

## Top Deals of 2013

**1. KSL Capital Partners' resorts:** 12 courses at The Homestead, in Hot Springs, Va.; Barton Creek Resort & Spa, in Austin, Texas; Grove Park Inn, in Asheville, N.C.; La Costa Resort & Spa, in Carlsbad, Calif.; and Rancho Las Palmas Resort & Spa, in Rancho Mirage, Calif.

Buyer: Omni Hotels & Resorts

Seller: KSL Capital Partners

Price: \$900 million, estimate

**2. Paulson-owned portfolio of resorts:**

Courses at La Quinta Resort & Club in La Quinta, Calif., and five other resorts. Ten courses in all.

Buyer: Government of Singapore

Seller: John Paulson

Price: \$1.5 billion

**3. The Redstone Companies golf**

**courses:** Golf Club of Houston (formerly Redstone Golf Club), BlackHorse Golf Club, Shadow Hawk Golf Club and The Houstonian Golf & Country Club — Houston-based venues.

Buyer: Escalante Golf

Seller: Redstone Companies

Price: Not announced

Broker: Jeff Woolson, CBRE's Golf & Resort Group

**4. Dove Canyon Country Club,**

Dove Canyon, Calif.

Buyer: Pacific Links International

Seller: Sanyo Foods Corp

Price: More than \$20 million

Brokers: Ken Arimitsu, PM Realty Group, Keith Cubba, Colliers International

# Sales reveal recovering market

Foreign investors led a comeback for U.S. course sales activity in 2013 **BY ROBERT J. VASILAK**

The U.S. golf course sales market is stabilizing, with competition, particularly those in metropolitan and vacation areas, beginning to drive prices higher. Distressed venues are fewer and farther between, and, by this time next year, the bottom feeders may be squeezed completely out of the market.

“The era of the really good deal is gone,” said Jeff Woolson, managing director of CBRE's Golf & Resort Group. “The market isn't nearly what it was prior to the economic crash, but it's getting better.”

Woolson's sentiment is shared by other national real estate brokers.

“I'm firmly convinced that we hit the bottom of the market a year or so ago,” said Steven Ekovich, vice president and director of Marcus & Millichap's National Golf & Resort Group. “The rebound began in 2012 and continued in 2013.”

Several U.S. golf properties changed hands last year. But the recovery is not complete, as evidenced by some of the top deals from 2013, which were for distressed assets. But the market is getting crowded with buyers, particularly deep-pocketed

foreign entities and equity firms with ties to capital.

“Wall Street groups and a growing number of private investors have begun to look at golf as an opportunity,” said Ken Arimitsu, a vice president of brokerage services at PM Realty Group. “They believe they might find higher yields in golf investments than in traditional investment classes.”

One of those opportunity-minded buyers is Omni Hotels & Resorts, which last year acquired five resorts from KSL Capital Partners for an estimated \$900 million, according to The Wall Street Journal. The acquisition involved 12 golf courses: The resorts consist of The Homestead in Hot Springs, Va.; Barton Creek Resort & Spa, in Austin, Texas; Grove Park Inn in Asheville, N.C.; La Costa Resort & Spa in Carlsbad, Calif.; and Rancho Las Palmas Resort & Spa in Rancho Mirage, Calif.

The purchase cements Omni's place among the industry's premier owners and gives it a national presence. The company's other golf holdings include Amelia Island

# Top Sales

## 5. BrightStar Golf Group portfolio:

63 holes at TPC Snoqualmie Ridge, The Club at Pradera, The Pinery Country Club

Buyer: Arcis Equity Partners

Seller: BrightStar Golf Group

Price: Not announced

Brokers: Jeff Woolson, CBRE's Golf & Resort Group

## 6. Sea Trail Golf Resort, Sunset Beach, N.C.

Buyer: Wealth Spring Industry LLC

Seller: Sea Trail Corp.

Price: \$8.5 million

Broker: Steven Ekovich, Marcus & Millichap's National Golf & Resort Group.

## 7. Garden of the Gods Club,

Colorado Springs, Colo.

Buyer: Brenda Smith, Judy Mackey

Seller: Sunrise Co. and J. Thomas Schmidt

LLC

Price: \$10.3 million

Broker: Jeff Woolson, CBRE's Golf & Resort Group

## 8. The Legacy Club at Alaqua Lakes,

Longwood, Fla.

Buyer: Concert Golf Partners

Seller: Deutsche Bank

Price: \$7.9 million

Broker: Hilda Allen, Hilda Allen Real Estate

## 9. Emerald Greens Golf Resort & Country Club, Tampa, Fla.

Buyer: Concert Golf Partners

Seller: Emerald Green LLC

Price: \$6 million

## 10. Warner Springs Ranch Resort,

Warner Springs, Calif.

Buyer: Pacific Hospitality Group

Seller: Warner Springs Ranchowners Association

Price: \$11.75 million

Broker: Jeff Woolson, CBRE's Golf & Resort Group

Plantation, in Florida; Bedford Springs Resort, in Pennsylvania; and Omni Interlocken Resort, in Colorado.

While the Omni transaction was the year's No. 1 blockbuster, the sale of 10 courses controlled by John Paulson's hedge fund is not far behind. The government of Singapore's investment arm paid \$1.5 billion for resorts that included PGA West's six signature layouts, three at La Quinta Resort & Club, in La Quinta, Calif., and the Great White track at Doral Golf Resort, in Doral, Fla. The other purchases included the Arizona Biltmore, in Phoenix; the Grand Wailea Resort Hotel & Spa, in Hawaii; and the Claremont Hotel Club & Spa in Berkeley. The acquisition is an expression of faith in the luxury tier of the U.S. resort business and evidence of Southern California's continuing appeal to golf-mad Asian tourists.

Pacific Links International, a Chinese-owned Canadian company, also added to its network of luxury golf properties. For \$20.5 million, the company bought Dove Canyon Country Club from a division of Japan's Sanyo Foods. Pacific Links caters to wealthy Chinese golfers. "They're bringing a product to market that's exciting to golfers," said Arimitsu, who brokered the sale with his partner, Keith Cubba of Colliers International. "They have a good model."

Dove Canyon was one of at least nine U.S. properties sold to Chinese entities last year, with six of them going to three buyers. World Capital Market Inc., a merchant banking firm, bought a pair in California: The Golf Club at Glen Ivy, in Glen Ivy (for \$6.5 million) and Links at Summerly, in Lake Elsinore (\$1.7 million).

"There's been significant interest from Chinese buyers for at least two years," Ekovich said. "They're looking all over the nation, mostly for high-quality assets, and they're buying with yen against the dollar, which gives them an economic advantage."

Ekovich brokered a major transaction for a Chinese buyer in 2013: the \$8.5 million sale of Sea Trail Golf Resort, in Sunset Beach, N.C. The resort, part of a

bankrupt, run-down community with a trio of 18-hole golf layouts, was sold to Wealth Spring Industry LLC, a group represented by Peter Reichard, CEO of Sea Trail and managing partner of Tryon Capital Ventures. Like other Chinese buyers, Wealth Spring is on the lookout for other U.S. golf properties.

Naturally, U.S. groups were responsible for the vast majority of last year's sales, including one that was just what the doctor ordered for a wealthy investor in Texas.

Escalante Golf, which began the year with 10 properties, finished with 14. The company acquired its first courses in the Lone Star State, purchasing four clubs in metropolitan Houston — Golf Club of Houston (formerly Redstone Golf Club), BlackHorse Golf Club, Shadow Hawk Golf Club and The Houstonian Golf & Country Club — from The Redstone Companies. The price wasn't announced. Woolson, who arranged the sale, said Redstone was "less concerned about the price and more concerned about finding buyers who share its values."

Woolson also brokered the sale of the BrightStar Golf Group portfolio, which consisted of three properties with 63 holes. It was bought by Arcis Equity Partners, a private equity firm run by Blake Walker, who formerly oversaw acquisitions for ClubCorp.

ClubCorp continued buying, even without Walker in tow. It acquired three courses in 2013, including Chantilly National Golf & Country Club, in Centreville, Va., and Oak Tree Country Club, in Edmond, Okla.

Peter Nanula's Concert Golf Partners also was active, buying two ailing venues in Florida: Emerald Greens Golf Resort & Country Club, in suburban Tampa (\$6 million) and The Legacy Club at Alaqua Lakes, in suburban Orlando (\$7.9 million). The latter had been under imminent threat of foreclosure. "We've got to grow more golfers under the age of 55," said Hilda Allen, who facilitated the Alaqua Lakes transaction. "If we don't, we're going to see a lot more private clubs fail."

