

Mar-a-Lago Club (Palm Beach, Florida)

Objectives

JNJ was engaged to by prepare the original business plan for Mar a Lago by the Trump organization, after having acquired the property from the Post Estate.

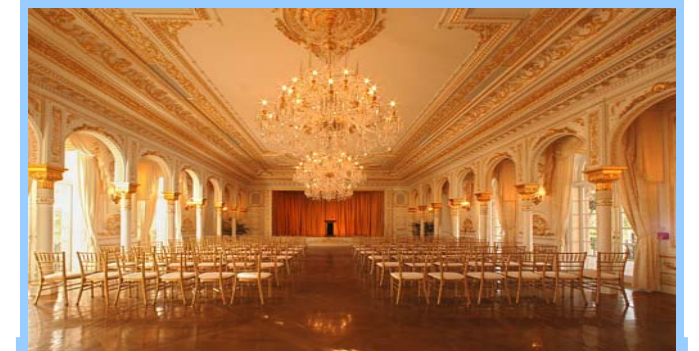
Mar-a-Lago is a unique “Ocean-to-Intracoastal” private estate with museum-grade art, murals, friezes, furnishings and extraordinary architectural values. The home was constructed in the early 1900’s by Marjorie Meriwether Post, when she was married to Mr. E.F. Hutton. Donald Trump acquired Mar-a-Lago intending to convert the property into an exclusive private club.

Scope

- JNJ evaluated Mar-a-Lago facilities for hospitality and club uses, including function rooms, guest suites, and spa services.
- Top tier luxury private clubs in America were surveyed to benchmark membership prices, annual dues, and performance trends.
- Detailed operating forecasts were prepared reflecting membership absorption, revenues, expenses and NOI targets for successful and sustainable operations. Key issues included:
 - Member utilization patterns with local, national, and international memberships envisioned.
 - Realistic dues requirements to sustain vitality for this exceptional facility and service program.
 - Early year deficits, reserve requirements, and other special economic factors for this unique property.
- Unprecedented club membership prices not previously achieved elsewhere at the time.
- One of the first applications of the refundable deposit structure at the luxury level.

Results

- Mar-a-Lago became the first of many private clubs under the Trump brand, and has emerged as the centerpiece of a system of private clubs under Trump National Golf Clubs and Trump International Golf Clubs.
- Mar-a-Lago came to market initially without the golf club element, and several years later introduced the golf course as originally envisioned.



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