

VACATION OWNERSHIP WORLD

The industry's forum for the trends and issues shaping our future

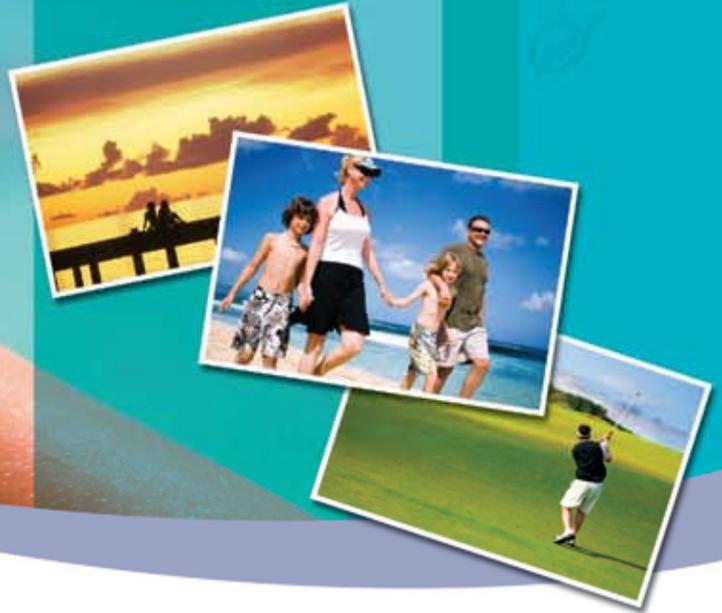
February 2016

4 Resuscitating and revitalizing 30-year old timeshare resorts





Discover the **better** way to vacation



www.VacationBetter.org - the ARDA source for consumer information about vacation ownership and its benefits.

VacationBetter.org is designed to take the confusion out of timeshare by giving clear, easy to understand information and consumer tips. As an unbiased source of information about different vacation ownership options, vacationbetter.org can be an important resource tool for industry professionals, too.

Most importantly, vacationbetter.org lets consumers in on the best-kept secret in the travel and leisure business—that vacation ownership is the best way to take holidays, enjoy family and friends, and create memories that last a lifetime.

Visit www.VacationBetter.org and see for yourself.

SPONSORED BY



4 COVER STORY • Bringing renewed life and vitality to 'mature' timeshare resorts

Resuscitating struggling, sold-out timeshare resorts is a major industry challenge. Being able to relate the facts of two successful (sold-out) resort transformations – revitalizations that got dues-paying owners and guests using the resort again – can only be positive. The fact is, for many sold out timeshare resorts in need of a tune up, such transformations are real and achievable.

SPM Resorts, which provides full-service management services including renovation and refurbishment planning, was one part of the equation at La Costa Beach Club in Pompano Beach, FL and Hollywood Beach Tower in Hollywood, FL. The other part is the Capital Resort Group, which was contracted to handle the sales program. Today both locations are reaping the rewards of increased occupancy and pumped up rentals and sales.

11 Vacation ownership's transformation

In the past ten years, the vacation ownership industry has shrunk drastically in terms of the number of developers/timeshare sellers. In *Vacation Ownership WORLD's* 2006 Sales Leader Survey there were 57 timeshare and PRC/fractional developers/sellers with annual volume of \$20 million or more; by 2014 that number had dropped to 33 with an annual volume of \$5 million or more. The developers/sellers

eliminated from the list all come from the constellation of U.S.-based independent developers. This suggests that the dynamics and market forces currently shaping the industry are, for the most part, really only tenable for the very large. And much observable evidence supports this.

16 If Disney's an example, the recent Florida law allowing nonjudicial foreclosures is already having a big impact

The arguments for nonjudicial foreclosure (short version: time and cost savings) find support from both industry participants and groups and consumer advocates. If Disney Vacation Club (DVC) is the case study, then recent developments suggest it's already having an impact. Since mid-November Disney Vacation Club has filed only one foreclosure through the court system vs. an average of 1,000 per year the past five years.

19 Industry WRAP

A briefing on recent news, developments, and emerging trends in the vacation ownership and related industries.

COVER PHOTO • The pool area at Hollywood Beach Tower in Hollywood, FL following its makeover.



Address 3520 13th Ave. SW, Olympia, WA 98512
Phone (360) 866-5500 | Fax (360) 866-5540
E-Mail evacationownershipworld@comcast.net
Web www.evacationownershipworld@comcast.net

Scott Burlingame, Editor/Publisher • Helle Burlingame, Survey and Subscription Manager
Lynn Burlingame, VP/Advertising • Corrie Dornhecker, Design Editor

SUBSCRIPTION PRICES. Subscriptions: 9 issues (one year) — US\$65. Foreign (outside the U.S.) payments must be an international money, a check on a U.S. bank, or a bank with a U.S. correspondent bank. Checks on foreign banks not accepted due to high collection costs. Subscriptions can be paid on Visa or MasterCard. Call (360) 866-5500. Or fax (360) 866-5540 (for faxed orders include whether Visa or MasterCard, name on card, card number, and expiration date).

PUBLISHING SCHEDULE. Vacation Ownership WORLD (ISSN 1088-8071) is published 9 times annually — monthly except for combined March-April, July-August, and November-December issues — by the CHB Company, Inc., 3520 13th Ave. SW, Olympia, WA 98512

BACK ISSUE PRICES: 1 to 5 copies, \$9.00 per copy; 6 to 20 copies, \$8.50 per copy; 21 copies or more, \$8.00 per copy. Must be prepaid.

© 2016 by the CHB Company, Inc. Not to be reproduced in any form, wholly or in part, without publisher's written permission.

Member American Resort Development Association



ARDA

RENT THIS SPACE
as low as

\$325

You can use this 1/6-page space for as little as \$325 per ad on the 9-time frequency rate (slightly more per ad when used less than every issue).

CALL

360-866-5500

for details and
availability.



Bringing renewed life and vitality to ‘mature’ timeshare resorts

Two real-life examples of how it was done at two Florida coastal projects.

Resuscitating struggling, sold-out timeshare resorts is a major industry challenge. The death spiral of an increasing number of legacy timeshare resorts, especially, has been discussed and chronicled. These are owners/members opting out – or wanting to – due to life cycle changes, illness, death, divorce, job loss, and more. But there is no doubt that the barrage of negative timeshare stories in the media centering on the related subjects of the dysfunction of the resales industry and the (very) bad investment that timeshare is purported to be, have added to the problem – a feeling is created that timeshare is somehow ‘bad’ and the time to get out is now. Under such circumstances, being able to relate the facts of two successful (sold-out) resort transformations – revitalizations that got dues-paying owners and guests using the resort again—can only be positive. The fact is, for many sold out timeshare resorts in need of a tune up, such transformations are real and achievable.

SPM Resorts provides full-service management services which includes renovation and refurbishment planning. “We work with Boards to pinpoint the goals of each project, and then research the best products, programs, and vendors to match those goals,” explained SPM vp/development and marketing Hatton

Gravelly. “We have handled full-scale renovation projects at resorts like Hollywood Beach Tower and Ocean Club on Smuggler’s Beach. We handle small projects like installing flat screen televisions in units or a Wifi connection for a resort. For each project, we create a budget, timeline, and plan to present to the Board for review, discussion, and approval.” SPM worked together with

gain access to additional “luxury vacation” locations like California, Utah, Chicago, and New York City, in addition to Miami and Ft. Meyers. The club is points-based, with the full flexibility of use associated with the product as well as internal exchange and external exchange (through Interval International). Members can opt for Capital Lifestyle giving them access to retail purchases, travel, and RVs and camping. “Once a new Capital Vacation Club owner is deeded in either La Costa or Hollywood, they incur inclusive club dues of \$290 and their maintenance fee is based on the number of points owned,” explained vp/resort operations Barney Barber. “The Club guarantees payment of the maintenance fees to each HOA

In less than 18 months, Capital has generated approximately 500 new, dues paying owners through sales of its Capital Vacation Club: 277 at La Costa Beach Club and 228 for Hollywood Beach Tower

the Boards of La Costa Beach Club in Pompano Beach, FL and Hollywood Beach Tower in Hollywood, FL.

The other part of the equation at both resorts is the Capital Resort Group, which was contracted to handle the sales program. The Capital Vacation Club, with over 8000 owners and growing, is a trust-based multi-site timeshare plan with 13 resorts across the U.S., concentrated primarily in the Southeast. The vacation club consists of two “collections.” Capital collections members gain access to “family friendly” locations, mostly in the U.S. Southeast, but also Mississippi, Arkansas, Wisconsin, and Maine. Lifestyles Collections

hence, the Board never has to worry about collections or delinquency. Plus, because of the nature of the Capital Vacation Club structure, inventory from La Costa and Hollywood is sold from the onsite Capital sales operation and from some of the other Capital sales operations located across the country. In essence, Capital Resorts Group brings a national outlet to sell the inventory for both of these southeast Florida properties.”

Upgrading La Costa Beach Club.

La Costa Beach Club was established in 1982. It consists of 77 units. It is located right on Florida’s Atlantic Coast, with 300 feet of private beach

front. However, by January 2011 when SPM entered the picture, it was apparent that the units, amenities, and physical grounds all needed pepping up. Specifically appliances, countertops, and cabinets were all dated, the flooring was in need of

an upgrade, and common areas (e.g. pool area, spa, walkways) were in need of sprucing up. The kitchens had white appliances, laminate countertops, and white cabinets. The furniture was whicker and “dingy looking.” Not all units had showers.

In addition, extensive concrete restoration was need on building structures. The ‘after’ picture includes: stainless steel appliances in each unit, granite countertops and dark wood cabinetry, new furniture, and showers in all units, each of which was freshly painted. These renovations took about a year to complete, according to Gravelly.



Before

La Costa Beach Club living room area before.

Upgrading Hollywood Beach Tower. “Hollywood Beach Towers was originally a college dormitory, built in the late 1960s and converted to a timeshare resort in 1981,” said SPM Resorts regional vp/operations Trish Docherty. “The rooms had not received a total renovation since the conversion in 1981, and the mirrored walls, pastel color scheme and old appliances needed a major update. Each suite at the resort has two entrances, joined by a door in the middle, with a bedroom in one



After

La Costa Beach Club living room area after.

room and a living, dining & kitchen area in the other. The renovation drastically changed the layout, style and functionality of these rooms. "A Murphy bed and sofa combination has replaced a pullout sofa, giving the guest a much more comfortable sleeping experience," she continued. "The new sofa is comfortable and sits directly in front of a television in the living space, and the Murphy bed is stored in a stylish cabinet behind the sofa against the wall. There is an additional comfortable chair that pulls out to a single bed, adding plenty of seating for guests. During the day, this is a spacious area for watching television, relaxing, or playing games. When it is time for the guest to go to sleep, cushions are removed from the sofa and the bed easily folds down and fits down into the sofa."

Some of the changes at Hollywood Beach Towers were similar to those at La Costa Beach Club. "The laminate counter tops in the kitchen have been replaced by rich, warm granite, complementing the dark woods and jewel tones in the interior of the room. The brand-new black and stainless appliances and lighting fixtures make these kitchens a beautiful addition to the room, and a perfect setting for the family chef to cook meals while on vacation." The master bedroom now has "a beautiful king sized bed with stylish pillows in jewel tones that match the living area. The blues, teal, and white all evoke a coastal feeling and the modern patterns on the fabric give these units a sophisticated look." The bathrooms have received a major update as well, and the laminate counter tops have been replaced with granite. The tiled floors have been updated, and the showers re-tiled. In addition, "each

Saver: "At La Costa, our average daily rate went from \$76.99 pre-construction in 2012 to \$92.07 in 2015. That means the resort makes more money per rental. In addition, the income we generated from rentals for the association increased 37.82% from 2012 to 2015."

unit has beautiful view of either the ocean or waterway, and both rooms have a seating area next to the window. Stylish dark wooden tables and chairs that match the jewel tones in the units have replaced the glass top tables and pastel padded chairs."

In addition, the new layout was designed to create flexible room types to increase the number of nights available by designing rooms that can be used as one unit or as two units. Guests wanting a kitchen will have the option of the room with a full bath and a Murphy bed. Guests that do not need a full kitchen will be able to rent the master bedroom with a full bath, mini fridge and microwave and sitting area. Guests that want the full suite will have the option to rent both sides as one unit. "Owners now have plenty of options, as well," Docherty offered. "They own the entire unit, and can use their week in several ways. They have the option of occupying the whole unit, renting or exchanging half of the unit, or renting or exchanging the entire unit. If they bring a guest or their children, both sides will have more privacy with the lockout option. They can also use one side of the unit and rent the other side if they do not need the additional space, or they can enjoy the large two-room space for a relaxing vacation. In addition, to making the

current owners happy, the renovated rooms are also expected to generate more sales for the resort." The point she says is that "in addition to being beautiful, these new units offer functionality that can generate more income for the resort and give owners more flexibility to rent, exchange, or use their units."

Sales to "dependable" owners and rental revenues increase. As important as the physical before and after pictures are, the results of the investment in the vitality of the resort – both financially and as a vacation experience owners/members and guests buy into and return to are the goal. Here the sings are very encouraging.

"In less than 18 months, Capital has generated approximately 500 new and dependable dues paying owners through sales of its Capital Vacation Club: 277 at La Costa Beach Club and 228 for Hollywood Beach Tower," Barber related. We went with 2012 before construction and 2015 after construction for the apples to apples comparison for both resorts.

The rental program has also been revitalized. "At La Costa, our average daily rate went from \$76.99 pre-construction in 2012 to \$92.07 in 2015," SPM revenue manager Tom Saver noted. "That means the resort makes more money per rental. In addition,

the income we generated from rentals for the association increased 37.82% from 2012 to 2015.” He said that the number of units at Hollywood doubled with the renovation for rentals. Owners own one unit - but they can choose to split it up for rentals. This increase in inventory has had a tremendous impact on rentals. Rental revenue increased 29.74% from 2012 to 2015.”

“The SPM revenue management team recently worked with our Expedia partners to boost the star ratings at Hollywood Beach Tower and La Costa Beach Club,” Gravelly said. “Expedia’s nine point rating is determined by resort amenities, aesthetics of common areas, room decor, on-property services, quality of hard and soft goods, renovations, customer feedback and in-room amenities. Resorts can receive up to five total stars. Prior to the site inspection, Hollywood Beach Tower was rated 2.5 stars and La Costa Beach Club was rated 2 stars. With resorts that are clean and affordable, 2 and 2.5 star ratings are a budget classifica-

tion.” SPM Resorts revenue manager Tom Saver conducted a site visit at both properties and worked with SPM’s Expedia partners to increase the ranking. “Based on my resort operations experience inspecting units, I was able to correctly identify the key factors Expedia needed to justify the star rating increase,” he said. The result? Both resorts are now rated 3.5 stars. The 3.5 classification is reserved for resorts with a greater emphasis on comfort and service. “This is a big

deal because Expedia.com attracts 90 million unique visitors each month,” Gravelly pointed out. Each half-star increase can make a major impact on a resort’s ability to promote on Expedia.com, giving the resort more visibility in search results. So, when a vacationer is searching properties in the destination, the resorts with a higher star rating will have better page placement in the list of available resorts. The higher a resort is ranked on a page, the more bookings they will receive.”



The renovated living room area at Hollywood Beach Tower.



The kitchen area at La Costa Beach Club after a facelift.



An evening view of the Sunrise Lodge, a Hilton Grand Vacation Club in Park City, UT.



VACATION OWNERSHIP WORLD

What a difference a decade makes

The implications of the timesharing industry's heavy consolidation.

To gauge the impact of the vacation ownership/timeshare industry's rapidly escalating consolidation, Vacation Ownership WORLD decided to republish its Sales Leader Survey of a decade ago (2006) and contrast that with its last available complete Survey (2014; also republished). The outstanding feature is the vanquishing of U.S.-based independent developers from both the timesharing and fractional business. In 2006, there were 57 developers (timeshare and fractional/PRC) participating in the Survey; in 2014 there were 33. The developers/sellers eliminated from the list all come from the constellation of U.S.-based independent developers. This suggests that the dynamics and market forces cur-

rently shaping the industry are, for the most part, really only tenable for the very large. And much observable evidence supports this.

Let's compare the Surveys (see pages 11-13 for the reprinted Surveys). First, there are the U.S. timeshare developers present-2005 but absent-2014: Burroughs & Chapin, Consolidated Resorts, Hyatt, ILX Resorts, Intrawest, Island One, Pacific Monarch, and Shell. Silverleaf and Starwood Vacation Ownership will join this list in 2015. Second, there are the U.S. fractional developers present-2005 but absent-2014: Claybrook at Sugarbush, 8050, Emerald Grande, Old Greenwood, Private Escapes, Sky Lodge Resort Club, and the Villa at Seven Canyons. Finally, there

are the other developers who qualified for the Survey in 2005 (the qualification was then sales of \$20 million and over) but either don't exist today, have sales of under \$5 million/year (the current criterion), or decided not to participate include: Anfi Group, Aviawest, Club La Costa, Escapes!, Hapimag, Kosmas Group, Princeton Resorts Group, Raintree, Royal Holidays, and Sol Meliá Vacation Club. Some developers reported in 2005 but not 2014, including Berkely Group, Disney Vacation Club, Westgate, and Festiva. Altogether, 2014 non-existers/non-qualifiers/non-responders (but 2006 Sales Leader participants) total 31 companies – over 54% of the 2005 participants! That's a lot of turnover in ten years.

The advantages of brand and scale. Marketing is the biggest expense in selling timesharing and it is arguably the differentiating factor in the success of the business. Here large

hospitality brands have numerous key advantages because the cost of attracting new buyers for hospitality brands is substantially less via in-house hotel guest-related programs than alternative (colder) methods. These companies have not only large and precisely qualified leads from their hotel database lists, but also large owner bases enabling even more cost efficient upgrade sales en masse. How is an independent developer going to compete with this? Unless one has a travel, entertainment, or hotel brand, the best method is to ally with large non-timeshare organizations with large member bases (e.g. major league baseball teams, Bass Pro Shops, etc.). The two top remaining U.S.-based independent developers (Bluegreen and Diamond Resorts International) have forged such alliances and they have very large owner/member bases. The only U.S.-based exceptions to the rule have a regional or local “brand” with all the know-how about regional/local owners/mem-

bers, vendors, financial sources, and alliance partners (e.g. Inn Season, Breckenridge Vacation Club). But the bottom line is clear: those who can put together a marketing plan utilizing a (relatively) cheap and efficient (qualified) acquisition of prospects are the clear winners in today’s vacation ownership/timeshare market, and unless you can compete with that, your prospects are dim.

Right now, those who dominate the timeshare market (in terms of sales) are using the same business model (third party developers, just in time inventory introduction – from Wyndham Vacation Ownership’s WAAM to Bluegreen’s fee-based services to Hilton’s “capital efficient sales” to Diamond’s “capital light, cost efficient” inventory sourcing), selling the same product (points-based clubs), to the same type of people (hotel guests and existing owners/members). The name of the game is transferring the allegiance/loyalty or an already captive list of hotel/travel/entertain-

ment/retail customers to the vacation ownership/timeshare product. In this way vacation ownership/timesharing has become an adjunct to these industries. Vacation ownership/timesharing is a bought not a sought good (and service). The introduction to our product is formed via the gateway of other (popular) products with followings. The familiarity with a known product and service that consumers are happy with – and hence loyal to – turns the key of trust and unlocks the door to a genuine, qualified prospect. And significantly, the timeshare selling company has a lot of knowledge about its potential buyers’ prior to even approaching them. It is very difficult to visualize all but the very largest timeshare companies being able to compete in this environment. And they are not, because they can’t.

Financing also favors the large. They are able to source the cheapest capital (via securitizations or traditional lending sources) and the revenue they earn from arbitrage grows with the number of portfolios they control.

The way that inventory is acquired also benefits large developers/timeshare sellers who can find development partners and have the capital to take advantage of acquisitions, insolvencies, and the like. So they have been able to add inventory to meet demand with costs significantly below that of alternative methods (e.g. the old buy land/build a resort model). As a matter of fact, there are very, very few new timeshare and/or fractional resorts being built in today’s environment.

A last point to make is that there are two main timeshare world’s right now and they have very little in

Right now, those who dominate the timeshare market (in terms of sales) are using the same business model (third party developers, just in time inventory introduction), selling the same product (points-based clubs), to the same type of people (hotel guests and existing owners/members). The name of the game is transferring the allegiance/loyalty or an already captive list of hotel/travel/entertainment/retail customers to the vacation ownership/timeshare product. In this way vacation ownership/timesharing has become an adjunct to these industries.

2006 Vacation Ownership Sales Leaders

(Companies with 2006 sales of U.S. \$20 million or more in timeshares and/or fractional ownership interests)

Company	Headquarters City	Cntry	Timeshare Sales (Millions U.S.\$)		Fractional Sales (Millions U.S.\$)		Total VO Sales (Millions U.S.\$)		VO Resorts (Year-end)		VO Units (Year-end)		Owners/Members (Year-End)	
			2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Accor Premier Vacation Club	Queensland	Aus	110	81	-	-	110	81	17	15	420	342	18,200	13,500
Allegro Resorts	Santo Domingo	Dom Rep	38	29	-	-	38	29	8	8	415	415	19,325	18,500
Anfi Group	Arguineguin, Gr. Cnria.	Spain	75	78	-	-	75	78	5	5	988	988	26,705	23,224
Aviawest	Victoria, BC	Can	9	9	10	30	19	39	7	7	350	350	6,350	5,250
Berkely Group (1)	Ft. Lauderdale, FL	US	615	530	-	-	615	530	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bluegreen Resorts (2)	Boca Raton, FL	US	395	358	-	-	395	358	47	44	4,167	4,007	170,000	153,000
Burroughs & Chapin	Myrtle Beach, SC	US	67	54	-	-	67	54	2	2	256	208	13,000	11,000
Capella	Los Cabos	Mex	-	-	35	n/a	35	n/a	1	n/a	31	n/a	248	n/a
Claybrook at Sugarbush	Sugarbush, VT	US	-	-	32	n/a	32	n/a	1	n/a	41	n/a	119	n/a
Club La Costa	Malaga	Spain	125	100	-	-	125	100	21	20	1,364	1,370	47,600	46,500
Consolidated Resorts	Las Vegas, NV	US	300	210	-	-	300	210	16	14	1,300	1,273	160,000	124,000
Destination Club Partners	Bannockburn, IL	US	-	-	101	n/a	101	n/a	13	n/a	140	n/a	850	n/a
Disney Vacation Club (3)	Celebration, FL	US	300	250	-	-	300	250	8	7	3,600	3,350	105,000	95,000
8050	Mammoth, CA	US	-	-	27	n.a.	27	n.a.	2	n.a.	47	n.a.	100	n.a.
El Cid	Mazatlan	Mex	38	38	-	-	38	38	5	5	725	725	31,600	28,000
Emerald Grande	Destin, FL	US	-	-	103	0	103	0	1	0	144	0	400	0
Escapes!	Bella Vista, AR	US	25	25	-	-	25	25	9	9	783	783	20,700	19,500
Exclusive Resorts (4)	Denver, CO	US	-	-	230	250	230	250	36	36	420	250	2,500	1,800
Fairmont's Heritage (5)	Toronto, ON	Can	-	-	45	40	45	40	6	4	252	180	1,200	1,000
Festiva Resorts (6)	Asheville, NC	US	90	n.a.	-	-	90	n.a.	9	n.a.	n.a.	n.a.	25,000	n.a.
Four Seasons Residence Clubs	Toronto, ON	Can	-	-	n.a.	20	n.a.	20	n.a.	6	n.a.	274	n.a.	4,664
Gold Point Lodging & Realty	Breckenridge, CO	US	32	28	-	-	32	28	2	2	232	232	10,955	10,082
Hapimag	Baar	Switz	39	36	-	-	39	36	56	55	5,240	5,212	139,124	138,425
Hilton Grand Vac Co (7)	Orlando, FL	US	420	388	-	-	420	388	33	30	4,970	4,648	127,200	115,000
Hyatt Vac Ownshp (8)	Chicago, IL	US	76	77	57	45	133	122	17	12	808	769	26,000	23,000
ILX Resorts (9)	Phoenix, AZ	US	32	34	-	-	32	34	12	12	750	750	34,000	32,000
Inn Season	West Yarmouth, MA	US	31	25	-	-	31	25	7	6	404	360	25,500	22,000
Intrawest	Vancouver, BC	Can	n.a.	45	n.a.	13	n.a.	58	n.a.	15	n.a.	1,149	n.a.	17,600
Island One	Orlando, FL	US	68	61	-	-	68	61	9	7	1,148	1,085	63,000	57,000
Kosmas Group	New Smyrna Beach, FL	US	22	21	-	-	22	21	5	4	322	n.a.	18,115	n.a.
Marriott Vac Club Intl (10)	Orlando, FL	US	1,269	1,256	169	245	1,438	1,501	56	52	11,000	9,944	351,557	322,250
Old Greenwood	Truckee, CA	US	-	-	32	n.a.	32	n.a.	1	1	61	n.a.	700	n.a.

Company	Headquarters City	Cntry	Timeshare Sales (Millions U.S.\$)		Fractional Sales (Millions U.S.\$)		Total VO Sales (Millions U.S.\$)		VO Resorts (Year-end)		VO Units (Year-end)		Owners/Members (Year-End)	
			2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Orange Lake Cntry Clb	Kissimmee, FL	US	106	100	-	-	106	100	2	1	2,330	2,262	110,000	96,000
Pacific Monarch Resorts	Laguna Hills, CA	US	103	89	-	-	103	89	12	11	1,906	1,814	90,000	82,000
Petchey Leisure	Marbella	Spain	50	45	-	-	50	45	9	8	1,450	1,281	52,000	44,929
Pestana	Madeira	Por	30	28	-	-	30	28	14	12	985	900	24,700	23,500
Phillips Club	New York, NY	US	-	-	29	n.a.	29	n.a.	1	1	74	n.a.	592	n.a.
Princeton Resorts Group	Peoria, AZ	US	21	21	-	-	21	21	1	1	40	40	3,761	2,758
Private Escapes (11)	Ft. Collins, CO	US	-	-	16	18	16	18	29	20	49	28	294	213
Raintree Resorts Intl	Houston	US	65	65	65	35	130	100	20	19	1,274	1,169	54,100	46,700
Regency Resorts Group	Tenerife	Spain	18	23	-	-	18	23	6	6	550	550	26,000	25,000
The Residences at Little Nell	Aspen, CO	US	-	-	111	93	111	93	1	1	26	26	126	n.a.
Resort Properties Group	Tenerife	Spain	76	70	-	-	76	70	6	6	1,350	1,350	n.a.	n.a.
Royal Holidays	Mexico City	Mex	116	112	-	-	116	112	9	n.a.	1,850	1,800	90,000	81,000
The Royal Resorts (12)	Cancun	Mex.	121	110	-	-	121	110	8	8	1,631	1,560	98,000	94,000
Shell Vacations	Northbrook, IL	US	185	190	-	-	185	190	24	21	2,593	2,397	113,626	106,000
Silverleaf	Dallas, TX	US	188	146	-	-	188	146	13	13	2,474	2,360	100,000	94,000
Sky Lodge Resort Club	Park City, UT	US	-	-	41	n.a.	41	n.a.	1	n.a.	22	n.a.	176	n.a.
Sol Melia Vacation Club	Palma de Mallorca	Spain	112	61	11	0	123	61	39	15	375	250	18,118	13,000
Starwood Vac Ownshp (13)	Lk. Buena Vista, FL	US	655	575	84	45	739	620	19	17	4,397	4,100	195,425	185,000
Timbers Resorts	Carbondale, CO	US	-	-	67	105	67	105	5	4	192	153	866	700
Ultimate Resort (14)	Kissimmee, FL	US	-	-	30	n.a.	30	n.a.	25	4	105	4	750	30
Villa Group	Puerto Vallarta	Mex	109	94	46	39	154	133	7	7	1,927	1,738	55,215	50,086
Villa at Seven Canyons	Sedona, AZ	US	-	-	48	n.a.	48	n.a.	1	n.a.	84	n.a.	n.a.	n.a.
Welk Resorts	Santa Monica, CA	US	66	62	-	-	66	62	6	3	846	694	34,200	32,581
Westgate Resorts (15)	Oriando, FL	US	750	650	-	-	750	650	27	26	10,000	9,000	450,000	400,000
Wyndham Vacation Ownership (16)	Parsippany, NJ	US	1,743	1,396	-	-	1,743	1,396	149	141	20,556	18,200	800,912	750,000
Totals (17)			8,690	7,570	1,389	978	10,079	8,548	846	723	97,464	90,340	3,763,901	3,409,792
Numerical Gains (17) 2005-2006			1,075	-	180	-	1,255	-	110	-	8,141	-	331,422	-
Percentage Gains (17) 2005-2006			14%	-	19%	-	15%	-	16%	-	9%	-	10%	-

Footnotes

As indicated by their combined total 2006 vacation ownership sales of almost \$10 billion, the editors believe the companies listed above currently account for well over three-quarters of total industry sales.

Footnotes:

(1) The Berkely Group 2005 sales data estimated by VO WORLD.

(2) Bluegreen 2006 sales data estimated by VO WORLD.

(3) Disney Vacation Club (DVC) 2006 sales data estimated by VO WORLD.

(4) Exclusive Resorts is a Private Destination Club (PDC). Whereas fractionals/private residence clubs (PRC) sell ownership, PDCs sell memberships in a multi-site club. Its 2006 sales data is estimated by VO WORLD.

(5) Fairmont's Heritage Place 2006 sales data estimated by VO WORLD.

(6) Festiva Resort's 2006 sales data estimated by VO WORLD.

(7) Hilton Grand Vacations Club (HGVC) 2006 sales data estimated by VO WORLD.

(8) Hyatt Vacation Ownership 2006 sales data estimated by VO WORLD.

(9) ILX Resorts 2006 sales data estimated by VO WORLD.

(10) Marriott Vacation Club International (MVICI) 2006 sales data estimated by VO WORLD.

(11) Private Escapes is a PDC. Its 2005 sales data is estimated by VO WORLD.

(12) Royal Resorts 2006 sales data estimated by VO WORLD.

(13) Starwood Vacation Ownership 2006 sales data estimated by VO WORLD.

(14) Ultimate Resort is PDC. Its 2006 sales data is estimated by VO WORLD and includes only Ultimate Resort's sales and conversions made by former Tanner & Haley members. Tanner & Haley sales made is 2006 prior to its bankruptcy are not included.

(15) Westgate Resorts 2006 sales data estimated by VO WORLD.

(16) Wyndham Vacation Ownership 2006 sales data estimated by VO WORLD.

(17) Total numbers are absolute sums. With the exception of new developers in sales in 2006 but not 2005, only double entries – with figures provided for both 2005 and 2006 – count in calculating numerical and percentage gains. For example, Intrawest doesn't count in calculating the numerical or percent growth in sales volume, resorts, units, or owners because 2006 figures are n.a. (not available).



2014 VACATION OWNERSHIP SALES LEADERS

Companies with 2014 or 2013 sales of US\$5 million or more in timeshares and/or fractional ownership interests

Company	Headquarters City	Cntry	Timeshare Sales (Millions US\$)		Fractional Sales (Millions US\$)		Total VO Sales (Millions US\$)		VO Resorts (Year-end)		VO Units (Year-end)		Owners/Members (Year-end)	
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
AMResorts	Newtown Square, PA	U.S.	150	n.a.			150	n.a.						
Bluegreen Resorts ¹	Boca Raton, FL	U.S.	524	457			524	457	76	69	6,889	6,130	188,853	179,027
Breckenridge Grand Vacations	Breckenridge, CO	U.S.	71	64			71	64	4	3	436	361	21,000	19,000
Club Meliá	Palma de Mallorca	Spain	117	111			117	111	14	14	1,248	1,248	34,701	30,879
Diamond Resorts International	Las Vegas	U.S.	532	465			532	465	93	93	11,352	11,000	540,000	527,110
Exclusive Resorts ²	Denver, CO	U.S.			175	150	175	150	75	50	384	384	3,800	3,600
Fairmont's Heritage Place ³	Toronto, ON	Can.			23	23	23	23	9	9	330	330	2,325	2,200
Fiesta Americana	Guadalajara	Mex.	30	n.a.			30	n.a.	4	n.a.	n.a.	n.a.	30,000	n.a.
Four Seasons ⁴	Toronto, ON	Can.			11	11	11	11	2	2	44	44	400	375
Hard Rock	Orlando, FL	U.S.	100	n.a.			100	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hilton Grand Vacations ⁵	Orlando, FL	U.S.	890	830			890	830	44	42	6,794	6,547	230,000	212,000
Holiday Inn Club Vacations ⁶	Orlando, FL	U.S.	247	229			247	229	13	11	4,227	3,863	200,000	180,000
Inn Season	West Yarmouth, MA	U.S.	39	30	1		40	30	8	8	690	562	57,540	51,500
Inspirato	Denver, CO	U.S.			100	n.a.	100	n.a.			245	n.a.	8,000	n.a.
Marriott Vacations Worldwide	Orlando, FL	U.S.	699	679		1	699	680	64	64	n.a.	n.a.	430,000	425,000
Mayan Palace	Nuevo Vallarta	Mex.	350	n.a.			350	n.a.	6	n.a.	n.a.	n.a.	n.a.	n.a.
Occidental Vacation Club	Santo Domingo	D.R.	41	n.a.			41	n.a.	8	n.a.	565	n.a.	25,900	n.a.
Palace Resorts	Cancún	Mex.	100	n.a.			100	n.a.	8	n.a.	n.a.	n.a.	n.a.	n.a.
Pestana	Madeira	Por.	28	35			28	35	15	15	1,100	1,100	33,000	32,500
Phillips Club	New York	U.S.			12	10	12	10	1	1	118	118	925	905
Quintess	Bloomfield, CO	U.S.			29	n.a.	29	n.a.	60	n.a.	100	n.a.	675	n.a.
The Reefs ⁷	Southampton	Bermuda			6	7	6	7	1	1	19	19	125	114
Regency Resorts Group	Tenerife	Spain	3	5			3	5	5	5	256	260	25,500	26,000
Residences at Little Nell	Aspen, CO	U.S.			35	48	35	48	1	1	26	26	n.a.	n.a.
Ritz Carlton ⁸	Chevy Chase, MD	U.S.			6	6	6	6	6	6		317	3,100	3,000
Royal Resorts ⁹	Cancún	Mex.	33	30	17	20	50	50	6	7	1,544	1,544	85,000	91,000
Silverleaf	Dallas, TX	U.S.	249	244			249	244	13	13	3,019	2,930	122,000	120,000
Starwood Vac Ownership	Lk Buena Vista, FL	U.S.	323	326	n.a.	n.a.	323	326	14	14	5,078	4,910	220,000	n.a.
Summerwinds	Branson, MO	U.S.	40	n.a.			40	n.a.	2	2	245	n.a.	n.a.	n.a.
Timbers Resorts ¹⁰	Carbondale, CO	U.S.			35	68	35	68	n.a.	13	n.a.	417	n.a.	2,111
Villa Group	Puerto Vallarta	Mex.	134	116	6	4	140	120	10	10	2,688	2,740	94,413	87,398
Welk Resorts	Santa Monica, CA	U.S.	147	105			147	105	5	5	1,096	1,061	45,596	42,400
Wyndham Vacation Ownership	Orlando, FL	U.S.	1,889	1,889			1,889	1,889	203	191	24,000	23,500	904,000	907,000
Absolute Totals ¹¹			6,736	5,615	456	348	7,192	5,963	766	649	72,493	69,411	3,306,853	2,943,119
Comparable Totals ¹¹			5,925	5,615	326	347	6,251	5,963	684	636	71,138	68,677	3,022,278	2,941,008
Numerical Gains/Losses ¹¹ , 2013-2014			316		-21		288		48		2,461		81,270	
Percentage Gains ¹¹ , 2013-2014			5.5%		-6.1%		4.8%		7.5%		3.6%		2.8%	

As indicated by their combined total 2014 vacation ownership sales of over \$7.1 billion, the editors believe the companies listed above currently account for approximately two-thirds of total industry sales.

FOOTNOTES:

- Bluegreen 2014 sales data estimated by *Vacation Ownership WORLD*.
- Exclusive Resorts is a Private Destination Club (PDC). Whereas fractionals/private

residence clubs (PRC) sell ownership, PDCs sell memberships in a multi-site club. Its 2014 sales data is estimated by *Vacation Ownership WORLD*.

- Fairmont's Heritage Place 2014 sales data estimated by *Vacation Ownership WORLD*.
- Four Seasons 2014 sales data estimated by *Vacation Ownership WORLD*.
- Hilton Grand Vacations (HGV) 2014

sales data estimated by *Vacation Ownership WORLD*.

- Holiday Inn Club Vacations (HICV) 2014 sales data estimated by *Vacation Ownership WORLD*.
- The Reefs 2014 sales data estimated by *Vacation Ownership WORLD*.
- Ritz-Carlton's 2014 sales data estimated by *Vacation Ownership WORLD*.
- Royal Resorts 2014 sales data estimated by *Vacation Ownership WORLD*.

10. Timbers Resorts 2014 sales data estimated by *Vacation Ownership WORLD*.

- Total numbers are absolute sums. Only double entries – with figures provided for both 2013 and 2014 – count in calculating numerical and percentage gains. For example, Hapimag doesn't count in calculating the numerical or percent growth in sales, resorts, units, or owners/members because 2014 figures are n.a. (not available).

common in terms of how they operate and what sustains them. First, there is the world of the top vacation ownership/timeshare companies – an increasing small collection that includes WVO, Hilton, Marriott Vacations Worldwide, ILG (SVO, Hyatt), Diamond, and Bluegreen. Their world is much as described above and business is brisk but not insane, with both revenues and profits growing. Clearly it is a business model that works (for those who qualify). But the other large timeshare subculture is legacy resorts. This “world” is fraught with extremely difficult issues having to do with (financial) survival. In the wake of 2008, a large number of timeshare owners either found that they no longer could/can afford or are interested in paying yearly maintenance fees. This has destabilized many sold out resorts and blown the resale market up. More and more people not paying their maintenance fees leads to a spiral of increasing fees for remaining owners – and more than a handful of legacy timeshare resorts are at the breaking point. What these resorts need is dues paying

While new WVO product and legacy timeshare resales are both “timeshare”, they are very different as consumer products in terms of quality, price, appeal, and market. Perhaps, seeking differentiation, the brands will eventually repackage or redefine their product as something other than generic “timeshare”; perhaps this timeshare product will become a special status or tier of hotel loyalty membership and disappear as “timesharing” or “vacation ownership” as such.

owners/members. Some will succeed in these efforts but many will not. Once the dense legacy resort undergrowth is cleared, the population of operating timeshare projects is likely to decline – perhaps greatly. This could serve to help stabilize a timeshare resales market drowning in supply. At any rate, it will be interesting to see which timeshare resorts survive and in what form.

But the point is “timesharing” is largely represented by these two divergent worlds that are confronting vastly different challenges (and

opportunities). And while new WVO product and legacy timeshare resales are both “timeshare”, they are very different as consumer products in terms of quality, price, appeal, and market. Perhaps, seeking differentiation, the brands will eventually repackage or redefine their product as something other than generic “timeshare”; perhaps this timeshare product will become a special status or tier of hotel loyalty membership and disappear as “timesharing” or “vacation ownership” as such.



VACATION OWNERSHIP WORLD

If Disney’s an example, the recent Florida law allowing nonjudicial foreclosures is already having a big impact

Since mid-November Disney Vacation Club has filed only one foreclosure through the court system vs. an average of 1,000 per year the past five years.

The arguments for nonjudicial foreclosure (short version: time and cost savings) find support from both industry participants and groups and

consumer advocates. If Disney Vacation Club (DVC) is the case study, then recent developments suggest it’s already having an impact.

Articles on DVC’s foreclosures appeared in late December-early January. Turns out the Orange County clerk of court records show

about 1,000 foreclosure deeds sold at auction the past few years (out of an owner base of about 200,000). This is down from 2011 and 2012 levels of more than 1,400 annually. DVC has frequently been the purchaser of these deeds, “often for nominal bids because no one else tries to get them,” according to one report. DVC can exercise a right of first refusal in the bidding process. The articles (e.g. from the Orlando Sentinel) indicated that while third parties can bid in these auctions, and in fact do, that DVC had been taking a more aggressive bidding stance of late.

Buying this inventory in relatively inexpensive and helps DVC control the price structure of both its primary (“new”) inventory and the price of DVC inventory in the resale market. DVC has long taken steps to combat the onslaught of low to no cost resales that exploded post-2008. For example, the company restricted hotel exchange to owners/members purchasing from Disney itself. Surely the brand name helps, but overall DVC is doing something with

resales that looks like it is working. Sharket.com, which refers to itself as timeshare market research website, compiled its list of the Top 25 Timeshare [Resale] Resorts, with DVC resorts taking the top seven places in terms of average price, and eight of the Top Ten. Resales at these DVC resorts all average in five figures, and range from a low of \$11,200 to a high of \$15,600. Disney resorts do very well in other surveys (e.g. Redweek.com) as well.

A few weeks later another Sentinel article appeared discussing DVC’s use nonjudicial foreclosure (now allowed and part of the regulation of timesharing in Florida). Under this system the courts are bypassed but a public auction still happens. Trustees designated by lienholders can act as auctioneers. “So some of Disney’s auctions are taking place at a law firm representing the company, rather than Orange County’s clerk of court [as under the old foreclosure system],” according to the report. An Orlando attorney, Justin Moorefield, was quoted as say-

The nonjudicial route is likely the way DVC will tackle its’ foreclosed inventory moving forward.

ing the new system “would certainly be more difficult to bid on the properties, especially looking at the people involved in it right now who are mostly out of state or in South Florida.” Moorfield added that he believes the nonjudicial route is the way DVC will tackle all of its’ foreclosed inventory. And, really, given the substantial savings in time and money, why not? ARDA director of state affairs Chris Stewart noted that consumers facing foreclosure can still use the courts if they want. But the point is that this is an example of fresh legislation that appears to be having an immediate effect. The Disney data backs this up. Since mid-November, DVC has filed only one foreclosure through the court system.



INDUSTRY WRAP

Marriott Vacations Worldwide takes over management of The Strand Hotel in NYC; site to become part of Marriott Vacation Club

Marriott Vacations Worldwide (MVW) announced that it has taken over management of The Strand Hotel in New York City. Subject to certain conditions being met, Marriott Vacations Worldwide has also agreed to a purchase of the 176-room hotel in phases over time, beginning in 2018, and plans to make it part of its Marriott Vacation

Club vacation ownership program. Located on 37th Street between Fifth and Sixth Avenues, The Strand is ideally situated to share all that the city has waiting for Owners and guests to enjoy.

“New York City has been on our list as a destination for our owners to explore for quite some time,” said MVW president and CEO Stephen P. Weisz. “The location of this property puts our owners right in the heart of Manhattan where they can experience firsthand the vibrant energy the

city has to offer. I am excited about this opportunity as a destination for our owners and as a new sales location, continuing our strategy of growing our network of resorts.”

Marriott Vacations Worldwide anticipates that it will rebrand The Strand as a Marriott Vacation Club in early March 2016 and will begin welcoming Marriott Vacation Club owners. Reservations for owner usage through the Marriott Vacation Club exchange program will be offered as early as mid-February

2016 for arrivals beginning in early March 2016. In addition, the company plans to open its new Manhattan sales location by the middle of 2016.

The Strand offers rooms with “distinctive contemporary décor of neutral shades and light textures.” Rooms include high-definition flat-screen televisions, complimentary wireless internet access, daily housekeeping service and “spa-inspired bathrooms adorned in European-style tiling, sleek granite countertops, custom wood cabinetry and top-of-the-line fixtures.” The Strand also features on-site amenities, including The Strand Bistro and a rooftop lounge, The Top of The Strand. Named “New York City’s Best Year-Round Rooftop Bar” by *New York Magazine*, The Top of The Strand features a retractable glass enclosed roof overlooking the Empire State Building.

Disney Vacation Club celebrates 25 Years

Disney Vacation Club (DVC) celebrates its 25th anniversary this year. From its debut in 1991, DVC has grown to 200,000 member families from all 50 states and approximately 100 countries.

There are 13 DVC resorts in all, most of them in the Orlando area.

This year DVC said it will debut new special member events and offers at Disney theme parks and resorts as part of its anniversary, plus new exclusive membership enhancements. For example, DVC is creating a new, exclusive member lounge at Epcot, opening in the spring of 2016. Included with paid admission to Epcot, this space will give members and their guests a place to relax, access device charging stations, enjoy complimentary refreshments and other offerings. Members will also

be offered complimentary theme park and water park events throughout the year, discounts on multi-day theme park tickets at Walt Disney World Resort, quarterly giveaways, “fun surprises throughout the year and new memorable experiences at Disneyland and Walt Disney World Resorts, at Aulani and onboard Disney Cruise Line.” A new personalized Disney Vacation Club membership card will make it possible for members to enjoy all these new benefits, and recognition programs, such as special anniversary buttons, photos opportunities, unique merchandise and more, allowing members to display their pride.

Disney also said that there will be a launch of new services to help simplify the vacation planning process for members, including a “reimagined” website, accessible on any device, that provides members with personalized vacation advice, as well as the brand-new “Last-Minute Magic” webpage designed to help members explore last-minute vacation possibilities at select DVC resorts.

Expedia Completes Acquisition of HomeAway

Expedia announced it has completed its acquisition of HomeAway, Inc., including all of its brands.

“We are thrilled to enter the fast-growing, \$100 billion alternative accommodations space with HomeAway on our side,” said Expedia CEO Dara Khosrowshahi. “We couldn’t be more excited about the opportunity to create even more robust experiences for our shared global traveler audience and for HomeAway’s homeowners and property managers all around the world. We have a ton of hard work ahead of us, but the HomeAway team, in line with Expedia’s track record in building first

class global transactional platforms, can get us there together faster and more effectively.”

“HomeAway has a very bright future as part of the Expedia family,” said HomeAway CEO Brian Sharples. “We are eager to benefit from Expedia’s distribution and to learn from their expertise in technology and online travel, which will be critical to our success as we move to a marketplace where all of our properties are fully bookable online. This acquisition is the perfect next step on the HomeAway journey and it sets us on a terrific path forward for travelers and our homeowners and property managers alike.”

Hilton to spin-off real estate assets

Hilton Worldwide plans to separate its real estate assets into a publicly traded entity. Source say Hilton intends to spin-off its hotel properties into a Real Estate Investment Trust (REIT). The company has applied for IRS approval for a tax-free spin-off transaction.

Post spin-off, Hilton will continue to operate its management and franchise segment, which consists of 4,333 hotels with 677,960 rooms and its timeshare business, which consists of 45 properties comprising 7,152 units. Under the timeshare business the company will continue to market and sell timeshare intervals, operate timeshare resorts and a timeshare membership club and provide consumer financing. On the other hand, the newly formed REIT is expected to own or lease 147 of Hilton-branded properties/hotels across the globe, which include Hilton Chicago, Hilton San Francisco Union Square and Hilton Hawaiian Village Waikiki Beach Resort.

Management’s decision to spin-off is a part of Hilton’s long-term strategy

to simplify structure of its business and create value for its shareholders. A separate entity will give shareholders an opportunity to invest in two pure-play companies. The company will continue to pursue an asset-light timeshare strategy.

Hilton Worldwide Holdings Inc. (HLT) is a hospitality company; Hilton operates through three segments: management and franchise, ownership and timeshare. Hilton's owned or leased real estate properties or hotels will form a real estate investment trust (REIT) post spin-off. The company is expected to include 147 owned or leased properties comprising of 59,962 rooms. The company will derive earnings from hotel room rentals, food and beverage sales and other service.

RESORTS

Holiday Inn Club Vacations opens Scottsdale Resort

Together with Orange Lake Resorts, InterContinental Hotels Group recently announced the addition of a 16th location to the Holiday Inn Club Vacations (HICV) portfolio. The Holiday Inn Club Vacations Scottsdale Resort is located in north Scottsdale, Ariz., near the upscale lifestyle centers Kierland Commons and Scottsdale Quarter, and "among the most popular entertainment and retail destinations in the greater Phoenix region," according to HICV.

"The launch of our new Scottsdale Resort caps a tremendous year for our company and this rapidly growing vacation ownership brand," said Orange Lake Resorts CEO Don Harrill. "This resort is our first in Arizona, joining our Las Vegas property, as we continue to expand our resort network in the west. Scottsdale is quickly becoming a

vacation destination of choice for traveling families and couples. Its world-class golf and spas, expansive outdoor recreational options, plus growing art and nightlife districts make the city a great fit for our portfolio. We're excited to bring this beautiful resort and appealing vacation experiences to our owners and guests." Added Holiday Inn Brand, The Americas vp Eric Lent: "Since its founding more than 60 years ago, the Holiday Inn brand has helped champion travel... The addition of the Scottsdale Resort to the growing Holiday Inn Club Vacations portfolio is a strong demonstration of the strength of the brand as it continues to grow in top leisure destinations across the U.S."

The resort will open in two phases and upon completion will offer 213 one-, two- and three-bedroom villas ranging from approximately 550 square feet to 1,395 square feet. This includes 36 one-, two-, three- and four-bedroom Signature Collection Reserve villas, the brand's luxury product. Resort amenities will include an on-site café and bar, four pools, family activity center, plus a fitness center and marketplace store. Signature Collection Reserve guests will also enjoy an exclusive four-bedroom villa option as well as concierge and other enhanced services. The resort will include a sales center that will open in early 2016.

The opening phase offers 54 villas ranging in size from one- to three-bedrooms, two pools, a fitness center and a limited offering of activities. Opening in later 2016, the final phase will bring on the remaining 159 villas including the Signature Collection villas, another pool along with the resort's main feature pool, a café and marketplace and an activities center.

The Holiday Inn Club Vacations brand is part of IHG's diverse family of brands in nearly 100 countries and territories. The Holiday Inn Club Vacations brand participates in IHG Rewards Club, "the industry's first and largest hotel rewards program."

HOTEL/HOSPITALITY

2016 global hotel outlook stable on favorable global travel trends says Fitch Ratings

The 2016 outlook for the global hotel industry is stable as favorable travel trends and stable financial policies should allow most issuers to operate within Fitch's rating sensitivities, according to Fitch Ratings. Fitch expects global RevPAR growth will modestly decelerate to a healthy 3% to 5%.

"Middle class growth in emerging markets, relaxed barriers to visitation by some important destination countries, and growing consumer preferences for experiential rather than material purchases, means hotel RevPAR growth is here to stay for another year, despite some new and familiar risks to the sector," said Fitch ratings director of lodging and REITs Stephen Boyd.

The largest risks to Fitch's outlook include geopolitical events that reduce travel demand, corporate reorganizations like M&A and divestitures, and an unanticipated industry downturn with severe RevPAR declines. The rapid growth in online alternative accommodation websites also warrants closer scrutiny, Fitch noted.

The U.S. lodging upcycle will likely continue in 2016, even as investor sentiment checked-out this year on weak hotel share prices, modest guidance cuts and emerging competitive threats (e.g. OTA consolidation, Airbnb). While Fitch

doesn't foresee the upcycle unravelling in the next one to two years, "current hotel operating metrics warrant a healthy level of investor apprehension, as most suggest the industry has entered the twilight of this upturn."

Austerity measures and structural reforms in some European countries will likely dampen consumer spending and temper rate growth in the region, making average room rate (ARR) growth unlikely to outpace that seen in 2015.

In Asia, China's RevPAR growth will continue to pick up as the market moves closer to equilibrium from its current oversupplied position. Double-digit increases in tourism over the next five years and improving transportation infrastructure should also support growth.

The full report, "2016 Outlook: Global Hotels," is available at www.fitchratings.com.

PEOPLE

Hyatt Vacation Ownership (HVO) appointed **Jim Hansen** as senior vp/sales and local marketing. Hansen is based in HVO's headquarters in St. Petersburg, Florida, and reports to Larry Shulman, the company's chief sales and marketing officer.

An industry veteran with more than 25 years of experience, Hansen is responsible for all sales activities, as well as local marketing at Hyatt Residence Club's six current sales centers in the continental U.S. In addition, he oversees all sales and local marketing activities associated with new projects as they come online. Most recently, Hansen served as regional vice president for Hilton Grand Vacations, where he directed regional sales and marketing for the company. He also managed the fee-for-service developer partnerships

in several key markets. Prior to that, he held positions of increasing responsibility with Marriott Vacation Club, including vice president of sales and marketing and regional project director.

"We're delighted to welcome such a talented executive to our team. Jim brings a fresh perspective to our sales practices and techniques as we ramp up to grow our business," said HVO president John Burlingame. "We're confident that he will make important contributions."

Over the course of his career, Hansen has been recognized with a number of honors for his sales and marketing achievements, including Resort of the Year and several leadership and productivity awards. He graduated cum laude from Washington State University with a bachelor's degree in hotel and restaurant administration.

VISIT US ONLINE

Visit www.evacationownershipworld.com,
Vacation Ownership WORLD's website.

On the site, you can view a sample article, order a free sample issue, and subscribe. There is information about our advertising opportunities — both in the magazine itself and on the website. In addition, there is a full description of some of the other products and services we offer, including ordering our highly regarded Sales Leader Surveys (1995–present), information about our add-on subscription services, the popular company profiling service we provide, and more!

Visit evacationownershipworld.com today!