

Management Analysis and Comment

At the national level, September 2010 same store rounds played were **down -3.7%**. This November 5 update represents final rounds and revenue figures for September compared to preliminary results last week, based on new and revised data at deadline. The number of days golf facilities were open for play during September 2010 were in line with days open reported for September 2009. From a Year-To-Date (YTD) perspective, rounds played are **down -3.6%** through September 2010 and days open are **down -1.3%**, explaining a portion of the rounds played decline. Looking closer, we noted that there was one fewer weekend day in September 2009 (9 days) than September 2010 (10 days). Resort golf facilities reported the only increased rounds played for September 2010, **up 0.7%**. Private golf facilities were **down -3.0%** and Daily Fee / Semi Private golf facilities were **down -3.5%** for September 2010. Municipal / Military / University golf facilities reported the largest decrease in September 2010, **down -5.3%**. Based on 2008 and 2009 calendar year statistics, September accounts for approximately **10.5%** of total annual rounds volume and YTD through September accounts for **83.6%** of total rounds played. Based on the volume of rounds played through September, we expect year-end results will be similar to current YTD results.

Golf fee revenue responses were submitted by 1,129 facilities for September 2010, this is an increase of 6.3% more than the paired data responses for August. Median gross golf fee revenue for the month of September was **down -3.6%** nationally compared to September 2009. Despite this decline, median food and beverage revenue was **up 2.2%**. Merchandise revenue was **down -3.4%** and total facility revenue was **down -2.6%**. Total facility revenue is comprised primarily of Golf, Merchandise, and F&B revenue but does include a variety of other facility revenues and membership fees. On a YTD basis, golf fee revenue remains **down -4.6%**. YTD merchandise revenue and total facility revenue are also down at **-0.4%** and **-0.8%** through September respectively. YTD food and beverage revenues are **up 1.7%** compared to the same period in 2009.

The Performance Factor for September 2010 was **96.3** indicating that rounds played per day open were down. The YTD Performance Factor of **97.6** indicates rounds played compared to days available were also down.

PerformanceTrak At-a-Glance - September 2010					
September 2010 Highlights	September 2010 ^{1,2}	September 2009 ^{1,2}	Change	% Change	Sample Size ³
Mean (Average) Rounds Played - September	2,552	2,649	↓	-3.7%	2,703
Mean (Average) Days Open - September	24.2	24.2	↑	0.0%	2,703
YTD September 2010 Highlights					
Mean (Average) Rounds Played - YTD	20,254	21,020	↓	-3.6%	2,474
Mean (Average) Days Open - YTD	195.1	197.6	↓	-1.3%	2,474
September 2010 Median Gross Revenue Per Facility⁴					
Median Golf Fee Revenue - September	\$78,301	\$81,246	↓	-3.6%	1,129
Median Merchandise Revenue - September	\$13,274	\$13,744	↓	-3.4%	1,003
Median Food & Beverage Revenue - September	\$51,001	\$49,899	↑	2.2%	732
Median Total Revenue - September	\$176,926	\$181,719	↓	-2.6%	844
YTD September 2010 Median Gross Revenue Per Facility					
Median Golf Fee Revenue - YTD	\$634,468	\$664,877	↓	-4.6%	953
Median Merchandise Revenue - YTD	\$107,460	\$107,878	↓	-0.4%	884
Median Food & Beverage Revenue - YTD	\$364,786	\$358,746	↑	1.7%	638
Median Total Revenue - YTD	\$1,481,376	\$1,493,723	↓	-0.8%	750
Performance Factor⁵					
	Index				
September 2010	96.3				
YTD September 2010	97.6				

¹Rounds played, days open, and revenue data are as of October 22, 2010.

²Rounds played, days open, and revenue data are weighted by state and facility type.

³Sample size is the number of responses or average number of responses for the specified period.

⁴Median gross revenues exclude responses where one value of the paired data was missing (i.e., a \$0 value).

⁵Performance Factor is an index of rounds played per day open, where 100.00 represents consistent play on a per day basis.

YTD September 2010 State Performance

State-by-state results below are for YTD rounds played and YTD days open. Also reported is the *Performance Factor* which takes into consideration rounds changes and whether days open were up or down. On a YTD basis, there were sufficient responses in 44 states for reporting. Nine states reflected rounds played increases and of these 7 reflected a correlated increase in days open as well. The two exceptions were Pennsylvania and Kentucky in which days open were down slightly. 35 States reported YTD declines compared to 2009. The Northeast along with Kentucky reflected increases in rounds played for the year.

September was the fourth consecutive month with above average U.S. temperatures. A large area of the country saw high temperatures over a large number of days. Most states had above-average temperatures, and several others had monthly temperature ranking among their top 10 warmest: Rhode Island, New Mexico, New Jersey, Colorado, Massachusetts, Florida, Connecticut, New Hampshire, Arizona, and Maine. Average precipitation for the entire U.S. was above normal. While several states had significant below-normal precipitation, many others had significant above-normal precipitation. An active weather pattern across the northern tier of the country was associated with the East North Central region having its fifth wettest September on record. Numerous states in the central U.S. had above normal precipitation during the month, including Minnesota which had its wettest September on record. Other states with September precipitation ranking in their top ten wettest for the month include North Dakota, Wisconsin, Washington, Missouri and South Dakota.

PerformanceTrak Year-to-Date State Results for September 2010							
State	Rounds Played			Days Open			Performance Factor
	Current Year	Previous Year	% Change	Current Year	Previous Year	% Change	
All United States	20,254	21,020	-3.6%	195.1	197.6	-1.3%	97.6
Alabama	15,273	16,223	-5.9%	235.4	238.4	-1.3%	95.3
Arizona	27,035	27,719	-2.5%	235.5	237.7	-0.9%	98.4
California	31,276	32,526	-3.8%	215.7	221.4	-2.6%	98.7
Colorado	21,831	23,491	-7.1%	172.2	190.4	-9.6%	102.8
Connecticut	20,812	20,473	1.7%	166.4	160.1	3.9%	97.8
Delaware	17,058	17,384	-1.9%	195.2	205.6	-5.1%	103.4
Florida	23,264	25,065	-7.2%	230.8	236.0	-2.2%	94.9
Georgia	16,982	18,422	-7.8%	220.4	221.8	-0.6%	92.8
Hawaii	23,159	24,942	-7.1%	231.2	238.1	-2.9%	95.6
Idaho	17,941	19,266	-6.9%	201.0	196.1	2.5%	90.9
Illinois	19,824	20,136	-1.5%	165.9	164.3	1.0%	97.5
Indiana	16,639	16,823	-1.1%	185.3	190.2	-2.6%	101.5
Iowa	17,365	18,265	-4.9%	169.9	171.8	-1.1%	96.1
Kansas	19,909	21,538	-7.6%	189.4	209.7	-9.7%	102.3
Kentucky	16,380	16,248	0.8%	191.8	200.6	-4.4%	105.4
Louisiana	15,827	16,801	-4.7%	215.8	218.1	-1.1%	96.4
Maryland	22,548	23,437	-3.8%	185.0	206.4	-10.4%	107.3
Massachusetts	18,982	18,528	2.5%	174.1	163.4	6.5%	96.2
Michigan	18,806	18,830	-0.1%	176.2	166.9	5.6%	94.6
Minnesota	21,768	22,686	-4.0%	170.9	161.9	5.6%	90.9
Mississippi	11,677	12,552	-7.0%	238.4	236.1	1.0%	92.1
Missouri	17,850	18,990	-6.0%	188.5	200.9	-6.2%	100.2
Montana	18,092	18,323	-1.3%	145.7	144.9	0.6%	98.2
Nebraska	20,744	23,060	-10.0%	184.1	198.6	-7.3%	97.0
Nevada	24,179	25,625	-5.6%	207.7	214.8	-3.3%	97.6
New Hampshire	22,261	21,314	4.4%	180.5	163.6	10.3%	94.7
New Jersey	18,396	17,376	5.9%	172.3	165.9	3.9%	101.9
New Mexico	17,550	19,840	-11.5%	229.5	245.7	-6.6%	94.7
New York	18,369	18,090	1.5%	166.7	161.8	3.0%	98.6
North Carolina	18,552	19,045	-2.6%	219.1	226.6	-3.3%	100.7
Ohio	20,396	20,698	-1.5%	168.6	173.4	-2.8%	101.3
Oklahoma	18,879	21,830	-13.5%	198.3	215.6	-8.0%	94.0
Oregon	22,262	23,595	-5.6%	239.4	231.7	3.3%	91.3
Pennsylvania	17,735	17,615	0.7%	179.5	183.0	-1.9%	102.6
Rhode Island	17,130	16,454	4.1%	162.5	158.9	2.3%	101.8
South Carolina	20,130	21,968	-8.4%	227.1	234.7	-3.2%	94.7
Tennessee	17,097	17,499	-2.3%	195.6	206.7	-5.4%	103.2
Texas	22,479	25,034	-10.2%	211.1	223.1	-5.4%	94.9
Utah	27,524	29,719	-7.4%	200.5	196.0	2.3%	90.5
Vermont	17,943	16,029	11.9%	164.4	150.5	9.2%	102.5
Virginia	18,441	19,060	-3.2%	187.6	201.1	-6.7%	103.7
Washington	23,418	24,236	-3.4%	249.8	232.4	7.5%	89.9
Wisconsin	18,913	19,267	-1.8%	178.2	172.4	3.4%	95.0
Wyoming	16,581	18,198	-8.9%	178.3	178.4	-0.1%	91.2

Note 1: States displayed are those that have sufficient sample size and sufficient days open for reporting. Regardless of display, all responses are included in the "All States" value for nationwide results.

Note 2: Results are based on weighting by facility type and state.

YTD September 2010 Rounds Played

The PerformanceTrak rounds played comparison report for Year-To-Date (YTD) September 2010 is below with statistics by facility type including average rounds played, same month year-to-year comparison, days open, and percentage change in days open. YTD results remain down across all facility types. Municipal / Military / University facilities are down the most reporting -5.0%. Private facilities are down -4.2% and Daily Fee / Semi-Private facilities are down -3.0%. Resort facilities are currently the best performers, with a minimal decline in rounds played of -0.1% YTD. On a YTD basis, days open are down -1.3%. The days open decline explains a portion of the rounds played decline. During the month of data collection, the PerformanceTrak Customer Service Team once again heard numerous examples of heat index related rounds declines, along with some course and hole closures due to turf issues from heat and humidity.

Year-to-Date Average Rounds Played / Days Open Comparison						
Facility Type	YTD 2010 Rounds Played	YTD 2009 Rounds Played	% Change	YTD 2010 Days Open	YTD 2009 Days Open	% Change
Private	15,546	16,231	-4.2%	193.5	197.5	-2.0%
Daily Fee	21,347	22,010	-3.0%	195.1	196.3	-0.6%
Muni/Mil/Univ	26,080	27,454	-5.0%	195.3	197.9	-1.3%
Resort	18,068	18,095	-0.1%	209.0	209.6	-0.3%
All Facility Types	20,254	21,020	-3.6%	195.1	197.6	-1.3%

YTD September 2010 Golf Fee Revenue

YTD median gross golf fee revenue and YTD golf fee revenue per round are reported below and are also segmented by facility type. YTD gross golf fee revenue weighted for all facilities is down -4.6% compared to YTD 2009. Golf fee revenue for Private facilities is down fractionally at -0.6%. Golf fee revenue declines at public-access facility types ranges from -2.3% YTD at Resort facilities to -6.6% YTD at Municipal / Military / University facilities.

YTD revenue per round is reported based on those facilities that reported both rounds played and golf fee revenue and reported it for both current year and prior year.

Year-to-Date Golf Fee Revenue and Golf Fee Revenue Per Round						
	Current 2010 Year-to-Date	Prior 2009 Year-to-Date		Current 2010 Year-to-Date	Prior 2009 Year-to-Date	
	Gross Golf Fee Revenue			Golf Fee Revenue Per Round		
Facility Type	Median	Median	% Change	Median	Median	% Change
Private	\$438,981	\$441,496	-6%	\$25.30	\$25.42	-5%
Daily Fee	\$660,725	\$700,048	-5.6%	\$27.35	\$27.98	-2.3%
Muni/Mil/Univ	\$767,797	\$822,451	-6.6%	\$24.74	\$23.89	3.6%
Resort	\$1,309,978	\$1,340,801	-2.3%	\$52.57	\$53.89	-2.4%
All Facility Types	\$634,468	\$664,877	-4.6%	\$26.98	\$27.12	-5%

About PerformanceTrak

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Contact Us

The PGA of America: PGA PerformanceTrak Customer Service
Phone: (800) 477-6465 Ext. 8574 **E-mail:** PerformanceTrak@pgahq.com
Web site: <http://www.PGAPerformanceTrak.com>

NGCOA: Joe Rice

Phone: (800) 933-4262 **E-mail:** JRice@ngcoa.org
Web sites: www.NGCOA.org/benchmark www.PGAPerformanceTrak.com/NGCOA