

GOLF COURSES

Section K

Golf courses are designed and built in a variety of types and sizes. The pricing schedules in this section are provided as a guide to assist the appraiser in arriving at a reasonable and equitable estimate of the cost of developing the various types of courses.

REGULATION COURSES

A regulation golf course usually consists of 18 holes of varied length. There are generally four short holes, 130 to 200 yards (par 3); ten average holes 350 to 400 yards (par 4); and four long holes 450 to 550 yards (par 5). Average costs per hole are given for five grades of golf courses the general specifications are as follows:

- AA Grade Excellent course designed for professional play; rolling terrain; well landscaped with wide tree lined fairways and large, excellent quality greens and tees; numerous natural and man-made hazards; generally 7200 yards long with a par 72 rating.

- A Grade Excellent course design for championship play; rolling terrain; well landscaped with wide fairways and large, very good quality greens and tees; many natural and man-made hazards; generally 6900 yards long with a par 72 rating.

- B Grade Good course design for private club membership; rolling terrain; well landscaped with wide fairways and large good quality greens and tees; natural and some man-made hazards; generally 6500 yards long with a par 70 rating.

- C Grade Average course designed for municipal or general public play; flat terrain; landscaped fairways; average size and quality greens and tees; some natural and few, if any, man made hazards; generally 6000 yards long with a par 67 to 70 rating.

- D Grade Simply developed course often referred to as a "cow-pasture course"; flat terrain; very little landscaping; small greens and tees; few natural hazards; generally 5400 yards long with a par 64 to 67 rating.

BASE PRICE COMPONENTS

The costs per hole have been developed to include the cost of normal on course improvements and do not include the cost of land, clubhouse, or any recreational facilities. The base price components are as follows:

Grading and Clearing. . . includes the removal of brush and trees from the fairways, greens, or tees; landscaping and the seeding of grass.

Sprinkler System. . . includes the water source, pumps, piping, and sprinkler heads.

Greens. . . includes the building, seeding and care of the greens until the opening of the course.

Tees. . . includes the building and care of the trees until the opening of the course.

Bunkers. . . includes the building and care of the bunkers until the opening of the course.

Service and Cart Roads. . . includes base preparation, paving, and bridges over hazards.

Architect's Fees. . . includes all plans and supervision during construction.

OTHER COURSES

Miniature Course	The entire course is comprised of a putting surface which has various obstacles and hazards placed between the tee and the cup.
Pitch and Putt Course	The course has greens, bunkers, tees, fairways, and very little, if any, rough area separating the holes. The holes are usually 60 to 120 yards long and the course often has lighting for night play.
Par 3 Course	The course is the same as a regulation course, but on a smaller scale with all the holes rated par 3, 140 to 160 yards long and the course may have lighting for night play.
Executive Course	Also called a par 60 course; the course is the same as a regulation course, but on a smaller scale with the holes 200 to 300 yards long. The holes are mostly par 3 with some par 4 and par 5 ratings.

Driving Range	Consists of a piece of land usually 10 to 15 acres with elevated tees along one side used for practice of hitting tee shots on regulation courses.
Practice Putting Greens	Consists of a large green with numerous cups used for putting practice.

GENERAL APPLICATION

The primary variables in golf courses are size, layout, sprinkler system, greens, tees, fairways, and bunkers. Costs of courses may vary from \$25,000 per hole for a course with minimal improvements to over \$250,000 per hole for the best championship courses. The costs given are for average courses in each quality grade. Included in the cost per hole is normal clearing and grading, complete sprinkler systems, landscaping, greens, tees, bunkers, service and cart roads, and architect's fees. Costs do not include buildings, swimming pools, parking areas, or any other off-course improvements. Listed below is the procedure to be used for the appraisal of golf courses.

1. Identify the course by name and record the following data on the property record card (preferably in the top portion of the sketch area).
 - a. The type of course (regulation size, pitch and putt, miniature, etc.).
 - b. The year of completion (if developed in phases, describe the number of holes completed each year).
 - c. The number of holes and the amount of land used for the course.
 - d. The course length and par.
 - e. The terrain and topographical features.
 - f. The average size of the greens, tees, and the number of bunkers.
 - g. The type of sprinkler system.
2. Analyze the various components of the subject property, giving special consideration to . . . the extent of planning. . . the natural contour of the land. . . clearing and grading of fairways, greens, and tees. . . the extent and quality of the sprinkler system: whether it is automatic, manual, covers the entire course or only the tees and greens. . . the average green and tee size. . . the average number of bunkers per hole. . . the quality of cart and service roads. . . any other characteristics essential to establishing the proper grade level of the course.
3. Determine the Quality Grade of the course by comparing its components, as analyzed above, with the given specifications for each grade and select the corresponding base cost per hole.

In many instances, the course will exhibit a composite quality which falls somewhere between two grades. In such cases it is necessary to interpolate between the base hole costs.

4. Note (on the property record card, along with the data recorded in Step # 1) any significant variations between the construction components of the subject property and the base specifications for the selected Grade.
5. Adjust the base cost to account for significant variations between the construction components of the subject property and the base specifications for the selected Grade, as considered in Step # 4.

This step is only necessary if the adjustment is not adequately accounted for by "intermediate grading", as described in Step #3.
6. Multiply the average replacement cost per hole, as derived in Step #5, by the total number of holes to arrive at the total replacement cost of the course.
7. Determine the proper depreciation allowance based upon the condition, desirability, and usefulness of the course relative to its age, and apply it to the total replacement cost as derived in Step #6, to arrive at the depreciated value of the course.
8. Sketch, list, and compute by using the appropriate pricing schedule, the replacement cost and depreciated value of all improvements not included in the base cost.

See pricing example on following page.

GOLF COURSE PRICING EXAMPLE

Catapult Golf Course - an 18 hole regulation size course, 6500 yards long, par 72, located on 150 acres of rolling terrain. The course is 10 years old and has 10000 square foot greens, (3) 2500 square foot tee locations for each hole, and (3) bunkers per hole. Fairways and greens have automatic sprinkler system.

This course is judged to be an Average Quality Course with very good greens and tees, good overall condition, desirability and utility. Land value is estimated at \$10,000 per acre

Base Cost Per Hole Good Quality	\$100,000
Quality Factor + 10%	\$10,000
Replacement Cost Per Hole	\$110,000
Number of Holes	x 18
Total Replacement Cost	\$1,980,000
Less Depreciation -10%	(-) \$198,000
Total Value of Course Improvements	\$1,790,910
Value of Clubhouse & Other Buildings (Cost Approach RCN – Depreciation)	\$500,000
Land Value (100 acres @ \$10,000)	\$1,000,000
Total Value	\$3,210,000
Value Per Hole (Rounded)	\$178,000

GOLF COURSE PRICING

EXCELLENT - REPLACEMENT COST \$200,000 TO \$250,000 PER HOLE

Excellent golf course consisting of 18 holes designed for championship, professional, advance, or competitive play with a par rating of 71 to 72 and yardage ranging from 6,800 and up. Terrain is generally rolling with medium to wide fairways, numerous man-made and natural hazards, well maintained landscaping with tees, greens and fairways of excellent quality.

VERY GOOD- REPLACEMENT COST \$150,000 TO \$200,000 PER HOLE

Very good golf course consisting of 18 holes designed for championship, professional, advanced or competitive play with a par rating of 71 to 72 and yardage ranging from 6000 to 7300 yards. Terrain is generally rolling with wide fairways and many man-made or natural hazards, well maintained landscaping, tees, greens and fairways of very good quality.

GOOD - REPLACEMENT COST \$125,000 TO \$150,000 PER HOLE

Good golf course consisting of 18 holes designed for all classes of golfers with a par rating of 70 to 72 and yardage ranging from 5500 to 7300 yards. Terrain is generally rolling with narrow to wide fairways, several natural hazards and some man-made hazards, well maintained landscaping with tees, greens and fairways of good quality.

AVERAGE - REPLACEMENT COST \$90,000 TO \$125,000 PER HOLE.

Average quality public or semi-private course; 18 holes designed for the average or occasional golfer with a par rating of 68 to 72 and yardage ranging from 5500 to 6900 yards. Terrain is generally flat to rolling with varying fairway widths and few natural or man-made hazards, mostly natural landscaping with some maintenance, tees, and greens are of average to good quality.

FAIR- REPLACEMENT COST \$50,000 TO \$90,000 PER HOLE.

Simply designed golf course consisting of 9 to 18 holes designed for recreational or occasional golfers; with a par rating of 68 to 72 and yardage ranging from 5500 to 6900 yards. Terrain is generally flat with narrow fairways little maintenance, very few hazards, tees and greens are fair to average quality.

PAR 3- REPLACEMENT COST \$25,000 TO \$65,000 PER HOLE.

Non-regulation golf course, consisting of 9 to 18 holes, all holes are par three, terrain is rolling to flat, tees, greens and fairways range from fair quality to good quality, maintenance varies based on private or public play.

INCOME APPROACH TO GOLF COURSE

The Income Approach is typically the most accurate measure of value for golf courses. It reduces the differences between golf courses to the least common denominator, **Gross Income Multiplier (GIM)**. This revenue can be quantified from the market place and analyzed based on actual or anticipated number of rounds played and average daily rates per round.

Following is the formula for estimating the value of golf courses in Haywood County, based on the Income Approach.

$$\text{Stabilized \# Rounds (SNR)} \times \text{Stabilized Daily Rate (SDR)} = \text{Gross Revenue (GR)}$$

$$\text{GR} \times \text{Gross Income Multiplier (GIM)} = \text{Indicated Value}$$

EXAMPLE

Catapult Golf Club – an 18 hole, regulation size golf course, with a stabilized number of rounds of 20,000 per year and a stabilized daily rate of \$75.

$$20,000 \times \$75 = \$1,500,000 \times 2.0 = \$3,000,000 \text{ or } \$167,000 \text{ per hole.}$$

$$(\text{SNR}) \times (\text{SDR}) = (\text{GR}) \times (\text{GIM}) = \text{Indicated Value}$$

GOLF COURSE & COUNTRY CLUB INCOME MODELS

GRADE	STABILIZED # ROUNDS	RATES DAILY & SEASONAL	SATBILIZED RATE	GIM
EXCELLENT	20,000-25,000	\$140 to \$300	\$125 to \$250	1.0 to 3.0
VERY GOOD	20,000-25,000	\$69 to \$175	\$90 to \$125	1.0 to 3.0
GOOD	20,000-25,000	\$40 to \$150	\$60 to \$75	1.5 to 3.0
AVERAGE	20,000-25,000	\$35 to \$75	\$40 to \$60	1.5 to 3.0
FAIR	15,000-20,000	\$15 to \$25	\$15 to \$25	1.5 to 3.0
PAR 3	15,000-20,000	\$10 to \$25	\$10 to \$25	2.0 to 3.0

Note: Values generated by this formula are for golf course improvements and the land and buildings necessary to support the golf course. Values for excess land and other buildings will be added based on separate analysis as outlined within the body of the Schedule of Values.

GOLF COURSE IMPROVEMENT DEPRECIATION GUIDE

AGE	GOOD	AVERAGE	FAIR	POOR
0	1	1	2	2
1	1	1	2	2
2	2	2	3	4
3	3	3	5	6
4	4	4	6	8
5	5	5	7	10
6	6	6	9	12
7	7	7	10	14
8	8	8	12	16
9	9	9	13	18
10	10	10	15	20
11	11	11	16	22
12	12	12	18	24
13	13	13	19	26
14	14	14	21	28
15	15	15	22	30
16	16	16	24	32
17	17	17	25	34
18	18	18	27	36
19	19	19	28	38
20	20	20	30	40
21	21	21	31	42
22	22	22	33	44
23	23	23	34	46
24	24	24	36	48
25	25	25	37	50
26	26	26	39	52
27	27	27	40	54
28	28	28	42	56
29	29	29	43	58
30	30	30	45	60
31	31	31	46	61
32	32	32	48	62
33	33	33	49	63
34	34	34	51	64
35	35	35	52	65
36	36	36	54	66
37	37	37	55	67
38	38	38	57	68
39	39	39	58	69
40	40	40	60	70

AGE	GOOD	AVERAGE	FAIR	POOR
41	40	41	60	70
42	40	42	60	70
43	40	43	60	70
44	40	44	60	70
45	40	45	60	70
46	40	46	60	70
47	40	47	60	70
48	40	48	60	70
49	40	49	60	70
50-OVER	40	50	65	75

HAYWOOD COUNTY REAPPRAISAL GOLF COURSE QUESTIONNAIRE

Course Name _____ Architect _____

Number of Holes _____ Par/Course Rating _____

USGA Slope Rating:

Championship _____ Intermediate _____ Senior/Ladies _____

Number of Acres Utilized by Golf Course: _____

Irrigation System: Greens _____ Fairways _____ Both _____

Actual Year Built _____ Cost Per Hole _____

Year of Major Renovations _____

Number of Anticipated Annual Rounds _____

Number of Actual Annual Rounds _____

Public/Guest Rates:

18 Holes Weekday – Seasonal _____

18 Holes Weekend/Holidays – Seasonal _____

Special Rates:

18 Holes Senior/Junior _____

18 Holes Twilight _____

18 Holes Off Season _____

Comments: _____

HAYWOOD COUNTY REAPPRAISAL GOLF COURSE RATING FORM

Course Name _____

Number of Holes _____ Acres _____ Length _____ (yds)

Par/Course Rating _____ Zoning _____ Age _____

Annual Rounds Played This Year (anticipated) _____ Last Year _____

USGA Slope Rating _____ (Attach Scorecard)

Irrigation: Fairways _____ Greens _____ Both _____

List of Amenities: (please check)

- | | |
|-----------------------------|-----------------------------|
| Practice Green _____ | Driving Range _____ |
| Lockers _____ | Practice Sand Trap(s) _____ |
| Restaurant _____ | Bag Storage _____ |
| Bar/Lounge _____ | Snack Bar _____ |
| Rain Shelters _____ | Golf Carts _____ |
| Restrooms (on course) _____ | Snack Bar (on course) _____ |
| Swimming Pool _____ | Tennis Courts _____ |
| Other (list items) _____ | |

Course Rating: Excellent = 5; Good = 4; Average = 3; Fair = 2; Poor = 1

- | | |
|----------------------------|---------------------------|
| Greens/Fairways _____ | Clubhouse/Pro Shop _____ |
| Tees/Range/Hazards _____ | Trees/Scenic Beauty _____ |
| Layout Design _____ | Practice Facilities _____ |
| Food/Bev. Facilities _____ | Other Amenities _____ |
| Social Atmosphere _____ | Course Image _____ |
| Architect _____ | Total Points _____ |

Note: A score over 50 is excellent; 40-49 points is good; 30-39 points is average; 15-29 points is fair; and 14 points & under is poor.

Course Prices:

9-Hole Weekday \$ _____ 9-Hole Weekend \$ _____ 18-Hole Weekday \$ _____
 18-Hole Weekend \$ _____ Golf Cart/9-Hole \$ _____ 18-Hole _____
 Special Rates-Senior \$ _____ Junior \$ _____ Twilight \$ _____

Date of Rating: _____

Name of Analyst: _____