

APPRAISING THE PLAINS *of Kansas*

Volume 27 | Issue 3 | Fall 2023



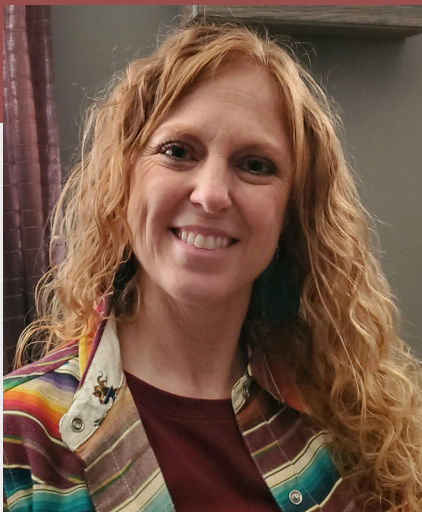
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2023 NCRAAO CONFERENCE

Kansas appraisers were well represented at the Annual North Central Regional Association of Assessing Officers Conference. Eighteen Kansas county appraisers and staff attended the conference, which was held in Burlington, Iowa, in June. You can read more about the conference on page 8.

KCAA News + Notes starts on page 9 and includes an article on the state's renewable energy, info on the Orion Conference and a note from Kathy Bridges as she looks toward retirement.



MELINDA'S MOMENT

Melinda Latham, RMA, Mitchell County, KCAA President

I have always done things a little different. I am that second child, the one that has to do it herself or her way. I hate it when people tell me I can't or shouldn't do something. I

was the only girl in our class to take agriculture and woodworking over home economics. Even after my older sister repeatedly reminded me that is not what girls do. I don't just rock the boat sometimes — that thing is usually capsized and sinking.

So, I guess maybe this is the reasoning behind my president's letters. I didn't talk much about KCAA happenings. I tried to convey that we may look like we have our act together, but we are paddling like crazy, just like the rest of you.

This will be my last KCAA president's letter. Ryan Michaelis will be taking over as your new KCAA President in December at KAC. Sorry, no more ramblings from me!!

You may not have learned anything from me, but I have learned so much from you and KCAA. Being involved with the behind-the-scenes aspects of this association gives me a greater appreciation for our board — past, present and future. I encourage everyone to get involved, even if it is as a committee person on one committee. I don't want to scare you, but this can lead you down the path to presidency. It could possibly lead you down a path to other things, but we won't go into that.

Anyhoo...I hope to see everyone at KAC in December. A break from the office will be much needed, just in time for PUP season. I really think we need to change that nickname...pups are so cute and furry and fun...PUPS are NOT cute nor furry — and definitely not fun!! ■



48TH ANNUAL KANSAS ASSOCIATION OF COUNTIES CONFERENCE & EXPOSITION

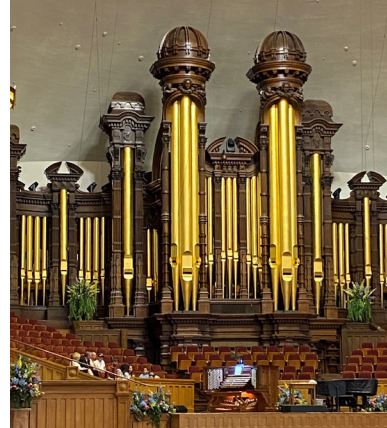
December 5-7, 2023
Wichita, Kansas

The 2023 48th Annual Kansas Association of Counties Conference and Exposition is set for Dec. 5 - 7 at the Hyatt Regency Hotel and Century II Convention Center in Wichita.

KAC is once again using the RegFox online platform for all Kansas County conference registrations. Complete your conference registration and hotel reservations online: kansascounties.org/services/annual-conference.

Pictured on the cover at the 2023 NCRAAO Conference: Brad Eldridge, Douglas County; Nikki Reid, Marion County; Lori Reedy, Cowley County; Kimberly Winsett, Ottawa County; Kristina Silva, Rice County; Mindy Harting, Sheridan County; Melinda Latham, Mitchell County; Michelle Clark, Johnson County; Ryan Michaelis, Wabaunsee County; Lisa Berg, Dickinson County; Tracy Weaver, Johnson County; Lisa Ree, Ellis County; Robin Knobloch, Pottawatomie County; Cody Sosna, Johnson County; Kara Endicott, Johnson County; Tiffany Osborn, Johnson County; Tony Fandel, Johnson County; and Jeff White, Johnson County.

2023 IAAO Conference Recap



Salt Lake City Hosts 2023 IAAO Conference

This August, more than 1,400 people attended the IAAO Annual Conference in Salt Lake City. Appraisers from Kansas were among those in attendance.

While in Salt Lake, conference goers had the opportunity to explore Salt Lake City, seeing, pictured above from left to right, the Utah State Capitol, a downtown mural to honor the NBA's Utah Jazz, the organ in the Mormon Tabernacle and Salt Lake City Council Hall, which dates back to the 1860s.

Pictured top left: Getting ready to make a run on the luge at the Utah Olympic Park are Melinda Latham, Mitchell County; Lori Reedy, Cowley County; Lisa Ree, Ellis County; and Ryan Marshall, Cowley County.

Pictured top right: Revving up the engines are Marshall; Reedy; Anna Burson, Riley County; Latham and Ree.

Pictured middle left: Contemplating the points of view signs is Reedy.

Pictured bottom left: New this year – a virtual tour of Utah. ■

IAAO CONFERENCE



IAAO Honors Appraisers

Five Kansas appraisers were recognized at the 2023 International Association of Assessing Officers Annual Conference in Salt Lake City in August. Pictured above left to right: Douglas County Appraisal Analyst August Dettbarn, RMA, FIAAO left, receives a Fellows award from the IAAO. He is pictured with IAAO President Patrick Alesandrini. Read more about Dettbarn and the award at bit.ly/3tLmXyH.

Kara Endicott, RMA, CAE, RES; Jeff Ramsey, RMA, CAE, RES; and Tracy Weaver, RMA, RES; receive the Certificate of Excellence in Assessment Administration recertification award on behalf of Johnson County from Alesandrini.

Ryan Marshall, RMA, RES of Cowley County, received the Residential Evaluation Specialist (RES) designation from Alesandrini.

Held at the Salt Palace Convention Center, the conference had more than 60 sessions. Pictured right top: Checking out badge ribbons are Ryan Marshall, Cowley County; Ginni Lietzke, Sedgwick County; and Claudia Lucero, New Mexico.

Pictured right middle: Look who was seen at Tyler Technologies' booth with Mark Hubball? It's Maggie Malloy, PVD; Heidi Devore, PVD; Rae Schnacker, PVD; and Lance Leis, Washington County.

Pictured bottom left: August Dettbarn, Douglas County, at the welcome reception. Bottom right: Brad Eldridge, Douglas County, presents at an education session. Below Jeff Ramsey, Johnson County and Justin Eimers, IAAO. ■



Assessment Bias Intentional Check

Assessment bias among county appraisal offices is a conversation long overdue

JANAE ROBBINS, RMA, AND MATT WILLARD, RMA,
WYANDOTTE COUNTY

Over the last several years, appraisal bias has become a key factor in the discussion of how properties are appraised amongst the appraisal communities — private, mass and the public. While the focus has been primarily on low fee appraisals in minority communities, assessment bias can be found among local government jurisdictions.

Mass appraisers typically face a different difficulty, ensuring the appraisal level is consistent across all price points and locations within our jurisdiction. This is an important and, in some cases, overlooked step in ensuring “fair and equitable” assessments. There is a developing narrative that local governments are in need of revenue and are purposely targeting disadvantaged areas for valuation increases. Unfortunately, on a nationwide basis, it is not difficult to understand where this idea is coming from, as there have been numerous studies demonstrating this in communities across the nation.

BACKGROUND

Inequities in values within communities across the nation did not evolve by chance or because of the invisible hand of capitalism. They are a result of intentional policies and practices of purposeful exclusion and disinvestment that primarily targeted people of color and/or those with low socioeconomic status.

Up until the 1950s, restrictive covenants legally prohibited African Americans from owning, leasing or residing in homes within designated

neighborhoods. This created a legal framework called redlining, which was used for systematic segregation.

There is an extensive historical record of these practices. The most accessible and easily understandable example of this are record mortgage risk maps produced by the Home Owners' Loan Corporation between 1935 and 1940. These maps were used by banks and insurance companies as justification to redline areas within communities by refusing to make capital available. If you doubt the intent or purpose of these maps, reading just a few descriptions from “red” neighborhoods compared to “green” or “blue” neighborhoods should remove that doubt.

The impact of these policies was a massive disinvestment from core neighborhoods and flight of capital to newly established suburbs. Absent access to capital, the real estate market collapsed in redlined neighborhoods ensuring owners were unable to sell or find financing for major repairs or improvements leading to deterioration of the housing stock.

This led to an accelerating collapse of the tax base, causing cuts to and underfunding of public services (most notably schools) and large increases to millage (tax) rates. Residents in redlined areas ended up with significantly higher tax (mill) rates, while being provided inferior services. The practice of redlining was made illegal by the Fair Housing Act of 1968, but past practices continued to harm impacted communities.

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APPRAISING TODAY IN KANSAS

Lucky for those of us in the Sunflower State, Kansas has implemented a taxation system designed to assist county appraisers in establishing fair and equitable values across all property types. And while many of our values are calculated by our CAMA system — the analysis, calibration and modeling has been fully within our control. For this reason, each county should be actively looking for appraisal bias and taking corrective action where needed.

These past practices continue to harm communities. This is apparent in ways glaringly obvious (neighborhoods suffering obvious scars from nearly a century of disinvestment) and in more subtle ways (regressive property taxation). We have a great deal of control over the second item and feel it is crucial that we do all in our power to ensure value-neutral assessments.

The first question we must answer is: “why are regressive property values harmful?” Regressive taxation constitutes a compounding harm. In jurisdictions with overall regressive values, residents in areas suffering the lingering impacts of decades of disinvestment are further harmed by paying property taxes at a higher effective rate than residents in areas not impacted by the same. The result is a transfer of wealth from disadvantaged areas to affluent areas within a jurisdiction and, in extreme cases, the inability of residents to retain their homes (loss to tax foreclosure).

The next question is: “why does regressivity occur?” Any mass appraisal project relies on adequate market data to be successful. In the case of residential properties, this data is in the form of sales. These sales are typically distributed in a bell curve with fewer data points at the high and low end of the market. This lack of sales at the extremes makes for a more challenging appraisal assignment.

Causes of undervaluation on the high end include the presence of custom features that are difficult to quantify or in some cases identify along with a greater likelihood of high value owners initiating appeals.

Causes of overvaluation among lower priced properties include the difficulty in identifying defects or damages with major impacts on value coupled with a lower propensity to initiate valuation appeals. There are several reasons for this hesitancy to appeal valuation. These include a lack of awareness of appealing as an option, followed by fear that an assessment appeal will lead to entanglement with other departments (codes enforcement).

OVERCOMING POTENTIAL BIAS ISSUES

There are several ways to overcome these issues, and in our experience, the most effective is public outreach. Letting people know they have appeal rights in ways outside of the back of the annual notice of appraised value has had a positive impact on our operations.

It has been our experience over the past few years that the key to effectively delivering a message is meeting people where they are. For Wyandotte County, this has meant an increase in the use of structured and advertised public meetings, attendance and presentations to most of our taxing jurisdiction meetings and agreeing to speak with any community or neighborhood group that extends an invitation.

These speaking engagements focus on a general overview of the property tax system, specific information on sales trends and an extensive discussion on the appeal process. Public response to these meetings has been overall positive, and resulting hearings revealed a number of properties with unidentified issues that resulted in a reduction of value and a more equitable value. This is information that we would not have gained without asking for it in a very direct manner.

A second avenue for our outreach consists of an expansion of online presence. This can be done by producing videos covering valuation methods and the property tax system overall. The content we have posted has been well received and we plan on producing additional items going forward.

The second area of importance in ensuring equitable assessments concerns sales validation, modeling and testing techniques.

The price related differential is a good place to look for an overall indication of vertical equity, but it is a blunt tool and it has been our experience that further analysis is necessary to ensure our goal of equitable assessments is being met.

Mapping sale ratios after completing modeling is a good way to quickly spot issues with equity as any areas over or under assessed should quickly become apparent. A related method is to run ratio studies on smaller geographic areas, or on quartile and decile breaks. Finally, the price related bias is a more sensitive statistical measure than the price related differential and should be considered as well.

With all that said, take an intentional look within your own jurisdiction. Let's ensure fair and equitable assessments are occurring across all of the properties we are responsible for valuing. ■

Images Source: Office 365 Stock Image



Valuation Process in Serbia

LISA REE, RMA, ELLIS COUNTY

The IAAO conference offers a variety of opportunities. Opportunities to visit with vendors about current and future products and services; to network with fellow attendees and create new friendships; and to learn from peers in a variety of topics, such as appraising properties, data collection procedures, GIS capabilities, leading and management, appeals, and public relations. Typically, I attend sessions that I feel will be of the most benefit to me and my office. I also try to attend a session that focuses on the valuation process in another country.

This year's conference featured a session on mass appraisal models in Serbia. Although hearing about the challenges of modeling in Serbia was noteworthy, what I found most interesting was the process of the last 35 years to get to the point of market modeling.

As we know, good data is the base for fair and equitable valuations. Gathering data is an issue in Serbia. Until the early 1990s, the majority of properties in Serbia were owned by the state government, which meant relatively no property tax system was in place. Initially, tenants were allowed to purchase apartments, then it progressed from there.

In 2011 the Real Estate Valuation Update project began with the goal of updating the mass valuation system. A World Bank loan of \$44 million was obtained to fund the project, with the condition of establishing fair and equitable values. A sale price registry was created as a national registry for all sales transactions.

To date, the registry contains over 13 million transactions. The public has full access to the transactions in the registry. Most sale transactions in Serbia are in cash. Because of this, the change

in mortgage interest rates does not effect the real estate market.

The registry allows data of sold properties to be readily available. However, that is not the case for properties that have not sold. Using satellite imagery for the entire country, every building's outline has been digitized. This process is updated annually. Data reviewers may have outlines of buildings but have no idea what that outline represents.

Thinking outside the box has yielded some data. Using utility records may indicate a year a property was built. Gathering latitude and longitude coordinates of sold properties can also help. Regardless, it's still a challenge to gather correct data for properties. Officials are hopeful for another World Bank loan to use for a physical data collection project.

Although the session did include how these challenges related to actual modeling for valuation purposes, it was fascinating to hear how another country has process through their reappraisal. You just never know what opportunity awaits you at an IAAO conference. ■

Source:
responsiblevacation.com

2023 NCRAAO Conference Recap



The gun went off while Koos was attempting to restrain him.

This topic is always chilling but something we as county appraisers face as a potential threat. I encourage each of you to seek out his story. After Koos' portion of this session was over, a certified ALICE instructor with the Burlington Police Department shared his training on how to respond if ever faced with this harrowing situation. The ALICE acronym and protocol for an active shooter is Alert, Lockdown, Inform, Counter, Evacuate.

As stated, there were quite a few of top-notch speakers and presenters. The two Kansans did an AMAZING job — you know how to entertain while still getting your message across. THANK YOU, Kara and Brad!!

I heard Brad's valuation of renewable energy lecture contained very useful information that should help counties going forward. Kara's presentation "Up the Creek" in regard to personnel disasters in the assessment office reminds us being a "supervisor" is not always smooth sailing. Again, thank you both for your contribution to the NCRAAO conference, it is appreciated.

AND ... Speaking of KANSAS, 18 Kansas county appraisers and/or staff attended the conference, plus a few spouses! Great REPRESENTATION!! I find it so interesting to learn how other states handle the same challenges that we are often faced with. I encourage each of you to attend next year's NCRAAO conference to be held in Kearney, Nebraska, Aug. 19-22. ■

2023 NCRAAO Conference in Burlington, Iowa

BY LISA BERG, RMA, DICKINSON COUNTY

Once again, the NCRAAO conference did NOT disappoint! The conference was held in Burlington, Iowa, June 18-22. It had very educational speakers in a beautiful town with amazing food (Martini's Grille is a MUST if you are ever there) and lots to do at Catfish Bend Inn and Spa, where the conference was held. It was a very fun and busy week, with 145 registered attendees from 10 different states, 19 guests, 13 exhibitors, 10 sponsors, two keynote speakers and 17 instructors.

Our conference started with Speaker Ray "Bubba" Sorensen. He is the "Freedom Rock" artist in Iowa. He shared photos and

stories of his artwork, pictured above. He recognizes those that fought for our freedom and paid the ultimate price through his patriotic art. Sorensen is a very talented artist with an honorable message.

Learn more: www.thefreedomrock.com

One session I attended shared a real-life situation in regard to an active shooter. During a typical open meeting with his directors, Jackson County Assessor Larry "Buck" Koos had an incident with a disgruntled taxpayer who entered at the end of the meeting. Koos was able to protect everyone in the meeting with the exception of the shooter.



2024 NCRAAO Conference

SAVE THE DATE: Aug. 19-22

Younes Conference Center, Kearney, Nebraska



Kansas and Renewable Energy

BY ROBIN KNOBLAUCH, RMA, POTTAWATOMIE COUNTY

Kansas is part of the Southwest Power Pool grid that is a 15-state territory stretching from New Mexico to North Dakota. Renewable energy currently plays a big role in Kansas in producing electricity to help supply the grid for our everyday needs.

In 2019, wind energy surpassed coal for the first time in our state. Information from the U.S. Energy Information Administration (EIA) shows in 2022, renewable resources provided 47% of Kansas' in-state electricity net generation. About 99% of that was wind power.

The same year, Kansas had the third largest share of electricity generated from wind power, just behind Iowa and South Dakota. Other avenues for electricity generated in Kansas in 2022 were coal at 32%, nuclear at 14%, natural gas at 6%, as well as some generated by petroleum liquids, solar energy, biomass and hydroelectric power. More in-depth information on this topic can be found [on Wikipedia](#).

In total, our state generates about one-fourth more electricity than we consume. The surplus power is sent to other states over the high voltage transmission lines of the regional grid we are a part of. We house over 1,650 miles of high-voltage (>230 kV) lines and over 3,150 miles of low-voltage (<230 kV) lines in Kansas that move generated energy where it needs to go.

In the beginning of renewable energy

regulations, they were considered tax exempt for the entire duration of any said project. As this industry kept gaining popularity and growing by leaps and bounds, the state has made adjustments. As of today, the statute that covers renewable energy taxation reads as follows:

KSA 79-201

For all taxable years commencing after December 31, 1998, all property actually and regularly used predominantly to produce and generate electricity utilizing renewable energy resources or technologies when the applicant for such property, on or before December 31, 2016, has filed an application for exemption pursuant to this subsection or has received a conditional use permit to produce and generate electricity on the property from the county in which the property is located. Any exemption granted under the provisions of this subsection for such property when the applicant, after December 31, 2016, has filed such application or filed such application and received a conditional use permit, shall be in effect for the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed. For purposes of this section, "renewable energy resources or technologies" shall include wind, solar, photovoltaic, biomass, hydropower, geothermal and landfill gas resources or technologies. Counties in Kansas that have renewable energy enterprises have set their

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own rules and regulations that have all levels of the process covered. Due to most of the renewable energy enterprises in Kansas being developed prior to the change of KSA 79-201, a lot of counties have a PILOT (Payment in Lieu of Tax) Program in place that sets forth the funds that are due to the county in different amounts and/or times since they are totally exempt from tax for the duration of the project. Each county sets their own guidelines for this program. Additionally, most counties have a CUP (Conditional Use Permit) system that helps with regulations. CUPs are regulated by county zoning departments, if they have one, or their county commissioners.

Kansas also has laws regarding where renewable energy sites can and cannot be located. The "Tallgrass Heartland" wind moratorium addresses the protected area of the Flint Hills where there can be NO commercial-wind power development. In 2004, former Kansas Governor Kathleen Sebelius first declared a wind project moratorium for parts of the Flint Hills. Her original plan only included what they saw as the "Heart of the Flint Hills" and southern Kansas Flint Hills went unprotected. This caused about 22,000 acres to get swallowed up with wind power development. In 2011, then Kansas Governor Sam Brownback expanded the area of protection to the area it is today.

Current Kansas Governor Laura Kelly has made it public she also endorses the "Tallgrass Heartland" wind moratorium that encompasses portions of 12 Kansas counties containing two-thirds of the world's remaining tallgrass prairie. She has also stated that the wind moratorium helps conserve our unique prairie ecosystem and is vital to native wildlife and tourism as well as local ranching economies.

Another item that has gained great attention in Kansas with renewable energy are the issues with the lights atop each turbine on a wind farm. An article by Celia Llopis-Jepsen of KCUR 89.3 in March of 2023 reports that Kansas has nearly 4,000 turbines that light up our skies.

About 400 of these sit higher in the sky than the Statue of Liberty. These structures have lights on them for the same reason as cell towers or other tall structures...they pose a risk to all airplanes, but mostly to the small ones that fly closer to the ground.

While we probably all understand the safety facts for the lights, it doesn't always sit well with those who live nearby any wind development or those trying to navigate the Kansas roads at night. These lights are said to be bright and distracting. Kansas government leaders are now considering ways to solve this issue. They are trying to come up

with options to eliminate the lights to be active at all times.

One option is to have regulations in place where developers must have a radar in place at the turbine that will scan for aircrafts. This is called an aircraft detection lighting system (ADLS). This technology will automatically activate the lights like a giant coordinated motion detector. Companies that develop wind energy sites would have to secure approval from the Federal Aviation Administration (FAA) to install ADLS. Some of their guidelines would include that the lights would need to activate by the time an aircraft flies within 3.45 miles of the turbine and within 1,000 feet above a wind farm's highest point.

The FAA reviews every turbine within the wind farm individually if an application is made for ADLS. In a wind farm with 200 turbines, they could get approval on all turbines or maybe all except some that the FAA might find fault due to line of sight or other issues. Those that do not get the approval to use the ADLS would be required to have the current, stay-on-all-night lighting system in place. If any of the current talks about wind turbine light mitigation would become an actual bill in Kansas, it would most likely not only cover future development of wind energy sites, but also have effect on those that are currently operating as they would have to make adjustments to meet the new light mitigation bill also.

While we all have our own opinion of the good, the bad and the ugly of renewable energy in our home state, please try and remember that developers have a pretty strict checklist they must have to begin the work. As good stewards, we should be as helpful as possible to everyone involved and be ready to do what is necessary to make the project as smooth as possible.

As we go forward, renewable energy is something that will not be left behind. In the coming days, it is likely to be something that is going to be on the top of the stack for many of us whether it is wind, solar or any of the others covered by current statute KSA 79-201.

[Tyler Dallman](#) with Property Valuation Department (PVD) is attempting to gather information on operating and future solar energy projects across the state to create a database that can help assist counties, taxpayers, legislators and other agencies that have inquiries or concerns. If you have any information about renewable energy in your county, please try and share it with PVD so that we can all have access to a thorough database of all the renewable energy projects in our state. ■

Image Source: Microsoft Office 365

**2023 Kansas
ORION Conference
November 2-3
Wichita Marriott**



Location: Wichita Marriott, 9100 E Corporate Hills Dr., Wichita, KS 67207

November 2

- 8:30-11:30 Enhancement Committee/Tyler Meeting
- 11:30-1:00 Registration and Lunch—Mexican buffet
- 1:00-5:00 Sessions
- 1:00-2:00 Product Roadmap
- 2:00-2:45 New Functionality
- 2:45-3:00 Break
- 3:00-3:30 Assessment Connect feedback
- 3:30-4:00 Field Mobile county user feedback
- 4:00-5:00 Tyler Tax Product/Question and Answer

November 3

- 7:45-8:30 Breakfast—fruit, pastries, eggs, potatoes, sausage and bacon
- 8:30-12:00 Sessions
- 8:30-9:00 Committee Report and Enhancements Open Forum
- 9:00-9:15 Sales Ration Report Requests
- 9:15-9:45 Orion Best Practices
- 9:45-10:00 Break
- 10:00-10:30 Time Adjusted Sale Price
- 10:30-11:00 Orion Forms and Documents
- 11:00-11:15 Break
- 11:15-11:45 PVD
- 11:45-12:00 Closing

Register and book your lodging: www.kscAA.net/education/23-orion-users-conference/

**KCAA Executive Board
June Meeting Minutes**

Location: Bluemont Hotel, Manhattan, Hartford Room

Date: Wednesday, June 7, 2023

In Attendance: Beau Boisvert, Lori Reedy, Ryan Michaelis, Kelly Deslauriers, DeLinda White, Ryan Janzen, Mindy Harting, Melinda Latham, Cindy Brenner, Deb Studebaker, David Harper

I. Previous Meeting Minutes — Approved

II. Financial Report — Account balances: CD-\$12,144.97, MM-\$147,393.80, CK-\$198,919.69. \$159,124.53 is Orion Fund leaving \$199,333.93 for KCAA operating funds.

III. Treasurer’s Report — No discrepancies

IV. 2023 KCAA Conference Recap - Liked everyone together for Compliance. Some felt it was too PVD heavy.

V. Assessment Connect—Mid fall for update. Three phases, Ryan says meeting weekly now. Datafile will be huge which is a concern.

VI. 23 Education — Power BI, Ratio Class, Orion Users Conference. Kristina Silva was asked to transition into being education committee chair.

Yes to ratio class, yes to Orion Users Conference, KAC is in December this year. Kathy brought up talking to Rae and Steve about needing a ‘new appraiser’ class. Melinda will talk to David about it. Melinda will start working on a ‘packet’ of information for new appraisers—including phone numbers, mentor contact, etc. Kathy brought up mobile homes and the inconsistencies. Valuing golf courses class.

VII. Salary Survey — KCAA will do another salary survey. Staff salary would be helpful.

VIII. 2024 Legislative Reception — Yes to Cyrus Hotel for reception.

Other Business

Newsletter—Brad spoke about how we missed the spring newsletter and we are looking for an editor. Lisa Ree was asked to consider the position. ■



KATHY BRIDGES RETIRES

Kathy Bridges' career in mass appraisal and public service began a little over 30 years ago in Ford County. While working there, she achieved her RMA in 2001 and left in 2002 to work for Butler County.

Throughout her career, many life changes took her from western Kansas to central then on to eastern Kansas, where she served as the Linn County Appraiser until earlier in 2023. Kathy previously worked for the Kansas Department of Revenue — Property Valuation Division for a bit and served as either a county appraiser or the deputy appraiser in several other jurisdictions including Jefferson, Barton and Wyandotte counties. She has been actively involved in many local volunteer organizations over her 30 years and has also been an active member of the IAAO & KCAA.

Letter from Kathy dated Sept. 13

Hey all,

I wanted to let everyone know that I have only nine (yes you read nine) workdays left as the Linn County Appraiser. 😊 After 30+ years, I am retiring from KPERS, which means that my county appraiser days will soon be behind me.

But, if ya'll know me... I'm too much of a busybody to retire, so I currently have a passion project that I am working on, and I have a few other things up my sleeve that will be coming to fruition in the upcoming months.

Leaving is bittersweet as I will miss everyone, but so very excited about this new chapter in life! Linn County has been great to work for over the past several years and I will miss them all so much! On a side-note - I have asked them to not do a reception (as I am not actually "retiring"), but I wanted to let

ya'll know in case you wonder later where I went or what happened to me. 😊

I am excited about this new adventure of reinventing myself (FYI – I am convinced that you are never too old to do that), but I would be remiss in telling my KCAA family thank you for all the wonderful friendships, the networking over the years, and the hard work you all do daily.

I know that we have a thankless job, but I have witnessed so much passion from many of you over the years and ya'll are amazing! Unfortunately, I won't be coming to any upcoming conferences — but I will definitely be staying in touch with many of my appraiser peeps!

I will leave you with this...take one day at a time, be sure to lead by example, and be mindful that your work ethic and positivity serve as an example to others!

Take care and keep up the great work!

KCAA EDUCATION OPPORTUNITIES

Upcoming Course

Course: RMA Commercial Review

Date: Nov. 14-16

Location: Topeka, Shawnee County Annex, 1515 NW Saline St.; Topeka, KS 66618

Instructor: Brad Eldridge

Cost: \$350

Register: kscaa.net/education/online-education-registration

Education Survey

If you haven't completed the 2024 KCAA education survey yet, please do so! Completing the survey helps the education committee determine what classes to offer next year and when/where to offer them.

Survey Link: kscaa.net/education



JOB OPENINGS:

Numerous job openings are listed on the KCAA website.

Check them out: kscaa.net/job-openings

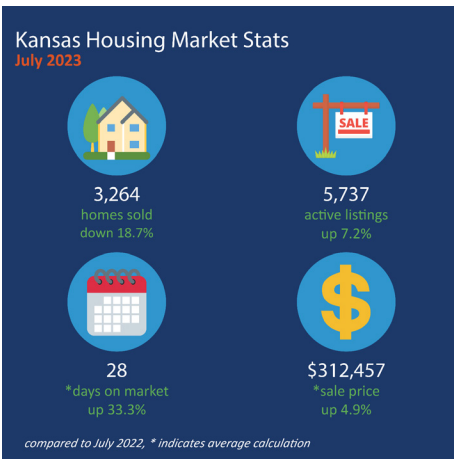
REAL ESTATE NOTES OF INTEREST

BY BRAD ELDRIDGE, DOUGLAS COUNTY, EDITOR



Kansas Economy at a Glance, U.S. Bureau of Labor Statistics, September 2023. “The unemployment rate for August 2023 remained unchanged at 2.7%, which is the lowest monthly unemployment rate over the past year. Nonfarm wages increased at an annualized rate of 1.3%, which has ranged as high as 2.6% over the past six months. Information technology jobs lead the wage increase at an annualized rate of 19%.”

Kansas Housing Market Stats – July 2023, Kansas Association of Realtors, Sept. 5. “Home prices continue to increase across the state. The statewide average sale price in July was \$312,457, a 4.9% increase compared to last year. Midwest prices rose 3.9% and U.S. prices rose by 1.9%.”



Existing-Home Sales Slipped 2.2% in July, National Association of Realtors, Aug. 22. “The median existing-home sales price rose 1.9% from one year ago to \$406,700. It was the fourth time the monthly median sales price eclipsed \$400,000, joining June 2023 (\$410,000), June 2022 (\$413,800) and May 2022 (\$408,600).”

Mortgage Rates Decline After a Three-Week Ascent, Freddie Mac, June 8. “30-year fixed-rate mortgage averaged 6.71% as of June 8, down from last week when it averaged 6.79%. A year ago at this time, the 30-year FRM averaged 5.23%. 15-year fixed-rate mortgage averaged 6.07%. A year ago at this time, the 15-year FRM averaged 4.38%.”

Redfin Survey Finds 1 in 10 Home Sellers Are Moving Because They’re Being Called Back to the Office, Redfin, Sept. 13. “While returning to the office wasn’t the most common reason respondents listed for moving, the response rate is notable because back-to-office mandates are an emerging cause of relocation.”

Large Metro Markets Show Biggest Slowdown in Single-Family Construction, by Elizabeth Thompson and Stephanie Pagen, National Association of Home Builders, Sept. 5. “Rising mortgage rates and elevated construction costs have taken a toll on the pace of single-family construction in markets across the nation, with the slowdown most pronounced in large metro areas. Multifamily market growth also fell in most areas of the country.”

RCA CPPI US Commercial Property Price Indexes, July 2023, MSCI, Aug. 24. “All U.S. commercial property sectors posted annual price declines in July as deal activity retreated to the lowest level of any month since the onset of the pandemic in early 2020. The RCA CPPI National All-Property Index dropped 9.6% from a year ago and ticked up 0.3% from June.”

Change in RCA CPPI July 2023

	1-mth	3-mth	1-yr	3-yr	5-yr	10-yr
Office	-0.1%	-1.0%	-8.3%	8.6%	11.2%	58.2%
Office - CBD	-0.6%	-2.1%	-9.3%	-7.2%	-2.3%	48.5%
Office - Sub	0.3%	-0.1%	-7.5%	11.5%	12.5%	60.0%
Industrial	-0.1%	-0.5%	-1.7%	34.2%	59.5%	135.1%
Retail	-0.2%	-1.1%	-8.2%	14.1%	13.4%	39.3%
Commercial	0.1%	-0.2%	-5.5%	16.2%	23.2%	67.2%
Apartment	0.1%	-0.2%	-12.2%	20.4%	38.0%	129.1%
All Types	0.3%	0.1%	-9.6%	17.0%	26.9%	85.1%
6 Major Metros All Types	-0.2%	-0.9%	-8.4%	5.9%	13.8%	68.8%
Non-Major Metros All Types	-0.1%	-1.0%	-9.8%	20.1%	31.5%	91.1%

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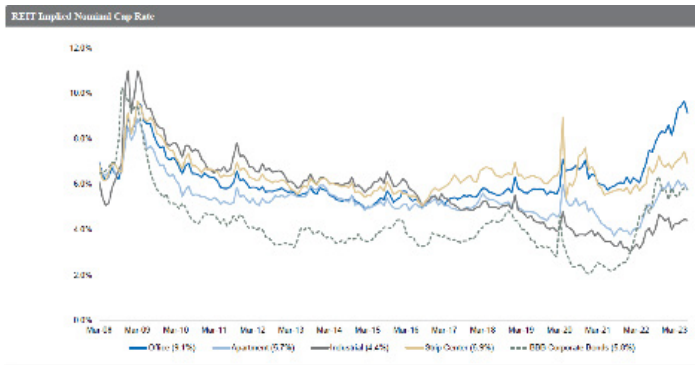
CRE Loan Extensions Rise Amid Uncertainty and Higher Rates, by Paul Bubny, Connect CRE, Sept. 18. “Year to date, about \$5.65 billion in commercial real estate loans have been modified with an extension, according to Trepp. Although the term increase varies from loan to loan, the largest share of these extensions, 37%, was for term increases of 1-12 months. That said, more than 20% of modified CRE loans have gone for extensions of 37 months or more.”

Capital Markets Report, 2Q 2023, Newmark, Aug. 2023. “Transaction markets now show clear increases in transaction cap rates, belatedly following the public markets. Even so, both in the private and public markets, cap rates appear distinctly unattractive relative to the cost of debt capital, possibly excepting office REITs.”

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REAL ESTATE NOTES OF INTEREST

Real Estate Notes continued from page 13



Quick Serve Restaurant Market Analysis,

Valbridge Property Advisors, September 2023. “The quick-service restaurant (QSR) market analysis provides a summary of the national net lease QSR market. The data used to produce this analysis was gathered from Costar, The Boulder Group, QSR Magazine, Franchise Times, IBISWorld, and Valbridge Property Advisors’ proprietary database.”

Full Service Restaurants Market Analysis,

Valbridge Property Advisors, September 2023. “The market analysis provides a summary of the national full-service restaurant (FSR) real estate market. The data used to produce this analysis was gathered from Costar, The Boulder Group, FSR Magazine, Franchise Times Magazine, IBIS World, and Valbridge database.”

United States Construction Market Trends Q2

2023, CBRE, Aug. 16. “Finding skilled labor continues to remain a major challenge for all aspects of the industry inclusive of shipping and trucking, manufacturing and on-site construction. Gasoline and petroleum costs are now much lower than their all-time highs last summer but are still significantly higher than pre-pandemic values.”

Natural Disasters: Costlier Than You Might Think,

by Amy Wolff Sorter, Connect CRE, Sept. 7. “Natural disasters in the U.S. in 2022 generated about \$175 billion in damage. Lost revenue and higher insurance rates prove to be challenges for property owners after a disaster.”

United States Retail Outlook Q2 2023, JLL,

September 2023. “There is now less space available for lease in shopping centers than at any other time since before the Great Recession of 2008. Availability within non-mall multi-tenant retail centers dropped

to 7.5% in June, a precipitous drop from 2020 when pandemic measures caused availability to spike to double digits.”

A Guide to U.S. Store Expansion Strategies for Investors and Retailers, *Colliers International, Fall 2023.* “We reveal how brands adapt to changing consumer preferences and behaviors and create new ways to connect with their customers. Whether through immersive experiences, personalized services or social media integration, brands are finding new ways to engage and delight their customers.”

Q2 2023 Industrial: “Reverting to the Norm,”

by Amy Wolff Sorter, Connect CRE, Aug. 10. “The vacancy rate is still below the 10-year average, but 2023 is on track to post the weakest annual growth for more than a decade. Manufacturing organizations are pausing growth because of a “bleak economic outlook” while developers grapple with higher interest rates.”

Industrial Market Outlook | Q2 2023,

Colliers International, Aug. 7. “Amidst the economy’s ongoing flirtation with recession, the U.S. industrial market experienced signs of weakening in the second quarter of 2023. The overall vacancy rate increased by 50 basis points during the quarter, reaching 4.5%. Despite the rise in vacancy, asking rents continued their upward trajectory and crossed the \$10 per square foot mark for the first time.”

U.S. Office Market Outlook Report | Q2 2023,

Colliers International, Aug. 25. “The softening in key U.S. office market fundamentals, seen in the prior two quarters, continued in the second quarter of 2023. As a result, net absorption remained negative, while vacancy and sublease space hit new record highs. The U.S. office vacancy rate stands at 16.4%, an increase of 30 basis points in the second quarter. Vacancy has inched above the prior peak of 16.3%, seen at the height of the Global Financial Crisis, with further upward pressure expected to follow.”

Another Use for Abandoned Office Space:

Satellite Campuses, *by Amy Wolff Sorter, Connect CRE, Sept. 14.* “What needs to happen to empty office space in urban centers? Much of the news focuses on office-to-multifamily conversions. While the theory is attractive, the reality seems to be more difficult. A recent article in Urban Land suggested another use: university satellite campuses.”

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REAL ESTATE NOTES OF INTEREST

Real Estate Notes continued from page 13

U.S. Hotels State of the Union, CBRE, Sept. 5. “Consumers have money to travel as wage growth has outpaced RevPAR and airfare. Recent Declines in airfares have driven YTD TSA throughput to recover to 2019 levels. July RevPAR fell 1.2% due to occupancy, down by 2.1%, partially offset by a modest increase in ADR, up 1.0%. Markets in contraction continue to increase. We are lowering our 2023 RevPAR growth forecast from 6.0% to 4.6% owing to a weaker-than-expected Q2 2023.”

U.S. Seniors Housing & Care Investor Survey 2023, CBRE, July 5. “This 12th edition of CBRE’s Seniors Housing & Care Investor Survey polled a more select group of seniors housing thought leaders than

previous surveys. The resulting market sentiment insights are therefore based exclusively on feedback from industry veterans.”

	Class A				Class B				Class C					
	Low - High (%)	Avg. (%)	Change (bps)		Low - High (%)	Avg. (%)	Change (bps)		Low - High (%)	Avg. (%)	Change (bps)			
Care	Active Adult	4.0 - 7.0	5.2	57	4.0 - 7.0	5.9	21		5.0 - 9.0	6.6	-24			
	Independent Living	4.0 - 7.0	5.7	41	4.0 - 7.0	6.5	25		6.0 - 9.0	7.1	-23			
	Assisted Living	5.0 - 8.0	6.4	29	5.0 - 8.0	7.2	6		6.0 - 10.0	8.1	-19			
	Memory Care	5.0 - 9.0	7.4	41	5.0 - 9.0	8.3	71		6.0 - 12.0	9.1	40			
	Skilled Nursing	7.0 - 13.0	10.6	-13	7.0 - 13.0	11.5	-3		8.0 - 14.0	12.3	-103			
CCRC/LPC	5.0 - 11.0	7.7	69	5.0 - 11.0	8.5	56		6.0 - 13.0	9.2	17				
Non-Care	Active Adult	4.0 - 8.0	5.9	67	4.0 - 8.0	6.5	32		5.0 - 10.0	7.0	-24			
	Independent Living	5.0 - 8.0	6.3	15	5.0 - 8.0	7.1	2		6.0 - 10.0	7.7	-38			
	Assisted Living	5.0 - 9.0	6.8	0	5.0 - 9.0	7.8	37		6.0 - 13.0	8.6	11			
	Memory Care	6.0 - 10.0	7.9	56	6.0 - 10.0	8.8	84		7.0 - 12.0	9.6	62			
	Skilled Nursing	7.0 - 14.0	11.2	4	7.0 - 14.0	11.9	19		8.0 - 14.0	12.5	-108			
CCRC/LPC	5.0 - 12.0	8.1	16	5.0 - 12.0	8.9	46		7.0 - 13.0	9.6	21				
Average Change per Class				32					33					-16

Source: CBRE Seniors Housing Investor Survey, 2023; change from 2022, Survey.

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