

Resorting to Golf

Golf and Resort development appears to be a major factor within the golf market today. Roger Jones, principal of Roger Jones Golf Design and a member of the golf, leisure and tourism consultancy GreenScape discusses the topic.



Ask any golf course architect or indeed anyone else in the golf and leisure development business what is very often the biggest obstacle facing golf resort developers, and invariably the answer will be a shortfall in funding, or an inability to raise the necessary funding to get a project started.

Potentially, many good projects, ones that are well located and have commercial potential, never come to fruition because their promoters either didn't have the financial resources themselves or didn't have a strong team of people around them.

In some cases the time and cost involved in searching out sources of prospective funding will drain a well-intentioned promoter's own financial resources before the development can get off the ground.

It is a plain and simple fact that very few projects can ever achieve commercial success - in any sector of the market - without the necessary funding in place from the start; sufficient funding to carry out the construction, pre-opening and early business phases - and with some contingency available for unexpected costs.

It is therefore no coincidence that most new resort developments are headed either by high worth individuals, consortia or companies already involved, in some form, in the property, hotel or tourism industry.

That said, the global golf market is very diverse, there is a market for everything from the exclusive high cost developments down to the much smaller, lower cost versions that can bring new people into golf or provide a competitively priced tourist facility.

There are many landowners around the world who have well located land that could be developed into golf and leisure facilities catering for different sectors of the market if they had the resources to carry out such projects.

Resources

Resources not being just financial but also knowledge, support and advice from competent professionals. There are also many prospective developers around the world, who, if they had better access to the necessary resources, have the vision and desire to enter the market.

In the emerging golf destinations of the world, in countries where golf related development is only now being discovered for its social and economic benefits, the challenges facing prospective developers are even greater than they are in countries which already have a mature or a maturing market.

In many of these countries the home economies may mean that investment in golf related development is far beyond the reach of any individual or company, in other countries the political complexities surrounding land ownership can be daunting and stifling.

Ireland based golf, leisure and tourism consultancy GreenScape has been involved in the industry for many years. Principal Roger Jones has watched the industry evolve, seen it travel through countries and continents, and seen the ups and downs in different countries and in different regions.

"Over the years we have been involved in many projects of differing size and type," said Jones. "No different than other consultancies around the world, GreenScape has also had many more projects that have never come to fruition in spite of their location or the desires of their promoters.

"We believe that if the time has not already arrived, the industry is about to enter another period of widescale expansion. The difference now is that this expansion will be on a wider geographical scale.

"Developments are being and will be undertaken not just in the familiar locations of western Europe but also in countries that currently have a tourism industry and now realise the higher spending potential of golfers.

"This includes countries that have begun to develop their tourism industry and want golf related development to become an integral part of that market. The model of creating a residential community around golf and leisure facilities is one that continues to attract property developers as much as it attracts property purchasers.

“The industry has also matured. In the early 1990s, in many countries throughout Europe, we had a situation where golf related developments were being built without sufficient attention to location, standards, strategy and the commercial realities involved with such.

“Nowadays most projects are better planned in every sense of the word and the valuable contribution made by professional consultants in many disciplines is now realised.

“This has culminated in us forming a partnership with a number of other businesses in the golf resort development arena. The partnership is now looking to participate in golf resort developments on a part fee part equity basis or a purely equity basis.

“The development partnership can provide expertise and a broad range of services, including golf course design and construction, marketing, management and consultancy in return for

“In some countries, years after strategic plans were announced and even incentives offered by governments, these countries still don’t have the facilities they would like.

“Other countries are going to encounter the same difficulties or maybe find it even harder. There will always be fully funded high profile projects in every country and these are so important in setting the standards that other aspire to.

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“A number of countries, and developers from these countries, particularly those falling into the country categories referred to above, have been endeavouring to realise their development plans for some years now.

“They have found it much more difficult than they probably ever expected. They therefore need assistance in many different ways. But sometimes this necessary assistance may only be available at too high a price.

“We have been analysing this situation for some time and discussed it with other businesses in the industry, posing the question of how best to assist developers realise their projects, particularly in countries looking to establish or relaunch their tourism industries.

equity shares in the development. A limited amount of investment capital can also be provided in the right circumstances.”

Interest

Jones strongly believes that this approach to resort development will be of particular interest to landowners, development companies, investors, hotel groups and others who are seeking joint ventures for current or future project.

Jones continued: “We have been looking at this strategy for a long time now. A lot has changed geographically, economically and politically in recent years and although this has provided many new opportunities for all of us, we believe that a more pro-active is approach is needed.

“We have not just become charity workers and we haven’t found a bottomless pot of money. What we are doing is taking a longer term view of our businesses.

“As a result of this long-term strategy we are not expecting to become large scale golf resort owners but as a group we have a very strong pool of skills that we can put to good use working with, not just for, developers and developing ‘golf countries’”, added Jones.

Influence

“In the future, I believe we can be seen as having been an important influence in the further progression of the golf, leisure and tourism industry in many countries”.

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