


Golf Course Ownership

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Finding a Property

- ❑ Targeted Properties
- ❑ Brokers
- ❑ Multi-Lists
- ❑ Troubled Properties
- ❑ Older Owners
- ❑ Absentee Owners
- ❑ Golf Industry Publications



Arranging Financing

- ❑ Put your financial house in order.
- ❑ Understand your 'cost of capital' profile
- ❑ Understand your financial range
- ❑ Understand the gravity of the deal
- ❑ Legal obligations
- ❑ Business before friendship
- ❑ Financial ramifications
- ❑ Failure rate



Financing Sources

- Commercial Banks
- Specialty Lenders
- Capital Markets
- REITS
- TICS





Evaluating Properties

- Physical Characteristics
- Market Analysis
- Financial Characteristics
- Property History
- Potential
- Value





Market Survey

□ Cap. Rate

■ OAR

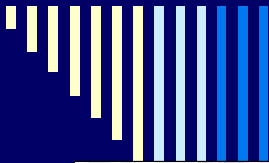
Overall capitalization rate.

An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value; used to convert net operating income into an indication of overall property value.

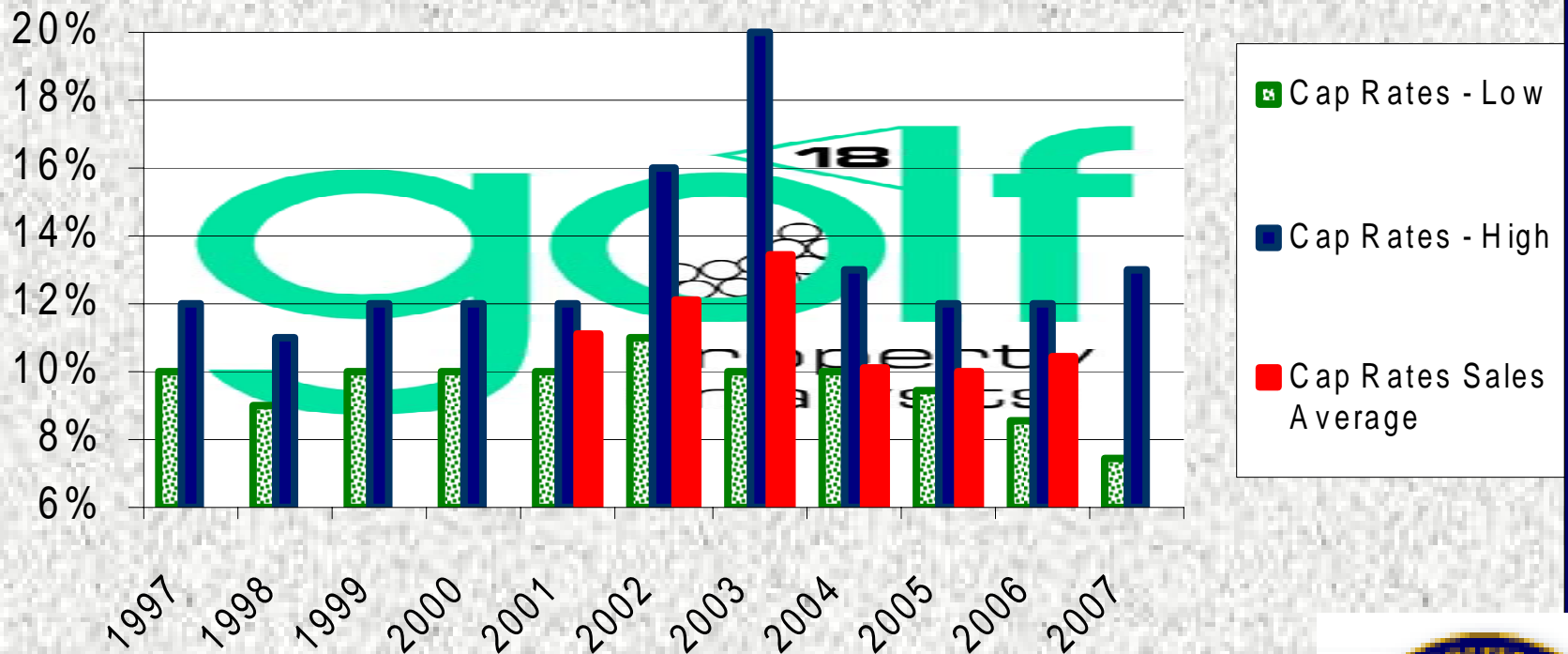
$$V = I / R$$

$$R = I / V$$

$$I = R \times V$$



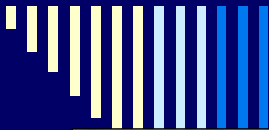
Cap Rates



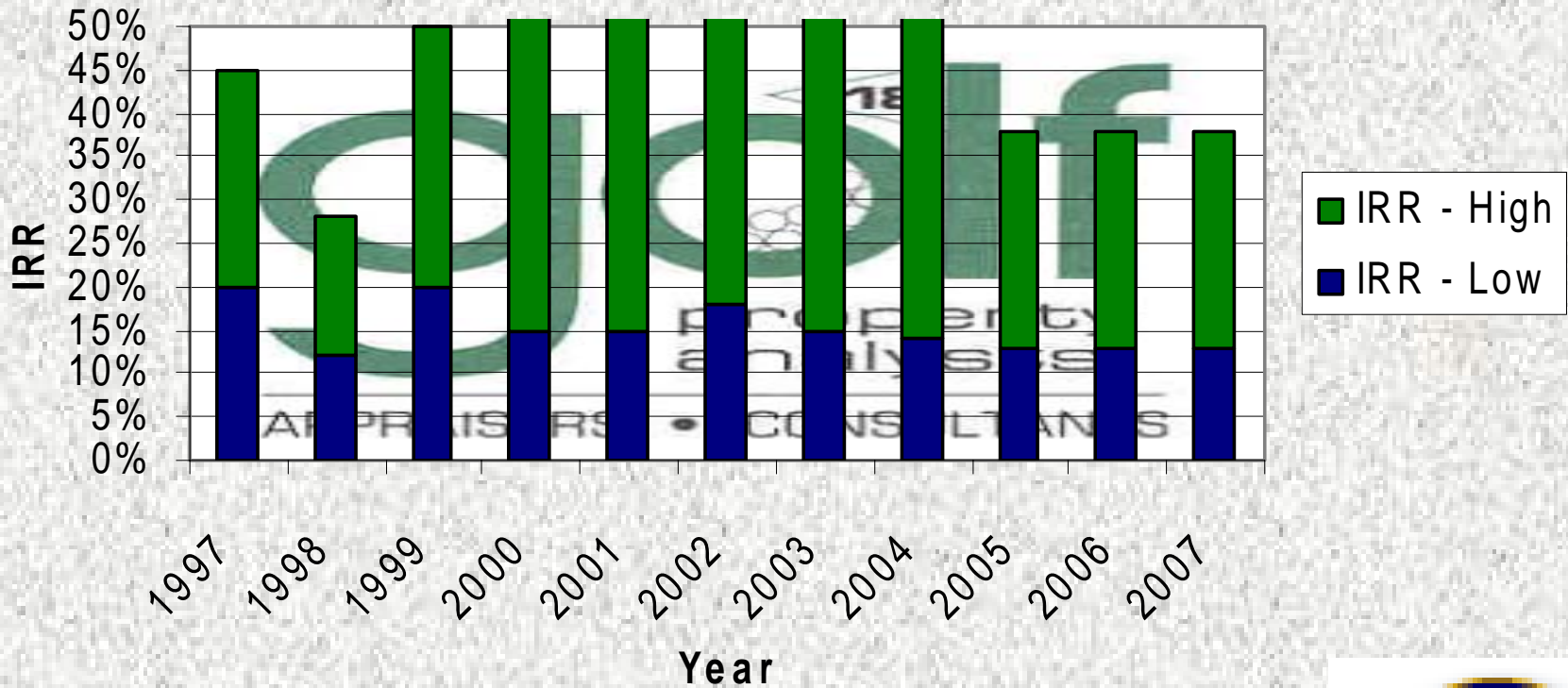


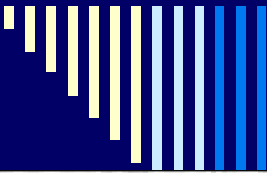
Market Survey

- **internal rate of return (IRR)**
 - The annualized yield rate or rate of return on capital that is generated or capable of being generated within an investment or portfolio over a period of ownership. The IRR is the rate of discount that makes the net present value of the investment equal to zero.

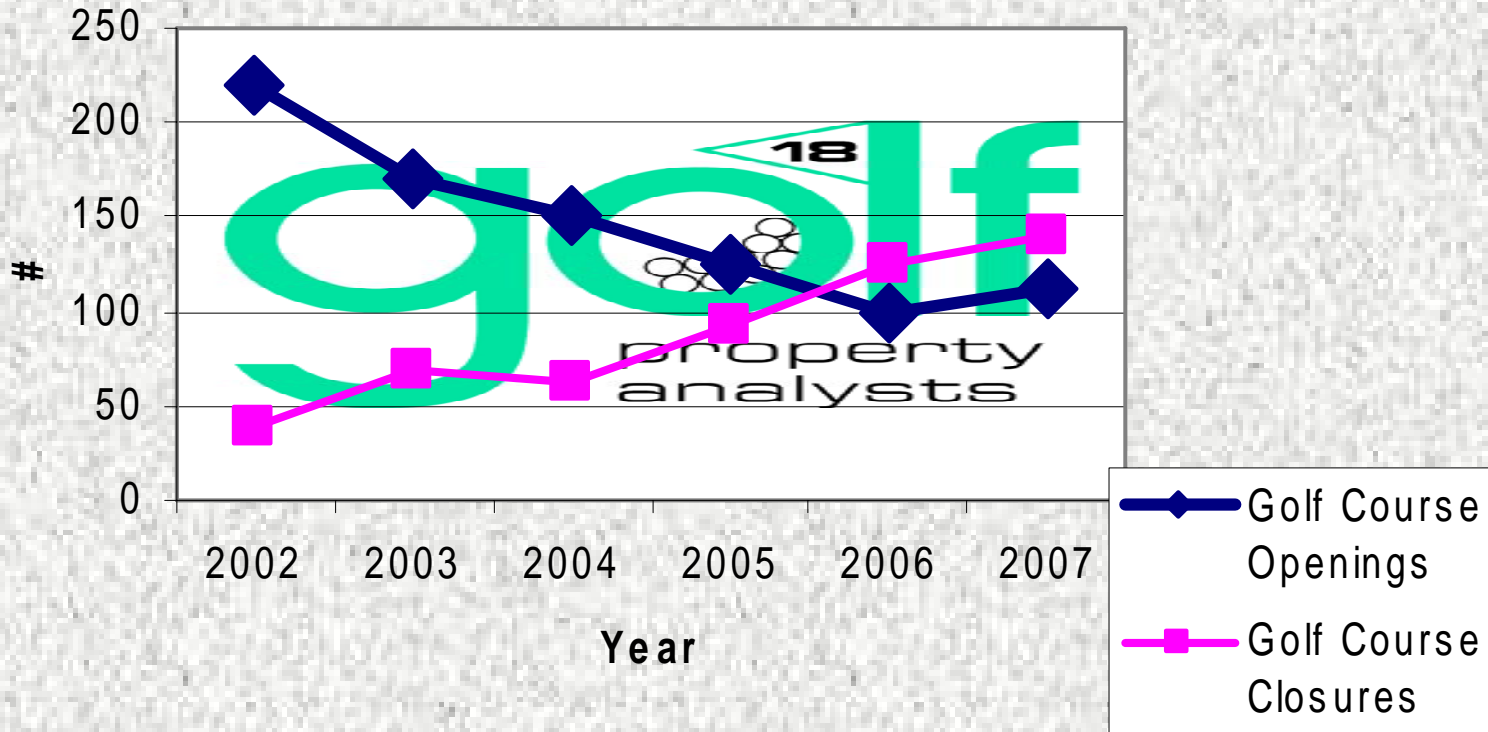


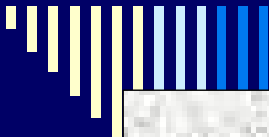
IRR Range





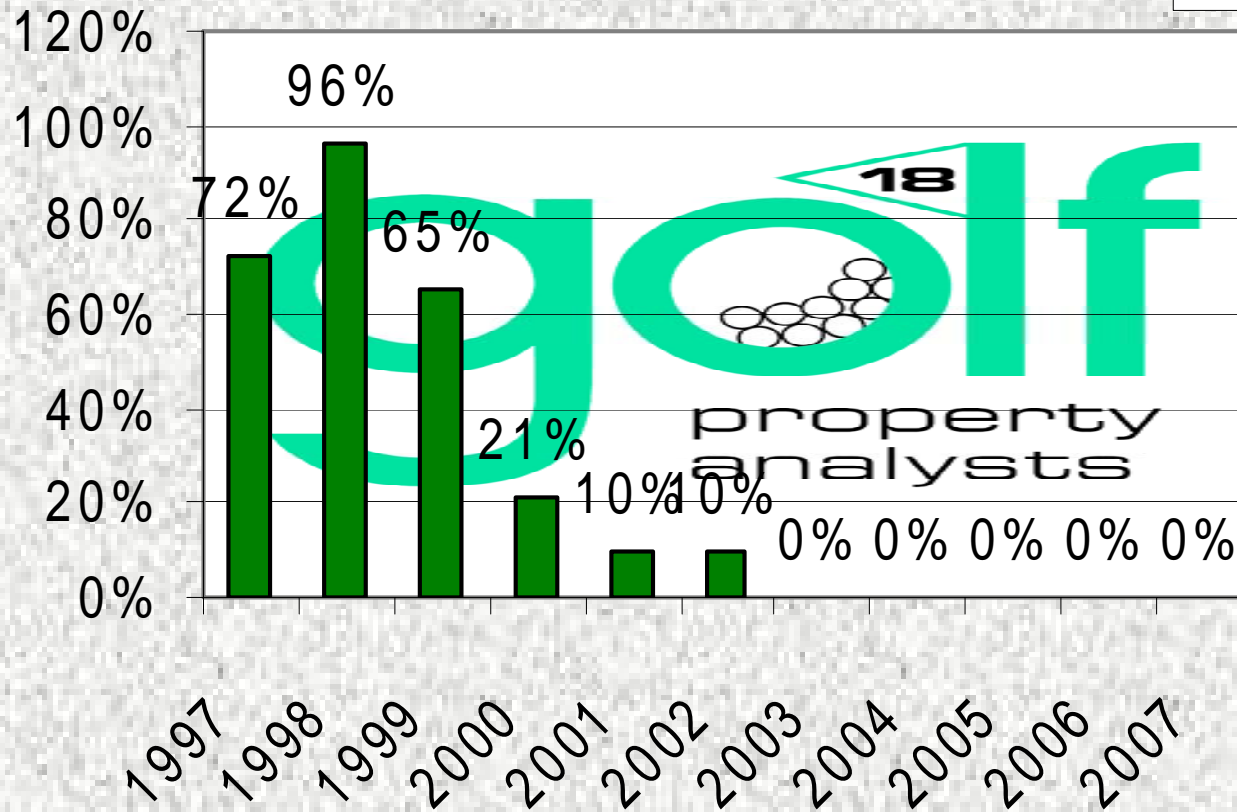
Golf Course Openings/Closures





Golf Values Increasing

■ Golf Values Increasing





Due Diligence

- ❑ Water
- ❑ Licenses & Permits
- ❑ Equipment
- ❑ Condition of Property
- ❑ Environmental
- ❑ Legal
Issues/Documentation
- ❑ Surprises



Vision & Business Plan

- Realistic Plan
- Achievable
- Is there an opportunity
- Hurdles
- Stigmas
- **KNOW** the Competition



Site Visits

- See several before you buy
- What to look for
- Information you want
- People you want to see
- **Visit** Competition



Pulling the Deal Together

- Offer & Negotiation
- LOI
- Contract
- Due Diligence
- Financing
- Timing
- Management Team



