CCA Intl' signs deal to manage new golf facility in Manila

MANILA, The Philippines — CCA International Ltd. has signed an agreement to manage the Riviera Golf & Country Club on the outskirts of the city. This is CCA's second golf club in The Philippines, joining Minosa Golf & Country Club on the grounds of the former Clark Air Base.

Riviera will consist of two 18-hole courses designed by golfers Fred Couples and Bernhard Langer, as well as a driving range, clubhouse and golf academy. A separate family club will be added as part of a second developmental phase. The property is scheduled for a soft opening this spring.

Total development costs are estimated at more than US$100 million. CCA is to provide pre-opening technical assistance and overall management on behalf of owner AFP Retirement & Separation Benefits System (AFP-RBSS).

In other news, CCA recently appointed J. Scott Giddings senior manager/operations. Giddings will be based at the CCA's Hong Kong head office where he will oversee overall club operations in various parts of Asia, including membership sales, food and beverage quality, service standards and human resource development.

Giddings holds a bachelor's degree in hospitality management and a master's degree in business administration from Florida Atlantic University (USA).

Clubhaus Europe

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Whitbread Hotel Co. (17) and American Golf Corp./UK Ltd (11).

A UK tax structure that requires company-owned clubs to pay corporate and value-added taxes, while waiving those levies against member-owned facilities, makes it difficult for proprietary clubs to compete in the UK, according to Clubhaus spokesman Jonathan Talbot-Weiss.

"One of the ways to fight against that [tax disadvantage] is to accumulate a critical mass of courses, to get the economies of scale that let you operate at lower costs," Talbot-Weiss explained of the appeal of multi-course ownership management firms strive to achieve.

As for Clubhaus, the firm followed up its January purchase of 18-hole Castle Royale Golf & Country Club in Windsor, Berkshire, with February's acquisition of Golf Fund PLC's two English courses — Seedy Mill Golf Club (27 holes) in Litchfield, Staffordshire, and The Warwickshire (45 holes) in Warwick.

The new acquisitions come on the heels of an eventful first year that saw Clubhaus accumulate seven courses between its November 1995 incorporation and the year ending Dec. 31, 1996. The firm reported revenues of £7.3 million and a pre-tax profit of £1.5 million during the 14-month span.

"We are determined to achieve our goals and implement the strategy of expanding the portfolio of golf clubs in the United Kingdom as well as in Continental Europe and of broadening the product lines," said Clubhaus Chairman Alexander Baron von Spoercken. "Since 1st January 1997, we have already seen the completion of the acquisitions of three clubs in the UK and we will shortly be launching the Clubhaus Members Card.

"Trading at all the Group's golf courses is encouraged and in line with expectations. The benefits of multiple club ownership will begin to flow through in 1997, increasing margins and allowing significant savings to be made on overheads." Clubhaus' strategy is to be a major player in the consolidation of the European golf industry through the acquisition of existing facilities.

"Historically, the ownership of golf facilities in Europe has been fragmented and the facilities lacked the benefits of economies of scale," von Spoercken wrote. "The consolidation of the European golf industry is far from complete and it is imperative that, whilst there are opportunities, the company reacts swiftly and continues to make the progress seen since February 1996."

That progress began 15 months ago with the acquisition of the leisure business formerly operated by Ex-Lands PLC, owners of Duke's Dene Golf Club in Surrey, Hof Trages Golf Club in Frankfurt, Lutwigsburg Golf Club in Hamburg; Foret de Montpensier Golf Club in Vichy, France; an investment in Nippenburg Golf Club in Stuttgart, Germany; and a minority stake in a golf project in Brussels. Clubhaus Investments Ltd., previously a subsidiary of Ex-Lands PLC, had developed those properties in the five years prior to the Clubhaus PLC purchase.

The company signed a lease with The Royal Bank of Scotland in April 1996 to operate Nizels Golf Club in Kent. It has made considerable improvements to the course and opened a clubhouse since then.

These initial courses were considered premium-brand facilities — high-quality private members clubs. The company branched out into the "middle market" brand, clubs providing a value-driven operation, with its July 1996 acquisition of Family Golf Ltd.'s two courses — Chesfield Downs Golf Club in Gravely, Hertfordshire, and Aylesbury Park Golf Club in Aylesbury, Buckinghamshire.

Castle Royale and The Warwickshire were later assigned to the Clubhaus Premier category with Seedy Mill and Clubhaus-managed Meyrick Park Golf Club in Bournemouth (scheduled for completion two months ago) coming under the Family Golf wing.

"The courses Clubhaus bought are good properties and have good people in place," Hegarty said. "They are well located, with good management and will run well, although it may take a year or so for them to run at peak performance."

Clubhaus plans to expand its membership base through providing additional services. Toward that end, the company in November acquired London's Fox Club, a city club with bar, restaurant and nine overnight suites. Last February, the company also purchased Thomas Pace Hospitality Ltd., a corporate hospitality company since renamed Clubhaus Hospitality Ltd.

These assets will provide the foundation for the Clubhaus Members Card, which became available this spring. The card offers access to all Clubhaus facilities as well as the ability to take advantage of hospitality events.

As for the future, von Spoercken wrote, Clubhaus plans additional acquisitions that fit the company's criteria of good location, positive cash flow and growth potential.

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— Clubhaus Chairman Alexander Baron von Spoercken