

Club Corp. of America starts capital expansion

DALLAS—Club Corporation of America has started a major expansion push by buying its first two properties with its newly funded \$50 million of expansion capital.

CCA paid an undisclosed amount of cash for The Club at Cimarron in McAllen, Texas, and the Club at Mission Dorado in Odessa, Texas — both held by First City Texas Bank in Houston.

CCA is considering five other acquisitions. It expects to use the funding, with some debt, to add 12 to 15 golf properties to its operations over the next six to 12 months.

"CCA has commitments for ap-

proximately \$50 million worth of equity funding from internal and external sources to be used primarily for all-cash acquisitions of existing, profitable country clubs and public fee golf courses," said Randy Williams, executive vice president of business development. "And up to 20 percent of the funding may be used for to-be-developed golf operations."

The Club at Cimarron is part of an 800-acre planned community that opened in 1982.

CCA's purchase encompasses approximately 204 acres of the community, which includes a

34,000-square-foot clubhouse, 18-hole golf course, pro shop, racquetball center, six outdoor lighted tennis courts and Olympic-sized pool. The club has about 1,100 members.

The Club at Mission Dorado is located within the 2,000-acre Mission Dorado Master Planned Community.

CCA bought the 32,000-square-foot clubhouse, pro shop, 18-hole golf course, tennis and swim center, which make up approximately 290 acres of the development. There are approximately 800 members at Mission Dorado.

Myrtle Beach National and Litchfield strike a deal

MYRTLE BEACH, S.C. — Myrtle Beach National Golf Club, Inc. struck what officials called "a natural business match" when it finalized an agreement to buy four Waccamaw Neck resort properties from The Litchfield Co. of South Carolina, LP and Litchfield Golf Co., Inc.

The properties are the 18-hole River Club, 18-hole Willbrook Plantation Golf Club, 96-suite Waccamaw House, and Litchfield Country Club, with an 18-hole course and 19-court racquet club. The sale does not include various Litchfield By The Sea real-estate de-

velopments owned by The Litchfield Co. and Litchfield Golf Co.

"The combination of Myrtle Beach National's extensive golfing resources and our offering of quality real-estate properties is a natural business match," said Russ Campbell, executive vice president and general manager of The Litchfield Co. "We look forward to joining marketing and promotion forces with Myrtle Beach National."

Myrtle Beach National has been operating the Litchfield properties since Sept. 19 when a purchase agreement was signed. The operating company is Litchfield National Co.

Japanese

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Washington, two in South Carolina and one each in Colorado, Illinois and Mississippi.

Donald Wizeman, president of Dai-ichi Corp. in Myrtle Beach, S.C., said his company is negotiating on behalf of Japanese buyers for purchase of 50 courses in the Southeast.

This trend of Japanese investments is a creature of the last six years. With increased spending power and foreign "bargains," their real-estate spending in the United States soared from \$1.86 billion in 1985 to \$7.53 billion in 1986, \$12.77 billion in 1987 and \$16.54 billion in 1988, according to Kenneth Leventhal & Co. Purchases dropped off to \$14.77 billion in 1989, with a further 20-percent drop anticipated last year.

While real-estate investment was tapering off the last two years, golf course buys increased, emerging as "one of the most promising aspects of their investment activity in the U.S.," Mead said. "In this period, companies began to search for investments that made sense not merely from the standpoint of currency benefits or long-term capital gains, but from an income or short-term gain perspective. Golf courses and the resorts that included them often fit the new requirements. Moreover, Japanese frequently had a substantial edge over rival American bidders for golf course properties."

Mead said that while Japanese real-estate investments may decline again this year, over the long run most experts expect them to be an important force in U.S. real estate.

"Moreover, certain types of investment remained very strong in 1990, such as direct investment by Japanese manufacturers. (This is not classified as real-estate investment.) Golf course investment, too, rose substantially from the level of 1989," he said.

Saying factors indicate that Japanese interest in golfing abroad is "far from its peak," Mead cited figures showing that Japanese have per-capita incomes of about \$43,000 compared to Americans' \$20,000; they spend \$586 a day while traveling compared to Americans' \$149; and more are traveling abroad each year — increasing from 5.5 million in 1986 to a projected 10 million this year — many to play golf.

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