

**Commercial Revalue**

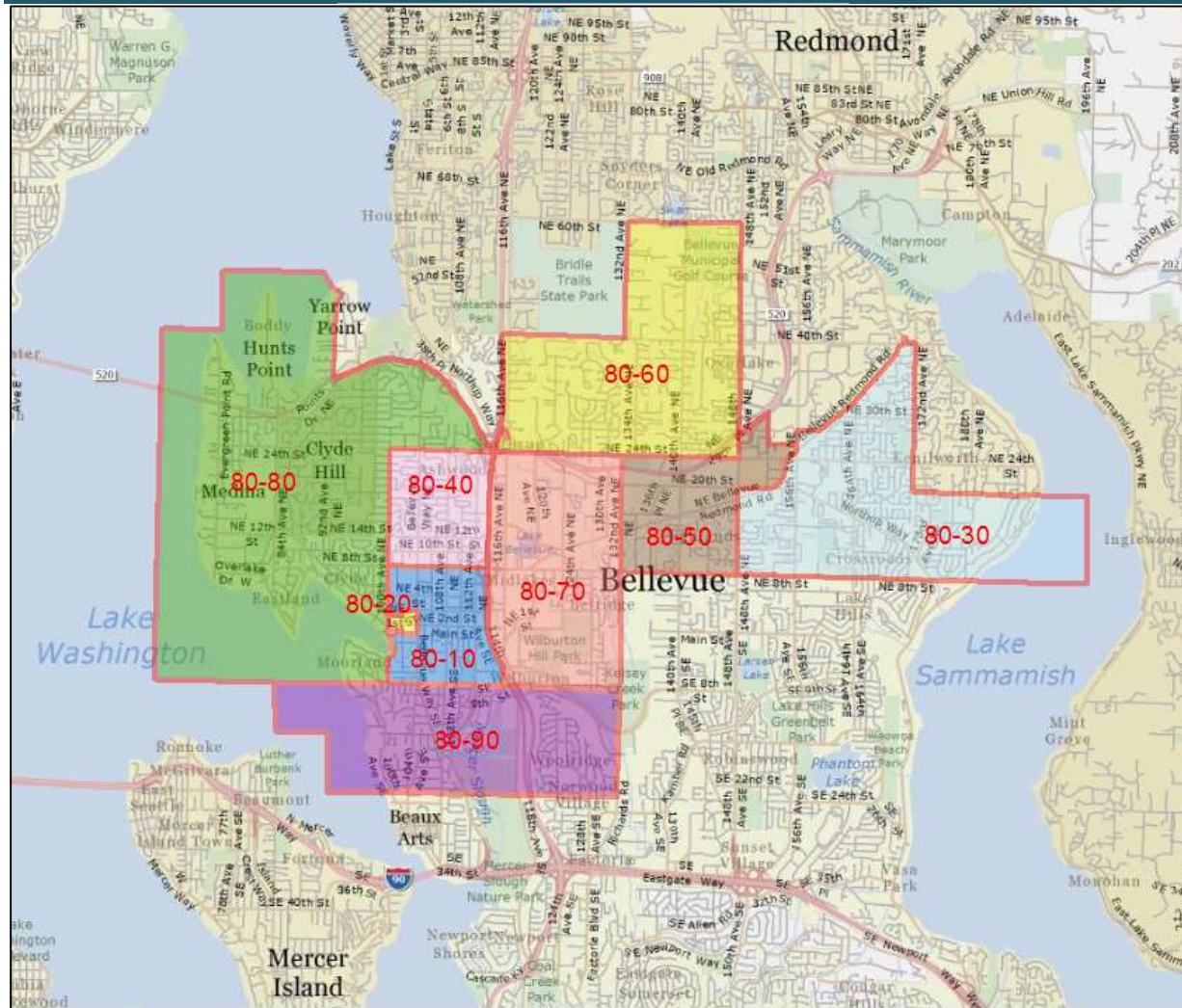
**2013 Assessment roll**

# **AREA 80**

**King County, Department of Assessments  
Seattle, Washington**

**Lloyd Hara, Assessor**

# AREA 80 MAP





## **King County**

**Department of Assessments**

**Accounting Division**

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***Lloyd Hara***  
***Assessor***

Dear Property Owners:

Property assessments for the 2013 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2013 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

Please feel welcome to call my staff if you have questions about the property assessment process and how it relates to your property.

Sincerely,

Lloyd Hara  
Assessor

## Executive Summary Report

**Appraisal Date 1/1/2013- 2013 Assessment Year**

**Quadrant Name: Northeast King County Commercial Area**

**Geographic Area: 80**

**Previous Physical Inspection: 1/2012**

### **Sales – Improved Summary:**

Number of Sales: 35

Range of Sales Dates: 01/20/2010 – 1/8/2013

### **Sales – Ratio Study Summary:**

	Improved Value	Sale Price	Ratio	COD
<b>2012 Average Value</b>	<b>\$4,468,600</b>	<b>\$5,861,300</b>	<b>76.20%</b>	<b>14.85%</b>
<b>2013 Average Value</b>	<b>\$5,282,900</b>	<b>\$5,861,300</b>	<b>90.10%</b>	<b>10.13%</b>
<b>Change</b>	<b>\$814,300</b>		<b>13.90%</b>	<b>-4.72%</b>
<b>% Change</b>	<b>+18.22%</b>		<b>+18.24%</b>	<b>-3.17%</b>

\*COD is a measure of uniformity, the lower the number the better the uniformity. The negative figure of -3.17% actually represent an improvement. The ratio study indicates an increase in value; the market has stabilized and the ratio has increases to reflect this shift.

Sales used in Analysis: All improved sales which 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.

### **Population - Parcel Summary Data:**

	Land	Improvements	Total
<b>2012 Value</b>	<b>\$3,578,061,900</b>	<b>\$1,147,678,900</b>	<b>\$4,725,740,800</b>
<b>2013 Value</b>	<b>\$3,731,823,000</b>	<b>\$1,191,130,100</b>	<b>\$4,922,953,100</b>
<b>Percent Change</b>	<b>+4.30%</b>	<b>+3.79%</b>	<b>+4.17%</b>

### **Conclusion and Recommendation:**

Since the values recommended in this report improve uniformity, assessment level, and equity, we recommend posting these values for the 2013 assessment year.

## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2013

**Date of Appraisal Report:** April 10, 2013

### ***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 use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a token value of \$1,000.00 is assigned to the improvements.

**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 site is put until it is ready for its future highest and best use is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in a relatively short time.

**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 01/01/2010 to 12/31/2012 (at minimum) were considered in all analyses.

This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## **Identification of the Area**

**Name or Designation: Bellevue Area 80**

### **Boundaries:**

- West – Lake Washington
- North –State Highway 520 west of I405 and NE 60<sup>th</sup> east of I405
- East – Lake Sammamish
- South –SE 24<sup>th</sup> St west of 132<sup>nd</sup> Ave SE and NE 8<sup>th</sup> to the east.

### **Maps:**

A general map of the area is included in this report. More detailed Assessor's maps are located in Public Information on the 7<sup>th</sup> floor of the King County Administration Building.

### **Area Description:**

Geographic Area 80 consists of the downtown Bellevue Central Business District (CBD) and Old Bellevue (OB), both located west of I-405. To the east of I-405 is the Midlakes neighborhood, home to Bellevue's Auto Row, Overlake Hospital and medical and dental offices. Area 80 extends east to the Overlake area with its numerous shopping centers, office buildings, retail, and other small enterprises. The North Bellevue neighborhood includes the cities of Medina, Yarrow Point, Clyde Hill, and Hunts Point. This neighborhood serves the immediate residential properties with service stations, convenience stores, a nursery and eating establishments. In North Bellevue, many of the commercial properties are tax exempt such as schools, municipal offices, fire and police stations. The South Bellevue neighborhood extends from Main Street to Interstate Highway 90. It is similar to the North Bellevue neighborhood with the commercial properties generally serving the nearby residential needs.

Geographic Area 80 has eight neighborhoods with a total of 1,421 parcels that have been established for valuation purposes.

## **Background of Bellevue:**

Bellevue is the fifth largest city in the state of Washington with an area of approximately 31.97 square miles and a population of over 130,000. It is located along the eastern shore of Lake Washington. It was founded in 1869 and incorporated as a city in 1953. It has the second largest downtown district in the state of Washington with its major retail, high rise office buildings, tall condominium towers, and other business establishments that include an active and vibrant nightlife. It is a draw for high tech companies and has some of the finest retail shops in the entire state of Washington. Bellevue has more than 140,000 jobs and managerial and professional sector type jobs are abundant. In recent years, it has been ranked as a top place to live in America by prominent magazines. Bellevue also offers many parks, open spaces, and numerous trails for outdoors enthusiasts. One of seven King County Metro base stations is located in the Midlakes section. Nationwide, Bellevue's high schools consistently rank at the top. There are 4 libraries in Bellevue and the downtown branch is the largest with an impressive amount of inventory and it is currently adding a multi-level parking garage. Old Bellevue, on Main Street, maintains its beauty and charm with tasteful remodels of existing older buildings and its newer buildings with architecture that enhance the upscale ambiance. Downtown living is easy with ample public transportation, plenty of shopping, plus other activities. The city has a corridor that connects the transit center to offices and shopping. Lincoln Square is connected to Bellevue Square and Place One through sky bridges.

The Spring District, which is a 36 acre mixed use project at the intersection of I405 and SR520, is expected to begin development the summer of 2013 though occupancy isn't projected before 2015. A total of sixteen blocks will comprise a combination of mixed use urban development and it will have a direct connection to light rail. The project will contain six office buildings, a two acre park block, a hotel, retail, a 316 unit multi-family project, and present warehouses will be distilleries, tap houses, and/or restaurants. There's also an option to develop another 225 units on an adjoining parcel.

Master revitalization plans for Bellevue that impact both, the downtown core as well as the Bel-Red corridor, are ongoing and expect to continue through 2030. Major considerations involve light rail and other transportation and design issues. The city is committed to providing an atmosphere that not only retains but also attracts new businesses and other economic entities. Sensible fiscal forecasting and adequate infrastructure is crucial to achieve these efforts. New construction projects are in the pipeline and developers appear ready to start breaking ground. Bellevue's civic officers as well as private sector leaders comprehend the importance of trade and industry growth. The city has a reputation for being workable, feasible, and accessible. It has Puget Sound's second largest convention center. It is also headquarters to numerous companies that are involved in foreign commerce.

Bellevue is bordered by the City of Kirkland to the north and Redmond to the northeast. Renton is directly south and Renton in the southeast. Mercer Island is located to the west across I90 and Issaquah to the east. Neighborhoods within Bellevue include: West Bellevue, Northwest Bellevue, Northeast Bellevue, Bridle Trails, Crossroads, Wilburton, Woodridge, Factoria,

Somerset Hill, Sammamish/East Bellevue, Lake Hills, Eastgate/Cougar Mountain, and Newport Hills.

### **Bellevue Central Business District: Area 80-10**

**Boundaries:** The Bellevue Central Business district is located at the heart of downtown Bellevue.

- North – NE 8<sup>th</sup> St
- South – SE 8<sup>th</sup> St
- West - 100<sup>th</sup> Ave NE
- East - 405 Freeway

**Neighborhood Description:** The downtown Bellevue Central Business District did not see much growth in 2012. New construction activity has remained flat though more projects are planned and permitted. There have been some vacant land sales transactions that indicate a stabilizing of the market. The Bellevue CBD has great access to public transportation. Landmark properties include: Bellevue Square, Lincoln Square, Meydenbauer Center, Bellevue Galleria, Bellevue Club, Residence Inn Hotel by Marriott, and The Bravern.



### **Old Bellevue: Area 80-20**

**Boundaries:** The Old Bellevue district is located just southwest of the Bellevue CBD.

- North – NE 1<sup>st</sup> St and NE 2<sup>nd</sup> St east of 102<sup>nd</sup> Ave NE
- South – SE 1<sup>st</sup> St
- West - 100<sup>th</sup> Ave NE
- East - Bellevue Way NE

**Neighborhood Description:** Old Bellevue consists of parcels that cluster around Main St between 100<sup>th</sup> Ave NE and Bellevue Way NE. This was Bellevue's original downtown sector. Old Bellevue is picturesque and affable: trendy retailers, boutiques, and gourmet eateries line Main Street. This area has also added mixed use condominium buildings in recent years.





### **Crossroads : Area 80-30**

**Boundaries:** The Crossroads area is located east of Bellevue.

- North – NE Bellevue Red Road
- South – NE 8<sup>th</sup> St
- West – 148<sup>th</sup> Ave NE
- East - 172<sup>nd</sup> Ave NE down to NE 20<sup>th</sup> St and Lake Sammamish



**Neighborhood Description:** The Crossroads area has an abundance of low rise office buildings and neighborhood shopping centers. The larger Crossroads Mall is found in this sub-area. Crossroads also encompasses a high number of apartment buildings and condominiums complexes. The east side of 80-30 consists primarily of single family homes with some tax exempt parcels like churches and schools. This neighborhood remains very active with its high density and large concentration of businesses.

### **North Bellevue CBD: Area 80-40**

**Boundaries:** Area 80-40 consists of parcels located north of NE 8<sup>th</sup> in the downtown Bellevue CBD.

- North – NE 24<sup>th</sup> St
- South – NE 8<sup>th</sup> St
- West - 100<sup>th</sup> Ave NE
- East - 405 Freeway



**Neighborhood Description:** The North Bellevue CBD is the north half of the downtown Bellevue CBD and it is abundant with office buildings, retail, condominium and apartment buildings. Numerous medical buildings are clustered on 112<sup>th</sup> Ave NE, just north of NE 12<sup>th</sup>. The Downtown Residential zoning was geared for development of multifamily buildings located between 108<sup>th</sup> Ave NE and 112<sup>th</sup> Ave NE, just south of NE 12<sup>th</sup> St. There has not been much tear down activity of low rises which do not meet highest and best use standards because new construction activity has been so limited. Significant properties in this sub-area are Place One Bellevue, Washington Square, The Belletini, and 989 Elements.

### **Overlake I: Area 80-50**

**Boundaries:** Area 80-50 is clustered along NE Bellevue Redmond Rd.

- North – NE 24<sup>th</sup> St
- South – NE 8<sup>th</sup> St
- West - 132<sup>nd</sup> Ave NE
- East - 156<sup>th</sup> Ave NE and Bel-Red Road

**Neighborhood Description:** Overlake I is the epicenter of the NE Bellevue Redmond Rd. Low rise 1970's and 1980's buildings, smaller neighborhood shopping centers, industrial properties, office parks, apartments, condominiums, and several high end automobile showrooms, including Rolls Royce are found in this area. The Bel-Red rezone by the City of Bellevue in 2009 has not altered the character of this area due to the economy.



### **Overlake II: Area 80-60**

**Boundaries:** The main street in area 80-60 is 148<sup>th</sup> Ave NE.

- North – NE 40<sup>th</sup> St up to 132<sup>nd</sup> Ave NE, then NE 60<sup>th</sup> St
- South – NE 24<sup>th</sup> St
- West - I 405 Freeway
- East - 148<sup>th</sup> Ave NE



**Neighborhood Description:** The principal arterial in Overlake II is 148<sup>th</sup> Ave NE which is heavily populated by apartment buildings and condominiums. Sub area 80-60 has outstanding access to SR 520. This area has fewer business oriented properties it is heavily residential with a number of tax exempt parcels such as schools. 80-60 borders Redmond on the north side. This sub area was also part of the Bel Red rezone.

### **Midlakes: Area 80-70**

**Boundaries:** NE 8<sup>th</sup> St and NE Bellevue Redmond Road intersect in this area.

- North – NE 24<sup>th</sup> St
- South – SE 8<sup>th</sup> St
- West - 405 Freeway
- East - 132<sup>nd</sup> Ave SE



**Area Description:** The Midlakes area is a heavily commercial and busy area of Bellevue. It still has car dealerships though some of the parcels have been sold over the last few years for redevelopment purposes. Barrier Motors and Lexus are located in the Midlakes. Overlake Hospital and a wide variety of medical buildings occupy the north end of 116<sup>th</sup> Ave NE. Large retailers like Uwajimaya, Wine World, Home Depot, and Best Buy are situated on 120<sup>th</sup> Ave NE. Important properties in this area include Barrier Motors, Whole Foods Supermarket,

Overlake Hospital and Medical Centers.

### **North Bellevue: Area 80-80**

**Boundaries:** Area 80-80 is primarily residential and encompasses Medina and Clyde Hill.

- North – SR 520
- South - SE 8<sup>th</sup> St
- West - Lake Washington
- East - 100<sup>th</sup> Ave NE up to NE 24<sup>th</sup>



**Area Description:** North Bellevue is an overwhelmingly high end residential area where the exclusive Overlake Golf & Country Club is found. Luxurious view and opulent waterfront homes are abundant in this community. There are also a variety of churches and schools in this neighborhood. Multi-family or income producing properties are scarce in Medina and Clyde Hill. Most of the commercial parcels in 80-80 are located by the SR 520 and I 405 intersections where office parks and retail

structures can be found. Well-known properties in this area are: The Overlake Country Club, The Bellevue Marina at Meydenbauer Bay, Wells Medina Nursery, and Schoenfeld's Furniture.

### **South Bellevue: Area 80-90**

**Boundaries:** Area 80-90 has SE 8<sup>th</sup> as its primary arterial.

- North – SE 8<sup>th</sup> St
- South – SE 24<sup>th</sup> St
- West - Lake Washington
- East - Richards Road and 132<sup>nd</sup> Ave NE



**Area Description:** The heaviest commercial section in South Bellevue is clustered around SE 8<sup>th</sup> St. Bellefield Office Park occupies a large area and is comprised of various office buildings. Access to the I-405 and I-90 freeways from 80-90 is excellent. This area also extends into the Lake Hills connector with abundant apartment and condominiums as well as some low rise offices. Overlake Blueberry Farm is located in this

vicinity as is the Winter's House which is leased for social gatherings. Noteworthy properties in this area include: Bellefield Office Park, Gateway 405, Bellevue Gateway II, Winter's House, and Greenbaum Furniture.

### **Physical Inspection Area:**

Neighborhood 80-40 (North Bellevue CBD) was physically inspected for the 2013 assessment year. This sub-area is encumbered with many high density buildings such as high rise office towers and mixed use commercial and residential buildings, Bellevue Square, and the Bravern. It is intersected by NE 8<sup>th</sup> St and Bellevue Way NE.

**Preliminary Ratio Analysis:**

A Preliminary Ratio Study was done in April 2013. The study included sales of improved parcels and showed a COD of 14.85%.

The study was also repeated after application of the 2013 recommended values. The results are included in the validation section of this report, showing a change in the COD from 14.85% to 10.13%.

## **Scope of Data**

### **Land Value Data:**

Sales from 2010 through 2012 were given primary consideration for valuing land. In some cases older sales were included in the analysis when warranted. Many of Bellevue's commercial "land sales" are properties which are improved with buildings which no longer contribute to the overall value and where the intent of the purchaser is for redevelopment.

### **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. A sales questionnaire was mailed to sellers and purchasers of properties which sold in Area 80 from 2010 through 2012. Participation was voluntary and the response was modest. In addition, sales were verified, when possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Property characteristics are 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:**

The Bellevue real estate market has experienced a mild escalation in land prices though sales have not increased. The number of land sales verified as market sales for the 2013 revalue is 7. This is a decrease from last year's total of 10 sales.

Area 75, southeast Bellevue, and area 90, Redmond, are adjacent to the subject area. Sales from these areas were considered in valuing nearby properties in Area 80. Every effort was made to equalize the assessed land values of similarly zoned land between these adjacent areas. Assessed land values are based on land sales of properties with the same zoning or with similar development potential with adjustments for topography, irregular shape, narrow width, and location. For example, sales of O (office) zoned properties can be compared to OLB (office and limited business) zoned properties or with PO (professional office). Overall land values in Bellevue increased 5.24%. Changes in individual neighborhoods varied from +9.98% in the Downtown Bellevue CBD (80-10), +16.16% in Old Bellevue (80-20), no change at 0.00% in Crossroads (80-30), +9.56% in the North Bellevue CBD (80-40), +0.48% in Overlake I (80-50), no change 0.00% in Overlake II (80-60), +3.65% in Midlakes (80-70), +0.20% in North Bellevue (80-80), and +1.89% in South Bellevue (80-90).

The total land value for the 2012 assessment year for Area 80 was \$3,578,061,900. The total recommended assessed land value for the 2013 assessment year is \$3,731,823,000. The recommended land values for the 2013 assessment year result in an increase from the 2012 assessment of 4.30%. The preceding totals include all taxable and nontaxable parcels in Area 80.

	<b>2012 Total Land</b>	<b>2013 Total Land</b>	<b>\$ Decrease</b>	<b>% Change</b>
<b>LAND VALUES</b>	<b>\$3,578,061,900</b>	<b>\$3,731,823,000</b>	<b>+\$153,761,100</b>	<b>+4.30%</b>

The following table is a description of land values in area 80:

<b>Typical Land Value Ranges By Neighborhood and Land Use 2013 Revaluation</b>						
<b>Area 80</b>	<b>Commercial Land Uses</b>		<b>Multi-Family Land Uses</b>		<b>Industrial Land Uses</b>	
<b>Neighborhoods</b>	<b>Zoning Designation</b>	<b>\$/SF Range</b>	<b>Zoning Designation</b>	<b>\$/SF Range</b>	<b>Zoning Designation</b>	<b>\$/SF Range</b>
80-10 Bellevue CBD South	DNTN-O1, DNTN-O2 DNTN-MU DNTN-OLB OLB O, PO	\$210 - \$275 \$130 - \$235 \$95 - \$110 \$55 - \$75 \$75 - \$100	R-4 R-20 R-30	\$15 - \$25 \$40 - \$45 \$30 - \$75		
80-20 Old Bellevue	DNTN - OB	\$145 - \$190				
80-30 Crossroads	BR CR, BR-RC3 CB NB O PO EH-D	\$45 - \$55 \$30 - \$50 \$30 - \$55 \$40	R-3.5, R-5 R-10 R-20 R-30	\$8.50 - \$12 \$14 \$16 \$14 - \$19		
80-40 Bellevue CBD North	DNTN-O2 DNTN-MU DNTN-OLB, OLB O	\$240 - \$275 \$155 - \$275 \$100 - \$120 \$45 - \$60	DNTN-R R-1.8 R-2.5 R-3.5, R-4	\$125 - \$210 \$20 \$20 \$20 - \$25		
80-50 Overlake 1	BR-GC BR-ORT BR-CR, BR-RC-2, BR-OR-2 GC O PO OV1 OV2 OV3	\$35 - \$45 \$15 - \$45 \$30 - \$45 \$40 \$35 - \$45 \$35 - \$50	BR-ORT BR-CR, BR-RC-2, BR-OR-2 R-1 R-2.5 R-5 R-10	\$15 - \$45 \$30 - \$45 \$10 \$10 \$12 \$15		
80-60 Overlake 2	BR-CR GC O, OLB, PO	\$40 \$40 \$35 - \$40	BR-CR R-1 R-2.5, R-3.5 R-5 R-20	\$40 \$10 \$10 \$11 \$16		
80-70	BR-GC BR-MO BR-MO1 BR-OR, BR-OR-1, BR-OR-2 BR-ORT BR-RC-1, BR-RC-2 GC CB I, MI O, PO, OLB	\$35 - \$80 \$40 - \$60 \$60 - \$70 \$15 - \$40 \$45 - \$55 \$30 - \$40 \$60 - \$85 \$45 \$45 - \$65 \$40 - \$80	BR-OR, BR-OR-1, BR-OR-2 BR-ORT BR-RC-1 BR-RC-2 R-1 R-3.5 R-4 R-15	\$15 - \$40 \$45 - \$55 \$30 - \$40 \$6 \$10 - \$20 \$18		
80-80 North Bellevue	GC P OLB O NB	\$40 \$20 - \$25 \$35 \$65 \$30	R-1, R1 R-2.5 R-3.5 R-4 SR30	\$15 - \$35 \$20 \$20 - \$30 \$30 \$20 - \$25		
80-90 South Bellevue	OLB O PO NB	\$30 - \$55 \$35 - \$45 \$40 \$35 - \$40	R-1, R-15 R-1.8 R-3.5 R-4 R-10 R-20 R-30	\$3.50 - \$10 \$18 \$12 - \$18 \$25 - \$30 \$30 - \$40 \$14 - \$30 \$30 - \$40	LI	\$16 - \$25
*Please note that this table is a summary of "typical" land values and is therefore not all inclusive						

## NEIGHBORHOOD 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.

Area 80-10 Central Business District-Bellevue (CBD) and Area 80-40 Central Business District-North Bellevue (CBD):

Areas 80-10 and 80-40 are the downtown core of the Bellevue Central Business District (CBD). These neighborhoods contain the only high-rise office zoning in Bellevue, DNTNO-1 and DNTNO-2 and DNTN-MU (multiple use). One sale of DNTNO-2 land is included in the model. There were 7 total land sales considered in the Area 80 land valuation analysis.

Zoning designation codes DNTNO-1 and DNTNO-2 increased by +6.34%, DNTN-MU land indicated an increase of +10.28%, and DNTN-R (multi-residential) land was raised by +15.65%.

Below is a sale of high-rise office land used in the model:

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	010	154410	0312	34,328	2556531	\$7,950,000	07/31/12	\$231.59	TEARDOWN	DNTNO-2

There were two sales of Downtown Multiple Use:

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	010	067900	0095	25,025	2525236	\$7,050,000	12/12/11	\$281.72	TEARDOWN	DNTN-MU
080	010	369980	0035	46,170	2567732	\$15,000,000	10/01/12	\$324.89	VACANT	DNTN-MU

Below is the sale of Downtown Residential:

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	040	140330	0060	41,261	2556379	\$11,000,000	07/31/12	\$266.60	VACANT	DNTN-R

There was one sale of Downtown Old Bellevue:

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	020	154560	0042	15,239	2542109	\$3,400,000	05/01/12	\$223.11	TEARDOWN	DNTN-OB

There was one Office-zoned land sale and it was an open market transaction. This particular property could not be developed due to easements and other issues; thereby yielding a lower price per SF:



Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	030	262505	9296	40,730	2496933	\$1,500,000	06/17/11	\$36.83	PARKING LOT	O

The last land sale involved a parcel that does not front a primary arterial and it is zoned Community Business. This particular property, because of its location, sold for a conservative price per SF:

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	030	262505	9283	24,750	2495303	\$700,000	05/19/11	\$28.28	PARKING LOT	CB

### Area 80-20 Old Bellevue

Area 80-20 is Old Bellevue, with its quaint shops and eateries plus close proximity to Bellevue Square and Bellevue Park. Several mixed-use projects remain at a standstill. Land values rose from the 2012 revalue. Zoning designation code DNTN-OB increased by +16.16%.

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	020	154560	0042	15,239	2542109	\$3,400,000	05/01/12	\$223.11	TEARDOWN	DNTN-OB

### Area 80-30 Crossroads

The Crossroads neighborhood abuts Area 75 to the south and 90 to the north. Sales in the adjacent areas affected the land values in this neighborhood. Sales from Areas 75 and 90 were considered as indicators of land values for this neighborhood. The appraisers responsible for the three areas collaborated to insure equalization of values for properties of like zoning. The two sales were open market transactions; however, parcel 262505-9296 could not be developed independently and it is encumbered with easements and 262505-9283 does not front the main arterial. Land values remain unchanged at +0.00% from 2012.

Area	Nbhd	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Land Area	Property Name	Zone
080	030	262505	9283	24,750	2495303	\$700,000	05/19/11	\$28.28	PARKING LOT	CB
080	030	262505	9296	40,730	2496933	\$1,500,000	06/17/11	\$36.83	PARKING LOT	O

### **Area's 80-50 and 80-60 Overlake 1 & 2**

The assessed land values have remained relatively unchanged in these neighborhoods. A minor increase was based on equalization with neighboring areas with the same zoning codes. Land in Neighborhoods 80-50 and 80-60 increased an average of +0.40%.

### **Area 80-70 Midlakes**

The Midlakes area extends from 116<sup>th</sup> Avenue NE to 130<sup>th</sup> Avenue NE. Though land has sold for redevelopment purposes in this neighborhood, construction of new projects has not begun. There are a variety of zoning codes in this vicinity due to the Bel-Red rezone that was enacted in 2009. The Midlakes neighborhood saw a slight increase and adjustments for equalization purposes. Land values in this neighborhood increased by +3.65%.

### **Area 80-80 Northwest Bellevue**

This neighborhood encompasses the cities of Medina, Clyde Hill, Yarrow Point and Hunts Point. Land values in this neighborhood increased just barely by +0.20%.

### **Area 80-90 South Bellevue**

This neighborhood is located south of the central business district as well as Old Bellevue. It is predominantly concentrated along Bellevue Way SE. There has not been a land sale in this neighborhood in a few years. Sales in Area 75 were also taken into account. Land values in this neighborhood were equalized with adjacent neighborhoods and the average overall increase was +1.89%.



**THE BRAVERN**

## Improved Parcel Total Values:

### General Market Conditions

**NATIONAL:** the national economy continues to recover at a rather unhurried pace. Job creation has been relatively sluggish and the commercial real estate markets experienced rather modest growth in 2012. Commercial vacancies were nudged down, rents increases were relatively minor though demand for apartments has been robust and the residential housing sector has turned up considerably and appreciation has begun. The detrimental residential real estate markets of recent years had a negative impact on the commercial sector and recent events have now begun to fuel a positive impact on these same properties. Increased liquidity and attractive financing rates in 2012 as well as 2013 have also benefitted all major property classes. Stability and modest growth are the trends for 2013. Real progress hinges on a number of economic factors including improvement in the employment sector as well as national debt and other fiscal concerns.

**BELLEVUE:** The commercial real estate market in Bellevue has progressed forward in 2012 with more sales and relatively lower vacancies than 2011. Total net absorption in 2012 was positive with approximately two thirds of it concentrated in the CBD. Asking rents have increased modestly, vacancies have fallen slightly, and capitalization rates have compressed. Progress has been slow and new construction is expected to remain below normal levels. However, Bellevue is an attractive investor's market and increased sales activity reflects this trend. The eastside saw continual activity throughout 2012 with Class A properties being the most active and its vacancy dropping nominally. Vacancies in suburban Bellevue have not recovered from 2012. Bellevue offers high paying occupations in managerial and technical fields. Technology based companies remain an integral component of the Bellevue market and therefore, drive the majority of tenant activity.

Retail vacancies declined and absorption improved though once again, improvement is nominal.

Landlord concessions, such as free rents, tenant improvements, and free parking are declining. The economy has seen slow and steady improvement though investors appear to be more optimistic.

2012 YEAR END			
	OFFICE	RETAIL	INDUSTRIAL
VACANCY RATE	↔ (STABLE)	↘ (SLIGHT DECREASE)	↘ (SLIGHT DECREASE)
RENTAL RATE	↔ (STABLE)	↔ (STABLE)	↔ (STABLE)
CAPITALIZATION RATE	↘ (SLIGHT DECREASE)	↘ (SLIGHT DECREASE)	↔ (STABLE)
LAND VALUES	↔ (STABLE)	↔ (STABLE)	↔ (STABLE)
IMPROVED PROPERTY VALUES	↔ (STABLE)	↗ (SLIGHT INCREASE)	↔ (STABLE)

**2012 PROJECTS:** The downtown Bellevue library continues construction of a large multi-level parking garage. Excavation has begun for a new Marriott hotel on NE 2<sup>nd</sup> Pl. Soma Towers on 106<sup>th</sup> Ave NE and the Park Metro project on NE 12<sup>th</sup> are also under construction and were in the framing process in April.

**NEW CONSTRUCTION:** Construction remains relatively flat though there are a number of permitted projects that have not been started such as office buildings, hotel, condominiums, etc. The Spring District at the intersection of I405 and SR 520 is expected to break ground in 2013 though it will take a number of years to complete. Lincoln Square is expected to expand in the near future.

### **Sales comparison approach model description**

The model for sales comparison was based on four data sources from the Assessor's records; occupancy codes, age, condition and size. A search was made for data that most closely fit a subject property within each geographic area.

There were 35 improved sales in Area 80 considered good, fair market transactions reflective of market conditions. The sales are organized into market segments based on predominant use. Based on a sales analysis, each segment was assigned a market range of price per square foot of net rentable area. The sales price ranges served to establish a general upper and lower market boundary for the various property types within the subject area. Location, quality, and effective age were factors considered for adjustment.

The sales comparison, income capitalization, and cost approaches were reviewed by the appraiser for most improved properties. The sales comparison approach was given a fair amount of weight for this revalue as sales continue to dictate the market. And, in many cases, these sales exceed the traditional parameters of investor purchases. In some neighborhoods, office and retail properties were valued based on market sales (\$ per square foot of net rentable area). The number of sales in 2012 is higher than 2011 and it is a reflection of investor optimism in anticipation of improved economic conditions. Smaller buildings, typically those under 4,000 SF, were valued based on the market approach.

### **Sales comparison calibration**

The search for comparable sales was within each geographic neighborhood and was expanded to include the surrounding neighborhoods within the geographic area.

### **Cost approach model description**

The Marshall & Swift Commercial Estimator was automatically calculated on all properties. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. The cost approach was exclusively used for some types of properties that are never investment properties, such as public schools and federally owned post offices. In addition, this method works well for properties such as automobile dealerships where there is often a large land to building ratio.

### **Cost calibration**

Each appraiser valuing new construction can individually calibrate Marshall-Swift valuations to specific buildings in our area by accessing the parcel and the computerized valuation model supplied by Marshall & Swift.

### **Income capitalization approach model description**

The Income Approach was considered a reliable approach to valuation throughout Area 80 for improved property types where income and expense data is available to ascertain market rates. Income parameters were derived from the market place through market rental surveys, sales, and available real estate publications and websites.

### **Income approach calibration**

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records.

Income: Income parameters were derived from the market place through the listed fair market sales as well as through published sources (i.e. Office Space Dot.Com, Commercial Brokers Association, Costar, Multiple Corporate Real Estate Websites), 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 personal knowledge of the area's rental practices. Within our income valuation models, the assessor used triple net expenses for typical retail/mixed-use & industrial type uses. For typical office/medical buildings, the assessor used full service expenses within the valuation models.

Capitalization Rates: Capitalization rates were determined by local published market surveys, such as CoStar, Real Capital Analytics, The American Council of Insurance Adjustors, Colliers International, Integra Realty Resources, and Korpaz. Other national reports include; Marcus and Millichap, CB Richard Ellis, The Boulder Group, Calkin Site Service, Cassidy/Turley, Real Estate Research Corporation, and Price Waterhouse. The effective age and condition of each building determines the capitalization rate used by the appraiser. For example; a building in poorer condition with an older effective year built will typically warrant a higher capitalization rate, and a building in better condition with a newer effective year built will warrant a lower capitalization rate.

### **Income Capitalization Approach model description**

The income approach is considered the most reliable approach to valuation in area 80 where relevant income and expense data is available to ascertain market rates. During the sales verification process, an attempt is made to obtain income and expense data from the parties involved in the transactions through interviews or via mail. The information requested includes current and anticipated future rents, operating expense breakdown and assigned responsibility for the expenses, and estimated capitalization rates associated with a sale. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. The return rate of mail surveys varies and the data can be incomplete. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Interviews with tenants in the field usually yield rental and expense information only. As a supplement, lease information is gathered from Costar and other websites. In order to calibrate a credible income model, it is necessary to consider data from recognized published sources to assist in developing capitalization rates. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate.

SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2012	Seattle	5.48%	5.77%	6.42%	
		Pacific Region	6.38%	7.15%	6.61%	
PWC / Korpaz	4Q 2012	Pac. NW	6.96% 8.42% 6.50% 7.42%	- - - -	- - - -	Range = 4.5% to 10.00% (Inst. Grade) Range = 5.0% to 12.00% (Non-Inst. Grade) CBD Office Suburban Office
CBRE: Capital Markets Cap. Rate survey.	Aug.-12					CBRE professional's opinion of where cap rates are likely to trend in the 2 <sup>nd</sup> ½ of 2012 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	5.50% - 5.75% 6.00% - 7.00% 6.50% - 7.00% 7.00% - 8.00% 5.50% - 6.25% 6.00% - 8.00% 6.50% - 7.50% 7.00% - 8.00% - - - - - - - - - - -	- - - - - - - - 5.25% - 5.50% 6.00% - 6.25% 6.00% - 6.50% 7.00% - 7.50% - - - - - -	- - - - - - - - - - - - - 5.50% - 6.75% 5.75% - 7.75% 6.00% - 7.50% 6.00% - 8.50%	CBD - Class A CBD - Class A – Value Added CBD - Class B CBD - Class B – Value Added Suburban - Class A Suburban - Class A – Value Added Suburban - Class B Suburban - Class B – Value Added Class A Class A - Value Added Class B Class B - Value Added Class A (Neigh./Comm. w/Grocery) Class A (Neigh./Comm.) – Value Added Class B (Neigh./Comm. w/Grocery) Class B (Neigh./Comm.) – Value Added
	Feb-13	Seattle	5.00% - 5.75% 6.00% - 7.00% 5.50% - 6.50% 7.00% - 8.00% 6.00% - 6.50% 6.00% - 8.00% 6.50% - 7.50% 7.00% - 8.00% - - - - -	- - - - - - - - 5.00% - 5.75% 6.00% - 6.75% - -	- - - - - - - - - - 5.50% - 5.75% 6.50% - 7.50%	CBD - Class A CBD - Class A – Value Added CBD - Class B CBD - Class B – Value Added Suburban - Class A Suburban - Class A – Value Added Suburban - Class B Suburban - Class B – Value Added Class A Class B Class A (Neigh./Comm. w/Grocery) Class B (Neigh./Comm. w/Grocery)
Real Capital Analytics	4Q 2012	Seattle	5.10% - -	- 7.60% -	- - N/A	5.80% - Prior 12 mos. (thru Q4 '12) 6.90% - Prior 12 mos. (thru Q4 '12) 6.40% - Prior 12 mos. (thru Q4 '12)
IRR: Viewpoint for 2013	Yr. End 2012	Seattle	5.50% 6.00% - - -	- - 6.00% 6.00% - 7.50% -	- - - - 6.00% 6.00%	<u>"Institutional Grade Properties"</u> CBD Office Suburban Office Industrial Industrial/Flex Reg./Comm. Mall Neigh. Retail
Marcus & Millichap	Yr. End 2012	National	- - -	- - -	5.90% 7.90% 7.70%	Urban Properties Regional Malls Strip Centers
Colliers International Office Highlights	Q4 2012	Seattle - Puget Sound	4.40% 7.40%	- -	- -	CBD Office Suburban Office
Costar	Yr. End 2012	King County	6.68% - -	- 7.50% -	- - 7.17%	Size <100k/SF; CapRate <15%; \$/SF >\$100/SF Size <100k/SF; CapRate <15%; \$/SF >\$20/SF Size <100k/SF; CapRate <15%; \$/SF >\$100/SF

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	4Q 2012	National	6.03% 7.65% 7.06% - 7.08% 5.80%	7.80% 8.50% 8.02% - 12.72% 7.14%	7.36% 10.62% 6.69% - 7.02% 6.71%	Overall Sq.Ft. - <50k Sq.Ft. - 50k-200k Sq.Ft. - 200K+
PWC / Korpaz	4Q 2012	National	6.70% 7.42% 7.84% - - - -	- - - 8.54% 6.73% - -	- - - - - 6.83% 6.98% 7.06%	CBD Office - (4.25% - 10.00%) Sub. Office - (5.00% - 10.50%) Medical Office - (5.75% - 11.00%) Flex/R&D - (7.12% - 8.54%) Warehouse - (5.00 - 10.00%) Regional Mall - (4.50% - 10.00%) Power Center - (6.00% - 8.75%) Neigh. Strip Ctrs. - (5.25% - 9.50%)
Real Capital Analytics	4Q 2012	National	6.80% - -	- 7.60% -	- - 7.00%	7.10% - Prior 12 mos. (thru Q4 '12) 7.70% - Prior 12 mos. (thru Q4 '12) 7.01% - Prior 12 mos. (thru Q4 '12)
IRR: Viewpoint for 2013	Yr. End 2012	National	7.65% 7.91% - - - -	- - 7.75% 8.30% - -	- - - - 7.28% - 7.60% 7.66%	"Institutional Grade Properties" CBD Office - (Range 5.00% - 10.50%) Sub. Office - (Range 6.00% - 9.00%) Industrial - (Range 6.00% - 9.75%) Flex Industrial - (Range 6.75% - 9.50%) Reg./Comm. Mall - (Range 6.00% - 8.75%) Neigh. Strip Ctrs. - (Range 6.00% - 9.00%)
RERC-CCIM: Investment Trends Quarterly	4Q 2012	National	6.30% 5.20% - 6.20%	7.40% 6.30% - 7.00%	7.10% 6.20% - 6.70%	RERC Realized Cap Rates NCREIF Implied Cap Rates
		W. Region	6.30%	7.00%	5.70%	
Colliers International Office/Industrial Highlights	Q4 2012	National	7.40% 7.80% - -	- - 7.79% 7.75%	- - - -	CBD Office Suburban Office\ U.S. Total West Region
Marcus & Millichap	Yr.End 2013	National	- - - - -	- - - - -	5.90% 7.90% 7.70% High 7.00% Low 7.00% Low 7.00%	Urban Properties Regional Malls Strip Centers Net Lease - Big Box Net Lease - Drug Store Net Lease - Quick Service Rest.
Calkain: Net Lease Economic Report	Yr End 2012	National	- - - - -	- - - - -	7.18% 7.04% 7.20% 7.25% 8.00% 6.07%	Overall (Average) Drug Store Quick Service Rest. Restaurant Big Box Banks
The Boulder Group: Net Lease Market Report	4Q 2012	National	8.04%	8.15%	7.25%	Overall (Average)
Cassidy/Turley: Single Tenant Net Lease Overview	3Q 2012	National	- - - - -	- - - - -	6.90% 6.80% 7.10% 8.20% 7.70% 6.40%	Industrial Drug Store Quick Service Rest. Jr. Big Box - (20,000K/SF - 39,999/SF) Mid. Big Box - (40,000K/SF - 79,999/SF) Mega Big Box - (80,000/SF +)

The preceding tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in area 80 to develop the income model. The range of capitalization rates in the income model for area 80 reflects the variety of properties in this area. Since property taxes are considered an allowable operating expense, no effective tax rate is included in the capitalization rates used in area 80.



## Income approach calibration

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records. Rental rates, vacancy levels and operating expenses are derived by reconciling all of the information collected through the sales verification process, completed surveys, interviews with tenants, owners, and brokers and the appraiser's independent market research. Quality, effective year, condition, and location are variables considered in the application of the income model to the parcels in the population best suited to be valued via the income approach. Property types in area 80 that are valued by the income approach include, but are not limited to, offices, retail stores, and mixed-use buildings.

Stratification of these parameters for the various property types indicates:

### **Bellevue CBD/North Bellevue CBD      Area 80-10 & 80-40**

Land Use	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq. Ft./%	Capitalization Rate %
Office/Medical Office	\$23.00 to \$32.00	12% - 14%	33%	6.50% to 7.75%
Retail/Mixed Use	\$9.50 to \$31.50	5% - 7%	10%	6.75% to 8.00%
Industrial/Whse.	\$6.50 to \$18.50	8% - 12%	10%	7.25% to 8.75%

Annual office rents range from \$23.00 to \$32.00 per net rentable area. Offices have annual expense rates of 33% and the overall capitalization rates range from 6.50% to 7.75%. The vacancy allotted for offices is from 12% to 14% and medical offices are from 12% to 13% in the downtown core.

The retail and mixed-use retail annual rent rates are \$9.50 to \$31.50 per net rentable area. Retail rents are capitalized using triple net (NNN) leases with expenses of 10% and an overall capitalization rate of 6.75% to 8.00%. Retail vacancy and credit loss is from 5% to 7%.

Industrial, storage warehouse, industrial flex properties and service garages annual rental rates range from \$6.50 to \$18.50 per square foot of net rentable area. They have an annual expense rate of 10% and overall capitalization rates ranging from 7.25% to 8.75%. Vacancy and collection loss ranges from 8% to 12%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

### **Old Bellevue (CBD-OB)      Area 80-20**

Land Use	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$22.00 to \$34.00	12% - 14%	33%	6.25% to 7.75%
Retail/Mixed Use	\$15.00 to \$34.50	5% - 7%	10%	6.50% to 8.00%
Industrial/Whse.	\$6.00 to \$18.00	7% - 10%	10%	7.25% to 8.25%

Annual office rents range from \$22.00 to \$34.00 per square foot of net rentable area. Offices have an annual expense rate of 33% and overall capitalization rates of 6.25% to 7.75%. Vacancy and collection loss is 14% for offices and 12% for medical offices.

Retail, restaurant and mixed-use retail rents range from \$15.00 to \$34.50 annually per square foot of net rentable area. They have a triple net annual expense rate of 10% and the overall capitalization rates range from 6.50% to 8.00%. Vacancy and collection loss ranges from 5% to 7%.

The industrial, storage warehouse, industrial flex properties and service garages annual rents range from \$6.00 to \$18.00 per square foot of net rentable area. They have a triple net annual expense rate of 10% and overall capitalization rates ranging from 7.25% to 8.25%. Vacancy and collection loss is from 7% to 10%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size, and location.

#### **CROSSROADS      Area 80-30**

<b>Land Use</b>	<b>Rent Range per Sq.Ft.</b>	<b>Vacancy/Coll. Loss %</b>	<b>Expense Rate per Sq.Ft./%</b>	<b>Capitalization Rate %</b>
<b>Office/Medical Office</b>	\$18.00 to \$28.00	15%	33%	7.00% to 8.25%
<b>Retail/Mixed Use</b>	\$10.00 to \$26.50	5% - 10%	10%	7.00% to 8.50%
<b>Industrial/Whse.</b>	\$6.00 to \$17.00	10% - 15%	10%	7.75% to 9.00%

Annual office rents range from \$18.00 to \$28.00 per square foot of net rentable area. A vacancy and collection loss factor of 15% is applied and expenses of 33% are allotted. The overall capitalization rates range from 7.00% to 8.25%.

Retail, restaurant, and mixed-use retail rents range from \$10.00 to \$26.50 per square foot of net rentable area annually. They have a triple net expense rate of 5% to 10%. Overall capitalization rates range from 7.00% to 8.50%. Vacancy and collection loss is from 5% to 10%.

Industrial, storage warehouse, industrial flex properties and service garages annual rates range from \$6.00 to \$17.00 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.75% to 9.00%. Vacancy and collection loss is 10% to 15%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

**OVERLAKE I AND II****Areas 80-50 & 80-60**

Land Use	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$16.00 to \$28.00	16% - 18%	33%	6.75% to 8.00%
Retail/Mixed Use	\$9.00 to \$26.50	5% - 10%	10%	7.00% to 8.50%
Industrial/Whse.	\$6.00 to \$16.50	10% - 15%	10%	7.75% to 8.75%

Annual office and medical rents range from \$16.00 to \$28.00 per square foot of net rentable area. A vacancy and collection loss rate of 16% to 18% was used and expenses of 33%. Overall capitalization rates range from 6.75% to 8.00%. This area encompasses much of Bel-Red Road.

Retail, restaurant, and mixed-use retail annual rents range from \$9.00 to \$26.50 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.00% to 8.50%. Vacancy and collection loss is from 5% to 10%.

Industrial, storage warehouse, industrial flex properties and service garages annual rental rates range from \$6.00 to \$16.50 per square foot of net rentable area. They have an annual expense rate of 10% and overall capitalization rates ranging from 7.75% to 8.75%. Vacancy and collection loss is 10% to 15%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

**MIDLAKES Area 80-70**

Land Use	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.50 to \$28.50	18%	33%	6.75% to 8.25%
Retail/Mixed Use	\$10.00 to \$27.50	5% to 12%	10%	7.00% to 8.75%
Industrial/Whse.	\$7.75 to \$16.50	10% - 15%	10%	7.50% to 8.75%

Annual office rent rates range from \$18.50 to \$28.50 per square foot of net rentable area. A vacancy and collection loss of 18% was used for general offices and medical offices. The offices have annual expenses of 33% and the overall capitalization rates range from 6.75% to 8.25%.

Retail, restaurant, and mixed-use retail rent rates range from \$10.00 to \$27.50 per square foot of net rentable area annually. They have a triple net expense rate of 10%. Overall capitalization rates range from 7.00% to 8.75%. Vacancy and collection loss ranges from 5% to 12%.

Industrial, storage warehouse, industrial flex properties and service garages annual rates range from \$7.75 to \$16.50 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.50% to 8.75%. Vacancy and collection loss is 10% to 15%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

**NORTH BELLEVUE Area 80-80**

Land Use	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$18.00 to \$30.00	16% - 18%	33%	6.75% to 8.25%
Retail/Mixed Use	\$9.50 to \$25.00	5% - 8%	10%	7.00% to 8.25%
Industrial/Whse.	\$6.80 to \$17.50	11% - 15%	10%	7.50% to 8.75%

Annual office rent rates range from \$18.00 to \$30.00 per square foot of net rentable area. A vacancy and collection loss of 18% was used for general offices and 16% for medical offices. The offices have annual expenses of 33% and the overall capitalization rates range from 6.75% to 8.25%.

Retail, restaurant, and mixed-use retail rents range from \$9.50 to \$25.00 per square foot of net rentable area annually. They have a triple net expense rate of 10%. Overall capitalization rates range from 7.00% to 8.25%. Vacancy and collection loss is from 5% to 8%.

Industrial, storage warehouse, industrial flex properties and service garages annual rents range from \$6.80 to \$17.50 per square foot of net rentable area. Vacancy and collection loss is at 11.00% and 15.00%. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.50% to 8.75%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

**SOUTH BELLEVUE Area 80-90**

Land Use	Rent Range per Sq.Ft.	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Capitalization Rate %
Office/Medical Office	\$19.50 to \$31.50	16% - 18%	33%	6.75% to 8.50%
Retail/Mixed Use	\$9.00 to \$27.00	5% - 10%	10%	7.00% to 8.50%
Industrial/Whse.	\$6.50 to \$17.50	10% - 15%	10%	7.50% to 8.50%

Annual office rents range from \$19.50 to \$31.50 per square foot of net rentable area. . A vacancy and collection loss of 18% was used for general offices and 16% for medical offices. The offices have annual expenses of 33% and the overall capitalization rates range from 6.75% to 8.50%.

Retail, restaurant, and mixed-use retail rents range from \$9.00 to \$27.00 per square foot of net rentable area annually. They have a triple net expense rate of 10%. Overall capitalization rates range from 7.00% to 8.50%. Vacancy and collection loss is from 5% to 10%.

Industrial, storage warehouse, industrial flex properties annual rents and service garages range from \$6.50 to \$17.50 per square foot of net rentable area. They have a triple net expense rate of 10% and overall capitalization rates ranging from 7.50% to 8.50%. Vacancy and collection loss ranges from 10% to 15%.

Stratification adjustments for the parameters listed were based on quality of construction, effective age, size and location.

**Reconciliation**

All parcels were individually reviewed for correctness of the model application before final value selection. 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, and along with data from surveys and publications these parameters were applied to the income model.

The income approach to value was considered to be a reliable indicator of value in most instances. The market rental rate applied to a few properties varied from the model but fell within an acceptable range of variation from the established guideline. An administrative review of the selected values was made by Bonnie Christensen, Senior Appraiser for quality control purposes.

## Model Validation

### Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed during the entire cycle and a value 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.

The new assessment level is reflected in the weighted mean ratio of 90.10%. The standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2012 and 2013 Ratio Analysis charts included in this report.

The total assessed value for the 2012 assessment year for Area 80 was \$4,725,740,800. The total recommended assessed value for the 2013 assessment year is \$4,922,953,100. Improved economic conditions, higher vacancies, and lower capitalization rates created a slight increase in assessed value.

Application of these recommended values for the 2013 assessment year results in an average total change from the 2012 assessments of +4.17%. The total value for the Geographic assigned parcels increased as follows:

	2012 Assessment Year	2013 Assessment year	\$ Change	% Change
Total Value	\$4,725,740,800	\$4,922,953,100	+\$197,212,300	+4.17%

## **USPAP Compliance**

### **Client and Intended Use of the Appraisal:**

This mass appraisal report is intended for use by the public, King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others for other purposes 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 SR 6-8. 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, 3<sup>rd</sup> 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 analyses 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.*
- *Services that I provided within the prior three years include physical inspection, revaluation, appeal response preparation, attendance and participation in hearings, data collection, sales verification and identifying new construction and the recording the corresponding data.*
- *The reported analyses, opinions and conclusions were developed, and this report prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.*
- *I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.*
- *As of the date of this report, I have/have not completed the continuing education program of the Appraisal Institute.*

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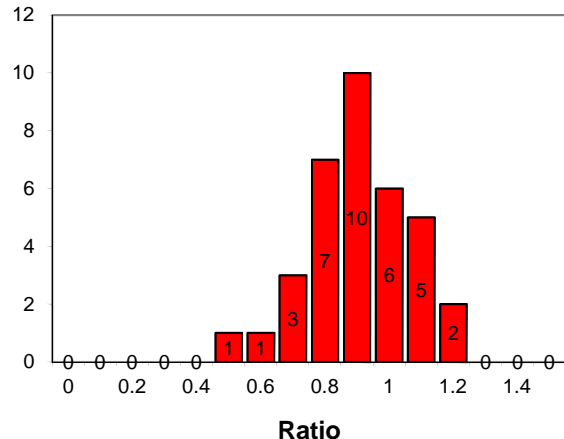
Appraiser II

Date

Area 080 - BELLEVUE  
2013 Assessment Year

<b><i>Parcel Number</i></b>	<b><i>Assessed Value</i></b>	<b><i>Sale Price</i></b>	<b><i>Sale Date</i></b>	<b><i>Ratio</i></b>	<b><i>Diff: Median</i></b>
306310-0015	1,040,000	1,450,000	1/20/2010	0.7172	0.1488
619598-0030	366,200	455,000	7/6/2010	0.8048	0.0612
569840-0020	1,775,600	2,380,000	7/30/2010	0.7461	0.1200
066600-0071	2,160,000	2,400,000	8/20/2010	0.9000	0.0339
081795-0020	485,000	560,000	11/10/2010	0.8661	0.0000
064580-0020	771,200	725,000	3/13/2011	1.0637	0.1977
282505-9216	2,379,400	2,725,000	5/13/2011	0.8732	0.0071
639050-0010	1,482,900	1,500,000	5/16/2011	0.9886	0.1225
526830-0040	1,731,500	1,637,500	6/17/2011	1.0574	0.1913
067210-0032	1,696,700	1,680,000	6/28/2011	1.0099	0.1439
066600-0069	1,728,000	1,800,000	7/29/2011	0.9600	0.0939
282505-9207	1,139,500	1,320,000	9/14/2011	0.8633	0.0028
939970-0145	2,070,000	2,180,000	10/25/2011	0.9495	0.0835
001230-0040	1,541,600	1,830,000	12/12/2011	0.8424	0.0237
105400-0030	2,469,300	2,645,000	1/13/2012	0.9336	0.0675
066600-0035	967,200	1,600,000	3/27/2012	0.6045	0.2616
126620-0065	3,052,300	3,300,000	4/6/2012	0.9249	0.0589
526830-0010	1,444,400	1,350,000	4/13/2012	1.0699	0.2039
272505-9249	1,772,500	1,615,000	5/11/2012	1.0975	0.2315
029395-0020	1,257,400	1,100,000	6/1/2012	1.1431	0.2770
262505-9067	654,100	560,000	6/13/2012	1.1680	0.3020
067310-0072	1,323,200	1,900,000	7/19/2012	0.6964	0.1697
880300-0010	60,702,600	78,660,000	7/26/2012	0.7717	0.0944
067900-0115	1,247,400	1,499,900	8/15/2012	0.8317	0.0344
262505-9042	13,540,100	18,750,000	8/21/2012	0.7221	0.1439
272505-9250	1,163,000	1,655,000	8/30/2012	0.7027	0.1634
154410-0323	20,652,900	36,075,000	9/13/2012	0.5725	0.2936
522330-0260	1,145,200	2,450,000	9/17/2012	0.4674	0.3986
430750-0020	256,200	320,000	9/24/2012	0.8006	0.0654
392720-0060	965,600	1,112,500	10/23/2012	0.8680	0.0019
569840-0030	1,222,300	1,400,000	12/11/2012	0.8731	0.0070
322505-9169	822,100	1,200,000	12/17/2012	0.6851	0.1810
272505-9157	8,156,700	8,250,000	12/24/2012	0.9887	0.1226
322505-9043	10,623,200	13,650,000	12/26/2012	0.7783	0.0878
804610-0082	2,594,300	3,410,000	1/8/2013	0.7608	0.1053

Area 080 - BELLEVUE  
2013 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:																								
North Crew	1/1/2012	4/10/2013	1/20/10 - 01/18/13																								
Area	Appr ID:	Prop Type:	Trend used?: Y / N																								
80	RUPE	Improvement	N																								
SAMPLE STATISTICS																											
Sample size (n)	35	<div>Ratio Frequency</div>  <p>A histogram showing the frequency of ratios. The x-axis is labeled 'Ratio' and ranges from 0 to 1.4 with increments of 0.2. The y-axis is labeled 'Ratio Frequency' and ranges from 0 to 12 with increments of 2. The histogram has 11 bars with the following frequencies: 1, 1, 3, 7, 10, 6, 5, 2, 0, 0, 0.</p> <table><tr><th>Ratio Bin</th><th>Frequency</th></tr><tr><td>0.5 - 0.6</td><td>1</td></tr><tr><td>0.6 - 0.7</td><td>1</td></tr><tr><td>0.7 - 0.8</td><td>3</td></tr><tr><td>0.8 - 0.9</td><td>7</td></tr><tr><td>0.9 - 1.0</td><td>10</td></tr><tr><td>1.0 - 1.1</td><td>6</td></tr><tr><td>1.1 - 1.2</td><td>5</td></tr><tr><td>1.2 - 1.3</td><td>2</td></tr><tr><td>1.3 - 1.4</td><td>0</td></tr><tr><td>1.4 - 1.5</td><td>0</td></tr><tr><td>1.5 - 1.6</td><td>0</td></tr></table>		Ratio Bin	Frequency	0.5 - 0.6	1	0.6 - 0.7	1	0.7 - 0.8	3	0.8 - 0.9	7	0.9 - 1.0	10	1.0 - 1.1	6	1.1 - 1.2	5	1.2 - 1.3	2	1.3 - 1.4	0	1.4 - 1.5	0	1.5 - 1.6	0
Ratio Bin	Frequency																										
0.5 - 0.6	1																										
0.6 - 0.7	1																										
0.7 - 0.8	3																										
0.8 - 0.9	7																										
0.9 - 1.0	10																										
1.0 - 1.1	6																										
1.1 - 1.2	5																										
1.2 - 1.3	2																										
1.3 - 1.4	0																										
1.4 - 1.5	0																										
1.5 - 1.6	0																										
Mean Assessed Value	4,468,600																										
Mean Sales Price	5,861,300																										
Standard Deviation AV	10,640,086																										
Standard Deviation SP	14,340,956																										
ASSESSMENT LEVEL																											
Arithmetic mean ratio	0.860																										
Median Ratio	0.866																										
Weighted Mean Ratio	0.762																										
UNIFORMITY																											
Lowest ratio	0.4674																										
Highest ratio:	1.1680																										
Coeffient of Dispersion	14.85%																										
Standard Deviation	0.1636																										
Coefficient of Variation	19.02%																										
Price-related Differential	1.13																										
RELIABILITY																											
95% Confidence: Median																											
Lower limit	0.778																										
Upper limit	0.934																										
95% Confidence: Mean																											
Lower limit	0.806																										
Upper limit	0.914																										
SAMPLE SIZE EVALUATION																											
N (population size)	928																										
B (acceptable error - in decimal)	0.05																										
S (estimated from this sample)	0.1636																										
Recommended minimum:	41																										
Actual sample size:	35																										
Conclusion:	Uh-oh																										
NORMALITY																											
Binomial Test																											
# ratios below mean:	16																										
# ratios above mean:	19																										
z:	0.338061702																										
Conclusion:	Normal*																										
*i.e., no evidence of non-normality																											

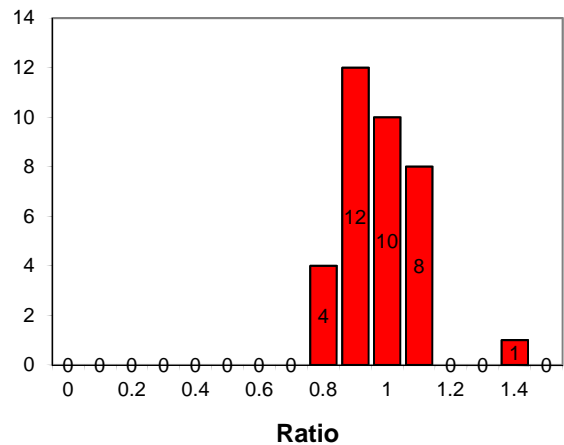
Area 080 - BELLEVUE  
2013 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
306310-0015	1,200,000	1,450,000	1/20/2010	0.8276	0.0850
619598-0030	366,800	455,000	7/6/2010	0.8062	0.1064
569840-0020	1,880,600	2,380,000	7/30/2010	0.7902	0.1224
066600-0071	2,340,000	2,400,000	8/20/2010	0.9750	0.0625
081795-0020	485,000	560,000	11/10/2010	0.8661	0.0465
064580-0020	748,100	725,000	3/13/2011	1.0319	0.1193
282505-9216	2,455,100	2,725,000	5/13/2011	0.9010	0.0116
639050-0010	1,549,300	1,500,000	5/16/2011	1.0329	0.1203
526830-0040	1,755,900	1,637,500	6/17/2011	1.0723	0.1598
067210-0032	1,752,300	1,680,000	6/28/2011	1.0430	0.1305
066600-0069	1,872,000	1,800,000	7/29/2011	1.0400	0.1275
282505-9207	1,172,100	1,320,000	9/14/2011	0.8880	0.0246
939970-0145	2,101,800	2,180,000	10/25/2011	0.9641	0.0516
001230-0040	1,541,600	1,830,000	12/12/2011	0.8424	0.0701
105400-0030	2,445,000	2,645,000	1/13/2012	0.9244	0.0118
066600-0035	1,269,500	1,600,000	3/27/2012	0.7934	0.1191
126620-0065	3,218,600	3,300,000	4/6/2012	0.9753	0.0628
526830-0010	1,444,400	1,350,000	4/13/2012	1.0699	0.1574
272505-9249	1,772,500	1,615,000	5/11/2012	1.0975	0.1850
029395-0020	1,508,800	1,100,000	6/1/2012	1.3716	0.4591
262505-9067	594,600	560,000	6/13/2012	1.0618	0.1492
067310-0072	1,587,700	1,900,000	7/19/2012	0.8356	0.0769
880300-0010	69,272,400	78,660,000	7/26/2012	0.8807	0.0319
067900-0115	1,247,400	1,499,900	8/15/2012	0.8317	0.0809
262505-9042	15,925,200	18,750,000	8/21/2012	0.8493	0.0632
272505-9250	1,458,000	1,655,000	8/30/2012	0.8810	0.0316
154410-0323	32,946,500	36,075,000	9/13/2012	0.9133	0.0007
522330-0260	1,996,700	2,450,000	9/17/2012	0.8150	0.0976
430750-0020	298,900	320,000	9/24/2012	0.9341	0.0215
392720-0060	1,015,200	1,112,500	10/23/2012	0.9125	0.0000
569840-0030	1,222,300	1,400,000	12/11/2012	0.8731	0.0395
322505-9169	873,300	1,200,000	12/17/2012	0.7278	0.1848
272505-9157	8,101,600	8,250,000	12/24/2012	0.9820	0.0695
322505-9043	12,814,400	13,650,000	12/26/2012	0.9388	0.0262
804610-0082	2,669,500	3,410,000	1/8/2013	0.7828	0.1297

Area 080 - BELLEVUE  
2013 Assessment Year

<b>Quadrant/Crew:</b>	<b>Appr date :</b>	<b>Date:</b>		<b>Sales Dates:</b>
<b>North Crew</b>	<b>1/1/2013</b>	<b>4/10/2013</b>		<b>1/20/10 - 01/08/13</b>
<b>Area</b>	<b>Appr ID:</b>	<b>Prop Type:</b>		<b>Trend used?: Y / N</b>
<b>80</b>	<b>RUPE</b>	<b>Improvement</b>	<b>N</b>	
<b>SAMPLE STATISTICS</b>				
<b>Sample size (n)</b>	35			
<b>Mean Assessed Value</b>	5,282,900			
<b>Mean Sales Price</b>	5,861,300			
<b>Standard Deviation AV</b>	12,689,616			
<b>Standard Deviation SP</b>	14,340,956			
<b>ASSESSMENT LEVEL</b>				
<b>Arithmetic mean ratio</b>	0.929			
<b>Median Ratio</b>	0.913			
<b>Weighted Mean Ratio</b>	0.901			
<b>UNIFORMITY</b>				
<b>Lowest ratio</b>	0.7278			
<b>Highest ratio:</b>	1.3716			
<b>Coefficient of Dispersion</b>	10.13%			
<b>Standard Deviation</b>	0.1239			
<b>Coefficient of Variation</b>	13.33%			
<b>Price-related Differential</b>	1.03			
<b>RELIABILITY</b>				
<b>95% Confidence: Median</b>		These figures reflect measurements after posting new values.		
Lower limit	0.866			
Upper limit	0.975			
<b>95% Confidence: Mean</b>				
Lower limit	0.888			
Upper limit	0.971			
<b>SAMPLE SIZE EVALUATION</b>				
<b>N (population size)</b>	928			
<b>B (acceptable error - in decimal)</b>	0.05			
<b>S (estimated from this sample)</b>	0.1239			
<b>Recommended minimum:</b>	24			
<b>Actual sample size:</b>	35			
<b>Conclusion:</b>	OK			
<b>NORMALITY</b>				
<b>Binomial Test</b>				
# ratios below mean:	20			
# ratios above mean:	15			
z:	0.676123404			
<b>Conclusion:</b>	<b>Normal*</b>			
*i.e., no evidence of non-normality				

Ratio Frequency





## Improvement Sales for Area 080 with Sales Used

04/16/2013

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
080	010	001230	0040	3,854	2522130	\$1,830,000	12/12/11	\$474.83	ABELLA	DNTN-MU	1	Y
080	020	029395	0020	3,353	2546758	\$1,100,000	06/01/12	\$328.06	ASTORIA AT MEYDENBAUER BAY	DNTN-OB	1	Y
080	070	064580	0020	2,170	2483567	\$725,000	03/13/11	\$334.10	CONV SFR	BR-MO	1	Y
080	020	066600	0035	2,418	2536377	\$1,600,000	03/27/12	\$661.70	RETAIL	DNTN-OB	1	Y
080	020	066600	0069	5,760	2503641	\$1,800,000	07/29/11	\$312.50	MING'S	DNTN-OB	1	Y
080	020	066600	0071	7,200	2455440	\$2,400,000	08/20/10	\$333.33	RETAIL BUILDING	DNTN-OB	1	Y
080	050	067210	0032	7,846	2498992	\$1,680,000	06/28/11	\$214.12	CONTINENTAL OFFICE PARK	BR-ORT	1	Y
080	050	067310	0072	7,370	2555179	\$1,900,000	07/19/12	\$257.80	SCOTT BLDG	OV1	1	Y
080	010	067900	0115	6,925	2559134	\$1,499,900	08/15/12	\$216.59	Retail	DNTN-MU	1	Y
080	050	081795	0020	5,706	2466502	\$560,000	11/10/10	\$98.14	BIRCH TREE PROFESSIONAL CENTER	PO	1	Y
080	050	105400	0030	21,500	2527329	\$2,645,000	01/13/12	\$123.02	DANKA	OV3	1	Y
080	040	126620	0065	9,074	2537983	\$3,300,000	04/06/12	\$363.68	Office Building	O	2	Y
080	010	154410	0323	96,571	2564174	\$36,075,000	09/13/12	\$373.56	KEY BANK BLDG	DNTNO-2	1	Y
080	030	262505	9042	57,843	2559856	\$18,750,000	08/21/12	\$324.15	SHERWOOD SHOPPING CENTER	BR-CR	3	Y
080	030	262505	9067	1,699	2548695	\$560,000	06/13/12	\$329.61	OFFICE/HOUSE	O	1	Y
080	050	272505	9157	57,318	2582479	\$8,250,000	12/24/12	\$143.93	MOUNTVUE PLACE	BR-CR	1	Y
080	050	272505	9249	9,485	2544028	\$1,615,000	05/11/12	\$170.27	OFFICE BUILDING	PO	1	Y
080	050	272505	9250	12,750	2561727	\$1,655,000	08/30/12	\$129.80	EASTSIDE TRANSMISSION	BR-CR	1	Y
080	070	282505	9207	9,440	2510448	\$1,320,000	09/14/11	\$139.83	DESIGNER'S EDGE	BR-MO	1	Y
080	070	282505	9216	11,940	2491756	\$2,725,000	05/13/11	\$228.22	SUZUKI	BR-RC-2	1	Y
080	010	306310	0015	1,600	2426571	\$1,450,000	01/20/10	\$906.25	BELLEVUE SOUND	DNTN-MU	1	Y
080	010	322505	9043	49,384	2582239	\$13,650,000	12/26/12	\$276.41	BROOKSIDE OFFICE PARK	OLB	1	Y
080	010	322505	9169	2,160	2580733	\$1,200,000	12/17/12	\$555.56	to be torn down	R-30	1	Y
080	050	392720	0060	4,958	2572218	\$1,112,500	10/23/12	\$224.38	KOLL COMMERCE CENTER LOT 6	OV1	1	Y
080	040	430750	0020	854	2566719	\$320,000	09/24/12	\$374.71	LIBRARY SQUARE	DNTN-R	1	Y
080	010	522330	0260	5,705	2565113	\$2,450,000	09/17/12	\$429.45	OFFICE	PO	1	Y
080	070	526830	0010	3,453	2539103	\$1,350,000	04/13/12	\$390.96	MCCARTHY PARK 2100 BLDG	BR-MO	1	Y
080	070	526830	0040	8,674	2496507	\$1,637,500	06/17/11	\$188.78	MCCARTHY PARK 1940 BLDG	BR-MO	1	Y
080	050	569840	0020	11,192	2452360	\$2,380,000	07/30/10	\$212.65	GERBER COLLISION AND GLASS	BR-CR	2	Y
080	050	569840	0030	9,000	2579424	\$1,400,000	12/11/12	\$155.56	EASTSIDE STAPLING CO ETC	BR-CR	1	Y
080	070	619598	0030	1,768	2449431	\$455,000	07/06/10	\$257.35	Northwest Medical	O	1	Y
080	020	639050	0010	4,427	2491665	\$1,500,000	05/16/11	\$338.83	ONE MAIN STREET	DNTN-OB	3	Y
080	070	804610	0082	16,950	2585063	\$3,410,000	01/08/13	\$201.18	BELLE VIEW OFC PARK	O	1	Y
080	030	880300	0010	298,067	2556365	\$78,660,000	07/26/12	\$263.90	KBS	O	6	Y
080	070	939970	0145	8,008	2515979	\$2,180,000	10/25/11	\$272.23	THE STATION OFFICE BLDG	PO	2	Y

## Vacant Sales for Area 080 with Sales Used

02/12/2013

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	010	067900	0095	25,025	2525236	\$7,050,000	12/12/11	\$281.72	TACO TIME	DNTN-MU	3	Y	
080	010	808760	0035	46,170	2567732	\$15,000,000	10/01/12	\$324.89	VACANT PARCEL	DNTN-MU	2	Y	
080	010	154410	0312	34,328	2556531	\$7,950,000	07/31/12	\$231.59	305 BUILDING	DNTNO-2	1	Y	
080	020	154560	0042	15,239	2542109	\$3,400,000	05/01/12	\$223.11	LIQUOR STORE	DNTN-OB	1	Y	
080	040	140330	0060	41,261	2556379	\$11,000,000	07/31/12	\$266.60	VACANT SITE	DNTN-R	2	Y	
080	030	262505	9283	24,750	2495303	\$700,000	05/19/11	\$28.28	PARKING LOT	CB	1	Y	
080	030	262505	9296	40,730	2496933	\$1,500,000	06/17/11	\$36.83	ASSOCIATED PARKING FOR T,	O	1	Y	
080	010	322505	9078	37,213	2580728	\$1,925,000	12/17/12	\$51.73	VACANT LAND	R-30	2	Y	

## Improvement Sales for Area 080 with Sales not Used

04/16/2013

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	010	154410	0329	6,188	2436147	\$1,130,000	04/01/10	\$182.61	SMITH BARNEY	DNTNO-2	1	11	Corporate affiliates
080	070	282505	9111	11,601	2470734	\$1,400,000	12/15/10	\$120.68	COLUMBIA COURT	BR-ORT	1	8	Questionable per appraisal
080	030	262505	9067	1,699	2483246	\$2,000,000	03/22/11	\$1,177.16	OFFICE/HOUSE	O	1	37	Securing of debt
080	050	272505	9315	4,880	2489428	\$905,000	04/28/11	\$185.45	OFFICE ON THE CREEK	BR-ORT	1	15	No market exposure
080	070	609350	0120	1,924	2499387	\$669,250	06/15/11	\$347.84	NINE LAKE BELLEVUE CONDOMIN	BR-GC	2	Y	Not in ratio
080	030	262505	9177	27,350	2507877	\$1,100	08/11/11	\$0.04	PACIFIC VILLAGE CENTER	CB	1	24	Easement or right-of-way
080	080	242504	9104	19,371	2509297	\$15,500	08/29/11	\$0.80	BELLEVUE CHRISTIAN ELEMENTA	P*	1	24	Easement or right-of-way
080	030	262505	9233	10,462	2510408	\$3,025,000	09/12/11	\$289.14	BLACK ANGUS	CB	1	15	No market exposure
080	070	619598	0010	0	2520615	\$1,075,000	11/28/11	\$0.00	Northwest Medical	O	3	Y	Not in ratio
080	070	385490	0021	15,276	2523909	\$2,600,000	12/19/11	\$170.20	THE FORUM	BR-ORT	1	61	Financial institution resale
080	070	292505	9329	14,510	2530351	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530352	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530355	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530357	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530358	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530359	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530361	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530363	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	332505	9121	0	2543006	\$4,500	05/07/12	\$0.00	BELLEVUE SCHOOL BUS PKG	GC	1	24	Easement or right-of-way
080	050	272505	9025	19,703	2549897	\$3,660,000	06/22/12	\$185.76	BELLEVUE EAST OFFICE CENTER	O	2	2	1031 trade
080	070	144625	0020	4,050	2554717	\$1,025,000	07/18/12	\$253.09	CEDAR PARK CONDOMINIUM	BR-MO	1	26	Imp changed after sale; not in ratio
080	030	262505	9167	16,148	2560892	\$1,852,000	08/23/12	\$114.69	BEL RED OFFICE	O	1	63	Sale price updated by sales id group
080	070	322505	9007	31,375	2572136	\$8,425,000	10/30/12	\$268.53	PRESTIGE FORD	OLB	1	19	Seller's or purchaser's assignment

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	030	262505	9283	24,750	2495293	\$15,000	06/09/11	\$0.61	PARKING LOT	CB	1	18	Quit claim deed
080	070	282505	9015	68,768	2500902	\$3,550,947	07/13/11	\$51.64	VACANT INDUSTRIAL LAND	MI	1	31	Exempt from excise tax
080	070	282505	9072	73,700	2424876	\$153,972	01/05/10	\$2.09	VACANT INDUSTRIAL LAND	LI	1	31	Exempt from excise tax

Area 80 Physically Inspected Parcels 2013

Area	Neighborhood	Major	Minor	SitusAddress
80	40	068570	0017	No Situs Address
80	40	068570	0020	No Situs Address
80	40	068570	0035	No Situs Address
80	40	068570	0055	No Situs Address
80	40	068570	0080	845 106TH AVE NE
80	40	068570	0092	855 106TH AVE NE
80	40	068700	0010	2223 112TH AVE NE
80	40	068700	0020	2227 112TH AVE NE
80	40	068701	0010	2101 112TH AVE NE
80	40	068702	0010	2155 112TH AVE NE
80	40	068702	0011	2135 112TH AVE NE
80	40	068702	0012	2105 112TH AVE NE
80	40	068703	0010	2115 112TH AVE NE
80	40	068704	0010	11033 NE 24TH ST
80	40	068705	0010	2025 112TH AVE NE
80	40	068706	0010	1975 112TH AVE NE
80	40	068707	0010	2125 112TH AVE NE
80	40	072000	0005	1116 108TH AVE NE
80	40	126620	0045	1500 112TH AVE NE
80	40	126620	0055	11216 NE 15TH ST
80	40	126620	0060	11224 NE 15TH ST
80	40	126620	0065	11232 NE 15TH ST
80	40	126620	0165	1426 112TH AVE NE
80	40	126620	0175	1416 112TH AVE NE
80	40	126620	0185	11217 NE 15TH ST
80	40	126620	0190	1474 112TH AVE NE
80	40	126620	0225	1412 112TH AVE NE
80	40	126620	0285	1258 112TH AVE NE
80	40	126620	0290	1252 112TH AVE NE
80	40	126620	0295	1380 112TH AVE NE
80	40	140330	0005	929 109TH AVE NE
80	40	140330	0060	No Situs Address
80	40	140330	0064	No Situs Address
80	40	140330	0070	No Situs Address
80	40	154460	0142	No Situs Address
80	40	154460	0143	833 108TH AVE NE
80	40	154460	0144	No Situs Address
80	40	154460	0145	No Situs Address
80	40	154460	0146	No Situs Address
80	40	154460	0147	No Situs Address
80	40	154460	0148	10676 NE 8TH ST
80	40	154460	0150	10660 NE 8TH ST
80	40	154460	0152	10650 NE 8TH ST
80	40	154460	0157	10630 NE 8TH ST
80	40	154460	0158	No Situs Address
80	40	154460	0160	10620 NE 8TH ST

Area 80 Physically Inspected Parcels 2013

Area	Neighborhood	Major	Minor	SitusAddress
80	40	200200	0000	10050 NE 10TH ST
80	40	200200	0010	Condo Unit--See zero minor address
80	40	200200	0020	Condo Unit--See zero minor address
80	40	200200	0030	Condo Unit--See zero minor address
80	40	242770	0010	2100 112TH AVE NE
80	40	242770	0020	2122 112TH AVE NE
80	40	242770	0030	2050 112TH AVE NE
80	40	242770	0050	1980 112TH AVE NE
80	40	242770	0070	1800 112TH AVE NE
80	40	242770	0080	1950 112TH AVE NE
80	40	242770	0090	2000 112TH AVE NE
80	40	242770	0100	No Situs Address
80	40	261910	0014	No Situs Address
80	40	261910	0017	No Situs Address
80	40	292505	9004	1901 112TH AVE NE
80	40	292505	9020	1028 BELLEVUE WAY NE
80	40	292505	9050	1044 100TH AVE NE
80	40	292505	9057	1020 102ND AVE NE
80	40	292505	9061	No Situs Address
80	40	292505	9084	No Situs Address
80	40	292505	9085	1001 106TH AVE NE
80	40	292505	9087	846 108TH AVE NE
80	40	292505	9088	1835 BELLEVUE WAY NE
80	40	292505	9098	1717 BELLEVUE WAY NE
80	40	292505	9102	10675 NE 20TH ST
80	40	292505	9104	2200 112TH AVE NE
80	40	292505	9119	10575 NE 12TH ST
80	40	292505	9154	1036 100TH AVE NE
80	40	292505	9178	No Situs Address
80	40	292505	9193	1250 112TH AVE NE
80	40	292505	9200	1248 112TH AVE NE
80	40	292505	9201	1934 108TH AVE NE
80	40	292505	9202	10550 NE 8TH ST
80	40	292505	9270	1130 104TH AVE NE
80	40	292505	9272	1000 BELLEVUE WAY NE
80	40	292505	9302	No Situs Address
80	40	292505	9303	1020 BELLEVUE WAY NE
80	40	292505	9314	2150 112TH AVE NE
80	40	292505	9317	1900 112TH AVE NE
80	40	292505	9331	No Situs Address
80	40	292505	9332	No Situs Address
80	40	292505	9333	No Situs Address
80	40	292505	9338	No Situs Address
80	40	292505	9339	No Situs Address
80	40	292505	9341	10200 NE 10TH ST
80	40	327606	0000	1418 112TH AVE NE

Area 80 Physically Inspected Parcels 2013

Area	Neighborhood	Major	Minor	SitusAddress
80	40	327606	0010	Condo Unit--See zero minor address
80	40	327606	0020	Condo Unit--See zero minor address
80	40	430750	0000	11004 NE 11TH ST
80	40	430750	0010	Condo Unit--See zero minor address
80	40	430750	0020	Condo Unit--See zero minor address
80	40	430750	0030	Condo Unit--See zero minor address
80	40	430750	0040	Condo Unit--See zero minor address
80	40	430750	0050	Condo Unit--See zero minor address
80	40	430750	0060	Condo Unit--See zero minor address
80	40	529120	0005	1021 112TH AVE NE
80	40	529120	0015	11101 NE 11TH ST
80	40	529120	0020	No Situs Address
80	40	529120	0040	No Situs Address
80	40	549141	0000	925 110TH AVE NE
80	40	549141	0010	Condo Unit--See zero minor address
80	40	549141	0020	Condo Unit--See zero minor address
80	40	549141	0030	Condo Unit--See zero minor address
80	40	549141	0040	Condo Unit--See zero minor address
80	40	570900	0030	10112 NE 10TH ST
80	40	570900	0060	10224 NE 10TH ST
80	40	570900	0065	1019 103RD AVE NE
80	40	570900	0073	1035 103RD AVE NE
80	40	570900	0075	1171 104TH AVE NE
80	40	570900	0085	10350 NE 10TH ST
80	40	570900	0086	10306 NE 10TH ST
80	40	570900	0125	1055 BELLEVUE WAY NE
80	40	570900	0134	10300 NE 8TH ST
80	40	570900	0135	821 104TH AVE NE
80	40	570900	0136	821 104TH AVE NE
80	40	570900	0138	905 BELLEVUE WAY SE
80	40	570900	0184	10210 NE 8TH ST
80	40	570900	0187	810 102ND AVE NE
80	40	570900	0188	826 102ND AVE NE
80	40	570900	0191	832 102ND AVE NE
80	40	570900	0206	990 102ND AVE NE
80	40	570900	0211	10223 NE 10TH ST
80	40	570900	0217	No Situs Address
80	40	570900	0220	No Situs Address
80	40	570900	0225	No Situs Address
80	40	616200	0000	11011 NE 12TH ST
80	40	616200	0390	Condo Unit--See zero minor address
80	40	616200	0400	Condo Unit--See zero minor address
80	40	661040	0000	1188 106TH AVE NE
80	40	661040	0010	Condo Unit--See zero minor address
80	40	661040	0020	Condo Unit--See zero minor address
80	40	661040	0030	Condo Unit--See zero minor address

Area 80 Physically Inspected Parcels 2013

Area	Neighborhood	Major	Minor	SitusAddress
80	40	661040	0040	Condo Unit--See zero minor address
80	40	661040	0050	Condo Unit--See zero minor address
80	40	661040	1330	Condo Unit--See zero minor address
80	40	661040	1340	Condo Unit--See zero minor address
80	40	661040	1350	Condo Unit--See zero minor address
80	40	661040	1360	Condo Unit--See zero minor address
80	40	714580	0005	No Situs Address
80	40	714580	0010	1111 110TH AVE NE
80	40	796390	0185	10936 NE 24TH ST
80	40	796390	0335	2233 112TH AVE NE
80	40	796390	0336	2229 112TH AVE NE
80	40	894404	0000	1106 108TH AVE NE
80	40	894404	0010	Condo Unit--See zero minor address
80	40	894404	0020	Condo Unit--See zero minor address