

Homeowner News straight from your local team



PROPERTY HAPPENINGS: Bay Watch Resort & Conference Center

We are excited to announce the following improvements to Bay Watch Resort. Oceana Resorts continues to partner with your Board of Directors and RAM to maintain your investment.

- Both Bay Watch Cafe and Sandtrap have been fully renovated. Bay Watch Cafe is a completely new brand and features fresh seafood and premier Italian pasta dishes in an upscale yet relaxed atmosphere. The new restaurant includes a bar area making it more convenient for owners and guests to enjoy a complete dinner experience. Sandtrap has been modernized and now has a warm, inviting look and fantastic new menu including everything from burgers to bone-in Angus ribeye steaks. You'll want to be sure to try the award-winning She Crab soup, truly one that will take the chill off!
- Be sure to check out the newly upgraded, redesigned gift shop. We've added several must-have items to our inventory and have improved our selection dramatically. Guests will surely find a great souvenir to take home and owners can stop in to pick up the essential item they forgot for their stay.
- The elevators have been upgraded with enhancements designed to increase their speed and extend their life. In addition, new non-slip flooring has been installed in each of them - making it safer for everyone after a dip in the pool.
- Four bathrooms have been completely renovated. These include the men's and ladies bathrooms in the main lobby hallway as well as those in the indoor pool area. These upgrades are evident and really add to the overall beauty and functionality of our amenities.
- The roof over Tower 2 is currently being replaced. This necessary project will be completed in early 2019. 🏡

2018 Service Results

Below is a chart illustrating an aggregate of all online media review sites including Trip Advisor, Facebook, Booking.com, Expedia, and others. We are excited to report that we are seeing great improvement. Our guests have spoken and the results are indicating a 3 year high. 🏡

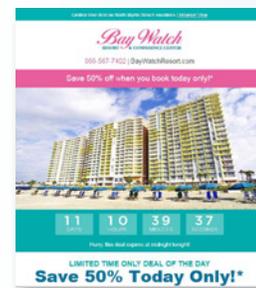


MARKETING UPDATE: A Digital Age

The annual Black Friday/Cyber Monday sale was a success again this year. Teaser email and social media campaigns began in advance of the sale creating a buzz of anticipation. This promotion continues to be one of the largest annual campaigns for Oceana in general and a top performer for Bay Watch specifically.

An ongoing book direct initiative was launched as well. This campaign is aimed at third party guests and is designed to explain all of the advantages of booking directly with Bay Watch. Our mission is to change the booking patterns of our third-party guests by enticing them to book directly with Bay Watch Resort or through Oceana. Resorts These emails will be sent to all third-party guests each month prior to the time they have booked with us in the past. Our goal to turn these third party guests into loyal Bay Watch guests will reduce the overall commissions paid to third party partners.

We also continue to feature Flash Sale opportunities targeted to impact low demand occupancy dates. 📌



FINANCIAL UPDATE: Q4 - 2018

Due to Hurricane Florence, the Myrtle Beach market continued to feel the impact of the storm throughout Q4, 2018 including most notably the month of October. November and December continue to see more and more last minute traffic. This was visible even during the Thanksgiving holiday where bookings were coming in on Wednesday and Thursday of Thanksgiving weekend for arrival over those same dates. The Myrtle Beach area saw a shift in demand away from our beaches where areas that were not as impacted from Hurricane Florence, such as Virginia Beach, saw slight growth year over year for this quarter.



*Slide provided by Expedia Group

Hurricane Florence was the most notable factor in the impact of change in occupancy percentage of Q4 in 2018. While the storm hit in September, Hurricane Florence impacted the month of October with units out due to damage. Due to the extensive process for the HOA insurance claim and to prevent any interruption in lost revenue claims for owners, units were required to remain out of service through several steps. This prolonged the return to service date and impacted revenue generation while we partnered through the processes including the restoration company heat mapping, scope of work approval on a per unit basis with the insurance adjuster, the second approval from the building consultant, and finally the completion of work. Oceana Resorts worked closely with these teams to ensure units were returned to service as quickly as possible and all required work was completed so your investment is safe and guest ready.

Property	ADR Change YoY	Occ Change YoY
Bay Watch Resort	-1%	-1%

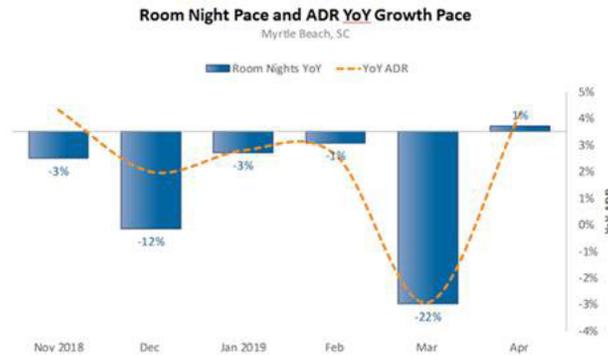
Q1 - 2019: Looking Ahead

The market continues to see pattern of last minute bookings. Information gathered from a number of our local partners showed that Q1 will more than likely see similar trends to what we have seen in 2018 with lower ADRs and occupancy levels due to the shift in booking patterns to extremely last minute bookings. The market has seen a shift of a 5% increase in same day bookings where guests booking at least 1-3 days in advance have gone down by 9% and guests booking 4-7 days out have remained flat throughout the quarter.



*Slide provided by Expedia Group

Areas that were impacted from the storm that the Myrtle Beach area sees large demographics from, including North Carolina, will need to make up days on the school calendar. Some of those make up dates will include high demand winter weekends including Martin Luther King Day and President's Day.



*Slide provided by Expedia Group

The large shift in share out of the month of March 2019 is due to the Easter holiday moving from April 1st of 2018 to later in April (April 21, 2019). Although weather dependent, the expectation is that weekends in March will mimic past years with high demand specific to area events. Indicators include Can-Am Week and Car Show Weekend moving off of an already compressed weekend in March (March 15-16th) to its own weekend (March 22nd and 23rd).

We remain focused on pushing our "Hello Winter" seasonal offer, which impacts travel for December 2018 through February 28, 2019. We are also offering guests a "Worry-Free Cancellation" promotion with free Vacation Protection Plan included. Additional efforts include allowing guests that have booked direct early access to units starting at 8 AM on the day of arrival in an effort to continue to drive share with as minimal impact on ADR as possible. 🟢

Property	ADR Change YoY	Occ Change YoY
Bay Watch Resort	-2%	+3%

*Currently what is on the books as of 12/07/18 - this will change based on pickup between now and the end of Q1 2019

UPGRADE SPOTLIGHT: **Renovation Update**

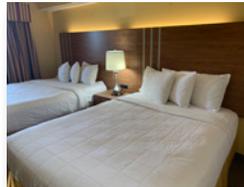
We are pleased to share that fifty rental units at Camelot by the Sea are being upgraded with new commercial grade living room furniture, dining room furniture, bedroom furniture and lamps! As the oceanfront landscape along the beach begins to change with the addition of franchise properties like Doubletree, Residence Inn, Courtyard by Marriott and Springhill Suites, independent properties will be challenged to keep up with meeting guest expectations. The influx of branded properties will change the way guests book when traveling to the Myrtle Beach area with options available at trusted brands with a reputation for consistency and, of course, their very popular loyalty programs. Quality accommodations and well maintained properties will be essential in maintaining our market share as we witness the evolution of the area. Wendy Broyles is here to assist you, our owner, by partnering with you and reputable vendors to provide the best pricing and commercial quality products for our guests. Wyndham is proud to offer financing options for our owners so we can get ahead of the season and complete the upgrades before the start of our summer season.

Below are photos taken from recent renovations at Camelot by the Sea. 🏡

Before



After



Before



After



Wendy Broyles, Product Enhancement Specialist
877-661-9066

WELCOME NEW OWNERS

We welcome these new owners to Bay Watch Resort and to the Oceana Resorts family!

Frank & Dinanna Cecil, North Carolina

Andrew Bidinotto, Texas

Ramzi Tanas, North Carolina

Horace Faulk, North Carolina



Sable Kendle, Business Development Specialist
877-261-3357

IT UPDATE:

We are now offering our guests the option to double the WiFi speed in their unit for a nominal fee, with both daily and weekly rates available. The implementation of the Premium WiFi option will have no effect on the speed or availability of the free WiFi option for guests. The Premium WiFi is completely optional and if a guest would like to opt out, they can simply click the "free" option when prompted. Homeowners that visit Bay Watch Resort can have the Premium WiFi option for free by calling IPacket Support at 1-877-912-1550 and providing your name and unit number. 🟢

UPCOMING EVENTS

Restaurant Week South Carolina

January 11 - 20

Participating Myrtle Beach area restaurants

NMB Winter Run 5k and 15k

January 20

Main Street, North Myrtle Beach

Taste of the Marshwalk

January 26 & 27

4025 Highway 17 Business, Murrells Inlet

Winter Teas

Every weekend throughout February

Brookgreen Gardens

1931 Brookgreen Drive, Murrells Inlet

Winter Parrot Head Fest

February 23

La Belle Amie Vineyard

1120 St. Joseph Road, Little River

Myrtle Beach Marathon

March 2

Myrtle Beach

NMB St. Patrick's Day Parade

March 16

Main Street, North Myrtle Beach

Luck of the Marshwalk

March 17

4025 Highway 17 Business, Murrells Inlet

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