

Developers bring life to golfing estates

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Montgomerie Links in Vietnam features stylish villas and one of Asia's most elite golf courses.

Lisa Carapiet-Fanous

There are signs of life in the golfing estate market both here and abroad – you just have to know where to look.

While many of these developments are now being pitched as “lifestyle estates” to appeal to a younger market, the pool of buyers remains quite shallow.

“The reality is real estate decisions will be made for real estate purposes,” golfing industry expert Jeff Blunden says.

“The challenges in the golfing estate market still remain, such as the size of the site, the depth of market, the sales pace and pricing that makes sense for the development.”

In the decade to 2010, some 49 courses opened across the country.

“It has been very quiet. There are just deliveries of existing developments so there's nothing new to talk about,” he says.

But lifestyle estate developers are now meeting the market's expectations – both in terms of offerings and price.

One such developer is Latitude Development Group, which has snapped up a distressed 283-hectare residential site at Airlie Beach for about \$10 million. The site – dubbed Regatta Waters Whitsundays – has an approved master-planned community with development approval for a village centre with retail and commercial precincts, a golf course and a country club.

Latitude Development Group chief executive Josh Thompson says the site was originally designed to be a residential development with a PGA-style golf course and resort. The golf course was intended to be the longest in Australia.

“That's a very traditional model and I didn't believe that it had legs. The golf market is shallow, with about 20 to 25 per cent of homebuyers being golfers,” Thompson says.

“In my research of golf estates, I found they were a loss-making proposition in a lot of cases, with a small buyer pool. But on the upside, the course provides beautiful vistas if you lay it out properly and create spaces for the community. I liked that idea.”

For sale

- **Regatta Waters Whitsundays**
Pricing starts at \$170,000 for a block of land.
- **Montgomerie Links Vietnam** estate with three-bedroom pool villas starting at US\$535,000.
- **Tranquility** 210-acre estate in Lake Tahoe, Nevada, with an asking price of US\$75 million.

Community at the core

Instead of centring the residential proposition on golf, Thompson says community is at the core.

“We have lots of open space with 17 kilometres of walkways, where getting outside is now a big part of our lifestyles. There’s also a gym, a 50-metre lap pool that is heated in winter and tennis courts. The golf course is the tail end of the whole thing. We have flipped the approach to building something like this,” he says.

With the project fully funded, there are no pre-sales, so when the first 50 lots and main entry road are completed in August this year, those properties will be up for sale. In total, there will be 2600 lots and pricing starts at \$170,000 for a block of land.

“By Christmas, we will have finished three golf holes and a driving range. We started on site in November last year and it will take 15 years to build. There are no grand visions of selling hundreds of lots a year – that trend is long gone. It’s a very modest program we have,” he says.

For those looking to buy a whole golf course in Australia, CBRE Hotels senior broker Tom Gibson says there’s no real market yield to go by.

He says, “\$3.5 million is the going rate for any golf course around Australia and then development land is an upside.”

Gibson, along with CBRE Hotels Queensland director Wayne Bunz, negotiated the sale of Sea Temple Port Douglas for about \$7 million to billionaire Clive Palmer last November.

“Golf courses in today’s market are considered counter-cyclical opportunities. It’s more of an ego purchase,” Gibson says.

Sea Temple Port Douglas features an award-winning 18-hole golf course designed by Thomson, Wolveridge and Perrett, as well as a housing estate development with about 45 luxury home sites.

A three-bedroom penthouse at the resort is up for sale, with its asking price of \$550,000 well below the purchase price of \$995,000.

Tony McGrath Real Estate’s Callum Jones, who is marketing the property, says inquiries are coming from investors looking for a lifestyle change because the return is just not strong enough as an investment property.

Illustrating the sluggishness of the market, it has been up for sale for the past 18 months.

International appeal

Abroad, golfing estates seem to be garnering significant investor attention. In the United States, there is still a level of prestige attached to living on a golf course, while in the developing world, particularly in Asia and the United Arab Emirates, golf estate living is coveted.

In Vietnam, Sotheby’s Realty is the sales agent for Montgomerie Links – midway between Hoi An and Danang. Considered one of Asia’s most elite courses and designed by Scottish golfing champion Colin Montgomerie, the 18-hole golf course has a boutique offering of 66 residences dotted around it.

The first phase of 14 properties are being marketed, with a three-bedroom pool villa featuring golf course views starting at US\$535,000.

At the end of April, Donald Trump announced another foray into the Dubai market after his first endeavour (where he teamed with Nakheel) – Trump International Hotel and Tower on Palm Jumeirah – never materialised.

This time around, he has teamed with privately owned Damac Properties to develop Trump International Golf Club – an 18-hole PGA Championship Golf Course in Dubai. It is at the heart of Damac’s Akoya development, which features spas, boutique hotels, international schools and luxury residential homes.

However, if sharing a golf course is not your bag, there’s always Tranquility – a 210-acre estate in Lake Tahoe, Nevada, that Sotheby’s Realty is marketing. With an asking price of US\$75 million, the property boasts a 27,000-square-foot mansion with indoor glass mosaic pool, private lake and boathouse pavilion, as well as two over-the-water par-three golf holes. There’s also a cigar lounge that looks like the St Regis Hotel in New York and a replica of the Titanic’s grand staircase.

But the only thing sinking at this property would be birdies.

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