



Dear KICA Members,

A year ago, the association's Amenities and Services Task Force reported to the board and our community its findings, compiled over 18 months, that KICA is falling behind other high-end resort communities in the quality, range and size of amenities and services the association offers to its members. The report cautioned that a failure to act on these findings could negatively affect future buyer interest in Kiawah, dragging down property values. The task force found that while Kiawah's beach is unparalleled and the leisure trail system is on a par with the best, KICA's recreation, fitness, pool, and social/educational facilities have become inferior to those of similar communities, most of which have made major improvements in the last 5-10 years.

Subsequently, the board accepted the recommendation of the task force to engage a consultant with national experience to help determine next steps. The McMahon Group conducted a series of focus groups on Kiawah, and designed and administered a needs assessment survey to determine what KICA members think and want.

Attached is a summary of the results prepared by the McMahon Group. The full compilation is available for review at KICA's offices. I would like to highlight some of the results.

Nearly 1,700 members completed the survey, a response rate of 23%. While we had hoped for a stronger response, the demographics of the respondents are similar to those of the island as a whole, and the survey findings are statistically valid at or above the 95% confidence level.

Members most value outdoor activities and the leisure trails. They are not asking for a large range of new amenities, but want improvements in our pools, fitness and wellness, and community offerings. The emphasis on fitness was higher than the McMahon Group has found in other communities it has surveyed. While many members are satisfied with what we have, they would like better and are willing to pay for it.

Along with the survey results, the McMahon Group provided the board with a detailed analysis of existing association facilities and property and the space needed to accommodate the desires of members. The Sandcastle building provides a little over 12,000 square feet of activity space, but we need substantially more. However, with some creative planning and designing, the board is hopeful that we can meet the community's needs without purchasing additional land, a significant financial savings.

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The survey offered several surprises. First, responses were fairly consistent across diverse demographic groups - member age, location and type of home, full-time and part-time residents, members and non-members of the Kiawah Island Club, etc. Second, members want private facilities for the KICA community and strongly oppose opening the facilities to renters. Even among those who rent their properties, a slight majority opposes allowing renters to use KICA facilities. Finally, members indicated greater willingness to pay for amenities improvements than the McMahon Group has found in similar communities. Even Kiawah Island Club members, many of whom stated they do not or would not use KICA recreational and social facilities, support improving them for the betterment of the island.

Where do we go from here? The board has discussed a range of options, but reached no conclusions. We have asked Chief Operating Officer Jimmy Bailey to form a Long Range Planning Committee comprised of representatives of the various demographic groups to work with the McMahon Group on next steps, and have engaged the firm to begin developing a Preliminary Master Plan with specific schematic designs and suggestions for phasing improvements. Once the plan is drafted, the board will present it to members and solicit their input before finalizing it.

I wish to thank all those members who worked diligently on behalf of KICA to evaluate the association's amenity needs as well as those who provided feedback and comments (more than 2,100) as part of the survey process. The board looks forward to presenting the membership with a strategic plan for moving forward in addressing the needs that have been identified.

Sincerely,

A handwritten signature in blue ink that reads "John V. Connolly". The signature is fluid and cursive, with a large initial "J" and a stylized "C".

John Connolly
KICA Board Chair

2013 Membership Survey Results Summary



Kiawah Island Community Association September 2013

Profile of Respondents

Belong to Clubs

- Governors Club: 26%
- Kiawah Island Club: 41%

Age Category

- Under 46: 4%
- 46 to 55: 20%
- 56 to 65: 38%
- 66 to 75: 31%
- Over 75: 7%

Gender

- Male: 50%
- Female: 50%

Employment

- Full Time: 33%
- Part Time: 14%
- Doesn't work/Retired: 53%

Purchased Property

- Before 1991: 21%
- 1991 to 2000: 34%
- 2001 to 2010: 34%
- Since 2011: 11%
- 84% stayed in a rental property on the Island prior to purchasing their property.

Type of Property Owned

- Single Family Homes: 64%
- Cottages: 11%
- Villas/Condos: 25%
- Unimproved Lots: 9%
- 29% rent their property

Amenity Usage Over Next 5 Years

- Increase: 38%
- No Change: 60%
- Decrease: 2%

Other

- 13% own more than one property on the Island
- 32% consider Kiawah Island to be their primary residence
- 21% reside on the Island year-round

Dear Member:

The Membership Survey was sent to 6,950 members (two per household) in July 2013. There were 1,619 surveys returned to McMahon Group for a response rate of 23%. This response rate provides a high degree of certainty and confidence that the results present an accurate representation of the opinions of the entire membership.

The survey measured member satisfaction with existing association facilities, programs and services; and, it obtained input on issues related to future improvements or strategies the association might consider.

The following is a summary of the key survey results. The entire Membership Survey Report is available for review in the association office. Where applicable, the survey results are compared to McMahon Group's database of other community associations surveyed in the last several years.



Key Findings

While Kiawah Island Community Association (KICA) is large and relatively diverse, the survey results point to a general congruence on the condition and inadequacies of the existing facilities and a number of mega-trends on usage and future improvement priorities:

- KICA members are clearly drawn to membership by the beach, outdoor activities, natural beauty and appearance of the island. Their experience is significantly impacted by fitness/wellness, the pool and community activities. However, given the increased importance assigned to these elements of the community by recent purchasers, it is likely that the influence of these amenities and programs will increase in the future. The facilities and programs offered are important contributors to the quality of life on the island.
- The overall satisfaction level reported by KICA members is slightly below the average established by McMahan Group through surveys at similar communities. The level of satisfaction is similar across most member segments, with the exception of younger respondents who are slightly less satisfied. Additionally, only 21% of KICA members are “very satisfied” with the offerings, which is considerably lower than the 29% very satisfied contingent we have found in other communities. Top communities achieve 90% overall satisfaction and 40% of their members are “very satisfied.”
- There is considerable evidence that member satisfaction is dampened by the limitations of the Sandcastle and other facilities. While KICA members are generally satisfied with the overall look and feel of the Sandcastle (i.e., exterior and interior appearance and parking), they are much less satisfied with the Sandcastle Weight/Cardio Room (size, variety and availability of equipment and appearance), Exercise Room (size), shower facilities, number of banquet/meeting rooms and noise control.
- There is strong agreement among the members that KICA amenities significantly impact property values. This is a rallying point for considering future investments.
- While the membership is diverse in makeup and utilization, there is significant congruence among them on facility conditions, priorities and funding that might be anticipated.

- A significant majority of members do not agree with proposals to change the current policy restricting use of KICA amenities to members only.
- There is significant interest in continuing and improving all manner of facilities and amenities. Half of all members support improving or adding the following amenities:
 - » Leisure trails
 - » Rinse shower near the beach
 - » Restroom facilities near the beach
 - » Adult/lap swimming pool
 - » Space for intellectual pursuits (speakers, seminars, etc.)
 - » Year-round indoor pool
 - » Expanded fitness facility (workout area)
 - » Children’s playground facilities
- A majority of respondents indicated they are willing to increase their capital fee contribution. The level of support is above average when compared to other communities.



Original Decision to Purchase Property



Respondents were asked to rate the importance of various factors in their original decision to purchase property at Kiawah Island. The factors of highest importance to respondents were the overall appearance of the community, beach, natural beauty, quality of the homes and security. All of which were important to at least 95% of respondents.

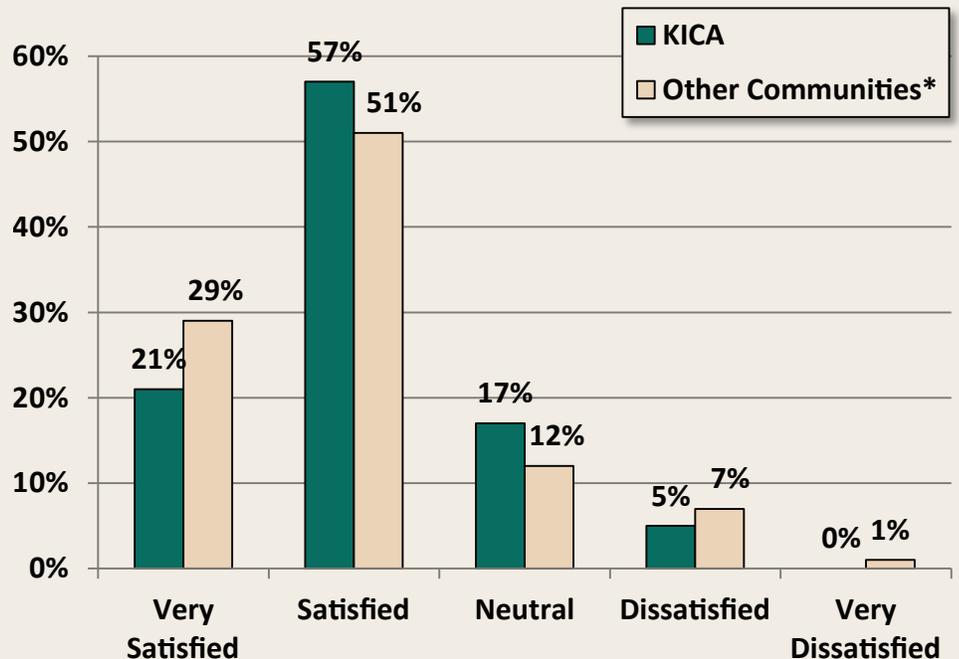
A number of factors were more important to those who have purchased property in the last few years than they were to those who purchased property in earlier years. They were the value of amenities and services for the price, the Sandcastle pool facilities, the Sandcastle fitness facilities and the Sandcastle Grille.

Factors that were somewhat less important to those who have purchased property in the last few years include the availability of the Kiawah Island Club facilities and having friends who were property owners.

Existing KICA Amenities and Services

Overall Satisfaction

Overall, 78% of respondents are satisfied with the existing amenities and services provided by KICA and 5% are dissatisfied. As shown in the chart to the right, the overall satisfaction percentage of 78% is slightly below the average of 80% at other communities. However, only 21% of Kiawah Island respondents are *very* satisfied, compared to an average of 29% at other communities.



*Other gated communities surveyed by McMahon Group

Existing KICA Amenities and Services

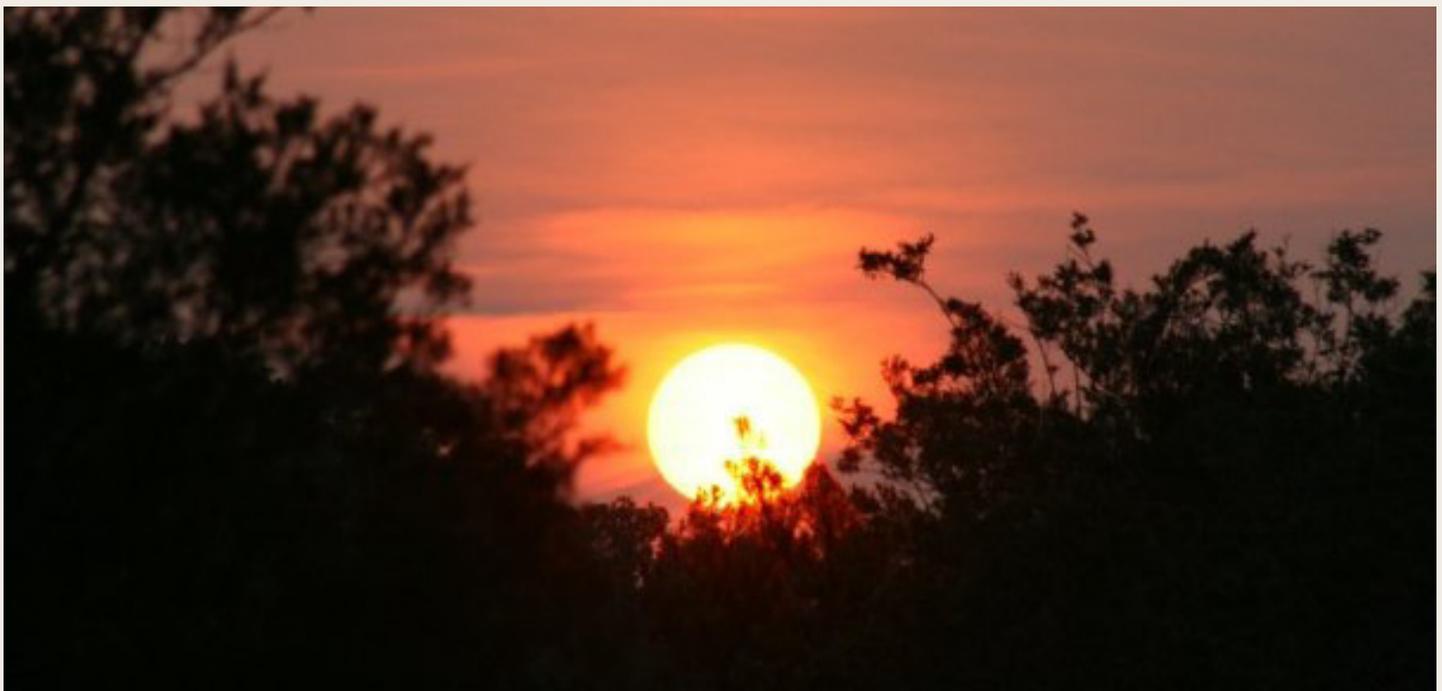
Life on the island is impacted by outdoor activities as well as fitness, community and wellness activities:

Lifestyle	% Important	% Unimportant
Outdoor activities	95%	1%
Fitness	81%	4%
Community social, cultural, educational and volunteer activities	63%	10%
Wellness (therapy, nutrition, etc.)	58%	15%

Satisfaction with Specific KICA Facilities and Amenities

Respondents rated their satisfaction with all of the existing KICA facilities and amenities currently provided. Shown below are those facilities and amenities that received the highest satisfaction ratings with at least 80% of respondents satisfied and no more than 7% dissatisfied:

KICA Facilities and Amenities	% Satisfied	% Dissatisfied
Leisure Trails - Extent of trails	93%	2%
Leisure Trails - Condition of trails	85%	6%
Leisure Trails - Trail maintenance	81%	7%
Sandcastle Community Center - Exterior appearance of building	85%	2%
Sandcastle Community Center - General building interior appearance	80%	4%
Sandcastle Pool Facility - Pool area appearance	85%	3%
Sandcastle Pool Facility - Size of pool	83%	5%
Sandcastle Pool Facility - Condition of pool	80%	4%
Sandcastle Pool Facility - Pool configuration	81%	6%



Existing KICA Amenities and Services

The facilities and amenities shown below are those that received the lowest satisfaction ratings, all with dissatisfaction percentages in excess of 10%. As shown, the lowest ratings were for the size of the Sandcastle Weight/Cardio Room (26% dissatisfied) and the availability of amenities such as showers and restrooms near beach access (32% dissatisfied).

KICA Facilities and Amenities	% Dissatisfied
Availability of amenities near beach access (i.e., showers, restrooms, etc.)	32%
Sandcastle Weight/Cardio Room - Size of weight/cardio room	26%
Sandcastle Weight/Cardio Room - Variety of equipment	19%
Sandcastle Shower Facility - Size of facility	18%
Sandcastle Group Exercise Room - Size of room	17%
Sandcastle Weight/Cardio Room - Availability of equipment	16%
Sandcastle Pool Facility - Amount of shade	16%
Sandcastle Pool Facility - Space available for adults/lap swimming	15%
Availability of canoe/kayak storage	15%
Sandcastle Weight/Cardio Room - Appearance of weight/cardio room	14%
Sandcastle Banquet/Meeting Rooms - Noise control	13%
Sandcastle Shower Facility - Appearance of facility	13%
Sandcastle Pool Facility - Pool furniture availability	12%
Sandcastle Grille - Hours of operation	12%
Sandcastle Group Exercise Room - Times classes offered	11%
Sandcastle Banquet/Meeting Rooms - Number of rooms/room availability	11%
Sandcastle Pool Facility - Space available for children/recreation	11%

Potential KICA Amenities and Services

KICA Amenities and Property Values

Eighty-six percent (86%) of respondents agree that having quality KICA amenities improves property values on Kiawah Island and only 4% disagree (10% are neutral).

KICA Amenities	%
Strongly Agree	50%
Agree	36%
Neutral	10%
Disagree	3%
Strongly Disagree	1%



Potential KICA Amenities and Services

Importance of KICA Providing Specific Amenities or Services

Respondents were asked to rate the importance of KICA providing various amenities or services to improve the ownership experience or to enhance property values in the future.

The amenities or services that are most important to respondents are those rated important by at least half of all respondents:

Amenity/Service	% Important	% Unimportant
Leisure trails	85%	7%
Rinse shower near the beach	66%	15%
Restroom facilities near the beach	63%	18%
Shuttle service to Charleston	58%	20%
Adult/lap swimming pool	54%	22%
Space for intellectual pursuits (speakers, seminars, etc.)	53%	21%
Year-round indoor pool	52%	28%
Expanded fitness facility (workout area)	50%	26%
Children's playground facilities	50%	23%

Next in importance are those amenities and services rated important by 40% to 49% of respondents:

Tennis courts	49%	25%
Pool snack bar facility	48%	23%
Park/picnic facilities	48%	24%
Recreational pool with up-to-date features such as zero entry, children's splash zone, etc.	47%	29%
Fishing/crab dock	47%	24%
Social gathering space such as a coffee shop/Wi-Fi café	46%	28%
Space for clubs to meet	45%	25%
Space for group exercise classes	44%	25%
Social gathering space such as a wine bar/cocktail lounge	44%	29%
Space for meetings	42%	26%
More benches on the boardwalks and beach	42%	29%
Library/reading room	40%	27%

The following are amenities or services rated important by 30% to 39% of respondents:

Canoe/kayak storage	39%	28%
Performing arts center/space	38%	30%
Spa-type facilities (steam, sauna, etc.)	37%	34%
Physical therapy/massage services	36%	32%
Banquet space	36%	29%
Boat launch facilities	36%	29%
Hot tub/therapy pool	35%	34%
Space for arts, crafts, hobbies, etc.	34%	30%
Space for card playing	33%	29%
Dog park	32%	39%
Youth/teen activity center	31%	36%
Expanded fitness locker rooms/storage space	30%	33%

Potential KICA Amenities and Services

The following are amenities or services rated important by 12% to 27% of respondents:

Amenity/Service	% Important	% Unimportant
Bocce courts	27%	35%
Billiards/ping pong	27%	38%
Racquetball courts	23%	39%
Pickleball courts	12%	49%

The lists above and on the previous page provide the relative priorities of amenities or services to respondents. While most of the amenities or services are not important to majorities of respondents, they still have substantial support from the community. For example, a hot tub/therapy pool is important to 35% of respondents. Based on an adult population of approximately 7,000, this amenity would be important to almost 2,500 individuals, which is significant. Pickleball courts, which are at the bottom of the list, are important to 12% of respondents, or approximately 850 individuals if projected upon the entire adult population, which may be sufficient to provide a robust and active program for a segment of the community. The planning process will need to evaluate the feasibility and potential cost and value of any major projects.

Full Membership Survey Report



If you would like to review the full Membership Survey Report, please visit the association offices.

Funding Potential Improvements

Fifty-eight percent (58%) of respondents would prefer to fund improvements by making an annual capital payment, 19% would prefer to pay a one-time assessment and 23% would prefer a combination of these two funding methods.

The average monthly payment that respondents would be willing to pay to fund improvements is \$339, and the average one-time assessment is \$2,201.

Use of KICA Amenities by Renters

Respondents were asked to indicate their level of agreement with three statements related to the use of KICA amenities by renters. Shown below are the statements and the response percentages:

Use of Amenities by Renters	% Agree	% Disagree	% Neutral
I would be in favor of providing renters access to the existing Sandcastle facilities, to include the swimming pool, <u>at non-peak times</u> .	25%	65%	10%
I would be in favor of providing renters access to <u>some, but not all</u> existing Sandcastle facilities, <u>assuming space is available</u> .	28%	61%	11%
If the fitness and swimming facilities <u>were expanded</u> , and there was sufficient capacity, I would be in favor of providing renters access to these facilities.	32%	57%	11%

Conclusion

The membership survey was successful in identifying member opinions regarding existing facilities and operations, as well as strategic issues that members consider important for the association's future. This information will be a valuable resource to the association's leadership and management as they make short-term operational improvements and develop long-range plans. McMahon Group thanks all members who participated in the survey process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'F. Vain', with a stylized flourish at the end.

Frank J. Vain
President

Kiawah Island Community Association

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