

The World of ResidenSea (The world's oceans and seas)

Objective

The World is the first residential condominium project developed on a full scale cruise ship, whereby residents would follow an itinerary cruising from one world-class destination to another, always seeking the best weather, and always in time for international events of the times with an ever-changing locale. The original design included 284 Residences plus 183 guest staterooms, and extensive food service, commercial and recreational facilities on-board sized to a full scale cruiser.

JNJ was engaged (as a partner in a Big Six firm) by ResidenSea Ltd. during its planning and capitalization stages, before ship construction to propose alternative strategies for a possible club membership program, and evaluate the project relative to luxury real estate and hospitality trends:

- How to mix exclusive residential buyers with cruise guests as RSL proposed.
- Enhance perceived exclusivity and value of the for-sale luxury residences.
- Maximize the marketable pricing of potential memberships in the ResidenSea Club.
- Explore options for generating income through a club membership program more compatible with luxury residential sales.

Scope

- JNJ benchmarked the fractional segment of resort real estate, then consisting primarily of independent PRC's. Also benchmarked were ultra-luxury cruising experiences, luxury yachts, and psychographics of affluent sea cruisers. JNJ also worked closely with sales executives directing pre-sales to characterize the buyers being attracted to ResidenSea to that point.
- Evaluated internal projections concerning operating costs, revenue activities, and complimentary services included with HOA dues for sustainability and adequacy. Explored several options concerning redesign of units to attract members and buyers.
- Developed a club membership strategy that gave ResidenSea two key options to (i) Sell access to emerging Destination Clubs who will want to include ResidenSea in their portfolios, an (ii) Introduce and sell a ResidenSea PRC membership directly branded and sold internally, blending a refundable deposit structure with PRC shared use plans.

Results

JNJ suggested that: ResidenSea had too many of both products, and the staterooms were too small in size. Selling luxury residences would likely be impeded by also featuring cruise packages where guests could experience The World for cruise rates while buyers were expected to invest \$1.5 million or more to own. Further, F&B and entertainment facilities should be reduced in size, and redirected toward "in-unit" delivery of room service, spa services, and more personalized services.

ResidenSea was subsequently redesigned to "down-sized" the unit count, while also increasing unit sizes, and foster a more exclusive private club community. whereby access to The World is more restrictive, and focused on top market segments.

Sales to individuals combined with Destination Clubs resulted in successful sellout, and The World is now operational.

