



APPRAISING THE PLAINS of Kansas



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**Tidwell
Receives
AAS**

Congratulations to Ronnie Tidwell, RES, AAS, Sedgwick County, who was recognized at the IAAO Annual Conference in Sacramento for recently receiving his AAS Designation. Great job!

Kansans Participate in IAAO Conference

Kansas was well-represented at IAAO's 80th Annual Conference in Sacramento, Calif., last month. A number of Kansans assisted with this year's conference:

- Greg McHenry, AAS, RMA, Conference Content Committee
- Marion Johnson, CAE, Associate Member Committee
- Rick Stuart, CAE, Infrastructure Review Subcommittee
- Steven Miles, RMA; Gene Bryan, CKA; Scott Porter; and Rick Stuart, CAE, Moderators
- Brad Eldridge, MAI and August Dettbarn, Presenters

Congrats to IAAO on a successful event. Read more about the IAAO conference beginning on page 9.

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Worth Mentioning

Those of you who supported and encouraged me during my tenure are greatly appreciated.

Steve Miles, RMA, Douglas County Appraiser
KCAA President

As the end of my term as president of KCAA nears, I'd like to take a look back. The first time I wrote this column I had just been installed as president. The Oil and Gas Guide Review report was being delivered, and I had to learn quickly what the issues were and what the scope of the review was and had it been met. Working with the KCAA Oil and Gas committee and the Board of Directors, we analyzed it and worked with PVD to raise the awareness for some change in the future guides. Granted, the report didn't reveal what some hoped it would, but it still was a helpful tool to gauge where we were.

The next thing was the Legislature. Watching as our representatives and senators wrangled over changes to statutes and the creation of new ones can make your head spin, but many thanks to those who spent quite a bit of time presenting our professional views in the state capitol. I want to express our gratitude especially to Greg McHenry, Paul Welcome, Gene Bryan and PVD, who I know visited with legislators and testified or wrote opinions to the committees regarding issues that affected our processes.

With the legislative session over, I turned my attention to planning the summer symposium. I wanted to provide you with some motivation, knowledge and a little fun all wrapped up in three to four days' time. There are many details that go on behind the scenes at these events that the participants don't know about. I heard from several who thought it was very helpful to them.

Other things that came up during the year were the Scope of Work document and changes in the compliance guide. As with everything, change is

inevitable. As our job becomes more recognized as a career and profession, it was time to get in alignment with the current standards and practices of that profession. This meant that we had to make the change to writing a scope of work and move toward the newer guidelines of USPAP.

While I am sure that everyone was operating and developing good values for property, the need for transparency and truthfulness, and the proof of that, has become more apparent with the changing society. The compliance guide has evolved over the years. PVD provides this guide as an aid to us as we conduct the business of valuing properties. By following the guide we can perform tasks in an orderly and timely fashion culminating in the final value. One big thing is to be able to explain how and why we came up with the correct value. In some cases, it may save you time and trouble when defending values in appeals—much of the work is already done!

I want to thank the committees for your time and effort over the past year and a half. You are the ones that make many of the policies work within the organization. Active participation by committees is the key to getting things done. I encourage anyone who has not served on a committee to volunteer for one. Let Craig Clough, our incoming president, know of your interests and skills. If you don't get on a committee, just jump in and offer to help. Remember, nobody ever drowned themselves in their own sweat.

Those of you who supported and encouraged me during my tenure are greatly appreciated. Sometimes it was answering a procedural question, other

times it was to provide ideas on topics that needed the group's attention, and then there were the times I just needed to talk something through. I hope that I can provide the same for future leaders of this organization, sort of pay it forward, so to speak.

And so change continues. There will always be something that will require hard work and thinking to get through. As we finish this year and begin another, take a minute or two and see if something needs to change for you, your county or this organization. Don't wait for someone else to take the initiative. Get involved! Lyndon B. Johnson once said "We must take the bull by the tail and look the situation square in the face."

Agenda: KCAA @ KAC

The Kansas Association of Counties Conference is Nov. 12-14, 2014, in Wichita. The KCAA business meeting is on Thursday, November 13 (see below). On Wednesday, from 3 pm. to 4:30 p.m., David Harper and Roger Hamm present a session titled "Property Value Trends in Kansas."

County appraisers are encouraged to attend the entire conference, but there is a one-day only option and an affiliate/associate meeting only (Thursday afternoon) option available. To register, see the KAC website <http://www.kansascounties.org/10/Annual-Conference>.

► KCAA @ KAC Agenda ◀ Thursday, November 13

- 1:00 – 2:00 KCAA Business Meeting
 - Financial Report
 - Treasurer's Report
 - Audit Report
 - Legislative Report
 - Installation of Officers
 - 2015 Budget
 - Cmte. Appointments
- 2:00 – 2:30 Break
- 2:30 – 3:00 Speaker
- 3:30 – 5:00 Committee Meetings

Board Meeting Highlights

■ KCAA Board Meeting Sunday, June 22, Lawrence Holiday Inn

Attendees: Steven Miles, Mike Borchart, Dee Carter, Lisa Reeder, Truette McQueen, Kenton Lyon, David Thornton, Philip Dudley, David Harper, Marilyn Cathey, Gene Bryan, Greg McHenry, Lori Reedy, and Cindy Brenner.

Financial Report: KCAA has a total fund balance of \$294,855.89 of which \$202,936.05 is in the Orion Fund with a resulting \$91,919.84 of operating funds. A/R total is \$51,597.50.

Previous Meeting Minutes: Update minutes to reflect no limit on the honorary members per Gene Bryan.

Treasurer's Report: Lisa gave report, the accounts balance and approved by board.

PVD Contract: David Harper discussed the PVD/KCAA contract. Marilyn provided reports on the KCAA/PVD split and profit/loss of IAAO & USPAP courses offered. David would like classes to be self-funded and still held locally. KCAA paying for class expenses has helped this happen. David suggested the contract could be changed so that PVD only offer PVD classes, no IAAO or USPAP to be offered by PVD. KCAA would be the provider of these classes and not be included in the split. Additionally, KCAA would not receive a split of the PVD classes. This would result in PVD taking on the registration and billing process to fund their classes.

Another suggestion from David was to change the split to 60/40, and KCAA would continue to process registration and handle billing. The KCAA board will discuss the education contract at August meeting. Prior to August meeting, Cindy will provide reports to cover the last three years that will show income/expenses, class profit/loss and breakdown the split.

Education: Course offerings in Finney County discussed. Kenton discussed online classes becoming more and more popular. Live streaming was discussed and that we should be watching that. Regional video-conferencing was discussed as an option for educational offerings.

Oil & Gas: heavy trucks that are not classified commercial were discussed. It was mentioned that Roger tried to clarify in a memo.

Legislation: Congratulations to Greg McHenry on his hard work this year. PVD staff was very helpful this year. Greg suggested for next year that there be a presence there in Topeka (lobbyist) who is in contact with legislators. Greg mentioned Brad Smoot, who is someone he worked with last year. Things that came up for next year: valuation caps, county appraisers being elected.

Greg reiterated that appraisers should be talking to their legislators now, not just when session starts. Philip mentioned that there should be more education of the county appraisers of the issues, so they can keep legislators more informed. Greg mentioned the local Chamber of Commerce would be a good to speak with. State Chamber of Commerce doesn't seem to represent the local chambers' interests. The costs of lobbyist and also what kind of red flag does that raise regarding us looking like we are trying to affect policy was discussed. Gene reiterated that county appraisers need to speak to their legislators early—before the session begins.

Annual Business Conference: Cindy provided numbers of conference attendees. Full-101, Vendors-10, Education-30, Bowlers-32, Golf-40, Monday Eve-27, Tues. Lunch & Eve-16. Transportation is provided for Monday night.

Committee Reports: Personal Property will be meeting tomorrow (Dee). Maintenance Specs will meet Weds.

Education Survey

The KCAA needs your help! If you haven't completed your education survey for 2015, please complete it and return it to KCAA prior to Sept. 30th. We need everyone's feedback to decide what classes to offer in 2015. If you need a copy of the survey, email kcaa@sbcglobal.net or go the links section of the website at www.kscaa.net/links.

Other Business: Request for donation for Kim's IAAO President's reception. Truette made a motion to provide \$750 and motion carried unanimously. Lori reported on Hagemann Trust Fund. Interest is only money that is distributed from the fund. Would KCAA oppose changing the structure? KCAA has no concern but would like to see the fund maintain a healthy balance. Steven will bring it up during the business meeting tomorrow, and anyone has feedback they are to visit with Lori who is on the Hagemann Trust board.

Why we don't offer online payment was brought up by Philip Dudley. Greg will send some information to Cindy, and Cindy will look into options for providing online payment. Gene will get Cindy contact information from KAC regarding their online payment process. Meeting adjourned

7/1/14: The board addressed the continuance of the two courses, "Valuing Manufactured Homes" and "How to Value Low End and Difficult Properties" be offered in Garden City on August 7-8. The majority of members were in favor of providing the courses as a service to the general membership despite the possible loss due to low participation.



The Director's Update...

By David Harper, RMA, Director, Property Valuation Division (PVD)

As a whole, Kansas county appraisers continue to function at a very high standard.

The 2014 Substantial Compliance review is complete and the results are impressive. Only one county failed to obtain the minimum score required to be considered in "Substantial Compliance." From the results of the mid-year sales ratio study, it also appears the county falling out of compliance this year has already taken the steps necessary to improve the statistical measures which resulted in the lower-than-desired total score for 2014 compliance.

When considering these results along with the detail of the appraisal process now provided by all counties in their Scope of Work documents, and with the results of the final 2013 Kansas Real Estate Ratio study (overall market median ratio of 97.1 and coefficient of dispersion of 14.7), it is clear that as a whole, Kansas county appraisers continue to function at a very high standard.

It is no secret that PVD has placed renewed emphasis on compliance review in the past two years. With the time demands on PVD and county staffs during the Orion conversions, the time spent on compliance review dwindled. As we evaluated our performance at PVD during my first months as director, updates to the maintenance specifications and additional training through compliance workshops were areas identified as needing renewed attention. This includes holding ourselves responsible for meeting required deadlines and exploring options for providing additional resources to county assistance.

We are pleased with the results of the joint efforts of PVD and the KCAA Maintenance Specs Committee in rewriting the maintenance and compliance guidelines. However, it should be noted, these continue to be works in progress. I traveled with Bob Kent and Anna Porter to the three compliance workshops this year in the hopes of hearing from the appraisers' questions and concerns on the new compliance

guidelines. The comments at the meetings were limited, but I do continue to encourage comments and suggestions as we work through the annual compliance cycle.

In my opinion, in order to be included in our compliance requirements, a task must be:

- (1) required by Kansas law, rules and regulations or appraisal directive, or
- (2) necessary to promote accurate and uniform values as marked by the sales ratio standards, or
- (3) necessary to provide needed documentation to support final appraised values for all parcels within each jurisdiction.

I believe our field staff performs very well in managing the difficult task of juggling compliance review with county assistance. Not all counties require PVD assistance, but those that do, I believe, will confirm the value of the PVD field staff team. In our recent staff meetings, we emphasized the need now to offer assistance to counties as needed to address items noted on the 2014 compliance reports. We will continue to work with the KCAA committee to evaluate our compliance requirements, but I do hope all county staff will give consideration to the compliance tasks as they work through them in upcoming weeks and months and share with us your comments, both positive and negative.

"I do continue to encourage comments and suggestions as we work through the annual compliance cycle."

Dangerous Profession?

By Associated Press

Submitted by David Harper, RMA, Property Valuation Division

MAQUOKETA, IA — An Iowa man angry about his property taxes was fatally shot during a public meeting Tuesday after he pulled a gun from a briefcase and pointed it at the county assessor, law enforcement officials said. Francis Glaser, a former Maquoketa city manager, had become agitated and vocal about his property taxes going up during a weekly meeting of Jackson County's board of supervisors in Maquoketa, a town about 150 miles northeast of Des Moines.

As the meeting ended in the local courthouse, Glaser, 71, pulled a small gun and fired at County Assessor Deb Lane but missed, Jackson County Sheriff Russ Kettmann said. One of the county's three supervisors, Larry Koos, was nearby and stepped in. He struggled with Glaser, and a second shot was fired. Glaser was hit and died at the scene, Kettmann said.

"He still had the gun in his hand and the trigger finger in the trigger," Maquoketa Police Chief Brad Koranda said. The sheriff said Koos "probably saved a life." He was injured during the struggle, when his arm crashed through a glass door, and was sent to a local hospital for stitches. He was later released. Kettmann said if Koos and others hadn't been there, "it could have been a lot worse."

The shooting occurred during a meeting in which officials were discussing property assessments. Kettmann said Glaser, who was the city manager in the 1990s, had been vocal over the years about his property taxes going up.

Kettmann said the courthouse does not have permanent security measures in place. A metal wand is used during high-profile court cases, and a panic button is available in case of an emergency. The Iowa Division of Criminal Investigation will investigate the shooting. The courthouse was closed after the shooting.

Follow news: Shooter committed suicide. See <http://bit.ly/1mqW49S>

Taxing Changes

New, speedy valuation appeals process could be costing county

By Brady Bauman, bbauman@themercury.com. The Mercury, September 7, 2014. Reprinted with permission. Submitted by Della Rowley, RMA, Geary County

Since 1988 Riley County Appraiser Greg McHenry has made property valuations his career. Before he was appointed as the county's appraiser in 2008, McHenry worked in the Riley County appraisal office as a staff member. During that 26-year span in the department, McHenry had lost just one case when it came to valuation appeals. In May, he lost three.

McHenry believes this odd new territory is due to the recently passed Kansas Senate Bill 231—also known as the COTA to BOTA bill. The new law, signed by Gov. Sam Brownback on May 14, changed the former Court of Tax Appeals to the Board of Tax Appeals and significantly changed the method of its operations. The main mechanism of the entity has been in property valuation, and that mechanism continues, but with a new name.

County tax officials say the change came about because private tax representatives from Kansas City lobbied lawmakers in Topeka to rebrand and reorganize COTA in an effort to make property tax appeals a speedier process. What previously could take months because of a congested backlog of appeals is now supposed to take 14 days. While that sounds good on the surface, the law has unintended—or depending on who you talk to, intended—consequences.

The state disagreed greatly with McHenry's valuation of the property owned by Farm Bureau Mutual Insurance Co. at 2627 KFB Plaza just off of Seth Child Road. Riley County valued the property at \$10,500,000. The state, however, sided with Farm Bureau and valued the property at \$8,517,000 for 2013—a difference of nearly \$2 million and a potential \$66,779 loss in annual property tax revenue to the county.

McHenry also lost an appeal by Lawman Properties, L.L.C., which owns an apartment complex at 1422 McCain Lane. While the county valued the

[T]he law concerning property tax appeals has changed, and it's causing a headache in an already tension-filled relationship between county governments and Topeka.

property at \$5,653,700, the state again sided with the taxpayer and decided the property was worth \$5,394,786—a difference of \$258,914 and a potential \$8,719 loss in annual revenue to the county.

While McHenry said the third disagreement he had in the state's ruling on a dispute between the county and Landmark Self Storage at 2749 Eureka Terrace ultimately favored McHenry's figure more than the property owner's attorney's figure—Riley County assessed the value a \$4,337,000 and the state decided on a value of \$3,891,000—McHenry was still baffled by the state's process, even though both parties reluctantly agreed on this particular outcome.

But these disagreements—especially with Farm Bureau—haven't happened because McHenry's methods in valuations have changed. Instead, the law concerning property tax appeals has changed, and it's causing a headache in an already tension-filled relationship between county governments and Topeka. While state officials contend that the changes have made the appeals process speedier, some at the county level say it has made them less accurate and has taken control from homeowners—especially commercial property owners. And differences in valuations are not all of McHenry's worries.

Thanks to the new changes, anyone, particularly a private tax representative who gets a cut of the valuation difference, can walk up to a property, size it up, fill out a form and appeal its value without the property owner's consent. This form sets up a hearing and is added to the docket of business with

BOTA. An entire property, according to the new changes, can now go through the entire appeal process without the property owner's knowledge it's being appealed at all.

Riley County, however, requires a "declaration of representation" form that must be signed by the property owner. This is not required for BOTA, and McHenry said it's possible for a taxpayer or private tax rep to bypass the county at the informal appeal level and go straight to BOTA. "The Legislature felt it was necessary to make certain everyone had their appeals properly considered," BOTA Director Arlen Siegfried said. "But if (the party) signs the tax form and turns it in, they also pay the fee, but we have no choice but to docket that for a hearing. The law clearly says that anyone can sign that form.

"It's possible we can receive a form not signed by property owner. Then we have to question whether or not they want to (proceed). To my knowledge that's not happened. I have to be careful speaking for [the] Legislature, but it appeared to me they were afraid a taxpayer might be denied their right to appeal because the wrong person signed their appeal form." "We understand counties aren't happy," the former Olathe representative to the Kansas House continued. "But we're a creature of the Kansas Legislature and bound by statute. It's the law of the land."

Siegfried resigned his office in July 2013 after Gov. Brownback appointed him as a hearing officer for then-COTA. He had represented the 121st District for 11 years.

continued on next page

Taxing Changes, continued

Before the bill found its way to Brownback's desk, Riley County commissioners and McHenry were cautious about the bill's apparent benefits to private tax representatives. While the bill was still in the Legislature, McHenry and Riley County Counselor Clancy Holeman warned commissioners that because it gave private tax representatives an easier channel to file appeals, the higher volume of appeals would cause a greater backlog in the system. He also warned that because the 14-day timeframe—down from 90 days—cuts time needed for both sides to provide evidence for their respective valuations, the process would be less thorough from a judicial perspective.

There was also a worry that because the bill proposed an additional two-year freeze on a property's value if appealed—along with the one-year freeze already in place—that a total three-year freeze would not meet Article 11, Section 1(a) of the Kansas Constitution, which demands the "Legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation."

They also worried about the now proven fact property values can be appealed without the owner's knowledge. "We've always felt it's better to deal with the actual property owner," McHenry said. "They know the property best. A lot of times private tax reps haven't even seen the property or been to it."

The number of appeals McHenry has dealt with since the law took effect on July 1 has doubled, yet his staff has stayed the same—for now. Before the retooling of COTA, McHenry said there were often as many as six appeals on the docket per month. Now it's anywhere from 10 to 13.

"We have doubled the number of appeals scheduled to go to BOTA that we had at this time a year ago," McHenry said. McHenry also said the appeals he lost in May were ruled using the new system, even though that was a month before the new rules were to take effect. McHenry said the previous system should have been in effect for

"The climate at BOTA, now, has changed," he said. "They have to rush opinions out very quickly. Before we'd go on a commercial property we'd get a full decision (in 90 days). You'd know in detail what it was and how they arrived at it. ... Now it's just a couple paragraphs and just says this is what we've decided. This is the value, with no reasons why."

those rulings. "That's our opinion," he said. "We're trying to find out."

Siegfried said since the decisions were not made until after July 1, the new system was used even though the disagreements predate the new laws implementation. But it's not just that he lost these appeals, it is how off he appears to be with the new BOTA.

The state of Kansas has a detailed standard and equalization formula for property valuations, and McHenry says its process is among the best in the country after it was implemented in 1989, when voters approved a state-wide reappraisal of property. The formulas are no walk in a park—many factors, such as adjacent properties, infrastructure, land-use, etc., go into them. To put it as simply as possible, county appraisers like McHenry are judged by how closely their valuation of the property coincides with the actual sale price of it. By law, McHenry needs to be between 90 and 110 percent of that sale price.

When it comes to the Farm Bureau decision, McHenry's valuation was 81 percent of the number the state figured. McHenry said he's consistently fallen within the legal parameters before the process changed.

Riley County Commission chairman Bob Boyd said the differences the state is having with McHenry are numbers he's never seen before. "He's never lost a commercial case," Boyd said. "He lost three in one month. To be off by 19 percent just doesn't make any sense. Historically, that's not been the case. We're very fair and we're appraising at a fair market value, and his numbers bear it out."

McHenry said the landscape he performs his duties on have changed, and not for the better.

"The climate at BOTA, now, has changed," he said. "They have to rush opinions out very quickly. Before we'd go on a commercial property we'd get a full decision (in 90 days). You'd know in detail what it was and how they arrived at it. "Now we get a summary decision, which is less than a page. It used to be multiple pages and gave both sides an opportunity to know what COTA was thinking on the decision. Now it's just a couple paragraphs and just says this is what we've decided. This is the value, with no reasons why."

In the two summary decisions acquired by the Mercury, McHenry's descriptions check out.

After the paragraph that sets up the who's who, what and when, BOTA's judgment is two sentences long. For the Farm Bureau decision, the board wrote, "Based on the evidence presented at the hearing, duly weighing such evidence, the Board determines that the appraised value of the subject property for tax year 2013 is \$8,517,000."

Other than a page of formalities that goes with every summary decision and another page for signatures from BOTA, there is no further clarification on the reasoning for the Board's verdict. It also doesn't give the county's initial valuation.

While the first paragraph states, "Full submission of this matter occurred on June 27, 2014, when post-trial briefing was concluded"—which is before the new law took effect—the certification date for the document is July 8.

McHenry said the county is appealing the Farm Bureau and Lawman Properties verdicts and is still waiting on full decisions from BOTA that detail its decisions further. From there, the cases start fresh and go to district court, which is another change in the law. Before,

the case would continue to the Kansas Court of Appeals.

This is another issue county officials disagree with, because unlike the Kansas Court of Appeals, district courts—who already have full dockets—aren't typically trained in property valuation.

"The court has no motivation in stringing out cases," Siegfroid said. "I feel sympathy to the counties, but in order to facilitate a more rapid conclusion to these cases, we must strike delicate balance where there are not unnecessary continuances."

McHenry said he's heard similar dissatisfaction from his colleagues in the state. "One of my peers told me there was a residential property where the county lost, but the taxpayer didn't even present a case," he said. "He or she showed up, but didn't present a case. BOTA ruled against the county even though they had sales, comparable (statistics), etc."

"You get the feeling that maybe they're reacting to the perception that was created at the Legislature that they weren't taxpayer-friendly enough. Now, I'm not someone who believes there should be a quota to determine whether decisions from a court are right or wrong. Decisions from each case should be judged on the merits of each case. If half are supposed to go to the county and half to the taxpayer, we don't even need BOTA."

Siegfried said he "has sympathy for counties" during this transition and admitted the system isn't perfect. "I understand counties are facing situations where appeals are going up and how that may cause some to increase size of staff to handle that," Siegfroid said. "But that's what the Legislature has requested. The legislation that

passed was directed to COTA moving more rapidly. The prevalent perception of the Legislature was that we were moving very slowly, so they changed it to require us to go to 14 days, and we will comply with that; however, we are still in the process of adjusting our regulations."

Siegfried acknowledged all the facts and experts need to be present when ruling in these cases, but he said it can often be a grueling process. "That's the fine line we're walking right now," he said "Figuring out all the evidence to be developed and to do it in a timely fashion. Having experts that take time, but to have all the facts, that's what you have to do. We'll work hard at it. We just want everyone's cooperation." Siegfried added that a "taxing jurisdiction" can request a full decision, broader and more detailed than its two-paragraph summary decision, and it will be sent within 90 days.

The Board of Tax Appeals—like COTA—is set up to be a three-person review board, but at the moment there are only two members: James "Jay" Cooper, a Wichita CPA; and Ronald Mason, a Hutchinson banker who also worked as a tax attorney. Although BOTA's website still lists Sam Sheldon—a lawyer from Ottawa who was among the three signatures on the Farm Bureau and Lawman Properties summary decisions—as its chairman, he resigned July 14.

The search for a replacement continues, Siegfroid said. "(Sam's) replacement is of high concern to the governor and the staff," he said. "We also know these things can take a while. (We need to find) someone willing to be in Topeka all week, and it's difficult to find folks like that."

"One of my peers told me there was a residential property where the county lost, but the taxpayer didn't even present a case," he said. "He or she showed up, but didn't present a case. BOTA ruled against the county even though they had sales, comparable (statistics), etc."



Raven Ridge of Kansas Survival Condos

Man Builds Survival Condos in North-Central Kansas

By Samantha Anderson, KWCH TV.
sanderson@kwch.com. Reprinted with permission

Submitted by Sherry Sammons, RM, Saline County

CONCORDIA, Kan.—In North central Kansas in an old underground nuclear missile silo, there are survival condos equipped to make it through a number of man-made and natural disasters.

However, this bunker may not be what you picture. Raven Ridge of Kansas Survival Condos is luxury estates with furnished rooms and amenities, like a movie theater and even an indoor pool complete with a water slide. The developer, Larry Hall, says it is important to keep things normal for the residents. "That way your subconscious doesn't keep a scorecard where something is different or abnormal," Hall said. "All of those things lead up to increased levels of frustration and ultimately depression."

The condos run \$3 million for a full site and \$1.5 million for half. There are also condo fees that need to be paid, but they would be waived. The building is self-sustainable, it can run on wind power, it has its own reverse osmosis well system and there are spots to garden and keep fish. Residents would work in rotating shifts to keep things running. Hall has already started construction on another condominium and has plans for more.

See more images of the property at <http://bit.ly/Y4uqnD>



Legislative Report

By Greg McHenry, ASA, RMA, Riley County

We received a few requests from KCAA members for legislative items to be discussed. They include:

- Legislation to clarify the processing of splits & combos. PVD is planning to introduce an amendment to 79-425A in the 2015 session. Their intent is to maintain the current taxpayer service of working splits.
- Amendment to remove the district court de novo portion of last year's COTA/BOTA bill. This would be difficult without trial examples to provide legislators.
- Amendment to remove the two-year plus current-year rollover of value provision which was included in last year's COTA/BOTA bill. Counties are already preparing arguments for BOTA that the rollover is unconstitutional.
- Change the definition of "substantial & compelling" as defined in last year's COTA/BOTA bill. This may be argued as being unconstitutional in

upcoming BOTA cases.

- Some sort of standards & ethics for tax representatives. This idea was also brought up by a tax representative during last fall's Judicial Council hearing to discuss perceived problems with the COTA process. KAC may take this issue up on their own, due to concerns from commissioners and counselors.
- Limit the wind tower exemption to 10 years. BOTA seemed to agree this was legislators' intent in a case from Barber County. Ellsworth County commissioners will be requesting this to KAC's legislative policy committee.
- Changing 79-1460A, to allow for the annual market study analysis to be published on the county website or in the county newspaper. PVD will introduce this.

Steve Miles and I met with Brad Smoot, legislative lobbyist, to discuss the potential role of a lobbyist for KCAA. Brad provided some good insights into the pros and cons of doing this. A lot of the discussion involved the need for better relationships with legislators

and a better understanding of the role of the mass appraisal process. When discussing this with the KCAA board, our consensus was to focus on ways to communicate more effectively with our local legislators instead of hiring a lobbyist. We're exploring options for presenting ideas and methods for appraisers to communicate more effectively and more often with their local legislators.

Please plan to attend the Kansas Association of Counties Conference legislative committee session (<http://www.kansascounties.org>). Some of the legislative concerns listed above will be presented and discussed as part of the KAC legislative platform.

In the meantime, keep the lines of communication open with your local legislators. Nothing beats one-on-one communication with them throughout the year. Most of them appreciate that and are more likely to respond to our concerns when they've had a chance to learn and understand our points of view prior to the spring session. Many times they have only heard one side of an issue and are very willing to hear from another point of view, especially when we can present factual information to assist them in their decision making. Please keep this in mind and remember to communicate early and often with your local legislators.

Thanks, again, for all that you do!

NCRAAO 2015

By Steven Miles, RMA, Douglas County

Make plans now for the North Central Regional Association of Assessing Officers (NCRAAO) conference June 19-21, 2015. It will be held at Chula Vista Resort in Wisconsin Dells, WI. This is a fantastic resort with lots of activities on site and nearby that the whole family can enjoy. Plans are in the works to have some great educational seminars that cover topics pertinent to our profession. In addition there will be some fun activities for the whole group.



The 2015 NCRAAO Conference will be held at Chula Vista Resort in Wisconsin Dells, WI.

NCRAAO offers a laid back, more personal experience and opportunity to network with others in our field that deal with some of the same issues we face. It's great to get a little different perspective on issues that seem to

always come up. Take the family and spend some relaxed time with them and friends from all over.

See additional information on the NCRAAO website at <http://www.ncraao.org/2015ConfLocation.htm>



IAAO Conference in Sacramento

By Craig Clough, RMA, Harvey County

This year's IAAO Conference in Sacramento, Calif., proved to be an "Earth Moving Experience" from the very beginning—literally for some early arriving attendees. Early Sunday morning on August 24th, a 6.0 magnitude earthquake hit northern California, mostly impacting the Napa Valley area, which is located about 70 miles to the southwest of Sacramento. I flew into Sacramento Sunday afternoon and missed the excitement. Sacramento did not receive much damage, but some attendees did say it woke them up in their hotel rooms about 3:20 a.m. It made for an exciting start to a great conference.

I really appreciated the "I" in IAAO at this year's conference. The "International" was represented well throughout the conference. Among the many topics presented, sessions included the Valuation System in Latvia, located in Eastern Europe; Developing a Mass Appraisal System for the Republic of Turkey; and a presentation on Australia's tax system with land and property taxation.

My personal favorite was a presentation a little closer to home. The presentation was "Global Perspective from Walmart." The presenter was Mr. Charles Terrell, CMI, senior director Property Tax, Walmart Stores Inc. His presentation focused on Walmart's expansion from a domestic USA-focused company into a company that has a multinational presence in 27 countries. Walmart acquired or partnered with existing stores (companies) in many of these countries. Some of the countries included in the presentation: Africa with 380 retail stores, Argentina with 105 stores, Brazil with 556 locations, and Canada with 391 retail units. The country of Chile has 384 stores with 46,414 employees. Other countries included in the presentation were Costa Rica, El Salvador, Guatemala, Honduras, and Mexico.

There were three additional coun-

tries discussed that particularly caught my attention. China opened in 1996 and now has 402 stores with 107,000 employees. Mr. Terrell said that China has more people with smart phones than the population of the United States. E-Commerce is very important. The country of Japan has 439 retail units with 37,788 employees. The population is very condensed with very little green space, so some stores have parking on the roof of the store. Finally, the country of India has 20 stores located in eight states. Customers don't show up just in cars and vans but also on elephants! How do you pack an elephant? I don't think using the trunk is the complete answer...

There were two concepts briefly discussed that Walmart is implementing. One is called Walmart Express, which has a smaller grocery store with dry goods. The locations for these stores are in rural areas and some cities. These stores are similar to Dollar General or Family Dollar stores. The other is "Walmart to Go," which was described as a giant convenience store. It will have Walmart pricing at the convenient store level. It opened its first store this past March in Bentonville, Ark.

In summary, attending the IAAO Conference was a great experience from the educational sessions to making new friends and just networking with people who have concerns and problems we all experience. I would encourage each of you to attend at least once. Thank you for giving me this opportunity to attend.

Editor's Note: For those of us who were in Sacramento in time for the earthquake, the general consensus was the neighbors were having way too much fun! It was over by the time we realized what had just happened.



Walmart Express stores are similar to Dollar General or Family Dollar stores.



Walmart to Go was described as a "giant convenience store."



IAAO Member News

Thanks for your support of the IAAO.

New member:
Brooke Medlan, Sedgwick County

15 years:
Deanna Aspedon, AAS; and Linda See, Sedgwick County

20 years:
Steven Miles, RMA, Douglas County

25 years:
Robert Stickney, Shawnee Mission



In the Cloud

By Steven Miles, RMA, Douglas County

One of the education/information sessions at the 2014 IAAO Conference covered cloud technology. It was presented by Jesus Sandoval from El Paso Central Appraisal District in Texas. Mr. Sandoval covered many aspects involved in the planning, implementation and use of cloud technologies, which seems to be all the rage right now.

I didn't think that I was "in the cloud" until this session pointed out all of the ways that this technology has seeped into our lives. If you have ever sent an e-mail, ordered something online, taken a picture with your smart phone, or even used your credit card at a store, you are probably floating around the cyberspace right now. In other words, you could be on Cloud 9 and not even realize it!

The first thing one has to do in implementing this technology is taking an assessment of your hardware and software needs and what you currently have. You should have a good high-speed Internet connection. Nothing is as irritating as having a slow connection that takes forever to download or upload information. Make sure your hardware and software are able to keep up as well.

Develop a strategy for the implementation and use of the available technology platforms. Look at the benefits of having some of the information stored in the cloud, and also determine if it should be kept more private and not floating around out there. Some of the information that popped into my mind was income and expense data that should be kept confidential.

Can you partner with a vendor or should you hire an in-house developer? Both options have advantages and disadvantages that only you can decide which is best for your situation.

Training is a very important part of the process. Decide whether your situation requires formal training for each employee or develop screenshot manu-



Look at the benefits of having some of the information stored in the cloud, and also determine if it should be kept more private and not floating around out there.

als, operations manuals or a combination of these. You will need to review and update the training on a periodic basis. Procedures change, staff turns over, and new legislation are just a few of the reasons why it is a good practice to refresh the staff's procedures and use every year.

It may be best to use an agile implementation technique. This means starting with small projects and short periods for deliverables. This allows for quicker response when changes are detected during periodic review meetings and workshops.

Security is always an issue with our programs. Make sure that you understand and use the security tools that are available for use. They are firewalls, encryption, passwords and many other types just coming on the market. Security is a very big issue that has been in the news lately. Just ask some of the stars who thought they had stuff stored away that only certain ones could access.

Ultimately, cloud technology can be a great asset to appraisers. We have a lot of data that needs to be stored somewhere, and I can tell you that storage space for hard copies is getting very cramped in my office. But there is a lot of planning and understanding that needs to take place as you prepare, develop and implement a new system or add to an already existing one.

Now let's see, there's a nice, big, fluffy cloud that should do the trick...

Deriving Capitalization Rates from the REIT Market: An educational session at the 2014 IAAO Conference

By Gene Bryan, CKA, Wyandotte County

This session, which I found to be most intriguing, was presented by Mr. Gary DeWeese, MAI. Gary has over 30 years of experience as an appraiser, primarily with institutional and corporate clients, and is founder of Real Estate Strategic Solutions, LLC of Walnut Creek, Calif.

Gary first presented an article called "Deriving Capitalization Rates and Other Valuation Metrics from the REIT Market" in the Fall 2009 issue of *The Appraisal Journal*. His article posed—as an alternative, not a replacement—the possibility of deriving cap rates for the valuation of real property from REIT data that is publicly available. This alternative to the more traditional methodologies that appraisers have to derive cap rates, such as band of investment and debt coverage ratio, was proposed as a result of the significant decrease in transactional volume of institutional quality commercial sales after the 2007-2009 downturn we now call the "great recession."

As with any new technique it likely has strengths and weaknesses. I have a basic understanding of what Gary has proposed with this new "model," and I am not advocating its use, nor can I opine as to its merits.

However, as appraisers we must keep an open mind and interpret what the market is telling us. If there is no market, shouldn't we then be looking at alternatives that are relevant and understandable to a "trier of fact"?

Fortunately, we are no longer in the depths of the "great recession," and the volume of commercial real estate transactions for most property types is sufficient that we don't need to rely on an alternative to the "traditional" methods of extracting cap rates.

Nevertheless, if this new "model" has promise, especially for a limited market property type, shouldn't it be given some consideration or at least some additional research? I wonder.

2014 Tyler Users Conference San Antonio, Texas

By Chris Morlan, AAS, RMA

I am grateful to have been able to attend this year's Tyler Users conference in San Antonio, Texas. In the opening session Tyler Vice President John Marr Jr. said there were 2,900 attendees, including 450 Tyler staff. A couple of things that stood out to me in this session were there are 3,100 clients with 1.5 million named users that are on the Tyler Cloud system. And that 63% of their revenue is from system maintenance fees.

The first Orion session was on Mobile Office, led by Curtis Tyler. They have added a modified view of the Orion data, which is defined by each site but configured by Tyler staff. The map display can be customized as well. With soon-to-be-released Apex V6 Pro, Apex sketches can be modified and will update the Orion data.

The second session was titled Appeal Efficiencies, led by Lala Schupbach. She presented an online appeal process from Collins Appraisal District, Texas. They have 320,000 parcels, 233,000 being residential, and have 40,000–50,000 appeals annually. They developed a paperless system for the Appraisal Review Board appeals and an Agent portal for checking in.

The next session was the Appraisal & Tax general session for IASWorld and Orion users. Andy Teed discussed the typical product development cycle and how it takes about 10–15 years to get to a stable, established product. Renee Slack as awarded the Orion Support Person of the Year; there was no Orion award for a jurisdiction.

We then got out of our seats, divided into two teams, and assembled "hygiene kits" for the local homeless shelter. They consisted of a bar of soap, shampoo, conditioner, lotion, toothbrush, toothpaste, washcloth, and a razor that had been donated from hotels and other sources. In an assembly line process, we placed these items in a zip lock bag. We built almost 2,000 kits in 20 minutes. It was part of a project

There are 3,100 clients with 1.5 million named users that are on the Tyler Cloud system.

called "Clean the World," which Tyler is sponsoring this year. I enjoyed getting up and doing something for a change instead and sitting and listening.

The next session was titled Miscellaneous CAMA Items, led by Mark Hablall. He reviewed the enhancement to be able to define a sort order for List Pages and the steps to implement it. Next he discussed calculated values on a list pages, the validation calculations that are in Patch 2014.10, a new checkbox to not include validation calcs in a batch calculation job, message variable functionality, and the Calculation Status Report. Additional topics were Code File messages and searches. He also reviewed updating sibling items pages using the "CTRL + U" and the checkbox to select the ones to update. A request for the ability to sort the Batch CAMA Calculations by warning and errors was voiced by several clients.

The final session of the day was on the new Field Mobile application, presented by Natalie Hoel. This application is being rolled out now but still has some testing and final development to be done. It is only available for IASWorld currently, but Tyler plans to have it in development for Orion soon. It is similar to Mobile Office but was developed for a tablet.

The first session on Tuesday was on CAMA Sketch Verification, led by Ali Zarrabi. He demonstrated how by using a jurisdiction's parcel layer, ortho imagery, and sketches, Tyler can confirm the sketches and data associated with them are correct. They have typically found that 5%–10% of the sketches have errors that will impact the value. They also have a desktop review application for the jurisdiction's staff to use.

The second session was Field Efficiencies Case Study. Johnson

County, Kan., discussed their golf course and mini-storage income and expenses model enhancements and the item pages they added to store the I&E survey information. Montana discussed their nursing home income model they had developed. Then Lancaster County, Neb., presented their use and testing of Motion and Surface Pro2 tablets using Mobile Office. Fort Bend A.D., Texas, and Lancaster Co., Neb., showed how they are tracking staff with GPS using a third-party software and services to monitor staff locations and provide reports, such as miles driven. They stated it has increased staff productivity.

The third session was Hands On with Field Mobile, presented by Natalie Hoel. It was a more detailed, in-depth review of how the application works than the one the day before, but had a lot of the same information. Right now this application does not support the use of Apex sketches.

The session after lunch was ArcGIS for Land Records, presented by Brett Jones of ESRI. He reviewed how to get GIS information from ArcGIS Online to get information that is being used by businesses and government entities to find new revenue, reduce appeals, site new business locations, improve public relations and government operations. They showed Johnson County, Kan., "Wealth Corners" application and analysis.

The next session was on New & Upcoming Functionality in Orion, lead by Alan Collins. A GIS panel has been added to the property header allowing the map to be launched from any tab; the map link on the Summary Tab is removed. ArcGIS integration is available for Tyler's Public Access site. There is all new integration with Pictometry to

continued on next page

Tyler Conference, continued

where all imagery is hosted by Pictometry and not locally, and additional GIS layers can be overlaid on the imagery. Tyler is working on the integration of Marshall & Swift MVP, which is built on the .NET platform, decreasing processing time and increasing memory. CAMA Calculation changes will be required as this is not a “Drop in” replacement. They are also working on the ability to update sales History records with only specific pieces of information; this does not capture or delete item pages or list pages from the sales history record. Functionality to automatically convert scanned TIFF documents to a PDF is in the development stages.

The final two sessions for the day were titled Future Development Roadmap, led by Mark Hubball. In the first part he discussed what Orion staff plan to work on in the next 12 months:

- Field Mobile integration — end of 2014. Mobile Offices will be applicable to Field Mobile.
- Apex 6.0 integration — should be out of Beta testing in June and available later 2014. Apex is merging Nexus & Medina products.
- CRS Changes — update to new Microsoft database standards; visual query builder; faster replication with the goal being real time data.
- Public Access — leverage CRS; more of a portal system—online appeals, e-statements, exemption filings, querying ability.
- Tech Updates — be compliant with new technology standards within 6 months of release.
- Multiple Appeal Reasons — ability to list more than one reason per appeal.
- Web based Appeal Scheduling — NE statutory requirement — ability to file and schedule appeals online; TX currently working on reschedules only.
- MS Silverlight — Microsoft is pulling APIs; Tyler working on JAVA scripts.
- Orion Maps — working on ability to pop Orion Map window to separate screen; ability to right click on parcel and update some data fields.
- Internet Explorer 11 — fixes in next few patch releases; ending support of IE8, will have to use IE9 or higher.
- Market Assignment Reports coming soon.
- Map Based Tools — Desktop Review, thematic mapping, effective tax rate map requested.
- CRS — working on ability to make older years archived and not removed/erased during Clean process.

More than 12 months out:

- Incorporate trends in the appraisal & tax industry — more online tools, more data available with creative ways to present and interact with data.
- Taxpayer-driven content and data — expansion of e-filing, self-service tool for data requests, make searches smarter — one search box for name, address, parcel number, etc.
- Make Tyler website mobile device friendly.
- Enhance ListManager — integrate with Workflow.
- Automation of creation of Reports
- Report for Users & Roles coming soon.

Due to flight and personal schedules, I had to leave early on Wednesday and was not able to attend the final three sessions. They were “Effective Protest Presentations,” which was a panel discussion with Williamson & Fort Bend, Texas, CADs, and Lancaster County, Neb. They discussed room set up, paperless appeal processing, online functionality, issues with commercial appeals arbitration packets, and mass settlements.

Next was “Advanced Forms,” which covered tips and tricks for expanding tokens, formatting parameters, blank pages, and custom tokens. The final session was “Comp Sales Open Discussion,” which did not have a presentation posted, and I can’t comment on since I wasn’t there.

I was grateful to be able to attend this year’s conference (and apologize for not getting my report done sooner).

Kansas Orion Conference

October 15–17, 2014

Johnson County Office Bldg.

11811 S. Sunset Drive

Olathe, Kansas

See details on page 13.

Still Time to Register for the Kansas Orion Conference

KCAA and Tyler Technologies invites you to a conference designed specifically for Kansas Orion users. The conference is October 15–17, 2014, at the Johnson County Office Bldg., 11811 S. Sunset Drive, in Olathe, Kan. This is your opportunity to see some of the innovative programs and uses that Kansas counties may wish to take advantage of in the appraisal of property. There will be experts on hand from Tyler Technologies to fill us in and answer questions regarding these programs and functions. This conference is open to everyone, so please share this information with anyone you might think is interested. Early registration deadline is Sept. 30. Register online at <http://www.kscAA.net/conferences/orion/>.

KANSAS ORION CONFERENCE AGENDA (to date)

▶ Session 1. Main Conference Room

▶ Session 2. Room 2010 on second floor)

WEDNESDAY, OCTOBER 15

- | | |
|------------------|--|
| 1:00 – 1:15 p.m. | Welcome & Introductions, Steve Miles (KCAA) & Mark Hawkins (Tyler) |
| 1:15 – 2:15 p.m. | <i>Standardized CRS Reports</i> , David Knight (JoCo)/Tyler |
| 2:15 – 2:30 p.m. | BREAK |
| 2:30 - 3:30 p.m. | <ol style="list-style-type: none"> 1. <i>Automated (online) Appeals</i>, Tyler 2. <i>APEX Version 6 for Office PC</i>, Jay Graber (APEX) |
| 3:30 – 4:30 p.m. | <i>Future of Field Device Programs (Mobile Office & Field Mobile)</i> , Tyler |

THURSDAY, OCTOBER 16

- | | |
|--------------------|--|
| 8:30 – 9:30 a.m. | <i>M&S MVP Impact on Orion & Tyler Communication Tools—Dashboard Notifications</i>
Tyler |
| 9:30 – 10:30 a.m. | <i>Geo-Referencing Sketches on Orthos</i> , Kevin Skridulis & Jake Wilson (Tyler) |
| 10:30 – 10:45 a.m. | BREAK |
| 10:45 – 11:45 a.m. | <ol style="list-style-type: none"> 1. <i>Economic Unit Appraisal</i>, Jean Hostetler (Tyler) 2. <i>Demonstrate Mapping Tool</i>, Tyler |
| 11:45 – 1:00 p.m. | LUNCH |
| 1:00 – 2:00 p.m. | <i>Recent Upgrades / Functionality in Orion</i> , Tyler |
| 2:00 – 3:00 p.m. | <i>Upgrades or Enhancements Coming in Less Than a Year</i> , Chris Morlan & Tyler |
| 3:00 – 3:15 p.m. | BREAK |
| 3:15 – 4:45 p.m. | <i>Forum Discussion</i> , KCAA MC & Tyler Staff: <ul style="list-style-type: none"> • Updgrade/enhancements Kansas would like from Tyler • MIPI Function for other Tabs — List Manager • Tyler revised support level timeframes • Concerns & Quesitons |

FRIDAY, OCTOBER 17

- | | |
|--------------------|---|
| 8:30 – 9:30 a.m. | <ol style="list-style-type: none"> 1. <i>Orion Public Access – (Web)</i>, Tyler & WyCo Staff 2. <i>APEX Geo-referencing & Mobile APEX Version 6</i>, Jay Graber, APEX |
| 9:30 – 10:30 a.m. | <i>Personal Property Configuration</i> , Jean Hostetler (Tyler) |
| 10:30 – 10:45 a.m. | BREAK |
| 10:45 – 11:45 a.m. | <i>Orion ELR Overview (Johnson County)</i> , Mark Hawkins (Tyler) |
| 11:45 – 12:00 p.m. | Closing Comments, Steve Miles (KCAA) & Mark Hawkins (Tyler) |



Real Estate Notes of Interest

By Rick Stuart, CAE

■ Phoebe Chongchua, *www.realtytimes.com*, July 17, 2014. “Just like it does for people, the age of a home tends to creep up on homeowners and before they know it their new home is now middle-aged. If you’ve been neglecting your exercise and nutrition routines, your body and health will reflect it, so too for your home. If you’ve skipped doing routine repairs and let necessary maintenance projects pile up, then your home will be aging faster than it should.

Real estate experts say a home that looks older than its years can cause sellers to lose 10 percent of its appraised value; on the average home that translates to a \$15,000 to \$20,000 adjustment.” <http://bit.ly/1tWx1yA>

■ *www.htrends.com*, July 15, 2014. “There are 3,183 hotels totaling 383,527 rooms under contract in the United States, according to the June 2014 STR Pipeline Report. This represents an 11.6-percent increase in the number of rooms under contract compared with June 2013 and a 39.1-percent increase in rooms under construction.” <http://bit.ly/1k88UJh>

■ *www.hotelnewsnow.com*, July 21, 2014. “The U.S. hotel industry reported positive results in the three key performance metrics during June 2014, according to data from STR. Overall, the U.S. hotel industry’s occupancy was up 2.9 percent to 71.7 percent; its average daily rate rose 4.3 percent to US\$116.20; and its revenue per avail-

able room increased 7.2 percent to US\$83.27.” <http://bit.ly/Unt1qu>

■ Shawn Turner, *www.hotelnewsnow.com*, July 21, 2014. “A little more than midway through 2014, the strength of the United States hotel transactions scene is on par with how deal experts expected it would be when the year began. Through the first six months of the year, JLL has tracked \$12.5 billion in hotel deals, and the market is on track to hit JLL’s forecast of \$25 billion for the full year, said Arthur Adler, managing director and CEO-Americas. At this point last year, deal volume was at \$10.9 billion.” <http://bit.ly/1kTdB4i>

■ *www.realtor.org*, July 22, 2014. “Existing-home sales increased in June and reached an annual pace of 5 million sales for the first time since October 2013, while rising inventory continues to push overall supply towards a more balanced market, according to the National Association of Realtors®. The median existing-home price for all housing types in June was \$223,300, which is 4.3 percent above June 2013. This marks the 28th consecutive month of year-over-year price gains.” <http://bit.ly/Um5V3M>

■ Joe Light and Dana Cimelluca, *The Wall Street Journal*, July 27, 2014. “Zillow Inc. is in advanced talks to buy rival online real-estate information service Trulia Inc., according to people familiar with the matter, in a deal that could give their fast-growing websites even more power in the home-sale market. Trulia’s stock-market value was nearly \$2 billion as of this writing.”

■ Michael J. De La Merced, *www.dealbook.nytimes.com*, July 28, 2014. “Zillow agreed on Monday to buy Trulia

for about \$3.5 billion in stock, creating a giant online repository of real estate listings and home values. Together, the two will dominate the traffic for online home listings. Last month, Zillow reported 83 million users, while Trulia reported 54 million—a combined 61 percent of total Internet users for the category, according to the research firm comScore.” <http://nyti.ms/1xqm4BT>

■ Kenneth R. Harney, *www.latimes.com*, July 27, 2014. “If I were to pay money to your lender to lower your mortgage rate—permanently—would you make me a better offer on my house? Realty agents and lenders in some areas believe the answer is yes. Agents have begun touting “seller-assisted below-market-rate financing” on the signs they post outside their listed homes. The idea is straightforward. To make their houses more attractive to buyers as a financial proposition, sellers can offer to lower buyers’ long-term monthly mortgage expenses. The sellers achieve this by paying money upfront to the buyers’ lender to reduce the interest rate. The lower rate continues for the life of the loan.” <http://lat.ms/1oAFGTc>

■ Cushman & Wakefield, *www.myappraisal institute.org*, July 30, 2014. “The nation’s economy has started to generate more jobs in 2014, Maria Sicola, head of research for the Americas at Cushman & Wakefield, said in the report, MBA NewsLink reported. That has resulted in greater demand for office space in the national marketplace. The biggest news is the overall national vacancy rate fell to its lowest level in five years. The report noted that vacancies in central business districts nationwide fell to 12.7 percent, a decline of 70 basis points year-over-year, while the suburban vacancy rate fell 60 basis points to 16.8 percent.” <http://bit.ly/1rQUSxZ>

■ Merrill Matthews, *The Wall Street Journal*, Aug. 1, 2014. **Editor’s Note:** There may be a very large fight coming and it will be interesting. As of this date, more than 170 New York towns alone have stopped fracking by use



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

of zoning laws. Denton, Texas, (north of Dallas) recently had a city council meeting with over 500 people attending. The council decided to place the decision to stop fracking by zoning to the voters. The landowners and drillers have threatened to sue, and there is some argument that other Supreme Court cases may allow them to win.

When government action reduces a property's value, it constitutes a taking, such as in road right-of-ways, and thus a financial loss that the must be paid to the owner.

■ Dan Frosch, *The Wall Street Journal*, Aug. 2, 2014. **Editor's Note:** Another fracking issue to watch: "Coloradans are poised to vote on multiple ballot measures related to fracking and other forms of energy development this fall, setting up a bitter and expensive election fight."

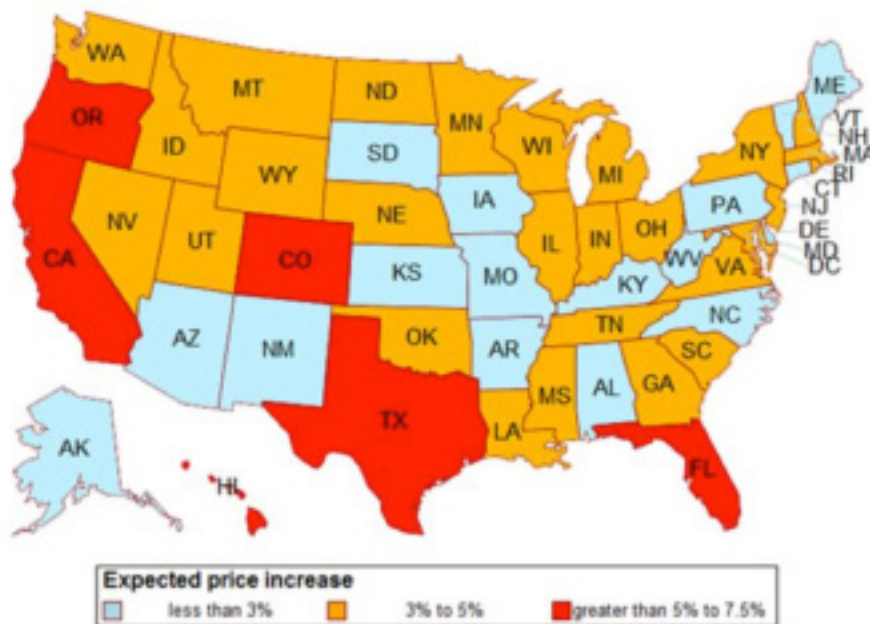
■ Paul Davidson, *USA Today*, Aug. 5, 2014. "The home mortgage market improved last quarter as demand increased and many banks eased their lending standards. Several large banks also loosened standards, boosted credit limits and reduced the minimum credit score for credit card loans."

■ Alison Sider, *The Wall Street Journal*, Aug. 5, 2014. "Sand prices are rising and companies are racing to build new mines in South Dakota and other locations as demand intensifies for the silica crystals that energy companies use to frack oil and gas wells."

■ *www.aia.org*, July 23, 2014. "The Architecture Billings Index (ABI) is signaling improving conditions for the overall design and construction industry. As a leading economic indicator of construction activity, the ABI reflects the approximate nine to twelve month lead time between architecture billings and construction spending.

The American Institute of Architects (AIA) reported the June ABI score was 53.5, up from a mark of 52.6 in May. This score reflects an increase in design activity (any score above 50 indicates an increase in billings). The new projects inquiry index was 66.4, up

Median Expected Price Change of REALTORS® in Next 12 Months, By State
Based on April-June 2014 RCI Surveys



Economists Outlook Blog, National Association of REALTORS, July 31, 2014. "REALTORS® generally expect home prices to increase in all states and the District of Columbia over the next 12 months, according to the June 2014 REALTORS® Confidence Index. The median expected price increase is 3.6 percent." <http://bit.ly/1kiSNbw>

noticeably from the reading of 63.2 the previous month and its highest level in a calendar year."

■ Terrence Baker, *www.hotelnews.com*, Aug. 13, 2014. "The United States' hotel industry is sitting pretty in the midpoint of the industry's cycle; group business is beginning to grow; and any meaningful supply growth will not occur for probably another 24 months." <http://bit.ly/1uABOoG>

■ Kris Hudson, *The Wall Street Journal*, Aug. 13, 2014. Not just another ranch sale. The heirs of W.T. Waggoner have finally agreed to try and sell the properties after 10 years in the estate. A few items that may make this different:

- 510,000 acres across six counties near the Oklahoma border
- Thousands of head of cattle
- Hundreds of horses
- 26,000 farmed acres

- 1,200 oil wells that pump 675,000 barrels a year
- Reserves have not been assessed
- Asking price— \$725 million

■ Kris Hudson, *The Wall Street Journal*, Aug. 20, 2014. "The median size of U.S. homes on which builders started construction in the second quarter registered 2,478 square feet, unchanged from the first quarter but still close to the all-time high of 2,491 set in last year's third quarter."

■ *www.htrends.com*, Aug. 28, 2014. "There are 3,228 hotels totaling 388,359 rooms under contract in the United States, according to the July 2014 STR Pipeline Report. This represents a 12.3-percent increase in the number of rooms under contract compared with July 2013 and a 43.5-percent increase in rooms under construction." <http://bit.ly/1vkvki9>

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REAL ESTATE NOTES, continued

■ Eric Morath and Kris Hudson, *The Wall Street Journal*, Aug. 26, 2014. “Demand for new homes has largely stalled this year as buyers lean toward lower priced, previously owned homes, Sales of new single-family houses declined 2.4% in July from a month earlier, according to the Commerce Department.”

■ Kermit Baker, Hon. AIA, *www.aia.org*, Aug. 22, 2014. “As of July, U.S. architecture firms have produced three straight months of accelerating gains in design billings. With a reading of 55.8 for the month (where any score above 50 signifies growth), the July reading reflects stronger gains in billings than any period since mid-2007.” <http://bit.ly/1qGP0BZ>

■ *www.builderonline.com*, Sept. 8, 2014. “Business Insider ranks the current strength of the 50 U.S. state economies, from worst to best on seven economic measures: the July unemployment rate; the change in nonfarm payroll jobs from June to July 2014; the 2013 GDP per capita; the 2012 per capita consumption; the 2013 average annual wage; the 2013 exports per capita; and the 2012 government expenditures.”

Kansas ranked in the middle at 25. “Kansas’ economy is driven by agriculture and manufacturing— the state is a major producer of wheat, sorghum grains, wild hay, and beef. Kansas is also a major producer of airplanes, which adds an annual economic impact of \$7.1 billion—or \$2,561 per capita.

Here’s how Kansas did in our variables:

- Kansas’ average annual wage was \$41,546.
- The unemployment rate was 4.9%, one of the lower numbers across the nation.
- And the GDP per capita was \$45,665. <http://bit.ly/1p3rcXN>

■ Stefanos Chen, *The Wall Street Journal*, Sept. 12, 2014. “Want to sell your home fast? Maybe you should list it for over \$30 million. Luxury homes are selling faster than last year, according to data through July from listing website Realtor.com. And while bigger price tags typically mean more days on the market, homes listed for over \$30 million spent less time idling than their (slightly) less expensive counterparts.”

Up Versus Out

Submitted by Joni Irb,
Payette County, Idaho

People bought a city lot (in Middleton Idaho, Canyon County) put a double-wide manufactured home on it. I do not remember if it was over crawl or on slab. After the MH was put on, and they were living in it, they wanted to build a garage (attached or detached). Either the city or county would not allow it, so they jacked up the MH and built a garage on the foundation, then set the MH on top of the garage.

