

Tucker's Point Club (Bermuda)

Objective:

JNJ was engaged by Mr. Ed Trippe, then owner of the Marriott Castle Harbor in Bermuda seeking to redevelop the project with a major luxury branded hotel. JNJ was brought in for three objectives:

1. Create a resort club membership program taking advantage of existing golf and beach club facilities, generate membership sales, dues, and revenues while still accommodating and enhancing the luxury hotel.
2. Explore resort residential options, including rental program designs and fractional membership / PRC interests as economically viable development options.
3. Advise EYKL (as lead hotel advisors) how the resort membership program would integrate, demonstrating financial impacts on the deal, and framing case studies with proven results.

Scope

- Designed a Resort Club structure that would accommodate residential owners, fractional owners, and hotel guest access to amenities.
- Prepared financial estimates for incremental cash flow for the golf and club program, relative to baseline hotel estimates prepared by EYKL.
- Demonstrated a residential development option for resort condominiums subject to a rental program managed by the Club.
- Demonstrated development economics for PRC (fractional) interests relative to prevailing whole-ownership values in Bermuda.
- Collaborate with EYKL in pursuit of the "large hotel" option.
- Suggest alternative approaches to realizing development potentials.

Results

- JNJ advised that given conditions prevailing at the time, it would be easier to do a boutique hotel leveraged by residential product, including wholes and fractionals.
- Financial models demonstrated that more land value could be created from less density and more residential value.
- The Club facilities and operations were shown to be a superior NOI asset with sustainable returns.
- Membership plan structure and key provisions were crafted to preserve the asset while also enhancing residential appeal.

