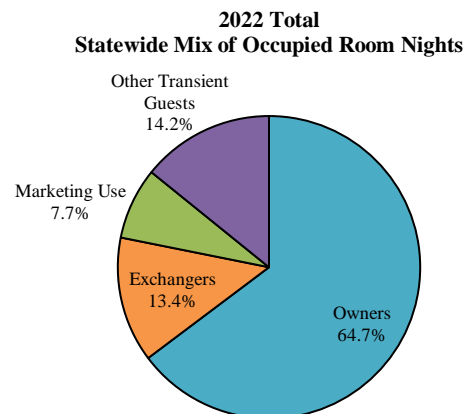
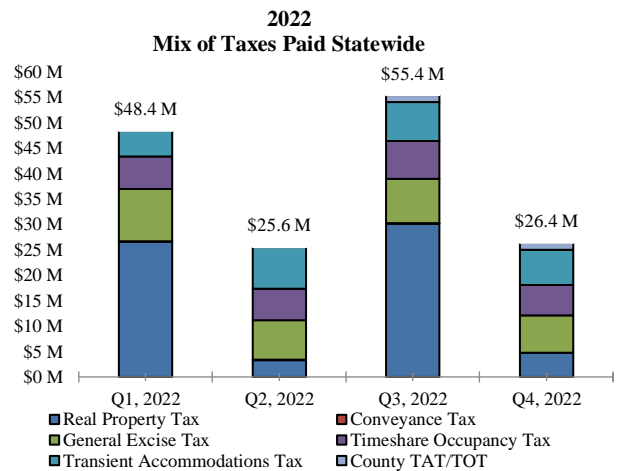
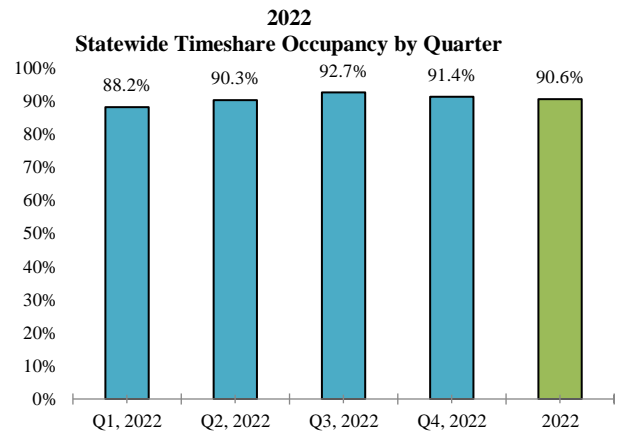


Statewide Timeshare Performance & Taxes

During 2022, occupancy at Hawai'i's timeshare resorts averaged 90.6%, a 12.7 percentage point increase from 2021's 77.9% occupancy and only 0.8 percentage points below 2019's pre-pandemic occupancy of 91.4%. Statewide hotel occupancy averaged 73.6% in 2022, according to STR, Inc. data published by the State of Hawai'i Department of Business, Economic Development & Tourism ("DBEDT"). Hawai'i's statewide hotel occupancy of 73.6% in 2022 trailed pre-pandemic occupancy by 7.2 percentage points. With statewide timeshare occupancy trailing its pre-pandemic mark by just 0.8 percentage points, occupancy at Hawai'i's timeshare resorts has recovered more quickly than at Hawai'i's hotels.

For the year, the state welcomed a total of 815,820 timeshare visitors, an increase from 2021's 686,939 timeshare visitor arrivals and 4.1% below the 850,653 timeshare visitors before the pre-COVID year of 2019. The decrease was mainly driven by the island of O'ahu, where 2022 timeshare visitor arrivals were 12.0% below pre-pandemic levels. Collectively, timeshare visitor arrivals on the Neighbor Islands trailed pre-pandemic levels by 0.9%. Restrictions on international air travel, which persisted well into 2022, affected O'ahu more than the Neighbor Islands because O'ahu has historically attracted a larger share of international visitors than the Neighbor Islands.

Of the state's timeshare visitors, 80.4% stayed exclusively in a timeshare resort while in Hawai'i, lower than the 82.3% share reported for 2021 but higher than the 2019 share of 78.4%. Hawai'i's timeshare resorts have recovered faster than the overall visitor market during the recovery from the pandemic-related travel slowdown. During 2022, timeshare visitors accounted for 8.9% of all Hawai'i's visitor arrivals, compared with 10.1% during 2021 but higher than the 8.3% share



reported for 2019. The average timeshare visitor had a 10.1-day length of stay in the state during 2022, consistent with 2021's average stay but longer than the 9.7-day average reported for 2019.

Owner use accounted for 64.7% of the occupied room nights at Hawai'i's timeshare resorts during 2022. Transient rental accounted for 14.2% of the occupied room nights during the year. Exchange use (timeshare owners staying in a timeshare they do not own via a timeshare exchange program) accounted for 13.4% of occupied room nights, while marketing use contributed 7.7%.

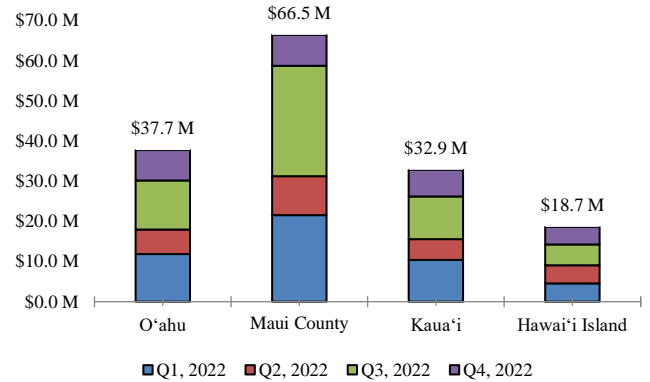
For 2022, participating timeshare properties reported paying \$155.8 million in state and county taxes, with real property taxes accounting for 41.6% of the total.

Statewide Employment & Payroll

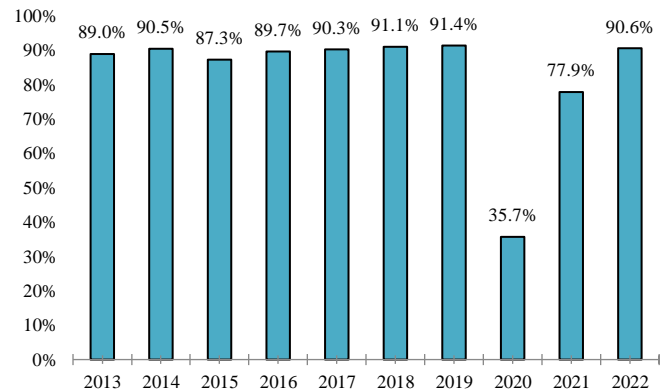
Participating timeshare properties reported a total of 3,068 resort operations employees as of December 31, 2022, an increase of 26 employees compared to the start of the year. Hawai'i's timeshare resorts continued to add employees during the year as leisure travel approached pre-pandemic levels. At year-end, there were 1,216 sales and marketing employees at Hawai'i's timeshare properties, a decrease of 234 employees compared to the start of the year.

For the year, survey respondents reported total payroll of \$266.6 million, comprised of \$138.5 million in resort operations payroll and \$128.0 million in sales and marketing payroll.

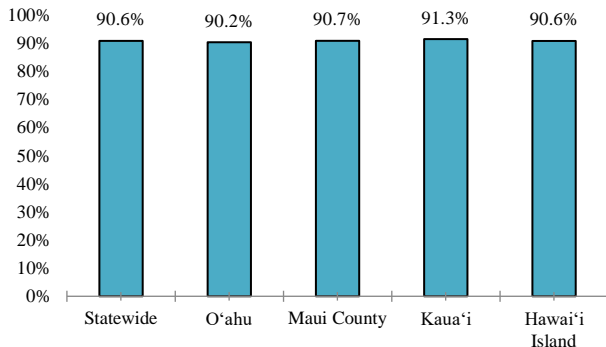
**2022
Total Taxes by Island**



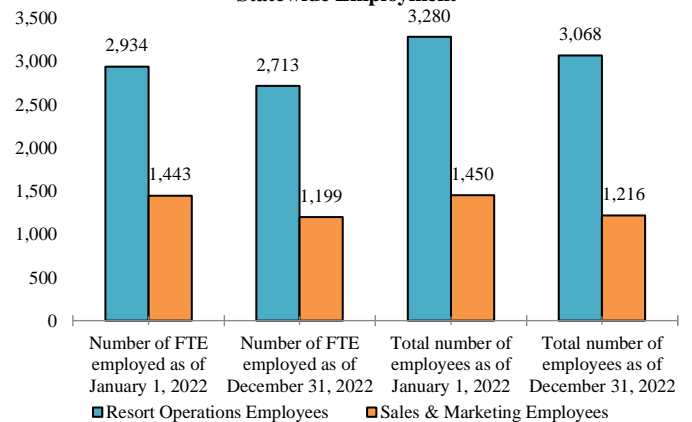
**Statewide Timeshare Occupancy
2013 - 2022**



**2022
Timeshare Occupancy by Island**



**2022
Statewide Employment**



O'ahu

Timeshare occupancy on O'ahu averaged 90.2% during 2022, the lowest timeshare occupancy among the counties but a 13.7 percentage point jump from 2021's 76.5% occupancy. O'ahu timeshare occupancy lagged pre-pandemic occupancy of 94.6%. For the year, hotel occupancy on the island averaged 75.4% during 2022, well short of 2019 occupancy of 84.1%.

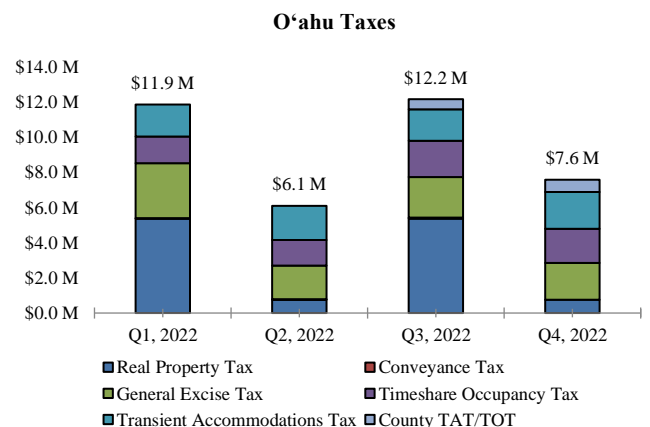
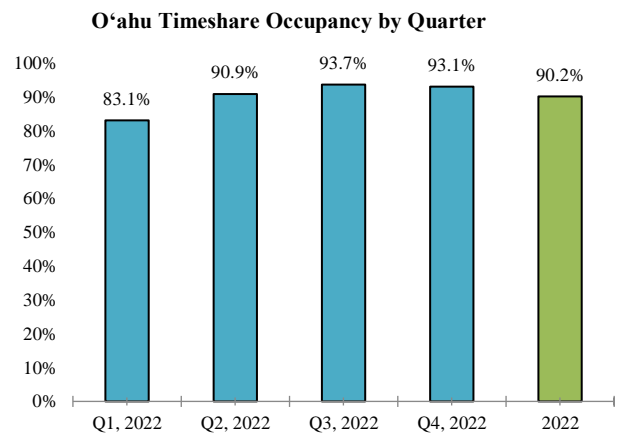
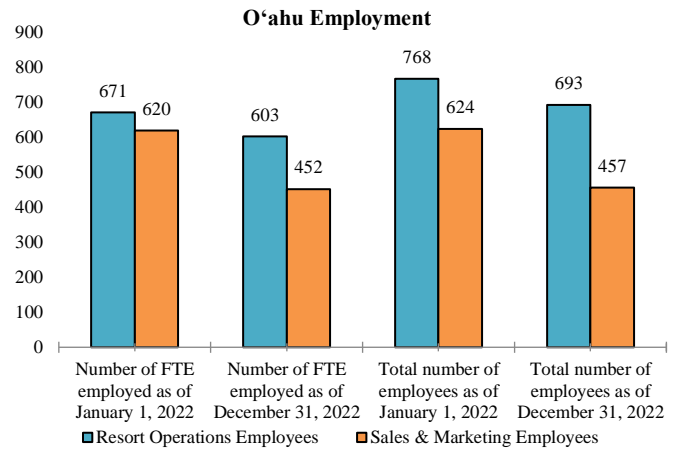
Owner use accounted for 63.1% of occupied room nights at O'ahu's timeshare properties during the year. Transient use contributed 18.9% of occupied room nights. Exchange use represented 11.8% of occupied room nights, while marketing use generated 6.2% of room nights.

Participating O'ahu timeshare properties paid a total of \$37.7 million in state and county taxes in 2022, of which 32.4% were real property taxes.

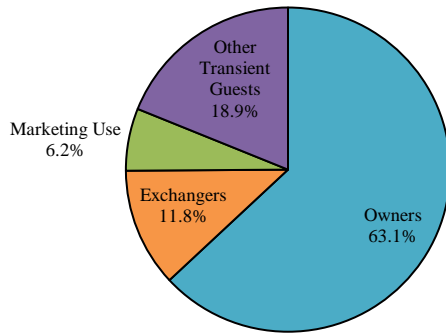
During 2022, O'ahu welcomed 284,534 timeshare visitors, a substantial increase from the 223,894 timeshare visitors to O'ahu in 2021 but 12.0% below the 323,424 timeshare visitor arrivals reported for 2019. Overall visitor arrivals to O'ahu in 2022 were 21.4% below 2019's level, driven by a 73.1% decrease in international visitor arrivals.

Timeshare visitors represented 5.8% of all O'ahu visitors during the year, the lowest share among the islands. During 2019, timeshare visitors represented 5.2% of O'ahu's visitor arrivals. O'ahu timeshare visitors had a 7.4-day average length of stay in 2022, the shortest timeshare visitor length of stay in the state but an increase from the 6.7-day average reported for 2019.

Participating timeshare properties on O'ahu reported payroll totaling \$75.9 million in 2022, including \$31.2 million in resort operations payroll and \$44.7 million in sales and marketing payroll.



O'ahu Mix of Occupied Room Nights



Maui County

Maui County's timeshare occupancy averaged 90.7% during 2022, compared with 85.4% during 2021 and 94.0% in 2019. Hotel occupancy in Maui County averaged 67.6% in 2022, compared to the 77.7% occupancy achieved pre-pandemic.

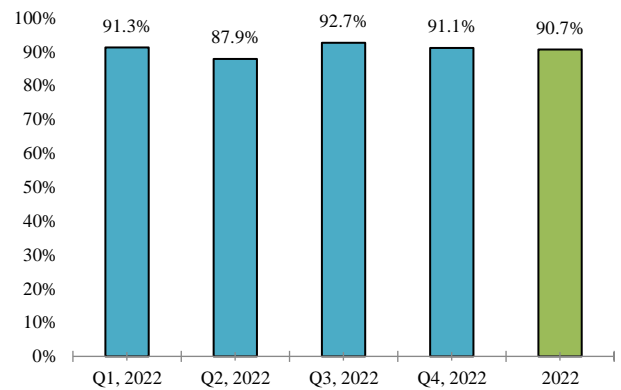
Owner use accounted for 70.3% of occupied room nights at Maui's timeshare properties during the year. Transient use contributed 10.9% of occupied room nights, followed by exchange use at 9.4% of occupied room nights. Maui County timeshare resorts reported the greatest share of marketing use during the year at 9.3%.

Timeshare properties providing data paid a total of \$66.5 million in state and county taxes in 2022, of which \$34.5 million (52.0%) were real property taxes.

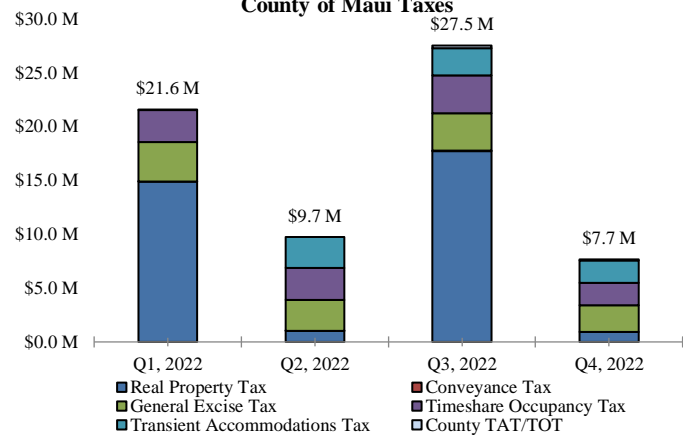
Maui County led the state in timeshare visitor arrivals during 2022 and exceeded pre-pandemic levels. A total of 310,455 timeshare visitors traveled to Maui County during the year, which exceeded the 309,366 reported for 2019. Timeshare visitors represented 10.5% of all Maui County visitors during the year, higher than the 2019 timeshare market share of 9.9%. Maui County timeshare visitors had a 9.1-day average length of stay in 2022, comparable to the 9.0-day average reported for 2019.

Timeshare properties in Maui County that provided data reported total payroll of \$66.4 million in 2022, of which \$30.6 million was resort operations payroll and \$35.8 million was sales and marketing payroll.

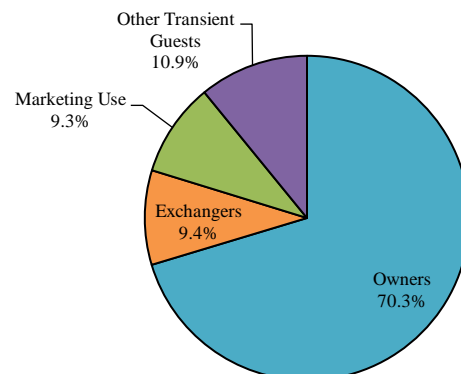
County of Maui Timeshare Occupancy by Quarter



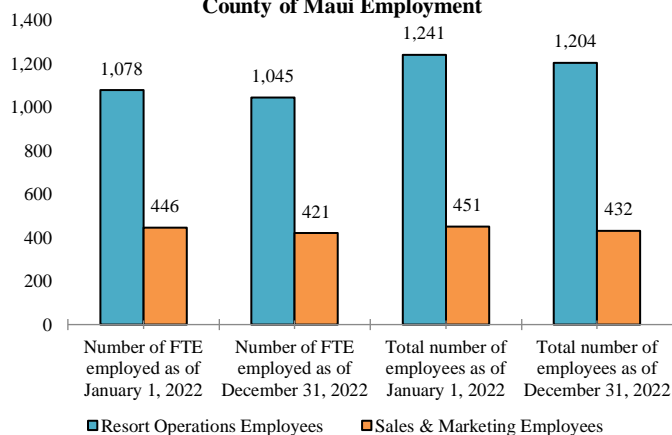
County of Maui Taxes



County of Maui Mix of Occupied Room Nights



County of Maui Employment



Kaua'i

Timeshare occupancy on Kaua'i averaged 91.3% during 2022, the highest timeshare occupancy among the counties and a substantial increase compared to the prior year. Kaua'i's 91.3% timeshare occupancy during 2022 also exceeded 2019's occupancy of 85.9%, indicating that Kaua'i's timeshare resorts have more than fully recovered from the COVID-19 related slowdown. During 2022, hotel occupancy on the island averaged 77.7%, which also exceeded the pre-pandemic hotel occupancy rate of 72.8%.

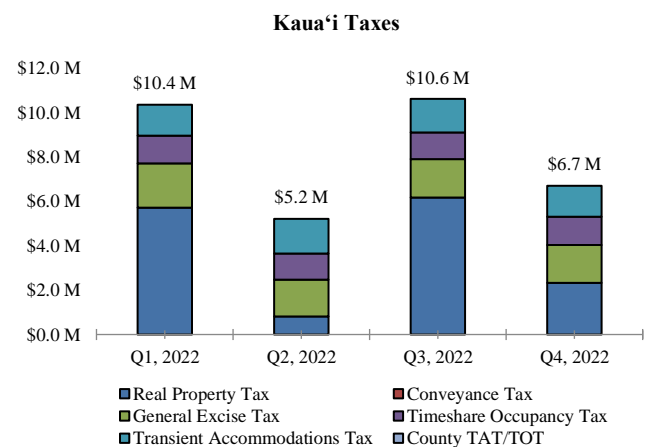
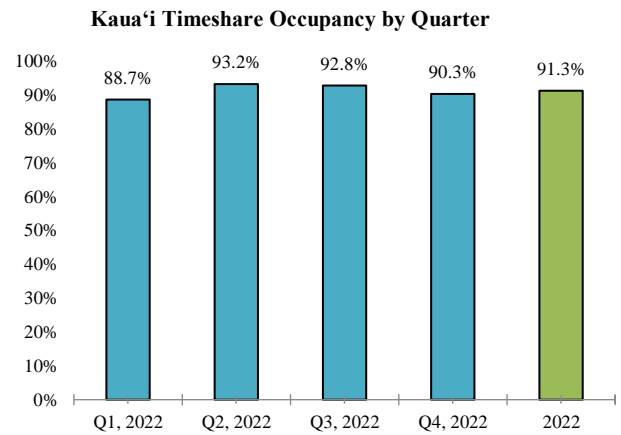
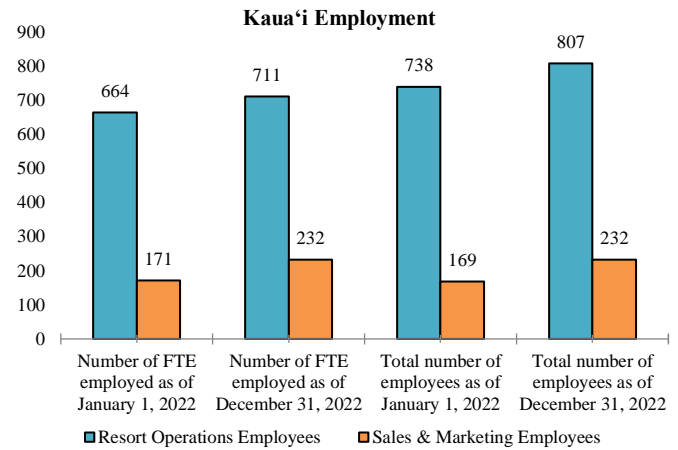
Owner use accounted for 61.1% of occupied room nights at Kaua'i's timeshare properties during the year. Exchange use accounted for 16.9% of occupied room nights. Transient use represented 14.5% of occupied room nights, while marketing use added 7.4% of occupied room nights.

Participating Kaua'i timeshare properties paid a total of \$32.9 million in state and county taxes in 2022, of which \$15.1 million (45.8%) were real property taxes.

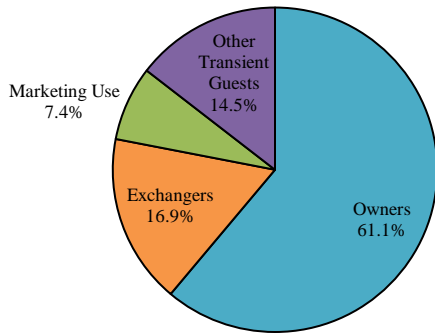
During 2022, Kaua'i welcomed 206,216 timeshare visitors, a large increase from 2021's 150,937 timeshare visitors but 1.7% lower than 2019's 209,883 timeshare visitor arrivals.

Timeshare visitors represented 15.3% of all Kaua'i visitors during the year, by far the highest share among the counties and consistent with the island's pre-pandemic timeshare market share. In 2022, Kaua'i timeshare visitors had a 9.0-day average length of stay in 2022, again, consistent with the pre-pandemic average stay.

Timeshare properties on Kaua'i that reported data had payrolls totaling \$69.2 million in 2022, \$44.5 million for resort operations and \$24.8 million for sales and marketing.



Kaua'i Mix of Occupied Room Nights



Hawai'i Island

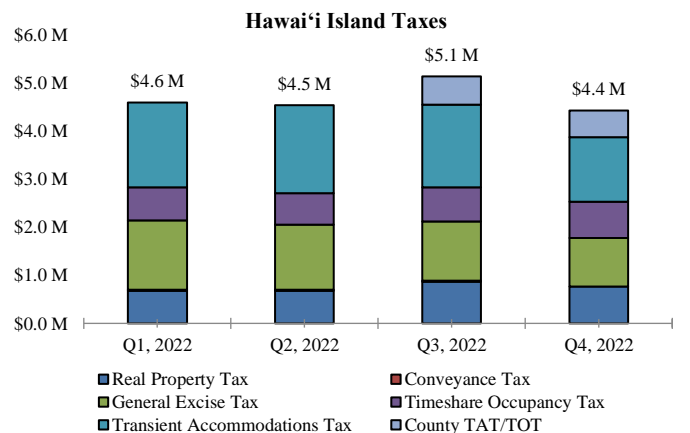
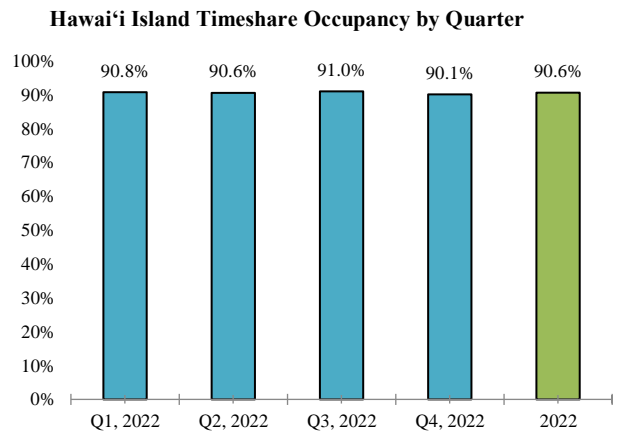
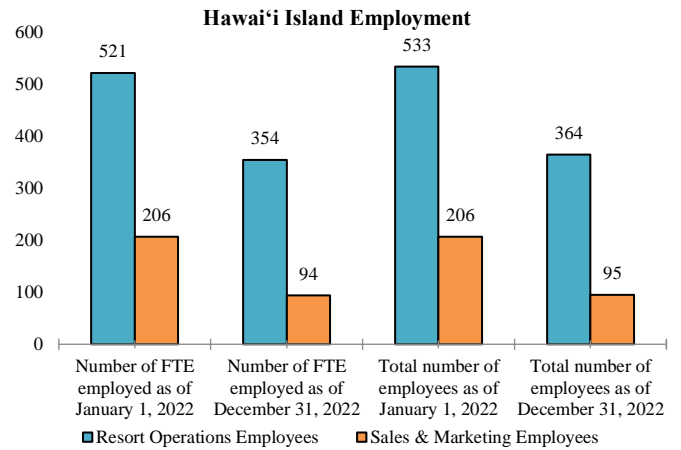
Hawai'i Island timeshare resorts achieved annual occupancy of 90.6% during 2022, compared with 76.8% occupancy in 2021. Like Kaua'i, timeshare occupancy on Hawai'i Island exceeded pre-pandemic level. Timeshare occupancy on the island averaged 88.6% in 2019. During 2022, hotel occupancy on Hawai'i Island averaged 74.9%, compared to 77.0% during 2019.

At Hawai'i Island timeshare properties in 2022, owner use accounted for 62.4% of occupied room nights. Exchange use accounted for 18.5% of occupied room nights. Transient use represented 11.6% of occupied room nights at Hawai'i Island timeshare resorts, while marketing use contributed 7.5% of occupied room nights.

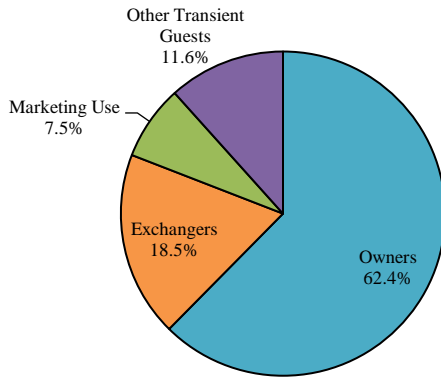
Hawai'i Island welcomed 168,376 timeshare visitors during 2022, an increase from the 137,529 timeshare arrivals in 2021, but 2.3% below 2019's 172,345 arrivals. Timeshare visitors represented 10.1% of the island's visitor market during the year, compared with 9.7% during 2019. The average timeshare visitor to Hawai'i Island stayed on the island for 8.6 days, up from the 2019 average of 8.1 days.

The Hawai'i Island timeshare properties reporting tax data to the survey report a total of \$18.7 million in state and county taxes during the year. Real property taxes totaled \$3.0 million during 2022 or 16.1% of the total.

Timeshare properties on the island providing survey data reported total resort operations payroll expense of \$32.3 million and another \$22.8 million in sales and marketing payroll expense during 2022, or a grand total of \$55.1 million in payroll expense for the year.



Hawai'i Island Mix of Occupied Room Nights



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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 for the 2022 survey year ranged between 82.2 to 84.5 percent of registered timeshare units statewide, which ranged between 54 to 59 participating properties.