



Douglas County Kansas

Appraisal Newsletter

Steven Miles, RMA
County Appraiser

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JULY SALES REPORT

From July 1 through July 22nd a total of 183 sales questionnaires involving 181 parcels were recorded by the appraiser's sales staff. That compares to 170 sales questionnaires for the same period in July of 2015 involving 172 parcels. For the year thus far, the office has worked 1,437 questionnaires involving 1,625 parcels compared to 1,137 questionnaires and 1,153 parcels for the same time period in 2015.

The average sale price for the residential sales thus far in 2016 is \$213,110 compared to \$211,778 in 2015. This represents an increase of approximately 0.8 percent. The average sale price in 2014 was \$210,098; for 2013 it was \$202,766; in 2012 was \$193,061; \$206,977 in 2011; \$183,126 in 2010; \$186,670 in 2009; in 2008 it was \$193,900; 2007 was \$186,900; \$184,600 in 2006; \$176,900 in 2005; \$165,700 in 2004; \$165,600 in 2003; \$148,800 in 2002; \$139,160 in 2001; \$132,500 in 2000; \$125,903 in 1999 and \$116,963 in 1998.

The current median sales ratio for residential property in 2016 is 94.6; in 2015 it was 96.8 percent compared to 98.2 percent in 2014. It was 99.1 in 2013; 101.8 in 2012; 101.9 in 2011; 98.7 percent in 2010; 101 percent in 2009; 102 percent in 2008. The ratio was 97 percent in 2007, 2006, 2005, 2004, 2003 and 2002; 96 percent in 2001; 94 percent in 2000 and 95 percent in 1999. The sales ratio in 1998 was 96 percent and 97 percent in 1997.

The average selling price on 51 new home sales worked by this time in 2016 is \$316,162 compared to \$357,087 in 2015 on 36 sales; \$307,928 in 2014; \$317,400 in 2013; \$298,193 in 2012; \$288,928 in 2011; \$278,246 in 2009; \$360,700 in 2008; \$313,100 in 2007; \$228,500 in 2006; \$222,400 in 2005; \$233,275 in 2004; \$190,800 in 2003; \$197,100 in 2002; \$188,527 in 2001; \$176,975 in 2000 and \$154,288 in 1999.

On the commercial side a total of 25 potentially valid sales have been recorded. The median sales ratio for the commercial sales thru the end of July is 90.8 percent compared to 91.3 in 2015; 81.2 in 2014; 92.2 in 2013; 84.9 in 2012; 89.8 for 2011; 79.8 percent in 2010; 82 percent in 2009; 92 percent in 2008; 87 percent in 2007; 90 percent in 2006; 91 percent in

2005; 94 percent in 2004; 96 percent in 2003 and 2002; 89 percent in 2001; 97 percent in 2000 and 91 percent in both 1999 and 1998.

MARKET LAND TIME TREND STUDY

The Appraiser's Office has begun the analysis of vacant land market values. One of the first things to analyze is if the sale prices are increasing, decreasing or staying the same. This study considers parcels of vacant land that have been held for two or more months before a resale occurs. Only valid sales are considered. Sales of vacant land sold in groups or for speculative building generally are not considered in this type of study.

The preliminary results of our study indicate very little change in the value of vacant parcels. The median percent of change on a monthly basis was slightly less than 0.3%

The information from this study will be used in the 2017 valuation process. For 2017, time trends may be developed for each residential neighborhood and would be used to adjust CALP (Computer Assisted Land Pricing) tables if applicable. Based on the preliminary study results we do not anticipate much, if any, change in the tables.

RESIDENTIAL TIME TREND STUDY

The 2016 residential time trend study is being conducted by the appraiser's office. The study is done by comparing the sale prices of a residential property that has sold twice since the year 2013. For example, if a property sold in July of 2014 for \$270,000 and again in July of 2016 for \$295,000, the time trend would be calculated as follows:

$$\begin{aligned} \$295,000 / \$270,000 &= 1.0926 \text{ or an increase of } 9.26\% \\ \text{Time between the two sale dates} &= 24 \text{ months.} \\ \text{Monthly time trend} &= .0926 / 24 \text{ or } .0039 \\ \text{Annual time trend} &= .0039 \times 12 = .0463 \text{ or } \% 4.63\% \end{aligned}$$

The information from this study will be used in the 2017 valuation process. For 2017, time trends will be developed for each residential neighborhood and will be used to adjust sales in the residential modeling process if applicable. The

preliminary trend study currently does not indicate a significant change in the market.

DEPRECIATION STUDY UNDERWAY

Also underway is the annual depreciation study for residential property. Depreciation is a loss in value to the property over time. The study compares the value of the improvement indicated by the sale of the property to the cost of constructing a similar improvement today (often called the replacement cost).

For example, if a property built in 1968 sells, the value of the improvement is determined by taking the sale price and subtracting land value plus any other accessory building value such as a detached garage and then comparing it to the calculated replacement cost new of the structure. Following is an example:

*1968 house: \$259,900 (sale price) - \$47,500 (land value) - \$750 (other building value) = \$212,100 (improvement value from sale)
\$212,100 / \$262,900 (replacement cost new) = 81percent good or 19 percent depreciated (1 - .81).*

The study uses residential sales that occurred in 2013, 2014, 2015 and 2016. The study should be complete by the end of August. The new cost tables are due to arrive soon from Marshal Swift Valuation Services through the Property Valuation Division of the Kansas Department of Revenue. At the current time we are unsure if the depreciation tables will change for 2017.

AG USE VERIFICATION

The Appraiser's Office has begun sending out surveys across the county in order to verify the agricultural use on parcels. The survey includes an aerial photo with the uses that are known indicated on it. We ask that the owners or their tenant review this and let us know if they agree or have any changes in the use that should be noted. It is important to track the use of property devoted to agricultural production as it can have a noticeable effect on the valuation. For example, an area of the farm that was used for crop production in prior years has now been converted to hay or pasture. Since cropland values are usually higher than grass an increase in value would be the result. Despite falling commodity prices in the past few years, we will probably be seeing some increase in the dry crop land, irrigated crop land, and grassland ag use values in the next year. PVD calculates these values with the help of the KSU Farm Management Service and usually distributes them to the counties later in the fall or early winter.

GOING MOBILE

Mobile Office that is. Last year I reported that the Appraiser's Office was acquiring the software, *Mobile Office* by Tyler Technologies, to allow us to utilize electronic or digital means of collecting and verifying the property characteristics without

the need for printed materials. Since then we have been implementing the software and testing the procedures to move forward with that.

Staff will be taking handheld tablets loaded with records of various properties to the field rather than printing property record cards. They will be able to verify the measurements, condition and other physical data of the property, record any changes they find and take a photograph. Once they return to the office, the information will be uploaded back into the ORION CAMA software. This should improve the efficiency, cut down on paper costs, reduce the chance for errors during data transfer or input and increase the production level of the staff.

So if you notice someone at your house with their head buried in a tablet, they are not hunting Pokémon monsters, they are simply making sure we have the most current data available on your property.

STAFF NEWS

Angela Hoffhines received her Registered Mass Appraiser certificate and pin at the July 6, 2016 County Commission meeting. Property Valuation Director, David Harper, and Education Coordinator, Marilyn Cathey, were in attendance to make the presentation. The RMA is a professional designation that indicates the designee has the training, dedication and commitment to perform the specific task of property valuation for ad valorem tax purposes. Angela actually completed all of the requirements for this honor in December 2015. However, it is customary to receive the award approximately 6 months later.



RMA recipient, Angela Hoffhines, center, with PVD Director David Harper and Marilyn Cathey, PVD Education Coordinator

The Appraiser's Office now has four members with the designation of RMA and one MAI. Several others are working toward this or other professional designations.