

Thought Leadership

Dear Readers:

Each year, the Spring issue of *The Appraisal Journal* recognizes exceptional work within this forum for ideas on real estate valuation, and on the following pages you will see the announcement of our 2020 article awards. It is important that we pause and acknowledge these excellent articles and their authors. In addition, we recognize the outstanding service of Larry T. Wright, MAI, SRA, AI-GRS, who during the past year has contributed valuable volunteer hours to the *Journal*.

We also have three peer-reviewed feature articles aimed at helping professional appraisers with their value analyses of certain properties with special circumstances.

The cover article, “Valuation of Private Golf and Country Clubs for Ad Valorem Taxation,” examines relevant issues in the valuation of private golf and country clubs, including business intangible property, golf club intangible personal property, and the issue of isolating real property value from the going concern. This article summarizes the widely known methods of estimating the value of intangible personal property. The discussion highlights the differences between the facilities’ real property components and business operations models of daily-fee, semi-private, private, and resort golf facilities.

The second feature, “Land Values and External Obsolescence,” looks at the challenge of addressing external obsolescence in a cost approach analysis. Loss due to external obsolescence is driven by factors outside the property, and it can be difficult to distinguish between external obsolescence of the improvements and a reduction in value of the land. This article provides guidance

as to when such value loss is attributable to the land and when it is attributable to the structure. The discussion demonstrates that external factors that affect the property’s value are attributable to the land if the current use is the property’s highest and best use and are attributable to external obsolescence of the building otherwise.

The third feature, “Environmental Dead Zones: The Evaluation of Contaminated Properties,” proposes categories and classifications of contaminated properties based on the environmental land use restrictions. The article suggests that by categorizing environmental land use restrictions, comparisons of market data can be made and the condition of a subject property can be described, assisting in assignments involving environmentally contaminated properties.

Also, in this issue you will find the latest edition of Resource Center, with helpful links to materials and analyses on the inflation outlook. Here, readers will find a plethora of relevant government, academic, and private-sector data on this topic. In addition, the column presents descriptions of useful, popular statistical software to enhance valuation analyses—especially free online tools.

We appreciate the dedication of all who have contributed to *The Appraisal Journal*’s peer review process as well as the authors who have shared their knowledge with our readers. As always, we welcome your comments regarding any aspect of *The Appraisal Journal*.

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The Appraisal Journal