

Golf Course Closure Impacts on Home Values



D'Andrea and Northgate Golf Courses Washoe County, NV

Prepared by
Brian Bonnenfant



Center For Regional Studies
College of Business
University of Nevada, Reno

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Single-family properties directly adjacent to the D'Andrea and Northgate golf course land were analyzed for property value trends before and after the closure of their respective golf courses to determine the impacts of the golf course closures on property values. The analysis is based on transactions that occurred between 2004 and 2015 (1st quarter) as reported by the Washoe County Assessor's Office using the "RDEQuickinfo" file.

D'ANDREA GOLF COURSE

There are 184 single-family homes adjacent to the golf course land as of March 2015. The D'Andrea Golf Course closed in March of 2012, immediately after the D'Andrea HOA members voted not to buy the golf course land and operations from the developer.

Prior to the golf course closure, the median sales price of the golf course frontage properties appreciated from \$392,313 in 2004 (40 sales) to a peak of \$527,131 in 2007 (18 sales). The housing value impact from the Great Recession triggered a depreciation in sales values to a median value of \$235,000 in 2011 (13 sales), just prior to the golf course closure. Trends in the average sales values mirrored that of the median values, but due to the sensitivity of high and low sales prices on averages, median values are primarily used in this analysis.

Home sizes are closely related to home values (largely due to material costs), although a variety of other factors impact home values, including lot size, views, location, etc. As a result, home values per square foot were calculated to determine the comparison with homes in the region that do not front the D'Andrea Golf Course.

Slightly different than the pattern of overall median values, prices per square foot for golf course homes peaked in 2007 at \$214 per square foot and gradually depreciated to \$111 per square foot in 2011 before the closure. Due to the economic recovery, home values have increased across the region with D'Andrea golf course homes now selling for \$140 per square foot (1st quarter 2015 median). Similar rates of decline before the recession, and increases post-recession, were also experienced in nearby communities in Spanish Springs, the City of Sparks, and Washoe County.

In light of the effects on home values due to the recession, the impact of the golf course closure on the golf course homes is measured by comparing changes in prices per square foot between the golf course homes and other homes in Spanish Springs, City of Sparks, and Washoe County.

Prior to the closure of the golf course in March 2012, the price per square foot of golf course homes ranged between \$17.74 (2005) and \$69.35 (2008) higher than for all single-family homes sold in Spanish Springs. The price was between \$14.32 (2005) and \$71.35 (2008) higher compared to the City of Sparks, and \$7.49 (2005) and \$60.35 (2008) higher compared to Washoe County.



However, following the closure of the D'Andrea Golf Course the differences in values per square foot between golf course homes and other homes in the region plummeted. In 2013 the median price per square foot of homes sold in Spanish Springs was \$4.18 higher than the median for the golf course home sales, and only \$2.78 lower than golf course homes in 2014. Homes in the City of Sparks sold for only \$2.83 lower in 2013 and \$9.78 lower in 2014. Homes in Washoe County sold for \$6.18 higher than golf course homes in 2013 and \$0.78 lower in 2014.

On average, homes along the golf course sold for \$31.30 more per square foot compared to Spanish Springs, \$33.53 more compared to homes sold in the City of Sparks, and \$24.07 more compared to home sold in Washoe County prior to the golf course closure (2004-2011). When averaging price per square foot after the closure, the golf course homes sold for only \$0.70 more than homes in Spanish Springs, \$6.30 less than homes in City of Sparks, and \$2.70 more than home in Washoe County.

The comparison of prices per square foot before and after the golf course closure between the golf course homes and surrounding regions indicates that the closure caused property values to decrease by \$32.00 per square foot compared to Spanish Springs home sales, \$27.23 per square foot compared to City of Sparks home sales, and \$26.77 per square foot compared to Washoe County home sales. The analysis shows that the closure of the D'Andrea Golf Course significantly decreased property values of the homes on the golf course.

NORTHGATE GOLF COURSE

There are 126 single-family homes adjacent to the golf course land as of March 2015. The Northgate Golf Course closed in January of 2009 by the Reno-Sparks Convention & Visitors Authority due to the inability of the golf course's revenues to cover its expenditures.

Prior to the golf course closure, the median sales price of the frontage properties appreciated from \$404,967 in 2004 (33 sales) to a peak of \$530,000 in 2006 (nine sales). The housing value impact from the Great Recession triggered a depreciation in sales values to \$278,810 in 2008 (six sales), just prior to the golf course closure.

As with the analysis of D'Andrea's golf course homes, values per square foot were calculated to determine the difference between golf course home values and those in the surrounding neighborhoods due to the effect of home size on values.

As with the overall median values, the prices per square foot for golf course homes peaked in 2006 at \$259 per square foot and depreciated to \$182 per square foot in 2008 before the golf course closure. During the recession home values of golf course homes continued to decrease after the closure of the golf course with a low value of \$109 per square foot in 2012. As with the D'Andrea homes, values have now recovered, reaching \$143 per square foot (1st quarter 2015



median) after selling for \$167 per square foot in 2014. The rates of decline before the recession, and incline post-recession, were also experienced in in the New Northwest (West of McCarran Blvd to Verdi), the City of Reno, and Washoe County.

In light of the effects on all home values due to the recession, the impact of the golf course closure on the golf course homes is measured by comparing changes in prices per square foot between golf course homes and homes in New Northwest, City of Reno, and Washoe County.

Unlike the clear differences between home values along the D'Andrea golf course compared to homes in Spanish Springs, City of Sparks, and Washoe County, differences between Northgate golf course home values and the surrounding regions before and after the closure is not as apparent. Within the 11 years of golf course home sales analyzed, seven of those years reported prices per square foot were higher than the New Northwest homes and four years reported values were lower (two years before the closure and two years after the closure).

In order to find trend patterns in the seemingly random values as compared to the New Northwest over the 11 years, averages of price per square foot were calculated for the years before and after the closure. When compared to homes in New Northwest, homes along the Northgate golf course sold for \$2.64 more per square foot before the closure and \$2.95 more after the closure. When compared to homes in City of Reno, golf course homes sold for \$18.40 more before the closure and \$14.95 more after the closure. When compared to homes in Washoe County, golf course homes sold for \$19.33 more before the closure and \$18.28 more after closure.

As a result, upon averaging the years of sales before and after the golf course closure, the differences in values compared to other homes in the region are not nearly as acute as the D'Andrea differences. The very small change in differences between the comparison of prices per square foot before and after the golf course closure indicates that the closure of the Northgate Golf Course did not significantly affect property values of the homes on the golf course.

Contact:
Brian Bonnenfant
Project Manager
bonnen@unr.edu

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I. Sales Activity of D'Andrea Golf Course Homes

(Golf Course Closed March 2012)

	No. of Sales	Avg Sales Value	Med. Sales Value	Min Sales Value	Max Sales Value	Avg \$/SF	Med. \$/SF	Avg Year Built	Med. Year Built
2015Q1	4	\$ 311,486	\$ 300,000	\$ 278,945	\$ 367,000	\$ 143.50	\$ 140.41	2008	2008
2014Q1	6	\$ 324,742	\$ 305,975	\$ 270,000	\$ 400,000	\$ 130.80	\$ 129.24	2004	2002
2014	17	\$ 310,659	\$ 292,500	\$ 235,000	\$ 400,000	\$ 140.88	\$ 138.78	2006	2002
2013	8	\$ 327,750	\$ 325,000	\$ 280,000	\$ 380,000	\$ 118.31	\$ 114.82	2004	2003
2012	31	\$ 270,099	\$ 255,576	\$ 164,000	\$ 376,000	\$ 118.26	\$ 120.08	2009	2012
2011	13	\$ 257,602	\$ 235,000	\$ 177,400	\$ 349,900	\$ 111.96	\$ 111.24	2005	2002
2010	5	\$ 334,079	\$ 369,000	\$ 255,000	\$ 392,000	\$ 121.54	\$ 127.23	2005	2005
2009	6	\$ 321,667	\$ 320,500	\$ 246,000	\$ 410,000	\$ 141.32	\$ 135.56	2002	2002
2008	11	\$ 473,195	\$ 474,900	\$ 300,000	\$ 648,649	\$ 206.15	\$ 204.35	2006	2007
2007	18	\$ 512,607	\$ 527,131	\$ 325,000	\$ 715,874	\$ 217.52	\$ 213.73	2005	2006
2006	20	\$ 538,507	\$ 526,343	\$ 399,900	\$ 802,955	\$ 217.58	\$ 211.19	2005	2005
2005	9	\$ 480,634	\$ 479,000	\$ 280,175	\$ 595,000	\$ 203.63	\$ 210.77	2002	2002
2004	40	\$ 392,910	\$ 392,313	\$ 297,000	\$ 495,000	\$ 176.75	\$ 177.16	2003	2004

II. Regional Sales Comparisons


	Median Price per Square Foot				Difference Between D'Andrea Value		
	D'Andrea Golf Course Lots	Spanish Springs	City of Sparks	Washoe County	Spanish Springs	City of Sparks	Washoe County
	2015Q1	\$ 140.41	\$ 147.00	\$ 142.00	\$ 147.00	\$6.59	\$1.59
2014Q1	\$ 129.24	\$ 127.00	\$ 118.00	\$ 129.00	-\$2.24	-\$11.24	-\$0.24
2014	\$ 138.78	\$ 136.00	\$ 129.00	\$ 138.00	-\$2.78	-\$9.78	-\$0.78
2013	\$ 114.82	\$ 119.00	\$ 112.00	\$ 121.00	\$4.18	-\$2.82	\$6.18
2012	\$ 120.08	\$ 93.00	\$ 87.00	\$ 95.00	-\$27.08	-\$33.08	-\$25.08
2011	\$ 111.24	\$ 93.00	\$ 82.00	\$ 91.00	-\$18.24	-\$29.24	-\$20.24
2010	\$ 127.23	\$ 102.00	\$ 94.00	\$ 103.00	-\$25.23	-\$33.23	-\$24.23
2009	\$ 135.56	\$ 109.00	\$ 102.00	\$ 109.00	-\$26.56	-\$33.56	-\$26.56
2008	\$ 204.35	\$ 135.00	\$ 133.00	\$ 144.00	-\$69.35	-\$71.35	-\$60.35
2007	\$ 213.73	\$ 164.00	\$ 168.00	\$ 184.00	-\$49.73	-\$45.73	-\$29.73
2006	\$ 211.19	\$ 189.64	\$ 191.51	\$ 201.78	-\$21.55	-\$19.68	-\$9.41
2005	\$ 210.77	\$ 193.03	\$ 196.45	\$ 203.28	-\$17.74	-\$14.32	-\$7.49
2004	\$ 177.16	\$ 155.19	\$ 156.05	\$ 162.61	-\$21.97	-\$21.11	-\$14.55
	Average after golf course closing (2013 & 2014):				\$0.70	-\$6.30	\$2.70
	Average before golf course closing (2004-2011):				-\$31.30	-\$33.53	-\$24.07

	Median Price per Square Foot				% Difference Between D'Andrea Value		
	D'Andrea Golf Course Lots	Spanish Springs	City of Sparks	Washoe County	Spanish Springs	City of Sparks	Washoe County
	2015Q1	\$ 140.41	\$ 147.00	\$ 142.00	\$ 147.00	4.7%	1.1%
2014Q1	\$ 129.24	\$ 127.00	\$ 118.00	\$ 129.00	-1.7%	-8.9%	-0.2%
2014	\$ 138.78	\$ 136.00	\$ 129.00	\$ 138.00	-2.0%	-7.2%	-0.6%
2013	\$ 114.82	\$ 119.00	\$ 112.00	\$ 121.00	3.6%	-2.4%	5.5%
2012	\$ 120.08	\$ 93.00	\$ 87.00	\$ 95.00	-22.6%	-35.6%	-28.8%
2011	\$ 111.24	\$ 93.00	\$ 82.00	\$ 91.00	-16.4%	-31.4%	-24.7%
2010	\$ 127.23	\$ 102.00	\$ 94.00	\$ 103.00	-19.8%	-32.6%	-25.8%
2009	\$ 135.56	\$ 109.00	\$ 102.00	\$ 109.00	-19.6%	-30.8%	-26.0%
2008	\$ 204.35	\$ 135.00	\$ 133.00	\$ 144.00	-33.9%	-52.9%	-45.4%
2007	\$ 213.73	\$ 164.00	\$ 168.00	\$ 184.00	-23.3%	-27.9%	-17.7%
2006	\$ 211.19	\$ 189.64	\$ 191.51	\$ 201.78	-10.2%	-10.4%	-4.9%
2005	\$ 210.77	\$ 193.03	\$ 196.45	\$ 203.28	-8.4%	-7.4%	-3.8%
2004	\$ 177.16	\$ 155.19	\$ 156.05	\$ 162.61	-12.4%	-13.6%	-9.3%
	Average after golf course closing (2013 & 2014):				0.8%	-4.8%	2.5%
	Average before golf course closing (2004-2011):				-18.0%	-25.9%	-19.7%

Median Price Per Square Foot of Single-Family Homes

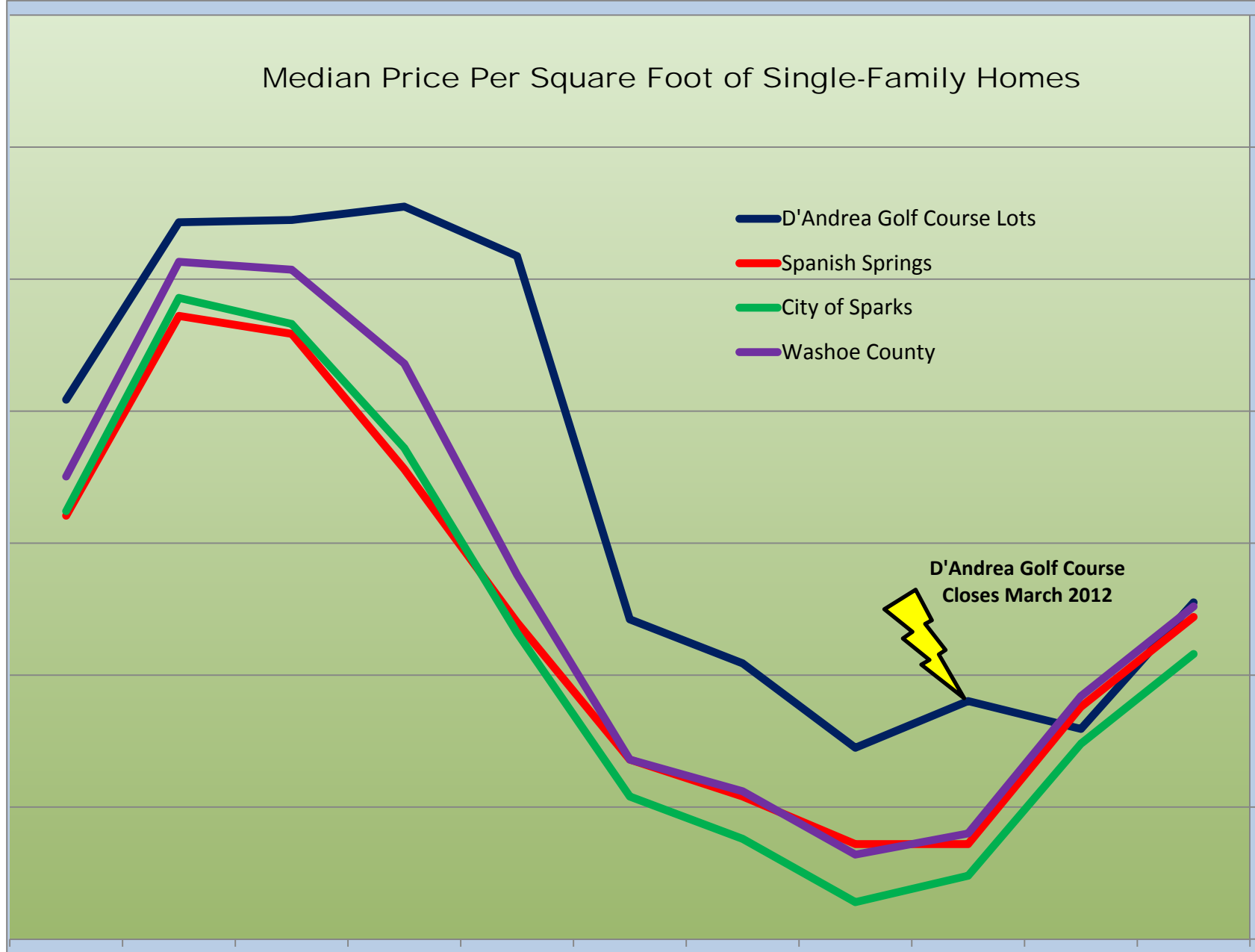
- D'Andrea Golf Course Lots
- Spanish Springs
- City of Sparks
- Washoe County

D'Andrea Golf Course
Closes March 2012

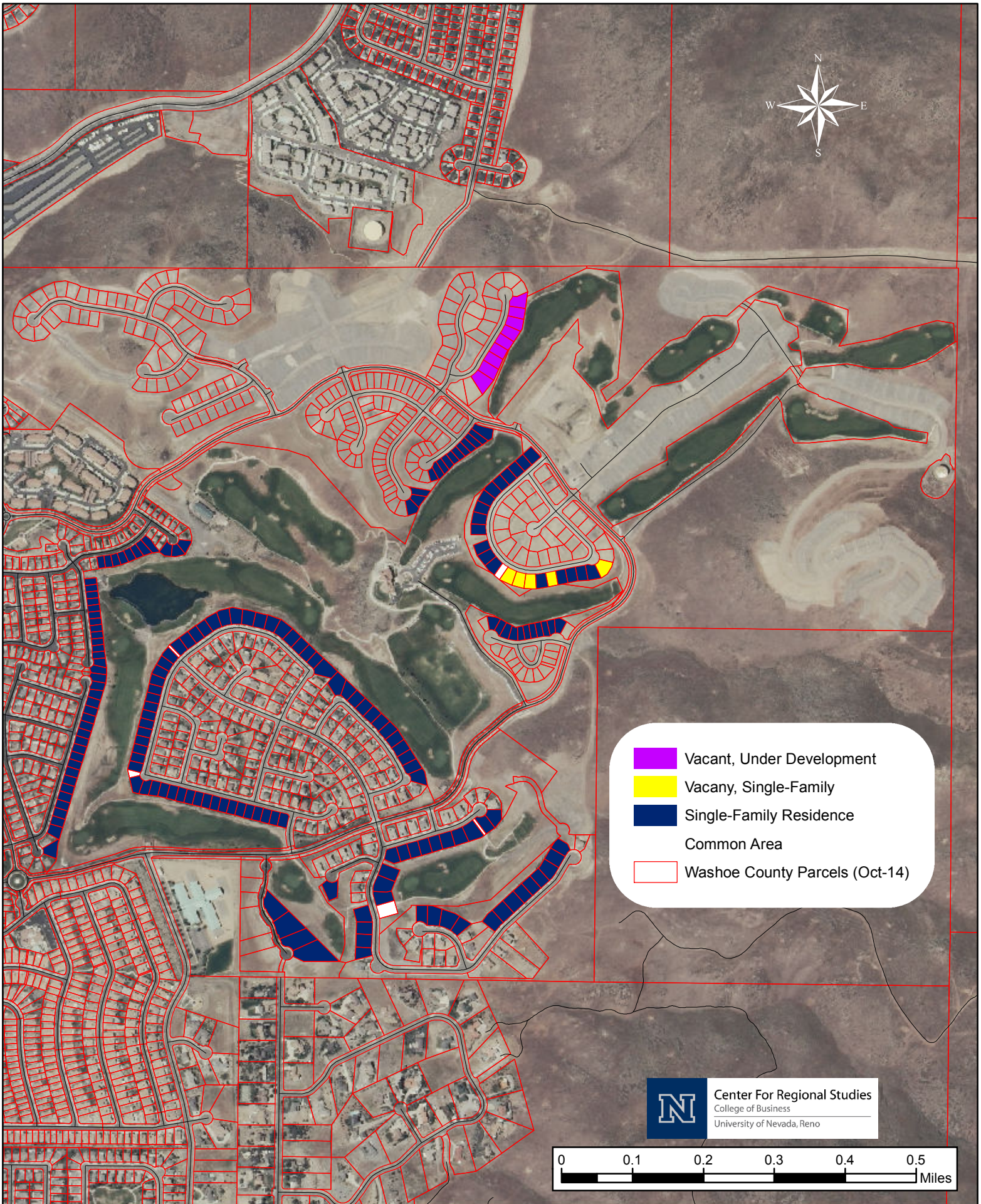


2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

\$250.00
\$225.00
\$200.00
\$175.00
\$150.00
\$125.00
\$100.00
\$75.00



Fairway Lots - D'Andrea Golf Course



I. Sales Activity of Northgate Golf Course Homes

(Golf Course Closed January 2009)

	No. of Sales	Avg Sales Value	Med. Sales Value	Min Sales Value	Max Sales Value	Avg \$/SF	Med. \$/SF	Avg Year Built	Med. Year Built
2015Q1	3	\$ 303,333	\$ 255,000	\$ 255,000	\$ 400,000	\$ 156.08	\$ 143.26	2002	2005
2014Q1	3	\$ 276,633	\$ 229,900	\$ 210,000	\$ 390,000	\$ 165.47	\$ 166.27	2001	2002
2014	10	\$ 401,642	\$ 415,000	\$ 210,000	\$ 643,000	\$ 162.42	\$ 166.68	2002	2003
2013	10	\$ 290,990	\$ 257,500	\$ 180,000	\$ 590,000	\$ 138.19	\$ 127.80	2003	2003
2012	10	\$ 218,840	\$ 214,750	\$ 149,900	\$ 333,000	\$ 111.47	\$ 108.55	2002	2003
2011	7	\$ 285,843	\$ 250,421	\$ 174,900	\$ 480,000	\$ 116.60	\$ 114.60	2003	2003
2010	4	\$ 304,500	\$ 276,500	\$ 225,000	\$ 440,000	\$ 122.40	\$ 110.82	2004	2005
2009	6	\$ 296,800	\$ 210,000	\$ 170,000	\$ 549,000	\$ 138.26	\$ 138.26	2004	2004
2008	6	\$ 321,936	\$ 278,810	\$ 255,000	\$ 540,000	\$ 180.94	\$ 182.08	2002	2002
2007	3	\$ 373,333	\$ 355,000	\$ 345,000	\$ 420,000	\$ 208.22	\$ 197.88	2002	2002
2006	9	\$ 625,042	\$ 530,000	\$ 369,500	\$ 979,000	\$ 250.60	\$ 259.17	2003	2003
2005	17	\$ 361,892	\$ 303,378	\$ 240,314	\$ 825,140	\$ 182.08	\$ 162.95	2004	2005
2004	33	\$ 415,251	\$ 404,967	\$ 241,055	\$ 856,535	\$ 193.05	\$ 190.25	2003	2003

II. Regional Sales Comparisons

	Median Price per Square Foot				Difference Between Northgate Value			
	Northgate Golf Course Homes	New Northwest	City of Reno	Washoe County	New Northwest	City of Reno	Washoe County	
	2015Q1	\$143	\$162	\$149	\$147	\$18.74	\$5.74	\$3.74
2014Q1	\$166	\$141	\$134	\$129	-\$25.27	-\$32.27	-\$37.27	
2014	\$167	\$154	\$141	\$138	-\$12.68	-\$25.68	-\$28.68	
2013	\$128	\$133	\$124	\$121	\$5.20	-\$3.80	-\$6.80	
2012	\$109	\$108	\$99	\$95	-\$0.55	-\$9.55	-\$13.55	
2011	\$115	\$106	\$95	\$91	-\$8.60	-\$19.60	-\$23.60	
2010	\$111	\$121	\$106	\$103	\$10.18	-\$4.82	-\$7.82	
2009	\$138	\$127	\$112	\$109	-\$11.26	-\$26.26	-\$29.26	
2008	\$182	\$154	\$146	\$144	-\$28.08	-\$36.08	-\$38.08	
2007	\$198	\$201	\$186	\$184	\$3.12	-\$11.88	-\$13.88	
2006	\$259	\$221	\$202	\$202	-\$38.17	-\$57.17	-\$57.39	
2005	\$163	\$225	\$203	\$203	\$62.38	\$40.13	\$40.32	
2004	\$190	\$178	\$163	\$163	-\$12.47	-\$26.99	-\$27.65	
					Average after golf course closing (2009-2014):	-\$2.95	-\$14.95	-\$18.28
					Average before golf course closing (2004-2008):	-\$2.64	-\$18.40	-\$19.33

	Median Price per Square Foot				% Difference Between Northgate Value			
	Northgate Golf Course Homes	New Northwest	City of Reno	Washoe County	New Northwest	City of Reno	Washoe County	
	2015Q1	\$143	\$162	\$149	\$147	13.1%	3.5%	2.5%
2014Q1	\$166	\$141	\$134	\$129	-15.2%	-22.9%	-27.8%	
2014	\$167	\$154	\$141	\$138	-7.6%	-16.7%	-20.3%	
2013	\$128	\$133	\$124	\$121	4.1%	-2.9%	-5.5%	
2012	\$109	\$108	\$99	\$95	-0.5%	-8.8%	-13.7%	
2011	\$115	\$106	\$95	\$91	-7.5%	-18.5%	-24.8%	
2010	\$111	\$121	\$106	\$103	9.2%	-4.0%	-7.4%	
2009	\$138	\$127	\$112	\$109	-8.1%	-20.7%	-26.1%	
2008	\$182	\$154	\$146	\$144	-15.4%	-23.4%	-26.1%	
2007	\$198	\$201	\$186	\$184	1.6%	-5.9%	-7.5%	
2006	\$259	\$221	\$202	\$202	-14.7%	-25.9%	-28.4%	
2005	\$163	\$225	\$203	\$203	38.3%	17.8%	19.9%	
2004	\$190	\$178	\$163	\$163	-6.6%	-15.2%	-16.9%	
					Average after golf course closing (2009-2014):	-1.8%	-11.9%	-16.3%
					Average before golf course closing (2004-2008):	0.6%	-10.5%	-11.8%

Total Northgate golf course homes used in analysis = 126. New Northwest includes all communities west of McCarran Blvd.

Source: Washoe County Assessor Data

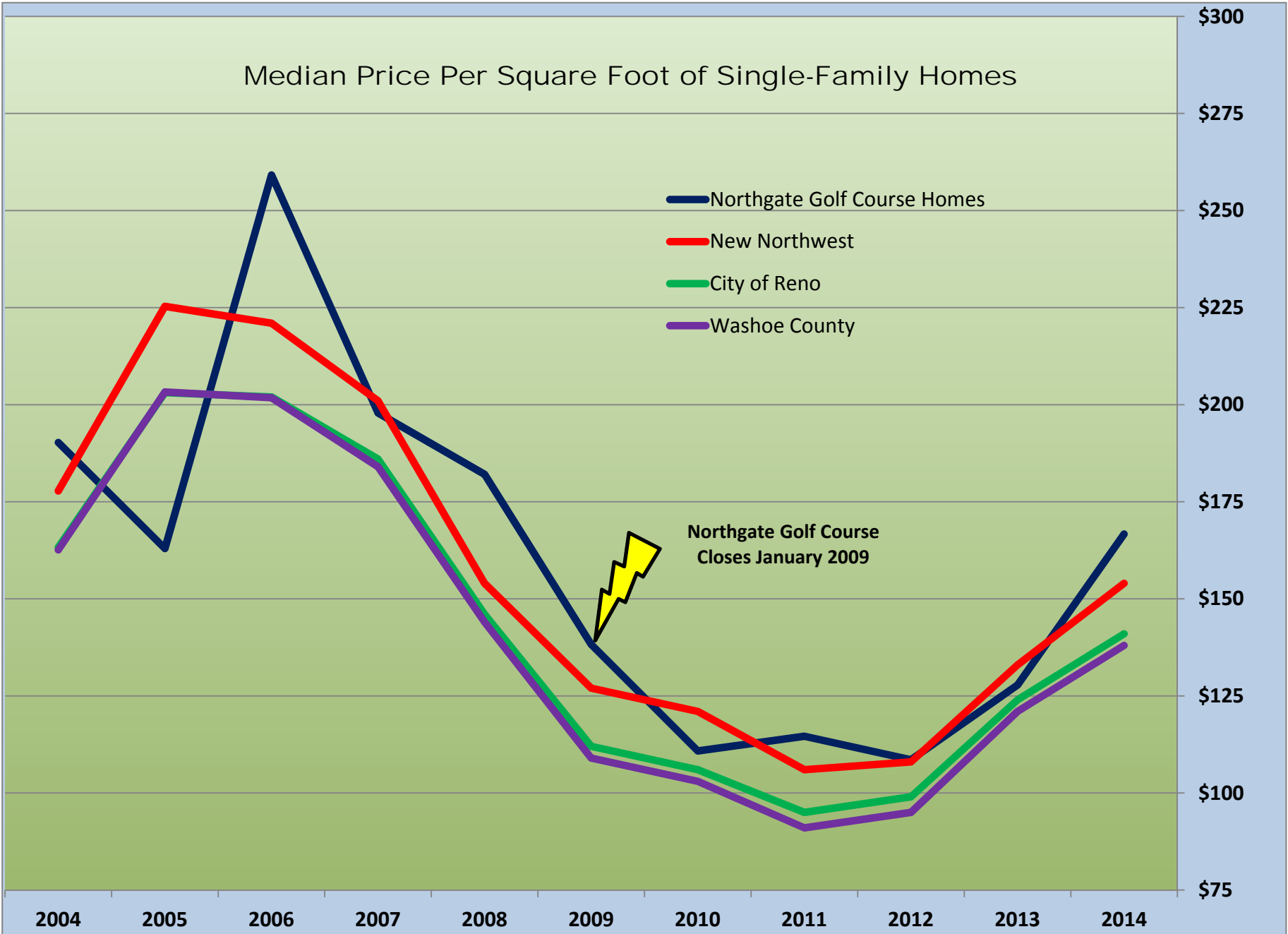
Median Price Per Square Foot of Single-Family Homes

- Northgate Golf Course Homes
- New Northwest
- City of Reno
- Washoe County

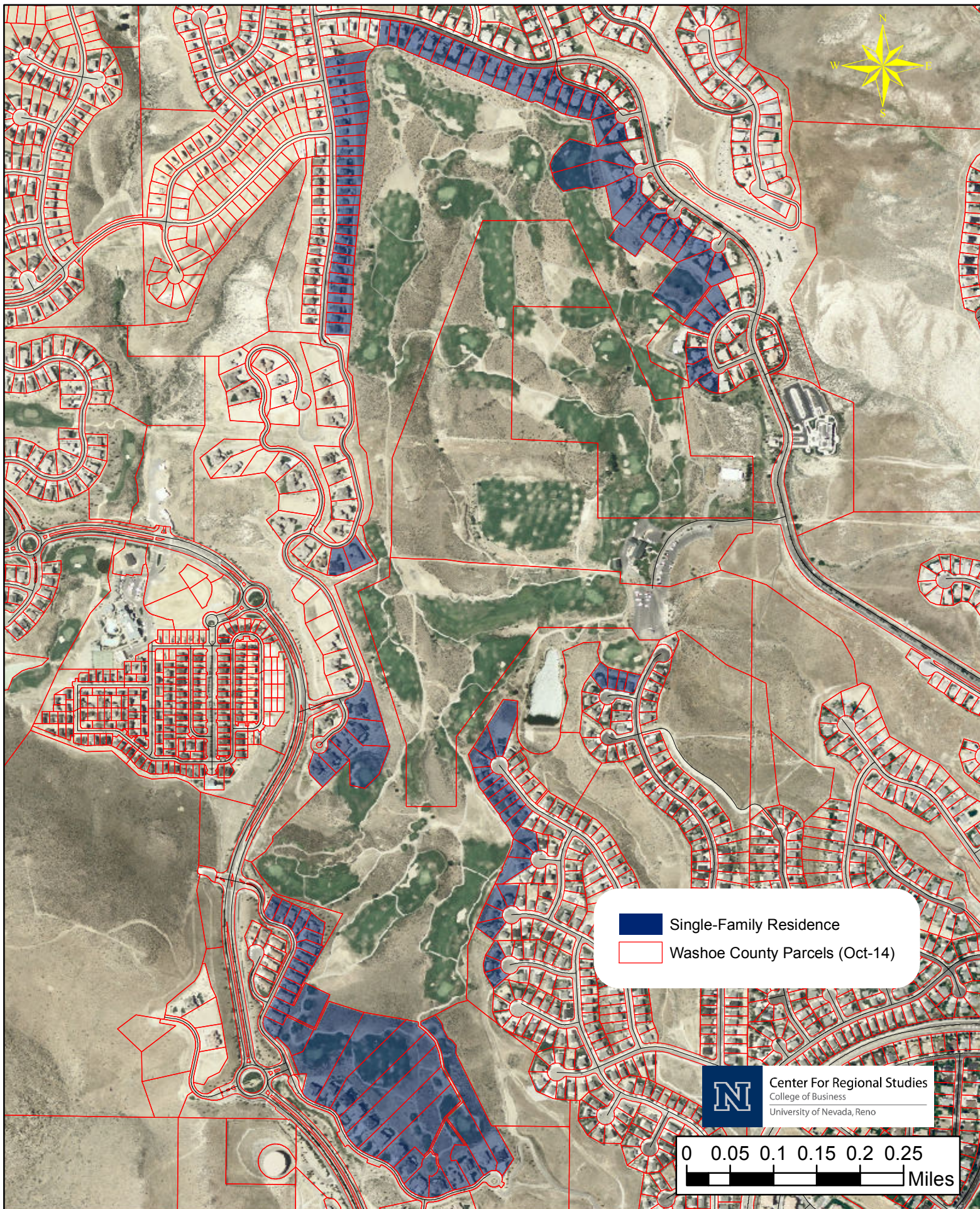
Northgate Golf Course
Closes January 2009

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

\$300
\$275
\$250
\$225
\$200
\$175
\$150
\$125
\$100
\$75



Fairway Lots - Northgate Golf Course



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0 0.05 0.1 0.15 0.2 0.25
Miles