

# *La Lucia Sands*

Resort Refurbishment – FINAL PLAN



A Tranquil, Fresh New Look...



# Hello!

It's happening...

The board and management of La Lucia Sands are extremely proud to present this refurbishment plan to you, our most valued Owner.

At last years AGM we announced that we made the decision for our ageing resort to receive a facelift, and a major one at that. The resort has not undergone a significant refurbishment since development around 4 decades ago, and we felt that it was high time we got our hospitality levels in line with those of similar resorts in our fantastic location.



## Has A Refurbishment Been Decided Upon?

Yes, the board has resolved to proceed with a full refurbishment of the resort, over a three-year phased period, starting January 2019. Our draft refurbishment proposal was sent out to Owners earlier this year and the positive feedback we received was overwhelming. By far the majority of Owners were desirous of an upgrade. We received many constructive and encouraging comments from our Owners after releasing the draft refurbishment proposal, and on the back of this Owner sentiment, the board has resolved to proceed. Full steam ahead!



## Why A Refurbishment?

Your La Lucia Sands week is a lifetime asset, one that must be well maintained in order to hold its value, meet Owner quality expectations, and ensure that the resort is well utilised. A highly occupied resort is a sign of an in-demand, thriving resort.

La Lucia Sands resort needs to be refurbished for two reasons. Firstly, the resort has fallen behind the times in terms of the levels of visual appeal and physical ergonomics offered by similar, modernized resorts. Secondly, the infrastructure of the apartments and common areas have been exposed to high wear and tear over the last few decades and the ongoing repairs and replacement costs are considerable. A full refurbishment will reduce these costs.

## The Mock-up Apartment

Apartment 5, owned by the resort, was selected to be refurbished in line with the refurbishment vision. The results are simply stunning and the images you are seeing in this document are of the actual refurbished apartment 5; what a difference it has made!



Initiating a refurbishment with a concept, or mock-up apartment, has many benefits. It allows management to test the design from a visual as well as practical standpoint. Suppliers can be vetted for price and quality

of work. The costing and timing of the project can be fine-tuned. Most importantly, management is able to obtain a treasure-trove of valuable feedback from Owners and guests who either view, or stay in the apartment.



Construction in the mock-up apartment was completed late last year, and since then we have already received many

rave reviews plus constructive criticism and have thus identified many areas for improvement. The following is a list of tweaks, additions and changes identified as a result of your valued feedback:

- Additional dining chair
- Swivel bracket for TV
- Smaller dining chairs
- Adjust couch seat height
- Smaller bar stool

- Dining chair loose cushions
- Kitchen Bar Edge detail to be updated to allow for better use
- Change single existing plug in kitchen to double
- Adjust cupboard above extractor
- Insert bin inside cupboards
- Invert fridge handling
- DB Cupboard cover
- Dressing table/shelf in main bedroom
- Plugs for hair dryers at desk by cupboards in bedroom 2 & 3
- Reading wands instead of bedside table lamps
- Splash glass for bath
- Umbrella instead of pergola

## What's Included In The Revamp?

The apartments will undergo a complete gutting, rebuild and outfitting. Common areas, such as the entrance, reception, back office, pool area, corridors and grounds would be uplifted through various redesign and refurbishment interventions.

Here's a list of what work would be undertaken in the apartments:

- Retiling (floor and applicable walls) and repainting
- Replacement of all bathroom sanware, a complete new look throughout, with a full shower in one of the bathrooms
- An amazing open plan layout kitchen, completely rebuilt with all new appliances
- New built-in cupboards in all bedrooms
- New down-lighting throughout
- Retiling and waterproofing of the balconies, with new umbrellas and new patio furniture
- All interior loose furniture will be replaced with upgraded items
- New interior doors
- New curtains with dropped ceiling bulkhead



# Project Funding, The Implications For Owners

The resorts current, as well as future reserves, will fund a portion of this refurbishment. The bulk of the funding however will need to come via the raising of an Owner special levy, payable separately from your normal levy.



The total cost of the refurbishment, less the resort reserve contribution, divided by the number of Owners, means a special levy of approximately R13 500 in total (with discount). The total refurbishment budget has been fine tuned to approximately R27 million.

The refurbishment itself will be phased over a 3-year period, meaning that the special levy will also be spread over a similar period, in order to alleviate the financial burden placed on Owners. An annual special levy of R5 000 will be levied in September each year and should it be paid up before December that same year, a 10% discount will be passed. The special levy will be due in full by February of each year.

## Special Levy Billing Summary – Year 1 of 3

September 2018	R5 000	Special Levy Invoiced
If payable by December 2018	R4 500	10% discount
If payable before February 2019	R5 000	No discount

This process will repeat in 2019 and 2020, to bring in the required refurbishment cash flows over a 3-year period, to match the timing of the refurbishment.

## What's Next?

The refurbishment tender process has begun, and suppliers will be selected before the end of the year. The construction programme is also being fine tuned to ensure a smooth build.

Construction will begin on 16<sup>th</sup> January 2019 and end on the 16<sup>th</sup> March 2019. The

construction is timed to occur during out of season periods, when the resort is less occupied than normal. Weeks 3 through 10 will be affected during the refurbishment. If you are an Owner of a week during this period, please pay special attention to the information below.

The North wing has been selected to be refurbished first. The basis for selection is completely random yet done in such a way as to minimise noise and disruption to Owners and guests during the refurbishment period, and to minimise time-on-site for contractors.

As such, units 1,2,3,4,14,15,16,17,28,29,30 and 31 will be refurbished during this 8-week period. 12 units in total will be refurbished. We ask all Owners to be understanding of the effects the construction process will



have on the guest experience at the resort. There will be elevated noise and dust levels, but management will do their best to minimise the effect this will have on those in residence during this period.



# My Week / Unit Is Affected – What Happens?

The resorts rental pool will be closed to all Owners during weeks 3 through 10 during the refurbishment process. This is being done to create backup inventory that will be used to house Owners whose units are under refurbishment. The resort will also utilise unit 5 and unit 42 (owned by the resort) in accommodating Owners.

You may still rent out your week privately (not through the rental pool) during this period if you are part of the affected units, but your guest will be moved to a spare unit not under construction. You may also spacebank your week during this period, to the exchange company of your choice.

The units selected for refurbishment will also have a further two-week rental pool block out period applied to them, extending into weeks 11 and 12, to allow for a buffer period in case there is an overrun on construction timing.

## In Closing...

La Lucia Sands is receiving an overdue, much welcome boost, one that will have a multitude of positive spin-off's.

We are extremely confident that this refurbishment will yield amazing visual results, but more importantly that you, the Owner, will reap the financial rewards of real value being added to your holiday asset. Better resale values, increased resale demand and better rental pool incomes.

If you have any questions regarding billing scheduling, refurbishment timing, the effect on your occupation, or just a general query or comment then please do not hesitate to contact our management team on:

[generalmanager@laluciasands.com](mailto:generalmanager@laluciasands.com)

This is the most exciting thing to be happening to La Lucia Sands, since it was built! We are thrilled and honoured to be able to plan and oversee the process for you. We look forward to amazing results.

All the best

**Your board of Directors**

