

Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

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RECAP OF 2014 SALE INFORMATION

As of December 19th the appraiser's office has worked 2,080 sales questionnaires involving 2,395 parcels since the first of the year. During the same period in 2013, staff worked 2,095 sales validation questionnaires that involved 2,235 parcels. This represents approximately 7.2% increase in the number of parcels sold in the county.

The number of sales through December 19, 2014 decreased slightly more than 3 percent over the previous year. There were 948 valid sales recorded in 2014 and 978 in 2013. This signifies that there was less sales activity than had occurred during the prior year. The average sale price of all valid residential sales is \$211,300. The majority of homes sold fall in the \$100,000 to \$200,000 range. The highest number of home sales falls between \$125,000 and \$150,000.

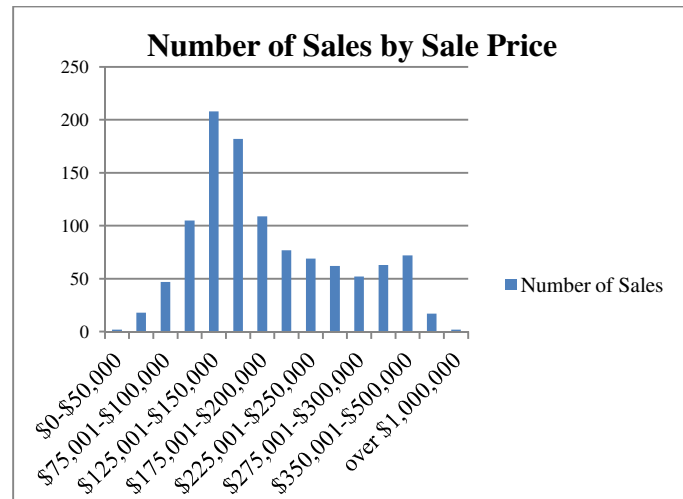


Figure 11: Sale Price Req

The median sales ratio for residential property in 2014 is 97.5 percent. Last year, the median sales ratio at this time was 98.9 percent. The sales ratio indicates how close to the actual sale price the county values were. The closer to 100.0 percent the more accurate it is considered to be.

The number of sales rose from the beginning of the year peaking in June and July and then dropping off as the end of

the year approached. The average sale price, however, remained near the \$200,000 range for much of 2014. According to the Lawrence Board of Realtors in their November Statistical Report, the average number of days a home is on the market decreased approximately 14 percent over 1 year ago to 67 days on the market. That same report indicates that homes are selling for almost 98% of their list price and the average sale price for all residential sales was \$197,053.

On the commercial side a total of 16 sales have been recorded as valid, open market transactions in 2014. The median sales ratio for these commercial sales is 79.2 percent. This would suggest that the county valuation on commercial properties was low compared to the actual sale price on those properties. In 2013 there were 17 valid commercial sales at this time which resulted in a 95.6 percent median sales ratio.

2015 FINAL REVIEW CONTINUES

The 2015 final review process continues on schedule. As of December 30 a total of 36,862 parcels had been reviewed and valued by the appraisal staff. This represents 92 percent of the total parcel count of approximately 40,028.

Based on the values completed at this time, approximately 34% of the residential values are projected to remain unchanged or decrease between one (1) to three (3) percent, 13% are showing a decrease in value greater than three percent, 27% indicate an increase up to 3 percent and 26% show an increase of more than 3 percent. The median change in value is + 0.33 percent.

At the present time, we are projecting very little change from the county's prior year valuation on existing properties. Of course, these are preliminary figures that will change as we complete final review and do quality control checks. New parcels and new construction will add to the total valuation. Agricultural land and agricultural buildings increased due in part to the more recent increase in production yields and the increased cost of replacement for building materials. Urban residential properties show very little change in the overall valuation. Rural residential, farmstead and agricultural values

currently show a 3 percent rise in the overall valuation. This is due to the increase in land and higher sales occurring in the rural areas of the county.

The final review process is scheduled to be completed by February 1, 2015. Change of value notices will be mailed to property owners no later than Saturday, February 28. Property owners will have from the date of mailing to schedule an informal valuation hearing with the appraiser's office.

BUILDING PERMIT ACTIVITY

An indicator of the health of the real estate industry is the activity of new starts in construction. The city of Lawrence issued 101 new single family building permits throughout 2014 continuing the surge in building that started last year. In addition, there were also 10 duplex permits and 5 multi-family permits issued for 2014. 15 new commercial structures were permitted in 2014 compared to 23 new commercial permits issued in 2013.

In Eudora, 14 new single family permits were issued through November 2014. This is better than the prior year, but slower than was occurring just a few years ago.

Baldwin City issued one duplex permit and one multifamily permit during 2014. No single family or commercial permits were issued for new structures.

New single family construction was quite active in rural Douglas County this year. The Zoning and Codes Department issued 34 permits for new homes as well as several new accessory buildings.

PERSONAL PROPERTY RENDITIONS

The 2015 personal property renditions were mailed to Douglas County personal property owners on Wednesday, December 31. Any property owner who had a personal property rendition in 2014 was mailed a rendition this year. Approximately 7,900 renditions were mailed this year. The yellow renditions are for commercial property owners while the white renditions are for individuals who have personal property. During the month of February the office will mail out the 2015 oil and gas renditions to approximately 197 working interest owner accounts.

Any Douglas County resident who owns tangible personal property is required to file a list annually of the property with the county appraiser's office. The form must be signed by the owner of the property or by the person who is filling out the return on behalf of the owner. The filing deadline for personal property renditions is Monday, March 16, 2015 or postmarked March 16, 2015 if filing by mail. Late filings are subject to a penalty. Penalties for late filings are five (5) percent per month up to a maximum of 25 percent. The penalty for failing to file a personal property rendition is 50 percent.

2014 PUP HEARINGS SCHEDULED

As of December 31 a total of 106 real estate payment under protests had been filed with the appraiser's office for the tax year 2014 compared to 73 in 2013; 202 in 2012; 234 in 2011; 336 in 2010; 348 in 2009; 473 in 2008; 222 in 2007; 166 in 2006; 82 in 2005; 141 in 2004; 158 in 2003; 128 in 2002; 199 in 2001; 139 in 2000; 98 in 1999 and 65 in 1998. To date 4 hearings have been held, one received no change in value while three were adjusted. Decisions are pending on the remainder.

A total of seven (7) personal property payment under protest applications were filed as of December 30. Three of these are for years prior to the 2014 tax year.

A taxpayer may challenge the valuation of their property after the change of value notice is mailed in March or by filing a payment under protest application with the county treasurer at the time the tax is actually paid, in whole or in part. An exception is if the taxes are paid by an escrow or tax agent prior to December 20, the payment under protest application may be filed by the owner no later than January 31 of the following year. A taxpayer is allowed to appeal the value only once for a tax year. In an appeal, it must be remembered that circumstances and condition issues arising after the appraisal date of January 1 are difficult to consider for that tax year.

PERSONAL PROPERTY CHANGES

The Kansas State Legislature did some clean up on a bill passed in 2013 regarding the valuation and assessment of watercraft in the state. HB 2422 clarified and reinstated that watercraft that was previously exempt under Kansas law will not become taxable under the new system. It also specified that the tax on watercraft will be calculated using the county average tax rate.

Starting in 2014 watercraft shall be defined as being designed to be propelled by machinery, oars, paddles, or wind action upon a sail for navigation. However, vessels designed to be propelled through the water by human power alone are specifically exempt. No watercraft unit will have a tax bill of less than \$12.00, no matter the calculated valuation. The assessment rate will reduce to 5% of the valuation in 2015.

For 2014, commercial trucks and trailers having a DOT number will pay an annual vehicle fee to the state of Kansas rather than personal property taxes in the county. In order to avoid problems later, owners of these vehicles should notify the county with a listing of all trucks and trailers that will be tagged through the state program. This has caused some confusion when owners of such vehicles were sent a tax bill because they reported the vehicle on their rendition but had gotten a DOT number, as well. Fortunately, we are able to correct this when brought to our attention. Additional information regarding this is available at www.truckingks.org.