

Happy Life Region

West Mediterranean



GOLF TOURISM SECTOR REPORT



WEST MEDITERRANEAN DEVELOPMENT AGENCY

February, 2011

FOREWORD

Regional development agencies whose history dates back to old times in developed countries are the models newly adopted in Turkey. These agencies aim to accelerate regional development, ensure sustainability and reduce interregional development disparities in accordance with the principles and policies set in the development plans and programs, through a cooperative networking between local authorities, private sector and civil society.

One of the tasks given to agencies to achieve their aim is whether to do research on determining the resources and opportunities of the region, accelerating economic and social development and enhancing the competitiveness or to support the researches done by other individuals, organizations and institutions.

West Mediterranean Development Agency which largely completed its process of establishment and institutionalization is responsible for providing free consulting services to investors in Antalya, Isparta and Burdur. In addition, through a one-stop shop approach, the agency offers an extensive range of services including coordinating and following-up the permits, licensing procedures and other administrative works within the scope of public institutions and organizations of investors. Furthermore, the agency promotes the investment opportunities of the region both at national and international level in cooperation with relevant organizations.

In line with the mentioned task above, the sector reports were prepared to guide the investors willing to invest in the region and promote the investment opportunities of the region.

At first, Marble, Milk and Dairy Products, Solar Energy, Golf Tourism and Health Tourism Sector Reports of West Mediterranean Region, Tourism Potential of Egirdir Report and Antalya – Konya High Speed Rail-Line Report have been prepared. Over time, many sector reports related with the region will be prepared and investment opportunities of the region will continue to be promoted. Being helpful with these sector reports to investors and all other institutions operating in the region is our greatest wish.

Tuncay ENGIN

Secretary General of WMDA

Dr. Ahmet ALTIPARMAK

Governor of Antalya
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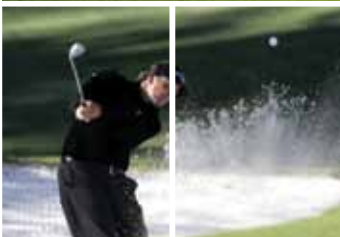




1. A SHORT HISTORY OF GOLF

It is thought that Golf has a past about 1000 years and it is not known where or when the golf was first discovered. The main thought is golf was played by Scotches in 1100s (ABC of Golf, 2008). Many authorities accept, "The Scotch King II. James' prohibition announcement" about golf and football sport in 1457 is the first written document about golf (Turkey and Golf, 2003). In 1659, golf was played in Albany State in ABD. The first written rules of golf were published in 1754 by St. Andrews Golfers (Turkey and Golf, 2003).





In Turkey, the first golf club is Constantinople Golf Club in Maslak (Constantinople Golf Club) , and then the second one was founded in İzmir in 1905, named İzmir-Bornova Golf Club and followed Bebek Golf Club in 1911. But some of this clubs were closed for some reasons. In 1980s, golf has experienced a decline in Turkey. Then in middle of 1990s some investments have been done and a federation has been established in 1995 for golf sport. At the end of 1980s, Antalya/Belek has become a touristic area. After 2000s, the Turkish golf has succeeded considerable achievements.

“In Turkey, the first golf club was founded as Constantinople Golf Club in 1895 and still-functional in Maslak as Istanbul Golf Club.”



2. DATA ABOUT GOLF FIELDS AND GOLFERS IN THE WORLD

The golf sport has become popular in 1920s and it continued ascending its popularity following years. According to a Sport Marketing Survey's report in 2003, there are 61.1 million golf player in the world, 37.1 million from America, 6.9 million from Europe, 13.6 million in Asia 1.7 million from Southeast Asia Islands and 500,000 from South Africa (World Golf Tournament, 2008).





According to a study about golf fields in 2006, 30,730 golf fields exist in the world and 7,000 of them have been built in last ten years. In Europe there are 5.896 fields. In last ten years, field numbers in Europe have grown %80 and player number %5. There are 19 golf fields, 41 golf clubs and about 1.500 licensed players in Turkey in 2010.

“Turkey has become one of the most attractive places for golf tourism in Europe.”





3. THE ECONOMIC ASPECT OF GOLF

Golf sport affects many sectors directly and provides new development fields and high profit margins by pepping up the economic actors. The tourists coming for playing golf provide five times more income than regular holiday tourists.





The Sectors Affected by Golf Tourism Directly or Indirectly



INDUSTRIES INTERESTED DIRECTLY

Capital Investments For Golf Field

Irrigation System Installation
Field Renewal
Infrastructure Renewal
Infrastructure Investments
Equipment/Golf Car Buying
New Field Constructions

Golf Facility Activities

Lessons
Membership and Game Fees
Equipment Rental
Foods and Drinks

Golf Player Spendings

Soft Goods
Hard Goods
Clothes
Magazine

Press, Tournament Association

Tournaments
Televisions
Associations
Helping Associations
Player Sponsorships

INDUSTRIES INTERESTED INDIRECTLY

Tourism and Entertainment

Car Rental
Air Transportation
Entertainment
Foods & Drinks
Accommodation

Real Estate

Real Estate Revenues İlgili
Dwelling Constructions



Source: (SRI International, 2008)



“One of the most important profits of golf tourism is creating more employments.”

Golf sector plays a very important role by employment in direct or indirect sectors. In USA golf has provided employment to 2.066.404 people in 2005 and has created 61 billion dollars wage income.

Because having same climatic characteristics, Portugal and Spain being in first ranking among some other countries which in a competition with Turkey, listed with their golf field numbers in the schedule below.

Turkey golf incomes are lower than the others, because there are not many golf fields in Turkey. There is a high investment potential for this area.

Initial Countries in Golf Field Numbers

| Country | FRANCE | ITALY | PORTUGAL | SPAIN | TURKEY |
|--------------------|--------|-------|----------|-------|-----------|
| Golf Field Numbers | 110 | 40 | 55 | 52 | 19 |

Source: (Golf Advisory Practice EMA, 2007)





In countries which have golf fields for touristic purposes, the game prices are higher than other countries which have public fields and club fields. The high game prices are the most bothersome aspect for golf tourists coming to Turkey.

Since Turkey serves some package tourism programs including game fees, transportation and accommodation, these make Turkey one of the most attractive places for golf tourism in Europe(Golf Advisory Practice EMA,2007).

Game Prices in Some Countries (Euro)

| | PORTUGAL | CYPRUS | SPAIN | FRANCE | ITALY | TURKEY |
|----------------|----------|--------|-------|--------|-------|-----------|
| Lower Season | 71 | 76 | 59 | 39 | 42 | 73 |
| Intense Season | 78 | 76 | 66 | 46 | 51 | 76 |

Source: (Golf Advisory Practice EMA, 2007)

“There are currently 19 golf fields in Turkey, as 15 in Belek, 3 in İstanbul, 1 in Muğla-Bodrum.”



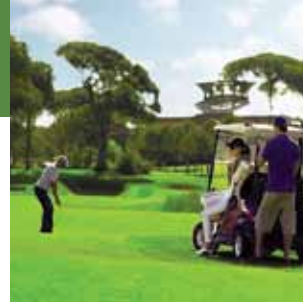
4. GOLF IN TURKEY

Turkish golf sector has improved itself, especially with fields in Antalya/Belek, in the world. International Association of Golf Tour Operators has chosen Antalya/Belek as “the best golf area of the year in Europe” in 2008. It is shown the golf tourism in Turkey grows rapidly in recent years. Another indicator about this, Turkey will be the householder for the most prestigious amateur golf tournament, 2012 World Amateur Golf Championship in Belek.

There are currently 19 golf fields in Turkey, as 15 in Belek, 3 in İstanbul, 1 in İzmir-Bodrum. Turkey Golf Federation has started in 2004 a project called “100 Golf Fields in 4 Years” and continuing its studies to achieve this aim.

“It is expected that 125.000 players will come to Belek and income will be 165.590.000 Euro in 2011.”





Antalya/Belek has other advantages like perfect climate, near international airport, high quality hotels and special design golf fields (Ağaoğlu, 2007).The income from golf sport reaches 16% of tourism incomes in other countries while it is 1% in Turkey.

In Antalya-Belek occupancy rates varies 27% to 95% according to months in year. In Table below the golf game numbers are given.

“In 2009, 100.000 golfers came to Antalya/Belek, played 437.000 games and 33.240.000 Euro incomes were gained from golf sector.”



Antalya-Belek Area Game Numbers in Last Years

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------|-------|-------|-------|-------|-------|-------|-------|
| January | 7,513 | 7,399 | 10,11 | 9,92 | 12,39 | 22,17 | 23,05 |
| February | 13 | 16,46 | 19,38 | 15,91 | 26,68 | 41,69 | 42,81 |
| March | 15,19 | 24,71 | 39,24 | 32,85 | 46,65 | 64,72 | 81,98 |
| April | 7,739 | 19,25 | 33,24 | 31,6 | 38,62 | 54,66 | 62,21 |
| May | 6,945 | 13,22 | 23,27 | 22,3 | 25,2 | 33,32 | 33,58 |
| June | 4,218 | 7,094 | 8,503 | 8,599 | 9,895 | 11,01 | 13,29 |
| July | 2,646 | 4,097 | 5,467 | 4,830 | 6,271 | 7,296 | 6,837 |
| August | 4,141 | 5,217 | 6,12 | 6,121 | 6,808 | 7,539 | 7,228 |
| September | 7,921 | 9,382 | 12,81 | 12,17 | 16,6 | 19,77 | 22,76 |
| October | 20,36 | 26,84 | 32,93 | 28,2 | 41,09 | 50,75 | 57,97 |
| November | 24,83 | 30,2 | 32,54 | 28,25 | 49,11 | 50,26 | 60,98 |
| December | 11,5 | 8,697 | 9,192 | 15,27 | 17,82 | 20,07 | 24,58 |
| TOTAL | 126 | 172,6 | 232,8 | 216 | 297,1 | 383,3 | 437,3 |

Source: Belek Tourism Investors Association, BETUYAB (2010)

“Turkey Golf Federation has prepared Golf Tourism Investors Handbook to accelerate the golf tourism, in 2004.”





West Mediterranean Region, Turkey Occupancy Rate of Golf Tourism Hotels

| Occupancy Rate [%] | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------|------|------|------|------|------|------|
| January | 50 | 46 | 38 | 41 | 38 | 42 |
| February | 53 | 54 | 36 | 52 | 46 | 42 |
| March | 57 | 62 | 37 | 55 | 53 | 45 |
| April | 67 | 59 | 48 | 54 | 51 | 48 |
| May | 85 | 83 | 59 | 72 | 76 | 65 |
| June | 89 | 90 | 87 | 94 | 89 | 86 |
| July | 93 | 91 | 85 | 89 | 87 | 85 |
| August | 95 | 92 | 90 | 95 | 90 | 83 |
| September | 91 | 87 | 80 | 92 | 87 | 86 |
| October | 91 | 81 | 60 | 68 | 73 | 72 |
| November | 73 | 50 | 50 | 50 | 51 | 47 |
| December | 37 | 29 | 34 | 34 | 33 | 27 |
| | 73 | 69 | 59 | 66 | 65 | 61 |

Source: Belek Tourism Investors Association, BETUYAB (2010)





5. IMPORTANT INFORMATION FOR GOLF INVESTORS

Turkey Golf Federation has prepared Golf Tourism Investors Handbook for acceleration in tourism, in 2004. The main information in handbook is given below.

The golf areas for possible investments in Turkey are shown, below.

“Land size, transportation, water capacity, ground scheme situation, micro climate, last fifty years meteorological data, soil quality, etc. must be considered when choosing the golf field.”





Preferential Golf Areas in Turkey



Source: Turkey Golf Federation (2004)

“Golf fields are not restricted with standards like other sports.”

5.1. Golf Field Land Choosing



Land size, easiness of transportation, water capacity, ground scheme situation, micro climate, last fifty years meteorological data, soil quality, etc. must be considered when choosing golf field. But we can write 3 basic criteria for an 18 holed golf field.

- Averagely 750.000 m² land
- Averagely 2.000 m³ water
- Accessibility (Accommodation places should not exceed 60 km near the fields)

5.2. Golf Field Standards



Golf fields are not restricted with standards like other sports. Every field has its own design according to land shape and standards of USGA and Royal&Ancient Golf Club metric norms.

In these standards, golf fields are formed 9 and multiples of 9 golf courses. 18 holed fields accepted as an ideal golf championship field.

In 18 holed fields, there are 4 three- strike, 4 five- strike, 10 four- strike opportunity. Total strike number is 72 for male golfers.

Golf course total lengths are approximately 6.200- 6.400 meters.

- 3 vuruşluk parkurlar 0- 220 m.
- 4 vuruşluk parkurlar 220-440 m.
- 5 vuruşluk parkurlar 420-500 m. dolayındadır.





5.3. Golf Field Investment Costs

In resort type fields, workers, machine, maintenance, fuel, insurance, fertilizer, medicine, amortization, etc. costs are 400.000 dollars and in club type fields cost 300.000 dollars totally.

About 750 m2 club building included 18 holed field needs 25-30 workers for things to do. An 18 holed field needs 2250-2500 m3 water in Antalya. Golf field grass must be Bermuda type in Antalya for long life usage.

Golf Field Investment Costs

| | RESORT TYPE FIELDS | CLUB TYPE FIELDS |
|----------------|--------------------|------------------|
| Antalya Region | 4.000.000 \$ | 4.250.000 \$ |
| Ege Region | 4.250.000 \$ | 4.500.000 \$ |
| Marmara Region | 4.500.000 \$ | 5.000.000 \$ |

Source: Turkey Golf Federation (2004)

5.4. Time of Investment Return

In resort type fields return time of the investment is 4 or 5 years. If golf clubs work well it is possible the return time will be shorter.

A Resort Type Golf Field Five Year Income and Cost Analysis for Antalya

| PERIOD | INCOME | COST | PRE-TAX PROFIT (Thousand \$) |
|--------|--------|-------|---------------------------------|
| 1. yıl | 3,148 | 1,251 | 1,897 |
| 2. yıl | 3,254 | 1,280 | 1,974 |
| 3. yıl | 3,361 | 1,309 | 2,052 |
| 4. yıl | 3,467 | 1,338 | 2,129 |
| 5. yıl | 3,538 | 1,358 | 2,180 |
| TOPLAM | 16,768 | 6,536 | 10,232 |

Source: Turkey Golf Federation (2004)





Sunlight is considered when calculating capacity usage ratio. The Table below shows these ratios for Antalya Region.



A Resort Type Golf Field's Capacity Usage Ratio in Antalya Region

| | MAXIMUM PLAYER CAPACITY | ROUND* CAPACITY | EX-POST OCCUPANCY(%) | PLAYER | EX-POST ROUND |
|--------------|-------------------------|-----------------|----------------------|-------------|---------------|
| January | 210 | 6,51 | 20 | 42 | 1,302 |
| February | 220 | 6,16 | 60 | 132 | 3,696 |
| March | 230 | 7,13 | 80 | 184 | 5,704 |
| April | 250 | 7,5 | 80 | 200 | 6,000 |
| May | 270 | 8,37 | 50 | 135 | 4,185 |
| June | 290 | 8,7 | 25 | 73 | 2,175 |
| July | 310 | 9,61 | 18 | 56 | 1,730 |
| August | 310 | 9,61 | 18 | 56 | 1,730 |
| September | 300 | 9000 | 25 | 75 | 2,250 |
| October | 280 | 8,68 | 80 | 224 | 6,944 |
| November | 260 | 7,8 | 80 | 208 | 6,240 |
| December | 240 | 7,44 | 40 | 96 | 2,976 |
| TOTAL | 3,17 | 96,51 | 48% | 1481 | 44,932 |

Source: Turkey Golf Federation (2004) *1 round continues about 4.5 hours.



6. CONCLUSION

In general, German nationals between the ages of 30-40 come to the region who play golf several times a week. Most of them choose to come to Turkey by friend advices. Turkey has been chosen the most favorite country by participants of survey and participants take notice the quality of accommodation facilities' and golf fields quality.

In addition, Turkey is very attractive in terms of weather conditions, security and lower cost of facilities and accommodations. Especially, air conditions are very rare in the world.

Golf is a leading sector in tourism and Turkey is a shining star with achievement of a high degree customer satisfaction in terms of;

- the quality and cost of accommodation facilities
- the quality of the fields
- appropriate climate conditions
- shopping and entertainment
- beach facilities
- historic places

The above mentioned advantages and the major international tournaments being held in the region make golf investments more reasonable and reliable.





Appendix

The Golf Clubs and Their Specialties in Antalya/Belek

| GOLF CLUB | SPECIALITY | LOCATION |
|--------------------|-------------------------|---------------------|
| 1- Antalya Golf | 18+18 Holes 2 Field | Üçkum Hill Locality |
| 2-National Golf | 18+9 Holes 1,5 Field | Üçkum Hill Locality |
| 3-Kaya Eagles Golf | 18 Holes 1 Field | Üçkum Hill Locality |
| 4-Tat Golf | 27 Holes 1,5 Field | Üçkum Hill Locality |
| 5-Carya Golf | 18 Holes 1 Field | Taşlıburun Locality |
| 6-Sueno Golf | 18-18 Holes 2 Field | Taşlıburun Locality |
| 7-Cornelia Golf | 27 Holes 1,5 Field | İskele Locality |
| 8-Papillon | 18 Holes 1 Field | İskele Locality |
| 9-Gloria Golf | 18+18+9 Holes 2,5 Field | Acısu Locality |
| 10-Nobilis | 18 Holes 1 Field | Acısu Locality |



Played Golf Game Numbers in Antalya-Belek According to Countries 2010 Year, First 8 Months (10 country which plays most)

| COUNTRY | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | TOTAL | % |
|-------------|---------|----------|-------|-------|-------|------|------|--------|--------|-------|
| Germany | 10948 | 22035 | 34163 | 18423 | 13912 | 4296 | 2496 | 2606 | 108879 | 37,44 |
| England | 5299 | 11776 | 15895 | 13478 | 16621 | 5650 | 1941 | 1887 | 72547 | 24,95 |
| Sweden | 1118 | 1682 | 10705 | 11856 | 5299 | 307 | 223 | 202 | 31392 | 10,79 |
| France | 677 | 1547 | 2158 | 2411 | 3663 | 671 | 257 | 645 | 12029 | 4,14 |
| austria | 1187 | 1929 | 4571 | 1142 | 612 | 245 | 189 | 140 | 10015 | 3,44 |
| Finland | 217 | 1104 | 2180 | 4273 | 957 | 256 | 50 | 104 | 9141 | 3,14 |
| Holland | 905 | 1804 | 1817 | 1456 | 1988 | 565 | 247 | 172 | 8954 | 3,08 |
| Switzerland | 985 | 1501 | 3046 | 1382 | 1223 | 377 | 190 | 154 | 8858 | 3,05 |
| Norway | 427 | 1446 | 1118 | 574 | 992 | 94 | 50 | 131 | 4832 | 1,66 |
| Czech Rep. | 331 | 782 | 1422 | 574 | 344 | 292 | 130 | 160 | 4035 | 1,39 |

Source: Belek Tourism Investors Association, BETUYAB (2010)

The Tournaments Held in 2010, in Antalya

| DATE | TOURNAMENT | FIELD | PROVINCE |
|------------|-----------------------------|----------|----------|
| 30.10.2010 | Captain's Day Tournament | National | Antalya |
| 18.11.2010 | National Golf Club Classics | National | Antalya |
| 20.11.2010 | President's Putter | National | Antalya |
| 30.12.2010 | Millennium Open 2010 | National | Antalya |

