

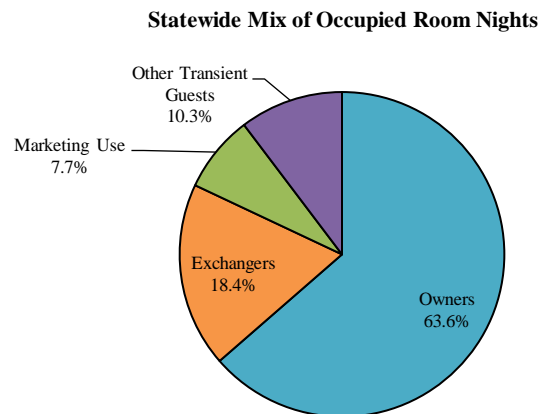
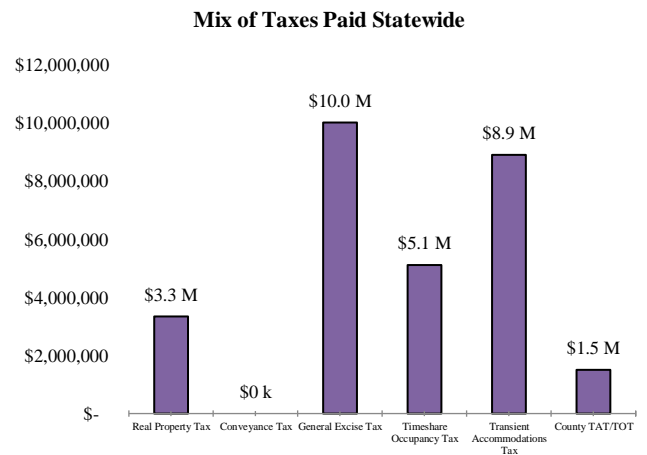
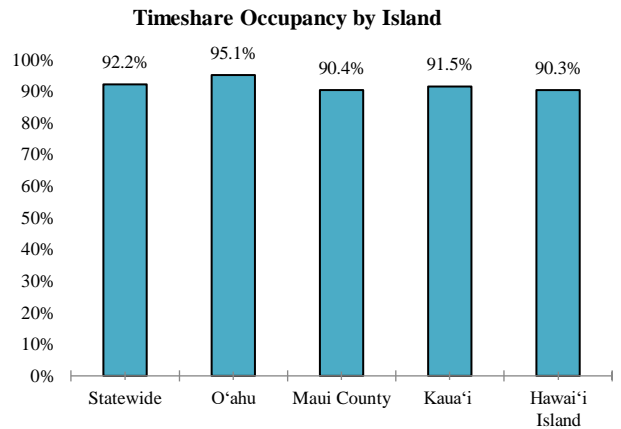
Statewide Timeshare Performance & Taxes

Hawai'i's timeshare industry achieved an average occupancy rate of 92.2% during the second quarter of 2024, a decrease from the 92.5% occupancy reported for the second quarter of 2023. Statewide timeshare occupancy in Q2 also exceeded Q2 2019's ("pre-pandemic") 91.4% occupancy. The statewide timeshare occupancy decrease was entirely driven by occupancy decreases in Maui County, while occupancy increased in each of the other counties during Q2 2024.

The traditional hotel and condominium hotel market in the state achieved occupancy of 73.0% during the second quarter of 2024, a decrease of 1.2 percentage points, according to STR, Inc. data reported by the State of Hawai'i Department of Business, Economic Development & Tourism ("DBEDT").

Owners staying in a timeshare they own represented 63.6% of the occupied room nights at Hawai'i's timeshare resorts during the second quarter. Exchangers (timeshare owners staying in a timeshare they do not own via a timeshare exchange program) represented another 18.4% of the occupied room nights. Transient rental, which includes rental to owners and exchangers beyond their allotted timeshare stay, accounted for 10.3% of occupied room nights during the quarter. Marketing use represented 7.7% of occupied room nights. Compared to pre-pandemic, there was more owner use (+7.9 percentage points) and exchange use (+1.7 percentage points) during Q2 2024 and less transient rental (-8.8 percentage points) and marketing use (-0.8 percentage points).

The second quarter 2024 timeshare survey findings, based on data provided by 47 individual timeshare properties, represent 79.7% of Hawai'i's 12,542 timeshare units.



According to DBEDT data, 211,646 visitors to the state chose to stay at a timeshare resort for all or part of their stay during the second quarter, a 4.5% decrease from Q2 2023 timeshare arrivals. Most of the Q2 decrease in timeshare visitor arrivals was driven by Maui County, which has experienced an overall tourism slowdown following the August 2023 wildfires. Statewide timeshare arrivals during the quarter trailed Q2 2019 levels by 5.8%.

During the second quarter, 81.1% of the state's timeshare visitors stayed exclusively at timeshare resorts during their stay, a slight decrease from the prior year's timeshare-only share of 81.5% but an increase from the pre-pandemic share of 79.0%.

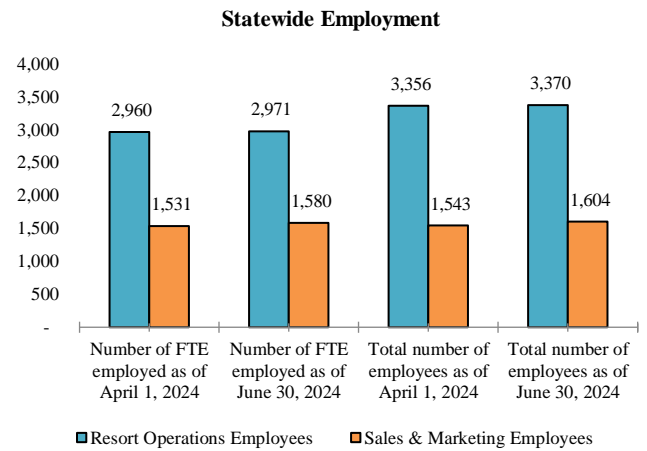
During the second quarter of 2024, timeshare visitors represented 9.0% of all Hawai'i statewide visitor arrivals, a slight increase from Q2 2023's 8.9% share but higher than the 8.6% pre-pandemic share. During the second quarter, the average timeshare visitor stayed in the state for a total of 9.4 days, compared with 9.6 days during the prior year and 10.1 days average stay during the second quarter of 2019.

Survey participants reported a total of \$28.9 million in state and county taxes, including real property tax ("RPT"), general excise tax ("GET"), timeshare occupancy tax ("TOT"), state transient accommodations tax ("TAT"), county transient accommodations tax and timeshare occupancy tax ("CTAT") and conveyance tax. Participants reported paying GET totaling \$10.0 million, followed by \$8.9 million in TAT and \$5.1 million in TOT during the quarter. RPT was reported at \$3.3 million during the quarter.

Statewide Employment & Payroll

The total number of resort operations employees increased by 0.4% during the quarter, to 3,370. The number of sales and marketing employees increased by 4.0% to 1,604.

Statewide payroll expenses for timeshare survey participants totaled \$68.7 million during the second quarter of 2024, including \$36.2 million for resort operations employees and \$32.6 million for sales and marketing employees.



O'ahu

Timeshare resorts on O'ahu achieved 95.1% occupancy during the second quarter of 2024, the highest timeshare occupancy among the counties during the quarter and a 1.1 percentage point increase from Q2 2023. O'ahu's Q2 2024 timeshare occupancy exceeded the 94.8% occupancy reported for Q2 2019. During Q2 2024, O'ahu's hotel occupancy averaged 80.0%, below the pre-pandemic hotel occupancy rate of 83.6%. As of the second quarter of 2024, O'ahu's timeshare occupancy has fully recovered from the pandemic-era travel slowdown, while hotel occupancy continued to lag pre-pandemic levels.

O'ahu's post-COVID recovery has lagged in comparison to the Neighbor Islands due to the slower recovery of the Japanese visitor market. During Q2 2024, international air arrivals to Honolulu equaled about half of the pre-pandemic level. Historically, international visitors have represented a larger share of O'ahu's visitor market mix compared to the Neighbor Islands.

Owner-occupied room nights represented 65.2% of total occupied room nights at O'ahu's timeshare resorts during the quarter. Transient use represented 14.0% of occupied room nights during the quarter, the highest among the counties and comparable to the pre-pandemic share of 21.5%. Exchange use accounted for 12.4% of occupied room nights at O'ahu's timeshare resorts while marketing use represented 8.4% of occupied room nights on O'ahu during the quarter.

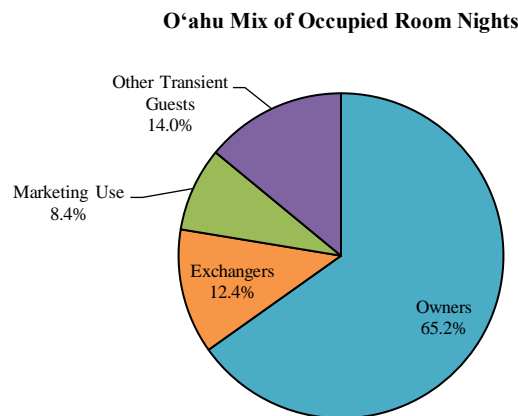
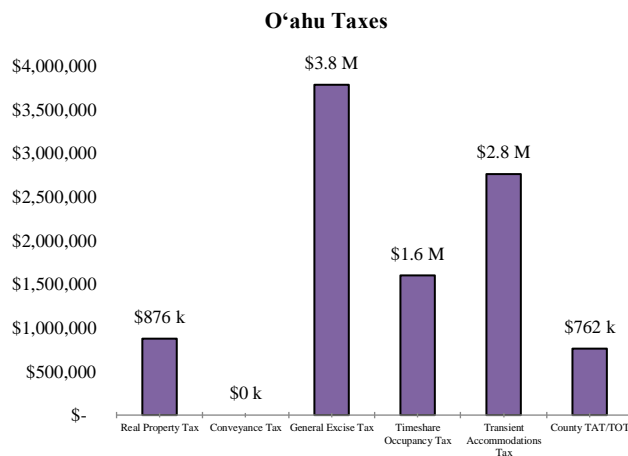
O'ahu welcomed 80,092 timeshare visitors during the quarter, the greatest number of timeshare visitor arrivals among the counties. While the number of timeshare visitor arrivals increased 1.9% year over year, the 80,092 arrivals trailed the pre-pandemic level by 6.6%. During Q2, 70.8% of O'ahu timeshare visitors stayed exclusively in a timeshare resort during their visit, the lowest share among the counties.

A total of 5.5% of O'ahu's visitors planned to stay in a timeshare resort during the second quarter, by far the lowest share among the counties and consistent with

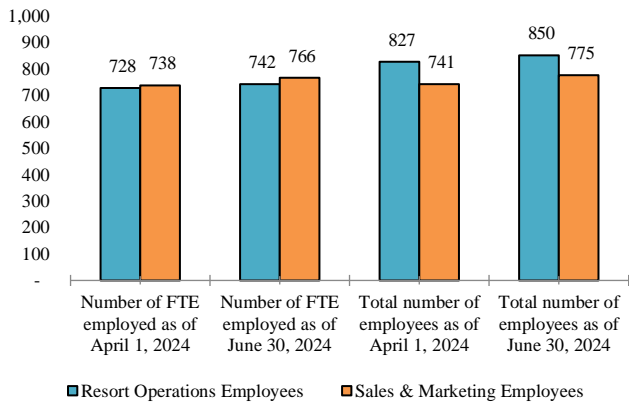
the pre-pandemic share of 5.5%. The average O'ahu timeshare visitor spent 6.9 days on the island, the shortest length of stay ("LOS") among the counties. O'ahu's timeshare LOS in Q2 was shorter than the prior Q2's 7.2-day average but longer than the pre-pandemic average stay of 6.8 days.

Participating properties on O'ahu reported a total of \$9.8 million in taxes during the second quarter, including \$3.8 million in GET and \$2.8 million in TAT.

During the quarter, O'ahu timeshare resorts reported a 2.8% increase in the number of resort operations employees and a 4.6% increase in sales and marketing employment. Timeshare properties on O'ahu reported employee payroll expense of \$27.0 million during the second quarter of 2024, of which sales and marketing payroll accounted for \$14.8 million.



O'ahu Employment



Maui County

Maui County’s timeshare properties achieved an average occupancy of 90.4% during the second quarter of 2024, the second lowest timeshare occupancy among the counties and a 4.0 percentage point decrease from Q2 2023’s 94.3% timeshare occupancy. Maui County was the only county to report a timeshare occupancy decrease for the quarter and the only county where timeshare occupancy trailed the pre-pandemic level. During the second quarter of 2024, Maui’s hotel occupancy averaged 60.7% during Q2, a 4.1 percentage point decrease from Q2 2023’s 64.8% occupancy and 17.9 percentage points lower than the pre-pandemic Q2 occupancy of 78.6%.

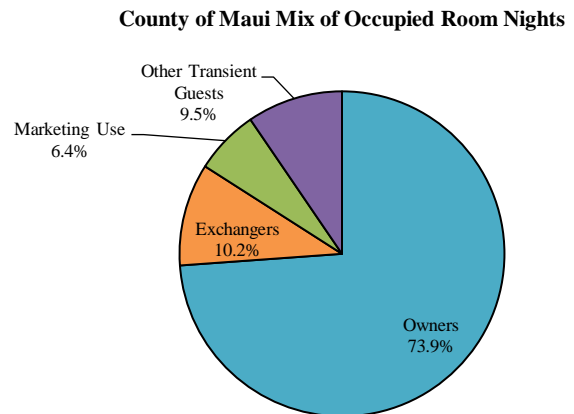
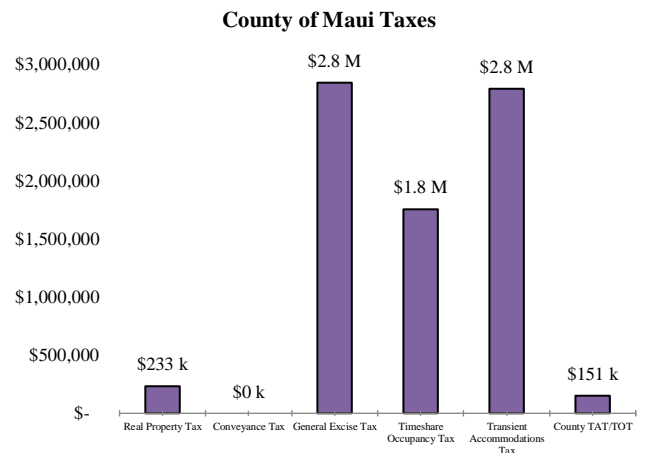
Maui County welcomed 73,640 timeshare visitors during Q2 2024, a 12.9% decrease from Q2 2023’s 84,516. Notably, the 12.9% decrease in timeshare visitor arrivals was smaller than the 24.8% overall decrease in Maui County visitor arrivals for the quarter. This indicates that Maui County’s timeshare market has been less affected than the overall Maui County visitor market in the aftermath of the August 2023 wildfires.

The average Maui County timeshare visitor had an 8.6-day LOS during the second quarter, the second highest among the counties but shorter than the 9.5-day average reported for the same period in 2019. Timeshare visitors represented 12.7% of Maui County’s visitor market during the quarter, compared with a 10.2% share during Q2 2019, again reflecting the faster recovery of timeshare properties compared to other accommodation types. Maui County had the highest share of timeshare-only visitors among the counties, with 80.1% of the county’s timeshare visitors staying exclusively in a timeshare resort.

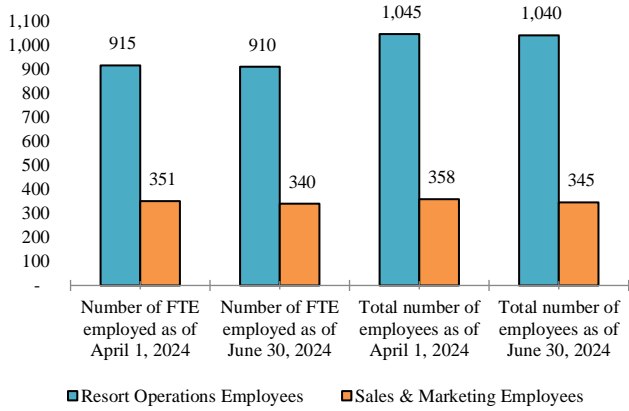
Owner occupancy accounted for 73.9% of occupied room nights at Maui timeshare resorts during the quarter, the highest share among the counties. Exchange use accounted for 10.2% of occupied room nights during the quarter, the lowest share among the counties. Transient guests contributed 9.5% of occupied room nights while marketing use represented 6.4% of occupied room nights in Maui County timeshares, the lowest share among the counties.

Maui County timeshare properties that provided survey data reported a total of \$7.8 million in state and county taxes during the second quarter. Properties reported collecting \$2.8 million in both GET and TAT.

In the second quarter, Maui County timeshare properties reported a 0.5% decrease in the number of resort operations employees and a 3.6% decrease in the number of sales and marketing employees. Maui timeshare properties providing survey data reported \$7.8 million in total payroll expense during the quarter, of which sales and marketing employee payroll accounted for \$5.9 million.



County of Maui Employment



Kaua'i

Timeshare resorts on Kaua'i averaged 91.5% occupancy during the second quarter of 2024, a 0.7 percentage point increase compared to the prior year's 90.8% occupancy and 5.9 percentage points higher than the pre-pandemic occupancy of 85.6%. Kaua'i's hotels and condominium hotels reported an average occupancy of 72.7% during the quarter, down from 74.6% during the prior year.

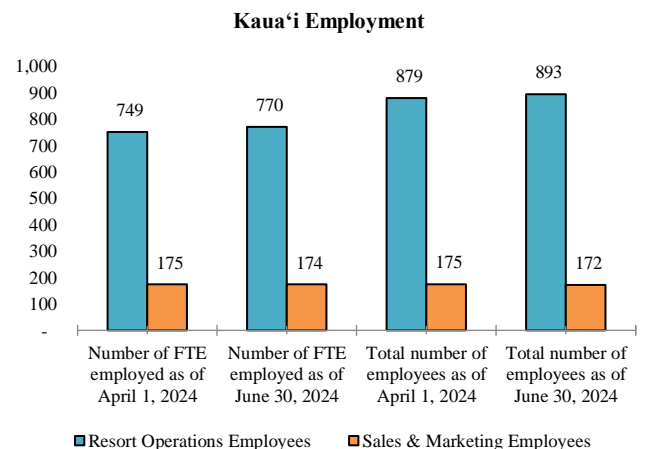
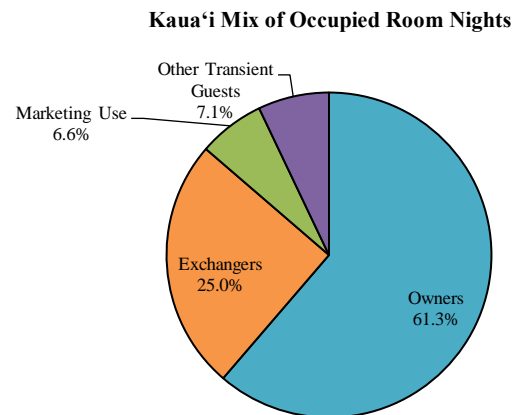
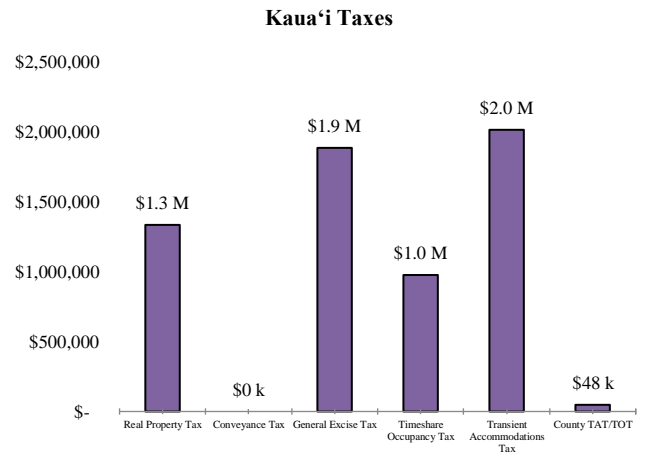
During the second quarter of 2024, Kaua'i maintained its status as the island welcoming the highest proportion of timeshare visitors, with 15.5% of the island's visitors choosing to stay in a timeshare resort during the quarter. This share was higher than Q2 2023's 15.2% share but lower than the pre-pandemic share of 15.9%. For the quarter, Kaua'i welcomed 54,403 timeshare visitors, a 1.7% decrease from Q2 2023's 55,338 timeshare visitors and a 3.1% decrease from the pre-pandemic Q2 count of 56,153 arrivals. Kaua'i timeshare visitors spent an average of 8.6 days on Kaua'i during Q2, the highest among the counties but below the pre-pandemic average of 9.5 days.

Owner use represented 61.3% of the occupied room nights during the second quarter. Exchange use contributed 25.0% of occupied timeshare room nights on Kaua'i. Transient use represented 7.1% of occupied room nights during Q2, the lowest among the counties. Marketing use represented 6.6% of room nights, the second lowest among the counties.

The Kaua'i timeshare resorts that provided survey data reported \$6.3 million in taxes during the second quarter, with the largest contributors being TAT of \$2.0 million and GET of \$1.9 million.

Kaua'i timeshare properties reported the total number of resort operations employees increased 1.6% while the number of sales and marketing employees decreased by 1.7%.

Participating respondents reported total payroll expense of \$17.3 million during Q2, with \$13.1 million in resort operations payroll and \$4.1 million in sales and marketing payroll.



Hawai'i Island

Timeshare resorts on Hawai'i Island reported average occupancy of 90.3% during the second quarter, an increase of 0.7 percentage points compared with the prior year's 89.7% occupancy and 4.0 percentage points higher than the pre-pandemic occupancy of 86.4%. During the same period, hotel occupancy on Hawai'i Island was 65.3%, down from the prior year's 66.9%.

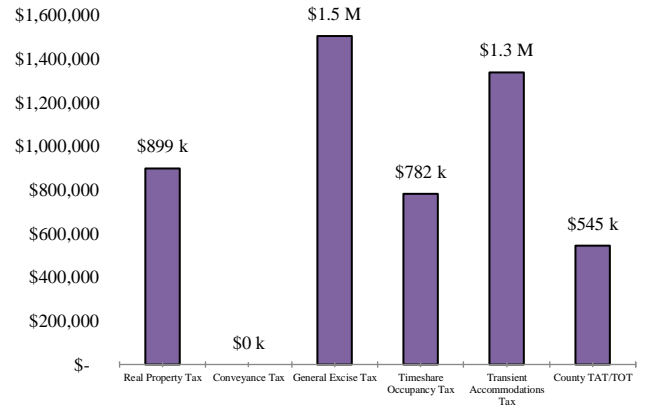
Owner use accounted for 51.5% of occupied room nights at timeshare properties on Hawai'i Island during the quarter, the lowest share among the counties by a wide margin. Exchange use accounted for 29.6% of occupied room nights, while marketing use contributed 9.6% of occupied room nights, both the highest among the counties during the quarter. Transient use contributed 9.3% of occupied room nights.

Hawai'i Island reported a total of 43,845 timeshare visitors during the second quarter, virtually unchanged from Q2 2023 43,800 and 1.3% higher than Q2 2019's 43,297 timeshare visitor arrivals. Timeshare visitors represented 10.4% of Hawai'i Island visitor arrivals during the quarter, higher than both the prior year's 10.1% share and the pre-pandemic share of 10.0%. The average Hawai'i Island timeshare visitor had a 7.8-day LOS during the quarter, lower than both the prior year's 8.0-day average and the 8.9-day average reported for Q2 2019.

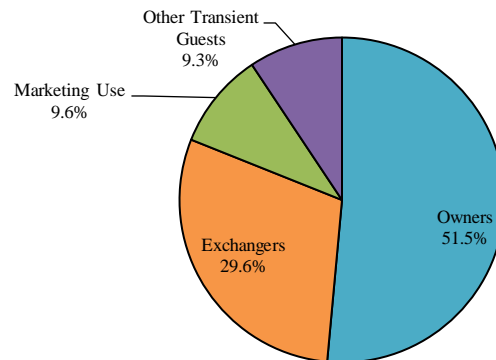
Hawai'i Island timeshare properties reporting data paid \$5.1 million in state and county taxes during the second quarter. GET accounted for the largest share of the taxes at \$1.5 million.

Timeshare resorts on Hawai'i Island reported a 3.0% decrease in the number of resort operations employees and a 16.0% increase in the number of sales and marketing employees during the quarter. Timeshare properties on the island providing survey data reported paying a total of \$16.6 million in payroll and benefits, of which resort operations payroll represented \$7.7 million.

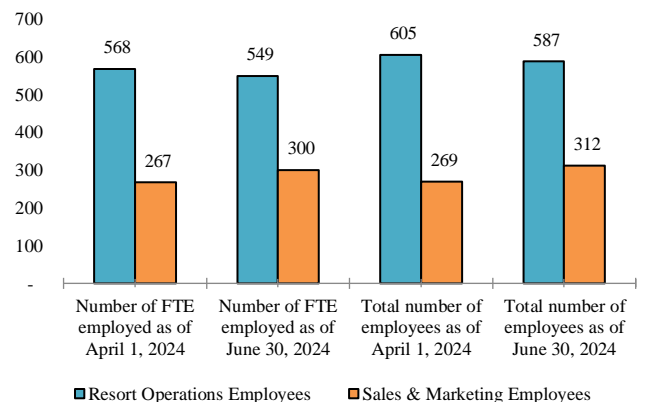
Hawai'i Island Taxes



Hawai'i Island Mix of Occupied Room Nights



Hawai'i Island Employment



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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 were 79.7 percent of registered timeshare units statewide, which represents 47 participating properties and 9,994 units.