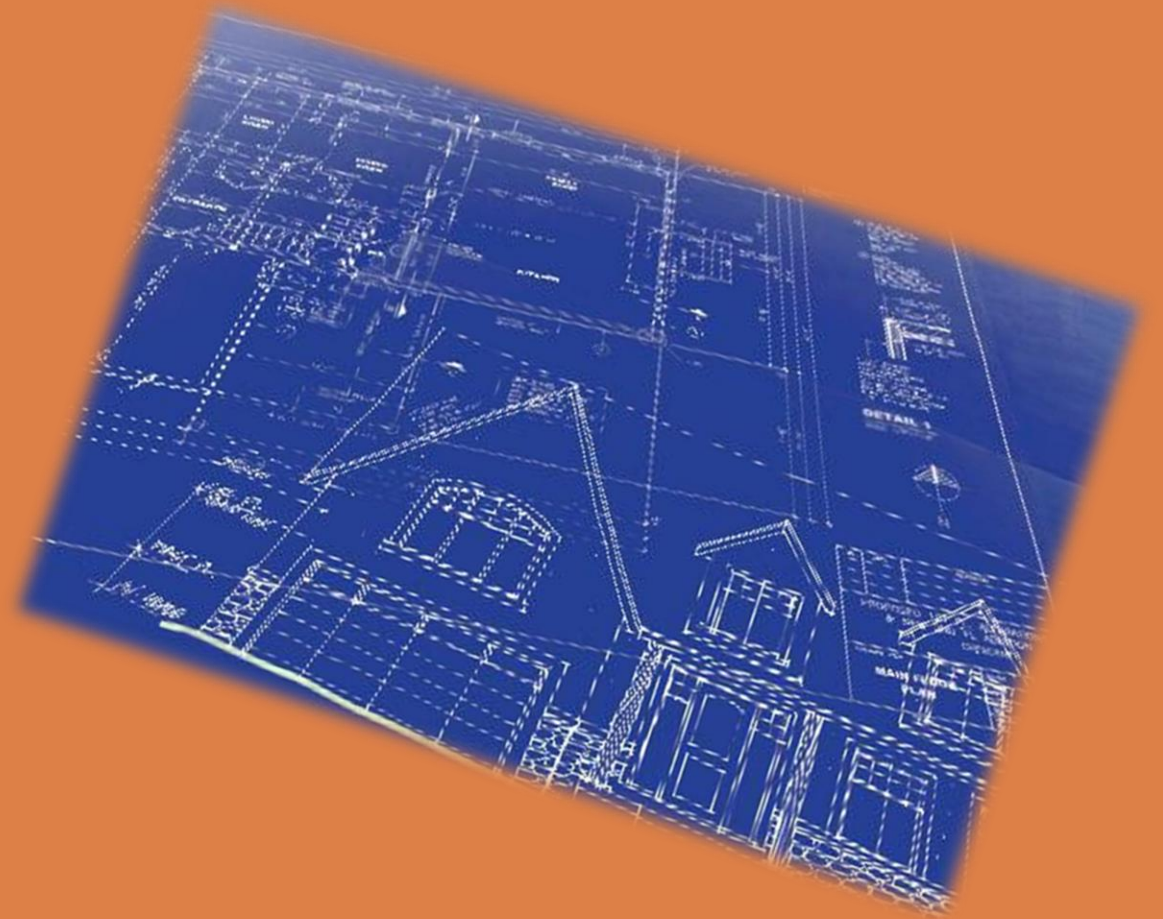


2025 APPRAISAL INFORMATION SESSION



Brad Eldridge, MAI, CAE – County Appraiser

Appraisal Info Session Outline

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- Appraiser's Office Duties
- Appraisal and Property Tax
- Appraisal Methodology
- Market Summary
- Tips for a Successful Appeal

1

Appraiser's Office Duties

What Does the County Appraiser Do?

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The County Appraiser:

- Focuses on fairness and equity
- Determines property values, not tax rates
- Uses statistical tests to ensure a high level of accuracy

The County Appraiser:

- Does not set tax rates
- Does not collect taxes
- Is not focused on tax dollars

Duties of the County Appraiser's Office

Discover

List

Value



Douglas County Parcel Breakdown

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Class	Urban	Rural	Total
Residential	28,673	3,180	31,853
Farmstead	269	1,478	1,747
Agricultural	432	2,380	2,812
Vacant	1,381	637	2,018
Commercial	1,448	100	1,548
Exempt	933	316	1,249
Not for Profit	10	0	10
Other	1	2	3
Utility	25	20	45
Total	33,172	8,113	41,285

Appraiser's Office Staff – 15.5 FTEs

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- County Appraiser
- Deputy Appraiser
- 2 Appraisal Supervisors:
 - Real Property Division
 - Personal Property Division
- Residential Analyst
- 7 Real Property Appraisers
- 2 Personal Property Appraisers
- 1.5 Administrative Support Staff

Each appraiser works about 1,000 to 2,000 properties every year. In 2024, staff worked over 10,000 real properties

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Appraisal and Property Tax

What is an appraisal?

9

The act or process of developing an opinion of value;

An opinion of value.



Source:

Uniform Standards of Appraisal Practice (USPAP), 2020-2021 Edition

Single Property and Mass Appraisal

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Single-Property Appraisal:

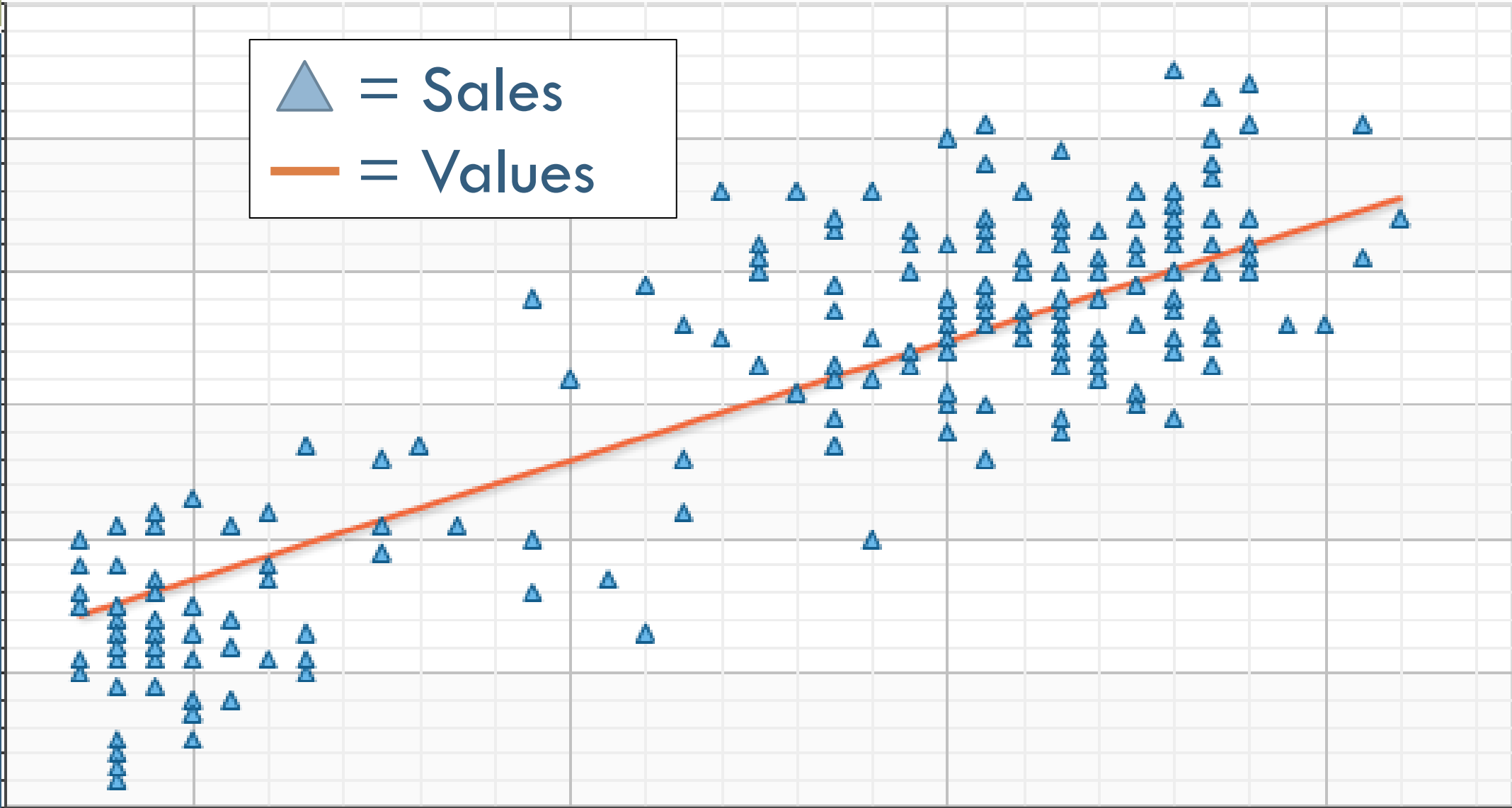
Systematic appraisal of properties one at a time.

Mass Appraisal:

The process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing.

The County Appraiser's Office develops a Mass Appraisal.

Mass Appraisal Goals



Who Regulates the Appraiser's Office?

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- All counties in the State of Kansas are regulated by the **Property Valuation Division (PVD)** of the **Kansas Department of Revenue**
- Appraisals are prepared in conformance with the ***Uniform Standards of Professional Appraisal Practice***
- PVD reviews the work of the Appraiser's Office each year for compliance
- The Douglas County Appraiser's Office has been in substantial compliance each tax year

Fair Market Value

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- ❑ Well informed buyer
- ❑ Well informed seller
- ❑ Open and competitive market
- ❑ Without undue compulsion
- ❑ As of January 1

Source: K.S.A. 79-503a



What Makes an Accurate Value?

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- Data driven – Relies on sales and market data
- Tests for accuracy
 - How does the county's value compare to sale prices?

$$\text{Appraised Value} \div \text{Sale Price}$$

- Referred to as **Ratio Studies**

How Accurate Are the County's Values?

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State Ratio Study	2018	2019	2020	2021	2022	2023	2024
Residential							
Median	93.9%	94.2%	93.9%	92.2%	93.1%	91.3%	95.5%
Coefficient of Dispersion	8.2%	7.3%	8.0%	10.3%	9.2%	8.7%	7.6%
Price Related Differential	1.00	1.06	1.00	0.99	1.00	1.01	1.01
Sample	238	286	284	245	256	256	1,113
Commercial							
Median	86.4%	85.8%	90.9%	87.5%	75.1%	65.9%	78.5%
Coefficient of Dispersion	24.0%	19.1%	12.8%	21.5%	19.3%	12.6%	21.7%
Price Related Differential	0.99	1.03	0.97	1.00	0.98	0.95	1.06
Sample	28	32	27	42	37	27	28

Calculated by Kansas Department of Revenue, Property Valuation Division

How Accurate Are the County's Values?

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In House Ratio Study	2019	2020	2021	2022	2023	2024
Residential						
Median	93.6%	92.4%	83.1%	88.8%	92.0%	95.1%
Coefficient of Dispersion	7.4%	8.1%	10.5%	9.0%	8.6%	7.1%
Price Related Differential	1.00	1.00	1.00	1.00	1.00	1.00
Sample	1,267	1,366	1,431	1,226	1,029	959
Total Value	\$288,015,410	\$330,232,640	\$354,858,880	\$354,754,350	\$301,912,770	\$323,885,040
Total Sale Price	\$310,897,637	\$360,034,246	\$426,471,158	\$405,083,377	\$332,787,312	\$346,140,706
Indicated Avg Price	\$245,381	\$263,568	\$298,023	\$330,411	\$323,408	\$360,939
Commercial & Apts						
Median	86.6%	92.3%	78.3%	72.1%	68.3%	85.2%
Coefficient of Dispersion	15.4%	8.0%	18.3%	27.9%	25.3%	18.4%
Price Related Differential	1.05	1.02	1.00	1.03	0.87	1.10
Sample	32	29	47	49	32	35
Total Value	\$64,568,080	\$75,181,370	\$63,034,590	\$63,461,180	\$67,329,520	\$40,953,610
Total Sale Price	\$79,538,678	\$82,658,048	\$80,528,937	\$88,574,500	\$78,230,690	\$54,891,000
Indicated Avg Price	\$2,485,584	\$2,850,278	\$1,713,382	\$1,807,643	\$2,444,709	\$1,568,314

Calculated By Dg Co Appraiser's Office

How Taxes Are Calculated

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Market Value x Assessment Ratio
= Assessed Value

then

Assessed Value x Mill Levy
= Tax Amount

Assessment Ratios

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Assessment Class	Assessment Ratio (% of Market Value)
Exempt	0%
Residential	11.5%
Vacant	12%
Non-profit	12%
Commercial	25%
Agricultural Buildings	25%
Agricultural Land	30%
Other	30%

Real Estate Tax Calculation Examples

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Single-Family Residence	Lawrence	Baldwin City	Clinton Twp
Market Value	\$300,000	\$300,000	\$300,000
x Assessment Ratio	11.50%	11.50%	11.50%
Assessed Value	\$34,500	\$34,500	\$34,500
x Mill Levy	0.128303	0.145024	0.116719
Indicated Taxes	\$4,426	\$5,003	\$4,027

Based on 2024 Mill Levy

Real Estate Tax Calculation Examples

20

Commercial Building	Lawrence	Baldwin City	Clinton Twp
Market Value	\$300,000	\$300,000	\$300,000
x Assessment Ratio	25.00%	25.00%	25.00%
Assessed Value	\$75,000	\$75,000	\$75,000
x Mill Levy	0.128303	0.145024	0.116719
Indicated Taxes	\$9,623	\$10,877	\$8,754

Based on 2024 Mill Levy

3

Appraisal Methodology

Three Approaches to value

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- Cost Approach
- Income Approach
- Sales Comparison Approach

Unique to Mass Appraisal:

- MRA (Multiple Regression Analysis)

Cost Approach Example

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Item	Subtotal	Total
Land Value		\$100,000
Cost New of Primary Improvements	\$400,000	
Less: Estimated Depreciation	-100,000	
Depreciated Value of Primary Imps	\$300,000	\$300,000
Add: Depreciated Value of Other Imps		\$10,000
Indicated Cost Approach Value		\$410,000

Income Approach Example

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Applied in reverse order for value indication

$$\text{Monthly Market Rent} \times \text{GRM} = \text{Value}$$

Example:

Subject property is a single-family residence that rents for \$1,000 per month in a market area where the prevailing GRM is 135.

$$\begin{aligned} &\$1,000 \text{ Monthly Rent} \times 135 \text{ GRM} \\ &= \$135,000 \text{ Value} \end{aligned}$$

Income Approach – Commercial

25

- Used to value 80% of the commercial property in Dg Co
- Value from the Landlord's perspective

- **Formula:**

$$\text{Net Operating Income} \div \text{Capitalization Rate} = \text{Value}$$

- NOI is **property income** only (excludes business)

Example:

$$\$100,000 \text{ NOI} \div 10\% \text{ Cap Rate} = \$1,000,000 \text{ Value}$$

Sales Comparison Approach

26

- 1) Data collection and verification
- 2) Analysis of market data to develop units of comparison and select attributes for adjustment
- 3) Development of reasonable adjustments
- 4) Application of adjustments to comparable sales
- 5) Analysis of adjusted sale prices to estimate value for property appraised

Market Extracted Adjustments

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Example:

2 single-family residence sales in same month.

Identical except: Sale 1 has 1 bathroom

Sale 2 has 2 bathrooms

	Sale 1	Sale 2
Number of Bathrooms	1	2
Sale Price	\$250,000	\$260,000

The difference of \$10,000 can be attributed to the second bathroom

Adjustment Grid Analysis

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	Subject	Sale 1	Sale 2
Sale Price		\$250,000	\$260,000
Sale Date	1/1/25	9/1/2024	1/1/2024
Time Adjustment (3%/yr)			\$7,800
Adjusted Sale Price		\$250,000	\$267,800
Bedrooms	3	3 \$0	3 \$0
Bathrooms	1	1 \$0	2 -\$10,000
Quality	Fair	Fair \$0	Avg -\$7,500
Net Adjustments		\$0	-\$17,500
Adjusted Sale Price		\$250,000	\$250,300

MRA (Multiple Regression Analysis)

29

- Statistical technique
- Utilized to find the relationship between value (dependent variables) and characteristics (independent variables)
- Valuation models are created to reflect the influences of different property characteristics on value

Current MRA Observations

30

Market is reacting to the following variables:

- Curb appeal (noted as **CDU** on county records)
 - **C**ondition **D**esirability **U**tility
- Building area (SF)
- Amount of finished living area
- Basement vs. slab
- Attached garage

Timing is Everything

31

Jan 1

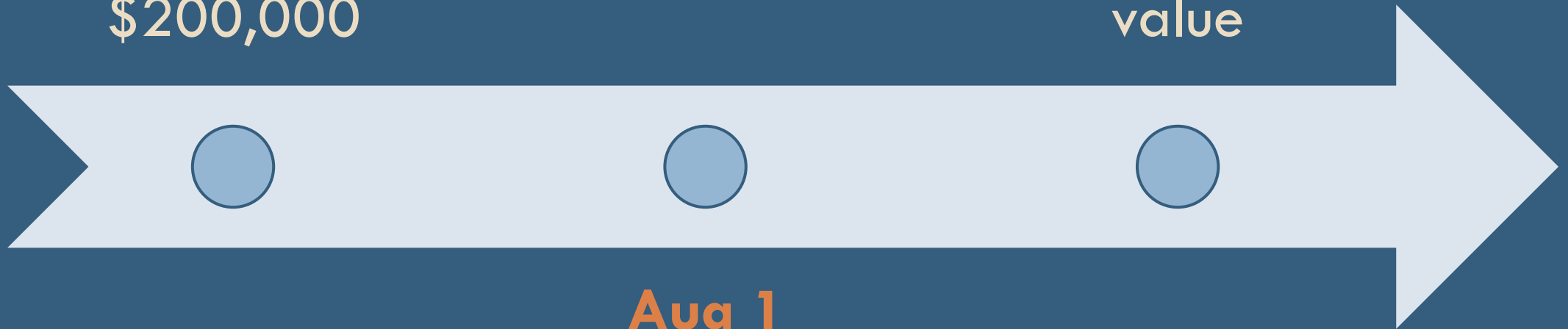
County Value:
\$200,000

Nov 25

Tax Bill based
on \$200,000
value

Aug 1

Property Sells:
\$190,000



Why isn't the county's value based on \$190,000?

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- The sale price of \$190,000 occurred after the effective date of value
- The county was unaware the property was going to sell for \$190,000 on Aug 1 when it mailed out values on March 1
- The county's value is based on sale data that occurred in the prior year
- Is the county's value reasonable?
 - ▣ It is within 5% of the actual sale price and inside the +/- 10% standard expected by the state (PVD)

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2025 Market Summary

Most Real Estate Values Increased in 2025

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Typically due to:

- Year-over-year price increases
(changes in the market)
- **Demand exceeding supply**
- Renovations or additions to existing structures
- Changes in the use of a property

What Drives Real Estate Demand?

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HISTORICAL DOUGLAS COUNTY AND CITY POPULATION

Year	1990	2000	2010	2020	2022	2024
Dg Co	81,798	99,962	111,195	118,785	119,964	121,989
Lawrence	65,608	80,098	88,068	94,934	95,794	96,632
Eudora	3,006	4,307	6,154	6,408	6,426	6,484
Baldwin	2,961	3,400	4,523	4,826	4,906	4,965
Lecompton	619	608	634	588	591	596

Source: U.S. Census Bureau

Supply Trends

Douglas County Construction Permits

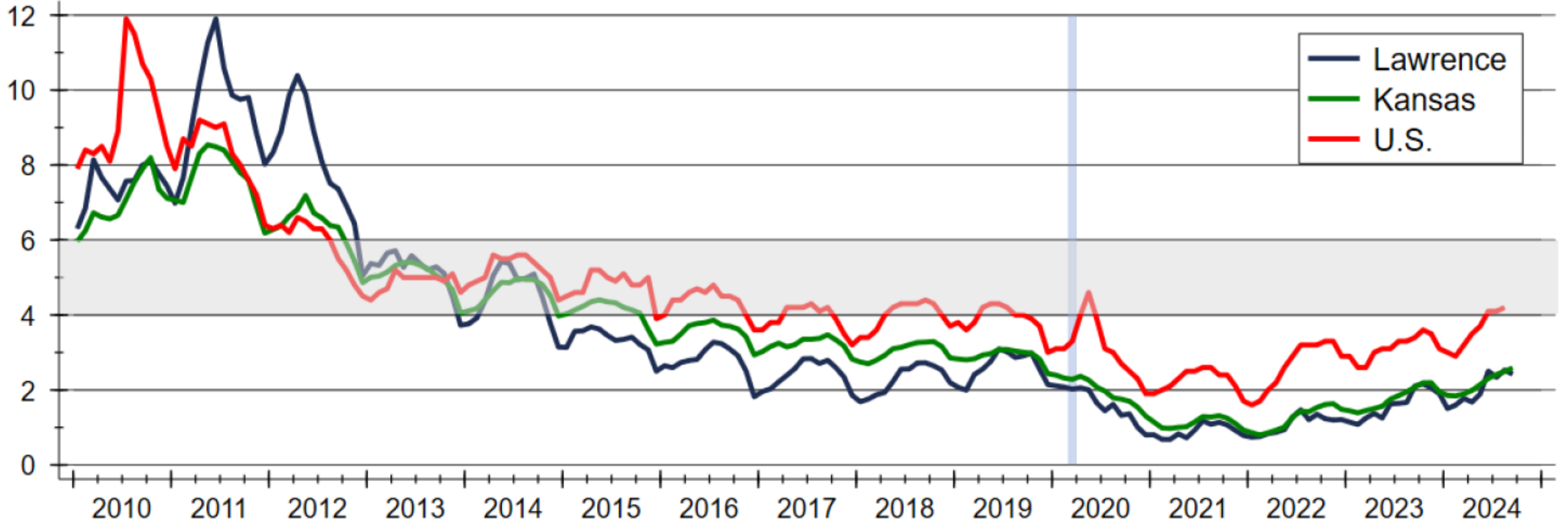
36

	2021	2022	2023	2024
Res New Bldgs	267	201	163	135
Res Add'ns	59	104	130	62
Res Remods	167	211	265	134
Multifamily	14	11	41	3
Com New Bldgs	37	23	23	41
Com Add'ns	11	11	11	10
Com Remods	112	111	141	96
Misc Bldgs	228	144	76	149
Totals	895	816	850	630

Source: City of Lawrence, Baldwin, Eudora and Douglas County Planning Agencies

Inventory of Homes Available for Sale

Months' Supply



Sources: NAR, KAR and Lawrence Board of Realtors®

Source: 2025 Lawrence Housing Forecast, Center for Real Estate, Wichita State University

Other Economic Indicators

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- Unemployment Rate: 3.1% (Douglas County)
- Median household income increasing
 - ▣ 2019: \$59,435
 - ▣ 2022: \$66,153
 - ▣ 2023: \$68,756
- 30-year Interest rates: 6.85% (year-end 2024)

Sources: Federal Reserve Economic Data of St Louis, U.S. Census Bureau,
Consumer Financial Protection Bureau

2020 - 2025 Residential Values in Douglas County

County Wide						
Year	Percentile	10%	25%	Median	75%	90%
2020		\$122,490	\$154,500	\$198,700	\$270,380	\$368,100
2021		\$130,000	\$162,500	\$210,700	\$284,400	\$384,100
2022		\$153,916	\$192,800	\$248,800	\$332,300	\$448,100
2023		\$169,400	\$211,755	\$272,900	\$363,700	\$486,700
2024		\$182,500	\$228,210	\$294,900	\$391,200	\$522,060
2025		\$191,400	\$239,500	\$309,600	\$409,300	\$545,200

2020 - 2025 Commercial Values in Douglas County

40

Use	Percentile	Middle 80%				
		10%	25%	Median	75%	
		10%	25%	Median	75%	90%
Apartments		\$478,040	\$811,930	\$1,592,500	\$5,572,280	\$13,593,930
Auto Service		\$113,200	\$212,550	\$368,070	\$626,950	\$1,464,175
Bank		\$500,000	\$814,200	\$1,094,500	\$1,781,375	\$2,336,150
C-Store		\$517,930	\$709,300	\$943,925	\$1,747,275	\$2,763,550
Dealership		\$324,860	\$478,600	\$874,600	\$2,851,600	\$3,390,540
Downtown		\$123,170	\$302,775	\$538,750	\$903,525	\$1,532,430
Fastfood		\$419,100	\$785,525	\$1,101,650	\$1,628,325	\$2,334,670
Hotel		\$853,149	\$1,043,340	\$3,876,390	\$5,773,478	\$8,648,874
Industrial		\$189,060	\$265,700	\$563,300	\$1,126,000	\$3,724,560
Large Retail		\$3,177,580	\$4,472,250	\$6,981,850	\$9,700,875	\$13,538,060
Medical Office		\$374,517	\$453,475	\$844,850	\$1,730,935	\$3,851,950
Mini-Storage		\$326,040	\$1,072,125	\$1,825,550	\$2,997,988	\$4,320,930
Office		\$134,830	\$315,725	\$645,950	\$1,214,225	\$2,044,670
Restaurant		\$163,090	\$294,420	\$498,350	\$863,475	\$1,173,710
Retail		\$95,970	\$189,425	\$477,600	\$1,153,425	\$2,294,290
Strip Center		\$565,200	\$1,139,235	\$2,320,850	\$4,466,400	\$7,495,900
Vacant Land		\$35,270	\$99,030	\$211,560	\$490,340	\$947,410

Agricultural Land

41

- Use value (not market)
- Set by Property Valuation Division of the Kansas Department of Revenue
- 2025 Ag Land Values:
 - ▣ Median Change: -1%
 - ▣ Typical Change: -3% to +3%

5

Tips for a Successful Appeal

Purpose of the Property Value Appeal

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- The goal is an accurate market value
- Ensure facts about the property are appropriately considered
- Document the issues so any adjustment is substantiated
- The Appraiser's Office does not determine property tax or the tax rates

What to Expect on the Appeal Meeting

44

- Informal phone call with a staff appraiser
- 30 minutes to discuss concerns of the property value
- Your appraiser will discuss with you how the value was determined
- The appraiser is on a fact-finding mission to ensure the property has been valued correctly
- If you disagree with the appraised value, be prepared to discuss your own estimate of value

Prior to the Phone Call

Look Over the Property Record Card

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- Available online:
 - <https://propertyinfo.douglascountyks.org>
- Review the information and verify that the descriptions are accurate:
 - Building area (SF)
 - Number of Bedrooms
 - Number of Bathrooms

Prior to the Phone Call

Request Valuation and Market Data Reports

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- Cost Report
- Comparable Sale Reports
 - ▣ Are the sales similar to your property?
 - ▣ Are there other recent sales that you'd like to be considered?
- Neighborhood Sale Books
- Commercial market summary by use

Tips for a Successful Appeal

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- Review the information provided
 - Is the value in line with what one would expect the property to sell for?
 - Are there inconsistencies or errors in the data?
- Establish a non-adversarial relationship with the Appraiser's Office
- Provide documentation

Helpful Documentation to Provide

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- Clear, color, & date stamped photos of defects, deficiencies, damage, or disrepair.
- Recent sales information for similar properties (quality, condition, age, size, style, location, etc.)
- A recent sale contract for the property in question
- A recent appraisal report prepared by a fee appraiser

Helpful Documentation to Provide

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- A signed BPO (Broker's Price Opinion)
- A signed and dated contractor estimate for repairs
- A signed and dated inspection report

Thank you for attending!

Feel free to come talk with
one of our appraisers.