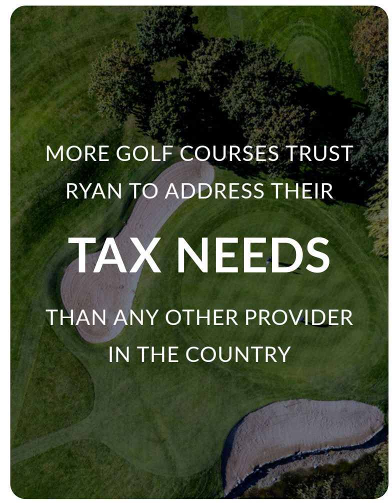
Meeting the Unique Challenges of the Golf Course Industry

As the largest property tax practice in North America, Ryan has an international presence backed by deep local expertise and relationships to stay current of market trends. We provide North American coverage, the benefit of our local market knowledge, and a comprehensive range of services to help effectively manage property tax requirements, with the goal of avoiding overpayment.

Ryan's golf course industry practice is led by a longstanding Professional Golfers' Association (PGA) professional with extensive golf course property tax expertise. The team consists of licensed attorneys, appraisers, Certified Commercial Investment Members (CCIMs), and Certified Members of the Institute (CMIs). You will work with a single point of contact on our team who will maintain regular communication with you as we work to reduce the property tax liability for your golf facility.



Trends Impacting the Golf Course Industry

- Golf courses are a complex combination of real estate and business interests. The real and tangible personal property are the only portions of the entity subject to ad valorem taxation.
- The golf industry has seen an increase in participation and performance over the past two years. More recently, the increase in interest rates and inflation has caused an increase in capitalization rates and expenses. These are just a few examples to consider when the opportunity arises to contest your tax assessment.
- Most golf courses related to real estate developments are encumbered by deed or use restrictions, limiting their highest and best use and, therefore, their value.

Key Components Affecting Tax Valuations

Property taxes represent one of the largest areas of cost—and risk—for golf courses. The problem for many tax departments is the complexity of challenging an assessor's valuation. Unless you know where to mount your defense, your appeal could be denied. These problems compound when you consider your company's growth plans. Are you buying into a company that has overt or hidden tax liabilities? Will your tax department become overwhelmed by the additional compliance and valuation processes? Ryan's golf industry-specific methodologies can help ensure your success when dealing with these and other critical property tax issues.

Case Studies

Large Golf Condo Hotel Resort Development in Washington State

Client Issue: Our client had finished construction on two out of three golf courses in the first year of a three-year assessment cycle. The third course had been put on hold because of lack of demand for both development lots and golf.

What We Found: The assessor used a cost estimate to value all three golf courses and gave no weight to the sales or income methods. Additionally, the assessor failed to account for the use restrictions of the land on which the golf courses were built.

Approach and Solution: At a state-level hearing, we explained to the Board of Tax Appeals that valuing golf courses by cost was inappropriate because of the significant transfer of value in lot and condo premiums as well as economic obsolescence. We also demonstrated through market and income analyses that the economic value of the three golf courses was far below the current assessed value.

Results: We were successful in demonstrating the true market value of the golf courses and the lodge and were able to achieve a reduction of more than $36,000,000 each year for the four-year revaluation cycle. The reduction in the client's tax liability was more than $800,000.

Private Country Club in Indiana

Client Issue: Taxing jurisdiction continued to increase assessed value during the pandemic as this golf course was forced to close, drastically impacting revenue and profitability.

What We Found: Indiana statute is very specific to valuation methodologies for golf courses. In this case, the assessor had valued this golf course incorrectly, utilizing typical mass appraisal valuation methodologies.

Approach and Solution: Working with the jurisdiction's attorney, we identified the statute and presented by law our income analysis utilizing the state-prescribed cap rate, proving significant reductions.

Results: We were successful in achieving our target values, reducing the client's tax liability by more than $375,000 cumulative over four years.

Award-Winning Tax Services

For additional information

1.855.RYAN.TAX

ryan.com