

Financial Considerations for a Golf Centric Investment program

- A golf centric investment program is a real estate business where returns are achieved based upon realizing the maximum potential benefits from the underlying land rights
- Consider those actionable opportunities that provide flexible and numerous avenues to pursue
- The vision and resources to achieve a successful outcome must be accomplished in a reasonable timeframe
- Establish what funds are required for each individual investment and what the projected returns will be (as presented in a best case, most likely, and downside scenario)?
- What is the fallback position?
- Assign a defined timeline to each approved investment

Criteria for investment- Real estate considerations

1. **Location**- The location of the property should be supported by adequate transportation with access and proximity to major roadways, airports, rail, and downtown areas
2. **Access**- It should not be difficult to find the property. Elite clubs or unique destinations are often in isolated locations, however, with proper directions, one should arrive at their destination without distress
3. **Configuration**- The overall layout of the site should be well designed. Many of the best golf properties were designed by Architects and landscape designers who used professional engineers to carry out their plans.
4. **Construction**- Infrastructure is fundamental to a successful project. Each property needs to stand the test of time against weather, temperature and usage that can wear down roads, place a strain on drainage pathways, utilities, structures and turf
5. **Usage**- golf course properties are generally large and can support hundreds of players each day. It is important to have facilities that can support such usage without overburdening the property or staff

Criteria for investment – Golf Course considerations

- Assess the quality of the golf course. (design, layout, agronomy, maintenance practices, surroundings, view corridors, reputation, ranking...)
- Identify any deferred maintenance and or shortfalls with reserve requirements
- Estimate the extent of capital expenditures required to bring course up to standard
- Examine the structures on the property including Clubhouse, Dining area, Lodging areas (if available), pro shop, range, cart barn, maintenance facility, energy plants (pump houses, lake liners, cart paths, culverts...)
- Consider the cost and time to bring all physical deficiencies up to par
- Now consider if the investment is a good buy
- Establish a preliminary operating proforma with new price points
- Consider the demographics of the area, can they or are they willing to support rate increases
- Are there existing members and is there room or opportunity for membership growth?
- Is there a potential for hospitality development and is there a need for transportation and concierge services?