Pre-show notes, facts and dispelled rumors

I would first like to extinguish the rumor that John Deere will be announcing their first golf car on the floor of GCSAA’s 69th International Golf Course Conference and Show. Our sources at Deere tell us that it’s just not happening — yet.

• Second, the early word from the National Golf Foundation (NGF) is that another 429 golf courses opened (that’s including expansions) in 1997, making it the third year in a row the courses under construction come online the following year... well, you do the math.

To keep this boom rolling into the millennium — which it just might do anyway — the industry must be concerned about budging the stagnant player participation numbers. The time seems to be right. With the baby boomer market getting older, and the predicted glut of young and eager Tiger Wood’s fans, we may finally see movement in those numbers.

• The UK government has cleared Textron’s acquisition of Ransomes. According to wire sources, Secretary of State for Trade and Industry Margaret Beckett said she has decided not to refer the proposed acquisition by Textron of Ransomes to the Monopolies and Mergers Commission — meaning that the government hang-ups that Ransomes Chief Executive Officer Peter Wilson spoke of last month (see GCN, January, 1998) are of little concern at this point.

According to Ransomes, the new shareholder vote date was scheduled for January 27, which is, unfortunately, eight days past our February deadline. So if you’re reading this editorial on the show the GCSSA Shaw floor, you may want to do a little investigative reporting yourself at the Ransomes booth. From our report in GCN January (page 67), the probable deal is looked upon quite favorably by both Ransomes and Jake distributors.

• If you are, in fact, walking the show floor or taking a much needed breather at GCSSA, you may want to take a deep breath and another bite of nourishment. Create an agenda. What do you want to take back home with you? Don’t get crushed in the sensory overload.

• Required reading this month is at the bottom of this page.

Builder’s awards offer compelling look inside the industry

A ccolades. We all love them. Too often they are not uttered until the funeral. Old Farmers Almanac publisher and Geiger Bros. owner Ray Geiger, knowing he was about to die, held his own wake before he passed on a few years ago so that he could hear all the nice things people had to say about him.

Well, few of us can, could, or would do such a thing. And it’s fascinating, instructing, downright uplifting to receive so many unsolicited testimonials in the last month about the golf course builders who had been nominated for GCN’s annual Best Golf Course Builder and Best Small Golf Course Builder awards. Here’s a compelling look, in fact, at the people in this industry — at both ends. First, there are the golf course builders whose livelihood depends on how well they do their job and please their clients. At the other end are the clients — developers, course architects and superintendents — who would go out of their way to tell us how impressed they are with a certain builder.

At the risk of sounding too kissy and mushy, and even like an outright “homer” for the golf course construction industry, I gotta say: I’m impressed.

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Golf in Asia: Near-term hardship, long-term benefit

The situation we have now actually began to appear several years ago. The following is a quick survey of how we got where we are today.

Thailand began experiencing a real estate and golf membership sales slowdown about three years ago. Real estate sales around golf in Malaysia began declining several years ago. Membership sales also began softening several years ago due to over supply. Membership values quit escalating across Japan more than four years ago.

In China, real estate sales momentum — which had been declining or marginal for perhaps two years. Home sales on golf courses really have not taken off in China. Membership sales have slowed. Across Asia, the decade-long speculative rise in club membership prices also was in decline before the Thai Central Bank imploded.

In Indonesia, the large population and expansion of the middle class has helped buoy the demand for membership golf. However, the Indonesian economy has been weak. Membership has been supportive of some resort development. In South Korea, the large population and expansion of the middle class has helped buoy the demand for membership golf. However, the South Korean economy has been weak. Membership has been supportive of some resort development as well. It has been in political and associated economic disarray for nearly two years while golf development has been sporadic and poorly implemented in most cases to date.

In Taiwan, population demand pressure and limited supply helped support existing courses. Land acquisition and site limitation difficulties have been holding back golf development. However, there is a new prospects for several years ago. Membership sales will slow. Membership values will drop, at least in the near term.

Manila has pent-up demand for residential housing and golf. A relatively soft real estate market will help support the demand for new courses. Access to loans for property development will be limited. Membership sales will be limited. Membership values will drop, at least in the near term.

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