



# Hawai'i Timeshare Quarterly July - September, 2013

## Statewide Timeshare Performance & Taxes

Statewide Hawai'i timeshare occupancy averaged 89.4 percent during the third quarter in 2013, which was significantly higher than the traditional hotel and condo hotel market, which averaged 77.6 percent during the same period. The high third quarter occupancy was primarily driven by a strong month of July across all lodging products and islands.

The Hawai'i Tourism Authority ("HTA") reported that 211,235 visitors, or 10.1 percent of all visitors stayed in timeshare properties in the third quarter, up 1.7 percent from last year. The growth was due to the increase in visitors choosing to stay in timeshare properties in July and August.

Hawai'i timeshare survey participants generated over \$9 million in taxes, including real property tax, conveyance tax, general excise tax, transient occupancy tax ("TOT"), and transient accommodations tax ("TAT"). In most cases, conveyance taxes are paid by timeshare owners and not tracked at the property level. However, the TAT is paid by timeshare operators for transient rentals.

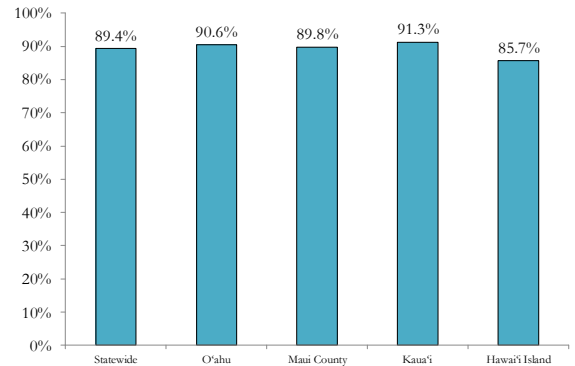
Interval owners accounted for the majority (54.8 percent) of occupancy according to survey participants. Most timeshare resorts have units available for transient rental, with transient guests accounting for 19.5 percent of occupied units during the third quarter. Transient guest room nights also includes additional room nights purchased by timeshare owners and exchangers beyond their allotted timeshare ownership stay.

## Statewide Employment and Payroll

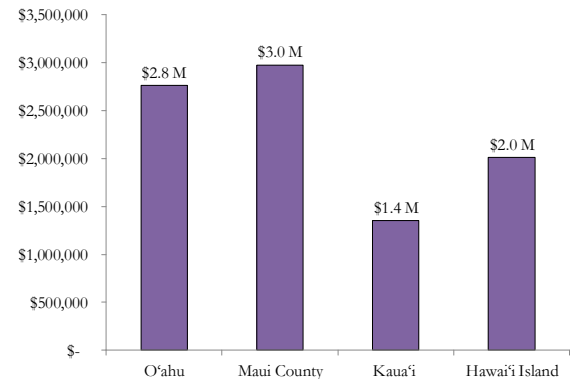
Statewide survey participants reported an overall net increase in both resort operations employees (+4.8 percent) and sales & marketing employees (+4.3 percent) over the three month period.

Timeshare payroll expenses for survey participants totaled over \$20.5 million for resort operations employees and \$30.6 million for sales and marketing employees.

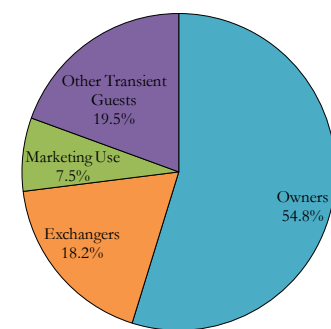
Timeshare Occupancy by Island



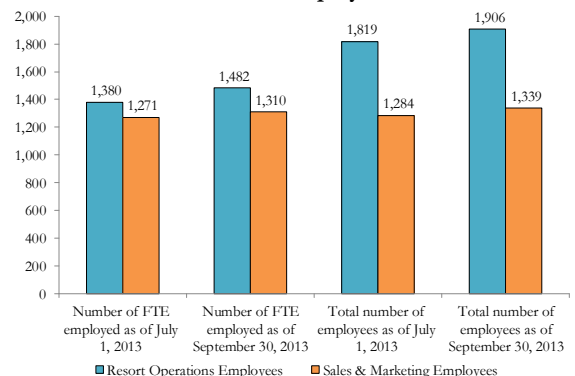
Total Taxes by Island



Statewide Mix of Occupied Room Nights



Statewide Employment

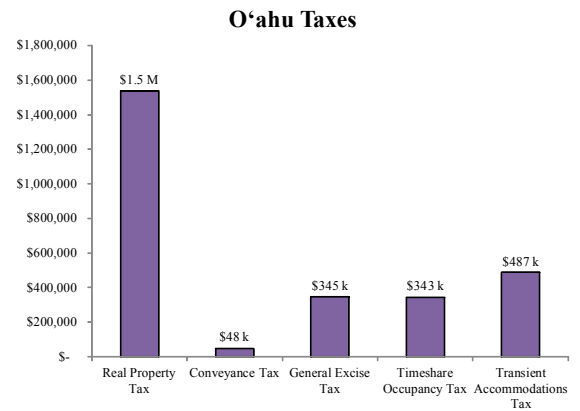
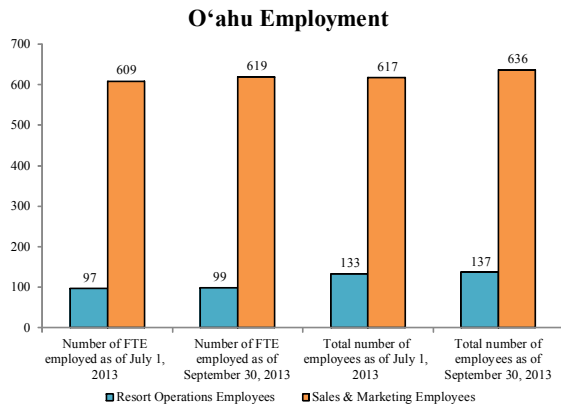


## O'ahu

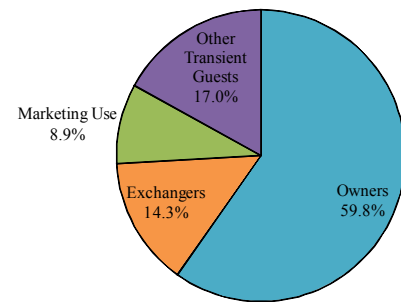
Timeshare resorts on O'ahu were 90.6 percent occupied during the third quarter, with nearly 75 percent of units being occupied by timeshare owners and exchangers.

Taxes on O'ahu totaled \$2.8 million, with real property taxes accounting for \$1.5 million of taxes generated.

O'ahu saw relatively small increases in resort operations employees (+3.0 percent) as well as sales and marketing employees (+3.1 percent). O'ahu reported a much larger share of sales and marketing employees than other islands, likely due to its larger share of unsold inventory.



### O'ahu Mix of Occupied Room Nights

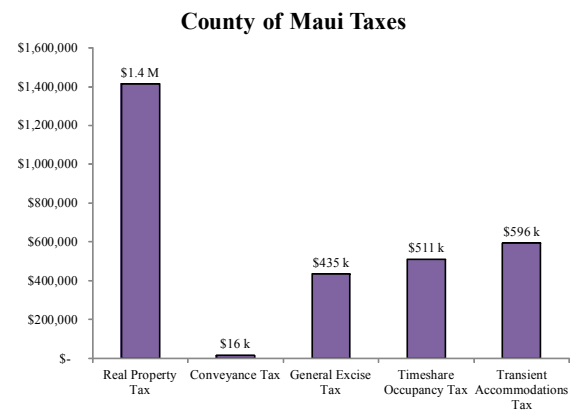
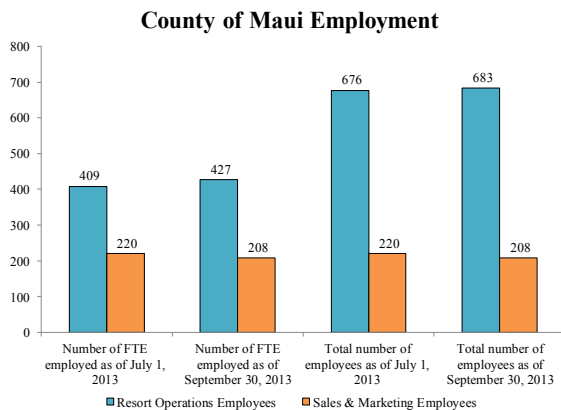


## Maui County

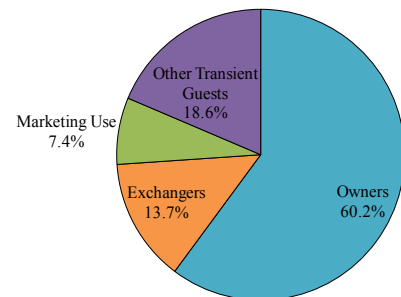
Occupancy at Maui County timeshare resorts was 89.9 percent for the third quarter. Timeshare units were primarily occupied by owners, representing 60.2 percent of all visitors to the county, which is the highest percentage of owner use among all islands.

Maui County generated a total of \$3.0 million in taxes in the third quarter, with 47.6 percent representing real property taxes.

Maui was the only island to report a net decrease in sales and marketing employees (-5.5 percent) in the third quarter., but saw an increase in resort operations employees over the three months (+1.0 percent). The majority of the decreases occurred at large branded timeshare properties at the end of the quarter.



### County of Maui Mix of Occupied Room Nights



## Kaua'i

Timeshare occupancy on Kaua'i outperformed all other islands at 91.3 percent during the third quarter. In contrast to traditional hotel and condo hotel occupancy which averaged 74 percent for the same period. The island also reported the highest number of other transient guest room nights, which also includes additional room nights purchased by timeshare owners and exchangers above their allotted ownership stay.

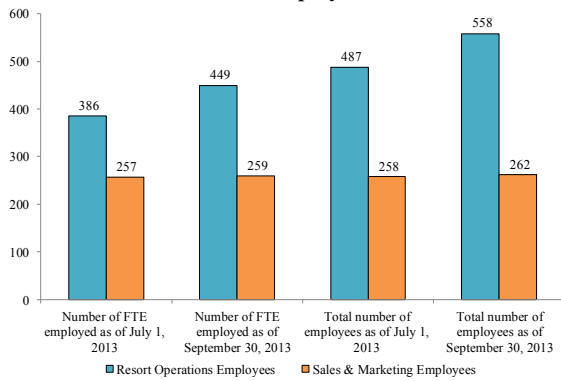
Kaua'i survey participants reported \$1.4 million in taxes generated in the three months.

The island saw net increases in both resort operations employees (+14.6 percent) and sales and marketing employees (+1.6 percent) in the third quarter.

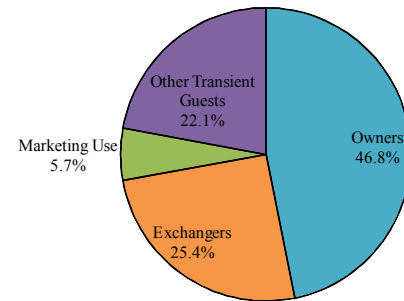
**Kaua'i Taxes**



**Kaua'i Employment**



**Kaua'i Mix of Occupied Room Nights**



## Hawai'i Island

Hawai'i Island timeshare occupancy at 85.7 percent in the third quarter, driven by a strong month of July with 87.4 percent occupancy.

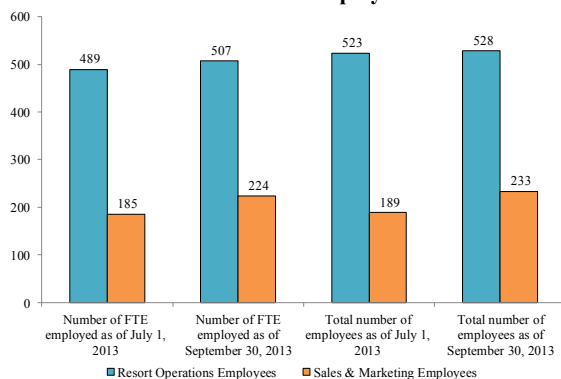
During the three months, \$2.0 million in taxes were generated, with 53.9 percent representing real property taxes.

Survey participants reported an overall net increase in both resort operations employees (+1.0 percent) and sales and marketing employees (+23.3 percent) over the three month period. The large were driven by large branded timeshare properties.

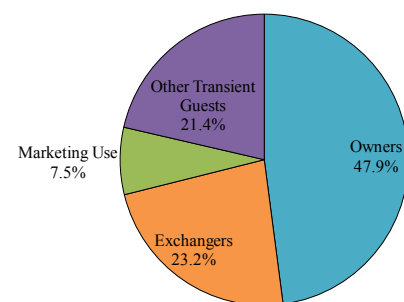
**Hawai'i Island Taxes**



**Hawai'i Island Employment**



**Hawai'i Island Mix of Occupied Room Nights**



**Hawai'i Tourism Authority**

1801 Kalākaua Avenue  
Honolulu, Hawaii 96815

Phone: (808) 973-2255  
Fax: (808) 973-2253

**Survey Overview**

Hospitality Advisors LLC was engaged by Hawai'i Tourism Authority to conduct a recurring quarterly market performance survey of Hawai'i's timeshare industry. 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

Participation rates in the Statewide timeshare survey was strong at 73.7 percent of registered timeshare units statewide, which represents 51 properties and 7,389 units.