



ASGCA

2019 ASGCA-SLRG

Golf Facility Market Trend Watch

Presented by:

**SPORTS &
LEISURE**
RESEARCH GROUP



The Thought Leadership Vision



- Second wave (first tracking wave) of Annual Proprietary Insights Program that enables ASGCA members and partners to:
 - Gain valuable and proactive perspective on key business issues for better decision making
 - Uncover constituent attitudes and perceptions on significant challenges, opportunities and issues in golf facility design and operations, while revealing perceptual gaps and alignment across key constituent groups



Methodology: 2019 Tracking Wave



- Online survey of ASGCA members, By Design and Golf Course Industry Media subscribers/readers. Mirrors 2018 benchmark wave
- Survey instrument refined by SLRG/ASGCA to incorporate trendable core questions and topical modules served to mix of architects, superintendents, general managers, facility owners/operators and golf professionals, partner organizations.
 - Results analyzed across key constituent groups and facility characteristic segments
- Average survey completion time of 25 minutes
 - 297 survey participants
 - Conducted Sept-Oct. 2018



2019 ASGCA-SLRG

Golf Facility Market Trend Watch

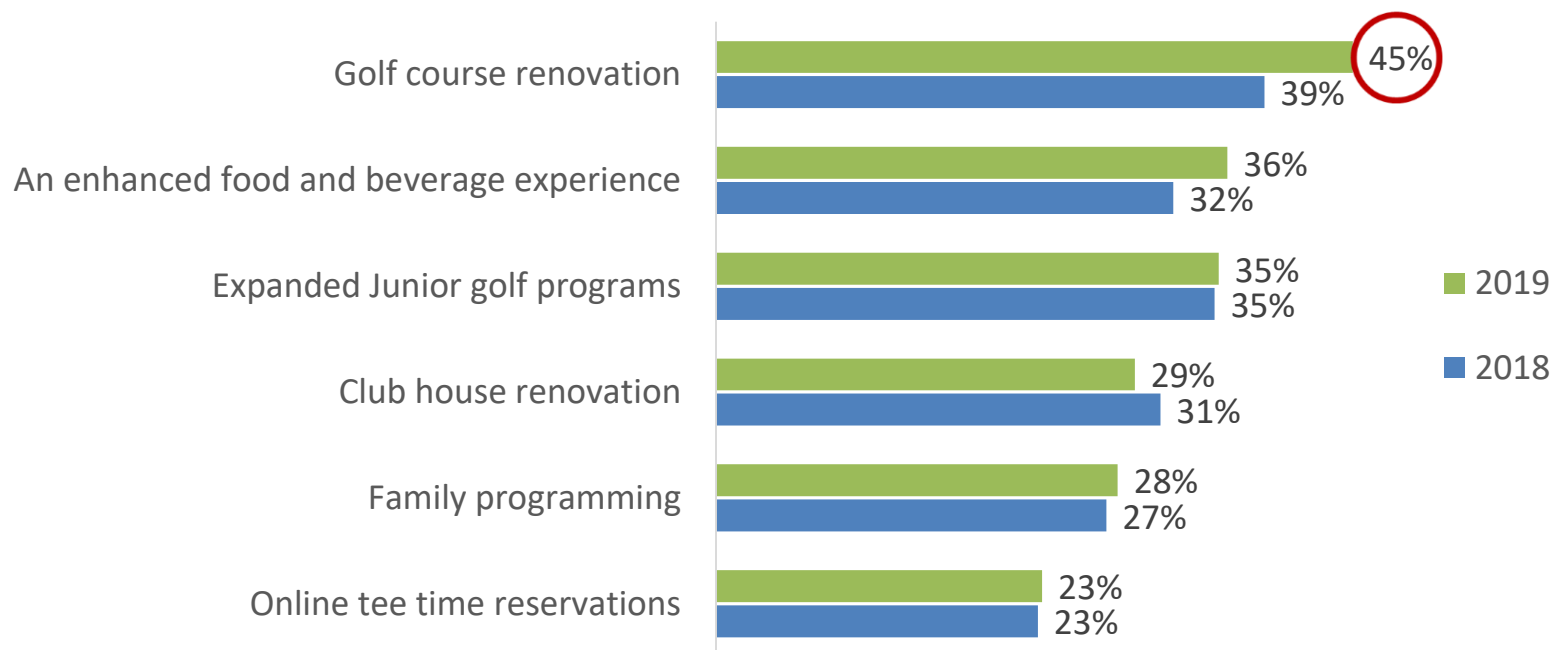
KEY FINDINGS



Golf Course Renovations Are Even More Coveted in 2019 as the Most Wanted Enhancement For Facility Operators!

Q. Which, if any, of the following potential enhancements would be of significant interest to your guests or members, and/or increase the usage of your operation?

Would be of significant interest SUMMARY



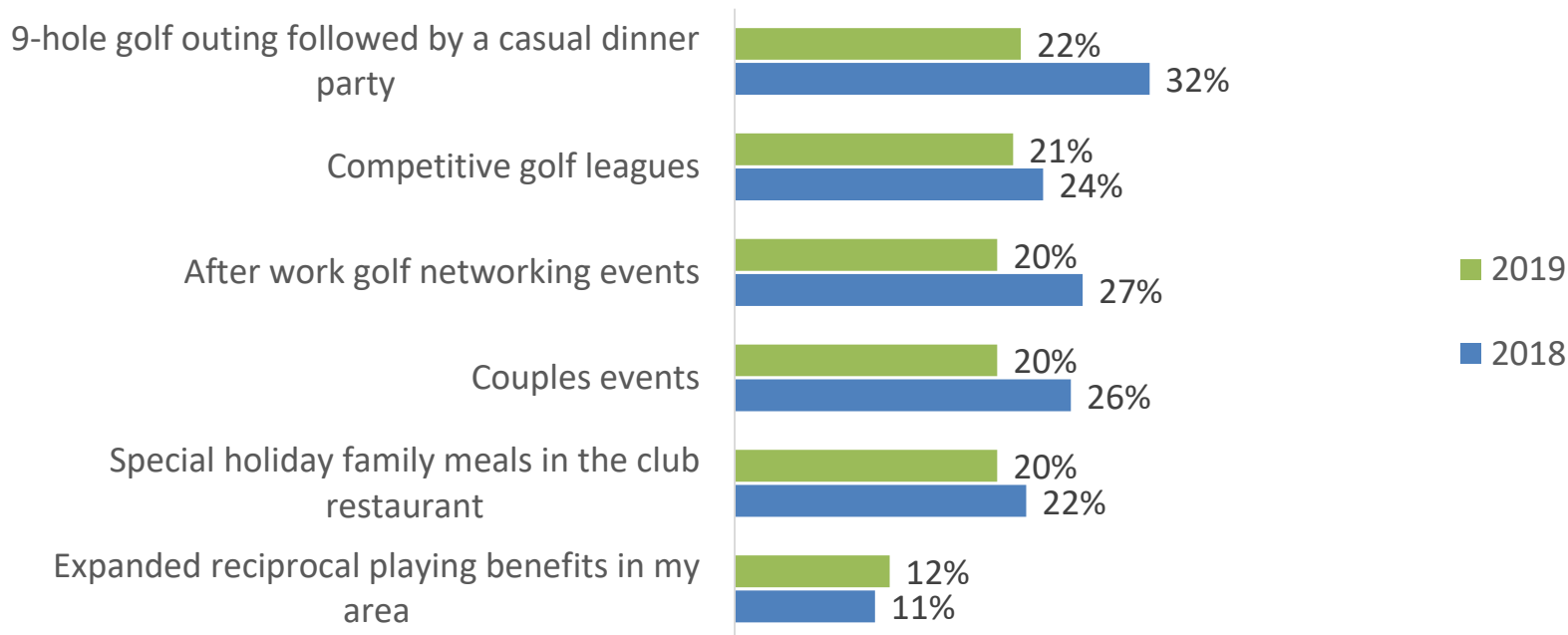


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(CONTINUED)

Would be of significant interest SUMMARY





Golf Course Renovations Are Even More Coveted in 2019 as the Most Wanted Enhancement For Facility Operators!

Q. Which, if any, of the following potential enhancements would be of significant interest to your guests or members, and/or increase the usage of your operation?

Would be of significant interest SUMMARY	PUBLIC		PRIVATE	
	2019	2018	2019	2018
Golf course renovation	39%	40%	47%	37%
An enhanced food and beverage experience	33%	31%	36%	33%
Expanded Junior golf programs	30%	36%	37%	33%
Club house renovation	25%	30%	29%	32%
Family programming	23%	27%	31%	28%
Online tee time reservations	30%	23%	17%	20%



Golf Course Renovations Are Even More Coveted in 2019 as the Most Wanted Enhancement For Facility Operators!

Q. Which, if any, of the following potential enhancements would be of significant interest to your guests or members, and/or increase the usage of your operation?

Would be of significant interest SUMMARY (CONT.)	PUBLIC		PRIVATE	
	2019	2018	2019	2018
9-hole golf outing followed by a casual dinner party	20%	31%	21%	32%
Competitive golf leagues	17%	37%	22%	14%
After work golf networking events	14%	29%	22%	20%
Couples events	13%	19%	22%	31%
Special holiday family meals in the club restaurant	9%	18%	28%	24%
Expanded reciprocal playing benefits in my area	-	-	16%	20%



Attitudinal Variations Between Architects and Superintendents: Bring on the Ranges

Q. Please indicate how strongly you agree with the following statements.

Architects Top 3 Box Summary	2019	2018
Private clubs will need to evolve over time to continue to be relevant	81%	71%
Allocating 10-12 acres of land for a range is a worthwhile investment	73%	NA
There has been an increase in golf course renovations/remodels over the past two years	60%	51%
Over the past five years, Resource availability (eg. Water usage) has become a more important factor in the courses that I've designed or renovated	56%	NA
Golf facilities have made concerted efforts to attract younger members in the past few years	52%	37%

Superintendents Top 3 Box Summary	2019	2018
Allocating 10-12 acres of land for a range is a worthwhile investment	62%	NA
Private clubs will need to evolve over time to continue to be relevant	60%	63%
Labor laws and government regulation of labor is a bigger concern today than it was a year ago	56%	53%
Golf facilities have made concerted efforts to attract younger members in the past few years	45%	52%
Golf facilities have been putting more emphasis on junior golf programs recently	44%	41%



Attitudinal Variations Between Architects and Superintendents (Cont.)

Q. Please indicate how strongly you agree with the following statements.

Architects Top 3 Box Summary	2019	2018
Golf courses today are too long for the average player	52%	NA
I have a good understanding of the impact of ADA laws on golf facilities	52%	NA
Over the past five years, agronomic practices have become a more important factor in the holes that I've designed or renovated	48%	NA
Golf facilities have been putting more emphasis on junior golf programs recently	46%	35%
Labor laws and government regulation of labor is a bigger concern today than it was a year ago	42%	37%

Superintendents Top 3 Box Summary	2019	2018
The lengthening of golf courses, today are a threat to the sustainability of the game of golf	41%	NA
There has been an increase in golf course renovations/remodels over the past two years	37%	38%
Golf facilities have been putting more emphasis on women's golf programs recently	33%	32%
I'm confident that we will see an increase in golf course renovations/remodels over the next two years	32%	23%
The overall time required to facilitate a new golf course construction from concept to completion, has increased over the past five years	31%	36%



Attitudinal Variations Between Architects and Superintendents (Cont.)

Q. Please indicate how strongly you agree with the following statements.

Architects Top 3 Box Summary	2019	2018
The lengthening of golf courses, today are a threat to the sustainability of the game of golf	42%	NA
The overall time required to facilitate a new golf course construction from concept to completion, has increased over the past five years	42%	40%
I'm confident that we will see an increase in golf course renovations/remodels over the next two years	40%	42%
Golf facilities have been putting more emphasis on women's golf programs recently	35%	26%
Private clubs in my area have recently instituted a variety of new non-golf programs to attract families	33%	24%

Superintendents Top 3 Box Summary	2019	2018
Private clubs in my area have aggressively reduced the cost of membership to attract new members over recent years	31%	32%
Golf courses today are too long for the average player	30%	NA
Private clubs in my area have recently instituted a variety of new non-golf programs to attract families	29%	23%
I have a good understanding of the impact of ADA laws on golf facilities	26%	NA
The overall time required to facilitate a golf course remodel, from concept to completion, has increased over the past five years	24%	26%



Attitudinal Variations Between Architects and Superintendents (Cont.)

Q. Please indicate how strongly you agree with the following statements.

Architects Top 3 Box Summary	2019	2018
The overall time required to facilitate a golf course remodel, from concept to completion, has increased over the past five years	31%	26%
Private clubs in my area have aggressively reduced the cost of membership to attract new members over recent years	29%	26%
In my local area, golfers can get a similar or better experience to private clubs, at golf facilities or establishments that do not require a membership fee	27%	27%
Over the past five years, I've worked on more renovation and new build projects that have involved increasing the length of the golf course, rather than shortening it	21%	NA
Over the past five years, increasing distance has been a major impetus behind golf course renovations and new builds that I've been involved with	15%	NA

Superintendents Top 3 Box Summary	2019	2018
In my local area, golfers can get a similar or better experience to private clubs, at golf facilities or establishments that do not require a membership fee	18%	20%
Too many golf courses today are becoming obsolete for elite players	5%	NA
There has been an increase in new golf facility construction over the past two years	5%	9%
Golf facilities are putting a greater emphasis on walking the course	5%	NA
I'm confident that we will see an increase in new golf facility construction over the next two years	1%	7%



Attitudinal Variations Between Architects and Superintendents (Cont.)

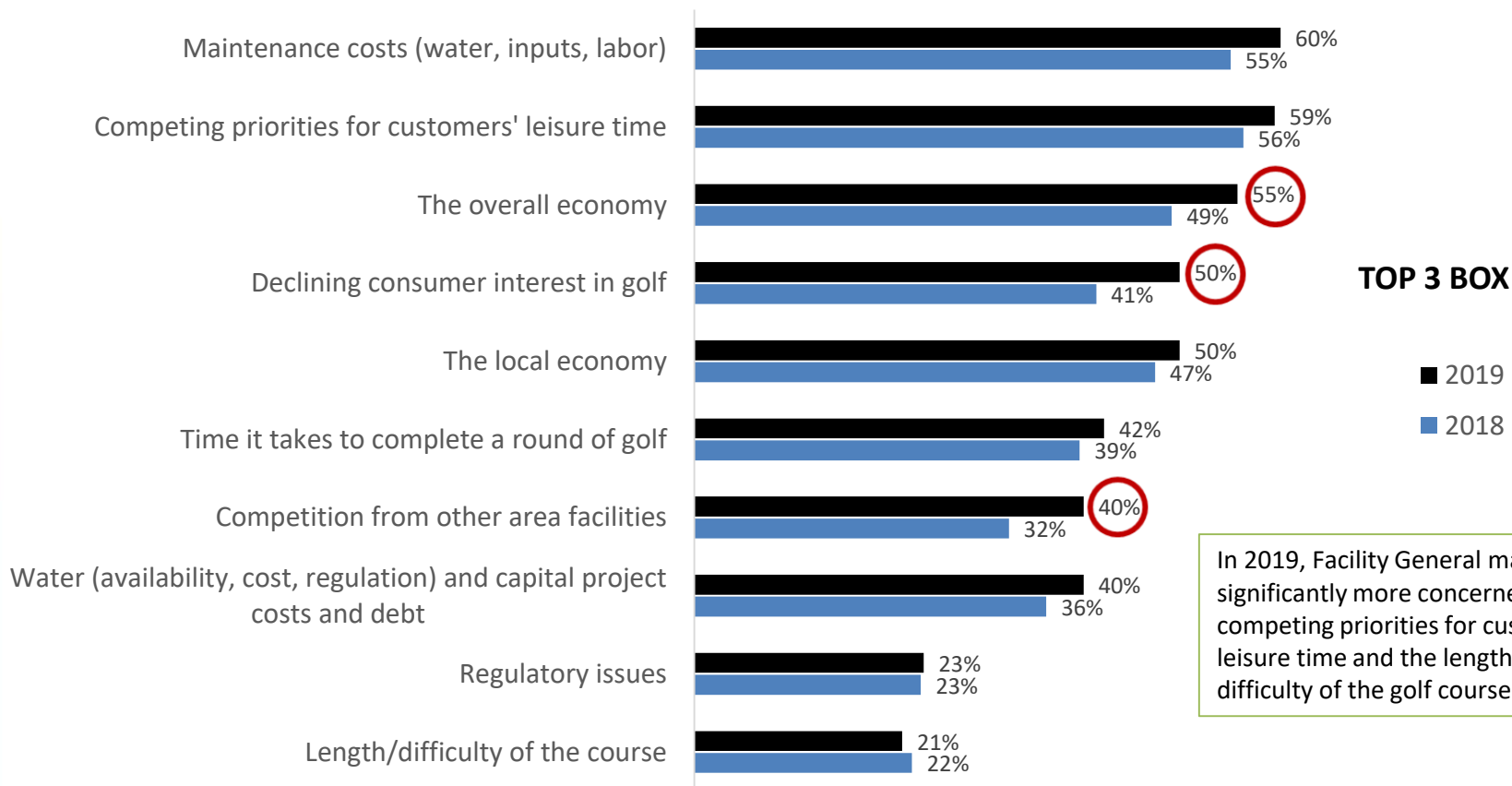
Q. Please indicate how strongly you agree with the following statements.

Architects Top 3 Box Summary	2019	2018
Too many golf courses today are becoming obsolete for elite players	15%	NA
There has been an increase in new golf facility construction over the past two years	13%	8%
I'm confident that we will see an increase in new golf facility construction over the next two years.	6%	5%
Golf facilities are putting a greater emphasis on walking the course	4%	NA



External and Competitive Pressures Escalate in 2019

Q. Most significant issues that can impact the sustainability and financial health of your golf facility





Public Facilities Show Greater Concerns than Private Clubs, across all areas except the macro-economy

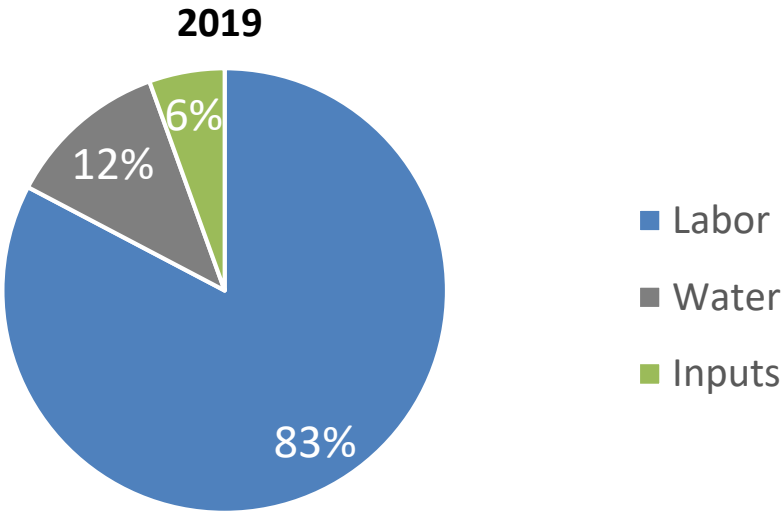
Q. Most significant issues that can impact the sustainability and financial health of your golf facility

TOP THREE BOX	PUBLIC		PRIVATE	
	2019	2018	2019	2018
Maintenance costs (water, inputs, labor)	63%	59%	57%	50%
Competing priorities for customers' leisure time	63%	59%	55%	50%
The overall economy	51%	53%	57%	45%
Declining consumer interest in golf	55%	45%	43%	36%
The local economy	48%	51%	49%	44%
Time it takes to complete a round of golf	46%	41%	35%	37%
Competition from other area facilities	48%	40%	34%	25%
Water (availability, cost, regulation) and capital project costs and debt	42%	39%	34%	30%
Regulatory issues	22%	22%	21%	22%
Length/difficulty of the course	22%	22%	19%	21%

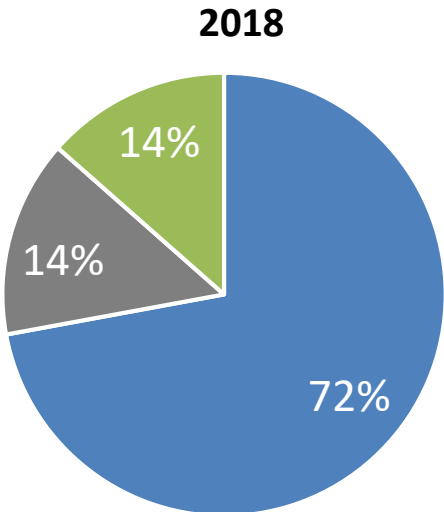


Labor Impacts Intensify While Inputs Concerns are Reduced

Q. You indicated that maintenance costs had a significant impact on the financial health of your facility. To which aspect of maintenance costs would you most attribute this impact?



	Public	Private
Labor	88%	84%
Water	10%	8%
Inputs	2%	8%



	Public	Private
Labor	69%	71%
Water	19%	12%
Inputs	12%	17%



...And Labor Continues to Have The Single Biggest Impact On Course Maintenance Budgets

Q. Which of the following has the biggest impact on your course maintenance budget?

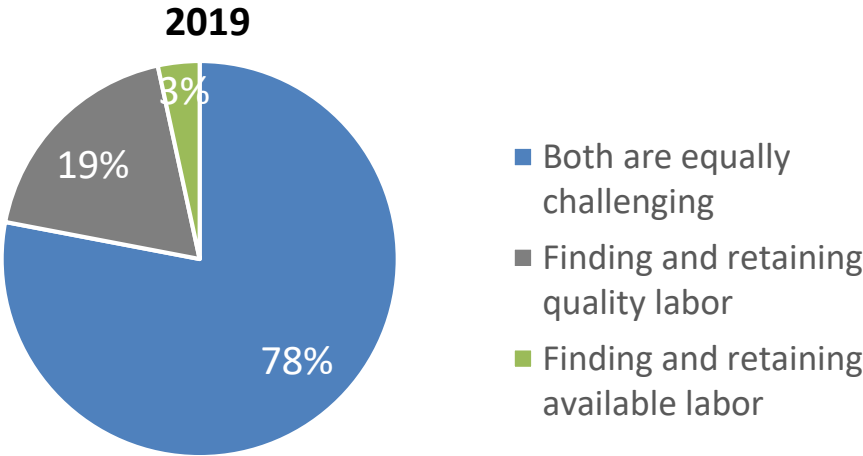
	PUBLIC		PRIVATE	
	2019	2018	2019	2018
Labor	80%	71%	86%	80%
Water costs	6%	11%	4%	3%
Equipment	6%	11%	3%	11%
Plant protectants (chemicals, fertilizer, nutrients)	-	5%	7%	5%
Competitive practices of other local golf facilities	6%	2%	-	-
Insurance	2%	-	-	2%



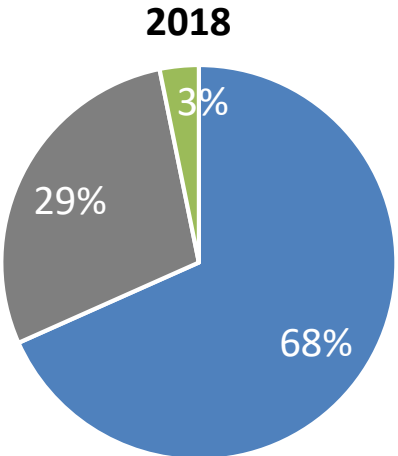
Finding And Retaining Available Labor And Quality Labor Are Equally Challenging For The Majority Of Respondents

- Finding quality help is particularly challenging

Q. In thinking about labor issues that a golf facility your golf facility encounters, what do you see as the biggest challenge?



	Public	Private
Both are equally challenging	75%	80%
Finding and retaining quality labor	17%	21%
Finding and retaining available labor	8%	-

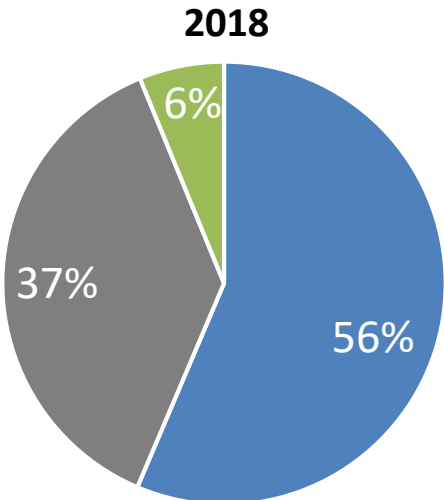
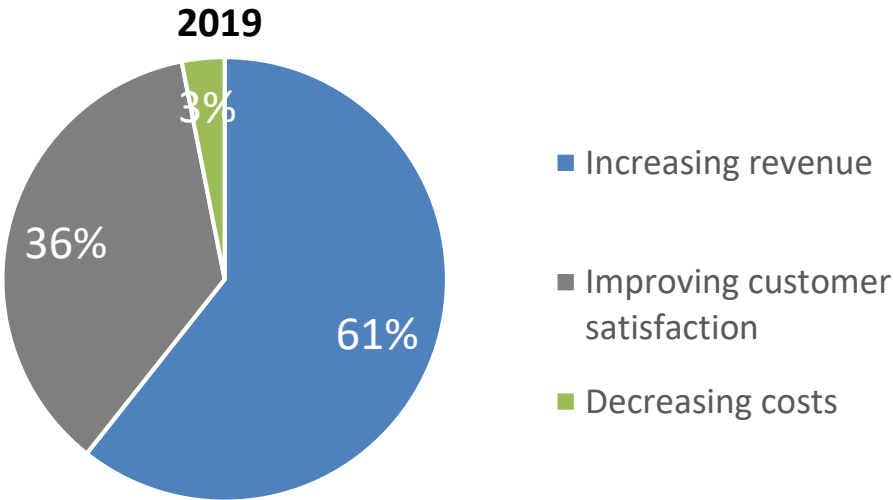


	Public	Private
Both are equally challenging	77%	67%
Finding and retaining quality labor	21%	28%
Finding and retaining available labor	2%	6%



Increasing Revenue Remains a Significantly Higher Near Term Priority vs. Decreasing Costs; Private Clubs Have Greater Focus on Customer Satisfaction

Q. Thinking about priorities for managing your golf operation, which of the following would be the single most important for you in the near term?



	Public	Private
Increasing revenue	79%	47%
Improving customer satisfaction	17%	51%
Decreasing costs	4%	3%

	Public	Private
Increasing revenue	69%	53%
Improving customer satisfaction	23%	41%
Decreasing costs	8%	6%



Most Important Offerings For Customers Of A Golf Facility—as Evaluated By Superintendents And Other Facility Operators—The Green Complex Continues to Dominate

Q. Importance you feel each of the following aspects of the golf specific offerings at your facility or typical facility, are to its customers.

TOP 3 BOX SUMMARY

MOST IMPORTANT	TOTAL		PUBLIC		PRIVATE	
	2019	2018	2019	2018	2019	2018
Condition of the greens	97%	97%	95%	96%	98%	97%
Consistency of the greens	94%	92%	95%	93%	93%	91%
Overall golf course conditions	92%	92%	94%	92%	91%	94%
Overall courtesy and friendliness of the golf staff	80%	81%	82%	82%	79%	79%
Condition of the fairways	74%	67%	66%	58%	79%	76%



Least Important Offerings For Customers Of A Golf Facility—as Evaluated By Superintendents And Other Facility Operators—Are Generally Not Golf Course Related

Q. Importance you feel each of the following aspects of the golf specific offerings at your facility or typical facility, are to its customers.

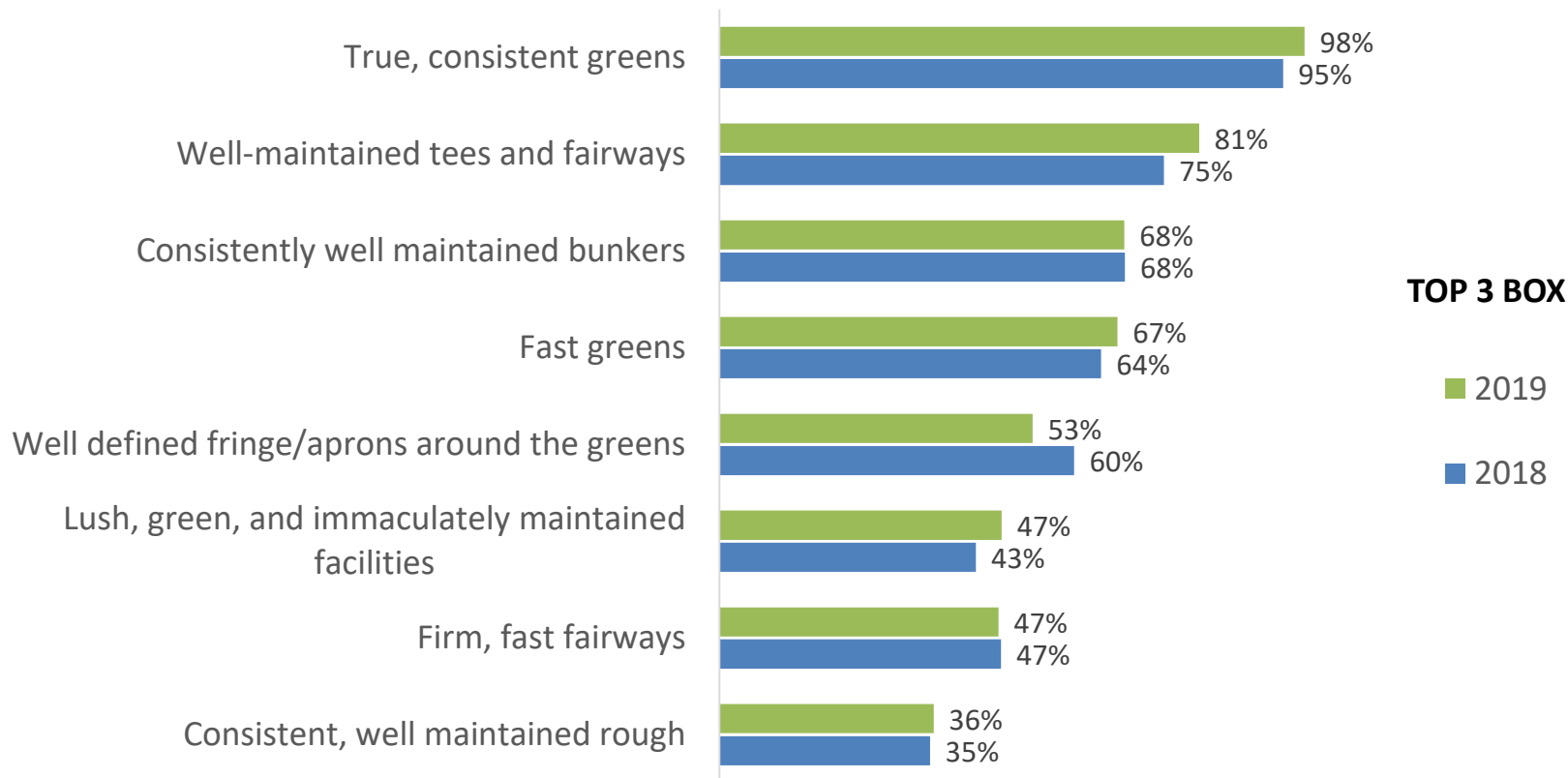
TOP 3 BOX SUMMARY

LEAST IMPORTANT	TOTAL		PUBLIC		PRIVATE	
	2019	2018	2019	2018	2019	2018
Merchandise selection in the golf shop	30%	20%	22%	19%	32%	24%
Quality of service in the locker room facilities	27%	24%	14%	13%	35%	33%
Condition of the cart paths	25%	21%	26%	25%	25%	18%
Attractiveness of the locker room facilities	24%	22%	12%	18%	32%	27%
Presence of "signature" hole or holes	19%	NA	17%	NA	20%	NA



Conditioning Priorities Perceived As Most Important For Golfers: It's Again About Greens and Fairways

Q. Considering each of the following course conditions, please rank them in order of preference that you believe golfers would have.





Conditioning Priorities Perceived As Most Important For Golfers: Bunkers Significantly More Critical at Private Facilities

Q. Considering each of the following course conditions, please rank them in order of preference that you believe golfers would have.

TOP THREE BOX	PUBLIC		PRIVATE	
	2019	2018	2019	2018
True, consistent greens	100%	95%	99%	95%
Well-maintained tees and fairways	82%	78%	86%	84%
Consistently well maintained bunkers	47%	51%	80%	70%
Fast greens	63%	59%	77%	82%
Well defined fringe/aprons around the greens	51%	64%	67%	71%
Lush, green, and immaculately maintained facilities	41%	40%	60%	53%
Firm, fast fairways	47%	45%	60%	66%
Consistent, well maintained rough	33%	35%	51%	50%

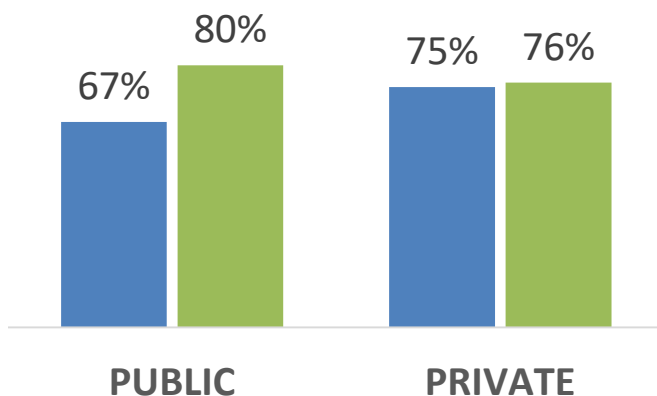


Facility Management Remains More Satisfied With Recent Golf Course Renovations vs. Clubhouse Renovations

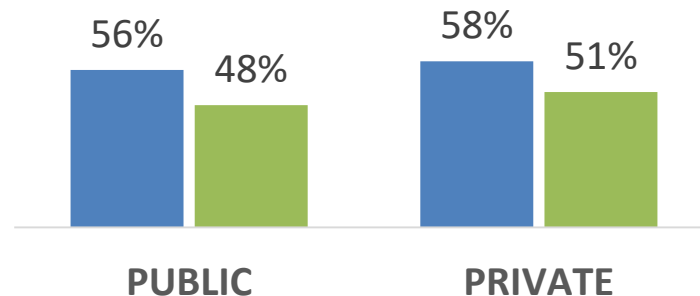
Q. And overall how satisfied were you with the investment you made on your most recent renovation?

TOP 3 BOX SUMMARY

Golf Course Renovation or Addition



Clubhouse Renovation or Addition





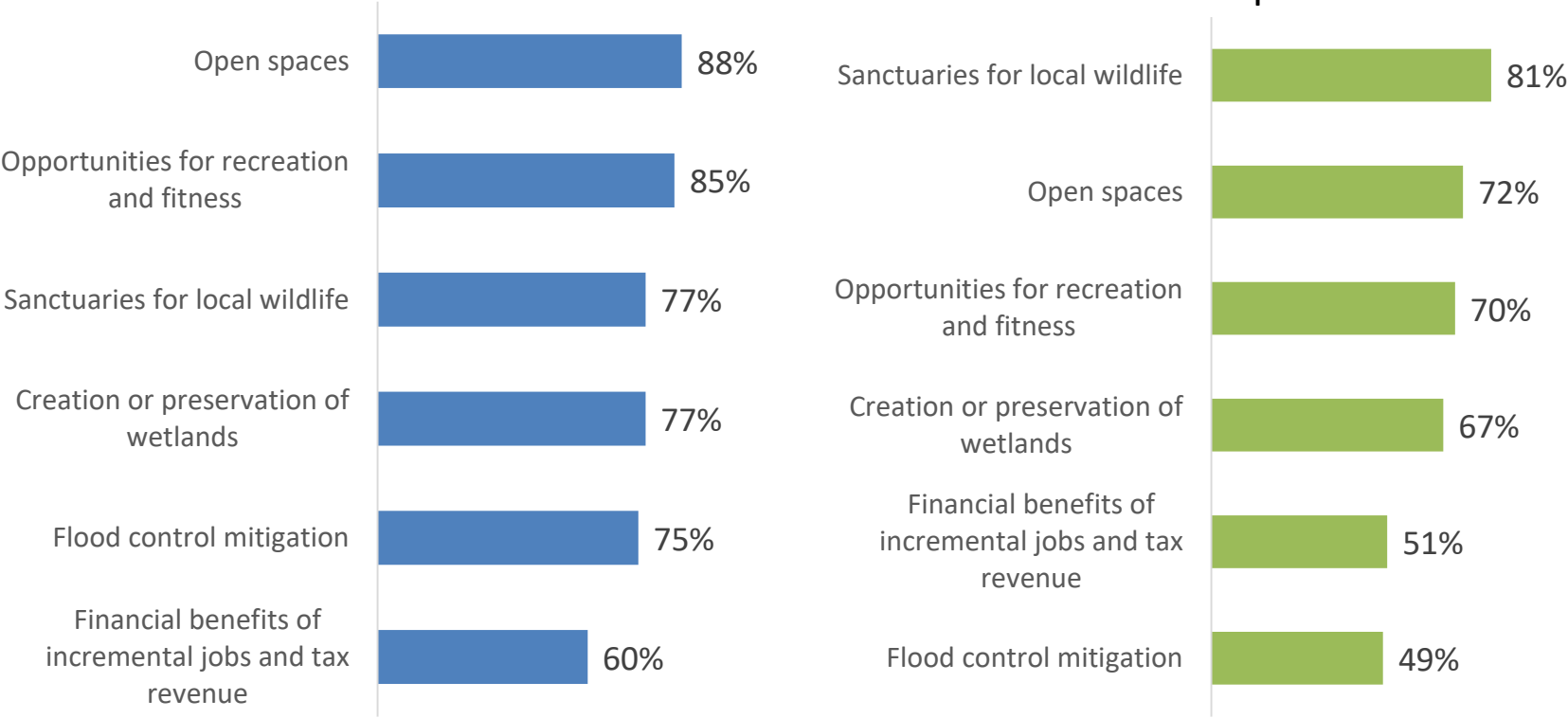
Architects and Superintendents Vary in their Thoughts on the Most Value Additive Aspects of Golf Courses

Q. Please indicate how strongly you agree with the following statements.

TOP 3 BOX SUMMERY

Architects

Superintendents





How Important Would Golfers Find The Following Amenities? Emphasis on Practice Areas, Forward Tees

Q. Thinking about the needs of today's golfer/your customers or members, please rank the importance you perceive they would place on each of the following amenities or services.

SUPERINTENDENTS Top 3 Box Agreement	2019	2018
An enhanced practice range	57%	54%
A dedicated short game practice/learning area	53%	55%
Additional tee box options that allow for a shorter golf course	52%	38%
A re-design of one or more holes on the golf course	42%	42%
Additional, dedicated outdoor event space	41%	28%
A newly designed, more modern and trendy bar area	35%	25%
A state of the art fitness facility and gym	25%	18%



How Important Would Golfers Find The Following Amenities? Architects Echo Superintendents

Q. Thinking about the needs of today's golfer/your customers or members, please rank the importance you perceive they would place on each of the following amenities or services.

ARCHITECTS Top 3 Box Agreement	2019	2018
A dedicated short game practice/learning area	83%	85%
An enhanced practice range	81%	81%
Additional tee box options that allow for a shorter golf course	81%	81%
A re-design of one or more holes on the golf course	63%	61%
Additional, dedicated outdoor event space	54%	48%
A state of the art fitness facility and gym	52%	50%
A newly designed, more modern and trendy bar area	50%	45%



How Important Would Golfers Find The Following Amenities? GMs Concur on Forward Tees but Also Covet Social Spaces

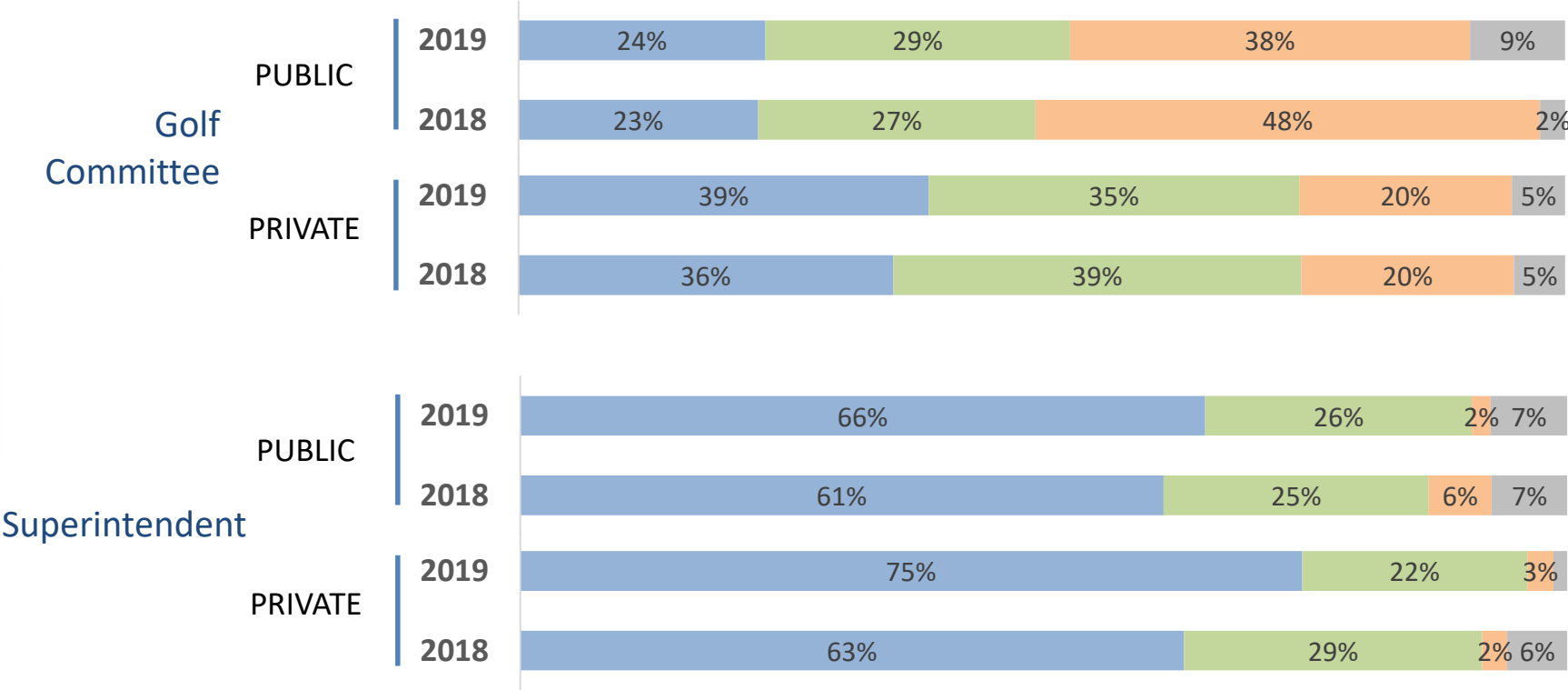
Q. Thinking about the needs of today's golfer/your customers or members, please rank the importance you perceive they would place on each of the following amenities or services.

GENERAL MANAGERS Top 3 Box Agreement	2019	2018
Additional tee box options that allow for a shorter golf course	70%	40%
A newly designed, more modern and trendy bar area	60%	33%
An enhanced practice range	58%	45%
A dedicated short game practice/learning area	53%	48%
Additional, dedicated outdoor event space	43%	40%
More casual \living room\" space for social interaction"	43%	10%
A state of the art fitness facility and gym	40%	28%



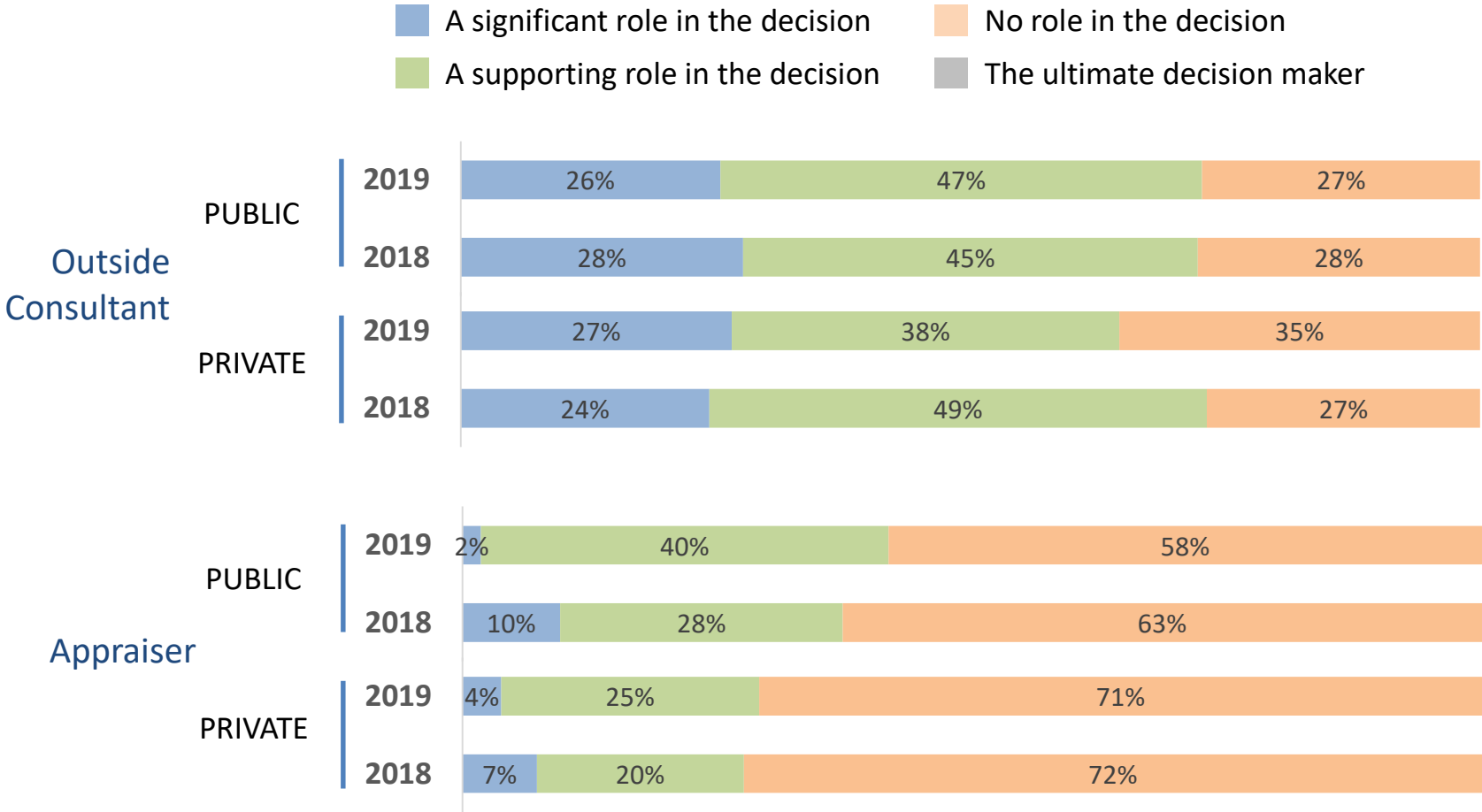
Who Plays the Key Decision Making Role For Golf Course Renovations? Consistent Year Over Year Perceptions

A significant role in the decision No role in the decision
A supporting role in the decision The ultimate decision maker



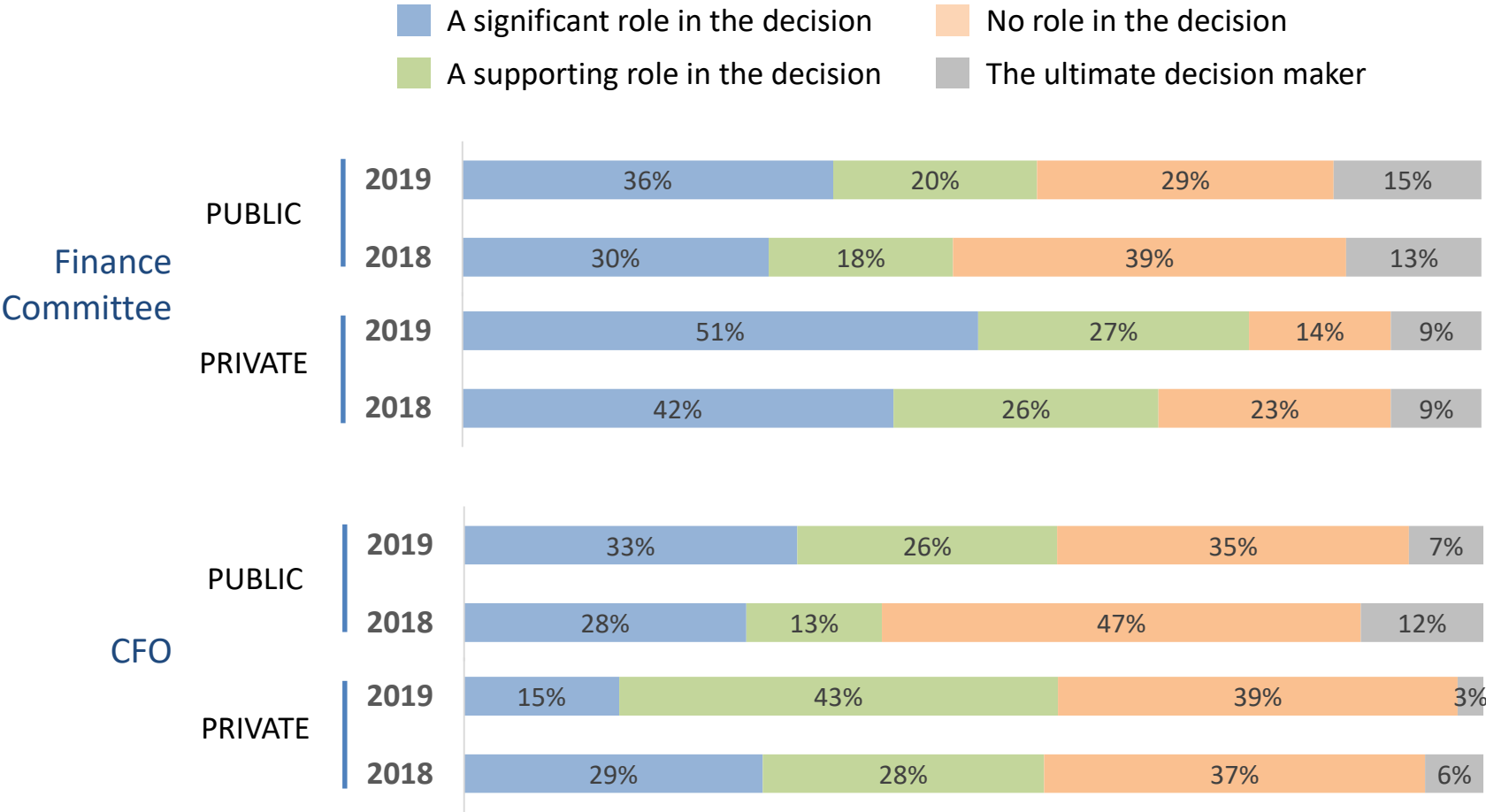


Who Plays the Key Decision Making Role For Golf Course Renovations? Consistent Year Over Year Perceptions



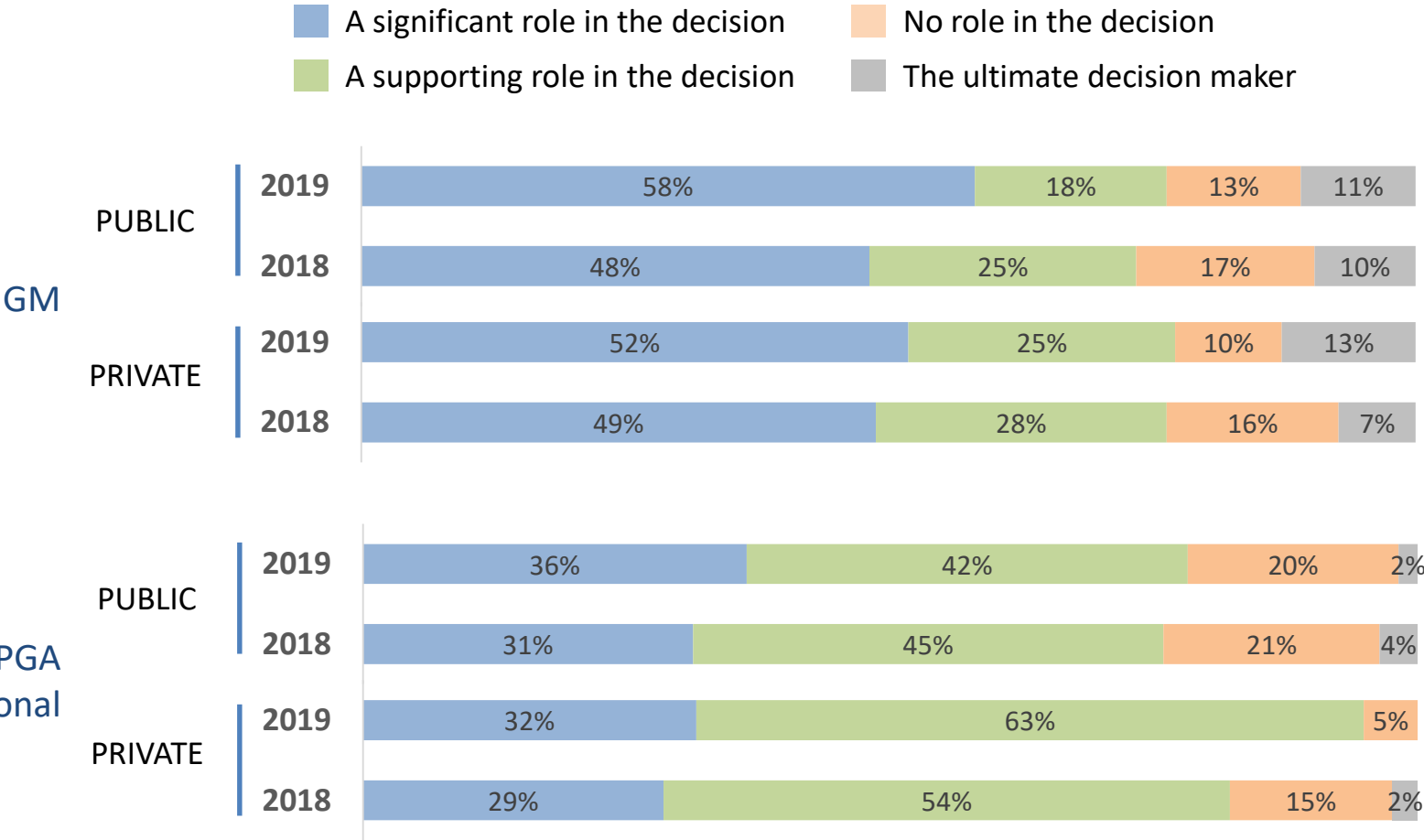


Who Plays the Key Decision Making Role For Golf Course Renovations? Consistent Year Over Year Perceptions



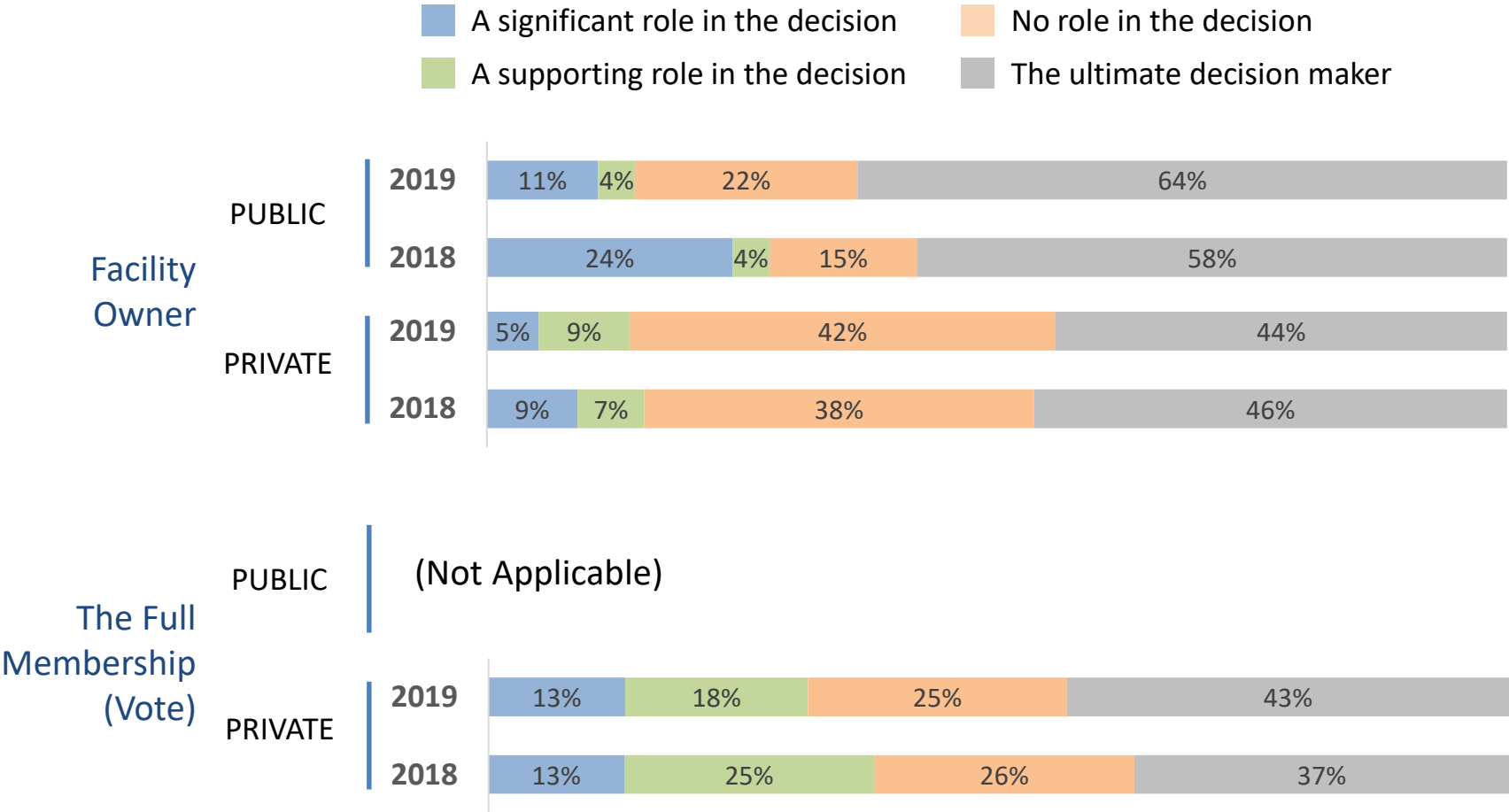


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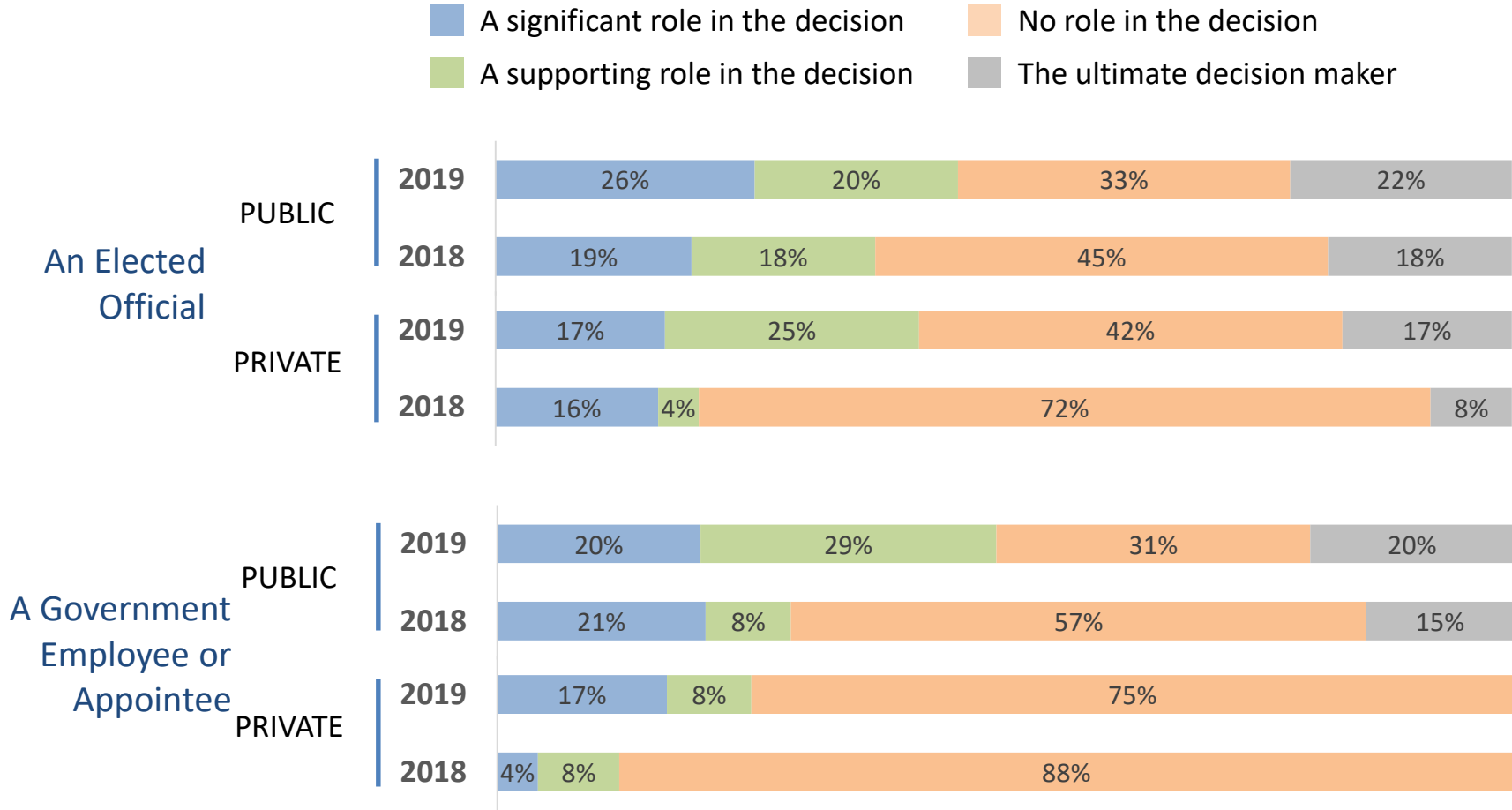


Who Plays the Key Decision Making Role For Golf Course Renovations? Consistent Year Over Year Perceptions





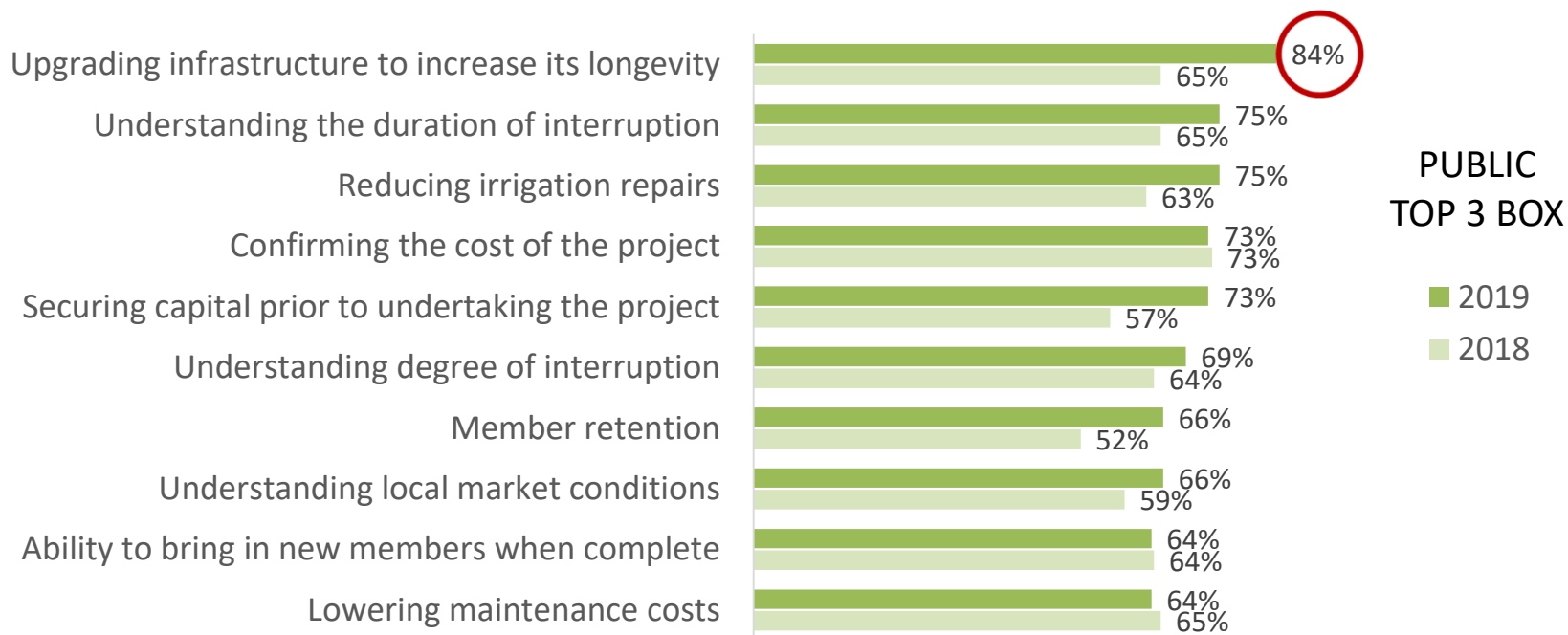
Who Plays the Key Decision Making Role For Golf Course Renovations? Consistent Year Over Year Perceptions





Most Important Factors For Facility Management To Pull The Trigger For A Renovation Or Remodel

Q. Importance of each of the following factors for facility management, in pulling the trigger for a renovation/remodel of a golf course(s).

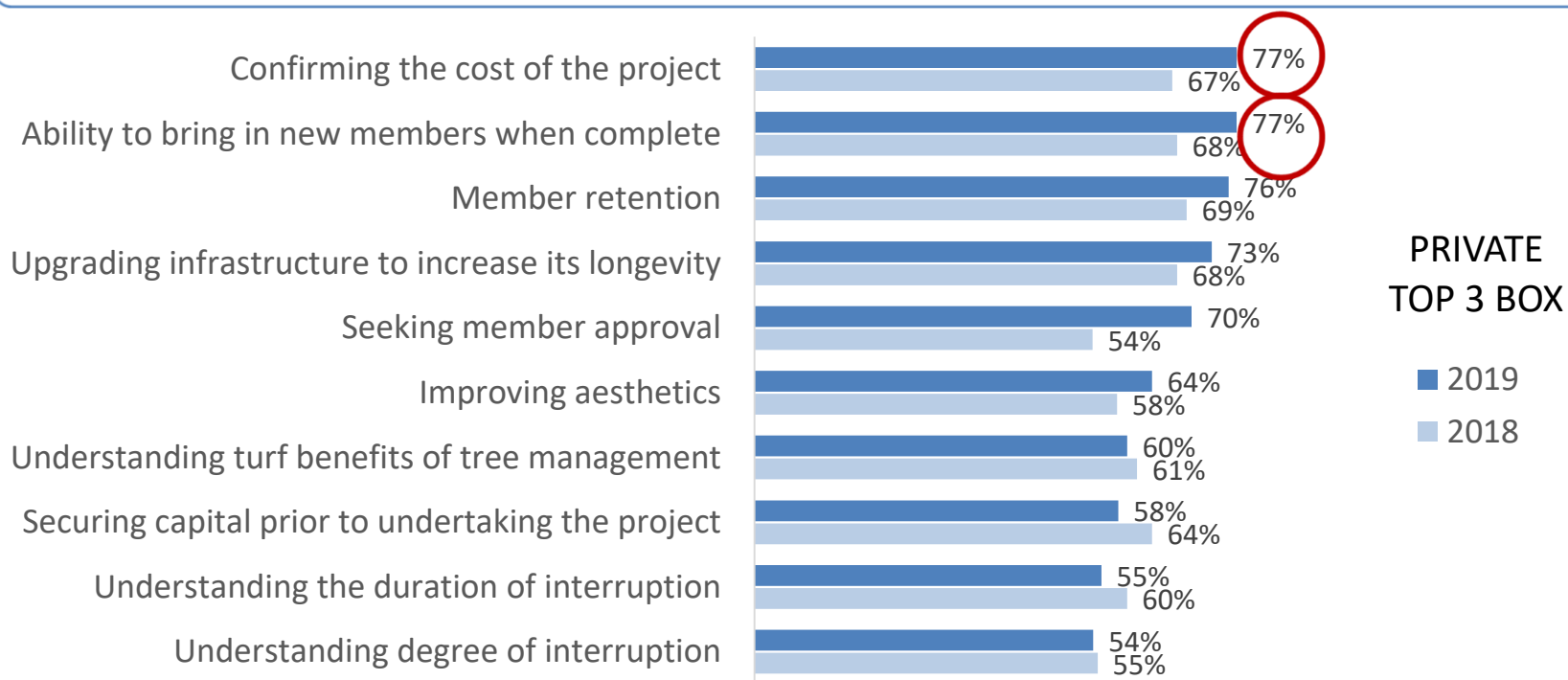


- On average, facility operators consider 2.9 years (down from 3.2 years) to be a reasonable time frame for which to achieve a positive return on a capital investment of \$20,000 or more. Public facilities (3.0 years vs 3.6 years in 2018) remain slightly more patient than private facilities (2.8 years vs. 3.0 years in 2018)



Most Important Factors For Facility Management To Pull The Trigger For A Renovation Or Remodel

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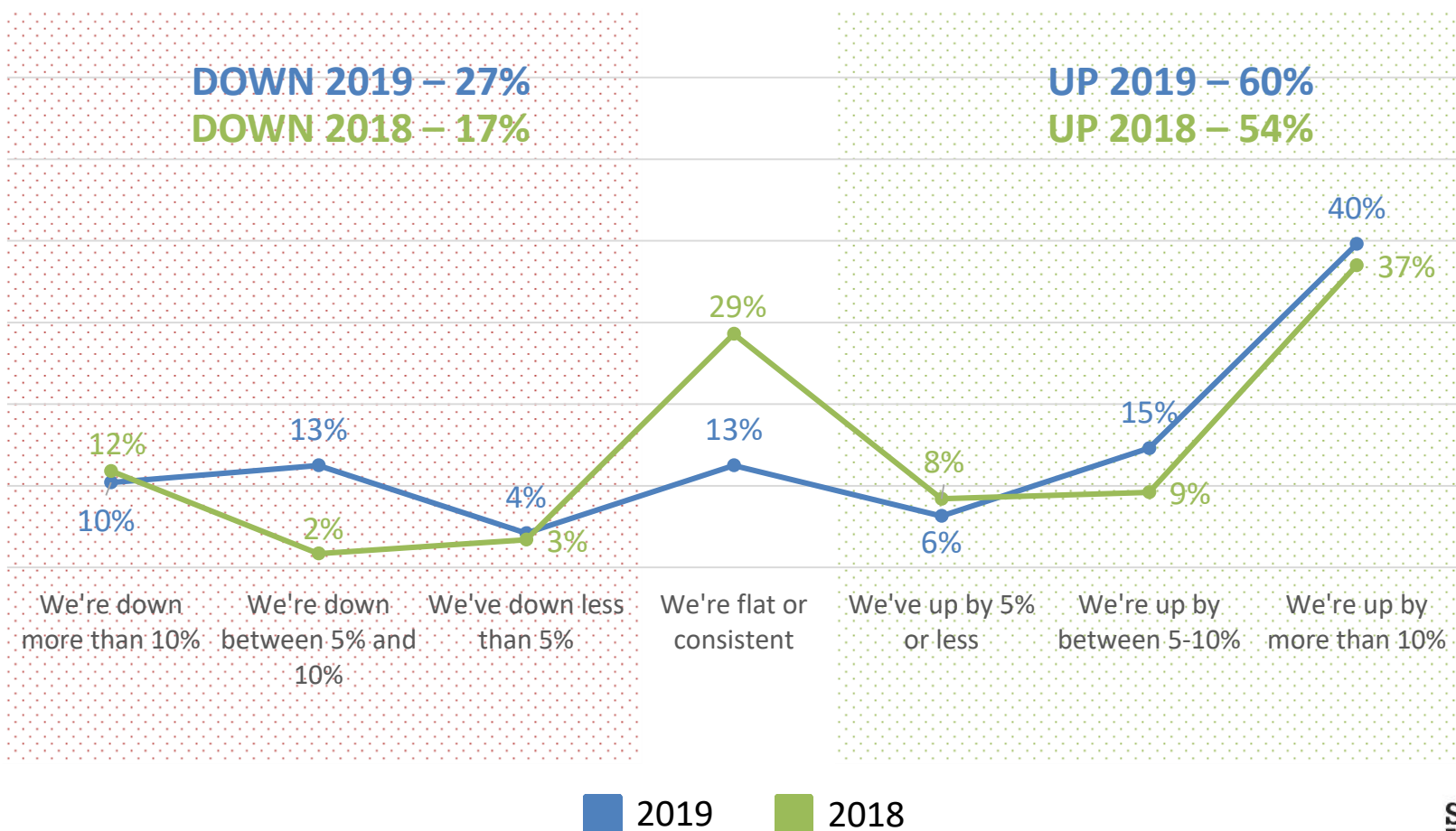


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A Greater Percentage of Architects Have Seen Revenues Increase Over Last Year; But There's More Dichotomy

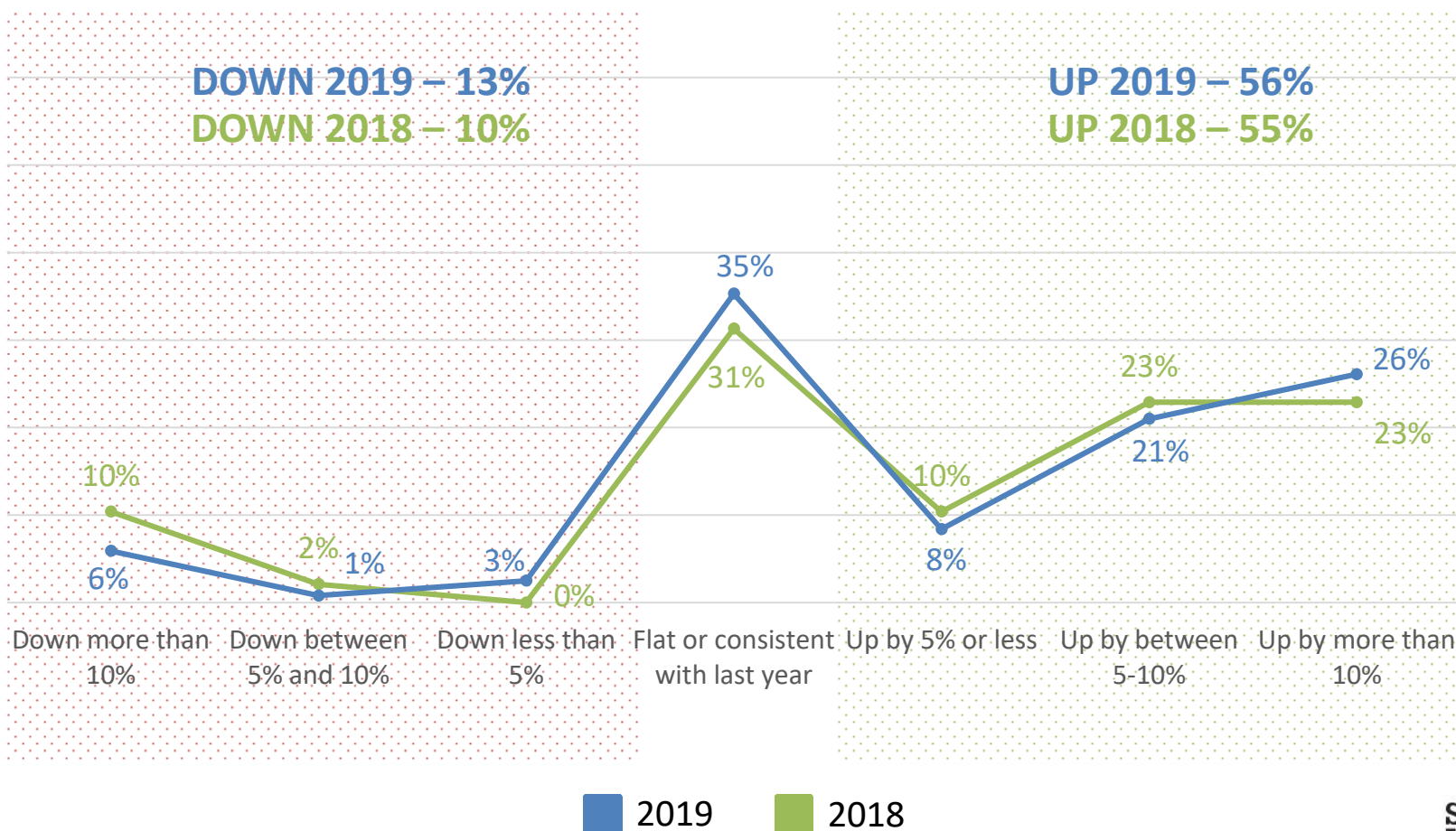
Q. Which best describes the volume of renovation revenue that you've had, over the past 24 months?





And Expectations For The Next Two Years Remain Bullish For Most Architects

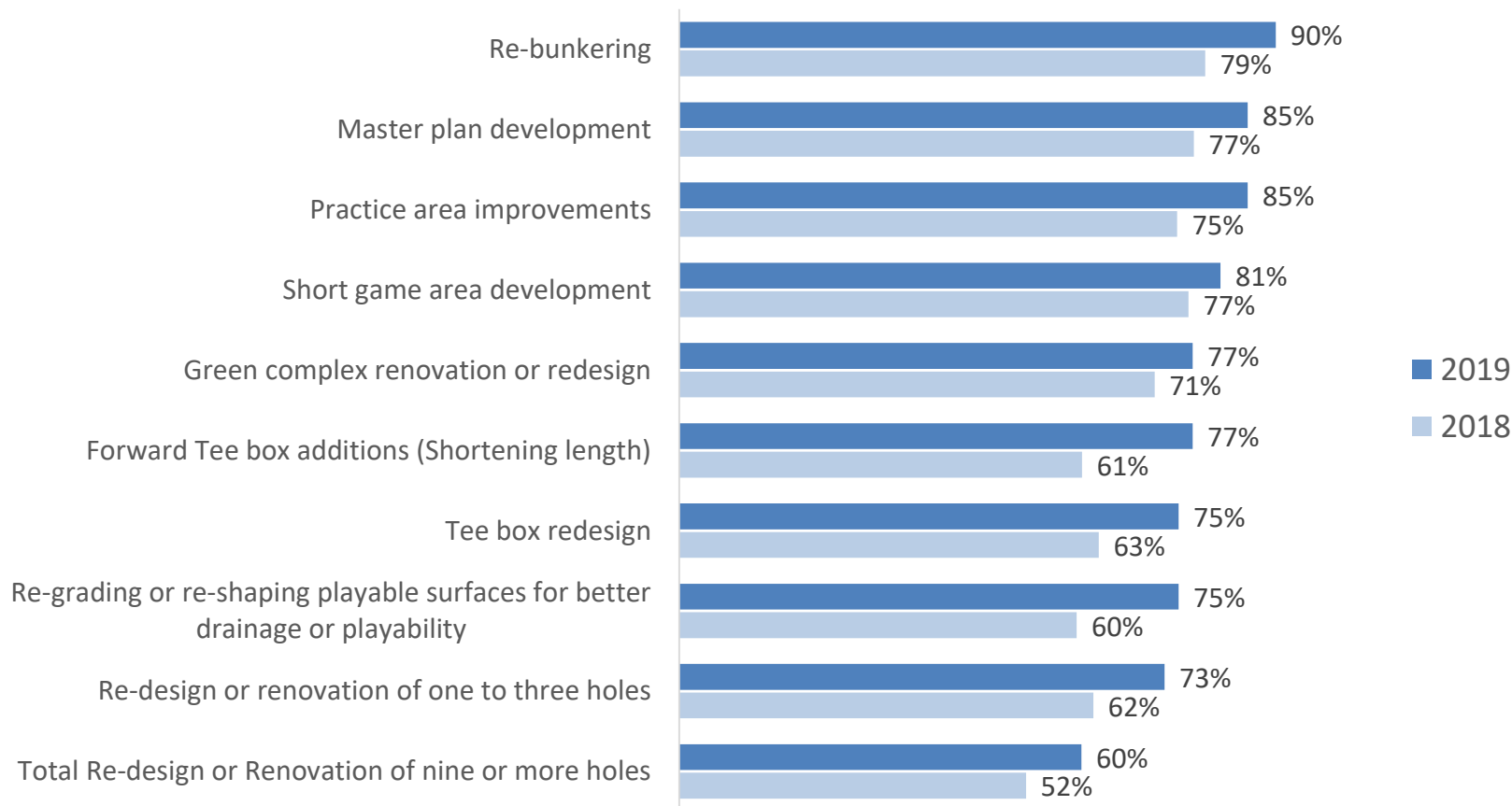
Q. And which best describes your expected volume of renovation revenue over the next 24 months?





A Greater Number of Architects Are Working On A More Diverse Range Of Projects

Q. Please indicate which of the following you have been involved with over the past 24 months

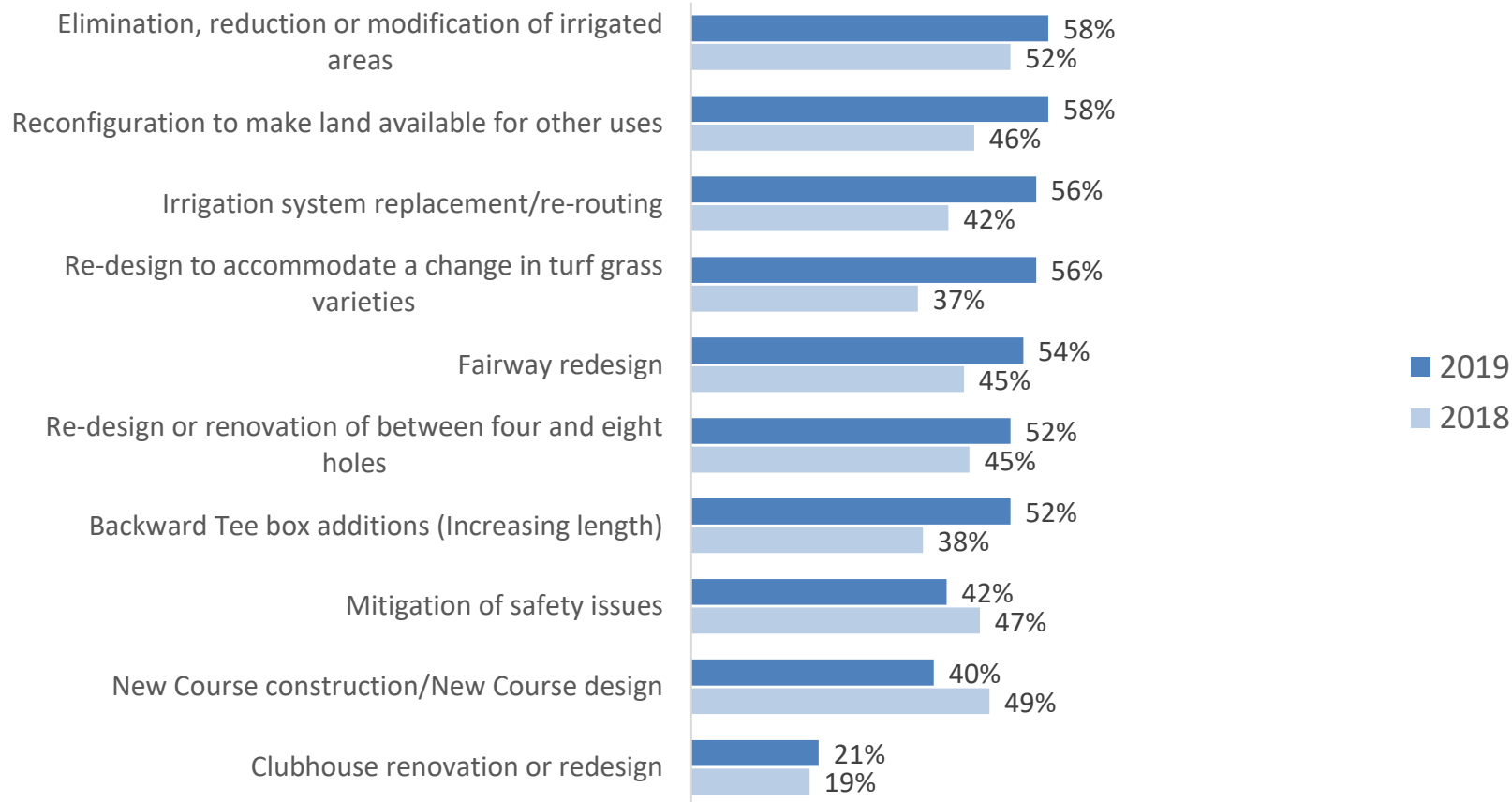




Architects Are Working On A Multitude Of Projects

Q. Please indicate which of the following you have been involved with over the past 24 months

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New Course Design Overtakes Master Plan Development and Rebunkering as The Greatest Revenue Driver

Q. For each of these aspects of your business activity that you've engaged in over the past twenty-four months, please rank them according to the activity generating the greatest amount of project volume.

ARCHITECTS – RANKED #1 SUMMARY	2019	2018
Total Re-design or Renovation of nine or more holes	20%	8%
Master plan development	17%	24%
Re-bunkering	17%	14%
Forward Tee box additions (Shortening length)	11%	4%
New Course construction/New Course design (T) Re-design or renovation of one to three holes	7%/7%	13%/4%



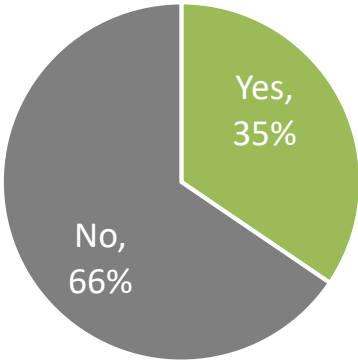


Two Thirds of Facility Respondents Do Not Have Any Non Essential or Artificial Water On the Golf Course

- Little interest in their removal to reduce water usage

Q. Does your golf facility have any non essential/artificial water on the golf course?

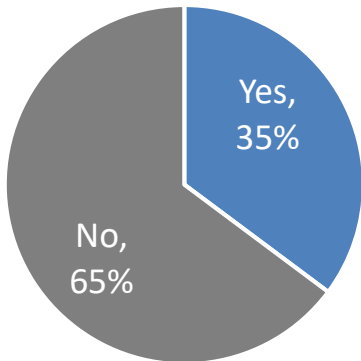
PUBLIC



TOP 3 BOX – 5%

We are interested in exploring the removal of ponds, lakes and streams that are artificial, in an effort to reduce water usage at our facility

PRIVATE



TOP 3 BOX – 6%

PUBLIC	
Mean total acreage reported	131.3
Percent of total acreage irrigated	65.2%

PRIVATE	
Mean total acreage reported	119.0
Percent of total acreage irrigated	66.2%