

# Real Estate Tax Assessments for Clubs



A webinar sponsored by NCA and presented by:

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- Elements of RE Taxes
  - Definition of Value
  - Approaches to Value
  - Approaches to Contesting Assessment
  - Jurisdictional Differences
  - Process
  - Highest and Best Use
  - Cost vs. Value
  - Valuation Methodology for Clubs
  - Memberships/Personal Property
  - Case Law





*Hole 9 St Martins Course  
(Tee View)*

- Market Value of Club
- Assessment to Value Ratio
- Equalization Ratio
- Millage Rate
- Tax Bill



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- Market Value of Club
- Assessment to Value Ratio
- Equalization Ratio
- Millage Rate
- Tax Bill





# V A L U A T I O N

- Income Approach
- Sales Comparison Approach
- Cost Approach
- Discounted Cash Flow
- Bridge Model
- Stock & Debt Approach
- Market Rent Method





# A P P E A L S

- Fee
  - Team
    - Appraiser
    - Lawyer
    - CFO
  - % of Savings
    - Tax Rep
- Fee or %
  - Lawyer





- Process
- A/V Ratios
- Accepted Approaches
- Highest and Best Use
- Town vs. County vs. State



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- File Appeal Paperwork (deadlines in each state)
- Appear at Appeal Board Hearing
- Appeal Board Decision in:
  - Local Court
  - County Court
  - State Court
- Refund?
- Negotiate?



- **Four Tests**
  - Physically Possible
  - Legally Permissible
  - Financially Feasible
  - Maximally Productive
- Continued Use
- Alternative Use
- Interim Use



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*Cost is what you pay. Value is what you get.*

*Warren Buffet*





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- 3 Approaches
- Units of Comparison
- Discounted Cash Flow
- “Special” Methods
- Memberships
- Personal Property





## M E M B E R S H I P S



- Equity
- Member-Owned non-equity
- Deposit
  - Refundable
  - Non-Refundable
- Initiation Fees





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- **Bear Brook (NJ)** – Promotes Cost Approach
- **CC of New Garden City (NY)** – Continued Use
- **Richland CC (TN)** – Income Approach (v. Stock & Debt)
- **John's Island Club (FL)** – Can't tax ownership (membership) in corporation
- **Medallion (OH)** – equal weight to cost & income
- **Willows (MA)** – Must include income from refundable portion (earned interest)







<http://www.golfprop.com/sites/default/files/documents/RE%20Issues%20-%20Golf%20Course%20Tax%20Assessments.pdf>

<http://www.golfprop.com/sites/default/files/documents/Journal%20of%20Property%20Taxation%20Article.pdf>



# I N F O R M A T I O N



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