

Golf Business & Real Estate

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MORE DEVELOPERS TO TURN OVER NEW LEAF?

Bonita Bay Group goes against the grain of most real estate developers and homebuilders when it comes to golf courses. Many, such as **Pulte Homes**, **Lennar Corp.** and **Toll Bros.**, build a course with an exit strategy in mind, bringing on a third-party manager for a few years and finally selling when the time is right. Bonita Bay bucks the trend with the creation of **New Leaf**, an amenity management division that will operate the developer's existing and future amenities, including golf courses and various other clubs. New Leaf joins other recently started management firms like **Trophy Golf Management** and **JSI** that are involved in the golf development process from the ground up.

The majority of homebuilders or real estate developers today see golf merely as a necessary amenity at some of their communities. Building a golf course, and especially running it after completion, is not the type of moneymaker these companies are looking for; for the first few years, the course usually loses money. Unless a big-name architect like **Jack Nicklaus**, **Tom Fazio** or **Greg Norman** is involved — which can actually boost property values — builders and developers build golf to lure golf-seeking homebuyers. Once the course is completed, the developer usually wants about as much to do with it as **Phil Mickelson** wants to do with his treadmill (OK, OK, he's lost some weight).

Bonita bucks that trend with New Leaf by creating a way to keep amenities such as the golf courses under the same ownership and management umbrella. VP of Operations **Joey Garon** sees the new division as serving a three-pronged purpose. New Leaf will run the existing amenities at the six or so communities, which consist of 14 golf courses, as well as 11 clubs, three beach clubs, five spas and fitness centers, four kayak and canoe parks, two marinas, 10 restaurants and six homeowners associations. Additionally, New Leaf will seek future properties, while taking on third-party management agreements at other properties, to involve golf as well as other amenities.

New Leaf will compete with the already established golf management brands when seeking out its third-party deals. In this golf climate, however, with plenty of golf courses losing money and owners seeking new operators, it shouldn't be too tough to start out.

Both Trophy and JSI faced similar situations recently, but have since expanded. Trophy, formed by former **Nicklaus Cos.** execs **Lee Lockhart** and **Michael Zmetrovich** about a year ago, immediately added several contracts upon its inception, most recently padding its portfolio with the purchase of the **Coral Creek Club** in Placida, Fla., last month. Trophy also secured a 10-year third-party agreement in December to run the **Paradise Ranch Resort** and its golf component, **The Club at Paradise Ranch**, in southern Oregon. And JSI, which was formed in 2005 by the LPGA star **Jan Stephenson**, currently is working on several projects in the Southeast.

New Leaf is not unlike recently formed companies Trophy Golf or JSI, which are involved in development from the very early planning stages. For future golf development by Bonita and its President and CEO **Kitty Green**, look for New Leaf to assist from the ground up. Many other management companies, most notably **Troon Golf**, **KemperSports Management** and **Marriott Golf**, also have been known to work with the developer from the ground up, ensuring transitions are as seamless as possible. New Leaf differs in the sense that it is set to manage other properties that aren't golf related, like spas, beach clubs and homeowners associations, for example. But in that regard, firms like **ClubCorp** are comparable when it comes to oversight of business clubs, sports clubs and resorts.