



Look at the Numbers

No matter what the state of the economy may be, if you own your vacation, you will take it—pure and simple. The prepaid nature of our vacation product is very much a part of its magic, as it provides a disciplined means of guaranteed use. The consistent quality and assurance that your vacation will be what it was intended to be adds to that magic factor. Because of this, timeshare owners have become the “Cheshire Cats” of the Monday morning office water-cooler chats, as they tell co-workers of their travels and adventures from the previous week. Quite simply, they bought and paid for their vacations at a set rate, so now they are recession-insulated when it comes to taking annual holidays.

I’m not just being an industry cheerleader with this point. Our great timeshare consumers, the ones who already understand it is about family time and better vacations, own this product because they need and value true rejuvenation together. This means enough space for everyone to relax and have it their way—no pizza on a bed, no lining up for the bathroom or stress from being on top of one another. And I have the facts to back up this claim.

Just look at U.S. hotel occupancy in comparison to timeshare. As we hit the midway point of 2009, a turbulent economic year to say the least, our hospitality industry brethren in the hotel world have been hard-hit by the recession. They are not alone, as timeshare has been affected, too, but for reasons like the credit markets and so with different effects. According to Smith Travel Research, occupancy for the hotel industry was 60.4% for 2008, down 4.3% from 2007 numbers. Timeshare resort occupancy was 80.6% for 2008, an increase of 1.9% over 2007 occupancy numbers. Occupancy for the hotel industry for the first quarter of 2009 was approximately 54%. Compared with timeshare’s first quarter occupancy rates, timeshare is outpacing the hotel industry by a minimum of 17

percentage points. According to the AIF research study conducted by Deloitte and Touche, timeshare occupancy for Q1 was 71.6%. In short, timeshare occupancy rates continue to outperform hotels, even in a severe downturn!

The relatively high occupancy of timeshare resorts during downturns is a seminal point with many beneficiaries. First, it is an important reaffirmation and endorsement of the value our timeshare owners get from their purchase—a lifetime of great vacations, as promised! But it is also important because the purchase of timeshare enables those savvy consumers the luxury of “taking a break,” at a time when such an expenditure otherwise might be hard to justify, due to fears of job loss or belt-tightening. Add to that the health and wellness benefits of going on vacation, and our owners come out ahead even more.

These high occupancy rates have important ramifications for local communities and their economies. Resort destinations are often singularly reliant on the tourism industry. During a downturn, therefore, the hotel business can disproportionately impact the community, from the produce supplier to the corner café. That is why timeshare is an important stabilizing component

of any resort destination, as areas with these developments have a cushion to soften the valleys of the economy on their communities. It is always after a recession (the early 90’s), a natural disaster (Hurricane Katrina), or a geopolitical event (September 11th) that timeshare’s resilience rings most notably true, as a positive force of economic impact. Our industry provides jobs, dollar-generators, and overall economy-boosters.

Therefore, especially during this downturn, I encourage all of the local leaders of the resort development community to engage their respective chambers of commerce, destination marketing organizations, and local elected officials with discussion about your strong occupancy numbers. Remind your local politicians, community organizations, and travel promoters that vacation ownership is a stabilizing force in its hometown with a positive economic impact at a time when it is needed most. **D**

A handwritten signature in black ink, appearing to read "H. Nusbaum". The signature is stylized and written in a cursive-like font.

Howard C. Nusbaum, RRP
President