



ASGCA

2022 ASGCA-SLRG

Golf Facility Market Trend Watch

Presented by:

**SPORTS &
LEISURE**
RESEARCH GROUP



2022 ASGCA-SLRG Golf Facility Market Trend Watch

The Thought Leadership Vision

- Fifth wave (fourth 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
 - More narrowly focused, with greater emphasis on Labor Issues for 2022





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METHODOLOGY: 2022 Tracking Wave

- Online survey of ASGCA members, “By Design” and “Golf Course Industry” Media subscribers/readers. Includes relevant trending for recurring questions from prior waves
- 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 reduced to 10 minutes
 - 339 survey participants
 - Conducted November-December 2021





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KEY FINDINGS

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KEY TAKE-AWAYS

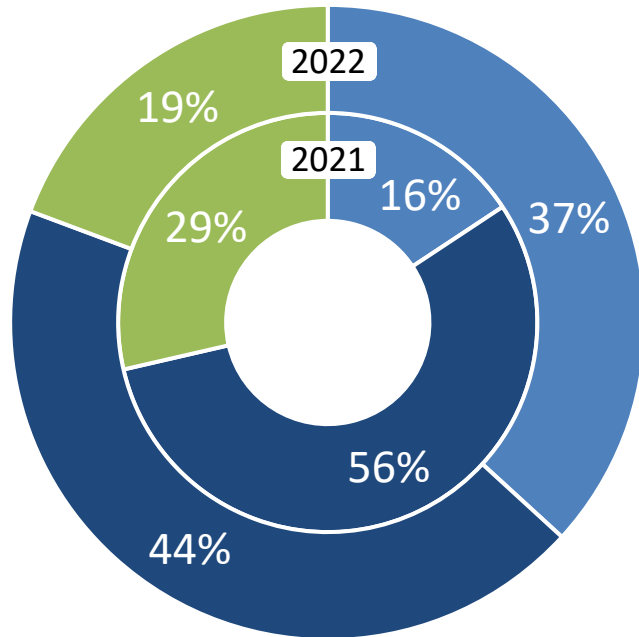
- Volume of Renovation business over the past 24 months shows half of architects reporting year-over-year revenue improvement, maintaining an upward three-year trend. The plurality of architects report flat or consistent revenue, with just one-in-five experiencing declines.
- The outlook for the next 24 months is significantly more bullish relative to what we observed last year. 56% of architects look to see renovation revenue increase over the next two years. Only 11% look to be down...a four-year low
- Labor impacts remain the most significant maintenance cost, continuing to dwarf other factors as the biggest impact on maintenance budgets.
- Two-thirds of facility operators raised minimum hourly wages in 2021, with the majority paying over \$13 per hour.
- More than eight-in-ten facilities averaged at least one open maintenance position throughout the 2021 season, with two-thirds experiencing significant drops in applicants for open positions.
- Rising material costs have impacted a majority of golf facilities.
- Master Plan Development has re-taken the top position as the most prevalent project activity for architects, as Practice Area Improvements regressed to the #2 spot.
- Master Plan Development also rebounded to recapture its place as the greatest revenue driver, with a 19-point jump to a four-year high.
- In contrast with what we saw in 2021, more architects now see COVID impacts accelerating capital project decision making. It appears that the continued surge in rounds and revenues have now loosened the purse strings for coveted projects.
- Length and difficulty of the golf course have overtaken regulatory issues at the top of the list of the most significant issues impacting facility financial health in 2021. Similarly, course operators see the addition of forward tees leading to substantial increases in player enjoyment.



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Shifting Impact of COVID: Architects See Greater Acceleration in Capital Project Decision Making in 2022

Q. What, if anything has been the impact of COVID 19 on facility decision making regarding capital projects to improve the golf course?



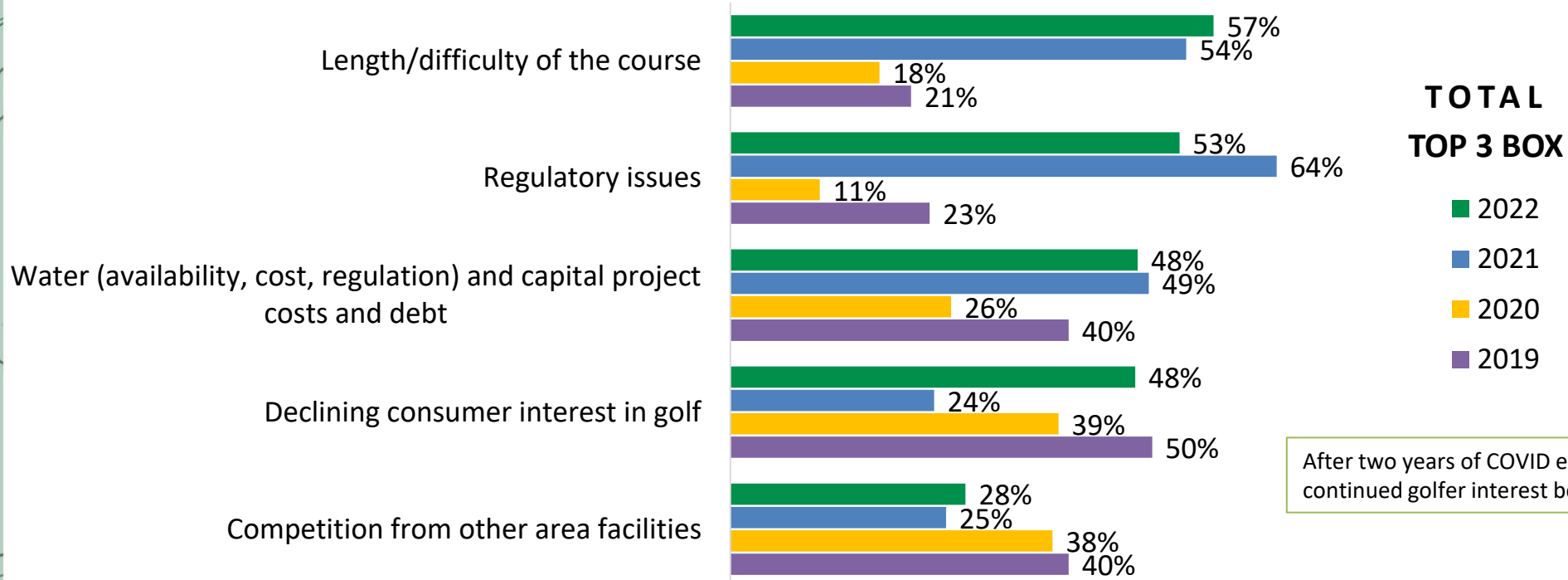
- It has accelerated timetables to undertake these projects
- It has delayed timetables to undertake these projects
- It has had no impact on timetables to undertake these projects



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Length/Difficulty of the Golf Course Overtakes Regulatory Issues as the Most Significant Issues Impacting Facility Financial Health

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



**TOTAL
TOP 3 BOX**

- 2022
- 2021
- 2020
- 2019

After two years of COVID enabled participation surge, continued golfer interest becomes prominent

(continued)

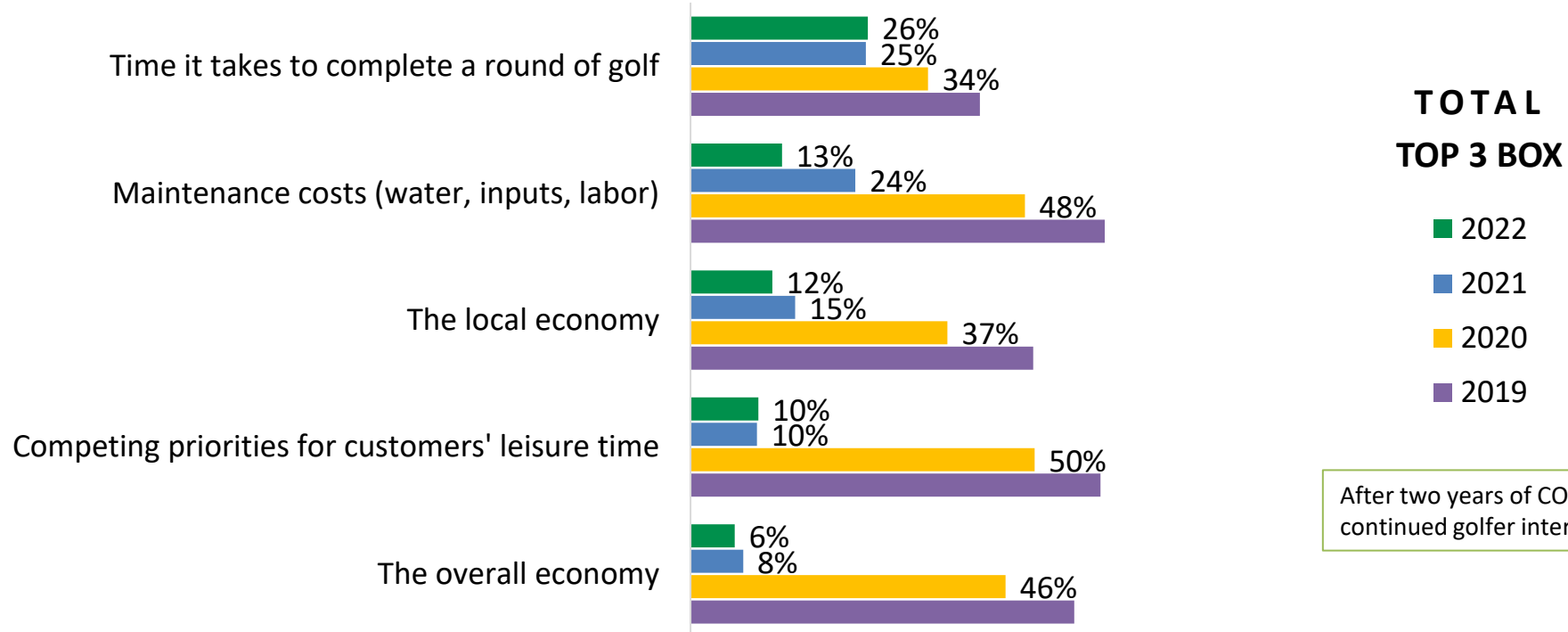


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Regulatory Issues Vault to the Top Among Huge Shifts in the Most Significant Issues Impacting Facility Financial Health in 2020

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

(continued)



After two years of COVID enabled participation surge, continued golfer interest becomes prominent



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Most Significant Issues at Both Private Clubs and Public Facilities

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

TOP THREE BOX	PUBLIC			PRIVATE		
	2022	2021	2020	2022	2021	2020
Length/difficulty of the course	52%	51%	10%	61%	55%	24%
Regulatory issues	49%	73%	7%	55%	57%	14%
Water (availability, cost, regulation) and capital project costs and debt	52%	50%	31%	44%	48%	22%
Declining consumer interest in golf	50%	31%	41%	45%	21%	36%
Competition from other area facilities	24%	12%	43%	28%	30%	33%
Time it takes to complete a round of golf	26%	18%	30%	27%	31%	38%
Maintenance costs (water, inputs, labor)	16%	22%	49%	12%	26%	47%
The local economy	10%	12%	34%	13%	17%	40%
Competing priorities for customers' leisure time	12%	17%	48%	8%	7%	51%
The overall economy	9%	10%	54%	6%	5%	40%



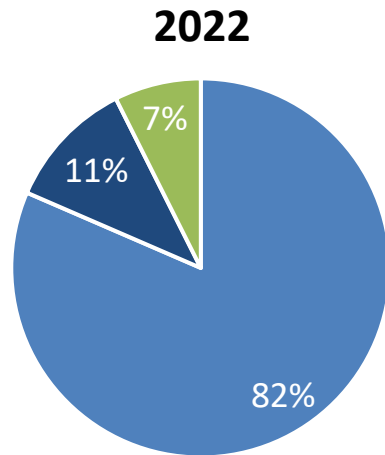
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Labor Dominates Most Significant Maintenance Costs

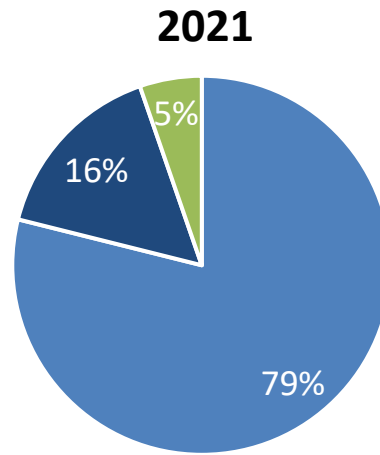
Q. You indicated that maintenance costs had a significant impact on the financial health of your facility. To which aspect of maintenance costs would you most attribute this impact?

TOTAL

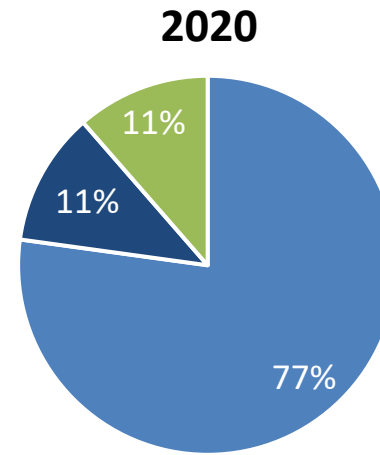
- Labor
- Inputs
- Water



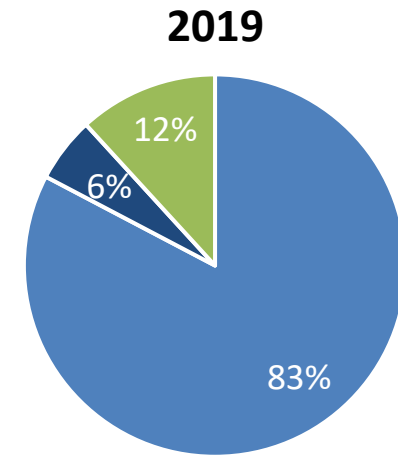
	Public	Private
Labor	69%	92%
Inputs	15%	8%
Water	15%	-



	Public	Private
Labor	64%	88%
Inputs	27%	8%
Water	9%	4%



	Public	Private
Labor	83%	76%
Inputs	10%	11%
Water	7%	13%



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



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Labor Continues to Dwarf other Factors as The Single Biggest Impact On Maintenance Budgets

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

	PUBLIC				PRIVATE			
	2022	2021	2020	2019	2022	2021	2020	2019
Labor	67%	78%	72%	80%	76%	84%	79%	86%
Equipment	17%	8%	19%	6%	11%	12%	10%	3%
Plant protectants (chemicals, fertilizer, nutrients)	10%	11%	4%	-	7%	2%	4%	7%
Water costs	5%	-	2%	6%	2%	2%	4%	4%
Insurance	1%	3%	-	2%	2%	-	-	-
Competitive practices of other local golf facilities	-	-	2%	6%	2%	-	4%	-



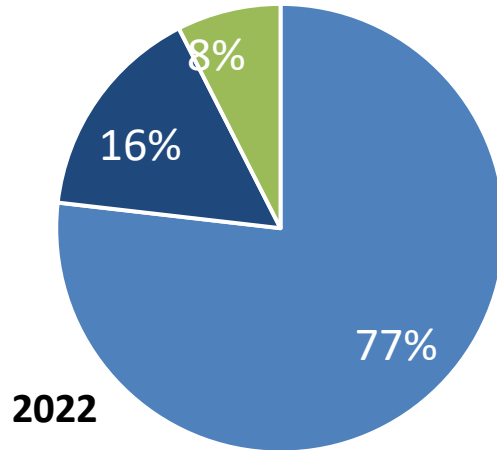
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Finding and Retaining Available and Quality Labor Continue to be Major Challenges for Facilities

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

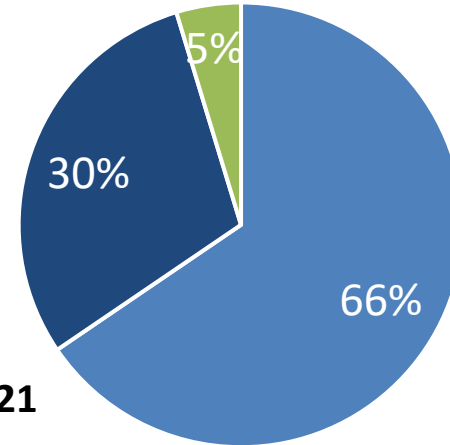
TOTAL

- Both are equally challenging
- Finding and retaining quality labor
- Finding and retaining available labor



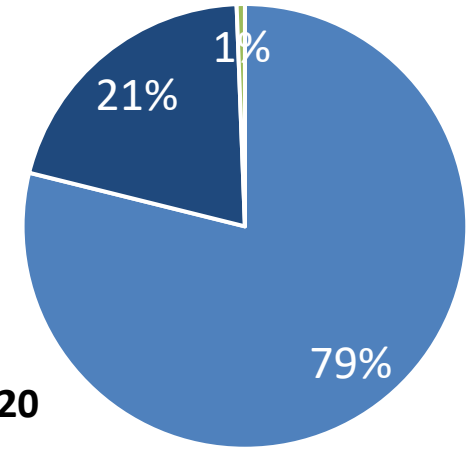
2022

	Public	Private
Both are equally challenging	81%	72%
Finding and retaining quality labor	12%	23%
Finding and retaining available labor	7%	6%



2021

	Public	Private
Both are equally challenging	63%	59%
Finding and retaining quality labor	35%	36%
Finding and retaining available labor	3%	5%



2020

	Public	Private
Both are equally challenging	83%	82%
Finding and retaining quality labor	17%	18%
Finding and retaining available labor	-	-

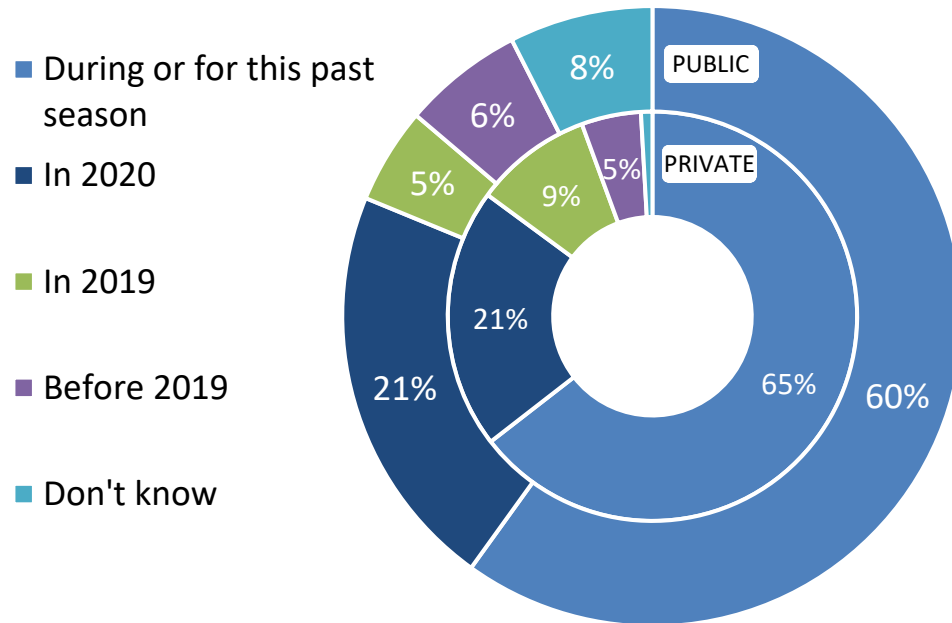


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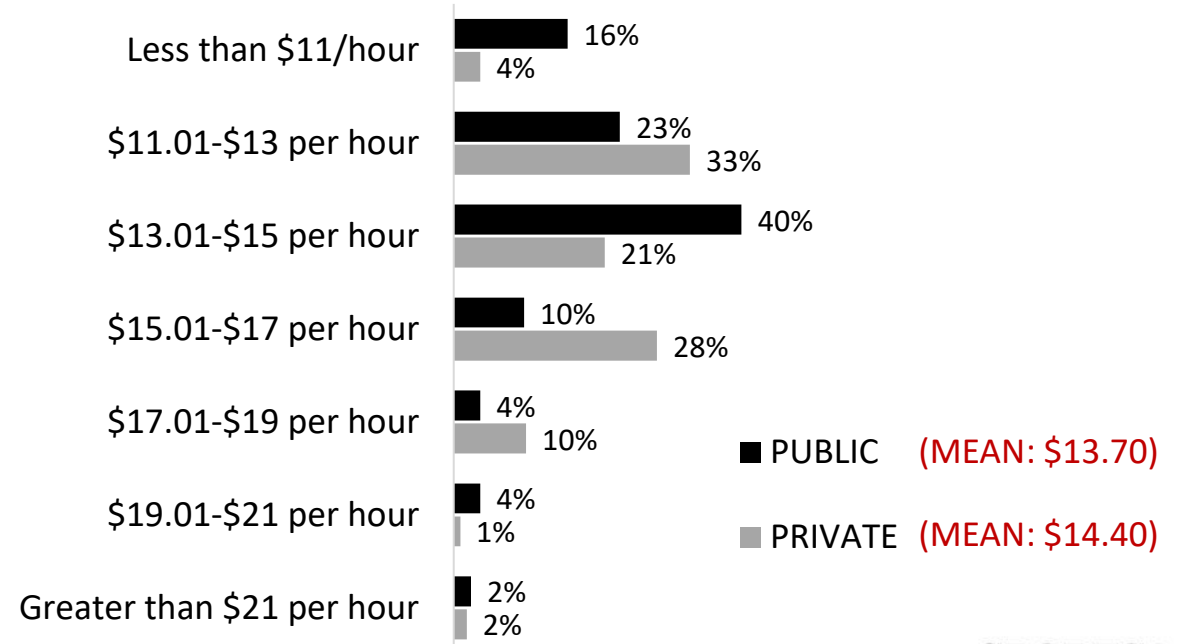
2/3 of Facility Operators Raised Minimum Hourly Wages in 2021

- Majority of Facility Operators Paying over \$13 per hour

Q. When was the last time that you raised minimum hourly wages for golf maintenance positions?



Q. In order to fill open positions in golf maintenance, what base hourly wage do you presently offer?

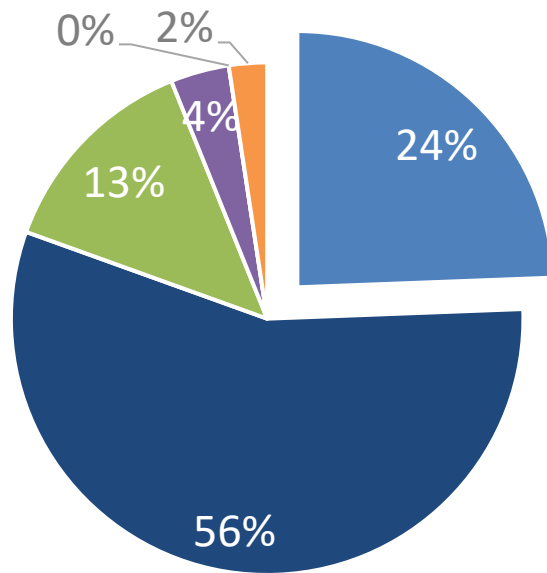




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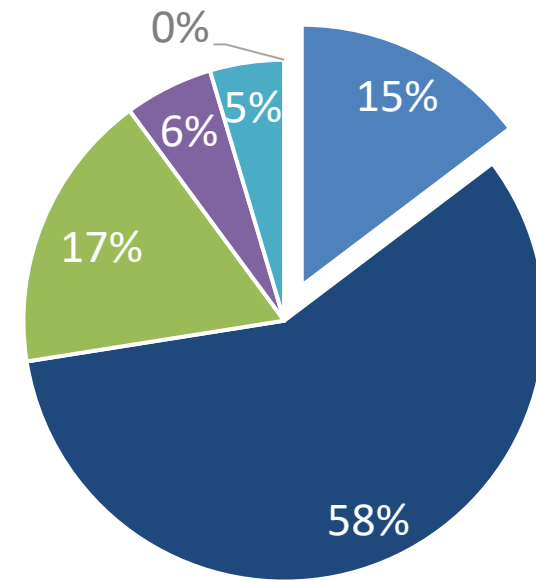
More than Eight in Ten Facilities Averaged at Least one Open Maintenance Position During the 2021 Season

Q. During the 2021 golf season, how many open (unfilled) golf maintenance positions did you average at your facility?



PUBLIC

- None. We were fully staffed
- 1-3 positions
- 4-5 positions
- 6-7 positions
- More than 7 positions
- Don't know



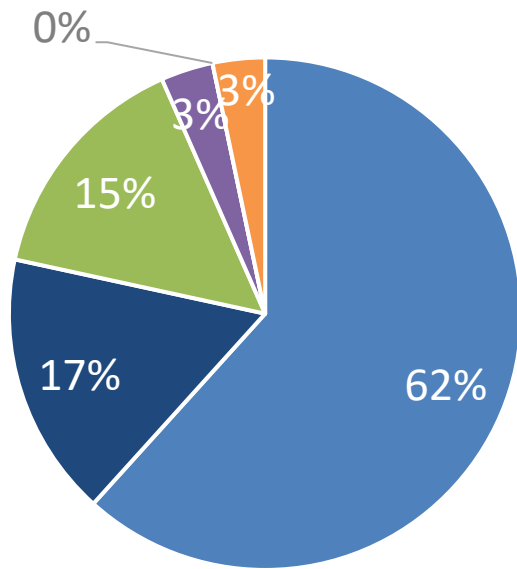
PRIVATE



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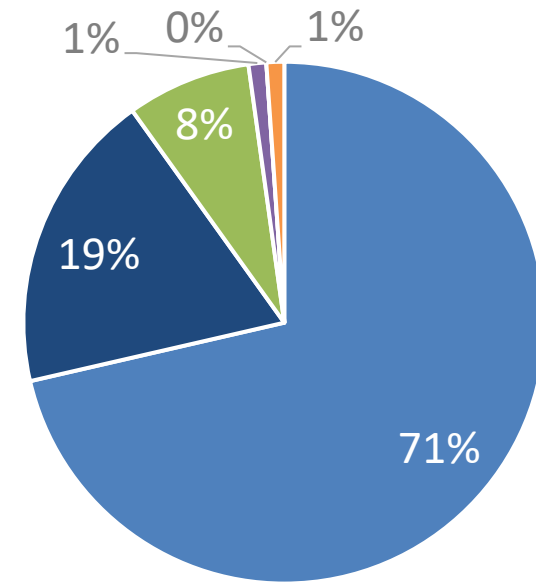
The Extent of the Labor Shortage For Maintenance Positions: 2/3 of Facilities See Significant Drop in Job Applicants

Q. On average, what best describes the number of applicants considered for each of these open golf maintenance positions?



PUBLIC

- The number of candidates for each position has been significantly less than a year ago
- The number of candidates for each position has been slightly less than a year ago
- There has not really been a change in the number of candidates relative to a year ago
- The number of candidates for each position has been slightly higher than a year ago
- The number of candidates for each position has been significantly higher than a year ago
- Don't know



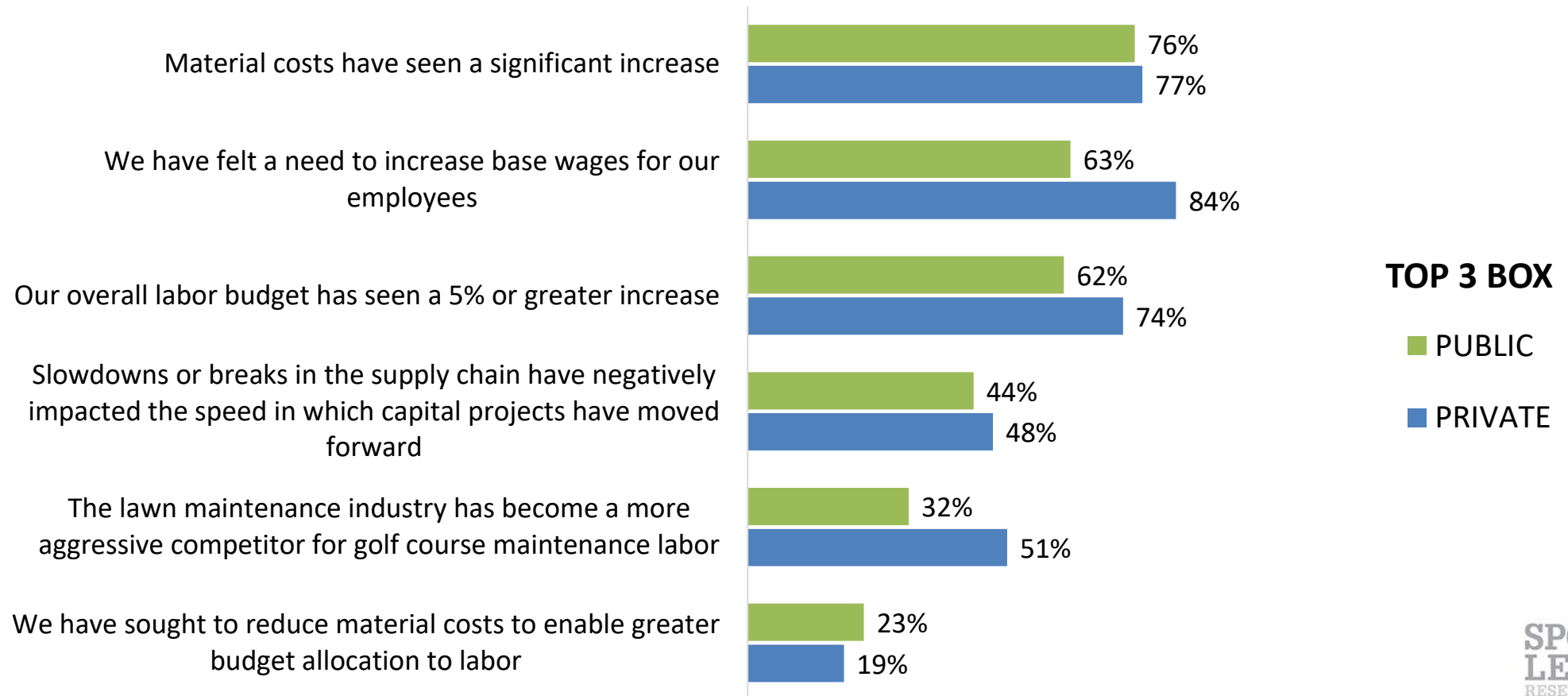
PRIVATE



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Rising Material and Labor Costs Have Impacted a Majority of Golf Facilities

Q. Agreement with the following statements...



TOP 3 BOX

PUBLIC

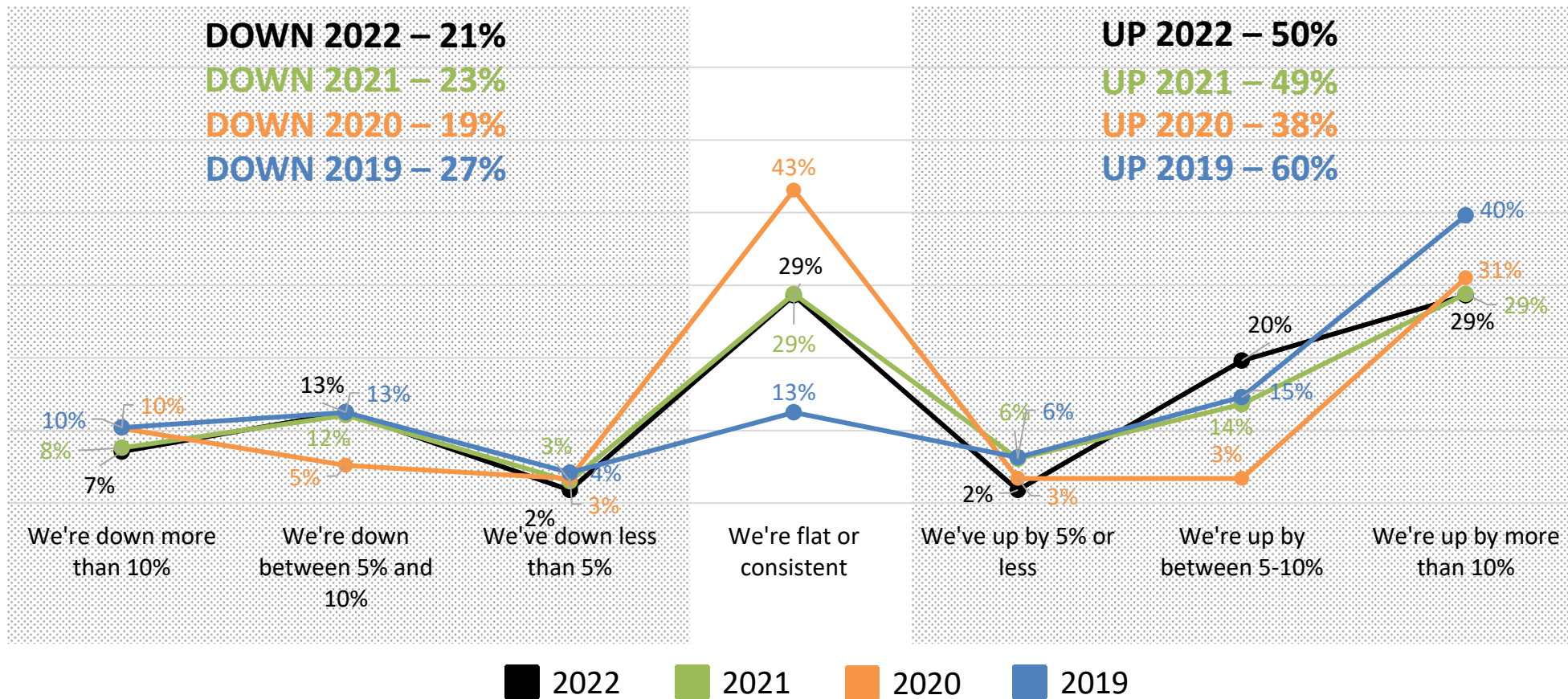
PRIVATE



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Revenue Among Golf Course Architects Continues to Improve

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

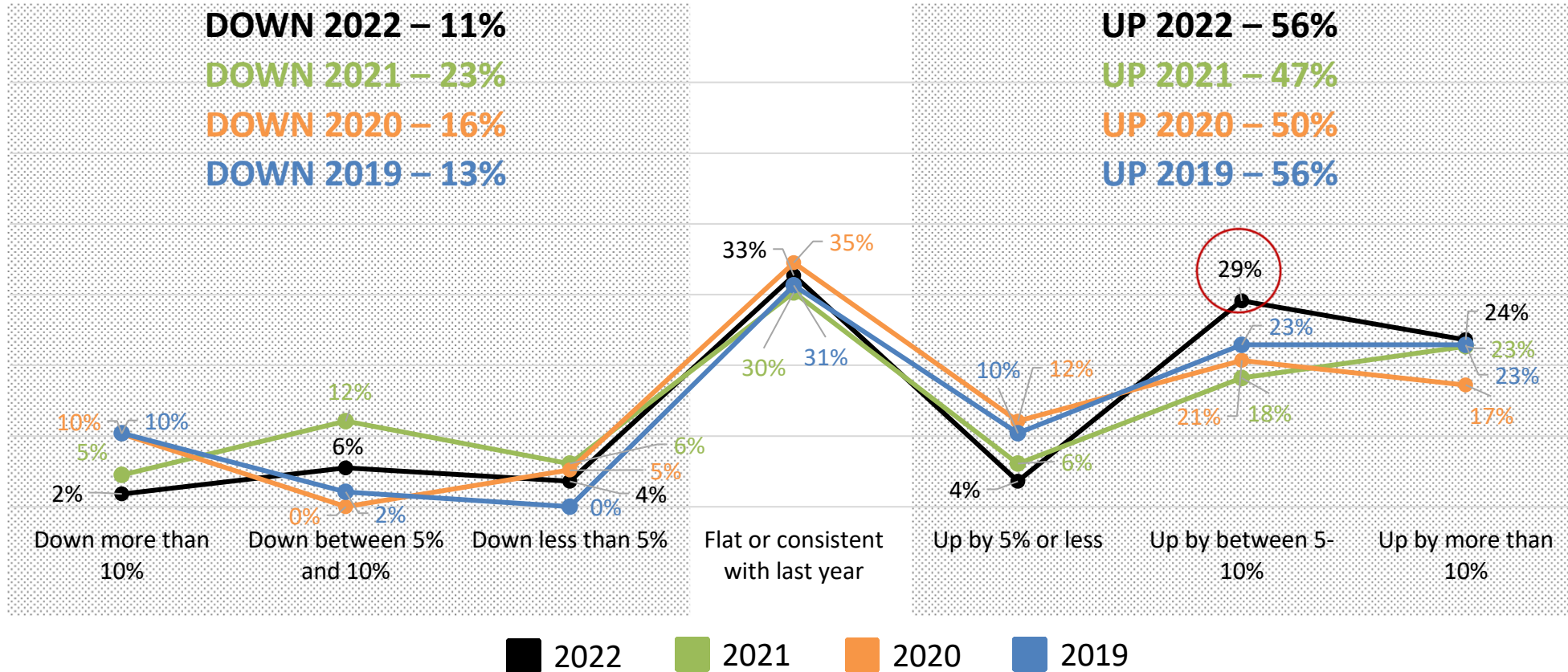




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Bullish Revenue Expectations for Architects Hit New Highs

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

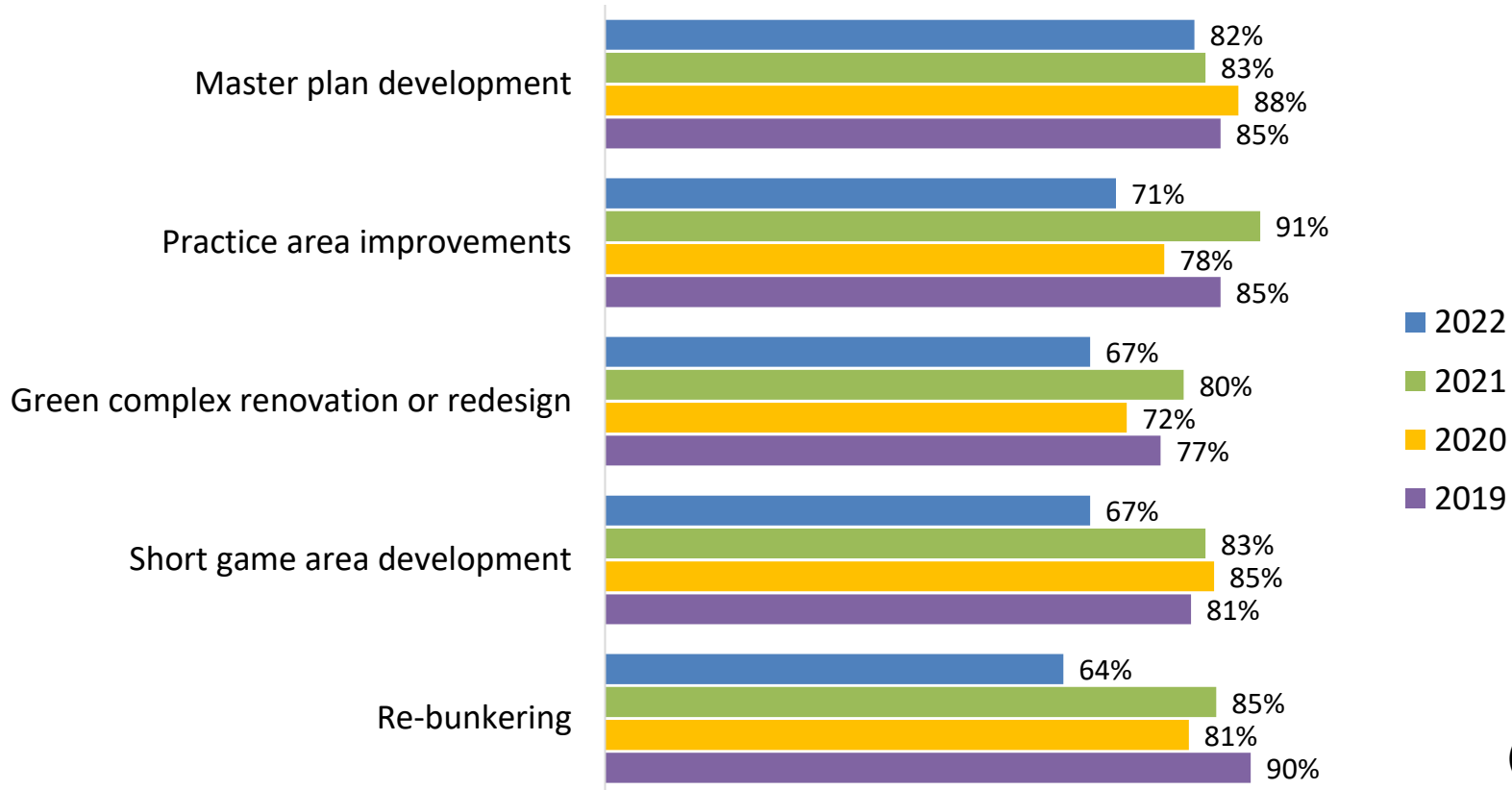




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Master Plan Development Roars Back as the Most Prevalent Type of Project for Architects; Practice Area Improvements Remain Strong

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



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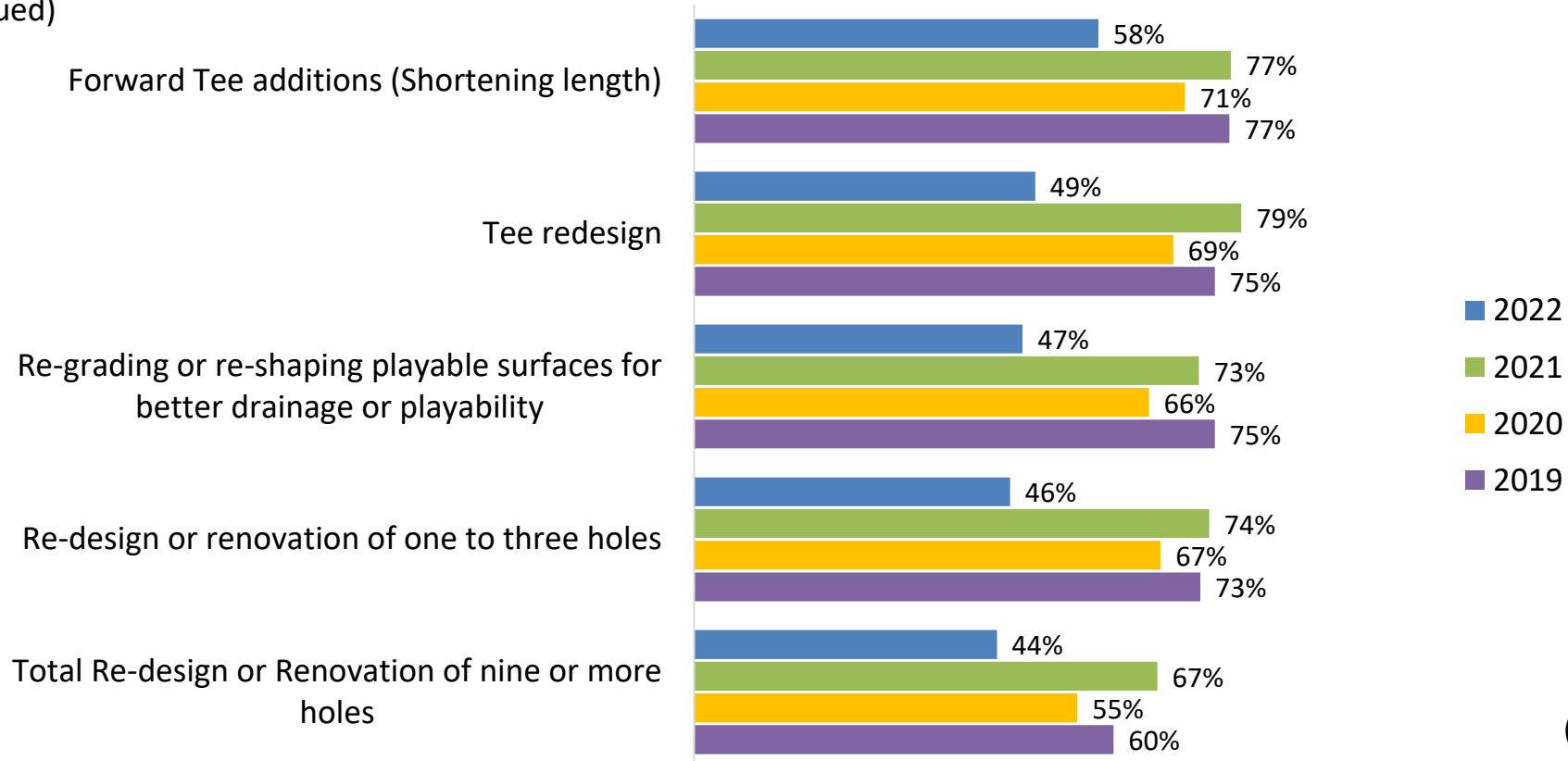


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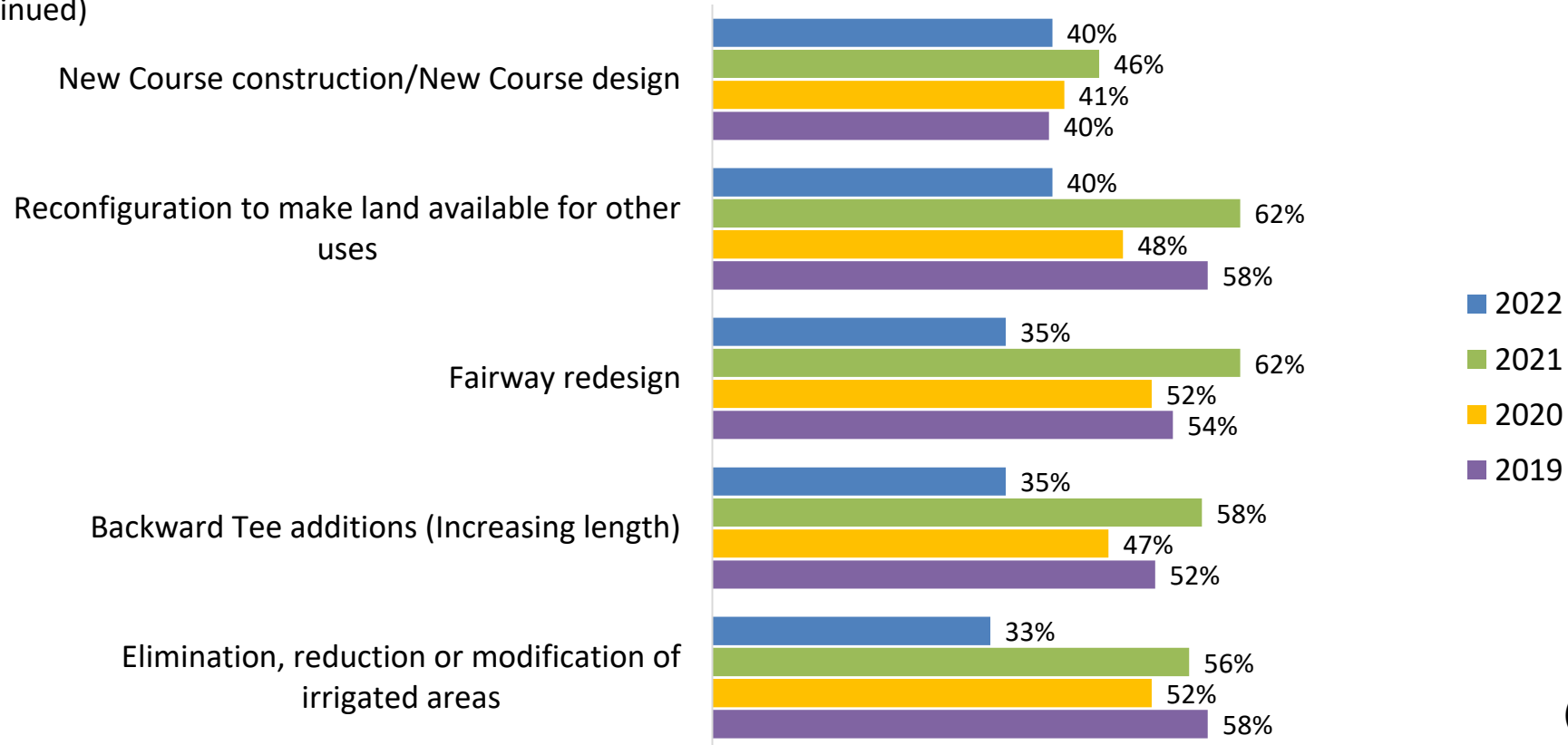


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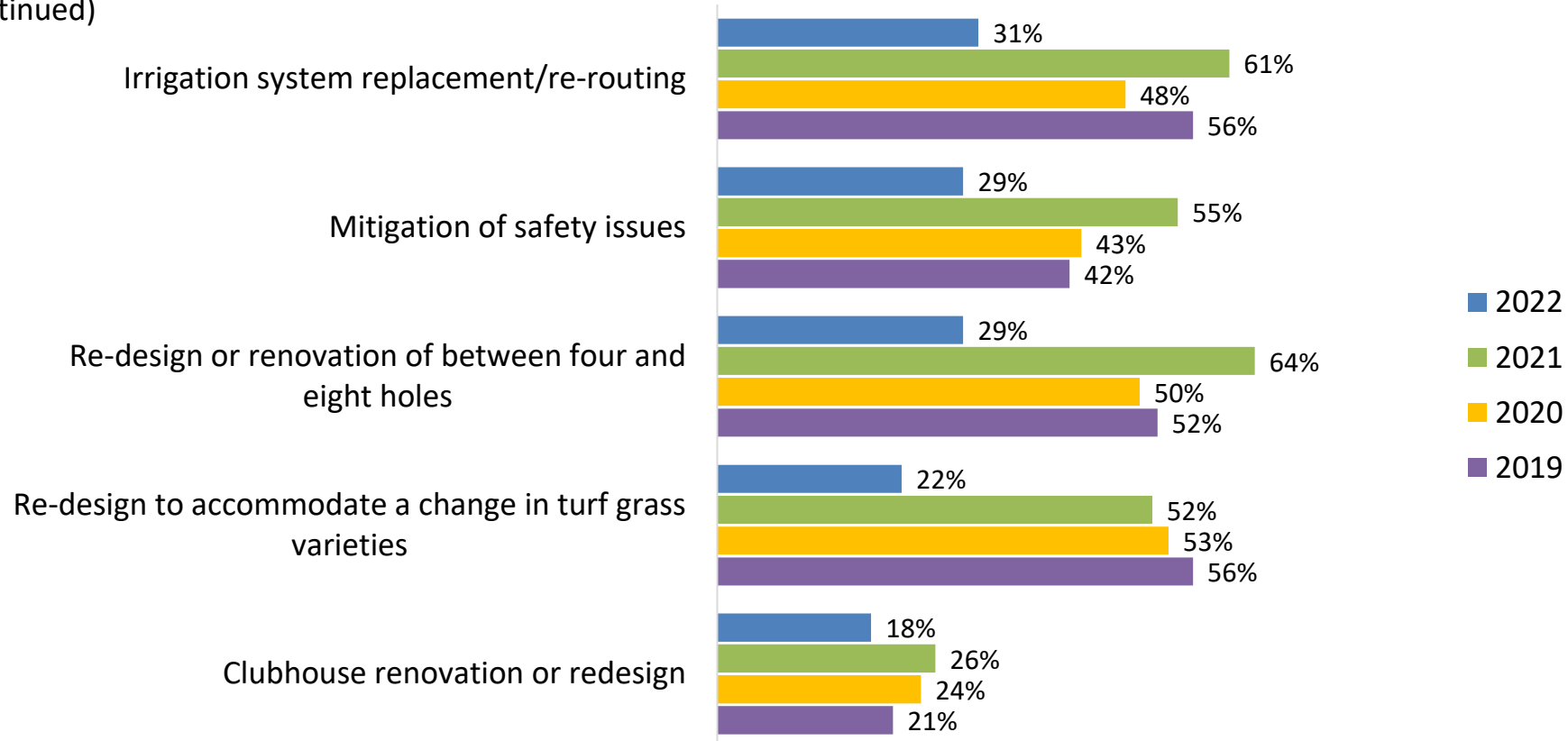


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Q. Please indicate which of the following you have been involved with over the past 24 months

(continued)





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Master Plan Development, Total Re-Designs, New Course Construction, Are Greatest Revenue Drivers

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	2022	2021	2020	2019
Master plan development	31%	12%	12%	17%
Total Re-design or Renovation of nine or more holes	18%	23%	12%	20%
New Course construction/New Course design	16%	18%	17%	7%
Short game area development	8%	4%	6%	2%
Re-bunkering	6%	16%	8%	17%

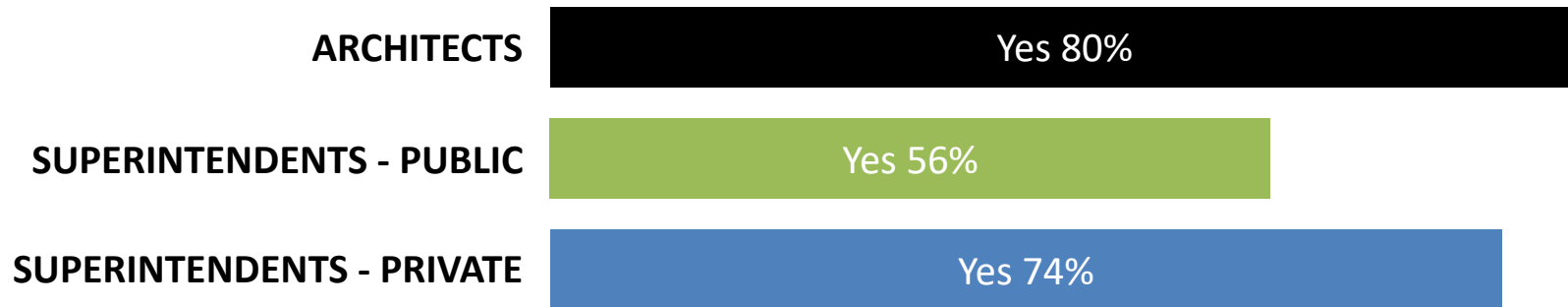




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Both Architects and Superintendents See Turf and Bunker Area Reduction as Means to Reduce Labor Costs

Q. Do you feel that turf reduction and bunker area reduction projects are viable ways to help reduce labor costs?

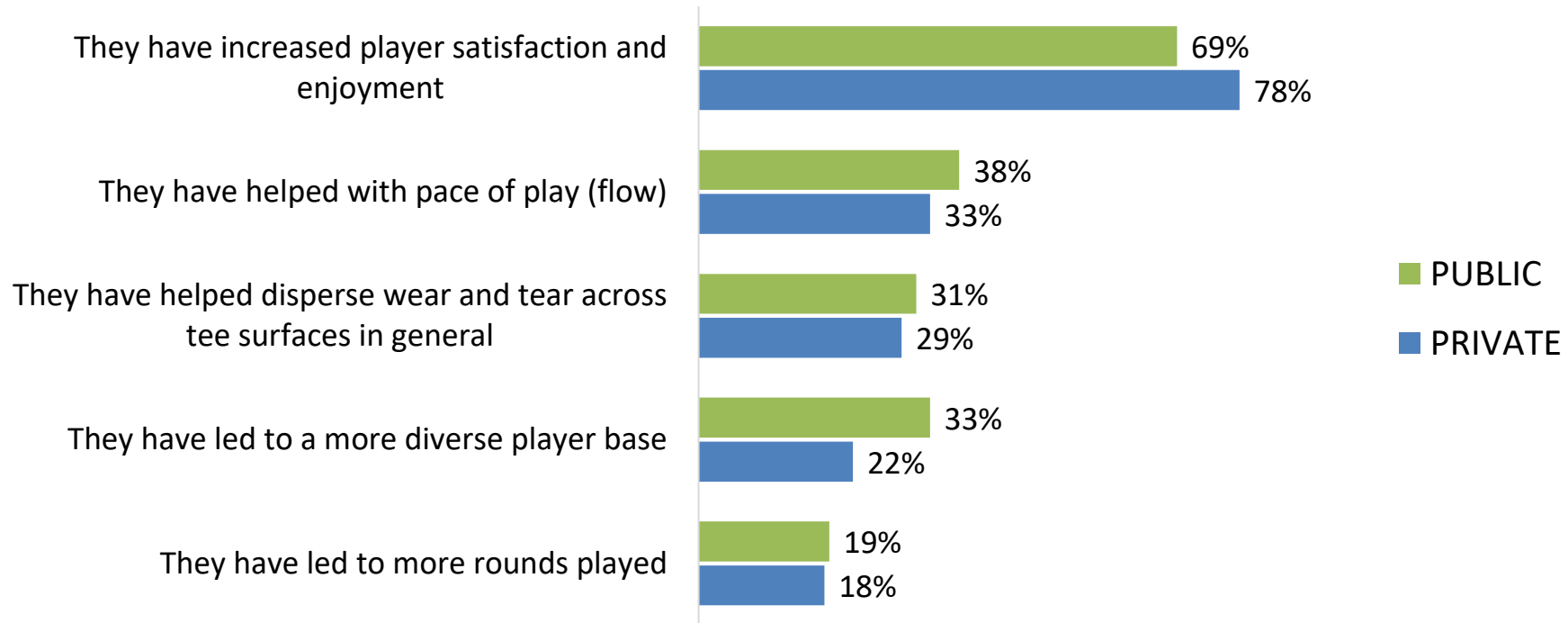




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Facility Operators Adding Forward Tees Have Seen Substantial Increases in Player Enjoyment

Q. If you have added more forward tees in recent years, which of the following statements describes your experience thus far?





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Costs Remain Most Significant Concern for Facility Operators Considering a Renovation

- Supersede Material and Labor Availability; Disruption of Play

Q. If you were planning a renovation project in the coming year, which of these would be most important to you?

