



Deercreek

On Deerfield Plantation

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December 30, 2023

Dear Homeowners:

Here we are again at the end of the year and another Deercreek annual letter to our Homeowners. As always we sincerely hope you and your family are well.

This year at Deercreek we saw continued improvement in enjoyment of Deercreek by you, our RCI guests, and rental guests. Compared to our budgeted occupancy rates we saw better activity levels which contributed to solid financial performance for the year. Despite the effects of inflation on operating expenses the additional revenue generated from rentals again made the difference. Many of our rental guests have become “frequent flyers”, returning to Deercreek for the positive resort experience and value. Looking forward to 2024, we are hopeful that inflation is beginning to moderate and will again bring us financial success.

Along with the majority of the Myrtle Beach area resort economy we continue to experience what could be called an extreme labor shortage. A major part of our success came from our existing staff working short-handed and providing the same standard of hospitality Deercreek is known for. Every work center of Deercreek experienced significant position vacancies for most of the year. Our staff was again stretched to the limit with record occupancy but continued to perform in magnificent fashion.

Last year, in anticipation of another uncertain occupancy forecast coupled with the looming inflation/recession threat, the Board approved an increase in combined Operating Maintenance Fee and the Long Range Capital Fee. This increase was borne by the Homeowners, but the increased rental income from the delinquent and Deercreek owned unit weeks got us to a reasonably successful 2023. Despite these favorable results, 2024 is beginning with a massive 43% (\$77,500) increase in our general liability insurance, bringing our total annual cost of insurance to \$257,500 per year. This is on top of a 20% increase last year. Coastal resort areas in the South are experiencing these huge increases due to the statistically rising threat of hurricanes. The Board carefully studies economic news and forecasts to anticipate and plan for, as much as possible, our financial viability as described in our annual budget. With that in mind, the Board has again, by necessity, approved, for fiscal year 2024, an increase in the Operating Maintenance Fee and the Long Range Capital Fee. Unfortunately this is a must in order to be prepared for the continuing uncertain economic future and its possible effect on the vacationing public.

As always, our goal was to keep maintenance fees as low as possible by reducing budget expenses in other areas while seeking ways to increase revenue.

Now for some updates:

Unfortunately, for 2024, we did not reach the threshold for Silver Crown Resort with RCI. We, like many other resorts, came up just shy on the unit maintenance score. In our case, as you know, our units are all approaching 50 years old and from time to time require a significant amount of “refreshing” which is mainly cosmetic work due to the increased activity levels. The ability to do this requires access to the units (vacant units) and the labor to carry out the refresh. Our Maintenance department, along with the rest of our staff, experienced extreme vacancies and turnover during the year.

Remember, homeowners still get a significant discount on rental weeks at Deercreek, probably the best deal going for a week at the beach. Just call the office to check availability to book your week(s).

For further information about anything Deercreek just go to our website at www.deercreeksurfside.com.

The 2024 annual estimated fees are:

	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>
Operating Maintenance Fee	\$832	\$876	\$916
Long Range Capital Fee	<u>\$96</u>	<u>\$108</u>	<u>\$112</u>
Total	\$928	\$984	\$1,028

The unit week property taxes that can be claimed on 2023 tax returns are:

<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>
\$36.24	\$40.18	\$44.25

Our Annual Meeting will be held March 2, 2024. At that time 2 current board members’ terms will expire. If you are interested in serving on the board, please submit your resume to the Deercreek office no later than February 15, 2024 (nominations are not accepted by phone). The board will meet four times next year (either in person or by Zoom) and is responsible for financial planning, formulation of policy, and oversight of Deercreek operations.

Deercreek office hours are Sunday – 8:00am to 6:00pm, Monday through Saturday – 8:00am to 5:00pm. If you plan to arrive after office hours, please call for late arrival instructions. Please be aware we will be calling all our scheduled owner arrivals to verify usage. This helps us in completing maintenance and housekeeping projects as well as making sure there are no conflicts.

Enclosed please find the 2024 calendar (remember to consult your calendar when planning your vacation) and the 2024 budget with comparisons to 2023 and 2022. The updated long range capital reserve plan and the detailed operating budget will be available for your review at the Deercreek office, as well as in the annual meeting minutes.

As the New Year approaches us with hopes and new beginnings, here is to wishing family and friends good health, happiness and blessings.

Happy New Year

Deercreek Board of Directors and Staff

Pete, Duff, Dan, Kerry, Travis, Margaret and Mandy