



# 2024 GOLF MARKET SUMMARY

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Dear Golf Industry Friends:

Golf Property Analysts invites you to review our 2024 Market Summary. This report summarizes observations we've made surveying numerous golf courses and clubs and sales transactions during our consulting, appraisal and brokerage activities.

With golf markets, like in politics, it's all "local", so beware of using broad averages and surveys when making decisions on specific properties in specific markets.

Our private club analysis shows trends from a 5-year period at specific clubs through YE 2023. Due to the COVID pandemic, golf had another upbeat year in 2023. We hope to use this data to better understand market dynamics going forward.

We hope you find the information useful and look forward to being of service to you during the coming year.

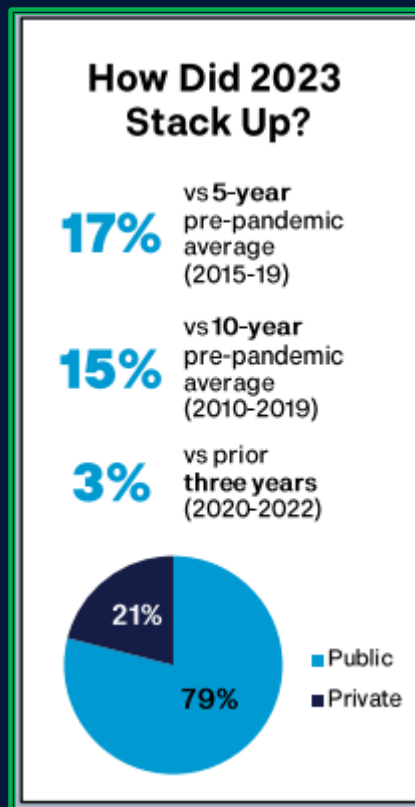
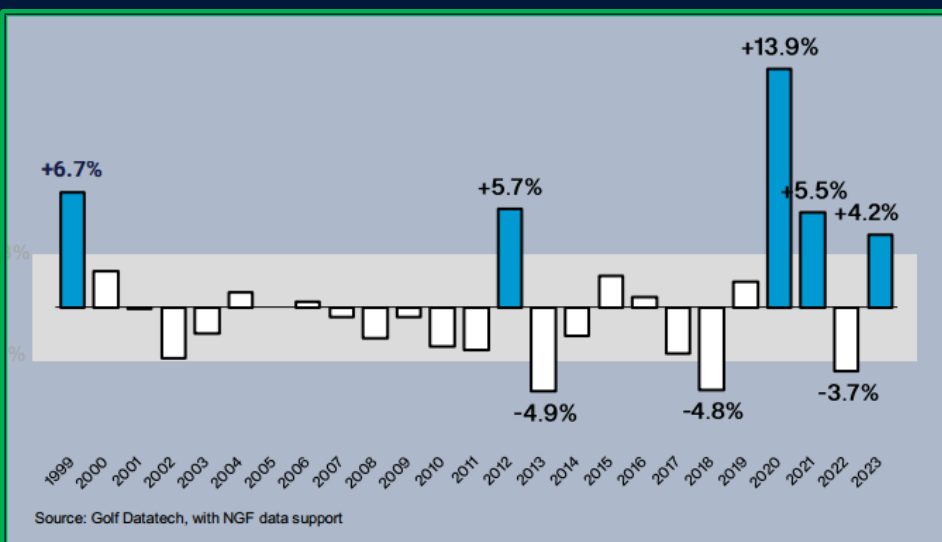
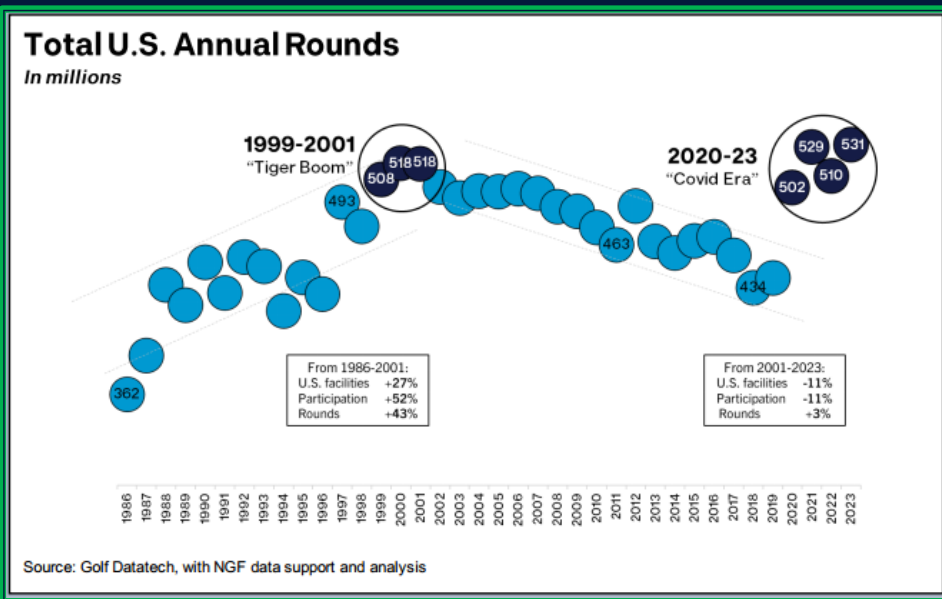
Thank you,

*Laurence A. Hirsh*

Laurence A. Hirsh, CRE, MAI, SGA

President





Often, the number of rounds played is the first question asked on how a golf course is performing. It's important to understand how rounds are calculated. To many, a round is defined as 18-holes. It's been my experience that most courses count rounds based on "starts". In other words, the number of rounds recorded is typically the number of players that teed off. Whether they play 9-holes, 12-holes or some number other than 18, it's still counted by most courses as a round.

According to Golf Datatech and National Golf Foundation, as of YE 2023, rounds played in 2023 increased from 2022 by 4.2%. That is significant since 2020 experienced a 14% increase and 2022 an increase of approximately 5.5%. Post COVID growth is still positive.

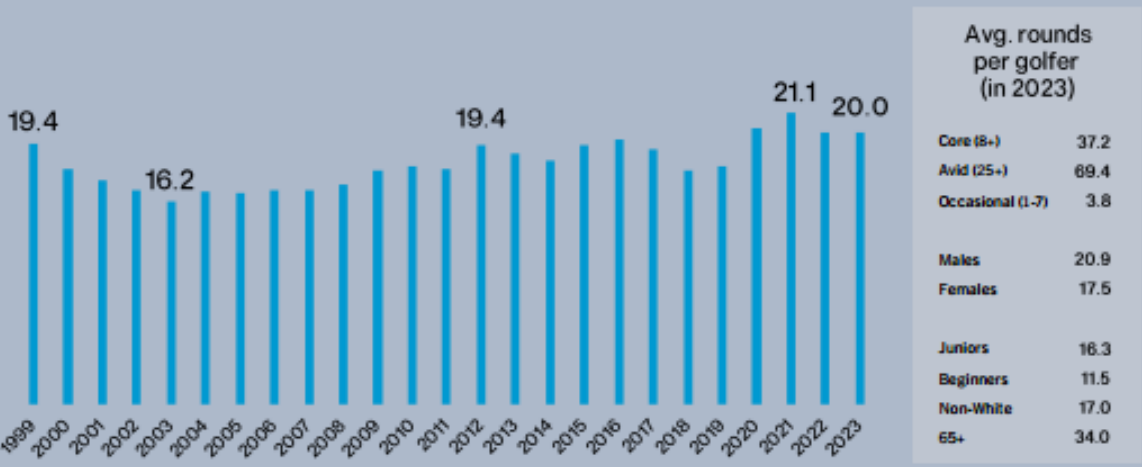
Our surveys of nearly 900 daily-fee and municipal facilities in various states from 2015 into 2023 shows an average of 31,678 rounds per year per 18-holes, and a median of 30,007. We feel a seven-year snapshot is more telling than one year, when the numbers may be overly affected by weather, and in the case of 2020, 2021 & 2022 are impacted by the COVID pandemic. We still don't know how sustainable that surge is, but given the decreases in both 2021 and 2022, it appears the surge is correcting, with smaller increases than 2020 and 2021. When both the mean and median are similar, this demonstrates a level of credibility in the data from which general overall market conclusions can be formulated.. It is important to note that conclusions in specific markets may vary from these broader averages, which cannot be used precisely to develop conclusions for specific properties.

The charts on the following slide illustrates an analysis of rounds and weather from NGF and the subsequent slide revenues per round from our surveys.

# Average Rounds per Golfer

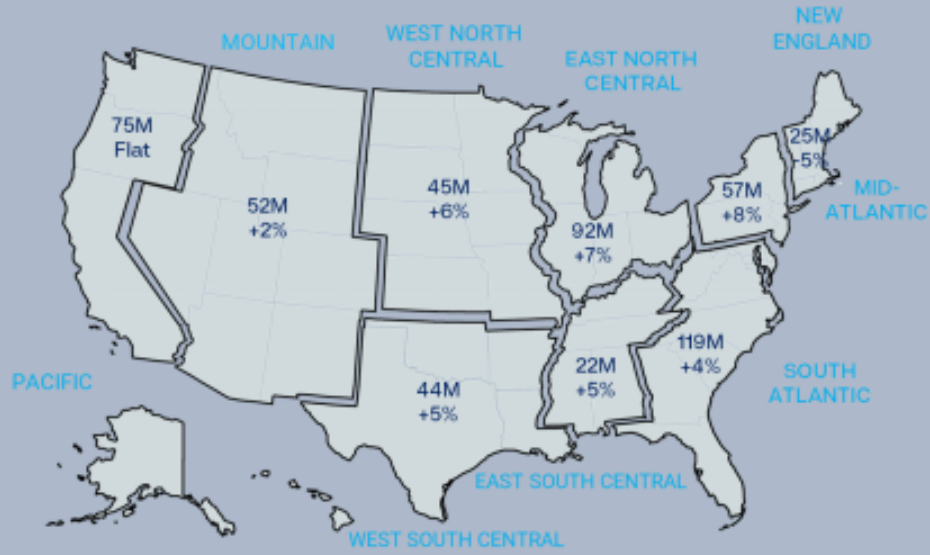
The number of rounds played per golfer has reached its second-highest level over the past 2 ½ decades, with 20 rounds played per golfer. The average was slightly higher only in 2021.

Also of note in the chart below is the dip in average rounds played during the early 2000s. At this time, Tiger Woods was at his peak and drew many new players into the game, helping push participation levels to record highs. However, research shows that many of those newer participants weren't as engaged and played less frequently – pushing down the average rounds figure.



## Rounds by Region

Total volume (in millions) and % change vs 2022



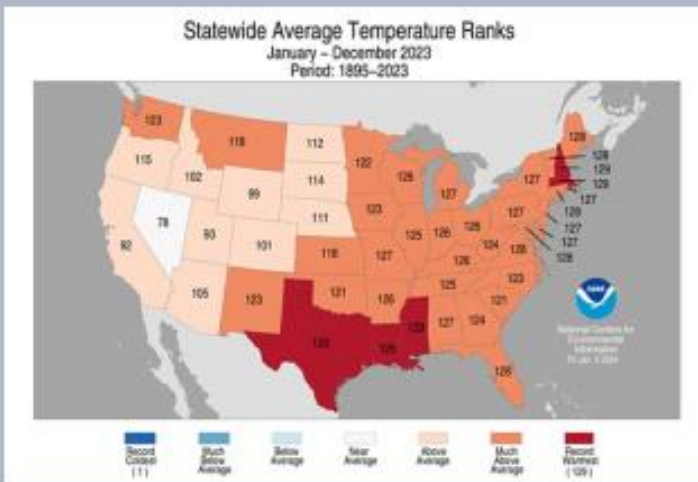
Percentage change sourced from NCG and Golf DataTech

# Weather Impact

Weather has an outsized impact on golf – the nation's No.1 pay-to-play outdoor sport – typically contributing to a +/- 3% fluctuation on rounds in a typical year. In the two years prior to the pandemic, the U.S. had two of the wettest years on record (in 2018 and 2019). In 2018, this resulted in the fewest rounds played in a single year (434.1 million) since 1996.

Compared only to average annual play in 2018 and 2019, rounds were almost 22% higher in 2023.

In 2023, 35 states had an average temperature that ranked among the top 10 warmest on record, according to the National Oceanic and Atmospheric Administration's National Centers for Environmental Information. Warmer average temperatures combined with generally drier conditions – almost 2/3 of states had near average or below average precipitation ranks in 2023 – tend to be favorable for golf.



This was especially true in some golf-rich regions of the country like the Midwest and Northeast with a higher concentration of golf supply and golfers, particularly when it came to slightly extending the golf season in a number of Frostbelt states.

Ohio (+11%), New York (+10%), Illinois (+9%), Pennsylvania (+8%), and Wisconsin (+7), which have over 3,300 golf courses between the five of them, are among the states to have higher YOY play increases than the national average.

As seen in the below graphic, there's a clear seasonal impact on play, as 53% of rounds are concentrated in the five peak season months of May through September. But thanks to some warmer temperatures in northern climes, November and December of 2023 didn't see as significant a drop-off in rounds as some recent years.

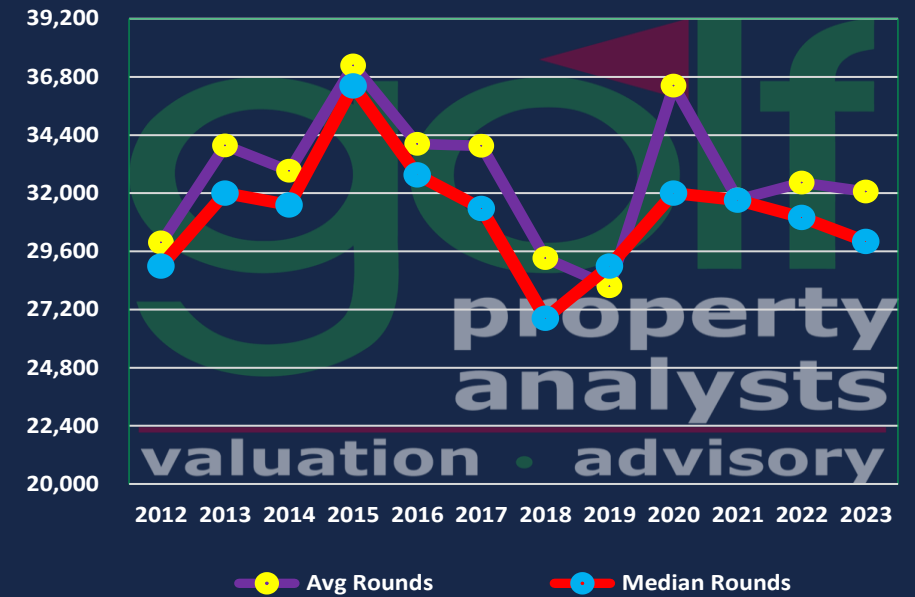
## Percentage of 2023 U.S. Rounds Played per Month



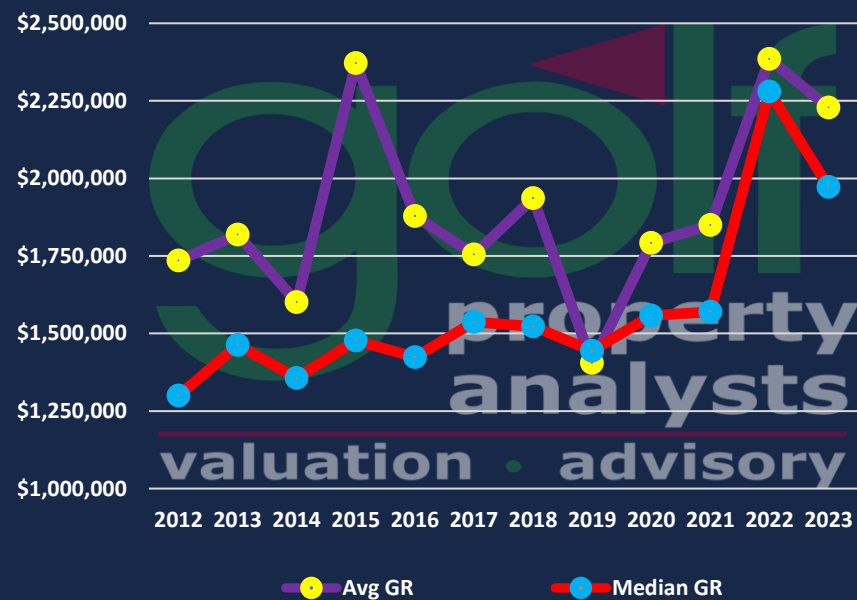


Survey Year	Avg Rounds	Median Rounds	Avg GR	Median GR	Avg Gross Rev per Round	Median Gross Rev per Round
2012	29,967	29,000	\$1,735,353	\$1,300,000	\$52.62	\$42.39
2013	33,966	32,000	\$1,818,439	\$1,463,002	\$47.49	\$42.80
2014	32,928	31,516	\$1,601,117	\$1,356,223	\$44.84	\$38.67
2015	37,266	36,429	\$2,371,809	\$1,477,682	\$61.87	\$44.98
2016	34,034	32,757	\$1,878,353	\$1,423,632	\$57.66	\$43.63
2017	33,951	31,370	\$1,754,482	\$1,536,674	\$59.80	\$46.53
2018	29,312	26,840	\$1,936,131	\$1,522,135	\$78.47	\$55.85
2019	28,161	29,000	\$1,405,320	\$1,444,264	\$48.37	\$37.27
2020	36,436	32,000	\$1,792,132	\$1,557,973	\$55.90	\$46.06
2021	31,728	31,719	\$1,849,131	\$1,570,498	\$50.81	\$42.55
2022	32,428	31,000	\$2,385,342	\$2,279,984	\$81.19	\$68.99
2023	32,067	30,007	\$2,228,496	\$1,972,501	\$80.42	\$59.09

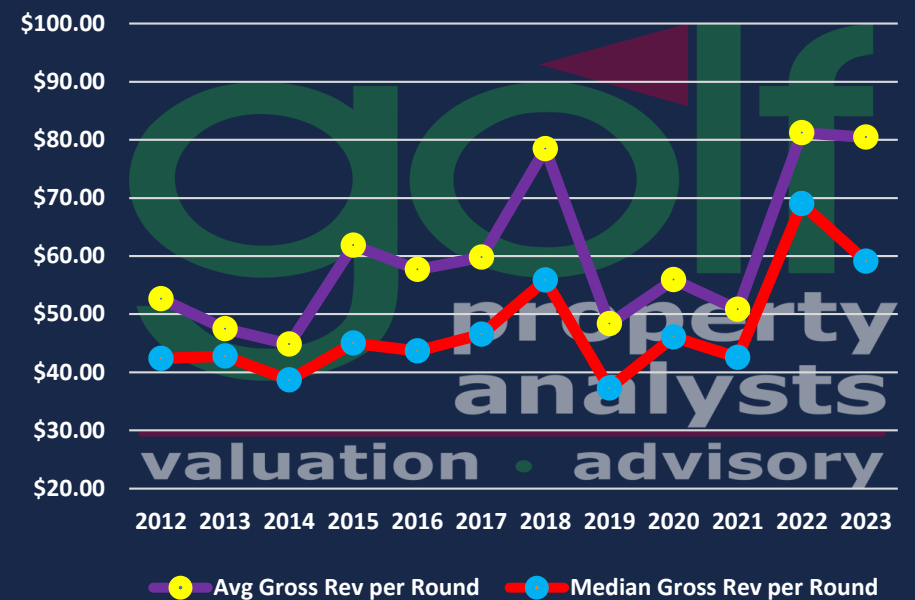
Rounds



Gross Revenue

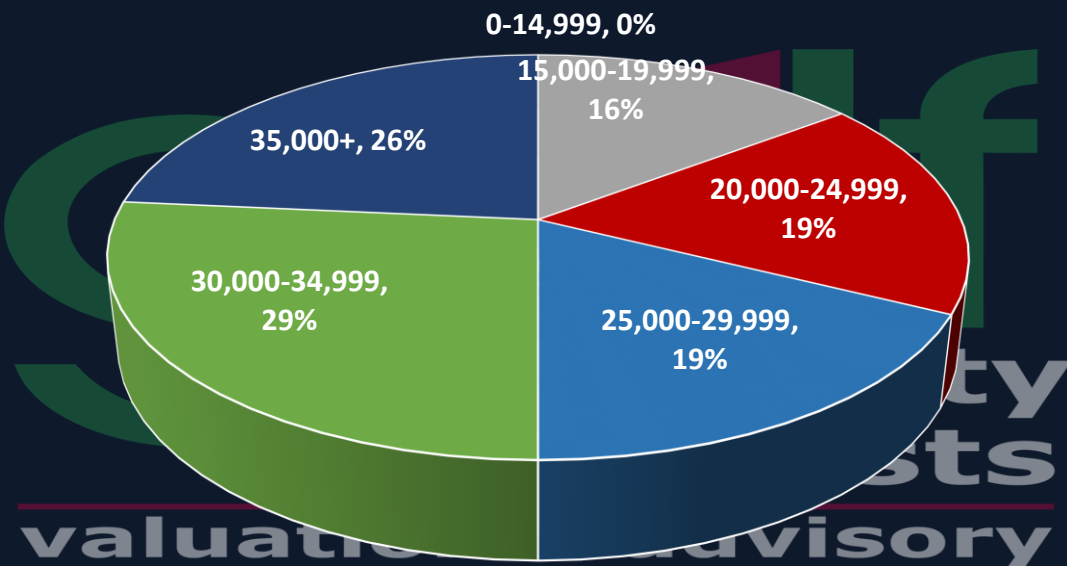


Gross Revenue per Round

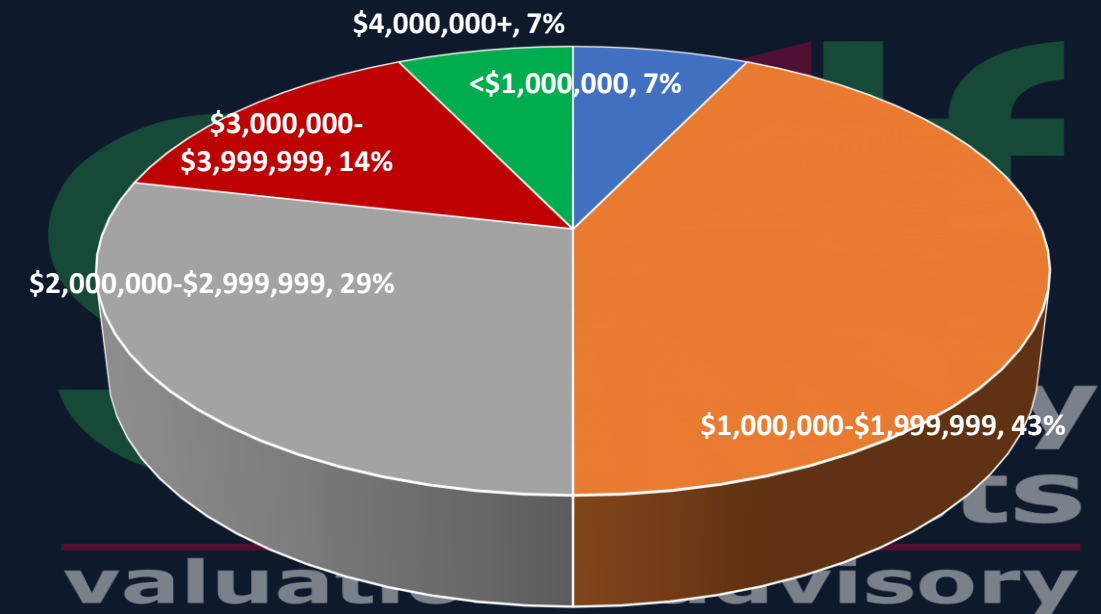


The graphs illustrate gross revenue for daily-fee facilities we surveyed in 2023 (2022 #'s) and the distribution of selected ranges. 71% of courses surveyed generate between \$1 million and \$3 million in gross revenues, which demonstrates the demand for more affordable golf.

DF ROUNDS per 18 HOLES DISTRIBUTION



DF GROSS REVENUE DISTRIBUTION



Analyzing activity at private clubs requires a bit of a different approach, analyzing on a “per member” basis rather than a “per round” basis. Since private clubs depend on membership dues, and since the impact of COVID is unique to recent years, we’ve decided to analyze private clubs with which we had direct experience in 2023 and for which we had historical data for the past 6 years, including 2023, with some results projected. Comparing the performance of the same clubs to each other for that period should indicate how the market has reacted. Graphs follow.

The data from specific clubs is maintained in confidence but indicates the following:

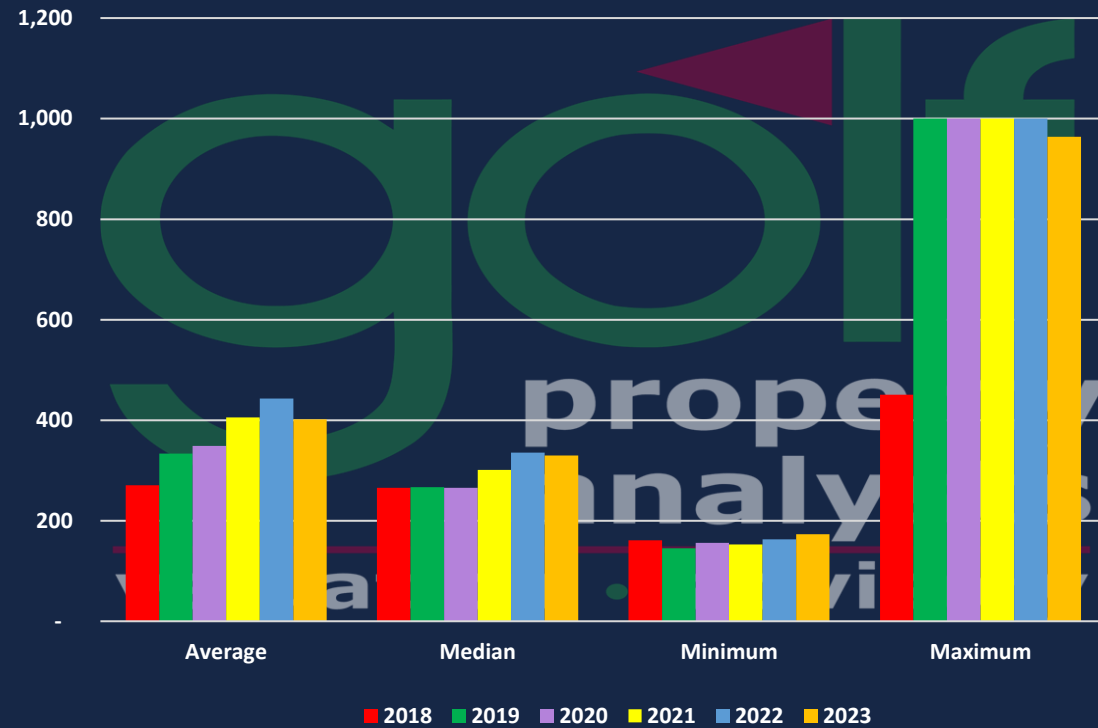
- Increases in membership, but slight decrease in 2023 for the clubs surveyed
- Increases in Rounds Played over the period, but mixed in 2022
- Steady rounds per membership
- Relatively steady Maintenance Costs, but decrease in 2023
- Increasing Gross Revenues with slight decrease in 2023 and Increasing Revenue per Member



	2018	2019	2020	2021	2022	2023		2018	2019	2020	2021	2022	2023		2018	2019	2020	2021	2022	2023		2018	2019	2020	2021	2022	2023
	Golf Mbrs							Tot. Mbrs							Rounds							Rds./ Mbr.					
Average	271	334	349	406	443	402		431	468	555	621	694	613		14,036	16,736	21,106	24,653	24,181	24,817		54.53	54.80	62.33	62.26	63.53	62.05
Median	266	267	266	301	336	330		306	364	404	459	550	500		13,430	14,273	17,454	18,663	22,457	23,823		56.80	57.09	66.11	61.46	59.35	59.56
Minimum	161	145	156	153	163	173		263	202	219	232	252	248		8,983	7,844	6,953	8,000	8,000	8,900		19.92	17.55	20.49	17.58	26.67	40.38
Maximum	451	1,000	1,000	1,000	1,000	964		1,241	1,338	2,177	2,183	2,188	2,186		21,954	52,473	66,869	77,802	62,892	61,328		81.92	82.31	93.96	124.75	112.58	98.41

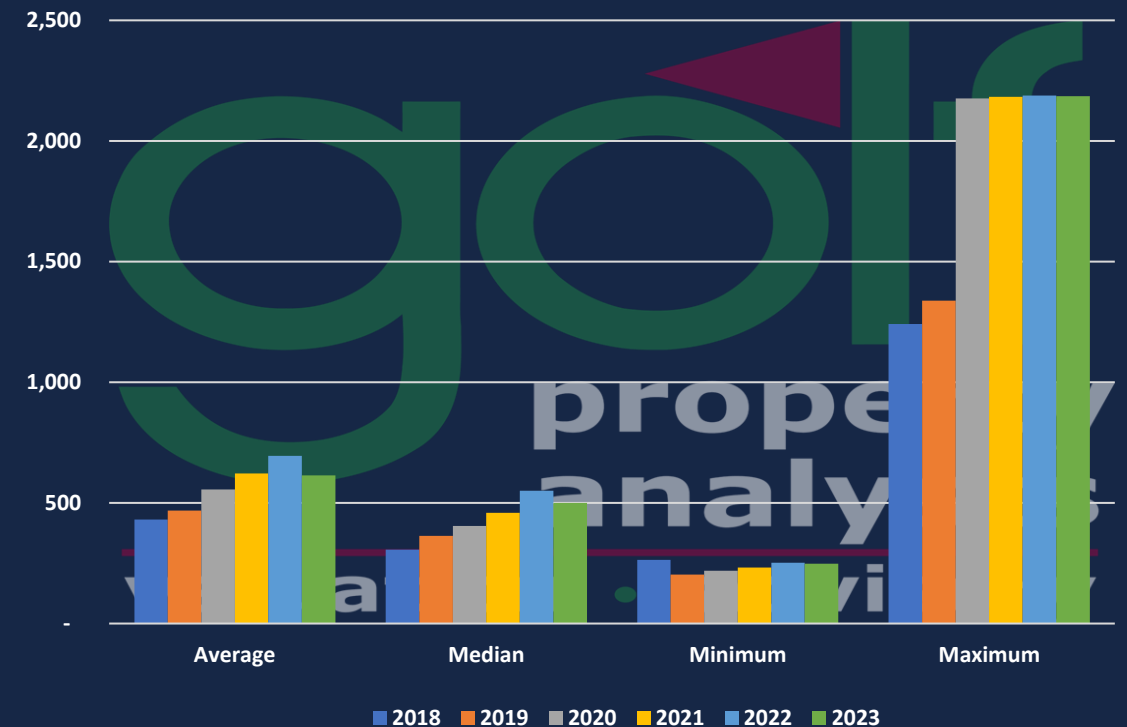
	2018	2019	2020	2021	2022	2023		2018	2019	2020	2021	2022	2023
	Gross Rev.							Rev/Mbr.					
	\$4,926,925	\$6,586,779	\$7,517,742	\$9,366,194	\$9,086,330	\$8,271,588		\$14,244	\$15,970	\$14,163	\$16,935	\$13,977	\$14,753
	\$4,195,358	\$6,248,885	\$4,747,458	\$7,336,646	\$6,628,236	\$6,381,924		\$10,176	\$15,173	\$10,461	\$14,737	\$10,522	\$12,629
	\$2,054,135	\$1,998,896	\$1,682,970	\$2,036,708	\$2,147,312	\$756,537		\$7,810	\$6,370	\$3,502	\$3,967	\$5,772	\$2,727
	\$9,373,110	\$26,125,687	\$34,121,058	\$32,512,273	\$35,166,939	\$37,731,782		\$33,713	\$38,216	\$36,727	\$41,910	\$31,797	\$33,011

# of Golf Members



Private club membership is considered generally healthy with an increasing trend during the past 5 years. GPA's 2023 surveys saw a slight decrease in membership numbers, which could be the result of sample fluctuations. Many clubs still report waiting lists and limited membership turnover.

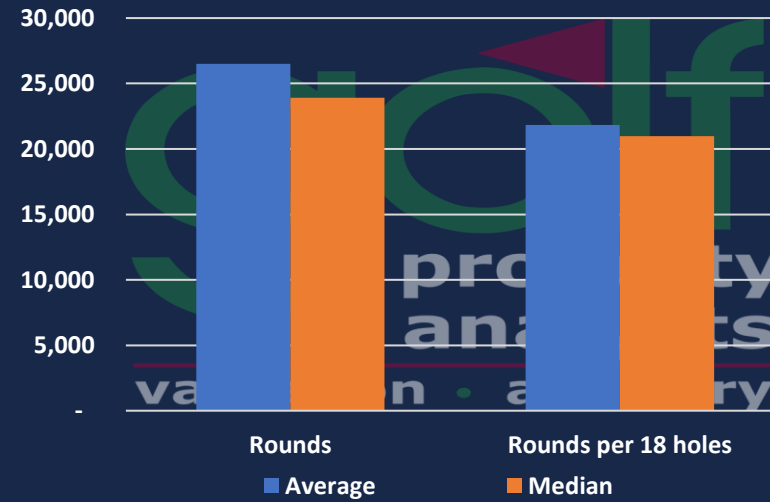
# of Total Members



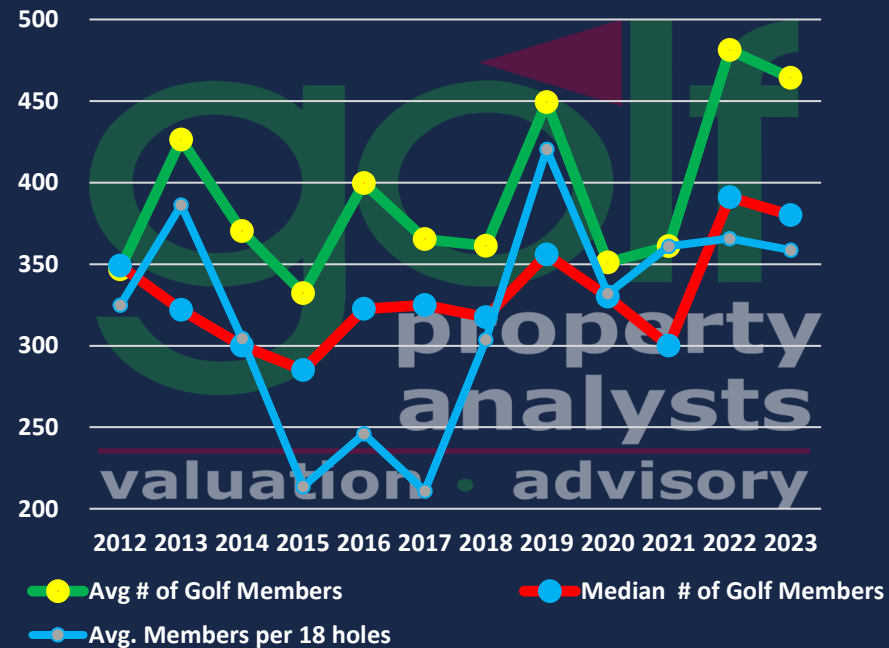


Over time, club members have increased their golf activity from about 56-71 rounds per membership in 2013 to approximately 63-67 in 2023. Membership decreased slightly at some clubs.

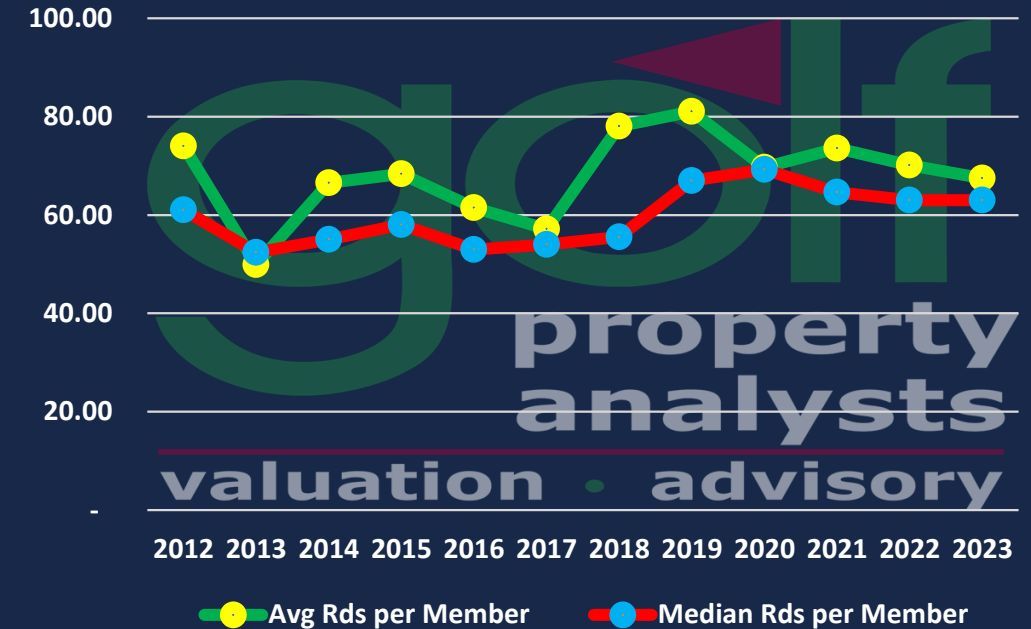
### 2023 PR Rounds & Rds per 18 holes



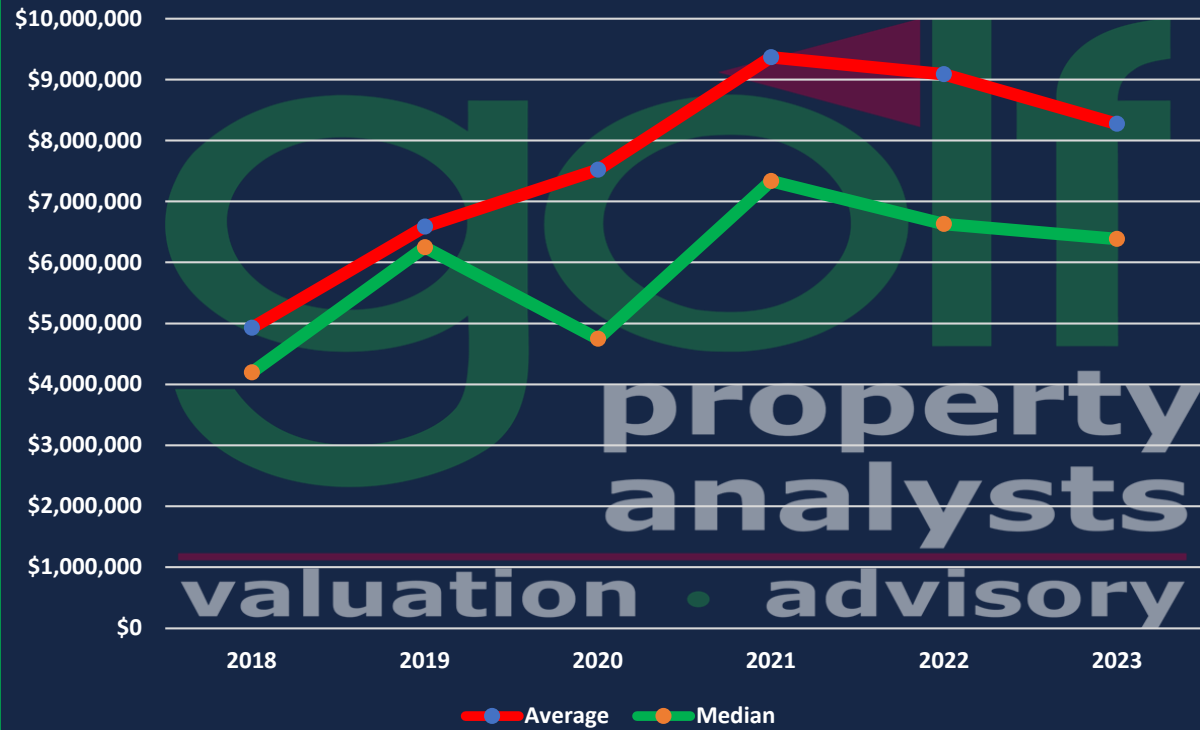
### GOLF MEMBERSHIP



### ROUNDS per MEMBER



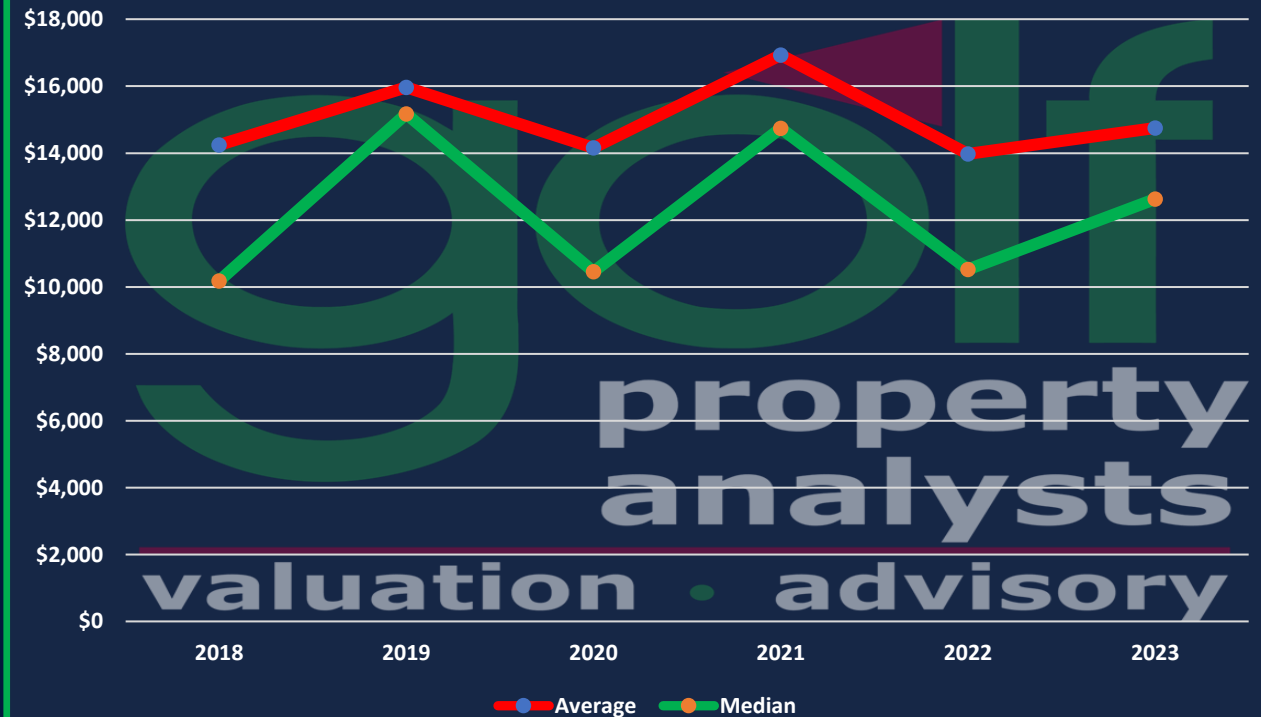
Gross Annual Revenue



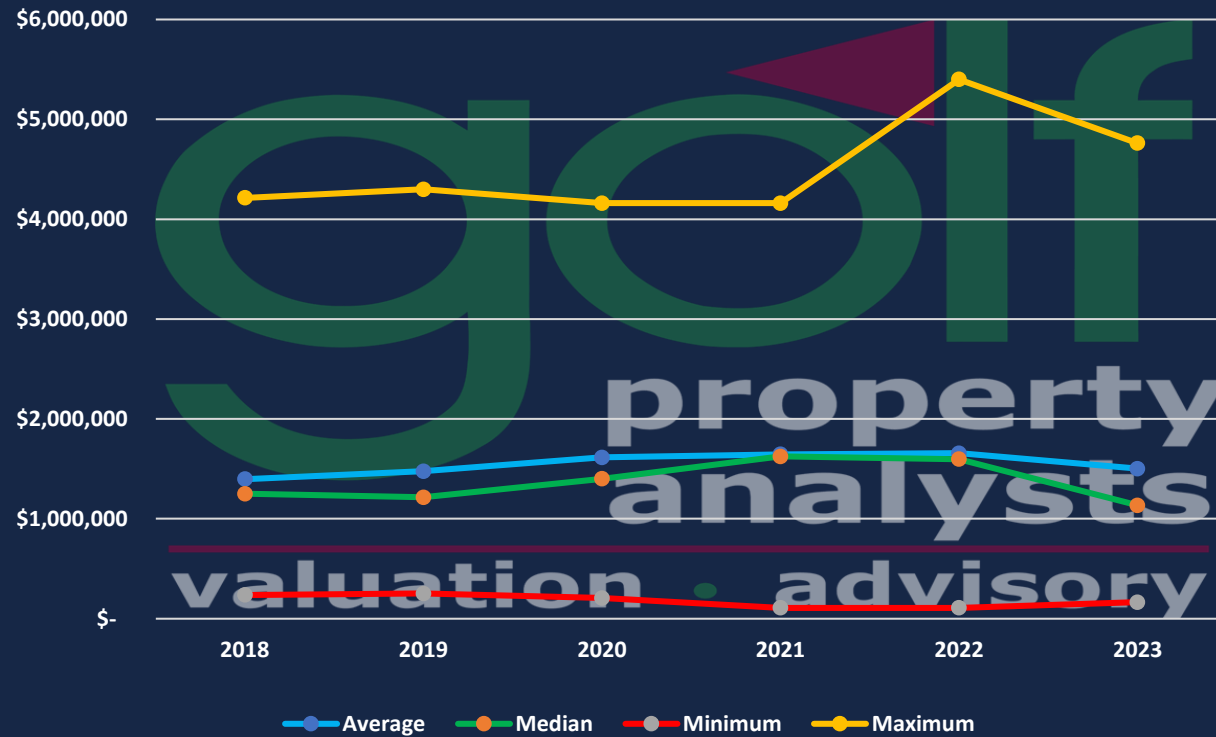
Revenues at private clubs saw a slight decrease on the club level, but an increase on total spending per member, as shown. This is interesting because many clubs increased dues. Revenue per member increased over the period and slightly from 2022 to 2023.



Gross Annual Revenue per Member



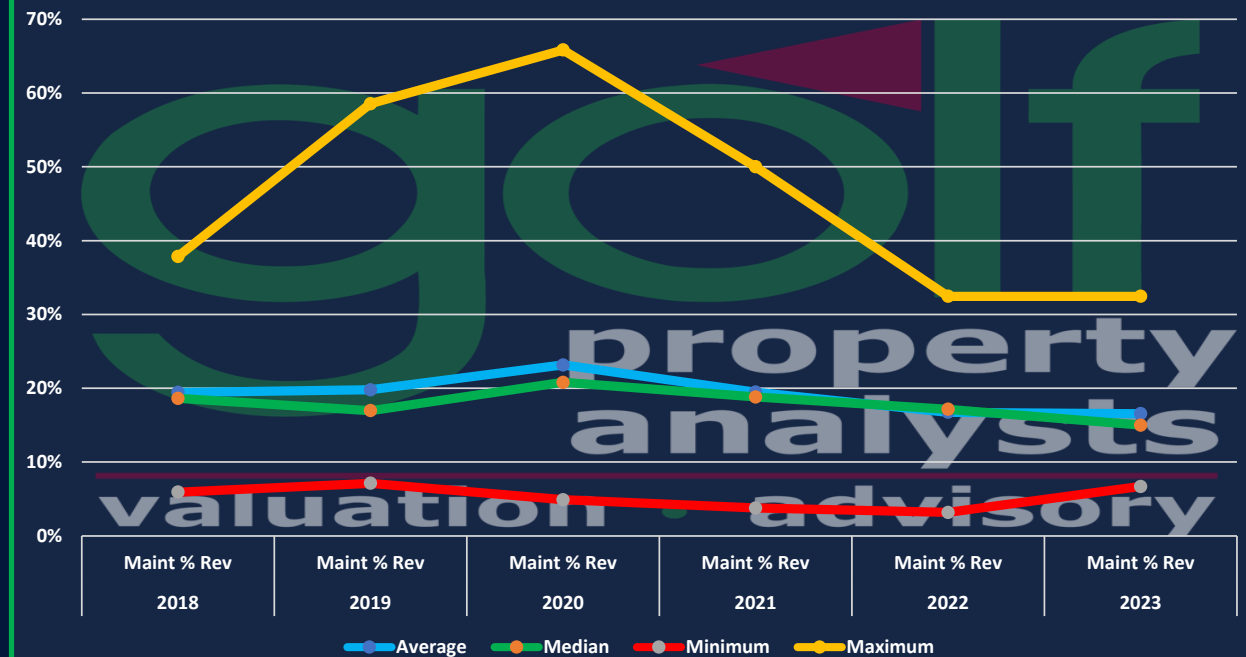
Maintenance Cost



Private club golf course maintenance trends are shown in the adjacent graphs. While costs have increased over time, due to slightly lower revenues in 2023 maintenance as a percentage of gross revenue has declined slightly but is generally stable in the just under 20% range. It is believed that more clubs are budget conscious and reacting to rising costs by prudent budget management.

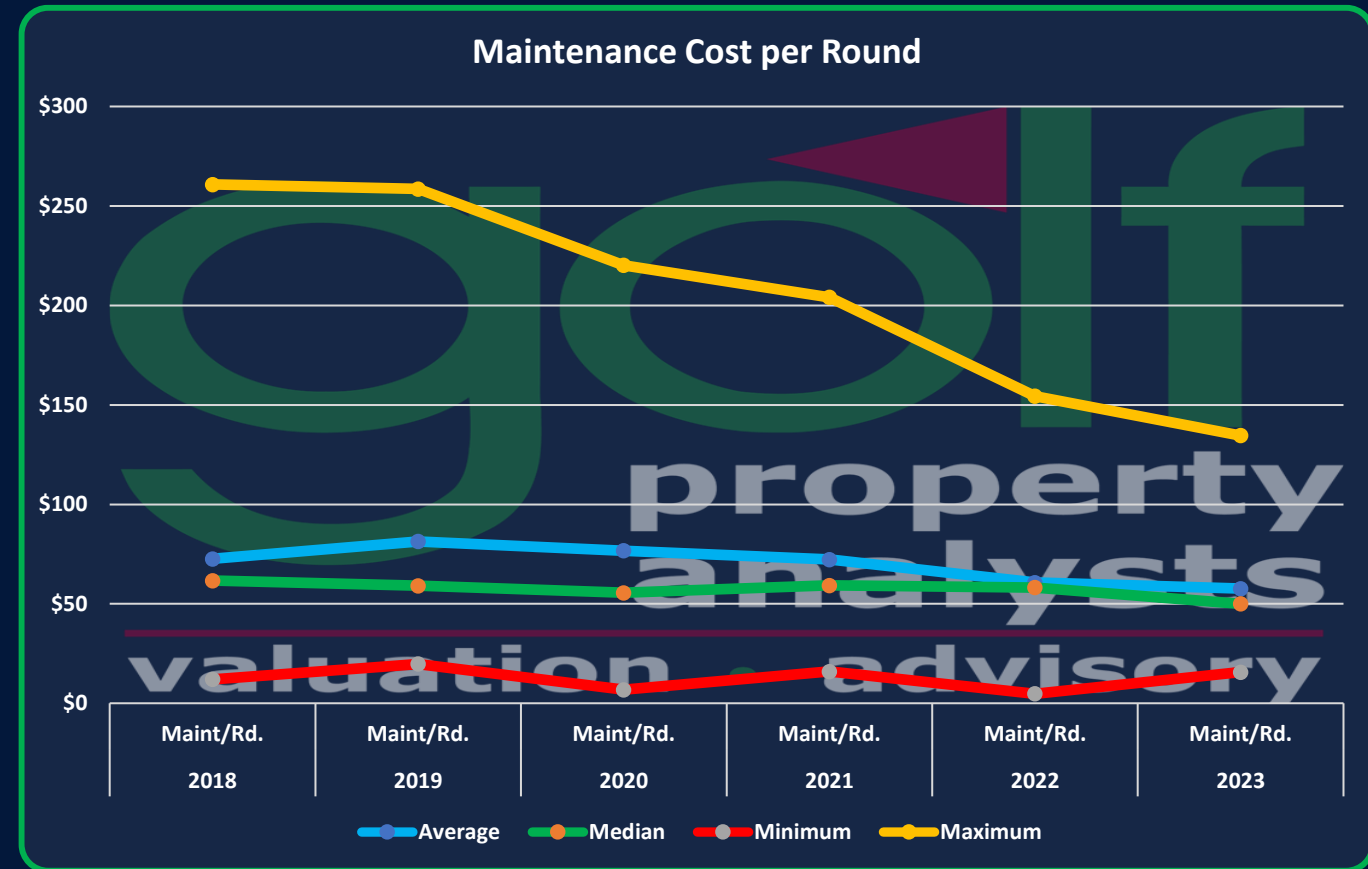


Maint. % of Revenue





Private club golf course maintenance on a per round basis has declined because of the increased number of rounds played, with maintenance costs being relatively stable in most cases. We have observed clubs that have reduced their maintenance costs through tighter management despite inflationary pressures.





Developing operating expense guidelines is more challenging than other metrics. Since many facilities (both private and daily-fee) are not stabilized, and in some cases cash flow negative, and many courses have wide variances in their operations, such as large or small food & beverage, banquet facilities and different size pro shop operations the data doesn't allow the development of meaningful trends in operating expense ratios.

It is critical in estimating operating expenses to be site and line-item specific. That said, in some cases benchmarking operating expense ratios from those properties that are stabilized can be helpful.

Generally, we observe stabilized, private, not-for-profit clubs stabilizing at near 100% of gross revenues for operating expenses. For-profit clubs generally stabilize in the mid to upper 80%'s while daily-fee facilities can stabilize over a wide range of operating expense percentages.

There are several sources for operating expense studies. We find it best to combine an analysis of a specific property's historical expenses with those clubs considered competitive and stabilized to develop an accurate pro-forma.



We have identified more than 2,700 golf property sales in our database from 2012 through 2023 and compiled statistics from these sales. Overall, these sales indicated the following:

Further analysis on a year-by-year basis as shown in the adjacent chart shows both upward and downward movement in the averages, but more than anything else, stability, with GIM's ranging from 1.22 to 1.61 on average for the period with minor fluctuations.

2021's spike in sale price average is impacted by a few large sales, while the median sale price and GIM's have been relatively stable.

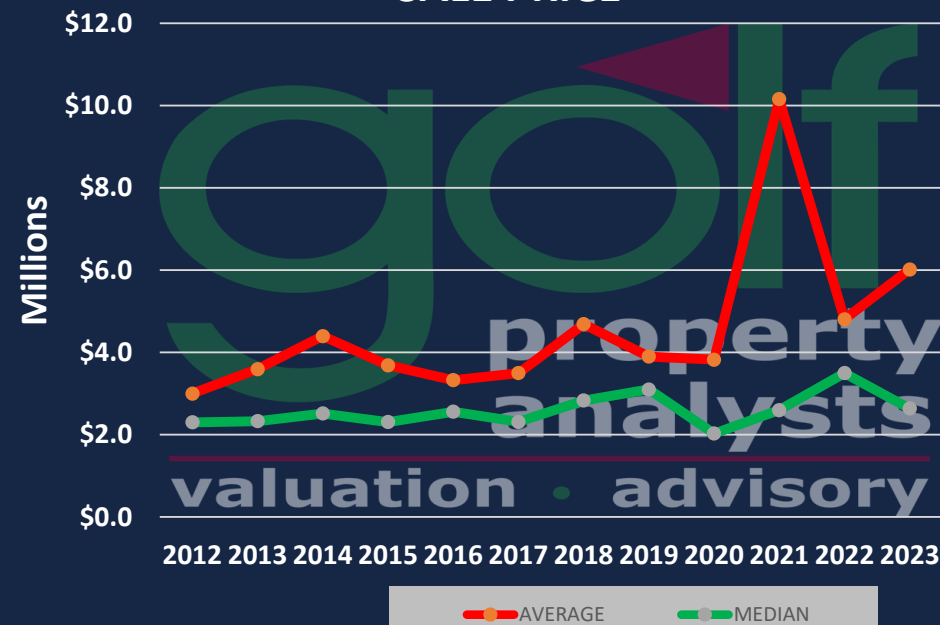
SALE PRICE				
YEAR	AVERAGE	MEDIAN	MINIMUM	MAXIMUM
2012	\$2,999,367	\$2,300,000	\$68,000	\$14,200,000
2013	\$3,595,955	\$2,329,000	\$354,834	\$21,500,000
2014	\$4,398,503	\$2,515,514	\$154,195	\$23,000,000
2015	\$3,688,528	\$2,310,000	\$160,000	\$21,000,000
2016	\$3,328,012	\$2,560,000	\$500,000	\$10,500,000
2017	\$3,499,195	\$2,312,500	\$134,000	\$24,000,000
2018	\$4,688,632	\$2,832,000	\$985,000	\$20,000,000
2019	\$3,900,961	\$3,100,000	\$400,000	\$8,308,653
2020	\$3,824,136	\$2,030,875	\$364,268	\$29,800,000
2021	\$10,154,858	\$2,600,000	\$275,000	\$362,000,000
2022	\$4,807,848	\$3,500,000	\$375,750	\$20,000,000
2023	\$6,015,866	\$2,640,000	\$950,000	\$35,000,000

GIM				
YEAR	AVERAGE	MEDIAN	MINIMUM	MAXIMUM
2012	1.27	1.16	0.06	3.13
2013	1.45	1.21	0.01	3.71
2014	1.53	1.28	0.42	6.41
2015	1.53	1.21	0.43	12.67
2016	1.41	1.13	0.60	5.11
2017	1.61	1.12	0.60	7.41
2018	1.56	1.43	0.70	3.00
2019	1.36	1.45	0.89	1.66
2020	1.22	0.96	0.67	2.74
2021	1.54	1.15	0.58	4.61
2022	1.31	1.16	0.47	3.72
2023	1.28	1.15	0.35	2.69

## Gross Income Multipliers (GIM)



## SALE PRICE



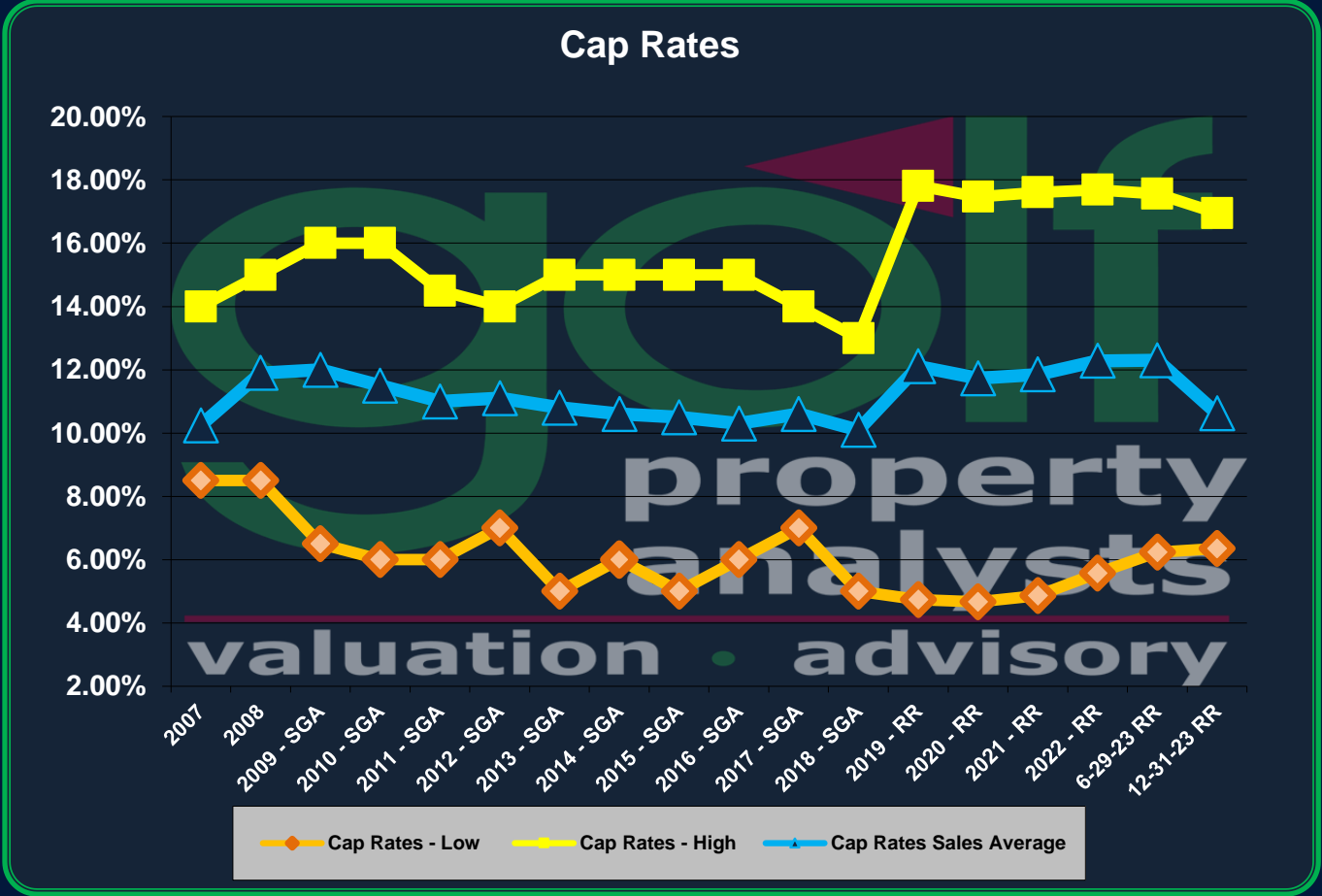
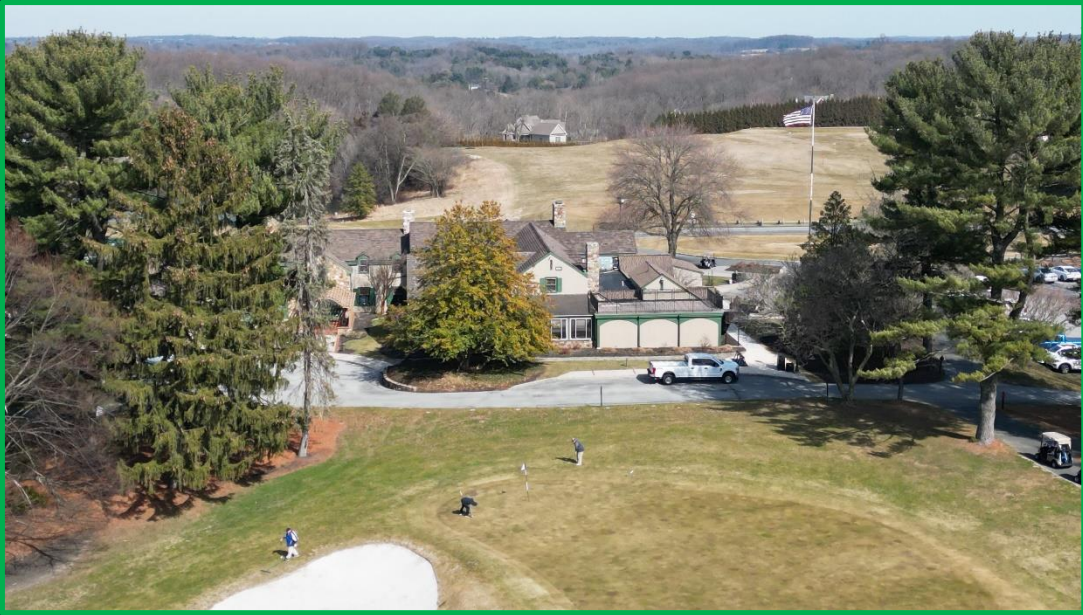




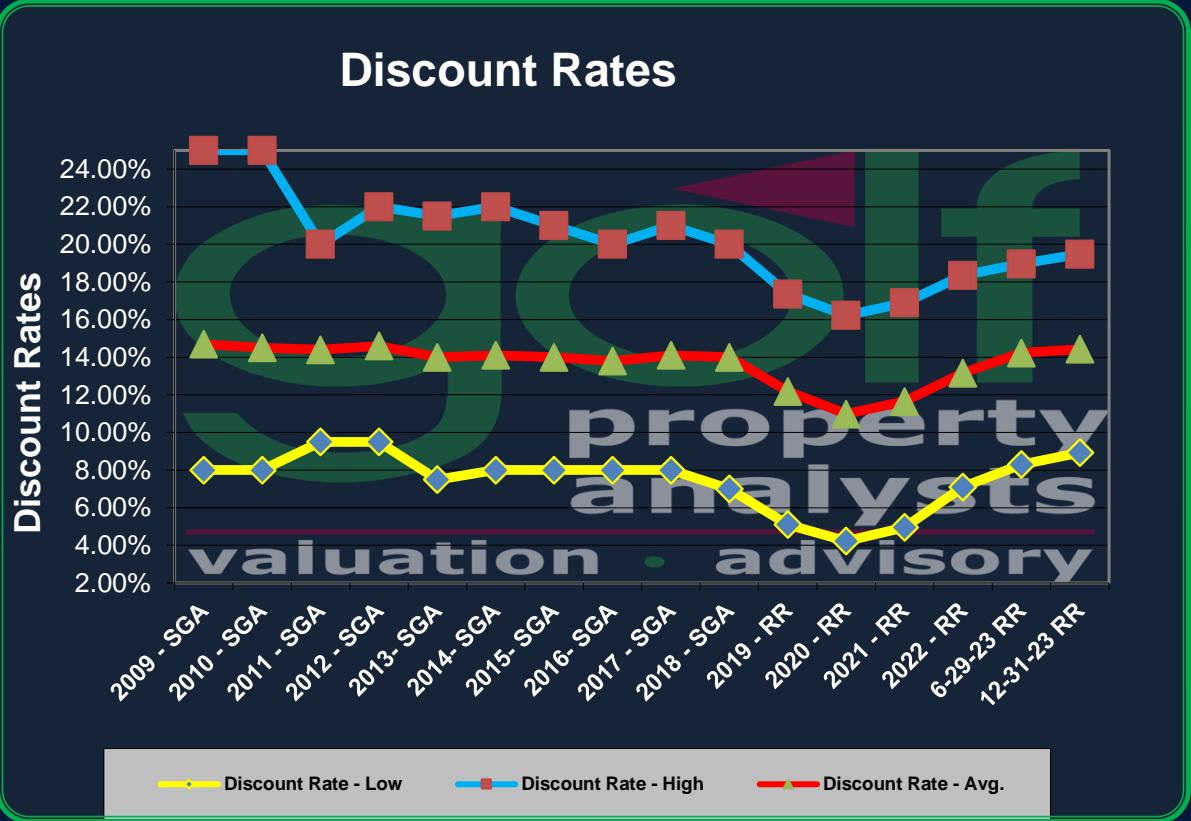
Golf Course Sales 2012-2023				
	Daily Fee	Semi Private	Private	<u>ALL</u>
Avg Sale Price	\$2,723,033	\$3,122,374	\$5,875,723	\$4,790,052
Median Sale Price	\$1,700,000	\$1,995,000	\$5,000,000	\$2,500,000
Avg Gross Revenue	\$1,855,592	\$2,362,086	\$4,393,575	\$3,052,442
Median Gross Revenue	\$1,438,580	\$1,995,000	\$4,108,102	\$2,243,509
Avg GIM	1.65	1.21	1.34	1.45
Median GIM	1.34	1.07	1.12	1.16



2023 Sales	Sale Price	Gross revenue	GIM	GIM PR	GIM DF	GIM SPR
Average	\$6,015,866	\$4,150,713	1.28	1.28	1.56	0.71
Median	\$2,640,000	\$3,500,000	1.15	1.20	1.43	0.71
Minimum	\$950,000	\$850,000	0.35	0.65	0.68	0.35
Maximum	\$35,000,000	\$14,100,000	2.69	1.85	2.69	1.06



Cap rates and discount rates, as tracked by RealtyRates.com have continued to reside in the 10-12% range (cap rates) and 12-14% range (discount rates) with evidence of increase due to rising interest rates. That said, golf properties have attracted buyers from other market segments (apartments, office, etc.) who seek golf's higher returns with the recent perception of less risk.



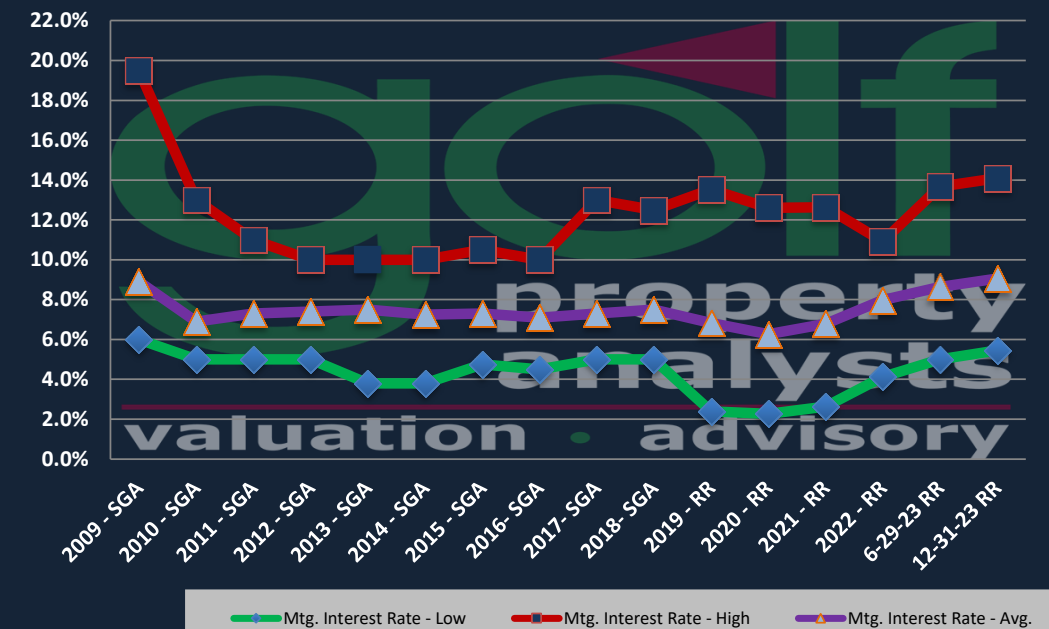


The SGA tracked available debt financing for golf projects through 2018. Data from 2019 through 2023 is from RealtyRates.com. As shown in the adjacent graphs average loan to value (LTV) ratios have hovered in the 60-70% range for the past 10 years. While interest rates have ranged generally from 4% to 10%, averaging between 7% and 9%. The reason for this wide range is that many loans are based on the borrower's strength rather than the collateral value. It is not unusual for a strong borrower with a banking relationship to acquire financing more consistent with traditional investment property rates.

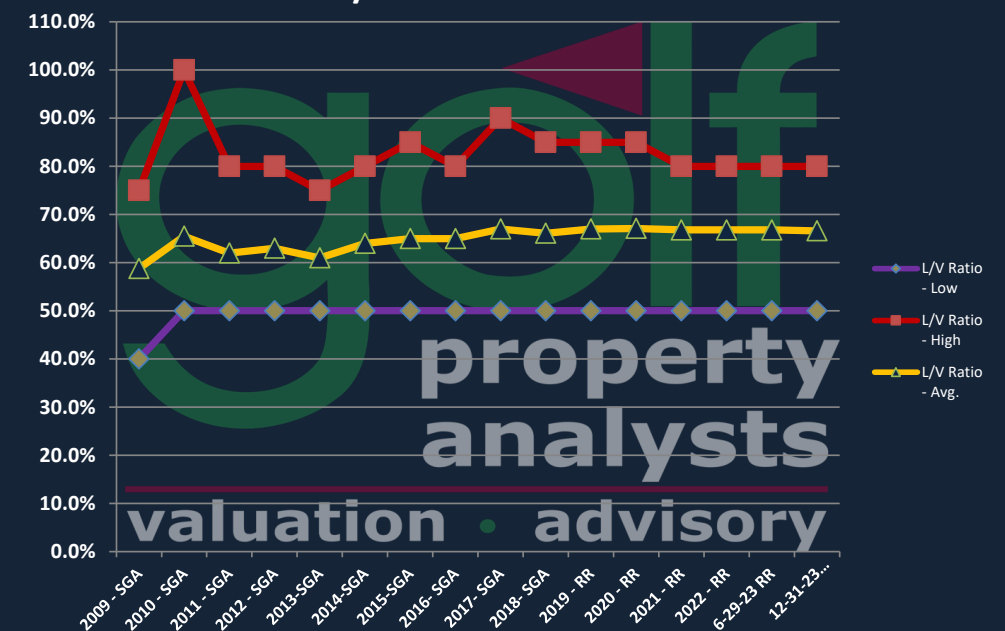
Golf property debt financing is still considered difficult but for cash flowing properties is available through a variety of sources, including commercial banks, secondary specialty lenders and private sources.



Mtg. Interest Rates



Loan /Value Ratios





# Selected Assignments

- Army Navy Country Club (VA)
- Bandon Dunes Golf Resort (OR)
- Bay Club at Mattapoisett (MA)
- Bedford Springs Golf Resort (PA)
- Bidermann GC (DE)
- Big Cedar (MO)
- Blackwolf Run GC (WI)
- Boston GC (MA)
- Caves Valley GC (MD)
- Club at Nevillewood (PA)
- Club at Ravenna (CO)
- Coral Creek Club (FL)
- Crosby Club (CA)
- Dallas National GC (TX)
- Daufuskie Island Club (SC)
- DuPont CC (DE)
- East Hampton GC (NY)
- Floridian National GC (FL)
- Forsgate CC (NJ)
- Germantown CC (TN)
- Golf Club of Cape Cod (MA)
- Metedeconk National GC (NJ)
- Mid Pines/Pine Needles (NC)
- Mountain Ridge CC (NJ)
- Myopia Hunt Club (MA)
- Newcastle GC (WA)
- Oakhurst Links (WV)
- Old Collier GC (FL)
- Pete Dye GC (WV)
- Palm Aire CC (FL)
- Golf Club of New England (NH)
- Grand Harbor Club (FL)
- Harmony Club (CO)
- Hershey Country Club (PA)
- Hidden Creek GC (NJ)
- Huntingdon Valley CC (PA)
- Indian Wells Golf Resort (CA)
- Isleworth CC (FL)
- Kingsley Club (MI)
- Lake Nona CC (FL)
- Latrobe CC (PA)
- MacArthur GC (FL)
- The Legends Club (SC)
- The Moors GC (MI)
- The Silverleaf Club (AZ)
- The Virginian Club (VA)
- Palm Desert CC (CA)
- Peninsula Club (DE)
- Philadelphia Cricket Club (PA)
- Pocono Manor GC (PA)
- Refuge G & CC (AZ)
- Reunion Resort (FL)
- The Ridge at Back Brook (NJ)
- Ritz Carlton Club Jupiter (FL)
- Roaring Fork Club (CO)
- Rumson CC (NJ)
- Shark's Tooth GC (FL)
- Shooting Star Club (WY)
- Sleepy Hollow CC (NY)
- Stockton G & CC (CA)
- The Club at Cordillera (CO)
- The Country Club (MA)
- The Governors Club (TN)
- The Woodlands (MI)
- TPC Wakefield Plantation (NC)
- TPC Michigan (MI)
- TPC Piper Glen (NC)
- TOC Stonebrae (CA)
- Treyburn CC (NC)
- Trump National GC Bedminster (NJ)
- Trump National GC Westchester (NY)
- Turnberry Isle Yacht Club (FL)
- Vellano CC (CA)
- Victoria National GC (IN)
- Washington National GC (WA)
- Washington G & CC (VA)
- Westchester CC (NY)
- Whistling Straits GC (WI)
- White Clay Creek GC (DE)
- Wilmington CC (DE)
- Windemere CC (FL)
- Winged Foot GC (NY)
- Woodmoor Pines G & CC (CO)
- Youngstown CC (OH)

[Click Here for an Expanded Assignment Listing](#)

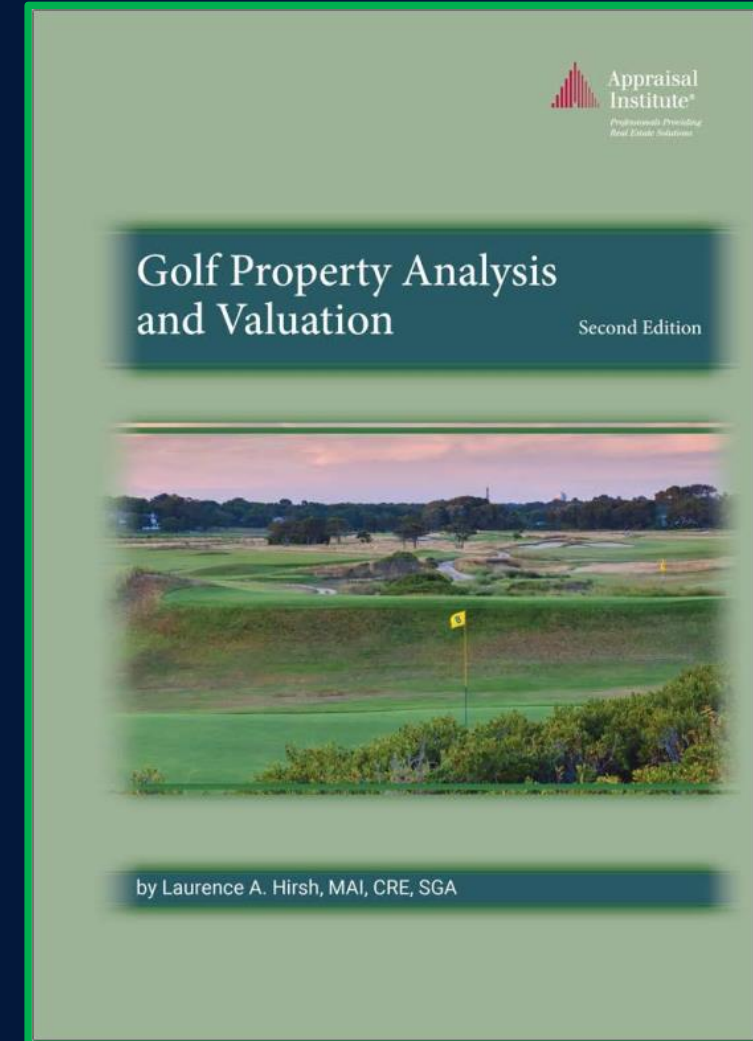
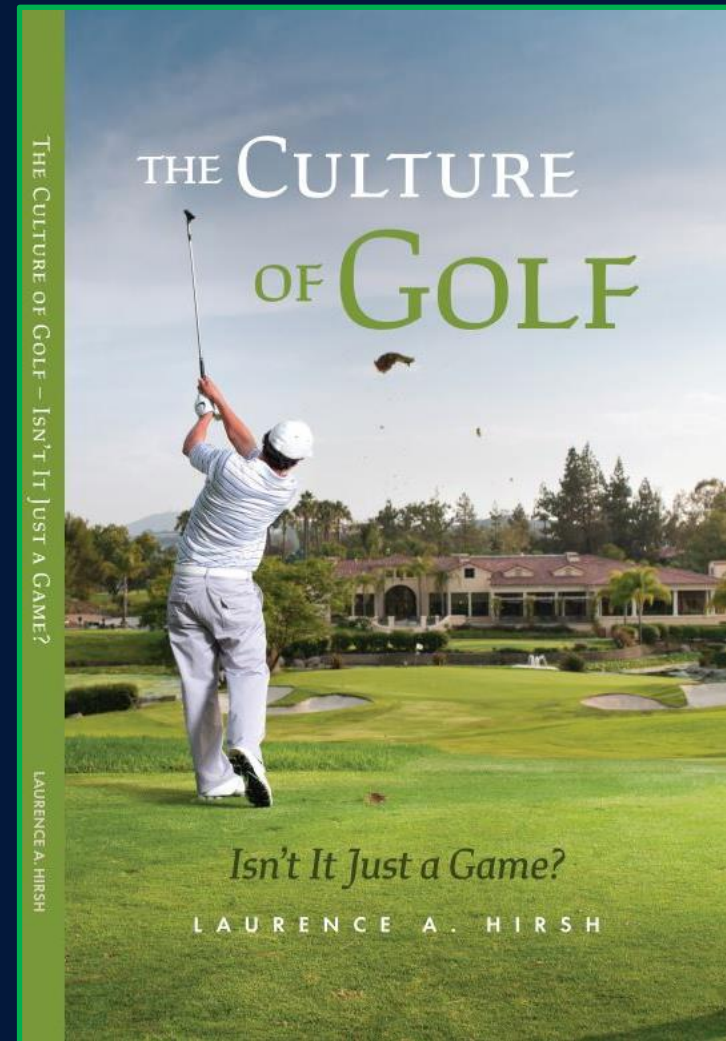
Golf Property Analysts brings a unique and focused perspective to the golf and private club industries. Specializing in economic strategies, advisory, consulting, appraisal, value maximization and brokerage for golf and club properties, we are uniquely qualified to assist golf courses and clubs with:

- Real Estate Tax Assessment Management
- Market Analysis and Market Positioning
- Operational Review
- Economic Analysis of Renovations
- Facilities Analysis
- Debt Financing Analysis
- Valuation
- Property Acquisition and Disposition

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