

New Zealand
Holiday
Ownership
Council



Far North District Economic Contribution by the District's Timeshare Resorts

November 2012

Overview

Timeshare resorts are holiday apartment properties where the ownership of the apartments in the property has been split into 1-week increments and purchased by people who wish to own their holiday accommodation. A one week ownership entitles owners to holiday at the resort for a week each year. In addition to staying at the resort at which they own, timeshare owners can also exchange their holiday week(s) to other resorts in New Zealand and around the world.

The Far North District has **3 timeshare resorts with 89 apartments**, all of which are in the town of Paihia. In 2011 the average occupancy across these 3 resorts was **84%**.

With a population of approximately 55,800 residents the Far North District has approximately **1.6 timeshare apartments per 1000 residents**. By way of comparison the Gold Coast of Australia which is the timeshare capital of Australia and which has a population of 515,000 has 15 resorts with approximately 750 apartments which has only **1.5 timeshare apartment per 1000 residents**.

In 2011 the Far North District timeshare resorts contributed approximately **\$6.3 million** to the Far North District economy.

The Far North District Timeshare Industry

The Resorts

The Far North District has 3 timeshare resorts ranging in size from 17 apartments to 54 apartments and a total of 89 apartments with the following configurations.

Apartment Size	Max. Persons	Apartments	Max. Persons
Studio	2	4	8
1 Bedroom	4	43	172
2 Bedroom	6	39	234
3 Bedroom	8	3	24
	Total	89	438

As can be seen from the table, 98% of the Far North timeshare apartments are of a 1, 2 or 3 bedroom size with the **average capacity per apartment being 5**.

The Resort Users

Timeshare apartments are made available on a weekly 7 night basis for 52 weeks of the year and so based on 89 apartments in the Far North District there are **4,628** timeshare weeks available for occupancy each year. Based upon the 2011 annual average occupancy of 84% there were **3,897 timeshare weeks occupied** during 2011.

The people that stay at the timeshare resorts consist of three different groups of timeshare owners and these are owners at the Far North District timeshare resorts, owners from other New Zealand timeshare resorts and owners from overseas timeshare resorts. In 2011 the percentage of owners from each of these groups that stayed at the Far North District timeshare resorts, and the number of timeshare weeks they occupied were as follows:

Source of timeshare owner	Group %	Weeks
Owners of the Far North District timeshare resorts	46	1,782
Owners from other New Zealand timeshare resorts	35	1,377
Owners from overseas timeshare resorts	19	738

The overseas owners that stayed at the Far North Resorts during 2011 came from the following countries or regions.

Australia	70%	SE Asia	7%	USA	14%	UK	4%
Europe	1%	Canada	1%	South Africa	4%	Other	1%

The Economic Contribution

By timeshare owners

For the purposes of calculating the economic impact of timeshare owners to the Far North District, it is assumed that the **average timeshare unit occupancy is 3 persons staying for 6 nights**, which is below the average unit capacity of 5 persons and the timeshare week of 7 nights. This is significantly higher than the average visitor stay of 1.8 nights. (*Commercial Accommodation Monitor: July 2012, MED New Zealand*).

Based upon the above parameters and based on average daily spending data from Statistics New Zealand and the Ministry of Economic Development, the total contribution of timeshare guests to the Far North District economy in 2011 is estimated to be **\$3.7 million**. The spending data referred to is limited to that spent in areas such as food and beverage, retail spending, spending on other tourism related goods and services, and fuel and other transportation services. Accommodation and air transportation are excluded. The **\$3.7 million** was calculated as follows:

Far North District Timeshare Owners

According to Tourism Data provided by Statistics New Zealand & Ministry of Economic Development New Zealand visitors spent on average **\$46 per day** in 2011 and based upon 1,782 apartments being occupied by Far North Timeshare owners in 2011 and based upon the **average spend** per New Zealand guest per day of **\$46** and an average of 3 people staying in a timeshare apartment for 6 nights, the total spend by timeshare owners at Far North District timeshare resorts was approximately **\$1.5 million**.

Timeshare Owners from other New Zealand Resorts

Using the same Tourism Data provided by Statistics New Zealand & Ministry of Economic Development New Zealand and based upon 1,377 apartments being occupied by timeshare owners from other timeshare resorts in New Zealand during 2011 and based upon the **average spend** per New Zealand guest per day in 2011 of **\$46** an average of 3 people staying in a timeshare apartment for 6 nights, the total spend by timeshare owners from other New Zealand timeshare resorts was approximately **\$1.1 million**.

Timeshare Owners from Overseas Resorts

International visitors to New Zealand spent between \$59 and \$106 per day in 2011 depending on their country of origin according to Tourism Data provided by Statistics New Zealand & Ministry of Economic Development, and based upon the known percentages of overseas timeshare owners visiting the Far North District the average spend per international timeshare owner is calculated to be around **\$83 per day**. In 2011, 738 Far North District timeshare apartments were occupied by International owners and based upon the **average spend of \$83**, and an average of 3 people staying in a timeshare apartment for 6 nights, the total international timeshare owner spend was approximately **\$1.1 million**.

The total contribution of timeshare guests to the Far North District economy of \$3.7 million equates to **NZD \$963** per timeshare party based upon the occupied weeks in 2011 of 3,897. By way of comparison in 2009 the Australian Timeshare Industry Association, the Australian Timeshare Holiday Ownership Council (ATHOC), commissioned an Economic Impact Study via the AECGroup. As part of that study it was determined that the contribution to local economies by timeshare owners staying at Australian timeshare resorts was **AUD \$2,027** per travel party.

Directly by Resorts

In 2011 the 3 timeshare resorts in the Far North District directly contributed to the local economy through spending on locally sourced goods and services including wages and salaries, local trade staff for repair, maintenance and other work and consumable items such as housekeeping supplies. Based upon an analysis of expenditure for 2011 at a number of timeshare resorts in the Far North District this expenditure approximated **\$2.6 million**.

Total Contribution

In summary the economic contribution made to the Far North District by the Far North District timeshare resorts in 2011 was:

	\$Value
Local spending by owners of Far North District timeshare resorts	1,500,000
Local spending by owners from other New Zealand timeshare resorts	1,100,000
Local spending by owners from international timeshare resorts:	<u>1,100,000</u>
	3,700,000
Direct spend by resorts for local goods and services:	2,600,000
	Contribution
	\$6,300,000