

SE Lake Washington

Area 75

Commercial Revalue for 2020 Assessment Roll



Southport, Renton



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

500 Fourth Avenue, ADM-AS 0708

Seattle, WA 98104-2384

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John Wilson
Assessor

Dear Property Owners,

Our field appraisers work hard throughout the year to visit properties in neighborhoods across King County. As a result, new commercial and residential valuation notices are mailed as values are completed. We value your property at its “true and fair value” reflecting its highest and best use as prescribed by state law (RCW 84.40.030; WAC 458-07-030).

We continue to work to implement your feedback and ensure we provide you accurate and timely information. We have made significant improvements to our website and online tools to make interacting with us easier. The following report summarizes the results of the assessments for your area along with a map. Additionally, I have provided a brief tutorial of our property assessment process. It is meant to provide you with background information about our process and the basis for the assessments in your area.

Fairness, accuracy and transparency set the foundation for effective and accountable government. I am pleased to continue to incorporate your input as we make ongoing improvements to serve you. Our goal is to ensure every taxpayer is treated fairly and equitably.

Our office is here to serve you. Please don't hesitate to contact us if you ever have any questions, comments or concerns about the property assessment process and how it relates to your property.

In Service,

John Wilson
King County Assessor



How Property Is Valued

King County along with Washington's 38 other counties use mass appraisal techniques to value all real property each year for property assessment purposes.

What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 700,000 residential, commercial and industrial properties. More specifically for commercial property, the Assessor breaks up King County into geographic or specialty (i.e., office buildings, warehouses, retail centers, etc.) market areas and annually develops valuation models using one or more of the three standard appraisal indicators of value: Cost, Sales Comparison (market) and Income. For most commercial properties the income approach is the primary indicator of value. The results of the models are then applied to all properties within the same geographic or specialty area.

Are Properties Inspected?

All property in King County is physically inspected at least once during each six year cycle. Each year our appraisers inspect a different geographic neighborhood. An inspection is frequently an external observation of the property to confirm whether the property has changed by adding new improvements or shows signs of deterioration more than normal for the property's age. From the property inspections we update our property assessment records for each property. In cases where an appraiser has a question, they will approach the occupant to make contact with the property owner or leave a card requesting the taxpayer contact them.

RCW 84.40.025 - Access to property

For the purpose of assessment and valuation of all taxable property in each county, any real or personal property in each county shall be subject to visitation, investigation, examination, discovery, and listing at any reasonable time by the county assessor of the county or by any employee thereof designated for this purpose by the assessor.

In any case of refusal to such access, the assessor shall request assistance from the department of revenue which may invoke the power granted by chapter [84.08](#) RCW.

How Are Commercial Properties Valued?

The Assessor collects a large amount of data regarding commercial properties: cost of construction, sales of property, and prevailing levels of rent, operating expenses, and capitalization rates. Statistical analysis is conducted to establish relationships between factors that might influence the value of commercial property. Lastly valuation models are built and applied to the individual properties. For income producing properties, the following steps are employed to calculate an income approach:

1. Estimate potential gross income
2. Deduct for vacancy and credit loss
3. Add miscellaneous income to get the effective gross income
4. Determine typical operating expenses
5. Deduct operating expenses from the effective gross income
6. Select the proper capitalization rate
7. Capitalize the net operating income into an estimated property value

How is Assessment Uniformity Achieved?

The Assessor achieves uniformity of assessments through standardization of rate tables for incomes, operating expenses, vacancy and credit loss collections and capitalization rates which are uniformly applied to similarly situated commercial properties. Rate tables are generated annually that identify specific rates based on location, age, property type, improvement class, and quality grade. Rate tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results back to properties based on their unique set of attributes.

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure the uniformity of predicted property assessments. We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers (aka IAAO) that may be reviewed at www.IAAO.org. The following are target CODs we employ based on standards set by IAAO:

Type of Commercial Property	Subtype	COD Range
Income Producing	Larger areas represented by large samples	5.0 to 15.0
Income Producing	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant Land		5.0 to 25.0
Other real and personal property		Varies with local conditions

Source: IAAO, Standard on Ratio Studies, 2013, Table 1-3.

More results of the statistical testing process is found within the attached area report.

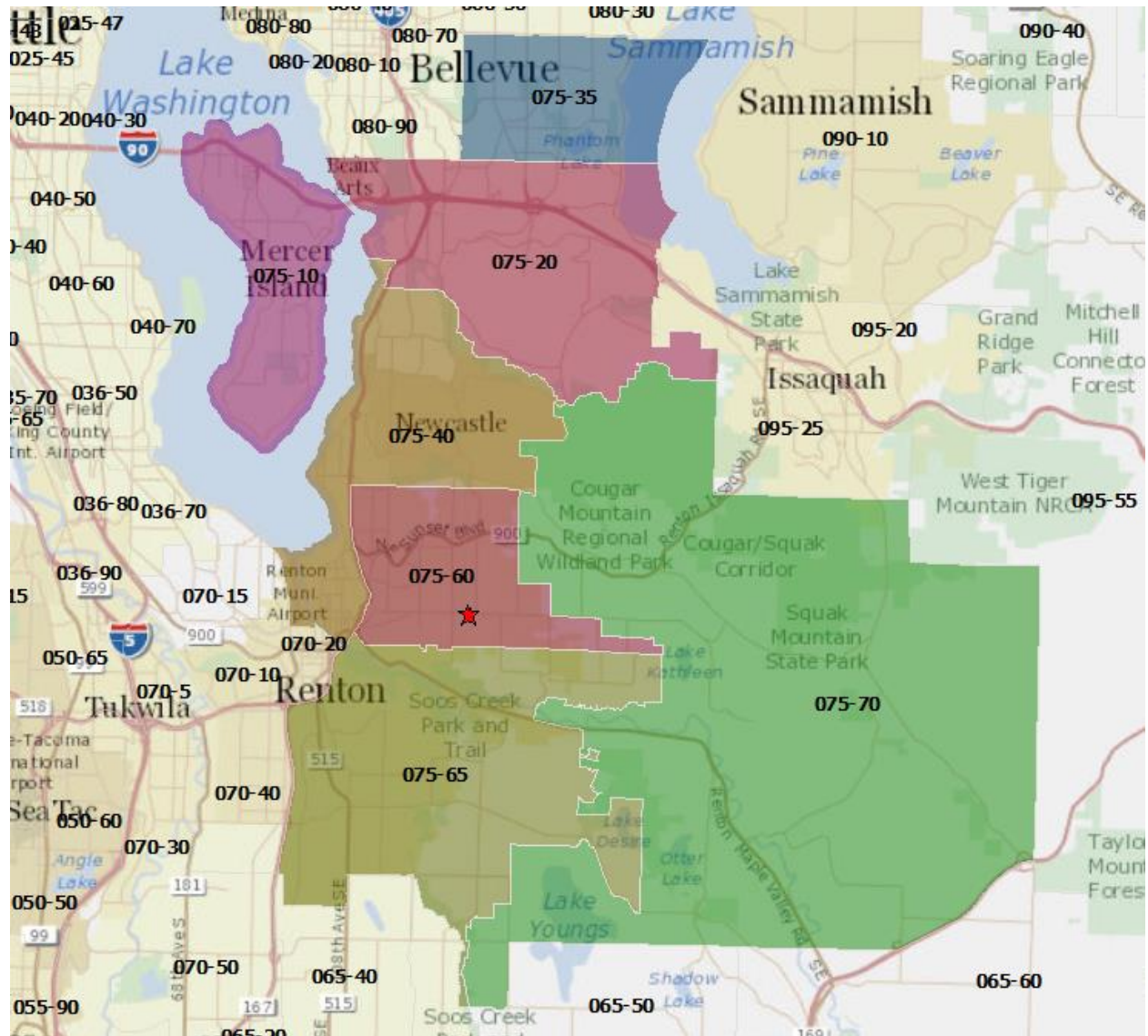
Requirements of State Law

Within Washington State, property is required to be revalued each year to market value based on its highest and best use. (RCW 84.41.030; 84.40.030; and WAC 458-07-030). Washington Courts have interpreted fair market value as the amount of money a buyer, willing but not obligated to buy, would pay to a seller willing but not obligated to sell. Highest and Best Use is simply viewed as the most profitable use that a property can be legally used for. In cases where a property is underutilized by a property owner, it still must be valued at its highest and best use.

Appraisal Area Reports

The following area report summarizes the property assessment activities and results for a general market area. The area report is meant to comply with state law for appraisal documentation purposes as well as provide the public with insight into the mass appraisal process.

AREA 75 MAP



Area 75 Annual Update Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

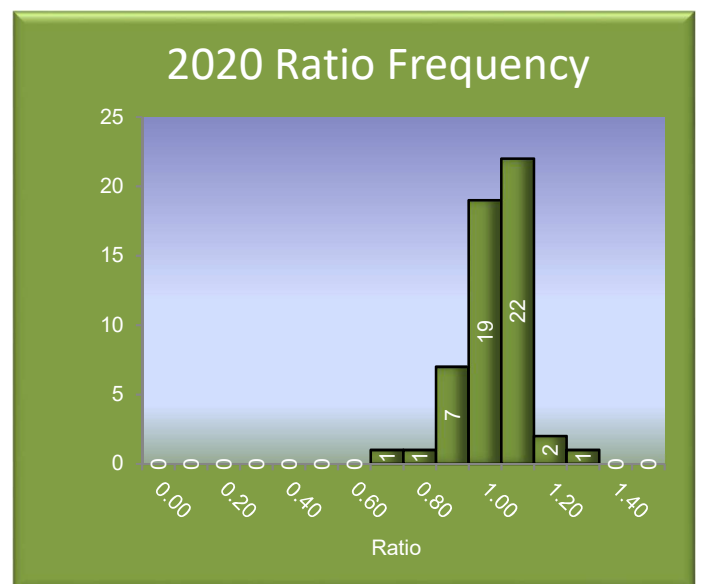
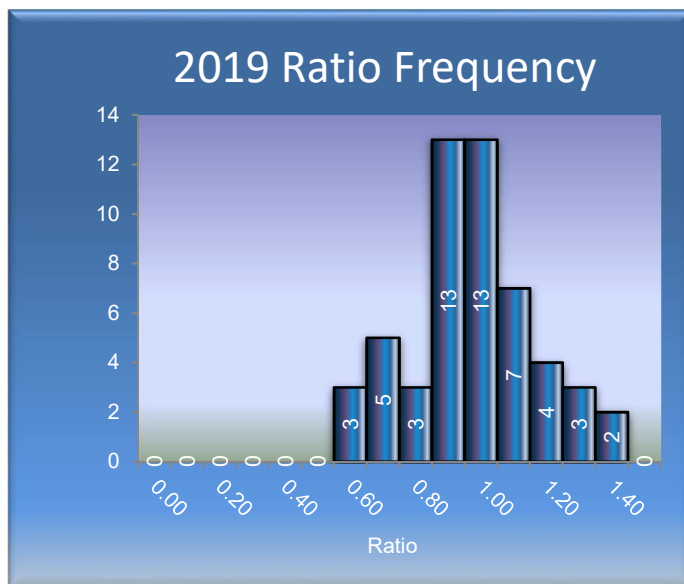
Pre-revalue ratio analysis compares sales from 2017 through 2019 in relation to the previous assessed value as of 1/1/2019.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	53
Mean Assessed Value	3,946,700
Mean Adj. Sales Price	4,341,000
Standard Deviation AV	6,098,522
Standard Deviation SP	6,495,676
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.928
Median Ratio	0.909
Weighted Mean Ratio	0.909
UNIFORMITY	
Lowest ratio	0.5458
Highest ratio:	1.3906
Coefficient of Dispersion	16.16%
Standard Deviation	0.1911
Coefficient of Variation	20.60%
Price Related Differential (PRD)	1.02

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares sales from 2017 through 2019 and reflects the assessment level after the property has been revalued to 1/1/2020.

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	53
Mean Assessed Value	4,216,900
Mean Sales Price	4,341,000
Standard Deviation AV	6,395,559
Standard Deviation SP	6,495,676
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.975
Median Ratio	0.988
Weighted Mean Ratio	0.971
UNIFORMITY	
Lowest ratio	0.6899
Highest ratio:	1.2737
Coefficient of Dispersion	7.84%
Standard Deviation	0.1015
Coefficient of Variation	10.41%
Price Related Differential (PRD)	1.00



Executive Summary Report

Appraisal Date 1/1/20

Geographic Appraisal Area:

Area 75: Cities of Mercer Island, East and South Bellevue, Bellevue I-90 Corridor, Newcastle, North and East Renton, Cedar Basin, and May Valley in Unincorporated King County

Sales – Improved Summary

- Number of Sales: 58
- Number of Sales used in the ratio: 53
- Range of Sales Dates: 1/31/2017 - 12/31/2019

Sales – Ratio Study Summary

Sales – Improved Valuation Ratio Study Summary				
	Mean Assessed Value	Mean Sale Price	Ratio	COD*
2019 Value	\$3,946,700	\$4,341,000	90.90%	16.16%
2020 Value	\$4,216,900	\$4,341,000	97.10%	7.84%
Value Change	\$270,200		6.20%	-8.32%
% Change	6.85%		6.82%	-51.49%

*Coefficient of Dispersion (COD) is a measure of uniformity. A low COD indicates better uniformity.

Sales used in analysis: All improved sales that were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are: sales that have change of use, sales that have had major renovations after the sale, and net lease sales.

Population – Parcel Summary Data

Total Population - Parcel Summary Data				
Area 75	2019 Value	2020 Value	Difference	Percent Change
Land	\$2,453,878,100	\$2,709,937,800	\$256,059,700	10.43%
Improvements	\$2,811,280,600	\$2,810,772,600	\$508,000	-0.02%
Total Value	\$5,265,158,700	\$5,520,710,400	\$255,551,700	4.85%

Number of Parcels in the Population: 1,517 including vacant parcels but excluding specialty parcels.

Conclusion and Recommendation:

Total assessed values for the 2020 revalue increased by 4.85%. The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2020 Assessment Year.



Identification of the Area

Area 75: SE Lake Washington

Area 75 Neighborhoods

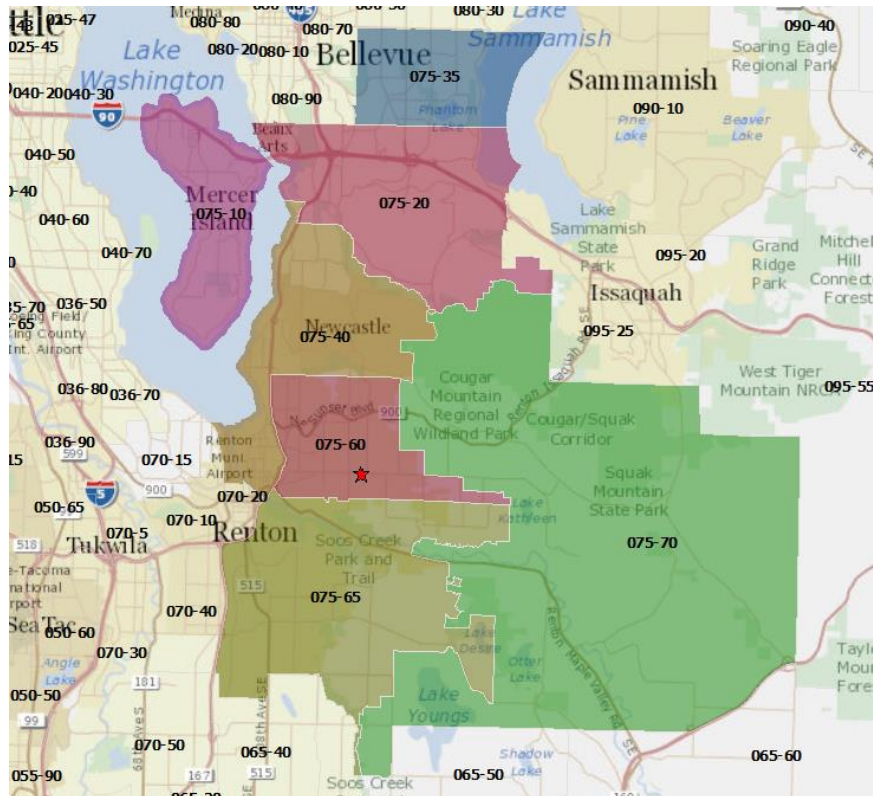
- **75-10** Mercer Island
- **75-20** South Bellevue/Factoria/I-90 Corridor
- **75-35** East Bellevue/Lake Hills to Crossroads
- **75-40** Newport/Newcastle/Kennydale/Renton Landing
- **75-60** Renton Highlands
- **75-65** Benson Hill/Fairwood/& Cedar Valley
- **75-70** Cedar Basin/May Valley

Area 75 Boundaries:

- **North** – SE 24th St to 132nd Ave NE to NE 8th St in Bellevue
- **West** – Mercer Island and Lake Washington. Bryn Mawr – Sky way, the Cedar River and I-405 once south of the Maple Valley Highway.
- **East** – West Lake Sammamish Parkway north of I-90 and Issaquah Hobart Rd SE to the south
- **South** – S 200th St in Renton

Maps

A general map of the area is displayed below. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.



Area 75

2020 Assessment Year



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Area Overview

Area 75 is comprised of four cities and unincorporated King County. It includes the cities of Mercer Island, Bellevue, Newcastle and Renton. It is one of the most diverse geographic areas in King County in terms of territorial jurisdiction, locations, commercial property types, and demographics.

Within the Geographic Area 75, there are seven distinct neighborhoods that have been established for valuation purposes totaling 1,517 parcels (excluding specialty). The area is unique as it encompasses such a broad range of neighborhoods from high value properties in Mercer Island and parts of Suburban Bellevue to the more rural parts of unincorporated King County, Maple Valley, and Renton. The City of Mercer Island is located in the northwest part of Area 75. The City of Bellevue encompasses Area 75's northern and eastern ends. The City of Newcastle is located between the cities of Bellevue and Renton parallel to Interstate 405. The City of Renton is at the South west end of Lake Washington.



City of Bellevue

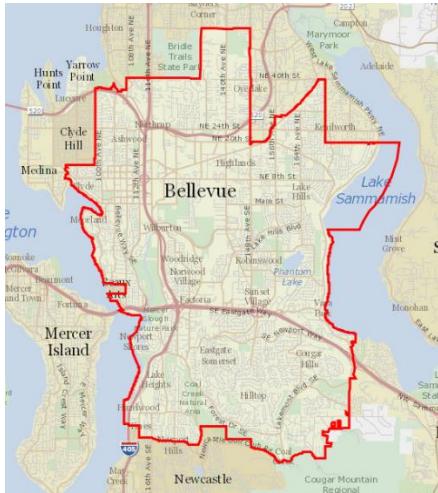
Bellevue is located east of Lake Washington between the cities of Kirkland to the north, Newcastle to the south, Seattle/Mercer Island to the west, and Sammamish to the east. It has an estimated population of 145,300 as of 2019. Bellevue is ranked as the second largest city in King County and 5th in the State of Washington in terms of population.

The city covers more than 33 square miles between Lake Washington and

Lake Sammamish in terms of land area¹, ranked as the 3rd largest in King County and eight largest in the State of Washington in terms of land area². Next to Seattle, Bellevue is experiencing rapid growth both in commercial and multi-family residential constructions which hovers around downtown Bellevue. Bellevue's major employers are Overlake Medical Center, Microsoft, T-Mobile, Boeing, Expedia, SAP (Concur), Puget Sound Energy, Sales Force and Zillow to name a few.

¹ City of Bellevue

² US Census Bureau
Area 75



Located in the City of Bellevue are several Area 75 neighborhoods such as Factoria, Lake Hills, Kelsey Creek, Lakemont, Eastgate, Somerset, Newport Hills, Suburban East Bellevue, and properties along I-90 Corridor. The tech sector drives Bellevue's market with software firms, video game and social media companies accounting for almost 70 percent of the tenant mix.

In October of 2016, Amazon made waves when it joined the ranks of these other tech companies as it secured its first lease for new office space in downtown Bellevue.³ Amazon moved in to the brand new 354,000 sf, Centre 425 building.

Additionally, in August of 2018 it was announced that “Amazon has scooped up the Bellevue, Wash., Expedia headquarters building that the travel giant will soon vacate as it prepares to move into its new waterfront headquarters in Seattle. Equity Commonwealth, the owner of the building, disclosed in a filing with the U.S. Securities and Exchange Commission that Amazon has signed a 16-year lease for more than 400,000 square feet in the tower. The deal takes effect in 2020 and includes all the office space in the building.”⁴

In July 2019, “Amazon has unveiled plans to build its tallest skyscraper ever, and the tallest building in the growing city 10 miles east of its Seattle headquarters location. The project, dubbed 600 Bellevue, is the latest signal that Bellevue has become the focal point of Amazon’s future growth, as the company repeatedly clashes with Seattle officials. With about 1 million square feet, the building will have room for several thousand employees, according to Amazon spokesperson Adam Sedo. Amazon expects the building to be complete by 2024. The Seattle Times first reported on the 43-story, 600-foot skyscraper that will be built on a site Amazon purchased earlier this year for \$195 million. Amazon has filed a pre-application package for the project, Sedo said, and details could change as the plans develop. The site is on top of a future light rail station, and it could serve as a hub connecting Amazon’s offices in both Seattle and Bellevue.”⁵

Amazon isn’t the only major tech company to expand footprints in Bellevue. Facebook announced in October of 2018 that it would be expanding its presence in the region. “In two newly confirmed deals, the tech giant has leased an additional 85,000-square feet in two more Bellevue buildings, adding to its already sizable presence in the Seattle suburbs commonly known as the Eastside.”⁶ And in November 2019 “The social media giant just inked another big lease in the region. This time it’s Block 6, a building in Bellevue’s Spring District, the new development is still under construction. According to Geekwire, Facebook said, “We are committed to the Seattle region as evidenced by being the second largest engineering hub outside of our Menlo Park headquarters,” a company spokesperson said in a statement. “Given the competitive real estate market in the region we are always on the lookout for opportunities to accommodate our growth.” Business Insider first reported the new 325,000 square-foot lease.”⁷

These deals are big news for Bellevue - just four years ago the city was facing the impending departure of Expedia for Seattle and a deluge of new construction with unclaimed office space. Now, it seems the

³ Geekwire – Amazon expanding outside of Seattle

⁴ Geekwire – Amazon leases entire Expedia Tower

⁵ Geekwire - Amazon to build its tallest tower ever in Bellevue, continuing rapid growth outside Seattle HQ

⁶ Geekwire – Facebook inks two more leases in Bellevue, as tech companies hedge their bets across Seattle region

⁷ Geekwire - Facebook lands another huge office lease in Bellevue as part of Seattle-area expansion



sizable office availability and convenient eastside location may be a great fit for these tech giants' future growth.

City of Mercer Island

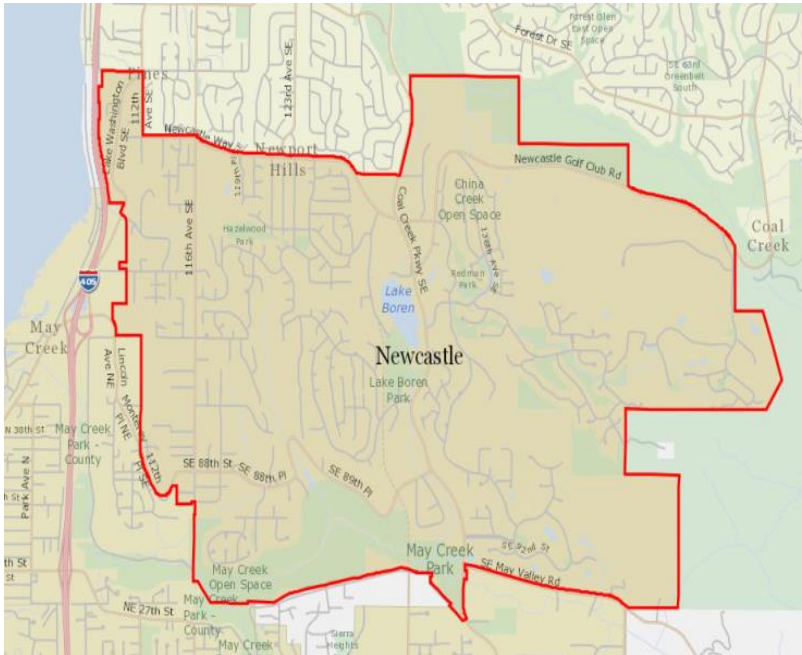
Mercer Island is an upper income class community located in Lake Washington between Seattle and Bellevue. The island has an estimated population of 25,976 as of 2018 according to the Census Bureau and spans about 6.32 square miles. It is ranked 15th largest city by population and 17th largest by area size in King County.⁸ Mercer Island is connected by Interstate 90 to both cities.

The city has just lifted a building moratorium in the downtown area. With the coming of light rail, it is expected that the downtown core will experience continued growth and rejuvenation in the coming years.



City of Newcastle

Newcastle is located south of Lake Washington between the Cities of Renton and Bellevue. According to the Census Bureau, as of 2018, it has an estimated population of 11,823; ranked as 22nd in King County. It has a land area of 4.45 square miles and is also ranked as 22nd in King County.



The City of Newcastle was incorporated in September of 1994. Newcastle was home to coal mines between 1863 and 1963. Newcastle continues to experience healthy growth. The city's business community is most adequately described as a retail service economy and provides a retail core for neighborhood commercial activity. This area is most comparable to south Bellevue. The schools are served by the Issaquah and Renton School Districts. The opulent Newcastle Golf Club is open to the public and is situated directly on one of the former large coal mines. It was ranked in 2013 by Money magazine as one of the best small towns in America⁹

⁸ U.S Census Bureau

⁹ City of Newcastle
Area 75

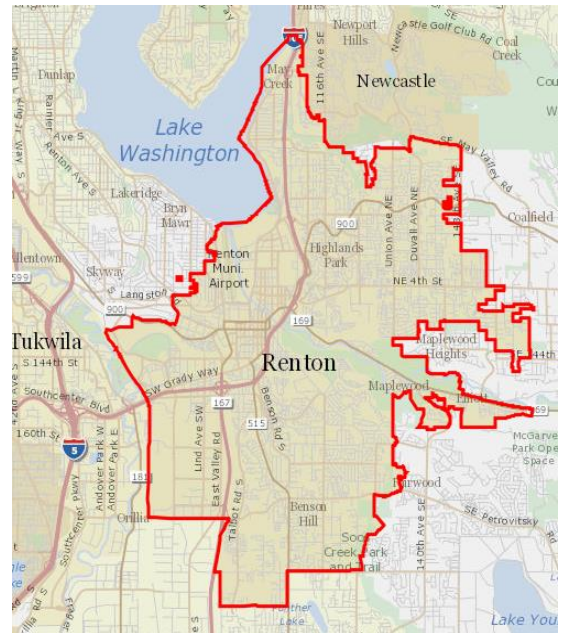


The town is rapidly expanding as the Avalon Bay mixed-use development continues to progress. The project includes a mix of residential and retail space. Upon completion, over 900 units will be developed on the site of this former Brick Plant.

City of Renton

Renton is located on the south shore of Lake Washington between the cities of Seattle to the north, Kent to the south, Bellevue to the east, and Tukwila to the west. It has an estimated population of 102,153 as of 2018; ranked as the fourth largest city in King County and the eighth largest city in the State of Washington. It has a land area of 23.37 square miles; ranked as the fourth largest in King County and 17th in the State of Washington.¹⁰

Located in the City of Renton are several Area 75 neighborhoods that include the Renton Highlands, Kennydale, northeast portions of downtown Renton, properties along the Lake Washington shore, Fairwood, Cascade, Benson Hill, and the UW-Valley Medical hospital commercial district.



Renton is home to the brand new IKEA store and The Landing - a mixed-use development with apartments, retail, restaurants and a movie theater. The city is also home to several auto dealerships. South Grady Way, a major arterial street in Renton, still is called the auto mall neighborhood. But East Valley Highway is transitioning to become an auto mall extension when the Nissan dealership built their new and larger site a few years back and next door to them, Renton Honda move to their new home as well. Renton is also home to major companies like Boeing, Paccar, the Seahawks (Seattle Football team) office and training facility, the UW-Valley Medical Center, and Providence Health and Services to name a few.

Most recently, there has been a substantial amount of development on the southern shores of Lake Washington. Four hotels and three office buildings have been built or are in the final stages of construction just in the past few years. Additionally, SECO, a private developer, announced that it is even planning to run a water taxi from this area to south Lake Union. The company is still working out the logistics but hopes to have the taxis in operation by 2021.

With these recent developments the city is attempting to re-make itself into the region's next tech hub.

¹⁰ U.S Census Bureau
Area 75



Unincorporated King County

Located furthest south in Area 75 is a cluster of commercial properties that are within unincorporated King County called the May Valley Cedar Basin neighborhood. These parcels are located along Highway 169.

As development continues to boom in the Covington area, it seems likely that the commercial space along Highway 169 will be transformed in the coming decade to better serve the growing number of commuters. In 2017, the Cedar River Station was completed on the Maple Valley Highway. There are three line retail buildings which total over 21,000 sf; include a Starbucks, sit down restaurants and office spaces. This neighborhood commercial also includes a new Chevron and Xtra Mile convenience store.



Analysis Process

Effective Date of Appraisal: January 1, 2020

Date of Appraisal Report: April 15, 2020

The following appraisers contributed on the valuation process of this geographic area:

Trevor Swedberg, Commercial Appraiser II

Highest and Best Use Analysis

As if Vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

Interim Use: In many instances a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest that the land should be developed in a few years. Similarly, there may not be enough demand for office space to justify the construction of a multistory office building at the present time, but increased demand may be expected within five years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

The use to which the property is put until it is ready for its future highest and best use is called an interim use. Thus, the interim use becomes the highest and best use, in anticipation of change over a relatively short time in the future.

Standards and Measurement of Data Accuracy: Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

Special Assumptions and Limiting Conditions:

All three approaches to value were considered in this appraisal.

- Sales from January 2017 to December 2019 (at minimum) were considered in all analysis.
- No specific market trends (market condition adjustments, time adjustments) were applied to sales prices due to a lack of enough market data to develop a trend. Therefore, models were developed without market trends.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6.

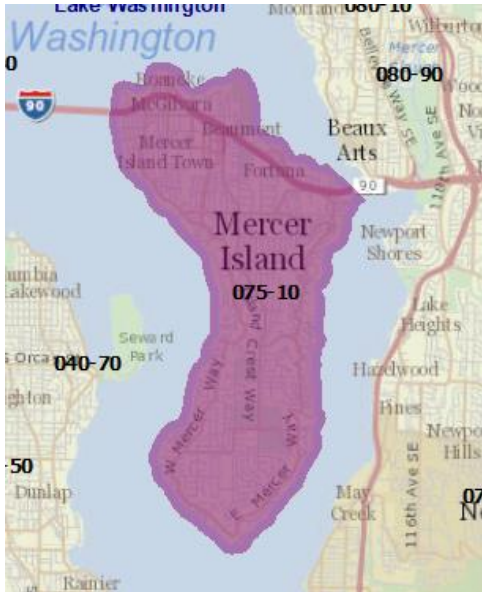


Neighborhood Descriptions

Neighborhood 75-10 – Mercer Island

Boundaries: The city of Mercer Island is an island located between Seattle and Bellevue.

- Boundaries include the entire island

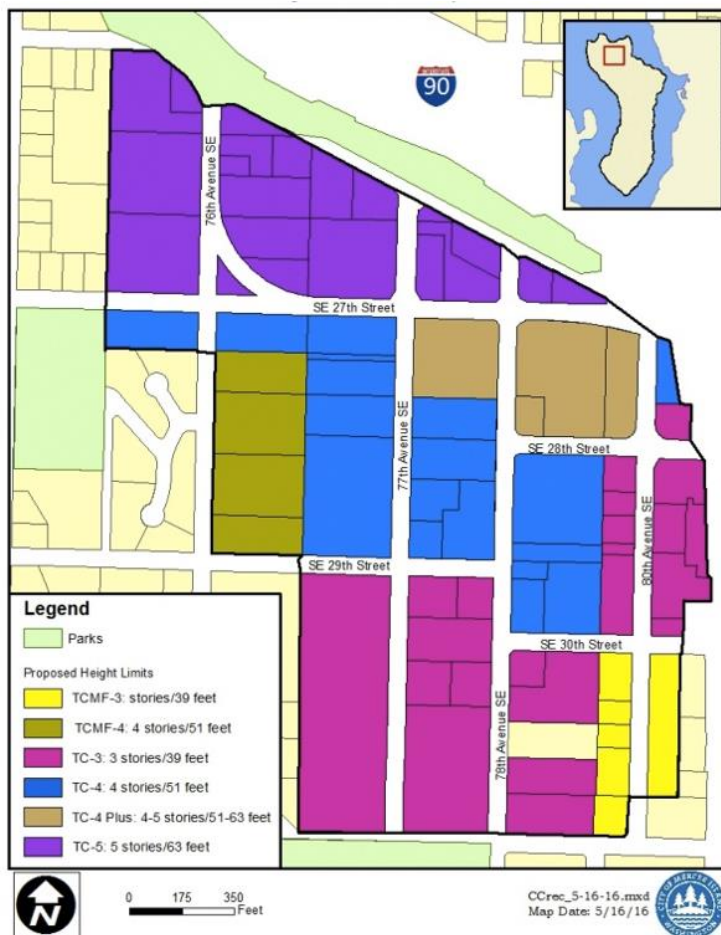
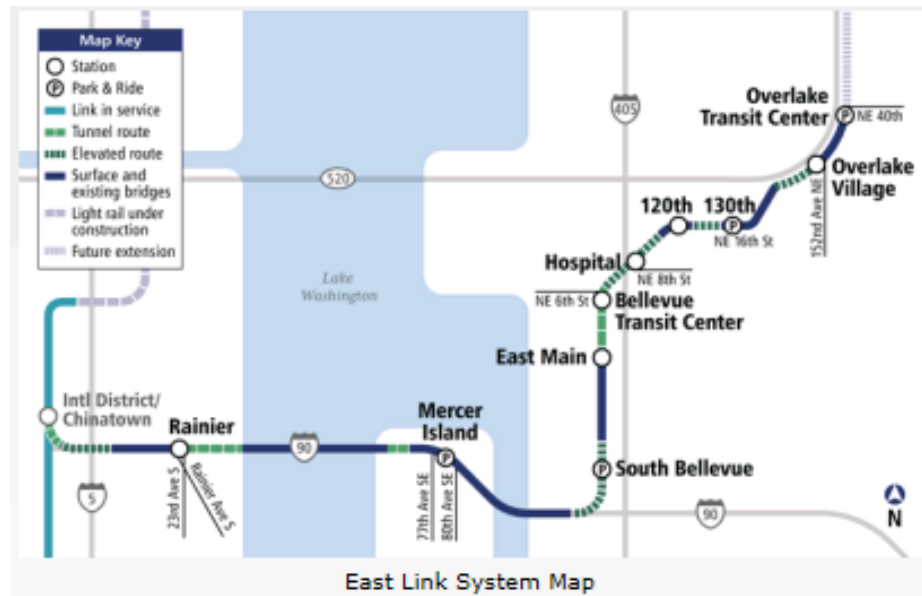


Neighborhood Description:

Downtown Mercer Island has gone through an extensive makeover the past several years. It is a blend of newer and dated office, retail, and mixed use buildings. Some of the properties with dated buildings will continue to be redeveloped to their highest and best use as commercial financing becomes more available. The south end of the island also features a redeveloped neighborhood shopping center with a mix of retail and office space.

Several years ago, Sound Transit completed a new Park and Ride along I-90 which helped jumpstart several new developments. This development added hundreds of new apartments and condominiums to the town center and provided new office and retail spaces.

A major transportation project will soon be impacting the island. The \$3.7 billion East Link Project is a voter-approved regional transportation project that will tap in to the existing Link light rail between SeaTac airport and downtown Seattle. The expansion will connect link light rail from downtown Seattle to the Eastside with stations serving Mercer Island, south Bellevue, downtown Bellevue, Bel-Red, and Redmond's Overlake area. The East Link light rail project began construction in 2016 and is expected to be ready to operate for passenger service in 2023.



This subarea map shows the maximum building heights in Mercer Island's Town Center (Effective 6/20/16)

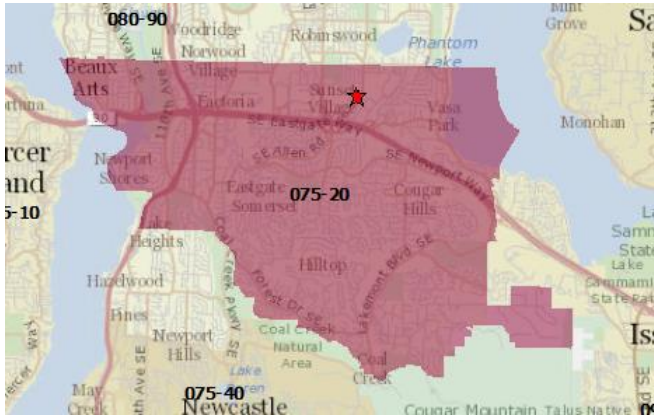
Town Center Visioning - In early 2014, Mercer Island City Council formed a Town Center Visioning Subcommittee in conjunction with the coming of East Link light rail system. While this commission developed the new comprehensive plan, the City Council passed a moratorium freezing most major new construction building permits in the Central Business District known as Town Center. The approximate area covered by the moratorium spans from Interstate-90 south to SE 32nd Street, and from 80th Ave SE west to 76th Ave SE. The moratorium took effect on February 16, 2015 and ended **June 20, 2016** when the city's updated building code and comprehensive plan was put into effect.

With the coming of East Link light rail and the creation of an energized, walkable downtown, there has been an emerging interest in commercial development.

Neighborhood 75-20 - South Bellevue/Factoria/I-90 Corridor

Boundaries:

- North – SE 25th St. runs straight east through Robinswood Park
- South – Newport Hills all the way to the border between Bellevue and Newcastle
- East – Lake Sammamish
- West – Lake Washington



Neighborhood Description:

Neighborhood 20 includes a portion of south Bellevue, Factoria, and the Bellevue/I-90 Corridor. Neighborhood 20 is a busy and often congested area because of its numerous shopping centers and a variety of business offices. It offers most major services as well as ample employment opportunities to its residents. A strong mix of apartment and condominium complexes are available in the core and arterials of this neighborhood, with a wealth of single family homes in the outskirts.



The Factoria neighborhood serves the region as a major commercial and employment center. The Factoria Mall (now rebranded as “Marketplace at Factoria”) is located in the corner of Interstates 405 and 90. It has excellent visibility from the two major interstate freeways in King County. Although it lost one of its major tenants, Bellevue Children’s Museum, the mall still continues to add new tenants. Recently, owner Kimco announced they are planning to redevelop the 41-year-old mall in five phases.

“A master development plan application was sent to the city of Bellevue by Kimco Realty in February (2018) for a multi-phase build-out, which would create 685 housing units under the name the Marketplace Apartments at Factoria. It would additionally tack on 151,000 square feet to the 526,000-square-foot mall that currently occupies the 43-acre site.

The application is for the first phase of development, which would consist of a seven-story, 331-apartment complex in the northwest corner of the mall. The buildings that currently house Novilhos Brazilian Steak House

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and Bright Now! Dental would be demolished as part of the development. There are no residential units currently on the property.

In addition to the apartments, the project would include a new hotel, new retail stores and an open-air shopping connection through the existing mall.”¹¹

Aside from the Marketplace at Factoria, the Interstate 90 corridor is surrounded by retail development, numerous business offices, and corporate headquarters. A major employer is T-Mobile which occupies a campus of several large office buildings just east of the Factoria shopping district.

In spring 2018, T-Mobile announced their intended merger with Sprint, which is headquartered in Kansas, leading some to question T-Mobile's long-term plans for its 6,200 Bellevue office workers.



“Though, T-Mobile announced (in November 2018) that it will stay, extending its lease with landlord Ivanhoe Cambridge to 2030.” T-Mobile continued, “Even as the company continues to expand in other states (including, it hopes, a Kansas HQ to come), it is strongly committed to expanding its Pacific Northwest roots.”

The company confirmed plans to renovate five of its six buildings, which total about 882,000 square feet. (It also leases another 70,000 square feet nearby in Eastgate.)

Broderick Group had reported the lease extension in April, and the city of Bellevue has apparently approved plans for what T-Mobile now calls a three-year, \$160 million campus renovation.

Work is now underway, with completion expected in 2021. The company said it had increased its HQ headcount by 56 percent over the last five years. However, the company is not expanding its footprint with new buildings or more space. In keeping with modern office trends, their current space will be used more efficiently. The company's goal is to use 100 percent renewable energy by 2021. They are also aiming for LEED certification and Fitwell certification, a new wellness standard.”¹²

While tower cranes are obviously prevalent in downtown Bellevue and the creation of the Spring District era is underway in the Bel-Red neighborhood, south east Bellevue is rather quiet. These neighborhoods of South Bellevue, Eastgate, Factoria, and I-90 corridor have seen little new construction.

The following new construction is in progress, or has recently been completed:

- The Eastlink Light Rail south of Bellevue is well underway with expected completion in 2023.
- Bellevue Community College is expanding: 2 5 story dorms (totaling 147 units) was completed in 2019.
- The Humane Society completed a brand new 61,000 sf facility in 2018.
- Tenant improvement permits have been issued to several office building complexes along Interstate 90. This exhibit sparks economic growth with new tenants coming in. These office complexes are Lincoln Executive Office buildings I to V, Eastgate Office Center, Delphi Office Center, Crestwood Corporate Plaza, Kenyon Office Center and Verizon.

¹¹ Bellevue Reporter – Factoria Mall owners submit application to redevelop property

¹² Daily Journal of Commerce – T-Mobile shows design for \$160M redo of its Factoria headquarters
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- An extensive remodel has been completed at the Factoria AMC theater.
- Intellectual Ventures has completed major tenant improvements in their office/warehouse space on SE Eastgate Way.

Neighborhood 75-35 – East Bellevue/Lake Hills to Crossroads

Boundaries:

- North – NE 8th Street
- South – SE 24th Street
- East – Lake Sammamish
- West – 132nd Ave SE



Neighborhood Description:

Neighborhood 75-35 includes East Bellevue, Lake Hills and Crossroads. East Bellevue stretches along West Lake Sammamish and is renowned with expensive housing developments. Some commercial developments straddled along 156th Avenue and Bel-Red Road, cater to the surrounding residential neighborhoods.

The Lake Hills neighborhood encompasses extensive greenbelt, wetlands, open space, and trails. It is in this neighborhood where the City of Bellevue's farming of fruits and vegetables started. Although most of the agricultural lands were either developed to commercial and residential housing, a glimpse of this is still visible along 156th Avenue Southeast and Southeast 16th Street.

Lake Hills is home to the growing campus of Bellevue College, Robinswood Community Park, Larsen Lake Bluebury Farm, Lake Hills Village, and Kelsey Creek Center. It also has one of Bellevue's more affordable single family and multi-family housing.

Crossroads is the heart of East Bellevue. Local entertainment, shopping, and community services are readily available for the area residents. Crossroads neighborhood has an abundance of large apartment complexes, retail and big box establishments, and some small offices catering to the local residents and surrounding neighborhoods.

Commercial construction has been flat in this area with the exception of Lake Hills Village Shopping Center which was completed in 2016. Build-outs of the shell spaces have continued over the years as tenants move in.

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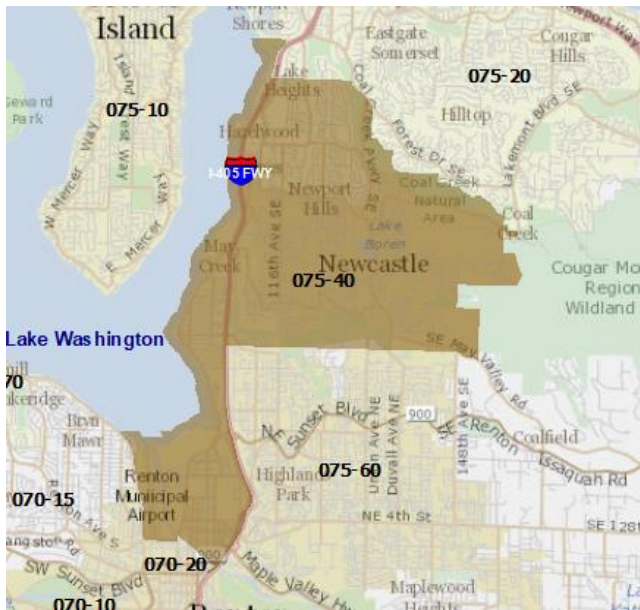
The village includes a remodeled King County Library; 67,000 sf of office space; 90 residential units and 47,000 sf of retail and restaurant space.



Neighborhood 75-40 – Newport/Newcastle/Kennydale and Renton Landing

Boundaries:

- North – Newcastle Beach Park all the way east to Coal Creek Park
- South – Airport Way all the way east to N. Riverside Dr.
- East – Coal Creek Natural Area, south to China Creek Open Space and then I-5 south to the Cedar River.
- West – Lake Washington all the way south to Rainier Ave North



Neighborhood Description:

Neighborhood 40 includes the city of Newcastle, Newport Hills, the remaining portion of south Bellevue, Kenndale and the Renton Landing. Each of these neighborhoods represents a distinct market within the south and east portions of the Suburban Bellevue market.

The Newport area includes two communities – the Newport Hills/Lake Heights neighborhoods located east of Interstate 405 and the Newport Shores district resting parallel to Lake Washington Shore, west of Interstate 405.

Newport Shores is built around strings of man-made bays. Boating and Lake Shore activities are prominent in this area. Expensive homes and condominium complexes are settled towards the waterfront.

Newport Hills was annexed by the City of Bellevue in 1992. It was largely developed in the 1960's and 1970's and consists mostly of residential housing with apartments and condominiums. Newport Hills is separated from I-405 by steep ravine hills. To the east, the neighborhood is bordered by the 146-acre Coal Creek Natural Area. It covers an area between Coal Creek and Lake Washington.

Newport Hills only neighborhood shopping center had a positive development recently as Resonate Brewery and Pizza opened its doors in the fall of 2015 and occupies the vacated long time tenant, Perry Co Chinese Restaurant located adjacent to the former Red Apple. The majority of Red Apple's former location is still vacant since they left in 2009.



Image of Newport Hills Shopping Center

Toll Brothers is in talks with the current property owner and the city of Bellevue. The company wants to rezone 85% of the 6.4 acre property. The plan would tear down the strip mall buildings and add townhouses and commercial properties fronting 119th Ave SE. This plan has been met with much opposition from concerned neighbors, citing congestion and a growing need for commercial space in the area.

In 2018, S-Mart, an Asian Supermarket opened its doors in the former Albertsons building. With the growing Asian population in the city of Bellevue, this business seems to be a good fit for the neighborhood.

Although Newport Hills and Newport Shores are not as vibrant as the other parts of Bellevue in terms of new constructions, the City of Newcastle on the other hand is thriving with an influx of new multi-family homes, retirement homes, and single family residences. The former mobile home park situated on the north side of Lake Boren is now 56 townhome units.



Atlas building – Sol Terra stalled the construction of their LEED Platinum designed building. No progress has been made as of yet. The building will consist of 98 apartment units above a 2,000 sf retail building.

SolTerra - Atlas

The former Mutual Materials brick plant, a 53 plus acre site, was sold for \$25 million in January of 2015 after it was listed for sale in February of 2012. Although the transaction closed and recorded 3 years after it was listed, an application for a multi-family residence (mixed-use residences) development was submitted to the City of Newcastle in November of 2013. With nearly 30 acres of usable area, (eliminating the sensitive areas such as wetland, streams, and topography issues) it is the largest parcel of



Rendering courtesy of Avalon Bay

developable land in the neighborhood if not the entire Newcastle and Bellevue areas.

Avalon Bay Communities, is in the process of building 900 residences ranging from high end single family townhouses to midrise apartment residences and 49,000SF of restaurants and shopping for the area. At the beginning of 2019, construction is well underway and several apartments and townhomes are now available.



Rendering courtesy of Aegis Living

Besides the single and multi-family development occurring in the City of Newcastle, a new retirement home was also completed in 2016. Aegis Senior Living, a retirement community catering to Chinese and Chinese Americans, is a 5-story, 110 unit Assisted Senior Living and Memory Care Provider located on Lake Boren. The community opened in the summer of 2017.

In addition to the Newport/Newcastle portion of 75-40, last year Kennydale and portions of Renton including the

Renton Airport, The Landing, and all properties North/Northeast of the Cedar River to I-405 border have been merged into the neighborhood. Some of the major commercial properties in this area include the Virginia Mason Athletic Center (the Seahawks training facility), Boeing and Paccar facilities. This is a unique area, with differing markets as the core of downtown Renton is to the south and the Renton Highlands is to the east.

The Kennydale neighborhood is mostly older, single family residential homes on the hillside and newer million dollar homes along the shores of Lake Washington. Aside from the Virginia Mason Athletic Center, the Kennydale neighborhood is mostly comprised of a few small businesses serving the community.

There are two new commercial building projects either proposed or recently completed in the Kennydale area:

- **Veterinary Clinic**

A 2 story, 9,000 sf Vet Clinic right off of exit 7, east of 405 was completed in the summer of 2016.

- **Port Quendall Terminals**



Port Quendall Terminals announced the latest potential mix for its development; 692 residential units, 30,600 square feet of retail and restaurant space, and nearly 2,200 parking stalls. The highest building would be seven stories tall. The site is a large, 21 acre redevelopment of a Superfund site on Lake Washington in Renton, just south of the Seahawks Headquarters. The owners have spent

over \$7M cleaning up the site. Due to the extent of contamination, the clean-up is still a long ways to realization.

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In the Renton Landing neighborhood, commercial market activity is thriving with strong occupancy at The Landing, a 68 acre newer lifestyle center which includes an LA Fitness center, Target Store, Dick's Sports, TJ Max, Staples, Regal 16 Cineplex, restaurants, and clusters of line retail stores. It also includes two apartment buildings totaling 880 units combined. The Landing was the remnant of the former Boeing property, which in 2005 downsized their operation in Renton.

Besides the revitalization happening in the Downtown Renton core, this neighborhood is experiencing robust commercial development. The following are either current new constructions and/or renovation/remodels of existing structures:

- **South Lake Washington Revitalization**

South Lake Washington revitalization includes construction of several new hotels operated and managed by Legacy Hotel, Residence Inn by Marriott, and Southport Hotel.



Hampton Inn – located on 1300 Lake Washington Blvd, was completed in late 2016. It includes 105 rooms and 96 structured parking stalls.

Residence Inn by Marriott – located at 1100 Lake Washington Blvd was completed in August 2019 and includes 146 suites and 116 structured parking stalls.



- **Southport**

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The Southport office complex is a state of the art center gear towards high tech tenants. It consists of three nine-story office towers with a total of 724,520 gross square feet area of office use and 10,400 square feet of retail use. Buildings 1 and 2 were completed in 2018 and building 3 was completed in 2019. *(Rendering images courtesy of SECO)*



SECO Development CEO Michael Christ recently told an audience at a Bisnow event held in the Southport Office Campus, he expects Renton to be the next site of major commercial development in Puget Sound. The city has 800 acres of former industrial land that is ripe for development. Renton's growth piggybacks on the good fortune the rest of the region is experiencing.¹³ Developers are hoping to land a big tech tenant

for the space. As of this writing, the Southport offices remains vacant.



The 12-story, 347 room luxury waterfront hotel at Southport started construction in October of 2014 and was completed in 2017. It is located between the Boeing Renton plant and The Bristol Apartments on the shores of Lake Washington. It includes a restaurant, spa, executive meeting rooms, VIP lounge, convention center, indoor swimming pool & Jacuzzi, and indoor/outdoor exercise equipment.

¹³ Bisnow - SECO Refinances Hyatt Regency In Renton For \$130M

- **Sartori Elementary School**

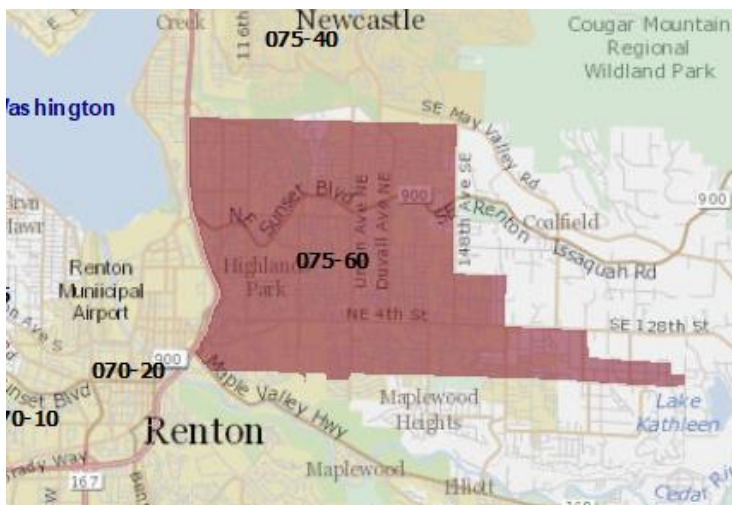


In 2018, Sartori Elementary School was completed in downtown Renton. It is located at 332 Park Ave and occupies the entire block.

Area 75-60 – Renton Highlands

Boundaries:

- North – NE 28th Street
- South – SE 2nd Place to Evergreen Drive all the way to NE 1st Street
- East – Urban Growth line
- West – Interstate 405



Neighborhood Description:

This neighborhood covers the Renton Highlands business districts along Sunset Boulevard and NE 4th Street. This area has numerous commercial properties consisting of retail, restaurants, industrial sites, and an abundance of multi-family units. Many of the newer residential developments in Renton are in this area. Dated commercial buildings are prominent along Sunset Boulevard. Although vacancies are low and the area has a high traffic count, this section is no longer the primary commercial center for the Renton Highlands.

The City of Renton's Highlands Task Force continues to assess development potential for the Renton Highlands area (both the Sunset Boulevard and NE 4th Street corridors). There is also a planned phase-in of street widening on NE 4th Street in the Highlands area but has not yet broken ground.

Northeast 4th Street is the newer, more desirable shopping and commercial center with high-end grocery stores, coffee houses, and other retail services to benefit the residents of many single-family homes, condominiums, and apartments in this area. There was a new Firestone Tire Center built off NE 4th adjacent to the Safeway Center and a new mixed-use condo project just south of NE 4th St. with retail/office that occupies the bottom floor.



A 12,000 sf daycare center (Kiddie Academy) was completed off 4th Street in the summer of 2016.

The Renton School District completed a \$30M Early Childhood Learning Center named Meadow Crest in 2017, located at 1800 Index Ave NE. It replaced the Hillcrest School that was on the site.



Meadow Crest Early Learning Center – Picture from Rentonhousing.org

- The Sunset Area Community Revitalization Program aspires to include the following developments:¹⁴

¹⁴ City of Renton
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*Complete Streets upgrades to NE Sunset Boulevard and other local streets which includes improvements to storm water drainage systems

*New and rehabilitated parks and recreation facilities

*Better connections to support services for public housing residents

*Sustainable infrastructure

*Bike and walking paths (The city is planning to build a pedestrian walkway connecting the Highlands to the Landing. It will go under the freeway to eliminate the current I-405 barrier connecting the neighborhoods.)

*Sunset Terrace public housing will be redeveloped to include new residential units with a mix of public, affordable, and market-rate homes. It will also have a potential capacity for an additional 2,300 new dwelling units and

1.25 million square feet of service/retail space in the 269-acre neighborhood over the next 20 years.



The new 15,000 square foot library was completed in 2016. It is located on a Renton Housing Authority owned parcel near Sunset Blvd and Harrington. This location has a presence on the main arterial.

The city has been a finalist for a HUD “Choice Neighborhoods Implementation” grant or CNI, worth up to \$30 million to fund the redevelopment of this 49 year old, 7.3 acre community. The plan is to redevelop it into as many as 100 energy efficient, mixed income units, and will allow for other improvements along this corridor. The Renton team may apply again for a CNI grant and is also pursuing alternative funding.¹⁵

“In late July (2018), after eight months of back-and-forth with developers, the city received a formal application for the Solera Project, an 11-acre development with more than 670 residential units, commercial space, a daycare and two new public streets.

¹⁵ Rentonwa.gov/sunsetarea/
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Although the building costs have yet to be determined, the site development costs are estimated at \$8.5 million. The estimated fair market value of this project is \$65 million, according to the project narrative from Quadrant' the city received in June.

Solera will provide a shopping area, along with town homes and market rate homes to integrate with affordable housing in the area. The residential area will have 152 town homes with their own back alleys for sale. And two mixed-use buildings with senior housing, market rate apartment housing, commercial space and daycare on the ground floor, and underground parking.

The only building will remain from the Greater Hi-Lands shopping center will be the U.S. Bank, which will lose its drive thru and become walk-up.

Phase 1, was slated to begin spring 2019, would include the first mixed-use commercial building, the buffer, and the roads.”¹⁶ However, in March 2019 Quadrant pulled out of the deal. “The Solera Project... no longer has a developer after Quadrant Homes dropped the project. Meanwhile, the shopping center stands vacant unless a new company takes interest, or the current property owner makes changes.”

“The shopping center might instead sit as a blight for the Sunset area. It might also hurt other property redevelopment in Sunset, city councilmember Randy Corman said. Renton has made substantial investments in the area with utilities, sewers and water in preparation of this project.”¹⁷

Area 75-65 – Benson Hill/Fairwood/& Cedar Valley

Boundaries:

- North – I-405 to State Route 169 to Alder Place to SE 144th St
- South – SE 222th Street
- East – Urban Growth line
- West – State Route 167

¹⁶ Renton Reporter – City moves forward with Sunset area plans

¹⁷ Renton Reporter - Hi-Lands Shopping Center property stays vacant after developer drops project

Valley Medical Center continues to expand its campus. A story parking garage was completed in 2019. Parcel 885767-0060.



The former Skipper's site is where Firestone constructed a new building in 2018. It is located on 108th Ave SE. Parcel 322305-9104.



Mission Healthcare completed construction of a 60-bed convalescent center in 2019. It is located on 106th PI SE. Parcel 292305-9042.



The Renton Dental Arts building on 108th Ave SE was completed in 2019. Parcel 322305-9054.

A major remodel/addition to a Chinese restaurant on 108th Ave SE has stalled out with no progress for several mon. Parcel 322305-9119



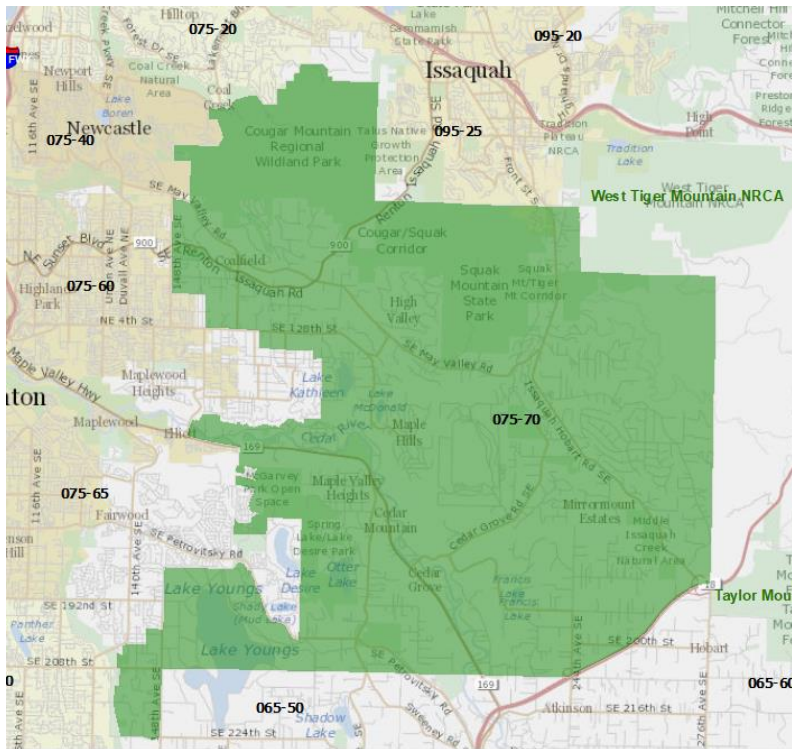
On the Maple Valley Highway at 152nd, the new Cedar River Station was completed in 2015 and has 21,700 square feet of retail. This is three retail buildings plus a Chevron Gas Station located on SE Maple Valley Highway (SR 169) and 152nd Ave SE. *(Rendering image below courtesy of Cedar River Developer)*



Area 75-70 – Cedar Basin/May Valley

Boundaries:

- North – Cougar Mountain Regional Park all the way east to Squak Mountain State Park
- South – SE 208th Street
- East – West Tiger Mountain to 276th Ave. South to Taylor Mountain Forest
- West – Urban Growth line



Neighborhood Description:

This neighborhood represents the other unincorporated section of Area 75. Geographically it is large, but it has limited developed commercial properties. Commercial properties in this neighborhood are mining, greenhouse/nurseries, Mobile Home parks, churches, camp grounds, sports facilities, service buildings, taverns, restaurants, and some retail that cater to the local residents. Some large tracts of parcels are used for mining or other natural resources extractions.

This neighborhood is outside of the urban growth line and thus limits any potential developments from happening. As such, no new development has occurred in this neighborhood.

Physical Inspection Identification

WAC 458-07-015 requires each property to be physically inspected at least once during a 6 year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection.

All of area 75-35 was physically inspected for the 2020 Assessment Year as required by WAC 458-07-0154(a). This inspection area was comprised of 253 parcels, or approximately 10.48% of the 2,413 total parcels located in Area 75. A list of the physically inspected parcels and an identifying map are included in the addendum of this report.

Scope of Data

Land Value Data:

Vacant sales from January 2017 through December 2019 were given primary consideration for valuing land. Twenty-three arm's length land sales closed during this period in Area 75. Historical sales included in previous reports were also considered to provide additional perspective on land values in the area. The sales verified as "good" were coded "Y" in the Assessor's records. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales.

The primary unit of comparison considered was based on price per square foot of land area. "Shell" sales, interim use sales, tear down sales, and land transactions that included plans and permits were considered in the analysis of the land values. The comparative sales approach generally is considered the most reliable method for land valuation. Zoning, location, and site size were primary variables considered in the valuation process. Changes were made based on recent land sales and to achieve equalization in neighborhoods in accordance with zoning, size and location. In the absence of sales in a neighborhood, sales in other similar neighborhoods were considered. Appraiser judgment prevails in all decisions regarding individual parcel valuation. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales considered were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.



Land Value

Land Sales, Analysis, Conclusions:

Area 75 has experienced an upward overall trend in land sale values and a decline in sales transaction volume. There are 29 verified good commercial land sales that have occurred during the last three years and were utilized for the 2019 revalue. Only 28 of these sales were included in the ratio study. The sale that was dropped from the ratio study had a seg/merge since the time of sale. The 2018 revalue had 34 land sales. It should be noted that the Bryn Mawr neighborhood, formerly labeled as neighborhood 75-50 was re-assigned to another appraiser and is no longer in area 75. This neighborhood had 9 sales and this accounts for the large drop in sales volume. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. In some neighborhoods, new commercial development sites were created through the demolition of existing single family residences located on commercially zoned lots and through the demolition of older commercial buildings. For land valuation purposes, the assessor used GIS (Geographic Information System) as the primary tool to establish new assessed land values.

The new land values are based on neighborhood land sales that are equalized with adjacent and similarly zoned properties. Every effort was made to equalize the assessed land values of similarly zoned land between similar adjacent areas. Assessed land values are based on land sales of properties with the same zoning or with similar development potential.

SAMPLE STATISTICS	
Sample size (n)	53
Mean Assessed Value	3,946,700
Mean Sales Price	4,341,000
Standard Deviation AV	6,098,522
Standard Deviation SP	6,495,676
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.928
Median Ratio	0.909
Weighted Mean Ratio	0.909
UNIFORMITY	
Lowest ratio	0.5458
Highest ratio:	1.3906
Coefficient of Dispersion	16.16%
Standard Deviation	0.1911
Coefficient of Variation	20.60%
Price-related Differential	1.02
RELIABILITY	

SAMPLE STATISTICS	
Sample size (n)	53
Mean Assessed Value	4,216,900
Mean Sales Price	4,341,000
Standard Deviation AV	6,395,559
Standard Deviation SP	6,495,676
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.975
Median Ratio	0.988
Weighted Mean Ratio	0.971
UNIFORMITY	
Lowest ratio	0.6899
Highest ratio:	1.2737
Coefficient of Dispersion	7.84%
Standard Deviation	0.1015
Coefficient of Variation	10.41%
Price-related Differential	1.00
RELIABILITY	

Overall, the recommended land values (including specialty parcels) for the 2020 assessment year result in an increase from the 2019 assessment of 10.69%. Properties in the cities of Bellevue, Newcastle, Kenndale and Renton were among the areas with the largest land value increases. The total recommended assessed land value for the 2019 assessment year is \$5,707,842,500. The chart below is the breakdown of the total land values in Area 75 by neighborhood including all specialty parcels.

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Change in Assessed Land Value by Area			
Neighborhood	2019 Land Value	2020 Land Value	% Change
75-10	\$886,281,300	\$973,359,000	9.83%
75-20	\$1,522,369,300	\$1,634,716,000	7.38%
75-35	\$413,906,800	\$473,956,900	14.51%
75-40	\$1,023,079,700	\$1,177,768,300	15.12%
75-60	\$465,075,700	\$491,255,100	5.63%
75-65	\$754,296,700	\$854,434,400	13.28%
75-70	\$91,753,400	\$102,352,800	11.55%
Total	\$5,156,762,800	\$5,707,842,500	10.69%

Neighborhoods and Sales

The following is a breakdown of each neighborhood and a summary of the land sales considered. The assessor considered these and historic sales as the primary method of establishing new assessed land values for each neighborhood.

The assessor used recent historic sales (three years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The assessor also used location influence, zoning, lot shapes, sensitive area impacts (i.e. wetlands, streams, creek, topography, etc.), and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The Sales Comparison approach to valuation was considered the most reliable and was utilized in the land valuation model. For the most part, values were estimated as a price per square foot. Smaller lots were valued using site value as recognized by the market. Assessed Land Values are based on land sales of properties with the same zoning or similar development potential. Adjustments for topography, location, size, irregular shape, major power lines, streams, wetlands, and other such influences were considered.

A list of vacant land sales used and those considered not reflective of market (Sales Not Used), are included in the addendum section of this report.

Area Overview

Since the beginning of 2017, there have been a total of 29 commercial land sales throughout Area 75 that meet the requirements of a fair market transaction.

Area 75-10 Mercer Island

Over the past decade, downtown Mercer Island has undergone major transformation where commercial space and multi-family units were created. From 1/1/2017 to 12/31/2019, there were three commercial land sales in this area. These sales resulted in a substantial increase to land values in the downtown area of Town Center zoned properties.



Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT
531510-1445	8/30/19	\$12,000,000	44,006	TC	Downtown	\$272.69
531510-1326	6/26/18	\$8,520,000	43,705	TC	Downtown	\$194.94
531510-1316	4/14/17	\$4,950,000	20,075	TC	Downtown	\$246.58

Parcel 531510-1445 (E# 3008476): The sale appears to be a land sale. The property is zoned TC4 and is in line with other recent land sales in the Mercer Island Town Center.



Parcel 531510-1326 (E# 2938991): The buyer intends to tear down the existing building and build an apartment complex on the property. The buyer also purchased the Mud Bay building on the adjacent parcel (531510-1316) the previous year. The buyer intends to tear down the existing buildings on the combined 1.5 acre parcels and build a mixed-use apartment complex on the property - per the Daily Journal of Commerce.

Parcel 531510-1316 (E# 2858886): The buyer also purchased the office and retail building on the adjacent parcel (531510-1326) in June 2018. The buyer intends to tear down the existing buildings on the combined 1.5 acre parcels and build a mixed-use apartment complex on the property - per the Daily Journal of Commerce.



Land values for usable commercially zoned parcels on Mercer Island are between \$16 and \$180 per SF.

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Area 75-20 South Bellevue/Factoria/I-90 Corridor

This neighborhood intersects Interstate 90 and 405 - two major freeways. Although it is located in a highly sought-after location, only one vacant land transaction has occurred in this neighborhood in the previous 3 years. Therefore, older sales and land sales from adjacent areas have been utilized to supplement.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SF
006000-0010-0040	3/2/18	\$24,850,000	597,825	OLB-OS	75-20	\$41.57
112405-9028	3/2/18	\$13,850,000	146,797	NMU	75-20	\$95.35



Parcel 006000-0010-0040 (E#2917646):

This is a multi-parcel sale. This transaction represents the sale of the land underlying the Advanta Office Commons. The improvements were acquired in a separate but simultaneous transaction (E#2917647).



Parcel 112405-9028 (E# 3027267): has 96 RV sites. Equates to \$144,270/pad. Single parcel sale.

Land values for usable commercially zoned parcels along the I-90 Corridor are between \$2 and \$62 per SF. Supporting sales for this market area are the adjacent areas; Area 80 (Bellevue/Crossroads) to the North and Area 95 (Issaquah) to the East.



Area 75-35 East Bellevue/Lake Hills to Crossroads

This neighborhood encompasses areas in East Bellevue, Lake Hills, and Crossroads which abuts Area 80 to the north. Since 2017, area 75-35 has had no land sales. Therefore, older sales and sales in the adjacent areas affected the land values in this neighborhood.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SQ FT
352505-9057	6/30/15	\$1,500,000	22,500	NB (Neighborhood Business)	75-35	\$66.67



Parcel 352505-9057 (E# 2741046): The buyer owns the adjacent parcel and built a new Key Bank and Medical office. The property was listed for 3 months and received 2 offers.

Land values for usable commercially zoned parcels in neighborhood 75-35 range from \$2.50 and \$57 per SF. Supporting sales for this market area are the adjacent areas; Area 80 (Bellevue/Crossroads) to the North and Area 95 (Issaquah) to the East.

Supporting sales from adjacent market areas that were used for neighborhood 20 and 35 are listed on the following grid:



Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SQ FT and Comments
262505-9092	8/28/19	\$3,250,000	35,719	O	Bellevue Crossroads (80-30)	\$90.99
884390-0530	3/14/19	\$1,950,000	24,898	MUR	Downtown Issaquah (95-25)	\$78.32
884430-0032	3/14/19	\$1,806,000	27,656	MUR	Downtown Issaquah (95-25)	\$65.30
276965-0020	02/09/18	\$2,300,000	82,134	MU	Downtown Issaquah (95-25)	\$28.00
380090-0010	06/29/18	\$3,580,000	138,879	MF-M	Downtown Issaquah (95-25)	\$25.78
380090-0080	06/29/18	\$1,920,000	763,903	MF-M	Downtown Issaquah (95-25)	\$2.51
272505-9239	8/27/18	\$7,600,000	51,432	BR-RC-2	Bellevue Overlake (80-50)	\$147.77
272505-9245	5/24/18	\$5,300,000	29,773	BR-RC-2	Bellevue Overlake (80-50)	\$178.01
272505-9263	4/12/18	\$3,900,000	24,977	BR-CR	Bellevue Overlake (80-50)	\$156.14
282505-9072	5/29/17	\$4,298,888	71,533	BR-GC	Bellevue Midlakes (80-70)	\$60.00
282505-9084	11/1/17	\$7,000,000	73,181	BR-ORT	Bellevue Midlakes (80-70)	\$95.65
282505-9087	10/23/17	\$12,500,000	126,077	BR-MO	Bellevue Midlakes (80-70)	\$99.15
292505-9001	1/20/17	\$1,175,000	10,000	BR-MO	Bellevue Midlakes (80-70)	\$117.50
292505-9074	4/12/17	\$18,399,999	225,828	BR-MO	Bellevue Midlakes (80-70)	\$81.48
332505-9086	9/19/17	\$4,650,000	22,950	GC	Bellevue Midlakes (80-70)	\$202.61
385490-0027	2/17/17	\$5,250,000	52,248	BR-ORT	Bellevue Midlakes (80-70)	\$100.48
793330-0140	10/2/17	\$49,283,000	1,232,546	BR-OR-1	Bellevue Midlakes (80-70)	\$39.98

After analyzing the vacant land sales in nearby areas, both neighborhoods necessitate upward adjustments.



Area 75-40 Newport/Newcastle/Kennydale/Renton Landing

There have been several commercial developments scattered along Southeast Lake Washington, the newest retail core in Renton called The Landing, and the old Renton neighborhood north of downtown just south of The Landing. While north of downtown is mostly developed with older single family residences that were either converted to office use or multi-family; and some are still currently used as single family residences either owner occupied or rented out. The Landing was the by-product of Boeing during the 2005 downsizing era. They sold approximately 20 acres to "The Harvest", an out of state developer who solely developed the entire complex with theater, restaurants, line retail, and several anchor retail stores. They also allocated a section of the land for multi-family use and sold it to "The Fairfield", a major apartment developer who built "The Sanctuary Apartments" and "The Reserve Apartments".

Three major hotel developments and a convention center are recently completed or underway in the Renton Landing area adjacent to Gene Coulon Park that will add approximately 600 hotel rooms.

The Southport project on parcels 052305-9075 and 082305-9216 is the largest of the area hotel developments. This project is a 12 story - 325 room Sheraton Hotel, with an additional 40,000 sf of meeting and convention space. This waterfront development was completed in 2017.¹⁸

Five commercial land sales have occurred in the Newcastle and the Renton Landing area in the last 3 years. These recent sales show that land values in this neighborhood warrant an upward adjustment to keep up with the market. There was no vacant commercial land sale activity in the Newport Hills and Kennydale areas. Sales from competing market areas as well as older sales were used in developing the land values for 2019.

Vacant land values for usable commercially zoned parcels in this area range from \$3 to \$60 per SF.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price / SF
082305-9191	12/19/19	\$13,500,000	336,992	UC	Renton	\$40.06
088661-0010	12/30/19	\$27,500,000	596,013	UC	Renton	\$46.14
088661-0070	12/12/19	\$10,000,000	220,673	UC	Renton	\$45.32
342405-9118	3/20/17	\$400,000	38,978	R-6	Newcastle	\$10.26
182305-9264	12/5/17	\$1,250,000	47,081	UC	Renton	\$26.55
606125-0070, 0080, 0090 and 0100	1/24/17	\$17,000,000	342,262	MU-R	Newcastle	\$49.67

¹⁸ Renton Reporter
Area 75



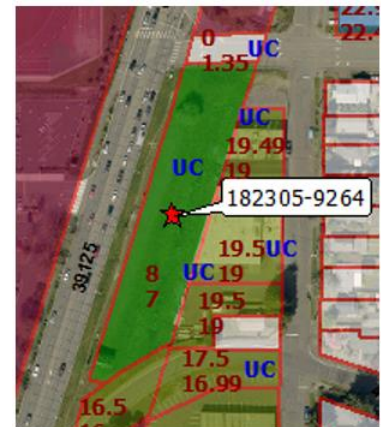


Parcel 082305-9191 (E# 3026830): This tear down property was purchased by Southport West. It is adjacent to the brand-new Southport hotel and office developments. It is unclear what the plans are for this site as of this writing.

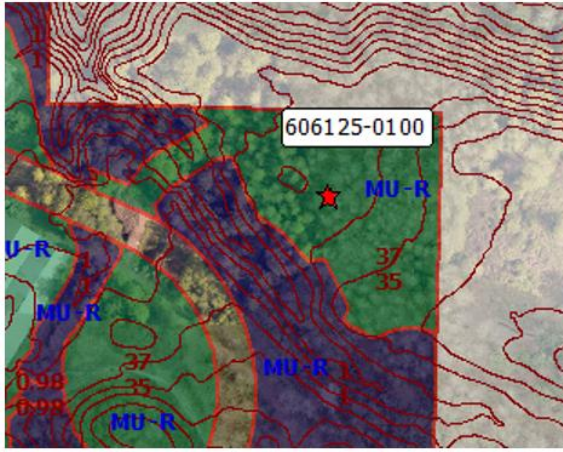
Parcel 088661-0010 (E# 3027876): The parcel has no visible encumbrances although a 2011 real property note states that a previous broker mentioned some soil contamination on the site from adjacent Boeing or Paccar sites. No further details were provided. The parcel is vacant and sits just south of “The Landing”. The buyer has not disclosed their plans for the property as of this writing.



Parcel 182305-9264 (E# 2905736): This parcel is flat and dry. It appears to be an arm’s length transaction.



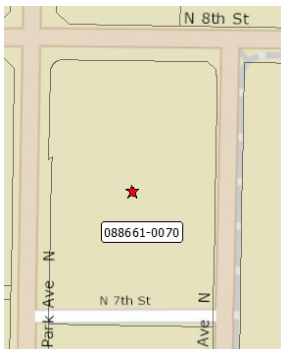
Parcel 182305-9264



Parcel 606125-0070, 0080, 0090 and 0100 (E# 2845661): This sale was actively marketed with multiple offers. Price was determined through broker opinion and market consensus. Quadrant intends to construct 129 for sale townhome units. This multi-parcel sale totals 8.44 acres. This equates to \$49.67/SF.

Parcel 606125-0100

Parcel 342405-9118 (E# 2855146): Buyer intends to build a house. Listed for several weeks on MLS. Price determined via appraisal and broker opinion -per seller.



088661-0070 (E# 3025724): Vacant land held for future development.

Vacant land values for usable commercially zoned parcels in this area range from \$3.00 to \$60 per SF.

Area 75-60 Renton Highlands

This neighborhood is located on the hill above Interstate 405 southeast of Lake Washington and south of Newcastle. It is improved with a variety of commercial properties that mostly cater to the residential and multi-family housing in this neighborhood.

There were five commercial land sales in this neighborhood for the past three years.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SF
102305-9068	3/8/18	\$400,000	24,095	CA	Highlands	\$16.60
311990-0005	2/23/18	\$1,350,000	38,910	RM-F	Highlands	\$34.70
518210-0011	1/29/18	\$1,550,000	73,694	CA	Highlands	\$21.03
042305-9155	10/13/17	\$940,000	17,059	CV	Highlands	\$55.10
172305-9180/9171	9/19/17	\$155,000	129,123	RM-F	Highlands	\$1.20



Parcel 102305-9068 (E # 2920323): Seller said the city would like West 15 feet wide by 243 feet long of the property for road widen when development is undergone. A 40% reduction has been made to the assessment to account for this easement.



Parcel 311990-0005 (E# 2916900): Off market sale. Price determined via broker opinion. The buyer is currently in the process of delivering 4 townhouse buildings (totaling 15 units). The project is anticipated for completion in 2020. The lot has steep topography impacting approximately 15% of the parcel. Appears to be an arm's length transaction.

Area 75

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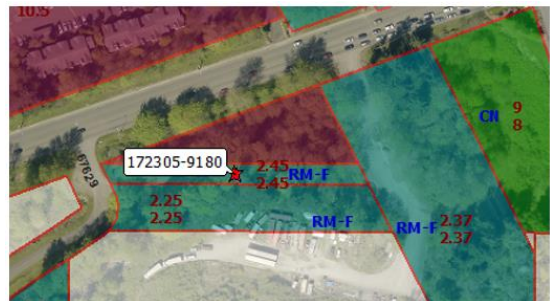
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Parcel 518210-0011 (E# 2915647): Tear down, buyer intends to build a townhouse community.



Parcel 042305-9155 (E# 2895168): Tear down, property was listed for 3 years.

Parcel 172305-9180/9171 and 162305-9010 (E# 2890345): Multi-parcel sale, the lot has topography and a restricted size/shape.



Parcel 172305-9180

Vacant land values for usable commercially zoned parcels in this area range from \$1.20 to \$27 per SF.

Area 75-65 Benson Hill/Fairwood/Cedar Valley

This neighborhood is located southwest of Renton just above the hill of the hospital district, the UW-Valley Medical Center, east of Highway 167 and west of Highway 169. The Benson Hill area has been particularly active for the past couple of years. Several land sales have occurred that triggered the developments of multi-family apartment complexes, Retail, and Fast Foods along Talbot Road and Carr Road. The latest development are a new Firestone, Renton Dental Arts clinic, and a new 55,000 sf, 3-story convalescent center.

There were thirteen commercial land sales that occurred in this area in the past three years.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SF
292305-9110	8/14/19	\$1,049,000	11,918	CA	Benson Hill	\$88.02
292305-9017	8/14/19	\$2,670,000	60,669	CA	Benson Hill	\$44.01
302305-9109	11/26/18	\$1,450,000	39,448	CO	Benson Hill	\$36.72
322305-9079	6/25/18	\$102,000	90,696	R4	Benson Hill	\$1.12
312305-9067	5/23/18	\$4,500,000	201,682	CO	Benson Hill	\$22.31
312305-9022	6/15/18	\$1,100,000	73,616	R-14	Benson Hill	\$14.94
272305-9043	1/3/18	\$1,750,000	40,946	CB	Fairwood	\$42.74
292305-9017	4/14/17	\$1,250,000	60,669	CA	Benson Hill	\$20.60
272305-9051	4/12/17	\$2,737,800	102,029	R24	Fairwood	\$26.83
312305-9022	7/20/17	\$850,000	73,616	R-14	Benson Hill	\$11.55
073900-0050	7/10/17	\$200,000	33,542	RM-F	Benson Hill	\$5.95
322305-9054	10/10/17	\$1,200,000	39,212	CA	Benson Hill	\$30.60
292305-9009	4/26/17	\$2,000,000	164,827	RM-F	Benson Hill	\$12.13





Parcel 292305-9110 (3005139): The buyer also purchased the adjacent tear down lot on the same day, the former fire station (Parcel 292305-9017 and 9095) for \$44/SF. It appears these are arm's length transactions as they have prime locations with CA zoning in an increasingly competitive market.



Parcel 302305-9109 (E# 2964061): Estate sale. Property was listed for 5 years. Price determined via broker opinion. Appears to be an arm's length transaction. The lot is flat and dry with good visibility and easy access.



Parcel 322305-9079 (E# 2938952): Appears to be an arm's length transaction. The parcel has some topography impacts.



Parcel 312305-9067 (E# 2933275): Proposed assisted living and retirement home. Listed for 2 years with 3 offers. Cash purchase.



Parcel 312305-9022 (E# 2878528 and 2938352): Purchased off market. Cash purchase. Price determined by broker. Potential development, seller had completed some studies. Feasibility for building townhomes - per buyer. It had previously sold on 7/20/17 for \$850,000 @ \$11.55



Parcel 272305-9043 (E# 2910105): Tear down. Building is boarded up.



Parcel 292305-9017 (E# 2858655 and 3005140): Tear down. Appears to be an arm's length transaction. Listed off and on for 4 years. 6 interested parties. Cash sale. Unclear of buyer's intentions. The buyer also purchased the adjacent tear down lot, West and Son's Towing (Parcel 292305-9110) for \$88/SF. It sold subsequently for \$2,670,000 on 8/19 for \$2,670,00 @ \$44/SF.

Parcel 272305-9051 (E# 2858618): A fair market transaction according to the buyer. An assisted living facility is in progress. Property was listed for 10 months. Price determined via broker opinion.



Parcel 073900-0050 (E# 2876336): Property was listed for one year. Sale price determined by appraisal. The property has a powerline easement. The assessor has made a 35% adjustment to account for this. The buyer owns the adjacent parcel -0055.

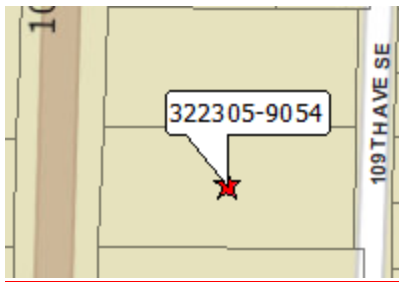


073900-0050

Parcel 292305-9009 (E# 2860682): Property was marketed for approximately 90 days. A portion of the property was disclosed to the buyer as a severe coal mine hazard area and another area as a declassified coal mine area. These areas are non-buildable because of underlying coal mining. It is unclear how much of the parcel is impacted. The Avaya Ridge Apartment was completed in 2018. It will be a 74 unit apartment complex.



Parcel 292305-9009



Parcel 322305-9054 (E# 2894956): former Wendy's is now a dental office.

Vacant land values for usable commercially zoned parcels in this area range from \$1.00 to \$38.00 per SF.

Area 75-70 Cedar Basin/May Valley

This neighborhood is the most southern edge of area 75 and is the most rural area. The commercial developments in this neighborhood are mostly neighborhood retail and service buildings that cater the residences and passersby. It also has some mining properties that are still active and some that are stagnant ready for future redevelopment.

There are no commercially zoned, vacant land sales that have occurred in this neighborhood in the last three years. Older sales and those from competing market areas of similar zoning were used instead.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SF
192306-9026	7/11/16	\$9,500,000	1,105,988	I	Maple Valley Hwy	\$8.59
222306-9095	3/31/16	\$250,000	273,556	NB	Maple Valley Hwy	\$0.91 Vacant Land (Wetland on 56%, sale price is effectively \$2.07/SF)



Parcel 192306-9026

Parcel 192306-9026 (E#2808307): This property wasn't listed on the open market. Buyer contacted owner and made a big offer. A premium was paid to get previous owner to sell. The buyer is an asphalt company. Their lease at previous site was expiring and they were under pressure to find a new location. They plan to build an asphalt plant on the property. The buyer tore down 5 buildings as part of the deal. This parcel is impacted by steep topography, wetlands and some contamination.





Parcel 222306-9095

Parcel 222306-9095 (E#2788461): Sale appears to be an arm's length transaction. Price was based on actual amount of usable land (it was determined to be 56% unusable due to wetlands). Bank financed. Buyer intends to develop the lot into commercial property. The adjacent property owner purchased the land.

Supporting sale from adjacent market areas:

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SF
152206-9012	6/14/17	\$8,138,029	1,531,569	SC	Maple Valley Highway (65-30)	\$5.31
262205-9063/-9071	3/31/16	\$550,000	68,924	CC	Maple Valley Highway (65-30)	\$7.98
362205-9001/9184	3/25/16	\$350,000	392,910	MC	Maple Valley Highway (65-30)	\$.89
412700-0879	6/28/16	\$6,437,500	490,538	CC	Maple Valley Highway (65-30)	\$13.12

Vacant land values for usable commercially zoned parcels in this area range from \$.23 to \$20.00 per SF.

The table on the following page summarizes the land valuation model as it was applied to the properties in Area 75. All dollar amounts are stated as a price per square foot of land area. The table is intended as a guide to "typical" land values with additional adjustments made for individual site variations.

Area 75

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King County

Department of Assessments

Typical Land Value Ranges

By Neighborhood and Land Use
2020 Revalue

		Area 75 Neighborhoods						
		75-10	75-20	75-35	75-40	75-60	75-65	75-70
Property Types	Land Zoning Designation	Mercer Island	South Bellevue Factoria & I-90 Corridor	East Bellevue Lake Hills/ Crossroads	Newcastle/Newport/ Kennydale/ Renton Landing	Renton Highlands	Renton Fairwood & Benson Hill	Unincorporated King County/ Maple Valley
Industrial Land	Bellevue: LI Renton: IH, IM, IL King County: M, I, IP		\$19-\$27/SF		\$12-\$14.75/SF	\$10-\$11/SF	\$10/SF	\$0.40-\$15/SF
Commercial Land	Mercer Island: B, P, PBZ, CO, TC Bellevue: CB, F1, F2, F3, GC, NB, O, OLB, PO, NMU, EG-TOD, COR Newcastle: CB, MU, MU-R, O, PO Renton: CA, CC, CD, CN, CO, COR, CS, CV, UC King County: CB, NB, NBP	\$16-\$180/SF	\$23-\$55/SF	\$33-\$57/SF	\$16-\$60 \$21-\$42/SF \$15-\$60/SF	 \$10.50-\$27.00/SF	 \$13-\$38/SF	\$7.50-\$20/SF
Multi-Family Land	Mercer Island: MF-2L, MF-2, MF-3 Bellevue: R-10, R-15, R-20, R-30 Newcastle: R-24 Renton: R-10, R-12, R-14, RMH, RM-F, R-18, R-24	\$60-\$77/SF	\$10-\$52/SF	\$19-\$34/SF	\$21-\$24/SF \$14-\$60/SF	 \$6.75-\$20/SF	\$2-\$26/SF	
Residential Land	Mercer Island: R-8.4, R-9.6, R-15 Bellevue: R-1, R-1.8, R-2.5, R-3.5, R-4, R-5, R-7.5, R-10 Newcastle: R-2.5	\$18-\$95/SF	\$2.00-\$62/SF	\$2.50-\$35/SF	 \$20-\$20/SF			

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	Renton: R1, R4, R5, R6, R8 King County: R- 6SO, RA2.5, RA5, RA10				\$3-\$45/SF	\$1.20- \$17.50/SF	\$2-\$15.50/SF	\$.30-\$15.50/SF
Please note that this table is a summary of “typical” land values and is therefore not all inclusive.								

Zoning Descriptions within Area 75:

City of Mercer Island:

Commercial/Industrial Zoning

- B Business
- C-O Commercial Offices
- PBZ Planned Business
- TC Town Center

Multi-Family Zoning

- MF-2 Multi-Family, Allowed density 38 units per acre
- MF-2L Multi-Family Limited, Allowed density 26 units per acre
- MF-3 Multi-Family, Allowed density 26 units per acre
- TCMF Town Center Multi-Family

Residential Zoning

- R-8.4 Single Family, minimum lot size of 8,400SF
- R-9.6 Single Family, minimum lot size of 9,600SF
- R-15 Single Family, minimum lot size of 15,000SF

City of Bellevue:

Commercial/Industrial Zoning

- CB Community Business District
- F1 Factoria Land Use District 1- mixed-use residential and regional retail center
- F2 Factoria Land Use District 2- intensive office, movie theater, and service uses
- F3 Factoria Land Use District 3- highly intensive office use in an integrated complex
- EG-TOD Eastgate Transit Oriented District
- GC General Commercial District
- LI Light Industrial District
- NB Neighborhood Business District
- NMU Neighborhood Mixed Use
- O Office District
- OLB Office and Limited Business District
- PO Professional Office District
- COR Commercial Office Residential

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Multi-Family Zoning

- R-10 Multi-family Residential- 10 units per acre
- R-15 Multi-family Residential- 15 units per acre
- R-20 Multi-family Residential- 20 units per acre
- R-30 Multi-family Residential- 30 units per acre

Residential Zoning

- R-1 Single Family Residential Estate- 1 dwelling per acre
- R-1.8 Single Family Residential Estate District- 1.8 dwelling units per acre
- R-2.5 Single Family Residential- 2.5 dwellings per acre
- R-3.5 Single Family Residential- 3.5 dwellings per acre
- R-4 Single Family Residential- 4 dwellings per acre
- R-5 Single Family Residential- 5 dwellings per acre
- R-7.5 Single Family Residential- 7.5 dwellings per acre

City of Newcastle:**Commercial/Industrial Zoning**

- DT Downtown Transition
- DC Downtown Core
- MU Mixed Use

Multi-Family Zoning

- R-24 Multi-Family, 24 dwelling units per acre

Residential Zoning

- R-2.5 Single Family, 2.5 dwelling unit per acre

City of Renton:**Commercial/Industrial Zoning**

- CA Commercial Arterial
- CB General Commercial
- CD Center Downtown
- CN Commercial Neighborhood
- CO Commercial Office
- COR Commercial/Office/Residential
- CV Center Village
- IH Industrial Heavy
- IL Industrial Light
- IM Industrial Medium
- O Office
- UC Urban Center



Multi-Family Zoning

R-10	Residential 10 dwelling units per acre
R-12	Residential 12 dwelling units per acre
R-14	Residential 14 dwelling units per acre
R-18	Residential 18 dwelling units per acre
R-24	Residential 24 dwelling units per acre
RM-F	Residential Multi-Family
RMH	Residential Manufactured Homes

Residential Zoning

R-1	Residential 1 dwelling unit per acre
R-4	Residential 4 dwelling units per acre
R-5	Residential 5 dwelling units per acre
R-6	Residential 6 dwelling units per acre
R-8	Residential 8 dwelling units per acre
RC	Resource Conservation

Unincorporated King County:**Commercial/Industrial Zoning**

CB	Community Business
I	Industrial
IP	Industrial Property Specific
M	Mineral
NB	Neighborhood Business

Residential Zoning

RA2.5	Rural Area, 2.5 acre minimum lot size
RA5	Rural Area, 5 acre minimum lot size
R-6SO	Residential 6 dwelling units per acre
RA10	Rural Area, 10 acre minimum lot size



Preliminary Ratio Analysis

The sales ratio study is an important assessment tool to ensure that properties are uniformly assessed based on market value. This analysis utilizes statistical methods to measure the relationship between a property's assessed value and its sale price by grouping individual sales according to property type and geographic area. This data can be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development.

The two major aspects of appraisal accuracy; appraisal level and appraisal uniformity are measured and evaluated using the ratio study. Appraisal level is a measure of the ratio of assessed value to sales price, while appraisal uniformity refers to the degree to which properties are appraised at equal percentages of market value. The International Association of Assessing Officers (IAAO) has developed performance standards to evaluate both the appraisal level and uniformity.

Appraisal (Assessment) Level: Estimates of appraisal level are based on measures of central tendency. The weighted mean ratio is the value-weighted average of the arithmetic mean and median ratios in which the weights are proportional to the sales prices. The weighted mean also is the ratio of the total assessed value to the total sales price value. The weighted mean gives equal weight to each dollar of value in the sample, whereas the median and mean give equal weight to each parcel. The weighted mean is an important statistic in its own right and also used in computing the price related differential (PRD), a measure of uniformity between high- and low- value properties.

The IAAO performance standards state that the weighted mean ratio should be between 0.90 and 1.10. The preliminary ratio study for Area 75 shows a weighted mean ratio of 0.909 which is within the IAAO guidelines, indicating that the previous assessment level, as measured using recent sales is acceptable but still on the low end of the range.

Appraisal (Assessment) Uniformity: Measures of dispersion or variability relate to the uniformity of the ratios. The most generally useful measure of uniformity is the Coefficient of Dispersion (COD). The COD measures the average percentage deviation of the ratios from the median ratio.

The IAAO performance standards state that the COD should be between 5.0 and 20.0 for income producing property in smaller, rural jurisdictions and between 5.0 and 15.0 for larger, urban market jurisdictions. The preliminary ratio study for Area 75 shows a COD of 16.16%, which is slightly above the IAAO guidelines.

A second measure of uniformity utilized in the ratio study is the Price Related Differential (PRD). The PRD provides a measure of price related bias, or the equity between low and high priced property. The IAAO performance standards state that the PRD should fall between 0.98 and 1.03. A value below 0.98 would indicate progressivity in the data where assessment levels increase with increasing sales prices. Values above 1.03 indicate regressivity in the data where assessment level decreases with increases in sales price. The preliminary ratio study for Area 75 shows a PRD of 1.02 which is within the IAAO guidelines.

These results are significant particularly when adequate sales of a specific property type such as office or medical/dental office, existed. For most other income producing property types the sales sample was insufficient to draw direct conclusions, but the sales can be used as a test for the income model.



The study included sales of improved parcels and benchmarks the current assessment level using 2019 posted values. This study revealed that the preliminary assessment level was acceptable although low and uniformity was within the IAAO standards for PRD and slightly high for COD. Although we are within or very close to the IAAO guidelines on all measures, the assessor will continue to strive for a tighter assessment level and uniformity of property values during this revalue.

Recommended IAAO Standards on Ratio Studies	
Appraisal Level	0.90 to 1.10
Coefficient of Dispersion	5.0 to 20.0
Price Related Differential	0.98 to 1.03

Improved Parcel Total Values

Sales Comparison Approach Model Description

When sufficient sales are present, the sales approach is the most reliable of the three approaches to valuation. The sales comparison approach reflects the principles of supply and demand, balance, externalities, and substitution.

Fifty eight commercial improved sales occurred from January 2017 through December 2019 and were considered in the evaluation of Area 75's improved properties. Five of these sales are not included in the ratio report due to a variety of reasons including: Imp characteristics changed since sale; net lease sale; and sale occurred after the valuation date. When necessary, sales of similar property types from other market areas were considered.

The sales were obtained from Excise Tax Records, and verified with property owners, Costar, Brokers and Agents. These sales were organized by market segments based on predominant use. Based on sales analysis, each segment reflected a market price per square foot of net rentable area.

The sales price ranges helped establish a general upper and lower market boundary for the various property types within each subject area. The model for sales comparison was based on the following characteristics from the Assessor's records: commercial use, building section uses, neighborhood, effective year built, quality of construction, and net rentable area of the improvement. The search for comparable sales was expanded to include the surrounding competing neighborhoods within the geographic area, location was also a considered. Properties were grouped with data that most resembled each other to equalize values within each predominant property use type. The sales are organized into market segments based on predominant use and each segment reflected a market price per square foot of net rentable area. Note that time adjustments were not made due to lack of ample sales activity needed in order to make a meaningful time trend analysis.

There were several categories of properties in Area 75 where the sales comparison approach was used. Below is a list of property types where the sales comparison approach was the dominant valuation method used:



Property Type	Market Sales Range
Mobile Home/RV Parks	\$65,000-\$75,000/Pad
Day Cares	\$210/SF-\$320/SF
Mini Lube Auto Centers	\$300/SF-\$390/SF
Small Offices (<5,000sf)	\$210/SF-\$350/SF

Property types typically valued by the Sales Approach are as follows:

- Mobile home parks (MHP) are valued on a per pad basis from \$65,000 to \$75,000 per pad. The breakdown is as follows: Single Wide from \$65,000 to \$70,000 per pad; double wide from \$70,000 to \$75,000; and triple wide from \$75,000 to \$80,000. The department has done a comprehensive survey of all the MHP's in King County and each received a quality rating, which is the basis for assessment. The class of the park varies with the unit mix (RVs, single wide, and double wide) amenities such as pools, club house, landscaping, views, sports courts, general upkeep, etc. Overall, sales support the previous year's Mobile Home Park values.
- Daycare centers have a value range from \$210/SF to \$320/SF. Generally, daycares, either owned or leased by a national chain (such as La Petite Academy, KinderCare, etc.) have higher construction quality and building condition. As a result these properties tend to be on the higher end of the range.
- Mini Lube / Service Garages are valued from \$300/sf up to \$390/sf depending on the quality of construction, effective year built, location, and building set-up. Those properties that are either owned or leased by a national chain such as Jiffy Lube have higher construction quality and better location. They are valued at the high end of the market.
- Small Office (less than 5,000sf) valued at \$210 to \$350 per square foot.

Sales Comparison Calibration

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established via an analysis of sales within each neighborhood. Neighborhoods were treated independent of one another as dictated by the market. Individual prices were applied based on various characteristics deemed appropriate by each market. Specific variables and prices for each neighborhood are discussed in more detail above.

Cost Approach Model Description

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. Cost figures were adjusted to the western region and the Seattle area. Cost estimates were relied upon for valuing special use properties where comparable sales data and/or income and expense information is not available. These properties are typically exempt properties such as churches, schools, public utility buildings, and park improvements. Non-exempt buildings that are valued by the Cost method might be fraternal halls, very old buildings or unique buildings, and new or on-going construction.



Cost Calibration

The Marshall & Swift Valuation modeling system, which is built into the Real Property Application, is calibrated to the region and the Seattle area.

Income Capitalization Approach Model Description

Three basic models were developed for income capitalization; those being retail, office and warehouse. Income tables were developed and then applied to the population. The tables were derived from market surveys and studies and subsequently applied to property data. A majority of properties in this area were valued utilizing an income approach (Direct Capitalization method).

The valuation model includes the following steps:

1. The program multiplies the property's net rentable area by the market rent to derive potential gross income (PGI).
2. The program subtracts allowances for vacancy and operating expenses to derive net operating income (NOI).
3. The program capitalizes NOI (divides it by the overall rate) to produce the value estimate.

The Income Approach, using direct capitalization was considered a reliable approach to valuation throughout Area 75 for most improved property types since income and expense data was available to ascertain market rates.

Income: Income data was derived from the market place from landlords and tenants, market sales, as well as through published sources (i.e. officespace.com, Commercial Brokers Association, CoStar, and real estate websites such as CBRE, Colliers, Kidder Mathews, etc.), and opinions expressed by real estate professionals active in the market.

Vacancy: Vacancy rates used were derived mainly from published sources tempered by personal observation.

Expenses: Expense ratios were estimated based on industry standards, published sources, and the appraiser's knowledge of the area's rental practices. Within the income valuation models for Area 75, the assessor used triple net expenses for retail/mixed-use and industrial type uses. For office/medical buildings, the assessor used a combination of full service/gross expenses and triple net expenses depending on the type of rents used.

Capitalization Rates: When market sales are available an attempt is made to ascertain the capitalization rate on the sale or a pro-formal cap rate on the first year performance, during the sales verification process. Also, capitalization rate data was collected from published market surveys, such as CoStar, Real Capital Analytics, The American Council of Life Insurance (Commercial Mortgage Commitments), Integra Realty Resources, Korpacz Real Estate Investor Survey (PWC), CBRE – National Investor Survey, etc. These sources typically have capitalization rates or ranges based on surveys or sales, and they usually include rates for both the Seattle Metropolitan area and the nation.

The effective age and condition of each building contributes to the capitalization rate applied in the model. For example; a building in poorer condition with a lower effective year (1965, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year (2010, for example) will warrant a lower capitalization rate.

The table on the following pages recaps the rates as reported by the industry publications:



SEATTLE / REGIONAL CAP RATES

[illegible]

SEATTLE / REGIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019					1 st Tier properties are defined as new or newer quality const. in prime to good location; 2 nd Tier properties are defined as aging, former 1 st tier in good to average locations; 3 rd Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.80% 6.60%	- -	- -	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties Warehouse – 1 st Tier Properties R&D – 1 st Tier Properties Flex – 1 st Tier Properties
			- -	5.60% 6.60%	- -	Regional Mall – 1 st Tier Properties Power Center – 1 st Tier Properties Neigh/Comm. Ctrs. – 1 st Tier Properties
			- -	6.30%	-	Office CBD – 1 st Tier Properties
		West Region	5.00% - 9.00%	-	-	Office CBD – 2 nd Tier Properties
			5.30% - 8.00%	-	-	Office CBD – 3 rd Tier Properties
			5.50% - 9.00%	-	-	Suburban Office – 1 st Tier Properties
			5.00% - 8.50%	-	-	Suburban Office – 2 nd Tier Properties
			5.50% - 8.80%	-	-	Suburban Office – 3 rd Tier Properties
			6.00% - 9.50%	-	-	Warehouse – 1 st Tier Properties
			-	4.50% - 8.00%	-	Warehouse – 2 nd Tier Properties
			-	5.00% - 8.50%	-	Warehouse – 3 rd Tier Properties
			-	5.50% - 9.00%	-	R&D – 1 st Tier Properties
			-	5.00% - 8.00%	-	R&D – 2 nd Tier Properties
			-	5.30% - 8.50%	-	R&D – 3 rd Tier Properties
			-	5.80% - 9.80%	-	Flex – 1 st Tier Properties
			-	4.80% - 8.00%	-	Flex – 2 nd Tier Properties
			-	5.30% - 8.50%	-	Flex – 3 rd Tier Properties
			-	5.80% - 9.00%	-	Regional Mall – 1 st Tier Properties
			-	-	5.00% - 8.50%	Regional Mall – 2 nd Tier Properties
			-	-	5.50% - 9.00%	Regional Mall – 3 rd Tier Properties
			-	-	6.00% - 10.00%	Power Center – 1 st Tier Properties
			-	-	5.50% - 8.80%	Power Center – 2 nd Tier Properties
			-	-	6.00% - 8.10%	Power Center – 3 rd Tier Properties
			-	-	6.50% - 10.00%	Neigh/Comm. Ctr. – 1 st Tier Properties
			-	-	5.00% - 8.30%	Neigh/Comm. Ctr. – 2 nd Tier Properties
			-	-	6.00% - 8.60%	Neigh/Comm. Ctr. – 3 rd Tier Properties
			-	-	6.00% - 9.00%	
IRR: Viewpoint for 2019	Year-end 2019	West Region	5.75% 6.38% 6.18% 6.77%	- - - -	- - - -	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B
			- -	6.38% 5.70%	- -	Flex Industrial Industrial
			- -	- -	6.17% 6.11%	Regional Mall Community Retail
			-	-	6.27%	Neighborhood Retail
PWC / Korpaz Real Estate Investment Survey	4Q 2019	Seattle	4.00% - 8.00%	-	-	CBD Office
		Pacific NW Region	4.50% - 8.00%	-	-	Office
			-	3.70% - 5.50%	-	Warehouse
ACLI	4Q 2019	Seattle – Bellevue - Everett MSA	4.96%	5.59%	5.97%	All Classes
		Pacific Region	5.69%	5.21%	5.92%	All Classes



SEATTLE / REGIONAL/ NATIONAL CAP RATES

Source	Date	Location	Multifamily	Hospitality	Remarks
CBRE: U.S. Cap. Rate survey. Advance Review	H2 2019	Seattle	4.00% - 4.25% 4.50% - 5.00% 4.25% - 4.75% 5.00% - 5.50% 5.00% - 5.50% 5.50% - 6.25% 4.50% - 4.75% 4.75% - 5.25% 4.75% - 5.25% 5.25% - 5.75% 5.00% - 5.75% 5.50% - 6.25% - - - - - - - -	- - - - - - - - - - - - 6.00% - 6.50% 6.25% - 7.00% 6.50% - 7.00% 8.50% - 9.25% 6.50% - 7.50% 7.50% - 8.25% 7.50% - 8.25% 9.50% - 10.50%	Infill – Class A Infill – Class A – Value Added Infill – Class B Infill – Class B – Value Added Infill – Class C Infill – Class C – Value Added Suburban – Class A Suburban – Class A – Value Added Suburban – Class B Suburban – Class B – Value Added Suburban – Class C Suburban – Class C – Value Added CBD – Luxury CBD – Full-Service CBD – Select-Service CBD – Economy Suburban – Luxury Suburban – Full-Service Suburban – Select-Service Suburban – Economy
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019	Seattle West Region	5.50% - 4.00% - 6.50% 4.50% - 7.80% 4.80% - 9.80% - - -	- 7.10% - - 6.00% - 8.00% 7.00% - 8.50% 7.50% - 10.50%	Apartments – All Classes Hotels – All Classes Apartments – 1 st Tier Properties Apartments – 2 nd Tier Properties Apartments – 3 rd Tier Properties Hotels – 1 st Tier Properties Hotels – 2 nd Tier Properties Hotels – 3 rd Tier Properties
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019	National	4.00% - 6.00 %	7.00% - 8.30%	Apartment – 1 st Tier Hotel – 1 st Tier
IRR: Viewpoint for 2020	Year-end 2019	Seattle	4.25% 4.50% 4.75% 5.25%		Urban Class A Urban Class B Suburban Class A Suburban Class B
IRR: Viewpoint for 2020	Year-end 2019	West Region	4.46% 5.06% 4.68% 5.27%	- - -	Urban Class A Urban Class B Suburban Class A Suburban Class B
IRR: Viewpoint for 2020	Year-end 2019	Seattle		7.00% 8.50%	Full Service Limited Service
PWC / Korpaz Real Estate Investor Survey	4Q 2019	Pacific Region	3.65% - 6.00%	-	Apartments
ACLI	4Q 2019	Seattle-Bellevue Everett	4.67%		All Classes
		Pacific	4.78%	5.39%	All Classes

WEST / NATIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Income Vs. Price Realities	4Q 2019					1 st Tier properties are defined as new or newer quality const. in prime to good location and typical owners/buyers are institutional investors
		National	4.50% - 6.80% 6.30% - 7.30% - - - - - -	- - 4.50% - 6.00% 5.50% - 8.00% 6.80% - 7.50% - - -	- - - - - 5.00% - 7.00% 6.20% - 7.50% 5.00% - 6.50%	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties Warehouse – 1 st Tier Properties R&D – 1 st Tier Properties Flex – 1 st Tier Properties Regional Mall – 1 st Tier Properties Power Center – 1 st Tier Properties Neigh/Comm. Ctrs. – 1 st Tier Properties
IRR: Viewpoint 2020 Commercial Real Estate Trends report	Yr. End 2019	National	6.66% 7.52% 7.00% 7.77% - - - -	- - - - 6.61% 7.33% - -	- - - - - 6.89% 6.91% 7.07%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial Flex Industrial Regional Mall Community Retail Neighborhood Retail
ACLI	4Q 2019	National	5.90% 6.69% 5.89% 6.42% 5.73%	5.64% 6.55% 6.08% 6.08% 5.43%	6.23% 6.58% 5.83% 5.98% 6.45%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. - 100,001 – 200k Sq.Ft. - 200k+
PWC / Korpaz Real Estate Investor Survey	4Q 2019	National	3.75% - 7.50% 4.00% - 9.25% 6.00% - 9.50% 4.25% - 10.00% - - - -	- - - - - 3.75% - 6.40% - -	- - - - - - 4.00% - 9.00% 5.25% - 8.25% 4.50% - 10.00% 4.00% - 8.00 %	CBD Office Suburban Office Secondary Office Medical Office Flex/R&D Warehouse Regional Mall Power Center Neigh. Strip Centers Net Lease
The Boulder Group: Net Lease Market Report	4Q 2019 1Q 2019 3Q 2019	National	6.94% 5.30% 6.45%	6.90%	6.07%	Overall (Average) Bank Medical Office
The Boulder Group: Net Lease Market Report	4Q 2019 3Q 2019	West West	6.94% 6.27% 5.60%	6.90%	6.07%	Overall (Average) Bank Medical Office



NATIONAL AND REGIONAL CAP RATES

Source	Date	Location	Restaurant	Retail	
The Boulder Group: Net Lease Market Report	4Q 2019	National		7.00%	Big Box
				7.29%	Junior Big Box (20K-40K SF)
	3Q2019	National		6.99%	Mid Box (40K-80K SF)
				6.75%	Large Format (over 80K SF)
				5.95%	Median
	1Q 2019	National	5.10%	6.22%	Drug Store
	2Q 2019	West		5.80%	Auto Parts Stores
			4.45%		Casual Dining
					Quick Service Restaurants

The previous tables demonstrate ranges of capitalization rates and trends that are compiled with information and collected on a broad regional scale. This information is reconciled with data specific to the real estate market in Area 75 to develop the income model. The range of capitalization rates in the income model for Area 75 reflects the variety of properties in this area.

Income Approach Calibration

Income tables were developed for each of the eight neighborhoods that comprise Area 75. The tables pertain to the following property types: Retail, Industrial Engineering Buildings, Warehouse Storage, Warehouse Office, Warehouse Distribution, Medical and Dental Offices, Discount Stores, Storage Garage, Service Garage, Basement Finish, Restaurant, and Office, in addition to an exclusion table indicating property uses not covered by an income table. Properties which contain differing section uses may have multiple tables that are applicable to the property as a whole. All tables are included in the addendum of this report.

The tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates by using adjustments based on size, quality of construction, and the effective year built. When the value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements.

Typical income model parameters for the various markets that make up Area 75 are summarized in the following table. It should be noted that due to the nature of commercial real estate, not all properties fall within the typical parameters.

The table on the following pages summarizes the income valuation model for each neighborhood in Area 75:



Typical Income Model Parameters:

Area 75-10 Mercer Island

Property Type	Rent/SF Range	Vacancy Collection Loss	Rate/ Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$12 - \$38	5 %	10%	6 - 7%
Retail/Mixed Use	\$22 - \$36	5%	10%	6.25 - 7%
Industrial/Warehouse	\$6.25 - \$18	5 - 6%	10%	5 - 6%

Area 75-20 South Bellevue/Factoria/I-90 Corridor

Property Type	Rent/SF Range	Vacancy Collection Loss	Rate/ Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$12 - \$40	6 - 7%	10%	6 - 7%
Retail/Mixed Use	\$18 - \$40	5%	10%	6.25 - 7%
Industrial/Warehouse	\$8 - \$17	6%	10%	5 - 5.75%

Area 75-35 East Bellevue/Lake Hills to Crossroads

Property Type	Rent/SF Range	Vacancy Collection Loss	Rate/ Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$12 - \$40	7 %	10%	6 - 6.75%
Retail/Mixed Use	\$20 - \$40	5%	10%	6 - 7%
Industrial/Warehouse	\$3.50 - \$10	6%	10%	5 - 7.5%

Area 75-40 Newcastle/Newport Hills/Kennydale/North Renton/Landing

Property Type	Rent/SF Range	Vacancy Collection Loss	Rate/ Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$11.50 - \$34	10%	10%	6.25 - 7%
Retail/Mixed Use	\$11 - \$28	5 - 7%	10%	6.25 - 7.5%
Industrial/Warehouse	\$4.15 - \$13.50	5 - 6%	10%	5.25 - 6.75%

Area 75-60 Renton Highlands

Property Type	Rent/SF Range	Vacancy Collection Loss	Rate/ Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$11 - \$34	10%	10%	6 - 7.25%
Retail/Mixed Use	\$11 - \$28	5%	10%	6.25 - 7.25%
Industrial/Warehouse	\$3.50 - \$13	5-6%	10%	5.25 - 7%

Area 75-65 Benson Hill/Fairwood/Panther Lake/Cedar Valley

Property Type	Rent/SF Range	Vacancy Collection Loss	Rate/ Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$6.50 - \$34	10%	10%	6.25 - 7.25%
Retail/Mixed Use	\$14 - \$28	5%	10%	6.25 - 7.25 %
Industrial/Warehouse	\$3.50 - \$15	5 - 7%	10%	5.5 - 7%

Area 75-70 Cedar Basin and May Valley

Property Type	Rent/SF Range	Vacancy Collection Loss	Rate/ Expense Rate- % of EGI	Capitalization Rate
Office/Medical Office	\$9.50 - \$23	7-10%	10%	6.5-7.25%
Retail/Mixed Use	\$15-\$26	5-7%	10%	6.5-7.25%
Industrial/Warehouse	\$7 - \$9	6%	10%	6 - 6.75%

Overall, the rents were adjusted slightly upwards, vacancies were adjusted slightly downwards, expenses are the same, and the capitalization rates for the most part were adjusted slightly downwards in all neighborhoods.

Area 75

2020 Assessment Year



King County

Department of Assessments

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Reconciliation

The Appraiser made a review of the appropriateness of the application of the valuation models before final value was selected for each parcel. All of the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when comparable sales were available, however, the income approach was applied to most parcels in order to better equalize comparable properties.

Whenever possible market rents, expenses, and cap rates were ascertained from sales along with data from surveys and publications. Those parameters were applied to the income model. The income approach to value was considered to be a reliable indicator of value in most instances. Market rents may vary based on location, age of the property, property type, and other factors specific or unique to a property. The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence.

Each appraiser can adjust any or all of the factors used to establish value by the model. The Appraiser made the determination of value based on the Appraiser's judgment of the appropriateness of the method for each property. For quality control purposes an administrative review of the selected values was made by Marie Ramirez, Senior Appraiser.

Model Validation

Total Value Conclusions, Recommendations and Validation

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is reconciled and a value was selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust by particular characteristics and conditions as they occur in the valuation area.

Area 75	2019 Ratios	2020 Ratios	Change	% Change
Assessment Level of Sales	90.9%	97.1%	6.2%	6.82%
Coefficient of Dispersion	16.16%	7.84%	-8.32	-51.49%
Coefficient of Variation	20.60%	10.41 %	-10.19	-49.47%
Price Related Differential	1.02	1.00	-0.02	-1.96%



The standard statistical measures of valuation performance are presented in both the 2019 and 2020 Ratio Analysis charts included in this report. Comparison (see table above) of the 2019 with the 2020 Ratio Study Analysis indicates that the 2020 assessments statistical ratios are all within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity. However, with a sample size of only 53 improved sales for many different commercial types, the weight given to the ratio study should be tempered.

In the 2020 valuation model, the income approach is used to value the majority of the income producing properties that aren't obsolesced (land value is greater than total value by the income method). The income approach also insures greater uniformity and equalization of values. With improving market fundamentals, Area 75 values by the income method are generally increasing although they sometimes are below the value of the sales. This may be because some of these properties are purchased by owner-users, or in the case of interim use properties they might be purchased for investment value or anticipated future income rather than current income.

The 2020 Assessment year revalue of Area 75 is based on commercial real estate data available in 2019 and early 2020 that support the fee simple value of the non-specialty properties in these submarkets as of the valuation date of 1/01/2020. This valuation has occurred in a period of steady market expansion following the severe global, national, and regional economic downturn which had impacted local supply and demand dynamics.

A review of market income data for the 1/01/2020 valuation indicates continued strong income fundamentals for Seattle and King County. Kidder Mathews reports vacancy rates have continued to stay down for retail properties ending 2019 at 3.2% for the Seattle/Puget Sound Area. Office properties have also had a decrease to vacancy rates, dropping to 5.8% at the end of 2019. Finally, Industrial vacancy rates have experienced a slight increase, ending 2019 at 4.7%. CBRE reports that Office, Industrial and Retail cap rates remained stable. Lease rates saw steady increases in suburban and urban areas on almost all types of properties.

The 2019 real estate market year saw a trend of increased land sales in comparison to the previous year. Some of these properties were purchased by investors for multi-family developments in Newcastle and the Renton – Highlands and Benson Hill areas; however several land sales may be for residential, office and retail development sites. These land sales support an increase in the assessed land values for most of the zoning designations in the 2020 revalue and an overall land value increase of 10.69% (all land parcels in area 75 excluding government owned properties).

The recommended values represent the appraiser's best estimate of appropriate assessed values as of the assessment date. Any subsequent sales after the date of this report may not validate or invalidate these value estimates because the market has and will continue to change after the assessment date.

Application of these recommended values for the 2020 assessment year results in a total percentage change from the 2019 assessments of 4.85%. The market sales support this increase. Since the values recommended in this report improve uniformity and assessment equity, we recommend posting these values for the 2020 Assessment Year.

Total Population - Parcel Summary Data:				
Area 75	2019 Value	2020 Value	Value Difference	Percent Change
Total Population	\$5,265,158,700	\$5,520,710,400	\$255,551,700	4.85%



Uniform Standards of Professional Appraisal Practice Compliance

Client and Intended Use of the Appraisal

This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP Standard 6. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

The purpose of this report is to explain and document the methods, data and analysis used in the revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The Revaluation Plan is subject to their periodic review.

Definition and Date of Value Estimate

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65). The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Retrospective market values are reported herein because the date of the report is subsequent to the effective date of valuation. The analysis reflects market conditions that existed on the effective date of appraisal.

Highest and Best Use

RCW 84.40.030

All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.



WAC 458-07-030 (3) True and Fair Value -- Highest and Best Use

Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922))

The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

Date of Value Estimate

RCW 84.36.005

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law.

RCW 36.21.080

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year.

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date of valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

Property Rights Appraised

Fee Simple



Wash Constitution Article 7 § 1 Taxation:

All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class.

Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914)

...the entire [fee] estate is to be assessed and taxed as a unit...

Folsom v. Spokane County, 111 Wn. 2d 256 (1988)

...the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee...

The Dictionary of Real Estate Appraisal, 3rd Addition, Appraisal Institute.

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Assumptions and Limiting Conditions

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.



11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be “typical finish” and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

Scope of Work Performed

Research and analyses performed are identified in the body of the revaluation report. The assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. Disclosure of interior home features and, actual income and expenses by property owners is not a requirement by law therefore attempts to obtain and analyze this information are not always successful. The mass appraisal performed must be completed in the time limits indicated in the Revaluation Plan and as budgeted. The scope of work performed and disclosure of research and analysis not performed are identified throughout the body of the report.



Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The individuals listed below were part of the "appraisal team" and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below:

Physical inspection revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification and new construction evaluation.



4/15/20

Trevor Swedberg – Commercial Appraiser

Date



Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	010	545230	0310	11,994	2902800	\$4,800,000	11/07/17	\$400.20	CALEDONIAN BUILDING	TC	1	Y	
075	020	102405	9131	79,345	2950749	\$24,200,000	08/31/18	\$305.00	EASTPOINTE PLAZA	OLB	1	Y	
075	020	128359	0030	61,218	3027805	\$16,300,000	12/19/19	\$266.26	WASHINGTON DEPT OF ECOL	OLB2	1	Y	
075	020	128362	0030	66,827	2920965	\$20,500,000	03/26/18	\$306.76	I-90 Bellevue II (Verizon)	OLB	1	Y	
075	020	162405	9028	42,381	3018369	\$19,999,999	10/28/19	\$471.91	NEWPORT PLACE	CB	1	Y	
075	020	162405	9195	2,700	2974058	\$1,418,000	02/08/19	\$525.19	ANIMAL HOSPITAL OF FACTORIA	PO	1	Y	
075	020	162405	9275	12,027	2967092	\$7,560,000	12/17/18	\$628.59	FACTORIA EAST	CB	2	Y	
075	020	162405	9301	9,628	2910975	\$5,280,000	01/12/18	\$548.40	FACTORIA DENTAL CENTER	CB	1	Y	
075	020	220150	1403	2,719	2997735	\$1,250,000	06/25/19	\$459.73	WASHINGTON FEDERAL SAVINGS	NMU	1	Y	
075	020	220150	1404	1,596	2985626	\$1,450,000	04/30/19	\$908.52	76 AUTO CARE	NMU	1	Y	
075	020	220150	1413	4,756	3003345	\$3,900,000	08/05/19	\$820.02	VEHICLE EMISSION	NMU	1	Y	
075	020	220550	0620	64,837	3036168	\$23,575,000	02/22/20	\$363.60	CRESTWOOD CORPORATE PLAZA	O	1	Y	Sale occurred after valuation date - not included in ratio study
075	020	232900	0030	67,408	2862780	\$20,000,000	05/04/17	\$296.70	Cabot Plaza Office Building	OLB	1	Y	
075	020	545330	0250	35,713	2939582	\$8,500,000	06/27/18	\$238.01	TOP LINE IMPORTS	LI	1	Y	
075	035	331650	0350	2,368	2867718	\$950,000	05/24/17	\$401.18	Unity of Bellevue-Residence	R-1.8	1	Y	
075	035	342505	9103	7,573	2849125	\$2,450,000	02/17/17	\$323.52	OFFICE APT	O	1	Y	
075	035	352505	9016	2,100	2843913	\$1,597,000	01/09/17	\$760.48	76/CIRCLE K	CB	1	Y	
075	040	082305	9129	2,163	2889585	\$687,500	09/13/17	\$317.85	Retail Building	CA	1	Y	
075	040	135230	0825	2,235	3002486	\$1,500,000	07/15/19	\$671.14	FOOD MART & BIGFOOT JAVA ES	CA	1	Y	
075	040	135230	0855	1,840	2950436	\$300,000	08/20/18	\$163.04	A to Z Tax Service	CA	1	Y	
075	040	135230	1205	21,981	3003133	\$2,600,000	07/31/19	\$118.28	WAREHOUSE	CA	1	Y	
075	040	135230	1285	2,670	2881478	\$610,000	08/02/17	\$228.46	Farmers Insurance	CA	1	Y	
075	040	172305	9118	4,600	2949749	\$860,000	08/21/18	\$186.96	ELECTRIC MOTOR REPAIR	CA	1	Y	
075	040	334210	0170	2,880	2843602	\$1,000,000	01/03/17	\$347.22	HAIR SALON & APT	CN	1	Y	
075	040	334210	3260	1,800	2851974	\$575,000	02/24/17	\$319.44	AUDIO VIDEO FOR HOME	CN	1	Y	
075	040	334570	0085	0	2963218	\$400,000	11/14/18	\$0.00	TRAILER STORAGE	CA	2	Y	
075	040	418230	0010	1,345	2928986	\$95,000	05/08/18	\$70.63	LANE HANGAR CONDOMINIUM	IM	1	Y	
075	040	418230	0110	1,367	3013269	\$115,000	09/30/19	\$84.13	LANE HANGAR CONDOMINIUM	IM	2	Y	
075	040	722400	0236	1,377	3028018	\$318,000	12/27/19	\$230.94	OFFICE BUILDING (NORTH 1/2)	R-10	1	Y	
075	040	722400	0340	5,002	2979081	\$1,180,000	03/22/19	\$235.91	RESTAURANT (ASSOC W/0330 & 0	CN	3	Y	
075	040	722400	0550	4,396	3007830	\$1,420,000	07/29/19	\$323.02	NORTHSIDE DENTAL CENTER	R-8	1	Y	
075	040	722400	0675	7,332	2854005	\$1,800,000	03/17/17	\$245.50	OFFICE BUILDING	CA	2	Y	
075	040	722400	0881	4,780	2998056	\$1,050,000	07/05/19	\$219.67	LEE MEYERS TRANSMISSION	CA	1	Y	
075	050	122304	9047	2,560	2947832	\$417,000	08/06/18	\$162.89	SFR	R24	1	Y	
075	060	082305	9111	12,741	2892786	\$3,500,000	09/26/17	\$274.70	Highlands Center MARKET & GAS	CN	2	Y	
075	060	092305	9050	7,758	2935331	\$3,158,612	06/04/18	\$407.14	FIRESTONE TIRES	CA	1	Y	
075	060	092305	9171	5,555	3014732	\$910,000	10/09/19	\$163.82	ROY BROWN AUTO SERVICE	CA	1	Y	
075	060	092305	9176	794	2904332	\$3,250,000	12/04/17	\$4,093.20	MHP (49 SPACES; SW; GOOD LOC.	CA	1	Y	
075	060	092305	9197	7,289	2926081	\$1,900,000	04/16/18	\$260.67	WINDEMERE OFFICE	CA	1	Y	
075	060	092305	9216	8,971	2912744	\$1,270,000	01/24/18	\$141.57	HUEBER MACHINE	CA	1	Y	
075	060	269040	0070	0	2862764	\$274,150	05/01/17	\$0.00	GALLOWAY TOWNHOMES II	CA	1	Y	
075	060	722700	0020	2,663	2969949	\$927,000	01/11/19	\$348.10	RENTON HIGHLAND BUSINESS CE	CA	1	Y	
075	060	722790	0019	13,555	3017428	\$6,593,000	10/25/19	\$486.39	WALGREENS (RENTON HIGHLAND	CV	5	Y	
075	065	292305	9160	10,816	3002715	\$1,900,000	07/23/19	\$175.67	VALLEY DENTAL CENTER	CA	1	Y	
075	065	302305	9054	7,897	2916367	\$1,420,000	02/23/18	\$179.82	VALLEY INTERNAL MEDICINE ANN	CO	1	26	Imp changed after sale; not in ratio
075	065	302305	9111	25,944	2995018	\$8,250,000	06/17/19	\$317.99	VALLEY VIEW PROFESSIONAL BUI	CO	1	Y	
075	065	312305	9026	9,014	2970673	\$1,705,000	01/17/19	\$189.15	SPRINGBROOK PROFESSIONAL P.	CO	1	Y	
075	065	312305	9040	33,146	2906970	\$8,800,000	12/18/17	\$265.49	VALLEY MEDICAL & DENTAL	CO	2	Y	
075	065	312305	9152	6,016	3026526	\$1,350,000	12/20/19	\$224.40	MEDICAL OFFICES	CO	1	Y	
075	065	322305	9053	512	2933524	\$275,000	05/30/18	\$537.11	ALLSTATE INSURANCE	CA	1	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	065	322305	9063	69,568	2977186	\$25,340,000	03/07/19	\$364.25	NORTH BENSON PLAZA	CA	2	Y	
075	065	322305	9104	8,261	2969607	\$4,415,000	01/10/19	\$534.44	FIRESTONE	CA	1	69	Net Lease Sale; not in ratio
075	065	322305	9201	2,100	2868544	\$690,000	05/31/17	\$328.57	PIZZA HUT AND PET GROOMING	CA	1	Y	
075	065	322305	9237	1,440	2939581	\$1,100,000	06/25/18	\$763.89	TEXACO MART	CA	1	Y	
075	065	512690	0211	13,543	3026406	\$2,950,000	12/18/19	\$217.82	TACO TIME REGIONAL OFFICE	CN	1	Y	
075	065	761680	0400	2,500	3013017	\$920,000	09/15/19	\$368.00	KOREA ACCUPUNCTURE	CO	1	Y	
075	070	242305	9037	4,068	2913248	\$845,000	01/29/18	\$207.72	CEDAR RAPIDS MARKET	RA5	2	Y	
075	070	302306	9019	3,830	2887252	\$448,750	08/29/17	\$117.17	HOME (ASSOC W/9027)	NB	2	Y	

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	010	531510	1316	20,075	2858886	\$4,950,000	04/14/17	\$246.58	MUD BAY & VELOCE VELO RETAIL BUILD	TC	1	Y	
075	010	531510	1326	43,705	2938991	\$8,520,000	06/26/18	\$194.94	TEAR DOWN - RETAIL, RESTAURANT, OF	TC	1	Y	
075	010	531510	1445	44,006	3008476	\$12,000,000	08/30/19	\$272.69	TABIT SQUARE	TC	2	Y	
075	020	006000	0010	597,825	2917646	\$24,850,000	03/02/18	\$41.57	MICROSOFT ADVANTA - BLDG A	OLB-OS	4	Y	
075	020	112405	9028	146,797	3027267	\$13,850,000	12/19/19	\$94.35	TRAILER INNS RV PARK (96 RV SITES)	NMU	1	Y	
075	040	082305	9191	336,992	3026830	\$13,500,000	12/19/19	\$40.06	PUGET SOUND ENERGY- OPERATING PR	UC	1	Y	
075	040	088661	0010	596,013	3027876	\$27,500,000	12/30/19	\$46.14	VACANT COMMERCIAL LAND	UC	1	Y	
075	040	088661	0070	220,673	3025724	\$10,000,000	12/12/19	\$45.32	VACANT COMMERCIAL LAND	UC	1	Y	
075	040	182305	9264	47,081	2905736	\$1,250,000	12/05/17	\$26.55	Vacant Land	UC	1	Y	
075	040	342405	9118	38,978	2855146	\$400,000	03/20/17	\$10.26	NEWCASTLE ELEMENTARY SCHOOL	R-6	1	Y	
075	040	606125	0100	342,262	2845661	\$17,000,000	01/24/17	\$49.67	NEWCASTLE COMMONS	MU-R	4	29	Seg/merge after sale; not in ratio
075	060	042305	9155	17,059	2895168	\$940,000	10/13/17	\$55.10	CAR WASH	CV	1	Y	
075	060	102305	9068	24,095	2920323	\$400,000	03/08/18	\$16.60	SFR Teardown (Listed For Sale as Mixed Us	CA	1	Y	
075	060	172305	9180	129,123	2890345	\$155,000	09/19/17	\$1.20	VACANT LAND	RM-F	3	Y	
075	060	311990	0005	38,910	2916900	\$1,350,000	02/23/18	\$34.70	Vacant Multifamily Land	RM-F	3	Y	
075	060	518210	0011	73,694	2915647	\$1,550,000	01/29/18	\$21.03	Teardown on Commercial Land	CA	3	Y	
075	065	073900	0050	33,542	2876336	\$200,000	07/10/17	\$5.96	VACANT MULTIFAMILY LAND	RM-F	1	Y	
075	065	272305	9043	40,946	2910105	\$1,750,000	01/03/18	\$42.74	VACANT GAS STATION	CB	1	Y	
075	065	272305	9051	102,029	2858618	\$2,737,800	04/12/17	\$26.83	Fairwood Golf and Country Club	R24	1	Y	
075	065	292305	9009	164,827	2860682	\$2,000,000	04/26/17	\$12.13	VACANT LAND	RM-F	1	Y	
075	065	292305	9017	60,669	2858655	\$1,250,000	04/14/17	\$20.60	KC FIRE DEPARTMENT HQ	CA	2	Y	
075	065	292305	9017	60,669	3005140	\$2,670,000	08/14/19	\$44.01	Tear Down - Former KC FIRE DEPARTMEN	CA	2	Y	
075	065	292305	9110	11,918	3005139	\$1,049,000	08/14/19	\$88.02	WEST AND SONS TOWING	CA	1	Y	
075	065	302305	9109	39,488	2964061	\$1,450,000	11/26/18	\$36.72	VACANT LAND	CO	1	Y	
075	065	312305	9022	73,616	2878528	\$850,000	07/20/17	\$11.55	SFR TEARDOWN ON MULTIFAMILY LAND	R-14	1	Y	
075	065	312305	9022	73,616	2938352	\$1,100,000	06/15/18	\$14.94	SFR TEARDOWN ON MULTIFAMILY LAND	R-14	1	Y	
075	065	312305	9067	201,682	2933275	\$4,500,000	05/23/18	\$22.31	VACANT PARCEL	CO	2	Y	
075	065	322305	9054	39,212	2894956	\$1,200,000	10/10/17	\$30.60	VACANT BUILDING	CA	1	Y	
075	065	322305	9079	90,696	2938952	\$102,000	06/25/18	\$1.12	VACANT LAND (TOPO IMPACTS)	R-4	1	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	020	067004	0010	4,932	2965068	\$4,150,000	12/03/18	\$841.44	Retail Building	CB	2	46	Non-representative sale
075	020	545330	0146	20,100	2868128	\$28,000	05/15/17	\$1.39	A & M Auto Repair	LI	1	24	Easement or right-of-way
075	035	220720	0355	30,319	2911120	\$1,400	08/17/17	\$0.05	SAMENA CLUB	R-5	2	24	Easement or right-of-way
075	035	331650	0050	21,880	2976540	\$13,700	04/13/18	\$0.63	EASTSIDE BAHA'I FAITH REGIONAL C	O	1	24	Easement or right-of-way
075	035	331650	0055	12,452	2984800	\$32,000	02/20/19	\$2.57	CROSSRIDGE CORPORATE CENTER	O	1	24	Easement or right-of-way
075	035	331650	0075	35,530	3009353	\$9,400,000	09/09/19	\$264.57	CROSSROADS OFFICE PARK (ASSO	O	3	46	Non-representative sale
075	035	331650	0090	3,894	2922959	\$18,500	02/27/18	\$4.75	FIRST MUTUAL SAVINGS BANK	O	1	68	Non-gov't to gov't
075	035	331650	0295	5,187	2882328	\$150,000	07/26/17	\$28.92	NEW HOPE MINISTRIES	R-1.8	1	33	Lease or lease-hold
075	035	342505	9184	2,295	2939321	\$48,600	02/06/18	\$21.18	BEST WOK RESTAURANT	NB	1	24	Easement or right-of-way
075	035	342505	9207	2,400	2941235	\$35,000	05/30/18	\$14.58	7-ELEVEN	NB	1	24	Easement or right-of-way
075	035	883990	0036	3,488	2923407	\$67,000	03/28/18	\$19.21	SUPER SUPPLEMENTS	CB	1	24	Easement or right-of-way
075	040	135230	0005	16,480	2998333	\$3,975,000	07/08/19	\$241.20	BRYANT MOTORS	CA	6	12	Estate administrator, guardian, or e
075	040	135230	0855	1,840	2950460	\$300,000	08/20/18	\$163.04	A to Z Tax Service	CA	1	19	Seller's or purchaser's assignment
075	040	334330	1105	1,800	2958711	\$29,850	10/15/18	\$16.58	BARONE STATUARY BUILDING	CA	1	68	Non-gov't to gov't
075	040	334330	1140	17,240	2988130	\$1,150	05/09/19	\$0.07	44 RENTON SHOPPING & OFFICE CE	CA	2	68	Non-gov't to gov't
075	040	334330	1150	8,990	3016887	\$78,000	10/22/19	\$8.68	VET CLINIC	CA	1	68	Non-gov't to gov't
075	040	722400	0235	828	2898385	\$125,000	10/27/17	\$150.97	OFFICE BUILDING (SOUTH 1/2)	R-10	1	15	No market exposure
075	060	516970	0129	2,370	2943863	\$117,000	07/13/18	\$49.37	OFFICE BUILDING (Converted SFR)	CA	1	52	Statement to dor
075	060	722780	1781	0	2856218	\$915,000	03/25/17	\$0.00	PARK	CV	1	63	Sale price updated by sales id group
075	065	202305	9068	9,352	2993989	\$623,219	05/20/19	\$66.64	LIVING CHRISTIAN HOPE FELLOWSH	R-8	2	51	Related party, friend, or neighbor
075	065	302305	9054	7,897	2884088	\$10	08/03/17	\$0.00	VALLEY INTERNAL MEDICINE ANNEX	CO	1	31	Exempt from excise tax
075	065	302305	9054	7,897	2884087	\$10	08/03/17	\$0.00	VALLEY INTERNAL MEDICINE ANNEX	CO	1	52	Statement to dor
075	070	252305	9028	8,655	2880199	\$615,000	07/26/17	\$71.06	RAINIER VALLEY CHRISTIAN SCHOCRA2.5SO	CA	1	67	Gov't to non-gov't

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
075	010	531510	1235	12,230	3027694	\$2,000,000	12/27/19	\$163.53	TULLY'S COFFEE SHOP	TC	1	68	Non-gov't to gov't
075	020	545330	0150	207,900	2851336	\$51,000	02/09/17	\$0.25	VACANT LAND	LI	2	24	Easement or right-of-way
075	020	813530	0100	314,503	3010094	\$1,000,000	09/12/19	\$3.18	VACANT LAND	OLB	1	18	Quit claim deed
075	035	331650	0070	100,769	2984799	\$39,000	08/01/18	\$0.39	ASSOCIATED PARKING (W/0075)	O	3	24	Easement or right-of-way
075	040	088661	0020	307,829	2977582	\$65,000	02/28/19	\$0.21	BOEING PARKING LOT	UC	2	24	Easement or right-of-way
075	040	182305	9264	47,081	2847036	\$353,118	01/31/17	\$7.50	Vacant Land	UC	1	18	Quit claim deed
075	040	322405	9010	249,600	3026290	\$20,000	10/30/19	\$0.08	VACANT LAND (WETLANDS & STRE	RC	1	18	Quit claim deed
075	040	606125	0090	72,649	2971763	\$699,900	01/26/19	\$9.63	NEWCASTLE COMMONS	MU-R	1	46	Non-representative sale
075	060	162305	9130	206,085	2901296	\$2,200,000	11/16/17	\$10.68	KC PUBLIC HEALTH CLINIC	CA	1	63	Sale price updated by sales id group
075	065	202305	9013	586,585	2977779	\$16,000	03/08/19	\$0.03	PSE Vacant Land	RM-F	1	18	Quit claim deed
075	065	202305	9131	79,589	3009777	\$300,000	09/09/19	\$3.77	VACANT LAND	R-14	2	18	Quit claim deed

Area 75 Physical Inspection

Geo Area	Neighbor hood	Major	Minor	Address
75	35	022405	9010	14821 SE 16TH ST
75	35	022405	9019	1800 148TH AVE SE
75	35	022405	9023	1600 148TH AVE SE
75	35	022405	9037	
75	35	022405	9038	1640 148TH AVE SE
75	35	022405	9043	14808 SE 16TH ST
75	35	022405	9048	14915 SE 22ND ST
75	35	022405	9054	14844 SE 22ND ST
75	35	022405	9084	
75	35	022405	9089	1907 150TH AVE SE
75	35	022405	9120	15810 SE 24TH ST
75	35	022405	9125	15810 SE 24TH ST
75	35	022405	9127	1424 148TH AVE SE
75	35	022405	9137	15555 SE 16TH ST
75	35	022405	9185	15416 SE 16TH ST
75	35	022405	9225	2005 156TH AVE SE
75	35	024850	0000	14000 140TH AVE SE
75	35	025550	0000	1805 134TH AVE SE
75	35	032405	9010	1575 145TH PL SE
75	35	032405	9015	1790 RICHARDS RD
75	35	032405	9017	1249 145TH PL SE
75	35	032405	9021	2000 132ND AVE SE
75	35	032405	9022	14310 SE 12TH ST
75	35	032405	9025	1720 134TH AVE SE
75	35	032405	9037	2210 132ND AVE SE
75	35	032405	9041	2004 132ND AVE SE
75	35	032405	9056	1575 145TH PL SE
75	35	032405	9059	1027 140TH AVE SE
75	35	032405	9060	14205 SE 8TH ST
75	35	032405	9064	14300 SE 16TH ST
75	35	032405	9066	1575 145TH PL SE
75	35	032405	9081	1575 145TH PL SE
75	35	032405	9084	1575 145TH PL SE
75	35	032405	9090	2000 132ND AVE SE
75	35	032405	9091	1575 145TH PL SE
75	35	032405	9100	
75	35	032405	9115	14201 SE 8TH ST
75	35	032405	9118	1800 RICHARDS RD
75	35	032405	9119	14000 SE 13TH PL
75	35	032405	9125	2004 132ND AVE SE
75	35	032405	9128	1215 145TH PL SE
75	35	032405	9129	1575 145TH PL SE
75	35	032405	9132	1575 145TH PL SE

Area 75 Physical Inspection

Geo Area	Neighbor hood	Major	Minor	Address
75	35	032405	9134	1575 145TH PL SE
75	35	032405	9136	1575 145TH PL SE
75	35	032405	9137	1575 145TH PL SE
75	35	032405	9139	1575 145TH PL SE
75	35	032405	9145	1575 145TH PL SE
75	35	032405	9146	1575 145TH PL SE
75	35	032405	9147	1575 145TH PL SE
75	35	032405	9149	
75	35	032405	9162	1510 145TH PL SE
75	35	042405	9030	1808 RICHARDS RD
75	35	066293	0000	14860 SE 16TH ST
75	35	067000	0010	
75	35	067000	0020	14825 MAIN ST
75	35	067000	0030	15015 MAIN ST
75	35	067000	0040	15047 MAIN ST
75	35	067000	0050	15015 MAIN ST
75	35	070100	0000	1 146TH AVE SE
75	35	129280	0000	13605 NE 8TH ST
75	35	147260	0000	725 141ST PL NE
75	35	150870	0000	15165 NE 8TH ST
75	35	168400	0000	1600 149TH PL SE
75	35	172640	0000	727 143RD AVE NE
75	35	177660	0000	805 142ND PL SE
75	35	185410	0010	600 156TH AVE NE
75	35	185410	0020	653 156TH AVE NE
75	35	220710	0005	14200 SE 13TH PL
75	35	220710	0006	14250 SE 13TH PL
75	35	220710	0008	14200 SE 13TH PL
75	35	220710	0010	14200 SE 13TH PL
75	35	220710	0700	14213 LAKE HILLS BLVD
75	35	220710	0720	14204 LAKE HILLS BLVD
75	35	220710	0725	14219 LAKE HILLS BLVD
75	35	220720	0355	15231 LAKE HILLS BLVD
75	35	220720	0905	14858 LAKE HILLS BLVD
75	35	220720	0906	14810 LAKE HILLS BLVD
75	35	220720	0907	14850 LAKE HILLS BLVD
75	35	220720	0915	15204 LAKE HILLS BLVD
75	35	220720	0916	15202 LAKE HILLS BLVD
75	35	220720	0920	15200 LAKE HILLS BLVD
75	35	246030	0010	14607 MAIN ST
75	35	246030	0020	14613 MAIN ST
75	35	246030	0040	21 147TH AVE SE
75	35	246030	0050	27 147TH AVE SE

Area 75 Physical Inspection

Geo Area	Neighbor hood	Major	Minor	Address
75	35	246030	0060	101 147TH AVE SE
75	35	246030	0070	107 147TH AVE SE
75	35	246030	0080	113 147TH AVE SE
75	35	246030	0090	119 147TH AVE SE
75	35	246030	0100	125 147TH AVE SE
75	35	246030	0110	124 147TH AVE SE
75	35	246030	0120	118 147TH AVE SE
75	35	246030	0130	112 147TH AVE SE
75	35	246030	0140	106 147TH AVE SE
75	35	246030	0150	100 147TH AVE SE
75	35	246030	0160	28 147TH AVE SE
75	35	246030	0170	22 147TH AVE SE
75	35	246030	0180	16 147TH AVE SE
75	35	246030	0190	14703 MAIN ST
75	35	246030	0200	14709 MAIN ST
75	35	246030	0210	17 148TH AVE SE
75	35	246030	0220	23 148TH AVE SE
75	35	246030	0230	29 148TH AVE SE
75	35	246030	0255	35 148TH AVE SE
75	35	246030	0270	41 148TH AVE SE
75	35	278910	0000	703 136TH PL NE
75	35	278980	0000	14160 SE 8TH ST
75	35	327613	0010	14508 SE 24TH ST
75	35	329280	0000	1501 145TH PL SE
75	35	331650	0006	16325 NE 8TH ST
75	35	331650	0016	16301 NE 8TH ST
75	35	331650	0021	16215 NE 8TH ST
75	35	331650	0026	16053 NE 8TH ST
75	35	331650	0031	16053 NE 8TH ST
75	35	331650	0035	16049 NE 8TH ST
75	35	331650	0045	16023 NE 8TH ST
75	35	331650	0050	16007 NE 8TH ST
75	35	331650	0055	15935 NE 8TH ST
75	35	331650	0060	15921 NE 8TH ST
75	35	331650	0065	15831 NE 8TH ST
75	35	331650	0070	15831 NE 8TH ST
75	35	331650	0075	15831 NE 8TH ST
75	35	331650	0080	15731 NE 8TH ST
75	35	331650	0090	15635 8TH AVE NE
75	35	331650	0190	439 164TH AVE NE
75	35	331650	0295	15760 NE 4TH ST
75	35	331650	0355	16330 NE 4TH ST
75	35	342505	9003	625 140TH AVE NE

Area 75 Physical Inspection

Geo Area	Neighbor hood	Major	Minor	Address
75	35	342505	9006	715 140TH AVE NE
75	35	342505	9010	13440 MAIN ST
75	35	342505	9016	13204 SE 8TH PL
75	35	342505	9019	100 140TH AVE SE
75	35	342505	9020	14308 SE 6TH ST
75	35	342505	9021	301 148TH AVE SE
75	35	342505	9023	14201 SE 6TH ST
75	35	342505	9024	506 140TH AVE SE
75	35	342505	9026	
75	35	342505	9047	401 148TH AVE SE
75	35	342505	9059	13831 NE 8TH ST
75	35	342505	9103	13635 NE 8TH ST
75	35	342505	9108	724 141ST LN SE
75	35	342505	9115	15 140TH AVE NE
75	35	342505	9130	14005 SE 4TH ST
75	35	342505	9135	647 140TH AVE NE
75	35	342505	9158	14720 NE 1ST PL
75	35	342505	9166	700 140TH AVE SE
75	35	342505	9177	11 148TH AVE SE
75	35	342505	9181	14020 SE 8TH ST
75	35	342505	9184	19 148TH AVE NE
75	35	342505	9189	14536 MAIN ST
75	35	342505	9207	15 148TH AVE NE
75	35	342505	9235	14201 SE 6TH ST
75	35	342505	9246	13655 NE 8TH ST
75	35	352505	9009	400 148TH AVE SE
75	35	352505	9016	15615 NE 8TH ST
75	35	352505	9022	15244 LAKE HILLS BLVD
75	35	352505	9023	15240 LAKE HILLS BLVD
75	35	352505	9044	137 156TH AVE SE
75	35	352505	9047	15749 NE 4TH ST
75	35	352505	9048	15220 MAIN ST
75	35	352505	9055	15015 NE 4TH ST
75	35	352505	9057	106 148TH AVE SE
75	35	352505	9061	110 148TH AVE NE
75	35	352505	9062	15238 LAKE HILLS BLVD
75	35	352505	9063	15625 NE 8TH ST
75	35	352505	9064	116 148TH AVE NE
75	35	352505	9065	360 148TH AVE SE
75	35	352505	9066	420 148TH AVE SE
75	35	352505	9067	14812 SE 8TH ST
75	35	352505	9071	14810 MAIN ST
75	35	352505	9075	10 148TH AVE NE

Area 75 Physical Inspection

Geo Area	Neighbor hood	Major	Minor	Address
75	35	352505	9076	14812 MAIN ST
75	35	352505	9078	362 148TH AVE SE
75	35	352505	9080	370 148TH AVE SE
75	35	352505	9082	15727 NE 4TH ST
75	35	352505	9083	15749 NE 4TH ST
75	35	352505	9086	
75	35	389110	0007	14801 NE 8TH ST
75	35	389110	0205	15431 NE 6TH ST
75	35	403680	0025	15655 LAKE HILLS BLVD
75	35	403740	0635	504 156TH AVE SE
75	35	403740	0725	655 156TH AVE SE
75	35	404120	0000	544 156TH AVE SE
75	35	423878	0000	2220 132ND AVE SE
75	35	505010	0000	9 143RD AVE SE
75	35	505080	0000	14836 SE 16TH ST
75	35	638995	0000	2000 132ND AVE SE
75	35	638996	0000	2004 132ND AVE SE
75	35	680170	0000	14911 NE 1ST PL
75	35	732630	0000	209 148TH AVE NE
75	35	734550	0000	14100 SE 6TH ST
75	35	737980	0010	1606 148TH AVE SE
75	35	737980	0020	1616 148TH AVE SE
75	35	753280	0000	1717 150TH AVE SE
75	35	803570	0010	14508 NE 7TH PL
75	35	803570	0020	14504 NE 7TH PL
75	35	803570	0030	14326 NE 7TH PL
75	35	803570	0040	14322 NE 7TH PL
75	35	803570	0050	14318 NE 7TH PL
75	35	803570	0060	14314 NE 7TH PL
75	35	803570	0070	14310 NE 7TH PL
75	35	803570	0080	14306 NE 7TH PL
75	35	803570	0090	14302 NE 7TH PL
75	35	803570	0100	14301 NE 7TH PL
75	35	803570	0110	14305 NE 7TH PL
75	35	803570	0120	14309 NE 7TH PL
75	35	803570	0130	14313 NE 7TH PL
75	35	803570	0140	14317 NE 7TH PL
75	35	803570	0150	14321 NE 7TH PL
75	35	803570	0160	14503 NE 7TH PL
75	35	803570	0170	14507 NE 7TH PL
75	35	803570	0180	14506 NE 6TH PL
75	35	803570	0190	14510 NE 6TH PL
75	35	803570	0200	14514 NE 6TH PL

Area 75 Physical Inspection

Geo Area	Neighbor hood	Major	Minor	Address
75	35	803570	0210	14518 NE 6TH PL
75	35	803570	0220	14522 NE 6TH PL
75	35	803570	0230	14526 NE 6TH PL
75	35	803570	0240	14525 NE 6TH PL
75	35	803570	0250	14521 NE 6TH PL
75	35	803570	0260	14517 NE 6TH PL
75	35	803570	0270	14513 NE 6TH PL
75	35	803570	0280	14509 NE 6TH PL
75	35	803570	0290	14505 NE 6TH PL
75	35	803570	0300	14501 NE 6TH PL
75	35	883890	0010	2211 140TH PL SE
75	35	883890	0075	1575 145TH PL SE
75	35	883890	0086	1780 140TH PL SE
75	35	883890	0132	1800 145TH PL SE
75	35	883890	0200	14615 SE 22ND ST
75	35	883890	0235	14635 SE 16TH ST
75	35	883890	0269	14260 SE 18TH ST
75	35	883890	0270	1607 145TH PL SE
75	35	883890	0271	14641 SE 16TH ST
75	35	883890	0272	14302 SE 17TH ST
75	35	883890	0273	1624 145TH PL SE
75	35	883890	0274	14311 SE 16TH ST
75	35	883890	0277	1608 145TH PL SE
75	35	883990	0015	600 146TH AVE NE
75	35	883990	0030	704 147TH PL NE
75	35	883990	0036	745 148TH AVE NE
75	35	883990	0037	14727 NE 8TH ST
75	35	883990	0040	707 148TH AVE NE
75	35	883990	0080	14400 NE 4TH ST
75	35	883990	0240	14001 NE 8TH ST
75	35	883990	0245	14021 NE 8TH ST
75	35	883990	0246	14019 NE 8TH ST
75	35	883990	0248	14023 NE 8TH ST
75	35	894412	0000	720 141ST LN SE
75	35	894419	0000	692 156TH AVE NE
75	35	934670	0390	
75	35	951100	0000	14205 NE 1ST PL



King County

Department of Assessments

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John Wilson

Assessor

As we start preparations for the 2020 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Time adjust sales to January 1, 2020 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standards 5 and 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Thank you for your continued hard work on behalf of our office and the taxpayers of King County. Your dedication to accurate and fair assessments is why our office is one of the best in the nation.

John Wilson

Area 75

2020 Assessment Year



King County

Department of Assessments