



2023 GOLF MARKET SUMMARY

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Dear Golf Industry Friends:

Golf Property Analysts invites you to review our 2023 Market Summary. 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.

Since our surveys were done in 2022, we have YE 2021 data for most points and 2022 for some. Our private club analysis shows trends from a 5-year period at specific clubs through YE 2022. Due to the COVID pandemic, golf had another interesting year in 2022. We hope to use that data to better understand market dynamics going forward.

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



2023 ROUNDS PLAYED SUMMARY

Key Statistics

Rounds Dropped 3.7% Nationally in 2022

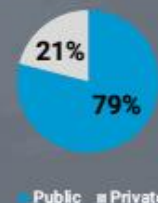
By the end of 2022, the overall year-over-year drop in rounds was the third-highest in the past 20 years – down almost 4% from the record-setting year of 2021. Through October, play had been down 2.4%, but the final two months of the year saw notable rounds drops due to unfavorable weather. The only YOY drops in excess of 4% over the past two decades were in 2013 and 2018.

TOTAL ANNUAL ROUNDS In millions



Source: Golf Datatech, with NGF data support and analysis

Public vs Private Rounds



How Did 2022 Stack Up?

+13% vs 5-year pre-pandemic average (2015-19)
+10% vs 10-year pre-pandemic average (2010-19)

ROUNDS BY MONTH

Total volume (in millions) vs 2019 and 2021



% of rounds by month (2022)

Jan	4.9%
Feb	5.5%
Mar	6.2%
Apr	7.8%
May	10.3%
Jun	11.5%
Jul	12.4%
Aug	11.5%
Sep	10.5%
Oct	8.9%
Nov	6.4%
Dec	4.1%

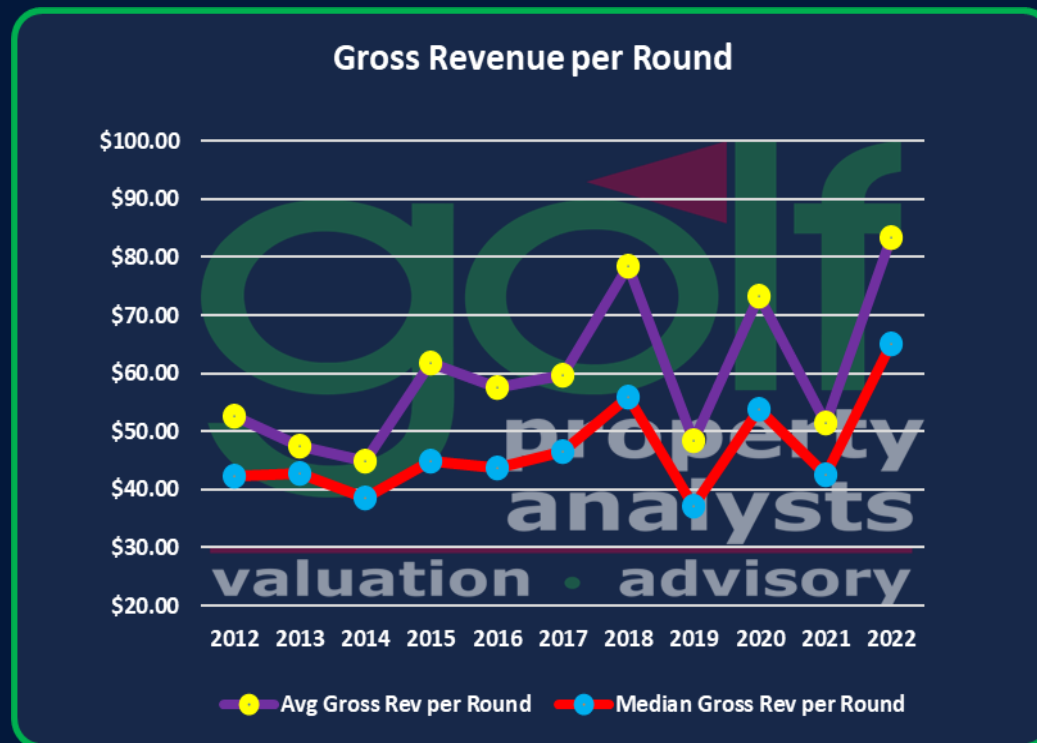
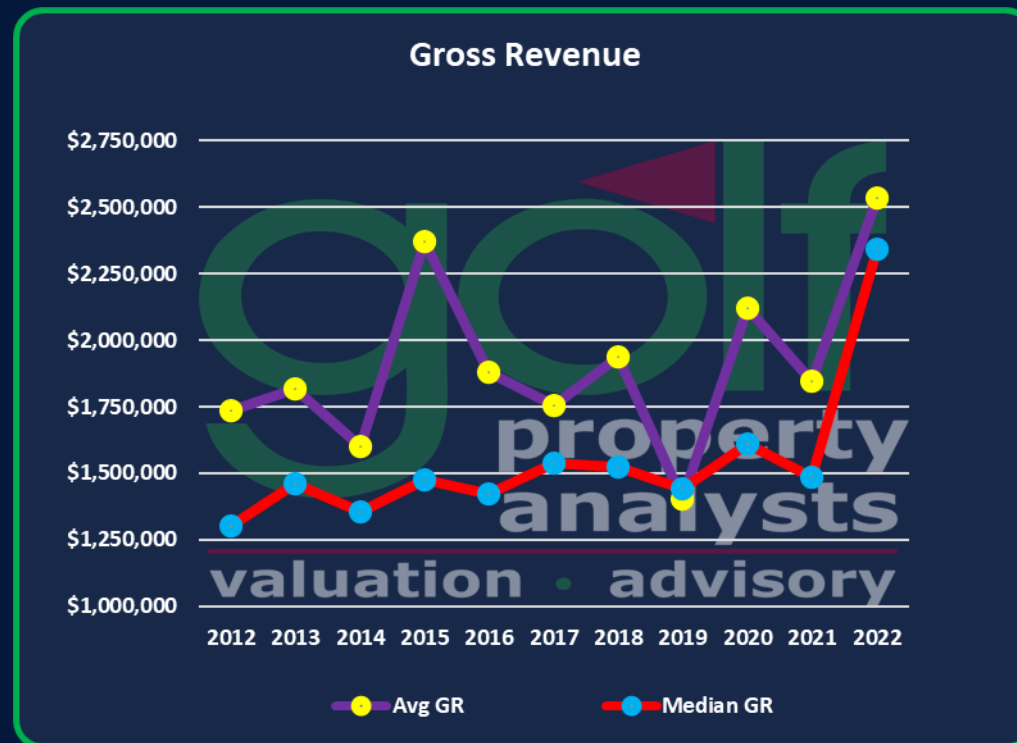
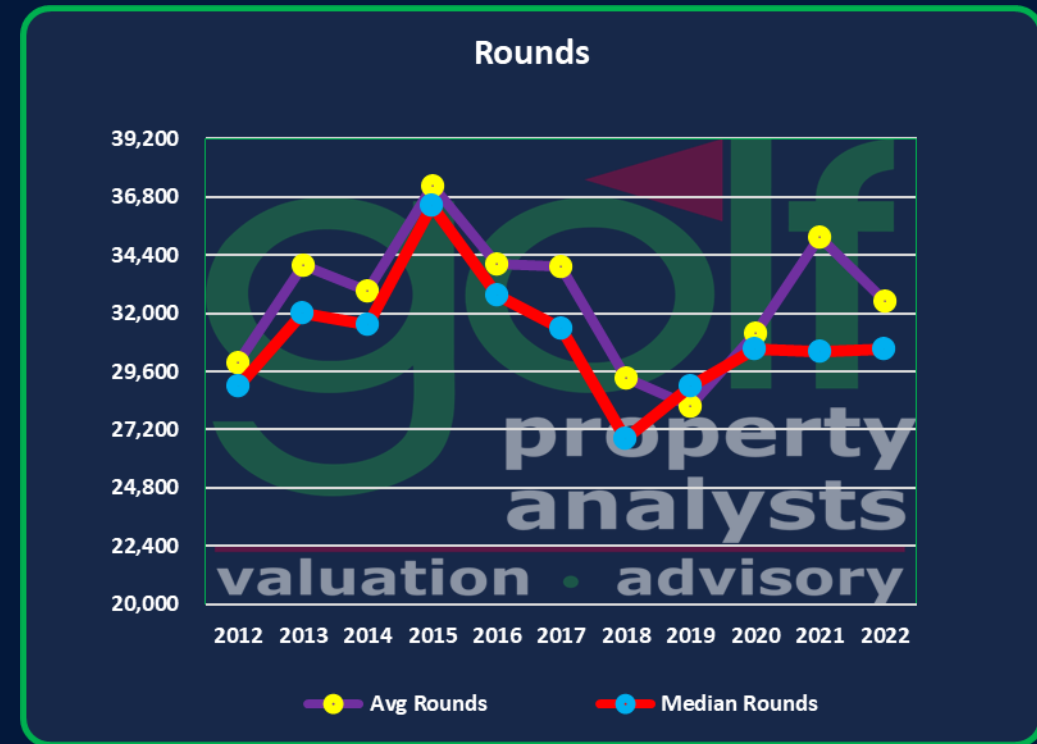
Often, the number of rounds played is the first question asked on how a golf course is performing. It's important to understand how rounds are calculated. To many, a round is defined as 18-holes. It's been my experience that most courses count rounds based on "starts". In other words, the number of rounds 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.

According to Golf Datatech and National Golf Foundation, as of YE 2022, rounds played in 2022 decreased from 2021 by 3.7%. That is significant since 2020 experienced a 14% and 2021 experienced a smaller, but significant increase of approximately 4%.

Our surveys of nearly 900 daily-fee and municipal facilities in 23 states from 2015 into 2023 shows an average of 31,678 rounds per year per 18-holes, and a median of 30,007. We feel the seven-year snapshot is more telling than one year, when the numbers may be overly affected by weather, and in the case of 2020, 2021 & 2022 are impacted by the COVID pandemic. We still don't know how sustainable that surge is, but given the decreases in both 2021 and 2022, it appears the surge is correcting. 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.. 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.

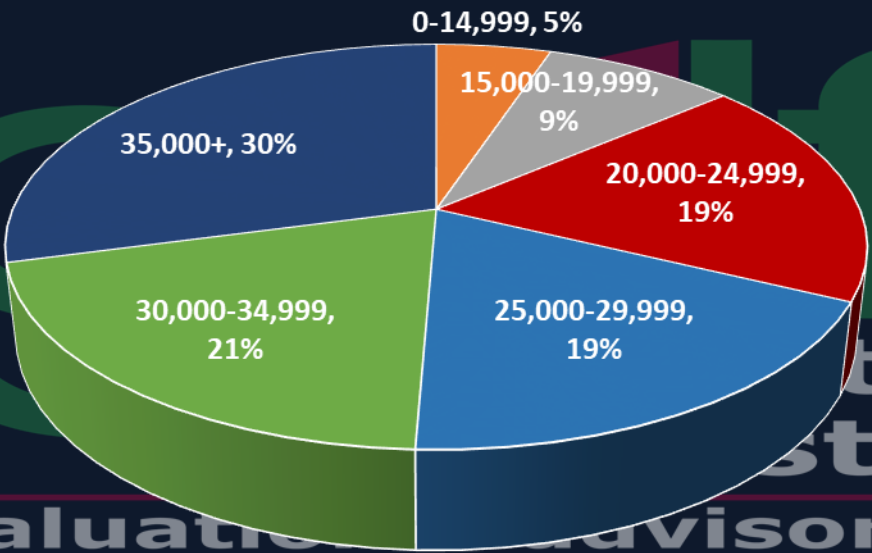
The chart on the following slide illustrates an analysis of rounds and revenues per round from our surveys.

Survey Year	Avg Rounds	Median Rounds	Avg GR	Median GR	Avg Gross Rev per Round	Median Gross Rev per Round
2012	29,967	29,000	\$1,735,353	\$1,300,000	\$52.62	\$42.39
2013	33,966	32,000	\$1,818,439	\$1,463,002	\$47.49	\$42.80
2014	32,928	31,516	\$1,601,117	\$1,356,223	\$44.84	\$38.67
2015	37,266	36,429	\$2,371,809	\$1,477,682	\$61.87	\$44.98
2016	34,034	32,757	\$1,878,353	\$1,423,632	\$57.66	\$43.63
2017	33,951	31,370	\$1,754,482	\$1,536,674	\$59.80	\$46.53
2018	29,312	26,840	\$1,936,131	\$1,522,135	\$78.47	\$55.85
2019	28,161	29,000	\$1,405,320	\$1,444,264	\$48.37	\$37.27
2020	31,168	30,500	\$2,119,861	\$1,611,307	\$73.31	\$53.91
2021	35,166	30,438	\$1,846,759	\$1,483,081	\$51.46	\$42.61
2022	32,509	30,504	\$2,533,890	\$2,344,278	\$83.38	\$65.20

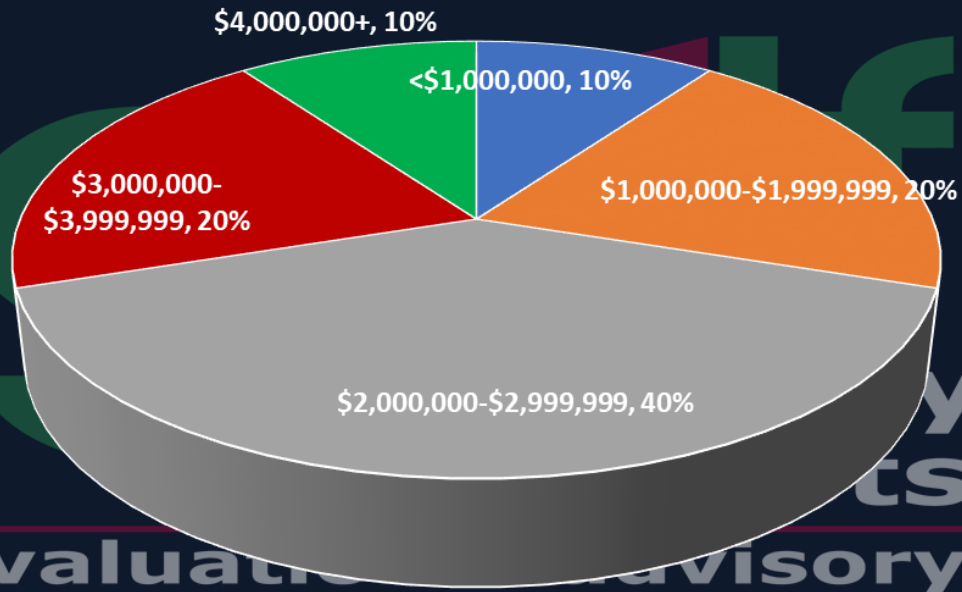


The graphs illustrate gross revenue metric for daily-fee facilities we surveyed in 2022 (2021 #'s) and the distribution of selected ranges. The majority of courses (58%) surveyed generate between \$1 million and \$3 million in gross revenues.

DF ROUNDS per 18 HOLES DISTRIBUTION



DF GROSS REVENUE DISTRUBUTION



Analyzing activity at private clubs requires a bit of a different approach, analyzing on a “per member” basis rather than a “per round” basis. Since private clubs depend on membership dues, and since the impact of COVID is unique to recent years, we’ve decided to analyze private clubs with which we had direct experience in 2022 and for which we had historical data for the past 5 years, including 2022, with some results projected. Comparing the performance of the same clubs to each other for that period should indicate how the market has reacted. Graphs follow.

The data from specific clubs is not able to be shared but indicates the following:

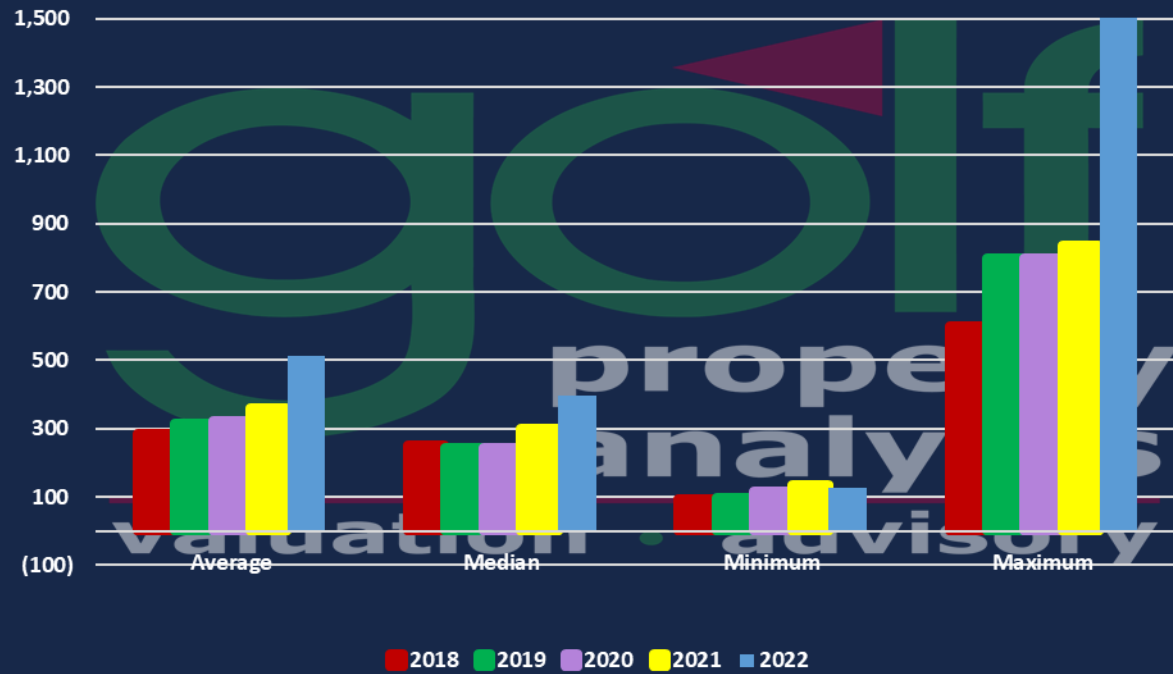
- Increases in membership
- Increases in Rounds Played over the period, but mixed in 2022
- Relatively Steady rounds per membership, but slightly declining
- Increasing Maintenance Budgets
- Increasing Gross Revenues and Increasing Revenue per Member



	2018	2019	2020	2021	2022		2018	2019	2020	2021	2022		2018	2019	2020	2021	2022		2018	2019	2020	2021	2022
	Golf Mbrs						Tot. Mbrs						Rounds						Rds./ Mbr.				
Average	287	316	324	361	511		477	506	516	563	838		15,792	17,294	21,263	22,604	29,617		77.16	67.48	76.71	73.59	71.31
Median	251	244	245	300	395		408	423	423	461	660		14,976	15,164	16,952	18,175	27,000		56.94	59.67	68.82	64.65	66.00
Minimum	95	99	117	136	125		237	202	219	250	165		7,700	7,844	6,953	1,100	4,500		19.92	17.55	20.49	2.42	12.00
Maximum	602	800	800	839	2,188		1,241	1,256	1,255	1,249	3,300		39,307	49,979	53,844	56,000	66,500		389.18	202.26	263.94	257.35	193.00

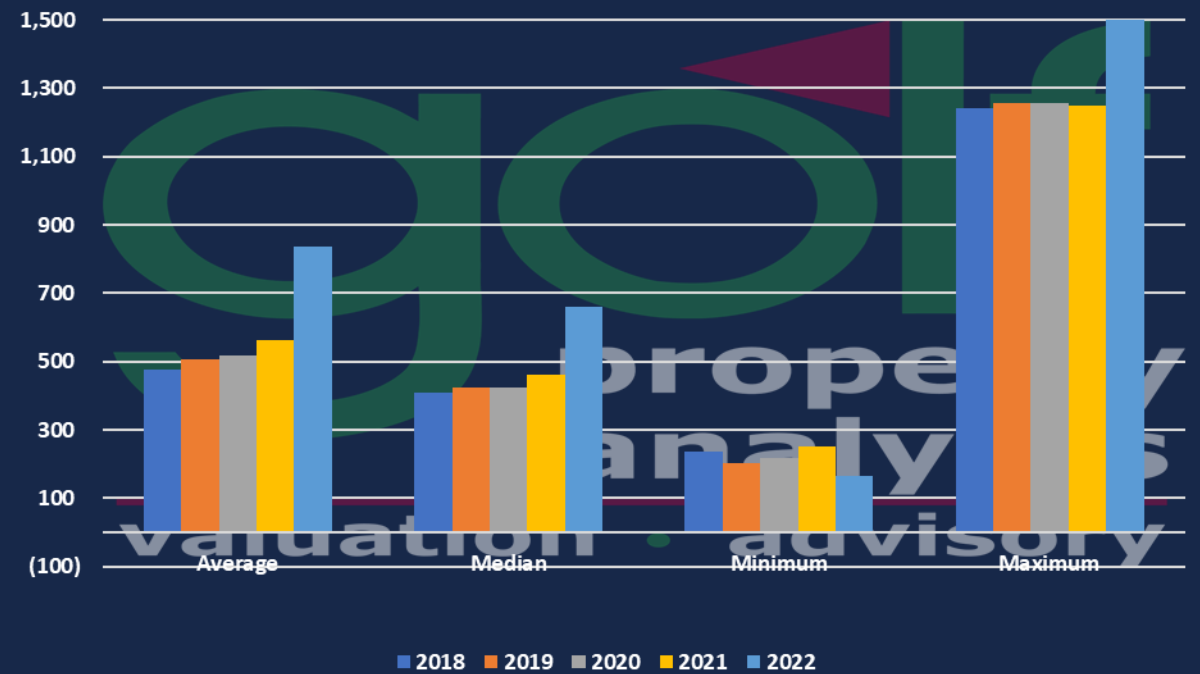
2018	2019	2020	2021	2022		2018	2019	2020	2021	2022
Gross Rev.						Rev/Mbr.				
\$5,936,029	\$6,284,794	\$6,038,771	\$7,913,636	\$13,126,181		\$14,260	\$14,263	\$13,030	\$14,424	\$15,361
\$4,909,050	\$5,725,878	\$4,480,915	\$5,724,438	\$10,285,142		\$10,164	\$11,048	\$10,048	\$11,825	\$23,000
\$1,944,071	\$1,888,666	\$2,092,025	\$2,430,250	\$1,546,591		\$5,959	\$6,370	\$3,502	\$3,967	\$4,500
\$15,062,242	\$17,199,217	\$17,671,262	\$23,392,700	\$54,000,000		\$35,686	\$37,939	\$36,038	\$32,452	\$48,000

of Golf Members



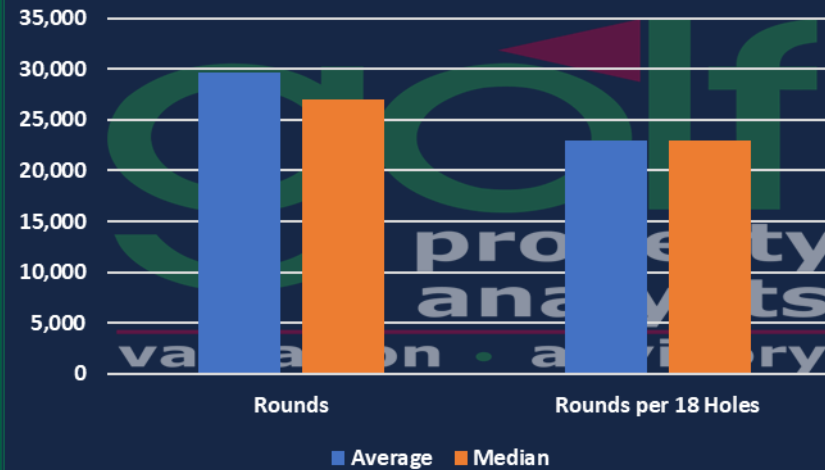
Private club membership is considered generally healthy with an increasing trend during the past 5 years. Many club report waiting lists and limited membership turnover.

of Total Members

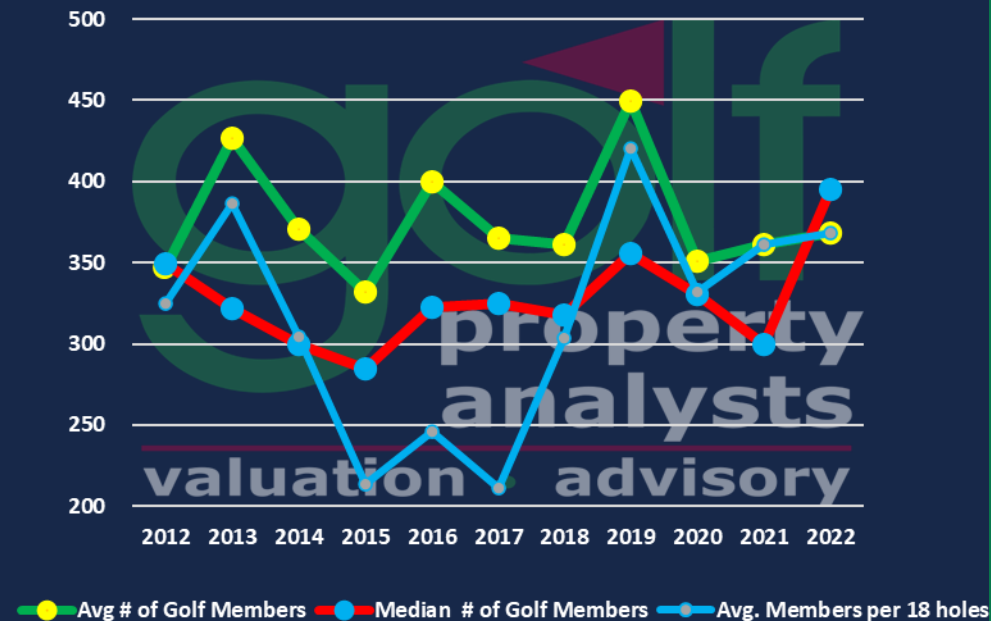


Over time, club members have increased their golf activity from about 56-71 rounds per membership in 2013 to approximately 66-71 in 2022. Membership has also increased at most clubs. Time will tell if this trend continues.

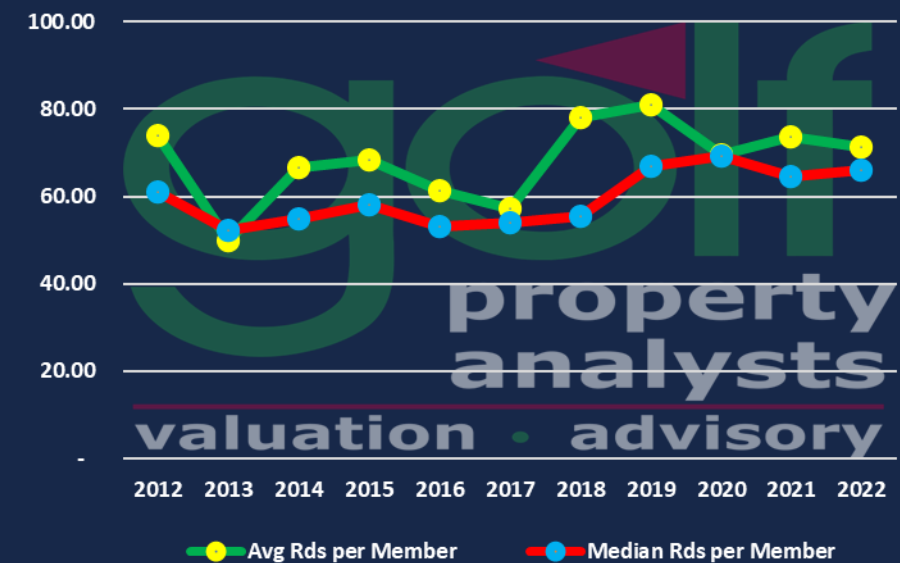
2022 PR Rounds & Rds per 18 holes

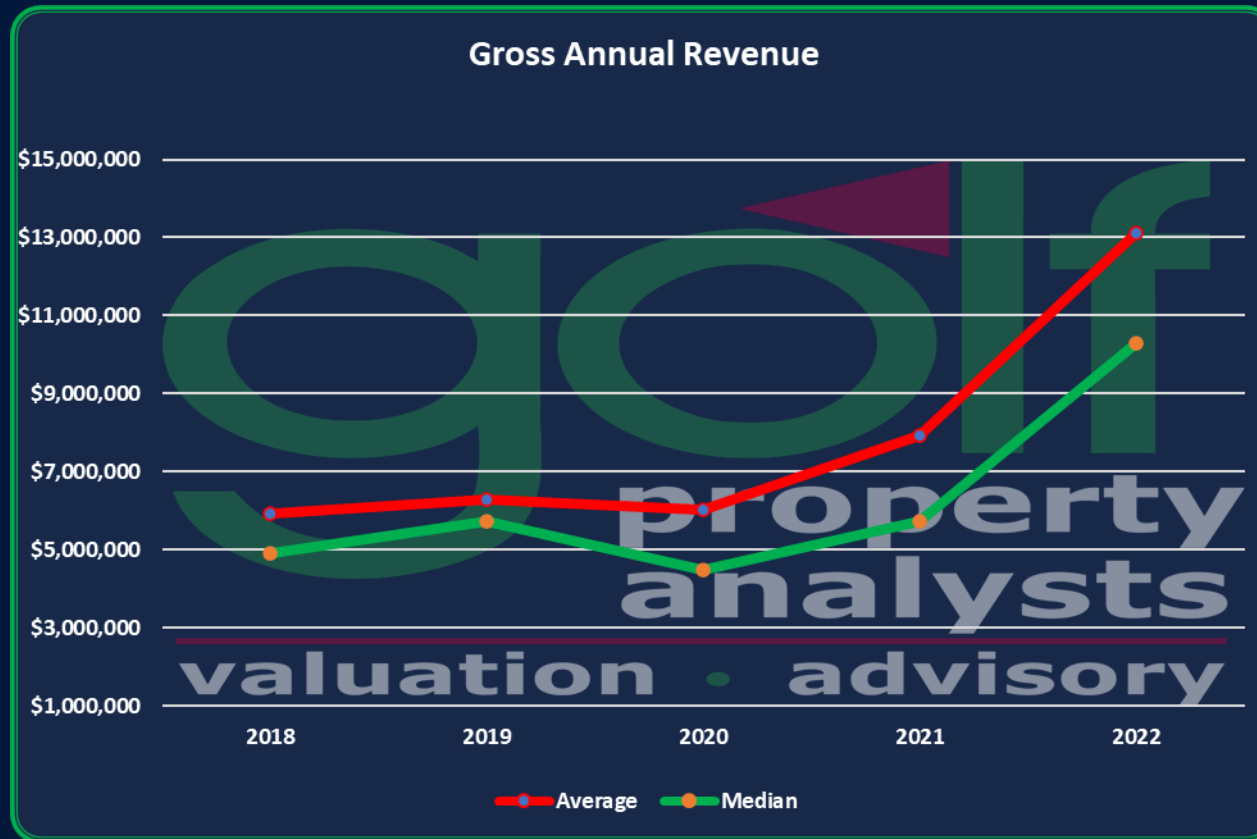


GOLF MEMBERSHIP

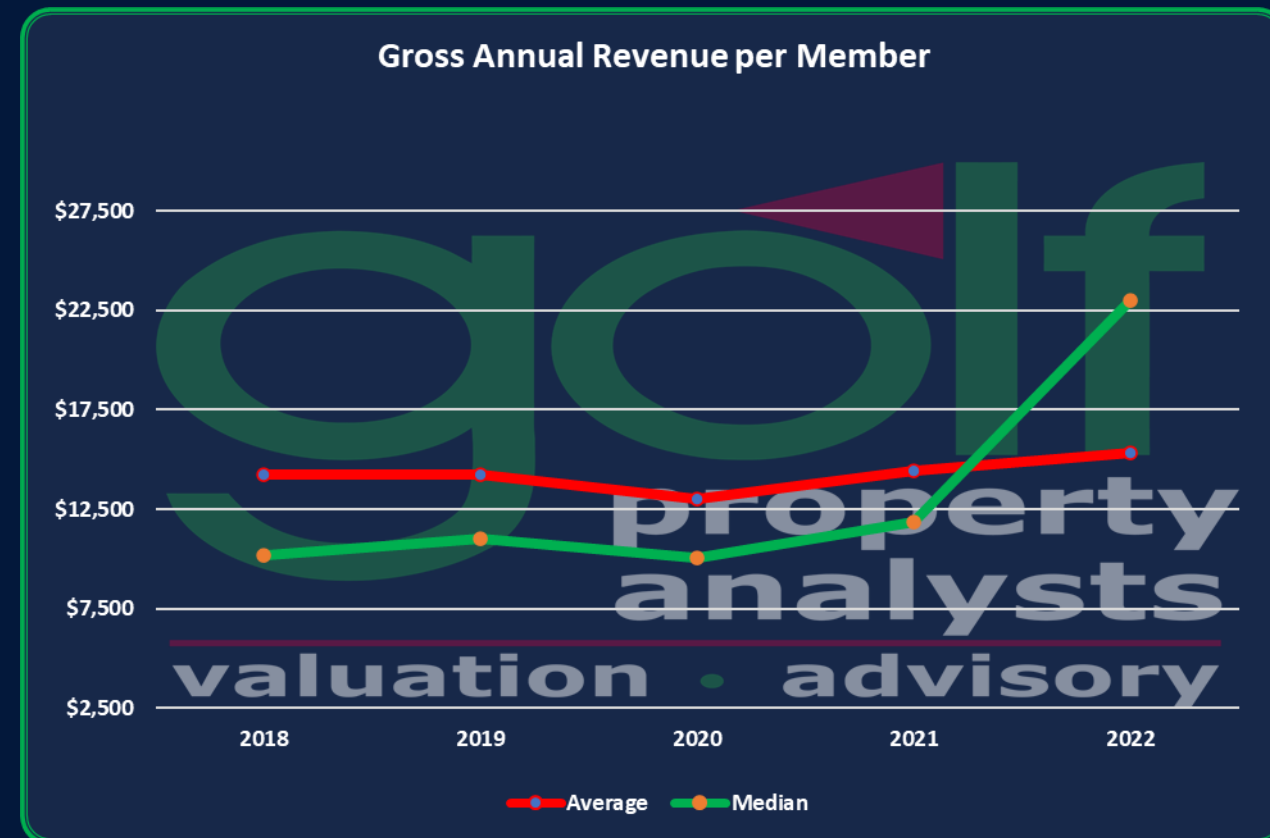


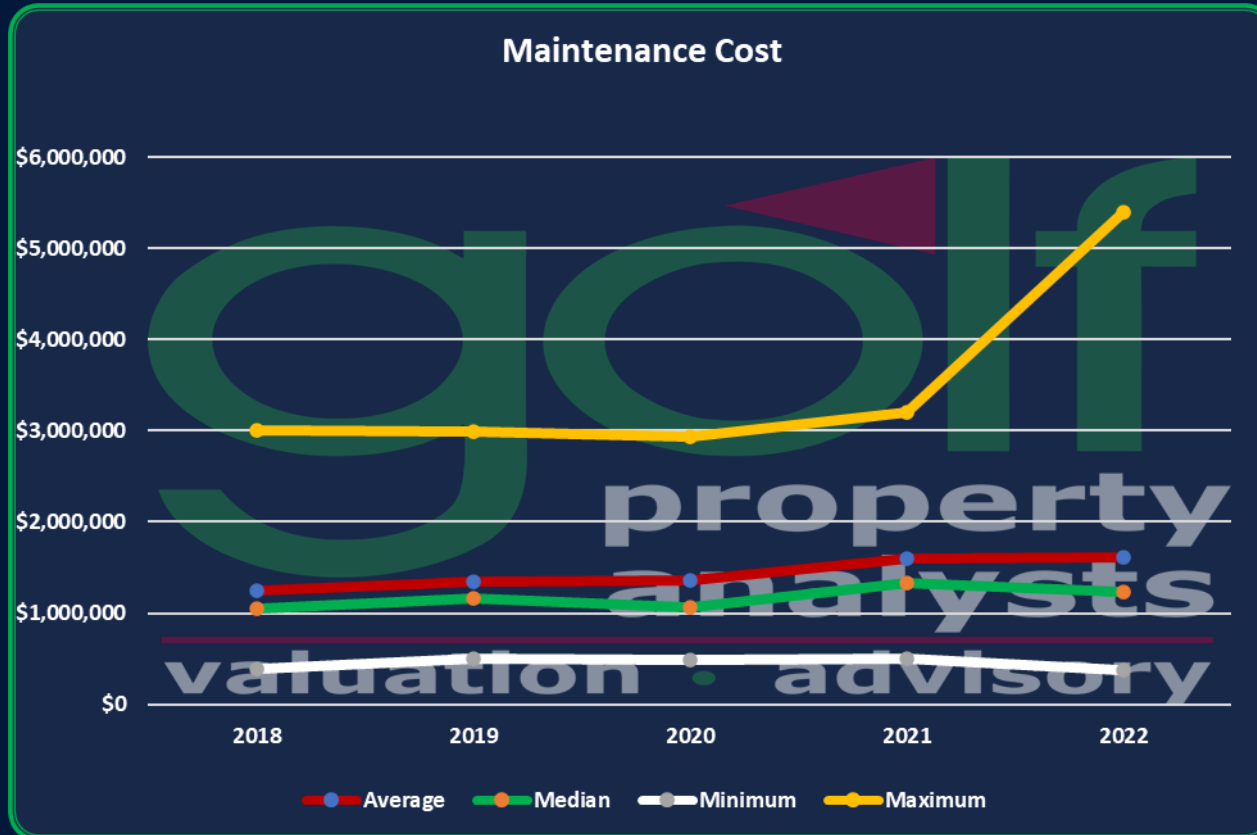
ROUNDS per MEMBER



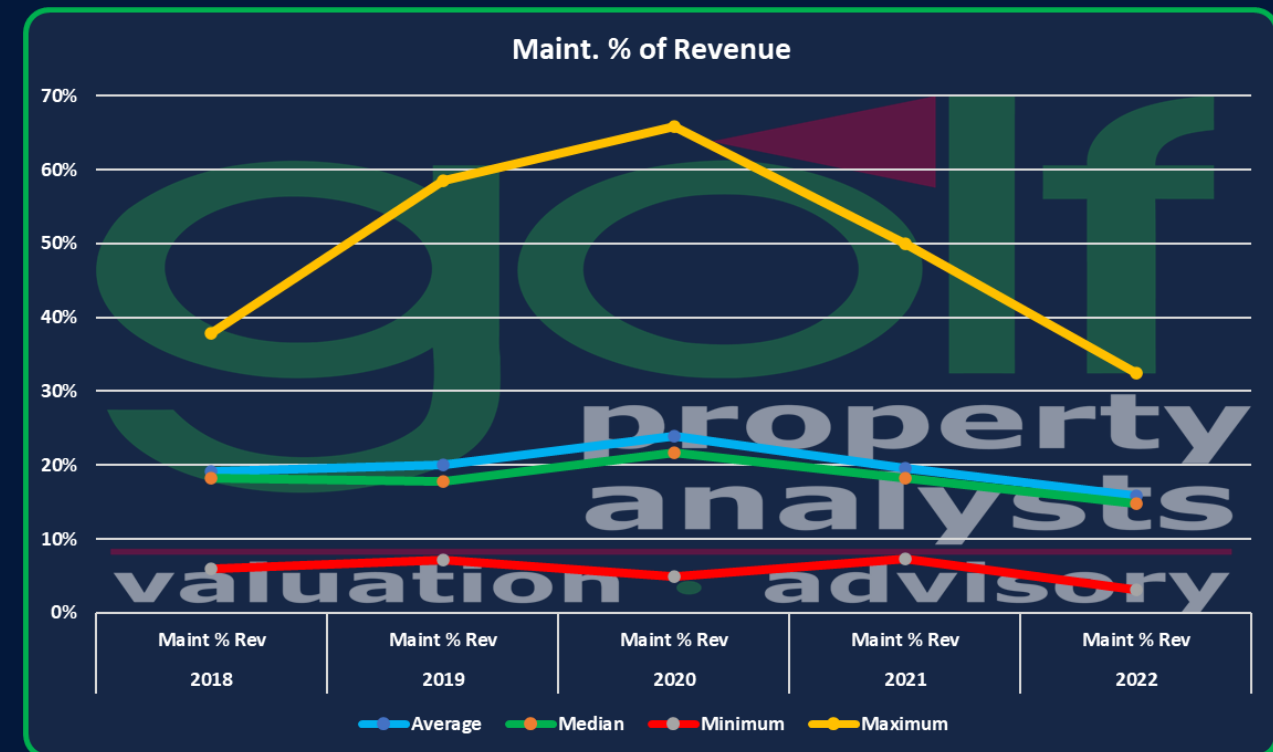


Revenues at private clubs saw significant increases both on the club level and on total spending per member, as shown.

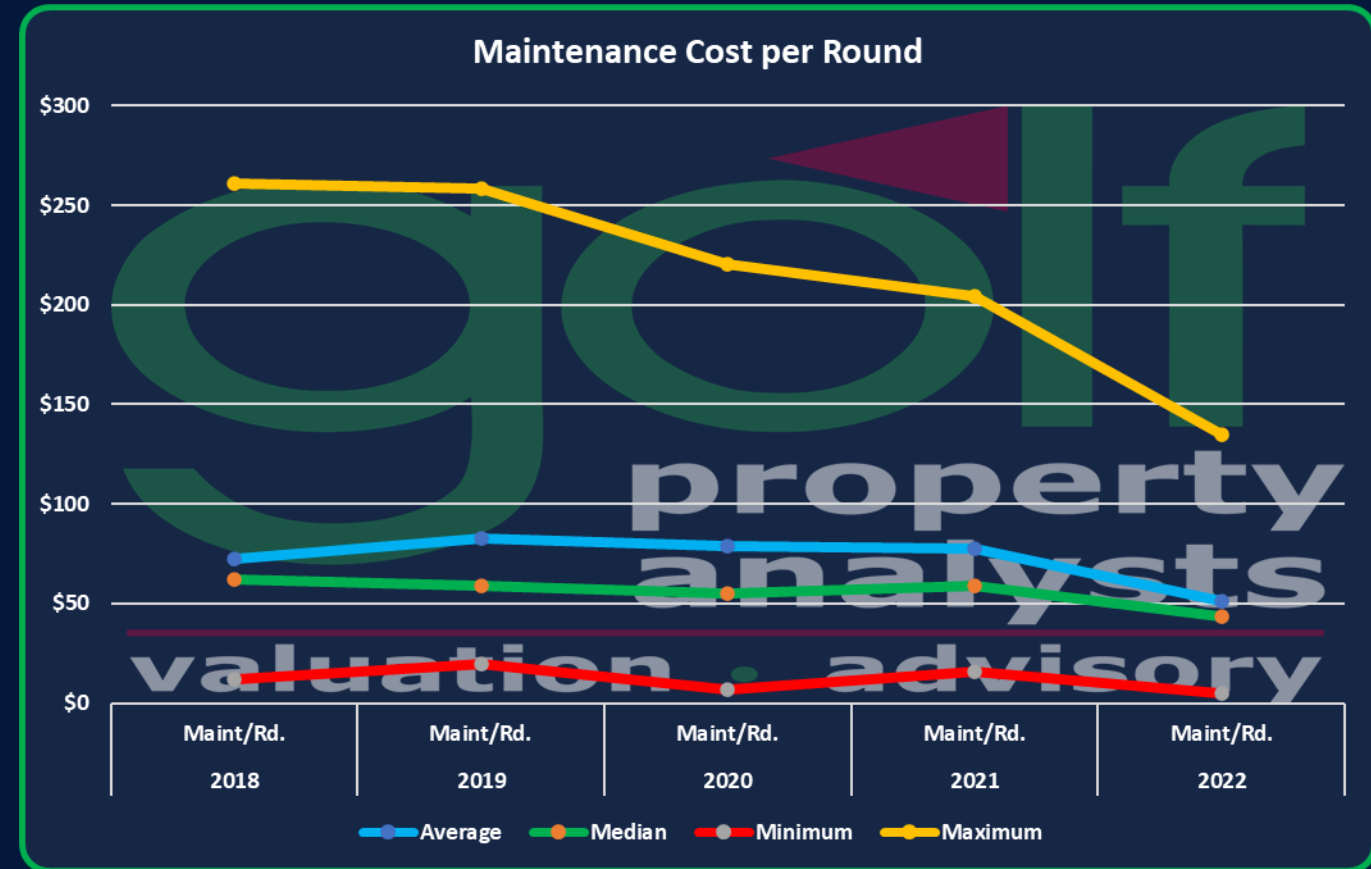




Private club golf course maintenance trends are shown in the adjacent graphs. While costs have increased over time, with higher revenues, maintenance as a percentage of gross revenue appears to have declined in our sample.



Private club golf course maintenance on a per round basis has declined as a result of the increased number of rounds played, despite climbing maintenance costs overall.



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. 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 2,700 golf property sales in our database from 2012 through 2022 and compiled statistics from these sales. Overall, these sales indicated the following:

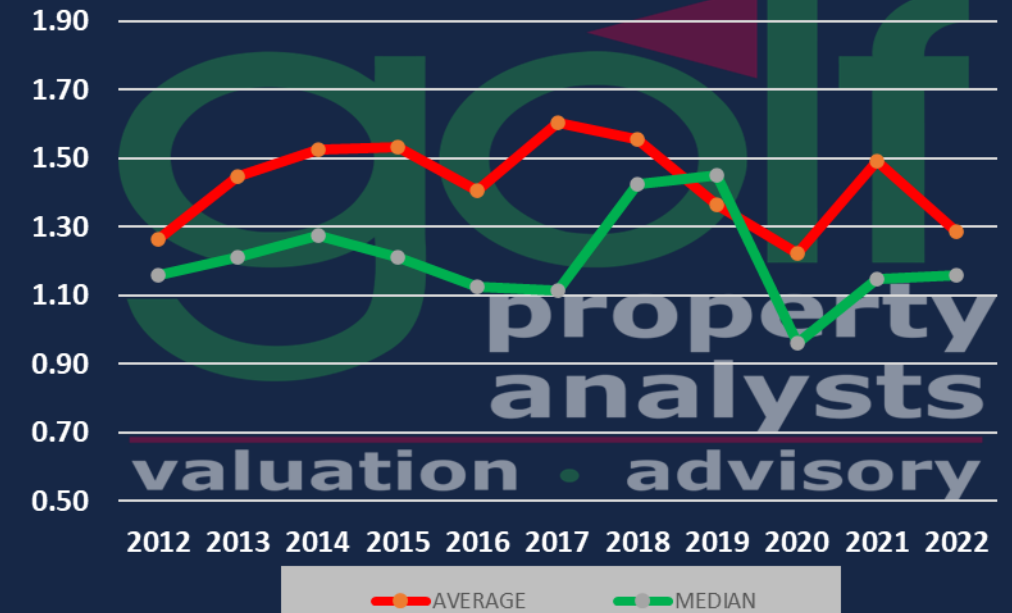
Further analysis on a year-by-year basis as shown in the adjacent chart shows both upward and downward movement in the averages, but more than anything else, stability, with GIM's ranging from 1.22 to 1.77 on average for the period with minor fluctuations.

Not surprisingly 2021 sales show the highest multiples of the period, with 2020 the lowest.

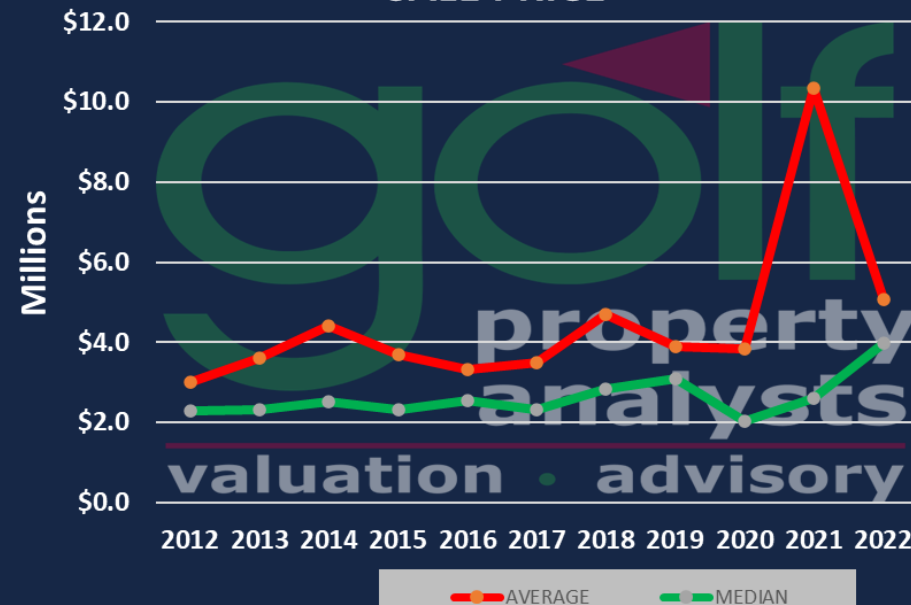
SALE PRICE				
YEAR	AVERAGE	MEDIAN	MINIMUM	MAXIMUM
2012	\$2,999,367	\$2,300,000	\$68,000	\$14,200,000
2013	\$3,595,955	\$2,329,000	\$354,834	\$21,500,000
2014	\$4,398,503	\$2,515,514	\$154,195	\$23,000,000
2015	\$3,688,528	\$2,310,000	\$160,000	\$21,000,000
2016	\$3,328,012	\$2,560,000	\$500,000	\$10,500,000
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
2021	\$10,348,944	\$2,600,000	\$275,000	\$362,000,000
2022	\$5,081,478	\$3,985,000	\$375,750	\$20,000,000

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
2021	1.49	1.15	0.58	4.61
2022	1.28	1.16	0.47	3.72

Gross Income Multipliers (GIM)



SALE PRICE

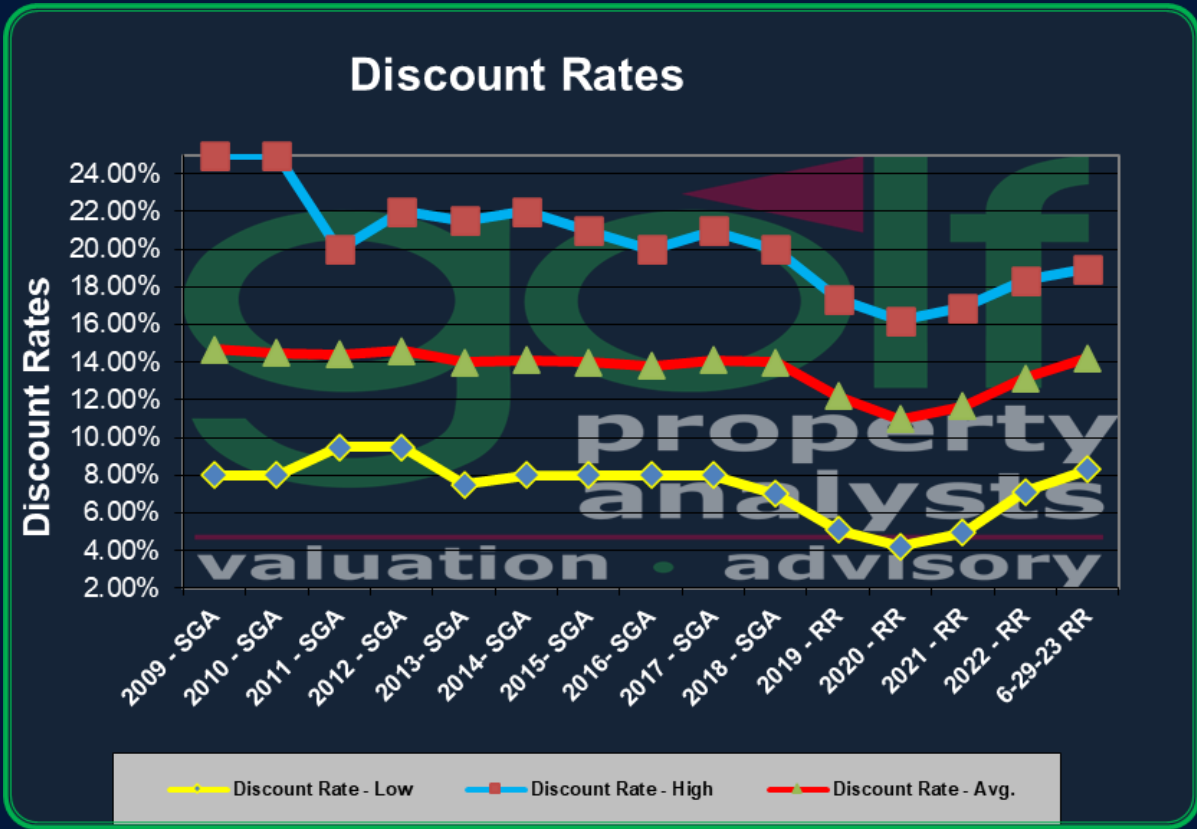
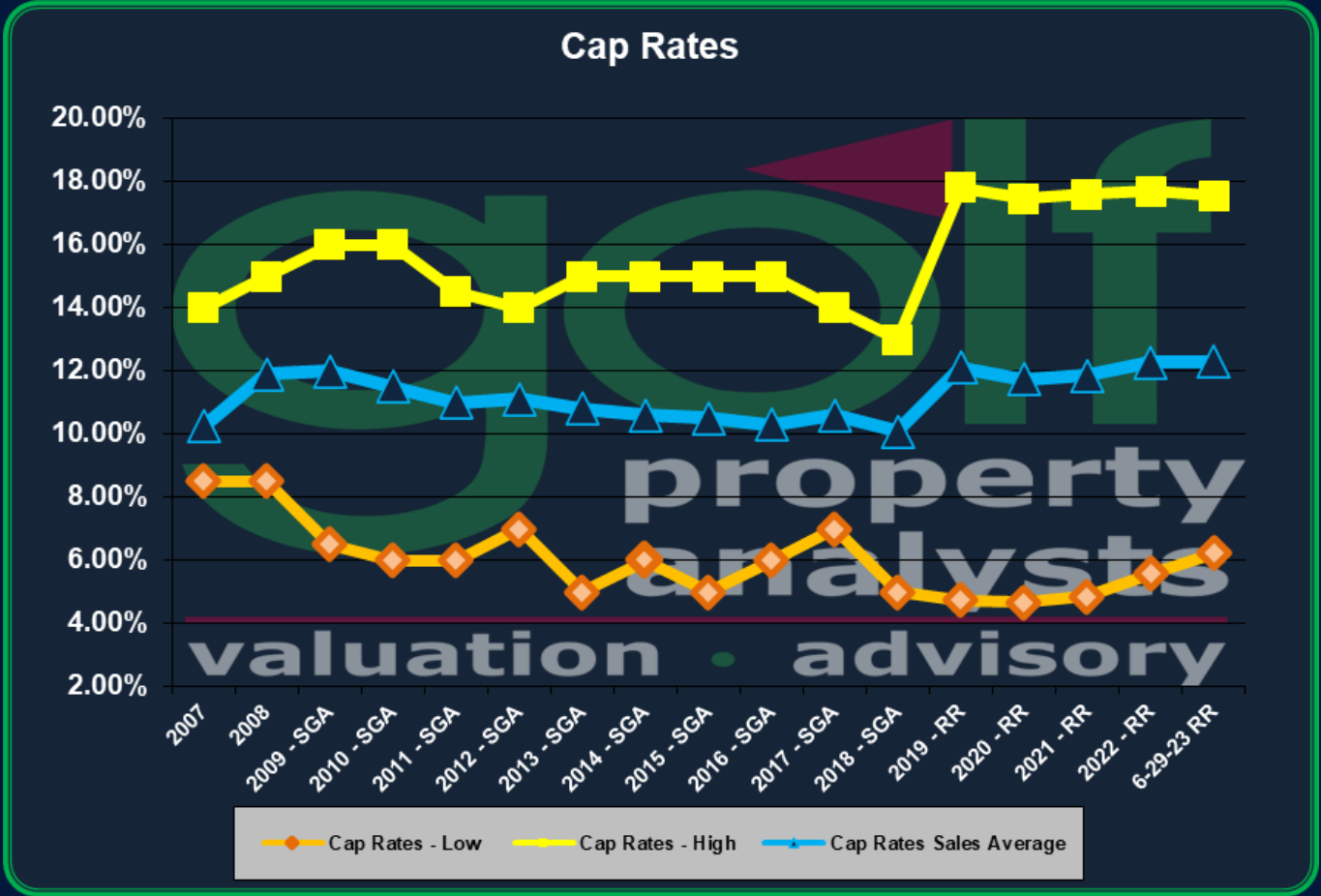




Golf Course Sales 2012-2022				
	Daily Fee	Semi Private	Private	ALL
Avg Sale Price	\$2,749,003	\$2,889,227	\$5,868,037	\$4,774,751
Median Sale Price	\$1,725,000	\$1,974,078	\$4,875,000	\$2,500,000
Avg Gross Revenue	\$1,879,775	\$2,273,157	\$4,356,106	\$3,019,296
Median Gross Revenue	\$1,485,167	\$1,974,078	\$4,050,000	\$2,200,000
Avg GIM	1.66	1.23	1.34	1.46
Median GIM	1.34	1.07	1.11	1.18

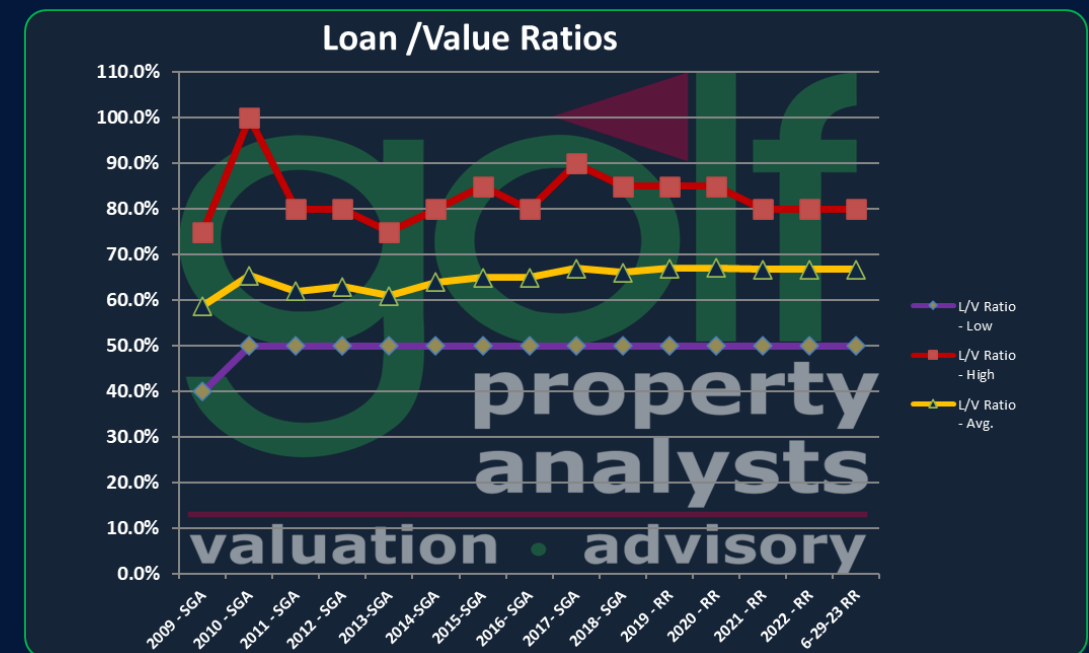
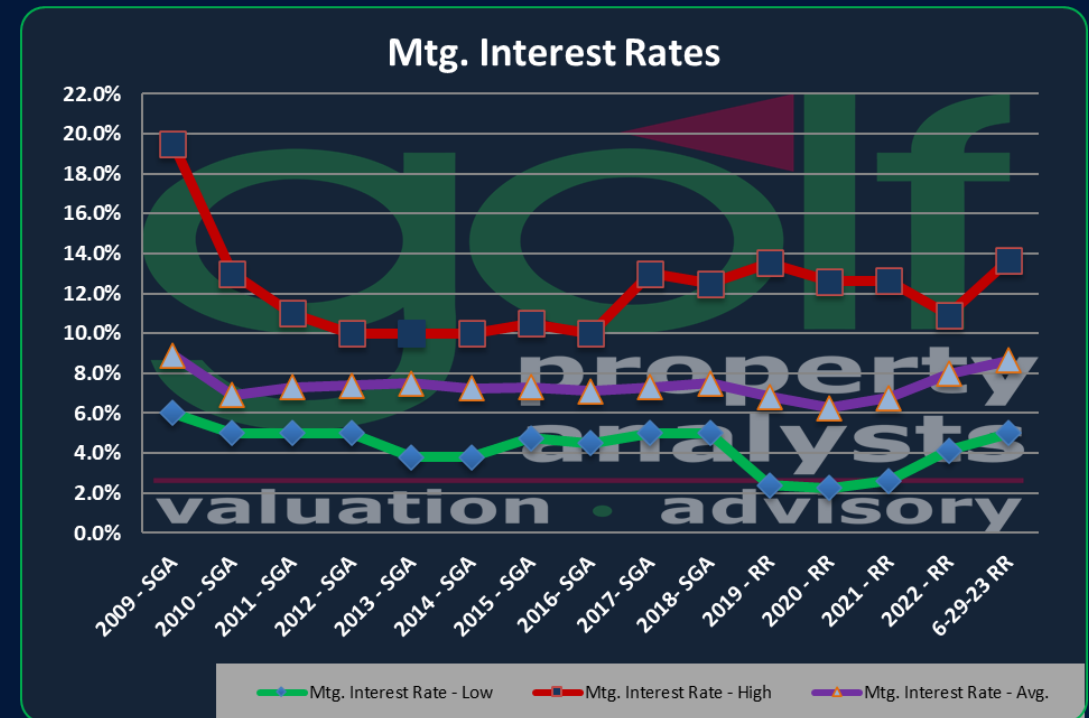


2022 Sales	Sale Price	Gross revenue	GIM	GIM PR	GIM DF	GIM SPR
Average	\$5,081,478	\$2,891,571	1.28	1.55	1.01	0.97
Median	\$3,985,000	\$1,500,000	1.16	1.19	1.13	1.05
Minimum	\$375,750	\$500,000	0.47	0.59	0.47	0.54
Maximum	\$20,000,000	\$7,892,933	3.72	3.72	1.80	1.25



The SGA tracked available debt financing for golf projects through 2018. Data since is from RealtyRates.com. 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.



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)
- Coral Creek Club (FL)
- 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)
- Kingsley Club (MI)
- Lake Nona CC (FL)
- Latrobe CC (PA)
- MacArthur GC (FL)
- Metedeconk National GC (NJ)
- Mid Pines/Pine Needles (NC)
- Mountain Ridge CC (NJ)
- Myopia Hunt Club (MA)
- Newcastle GC (WA)
- Oakhurst Links (WV)
- Old Collier GC (FL)
- Pete Dye GC (WV)
- Palm Aire CC (FL)
- Palm Desert CC (CA)
- Peninsula Club (DE)
- 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)
- Roaring Fork Club (CO)
- Shark's Tooth GC (FL)
- Shooting Star Club (WY)
- Sleepy Hollow CC (NY)
- 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)
- TOC Stonebrae (CA)
- 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)
- White Clay Creek GC (DE)
- Wilmington CC (DE)
- Windemere CC (FL)
- Winged Foot GC (NY)
- Woodmoor Pines G & CC (CO)

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

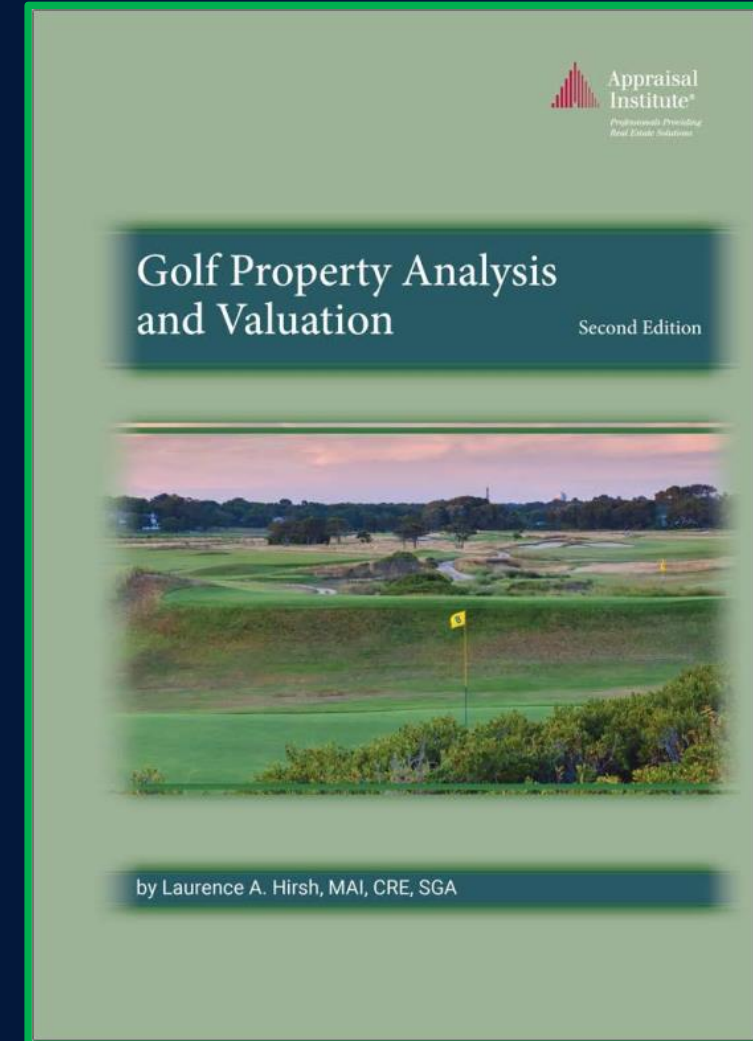
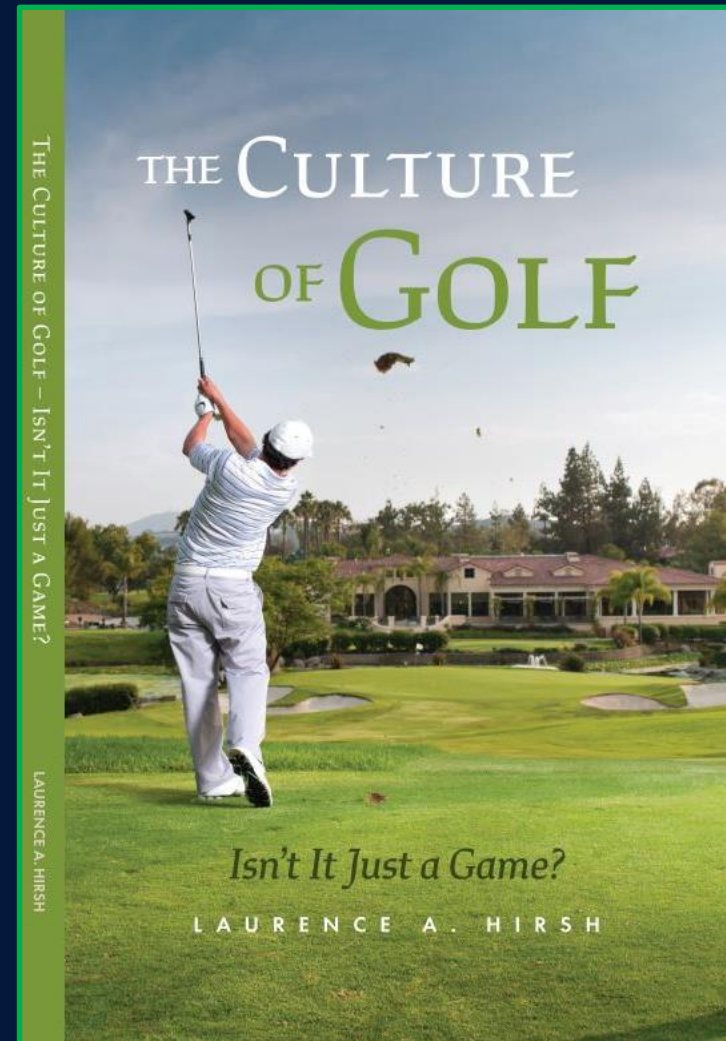
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- Real Estate Tax Assessment Management
- Market Analysis and Market Positioning
- Operational Review
- Economic Analysis of Renovations
- Facilities Analysis
- Debt Financing Analysis
- Valuation
- Property Acquisition and Disposition

From more than 3,500 assignments in 46 states and beyond, we've "seen it all" and have the data, knowledge and experience to assist our clients' decision-making.

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