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SOUTH STREET PARTNERS

America's Most Intentional Golf Developer

Where It All Began



Kiawah Island Club

South Street Partners is bullish on golf with more than \$75 million of courses in progress.

By Mark Pazdur, Publisher



CHARLESTON, SOUTH CAROLINA: Over the past decade, South Street Partners has become a formidable force in the golf industry. The company owns and manages 14 golf courses (with two more under design and development), hosts over 354,000 rounds of golf annually, has approximately 1,450 hotel room keys in its inventory, employs over 3,100 people, and controls \$2 billion-plus in assets under management.

I sat down with Chris Randolph, partner at South Street Partners, for an overview of "what's next." "We acquired Kiawah Partners, the master developer of Kiawah Island, as well as the Kiawah Island Club, Kiawah Island Real Estate, and the majority of remaining developable residential land on the Island in 2013," stated Chris. "Despite having worked on golf course developments at previous firms, it was our first investment at South Street in golf during a time when the sport was still in secular decline. The Island's location and reputation were hard to ignore. We felt there would be a strong interest in the drive to, versus fly to, luxury market, and we were right. Our financial wherewithal, patient capital and focus on family programming also played a major role in our success."

Since 2013, Kiawah Island Real Estate has reported over \$4.7 billion in closed sales volume including almost \$400

million of developer land. "We have noticed a surge in buyers who 'want it now' and have less interest in purchasing a parcel of land to build their custom dream home. Many are willing to sacrifice some customization to shorten the timeline before move-in," continued Chris. "To take advantage of the trend, we started a home building company to provide greater turn-key inventory. All our changes [some subtle and some significant] substantially increased our sales both from a pricing and absorption standpoint since we took over the reins."

"When we made the purchase, the sale included a 900-acre parcel of land on adjacent Johns Island called Orange Hill. At the time, we assigned modest value to it because a decade ago there wasn't demand for a golf course community on John's Island. In fact, we converted the land into

a sporting club as an interim use. However, that land and those entitlements are incredibly valuable today. The main driver behind the decision to develop the new course is the increased golf play by our existing members who are staying here longer and using the amenities more frequently than they did before the pandemic."

The golf course at Orange Hill is slated to break ground later this year, subject to requisite approvals, with Beau Welling heading up the design. "We interviewed all the well-known design firms and Beau stood out based on his deep personal interest in the project. His family had owned a home on the Island, and he worked on the River Course design with Tom Fazio, so he knew it well. He is very much a 'right-brained' golf course architect," praised Chris. "His understanding of combining land planning, design expertise, and advisory services under one roof was a major selling point." This new golf course will be part of a mixed-use development that will also include a spectacular clubhouse for Kiawah Island Club Members with a restaurant concept by the Club's Culinary Advisor, James Beard Award-winning chef, Mike Lata.

The eight-suite Two Meeting Street Inn also recently opened as an overnight amenity for Kiawah Island Club members in downtown Charleston after an extensive restoration. Located in the famed historic district, Two Meeting Street will serve as the perfect base to enjoy the city's celebrated dining and cultural offerings after a day of group play at Cassique, River, or the new Orange Hill course. These new amenities, as well as two real estate developments on the west end of the Island, will round out the development plan at Kiawah for South Street.

A SLEEPING GIANT

With its success on Kiawah Island, South Street started discussions on "what's next."

"We had been looking at The Cliffs for many years. Its model wherein a single club membership opens the door to seven courses by touted architects—Fazio, Nick-



laus, Player, Wright, and Jackson—spanning the Western Carolinas from the Blue Ridge mountains to the shores of Lake Keowee was highly attractive, and we knew it would fit well into our wheelhouse," recalled Chris. "We considered The Cliffs a sleeping giant with enormous potential. Several of The Cliffs' communities are 30 minutes from Greenville, South Carolina and Asheville, North Carolina, both of which have emerged as two of the South's most popular small cities."

With almost \$800 million of infrastructure and amenities in the ground at The Cliffs when South Street completed the transaction from the previous developer, they knew they were acquiring assets well below replacement cost. This season, South Street opened two new amenities at The Cliffs at Keowee Springs—The Lake Club, which includes a yoga deck, pool, large outside patio, dining facilities, and communal docks and the Keowee Springs Clubhouse, featuring a dining room, bar and lounge, golf shop and wellness center. "Our big news in 2024 is breaking ground on the much-anticipated Sports Pavilion at Mountain Park which will open in the summer of 2025," said Chris.



The Cliffs





Palmetto Bluff

A LAUNDRY LIST OF GREATNESS

A little more than three years ago, South Street purchased Palmetto Bluff in Bluffton, South Carolina. Its footprint is massive, with 20,000 acres and 32 miles of riverfront, overseen by the venerated Palmetto Bluff Conservancy.

Few communities can match Palmetto Bluff's diverse golf selection with a Jack Nicklaus Signature Course (May River); a newly built reversible nine-hole course by King-Collins (Crossroads), complete with a 34,000 square-foot "Himalayas" putting course; and an 18-hole course designed by Coore & Crenshaw well underway.

"I have long described Palmetto Bluff as a private community with golf, not a golf community because there is so much to offer besides our outstanding courses as the land naturally lends itself to a variety of recreational activities," detailed Chris. "However, I may need to rethink that moniker because I would put the combination of the new Coore & Crenshaw course, our existing May River course (my favorite Nicklaus course—although I may be biased), and the Crossroads course by King-Collins up against any golf community in the country."

EXPANSION CONTINUES

In just the past two and a half years, South Street Partners has invested \$1 billion in new acquisitions and recapitalizations. "We recently purchased the



Beneath the shelter of century-old live oaks lies one of the Lowcountry's best-kept secrets. With no designated tee markers at Crossroads, play from wherever you choose to foster a sense of creativity.



Barnsley Resort

"We believe in investing in life's greatest asset, time."
— CHRIS RANDOLPH, PARTNER AT SOUTH STREET PARTNERS



Naples Grande

"The team at South Street seem to really know what they're doing, and everything feels very positive. It feels like it was just meant to be." — BILL COORE

Naples Grande Resort and Golf Club complete with a Rees Jones designed course, slated for a renovation in 2025. Its central location to everything that makes Naples such an attraction fit our business plan to only purchase best-in-class addresses in high-growth markets. We also acquired Barnsley Resort, tucked away on 3,000 acres in the foothills of the Blue Ridge Mountains forty-five minutes north of Atlanta, with a terrific 18-hole Fazio design. Most recently, we acquired Elevation Resort & Spa at the base of Crested Butte ski mountain and are about to embark on an extensive renovation as well as a real estate offering

later this winter," concluded Chris. "We are also excited to announce our newest acquisition of the King and Prince Beach & Golf Resort on St. Simons Island. This transaction represents a compelling opportunity to acquire the largest, beachfront resort located on St. Simons Island, out of long-term family ownership. Both the resort and golf club offering complement our existing portfolio of irreplaceable assets located in high-growth, Southeast markets. ■

For more on South Street Partners' philosophies, please visit SouthStreetPartners.com.