

# COUNTY VALUATION SUMMARY AND KANSAS BOARD OF TAX APPEALS EXHIBIT

<b><u>Year at Issue</u></b> 2021	<b><u>Docket Number</u></b> 2021-5987-EQ	<b><u>Kansas Unified Parcel Number</u></b> 023-103-08-0-10-24-003.01-0	<b><u>Douglas County Plate Number</u></b> U18122-003B
-------------------------------------	---------------------------------------------	---------------------------------------------------------------------------	----------------------------------------------------------

**Property Address**  
2140 E 25TH TER  
LAWRENCE KS

**Property Owner of Record Name and Address**  
BETHEL ESTATES OF LAWRENCE LP  
ATTN RHODES DAVID R  
30555 W 119TH ST  
OLATHE KS 66061

**Property Type**  
Residential - R  
Federally subsidized apartment complex

<b><u>Valuation Effective Date</u></b> January 1, 2021	<b><u>County Value Appealed</u></b> 2,761,110	<b><u>County Value Recommended</u></b> 2,761,110	<b><u>Valuation Method Used</u></b> Override
-----------------------------------------------------------	--------------------------------------------------	-----------------------------------------------------	-------------------------------------------------

Prepared Using Records from the Douglas County Appraiser's Office  
And the Division of Property Valuation,  
Department of Revenue, Approved Mass Appraisal System

## **Table of Contents**

Cover Sheet .....	1
Table of Contents .....	2
Appeal Summary .....	3
Exhibit Summary .....	8
Location Maps & Aerial Images .....	13
Property Photo .....	19
Appraisal Card .....	20
Neighborhood Summary .....	24
Income Valuation Summary .....	27
Land Valuation .....	39
Cost Valuation Report .....	43
Valuation and Appeal History .....	46
Real Estate Appraisal Terminology .....	47
Appraiser Qualifications .....	59

- The subject property consists of a subsidized housing apartment complex that is registered in the Section 8 program with HUD and Section 42 Low-Income Housing Tax Credit program.
- The 48-unit complex was constructed in 2016.
- The property is age-restricted and has a minimum resident age requirement of 55 years.
- The property has been 100% occupied with a waiting list for three years.
- Phase II of the project recently completed and is on a separate parcel, which indicates there is pent up demand for such housing.

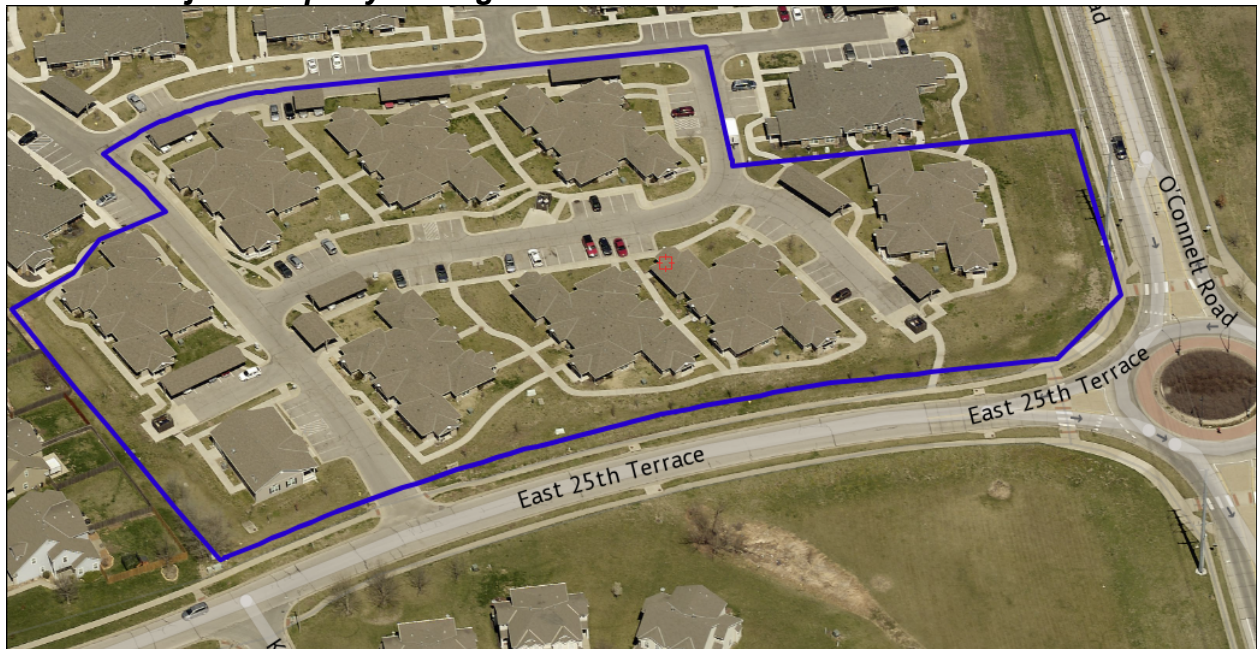
### **Property Features**

- Community room
- Carports
- Trash and water paid by landlord

### **Unit Features**

- Refrigerator and range
- Emergency call system
- Washer/Dryer hook-ups
- Covered patio

### ***View of Subject Property Facing North***



- Per K.S.A. 79-1456(a), if the director of property valuation has developed and adopted methodologies to value specific types of property, the county appraiser is required to follow such methodologies.
- Directive 19-048 confirms the Affordable Housing Appraisal Guide published by the Kansas Department of Revenue, Division of Property Valuation should be utilized by the county appraiser.

<https://www.ksrevenue.org/pdf/dir19-048.pdf>

- In 2020 Douglas County mailed requests to subsidized housing owners for income and expense information.
- The subject's owner provided its 2018, 2019, and 2020 income and expense information, which was utilized by the county to value the subject in accordance with K.S.A. 79-503(a)(f), (h), and (j) in conjunction with the Department of Revenue's Affordable Housing Appraisal Guide.

<https://www.ksrevenue.org/pdf/AffordableHousingGuide2021.pdf>

- The county's 2021 value is based on the Income Approach using the Department of Revenue's valuation template, as summarized below.

INCOME CAPITALIZATION RECONCILIATION				
<i>(BLUE shaded cells contain formulas or data that should not be altered; YELLOW shaded cells need data input)</i>				
	2018 Year	2019 Year	2020 Year	Stabilized
<b>TOTAL EXPENSES w/o TAXES</b>	\$159,048	\$174,931	\$201,946	<b>\$181,402</b>
<b>NET OPERATING INCOME</b>	\$216,312	\$204,774	\$190,219	<b>\$198,631</b>
	Effective Tax Rate	1.5500%		Tax Unit
	Capitalization Rate	5.5000%		Mill Levy
	Overall Capitalization Rate	7.0500%		Assessment Rate
	<b>PRELIMINARY VALUE</b>	<b>\$2,817,455</b>		
	<b>PERSONAL PROPERTY VALUE ADJUSTMENT</b>	<b>\$56,349</b>		Adjustment % <b>2%</b>
	<b>PRELIMINARY VALUE <i>minus</i> PERSONAL PROPERTY</b>	<b>\$2,761,106</b>		(Enter whole number greater than 0)
	<b>INDICATED VALUE ROUNDED</b>	<b>\$2,761,110</b>		
	<b>VALUE per UNIT ROUNDED</b>	<b>\$57,520</b>		



- Unloaded cap rate of 5.50% applied
  - Based on county's cap rate study
  - Investment Class A+ rank
  - Falls within 5.25% to 6.25% indicated cap range per PVD study<sup>1</sup>
- The county ranks subject as an Investment Class A property due to:
  - **Age** less than 15 years
    - Subject is new construction (Class A characteristic per PVD study<sup>2</sup>)
    - No deferred maintenance (Class A characteristic per PVD study<sup>3</sup>)
  - **Location** in a high-growth area
    - Subject is located in a newer, high growth area (Class A characteristic per PVD study<sup>4</sup>)
  - **Amenities**
    - Subject has a community room, covered parking and washer/dryer hook-ups (Class A characteristics per PVD study<sup>5</sup>)
  - **Vacancy**
    - 0% vacant for three years
- A summary of the subject's characteristic data and valuation metrics can be referenced on the county's **Property Record Card, Income Valuation Summary** and **Cost Valuation Report** included in this exhibit.

---

<sup>1</sup> Kansas Affordable Housing Appraisal Guide – 2021, Kansas Department of Revenue – Property Valuation Division, p. 3

<sup>2</sup> Ibid., p. 18

<sup>3</sup> Ibid., p. 18

<sup>4</sup> Ibid., p. 18

<sup>5</sup> Ibid., p. 18

**EQUITY IN VALUATION**

The values for subsidized housing in Douglas County are summarized in the following grid:

QuickRefID	Name	Address	Inv Class	Yr Blt	# Units	Bldg SF	2021 Value	\$/Unit	\$/SF	Method	Cap Rate
<b>R337162</b>	<b>Bethel Estates</b>	<b>2140 E 25TH TER, LAWRENCE, KS</b>	<b>A+</b>	<b>2016</b>	<b>48</b>	<b>42,310</b>	<b>\$2,761,110</b>	<b>\$57,523</b>	<b>\$65</b>	<b>PVD Guide</b>	<b>7.05</b>
R334481	Cedarwood Cottages	2525 CEDARWOOD AVE, LAWRENCE, KS	A+	2015	14	14,382	\$931,350	\$66,525	\$65	PVD Guide	7.05
R337164	BETHEL ESTATES PHASE II	2120 E 25TH TER, LAWRENCE, KS	A	2019	42	38,758	\$2,482,900	\$59,117	\$64	PVD Guide	7.30
R15586	9 Del Lofts	900 DELAWARE ST, LAWRENCE, KS	A	2014	43	41,560	\$2,505,760	\$58,273	\$60	INCOME	7.30
R31643	WYNDHAM PLACE SR (SECT 42)	2551 CROSSGATE DR, LAWRENCE, KS	A	2004	54	48,874	\$3,177,060	\$58,834	\$65	INCOME	7.30
			<b>Low</b>	2004			<b>Low</b>	\$57,523	\$60		7.05
			<b>Median</b>	2015			<b>Median</b>	\$58,834	\$65		7.30
			<b>Mean</b>	2014			<b>Mean</b>	\$60,055	\$64		7.20
			<b>High</b>	2019			<b>High</b>	\$66,525	\$65		7.30
R36349	SIGNAL RIDGE VILLAS	800 DEER RIDGE CT, BALDWIN CITY, KS	B	2005	32	30,144	\$1,099,560	\$34,361	\$36	INCOME	8.05
R10441	Prairie Commons (Section 42)	5121 CONGRESSIONAL CIR, LAWRENCE, KS	B	1996	128	105,816	\$7,396,710	\$57,787	\$70	PVD Guide	7.80
R2945	Peterson Acres	2930 PETERSON RD #A, LAWRENCE, KS	B	1997	34	24,072	\$787,700	\$23,168	\$33	INCOME	7.80
R18024	PINECREST II (SECT 515/RDRA)	924 WALNUT ST, EUDORA, KS	B	1991	36	23,617	\$1,093,680	\$30,380	\$46	INCOME	8.10
R6231	LCHT Accessible Housing	2218 YALE RD, LAWRENCE, KS	B	1987	12	8,640	\$467,580	\$38,965	\$54	PVD Guide	7.80
R16254	VERMONT ST TOWERS	1101 VERMONT ST, LAWRENCE, KS	B	1980	60	43,480	\$2,223,420	\$37,057	\$51	PVD Guide	7.80
R26685	CLINTON PLACE APTS	2125 CLINTON PKWY, LAWRENCE, KS	B	1979	59	44,963	\$2,413,910	\$40,914	\$54	PVD Guide	7.80
R22066	1725 NEW HAMP 6-PLEX	1725 NEW HAMPSHIRE ST, LAWRENCE, KS	B	1957	6	3,016	\$184,600	\$30,767	\$61	INCOME	7.80
R335472	School House Lofts	704 CHAPEL ST, BALDWIN CITY, KS	B	1930	30	34,194	\$975,500	\$32,517	\$29	INCOME	8.05
R308198	Poehler Building (Section 42)	619 E 8TH ST, LAWRENCE, KS	B	1904	49	52,960	\$1,624,000	\$33,143	\$31	INCOME	7.80
R18008	Hill Crest Apts	703 W 8TH ST, EUDORA, KS	B-	2002	36	15,147	\$1,067,800	\$29,661	\$70	INCOME	8.60
			<b>Low</b>	1904			<b>Low</b>	\$23,168	\$29		7.80
			<b>Median</b>	1987			<b>Median</b>	\$33,143	\$51		7.80
			<b>Mean</b>	1975			<b>Mean</b>	\$35,338	\$49		7.95
			<b>High</b>	2005			<b>High</b>	\$57,787	\$70		8.60
R14038	City Owned LIHTC Apts (N Law)	800 N 7TH ST, LAWRENCE, KS	C	1991	49	52,920	\$1,241,000	\$25,327	\$23	INCOME	9.05
R18027	PINECREST I (SECT 515/RDRA)	939 PINE ST, EUDORA, KS	C	1985	24	14,909	\$466,800	\$19,450	\$31	INCOME	9.35
R20924	EDGEWOOD APTS	1600 HASKELL AVE, LAWRENCE, KS	C	1972	138	119,131	\$3,205,100	\$23,225	\$27	INCOME	9.05
R26689	PRAIRIE RIDGE PLACE	2424 MELROSE LN, LAWRENCE, KS	C	1979	100	77,520	\$2,023,300	\$20,233	\$26	INCOME	9.05
R22059	BABCOCK PLACE	1700 MASSACHUSETTS ST, LAWRENCE, KS	C	1973	120	90,126	\$2,411,000	\$20,092	\$27	INCOME	9.05
			<b>Low</b>	1972			<b>Low</b>	\$19,450	\$23		9.05
			<b>Median</b>	1979			<b>Median</b>	\$20,233	\$27		9.05
			<b>Mean</b>	1980			<b>Mean</b>	\$21,665	\$27		9.11
			<b>High</b>	1991			<b>High</b>	\$25,327	\$31		9.35
R21392	Pine Tree Townhouses	149 PINECONE DR, LAWRENCE, KS	D	1960	94	78,768	\$1,151,500	\$12,250	\$15	PVD Guide	10.05
R21393	Pine Tree Townhouses	100B PINECONE DR, LAWRENCE, KS	D	1960	66	56,256	\$808,500	\$12,250	\$14	PVD Guide	10.05
R36409	MAPLEWOOD APTS - 24 (SECTIO	217 WASHINGTON ST, BALDWIN CITY, KS	D+	1970	24	20,800	\$279,470	\$11,645	\$13	PVD Guide	10.05
			<b>Low</b>	1960			<b>Low</b>	\$11,645	\$13		10.05
			<b>Median</b>	1960			<b>Median</b>	\$12,250	\$14		10.05
			<b>Mean</b>	1963			<b>Mean</b>	\$12,048	\$14		10.05
			<b>High</b>	1970			<b>High</b>	\$12,250	\$15		10.05

The Subject's is the second newest of the Investment Class A group.

The subject's value is consistent with three of the Investment Class A properties on a \$/unit and \$/SF basis.

**RECENT SALE ACTIVITY**

There have been a few recent sales of subsidized housing, but only two valid sales have recently occurred in the Lawrence market. The two sales are sales of the same property, indicating that values are increasing.

Name	Address	Inv Class	Yr Blt	Units	Bldg SF	Sale Date	Sale Price	\$/Unit	\$/SF
WYNDHAM PLACE SR	2551 CROSSGATE DR,	A	2004	54	48,874	12/27/2018	\$2,975,000	\$55,093	\$61
WYNDHAM PLACE SR	2551 CROSSGATE DR,	A	2004	54	48,874	7/1/2020	\$3,250,000	\$60,185	\$66
Name	Address	Inv Class	Yr Blt	Units	Bldg SF	Eff Date	Value	\$/Unit	\$/SF
BETHEL ESTATES	2140 E 25TH TER, LAW	A	2016	48	42,310	1/1/2021	\$2,761,110	\$57,523	\$65

- The Wyndham Place facility is older than the subject property and was 15 years into its restriction agreement at the time of the first sale.
- Wyndham operates at the same income restriction and rent subsidy standards as the subject, which are universal for Douglas County and determined each year by the state/federal housing agencies.
- The buyer of the second sale indicated it will continue in the Section 42, senior housing program.

## EXHIBIT SUMMARY

The purpose of this exhibit is to explain the valuation of the subject property through the presentation of relevant market data and analysis from the county appraiser's work file. The county appraiser's office employed recognized mass appraisal methods and techniques to develop an estimate of the market value of the fee simple interest in the subject property for the purpose of ad valorem taxation.

The information contained in this exhibit relates to the subject property's specific use. The county's work file contains market studies, reports, records, and data that are maintained in a variety of paper and digital mediums and are used to appraise the parcels within the jurisdiction. The work file is referenced in the county's written mass appraisal report as required by the director of property valuation and developed in accordance with the *Uniform Standards of Appraisal Practice (USPAP)*, Standard 5.

## KANSAS CONSTITUTION, STATUTES AND COURT DECISIONS

### **Kansas Constitution**

The Kansas Constitution Article 11, § 1 is the supreme authority for the valuation and assessment of real property for ad valorem tax purposes which states:

“[t]he legislature shall provide for a uniform and equal basis of valuation and rate taxation of all property subject to taxation.”

The following statutes establish the foundation for the scope of work and the rules, regulations, guidelines and directives for valuing properties:

### **K.S.A. 79-102. Words and Phrases**

That the terms “real property”, “real estate”, and “land” when used in this act, except as otherwise specifically provided, shall include not only the land itself, but all buildings, fixtures, improvements, mines, minerals, quarries, mineral springs, and wells, rights and privileges appertaining thereto.

### **K.S.A. 79-501. Appraisal of real and tangible personal property at fair market value in money; exceptions; rate of assessment**

Each parcel of real property shall be appraised at its fair market value in money, the value thereof to be determined by the appraiser from actual view and inspection of the property. The price at which such real property would sell at forced sale may be taken as a criterion of such fair market value in money in the market place of such sale if the appraiser believes such price to be a reasonable factor in arriving at fair market value.

The price at which real property would sell at auction may be taken as the criterion of fair market value in money if the appraiser determines such sale to be an arms-length transaction between a willing buyer and seller. In addition, land devoted to agricultural use shall be valued as provided by K.S.A. 79-1476, and amendments thereto. Tangible personal property shall be appraised at its fair market value in money except as provided by K.S.A. 79-1439, and amendments thereto. All such real and tangible personal property shall be assessed at the rate prescribed by K.S.A. 79-1439, and amendments thereto.

**K.S.A. 79-503a. Fair market value defined; allowable variance; factors to be considered in determining fair market value; generally accepted appraisal procedures to be utilized.** “Fair market value” means the amount in terms of money that a well informed buyer is justified in paying and a well informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion. In the determination of fair market value of any real property which is subject to any special assessment, such value shall not be determined by adding the present value of the special assessment to the sales price. For the purposes of this definition it will be assumed that consummation of a sale occurs as of January 1.

Sales in and of themselves shall not be the sole criteria of fair market value but shall be used in connection with cost, income and other factors including but not by way of exclusion:

- (a) The proper classification of lands and improvements;
- (b) the size thereof;
- (c) the effect of location on value;
- (d) depreciation, including physical deterioration or functional, economic or social obsolescence;
- (e) cost of reproduction of improvements;
- (f) productivity taking into account all restrictions imposed by the state or federal government and local governing bodies, including, but not limited to, restrictions on property rented or leased to low income individuals and families as authorized by section 42 of the federal internal revenue code of 1986, as amended;
- (g) earning capacity as indicated by lease price, by capitalization of net income or by absorption or sell-out period;

- (h) rental or reasonable rental values or rental values restricted by the state or federal government or local governing bodies, including, but not limited to, restrictions on property rented or leased to low income individuals and families, as authorized by section 42 of the federal internal revenue code of 1986, as amended;
- (i) sale value on open market with due allowance to abnormal inflationary factors influencing such values;
- (j) restrictions or requirements imposed upon the use of real estate by the state or federal government or local governing bodies, including zoning and planning boards or commissions, and including, but not limited to, restrictions or requirements imposed upon the use of real estate rented or leased to low income individuals and families, as authorized by section 42 of the federal internal revenue code of 1986, as amended; and
- (k) comparison with values of other property of known or recognized value. The assessment-sales ratio study shall not be used as an appraisal for appraisal purposes.

The appraisal process utilized in the valuation of all real property and tangible personal property for ad valorem tax purposes shall conform to generally accepted appraisal procedures and standards which are consistent with the definition of market value unless otherwise specified by law.

**Board of Johnson County Comm'rs v. Jordan  
(Kansas Supreme Court, Feb. 24, 2016)**

K.S.A. 2014 Supp. 79-1460(a)(2) and (c) prohibited counties from increasing the valuation of real property for two tax years after a successful valuation appeal without documented substantial and compelling reasons to do so. All real property is appraised on an annual basis at fair market value. Land devoted to agriculture use is appraised and assessed according to its value in use.

The Kansas Supreme Court determined that holding a value for two years after an appeal violates the state's constitutional mandate to the legislature to provide a "uniform and equal basis of valuation and rate of taxation of all property subject to taxation." This nullified Subsections (a)(2) and (c) of K.S.A. 2014 Supp. 79-1460. Kan. Const. art. 11, § 1(a) (2014 Supp.)

**Equalization Appeal of Target Corporation for the Year 2015 in Sedgwick County, Kansas (Kansas Court of Appeals, December 29, 2017)**

Valuations based on prior agreed-upon settlement values should not be relied upon for future tax years. The use of carryover values by the county is impermissible as a matter of law (Board of Johnson County Comm'rs v. Jordan).

The use of the prior settlement values was impermissible as of the BOTA hearing; therefore the County was required to reappraise the properties in accordance with the USPAP standards for that tax year.

**Mass Appraisal Required in Kansas**

Mass appraisal is required by statute and the Revaluation Maintenance Specifications (RMS) issued by the Kansas Department of Revenue, Property Valuation Division director.

K.S.A. 79-1456

“The county appraiser shall follow the policies, procedures and guidelines of the director of property valuation in the performance of the duties of the office of county appraiser.”

RMS, Section 1.1

“A mass appraisal revaluation update of all parcels of real and personal property in the county shall be made on an annual basis and shall be conducted in such a manner as to comply with the provision of K.S.A. 79-1476 et seq. and K.S.A. 79-1439.”

K.S.A. 79-1476

It is the intent of the legislature that appraisal judgment and appraisal standards be followed and incorporated throughout the process of data collection and analysis and establishment of values pursuant to this section.

**KANSAS CONSTITUTION, STATUTES AND COURT DECISIONS APPLIED**

The subject property was valued after considering its physical characteristics, location, and highest and best use; the usability and adaptability of the cost, sales comparison, and income approaches to value; the quality and quantity of data obtained for valuation purposes; and the requirements of K.S.A. 79-503a.

The analyses is based on market data that was available up to the effective date of value to arrive at a reliable indication of value as of January 1 of the tax year. The market studies utilized and model conclusions applied in the county’s mass appraisal were developed in alignment with USPAP Standard 5.



## VALUATION INDICATIONS

<b><u>Docket Number:</u></b> 2021-5987-EQ	<b><u>Kansas Unified Parcel Number:</u></b> 023-103-08-0-10-24-003.01-0	<b><u>Dg Co Plate Number:</u></b> U18122-003B	<b><u>QuickRef Number</u></b> R337162
<b>Property Type:</b>		Residential - R Federally subsidized apartment complex	
<b>Tax Year Appealed:</b>		2021	
<b>Effective Date of County Appraisal:</b>		January 1, 2021	
<b>Income Approach to Value:</b>		2,937,650	
<b>Cost Approach to Value:</b>		2,898,370	
<b>Sales Comparison Approach to Value:</b>		Not Developed	
<b>Recommended Value:</b>		<b>2,761,110</b>	

The valuation of each property is based on the Highest and Best Use of the parcel, which in real estate appraisal considers four concepts: Physically Possible, Legally Permissible, Financially Feasible, and Maximally Productive. Highest and Best Use takes into account the land separate from the improvements. For this mass appraisal application, most weight is placed on Legally Permissible (zoning) uses. For improved properties, continued use is assumed to be the Highest and Best Use unless otherwise noted.

Commercial properties in Douglas County are normally acquired, held and sold as income producing investment properties in the open market, with most price decisions based on a target return on investment. As a result, the Income Approach is typically considered a reliable and appropriate method to estimate fair market value for improved commercial property in Douglas County.

The Cost Approach is a useful approach to value new, built-to-suit, recently renovated or special-use properties, and is often used in the absence of reliable income and expense information and/or sufficient comparable sales data. The Cost Approach can also be a meaningful indication of value where the land value contributes to a significant portion of the overall value of a property or construction is in-progress as of the effective date of value. The land valuation is addressed in the Cost Approach to value.

The Sales Comparison Approach to value is not developed in Douglas County for commercial/industrial properties due to the inadequate data to properly develop a multiple regression analysis geared for various property types and applied in a mass appraisal context. Sales are included in the market trend analysis and are utilized to calibrate the valuation models for the Income and Cost Approaches to value. Sales are also analyzed in the context of the Sale Ratio Study to gauge the accuracy of the county's valuations.

**SUBJECT PROPERTY – CITY PERSPECTIVE**





## SUBJECT PROPERTY – NEIGHBORHOOD PERSPECTIVE



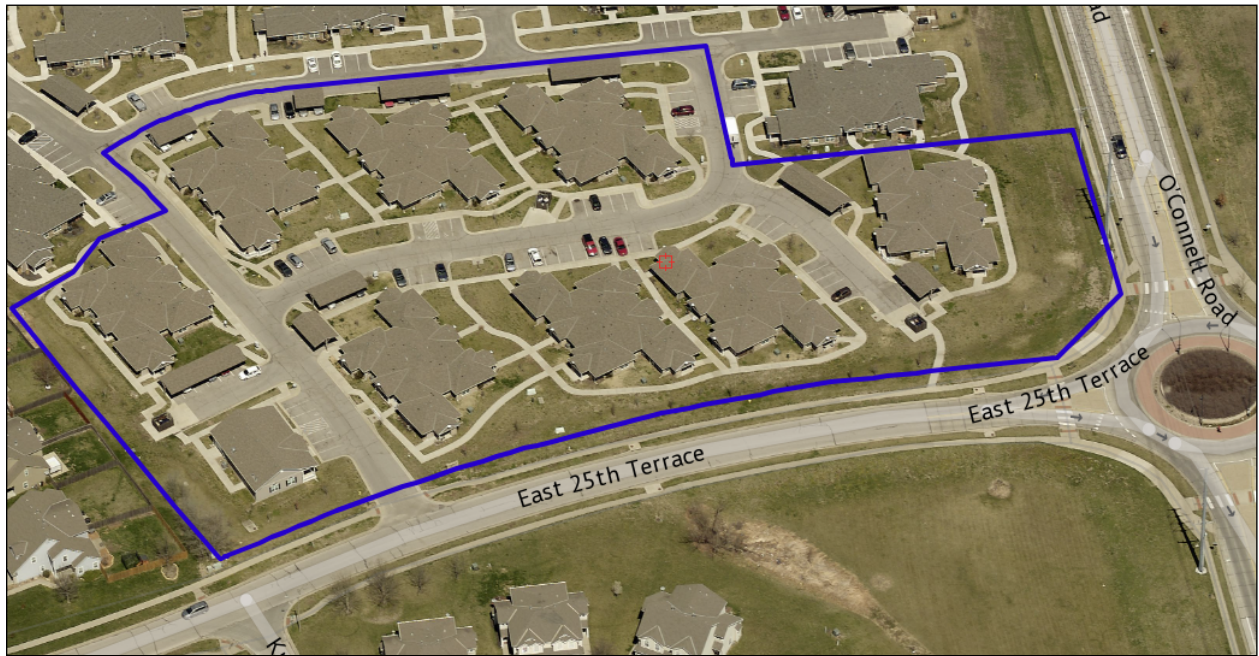


**SUBJECT PROPERTY – PARCEL PERPSECTIVE**





**SUBJECT PROPERTY – OBLIQUE IMAGE FACING NORTH**



**SUBJECT PROPERTY – OBLIQUE IMAGE FACING SOUTH**



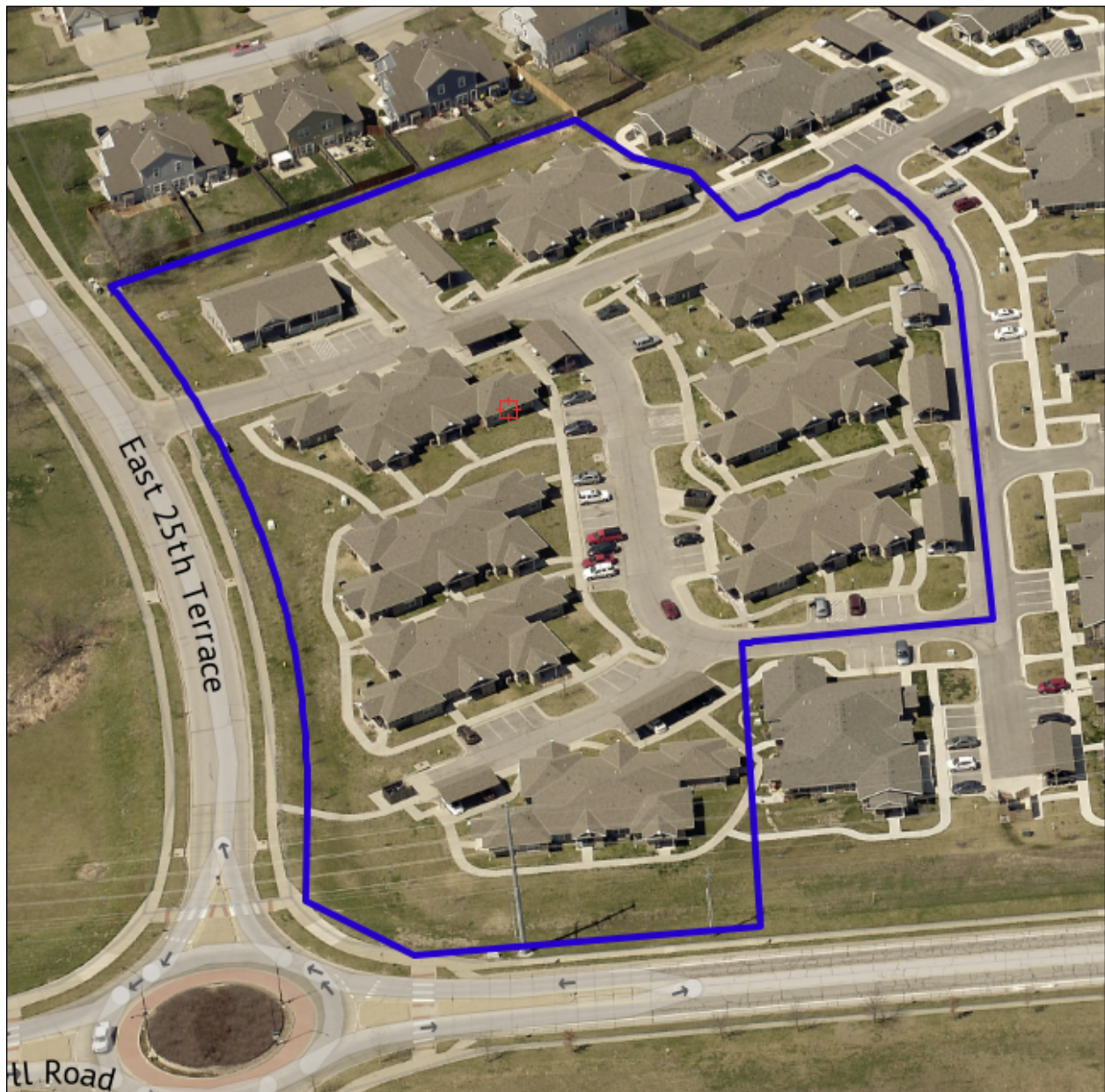


**SUBJECT PROPERTY – OBLIQUE IMAGE FACING EAST**





**SUBJECT PROPERTY – OBLIQUE IMAGE FACING WEST**





**Property Photo**



**R337162 06/27/2018**

**DGCAMA Property Record Card**

**OWNER NAME AND MAILING ADDRESS**  
 BETHEL ESTATES OF LAWRENCE LP

ATTN: RHODES DAVID R  
 OLATHE, KS 66061

**PROPERTY SITUS ADDRESS**  
 2140 E 25TH TER  
 LAWRENCE, KS



**LAND BASED CLASSIFICATION SYSTEM**  
**Function:** 1171 Federally subsid Sfx:  
**Activity:** 1000 Residential activities  
**Ownership:** 1100 Private-fee simple  
**Site:** 6000 Developed site - with building

**GENERAL PROPERTY INFORMATION**  
**Prop Class:** R Residential - R  
**Living Units:** 48  
**Zoning:** RM15  
**Neighborhood:** 080.0 080.0 - E 23rd Street (E of  
**Economic Adj. Factor:** 55  
**Map / Routing:** / U18122-003B  
**Tax Unit Group:** 000041-City of Lawrence - 041

**PROPERTY FACTORS**  
**Topography:** Level - 1  
**Utilities:** All Underground  
**Access:** Paved Road  
**Fronting:** Residential Street  
**Location:** Neighborhood or Spot  
**Parking Type:** Off Street  
**Parking Quantity:** Adequate  
**Parking Proximity:** On Site  
**Parking Covered:** 37  
**Parking Uncovered:** 52

**TRACT DESCRIPTION**  
 BETHEL ESTATES OF LAWRENCE NO 1 BLK 1  
 LT 1 (PLAT 2016)

**INSPECTION HISTORY**

Date	Time	Code	Reason	Appraiser	Contact	Code
12/11/2020	5:05 AM	FR	FR	Eldridge, Brad		
12/12/2019	10:38 AM	FR	FR	354		
12/27/2018	1:30 PM	FR	FR	354		

**SALES INFORMATION**

Date	Type	Sale Amount	Src	Validity	Inst Type	COV
01/11/2016	1	600,000	7	2	Special Warranty Det	066810
01/08/2016	1	800,000	7	1	Warranty Deed	066807

**BUILDING PERMITS**

Number	Amount	Type	Issue Date	Status	% Comp
1-15-01675	275,368	NEW-BUILDING	02/18/2016	C	100
1-15-01684	655,354	NEW-APARTMENTS	02/08/2016	C	100
1-15-01676	655,354	NEW-APARTMENTS	02/08/2016	C	100

**RECENT APPEAL HISTORY**

Tax Year	Hearing Date	Appeal Level	Case Number	Status	Final Action	Results Code	Hearing Value
2024	04/24/2024	INF	2024-INF-179;	C	A	110	2,727,980
2023	04/25/2023	INF	2023-INF-166(	C	N	I4	2,805,240
2022	09/20/2022	SCEQ	2022-2006-EC	C	A		2,678,000

**2021 APPRAISED VALUE**

Cls	Land	Building	Total	Clis	Land	Building	Total
R	552,840	2,208,270	2,761,110	R	552,840	2,168,110	2,720,950
<b>Total</b>	<b>552,840</b>	<b>2,208,270</b>	<b>2,761,110</b>	<b>Total</b>	<b>552,840</b>	<b>2,168,110</b>	<b>2,720,950</b>

**PARCEL COMMENTS**  
 GenLink: 023-103-08-0-10-24-003.00-0.; App-Com: PUPinf1-2018-5219-, 2019-INF-12374-, 2021-INF-14214-, 2021-2892-EQSC-, 2021-5987-EQ-, 2022-INF-14963-, 2022-2006-EQSC-, 2023-INF-16600-, 2024-INF-17924-

**MISCELLANEOUS IMPROVEMENT VALUES**

Class	Value	Reason Code
		NEW CONSTRUCTION

**MARKET LAND INFORMATION**

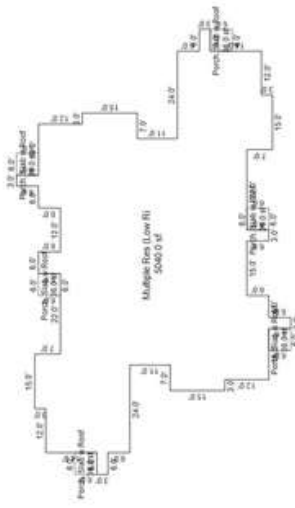
Method	Type	AC/SF	Eff FF	Depth	D-Fact	Inf1	Fact1	Inf2	Fact2	OVRD	Rsn	Clis	Model	Base Size	Base Val	Inc Val	Dec Val	Value Est
Soft	12-Multifamily HBU		199.134										80	275,000.00	2.70	2.65	2.50	552,840
<b>Total Market Land Value</b>																		
552,840																		

GENERAL BUILDING INFORMATION

**LBCS Structure Code:** 1301-Garden apartment (3 story & under)  
**Bldg No. & Name:** 1 Bethel Estates - Bldgs 1-4 & 12-15  
**Identical Units:** 8 **No. of Units:** 48  
**Unit Type:** Living Units  
**MS Mult:** **MS Zip:**

APARTMENT DATA

**Units:** 2 4  
**BR Type:** 1 2  
**Baths:** 1.0 1.0



IMPROVEMENT COST SUMMARY

IMPROVEMENT COST SUMMARY		CALCULATED VALUES		FINAL VALUES	
<b>Building RCN:</b>		<b>Cost Land:</b>	552,840	<b>Value Method:</b>	OVR
<b>Mkt Adj:</b>	100	<b>Cost Building:</b>	2,345,530	<b>Land Value:</b>	552,840
<b>Building Value:</b>		<b>Cost Total:</b>	2,898,370	<b>Building Value:</b>	2,208,270
<b>Other Improvement RCN:</b>		<b>Income Value:</b>	2,937,650	<b>Final Value:</b>	2,761,110
<b>Other Improvement Value:</b>		<b>Market Value:</b>	0	<b>Prior Value:</b>	
		<b>MRA Value:</b>	0		

BUILDING COMMENTS

**Sect-Info:** Address: 2150 2152 2154 2156 2142 2144 2146 2148; **Comp-Com:** 6- 6x6 (36sqft) porch w/ roof

COMMERCIAL BUILDING SECTIONS & BASEMENTS

Sec	Occupancy	MSCIs	Rank	Yr Bilt	Eff Yr	Levels	Stories	Area	Perim	Hgt	Phys Func	Econ	OVR %	Rsn	Inc Use	Net Area	Cis	RCN	% Gd	Value
1	352-Multiple Res (Low Rise)	D	2.00	2016	01 / 01	1	1	5,040	474	9	4	4			036			509,200	97	271,660

COMMERCIAL BUILDING SECTION COMPONENTS

Sec	Code	Units	Pct	Size	Other	Rank	Year
1	611-Package Unit		100				
1	681-Sprinklers		100				
1	881-Stud -Ashlar Stone Veneer		50				
1	895-Stud -Vinyl Siding		50				
1	8005-Porch, Slab with Roof	216					

OTHER BUILDING IMPROVEMENT COMPONENTS

DGCAMA Property Record Card

Parcel ID: 023-103-08-0-10-24-003.01-0 Quick Ref: R337162 Tax Year: 2021 Run Date: 9/30/2024 11:39:01 AM

GENERAL BUILDING INFORMATION

**LBCS Structure Code:** 3220-Club house  
**Bldg No. & Name:** 2 Bethel Estates - Clubhouse  
**Identical Units:** 1 **No. of Units:** 1  
**MS Mult:** **Unit Type:** **MS Zip:**

APARTMENT DATA

**Units:** 1 2 3 4 5 6 7 8  
**BR Type:**  
**Baths:**

IMPROVEMENT COST SUMMARY

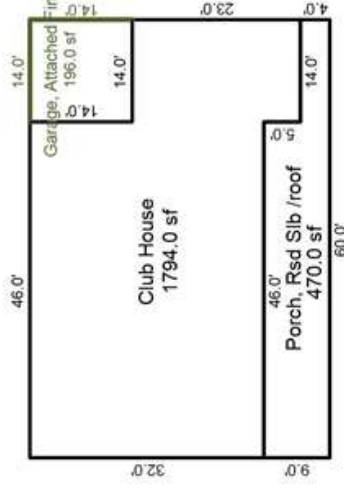
<b>Building RCN:</b>	336,770	<b>Cost Land:</b>	552,840	<b>Value Method:</b>	OVR
<b>Mkt Adj:</b>	100	<b>Eco Adj:</b>	55	<b>Land Value:</b>	552,840
<b>Building Value:</b>	172,250	<b>Cost Building:</b>	2,345,530	<b>Building Value:</b>	2,208,270
<b>Other Improvement RCN:</b>	0	<b>Cost Total:</b>	2,898,370	<b>Final Value:</b>	2,761,110
<b>Other Improvement Value:</b>	0	<b>Income Value:</b>	2,937,650	<b>Prior Value:</b>	
		<b>Market Value:</b>	0		
		<b>MRA Value:</b>	0		

CALCULATED VALUES

FINAL VALUES

BUILDING COMMENTS

**Bldg-Com:** Address: 2140



COMMERCIAL BUILDING SECTIONS & BASEMENTS

Sec	Occupancy	MSCIs	Rank	Yr Bilt	Eff Yr	Levels	Stories	Area	Perim	Hgt	Phys Func	Econ	OVR %	Rsn	Inc Use	Net Area	Cis	RCN	% Gd	Value
1	311-Clubhouse	D	3.00	2016	01 / 01	01	01	1,794	194	12	4	4						320,770	93	164,070
2	326-Storage Garage	D	2.00	2016	01 / 01	01	01	196	42	12	4	4						16,000	93	8,180

COMMERCIAL BUILDING SECTION COMPONENTS

Sec	Code	Units	Pct	Size	Other	Rank	Year
1	611-Package Unit		100				
1	881-Stud -Ashlar Stone Veneer		50				
1	895-Stud -Vinyl Siding		50				
1	8006-Porch, Raised Slab with Roof	470					
2	895-Stud -Vinyl Siding		50				

OTHER BUILDING IMPROVEMENT COMPONENTS





## Assessment Classification Parcel Summary

 Neighborhood: 

 Tax Year: 

 Tax Unit: 

 Neighborhood Name: 

 Parcel Count: 

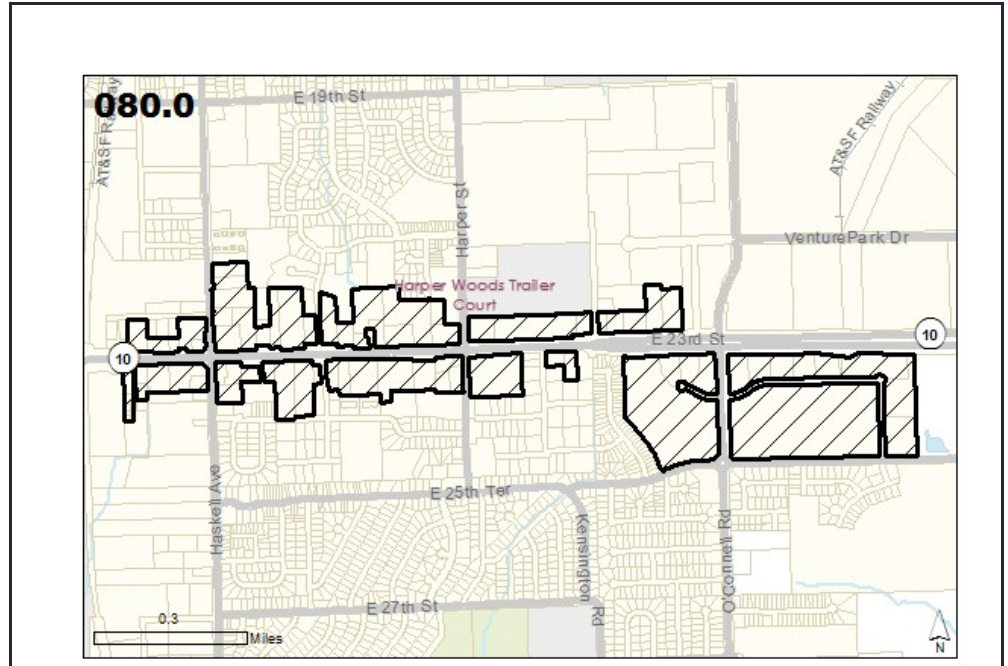
 School District: 

Description/Boundaries:

## Neighborhood Description

### Assessment Class Summary

Commercial/Industrial	59
Exempt	5
Residential	3
Vacant	19



### Neighborhood Attributes

Utility Service:	<input type="text" value="Good"/>	Neighborhood Life cycle:	<input type="text" value="Stability"/>	Marketing Time:	<input type="text" value="&gt; 12 months"/>	Vacancy Rates:	<input type="text" value="Stable"/>
Transp Service:	<input type="text" value="Good"/>	Supply / Demand:	<input type="text" value="Oversupply"/>	Rental Rates:	<input type="text" value="Stable"/>	Property Expenses:	<input type="text" value="Increasing"/>
% Developed:	<input type="text" value="80"/>	Property Values:	<input type="text" value="Stable-Incre"/>	Concessions:	<input type="text"/>	Owner Occupancy:	<input type="text" value="50%"/>
Trends / Issues:	Several recent redevelopment or renovation projects, including Fields and Ivy Brewery, Good Energy, Bradley Animal Clinic, Tunnel Car Wash, and Sinclair c-store.						

Parcel Summary by Land Use (Excludes Condos)			Land Size Range (Square Feet)			
Use/Type	# Parcels	% Total	SF Min	SF Avg	SF Median	SF Max
Multifamily/12	5	6.0%	27,900	165,061	183,212	373,243
Industrial/13	12	14.3%	2,840	51,802	21,194	165,269
Retail/16	61	72.6%	2,000	63,665	40,369	457,380
Office/17	5	6.0%	21,161	83,926	54,509	231,869
Institutional/18	1	1.2%	16,378	16,378	16,378	16,378

Total may differ from Total Parcel Count due to multiple assessment class, exclusion of condos, or other parcel delineations.

Building Summary by Income Use Type - Inv Class A			Size Range (# Units or Square Feet)				Year Built	
Use/Type	# Bldg Sect	% Total	Min	Avg	Median	Max	YR Avg	YR Median
Full-Service Restaurant / 031	3		144	1,581	0	3,533	2004	1996.5
Convenience Store / 038	1		4,514	4,514	0	4,514	2005	2005
Mini-Storage / 041	1		18,980	18,980	0	18,980	2018	2018
Industrial / 044	2		4,224	4,612	0	5,000	1973	1972.5
Auto Service / 047	1		5,160	5,160	0	5,160	2005	2005
Dealership / 048	4		608	1,294	0	2,376	2006	2010
<b>TOTALS</b>	<b>12</b>		<b>144</b>	<b>6,024</b>		<b>18,980</b>		

Building Summary by Income Use Type - Inv Class B			Size Range (# Units or Square Feet)				Year Built	
Use/Type	# Bldg Sect	% Total	Min	Avg	Median	Max	YR Avg	YR Median
Retail / 034	1		2,334	2,334	0	2,334	1999	1999
Convenience Store / 038	3		3,440	3,619	0	3,918	1998	1997
Mini-Storage / 041	15		700	2,922	0	6,375	1993	1993.5
Industrial / 044	5		1,536	8,759	0	25,010	2006	1996
Dealership / 048	3		5,160	7,576	0	9,012	2006	2005
Bank / 051	1		1,450	1,450	0	1,450	1999	1997
Medical Office / 052	3		873	2,678	0	4,318	1987	1981
Office / 053	2		3,750	5,790	0	7,830	1976	1976
Office-Multitenant / 082	4		2,800	6,472	0	11,766	1994	1997
Basement-Storage / 084	1		2,275	2,275	0	2,275	1987	1987
Fast-Food / 100	1		1,841	1,841	0	1,841	1993	1995.5
<b>TOTALS</b>	<b>39</b>		<b>700</b>	<b>4,156</b>		<b>25,010</b>		

Building Summary by Income Use Type - Inv Class C			Size Range (# Units or Square Feet)				Year Built	
Use/Type	# Bldg Sect	% Total	Min	Avg	Median	Max	YR Avg	YR Median
Industrial / 044	2		792	5,076	0	9,360	1991	1990
Auto Service / 047	1		2,560	2,560	0	2,560	1965	1977
Office / 053	3		2,520	3,863	0	5,900	1984	1991
Retail-Multitenant / 083	2		16,768	24,393	0	32,018	1999	1994.5
Basement-Storage / 084	3		1,332	2,033	0	3,168	1981	1976
<b>TOTALS</b>	<b>11</b>		<b>792</b>	<b>7,585</b>		<b>32,018</b>		

Building Summary by Income Use Type - Inv Class D			Size Range (# Units or Square Feet)				Year Built	
Use/Type	# Bldg Sect	% Total	Min	Avg	Median	Max	YR Avg	YR Median
<b>TOTALS</b>	<b>#Error</b>		<b>#Error</b>	<b>#Error</b>		<b>#Error</b>		







**Appraiser's Office | 2021 Tax Year  
Income Approach Analysis  
Subsidized/Affordable Housing**

**ACTUAL INCOME AND EXPENSE INFORMATION  
PROVIDED BY SUBJECT'S OWNER**

**Bethel Estates of Lawrence  
Profit & Loss  
January through December 2018**

	<u>Jan - Dec 18</u>
<b>Income</b>	
4000 · Rental Income	368,964.89
4010 · Carport Rent	4,060.00
4015 · Late Fees	1,585.00
4020 · Pet Fee	280.00
4025 · Interest Income	605.55
4030 · NSF Fee	70.00
49900 · Uncategorized Income	400.00
<b>Total Income</b>	<u>375,965.44</u>
<b>Expense</b>	
5132 · NSF- Bad Check	0.00
6102 · Professional Fees	
6103 · Accounting	5,500.00
<b>Total 6102 · Professional Fees</b>	<u>5,500.00</u>
6105 · Dues and Fees	475.00
6110 · Audit Expense	8,400.00
6135 · Insurance	19,320.00
6136 · Interest Expense	126,719.54
6137 · Investor Fees	3,090.00
6139 · Interest Expense Constr. Loan	4,338.00
6140 · Bank Service Charge	28.49
6142 · Community Center Activities	499.60
6145 · Legal	750.50
6150 · Maintenance	
6152 · Mowing	8,470.00
6153 · Snow Removal	5,287.50
6233 · Repairs	12,613.74
6150 · Maintenance - Other	4,506.00
<b>Total 6150 · Maintenance</b>	<u>30,877.24</u>
6231 · Cleaning	1,139.11
6240 · Postage and Delivery	98.00
6245 · Property Management Fee	
6246 · Leasing Office Staff	15,208.00
6247 · Maintenance Staff	1,000.00
6245 · Property Management Fee - Other	18,882.00
<b>Total 6245 · Property Management Fee</b>	<u>35,090.00</u>
6611 · Amort. Expense-Tax Credit Fees	5,735.00
6700 · Repairs	
6701 · Plumbing	465.00
<b>Total 6700 · Repairs</b>	<u>465.00</u>
6750 · State Tax Credit Fees	4,515.94
6755 · Supplies	
6760 · Office Supplies	448.36
6761 · Repair Supplies	175.60
<b>Total 6755 · Supplies</b>	<u>623.96</u>
6800 · Telephone	3,160.10
6801 · Taxes	
6802 · Real Estate Taxes	41,104.72
<b>Total 6801 · Taxes</b>	<u>41,104.72</u>
6900 · Utilities	
6903 · Water	32,405.22
6904 · Security Monitoring	870.00
6905 · Electric	5,880.82
<b>Total 6900 · Utilities</b>	<u>39,156.04</u>



# Appraiser's Office | 2021 Tax Year Income Approach Analysis Subsidized/Affordable Housing

## Bethel Estates of Lawrence Profit & Loss January through December 2018

---

	Jan - Dec 18
6910 · Website	125.00
7000 · Depreciation	312,857.00
<b>Total Expense</b>	<b>644,066.24</b>
<b>Net Income</b>	<b>-268,100.80</b>

---



# Appraiser's Office | 2021 Tax Year Income Approach Analysis Subsidized/Affordable Housing

12:02 PM  
01/15/20  
Accrual Basis

## Bethel Estates of Lawrence Profit & Loss January through December 2019

	Jan - Dec 19
<b>Income</b>	
4000 · Rental Income	372,599.96
4010 · Carport Rent	4,440.00
4015 · Late Fees	1,900.00
4020 · Pet Fee	705.00
4025 · Interest Income	1,400.53
4030 · NSF Fee	60.00
<b>Total Income</b>	<b>381,105.49</b>
<b>Expense</b>	
5132 · NSF- Bad Check	0.00
6102 · Professional Fees	
6103 · Accounting	9,850.00
<b>Total 6102 · Professional Fees</b>	<b>9,850.00</b>
6105 · Dues and Fees	1,291.00
6120 · Advertising	125.00
6125 · Education	410.00
6135 · Insurance	23,771.00
6136 · Interest Expense	121,335.41
6137 · Investor Fees	3,182.70
6140 · Bank Service Charge	30.00
6142 · Community Center Activities	750.00
6150 · Maintenance	
6152 · Mowing	10,510.95
6153 · Snow Removal	9,100.00
6154 · Make Ready	250.00
6233 · Repairs	8,892.93
6150 · Maintenance - Other	7,254.39
<b>Total 6150 · Maintenance</b>	<b>36,008.27</b>
6231 · Cleaning	1,097.50
6240 · Postage and Delivery	495.00
6245 · Property Management Fee	
6246 · Leasing Office Staff	14,246.00
6247 · Maintenance Staff	3,700.00
6245 · Property Management Fee - Other	19,097.00
<b>Total 6245 · Property Management Fee</b>	<b>37,043.00</b>
6600 · Payroll Expenses	12,960.00
6605 · Petty Cash	100.00
6700 · Repairs	
6701 · Plumbing	792.00
6702 · Furnace Repairs	324.00
<b>Total 6700 · Repairs</b>	<b>1,116.00</b>
6755 · Supplies	
6760 · Office Supplies	521.44
6761 · Repair Supplies	500.76
<b>Total 6755 · Supplies</b>	<b>1,022.20</b>



**Appraiser's Office | 2021 Tax Year  
Income Approach Analysis  
Subsidized/Affordable Housing**

12:02 PM  
01/15/20  
Accrual Basis

**Bethel Estates of Lawrence  
Profit & Loss  
January through December 2019**

	<u>Jan - Dec 19</u>
6800 · Telephone	3,477.99
6801 · Taxes	
6802 · Real Estate Taxes	41,479.55
<b>Total 6801 · Taxes</b>	<u>41,479.55</u>
6900 · Utilities	
6903 · Water	32,823.07
6904 · Security Monitoring	896.09
6905 · Electric	6,306.64
6906 · Internet Access	1,200.00
<b>Total 6900 · Utilities</b>	<u>41,225.80</u>
6910 · Website	975.00
<b>Total Expense</b>	<u>337,745.42</u>
<b>Net Income</b>	<u><u>43,360.07</u></u>



## Appraiser's Office | 2021 Tax Year Income Approach Analysis Subsidized/Affordable Housing

Bethel Estates of Lawrence LP		Profit and Loss 2020
		<u>Jan - Dec 20</u>
<b>Income</b>		
	4000 · Rental Income	387,034.00
	4005 · Application Fee	175.00
	4010 · Carport Rent	4,350.00
	4015 · Late Fees	270.00
	4020 · Pet Fee	225.00
	4025 · Interest Income	500.57
	4030 · NSF Fee	111.00
	<b>Total Income</b>	<u>392,665.57</u>
<b>Expense</b>		
	5132 · NSF- Bad Check	183.00
	6102 · Professional Fees	
	6103 · Accounting	9,650.00
	<b>Total 6102 · Professional Fees</b>	<u>9,650.00</u>
	6105 · Dues and Fees	5,811.49
	6135 · Insurance	
	6126 · Umbrella Policy	3,000.00
	6127 · General Liability	16,298.56
	6128 · Property Insurance	1,924.00
	<b>Total 6135 · Insurance</b>	<u>21,222.56</u>
	6136 · Interest Expense	127,940.62
	6137 · Investor Fees	3,278.18
	6140 · Bank Service Charge	42.56
	6147 · Handling Fee	1.49
	6149 · Landscaping	4,335.10
	6150 · Maintenance	
	6152 · Mowing	11,309.30
	6153 · Snow Removal	5,500.00
	6154 · Make Ready	4,981.34
	6233 · Repairs	4,949.53
	6150 · Maintenance - Other	472.50
	<b>Total 6150 · Maintenance</b>	<u>27,212.67</u>
	6231 · Cleaning	1,723.74
	6240 · Postage and Delivery	55.00
	6245 · Property Management Fee	19,637.00
	6600 · Payroll Expenses	51,655.00
	6611 · Amort. Expense-Tax Credit Fees	5,735.00
	6700 · Repairs	
	6701 · Plumbing	164.50
	6702 · Furnace Repairs	1,470.00
	6703 · Air Conditioning Repairs	3,301.00
	6700 · Repairs - Other	268.75
	<b>Total 6700 · Repairs</b>	<u>5,204.25</u>



## Appraiser's Office | 2021 Tax Year Income Approach Analysis Subsidized/Affordable Housing

	6755 · Supplies	
	6760 · Office Supplies	328.86
	6761 · Repair Supplies	285.30
	<b>Total 6755 · Supplies</b>	<b>614.16</b>
	6800 · Telephone	3,503.03
	6801 · Taxes	
	6802 · Real Estate Taxes	41,992.51
	<b>Total 6801 · Taxes</b>	<b>41,992.51</b>
	6900 · Utilities	
	6903 · Water	33,927.96
	6904 · Security Monitoring	876.33
	6905 · Electric	6,751.68
	6906 · Internet Access	175.00
	<b>Total 6900 · Utilities</b>	<b>41,730.97</b>
	6910 · Website	343.88
	7000 · Depreciation	312,857.00
	7010 · A/Amortization Loan Fees	1,332.00
	<b>Total Expense</b>	<b>686,061.21</b>
Net Income		<b><u><u>-293,395.64</u></u></b>





# Appraiser's Office | 2021 Tax Year Income Approach Analysis Subsidized/Affordable Housing

BETHEL ESTATES OF LAWRENCE PHASE I								
BEL owner pays water, trash and sewer only								
			BIN	Sqft	Set	Rent Allow by	Utility	Rent
Building 1					Aside	State of Ks	Allowa	per
2142 E 25th Terrace	A	2 BD	KS1600063	805	20/50	995	67	755
2142 E 25th Terrace	B	1 BD	KS1600063	667	20/50	829	56	619
2142 E 25th Terrace	C	2 BD	KS1600063	805	20/50	995	67	652
2142 E 25th Terrace	D	2 BD	KS1600063	805	40/60	1194	67	752
2142 E 25th Terrace	E	1 BD	KS1600063	667	40/60	995	56	607
2142 E 25th Terrace	F	2 BD	KS1600063	805	20/50	995	67	652
Building 2								
2144 E 25th Terrace	A	2 BD	KS1600064	805	20/50	995	67	755
2144 E 25th Terrace	B	1 BD	KS1600064	667	40/60	995	56	619
2144 E 25th Terrace	C	2 BD	KS1600064	805	40/60	1194	67	680
2144 E 25th Terrace	D	2 BD	KS1600064	805	40/60	1194	67	755
2144 E 25th Terrace	E	1 BD	KS1600064	667	20/50	829	56	619
2144 E 25th Terrace	F	2 BD	KS1600064	805	40/60	1194	67	740
Building 3								
2146 E 25th Terrace	A	2 BD	KS1600065	805	40/60	1194	67	652
2146 E 25th Terrace	B	1 BD	KS1600065	667	40/60	1194	56	619
2146 E 25th Terrace	C	2 BD	KS1600065	805	40/60	1194	67	755
..	D	2 BD	KS1600065	805	40/60	1194	67	680
2146 E 25th Terrace	E	1 BD	KS1600065	667	40/60	995	56	619
2146 E 25th Terrace	F	2BD	KS1600065	805	20/60	1194	67	639
Building 4								
2148 E 25th Terrace	A	2 BD	KS1600066	805	40/60	1194	67	755
2148 E 25th Terrace	B	1 BD	KS1600066	667	40/60	995	56	550
2148 E 25th Terrace	C	2 BD	KS1600066	805	40/60	1194	67	755
2148 E 25th Terrace	D	2 BD	KS1600066	805	40/60	1194	67	652
2148 E 25th Terrace	E	1 BD	KS1600066	667	40/60	995	56	534
2148 E 25th Terrace	F	2 BD	KS1600066	805	40/60	1194	67	755
Building 5								
2156 E 25th Terrace	A	2 BD	KS1600067	805	40/60	1194	67	755
2156 E 25th Terrace	B	1 BD	KS1600067	667	20/50	829	56	619
2156 E 25th Terrace	C	2 BD	KS1600067	805	40/60	1194	67	755
2156 E 25th Terrace	D	2 BD	KS1600067	805	40/60	1194	67	755
2156 E 25th Terrace	E	1 BD	KS1600067	667	40/60	995	56	534
2156 E 25th Terrace	F	2 BD	KS1600067	805	40/60	1194	67	652
Building 6								
2154 E 25th Terrace	A	2 BD	KS1600068	805	40/60	1194	67	755
2154 E 25th Terrace	B	1 BD	KS1600068	667	20/50	829	56	619
2154 E 25th Terrace	C	2 BD	KS1600068	805	40/60	1194	67	652
2154 E 25th Terrace	D	2 BD	KS1600068	805	40/60	1194	67	652
2154 E 25th Terrace	E	1 BD	KS1600068	667	20/60	829	56	619
2154 E 25th Terrace	F	2 BD	KS1600068	805	40/60	1194	67	755
Building 7								
2152 E 25th Terrace	A	2 BD	KS1600069	805	40/60	1194	67	760
2152 E 25th Terrace	B	1 BD	KS1600069	667	40/60	995	56	619
2152 E 25th Terrace	C	2 BD	KS1600069	805	40/60	1194	67	740
2152 E 25th Terrace	D	2 BD	KS1600069	805	40/60	1194	67	652
2152 E 25th Terrace	E	1 BD	KS1600069	667	20/50	829	56	619
2152 E 25th Terrace	F	2 BD	KS1600069	805	40/60	1194	67	680
Building 8								
2150 E 25th Terrace	A	2 BD	KS1600070	805	40/60	1194	67	760
2150 E 25th Terrace	B	1 BD	KS1600070	667	20/50	829	56	619
2150 E 25th Terrace	C	2 BD	KS1600070	805	40/60	1194	67	755
2150 E 25th Terrace	D	2 BD	KS1600070	805	40/60	1194	67	652
2150 E 25th Terrace	E	1 BD	KS1600070	667	20/50	829	56	619
2150 E 25th Terrace	F	2 BD	KS1600070	805	40/60	1194	67	755
								32522
								32922



# Appraiser's Office | 2021 Tax Year Income Approach Analysis Subsidized/Affordable Housing

## AFFORDABLE HOUSING INCOME & EXPENSE REPORT FORM

(BLUE shaded cells contain formulas and should not be altered)

Property Name	Bethel Estates I	Tax Year	2021
Property Situs Address	2140 E 25th Terr	Today's Date	9/30/2024
Parcel Identification #	023-103-08-0-10-24-003.01-0	County Name	023-Douglas
Preparer's name	Reconstructed by Dg Co using info from Tax Rep	Quick Ref ID	R337162
Preparer's Email Address	Ray Brow ning <rbrowning@savageandbrowning.com>	Telephone #	913-385-3131

What apartment utilities are paid by the owner?     Water & Sewer     Gas     Electric     Heating Fuel

Project Occupancy Restriction Type     Family/General     Elderly     Disabled

APARTMENT INVENTORY									PARKING	
Unit Type	Program Type	Building Type	Year Built	# Units	# Baths	Rent Per Unit	Unit Size	Net Area	Parking Units	Rent Per Unit
1 Bedroom	Sec 42-LIHTC	Garden	2016	4	1	\$559	667	2,668		\$25
1 Bedroom	Sec 8 Project	Garden	2016	12	1	\$618	667	8,004	37	
2 Bedroom	Sec 42-LIHTC	Garden	2016	17	2	\$692	805	13,685		
2 Bedroom	Sec 8 Project	Garden	2016	15	2	\$685	805	12,075		
<b>ANNUAL RENT ROLL SUMMARY</b>				<b>48</b>		<b>\$380,292</b>		<b>36,432</b>	<b>37</b>	<b>\$0</b>

INCOME					Stabilized Rental Income estimated at 2% increase from 2019 original reporting of \$376,344 and owner revised with follow-up audited figures.
	2018 Year	2019 Year	2020 Year	Stabilized	
Rental Income	\$368,965	\$372,600	\$387,034	\$383,871	
Parking	\$4,060	\$4,440	\$4,350		
Other Income (1)	\$2,335	\$2,665	\$781		
<b>POTENTIAL GROSS INCOME</b>	<b>\$375,360</b>	<b>\$379,705</b>	<b>\$392,165</b>	<b>\$383,871</b>	

VACANCY & COLLECTION LOSS					% of PGI
Vacancy				\$3,839	1.0%
Uncollected Rent (2)					
Other					
<b>VACANCY &amp; COLLECTION LOSS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,839</b>	<b>1.0%</b>
<b>EFFECTIVE GROSS INCOME</b>	<b>\$375,360</b>	<b>\$379,705</b>	<b>\$392,165</b>	<b>\$380,032</b>	<b>99.0%</b>

EXPENSES					% of EGI
Management Fee	\$18,882	\$19,097	\$19,637	\$19,002	5.0%
Administrative (3)	\$32,377	\$21,208	\$28,939	\$34,000	8.9%
Payroll (4)	\$16,208	\$30,906	\$51,655	\$18,000	4.7%
Utilities	\$39,156	\$41,226	\$41,731	\$41,000	10.8%
Repairs & Maintenance	\$33,105	\$38,723	\$38,761	\$35,000	9.2%
Insurance	\$19,320	\$23,771	\$21,223	\$20,000	5.3%
Other Expense					
<b>TOTAL OPERATING EXPENSES</b>	<b>\$159,048</b>	<b>\$174,931</b>	<b>\$201,946</b>	<b>\$167,002</b>	<b>43.9%</b>
<b>OPERATING EXPENSE RATIO</b>	<b>42%</b>	<b>46%</b>	<b>51%</b>	<b>44%</b>	Age = 5
Annual Replacement Reserves				\$14,400	\$/Unit = \$300
<b>TOTAL EXPENSES w/RESERVES</b>	<b>\$159,048</b>	<b>\$174,931</b>	<b>\$201,946</b>	<b>\$181,402</b>	
<b>NET OPERATING INCOME</b>	<b>\$216,312</b>	<b>\$204,774</b>	<b>\$190,219</b>	<b>\$198,631</b>	
<b>OVERALL EXPENSE RATIO</b>	<b>42%</b>	<b>46%</b>	<b>51%</b>	<b>48%</b>	
Real Estate Taxes					

<b>INCOME CAPITALIZATION RECONCILIATION</b>						
<i>(BLUE shaded cells contain formulas or data that should not be altered; YELLOW shaded cells need data input)</i>						
	2018 Year	2019 Year	2020 Year	Stabilized		
<b>TOTAL EXPENSES w/o TAXES</b>	\$159,048	\$174,931	\$201,946	<b>\$181,402</b>		
<b>NET OPERATING INCOME</b>	\$216,312	\$204,774	\$190,219	<b>\$198,631</b>		
			Effective Tax Rate	1.5500%	Tax Unit	
			Capitalization Rate	5.5000%	Mill Levy	
			Overall Capitalization Rate	7.0500%	Assessment Rate	
			PRELIMINARY VALUE	\$2,817,455		
			PERSONAL PROPERTY VALUE ADJUSTMENT	\$56,349	Adjustment %	2%
			PRELIMINARY VALUE <i>minus</i> PERSONAL PROPERTY	\$2,761,106	<small>(Enter whole number greater than 0)</small>	
			INDICATED VALUE ROUNDED	\$2,761,110		
			VALUE per UNIT ROUNDED	\$57,520		

### CAPITALIZATION RATE ANALYSIS

At the end of 2020 Douglas County performed an in-house capitalization rate study that involved researching appropriate rates of return for various property types and investment grades for use in the 2021 Tax Year. The 2021 Capitalization Rate Study included a survey of local appraisers, banks analysis of recent local sales and regional real estate investor publications.

The cap rates extracted from the market for the Douglas County Cap Rate Study *exclude* a replacement allowance. With a replacement allowance, there are higher expenses, which means a lower NOI. If a lower NOI is applied to a sale price, then the cap rate will be lower than noted in the county's cap rate conclusions.

**Affordable Housing Interest Rates<sup>1</sup>**

**Freddie Mac**

PRESERVATION & TAX-EXEMPT <sup>2</sup>						
PRODUCT	TERM	AMORTIZATION	LTV	DSCR	SPREAD	RATE
Immediate Cash CME	7-Year	30	80%	1.25x	2.20-2.50	2.75%-3.05%
Immediate Cash CME	10-Year	30	80%	1.25x	2.15-2.45	2.95%-3.25%
CME Capped ARM	7-Year	30	80%	1.25x	2.55-2.85	2.65%-2.95%
9% LIHTC Immediate Portfolio	15-Year	35	90%	1.15x	2.85-3.15	3.65%-3.95%
Tax-Exempt Immediate Fixed Rate	15-Year	35	90%	1.15x	2.35-2.65	3.15%-3.45%

*2. Minimum index floor of 0.50% for all loan terms.*

FORWARD COMMITMENT <sup>2</sup>						
PRODUCT	TERM	AMORTIZATION	LTV	DSCR	SPREAD	RATE
9% LIHTC Forwards Portfolio	15-Year	35	90%	1.15x	3.40-3.70	4.20%-4.50%
Tax-Exempt 24-Mo. Unfunded Fixed Rate	15-Year	35	90%	1.15x	2.9-3.2	3.70%-4.00%

*2. Minimum index floor of 0.50% for all loan terms.*

**FHA**

NEW CONSTRUCTION/SUB REHAB   221(d)(4)						
PRODUCT	TERM	AMORTIZATION	LTV	DSCR	RATE	
Market Rate	40-Year	40	85%	1.176x	2.85%	
Affordable (10%-89% of units restricted)	40-Year	40	87%	1.15x	2.85%	
Broadly Affordable (90%+ of units restricted)	40-Year	40	90%	1.11x	2.85%	

REFINANCE/ACQUISITION   223(f)						
PRODUCT	TERM	AMORTIZATION	LTV	DSCR	RATE	
Market Rate	35-Year	35	85%	1.176x	2.20%	
Affordable (10%-89% of units restricted)	35-Year	35	87%	1.15x	2.20%	
Broadly Affordable (90%+ of units restricted)	35-Year	35	90%	1.11x	2.20%	

<sup>1</sup> Multifamily Affordable Rates, NorthMarq, October 28, 2020, [www.northmarq.com/wp-content/uploads/2020/10/Affordable-Rates-10282020.pdf](http://www.northmarq.com/wp-content/uploads/2020/10/Affordable-Rates-10282020.pdf)



# Appraiser's Office | 2021 Tax Year Income Approach Analysis Subsidized/Affordable Housing

## 2021 Douglas County Capitalization Rate Study Summary - Apartment Use

Fee Appraiser Surveys			PwC Investor Survey Third Quarter 2020		Other Sources		
<b>Apartments</b>	<b>Cap Rate</b>	<b>Trend</b>	<b>Apartments</b>	<b>Cap Rate</b>	<b>Apartments</b>	<b>Cap Rate</b>	
<i>Respondent #1</i>	5%-8%	Stable	<i>Major</i>	4.6%	<i>U.S. Avg</i>	5.30%	
<i>Respondent #2</i>	5.75%-9%	Stable	<i>Secondary</i>	5.2%	Source: Real Capital Analytics (via Freddie Mac Multifamily 2020 Mid-Year Outlook)		
<i>Respondent #3</i>	5.5%-8.5%	Stable	<i>Tertiary</i>	5.9%	<i>U.S. Avg</i>	5.10%	
			<i>Overall</i>	5.0%	Source: Marcus & Millichap Multifamily Report 3Q 2020		
<b>CBRE North America Cap Rate Survey Second Half 2019 (Most Recent)</b>							
<b>Apartments</b>	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>	<b>All Classes</b>	CBRE cap rates include replacement reserves. Cap rates with reserves as an expense are roughly 0.5% lower than cap rates without reserves as an expense.		
<i>Infill-All Metros</i>	4.64%	5.02%	5.68%	5.11%			
<i>Infill-Tier III Metros</i>	5.30%	5.82%	7.10%				
<i>Infill-Kansas City</i>	4.75%-5.25%	5.25%-5.75%	5.75%-6.25%				
<i>Suburban-All Metros</i>	4.89%	5.26%	5.96%	5.37%			
<i>Suburban-Tier III Metros</i>	5.34%	5.85%	6.75%				
<i>Suburban-Kansas City</i>	5.00%-5.50%	5.50%-6.00%	6.00%-6.50%				
<b>RERC Midwest Investment Criteria - 3Q 2020</b>							
<b>First Tier Inv Properties</b>	<b>Apartments</b>		<b>Student Housing</b>		First-tier investment properties are defined as new or newer quality construction in prime to good locations.		
<i>Range</i>	5.0% - 10.0%		5.0% - 8.5%				
<i>Average</i>	6.30%		6.60%				
<b>Second Tier Inv Properties</b>	<b>Apartments</b>		<b>Student Housing</b>		Second-tier investment properties are defined as aging, former first-tier properties, in good to average locations.		
<i>Range</i>	5.0% - 10.0%		5.5% - 9.5%				
<i>Average</i>	7.10%		7.50%				
<b>Third Tier Inv Properties</b>	<b>Apartments</b>		<b>Student Housing</b>		Third-tier investment properties are defined as older properties with functional inadequacies and/or in marginal locations.		
<i>Range</i>	6.0% - 12.0%		6.0% - 10.8%				
<i>Average</i>	8.10%		8.10%				
<b>Market Extraction: 2009-2020 Douglas County Sales Actual Cap Rate - OR- Estimated with County Income Model</b>							
<b>Apartments</b>	<b># of Sales</b>	<b>Low</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Average</b>	<b>Upper Quartile</b>	<b>High</b>
Class A	22	3.98%	5.20%	5.83%	5.83%	6.44%	7.68%
Class B	40	3.74%	5.60%	6.24%	6.23%	6.98%	8.95%
Class C	38	5.07%	7.00%	7.62%	7.58%	8.58%	10.70%
Class D	6	5.35%	5.91%	7.88%	7.52%	8.56%	9.98%
<b>All Apt Sales</b>	106	3.74%	5.62%	6.70%	6.70%	7.58%	10.70%
<b>Cap Rate Summary - All Uses</b>							
<b>All Dg Co CRE</b>	<b># of Sales</b>	<b>Low</b>	<b>Lower Quartile</b>	<b>Median</b>	<b>Average</b>	<b>Upper Quartile</b>	<b>High</b>
Class A	111	3.45%	5.66%	6.75%	6.62%	7.56%	10.02%
Class B	250	2.44%	6.51%	7.62%	7.66%	8.81%	13.15%
Class C	209	3.03%	7.22%	8.59%	8.71%	9.84%	18.21%
Class D	49	3.81%	7.20%	8.70%	9.12%	10.23%	18.91%
<b>All Sales</b>	598	2.44%	6.56%	7.70%	7.94%	9.04%	18.91%
<b>Band of Investment Using Mortgage and Equity Analysis</b>							
<b>Inv Class</b>	<b>Mortgage Rate (Rm)</b>	<b>Mort Term</b>	<b>Equity (Down Pmt)</b>	<b>Equity Rate (Re)</b>	<b>Debt</b>	<b>+ Equity</b>	<b>= Total Cap Rate (Ro)</b>
Class A	3.50%	30 years	20%	6%	4.3108%	1.200%	5.51%
Class B	4.00%	30 years	20%	8%	4.5832%	1.600%	6.18%
Class C	4.25%	25 years	20%	10%	5.2007%	2.000%	7.20%
Class D	4.75%	20 years	20%	12%	6.2037%	2.400%	8.60%
<b>Analysis Summary</b>							
The conclusions are weighted on the Apartments and All Uses data from Douglas County sales for each investment class. The conclusions are supported by the appraiser surveys, national and regional publication data.							
<b>Conclusions 2021 Tax Year Apartments</b>	<b>Class A+</b>	<b>Class A</b>	<b>Class A-</b>	<b>Class B+</b>	<b>Class B</b>	<b>Class B-</b>	
	<b>5.50%</b>	<b>5.75%</b>	<b>6.00%</b>	<b>6.15%</b>	<b>6.25%</b>	<b>6.75%</b>	
	<b>Class C+</b>	<b>Class C</b>	<b>Class C-</b>	<b>Class D+</b>	<b>Class D</b>	<b>Class D-</b>	
	<b>7.00%</b>	<b>7.50%</b>	<b>8.00%</b>	<b>8.25%</b>	<b>8.50%</b>	<b>9.00%</b>	

**APARTMENT SALES FROM DOUGLAS COUNTY**

Name	Sale Date	Analysis Price	Inv Class	# Units	Analysis Base Cap Rate	
Hawk's Pointe I, II & III	11/30/2011	\$15,500,000	A	248	5.89%	
IRONWOOD APTS	12/28/2012	\$8,400,000	A	108	6.47%	
REMINGTON SQUARE APTS	12/27/2012	\$9,000,000	A	244	7.42%	
PARK WEST GARDENS APTS	12/28/2012	\$6,700,000	A	68	4.47%	
East 24th Street Townhomes	7/11/2014	\$2,085,000	A	19	6.79%	
Legends Place Apts	9/25/2014	\$23,900,000	A	200	4.34%	
HIGH POINTE APTS	11/21/2014	\$11,467,750	A	168	5.63%	
CHASE COURT APTS	8/27/2015	\$12,500,000	A	168	5.77%	
CANYON COURT APTS	8/27/2015	\$5,300,000	A	71	6.87%	
Alvadora Apts	12/15/2015	\$8,500,000	A	108	7.18%	
THE CONNECTION APTS	12/22/2015	\$37,550,000	A	324	5.06%	
APT ON 6TH	5/9/2016	\$20,250,000	A	286	4.41%	
Crossgate Cassitas	5/9/2016	\$3,000,000	A	46	7.68%	
PARKWAY COMMONS	3/30/2017	\$10,200,000	A-	124	6.25%	
Saddlebrook Apts	9/28/2017	\$5,600,000	A-	48	5.91%	
Rockland West Apts	11/2/2017	\$16,823,131	A-	172	5.64%	
WYNDHAM PLACE SR (SEC 42)	12/27/2018	\$2,975,000	A	54	6.09%	
Camson South Apts	8/30/2019	\$11,150,000	A	90	5.24%	
Camson Villas	8/30/2019	\$4,750,000	A-	38	3.98%	
THE CONNECTION APTS	4/23/2019	\$35,292,000	A-	324	6.36%	
The Fringe	1/17/2020	\$28,000,000	A+	168	5.19%	
WYNDHAM PLACE SR (SEC 42)	7/1/2020	\$3,250,000	A	54	5.60%	
<b>All Class A</b>					<b>Median</b>	<b>5.83%</b>
					<b>Mean</b>	<b>5.83%</b>
<b>Recent 2 Years</b>					<b>Median</b>	<b>5.21%</b>
					<b>Mean</b>	<b>5.41%</b>
<b>Recent 4 Years</b>					<b>Median</b>	<b>5.64%</b>
					<b>Mean</b>	<b>5.58%</b>

*Local cap rates have a decreasing trend, with the lowest cap rates observed in the most recent two years.*

*The most recent Sale of a Section 42 property in Lawrence has a cap rate of **5.60%**.*



**Appraiser's Office**  
**Mass Appraisal**  
**Commercial Neighborhoods**  
**Land Valuation**  
**Tax Year** 2021  
**Effective Date** 1/1/2021  
**Neighborhood** 80.0

**Highest & Best Use** Multifamily/12  
**Number of Parcels** 5  
**Size Characteristics of Parcels Valued:**  
**Size - Low** 27,900 Square Feet  
**Size - Average** 165,061 Square Feet  
**Size - Median** 183,212 Square Feet  
**Size - High** 373,243 Square Feet  
**Typical Zoning** RM15

### Comparable Sale Data

Sale	HBU Type	Neigh	Name	Address	PIN(s)	Zoning	SF	Sale Date
1	12	78.0	Hernley Office & Duplex Rehab	1106 RHODE ISLAND ST	079-31-0-30-14-001.00-0	RM-12	11,700	10/27/2014
2	12	83.1	Apt Bldgs - Abstraction	900 EMERY RD	067-36-0-10-26-002.00-0	RM32	13,412	6/20/2017
3	12	83.1	Apt Bldgs - Abstraction	2400 Alabama St	111-12-0-10-01-009.00-0	RM32	35,719	2/6/2017
4	12	70.0	Allie's Village	1701 Research Park Dr	112-04-0-20-01-002.01-0	IBP	52,272	8/6/2012
5	12	79.0	9 Del Apts (LIHTC)	900 Delaware St	079-31-0-10-19-001.06-0	IG	56,653	6/5/2014
6	12	70.0	Allie's Village Expansion	1601 RESEARCH PARK DR	112-04-0-20-01-002.10-0	IBP	75,486	2/13/2018
7	12	70.0	Multifamily Land	NWC of George Williams Way & Lake Estates Dr	069-32-0-30-01-003.03-0	RM12	152,460	12/28/2018
8	12	70.0	Bella Sera Site	4450 Bob Billings Pkwy	068-33-0-40-07-006.00-0	PRD	173,170	5/29/2015
9	12	73.1	Bauer Farm Multi-Family	4541 BAUER FARM DR	068-28-0-40-08-004.00-0	PCD	173,804	12/1/2015
10	12	73.1	Village Cooperative	5325 W 6TH ST	069-32-0-10-01-001.02-0	RM 15-PD	178,596	6/10/2016
11	12	73.1	Camson South Apartments	525 Congressional Dr	068-28-0-00-00-027.00-0	PRD	261,360	9/24/2012
12	12	80.0	Bethel Estates	2140 E 25TH TER	103-08-0-10-24-003.01-0 & 3.02-0	RM15	382,346	1/8/2016
13	12	73.1	Oregon Trail MF Site	5851 OVERLAND DR	069-29-0-40-05-017.00-0	RM12	446,624	12/13/2016
14	12	73.1	Apartments on Sixth	545 Congressional Dr	068-28-0-00-00-027.01-0	PRD	518,364	10/31/2012
15	12	73.1	Multifamily Land	5240 W 6th St	068-28-0-00-00-013.00-0	UR	627,264	5/28/2019

**Median** 173,170

**Mean** 210,615

### Adjustment Grid Analysis

Market Conditions adjustments made 2% per year thru 1/1/2020, then flat

2.0% per year

Sale	Sale Price	Conditions of Sale	Comments	Effective Price	\$/SF	# Years Diff to 1/1/2020	Market Conditions	Adj'd \$/SF
1	\$90,000	\$50,000	No Value to Imps; Historical Site; Cost to demo (as vacant), Tax Credits	\$133,184	\$11.38	5.1	10.2%	\$12.55
2	\$375,000	-\$163,370	Bldg Imps	\$133,184	\$9.93	2.5	5.0%	\$10.43
3	\$840,000	-\$566,270	Bldg Imps	\$273,730	\$7.66	2.9	5.7%	\$8.10
4	\$133,184	\$0	0	\$133,184	\$2.55	7.3	14.6%	\$2.92
5	\$250,000	\$0	0	\$250,000	\$4.41	5.5	11.0%	\$4.90
6	\$255,000	\$0	0	\$255,000	\$3.38	1.9	3.7%	\$3.50
7	\$420,000	\$0	0	\$420,000	\$2.75	1.0	2.0%	\$2.81
8	\$350,000	\$0	14.2 DU/Acre	\$350,000	\$2.02	4.5	9.1%	\$2.20
9	\$1,050,000	\$0	0	\$1,050,000	\$6.04	4.0	8.1%	\$6.53
10	\$310,000	\$152,000	Buyer has to add 50x380 street	\$462,000	\$2.59	3.5	7.0%	\$2.77
11	\$600,000	\$38,299	Special assessments	\$638,299	\$2.44	7.2	14.3%	\$2.79
12	\$800,000	\$148,429	Special assessments	\$948,429	\$2.48	3.9	7.9%	\$2.68
13	\$1,050,000	\$0	0	\$1,050,000	\$2.35	3.0	6.0%	\$2.49
14	\$1,775,000	\$0	0	\$1,775,000	\$3.42	7.1	14.1%	\$3.91
15	\$1,730,000	\$0	0	\$1,730,000	\$2.76	0.6	1.2%	\$2.79



## Adjustment Grid Analysis - Continued

Sale	\$/SF	Adjmt 1 Feature	Adjmt 1 Factor	Adjmt 2 Feature	Adjmt 2 Factor	Adjmt 3 Feature	Adjmt 3 Factor	Adjmt 4 Feature	Adjmt 4 Factor	Adj'd \$/SF
1	\$12.55	Location	0.50		1.00		1.00		1.00	\$6.27
2	\$10.43	Location	0.50		1.00		1.00		1.00	\$5.21
3	\$8.10	Location	0.50		1.00		1.00		1.00	\$4.05
4	\$2.92	Zoning	0.80		1.00		1.00		1.00	\$2.34
5	\$4.90	Density	0.60		1.00		1.00		1.00	\$2.94
6	\$3.50	Zoning	0.80		1.00		1.00		1.00	\$2.80
7	\$2.81		1.00		1.00		1.00		1.00	\$2.81
8	\$2.20	Topography	1.25		1.00		1.00		1.00	\$2.76
9	\$6.53	Density	0.80	Pad Ready	0.50		1.00		1.00	\$2.61
10	\$2.77		1.00		1.00		1.00		1.00	\$2.77
11	\$2.79		1.00		1.00		1.00		1.00	\$2.79
12	\$2.68		1.00		1.00		1.00		1.00	\$2.68
13	\$2.49		1.00		1.00		1.00		1.00	\$2.49
14	\$3.91	Density	0.80		1.00		1.00		1.00	\$3.13
15	\$2.79		1.00		1.00		1.00		1.00	\$2.79

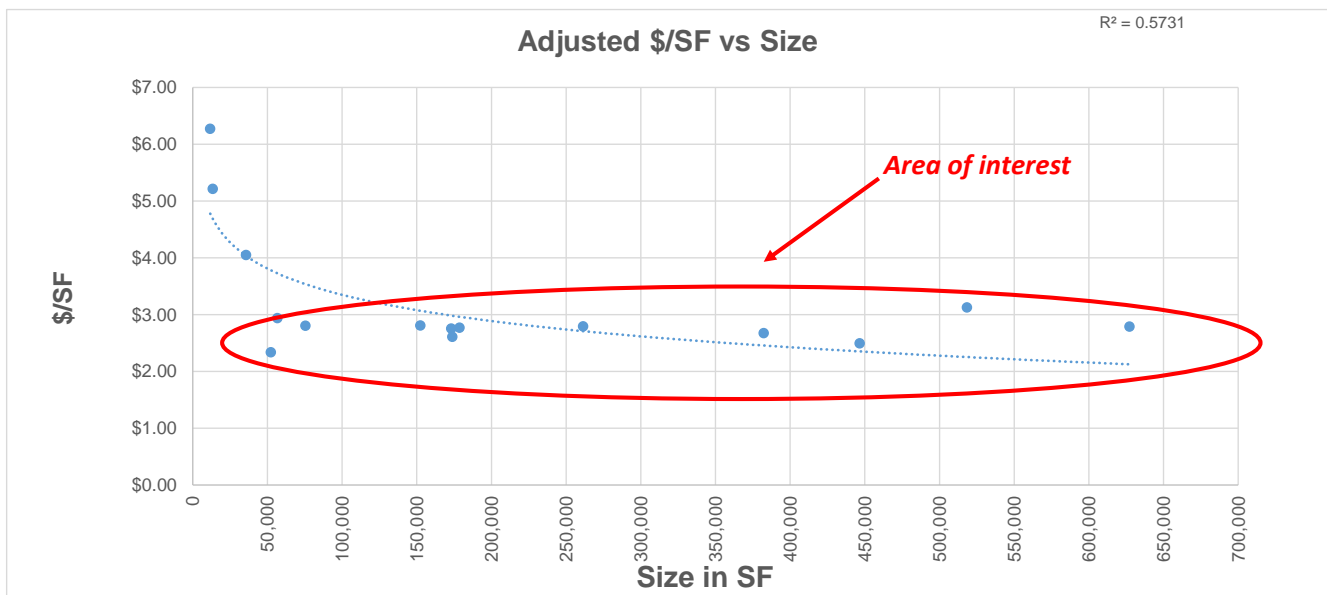
Entire Data Set	Median	\$2.79
Entire Data Set	Mean	\$3.23
Sales Within 50% of Base Model Size	Median	\$2.76
Sales Within 50% of Base Model Size	Mean	\$2.74
Area Listings of Similar HBU	Low	\$2.41
	High	\$5.23

### Summary of Adjustments

Sale 2 is influenced by nearby Office land sales due to its IBP zoning.

Sale 2, 3 and Sale 11 are the most recent sales at \$2.75/SF and \$2.76/SF, with Sales 1-4 located in the adjacent neighborhood to the north. Sales 3-8 fall within 50% of the base model size, with median and mean prices of \$2.76/SF and \$2.74/SF.

The above analysis does not account for differences in size, which is addressed in the **Incremental** and **Decremental** adjustments applied in the calibrated CALP model. The relationship between price per square foot and size is illustrated in the following graph. Given the influence of density (number of units to be developed), there is very little correlation on land size versus prices.





## Model Conclusions

	Base Size	Base Price	Incremental	Decremental
Current Year	275,000	\$2.70/SF	\$2.65/SF	\$2.50/SF
Previous Year	275,000	\$2.70/SF	\$2.65/SF	\$2.50/SF

Sale	Analysis Adj'd \$/SF	Analysis Adjusted Price	Model Base Size (Square Feet)	Base Value/SF	Incremental \$/SF	Decremental \$/SF	Model Prediction	Ratio (On Adj'd Price)	Absolute Deviation (Median)	Price/SF
1	\$6.27	\$73,394	275,000	\$2.70	\$2.65	\$2.50	\$84,250	1.15	0.125	\$7.20
2	\$5.21	\$69,916	275,000	\$2.70	\$2.65	\$2.50	\$88,530	1.27	0.244	\$6.60
3	\$4.05	\$144,702	275,000	\$2.70	\$2.65	\$2.50	\$144,298	1.00	0.025	\$4.04
4	\$2.34	\$122,106	275,000	\$2.70	\$2.65	\$2.50	\$185,680	1.52	0.498	\$3.55
5	\$2.94	\$166,488	275,000	\$2.70	\$2.65	\$2.50	\$196,633	1.18	0.158	\$3.47
6	\$2.80	\$211,579	275,000	\$2.70	\$2.65	\$2.50	\$243,715	1.15	0.129	\$3.23
7	\$2.81	\$428,354	275,000	\$2.70	\$2.65	\$2.50	\$436,150	1.02	0.004	\$2.86
8	\$2.76	\$477,103	275,000	\$2.70	\$2.65	\$2.50	\$487,925	1.02	0.000	\$2.82
9	\$2.61	\$453,830	275,000	\$2.70	\$2.65	\$2.50	\$489,510	1.08	0.056	\$2.82
10	\$2.77	\$494,429	275,000	\$2.70	\$2.65	\$2.50	\$501,490	1.01	0.008	\$2.81
11	\$2.79	\$729,829	275,000	\$2.70	\$2.65	\$2.50	\$708,400	0.97	0.052	\$2.71
12	\$2.68	\$1,022,900	275,000	\$2.70	\$2.65	\$2.50	\$1,026,967	1.00	0.019	\$2.69
13	\$2.49	\$1,113,173	275,000	\$2.70	\$2.65	\$2.50	\$1,197,304	1.08	0.053	\$2.68
14	\$3.13	\$1,620,823	275,000	\$2.70	\$2.65	\$2.50	\$1,387,415	0.86	0.167	\$2.68
15	\$2.79	\$1,750,191	275,000	\$2.70	\$2.65	\$2.50	\$1,676,000	0.96	0.065	\$2.67

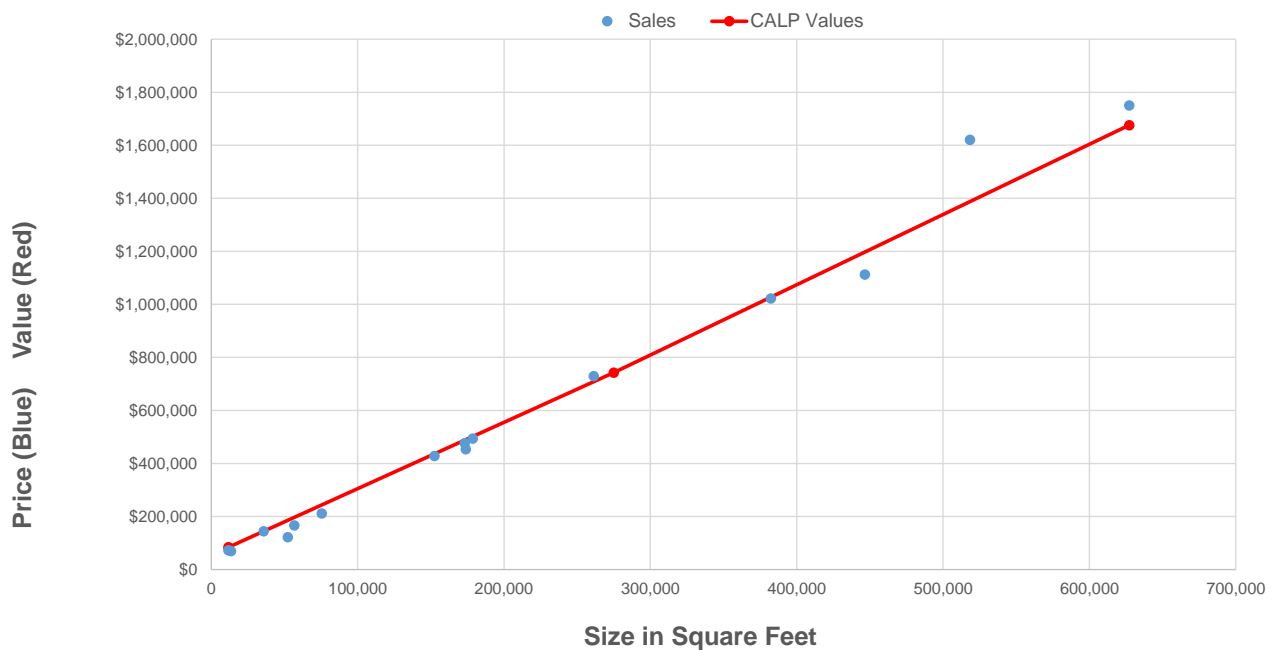
### Summary of Model Conclusions

<b>Median</b>	1.023	10.694 Avg Abs Dev
<b>Mean</b>	1.084	10.456 COD

The model conclusions put emphasis on the model predictions for Sales 2, 3 and 11 due to their recent sale dates and similar locations, The concluded price per square foot for the base model slightly less than the median and mean prices within 25% of the base size for the model. No change in value from prior year.

Adjusted Sale Prices vs. Model		
	X (Size)	Y (Value)
Low	11,700	\$84,250
Model Base	275,000	\$742,500
High	627,264	\$1,676,000

### Adjusted Sale Prices vs. CALP Model Values



## Summary of Current versus Previous Model Values

Lot Size	Current Model	% Change	Lot Size	Previous \$/SF
28,000	\$4.46	0%	28,000	\$4.46
50,000	\$3.60	0%	50,000	\$3.60
100,000	\$3.05	0%	100,000	\$3.05
150,000	\$2.87	0%	150,000	\$2.87
200,000	\$2.78	0%	200,000	\$2.78
250,000	\$2.72	0%	250,000	\$2.72
300,000	\$2.70	0%	300,000	\$2.70
350,000	\$2.69	0%	350,000	\$2.69
400,000	\$2.68	0%	400,000	\$2.68

Model Applied to Subject				
Subject SF	199,134			
Model	275,000	x	\$2.70 =	\$742,500
Incremental	0	x	\$2.65 =	\$0
Decremental	-75,866	x	\$2.50 =	(\$189,665)
	<b>Indicated Value By Value Model</b>			<b>\$552,840</b>
	<b>Adjustment:</b>			<b>\$0</b>
	<b>Indicated Value By Value Model</b>			<b>\$552,840</b>
	<b>Value/SF</b>			<b>\$2.78</b>

Tax Year: 2021

DOUGLAS COUNTY COST VALUATION REPORT

9/30/2024 11:38:58 AM

Parcel ID: 023-103-08-0-10-24-003.01-0

Quick Ref ID: R337162

Calc Date: 02/16/2021

Owner: BETHEL ESTATES OF LAWRENCE LP

LBCS Function: 1171 - Federally subsidized apartment complex
Nbhd: 080.0 - 080.0 - E 23rd Street (E of Mass)
Primary Situs: 2140 E 25TH TER LAWRENCE, KS

Date
Sale 1 01/13/2016
Sale 2 01/11/2016
Sale 3 01/08/2016

Amount Type Source Validity
600,000 1 7 2
800,000 1 7 1

COM BUILDING 1

LBCS Structure: 1301 - Garden apartment (3 story & u
Identical Units: 8
Building Name: Bethel Estates - Bldgs 1-4 & 12-15

No. Units: 48
Unit Type: Living Units
Tot Bldg Area w/o Bsmt: 40,320

Assmt Class: R
M&S Zip / Mult: /

SECTION 1

Building Name: Bethel Estates Residential units
Occupancy: 352 - Multiple Res (Low Rise)
M&S Class: D
Rank: Average
Yr. Blt/EFff Yr Blt: 2016/

Income Use: 036 - Subsidized Housing - 036
Level to Level: 01/01
Num Stories: 1
Area Per Floor: 5,040
Perimeter: 474
Wall Height: 9

Physical Cond: GD
Functional: Good
Economic:
Assmt Class:

Marshall & Swift Information:

Wall Hgt Factor: 0
Local Multiplier: 0
No. of Stories Adj: 0
Perimeter Adj: 0

Table with 4 columns: Units, Cost, Total. Rows include Base Cost, 881 - Stud -Ashlar Stone Veneer, 895 - Stud -Vinyl Siding, 611 - Package Unit, 681 - Sprinklers, 8005 - Porch, Slab with Roof, 631 - Basic Structure Cost, and Total Replacement Cost New.

TOTAL SECTION 1 COST VALUE

Replacement Cost New: 509,200
Ovrdr Pct Good:
Overall % Good(5) 97
Unadjusted RCNLD: 493,920
Market Adj Factor: 100
Economic Adj Factor: 55
Adjusted RCNLD: 271,660

TOTAL COM BUILDING 1 COST VALUE

Replacement Cost New: 509,200
Overall % Good: 97
Unadjusted RCNLD: 493,920
Market Adj Factor: 100
Economic Adj Factor: 55
Building RCNLD (adjusted) 271,660
Identical Units: 8
Total Building RCNLD(adjusted): 2,173,280
Adjusted RCNLD per Sqft: 53.90

COM BUILDING 2

LBCS Structure: 3220 - Club house
Identical Units: 1
Building Name: Bethel Estates - Clubhouse

No. Units: 0
Unit Type:
Tot Bldg Area w/o Bsmt: 1,990

Assmt Class: R
M&S Zip / Mult: /

Parcel ID: 023-103-08-0-10-24-003.01-0

Quick Ref ID: R337162

Calc Date: 02/16/2021

**SECTION 1**

Building Name: Clubhouse  
 Occupancy: 311 - Clubhouse  
 M&S Class: D  
 Rank: Good  
 Yr. Blt/EFff Yr Blt: 2016/

Income Use: -  
 Level to Level: 01/01  
 Num Stories:  
 Area Per Floor: 1,794  
 Perimeter: 194  
 Wall Height: 12

Physical Cond: GD  
 Functional: Good  
 Economic:  
 Assmt Class:

**Marshall & Swift Information:**

Wall Hgt Factor: 0  
 Local Multiplier: 0  
 No. of Stories Adj: 0  
 Perimeter Adj: 0

	Units	Cost	Total
Base Cost:	1,794	129.83	232,915
881 - Stud -Ashlar Stone Veneer	897	37.42	33,566
895 - Stud -Vinyl Siding	897	16.87	15,132
611 - Package Unit	1,794	11.76	21,097
8006 - Porch, Raised Slab with Roof	470	38.42	18,057
631 - Basic Structure Cost	1,794	178.80	320,767
<b>Total Replacement Cost New</b>			<b>320,770</b>

**TOTAL SECTION 1 COST VALUE**

Replacement Cost New: 320,770  
 Ovr Pct Good:  
 Overall % Good(5) 93  
 Unadjusted RCNLD: 298,310  
 Market Adj Factor: 100  
 Economic Adj Factor: 55  
 Adjusted RCNLD: 164,070

**SECTION 2**

Building Name:  
 Occupancy: 326 - Storage Garage  
 M&S Class: D  
 Rank: Average  
 Yr. Blt/EFff Yr Blt: 2016/

Income Use: -  
 Level to Level: 01/01  
 Num Stories:  
 Area Per Floor: 196  
 Perimeter: 42  
 Wall Height: 12

Physical Cond: GD  
 Functional: Good  
 Economic:  
 Assmt Class:

**Marshall & Swift Information:**

Wall Hgt Factor: 0  
 Local Multiplier: 0  
 No. of Stories Adj: 0  
 Perimeter Adj: 0

	Units	Cost	Total
Base Cost:	196	69.69	13,659
895 - Stud -Vinyl Siding	98	16.51	1,618
631 - Heating & Cooling	196	3.69	723
631 - Basic Structure Cost	196	81.63	16,000
<b>Total Replacement Cost New</b>			<b>16,000</b>

**TOTAL SECTION 2 COST VALUE**

Replacement Cost New: 16,000  
 Ovr Pct Good:  
 Overall % Good(5) 93  
 Unadjusted RCNLD: 14,880  
 Market Adj Factor: 100  
 Economic Adj Factor: 55  
 Adjusted RCNLD: 8,180

**TOTAL COM BUILDING 2 COST VALUE**

Replacement Cost New: 336,770  
 Overall % Good: 93  
 Unadjusted RCNLD: 313,190  
 Market Adj Factor: 100  
 Economic Adj Factor: 55  
 Building RCNLD (adjusted) 172,250  
 Identical Units: 1  
 Total Building RCNLD(adjusted): 172,250  
 Adjusted RCNLD per Sqft: 86.56

Tax Year: 2021

DOUGLAS COUNTY COST VALUATION REPORT

9/30/2024 11:38:58 AM

Parcel ID: 023-103-08-0-10-24-003.01-0

Quick Ref ID: R337162

Calc Date: 02/16/2021

MISCELLANEOUS SITE OVERRIDE VALUE

Misc Site Reason Code:	Class	Value
		Total: \$0

LAND VALUES

Market Land Value:	Class	Size	Base Size / Rate	Incr / Decr	Infl Factors	OVRD	Unit Price	Value
Multifamily HBU	R	199,134 SF	275,000 / \$2.70	2.65 / 2.50			\$2.78	\$552,840
<b>Total:</b>								<b>\$552,840</b>

<b>MARKET LAND TOTAL</b>								\$552,840
<b>COM BUILDING 1 TOTAL (INCL OTHER IMPROVEMENTS)</b>								\$2,173,280
<b>COM BUILDING 2 TOTAL (INCL OTHER IMPROVEMENTS)</b>								\$172,250
<b>MISCELLANEOUS SITE IMPROVEMENTS</b>								\$0
<b>TOTAL PARCEL COST VALUE</b>								<b>\$2,898,370</b>

## VALUATION AND APPEAL HISTORY

Year	Appealed	Level	Action	Original Value	Final Value
2021	Yes	BOTA Regular Division Equalization		R \$2,761,110	
2021		Informal Appeal	No Change	R \$2,761,110	R \$2,761,110
2021		BOTA Small Claims Equalization	No Change	R \$2,761,110	R \$2,761,110
2020	No			R \$2,720,950	
2019	Yes	Informal Appeal	No Change	R \$2,722,800	R \$2,722,800
2018	Yes	1st Half Informal PUP	No Change	R \$2,637,690	R \$2,637,690
2017	No			R \$3,518,750	

## REAL ESTATE APPRAISAL TERMINOLOGY

<b>Abstraction Method</b>	Method of land valuation in the absence of vacant land sales, whereby improvement values obtained from the cost model are subtracted from sale prices of improved parcels to yield residual land value estimates. Also called <i>residual land technique</i> . (IAAO Glossary, p. 2)
<b>Adjustments</b>	Modifications in the reported value of a variable, such as a sale price. For example, adjustments can be used to estimate market value in the sales comparison approach by modifications for differences between comparable and subject properties. Note: Adjustments are applied to the characteristics of the comparable properties in a particular sequence that depends on the method of adjustment selected. (IAAO Glossary, p. 4)
<b>Ad Valorem Tax</b>	A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO Glossary, p. 3)
<b>Appraised Value</b>	The estimate of the value of a property before application of any fractional assessment ratio, partial exemption, or other adjustments. (IAAO Glossary, p. 10)
<b>Assessed Value</b>	(1) A value set on real estate and personal property by a government as a basis for levying taxes. (2) The monetary amount for a property as officially entered on the assessment roll for purposes of computing the tax levy. Assessed values differ from the assessor's estimate of actual (market) value for three major reasons: fractional assessment ratios, partial exemptions, and decisions by assessing officials to override market value. The process of gathering and interpreting economic data to provide information that can be used by policymakers to formulate tax policy. (IAAO Glossary, p. 11)
<b>Capitalization Rate</b>	Any rate used to convert an estimate of future income to an estimate of market value; the ratio of net operating income to market value. (IAAO Glossary, p. 26)
<b>Cash-Equivalent Sale Price</b>	An indicator of market value that is a refinement over the raw sale price, in that the effects of unusual financing arrangements and extraneous transfers of personal property have been removed. (IAAO Glossary, p. 26)
<b>Contract Rent</b>	The actual amount of rent, per unit of time, that is specified in the contract (lease). For very old contracts, the contract rent may be substantially less than the rent the property would bring today. <i>Compare market rent</i> . (IAAO Glossary, p. 37)

<b>Cost, Overhead</b>	A cost that is not directly traceable to any given unit of output, for example, salaries of managers, interest on funded debt, and property taxes. Sometimes referred to as "indirect cost." Note: An overhead cost does not ordinarily vary with any close relationship to units of output. It is impossible to draw a sharp line of demarcation between overhead and direct costs; the difference is purely one of degree, and any classification of costs into these two groups is necessarily somewhat arbitrary. <i>Contrast cost, direct.</i> (IAAO Glossary, p. 42)
<b>Cost Approach</b>	(1) One of the three approaches to value, the cost approach is based on the principle of substitution; that a rational, informed purchaser would pay no more for a property than the cost of building an acceptable substitute with like utility. The cost approach seeks to determine the replacement cost new of an improvement less depreciation plus land value. (2) The method of estimating the value of property by: (a) estimating the cost of construction based on replacement or reproduction cost new or trended historical cost (often adjusted by a local multiplier); (b) subtracting depreciation; and (c) adding the estimated land value. The land value is most frequently determined by the sales comparison approach. (IAAO Glossary, p. 42)
<b>Deficit Rent</b>	The difference between market rent and contract rent that occurs when the market rent exceeds contract rent, resulting in a positive leasehold estate. (Property Assessment Valuation, 3 <sup>rd</sup> Ed., p. 322)
<b>Depreciation</b>	Loss in value of an object, relative to its replacement cost new, reproduction cost new, or original cost, whatever the cause of the loss in value. Depreciation is sometimes divided into three types: physical deterioration (wear and tear), functional obsolescence (suboptimal design in light of current technologies or tastes), and economic obsolescence (poor location or radically diminished demand for the product). (IAAO Glossary, p. 49)
<b>Direct Costs</b>	Expenditures for the labor and materials used in the construction of improvements as well as the contractor's profit required to construct the improvement on the effective appraisal date; often referred to as hard costs or costs that can usually be seen occurring at the construction site. (Property Assessment Valuation, 3 <sup>rd</sup> Ed., p. 235)
<b>Effective Age</b>	The typical age of a structure equivalent to the one in question with respect to its utility and condition, as of the appraisal date. Knowing the effective age of an old, rehabilitated structure or a building with substantial deferred maintenance is generally more important in establishing value than knowing the chronological age. (IAAO Glossary, p. 58)



<b>Effective Tax Rate (ETR)</b>	<p>(1) The tax rate expressed as a percentage of market value; will be different from the nominal tax rate when the assessment ratio is not equal to 1. (2) The relationship between dollars of tax and dollars of market value of a property. The rate may be calculated either by dividing tax by value or by multiplying a property's assessment level by its nominal tax rate. (IAAO Glossary, p. 58)</p> <p>Douglas County ETR Example:  Assessment Ratio x Tax Rate = ETR  Tax Rate = Mill Levy x 0.0001</p> <p>Mill Levies are different for each Tax Unit</p> <p>Tax Unit = An area that can include public budget needs for schools, roads, police, fire protection, social services, etc, which are supported by its respective tax base in that area.</p>
<p>11.50%  x 11.97%  1.38%</p>	<p>Assessment Ratio – Residential Assessment Class  Tax Rate – (119.696 Mill Levy ÷ 1,000, as a percent)  Effective Tax Rate (ETR)</p>
<p>25.00%  x 11.97%  2.99%</p>	<p>Assessment Ratio – Comm/Ind Assessment Class  Tax Rate – (119.696 Mill Levy ÷ 1,000, as a percent)  Effective Tax Rate (ETR)</p>
<b>Excess Land</b>	<p>Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and must be valued separately. (The Appraisal of Real Estate, 14<sup>th</sup> Ed., p. 200)</p>
<b>Excess Rent</b>	<p>The difference between contract rent and market rent that occurs when contract rent exceeds economic rent. (Property Assessment Valuation, 3<sup>rd</sup> Ed., p. 322)</p>
<b>External (Economic) Obsolescence</b>	<p>The loss of appraisal value (relative to the cost of replacing a property with property of equal utility) resulting from causes outside the property that suffers the loss. Usually locational in nature in the depreciation of real estate, it is more commonly marketwide in personal property, and is generally considered to be economically infeasible to cure. (IAAO Glossary, p. 65)</p>
<b>Fair Market Value</b>	<p>For property tax purposes, “fair market value” means: [T]he amount in terms of money that a well informed buyer is justified in paying and a well informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion. (K.S.A. 79-503a)</p>

<b>Fee Simple</b>	In land ownership, complete interest in a property, subject only to governmental powers such as eminent domain. (IAAO Glossary, p. 67)
	Kansas courts have concluded that the definition of real property represents the fee simple interest. "A fee simple estate is absolute ownership of a property unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of police power, eminent domain, escheat and taxation." See <i>In the Matter of Prieb Properties, L.L.C.</i> , 47 Kan.App.2d 122, 275 P.3d 56 (2012).
<b>Fixture</b>	Fixture—(1) Attached improvements that can be real or personal property. If attached to the realty in such a manner that its removal would damage the real property or the fixture, the fixture is realty. If the fixture is removable without damage, it is generally considered personal property. (2) An item of equipment that, because of the way it is used, the way it is attached, or both, has become an integral part of a building or other improvement. A fixture, such as a bathtub, is classified as real property, but trade fixtures (fixtures used in the conduct of business) are classified as personal property. (IAAO Glossary, p. 68)
<b>Functional Obsolescence</b>	Loss in value of a property resulting from changes in tastes, preferences, technical innovations, or market standards. (IAAO Glossary, p. 70)
<b>Gross Building Area</b>	Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls; includes both the superstructure floor area and the substructure or basement area. (The Appraisal of Real Estate, 14 <sup>th</sup> Ed., p. 225)
<b>Gross Leasable Area (GLA)</b>	The total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines, and measured from the center of interior partitioning to outside wall surfaces. (Dictionary of RE Appraisal, 5 <sup>th</sup> Edition, p. 91)
	All areas within the outside walls, including lobbies, washrooms, janitor's closets, and so on, but excluding building stairs, fire towers, elevator shafts, flues, vents, stacks, pipe shafts, and vertical ducts if they serve more than one floor. (IAAO Glossary, p. 76)
	<b>See also <i>Net Leasable Area (BOMA definition)</i></b>

<b>Highest and Best Use</b>	A principle of appraisal and assessment requiring that each property be appraised as though it were being put to its most profitable use (highest possible present net worth), given probable legal, physical, and financial constraints. The principle entails first identifying the most appropriate market, and, second, the most profitable use within that market. The concept is most commonly discussed in connection with underutilized land. (IAAO Glossary, p. 78)
<b>Improvements</b>	Buildings, other structures, and attachments or annexations to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers. Note: Sidewalks, curbing, sewers, and highways are sometimes referred to as "betterment," but the term "improvements" is preferred. (IAAO Glossary, p. 81)
<b>Income Approach</b>	One of the three approaches to value, based on the concept that current value is the present worth of future benefits to be derived through income production by an asset over the remainder of its economic life. The income approach uses capitalization to convert the anticipated benefits of the ownership of property into an estimate of present value. (IAAO Glossary, p. 81)
<b>Indirect Costs</b>	1) Overhead costs (see cost, overhead). (2) Costs incurred in construction away from the site. For example: fees, permits, insurance, and loans. (IAAO Glossary, p. 83)
<b>Interest Appraised</b>	[T]he terms "real property," "real estate," and "land," when used in this act, except as otherwise specifically provided, shall include not only the land itself, but all buildings, fixtures, improvements, mines, minerals, quarries, mineral springs and wells, rights and privileges appertaining thereto. (K.S.A. 79-102)
<b>Lease</b>	A written contract by which the lessor (owner) transfers the rights to occupy and use real or personal property to another (lessee) for a specified time in return for a specified payment (rent). (IAAO Glossary, p. 90)
<b>Lease, Absolute Net</b>	A net lease without a modifier for the term net in which the landlord pays nothing toward maintaining the property. (The Appraisal of Real Estate, 12 <sup>th</sup> Ed., p. 477) See Chart I below.
<b>Lease, Double Net (NN)</b>	Tenant pays utilities and taxes and insurance, and landlord pays for structural repairs only. (The Appraisal of Real Estate, 12 <sup>th</sup> Ed., p. 477) See Chart I below.
<b>Lease, Gross</b>	A lease under the terms of which the lessor (landlord) receives stipulated rent and pays the expenses of operating and maintaining the leased property. (IAAO Glossary, p. 90) See Chart I below.

<b>Lease, Industrial Gross</b>	A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance, and real estate taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary of RE Appraisal, 5 <sup>th</sup> ed., p. 100) See Chart I below.
<b>Lease, Modified Gross</b>	A lease in which the landlord receives stipulated rent and is obligated to pay most, but not all, of the property's operating expenses and real estate taxes. The amount of the owner's expenses is often limited by an 'expense stop' (usually quoted on a SF basis) and the amount over the stop is paid by the tenant. (sometimes semi-gross) - Tenant and landlord share expenses. (The Appraisal of Real Estate, 12 <sup>th</sup> Ed., p. 477) See Chart I.
<b>Lease, Net</b>	A lease under the terms of which the lessee pays the agreed rental and also all expenses of operating and maintaining the leased property, including taxes on it; but not including depreciation. (IAAO Glossary, p. 90)
<b>Lease, Single Net (N)</b>	Tenant pays utilities and taxes or insurance, and landlord pays structural repairs, property maintenance, and property taxes or insurance. (The Appraisal of Real Estate, 12 <sup>th</sup> Ed., p. 477) See Chart I.
<b>Lease, Triple Net (NNN)</b>	Tenant pays utilities, taxes, insurance, and maintenance, and landlord pays for structural repairs only. (The Appraisal of Real Estate, 12 <sup>th</sup> Ed., p. 477) See Chart I.
<b>Leased Fee Estate</b>	An ownership interest held by a lessor with the rights of use and occupancy conveyed by lease to another. (IAAO Glossary, p. 90)
<b>Leasehold Estate</b>	Interests in real property under the terms of a lease or contract for a specified period of time, in return for rent or other compensation; the interests in a property that are associated with the lessee (the tenant) as opposed to the lessor (the property owner). May have value when market rent exceeds contract rent. (IAAO Glossary, p. 91)
<b>Liquidation Value</b>	The estimated gross dollar amount that could be typically realized at properly conducted public auction held under forced conditions and under present-day economic trends. (IAAO Glossary, p. 94)

<b>Liquidation Value (Second Source Definition)</b>	<p>The most probable price that a specified interest in property should bring under the following conditions:</p> <ul style="list-style-type: none"> <li>• Consummation of a sale within a short time period.</li> <li>• The property is subjected to market conditions prevailing as of the date of valuation.</li> <li>• Both the buyer and seller are acting prudently and knowledgeably.</li> <li>• The seller is under extreme compulsion to sell.</li> <li>• The buyer is typically motivated.</li> <li>• Both parties are acting in what they consider to be their best interests.</li> <li>• A normal marketing effort is not possible due to the brief exposure time.</li> <li>• Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.</li> <li>• The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.</li> </ul> <p>(The Appraisal of Real Estate, 14<sup>th</sup> Ed., p. 65)</p>
<b>Major Vertical Penetrations</b>	<p>A floor opening in excess of 1 square foot that serves vertical building systems or vertical occupant circulation functions. Major vertical penetrations shall include stairs, elevator shafts, flues, pipe shafts, vertical ventilation ducts and their enclosing walls. (BOMA, Office Buildings p.24, Retail Buildings p. 12)</p>
<b>Market Analysis</b>	<p>A study of real estate market conditions for a specific type of property. (IAAO Glossary, p. 100)</p>
<b>Market Rent</b>	<p>The rent currently prevailing in the market for properties comparable to the subject property. Market rent is capitalized into an estimate of value in the income approach. (IAAO Glossary, p. 100)</p>
<b>Mass Appraisal</b>	<p>The process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing. (IAAO Glossary, p. 102)</p>
<b>Mill</b>	<p>One mill is one-thousandth of one dollar or one-tenth of one cent. (IAAO Glossary, p. 104)</p>

<b>Net Leasable Area</b> <i>Retail</i>	The area within a building or structure that is actually occupied by an individual tenant. Net leasable area does not include any of the common areas, such as lobbies and restrooms, shared by other tenants. (IAAO Glossary, p. 110)
<b>Net Leasable Area</b> <i>Industrial /Office</i>	Equal to Floor Rentable Area as defined by BOMA: Shall mean the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA, p. 2)
<b>Net Operating Income (NOI)</b>	Annual net income after operating expenses are subtracted from effective gross income. Does not include payments for interest or principal. (IAAO Glossary, p.110)
<b>Potential Gross Income (PGI)</b>	The sum of potential gross rent and miscellaneous income, that is, the income from rent and other sources that a property could generate with normal management, before allowing for vacancies, collection losses, and normal operating expenses. (IAAO Glossary, p. 125)
<b>Reconciliation</b>	The final step in the valuation process wherein consideration is given to the relative strengths and weaknesses of the three approaches to value, the nature of the property appraised, and the quantity and quality of available data in formation of an overall opinion of value (either a single point estimate or a range of value). (IAAO Glossary, p. 139)
<b>Replacement Cost;</b> <b>Replacement Cost New (RCN)</b>	The cost, including material, labor, and overhead, that would be incurred in constructing an improvement having the same utility to its owner as a subject improvement, without necessarily reproducing exactly any particular characteristics of the subject. The replacement cost concept implicitly eliminates all functional obsolescence from the value given; thus only physical depreciation and economic obsolescence need to be subtracted to obtain replacement cost new less depreciation (RCNLD). (IAAO Glossary, p. 144)
<b>Sale, Arm's-Length</b>	A sale in the open market between two unrelated parties, each of whom is reasonably knowledgeable of market conditions and under no undue pressure to buy or sell. (IAAO Glossary, p. 148)
<b>Sales Comparison Approach</b>	One of three approaches to value, the sales comparison approach estimates a property's value (or some other characteristic, such as its depreciation) by reference to comparable sales. (IAAO Glossary, p. 149)
<b>Stabilized Occupancy</b>	An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary of Real Estate Appraisal, 5 <sup>th</sup> Ed.)

<b>Surplus Land</b>	Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (The Appraisal of Real Estate, 14 <sup>th</sup> Ed., p. 200)
<b>Usable Area</b>	1. For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. 2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (Dictionary of Real Estate Appraisal, 5 <sup>th</sup> Ed.)
<b>Validated Sale</b>	See <i>Sale, Arm's Length</i>

**Definition Sources:**

*The Appraisal of Real Estate, 12<sup>th</sup> Edition, 13<sup>th</sup> Edition, 14<sup>th</sup> Edition, Appraisal Institute, 2001, 2008, 2013*

*The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition, Appraisal Institute, 2010*

*Glossary for Property Appraisal and Assessment, Second Edition, International Association of Assessing Officers, 2013*

*Property Assessment Valuation, Third Edition, International Association of Assessing Officers, 2010*

Kansas Statutes, [http://www.kslegislature.org/li/b2013\\_14/statute/079\\_000\\_0000\\_chapter/](http://www.kslegislature.org/li/b2013_14/statute/079_000_0000_chapter/)  
Standard Method for Measuring Floor Area in Office Buildings, Building Owners and Managers Association International (BOMA), ANSI/BOMA Z65.1-1996

**Chart I - Lease Term Matrix by Type of Lease**

Lease Type	Who Pays For*:				
	Utilities	Real Property Taxes	Building Insurance	Property Maintenance	Structural Repairs
Gross	Landlord	Landlord	Landlord	Landlord	Landlord
Modified Gross	Tenant and landlord share expenses. Owner pays expenses to an agreed amount or "expense" stop.				
Industrial Gross	Tenant	Landlord	Landlord	Tenant	Landlord
	Tenant agrees to pay any increase in certain expense items as additional rent.				
Single Net	Tenant	Tenant or landlord pays one or the other.		Landlord	Landlord
Double Net	Tenant	Tenant	Tenant	Landlord	Landlord
Triple Net	Tenant	Tenant	Tenant	Tenant	Landlord
Absolute Net	Tenant	Tenant	Tenant	Tenant	Tenant

Source: *The Appraisal of Real Estate, Appraisal Institute, 12th ed. at p.477*

\* Appraisal Institute did not account for Management as shown on the following page



**Chart II - Example of Various Leases using values**

Calculations Are Per SF Per Year	Absolute Net		Triple Net (NNN)		Gross (Industrial)		Modified Gross	
	Tenant	Owner	Tenant	Owner	Tenant	Owner	Tenant	Owner
Base Rent	<b>\$15.15</b>		<b>\$15.46</b>		<b>\$18.97</b>		<b>\$21.56</b>	
Taxes	\$3.00	\$0.00	\$3.00	\$0.00	\$0.00	\$3.00	\$0.00	\$3.00
Insurance	\$0.25	\$0.00	\$0.25	\$0.00	\$0.00	\$0.25	\$0.00	\$0.25
Management	\$0.45	\$0.15	\$0.31	\$0.31	\$0.19	\$0.57	\$0.00	\$0.86
Maintenance	\$0.30	\$0.00	\$0.30	\$0.00	\$0.30	\$0.00	\$0.00	\$0.30
Utilities	\$2.00	\$0.00	\$2.00	\$0.00	\$2.00	\$0.00	\$0.00	\$2.00
Structural Items	\$0.15	\$0.00	\$0.00	\$0.15	\$0.00	\$0.15	\$0.00	\$0.15
<b>Total Expenses</b>	<b>\$6.15</b>	<b>\$0.15</b>	<b>\$5.86</b>	<b>\$0.46</b>	<b>\$2.49</b>	<b>\$3.97</b>	<b>\$0.00</b>	<b>\$6.56</b>
Total Tenant Costs	\$21.30		\$21.32		\$21.46		\$21.56	
Total Owner Costs		\$0.15		\$0.46		\$3.97		\$6.56
Rent		\$15.15		\$15.46		\$18.97		\$21.56
Less: Expenses		-\$0.15		-\$0.46		\$3.97		\$6.56
NOI		<b>\$15.00</b>		<b>\$15.00</b>		<b>\$15.00</b>		<b>\$15.00</b>
÷ Cap Rate		10.00%		10.00%		10.00%		10.00%
Value per SF		\$150		\$150		\$150		\$150

## STATISTICS USED FOR MODEL CALIBRATION AND SALES RATIO STUDY

The **MEDIAN RATIO** is the middle ratio in a sorted array of sales ratios; 50% of the ratios lie above the median and 50% fall below it. A ratio is calculated by dividing the appraised value by the sale price of the property. The median ratio is the commonly used point estimate because it is less influenced by extremely high or low ratios in the sample.

The **MEDIAN RATIO CONFIDENCE INTERVAL** provides the range in which the true county median ratio is expected to fall. The confidence interval estimate is a more reliable indicator of the actual level of appraisal for all properties in the county population, both sold (those used in the ratio study sample), and unsold. The confidence level used by the Division is 95%. The acceptable compliance range for the median ratio is 90.0 to 110.0 %. The ideal confidence interval range will overlap 100%.

The **COEFFICIENT OF DISPERSION (COD)** is the most common measure of uniformity in sales ratio studies. It indicates how tight the ratios are clustered around the median ratio. A low COD is associated with good appraisal uniformity. The COD is a proportional measure found by taking the average of the absolute deviation of ratios about the median, and dividing by the median ratio.

The **COD CONFIDENCE INTERVAL** provides a range estimate in which the true county COD is expected to lie with a 95% level of confidence. The standard in Kansas requires the COD to be 20.0 or less for both the residential and commercial/industrial subclasses of property in order for a county to be in compliance. Although the ideal COD is 0.0, that goal can never be expected in an imperfect real estate market. In order to achieve the minimum standard for compliance the lower tail of the confidence interval must reach a COD of 20.0 or less.

The **PRICE-RELATED DIFFERENTIAL (PRD)** is used to measure value related inequities in the appraisal system, referred to as regressivity or progressivity. Appraised values are regressive if high value properties are under appraised relative to low value properties and progressive if high value properties are over appraised relative to the low dollar properties. The PRD is found by taking the mean (average) ratio of the sample and dividing by the weighted (aggregate) mean ratio.

The **PRD CONFIDENCE INTERVAL** provides a range in which the true county PRD is expected to lie with a 95% level of confidence. The standard calls for a PRD to fall between 0.98 and 1.03 in order for a county to be in compliance. A PRD above 1.03 suggest that the appraisal process may be regressive. A PRD below 0.98 suggest that the appraisal process may be progressive. The ideal confidence interval will overlap a measure of 1.00. In order to achieve the minimum standard for compliance one tail of the confidence interval must either overlap 0.98 or 1.03.

## APPRAISER QUALIFICATIONS

---

### **Bradley A. Eldridge, MAI, CAE**

Douglas County Appraiser's Office  
1100 Massachusetts, Unit 1, Lawrence, KS 66044  
Direct: (785) 832-5197 | Email: Beldridge@douglascountyks.org

---

#### **EDUCATIONAL BACKGROUND:**

<i>Baker University</i>	1994-1998 Baldwin City, KS Bachelor of Arts, Business Administration
<i>Appraisal Coursework</i> Appraisal Institute IAAO McKissock TEAM Consulting	Received over 70 general, advanced, and annual continuing education on real estate valuation to obtain and maintain a Kansas General Certified Appraiser license, MAI, and CAE designations; Course / Seminar / Workshop instructor, developer and presenter for classroom, online classroom, conference, and webinar platforms.

#### **PROFESSIONAL DESIGNATIONS/CERTIFICATIONS/MEMBERSHIPS:**

<i>IAAO-International Association of Assessing Officers</i> CAE Designation Instructor Education Subcommittee Professional Development Committee Journal of Property Tax Assessment & Administration Editorial Review Board	2017 to Present, #1175 2012 to Present 2016 to 2018, 2017-2018 Chair 2019 to 2020 2019, 2020
<i>Appraisal Institute</i> MAI Designation – Appraisal Institute Kansas City Chapter	2008 to Present, #402567 2008 Treasurer 2006-2007 Education Chair 2006 Appraisal Institute LDAC Representative (Leadership Development & Advisory Council)
<i>Certified General Appraiser</i>	Kansas, License #G-1680
<i>Kansas Department of Revenue, Division of Property Valuation</i> County Appraiser Eligible	2015 to Present

#### **EXPERIENCE:**

*August 2009 to Present – Appraiser II, Appraisal Manager I, Appraisal Manager II, and County Appraiser (Since June 2023), Douglas County Appraiser's Office (Lawrence, KS)*

*1998 – 2009 – Fee Appraiser, Senior Vice President, Minority Partner, Adamson & Associates, Inc. (Overland Park, KS)*