

ON DECK – U.S. GOLF MARKET

ON DECK WITH LEAGUE PARK

U.S. GOLF MARKET



U.S. Market Size...

\$84 billion

Annual U.S. Golfers...

24.3 million

Total U.S. Courses...

15,000+

Annual Rounds Played...

441 million

Is Social Distancing Driving Golf Growth in the New Normal?

The \$84 billion U.S. golf market is comprised of over 15,000 courses and supports approximately two million jobs, and after years of tempered performance, the market is poised for a resurgence. In 2006, ~30 million Americans participated in golf at least once per year, a number that has declined steadily to ~24 million in 2019. However, the impact of the COVID-19 pandemic on state and municipal policy (i.e., temporary laws that restrict various consumer activities) coupled with the manner in which the sport is played (i.e., in an environment that enables social distancing) is providing optimism for growth. As numerous states enforced “stay-at-home” orders in response to the COVID-19 pandemic, over 50% of golf courses were closed at the start of April. However, with over 40 states loosening these orders over the last month, ~95% of U.S. golf courses were open for play, and some key market participants are reporting a meaningful increase in demand. David Pillsbury, CEO of leading national golf course operator ClubCorp, notes that the company’s booked rounds are “through the roof,” with the firm recently reporting a portfolio-wide increase of 25% to 30% over the prior year. Further, according to online tee time reservations platform GolfNow, between late April and early May, the number of golf rounds booked online at public courses that remained open throughout the COVID-19 pandemic surged by ~60% over the previous year.

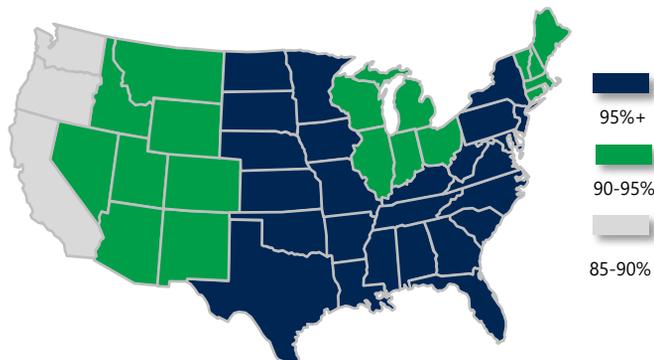
Key reasons for an increase in golf activity include the additional “free time” that many consumers now have due to the pronounced work and lifestyle adjustments they have made in response to COVID-19, as well as the ability for the activity to be conducted in a way that promotes social distancing. Meanwhile, given the surge in participation and the safety requirements mandated by states in response to COVID-19, golf course operators are innovating to provide a safe playing environment – oftentimes at their expense. “No-touch” precautions (e.g., removing ball washers), cart limitations (e.g., single-occupancy requirements), additional sanitation activities, longer tee time intervals, and group size limitations are being employed to varying degrees depending on state law, and many courses’ pro shops and dining rooms are either closed or open with capacity restrictions.

Golf’s ability to provide consumers with a relatively safe, socially distant outdoor activity amid the COVID-19 pandemic appears to be driving new enthusiasm for the sport, and League Park believes these dynamics will create an active market that offers participants a range of intriguing alternatives to consider in 2020 and beyond.

GOLF COURSES OPEN BY STATE

As of May 26, 2020

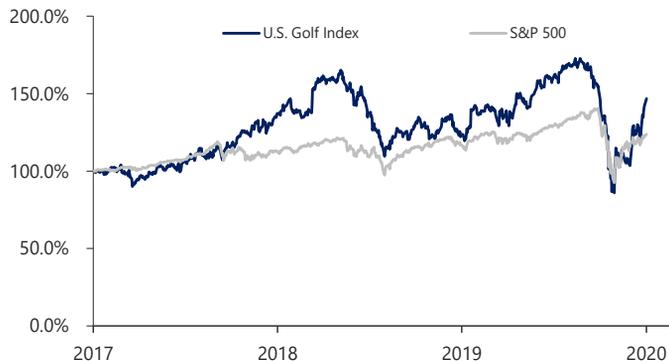
% of total courses currently open



STOCK PRICES: U.S. GOLF INDEX VS. S&P 500

For the Three Years Ended May 26, 2020

% change in stock price



Sources: Capital IQ, NGF, Washington Post

