



Hawai'i Timeshare Quarterly Year-End 2018

Statewide Timeshare Performance & Taxes

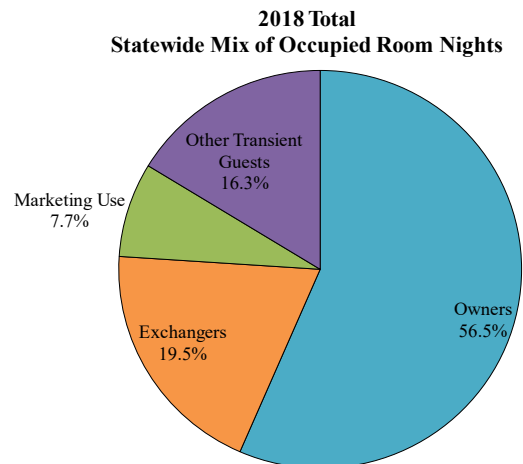
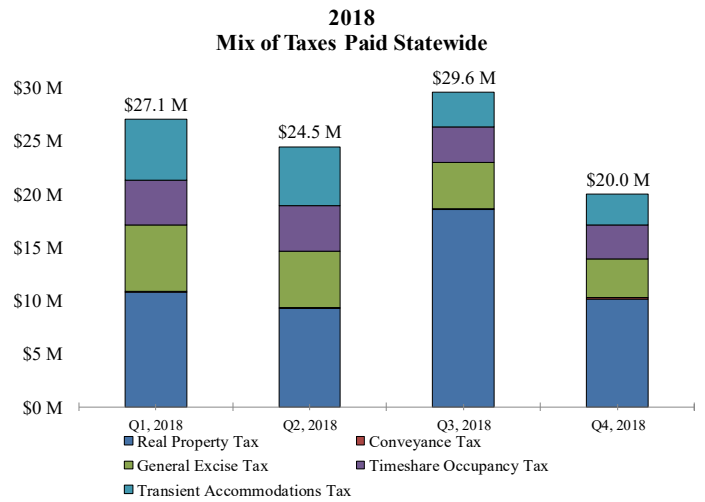
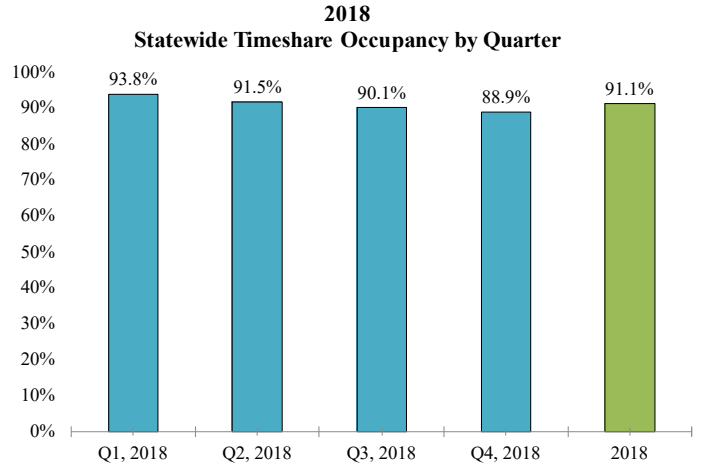
For the year, Hawai'i's timeshare industry achieved occupancy of 91.1%, a 0.8 percentage point increase from 2017. Statewide hotel occupancy averaged 79.8% in 2018, according to STR, Inc. data published by the Hawai'i Tourism Authority ("HTA").

The State of Hawai'i welcomed a total of 842,278 timeshare visitors during 2018, a 0.1 % increase from the previous year. Of the state's timeshare visitors, 77.3% stayed exclusively in a timeshare resort while in Hawai'i, an increase from 73.0% in 2017. During 2018, timeshare visitors accounted for 8.6% of all Hawai'i visitor arrivals, compared with 9.1% during 2017. The average timeshare visitor had a 10.1 day length of stay in the state during 2018, compared with 10.2 days in 2017.

Owner use accounted for 56.5% of the occupied room nights at Hawai'i's timeshare resorts during 2018. Exchangers accounted for 19.5% of the occupied room nights, followed by transient rental, which represented 16.3% of room nights. Marketing use represented 7.7% of occupied room nights.

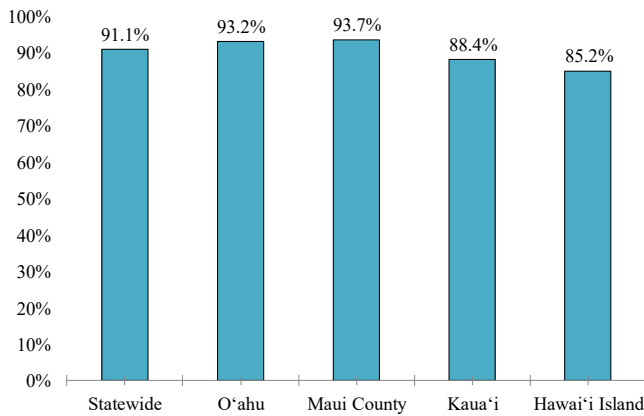
During 2018, participating timeshare properties reported paying \$101.2 million in state and county taxes, with real property taxes accounting for 48.2% of the total.

Participating timeshare properties reported a total of 2,222 resort operations employees as of December 31, 2018, a decrease of 344 employees compared with the start of the year. At year-end there were 2,580 sales and marketing employees at Hawai'i's timeshare properties, a decrease of 452 employees compared with the start of the year. It should be noted that much of the decreases in reported employee counts were due to two large timeshare resorts declining to provide year-end employment data.

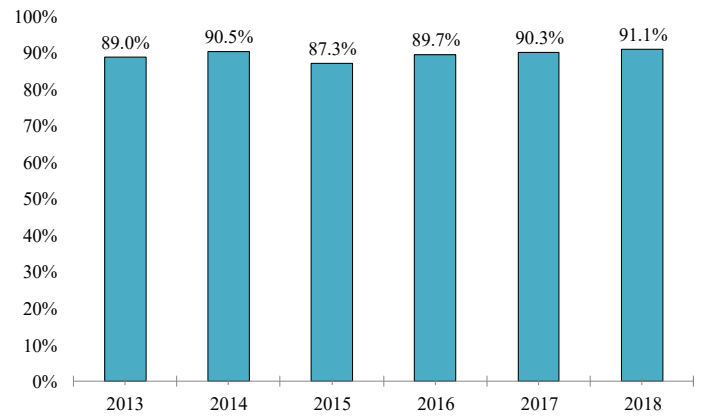


For the year, survey respondents reported total payroll of \$280.9 million, comprised of \$123.5 million in resort operations payroll and \$157.4 million in sales and marketing payroll.

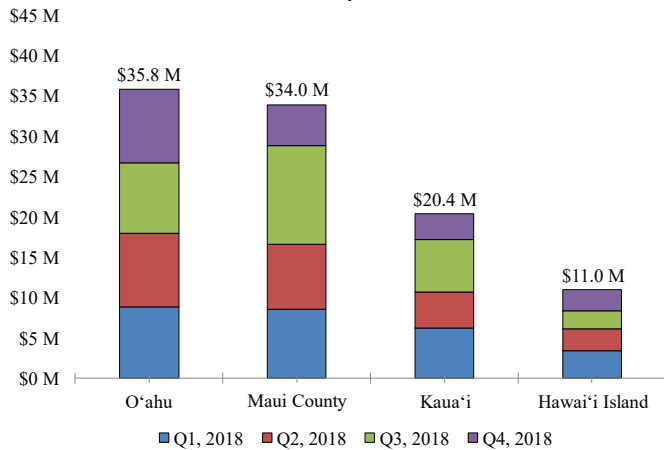
**2018
Timeshare Occupancy by Island**



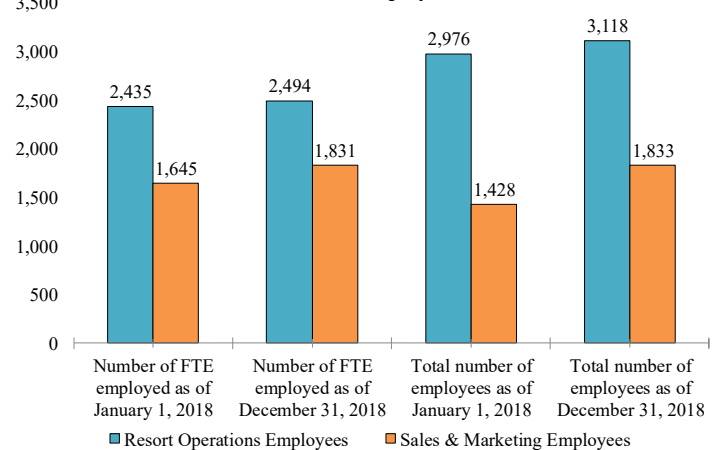
**Statewide Timeshare Occupancy
2013 - 2018**



**2018
Total Taxes by Island**



**2018
Statewide Employment**



O'ahu

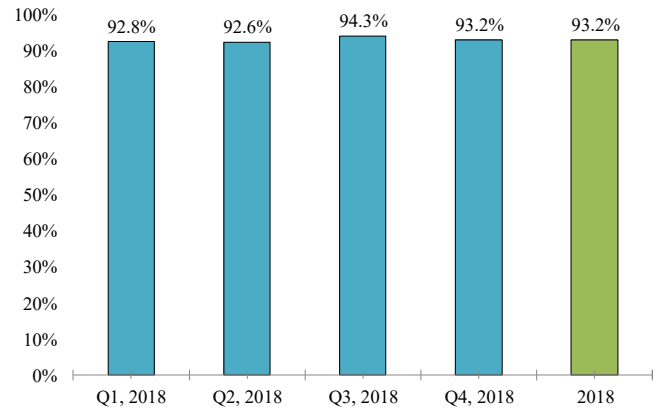
Timeshare occupancy on O'ahu averaged 93.2% during 2018, a 2.3 percentage point increase from the prior year. For the year, hotel occupancy on the island averaged 83.9%. Owner use accounted for 62.3% of occupied room nights at O'ahu's timeshare properties during the year, the highest share among the islands. Transient use contributed 16.8% of occupied room nights, while exchange use represented 13.6% of occupied room nights.

Participating O'ahu timeshare properties paid a total of \$35.8 million in state and county taxes in 2018, of which 44.0% were real property taxes.

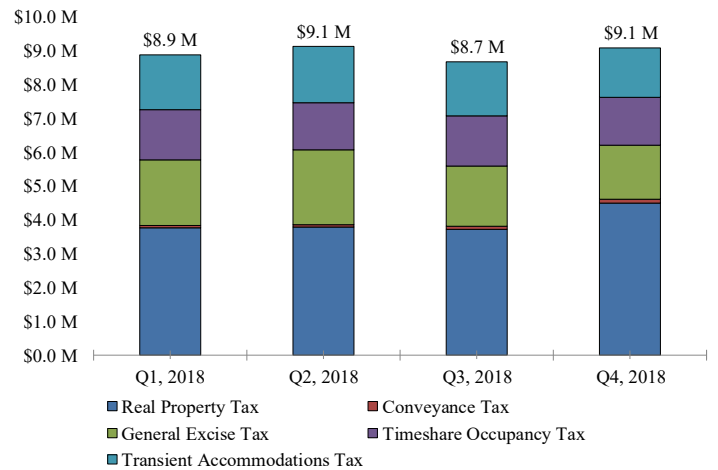
For the year, O'ahu welcomed 325,640 timeshare visitors, an 3.4% decrease from 2017. Timeshare visitors represented 5.5% of all O'ahu visitors during the year, the lowest share among the counties and lower than the 5.9% share reported for 2017. O'ahu timeshare visitors had a 7.2 day average length of stay in 2018, comparable to the 2017 length of stay.

Participating timeshare properties on O'ahu reported payroll totaling \$84.5 million in 2018.

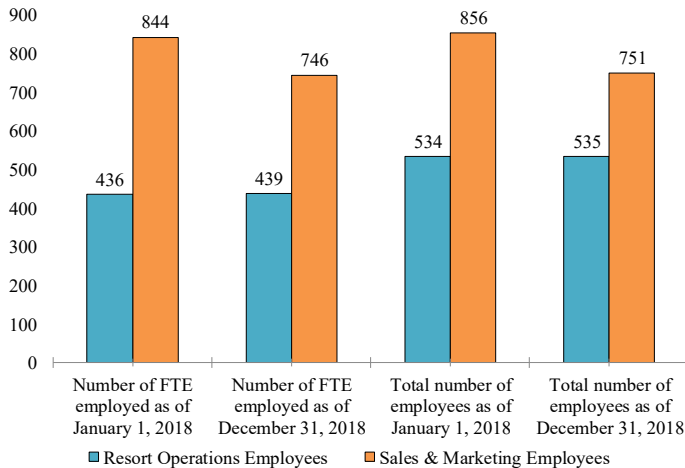
O'ahu Timeshare Occupancy by Quarter



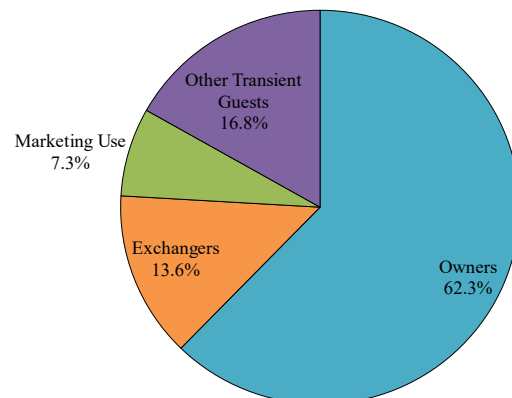
O'ahu Taxes



O'ahu Employment



O'ahu Mix of Occupied Room Nights



Maui County

Maui County's timeshare occupancy on averaged 93.7% during 2018, a 2.4 percentage point increase from the prior year. Hotel occupancy in Maui County averaged 75.9% for the year.

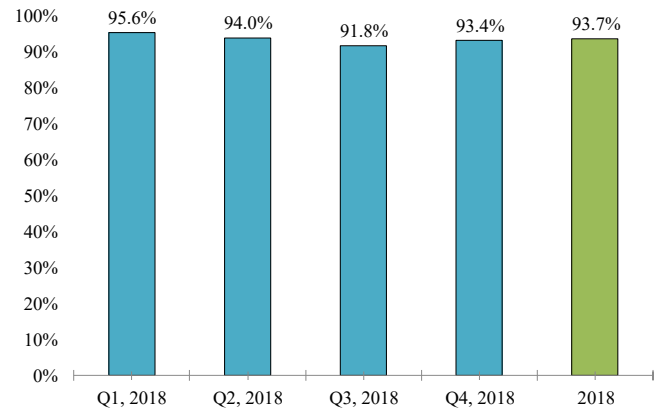
Owner use accounted for 55.8% of occupied room nights at Maui's timeshare properties during the year. Exchange use contributed 20.3% of occupied room nights, followed by transient use at 15.3% of occupied room nights.

Timeshare properties providing data paid a total of \$34.0 million in state and county taxes in 2018, of which 50.9% were real property taxes.

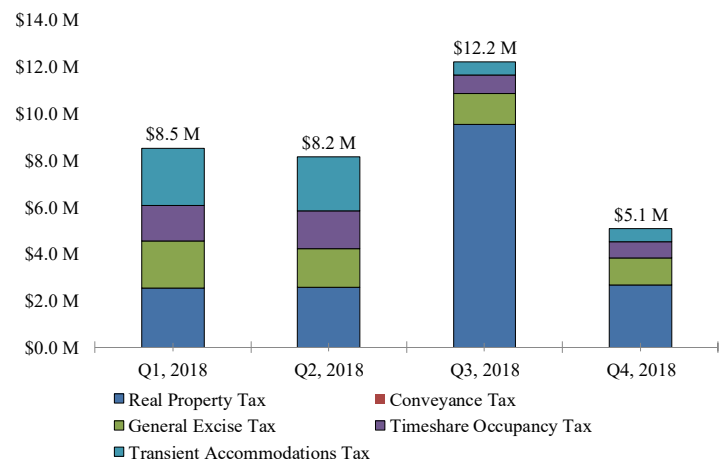
During 2018, 311,983 timeshare visitors arrived in Maui County, an increase of 2.3% over 2017. Timeshare visitors represented 10.5% of all Maui County visitors during the year, comparable to 2017. Maui County timeshare visitors had a 9.2 day average length of stay in 2018, comparable to the 2017 length of stay average.

Timeshare properties in Maui County that provided data reported total payroll of \$85.1 million in 2018, \$56.9 million for resort operations and \$28.3 million for sales and marketing.

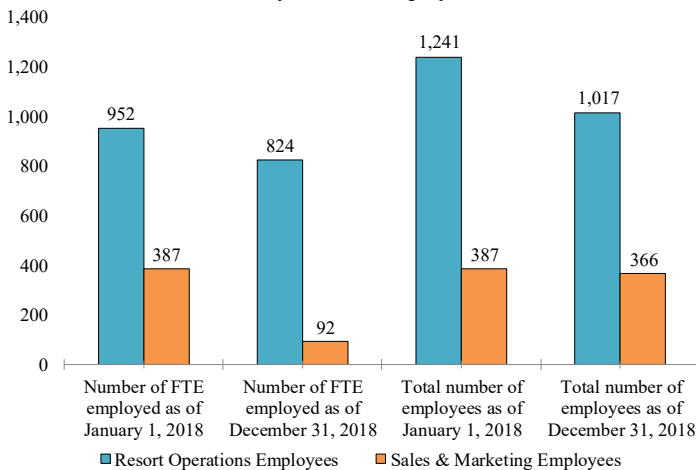
County of Maui Timeshare Occupancy by Quarter



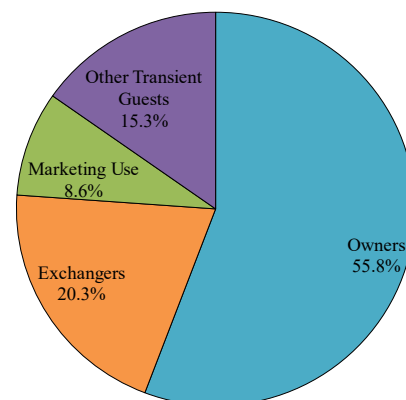
Maui County Taxes



County of Maui Employment



County of Maui Mix of Occupied Room Nights



Kaua'i

Timeshare occupancy on Kaua'i averaged 88.4% during 2018, a 1.9 percentage point decrease from 2017. During 2018, hotel occupancy on the island averaged 75.4%.

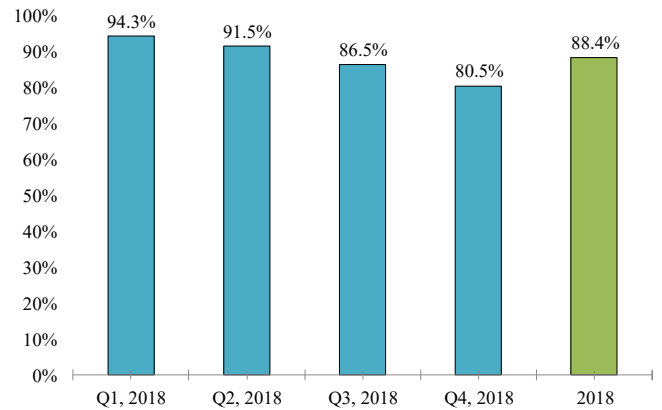
Owner use accounted for 55.0% of occupied room nights at Kaua'i's timeshare properties during the year, while exchange use accounted for 23.7% of occupied room nights. Transient use represented 14.4% of occupied room nights.

Participating Kaua'i timeshare properties paid a total of \$20.4 million in state and county taxes in 2018, of which 52.7% were real property taxes.

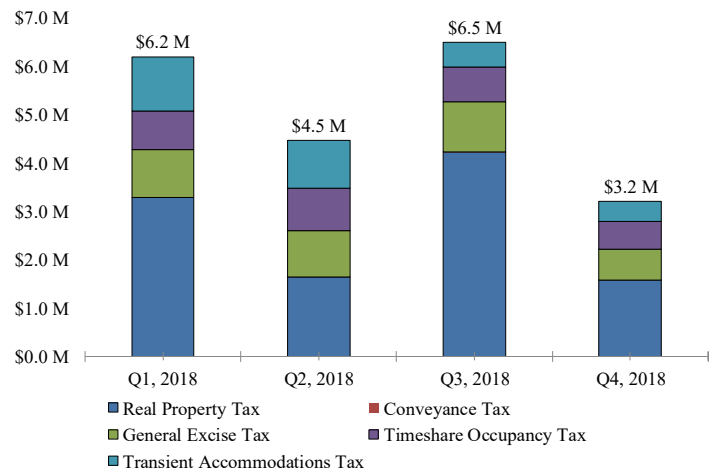
For the year, Kaua'i welcomed 210,579 timeshare visitors, a slight decrease compared to 2017. Timeshare visitors represented 15.3% of all Kaua'i visitors during the year, by far the highest share among the counties but down from the 16.5% share reported for 2017. In 2018, Kaua'i timeshare visitors had a 9.1 day average length of stay in 2018, comparable to the 2017 length of stay.

Timeshare properties on Kaua'i reporting data had payrolls totaling \$49.7 million in 2018, \$27.4 million for resort operations and \$22.3 million for sales and marketing.

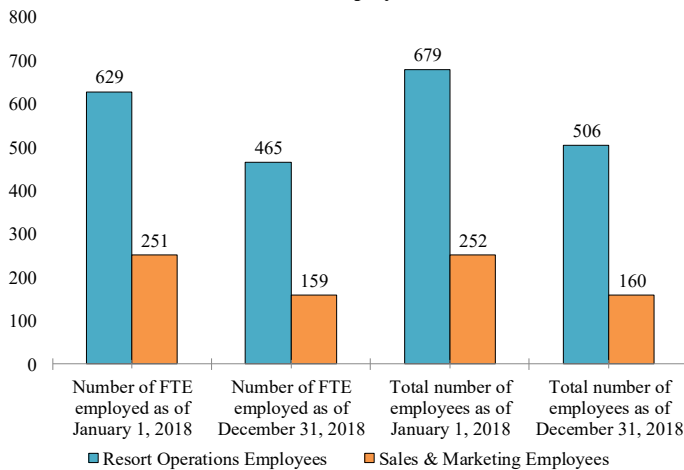
Kaua'i Timeshare Occupancy by Quarter



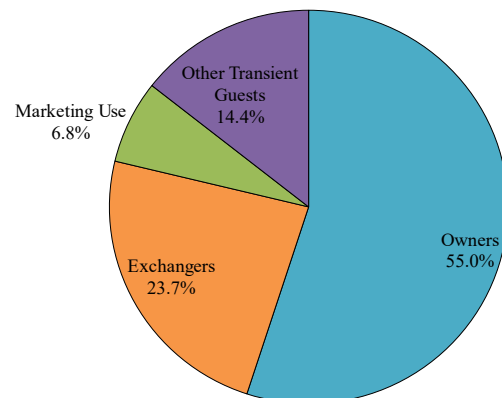
Kaua'i Taxes



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 2018, unchanged compared to 2017. During the same period, hotel occupancy on Hawai'i Island averaged 72.2%.

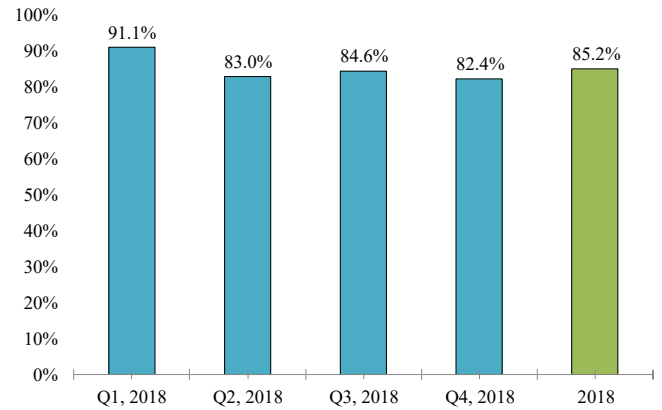
At Hawai'i Island timeshare properties in 2017, owner use accounted for 48.8 % of occupied room nights, the lowest owner use share among the islands. Transient use represented 20.3% of occupied room nights at Hawai'i Island timeshare resorts, the highest share of transient use among the islands.

A total of 168,568 timeshare visitors arrived on Hawai'i Island during 2018, 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, comparable to the length of stay average in 2017.

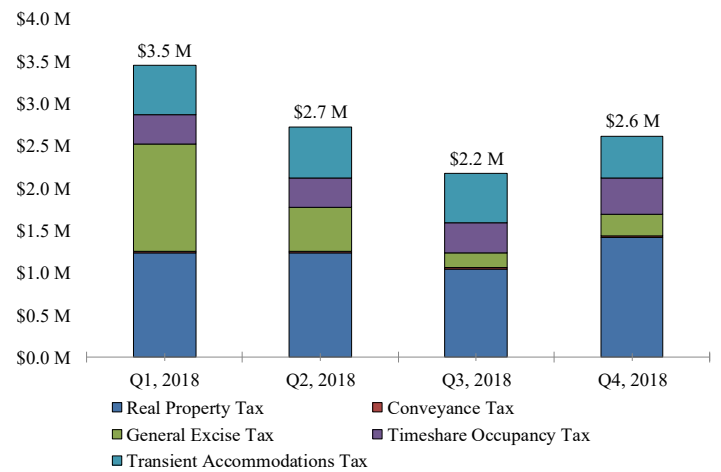
The Hawai'i Island timeshare properties reporting tax data to the survey report a total of \$11.0 million in state and county taxes during the year. Real property taxes totaled \$4.9 million during 2018 or 44.9% of the total.

Timeshare properties on the island providing survey data reported total resort operations payroll expense of \$27.8 million and another \$33.7 million in sales and marketing payroll expense during 2018.

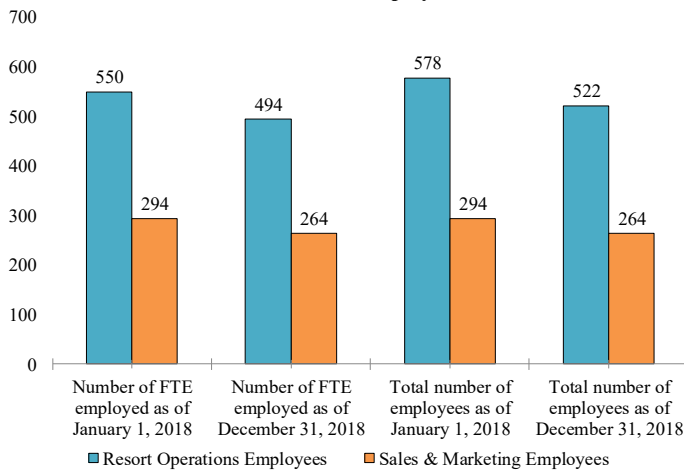
Hawai'i Island Timeshare Occupancy by Quarter



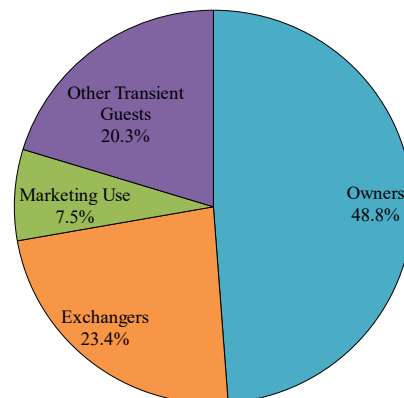
Hawai'i Island Taxes



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 2018 survey year ranged between 75.8 to 82.1 percent of registered timeshare units statewide, which ranged between 49 to 53 participating properties.