Japanese style memberships could provide capital for U.S. developments

By Bernard Baker

Japanese-style international memberships are appearing on the American scene and may provide the foundation for new capital markets for golf projects.

By U.S. standards, golf club memberships bring astronomically high prices in Japan. Many Japanese private clubs sell memberships for more than $1 million. Memberships at Koganei near Tokyo recently traded for $2.7 million. The average Japanese membership trades for about $200,000.

The high prices reflect the scarcity of land, high development costs (often more than $50 million) and the mere 1,800 courses for the country's 20 million golfers.

Yet another factor has sent the cost of Japanese memberships soaring. Tradability.

Most memberships in Japanese clubs can be traded. Some people invest and speculate in club memberships. There is an over-the-counter market for memberships with brokerage houses specializing in them.

A unique feature of many memberships is that "use" rights can be "stripped" from other membership rights and handled separately. A person may own the membership for its investment potential and "rent" the right to use the club facilities to another person approved by the club as a "designated user." The membership can be traded subject to the rental arrangement with the designated user.

This transferability makes memberships suitable for purchase in blocks for later resale.

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Managers can win at the TV interview

By Peter Blais

The Book of Lists indicates the 10 Most Feared Things in Life, No. 6 is Death. No. 7 is Divorce. No. 1 is Having to do a Major TV Interview.

"It's that awesome for a lot of folks," said Kevin Delaney, a 22-year veteran of the PGA Tour, while broadcast journalism who spoke at the recent Club Managers Association of America Conference in Dallas.

"It's like being a Hollywood star," Delaney said.

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