



Appraisal Newsletter

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Volume 24, Issue 1

October 1, 2019

VALUATION PROCESS BEGINS

The appraiser's office will begin the process of setting values in October. The first step is the analysis, development and calibration of the tables and comparable sale and income models used to assist in the valuation of all real property. The actual final review process will begin in November.

At this point, existing residential sale prices in 2019 have leveled off or are trending slightly upward. The mid-year sales ratio study on valid residential sales is at a median of 94.32 percent. The mid-year ratio study uses sales occurring in the first six months of the year and compares the actual sale price against the corresponding property value.

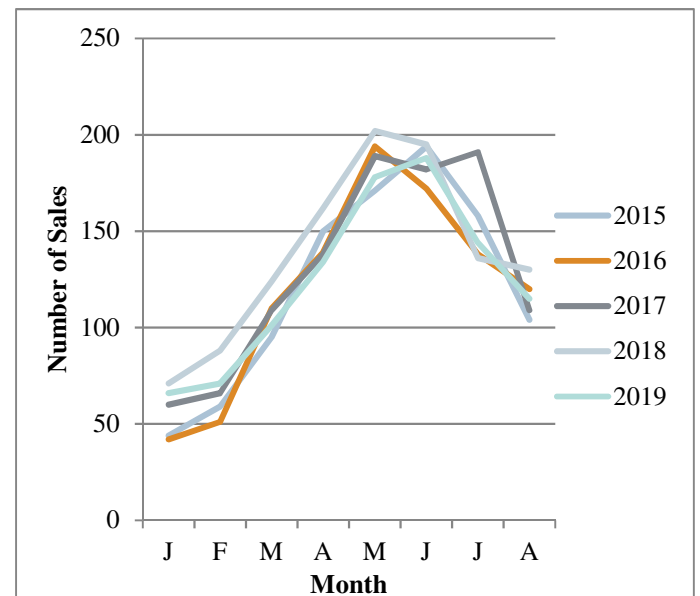
The county's 2019 mid-year commercial sales ratio comes in at 88.2 percent. This would seem to indicate that the 2019 commercial valuations are somewhat below the actual sale price on those properties. In fact, the sales prices have exceeded the 2019 valuation. However, the sample is very small and it will require more analysis to determine the effect on 2019 commercial values.

One of the factors we look at is the trend over time of the market value. Ideally, this is done by comparing what a property has sold for within the previous one to two years and what it has sold for more recently. Because of the number of sales throughout the county, we are able to do this for most market areas. So far our analysis has indicated that the market does continue to increase but at a very slight rate. Staff will be looking at this closer this month as the final stages of the analysis period draws to an end.

After the office studies the data and refines the analysis and models we will be in a better position to make any projections as to the movement of values. It could prove to be an interesting year once again.

RESIDENTIAL SALES ACTIVITY

Residential sales volume in Douglas County has remained relatively steady throughout the year. The number of residential sales in 2019 is 111 fewer than the previous year at the end of August. The chart below illustrates the cyclical nature of the real estate market.



Periods when demand is higher or lower can influence the sale prices at those times. Because of this cyclical pattern, the Appraiser's Office looks at sales over the previous 2 or 3 years when developing the valuation models. The valuation models are designed to flatten out the highs and lows during the year to determine the typical value. This is why sale prices may be higher or lower during different times of the year than the value

placed on a property for January 1. In order to value properties fairly and uniformly we try to find the typical value rather than only using the periods when sales prices were either at the high end or the low end of the cycle.

The average sale price of a 3 bed, 2 bath house with 1300 – 1800 sq. ft. through the end of August 2019 is \$196,063.

The table below indicates that, with some exceptions, the number of sales at each level is relatively stable from 2013 to 2017. As it has in the past, the largest number of sales continues to occur between \$125,000 and \$200,000. The highest percentage of sales occurred in the \$125,000 to \$175,000 price range. Following is a table that shows the distribution of valid sales at various price levels from 2014 through September 17, 2019:

Sale Price	2014	2015	2016	2017	2018	2019
Less than \$100,000	78	69	47	39	52	16
\$100,001 - \$125,000	117	130	104	77	104	46
\$125,001 - \$150,000	225	154	160	152	140	98
\$150,001 - \$175,000	197	180	155	170	195	147
\$175,001 - \$200,000	120	84	114	131	201	128
\$200,001 - \$225,000	81	77	64	88	129	108
\$225,001 - \$250,000	71	71	73	85	108	83
\$250,001 - \$275,000	61	45	58	71	108	72
\$275,001 - \$300,000	64	48	55	57	89	65
\$300,001 - \$350,000	61	53	61	68	128	99
\$350,001 - \$400,000	33	42	45	53	93	67
\$400,001 - \$450,000	24	24	19	27	47	30
\$450,001 - \$500,000	14	8	14	14	35	21
Greater than \$500,000	26	20	23	30	45	31
Total Sales	1172	1005	992	1062	1474	1011

Valuation\Analysis\Compare Sales YoY

EMPLOYEE HIGHLIGHTS

The appraiser’s office welcomes two staff members to our family over the past couple of months.

The first is Terence Venniro. He joins the residential field staff and will be working on building permits, sales verification and data maintenance for the next few months. Terence comes to us from the Johnson County Appraiser’s office. He is looking forward to learning more about the appraisal business and our county.

The second is Marie Boadway. She is returning to our office in her old role as the cheerful, and helpful voice and face that greets everyone. Marie recently moved back to Lawrence. She worked here from 2013 to 2015. She is finding that many of the things she remembers doing are still functions of this office but that there have been some changes and upgrades. The office is certainly glad that she has rejoined us.