New Reality: Find funding or fall back

By Peter B. Laits

Golf Trust of America—a real estate investment trust established by the founders of Myrtle Beach, S.C.-based Legends Group—will raise $300 million over the next three years allowing it to acquire at least 30 courses by the end of the decade, according to the investment banking firm that helped develop Golf Trust’s original February stock offering.

“Golf Trust owns 10 courses at this time,” said Christopher Haley, senior research analyst with Wheat First Butcher Singer. “It expects to acquire another $55 million in 1997, $110 million in 1998 and $140 million in 1999. That should allow the REIT to more than triple the size of its portfolio.”

Golf Trust of America’s goal is to use the estimated $49.9 million raised through its initial Feb. 7 stock offering and a line of credit to acquire high-quality, daily-fee and private courses and lease them back to independent lessees, usually the prior owner.

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Meadowbrook locates $40 million partner in Apollo

By Peter B. Laits

BEVERLY HILLS, Calif. — Fast-growing Meadowbrook Golf Group has completed a $40 million deal with Apollo Real Estate Advisors, a real-estate investment firm, that will allow Meadowbrook to expand its efforts to build, buy, lease and manage golf courses.

“We do a good job with this first effort, Apollo has the ability to supply us with a great amount of money down the road,” said Meadowbrook President Roger Behrstock. “We’ve really become their golf wing. This $40 million will lead to $100 million in actual transactions. We’ll probably look at issuing a REIT (real estate investment trust) in a year or two.”

The exact details have

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Developers delight in Costa Rican economics

By Mark Leslie

FLAMINGO BEACH, Costa Rica — First it was fishing. Then surfing. And now, with the advent of its second and third courses, Costa Rica has joined the world of tourism.

Rancho Las Colinas opened nine holes in November and anticipates opening the second nine around Labor Day. The Robert Trent Jones II-designed Melia Conchal Golf Club intends to open the back nine holes in June. These are the first 18-hole courses built here in 23