

Commercial Real Estate

# Arizona is home to the richest country club in the nation



Image: Desert Mountain Club

Desert Mountain Country Club's Renegade golf course, which ranked No. 1 on the Phoenix Business Journal's 2024 Most-Challenging Golf Courses list.

DESERT MOUNTAIN CLUB

By [Andy Medici](#) and [Mignon A. Gould](#) – Phoenix Business Journal

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Country club [revenue has soared in the wake of the pandemic](#), along with [dues and membership costs](#).

A *Business Journals* analysis of IRS forms for nonprofit country clubs shows assets have also been steadily increasing for country clubs across the country, including Arizona. One country club in the Grand Canyon State is the richest of them all.

Desert Mountain ranked as the most asset-rich nonprofit country club in the nation based on total assets of \$176,336,434 in 2022. That's more than two times the No. 2 ranked Westchester Country Club in New York, which reported \$85,092,939 total assets.

Located in north Scottsdale, Desert Mountain Country Club is situated in one of the [wealthiest zip codes](#) in the state, 85262. The invitation-only country club has a \$200,000 initiation fee – and there's a waiting list. Aside from ranking No.1 among nations richest nonprofit country clubs, Desert Mountain's Renegade golf course takes top nod on the [Phoenix Business Journal's Most-Challenging Phoenix-Area Golf Courses](#) list.

The trend for Desert Mountain's assets is on the rise, too. While not every nonprofit country club has filed IRS Form 990s yet for 2023, Desert Mountain filed its in August and reported \$196,004,499 in total assets. That's an 11.2% increase over 2022. Since 2020, Desert Mountain has had an average 10.8% annual increase in total assets.

While experts say asset value isn't always an exact indicator of club wealth or health, and that clubs often value or depreciate assets differently, industry analysts agree that, in good times, [club assets should go up as clubs reinvest in themselves](#) to attract more members and satisfy the ones they have.

Arizona's second most asset-rich country club in 2022 was Tucson Country Club in Catalina Foothills at \$9,379,814, followed closely by White Mountain Country Club in Navajo County at \$9,834,925.

Other Arizona clubs spotlighted in the *Business Journals* analysis include Desert Forest Golf Club in Carefree (\$6,955,199), Flagstaff Golf Association Inc. (\$3,458,565) and AJO

Country Club (\$86,512).

## The national country club picture

Times were different for country clubs before the pandemic. At the median level, the asset base among clubs nationally fell from \$4.12 million in 2018 to \$3.93 million in 2019. In 2020, as the pandemic took hold, that number dropped further, to \$3.71 million.

Assets bounced back in 2021 and 2022, however, as a surge in golf enthusiasm and a reinvigorated interest in private clubs packed waitlists and [sent membership dues and initiation fees soaring](#). Median club assets rose to \$3.92 million in 2021 and then rose again, to \$4.22 million, in 2022.

Among all clubs in the dataset, total assets stood at \$6.68 billion in 2019. That number more than doubled by 2022, to \$14.41 billion.

Not all of that is club growth. [Some older clubs closed](#) during the measured period, while newer, more capitalized clubs opened – [Michael Jordan's new club, The Grove XXIII, among them](#). At other clubs, some of their value is baked into their land, often hundreds of acres of property near populated centers.

*The National Observer* previously reported that [operating dues rose](#) about 6% from April 2023 to April 2024 for the median club, according to a survey of about 300 clubs by Club Benchmarking. That's down from the 8% growth in operating dues the company tracked from December 2022 to December 2023.

“If you are charging high joining fees and are charging substantial dues, it almost necessitates that, 'Here is a correlation to the balance sheet,'” said Kevin Kenny, a shareholder specializing in real estate development, private clubs and hospitality at law firm Gunster. “That there is a high-value asset means you are getting back what you are putting in in return.”

**T H E L I S T**

## Most-Challenging Phoenix-Area Golf Courses

USGA men's Slope rating

Rank	Prior Rank	Course name
1	1	Desert Mountain – Renegade (Gold Flags)
2	2	Silverleaf
2	3	Grayhawk – Talon

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