

EXCLUSIVE: PGA National being sold for \$233 million

BUSINESS By [Alexandra Clough](#) - Palm Beach Post Staff Writer



Fans takes pictures of Tiger Woods on the 16th hole during the final round of the Honda Classic at PGA National Resort and Spa in Palm Beach Gardens, Florida on February 25, 2018. (Allen Eyestone / The Palm Beach Post)

Updated: 8:43 p.m. Monday, September 24, 2018 | Posted: 1:15 p.m. Monday, September 24, 2018

PGA National Resort & Spa, one of the county's most iconic resorts and the home of the **Honda Classic**, is under contract to be sold to a Canadian company.

A website that tracks hotel sales said **Brookfield Asset Management**, of Toronto, signed a contract on July 26 to buy the Palm Beach Gardens resort.

A source familiar with the transaction said a Brookfield private real estate fund will pay \$233 million for the resort, or \$687,316 per room.

OpenComps, which tracks hotel investment information, had listed \$255 million as the sales price, but a source said that number is incorrect. The deal is expected to close by the end of the year.

Greg Saunders, PGA National's general manager, said Brookfield is one of several buyers eyeing the property.

Saunders declined to say whether PGA National is under contract to Brookfield, citing a nondisclosure agreement.

"Brookfield is looking at the property. That's all I can tell you," Saunders said.

A Brookfield spokesman declined to comment.

The golf club and resort in Palm Beach Gardens **went up for sale** earlier this year. Walton Street Capital paid \$170 million for the property in 2006, buying it from developer E. Llywd Ecclestone Jr., according to court documents.

PGA National has 339 hotel rooms, a 40,000-square-foot spa, 42,000 square feet of meeting space and five 18-hole golf courses.

"It's a gem in the tourist business of Palm Beach County," said Neil Merin, chairman of NAI/Merin Hunter Codman in West Palm Beach.

Sports business analyst Rick Horrow said the PGA National brand continues to be strong in the industry.

Horrow cited not only PGA National's relationship to the PGA of America but also "the steady flow of regular and championship golf tournaments," including the senior major golf championships.

Even prior events, such as the Ryder Cup, add to the resort's allure "and remain part of its brand history, which is all positive," said Horrow, a visiting expert on sports business at Harvard Law School and a longtime South Florida resident who lives in Jupiter.

A sale to Brookfield could mean a big upgrade at PGA National, an iconic PGA Tour golf course and the home of the Honda Classic for the past 12 years.

Brookfield Asset Management's website said it seeks to invest in properties it can improve. The low-profile company has more than \$285 billion in assets under management and owns some of the most well-known properties in the world.

Assets include New York's Brookfield Place, formerly the World Financial Center, next to the World Trade Center complex; and Atlantis Paradise Beach Resort in the Bahamas.

Closer to home, Brookfield just completed its \$15 billion acquisition of General Growth Properties, owner of Mizner Park in Boca Raton.

Brookfield also owns the Diplomat Beach Resort in Hollywood.

Merin said Brookfield is a savvy operator of resort properties, including those with conference space.

By having a trophy property such as PGA National in its portfolio, Merin said Brookfield can then cross-sell PGA National along with its other resorts to conference planners.

In addition, unlike Walton Street, which is more of an investment firm, Merin said Brookfield holds its properties for the long-term. This means it's likely Brookfield will pour money into improving PGA National, Merin said.

In recent years, members have complained that PGA National's **greens have become sub-par**, even as the resort continues to host big golf tournaments. Some members also have complained that they are being shunted aside in favor of PGA Tour or corporate events hosted by the resort's hotel.

In April, PGA National's owner said it would **close the Champion course for four months** this summer and refurbish all 18 greens. The move was made in response to PGA Tour feedback that the course needed a refresh.

The Champion course is expected to open Oct. 5, Saunders said.

PGA National's courses can be played only by members or those staying at the hotel. Golfers can expect to pay more than \$200 a round, with fees for the Champion course approaching \$300.

About the Author

ALEXANDRA CLOUGH

