GMACCM enters golf lending sector with a bang

**Forecaddies keep the pace at Bear’s Best**

**Editorial Focus: Speed of Play**

By Derek Rice

DALLAS — Slow play on golf courses is not only an inconvenience for golfers, but can also be a revenue buster for golf courses. If players aren’t moving around the course in a timely fashion, it affects the number of groups a course can move through on a given day.

Slow play affects players’ perception of the course, and may be a leading factor in their decision not to return on another occasion. At a resort course, like Dallas-based ClubCorp’s Bear’s Best clubs in Atlanta and Las Vegas, where there are few regulars know the course well, one would expect slow play to be a part of the package. However, ClubCorp has found that an antiquated service, which took a lot of time to maintain average round times that are more than a half-hour shorter than at other area clubs.

**GolfGM adds equipment financing division**

By Derek Rice

SCOTTSDALE, Ariz. — In an effort to give key decision-makers and members of the buying teams more flexibility in purchases, golf business solutions provider GolfGM debuted GolfGM Finance in March.

According to GolfGM’s president and CEO Elliot Lewis, industry need drove the creation of the program. “The golf industry has sorely needed a program like GolfGM Finance,” he said. “The industry’s leading vendors and hundreds of PGA professionals and purchasing managers facilitated the creation of GolfGM Finance. These industry leaders envisioned a financing program that enabled vendors and courses to do more business in a more efficient manner.”

Through the GolfGM Finance program, facilities will be able to finance up to $50,000 in purchases from GolfGM’s participating vendors, which represent more than 40 companies.

In addition, facilities will be able to extend payment terms to up to 150 days. Lewis said the program would help courses and other facilities from having to make difficult cuts, which are prevalent in this lagging economy.
GMACCM makes big entry into lending

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five years ago, who specialized in golf and was teamed up with us, "Earnest said. "It all happened around 1998 when we had the capital markets crisis and a lot of lenders got out of the business. The timing was not the best. There is a sense that GMAC Commercial Mortgage did try to do something here several years ago, but that never really got started."

The good news behind this large deal is tempered by published reports that parent company General Motors may be looking to sell GMACCM, which also recently closed on a joint fund between one of its subsidiaries and Apollo Real Estate Advisors. Earnest did not discuss either topic.

The main reason behind GMACCM's entry into the market, Earnest said, was the company's vision for the segment's potential to be hot in coming years.

"Clearly, we thought this was an industry that had a lot of opportunity. There are only a few national lenders that are consistently in the industry," he said. "Bank of America capital and others, when they were active in the mid-to-late '90s, were very active and had a very good book of business and a good product type, so we spent some time studying it."

Earnest said the company is also looking to create relationships with industry players. The NGP financing deal came about mainly because of GMACCM's existing relationship with members of the investment group.

"We have a long-standing relationship with Whitehall, Goldman Sachs and we've done some things with Starwood as well. It was people we knew and understood," Earnest said. "That group was also an owner of Troon Golf, so they're not just novices in the industry. They brought some real expertise and some significant capital."

"It was not the easiest thing, but it was one that we were able to work through with very good, established clients," he added.

In addition to the NGP deal, GMACCM has also completed two other golf financing deals totaling nearly $50 million. However, because those deals were not yet public at press time, Earnest declined to name the principals, but did say both deals involved players new to GMACCM.

"With these other two new deals this year, we've formed two new relationships with very prominent players in the industry, but we think we may be if not at the bottom, then we're approaching it," he said. "We may be a little early in terms of capital coming back, but we do think that, opportunistically the problems of the past two or three years - the oversupply and slowdown in demand - are behind us. That's not to say this year, and potentially next year, won't be tough years, but we think we're at the trough, or very close to it."

As for industry competitors, Earnest said it is too early yet to tell where GMACCM fits in the picture.

"I don't know what they're doing. Two of our other major competitors - I don't want to mention their names - seem to be pretty busy right now," he said. "I think in six months, we'll all know better what each other have done."