



APPRAISING THE PLAINS of Kansas



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KCAA EXECUTIVE BOARD

Kenton Lyon, RMA, PRESIDENT
Russell County Appraiser
401 N Main, Russell, KS 67665
(785) 483-5551 Fax (785) 483-5725
rs_county_appraiser@wan.kdor.state.ks.us

Barb Esfeld, RMA, PRESIDENT-ELECT
Barton County Appraiser
1400 Main, Room 206, Great Bend, KS 67530
(620) 793-1821 Fax (620) 793-1820
appraiser@bartoncounty.org

Lisa Ree, RMA, VICE PRESIDENT & TREASURER
PO Box 309, Hays, KS 67601
(785) 628-9400 Fax (785) 628-9403
elcoappr@ellisco.net

Mike Borchard, CAE, RMA, PAST PRESIDENT
Sedgwick County Appraiser
4035 E. Harry St., Wichita, KS 67218
(316) 660-5444 Fax (316) 660-9284
mborchar@sedgwick.gov

Heather Poore, RMA, NORTHWEST REGION
Rooks County Appraiser
115 North Walnut, Stockton, KS 67669
(785) 425-6262 Fax (785) 425-7001
rookscoapp@gmail.com

Lori Reedy, RMA, SOUTH CENTRAL REGION
Harper County Appraiser
201 North Jennings, Anthony, KS 67003
(620)-842-3718 Fax (620) 842-3455
lreedy@harpercountyks.gov

Steve Bauman, NORTHEAST REGION
Shawnee County Appraiser
1515 NW Saline, Topeka, KS 66618-2838
(785) 233-2882 ext. 6001 Fax (785) 291-4903
steve.bauman@snco.us

Melinda Latham, RMA, NORTH CENTRAL REGION
Mitchell County Appraiser
PO Box 5, Beloit, KS 67420
(785) 738-5061 Fax (785) 738-3787
mcappraiser@nckcn.com

Patty Israel, RMA, SOUTHWEST REGION
Ford County Appraiser
Ford County Government Center
100 Gunsmoke, Dodge City, KS 67801
(620) 227-4570 Fax (620) 227-4533
countyappr@fordcounty.net

Connie Lawrence, RMA, SOUTHEAST REGION
Coffey County Appraiser
110 S 6th St, Room 206, Burlington, KS 66839
(620) 364-8426 ext 227 Fax (620) 364-8428
cf_county_appraiser@wan.kdor.state.ks.us



Past, Present & Future

(L-R) Current KCAA President Kenton Lyon, Past President Dean Denning, and Future President Lisa Ree at the KCAA/NCRAAO Conference.

See highlights from the conference beginning on p. 7.

Also in this Issue. . .

Kenton's Korner.....	2	Mark Your Calendar.....	6
Interesting BOTA Ruling.....	2	Highlights: KCAA/NCRAAO Conference	7
Avoidance.....	2	Bringing Life Back to the Office.....	7
Board Meeting Highlights.....	3	Advantages of Auctions vs. Traditional Real Estate Transactions.....	8
County Approves Tax Help After Tornado.....	3	KIOGA Demonstrations.....	9
The Director's Update.....	4	Capitalization Rate.....	9
PVD Retirements.....	4	Congrats to New RMA's.....	10
New IAAO Designees.....	5	Maybe the Perception Problem is Us	11
IAAO Member News.....	5	2 Retirees, 80 Years of Service.....	11
Honoring the Past...Educating the Future.....	5	Unusual Homes, Special Issues.....	12
Money Buys Power.....	6	Real Estate Notes of Interest.....	13
		This is unique.....	17



Kenton's Korner

Kenton Lyon, RMA
Russell & Osborne County Appraiser
2017 KCAA President

With the memory of the 2017 conference fresh in mind, I must begin with some well-deserved thank-you statements. Thanks to Cindy McGill and her helpers for the decorations at conference and in particular at the Wednesday banquet; thanks to Barb Esfeld and her "team" for running the silent auction again; thanks also to Steve Miles, his helpers and stable of trusty steeds for the cowboy games at Cowtown; and to Della Rowley and her bunch for the fine goodie bags.

Thanks also to Jami Clark. This was kind of a different deal with Jami being the NCRAAO President and me being the KCAA President. It took a lot of time and effort to work together and to work through the logistics of putting together this conference—thank you Jami.

I would be remiss to not give a huge shout out to Rick Stuart and TEAM for the educational seminars. Education is the purpose for these get-togethers, and once again the presenters were good and the information given was outstanding. Putting that all together takes a lot of time, patience, recruiting, and organizing. Rick has always done the very best for us and for that we are indebted. I understand that this is the last conference for Rick to fully organize. Believe me when I say that I truly do understand and want to thank Rick for another outstanding year.

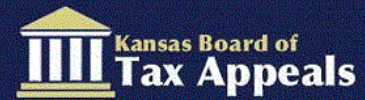
Last but not least is Cindy Brenner. Cindy works so well with all of us, with the managers and employees of all of our venues, with the educational folks, and with the entertainment. Watching it all come together is amazing. All of us owe Cindy thanks not only for everything that got done, but for doing it all so well.

Thankfully, we belong to an organization of some of the best our world has to offer.

We were better together in Wichita in 2017. Full conference attendees numbered 178. Education-only attendees numbered 35. Of that total, 157 were from Kansas. 55 folks golfed and 20 went to the fun center. Financially it appears that we are just below break-even. Our next event will be the Kansas Orion Users Conference tentatively scheduled for October 26 -27 in Wichita at the Technical Training Center, as in past years.

We're always aware of reappointment, but this year it seemed somehow stranger than in prior years. For one thing, there are a significant number of counties open. But the negotiations, getting the signed contracts and resolutions, just seemed, well... *weird*. Conversations with some of you tended to confirm that it was different this time around. Our world is, for lack of a better word, unsettled. And while those openings translate into new opportunities, they also bring closure to a chapter in our lives that we may or may not be prepared to embrace, leaving us unsettled.

Thankfully, we belong to an organization of some of the best our world has to offer. The support and friendship evident in these unsettled times was confirmed at conference. Our profession necessitates the closeness we experience with one another. Thank you for your support of our conference, for supporting KCAA and especially for supporting one another.



Interesting BOTA Ruling

By Steve Bauman, RMA,
Shawnee County

Appraiser submitted a recent BOTA ruling that shows some close reading and statute application by the county. One key decision was that the county counselor is not the "county appraiser or the county appraiser's designee" when asking for information prohibited in 79-1412a. The order is *Menard's vs. Shawnee County*, Docket No. 2016-2946-EQ, which can be found at <http://www.kscaa.net/kcaa/Menard.pdf>.

Avoidance

Submitted by Eugene Rupp, RMA
Ellis County

It appears some people will do anything to lower their taxes.



Board Meeting Highlights

KCAA Executive Board Meeting
Tues., April 18, 2017, Sedgwick
County Appraisers Office, Wichita

Attendees: Lori Reedy, Barb Esfeld, Patti Israel, Mike Borchard, Connie Lawrence, Lisa Ree, Melinda Latham, Kenton Lyon, Steve Bauman.

Previous meeting minutes: Motion to approve the minutes as written, seconded, approved no opposition.

Financial Report: Cindy will add line item for NCRAAO Expenses to go along with the NCRAAO Income.

Treasurer’s Report: Lisa provided Treasurer’s report. All balances equal, no discrepancies.

IAAO-South Central Chapter, Conference: Lori Reedy will attend as KCAA representative, Barb Esfeld will be using the free registration for affiliates.

2017 Conference: Discussed the conference, silent auction, Cowtown event, retirees. Retiree list to Cindy by May 1st; recognition will be Monday afternoon and retirees will be invited to stay for Monday evening.

DAASC Project: Continue to give data to DAASC, but where does it go from there? Keller & Craig presentation at KAC. They are waiting on a list to get county data. Some counties are ok with it, others not. Some counties have subscriptions to get data—what about them? Mike Borchard will be contacting Brad Eldridge (Committee). There are numerous other entities wanting this information.

SB 167. This bill is not going anywhere. Kenton feels that appraisers are “on the radar”; how do we get off the radar? Barb discussed transparency and the need for that. Steve suggested appraisers not push agendas.

Education: Cindy gave report on class numbers.

Other Business:

- 2018 Conference, June 10-13, Dodge City KS
- Lisa brought copies of taxpayer brief for commercial salt water case. Very little horizontal drilling occurring now, according to Lori.

Meeting adjourned

The Appraiser’s Office has identified 13 properties that may be eligible for relief.

Esfeld noted. After the tornados that hit Greensburg in 2007 and Hoisington in 2001, county officials didn’t have the authority to offer tax relief such as this.

“You paid 100 percent tax for property even if it no longer existed,” Esfeld said. “After the Greensburg and Hoisington tornados, the (Kansas Legislature) knew that they had to do something.” Counties were given the authority to pass a resolution such as the one adopted on Monday.

After the commissioners voted to adopt the resolution, Esfeld said her office has already prepared a letter that will be sent to the affected property owners. They will also receive an application for the tax relief. Each case will be evaluated and brought to the commission for final approval. The Appraiser’s Office has identified 13 properties that may be eligible for relief.

The commissioners said it’s only right to help property owners.

“I have always been very vocal about the State when they take away the power of the county to tax,” Chairwoman Jennifer Schartz said. “I’m really in favor of this.”

Commissioner Alicia Straub agreed, saying she was pleased that small cities and townships reportedly won’t be greatly affected by the loss of tax dollars. “It is important to help people affected by this,” she said.

County Approves Tax Help After Tornado

By Susan Thacker, June 12, 2017
 Reprinted with permission Great Bend Tribune

Barton County residents who lost their homes or saw major home damage from last month’s tornado may get a break on their property taxes this year, thanks to a resolution passed Monday by the County Commission.

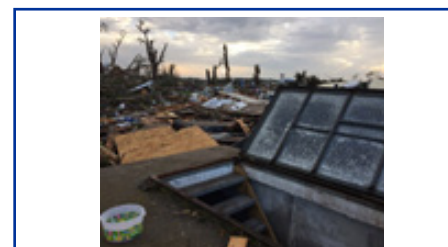
County Appraiser Barb Esfeld recommended that the commission approve the resolution.

It allows homestead owners to apply for a tax abatement or credit if their house was “destroyed or substantially destroyed by a natural disaster.”

Esfeld explained that the county defines a “homestead” as the actual dwelling and a garage, but not barns or other outbuildings. “Substantially destroyed” is defined as 50 percent loss or greater.

While the loss of tax dollars to the county won’t significantly affect the budget, her office also checked the impact on small towns and townships. “They won’t be affected that much,” she said.

There are many things the County Appraiser’s Office has no control over,



See KWCH12 Twitter feed for photos and video of the May 16 tornado damage in Barton County.
<https://twitter.com/i/moments/864826494509621248>



The Director's Update...

By David Harper, AAS, RMA, Director, Property Valuation Division

Early indicators are that approximately 15% of the counties will be making changes in the office of county appraiser. If this holds true, it will be the largest turnover I have witnessed in my time at PVD.

July 1 marked the date each county is to appoint a qualified appraiser to fill the office of county appraiser for the next four-year term. Things tend to get interesting during this process, and early indicators are this year will be no different.

As of July 1, PVD had received resolutions for appraiser appointments in just over 60 counties. Several more counties have announced the reappointment of their current appraiser but have not yet sent in their resolution. Early indicators are that approximately 15% of the counties will be making changes in the office of county appraiser. If this holds true, it will be the largest turnover I have witnessed in my time at PVD. In addition, approximately 7% of the counties are appointing interim appraisers for terms up to six months, to allow the county to conduct an adequate search for the four-year replacement.

Currently, six of the appointments are of first-time county appraisers. To

assist the new appraisers, PVD is going to continue, and expand, our communications through more regular phone conferences between PVD and the new appraisers. Appraiser participation is voluntary, but our goal is to address current topics and common questions that the new appraisers likely share.

Along with the counties, PVD continues to experience changes within our organization. One of the new appraisers recently appointed is former PVD staff Wendy Dunagan, who resigned June 30 to take the county appraiser position in Trego County. Wendy has represented PVD in the southwest quarter of the state since August of 2006, and while she will be missed here, I wish her all the best in her new job.

In the past month, PVD did welcome Dianna Carter and Melanie Rowlison to our team. I am excited about the appraisal knowledge and experience both bring to PVD. I am confident their

perspective on our duties from their time as successful county appraisers will greatly benefit us. Dianna will serve as the commercial appraisal specialist and Melanie as a property appraiser II with the field staff, but I anticipate their duties and contributions spreading to many aspects of the appraisal process.

I am also pleased to announce the recent hire of Mark Parcaro as property appraiser with our field staff. Mark brought a strong GIS background to PVD and has been rapidly absorbing the intricacies of the Kansas mass appraisal system. In-house, we have juggled several assignments to fill recent vacancies. Beth Shaw has moved from field staff to the CAMA section, and with her appraisal background, will be a strong asset for the CAMA team. Nikki Larson has taken over the duties of education coordinator following the retirement of Marilyn Cathey, and I am confident she will maintain the high standards of our education program.

In closing, I would like to compliment Kenton Lyon, Jami Clark, Cindy Brenner and all involved with the 2017 conference on a job well done. It was an outstanding conference, and I very much appreciate PVD being allowed to participate.

PVD Retirements

By Lisa Ree, RMA, Ellis County

Marilyn Cathey and Mike Hauptman both survived years of dealing with county appraisers and their staff. Marilyn had 29 years at PVD and Mike had 16.

It was standing room only at the reception. PVD Director David Harper had wonderful things to say about both. I know PVD and the counties will miss their help, knowledge and patience. Happy retirement!

Marilyn Cathey and Michael Hauptman at their retirement reception.



—Photos by Nikki Larson, PVD



Marilyn Cathey and David Harper



Michael Hauptman and David Harper

New IAAO Designees

Douglas and Lyon county appraisers earn RES designation



Shawn F. Showman, RES, met the requirements for the Residential Evaluation Specialist designation in April. Mr. Showman has been Appraisal Manager for Douglas County, Kan., for nearly three years.

He began with the county in 2008 and served as Residential Appraiser II before assuming his current position. Mr. Showman holds a Bachelor of General Studies in history with a minor in geology from the University of Kansas, Lawrence, and has a Registered Mass Appraiser designation from the State of Kansas. He is a member of the Kansas City Chapter of IAAO and was a co-speaker at the 2015 GIS/CAMA Technologies Conference. He has been honored by the University of Kansas as a Mount Oread Scholar and is a member of the Hugh O'Brian Youth Leadership Alumni.



Ryan Janzen, CAE, fulfilled the requirements for the Certified Assessment Evaluator designation in April. Mr. Janzen serves as Commercial Appraiser for the Lyon County Appraiser's Office, Emporia, Kan., a

position he has held for the past five years.

He began his assessment career in 2009 as Residential Appraiser with the Marion County (Kan.) Appraiser's Office. Mr. Janzen graduated from Ottawa University, Ottawa, Kan., with a bachelor's degree in accounting while being a two-time Academic All-American in basketball. He earned his Registered Mass Appraiser designation from the State of Kansas Division of Property Valuation in 2014.

Reprinted with permission from Chris Bennett and IAAO.

Honoring the Past ... Educating the Future

El Dorado: 1958 Tornado Victims' Memorial



Kansas communities are no strangers to violent weather. El Dorado has a history of tornadic weather when the young town was struck in 1871, in 1905 and then again in 1914. But it was the "the backward tornado" on June 10, 1958, that remains in the memories of residents living here at the time.

Older citizens recall that fateful day, June 10, 1958,... when El Doradoans were helpless against the fury of Mother Nature for two minutes. Thirteen people lost their lives and over 80 people sustained injuries as the tornado tore a 350 yard swath through the Graham Addition in southwest El Dorado. It tracked to the southeast instead of the normal northeasterly course, thereby earning the nickname "wrong-way, or backward tornado."

On June 10, 2008, at 5:30 p.m. members of the El Dorado Rotary Club dedicated a memorial to the 13 victims who lost their lives to the 1958 tornado. The memorial was built with funds raised by the club, and features 13 pillars and a wind harp which captures the wind's soft melody. The wind harp, designed by artist Ross Barrable of Pagosa Springs, Colo., has been placed on top of a bending pedestal, which represents the community whose spirit was bent but not broken that day. Read more and find map to the site at <http://bit.ly/2gMvQ4F>.

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This series presents items of interest in Kansas counties such as landmarks, structures, events, architecture, etc. —but only with your help! Every county has something of interest. Look around and send the info and photos to Rick Stuart at rstuart17@cox.net.



IAAO Member News

Thanks to all of you for your support of the IAAO.
What a great number of names!

New members: Seth Nonamaker, RMA, Dickinson County; Brad Gaughan, Wyandotte County; Danielle Kiefer, RMA, Doniphan County; and Van McQueen, Ottawa County.

5 Years: Maria Castillo, RMA, and Shonda Sauseda, Finney County; Mark Adam Wilson, RMA, Montgomery County; and Karen Miles, Sedgwick County.

10 Years: Janae Robbins, RMA, Wyandotte County; Scott Porter, RMA, Johnson County; and Barbara Goff, Douglas County.

15 Years: Elizabeth Kohake-Roeder, RMA, Nemaha County; and William Neal, II, RES, RMA, Johnson County.

30 Years: Terry Gessley, Wyandotte County; Kathy Hansen, RMA, Smith County; and Tom Fuhrmann, Grant County.

35 Years: Rick Stuart, CAE, TEAM Consulting; and James Mark Hixon, RMA, Cherokee County.

Money Buys Power

By Mark Hixon, RMA, Cherokee County Appraiser

I know...you're all like *derr*. That's something we learn before we are old enough to make a contribution to our favorite politician. But I'm not talking about politics. While the question I am about to ask could lead to another political debate and exemption statute, the question is a legal and appraisal one at this point.

The question: Are race cars exempt from property taxes?

In Kansas, the default position is that taxation is the rule and exemption is the exception and any doubt is to be decided in favor of taxation. And K.S.A. 79-101 basically says that all property not expressly exempt is taxable. So, unless I missed something in the exemption statutes, race cars are taxable.

That leads to the most obvious next question: How many race cars in this state are being taxed?

I'm not talking about the bonehead with the hopped up Mustang shredding his tires on Main Street. I am talking about real purpose-built race cars that are not street legal and only run down a 1/4-mile race track.

This question first came to me back in the '80s. One of my employees in Barton County had a son who had a Pontiac Firebird race car and she didn't know how to value it for tax purposes. The PVD doesn't have a guide and he paid WAAAAY more than the NADA guide said a car that age was worth. And then we found that his would be the first and only race car in Barton County on the tax roll. That meant there were no other cars we could use as benchmarks. So, we put our heads together and quickly learned what every racer knows—speed costs money, how fast do you want to go?

The Firebird that started this whole adventure was capable of running the 1/4-mile in the low 10-second range. At the time, it was a \$10,000 car. Today, just the engine in a car capable of running that fast will cost \$20,000 or more.

In doing some research, we found cars that had sold, we knew what bracket (speed range) they ran in, and

we knew what they sold for. Then we came up with a matrix for predicting what the value of a car was based upon how fast it could cover 1,320 feet of asphalt. I had visions of doing multiple regression analysis with the data, but didn't want to bother Jean Hostettler with it just yet. It was a reliable enough guide in our little market.

My next move was to politely ask the track operator for a list of participants at his events so that I could politely request that they render their cars for taxation. He impolitely assured me that he was never going to provide me with such a list. To which I responded that I would merely issue a subpoena for the list. He then suggested I could do something with my subpoena that would have been extremely uncomfortable and would have surely rendered it inadmissible in court. Well, that was where the conversation ended.

But very shortly after that, I got a call from an attorney who represented the race car owners of Barton County. He informed me that he had called the county appraisers in seven other counties where he knew there were race tracks and found that there were no other counties that taxed race cars. I pointed out the statutory dilemma and the notion that it might just be possible that this was something we had all been overlooking but were not obligated to do so in perpetuity, but I would do some further investigation.

My investigation involved calling about a dozen of my colleagues, and it confirmed what Mr. Attorney had claimed. So, I wrote a letter (way before Al Gore invented the interweb) to the PVD director, Terry Hamblin, explaining the situation to him and reminding him of his obligation to ensure statewide uniformity and assuring him that I would do nothing further until I received a Directive or other compelling document from him regarding the issue of discovering, listing, and valuing race cars—statewide. Then I called Mr. Attorney and told him he could advise his clients that I did not intend to treat



The question: Are race cars exempt from property taxes?

them differently than their counterparts in other counties.

If you've read this far and you know anything about the racing world, you have noticed that I have focused on 1/4-mile drag racing, and you also know that is only the tip of the iceberg. There is 1/8-mile drag racing, dirt track, road racing, off-road racing, stock car racing, and then there are the motorcycles. There may be millions of dollars of taxable property out there just being overlooked.

So, it's 1980-something again. I am again asking the question: Are race cars exempt from taxation? I know the answer is "NO," but I suspect the complete answer is "Not yet." No one has put them on the tax roll. But if anyone did, it would simply result in another exemption statute. Or would it? C'mon... someone give it a try!

OCTOBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

Mark Your Calendar!

**The KS Orion Users
Conference**

October 26-27, 2017 | Wichita

More information and a registration form will be available soon on the KCAA website at www.kscaa.net.



The KCAA/NCRAAO joint conference was held at the Wichita Marriott last month, and by all accounts lived up to its theme of “Better Together.” Nearly 180 attended the full conference, while 35 attended only the educational sessions. Our thanks to all who participated this year and helped to make it such a success.

Opening Session

Bringing Life Back Into the Office

By Heather Poore, RMA , Rooks County



Bill Cordes

The room was groggy for the opening session of the NCRAAO conference; after all, the HomeBrew Band kept the opening reception going well into the night. Bill Cordes, The YOGOWYPI Guy, introduced the NCRAAO conference to a better way to engage, enrich and rekindle the passion for the appraisal business.

Cordes shared his recent humorous experience with a kindergarten class. Basically, it all boiled down to a kid saying something to the effect, “If someone’s car is on fire, give them a ride home.” We as people want more than just showing up to a job.

He went on to describe the differences between “eager” vs. “willing.” Eager is to create, while willing is more about waiting to do what is asked. He then asked for a volunteer. Yours truly was one of a handful to raise her hand. As a nervous laugh went around, he explained about the conditioning of a child. When that kid is in kindergarten, volunteering and participating is easy. Ask a group of kids for a volunteer and all hands go up. But ask a group of adults, and there are just a few. “What happens?” he asked the group.

Participation is the key to being more than a person who goes through the motions. Since adults are already conditioned to go with the herd, this is quite a challenge to think differently. It is okay to make mistakes; be excited

about the next time around because you will do better.

Cordes then led the group through a series of (somewhat humiliating) exercises. However, as the games of clapping got going and the finger-grabbing trash talk elevated, the competitiveness was felt in the room. As appraisers, it is hard to take the criticism from the public. It is hard to swallow those mistakes made in the office. But the idea of the exercises was to show that even though as individuals in this position we are exposed to negative feedback, it does not mean that the job is being done wrong. Bring the energy and avoid just showing up; it will bring positive energy back.

“Sometimes it is hard to GET it,” Cordes says. GET, or G = E + T, stands

for Growth = Energy + Time.

This is difficult, as many, just put in the time and go home. Really good leaders, he says, make the choice to bring energy and make it ABOUT time.

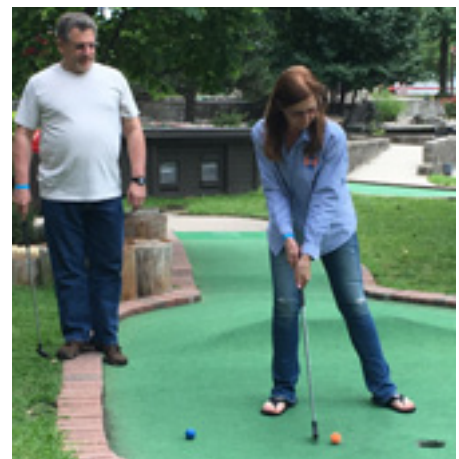
The group was then asked to sit at a table of strangers. Then the project was to draw and write about people we admire, things we want to do and childhood memories. Then these things were shared with the strangers. The obvious goal was to open you up. It felt awkward to some, but then again when tables switched again there were continued conversations about it.

Cordes introduced the 10-80-10 rule. This is that 10 percent of the public will not like the office; there is no changing their mind no matter what. There is absolutely no reason to try to change their mind or continue down the negativity path. On the other side, the 10 percent are the folks that know that it is the requirements of the job. These people are the cheerleaders! The 80 percent is the neutral territory. This part of the public has a basic understanding but needs more education. This is where the opportunity arises to forge better relationships and knowledge about the profession.

In closing statements, NEXT is the four-letter word that Cordes says to focus on. To know the strengths and weaknesses in the office, in the staff is just the first step. Bring the energy and be eager to go to work. After all, you only get Out What You Put in (YOGOWYPI)!



Evelyn Kwapnioski & Heather Hiller, from Iowa.



Linda Morris & Rob Harshberger, from North Dakota.

Education Session

Advantages of Auctions vs. Traditional Real Estate Transactions

By Melissa Crane, RMA, PKM, Atchison Crane

When we think about auctions, how many of us picture estate auctions with lots of furniture, household items, tools from the garage and outbuildings and hours of waiting around for the one or two items you want to bid on to come up on the block?

Conversely, what do we envision for the process of selling a home? Listing with a real estate agent, time on the market, having the house in tip-top viewable condition 24/7, contracts in lieu of financing or in lieu of the buyer's house selling, contingencies, inspections, and so on. Ty Patton, general counsel for McCurdy Auction, LLC of Wichita, was there to enlighten us about the world of real estate auctions and the advantages of choosing this method over the more traditional type of real estate transaction.

McCurdy Auction started as a traditional auction company, but as the market changed, the company changed to keep up with today's trends. More people are turning to online auctions for the traditional auction items. McCurdy turned to real estate, starting with mostly farm properties. It took the owners of the rest of the property types a while to realize that auctions really work. Like many trends, real estate auctions were more popular on the coasts and have gradually gained popularity here.

This is basically how it works:

- The seller lists the property with the auction company and agrees to the methods and budget for advertising.
- The seller has to decide if it will be an absolute auction (no minimum bid once the auction is opened) or a Reserve Auction (meaning the seller has the right to refuse the bid).
- They establish the auction date and about one month out, the auction

company markets the property using things such as drone videos, Facebook, billboards, Pandora, internet, newspapers, flyers, email contact lists, etc.

- The seller pays for the title insurance ahead of time.
- They hold the auction.
- The bidders are screened and have to agree to a sizeable earnest money deposit that day if they are the winning bidder. Could be \$10,000 to \$15,000 for nice homes.
- The buyer pays 10% over their bid. Three percent goes to each Realtor if there are any involved, and the rest is for the auction company fees.
- It is contingency free. There are no inspections, financing, negotiations. At auction, if they say they will buy it, they buy it. It is an effective way to sell the house without lengthy marketing times.
- Most of the buyers and sellers are under no duress. Most commonly they are arm's-length transactions. Even the absolute auctions. If there are not enough bidders present, the seller could choose to not open the auction at that time.

Ty had some pretty convincing reasons for thinking about auction as an option, including a recent example of a country home on acreage with a pond that sold recently for \$990,000.

Ty had some pretty convincing reasons for thinking about auction as an option, including a recent example of a country home on acreage with a pond that sold recently for \$990,000. It sparked a lot of interest, had a sizeable number of bidders show up and ended up selling for quite a bit more than the county appraiser's estimate of market value. You have to wonder if the last few bidders got carried away in the competition of the bidding causing this particular house to sell for an amount that was above market value. That, of course, is every seller's dream come true.

To wrap this session up—and for all of us who came from miles around just to hear him make that rhythmic sound—Ty auctioned off a pen to the highest bidder.

Hey, well all right sir, what are you gonna give for 'em. I have a 25...I ought a get 35. And now a 50...make it 50... bid it along at 50. Now 60...will ya give me 60....



Tied Up. Della Rowley stays neutral as David Harper in his KU tie (center) and Greg McHenry in his K-State tie show their team pride.

KIOGA Demonstration

By Heather Poore, RMA, Rooks County

On June 19, the KIOGA (Kansas Independent Oil & Gas Association) members demonstrated various jobs performed in the oil and gas industry. Several NCRAAO members took advantage of the demonstrations and the working scale model of a drilling rig hosted in the conference hotel parking lot.

Members were able to view what an “oil blanket” was and the purpose of keeping that blanket in the gun barrel. Lance Wolters, president of McDonald Tank & Equipment Co. Inc., enjoyed having participants shake water/oil jars to demonstrate how water is separated in the gun barrel and then transferred into stock tanks. Representatives from Foley Equipment (Don Wagner), Sunrise Oilfield Supply (JD Rebel and Jeff Bloomer), Kansas Oil & Gas Resources Fund (Warren Martin), Coffeyville Resources Refining & Marketing, and Allen Rempe also spoke of the importance of the industry for their businesses.

The scale model of a working drilling rig built by Clarence Denning was a popular area, where Scheck Oil’s Tim Scheck also helped with the explanation of casing, tubing and rods. A consistent concern was the safety of the fresh water supply and the efficiency of the units. Another interesting stop was the Bear Petroleum LLC demonstration of down-hole logging as well as the Greisel Oil trucks that showed the operations of a field pulling unit. Differences between a single barrel and double barrel were described in detail.

Thank you to all the participants in this demonstration.



Working National 370 Rotary Drilling Rig at 1/8 scale. Built by Clarence Denning, of Colby.



Tom Scheck (right), of Scheck Oil in Russell, KS, with Wendy Prosser, Barton Co., & Jeremy Hendren, Chautauqua Co.

Education Session

Capitalization Rate

Presenters: Jim Keller, MAI & Matt Speer, MAI

By Lisa Ree, RMA, Ellis County

Keller, Craig & Associates is contracted by counties to perform a cap rate study for income-producing properties such as apartments, industrial, office, retail and hotel/motel. The process begins with gathering all commercial sales designated by the county as valid. Each sale is researched and data such as sale price and income is verified with the buyer, seller or agent. If the sales data cannot be verified, then it will not be included in the study. Sales gathered from fee appraisals can also be used, if the data can be verified.

Another source of income and sale information can be LoopNet.com. Besides property information, asking price and rental rates, LoopNet also lists market trends and demographics for the area. A cap rate may also be listed. Mr. Keller warned that once a property sells, LoopNet removes the listing from its website. He suggested capturing and retaining the web information for future reference.

Keller, Craig & Associates prefers to use a combination of income and expense survey data and sales data in developing a cap rate. They do use national surveys, such as Realty Rates, to confirm any perceived trend. The national surveys may not directly reflect your own local markets but can be used to compare with your analysis. Local mortgage brokers, bankers and fee appraisers can also be a good resource to verify a trend in investment expectations.

Mr. Keller stressed that he wanted the participants to understand the difference between return *on* investment and return *of* investments. Return on investment can be considered guaranteed. If you put money into a certificate of deposit, when cashed in you get back the money you put in plus interest earned. Return of investment is

continued on next page



September 24–27, 2017
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Capitalization Rate, continued

not guaranteed. Your investment can appreciate or depreciate. Cap rates include interest rates because of the return on investment.

One thing that I found interesting is that Mr. Keller expects that within five years, income data will become more readily available to county appraisers, fee appraisers and the public. He also believes online sites such as Zillow will start including rental information and net operating income for commercial properties.

Fun in Old Cowntown



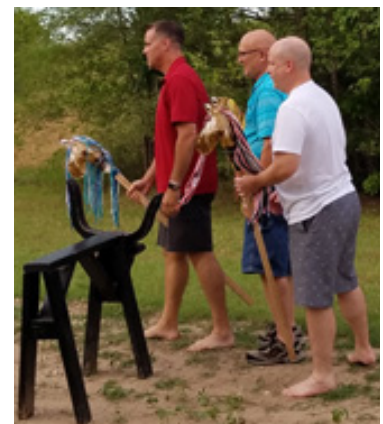
Ryan Michaelis (in the hat), of Wabaunsee Co., teaches how to rope the “steer.”



Cowboy Day winners. Team Legendary (l-r): Bob Ehler with Vanguard (Iowa); Ross Dettmann, Paul Fracassi & Linda Morris—all from North Dakota; and emcees Crystal & Steve Miles.



Karen Spencer, Barber Co., runs the barrels (“riding” side saddle)



Riding bareback & barefoot.



(L-R) IAAO President Randy Ripperger and Tracy DeJong, of Jasper Co., Iowa, practice their roping technique.

Congrats to New RMA’s



RMA presentations were made at the recent KCAA/ NCRAAO conference. Nine new RMA’s were recognized bringing the total count of RMA’s to 296.

Front Row (L-R): Nicole Reid, Marion County; Mary Carter, Johnson County; Rebecca Roberts, Johnson County; Jonathan Epperson, Johnson County.
Back Row: Vincent Tobin, Johnson County; Eric Serrano, Johnson County; Cody Sosna, Johnson County; Kenny Jenkins, Johnson County. Not pictured: Daniel Mesalles, Clay County.

Education Session

Maybe the Perception Problem Is Us

By Heather Poore, RMA, Rooks County



Greg McHenry

Greg McHenry, AAS, RMA, and Allen Todd, RES, RMA, from the Riley County Appraiser's Office, presented this tough topic "Promoting Your Office."



Allen Todd

How do you change public perception? McHenry says that the first step is to identify why the office needs to promote itself. Riley County identified the following: public perception, policy makers and "mad as hell" patrons.

McHenry believes that his office was spending too much time defending the role of the Appraiser's Office in taxes. It all hit home when his son asked if McHenry was the most hated man in Manhattan after the latest KSU coach was fired. So McHenry and staff got together to discuss becoming more proactive versus reactive. They began

to talk standards and credibility. Negative talk about the job was limited.

The office morale was considered. The question was how to get the positive word out about the office and the quality work the staff was doing. Presentations were given to local groups such as the Lions Club and business groups. McHenry started to send more e-mail communications to policy makers. All of this helped, but the story still wasn't complete. Then the idea to start videos with 502 Media was born to get the point across even more.

Allen Todd explained that the media group was exactly the target audience they wanted. "We knew that the older generation had their mind made up, they fell into the 10 percent that either loved or hated the office. But what if we could reach the 80 percent? The 20- to 35-year-olds that had recently purchased a home or are thinking about it?" he says.

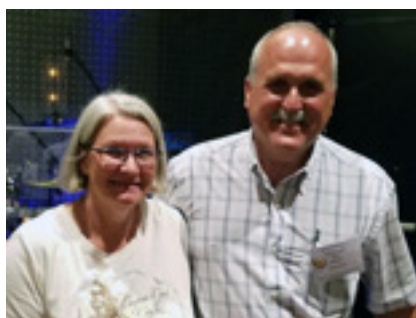
The first video was not verbatim what Todd said, but the point was to break it down so that the general public

would understand the office role and how values are determined. "We are fair and equitable and that phrase is repeated in all the videos," Todd says of the award-winning video.

McHenry said the same questions were repeated over and over with taxpayers. Those were the ones addressed through the videos and presentations. Keeping an open mind and listening, the office identified simple questions like "Why are you at my house?" or "How is market value arrived at?" that can be addressed in a positive way and not "wandering in to the grass" with lengthy explanations.

Todd's advice to the perception problem is to keep the message simple and to know your audience. "Maybe the videos are not in your price range," Todd says. "But if you think before you leap and use your resources you can help the office image."

The video series can be found on the Riley County website at <http://www.rileycountyks.gov/84/Appraiser>



Janet Duever, recently retired Marshall Co. appraiser, with KCAA President Kenton Lyon.

Two retirees made plans to be recognized at the KCAA conference. Between them, there was over 80 years of government service! Unfortunately, Jerry Denney was hospitalized at conference time and was unable to attend, so Janet Duever was our sole attendee.

Janet amassed nearly 40 years of government employment. Most recently she was the Marshall County appraiser

2 Retirees, 80 Years of Service

By Cindy Brenner

since being appointed in 1994. Janet has been a board officer of the NEKCAA many times and also part of several committees on the KCAA roster.

"I appreciated her insight and thoughtful responses to questions that were posed to us, and she is the world's biggest fan of the Pott County Pork & Bean Band!" said KCAA President, Kenton Lyon. Everyone was glad to have Janet with us to enjoy the evening catching up and celebrating.

Jerry Denney has been a county appraiser since 1974. He spent 10 years in Wilson County and has been in Gray County ever since (33 years). Jerry has served on both the SEKCAA and SWKCAA boards and on many KCAA committees over the years.

Jerry shared this story: When he first started, they were called county

"assessors" and in 1977 changed to "appraiser." He thinks it was mostly due to the fact that when the title of assessor was abbreviated, it became County Ass. (Not sure that's the real reason they changed it, but that's his version.)

We wish Jerry could have joined us for the evening. I have received an email from Jerry, and he is doing fine. His hospital stay was nothing too serious.

His longtime deputy and current Gray County Appraiser said, "He's taught me a ton and I'm so appreciative of all his knowledge and patience and teachings."

This is a good time for a reminder: If you are planning to retire this year, please email me or complete the notification form on the website: <http://www.kscap.net/contact-us/>. This will help me get information to you.

Education Session

Unusual Homes, Special Issues

By Heather Poore, RMA, Rooks County

Values of homes are determined typically by market or cost approaches to value. However, what happens when the home is less than 400 square feet or made of Hempcrete? That was the topic of discussion in the “Valuation of Tiny and Unique Homes” session.

Tiny Houses

The typical American home is 2,600 square feet, the value of which depends on the jurisdiction. Approximately one-third to half of the income Americans make is spent on their home (mortgage, taxes, upkeep, etc.). But there is a movement toward the less-is-more way of thinking. There are several reasons why people have joined the tiny house movement; a few include a smaller carbon footprint, financial reasons and the freedom to move.

Tiny homes are typically built on a trailer for mobility but allow for all the comforts of a larger home, like granite counter tops and full bathrooms, in 400 square feet or less. The home is made to feel larger by utilizing outdoor space and large windows. Storage may be put in walls or flooring, and the use of curtains or pocket doors are common.

The question is how to value these homes. In Kansas, it could be a travel trailer or a manufactured home or maybe real property. They could be classified as an RV if they have the 17-digit VIN (Vehicle Identification Number), an electrical system that operates above 12 volts, plumbing and heat, as well as the standard features for RV's listed in KSA 79-5118 and 75-1211 through 75-1225. However, the definition of an RV is that it is built on a chassis and designed primarily as living quarters for recreational, camping, vacation or travel. So by this, even if they have the VIN number, it cannot be tagged as such because it is a home not a recreation vehicle.

A tiny home cannot be valued as a manufactured home as those are 8 feet wide and 40 feet long. There are



Most governments cannot decide where tiny homes fit in the law.

This type of home has little consistency in permitting and zoning throughout the United States.

also manufactured home construction and standards. And the two-part test in KSA 79-340 cannot be proven either, so the home cannot be personal property either.

Most governments cannot decide where tiny homes fit in the law. This type of home has little consistency in permitting and zoning throughout the United States. They are also hard to insure and get financing on. The RCN is the big issue. According to research done by TEAM Consulting, LLC, the average cost per square foot for a tiny house on wheels is \$290 per square foot, with \$198 per square foot for a Park Model home (Escape Model). That is a 19% reduction in price between a tiny home on wheels and one with a permanent foundation. The final decision should be on how the property is used to determine the value of tiny homes.

Container Homes

There are several names for these types of containers: ISO Container, Conex Box, Cargo Container, etc. Several of these are currently being marketed as storage sheds in the area; but now, thanks to their durable, easy design, have started to catch on in the housing market. Some advantages to container homes are that the material is economical (\$1,000-\$2,000 per unit) and plentiful. There are approximately

1 million containers just sitting around ports in the world.

The idea came from Jerry Hartless when he was stranded in the Middle East with his crew and limited housing in 2008. He decided to create Man Camps using the containers that hauled the supplies and equipment over from the United States. When he got back, he founded Build a Box Homes.

There are more than 50 types of shipping containers, but not all are good for housing. However, the differences in purpose or characteristics have their dimensions regulated by the ISO. Standard sizing is 20- to 40-foot long and eight-foot wide. They can be stacked vertically and horizontally. To make them feel more open, again the outdoors is brought in with windows and decks.

According to TEAM Consulting, LLC, the cost to finish these containers runs about \$50–\$150 per square foot. The average finished container is \$125 per square foot with windows and \$110 per square foot without windows. At this time there are no sales to estimate the depreciation or economic life of these homes. Again, just like tiny homes, the financing and the insurance can be difficult to get.

Other Homes

Due to time constraints, hemp mud homes and straw homes were briefly touched on. These homes have several advantages such as insulation, naturally pest resistant, and energy savings. These homes again have trouble securing financing and insurance. These homes are considerably low cost to maintain and build just like a wood home.

Bottom line, these homes are difficult to value due to the limited sales. Ultimately, each of these homes will need to be valued on a case-by-case basis. Valuing these homes should become easier as these homes pop up more in Kansas jurisdictions.



■ Laura Kussisto, *The Wall Street Journal*, March 24, 2017. "U.S. new-home sales increased sharply for the second consecutive month in February, an indication that growing demand and a pickup in constructions activity could help propel a strong spring selling season for this segment of the market."

■ Jeff Collins, *Orange County Register*, March 29, 2017. "Proposition 13, the voter approved initiative that caps property taxes in California, is a chief cause of the state's exorbitant impact fees on new-home construction, according to a policy expert who addressed California Realtors Tuesday."

The Orange County Register reports:

Chris Hoene, executive director of the California Budget and Policy Center in Sacramento, said at a California Association of Realtors conference in Los Angeles Tuesday that local governments need to boost local property taxes to gain flexibility to address housing costs in their areas." Editor's Note: Good article and particularly on a commercial loophole in Prop 13. <http://bit.ly/2ngT5lF>

■ Laura Kussisto, *The Wall Street Journal*, March 29, 2017. "U.S. home prices rose in January at their fastest rate since mid-2014, a trend that bodes well for sellers but could start

to eat into demand as buyers get priced out of the market. The S&P CoreLogic Case-Shiller Indices, which cover the entire nation, rose 5.9% in the 12 months ended in January, the strongest increase in 31 months, up from a 5.7% year-over-year increase in December." <http://on.wsj.com/2ocDMMq>

■ Jonathan Spicer, *Business News*, March 21, 2017. "The run-up in U.S. real estate prices could potentially amplify any future economic downturn, a Federal Reserve official said on Tuesday, urging regulators globally to consider tools beyond interest rates that could help cool the sector. A sharp downturn in U.S. residential and commercial property prices in 2007 and 2008 rocked banks that were highly leveraged in the sector, sparking the global financial crisis and deep recession. With the economic recovery now well under way, bank holdings of commercial and apartment mortgages rose 9 percent and 12 percent, respectively, in the past year." <http://reut.rs/2mOZJ2l>

■ www.nreonline.com, March 20, 2017. "The overall delinquency rate for U.S. CMBS loans climbed by 13 basis points in February month-over-month, to reach 5.31 percent, according to a recent report from research firm Trepp LLC. The rate is the highest the firm recorded in 18 months. According to Trepp researchers, the increase was caused by \$2.3 billion in newly delinquent loans. "A sizable portion of that \$2.3 billion came from notes that were current, but are now 'non-performing loans that are beyond the maturity data,'" they write."

Editor's Note: CMBS is

commercial mortgage backed securities and is a component to watch relating to commercial property valuation. <http://bit.ly/2o4z9ml>

■ Paul Bubny, www.globest.com, April 3, 2017. "Led by the residential sector, construction spending during February reached a seasonally adjusted annual rate of \$1.193 trillion, the Census Bureau said Monday. It's the highest level since April 2006, although the rebound from the previous month's 0.4% drop was lower than economists' estimates." <http://bit.ly/2o68wBm>

■ www.realtor.com, April 10, 2017. "In the Mortgage Bankers Association's most recent weekly measure of purchase loan data, the average recorded size of a home loan was \$318,200 — the largest recorded in the history of the survey, which has been running since 1990. The recent increase in mortgage sizes, which have risen throughout the recovery, is owed to more leveraged properties, not just more expensive ones."

The median down payment for a new home in 2016 was 10%, or 6% for first-time buyers. In addition, while the median mortgage size was only about 3.3 times the median annual income when the MBA began its survey, the median mortgage size is now five times the median income." <http://bit.ly/2okzBAq>

■ *Eye on Housing*, April 10, 2017. "According to the Federal Housing Finance Agency (FHFA), the leverage or loan-to-value (LTV) ratio, which compares the value of a home loan to the purchase price of the home, increased by 140 basis points in 2016, up to 79.2% from 77.8% across all purchases. This figure, which is the highest LTV ratio recorded since the recession, reflects the growth in the LTV ratio on previously occupied home purchases." <http://bit.ly/2png14k>

Editor's Note: Personally, I do not like these last two articles and the many potential problems they may cause.

continued on next page



Rick Stuart, CAE, is a senior consultant with TEAM Consulting LLC and lives in Topeka, Kan. Email: rstuart17@cox.net.

REAL ESTATE NOTES, continued

■ Mike Murphy, *MarketWatch*, April 10, 2017. "What sounds like a great bargain in San Francisco gets less appealing the longer you read. It's about a 7,200-square- property in a ritzy neighborhood with views of the Golden Gate Bridge for the bargain price of \$35,000. The only catch is this property is an alley (shared-driveway) that you can't build anything on. Plus, you have to pay taxes, insurance, and any maintenance expenses." <http://bit.ly/2okF5tc>

■ Paul Vierra, *The Wall Street Journal*, April 10, 2017. "As of March 2017, Toronto's average home price has risen by a steep 29% year over year. The home sale rate increased 17.7% over the same period. As the city's average home price creeps closer to \$1 million CAD (about \$700,000), federal authorities struggle to curb its overheating real estate market and prevent a potential bubble.

Interest from foreign buyers in hard assets such as real estate combined with a prolonged period of low interest rates has fueled a boom in the two cities [Toronto and Vancouver]. That boom has coincided with a buildup in household debt to record levels." <http://bit.ly/2p0JEh8>

■ Michael Gaynor, *Washingtonian*, April 7, 2017. **Editor's Note:** The article is titled, "How Self-Driving Cars Will Change Local Real Estate" and is an interesting read.

■ Lawrence Yun, *www.builderonline.com*, April 11, 2017. Some interesting statistics about 2016 vacation home sales:

- Sales down by 21.4%
- Sale price up 4.2%
- Overall share of market sales, down from 16% to 12%

■ *www.realtor.com*, April 12, 2017. "The insights from our most recent consumer survey provide a glimpse into what buyers are looking at today," said Sarah Staley, housing expert for realtor.com. "While we often think of

dream homes as being big and bold, that's not what we're hearing from potential buyers today. These insights can help guide potential sellers in deciding which rooms or features to invest in before listing their homes. "

Key findings include:

- Large backyards, garages and updated kitchens top list of most searched attributes
- Ranch-style homes and kitchens rule in 2017
- Privacy ranks as shoppers' top goal for buying, largely driven by buyers over age 45
- Millennial shoppers cite family needs as the primary reason for entering the housing market
- Desire for single-family home rises with age." <http://bit.ly/2pvLNw5>

■ *www.htrends.com*, April 12, 2017. "STR's (Smith Travel Research) March 2017 Pipeline Report shows 571,311 rooms in 4,721 hotel projects Under Contract in the United States. The total represents a 14.4% increase in the number of rooms Under Contract compared with March 2016."

■ Ester Fung, *www.wsj.com*, April 19, 2017. "Internet retailing is eating into mall revenue, but competition from newer shopping centers was the most common cause of death for malls over the past decade, according to a study of 72 such properties. While the situations were different, the dead malls generally struggled to compete with newer malls that offered more modern features and a broader selection of stores, according to Wells Fargo Securities, whose database covers about 1,000 malls." <http://on.wsj.com/2pgrlrln>

■ *www.builderonline.com*, April 25, 2017. "The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 5.8% annual gain in February, up from 5.6% last month and setting a 32-month high." <http://bit.ly/2ovVAGm>

■ *Hotel Business Newsletter*, April

25, 2017. "U.S. hoteliers marked a seventh consecutive year of increasing profits in 2016 despite a slowdown in the rate of revenue growth, according to the recently released *Trends in the Hotel Industry* by CBRE Hotels' Americas Research. Total operating revenue, driven by a 0.2% rise in occupancy and a 2.5% growth in average daily rate (ADR), increased by 2.4% in 2016 for the average hotel in its survey sample." <http://bit.ly/2p3LKKv>

■ *Freddiemac.mwnewsroom.com*, April 18, 2017. With inventory tight, home prices outpacing incomes, and interest rates headed higher, affordability has declined, putting a pinch on prospective homebuyers.

For-sale housing inventory, especially of starter homes, is currently at its lowest level in over ten years. The reasons for the lower inventory are:

- Many homeowners are not selling their homes for fear of not being able to find another home they like and that falls within their budget.
- Some borrowers do not want to let go of the extremely low mortgage rate they currently have.

Editor's Note: These are only a few comments; interesting read. <http://mwne.ws/2p5xMrz>

■ *www.dsnews.com*, March 24, 2017. "Mortgage fraud risk is up across the country, according to the CoreLogic National Mortgage Application Fraud Risk Index (FRI) for Q1 2017. The FRI is a measure of loan-application level fraud risk in the mortgage industry, based on residential mortgage loan applications processed by CoreLogic Loan Safe Fraud Manager. The index jumped 8 percent in Q1, up to 132 from 113 a year ago and 122 last quarter.

CoreLogic notes that although this is the highest level for the Index since Q3 2010, at that time post-crisis controls against mortgage application fraud were tight. The CoreLogic Mortgage Fraud Consortium grew from 50 percent to 60 percent of applications between Q4 2016 and

Q1 2017.” <http://bit.ly/2q838z9>

■ *Orange County Register*, May 8, 2017. “The Department of Housing and Urban Development recently released its latest income limits, which are used by government and private agencies to determine eligibility for various assistance programs. The Orange County Register’s Jeff Collins looks at the new limits around California, which reveal that a family of four earning at least \$84,450 in Orange County or \$105,350 in San Francisco is considered to be low-income.” <http://bit.ly/2qSs9uD>.

Editor’s Note: Sure makes buying a home difficult.

■ *www.realtytrac.com*, May 4, 2017. “ATTOM Data Solutions, curator of the nation’s largest multi-sourced property database, today released its Q1 2017 U.S. Home Equity & Underwater Report, which shows that as of the end of the first quarter of 2017 there were nearly 5.5 million (5,497,771) U.S. properties seriously underwater — where the combined loan amount secured by the property was at least 25 percent higher than the property’s estimated market value.

The 5.5 million seriously underwater properties at the end of Q1 2017 represented 9.7 percent of all U.S. properties with a mortgage, up from 9.6 percent in Q4 2016 but down from 12.0 percent in Q1 2016. The rate in Q1 of 2012 was 27.8%.” <http://bit.ly/2qsuqR7>

■ Robert Frank, *www.cnbc.com*, May 10, 2017. “Sales of \$100 million homes hit a record last year, although a growing number are piling up unsold in 2017, according to a new report. There were 10 homes sold last year for \$100 million or more, according to a report from Christie’s International Real Estate. The total value of nine-figure homes sold last year topped \$1.4 billion..” <http://cnb.cx/2q5TZ7r>

■ *www.builderonline.com*, May 19, 2017. “The Census Quarterly Starts and Completions by Purpose and Design and NAHB analysis reveals



■ Angela Denies, *www.cjonline.com*, May 10, 2017. “From a town with a population of 1,450 people in western Kansas, a group of high schoolers wants to “conquer the tiny house world.” The students brought the 330-square-foot tiny house they began building at the beginning of the school year to Topeka this week and parked it on S.W. Jackson Avenue just east of the Statehouse. The trip took 5½ hours because they pulled the 12,500-lb. house on a trailer along K-4 highway rather than Interstate 70.” <http://bit.ly/2pFS5cU>

that during Q1 2017 median single-family square floor area and average (mean) square footage for new single-family homes declined to 2,389 sq. ft. and 2,628 sq. ft. respectively. In *Eye on Housing*, NAHB chief economist Robert Dietz reports on new single-family home size, which did see yearly increases for both average and median size.” <http://bit.ly/2qyZvRZ>

■ *www.nar.com*, May 15, 2017. “The strongest quarterly sales pace in exactly a decade put significant downward pressure on inventory levels and caused price growth to further accelerate during the first three months of 2017, according to the latest quarterly report by the National Association of Realtors®.” <http://bit.ly/2r8P3C1>

■ Mike Sorohan, *www.mba.org*, May 17, 2017. “The Pacific Northwest stands out as the nation’s hottest residential real estate market, with the Seattle and Portland, Oregon, markets outperforming the country’s other major metros areas, according to real estate analytics firm Clear Capital, MBA NewsLink reported May 17.” <http://bit.ly/2rAQ99z>

■ Laura Kusito and Sarah Chaney, *www.wsj.com*, May 24, 2017. “Purchases of new, single-family homes, which account for a narrow slice of all U.S. home sales, decreased to a seasonally adjusted annual rate of 569,000 in April, down 11.4% from March, the Commerce Department said Tuesday.” <http://on.wsj.com/2rTt9zX>

■ City Lab, May 30, 2017, *www.builderonline.com*. “Much of the talk around retail’s struggles has focused on losing much-needed jobs, but as CityLab’s Alana Samuels reports, tax revenues are also taking a big hit. Small towns across America have already suffered from factory closings, young people leaving for cities, and housing values dropping. With retail closures piling up, these already struggling counties stand to lose a last major source of tax revenue.

Nationwide, sales taxes comprise nearly one-third of the taxes that state governments collect and about 12 percent of what local governments collect, according to Lucy Dadayan, a senior researcher at the Nelson A. **continued on next page**

REAL ESTATE NOTES, continued

Rockefeller Institute of Government, a New York-based research group.” <http://bit.ly/2shlxWr>

■ Off the grid: This house doesn’t need paint, shingles or electricity, *Dallas Morning News*, May 29, 2017. Submitted by Della Rowley, RMA, Geary County, Kans., appraiser.

“This Frisco, Texas house is a worry-free home,” said Jimmy Tanghongs, an engineer that migrated into real estate business. It has nearly 100% masonry exterior, the metal roof is 60% lighter with an economic life of 60 years and the house will generate its own electricity. This 3,600 square foot prototype home comes at a cost of \$700,000.” <http://bit.ly/2qye1qY>

■ *Kansas City Business Journal*, May 31, 2017, www.builderonline.com. “The Home Builders Association of Greater Kansas City reports that builders in the eight-county Kansas City area received 2,059 new single-family building permits in the first four months of 2017—the highest year-to-date total for this period since 2007, when 2,339 single-family permits were issued.” <http://bit.ly/2rFCiPT>

■ The Urban Institute, June 6, 2017, www.builderonline.com. “The Urban Institute’s Housing Finance Policy Center has posted a new blog about the real estate appraisal industry, showing how a slow and inefficient appraisal system gives an advantage to cash buyers. The blog shares insights from a recent panel discussion held at the Urban Institute about how to modernize the appraisal industry.” <http://bit.ly/2rSyKZT> **Editor’s Note:** This is an interesting read.

■ Joseph De Avila, www.wsj.com, June 6, 2017. “Hartford, Connecticut’s capital city and hub of the state’s insurance industry, is edging closer to joining a small club of American municipalities: those that have sought bankruptcy protection. Half of the city’s properties are excluded from paying taxes because they are government

entities, hospitals and universities. Other cities in similar situations include Boston, where just over half of the property in the city is tax exempt. In Baltimore, about 32% of the property is tax exempt, and in Philadelphia it’s 27%.” <http://on.wsj.com/2scB9iA>

■ www.builderonline.com, June 9, 2017. “A new study from Trulia and online dating site OKCupid shows that home prices in “America’s gay neighborhoods have recovered at a faster rate than non-gay neighborhoods.”

MarketWatch staffer Quentin Fottrell reports that in 2012, buyers had to pay an average premium of almost 29%, or \$209 per square foot, to live in communities with a higher share of gay, lesbian and bisexual residents. In 2017, home buyers will need to pay a premium of nearly 37%, or \$320 per square foot, to live in these same neighborhoods.” <http://bit.ly/2shsVfT>

■ Kirsten Grind, www.wsj.com, June 12, 2017. It appears there is a demand once again for subprime brokers. “Brokers willing to learn the lost art of making risky mortgages are in demand again.” <http://on.wsj.com/2tcH2ZW>

■ Esther Fung, www.wsj.com, June 12, 2017. Some of the less desirable malls may not have any stores in the future. This article discusses how the current and future empty store space will be occupied. “Some landlords plug empty spaces with churches, for-profit schools and random enterprises while they figure out a long-term plan. Others see a future in mixed-use real estate, converting malls into streetscapes with restaurants, offices and housing. And some are razing properties altogether and turning them into entertainment or industrial parks.” <http://on.wsj.com/2sTLOfK>

■ Realty Trac, June 14, 2017, www.builderonline.com. “By using data from their Q1 2017 U.S. Home Flipping Report, ATTOM Data Solutions was able to create their home flipping pyramid that gives a break down of home flipping activity. RealtyTrac

staffer Daren Blomquist reports on the pyramid which shows that 69% of the single family homes and condos flipped in Q1 2017 were by mom-and-pop investors who completed just one flip, 20% were middle-tier investors who complete two to nine flips, and 11% were top-tier flippers who flipped 10 or more homes.” <http://bit.ly/2rryTEP>

■ www.info@appraisalinstitute.org, June 6, 2017. “Fannie Mae announced June 6 that it will ease its debt-to-income requirements, raising the ceiling from 45 percent to 50 percent starting July 29, a move that’s expected to make it easier for more individuals — particularly millennials with significant student loan debt — to qualify for a mortgage.” <http://bit.ly/2rt4dy5>

■ www.marketwired.com, June 8, 2014. Freddie “Mac (OTCQB: FMCC) today released the results of its Primary Mortgage Market Survey® (PMMS®), showing the 30-year fixed mortgage rate dropping for the fourth consecutive week and hitting its lowest level in nearly seven months.” <http://mwne.ws/2s1cNlj>

■ Core Logic, June 15, 2017, www.builderonline.com. “According to the latest CoreLogic Loan Performance Insights Report, the share of mortgages in some form of delinquency decreased to 4.4% in March 2017 from 5.2% during the previous year. CoreLogic staffer Molly Boesel takes a look at this report which shows that the share of mortgages in early-stage delinquency fell to 1.7%, their lowest level since January 2000.” <http://bit.ly/2rzLuAP>

■ www.aia.org, June 16, 2017. “Architecture firm billings increased for the third consecutive month in April. However, the Architecture Billings index (ABI) score of 50.9 for the month indicates that fewer firms reported billings growth this month than in March. Firms indicated that plenty of work remains in the pipeline, though, as inquiries into new projects

and the value of new design contracts both increased again in April.” <http://bit.ly/2swlaup>

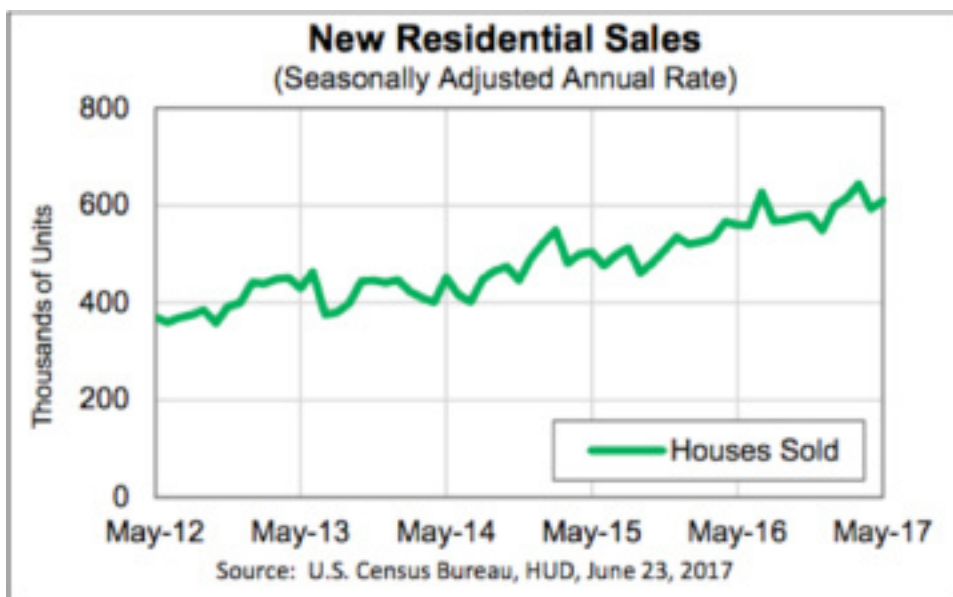
■ Redfin, June 16, 2017, www.builderonline.com. “Home sales were up in May according to Redfin’s Alina Ptaszynski. The median home sale price increased 6.8% in May to \$288,000. Sales increased 7.5% compared to last year, a strong gain despite a severe shortage in the number of homes for sale. Inventory was low in May. The number of homes for sale fell 10.9%, marking 20 straight months of year-over-year declines, though the number of homes newly listed for sale in May increased 3%.” <http://bit.ly/2skmeAy>

■ Smith Travel Research, June 15, 2016, www.hotelnewsnow.com. “During the week of 4-10 June, the U.S. hotel industry reported occupancy fell 0.8% to 73%, ADR rose 1.5% to \$128.37 and RevPAR increased 0.7% to \$93.73.” <http://bit.ly/2rzY9J1>

■ Michael Tucker, www.mba.org, June 22, 2017. “STR, Hendersonville, Tenn., found 580,068 hotel rooms currently under contract in the U.S., a 13.8 percent increase from one year ago. “Under contract” includes hotels in the in-construction, final planning and planning stages, but does not include projects in the unconfirmed stage.

The U.S. currently has 191,832 hotel rooms the in-construction stage, said STR Senior Vice President for Operations Bobby Bowers. That represents a 16.4 percent increase year-over-year in the number of rooms under construction.” <http://bit.ly/2sodRSO>

■ www.builderonline.com, June 26, 2017. “The Pending Home Sales Index decreased 0.8% to 108.5 in May from a downwardly revised 109.4 in April, the third straight month the index has declined, the National Association of Realtors reported Wednesday. The index is now 1.7% below a year ago, which marks the second straight annual decline and the most recent since November and December of last year.



■ Jess Bravin, *The Wall Street Journal*, June 23, 2017. “The Supreme Court on Friday fortified environmental land-use regulations against legal challenges, frustrating property-rights activists who hoped their test case would open a host of development restrictions to constitutional attack.

The case involved a fundamental question in evaluating whether a regulation amounts to a “taking” of private property: Should courts look only at the portion of the property affected by regulation—an approach more likely to find a taking—or at the entire property, in which the value potentially lost to regulation likely would be much smaller. The answer: Regulation does not constitute a taking.” <http://on.wsj.com/2s6HMz0>

This is unique...

Submitted by Phil Dudley, RES, RMA, Ottawa County Appraiser



According to the owner, this is a factory-built split level mobile home. His plans are to restore this unique mobile home and position it somewhere along the Prairie Spirit Trail that runs through Ottawa along an old railroad line. The owner indicated it is a 1959 Pacemaker built in Indiana.