



Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

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2017 SALES DATA REPORTED

Market activity has continued this year. During August of 2017 so far, staff members in the appraiser's office who work with real estate sales were busy. During that time, staff handled 204 sales validation questionnaires involving 208 parcels. During August of 2016 a total of 250 sales validation questionnaires involving 255 parcels were worked by the appraiser's office.

For the year, the number of sales is holding steady with the number of sales for the same time last year. So far in 2017 the staff has handled 1,797 sales validation questionnaires involving 1,935 parcels compared to 1,737 sales with 1,945 parcels involved in 2016.

As of the 31st of August the appraiser's staff had reviewed 996 valid existing residential home sales. The average sale price for those residential sales is \$215,237 compared to \$211,923 for 2016; \$214,119 in 2015; \$210,291 in 2014; \$212,094 in 2013; \$200,890 in 2012; \$173,040 for 2011; \$194,860 in 2010; \$189,800 in 2009; \$191,100 in 2008; \$186,900 in 2007; \$184,600 in 2006; \$176,500 in 2005; \$165,700 in 2004; \$165,200 in 2003; \$148,800 in 2002; \$137,600 in 2001; \$132,500 in 2000; \$125,900 in 1999. The current median sales ratio for residential property in 2017 is 93.5 percent compared to a sales ratio of 94.11 for this time in 2016; 96.7 for 2015; 97.6 in 2014; 98.7 in 2013; 102.8 percent for 2012; 101.3 for 2011; 101 in 2010 and 2009; 102 percent in 2008; 2007, 2006, 2005, 2004, 2003 and 2002 of 97percent; 96 percent in 2001; 94 percent in 2000 and 95 percent in 1999.

On the commercial side a total of 68 sales have been recorded. The median sales ratio for 24 valid or potentially valid sales thus far in 2017 is 95.3 percent compared to 89.2 for 2016; 90.4 in 2015; 95.9 in 2014; 94.3 percent in 2013; 91 in 2012; 96 for 2011; 94 in 2010; 93 percent in 2009; 92 percent in 2008; 87 percent in 2007; 90 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 1999.

BUILDING PERMIT DATA REPORTED

Through August of 2017 the City of Lawrence has issued a total of 102 building permits for single family residential property. By comparison for the same time period in 2016 there were 109 new single family dwelling permits issued. In August 2017 alone there were 11 new single family permits issued with a total valuation of \$4,664,042. The total valuation of the residential permits issued thus far in 2017 is \$32,843,385.

In addition to the single family building permits, the City of Lawrence has issued no multi-family permits, 7 commercial building permits and 16 duplex permits to date in 2017. Total valuation for these permits is \$21,703,551.

Eleven (11) single family permits have been issued in Eudora since the beginning of 2017 with a total valuation of \$2,525,012.

The Douglas County Zoning and Codes office has issued four (4) new single family residential permits with a total valuation of \$1,516,882 during August of this year. They have also issued two (2) commercial building permits valued at \$75,000.

COUNTY IN COMPLIANCE FOR 2017

The Division of Property Valuation in Topeka has finalized the review to determine if the appraiser's office has met the requirements for valuation of real and personal property. Continuing our prior successes, Douglas County is, once again, in substantial compliance for the year 2017. PVD conducted the statistical and procedural compliance review during the first six (6) months of 2017.

The compliance review consists of two parts. The first part is the state sales ratio study that is conducted annually by PVD. As noted in a previous newsletter the county was in compliance in this area for both residential and commercial property.

The second part is the procedural review which is designed to see if the county's appraisal procedures follow state guidelines and PVD directives. Items that are reviewed include:

- The county's maintenance plan.
- The county's sales file.
- Land valuation procedures.
- Cost index analysis.
- Depreciation documentation.
- Income approach data.
- Comparable sales approach procedures.
- Maintenance and quality control numbers.
- Final review process.
- Agricultural use valuation.
- Mapping procedures.
- Statutory compliance.
- Valuation appeal procedures.
- Personal property.
- Certification of values to the county clerk.
- Preservation of county records.

PERSONAL PROPERTY

Current 2017 Values				
Property type	Appraised Value	Assessed Value	Assessed Penalty	Total Assessed
Watercraft	15,832,423	782,395	82,014	864,409
Personal	91,905,938	20,491,063	1,395,163	21,885,286
16/20M Trucks	3,820,803	764,092	56,946	821,038
TOTALS	111,559,165	22,037,550	1,534,123	23,570,733

The personal property office currently has approximately 7,760 active accounts. We mailed 2,015 failure notices in mid-July this year for taxpayers that had not yet filed their assessment forms for 2017. We enclosed a different instruction sheet with them and we have noticed an increase in the filings since they received the failure notices over prior year filings. To date we have received approximately 400 filings that were previously failures for 2017. We are continuing to add accounts as we are working through our reports for 2017 from the Kansas Department of Revenue, Kansas Wildlife & Parks, Mobile home park owners and storage facilities for boats. As of today we have 1,784 accounts that have failed to file compared with 2,226 failures at this time 1 year ago. We anticipate a few more accounts and failures will be added before we have completed all of our reports and prior to tax billing time.

The personal property staff is also beginning to work on the process of moving all records to digital records and getting rid of the old books and record cards. Ollie in IT has been helping us move to this process and we anticipate and HOPE that we will be scanning all documentation for accounts within the next few weeks. We are all very excited to be moving to the digital age and we are looking forward to the end result, even though the coming months will give us an extra load of work to process and get prior year records scanned into our system.

SALE PRICE VS. FAIR MARKET VALUE

The question often arises of why the county's appraised value is different than the property has sold for. While sales often are a good indicator of value there are often sales that occur in which the sale price does not represent the true fair market value. When the sale price does not represent the typical fair market value for that type of property there are often issues involved that are not readily apparent. Only valid, arms-length sales are considered in determining the typical fair market values for properties. K.S.A. 79-503a states, in part, "...Sales in and of themselves shall not be the sole criteria of fair market value but shall be used in connection with cost, income and other factors..." The Appraiser's Office attempts to look at things in much the same manner as a typical buyer would. Residential property value is best arrived at by the sales comparison approach. For most income producing property most buyers would be interested in paying a price that they could realize some return on their investment.

Fair market value is defined by Kansas statute, K.S.A. 79-503a as *'the amount in terms of money that a well informed buyer is justified in paying and a well informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion'*. A typical buyer, as defined above, is someone who is knowledgeable about the market they are looking in and is not influenced by extraordinary circumstances such as a need to find housing quickly and other circumstances. By the same token, a seller must be well informed about the market they are selling in and also not have any extraordinary circumstances influencing their actions such as a relocation move or pending foreclosure. There are many other reasons a seller might be willing to accept a lower than typical price for their property and a buyer might be willing to offer more than the typical price that need to be considered.

Most property will sell within a given range of prices. If a property sells for more or less than that range there are probably some influences involved that affected the decisions of either party. Depending on those influences the sale price may not actually be representative of the fair market value. An example might be the instance of a seller needing to sell a property quickly to liquidate an estate. In order to facilitate a quick sale, the price accepted is far below what that property would typically sell for and does not represent a fair market value. The county's opinion of value more accurately reflects the true fair market value as defined by K.S.A. 79-503a.

The County Appraiser and staff try to take all of those circumstances into consideration before forming an opinion of the value range for any category or type of property and ultimately the final opinion of value for a specific property.