

Hawaii Timeshare Occupancy, Employment Stays Strong During Tourism Downturn

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The American Resort Development Association's Hawaii Chapter (ARDA) released occupancy figures provided by timeshare operators for second quarter 2008, showing that timeshare exceeded hotel occupancy by nearly 20 percentage points statewide.

The comparison is especially compelling considering the softening that Hawaii's visitor industry has experienced since April when visitor arrivals began progressively declining due to increased travel costs and a weakening national economy.

<u>2Q 2008 Occupancy</u>	<u>Timeshare</u>	<u>Hotels*</u>	<u>Pct. Point Difference</u>
Statewide	88.6%	68.9%	+19.7
Oahu	94.4%	72.9%	+21.5
Maui	84.7%	66.9%	+17.8
Kauai	92.8%	70.6%	+22.2
Big Island	86.6%	58.1%	+28.5

*Hotel occupancy data provided by Hospitality Advisors, LLC.

'These figures demonstrate once again that even during downturns in tourism, timeshare continues to stand out as a reliable source of revenue for Hawaii's economy and provide jobs for Hawaii's people,' said Mitch Imanaka, chair of ARDA Hawaii. 'Ownership is the highest form of loyalty. It is clear timeshare owners are using their scheduled vacation time in Hawaii because they have already paid for their accommodations. With the expense of their stay pre-paid, it's easier for them to cover today's higher airline ticket costs and overcome other economic concerns that are impeding travel to Hawaii.'

Hawaii timeshare will continue to maintain its high occupancy figures throughout third quarter 2008 (below), as seen by the confirmed bookings that timeshare operators are reporting statewide through the month of September.

<u>3Q 2008 Occupancy</u>	<u>Timeshare</u>
Statewide	91.9%
Oahu	91.0%
Maui	93.9%
Kauai	93.0%
Big Island	82.1%

ARDA today also released the results of a separate survey, Analysis of State of Hawaii Timeshare Industry, that it commissioned with Hospitality Advisors, LLC, to evaluate timeshare's impact for Hawaii in 2007.

The study, which represents 86.4% of total timeshare inventory in Hawaii, paints an impressive picture of the industry's value to the state's economy. Overall timeshare occupancy averaged 88.2% statewide during 2007, which was nearly 13 percentage points higher than Hawaii's average hotel occupancy of 75.3% for the year.

'The high timeshare occupancy rates year-round essentially eliminates seasonal fluctuations in employment, which is a huge benefit to the workforce,' said Imanaka.

The study revealed that timeshare job growth increased significantly last year. Timeshare employed more than 4,500 people statewide at the end of 2007, representing a 28% increase in jobs year-over-year for survey respondents. Employee wages, not including benefits or employment taxes, totaled more than \$179 million last year.

The study also illustrates that timeshare development is important to the wellbeing of Hawaii's construction and trades industry. At a time when hotel development is not favored by investors, new timeshare construction and refurbishment projects generated \$203 million in capital expenditures in 2007. This year that figure will increase by more than 50% as \$314 million is being spent on timeshare-related projects, bringing the total in capital expenditures to more than \$517 million over the two-year period. Other key study findings are:

There are 7,690 timeshare units in Hawaii, with future plans in the works for an additional 5,300 new timeshare units in response to consumer demand. (Note: Timeshare represents about 10% of the state's total accommodations inventory.)

Timeshare is complementing the state's efforts to attract more first-time visitors, as 34.2% of timeshare's guests were first-time visitors to the state last year.

Timeshare owners generated \$41.4 million in tax revenues for Hawaii in 2007, of which 60% represented real property taxes.

Timeshare owners paid \$281 million in total annual maintenance fees for their units, an average of \$1,006 in weekly maintenance fees statewide.

Hawaii residents are enjoying the vacation benefits of timeshare - in Hawaii. As of 2007, 6,952 Hawaii residents owned timeshare units in the islands.

'This study reinforces how vital the timeshare industry has become to the health of tourism and our state's economy,' said Imanaka. 'Timeshare is producing jobs and fueling economic growth for Hawaii - two key facts that are more important than ever these days.'

About ARDA

ARDA Hawaii's membership includes 42 timeshare properties representing 6,054 units statewide. Members include lodging providers, exchange companies, homeowners associations, title and escrow companies, architectural firms, law firms, and resale companies. ARDA provides a variety of services for members, including government advocacy, education, networking, developing new business partnerships, and public outreach.

Based in Washington, D.C., ARDA is a professional association representing the vacation ownership and resort development industries. For information, visit www.arda.org.

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