

# JOHNSON COUNTY KANSAS

## Appraiser's Office

### Notes of Value Third Quarter 2018



## Message from the County Appraiser

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



### Residential Reappraisal Advisory Committee

We hosted a Residential Reappraisal Advisory Committee (RES RAC) meeting on August 23, 2018 at the KC Regional Association of Realtors® office. The purpose of this meeting was to gather feedback regarding the current residential real estate market.

The meeting was a success! We had great discussions on several topics including current market trends, impact of mortgage & interest rates, and new market “hot spots”. Our next meeting is scheduled for November 29<sup>th</sup> and will be discussing remodel permits, Outer Loop traffic, and the unincorporated areas of south Johnson County.

### Real Property Update

The first nine months of the year show a significant increase compared to last year. There are 319 commercial property sale transactions amounting to roughly \$875 million 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
2018	\$875,720,647	319	2.9%
2017	\$1,594,189,347	310	13.3%
2016	\$775,445,571	269	-20.2%
2015	\$1,153,377,845	337	-----

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 2018 were similar to the new construction permits in September 2017. The table below reflects the comparison to the same time frame of the last four years:

<b>Commercial Property New Construction Permits January to September</b>		
<b>Year</b>	<b>New Construction Permits (by EOM September)</b>	<b>Percent of Difference</b>
2018	130	-1.5%
2017	132	18.9%
2016	111	-1.7%
2015	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.

<b>Residential Property Sales Transactions January to September</b>			
<b>Year</b>	<b>Amount of Sales</b>	<b>No. of Transactions</b>	<b>% Change in No. of Transactions</b>
2018	\$3,319,069,316	10,314	2.8%
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	-----

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

New residential construction permits as of September 2018 include single family, duplex, triplex, and fourplex property types. The table below shows a comparison to the same timeframe of the last four years:

<b>Residential Property New Construction Permits January to September</b>		
<b>Year</b>	<b>New Construction Permits (by EOM September)</b>	<b>Percent of Difference</b>
2018	1,480	-4.5%
2017	1,550	19.7%
2016	1,295	8%
2015	1,199	-----

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 2017 (Real Property) are shown on the table below. Johnson County has an appraised value of \$32,434,010 in EDX real property for 2017.

<b>Top Twelve Kansas Counties for 2017 Economic Development (EDX) Exempt Real Property Appraised Value</b>					
<b>County Rank</b>	<b>County</b>	<b>EDX Real Property Appraised Value</b>	<b>County Rank</b>	<b>County</b>	<b>EDX Real Property Appraised Value</b>
1	Shawnee	\$164,283,260	7	Johnson	\$32,434,010
2	Reno	\$65,672,550	8	Sedgwick	\$29,019,580
3	Rice	\$56,686,440	9	Lyon	\$19,940,690
4	Franklin	\$51,258,070	10	Marshall	\$19,026,610
5	McPherson	\$48,262,920	11	Republic	\$14,764,110
6	Finney	\$39,017,850	12	Butler	\$14,570,960

Source: 2017 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 2017 top twelve Kansas counties for Industrial Revenue Bond (IRB) exempt real property appraised value is as follows:

**Top Twelve Kansas Counties for 2017  
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	\$1,070,594,340	\$68,256,164,073	1.57%
2	Sedgwick	\$276,556,280	\$29,515,402,792	0.93%
3	Wyandotte	\$254,650,790	\$7,160,287,551	3.56%
4	Butler	\$65,114,200	\$4,149,937,840	1.57%
5	Cowley	\$59,605,780	\$1,337,801,065	4.46%
6	McPherson	\$56,113,650	\$2,160,613,929	2.6%
7	Shawnee	\$36,913,150	\$9,974,327,834	0.37%
8	Douglas	\$33,626,540	\$8,785,455,197	0.38%
9	Ford	\$18,668,900	\$1,377,045,498	1.36%
10	Geary	\$17,700,870	\$1,546,866,372	1.14%
11	Reno	\$15,402,530	\$3,058,622,394	0.5%
12	Harvey	\$13,336,470	\$1,715,801,222	0.77%

*2017 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 2017 Exempt Real Property Appraised Value

County Rank	County	Exemption Appraised Value	County Appraised Value	Exempt Real Property % of Total County Appraised Value
1	Johnson	\$5,721,470,650	\$68,256,164,073	8.38%
2	Sedgwick	\$4,710,653,360	\$29,515,402,792	15.96%
3	Shawnee	\$1,701,972,300	\$9,974,327,834	17.06%
4	Douglas	\$1,506,459,360	\$8,785,455,197	17.15%
5	Riley	\$1,497,215,068	\$4,476,136,741	33.45%
6	Wyandotte	\$1,361,858,700	\$7,160,287,551	19.02%
7	McPherson	\$1,231,743,222	\$2,160,613,929	57.01%
8	Montgomery	\$939,772,435	\$1,415,016,909	66.41%
9	Butler	\$937,131,740	\$4,149,937,840	22.58%
10	Saline	\$887,222,240	\$3,453,985,276	26.69%

*2017 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**

<b>Paul Welcome</b>	County Appraiser
<b>Jeff Holsapple</b>	Assistant County Appraiser
<b>Scott Porter</b>	Commercial Real Estate Valuation Manager
<b>Jeff Ramsey</b>	Residential Real Estate Valuation Manager
<b>Alex Stewart</b>	Personal Property Manager
<b>Michelle Sipes</b>	Support Services Manager
<b>Larry Wilson</b>	Quality Improvement & Training Manager

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Website:

<http://jocogov.org/appraiser>

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