Japanese ownership often means infusion of funds

Hogan Co., others say Japanese ownership often means infusion of funds new owners provide much-needed capital

"Everyone we know of, the people at the resorts (bought by Japanese) are happier than they were before," said Donald Wizeman, president of U.S.-Japan Golf Association.

"From what I've heard," said Mead Ventures President Chris Mead, "the average course bought by the Japanese gets spruced up. Their idea of improvements of U.S. golf courses will be upgraded because of the Japanese involvement... In general, there will be competitive pressure to improve courses to keep up with them."

This is true; in this case, agrees Hueber, who is overseeing Pebble Beach Co., bought by his Cosmo World-owned company for $800 million to $1 billion.

"The ownership and support we've had as a company has been terrific," Hueber said. "They truly have a long-range vision for Ben Hogan Properties Co., acquired by Japanese. Wasn't that value on it," McGarey said. "They're selling corporate memberships in Japan. But they take a long-term payback perspective that Americans don't have."

Wizeman said Japanese are "very concerned with the Japan-bashing that's been going on in our Congressional leadership, and people squawking about them buying premier property. They don't want any kind of aggravation. One of the questions they ask is if there would be concern about their buying a property. They rarely replace management that's in place... They just want to own it and operate it efficiently."

All agree that maintaining model courses is integral to that concept.

Office building investments down, but golf buys increase

The cost of land and construction in their own country has driven Japanese companies to foreign soil for investments. "The sheer economics of building a golf course in Japan drives them elsewhere," said U.S.-Japan Golf Association President Donald Wizeman of Myrtle Beach, S.C. "It costs $100 million to build a course there."

Wizeman said the Japanese National Tax Agency recently assessed a square yard of land in the Ginza District in the center of Tokyo at $252,000 — a 17.5-percent increase over the previous year. Meanwhile, land evaluation nationwide has risen 38.1 percent over a year ago. No wonder the Japanese are investing in Europe, Asia, America and England, Wizeman said.

"Why spend $100 million when you can buy an existing, established course for $10 million or $20 million?" he asked.

The U.S. Commerce Department reported last October that Japanese direct investment in U.S. companies and real estate was $17.3 billion in 1989. It declined 36 percent during the first half of 1990.

Yet Japanese golf and resort-related investments have increased.

Pacific Rim conference planned to bring all parties together

A Pacific Rim Resort and Golf Executive Conference in Hawaii on May 20-21 will explore joint ventures, how to market properties and services in Asia, and new projects in the region.

The conference, "to meet and establish relations with executives from all over the world," is being presented by the University of Hawaii School of Travel Industry Management, Pannell Kerr Forster and Executive Conferences of Del Mar, Calif.

It will cover environmental delays, financing of all sorts, marketing memberships, and approaches to master planning, among other topics.

Ernest A. Watari, managing director of Pannell Kerr Forster, will chair the conference. Speakers will include architects Robert von Hagge, Michael Hurdzan, and Jim Arne'sco; Thomas Yamamoto of Naysay Hawaii, Inc.; Dennis Hillier of Hillier-Wainless & Cherry.

Also, Brian Sumada of The Bank of Hawaii; Dean Chuck Gee of the University of Hawaii School of Travel Industry Management; Mark Kaiser of Ramada Hotels and Resorts; Edwin Fuller of Marriott Lodging International; Dennis Cagan of Design 1 Interiors.

J. Patrick Lawrence of Wimberly Allison Tong & Goo; Yukuo Takehama of The Takemaka Group; Christopher Mead of the Mead Report on Japanese Investment in U.S. Real Estate; James Bell of Belt Collins & Associates; Edward Bignon of Arnold Palmer Golf; and Mickey Jannel of The Yasuda Trust & Banking Co., Ltd.

For further information people may contact Executive Conferences at P.O. Box 3118, San Rafael, Calif. 94912; telephone 800-675-9137; registration and conference information costs $695.

Sellers eager

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vestments is quite different than the American.

Wizeman said: "They don't want an investment that's in place... They just want to own it and operate it efficiently." All agree that maintaining model courses is integral to that concept.

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