

**MARKET STUDY ANALYSIS FOR WYANDOTTE COUNTY  
FOR THE 2017 TAX YEAR  
(K.S.A. 79-1460a)**

A study of the Wyandotte County real estate market for ad valorem tax purposes using mass appraisal techniques must be performed annually by the Appraiser's Office prior to the mailing of valuation notices. Fair market values for tax purposes, as defined by K.S.A. 79-503a, with exception to agricultural land, should reflect the trends over the past year and value levels of the real estate market in the county as of January 1<sup>st</sup>. The Appraiser's Office gathers market data and conducts studies each year to ensure that the valuation models are relevant and calibrated to the local market.

The market study for the 2017 tax year indicates the following:

**RESIDENTIAL REAL ESTATE:**

The analysis of the residential real estate market concludes that most areas are showing an increase in value overall.

Average and median sale price and sale price per square foot indicators were reviewed, along with statistical model indicators, to determine overall value trends in the various model/neighborhood areas. The median sale price per square foot of single-family homes increased 15% from 2015 to 2016. In general, a stabilizing economy and higher demand for homes has increased home prices in the market.

A study of the residential real estate market utilizing only paired sales indicated an overall median inflationary trend of 5% per year.

Of the 45,600 single-family property values for 2017, approximately 25% will decrease or have no change in value and approximately 75% will see an increase in value over last year; however, 68% of those increasing will have a 10% or less increase in value. These numbers include new construction value changes, as well as changes due to demolition.

Values on specific residential properties may not follow the general trend because of changes in the property, corrections of descriptive information, or adjustments of values based on sales of similar properties.

**COMMERCIAL REAL ESTATE:**

The analysis of the commercial real estate market concludes that most areas are increasing overall. However, weakness remains in downtown area in both the office and retail markets.

Improved commercial property sale counts decreased in 2016 to 208 sales, compared to 244 in 2015. There has also been a decrease in valid commercial sales from 170 in 2015 to 153 in 2016. However, declining sales may be due to more build-to-suit development and rehabilitation projects within the county and/or due to the end of a post-recession surge.

The Appraiser's Office also tracks data from real estate publications including: CoStar, Integra Realty Resources, CB Rich Ellis, Marcus and Millichap and Cassidy-Turley. Most have concluded increasing rents, decreasing vacancies and declining capitalization rates for all commercial property types in the KC Metro and Wyandotte County areas.

This data coupled with recent sales ratio study analysis indicates that there is a need for modest increases in values for industrial and apartment property types, as well as a slight to modest increase to other commercial property types.

Values on specific commercial properties may not follow the general trend because of changes in the property, corrections of descriptive information, or adjustments to commercial valuation parameters.

**LAND:**

After conducting paired and comparable sales, residential neighborhood and subdivision analyses and their conclusions, it was determined that no trend would be utilized in the 2017 vacant land valuation for residential properties. However, commercial vacant land analysis utilized a positive trend of 3%.

In accordance with the provisions in K.S.A. 79-1476, the Division of Property Valuation is required annually to furnish each county the results of its study relating to changes, if any, of the Use Value of agricultural land. Changes can and do occur as a result of several factors, including cropping practices, commodity prices, and production costs.

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