United States Owners Report

2020

SHARED VACATION OWNERSHIP

2020 EDITION
PREPARED BY Leger
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United States Owners Report

SHARED VACATION OWNERSHIP **2020 EDITION**

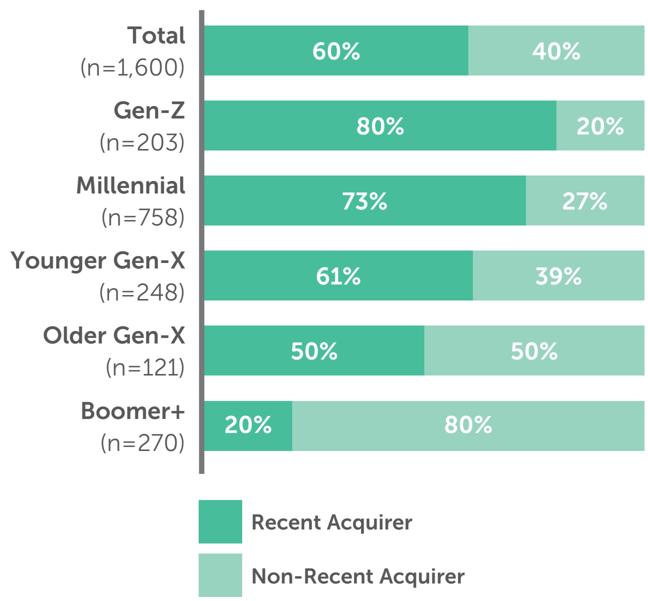
Notes on Reading this Report

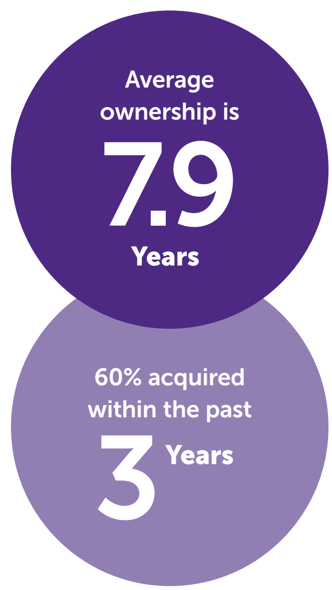
The data in this report was collected via online methodology from April 6, 2020 through April 20, 2020. 1,600 timeshare owners were identified and surveyed. To qualify, respondents had to be a minimum age of 18, self-identify as the primary household decision maker for vacation planning, and own timeshare week(s) or points within North America. At this time the Coronavirus Pandemic had largely shut down businesses throughout the United States, disrupting the vacation and tourism industry and making 2020 vacation plans an uncertainty. While the data is valid, it may differ from industry expectations or previous results.

Timeshare Ownership in General

- About two in three timeshare owners surveyed own a weeks product at a timeshare resort or with a timeshare company (67%), and nearly half own a vacation points product (46%). Approximately 13% of owners surveyed own both weeks and points products.
- In total, 60% of respondents acquired a timeshare within the past 3 years (recent acquirers, 2017–2020). By generation, this is highest among Gen-Z where 80% of Gen-Z respondents acquired a timeshare within the past 3 years and lowest among Boomer+ where 20% of Boomer+ respondents acquired a timeshare within the past 3 years (Figure 1).
- On average, there are 2.1 names on each contract or deed. Gen-Z (29%), Millennial (25%), and Younger Gen-X (26%) respondents are more likely to have three or more names on their contract than Older Gen-X (18%) and Boomer+ (7%). In this report, we do not further distinguish owners from buyers or purchasers, since a name can be added to a contract.

FIGURE 1
PROPORTION OF RECENT ACQUIRERS BY GENERATION*





* Recent acquirer defined as having acquired most recent timeshare within past 3 years, 2017–2020.

- For the respondents' most recent acquisition, a new sale is the most common source (58%). Boomer+ are most likely to have purchased their timeshare via new sale (79%), while Gen-Z is least likely (45%) (Figure 2).

FIGURE 2
MOST RECENT ACQUISITION BY GENERATION

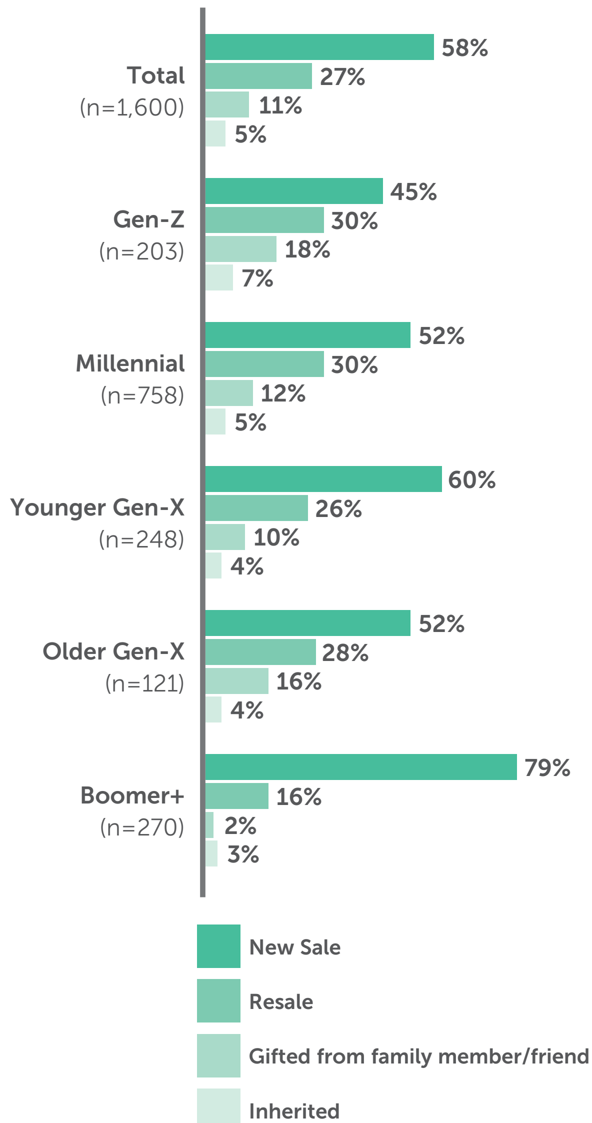
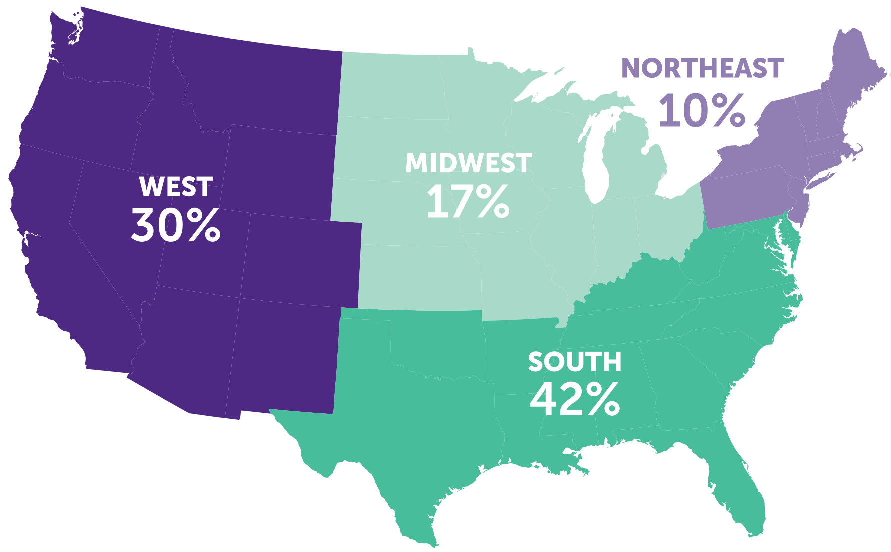
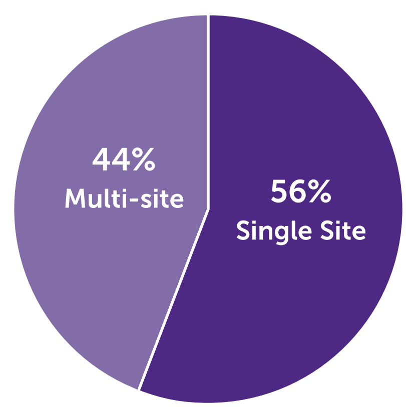


FIGURE 3
PERCENT OF TIMESHARE ACQUISITIONS BY U.S. REGION



- For 85% of owners surveyed, the timeshare they've most recently acquired is located within the U.S. Among them, the most are located in the South (42%) followed by the West (30%) (Figure 3).
- More than half of responding owners are currently with a single-site timeshare company (56%) (Figure 4). Among single-site owners, nearly three in four are weeks product owners (72%), while three in five multi-site timeshare owners report being weeks product owners (61%).

FIGURE 4
TYPE OF TIMESHARE

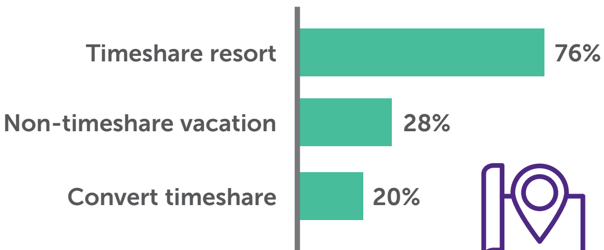


2019 Vacations

- In total, respondents spent approximately 13 days on vacation in 2019.
- Owners who live in the Northeast and Midwest are more likely to travel to a different region for their timeshare vacation than those who live in the South or West (Figure 6).

FIGURE 5

2019 VACATIONS TAKEN*

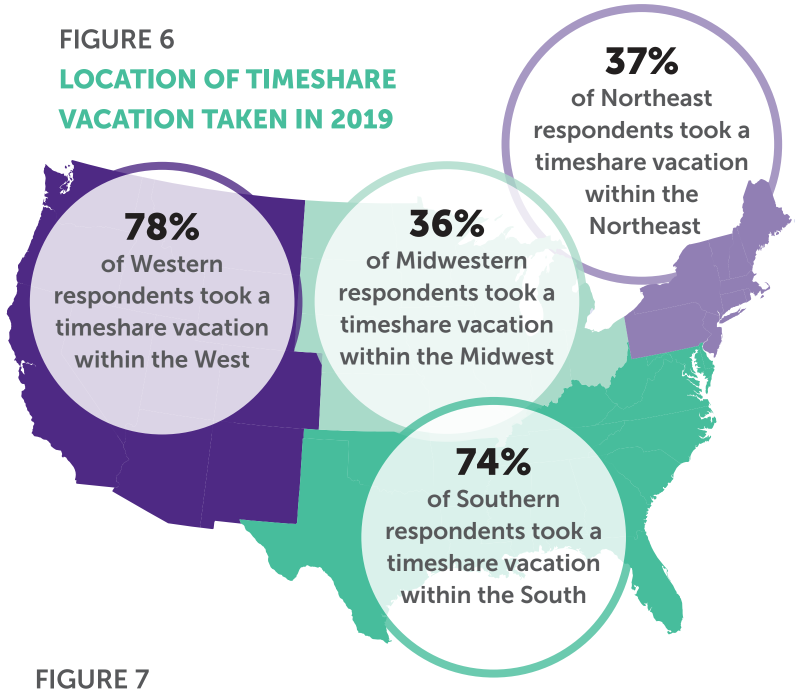


* Multiple answers accepted

Owners took an average of **3.4** vacations in 2019

FIGURE 6

LOCATION OF TIMESHARE VACATION TAKEN IN 2019



Timeshare Vacations

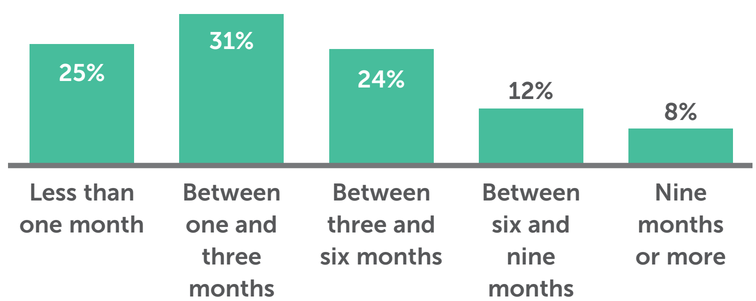
- Three-quarters of owners took a vacation at a timeshare resort in 2019 (76%) (Figure 5). For slightly more than four in five, this vacation was taken in the U.S. (82%).
- Approximately eight days were spent on vacation at a timeshare resort.
- Two in five booked their 2019 timeshare vacation through the website of the development or management company of their timeshare (41%). Three in ten booked through the website of the timeshare exchange company (29%).
- For their most recent timeshare vacation location, two-thirds had previously rented at that particular location (68%).
- Three in ten owners booked between one and three months before their timeshare vacation began, while altogether 80% booked six months or less in advance (Figure 7).

Average travel party size **3.69** people

Average units occupied **2.3** units

FIGURE 7

BOOKING IN ADVANCE



Converted Timeshare

- Among those who converted their days/points, four in five converted to hotel stays (80%).
- Approximately two days were converted to a different type of vacation or vacation-related purchase.

Non-Timeshare

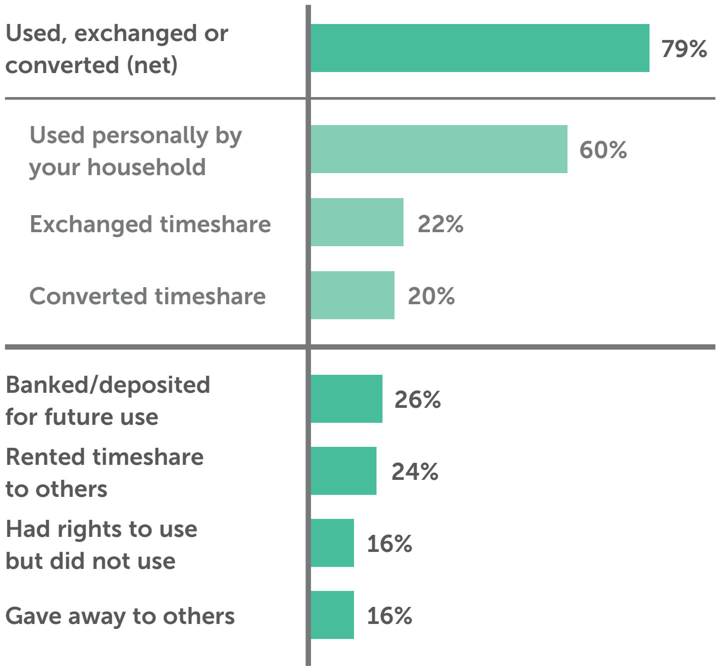
- Approximately one in four respondents took a non-timeshare vacation in 2019 (28%) (Figure 5). Three days were spent on these other vacation types.
- Gen-Z and Millennial respondents are less likely to have taken a non-timeshare vacation (22%) than their older counterparts (Boomer+; 40% have taken a non-timeshare vacation). Gen-X owners fall in the middle.

Timeshare Use

- In 2019, nearly four in five surveyed either used, exchanged, or converted their timeshare (Figure 8).
- Three in five owners used their timeshare product personally (60%).

FIGURE 8

2019 TIMESHARE PRODUCT USAGE*



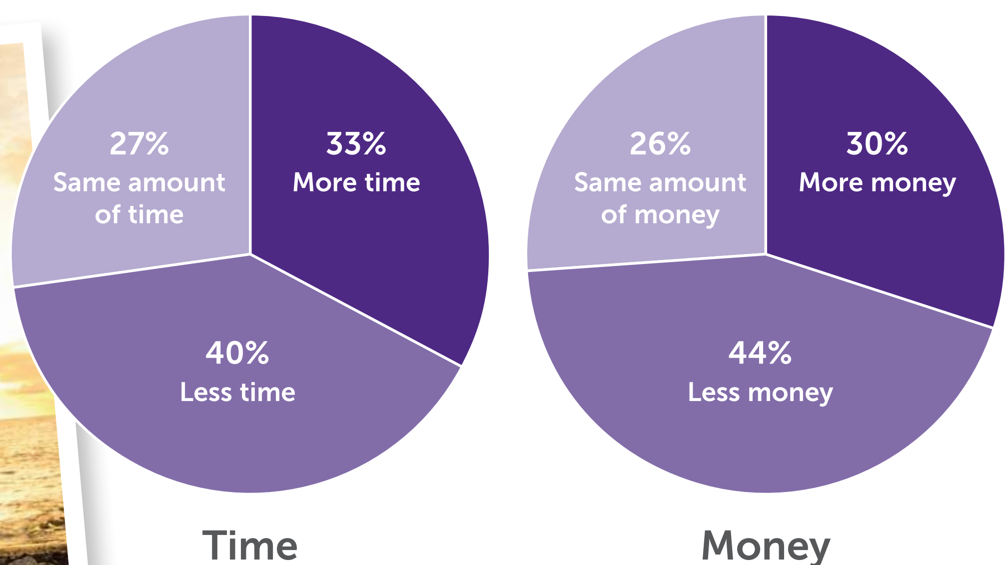
* Multiple answers accepted

Future Vacationing

- More than one-third of owners interviewed will use their week at their home resort when they take their next timeshare vacation (37%). One-quarter would exchange their week(s) or points (25%), and slightly more than one in five would use their points for their home resort or vacation club (22%).
- For their next timeshare vacation, two-thirds would travel with their spouse/significant other/partner (67%). Approximately one-third would travel with children under the age of 18 (35%).
- When planning vacations, more than one-third would like help booking their flights (37%), one-third would like help booking their room reservation (33%), and around one-quarter would like help booking their car rental (27%).
- In April 2020, the Coronavirus pandemic had already changed plans for both owners and non-owners and that change is evident here, with a great proportion of owners saying they will vacation less in 2020 than the previous year (Figure 9). By comparison with the previous study, a significantly greater proportion of respondents (40%) said they were going to spend more time and money on vacation in the following year (2018).

FIGURE 9

PLANNED SPENDING ON VACATION IN 2020



Interests

- A variety of activities and characteristics top the list of attractive features for where a recently acquired timeshare is located*:
  - Shopping: 49%
  - Beachfront/Coastal: 47%
  - Swimming/Watersports/Sunbathing: 43%
  - Sightseeing/Tours: 38%
  - City/Urban areas: 34%
- For resort convenience purchase options, about half of owners say that restaurant options and WiFi matter to them* (51% and 50% respectively). About three in ten say room service (28%). Older Gen-X owners and Boomer+ owners are significantly more likely than the younger generations to say restaurants are a convenience option that matters to them.
- Compared to 2018, restaurants (51%, +8%), room service (28%, +8%), and alcohol products (28%, +12%) are all more important than they were two years ago.
- Among resort convenience purchase options selected, respondents then choose the single, **most important** option. WiFi tops the list at 20% (Figure 10).

FIGURE 10
MOST IMPORTANT RESORT CONVENIENCE PURCHASE OPTION

Future Timeshare Plans

Within the next two years...*

- When asked about their future timeshare plans, surveyed owners are most likely to report that they plan to buy more time (weeks) within the next 2 years (36%). Slightly less than one-third plan to upgrade (30%), and one-quarter will buy more points (25%).
- Figure 11 lists the top five actions most likely to be taken.

FIGURE 11
FUTURE TIMESHARE PLANS

36% will buy more **time** (weeks)

30% will **upgrade** to a different unit type or higher season at same resort or company

25% will buy more **points**

19% will **convert** week to points program

16% will buy share at **fractional resort/PRC**

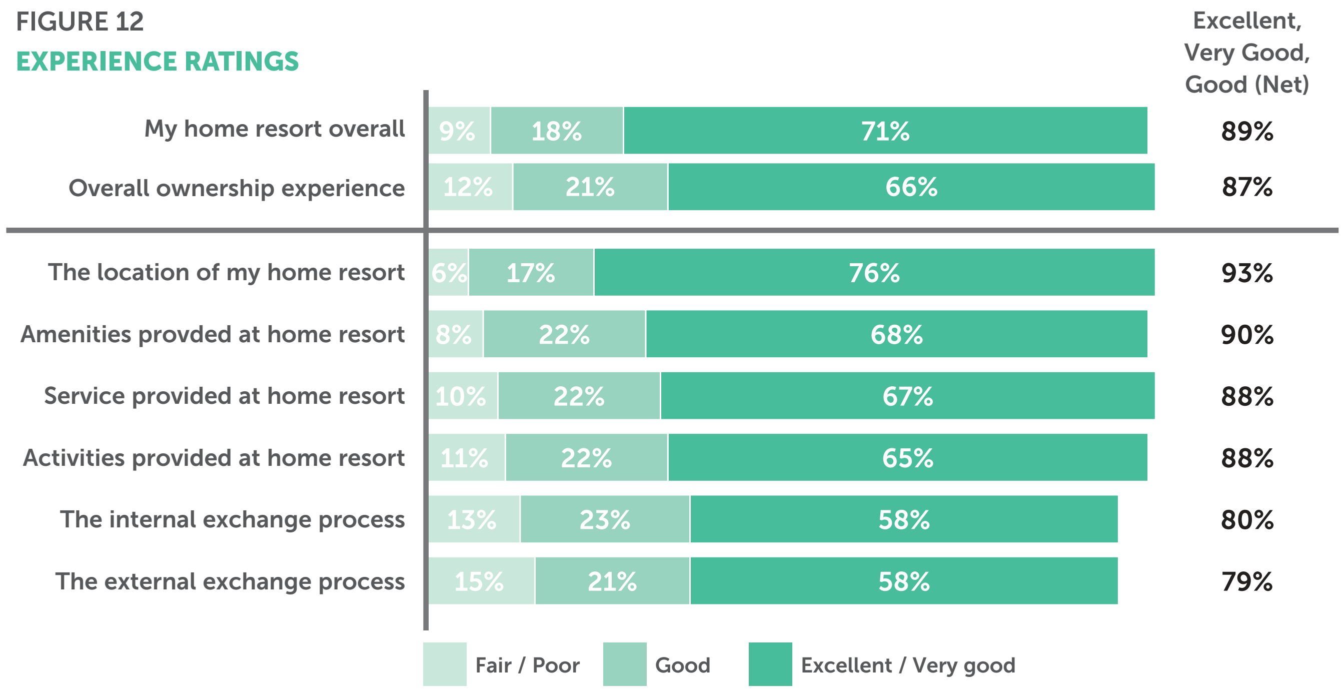
* Multiple answers accepted

Attitudes and Opinions about Ownership

- Nearly nine in ten owners rate their home resort overall as good, very good or excellent (89%) (Figure 12). Seven in eight owners rate their overall ownership experience positively (87%).
- Both younger and older Gen-X respondents are most satisfied with their experiences, followed by Millennials. Gen-Z and Boomer+ owners have the lowest ratings.

FIGURE 12

EXPERIENCE RATINGS



- As with the experience ratings, there is an age correlation with likelihood to recommend (Figure 13). While 80% of Millennials and Younger Gen-X owners would be likely to recommend timeshare ownership in general (79% for Gen-Z and 75% for Older Gen-X), only 48% of Boomer+ owners would recommend.

In hindsight, **77%** of owners would purchase a timeshare product ***again***, knowing at the time of purchase what they know now.

FIGURE 13

LIKELIHOOD TO RECOMMEND

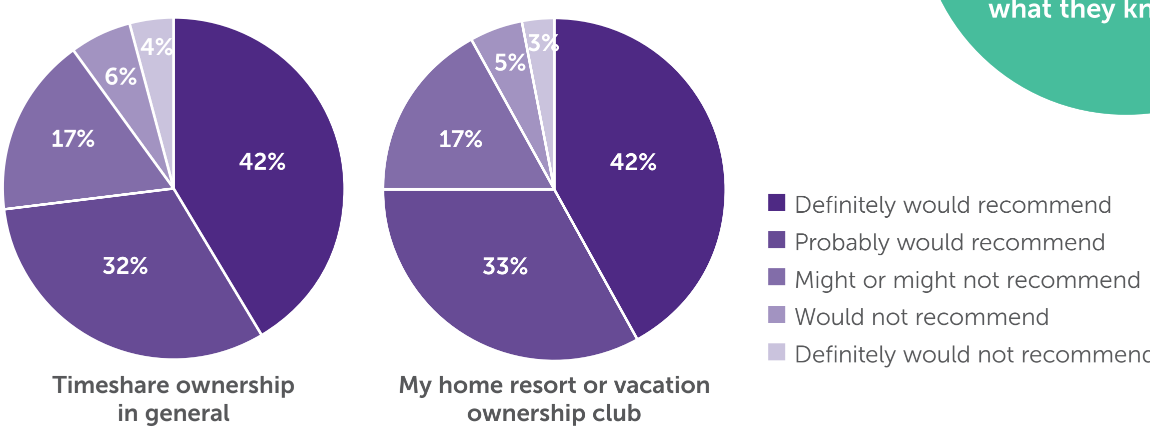


FIGURE 14

MOST IMPORTANT ATTRIBUTE OF A TIMESHARE UNIT—RANK #1

49% Number of **bedrooms**	**21%** **Room layout**	**15%** Number of **bathrooms**	**7%** Size of **kitchen**	**7%** Quality of the **technology**
Mean Rank **1.9**	Mean Rank **2.6**	Mean Rank **2.7**	Mean Rank **3.2**	Mean Rank **3.4**

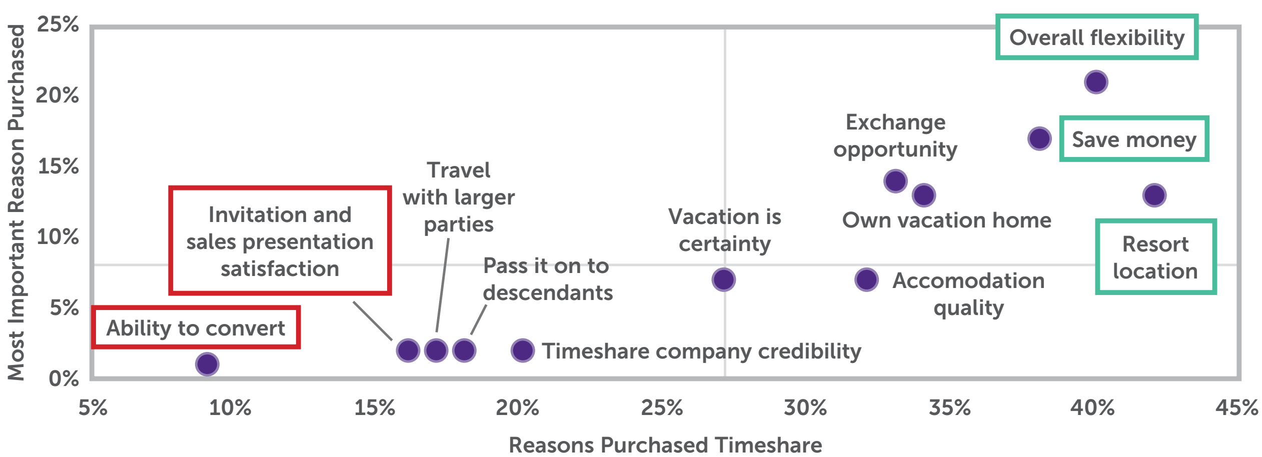
- The number of bedrooms is considered the most important attribute of a timeshare unit (mean rank 1.9) followed by room layout (2.6) and number of bathrooms (2.7) (Figure 14).

Reasons Purchased Timeshare

- When given a list of reasons why owners purchased a timeshare, resort location (42%), overall flexibility (40%), and saving money (38%) are chosen most often (Figure 15). This is shown on the x-axis of the below chart. Of the chosen options, respondents were then asked to choose the most important reason they purchased a timeshare, shown on the y-axis below. Overall flexibility remains at the top of the list, with one in five (21%) choosing it as most important. Saving money (17%), exchange opportunity (14%), and resort location (13%) are also important.

FIGURE 15

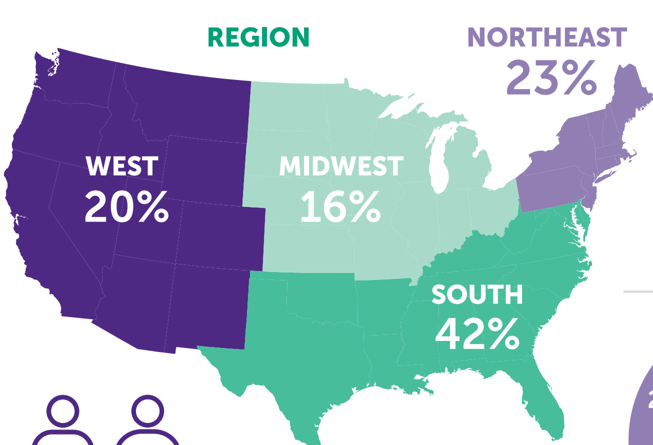
REASONS PURCHASED TIMESHARE

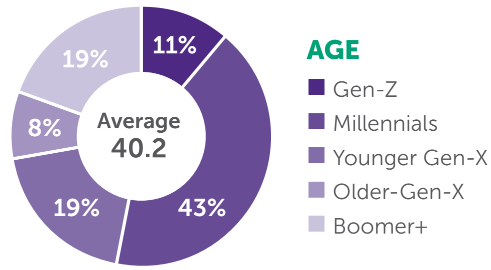


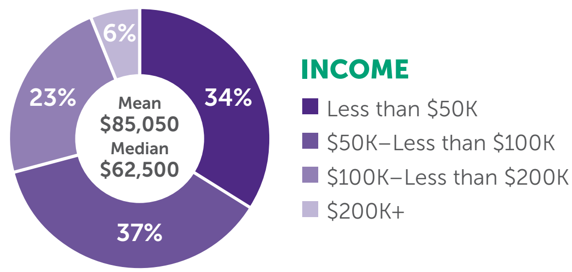
- Reasons purchased differ by age. Saving money in the long or short term is significantly more important for Gen-Z, Millennial, and Younger Gen-X owners than Older Gen-X and Boomer+ owners. The location and the quality of the resort and accommodations are significantly more important for Boomer+ owners than Gen-Z, Millennial, and Younger Gen-X owners.
- As with reasons purchased, overall flexibility, resort location, and saving money are the top three reasons that those surveyed continue to own a timeshare. Again, overall flexibility is rated as the most important reason that owners continue to own a timeshare.

Respondent Demographics

A note on panel sample demographics: *While panels used for this research are representative of the general population, demographics may skew slightly among harder to reach segments such as timeshare owners. The panels used for this research use rigorous quality checks including identity validation, bot identification, behavior monitoring, and geo-location confirmation to ensure that respondents are who they say they are.*







GENDER

Male 66%
Female 34%

MARITAL STATUS

Married	52%
Single	28%
Domestic partnership	9%

HOME OWNERSHIP

Own primary residence

73%

EMPLOYMENT STATUS

Employed Full-Time	61%
Employed Part-Time	13%
Self-Employed	8%
Unemployed	17%

EDUCATION

Some college	20%
College graduate	40%
Graduate school	21%

AVERAGE NUMBER OF CHILDREN IN HOUSEHOLD

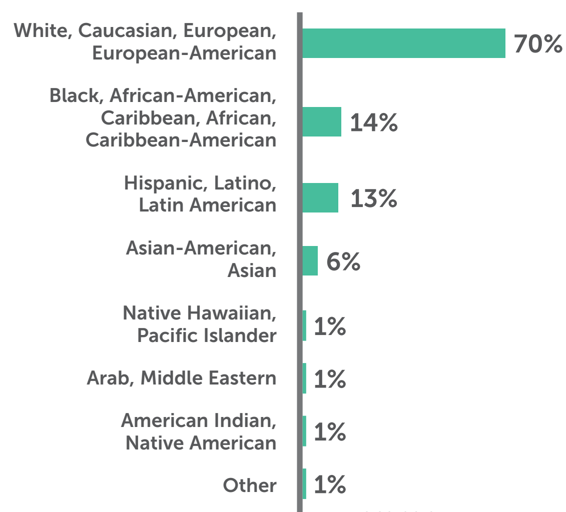
1.4 Under 6 years old

1.3 Ages 6-11

1.3 Ages 12-17

54% No Children

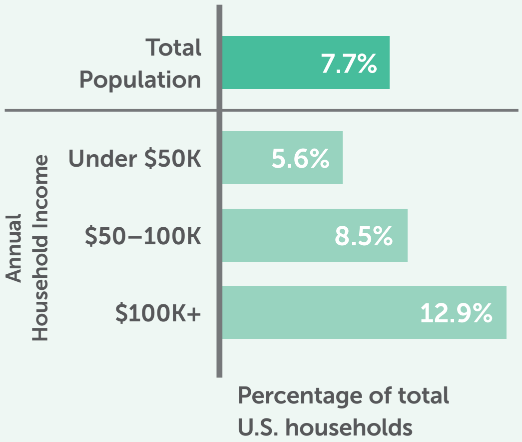
ETHNIC OR RACIAL BACKGROUND*



* Multiple answers accepted

MARKET SIZING

Approximately 9.9 million U.S. households own one or more timeshare ownership products including timeshare weeks, points, fractional and/or Private Residence Club. Timeshare ownership generally increases with household income, peaking among owners with $100k or more (13%).



GLOSSARY OF TERMS

Timeshare

Any method of use or shared ownership of vacation real estate where purchasers acquire a specific period of time (often one week) in a condominium or other type of vacation accommodation. A timeshare is also frequently referred to as vacation ownership, shared ownership, vacation club, fractional ownership, Private Residence Club and other similar names.

Timeshare resort

A vacation property where multiple parties can own a week's stay during the year. Some timeshare companies offer 'points' which can equate to a week at a given location.

Fractional resort

A vacation property where multiple parties can own a share of time at the resort in a year. Typically, people can own between three weeks to three months.

Private residence club

A high-end fractional resort. People can own between three weeks to three months.

Generation Definitions:

Gen-Z Owners: Born from 1996 – 2002 (Ages 18 – 23)
Millennial Owners: Born from 1980 – 1995 (Ages 24 – 39)
Younger Gen-X Owners: Born from 1971 – 1979 (Ages 40 – 48)
Older Gen-X Owners: Born from 1965 – 1970 (Ages 49 – 54)
Boomer+ Owners: Born in 1964 or earlier (Ages 55+)

Recent Purchaser

First or most recent timeshare acquisition occurred within past three years (2017, 2018, 2019, early 2020)

Fixed week(s)

You stay at the same time every year

Floating time

Your stay can vary but you must use a particular type of unit (e.g. one bedroom, two bedrooms, etc.)

Points

Can be used to obtain varying amounts of time depending on factors such as when you stay, type of unit, or choice of location

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