

JOHNSON COUNTY KANSAS

Appraiser's Office

Notes of Value

First Quarter 2020



David “Beau” Boisvert, RMA

Johnson County Appraiser

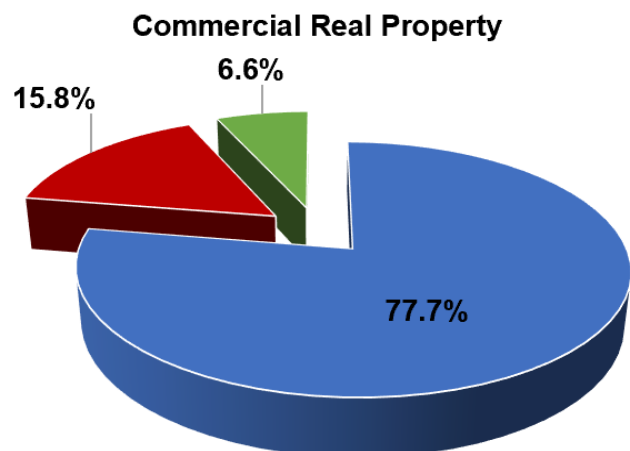
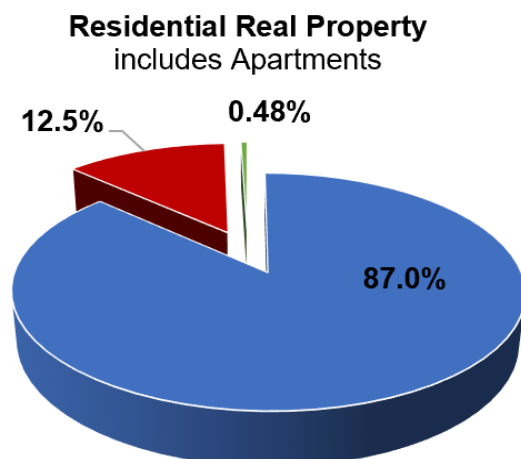


2020 Revaluation

2019 / 2020 Market Value Comparisons			
Includes New Construction			
Johnson County 102 Property Type	Market Value November 2019 Appraised	Market Value February 2020 Appraised	Percent Change
RESIDENTIAL INCLUDING APARTMENTS	\$63,416,744,560	\$67,551,804,010	6.52%
RESIDENTIAL FARM HOMES	\$517,181,170	\$548,205,720	6.00%
AGRICULTURAL USE LAND AND IMPROVEMENTS	\$47,280,600	\$46,774,740	-1.07%
COMMERCIAL AND INDUSTRIAL	\$13,275,470,070	\$14,331,345,100	7.95%
VACANT LOTS	\$814,043,990	\$882,589,720	8.42%
NOT FOR PROFIT	\$98,310,980	\$95,468,490	-2.89%
ALL OTHER REAL PROPERTY	\$5,744,340	\$6,230,510	8.46%
UTILITIES	\$0	\$0	0%
TOTAL TAXABLE VALUE	\$78,174,775,710	\$83,462,418,290	6.76%
TOTAL EXEMPT	\$7,670,983,910	\$7,812,437,450	1.84%
TOTAL APPRAISED VALUE	\$85,845,759,620	\$91,274,855,740	6.32%

Data Source: Orion 2018 Abstract of Appraised & Assessed Values as of 11/8/19 2019 Abstract of Appraised & Assessed Values as of 2/10/20

The total taxable value for Johnson County real property at annual revaluation appraised at \$83,462,418,290 in market value as of 2/10/20, a 6.76% increase. The real property total assessed value is \$11,546,659,514 reflecting an 6.97% increase. The charts below show the appraised value changes for Residential and Commercial real property from 2018.



Real Property

New construction building permits for residential real property in 2019 ended at 1,621. Commercial real property new construction permits were at 177. This reflects a 13.7% decrease over 2018 permit numbers in residential property types and a 34.1% increase in commercial property types.

The number of Sales Validation questionnaires for all real property was 14,962 a decrease of 765 or 5.1% under 2018 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 2019 was 309, an increase of 67% from the 185 foreclosed properties sold in 2018. The bid amount for 2019 is \$40.18 million.

New SF Residential Building Permits

As of the end of March, Johnson County reported a total of 358 building permits for new construction for 2020. This represents an increase of 51 permits for the same period a year ago.

2020 Q1 Residential Property Market

The local market update provided by the Kansas City Regional Association of Realtors for March 2020 reflects the average sale price for new and existing homes (combined) to be \$256,063 for the Kansas City region, representing a 7.6% increase over March 2019. The combined (new and existing) number of closed sales is 6.5% 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 2020 to be \$369,194 representing an 11.1% increase over March 2019. The combined (new and existing) number of closed home sales shows a increase of 7.4% 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 2020 is 58 days, a 11.5% increase for the average days on market year to date March 2019 of 52. The percentage of original list price received is 99.0% for the month of March 2020.

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
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	626,836,880	0.98%	63,443,854,660	3,748,094,880	6.28%
2020	68,100,006,730	615,533,330	0.90%	67,484,476,400	3,413,784,860	5.33%

Data Source: Orion. Total values are as of October in each year, except 2020 which is as of February. New construction values are as certified in June by the County Appraiser except 2020 which is as of February. The Total Value includes Residential and Farmstead property class types.

Commercial Real Estate - Overall

According to the County Economic Research Institute, Johnson County's unemployment rate continued to decline, moving in November 2018 from 2.6% to 2.5% in November 2019. This figure was slightly below the state of Kansas with an unemployment rate of 2.8%, and 80 points below the national average of 3.3%. The population grew while new construction remained strong in several commercial property type sectors. Johnson County's excellent demographics and quantity of new construction continued to draw the attention of national developers and investors.

There was evidence through sales that land values continued to have upward pressure in vicinities around new development and redevelopment projects. Areas specifically noted were: Lenexa City Center around 87th and Renner Road, the city of Edgerton as it is influenced by the Intermodal complex with very large warehouse construction; along with redevelopment projects in areas such as the original down town Overland Park near 80th and Metcalf Avenue, Westbrook shopping center at 75th street and Quivira Road, and the former French Market at the northeast corner of 95th and Metcalf.

The County's commercial real estate market for all property types was stable or grew in the real estate cycles from 2015 forward. In 2019 Multifamily and Industrial experienced the significant growth with the most permits issued throughout the county. Additionally, Hotel new construction brought on more than twice as many new rooms in 2019 compared to 2018. Interest rates remained low and inflation stayed below 3%. The capitalization rates among various types and qualities of property saw minor changes during 2019 as indicated by annual studies. National and local market conditions were monitored by the Appraiser's Office with regards to rents, vacancy, expenses, and capitalization rates. Those factors were adjusted as needed annually to reflect current market conditions. Market data studied indicates that conditions remained relatively stable and positive for the overall Johnson County market.

Conclusion:

Johnson County has a broad and diversified economic base and remained very well ranked among more than 3,100 counties in the U.S. It continued to be an affluent community with good schools, solid employers, and a good transportation system. New construction projects continued to add to the real estate market and the local economic engine that lent themselves to good overall health of the county. Commercial real estate values are generally stable to increasing across property types. 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
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	13,275,470,070	434,638,360	3.27%	12,840,831,710	-74,101,950	-0.57%
2020	14,331,345,100	539,695,600	3.77%	13,791,649,500	516,179,430	3.89%

Data source: Orion. Total values are as of October in each year, except 2020 which is as of February. New construction values are as certified in June by the County Appraiser except 2020 which is as of February.

Appeals	Residential	% of Total	Commercial	% of Total	Total
2020 Notice of Value Informal Appeal	6,362	74%	2,192	26%	8,554

Employment

The Johnson County unemployment rate at the end of January 2020 was 2.7% with a civilian labor force of 340,559. This compares to an unemployment rate for the state of Kansas of 3.1%.

Employment Wage Statistics Distribution

The table below shows the five counties with the highest estimated average weekly wages in Kansas for the 3rd quarter, 2019.

County Name	Average Annual Wage	Total Average Employment
Coffey	\$ 61,732	3,638
Johnson	\$ 58,622	353,706
Wyandotte	\$ 55,513	90,457
Sedgwick	\$ 48,947	257,045
McPherson	\$ 48,564	15,598

Source: Kansas Department of Labor, Labor Market Information Services and the Bureau of Labor Statistics; Quarterly Census of Employment and Wages (QCEW)

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

Beau Boisvert	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

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