



John Walsh
Editor

Positive change

Some people in the industry say the national golf market is struggling for revenue and are cautiously optimistic about the golf business in the future. The cost to play golf and maintain a course, and the decline of the number of rounds played and new golf course openings are often mentioned as reasons why the industry isn't doing that well. But while people see the negative signs and suggest action golf needs to take to improve, there are two very positive aspects of the industry of which people need to be reminded: changes in golf course development and the focus on renovations and reconstructions.

After booming in the late 1990s and into 2000, the golf market, like many other markets in the U.S. economy, started to decline in early 2001 and really plummeted after 9/11. The golf business was hurting despite the popularity of the game. The industry went from opening about 400 courses a year in the late '90s to about 120 completely new ones last year. At the beginning of the year, there were 320 courses under construction, according to the National Golf Foundation; and the number of courses expected to open this year is projected to be slightly more than last year. But if one looks at golf course development during the past 20 years, those boom years are abnormal, and comparing the industry's health to them is misleading.

At the 2005 Golf Industry Show, architect Erik Larsen said new golf course openings will stabilize at between 150 and 200 a year. But the number of golf course openings in a year isn't the only way to measure the vitality of the industry. Just because golf courses open, doesn't mean they've all been thoughtfully planned or will succeed financially. Numerous courses are struggling because they were built for the wrong reasons – some just to help sell homes.

Larsen says stand-alone courses are having more difficulty getting financing and lot sales are subsidizing many golf courses. But a decline of new golf course openings might not be that bad. Because banks are hesitant to finance golf course development, some might pause and think more strategically about where there's truly a need for more golf courses, forcing developers and owners to conduct more research. Larsen also suggests new courses be environmentally sound, economically viable, sustainable and community oriented.

Architects are a factor in wiser develop-

ment. At the Golf Industry Show, a panel of them discussed trends in golf course architecture and development – feasibility, site selection, planning and environmental concerns. Integrating golf courses better into communities is one trend architects foresee. Courses can be more than just a place for people to hit golf balls. They can be used for water retention, revegetation and recreation, as well as view corridors, firebreaks and wildlife habitats. More people will be touched by golf courses in the future regardless of whether they play golf.

The other aspect of the business that doesn't seem to be getting much attention is the number of renovations and reconstructions completed during the past four years. There have been 126 full-scale renovations from 2001 to 2004, according to NGF. They increased from 13 in 2001 to 46 in 2004. There were 53 reconstructed courses opened last year, and 65 reconstructions were still under construction. Bottom line is there's a lot of money invested in course renovation and reconstruction.

I've spoken with several architects and builders during the past few months about the market and their businesses, and they seem to be doing well. Maybe they're doing more renovations than they've done in the past, but they're still working consistently and growing their business, which is done through relationships, quality of work and service done after the work. There seems to be plenty of jobs out there for the people and companies who do quality work.

If architects and builders are busy, superintendents are busy too because they're working on these projects as well. And let's not forget the owners and club members. They're the ones spending the money on these projects. If they can afford to renovate their courses during a slump in the market, things can't be that bad.

Being cautious about the market and focusing on where golf needs to improve is wise, but people shouldn't forget about the market's strengths. Growing the game has its challenges, but the industry is figuring out how golf can fit into the changing U.S. market. The way golf is growing is changing, and it has to remain healthy. GCN

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