

A NEW AGE FOR GOLF DEVELOPMENT?

Booming interest in the game has opened the door for new course development. But new 18-hole courses are expected to be a rarity, with the focus on short courses and golf entertainment facilities.

BY ROBERT J. VASILAK

It's an adage that has hung around the golf industry's neck for decades: The game is too slow, too difficult and too expensive to appeal to a broad audience.

But in recent years, golf has become faster, more accessible and more entertaining. And what has happened? Golf's future hasn't been this bright since a young Tiger Woods excited the world.

Even the development wing of the business is enjoying the moment. Designers and builders are as active as they've been in 30 years.

"We're bidding courses this year for construction in 2024 and 2025 to lock in contractors and order materials," said Ray Ball, senior vice president of Nicklaus Design.

While traditional courses — mainly for lifestyle communities and destination resorts — are getting renewed attention, the energy is coming from the periphery. Golf entertainment centers and easy-to-play short courses seem to be the tide that's lifting the boats of interest in golf.

Take the entertainment sector, for example. Today, according to the National Golf Foundation, the number of Americans who play at entertainment centers and other off-course facilities is roughly equal to the number who play at traditional courses.

What's more, the sector has markets galore to tap. Topgolf, which opened its first U.S. outpost just 17 years ago, will likely have at least 80 U.S. locations by the end of 2022, and it expects

to add 11 or more in each of the next three years. Its chief competitor, BigShots Golf, has only a handful of properties today but aims to have 40 by 2027. The indoor-golf chains (led by Five Iron Golf and Golfzon's ZSTRICT) are spreading all over, and the high-tech putting venues (led by Popstroke and Puttery) have only just begun to grow.

These no-experience-necessary, eat-drink-and-be-merry venues have shown mainstream golf how to attract a crowd. It shouldn't be a surprise that Callaway Golf has invested in both Topgolf and Five Iron Golf or that Invited has become the majority owner of BigShots. No surprise either that Troon has inked a partnership with Golfzon or that Century Golf Partners has allied with Flite Golf. Or that Tiger Woods and Rory McIlroy have taken ownership stakes in, respectively, Popstroke and Puttery, both of which dream of becoming the Topgolf of mini-golf.

"The golf ecosystem has never been more robust, given the growth of indoor and outdoor golf entertainment venues across the country," said David Pillsbury, CEO of Invited, formerly ClubCorp. "Expanding the supply of traditional courses is now less of an opportunity but also less of a concern."

TRADITIONAL GOLF

It may be impossible to predict how long the current surge in golf development and redevelopment will last, but there's no



Cabot Cape Breton in Nova Scotia

PHOTO BY JACOB SJOMAN

debate about where it's taking place.

"The Sun Belt continues to be well positioned for future development, thanks to desirable climates, demand increases and land availability," said Scott Van Newkirk, Troon's chief development officer.

Van Newkirk's assessment was echoed by M.G. Orender, president of Hampton Golf.

"So long as people can have flexibility in working from home," he said, "they will continue to migrate south."

These days, the favorite destination is Florida, where golf communities have risen from the dead, along with exaggerated marketing pitches. Panther National, for example, is a plush private spread in Palm Beach Gardens that promises "an unparalleled modern luxury living experience unlike anything else in the country," while Discovery Land Co.'s proposed Atlantic Fields in Hobe Sound, Florida, aims to indulge its members with "incredible, one-of-a-kind adventures and family-oriented experiences" that will "produce cherished, life-long memories."

Not all of Florida's forthcoming golf communities are being created by long-time residential developers, however. Ben



Van Newkirk

Cowan-Dewar, whose Cabot Cape Breton in Nova Scotia was inspired by golf-centric Bandon Dunes, plans to transform the modest World Woods property in Brooksville, Florida, into Cabot Citrus Farms, "a vibrant golf and residential community" with a suite of predictable amenities, including restaurants, shopping, a spa and a fitness center.

Prior to the pandemic, golf communities were the black sheep of the development family, as they led to the over-building spree that triggered a construction collapse.

Nobody is predicting a repeat, but it's worth noting that developers are taking a more responsible approach. Instead of commissioning long, difficult tracks that cost a small fortune to build and maintain, residential developers now have sustainability in mind.

Take, for example, Stillwater, a seniors-only community outside Jacksonville, Florida, that's being developed by Lennar and will be managed by Hampton Golf. To cut maintenance costs, Stillwater's Bobby Weed-designed, 18-hole track has only 70 acres of irrigated, drought-tolerant turf. And to accommodate its aging residents, it has wide fairways, no rough and no forced carries.

Then there's Kolter Homes' Astor Creek Country Club, the centerpiece of a gated community in Port St. Lucie, Florida, where Chris Wilczynski is complementing an 18-hole course that blends "tranquility and ease of playability" with a short-game



Bandon Dunes, Ore.

complex that features a 15,000-square-foot practice putting green.

And while the main focus may be on the Sun Belt, destination-worthy golf development in other areas shows no sign of letting up. Last year, Hanse and Wagner unveiled CapRock Ranch Golf Club in Valentine, Nebraska. This year, the wraps have come off Landmand Golf Club in Homer, Nebraska, the first 18-hole course designed by Tad King and Rob Collins of Sweetens Cove fame.

Bill Kubly's Lost Rail Golf Club, which opens soon, will be the first new private venue in the Omaha area in a quarter-century. Next up will be Kidd's first course in the Cornhusker State, at the Dormie Network's private GrayBull property in the Sand Hills.

Nebraska is not the only golf destination enjoying new development. Oregon's Bandon Dunes has hired David McLay Kidd to produce its sixth 18-hole course and Tom Doak to add a par-3 layout. Also, Kidd will break ground soon on his second 18-hole course at Gamble Sands in Washington. Doak is working on two courses at Sand Valley in Wisconsin.

5 THINGS TO FACTOR INTO YOUR NEW DEVELOPMENT TO ATTRACT THE NEW GOLFERS

1. Build in growing locations like the Sunbelt and Mountain West.

Golfers are in the Sunbelt and Mountain West regions, and they are playing their sport. Rounds are solid, rates are up and tee times are being made far in advance.

2. Golf entertainment: range and/or indoor simulators.

Courses across the country are adding simulators, putting greens and range technology to keep golfers engaged. Courses with traditional driving ranges are adding technology such as Toptracer, a ball tracking system.

The simulator market is also hot. No longer strictly for high-end, specialty venues, simulators are popping up at small, local courses that are looking to pull in golfers during the off season — and after nightfall.

3. Dining to complement the golf entertainment and attract non golfers.

For business as usual, golfers and club members tend to prefer casual, comfortable restaurants and bars that offer changing seasonal menus. The indoor-outdoor spaces are a plus — even more so today.

Being in a seasonal beach market, Bayside Resort Golf Club needed dining space with a casual beach feel. The club

added a second story terrace for private family dining, outdoor dining space and a separate outdoor bar area. Overall, F&B operations have increased more than 41% and events have increased 55%, the club said. The clubhouse has now become a destination for dining, where previously it was more of a place to grab a drink after a round of golf.

4. A short course option for people with less time.

Justin Apel, executive director of GCBA, said almost every new project being done in this busy season has a fun component. This includes attention to practice areas, the range, chipping and putting and creating more of a short game experience for new golfers. And with more technologies, access and maintenance are becoming more efficient.

5. An 18-hole course that minimizes maintained acreage.

According to industry data, a full-size, par-72 golf course requires about 120-200 acres and costs more than \$500,000 a year to maintain. Lanmark Designs is one firm designing courses to fit in much smaller areas with maintenance costs that are a fraction of those associated with traditional courses.

David Johnson, an Atlanta-based architect, said he believes all of America's top golf destinations will continue to attract golfers and add more courses.

"Have you looked at the tee sheets of premium destination courses lately?" he asked. "Tee times are hard to find, and green fee package rates are sky high."

MORE FLAVORS OF GOLF

Topgolf has likened the disruption it's created in golf to a revolution. But a more accurate description may be a liberation.

While traditional courses may still be the key driver of U.S. golf development, they represent a form of the game that's being challenged by Americans who favor a more playful, less judgmental sport.

"Anyone who thinks the future belongs

to 18-hole, regulation-length layouts hasn't been paying attention," said Forrest Richardson, the architect behind Mountain Shadows in Scottsdale, Ariz., the first par-3 course to crack the \$100 green fee mark. "In the coming decade, we're going to see the game take on new playing formats and abandon scorecards, stroke play and many of the traditions we've all come to rely on far too much."

If Richardson's prediction comes true, it will be because venues such as Topgolf and pint-size, rules-optional tracks such as the Cradle at Pinehurst are presenting golf in a no-expectations, entertainment-intensive context that suits the

21st-century mindset. Everywhere one looks today, golf developers are building or adding some version of a short course, a putting course or a Toptracer-equipped driving range. Some developers are pulling all three items off the menu.

If there's a lesson to be learned from the proliferation of these elements, it's that the industry needs what Tim Schantz, Troon's CEO, once called "more flavors of golf."

Historically, there's been only one version of the game, and players were expected to conform to it. Today, golf is accommodating players' wants and desires. It's allowing players to pick and choose from several versions of the



Forrest Richardson

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Topgolf's 10-hole, par-3 in El Segundo, Calif.

PHOTO BY MICHAEL BAXTER, BAXTER IMAGING LLC

game, in the hope that those who find pleasure in one will try another.

"Traditional golf courses aren't going away, but people today want flexibility," said Richardson, who's broken ground on an 18-hole, par-3 course for Promontory, a private community in Park City, Utah. "I always use the same analogy: If beer was only sold in kegs, the beer industry would be dead."

Until recently, the flow of ideas has been a one-way street, from the fringe to the mainstream. But today, the entertainment venues are reversing the flow.

Two municipal partnerships are noteworthy. In Naples, Florida, Invited won permission to lease Golden Gate Golf Club and replace its defunct 18-hole course with a BigShots venue, a 12-hole Nicklaus Design layout, a putting course and a practice area for the local First Tee chapter.

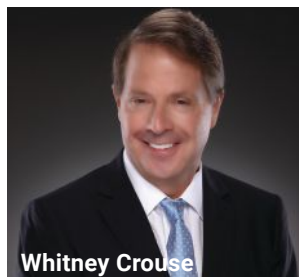
Earlier this year, Topgolf completed a similar project in El Segundo, California. It opened an entertainment center and turned the money-losing, nine-hole

Lakes at El Segundo into a lighted, 10-hole, par-3 course.

In both cases, municipalities will get a cut of the revenue flowing not only from the golf courses but also from the properties' other income streams.

These re-imaginings likely will become models for future public-private development. Topgolf reportedly plans to do a similar makeover of a large course in the Los Angeles area, and perhaps one with the city of Honolulu as well.

"I marvel at Topgolf," said Bobby Jones' Whitney Crouse. "It caught all of us off



Whitney Crouse

guard. It taught us that younger generations want a technology component with their golf. Eventually, every driving range in the country is going to have Toptracer technology. People love the entertainment factor."

The love is generating enough cash flow to lure mainstream owners and operators into the sector. Troon, the world's largest golf management company, and Golfzon, the world leader in indoor simulator golf, are join-

ing forces to open three indoor venues in New York this year, with others expected in "major markets" in the future.

In Las Vegas, Century Golf Partners, operators of PGA West and Walt Disney World Golf, is partnering with Flite Golf to build Atomic Range, a \$70 million facility that will occupy seven acres along the city's bustling Strip. When it opens next year, it's going to capture the attention of the roughly 90% of Sin City visitors who don't regularly play golf.

WHAT'S NEXT?

While interest in golf is strong, most people in the industry are still cautious about new development. The cost of seed, fertilizer, water and labor are driving up maintenance expenses and green fees. Persistent droughts have forced municipalities in the West and Southwest to think twice about approving new courses. The price of equipment, irrigation systems and materials has made construction more expensive.

"A course that cost \$7 million two years ago costs \$10 million to \$14 million today," Kidd said. "The threat to future development isn't declining interest in golf; it's the development costs."

That has many people concerned that developers will have to struggle to make the economics work.

Jeff Brewster, president of Total Golf Construction, said, "There isn't much demand for public courses due to high costs."

His opinion is shared by Pillsbury, who said he thinks development for daily-fee and municipal golf will continue to slow.

But many industry leaders are more bullish on private club development.

Golf Life Navigators, a match-making service for people looking to buy into private-club communities, finds that nearly half of U.S. golf clubs currently have waiting lists and that more than 70% of clubs with initiation fees of \$90,000 or more have them.

For those reasons, Tom Bennison,

Invited's chief development officer, said he thinks today's golf landscape is especially favorable for private-club development.

"There are a number of markets — including Dallas, Austin and the Palm Beaches — that could support development of high-end private clubs charging initiation fees of \$100,000 to \$150,000," Bennison said.

Crouse is not as gung-ho.

"The fun money is disappearing," he said. "The pandemic allowed clubs to raise their dues and initiation fees, but I don't know how long that can be sustained."

If there's going to be significant progress anywhere, the observers say, it will be on the fringes. Ball and Richardson both said they believe the short-course phenomenon is here to stay, and Van Newkirk is placing his bets on indoor and outdoor golf-entertainment venues.

He said he expects to see the trend continue to grow as more and more golf-focused entertainment options open.

But ultimately, it doesn't matter who the winners and losers are. Wherever the business grows, positive outcomes will inevitably ripple through all U.S. golf operations. As Hollywood has been saying for decades: A summer blockbuster is good for the business in general.

"As golf expands its reach and attracts new players, particularly women and juniors, this will benefit all aspects of the ecosystem," Pillsbury said.

What's important is that the industry's narrow-minded, long-time reluctance to adopt new ideas may finally be disappearing. For golf developers, that's a ticket to growth.



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The short course revolution

Resorts are building more short courses than regulation ones.

BY TREVOR MASON

Short courses once catered mainly to juniors and beginners. They were seen as great venues for teaching the game. But as soon as golfers got their sea legs, they were off to a full-length regulation course, if not a championship course.

That tradition has been shattered.

Need proof? This past spring, Mountain Shadows in Paradise Valley, Arizona, an 18-hole, par-3 short course, booked rounds at \$160 for a few weeks. Renovated by Forrest Richardson in 2017, this was the first short course to crack \$100 green fees.

It's not alone. Short courses have accounted for more than 25% of new course development during the past decade, and many are at high-profile resort properties. Operators of Innisbrook, a golf resort in Palm Harbor, Florida, have noticed a shift in priorities since the COVID-19 pandemic and are converting one of the four full-size courses to a short course.

And there are plenty of public short courses as well.

The Gravel Pit in Brainerd, Minn., is one such example. It's a 13-hole, par-3 course designed by Scott Hoffman and built on the remains of — what else — an old gravel pit. It opened in April and has seen steady traffic since. The area is home to multiple word-class golf courses, such as The Classic at Madden's, Pine Beach East, Pine Beach West and Deacon's Lodge. But despite the proximity, the Gravel Pit is very much its own thing.

Chuck Klecatsky, course owner and operator, believes he offers a viable alternative.

"It's great because it's not a formal thing," he said. "Sometimes the experience is more important than the number of rounds played."



MOUNTAIN SHADOWS in Paradise Valley, Ariz., renovated by Forrest Richardson in 2017, was the first short course to crack \$100 green fees.

With modern life making so many demands on people's time, short courses fill a specific niche. Klecatsky said most groups can get through the Gravel Pit in about two and a half hours, and he's seen singles and doubles finish the course in barely over an hour.

Indeed, that's the selling point for most short courses: Minimize the time while maximizing the enjoyment.

More and more people are moving from urban centers to smaller metro areas. Statistics show a 23% increase since 2021. Many are showing up at golf courses with their families, looking for an easier, quicker way to play.

West Palm Golf Park in West Palm Beach, Florida, is in the final stages of construction. Though it will include an

18-hole, 7,200-yard course designed by Gil Hanse, it will also feature a 9-hole short course designed by Hanse, which some are comparing to his famed Cradle short course at Pinehurst, North Carolina. The Cradle opened in 2017 at the fabled resort.

But while these new short courses offer great golf, they are still the exception rather than the rule. They account for only 10% of overall supply in the U.S., according to The National Golf Foundation.

In other words, while more short courses are being built than full-size courses, because the initial number of short courses was so low, they still account for a relatively small share of courses overall. Additionally, the founda-

tion said that in the same time frame, the total number of par-3 courses declined 18%, compared to a 9% decrease in regulation-length courses.

“The gist is that while it often seems we’re in the midst of a ‘short course movement,’ the data doesn’t necessarily bear that out, unless you only consider short courses as a proportion of new openings,” said Erik Matuszewski, editorial director for the foundation. “These short courses we’re seeing pop up are often at resorts and destinations, so not necessarily the feeder system for newcomers but more of a complementary amenity in some respects. Looking more broadly across the industry, short courses are actually closing at a higher rate.”

At recent count, there were 664 par-3 facilities in the U.S., 69% of which were



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ERIK MATUSZEWSKI,
EDITORIAL DIRECTOR, NGF

standalone.

Joe Beditz, president and CEO of the National Golf Foundation, said many par-3 courses that fail are value-priced and therefore more likely to be barely profitable. It makes sense, then, that some of these courses require a lot of work to be worth the money.

It seems that larger resorts see the benefit of creating short courses to cater to a wider array of customers. Being attached to a larger resort allows the course to exist as a complementary offering, while stand-alone courses simply lack the funding to ensure a quality offering.

As famed golf course architect Donald Ross once said, “Golf should be a pleasure, not a penance.”

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