

Statewide Timeshare Performance & Taxes

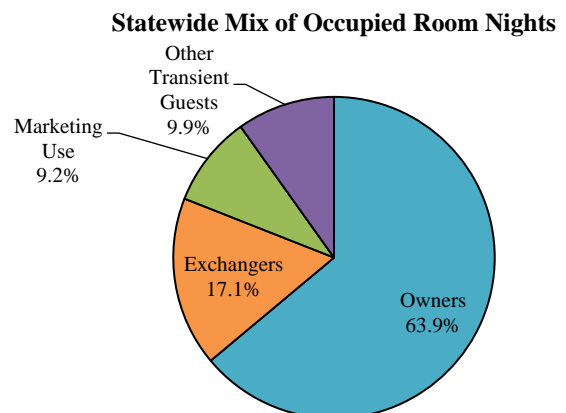
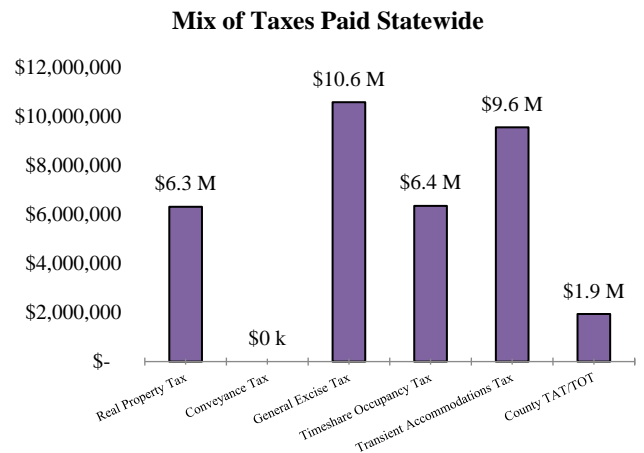
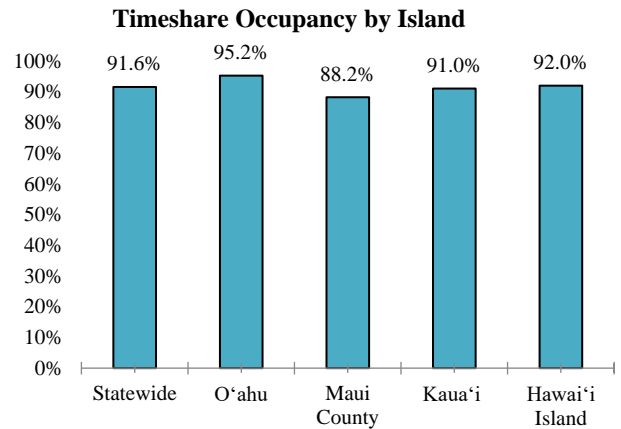
Hawai'i's timeshare industry achieved an average occupancy rate of 91.6% during the third quarter of 2024, an increase of 10.8% points from the 80.7% reported for the third quarter of 2023. The occupancy increase was entirely driven by higher occupancy at timeshare resorts in Maui County. Tourism to West Maui was paused following the August 8, 2023, wildfires on Maui, resulting in a sharp reduction of visitor arrivals and occupancy at visitor units including timeshare. All other counties reported occupancy decreases for the quarter.

The traditional hotel and condominium hotel market in the state achieved occupancy of 73.7% during the third quarter of 2024, according to STR, Inc. data reported by the State of Hawai'i Department of Business, Economic Development & Tourism ("DBEDT").

Owners staying in a timeshare they own represented 63.9% of the occupied room nights at Hawai'i's timeshare resorts during the third quarter. Exchangers (timeshare owners staying in a timeshare they do not own via a timeshare exchange program) contributed another 17.1% of the occupied room nights. Transient rental, which includes rental to owners and exchangers beyond their allotted timeshare stay, accounted for 9.9% of occupied room nights during the quarter, while marketing use contributed 9.2% of occupied room nights.

The third quarter 2024 timeshare survey findings, based on data provided by 46 individual timeshare properties, represents 80.3% of Hawai'i's 12,295 timeshare units.

According to DBEDT data, 212,697 visitors to the state chose to stay at timeshare resort for all or part of their stay during the third quarter, a 7.8% increase from



Q3 2023 timeshare arrivals but shy of the Q3 2019 (“pre-pandemic”) figure of 225,847. The year-over-year increase was entirely driven by an increase in timeshare visitor arrivals in Maui County, where Q3 2023 visitor arrivals had fallen sharply after the aftermath of the August 8, 2023, wildfires that devastated Lahaina. Timeshare visitor arrivals on each of the other counties decreased compared to 2023. For the quarter, timeshare arrivals trailed pre-pandemic levels in each of the counties.

During Q3 timeshare visitors represented 8.7% of all statewide visitor arrivals, an increase from Q3 2023’s 8.4% share and the pre-pandemic share of 8.5%. The average timeshare visitor stayed in the state a total of 9.2 days during Q3 2024, shorter than the 9.4-day average length of stay (“LOS”) reported for Q3 2023 and the pre-pandemic 9.3-day average stay.

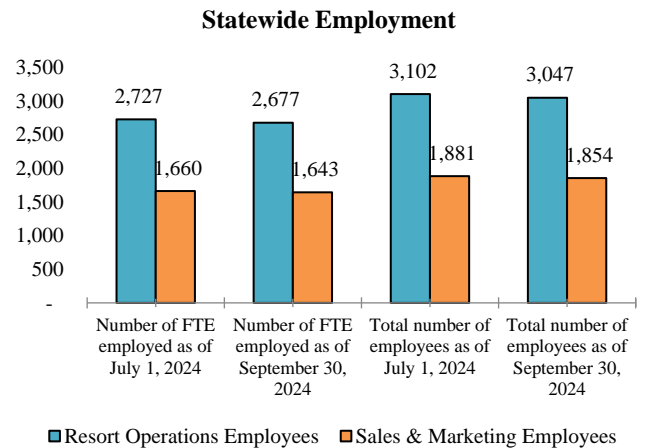
The state welcomed 175,217 timeshare-only visitors (visitors who stayed exclusively in a timeshare resort while visiting the state) during the quarter, representing 82.4% of all timeshare visitor arrivals. This exceeded the timeshare-only shares for both Q3 2023 (81.1%) and 2019 (77.8%).

Survey participants reported a total of \$34.8 million in state and county taxes, including real property tax, general excise tax (“GET”), timeshare occupancy tax (“TOT”), transient accommodations tax (“TAT” and “OTAT”) and conveyance tax. GET represented the largest share, with \$10.6 million paid during the quarter, followed closely by TAT (\$9.6 million).

Statewide Employment & Payroll

The total number of resort operations employees decreased by 1.8% during the quarter, to 3,047. The number of sales and marketing employees decreased by 1.4% to 1,854.

Statewide payroll expenses for timeshare survey participants totaled \$68.3 million during the third quarter of 2024, including \$26.0 million for resort operations employees and \$42.3 million for sales and marketing employees.



O'ahu

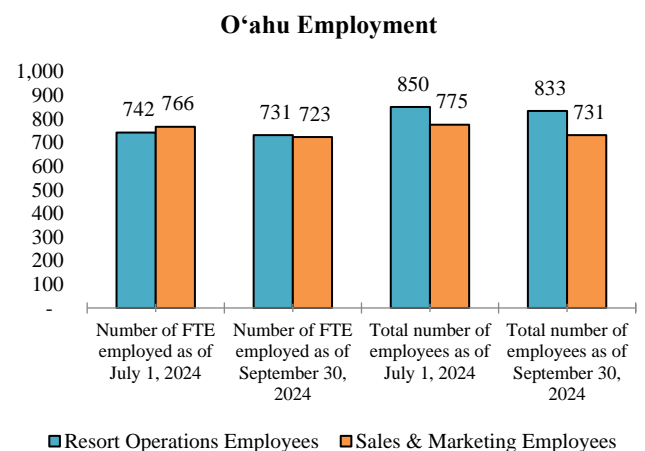
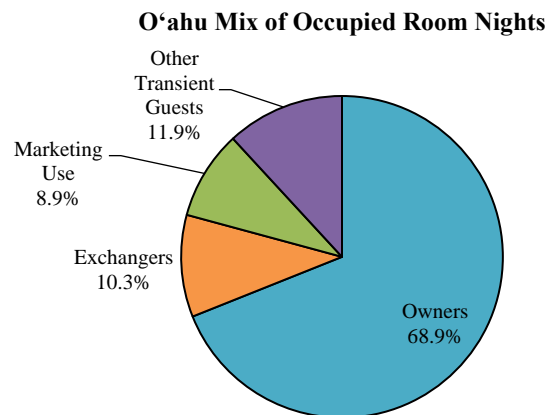
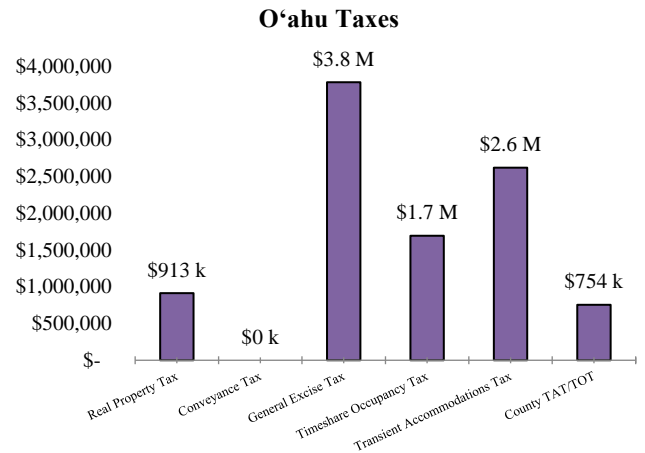
Timeshare resorts on O'ahu achieved 95.2% occupancy during the third quarter of 2024, the highest timeshare occupancy among the counties but a 0.6% point decrease from Q3 2023. O'ahu's Q3 2024 timeshare occupancy fell just short of the pre-pandemic 95.8% timeshare occupancy reported for Q3 2019. During Q3 2024, O'ahu's hotel occupancy averaged 82.8%.

Owner occupied room nights represented 68.9% of total occupied room nights at O'ahu's timeshare resorts during the quarter. Transient use represented 11.9% of occupied room nights during the quarter, the highest among the counties. Exchange use accounted for 10.3% of occupied room nights at O'ahu's timeshare resorts, the lowest among the counties, while marketing use represented 8.9% of occupied room nights on O'ahu during the quarter.

O'ahu welcomed 79,585 timeshare visitors during the quarter, a 3.3% decrease compared with Q3 2023's 82,334 arrivals and 10.2% below Q3 2019's 88,581 arrivals. During the quarter, timeshare arrivals represented 5.3% of all O'ahu visitor arrivals, the lowest share among the counties. The average timeshare visitor spent 7.0 days on the island, the shortest length of stay among the counties and a slight decrease from Q3 2023's 7.1-day average.

Participating properties on O'ahu reported a total of \$9.8 million in taxes during the third quarter, including \$3.8 million in GET and \$2.6 million in TAT.

During the quarter, O'ahu timeshare resorts reported a 2.0% decrease in the number of resort operations employees and a 5.7% decrease in sales and marketing employment. Timeshare properties on O'ahu reported employee payroll expense of \$22.4 million during the third quarter of 2024, of which sales and marketing payroll accounted for \$18.4 million.



Maui County

Maui County's timeshare properties reported an average occupancy of 88.2% during the third quarter of 2024, rebounding from the 49.8% occupancy achieved during the tourism pause-related decrease that followed the August 2023 wildfires. During the third quarter of 2024, Maui's hotel occupancy averaged 56.1%, which trailed the previous Q3 occupancy of 60.1% and the pre-pandemic Q3 occupancy of 78.0%.

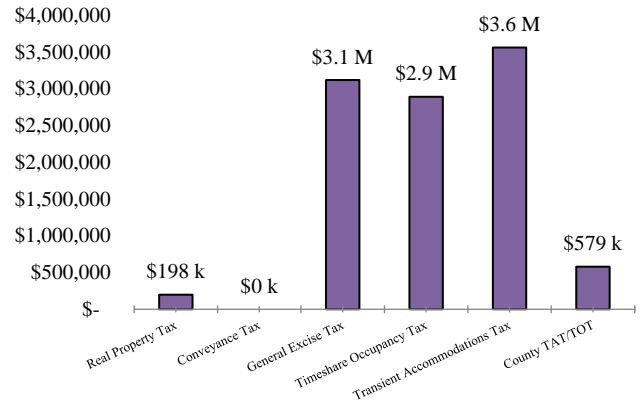
Maui County welcomed 73,438 timeshare visitors during Q3 2024, a 52.7% increase compared with Q3 2023, when visitor arrivals plunged in the aftermath of the August 8 wildfires. Q3 2024 Maui timeshare arrivals were 11.0% below pre-pandemic level. During the quarter, 82.1% of Maui timeshare visitors were timeshare-only visitors, the highest share among the counties. Timeshare visitor arrivals represented 12.0% of Maui County's visitor arrivals during the quarter, a greater share than Q3 2023 (9.3% share) and pre-pandemic (10.2% share).

Owner occupancy accounted for 69.2% of occupied room nights at Maui timeshare resorts during the quarter, the highest share among the counties. Exchange use accounted for 10.6% of occupied room nights. Transient guests contributed 10.8% of occupied room nights, while marketing use represented 9.3% of occupied room nights in Maui County timeshares.

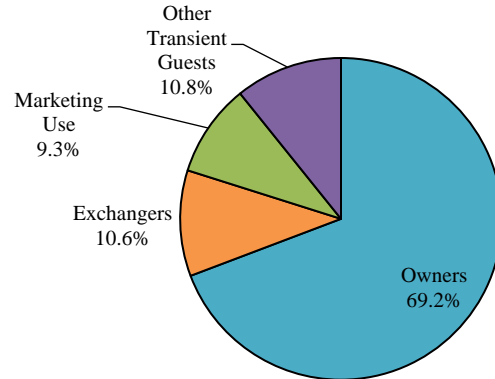
Maui County timeshare properties that provided survey data reported a total of \$10.3 million in state and county taxes during the third quarter. TAT totaled \$3.6 million during the quarter, followed by GET at \$3.1 million.

In the third quarter, Maui County timeshare properties reported a 0.9% decrease in the total number of resort operations employees during the quarter and a 5.7% increase in the number of sales and marketing employees. Maui timeshare properties providing survey data reported \$11.4 million in total payroll expense during the quarter, of which sales and marketing employee payroll accounted for \$9.1 million.

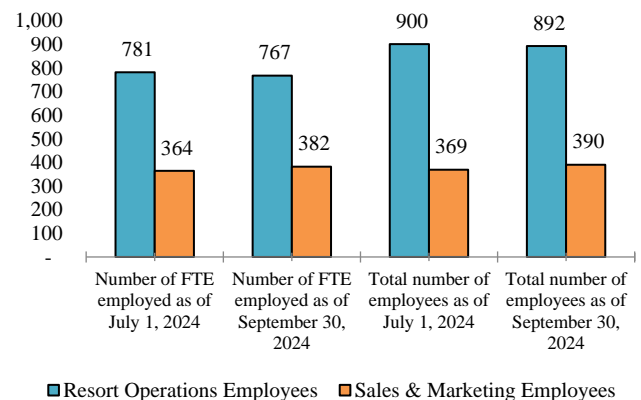
County of Maui Taxes



County of Maui Mix of Occupied Room Nights



County of Maui Employment



Kaua'i

Timeshare resorts on Kaua'i averaged 91.0% occupancy during the third quarter of 2024, a 0.9% percentage point decrease compared to Q3 2023's 91.9% occupancy. Despite the year-over-year decrease, Kaua'i's Q3 2024 timeshare occupancy exceeded the pre-pandemic occupancy of 87.8%. Both Kaua'i and Hawai'i Island exceeded pre-pandemic timeshare occupancy during the third quarter. Kaua'i's hotels and condominium hotels reported an average occupancy of 75.1% during the quarter.

Kaua'i welcomed 52,521 timeshare visitors during Q3 2024, a 7.0% decrease from Q3 2023 and 5.0% below the Q3 2019 level. Kaua'i continued to be the island welcoming the highest proportion of timeshare visitors, with 14.8% of the island's visitors choosing to stay in a timeshare resort during the quarter, a modest increase from the prior year's share of 14.6%, but below the 15.5% pre-pandemic share. Kaua'i timeshare visitors spent an average of 8.7 days on Kaua'i during Q3, the longest length of stay among the counties and matching the prior year and pre-pandemic LOS.

Owner use represented 60.5% of the occupied room nights during the third quarter. Exchange use contributed 24.4% of occupied timeshare room nights on Kaua'i. Transient use represented 8.4% of occupied room nights during Q3 while marketing use represented 6.8% of room nights, the lowest share among the counties.

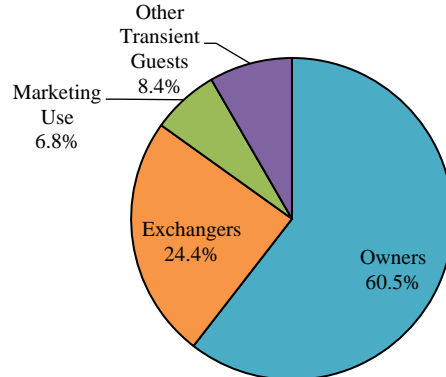
The Kaua'i timeshare resorts that provided survey data reported \$9.1 million in taxes during the third quarter, with the largest contributor being real property tax at \$4.0 million.

Kaua'i timeshare properties reported the total number of resort operations employees decreased by 2.0% while the number of sales and marketing employees decreased by 4.0%. Participating respondents reported total payroll expense of \$16.0 million during Q3, of which \$9.7 million was resort operations payroll.

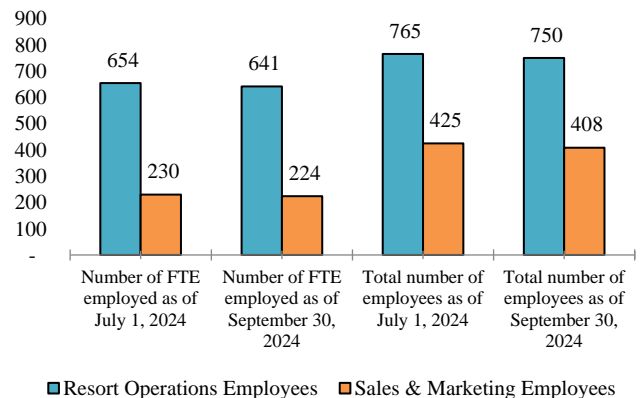
Kaua'i Taxes



Kaua'i Mix of Occupied Room Nights



Kaua'i Employment



Hawai'i Island

Timeshare resorts on Hawai'i Island reported average occupancy of 92.0% during the third quarter of 2024, a decrease of 0.6% percentage points compared with Q3 2023, but exceeding the 88.0% timeshare occupancy during Q3 2019. During Q3 2024, hotel occupancy on Hawai'i Island was 65.5%, down from the prior year's 67.9% occupancy and the pre-pandemic occupancy rate of 77.9%.

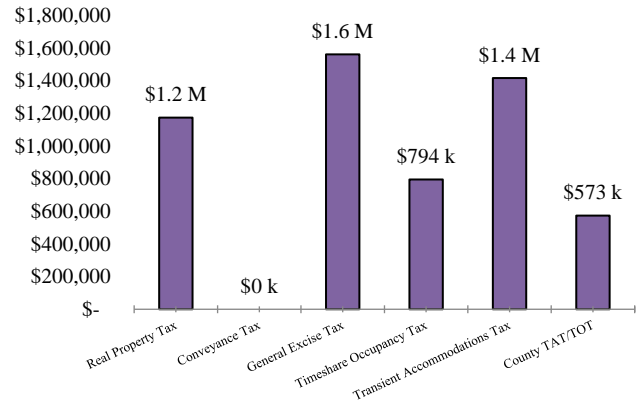
Owner use accounted for 50.6% of occupied room nights at timeshare properties on Hawai'i Island, the lowest share among the counties by a wide margin. Exchange use accounted for 30.0% of occupied room nights, the highest among the counties during the quarter. Marketing use contributed 12.6% of occupied room nights, the highest share among the counties, while transient use represented 6.8% of occupied room nights, the lowest share among the counties.

Hawai'i Island reported a total of 41,686 timeshare visitors during the third quarter, a 9.3% decrease compared with the prior year and also below the pre-pandemic mark of 43,696 timeshare visitor arrivals. Timeshare visitors represented 9.7% of Hawai'i Island visitor arrivals during the quarter, slightly lower than the Q3 2023 share of 10.1% but marginally lower than the pre-pandemic share of 9.8%. The average Hawai'i Island timeshare visitor had a 7.8-day length of stay during the quarter, down slightly from the prior year's 7.9-day average but longer than the pre-pandemic LOS of 7.6 days.

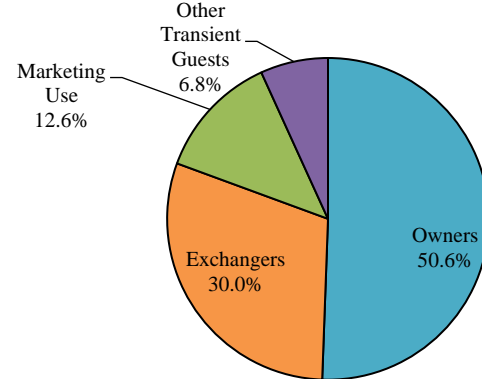
Hawai'i Island timeshare properties reporting data paid \$5.5 million in state and county taxes during the third quarter. GET accounted for the largest share of the taxes at \$1.6 million.

Timeshare resorts on Hawai'i Island reported a 2.6% decrease in the number of resort operations employees and a 4.2% increase in the number of sales and marketing employees during the quarter. Timeshare properties on the island providing survey data reported paying a total of \$18.5 million in payroll and benefits, of which resort operations payroll represented \$10.1 million.

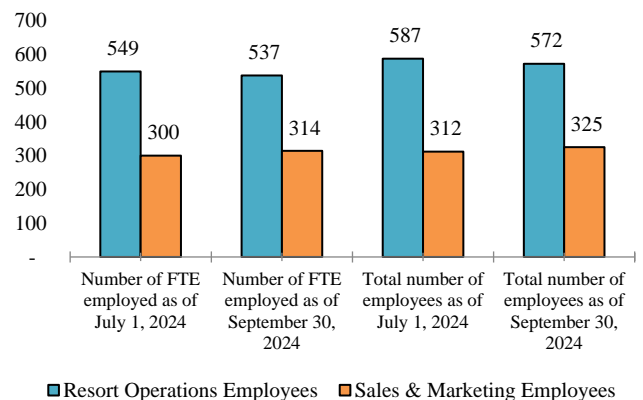
Hawai'i Island Taxes



Hawai'i Island Mix of Occupied Room Nights



Hawai'i Island Employment



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Survey Overview

Kloninger & Sims Consulting LLC was engaged by the State of Hawai'i Department of Business, Economic Development & Tourism 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 DBEDT's monthly visitor statistics. While this survey is based on actual operating data, accommodation choice data reported by DBEDT 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, DBEDT does not report the number of nights spent at each accommodation type.

Survey Participation

Participation rates in the statewide timeshare survey were 80.3 percent of registered timeshare units statewide, which represents 46 participating properties and 9,874 units.