Development

projections are bright from NGF survey

The numbers show that, for the past five years, roughly one-third of those courses built have been additions to existing facilities. In 1995, there were 159 such projects and they accounted for 34 percent of the total construction activity. The remaining projects (309) involved brand-new facilities.

"Expansions are typically easier to finance," he said, "because lenders have a track record on which to make the financing decision. Furthermore, loans are often repaid from cash flow that is relatively less encumbered than is true for new development.

"On new developments, while lenders still typically require in excess of 40 percent equity, we're seeing a greater variety of equity sources beyond traditional limited partners... including a trend toward equity participation on the part of lenders."

Norton also points to the continuing availability of financing as another factor that's been driving the development surge.

"All types of financing vehicles have contributed to this growth — everything from your traditional local bank loans and municipal bond issues to the more specialized packages being offered by golf capital companies. We're also seeing greater participation by institutional and pension-fund managers."

Norton and his analysts estimate that the 468 projects completed in 1995 represent a total investment of roughly $1.3 billion. They put the total value of those 820 courses still in the pipeline today at $3 billion. •

Much of the construction activity over the past five years has centered in the nation's East North Central and South Atlantic regions. Each year, they've easily outdistanced the other seven regions in projects completed and together they've accounted for nearly half (47 percent) of what's come on line since 1991.

In 1995, the East North Central region — which includes Michigan, Indiana, Ohio, Wisconsin and Illinois — led the nation in openings for the fourth straight year with 119. The South Atlantic region was second, also for the fourth consecutive year, with 93.

As Norton points out, there are a number of conditions favoring golf course development in the East North Central region. For example, he said, this region has historically boasted one of the highest participation rates in the country at 16 percent. The national average is just over 11 percent.

The numbers show that, for the past five years, roughly one-third of those courses coming on line since 1991 were public. The Real Estate Factor: In the 1980s nearly 50 percent of all golf course construction was associated with a real estate development. Today, real estate development is driving only about 30 percent of all golf course construction activity.

• Overall Gain: While 1995 was the most active in U.S. history in terms of golf construction project completions, those courses coming on line increased the total national supply by only 3 percent. The nation's total golf supply now stands at 15,380 courses.

Iowa Park eyes public facility

IOWA PARK, Texas — Flatt Golf Service, Inc. (FGS) of Overland Park, Kan., has completed a feasibility study here to determine the opportunity for developing a modestly priced public golf course in this rapidly growing community adjacent to Wichita Falls. FGS was also charged with the task of performing an analysis on three potential sites in the community and providing a recommendation to the city.

As Norton points out, there are a number of conditions favoring golf course development in the East North Central region. For example, he said, this region has historically boasted one of the highest participation rates in the country at 16 percent. The national average is just over 11 percent.

The numbers show that, for the past five years, roughly one-third of those courses coming on line since 1991 were public. The Real Estate Factor: In the 1980s nearly 50 percent of all golf course construction was associated with a real estate development. Today, real estate development is driving only about 30 percent of all golf course construction activity.

• Overall Gain: While 1995 was the most active in U.S. history in terms of golf construction project completions, those courses coming on line increased the total national supply by only 3 percent. The nation's total golf supply now stands at 15,380 courses.