

Member Update - Spring 2025

Welcome to the Spring newsletter from your Board of Directors of Diamond Resorts European Collection Limited where we are keen to share updates with you that we hope will be of interest to Members and address some of the questions you may have.

Sadly, we must first recognise the untimely passing of one your elected member directors, Julia McNaney, in December 2024. Julia had been on the board for five years representing members and had always put members interests at the top of the agenda and will be sadly missed by us all. Mike Chambers, your existing elected member director, continues to take a very active role in helping you understand how best to use your membership, clarify processes and share feedback from his personal interactions with members.

Availability

We are very conscious that the number one topic for members is the question of accommodation availability which comes up in just about every member interaction. There are some factors which are worth explaining here and what initiatives are being taken to manage this.

- Changes in Member Behaviour and Preferences

At our recent Board Meeting we spent a lot of time discussing this subject and addressing feedback on behalf of members. Based on what the data is reporting, it is probably more accurate to say that there is a lack of availability at SOME resorts and at SOME times, however regardless it is a concern to members trying to get into specific resorts when they find it harder than it has been historically. We hear from an increasing number of members who have been unable to make a booking even when the 13th month window opens at midnight, and the rising frustration this causes. In recent years we have seen some changes in member behaviour and preferences which have made, in part, what has been a perennial issue for members, even more acute. The premise behind the European Collection points-based product is that it gives flexibility to travel to different resorts at different times of year, for flexible lengths of stays or to utilise points for other purposes such as travel benefits, luxury cruises, DEX or II and so on. It is also fair to say that as the membership has grown older preferences have changed and for many of us, we no longer wish to explore all the resorts in Europe and based on our experiences we have chosen particular favourites that we want to go back to on a regular basis.

For many the opportunity to travel outside of school holidays has arisen, so increasing the level of demand in winter months particularly in those areas that have warmth and sunshine all year round. Although overall the membership has declined over the years the average number of points held by remaining members has increased enough to mean that members can go for increasingly longer holidays. This has been noticeable as a trend over the last few years but to highlight the significance in the current booking window, reservations in Tenerife in Q1/2026 are, for example, 24% longer in length of stay than in Q1/2025, and in Sunset Bay are up to 40% longer. The significance of this is that longer reservations take out more of the inventory in a single booking making it more difficult for members trying to book in periods that overlap each other.

A second issue that is being actively managed is members who are clearly trying to use their points and reservations for commercial gain. Booking patterns and requests for guest certificates are now routinely queried and reservations are at risk of cancellation if it is considered to be processed as a commercial practice. Any member who is found to be breaking the rules of the Club will be dealt with appropriately. Sadly, the behaviour of a few members operating outside the requirements of the Club necessitate these actions to protect the interests of the majority of members who abide by the rules. Some members may be

questioned on reservations for guests that are perfectly legitimate but have raised an alert for various reasons, however we hope you will understand the need to look at all bookings that potentially may violate the rules to determine those that need further action to be taken.

A further area where action is being stepped up is with regards to members who have not paid the current year's maintenance fees but have reservations that they intend to take advantage of. Members who are delinquent can expect to see stronger action taken to recover the fees and much earlier action taken to cancel upcoming reservations when their fees membership fees are not paid (or covered by the monthly instalment plan). If you have saved points from a previous year and intend to use them in the following year, the following year's fees do need to be paid in order to occupy the booking.

- **Points Usage & Booking Trends**

As already mentioned above there is usage of points towards other non-accommodation purposes, all of which represent the withdrawal of accommodation availability out of the Club which is then to be monetised by the developer company. Members who default on their fees also represent a similar need to fund the financial shortfall. All of this is generally understood by many members but what is maybe not so well known is that as the balancing of points/cash has to be accomplished within the same financial year to keep the budgets intact, therefore estimates are made as to how much Club inventory is to be used by the Developer. At the time of our March 2025 Board meeting there were approximately 30,000 nights of Club inventory still remaining for members to book in 2025. Although the assumptions used are usually fairly conservative and typically result in the developer company under recovering what they are due, the assumptions were revised downwards which has resulted in a further 10,000 nights being released and available to Club members.

In looking at trends by members over the years, there is an increase in members booking close to the start of the maximum booking window or shortly thereafter. Therefore, it is in members interests to try to book early rather than leave it later when choices will be naturally more limited. The team at Citrus House are always willing to try to assist members having difficulty with their bookings so it is well worth contacting them to discuss your needs, and if you have some flexibility over your requirements this will help.

It is fair to say that the environment in which the Club operates today has changed to that of some years ago, the reasons we have touched on above and other external factors are contributing towards some of the booking challenges we are hearing about. The Board is exploring all opportunities to prevent abuse and irregularities within the membership, which we know disadvantages the membership as a whole. We continue to actively explore possible opportunities to make more inventory available to help offset some of the difficulties experienced.

Resort News

Throughout 2024 and already in progress for 2025, there are many different programmes to keep resorts up to the standard we expect. In some of the resorts plans have had to be adapted to address unexpected issues, but these have mostly been accommodated within the Club's existing budgets and with (hopefully so far) minimal disruption to members.

At the Annual General Meeting on Wednesday 8th October there will, as always, be a full resort operations presentation including information on key projects which have either been completed or are in progress. If you are unable to join the meeting the presentation is uploaded to the website to view at leisure.

HGV Update

Although there is little we can say at this point as to when HGV will “launch” in Europe, much work is going on behind the scenes in preparation. We understand that members should expect a gradual rebrand and as resorts’ refurbishment and improvement programmes are evolving, the teams are already putting in place and progressively working with existing HGV brand standards and aligning with them as much as they can. For example, beds and linen are already sourced to HGV standards along with some white goods. Some of the changes will undoubtedly be phased in over time as either apartments are refurbished or stocks of materials replaced.

- New Fixed/Floating Week Product

After a number of years of very limited sales/marketing activity in Europe, members may now already be aware that a “new” week product has been launched. We are sure this will be welcome to many members who are looking to purchase weeks to guarantee their holiday destination.

It is worth emphasising that the weeks being sold is inventory owned by the developer company and not European Collection owned weeks and has no impact on availability to members. This inventory previously would have been offered within the rental market.

Briefly the outline of this new product is as follows:

- ❖ This product is being sold in addition to European Collection points which will continue to be sold. Sales activity will take place at the existing sales locations in Spain and the UK with remote video presentations if required.
- ❖ The product will be rolled out gradually between April and June and will cover 16 resorts in total. Depending on the resort there will be either some fixed (week) / fixed (unit) options or fixed (week)/ floating (unit). In some resorts both options will be available.
- ❖ This will be promoted to existing Club members and owners but importantly also to the general public, so bringing in much needed new members/owners.
- ❖ All these fixed weeks have what is termed a “Points Overlay” which is called **Weeks Extra** and each resort/week will have a points value associated with that week. For Club members these points values will count towards the number of points the member holds and the tier status they achieve (e.g. Platinum, Gold, Silver, Standard). There is no annual fee for Weeks Extra. Owners not wishing to use their fixed week in a particular year can deposit it (for a fee) into the European Collection and book elsewhere utilising the points they will be credited with in return (using the normal booking process). The points redeemed from the weeks can also be used for member benefits if so desired.
- ❖ For non-European Club members (e.g. new owners purchasing fixed weeks but not holding any Club points) then they instead have **Weeks Extra Pure**, which does have an annual fee and will pay the deposit fee at the highest level charged. They cannot use points for member benefits.
- ❖ The contracts are only available in English.

Destination Xchange (DEX)

It is pleasing to see that the number of members utilising DEX is increasing year on year with 2024 showing an approximate 100% increase on the previous year. The split between members using points previously banked and those using the instant booking facility using current points remains evenly split, and the introduction of the ability to book into European Collection resorts from early 2024 has proven to be a very popular choice for members. It is worth reminding members that bookings into the European Collection resorts comes from developer owned weeks (not Club) or from weeks deposited into DEX by fellow week members.

For members who had 2019 and 2020 points banked into DEX, we would encourage them to be mindful of the 5-year expiry rule, which means they need to be used to make reservations before the end of 2025. As DEX has a 2-year booking window then members can use existing deposits to make bookings in 2026 and 2027.

Timeshare Fraud

In all aspects of day-to-day life, we continue to see increasing levels of fraud committed online or by bogus phone calls. HGV recently sent out an email communication highlighting this and providing a link in which provides more information. Please check your Inbox (or Junk) to read this important message.

Buyer Beware - A new trend that has arisen recently is availability which seems on the face of it to be offered by members for rent via social media sites and have sent alleged guest certificates (which appear very realistic) once the money has been paid. When the guests have arrived at the resort, they have found out that no such reservation exists and the "guest certificate" was fake.

EUROC (European Resort Owners Coalition)

As members of the European Collection, you currently have access to the services of EUROC. John Davey (currently points member representative at White Sands Beach Club and Chair of Pine Lake Owners' Club) and Sue Barnett (currently the points member representative at Royal Sunset Beach Club), represent both week and points members on the Board of EUROC. Between them both, they have many years' timeshare ownership experience within Diamond /HGV.

We have included in this update an attachment issued from EUROC which gives you some insight into some of the work they are doing on behalf of timeshare owners in Europe. Most importantly the attachment provides you with the link to visit the support hub and download/view some of the really helpful handouts/guidelines that have been produced.

Dates for Your Diary

- The Annual General Meeting for Diamond Resorts European Collection Limited will be held at Morecambe Football Club on Wednesday 8th October 2025 at 1.30 p.m.
- For those of you interested in being considered for the position as a Member Representative in one of our resorts you will have received a communication regarding the 2025 vacancies mid-April. Applications are invited for the following resorts: Los Amigos Beach Club, Thurnham Owners' Club, The Kenmore Club, White Sands Beach Club and Alpine Club. Applications were required by 16 May and we are in the process of shortlisting members to cover these positions.
- Members who are interested in standing as a candidate for the Non-Executive Member Director on the Board are cordially invited to submit their resume and applications on or before 9 August 2025.

With warmest wishes for many happy holidays to come

The Board of Directors



EUROC: A TRUSTED GUIDE FOR CONSUMERS IN THE EVOLVING WORLD OF TIMESHARE

EUROC is more than just an organisation; we are a dedicated partner for our member resorts and timeshare owners across Europe, navigating the dynamic landscape of the timeshare industry.

As a **Chartered Trading Standards Corporate Affiliate member**, we strive to empower and educate timeshare owners and members with industry insight, the evolution of the legislation and developments in product types. We support clubs and resorts in upholding best practices, all with the aim of influencing a positive and thriving timeshare community built on trust and transparency.

Some of the areas EUROC focuses its attention include:

- Promoting best practice across the timeshare ownership community.
- Providing an 'Owner Advice Hub' and acting as a legitimate source of information and support for timeshare owners'
- Consulting and supporting government officials and consumer bodies on matters that impact timeshare ownership.
- EUROC provides connections and a strong network for its members with like-minded timeshare clubs and industry professionals.
- Protecting timeshare owners via its code of conduct.
- Raise awareness on fraudulent practices affecting timeshare owners.

Click the link below for a quick overview video of our work in 2024:

<https://vimeo.com/1074263181?share=copy>

SUPPORTING TIMESHARE OWNERS & MEMBERS

We understand that navigating the world of timeshare can sometimes be complex. That's why we provide a comprehensive suite of resources designed to equip owners with the information they need to make informed decisions and enjoy their holidays to the fullest.

EUROC Timeshare Support Hub: Our online support hub serves as a one-stop shop for essential information, addressing common queries, providing guidance on various aspects of timeshare ownership, and offering access to expert advice. Support is offered via email,

online forms, telephone and WhatsApp, whatever method of communication is preferred by the person seeking assistance.

Telephone: +44 (0)203 582 2345

Email: support@euroc.org

Website: www.euroc.org/supporthub

Free Guides and Resources: Our Support Hub offers a range of free downloadable e-books and concise videos covering a wide array of topics, including dealing with unwanted and unsolicited callers. We also provide practical advice on safeguarding yourself against fraudulent and unwanted solicitations.

We would like to take the opportunity to thank Diamond Resorts/Hilton Grand Vacations Europe for their support towards EUROCC since we began in 2018 and also, following the launch of our Consumer Timeshare Support Hub in 2023. We continue to work together by collating and discussing information on ways to protect owners and members from third-party companies making unsolicited contact.

