

2022 Real Estate Valuations

March 2022

Contact Us

Washington County
Appraiser's Office

214 C St

Washington, KS 66968

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Revaluation Newsletter

- Location*
- Market*
- Age*
- Condition*
- Improvements*
- Neighborhood*



Property Value

Washington County Property Owners,

The Washington County Appraiser's Office has completed the annual appraisal of real estate properties as of the January 1st valuation date. The resulting 2022 valuation notices were mailed to property owners on Tuesday, March 1st, 2022. The intent of these notices is to inform property owners of their property value and any use change between the appraisal dates of January 1st, 2021 and January 1st, 2022.

Supply and demand imbalances in the Washington County real estate market over the last year; combined with continued, lower interest rates, and increased construction costs, have caused the real estate market to be highly active and competitive. These effects on residential, commercial, and agricultural markets have caused increases in market values. Increases will be more prevalent at certain price points and particular areas/neighborhoods. The Washington County Appraiser's Office will continue to monitor the local real estate market and react according to the activity that is taking place in Washington County.

The intention of this report is to offer more insight into the appraisal process and what has been observed in the Washington County real estate market over the past year. Overall, Washington County continues to see strong, steady growth in residential, commercial, and agricultural markets.

Respectfully,

DocuSigned by:
Lance Leis
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Lance Leis, RMA
Washington County Appraiser

The Appraisal Process

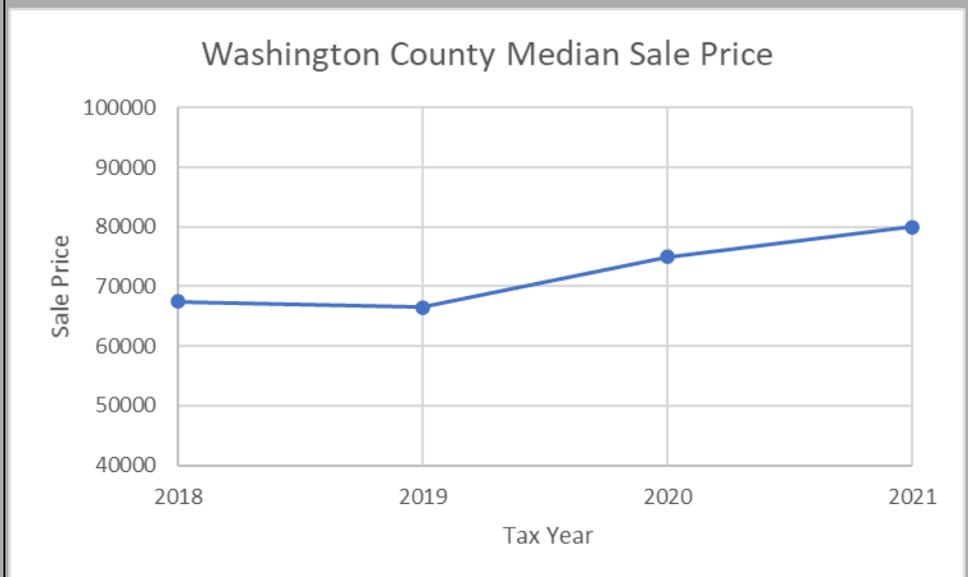
Washington County real estate values are based upon sales which are the basic building blocks of county valuation models. All sales of real estate properties are reviewed to determine if they meet the statutory definition of being “Fair Market Value” as defined by KSA 79-503a. Sales that meet that definition are classified as “valid” and are used in creating models that are necessary to meet the statutory obligation to complete the annual mass appraisal project for Washington County. The last three years of sales, occurring in 2019, 2020, 2021 typically have the greatest impact on model building and trend analysis. They are studied closely to gauge as accurately as possible the fair market value of each property in the county.

There are three approaches to value. All three are reviewed and reconciled to determine which approach is most representative of a property’s fair market value. The first, and most common method is the sales comparison approach. This approach directly uses sales of comparable properties, with any differences in characteristics between the subjects and the comparable sales being adjusted to determine market value. Secondly, the cost approach considers the replacement cost new for every improvement. Sales are used to gauge and account for any depreciation. Land value is then added to the depreciated improvement cost to arrive at a market value. The third approach that can be used in establishing market value is the income approach. This approach analyzes the income producing potential of a property by reviewing the landlord/tenant relationship (it does not consider the income of the business operating inside). Sales are used to arrive at a cap rate, which when applied to a market operating income a market value can be estimated.

Additionally, Washington County performs sales ratio studies to draw conclusions as to whether past valuation models have been producing reasonably accurate and equitable appraisals. A sales ratio is calculated for each valid sale by dividing the county’s valuation of a property by the property’s sale price. For example, a property valued at \$98,000 that sold for \$100,000 would have a sales ratio of 98%, indicating the property’s sale price exceeded its January 1st Washington County assigned value by 2%. A ratio study is performed using groupings of sales and their respective sales ratios to identify valuation accuracy. It also serves to provide a general direction of change that may need to be made to current individual appraisals. These ratio studies and their applicable sale properties were heavily weighted in setting the final 2022 property values.

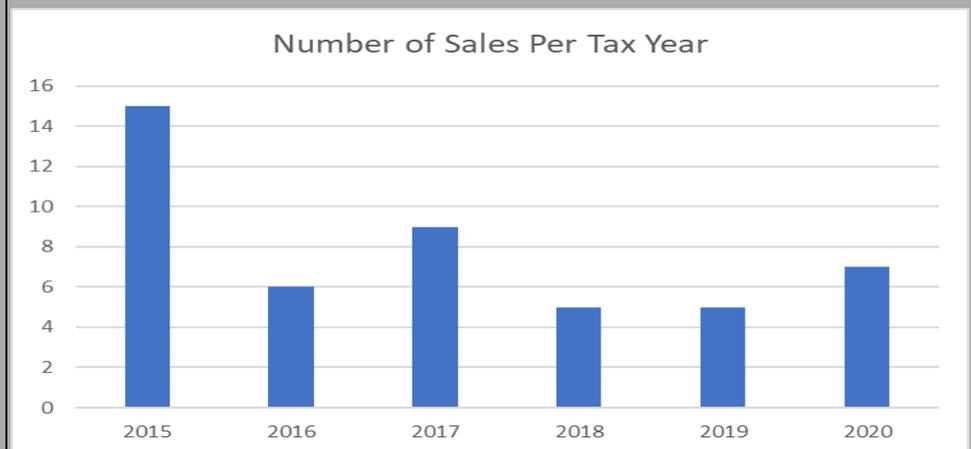
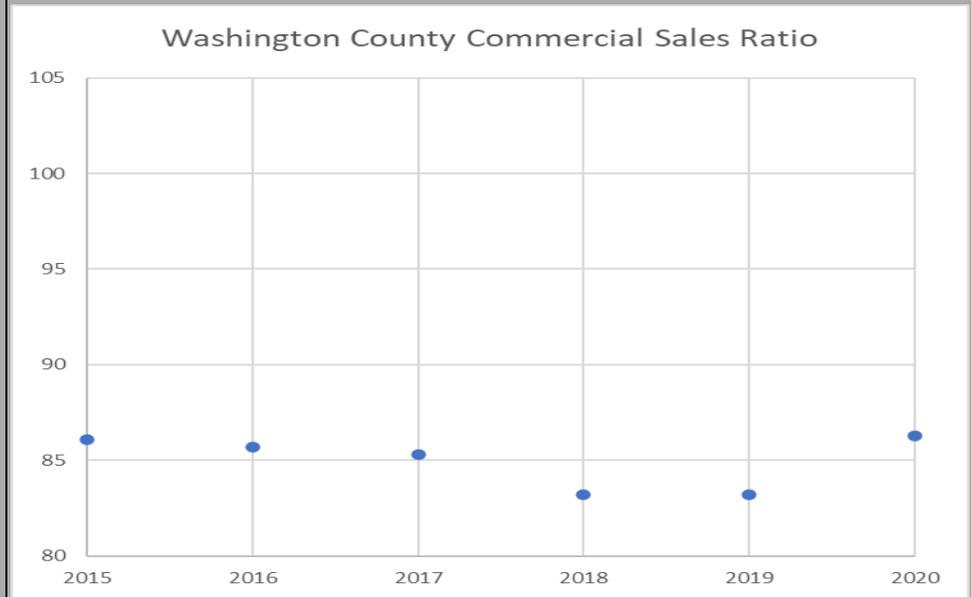
Residential Properties

There were 39 valid residential sales that occurred in 2021 compared to 35 residential sales in 2020 within Washington County. The median sale price for the 2021 sale was \$80,000 and \$75,000 for 2020. That is a 6.66% increase in the median sale price between the two years. The preliminary median ratio between the January 1st 2021 county appraised value and 2021 sale price was 92.8% This is within Kansas Department of Revenue- Property Valuation Division acceptable range (between 90% to 110%). 31 of the 39 sales in 2021 sold above last years appraised value. Washington County's 2022 residential values increased a median of 5.1%



Commercial Properties

Regarding improved commercial class property, Washington County has very few valid sales each year which makes performing a reliable ratio study difficult. The Kansas Department of Revenue-Property Valuation Division conducts a commercial ratio study annually. The chart below reflects the last six years of the PVD's commercial ratio results. The ideal ratio is 100% +/- 10%. With the few sales that have occurred in the county on commercial properties we often must pull in regional sales data to perform our analysis. The State's final ratio on commercial properties for the 2021 tax year are not currently available.



Washington County's 2022 commercial values went up a median of 4%. The larger increases to commercial values are due to land values in relation to their location.

Vacant Land

In general, vacant, non-agricultural land values, on average saw a general upward trend. The median of these increases follows the residential increase of 5.1%.

Agricultural Land

Agricultural land for property taxation purposes, is based on appraisal methodology compiling sixteen years of data (2004 – 2020) for the January 1st, 2022 valuation date. An eight-year average of an eight-year average is used. Per Kansas statutes, land devoted to agricultural use is first identified and assigned use type at the county level. Next, the acres are segregated based on federal soil surveys. Finally, the income and expenses associated with crop and livestock production are analyzed conjunctively between Kansas Division of Property Valuation (PVD) staff and Kansas State University agricultural production analysts.

The agricultural use-values calculated for Washington County by Kansas Division of Property Valuation (PVD) for the 2022 tax year, when compared to 2021 values, are as follows:

- decreased on average of 4% per acre for irrigated land.
- decreased on average of 1.4% per acre for dry crop land.
- increased on average of 5.4% per acre for native grass land.
- Increased on average of 2.3% per acre for tame grass land.

Property owners should note that values on specific properties may not follow general trends. There are many factors that can impact a change in valuation, including but not limited to changes to the property, correction of a property's descriptive information, or adjustment and equalization of values based on sales of similar properties.