

Miniature Golf Report

For

Burnley Golf Course, Melbourne Vic



June 2020

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June 1st 2020

Ms Michelle Scerri
Burnley Golf Course

Dear Michelle

Many thanks for your continued interest in our miniature golf courses.

I provide some information below about the seven miniature golf course we have created since 2016.

I believe our team are largely responsible for a complete reinvigoration of the miniature golf industry. We have taken the golf courses from smaller, more gimmicky "putt-putt" types to beautifully landscaped golf holes that more resemble real golf courses.

I design our golf courses with the view of not only entertaining children but players of all ages.

Our seventh course recently opened at Maroochy River on the Sunshine Coast in Queensland. The numbers through their holiday period have been nothing short of spectacular. While they had visions of paying off their facility within four years these early signs are looking more likely to be a two year payback.

I look forward to more discussion about your project and please feel free to give me a call if you need mor information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Chamberlain', with a stylized flourish at the end.

Richard Chamberlain

Introduction

The purpose of this "Miniature Golf Report" is not a sales pitch for my services, or the services of "Mini Golf Creations" but to use our experience to outline how this industry has changed recently, in particular the types of golf courses being built.

This report will feature information about new golf venues produced by Mini Golf Creations, and others, how they have been received, and their successes and failures.

The construction and ongoing maintenance of these golf courses will also be outlined and ultimately some ideas for future developments planned at Warwick GC.

History of Miniature Golf

Miniature golf has actually been around for a long time but the first commercial venues in Australia opened in the late 1960's and early 1970's. In fact, the longest standing venue of "Putt-Putt Mermaid Beach" recently celebrated its 50th anniversary.

The game has also had a few different labels in its time, including miniature golf, adventure golf, crazy golf, extreme golf and of course the copyrighted name of Putt-Putt.

I still prefer to call our product "Miniature Golf" as it closely represents a miniature version of real golf, rather than the more gimmicky courses that involve a lot more rebounded shots off concrete kerbs and artificial novelty items.

In Australia two newer venues opened about ten years ago at Victoria Park (Brisbane) and Parkwood GC (Gold Coast) that didn't include these novelty items and the courses were predominantly made of radical contouring, bridges and better landscaped zones off the fairway. These newer courses also included multiple golf targets so each actual golf hole had two or three flags at the end of each fairway. This effectively created a 36- or 54-hole layout from the one eighteen-hole layout.

Our company of Mini Golf Creations had adopted this theme but injected more traditional golf course design strategies into our golf layouts which seems to strike a chord with a wider range of players, not just children.

The quality of artificial grasses has also come a long way in recent times. It's an enormous industry with many products being developed, but unfortunately lots of cheap, poor quality grasses on the market too.

With these types of miniature golf courses becoming increasingly popular, the highest quality of grasses is important to withstand the excessive golfer traffic. The other high-level construction methods are also important to obtain a much more superior product. Gone are the days of preparing flat concrete platforms to putt on with simple concrete kerbing along the sides for rebounded shots.

Construction method

While I can't speak for other miniature golf builders, I can outline how we design and build ours.

Design

The design process includes three stages.

- Initial concept design
- Detailed documents for construction
- Onsite design alterations

Concept Design includes various options for the layout of the golf course. This phase of design is equally important to ensure the miniature golf course interacts and flows well with other components of the facility.

After seeing the results of our completed projects its link with the following items is critical in its success.

- Location to initially pay and collect putter and golf balls.
- Warm-up green
- Entry point which might include room to queue up for a game
- Viewing areas for parties and corporate functions

Detailed Design includes a more detailed design of the golf course to include:

- Layout of golf holes
- Contouring
- Earthworks
- Placement of rockwork, timber and landscape zones
- Lighting
- Shade structures
- Victory platform
- Course furniture

On-site design alterations on the ground are a very important aspect that allows the designer the opportunity to constantly fine-tune the design and troubleshoot as construction develops. There are hundreds of minor design aspects that can only be assessed once construction commences.

The drainage aspect is one of the most important items that allows water to be shed off the golf holes or directed towards the cups. The general rule of thumb is that the direction that stormwater is sent on a golf course acts the same as the roll of the golf ball. There is a definite skill in ensuring that the golf balls aren't continually directed to the edges of the golf

holes and ultimately into landscape zones.

Every project we have worked on has encountered issues beneath the surface of the playing arena, whether it be underground pipework, unforeseen rock or other items that demand a slight re-alignment of golf holes. The designer needs to rapidly react to these issues and problems to ensure the creation of golf holes is maximized, while remaining on budget.

The Vines Resort Miniature Golf Shaping Plan - Sheet 1



Construction

The creation of golf holes is fundamentally made up of the following items.

- Earthworks and bulk shaping of golf holes in the subgrade material
- Further enhancement of the golf holes shapes with a minimum of 100mm of compacted road base and crusher dust
- Installation of drainage grates and pipework
- Concreting of golf holes with 100mm thick 32 Mpa concrete
- Gluing of synthetic grasses
- Landscaping
- Timber and rockwork installation
- All necessary trenching for water bodies, lighting, audio and drainage
- Final supply of golf balls, putter flags and cups

Construction items

Our product heavily uses the use of timber sleepers and other forms of timber, rockwork and contoured golf holes. These items look natural and are very long lasting. We have occasionally used some minor novelty items, as used in the Toowoomba City project, but only after they were deemed to be difficult to damage.

We build our courses in this method as they will be long lasting, and the framework of each golf hole will outlast the synthetic grass on top.



Synthetic grasses

The synthetic grass industry is enormous and there are many, many products on the market. The industry is constantly providing more products and these grasses need to be analysed and deemed suitable for mini golf construction. Unfortunately, there are many poor standard grasses available and it takes much research and development to inspect these products and determine their viability.

While our company always uses only the best products it should be recognized it is still a synthetic product that will wear out. The size of the golf course, in particular each golf hole, is critical in evaluating the length of time each fairway of grass will last.

For example, our course at Wembley in Perth is easily our largest product with about 2200m² of synthetic grass used on the eighteen golf holes. This equates to an average golf hole using about 120m² of grass. The smallest of our courses is the Toowoomba City layout which only has about 600m² of grass at an average of about 35m² per golf hole.



Whilst Wembley have been achieving over 60,000 rounds of miniature golf each year the added size in the layout ensures the wear of the synthetic grass is better. It is hoped that if they continue at this rate of play the synthetic grass will need to be replaced after about 7-8 years.

The smaller layout at Toowoomba City means that the golfer traffic is much more condensed through narrower walking areas. Toowoomba is still achieving over 35,000 rounds per year however I am expecting the grass to require replacement after about 5 years.

The ongoing replacement cost needs to be factored in when assessing the size of the layout at the start of the design process. While none of our golf courses have needed grass replacement yet the cost to replace the grass at the Victoria Park layout was just under \$100,000 for about 1000m² of grass. Depending on its complexity the cost to replace the grass will be in the \$100 per square metre range.

It is also important to note that the synthetic grass suppliers will only provide a one-year warranty for their product when used in a commercial situation.

Completed golf courses by Mini Golf Creations

Wembley Golf Course, Perth

18 holes

Total site – 5000 m2

Total Grass coverage – 2200 m2

Completed December 2016

Approximate cost to design and build - \$1,900,000



COMMENTS:

December 2016 to December 2019, taken over \$3.3 Mil in revenue.

Voted #1 Tinder date venue in Perth

Contact details: Mr David Oliphant

Mobile: 0428 888 855 Email: doliphant@wembleygc.com.au

City Golf Club, Toowoomba Qld

18 holes

Total site – 1500 m2

Total Grass coverage – 600 m2

Completed January 2017

Approximate cost to design and build - \$750,000



COMMENTS:

Year 1 – 36,000 rounds (average \$11 per round)

Year 2 – 33,000 rounds

Year 3 – 30,000 rounds

Contact details: Mr Peter Constance

Mobile: 07 4636 9020 Email: manager@citygolf.com.au

The Vines Resort, Perth

18 holes

Total site – 2500 m2

Total Grass coverage – 900 m2

Completed September 2017

Approximate cost to design and build - \$1,000,000



COMMENTS:

Averaging 32,000 rounds per annum.

Significant increase (25-30%) in food and beverage sales

Contact details: Mr Mike Stanton

Mobile: 0417 943 470 Email: mikestanton@novotelvines.com.au

Curlewis Golf Club and Driving Range, Curlewis Vic

18 holes

Total site – 3000 m2

Total Grass coverage – 1100 m2

Completed January 2018

Approximate cost to design and build - \$1,000,000



COMMENTS:

Number of rounds unknown.

Contact details: Mr Kevin Mullins

Mobile: 0407 349 6290 Email: kevin@thesharpgroup.com.au

Rich River Golf Club, Murray region, Vic

9 holes

Total site – 2000 m²

Total Grass coverage – 800 m²

Completed June 2019

Approximate cost to design and build - \$550,000



COMMENTS:

During winter months the revenue is \$20,000 per month.

Café takings increased 20%

Contact details: Mr Shane Gloury

Mobile: 0427532823 Email: ceo@richriver.com.au

KDV Sport, Gold Coast Qld

18 holes

Total site – 2500 m2

Total Grass coverage – 900 m2

Completed August 2016

Approximate cost to design and build - \$800,000



COMMENTS:

Number of rounds unavailable

Contact details: Julia Shtengelova

Mobile: n/a Email: julia@kdvsport.com

Maroochy River Golf Club, Sunshine Coast Qld

18 holes

Total site – 2500 m2

Total Grass coverage – 1100 m2

Completed November 2019

Approximate cost to design and build - \$1,200,000



COMMENTS:

Only opened since November 2019

6000 rounds in December + 800 corporate/party rounds

Food and beverages increased 40%

Contact details: Charlie McGill

Mobile: **0417 540 120** Email: manager@maroochyrivergolfclub.com.au

Cost to build

Obviously there are many factors in the cost of construction based in the sites location and level of complexity in its build.

The seven courses completed by MGC ranged from \$700,000 to \$1,900,000 however some of these projects did not require any travel or on-site accommodation and some travel costs were provided by the client, which is not factored into the overall costs.

Our most recent project was at Maroochy River on the Sunshine Coast and they spent approximately \$1,200,000. This included a mini golf course on a site 2500m² and also included some carpark work and also the kiosk and covered viewing area. The Maroochy River team also undertook all of the landscaping works themselves which was a cost saving of about \$100,000.

Looking at future projects at Royal Queensland I would allow for the following costs to design and build.

A nine-hole layout on a site 1200 m ² and with synthetic grass coverage of about 700m ² (similar in size to Rich River)	<u>\$600,000</u>
An eighteen-hole layout on a site 2500 m ² and with synthetic grass coverage of about 1200m ² Similar in size to Maroochy River (excluding structures)	<u>\$1,000,000</u>
An eighteen-hole layout on a site 4000 m ² and with synthetic grass coverage of about 2000m ² Similar in size to Wembley (excluding structures)	<u>\$1,500,000</u>

There are many variables in the construction items beyond the actual cost to create the golf holes. These include:

- Perimeter fencing
- Water bodies
- Shade structures
- Lighting and audio
- Viewing structures
- Landscape and course furniture

Ongoing maintenance

The main two items involved in the ongoing running costs of a mini golf facility are the staffing levels required to operate the facility and the upkeep of the golf course.

The Golf Course

The maintenance to the golf course requires minimal manpower to blow any leaves and debris off the synthetic grass in the morning and during the day. Most courses spend less than fifteen minutes on the preparation of the golf course each morning.

The synthetic grass itself needs little maintenance however may require a "fluff up" after periods of heavy traffic. A rotary broom is a good tool to have on hand to effectively lift the grass pile upright, rather than it laying down. This will always occur after busy periods of foot traffic. Over time the grass will lie down more and definitely wear out, and the speed of the golf ball actually gets much faster. This is a factor that needs to be considered during the design process so the mounds and contouring aren't too severe, as it will definitely speed up over time.

Careful choices in the landscape will also ensure minimal maintenance is needed. We generally include a concrete lined creek and pond for great aesthetics and this water must also be free of debris. We will provide assistance with keeping these waterways pristine after construction is completed.

Operations

There is no doubt a mini golf course will have its quiet and busy times. This needs to be factored in when setting up facilities to pay for play and to purchase food and drink.

The recently opened facility at Maroochy River included its own small kiosk to pay for mini golf and also purchase food and drinks. In its two busy months since opening it has used this kiosk on a full-time basis.

As we head into the cooler months when numbers are likely to decrease there will likely be a need to send the mini golfers via a bar, café or pro shop to pay and receive their golf balls and putters. The key is to achieve this using existing club staff, not using its own satellite paying area when there isn't much patronage.

Courses such as Parkwood, Wembley and Victoria Park have done this well as all golfers enter through the pro shop. In busy periods extra staff can be used within the pro shop to cater for increased volumes of mini golfers.



Figure 1: Connect of Maroochy River Mini Golf course with existing clubhouse and future golf facilities

Return on Investment

Beyond the details about costs, construction and completed projects, this is likely to be the most important section of the report, whether or not the addition of a miniature golf course will return its investment and blend well with other components of your facility.

Based on our knowledge of our own seven courses plus Parkwood and Victoria Park they all return at different levels.

An interesting story was told to me by the owner of a very basic mini golf in Toowoomba before the golf club installed theirs. It was at a driving range and cost about \$70,000 to build. It was extremely basic and features cheap green carpet and bricks along the side of each golf hole, mainly played by hitting rebounds off the bricks.

Even though it was simple and only charged less than \$10 to play its \$70,000 was repaid within nine months. The problem being that as time wore on and the course deteriorated, within three years it was only creating about \$10,000 of revenue per annum. Whilst still making some money its lack of quality and excitement tapered off pretty quickly and it actually became more of an eyesore to the overall facility.

Move to the top end of the scale and look at the enormous facility at Wembley in Perth. It was built on a massive 5000 m2 of land but also had the benefit of sitting next to a 36-hole golf course, massive automated driving range and fantastic new clubhouse.

Its \$1.9 Mil build cost was a staggering investment, but time has show it has generated over \$3.3 in revenue in its first three years of operation, with no sign of slowing down. The very well designed and built miniature golf course certainly plays a part in its success but also the fact it sits within other great facilities on the same site.

Most of our other clients that fit in between these two models (the \$800k - \$1.2 Mil range) have comfortably returned their investment inside 2.5 years, even though they had budgeted for a four-year payback.

One item that needs to be recognized is the increase of the food and beverage sales. In addition to providing great returns on the miniate golf fees itself, courses such as Wembley, The Vines, Curlewis, Victoria Park, Parkwood, Rich River and most recently Maroochy River has experienced distinctive spikes in the sales beyond the golf course.

At these facilities the clubhouses and driving ranges certainly provide adequate revenue on their own but the injection of a miniature golf course has proven to life the energy levels of the venue and definitely creates a more exciting vibe when players are out on the golf course. We have definitely curbed our design of such courses in a way that "hole in ones" are more frequent to add to the excitement.

Summary

I trust the information provided in this report provides an update of the current miniature golf industry.

I have a myriad of photos and videos of our construction process and can provide if needed.

If we can assist in any way please don't hesitate to call.



Richard Chamberlain

(Director – Richard Chamberlain Golf Design)

Additional photos and videos.

Maroochy River Golf Club.

Photos and videos of construction.

https://drive.google.com/drive/folders/1nEt1_ER0404KzI7-65Cao5nFLbfsp6oe?usp=sharing

<https://drive.google.com/drive/folders/1AccdiWn7VZx93VqsrHbkyDdSPk2M-aIM?usp=sharing>

<https://drive.google.com/drive/folders/1P7ir0pUPGpleMaSr4gpPy26Bx0WDr1w3?usp=sharing>

Here is a video of the finished product (sorry about the noise distortion)

<https://drive.google.com/file/d/1rCa5v4802SDGSE28iwJLrA6a06T3ht6b/view?usp=sharing>

Photos of Opening day.

<https://drive.google.com/open?id=1kldSJv07OX3MIR9U1VU9QyoQGBQEBKSA>