Drafting room hints revealed

Team Plan, Inc. President Michael Redd presented several "hints from the drafting room" at a recent real-estate development conference in Palm Beach, Fla. Redd, whose West Palm Beach company offers comprehensive design services in the United States and Europe, offered the audience the following suggestions:

- Place the maintenance area as close as possible to an exterior road.
- Avoid east-west holes where possible; if not, early holes should face east and later holes should face west.
- Build the clubhouse if possible; this can create an architectural opportunity.
- Build the course at the entrance to the real-estate development and route the entrance along one of the finest holes.
- Put in 8- to 10-foot golf car paths, rather than standard 6-foot paths, so that maintenance vehicles can use them as well golfers can.
- Where bodies of water are present, use them to their utmost to enhance the facilities or course.
- Don't be afraid to have the course cross a road — as many as a half dozen times — but not a main highway.
- Open up your development with a "golf cottage" unit (of 600 to 800 square feet).

This gives potential residents less-expensive units and seeds the project with a lot of potential buyers, yet doesn't hurt the project.

Architects are important. Think of them as a howitzer. You want to be very careful exactly where you fire it.
— Michael Redd
President
Team Plan

Good golf called a value-creator

Crucial to the future of a golf course is not how much money the developer spends by how he spends it, according to Joe Hough, Landmark Land Co.'s director of consulting and maintenance services.

Hough, speaking at a golf real-estate development conference in Palm Beach, Fla., noted that many developments hinge on the fact that "golf creates a value," and on the decisions influencing how a developer creates the golf experience.

Hough said golf course frontage increases the price on real-estate and lot sales by 10-50 percent, and he cited a 294-acre plot of land next to PGA West in La Quinta, Calif., which has increased in value by $40,000 per acre over the last four to five years.

Value is the operative word, according to Hough whose firm numbers among its golf courses Oak Tree Golf Club, Belle Terre Country Club, Carmel Valley Ranch and La Quinta Hotel Golf & Tennis Resort as well as PGA West.

"You create value by putting in high-quality facilities" at a hotel and resort, he said. Club memberships, dues and rate-fee structures all increase at this type of complex. "If you spend $8 million for a Pete Dye PGA West Stadium course, you can charge a $150 greens fee," he said.

Hough said that if a developer creates a facility that can command TV rights to the PGA Tour, or Skins game, or the like, people from investors to homebuyers "like to be affiliated with places like that." Plus it adds to the commercial ventures in the area, he said.

He warned, however, not to enter a project believing that hiring a famous architect will lead to high greens fees and therefore to success.

"It's not that simple," Hough said. He said a would-be developer must develop a plan, decide the type of community he wants to build, have market studies done, inspect the demographics of those studies, decide if he can build a facility and draw people to it, and discover beforehand how long the permit process will take.

He cited a development in California that took seven years to get the necessary permits.

And finally, Hough said, "You need good financial support to carry you through the lean years ... and make your project work."

In the end, he said, "it's not how much money you spend, it's how you spend your money that's important."