

# The Vacation Ownership Industry Study

Timeshare Resorts  
[2023 Edition]



Vacation Ownership Association of South Africa

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VOASA is the industry association for timeshare vacation ownership in South Africa. Its members represent approximately 70% of the industry's available weeks, positioning the Association at the forefront of advocacy efforts on behalf of the industry.

**Methodology**

Please refer to Appendix A on page 17.

**Use of Information**

The information in this report is intended to give the reader general information regarding timeshare resorts in South Africa and does not constitute legal or other professional advice. The information should not be relied upon in making any determinations about a specific matter or issue. No part of this report may be reproduced or transmitted in any form without prior written permission from VOASA.

**Acknowledgement**

VOASA wishes to express its appreciation to the timeshare industry professionals and resort staff who dedicated their time and energy to completing the survey and providing the Association with the data that has been instrumental in the development of this report.

# 1. Introduction

The Vacation Ownership Industry Study: Timeshare Resorts [2023 Edition] focuses specifically on Share Block ownership and excludes all other industry sectors. The report aims to provide valuable insights on timeshare resorts to industry stakeholders, including timeshare business entities, government legislators, regulatory authorities, media, and consumers. It is important to note that not all respondents completed all the questions, which is represented with "n" indicating the number of respondents when this occurred. For further details on the methodology used, please refer to Appendix A of the report.

- Of the resorts invited to participate in the study, 63% responded, exceeding the current typical response rate for surveys of this type (see figure 1.1).
- Notably, 91% of the participating resorts are part of a Group development (i.e. developers with more than ten resorts), suggesting reliable industry performance estimates as these respondents represent most of the industry (see figure 1.3).
- All of the participating Group developments are members of VOASA.
- Of the 99 surveyed resorts, 19 are not members of the industry Association.

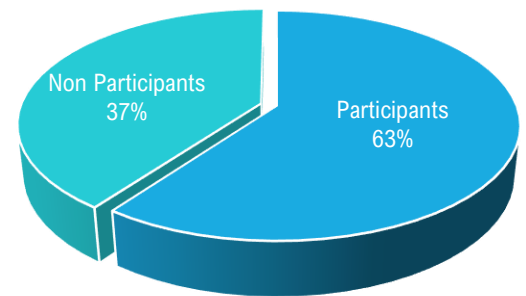


Figure 1.1 shows the response rate

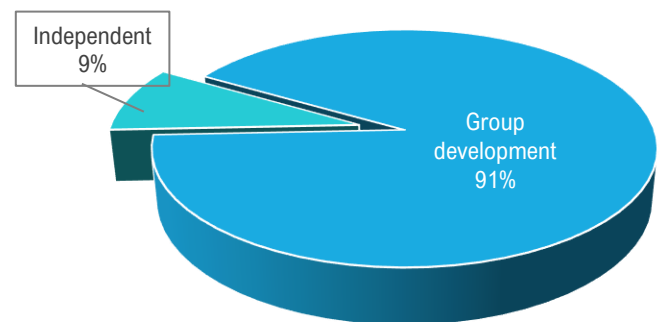


Figure 1.3 compares the response rate between Group developments and independent stand-alone resorts

## 2. Executive Summary

- South Africa is host to more than 99 timeshare resorts, primarily located in KwaZulu-Natal, the Western Cape, and Mpumalanga.
- The resorts surveyed offer a combined total of 5,393 accommodation units, providing 280,436 timeshare weeks and 27,540 daily bed nights.
- The resorts' high standard is evident in the fact that 99% hold industry-recognised gradings, such as RCI and the Tourism Grading Council of South Africa.
- Timeshare owners consistently use their holiday ownership, as evidenced by the year-round high average occupancy rate of 79%, compared to the national hotel room occupancy rate of around 45% (according to Statistics South Africa: release P6410).
- Over R1.6 billion was generated in annual revenue with a rental pool of R186.9 million, of which a portion was used to pay levies.
- In 2022, timeshare developments in South Africa contributed significantly to addressing economic and social challenges by contributing over R1.5 billion to the economy in government revenue and expenditure, creating/sustaining more than 5,329 jobs and generating around R1.1 billion in consumer spending.
- To maintain the high standard of timeshare accommodation, more than R553 million was spent on refurbishments and maintenance.
- To address energy challenges, the surveyed resorts spent around R32 million on diesel for generators during load shedding.
- 98% of the surveyed resorts reported projects and initiatives aimed at fostering a lasting positive impact on the environment and neighbouring disadvantaged communities.

### 3. Spatial Distribution

This summary provides insights into how the spatial distribution of timeshare resorts in South Africa reflects the country's rich diversity of landscapes and attractions, catering to a wide range of holiday preferences and interests.

- The primary locational factor for resorts is their positioning in areas with an abundance of natural beauty such as coastal beach areas, picturesque mountains, and bushveld locations offering opportunities for safari excursions.
- KwaZulu-Natal hosts the highest number of resorts, accounting for approximately 46% of all timeshare accommodations in the country. Of these, 86% are beach resorts, with the remaining located in the southern and central Drakensberg regions (see figure 3.1).
- Resorts targeting safari and bush experiences are primarily situated near the Kruger National Park in Mpumalanga (13%) and the Pilanesberg Nature Reserve in the North West province (5%) (see figure 3.1).

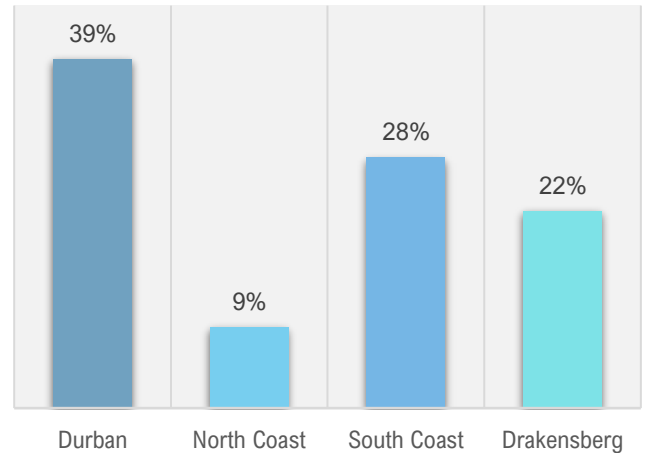


Figure 3.2 compares the spatial distribution of resorts in KwaZulu-Natal

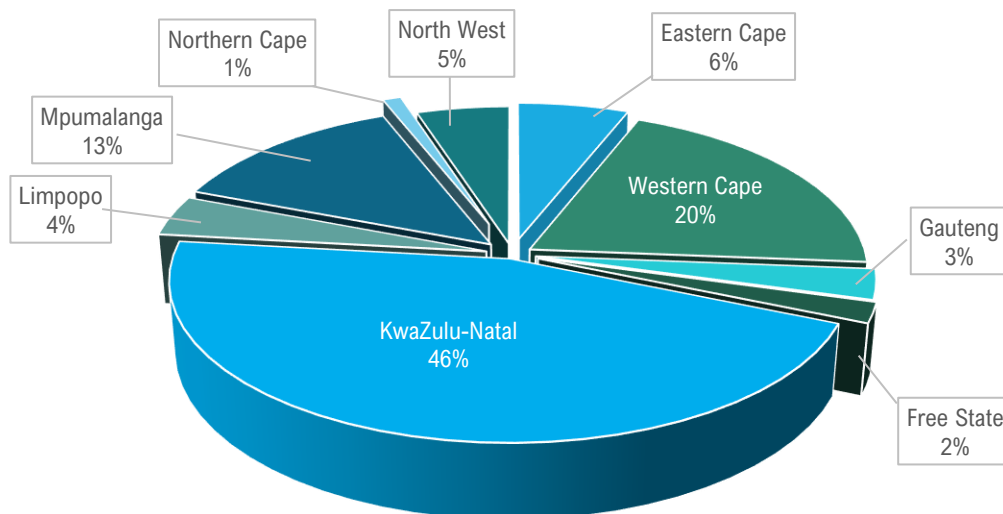


Figure 3.1 shows the spatial distribution of resorts in South Africa

# 4. Resort Dynamics

This summary provides insights into the resort dynamics, highlighting the industry size, bed nights, accommodation types and levy structures (see figure 4.1).

- The surveyed resorts collectively offer a total of 5,393 units, providing a combined total of 280,436 weeks.
- The total units accommodate approximately 27,540 daily bed nights.
- 49% of the resorts exclusively offer timeshare accommodations and the balance of the industry are mixed-use resorts offering self-catering, hotel accommodations, and/or sectional title options (see figure 4.2).
- The majority (67%) of the resorts have 50 units or less and the larger resorts represent 8% of the industry with between 151 and 250 units or more (see figure 4.3).
- Regarding levies, resorts with 51 to 100 units charge the highest average levy at R6,548, whereas resorts with 151 to 200 units have the lowest average levy at R4,753.

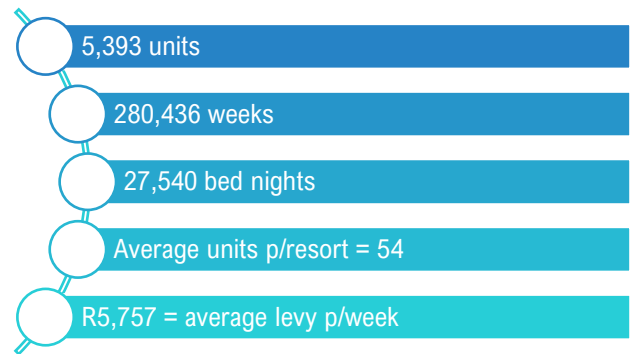


Figure 4.1 provides an overview of resort

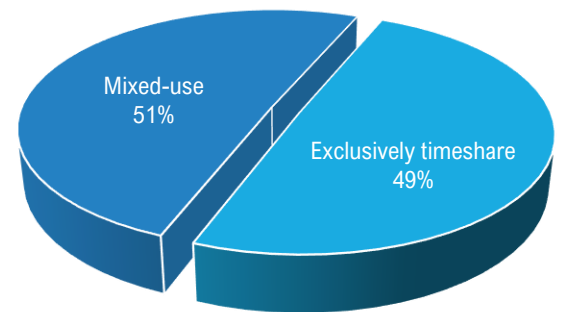


Figure 4.2 compares the accommodation types offered by the resorts

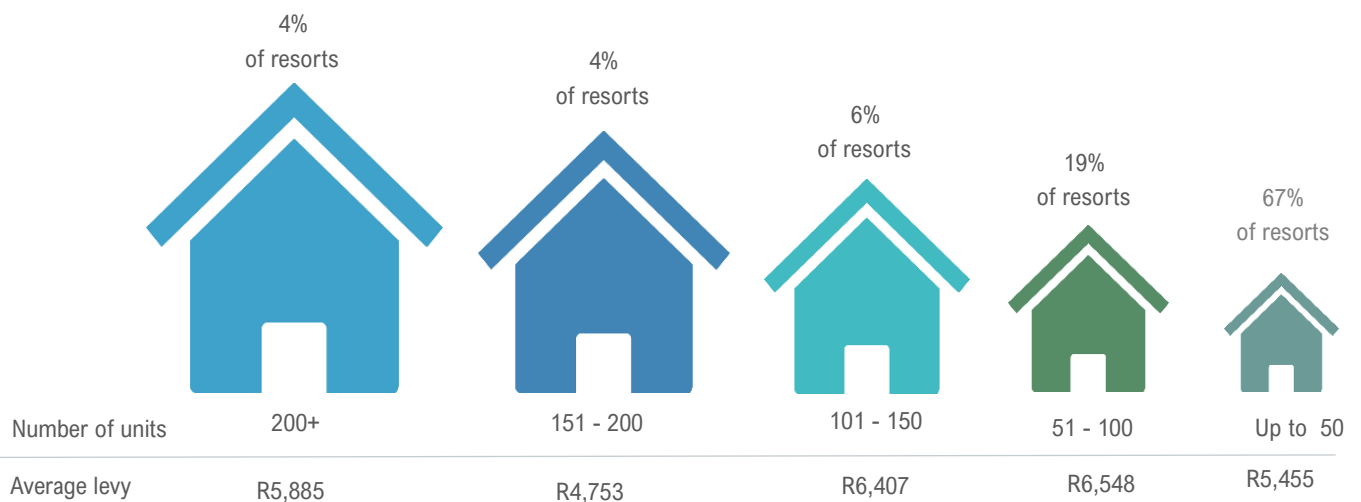


Figure 4.3. shows that the average levy p/week for each resort size

## 5. Resort Types

This summary provides a deeper understanding of the types of resorts found in South Africa, while also examining how they perform in meeting the varied holiday preferences of timeshare owners.

- Beach resorts account for a little more than half the industry (55%) and are typically the largest resorts with a combined total of 2,502 units offering approximately 130,104 weeks (see figure 5.1 and 5.2).
- Mountain resorts, on the other hand, have the smallest (12%) share of the industry offering 503 units and 26,156 weeks.
- Notably, the average occupancy rate is consistently high across all resort types, ranging between 75% and 79%. This suggests that each resort caters effectively to the diverse holiday preferences of timeshare owners.
- Additionally, the average levy per week is approximately the same, ranging from R5,614 to R5,774, across all the resort types.

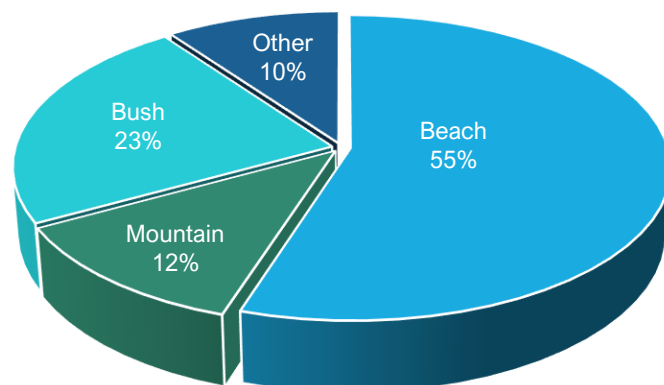


Figure 5.1 illustrates the distribution of industry share among the various resort types

Note: "Other" refers to golf resorts, resorts located in urban areas and areas of outstanding natural beauty.

Resort type	Percentage of the industry	Combined total weeks	Combined total units	Average occupancy	Average levy per available week
BEACH	55%	130,104	2,502	79%	5,700
MOUNTAIN	12%	26,156	503	78%	5,614
BUSH	23%	97,136	1,868	79%	5,761
OTHER	10%	27,040	520	75%	5,774

Figure 5.2 compares the performance of the resort types

# 6. Grading and Management

This summary provides insight into the prevalent resort grading systems and management structures.

- Only 9% of resorts are self-managed, with the remaining 91% employing the services of a management company (see figure 6.1).
- The employed management companies are registered under the relevant industry regulatory authority.
- The primary resort gradings are RCI (45%), the Tourism Grading Council of South Africa (22%) and iExchange (21%) (see figure 6.2).
- Among the resorts graded by RCI, 45% hold Gold Crown status and 24% hold Silver Crown status.
- Additional grading schemes mentioned include Travellers Choice, Trip Advisor, Google reviews, SA Tourism, and Lilizela Awards.

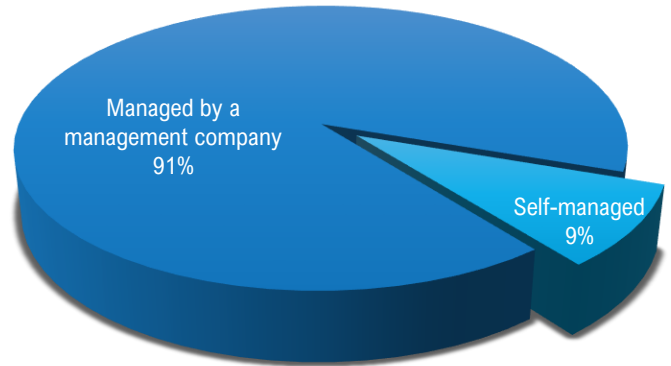


Figure 6.1 shows the management of the resorts

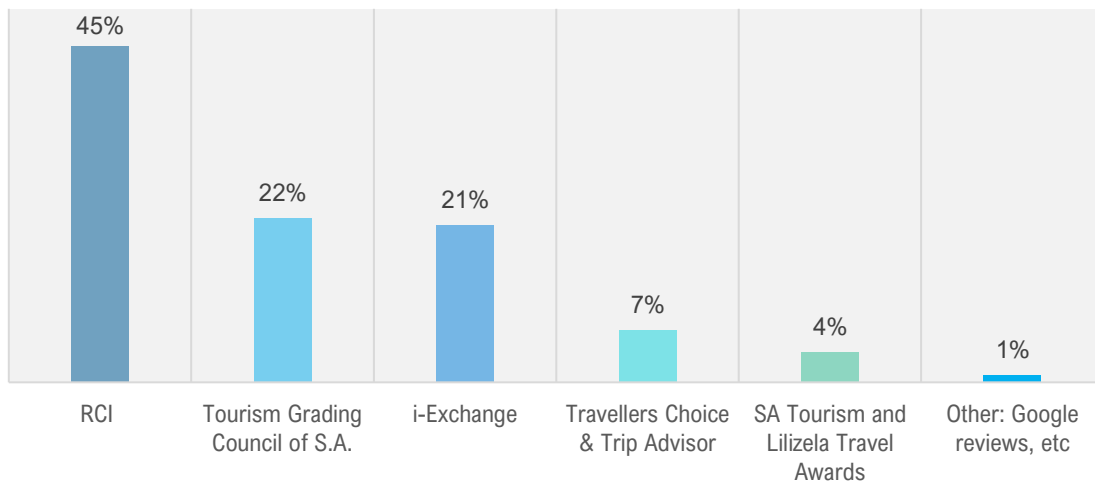


Figure 6.2 lists the grading schemes used by resorts



# 7. Occupancy

This summary highlights the robust occupancy rates, rental offerings, and booking platforms utilised by timeshare resorts.

- The resorts had an average occupancy rate of 79%, surpassing both hotel averages (around 45%) and the combined hospitality sector averages (around 30%), as reported by [StatsSA](#).
- Notably, 22% of the resorts reported occupancies exceeding 90%, of which 12 were beach resorts (see figure 7.1)
- The majority of resort users (61%) were the owners themselves (see figure 7.2).
- Approximately 35% of the surveyed resorts (n=98) do not offer rental options (see figure 7.3).
- Among the resorts with rental programmes, 57% utilise both direct and indirect rental booking platforms, 31% manage bookings directly via a central reservation system or the resort website, and 12% utilise third-party (indirect) booking platforms (see figure 7.4).
- Online travel agencies (OTA's) and partnerships with web-driven sharing entities such as Booking.com, Knightsbridge, and social media were identified as the primary sources of third-party distribution for resort inventory.

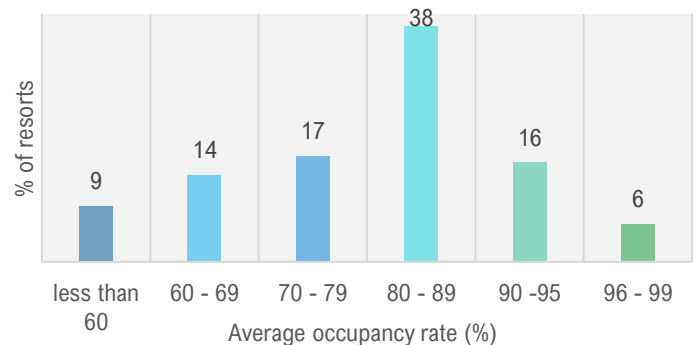


Figure 7.1 shows the percentage of resorts with the highest and lowest occupancy rates

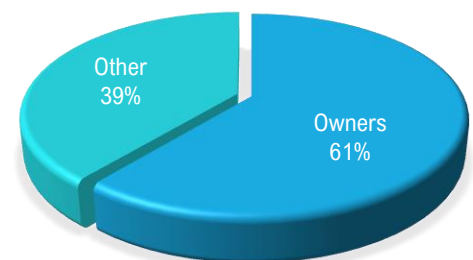


Figure 7.2 shows the resort usage by timeshare owners

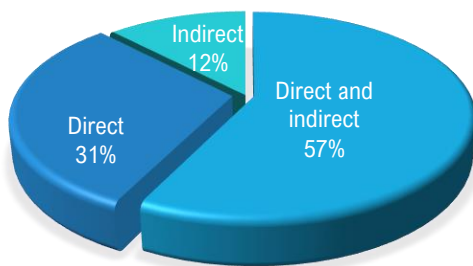


Figure 7.4 compares the types of rental booking platforms utilised by the resorts

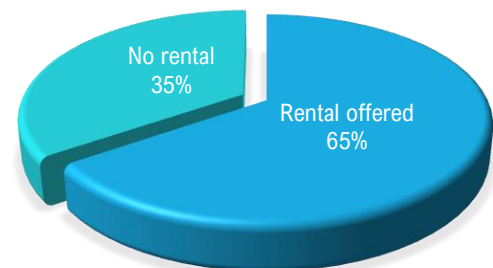


Figure 7.3 compares the rentals offered by the resorts

# 8. Revenue and Expenditure

This summary provides a financial overview of the revenue and main resort operational costs.

- Resorts (n=98) reported a combined revenue of R1.6 billion from levies, along with R186.9 million from rental pools, a portion of which is allocated to levy payments.
- The average levy per available week was R5,757, ranging from R711 to R17,308.
- Operational costs for the resorts (n=97) amounted to R1.5 billion, averaging R5,278 per week (see figure 8.1).
- Resorts (n=97) collectively spent R31.9 million on diesel to power generators, mitigating the impact of load shedding.
- The largest expense (37%) incurred by the resorts was directed towards maintaining the high standards and quality through refurbishments and maintenance, followed closely (36%) by staff salaries (see figure 8.2).

TOTAL OPERATING COST	R1,505,940,168
Employment	547,812,627
Electricity	151,793,419
Diesel (loadshedding)	31,923,894
Municipal rates & taxes	83,599,660
Income tax	20,547,724
Repairs/Maintenance (n=95)	97,992,871
Refurbishments (n=95)	227,812,400
Refurbishment Reserve Fund	227,461,624
Marketing & other	116,995,949

Figure 8.1. lists the total combined operational expenditure

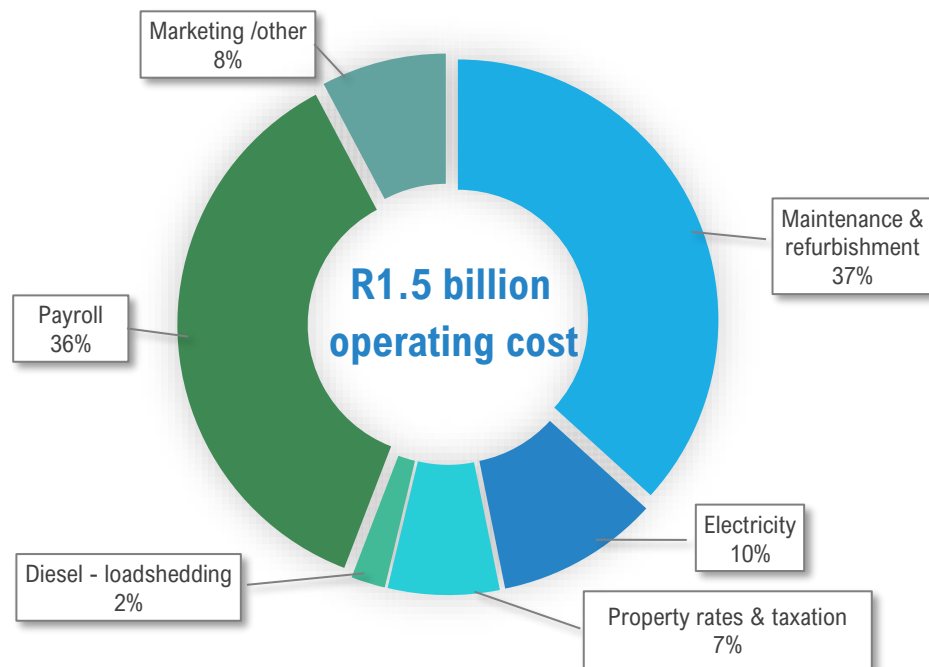


Figure 8.2 shows the largest costs in proportion to the overall expenditure

# 9. Refurbishments and Maintenance

This summary examines the investment made by the resorts into the upkeep of timeshare properties to maintain quality standards, competitiveness in the market, and to preserve their value and appeal to timeshare owners, underscoring the effective utilisation of owner's levies.

- Across the resorts (n=97) surveyed, a collective sum of R553.2 million was invested in refurbishments and maintenance activities (see figure 9.1).
- General repair and maintenance costs totalled R97.9 million, representing 18% of expenditures, with refurbishments and transfer to a Reserve Fund accounting for an equal 41% share (see figure 9.2).
- Notably, 73% of the resorts allocated a combined total of over R228 million, ensuring financial preparedness for future requirements.

<b>TOTAL EXPENDITURE</b>	<b>R553,266,896</b>
Repairs and maintenance	97,992,871
Transfer to future maintenance and refurbishment reserve	227,461,625
Refurbishments spend	227,812,400

Figure 9.1 shows the combined total expenditure (n=96) on refurbishments and maintenance

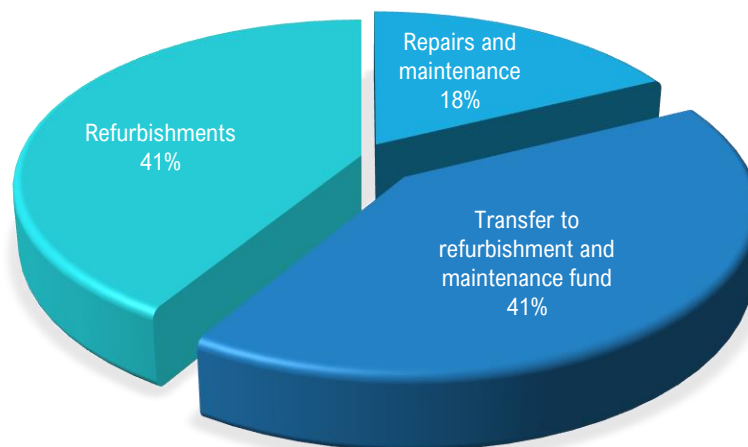


Figure 9.2. illustrates the percentage distribution of individual items within the total expenditure

# 10. Employment

Many timeshare resorts are situated in remote and rural areas characterised by limited economic opportunities and high unemployment rates. This summary provides insights into how the operations of these resorts play a pivotal role in providing employment opportunities, thereby significantly enhancing the livelihoods of local communities.

- A total of 5,329 jobs were either created or sustained by the resorts (n=97), with an annual payroll exceeding R547.8 million (see figure 10.1).
- 3,339 individuals are directly employed (63%), with an average of 34 permanent and casual staff per resort (see figure 10.1)
- The resorts support additional employment, with a total of 1,990 people being indirectly employed. The average number of indirect jobs per resort stands at 20 and comprises industry service suppliers, contractors, managing agent employees, and resort retail outlet staff such as those in restaurants, day spas, and safari guides (see figure 10.2).
- 83% of the resorts (n=97) provide direct and indirect employment for up to 100 people, a further 11% of employ between 100 and 200 individuals and an additional 6% provide more than 200 jobs (see figure 10.2).

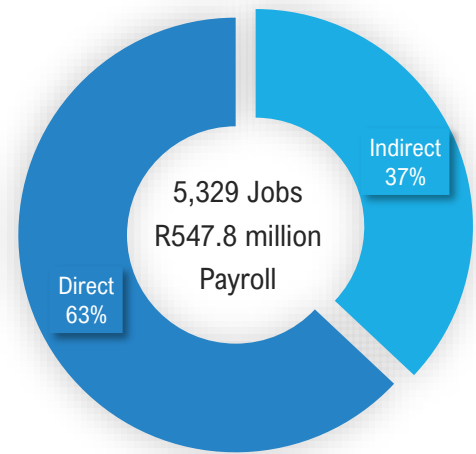


Figure 10.1 shows the proportion of direct and indirect employment relative to the total jobs created

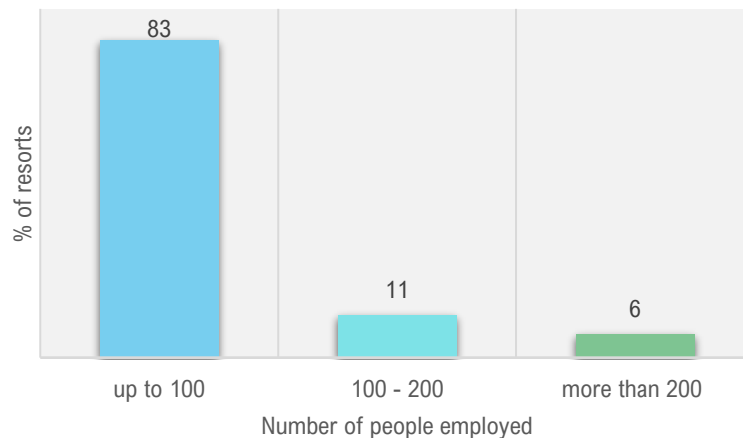


Figure 10.2 illustrates the distribution of jobs across varying percentages of resorts

# 11. Direct Economic Impact

Based on the information provided, timeshare developments in South Africa contribute significantly to addressing economic and social challenges by generating economic activity, creating jobs, and supporting local communities in South Africa.

- Timeshare resorts (n=97) contributed R1.5 billion to the economy in 2022 (see figure 11.1).
- R104 million was contributed to government revenue through property rates and taxes, electricity, and income taxes.
- More than 5,329 employment opportunities were created or sustained by timeshare resorts, with an annual payroll of R548 million. This employment, in turn, supported the livelihoods of a further 18,630 people (see figure 11.2).
- During timeshare stays, owners and guests spend an average of R5,134 per trip in the local area. This spending contributes to an estimated R1.1 billion per annum in local communities surrounding the resorts.

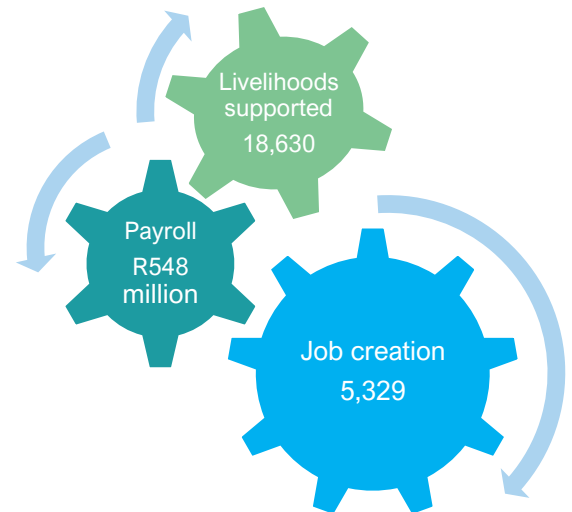


Figure 11.2 demonstrates the positive influence of timeshare resorts on neighbouring communities

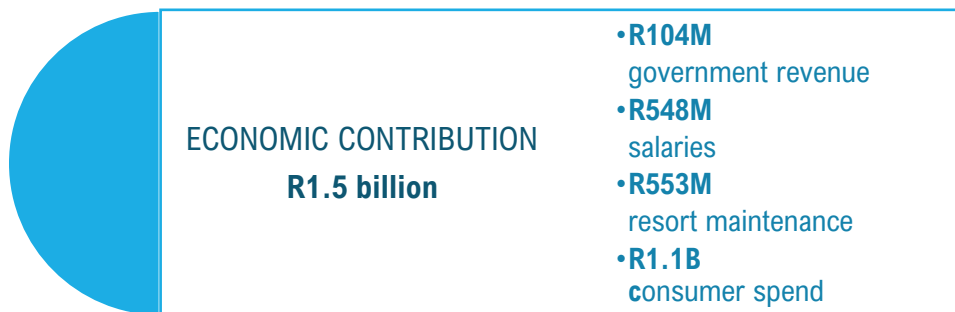


Figure 11.1 illustrates the significant economic contribution of timeshare resorts

# 12. Sustainability Programmes

Timeshare resorts are dedicated to supporting their neighbouring communities through a range of projects and initiatives aimed at fostering a lasting positive impact. This summary offers an overview of community engagement efforts and specific environmental initiatives undertaken by the surveyed resorts.

- 98% of the resorts (n=97) actively participate in sustainability programmes. Among these resorts:
  - 30% focus solely on community upliftment initiatives.
  - 20% focus solely on environmental sustainability.
  - 50% are involved in both environmental and community projects.
  
- The most common environmental initiatives undertaken by these resorts are recycling/waste reduction (34%) and energy management (17%) (see figure 12.2).
  
- Regarding community initiatives (see figure 12.3):
  - 49% of the resorts participate in monetary and in-kind donations to improve the health and wellness of neighbouring communities.
  - 31% of the resorts engage in staff volunteering for various types of upliftment projects.

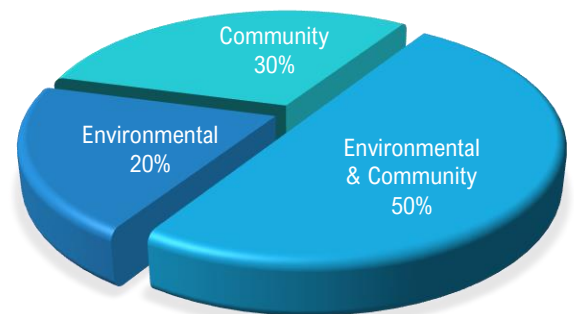


Figure 12.1. Compares the involvement in environmentally sustainable projects and community upliftment

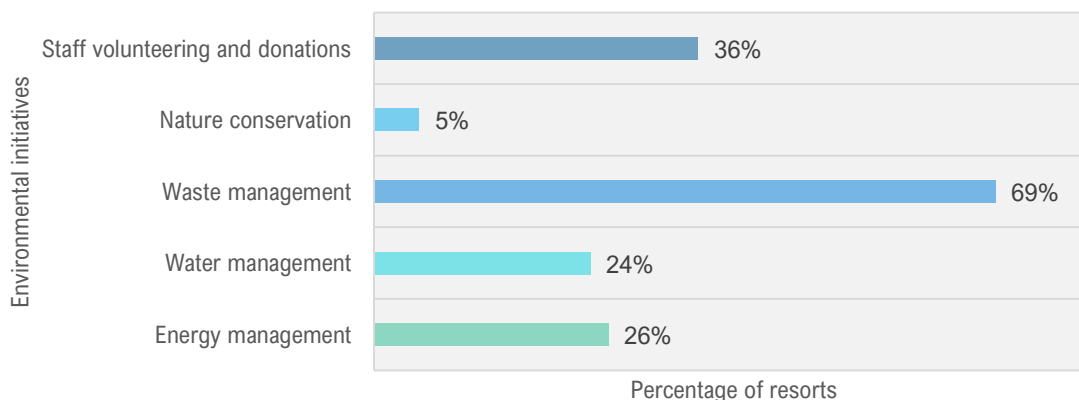


Figure 12.2 shows the percentage of resorts engaged in various environmental initiatives

# 13. Comparison Of Key Findings

A comparative analysis of select key findings from this study with data from industry reports conducted in 2011 and 2015 identified the shifts, developments, and consistencies over a period of eleven and seven years respectively, providing a better understanding of the past and present industry landscape.

## The shift in accommodation offerings (see figure 13.1)

- Resorts have experienced a significant transition from exclusively offering timeshare accommodations to incorporating mixed-use options.
- The most substantial shift occurred between 2011 and 2015, witnessing a 95% increase in mixed-use resorts.
- Since 2015, however, there has only been an 18% increase in 7 years.

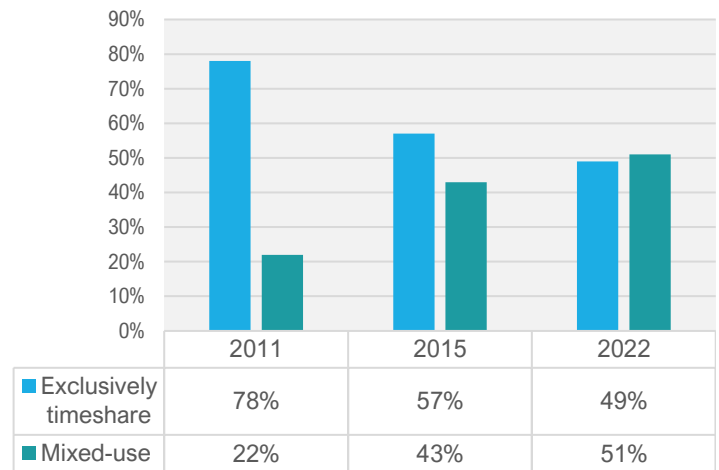


Figure 13.1 Accommodation Types

## Changes in resort management (see figure 13.2)

- Over the span of 4 years, from 2011 to 2015, the proportion of self-managed resorts dropped dramatically from 30% to 3%, before experiencing a modest recovery to 9% by 2022.
- Meanwhile, resorts managed by management companies remained relatively stable, with figures holding at 97% and 91% between 2015 and 2022, respectively.

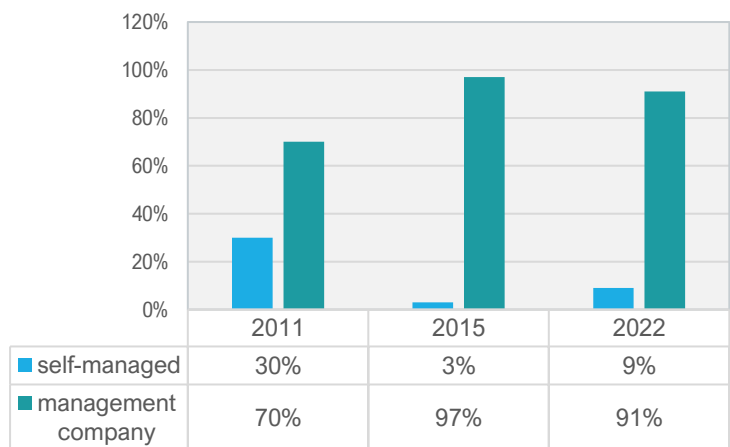


Figure 13.2 Resort Management

### Trends in resort usage by owners

(see figure 13.3)

- Owner usage of resorts has been relatively consistent, ranging between 55% and 62% over the past 11 years, from 2011 to 2022.
- In contrast, rentals experienced a notable decline from 48% in 2011 to 26% in 2015, followed by a substantial increase to 77% by 2022.

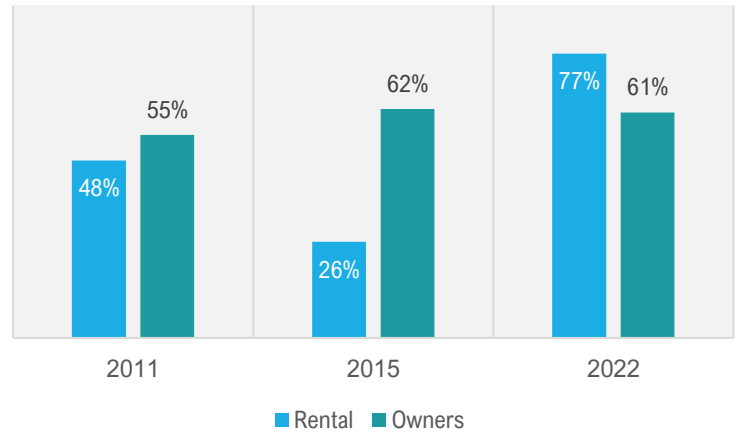
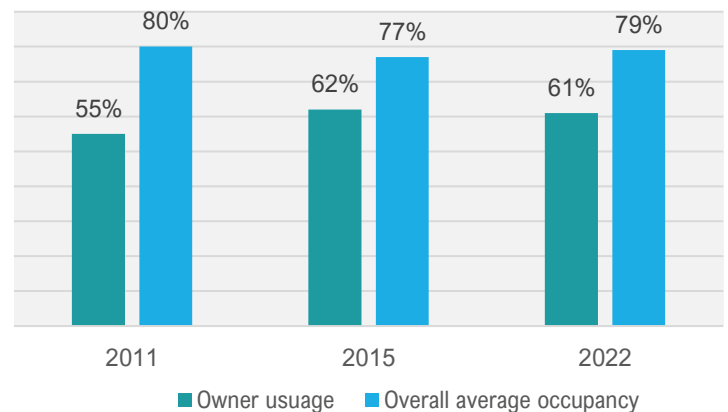


Figure 13.3 Resort Usage

### The correlation between average occupancy rate and owner usage of resorts

- Over the past 11 years, the average occupancy rate has remained stable, consistently ranging between 77% and 80%.
- This trend closely mirrors the consistent owner usage rate of between 55% and 62% over the same period (see figure 13.3).

Figure 13.4 Correlation between resort occupancy and owner usage





# 14. Appendix A: Methodology

VOASA designed and distributed a web-based survey questionnaire for data collection at the resort level. Individual responses to all questions were kept completely confidential.

The study contains estimates of key metrics for the year 2022 and provide an overview of timeshare resorts in South Africa. It is not a comment on any individual resort, whose performance may vary from the information included in this study. The report data does not include other industry sectors being developers, managing agents, clubs, sales brokers and exchange, etc.

While there is no mandated registration database of timeshare properties developed in South Africa, VOASA applied an extensive process to identify existing timeshare resorts through research including:

- the RCI affiliate resort directory,
- general internet searches,
- industry media searches, and
- social media.

The following steps helped ensure accuracy:

- VOASA conducted a questionnaire review session with industry professionals before commencing the survey.
- VOASA followed up with respondents on confusing or inconsistent responses.
- VOASA conducted calling campaigns and sent electronic reminders to encourage response.

The response rate is well above the current typical response rate for surveys of this type. The 91% response rate among large developers (those with ten or more resorts) is exceptionally good and suggests that industry performance estimates are reliable since these respondents represent most of the industry. Not all respondents completed all the questions, which is represented with "n" indicating the number of respondents when this occurred. Furthermore, in some cases the percentages in a single table may not appear to sum to 100% due to rounding.

For further information, please contact:

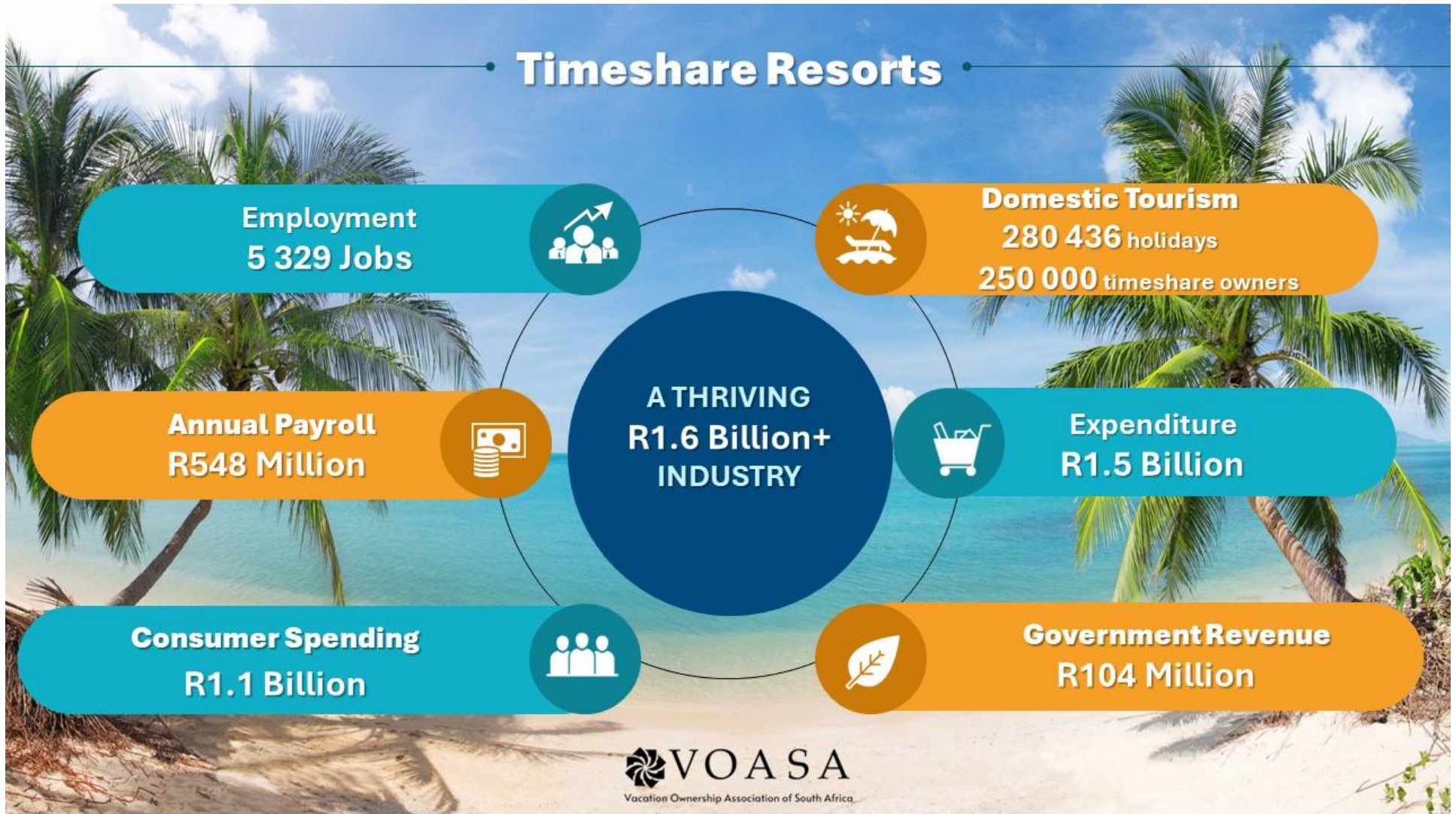
Lee Greyling

General Manager

Vacation Ownership Association of South Africa

Email: gm@voasa.co.za

# 15. Appendix B: Infographic – Economic Impact



## 16. Appendix C: Infographic – Industry Overview

