

MASS APPRAISAL REPORT

OVERALL SUMMARY

2013 Condominium Revalue

INSPECTION

The Condominium Crew physically inspected 1/6th of the condominiums in King County, focusing on the Central and South King County regions for the 2013 assessment year. Characteristics were updated in these projects based on appraiser's observations on site. The other 5/6th of the County's condominiums in the Central, Northeast, Northwest and South King County areas were not inspected. Their characteristics, as updated from prior inspections, are presumed to be correct.

MARKET DISCUSSION

The supply of condominium homes for sale peaked, and has been dwindling down since June of 2011. With interest rates declining to new all-time lows, the demand for condominium homes appears to be on the increase. Reports of bidding wars and shorter than normal marketing times, are common in most areas of King County. With a low number of new condominium projects under construction, it does not appear that the supply will be able to keep up with the increasing number of potential buyers, and the upward value trend should continue for the foreseeable future. The results are Market value changes, on average, from -1.2% to +14.1% depending on the neighborhood.

Market trends as compiled by Redfin.com. Data per NWMLS.



ANALYSIS AND VALUATION MODEL APPLICATION

Condominium sales recorded in King County during the 36 month period ranging from January 1st, 2010 to December 31st, 2012 were verified either by an appraiser in the field, or in office using public documents. Those sales were analyzed statistically in comparison to their characteristics and mathematical models were created for each of the four major geographic areas. Those models were applied to all 90,102 condominium living units and the resulting values reviewed by an appraiser.

VALIDATION AND CONCLUSION

To evaluate the results of the 2013 value selections, a ratio study was conducted using condominium sales recorded in King County during the three-year period ranging from January 1st, 2010 to December 31st, 2012. The ratio studies, which calculated assessment levels and measured uniformity, are presented in the “Ratios Before” and “Ratios After” sections found later in this summary report. In general, before ratios show most areas had relatively low assessment levels and high coefficient of dispersion (COD). High COD indicates less uniformity in assessments. The after revalue ratios indicate mean assessment levels are closer to 93.8% of market value₁ and CODs are lower for all areas. All areas now meet IAAO standards of assessment level and uniformity.

Therefore, we recommend the proposed 2013 condominium assessed values be posted to the assessment rolls.

1: Ratios below 100% are related to additional market shifts not reflected in the normal sales sample, and more cautious market participants.

SUMMARY ANALYSIS

CHANGE IN ASSESSED VALUE

Area Name	2012 Total AV	2013 Total AV	% Change
Central King County	\$6,168,160,160	\$7,040,970,000	14.1%
East King County	\$7,442,538,700	\$7,886,895,000	5.9%
Northwest King County	\$2,059,801,000	\$2,033,808,000	-1.2%
South King County	\$2,842,999,760	\$2,906,406,000	2.2%
*Total	\$18,513,499,620	\$19,868,079,000	7.3%

LAND

Condominium land values are determined by the commercial appraisers assigned to those geographic neighborhoods.

RATIO DATA

CHANGE IN ASSESSMENT LEVELS AND UNIFORMITY

Condominium Ratios Before: (2012 Assessments)

AREA DESCRIPTION:	# PARCELS	# SALES	Mean SP	Mean AV	Median RATIO	Mean RATIO	Wtd Mean RATIO	COD	COV	<u>PRD</u>
Central King County	20,366	3,355	\$428,800	\$392,100	79.5%	80.6%	79.0%	9.61%	12.63%	1.020
East King County	35,414	5,268	\$292,100	\$250,800	87.3%	89.2%	85.9%	10.86%	15.39%	1.039
Northwest King County	11,182	1,350	\$223,500	\$207,900	94.3%	95.5%	93.0%	11.00%	14.47%	1.027
South King County	23,140	2,517	\$159,900	\$144,500	91.9%	96.2%	90.4%	15.01%	20.87%	1.065
Total	90,102					90.4%				

Condominium Ratios After: (2013 Assessments)

AREA DESCRIPTION:	# PARCELS	# SALES	Mean SP	Mean AV	Median RATIO	Mean RATIO	Wtd Mean RATIO	COD	COV	<u>PRD</u>
Central King County	20,366	3,355	\$428,800	\$392,100	92.1%	92.9%	91.4%	8.47%	10.68%	1.016
East King County	35,414	5,268	\$292,100	\$270,300	92.4%	93.3%	92.5%	8.85%	11.41%	1.009
Northwest King County	11,182	1,350	\$223,500	\$206,200	92.9%	93.4%	92.3%	7.96%	10.32%	1.013
South King County	23,140	2,517	\$159,900	\$151,800	95.1%	95.6%	94.9%	11.18%	14.19%	1.007
Total	90,102					93.8%				