



Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

Volume 19, Issue 4

January 1, 2015

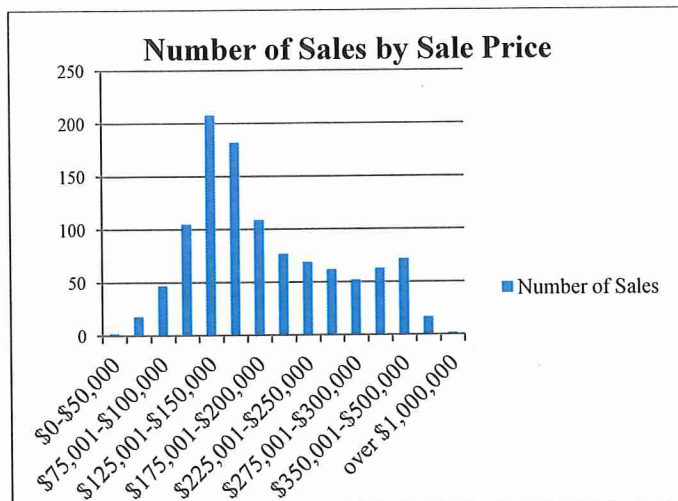
RECAP OF 2014 SALE INFORMATION

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.

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.



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

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.

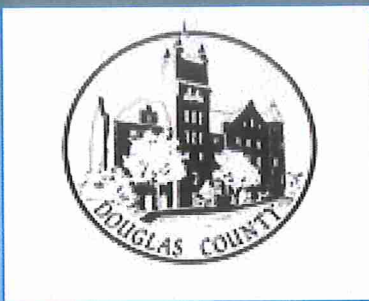
A taxpayer may challenge the valuation of their property after the change of value notice is mailed in March or by filing a payment under protest application with the county treasurer at the time the tax is actually paid, in whole or in part. An exception is if the taxes are paid by an escrow or tax 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.



Douglas County Kansas

Appraisal Newsletter

Steven Miles, RMA
County Appraiser

Volume 19, Issue 5

February 1, 2015

2015 FINAL REVIEW NEAR FINISH

The initial phase of the final review process for estimating 2015 values should be completed soon. A total of 40,033 properties will have been reviewed and valued by county staff. This is only counting primary parcel class values whereas prior to 2010 the totals included parcels with multiple classes (i.e., residential and commercial class on a single parcel). In 2014, the staff reviewed 40,038 parcels; 39,807 in 2013; 39,845 in 2012; 39,785 in 2011; 39,641 in 2010; 40,151 in 2009; 39,830 in 2008; 38,967 in 2007; 38,109 in 2006; 37,557 in 2005; 35,911 in 2004; 35,322 in 2003; 34,637 in 2002; 33,768 in 2001; 32,939 in 2000 and 32,077 parcels in 1999. Following is a current breakdown of the parcels by primary property classification:

Type	Urban	Rural	Total
Residential	27,098	2,935	30,033
Farm with home site	277	1,439	1,716
Agricultural	565	2,319	2,884
Vacant lots	1,987	598	2,585
Commercial/Industrial	1,410	106	1,516
Exempt	917	319	1,236
Not for profit	13	0	13
Other	4	2	6
Utility	22	19	41
Totals	32,293	7,737	40,030

"CVNS" TO BE MAILED THIS MONTH

Change of value notices will be mailed on or about Friday, February 27. The county will be using a similar notice as in previous years which will feature last year's value and the new value. On the back of the notice will be the appeal form that property owners can use to appeal their value should they disagree with the value assigned by the appraiser's office.

Values for residential properties in 2015 may show some slight increases. Approximately 47 % of the residential properties will see their value stay the same or decline and 53% will see an increase. Following is a summary of value changes for residential parcels:

Percent of Change	Parcels	%Total
Value decline -5.0% or greater	1,898	6.4%
-2.00% to -4.99% decline	3,688	12.5%
-.01 to -1.99% decline	4,442	15%

No change in value	3,963	13.4%
+.01 to 2.00% increase	5,650	19.1%
2.01 to 4.99% increase	5,838	19.7%
5.00% or greater increase	4,101	13.9%

Reasons for values going up include, but would not be limited to, improving market conditions, recent sales or improvements and additions to existing structures.

For Commercial Final Review we analyzed as much data and information as we could. Overall, the commercial values are reasonably stable to slightly downward. As always there are certain properties and categories of properties that will see some movement either up or down from last year.

The deadline to request an informal hearing will be Monday, March 30 at 5 p.m. Informal hearings will begin the week of March 23. The annual market study analysis for 2015 will be published the week of February 9 and will be available for review in the appraiser's office. This publication is required by state statute K.S.A. 79-1460a.

OVERALL VALUES

With final review 95% complete the overall value outlook shows a small increase in value. The current values show approximately a 1.62% increase from 2014 for those parcels completed. This includes those parcels that have had new construction on them in the form of new or completed improvements, primarily new structures. There was a considerable amount of new construction taking place throughout the county in 2014. Looking at only those parcels that did not have any new construction value added in 2014, the increase is only about 0.8%. Commercial values are yet to be finalized as well as any changes found during the quality control phase of the valuation process. The final result may be slightly different than the percentages above.

Typically we see the overall valuation decline approximately 1% through the year as result of the hearing process. This past year the value has declined 0.41% since last March when valuation notices were mailed.

PERSONAL PROPERTY RENDITIONS

The personal property staff has been busy in January working the 2015 personal property renditions. Approximately 7,900 renditions were mailed at the end of December. A total of 2,497 renditions have been returned to the appraiser's office. This represents just over 25 percent of the mailed renditions. Several accounts no longer have taxable assets due to the current exemption guidelines for personal property. These accounts have been canceled although they may have initially been sent a rendition form. During February the office will mail approximately 64 oil and gas renditions which represent approximately 200 accounts.

The Property Valuation Division of the Kansas Department of Revenue has issued the 2015 oil prices that will be used in the calculations of the taxable value. As anticipated, the values have taken a large hit due to the falling oil prices nationwide. Dependent on the schedule various types of production falls into, the drop ranges from 56% to nearly 60%. The prices provided by PVD are in the low to mid \$30 range.

The filing deadline for the personal property renditions is Monday, March 16 at 5 p.m. The filing deadline for oil and gas renditions is Wednesday, April 1. Late filings are subject to a penalty as prescribed in the Kansas statutes. 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.

NEW 2015 AG USE VALUES POSTED

The Kansas Constitution requires agricultural land to be valued based on the use and its income or productivity potential. The new agricultural use values for 2015 have been received by the appraiser's office. The values are developed by the Division of Property Valuation of the Department of Revenue and Kansas State University.

All four types of use (dry cropland, native grassland, tame grassland and irrigated cropland) saw an increase in the per acre value in almost all soil types. The value of agricultural use land in the county, all three types, had an increase in total value from 2014 to 2015 of approximately 12.1 percent.

APPEALS ON 2014 VALUATIONS

All taxpayers have the right to question the valuation of their property once per tax year as stated in K.S.A. 79-1448 and 79-2005. The first step in an appeal is the informal meeting with the appraiser. There are 936 parcels that had an informal meeting or payment under protest appeal on the 2014 valuation. Following is the breakdown of the resulting actions of those meetings:

No Change	509	54%
Adjusted	333	36%
Awaiting decision	83	9%
Canceled or dismissed	11	1%

Those awaiting decisions are the Payment Under Protests recently filed through the Treasurer's office at the end of the year. If the decision from the informal level is not satisfactory, an appeal can be continued to the Kansas Court of Tax Appeals. Approximately 7.0% or 55 of the earlier appeals were taken on. Here is a breakdown of those higher appeals:

No Change	21	38%
Adjusted	13	24%
Awaiting decision	12	22%
Dismissed	9	16%



Appraisal Newsletter

**Douglas County
Kansas**

Steven Miles, RMA
County Appraiser

Volume 19, Issue 7

April 1, 2015

2014 PRELIMINARY SALE RATIO NUMBERS RELEASED BY THE STATE

The Division of Property Valuation, Department of Revenue, in March released the 2014 preliminary sales ratio study. The final report will be released in July or August of this year. The sales ratio study is an annual analysis of the relationship between appraised values established by the appraiser's office and the property's sale price.

According to the report, Douglas County's median ratio for residential property in 2014 was 98.2% with a COD of 8.4. A total of 308 sales were used in the study.

Residential		
Year	Median Ratio	COD
2013	100.0	7.8
2012	103.3	8.1
2011	104.2	7.7
2010	101.2	6.2
2009	100.7	4.5
2008	100.3	4.3
2007	100	4.8
2006	99	5.4
2005	96	5.6
2004	98	5.6

The median ratio is the middle ratio after all the ratios are arrayed in order from the lowest to the highest. The statistic measures the appraisal level in the county. The appraisal level is an indication of how close the county's values are to the fair market value or the 100% level (the sale price). State statutes require that the county's appraisal level be between 90 and 110.

The COD (coefficient of dispersion) measures the amount of variation in the county valuations around the appraisal level (median). The smaller the COD the less variation in the ratios about the median ratio, which translates into better equity in the county values. State statutes require that the county's COD be less than 20 for all classes of property.

The PRD (price-related differential) for residential property in 2014 was 1.02. In 2013 it was 1.00. In 2012, 2011 and 2010 was 1.01. It was 1.00 in 2009, 2008, 2007, 2006,

2005 and 2004. The PRD measures the vertical equity or the relationship of low-value and high-value properties. A PRD of more than 1.00 suggests that high-value properties are under-appraised compared to low-value properties and a PRD of less than 1.00 suggests that high-value properties are over-appraised compared to low-value properties.

The 2014 median ratio for commercial property was 84.3% compared to 86.3% in 2013. The COD in 2014 was 21.7 compared to 18.0 in 2013. A total of 26 sales were used in the commercial study. The PRD for commercial property in 2014 was 1.18 compared to 1.1 in 2013.

Commercial		
Year	Median Ratio	COD
2013	86.3	18
2012	88.2	14.6
2011	92.7	21.1
2010	84.2	15.2
2009	84.6	16.2
2008	98.6	14
2007	88.2	19.1
2006	96.0	19.8
2005	96.0	13.3
2004	94.0	16.4

REAL ESTATE ASSESSED VALUES

Following is a breakdown comparing the real estate assessed values by property class between the tax years 2004 to 2015 (the numbers do not include other and not-for-profit totals which are reflected in total assessed value). The 2015 valuation numbers are not final and are through March 31st.

Year	Agricultural	Residential/Urban
2004	\$14,860,160	\$481,018,095
2005	\$15,056,080	\$527,733,290
2006	\$15,180,280	\$568,540,745
2007	\$15,029,905	\$600,613,010
2008	\$14,403,450	\$613,489,025
2009	\$13,530,450	\$608,446,270
2010	\$13,290,985	\$614,489,755
2011	\$13,235,154	\$620,924,050
2012	\$13,910,545	\$624,509,903

<i>Year</i>	<i>Agricultural</i>	<i>Residential/Urban</i>
2013	\$14,361,853	\$623,435,355
2014	\$15,301,357	\$628,560,642
2015	\$17,061,311	\$651,036,440

<i>Year</i>	<i>Residential/Rural</i>	<i>Comm/Industrial</i>
2004	\$65,274,960	\$211,252,005
2005	\$70,469,515	\$224,868,165
2006	\$75,359,220	\$234,017,145
2007	\$80,162,420	\$244,276,195
2008	\$80,808,080	\$246,594,090
2009	\$81,011,800	\$259,937,670
2010	\$80,804,222	\$258,802,030
2011	\$82,264,728	\$259,303,110
2012	\$72,576,893	\$266,513,771
2013	\$72,743,078	\$262,964,247
2014	\$83,078,748	\$268,491,477
2015	\$76,457,658	\$278,808,117

<i>Year</i>	<i>Farmstead</i>	<i>Vacant</i>
2004	\$23,260,940	\$18,147,340
2005	\$25,175,830	\$21,901,180
2006	\$27,181,955	\$22,181,710
2007	\$28,720,085	\$22,139,575
2008	\$29,411,390	\$20,609,180
2009	\$30,525,325	\$19,892,940
2010	\$31,253,801	\$18,202,600
2011	\$32,218,232	\$18,421,834
2012	\$32,546,461	\$16,711,397
2013	\$32,871,833	\$14,879,653
2014	\$34,384,456	\$14,293,950
2015	\$35,212,670	\$16,242,697

CITY/TOWNSHIP VALUATION DATA

Following is the current breakdown of the real estate assessed valuation by cities and townships for 2015 compared to the 2014 values. The final numbers will not be available until after the values are certified to the County Clerk in June.

<i>Location</i>	<i>2014</i>	<i>2013</i>	<i>% Diff</i>
Cities:			
Baldwin	\$28,595,359	\$28,406,617	0.7%
Eudora	\$38,076,284	\$37,315,362	2.0%
Lawrence	\$860,516,532	\$837,828,408	2.7%
Lecompton	\$2,806,701	\$2,746,007	2.2%
Townships:			
Clinton	\$8,401,108	\$8,189,346	2.6%
Eudora	\$15,906,786	\$15,067,049	5.6%
Grant	\$8,196,973	\$7,914,768	3.6%
Kanwaka	\$19,293,944	\$18,608,242	3.7%
Lecompton	\$11,488,544	\$11,032,590	4.1%
Marion	\$11,003,086	\$10,380,016	6.0%
Palmyra	\$30,063,557	\$29,172,420	3.1%
Wakarusa	\$25,989,143	\$24,876,516	4.5%
Willow Springs	\$17,017,054	\$16,397,028	3.8%
Total:	\$1,077,355,071	\$1,047,934,369	2.8%

New construction county-wide accounts for \$11,377,382 of the 2015 total assessed amount which is about 1.1 % of the total assessed value. This number compares to \$11,877,210 in 2014; \$19,606,877 in 2013; \$16,141,310 in 2012; \$11,751,170 in 2011; \$20,484,667 in 2010; \$10,501,159 in 2009; \$10,659,460 in 2008 and \$18,040,270 in 2007. More specifically, in Baldwin City new construction amounted to 0.4% of the total new construction value. In Eudora new construction amounted to 2.5% of the total new construction value. In the City of Lawrence, new construction totaled 82.7% of the total new construction value.

INFORMAL MEETINGS UNDERWAY

As of Friday, March 31, nearly 780 informal meetings were scheduled. The final number scheduled will not be available until after this newsletter is published. In 2014 there were 1024 informal meeting requests recorded. This compares to 561 in 2013; 700 informal meetings in 2012; 940 and 569 meetings for the same timeframe in 2011 and 2010, respectively. The total number of meetings in 2009 were 951, in 2008 there were 864, in 2007 there were 1,370, 2006 had 1,196 and 1,180 in 2005. The total informal meetings in 2004 were 1,012 with 1,376 in 2003; 1,135 in 2002; 1,872 in 2001; 1,607 in 2000; 1,417 in 1999 and 1,874 in 1998.

Informal meetings began on Friday, March 20. A variety of requests and reasons for value changes have come up including some requests to increase the value. There have been several questions and appeals on ag land due to the increase in agricultural value. Informal meetings will continue as scheduled through May 15 and all decisions should be out by May 20.

For those who missed the filing deadline on March 30, there will be an opportunity to contest the valuation when the taxes are due later this year. This referred to as a Protest of Payment of Ad Valorem Taxes. A property may only contest the valuation one time per year.

EMPLOYEE SPOTLIGHT

We welcome our newest employee, Angela Hoffhines, to the real estate appraisal staff. Angela has been involved with real estate appraisal for the past four years in Jefferson County. She has been involved in data collection, sale verification and informal appeals during her previous position. She also has several years past experience in personal property. Her experience will allow the Appraiser's Office to stay on track with the data maintenance phase of the job. Plans are to have her work rural properties and agricultural land.





Appraisal Newsletter

**Douglas County
Kansas**

Steven Miles, RMA
County Appraiser

Volume 19, Issue 8

May 1, 2015

PERSONAL PROPERTY CVNS MAILED

The 2015 personal property change of value notices were mailed Thursday, April 30. 5,293 notices were mailed to the owners of personal property located in Douglas County. This is only 48 more than last year.

Property owners have until 5 p.m. on Friday, May 15* to request an informal meeting with a member of the personal property section if they do not agree with their valuation. A total of nine (9) personal property informal meetings were held in 2014. Eight (8) informal meetings were held in 2013 and 31 in 2012. In 2011, 42 informal meetings were held. There were 14 in 2010, 6 in 2009, compared to 9 in 2008, 10 in 2007 and 19 in 2006. There have been 10 payment under protest informal meetings for the 2014 tax year.

The estimated total assessed valuation of personal property this year is \$21,772,279. The assessment rate on watercraft drops from 11.5% to 5% in 2015 and most of the trucks and trailers that were previously taxed under businesses have been moved to commercial vehicles. We have also lost many of the trucks and trailers that were under individual names as well as they also moved to commercial vehicles. We continue to lose businesses as they close, sell or purchase replacement equipment. The total assessed value for personal property in 2014 was \$28,703,016; in 2013 it was \$28,460,062; in 2012 it was \$30,524,003; in 2011 it was \$31,584,010 and in 2010 it was \$42,306,047. In 2009, the assessed value at this time was estimated at \$41,626,993 and \$47,516,093 in 2008. The assessed value in 2007 was \$56,419,507; \$69,344,085 in 2006 and \$69,619,337 in 2005.

As of April 30 there were approximately 2,775 personal property owners who have not filed their 2014 renditions compared to 2,657 in 2014; 2,787 in 2013; 2,851 in 2012; 2,953 in 2011; 2,738 in 2010; 2,620 in 2009; 2,878 in 2008 and 3,154 in 2007.

INFORMAL MEETINGS ENDING

The final day for real estate informal meetings will be Monday, May 4, 2015. A total of 797 informal meeting applications were received by the Appraiser's Office. That represents approximately 2.0 percent of the county's total parcel count. The total this year is up 1.6 percent from the 785 meetings in 2014 but still fewer than we have typically done in the past.

The total number of informal meetings includes 140 commercial properties and 657 residential, agricultural and vacant properties. Of the 797 parcels, 149 or 18.6 percent are vacant lots. To be classified as agricultural use, land should be devoted to agricultural production and managed to a median production level. Simply having some plants or animals present does not make it agricultural use.

Following is a breakdown of the 2015 informal meetings by property classification:

Property Class	Hearing Total	% of Total
Agricultural	26	3.3%
Commercial	140	17.5%
Farmstead	28	3.5%
Residential	453*	56.8%
Vacant	149	18.7%
Exempt	1	0.2%
Total	797	100.0 %

*includes commercial apartment complexes in this number

The table below indicates the number of informal meetings by city and rural areas in the county:

City	Hearing count	% of Total
Lawrence	616	78.6%
Eudora	29	4.6%
Baldwin	21	3.1%
Lecompton	2	0.4%
Rural	129	13.4%
Total	797	100.0 %

INFORMAL MEETING RESULTS

Through Friday, May 1st, a total of 427 of the 798 informal meetings had been closed by members of the appraisal staff. Of the meetings closed thus far, 241 or 56.4 percent had received a change in value while 167 or 39.1 percent had received no change in value. Nineteen (19) meetings had been canceled at the request of the taxpayer or denied for lack of jurisdiction. The remaining determinations will be completed by May 20, 2015.

Each year, a few property owners request that their values be increased more than the valuation appearing on the Change of Value Notice. This is always a surprising occurrence because we generally only hear from people if they feel the valuation is too high. In some cases the property had received updates or improvements unknown to the appraiser. In other cases there was no reason for the request other than the owner did not want to see the property value reduced. As with all valuation complaints, no value changes will occur unless there are substantial and factual reasons to do so.

The assessed valuation as of May 1st stands at \$1,076,325,945 compared to \$1,080,560,658, the total from February 24th of this year. So far, the assessed value has dropped about 0.4 percent. The assessed valuation will most likely change as informal meetings are completed or pursued to the state level hearings. The overall assessed value on real estate at the end of 2014 stands at \$1,044,718,412; the end of 2013 it was \$1,019,277,376; \$1,017,742,773 for 2012; for 2011 it was \$1,020,407,990; in 2010 it was \$1,012,067,156; in 2009 it was \$1,009,314,695; the 2008 total of \$1,010,660,885; \$987,945,225 in 2007 and \$943,941,290 in 2006.

2015 SALES

To date in 2015 a total of 552 sales involving 582 parcels have been recorded by the appraiser's sales division. This represents an increase in sales of approximately 15.0 percent over last year. During the first four (4) months of 2014 the office recorded 480 sales involving 614 parcels.

To date in 2015 the sales department has recorded 199 residential sales. The average sale price for all residential sales was \$217,848 compared to \$209,877 for this time in 2014 and \$207,660 in 2013; \$164,447 in 2012. In 2011 the average sale price was \$201,478; \$176,800 in 2010; \$179,900 in 2009; in 2008 the average was \$191,200; 2007 it was \$188,600; \$184,600 in 2006; \$176,900 in 2005; \$165,200 in 2004 and 2003; \$148,800 in 2002; \$139,160 in 2001 and \$132,500 in 2000. The current median sales ratio on residential sales considered valid thus far in 2015 is 99.2 percent.

So far in 2015 the county has recorded thirteen (13) new home sales, a decrease of one (1) compared to last year at this time.

The average selling price on the new homes is \$387,434 compared to \$283,451 in 2014; \$301,948 in 2013; \$298,438 for 2012, \$299,323 in 2011, \$234,100 in 2010, \$270,300 in 2009, \$302,000 in 2008, \$313,100 in 2007, \$244,300 in 2006, \$222,400 in 2005, \$233,275 in 2004, \$190,800 in 2003, \$197,100 in 2002, \$187,820 in 2001, \$176,975 in 2000 and \$154,288 in 1999.

On the commercial side, a total of twelve (12) sales have been recorded so far in 2015. The current median sales price ratio for the seven (7) potentially valid commercial sales is 77.9 percent.

The real estate appraisal staff will continue reviewing and verifying sales information to determine the validity of those sales for use in future studies.

BUILDING PERMIT INFORMATION

The City of Lawrence has issued 40 single family building permits through April 30, 2014. There have also been 9 duplex permits issued and 2 apartment complexes began. Three commercial structures have received permits for construction. The total value for the permits listed is \$ 78,598,265.

Through the first four months, the City of Eudora has issued 142 building permits. The majority of these are for remodeling or additions to existing structures for all categories of properties. There have been four (4) building permits issued for new single family housing.

AG USE VERIFICATION

The Appraiser's Office is currently conducting verification of the agricultural use on property within the county. One of the tools to do this is by mail. If the property has an Ag classification in the prior year, the owner will be receiving a mailing asking them to verify if the property is used for crops, pasture or hay. Other useful information to verify ag use is if it is rented or not, the type of lease agreement (if applicable), who is the operator and if there are any changes planned in the near future. If there are questions or confusion as to the use, we will contact the owner or physically visit the property.

The Appraiser's Office is required to verify the ag use at least once every two years. In order to get on a manageable cycle, the entire county will be canvassed in this manner throughout this summer. Beginning next year, the office will verify approximately half of the county and do the other half the following year. That should put us on an every other year cycle. Additionally, we will do random physical checks to compliment the mailings.



Appraisal Newsletter

**Douglas County
Kansas**

Steven Miles, RMA
County Appraiser

Volume 19, Issue 9

June 1, 2015

PERSONAL PROPERTY MEETINGS

The deadline to request an informal meeting with the Appraiser's Office for 2015 personal property values was Friday, May 15. There have been only three (3) informal meetings have been scheduled. The scheduled dates for those meetings fall after this newsletter and, therefore, there are no decisions as yet. This compares to nine (9) in 2014; eight (8) in 2013; nine (9) in 2012; 35 in 2011; six (6) in 2010 and 2009; nine (9) in 2008; 10 in 2007; 19 in 2006; six (6) in 2005; 12 in 2004 and 2003; 11 in 2002; nine (9) in 2001; 12 in 2000; 21 in 1999 and seven (7) in 1998.

The preliminary 2015 assessed value for personal property is an estimated \$25,545,915 excluding penalties for late filings. This compares to \$28,723,377 in 2014 which currently represents a decrease of about 11.1 percent. The 2013 assessed value was \$32,738,145. In 2012 that figure was \$32,916,214. The total in 2011 was \$31,621,962; 2010 was \$41,300,061; \$47,911,736 in 2009; in 2008 it was \$55,523,775; in 2007 it was \$63,277,805; \$70,030,785 in 2006; \$70,808,370 in 2005; \$63,985,365 in 2004; \$69,103,080 in 2003; \$72,892,745 in 2002; \$74,629,970 in 2001; \$74,553,744 in 2000; \$70,452,807 in 1999; \$62,457,747 in 1998 and \$55,063,325 in 1997.

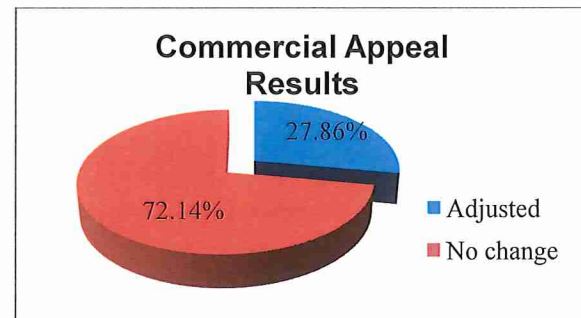
The office will still be picking up some failure to file renditions between now and the date that personal property values are certified to the County Clerk. The values must be certified by June 15.

The 2015 penalty value to date is estimated at \$887,753 compared to \$1,587,878 in 2014; \$1,792,802 in 2013; \$1,713,899 in 2012; \$2,036,840 in 2011; \$561,920 in 2010; \$1,724,225 in 2009; \$1,775,135 in 2008; \$2,427,130 in 2007; \$1,897,520 in 2006; \$1,736,520 in 2005; \$1,492,265 in 2004; \$1,648,695 in 2003; \$1,613,585 in 2002; \$2,347,335 in 2001; \$1,713,555 in 2000 and \$1,540,645 in 1999. The penalty value is assessed to property owners who file their personal property renditions after the filing deadline or fail to file at all.

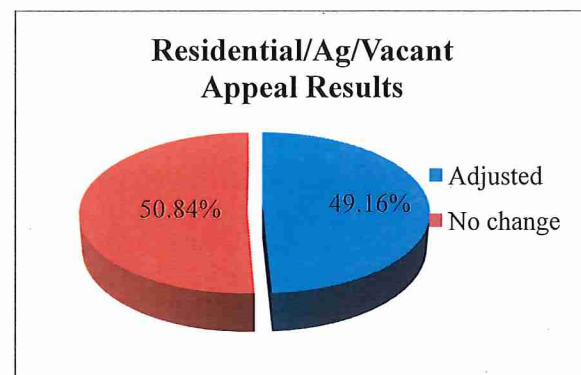
REAL ESTATE INFORMAL HEARINGS

The final day for informal real estate appeals was Monday, May 4. A total of 797 informal meetings were held which represents approximately 2.0 percent of the county's total parcel count.

In the commercial area, from a total of 140 appeals, 39 appeals or approximately 28 percent received an adjustment in value, while 101 appeals or 72 percent received no change in value, were canceled or denied. Below is a graph depicting the commercial appeal results.



There were 657 appeals scheduled on the residential/agricultural/vacant side. 323 appeals or 49.0 percent received an adjustment in value while 334 appeals or 51.0 percent received no change in value, were dismissed or canceled. Below is a graph depicting the residential/ag/vacant appeal results.



The assessed valuation on real estate as of May 28th stands at \$1,073,669,242 compared to \$1,080,560,658 as of February 28, the date the change of value notices were mailed. These totals do not include the state assessed valuations which have been trending downward for the past several years. The value declined about 0.63 percent or \$6,891,416, the result of the informal hearing process and State Court of Tax Appeals orders. The overall assessed value on real estate is up from the 2014 total of \$1,045,179,816 for the same time period. New construction accounts for nearly 1.06 percent, or \$11,436,888, of the 2015 total assessed value. The total value will probably still change slightly after the certification of the 2015 values to the county clerk depending on BOTA appeal decisions and value corrections. The values must be certified by June 15. The total assessed valuation was \$1,020,820,020 for 2013; \$1,019,634,294 in 2012; \$1,023,319,986 for 2011; \$1,012,067,156 in 2010. In 2009 the total assessed value was \$1,009,314,695. The 2008 total was \$1,010,660,885 and \$987,945,225 in 2007. The 2006 total was \$943,941,290. The 2005 total was \$880,538,982 compared to \$810,348,940 in 2004, \$749,339,690 in 2003 and \$693,011,825 in 2002. The 2001 total was \$644,097,060 and the 2000 total was \$585,509,265.

2015 SALES DATA REPORTED

Last month the sales division recorded 181 sales validation questionnaires involving 204 parcels. Through May 22, a total of 780 sales validation questionnaires involving 856 parcels have been recorded by the appraiser's sales division.

The average sale price so far for all valid residential sales is \$213,377 compared to \$207,230 for 2014; \$205,643 during 2013; \$210,613 in 2012; \$214,705 in 2011; \$195,637 in 2010; \$188,100 in 2009; \$191,200 in 2008; \$188,600 in 2007; \$184,600 in 2006; \$176,900 in 2005; \$165,200 in 2004 and 2003; \$148,800 in 2002; \$139,160 in 2001 and \$132,500 in 2000.

So far in 2015 there have been 19 new home sales in the county. The average selling price on the new homes is \$364,595 compared to \$285,635 in 2014; \$299,600 in 2012; \$291,595 in 2011; \$212,059 in 2010; \$295,500 in 2009; \$302,000 in 2008; \$313,100 in 2007; \$244,300 in 2006; \$222,400 in 2005; \$233,275 in 2004; \$190,800 in 2003; \$197,100 in 2002; \$187,820 in 2001; \$176,975 in 2000 and \$154,288 in 1999.

EXEMPT PROPERTY SUMMARY

The total number of exempt real estate properties in Douglas County currently stands at 1,229 or approximately 2.9 percent of the total county parcels. The total amount of exempt appraised market value is \$1,479,612,790. This value represents about 15.7 percent of the county's total real estate appraised market value.

SMALL CLAIMS HEARING

As of May 27, a total of 14 appeals have been filed on to the second level (Small Claims Division) in the appeal process or on to the regular Board of Tax Appeals. Of that number, 12 are residential, ag or vacant properties and 2 are commercial property. Decisions are forthcoming. There are still 20 days left for appeals to be filed beyond the informal level meeting.

At this point no commercial properties have been filed directly to the regular Board of Tax Appeals due to the amount of value involved.

BUILDING PERMIT INFORMATION

The City of Lawrence has issued 153 new single family building permits during the first four months of 2015. Nine (9) new multi-family and 27 duplex permits have been issued. Eighteen (18) new commercial permits have been issued. Overall, building permit activity in the City of Lawrence is UP from one year ago!

In the City of Eudora, through the first four months, four (4) new single family building permits and one (1) commercial building permit have been issued. A number of other permits for various types of remodel or repairs have also been issued.

APPRAISAL VALUE

There has been much said recently regarding the appraised value and an actual sale price. The county appraiser's office is charged with placing a value, called fair market value, on each parcel of real estate within the county with an effective date of appraisal as of January 1 of each year. However, an actual sale price may not be the true fair market value of said property. K.S.A 79-503a defines fair market value and also states that "*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 ...*". Those factors are further outlined in that statute. There are also many circumstances that need to be weighed in the determination of values. Keep in mind that we are valuing a set of similar properties at the same time.

We are also charged with being fair and equitable for any given set of properties. This does not mean that all values are equal or the same due to differences in the properties themselves and the wants, needs, tenacity and persuasiveness of all the players involved while arriving at the actual sale price. The county appraiser is concerned with what would be a reasonable value for each property within a given set of similar properties. To determine this, staff appraisers review the calculated values from the cost approach, sales comparison approach, and the income approach (if applicable). We also consider the statistically derived value and the sale price and adjusted sale price of each of the comparable sales. After consideration of all the available information, the most reasonable value is selected.



Douglas County Kansas

Appraisal Newsletter

Steven Miles, RMA
County Appraiser

Volume 19, Issue 11

August 1, 2015

JULY SALES REPORT

Through July 10th a total of 108 sales questionnaires involving 120 parcels were recorded by the appraiser's sales staff. That compares to 205 sales questionnaires in July of 2014 involving 209 parcels. For the year thus far, the office has worked 1,313 questionnaires involving 1,418 parcels compared to 1,229 questionnaires and 1,435 parcels for the same time period in 2014.

The average sale price for the residential sales thus far in 2015 is \$211,778 compared to \$210,098 in 2014. This represents an increase of approximately 0.8 percent. The average sale price for 2013 was \$202,766; in 2012 was \$193,061; \$206,977 in 2011; \$183,126 in 2010; \$186,670 in 2009; in 2008 it was \$193,900; 2007 was \$186,900; \$184,600 in 2006; \$176,900 in 2005; \$165,700 in 2004; \$165,600 in 2003; \$148,800 in 2002; \$139,160 in 2001; \$132,500 in 2000; \$125,903 in 1999 and \$116,963 in 1998.

The current median sales ratio for residential property in 2015 is 96.8 percent compared to 98.2 percent in 2014. It was 99.1 in 2013; 101.8 in 2012; 101.9 in 2011; 98.7 percent in 2010; 101 percent in 2009; 102 percent in 2008. The ratio was 97 percent in 2007, 2006, 2005, 2004, 2003 and 2002; 96 percent in 2001; 94 percent in 2000 and 95 percent in 1999. The sales ratio in 1998 was 96 percent and 97 percent in 1997.

The average selling price on 36 new home sales worked by this time in 2015 is \$357,087 compared to \$307,928 in 2013 on 38 sales; \$317,400 in 2013; \$298,193 in 2012; \$288,928 in 2011; \$278,246 in 2009; \$360,700 in 2008; \$313,100 in 2007; \$228,500 in 2006; \$222,400 in 2005; \$233,275 in 2004; \$190,800 in 2003; \$197,100 in 2002; \$188,527 in 2001; \$176,975 in 2000 and \$154,288 in 1999.

On the commercial side a total of 13 potentially valid sales have been recorded. The median sales ratio for the commercial sales thru the end of July is 91.3 percent compared to 81.2 in 2014; 92.2 in 2013; 84.9 in 2012; 89.8 for 2011; 79.8 percent in 2010; 82 percent in 2009; 92 percent in 2008; 87 percent in 2007; 90 percent 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 both 1999 and 1998.

MARKET LAND TIME TREND STUDY

The Appraiser's Office has begun the analysis of vacant land market values. One of the first things to analyze is if the sale prices are increasing, decreasing or staying the same. This study considers parcels of vacant land that have been held for two or more months before a resale occurs. Only valid sales are considered. Sales of vacant land sold in groups or for speculative building generally are not considered in this type of study.

The preliminary results of our study indicate very little change in the value of vacant parcels. The median percent of change on a monthly basis was slightly less than .5%

The information from this study will be used in the 2016 valuation process. For 2016, time trends may be developed for each residential neighborhood and would be used to adjust CALP (Computer Assisted Land Pricing) tables if applicable. Based on the preliminary study results we do not anticipate much, if any, change in the tables.

RESIDENTIAL TIME TREND STUDY

The 2015 residential time trend study is being conducted by the appraiser's office. The study is done by comparing the sale prices of a residential property that has sold twice since the year 2012. For example, if a property sold in March of 2012 for \$230,000 and again in March of 2015 for \$254,000, the time trend would be calculated as follows:

$\$254,000 / \$230,000 = 1.1043$ or an increase of 10.43%

Time between the two sale dates = 48 months.

Monthly time trend = $.1043 / 48$ or .0022

Annual time trend = $.0022 \times 12$ or 2.6%

The information from this study will be used in the 2016 valuation process. For 2016, time trends will be developed for each residential neighborhood and will be used to adjust sales in the residential modeling process if applicable. The preliminary trend study currently does not indicate a significant change in the market.

DEPRECIATION STUDY UNDERWAY

Also underway is the annual depreciation study for residential property. Depreciation is a loss in value to the property over time. The study compares the value of the improvement indicated by the sale of the property to the cost of constructing a similar improvement today (often called the replacement cost).

For example, if a property built in 1968 sells, the value of the improvement is determined by taking the sale price and subtracting land value plus any other accessory building value such as a detached garage and then comparing it to the calculated replacement cost new of the structure. Following is an example:

*1968 house: \$259,900 (sale price) - \$47,500 (land value) - \$750 (other building value) = \$212,100 (improvement value from sale)
\$212,100 / \$262,900 (replacement cost new) = 81percent good
or 19 percent depreciated (1 - .81).*

The study uses residential sales that occurred in 2012, 2013, 2014 and 2015. The study should be complete by the end of August. The new cost tables are due to arrive soon from Marshal Swift Valuation Services through the Property Valuation Division of the Kansas Department of Revenue. At the current time we are unsure if the depreciation tables will change for 2016.

AG USE VERIFICATION

The Appraiser's Office has been sending out surveys across the county in order to verify the agricultural use on parcels. The survey includes an aerial photo with the uses that are known indicated on it. We ask that the owners or their tenant review this and let us know if they agree or have any changes in the use that should be noted. It is important to track the use of property devoted to agricultural production as it can have a noticeable effect on the valuation. For example, an area of the farm that was used for crop production in prior years has now been converted to hay or pasture. Because of the increasing agricultural rents and commodity prices in the past few years, we will be seeing some increase in the dry crop land and irrigated crop land ag use values. PVD calculates these values with the help of the KSU Farm Management Service and usually distributes them to the counties later in the fall or early winter.

WHERE'S THE PAPER?

No, I'm not talking about the newspaper (although that does seem to be slimming down considerably). I'm talking about all the printed property record cards that staff has used to review and record changes to property characteristics for the past 25 years or so. The Appraiser's Office is currently in final negotiations to acquire an electronic means of the property data review and documentation. An application that mounts onto a handheld tablet or other portable device would make it possible

to cut down or eliminate the need to print a paper document, annotate it and the hand input the changes required.

The application, called Mobile Office, has been developed by Tyler Technologies to seamlessly exchange data from the ORION CAMA system to the mobile device and then back into the ORION system after data collection. This should improve the efficiency, cut down on paper costs, reduce the chance for errors during data transfer or input and increase the production level of the staff. Staff members will be able to select a group of properties and download files containing all of the relevant information to review in the field. They will be able to make any changes found and sketch the building footprint if it appears different. A photograph can be taken with the mobile device and will automatically be attached to the parcel record.

Our hope is to have the agreement finalized and implementation started by later in August. After some training on the software, the staff should begin using the application as we complete our parcel data maintenance phase of the valuation process.

PERSONNEL CHANGE

Marie Boadway has made a life change moving to Arkansas. Her husband accepted a job change that required the family to relocate. We are sorry to lose Marie who has been a cheerful face in the Appraiser's office for almost 2 years. Many of our customers found her to be helpful and brought a smile to their day.

Rebecca Wieneke joined our staff in July filling the position that Marie left behind. Becca is a graduate of Kansas State University. She has worked in the Parent to Teachers program and assisted in building up a business. Becca has a quick smile and is eagerly learning the functions and duties of the Appraisers Office. We look forward to her positive energy and future input. If you have not had a chance to meet her, call or stop by to get to know her.

OTHER STAFF NEWS

The Appraisal staff has been attending various classes and workshops this summer related to appraisal technique or functions of their positions. The Property Valuation Division offers many courses related to the valuation of both real and personal property. They also have developed some workshops to provide instruction and tips that will aid in recording and reporting of the stored data and calculations within the ORION CAMA software. Courses in appraisal theory, techniques and rules are offered through the professional organizations that we are members of. All of this is to better serve Douglas County property owners with professional knowledge and the latest innovations in property valuation.



Douglas County Kansas

Appraisal Newsletter

Steven Miles, RMA
County Appraiser

Volume 19, Issue 12

September 1, 2015

2015 SALES DATA REPORTED

Market activity has certainly picked up this year. During August of 2015, staff members in the appraiser's office who work with real estate sales were busy. During that time, staff handled 176 sales validation questionnaires involving 180 parcels. During August of 2014 a total of 180 sales validation questionnaires involving 183 parcels were worked by the appraiser's office.

For the year, the number of sales is running a bit ahead of the number for the same time last year. So far in 2015 the staff has handled 1,686 sales validation questionnaires involving 1,850 parcels compared to 1,463 sales with 1,672 parcels involved in 2014.

As of the 26th of August the appraiser's staff had reviewed 870 valid existing residential home sales. The average sale price for those residential sales is \$214,119 compared to \$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 2014 is 96.7 percent compared to a sales ratio of 97.6 for this time 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 97 percent; 96 percent in 2001; 94 percent in 2000 and 95 percent in 1999.

On the commercial side a total of 48 sales have been recorded. The median sales ratio for 31 valid or potentially valid sales thus far in 2015 is 90.4 percent compared to 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 2015 the City of Lawrence has issued a total of 105 building permits for single family residential

property. By comparison for the same time period in 2014 there were 55 new single family dwelling permits issued. In August 2015 alone there were 12 new single family permits issued.

In addition to the single family building permits, the City of Lawrence has issued 8 multi-family permits, 13 commercial building permits and 64 duplex permits to date in 2015.

Eight (8) single family permits and one new commercial permit have been issued in Eudora since the beginning of 2015.

COUNTY IN COMPLIANCE FOR 2014

The Division of Property Valuation in Topeka is currently finalizing the review to determine if the appraiser's office has met the requirements for valuation of real and personal property. Douglas County is expected to be in substantial compliance for the year 2014. PVD conducted the statistical and procedural compliance review during the first six (6) months of 2015.

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.
- Hearing procedures.
- Personal property.
- Certification of values to the county clerk.
- Preservation of county records.

PERSONAL PROPERTY

There have been huge changes in the personal property section, primarily in the personnel area. As mentioned in a prior newsletter, we are very happy to welcome Maria Najarro and Kelly Greenwood to our office. Maria started with the Appraiser's Office on May 26 and Kelly began July 6. They have both been to some training classes to get them acclimated to the appraisal process as well as being immersed in the daily office procedures. They have done a great job of learning all the laws, duties and technicalities needed to discover and assess personal property in Douglas County. The personal property section is very lucky and glad to have them join us.

Current 2015 values				
Property Type	No. of Accounts	Appraised Value	Assessed Value	Assessed Penalty
16/20M Trucks	589	\$4,654,061	\$930,793	\$72,785
Personal *	4,679	\$106,846,790	\$24,037,228	\$1,398,697
(*includes 2,860 individual, 1,618 commercial & 201 oil/gas accounts)				
Watercraft	2,814	\$13,879,348	\$680,519	\$71,627
TOTAL	8,082	\$125,380,199	\$25,648,540	\$1,543,109

The personal property section mailed 2,295 failures to file notices on June 19. After working the failures that have been returned, but also adding many more failure accounts due to the discovery process on manufactured houses and watercraft, there currently are 2,181 failures to file accounts included in the above totals.

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.

STAFF ACCOMPLISHMENTS

Several of the appraisal staff have been participating in continuing education courses offered by the Kansas County Appraisers Association or Kansas Property valuation Division. As a professional staff that endeavors to continually improve their knowledge and skills, they are eager to take courses that will heighten their understanding of the appraisal techniques, guidelines and laws. This translates to improved valuations within the rules and guidelines of the state of Kansas.



Appraisal Newsletter

**Douglas County
Kansas**

Steven Miles, RMA
County Appraiser

Volume 20, Issue 1

October 1, 2015

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 2013 have leveled off or are trending upward very slightly. The mid-year sales ratio study on valid residential sales is at a median of 98.9 percent. This means that residential home sales in 2015 have been slightly higher compared to the valuation on the effective appraisal date of January 1, 2015. 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.

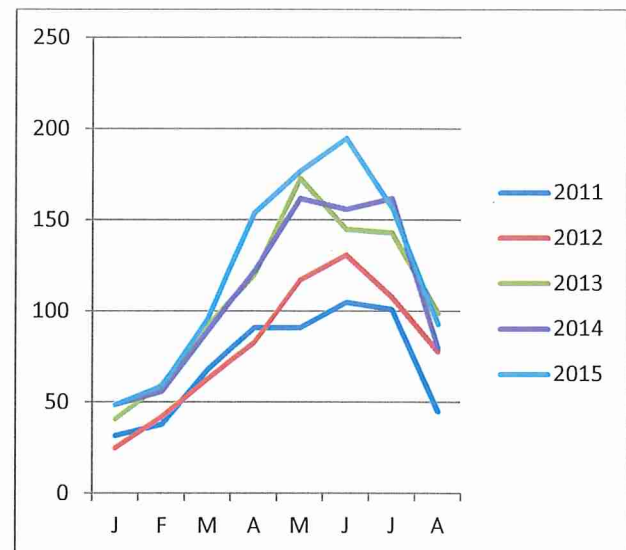
The county's 2015 mid-year commercial sales ratio came in at 91.3 percent. This would seem to indicate that the 2015 commercial valuations are somewhat below the actual sale price on those properties. In fact, the most recent sales prices have far exceeded the 2015 valuation. It will require more analysis to determine the effect on 2016 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 will prove to be an interesting year once again.

RESIDENTIAL SALES ACTIVITY

Residential sales in Douglas County have shown an increase in activity during the high point of the year. The number of residential sales in 2015 has risen nearly 12 percent over 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 current average sale price of a 3 bed, 2 bath house with 1300 – 1800 sq ft is \$168,120. This is virtually the

same as the average sale price of \$161,325 at this time last year and also above the 2013 average sale price at \$165,680. The table below indicates that, with some exceptions, the number of sales at each level is relatively stable from 2013 to 2015. 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 different price levels from 2011 through August in 2015:

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

Valuation\Analysis\Compare Sales YoY

AGRICULTURE USE SURVEY

The Appraiser's Office mailed out surveys during the last year to the owners of property throughout the county with an agricultural use classification. This survey is using the aerial photography that was flown in the spring of 2013. 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 only 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.

EMPLOYEE HIGHLIGHTS

A.J. Alexander has been working in the Appraiser's Office for 2 years now. JobLink recently awarded the office a certificate recognizing us as Employer of the Month.

Maria Najarro recently completed the workshop hosted by the Property Valuation Division on valuing Oil and Gas in the state and County.

Shelly Borland, Kathy Reusch and Cricket Mercer successfully completed the Kansas Property Tax Law course held by the Property Valuation Division. Shawn Showman and completed the Kansas Tax Law Update. These two courses review and familiarize us with the laws and statutes that govern taxation in the state.

Brad Eldridge completed IAAO Course 400, Assessment Administration, in September.

Barb Goff passed the IAAO Course 402, Tax Policy, in August.

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



Appraisal Newsletter

**Douglas County
Kansas**

Steven Miles, RMA
County Appraiser

Volume 20, Issue 2

November 1, 2015

2016 FINAL REVIEW BEGINS

The final review to establish values as of January 1, 2016 begins later this month. Five (5) staff appraisers will be working on the residential and agricultural properties while two (2) staff appraisers will work on commercial properties. The final review process is scheduled to be complete by January 30, 2016. The purpose of final review is to establish the fair market value for each parcel of real estate.

The county, as of October 31, 2014, has 40,031 parcels that will be reviewed and valued for 2015. The office is in the final stages of preparation for this task. The mix of parcels includes:

Type	Urban	Rural	Total
Residential	27,234	2,944	30,178
Farm with home	277	1,435	1,712
Agricultural	570	2,338	2,908
Vacant Lots	1,991	593	2,584
Commercial/industrial	1,417	104	1,521
Exempt	906	319	1,225
Not-for-profit	12	0	12
Other	4	2	6
Utility	24	19	43
Total	32,435	7,754	40,189

Change of value notices will be mailed to all Douglas County property owners by March 1, 2016. Property owners will have until March 30, 2015 to appeal the 2016 valuation.

2015 SALES DATA REPORTED

During October the appraiser's office worked 121 Sales Validation Questionnaires (SVQs) involving 126 parcels compared to 117 SVQs and 194 parcels in October 2014. To date in 2015 the office has worked 2,041 SVQs involving 2,223 parcels compared to 1,769 SVQs and 2,073 parcels for the same time period in 2014.

The average sales price for existing housing is \$213,992, up from \$210,748 in 2014. This represents an increase of approximately 1.54% over the previous year. The current median residential sales ratio on valid sales is 96.4 percent compared to 97.7 percent in 2014.

Commercial sales picked up slightly in 2015 compared to 2014. There have been 43 potentially valid commercial sales to date compared to 39 commercial sales at this time in 2014. The current median commercial sales ratio is 92.1 percent.

BUILDING PERMIT ACTIVITY

The City of Lawrence issued permits for 136 new single family residences, 73 new duplex structures, 7 multifamily buildings and 19 new commercial structures since the first of this year. During the month of October there were 27 new single family, 2 duplex and 5 commercial building permits issued.

In Eudora, a total of 311 building permits have been issued YTD through October. That number includes nine (9) new single family permits and one new commercial permit. All other permits were for building additions or remodels.

2015 MILL LEVIES ESTABLISHED

Following is a list of some of the mill levies for 2015. The individual mill levies are used to establish the individual tax bills. Mill levies changed between -2.904 and 6.808 mills per \$1,000 across the county. The formula to calculate the tax bill is: $\text{mill levy} \times (\text{assessed value}/1,000) = \text{tax bill}$.

	2015	2014	2013
Lawrence:			
Tax unit 041:	130.992	129.736	126.482
Tax unit 042:	132.049	130.799	127.435
Tax unit 043:	130.992	129.736	126.482
Tax unit 044:	129.846	128.964	123.104
Tax unit 048:	131.889	130.657	127.414
Tax unit 051:	131.988	130.737	126.981
Tax unit 054:	133.091	131.783	128.492
Eudora:			
Tax unit 020:	153.720	146.912	148.843
Baldwin:			
Tax unit 001:	157.640	152.829	148.697
Lecompton:			
Tax unit 080:	133.789	134.327	129.132

Mill levies for tax units that are not shown are available upon request or on the Douglas County website.

2015 EFFECTIVE TAX RATES SET

The effective tax rates for 2015 have been established by the appraiser's office. These rates will be used in some calculations for the 2016 valuation. The effective tax rate is one of the components of the capitalization rate which is used in the income approach to value. The county uses the income approach to value for many of the commercial properties and some residential income producing properties such as apartments.

The effective tax rate expresses the relationship between the property value (market value) and the tax bill. For example, if the effective tax rate is three (3) percent, the taxes on an individual property would be approximately three (3) percent of the property's market value. One way to calculate the effective tax rate is to multiply the tax rate (the mill levy) times the level of assessment (classification rate). For example, the effective tax rate for commercial property is calculated by multiplying the mill levy for each taxing district by the classification assessment rate (25 percent).

$$.126482 \text{ (Lawrence mill levy/\$1)} \times .25 \text{ (classification rate)}$$

The assessment rate for all residential property is 11.5 percent of the appraised value and commercial property is assessed at 25 percent of the appraised value. Agricultural land is assessed at 30 percent of appraised value.

The 2015 effective tax rates to be used in the 2016 valuation process have increased in most areas of the county. Following is a list of the effective tax rates that will be used in the 2016 valuation process:

Tax Unit	Effective Tax Rate			
	Commercial	Residential		
	2015	2014	2015	2014
001 (Baldwin)	3.94	3.82	1.81	1.76
020 (Eudora)	3.84	3.67	1.77	1.69
041 (Lawrence)	3.27	3.24	1.51	1.49
048 (North Lawrence)	3.30	3.27	1.52	1.50
051 (Lawrence)	3.30	3.27	1.52	1.50
054 (Lawrence)	3.33	3.29	1.53	1.52
080 (Lecompton)	3.34	3.27	1.54	1.54

2015 PENALTY TAX DOLLARS

Each year a penalty is assessed to personal property owners who fail to file their property renditions by the deadlines established by the Kansas statutes. The amount of the penalty is specified in the statutes based on how late the rendition is filed with the county appraiser's office.

The total personal property assessed value for 2015 is currently \$27,206,071 with penalties included. Without penalties the assessed value is \$25,655,777. In 2014 the assessed value with and without penalties was \$31,185,825 and \$29,376,397 respectively. This represents a decrease of almost 12.67% in personal property assessed value without penalties year over year. The decline is largely due to the reduction in assessment rate of the watercraft valuation. It dropped from 11.5% to 5 % of the appraised value this year per the legislative changes from the last couple of years. We also lose a small amount as older personal property that is taxable continues to be replaced with new items that are now exempt.

2015 VALUATION CHANGES

The total valuation of real estate established in March is usually different by the time the tax bills are calculated and mailed in November. Due to results of valuation appeals and other value changes, the assessed value typically will decline between 0.5% and 1.0%. The total real estate assessed valuation on February 24, 2015 was \$1,080,560,658. The total real estate assessed valuation currently stands at \$1,073,161,703. That's a drop of \$7,398,955 or about 0.68%.



Douglas County Kansas

Appraisal Newsletter

Steven Miles, RMA
County Appraiser

Volume 20, Issue 3

December 1, 2015

FINAL REVIEW PROCESS UNDERWAY

The final review process for establishing 2015 property values began in November. We are progressing nicely and anticipate that the process will go smoothly.

Each parcel record is reviewed by one of the staff appraisers. Often that appraiser has physically viewed the property and is familiar with the areas market activity. They are actually looking for the most reasonable value for each property as of the appraisal date. Should something look unusual or questionable about the property and the generated values, a closer look may be required before the final value selection is made.

The Appraiser's office has a lot of work to do. The final review process of approximately 40,195 parcels is scheduled to be completed by January 31, 2016. Change of value notices will be mailed to all county property owners by March 1, 2016.

2015 SALE DATA REPORTED

In November, the appraiser's office worked 112 sale questionnaires involving 113 parcels. That number compares to 100 questionnaires in November 2014 involving 103 parcels. The number of sales questionnaires worked this year as of November 30, 2015 is 2,209 involving 2,392 parcels compared to 1,949 SVQs and 2,259 parcels during the same period in 2014.

The average sale price in 2015 for residential property is \$212,807 compared to \$211,259 in 2014; \$209,110 in 2013; \$197,065 for 2012; \$186,625 in 2011; \$187,120 for 2010; \$186,711 in 2009; \$191,000 in 2008; \$186,900 in 2007; \$184,600 in 2006; \$176,500 in 2005; \$165,200 in 2004 and 2003, \$148,800 in 2002; \$137,600 in 2001; \$132,500 in 2000 and \$125,903 in 1999. *This represents an increase of only 0.7 percent over 2014.* An average may give a distorted view of the market since it depends on the type and value of the homes sold during a period. The increase may be because a larger number of higher valued homes sold in 2015 than did in 2014. The average sale price in 1998 was \$116,963; 1997, \$110,700; 1996, \$105,000 and 1995, \$96,500. The current average sales ratio for residential property is 95.9 percent compared to 97.1

in 2014; 98.8 in 2013; 102.3 for 2012; 103.2 in 2011; 101.2 in 2010; 100.7 in 2009; 102 in 2008; 97 in 2007, 2006, 2005, 2004, 2003, 2002 and 2001. The sales ratio in 2000 was 94 percent. The average sales ratio in 1999 was 95 percent and in 1998 the sales ratio was 96 percent. In 1997 the sales ratio was 97 percent.

The average selling price on 72 new home sales so far in 2015 is \$357,099 compared to \$339,982 for 2014; \$311,660 in 2013; \$296,914 in 2012; \$246,625 in 2011; \$221,250 in 2010; \$283,700 in 2009; \$320,900 in 2008; \$304,300 in 2007; \$235,600 in 2006; \$222,400 in 2005; \$233,300 in 2004; \$190,800 in 2003; \$197,100 in 2002 and \$184,930 in 2001.

The average sales price on new residential homes in 2000 was \$175,324. The average sale price on new homes in 1999 was \$154,509; \$150,355 in 1998; \$140,600 in 1997 and \$133,191 in 1996.

On the commercial side, a total of 45 sales have been recorded as valid or potentially valid open market transactions in 2015. The current average sales ratio for these commercial sales is 89.5 percent. This compares to 84.7 percent for 2014; 98.1 percent at this time in 2013; 88.2 in 2012; 92.7 in 2011; 84.2 in 2010; 87 in 2009; 96 percent in 2008; 89 percent in 2007; 90 percent in 2006; 87 percent in 2005; 94 percent in 2004; 96 percent in 2003 and 2002; 89 percent in 2001; 97 percent in 2000; 91 percent in 1999 and 1998, 97 percent in 1997 and 90 percent in 1996.

LITTLE CHANGE SEEN IN MARKET TREND

Each year the Appraisers Office looks at the trends in the real estate market. Nationwide, there is a sense that the housing market is improving, albeit slower than anticipated or desired by some. Douglas County has been no exception to this according to the analysis we have done. Throughout the year thus far, we have seen increases and decreases in the number of sales and prices paid. At the present time there have been about 100 fewer property transfers than a year ago. The average sale price is higher than it was in November 2014. However, when the entire year is analyzed, there has really been very little movement up or down in the overall market value of existing real property over that period.

As staff proceeds with the process of establishing the valuations for Douglas county properties, we are seeing very little movement in total valuations on average. There are always exceptions to the average and we will see some values increase or decrease more than the average change.

CURRENT VALUATION BREAKDOWN

As of the end of November the current county real estate assessed valuation for 2015 is \$1,072,384,527. This compares to \$1,044,606,581 in 2014. This represents an increase of 2.7 percent. Much of the increase was brought about by new construction during 2014 which added \$11,106,611 in assessed valuation in 2015. The total real estate assessed valuation in 2013 was \$1,019,987,034; in 2012 the total was \$1,017,428,484; in 2011 it was \$1,021,586,515; in 2010 it was \$1,011,115,443; in 2009 it was \$1,008,277,940 and \$1,011,450,910 in 2008; in 2007 it was \$987,945,225; \$943,941,290 in 2006; \$880,347,855 in 2005; \$811,377,315 in 2004; \$750,059,960 in 2003; \$693,036,775 in 2002; \$644,097,060 in 2001 and \$585,509,265 in 2000. In Douglas County, residential values make up about 68 percent of the total value while commercial values comprise approximately 26 percent of the total value with the other classes of property making up the remaining six (6) percent.

The total amount of real estate taxes levied in 2015 was \$140,011,032 compared to 2014 which was \$134,786,272; \$128,607,138 in 2013; \$126,359,091 in 2012; \$126,985,853 in 2011 and \$124,650,307 in 2010. This represents an increase of 3.9 percent. Following is a breakdown in the percentage of taxes paid by property class in the county:

Property Class	Tax	Percent of Total
Agricultural	\$2,187,704.49	1.56%
Commercial	\$35,907,845.79	25.65%
Farmstead	\$4,456,842.92	3.18%
Not for Profit	\$82,764.10	0.06%
Other	\$8,323.00	0.01%
Residential	\$94,588,108.26	67.56%
Vacant	\$2,101,361.72	1.50%
TIF	\$678,078.78	0.48%
Total Tax	\$140,011,032.74	100.00%

2015 TOP 20 TAXPAYERS LISTED

Following is a list of the top real estate and personal property taxpayers in the county for the year 2015:

Real Estate:

Rank	Taxpayer	Total Taxes
1.	WAL-MART REAL ESTATE BUSINESS TRUST	\$729,302.18
2.	ARC PRLAWS001 LLC	\$524,668.82

3.	NORTH CREEK INVESTORS LLC	\$481,649.56
4.	FAIRFIELD INVESTORS LLC	\$476,825.48
5.	DIAMOND URS LAWRENCE LLC	\$454,261.04
6.	PEAR TREE VILLAGE LP	\$439,290.05
7.	GARBER ENTERPRISES INC	\$425,492.86
8.	900 NEW HAMPSHIRE LLC	\$409,243.02
9.	KADISH LAWRENCE	\$392,340.84
10.	LIB JV HOLDINGS LLC	\$378,430.96
11.	CITY OF LAWRENCE	\$376,592.57
12.	WESTGATE LC	\$371,912.76
13.	LAWRENCE PAPER COMPANY	\$327,254.32
14.	H&S HOLDINGS LLC	\$325,764.24
15.	HUTTON FARMS LC	\$306,772.18
16.	DAYTON HUDSON CORP	\$303,308.04
17.	GCB HOLDINGS LC	\$301,421.17
18.	PLAZA LAWRENCE LLC	\$298,642.30
19.	APEXONE JAYHAWK LLC	\$294,640.56
20.	SCHNAER REAL ESTATE LP	\$291,673.36

Personal Property:

Rank	Taxpayer	Total Taxes
1.	HALLMARK MARKETING COMPANY LLC	\$378,004.52
2.	PACKERWARE CORP	\$269,756.04
3.	I C L PERFORMANCE PRODUCTS LP	\$197,955.62
4.	AMARR GARAGE DOOR INC	\$130,852.52
5.	SCHLUMBERGER TECHNOLOGY CORP	\$115,306.10
6.	CHEMTRADE PHOSPH SPEC LLC	\$104,897.62
7.	GENERAL DYNAMIC INFO TECH, INC	\$73,541.82
8.	LAWRENCE PAPER CO INC	\$61,501.90
9.	HAMM N R QUARRY INC	\$54,383.24
10.	H P PELZER INC	\$53,729.46
11.	API FOILS INC	\$41,646.68
12.	J W CONTRACTORS OF LAWRENCE INC	\$24,571.42
13.	BAYSHORE AHP LLC	\$21,869.22
14.	D L PETERSON TRUST	\$18,432.88
15.	PENNYS CONCRETE INC	\$18,272.84
16.	BIG HEART PET BRANDS	\$17,943.16
17.	TARGET STORES #531	\$17,668.48
18.	US BANK	\$17,542.86
19.	K MART CORP NO 8273	\$17,276.80
20.	HYVEE FOOD STORES INC	\$17,120.78

