Arnie van Amerongen examines some of the difficulties new continental courses face and some of the pitfalls they must avoid...

Testing times

Whoever believes that they can make money with golf courses believes in fairy tales. To plan a golf course or even get planning permission is certainly not easy and to make a profit with a golf course these days is very difficult, if not impossible.

With economic crises on the continent, more than half of the courses are losing money or, at most, are very happy just to break even each year.

Every club investor and member would obviously like to have a superb course but this can only be realistic if the financial backing is healthy.

It must be made clear from the start that it is extremely difficult to make a profit in the first three to five years of a club's existence.

Present costs of building a golf course are extremely high and this varies depending upon how much earth the design of the course requires to be moved. Other factors include specifications of greens, tees and fairways and in some cases the level of irrigation required for the course. There are, of course, many other localised factors which influence cost such as land contours, drainage etc.

In the beginning, everyone is enthusiastic about the development of a new course. But inevitably, improvements are necessary in the first couple of years, due mainly to repositioning/relevelling tees, reshaping greens and more commonly secondary drainage, surface and subsurface. The need for refinements to the golf course are often over-looked in the initial budgeting process and the financial constraints imposed on most projects lead to conflict at post-opening stage, improvements verses green fee income and happy members.

Then financial experts are brought in to make an advisory report on how the course could run with less money and, of course, poorer quality which, as we all know, is false economy.

Golf Course Maintenance companies then come in to tender for the maintenance of the course for one year. They operate in this way. They say how much it will cost to use a greens mower per hour; they work out that cutting 18 greens will take four hours which gives a price for 18 greens. With a previous cutting regime of six times a week for greens they will cut back to as little as three times per week, or 90 cuts a year, or raking bunkers from twice a week to once a month. This all reduces costs but the result is low quality and membership numbers start to fall and visitors cease.

The logical conclusion is that the number of greenkeepers will be reduced perhaps from six to as few as three, which is like going back to the 1900s.

When I visit a course and talk to the General Manager, he often says that the course is not in very good condition. I then ask why he doesn't employ someone with the knowledge to present the course in better condition to be told that he can't afford anyone.

I hear these ridiculous answers all too often. Of course this is the wrong way to proceed, but I'm afraid this is the way we are going, and it will not improve in the future.

I am a great believer in high quality but unfortunately I have come to the conclusion that prices are rising, wages are dropping and the greenkeepers are blamed for poor maintenance when there is too little money to work with.

Often everything is compounded with a white elephant clubhouse with only results in higher project costs and more financial problems.

I really hope before investors of clubs consider building a golf course that they will be sound enough financially to survive the first three to five years even if green fees and memberships are not going as well as expected.

If this is not the case, don't even start to think about getting the project off the ground.

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