

EXOTIC CAR SHARE CLUBS: THE EASY ALTERNATIVE TO OWNERSHIP

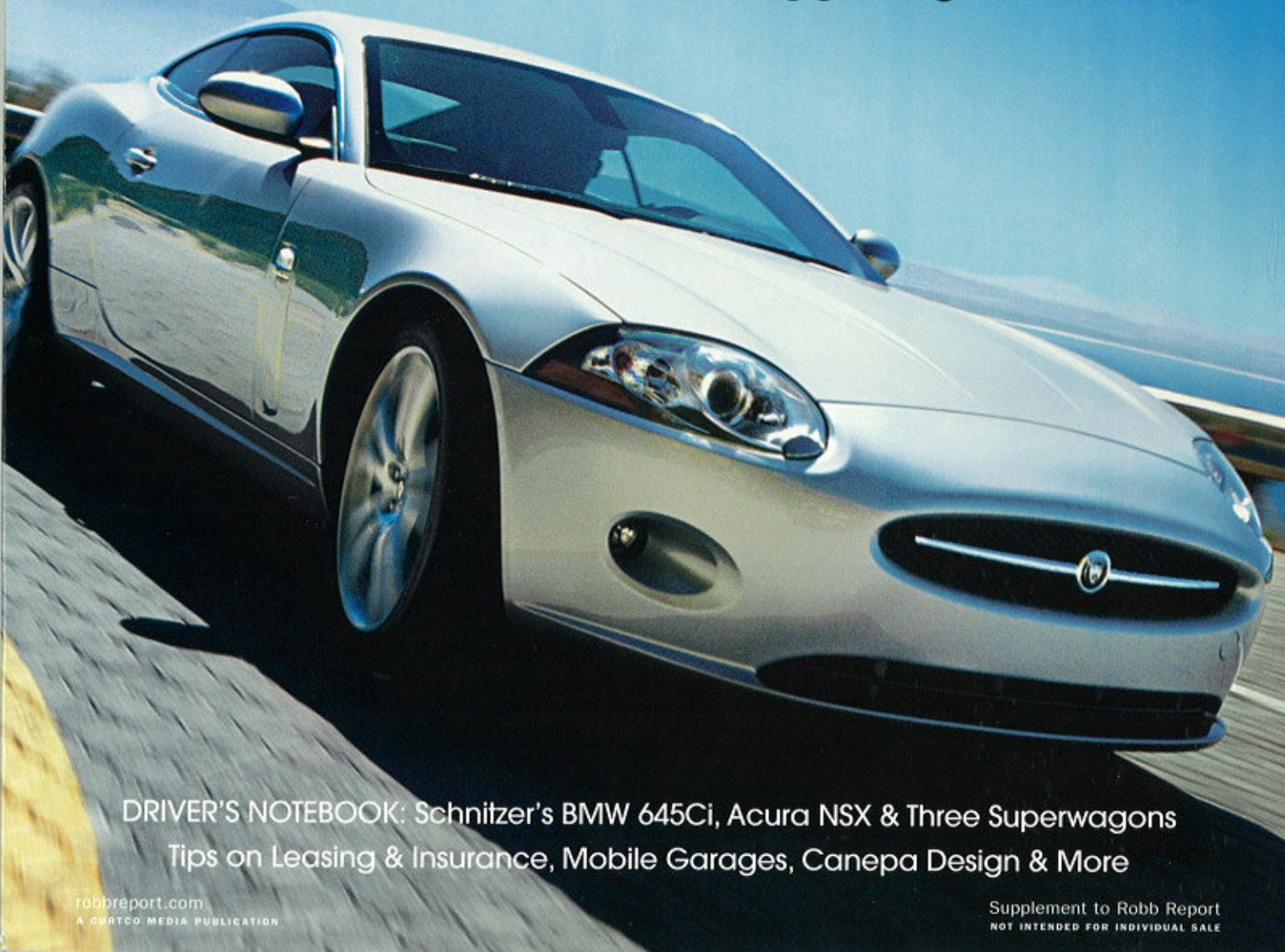
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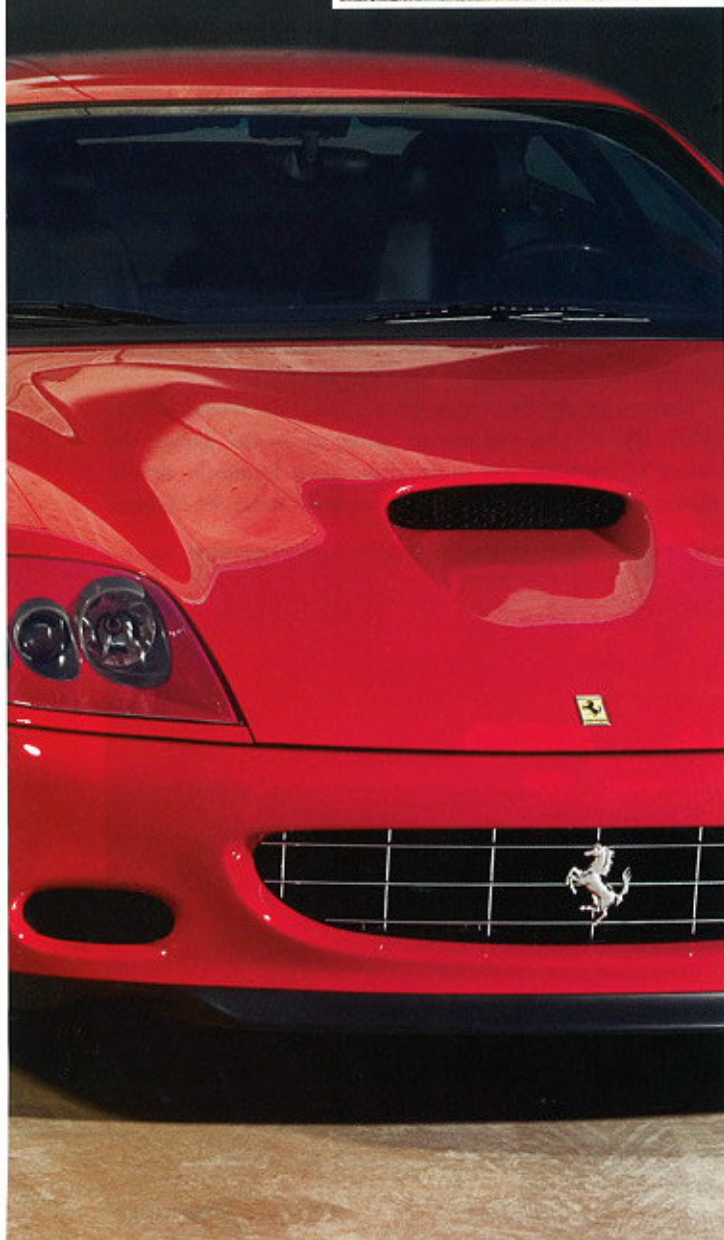
CAR SHARE CLUBS

The Ownership Alternative

BY JENNIFER HALL



*The Private Collection at Hangar One in Scottsdale features head-turners like the Vanquish and Maranello.
Opposite right: The Morgan Plus 8, from Club Sportiva in San Francisco, caters to real sports car lovers.*



IT IS THAT FEELING THAT COMES WITH JUST knowing your classic collector car is resting in the garage as you fall asleep at night. It is the most desirable model, the best year. Not since your marriage have you perused something so avidly. You vow to keep it in mint condition and it wants for nothing. You arrange detailing appointments more regularly than visits to the dentist for your children. But is classic car ownership really the high road you have always felt born to drive?

Lately your exotic beauty has been sitting under its flannel cover more than you intended. You seem to be flying for business more than driving for fun. Last time you took her out for a spin the engine was not running as well as you remember. And now you feel yourself craving another. Your buddy has a vintage convertible sitting in his garage, and it sure looks like a lot of fun.

Torbin Fuller, cofounder of Bay Area-based Club Sportiva, one of the first exclusive car sharing clubs to arrive in the United States, knows: "I had owned a number of sports cars" the entrepreneur says, "and it was in 2002 that I sold my 1982 Ferrari because it was too much of a hassle to maintain." But fortunately the loss prompted a better idea. "I quit my job and within two months had opened the club." Fuller left 60,000 other employees at Ford Motor Company for San Francisco's clear driving weather and began fitting newly recruited members into seats of his 10 mint-condition classics, no ownership burdens attached.

Fuller was able to open his company so quickly because he modeled the business after the already successful industry pioneer Classic Car Club. Ten years ago, with a concept much like real estate time share and residence club programs, the European company introduced the very first car share club to maximize the driving experience of

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TRYING HARDER



Although club membership remains the best way to access quintessential classics, if contemporary exotics get you going, Beverly Hills Rent-A-Car has the means and customer dedication to meet specialized demands. "We may not be able to get a pink '57 T-bird," says company partner Jerry Siemons, "but if someone requests a car we do not currently own, we will go out and buy it for them." The Southern California-based company has purchased cars from more than 3,000 dealers across the country and has made specialized deliveries as far away as Virginia. "If we need a car in a hurry, we get it," affirms Siemons, who makes his most frequent deliveries to Aspen and Vail. "Really, we're into the fashion business. Whatever is really cool, we want to have it." —J.H.

Beverly Hills Rent-A-Car, 310.274.6969,
www.beverlyhillsrentacar.com

classic, luxury, and sports cars. Pass an application process, pay the membership fee, make an annual dues commitment, and you are cruising through the English countryside in a 1970s Ferrari. When you finish, hand it back and drive away in a different classic.

Brothers Philip and Dave Kavanagh—future founders of Classic Car Club—were raised watching *American Graffiti* and looking up to their racecar-driving uncles. In the early 1990s, they began their first classic car pursuits, but could not find the choice cars they desired. "That was the germ that started to grow," says Philip, the younger brother, who recalls wondering: "How do we get access to these cars?" The young men began brainstorming with a friend in business school who needed to design a start-up company to complete his MBA. For two years the team worked together and began to take memberships in September 1995 after acquiring a fleet of 10 cars, including a Porsche, an Aston Martin, and an Alfa Romeo.

Business ticked along until March of the next year. "I'll always remember that day was a Sunday because we had an article with a full-color picture come out in the *Times*," Philip recalls. "I was sitting alone in the office because my brother was on holiday in Australia. The phone just started ringing." Those weekend automotive section readers saw immediately that the Kavanaghs were onto something.

As the true father of car share clubs, Philip admits "it was a big gamble for us. We couldn't sell the product until people started to understand the concept that owning an old car will give you more problems than using an old car we professionally maintain for a weekend."

Instead of driving your own classic six weeks a year while the 40-year-old engine gums up in the garage the other 10 months, car share clubs keep regularly driven classic automobiles primed to drive at all times. For Classic



A top-down drive in the Rolls-Royce Corniche is an experience to be savored. This one is from the Classic Car Club Manhattan.



Car Club and most others, member drive time is calculated on a point system. Multiply the desired car brand by the chosen day of the week by the month driven to determine the number of points a drive will cost. For example, booking Classic Car Club's 1961 Austin Healey Frogeye Sprite for two weekdays in September uses about 12 points. If you want to take a Ferrari for a weekend in June, expect to forfeit 192 points. Point packages start at \$7,000 annually for a 750-point silver membership.

Although car use is shared among members, both companies keep availability a top priority. Classic Car Club maintains a five-to-one member-to-car ratio, and Club Sportiva, on average, keeps half of its fleet home at the club. If your client calls to cancel a same-day meeting, you can dial Club Sportiva to reserve a Bentley Turbo R for later that afternoon. "That car is practically on autopilot to Napa," Fuller reports. "It's just too perfect for wine tours." More of a classics guy himself, Fuller takes off in the yellow 1962 Corvette convertible or handmade 1982 Morgan Plus 8 in British racing green during his leisure days.

Until this year, domestic car share access has remained available only for Americans fortunate enough to live in the Bay Area or near Exotic Car Share, a small club based outside Chicago, unless they travel to Europe. P1 International and Parc Ferme, both based outside London in Surrey, accept

foreign memberships. P1 International, cofounded in 2000 by Formula One World Champion Damon Hill, keeps an \$8 million dollar fleet of 50 cars and has built a membership of more than 200. Cars range from sports cars such as an AC Cobra, Lotus Exile S2, and Noble 400 to current exotics like the Ferrari F430 Spider and Lamborghini Murciélago. The club offers an overseas membership to those who reside outside the UK. "If you will be traveling to Monaco for a few months, why not drive the kind of car you are used to driving at home?" asks Nick Gatrell, a spokesperson for P1. For such requests, the company offers delivery of the car in a covered carrier to any location in Western Europe. Club Sportiva's Munich branch offers similar delivery services overseas.

Since its opening in 2003, Parc Ferme has separated itself from the larger clubs by maintaining an iconic collection of classics only cars such as a 1972 Ferrari 246 GT Dino, a 1966 Aston Martin DB6, and a 1973 Jaguar E-Type Roadster. The club also maintains the most exclusive

membership cap: no more than 60 drivers. Founder Philip Moir takes pride that his club attracts successful clientele: "About 60 percent of our members work in the financial sector and 13 percent live outside of the European Union." Parc Ferme has maintained a 100 percent membership renewal rate and allows clients to take cars abroad.

Still, car share club owners



Top: American muscle cars, such as this Mopar and Chevy, are favorites at Classic Car Club Manhattan. Above: The club has an Aston Martin, too.

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promise domestic access will soon be more available for Americans. Two new clubs have already opened this year in the United States. Classic Car Club Manhattan, the club's first United States franchise, launched in July. With a starting fleet of 18 automobiles, the American branch of the European club chain will focus on local membership and the club experience. Philip Kavanagh hopes the new location will "make living somewhere like Manhattan a bit more bearable." Members receive 24-hour access to the private clubhouse in Hudson Square, invitations to club events, and tutorials with professional racecar drivers at the track. The club plans to open 10 new franchises in major metropolitan locations across the United States by the end of 2006.

Out west, the Private Collection first appeared in January of this year with exclusive access to the world's most expensive cars. Ron Van Horsen will store nothing valued less than \$150,000 at his club's showroom at Scottsdale Hangar One in Arizona. Among his first fabulous four-car fleet, Van Horsen remarks that the Vanquish has a sound that is otherworldly and loves the driving dynamics of the Ferrari Maranello. But like a glowing father, he refuses to pick a favorite. "They are like children. I can't choose one."

Van Horsen rejects the point-system model, proving to be the most forward-thinking businessman in the industry since the Kavanagh brothers. "I wanted this to be stone simple," he says. The Private Collection requires a minimum three-year commitment in which members sign a custom contract priced according to the number of weeks and type of car they plan to drive. "Our multiyear commitments encourage car sharing as a true alternative to ownership. It is time for a major change; we're looking at transforming the structure of the industry." Van Horsen plans to expand

the company across the United States and currently promises closed carrier delivery to any western location.

Even though many of his clients may use a car for the weekend only, Van Horsen does not think a one-week minimum will deter his client base: "Members often come in and request a car after being away on business. They tell me, 'It's just nice to know it's parked in the garage while I am at home.'" □

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THE FRACTIONAL OWNERSHIP OPTION

Chicago-based Exotic Car Share operates the only true automobile fractional ownership equity program in the country. When any three drivers show interest in one region of the



country, Exotic Car Share will purchase a new car and open a satellite club to service local members during their two-year contract. An initial fee from \$20,000 to \$60,000 and annual dues starting at \$7,500 to cover insurance and maintenance buy about seven weeks of annual drive time and one-fifth ownership of a Lamborghini Murciélago, for instance. When the car turns 3 years old, the company sells the car and each member takes home one-fifth of the sale. "We sell our cars for the highest market value because they have been maintained so well," promises general manager Brian Hamm. The club also offers a nonequity program called the Flex-Plan Program. —J.H.

Exotic Car Share, 847.358.7522, www.exoticcarshare.com