

# Appraisal Newsletter

## Douglas County Kansas

Steven Miles, RMA  
County Appraiser

Volume 21, Issue 1

October 1, 2016

### VALUATION PROCESS BEGINS

The appraiser's office will begin the process of setting values in October. The first step is the analysis, development and calibration of the tables and comparable sale and income models used to assist in the valuation of all real property. The actual final review process will begin in November.

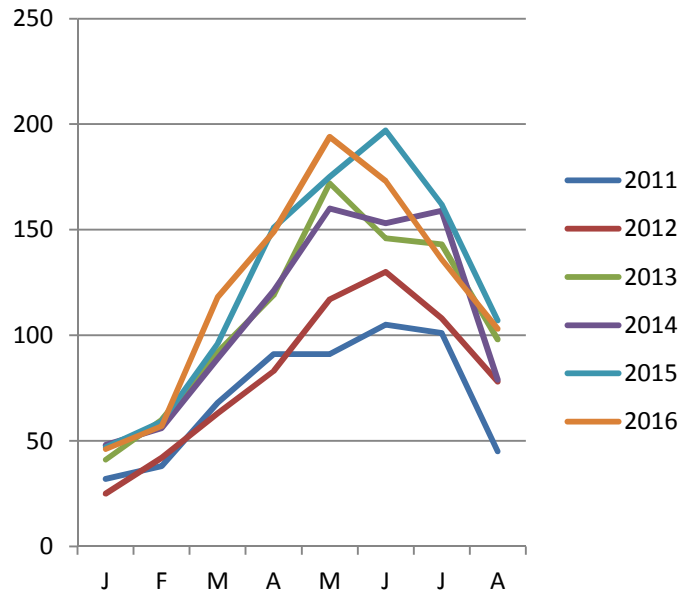
At this point, existing residential sale prices in 2016 have leveled off or are trending upward very slightly. The mid-year sales ratio study on valid residential sales is at a median of 98.3 percent. The mid-year ratio study uses sales occurring in the first six months of the year and compares the actual sale price against the corresponding property value.

The county's 2016 mid-year commercial sales ratio comes in at 82.3 percent. This would seem to indicate that the 2016 commercial valuations are somewhat below the actual sale price on those properties. In fact, the sales prices have far exceeded the 2016 valuation. However, the sample is very small and it will require more analysis to determine the effect on 2017 commercial values.

After the office studies the data and refines the analysis and models we will be in a better position to make any projections as to the movement of values. It could prove to be an interesting year once again.

### RESIDENTIAL SALES ACTIVITY

Residential sales in Douglas County have remained relatively steady throughout the year. The number of residential sales in 2016 is only 18 less than the previous year at the end of August. The chart below illustrates the cyclical nature of the real estate market.



Periods when demand is higher or lower can influence the sale prices at those times. Because of this cyclical pattern, the Appraiser's Office looks at sales over the previous 2 or 3 years when developing the valuation models. The valuation models are designed to flatten out the highs and lows during the year to determine the typical value. This is why sale prices may be higher or lower during different times of the year than the value placed on a property for January 1. In order to value properties fairly and uniformly we try to find the typical value rather than only using the periods when sales prices were either at the high end or the low end of the cycle.

The average sale price of a 3 bed, 2 bath house with 1300 – 1800 sq ft through the end of August 2016 is \$184,987. This is higher than the average sale price of \$168,295 for the same period of time last year.

The table below indicates that, with some exceptions, the number of sales at each level is relatively stable from 2013 to 2016. As it has in the past, the largest number of sales continues to occur between \$100,000 and \$200,000. The highest percentage of sales occurred in the \$125,000 to \$175,000 price range. Following is a table that shows the distribution of valid sales at various price levels from 2011 through September 15, 2016:

Sale Price	2011	2012	2013	2014	2015	2016
Less than \$100,000	24	43	45	78	69	47
\$100,001 - \$125,000	37	57	78	117	130	104
\$125,001 - \$150,000	92	93	112	225	154	160
\$150,001 - \$175,000	100	90	134	197	180	155
\$175,001 - \$200,000	63	55	72	120	84	114
\$200,001 - \$225,000	43	37	63	81	77	64
\$225,001 - \$250,000	41	36	56	71	71	73
\$250,001 - \$275,000	28	25	48	61	45	58
\$275,001 - \$300,000	19	16	35	64	48	55
\$300,001 - \$350,000	33	28	41	61	53	61
\$350,001 - \$400,000	12	21	26	33	42	45
\$400,001 - \$450,000	10	6	15	24	24	19
\$450,001 - \$500,000	6	4	8	14	8	14
Greater than \$500,000	15	15	16	26	20	23
Total Sales	523	526	749	1172	1005	992

**AGRICULTURE USE SURVEY**

The Appraiser’s Office mailed out surveys this summer to the owners of property in the eastern portion of the county with an agricultural use classification. Of the 2,152 surveys mailed, 1,451 or about 67% have been returned. We truly appreciate the response that we have gotten. This survey relied on the aerial photography that was flown in the spring of 2014. The purpose of the survey is to verify and confirm the continued or changed uses of that property. Changes range from discontinuation of the agricultural use to changes in the farming practices. The office is processing the returned surveys in preparation for the upcoming

valuation process. Each response is being reviewed for accuracy of the delineation and use. Those that cannot be confirmed from the aerial photography available to us will be physically and visually inspected by staff members. Not all changes indicated by the landowner will be accepted upon review as there is sometimes a misunderstanding of the type of usage.

Because of the higher resolution photography available today, some changes are being made by staff to the delineation of the use type. The increased accuracy of delineation and changes made to the use may alter the final valuation of the property. The appraiser may be in contact with a landowner to clarify the responses given on the survey. Those properties for which the owner has not returned a response will be visually reviewed by staff to determine the actual use.

Next year we will send ag surveys to the other one half of the county ag property owners. This will allow us to get on a biennial cycle but still give us time to update our records in a timely fashion. Returning the survey is not a mandated requirement. However, it does give the owner the opportunity to have a voice in the determination of the actual use and whether it is ag or not. Of course, as the staff travels around the rural areas performing other checks, they will still be making notes as to the current use of parcels that they pass by.

**EMPLOYEE HIGHLIGHTS**

Shelly Borland, Residential Field Appraiser and Sales Coordinator, recently completed one leg of the testing for the RMA designation. The RMA (Registered Mass Appraiser) designation is awarded to those individuals who have the dedication and desire to further their appraisal knowledge and exhibit the professionalism of our adopted career. It takes many hours of education and experience in order to be eligible for this award. Congratulations on this step, Shelly!

Each year, staff attends various continuing education courses to stay in tune with the methods and best practices that aid us in our duties.

Congratulations to ALL of those who completed continuing education courses this year!