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Executive Summary
—
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TIMESHARE IN TRANSITION:

THE RISE OF THE SECONDARY MARKET

Executive Summary

The U.S. timeshare industry is strongly positioned for recovery and growth, buoyed by bookings that are outpacing those of the overall travel market and the wider availability of vaccinations against Covid-19.

This comprehensive report on the timeshare industry covers the evolution, the key players, and the marketplace dynamics that constitute today's timeshare industry, and examines the secondary market and possibilities for future partnerships. Highlights include:

- **Evolution of a powerhouse:** From humble beginnings in the 1960s, timeshare has grown into a \$10.5 billion industry that generated \$97.4 billion of economic output in the U.S.
- **Emergence of the secondary market:** The secondary timeshare market came into its own in the 1990s, driven by the changing needs of first-generation timeshare owners and the growth of the internet. Today, legitimate and ethical companies operating in timeshare's secondary market provide significant value to consumers, developers, and the timeshare industry overall.

On the consumer side, they give owners who are ready to transition out of timeshare a way to do so responsibly, while also giving interested new and returning buyers a lower barrier of entry into the

vacation ownership product. For developers, they help maintain an engaged and happy membership base, reach new and different customers, generate new members, and contribute to the overall health of the industry.

The secondary market funnels a significant stream of direct funding to developers through maintenance fees; SellMyTimeshareNow, through its parent company Vacation Innovations, has paid more than \$105 million in maintenance fees to date.

Growth in the secondary market is driven by growth of available inventory and sales in the primary market. As developers expand their offerings and their sales, the secondary market also grows over time.

- **Key players & metrics in resale:** Today's secondary market is a dynamic industry segment that includes multiple players who specialize in timeshare resales to some extent, and in specific roles.

In addition to options offered through developers, there are a number of different types of companies in the space, from e-commerce marketplaces and rental platforms to timeshare brokerages and exit companies.

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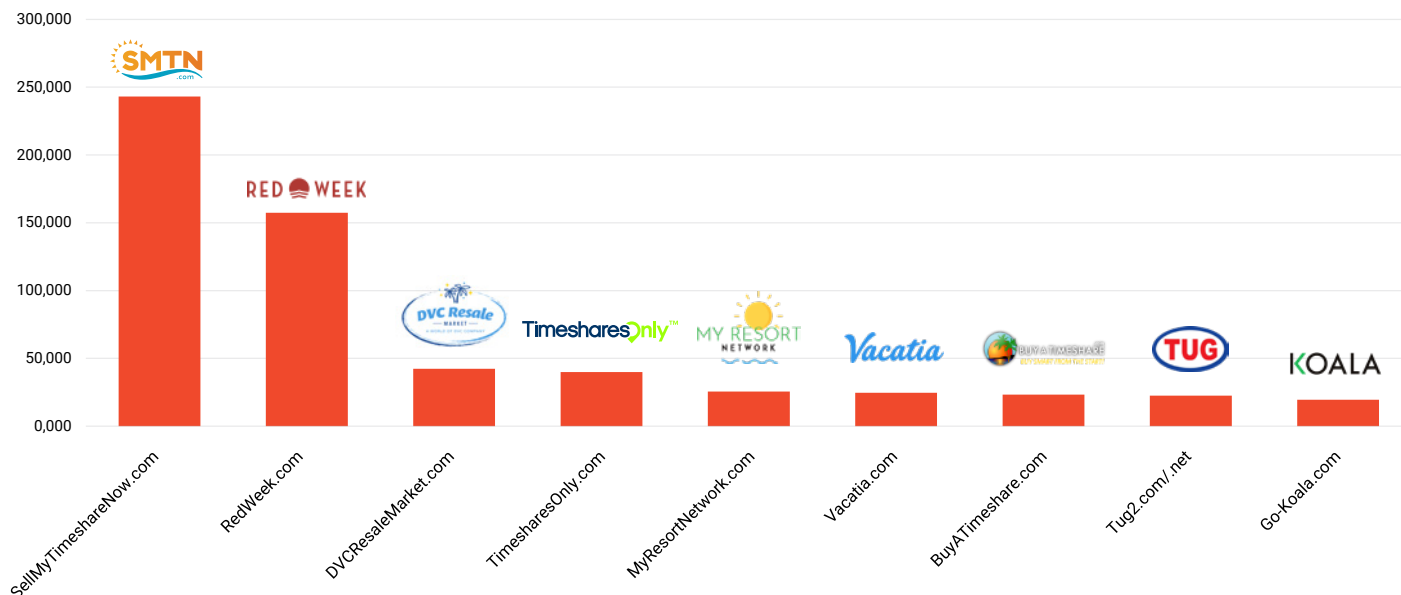
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Because there are no industry-wide statistics on the resale market, data has to be available on public sites or supplied by the resale companies themselves as most businesses in the space are privately held. Of the data available, SellMyTimeshareNow.com reported a three-year average of more than 55,000 offers totaling \$242 million annually to purchase or rent timeshares through its platform and BuyATimeshare.com's published annual offer average over the past two years is stated as \$128 million.

As the timeshare resale market is an e-commerce industry that solely exists online, verifiable metrics including web traffic and domain keyword search ranking are important measurements of a company's ability to attract potential buyers and renters (see Chart 2).

According to Timeshares Only, roughly 20,000 legitimate consumer-to-consumer resale transactions with real market prices take place each year.

CHART 2 - Timeshare Resale Websites – Monthly Organic & Paid Search Engine Traffic



Source: Semrush, estimated monthly organic search traffic and paid search traffic for desktop and mobile searches. Data pulled 5/27/2021. Semrush uses proprietary machine learning algorithms and trusted data providers to present estimates regarding search engine traffic, which is an important measure of a website's online visibility and marketplace activity. Analytics may vary between different search engine traffic tools.

**Click here to download the complete report on
"Timeshare in transition: The rise of the secondary market."**