

Statewide Timeshare Performance & Taxes

During 2019, Hawai'i's timeshare industry achieved an occupancy of 91.4%, a 0.3 percentage point increase from 2018. Statewide hotel occupancy averaged 81.2% in 2019, according to STR, Inc. data published by the Hawai'i Tourism Authority ("HTA").

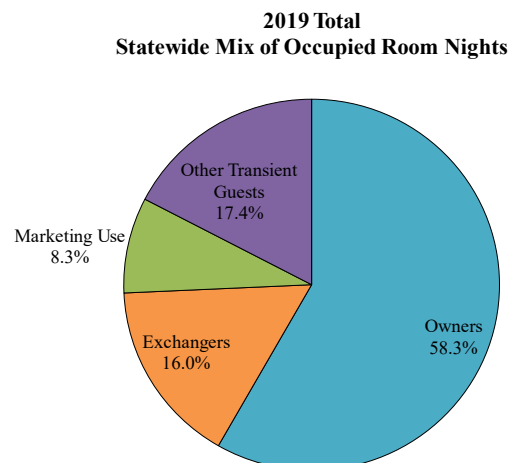
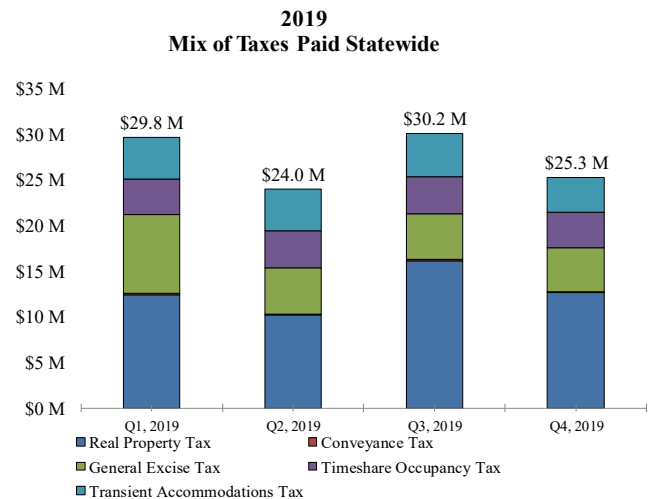
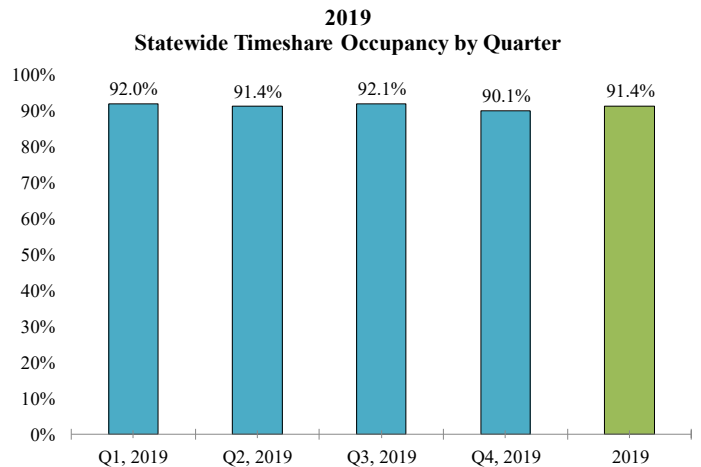
The State of Hawai'i welcomed a total of 850,653 timeshare visitors during 2019, a 1.0% increase from the previous year. Of the state's timeshare visitors, 78.4% stayed exclusively in a timeshare resort while in Hawai'i, an increase from 77.3% in 2018.

During 2019, timeshare visitors accounted for 8.3% of all Hawai'i visitor arrivals, compared with 8.6% during 2018. In 2019, the market share of Hawai'i's timeshare industry decreased as overall visitor arrival growth of 5.3% exceeded the 1.0% growth of timeshare visitor arrivals. The average timeshare visitor had a 9.7-day length of stay in the state during 2019, compared with 10.2 days in 2018.

Owner use accounted for 58.3% of the occupied room nights at Hawai'i's timeshare resorts during 2019. Transient rental accounted for 17.4% of the occupied room nights, followed by Exchangers, which represented 16.0% of room nights. Marketing use represented 8.3% of occupied room nights in 2019.

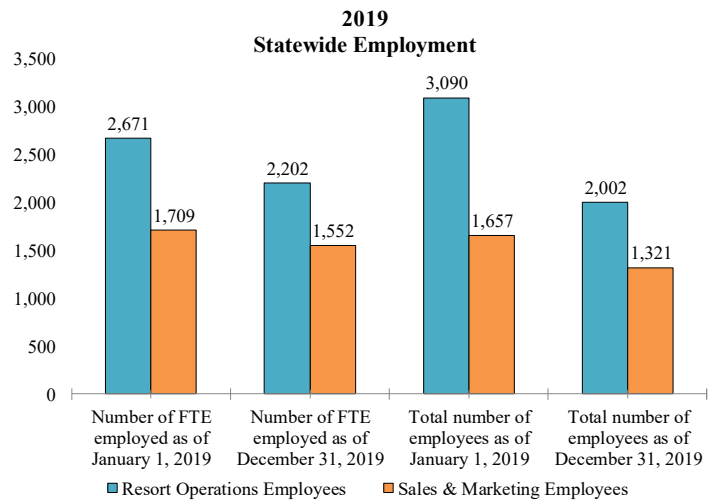
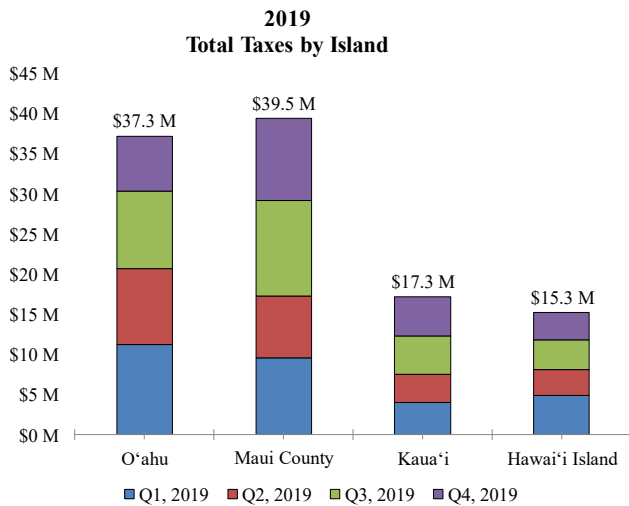
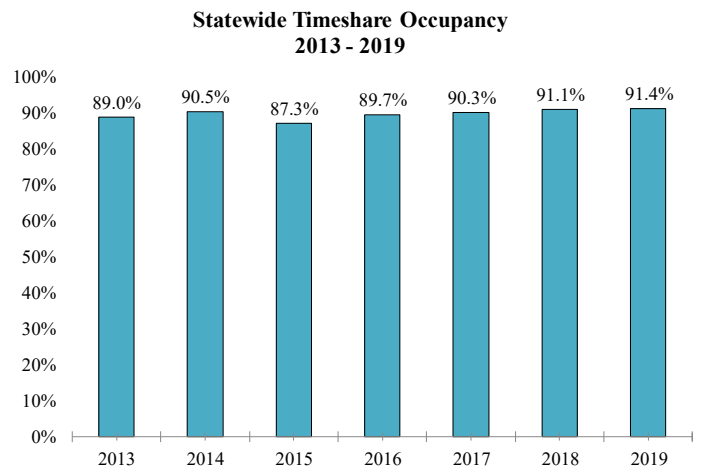
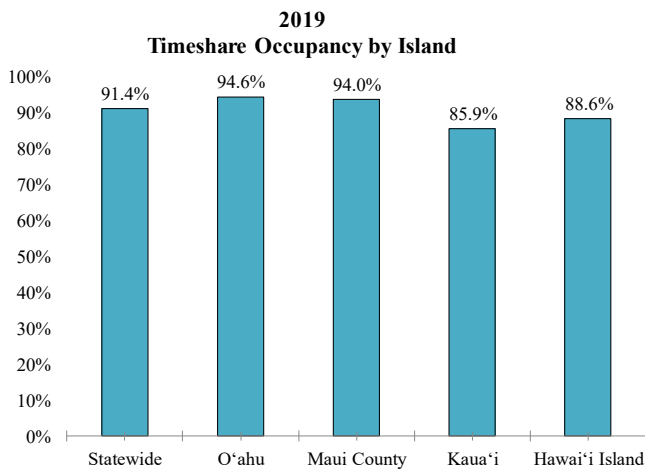
For 2019, participating timeshare properties reported paying \$109.3 million in state and county taxes, with real property taxes accounting for 47.2% of the total.

Participating timeshare properties reported a total of 2,002 resort operations employees as of December 31, 2019, a decrease of 1,088 employees compared



with the start of the year. At year-end there were 1,321 sales and marketing employees at Hawai'i's timeshare properties, a decrease of 336 employees compared with the start of the year. It should be noted that much of the decreases in reported employee counts were due to two large timeshare resorts declining to provide year-end employment data.

For the year, survey respondents reported total payroll of \$260.4 million, comprised of \$118.1 million in resort operations payroll and \$142.3 million in sales and marketing payroll.



O'ahu

Timeshare occupancy on O'ahu averaged 94.6% during 2019, the highest timeshare occupancy in the state and a 1.4 percentage point increase from the prior year. For the year, hotel occupancy on the island averaged 84.2%.

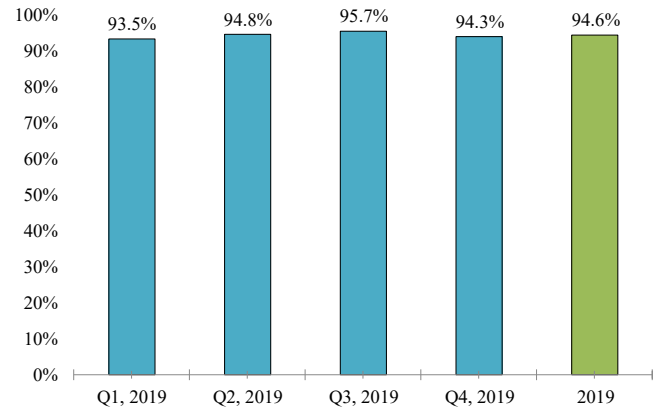
Owner use accounted for 61.3% of occupied room nights at O'ahu's timeshare properties during the year, the highest share among the islands. Transient use contributed 20.5% of occupied room nights, also highest in the state. Exchange use represented 10.2% of occupied room nights, lowest among the islands.

Participating O'ahu timeshare properties paid a total of \$37.3 million in state and county taxes in 2019, of which 47.2% were real property taxes.

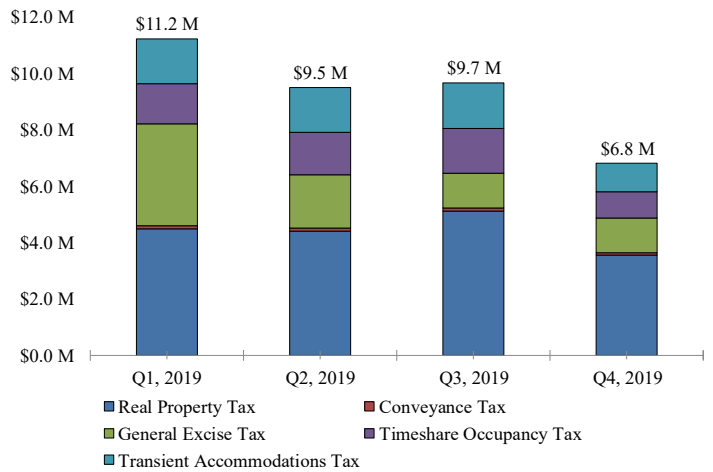
For the year, O'ahu welcomed 323,424 timeshare visitors, a 0.3% decrease from 2018. Timeshare visitors represented 5.2% of all O'ahu visitors during the year, the lowest share among the islands. O'ahu timeshare visitors had a 6.7-day average length of stay in 2019, the shortest timeshare visitor length of stay in the state.

Participating timeshare properties on O'ahu reported payroll totaling \$84.4 million in 2019.

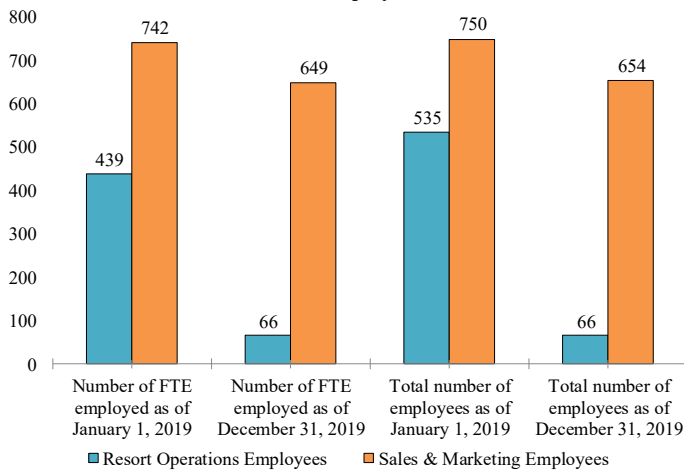
O'ahu Timeshare Occupancy by Quarter



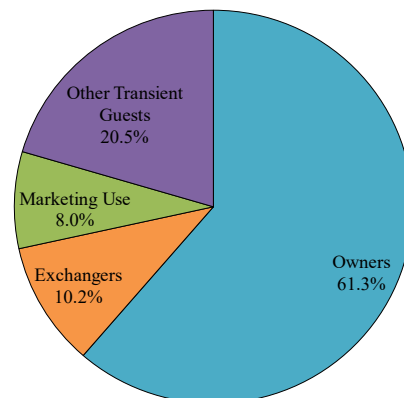
O'ahu Taxes



O'ahu Employment



O'ahu Mix of Occupied Room Nights



Maui County

Maui County's timeshare occupancy on averaged 94.0% during 2019, a 0.3 percentage point increase from the prior year. Hotel occupancy in Maui County averaged 77.7% for the year.

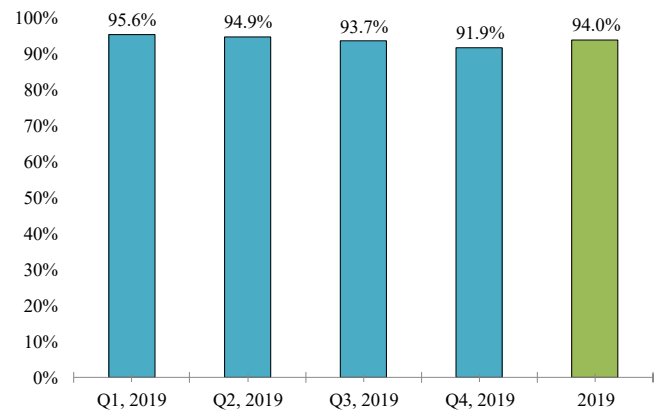
Owner use accounted for 57.4% of occupied room nights at Maui's timeshare properties during the year, the lowest share of owner use in the state. Exchange use contributed 16.5% of occupied room nights, followed by transient use at 16.4% of occupied room nights. Maui County timeshare resorts reported the greatest share of marketing use during the year, 9.7%.

Timeshare properties providing data paid a total of \$39.5 million in state and county taxes in 2019, of which 49.6% were real property taxes.

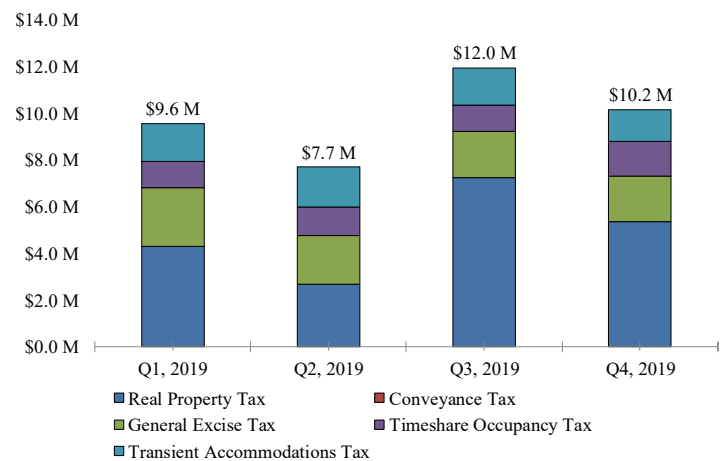
During 2019, 309,366 timeshare visitors arrived in Maui County, a decrease of 1.3% compared with 2018. Timeshare visitors represented 9.9% of all Maui County visitors during the year, down from timeshare's 10.6% market share during 2018. Maui County timeshare visitors had a 9.0-day average length of stay in 2019, compared with a 9.2-day average during 2018.

Timeshare properties in Maui County that provided data reported total payroll of \$84.7 million in 2019, \$53.4 million for resort operations and \$31.3 million for sales and marketing.

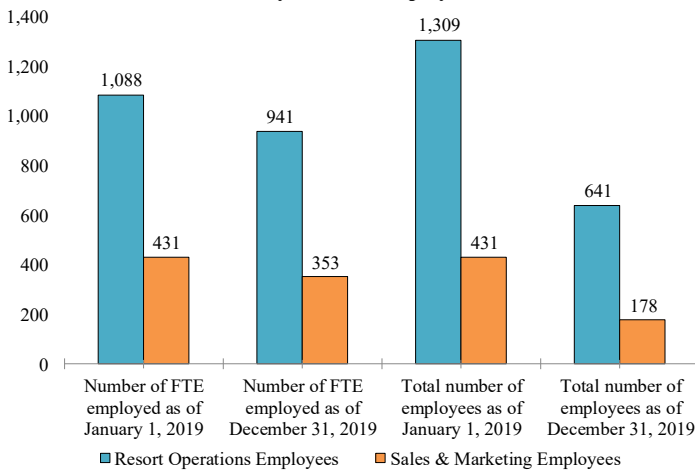
County of Maui Timeshare Occupancy by Quarter



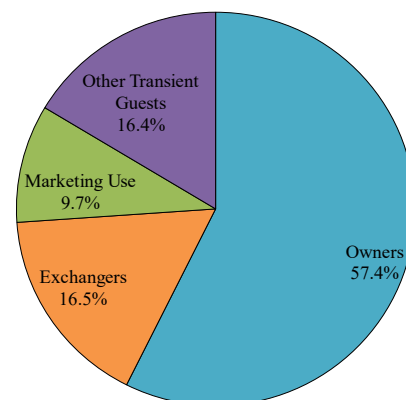
Maui County Taxes



County of Maui Employment



County of Maui Mix of Occupied Room Nights



Kaua'i

Timeshare occupancy on Kaua'i averaged 85.9% during 2019, a 2.5 percentage point decrease from 2018. During 2019, hotel occupancy on the island averaged 76.3%.

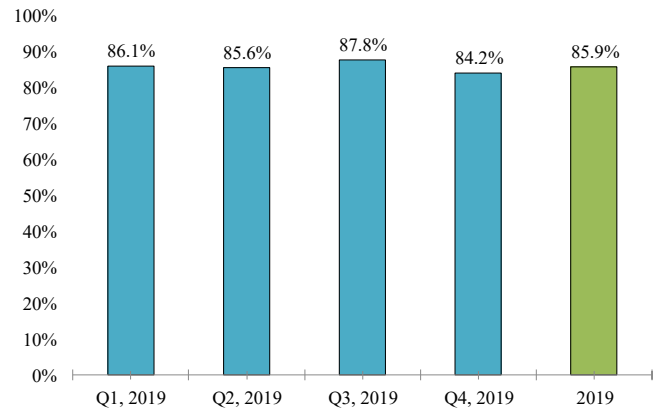
Owner use accounted for 57.7% of occupied room nights at Kaua'i's timeshare properties during the year, while exchange use accounted for 19.2% of occupied room nights. Transient use represented 16.0% of occupied room nights.

Participating Kaua'i timeshare properties paid a total of \$17.3 million in state and county taxes in 2019, of which 47.0% were real property taxes.

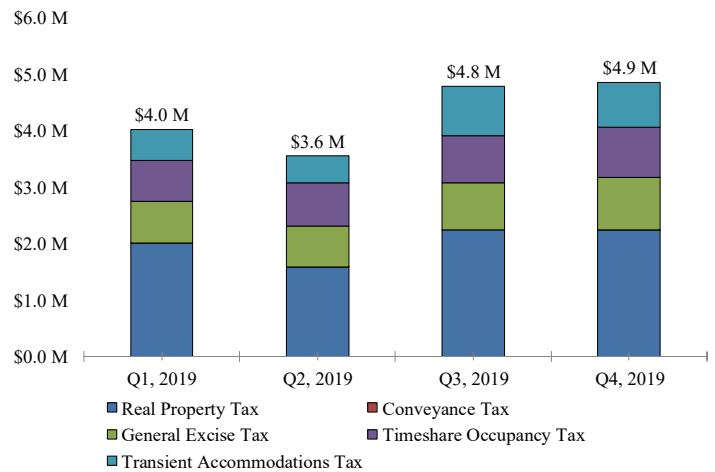
For the year, Kaua'i welcomed 209,883 timeshare visitors, a 1.2% decrease from 2018. Timeshare visitors represented 15.3% of all Kaua'i visitors during the year, by far the highest share among the counties and level with the share reported for 2018. In 2019, Kaua'i timeshare visitors had a 9.0-day average length of stay in 2019, down slightly from the 2018 length of stay of 9.1 days.

Timeshare properties on Kaua'i reporting data had payrolls totaling \$36.9 million in 2019, \$24.1 million for resort operations and \$12.8 million for sales and marketing.

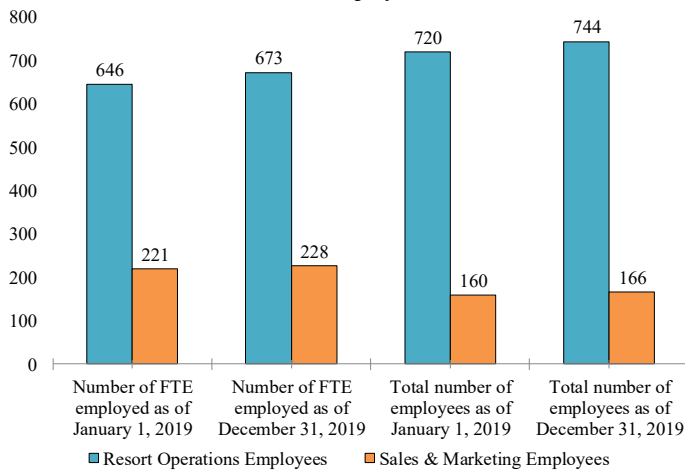
Kaua'i Timeshare Occupancy by Quarter



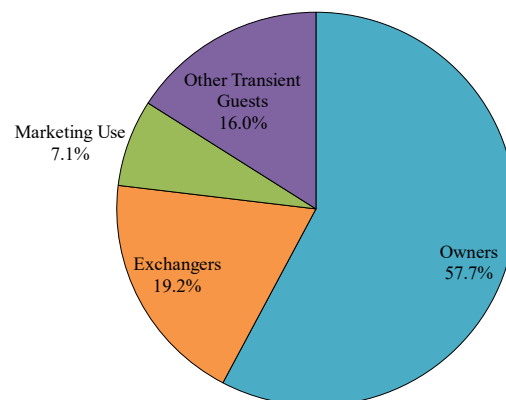
Kaua'i Taxes



Kaua'i Employment



Kaua'i Mix of Occupied Room Nights



Hawai'i Island

Hawai'i Island timeshare resorts achieved annual occupancy of 88.6% during 2019, a 3.4 percentage point increase over 2018. During the same period, hotel occupancy on Hawai'i Island averaged 77.1%.

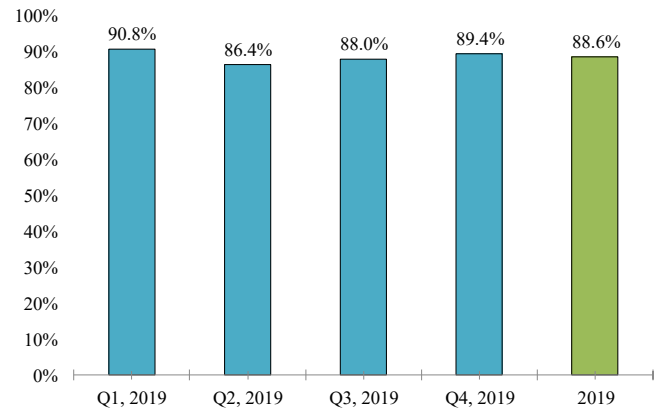
At Hawai'i Island timeshare properties in 2019, owner use accounted for 55.7% of occupied room nights. Exchange use accounted for 20.6% of occupied room nights, the highest share among the islands. Transient use represented 16.1% of occupied room nights at Hawai'i Island timeshare resorts.

A total of 172,345 timeshare visitors arrived on Hawai'i Island during 2019, 9.7% of the island's visitor market during the year. The average timeshare visitor to Hawai'i Island stayed on the island for 8.1 days, down slightly from the 8.2-day average during 2018.

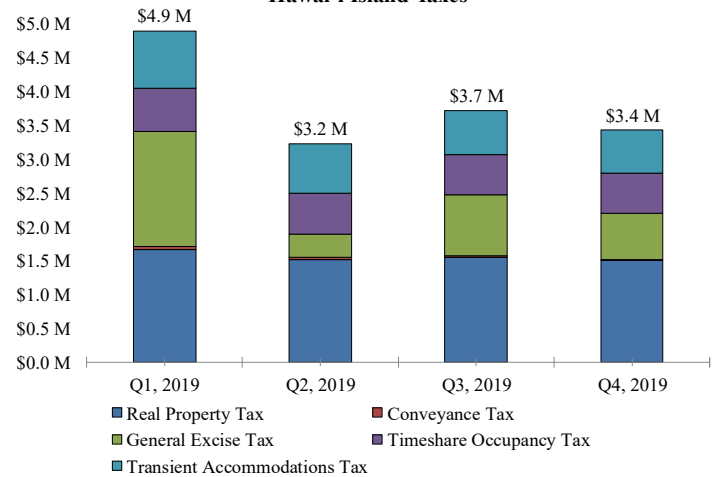
The Hawai'i Island timeshare properties reporting tax data to the survey report a total of \$15.3 million in state and county taxes during the year. Real property taxes totaled \$6.3 million during 2019 or 40.9% of the total.

Timeshare properties on the island providing survey data reported total resort operations payroll expense of \$22.4 million and another \$32.0 million in sales and marketing payroll expense during 2019, or a grand total of \$54.4 million in payroll expense for the year.

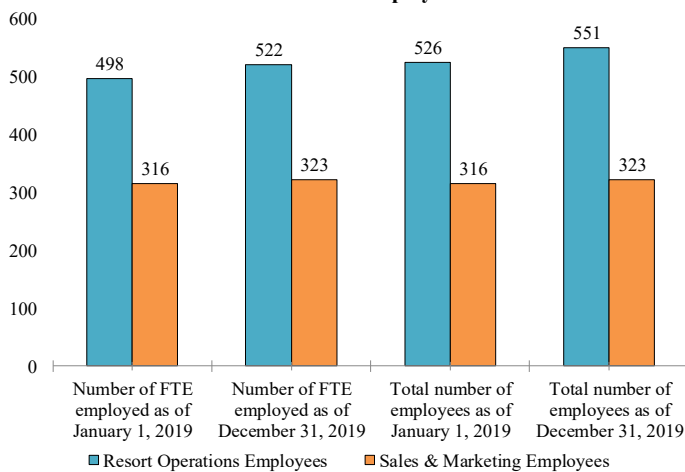
Hawai'i Island Timeshare Occupancy by Quarter



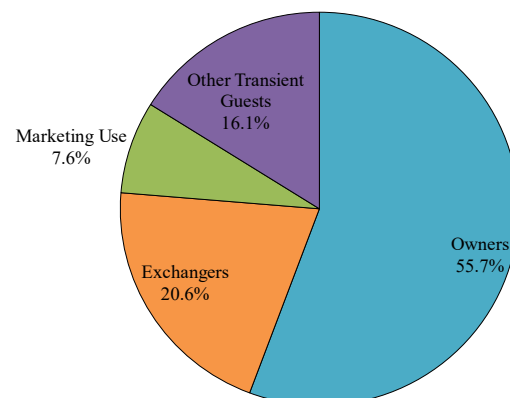
Hawai'i Island Taxes



Hawai'i Island Employment



Hawai'i Island Mix of Occupied Room Nights



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Survey Overview

Kloninger & Sims Consulting LLC was engaged by the Hawai'i Tourism Authority to conduct a recurring quarterly market performance survey of Hawai'i's timeshare industry. The purpose of the survey was to provide research and analysis in regards to the state of Hawai'i timeshare industry including the following:

- Overall Property Occupancy
- Occupancy Mix
- Taxes Generated
- Employment and Payroll

We acknowledge the American Resort Development Association (“ARDA”) for their continued support and cooperation with this survey.

The information provided in this report represents the aggregated actual operating results of the participating properties. No estimations were made for non-participants. Please also note that the methodology for this survey varies from the HTA's monthly visitor statistics. While this survey is based on actual operating data, accommodation choice data reported by the HTA are self-reported and visitors who are not part of a timeshare/exchange program may possibly select “hotel” or “condominium” as their accommodation type. In addition, HTA does not report the number of nights spent at each accommodation type.

Survey Participation

Participation rates in the statewide timeshare survey for the 2019 survey year ranged between 74.1 to 82.1 percent of registered timeshare units statewide, which ranged between 50 to 54 participating properties.