

The Financial Future of Hot Springs Village

Phil Lemler did an outstanding job in presenting his 'Marketing Seminar' on April 11, 2019. First he described the overall marketing concept. Then he defined the two essential parts of any marketing program. First define who we are and then define the focus of the marketing effort.



Once the marketing concept was understood the audience could readily recognize that Hot Springs Village is an **Active Retirement Community** blessed with nine championship golf courses. This undoubtedly was the reason for Cooper building nine magnificent golf courses. Based on this recognition it is logical that the **“Focus”** of the marketing plan should be directed at the **golfing** community to attract future residents to Hot Springs Village.

Golf is our only amenity capable of generating significant revenue. In 2018, golf was the third largest revenue stream by contributing 16.1% of the total HSV revenue. Utilities yielded 23.8% and assessments 47.7%. Hot springs Village needs more golfers living in HSV who may play 10, 20 or more rounds of golf annually. We have the capacity on our nine golf courses. Many golfers may play as many as 66 rounds or more a year.

<u>J</u>	<u>F</u>	<u>M</u>	<u>A</u>	<u>M</u>	<u>J</u>	<u>J</u>	<u>A</u>	<u>S</u>	<u>O</u>	<u>N</u>	<u>D</u>	<u>Total</u>
2	3	3	8	8	8	5	5	8	8	6	2	66

This is an example of the potential revenue possibilities

Options for Hot Springs Village	Unimproved	Improved	One golfer
<i>- Best case scenario -</i>	Assessment	Assessment	\$25/round avg.
	<u>\$39.45 mo.</u>	<u>\$68.30 mo.</u>	<u>66 rounds/year</u>
9,301 improved lots		\$ 7,623,100	
13,947 unimproved lots in good standing	\$ 6,602,509	\$ 11,884,200	\$ 23,012,550
25,164 unimproved lots in HSV	\$ 11,912,637	\$ 20,624,414	\$ 41,520,600
7,809 lots seriously past due lots	\$ 3,696,780	\$ 6,400,256	\$ 12,884,850
3,408 lots in POA inventory	\$ 1,613,347	\$ 2,793,197	\$ 5,623,200
CMP = Growth of 2,500 over 20 years. *1		\$ 2,049,000	\$ 4,125,000

Footnote: *1 - Exact forecast from CMP