

THE WALL STREET JOURNAL.

World U.S. Politics Economy Business Tech Markets Opinion Arts Life **Real Estate**

REAL ESTATE | HOMES

In Real Estate, Golf Ups Its Game

To sell homes, golf communities can't just stick to golf. Luxury developments now include amenities like fishing ponds, skate parks, orchards and movie theaters to attract wealthy buyers.

By **CECILIE ROHWEDDER**

5 COMMENTS

May 28, 2015 9:48 a.m. ET

Bluejack National, a 755-acre luxury golf community scheduled to open in the fall, features the first Tiger Woods-designed golf course in the country. But the development—where homes will range from the mid-\$300,000s to nearly \$1.5 million—will also include orchards and gardens, a movie theater, bowling alley, skate park, miniature Fenway Park, 7-mile trail system and stocked fishing ponds.

These days, golf communities aren't sticking just to golf.

"This is so creative—it will be a lot of fun," says Philip Asherman, president and chief executive of CB&I, an energy-infrastructure company based in the Woodlands, Texas. He and his wife, Ellen, recently started construction on a \$1.5 million, four-bedroom house at Bluejack for themselves and three teenage sons.



The desert view from Jim and Pat MacAllen's contemporary home at Desert Mountain Club in Scottsdale, Ariz., where homes range from about \$750,000 to \$8 million. PHOTO: MARK PETERMAN FOR THE WALL STREET JOURNAL

After suffering a triple bogey over the past few years—the real-estate market collapse, oversupply of golf courses, and diminishing interest in the game—luxury developers are taking a new approach. In addition to having courses designed by golf legends like Greg Norman, Jack Nicklaus and Tom Weiskopf, they're touting things like recreational activities for children, a wider range of fitness options and restaurants serving five-star dining.

PGA West, a high-end golf club and community in La Quinta, Calif., has six championship courses for enthusiasts, but it recently added

PGA West, a high-end golf club and community in La Quinta, Calif., has six championship courses for enthusiasts, but it recently added pickle ball, outdoor fitness classes such as yoga and “boot camp,” and family activities such as flag football. The club sees growing demand for its sports membership, which costs \$20,000 rather than the \$45,000 for a golf membership. Sports members can play the course but must pay the greens fee. Homes at PGA West range from \$300,000 to \$5 million.

RELATED READING

- [Lavish Clubhouses Woo Luxury Home Buyers](#)
- [It Takes a \(Resort\) Village](#)
- [Modern Beach Houses for Sale](#)
- [Portugal’s Golf Resorts Improve Their Game](#)

Desert Mountain, a luxury golf community in north Scottsdale, Ariz., features six Nicklaus-designed courses, each targeting different skill levels. In 2014, the community added a “ranch” area with horseback riding and luxury camping —complete with full-size beds, plush towels and chef-prepared meals.

“Golf is important, but it isn’t everything,” says Lyle Anderson, chairman of an eponymous company that developed Desert Mountain, where homes range from \$750,000 to \$8 million. “Private clubs are now more about lifestyle,” he says over a sunset margarita at a restaurant overlooking distant mountains and the lights of Phoenix.

Former Bostonians Jim and Pat MacAllen bought a townhouse at Desert Mountain in 2010 and upgraded to a 6,100-square-foot contemporary home for \$1.6 million in 2013. Last year they bought the lot next door for \$145,000 to preserve their high desert views. A former portfolio manager at a pension fund, Mr. MacAllen, 71, moved to Desert Mountain for the variety of the golf courses, but he now also uses them to walk the family dogs, Jake and Annie. He also enjoys 15 miles of newly created hiking trails. When the MacAllens’ two children come with the grandkids, they use the pool and fitness center, which is currently being expanded to include a larger youth-activities center and a grassy play area.

It remains to be seen if expansion efforts can sustain golf communities for the long term. Overall, there were still more golf courses closing than opening in across the U.S. in 2014, according to the National Golf Foundation, a trade association that provides research to golf courses, clubs and other golf-related businesses.

WALL STREET JOURNAL ONLINE
IN REAL ESTATE, GOLF UPS ITS GAME ARTICLE
MAY 2015

It remains to be seen if expansion efforts can sustain golf communities for the long term. Overall, there were still more golf courses closing than opening in across the U.S. in 2014, according to the National Golf Foundation, a trade association that provides research to golf courses, clubs and other golf-related businesses.

But the number of golfers slowed its decline, with 25 million Americans still in the game. “Golf remains very important to golfers, which comprise about 8.5% of the U.S. population and more than 20% of the market segments that purchase homes in master-planned club communities,” says Henry DeLozier, partner at Toronto-based consulting firm Global Golf Advisors.

As part of the evolution, the golf courses themselves are changing. Bluejack National, the community under construction in Texas’ Montgomery Country, Mr. Woods is also designing a short course for players who don’t have time for a championship-length game or want an easier option when playing with family. For course-side snacking, there will be a fruit stand and a jerky shack with dried meats. A golf-performance center will offer instruction programs, performance testing, personal training and club fitting.

At Tiburón, Mr. Norman now works to include amenities that will encourage kids to play golf.

“If you look at residential communities, what are we doing to promote the game of golf on a grassroots level?” asks Mr. Norman. “You need little areas for kids to play golf, and not have to play a monster course. It can be a little play area, where kids can spend time and have fun together.”

Still, developers don’t want to stray too far from rolling fairways and challenging courses designed by golf legends.

Frank and Susan Roda decided to buy their future home at Tiburón Golf Club in Naples, Fla., after spotting Greg Norman from the back door. Mr. Norman, a Hall of Fame golfer who held the No. 1 ranking for 331 weeks, designed two 18-hole courses at Tiburón. Guests at the nearby Ritz-Carlton Golf Resort also play there.

Soon after the celebrity sighting, in 2006, the Rodas spent \$1.5 million on a four-bedroom, Mediterranean-style house with 5,000 square feet of living space, and another \$145,000 on a golf club membership. Mr. Norman’s involvement was a big draw.

WALL STREET JOURNAL ONLINE
IN REAL ESTATE, GOLF UPS ITS GAME ARTICLE
MAY 2015

“The brand name of Greg Norman and all he stood for in the game of golf, plus the quality of the brand name of the Ritz Carlton, were the cornerstones for our vacation-home purchase,” says Mr. Roda, now 64.

The economic downturn put a damper on the home’s value. At its peak in July 2006, the median price of homes in Tiburón’s ZIP Code was \$458,500, according to real-estate website [Zillow](#). In 2010, median values had plunged to \$262,000. While home values in Tiburon and surrounding area haven’t fully recovered, the median reached \$368,100 in March, according to Zillow data.

Likewise, property values at other U.S. golf destinations with champion-level courses haven’t rebounded to peak levels. “These were places that were very highly valued during the boom,” says Zillow’s senior economist Skylar Olsen. “During the housing crash and the great recession, there was less disposable income to direct toward vacation homes.”

Today, sales of luxury vacation homes have exceeded 2006 levels in some areas, a hopeful sign for high-end golf communities. Homes currently listed at Tiburón Golf Club range from \$400,000 to \$7.9 million, according to General Manager Rick Rainville.

Mr. Roda says his golf-resort home wasn’t an investment choice, it was a lifestyle dream. After retiring from McKesson Corp., a San Francisco-based health-care and technology company, he moved to Naples full-time in 2010. Two of his four brothers also bought properties at the club.

“This is now the retreat for the Roda family,” he says.

Write to Cecilie Rohwedder at cecilie.rohwedder@wsj.com

WALL STREET JOURNAL ONLINE
IN REAL ESTATE, GOLF UPS ITS GAME ARTICLE
MAY 2015

ONLINE SLIDE SHOW WITH ARTICLE

