

# JOHNSON COUNTY KANSAS

## Appraiser's Office

### Notes of Value

First Quarter 2017



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



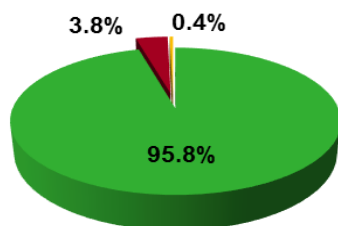
**2017 Revaluation**

<b>2016 / 2017 Market Value Comparisons</b>			
<b>Includes New Construction</b>			
<b>Johnson County 102 Property Type</b>	<b>Market Value October 2016 Appraised</b>	<b>Market Value February 2017 Appraised</b>	<b>Percent Change</b>
RESIDENTIAL INCLUDING APARTMENTS	\$50,530,967,160	\$54,776,714,990	8.40%
RESIDENTIAL FARM HOMES	\$425,831,160	\$445,204,370	4.55%
AGRICULTURAL USE LAND AND IMPROVEMENTS	\$50,138,760	\$49,685,150	-.90%
COMMERCIAL AND INDUSTRIAL	\$11,751,441,220	\$12,838,379,860	9.25%
VACANT LOTS	\$580,704,550	\$763,129,970	31.41%
NOT FOR PROFIT	\$80,790,160	\$113,803,380	40.86%
ALL OTHER REAL PROPERTY	\$6,282,850	\$6,105,300	-2.83%
<b>TOTAL TAXABLE VALUE</b>	<b>\$63,426,155,860</b>	<b>\$68,993,023,020</b>	<b>8.78%</b>
<b>TOTAL EXEMPT</b>	<b>\$6,481,133,370</b>	<b>\$6,552,277,670</b>	<b>1.10%</b>
<b>TOTAL APPRAISED VALUE</b>	<b>\$69,907,289,230</b>	<b>\$75,545,300,690</b>	<b>8.06%</b>

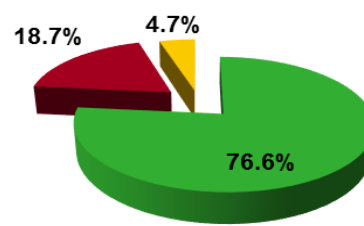
*Data Source: Orion 2016 Abstract of Appraised & Assessed Values as of 10/6/16 2017 Abstract of Appraised & Assessed Values as of 02/10/17*

The total taxable value for Johnson County real property at annual revaluation appraised at \$68,993,023,020 in market value as of 2/10/17, a 8.78% increase. The real property total assessed value is \$9,680,906,555 reflecting an 8.9% increase. The charts below show the appraised value changes for Residential and Commercial real property from 2016 to 2017:

**RESIDENTIAL REAL PROPERTY**



**COMMERCIAL REAL PROPERTY**



■ INCREASE ■ DECREASE ■ NO CHANGE

■ INCREASE ■ DECREASE ■ NO CHANGE

## Real Property

New construction building permits for residential real property in 2016 ended at 1,670. Commercial real property new construction permits were at 129. This reflects a 5.36% increase over 2015 permit numbers in residential property types and a 18.87% decrease in commercial property types.

The number of Sales Validation questionnaires for all real property was 15,936, an increase of 674 or 4% over 2015 Certificates of Value.

Foreclosures no longer impact the residential and commercial property market and are not considered in the real property values. The number of foreclosed properties sold in 2016 was 369, a decrease of almost 18% from the 449 foreclosed properties sold in 2015. The bid amount for 2016 is \$69.88 million.

### New SF Residential Building Permits

As of the end of March, Johnson County reported a total of 486 building permits for new home construction for 2017. This represents an increase of 45 permits for the same period a year ago at the end of March.

### 2017 Q1 Residential Property Market

The local market update provided by the Kansas City Regional Association of Realtors for March 2017 reflects the average sale price for new and existing homes (combined) in March to be \$217,014 for the Kansas City region, representing a 8.4% increase over March 2016. The combined (new and existing) number of closed sales is .09% higher than in the first three months of last year.

The Johnson County market reports the average sales price for new and existing homes (combined) in March 2017 to be \$308,510 representing a 10.2% increase over March 2016. The combined (new and existing) number of closed home sales shows a decrease of -0.6% compared to the same quarter last year.

The average number of days on market until sale for homes in Johnson County year to date through March 2017 is 54 days, a 8.5% decrease for the average days on market year to date March 2016 of 59. The percentage of original list price received is 98.5% for the month of March 2017.

*Information from the Kansas City Regional Association of Realtors; data from Heartland Multiple Listing Service*

Johnson County Residential Values						
Year	Total Value	New Construction	% New Construction	Valuation less New Construction	\$ Valuation Change w/o New Construction	% Reappraisal Growth
2008	43,372,972,132	702,718,540	1.62%	42,670,253,592	1,230,196,882	0.23%
2009	42,834,930,925	441,090,900	1.03%	42,393,840,025	-276,413,567	-2.26%
2010	42,128,179,312	412,014,980	0.98%	41,716,164,332	-677,675,693	-2.61%
2011	42,240,723,940	297,504,030	0.70%	41,943,219,910	227,055,578	-0.44%
2012	41,998,032,550	279,751,350	0.67%	41,882,592,280	-60,627,630	-0.85%
2013	42,631,445,700	404,851,520	0.95%	42,226,594,180	344,001,900	0.54%
2014	45,050,635,070	686,017,360	1.52%	44,364,617,710	2,138,023,530	4.07%
2015	47,985,463,650	693,533,060	1.45%	47,291,930,590	2,241,295,520	4.98%
2016	50,956,798,320	645,852,120	1.27%	50,310,946,200	2,325,482,550	4.85%
<b>2017</b>	<b>55,221,919,360</b>	<b>694,233,950</b>	<b>1.26%</b>	<b>54,527,685,410</b>	<b>3,570,887,090</b>	<b>7.01%</b>

*Data Source: Orion. Total values are as of October in each year, except 2017 which is as of February. New construction values are as certified in June by the County Appraiser except 2017 which is as of February. The Total Value includes Residential and Farmstead property class types.*

## 2017 Q1 Commercial Property Market

The recession is in the past. The Midwest has always progressed through economy fluctuations better than either coast of the United States. In the Kansas City Metropolitan area, Johnson County's excellent demographics have provided an even more resilient economy. The housing market is currently very strong and only recently have low interest rates crept up a bit. Both indicators lend themselves to a growing commercial real estate market.

There continues to be evidence in land sale activity that values are increasing across all areas of the county. New construction in all major commercial property groups indicate markets are in expansion mode with some property types being more prevalent than others. The apartment or multifamily sector is still the strongest contender. The apartment market absorbed more units than were constructed last year in the Kansas City metro area. Johnson County itself saw the construction starts of more than 1,500 new units. New construction of apartment projects continues through the first quarter. The industrial market is second with the most new construction with credence given to the draw of the Logistics Park K C. There are many new large industrial warehouse structures under construction that exceed one half million square feet in the logistics park and vicinity. Additionally there is currently new construction activity in Olathe, Lenexa, and Shawnee as well. The retail sector is expanding with junior boxes, shopping center completion and surrounding pad site constructions. There are still pockets of smaller shopping centers and retail strip centers attempting to find the right tenant mix to reach full occupancy. The office market does not have any new office parks or corporate campuses under construction, but there are significant amounts of new construction taking place in various locations within the county. There is new construction activity for offices near Shawnee Mission Park, Shawnee Mission East high school, Tomahawk Creek Parkway, and College Boulevard.

Building Permits for commercial new construction are below this period last year with 24 Commercial New Construction permits through March 2017—a decrease of 15 from the 39 Commercial New Construction permits for the first three months of 2016.

The County continuously monitors new construction, the state of the economy, commercial real estate markets, and then adjusts valuation parameters to represent market conditions on January 1<sup>st</sup> of every year.

Johnson County Commercial Values						
Year	Total Value	New Construction	% New Construction	Valuation less New Construction	\$ Valuation Change w/o New Construction	% Reappraisal Growth
2008	10,051,038,242	369,022,430	3.67%	9,682,015,812	-49,036,181	-0.50%
2009	9,613,613,364	315,703,720	3.28%	9,297,909,644	-753,128,598	-7.49%
2010	8,594,847,603	269,242,640	3.13%	8,325,604,963	-1,288,008,401	-13.40%
2011	8,783,017,464	207,761,960	2.37%	8,581,255,504	-13,592,099	-0.16%
2012	8,911,717,623	143,985,280	1.62%	8,767,732,343	-15,285,121	-0.17%
2013	9,181,826,582	138,868,770	1.51%	9,008,353,992	96,636,369	1.08%
2014	9,895,819,430	332,466,050	3.36%	9,563,353,380	381,526,798	4.16%
2015	10,616,541,356	271,799,600	2.56%	10,344,741,756	448,922,326	4.54%
2016	11,751,441,220	259,826,900	2.21%	11,491,614,320	875,072,964	8.24%
<b>2017</b>	<b>12,838,379,860</b>	<b>503,114,130</b>	<b>3.92%</b>	<b>12,335,265,730</b>	<b>583,824,510</b>	<b>4.97%</b>

*Data source: Orion. Total values are as of October in each year, except 2017 which is as of February. New construction values are as certified in June by the County Appraiser except 2017 which is as of February.*

Appeals	Residential	% of Total	Commercial	% of Total	Total
2017 Notice of Value Informal Appeal	5,094	71%	2,085	29%	7,180

### Employment

The Johnson County unemployment rate at the end of March 2017 was 3.1% with a civilian labor force of 327,258. This compares to an unemployment rate for the state of Kansas of 3.7%.

### Employment Wage Statistics Distribution

The table below shows the five counties with the highest estimated average weekly wages in Kansas for the 3rd quarter, 2016.

Rank	County Name	Total Average Employment	*Average Annual Wage
1	Coffey	3,852	\$60,632
<b>2</b>	<b>Johnson</b>	<b>339,107</b>	<b>\$53,508</b>
3	Wyandotte	90,895	\$52,312
4	Sedgwick	246,633	\$46,020
5	Leavenworth	20,649	\$45,344

\*Assumes a 40-hour week worked year round

Source: Kansas Labor Information Center—Labor Market Services Labor Market Statistics, Quarterly Census of Employment and Wages Program, Employment Wage Statistics Distribution

#### **Mission Statement:**

**In accordance with the County’s mission and values, the Appraiser’s office establishes fair values of real and personal property that meet compliance standards established by the state.**

#### **Vision Statement:**

**An appraiser’s office that makes a difference. The best people, giving their best efforts, for the very best community and striving to be better.**

#### **Executive Team**

- Paul Welcome.....County Appraiser
- Jeff Holsapple..... Assistant County Appraiser
- Scott Porter.....Commercial Real Estate Valuation Manager
- Jeff Ramsey.....Residential Real Estate Valuation Manager
- Alex Stewart.....Personal Property Manager
- Dennis Gering.....Support Services Manger
- Larry Wilson..... Manager of Quality Improvement & Training

*Notes of Value is published by the Johnson County Office of the Appraiser*

Website: [jocogov.org/appraiser](http://jocogov.org/appraiser)