Weiskopf with at least three Archipelago projects

MANILA — The Country Club, an ultra-exclusive course venture south of the city designed by U.S. Senior PGA Tour pro and architect Tom Weiskopf, was grassed in April and is expected to open in December. The project is being developed by Country Club Development.

Weiskopf is involved in at least two more projects in The Philippines, including 18 and possibly 36 holes at the former Clark Air Force Base, and another Country Club Development project: the first 18 holes of an eventual 54-hole facility in Manila. This project will begin with a private 18-hole course, followed by a public 18 and, at a later date, a second private layout, Weiskopf said.

Developer Tomas Consunji, president of Global Clark Assets Corp., expects to begin construction in early 1998 on what will be the second 18-hole course at the Clark AFB site. The site is flat, but "with great mountain views," Weiskopf said, and so he will be creating a lot of the course's "flow." The private facility, not yet named, should open in early 1999, he said.

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of the financial troubles you see at some of the projects trying to get off the ground in China, for example. The developers are established companies, profitable long-term entities in their own right. If things stay stable, then these projects can be completed."

Developers in The Philippines generally consolidate land plots to construct a golf course and clubhouse, spinning off lots around the layout for housing. The key difference is, those club memberships are actually shares in the corporation which owns the course land, clubhouse, and other improvements. Once all the shares are sold, the developer is no longer involved in the operation. That contrasts sharply with most Southeast Asian projects, in which the developer owns the property, which nearly always remains semi-public, and memberships are merely preferred rights to play the course.

That said, golf remains targeted to the exclusive club of super-rich, and membership shares are expensive — as much as P3.5 million (US$130,000) at some clubs, though at least some of these higher-end memberships are rumored to be supported in the secondary market by their developers. Orchard, which according to Anderson does not support its price, has 3,000 shares outstanding valued at P1.6 million (US$60,000) apiece, making the club's current market value a hefty US$180 million. One way or another that's going to cause a shakeout, but for now prices of memberships in the secondary market are holding steady.

"I think they will for the foreseeable future," said Anderson. "Word of a real-estate downturn here [based on an overabundance of new building projects targeted at the upper-middle-class and expatriates] is not universally accepted. But there is some downward pressure on membership prices now, and particularly as you look at projects coming on line in the next four years, it's simple math.

"If you figure each project issues 2,000 shares, conservatively, and you've got a total of 17 projects. Realistically at these prices you've got the same pool of wealthy people buying one membership for use and a couple for speculation. Some of these new clubs are going to suffer from lack of use, and there will be an operational reckoning.\

The smarter clubs are looking at positioning, long-term value, and building memberships rather than short-term speculation."

Supply is ahead of the demand curve and, sooner rather than later, it appears most clubs outside of the oldest and most exclusive are going to have to open for daily play, if only during the week.

"Well, we certainly see some projects and say, 'Who the heck's going to drive out here to play golf?,' " said one industry veteran who didn't wish to be named. "We see the momentum holding for now, but it could easily shut down."