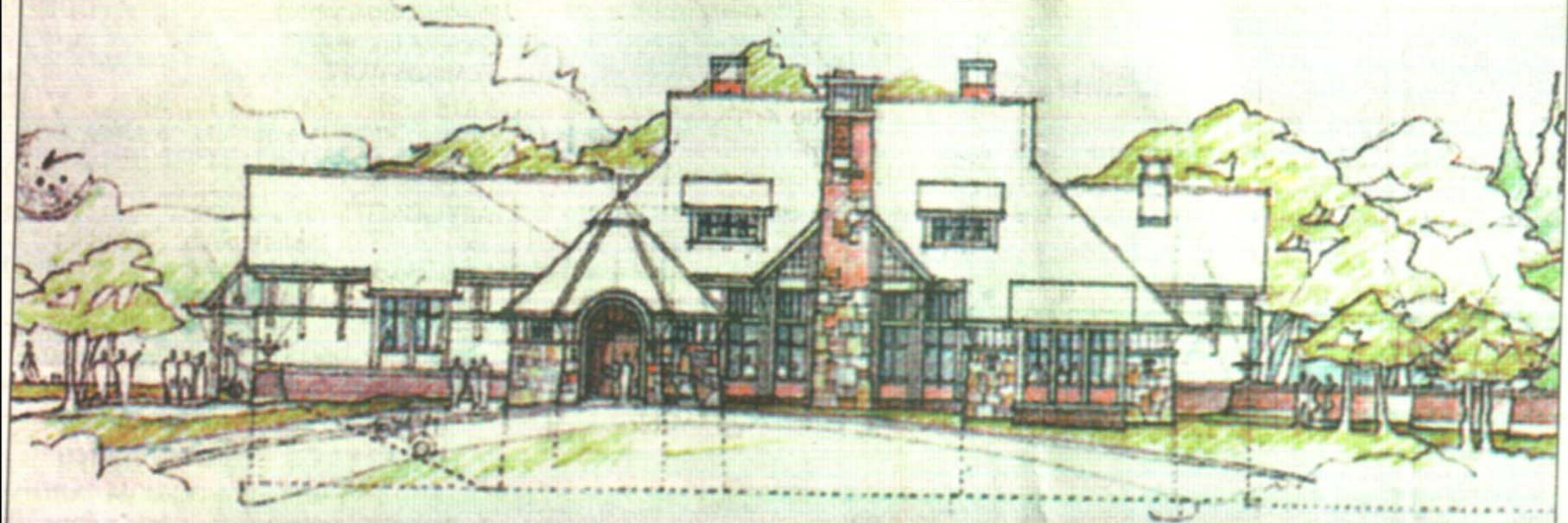


BUILDING THE SAGAMORE CLUB



Clubhouse rendering courtesy of Ratio Architects

Golfing enclave is sign of strong area economy

■ Pricey homes going fast in development that is being built around course designed by Jack Nicklaus.

By Gargi Chakrabarty

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While private golf communities are popular in warm climates such as Florida and California, Midwestern weather makes such enterprises a risky proposition here.

That hasn't deterred investors in The Sagamore Club, however, from taking just such a risk in central Indiana.

The private residential community, featuring a course designed by golf legend Jack Nicklaus, spans 403 acres of rolling fields in Noblesville and is scheduled to open in summer 2003.

Since it broke ground in October, Sagamore's prospects show encouraging signs.

The \$25 million development has sold 30 percent of its 320 lots. And the golf course, which is still under construction, already has 180 members of the 395 being sought.

Real estate agents attribute Sagamore's initial success to two factors: central Indiana's stable economy, and

the demand for a private golf club to fill a void in the market.

The area's last private golf club, Hawthorn Golf Course, and its residential development, Hamilton Proper, were built nearly a decade ago.

Since then, suburban growth has surged north of Indianapolis. And with it, Sagamore finds a growing pool of people who may want to join a private golf club, said Dana Garmany, chairman of Troon Golf, which owns a minority stake in the venture.

Developers contend that central Indiana's relatively stable economy could ensure the success of Sagamore, where an average home costs more than a half-million dollars.



Sonya Bordeau / staff photo

Work continues: Matt Burton of Gradex Inc. handles pipe that will be soon lowered into place for drainage and sewer use on the grounds of The Sagamore Club, an upscale golf-oriented residential community under construction in Noblesville.

Sagamore facts

What: A private golf club community in Noblesville featuring a Jack Nicklaus-designed course and up to 320 custom-built homes.

Status: 30 percent of the lots have been sold; homes expected to cost \$500,000 and up. Golf course expected to open in summer 2003.

Membership details: No more than 395 golf memberships will be sold. Charter members will be eligible for a discount on a housing lot in the community. Social memberships also available.

Costs: Refundable initiation fee of \$38,000 for golf memberships. Monthly dues: \$375. Social membership: \$3,500 initiation fee, \$125 monthly dues.

"Central Indiana's diversified economy has helped the housing market," said Mark Hesemann, vice president of The Sagamore Club. "Sagamore received great response from the residents, despite the economic slowdown."

The Sagamore Club is banking partly on a recent surge in the construction of golf communities

across the nation.

"About 46 percent of new golf courses built in 2000 and 2001 include residential developments," said Judy Thompson, spokeswoman of the National Golf Foundation.

"That's a significant increase, considering only 17 percent of the existing courses include golf communities."

Some investors believe golf courses built amid residential communities will be a trend of the future.

"There's a lot of value in building an upscale golf course in a residential community," said Larry Cole, senior vice president of Troon Golf.

The value of the real estate goes up. That's the motivation behind having a golf course, which is very expensive these days.

Local real estate agents are optimistic about The Sagamore Club, although they caution it could take some time to sell out, considering the high price of homes.

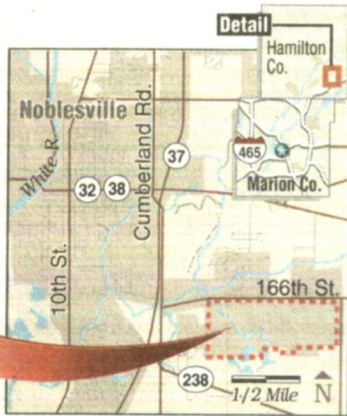
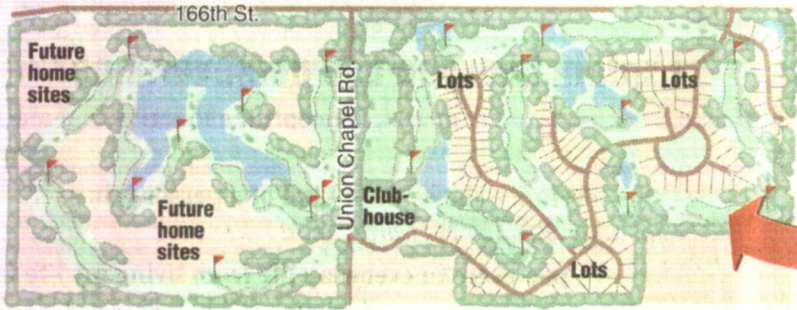
"If they already sold that many



Jack Nicklaus

On target for summer 2003 opening

Groundbreaking was in October for The Sagamore Club, a \$25 million community anchored by a Jack Nicklaus-designed golf course.



Sources: Cripe; Nicklaus Design

E. Weaver / staff graphic

Golfing

- Golfers don't have to buy
- Golfers don't have to buy lots; owners needn't play.

From C1

lots, I'd say that's a very good start," said H. James Litten, president of F.C. Tucker's residential real estate services. "It's the only Jack Nicklaus signature golf course in central Indiana, so there's a lot of interest."

Litten cautioned that any dip in the sales of top-end existing homes could slow the development. But central Indiana's economy is faring reasonably well, with Hamilton County selling more homes priced over \$400,000 this January compared with the same month a year ago.

Given the uptick in recent economic indicators, Litten said Sagamore could be in for a sales rush.

"Companies have resumed paying bonuses," he said. "The economy is recovering; I'd say The Sagamore Club has a high chance of being successful."

While the demand for expensive homes may remain uncertain, Sagamore's other shareholders — including University Golf Development, The Melrose Co. and Landscapes Unlimited — remain upbeat.

For the Scottsdale, Ariz.-based Troon Golf, which manages 110 golf courses in countries such as Australia, Mexico, Japan, Scotland and Dubai, Sagamore is a long-term investment.

"We'll manage the golf course, the golf shop and the membership program," Cole said. "We'll also manage food and beverage."

Golf members currently pay \$38,000 as an initial deposit, which is refundable if the membership is canceled. This amount increases after every 20 memberships are sold. A monthly fee of \$375 will be levied once the course opens.

Members don't have to buy lots, and homeowners don't have to be golf members, Garmany said.

"Social members can enjoy the swimming pool, tennis courts or even the fitness center," he said.

Social members, who don't own lots in Sagamore, must pay

\$3,500 as an initial deposit and a monthly fee of \$125.

For Noblesville resident Tom Surgener, who has bought a lot at Sagamore, the golf club was a big incentive.

"I usually play golf once or twice a week, but that's not enough," said Surgener, first vice president at Bank One. "I know I'll play more once we live at Sagamore."

Surgener says the Jack Nicklaus affiliation and its location in Noblesville made Sagamore an easy choice for him.

"I've lived in Noblesville for 23 years; I wouldn't want to live anywhere else," he said. "And this would be the only club for me."

Key investors say they don't plan to build another such club in this area.

"No, I don't think we'll build anymore clubs in Indianapolis," said Mike Jenkins, president of Landscapes Unlimited, which has a majority stake in Sagamore. "There's only so much the market can absorb. We don't want to overbuild."

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