



Appraisal Newsletter

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WELCOME BACK!

After an interruption of 6 months, the Appraisal Newsletter returns this month. The interruption caused by the pandemic did not stop the important work of the Appraiser's Office staff. We quickly made adjustments to the way we continued to accomplish the collection and analysis of property and sales data. The staff adapted well to limited contact and learned new ways to work remotely. We still made visits to properties throughout the summer practicing all the safeguards possible including facemasks and even more limited contact than before. Some staff have transitioned back to the office to better complete administrative and analysis functions as well as serve the public as needed.

VALUATION PROCESS BEGINS

The appraiser's office will begin the process of setting values in October. The first step is completion of 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 late November.

At this point, existing residential sale prices in 2020 have been trending slightly upward. The mid-year sales ratio study on valid residential sales is at a median of 94.9 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 2020 mid-year commercial sales ratio comes in at 90.8 percent. This would seem to indicate that the 2020 commercial valuations are somewhat below the actual sale price on those properties. In fact, the sales prices have exceeded the 2020 valuation. However, the sample is very small and it will require more analysis to determine the effect on 2021 commercial values.

One of the factors we look at is the trend over time of the market value. Ideally, this is done by comparing what a property has sold for within the previous one to two years and what it has sold for more recently. Because of the number of sales throughout the county, we are able to do this for most market areas. So far, our analysis has indicated that the residential market does continue to increase at a steady rate. Staff will be looking at this closer this month as the final stages of the analysis period draws to an end. The commercial market still has many questions to be answered before final review.

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 volume in Douglas County has remained relatively steady throughout the year. The number of residential sales in 2020 is 10 more than the previous year at the end of August. The chart below illustrates the cyclical nature of the real estate market.

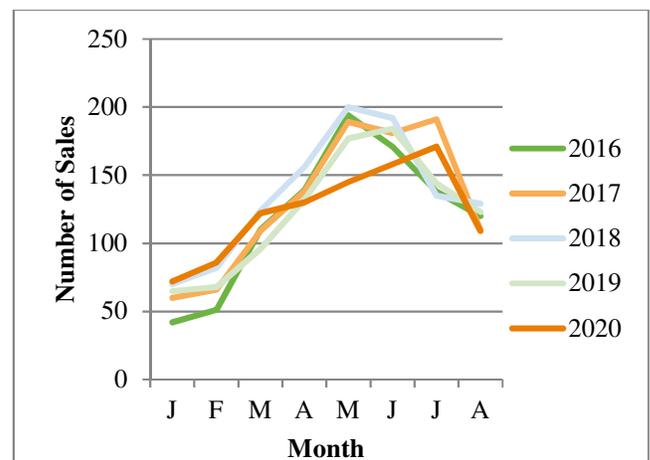


Figure 1: Valuation\Analysis\Compare Sales YoY

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 2020 is \$219,725. This is about 12% higher than the average sale price for the same time period in 2019.

The table below indicates that, with some exceptions, the number of sales at each level is relatively stable from 2016 to 2020. The greatest number of sales occurred in the \$150,000 to \$250,000 price range. Following is a table that shows the distribution of valid sales at various price levels from 2016 through September 17, 2020:

Sale Price	2 0 1 6	2017	2018	2019	2020
Less than \$100,000	47	39	52	16	21
\$100,001 - \$125,000	104	77	104	46	36
\$125,001 - \$150,000	160	152	140	98	81
\$150,001 - \$175,000	155	170	195	147	124
\$175,001 - \$200,000	114	131	201	128	119
\$200,001 - \$225,000	64	88	129	108	103
\$225,001 - \$250,000	73	85	108	83	119
\$250,001 - \$275,000	58	71	108	72	83
\$275,001 - \$300,000	55	57	89	65	68
\$300,001 - \$350,000	61	68	128	99	96
\$350,001 - \$400,000	45	53	93	67	62
\$400,001 - \$450,000	19	27	47	30	41
\$450,001 - \$500,000	14	14	35	21	30
Greater than \$500,000	23	30	45	31	44
Total Sales	992	1062	1474	1011	1027

Valuation\Analysis\Compare Sales Yoy

EMPLOYEE HIGHLIGHTS

The appraiser's office welcomes three staff members to our team over the past couple of months.

The first is Whitney Swaffar. She joins the personal property staff and will be learning all about the recording and appraisal of taxable personal property for the next few months. Whitney has a background in government agency and administrative functions. She is looking forward to learning more about the appraisal business and our county.

The second is Laura Gettys. She is returning to our office in her old role as a Field Staff Appraiser. Laura left us in 2014 and joined the Johnson County Appraiser's office where she further developed her appraisal and analytical skills. Everyone is glad to have Laura back and look forward to utilizing her abilities going forward.

Savannah Cusack has joined our team as an Appraisers Assistant. Savannah is a student majoring in Criminal Justice at Washburn University. The administrative skills that she utilized during her service in the U.S. Navy will be quite useful as she assists in various areas of the office.

Kellie Greenwood and Marie Boadway recently received their designation as notary public. This allows them to act as notary for those signatures requiring this official witness of signatures. Their services are available to county staff and the public.

Stay Safe and Healthy!