



Hawai'i Timeshare Quarterly October - December, 2013

Statewide Timeshare Performance & Taxes

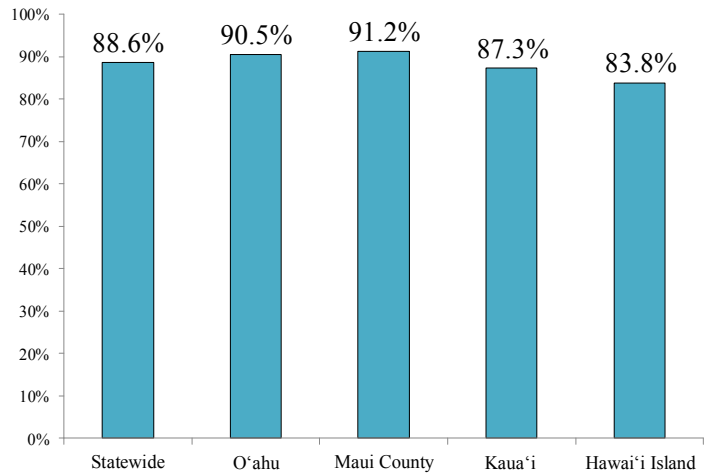
The Hawai'i timeshare industry averaged an occupancy of 88.6 percent in the last three months of 2013, significantly higher than the traditional hotel and condo hotel market, which averaged 72.0 percent during the same period. The high fourth quarter occupancy was primarily driven by a strong October performance across all islands.

The Hawai'i Tourism Authority ("HTA") reported that 173,864 visitors representing 9.0 percent of all visitors to Hawai'i stayed in timeshare properties during the fourth quarter, down 5.5 percent from last year, primarily due to decreased timeshare travel in December compared to the same time last year.

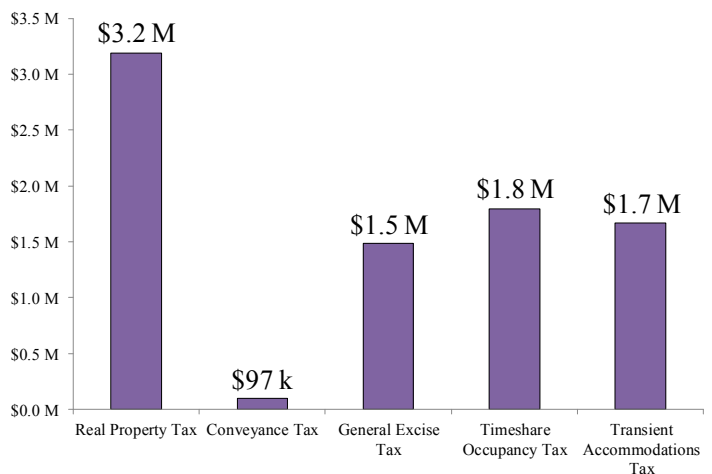
Timeshare survey participants across the state generated \$8.2 million in taxes, including real property tax, conveyance tax, general excise tax, transient occupancy tax ("TOT"), and transient accommodations tax ("TAT"). In most cases, conveyance taxes are paid by timeshare owners and not tracked at the property level. However, the TAT is paid by timeshare operators for transient rentals.

Interval owners and exchangers combined accounted for over 80 percent of the occupancy in the fourth quarter compared to 73 percent in the third quarter. Most timeshare resorts have units available for transient rental, and transient guests for 13.8 percent of occupied units during the quarter. Transient guest room nights includes additional room nights purchased by timeshare owners and exchangers beyond their allotted timeshare ownership stay.

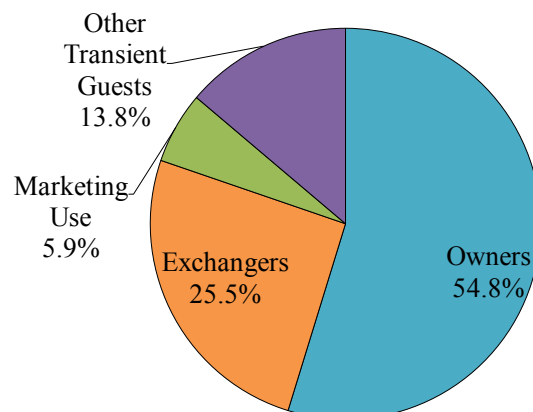
Timeshare Occupancy by Island



Mix of Taxes Paid Statewide



Statewide Mix of Occupied Room Nights



Statewide Employment and Payroll

Employment at timeshare properties in the State remained relatively unchanged. Survey participants reported a slight overall net decrease in sales and marketing employees (-0.8 percent) but a small increase in resort operations employees in the fourth quarter (+0.3 percent).

Timeshare payroll expenses for survey participants totaled over \$26.6 million for resort operations employees and \$30.1 million for sales and marketing employees.

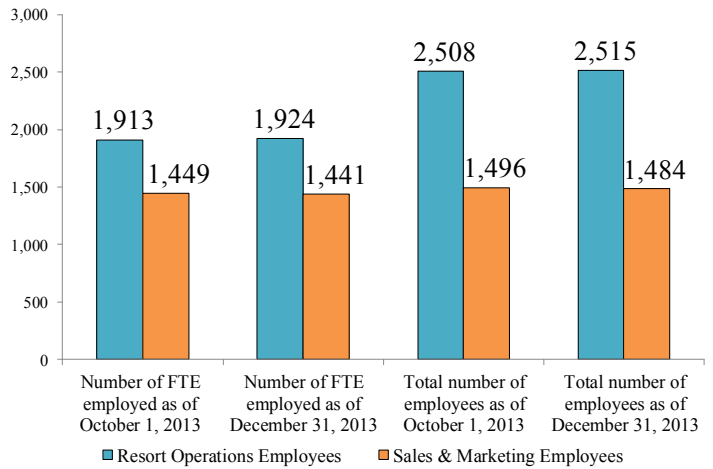
O'ahu

Occupancy at O'ahu timeshare resorts reached 90.5 percent for the fourth quarter. 67.5 percent of all timeshare units were occupied by timeshare owners, which is the highest percentage of owner use among all islands.

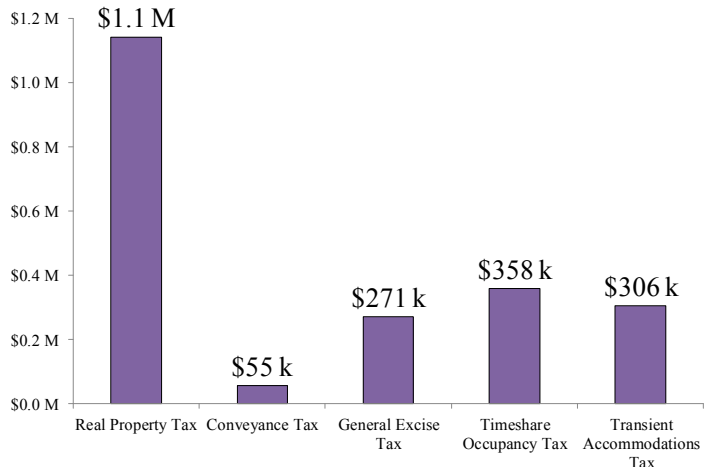
O'ahu generated \$2.1 million in taxes, with \$1.1 million representing real property taxes.

The island saw small net decreases in resort operations employees (-0.6 percent) as well as sales and marketing employees (-3.6 percent).

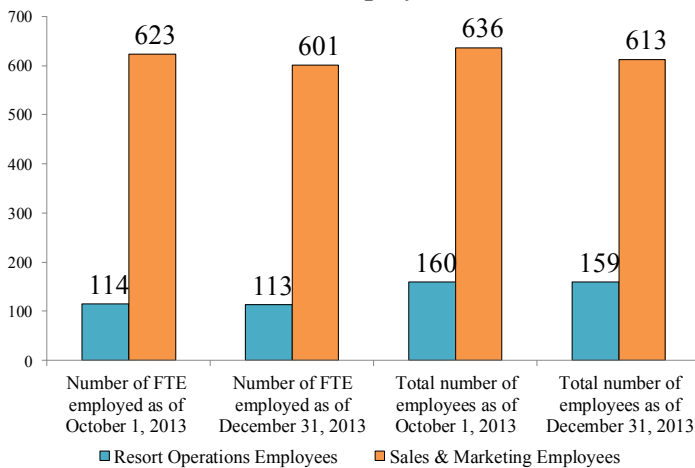
Statewide Employment



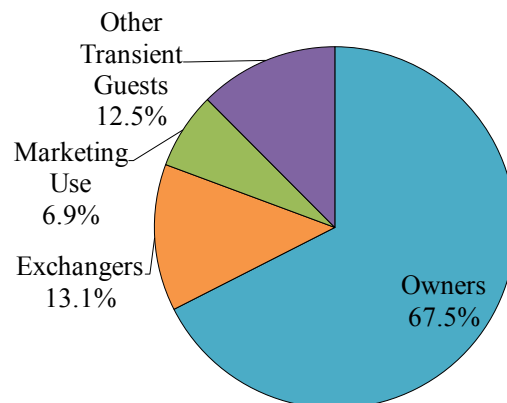
O'ahu Taxes



O'ahu Employment



O'ahu Mix of Occupied Room Nights



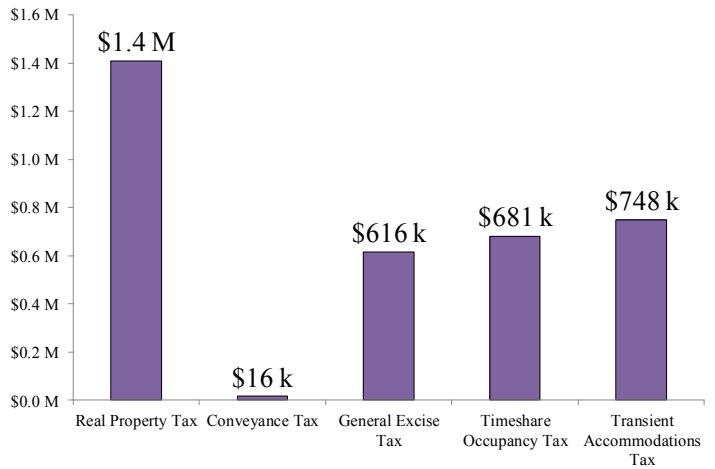
Maui County

Maui County timeshare resorts outperformed all other islands at 91.2 percent occupancy in the fourth quarter. Units were primarily occupied by owners and exchangers, however, Maui participants reported the highest share of transient guests among all islands, representing 15.5 percent of all timeshare visitors to the county.

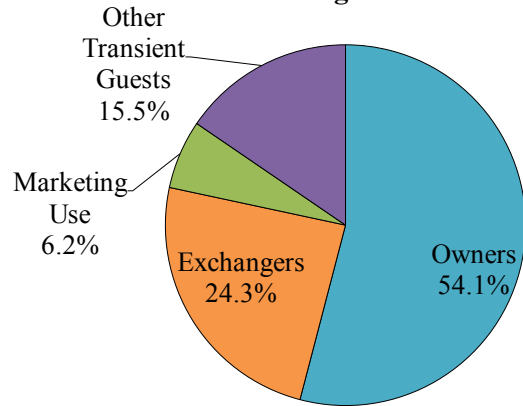
Maui County generated a total of \$3.5 million in taxes in the fourth quarter, with 40.6 percent or \$1.4 million representing real property taxes.

Survey participants reported a slight net increases in both resort operations employees (+0.1 percent) and sales and marketing employees (+2.0 percent) in the fourth quarter.

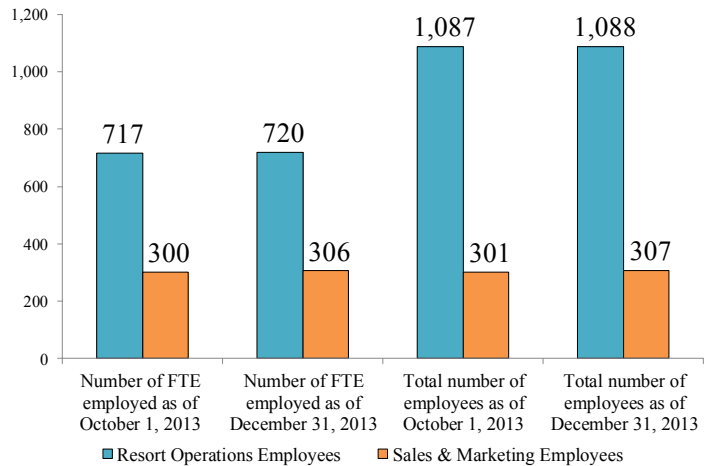
County of Maui Taxes



County of Maui Mix of Occupied Room Nights



County of Maui Employment



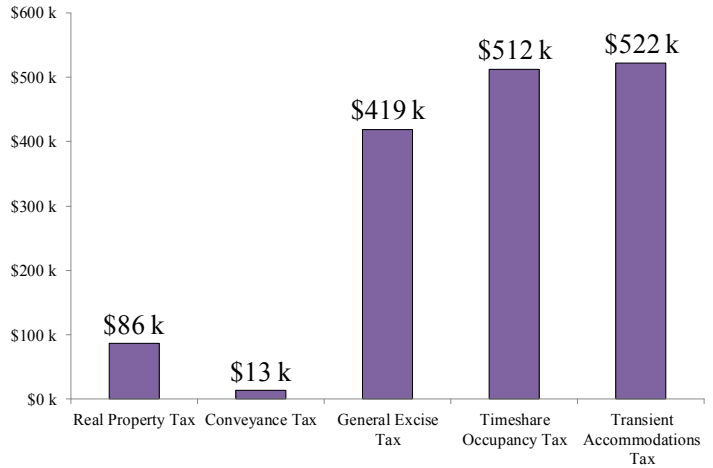
Kaua'i

Timeshare occupancy on Kaua'i was high at 87.3 percent during the fourth quarter, driven by a strong month of November with 88.5 percent occupancy.

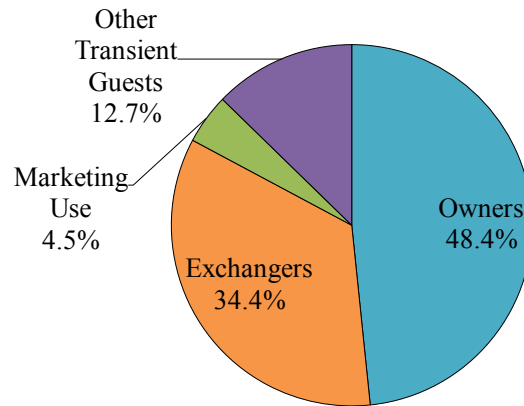
Survey participants reported \$1.6 million in taxes generated in the last three months of the year. We note that all properties did not report taxes for the fourth quarter, and among respondents, not all provided Real Property Tax data.

The island saw a slight net increase in resort operations employees (+0.4 percent) but reported a decrease in sales and marketing employees (-3.4 percent) in the fourth quarter. The majority of these decreases occurred at large branded timeshare properties.

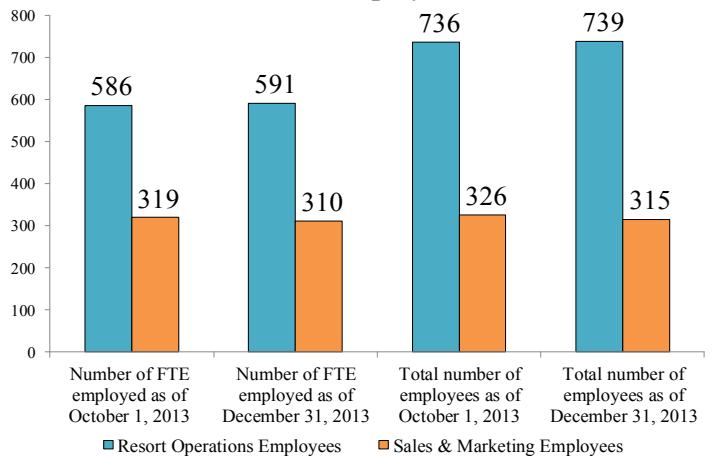
Kaua'i Taxes



Kaua'i Mix of Occupied Room Nights



Kaua'i Employment



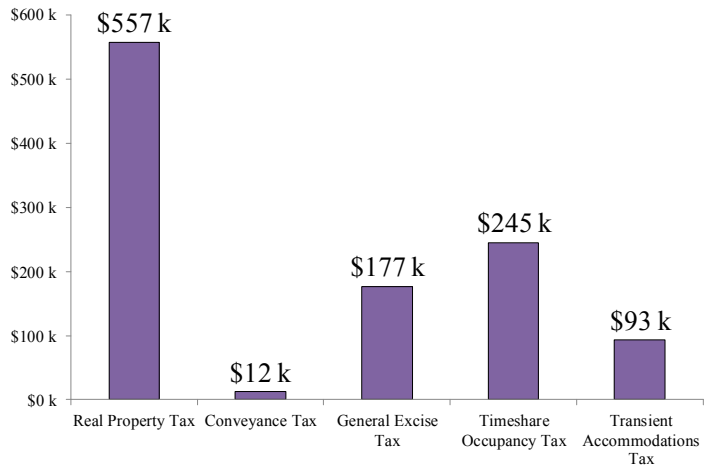
Hawai'i Island

Timeshare resorts on Hawai'i Island were 83.8 percent occupied in the fourth quarter and reported the highest share of room nights used by exchangers among the islands.

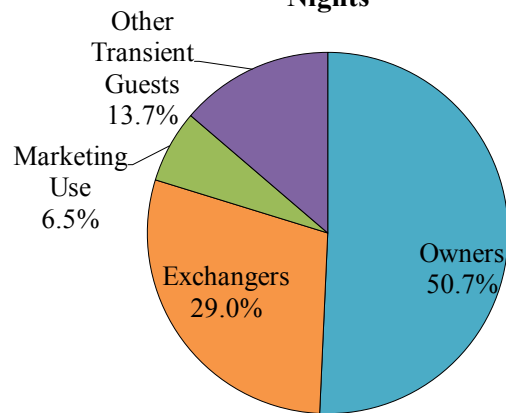
During the three months, \$2.0 million in taxes were generated, with 53.9 percent representing real property taxes. We note that all properties did not report taxes for the fourth quarter.

Survey participants reported an overall net increase in both resort operations employees (+0.8 percent) and sales and marketing employees (+6.9 percent) over the three month period.

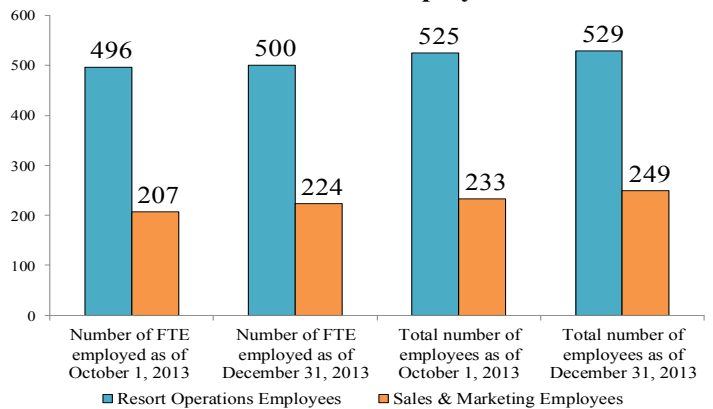
Hawai'i Island Taxes



Hawai'i Island Mix of Occupied Room Nights



Hawai'i Island Employment



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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

Survey Participation

Participation rates in the Statewide timeshare survey was strong at 71.3 percent of registered timeshare units statewide, which represents 51 properties and 7,096 units.