



Hawai'i Timeshare Quarterly Year-End 2020

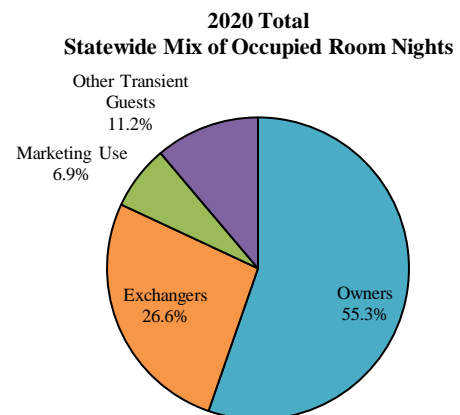
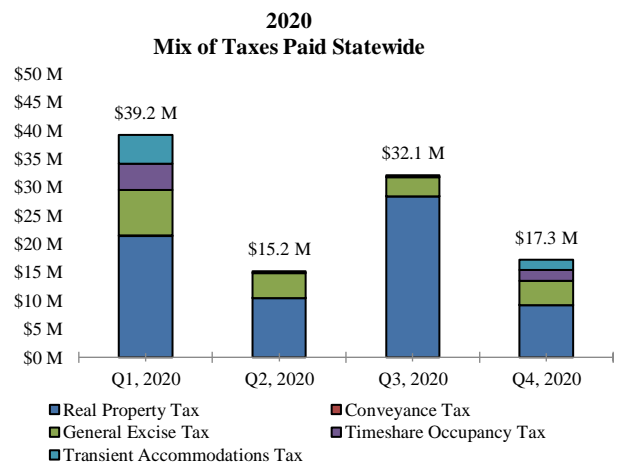
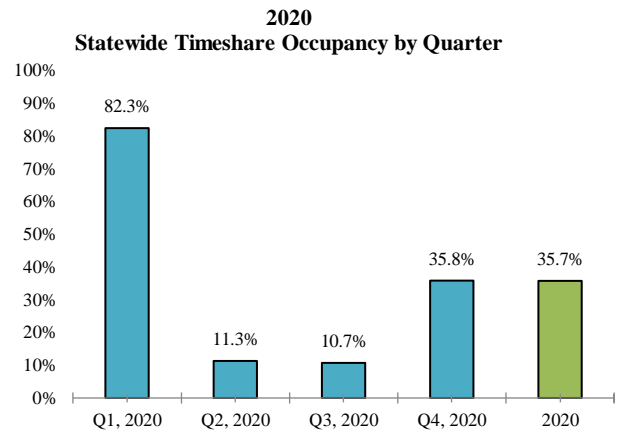
Statewide Timeshare Performance & Taxes

The COVID-19 pandemic that started in early 2020 had a catastrophic effect on the global travel industry. For the year, visitor arrivals to the State of Hawai'i decreased 73.8% compared with the previous year. From April to mid-October, visitor arrivals decreased by 95%+ year over year as the state required arriving trans-Pacific travelers to quarantine for 14 days upon arrival. The state implemented a pre-departure testing program in mid-October that allowed arriving travelers to bypass quarantine with proof of a pre-departure negative COVID-19 test result. Following implementation of Safe Travels Hawai'i, travel to the state increased to about 25% of pre-pandemic levels during the final weeks of the year. Many of the state's timeshare resorts suspended operations between April and October, re-opening after the implementation of Safe Travels Hawai'i.

For the year, Hawai'i's timeshare industry achieved occupancy of 35.7%, a steep decrease from the 91.4% occupancy achieved during 2019. Statewide hotel occupancy averaged 37.1% in 2020, according to STR, Inc. data published by the Hawai'i Tourism Authority ("HTA").

The State of Hawai'i welcomed a total of 218,256 timeshare visitors during 2020, a 74.3% decrease from the previous year's 850,653 timeshare visitors. Of the state's timeshare visitors, 78.4% stayed exclusively in a timeshare resort while in Hawai'i, unchanged from 2019. During 2020, timeshare visitors accounted for 8.1% of all Hawai'i visitor arrivals, compared with 8.3% during 2019. The average timeshare visitor had an 11.1-day length of stay in the state during 2020, compared with 9.7 days in 2019.

Owner use accounted for 55.3% of the occupied room nights at Hawai'i's timeshare resorts during 2020. Exchange use represented 26.6% of occupied room



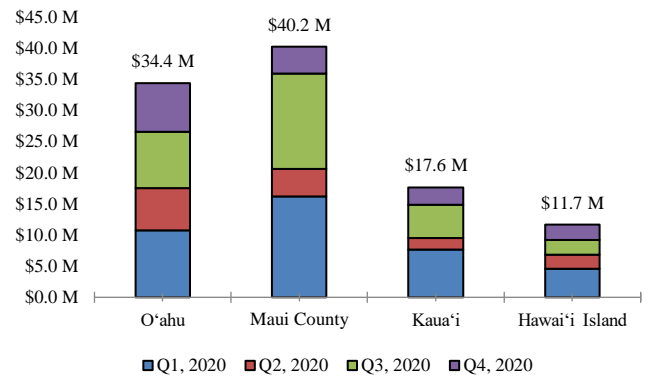
nights, a substantial increase from the 16.0% share of exchange use reported for 2019. Transient rental represented 11.2% of room nights in 2020. marketing use represented 6.9% of occupied room nights in 2020, compared with 8.3% during 2019.

For 2020, participating timeshare properties reported paying \$103.8 million in state and county taxes.

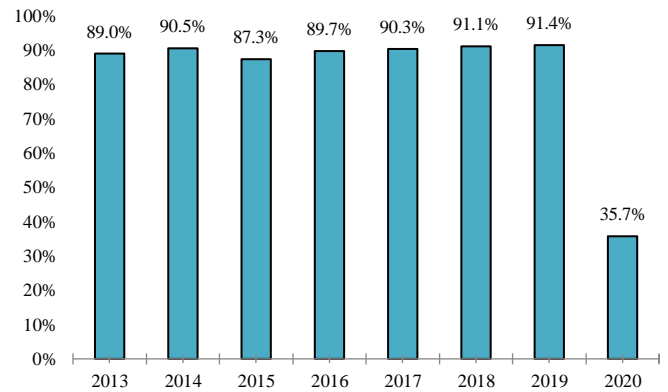
Participating timeshare properties reported a total of 1,933 resort operations employees as of December 31, 2020, a decrease of 69 employees compared with the start of the year. At year-end there were 914 sales and marketing employees at Hawai'i's timeshare properties, a decrease of 407 employees compared with the start of the year.

For the year, survey respondents reported total payroll of \$136.5 million, compared with \$260.4 in payroll during 2019. Of the \$124.0 million total decrease in payroll, resort operations accounted for \$29.1 million or 23.5% of the decrease, while the sales and marketing payroll decrease of \$94.9 million accounted for 76.5% of the drop in payroll. Hawai'i's timeshare resorts reduced operational staff payroll to a certain extent during the year, as even the properties that suspended operations kept some staff on to maintain the properties and grounds. Sales and marketing payroll was cut more drastically, as operators suspended their timeshare sales efforts almost entirely for much of the year.

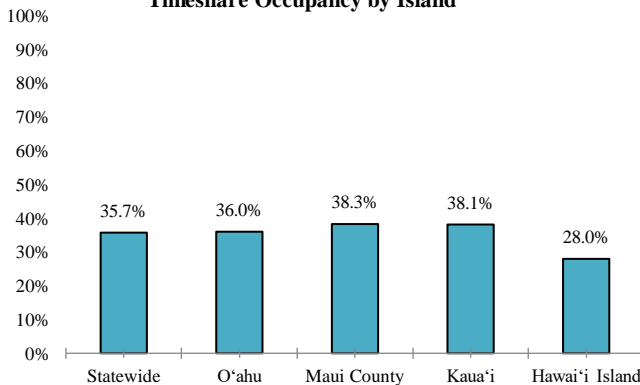
**2020
Total Taxes by Island**



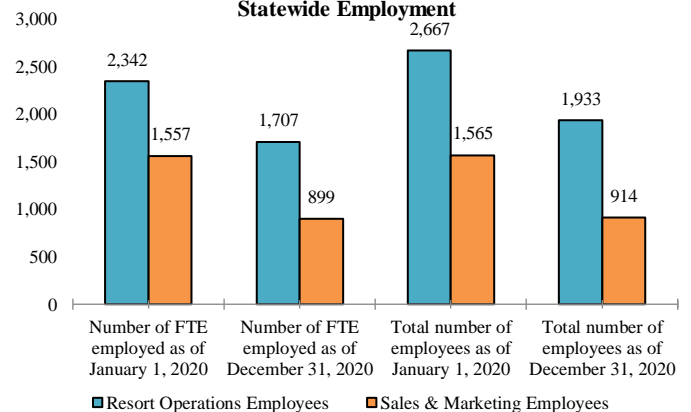
**Statewide Timeshare Occupancy
2013 - 2020**



**2020
Timeshare Occupancy by Island**



**2020
Statewide Employment**



O'ahu

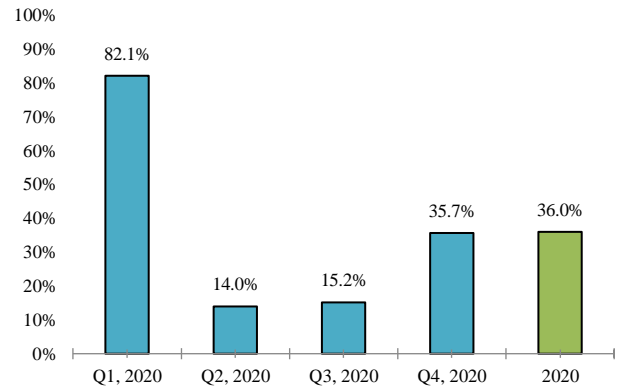
Timeshare occupancy on O'ahu averaged 36.0% during 2020, down from 94.6% during the prior year. For the year, hotel occupancy on the island averaged 39.0%. Owner use accounted for 53.4% of occupied room nights at O'ahu's timeshare properties during the year. Exchange use represented 31.5% of occupied room nights during 2020. Transient use contributed 10.2% of occupied room nights, while marketing use represented 4.9% of occupied room nights.

Participating O'ahu timeshare properties paid a total of \$34.4 million in state and county taxes in 2020, of which 66.9% were real property taxes.

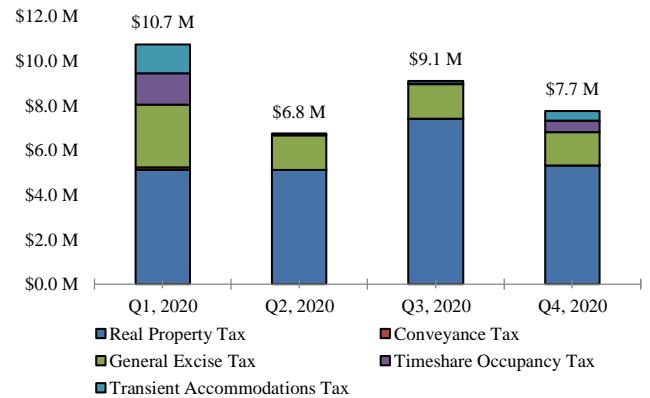
For the year, O'ahu welcomed 77,298 timeshare visitors, a 76.1% decrease from 2019. Timeshare visitors represented 5.1% of all O'ahu visitors during the year, comparable to the 5.2% share reported for 2019. O'ahu timeshare visitors had a 7.7-day average length of stay in 2020, higher than the 6.7-day average for 2019, driven by longer stays in Q2, Q3 and Q4.

Participating timeshare properties on O'ahu reported payroll totaling \$45.4 million in 2020, down from \$84.4 million in 2019.

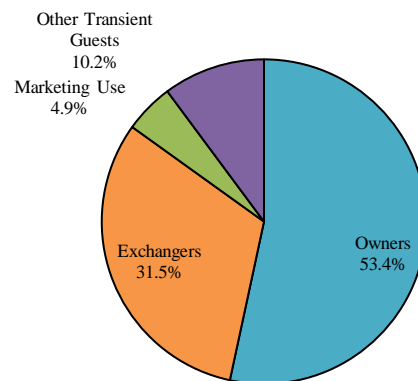
O'ahu Timeshare Occupancy by Quarter



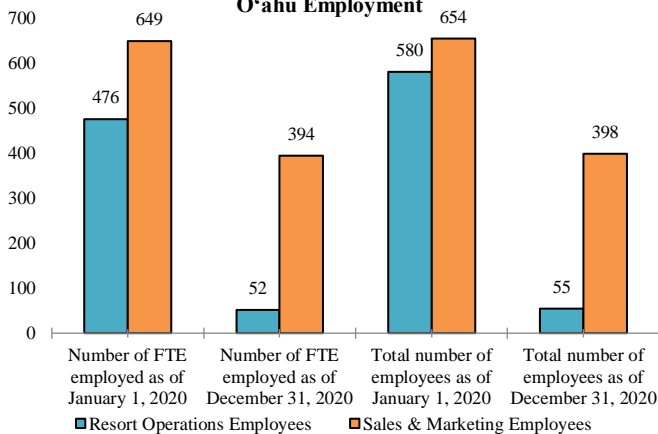
O'ahu Taxes



O'ahu Mix of Occupied Room Nights



O'ahu Employment



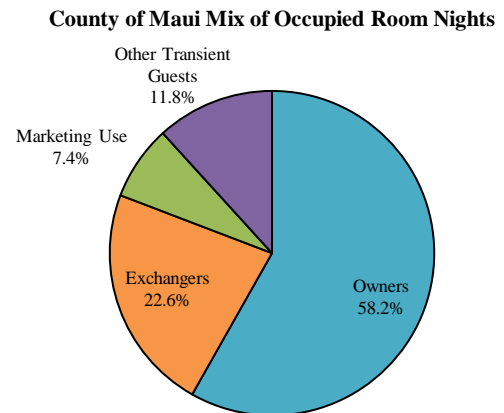
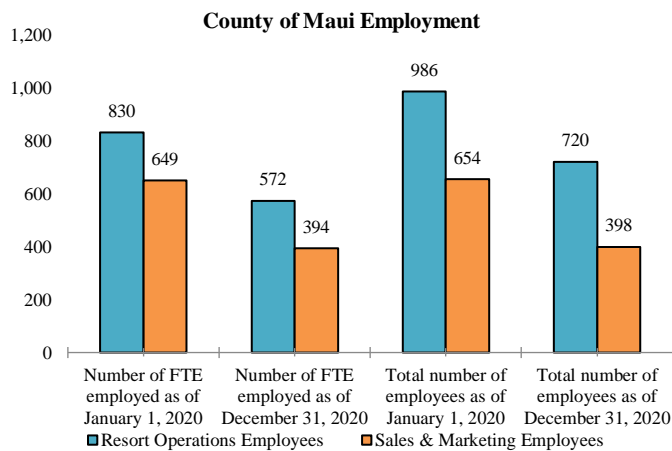
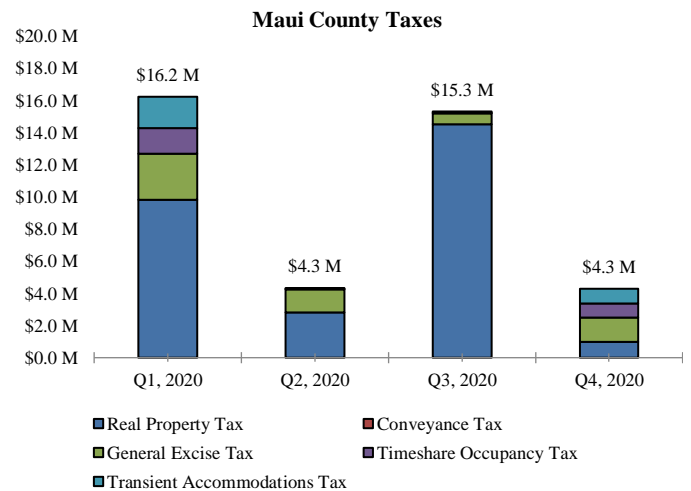
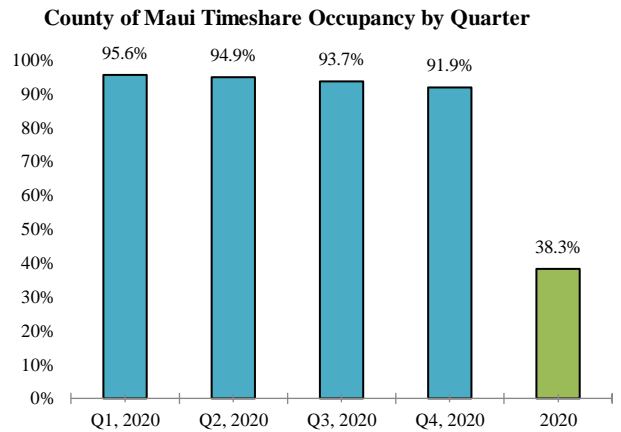
Maui County

Maui County’s timeshare occupancy on averaged 38.3% in 2020, down from 94.0% the prior year. Hotel occupancy in Maui County averaged 33.9% for the year. Owner use accounted for 58.2% of occupied room nights at Maui’s timeshare properties during the year. Exchange use contributed 22.6% of occupied room nights for the year, up from 16.5% exchange use during the prior year. Transient use accounted for 11.8% of occupied room nights, while marketing use contributed 7.4% of occupied room nights.

Timeshare properties providing data paid a total of \$40.2 million in state and county taxes in 2020, of which 70.1% were real property taxes.

During 2020, 85,838 timeshare visitors arrived in Maui County, a decrease from the 309,366 timeshare visitors in 2019. Timeshare visitors represented 10.6% of all Maui County visitors during the year, up from timeshare’s 9.9% market share during 2019. Maui County timeshare visitors had a 10.4-day average length of stay in 2020, compared with a 9.0-day average during 2019.

Timeshare properties in Maui County that provided data reported total payroll of \$30.5 million in 2020, compared with \$84.7 million in 2019.



Kaua'i

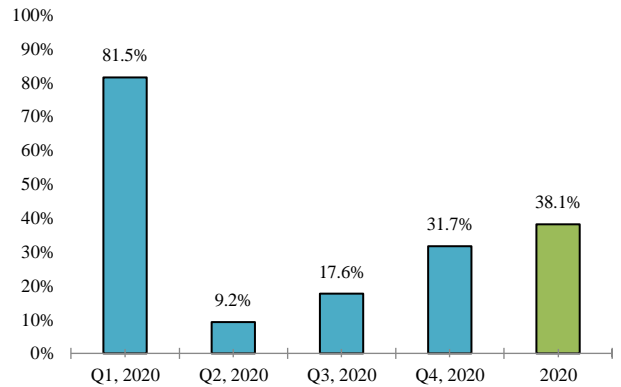
Timeshare occupancy on Kaua'i averaged 38.1% during 2020, compared with 85.9% during 2019. During 2020, hotel occupancy on the island averaged 33.0%. Owner use accounted for 48.7% of occupied room nights at Kaua'i's timeshare properties during the year, while exchange use accounted for 29.7% of occupied room nights. Transient use represented 13.0% of occupied room nights, while marketing use accounted for 8.6% of occupied room nights.

Participating Kaua'i timeshare properties paid a total of \$17.6 million in state and county taxes in 2020, of which 65.7% were real property taxes.

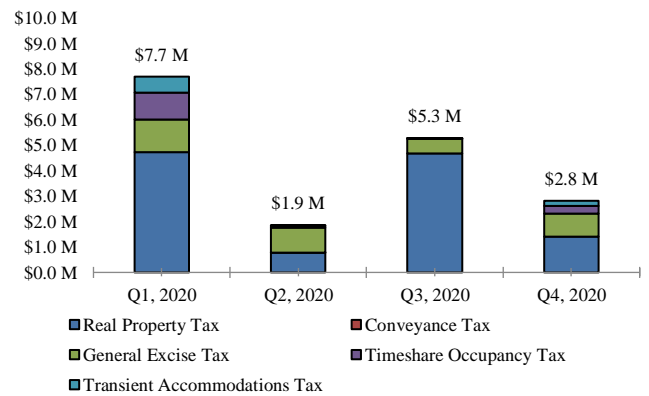
For the year, Kaua'i welcomed 49,957 timeshare visitors, compared with 209,883 during 2019. Timeshare visitors represented 15.1% of all Kaua'i visitors during the year, by far the highest share among the counties and slightly lower than the share reported for 2019. In 2020, Kaua'i timeshare visitors had a 10.1-day average length of stay in 2020, up from the 2019 length of stay of 9.0 days.

Timeshare properties on Kaua'i reporting data had payrolls totaling \$29.9 million in 2020, \$23.9 million for resort operations and \$5.9 million for sales and marketing.

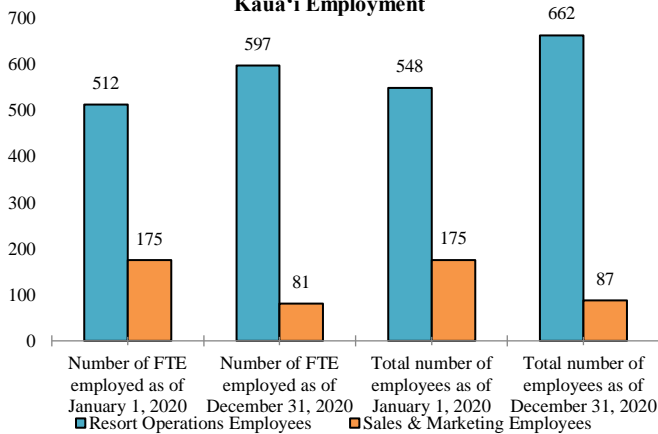
Kaua'i Timeshare Occupancy by Quarter



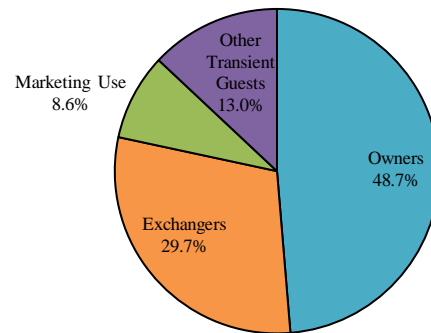
Kaua'i Taxes



Kaua'i Employment



Kaua'i Mix of Occupied Room Nights



Hawai'i Island

Hawai'i Island timeshare resorts achieved annual occupancy of 28.0% during 2020, compared with 88.6% during 2019. During the same period, hotel occupancy on Hawai'i Island averaged 38.0%.

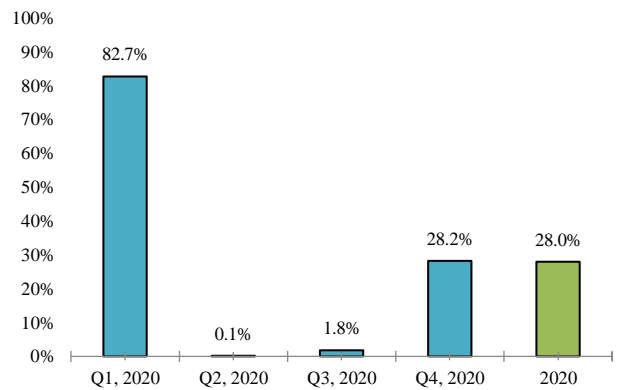
At Hawai'i Island timeshare properties in 2020, owner use accounted for 62.7% of occupied room nights. Exchange use accounted for 21.5% of occupied room nights. Transient use and marketing use represented 9.0% and 6.9% of occupied room nights, respectively.

A total of 43,685 timeshare visitors arrived on Hawai'i Island during 2020, compared with 172,345 during the previous year. The average timeshare visitor to Hawai'i Island stayed on the island for 9.6 days, compared with the 8.1-day average during 2019.

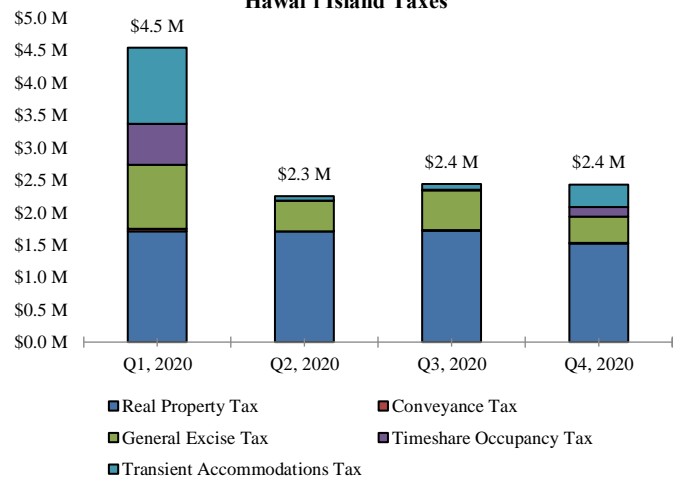
The Hawai'i Island timeshare properties reporting tax data to the survey report a total of \$11.7 million in state and county taxes during the year. Real property taxes totaled \$6.7 million during 2020 or 57.1% of the total.

Timeshare properties on the island providing survey data reported total resort operations payroll expense of \$18.9 million and another \$11.8 million in sales and marketing payroll expense during 2020, for total payroll expense of \$30.7 million for the year. In 2019 Hawai'i Island timeshare resorts reported \$54.4 million in payroll expense.

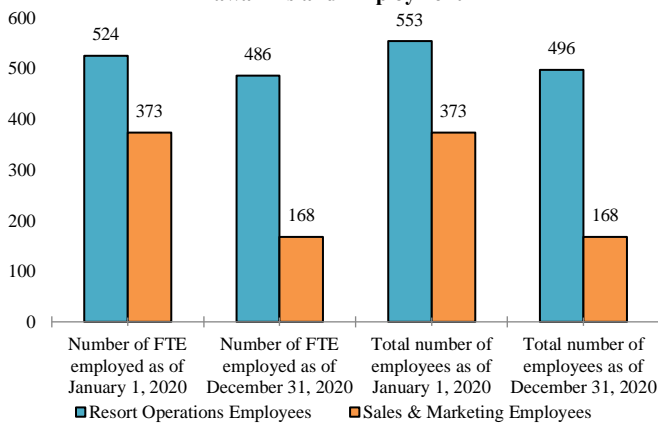
Hawai'i Island Timeshare Occupancy by Quarter



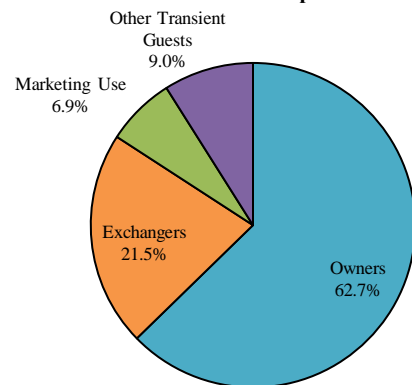
Hawai'i Island Taxes



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 2020 survey year ranged between 75.3 to 83.6 percent of registered timeshare units statewide, which ranged between 52 to 54 participating properties.