Del Webb to add more new courses to REIT

PHOENIX, Ariz. — After more than four decades of developing "active adult" communities and building golf courses, Del Webb Corp. has taken a new direction with its golf operations. While the company manages the 16 courses that it has built over the years, it has also established a real estate investment trust (REIT) as an entity to hold some of its golf course assets.

"The company builds terrific golf assets and then gives them away to home owners," said Henry DeLozier, vice president of golf operations. "Two years ago, Del Webb determined to make a transition from giving away courses to transferring ownership into a closely held REIT and turning golf operations into a profit center."

Of Del Webb's 16 courses, six are under the REIT and 10 are dedicated to the homeowners associations. The courses in the REIT have all opened in the last two years. However, in the next three to four years, Del Webb will be adding 14 more courses to its existing communities.

"Of the 14 new courses, eight will be under the REIT, four are promised to homeowners and two are still up in the air," said DeLozier.

EXPLOITING A NICHE MARKET

Del Webb, which did $2 billion in sales last year alone, is experiencing continuing growth for two reasons according to DeLozier. "One, we are selling a lot of homes. Two, we are in a lot of really strong markets," he said.

While over development and lack of new players is leading to over supply in some parts of the country, Del Webb has remained somewhat insulated from the challenges facing both developers and existing courses.

"We are unique to the golf industry because we have the competitive advantage of full golf courses," said DeLozier. "Our residents can play on any day of the week, whereas many courses in overbuilt markets struggle because they cannot fill off-peak capacity. We have a good demographic. Our golfers are ready to play - not only do they have more discretionary income, they also have more discretionary time."

Even though 20 to 25 percent of Del Webb residents are golfers, anywhere from 20 to 50 percent of golfers are visitors, said DeLozier. New rates have been introduced to entice visitors, while still preserving

The Orchards GC unveils clubhouse, membership deal

SOUTH HADLEY, Mass. — The elegant Donald Ross design here at The Orchards Golf Club can now boast a clubhouse of comparable quality, following a renovation and upgrade directed by Arnold Palmer Golf Management. The unveiling took place Aug. 1.

The Orchards GC was the brainchild of one Joseph Skinner, who commissioned Ross to design the course for his daughter in the 1920s. In 1941, Skinner donated the 18-hole course to Mount Holyoke College, which still owns the club. Palmer manages the facility on the school's behalf.

"The clubhouse is an old carriage house which was moved from the Skinner property to the course in the early 1940s," said Orchards general manager Glenn Zito. The

ClubLink sells Piedmont GC to ClubCorp for $9.5 million

KING CITY, ONTARIO — ClubLink Corp., a wholly owned subsidiary of ClubLink, Piedmont Golf Club, which is located near Washington, D.C., is a private golf course under construction.

"Because of ClubLink's already strong presence in the Washington, D.C., market and their substantial ownership position in ClubLink, it made sense for ClubCorp to own and operate Piedmont Golf Club," said Bruce Simmonds, ClubLink president and chief executive officer.

In addition to the $9.5 million payoff, ClubLink has received a perpetual 20-percent profit and liquidation participation, payable from cash flow generated by Piedmont after a fixed return on ClubCorp's invested capital and its repayment.