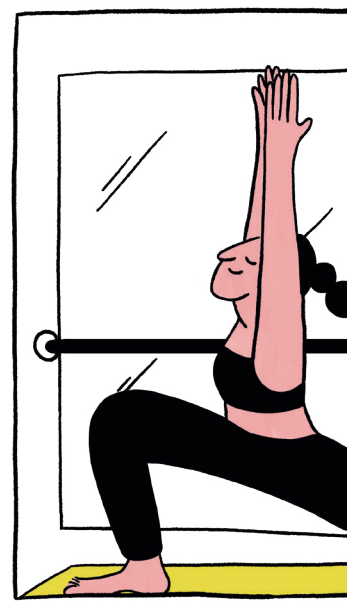
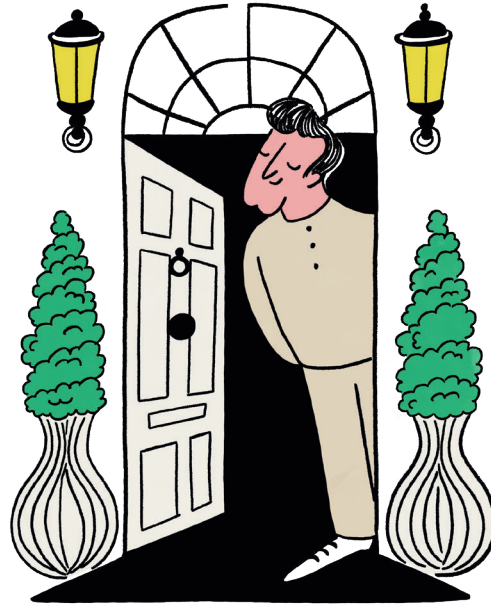
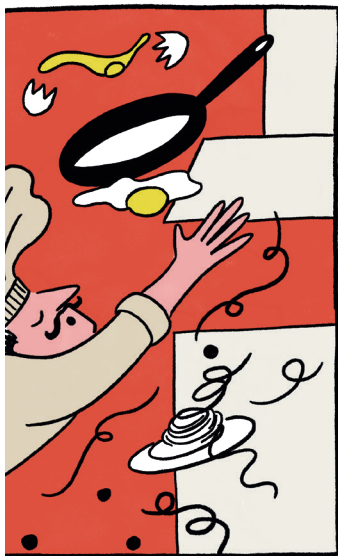
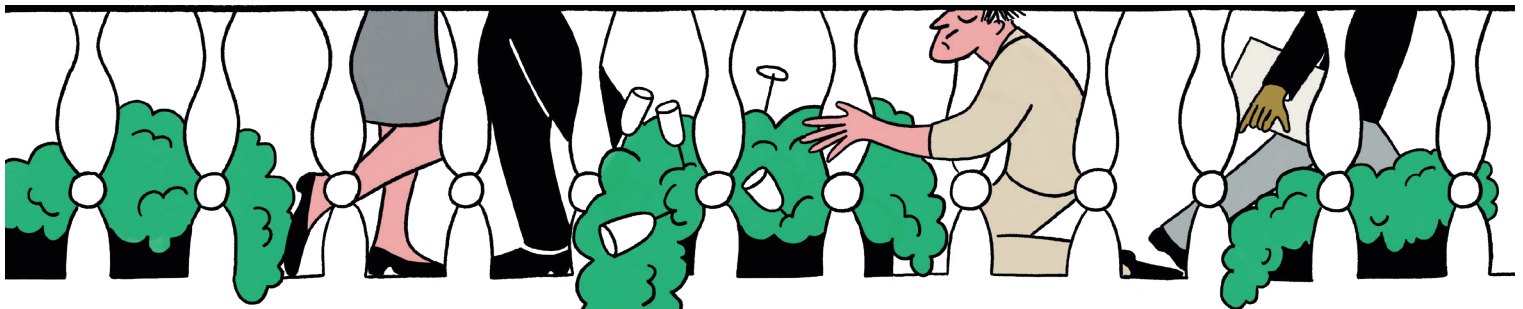


# A Guide to Private Members' Clubs

2024

More private members' clubs have opened in the past four years than in the three decades following the 1985 opening of London's iconic Groucho Club. In this guide, Knight Frank pulls back the curtain on a little-understood sector that could transform how we think about real estate.

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WRITTEN BY

Liam Bailey



Patrick Gower



Debora Szpilman

DESIGN & DIRECTION

Quiddity Media

ILLUSTRATIONS

Debora Szpilman

WITH SPECIAL THANKS TO:

- Richie Notar, Notar Inc
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# A rising sector with big implications for real estate

More private members' clubs have opened in the past four years than during the three decades following the opening of The Groucho Club. Our guide pulls back the curtain on a big-money business transforming the hospitality sector.

It's hard to know exactly why private members' clubs have quietly become one of the fastest-growing subsectors in the real estate industry.

Some say it's a desire for connection and community in a world of frenetic activity. Others suggest it's all about exclusivity and bragging rights. Whatever the truth, the effects are far-reaching. More clubs have opened in the past four years than in the three decades following the 1985 opening of The Groucho Club. The pipeline of prospective openings is the largest it has ever been—a fact confirmed by Knight Frank Private Office partners Alasdair Pritchard and Hugh Dixon, who are busy scouring Europe and the US for locations on behalf of prospective club owners.

The implications for real estate owners of all types are numerous.

Consider the sectors in the midst of transformations. Office architects pore over plans to ensure developments are amenity-rich,

with plenty of serendipitous meeting points and nooks and crannies for private conversations. Retailers are still seeking ways to move from purely transactional spaces to more immersive experiences. Hoteliers are looking for new ways to create deeper relationships with guests to increase loyalty. 'Be more like a private members' club' appears to be the answer to all sorts of real estate's most pressing questions.

Indeed, the 'big glass box' approach to real estate appears increasingly weak. Jan Garde, founder of The Embassies, told us (p.10) that it is a mistake to approach things from a perspective of 'hey we've got a building, what should we do with it', rather than 'hey, we've got a consumer, how do we market to them?'

This isn't just a commercial story, either. Types of clubs have proliferated, but two of the most interesting are super-luxurious clubs like Aman, in New York City, and hyper-local clubs like Inness in

"Be more like a private members' club' appears to be the answer to all sorts of real estate's most pressing questions."

upstate New York and The Dally in London's Islington.

While centrally-located big-brand clubs are city-wide resources, the latter local model is already influencing house prices. The impact on property values can be significant when the clubs come with luxury facilities.

The world's ultimate neighbourhood club cluster is in the Cotswolds, comprising of Estelle Manor, The Club by Bamford and Soho Farmhouse. Our research confirms that residential vendors will try to sprinkle a little stardust due to their proximity to these clubs, often mentioning them in their sales particulars even when they are up to 60 miles away.

The reasons why are clear: our data shows that in August 2024, demand for properties within 15 minutes drive of Soho Farmhouse was running at more than twice the average for the area, with 2.3 buyers registering for every one buyer in adjacent areas.

"In August 2024, demand for properties within 15 minutes drive of Soho Farmhouse was running at more than twice the average for the area, with 2.3 buyers registering for every one buyer in adjacent areas."

They are different buyers, too – more international, more affluent. Typically, 12% of buyers registering in the Cotswolds are from outside the UK, but that rises to 26% within the all-important 15-minute drive to Soho Farmhouse. Not only that, but houses within a mile of these clubs sell faster (by 2.5 weeks) compared to similar properties five miles further away.

One of the many important questions for clubs is how they capture the external value they create. Their presence can add glamour to a destination, bolstering local retail, restaurants and hotels. As a result clubs owners are increasingly looking to define and capture this uplift during rental negotiations, Pritchard told me while preparing this report.

Soho House pioneered much of this. The company is happy to leverage the brand when dealing with partners in new markets, often collaborating with local property owners to create buildings that

align with the brand, rather than purchasing buildings itself.

Others will surely catch on, so whether you're in commercial real estate or a homeowner, this report is for you. The world of private members' clubs is, by nature, private, and the secrets to success are as closely guarded as the guest lists. However, by interviewing more than a dozen club owners, industry insiders and Knight Frank experts, we pull back the curtain on a big-money business that is transforming the hospitality sector.

Even if we can't know exactly why.

"One of the many important questions for clubs is how they capture the value they create. Their presence can add glamour to a destination, bolstering local retail, restaurants and hotels."



ACCESSING OUR RESEARCH AND INSIGHTS

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# “It was about how credible you were”: how the Groucho birthed a billion-dollar industry

The 1985 opening of the Groucho Club in London’s Soho introduced a new type of members’ club to an industry that had seen little change for hundreds of years. A decade later, Soho House would propel private members’ clubs into one of the hottest corners of the hospitality sector.

“One of the things I really appreciate is that at the Groucho there’s always someone behaving even worse than me.”

That was chef Anthony Bourdain speaking to *The Independent* in 2005. The hedonism that took place in The Groucho Club on Soho’s Dean Street is the stuff of lore, but the 1985 opening of the era-defining private members’ club offered the world more than celebrity tittle-tattle. It was the beginning of a cultural movement: the birth of a new type of institution, unrecognisable from the gentlemen’s clubs that elites had frequented for hundreds of years.

The Groucho popularised the notion that the members’ clubs could be for people outside of ‘the establishment.’ Of course, the actors, musicians, and media executives who partied in the Groucho were elite by anyone’s standards, but they were a break from the norm. And if there could be a club for another group, there could be clubs for any group.

“There were a few outlaws, but clubs were basically for gentlemen; usually gentlemen of position and power and wealth,” says Jamie Caring, founder at hospitality marketing consultancy

Sevengage. “The Groucho was the first club to have an opinion on who its members should be. It didn’t matter how much money you had or how powerful you were. It was about how credible you were.”

Similar institutions followed, notably Blacks and Café Bohème in 1992 and the Union Club in 1994. Café Bohème founder Nick Jones opened the first branch of Soho House on Greek Street in 1995 – a move that would propel clubs from a niche corner of the hospitality sector to a global industry.

Members were typically creative professionals rather than those born into wealth and status. The clubs “captured what was then a very early millennial moment of what luxury looked like,” says Martin Raymond, co-founder of The Future Laboratory and founding member of The Groucho.

In 2003, when Jones opened the first New York branch, the local scene looked a lot like London’s, pre-Groucho: memberships were generally inherited rather than bought, but Soho House “cleared the way” for everything that came later, says Richie Notar, a hospitality consultant and former founding partner of Nobu.

“Soho House ‘captured what was then a very early millennial moment of what luxury looked like.’”

Martin Raymond, co-founder, The Future Laboratory

Soho House boasted nearly 200,000 members and 43 clubs at the end of March 2024. Its rapid rise, fuelled partly by money raised during a 2021 New York Stock Exchange listing, put it in uncharted territory in the world of clubs. In December 2023, the branches in London, New York and Los Angeles temporarily stopped accepting new members to prevent overcrowding.

The industry is now arguably in its third wave. Clubs that might once have been the pet projects of eccentrics are viewed as serious moneymakers, with thousands of members paying for the privilege to buy food and wine. For property developers, they can add serious kudos to a luxury development. Hoteliers view them as the ultimate loyalty perk for wealthy guests. Coworking spaces increasingly



masquerade as clubs. Members-only restaurants and bars are popping up in New York City. There are hyper-local clubs, women-only clubs and clubs for tech entrepreneurs, wine connoisseurs, health enthusiasts and digital nomads.

The sector is expected to grow at an annual rate of 11% through to 2027, at which point it will be worth \$25.8 billion, according to research consultancy Mordor Intelligence. And while that gives the impression the industry is thriving; experts say fatigue is beginning to set in. Closures are increasingly common. In January, the House of St Barnabus in Soho announced it would close, citing financial challenges. Women’s-only club Chief, in Bloomsbury, closed in March after little more than a year. Many others show signs of financial strain.

“We’re all more demanding now because we’re so familiar with the concept,” Raymond says. “When someone approaches me for a membership, the natural question is: what is it you’re giving me that is going to be useful? This is where many of the new clubs are in a quandary.”

Even the most iconic clubs can risk getting the mix wrong. In August, the *Sunday Times* reported details of a letter circulating among members of one leading club, accusing it of a “spreadsheet culture” and a “creep toward corporatism.”

The letter encapsulates a paradox at the heart of the sector: that the pursuit of success can make clubs worse.

“The highly commercial approach to clubs ruins them,” says Caring. The Groucho’s founders started the club with a community in mind – a more relaxed environment for

creatives that put women on an equal footing with men. Success came later, and only by taking the same approach can modern clubs guarantee longevity, Caring says.

“If you go into the club world to make money, you are concepting it back to front,” he says. “Clubs are about culture and community, not commerce.”

“The industry is now arguably in its third wave. Clubs that might once have been the pet projects of eccentrics are viewed as serious moneymakers, with thousands of members paying for the privilege to buy food and wine.”

# Open your own club: a five-point guide

Successful clubs manage to stay relevant for decades. The secret lies in knowing how to build and maintain a community, experts say.

Opening a private members' club is inherently risky.

Aside from all the usual challenges that come with operating in the hospitality sector, like labour retention, rising costs and regulatory compliance, clubs must be perpetually 'cool' among their target groups.

Tastes change, so staying relevant is a moving target, but the best clubs manage it. To find out how, we canvassed more than a dozen industry experts during the spring and summer of 2024. Here's what they said, distilled into just five points:

"Tastes change, so staying relevant is a moving target, but the best clubs manage it."



## UNDERSTAND WHAT YOU'RE SELLING

The building, the design, the food, the programming – you can get all that right and still fail, because what you're really selling is access to a community. Ideally, a group that creates a desire in others to join it.

"The community is the biggest selling point of your club in a lot of ways: you're joining a group of people that you want to be part of," Caring says.

"There's an old adage about clubs, which is that you join for the facilities, but you stay for the people."

## AVOID THE WEALTH TRAP

What club owner doesn't want packed tables spending thousands of pounds on wine? Clubs aimed almost solely at the wealthy are proliferating. Five-figure-a-month membership fees have appeared in some global cities, but this approach comes with big risks.

"People think that the property itself and how much they've spent on the marble and the fittings are what people will join for... they are boltholes for the elite without giving the elite a reason to bolt there."

Martin Raymond, co-founder, The Future Laboratory

"People think that the property itself and how much they've spent on the marble and the fittings are what people will join for, but these are loyalty clubs masquerading as members clubs," Raymond says. "They are boltholes for the elite without giving the elite a reason to bolt there."

Caring agrees. "Good clubs are cautious not to filter their members by wealth," he says. "Set the fees too high, and you lose that coterie of members who are less wealthy but perhaps younger and more cultured, charismatic, and social. Then the business crowd isn't happy because, in truth, they want proximity to that dynamic, buzzy, vibrant crowd that has been priced out."

## SELL MEMBERSHIPS, BUT DON'T SELL MEMBERSHIPS

Understanding how to nurture a community is among the most important skills any club owner can

have. Many clubs use an ambassador system to get movers and shakers to bring friends through the doors. At The Arts Club, that meant retaining Gwyneth Paltrow as a shareholder and Mark Ronson as music director, recalls Marcus Watson, an Arts Club non-executive director and co-founder of the global club Adorem. "We got that celebrity element right early on, then we were able to attract those really high-net-worth business leaders."

Organic growth via word of mouth is key, and of course that doesn't have to come via celebrities. Form a membership committee; a core group in the industry or neighbourhood you are targetting. Give them a stake in everything from character to the programming. That sense of ownership provides a powerful incentive to spread the word, and avoids giving the impression that you are actively seeking members.



"Clubs don't sell memberships... that's what gyms do. Clubs are based on a model where you create something amazing, you drive huge desire around being a member... and you choose the people you want."

Jamie Caring, founder, Sevengage

"Clubs don't sell memberships," Caring says. "That's what workspaces do. That's what gyms do. Clubs are based on a model where you create something amazing, you drive huge desire around being a member, people flock to you, and you choose the people you want. If you're out there driving people mad to be a member then you've done something wrong."

## GET THE PROGRAMMING RIGHT

"One of our biggest expenses is programming and it is the single biggest source of conversion for new members," says Nick Hamilton, co-founder of The Conduit. "Members bring guests, who come to see the programming, then they see who is at the club and they get it."

The Conduit is a club focused on positive impact. The events can be challenging, and often include journalists fresh from reporting in conflict zones. That's the Conduit's audience, and the owners know how to cater to it. Indeed, good programming often explores a niche of has a distinctly local feel. The Century Club in Soho, for example, offered members lessons in Japanese bondage, or "Shibari", in the run up to Valentine's Day.

"One of our biggest expenses is programming and it is the biggest source of conversion for new members."

Nick Hamilton, co-founder, The Conduit

“We’re in Soho, you can’t be completely square and be a club in Soho, it doesn’t make sense.”

Suzette Field, director of membership, The Century Club

“My advice is to put something on that people aren’t going to find anywhere else,” says Century Club director of membership Suzette Field. “We’re in Soho, you can’t be completely square and be a club in Soho, it doesn’t make sense.”

#### STOP THINKING LIKE A HOTEL

Members’ clubs occupy a unique place in hospitality. While even the most committed fans will frequent their favourite restaurants or hotels a few days a month, some members will visit their club daily.

That requires a different approach from staff, according to Caring.

“Hotels are transient places, where people travel from all over the world and you see them rarely,” he says. “Clubs are places where you see the same people every day. So all of that obsequious, grovelly, ‘yes sir, no sir, absolutely sir,’ – that’s

not what people want every day. A club is supposed to be a home away from home.”

“Members’ clubs occupy a unique place in hospitality. While even the most committed fans will frequent their favourite restaurants or hotels a few days a month, some members will visit their club daily.”

Jamie Caring, founder, Sevengage



# Three clubs, three business models

Club business models are becoming increasingly diverse. For this insider’s guide, Knight Frank profiles two new entrants and an industry stalwart, each with a unique approach to doing business.

## Slowness – cultivating inner gardens

When you arrive at slowness.com, you might not realise that you’re looking at a website for a hospitality business with a membership programme, but immediacy isn’t the point.

“We break cycles of distraction and destruction, opening deep chasms of reflection and space for energetic insight,” an introduction says. “Slowness defies conventions, embracing the imperfect, the strange and indigenous. Not the prettiest apple but the tastiest, the unaltered, the one that bends the branch.”

It might take a few clicks before you realise the company is the brainchild of Claus Sendlinger, founder of Design Hotels, and consultant Peter Conrads. Both yearned “for a slower way of moving through the world”, so they created Slowness. The business is a growing collection of places that includes an Ibiza ‘agriturismo’, the striking Berlin performance space Reethaus, with its concrete, glass and reed structure (see image), the manor house Arnesse in the German Uckermark district, and a community-supported agriculture project and beach restaurant on Portugal’s Caparica Coast.

The places are tied together through a heavily purpose-led content

programme. The Ibiza agriturismo La Granja, for example, “also functions as a platform for discourse on farming, sustainability and our relationship with the food we eat.” The content is eclectic: the winter 2024 program at Reethaus spans sonic artists, film composers and a Tibetan Tantric Choir.

A soon-to-be-launched membership programme will give members special access to events and year-round retreats, festivals, and workshops.

“For those who want to engage with us regularly, more deeply, we allow

them to do so through a membership,” says Serdar Kutucu, CEO of the Slowness parent company Slow Capital and former chief operating officer of Design Hotels. “Those who want to come here occasionally can do that. The programme is either exclusive for members or free for members, but the public can still enjoy the spaces, and they can all mingle together.”

The clubs tap into the interests of an increasingly wealthy cohort of Gen Z and millennial consumers who say they want to use their time and money to make a positive impact.

The striking concrete, glass and reed structure of Berlin’s Reethaus



“Hospitality has the opportunity to inspire people,” Kutucu says. “We believe, and we have seen in our lives and our careers, that hospitality can have an influential impact on people. Not only during the time that people spend in these places, but from the things they have learned that they want to apply to their lives at home.”

## The Embassies – ageing in style

**J**an Garde’s parents spent a lot of their time at work.

He grew close to his grandparents, who lived nearby in Kranenburg, a small town on the border of Germany and the Netherlands. Then, they grew old.

“At some point they moved into a retirement home,” Garde says. “I thought that was a really horrible concept.”

It wasn’t until his parents reached a similar age decades later that Garde had the professional experience to propose an alternative. The Embassies is a hospitality business aimed at “changing the way we perceive and experience getting older”.

Garde is searching for suitable buildings in which to implement the concept, which will include a members’ club on the top floor, between 30 and 80 residences below, and food and beverage at ground level: “not a posh expensive place, more like a neighbourhood bakery where people gather and mingle,” he says.

Porsche is among the company’s financial backers, and the members club already has 1,600 people on the waiting list.

“The sector as a whole hasn’t been touched too much,” Garde says. “The main players so far tend to approach things from a perspective of ‘hey we’ve got a building, what should we do with it’ rather than ‘hey we’ve got a consumer, how do we market to them’.”

The apartments will be what Garde calls “very serviced”, enabling residents to transition from



The Embassies founder Jan Garde  
Photo credit: THE EMBASSIES, Robert Winter

independent living to assisted living without leaving their homes. The club is aimed at those at or approaching retirement, but younger people are welcome. Garde intends the bottom floor to be a meeting point for all ages. The blend of the three businesses is designed to cut the isolation commonly associated with living alone or in care homes, which Garde points out kills more people than smoking, drinking and drunk driving combined.

The club is accessed via membership fees, but the business model is underpinned by selling the apartments. The design is unashamedly influenced by Soho House – we are “targeting a crowd that perhaps feel a little old for Soho House, but wish to be in an environment that shares those principles,” Garde says.

“The main players... tend to approach things from a perspective of ‘hey, we’ve got a building, what should we do with it, rather than ‘hey, we’ve got a consumer, how do we market to them’.”

Jan Garde, founder, The Embassies

“The collective solution has tended towards checking older people into care homes and hoping for the best, and we wanted to tilt that on its head, driven by the experiences that we’ve seen work elsewhere in hospitality,” he adds. “We came to the conclusion that rethinking the entire model could be interesting.”

## The Conduit – connecting with purpose

**I**f you wanted to mingle in a room full of impact investors a decade ago, you had to attend a conference like Ted, Summit, or Aspen. These days, you can go to the Conduit.

Former banker Nick Hamilton and human rights lawyer Paul van Zyl founded the Covent Garden private members’ club in 2018 after becoming familiar with impact investing through their respective professions. Hamilton had toured the conferences and was “amazed” by how the industry had proliferated, yet there were waiting lists to pay five-figure entrance fees. The “episodic” nature of conferences also struck him as inefficient.

“You’d show up at these things, you’d meet really inspiring and amazing people, then by definition... you’d part ways, yet people were confused about why they couldn’t get scale and impact,” Hamilton says. “We thought that if we set up a community in a large, global city, you’d probably get a lot of people wanting to join, and you’d get a lot more done in terms of impact.”

The Conduit aims to “gather changemakers” by offering programming that covers challenging topics. During a week in September, members attended a “fireside conversation” with Nobel Prize-winning peace activist Leymah Gbowee, who fled the Liberian civil war as a teenager, and a debate with historian and journalist Anne Applebaum on “the networks undermining global democracy.”

“We thought that if we set up a community in a large, global city, you’d probably get a lot of people wanting to join, and you’d get a lot more done in terms of impact.”

Nick Hamilton, co-founder, The Conduit

The events are fun, despite some of the heavier topics, Hamilton says. “We firmly believe that nothing we do should be expressed in a way that is finger-wagging and lecturing. Everything we’re trying to do is about inspiration and focusing on solutions,” he adds.

The programming underpins the club’s purpose and pays the bills: the events are the club’s largest source of new member conversion. Rucola, the club’s rooftop restaurant, serves Northern-Italian-inspired dishes with a panoramic view of the London skyline.

“Just because we’re focussed on impact doesn’t mean the cocktails can be rubbish or the food can be lousy,” Hamilton says. “We want people to arrive at the roof terrace and say ‘wow, this is amazing, stunning space’ and enjoy being here.”

The company publishes an impact report covering both internal

“We firmly believe that nothing we do should be expressed in a way that is finger-wagging and lecturing... Everything we’re trying to do is about inspiration.”

Nick Hamilton, co-founder, The Conduit

operations, like food sourcing and staff treatment, and any external impact the company creates. Conduit Connect, the company’s Impact Investing Network, has raised £30 million for ‘impact’ businesses, which have since raised £500 million.

“Even if we may no direct investment, we want to be the space – we want to be the Conduit – to those conversations happening,” Hamilton adds.

Nobel Prize laureate Malala Yousafzai speaking at The Conduit in May 2023



# The Big Apple gets a supersized scene

As private members' clubs sprout across global cities, no scene is as competitive as New York's.

If you want to dine alongside the likes of Ryan Reynolds at the New York City private members' club Casa Cipriani, or Kim Kardashian at the competing Zero Bond, expect to wait.

Exactly how many thousands of people are on each waitlist is the subject of speculation, but Zero Bond Managing Partner Will Makris confirmed to Business Insider in 2021 that his staff were sitting on applications from 9,000 people.

It's not for want of choice, either. As private members' clubs sprout across global cities, no scene is as competitive as New York's. Many more clubs have appeared since Makris spoke to Insider, including Chapel Bar, Central Park Club, The Ned, Casa Cipriani, Casa Cipriani and Casa Cruz, to name just a few.

But while the raft of openings and the success of the likes of Zero Bond give the impression of a booming

industry, cracks are appearing. The Wing closed in 2022. Chapel Bar followed in the summer of 2024. Others have been the subject of scathing reviews, and experts say New Yorkers are likely to groan when they hear another private members' club is coming to town.

"It's so overdone, it's so redundant" says Richie Notar, a hospitality consultant who worked his way from bus boy at Studio 54 to co-founding Nobu. He now acts in an advisory role for The Ned, part of Soho House.

"Everyone thinks you wave the magic wand and this is the next thing in vogue – a trend – but New York is tough."

Richie Notar, hospitality consultant and co-founder of Nobu

"Everyone thinks you wave the magic wand and this is the next thing in vogue – a trend – but New York is tough" he adds. "That said, if you have a market that's not saturated and you handle the marketing correctly, you can do very well."

Getting the location right is a large part of the battle. Like many global cities, Manhattan is sliced into neighbourhoods and people feel deep connections to their piece of the city. Creatives, for example, generally want to stay in lower Manhattan.

"Your location really determines who you're going to get in the door," says Hugh Dixon, head of Knight Frank's US private office who is working with a number of clubs to find spaces. "Downtowners won't really want to go above 14th street, so if you're going to open a club on the Upper East Side, you really must draw a crowd north or lean on your local residents to join. Location really has to fit with the profile."

Then again, a successful opening has the power to change how New Yorkers feel about an area, experts say, which helps explain why they are so feted by real estate developers. That might well happen for clubs that have opted for locations more commonly associated with work than play, like

"Your location really determines who you are going to get in the door."

Hugh Dixon, head of the US private office, Knight Frank

"Real exclusivity... drives people nuts in New York City. When you have that, people are eating out of your hand."

Richie Notar

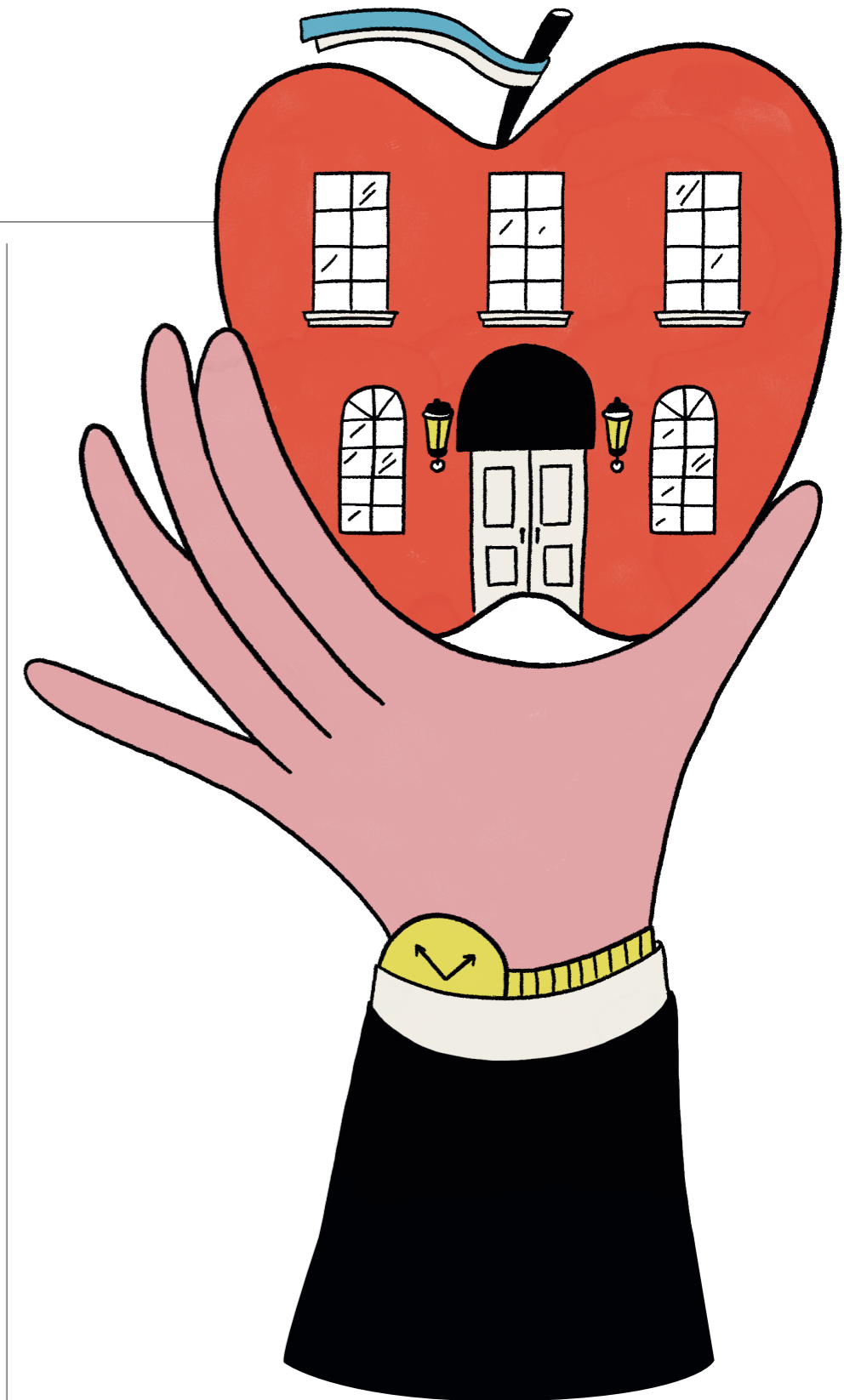
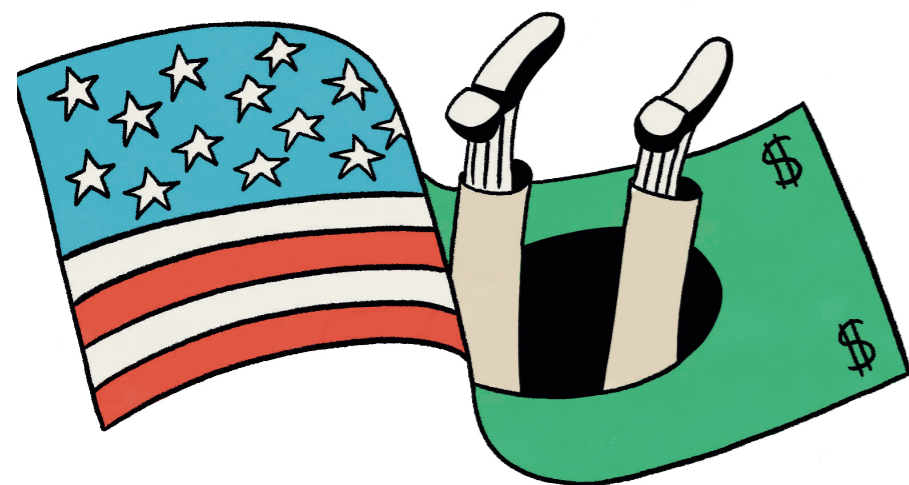
the Colette Club, a coworking club for the super-rich that comes with a \$125,000 joining fee.

"These are very homogenised areas; they are office buildings, so you'd better have some good thunder in order to change someone's opinion about it," Notar says.

Despite the risks, openings show few signs of slowing. Robin Birley, founder of London private members' clubs 5 Hertford Street and Oswald's, will soon open a club on Madison Avenue between 69th and 70th streets in the former Westbury Hotel.

Industry veterans like Birley still hold significant advantages over newcomers because he understands how clubs build communities and stay relevant, experts say. Building a thriving business before introducing a membership model is a better strategy or others, Notar suggests.

"[At Nobu], we could have probably charged people 25 grand a year just for premier reservations because people couldn't get in," he adds. "That's the magic. That creates real exclusivity, and it drives people nuts in New York City. When you have that, people are eating out of your hand."



# From coworking to fee-free competitors: welcome to the third wave

We pick five trends that will shape a new era in the club sector.

The private members' club sector is changing rapidly. Owners continue to introduce new concepts and relative upstarts are making headway, albeit with mixed success in some cases. The right balance of work and play remains uncertain, as does the optimal mix of hedonism and wellness.

Our five trends for the future cover these aspects and more. Understanding them will raise the prospects of success in a little-understood market, whether you're a club owner, a property investor, or simply searching for a membership.

## THE WORK QUESTION

Working at home for even part of the week leads to a loss of office routines and fortuitous conversations over coffee or in corridors. As a result, some people are searching for a sense of belonging elsewhere. The club is a perfect solution, providing a community of like-minded individuals with facilities that meet their needs, including work spaces and cocktail bars. That said, combining work and pleasure is a tricky balance and needs to be managed carefully.

"A little bit of work is a very important thing to ring-fence,

because you can't be a club and a workspace, you're one or the other," Caring says. "If you put them in the same place, the social side dies, because people don't want to socialise in places they work."

These questions apply more broadly, too. There is a demand for clubs to fulfil more requirements, so spaces for socialising, fitness, wellness, and working. This is a good place for clubs to be – they are more relevant for members – but combining these uses is a real skill, and done badly you end up with a club that satisfies no-one.

## FAMILY TIME

The success of The Little Houses growing stable – with Jaego's House in Kensal Rise now joined by Jesse's House in Parsons Green, and other pioneers such as Cloud Twelve in Notting Hill – confirms that combining private clubs, wellness spaces and kids clubs has a big potential impact on the desirability of housing markets in some areas.

Our analysis of the sway of Jaego's confirms vendors are claiming bragging rights on their property's

"A little bit of work is a very important thing to ring-fence, because you can't be a club and a workspace, you're one of the other."

Jamie Caring, founder, Sevengage

"Fun for the kids and relaxation for the parents is a potent mix: family clubs are the sector's next big growth area."

proximity to the club, up to a 30 minute walk away – that's out to Willesden and beyond. Fun for the kids and relaxation for the parents is a potent mix: family clubs are the sector's next big growth area.

## A THREAT TO THE INCUMBENTS?

The likes of Soho House toppled gentlemen's and country clubs as the primary members' clubs in the UK and the USA. In many other markets, however, decades-old establishment clubs remain dominant.

Hong Kong is a good example. "Some of the traditional clubs have been around for more than a century and hold onto precious land and property assets that would be a Herculean task to recreate in today's world of sky-high land costs," says Ho-Pin, head of the private office at Knight Frank Hong Kong.

Newcomers like Soho House, Carlyle & Co and 1880 generally attract a different crowd, but we've seen that change in western markets. Memberships at the traditional clubs are often inherited and wait lists are decades long. Competitors will use this dynamic to their advantage as they move into markets across Asia and beyond – watch for a coming surge of investment in India.

## THE MOST SOUGHT-AFTER ANCHOR TENANTS

A great club is an anchor tenant – and gives confidence to other operators and businesses to up their game: consider the impact of Soho Farmhouse on the pubs and hotels in the area.

Landlords are increasingly looking at their mix of amenities to attract office tenants, and partnering with members' clubs can improve tenant experience and ultimately accelerate leasing.

Swire Properties in Hong Kong has partnered with the members' club 1880 for their latest office project, Two



New club 1880 opens later this year in Hong Kong's Two Taikoo Place

Taikoo Place, to deliver a range of amenities across 50,000 sq ft within the 1 million sq ft tower. This has allowed the property to outperform the market and establish a new benchmark for amenity-rich office space according to Jonathan Wright, the Knight Frank senior director that managed the deal.

Each aspect of a development must be complimentary for the mixes to work. Additionally, developers need to get comfortable ceding creative freedom to the individuals running the club, particularly when it comes to the programming, experts say. "You need to truly integrate amenities into the asset and layer with elevated content programming to truly create value." Wright adds.

## CLUBS, BUT WITHOUT THE MEMBERSHIP

Chiltern Firehouse in London's Marylebone has all the trappings of a members' club. The food, design and exclusivity, driven in-part by the celebrity clientele, make it almost indistinguishable from the capital's leading members' clubs.

Dealmakers in real estate, banking and beyond have adopted the hotel as their "virtual" club, driving spend on food and wine, while creatives swing by after coffee at nearby Monocle café.

Restaurants and hoteliers threaten private members' clubs, but only if they get the concept right. Chiltern Firehouse stands almost alone in this regard so far, but it's not the only restaurant taking business from other uses. Hospitality giants are spending big on consultants, seeking to buy in the magic that the clubs create. Whether they are successful will dictate the trajectory of the industry during the next decade.

"Some of these clubs have been around for more than a century and hold onto precious land and property assets that would be a Herculean task to recreate in today's world of skyhigh land costs."

Ho-Pin, head of the private office at Knight Frank Hong Kong

Family club Jaego's House, London





We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

#### Research enquiries



Liam Bailey  
Global Head of Research  
+44 7919 303 148  
liam.bailey@knightfrank.com



Izzy Briggs  
+44 7976 666 982  
isobel.briggs@knightfrank.com

#### Market enquiries



**UK & Europe**  
Alasdair Pritchard  
Partner, Private Office  
+44 7917 750 775  
alasdair.pritchard@knightfrank.com



**US**  
Hugh Dixon  
Head of New York Private Office  
+1 917 451 1999  
hugh.dixon@knightfrank.com



**Asia**  
Ho-Pin Tung  
Head of Hong Kong Private Office  
+85 2 6882 5677  
hopin.tung@hk.knightfrank.com



**Asia**  
Jonathan Wright  
Senior Director, Hong Kong Office  
Strategy & Solutions  
+85 2 9020 9200  
jonathan.wright@hk.knightfrank.com