

VALUING A PARTIALLY COMPLETE GOLF COURSE

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There are several different methods to value a partially complete golf course. The method chosen should be consistent with the method applied to the other courses within the assessment area.

If the cost approach is the method of valuation, two options are available. The first involves valuing the raw land as if the course is complete and then adding for the completed course improvements (tees, greens, fairways & irrigations system), as well as any buildings on the course. The second option is to acquire the cost to-date from the owner and add this figure to the value of the raw land.

If the income approach is the method of valuation, a hypothetical valuation is completed and prorated to the level of completion of the course as of December 31st. For example, if the course has an income approach estimated completed value of \$5,000,000, and was 75% complete on December 31st, the value for that year would be $\$5,000,000 \times 75\% = \$3,750,000$.

Whichever method of valuation is chosen, it is important to compare the final estimate value with completed courses within the assessment area.