Several months ago in this column, I described the spending frenzy under way at ultra-chic golf developments. The examples came from THK Associates, a Colorado firm that specializes in course valuations. And the anecdotes in its report—"The new wave of golf communities that define WOW"—were captivating.

It detailed the enormous sums paid for building lots at the most exclusive new golf resorts—$4.5 million at Maroon Creek in Aspen, up to $10 million at Desert Mountain in Arizona and Lake Las Vegas in Nevada. At Stock Farm, a new Montana project by Charles Schwab, building lots start at $800,000.

Golf membership fees at these opulent clubs sometimes hit $1 million, as they have at The Yellowstone Club in Montana, for instance, and at Cherokee Plantation in South Carolina. La Quinta Quarry, an exclusive club in Palm Springs, even features Frederic Remington statues as tee markers.

Now we come to the highest level of all—the private golf course. And I do mean private.

Two articles in this issue delve into a couple of examples of these so-called "estate" golf courses. One is an ultra-chic course called "The Yellowstone Club in Montana, for instance, and at Cherokee Plantation in South Carolina. La Quinta Quarry, an exclusive club in Palm Springs, even features Frederic Remington statues as tee markers.

just want to have it their way," Lohmann told Fortune magazine, which ran a story about the proliferation of these private layouts last year. "They want a course they can play with their friends. Then most realize they have to figure out a way to pay for the thing." Thus far, an inventor named Jim Smith has avoided that financial bunker.

An architect like Lohmann can only dream of such splendor. He does have a 7,500-square-foot putting green in his backyard, but says "that's probably as close as I'll get to having my own personal course."

Course valuations dropping as golf market makes a correction

By Laurence A. Hirsh

After 10 years of unprecedented growth, the golf course industry is beginning to sort itself out. As a golf property appraiser, however, I've observed conflicting perceptions of the market, making it harder to get a true reading on where course valuations are heading.

Recent issues of Golf Course News and other publications feature stories about the challenges of a soft market for golf course properties and, more significantly, the dearth of available debt financing for golf properties. With interest rates having dropped recently, one would think refinancing would be as easy as ever. Not so. While the golf course finance companies do report brisk activity in terms of inquiries, they are being more selective than ever.

Bank of America's departure from the golf lending business means less competition for Textron Financial, making it harder to find financing. "I wonder how many of these folks will be here next year." "Boy, financing is tough." "We're going to sit on the sidelines until fall 2001, when we think there will be some bargains."

"It's been a tough weather year." "We're still bullish on new projects." "We need to create more golfers." While most comments suggest an impending gloom descending on the industry, it seems developers who spoke at the ULI conference are still optimistically planning new projects. Was it just