

Lord Baltimore Capital - Brunswick Forest (Wilmington, NC)

Objective

JNJ was engaged by Lord Baltimore Capital Corporation to design a club membership program that will stretch 27 holes of golf over a 5,000 unit, 5,000 acre “new town” community. Key objectives included:

- Protect future real estate sales so that developer buyers will always have golf memberships available if buyers so desired.
- Avoid overbuilding clubhouses and unnecessary facilities in the context of other amenities included in the HOA.
- Create added value to ensure that real estate sales are supported with competitive advantages and attractive pricing from the club.
- Prepare full financial estimates, including membership sales, development costs, phasing and operating forecasts.

Scope

- Research regional market place for how golf memberships and amenity programs are offered by competitors.
- Frame a membership structure that would appeal to target markets, while also protecting developer interests for real estate over a 10-year development horizon.
- Create business plan strategies for sales and operational execution, phasing, capital commitments, and operating subsidies needed.
- Help the developer decide key issues concerning internal vs. third party, professional management, integration with property sales strategies, and other implementation issues.

Results

- A ‘short version’ of the proposed club concept was established for positive early stage residential sales, allowing Brunswick Forest to proceed with property sales favorably on an interim basis without premature commitments.
- Created a unique, expandable membership plan using a unitary structure to accommodate buyers at all stages of their lifestyle. Carefully structured plan provisions protect the developer’s future sales needs.
- Evaluated relative advantages of internal staffing and operations for golf and club amenities versus outside professional club management.
- Early stage sales results confirm Brunswick Forest emerged as market leader in the region with high capture rates relative to other competitors.

