

Distinctive Holiday Homes



Nicolas Wood
CEO, Distinctive Holiday Homes

Distinctive Holiday Homes has been in operation for a number of years now, having originally been the brainchild of Nicolas Wood, the CEO of the company; how, in your opinion, has the holidays marketplace changed in the last ten years in terms of the high net-worth individual and the demand for pure luxury and high standards of service?

Baby boomers make up approximately 25-30% of Western countries' population, yet account for approximately 50-60% of net worth. The baby boomers, with empty nests, mortgage free homes, and a voracious appetite for travel, are a key audience for us. They have led the way in terms of demanding better quality products, service and marketing innovation. 10 years ago, it was far more common to own one holiday home.

Now, with everyone time poor, and wanting a greater breadth of experiences, choice and quality are key drivers. This demand for bespoke vacation experiences is also in demand by our professional family and corporate market. All these audiences expect quality and service to the highest standard - yet at an affordable price. DHH allows its members to vacation like the über-rich, at a far more comfortable level.

In brief, could you please explain the DHH business model and its' primary benefits?

Members buy 'weeks' in the Club eg Premium membership delivers 3 weeks vacation time. With most

properties, a 7 day stay accounts for a week's membership – but, for instance, on our crewed 53' Hanse Sailing yacht, a 7 day stay accounts for only 3 days of membership. One week's membership costs \$60,000 US (which is 80% refundable if they leave the Club), and annual dues of \$7,000 US.

DHH offers the location, facilities and services of a five star hotel but with the absolute privacy of private residence.

All properties in DHH's global portfolio have their own concierge from the local area who ensures guests experience local culture, including food, wines and tours to the full.

If you compare the cost of 5 star hotel accommodation versus the size of each of our properties occupancy, inclusive of luxury car, wine and deli-food, concierge, maid service, Quintessentially membership and Bombardier private jet hire benefits, we believe DHH has 'reinvented' the premium end of the holiday market.

The Club has a very conservative financial philosophy. We will always have substantially more net assets than Membership deposits and debt. As at December 2007, net assets exceeded Membership Deposits and Debt by 6 to 1. All our Destinations are owned outright.

While Members do not invest directly in the properties, Membership Joining Deposits will continue to increase over time, facilitating the purchase of more Destinations. Therefore, current Members will benefit

"I want our members to be spoilt for choice."

from gaining access to an ever-expanding portfolio, with no further investment.

Consider also the cost of maintenance, property taxes and interest you might pay on a mortgage for a second holiday home versus DHH's membership fees, benefits of choice and hassle-free vacations members experience.

Distinctive Holiday Homes seem to have a large presence throughout Europe; what plans are in place to further the presence and offering on a global basis?

While we have recently added a stunning property in Megeve, in the Mont Blanc region, and are close to securing a stunning 16 bedroom Chateau in Bordeaux, Europe is far from our only focus.

We have Californian and Colorado properties, with our next US purchases soon to be an Upper Eastside apartment in New York and a waterfront mansion in Miami.

Then there's Fiji, Noosa - Australia, a Sydney harbour side apartment is next for Australia, with Queenstown and an Auckland waterfront apartment recently added in New Zealand. Plus our 4 crewed 86' motor yacht and 53' Hanse sailing yacht.

The brief to our management teams in LA, London, Paris, Sydney and Auckland is to table premium real estate opportunities. Our vision is to be truly global – with approximately 1000 properties within the next 20 years.

I want our members to be spoilt for choice.

How does the company reach the decision as to where its' next chosen resort is to be situated?

We make sure that members have a good variety of choice within 3-5 hours flying time from their homes. While they do travel further a field, we appreciate time is a scarce commodity, so we review where our membership numbers are based, and purchase accordingly.

For every 6 new Members* that join, we add a new property or motor boat, and work on properties only being booked to a maximum of 35 weeks in the year, so that members can always secure a vacation at one of our homes, at the most desirable vacation times of the year.

Of course we also need to invest in properties in countries as we expand the Club, so the number of members in each country are not the primary influence for property purchase at this stage.

Having assessed and researched the DHH "offering", it seem that no stone has been left returned in perfecting the product offered to the customer; how do DHH intend to build on that product in order to stay at the forefront of the marketplace?

We have just recently added Quintessentially, a global concierge service in 28 countries which is on call for members 24 hours a day, 365 days of the year. All DHH members are automatically enrolled, at no additional cost. This will give them reservations to the top restaurants, theatre and shows, clubs, spas, plus special offers on premium wines, personal shoppers, chauffeurs etc. We want our members to experience similar levels of service when they are not staying with us.

The latest addition to members' services is an exclusive private jet service operated in partnership with

Bombardier Skyjet International, providing access to a fleet of over 920 aircraft, including the legendary Learjet, Challenger & Global brands, at more than 5,500 airports worldwide. DHH Members can book flights on the Skyjet service at special member's only rates, paying for just the one-way flight time needed.

I want DHH to constantly exceed our members expectations. That's a total package – from the ease of booking, the quality of our personalised service, the quality of our multi-million pound properties, to the unique memories that ensue on vacationing with us. We'll constantly add additional services and properties ...I intend DHH to lead, not follow.

What are both the tangible and monetary benefits of purchasing with DHH as opposed to choosing to invest in a second/holiday home?

Owning a second home can be an appropriate long-term investment, especially if you want a home that you can go to, whenever you want, with your family. Many families make that choice. Distinctive Holiday Homes is not necessarily a replacement to this tradition.

Distinctive Holiday Homes provides something different. It provides choice and hassle free vacations for considerably less money than you would have to spend each year on a second or third home.

For example: A \$3,000,000 second home versus a Deluxe Distinctive Holiday Home Membership.

Most families generally have only so many weeks of vacation time each a year, so unless you vacation more than 4 weeks a year, a Club Membership is a much less expensive way to have the equivalent of that second or third home.

Assuming a deposit of 20% on the home \$600,000, you would have mortgage payments, of \$172,668 pa (based on a 30 year loan at 6% pa). You would then have to furnish the home, which would be at least a further \$100,000.

Other costs such as property taxes, expenses such as power, water, insurance, landscaping etc would be in the range of \$65,000 pa.

To own this second home you would have to invest up front at least \$750,000 and then cash flow more than \$237,000 pa. In addition, you then would still have to pay for the food, the drinks and service.

If you signed up for the Deluxe Distinctive Holiday Home Plan:

It would be \$200,000 to join, and Annual Dues of \$28,000 (remembering you get 80% of the Joining Deposit back). Distinctive Holiday Homes provides the food, the drinks, the vehicle, does all the cleaning and laundry for you, we are there to help plan your holiday and activities, and you get many places to vacation instead of just one, for up to 4 weeks each year, plus additional unlimited Space Available Bookings for just \$300 per night.

You are staying in an ever-expanding array of amazing homes, driving the cars, eating the food, drinking the wine, and enjoying the service, in 3 to 6 bedroom homes with your family & friends for a fraction of the upfront costs of your own home and spending around 10 % of the annual costs.



DISTINCTIVE
HOLIDAY HOMES

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