

GOLF COURSES WITHIN YOUR HOA

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Brief Outline: A golf course, for many, is a great amenity to have within their community. It can look fantastic and provides a great year-round sport in the right climate. The price to keep courses looking and playing their best is costly though. In this capacity, reserves take on extra importance as the costs can be in the millions to properly take your HOA's golf course into the future. By planning ahead the results will be reflected in the property.

Think of the most beautiful hole on your favorite golf course. Now think of the many ways in which that hole has been maintained. What type of landscape equipment? Irrigation System? Green refurbishment? We start with the knowledge that expenses are coming. We identify those expenses and set up a plan for the future. The basis of such a plan is..... **Components!** It's a list, based on National Reserve Study Standards principles, that defines what at your association is being funded through Reserves. Your Reserve Component List forms the foundation for your Reserve Study, as it defines the scope and schedule of your Reserve expenditures.



As dictated by National Reserve Study Standards, Reserve components need to pass this four-part test:



RESERVE COMPONENT "FOUR-PART TEST"

In regards to golf courses, there are five general categories these components will fall into.

1. **Golf Course Itself:** Greens, bunkers, tee boxes, and fairways. Miscellaneous components include cart path and landscape refurbishment
2. **Lakes/Water Features:** Greatest potential for disaster of any of the components.
3. **Maintenance Equipment:** Do you lease or purchase this high-end, expensive equipment?
4. **Irrigation Systems:** The complete system is not visible to the naked eye, but expenses are coming.
5. **Cart Fleet:** A strong representation of your course and brand.

The scheduled replacement and renovation of the above components will be very costly, and by planning ahead the process will be much less stressful with proper funding in place.

Please use the questions below to help stimulate conversation within your boards and committees in order to provide a different perspective on your golf course and its future.



BUNKER REPLACEMENT

1. Is your golf course supporting or drawing the optimum number of rounds or memberships, or are these down because of poor playing conditions?
2. Can you compete with other golf courses in your area in terms of green fees (if open to the public) and the quality of golfers who play your golf course?
3. What is your golf course's reputation among area golfers?
4. Is the general golfing experience a positive one, or would improvements to the golf course significantly make it better?

Thank you for expressing interest in the *"Golf Courses Within Your HOA"* webinar. Listed below are a couple questions that were posed by audience members during the webinar.

Questions from the Audience!

Q: Since we can't see our lake liner, how can we determine its condition?

A: The best way to get a clear picture of your lake liner is to bring in an outside professional for a Lake Condition Assessment. Often times it is a company that focuses on geologic studies. They go out in their scuba suits and get down and dirty to assess your lake's condition.

Q: Are there major cost differences between a mountainous course versus a desert course?

A: One major difference is that of the landscape. With mountainous courses you are likely to find many more trees. With desert courses there are some trees, but just as much desert landscape. The cost to trim those trees, or removing and replacing them can be very expensive. The actual golf course prices to refurbish and rebuild would be similar though.

Q: What is the percentage of HOAs that own their maintenance equipment vs. lease their equipment?

A: I have found that approximately 75% of our clients own their own equipment. Now I'm just going off of my data, and can't speak for the whole area. The HOAs that own their own machines also have excellent maintenance crews that keep the equipment in tip-top shape. Often times they are able to squeeze out some more useful life than is standard for equipment. There is no RIGHT answer to whether to purchase or lease.