

JOHNSON COUNTY KANSAS

Appraiser's Office



2017 Annual Report

Paul A. Welcome, CAE, FRICS, ASA, RMA
County Appraiser

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Office of the County Appraiser

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Greetings Citizens of Johnson County,

It is my pleasure to present the Johnson County Appraiser's *2017 Annual Report* which highlights significant accomplishments and activities for Fiscal Year 2017. The report also presents statistics relevant to the county's real property (residential and commercial real estate) and personal property as well as an overview of activities achieved from each department.

Technology Challenges & Improvements

The Appraiser's website; <http://www.jocogov.org/dept/appraiser/home> has a Property and Location Search providing a wealth of information on the property you're researching such as general information, owner, specials, elected officials, schools, utility, property taxes, nearest voting place, fire station, hydrant, library, post office, parks and trails as well as a property tax distribution chart.

The second search site, Real Estate Values, provides you with a sketch of the structure, a property record card, tax bill, nearby address information, cost report and a parcel map. For 2017 the Residential Comparable Sales Report providing a list of comparable sales in the subdivision used in the analysis to determine the fair market value. For 2017, the residential comparable sales comp sheet for the subject property is available.

Accomplishments 2017/2018

In 2018, the Commercial Valuation department sent over 14,800 Notices of Appraised Value on February 12 to commercial property owners. This moved their deadline to appeal to Wednesday, March 14 giving this complex property type more time for resolution. On February 26, approximately 206,600 Notices of Appraised Value for residential properties were mailed with an appeal deadline of March 28, 2018. This new process will continue with NOAVs for Commercial Properties being mailed about two weeks earlier than the Residential notices

In total, over 221,000 notices were mailed to Johnson County property owners.

Year in Review: 2017

This year the economy showed continued signs of real property value recovery. The primary mortgage market ended the year with an annual average fixed rate of 3.99% for a 30 year mortgage, and 3.44% for a 15 year fixed rate mortgage according to Freddie Mac, Primary Mortgage Market Survey for December 2016.

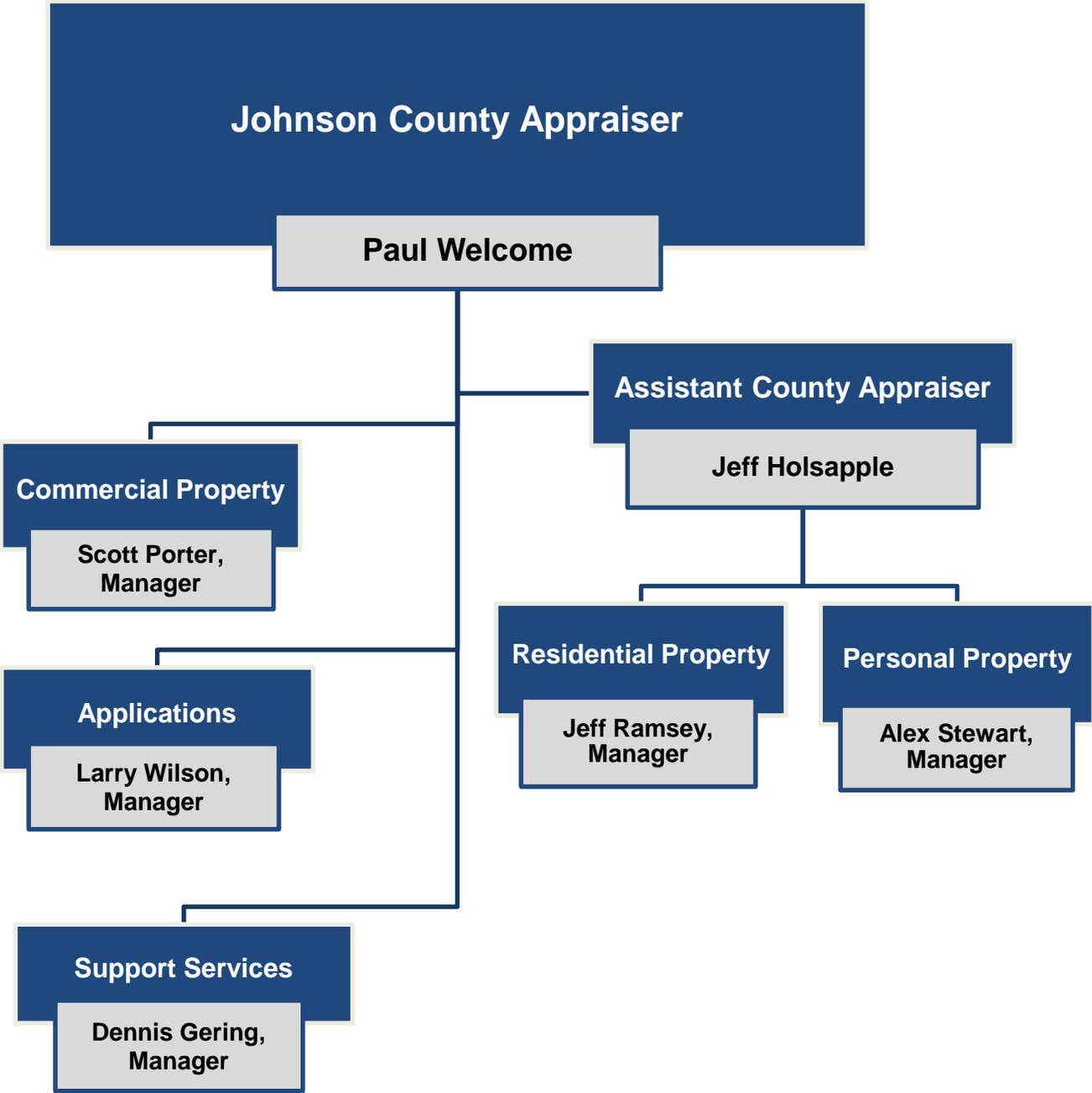
In Johnson County the 2017 valuation year experienced an increase in both residential and commercial values. New construction added 2,077 new single-family residential properties. The number of new single-family homes built increased by 407 or 24.37% over 2016, and the residential sales volume for the county was up by 5.75% showing a continuing strong sales market. The entrepreneurial incentive for single family residential property is 9% according to a study completed in October of 2017 by an independent agency. Commercial new construction continues to finish larger projects. Apartment communities are flourishing with many projects in various phases of completion and many more in the planning stages for the future. The new construction of mega-warehouses continues in the southwest part of the county.

As we enter 2018, I would like to thank our staff for their continuous demonstration of flexibility, expertise and dedication to our vision: to make a difference, by giving our best efforts, for the very best community and striving to be better.

Paul Welcome, CAE, FRICS, ASA, RMA
County Appraiser

A handwritten signature in cursive script that reads "Paul A. Welcome". The signature is written in black ink and is positioned below the typed name and title.

2017 Management Chart



Appraiser's Calendar

The following Calendar of Events presents target dates; actual dates may vary from year-to-year.

Month	Day	Appraisal Process
JAN	1	Validation date for all property for the current appraisal year roll Personal property renditions mailed to property owners
MAR	1	Notices of appraised values mailed to real property owners
MAR	14	Deadline for filing Commercial real property valuation appeal
MAR	15	Due date for filing renditions for leased, loaned, rented, consigned or owned personal property (office furniture, equipment, machinery, boats, etc.)
MAR	28	Deadline for filing Residential real property valuation appeal
APR	1	Oil and gas renditions due
MAY	2	Notices of Appraised Value mailed to personal property owners.
MAY	10	Second half property tax payments due
MAY	16	Deadline for filing a personal property valuation appeal Real property valuation meetings are completed at informal level with property owners
MAY	20	Last date for mailing decisions from real property valuation appeals
JUN	1	Appraiser certifies appraisal roll to Records & Tax Administration
JUL	1	Certify Tax Increment Finance (TIF) values to Records & Tax Administration
NOV	1	Tax bills mailed to property owners
DEC	20	Property tax payments due (half or full) First half payment under protest due

Johnson County Statistics

Sales Validation Questionnaires

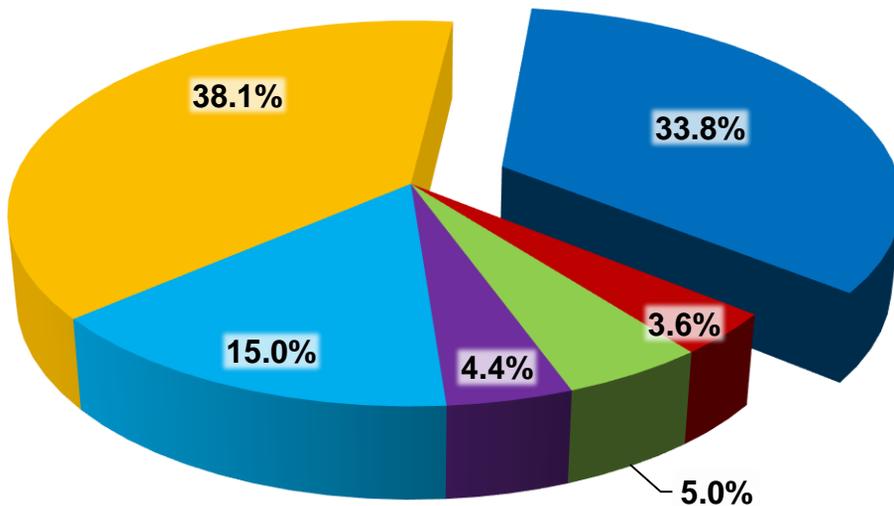
The real estate Sales Validation Questionnaire (SVQ) is required by state law for all real property sales in Kansas. The SVQ is used to acquire information that will be entered into the county sales data file for comparable sales and for the State Sales Ratio Study. The SVQ table shown below reflects the monthly count that indicates the market for both residential and commercial property activity for years 2016 and 2017.

Month	2016	2017
JANUARY	729	830
FEBRUARY	841	791
MARCH	1,228	1,280
APRIL	1,328	1,240
MAY	1,614	1,684
JUNE	1,938	1,781
JULY	1,699	1,759

Month	2016	2017
AUGUST	1,559	1,611
SEPTEMBER	1,406	1,317
OCTOBER	1,279	1,327
NOVEMBER	1,229	1,267
DECEMBER	1,310	1,525
TOTAL	15,936	16,139
MTH AVG	1,328	1,345

Johnson County represents 33.8 percent of the total appraised value of all Kansas property for 2017. The County contributed \$68.66 billion in property valuation to the state's appraised value. This total includes residential, commercial and personal property values.

Kansas Total of All Appraised Property



■ Johnson
 ■ Wyandotte
 ■ Shawnee
 ■ Douglas
 ■ Sedgwick
 ■ All other Kansas Counties

2017 State of Kansas Statistics and Johnson County

Property Type	JOCO Assessed \$	State Assessed \$	Assessed % of State
Residential	6,338,608,221	17,350,763,980	36.5
Commercial	3,061,984,161	8,582,951,614	35.7
Personal	103,151,989	1,517,588,906	6.8
Public Utility	236,537,036	4,182,047,323	5.6
Total	9,740,281,407	31,633,351,823	30.8

Detailed in the table above are the 2017 statistics for assessed values for residential real property, commercial real property, personal property and public utilities.

Source: Division of Property Valuation 2017 Statistical Report of Property Assessment and Taxation

Personal Property

A key characteristic of personal property is the ability to move the property without damage to it or to the real estate to which it is attached. Personal property becomes real property only when it is attached in such a way that it loses its original physical character and cannot practically be restored to its original condition. Personal property may be leased, loaned, rented, consigned or owned. Basic categories of personal property include; furniture, fixtures, plant equipment, office equipment, machinery, boats, aircraft, mobile homes and recreational vehicles.

Some examples of **individual personal property** include recreational vehicles, boats, motors, trailers, heavy trucks, mobile homes, off-road vehicles, four-wheelers, golf carts and aircraft, etc. Citizens approved by ballot in 2012 to allow the legislature to adopt a new watercraft valuation or tax policy starting in 2013 with watercraft assessed at 30%; 2014 watercraft will be assessed at 11.5%; and 2015 watercraft will be assessed at 5% and thereafter.

Examples of **commercial personal property** that has been reported include manufacturing equipment, computers, telephone systems, copy machines, shelving and racks, and plant machinery. At the beginning of 2013 all commercial personal property assets still assessed have been fully depreciated and any subsequent value being removed from the assessment roll is due to disposal or qualified sale (as per K.S.A. 79-223). All property replaced and disposed of is removed from the tax roll.

According to Kansas Statute K.S.A. 79-303: Property owners are required by law to provide a listing of tangible personal property that is owned or leased as of the first day of January. The filing requirement does not apply (exempt) to the following: motor vehicles that are taxed at the time of licensing, boats, motors or trailers which have a market purchase cost of less than \$750, commercial equipment that cost \$1,500 or less, and commercial equipment purchased after June 30, 2006.

Personal Property

Individual Valuation

Personal property assets that belong to individuals are valued from market data, using appraisal guides and state and regional market sources.

The market data is used to establish the current value of a particular asset. Typically, this value will be based on current trade-in values according to the age of the asset and market condition. Automobiles, light trucks and motorcycles are classed separately by the State of Kansas.

Renditions	2016	2017
Commercial	6,079	5,552
Exempt	272	256
Gas	110	108
Heavy Truck**	1,411	1,291
Individual	10,180	9,580
Leasing Co.	1,390	1,251
Mobile Home	990	1,002
Oil	310	302
Total	20,742	19,342

**Heavy trucks with a USDOT registration are removed from the ad valorem personal property tax roll to the State commercial vehicle fee process.

Residential Real Estate

Appraiser's Office Requirements

Pursuant to Kansas State General Property Tax Law, the Appraiser's Office is required to appraise all real property and to determine prescribed equalization.

The Appraiser's Office does not set taxes.

The amount of taxes individuals pay depends on the budgets set by the governing bodies, such as the state, county, cities, and school districts.

Appraisal Defined

An appraisal is the method established by a Kansas statute to determine a property owner's share of the taxes that support schools, roads, health, human service programs, parks, police and fire protection.

State of Kansas

The state closely monitors counties for their accuracy in valuing property. Johnson County has consistently been found to be in compliance with the state requirements since 1992 when the state directive was issued.

Compliance Ratio

Johnson County was in compliance which means the county maintained a market ratio between 90-110%. In order to establish whether a county is in compliance, the Property Valuation Division conducts a Ratio Study and Procedural Audit in each county that covers items that are essential to establishing fair market value. Counties that achieve 75 to 100 points are found to be in substantial compliance.

Determining Value

- The assessment date is January 1st of each year for taxes payable the following year.
- For all real estate, with the exception of agriculture, the appraiser must determine market value. The Director of Property Valuation determines the value of agricultural land in the State of Kansas.
- Agricultural land is defined as land devoted to agricultural use, suburban residential acreage, rural home or farm sites, production of plants, animals, or horticultural products (not inclusive).
- Market value is based on size, amenities, location and many other variables, and it is compared to similar properties which have sold during an eighteen month time period. Sales that occur close to the end of the twenty-one month period would be the most representative.
- For most residential properties, appraisers primarily consider the comparable sales approach to value. The cost approach is also reviewed at the time of the appraisal.

Residential Real Estate

Average Appraised Value by City

Single Family Homes – New & Existing

City	2016	2017	Change
DeSoto	\$192,979	\$220,004	14.00%
Edgerton	\$114,518	\$128,342	12.07%
Fairway	\$369,191	\$398,974	8.07%
Gardner	\$173,536	\$194,634	12.16%
Lake Quivira	\$602,330	\$607,945	0.93%
Leawood	\$471,283	\$498,369	5.75%
Lenexa	\$270,425	\$289,458	7.04%
Merriam	\$152,833	\$163,665	7.09%
Mission	\$161,250	\$175,990	9.14%
Mission Hills	\$1,157,580	\$1,211,900	4.69%
Mission Woods	\$540,901	\$569,176	5.23%
Olathe	\$228,523	\$249,490	9.18%
Overland Park	\$280,366	\$301,646	7.59%
Prairie Village	\$244,925	\$274,082	11.90%
Roeland Park	\$151,954	\$166,287	9.43%
Shawnee	\$236,813	\$251,047	6.01%
Spring Hill	\$171,129	\$199,342	16.49%
Westwood	\$194,255	\$211,221	8.73%
Westwood Hills	\$346,380	\$365,574	5.54%



Residential Statistics: 2017

The average residential appraised value (based on single family residences) for Johnson County in 2017 was \$292,669.

The average residential sale price for a single-family residence in Johnson County in 2017 was \$324,393 (based on existing homes and new construction).

The county captured \$655,110,290 in appraised value for residential new construction in 2017 (excluding apartments).

The total appraised market value of Johnson County's residential property in 2017 exceeded \$54.6 billion.

Average Appraised Value by City for Single Family Homes: 2016 - 2017

The chart to the left shows the Average Appraised Value (Market Value) established for single-family homes for the past two appraisal years along with the percent change.

Commercial Real Estate



Commercial Real Estate

The commercial real estate division manages the appraised valuation of all commercial real property, including industrial, retail, offices, apartments, hotels and motels. This department also maintains records on new construction and building permits.

Commercial Property Statistics

Johnson County produced over \$303 million in commercial property new construction for 2017 in appraised value. The total appraised value for commercial property was approximately \$12.2 billion in 2017. Approximate additional space:

- **Office** – 580,680 square feet.
- **Retail** – 585,500 square feet.
- **Industrial** – 5,431,000 square feet.

Apartment Units

There were 1,510 apartment units added in 2017. The apartment housing market continues to remain strong with many projects in the development pipeline.

Hotel & Motel

In 2017, 519 hotel rooms were added to the Johnson County market. Major hotel construction projects include Overland Park Hampton Inn, Lenexa Candlewood Suites and Lenexa Holiday Inn Express.

2017 Commercial Real Estate Owners	Appraised Value
SPRINT WORLD HDQT	\$427,616,000
OAK PARK MALL (WEST)	\$142,097,000
OAK PARK MALL (EAST)	\$138,287,000
TOWN CENTER-EAST BLOCK	\$120,183,000
OVERLAND PARK REGIONAL MEDICAL CENTER	\$71,820,000
VORTEX PROJECT	\$63,470,140
ARIUM OP (WAS AVENUES)	\$62,646,000
MENORAH HOSPITAL	\$58,009,120
RESIDENCES AT PRAIRIEFIRE	\$56,994,000
CAMBRIDGE SQUARE	\$55,205,000
CRATE & BARREL	\$54,086,000
SHERATON HOTEL	\$52,652,000
DEER CREEK APARTMENTS	\$51,794,000
MARRIOTT HOTEL	\$50,863,000
THE VILLAGE AT LIONSGATE	\$50,691,000
SANDSTONE CREEK APTS	\$50,254,000
SCHEELS ALL SPORTS	\$48,912,000
MILANO APARTMENTS	\$48,127,000
LODGE OF OVERLAND PARK	\$46,698,000

Applications

Applications maintained or supported the following application functions throughout 2017:

Johnson County Land Records	Custom Maps
ORION Real Property Mass Appraisal (now part of the Orion Enterprise Land Records system)	ORION Personal Property Appraisal
Apex (Sketching)	Property Imaging Computer System
Computer Assisted Research Data System	ArcGIS Mapping Software
Pictometry	MVM (Motor Vehicle Maintenance)
LARES (Land Records Synchronization)	ImageNow Document Management System
Checkpoint, Spybot and Malwarebytes software	SSRS (SQL Server Reporting Services)

Administration

Revenue and Expenses: 2017

The Administration department manages the business functions of the Appraiser’s Office. Budget, personnel and property tax exemptions are just a few of the many areas managed by Administration. The division also serves an important role in assisting the County Appraiser.

The office had a budget of \$7,154,934 for year 2017. The actual expenditures were \$7,096,492. The chart below displays a breakdown of the budget.

Area	2017 Budget	2017 Actual
Personnel	6,631,550	6,630,055
Contractual	412,334	368,737
Material/Supplies	111,050	97,700
Total	7,154,934	7,096,492
Revenue	54,784	52,380

Career Development

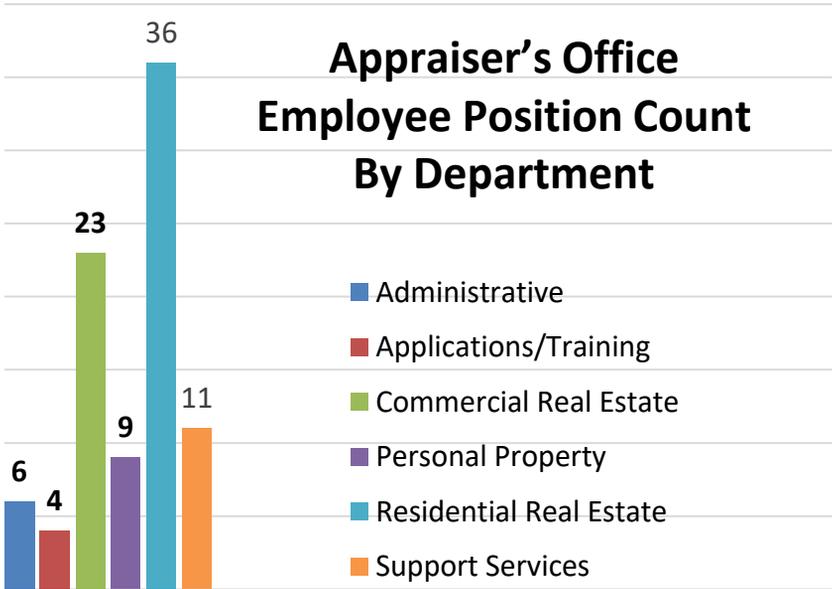
The Johnson County Appraiser’s Office encourages and supports its staff in achieving the highest standards of education, certification and designation which are accomplished through the State of Kansas and the International Association of Assessing Officers (IAAO).

Training

Staff spent approximately 2,400 hours in the classroom for training relevant to the appraisal industry and work safety.

Appraiser’s Office Staff

In 2017, the Appraiser’s Office managed the supported work area with 89 full-time employees. The breakdown by department is represented in the chart below.



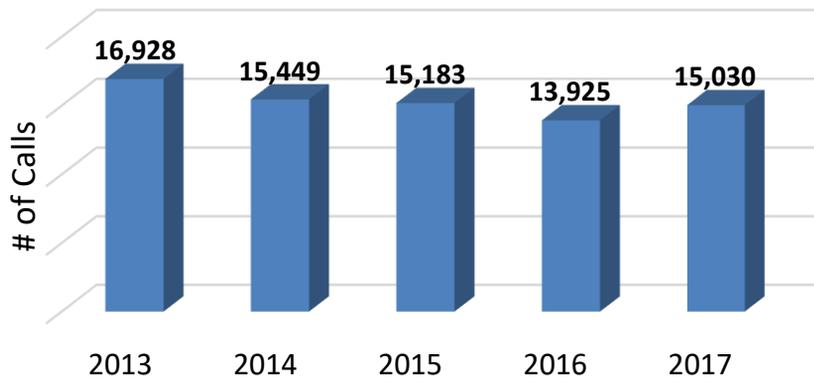
Support Services

Support Services staff manage customer service, incoming phone calls, data entry and statistics. The division provides support to Personal Property, Commercial and Residential Real Estate divisions.

All associates who manage the daily functions and operations of Support Services are customer-focused and readily available to efficiently and effectively serve the needs of the Johnson County property owners.

In 2017, Support Services answered a total of 15,030 incoming calls relevant to real estate and personal property. This total resulted in an increase in phone traffic volume compared to 2016 by 1,105 calls.

Annual Call Volume



The associates support the staff of real property appraisers in the appeal process with the organization of incoming appeals and scheduling.

Residential and Commercial Appeal Totals by Year								
	Informal Appeals		Payment Under Protest					
Year	RRE	CRE	RRE 1 st Half	CRE 1 st Half	RRE 2 nd Half	CRE 2 nd Half	Totals	% Change
2013	1,920	1,690	353	302	40	44	4,349	-
2014	2,894	1,987	460	392	40	85	5,858	34.7%
2015	3,166	2,128	444	260	47	88	6,133	9.8%
2016	3,171	2,333	325	210	67	46	6,152	.3%
2017	5,133	2,085	515	386	*available May 2018	*available May 2018		



Johnson County Officials

Members of the Board of County Commissioners

**Chairman
Ed Eilert**

**Commissioner
Ronald L. “Ron” Shaffer
District 1**

**Commissioner
Jim Allen
District 2**

**Commissioner
Steve Klika
District 3**

**Commissioner
Jason Osterhaus
District 4**

**Commissioner
Michael Ashcraft
District 5**

**Commissioner
Mike Brown
District 6**

Reappraisal Advisory Committee Members

**Chairman
Tom Oltjen**

Bruce Baker, Clay Blair, Susan Bowers, Rick Chamberlain, Keith Copaken, Doug Davidson, Marshall Dean Jr., Jim DeLisle, Craig Eymann, Hal Holmquist, Brent Jaynes, Dan Jensen, Randy Kancel, Melanie Mann, Jim Mattes, Fred Merrill, Jr., Stan Meyer, Ned O’Connor, Morgan Olander, Stacey Perry, Dan Sight, Jon Stewart, Tim Underwood, Brian Wietharn