

La Canaria Newsletter #17

Dear owners

Information meeting and owners cocktail

About 50 people were present at the information meeting held in the big conference room in La Canaria on Friday 7th February.

Hotel manager Finn Berstad presented the financial status of the hotel operation. The figures for 2019 shows a significant reduction in profit compared to previous years. Our hotel has maintained a high occupancy rate, but discounts have been given to meet the competition.

One hour later about 70 owners, families and friends enjoyed a wonderful cocktail party in the pool bar area. The cheerful atmosphere lasted until late evening. The food was excellent, as always.



Key figures for La Canaria Hotel Operation - 2019

(1,000€)	Actual	Budget	Variance
Rooms revenue	8,533	9,513	-980
Total operating revenue	13,394	14,449	-1,055
Net income before owners cost center and tax	967	1,412	-445

Occupancy (with owners)	78,4%	80,3%
Occupancy (without owners)	51,30%	50,30%
Actual room rate € (without owners)	241,29	269,56

Net income (before owners cost centre and tax) in 2019 is 967,000€ compared to 2018: 1,251,000€

More information

The president, Nils Willy Gulhaugen, continued by highlighting some important issues:

1. The owners should note that the operating profit of La Canaria Hotel Operation (LCHO) has disappeared in 2019. This is, as you all know, due to lower profit from hotel operation and the full effect of the new, higher Costas fee. The board has focus on the situation. A detailed investment plan is continuously updated. The financial overview and forecast for the next 3-5 years is also continuously discussed and updated.

2. The legal process, with the aim of reducing the Costas fee considerably, will take time, probably many years.

3. When it comes to rebuilding the restaurant by the promenade, Costas is still negative and refuse to do so. The board has decided to await the situation and will not suggest any other solution for a new restaurant than the previous, perfect location.

4. Several small and big maintenance and investment projects have been approved by the board and hotel operation jointly.

- The planned number of apartments to be repaired this year for humidity from AC/ventilator tubes has been increased from 10 to 20.
- LCHO will buy electrical equipment to reduce noise from garden maintenance.
- The Wi-Fi system will be upgraded.

Many more projects are under evaluation.

5. As stated in the last newsletter, #16, the need of all owners' compliance with rental contracts, rules and regulations, is of utmost importance. In addition to your contribution to profitable hotel operation, the success of the La Canaria Resort depends on a good cooperation between all owners and the hotel operation.

Tribute to the staff

For those of us who stayed here last weekend (22.-24. February), the weather phenomenon “calima” really got a new meaning. Most people stayed inside while the extreme sandstorm affected all normal functions in the area, closing the airport, schools, shops and restaurants. It was sand all over the place, both inside in apartments and outside in garden and pool area of our resort. The storm even brought down one of the beautiful palm trees near the sports area.

I would like to pay tribute to the staff in La Canaria.

All available staff, including managers, worked hard to bring the outside area back to normal. On Tuesday the outside area was partly operational, and on Wednesday the garden and outside facilities had practically been brought back to normal.

I also know that many owners and guests who were not able to fly from the airport in this period, were offered accommodation in our hotel using absolutely all rooms and beds available.



Timing of the Ordinary Owners meeting

The board has investigated the possibility of having the Ordinary Owners meeting (OOM) in LCC in February, as suggested by some owners. This is possible if all owners agree to do another change in Articles of Association (AoA) of LCC. The board will suggest for the owners in OOM to change the notice for OOM from 45/30 days to 14 days. Then it would be possible to arrange the next OOM in 2021 in end of February.

Elections to the board

The board is elected by and among the owners on OOM April 17th. Two board members, two deputies and the president are up for election.

If you are interested and motivated to work on the board, please contact the president of LCC Nils Willy Gulhaugen, mail: nw@gulhaugen.no or the secretary of LCC Øystein Eide, mail: laanariacommunity@gmail.com.

Candidates should preferably have relevant competence and experience. However, availability and motivation are also important criteria for candidates.

Next meetings:

April 16th 2020, Board meeting LCC and Advisory board meeting LCHO

April 17th 2020, Annual Ordinary Owners Meeting 10am

April 17th 2020, Owners cocktail party 6pm to 8pm

La Canaria, February 28th 2020
Nils Willy Gulhaugen
President of La Canaria Community