singapore scene

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TIME TO PUSH GOLF IN SINGAPORE

Most of today's ardent golfers here took up the game about two or three decades ago. That was the "golden era" of the game, when the sport really took off in a big way in Asia in the 1970s and 1980s.

It was a time when increasing affluence and economic development around the continent saw young people in their 20s and 30s flock to the sport. The aspirational attraction of the game was high amongst young executives who saw it as a sport which signalled their coming of age. Land was rapidly cleared, scores of golf courses were developed and new clubs were established all over Asia.

We saw the emergence of clubs like Tanah Merah Country Club, Laguna National, Raffles Country Club, and Orchid Country Club. Sentosa Golf Club saw the addition of a second 18-hole course. Public outfits like the nine-hole Seletar Reservoir short course, and later Marina Bay, were established. They joined the established clubs like Singapore Island Country Club, Seletar Country Club and Keppel Club.

Across the causeway, at least a dozen private and public clubs sprouted up around Johor Baru, responding to the rising demand from Singaporean golfers.

The popularity of golf continued to climb through the 1990s as the likes of young, exciting "superstars" of the game like Tiger Woods emerged and energised interest in the game.

This trend continued through the turn of the millennium, prompting many more to take up the sport.

As a result Singapore club membership prices rose and, even amid the fluctuations in economic and job market conditions, remained relatively firm.

The upward trend in incomes and the aspirational allure of golf remained intact well in the 1990s and early 2000s.

Today, Singapore has over a dozen clubs catering to some 30,000 members, while over in Johor there are three times as many. By some estimates, the value of golf club memberships in the hands of the public exceeds $3 billion.

Everything was humming along nicely until the financial crisis of 2008/2009 hit home. Then the music stopped, or rather, became somewhat muffled. Suddenly, not all the "5C's" were seen as equally essential. While, cash (savings) and condo (home) were still critical, car and credit card seemed less so. Way down the list was the club membership.

Though there was some demand recovery from 2010 through 2013, in tandem with the economic/financial/jobs recovery, this demand was not as strong or sustained.

A TURNING POINT FOR GOLF IN SINGAPORE?

Many in the industry are now wondering if 2014 marked a turning point for the sport in Singapore.

Last year saw the sharpest decline in prices of leading clubs in Singapore, a slide in more than five years. The Business Times Golf Clubs Index, which has been tracking the open market indicative prices of memberships for over two decades, is now at 169.07 points – a level not seen since the first quarter of 2009.

The asking prices for memberships at leading clubs like Singapore Island Country Club, Sentosa Golf Club and Tanah Merah have sunk to five-year lows. The asking price for memberships at mid-tier clubs is at decade-lows.

While golf – as a sport – is not in such dire straits yet, interest in the game amongst the younger set has yet to match those of two decades ago. Golf-club membership brokers, equipment makers and even sports retailers note a slight plateauing in demand for memberships and golf-related products amongst today's younger executive crowd.

Internal market research by golf equipment manufacturers is showing that demand was coming largely from "upgraders" amongst existing golfers, rather than new entrants to the sport.

The phenomenon is not unique to Singapore.

In the US, which is the world's largest golf market, the National Foundation of Golf recently reported that about 160 of the country's 14,600 18-hole facilities shut shop last year – marking the eighth consecutive year of net closures.

Viewership of major golf tournaments has also been on the slide for some years.

Not surprisingly, with falling numbers of young entrants to the sport, most clubs here are faced with an ageing membership profile.

In Asia, some clubs are also starting to feel financial stress. In Johor, the majority of clubs are in the red and sit on very weak balance sheets as many of their Singaporean members have stopped paying subscriptions.

Keppel Club will lose its land by 2021.

Singapore clubs have fared better, largely because of tight cost control and better management. But the latest spanner in the works in Singapore has been the issue of lease renewals for clubs. The Singapore Land Authority and other relevant agencies are reviewing Singapore's land use as the nation's population heads towards the six million mark and beyond.

New technology and increasing demand have meant that previously unusable land – which was allocated for golf clubs – can be used more productively.

Keppel Club will lose its land by 2021. And, within another 20 years, at least three more golf courses could go. There is also uncertainty about the cost of the new lease renewals.

Still, the interest in the game remains strong amongst those who are invested in it. But that alone is not enough.

The industry – golf clubs, equipment suppliers, golf professionals – also needs to invest in the next generation of golfers.

The image of golf being an elitist, expensive and time-consuming sport has to be addressed.

Golf has to become an extramural activity in our schools, colleges and universities.

It's no easy task, and the sacrifices are great.

But if Singapore golf is to be revitalised from its current moribund state, those already invested in it will have to step up and do their part.