



Hawai'i Timeshare Quarterly Year-End 2017

Statewide Timeshare Performance & Taxes

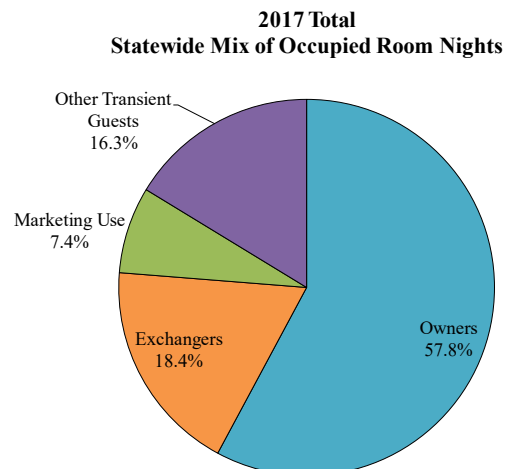
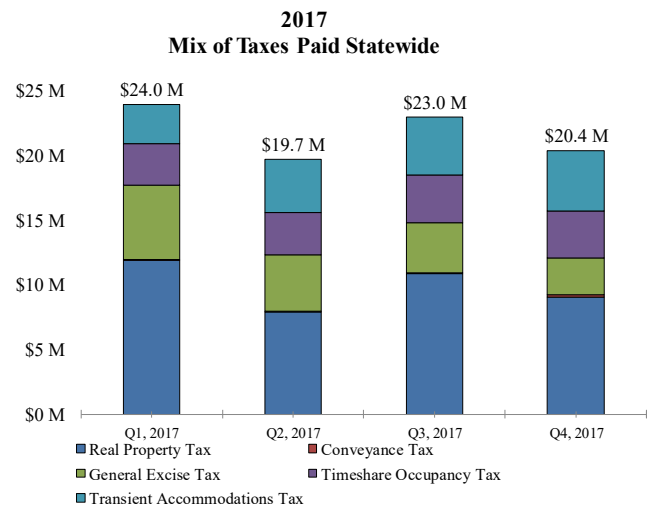
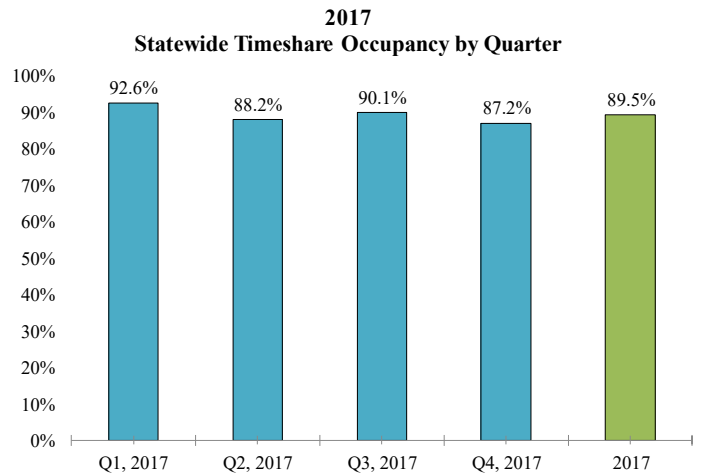
For the year, Hawai'i's timeshare industry achieved occupancy of 89.5%, a 0.2 percentage point decrease from 2016. Statewide hotel occupancy averaged 80.0% in 2017, according to STR, Inc. published by the Hawai'i Tourism Authority ("HTA"). The State of Hawai'i welcomed a total of 839,024 timeshare visitors during 2017, a 5.1% increase from the previous year. Of the state's timeshare visitors, 77.1% stayed exclusively in a timeshare resort while in Hawai'i, a decrease from 77.9% in 2016. During 2017, timeshare visitors accounted for 9.1% of all Hawai'i visitor arrivals, unchanged from 2016. The average timeshare visitor had a 10.2 day length of stay in the state during 2017, compared with 10.3 days in 2016.

Owner use accounted for 57.8% of the occupied room nights at Hawai'i's timeshare resorts during 2017. Exchangers accounted for 18.4% of the occupied room nights, followed by transient rental, which represented 16.3% of room nights. Marketing use represented 7.4% of occupied room nights.

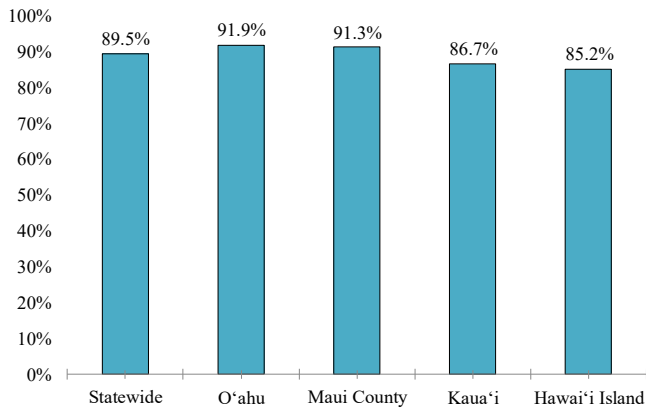
During 2017, participating timeshare properties reported paying \$87.1 million in state and county taxes, with real property taxes accounting for 45.6% of the total.

Participating timeshare properties reported a total of 3,118 resort operations employees as of December 31, 2017, an increase of 118 employees compared with the start of the year. At year-end there were 1,833 sales and marketing employees at Hawai'i's timeshare properties, an increase of 405 employees compared with the start of the year.

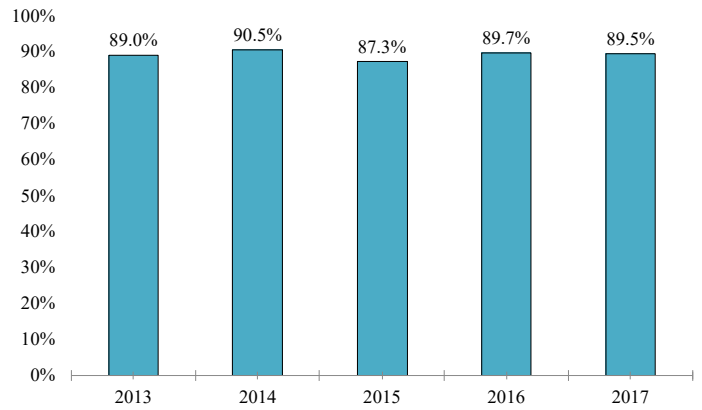
For the year, survey respondents reported total payroll of \$313.2 million, comprised of \$144.3 million in resort operations payroll and \$168.9 million in sales and marketing payroll.



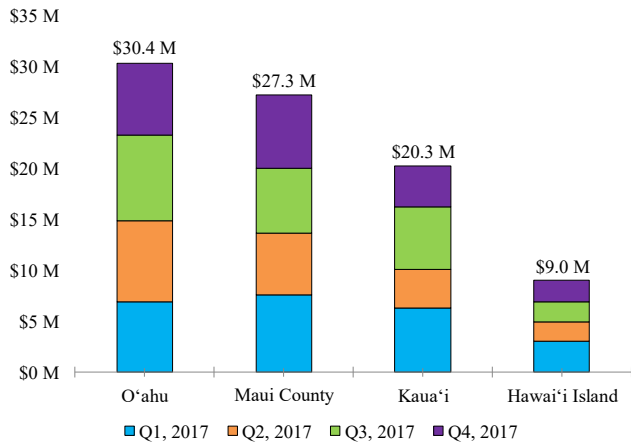
**2017
Timeshare Occupancy by Island**



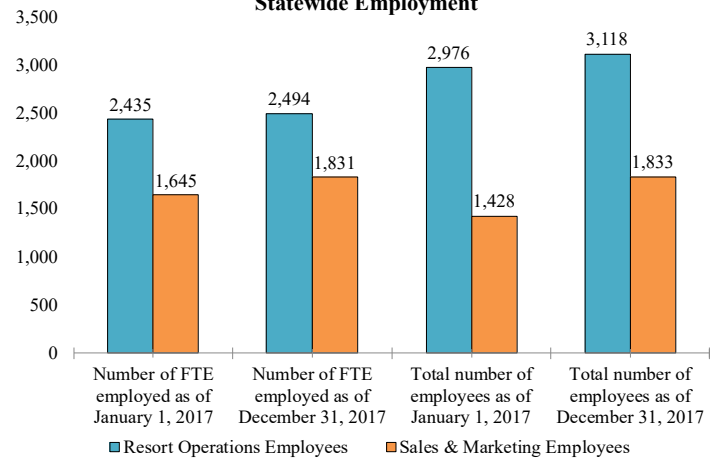
**Statewide Timeshare Occupancy
2013 - 2017**



**2017
Total Taxes by Island**



**2017
Statewide Employment**



O'ahu

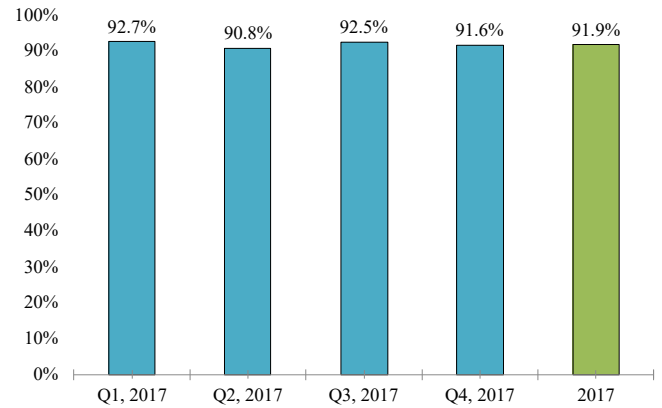
Timeshare occupancy on O'ahu averaged 91.9% during 2017, a 1.2 percentage point increase from the prior year. For the year, hotel occupancy on the island averaged 83.3%. Owner use accounted for 62.0% of occupied room nights at O'ahu's timeshare properties during the year. Transient use contributed 16.1% of occupied room nights, while exchange use represented 15.9% of occupied room nights.

Participating O'ahu timeshare properties paid a total of \$30.4 million in state and county taxes in 2017, of which 47.6% were real property taxes.

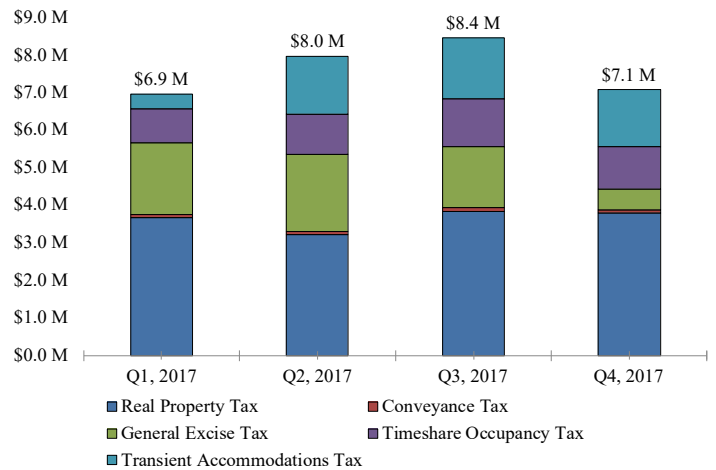
For the year, O'ahu welcomed 335,337 timeshare visitors, an 8.3% increase from 2016. The opening of the 411-unit Hilton Grand Islander resort during early 2017 likely contributed to O'ahu's growth in timeshare visitors for the year. Timeshare visitors represented 5.9% of all O'ahu visitors during the year, the lowest share among the counties but a larger share than the 5.7% share reported for 2016. O'ahu timeshare visitors had a 7.1 day average length of stay in 2017, comparable to the 2016 length of stay.

Participating timeshare properties on O'ahu reported payroll totaling \$76.2 million in 2017.

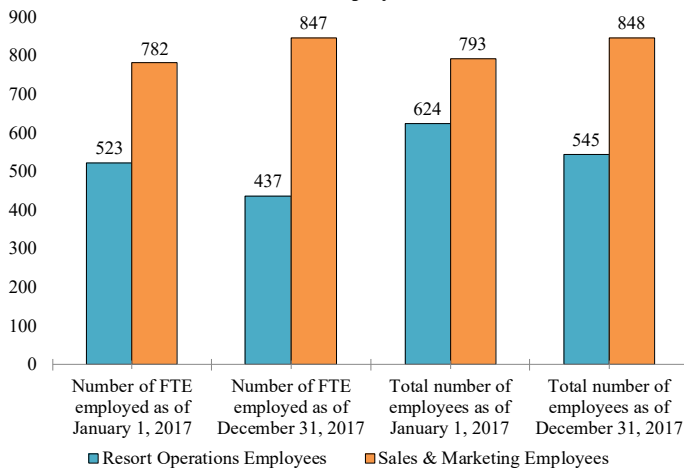
O'ahu Timeshare Occupancy by Quarter



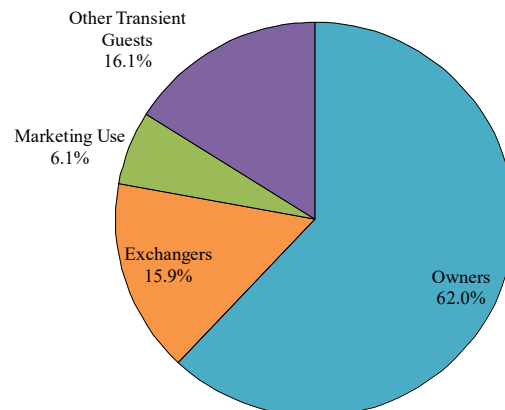
O'ahu Taxes



O'ahu Employment



O'ahu Mix of Occupied Room Nights



Maui County

Maui County's timeshare occupancy on averaged 91.3% during 2017, a 1.7 percentage point decrease from the prior year. Hotel occupancy in Maui County averaged 77.1% for the year. Owner use accounted for 58.0% of occupied room nights at Maui's timeshare properties during the year. Exchange use contributed 19.0% of occupied room nights, followed by transient use at 13.9% of occupied room nights.

Timeshare properties providing data paid a total of \$27.3 million in state and county taxes in 2017, of which 38.0% were real property taxes.

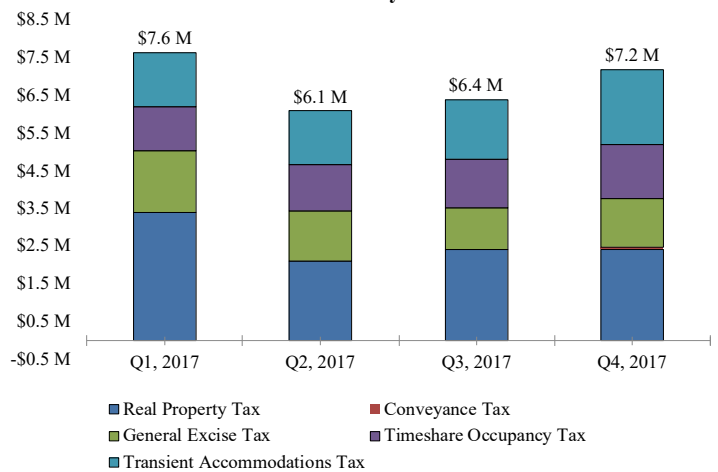
During 2017, 304,951 timeshare visitors arrived in Maui County, an increase of 2.7% over 2016. Timeshare visitors represented 11.0% of all Maui County visitors during the year, comparable to 2016. Maui County timeshare visitors had a 9.2 day average length of stay in 2017, down slightly from the 9.3 day average stay in 2016.

Timeshare properties in Maui County that provided data reported total payroll of \$118.1 million in 2017, \$73.4 million for resort operations and \$44.8 million for sales and marketing

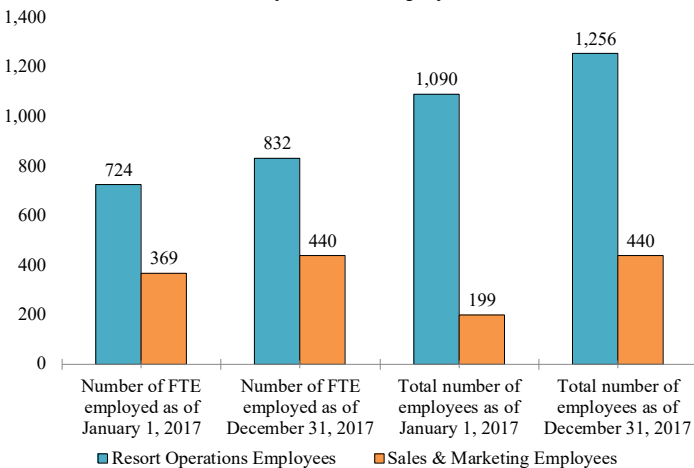
County of Maui Timeshare Occupancy by Quarter



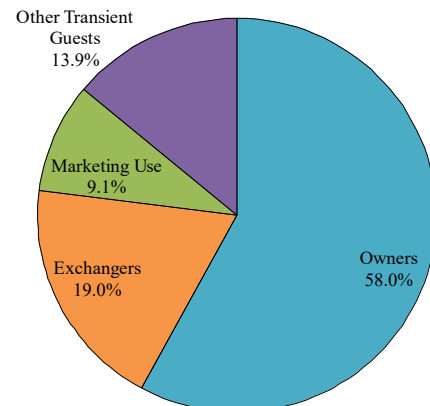
Maui County Taxes



County of Maui Employment



County of Maui Mix of Occupied Room Nights



Kaua'i

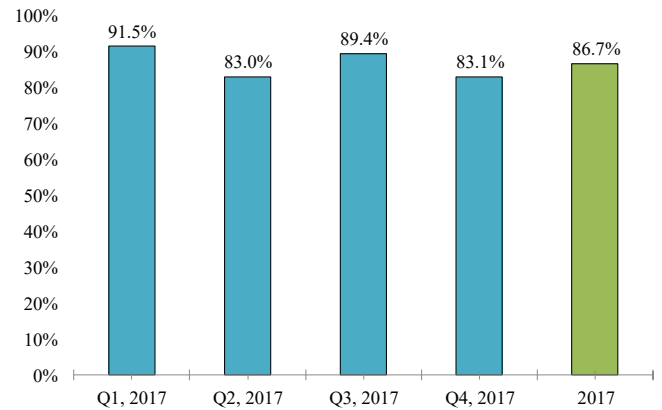
Timeshare occupancy on Kaua'i averaged 86.7% during 2017, a 0.4 percentage point decrease from 2016. During 2017, hotel occupancy on the island averaged 75.7%. Owner use accounted for 55.7% of occupied room nights at Kaua'i's timeshare properties during the year, while exchange use accounted for 22.3% of occupied room nights. Transient use represented 15.8% of occupied room nights.

Participating Kaua'i timeshare properties paid a total of \$20.3 million in state and county taxes in 2017, of which 51.5% were real property taxes.

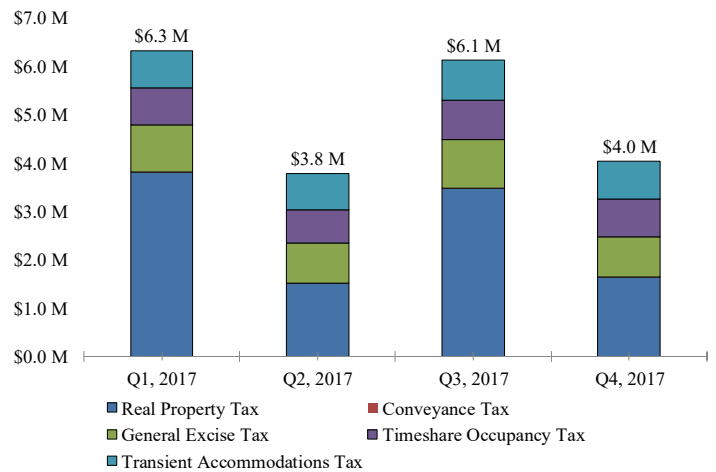
For the year, Kaua'i welcomed 210,904 timeshare visitors, a 1.4% decrease from 2016. Timeshare visitors represented 16.5% of all Kaua'i visitors during the year, by far the highest share among the counties but down from the 18.0% share reported for 2016. In 2017, Kaua'i timeshare visitors had a 9.2 day average length of stay in 2017, comparable to the 2016 length of stay.

Timeshare properties on Kaua'i reporting data had payrolls totaling \$57.3 million in 2017, \$32.4 million for resort operations and \$24.9 million for sales and marketing.

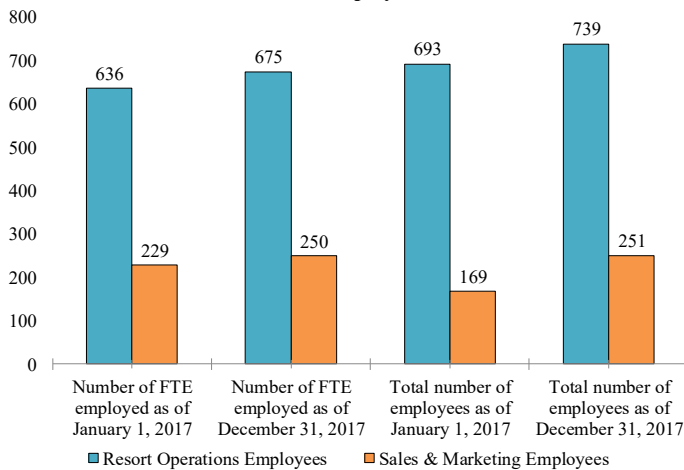
Kaua'i Timeshare Occupancy by Quarter



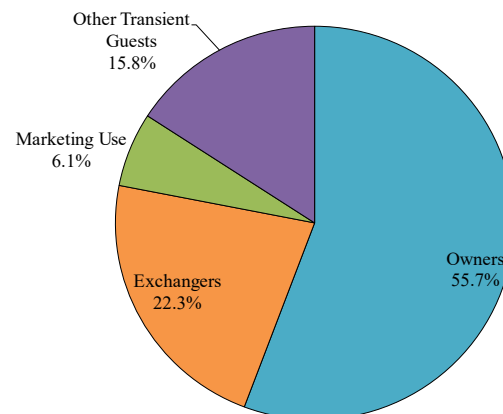
Kaua'i Taxes



Kaua'i Employment



Kaua'i Mix of Occupied Room Nights



Hawai'i Island

Hawai'i Island timeshare resorts achieved annual occupancy of 85.2% during 2017, a 0.2 percentage point decrease compared to 2016. During the same period, hotel occupancy on Hawai'i Island averaged 74.4%.

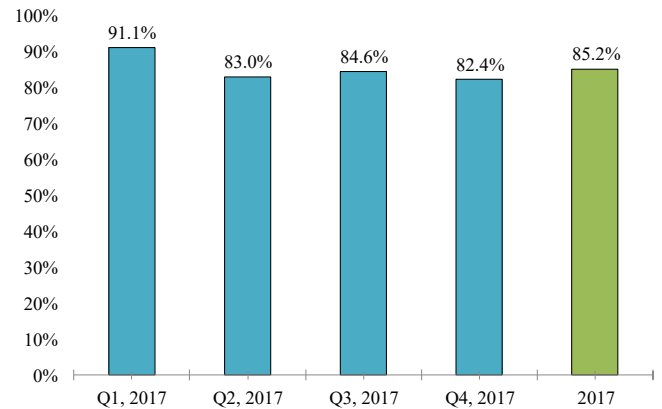
At Hawai'i Island timeshare properties in 2016, owner use accounted for 52.5% of occupied room nights, the lowest owner use share among the islands. Transient use represented 23.2% of occupied room nights at Hawai'i Island timeshare resorts, the highest share of transient use among the islands. Exchange use accounted for 15.9% of occupied room nights.

A total of 173,639 timeshare visitors arrived on Hawai'i Island during 2017, 9.8% of the island's visitor market during the year. The average timeshare visitor to Hawai'i Island stayed on the island for 8.3 days, down slightly from the 8.4 day average during 2016.

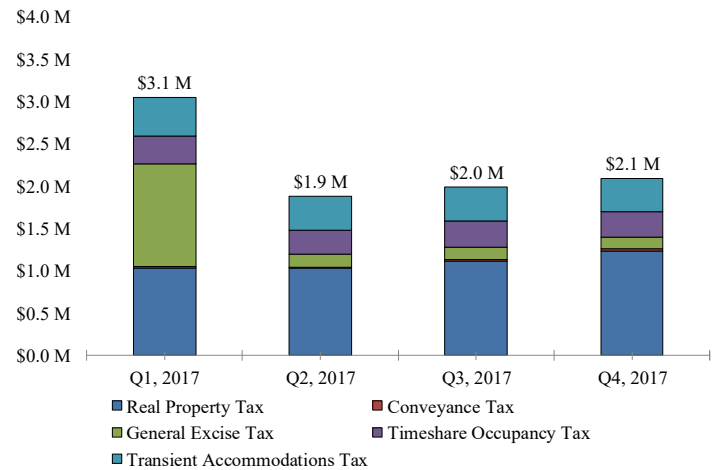
The Hawai'i Island timeshare properties reporting tax data to the survey report a total of \$9.0 million in state and county taxes during the year. Real property taxes totaled \$4.4 million during 2017 or 48.9% of the total.

Timeshare properties on the island providing survey data reported total resort operations payroll expense of \$28.5 and another \$32.9 million in sales and marketing payroll expense during 2017.

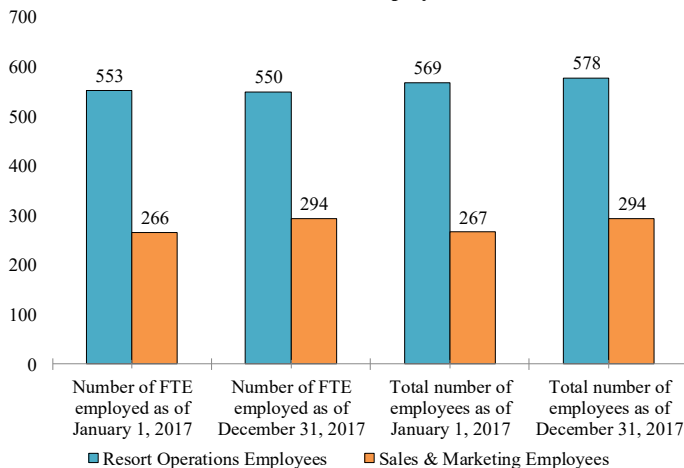
Hawai'i Island Timeshare Occupancy by Quarter



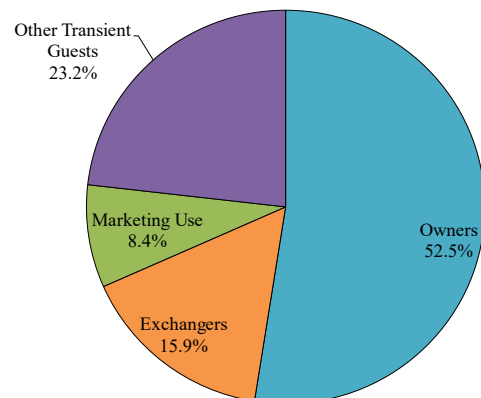
Hawai'i Island Taxes



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 2017 survey year ranged between 81.3 to 85.4 percent of registered timeshare units statewide, which ranged between 51 to 54 participating properties.