

# JOHNSON COUNTY KANSAS

## Appraiser's Office

### Notes of Value

First Quarter 2019



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

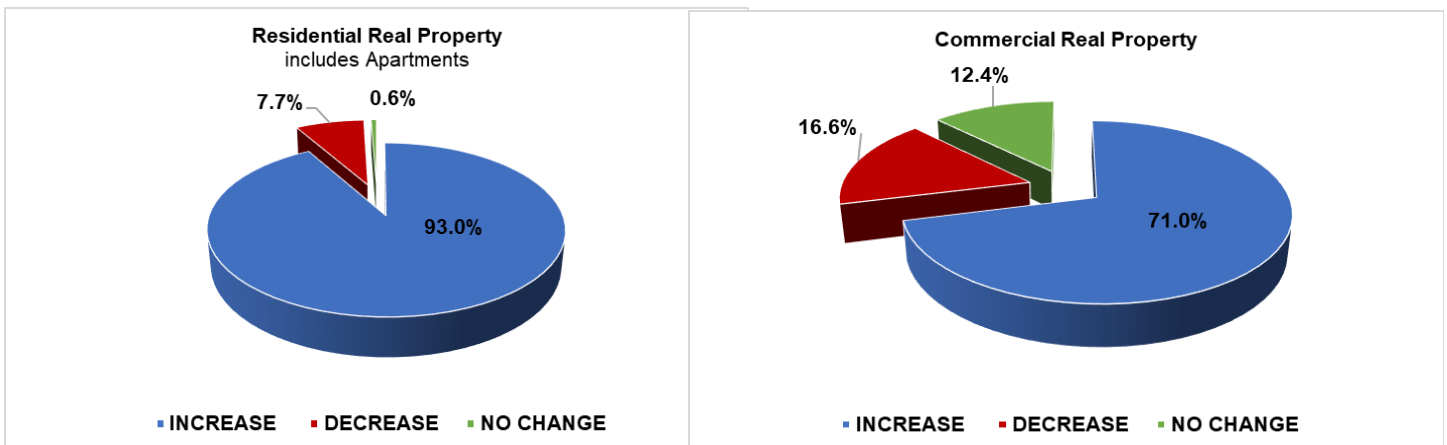


**2019 Revaluation**

<b>2018 / 2019 Market Value Comparisons</b>			
<b>Includes New Construction</b>			
<b>Johnson County Property Type</b>	<b>Market Value October 2018 Appraised</b>	<b>Market Value February 2019 Appraised</b>	<b>Percent Change</b>
RESIDENTIAL INCLUDING APARTMENTS	\$59,211,223,710	\$63,557,726,910	7.34%
RESIDENTIAL FARM HOMES	\$484,536,070	\$512,964,630	5.87%
AGRICULTURAL USE LAND AND IMPROVEMENTS	\$48,101,745	\$47,331,570	-1.6%
COMMERCIAL AND INDUSTRIAL	\$12,914,933,660	\$13,722,472,230	6.25%
VACANT LOTS	\$775,663,050	\$854,336,200	10.14%
NOT FOR PROFIT	\$79,673,190	\$95,470,680	19.83%
ALL OTHER REAL PROPERTY	\$8,460,100	\$6,822,980	-19.35%
UTILITIES	\$0	\$0	0.00%
<b>TOTAL TAXABLE VALUE</b>	<b>\$73,522,591,525</b>	<b>\$78,797,125,200</b>	<b>7.17%</b>
<b>TOTAL EXEMPT</b>	<b>\$7,151,876,930</b>	<b>\$7,420,058,710</b>	<b>3.75%</b>
<b>TOTAL APPRAISED VALUE</b>	<b>\$80,674,468,455</b>	<b>\$86,217,183,910</b>	<b>6.87%</b>

Data Source: Orion 2018 Abstract of Appraised & Assessed Values as of 10/18/18 2019 Abstract of Appraised & Assessed Values as of 02/10/19

The total taxable value for Johnson County real property at annual revaluation appraised at \$78,797,125,200 in market value as of 2/11/19, a 7.17% increase. The real property total assessed value is \$10,928,175,515 reflecting an 7.03% increase. The charts below show the appraised value changes for Residential and Commercial real property from 2017.



## Real Property

New construction building permits for residential real property in 2018 ended at 1,843. Commercial real property new construction permits were at 157. This reflects a 11.3% decrease over 2017 permit numbers in residential property types and a 12.3% decrease in commercial property types.

The number of Sales Validation questionnaires for all real property was 15,727 a decrease of 412 or 2.5% under 2017 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 2018 was 185, a decrease of 40% from the 310 foreclosed properties sold in 2017. The bid amount for 2018 is \$51.54 million.

### New SF Residential Building Permits

As of the end of March, Johnson County reported a total of 307 building permits for new construction for 2019. This represents an decrease of 141 permits for the same period a year ago at the end of March.

### 2019 Q1 Residential Property Market

The local market update provided by the Kansas City Regional Association of Realtors for March 2018 reflects the average sale price for new and existing homes (combined) in March to be \$238,762 for the Kansas City region, representing a 3.1% increase over March 2018. The combined (new and existing) number of closed sales is 12.8 % lower 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 2019 to be \$331,836 representing a 1.5% increase over March 2018. The combined (new and existing) number of closed home sales shows a decrease of 8.6% 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 2019 is 53 days, a 3.9% increase for the average days on market year to date March 2017 of 51. The percentage of original list price received is 98.1% for the month of March 2019.

*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
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%
2017	55,119,737,450	900,476,150	1.63%	54,219,261,300	3,262,462,980	6.40%
2018	59,695,759,780	731,296,330	1.23%	58,964,463,450	3,844,726,000	6.98%
2019	64,070,690,540	631,681,910	0.99%	63,439,008,630	3,743,248,850	6.27%

*Data Source: Orion. Total values are as of October in each year, except 2019 which is as of February. New construction values are as certified in June by the County Appraiser except 2019 which is as of February. The Total Value includes Residential and Farmstead property class types.*

## 2019 Q1 Commercial Property Market

### Commercial Real Estate - Overall

According to the County Economic Research Institute, Johnson County's unemployment rate continues to decline, moving from 2.7% in November 2017 to 2.6% in 2018. This figure is slightly below the state of Kansas as a whole with an overall unemployment rate of 2.9%, and still 90 points below the national average of 3.5%. The population continues to grow and new construction remains strong for several commercial property type sectors. Johnson County's excellent demographics and quantity of new construction for certain property types continues to draw the attention of more national developers.

There is evidence through sales that land values continue to have upward pressure; especially in vicinities around new development, redevelopment, and infill projects. Some of these are noted as Lenexa City Center development at 87<sup>th</sup> and Renner Road, Edgerton City as influenced by the Intermodal with very large warehouse development, along with ongoing redevelopment projects and planned projects such as the original downtown Overland Park near 80<sup>th</sup> and Metcalf Avenue, the former Great Plains Mall site, the Westbrook shopping center area at 75<sup>th</sup> street and Quivira Road, and the former French Market located at the northeast corner of 95<sup>th</sup> and Metcalf.

The County's commercial real estate market for all property types continues to be stabilized or above condition in the real estate cycle and the direct result of the construction activity mentioned above. The most numerous permits issued are still for Multifamily and Industrial. The interest rates have risen as a result of the federal government stemming inflation, and there was a slight increase in capitalization rates for some retail type properties, but only 25 and 50 basis points were indicated by annual studies. All local and national market conditions are continuously monitored by the appraiser's office regarding commercial rents, vacancy, expenses, and capitalization rates, analyzed and adjusted annually to reflect current conditions and investor expectations. Market data indicates that conditions remain positive and stable for the overall Johnson County market.

### Conclusion:

Johnson County has a broad and diversified economic base and remains very well ranked among more than 3,100 U.S. counties. It is an affluent community with good schools, solid employers, and a good transportation system. New projects continue to add to the real estate market and economy while the overall health of the county remains strong.

Johnson County Commercial Values						
Year	Total Value	New Construction	% New Construction	Valuation less New Construction	\$ Valuation Change w/o New Construction	% Reappraisal growth
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%
2017	12,250,963,614	331,571,250	2.71%	11,919,392,364	167,951,144	1.43%
2018	12,914,933,660	368,101,900	2.85%	12,546,831,760	295,868,146	2.42%
2019	13,722,472,230	591,875,650	4.31%	13,130,596,580	215,662,920	1.67%

*Data source: Orion. Total values are as of October in each year, except 2019 which is as of February. New construction values are as certified in June by the County Appraiser except 2019 which is as of February.*

Appeals	Residential	% of Total	Commercial	% of Total	Total
2019 Notice of Value Informal Appeal	5,907	72%	2,310	28%	8,217

### Employment

The Johnson County unemployment rate at the end of March 2019 was 3.1% with a civilian labor force of 333,936. This compares to an unemployment rate for the state of Kansas of 3.5%.

### Employment Wage Statistics Distribution

The table below shows the five counties with the highest estimated average weekly wages in Kansas for the 3rd quarter, 2018.

Rank	County Name	Total Average Employment	*Average Annual Wage
1	Coffey	3,520	\$57,616
<b>2</b>	<b>Johnson</b>	<b>350,870</b>	<b>\$54,184</b>
3	Wyandotte	91,400	\$51,584
4	Sedgwick	248,890	\$45,760
5	Leavenworth	20,938	\$45,552

\*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
- Michelle Sipes.....Support Services Manger

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

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

Customer Service | 913-715-9000 | Fax 913-715-0010