

Members' and Proprietary Golf Clubs Survey

2022/23 Report

In association with



UK GOLF
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I would like to start by thanking our partners and contributors who have helped to make the survey what it is. The time and effort that is put in helps the survey to remain a helpful insight into the industry.

The golf club sector has continued to feel the positive impact of the boost in popularity that came from the pandemic. The average surplus of members' clubs in our survey reached £102,000, up from £64,000 in the previous two years. This has been largely boosted by increased bar and catering revenue which, on average, has not only recovered to pre-pandemic levels but reached a 6 year high.

Whilst there is good news that we are no longer talking about the impact of Covid-19 on the industry, we have now got a potentially more concerning long-term issue with the cost-of-living crisis. With record level of inflation, the cost of energy, goods and staffing has put significant pressure on the entire sector. With all these costs rising, can a more casual golf club member afford to spend on a full subscription, especially as clubs increase their fees to cope with the additional costs they're presented with?

An early indication of a potential downturn in member numbers is the fall in the percentage of clubs that now have a waiting list, down from 60% to 52%. This combined with entrance fees being charged by more clubs (61% compared to 53% in the previous year) is something for clubs to keep an eye on. Member numbers themselves appear to have remained strong but maintaining demand will be a key focus for clubs over the coming years.

The steady rise in age profile of golfers over the years had contributed to reduced participation in the years preceding Covid-19 and whilst there has been a boost in the last couple of years, there will be concern amongst many that these issues will resurface. 44% of all golf club members are over 60.

Some clubs were already looking at ways to adjust their business model pre-pandemic by increasing the range of non-golfing activities and offering more flexible memberships in an attempt to attract the younger generations. One of the issues for many younger golfers is the time it takes to play 18 holes of golf. More and more clubs are now offering 9 hole green fees as a way to attract and retain a younger demographic. 89% of members' clubs have admitted to being prepared to change their rules and regulations in order to modernise.

The key takeaways will be unsurprising given the well-publicised economic position. The short-term goal for clubs will be to manage the significant costs as well as possible, without losing sight of the longer-term target of maintaining a strong membership to support the clubs' future.

Matthew Bailey
Director

A word from our survey partners

Jeremy Ellwood, Editor of The Golf Club Secretary newsletter

Last year we were still assessing the impact of Covid and the likely prognosis; this year, it's the cost-of-living crisis that is at the forefront of all our minds as clubs, members and visiting golfers have to grapple with exponential increases in energy and other costs – increases so significant that they simply have to have an impact somewhere, whether clubs deciding how much they need to increase subs and fees by or golfers pondering where their intended golf expenditure now sits in the overall scheme of things.

It's not going to be easy as things really hit home during the winter months, but the good news from last year's survey was that golf overall was in a pretty healthy position post-Covid, a strengthened position that may just help it to weather the current storm a little better than if the Covid-induced boom hadn't happened.

The Golf Club Secretary (GCS) has been associated with this Hillier Hopkins annual golf club benchmarking survey for well over a decade now and we resolutely believe that the information contained within these pages will prove an invaluable resource for any golf club manager or committee looking to ensure that they are operating as successfully and effectively as possible.

Are you paying too much to your club's insurers or energy suppliers? The survey will provide a snapshot of where the industry is currently at on such matters. Are you paying too little to successfully recruit and retain the key staff you need to maintain and improve standards? Again, the survey will tell you where the industry currently stands on such financial considerations.

We certainly feel that the survey results help to better inform our subscribers and readers so they can make decisions that are in the best interests of their clubs. And we still firmly believe that the annual subscription of £285 for our newsletter remains a shrewd investment for any golf club manager seeking expert advice on legal matters, agronomy, insurance, employment law, health and safety and much more.

We also regard our ever-popular Golf Club Secretary - Open Championship, now in its 27th year, as the perfect forum for secretaries and managers to catch up with each other and mull over current issues and concerns, including many of the topics addressed by this latest survey. We have events planned this spring at Wildernesse, Barton-on-Sea and Coxmoor for the 26th Final in May at Gullane, while later in the year we visit, amongst others, Seaton Carew, Royal Burgess, Ferndown, Little Aston and Lindrick before next May's finals at Saunton.



Douglas Poole, Chief Executive Officer of the UK Golf Federation

Running any business requires many skills and owning or managing a golf facility is no different to any other business. The problem can be passion gets in the way of good sensible logic, costs creep up on you and changes in outside activities hit your customers through reduced income or time available to play their golf. The latest Hillier Hopkins Annual Report is a must read for all involved in operating a golf facility.

For many years Hillier Hopkins have provided our sector of the golf industry with accurate and valuable information on market trends, costs and developments which help us all to keep ahead and enable our businesses to grow and prosper.

The 2022/23 Survey and Report is really the first post-covid information since the back to golf boost many enjoyed after the lock-down ended and starts to show the impact of the higher inflation in the country and huge increases in operations materials and power etc.

I believe this year's report is a recommended read for all with golf facilities and is a great way to check performance and costs against others in our business.



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2022 Report

Members' clubs

Members' clubs key highlights

71 clubs

This year we bring you data from 71 members' clubs across 10 regions, with 25% from London and the South East (outside of the M25). Clubs are predominantly 18-hole clubs.

55%

An increasing proportion of members' clubs have 600+ members. A substantial proportion of members (65%) are aged 50+.

52%

A reduction in the percentage of members' clubs who have a waiting list – falling for the first time in three years from 60%. This has also been accompanied by fewer people on waiting lists, more members leaving and fewer joining.

92%

A substantial majority of members' clubs are planning to increase subscription fees in 2023. In 2022, more clubs (36%, rising from 29%) were already charging standard playing member subscriptions above the CASC threshold.

68%

Over two-thirds of all members' clubs now have a turnover of £1 million+. This percentage has increased significantly from last year when it was 48%.

56%

Of members' clubs now have annual bar revenues exceeding £150,000 (rising from 38% in 2021 to the highest level in 6 years).

28%

Increases in average energy prices already experienced by members' clubs in 2022, with anticipated further increases of up to 400%.

89%

Of members' clubs were prepared to change their rules and regulations to modernise.

Members' clubs' results 2022

71 clubs, typically with 18-hole courses

This year we bring you data from 71 members' clubs from across ten regions of the UK, with 25% from London and the South-East (outside of the M25). These were predominantly 18-hole clubs (76% - identical to 2021), with 10% 9-hole, 10% 27-hole and 4% 36-hole clubs.

Residence of members' clubs



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Members' clubs

Staffing

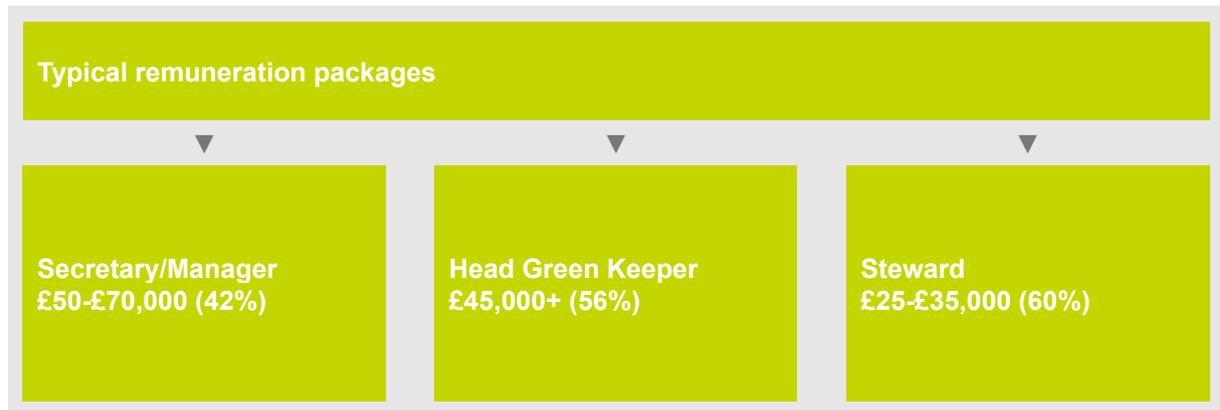
Staffing

Changing remuneration packages

Typical respondent remuneration packages were slightly higher than 2021, with 70% of Secretaries/General Managers earning in excess of £40,000, compared to 68% last year.

Head Green Keeper remuneration packages also increased this year, with 37% earning in excess of £50,000, compared to 21% in 2021.

41% of members' clubs do not have a steward, but among those who do, 60% earn between £25,000-£35,000.



PGA professionals with retainers

The majority (94% - identical to the 2021 figure) of members' clubs have a PGA professional and these are typically (93%) paid a retainer. The level of retainer is very similar to that reported in 2021, with 65% earning in excess of £2,000 per month, compared to 64% in 2021.

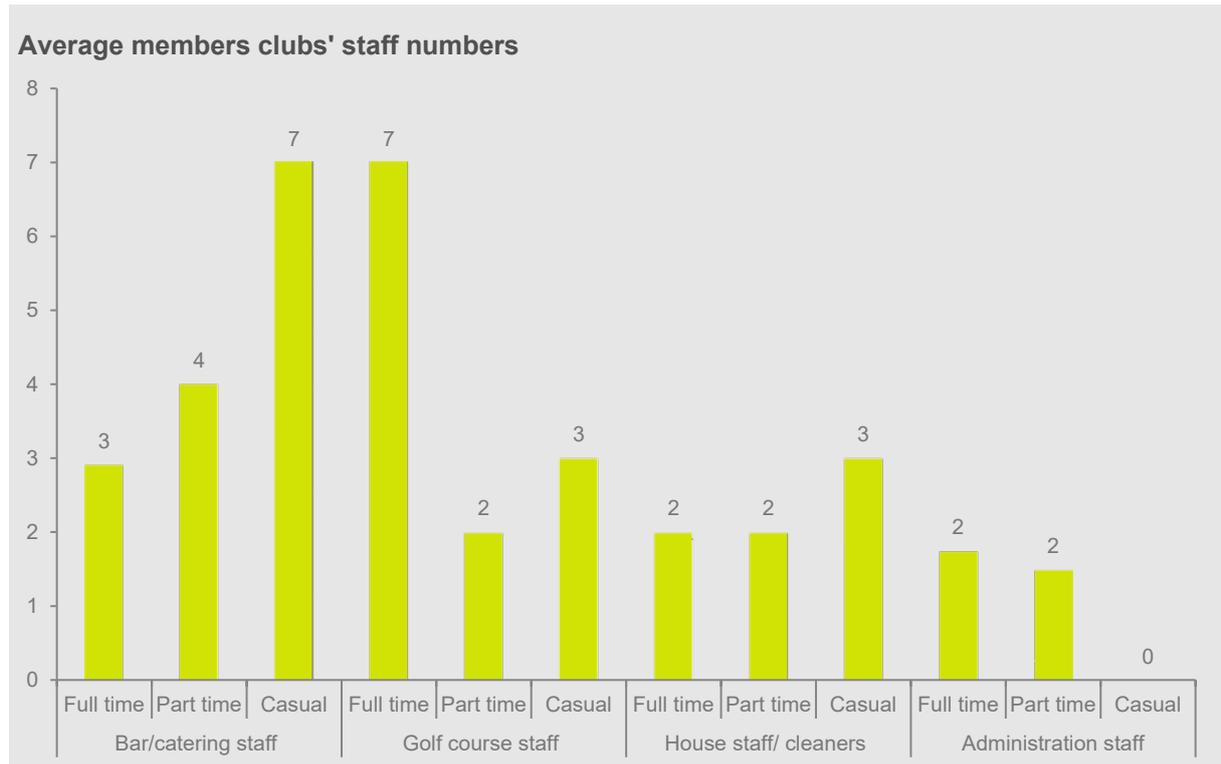
Members' clubs pay a typical PGA professional monthly retainer of £1,500-£2,500 (46%)

Fewer members' clubs pay commission to their professionals

31% of members' clubs pay commission to their professional - a similar figure to the 33% paying commission in 2021. Actual commission rates are typically in the same range (5-10%). For the few members' clubs where the professional pays the club a percentage of their golf lesson income, the amount is between 5%-10%, with most (61%) paying 10%.

Staff numbers at members' clubs

Always highly variable and dependent on the size and needs of each club in question, total staffing figures range from 7 to 53 across members' clubs, with an average of 16 total staff. Average numbers across each function are broken down as follows.



Most figures are within 1 person of the numbers recorded in 2021. However, there have been notable increases in the average numbers of golf course staff (a total of 12 this year, compared to 7 in 2021) and house staff/cleaners (an average total staff number of 7 in 2022, increasing from 2 in 2021).

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Members' clubs

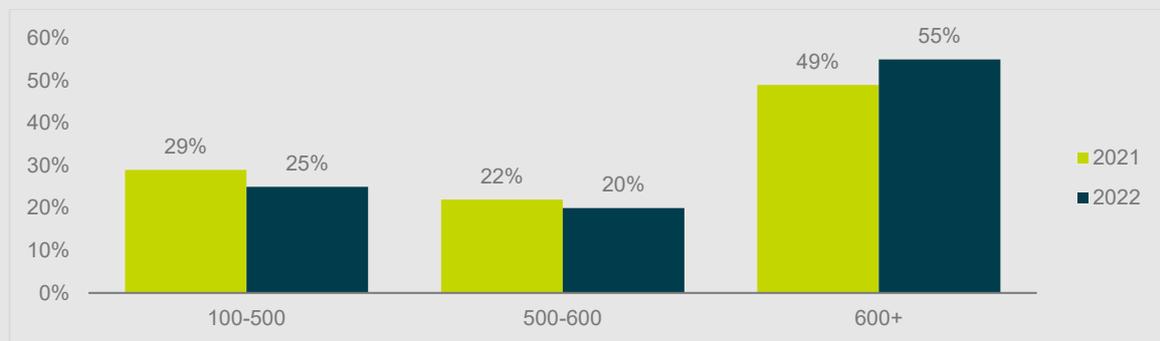
Members

Members

Member numbers increasing

For the third successive year, the proportion of members' clubs with more than 600 playing members has increased. The 2022 figure of 55% compares with just 38% in as recently as 2019.

Playing members at members' clubs



Flexible membership

The proportion of members' clubs who offer flexible membership has reduced this year. The 2022 figure of 36% is the same as in 2020, falling from the 40% reported in 2021.

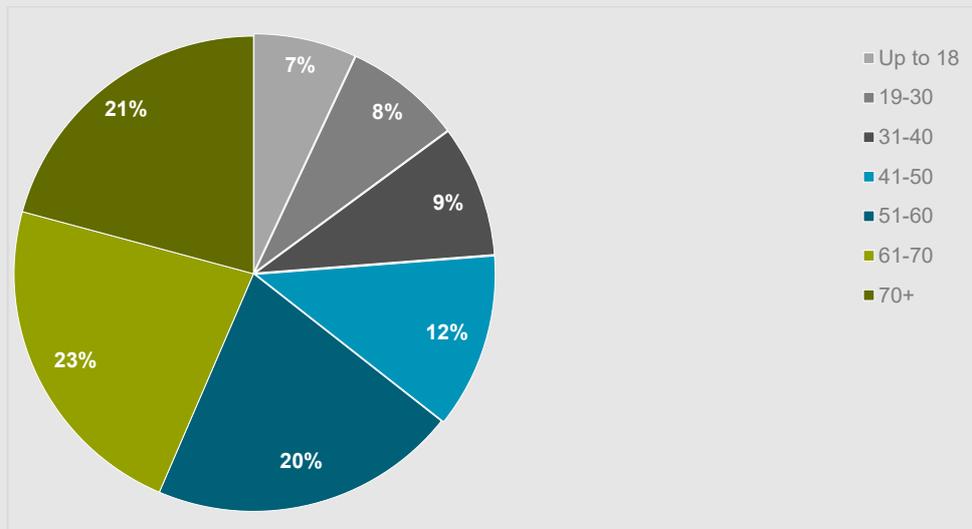
Deals included:

- Linked to number of rounds played
- Benefits for Lady and Junior members
- Points-based schemes
- Voucher and credits-based systems
- Schemes related to times, days of the week and seasons.

A consistent age profile of members

As in previous years, the age distribution of members' clubs shows fewer younger members and more older members. The profile split is very similar to last year, with the only category changing by more than 1% being members aged 61-70 - falling from 25% in 2021 to 23% in 2022.

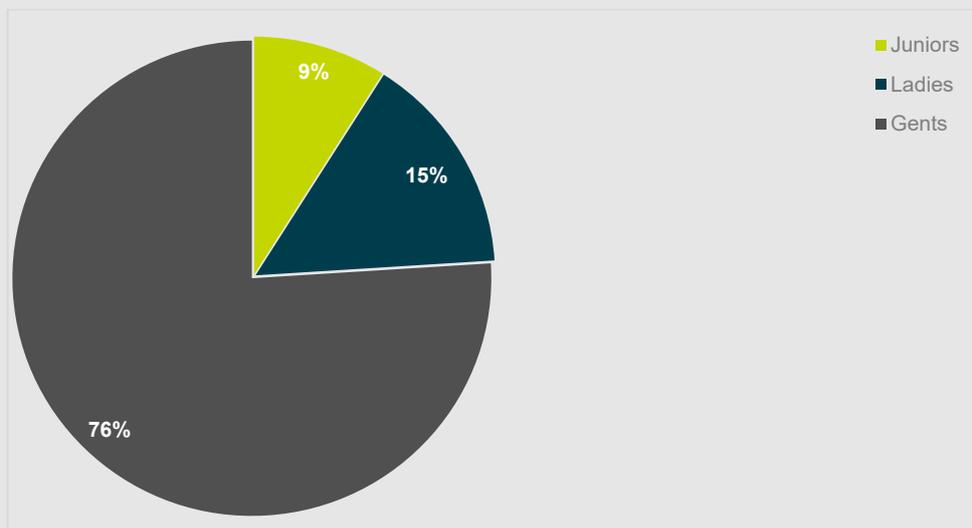
The age of members' club members



A steady majority of gentleman members

In 2022 the proportion of gentlemen members has remained unchanged but compared to 2021 there are slightly more junior members and fewer female members.

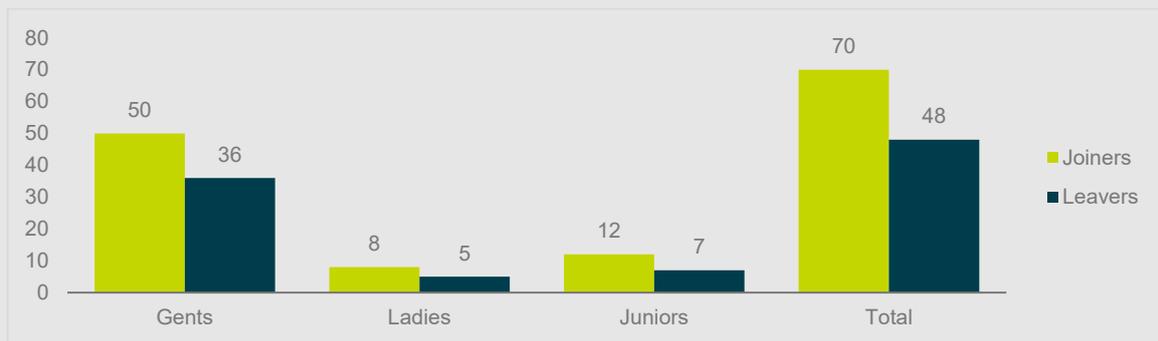
The profile of playing members at members' clubs



Joiners and leavers

In 2022, members' clubs reported fewer new members' joining – with the average of 70 comparing to over 90 in both 2020 and 2021. There were also more leavers in 2022 – an average of 48 per club, compared to 35 in 2021. A substantial minority of members' clubs (23%) also reported more leavers than joiners during the year (in 2021 no clubs reported this).

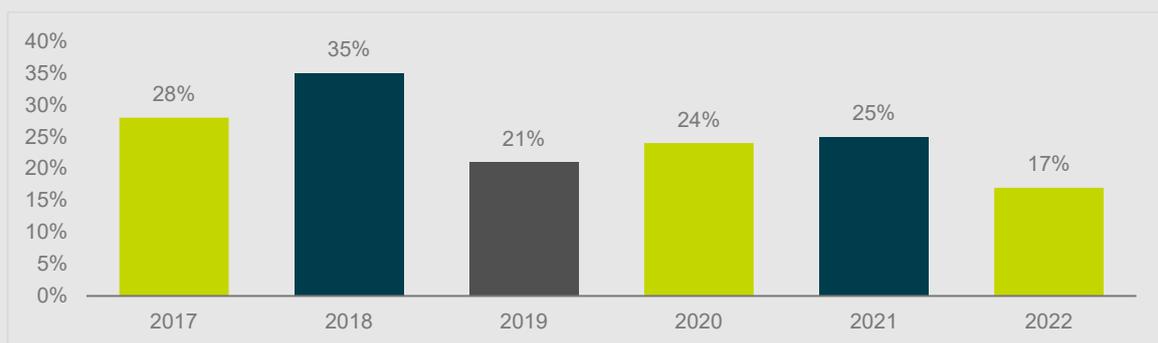
The profile of joiners and leavers at members' clubs



Fewer social members

The proportion of members' clubs with a social membership exceeding 100 (17%) is the lowest reported in the last 6 years.

Members' clubs with over 100 social members



Rounds of golf delivered annually

Members' clubs were delivering between 385 and 65,000 rounds of golf to members each year. Whilst the highest number of rounds played has reduced compared to 2021, the average number of rounds played in 2022 (29,500) is very close to the number reported in 2021 (29,200).

The equivalent figures for visitors ranged from 20 to 15,000 with an average of 4,500 in 2022, falling from 6,300 in 2021.

Society rounds

The number of rounds played by societies ranges from 10 to 7,500. The average number of rounds played this year (1,100) is midway between the numbers played in the previous two years (1,440 in 2021 and 780 in 2020).

Welcoming new members

A variety of activities are offered by members' clubs to welcome new members. The most popular activity in previous years has usually been an introduction to the club professional. This has reduced in 2022 (offered by 59% of members' clubs, compared to 67% in 2021 and 74% in 2020). In 2022 the most popular activity was an induction programme for new members, offered by 61% of members' clubs. Social events, offered by 59%, were as popular as the introduction to the club professional.

Other popular activities include free coaching sessions (21%), a complimentary round of golf (20%), and a new members questionnaire (14%).

Member social activities

Members' clubs often ran member social events during 2022, with the number of activities at each club ranging from 0 to 100. The average number of 12 events run by members' clubs in 2022 is an increase on the 10 reported in 2021.

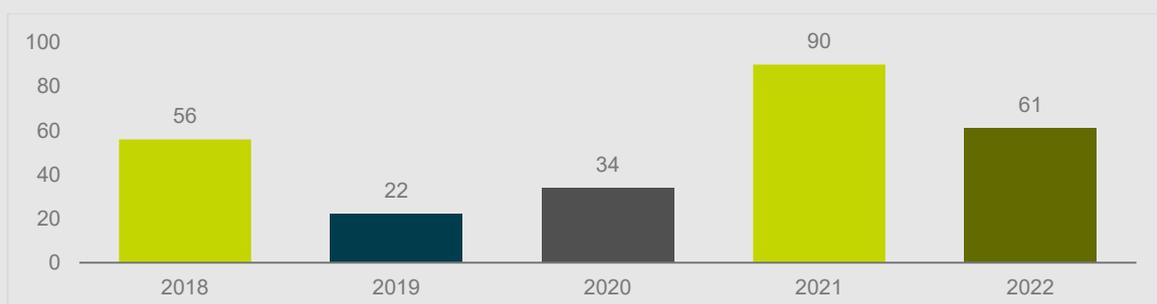
Member competitions

The number of member competitions run during the year ranged from 15 to 300, with an average of 122 – significantly more than the 85 in 2021.

Waiting lists

The proportion of members' clubs with a waiting list has fallen slightly this year – from 60% in 2021 to 52% in 2022. However, this is still higher than the figures reported in previous years (45% in 2021). This has been accompanied by a reduction in the average number of people waiting to join – currently standing at 61, which has fallen since 2021, but is still higher than the number reported in the previous three years. Most clubs keep those on the waiting list informed about the situation.

Average number of people on members' clubs' waiting lists



More downgraded memberships

The number of downgraded memberships (i.e., reducing from a 7 day to a 5-day member, etc.) increased in 2022. This figure ranged from 0 to 44, with an average of 10, compared to 5 in 2021.

Upgraded memberships

The survey also asked clubs about the number of upgraded memberships during the year (i.e., going from a 5-day to a full membership or flexible to full membership, etc.). This figure ranged from 0 to 64, with an average of 11, an increase on the 6 in 2021.

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Members' clubs

Facilities

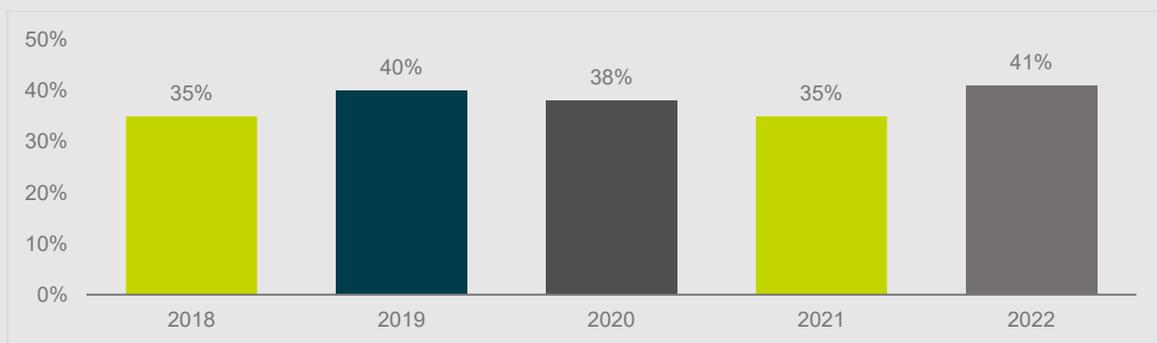
Facilities

Most members' clubs continue to have no driving range

Many members' clubs still have no driving range, although more clubs had them in 2022 (41%) than 2021 (35%).

This year, 61% of members' clubs reported driving range income in excess of £5,000 – slightly lower than the 62% in 2021. However, there has continued to be an increase in those members' clubs that earn over £10,000 from their driving range, rising from 33% in 2021 to 36% currently.

Members' clubs with a driving range



Just 26% of the members' clubs with a driving range reported increases in driving range income in 2022 (compared to 44% in 2021). Most clubs (59%) reported a similar income to 2021, and 15% saw their income reduce.

4% of members' clubs offered pre-bookable driving range slots (compared to 8% in 2021). Ball tracking technology was used by 7% of members' clubs driving ranges, similar to the 8% reported in 2021.

Few members' clubs offered a hotel, on-site accommodation, or spa

Only one members' club offered any hotel or on-site accommodation, and this was in the form of Dormy rooms. No spa facilities were offered by members' clubs and only one members' club had a gym.

Most members' clubs have swing studios

Swing studio facilities were offered by 61% of members' clubs in 2022, an increase on the 56% in 2021. Most (83%) were run by the club professional and generated an average income of £3,500 (less than the £4,300 reported in 2021). For the majority of members' clubs (67%) this swing studio income was about the same as the previous year, whilst 28% saw an increase and just 5% a decrease.

Retail shops

Most members' clubs retail shops are operated by the PGA professional (76%, compared to 80% in 2021). A further 16% of members' clubs operate a shop themselves, whilst 8% do not operate a retail shop. Annual revenue generated by these shops is over £150,000 for most (64%) members' clubs – an increase on the 41% in 2021.

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Members' clubs

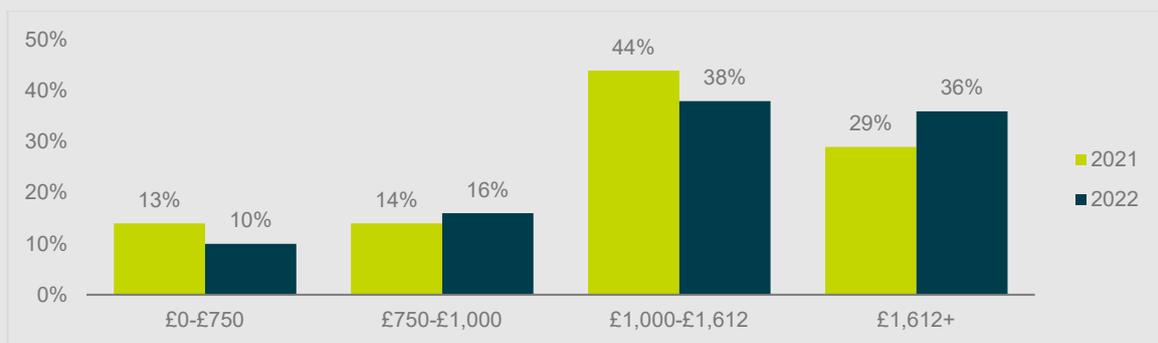
Fees & charges

Fees & charges

Higher standard playing member subscriptions

Membership fees for standard playing members in 2022 are, as in previous years, typically in the £1,000-£1,612 range, with the latter figure being the upper CASC threshold. However, the 38% within this range is a reduction on the 44% in 2021. There is a corresponding increase in the proportion of members' clubs with member subscriptions exceeding £1,612 – 36% in 2022, compared to 29% in 2021.

Members' clubs' standard playing member subscription



Most members' clubs planning to increase subscription charges

A substantial majority (92%) of members' clubs are planning to increase subscription fees in 2023. This compares to 80% in 2021 and 61% in 2020. The levels of planned increases range from 2.5% to 15%, with an average of 7% (compared to 4% average in 2021).

Social membership charges

The most typical social membership charge (for 42% of members' clubs) was, as in previous years, £50-£150.

Entrance fees

In 2022, more members' clubs were planning to charge an entrance fee – 61%, compared to 53% in 2021. An additional 7% were also intending to introduce a charge in the future.

Joining fees range from £100 to £5,000, with an average fee of £1,700. An increasing proportion of members' clubs allow joining fees to be paid in instalments – 68% in 2022, rising from 63% in 2021. These range from 1 – 5 years, with payments over 2 years being the most typical option.

Booking systems

An online tee booking system was used by 75% of members' clubs, comparable to the 78% in 2021. Most of those members' clubs who use a tee booking system use a specialist company for this.

Increasing green fee charges at members' clubs

Average green fee charges are shown below, across weekdays, weekends and all-day use, both with and without members. Charges are higher than 2021 in most categories, although there have been reductions in the average charges for weekday with a member and weekend with a member usage. Where average charges have increased, there have been some substantial rises of up to 29%.

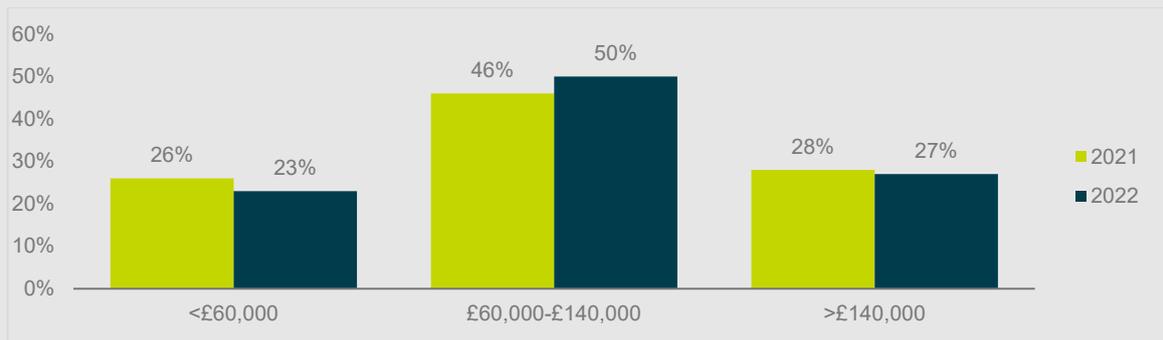
Members' clubs' green fee charges



Increasing green fee incomes at members' clubs

In line with this increase in green fee charges, members' clubs' green fee income has increased this year, with half of clubs now generating annual green fee incomes between £60,000 and £140,000.

Members' clubs' green fee incomes



Green fee ticket systems

An increasing proportion of members' clubs were using a numbered green fee ticket system in 2022 - 38%, compared to 29% in 2021. In order to ensure that all visitors have paid before play, these clubs used a variety of ways of monitoring this system, the most popular of which were control by the pro-shop and monitoring by Course Marshalls.

Society packages and their costs

98% of members' clubs indicated that they allow society usage – an increase from the 95% in 2021. Society package costs are shown below. In most instances, costs have risen since last year, from between 4%-22%.

Members' clubs' society package costs



Average room and facility hire

As in 2021, this year celebrations/parties were the most frequent reason for room hire, for the same proportion (74%) of members' clubs. Other reasons included business events/seminars (49%), weddings (30%), and health and fitness classes (4%). 23% of members' clubs in 2022 did not permit external hire - exactly the same proportion as in 2021.

Room / facilities hire average annual revenue



Members' clubs

Financial information

Financial information

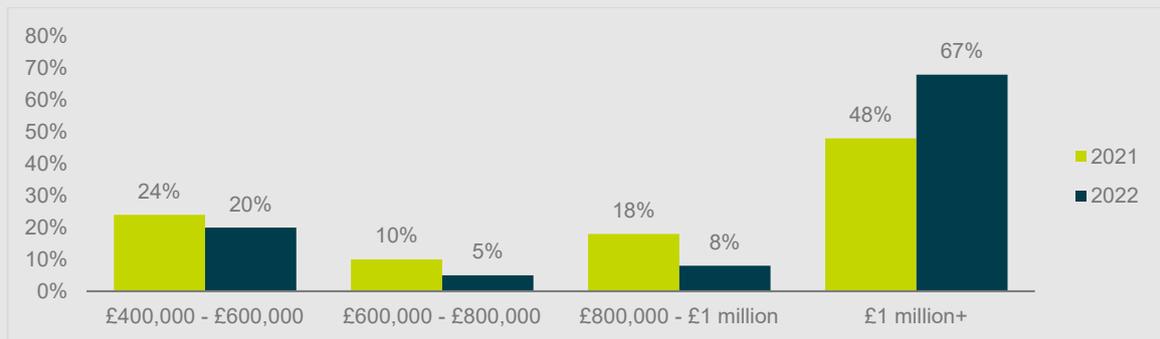
VAT partial exemption

In 2021 we asked a new question regarding whether members' clubs had utilised the partial exemption special method for VAT claims affected by COVID-19. In 2021 we found that 71% of members' clubs had utilised this, and of those clubs, 61% had dealt with this exemption in-house. In 2022, a similar proportion of members' clubs utilised this (72%), but fewer members' clubs (53%) dealt with this in-house.

Members' clubs with higher turnover

Members' clubs report turnover levels ranging from £400,000 to £1million+. However, this year there were significantly more clubs at the higher end of this range.

Annual members' clubs turnover

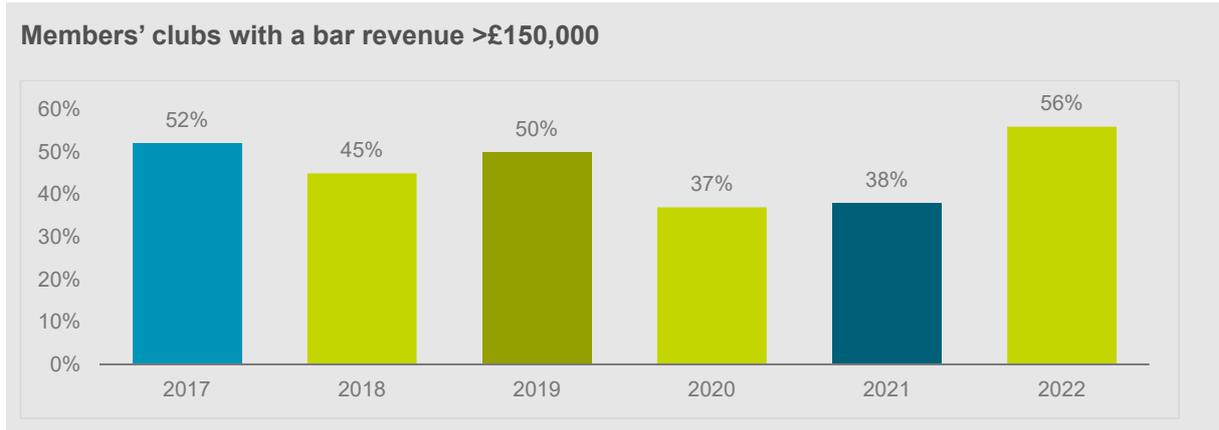


Society income at members' clubs

Society income for members' clubs remains typically up to £20,000 (for 30% of clubs, similar to the figures reported in 2020 and 2021). A further 28% had income of £20,000-£40,000.

Increased bar revenue and activity

In 2022, 56% of members' clubs generated annual bar revenue exceeding £150,000, a substantial improvement on the 38% in 2021. It can be seen below that revenues in 2020 and 2021 were affected by the impact of COVID-19. However, 2022 results have not only recovered to pre-pandemic levels, but are the highest in the last 6 years.



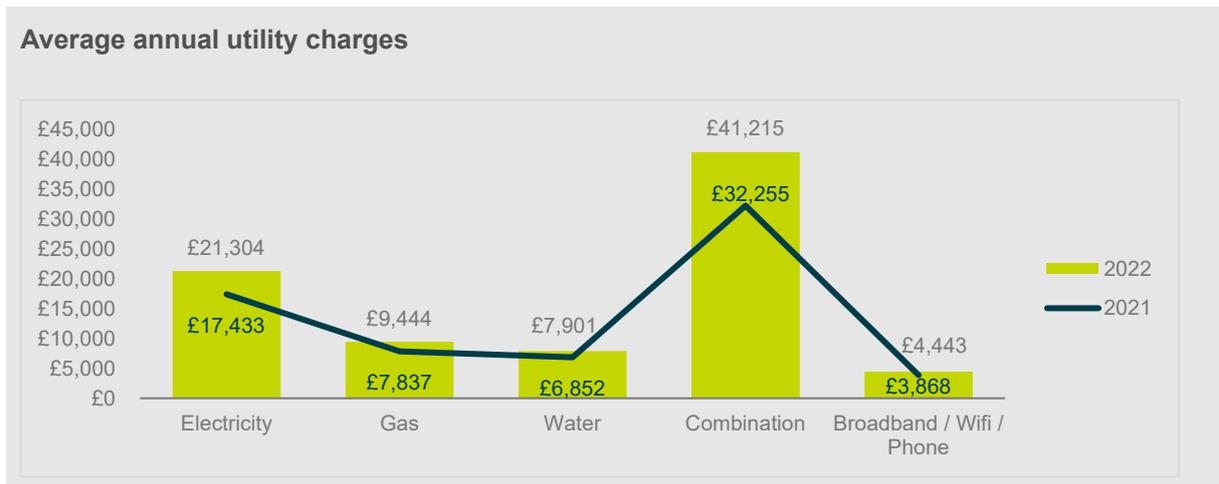
Average margins and rate costs this year were:

- Gross margin 60% (60% in 2021)
- Net profit 19% (23% in 2021)
- Rate cost £24,791 (£26,427 in 2021).

Reflecting the recovery from COVID-19, 87% of members' clubs indicated that their bar revenue had increased in 2022 (of which 47% saw a significant increase), compared to 26% in 2021.

Increasing utility costs

Average annual utility costs vary significantly across members' clubs. However, averages are as follows, with comparisons to 2021 showing that costs have increased in all categories this year, by between 15%-28%. Clubs were also asked what percentage increase they expected in energy costs over the next 12 months, with increases expected of between 10%-400%.



Average course maintenance and wage costs

Average members' club course wage costs in 2022 of £216,012 are slightly higher than the costs in 2021. However, this year the average course maintenance costs have fallen to £131,296.

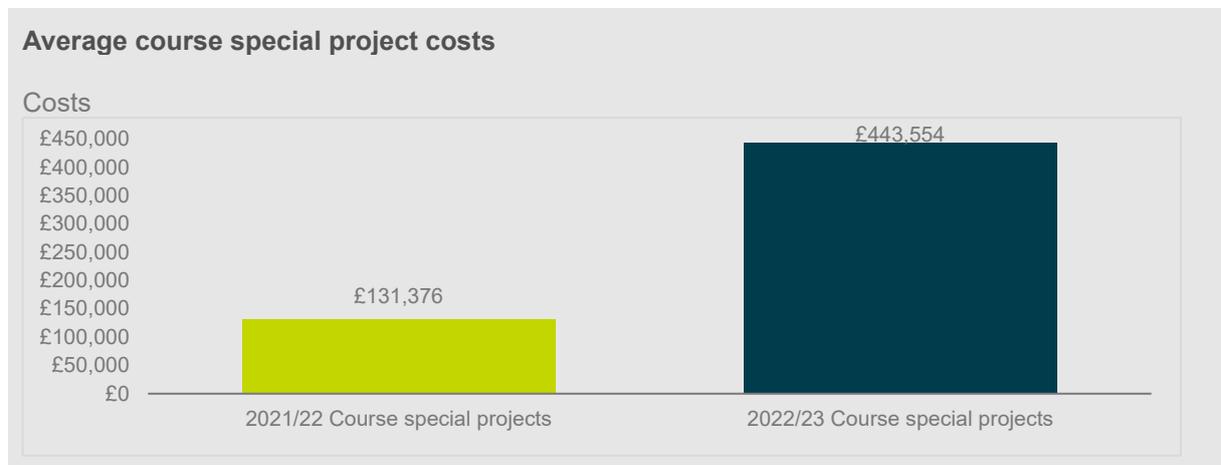


Irrigation

44% of members' clubs reported that they had fairway irrigation installed in 2022 – a slight increase from the 42% in 2021. For those members' clubs who *do not* currently have fairway irrigation installed, 21% are considering it. Greens and tees' irrigation systems have been updated recently by 28% of members' clubs – compared to 18% in 2021. There was a wide range in the costs of these updates, from £1,000 to £1,500,000, with an average cost of £264,000.

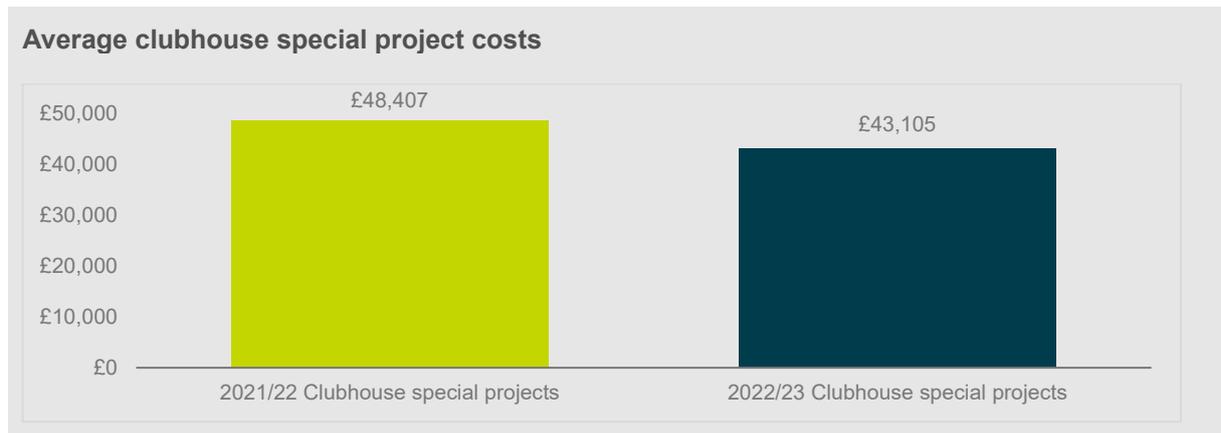
Average course special project costs

The average spend of members' clubs on course special projects is expected to increase substantially next year, from just over £130,000 in 2021/22 to almost £450,000 in 2022/23.



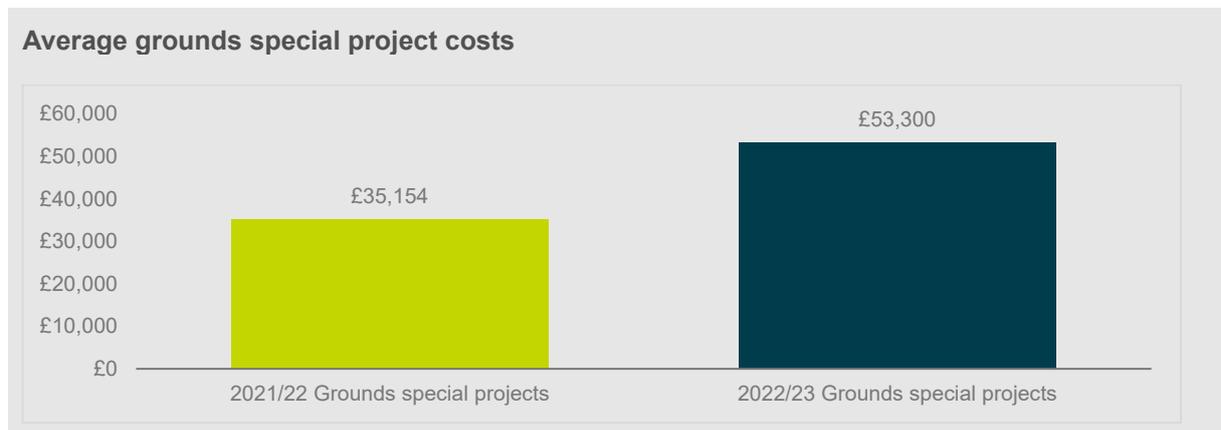
Average clubhouse special project costs

Spending is expected to decrease on next year's special project clubhouse costs, falling from £48,407 in 2021/22 to under £44,000 in 2022/23.



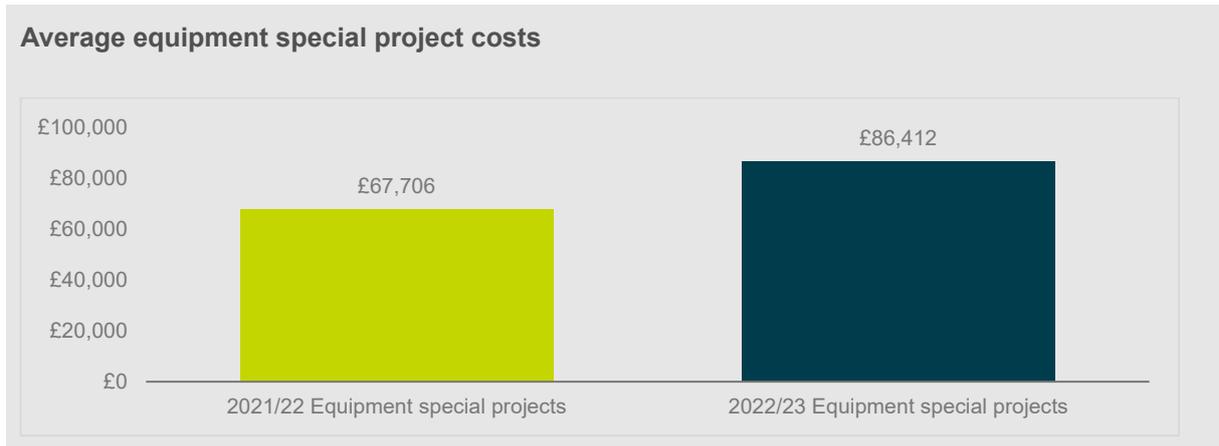
Average grounds special project costs

Spending is expected to increase significantly in 2022/23's special project grounds costs, rising from £35,154 in 2021/22 to £53,300 in 2022/23. Please note that these results are based on very limited data in terms of response numbers.



Average equipment special project costs

Spending is also expected to increase on 2022/23's equipment special projects – from £67,706 in 2021/22 to over £86,000 in 2022.23.



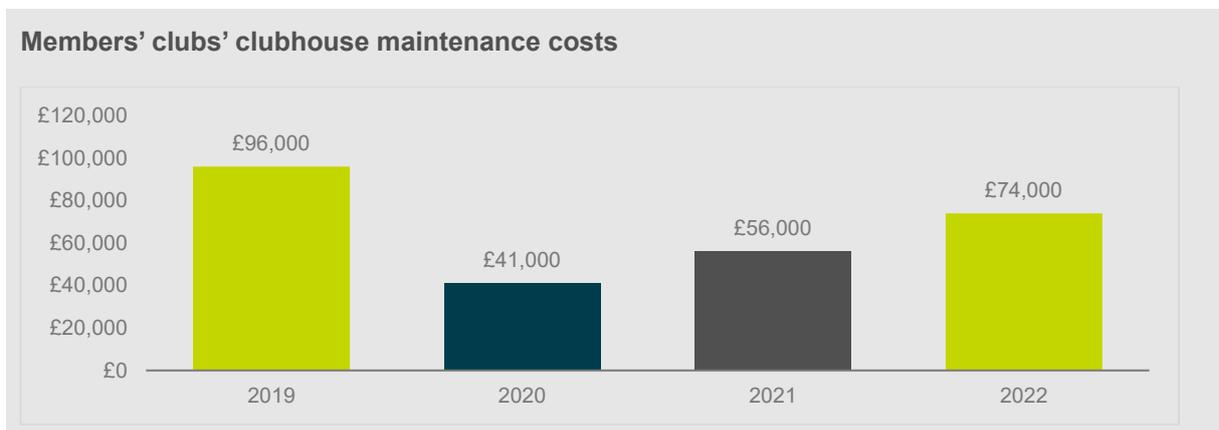
Other special projects

Few members' clubs gave an overview of other special projects they were undertaking this year. These included:

- Irrigation
- Drainage
- Bunker renovation
- New Greenkeeper's compound
- Purchase of remaining land.

Clubhouse maintenance costs and staffing

Clubhouse maintenance costs rose from £56,000 in 2021 to over £70,000 in 2022.



Furthermore, clubhouse staff wages among members' clubs also increased this year, from £154,000 to £198,000.



Members' clubs catering

In 2021, 32% of members' clubs were using franchise catering. This has fallen slightly to 30% currently.

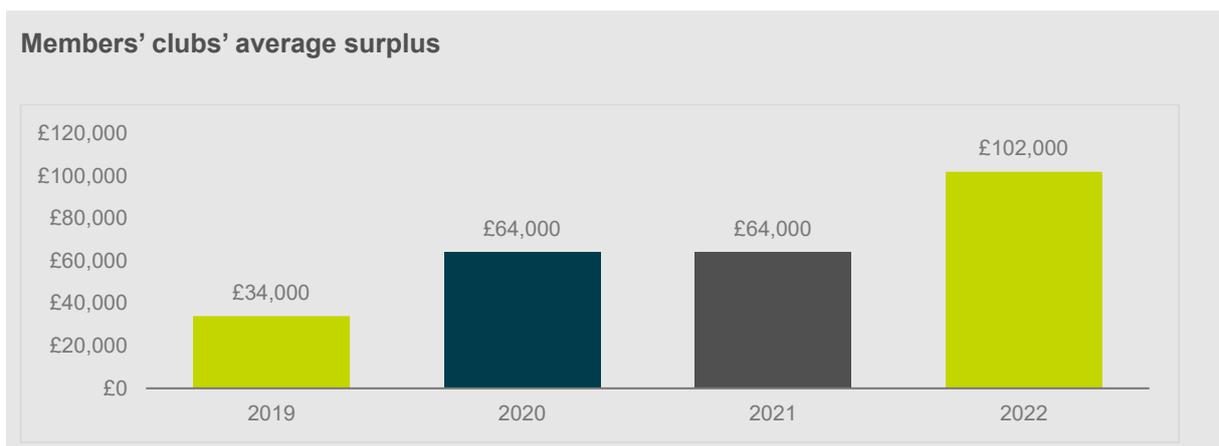
Among those members' clubs who cater *without* the services of a franchise, revenue levels from catering range from less than £50,000 to £250,000 plus. This year, half of all clubs (50%) generated revenues between £100,000-£200,000. In sharp contrast to 2021, over 80% of members' clubs indicated that their catering revenues in 2022 had increased, with 39% showing a significant increase and only 3% of clubs saw a decrease.

Gross profit margins in 2022 range from 9% to 73%, with an average of 58% - very similar to that of 2021. Net profit margins range from 0 to a profit of 67%. The average net profit of 19% was a slight decrease on 2021.

Club surpluses and deficits

Among members' clubs, the highest surplus figure was £800,000, with a highest deficit of £12,000.

The average surplus of £102,000 this year was significantly higher than that of 2021.



Annual general insurance

Members' clubs are typically (32%) paying between £10,000-£15,000 for annual general insurance.

Just 6% pay up to £5,000 and 26% pay £5-£10,000. However, note that 36% of members' clubs (14% in 2021) now pay in excess of £15,000.

Freehold properties

37% of members' clubs (43% in 2021) indicated that they hold freehold properties other than the clubhouse. These clubs each held between 1 and 11 such properties, with 51 properties in total - 15 of which were valued at over £500,000. 75% of these were being rented out, sometimes to staff, but also to third parties.

The survey also established that:

- 75% of members' clubs own freehold land and buildings
- Annual ground rent at each club is an average of £59,600 (£46,100 in 2021).
- Members' clubs each cover an average area of 136 acres (150 in 2021).

Cost of supplying a round of golf

Members' clubs indicated a range of costs for supplying a round of golf – ranging from £5 to £85, and with an average of £35.10 (£46.60 in 2021).

Raising finance

A variety of methods are used by members' clubs to raise finance for the club - the most popular being hire purchase/finance leases (used by 58% of members' clubs – an identical proportion to 2021). Other popular methods include loans from banks (30%) and members (26%), donations from members (30%), grants (23%) and bank overdrafts (12%).

Regarding how members' clubs had financed any shortfalls or fixed asset additions: the most popular method was by bank loans, used by 33% of members' clubs. Overdrafts, sales of land or buildings and mortgaging properties had also been used.

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Members' clubs

Business Development

Business Development

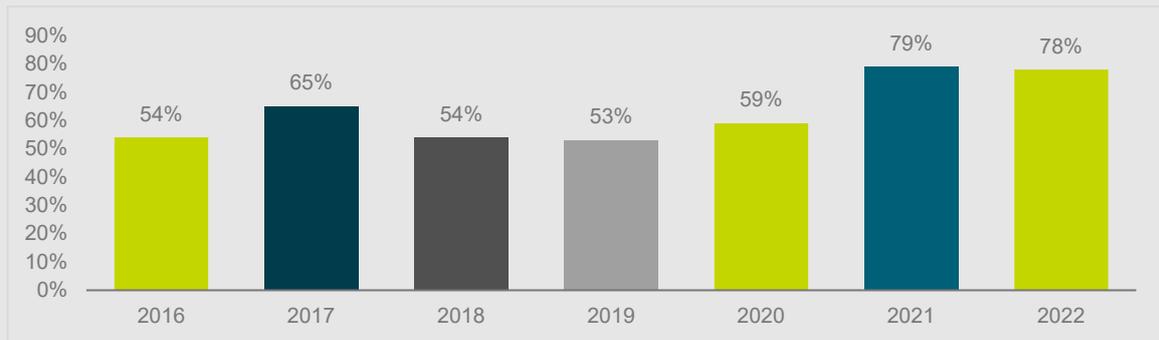
A steady proportion of members' clubs reporting growth

The number of members' clubs reporting growth was 78% - almost identical to that of 2021.

The level of growth in the last 12 months varied between 2% and 30%, with an average of 12% (13% in 2021).

The number of members' clubs reporting a reduction in 2022 remains at just 2%.

Members' clubs reporting growth



Members' clubs investing in marketing and social media

Member referrals remain the most utilised method of marketing activity, used by 75% of members' clubs this year.

The other most commonly used marketing activities in 2022 included social media (63%), advertising (47%), email campaigns (31%) and networking (18%).

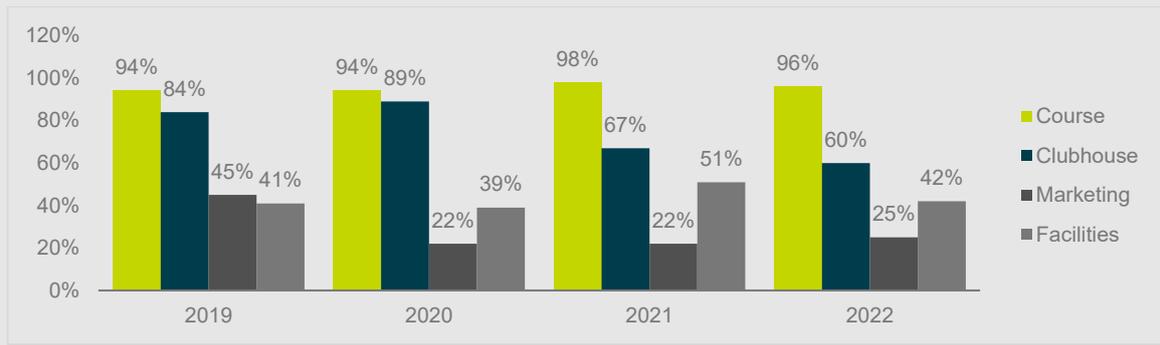
Other forms of marketing used in 2022 included events (27%), direct mailings (10%), corporate brochures (12%) and special offers (22%).

The most *successful* forms of marketing activity in 2022 were perceived to be member referrals (specified by 48% of members' clubs and social media (13%). However, the power of social media is perceived to have diminished somewhat (27% in 2021).

A continuing focus on the golf course as the major source of investment

Investment in courses, clubhouses and facilities has largely remained steady since 2019, with levels of investment in courses being consistently high. In 2022 there has been a small reduction in investment in facilities.

Members' clubs' investment



Members' clubs

Miscellaneous

Additional

Information

Miscellaneous additional information

Set opening hours

Slightly fewer members' clubs in 2022 (55%) indicated that they had set opening hours defined as 'daylight hours plus'. 38% (25% in 2021) had set opening hours and just 7% (16%) had no set opening hours.

Days closed

Members' clubs had closed the course/clubhouse for between 0 and 102 days due to maintenance or bad weather, with an average of 8 days of closure.

Use of temporary greens in winter

52% of members' clubs (around 40% in 2021) indicated that they used temporary greens in winter.

Dress codes

The percentage of members' clubs that have a dress code rose this year from 83% in 2021 to 97% currently. Codes frequently included 'smart casual' and golfing attire, with discouragement of denim, jeans (with or without rips), slogan clothing, shorts, tracksuits, t-shirts, football shirts and trainers.

Mobile phones policy

71% of members' clubs (77% in 2021) have a mobile phones policy.

Dogs

As in 2021, just under half of clubs (49%) allowed dogs. Where they were allowed, this was often on condition that they were well behaved, kept on leads and not allowed in the clubhouse.

Sports channel subscriptions

The average annual cost of SKY and/or BT Sport subscriptions has risen from £5,591 in 2021 to £7,477 currently.

Anticipated changes affecting golf clubs in 5-10 years

The following changes were suggested/anticipated by members' clubs. Changes anticipated within the next 5 years largely mirror those anticipated over the next decade, with a definite increase in concerns regarding cost of living, rising costs and reducing disposable income of members:

Membership issues

- Falling membership numbers and an ageing membership profile
- Inclusivity.

Commercial and Financial issues

- Rising wages and staffing, with a knock on effect on membership prices
- Economic uncertainty in the context of COVID-19, inflation, cost of living/lower disposable income and climate change issues
- Rising utility bills.

Environmental considerations

- Adapting to sustainability issues
- Irrigation changes - due to bans on grass treatments, pesticides, fungicides, chemicals, water shortages, etc.

Golf rules and regulations

- Shorter formatting of the game.

The impact of the living wage

In 2021, 52% of members' clubs indicated that they had been impacted by the increase in the minimum living wage and workplace pensions. This has decreased to 47% currently. Members' clubs identified that this would affect an average of 8 staff (10 in 2021), at a cost ranging from £12,000-£50,000.

Community Amateur Sports Clubs (CASC)

This year, 18% of members' clubs indicated that they were Community Amateur Sports Clubs – a small increase from the 15% reported in 2021. Of those members' clubs not already Community Amateur Sports Clubs, just 3% indicated that they were considering becoming one.

Rules and regulations

89% of members' clubs confirmed that they were prepared to change their rules and regulations to modernise the club – an increase from the 87% reported in 2021.

Club structure

67% of members' clubs indicated that they are currently incorporated – a figure identical to that of 2021. Of those clubs not already incorporated, 41% of clubs are considering it (compared to 36% in 2021). Reasons given for this consideration most commonly relate to limiting liability for directors/committee members/trustees members.

Board structure

In 2022, 89% of members' clubs had board members, with an average of 8 members each (also 8 in 2021). The numbers at individual clubs range from 4 to 17.

The expertise present in the boards of members' clubs in 2022 was mainly in Business (95%) and Finance (91%). Other areas of expertise present included Marketing (54%), HR (36%), Legal (32%), and others (such as Property, Sales and Operations – 16%).

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2022 Report

Proprietary clubs

Proprietary clubs key highlights

11 clubs

This year we bring you data from 11 proprietary clubs across 5 regions, with 36% from London and the South-East (outside of the M25). Clubs are predominantly 18-hole clubs.

50%

Half of proprietary clubs now have 600+ members (37% in 2021). An increasing proportion of members (58%) are aged 50+.

14%

Of proprietary clubs have a waiting list (compared to 32% in 2021). 50% of clubs had more leavers than joiners during the year. However, the average number of people on the waiting lists has increased from 115 to 170.

100%

All proprietary clubs are planning to increase subscription fees in 2023. In 2022, 57% of clubs charged standard playing member subscriptions of at least £1,000, compared to 27% in 2021.

73%

Of proprietary clubs now with a turnover of £1 million+.

83%

Of proprietary clubs with annual bar revenues exceeding £150,000.

300%

Energy prices anticipated to increase by proprietary clubs by up to three times existing levels.

100%

Of proprietary clubs were prepared to change their rules and regulations to modernise.

Proprietary clubs' results 2022

11 clubs from across the UK, typically with 18-holes

This year we bring you data from 11 proprietary clubs from London and the South-East (outside of the M25) (36%), the North-West (18%), the Midlands (18%), the South (19%) and London and the South-East (inside the M25) (9%).

These were predominantly 18-hole (64%) clubs, with 27-hole (27%) and 9-hole clubs (9%) also evident.

Residence of proprietary clubs



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Proprietary clubs

Staffing

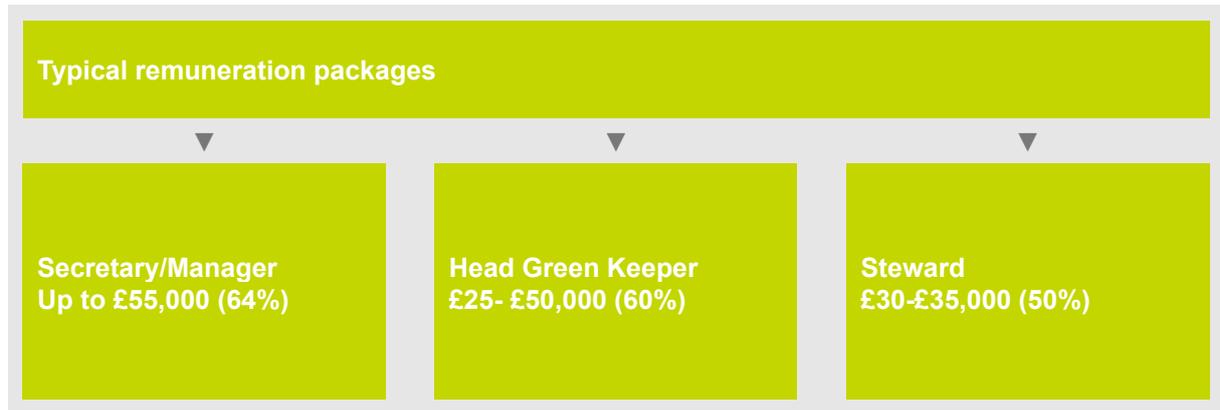
Staffing

Changing remuneration packages

There was again a large variance in the remuneration packages of survey respondents this year, ranging from under £10,000 to over £70,000. However, this year saw fewer packages at the top end of this range, with 18% receiving over £60,000 (compared to 31% in 2021).

The Head Green Keeper remuneration package was higher than in previous years, with half earning more than £45,000 (22% in 2021).

Fewer clubs have a Steward (36% this year compared to 41% in 2021) and for those who did, their remuneration was typically within the £30,000 to £35,000 range.



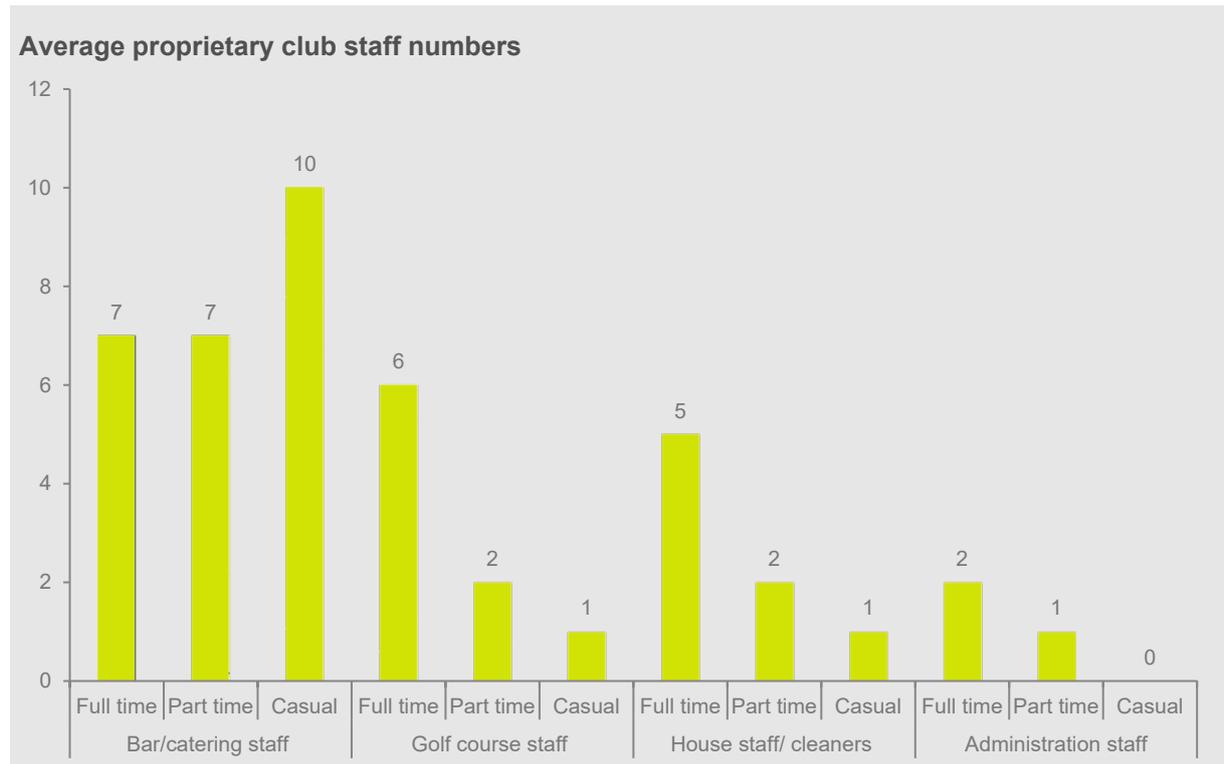
More clubs with PGA Professionals

This year, a higher proportion of proprietary clubs indicated that they have a PGA professional - 91%, compared to 85% in 2021. 43% of clubs pay a monthly retainer to the pro, slightly fewer than in 2021. They all pay between £2,000-£3,000. 57% of the pros pay the club a percentage of their golf lesson income - typically 20%-30% of this income.

An average of 13 staff at proprietary clubs

Always highly variable and dependent on the size and needs of each club in question, staffing figures range from 0 to 38 across proprietary clubs, with an average total staffing number of 13 – a significant reduction on the 28 reported in 2021.

Average numbers across staff roles are broken down as follows.



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2022 Report

Proprietary clubs

Members

Members

Proprietary clubs with a large variety in playing member numbers

This year proprietary clubs have a very varied range of playing members. 25% have less than 300 and a further 25% have 300-500. However, the 50% of clubs with over 600 members is an increase on the 37% in 2021.

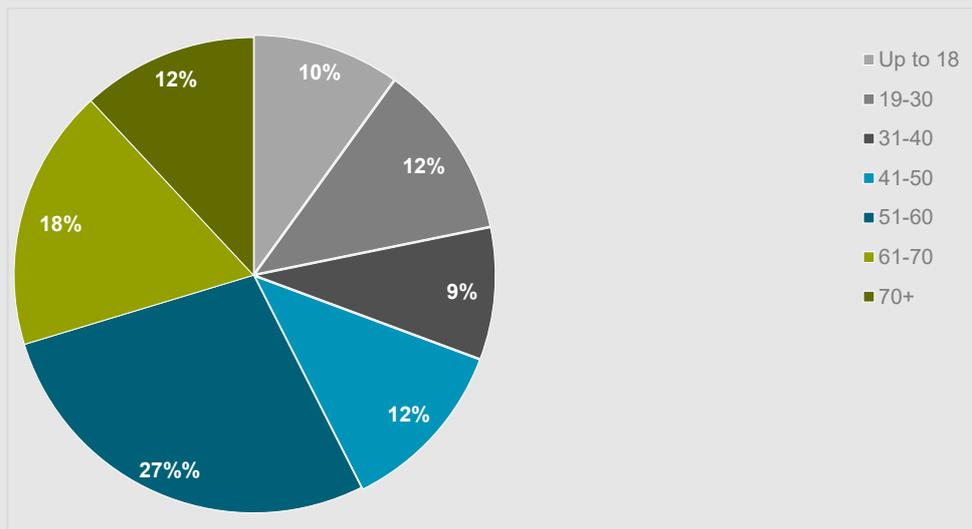
Steady flexible membership

In 2022 67% of proprietary clubs are offering flexible membership – slightly less than the 70% in 2021. These offerings typically included points-based systems and a reduction in green fees.

Member ages distributed towards the 50+ age group

As in previous years, the age distribution of proprietary clubs shows fewer younger members' and more older members'. The results in each age bracket are very similar to 2021.

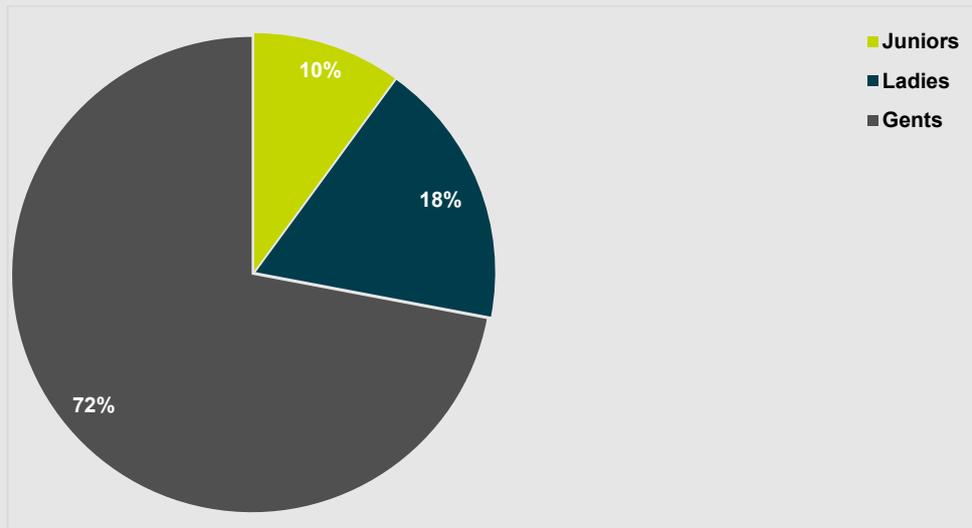
The age of proprietary club members



A steady number of lady members

There has been very little difference in the proportions of gents, ladies and juniors at proprietary clubs, when compared to 2021

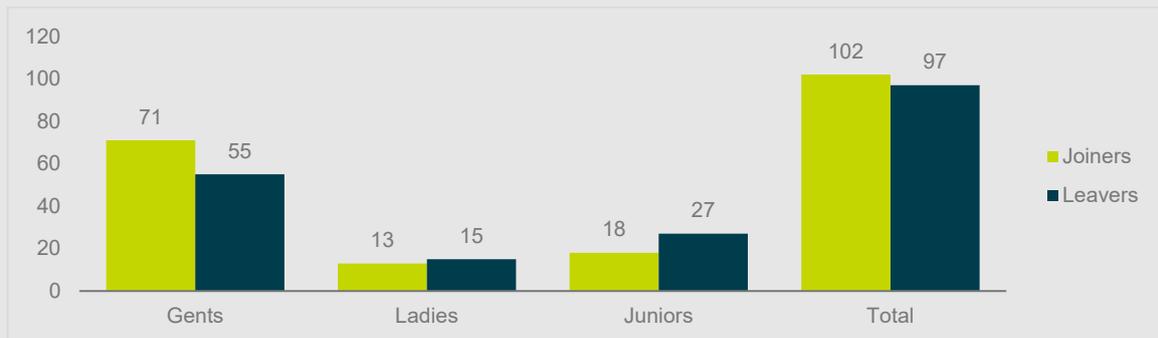
The profile of playing members at proprietary clubs



Fewer new gentlemen members joining

The numbers of joiners and leavers indicated that proprietary clubs had, as in 2021, a net increase in membership levels. However, in looking at the detail supporting this, the figures this year are not as healthy as in 2021. This year, 50% of clubs had an overall reduction, with more leavers than joiners. Furthermore, the average number of new members joining, 102, was fewer than the 131 reported in 2021. This was mainly due to a reduction in new gentlemen members – an average of 71 this year, compared to 96 in 2021. There was also an evident trend of clubs having more lady and junior members leaving than joining.

The profile of joiners and leavers at proprietary clubs



Decreasing numbers of social members at proprietary clubs

The proportion of proprietary clubs with a social membership exceeding 25 people continues to reduce - falling from 60% in 2019, to 29% in 2020, to 20% in 2021 to just 13% in 2022.

Society rounds

More rounds were played by societies in 2022, ranging from 750 to 12,000, with an average of just over 3,470 (3,000 in 2021). This year, 33% of proprietary clubs said that they had seen a decrease in society rounds played (compared to 69% in 2021).

Rounds of golf delivered annually

Proprietary clubs were delivering up to 36,000 rounds of golf to members each year – with an average of 17,625, compared to 29,080 in 2021.

The equivalent figures for visitors ranged from 2,000 to 55,000 with an average of 22,700, compared to 15,700 in 2021.

Welcoming new members

Activities offered to welcome new members were similar to previous years. As in 2021, free coaching sessions were the most frequent and induction programmes and an introduction to the club professional were also common. Other activities included free social events and complimentary rounds.

Member social events

Numbers of social events at proprietary clubs were similar to 2021, with 42% of clubs running between 0 and 12 events. However, the average number of events – 5 in 2022 – was lower than in 2021 (7).

Member competitions

55% of proprietary clubs surveyed in 2022 ran member competitions during the year, with the number of competitions at each club ranging from 55 to 300, and the average number of 128 more than the 104 recorded in 2021.

Fewer proprietary clubs have a current waiting list

Just 14% of clubs had a waiting list in 2022 – a significant decrease from the 32% recorded in 2021. However, the average number of people on waiting lists was 170 – higher than the 115 in 2021.

Downgraded memberships

This year the number of downgraded memberships (i.e., reducing from a 7 day to a 5-day member, etc.) ranged from 0 to 20, with an average of 10 – virtually identical to 2021.

Upgraded memberships

In relation to upgraded memberships, Proprietary clubs recorded increases from 0 to 15, with an average of 8 – a return to the average of 8 in 2020, but lower than the 18 recorded in 2021.

Member social events

This year the number of social events at each club ranged from 0 to 12; however, the average of 5 social events was an improvement on the figure of 3 in 2021.

Competitions run

The number of competitions at each club was similar to 2021. It ranged from 0 to 300, with a significantly higher average of 128 (59 in 2021).

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2022 Report

Proprietary clubs

Facilities

Facilities

Driving range

In 2022, 91% of proprietary clubs had a driving range. This is up slightly from the 89% in 2021. Income from driving ranges is again within a varied span of £10,000 to over £25,000, with many clubs earning more than £25,000. Fewer (50%) of the proprietary clubs with a driving range reported increases in driving range income in 2022 – 30% with a modest increase and 20% a significant increase. 40% of clubs reported income about the same, and 10% of clubs saw the income reduce.

- 20% (4% in 2021) of proprietary clubs offered pre-bookable slots.
- 50% (17% in 2021) of proprietary club ranges provided ball tracking technology.

A small proportion of proprietary clubs offer a hotel, on-site accommodation, spa and/or gym

In 2022, 18% of proprietary clubs (15% in 2021) offered a hotel or other on-site accommodation. Of those proprietary clubs which offer accommodation, these are split between hotel facilities (50%) and lodges (50%), and all clubs indicated that accommodation revenue had significantly increased since the previous year.

This year, a steady proportion of proprietary clubs provided a spa (9% in 2022 compared to 7% in 2021) and a slightly higher proportion provided gym facilities (18% in 2022 and 15% in 2021). Whilst spa revenues remained about the same as in 2021, gym revenues reduced or stayed the same in all of those clubs providing them.

More than half proprietary clubs with swing studios

55% of proprietary clubs have a swing studio, with most being run by the club itself (60%). The average revenue from swing studios is £70,000 and for 75% of clubs this was an increase on the previous year's income.

Retail shops

This year, all proprietary clubs had a retail shop (88% in 2021), with just 9% operated by the club professional (in contrast to 46% in 2021) and the remaining 91% by the club itself. For 55% of clubs the annual shop turnover is below £200,000.

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Proprietary clubs

Fees & charges

Fees & charges

Subscriptions

As in previous years, membership fees for standard playing members vary significantly. However, this year there are more clubs at the higher end of the range, with 57% having a subscription exceeding £1,000, compared to 27% in 2021.

Membership fees tend to be lower in proprietary clubs than in members' clubs.

Proprietary clubs' standard playing member subscription



Increasing subscription charges

All proprietary clubs (compared to 62% in 2021) are intending to increase membership fees next year, with planned increases ranging from 5%-10% with an average of 6%.

Social membership charges

Proprietary clubs now charge higher subscriptions for social members – 50% with subscriptions exceeding £25, compared to just 15% in 2021.

Entrance fees

This year slightly more proprietary clubs charged a joining/entrance fee – 43%, compared to 37% in 2021. None of these clubs allow fees to be paid in instalments – a significant change from the 71% who permitted this in 2021.

Booking system

Online booking/tee time systems continue to be popular with proprietary clubs, although the 89% of clubs who used them in 2022 was slightly lower than the 95% in 2021.

We also found that 71% of proprietary clubs with a tee booking system used a company/website (78% in 2021).

Green fee charges

Average green fee charges are shown below, across weekdays, weekends and all-day use, both with and without members. In three of the six categories, the fees are higher in 2022 than in 2021.



Higher green fee income

In 2022 the range of income generated by green fees was similar to 2021, from £60,000 to £180,000+. However, the proportion of proprietary clubs generating income at the top of this range was lower in 2022 (51%) than 2021 (65%).

Green fee ticket systems

Most proprietary clubs do not use a numbered green fee ticket system, although they have increased in popularity this year – now used by 25% of clubs, increasing from 5% in 2021.

Society packages

88% of proprietary clubs indicated that they allow society usage (95% in 2021) and offer society packages with average costs as follows. For three of these packages, costs have increased since 2021 by between 8%-25%, whilst for the few clubs offering 27-hole packages costs have fallen.



Room hire

Proprietary clubs hired rooms for a variety of activities, the most popular (for 86% of clubs providing room hire) being weddings and celebrations/parties. As only a small number of clubs chose to provide information regarding their room hire revenues, meaningful average hire revenue figures are not available.

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Proprietary clubs

Financial information

Financial information

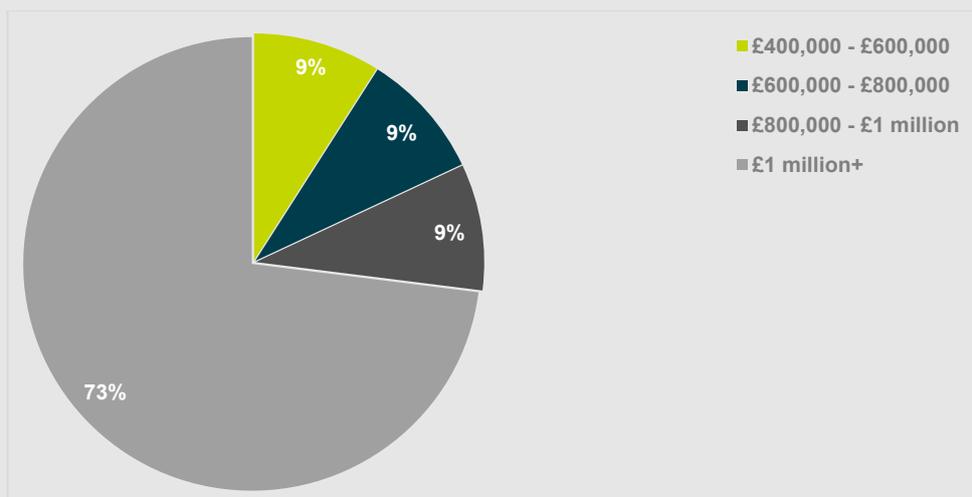
VAT partial exemption

In 2021, 70% of proprietary clubs had utilised the partial exemption special method for VAT claims affected by COVID-19, but in 2022 this dropped to 18% of clubs.

More clubs with turnover above £1,000,000

Proprietary clubs reported turnover ranges from £400,000 to over £1 million. The percentage of clubs with a turnover exceeding £1 million was higher in 2022, rising from 59% to 73%.

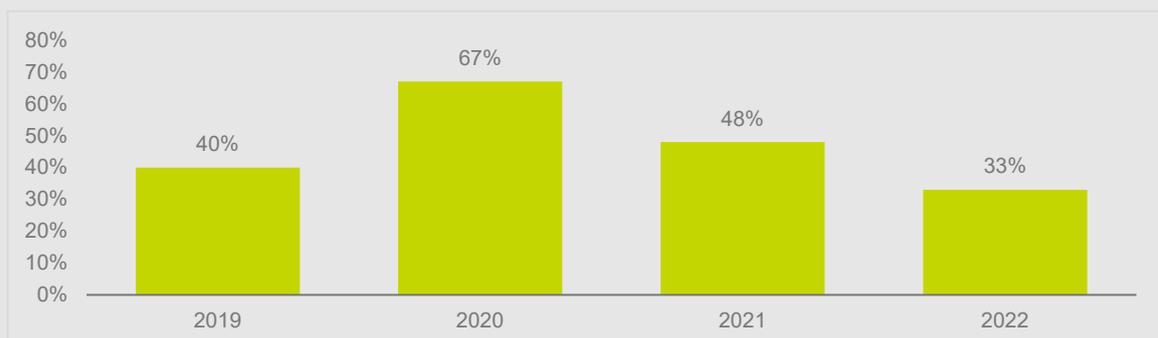
Annual proprietary clubs' turnover



Society income

The number of proprietary clubs with a society income above £60,000 has reduced this year.

Society income above £60,000



Bar revenue and activity

Average margins and other costs this year were:

- Net profit 11% (down from 29% in 2021)
- Rateable value £46,000 (down from £60,000 in 2021)
- Rate cost £22,000 (up slightly from £21,000 in 2021)
- Club maintenance cost £210,000 (up significantly from £83,000 in 2021)
- Wages level £298,000 (up significantly from £201,000 in 2021).

These should be regarded as indicative of only those proprietary clubs who chose to disclose figures – with a majority choosing not to do so. Over half of all proprietary clubs reported their annual bar revenue, which was in excess of £150,000 for 83% of those reporting (77% in 2021), but only 25% of proprietary clubs reported an increase in bar revenues. The average gross margin of 64% was an increase from the 53% in 2021.

Utility costs

Average annual utility charges for proprietary clubs are presented below. Due to the low number of proprietary clubs providing these figures in previous years, it is not practical to compare them. Clubs were also asked what percentage increase they expected in energy costs over the next 12 months, with increases expected of between 25%-300%.

Average annual utility charges



Average course maintenance and wage costs

Proprietary clubs' average course maintenance and wage costs have both fallen in 2022, although once again these results are based on a small number of clubs providing this information.

Average course maintenance and wage costs



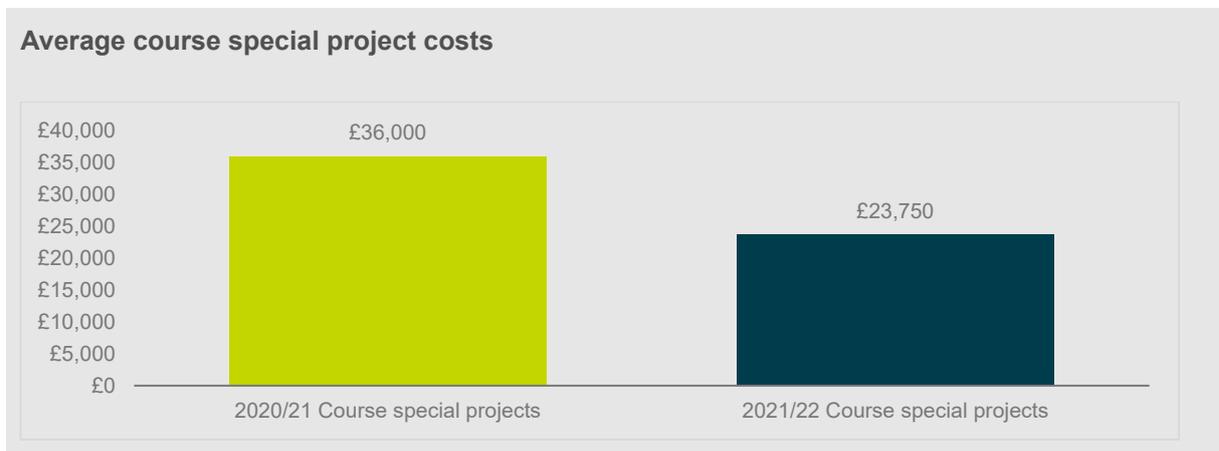
Irrigation

20% of proprietary clubs indicated that they currently have fairway irrigation installed (33% in 2021), but no clubs report that they are considering installing it.

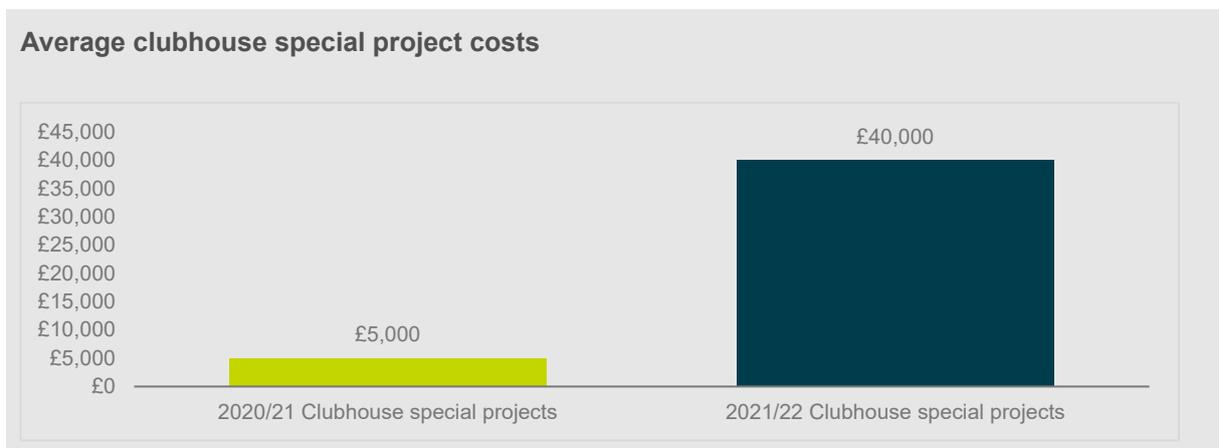
60% of proprietary clubs indicated that they have updated their greens and tees irrigation recently – a substantial increase on the 23% in 2021.

The following graphs present average current and estimated costs for special projects. Due to the small number of proprietary clubs providing this information it is not possible to comment on trends.

Average current and anticipated course special project costs



Average current and anticipated clubhouse special project costs

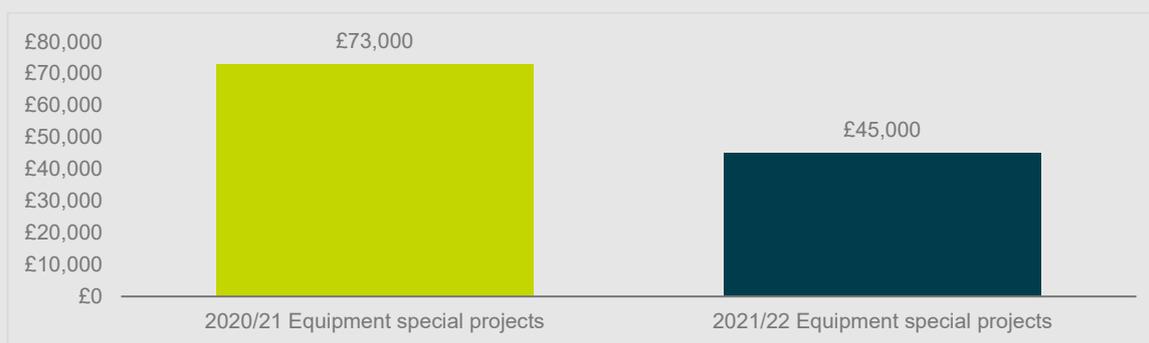


Average current and anticipated grounds special project costs

No information provided.

Average current and anticipated equipment special project costs

Average equipment special project costs



Other special projects

Proprietary clubs were asked to describe any other special projects they were undertaking this year, but none were mentioned.

Proprietary clubs using franchise catering

14% of proprietary clubs used a franchise for their catering in 2022 (17% in 2021).

Among those clubs who cater without the services of a franchise, revenues ranged from below £50,000 to over £250,000, with 66% earning in excess of £200,000. 2022 saw a post-pandemic increase in catering revenues for these clubs, with two-thirds reporting an increase from 2021 revenues (when 56% of clubs saw a significant decrease from 2020). Gross profit margins in 2022 averaged 65% (up from the 57% reported in 2021) and net profit 31% (again up from the 23% reported in 2021).

Club surpluses and deficits

Proprietary clubs reported an average surplus of £132,000, falling from £246,000 in 2021.

Annual general insurance

Proprietary clubs typically pay £5,000-£10,000 for their annual general insurance, a similar situation to 2021.

Freehold properties

17% of proprietary clubs indicated that they held freehold properties other than the clubhouse in 2022, increasing from 8% in 2021. All proprietary clubs holding these properties indicated that they were being rented out to staff.

The survey also established that:

- All proprietary clubs own freehold land and buildings (identical to 2021)
- Proprietary clubs each cover an average area of 134 acres (143 in 2021).

Cost of supplying a round of golf

The average cost for proprietary clubs of supplying a round of golf ranged from £9 to £50, with an average of £24.25 (higher than the £20.33 in 2021).

Raising finance

A variety of methods are used by proprietary clubs to raise finance for the club. As in 2020 and 2021, the most popular methods are bank loans and private finance and hire purchase/finance leases are also used. Other methods used in previous years (grants and bank overdrafts) were not used in 2022.

Proprietary clubs financed any shortfalls or fixed asset additions by a number of methods, all proving equally popular – leases, bank loans, overdrafts and sales of land or buildings.

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2022 Report

Proprietary clubs

Business development

Business development

A decrease in the number of proprietary clubs reporting growth

The percentage of proprietary clubs reporting growth in 2022 was 60% - a reduction from the 88% in 2021. The level of growth in the last 12 months varied between 10% and 40%, with an average of 27% (18% in 2021).

Proprietary clubs continue investing in marketing

Proprietary clubs continue to market their offer, with the most popular activities (all used by 60% of clubs) being social media, advertising and email campaigns.

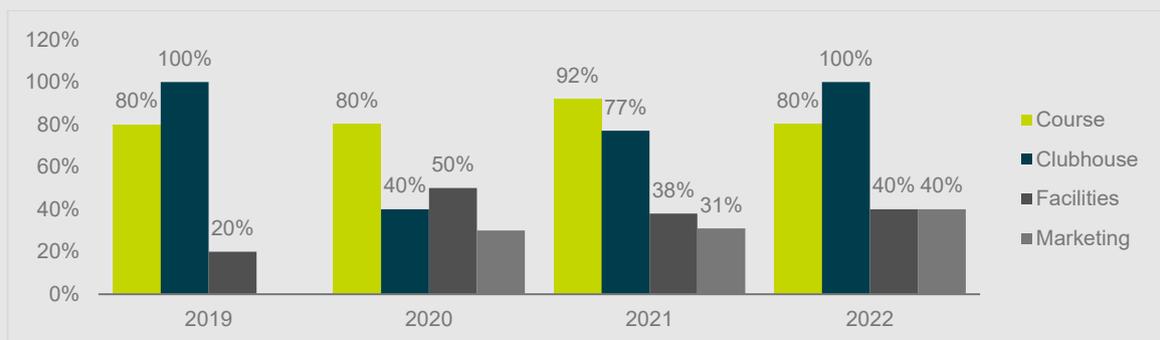
Member referrals were also used in 2022, but other activities from previous years were not evident in 2022 – networking, special offers, events, direct mailings and corporate brochures.

The most successful marketing activities were social media (for two-thirds of clubs, increasing from 31% in 2021) and advertising. Interestingly, member referrals has often been identified as the most successful marketing activity in previous years (by 38% of clubs as recently as 2020), but in 2022 no clubs identified this as their most successful method.

Proprietary clubs increase investment

Investment has increased in most areas this year, with all clubs choosing to invest in the clubhouse. The exception is course investment, which despite falling slightly from 2021 levels, is still a priority for 80% of proprietary clubs.

Proprietary clubs' investment



Proprietary clubs

Miscellaneous additional information

Miscellaneous additional information

Set opening hours

73% of proprietary clubs indicated that they had set opening hours defined as 'daylight hours plus'. The remainder had set opening hours (18%) or no set opening hours (9%).

Days closed

Proprietary clubs had closed the course/clubhouse for between 0 and 10 days due to maintenance or bad weather, with an average of 4 days of closure.

Use of temporary greens in winter

Just 27% of proprietary clubs (22% in 2021) indicated that they used temporary greens in winter.

Dress codes

36% of proprietary clubs indicated usage of a dress code – slightly lower than the 42% reported in 2021.

Mobile phones policy

No proprietary clubs have a mobile phone policy.

Dogs

Proprietary clubs were again split, with fewer than half of the clubs (45%) allowing dogs. Where they are allowed, this is often on condition that they are kept on leads.

TV subscriptions

Proprietary clubs with a subscription for SKY or BT Sport paid average annual subscription charges of £5,000.

Anticipated changes affecting golf clubs in 5-10 years

The following changes were suggested/anticipated by proprietary clubs.

Within 5 Years

- Rising utility costs
- Water use limitations
- Accessibility
- Increased casual/informal rounds
- Sustainability and environmental impacts
- Diversification.

Within 10 Years

- Viability
- Rising utility costs
- Accessibility
- Technology advancements.

The impact of the living wage

60% of proprietary clubs suggested that the increase in the minimum living wage and workplace pensions impacted upon them – lower than the 87% recorded in 2021.

Community Amateur Sports Clubs (CASC)

No proprietary clubs indicated that they were Community Amateur Sports Clubs - with no clubs considering becoming one.

Rules and regulations

All proprietary clubs agreed that they are prepared to change their rules and regulations to modernise the club.

Club structure

20% (53% in 2021) of proprietary clubs indicated that they are currently incorporated, with no others considering incorporation.

Board structure

Proprietary clubs reported that they had an average of just 3 board members in each club.

The expertise present in the boards of proprietary clubs in 2022 was mainly in Business, Finance and Legal.

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2022 Report

Our golf club team

Our golf club team



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