

Statewide Timeshare Performance & Taxes

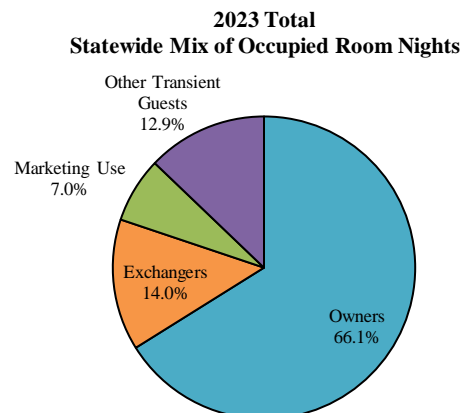
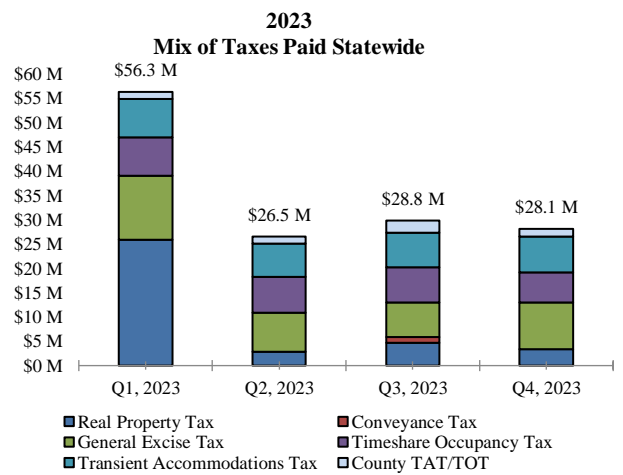
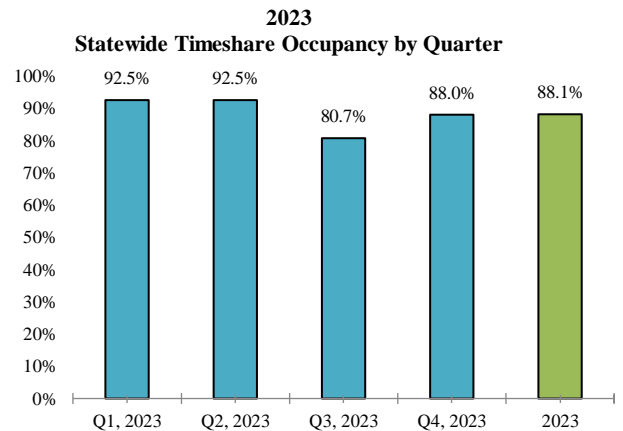
During 2023, occupancy at Hawai'i's timeshare resorts averaged 88.1%, a 2.5 percentage point decrease from 2022's 90.6% occupancy and 3.3 percentage points below 2019's pre-pandemic occupancy of 91.4%. Statewide hotel occupancy averaged 74.7% in 2023, according to STR, Inc. data published by the State of Hawai'i Department of Business, Economic Development & Tourism ("DBEDT").

For the year, the state welcomed a total of 808,411 timeshare visitors, a 0.9% decrease from 2022's 815,820 timeshare visitor arrivals and 5.0% below the 850,653 timeshare visitor arrivals from the pre-COVID year of 2019. The decrease in timeshare visitors for 2023 was entirely driven by Maui County. Following the devastating August 8 wildfires on Maui, tourism to West Maui was temporarily paused. Tourism to the area reopened in phases starting in October with all areas, except the Lahaina burn zone, having been reopened by November 1.

Timeshare visitors represented 8.5% of all statewide visitor arrivals during 2023, a decrease from the 8.9% share in 2022 but an increase compared to the 2019 ("pre-pandemic") market share of 8.3%. During 2023, 81.1% of Hawai'i timeshare visitors stayed exclusively in a timeshare resort, an increase from 2022 where 80.4% of statewide timeshare visitors were 'timeshare only' visitors. The average timeshare visitor to Hawai'i spent 9.9 days visiting the state, compared to an average length of stay ("LOS") of 10.1 days in 2022 and 9.7 days pre-pandemic.

Owner use accounted for 66.1% of the occupied room nights at Hawai'i's timeshare resorts during 2023. Exchange use (timeshare owners staying in a timeshare they do not own via a timeshare exchange program) accounted for 14.0% of occupied room nights. Transient rental accounted for 12.9% of the occupied room nights during the year, while marketing use represented 7.0%.

For 2023, participating timeshare properties reported paying \$139.7 million in state and county taxes, with General Excise Tax ("GET") accounting for 26.3% of the total.

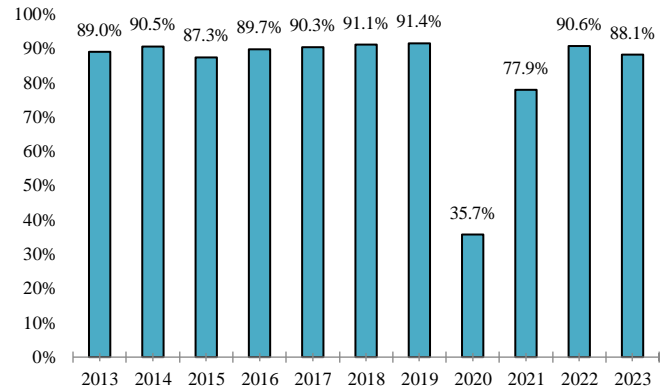


Statewide Employment & Payroll

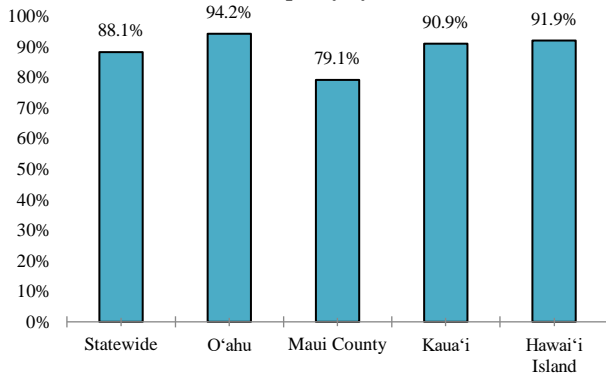
Participating timeshare properties reported a total of 3,396 resort operations employees as of December 31, 2023, an increase of 475 employees compared to the start of the year. At year-end, there were 1,719 sales and marketing employees at Hawai'i's timeshare properties, a 4.3 percent increase compared to the start of the year.

For the year, survey respondents reported total payroll of \$272.5 million, comprising of \$116.4 million in resort operations payroll and \$156.1 million in sales and marketing payroll.

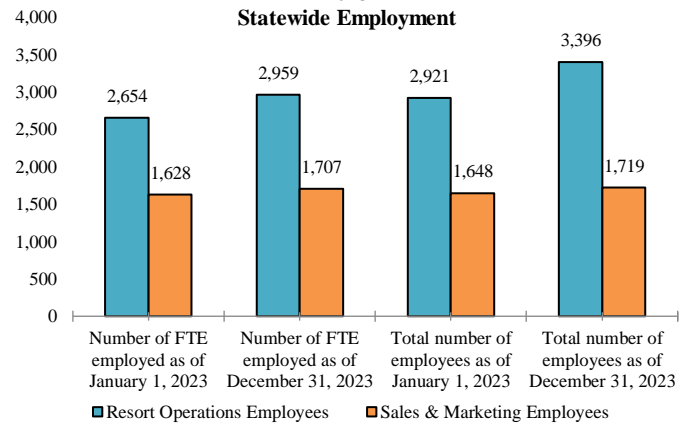
Statewide Timeshare Occupancy
2013 - 2023



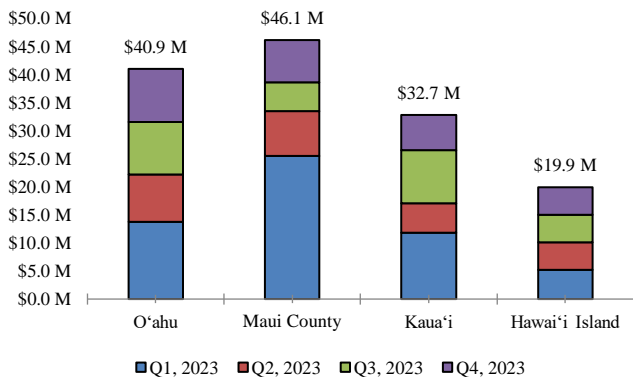
2023
Timeshare Occupancy by Island



2023
Statewide Employment



2023
Total Taxes by Island



O'ahu

Timeshare occupancy on O'ahu averaged 94.2% during 2023, the highest timeshare occupancy among the counties, which is a 4.0 percentage point increase from 2022's 90.2% occupancy. For the year, O'ahu and Hawai'i Island were the only counties to report year-over-year occupancy increases. Despite the increase, O'ahu's 2023 timeshare occupancy fell just short of the 2019 occupancy of 94.6%.

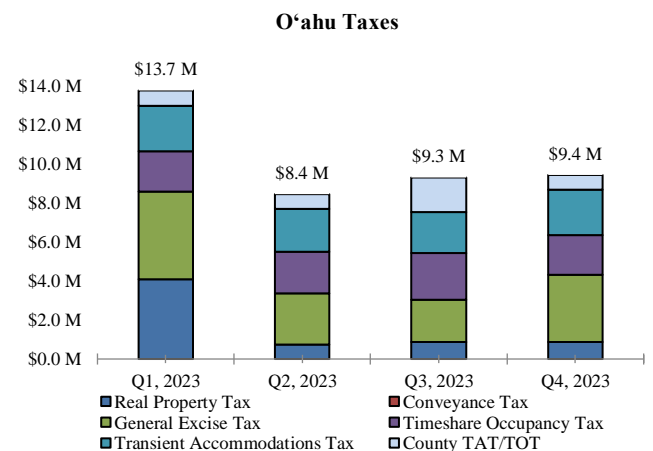
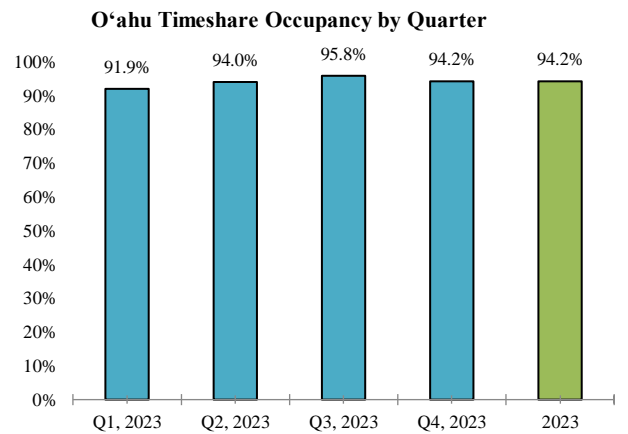
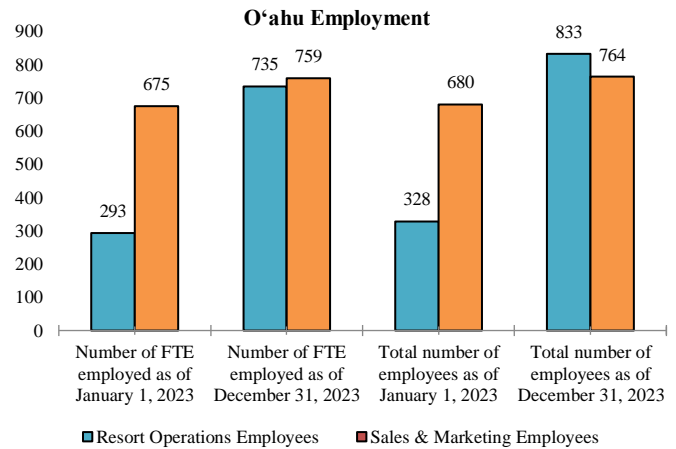
Owner use accounted for 67.5% of occupied room nights at O'ahu's timeshare properties during the year. Transient use contributed 18.5% of occupied room nights, the largest share of transient use among the counties. Exchange use represented 8.1% of occupied room nights, while marketing use generated 5.9% of room nights, the lowest share among the counties.

Participating O'ahu timeshare properties paid a total of \$40.9 million in state and county taxes in 2023, including \$12.7 million in GET.

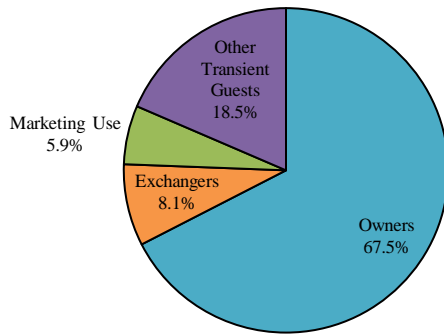
During 2023, O'ahu achieved the greatest year-over-year growth in timeshare visitor arrivals among the counties, with timeshare visitor arrivals increasing 8.4% to 308,323. O'ahu also welcomed more timeshare visitors than any other county during 2023. Despite the increase, O'ahu's timeshare visitor arrivals remained below the pre-pandemic count of 323,424 timeshare visitor arrivals.

Timeshare visitors represented 5.5% of all O'ahu visitor arrivals during the year, the lowest share among the islands and a decrease from 2022's 5.8% market share. O'ahu's timeshare market share remained above the pre-pandemic share of 5.2%. O'ahu timeshare visitors had a 7.3-day average LOS in 2023, the shortest timeshare visitor LOS in the state. The O'ahu timeshare visitor average LOS averaged 7.4 days in 2022 and 6.7 days pre-pandemic.

Participating timeshare properties on O'ahu reported payroll totaling \$75.6 million in 2023, including \$17.3 million in resort operations payroll and \$58.3 million in sales and marketing payroll.



O'ahu Mix of Occupied Room Nights



Maui County

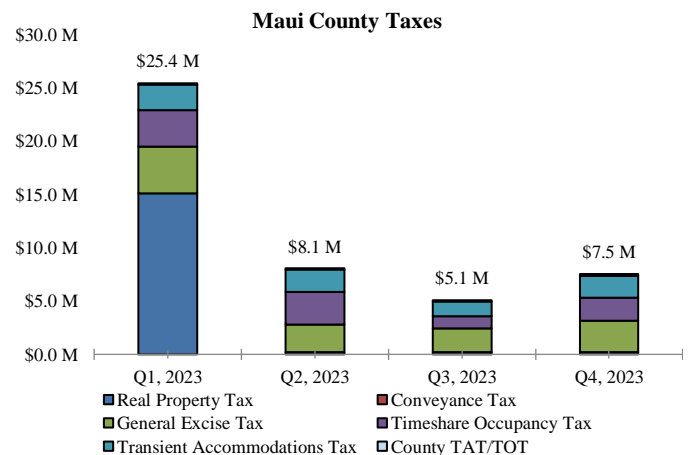
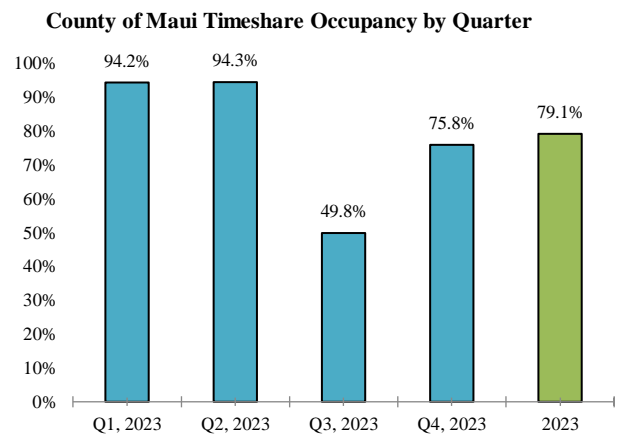
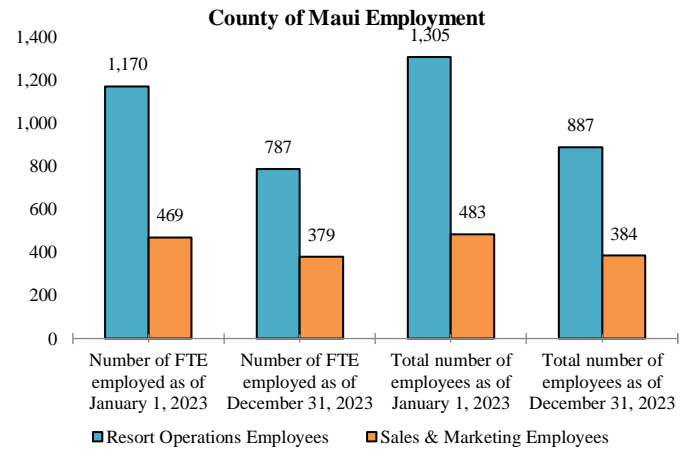
Maui County’s timeshare occupancy averaged 79.1% during 2023, the lowest among the counties and a sharp decrease compared with 2022’s 90.7% timeshare occupancy. Hotel occupancy in Maui County averaged 66.1% in 2023, compared to the 77.7% occupancy achieved pre-pandemic.

Owner use accounted for 77.4% of occupied room nights at Maui’s timeshare properties during the year, the highest share in the state. Transient use contributed 9.1% of occupied room nights, the lowest share among the counties. Marketing use generated 8.6% of occupied room nights for the year, the highest share of marketing use in the state. Exchange use represented 4.9% of occupied room nights in Maui County for the year, which was the lowest share among the counties.

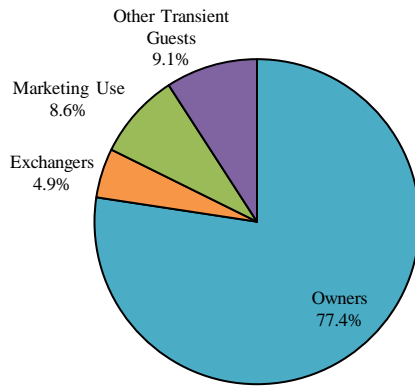
Maui County timeshare properties providing data paid a total of \$46.1 million in state and county taxes in 2023, of which \$15.8 million was Real Property Tax.

Maui County welcomed 264,191 timeshare visitors in 2023, a 14.9% decrease from 2022’s 310,455 timeshare visitors. Timeshare visitors represented 10.5% of Maui County visitors during the year, matching the county’s 2022 market share and exceeding the 2019 timeshare market share of 9.9%. Maui County timeshare visitors had a 9.1-day average LOS in 2023, again matching the 2022 average for the county and comparable to the 9.0-day average reported for 2019.

Timeshare properties in Maui County that provided data reported a total payroll of \$60.8 million in 2023, of which \$18.8 million was resort operations payroll and \$42.1 million was sales and marketing payroll.



County of Maui Mix of Occupied Room Nights



Kaua'i

Timeshare occupancy on Kaua'i averaged 90.9% during 2023, lower than 2022's timeshare occupancy of 91.3% but higher than the pre-pandemic occupancy of 85.9%. During 2023, hotel occupancy on the island averaged 74.6%, which also exceeded the pre-pandemic hotel occupancy rate of 72.8%.

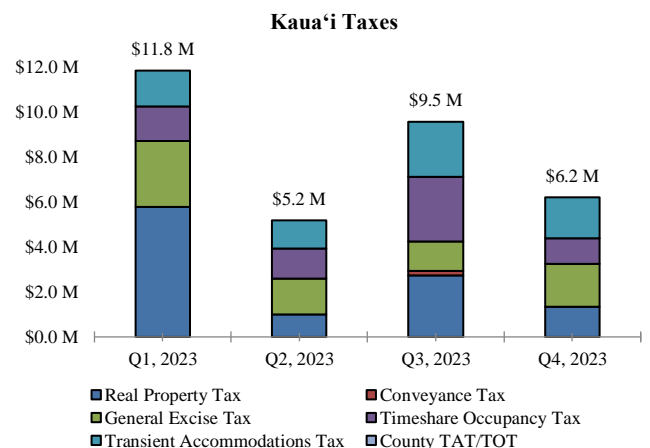
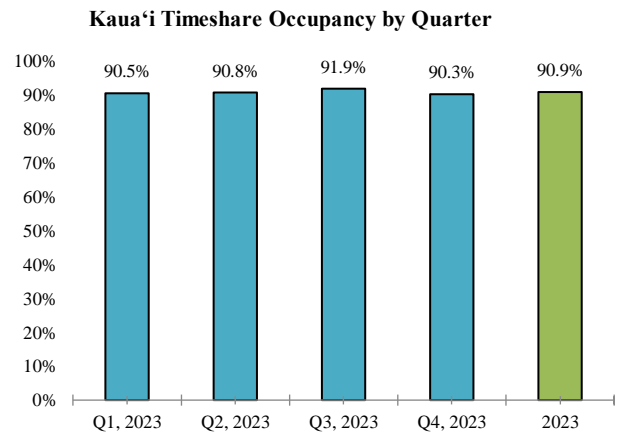
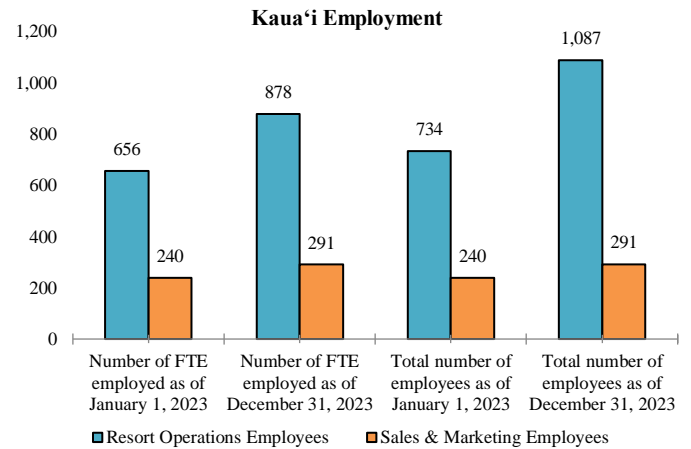
Owner use accounted for 61.7% of occupied room nights at Kaua'i's timeshare properties during the year. Exchange use accounted for 20.7% of occupied room nights. Transient use represented 11.3% of occupied room nights, while marketing use was 6.3% of occupied room nights.

Participating Kaua'i timeshare properties paid a total of \$32.7 million in state and county taxes in 2023, of which \$10.8 million was Real Property Tax.

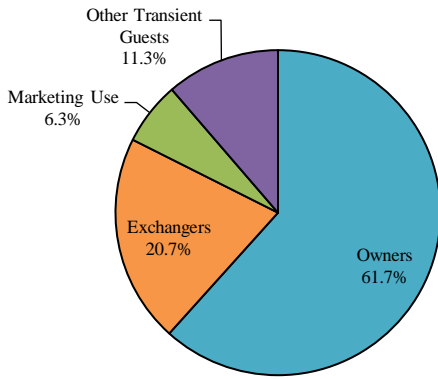
During 2023, Kaua'i welcomed 208,956 timeshare visitors, a 1.3% increase from 2022's 206,216 timeshare visitors and just shy of 2019's 209,883 timeshare visitor arrivals.

Timeshare visitors represented 14.7% of all Kaua'i visitors during the year, by far the highest share among the counties but below the 2022 market share of 15.3% achieved in 2022 and 2019. In 2023, Kaua'i timeshare visitors had a 9.0-day average LOS, consistent with both the 2022 and pre-pandemic average LOS.

Timeshare properties on Kaua'i reporting data had payrolls totaling \$73.1 million in 2023, \$45.4 million for resort operations payroll and \$27.7 million for sales and marketing payroll.



Kaua'i Mix of Occupied Room Nights



Hawai'i Island

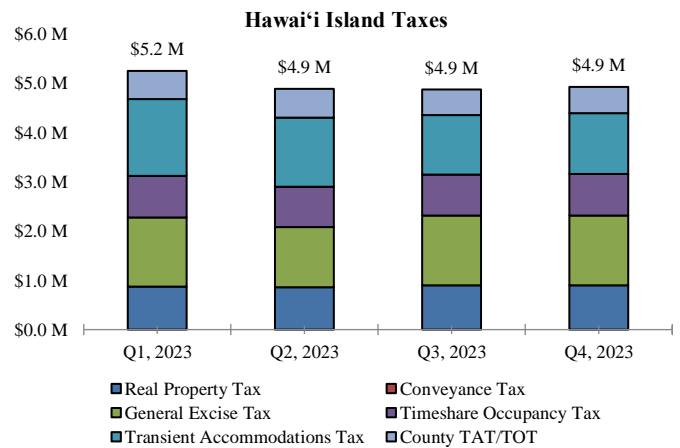
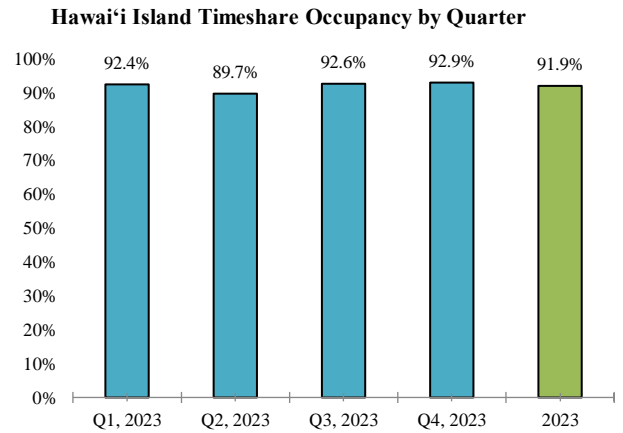
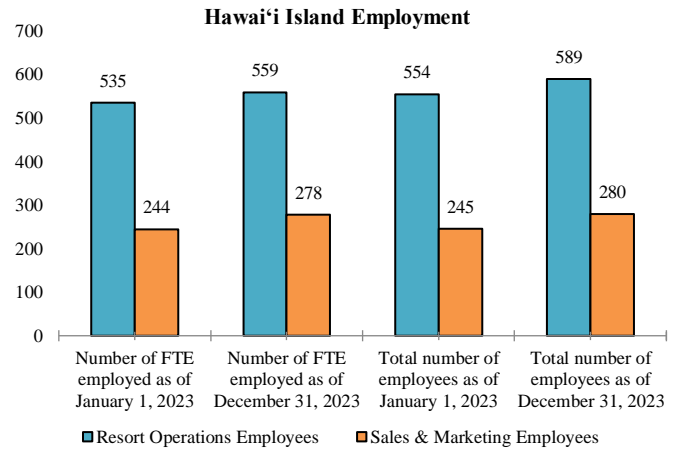
Hawai'i Island timeshare resorts achieved annual occupancy of 91.9% during 2023, an increase of 1.3 percentage points from the 90.6% occupancy reported for 2022. Like Kaua'i, timeshare occupancy on Hawai'i Island exceeded pre-pandemic level. Timeshare occupancy on the island averaged 88.6% in 2019. During 2023, hotel occupancy on Hawai'i Island averaged 70.2%, below the pre-pandemic occupancy of 77.0%.

At Hawai'i Island timeshare properties in 2023, owner use accounted for 54.2% of occupied room nights, the lowest share among the counties. Exchange use represented 25.9% of occupied room nights, the highest share in the state. Transient use represented 12.7% of occupied room nights at Hawai'i Island timeshare resorts, while marketing use contributed 7.2% of occupied room nights.

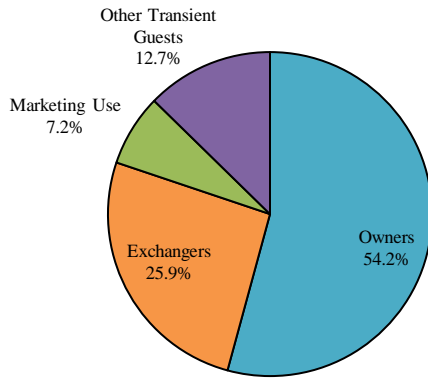
Hawai'i Island welcomed 172,833 timeshare visitors during 2023, a 2.6% increase from the 168,376 timeshare arrivals in 2022. In addition, Hawai'i Island was the only county to exceed pre-pandemic timeshare visitor arrivals in 2023, narrowly exceeding 2019's 172,345 arrivals. Timeshare visitors represented 9.8% of the island's visitor market during the year, a decrease from 2022's 10.1% market share but greater than the 9.7% pre-pandemic share. The average timeshare visitor to Hawai'i Island stayed on the island for 8.5 days, down slightly from 2022's 8.6-day average but greater than the 2019 average of 8.1 days.

The Hawai'i Island timeshare properties reporting tax data to the survey reported a total of \$19.9 million in state and county taxes during the year. Transient Accommodations Tax ("TAT") totaled \$5.4 million for the year.

Timeshare properties on the island providing survey data reported a total payroll of \$63.0 million for the year. Resort operations payroll expense accounted for \$34.9 million, while sales and marketing payroll was \$28.0 million.



Hawai'i Island Mix of Occupied Room Nights



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Survey Overview

Kloninger & Sims Consulting LLC was engaged by the State of Hawai'i Department of Business, Economic Development & Tourism to conduct a recurring quarterly market performance survey of Hawai'i's timeshare industry. The purpose of the survey was to provide research and analysis in regards to the state of Hawai'i timeshare industry including the following:

- Overall Property Occupancy
- Occupancy Mix
- Taxes Generated
- Employment and Payroll

We acknowledge the American Resort Development Association ("ARDA") for their continued support and cooperation with this survey.

The information provided in this report represents the aggregated actual operating results of the participating properties. No estimations were made for non-participants. Please also note that the methodology for this survey varies from DBEDT's monthly visitor statistics. While this survey is based on actual operating data, accommodation choice data reported by DBEDT are self-reported and visitors who are not part of a timeshare/exchange program may possibly select "hotel" or "condominium" as their accommodation type. In addition, DBEDT does not report the number of nights spent at each accommodation type.

Survey Participation

Participation rates in the statewide timeshare survey for the 2023 survey year ranged between 80.0 to 80.2 percent of registered timeshare units statewide, which ranged between 48 to 54 participating properties.