

Economic Impact

2018

OF THE TIMESHARE INDUSTRY ON THE U.S. ECONOMY



2018 EDITION
PREPARED BY



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OF THE TIMESHARE INDUSTRY
ON THE U.S. ECONOMY



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6 Economic Impact of the Timeshare Industry on the U.S. Economy

2018 EDITION

EXECUTIVE SUMMARY

The impact of the timeshare industry on the U.S. economy extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the industry also includes the economic impacts of sales and marketing offices, corporate operations, the construction of new resorts and the renovation of existing resorts, and the significant impact of expenditures of vacationers during timeshare stays. This study estimates the comprehensive private- and public-sector benefits generated by the timeshare industry.

In addition to private-sector benefits, including jobs and income, the significant tax contributions of the industry are a source of revenue for federal, state, and local governments. The estimates described below show that the timeshare industry produces significant amounts of individual income tax and employment tax at the federal level, and contributes significantly to property tax, sales tax, and occupancy tax revenue for state and local governments in the states in which timeshare resorts are located.

The following results highlight the key economic and fiscal (tax) impacts of the timeshare industry. The results are summarized in terms of direct and indirect economic and fiscal impacts and presented for resort operations, sales and marketing, corporate operations, consumer spending, and construction. The direct impacts are generated through spending by the timeshare industry and its employees. The indirect impacts are from increased activity among suppliers and higher spending by employees due to increased incomes.

As shown in Table 1 below, in 2017, the timeshare industry accounted for 540,410 jobs, \$80.7 billion of output, \$29.9 billion in labor income, and \$10.8 billion in taxes. Since the last time this study was conducted in 2016, employment related to the U.S. timeshare industry has grown by 5.6%, labor income by 6.7%, output by 1.5%, and total federal, state, and local tax revenue due to the industry by 6.1%.¹

TABLE 1

ECONOMIC IMPACTS OF THE TIMESHARE INDUSTRY, 2017

Billions of dollars; Number of part- and full-time jobs

Impact	Direct	Indirect & Induced	2017 Total	2015 Total	% Change Since 2015
Employment	246,524	293,886	540,410	511,782	5.6%
Labor Income	\$14.1	\$15.9	\$29.9	\$28.1	6.7%
Output	\$32.2	\$48.5	\$80.7	\$79.5	1.5%
Taxes	\$5.9	\$4.9	\$10.8	\$10.2	6.1%

Note: Includes impacts related to resort operations, corporate office operations, sales office operations, consumer expenditures, and capital expenditures in 2017.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

¹ Please note that the numbers in the tables and text of this report are rounded and may not appear to sum. Calculations referenced in the text were performed on precise numbers and will yield a slightly different result.



Employment: The timeshare industry's direct employment impact in 2017 was estimated at 246,524 people. This direct employment created indirect employment at supplier and other businesses resulting in 293,886 additional jobs. Combining the direct and indirect employment effects, the total employment impact is estimated to be 540,410 jobs. For each direct job, an additional 1.2 jobs are created in other industries due to the U.S. timeshare industry.

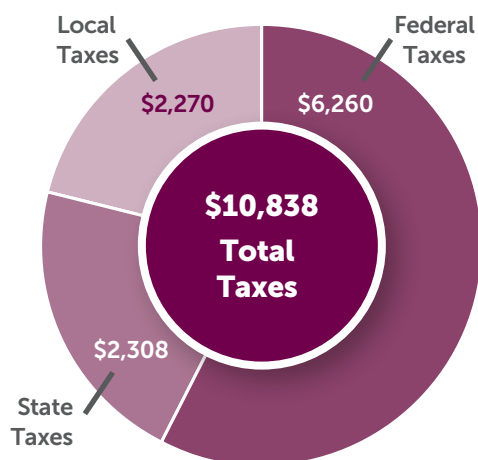
Labor Income: The total income impact was \$29.9 billion in 2017, including an estimated direct income impact of \$14.1 billion and an indirect impact of \$15.9 billion. Labor income includes employee compensation (wages plus benefits) and income to proprietors. The total impact of the U.S. timeshare industry on labor income was \$2.13 for each dollar of direct income.

Economic Output: The timeshare industry's direct impact on economic output (measured by revenues) was \$32.2 billion in 2017, while indirect and induced output was \$48.5 billion, resulting in a total economic output impact of \$80.7 billion. The total impact on U.S. economic output is \$2.51 for each dollar of direct output.

Taxes: The timeshare industry generated almost \$10.8 billion in total taxes. Figure 1 shows the breakdown of total tax impact by level of government. The fiscal impact of the timeshare industry's operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown in more detail in "Detailed Fiscal Impact" on page 23, by level of government and type of taxes. In 2017, the timeshare industry generated an estimated \$6.3 billion in federal taxes, \$2.3 billion in state taxes, and \$2.3 billion in local taxes.

FIGURE 1
TOTAL TAXES PAID BY THE
TIMESHARE INDUSTRY, 2017

Millions of dollars



Note: Includes estimated direct, indirect, and induced taxes paid as a result of the U.S. timeshare industry in 2017.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis.

The timeshare industry provides joint ownership or leases of vacation property that combine the benefits of hotel-like amenities with the security and consistency of home-ownership. There were approximately 205,100 units in 1,570 timeshare resorts in the United States in 2017. This study excludes fractional resorts, Private Residence Clubs, and Destination Clubs. In 2017, sales volume totaled \$9.6 billion, increasing by 10.6% from 2015. Approximately 431,120 timeshare intervals were sold at an average price of \$22,180. The number of intervals sold changed by 10.8% since 2015, while the average price decreased by almost 0.3%. In 2017, timeshare occupancy rate was 81%, a 1.5 percentage point increase since 2015. The U.S. timeshare occupancy rate is significantly higher than the hotel industry's occupancy rate in 2017, which was 65.9%.² Timeshare operations directly employ more than 246,520 people in 48 states.

As described in the report, the economic impact of the timeshare industry extends beyond the timeshare resorts with which customers are most familiar. The total economic contribution of the modern U.S. timeshare industry includes the economic impacts of resort operations, sales and marketing offices; corporate, regional, and call center operations; the construction of new resorts and the renovation of existing resorts; and the expenditures of timeshare vacationers in local communities. In addition, the significant tax contributions of the industry are an important source of revenue for federal, state, and local governments, generating significant property tax, sales tax, and occupancy tax revenue for the states in which the timeshare resorts are located.

This report, prepared by Ernst & Young LLP (EY) and commissioned by ARDA International Foundation (AIF), documents these significant economic and fiscal contributions made by the timeshare industry in 2017.

² STR Monthly Hotel Review: December 2017, Smith Travel Research.

The economic and fiscal impact analysis presented in this study relies on primary data collected through two national surveys, described below. Data collected through the surveys were supplemented with other public and proprietary information to present an estimate of the overall size of the timeshare industry's economic contribution in the United States in 2017.

State of the Vacation Timeshare Industry and Economic Impact Survey

The primary data source for the economic and fiscal impacts is a survey of timeshare resorts, developers, and management companies. This survey was conducted by EY for the ARDA International Foundation (AIF) in early 2018. The survey combined both State of the Industry questions and Economic Impact questions in one master survey. The State of the Industry data collected in this survey is summarized in the 2018 edition of AIF's report *State of the Vacation Timeshare Industry: United States* study, which provides an overview of key metrics of the U.S. timeshare industry such as total sales volume, average maintenance fees, and average sales price. EY also reviews resort, development organization, and management company websites, previous AIF research, and other industry sources to conduct this data analysis. The survey data is extrapolated to reflect the entire timeshare industry in the United States, excluding fractional resorts, Private Residence Clubs, and Destination Clubs.

All identified timeshare resorts and exchange companies in the U.S. were sent a survey questionnaire. Of the 1,570 identified timeshare resorts, 754 responded — a 48% response rate. Of these 754 responding resorts, 659 belong to a family of ten or more resorts, while 95 belong to a family of less than ten resorts. Of these 95, 67 were single site resorts.³

EY uses these responses as the basis for most of the detailed estimates presented in this study. In some cases, the survey results are supplemented with public information, such as corporate income tax information from the IRS Statistics of Income and economic data from the Bureau of Economic Analysis.

As described above, the estimated economic impact of the timeshare industry is primarily based on the industry data collected in the surveys. The data from these surveys used in the estimation of the economic and fiscal impacts is summarized in the following pages. Table 2 presents an overall summary of the industry's expenditures and operations. The data presented in this section are translated into direct economic impacts, as described in the following section on economic and fiscal impact estimation methodology.

TABLE 2
DIRECT INDUSTRY OPERATIONS SURVEY DATA, 2017

Millions of dollars; number of part- and full-time jobs

	Employment	Employee Compensation	Economic Output
Resort Operations	105,054	\$3,811	\$14,314
Corporate Headquarters	50,446	\$3,972	\$7,081
Sales & Marketing	47,052	\$3,612	\$5,862
Total	202,552	\$11,394	\$27,257

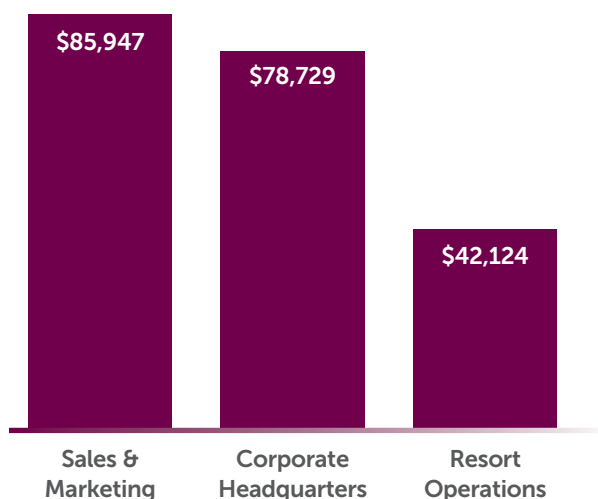
Note: Does not include off-site vacation expenditures and capital expenditure data.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis.

³ List of timeshare resorts maintained and provided by AIF.

FIGURE 2
AVERAGE ANNUAL COMPENSATION
BY INDUSTRY FUNCTION, 2017

Including payroll taxes and other benefits



Note: Does not include off-site vacation expenditures and capital expenditure data.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey.

TABLE 3
INDUSTRY OPERATIONS SURVEY DATA
PER UNIT AND RESORT

	Per Unit	Per Resort
Resort Employees	0.41	67
Total Employees ¹	0.98	127
Resort Revenue	\$69,787	\$9,117,008
Labor Cost	\$22,682	\$2,963,142

¹ Includes headquarters and sales & marketing employees.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey.

Resort Operations Activities: Data describing the annual operations of timeshares include employment, employee compensation, detailed operating expenditures, revenue information including maintenance fees (averaging \$980 per interval) for the 9.5 million intervals owned, and rental income. Economic output is the broadest measure of economic activity and includes all expenditures and payments to factors of production (labor and capital). In 2017, the direct economic output of timeshare resort operations was estimated to be \$14.3 billion, which included maintenance fee revenue of \$9.2 billion, rental income of \$2.3 billion, and revenue from on-site consumer spending of \$2.9 billion. Statistics are provided on a per unit/per resort basis in Table 3.

Corporate Activities: In 2017, the corporate operations of timeshare developers, operators, and exchange companies employed an estimated 50,446 employees, with average compensation of \$78,729 annually per employee, resulting in \$4.0 billion of employee compensation. Purchases from other firms, which are part of direct output, such as financial services, utilities, office supplies, and other operating expenditures, totaled \$2.7 billion.

Sales and Marketing Activities: In 2017, timeshare sales and marketing activities employed an estimated 47,052 employees, with average compensation of \$85,947 annually per employee, yielding \$3.6 billion of employee compensation. Purchases from other firms totaled \$2.0 billion.

Capital Expenditures for New Construction and Renovation Activities: As shown in Table 4, new resort construction expenditures totaled \$441 million and resort renovations totaled \$662 million in 2017. Expenditures related to the construction of corporate and sales operations were \$55 million while renovations totaled \$30 million in 2017, resulting in total sales and corporate center capital expenditures of \$85 million. The construction and renovation expenditures include both structures and tangible personal property.

TABLE 4

CAPITAL EXPENDITURES IN THE TIMESHARE INDUSTRY, 2017

Millions of dollars

Capital Expenditures	Direct Spending
Resort Capital Expenditures	\$1,103
New Construction	\$441
Renovation	\$662
Sales and Corporate Capital Expenditures	\$85
New Construction	\$55
Renovation	\$30
Total Capital Expenditures	\$1,187

Note: Renovation costs include costs related to renovation, furniture, fixtures, equipment, and other capital expenditures. New construction costs include expenses related to the purchase of land, construction, furniture, fixtures, and equipment, and other capital expenditures.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis.

Consumer Survey

AIF commissioned Leger, a market research company, to collect data via a survey on vacation expenditures by timeshare owners and visitors during their U.S. timeshare vacations in the last year. This analysis uses the data from that survey, summarized in Table 5, to estimate the impact of timeshare vacationer spending on the U.S. economy.

Consumer Spending by Timeshare Vacationers: Spending by timeshare owners and guests during timeshare stays was estimated at \$7.23 billion in 2017. \$2.88 billion was spent on-site at resorts, while \$4.35 billion was spent off-site in the communities where the timeshare resorts are located. The total vacationer expenditure was estimated based on average per-party expenditures from the *2018 Shared Vacation Ownership Owners Survey*. The average per-party expenditure is then multiplied by the estimated 4 million vacation travel parties, which is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units occupied per party, as reported in the state of the industry, economic impact and owner surveys.⁴

⁴ This approach assumes that timeshare owners and other visitors to timeshare resorts have the same spending characteristics.

TABLE 5
DETAILED VACATION EXPENDITURE
SPENDING DATA¹

Vacation Spending Data	Average per Party			Total Off-site Spending (\$ billion)
	On-site Spending	Off-site Spending	Total Spending	
Air Transportation Services	—	\$286	\$286	\$1.14
Entertainment and Recreation	\$129	\$41	\$170	\$0.16
Hotels and Motel Services	\$218 ²	\$104	\$323	\$0.42
Restaurants & Bars	\$134	\$188	\$323	\$0.75
Clothing and Clothing Accessories	\$117	\$120	\$236	\$0.48
Groceries	\$104	\$81	\$185	\$0.33
Ground Transit	—	\$24	\$24	\$0.09
Gasoline Stations	—	\$60	\$60	\$0.24
Miscellaneous	\$29	\$20	\$48	\$0.08
Rental Cars	—	\$62	\$62	\$0.25
Theme Parks & Museums	\$106	\$75	\$181	\$0.30
Fitness & Sports	\$101	\$27	\$128	\$0.11
Total	\$938	\$1,088	\$2,026	\$4.35
Average Spending Per Person³	\$274	\$318	\$592	

1 Does not include gambling wins and losses.

2 Hotel and motel on-site expenditures are captured by the 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey as rental revenue and are not included in "on-site spending" referenced throughout the text.

3 Average travel party size is 3.42 people.

Source: 2018 Shared Vacation Ownership Owners Survey, prepared by Leger for AIF.

On average, each traveling party spent \$2,026 per vacation. Table 5 shows the distribution of total spending by timeshare vacationers across major categories of expenditures. Based on an average travel party size of 3.4 people, the average total spending per person is \$592. Note that only the off-site expenditures are included in the estimates of the economic impact of vacation expenditures. On-site spending by timeshare owners and visitors at timeshare resorts is captured separately in the impact of timeshare resort operations, shown in Table 2 on page 9.

Timeshare Conversions

Timeshares are occasionally converted into other types of vacations. The stability of owning a timeshare is maintained, but a different type of experience is created when an owner is able to convert their timeshare for a cruise, car rental, or a hotel stay. The ability to convert timeshares into other types of vacation experiences confirms the value of timeshare ownership as a form of "vacation currency". In 2017, over 60,000 of these timeshare conversion transactions were reported. These transactions are not included in the estimated total economic impact of the timeshare industry on the U.S. economy.

The annual operations of timeshare resorts, corporate operations, sales and marketing, vacation expenditures, and construction or renovations of both timeshare and operations result in significant output (sales), employment, income, and taxes in the U.S. economy. This section describes the estimation of the economic and fiscal impact of the U.S. timeshare industry based on the survey data presented and summarized in Tables 2 through 5 in the previous pages.

Economic Impact Methodology

Using a customized economic model of the U.S. economy, developed by IMPLAN Group LLC, this analysis estimated the direct and indirect economic impacts of the timeshare industry. The survey data discussed in previous pages was used to generate the direct impacts that served as inputs into the IMPLAN model. Detailed information on the IMPLAN model can be found in Appendix B. This model calculates the indirect and induced impacts, as described in the following pages.

FIGURE 3

OVERVIEW OF THE TIMESHARE INDUSTRY OPERATIONS' ECONOMIC IMPACT

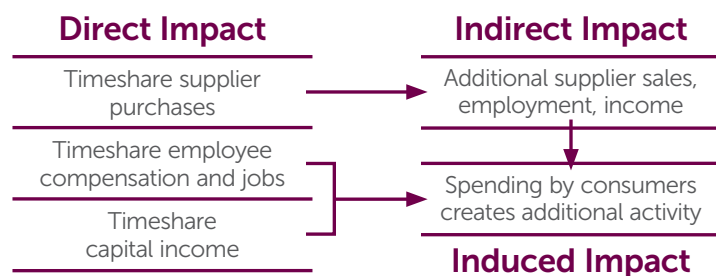


Figure 3 presents a high-level illustration of the channels through which the timeshare industry's operations translate into total economic impacts. As shown in the figure, the timeshare industry's direct operations create purchases from suppliers, employee compensation, and other forms of capital income. These various payments to factors of production (labor and capital) and suppliers create additional indirect economic impacts. As shown below, the industry's supplier purchases result in higher levels of additional sales, employment, and income by suppliers. This impact on suppliers is known as the "indirect" economic impact. Also shown below is the re-spending of employee compensation and other types of income by employees and owners of the timeshare industry, which creates additional spending by consumers at restaurants, retailers, and other businesses that sell to consumers. The impact from additional consumer spending is often referred to as the "induced" economic impact.

Direct Impacts

The estimated direct impact of each timeshare industry activity is measured as the additional output, personal income, or employment connected directly to the industry's operation. The direct public-sector benefits include increased federal, state, and local taxes, such as sales and use taxes, property taxes, occupancy taxes, individual and corporate income taxes paid directly by the timeshare industry, owners of timeshares, and timeshare industry employees. All data were collected through the *AIF 2018 State of the Industry/Economic Impact Survey*. Specific estimates of the direct impacts are calculated as described below.

Direct Economic Output

Direct economic output of the timeshare resort operators is estimated to equal total operator revenues from maintenance fees, rental revenue, and on-site spending by vacationers. In 2017, the direct economic output of timeshare resort operations was estimated to be \$14.3 billion that includes maintenance fee revenue of \$9.2 billion,⁵ rental income of \$2.3 billion, and revenue from on-site consumer spending of \$2.9 billion.⁶

TABLE 6
DIRECT ECONOMIC OUTPUT GENERATED BY
RESORT OPERATIONS, 2017

Millions of dollars

	Amount
Economic Output	
Rental Revenue	\$2,274
Maintenance Fees	\$9,160
On-site Consumer Spending	\$2,880
Direct Economic Output	\$14,314

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis.

As shown in Table 7, direct output from the corporate operations of timeshare developers, operators, and exchange companies totaled almost \$7.1 billion in 2017, which was estimated as the sum of employee compensation of \$3.97 billion and operating expenses of \$2.73 billion as reported in the survey, plus an estimated profit margin of \$375 million, based on standard profitability for the accommodations industry, as reported in the U.S. Internal Revenue Service's Statistics of Income.

Direct output from the sales and marketing operations of timeshare developers, operators, and exchange companies totaled \$5.9 billion in 2017, which was estimated as the sum of employee compensation and proprietor income of \$3.61 billion and non-labor operating expenses of \$1.98 billion as reported on the survey, plus an estimated profit margin of \$271 million. See Table 7.

TABLE 7
DIRECT ECONOMIC OUTPUT GENERATED BY CORPORATE,
SALES & MARKETING OPERATIONS, 2017

Millions of dollars

	Corporate Headquarters	Sales & Marketing
Labor Income	\$3,972	\$3,612
Non-labor Operating Expenses	\$2,734	\$1,979
Profits	\$375	\$271
Direct Economic Output	\$7,081	\$5,862

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis.

⁵ Maintenance fee revenue was calculated by multiplying average maintenance fees of \$980 per interval times 9.5 million intervals owned.

⁶ Rental revenue and on-site consumer spending were obtained from the survey responses and extrapolated to reflect the total population of resorts.

The direct economic output impact of capital expenditures (\$1.1 billion) is based on the amount of resort and non-resort construction and renovations, as reported in the survey. The output impact of new resort construction in 2017 is estimated using the number of new units constructed as reported in the *2018 State of the Industry Survey*. The analysis assumes that the approximate average capital outlay to construct a new timeshare unit is \$315,207.

The output impact of off-site vacation expenditures is estimated at \$3.8 billion, based on reported average off-site vacation expenditures of \$1,088 per party by 4 million vacation travel parties, and taking into account that some of the purchases were for goods manufactured outside the U.S.⁷

Direct Employment

Direct employment of the timeshare industry is equal to the sum of the reported full- and part-time employment for timeshare resorts (105,054 jobs), corporate (50,446 jobs), and sales and marketing (47,052 jobs), as reported in the survey.

The employment impact of other industry activities, such as capital expenditures and vacation expenditures, are estimated using the IMPLAN model of the U.S. economy, which contains information on the typical direct employment associated with spending in each industry.⁸

Direct Labor Income

Direct labor income earned by employees of the timeshare industry is equal to the sum of wages and benefits received by employees and proprietor's income earned by proprietors. Benefits include employer contributions for social insurance, health insurance, retirement, and other types of non-cash compensation. For resort, corporate, and call center operations, the direct income impact was reported in the survey responses. For other industry activities, such as capital and vacation expenditures, the direct income impact was estimated using the U.S. IMPLAN economic model based on the level of expenditures and estimated employment.

Indirect Impacts

The operating expenses incurred by the timeshare industry result in purchases of goods and services from other U.S. businesses, which create ripple or multiplier effects throughout the entire national economy. The multiplier is a measure of the impact the timeshare industry has on the employment, income, and output of supplier businesses that are meeting the timeshare industry's demand for goods and services. For example, a timeshare resort purchases linen services, food and beverages, cleaning supplies, landscaping services, and other goods and services supplied by other businesses. Likewise, the indirect impact of construction and renovation activities results from purchases of building materials from supplier companies.

The indirect impact of the timeshare industry is estimated by using the IMPLAN model of the U.S. economy based on the direct impacts described previously. To produce more accurate estimates of the industry's indirect economic impact, the model is calibrated to reflect the operating profile of the timeshare industry. Specifically, output per worker and compensation per worker were adjusted for resort operations, headquarter operations, and sales and marketing activities. For the industries involved in producing goods and services related to vacation expenditures and capital expenditures, output per worker and compensation per worker were not adjusted and reflect industry averages. For each commodity demanded by the timeshare industry, the model estimates the portion that would be supplied by domestic businesses based on trade flow data from the U.S. Department of Commerce and the U.S. Department of Transportation. These estimates are based on aggregate accommodations and lodging industry information that reflects average purchasing patterns within each industry; individual resorts may have different purchasing patterns.

⁷ An estimated 4.0 million vacation travel parties is calculated by the number of intervals available (number of units multiplied by fifty-one weeks) multiplied by the occupancy rate, and adjusted for the number of units per party, as reported in the SOI and Leger surveys.

⁸ The output-per-worker levels are indicated in the IMPLAN economic model. The direct employment impacts for expenditure-based impacts are calculated by the IMPLAN model based on national industry average relationships of output to employment.

Induced Impacts

The employment and wages of timeshare employees and employees of indirectly impacted firms (suppliers) stimulate additional consumer spending as the employees spend their earnings on restaurants, retail items, housing, and other goods and services produced in the national economy. The estimated induced impacts of the U.S. timeshare industry presented in Table 8 on page 17, were estimated using the IMPLAN U.S. economic model. The model estimates the re-spending of direct and indirect employees, reflecting typical personal consumption expenditure profiles and the typical proportion of consumption goods that are imported from outside the U.S. economy.

Fiscal Impact Methodology

The timeshare industry's economic contributions generate substantial tax revenues for federal, state, and local governments. These taxes are paid either directly by timeshare owners, visitors and employees, or indirectly by suppliers and their employees through higher levels of economic activity. Direct taxes paid by the timeshare industry, its visitors, and its employees include property taxes, sales taxes, personal and corporate income taxes, occupancy taxes, and other taxes. Indirect taxes occur as timeshare suppliers, retailers, service firms, and other businesses increase sales and economic activity in response to additional sales related to timeshare operations and consumer expenditures. These additional indirect taxes are generated through the economic multiplier effect.

Direct property tax, occupancy tax, and corporate income tax from resort operations were provided from the *AIF 2018 State of the Industry/Economic Impact Survey*. Direct property taxes totaled \$941 million while direct occupancy taxes for resort operations totaled \$531 million in 2017. Direct corporate income taxes paid by the timeshare resort operations totaled \$146 million (see appendix Table A1).

Sales tax attributable to capital investment and timeshare vacationer expenditures was estimated using national weighted average rates: 6.05% state sales tax rate and 1.48% local sales tax rate.⁹

All other direct tax and all indirect tax contributions were estimated using ratios of the most recent U.S.-wide tax collections to national personal income for each type of tax.

Estimates of the higher federal, state, and local taxes resulting indirectly from increased economic activity are based on EY's fiscal models for the timeshare industry. Using data from the U.S. Census Bureau's Governmental Finances, and the U.S. Bureau of Economic Analysis (BEA), the model calculates the ratio of federal, state, and local taxes to personal income for all major taxes in the U.S. The tax ratios were then applied to the estimated direct and indirect change in personal income due to the industry's operations, as estimated by the IMPLAN model. The resulting increase in tax collections is reported by tax type.

⁹ Sales and use tax for timeshare visitor expenditures and capital expenditures are estimated based on equipment and building material costs, which are assumed to be subject to the sales tax. Estimated construction labor, installation, and maintenance charges are excluded.

Table 8 shows the direct, indirect, and total economic impact of the U.S. timeshare industry on the national economy.

Direct impacts measure the economic output and income of the timeshare industry and its employees, while the indirect impacts reflect the economic contribution of suppliers to the timeshare industry, as well as induced consumer spending by employees that are directly and indirectly connected to the industry.

TABLE 8

DETAILED ECONOMIC IMPACTS OF THE TIMESHARE INDUSTRY, BY FUNCTION, 2017

Billions of dollars; number of part- and full-time jobs

Output	Direct	Indirect & Induced	Total
Industry Operations	\$27.3	\$40.7	\$68.0
Resorts	\$14.3	\$19.4	\$33.7
Corporate	\$7.1	\$11.7	\$18.7
Sales and Marketing	\$5.9	\$9.6	\$15.5
Vacation Expenditures	\$3.8	\$5.9	\$9.7
Capital Expenditures	\$1.1	\$1.9	\$3.0
Total	\$32.2	\$48.5	\$80.7

Employment	Direct	Indirect & Induced	Total
Industry Operations	202,552	250,077	452,629
Resorts	105,054	122,266	227,320
Corporate	50,446	69,065	119,511
Sales and Marketing	47,052	58,747	105,799
Vacation Expenditures	36,985	33,331	70,316
Capital Expenditures	6,987	10,478	17,465
Total	246,524	293,886	540,410

Labor Income	Direct	Indirect & Induced	Total
Industry Operations	\$12.2	\$13.4	\$25.7
Resorts	\$4.7	\$6.7	\$11.4
Corporate	\$4.0	\$3.9	\$7.9
Sales and Marketing	\$3.6	\$2.8	\$6.4
Vacation Expenditures	\$1.4	\$1.9	\$3.2
Capital Expenditures	\$0.4	\$0.6	\$1.0
Total	\$14.1	\$15.9	\$29.9

Note: Labor income includes employee compensation shown in Table 2 and proprietor income.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Estimated Economic Output Impacts

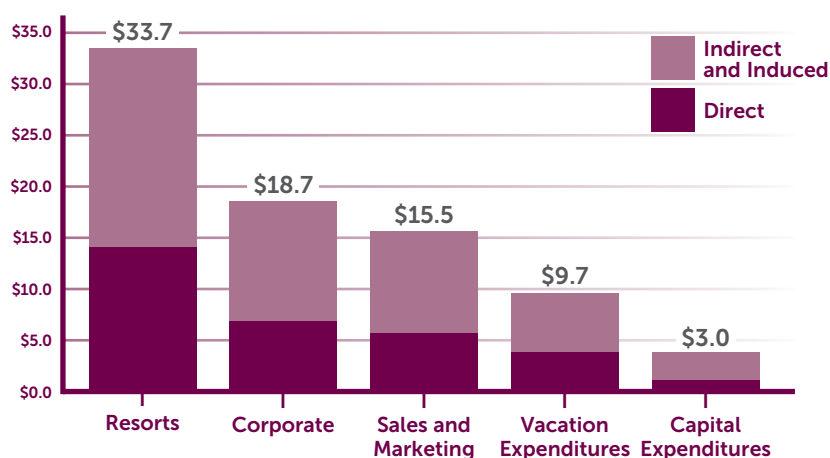
Economic output is the broadest measure of economic activity and is generally equivalent to revenue or total expenses. Specifically, for the timeshare industry, economic output is equal to the total revenue (total expenditures plus profit) from industry operations, spending by vacationers, and investment in construction and renovations. The estimated economic output impacts include the direct output impacts based on the calculations described previously and the indirect and induced economic impacts estimated by the IMPLAN economic model of the United States.

- **Resort Operations:** In 2017, resort operations' direct output totaled \$14.3 billion, while indirect and induced output was \$19.4 billion, resulting in a total contribution to U.S. economic output of \$33.7 billion. The output multiplier is 2.36 where each dollar of direct timeshare economic activity spurs \$2.36 dollars of total U.S. economic output.
- **Corporate Operations:** Direct output totaled \$7.1 billion while indirect and induced output was \$11.7 billion, resulting in a total impact on economic output of \$18.7 billion. The output multiplier estimates that each dollar of direct timeshare economic activity results in \$2.65 dollars of total U.S. economic output.
- **Sales/Marketing Operations:** Direct output totaled almost \$5.9 billion while indirect and induced output was \$9.6 billion, resulting in a total impact on economic output of \$15.5 billion. The output multiplier estimates that each dollar of direct timeshare economic activity results in \$2.64 dollars of total U.S. economic output.
- **Vacation Expenditures:** Direct spending off-site by timeshare owners and visitors totaled almost \$4.4 billion. After taking into account expenditures for goods produced outside the U.S., the direct impact of off-site consumer expenditures was \$3.8 billion in direct output. This direct spending created additional economic activity by firms that supply goods and services consumed by vacationers, which totaled \$5.9 billion. Combining the direct and indirect impacts on economic output, the total impact on U.S. economic output from timeshare vacation expenditures is \$9.7 billion. These results imply that each dollar of direct spending results in \$2.53 dollars of total U.S. economic output.
- **Capital Expenditures:** Spending by the timeshare industry on resort and non-resort construction and renovations totaled \$1.1 billion in 2017, including purchase of land. Purchases of land were also not included, as expenditures on land do not contribute to economic output. Direct expenditures produced an additional estimated \$1.9 billion in indirect and induced output, resulting in a total impact on economic output of \$3.0 billion. The output multiplier implies that each dollar of direct spending results in \$2.68 dollars of total U.S. economic output.

FIGURE 4

ECONOMIC OUTPUT OF THE TIMESHARE INDUSTRY, 2017

Billions of dollars



Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Estimated Employment Impacts

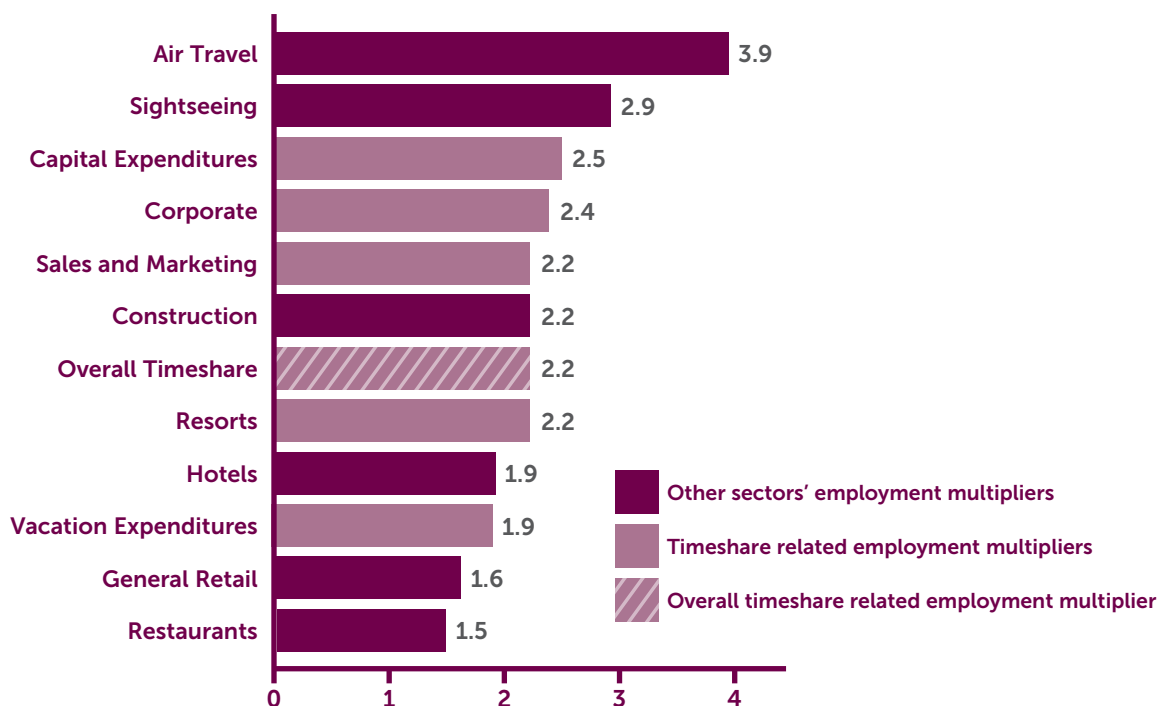
Direct employment associated with the timeshare industry was estimated to be 246,524 jobs (see Table 1). The re-spending of income earned by these employees combined with the indirect impacts from increased supplier activity is estimated to have generated an additional 293,890 jobs, resulting in an estimated 540,410 jobs attributable to the timeshare industry in 2017.

- Off-site vacation expenditures generated 13% of the total employment attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 84%, while capital expenditures represent the remaining 3%.
- On average, there are 2.19 total jobs created in the U.S. economy for each direct employee associated with the timeshare industry. Capital expenditures provide the highest multiplier effect, with a total of 2.50 jobs per direct job while off-site vacation expenditures resulted in 1.90 jobs. According to an analysis of sectors using IMPLAN's model of the U.S. economy, the timeshare industry has a higher employment multiplier than retail and restaurant industries. See Figure 5.

FIGURE 5

COMPARISON OF TIMESHARE INDUSTRY EMPLOYMENT MULTIPLIERS TO SELECTED RELEVANT INDUSTRIES, 2017

Number of total employees per direct employee

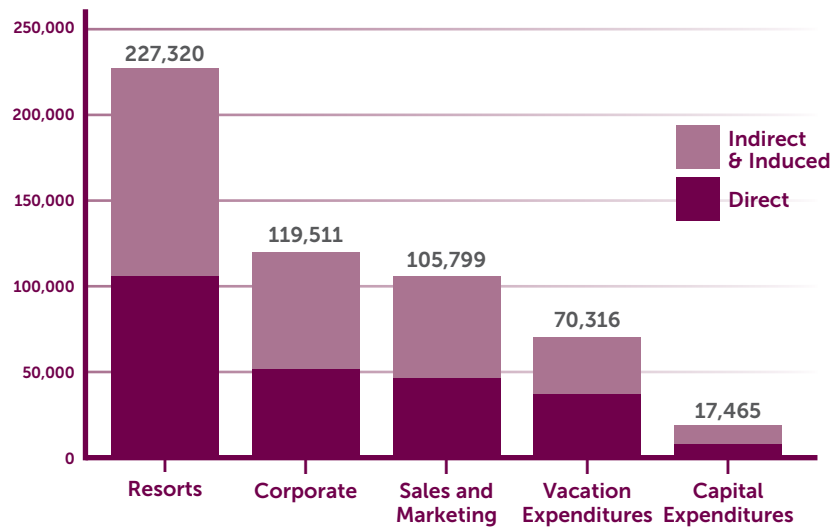


Note: Comparison multipliers shown are from selected industries and do not reflect the economy as a whole.

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

FIGURE 6
EMPLOYMENT OF THE TIMESHARE INDUSTRY, 2017

Number of employees



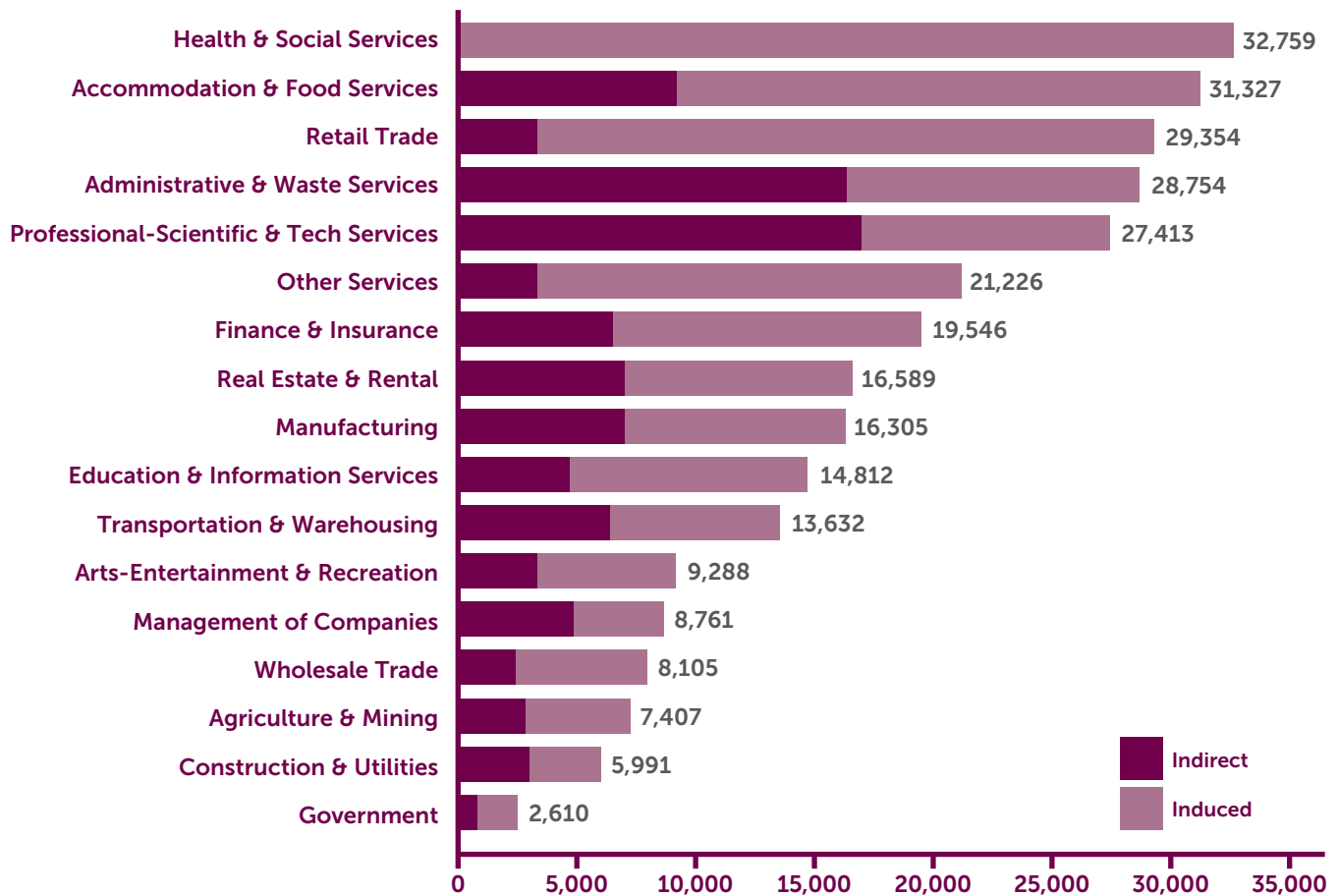
Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

Figure 7 shows indirect and induced employment supported by the U.S. timeshare industry in 2017. Indirect jobs are based in supplier firms that sell goods and services to the timeshare industry (e.g. cleaning services), while induced jobs are at the businesses that sell goods and services to timeshare and supplier employees (e.g. grocery stores and restaurants). As shown in Figure 7, the timeshare industry's largest induced and indirect impacts are in industries where employees are spending money, such as at doctor offices and hospitals (health and social service industry), retail stores (retail), and hotels and restaurants (accommodation and food service).

FIGURE 7

INDIRECT AND INDUCED JOBS, BY INDUSTRY, 2017

Number of employees



Source: EY analysis using the IMPLAN input-output model.

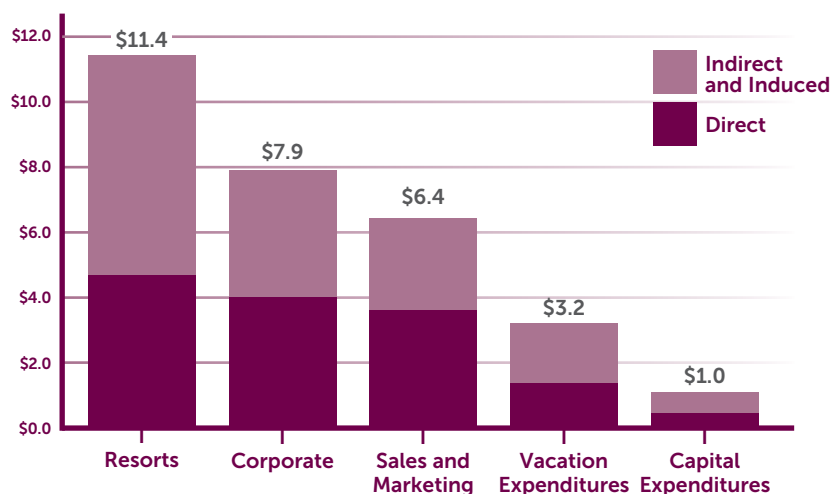
Estimated Labor Income Impacts

In 2017, the timeshare industry generated an estimated \$12.2 billion of direct labor income. When combined with the indirect and induced personal income contribution of \$13.4 billion, the total annual contribution to U.S. personal income equals an estimated \$25.7 billion.

- Vacation expenditures accounted for 11% of total income attributable to the timeshare industry. Industry operations (resorts, corporate, and sales operations) accounted for a total of 86%, while capital expenditures represent the remaining 3%.
- On average, each dollar of direct timeshare income results in \$2.13 of total income earned by employees in the U.S. economy. Resorts provide the highest multiplier effect: direct compensation and proprietor income was \$4.7 billion, which generated a total income impact of \$11.4 billion, equivalent to \$2.44 in total income for each dollar of direct compensation paid to employees and proprietor income.

FIGURE 8
LABOR INCOME OF THE TIMESHARE INDUSTRY, 2017

Billions of dollars



Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey and EY analysis using the IMPLAN input-output model.

The fiscal impact of the timeshare industry’s operations, owner and visitor vacation spending, and construction and renovation of resorts and commercial spaces are shown below, by level of government. As summarized in Table 9, the timeshare industry generated \$10.8 billion in total taxes.

TABLE 9
SUMMARY OF FISCAL IMPACTS OF THE TIMESHARE INDUSTRY
BY FUNCTION, 2017

Millions of dollars	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Resorts	\$2,394	\$1,039	\$1,449	\$4,882
Corporate	\$1,643	\$471	\$333	\$2,447
Sales & Marketing	\$1,334	\$383	\$270	\$1,988
Vacation Expenditures	\$673	\$316	\$166	\$1,156
Capital Expenditures	\$215	\$98	\$52	\$366
Total	\$6,260	\$2,308	\$2,270	\$10,838

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

- The timeshare industry’s operations generated a total of \$10.8 billion in federal, state, and local taxes. Federal taxes accounted for \$6.3 billion (58%), state taxes were \$2.3 billion (21%), and local taxes were an additional \$2.3 billion (21%).
- Resorts generated \$4.9 billion in total taxes, sales/marketing and corporate operations generated \$4.4 billion, vacation expenditures nearly \$1.2 billion, and capital spending related to new construction and renovation resulted in a total of \$366 million in taxes. See Tables A1-A5 in Appendix A.

TABLE 10

SUMMARY OF DIRECT, INDIRECT, AND INDUCED FISCAL IMPACTS OF THE TIMESHARE INDUSTRY BY FUNCTION, 2017

Millions of dollars

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Property Tax	—	\$66	\$1,674	\$1,740
Resorts	—	\$44	\$1,110	\$1,153
Corporate	—	\$9	\$240	\$249
Sales and Marketing	—	\$8	\$195	\$203
Vacation Expenditures	—	\$4	\$98	\$102
Capital Expenditures	—	\$1	\$31	\$33
General Sales Tax	—	\$726	\$195	\$921
Resorts	—	\$215	\$60	\$275
Corporate	—	\$149	\$42	\$191
Sales and Marketing	—	\$121	\$34	\$155
Vacation Expenditures	—	\$184	\$46	\$231
Capital Expenditures	—	\$56	\$14	\$70
Other Taxes	\$6,260	\$1,516	\$401	\$8,177
Occupancy Tax	—	\$326	\$205	\$531
Excise Taxes	\$116	\$285	\$61	\$462
License Taxes	—	\$104	\$4	\$107
Corporate Income Tax	\$647	\$89	\$17	\$753
Individual Income Tax	\$3,352	\$664	\$61	\$4,077
Medicare and SSI Tax	\$2,049	—	—	\$2,049
Misc. Taxes	\$96	\$48	\$53	\$197
Total for All Taxes	\$6,260	\$2,308	\$2,270	\$10,838

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

- **Property Taxes:** The timeshare industry generated \$1.7 billion in property taxes in 2017, or 16% of the total \$10.8 billion tax impact. Direct resort operation property taxes totaled an estimated \$941 million. Indirect and induced taxes totaled \$212 million, totaling over \$1.2 billion in total resort operations property taxes, or 65% of total property taxes (see appendix Table A1). Of this amount, most was local property tax (\$1.1 billion).
- **General Sales Taxes:** The timeshare industry generated \$921 million in sales taxes in 2017, equal to 8% of the industry's total tax impact. Total direct, indirect, and induced sales taxes generated from off-site vacation expenditures account for 24% of total sales taxes, at \$231 million (see appendix Table A4).
- **Occupancy Taxes:** The timeshare industry generated an estimated \$326 million in state occupancy taxes and \$205 million in local occupancy taxes, totaling more than \$531 million.

- **Individual Income Taxes:** The individual income tax impact is greater than any other tax impact generated by the timeshare industry. The individual income tax impact totals \$4.1 billion, representing 38% of all taxes generated by the timeshare industry. Approximately 82% of individual income taxes are collected at the federal level, with 16% at the state level, and 1.5% locally.
- **Employment Taxes (Medicare and SSI Tax):** In addition to individual income taxes, Social Security, Medicaid, and other payroll taxes generate significant revenue for the federal government. The timeshare industry produced \$2.0 billion in payroll taxes or 19% of the total timeshare industry tax impact in 2017. These taxes are only collected at the federal level of government.

TABLE 11

**SUMMARY OF DIRECT, INDIRECT, AND INDUCED FISCAL
IMPACTS OF THE TIMESHARE INDUSTRY BY TAX TYPE, 2017**

Millions of dollars

	Federal Taxes	State Taxes	Local Taxes	Total Taxes
Property Tax	—	\$66	\$1,674	\$1,740
General Sales Tax	—	\$726	\$195	\$921
Occupancy Tax	—	\$326	\$205	\$531
Excise Taxes	\$116	\$285	\$61	\$462
License Taxes	—	\$104	\$4	\$107
Corporate Income Tax	\$647	\$89	\$17	\$753
Individual Income Tax	\$3,352	\$664	\$61	\$4,077
Medicare and SSI Tax	\$2,049	—	—	\$2,049
Misc. Taxes	\$96	\$48	\$53	\$197
Total Taxes	\$6,260	\$2,308	\$2,270	\$10,838

Source: 2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A1

DETAILED FISCAL IMPACT OF RESORT OPERATIONS, 2017

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$998	\$1,396	\$2,394
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$18	\$26	\$44
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$126	\$138	\$264
Individual Income Tax	\$521	\$751	\$1,272
Employment Tax	\$318	\$459	\$777
Other Taxes	\$15	\$22	\$37
State	\$638	\$401	\$1,039
Property Tax	\$36	\$8	\$44
General Sales Tax	\$88	\$127	\$215
Excise Taxes	\$44	\$64	\$108
Occupancy Tax	\$326	—	\$326
License Taxes	\$16	\$23	\$39
Corporate Income Tax	\$17	\$19	\$36
Individual Income Tax	\$103	\$149	\$252
Employment Tax	—	—	—
Other Taxes	\$7	\$11	\$18
Local	\$1,166	\$283	\$1,449
Property Tax	\$906	\$204	\$1,110
General Sales Tax	\$24	\$35	\$60
Excise Taxes	\$10	\$14	\$23
Occupancy Tax	\$205	—	\$205
License Taxes	\$1	\$1	\$1
Corporate Income Tax	\$3	\$4	\$7
Individual Income Tax	\$9	\$14	\$23
Employment Tax	—	—	—
Other Taxes	\$8	\$12	\$20
Total	\$2,802	\$2,080	\$4,882
Property Tax	\$941	\$212	\$1,153
General Sales Tax	\$113	\$162	\$275
Excise Taxes	\$72	\$104	\$175
Occupancy Tax	\$531	—	\$531
License Taxes	\$17	\$24	\$41
Corporate Income Tax	\$146	\$161	\$307
Individual Income Tax	\$634	\$913	\$1,547
Employment Tax	\$318	\$459	\$777
Other Taxes	\$31	\$44	\$75

2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A2

DETAILED FISCAL IMPACT OF CORPORATE OPERATIONS, 2017

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$827	\$816	\$1,643
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$15	\$15	\$31
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$82	\$81	\$163
Individual Income Tax	\$445	\$439	\$884
Employment Tax	\$272	\$268	\$540
Other Taxes	\$13	\$13	\$25
State	\$237	\$234	\$471
Property Tax	\$5	\$5	\$9
General Sales Tax	\$75	\$74	\$149
Excise Taxes	\$38	\$37	\$75
Occupancy Tax	—	—	—
License Taxes	\$14	\$14	\$27
Corporate Income Tax	\$11	\$11	\$22
Individual Income Tax	\$88	\$87	\$175
Employment Tax	—	—	—
Other Taxes	\$6	\$6	\$13
Local	\$168	\$165	\$333
Property Tax	\$121	\$119	\$240
General Sales Tax	\$21	\$21	\$42
Excise Taxes	\$8	\$8	\$16
Occupancy Tax	—	—	—
License Taxes	\$0	\$0	\$1
Corporate Income Tax	\$2	\$2	\$4
Individual Income Tax	\$8	\$8	\$16
Employment Tax	—	—	—
Other Taxes	\$7	\$7	\$14
Total	\$1,232	\$1,215	\$2,447
Property Tax	\$126	\$124	\$249
General Sales Tax	\$96	\$95	\$191
Excise Taxes	\$61	\$61	\$122
Occupancy Tax	—	—	—
License Taxes	\$14	\$14	\$28
Corporate Income Tax	\$95	\$94	\$190
Individual Income Tax	\$541	\$534	\$1,075
Employment Tax	\$272	\$268	\$540
Other Taxes	\$26	\$26	\$52

2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A3

DETAILED FISCAL IMPACT OF SALES & MARKETING OPERATIONS, 2017

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$752	\$582	\$1,334
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$14	\$11	\$25
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$75	\$58	\$132
Individual Income Tax	\$405	\$313	\$718
Employment Tax	\$247	\$192	\$439
Other Taxes	\$12	\$9	\$21
State	\$216	\$167	\$383
Property Tax	\$4	\$3	\$8
General Sales Tax	\$68	\$53	\$121
Excise Taxes	\$34	\$27	\$61
Occupancy Tax	—	—	—
License Taxes	\$13	\$10	\$22
Corporate Income Tax	\$10	\$8	\$18
Individual Income Tax	\$80	\$62	\$142
Employment Tax	—	—	—
Other Taxes	\$6	\$4	\$10
Local	\$152	\$118	\$270
Property Tax	\$110	\$85	\$195
General Sales Tax	\$19	\$15	\$34
Excise Taxes	\$7	\$6	\$13
Occupancy Tax	—	—	—
License Taxes	\$0	\$0	\$1
Corporate Income Tax	\$2	\$2	\$4
Individual Income Tax	\$7	\$6	\$13
Employment Tax	—	—	—
Other Taxes	\$6	\$5	\$11
Total	\$1,120	\$868	\$1,988
Property Tax	\$114	\$88	\$203
General Sales Tax	\$87	\$68	\$155
Excise Taxes	\$56	\$43	\$99
Occupancy Tax	—	—	—
License Taxes	\$13	\$10	\$23
Corporate Income Tax	\$87	\$67	\$154
Individual Income Tax	\$492	\$381	\$873
Employment Tax	\$247	\$192	\$439
Other Taxes	\$24	\$18	\$42

2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A4

DETAILED FISCAL IMPACT OF OFF-SITE VACATION EXPENDITURES, 2017

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$286	\$388	\$673
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$5	\$7	\$13
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$28	\$38	\$67
Individual Income Tax	\$154	\$209	\$362
Employment Tax	\$94	\$128	\$221
Other Taxes	\$4	\$6	\$10
State	\$205	\$111	\$316
Property Tax	\$2	\$2	\$4
General Sales Tax	\$149	\$35	\$184
Excise Taxes	\$13	\$18	\$31
Occupancy Tax	—	—	—
License Taxes	\$5	\$6	\$11
Corporate Income Tax	\$4	\$5	\$9
Individual Income Tax	\$30	\$41	\$72
Employment Tax	—	—	—
Other Taxes	\$2	\$3	\$5
Local	\$87	\$79	\$166
Property Tax	\$42	\$57	\$98
General Sales Tax	\$37	\$10	\$46
Excise Taxes	\$3	\$4	\$7
Occupancy Tax	—	—	—
License Taxes	\$0	\$0	\$0
Corporate Income Tax	\$1	\$1	\$2
Individual Income Tax	\$3	\$4	\$7
Employment Tax	—	—	—
Other Taxes	\$2	\$3	\$6
Total	\$578	\$578	\$1,156
Property Tax	\$43	\$59	\$102
General Sales Tax	\$186	\$45	\$231
Excise Taxes	\$21	\$29	\$50
Occupancy Tax	—	—	—
License Taxes	\$5	\$7	\$12
Corporate Income Tax	\$33	\$45	\$78
Individual Income Tax	\$187	\$254	\$441
Employment Tax	\$94	\$128	\$221
Other Taxes	\$9	\$12	\$21

2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

TABLE A5

DETAILED FISCAL IMPACT OF CAPITAL EXPENDITURES, 2017

Millions of dollars

	Direct	Indirect & Induced	Total
Federal	\$93	\$122	\$215
Property Tax	—	—	—
General Sales Tax	—	—	—
Excise Taxes	\$2	\$2	\$4
Occupancy Tax	—	—	—
License Taxes	—	—	—
Corporate Income Tax	\$9	\$12	\$21
Individual Income Tax	\$50	\$66	\$116
Employment Tax	\$31	\$40	\$71
Other Taxes	\$1	\$2	\$3
State	\$63	\$35	\$98
Property Tax	\$1	\$1	\$1
General Sales Tax	\$45	\$11	\$56
Excise Taxes	\$4	\$6	\$10
Occupancy Tax	—	—	—
License Taxes	\$2	\$2	\$4
Corporate Income Tax	\$1	\$2	\$3
Individual Income Tax	\$10	\$13	\$23
Employment Tax	—	—	—
Other Taxes	\$1	\$1	\$2
Local	\$27	\$25	\$52
Property Tax	\$14	\$18	\$31
General Sales Tax	\$11	\$3	\$14
Excise Taxes	\$1	\$1	\$2
Occupancy Tax	—	—	—
License Taxes	\$0	\$0	\$0
Corporate Income Tax	\$0	\$0	\$1
Individual Income Tax	\$1	\$1	\$2
Employment Tax	—	—	—
Other Taxes	\$1	\$1	\$2
Total	\$183	\$182	\$366
Property Tax	\$14	\$19	\$33
General Sales Tax	\$56	\$14	\$70
Excise Taxes	\$7	\$9	\$16
Occupancy Tax	—	—	—
License Taxes	\$2	\$2	\$4
Corporate Income Tax	\$11	\$14	\$25
Individual Income Tax	\$61	\$80	\$141
Employment Tax	\$31	\$40	\$71
Other Taxes	\$3	\$4	\$7

2018 U.S. State of the Vacation Timeshare Industry and Economic Impact Survey, IRS Income Statistics, BEA, and EY analysis using the IMPLAN input-output model.

IMPLAN Impact Modeling Methodology

The economic and fiscal impact analysis of capital investments and the timeshare industry's operations were estimated using detailed input-output and tax revenue forecasting models. The economic input-output model identifies the complex flows from producers to intermediate and final consumers within a region. The model uses data describing purchases of commodities and services by industries, compensation paid to employees, and total value added.

The U.S. economic multipliers in this study were estimated using the IMPLAN input-output model. IMPLAN is used by more than 500 universities and government agencies to estimate the economic and fiscal impacts of new investments and changes in demand, employment, and industry output. IMPLAN is the ideal model to quantify the timeshare industry's economic impact. Unlike other economic models, IMPLAN includes the interaction of 536 industry sectors, thus identifying the interaction of specific industries that relate to the timeshare industry.

This analysis includes direct, indirect, and induced economic effects. Direct effects are production changes associated with the immediate effects or final demand changes. Indirect effects are production changes in backward-linked industries caused by the changing input needs of directly affected industries (for example, additional purchases to produce additional output). Induced effects are the changes in regional household spending patterns caused by changes in household income generated from the direct and indirect effects and are included in the estimated impacts presented in this study.

Purchases for final use (final demand) drive the model. Industries producing goods and services for final demand purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services (indirect purchases) continues until leakage from the region (imports and value added) stops the cycle. These indirect and induced effects (the effects of household spending) can be mathematically derived. The resulting sets of multipliers describe the change of output for each and every regional industry caused by a one-dollar change in final demand for any given industry.

Economic Impact of the Timeshare Industry on the U.S. Economy 2018 EDITION

SURVEY

Thank you for participating in the 2018 ARDA International Foundation (AIF) Survey!
The following survey is about timeshare resorts. If you have questions regarding the survey or this website, please call Joe Callender at 202.327.5692 or email joe.callender@ey.com.

If you submitted a response to us last year, we have used that data to pre-populate fields that are unlikely to change. We hope this makes this questionnaire easier to complete. Please review the answers in case anything has changed since last year.

WEB ONLY: In some cases, multiple respondents from an organization may be completing this questionnaire. In that case, you may only be completing specific sections. Using the following table of contents, please de-select any sections which are not applicable to you before proceeding.

- | | | |
|---|---|---|
| <input type="checkbox"/> Resort Identification | <input type="checkbox"/> Timeshare Taxes | <input type="checkbox"/> Resort Construction and Improvements |
| <input type="checkbox"/> Resort Characteristics | <input type="checkbox"/> Resort Timeshare Sales | <input type="checkbox"/> Rental Programs |
| <input type="checkbox"/> Occupancy and Fees | <input type="checkbox"/> Inventory Management | |
| <input type="checkbox"/> Timeshare Operating Expenses | | |

Note: Please refer to the glossary for the definition of any underlined terms.

I. Resort Identification

1. Are you responsible for providing data for multiple resorts?

- ☐ Yes — Please contact Joe Callender at 202-327-5692 or Joe.Callender@ey.com if interested in providing the information below via an Excel spreadsheet for all your resorts.
- ☐ No

2. Resort identifying information

Resort Name _____
Address _____
City _____ State _____ Zip Code _____
Primary Website _____

3. Contact person *(General information for individual completing survey)*

First Name _____
Last Name _____
Title _____
Company Name _____
Telephone Number _____

4. Resort management information *(Complete only if applicable)*

Name of Development Company _____
Name of Management Company _____
RCI Identification Number _____
Interval Identification Number _____
Home Owners Association(s) *If multiple HOAs please use a comma to separate*

5. Please indicate any exchange companies with which you are affiliated

- ☐ Interval international
- ☐ RCI
- ☐ Internal exchange program (the exchange program operated by your developer or management company)
- ☐ DAE (Dial-An-Exchange)
- ☐ ICE (International Cruise and Excursion)
- ☐ SFX Preferred Resorts (San Francisco Exchange)
- ☐ Other, specify: _____



II. Resort Characteristics

1. At which development stage is this resort currently? (Select one)

Note: Active sales resorts are defined as resorts that sold 100 or more new weekly intervals or points equivalent sales during 2017, excluding resales. All other resorts are considered not in active sales. If the resort is being built in phases, and a construction phase is complete, the resort should be considered open, even if a new phase is still under construction.

- ☐ **Planned**
- ☐ **Under Construction** — not in Active Sales
- ☐ **Under Construction** — in Active Sales (presales)
- ☐ **Open** — still in Active Sales [ANSWER Q1a]
- ☐ **Sold Out** — may have some resale activity [ANSWER Q1a]
- ☐ **Closed** [ANSWER Q1b & Q1c]

1a. **Please select the year this resort opened for sales.**
(Only answer if stage above equals Open or Sold Out) ____

1b. **Please select the year this resort closed.**
(Only answer if stage above Closed) ____

1c. **Please specify a reason why this resort closed.**
(Open-ended...Only answer if stage above Closed) ____

2. What type of construction is this timeshare property?

- ☐ Purpose built
- ☐ Conversion

3. Are any of the following types of units available for sale/rent at this property?

- ☐ Fractional
- ☐ Hotels
- ☐ Whole ownership
- ☐ Some other type of non-timeshare units (please specify) _____
- ☐ None of the above — this is a stand-alone/timeshare only property

4. Who controls the HOA/POA/COA (owner's association) at this resort?

- ☐ Owners
- ☐ Developer (Go to Q5)

4a. [If "Owners" SELECTED] **At approximately what percentage of sell out did the owners gain control of the owner's association?** _____

5. Who manages the timeshare resort's day to day operation?

- ☐ Self-managed by the owner's association
- ☐ Managed by a management company that is affiliated with the resort developer
- ☐ Managed by a third party management company
- ☐ Other, specify _____

6. How are management fees determined?

- ☐ Not applicable
- ☐ Fixed amount
- ☐ As a percentage of the annual budget, operating expenses, etc. - excluding reserves and taxes [GOTO Q6a]
- ☐ As a percentage of total assessments which includes reserves (Go to Q6b)
- ☐ Other, specify _____

6a. **What percentage of budget, operating expenses, etc. was allocated to management fees in 2017?** _____

Note: Please exclude commissions on rentals and resales.

6b. **What percentage of total assessments was allocated to management fees in 2017?** _____

7. What was the total amount of management fees paid in 2017? _____

Note: Please exclude commissions on rentals and resales. Please enter an actual dollar amount — do not use units such as thousands or millions.

8. Who employs your resort's employees? (Check all that apply)

- ☐ Resort developer
- ☐ Resort HOA(s)
- ☐ Management company
- ☐ Other, specify _____

II. Resort Characteristics — continued

9. How many timeshare units does this resort have by size?

If you don't have a given type of unit, please fill in '0'.

NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Total Units as of December 31, 2017

Count Lock-offs as one unit	Count Lock-offs as separate units
_____ Studio	_____ Studio
_____ 1BR	_____ 1BR
_____ 2BR	_____ 2BR
_____ 3+BR	_____ 3+BR
_____ Total Units	_____ Total Units

10. What is the average size of a unit at this resort in square feet? If you don't have a given type of unit, please fill in "0."

NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Unit size Square feet

Studio	_____
1BR	_____
2BR	_____
3+BR	_____
Total	_____

11. Which of the following types of intervals does this resort currently have? (Check all that apply)

- ☐ Timeshare points

One or more of the following types of weekly intervals

- ☐ Traditional interval weeks (including fixed and floating weeks)
☐ Interval weeks with the ability to use through a timeshare points system

12. Which of the following special types of intervals does this resort currently have?

- ☐ Biennials
☐ Triennials
☐ Limited-term vacation products
☐ Other, please specify _____

13. Please provide the following information on weekly equivalent intervals* at your resorts:

	Weeks: As of December 31, 2017	Points: As of December 31, 2017
What is the total number of weekly equivalent intervals owned at your resort as of December 31, 2017 by owners other than the developer or HOA? Please include any intervals sold since the resort's inception, unless they have been reacquired by the developer or are owned by the HOA.	_____	_____
What is the total number of weekly equivalent intervals at your resort that are owned by the HOA as of December 31, 2017?	_____	_____
What is the total number of weekly equivalent intervals at your resort that are owned by the developer as of December 31, 2017? Please include any intervals that have never been sold and intervals that have been reacquired by the developer.	_____	_____
Total	_____	_____

*Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.

II. Resort Characteristics — continued

14. If you are a points based developer who converted your points into weekly equivalent in the previous question, how do you perform that calculation?

- ☐ N/A
- ☐ Divided the number of points redeemed during the year by the number of unit weeks occupied
- ☐ Calculated the implied internal interval week conversion factor for the system overall by using assigned values
- ☐ Other, please specify _____

15. What was the origin distribution of your shared vacation owners in 2017?

Unit Size	%
Domestic	_____
International	_____
Total	100%

16. What is the legal structure of the shared vacation ownership products that are currently sold at your property? (Check all that apply)

- ☐ Right to use contractual interest that expires at some future date (sometimes called a membership or vacation license)
- ☐ Deeded or fee-simple real estate (you usually receive a mortgage, title insurance and a recorded deed)
- ☐ Interest in a trust (your shared vacation ownership use rights or deed is placed in an independent trust for your protection and you may receive a certificate or other document showing your interest in the trust that establishes your shared vacation ownership)
- ☐ Other, specify _____

17. How long is the contract, membership license or leasehold, if applicable? (Check all that apply)

- ☐ Lifetime ☐ 5 to 9 years
- ☐ 20+ years ☐ Less than five years
- ☐ 10–19 years

18. What vacation experience does this resort offer? (Choose all that apply.)

Vacation Experience	On site	Nearby	Vacation Experience	On site	Nearby
Beach	<input type="checkbox"/>	<input type="checkbox"/>	Rural/Coastal	<input type="checkbox"/>	<input type="checkbox"/>
Country/Lakes	<input type="checkbox"/>	<input type="checkbox"/>	Ski	<input type="checkbox"/>	<input type="checkbox"/>
Desert	<input type="checkbox"/>	<input type="checkbox"/>	Theme Park	<input type="checkbox"/>	<input type="checkbox"/>
Gaming	<input type="checkbox"/>	<input type="checkbox"/>	Urban	<input type="checkbox"/>	<input type="checkbox"/>
Golf	<input type="checkbox"/>	<input type="checkbox"/>	Mountains	<input type="checkbox"/>	<input type="checkbox"/>
Island	<input type="checkbox"/>	<input type="checkbox"/>	Other, specify: _____	<input type="checkbox"/>	<input type="checkbox"/>

19. Which ONE characteristic best describes this resort? (Please select only one)

- ☐ Beach ☐ Rural/Coastal
- ☐ Country/Lakes ☐ Ski
- ☐ Desert ☐ Theme Park
- ☐ Gaming ☐ Urban
- ☐ Golf ☐ Mountains
- ☐ Island ☐ Other, specify: _____

20. Which of the following amenities are provided at this resort?

Amenity	Complimentary	For additional fee	Amenity	Complimentary	For additional fee
24-hour front desk service	<input type="checkbox"/>	<input type="checkbox"/>	Movie rental	<input type="checkbox"/>	<input type="checkbox"/>
Business resource room	<input type="checkbox"/>	<input type="checkbox"/>	Playground	<input type="checkbox"/>	<input type="checkbox"/>
Concierge	<input type="checkbox"/>	<input type="checkbox"/>	Sauna	<input type="checkbox"/>	<input type="checkbox"/>
Covered parking	<input type="checkbox"/>	<input type="checkbox"/>	Sports courts		
Exercise room	<input type="checkbox"/>	<input type="checkbox"/>	Basketball courts	<input type="checkbox"/>	<input type="checkbox"/>
Food & beverage facility/			Racquetball or squash courts	<input type="checkbox"/>	<input type="checkbox"/>
restaurant	<input type="checkbox"/>	<input type="checkbox"/>	Tennis courts	<input type="checkbox"/>	<input type="checkbox"/>
Game room	<input type="checkbox"/>	<input type="checkbox"/>	Other sports courts	<input type="checkbox"/>	<input type="checkbox"/>
Guest-use computer	<input type="checkbox"/>	<input type="checkbox"/>	Swimming pool	<input type="checkbox"/>	<input type="checkbox"/>
Health spa	<input type="checkbox"/>	<input type="checkbox"/>	Waterpark (on-site)		
Ice skating	<input type="checkbox"/>	<input type="checkbox"/>	Whirlpool/Hot tub	<input type="checkbox"/>	<input type="checkbox"/>
Live entertainment	<input type="checkbox"/>	<input type="checkbox"/>	Wi-Fi throughout resort	<input type="checkbox"/>	<input type="checkbox"/>
Miniature golf course	<input type="checkbox"/>	<input type="checkbox"/>	Other, specify: _____	<input type="checkbox"/>	<input type="checkbox"/>

II. Resort Characteristics — continued

21. Which of the following amenities are provided in units at this resort?

	Complimentary	For additional fee
Flat screen TV(s)	<input type="checkbox"/>	<input type="checkbox"/>
DVR player or recorder	<input type="checkbox"/>	<input type="checkbox"/>
In-room movie rental	<input type="checkbox"/>	<input type="checkbox"/>
Streaming services, (e.g., Netflix)	<input type="checkbox"/>	<input type="checkbox"/>
Video game equipment or capabilities	<input type="checkbox"/>	<input type="checkbox"/>
Wi-Fi	<input type="checkbox"/>	<input type="checkbox"/>
Wired broadband Internet service	<input type="checkbox"/>	<input type="checkbox"/>
Laundry/Washer/Dryer	<input type="checkbox"/>	<input type="checkbox"/>
DVD or Blue-ray player	<input type="checkbox"/>	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify _____	<input type="checkbox"/>	<input type="checkbox"/>

22. Do you offer a mobile application to owners and guests to enhance their experience?

☐ Yes ☐ No (Skip to Q23)

22a. Which of the following features are offered via the mobile application to your guests?

- ☐ Check in
☐ Access to units (unlock/lock unit using a phone)
☐ Virtual tour
☐ Mobile payment
☐ Owner community building experience
☐ Other, specify: _____

23. Which of the following programs do you have in place to manage your inventory?

Program	In Place	Associated Revenue (\$)
Developing partnerships or rental relationships with Airbnb or other web driven 'sharing' entity in order to push inventory	<input type="checkbox"/>	_____
Leasing or buying rooms in branded or unbranded hotel as a way to extend destinations	<input type="checkbox"/>	_____
Vacation rental marketplaces (Homeaway, VRBO or other web rental services)	<input type="checkbox"/>	_____
Online travel agencies	<input type="checkbox"/>	_____
Travel clubs	<input type="checkbox"/>	_____
Other, please specify _____	<input type="checkbox"/>	_____

24. How do you communicate with your owners?

- ☐ Email (Answer Q25 about Email)
☐ Phone (Answer Q25 about Phone)
☐ Owner online forum (Answer Q25 about Owner online forum)
☐ Social media (Answer Q25 about Social media)
☐ Other, please specify _____ (Answer Q25 about Other)

25. With what frequency do you communicate with your owners? (Check all that apply)

	As needed	Weekly	Monthly	Quarterly	Yearly	Other
Email	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owner online forum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

26. What other types of products/services are offered through your internal exchange programs only?

- ☐ None ☐ Fractional ☐ Air travel
☐ Hotel ☐ Cruise ☐ Car rental
☐ Condo ☐ Shopping ☐ Other, please specify _____

27. How many non-timeshare entities are associated with the internal exchange program?

III. Occupancy and Fees

Please answer the following questions for your timeshare units only.

1. **What was your timeshare occupancy mix by type?** Report based on physical occupancy, meaning actual guest check-in occurred. Calculate percentages using weekly equivalent timeshare intervals available as the denominator — please do not include any inventory taken offline due to natural disasters such as hurricanes or regular maintenance. This corresponds to all units with certificates of occupancy, whether intervals are sold or unsold.

	In 2017
Owner or owner's guest	_____
Exchange guest	_____
Renter	_____
Marketing guest (sampler/trial membership, etc.)	_____
Vacant	_____
Total	100%

2. **What were your maintenance fees billed per unit per interval in 2017, including contributions to reserves but excluding special assessments and property taxes?** NOTE: Please do not include commas when reporting numeric values. (i.e., the amount 1,000 should be reported as 1000.)

Maintenance fees billed *per unit per interval*

Studio _____ 1BR _____ 2BR _____ 3+BR _____

** Points-based developers may calculate weeks on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.*

3. **What is the total amount of revenue your resort collected in 2017 over all intervals at this resort for each of the following categories?** Please include amounts paid by the developer, for example, on unsold intervals held in inventory, and/or subsidies and guarantees.

	In 2017
Maintenance fees	_____
Special assessments and other revenue sources	_____
Rentals (all fees, commissions, etc. collected by your resort)	_____
Resales (all fees, commissions, etc. collected by your resort)	_____
Recreational use fees (bike rentals, videos, etc.)	_____
Food & beverage	_____
Housekeeping	_____
Telecommunication (telephone, Internet etc.)	_____
Developer subsidy	_____
Laundry	_____
Other, please specify _____	_____
Other, please specify _____	_____
Total Revenue	_____

4. **As of Dec 31, 2017, what percent of your total billed maintenance fees were in each of the following categories?** Please include all maintenance fees billed in 2017 or before, but please do not include maintenance fees billed for 2018.

	In 2017
Current (30 days delinquent or less)	_____
31–60 days delinquent	_____
61–90 days delinquent	_____
91–120 days delinquent	_____
121+ days delinquent	_____
Total	100%

IV. Timeshare Operating Expenses

Note: Ernst & Young is using an expenditure-based approach to quantify the economic impact of the timeshare industry. In this approach, Ernst & Young will estimate the typical level of expenditures generated by sales operations, resort management operations (including the operation of timeshare-related amenities), corporate offices and call centers. Therefore, in completing survey forms it is important that each employee or dollar of expenditures made by a particular company be reported in only one category. For mixed-use projects (e.g. timeshare resort and on-site hotel), allocate a portion of total resort employment and expenditures to the timeshare operation. This expense information will be used to derive economic multipliers that reflect the additional economic activity that will occur when timeshare properties purchase goods and services produced by suppliers located in the United States.

Resort Management Operations

1. Please provide the following information for your resort employees only. Include full-time, part-time, temporary and contract employees (Please do not include people in sales operations as these employees are reported in Question 2 below)

Annual average number of employees for 2017. Calculate using the average between the number of employees on January 1, 2017 and the number of employees on December 31, 2017.

In 2017

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.

2. Please provide your non-labor operating expenses at your resort in dollars. Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.

\$ _____

Sales Operations (both on-site and off-site)

3. Please provide the following information for your sales operations only. Include full-time, part-time, temporary and contract employees.

Annual average number of employees for 2017. Calculate using the average of the number of employees on January 1 and the number on December 31.

In 2017

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.

4. Please provide your 2017 non-labor operating expenses for your sales operations in dollars. Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.

\$ _____

IV. Timeshare Operating Expenses — *continued*

Corporate, Regional or Call Center Operations Expenses

5. Please provide the following information for your corporate, regional office and call center operations only.

Include full-time, part-time, temporary and contract employees. Exclude resort development costs such as payroll costs and non-compensation expenditures that are related to resort design and construction and will be reported under resort construction and improvement.

In 2017

Annual average number of employees for 2017. Calculate using the average of the number of employees on January 1 and the number on December 31.

Total employee compensation in dollars. Include wages and salaries; commissions; the cost of benefits such as health and life insurance; retirement payments; employer and employee shares of FICA taxes (social security and Medicare); federal, state and local income tax withholding; and non-cash compensation. Figures reported should be the annual total, and should correspond to the employees reported above. Cash and stock bonuses should be reported in the year in which they are paid to employees.

6. Please provide your 2017 non-labor operating expenses at your corporate, regional office and call center operations in dollars. Includes costs such as food and beverage, supplies, repair and maintenance, general & administrative, utility and telecom, financial services, etc.

\$ _____

V. Timeshare Taxes

Note: The goal of this question is to collect information on the full level of property and occupancy taxes paid, regardless of the individual or entity that actually makes payment to the local government entity. For example, include taxes that are paid by the HOA or management entity. If owners are responsible for paying property taxes directly, please include an estimate of the taxes paid by owners. If it is not possible to include an estimate of such taxes, please notify us. Property taxes include taxes on real estate and personal property.

1. Please provide the total amount of property taxes paid during 2017, in dollars. Include information on the full level of property taxes paid, regardless of the individual or entity that actually makes payment to the local government entity.

In 2017

On resort property

At sales centers, both on-site and off-site

For regional office, corporate office and/or call center operations

2. Please provide the total amount of occupancy taxes paid during 2017, in dollars. Include any accommodation taxes paid by occupants of timeshare units, such as sales tax on room charges, room tax, transient occupancy tax and nightly taxes on owners. Include the full amount paid to state and local governments by occupants or resort. Enter a zero if no occupancy taxes were paid. Enter "N/A" if information on the amount of occupancy tax paid is not available.

In 2017

State Occupancy Taxes

Local Occupancy Taxes

3. Please provide the total amount of corporate income taxes paid by your organization for 2017, in dollars.

In 2017

State and Local Income Tax Paid

Federal Income Tax Paid

Total

VI. Resort Timeshare Sales

1. Did you offer new timeshare inventory for sale in 2017 on a weekly interval and/or points basis?

New inventory is considered "first generation" or "developer sales". (Note: If you identified as a "sold-out" resort above, but still had some small level of sales activity in 2017 (such as for sales of re-claimed inventory), please select yes and report your sales information.)

- ☐ Yes — weekly interval (go to Q2)
☐ Yes — points (go to Q12)
☐ No (skip to next section)

Please answer the following questions in the context of new sales on a weekly interval basis for your timeshare units only.

2. Do you have any fee for service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

- ☐ Yes ☐ No

Timeshare Sales (\$):

3. What was your total sales volume net of rescissions and sales incentives for 2017, in dollars?

Include interval weeks sales, upgrade/reload sales, and sales from re-claimed inventory. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

\$ _____

4. Of your total net sales volume above, what is the amount sold for upgrades/reloads?

\$ _____

5. Of your total net sales volume above, what is the amount sold for limited-term vacation products?

(If Q12 from Resort Characteristics = Limited-term) \$ _____

6. What was your 2017 sales volume net of rescissions and sales incentives...

	Sales Volume (\$)
...for weekly based intervals* (Excluding biennials and triennials)?	_____
...for biennials?	_____
...for other products?	_____

Weekly Intervals Sold:

7. How many weekly equivalent timeshare intervals were sold in 2017 for your weekly intervals?

Exclude sales for trial memberships and sampler programs.

\$ _____

8. What was the number of intervals sold in the following categories.

	Number of Intervals Sold
...for weekly based intervals* (Excluding biennials and triennials)?	_____
...for biennials?	_____
...for other products?	_____

Number of Weeks Based Sales Transactions:

9. What was the total number of weekly interval sales transactions in 2017 at your resort (exclude rescissions)? Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), reloads (which should be part of all categories above, except upgrades). Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

\$ _____

10. Of your total weeks based transactions above, how many were for upgrades/reloads?

\$ _____

VI. Resort Timeshare Sales — *continued*

Timeshare Inventory:

11. How many weekly intervals were available for sale at your resort? Include all intervals available as of December 31, 2016 and any that were made available during calendar year 2017.

Please answer the following questions in the context of new sales on a points basis for your timeshare units only.

Timeshare Sales (\$):

12. What was your total sales volume net of rescissions and sales incentives for 2017, in dollars? Include points sales, reload sales, and sales from re-claimed inventory. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales

\$ _____

13. Of your total net sales volume above, what is the amount sold for reloads?

\$ _____

14. Of your total net sales volume above, what is the amount sold for limited-term vacation products (If Q12 from Resort Characteristics = Limited-term)?

\$ _____

Points and Weekly Intervals Sold:

15. How many weekly equivalent timeshare intervals were sold in 2017 for your points based products?

Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here. (Note: Points-based developers may calculate weeks owned on an implied interval week conversion factor based on internal measures. For example, one approach may be to divide the number of points redeemed during the year by the number of unit weeks occupied; or, developers that assign values to unit inventory may calculate the implied interval week conversion factor for the system overall.)

16. How many total points were sold at your resort in 2017?

Number of Points Based Sales Transactions:

17. Number of points sales transactions (exclude rescissions) Transactions should include points sales and reloads. Note: Exclude sales of trial memberships and sampler programs. If your resort's owned inventory is being sold by other companies under "fee-for-service" arrangements, then you should include those sales here.

18. Of your total points based transactions above, how many were for reloads?

Timeshare Inventory:

19. How many total timeshare points exist in your inventory at your resort?

20. How many timeshare points were available for sale at your resort? Include all points available as of December 31, 2016 and any that were made available during calendar year 2017.

VI. Resort Timeshare Sales — *continued*

Following questions asked of all respondents.

21. What was your 2017 net sales volume associated with trial membership/sampler programs net of rescissions and sales incentives, in dollars? This value should not have been included in your response earlier in this section. _____

22. Of your total 2017 net sales volume net of rescissions and sales incentives as listed earlier in this section, indicate the approximate percentage sold to

	Percent
New owners (including owners who purchased as a result of participation in a trial membership program)	_____
Existing owners	_____
Total	100%

23. Does this resort offer any of the following for sale?

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Fractional sales
<input type="checkbox"/>	<input type="checkbox"/>	Private Residence Clubs
<input type="checkbox"/>	<input type="checkbox"/>	Whole ownership
<input type="checkbox"/>	<input type="checkbox"/>	Other, please specify _____

24. Please describe the types of sales channels you use for your resorts.

- ☐ In-person Sales Presentations (Tours): On-site
☐ In-person Sales Presentations: Off-site (including homesits)
☐ Online
☐ Telemarketing
☐ Other, please specify _____

25. Do you have any fee for service arrangements with other timeshare developers by which those developers are selling timeshare inventory for your resort? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

☐ Yes ☐ No

26. Do you have any fee for service arrangements with other timeshare companies/resorts by which you are selling timeshare inventory for them? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

☐ Yes ☐ No

27. What was your total 2017 sales volume net of rescissions and sales incentives related to "Fee for service" arrangements? Fee for service refers to an arrangement by which a company receives a fee in exchange for providing sales and marketing support in the sale of timeshare inventory belonging to another company.

\$ _____

28. What was your total number of fee for service related transactions for 2017?

29. **Sales Locations:** Below, please break out your total sales volume net of rescissions and sales incentives (including weekly interval and points based sales AND Fee for service sales, but not including sales of trial memberships) across the following regions by the location where the sale originated.

Leading states	2017 Sales volume (\$)	Census region	2017 Sales volume (\$)
Arizona	_____	Pacific	_____
Colorado	_____	Mountain	_____
Massachusetts	_____	Northeast	_____
Missouri	_____	South Central	_____
North Carolina	_____	Midwest	_____
Texas	_____	South Atlantic	_____
Virginia	_____	TOTAL	_____

VII. Inventory Management

1. Do you accept trade-ins of intervals developed by other development companies?
☐ Yes ☐ No

2. Which of the following types of programs do you offer for intervals at properties which you have developed and/or manage? *(Check all that apply)*
 - ☐ A buy-back program of timeshare intervals at a mutually agreeable price
 - ☐ Right of first refusal when owners attempt to sell their timeshare interval
 - ☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements with a fee
 - ☐ Ability to return timeshare inventory in exchange for release of maintenance fee requirements - no fee
 - ☐ Ability to convert to a reduced allotment of timeshare points and or/time (such as a fewer number of days or conversion to a biennial arrangement)
 - ☐ A resale program that allows owners to sell their intervals on the secondary market
 - ☐ Other, please specify _____
 - ☐ None (GO TO Q4)

3. In 2017, how many intervals at your properties did you re-claim from timeshare owners?

Under buy-back or time/point reduction programs	_____
Purchased on the secondary market	_____
Due to foreclosure	_____
Voluntary surrender	_____
For other reasons	_____
Total	_____

4. In 2017, how many of your owners transferred their ownership rights?

Via inheritance	_____
Via direct sale to another individual consumer	_____
Via direct sale to a third-party company	_____
Via some other mechanism (please, specify)	_____
Total	_____

VIII. Resort Improvement and Construction

1. Please provide the dollar amounts spent for capital improvements related to existing timeshare units and related amenities in 2017. Please exclude capital improvements related to the construction of new timeshare units. At mixed-use projects, allocate a portion of expenditures to the timeshare operation.

	In Dollars
Renovation, refurbishment	_____
Furniture, fixtures, equipment	_____
Other capital expenditures	_____

- 2a. How many timeshare units were recently built at this resort in 2017? If you don't have a given type of units, please fill in '0'.
 # Timeshare Units Built in 2017 _____

- 2b. Please provide your total capital expenditures related to new resort/unit construction in 2017. Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory). **At mixed-use projects, allocate a portion of expenditures to the timeshare operation.**

	In Dollars
Land	_____
Construction (buildings and site work)	_____
Furniture, fixtures, equipment	_____
Other costs (soft costs, permits, consultants' fees, etc.)	_____

VIII. Resort Improvement and Construction — *continued*

- 3a. How many **timeshare units** were purchased as Just-In-Time/Completed Inventory (e.g. turn-key, Just in Time inventory purchases, buy-backs form Property Owner Associations) in 2017?
If you don't have a given type of units, please fill in '0'.

Timeshare Units Purchased as Just-In-Time/Completed Inventory in 2017 _____

- 3b. Please provide your total capital expenditures related to fully completed inventory for the year ended December 31, 2017. Other costs include soft costs such as planning, architectural, engineering, and product registration fees (exclude maintenance fees on unsold inventory). **At mixed-use projects, allocate a portion of expenditures to the timeshare operation.**

	In Dollars
Land	_____
Construction (buildings and site work)	_____
Furniture, fixtures, equipment	_____
Other costs (soft costs, permits, consultants' fees, etc.)	_____

4. Please provide your 2017 non-resort capital expenditures in the following categories.

	Related to sales offices	Related to regional office, corporate office and/or call center facilities only
New construction	_____	_____
Renovation, refurbishment	_____	_____
Other capital expenditures	_____	_____

5. How many timeshare units are you planning to build at this resort? If you don't have a given type of units, please fill in '0'.

	Number of Units
# Timeshare Units Planned to Build in 2018	_____
# Timeshare Units Planned to Build in 2019 or beyond (w/firm commitments)	_____

6. How many timeshare units do you plan to purchase as Just-In-Time/Completed Inventory (e.g. turn-key, Just in Time inventory purchases, buy-backs form Property Owner Associations)? If you don't have a given type of units, please fill in '0'.

	Number of Units
# Timeshare Units Planned to Purchase as Just-In-Time/Completed Inventory in 2018	_____
# Timeshare Units Planned to Purchase as Just-In-Time/Completed Inventory in 2019 or beyond	_____

7. How many new resorts does your company plan to build, and what is the associated number of units?

	Number of Units
New Resorts Planned for Completion in 2018	_____
Associated Number of Units in 2018	_____
New Resorts Planned for Completion in 2019 and beyond	_____
Associated Number of Units in 2019 and beyond	_____

8. Please indicate the typical life cycle for the following items at this resort in years.

_____ Soft goods (i.e., carpet, sofas, window coverings)	_____ Appliances
_____ Paint	_____ HVAC (Heat, Air Ventilation, and Cooling)
_____ Electronics	_____ Tile, cabinetry, plumbing fixtures
_____ Case goods	

IX. Timeshare Rental and Resales Programs

1. Does your resort offer a rental program to help rent weeks that are owned by either of the following?

Check all that apply

- ☐ Owners (GO TO Q1a)
- ☐ HOA(s) (GO TO Q2)
- ☐ Developers (GO TO Q2)
- ☐ None of the above (SKIP TO END)

1a. How are rental fees paid by owners determined?

- ☐ As a fixed amount [GO TO Q1b]
- ☐ As a commission based percentage [GO TO Q1c]
- ☐ Other, please specify _____

1b. What is the average flat fee charged to owners as part of this program? [GO TO Q2] _____

1c. What commission percentage is paid by owners to rent out their intervals? _____ %

2. Who manages the rental programs?

- ☐ Developer
- ☐ Management company
- ☐ Other, please specify _____

3. What types of rental programs do you offer? *Check all that apply*

- ☐ Daily rentals
- ☐ Weekly rentals
- ☐ Monthly rentals
- ☐ Rental rates that vary based on season
- ☐ Rental programs for marketing guests
- ☐ Other, please specify _____

4. Which of the following do you use to publicize the availability of rentals at this resort? *Check all that apply*

- ☐ Resort website
- ☐ External rental websites (e.g., Redweek.com or SellMyTimeshareNOW.com)
- ☐ OTAs (Priceline, Hotels.com, Expedia etc.)
- ☐ Timeshare broker and/or broker website
- ☐ Physical bulletin boards at resort
- ☐ Newspaper
- ☐ Radio
- ☐ Television
- ☐ Social media (Facebook, Twitter, etc.)
- ☐ Blog
- ☐ Channel Manager (e.g. Siteminder, LeisureLink, etc.)
- ☐ Other, specify _____

5. What is the total number of nights rented and the associated rental income for 2017?

Total number of nights rented _____

Associated rental revenue (\$) _____

6. Please list the total amount paid in 2017 related to lodging taxes or other taxes related to rental programs only. *These taxes are separate from the occupancy taxes in the "Resort Timeshare Taxes" section*

\$ _____

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