



Hawai'i Timeshare Quarterly October – December 2021

Statewide Timeshare Performance & Taxes

Hawai'i's timeshare industry achieved an average occupancy rate of 85.9% during the fourth quarter of 2021, an increase of 50.1 percentage points from the 35.8% occupancy reported for the fourth quarter of 2020. The traditional hotel and condominium hotel market in the state achieved occupancy of 62.5% during the fourth quarter of 2021, according to STR, Inc. data reported by the Hawai'i Tourism Authority ("HTA").

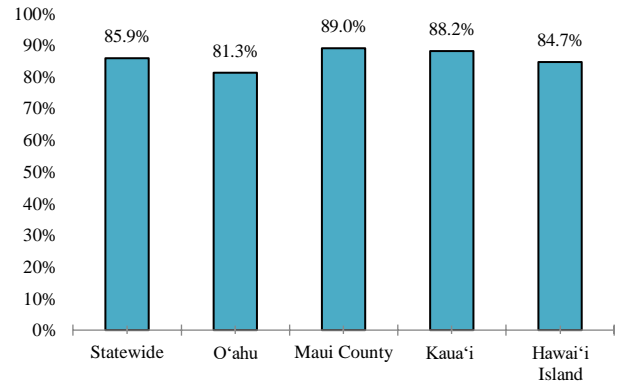
The 85.9% Q4 timeshare occupancy approached pre-pandemic levels. Statewide timeshare occupancy during Q4 2019 was 90.1%, indicating that Hawai'i's timeshare industry has almost fully recovered with respect to occupancy. By comparison, the Q4 hotel occupancy of 62.5% trails pre-pandemic levels by a wide margin. Statewide hotel occupancy averaged 79.4% during Q4 2019.

Owners staying in a timeshare they own represented 65.8% of the occupied room nights at Hawai'i's timeshare resorts during the fourth quarter. Exchangers (timeshare owners staying in a timeshare they do not own via a timeshare exchange program) represented another 13.1% of the occupied room nights. Transient rental, which includes rental to owners and exchangers beyond their allotted timeshare stay, accounted for 14.7% of occupied room nights during the quarter. Marketing use represented 6.4% of occupied room nights.

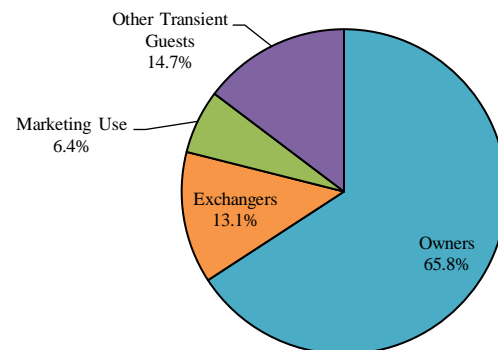
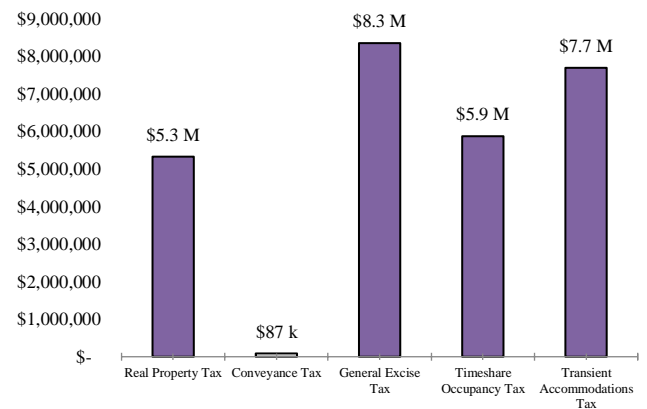
The fourth quarter 2021 timeshare survey findings, based on data provided by 58 individual timeshare properties, represent 84.4% of Hawai'i's 10,302 timeshare units.

According to HTA data, 193,302 visitors to the state chose to stay at timeshare resort for all or part of their stay during the fourth quarter. While this represented a substantial increase from the 58,154 timeshare

Timeshare Occupancy by Island



Mix of Taxes Paid Statewide



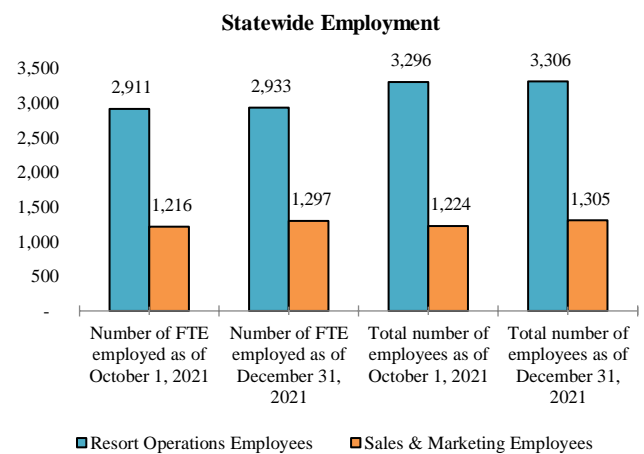
visitors during Q4 2020 it trailed the 208,440 timeshare visitors reported for Q4 2019. During the quarter, 10.1% of all Hawai'i visitors stayed in a timeshare property, a higher percentage than the 8.3% share reported for Q4 2019, again indicating that Hawai'i's timeshare resorts recovered faster than other accommodation types during the quarter. During the fourth quarter, the average timeshare visitor stayed a total of 10.3 days in the state, compared with a 10.8-day average stay during the fourth quarter of 2020, and a 9.8-day average during Q4 2019.

Survey participants generated a total of \$27.3 million in state and county taxes, including real property tax, general excise tax, timeshare occupancy tax ("TOT"), transient accommodations tax ("TAT") and conveyance tax. Participants reported paying \$8.3 million in General Excise Tax during the quarter, accounting for 30.6% of the total. Real property taxes accounted for \$5.3 million or 19.5% of the total. We note that not all properties reported taxes for the fourth quarter and that some respondents chose not to report certain taxes for this survey.

Statewide Employment & Payroll

The total number of resort operations employees increased by 0.3% during the quarter, to 3,306. The number of sales and marketing employees increased by 6.6% to 1,305.

Statewide payroll expenses for timeshare survey participants totaled \$75.9 million during the fourth quarter of 2021, including \$46.3 million for resort operations employees and \$29.6 million for sales and marketing employees.



O'ahu

Timeshare resorts on O'ahu averaged 81.3% occupancy during the fourth quarter of 2021, the lowest timeshare occupancy among the counties during the quarter. While the Q4 2021 occupancy did increase by 45.7 percentage points compared to the prior year's 35.7% occupancy, it was well below the 94.3% reported for Q4 2019. During Q4 2021, O'ahu's hotel occupancy averaged 59.2%.

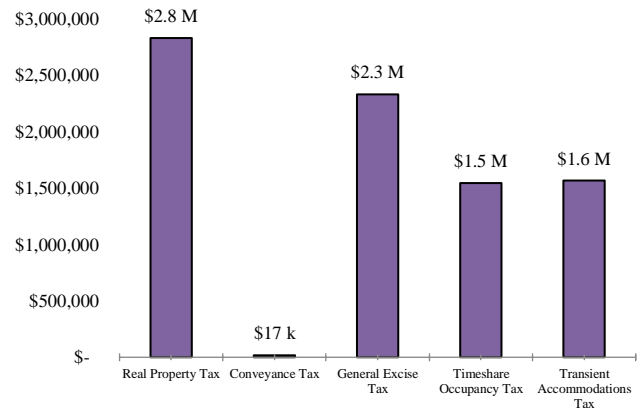
Owner occupied room nights represented 64.8% of total occupied room nights at O'ahu's timeshare resorts during the quarter. Exchange use accounted for 12.3% of occupied room nights at O'ahu's timeshare resorts. Transient use represented 17.0% of occupied room nights during the quarter, highest among the counties. Marketing use represented 5.9% of occupied room nights on O'ahu during the quarter.

O'ahu welcomed 64,325 timeshare visitors during the quarter, a sharp increase from the 16,284 timeshare visitors during Q4 2020 but far short of the 78,188 Q4 timeshare visitors pre-pandemic. A total of 6.8% of O'ahu's visitors planned to stay in a timeshare resort during the fourth quarter, the lowest share among the counties. The average O'ahu timeshare visitor spent 7.6 days on the island, the shortest length of stay in the state.

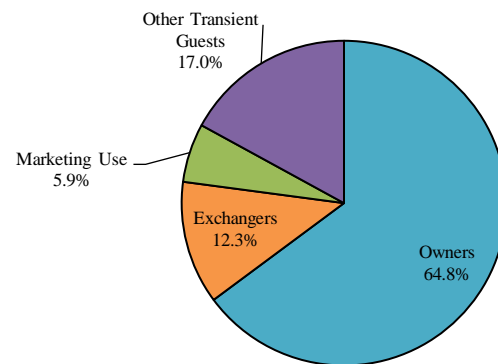
Participating properties on O'ahu reported a total of \$8.3 million in taxes during the fourth quarter, including \$2.8 million in real property taxes.

During the quarter, O'ahu timeshare resorts reported a 1.2% decrease in the number of resort operations employees and a 0.6% decrease in sales and marketing employment. Timeshare properties on O'ahu reported employee payroll expense of \$23.7 million during the fourth quarter of 2021, of which resort operations payroll accounted for \$14.2 million.

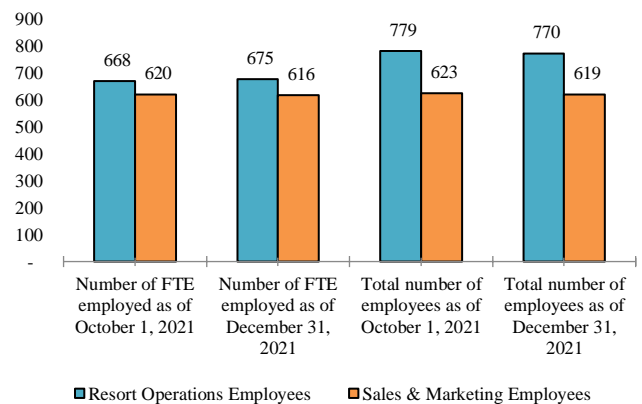
O'ahu Taxes



O'ahu Mix of Occupied Room Nights



O'ahu Employment



Maui County

Maui County’s timeshare properties achieved an average occupancy of 89.0% during the fourth quarter of 2021, highest among the counties and a 46.3 percentage point increase from Q4 2020’s 42.8% occupancy. The Q4 2021 occupancy was just shy of the 91.9% occupancy achieved during Q4 2019. During the fourth quarter of 2021, Maui’s hotel occupancy averaged 64.6%.

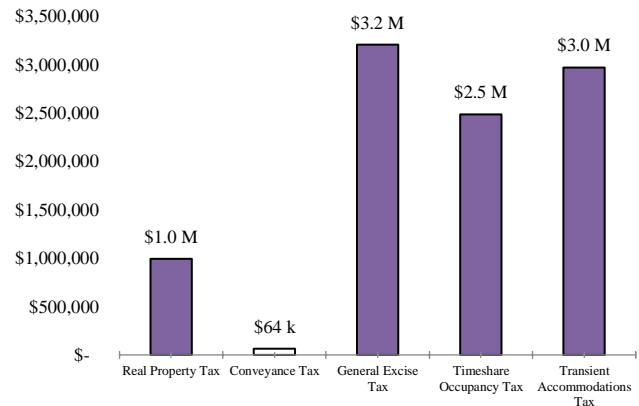
The average Maui County timeshare visitor had a 9.4-day length of stay during the fourth quarter, the longest average stay among the counties. Maui County welcomed 70,912 timeshare visitors during the fourth three months of 2021, compared with 27,922 during Q4 2020 and 75,136 during the fourth quarter of 2019. Timeshare visitors represented 11.1% of Maui County’s visitor market during the quarter.

Owner occupancy accounted for 69.4% of occupied room nights at Maui timeshare resorts during the quarter, the highest share among the counties. Exchange use accounted for 9.9% of occupied room nights, lowest among the counties. Transient Guests contributed 13.4% of occupied room nights. Marketing use represented 7.3% of occupied room nights in Maui County timeshares, the highest share among the counties.

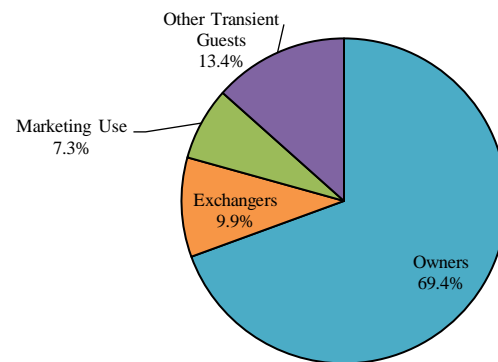
Maui County timeshare properties that provided survey data reported a total of \$9.7 million in state and county taxes during the fourth quarter. General Excise Taxes totaled \$3.2 million or 33.0.% of the total.

In the fourth quarter, Maui County timeshare properties reported a 0.3% increase in the total number of resort operations employees during the quarter, while the number of sales and marketing employees increased by 24.5%. Maui timeshare properties providing survey data reported \$22.6 million in total payroll expense during the quarter, of which resort operations payroll accounted for \$12.0 million. The opening of the Maui Bay Villas project earlier this year likely contributed to the increase in sales and marketing employment.

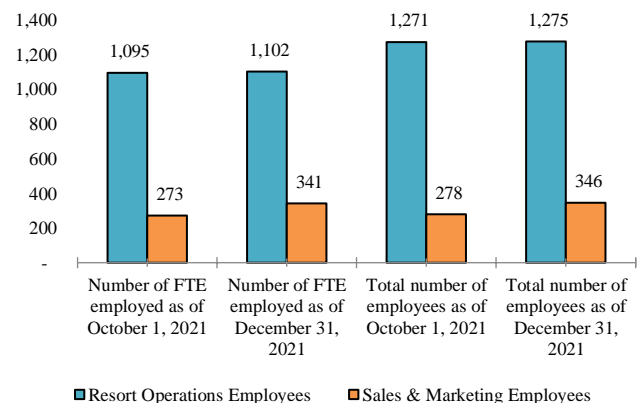
County of Maui Taxes



County of Maui Mix of Occupied Room Nights



County of Maui Employment



Kaua'i

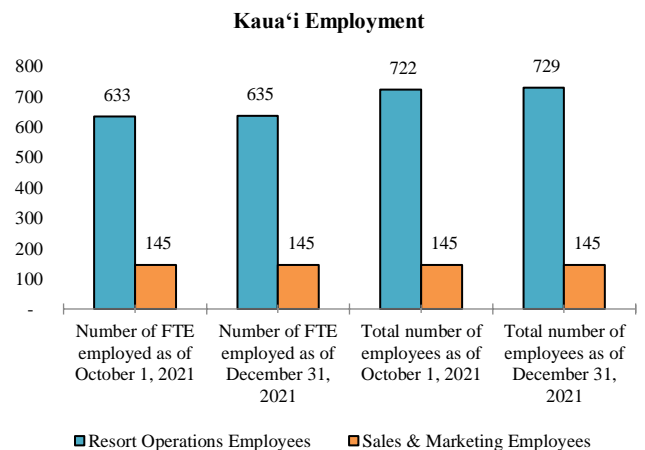
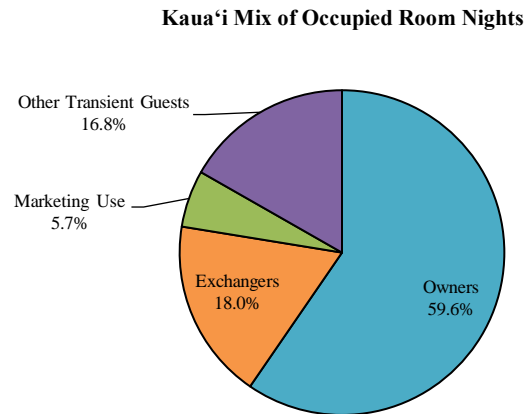
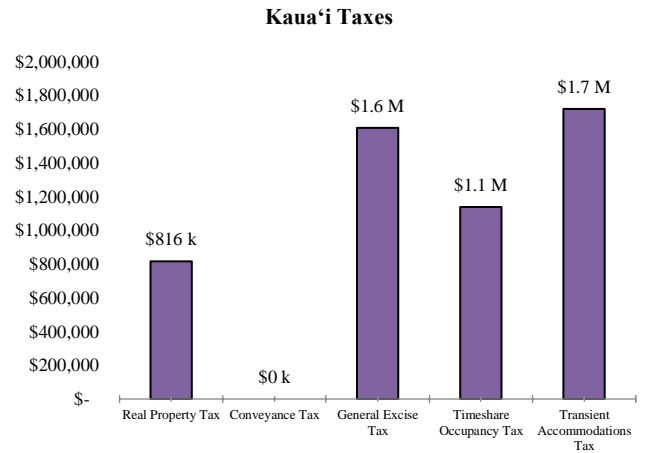
Timeshare resorts on Kaua'i averaged 88.2% occupancy during the fourth quarter of 2021, compared with 31.7% during the same period in 2020. Notably, occupancy at Kaua'i's timeshare resorts exceeded the pre-pandemic occupancy of 84.2% reported for Q4 2019. During the fourth quarter of 2021, Kaua'i's hotels and condominium hotels reported average occupancy of 69.6%.

Kaua'i continued to be the island with the highest proportion of timeshare visitors, with 17.8% of the island's visitors choosing to stay in a timeshare resort during the fourth quarter. For the quarter, Kaua'i welcomed 49,171 timeshare visitors, just shy of the 50,645 timeshare visitors during Q4 2019. Kaua'i timeshare visitors spent an average of 9.3 days on Kaua'i during Q4, second longest length of stay among the counties.

Owner use represented 59.6% of the occupied room nights during the final three months of 2021, the lowest share of owner use among the counties. Exchange use contributed 18.0% of occupied room nights on Kauai, the highest share among the counties. Transient use represented 16.8% of occupied room nights, while marketing use represented 5.7% of room nights, the lowest share in the state.

The Kaua'i timeshare resorts that provided survey data reported \$5.3 million in taxes during the fourth quarter, of which \$1.7 million or 32.6% were transient accommodation taxes.

Kauai timeshare properties reported a 1.0% increase in the number of resort operations employees during the quarter and no change in the number of sales and marketing employees. Participating respondents reported total payroll expense of \$15.8 million during Q4, of which \$12.2 million was resort operations payroll.



Hawai'i Island

Timeshare resorts on Hawai'i Island reported average occupancy of 84.7% during the fourth quarter of 2021, compared with 56.5% during the prior year and 89.4% pre-pandemic. During the same period, hotel occupancy on Hawai'i Island was 69.4%.

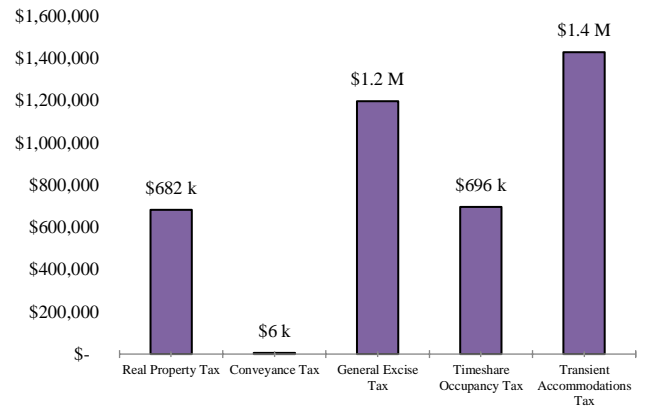
Owner use accounted for 69.3% of occupied room nights at timeshare properties on Hawai'i Island, the highest share among the counties. Exchange use accounted for 13.7% of occupied room nights. Hawai'i Island reported the lowest share of occupied room nights from transient use during the quarter, 10.5%. Marketing use represented 6.4% of occupied room nights.

Hawai'i Island reported a total of 40,761 timeshare visitors during the fourth quarter, compared with 43,209 visitors pre-pandemic. Timeshare visitors represented 11.7% of Hawai'i Island visitor arrivals during the quarter. The average Hawai'i Island timeshare visitor had a 9.0-day length of stay during the quarter.

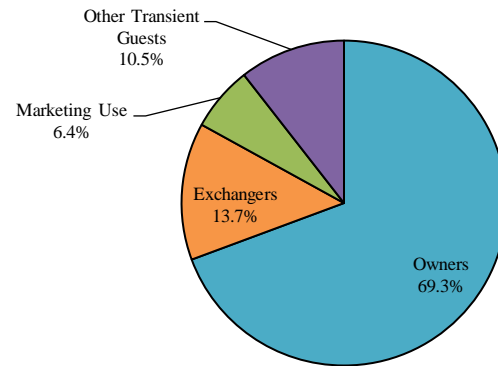
Hawai'i Island timeshare properties reporting data paid \$4.0 million in state and county taxes during the fourth quarter. Transient accommodation tax accounted for the largest share of the taxes, at \$1.4 million.

During the quarter, the total number of resort operations employees increased 1.5% while the number of sales and marketing employees increased by 9.6%. Timeshare properties on the island providing survey data reported paying a total of \$13.8 million in payroll and benefits.

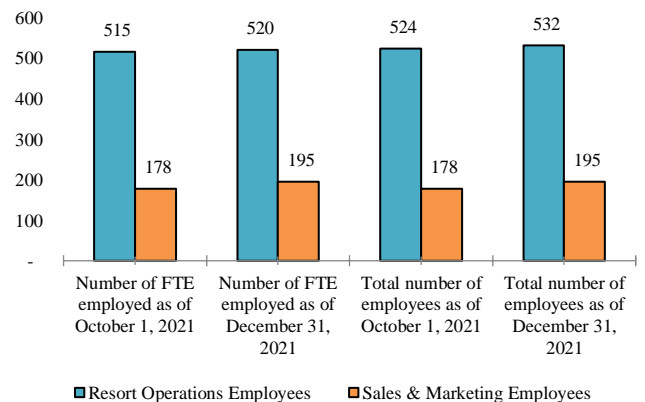
Hawai'i Island Taxes



Hawai'i Island Mix of Occupied Room Nights



Hawai'i Island Employment



Hawai'i Tourism Authority

1801 Kalākaua Avenue
Honolulu, Hawai'i 96815
Phone:(808) 973-2255
Fax:(808) 973-2253
www.Hawai'itourismauthority.org

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 was 84.4 percent of registered timeshare units statewide, which represents 58 participating properties and 10,302 units.