

JOHNSON COUNTY KANSAS

Appraiser's Office

Notes of Value Third Quarter 2017



Message from the County Appraiser

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



Residential Reappraisal Advisory Committee

We hosted our first Residential Reappraisal Advisory Committee (RES RAC) meeting on August 31, 2017 at the KC Regional Association of Realtors® office. The purpose of forming this committee is to create a relationship with realtors, fee appraisers and lenders to share thoughts and ideas on the current Residential real estate market.

The meeting was a success! We had great discussions on several topics including current market trends and ways of educating the public on the property valuation process. Our next meeting is scheduled for November 30th and will be reviewing current sales data, apartment occupancy rates and the Comp selection process.

Real Property Update

The first nine months of the year show a significant increase compared to last year. There are 310 commercial property sale transactions amounting to roughly \$1.6 billion dollars. These transactions include land, apartments, retail, office, and industrial with a commercial property LBCS code.

Commercial Property Sales Transactions January to September

Year	Amount of Sales	No. of Transactions	% Change in No. of Transactions
2017	\$1,594,189,347	310	13.3%
2016	\$775,445,571	269	-20.2%
2015	\$1,153,377,845	337	18.7%
2014	\$695,632,709	274	-----

ORION© *Jan – Sept Sales; Sales Type 2; All validity codes; Multi-parcel COVs Only Counted Once
COV field not null; Sale price field not null; Com = 4xx Nbhd or 6xx Nbhd

New commercial construction permits as of September 2017 a significant increase in the number of new construction permits compared to September 2016. The table below reflects the comparison to the same timeframe of the last three years:

Commercial Property New Construction Permits January to September		
Year	New Construction Permits (by EOM September)	Percent of Difference
2017	132	18.9%
2016	111	-1.8%
2015	113	0.0%
2014	113	-----

Source: Johnson County Appraiser's Office - Statistics Division (Jan.-Sep.)

Residential property sales transactions and new construction permits for the same timeframe, January to September, continue to reflect the 2013 rebound in the residential market.

Residential Property Sales Transactions January to September			
Year	Amount of Sales	No. of Transactions	% Change in No. of Transactions
2017	\$3,059,653,088	10,029	-4.7%
2016	\$3,044,843,190	10,525	-1.5%
2015	\$2,873,407,119	10,368	10.2%
2014	\$2,484,687,313	9,312	-----

Source: ORION© All Residential improved properties (Jan.-Sep.)

New residential construction permits as of September 2017 include single family, duplex, triplex, and fourplex property types. The table below shows a comparison to the same timeframe of the last three years:

Residential Property New Construction Permits January to September		
Year	New Construction Permits (by EOM September)	Percent of Difference
2017	1,550	19.7%
2016	1,295	8.0%
2015	1,199	-1.1%
2014	1,212	-----

Source: Johnson County Appraiser’s Office Statistics Division (Jan.-Sep.)

The three ways Kansas municipalities can work with new commercial development or neighborhood revitalization projects is through the use of Economic Development Exemption (EDX), Tax Increment Financing (TIF) and Industrial Revenue Bond (IRB). The top twelve Kansas counties with EDX by State Constitution for 2016 (Real Property) are shown on the table below. Johnson County has an appraised value of \$30,895,336 in EDX real property for 2016.

Top Twelve Kansas Counties for 2016 Economic Development (EDX) Exempt Real Property Appraised Value					
County Rank	County	EDX Real Property Appraised Value	County Rank	County	EDX Real Property Appraised Value
1	Shawnee	\$170,765,960	7	Sedgwick	\$34,639,800
2	Reno	\$67,904,320	8	Johnson	\$30,895,336
3	McPherson	\$57,640,460	9	Lyon	\$23,403,770
4	Rice	\$57,177,007	10	Republic	\$14,776,120
5	Franklin	\$49,814,800	11	Ford	\$13,526,490
6	Finney	\$39,476,760	12	Marshall	\$11,632,390

Source: 2016 Statistical Report of Property Assessment and Taxation – KDOR, PVD

Industrial Revenue Bonds (IRBs) are used in Kansas to finance acquisition and construction of a broad variety of industrial and commercial properties under K.S.A. 12-1740 et. seq. on behalf of private business or non-profit agencies. IRBs require a governmental entity to act as the “Issuer” of the bonds. The issuer can provide property tax abatement for up to ten years for property financed with IRBs. These are usually issued by the cities. The chart for the 2016 top twelve Kansas counties for Industrial Revenue Bond (IRB) exempt real property appraised value is as follows:

**Top Twelve Kansas Counties for 2016
Industrial Revenue Bonds (IRB) Exempt Real Property Appraised Value**

County Rank	County	IRB Appraised Value	County Appraised Value	IRB% of Total County Appraised Value
1	Johnson	\$857,233,477	\$63,416,179,828	1.35%
2	McPherson	\$349,784,880	\$2,055,315,491	1.7%
3	Sedgwick	\$257,135,830	\$28,450,655,275	0.9%
4	Wyandotte	\$252,593,680	\$6,802,751,640	3.71%
5	Cowley	\$60,573,520	\$1,302,454,577	4.65%
6	Butler	\$56,282,760	\$3,991,434,507	1.41%
7	Douglas	\$32,456,010	\$8,242,786,202	0.39%
8	Shawnee	\$24,054,880	\$9,751,879,470	0.25%
9	Geary	\$17,501,070	\$1,560,410,861	1.12%
10	Reno	\$16,383,040	\$2,980,135,445	0.55%
11	Harvey	\$15,106,370	\$1,693,495,423	0.89%
12	Atchison	\$11,623,890	\$766,418,624	1.52%

2016 Statistical Report of Property Assessment and Taxation – KDOR, PVD

Exempt real properties (exempt from taxation K.S.A. 79-201, 201a and 201b) include buildings used exclusively by school districts, places of worship, and any buildings used by any association, organization, or nonprofit corporation.

Top Ten Kansas Counties for 2016 Exempt Real Property Appraised Value

County Rank	County	Exemption Appraised Value	County Appraised Value	Exempt Real Property % of Total County Appraised Value
1	Johnson	\$5,594,852,550	\$63,416,179,828	8.82%
2	Sedgwick	\$4,511,869,489	\$28,450,655,275	15.86%
3	Shawnee	\$1,659,774,400	\$9,751,879,470	17.02%
4	Riley	\$1,470,310,281	\$4,321,727,393	34.02%
5	Douglas	\$1,446,421,130	\$8,242,786,202	17.55%
6	Wyandotte	\$1,303,029,100	\$6,802,751,640	19.15%
7	Montgomery	\$937,405,210	\$1,406,468,312	66.65%
8	Butler	\$914,746,970	\$3,991,434,507	22.92%
9	Saline	\$882,272,790	\$3,352,295,363	26.32%
10	Leavenworth	\$730,981,357	\$4,311,898,711	16.95%

2016 Statistical Report of Property Assessment and Taxation – KDOR, PVD – except EDX and IRB

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 Management Team

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

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Website:

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