



2021 GOLF MARKET SUMMARY & OUTLOOK

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Dear Golf Industry Friends:

Golf Property Analysts invites you to review our 2021 Market Report & Outlook. This report summarizes observations we've made surveying numerous golf courses and clubs and sales transactions during our consulting, appraisal and brokerage activities.

With golf markets, like in politics, it's all "local", so beware of using broad averages and surveys when making decisions on specific properties in specific markets.

Due to the COVID pandemic, golf had an interesting year in 2020. We hope to use that data to project the market for 2021.

We hope you find the information useful and look forward to being of service to you during the coming year.

Thank you,

Laurence A. Hirsh

Laurence A. Hirsh, CRE, MAI, SGA

President





	Rounds	Rounds per 18 Holes	Gross Revenue	Gross Rev/ per Round
Average	28,161	25,915	\$1,405,320	\$48.37
Median	29,000	24,923	\$1,444,264	\$37.27
Min.	4,000	8,000	\$200,000	\$18.33
Max.	55,000	55,000	\$3,154,982	\$117.74

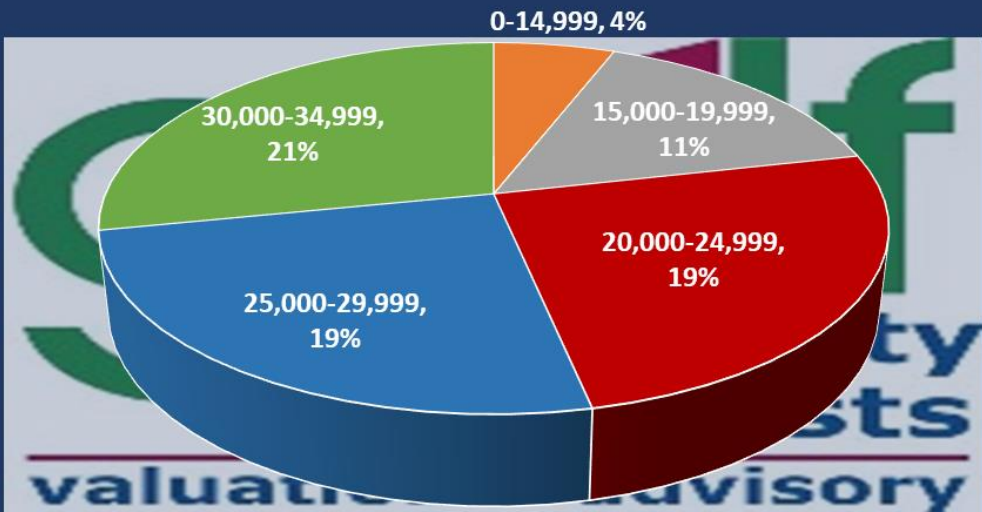
Often, the number of rounds played is the first question asked on how a golf course is performing. It’s important to understand how rounds are calculated. To many, a round is defined as 18-holes. It’s been my experience that most courses count rounds based on “starts”. In other words, the number of rounds recorded is typically the number of players that teed off. Whether they play 9-holes, 12-holes or some number other than 18, it’s still counted by most courses as a round.

Our surveys of nearly 700 daily-fee and municipal facilities in 21 states since January 1, 2015 shows an average of 28,161 rounds per year per 18-holes, and a median of 29,000. We feel the five-year snapshot is more telling than one year, when the numbers may be overly affected by weather. When both the mean and median are similar, this demonstrates a level of credibility in the data from which general overall market conclusions can be formulated. This survey included facilities as small as 9-holes and as large as 54-holes and demonstrates that the extremes (as shown) can be quite broad. It is important to note that conclusions in specific markets may vary from these broader averages, which cannot be used precisely to develop conclusions for specific properties.

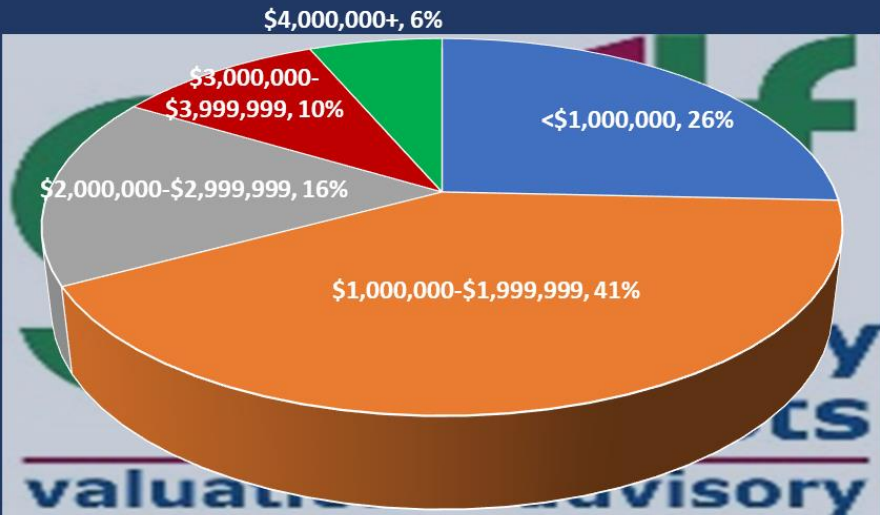
The chart illustrates an analysis of rounds and revenues per round from our surveys.

The charts and graphs illustrate gross revenue metric for daily-fee facilities and the distribution of selected ranges.

DF ROUNDS per 18 HOLES DISTRIBUTION



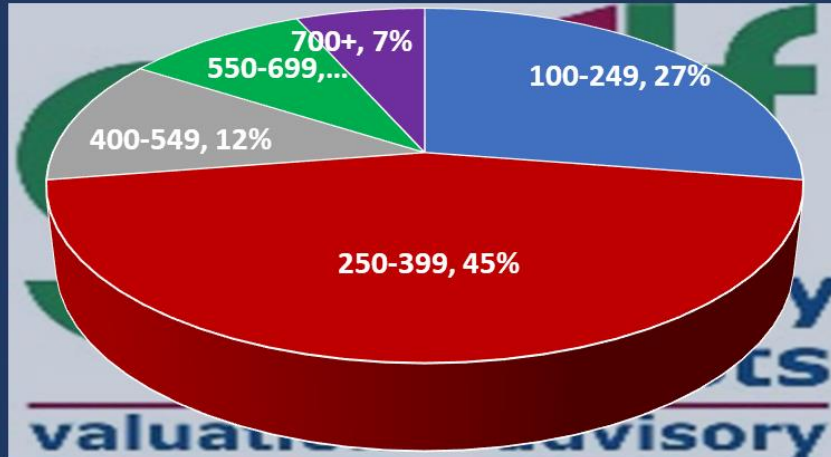
DF GROSS REVENUE DISTRIBUTION



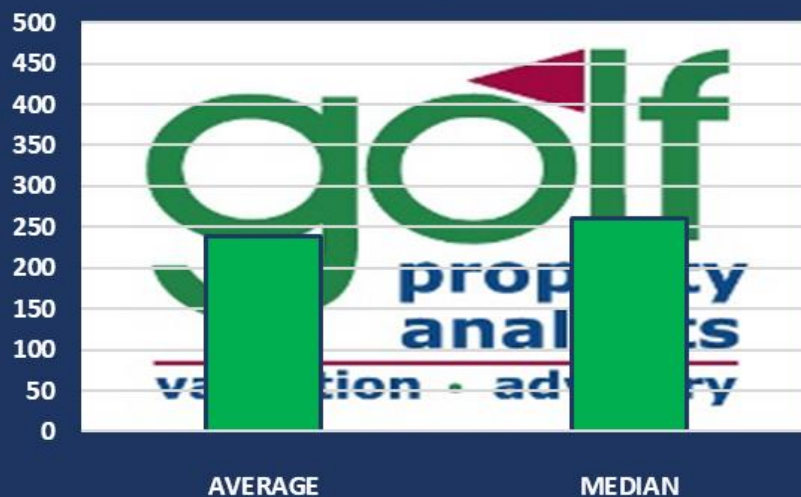
DAILY FEE GROSS REVENUE per ROUND



PR MEMBERSHIP DISTRIBUTION



GOLF MEMBERS per 18 HOLES



Analyzing activity at private clubs requires a bit of a different approach. Since private clubs depend on membership dues, we've looked at how clubs are doing during the past 5 years and just last year (2019) based on the number of golf members, number of golf members per 18-holes and the number of rounds played annually per membership. One element we normally observe is capacity. The number of rounds generated per membership is typically an excellent indicator of how many memberships a club can handle. Working backward from the number of rounds a course desires, that number can be divided by the activity level at the club (# of rounds per member) to determine the appropriate number of members.

2015-2018	# of Golf Members	Golf Members per 18 Holes	Rounds	Rounds per 18 Holes	Rds per Member
AVERAGE	373	239	22,251	18,394	60
MEDIAN	325	260	17,311	17,000	55
MINIMUM	100	0	5,557	5,557	18
MAXIMUM	1,593	1417	110,000	86,230	158

2019 only	# of Golf Members	Members per 18 holes	Rounds	Rounds per 18 Holes	Rds per Member
Average	449	399	27,622	23,020	81
Median	356	335	23,600	21,625	67
Min.	43	43	6,700	6,667	8
Max.	3,000	3,000	70,874	47,000	347

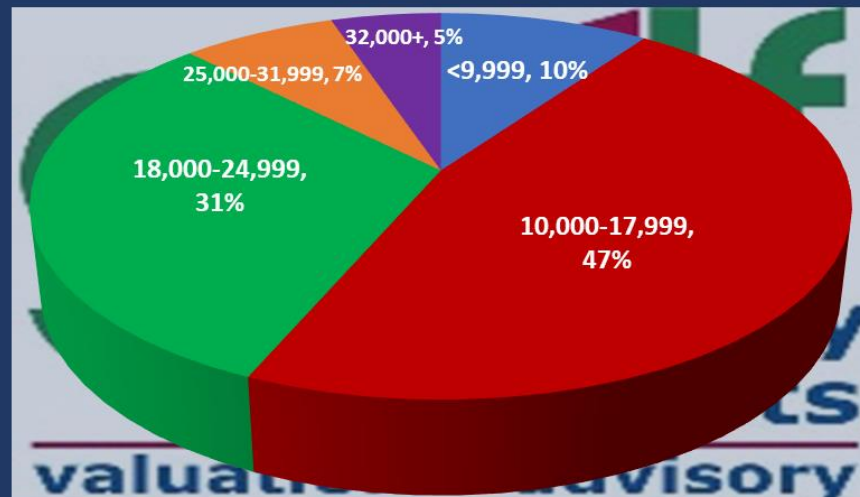
ROUNDS per 18 HOLES



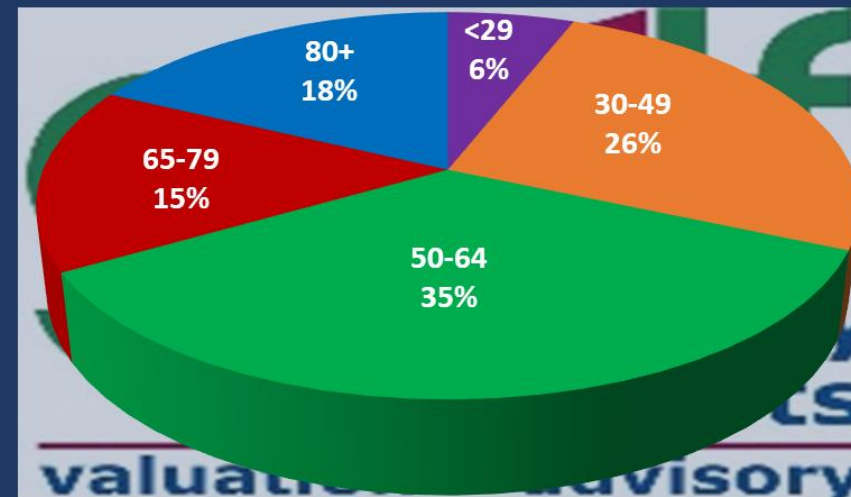
ROUNDS per MEMBER



PR ROUNDS per 18 HOLES DISTRIBUTION



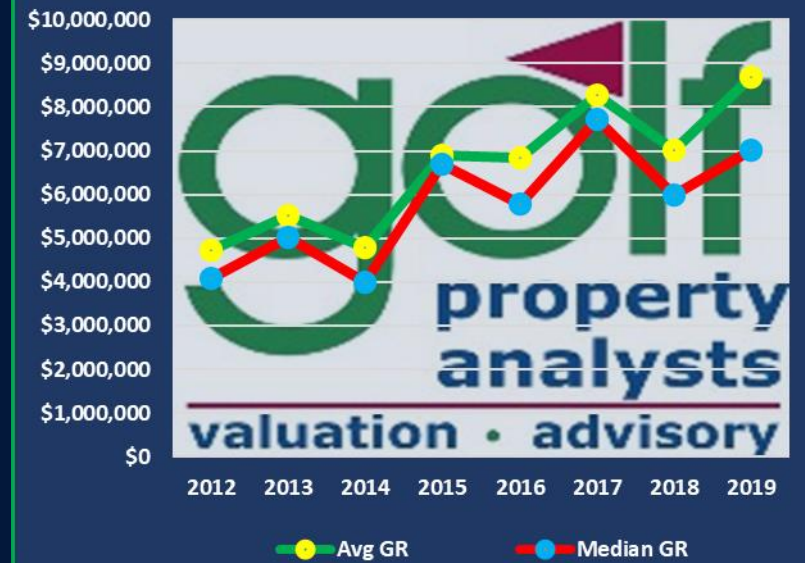
PR ROUNDS per MEMBER DISTRIBUTION



The adjacent graphs illustrate the rounds per 18-holes and rounds per member generated at the private clubs surveyed

Survey Year	Avg # of Golf Members	Median # of Golf Members	Members per hole	Avg Rounds	Median Rounds	Avg Rds per Member	Median Rds per Member	Avg GR	Median GR	Avg Gross Rev per Member	Median Gross Rev per Member
2012	347	349	18	19,850	16,050	74	61	\$4,725,415	\$4,088,888	\$16,491	\$13,531
2013	426	322	21	19,850	17,905	50	52	\$5,525,613	\$5,031,994	\$16,563	\$15,350
2014	370	300	17	20,064	18,000	67	55	\$4,789,147	\$4,000,000	\$14,695	\$11,429
2015	332	285	12	19,627	17,000	68	58	\$6,899,453	\$6,687,186	\$20,967	\$22,542
2016	400	323	14	23,057	18,000	61	53	\$6,831,962	\$5,774,570	\$18,727	\$18,104
2017	365	325	12	22,827	15,750	57	54	\$8,279,973	\$7,710,943	\$22,541	\$21,936
2018	361	318	17	24,212	19,000	78	56	\$7,009,523	\$5,997,329	\$18,948	\$15,983
2019	449	356	23	27,622	23,600	81	67	\$7,611,257	\$5,707,000	\$17,398	\$15,278
2020	-	-	-	-	-	-	-	-	-	-	-

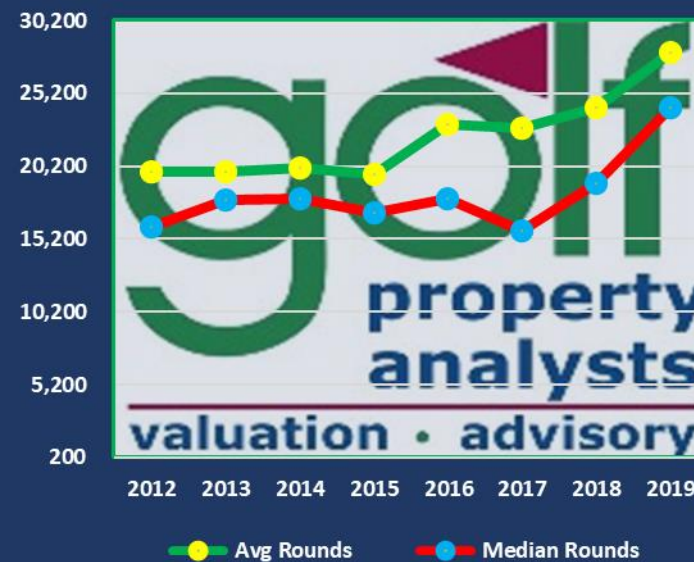
GROSS REVENUE



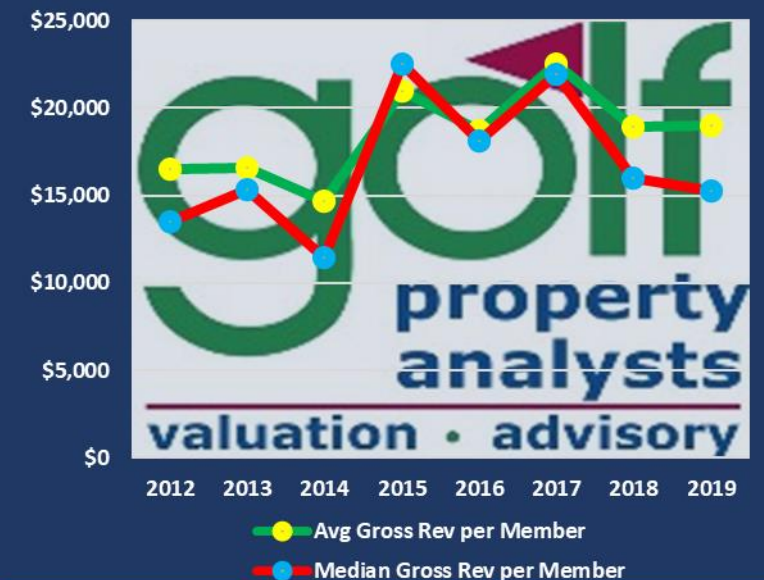
GOLF MEMBERSHIP



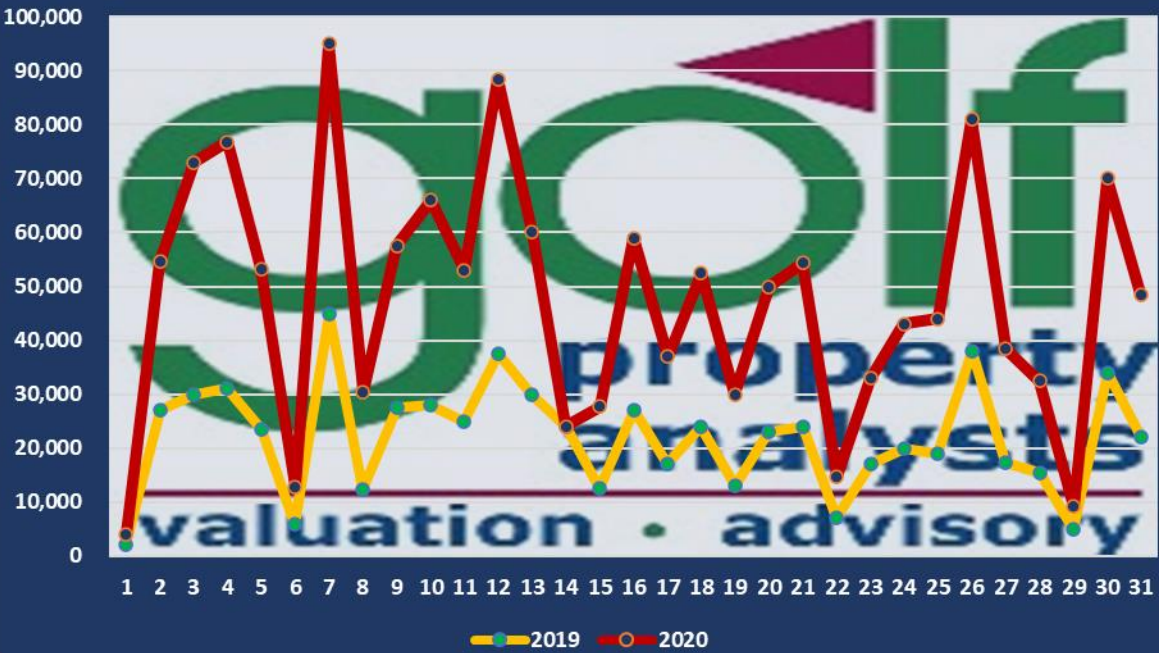
ROUNDS



GROSS REVENUE per MEMBER



2019-2020 Year over Year Rounds Played

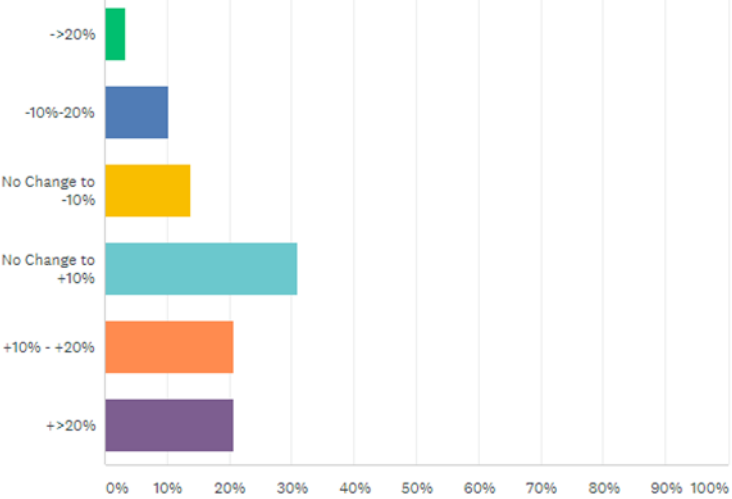


% Change



2020 Change in Revenues from 2019

Answered: 29 Skipped: 0



Case Study

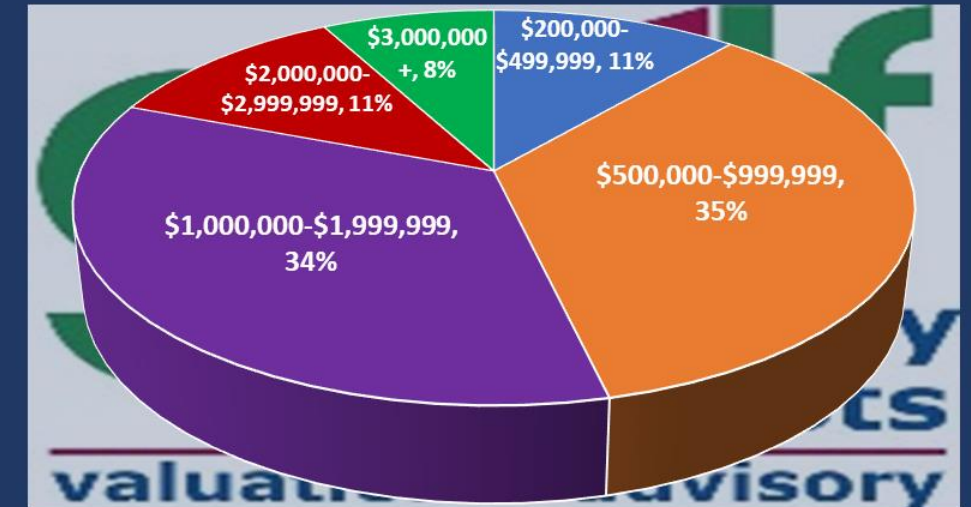
- +30% Rounds Played 2020/2019
- “Unique Users” - +15-20% 2020/2019
- 9-Hole Rounds - +25-30% 2020/2019
- Juniors - +50-60%
- Women - +35-40%
- F & B - -40%



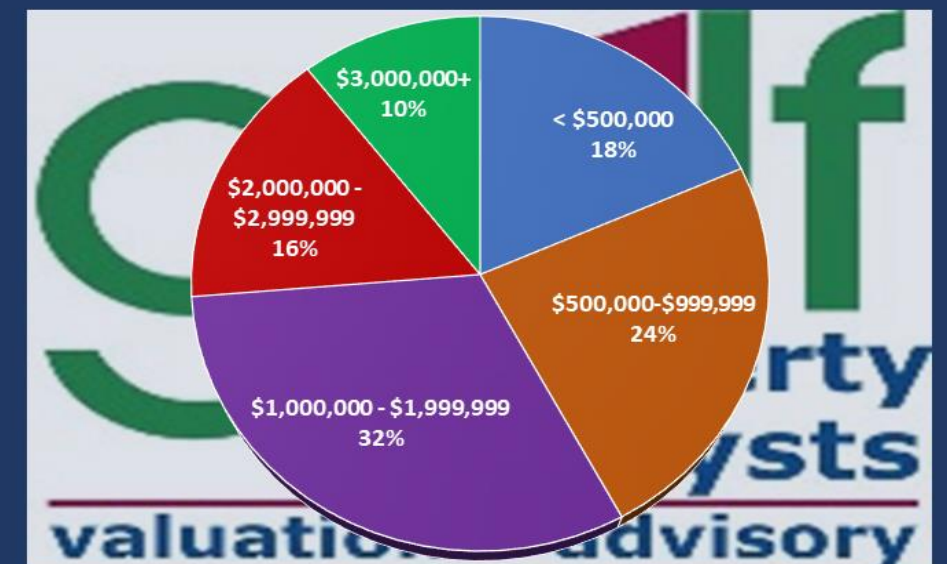
	Maintenance Budget	Maint \$ per Round	Maint \$ per Golf Member	Maint % of Gross Revenue
AVERAGE	\$1,366,084	\$70	\$3,798	21%
MEDIAN	\$1,089,500	\$62	\$3,644	20%
MINIMUM	\$282,770	\$12	\$1,063	4%
MAXIMUM	\$4,213,975	\$208	\$8,308	83%

2019 only	Maintenance Budget	Maint \$ per Round	Maint \$ per Golf Member	Maint \$ per Hole	Maint. % of Gross Revenue
Average	1,298,295	\$58.16	3,549	60,462	17%
Median	1,100,000	\$44.76	2,989	55,556	19%
Min.	200,000	\$5.86	676	11,111	33%
Max.	4,300,000	\$215.00	14,333	238,889	18%

PR MAINTENANCE BUDGET DISTRIBUTION



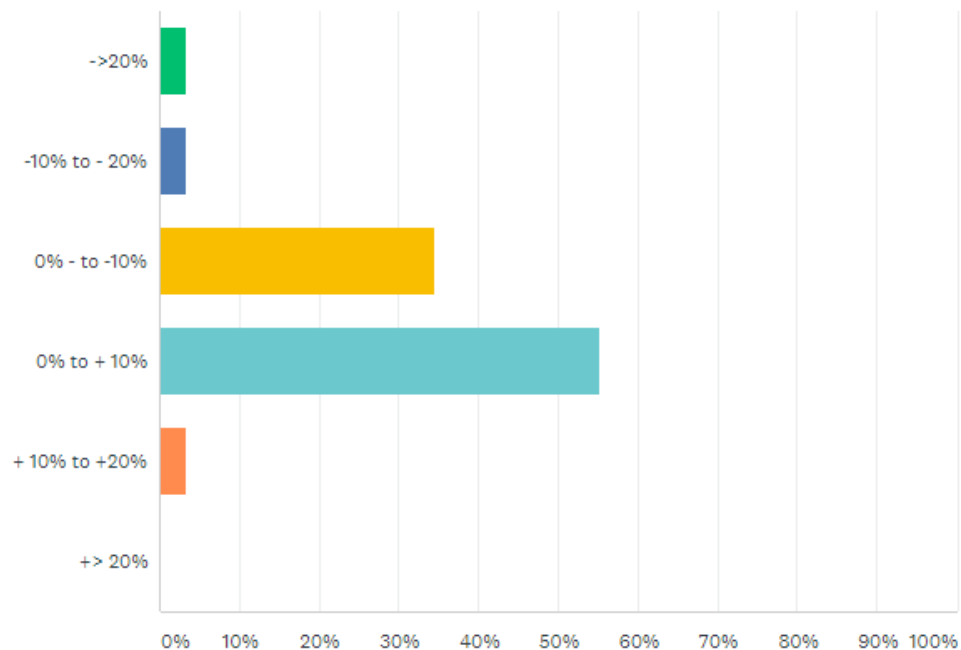
PR Maintenance Budget Distribution - 2019



- 2019 shows LOWER costs than 2015-2018
- Similar (35%-36%) percentage of revenue
- FEWER Rounds per course in 2019
- 59% of courses report HIGHER maintenance costs in 2020 than 2019

2020 Change in Golf Course Maintenance from 2019

Answered: 29 Skipped: 0



2015-2018	Rounds	Rounds per 18 Holes	Gross Revenue	Gross Revenue per Round	Maintenance Budget	Maintenance Budget per Round	Maintenance % Gross Revenue
AVERAGE	32,521	29,896	\$1,817,910	\$65.37	\$551,095	\$22.44	35%
MEDIAN	31,370	30,000	\$1,477,682	\$46.25	\$472,782	\$15.63	28%
MINIMUM	6,000	7,172	\$173,760	\$7.60	\$57,649	\$3.19	7%
MAXIMUM	95,000	59,965	\$5,311,272	\$322.91	\$1,800,000	\$277.30	146%

2019	Rounds	Rounds per 18 Holes	Rds per Member	Gross Revenue	Gross Rev/ per Round	Maintenance Budget	Maint \$ per Round	Maint. % of Gross	Maint \$ per Hole
Average	28,161	25,915	232	\$1,405,320	\$48.37	\$498,613	\$15.64	35.48%	\$22,116
Median	29,000	24,923	239	\$1,444,264	\$37.27	\$405,000	\$11.34	28.04%	\$17,434
Minimum	4,000	8,000	90	\$200,000	\$18.33	\$12,000	\$1.50	6.00%	\$1,333
Maximum	55,000	55,000	367	\$3,154,982	\$117.74	\$1,860,000	\$36.10	58.95%	\$55,000

Developing operating expense guidelines is more challenging than other metrics. Since many facilities (both private and daily-fee) are not stabilized, and in some cases cash flow negative, and many courses have wide variances in their operations, such as large or small food & beverage, banquet facilities and different size pro shop operations the data doesn't allow the development of meaningful trends in operating expense ratios.

It is critical in estimating operating expenses to be site and line-item specific. That said, in some cases benchmarking operating expense ratios from those properties that are stabilized can be helpful.

Generally, we observe stabilized, private, not-for-profit clubs stabilizing at near 100% of gross revenues for operating expenses. For-profit clubs generally stabilize in the mid to upper 80%'s while daily-fee facilities can stabilize over a wide range of operating expense percentages.

There are several sources for operating expense studies, including the Society of Golf Appraisers, Club Benchmarking and others. We find it best to combine an analysis of a specific property's historical expenses with those clubs considered competitive and stabilized to develop an accurate pro-forma.



We have identified more than 1,500 golf property sales in our database since 2012 and compiled statistics from these sales. Overall, these sales indicated the following:

Further analysis on a year by year basis as shown in the adjacent chart shows both upward and downward movement in the averages, but more than anything else, stability, with GIM's ranging from 1.22 to 1.61 on average for the period with minor fluctuations.

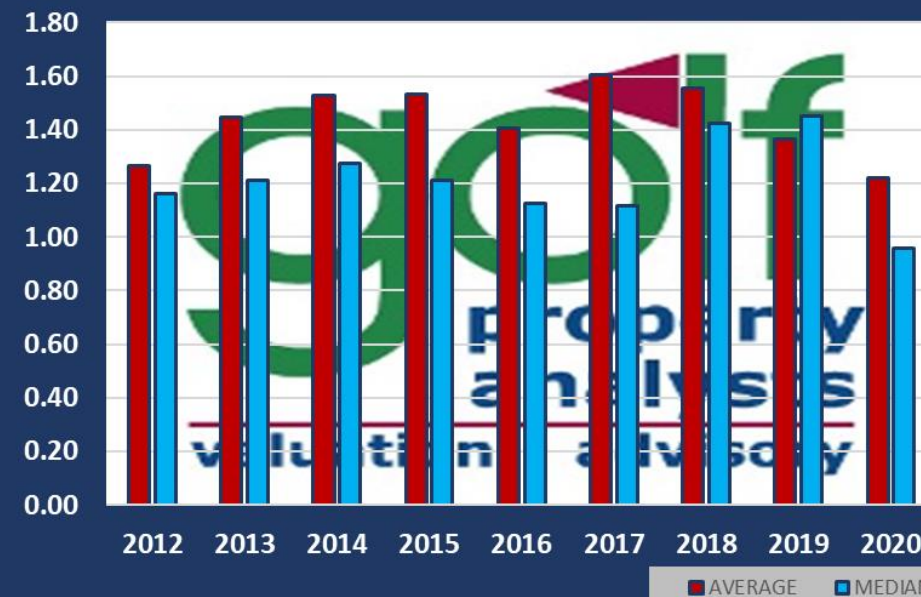
SALE PRICE				
YEAR	AVERAGE	MEDIAN	MINIMUM	MAXIMUM
2012	\$2,999,367	\$2,300,000	\$68,000	\$14,200,000
2013	\$3,595,955	\$2,329,000	\$354,834	\$21,500,000
2014	\$4,398,503	\$2,515,514	\$154,195	\$23,000,000
2015	\$3,688,528	\$2,310,000	\$160,000	\$21,000,000
2016	\$3,328,012	\$2,560,000	\$500,000	\$10,500,000
2017	\$3,499,195	\$2,312,500	\$134,000	\$24,000,000
2018	\$4,688,632	\$2,832,000	\$985,000	\$20,000,000
2019	\$3,900,961	\$3,100,000	\$400,000	\$8,308,653
2020	\$3,824,136	\$2,030,875	\$364,268	\$29,800,000

GIM				
YEAR	AVERAGE	MEDIAN	MINIMUM	MAXIMUM
2012	1.27	1.16	0.06	3.13
2013	1.45	1.21	0.01	3.71
2014	1.53	1.28	0.42	6.41
2015	1.53	1.21	0.43	12.67
2016	1.41	1.13	0.60	5.11
2017	1.61	1.12	0.60	7.41
2018	1.56	1.43	0.70	3.00
2019	1.36	1.45	0.89	1.66
2020	1.22	0.96	0.67	2.74

SALE PRICE

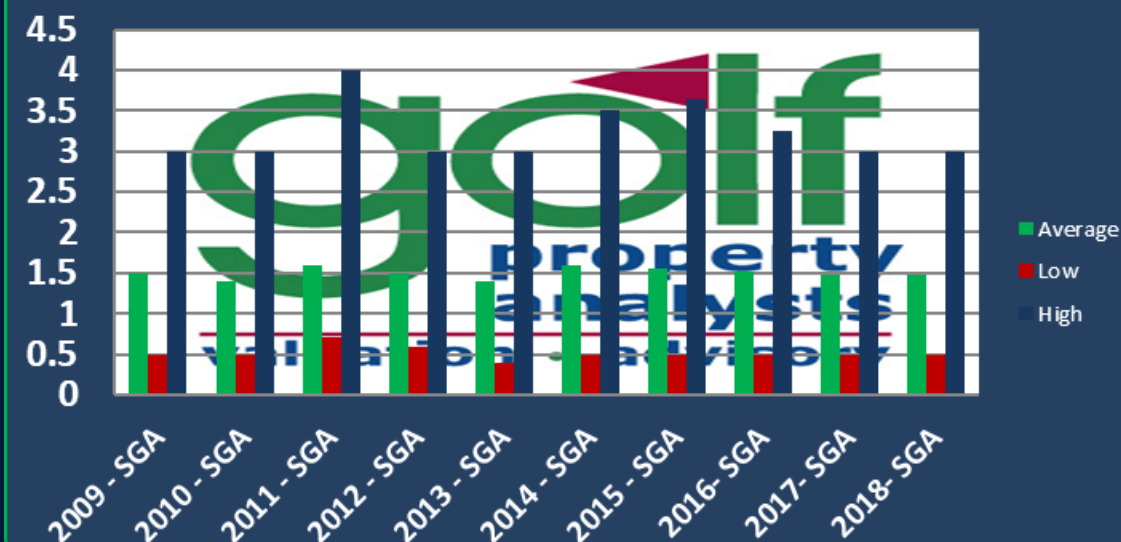


GIM

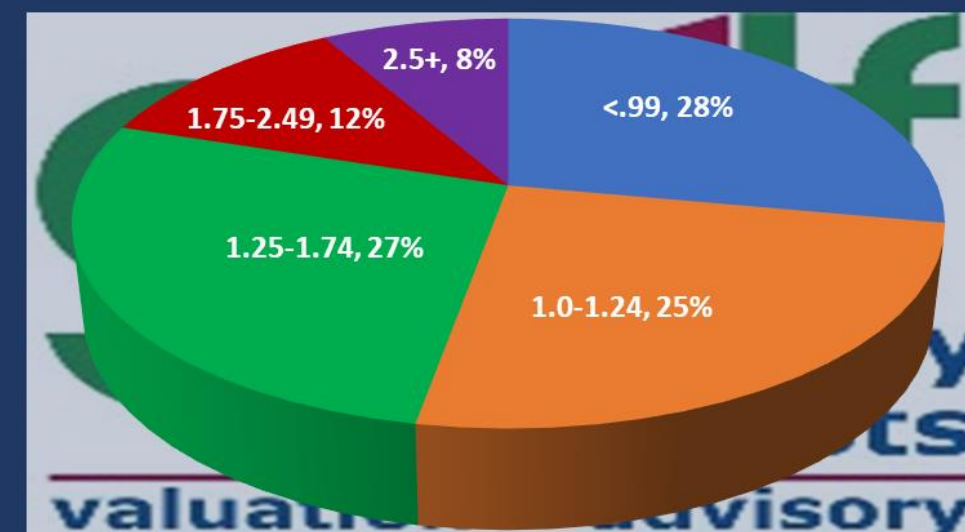


A distribution of Gross Income Multipliers from the period of 2012-2019 is shown below to illustrate the frequency of various levels of GIM's from the sales analyzed and is compared to our annual tracking of Gross Income Multipliers from the Society of Golf Appraisers survey. As shown, 27% of all GIM's fall between 1.25 and 1.75, and 25% between 1.0 and 1.24, which is consistent with the trend of GIM's from the SGA hovering around the 1.5 mark on average. The largest segment is those with GIM's less than 1.0, which comprise 28% of the transactions studied. 20% of transaction had GIM's of greater than 1.75.

Gross Income Multipliers



GIM DISTRIBUTION





Golf Course Sales 2012-2020				
	Daily Fee	Semi Private	Private	<u>ALL</u>
Avg Sale Price	\$2,682,505	\$2,798,472	\$5,387,264	\$3,662,735
Median Sale Price	\$1,750,000	\$1,995,000	\$4,700,000	\$2,350,000
Avg Gross Revenue	\$1,919,612	\$2,353,692	\$4,209,605	\$2,968,906
Median Gross Revenue	\$1,500,000	\$1,984,539	\$3,916,666	\$2,191,063
Avg GIM	1.73	1.19	1.31	1.46
Median GIM	1.37	1.07	1.09	1.20



2020 Sales Analysis				
	DF	SPR	PR	All Sales
Avg. SP	\$959,939	\$22,400,000	\$3,092,575	\$3,863,696
Median SP	\$947,500	\$22,400,000	\$2,600,000	\$1,990,438
Avg. GIM	1.05		1.01	1.06
Median GIM	1.22		0.94	0.96
Avg. GRev	\$1,653,332		\$3,496,039	\$2,664,006
Median Grev	\$1,065,000		\$2,558,425	\$2,370,359

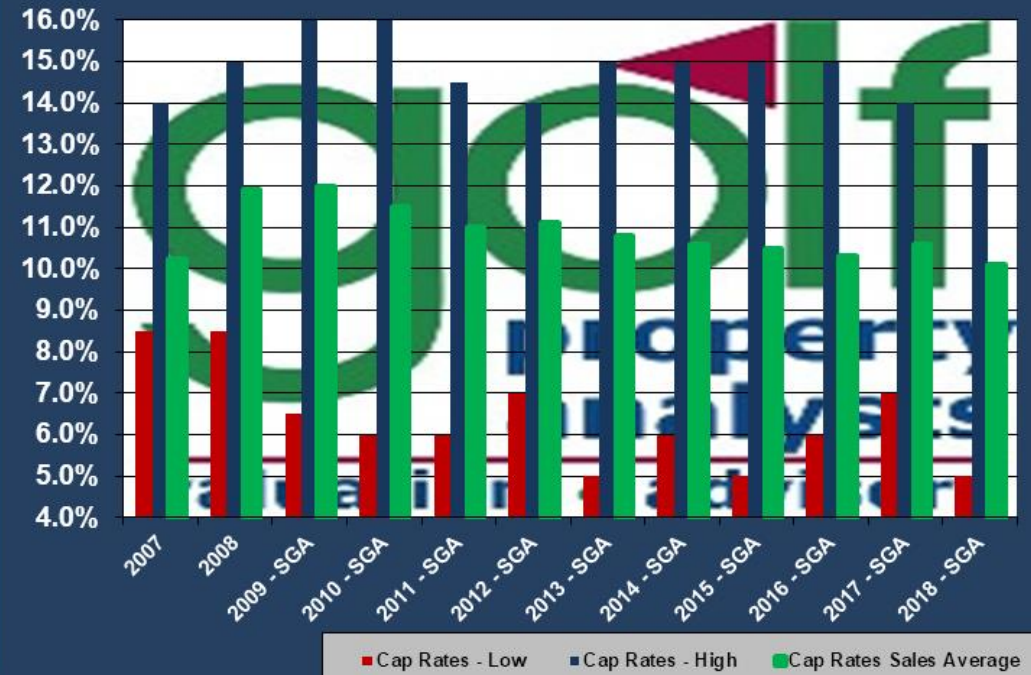
RealtyRates.com INVESTOR SURVEY - 4th Quarter 2020*									
GOLF COURSES & COUNTRY CLUBS - ALL TYPES									
Item	Input								OAR
Minimum									
Spread Over 10-Year Treasury	1.56%	DCR Technique	1.20	0.038002	0.80				3.65
Debt Coverage Ratio	1.20	Band of Investment Technique							
Interest Rate	2.26%	Mortgage	80%	0.038002	0.030401				
Amortization	40	Equity	20%	0.093600	0.018720				
Mortgage Constant	0.038002	OAR							4.91
Loan-to-Value Ratio	80%	Surveyed Rates							
Equity Dividend Rate	9.36%								4.67
Maximum									
Spread Over 10-Year Treasury	11.90%	DCR Technique	2.15	0.148684	0.50				15.98
Debt Coverage Ratio	2.15	Band of Investment Technique							
Interest Rate	12.60%	Mortgage	50%	0.148684	0.074342				
Amortization	15	Equity	50%	0.219089	0.109544				
Mortgage Constant	0.148684	OAR							18.39
Loan-to-Value Ratio	50%	Surveyed Rates							
Equity Dividend Rate	21.91%								17.47
Average									
Spread Over 10-Year Treasury	5.82%	DCR Technique	1.56	0.081836	0.67				8.54
Debt Coverage Ratio	1.56	Band of Investment Technique							
Interest Rate	6.27%	Mortgage	67%	0.081836	0.054916				
Amortization	23	Equity	33%	0.162619	0.053493				
Mortgage Constant	0.081836	OAR							10.84
Loan-to-Value Ratio	67.1%	Surveyed Rates							
Equity Dividend Rate	16.26%								11.73

*3rd Quarter 2020 Data

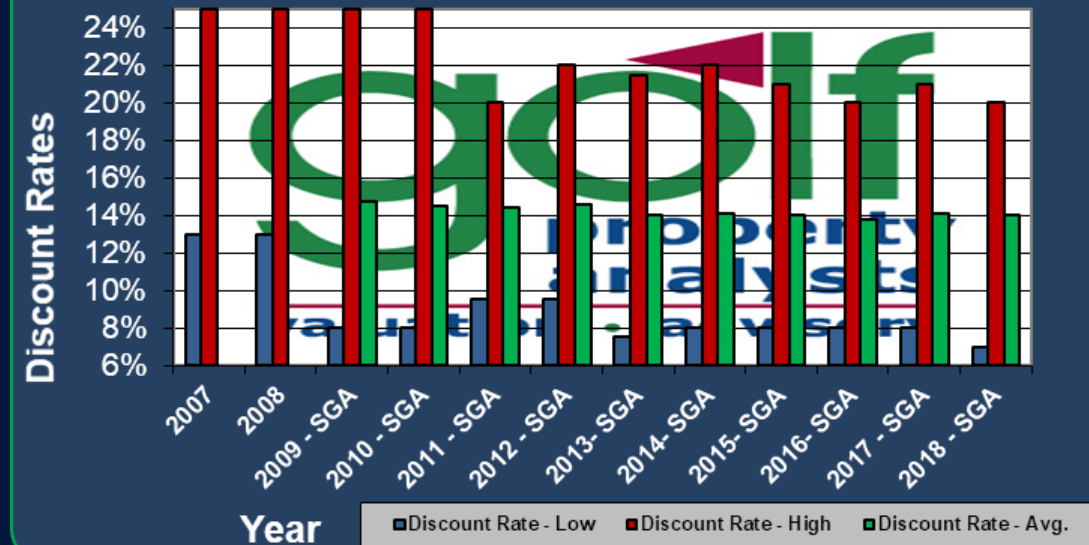
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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2020*									
DISCOUNT RATES									
Property Type	New Development			Acquisitions			Recapitalizations		
	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.
Apartments	3.89%	12.66%	8.29%	3.38%	11.01%	7.21%	3.85%	12.53%	8.21%
Garden/Suburban TH	3.89%	11.45%	7.51%	3.38%	9.96%	6.54%	3.85%	11.34%	7.44%
Hi-Rise/Urban TH	4.81%	12.66%	8.41%	4.18%	11.01%	7.32%	4.76%	12.53%	8.33%
Student Housing	4.54%	12.29%	8.73%	3.95%	10.69%	7.60%	4.49%	12.17%	8.64%
Golf	4.87%	18.64%	12.62%	4.23%	16.22%	10.98%	4.82%	18.45%	12.50%
Public Daily Fee Courses	7.37%	18.39%	12.42%	6.42%	16.00%	10.80%	7.30%	18.21%	12.29%
Semi-Private Clubs	5.55%	18.64%	12.83%	4.82%	16.22%	11.16%	5.49%	18.45%	12.70%
Private Clubs	4.87%	16.97%	11.79%	4.23%	14.76%	10.25%	4.82%	16.80%	11.67%

Cap Rates



Discount Rates

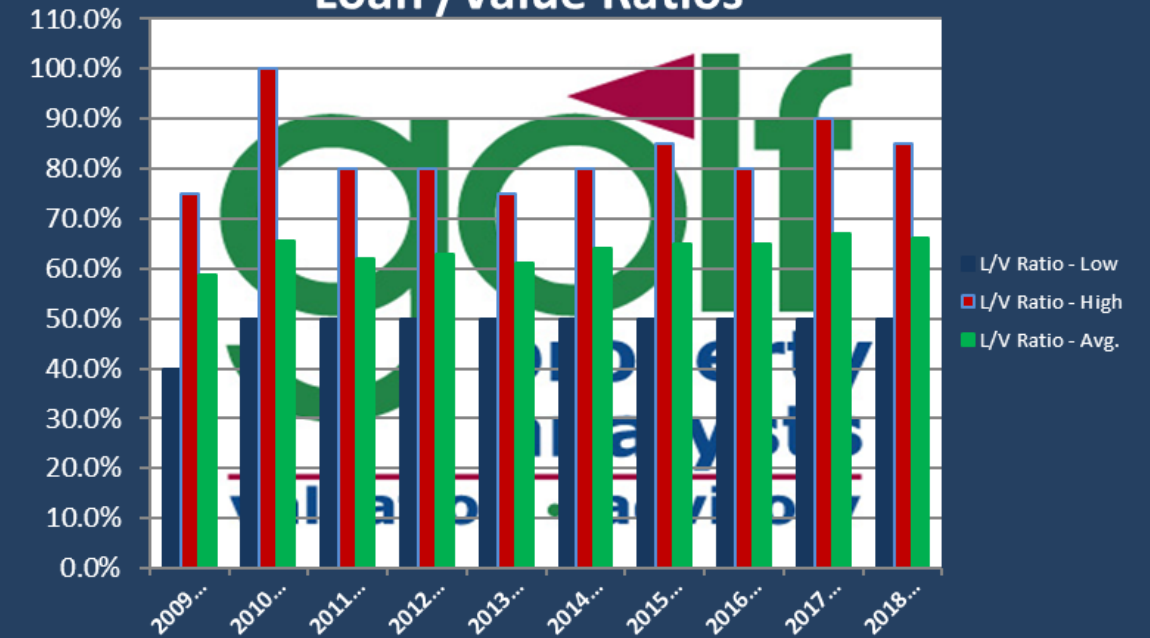


The SGA has tracked available debt financing for golf projects and as shown in the adjacent graphs average loan to value (LTV) ratios have hovered in the 60-70% range for the past 10 years. While interest rates have ranged generally from 4% to 10%, averaging between 7% and 9%. The reason for this wide range is that many loans are based on the borrower's strength rather than the collateral value. It is not unusual for a strong borrower with a banking relationship to acquire financing more consistent with traditional investment property rates.

Golf property debt financing is still considered difficult but for cash flowing properties is available through a variety of sources, including commercial banks, secondary specialty lenders and private sources.



Loan /Value Ratios



Mtg. Interest Rates



Selected Assignments

- Army Navy Country Club (VA)
- Bandon Dunes Golf Resort (OR)
- Bedford Springs Golf Resort (PA)
- Blackwolf Run GC (WI)
- Boston GC (MA)
- Caves Valley GC (MD)
- CC of York (PA)
- Crosby Club (CA)
- Dallas National GC (TX)
- Daufuskie Island Club (SC)
- DuPont CC (DE)
- Forsgate CC (NJ)
- Germantown CC (TN)
- Golf Club of Cape Cod (MA)
- Golf Club of New England (NH)
- Hershey Country Club (PA)
- Hidden Creek GC (NJ)
- Isleworth CC (FL)
- Lake Nona CC (FL)
- Latrobe CC (PA)
- MacArthur GC (FL)
- Metedeconk National GC (NJ)
- Mid Pines/Pine Needles (NC)
- Mountain Ridge CC (NJ)
- Newcastle GC (WA)
- Oakhurst Links (WV)
- Pete Dye GC (WV)
- Palm Aire CC (FL)
- Palm Desert CC (CA)
- Philadelphia Cricket Club (PA)
- Pocono Manor GC (PA)
- Refuge G & CC (AZ)
- Reunion Resort (FL)
- The Ridge at Back Brook (NJ)
- Ritz Carlton Club Jupiter (FL)
- River Downs Golfer's Club (MD)
- Shark's Tooth GC (FL)
- Shipyard Golf Resort (SC)
- Sleepy Hollow CC (NY)
- Stonewall GC (PA)
- The Club at Cordillera (CO)
- The Governors Club (TN)
- The Legends Club (SC)
- The Silverleaf Club (AZ)
- The Virginian Club (VA)
- The Woodlands (MI)
- TPC Wakefield Plantation (NC)
- TPC Michigan (MI)
- TPC Piper Glen (NC)
- Treyburn CC (NC)
- Trump National GC Bedminster (NJ)
- Trump National GC Westchester (NY)
- Turnberry Isle Yacht Club (FL)
- Vellano CC (CA)
- Victoria National GC (IN)
- Washington National GC (WA)
- Washington G & CC (VA)
- Westchester CC (NY)
- Whistling Straits GC (WI)
- Williamsburg National GC (VA)
- Windemere CC (FL)
- Winged Foot GC (NY)
- Woodmoor Pines G & CC (CO)

[Click Here for an Expanded Assignment Listing](#)

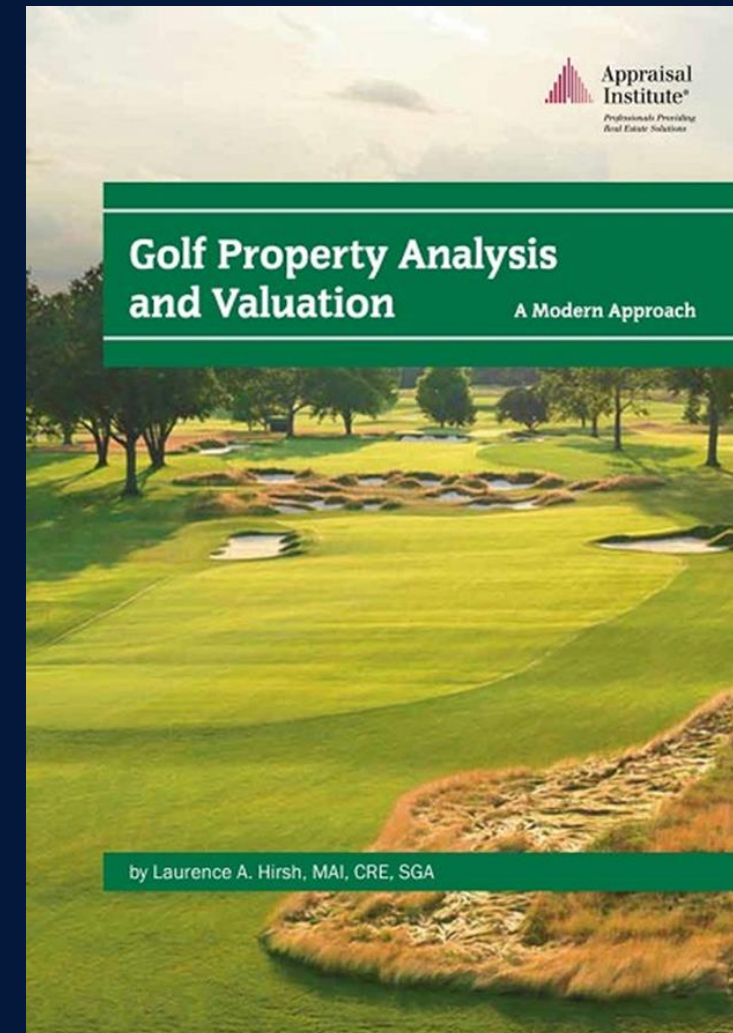
Golf Property Analysts brings a unique and focused perspective to the golf and private club industries. Specializing in economic strategies, advisory, consulting, appraisal, value maximization and brokerage for golf and club properties, we are uniquely qualified to assist clubs with:

- Real Estate Tax Assessment Management
- Market Analysis and Market Positioning
- Operational Review
- Economic Analysis of Renovations
- Facilities Analysis
- Debt Financing Analysis
- Valuation
- Property Acquisition and Disposition

From more than 3,000 assignments in 45 states and beyond, we've "seen it all" and have the data, knowledge and experience to assist our clients' decision-making.

To learn more about us, log on to: www.golfprop.com

"We Wrote The Book"



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