions.

Based on TRiG's global omnibus, shared vacation ownership helps ensure annual vacations, as it drives consumers to take vacations. Globally, over 80% of owners vacationed in the past year, compared to only 43% of non-owners.

Shared Vacation Ownership Occupancy Rates 2008–2010, by Region

Region	2008	2009	2010
Africa	80%	83%	81%
Asia	69%	71%	70%
Australasia	83%	84%	84%
Caribbean	79%	79%	82%
Central & South America	69%	73%	78%
Europe	75%	74%	73%
Middle East	58%	63%	55%
North America	79%	77%	77%
North America (U.S.)	82%	80%	79%
North America (Non-U.S.)	74%	72%	72%
Total, World	**78%**	**77%**	**76%**

These factors have important implications for destinations seeking to achieve greater stability during business cycles—shared vacation ownership offers this stability to the tourism industry.

< more

Global Shared Vacation Ownership Is Forging Ahead

In 2011, the global shared vacation ownership industry outside the U.S. added nearly 9,600 units at existing properties and another 4,000 at new resorts. The largest number of new units was opened in North America (excluding the U.S.), followed by Central and South America and Europe.

Looking ahead, the worldwide shared vacation ownership industry is continuing to expand. Across the globe, there are currently 64 resorts under development outside the U.S. When these resorts open, this will expand the base of properties by 1.2% to 5,380.

Developers outside the U.S. currently have budgeted $757 million for projects in 2012 and beyond. Plans include nearly 11,500 new units at new resorts with approximately the same number at existing resorts. Over 160 new resorts are planned for development in 2012 and beyond.

Methodology

A resort survey was distributed by Oxford Economics among 2,789 unique shared vacation ownership developers/operators worldwide in 5 different languages and two research modes (online & Excel). Responses were received from 865 shared vacation ownership resorts in 54 countries, resulting in a 31% response rate for non-U.S. properties. Based on the total number of responses, survey results provide a margin of error of 4.6 points at a 95% confidence level. During the meantime, a global household omnibus survey was conducted by The Research Intelligence Group (TRiG) in 24 countries worldwide in local languages to estimate the percentage of households in those countries that own at least one shared vacation ownership product.

AIF

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