



A scenic view of the Abu Dhabi National course. The 27-hole complex was designed by Harradine Design in 1998

# RE-SCULPTING THE MODEL

It has been the toughest of years for the golf design industry. With the economic downturn – and an over-reliance on real estate – severely limiting the number of new courses being commissioned, the focus of the sector’s leading lights has turned to the short-term solution of renovating existing courses and the longer-term target of making future golf courses more sustainable.

By David Cushnan





Differences of philosophy are, of course, at the heart of the golf course design and construction industry, but in 2010 the sector appears united by a common lament: that it has been hit extremely hard by the global economic downturn. That consensus should surprise no one. A golf course generally costs millions of dollars to design and build, but in recent years costs have spiked thanks to the increasing propensity for courses being built as part of much larger leisure, residential or tourism real estate projects. “Golf is a luxury item,” says Tim Lobb, principal at Thomson, Perrett and Lobb, “so it normally does get hit hard in a recession. I’ve been through a couple of them and it’s not easy, for sure.”

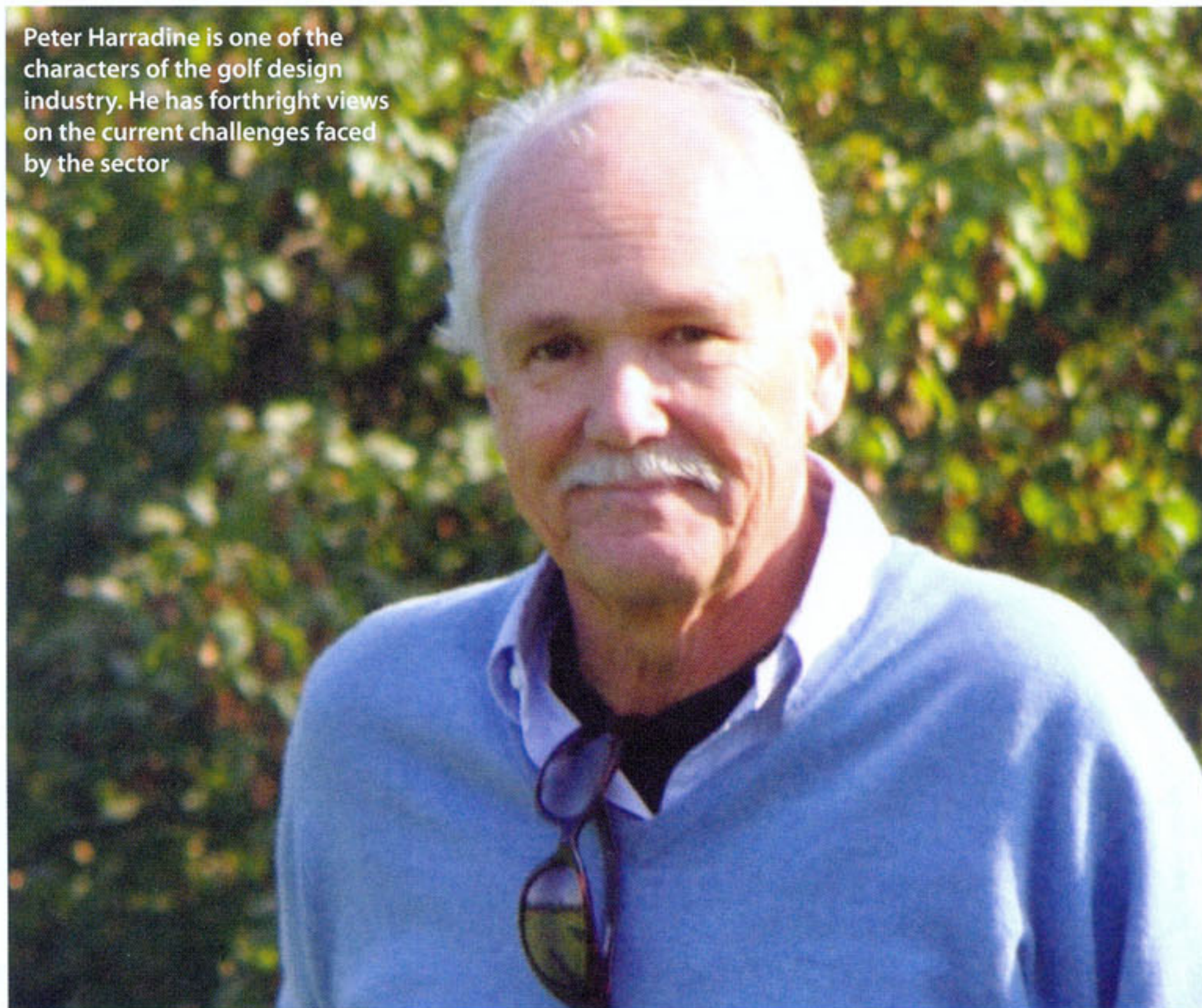
An even more stark assessment comes from Peter Harradine, founder of his eponymous Dubai-based Harradine Design, who says: “I heard there’s only one golf course being built in the USA this year. One! There are golf courses being closed every day; it’s a disaster. It’s not hunky-dory. There is a big recession in the golf industry, a big recession. Anybody who is saying something else is a big bullshitter – like every good PR and marketing guy is. We’re in a big recession.”

It is a stark message, and further evidence of the difficulties facing the golf design industry can be found by examining the state of play at existing courses. According to KPMG’s ‘Golf and the Economic Downturn’ report, two-thirds of courses in Europe, Middle East and Africa reported a “negative impact” on operations. Further analysis by KPMG found that 78 per cent of mixed use residential community courses – in other words, courses built within vast real estate projects or tourist resorts – experienced a downturn, compared to 59 per cent of standalone courses.

Some 39 per cent of courses reported fewer rounds being played – a third of those dropping more than 20 per cent compared to 2008. Revenues decreased at 47 per cent of courses, while only 32 per cent reported increased revenues (21 per cent of courses remained the same).

The figures underline the golf industry’s problems but also perhaps highlight the need to rejuvenate those who play the game. Here, too, course designers and architects are able to play a part. While the industry’s

Peter Harradine is one of the characters of the golf design industry. He has forthright views on the current challenges faced by the sector



apparent financial dependence on the success of surrounding real estate was a boon until the point when the property market slowed, now the search is on for ways of making golf courses more sustainable and cost-effective. Bound up in that is a desire to make the sport more accessible – the idea being that if more

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people are playing the game, there will be more demand for new courses and facilities.

That long-term aim, which appears to have been generally accepted by the industry as a whole, is also bound up in the short-term problem of lack of funding for new courses. As a result, renovation has become a key word. As the refurbishment of existing courses, rather than the design and construction of

entirely new ones, becomes more of a focus for golf architects and design firms, attention has increasingly turned to the durability of the many elements required to create a golf course. Generally speaking, according to research published by the American Society of Golf Course Architects (ASGCA), greens can last anything between 15 and 30 years; an irrigation system for up to 30 years; bunker sand from between five and seven years; and tee areas from between 15 to 20. The ASGCA advises would-be golf course owners to “research the lifespan of each part of the course before starting to build it,” suggesting that “too often, necessary refurbishments are left until the course has begun to show unacceptable wear and tear or become downright hazardous. By this stage, normal scheduled repairs and replacements turn into emergency fixes, with all the attendant cost and disruption to play.”

Rick Phelps, an ASGCA member and manager of Phelps-Atkinson Golf Course Design, believes course refurbishment will come to dominate the industry in the United States for the foreseeable future. “I think renovation work that will help cut costs is going to be huge for the next five years, ▶



probably more,” he says. “Anything you can do along those lines, even if it’s just having a golf course architect come to your golf course and do a master plan that can be implemented over time, I think that’s going to be as popular as anything – doing small projects each year as opposed to closing a course and doing all 18 holes at once.” The National Golf Foundation in the US suggests that fewer than 50 new courses were built in the country in 2009 – a figure sure to drop further in 2010 – and that there were 125 fewer courses at the end of the year than at the start, as financially crippled owners bailed on projects.

Says Phelps: “Right now we’re seeing everything focusing on remodelling in the States. There’s still some new construction going on elsewhere in the world but [in the US] it’s almost all remodelling work, renovation work both in terms of repositioning courses in the marketplace and also looking at ways of saving costs long-term – removing bunkers; redesigning bunkers; attracting new golfers by adding new tees is still pretty popular; but it’s almost all remodelling focused.”

Though the figures are not thought to be as savage as those in the US, the fact remains that fewer new courses will be built around the world in 2010 than in any of the last five

or ten years. An additional problem faced by the industry is that there are more golf course architects and design firms than ever, with less work available. Harradine believes adaptation is inevitable. “A lot of people, like landscape architects, will always have work; they’ll just

**“It’s very difficult because the guy who has just paid for his villa doesn’t want people walking in front of it. If we need real estate to pay for golf courses, great, but then they should allow people to play on them.”**

have to change and target other markets. A golf landscape architect can always go back to being a landscape architect, especially with all the environmental stuff being very important.”

Dubai-based Harradine, one of the design industry’s foremost characters, believes that refurbishment work – wherever the course location – will tend to be the preserve of local contractors in each territory rather than that

of international designers. “Renovation is now going to be the key word but renovation is very localised. In Dubai all the golf courses are pretty new, so there isn’t much renovation, but I would never be competitive in the UK against the local golf course architects if there was renovation work needed on a local course.”

Tim Lobb adds: “It will be a sort of new market I think – as courses get older, not that they necessarily have a sell-by date, but they certainly need a design maintenance, just to review whether it’s still living up to its original design philosophy and whether it’s still delivering what it used to deliver in this modern age of golf.”

Thomson, Perrett and Lobb has been appointed to complete some modernisation work at Emirates Golf Club, but also has two major construction projects underway in Egypt. “We’ve had quite a good year,” Lobb reports, with a touch of relief. “Golf course design and construction projects take a number of years to develop and fortunately projects that we’ve been working on have kept going through this tough time. We’ve been quite lucky that their construction has kept going because obviously in these projects the design element of it is quite a small cost actually; once the developer hits the ground, ►



Peter Dawson, chief executive of the R&A, was at the forefront of golf's successful campaign for Olympic inclusion from 2016 onwards



## Golf in the Olympics: how it will affect the course design industry

Last year the International Olympic Committee admitted golf to the Olympic sport programme from 2016 onwards after the various ruling bodies of the game made convincing arguments about how inclusion could develop further interest in the game. As Peter Dawson, chief executive of the R&A, golf's governing body outside North America, put it: "Golf truly is an international sport, with 60 million people playing the game in nearly 120 countries. And it continues to grow with new initiatives being implemented all over the world to teach the game to both young and old. We believe the time is right for golf to be brought back to the Olympic Games." Part of that development is likely to filter down to golf course architects as new markets increasingly require golf facilities – should, of course, the Olympics actually prove to be a catalyst for growth.

Tim Lobb, who admits that his company have had tentative discussions with developers in South America, where the 2016 Games

will be held, says that the Olympic growth, as and when it happens, needs to be carefully managed. "Golf may be in the Olympics, but that doesn't necessarily need 50 championship golf courses. There's quite a discussion about Rio leaving a legacy and part of that legacy could be bringing golf to the masses, which is not championship courses in exclusive country clubs, it's about driving ranges and other alternate golf facilities as I like to call them. And I don't think there's enough of them in this industry – say, a driving range with a number of holes attached to it or places where a person wanting to take up golf can get more of a feeling of what golf is about and not just whacking a ball into a driving range or a net in a field. Hopefully with golf coming into the Olympics, these facilities will become more prevalent and they'll be feeders into the pay and plays. You can't expect someone to go and play 18 holes from day one. It's like a triangle: up top you've got the exclusive country clubs and you don't

need that many of them really; then in the middle you've got the pay and plays; and at the bottom should be all these alternate golf facilities that should be bringing in the masses. This is where the public sector has to get involved I'd say."

Peter Harradine agrees governments and golf federations should be doing more, across the world, to develop golf facilities. "It's not like the shot put or throwing the javelin; to do a golf course you need a lot of land. Once we get politicians in with enough courage to say we should build nice municipal golf courses – instead of building these stupid swimming pools that cost a bomb and are closed for nine months a year – that's when the boom is going to come. They should put playing golf in the curriculum; they should get the young people playing. The grassroots element isn't there. We're not encouraging the youth and, quite honestly, the national golf associations aren't doing much about it either."





The fourth hole at Doha Golf Club in Qatar. The Middle East remains a key growth market for golf

they've got some serious expenditure. We've been fortunate to sign up with some good developers who are experienced in this type of work and understand that they do need to keep going in these times and they're going to have the head start as things start to get better. We've had a pretty good time of it, I'd say. It hasn't been a piece of cake, that's for sure, but I suppose we've tried to diversify our services into the regions as much as possible. We don't just concentrate on one area; we try to spread ourselves around as much as possible."

Design fees vary wildly across the industry. At the highest level, a professional signatory – a professional player attaching his name to a design – will commonly command fees of US\$1.5 million for a course design. Those kinds of figures are mainly due to the added value of a professional endorsement to a real estate project connected with the golf course rather than any superior design. Harradine for one certainly does not mince his words when asked for his views on professional signatories: "Unfortunately, the whole world is ruled by bullshit, marketing and media. Basically that's what it is: bullshit. It's not because you are good at eating that you can cook. As I say

all the time: it is not the professional golfer, the professional signatory, who is an idiot; it is the people who are paying for it. But don't get me wrong, if I could get US\$3 million just for signing a plan, I'd do it as well. Why is this whole world in this mess? Because of complete and utter branding signature bullshit. I mean, they were building towers in Dubai and they had Schumacher on it. Why? Is it better because it had Schumacher on it? Can you drive to work on that tower? The whole world is going crazy about branding, branding, branding and, I'm sorry, but for me branding is bullshit. And it hasn't spared the golf industry either."

Thomson, Perrett and Lobb may be one of those professional signatory design firms – Peter Thomson was a five-time Open champion – but Lobb insists the company "does not lean on Peter's name," adding: "I think we bring a bit more meat to the bone in terms of having an established practice. Like any company, if you've got the scores on the board and experience – we've worked around the world in 30 countries – it does help if you can bring real life experience to the table."

The industry's near-dependence on real estate – once regarded as the answer to

the industry's prayers – is now presenting problems. Harradine neatly sums it up when he says: "Unfortunately the only guys who could afford golf courses were real estate projects because golf has become so expensive, because everyone wants championship courses, and championship courses are 7,000 to 8,000 yards long, which needs a hell of a lot of land, and then the environmentalists want a third of compensation and this that and the other. A standalone golf course has become quite expensive because of all these criteria we have and all the requirements. At the end of the day, people who could afford them were people selling houses. Unfortunately the golf courses were being built for the wrong reasons; they were being designed and built to sell houses, and not for golf as a sport."

Harradine now believes the model of golf course designs needs to shift, as he puts it, "back to basics". He suggests that wider problems with developing the sport of golf can be blamed on the over-reliance on real estate. "I think 'thank God, we had real estate projects' because otherwise we wouldn't have had any work. And it's good that the real estate did present itself because it gave us work, but unfortunately those courses were designed for the wrong reasons – to sell houses. We are not producing new golfers because in all these markets the whole reason for building golf courses was to sell houses. That's why these new markets will not have a good golfer for the next 50 to 60 years. It's not like Sweden, where there are 500 golf courses and most of them are standalone courses for golfers; that's why Sweden has so many good golfers. You haven't heard of any new markets for golfers because they're not playing golf."

The solution may be a return to more cost-effective, accessible pay-and-play courses rather than exclusive resorts which can only be played at great expense, a problem summed up by Harradine as follows: "They should allow people to play golf within the real estate [projects]. It's very difficult because the guy who has just paid for his villa doesn't want people walking in front of it. If we need real estate to pay for golf courses, great, but then they should allow people to play on them."

Lobb concurs: "It's definitely becoming the norm rather than the abnormal," he says of the pay-and-play model. "The shift is



## The 2010 Golf Business Forum

The 2010 Golf Business Forum, KPMG's now well-established annual gathering of the great and the good from the industry, will take place in Turkey at the beginning of May. "Currently, Turkey is one of the most exciting, opportunity-laden regions in Europe and we would like our guests, business partners and golf industry leaders from across the world to experience what Turkey has to offer," says Dr Andrea Sartori, head of KPMG's Golf Advisory Practice for Europe, Middle East and Africa. Golfing stars Greg Norman and Annika Sorenstam have already confirmed their attendance for the event, which will also include speakers from Mission Hills Golf Club, the Club Managers Association, the Ladies European Tour and the World Golf Foundation.

It will be the seventh time the event has been held, but the first time it has taken place in Turkey. According to Sartori, it demonstrates the growth of the sport in the country – a feeling backed up by KPMG's analysis. "In 2009, Turkey welcomed 32 million foreign visitors," Sartori reveals. "This represents an

increase of 3.5 per cent on the previous year and, interestingly, if you analyse this figure in more depth, close to 40 per cent of those visitors arrived from Germany, the UK, the Netherlands and the US, all of which are already developed, traditional golf markets in their own right."

The conference will be held in the resort town of Belek in the Antalya province on the south coast of the country. It is an area that Sartori believes "offers the most attractive proposition for individuals seeking to purchase golf holiday homes as there are several golf-integrated resorts in the pipeline, and it is the only region that has built a significant international reputation as a golfing destination."

The growth in Turkish golf is underlined by the likes of Bekay Property Partners, a Turkish-based construction group who are investing heavily in golf developments and are one of the sponsors of the Golf Business Forum. Haluk Kaya is the company's chairman and a man convinced of golf's worth to developers. "For us

as investors it raises the value of the real estate you are selling," he says. "For me if there would be enough clients who wanted an iceberg there, I would put an iceberg there. More and more Turks are playing golf; there are Russians and Kazakhs coming *en masse* to Turkey and they are spending a lot – although the number of players is few, the money they spend is incomparable to the Europeans. The houses they ask for are also incomparable to the European golf real estate owners. It is a status symbol. Making a golf course and making the environment will, for us, double the selling price of the villas."

Kaya is also, predictably enough, a big fan of the Golf Business Forum, having experienced it first hand last year at the Celtic Manor resort in Wales. "We met with very interesting people who gave us ideas. This time, for Turkey, more than KPMG or the golf industry, it is very important. The people who don't know Belek and the golf courses there, which are wonderful, will get a taste of it."



really pushing towards pay-and-play – and that can be high quality pay-and-play. Really, a golfer can just about play on any golf course they want as long as they have the money – depending on what level they want to go to. I definitely think there is still a market for golfing residential and golfing tourism. They've got to be better planned, obviously, and a housing developer won't just automatically think 'we have to have a golf course' where ten years ago that was the thought and that was the fashion. Now, I think there's definitely still a need for a golfing lifestyle community done correctly but, as with any design and planning, it needs to be well thought out, with financial aspects, cultural aspects and environmental

aspects carefully considered."

As the industry looks to batten down the hatches and weather what's left of the financial storm, Harradine has a rallying cry for his fellow design professionals. "Let's get away from the bull," he says. "Let's get back to basics. Let's go back to pitch and putts, good executive nine-hole courses. Let's go back to courses that the punter will enjoy. He doesn't enjoy himself any more on these championship courses – scoring 150, 160 after paying US\$300 for it and with a marshal chasing him because he's slow. I think we've taken the enjoyment out of the game for the punter. Ok, the great players and touring players are great ambassadors for the sport and I love to watch them play especially on my

courses but we've forgotten the punter. The punters are out there, willing to play and willing to pay, but he wants to enjoy himself. If he's taking 11 or 12 every hole, he's not enjoying himself. For the bull marketing and PR people, saying 'executive course' is like blaspheming because they're into championship courses – the hole that's 800 yards long, blah, blah – and we need to get away from that. The average golfer is a 25 handicapper. Most of these marketing people don't even play golf. We've forgotten the punter. Those championship courses are actually built for the punter as well, but it's like a Formula One car; if you get a normal guy driving a Formula One car, he'll crash it. It's the same with golf courses." ■

## PGA Catalunya: a model for the future?

While the future of golf course design may be increasingly a 'back to basics' model focused on accessibility, evidence that a place remains for larger exclusive projects – commonly, courses funded by the sale of surrounding real estate – is provided by the PGA Catalunya, widely considered one of Spain and Europe's most prestigious resorts. Situated outside Barcelona, close to Girona airport, what makes the resort an interesting case study is that the Stadium course on the complex – one of two courses following the Tour course's opening in 2005 – was

designed, by Spanish golfer Angel Gallardo and Neil Coles in collaboration with the European Tour, to host the 1997 Ryder Cup.

Due to local politics, development was delayed and the Ryder Cup was ultimately held at Valderrama in Andalucia, but the initial facility design, which was focused on spectator viewing areas, has since been adapted to turn the course into more of a resort complex. Three years after the complex opened, Irish entrepreneur Denis O'Brien bought a stake in the operation and heralded a new period of expansion and development.

A hotel opened on the 300-hectare site in 2006 and a new clubhouse was constructed at the end of 2008. Further real estate developments are planned with the intention of creating a low density residential area within the confines of the resort. The project has inadvertently become a model of how an initial design can be updated, amended and improved upon as the market and circumstances change. It is an example that is likely to become relevant in the coming years as the wider golf industry battles the recession.