



REAL ESTATE, LEISURE AND TOURISM

Advisory Services for the Golf Industry

ADVISORY

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Golf has seen dramatic development in the last two decades. Recent research confirms that there are approximately 32,000 golf courses worldwide. Presently, some 50 million people play golf throughout the world. Although the United States represents the largest golf market in the world with around 16,000 courses and approximately 29 million golfers, the game itself originates in Europe and continues to have a strong presence there. In Europe, Middle East and Africa there are more than 7,000 golf courses and roughly 4.5 million registered golfers.

Golf course development is a growing business all over the world, In recent years approximately 1,000 new golf courses have been established annually world wide. International experience proves that, especially when combined with real estate and/or tourism a golf course can often offer an investment opportunity that generates significant premiums.

Who we are

KPMG's Golf Advisory Services Practice possesses in-depth know-how and experience of the business side of the golf industry. Our practice comprises more than 20 professionals from some of the worlds leading and emerging golfing markets including Scotland, the USA, the Netherlands, Austria, South Africa, Brazil, Bulgaria, Hungary, Italy and Romania.

Our experience and expertise within the golf industry are diverse and include services to both existing and developing golf courses whether stand alone or part of an integrated development. We have a clear understanding of the impact that a golf course can bring to a resort or a residential community development. Maximising 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 organisers of the annual Golf Business Forum the foremost industry conference in Europe, Middle East and Africa (EMA). Moreover, we have initiated several pieces of thought leadership in the industry including the Golf Course Development Cost Survey and the annual Golf Benchmark Survey. As a result, we have accrued invaluable comparable data and information of the sector. The beneficiaries of such deep industry knowledge are our clients.

What can we do for you?

KPMG's involvement in the golf and lifestyle real estate sector includes the following services:

- **Market and financial feasibility studies** – site, location and market assessment and comprehensive financial analysis to assess potential investment returns.
- **Project conceptualisation and investment planning** – development of realistic and implementable concepts with short, medium and long term investment planning.
- **Business plans** – strategic direction for the realisation and delivery of project concepts from staffing to marketing and sales.
- **Business performance improvement** – assessing existing facilities and market opportunities in order to provide solutions for profit enhancement
- **Valuation services** – preparation of asset and business valuations.
- **Transaction services** – assisting in the disposal of golf courses and resorts through the preparation of information memorandums and identification of potential investors.
- **Transaction services** – assisting in the sales of golf courses through the property valuations, preparation of information memorandums and identification of potential investors.
- **Supplier selection** – assisting with the identification and selection of golf management companies, golf course architects and master planners.

Global coverage

Our team has worked internationally and together with the assistance of local KPMG member firms, is able to provide global experience combined with local knowledge and expertise. Our international client base comprises of a number of golf organisations and real estate developers with a specific interest in the golf sector. Furthermore KPMG works closely with a number of industry partners who participate closely in KPMG events and thought leadership projects.

A few examples of our credentials in the golf sector include:

Project management assistance – Cyprus

KPMG was commissioned by a major real estate investment group to assist in the project management of a new 36-hole golf and lifestyle real estate development in Cyprus. The project included the preparation of the development concept, market and financial feasibility study, assistance in the selection of master planner and two leading golf course architects and assistance in the project management of different resources involved in the preparation of necessary documentation for submission to local planning authorities.

Feasibility study, business plan and financing application – Croatia

KPMG assisted with the conceptualization and the market and financial feasibility study for an integrated resort in Croatia. The development, to be realized on the western coast of the Istrian Peninsula, includes more than 450 residential units, a 250-room luxury spa and wellness hotel, an 18-hole Nicklaus designed golf course and a 350-berth marina. KPMG was also commissioned to assist in the selection of the hotel operator and the golf course architect in addition to the preparation of a business plan and financing application requested by an international bank.

Golf Club operational review – Abu Dhabi

KPMG was requested by the Abu Dhabi Tourism Authority to perform a comprehensive operational review of their 36-hole Abu Dhabi Golf Club. The report was used for benchmark the operations of the golf club against competing facilities in the region and evaluate the operational effectiveness of the club.

Strategic development plan – Dubai

A Dubai based real estate investor looked to create an international golf, leisure and tourism property development corporation, mainly focused on flagship and iconic developments, which could make an impact on the global leisure and tourism market. The KPMG Golf Advisory Services practice was engaged to assist in the creation of a strategic development plan.

Market and site assessment for leisure and real estate development – Russia

A Russian based developer purchased 6000 hectares of land in close proximity to Moscow. The developer engaged KPMG to assess the opportunities for developing the land and maximizing its value. KPMG assessed four market sectors including hotels, theme parks, residential and wellness before developing a detailed market concept, to be developed in four phases.

Market review and project assessment – Portugal

A leading golf body requested KPMG to undertake a high level market and project assessment of a proposed resort project in proximity of Lisbon. The proposed resort is expected to comprise of ten golf courses and approximately 12,000 residential units. The primary focus of the project was to assess the potential long term success of the project and to determine potential branding synergies between the golfing body and the project in the future.

Market and financial feasibility study – Poland

KPMG undertook a market and financial feasibility study for a residential development around an existing golf club in Poland. In addition to the feasibility assessment of the residential component, we advised on the implications that the development of the residential units would have on the existing course in terms of additional members, green fees and financial results.

Conceptualization and feasibility study – Czech Republic

KPMG carried out the market and financial feasibility study and assisted with the conceptualization of a large mixed-use development on the outskirts of Prague. The development included an upscale hotel, 18-hole golf course, more than 700 residential units, as well as office and retail space.

Site and market assessment – Morocco

Upon request of a large investment group from the Middle East, KPMG assessed different sites and the market potential for the development of an integrated ski, golf and real estate development in the Atlas Mountains of Morocco.

Valuation and transaction service– golf resort development – Hungary

A golf course owner and operator commissioned the Golf Advisory Services practice of KPMG to perform a valuation of its current golf club. The engagement also required the determination of the project investment value assuming the development of an additional 18-hole golf course and an adjacent upscale wellness hotel. At a later stage the owner of the golf course engaged KPMG to find an investor for the development.

Contact

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

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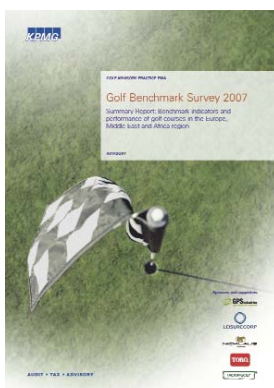
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Thought leadership

KPMG RELT continues to strive to add value to the golfing industry. Through our thought leadership programmes KPMG undertake various initiatives that can help players in the golf industry to make informed decisions.

Golf Course Development Cost Survey

KPMG's Real Estate, Leisure and Tourism practice prepared a comprehensive study of golf course development costs in Europe, Middle East and Africa (EMA). This research aims to provide investors, developers and other industry stakeholders with a better understanding of the factors that influence the construction of golf courses, their typical development timing and the process of selecting golf course architects and construction companies.

Golf Benchmark Survey in the EMA Region

In 2006 KPMG launched the inaugural Golf Benchmark Survey, one of the largest ever golf research projects. The Golf Benchmark Survey (GBS) is a market intelligence study designed to collect and share comparable golf industry benchmarks. The primary objective of the Golf Benchmark reports is to allow golf courses to compare their individual performance against high, average, and low performers in their geographic markets.



In 2007 the second edition was launched and was extended to include India and the Caribbean, beside eight regional reports covering Europe, Middle East and South Africa. For more information on our thought leadership and to download all our reports free of charge please visit www.golfbenchmark.com.

Other KPMG initiatives in the golf industry

The Golf Business Forum

The Golf Business Forum is a unique platform for professionals involved in the golf business industry to meet, learn, exchange ideas and do business in an exciting and memorable event.

The Forum has quickly established itself as the foremost golf industry event in Europe, Middle East and Africa and brings together major stakeholders in the business of golf including: golf and real estate developers, investment groups, banks, equity funds, master planners, golf course architects, suppliers and operators.

The event attracts participants from five continents, and is supported annually by many of the leading market players in the golf industry.

For information on the forthcoming events, visit www.golfbusinessforum.com.

Sponsorship

KPMG sponsors a number of golf related events and most noticeably is an Official partner of the Ryder Cup.



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