

SECTION XI

GOLF COURSES

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 courses; the general specifications are as follows:

*Excellent* quality 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.

*Very good* quality course, designed 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.

*Good* quality course, designed 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.

*Average* quality 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.

*Fair/Low* quality course, 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 tees 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:* Include base preparation, paving, and bridges over hazards.

*Architect's Fees:* Includes plans and supervision during construction.

## OTHER COURSES

Miniature Course	The entire course is comprised of a putting surface that 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. 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.

**PERCENT (%) GOOD GUIDELINES**

The components of a golf course, as described above, are subject to the same depreciating forces as are any other real estate improvement. Physical deterioration itself is difficult to observe, but is generally directly related to the functional and economic depreciation of the course. In a profitable course, the actual rate of physical depreciation is arrested by regular maintenance. However, if maintenance is lax, the course will deteriorate quickly. The rate of accrued depreciation then could be said to be primarily a function of the overall condition, desirability, and usefulness of the course. A normal percent good table, based upon the factors related to the actual age of the course, is included in this section. The table is provided only as a guide to assist the appraiser in arriving at a reasonable estimate of normal accrued depreciation. Due consideration must be given to any abnormal factors causing further depreciation.

**GOLF COURSE PRICING****EXCELLENT - REPLACEMENT COST \$155,000 PER HOLE.**

Championship Course; 18 holes located on 160 to 200 acres, 6900 to 7200 yards long, rated par 72, rolling terrain. Costs include: automatic sprinkler system on greens and fairways, greens are 8000 to 10000 square foot top quality construction with drainage tile, tees are 2100 to 2400 square feet with 3 tee locations, 3 to 4 bunkers per hole, good quality cart paths.

**VERY GOOD - REPLACEMENT COST \$126,000 PER HOLE.**

Championship Course; 18 holes located on 160 to 200 acres, 6900 to 7200 yards long, rated par 72, rolling terrain. Costs include: automatic sprinkler system on greens and fairways, greens are 8000 to 10000 square foot top quality construction with drainage tile, tees are 2100 to 2400 square feet with 3 tee locations, 3 to 4 bunkers per hole, good quality cart paths.

**GOOD - REPLACEMENT COST \$101,000 PER HOLE.**

Private Club Course; 18 hole located on 130 to 175 acres, 6500 to 6900 yards long, rated par 70 to 72, rolling terrain. Costs include: automatic sprinkler system on greens and fairways, greens are 5000 to 8000 square foot good quality construction with drainage tile, tees are 1800 to 2100 square feet with 2 to 3 locations, 2 to 3 bunkers per hole, good quality cart paths.

**AVERAGE - REPLACEMENT COST \$79,500 PER HOLE.**

Public or Semi-Private Course; 18 holes located on 100 to 125 acres, 5500 to 6500 yards long, rated par 68 to 72, gently rolling or flat terrain. Costs include: automatic sprinkler system on greens manual system on fairways, greens are 3000 to 5000 square foot average quality with minimal drainage tile, tees are 1500 to 1800 square feet with 2 locations, 2 bunkers per hole, average quality cart paths.

**FAIR/LOW - REPLACEMENT COST \$48,500 - \$60,500 PER HOLE.**

Public Course; 9 to 18 holes located on 75 to 100 acres, up to 5400 yards long, rated par 34 to 70, flat terrain, automatic or manual sprinkler system on greens manual on fairways, greens are 2000 to 3000 square feet with 1 or 2 locations, average of 1 or less bunkers per hole, fair quality cart paths.

**PAR 3 - REPLACEMENT COST \$30,000 PER HOLE.**

Executive Course; 9 to 18 holes located on 25 to 50 acres, 1800 to 2500 yards long, par 27 to 54, flat or gently rolling terrain, manual sprinkler system on greens and fairways, greens are 1000 to 1500 square foot fair quality construction with natural drainage, tees are 500 to 1000 square feet with 1 location, minimal number of bunkers, no cart paths.

**GOLF COURSES GENERAL APPLICATION**

The primary variables in golf courses are size, layout, sprinkler system, greens, tees, fairways, and bunkers. Costs of courses may vary from \$15,000 per hole for a course with minimal improvements to \$200,000 or more 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 are the steps 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 following: extent of planning, natural contour of the land, clearing and grading of fairways, greens, and tees, extent and quality of the sprinkler system and whether it is automatic, manual, covers the entire course or only the tees and greens, average green and tee size, the average number of bunkers per hole, quality of cart and service roads and any other characteristics essential to establishing the proper grade level of the course.

3. Determine the quality 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 quality ratings. In such cases it is necessary to interpolate between the base whole costs.

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 quality ratings.

4. Adjust the base cost to account for significant variations between the construction components of the subject property and the base specifications for the selected quality ratings, as considered in step #3.

This step is only necessary if the adjustment is not adequately accounted for by "intermediate grading", as described in step #3.

5. Multiply the average replacement cost per hole, as derived in step #4, by the total number of holes to arrive at the total replacement cost of the course.

6. 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 #5, to arrive at the depreciated value of the course.

7. 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**

High Country 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 an automatic sprinkler system.

This course is judged to be a good quality course with very good greens and tees, good overall condition, desirability and utility. Land value is estimated at \$6500 per acre.

Base Cost Per Hole Good Quality	\$	126,000
Quality Factor +0%	+	0
Replacement Cost Per Hole	\$	126,000
Number of Holes	X	18
Total Replacement Cost	\$	2,268,000
Less Depreciation -10%	-	226,800
Total Value of Course Improvements	\$	2,041,200
Land Value (150 acres @ \$7000)	\$	1,050,000
Total Value	\$	3,091,200
Value Per Hole (Rounded)	\$	171,700

