



cutting through complexity

KPMG GOLF ADVISORY PRACTICE IN EMA

Golf Resorts in the European Mediterranean Region

Current Trends
and Future Outlook

golfbenchmark.com

Sponsors:



Monte Rei, Portugal



Killeen Castle, Ireland



Alhama Signature Course, Spain



Tselevo Golf and Polo Club, Russia



They Have A Name For Great Golf Courses.



NICKLAUS
DESIGN

NICKLAUS DESIGN (US)
11780 U.S. HIGHWAY ONE, SUITE 500
NORTH PALM BEACH, FL 33408
+1 561-227-0300

NICKLAUS DESIGN (EUROPE)
VIER WIJERSSTRAAT 26
3520 ZONHOVEN, BELGIUM
+1 561-227-0300

Dear Reader,



Andrea Sartori

Partner, KPMG Advisory Ltd.
Head of KPMG's Golf Advisory Practice
in Europe, Middle East and Africa

info@golfbenchmark.com

I am pleased to present the latest publication from KPMG Golf Advisory which covers the current trends and the future outlook of integrated golf resort development in the European Mediterranean region.

Besides bringing socio-economic benefits to local communities, integrated golf resorts can create significant value for key stakeholders. Developers, investors, operators and residential real estate owners can all benefit.

The success of this type of real estate development depends on a wide variety of factors including the overall concept, master planning, operating model, the quality of each component of the resort and the services and facilities offered to a targeted demand group. The right combination of these factors can result in the memorable visitor experiences required to generate buyers' interest and investment return.

KPMG's Golf Advisory Practice has been advising on the development of integrated golf resorts in the Europe, Middle East and Africa (EMEA) region for the past 15 years. We have prepared this publication with the goal of providing readers with an overview of recent trends in the integrated golf resort market in the European Mediterranean region and also of the post-crisis situation in this potentially lucrative development segment.

Since 2009 development activity has slowed down significantly in the European Mediterranean region compared to the boom experienced during the 90s and the first decade of the new millennium. However, some indicators suggest better prospects for new developments in emerging golf resort markets. We are also seeing the repositioning of existing resorts and the reconceptualization of projects which were previously halted due to economic restraints in the more established markets.

Our experience has shown that developers looking to establish integrated golf resorts must have a full and deep understanding of the requirements of their respective target markets and in the post-crisis economy this is truer than ever. Consumers are ever more demanding and this must be reflected in how resorts are conceived and developed.

I hope you find the results of our research interesting. If you require any further clarification or if you wish to discuss our findings, please feel free to contact the KPMG Golf Advisory Team or myself.

Yours sincerely,

Andrea Sartori

Table of contents

What is a resort?	5
Where are coastal golf resorts located in the European Mediterranean?	6
Golf tourism and the coastal integrated golf resort market	7
What are the key components of a coastal integrated golf resort?	8
Golf	10
Residential real estate	11
Hotels and rental units	13
Looking ahead	15
Conclusion	17

What is a resort?

The definition of what constitutes a “resort” varies greatly: it can refer to a single destination such as a large hotel in a coastal or ski area, or to a geographic region or to a town that is, in itself, a popular touristic destination. In Resort Development¹, a publication of the Urban Land Institute, a resort is defined as:

- A real estate project that has been developed and planned by a master developer;
- A site which offers proximity and easy access to significant natural, scenic, and recreational amenities that make the site attractive to visit; and
- The site includes accommodation and timeshare ownership options and/or accommodation available largely to tourists, vacationers, weekend travelers, seasonal residents and/or owners or users of units on site as second homes.

Resorts can further be classified by their key components or activity profiles (e.g. ski resorts, beach resorts, golf resorts, etc.) and by accommodation types (resort hotels, vacation ownership, etc.).

In the context of this study we define integrated golf resorts as follows:

- A planned development comprising of one or more golf courses, hospitality facilities and / or residential real estate for sale; and
- The resort’s components were planned and developed as part of one mixed-use project.

The subjects of this study are integrated golf resorts located within 20 kilometers of the coast in European Mediterranean countries.

How has the resort supply evolved?

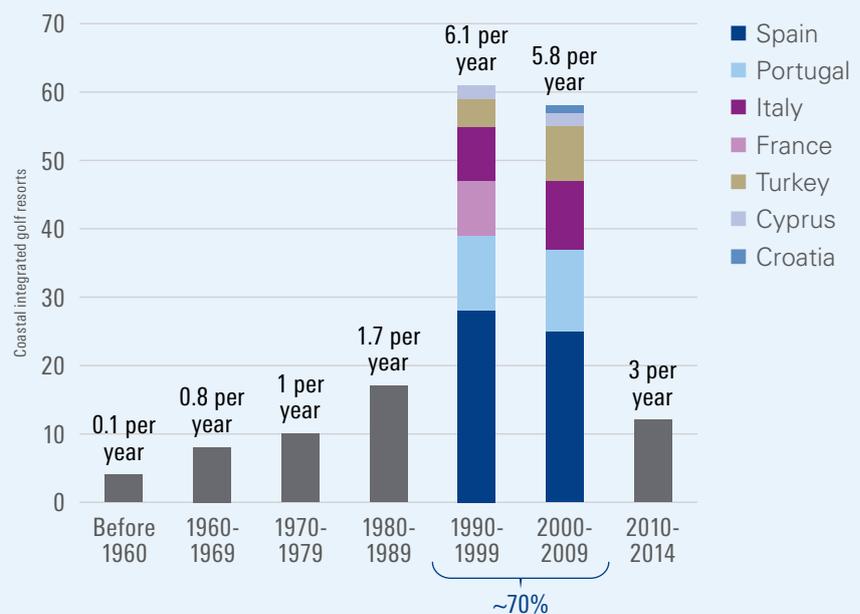
The history of golf resorts can be traced back to the early 20th century, with the earliest resorts opening in France, Portugal and Spain.

The development of golf resorts increased slowly up to 1980, with, on average, 1 or 2 resorts opening each year. These were predominantly in Spain, Portugal, France and Italy. Development activities peaked in the 90s and into the first decade of the new millennium. During this time 70% of coastal integrated golf resorts currently operating in the European Mediterranean region opened. The number of new openings during the 90s tripled in comparison to the previous

decade, with one third of the currently operating coastal golf resort supply opening in the 10 years up to 2000. Development activity continued in the first decade of the new millennium, with an average of six resorts opening annually across the region.

Following the global economic crisis, development activities fell drastically. Between 2010 and 2014 an average of three resorts per year opened, half as many as in each of the previous two decades. 80% of these more recent projects opened in the four established markets (Spain, Portugal, France, Italy) and the majority of these openings were resurrected projects from the pre-crisis period.

Openings of coastal integrated golf resorts by decade



Source: KPMG research

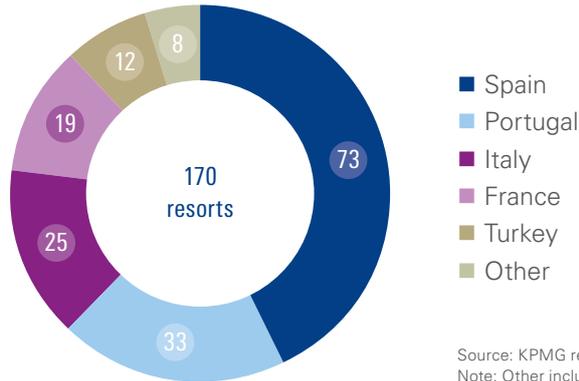
1 - Resort Development Second Edition, ULI Development Handbook Series

Where are coastal golf resorts located in the European Mediterranean?

Based on the European Golf Association (EGA) statistics, there are some 1,400 golf facilities in European Mediterranean countries. Of these, 382 (i.e. 30%) are located within 20 km of the coast. These are made up of 212 standalone facilities (i.e. courses which are not directly associated with a hospitality facility or a residential real estate development) and 170 facilities which we consider as being part of coastal integrated golf resorts.

The majority of European Mediterranean coastal integrated golf resorts are located in Spain and Portugal. Although Portugal, geographically, does not belong to the European Mediterranean region, it is included as part of our survey, as it is a traditional golf holiday destination in competition with others in Southern Europe.

Number of coastal integrated golf resorts by country



Source: KPMG research
Note: Other includes Greece, Cyprus and Croatia



Condado de Alhama Resort – Nicklaus Design

Golf tourism and the coastal integrated golf resort market

Globally, the golf tourism market is growing. According to the 2014 IAGTO² Golf Tourism Report, global golf holiday sales grew by more than 20% from 2011 to 2013.

According to KPMG's Golf Travel Insights Survey (2013), the outlook for golf tourism in the future remains positive, with the vast majority of surveyed tour operators expecting further growth in the short to mid term.

It is also important to note that five out of the top ten destinations named as most important globally by IAGTO golf tour operators are located in the European Mediterranean region, showing the significance of this region on the global golf tourism map.

The Costa del Sol and Costa Brava in Spain as well as the Algarve and the Silver Coast in Portugal are the most established combined holiday and golf coastal tourism destinations within the region. Both countries have a long history of coastal golf resort development and together they account for more than 60% of the total coastal golf resort supply in the region.

These destinations are mainly visited by tourists from the UK, Scandinavia and the German-speaking countries. In addition to good climates, they offer an appealing golf tourism product, including many golf courses relatively close to each other and easy (and often low cost) air access from the main feeder markets. Innovative sales and marketing strategies are also in place to attract golfers and residential buyers.

Italy and France together account for approximately a quarter of coastal golf resorts in the region, but it appears that many of the golfers in these resorts are domestic tourists.

Turkey, with its impressive Belek golf cluster (Antalya), represents an emerging golf tourism destination and now accounts for 7% of the pan-regional supply of coastal resorts.

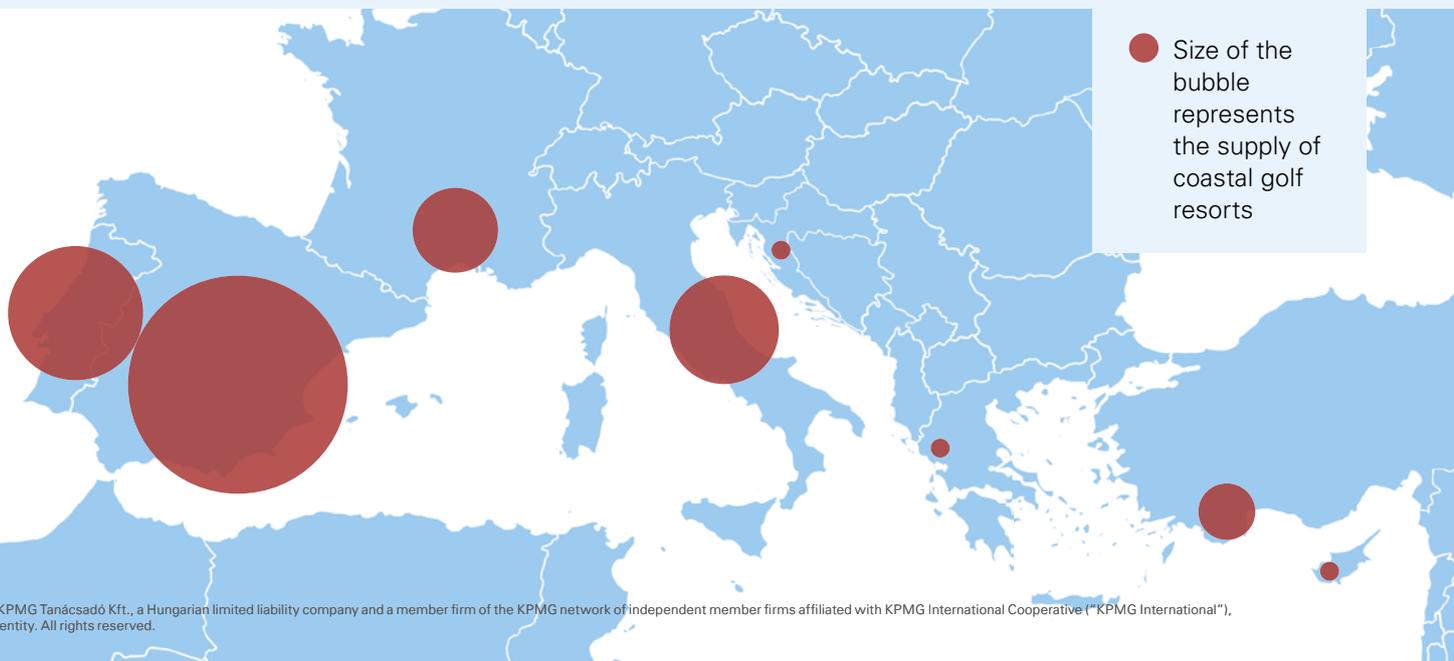
Top 10 golf tourism destinations globally³

	Spain
	Portugal
	Ireland
	Scotland
	Turkey
	USA
	Thailand
	France
	Morocco
	Italy

Source: IAGTO

- ² IAGTO is a global trade organization of the golf tourism industry
³ Based on relative importance to IAGTO member operators

Key areas for coastal integrated golf resort developments in the European Mediterranean



What are the key components of a coastal integrated golf resort?

Besides an operational golf course, the key components of an integrated golf resort include residential real estate for sale and/or accommodation facilities (hotels or standalone/detached residential real estate units for rent). These core components can be backed up with ancillary sports and leisure facilities, however it is the synergies between the main components of the resort that contribute most significantly to a resort's success.

Across the analyzed coastal integrated golf resorts, more than half of the resorts offer only on-site hotel type accommodation and only 10% are based solely on residential real estate. The remaining one third are focused on a combination of both accommodation and residential real estate.

Earlier, the main resort component developed alongside golf courses used to be a hotel. However, as the "holiday home boom" took hold, the proportion of resorts with a hotel only has decreased compared to developments offering both hotel and residential real estate.

Although resorts comprising residential real estate only represent a small

proportion of the overall number of resorts, real estate based resort developments have been more typical than any other in the past 5 years.

Half of the resorts in Spain feature only on-site hotels rather than with residential; however this trend has been changing since the year 2000. Subsequent developments featured both; this reflected a healthy new demand for holiday homes in Spain pre crisis.

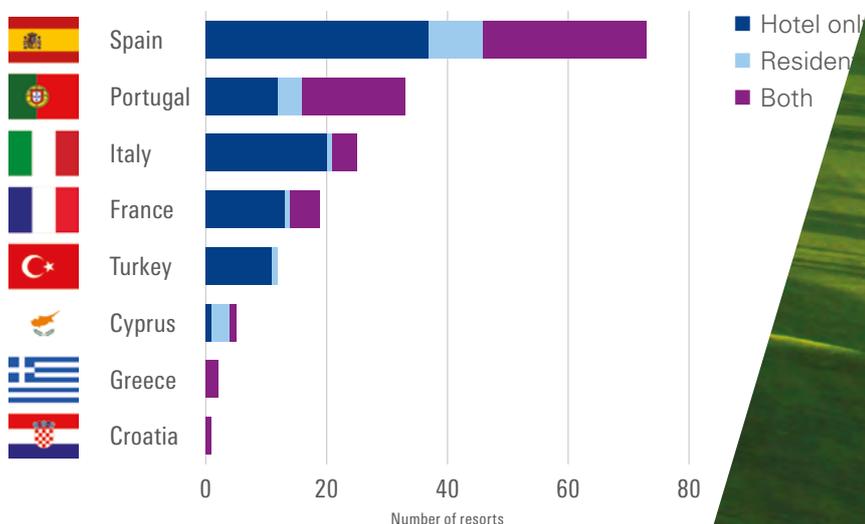
More than half of golf resorts in Portugal feature a combination of residential real estate and hotels. Since 2000 this figure has increased to 60% for resorts developed.

In Turkey the second home market within integrated golf resorts is still in its infancy, with the vast majority of properties featuring hotels only.

Most resorts in France and Italy are hotel focused. Residential components only started gaining popularity in Italy since 2000. In France the majority of resorts featuring residential real estate were developed in the early 90s.

In the following sections we comment on each of the main components of coastal integrated golf resorts, and how they affect each other.

Coastal integrated golf resort types by country



Source: KPMG research



Golf

As noted above, it is not new to have golf as a key focus point in such resorts. As the popularity of the game grew throughout the 20th century, golfers looked to play in ever more desirable locations, hence the increased popularity of the golf resort concept.

The integrated golf resorts we analyze here have almost all been developed around 18-hole golf courses. During the 70s there was a growing number of resorts with more than 18 holes, and whilst larger golf facilities continue to be developed, the trend continues to be 18 holes.

Three quarters of coastal integrated golf resorts feature one golf course; 20% of them feature two golf courses. The remaining 5% have three golf courses on site. Not surprisingly, the latter are mostly located in Spain, Portugal and Turkey – locations that pre-dominantly focus on international golf tourism demand rather than on national demand.

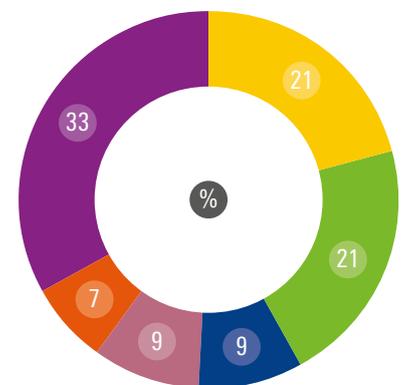
In terms of the highest average number of courses per resort, Turkey and Greece top the list with 1.5 18-hole equivalent courses per resort; followed by Spain and Portugal with 1.4 courses per resort. The lowest number is in Italy with an average of 20 holes or 1.1 18-hole equivalent courses per resort. Once again, the higher number of courses at a resort serves as a mean to differentiate and attract golf tourists.

As for access, there are very few resorts in the region we analyze here which do not allow green fee players to the golf courses (less than 5%). Resorts which are based on a private golf model are largely the more up-market residential communities where resident and member exclusivity is favored. Interestingly, of the few “member-only” facilities, most are located in France. These are either properties with a long golfing tradition (more than 100 years in business) or which have opened at the higher end of the market in recent years.

The importance of brand name architects appears to have increased in recent times. Overall, 1 in 4 courses at these coastal integrated golf resorts was designed by a notable golfer. Since the 90s the number of notable golfer-designers has been growing constantly. Over the last 15 years, around a third of all new golf courses associated themselves with a well known player, and the proportion of such brand name courses opening between 2010-2014 grew to 60%. Branding in this way will add value in trying to attract golfers and when raising a resort’s profile.

Apart from being a large and attractive market segment to target (especially in terms of attracting northern European markets, where golf remains very popular), there are several reasons why golf can be key to resort development. Golf in itself can add hugely to the image of a resort in terms of prestige and brand. In addition, golf has the ability to flatten the seasonality of touristic demand at coastal holiday destinations.

Breakdown of golf courses at coastal integrated golf resorts designed by notable golfers



- Nicklaus Design
- Dave Thomas Design
- Seve Ballesteros
- Olazabal Design
- Faldo Design
- Other designers

Source: KPMG research



Monte Rei Golf & Country Club – Nicklaus Design

Residential real estate

For some time property developers have increasingly been capitalizing on the golf industry by positioning “golf course living” as a new lifestyle trend. Across the coastal golf resorts analyzed here, 45% also offer residential properties for sale. This traditionally combines the opportunity to enjoy the beauty of living beside a golf course with easy access to that golf course. It is important to state that many people who purchase a property on a golf course may not actually play golf but are attracted by the green spaces of the fairways, the investment value of a golf course home, the lifestyle and the sense of “prestige” associated with living beside a golf course.

Spain and Portugal account for the largest proportion of the supply of golf related real estate; in Europe it is arguably in these countries that the “golf living” concept has been best exploited. In these countries the integrated golf resorts feature the most extensive residential real estate

components with some developments exceeding more than 1,000 residential real estate units. Such resorts were established several decades ago. Many still continue to expand by adding new resort villages/communities (20-70 units). Expanding through the addition of smaller villages, sales of land plots and new amenities allows developers to adjust to the preferences of new customers.

France and Italy, which might be regarded as being less targeted by mass tourism from Northern Europe, have seen less development of residential-focused integrated golf resorts. Development in these countries is also impacted by stricter coastal construction and environmental protection regulations.

Based on the development experiences of residential golf properties in Spain and Portugal in the 80s and 90s, other Mediterranean destinations have looked to golf in order to attract tourists and second-home buyers.

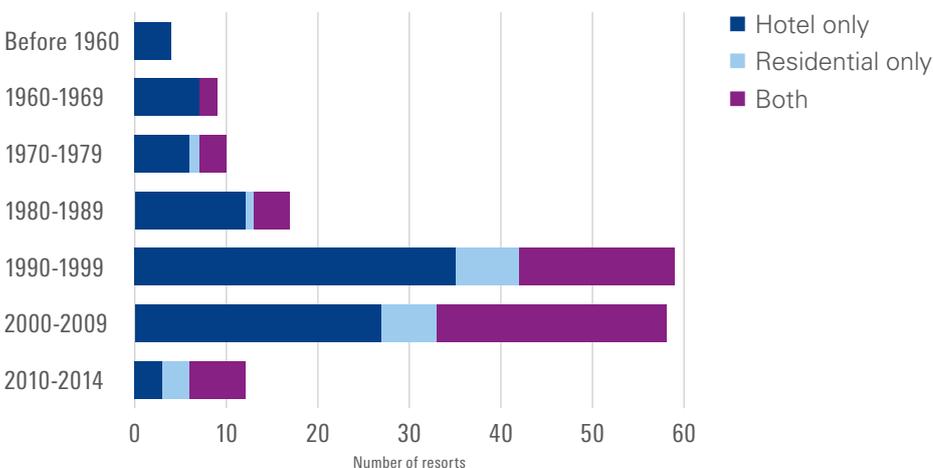
The number of resorts featuring only residential real estate increased in the 90s and has remained more or less at the same level since. Proportionally, there are many more resorts with residential real estate that also have hotels and it seems that attractiveness to home buyers can be enhanced by the brand and facilities of the hotel.

Sales of real estate represent a key investment return driver for developers of integrated golf resorts. Based on the latest KPMG Golf Course Development Cost Survey (2014), nearly all survey respondents from EMEA golf resorts which offer residential real estate for sale, indicated that they have achieved premiums on the selling price of golf associated real estate units (in comparison with the selling price of similar real estate units in the same location but without a golf course connection).

Customers from traditional golfing countries with high golf participation rates, such as the UK & Ireland, Germany and Scandinavia, are still the main buyers of second homes abroad. There are also now emerging buyer segments from Russia and the CIS regions.

The prices of residential properties at integrated golf resorts were hit significantly by the global economic crisis, with decreases of as much as 60% in some cases. As the key feeder markets of second home buyers are emerging from the crisis, and with overall tourism already growing, we believe that residential holiday home sales will start to pick up again. Indeed our experience shows that a moderate recovery can already be seen in the second home property market; however it is largely higher quality properties and unique concept resorts that seem to have been able to achieve real growth in sales prices and increases in sales absorption.

Evolution of the product mix at coastal golf integrated resorts by decade



Source: KPMG research

Golf and real estate⁴

It is widely recognized that – when properly planned – the location of houses alongside golf courses can help developers to increase sales velocity and add a sales premium to real estate prices. Numerous studies have indicated that golf courses come second only to waterfront sites as the most desirable location for a housing community. However, golf, as part of a real estate or touristic complex, is not only an added value because of the facility itself, but mostly due to the beautiful, calm scenery and landscape a golf course provides.

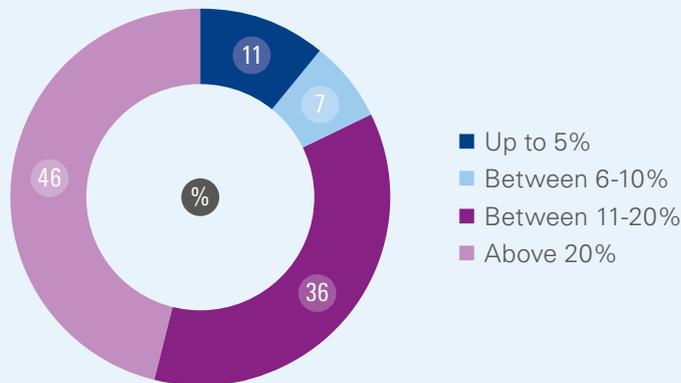
Fifty-four percent of the respondents in our survey were developers of golf courses connected either to tourist resorts or real estate communities. We asked these respondents about the value that golf has brought to the surrounding real estate.

As shown in the chart on the right, nearly half of respondents estimated that the selling price premium created by a golf course is in excess of 20%; over a third estimated between 11% and 20%, and the remainder estimated an added value of 10% or less.

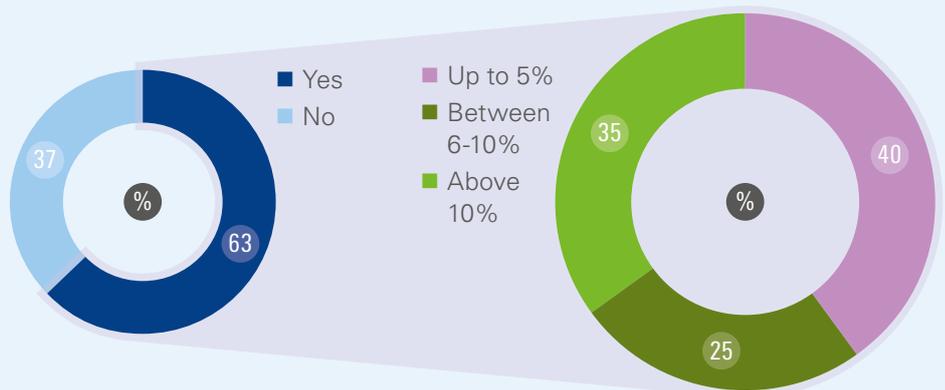
In addition to the expected profitability associated with the sales of real estate units, over two-thirds of the respondents expect their golf course to provide a satisfactory return on investment in its own right as well.

We also asked survey participants whether the name of the golf course

What premium has the golf course element brought to the selling price of the related real estate units?



Has the name of the golf architect brought a premium to the selling price of the surrounding real estate units?



architect added a premium to the real estate selling prices. Sixty-three percent responded positively, with 35% estimating this premium to be above 10%, and a quarter placing it between 6% and 10%.

In the case of signature architects, all of the developers who chose a signature architect to design their golf courses experienced an additional premium of above 10% on the on-site real estate unit prices.

⁴ Excerpt from KPMG's Golf Course Development Cost Survey 2014. Please download full report at www.golfbenchmark.com

Hotels and rental units

The European Mediterranean region is one of the most important holiday tourism markets in the world. According to the World Tourism Organization (UNWTO), tourism to these countries is expected to continue to grow (by 2 to 4% per annum). Emerging economy destinations are expected to grow faster than mature destinations.

The vast majority of analyzed resorts (90%) offer accommodation on site, which can include a hotel and/or rental real estate units. Hotel supply is dominated by 4 and 5-star properties, with nearly 40% of hotels being operated by international hotel chains, while the remaining properties are either operated by the owner of the resort or through an agreement with a local management company. There is no dominant brand present, however international operators managing multiple properties include Starwood, InterContinental, Kempinski, Marriott, Hilton, Melia, Barcelo and NH Hotels.

Using hotel rooms per golf hole as a measure of comparison shows that the highest number of hotel rooms per golf hole (25 and 30) can be found in Turkey and Greece respectively, each having large hotel capacity resorts which also feature golf courses. The traditional golf resort markets of Spain,

France and Portugal average 4.5 rooms per hole, with Italy achieving a higher number of 6. The overall average number of hotel rooms per golf hole across the region is 6.6.

The average size of a resort's hospitality component varies from country to country: France has the lowest average with 120 rooms, whereas properties in Greece and Turkey have an average capacity in excess of 500 rooms. Hotels in Spain and Portugal have an average of 150 rooms.

The average size of hotels in integrated golf resorts developed since the mid-eighties has increased significantly. This increase was mainly driven by the large size of hotels entering the market in Turkey, specifically in the Belek cluster.

Interestingly, over 15% of all resorts that offer accommodation on site do so through the rental of accommodation in villas or apartments, rather than typical hotel rooms. This appears to represent a growth trend with an increase from 10% in the 90s to 20% in the first decade of the new millennium. This may imply that resorts are increasingly targeting families and offering larger accommodation units. It may be that these accommodation units are owned

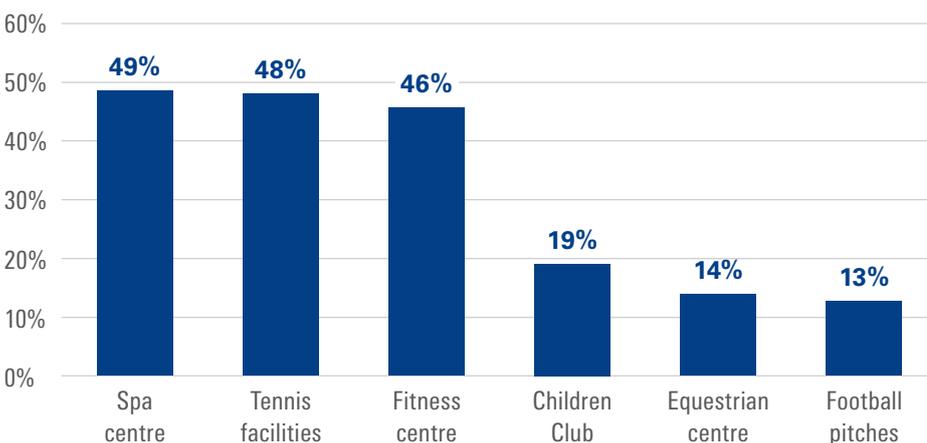
separately and an income return opportunity is offered to the owners who are willing to rent their units through the hotel when they are not in use.

Supporting facilities

In addition to the three main components described above, more developments are now including additional sport and leisure amenities such as a spa and/or health center, tennis courts and football fields.

- Nearly half of coastal golf resorts feature extensive spa and wellness facilities. We are of the opinion that this is now a "must have" facility for any new development.
- Tennis and fitness centers remain popular with residents and visitors.
- Approximately one fifth of the analyzed resorts offer extensive children's clubs, which include purpose-built areas with playgrounds and a variety of activities. Also of note is that many golf clubs within resorts are becoming more family friendly by adding facilities within clubhouses for children and offering programs that engage the whole family.
- Nearly 13% of resorts feature football pitches which are either open to all resort guests or which are used as training camps by professional teams.
- In addition, extensive conference facilities further help to diversify the mix of demand segments and help in reducing the negative effects of operational seasonality.

Presence of selected facilities within coastal golf resorts



Source: KPMG research

The secret of successful integrated golf resort development⁵

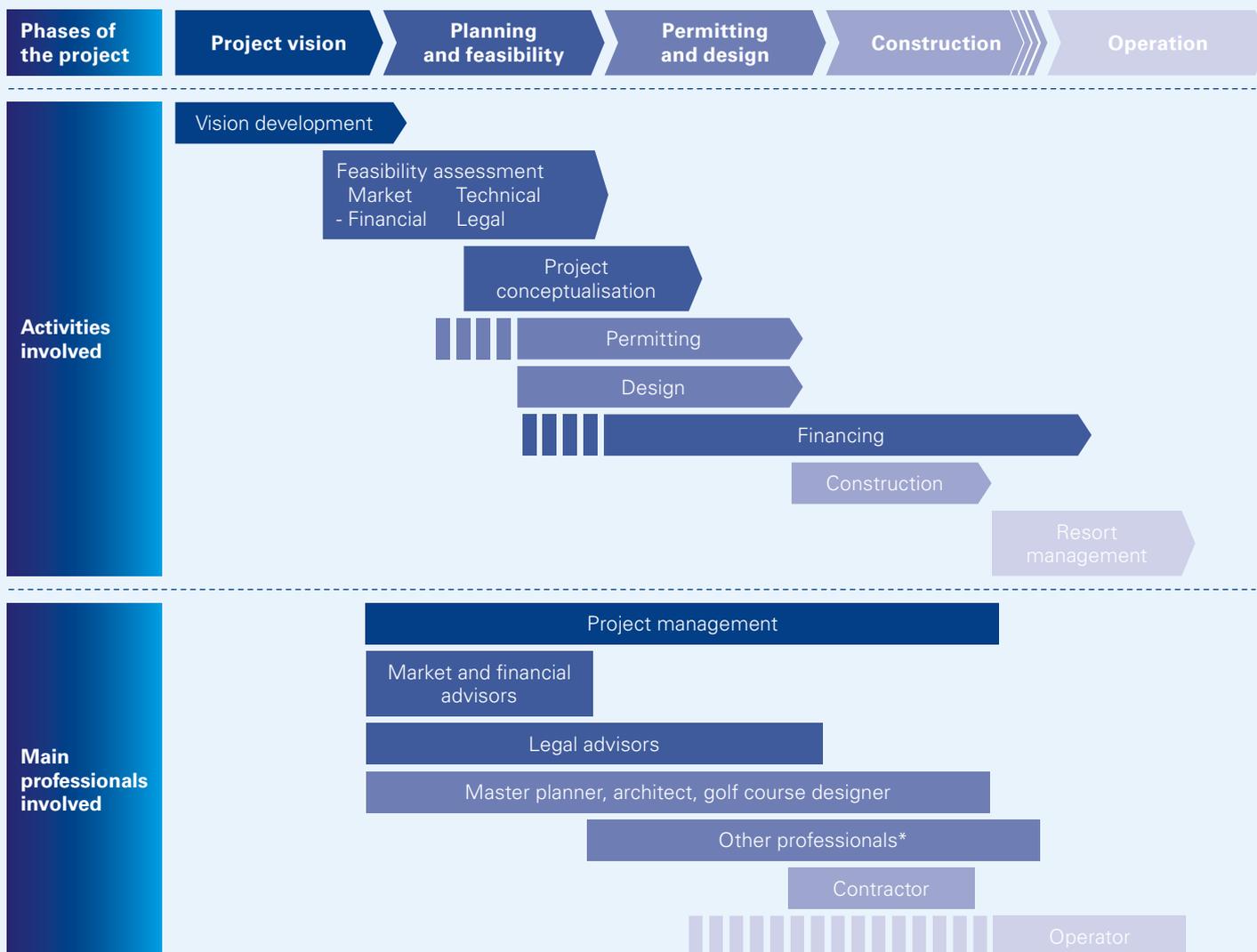
Due to the high complexity and technicalities involved in a project such as a golf resort, it is critical to engage – at the right time and at different stages of development – various technical specialists and experienced personnel. A well-managed process not only will allow the timely implementation of the development phases within budget and according to set standards and project objectives, but will also support the long-term sustainability of the development.

Resort development is a complex process that can be broken down from initial vision to the grand opening of the property and subsequent operation. Progressing from one phase to another may only be possible if previous phases have concluded with positive results, and commitment on behalf of all stakeholders has been made to go forward.

Depending on the complexity of the project, its size and construction phasing, the legal and administrative

framework in which the project is taking place, the entire development process can span several years. Strict planning of the interlinked activities is required to make the development efficient and effective, and to ensure maximisation of opportunities is achieved. This process depends on the efficiency of the permitting phase, project management capabilities, continuous flow of financing and complexity of the construction.

Key phases, milestones, timings and the main professionals involved in the development process



Source: KPMG

* Other professionals can include: landscape consultants, golf construction company, water management and irrigation experts, marketing & PR experts

⁵ Excerpt from KPMG's Blueprint for Successful Golf Course Development. Please download full report at www.golfbenchmark.com

Looking ahead

Within the established markets, Spain and Portugal have the most mature integrated golf resort supply with limited number of new projects at the planning stage. Some existing projects are re-visiting their original concept and product offering in an attempt to become more attractive to the changing market. Based on our research, resorts are trying to increase business with more competitive pricing, and we expect this trend to continue in the mid-term.

Although France and Italy are among the top global tourism destinations and are popular second home destinations, the concept of integrated golf resorts is not so prevalent as in the Iberian region. This is a result of tighter building permit restrictions, high costs and a shortage of suitable and available land plots for the development of large scale projects, as well as lower prioritization on the part of national governments towards golf tourism.

However, it is important to mention that in the case of France, where the Ryder Cup is to be held in 2018, efforts are being made in promoting France as a golf tourism destination. In addition, the French are aiming to develop a number of 9-hole golf courses to attract domestic as well as international golfers. If successful, all-round demand for golfing leisure time in France will grow.

Following the path of Spain and Portugal in the 80s and 90s, emerging destinations such as Croatia, Greece and Cyprus are increasingly focusing on golf in order to attract tourists and second home buyers.

Turkey has led the way within the emerging markets, with the Belek cluster of resorts being the most recent success story. Whereas the concept of the holiday golf resort is quite developed in Turkey, the concept of golf living is still in its infancy. However, capitalizing on strong tourism demand, there are several resort projects at the planning stage and further growth

Current supply and growth potential for integrated golf resort developments in the countries we studied



Source: KPMG research
Note: ES-Spain; PT-Portugal; FR-France; IT-Italy; CY-Cyprus; CR-Croatia; TR-Turkey; GR-Greece

can be expected in the mid-term. Competitive pricing will also help the growth of golf tourism in Turkey.

In Cyprus there are several new large scale projects in the pipeline, supported by the government's golf development policy. Clearly Cyprus hopes to follow Turkey onto the regional golf map.

Due to the government support and their natural assets, Greece and Croatia have opportunities to become important golf tourism destinations in the Mediterranean region in the coming years. There are more than 15 projects in the planning phase. Montenegro has similar potential to Croatia with its scenic Adriatic coastline and has several large scale integrated golf resort projects (developed by international investors and supported by the national government) at the planning stage. Albania – despite its potential in terms of coastal locations – has not yet seen any projects reaching an advanced planning stage.

We found that there are coastal integrated golf resort projects being planned in each country analyzed here. In the mid-term we expect emerging markets to experience the strongest growth in the number of golf-integrated resorts across the Mediterranean countries. However, a crucial aspect of these developments continues to be the air routes to these destinations.

experience Troon

Maximising Returns for Owners.

Offering a comprehensive menu of services tailored to individual owners and developer's needs, Troon® has for 25 years been the global leader in upscale golf course management, development and marketing. Our impressive track record of delivering profitability and return on investment whilst ensuring an unmatched guest experience has led us to work with many of the world's best venues.

Contact us at 00.41.22.770.5050 or visit via the website www.troongolf.eu.

Clockwise below: Abu Dhabi Golf Club, Abu Dhabi, United Arab Emirates; Fairmont St. Andrews, Fife, Scotland; La Reserva de Sotogrande Golf Club, Sotogrande, San Roque Cadiz, Spain.



Troon Celebrates 25 Years



AUSTRALIA • AZERBAIJAN • BAHAMAS • EGYPT • ENGLAND • FRANCE • GREECE • HONDURAS • INDIA • ITALY • KAZAKHSTAN
KINGDOM OF BAHRAIN • MALAYSIA • MALDIVES • MEXICO • MOROCCO • NORWAY • PANAMA • PUERTO RICO • RUSSIA • SAUDI ARABIA
SCOTLAND • SOUTH KOREA • SPAIN • SULTANATE OF OMAN • UNITED ARAB EMIRATES • UNITED STATES OF AMERICA

TROON®
TROONGOLF.COM

Conclusion

Although access to debt financing for the development of golf related projects is still limited in Europe, we are witnessing a resurgence in developer confidence largely due to the ever-improving tourist numbers, higher consumer confidence and the real estate market recovery in some geographies.

There are many larger and smaller projects currently at the planning phase in emerging economy countries and which are expected to be opened in the next two to three years, all targeting international tourists and real estate buyers.

For emerging destinations to compete with traditional destinations, resorts must offer the appropriate mix of components and to focus on niches which allow their development to be differentiated.

We have seen the increased importance of branding, either through international hotel operators and/or “big name” golf architects and this illustrates the importance of market awareness and positioning for any new development based on quality research and planning.

KPMG’s Golf Advisory Practice welcomes your enquires concerning both the results of this research and also concerning possible development strategies you may be considering for a golf-related project.

In addition to offering a wide range of professional services, KPMG is also involved in several industry leading initiatives, including high profile thought leadership and research initiatives, all of which are available at www.golfbenchmark.com, including:

- KPMG’s Golf Course Development Cost Survey
- KPMG’s Golf Travel Insights
- KPMG’s Blueprint for Successful Golf Course Development

Monte Rei Golf & Country
Club – Nicklaus Design

Sponsors of this research



Contact:

Nicklaus Design

11780 U.S. Highway One, Suite 500
North Palm Beach, Florida 33408

T: +1 561 227 0300

www.nicklaus.com

Nicklaus Companies

Jack Nicklaus founded Nicklaus Design almost 45 years ago, and since then, the company has designed close to 380 courses open for play in 36 countries and 39 states. Nicklaus Design currently has 55 projects under development, spread across 22 countries. Nicklaus Design has created more than 75 courses ranked in various national and international top 100 lists, and no fewer than 110 Nicklaus Design courses have hosted a combined total of more than 750 professional tournaments or significant national amateur championships worldwide. There are at least 19 Nicklaus Design courses hosting a PGA Tour- or LPGA-sanctioned event in 2014. This year, the Ryder Cup will be played on a Nicklaus-designed course, the PGA Centenary Course at Gleneagles in Scotland, and the 2015 Presidents Cup will be played at the Jack Nicklaus Golf Club Korea in New Songdo City, outside of Seoul.



Contact:

Troon Golf Europe

18 Avenue Louis Casai
1209 Cointrin ~ Geneva, Switzerland

T: + 41 22 770 5050

www.troongolf.com

Troon

Headquartered in Scottsdale, Ariz., Troon is the world's largest golf management company, with more than 250 golf courses in its portfolio. Also specialising in homeowner association management, private residence clubs, estate management and associated hospitality venues, the company oversees operations at Troon Golf®, Honours Golf and Troon Privé properties located in 36 states of America and 27 countries.

Headquartered in Geneva, Switzerland, Troon Golf EMEA is committed to developing Troon Golf's presence in Europe, Middle East and Africa. This rapidly expanding division now oversees operations at 44 courses in 16 countries including Dubai, Abu Dhabi, England, Russia and Spain with further expansion planned across all regions. Additionally, 53 Troon facilities enjoy a Top 100 ranking by national or international publications. Troon properties include The Grove, London, England; Classic Club, Palm Desert, Calif., and Las Colinas Golf & Country Club, Alicante, Spain.



KPMG's Golf Advisory Practice has in-depth know-how and experience of the business side of the golf resort industry.

Our experience across the golf resort industry is diverse and includes services to both existing and developing integrated golf resorts. We have a clear understanding of the impact that a golf course can bring to a resort or a residential community development.

Helping to maximize developers' returns through the integration of golf, real estate and hospitality functions is one of our primary areas of focus.

In addition to the wide range of professional services we offer, our Practice is also involved in several other golf-related initiatives. We are the founder of the annual Golf Business Forum, the foremost golf industry conference in Europe, Middle East and Africa (EMA). Moreover, we regularly produce high profile thought leadership content for the industry, including the Golf Benchmark Survey, one of the largest golf research projects in the world. As a result, we have accrued invaluable comparable data and information from the sector. The beneficiaries of such deep industry knowledge are our clients.

What can we do for you?

KPMG Golf Advisory Practice involvement in the golf, lifestyle real estate, hotel and tourism industry sector includes the following services:

- **Market and financial feasibility study** – assessing project sites, locations and markets in order to provide comprehensive financial analysis to assess potential investment returns.
- **Project conceptualisation and investment planning** – developing realistic and implementable concepts with short, medium and long term investment planning.
- **Business plan** – advising on the strategic direction for the realisation and delivery of project concepts from staffing to marketing and sales.
- **Project management** – managing and coordinating the project from inception through planning up until the start of construction.
- **Valuation service** – preparing asset and business valuations.
- **Transaction service** – assisting in the sale of greenfield projects that are in the development phase as well as existing golf courses and resorts through the preparation of investment memoranda and the selection of potential buyers.
- **Operational review** – assessing existing facilities and market opportunities in order to provide strategies for profit enhancement.
- **Supplier selection** – assisting with the identification and selection of golf management companies, golf course architects and master planners.
- **Other advisory services** – economic impact assessment of large events and developments, strategic advisory to government bodies and regulators.

Contact

For further information on KPMG services and research in the golf sector, please contact the Golf Advisory Practice:

Andrea Sartori

Partner

T: +36 1 887 7215

E: andreasartori@kpmg.com

Alastair Graham

Director

T: +36 1 887 7241

E: alastairgraham@kpmg.com

Gabor Tobias

Senior Manager

T: +36 1 887 7287

E: gabortobias@kpmg.com

golfbenchmark.com

Troon Golf photographs courtesy of Kevin Murray

Nicklaus Design photographs of Monte Rei Golf & Country Club courtesy of Aidan Bradley

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG Tanácsadó Kft., a Hungarian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.