

The Carnegie Club at Skibo Castle (Scotland)

Project

Westbrook Partners engaged JNJ (as Partner in a Big Six firm) to evaluate an investment opportunity involving the conversion of Andrew Carnegie's historic 7,500-acre estate in Northern Scotland to an international private club, assess venture economics, and size up values. Under the proposed concept, the Carnegie Club could stand on its own and possibly expand to a multi-site international club with Skibo Castle representing the first in a collection of exceptional private club properties on an international scale.

Scope

- Evaluate the investment potential of the project as an integrated real estate and club venture.
- Evaluate international markets for luxury estates in Scotland, and how such properties could be successfully marketed over the investment horizon.
- Evaluation of interval club memberships structured around luxury private cottages within the estate.
- Suggested product mix for the 49 permitted new residential units, to include estate lots, cottage residences, and Club Residences dedicated to interval club memberships.
- Analysis of the existing dues-only resort memberships already being sold by The Carnegie Club, and how they might be managed in transition to greater exclusivity.
- Analysis of the luxury accommodations and related operating elements of the 17-room castle itself.
- Preliminary strategy for optimizing the investment, capital recovery and cash flows from operations.
- Special "high end" market research suggested that a small number of units and a fractional club program contained within a limited portfolio of two or three complimentary properties could be achieved within a reasonable timeframe could be achieved. Marketing strategies were set forth, including how to tap into variety of Scottish affinity groups with heritage, family roots, and escalated emotional connections to Skibo.

Results

- Westbrooke Partners did move forward acquire the property.
- JNJ recommended acquisition of a stellar boutique sister clubs in (i) the Caribbean, (ii) Manhattan, and (iii) mountain location in the Alps or Rockies to complete the exclusive luxury club portfolio.
- Westbrooke eventually sold Skibo Castle to a private individual.

