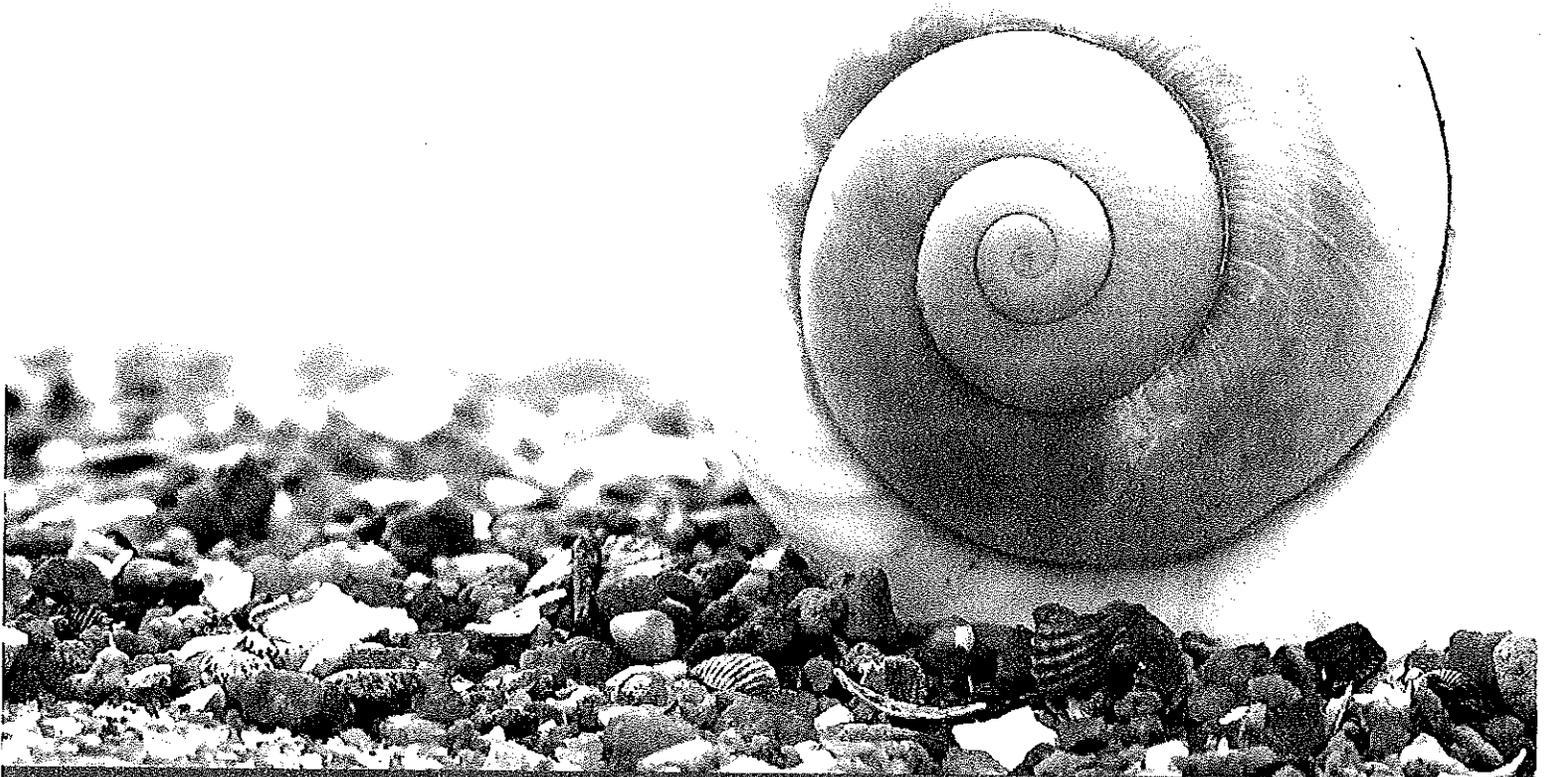


2008

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ARDA International Foundation



STATE *of the* VACATION
TIMESHARE INDUSTRY:
United States Study

Prepared by:
ERNST & YOUNG
Quality In Everything We Do

2008 EDITION

STATE *of the* VACATION TIMESHARE INDUSTRY

United States Study

EXECUTIVE SUMMARY

Industry Overview

There were 1,641 timeshare resorts in the United States in 2008, representing 180,200 units for an average resort size of 110 units. Of these: seven percent were studio units, twenty-four percent were one-bedrooms, sixty-four percent were two-bedroom, and nine percent were three bedroom or more. There were 6.5 million intervals owned and 4.7 million owners.

Ninety-nine percent of respondents were affiliated with Interval International and/or Group RCI exchange networks. Thirteen percent of respondents have a self-administered program, generally in addition to an affiliation with one of the two major exchange companies.

Of those resorts selling intervals, 66 percent sell intervals as weeks, 55 percent sell intervals as points, and 27 percent sell biennials.

Industry Size

Measure	2008
Resorts	1,641
Units	180,158
Average Resort Size	110
Intervals owned	6.5 million
Owner households	4.7 million

Geographic Overview

Florida, California and South Carolina have the most resorts representing 39% of all U.S. timeshare resorts.

2007 Performance by Geographic Region

Region	% of U.S. Timeshare Resorts ^a	Average Size	Total Sales Volume (\$B)	Segment Sales Volume per Unit	Average Sales Price per Interval	Average Occupancy	Average Maintenance Fees per Interval
Florida	23%	175	\$3.9	\$62,831	\$20,019	82.1%	\$570
California	9%	86	\$0.9	\$82,013	\$25,864	83.1%	\$705
South Carolina	7%	121	\$1.0	\$89,493	\$17,963	82.8%	\$586
Mountain	18%	72	\$1.2	\$53,114	\$19,601	78.7%	\$626
Northeast	11%	100	\$0.4	\$19,645	\$12,849	74.8%	\$434
Pacific	9%	80	\$1.7	\$119,529	\$30,240	91.6%	\$706
South Central	9%	124	\$0.6	\$36,770	\$11,346	66.9%	\$542
Midwest	8%	106	\$0.6	\$39,308	\$13,151	77.0%	\$492
South Atlantic	8%	86	\$0.4	\$33,389	\$14,379	70.2%	\$412
Overall	100%	110	\$10.6	\$58,134	\$19,216	80.1%	\$575

Types of Resorts

The predominant resort category was a beach destination, reported by 24% of responding resorts. This was followed by country/lakes resorts (16%), ski and island resorts each at 9%, and golf resorts (8%).

Distribution by Resort Type

Type	What vacation experience does this resort offer?			Which one characteristic best describes this resort
	Onsite	Nearby	Nearby and/or onsite	
Beach	21.6%	25.6%	45.7%	23.9%
Country/Lakes	10.8%	22.6%	31.9%	16.4%
Ski	5.5%	18.1%	23.1%	9.2%
Island	11.6%	10.6%	16.8%	9.2%
Golf	15.1%	68.3%	82.4%	7.9%
Theme Park	1.8%	18.1%	19.9%	7.5%
Urban	4.5%	9.8%	13.8%	7.2%
Rural/Coastal	15.6%	16.6%	28.1%	5.1%
Gaming	6.5%	17.3%	20.1%	3.4%
Desert	2.5%	6.0%	7.5%	2.7%
Other	-	-	-	7.5%

Industry Health

Year 2007 sales totaled \$10.6 billion, growing 6 percent over 2006. There were nearly 551,500 timeshare intervals sold for an average price of \$19,216. This cost is 4 percent higher than the price of an interval in 2006. The average cost for weekly intervals was \$21,762, while for points-equivalents it was \$17,689.

The average maintenance fee charged per interval was \$575, meaning that the industry generated an additional \$3.8 billion in revenues in maintenance fees. The average was \$421 for studios, \$485 for one bedroom units, and \$650 for units with two or more bedrooms.

Average occupancy was 80.1 percent in 2007. This amount includes nearly 70 percent who were either owners or exchange guests and more than 10 percent who were renters and/or marketing guests.

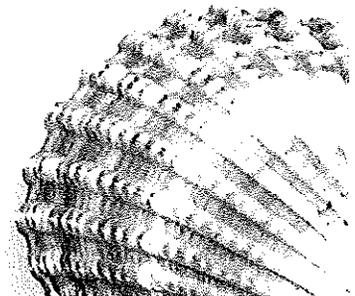
Performance Metrics 2007

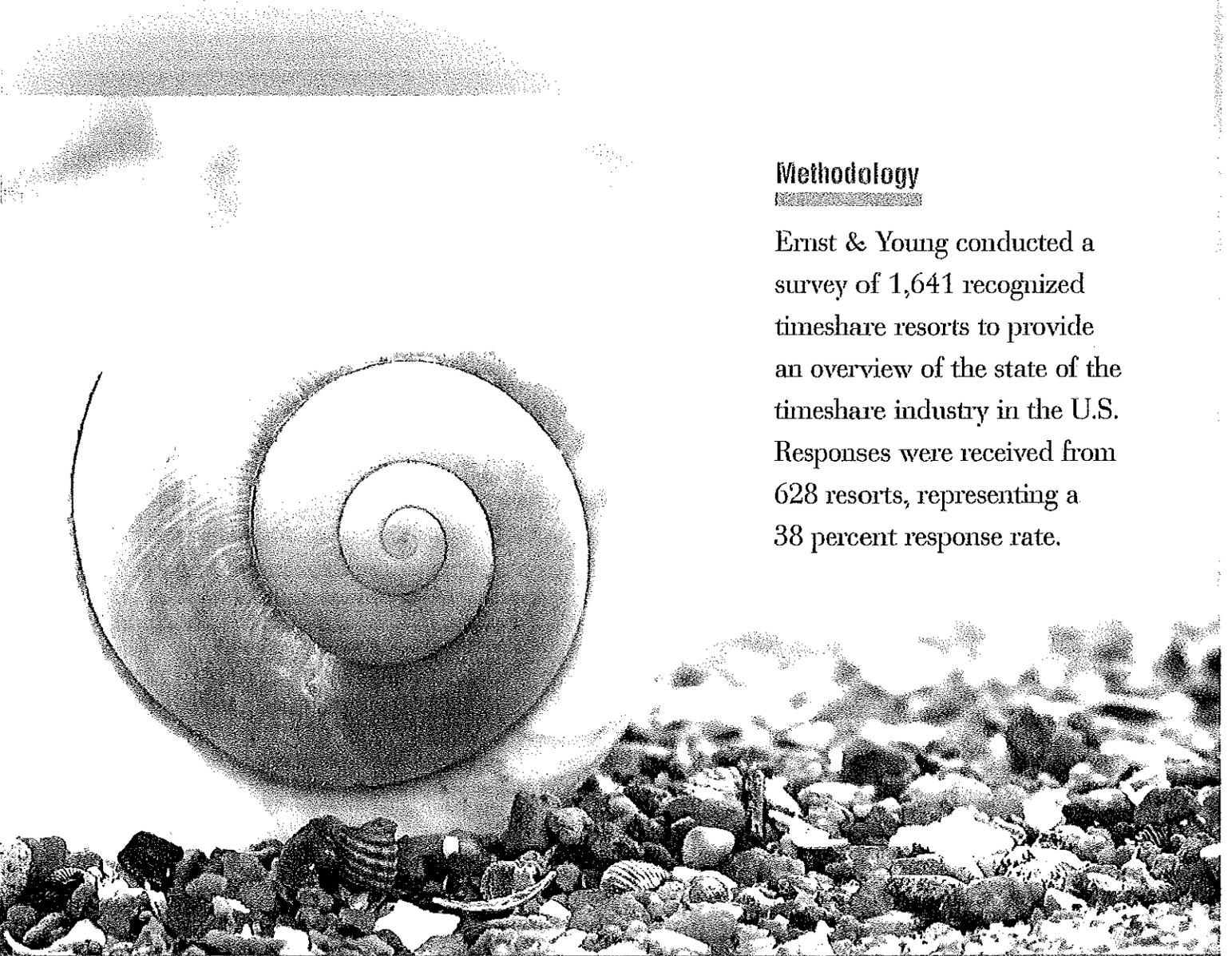
Metric	2007
Sales volume	\$10.6 billion
Number of timeshare intervals sold	551,457
Average sales price per interval	\$19,216
Points equivalent	\$17,689
Weeks	\$21,762
Occupancy	80.1%
Average maintenance fee per interval	\$575

Industry Outlook

Recent trends indicate strong recent industry growth. Sales have seen compounded annual growth of 13 percent, since 2003, compounded annual growth rates for sales price and average resort size grew in the same time period by six and seven percent, respectively.

Respondents expect continued growth as they continue to build new resorts. They expect to build around 8,000 new units in 2008, after having built 8,000 new units in 2007.





Methodology

Ernst & Young conducted a survey of 1,641 recognized timeshare resorts to provide an overview of the state of the timeshare industry in the U.S. Responses were received from 628 resorts, representing a 38 percent response rate.



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