



NEGOTIATING RENT INCREASES

Rod Mitchell of Sutton Coldfield Golf Club writes about rent increases.

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Sutton Coldfield Golf Club was founded in 1889 and has always rented its course from the Local Authority. The Clubhouse is built on freehold land owned by the Club. Various leases have existed over the years and until the 1990s all negotiations, including those on rent, were conducted amicably and any changes were mostly modest.

In recent years the situation has changed. Professional Agents have targeted the landlords of golf courses and their fees have invariably been based either on the level of the new rent or on the rate of the increase negotiated. In consequence costs have increased at an alarming rate for many clubs. Landlords have been advised that Golf Clubs have the ability to pay higher rents and Committees have an aversion to Arbitration. We have therefore become soft targets for the Professionals.

This Club has employed a Professional Agent to represent it on two occasions in the last ten years but one of the problems encountered by him, and by us, has been the lack information on comparable rents paid by other clubs in similar situations. Regular rent reviews now face all Clubs that lease all or part of the land on which they operate and the days of cost of living increases, or the like, have gone forever.

Therefore it seems to be in the interests of all clubs in this situation to co-operate by establishing and maintaining a comprehensive database to allow them to be better prepared for when the negotiations begin again. It is recognised that such a database would contain highly sensitive and confidential information. This Club is prepared to collate such information either at the Club or privately by a Club Officer.

Alternatively the GCMA has indicated a willingness to be involved in this venture and it may be that security would be best preserved through this involvement. Either way no information would be released except under the tightest of controls, clearly stated, and then only to members of the GCMA.

This Club's latest negotiations took over twelve months to conclude and this delay left it with a long period of uncertainty. The increase was just under 20% and the Club finally settled, as the Arbitrator was about to commence his review. The resulting rent is high in relation to some clubs but reasonable in relation to many selected by the Professional Agents. Co-operation between Golf Clubs will hopefully avoid us remaining soft targets and an end to the alarming rent

increases. The financial pressures that we now have to face are well documented but not appreciated by the Professional Agents acting on fee structures based on the increased rent. This Club is convinced that access to a comprehensive database would have been of enormous value. We hope therefore that such a facility will be available when the next round commences. It will not be long!

Rod Mitchell is a former secretary at Sutton Coldfield Golf Club

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