

Commercial Revalue

2014 Assessment Roll

BUSINESS PARKS

**AREA
520**



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

Lloyd Hara, Assessor



King County

Department of Assessments

Accounting Division

500 Fourth Avenue, ADM-AS-0740

Seattle, WA 98104-2384

(206) 205-0444 FAX (206) 296-0106

Email: assessor.info@kingcounty.gov

<http://www.kingcounty.gov/assessor/>

Lloyd Hara
Assessor

Dear Property Owners:

Property assessments for the 2014 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 2014 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.

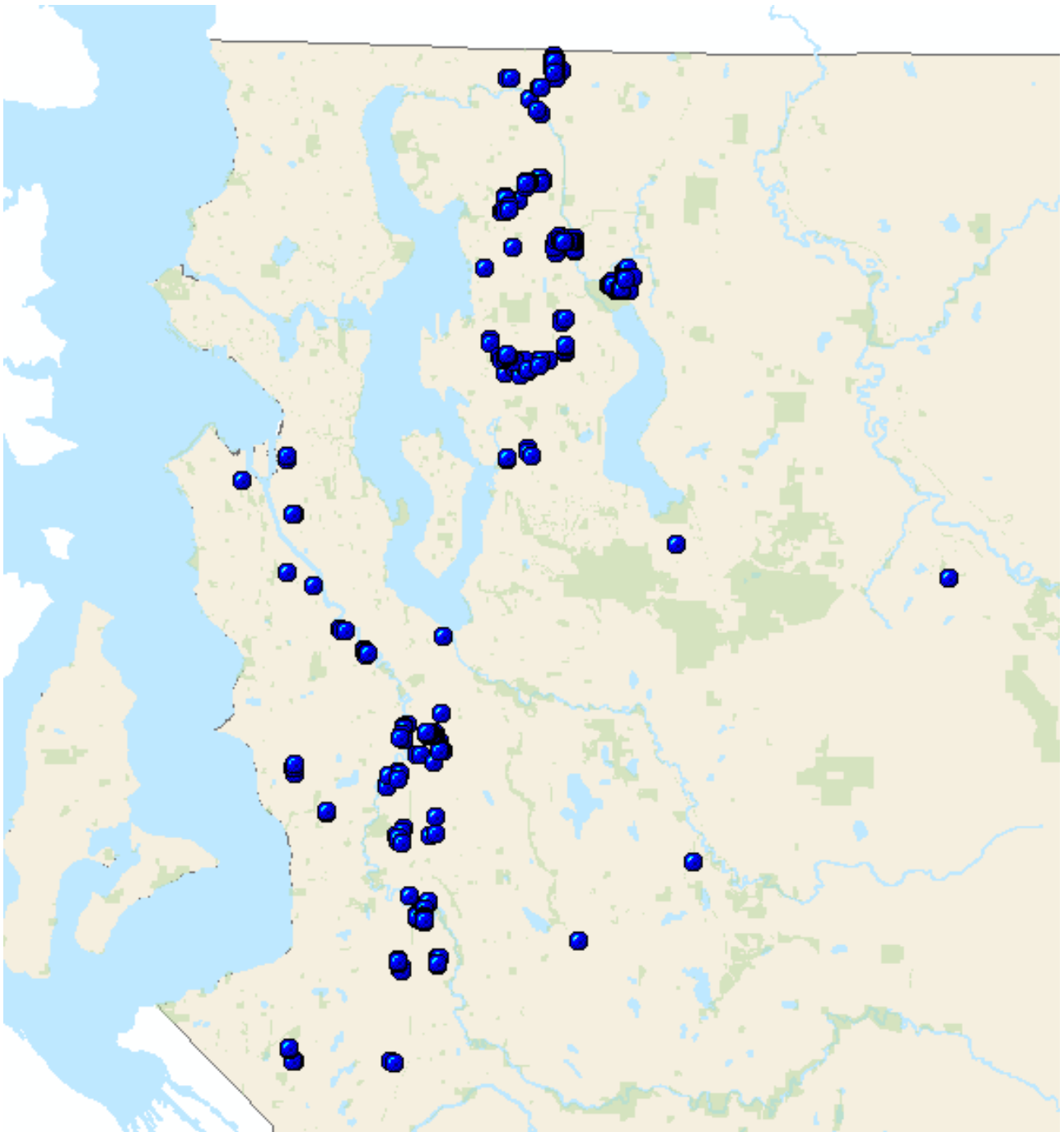
Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

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

Sincerely,

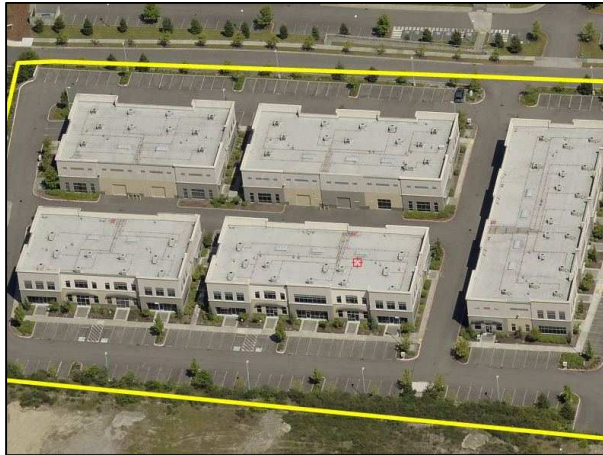
Lloyd Hara
Assessor

AREA 520 MAP



2014 Revalue Report

Specialty Area 520: Business Parks



King County Department of Assessments



King County

Executive Summary Report

Appraisal Date: January 1, 2014 for the 2014 Assessment Year (2015 Tax Roll Year)

Specialty: Business Parks

Physical Inspection: Neighborhoods 20 – Bellevue/I-90 Corridor

Sales Analysis Summary: Number of Sales: 26. Date Range: 1/28/2011-12/27/2013

Sales Ratio Study Summary:

Sales--Improved Valuation Change Summary				
	Mean Assessed Value	Mean Sale Price	Ratio	COD*
2013 Value	\$3,308,500	\$3,762,500	87.90%	11.56%
2014 Value	\$3,520,500	\$3,762,500	93.60%	10.77%
Abs. Change	\$212,000		5.70%	-0.79%
% Change	6.41%		6.48%	-6.83%

*COD is a measure of uniformity, the lower the number the better the uniformity

The Coefficient of Variation (COD) is a measure of uniformity, the lower the number the better the uniformity. The negative figures reflecting the change in COD from the 2013 to the 2014 revalue represent an improvement of the uniformity and falls within IAAO recommended standards. The Weighted Mean Ratio (WM) represents the assessment level and experienced an improvement indicating the assessed values are more in line with market sales. Sales from farther back in time may not be as representative and may have a lower Assessed Value to Sales Price ratio which can result in a lower Weighted Mean.

The sales used in the overall analysis were improved sales that were verified as good arm's length transactions.

Population - Parcel Summary Data:

Total Population - Parcel Summary Data			
	Land	Improvements	Total
2013 Value	\$567,418,500	\$728,419,900	\$1,295,838,400
2014 Value	\$575,785,600	\$788,420,400	\$1,364,206,000
% Change	1.47%	8.24%	5.28%

Number of Parcels in the Population: 307

Conclusion and Recommendation:

Overall, the assessed values for the Business Park Specialty have increased by 5.28% collectively. Naturally, this varies from neighborhood to neighborhood and parcel to parcel however most properties experienced a moderate increase in value. Changes were made to rents, vacancies, operating expenses and capitalization rates in order to reflect market conditions. The Assessor recommends posting these values for the 2014 Assessment Year as the changes in assessed values are market driven.

Analysis Process

Effective Date of Appraisal: January 1, 2014

Date of Appraisal Report: June 30, 2014

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial. Any opinion not consistent with this is specifically noted in the 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 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 nominal value of \$1,000 is assigned to the improvements. The property is returned to the geographic appraiser if the improvements continue to contribute a nominal value over the subsequent valuation cycle and the parcel is not considered an economic unit.

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 by field inspection, review of plans, marketing information, and rent rolls when available.

Special Assumptions and Limiting Conditions

All three approaches to value (market/sales approach, cost approach and income approach) were considered in this analysis.

- No market trending (market condition adjustments, time adjustments) was applied to sales prices. Models were developed without market trends. The utilization of a minimum of two years of market information without adjustment for time averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Specialty Area 520, Business Parks

Property Description

The Business Park specialty is defined as primarily multi-tenant occupancy properties, frequently located among a cluster of similar styled buildings. Many are low-rise architectural style with 12 to 16 foot building heights; however a number of parks have buildings with mezzanine office space on the second level bringing the heights to the 24 to 30 foot range. Entry to the office space typically faces the frontage, which may be delineated by glass curtain walls. The rear façade of the buildings typically have roll up doors with ground level or dock high access to the warehouse, light industrial or flex space. The buildings are further defined by their build-out ratio, which is below the 40% typical of high tech buildings and above the minimal 10% to 20% office build out typical of warehouse and light industrial properties. Naturally, some suites within the parks or even parks as a whole will have percentage outside these typical ranges.

There are typically three types of business parks in King County and often parks will have a blend of buildings of more than one style in order to draw a diversity of tenants:

1. **Incubator Style:** These parks typically have smaller suite sizes and a higher ratio of ground level roll up doors. Some parks (see images below) have spaces as small as under 1,000/SF and may have a few suites that are above 3,000/SF. Tenants will often include startups, small family businesses, retail, services, and light assembly businesses. A more unique type of incubator park is one where the roll up doors are in the front of the buildings right next to very small offices.



Central Park 10, Auburn, WA

2. **Flex Style:** These parks typically have more medium sized suites in the 2,000/SF to 7,500/SF range which help draw larger, more established, often high tech businesses. They usually have a blend of grade level and dock high doors to accommodate a variety of businesses.



Central Commerce Center, Kent, WA

3. **Distribution Style:** These parks typically have medium to large suites with more dock high doors and more of a distribution focus. They often draw more distribution focused companies ranging from bakeries to freight companies.



Opus Park, Auburn, WA

Boundaries

All of King County.

Maps

Detailed Assessor's maps are located on the 7th floor of the King County Administration Building. The King County website also has terrific mapping tools including the Parcel Viewer and iMap. A map showing the location of the parcels by neighborhood is located at the beginning of the report.

Area Description

Many business parks are concentrated in the Kent Valley (Kent, Auburn, & Tukwila), Redmond Willows, and Marymoor areas. There are additional properties scattered within King County including Kirkland, Bellevue, Renton, Issaquah, Woodinville, Snoqualmie, Maple Valley, Covington, Federal Way, South Seattle, and SeaTac.

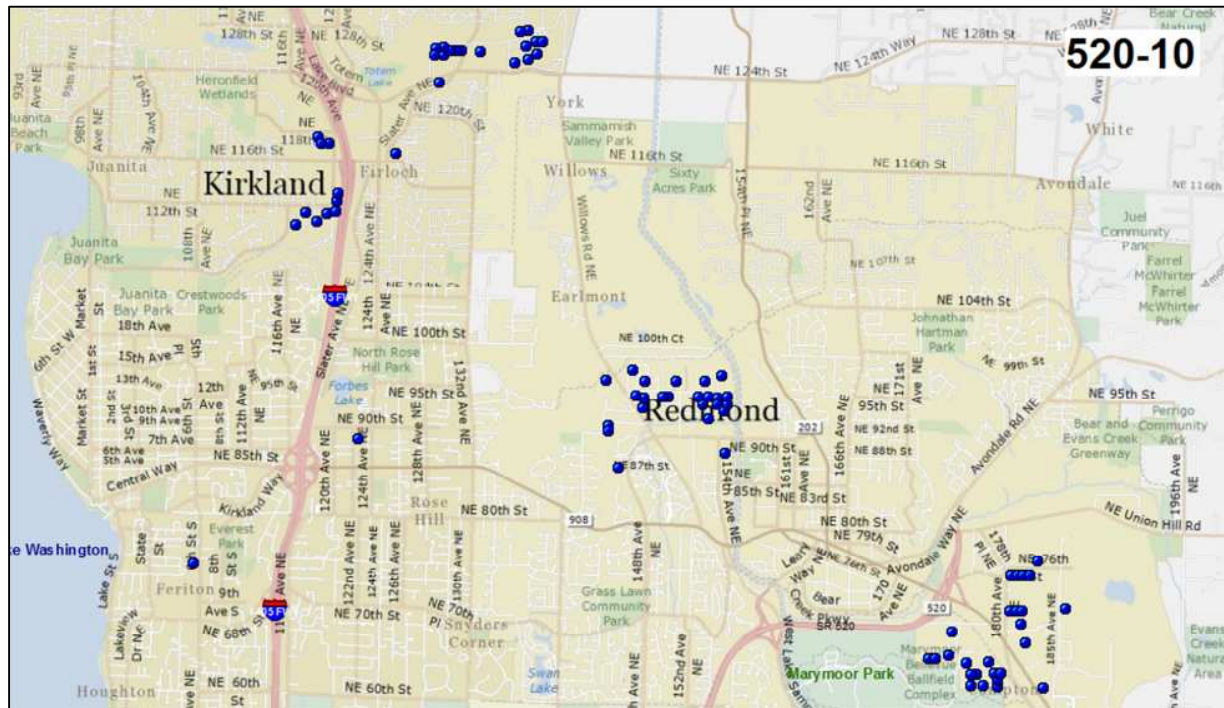
Five neighborhoods have been established by the Assessor for valuation purposes of this specialty in order to group properties into geographies grouped by similar markets.

These neighborhoods are comprised of 307 parcels; approximately 295 improved parcels and 12 associated land parcels and condo master parcels. The associated land parcels are typically considered as an economic unit to the adjacent improved parcels. All of the business parks within the specialty were revalued this year and are on an annual revaluation timeline.

Neighborhood 10:

Neighborhood 520-10 boundaries include business park buildings that are located within the Kirkland as well as the Willows and Marymoor neighborhoods of Redmond.

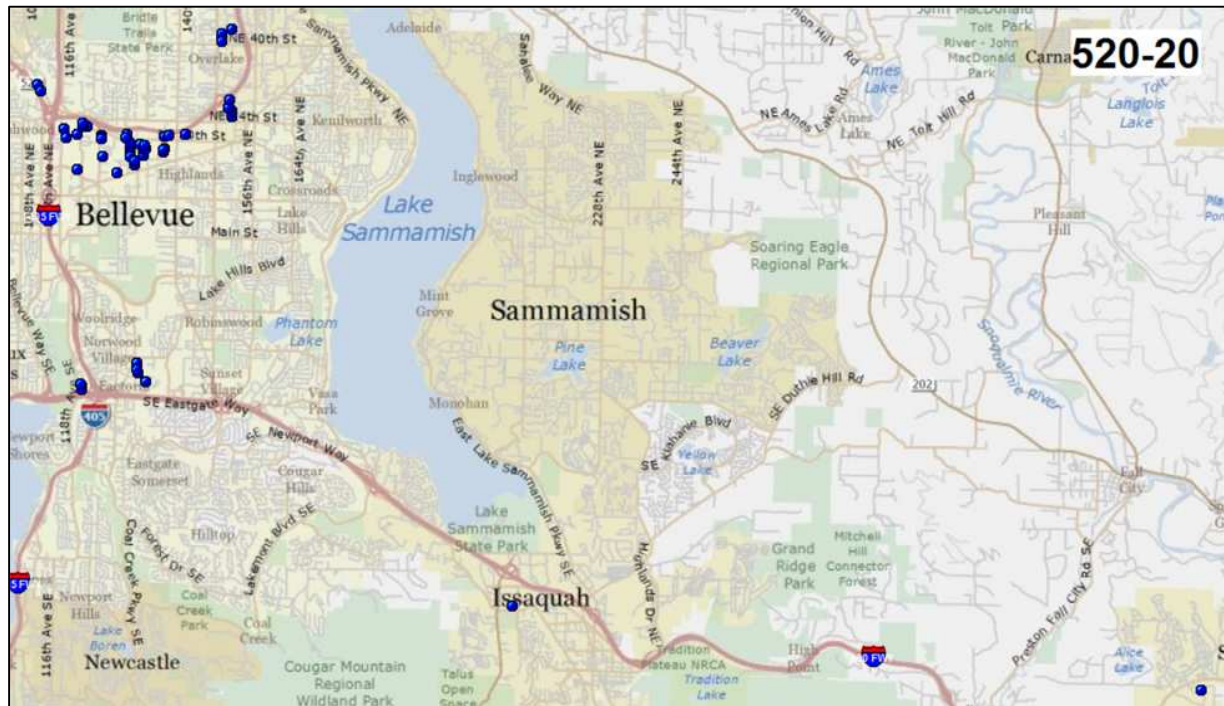
There are 85 parcels in this geographic area.



Neighborhood 20:

Neighborhood 520-20 boundaries include business park buildings located within the Highway 520/Overlake & 1-90 Corridors as well as business parks in Issaquah and Snoqualmie.

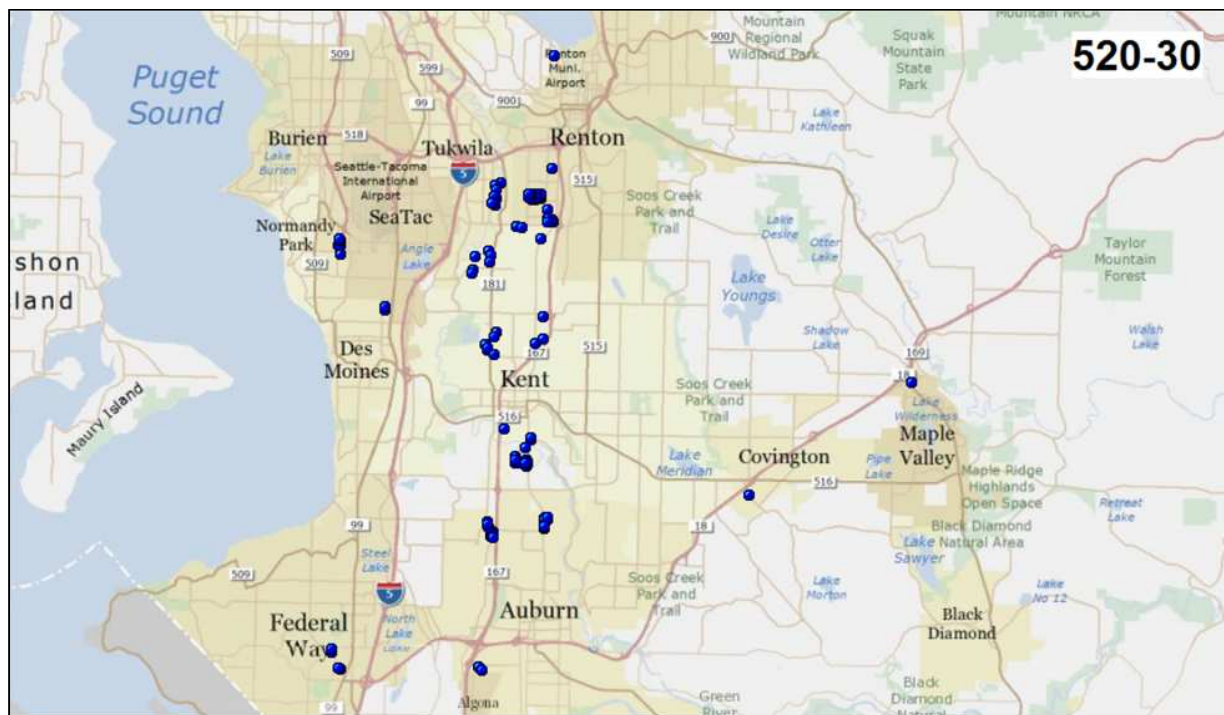
There are 84 parcels in this geographic area.



Neighborhood 30:

Neighborhood 520-30 boundaries include business parks located in the Kent Valley industrial areas. This includes Kent, Auburn, Renton, Seatac, the Southcenter portions of Tukwila and Federal Way neighborhoods as well as a park in Covington and one in Maple Valley.

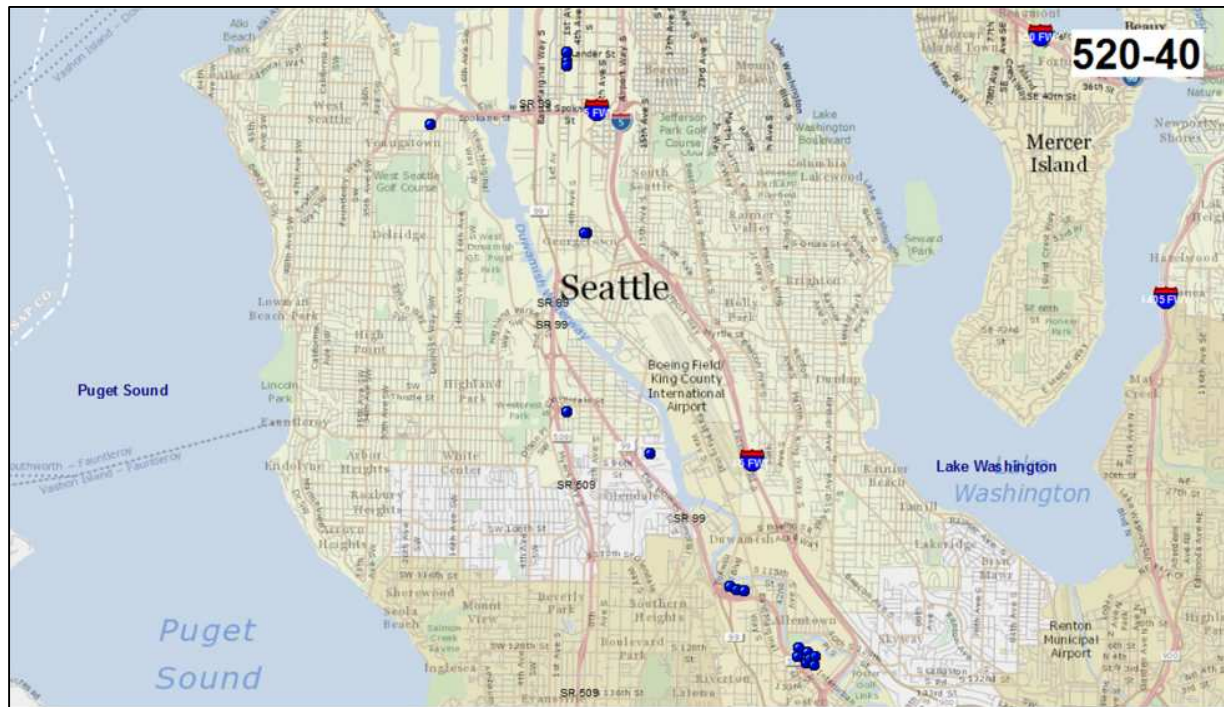
There are 95 parcels within this geographic area.



Neighborhood 40:

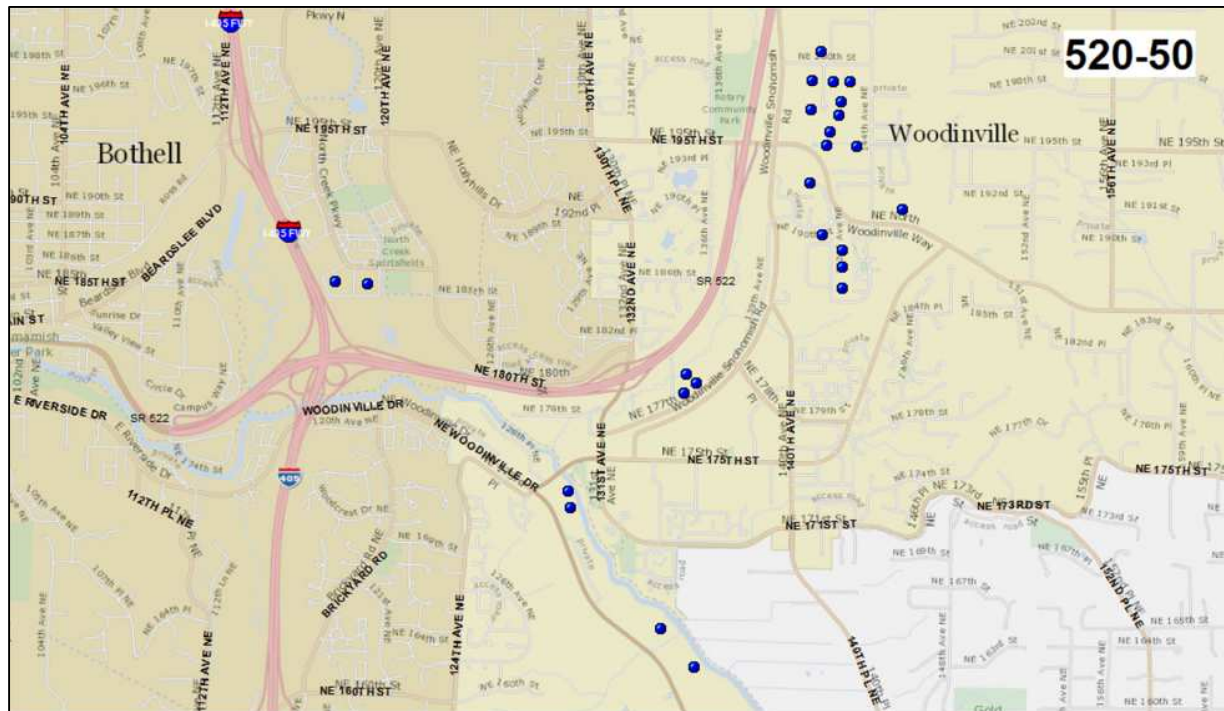
Neighborhood 520-40 boundaries include business park buildings located within the South Seattle Industrial area including SODO, Georgetown and the northern portion of Tuwila.

There are 18 parcels in this geographic area.



Neighborhood 520-50 boundaries include business park buildings located within the Bothell (North Creek) and Woodinville neighborhoods.

There are 25 parcels in this geographic area.



Physical Inspection Identification

The physical inspection area during the 2014 revalue encompassed Area 520-20 – Bellevue/I-90 Corridor, comprising a total of 84 parcels.

The Economy & Business Park Sector

NATIONAL: The United States economy continued its recovery in 2013, growing at a slow but stable pace. The labor market has improved, although unemployment still remains high and job creation has occurred very slowly. The federal government shutdown in October 2013 was one aspect that helped limit job growth in the latter half of the year. The stock market has rebounded with the Dow Jones industrial average having its best year since 1998. In addition, the housing market has continued to improve, with indexes indicating home values have increased for the past seven quarters and foreclosures are at their lowest levels since mid-2007. Housing starts increased 19 percent in 2013, the highest level since 2007.

REGIONAL: The regional economy has been steadily improving. Employment growth has outpaced the national economy, with the strongest gains in construction and wholesale/retail trade. Commercial real estate sales transaction volume has increased and underlying economic fundamentals have improved. Fueled by a continued increase in demand for apartment housing, and the consequential tightening of vacancy rates and upward pressure on rental rates, development of new multi-family apartment projects is continuing at a fast pace. The majority of new construction projects in King County are currently multi-family apartment projects, although the next wave of development appears to be dominated more by Class A office space. An improvement in investor sentiment is also putting downward pressure on Capitalization Rates for most market segments. As regional employment growth continues to be healthy and consumer sentiment improves, the retail market has reached a semblance of stability. In addition, strong activity at the regional ports, coupled with an improvement in consumer demand, has continued to strengthen the regional industrial market. With continued low interest rates, many smaller companies are finding that it is financially advantageous to become an owner/user and purchase property for their business. As a result, there has been an increase in sales activity in the smaller commercial properties.

BUSINESS PARK/INDUSTRIAL SECTOR: The regional industrial market has continued to improve, posting its strongest year since 2007. Net absorption increased strongly over the year despite a large amount of new construction being delivered. This led to the overall regional vacancy rate declining from 7.1% in 2012 to 6.6% in 2013, according to CBRE. Continued growth in imports and exports caused a sizable increase in cargo volumes in the regional ports. Based on these strong metrics, there is currently 2.2 million square feet of industrial projects under construction in the region.

Overall, within the Business Parks specialty there were 26 market sales for the three year period from 1/1/2011 to 12/31/2013 for the 2014 Assessment Year.

Vacancy rates declined moderately in the five geographic areas. Rent rates are almost exclusively triple net for business parks with a separate rate for Warehouse/Flex, Warehouse Office, and Mezzanine Office space. Annual rental rate changes were mostly unchanged though there was a slight decrease in warehouse office rents in Area 520-30. Newer, well maintained, and well located business parks have benefited the most as tenants naturally gravitate to these properties. Conversely, some older and more outdated properties face increased difficulty signing good tenants as increased competition has meant that tenants can often find better quality space and location for similar or slightly higher rent rates.

Strong absorption rates means that owners and tenants expect rental rates to eventually increase before supply is able to catch up with this increased demand. Increased leasing activity has meant concessions are not as necessary in order to secure new leases and renewals with current tenants. These factors have influenced a large increase in the amount of new construction that is ongoing or in the pipeline.

The Puget Sound market continues to be routinely named as a top market for real estate investment by numerous trade publications. This increased investor interest in the regional market has influenced downward pressure on capitalization rates. Virtually all submarkets experienced a decline in capitalization rates.

2013 Year End Metrics			
Vacancy Rates	Rental Rates	Cap Rates	Values
↓ (decrease)	↔ (stable)	↘ (slight decrease)	↑ (increase)

Preliminary Ratio Analysis

A Preliminary Ratio Study was completed just prior to the application of the 2014 recommended values. This study benchmarks the current assessment level using 2013 posted values. The study showed a Price-related Differential (PRD) of 1.04, a Weighted Mean Ratio (WM) of 87.9%, and a Coefficient of Dispersion (COD) of 11.56%.

A Ratio Study was also completed after applying the 2014 Assessment Year values. The PRD, WM, and COD all improved. The improvements include a PRD of 1.02, a WM of 93.6%, and a COD of 10.77%. These figures demonstrate an improvement in the assessment level and uniformity.

The discussion of the ratio measurements is included in the Model Validation section at the end of this report.

Scope of Data

Land Value Data:

The geographic appraisers in the various areas in which the specialty properties are located are responsible for the land value used by the specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Value Data:

There were 26 improved sale transactions that occurred during the time period from January 1st, 2011 to December 21st, 2013. These sales were used to establish a market relationship for similar properties that were not sold. Sales information was obtained from excise tax affidavits and reviewed initially by the Accounting Division's Sales Identification Section. Information was analyzed and investigated by the appraiser in the process of revaluation. All sales considered were verified, when possible, by contacting the purchaser, seller, or realtors involved in the transaction. Characteristics data were verified, when possible, for the sales. Exterior observations of the properties were made to verify the accuracy and completeness of property characteristic data that affect value. Sales are located in the "Improved Sales Used" and "Improved Sales Not Used" sections of this report. Additional information resides in the Assessor's Real Property Database, Assessor's Procedure Manual, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

Improved Parcel Total Values

Market Approach Description

As mentioned above, there were 26 improved sales in the subject area that were considered good, fair market transactions, and that were used in the overall analysis. Because of the limited number of comparable sales, the sales comparison approach was not used exclusively.

All sales were verified with a knowledgeable party when possible. Each sale was inspected and the recorded property characteristics were updated when necessary. The resulting data was stratified according to use, location, effective year built, size, and quality of construction in order to establish appropriate range of price per square foot to use as guidelines. In addition to setting parameters for the market approach, the sales also validate the income approach model. Data gathered during the verification process along with other resources assist in calibrating the components of the income model: rental rates, vacancy and collection losses, operating expenses, and capitalization rates. The results are tested against the sales population, adjusted when appropriate, and reconciled to produce a credible income valuation model.

The sales comparison model is based on four data sources from the Assessor's records: occupancy or section use codes, effective year built, quality of construction, and size. Most weight was given to comparable sales within each geographic neighborhood and expanded to include the surrounding competing neighborhoods within the geographic area.

Sales were organized into market segments based on predominate use. Based on sales analysis, each segment reflected a market price per square foot of net rentable area. These sales price ranges served to establish a general upper and lower market boundary for the various property types within each subject area.

Business parks comprised of condominium units were valued utilizing the sales comparison approach, as there were sufficient sales available and they typically command a higher price per square foot. This is typically due to the smaller size of the units and due to the owner/user nature of many industrial condominium purchases.

Market Approach Calibration

Neighborhoods were treated independent of one another as dictated by the market. Individual prices were applied based on various characteristics deemed appropriate by each market on a dollar value per square foot of improved net rentable area.

Cost Approach Description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western Region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in the Real Property database. The cost approach is most applicable in the newer business parks where the market indicators supported the cost value. However, it was not used on any of the 307 parcels for the 2014 Assessment Year.

Cost Approach Calibration

The Marshall & Swift cost-modeling system built into the Real Property Application is calibrated to this region and the Seattle area.

Income Capitalization Approach Description

The income approach was considered the most reliable approach to valuation for Business Parks given the amount of published data available. Income parameters were derived from the market place through real estate sales, the sales verification process, via tenants, via owners, via rent rolls from appeals and from a compilation of published sources. Similar uses were grouped together with income rates that were correlated to effective age and building quality.

Income: Income parameters were derived from the market place through the listed fair market transactions as well as through published sources (i.e. Officespace.com, Commercial Brokers Association, Costar, Quarterly Brokerage and Analyst Reports, 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.

Capitalization Rates: Capitalization rates were determined by actual sales, local published market surveys, such as CoStar, Integra Realty Resources, and Korpaz. Other national reports include; Grubb & Ellis Capital Market Update, and Emerging Trends in Real Estate. The effective year built and condition of each building determines the capitalization rate used by the appraiser. For example; a building with a lower effective year built of lesser condition will

typically warrant a higher capitalization rate and a building in better condition with a higher effective year built will warrant a lower capitalization rate.

SEATTLE / PACIFIC NW CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2013	Seattle MSA	5.83%	7.05%	7.16%	
		Pacific Region	6.21%	6.93%	6.37%	
PWC / Korpaz	4Q 2013	Seattle Pac. NW	6.61% 6.10% 7.13%	- - -	- - -	Range = 4.20% to 9.00% CBD Office Suburban Office
CBRE: Capital Markets Cap. Rate survey.	2 nd Half (2013)					CBRE professional's opinion of where cap rates are likely to trend in the 2 nd ½ of 2013 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	5.00% - 5.75% 6.00% - 6.50% 6.00% - 6.75% 7.00% - 8.00% 6.00% - 6.50% 7.50% - 8.50% 6.50% - 7.50% 8.25% - 9.25% - - - - - - - - - - - -	- - - - - - - - 5.00% - 5.50% 6.50% - 7.00% 5.50% - 6.00% 7.00% - 7.50% - - - - - - - -	- - - - - - - - - - - - 5.00% - 5.75% 6.00% - 7.50% 6.00% - 6.75% 7.00% - 8.50% 6.00% - 7.00% 7.00% - 9.00% 6.75% - 7.50% 8.50% - 10.00% 5.25% - 5.75%	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 Class A (Power Centers) Class A (Power Centers) – Value Added Class B (Power Centers) Class B (Power Centers) – Value Added High Street Retail (Urban Core)
IRR: Viewpoint for 2014	Yr. End 2013	Seattle	5.50% 6.50% 6.00% 7.50% - - - - - - - -	- - - - 5.25% N/A 7.25% N/A - - - -	- - - - - - - - 5.25% N/A 6.00% 6.50% 6.25% 6.72%	<u>Institutional Grade Properties"</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial – Class A Industrial – Class B Flex Industrial – Class A Flex Industrial – Class B Reg. Mall – Class A Reg. Mall – Class B Community Retail – Class A Community Retail – Class B Neighborhood Retail – Class A Neighborhood Retail – Class B
RERC-CCIM: Investment	4Q 2013	West Region	8.00% 7.50%	- -	- -	Office CBD Office Suburban

SEATTLE / PACIFIC NW CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
Trends Quarterly			- - -	7.30% 7.30% -	- - 7.20%	Industrial Warehouse Flex Retail
Colliers Office Highlights	Q4 2013	Seattle/PS	8.00% 8.00%	- -	- -	CBD Office Suburban Office
Costar	Yr. End 2013	King County	5.11% 6.14% - - - -	- - 6.02% 6.60% - -	- - - - 6.71% 6.75%	SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10% SP=\$5mil. +; Cap. Rate = 1%-10% SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10% SP=\$5mil. +; Cap. Rate = 1%-10% SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10% SP=\$5mil. +; Cap. Rate = 1%-10%
The Boulder Net Lease Report	4Q 2013	Pacific Region	-	-	6.63%	Big Box "Overall"
Chainlinks Realty Advisors	Q4 2013	Pacific Region	- - - - - -	- - - - - -	6.60% 6.60% 6.00% 5.70% 6.00% 7.30% 7.20%	Shopping Centers All Types Shopping Center (Neigh. & Comm. Cntrs.) Drug Store Quick Service Rest. Jr. Big Box - (20,000/SF - 39,999/SF) Mid. Big Box - (40,000/SF - 79,999/SF) Mega Big Box - (80,000/SF +)

NATIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2013	National	6.26% 7.28% 7.09% - 7.23% 6.10%	7.10% 7.94% 7.61% - 7.99% 6.73%	6.65% 7.28% 7.09% - 7.23% 6.20%	Overall Sq.Ft. - <50k Sq.Ft. - 50k-200k Sq.Ft. - 200K+
PWC / Korpaz	4Q 2013	National	6.45% 6.98% 7.71% - - - -	- - - 7.83% 6.22% - -	- - - - - 6.56% 6.67% 6.98%	CBD Office - (4.00% - 9.00%) Sub. Office - (5.00% - 9.50%) Medical Office - (5.50% - 11.00%) Flex/R&D - (6.25% - 10.00%) Warehouse - (5.00 - 7.75%) A+ = 5.46%; A = 5.92%; B+ = 6.71% Power Center - (5.50% - 8.00%) Neigh. Strip Ctrs. - (5.00% - 10.00%)
IRR: Viewpoint for 2014	Yr. End 2013	Seattle	7.37% 8.01% 7.68% 8.23% - - - - - - -	- - - - 7.50% 8.09% 8.01% 8.53% - - -	- - - - - - - - 7.01% N/A 7.26% 7.72% 7.41%	<u>Institutional Grade Properties"</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial – Class A Industrial – Class B Flex Industrial – Class A Flex Industrial – Class B Reg. Mall – Class A Reg. Mall – Class B Community Retail – Class A Community Retail – Class B Neighborhood Retail – Class A

NATIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
			-	-	7.93%	Neighborhood Retail – Class B
RERC-CCIM: Investment Trends Quarterly	4Q 2013	National	7.70% 8.00% - - -	- - 7.80% 7.90% -	- - - - 7.50%	Office CBD Office Suburban Industrial Warehouse Flex Retail
Colliers International Office/Industrial Highlights	Q4 2013	National	7.27% 7.81% - - -	- - 7.50% 6.10% 7.22%	- - - - -	CBD Office Suburban Office\ U.S. Total Seattle/Puget Sound West Region
IAAO Webinar Cap. Rate Report	Yr End 2013	National	- - 7.20% - - - - - - -	- - - - - - - - -	- - - 7.40% 7.20% 7.40% 7.50% 7.20% 6.70% 6.40% 7.00%	<u>“Transactions over \$2.5mil”</u> <u>(Real Cap Anal)</u> Single Tenant Office Big Box Grocery/Supermarket Anchored Strip Malls Unanchored Strip Malls Power Center Drug Stores Malls Average – All Subcategories
Calkain: Net Lease Economic Report	Yr End 2013	National	- - - - -	- - - - -	6.70% 7.10% 6.60% 7.30% 7.45% 5.95%	Overall (Average) Drug Store Quick Service Rest. Restaurant Big Box Banks
The Boulder Group: Net Lease Market Report	4Q 2013	National West Region	7.70% - - - - - -	8.00% - - - - - -	7.02% 7.10% 6.25% 7.50% 7.05% 7.18% 7.58% 6.63%	Overall (Average) Big Box “Overall” Big Box “Investment Grade” Big Box “Non-Investment Grade” Jr. Big Box - (20,000/SF – 39,999/SF) Mid. Big Box - (40,000/SF – 79,999/SF) Mega Big Box - (80,000/SF +) Overall (Average)
Cassidy/Turley: Single Tenant Net Lease Overview	3Q 2013	National	- - - - -	7.60% - - - -	- 6.90% 6.90% 7.60% 7.90% 7.50%	Industrial Drug Store Quick Service Rest. Jr. Big Box - (20,000/SF – 39,999/SF) Mid. Big Box - (40,000/SF – 79,999/SF) Mega Big Box - (80,000/SF +)

The preceding table demonstrates ranges of capitalization rates and trends that are compiled and collected on a national, regional scale, and local scale. This information is reconciled with data specific to the real estate market in Area 520 to develop the income model. The range of capitalization rates in the income model reflects the variety of properties in this area. Properties which are considered to be non-institutional grade, such as those purchased by owner users or small investors, may not be reflective of the capitalization rates found in published sources.

Income Approach Calibration

The income tables were calibrated after setting economic rents, vacancies, expenses, and capitalization rates and stratification of adjustments based on effective year built and construction quality as noted in the Assessor's records. The following table outlines a summary of the income parameters used in the income tables, which provided the basis for the income value estimate calculations.

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %
Warehouse Office/Retail Showroom	\$9.25 - \$16.50	7.5% to 16%	7.50%	6.50% to 8.50%
Storage Warehouse/Light Industrial	\$4.50 - \$9.25			
Office Mezzanine	\$5.00 - \$15.25			
Industrial Flex	\$5.75 - \$8.75			

Reconciliation

All parcels were individually reviewed for correctness of the model application before final value selection and reviewed by the senior appraiser prior to posting. The factors analyzed in the process of establishing market were subject to adjustment by the appraiser. The Market Approach is considered the most reliable indicator of value when sufficient comparable sales are available; however the Income Approach is an excellent indicator of value when there is sufficient market data.

The business park sector has ample amounts of published data available and therefore the Income Approach was applied to nearly all parcels in order to best value and equalize like properties. The primary exception was for condominium parcels, which were valued using the market approach given the number of sales and given the fact that they tend to trade differently than larger, multi building parks. The Income Approach to value was considered a reliable indicator of value due to the information collected which comprises the preceding income parameter tables.

This data was used to establish the economic parameters utilized in the estimation of market value through the Income Approach. When the value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements.

Model Validation

Total Value Conclusions, Recommendations, and Validation

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is reviewed 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 standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2013 and 2014 Ratio Analysis charts included in this report. The Ratio Study Analysis demonstrates significant improvements in the Weighted Mean, Coefficient of Dispersion, and Price-related Differential.

This valuation has occurred at a point where the regional industrial market has begun to turn a corner. Increases in investment interest in the market has put downward pressure on capitalization rates and a lack of new supply has caused vacancy rates to fall and rents to begin to rise. There has been an increase in new construction activity in response to this shift in market fundamentals and real estate professionals, owners, and investors involved with business parks continue to be bullish about the sector's potential.

Healthy sales activity occurred in 2013; particularly in the eastside markets where demand has been strong. This is demonstrated by the high sales prices that some are commanding. While total transaction volume in 2013 was lower than in 2012, it is important to note that the majority of sales in 2012 were within a single condominium property.

The total assessed value for the 2013 Assessment Year for Specialty Area 520 was \$1,295,838,400. The total recommended assessed value for the 2014 Assessment Year is \$1,364,206,000. Application of these recommended values for the 2014 Assessment Year results in an annual change of +5.28%.

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, 3rd Addition, Appraisal Institute.

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

Assumptions and Limiting Conditions:

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

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

Scope of Work Performed:

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

Area 520 - Business Parks
2014 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
122204-9116	6,799,900	11,000,000	8/1/2013	0.6182	0.3126
123850-0195	4,037,300	6,280,000	12/27/2013	0.6429	0.2879
889435-0350	219,500	315,000	4/29/2011	0.6968	0.2339
889435-0320	312,800	388,000	11/28/2012	0.8062	0.1246
272605-9111	2,266,200	2,800,000	4/15/2013	0.8094	0.1214
889435-0310	293,300	357,000	1/28/2011	0.8216	0.1092
889435-0240	422,900	509,490	4/15/2011	0.8300	0.1007
072205-9102	15,466,800	18,500,000	1/31/2013	0.8360	0.0947
889435-0330	282,100	318,890	2/14/2012	0.8846	0.0461
889435-0220	293,900	332,000	4/26/2011	0.8852	0.0455
889435-0260	140,100	155,000	3/13/2013	0.9039	0.0269
889435-0080	220,000	242,500	3/30/2012	0.9072	0.0235
282505-9124	4,467,600	4,800,000	4/24/2013	0.9308	0.0000
788880-0100	4,785,600	5,082,500	12/11/2012	0.9416	0.0108
112204-9027	14,479,100	15,025,000	12/30/2011	0.9637	0.0329
346280-0040	4,713,000	4,759,550	10/4/2012	0.9902	0.0595
032505-9258	11,300,000	11,300,000	12/20/2012	1.0000	0.0693
889435-0200	140,100	140,070	5/14/2012	1.0002	0.0695
889435-0300	325,500	325,000	3/22/2013	1.0015	0.0708
943050-0030	3,557,200	3,500,000	3/6/2012	1.0163	0.0856
389310-0930	7,171,600	7,006,700	12/16/2011	1.0235	0.0928
889435-0020	220,000	204,905	8/22/2012	1.0737	0.1429
889435-0050	360,500	335,445	5/17/2012	1.0747	0.1439
889435-0190	140,100	127,890	4/30/2012	1.0955	0.1647
889435-0030	297,200	258,400	10/22/2012	1.1502	0.2194

Area 520 - Business Parks
2014 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:																															
North Crew	1/1/2013	6/30/2014	1/1/11 - 12/31/13																															
Area	Appr ID:	Prop Type:	Trend used?: Y / N																															
520	AMUR	Improvement	N																															
SAMPLE STATISTICS																																		
Sample size (n)	25	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.0-0.1</td><td>0</td></tr><tr><td>0.1-0.2</td><td>0</td></tr><tr><td>0.2-0.3</td><td>0</td></tr><tr><td>0.3-0.4</td><td>0</td></tr><tr><td>0.4-0.5</td><td>0</td></tr><tr><td>0.5-0.6</td><td>0</td></tr><tr><td>0.6-0.7</td><td>0</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>7</td></tr><tr><td>1.0-1.1</td><td>7</td></tr><tr><td>1.1-1.2</td><td>1</td></tr><tr><td>1.2-1.3</td><td>0</td></tr><tr><td>1.3-1.4</td><td>0</td></tr></tbody></table>			Ratio	Frequency	0.0-0.1	0	0.1-0.2	0	0.2-0.3	0	0.3-0.4	0	0.4-0.5	0	0.5-0.6	0	0.6-0.7	0	0.7-0.8	3	0.8-0.9	7	0.9-1.0	7	1.0-1.1	7	1.1-1.2	1	1.2-1.3	0	1.3-1.4	0
Ratio	Frequency																																	
0.0-0.1	0																																	
0.1-0.2	0																																	
0.2-0.3	0																																	
0.3-0.4	0																																	
0.4-0.5	0																																	
0.5-0.6	0																																	
0.6-0.7	0																																	
0.7-0.8	3																																	
0.8-0.9	7																																	
0.9-1.0	7																																	
1.0-1.1	7																																	
1.1-1.2	1																																	
1.2-1.3	0																																	
1.3-1.4	0																																	
Mean Assessed Value	3,308,500																																	
Mean Sales Price	3,762,500																																	
Standard Deviation AV	4,567,975																																	
Standard Deviation SP	5,180,958																																	
ASSESSMENT LEVEL																																		
Arithmetic mean ratio	0.916																																	
Median Ratio	0.931																																	
Weighted Mean Ratio	0.879																																	
UNIFORMITY																																		
Lowest ratio	0.6182																																	
Highest ratio:	1.1502																																	
Coefficient of Dispersion	11.56%																																	
Standard Deviation	0.1367																																	
Coefficient of Variation	14.92%																																	
Price-related Differential	1.04																																	
RELIABILITY		These figures reflect measurements before posting new values.																																
95% Confidence: Median																																		
Lower limit	0.836																																	
Upper limit	1.000																																	
95% Confidence: Mean																																		
Lower limit	0.863																																	
Upper limit	0.970																																	
SAMPLE SIZE EVALUATION																																		
N (population size)	254																																	
B (acceptable error - in decimal)	0.05																																	
S (estimated from this sample)	0.1367																																	
Recommended minimum:	27																																	
Actual sample size:	25																																	
Conclusion:	Uh-oh																																	
NORMALITY																																		
Binomial Test																																		
# ratios below mean:	12																																	
# ratios above mean:	13																																	
z:	0																																	
Conclusion:	Normal*																																	
*i.e., no evidence of non-normality																																		

Area 520 - Business Parks
2014 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
889435-0310	293,200	357,000	1/28/2011	0.8213	0.1676
889435-0240	428,800	509,490	4/15/2011	0.8416	0.1472
889435-0220	293,900	332,000	4/26/2011	0.8852	0.1036
889435-0350	229,000	315,000	4/29/2011	0.7270	0.2619
389310-0930	7,448,200	7,006,700	12/16/2011	1.0630	0.0741
112204-9027	15,196,100	15,025,000	12/30/2011	1.0114	0.0225
889435-0330	294,300	318,890	2/14/2012	0.9229	0.0660
943050-0030	3,764,700	3,500,000	3/6/2012	1.0756	0.0868
889435-0080	229,500	242,500	3/30/2012	0.9464	0.0425
889435-0190	146,100	127,890	4/30/2012	1.1424	0.1535
889435-0200	146,100	140,070	5/14/2012	1.0430	0.0542
889435-0050	376,100	335,445	5/17/2012	1.1212	0.1323
889435-0020	229,600	204,905	8/22/2012	1.1205	0.1317
346280-0040	4,945,800	4,759,550	10/4/2012	1.0391	0.0503
889435-0030	297,100	258,400	10/22/2012	1.1498	0.1609
889435-0320	312,800	388,000	11/28/2012	0.8062	0.1827
788880-0100	5,025,900	5,082,500	12/11/2012	0.9889	0.0000
032505-9258	11,519,100	11,300,000	12/20/2012	1.0194	0.0305
072205-9102	16,214,800	18,500,000	1/31/2013	0.8765	0.1124
889435-0260	146,100	155,000	3/13/2013	0.9426	0.0463
889435-0300	325,400	325,000	3/22/2013	1.0012	0.0124
272605-9111	2,401,000	2,800,000	4/15/2013	0.8575	0.1314
282505-9124	4,797,900	4,800,000	4/24/2013	0.9996	0.0107
122204-9116	8,265,400	11,000,000	8/1/2013	0.7514	0.2375
123850-0195	4,686,600	6,280,000	12/27/2013	0.7463	0.2426

Area 520 - Business Parks
2014 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:	
North Crew	1/1/2014	6/30/2014	1/1/11 - 12/31/13	
Area	Appr ID:	Prop Type:	Trend used?: Y / N	
520	AMUR	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	25	<div>Ratio Frequency</div>		
Mean Assessed Value	3,520,500			
Mean Sales Price	3,762,500			
Standard Deviation AV	4,814,081			
Standard Deviation SP	5,180,958			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.956			
Median Ratio	0.989			
Weighted Mean Ratio	0.936			
UNIFORMITY				
Lowest ratio	0.7270			
Highest ratio:	1.1498			
Coefficient of Dispersion	10.77%			
Standard Deviation	0.1280			
Coefficient of Variation	13.39%			
Price-related Differential	1.02			
RELIABILITY		These figures reflect measurements after posting new values.		
95% Confidence: Median				
Lower limit	0.876			
Upper limit	1.039			
95% Confidence: Mean				
Lower limit	0.906			
Upper limit	1.006			
SAMPLE SIZE EVALUATION				
N (population size)	254			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1280			
Recommended minimum:	24			
Actual sample size:	25			
Conclusion:	OK			
NORMALITY				
Binomial Test				
# ratios below mean:	12			
# ratios above mean:	13			
z:	0			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				

Improvement Sales for Area 520 with Sales Used

07/07/2014

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
520	010	032505	9258	71,818	2580960	\$11,300,000	12/20/12	\$157.34	Redmond West on Willows Building #	MP	1	Y	
520	010	034870	0010	5,913	2558328	\$868,500	08/10/12	\$146.88	TOTEM VALLEY BUSINESS CENTE	TL 9A	1	26	Imp changed after sale; not in ratio
520	010	123850	0195	41,270	2647675	\$6,280,000	12/27/13	\$152.17	JONESCO BUSINESS PARK	LIT	1	Y	
520	010	272605	9111	23,618	2599431	\$2,800,000	04/15/13	\$118.55	Consolidated Graphic	TL 7	1	Y	
520	010	389310	0930	49,804	2525532	\$7,006,700	12/16/11	\$140.69	VANDERHOEK CORP	TL 10E	2	Y	
520	010	943050	0030	34,571	2533429	\$3,500,000	03/06/12	\$101.24	EASTLAKE BUILDING	MP	1	Y	
520	020	282505	9124	25,286	2601247	\$4,800,000	04/24/13	\$189.83	BLUE SKY CHURCH	BR-RC-1	1	Y	
520	020	889435	0020	9,565	2561237	\$204,905	08/22/12	\$21.42	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0030	12,920	2571064	\$258,400	10/22/12	\$20.00	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0050	15,675	2549203	\$335,445	05/17/12	\$21.40	VENTURE COMMERCE CENTER-SI	MU	2	Y	
520	020	889435	0080	9,565	2536938	\$242,500	03/30/12	\$25.35	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0190	6,090	2542043	\$127,890	04/30/12	\$21.00	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0200	6,090	2544141	\$140,070	05/14/12	\$23.00	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0220	2,459	2489684	\$332,000	04/26/11	\$135.01	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0240	18,870	2487869	\$509,490	04/15/11	\$27.00	VENTURE COMMERCE CENTER-SI	MU	2	Y	
520	020	889435	0260	6,090	2597220	\$155,000	03/13/13	\$25.45	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0300	14,150	2595788	\$325,000	03/22/13	\$22.97	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0310	2,550	2477075	\$357,000	01/28/11	\$140.00	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0320	13,600	2576946	\$388,000	11/28/12	\$28.53	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0330	2,453	2531282	\$318,890	02/14/12	\$130.00	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	020	889435	0350	9,545	2493522	\$315,000	04/29/11	\$33.00	VENTURE COMMERCE CENTER-SI	MU	1	Y	
520	030	072205	9102	178,025	2587235	\$18,500,000	01/31/13	\$103.92	PACIFIC BUSINESS PARK (212TH)	M2	1	Y	
520	030	112204	9027	176,010	2524886	\$15,025,000	12/30/11	\$85.36	VALLEY CORPORATE CENTER	M1	1	Y	
520	030	122204	9116	117,400	2622014	\$11,000,000	08/01/13	\$93.70	CUMBERLAND INDUSTRIAL CENTE	M1	2	Y	
520	030	346280	0040	54,660	2567779	\$4,759,550	10/04/12	\$87.08	RIVERBEND COMMERCE PARK BL	M1	1	Y	
520	030	788880	0100	48,947	2578666	\$5,082,500	12/11/12	\$103.84	RIVER'S EDGE BUSINESS PARK	M1	1	Y	

Improvement Sales for Area 520 with Sales not Used

07/07/2014

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
520	010	282605	9070	38,760	2657055	\$9,900,000	03/07/14	\$255.42	Kirkland 118 BUSINESS CENTER (B	TL 10B	3		
520	010	346940	0020	21,384	2663865	\$2,800,000	04/10/14	\$130.94	GENIE/LARIS	MP	1		
520	020	282505	9202	72,898	2561932	\$10,400,000	08/31/12	\$142.67	EVERGREEN CENTER	BR-RC-1	4	15	No market exposure
520	020	889435	0140	58,755	2549843	\$940,080	06/18/12	\$16.00	VENTURE COMMERCE CENTER-SI	MU	5	61	Financial institution resale
520	020	889435	0240	12,780	2631349	\$383,000	09/16/13	\$29.97	VENTURE COMMERCE CENTER-SI	MU	1	15	No market exposure
520	020	889435	0300	14,150	2534713	\$606,004	03/16/12	\$42.83	VENTURE COMMERCE CENTER-SI	MU	1	63	Sale price updated by sales id group
520	020	889435	0320	13,600	2650105	\$425,000	01/14/14	\$31.25	VENTURE COMMERCE CENTER-SI	MU	1		
520	030	000660	0022	20,622	2498480	\$781	05/26/11	\$0.04	CENTRAL COMMERCE CENTER BL	CM-2	1	32	\$1,000 sale or less
520	030	022340	0010	176,564	2636104	\$8,698,000	10/11/13	\$49.26	ANDOVER EXECUTIVE PARK	TUC	2	59	Bulk portfolio sale
520	030	261100	0040	95,599	2554619	\$6,900,000	07/19/12	\$72.18	KENT BUSINESS CENTER	M2	1	31	Exempt from excise tax
520	030	261100	0040	95,599	2578669	\$5,025,000	12/05/12	\$52.56	KENT BUSINESS CENTER	M2	1	61	Financial institution resale
520	030	262304	9105	41,286	2585564	\$1,500,000	01/16/13	\$36.33	ANDOVER PARK EAST (950 BUSIN	TUC	1	61	Financial institution resale
520	030	262304	9105	41,286	2539936	\$2,963,146	04/20/12	\$71.77	950 BUSINESS PARK	TUC	1	63	Sale price updated by sales id group
520	030	346280	0045	34,370	2636870	\$2,700,000	10/21/13	\$78.56	RIVERBEND COMMERCE PARK BL	M1	1	63	Sale price updated by sales id group
520	030	630850	0030	42,647	2660076	\$3,968,500	03/31/14	\$93.05	OAKESDALE COMMERCE CENTER	IL	1		
520	030	775780	0130	47,040	2674940	\$3,100,000	06/19/14	\$65.90	ANDERSON CENTER	CM-1	1		
520	030	788880	0010	162,894	2479897	\$9,000,000	02/24/11	\$55.25	West Valley Corporate Park	M2	1	61	Financial institution resale

PHYSICAL INSPECTION PARCELS - AREA 520-20

Spec Area	Spec Nbhd	Major	Minor	Property Name	Address Line	District Name
520	20	092405	9065	NEWPORT SHORES BUS CTR	3240 118TH AVE SE	BELLEVUE
520	20	092405	9130	NEWPORT SHORES BUS CTR	3260 118TH AVE SE	BELLEVUE
520	20	092405	9164	NEWPORT SHORES BUS CTR	3220 118TH AVE SE	BELLEVUE
520	20	109910	0025	12TH PLACE	1215 120TH AVE NE	BELLEVUE
520	20	142505	9013	OVERLAKE BUSINESS CENTER NORTH	4034 148TH AVE NE	REDMOND
520	20	142505	9053	OVERLAKE BUSINESS CENTER NORTH	4034 148TH AVE NE	REDMOND
520	20	142505	9057	OVERLAKE BUSINESS CENTER NORTH	4002 148TH AVE NE	REDMOND
520	20	142505	9153	OVERLAKE BUSINESS PARK (MICROSOFT)	4320 150TH AVE NE	REDMOND
520	20	202505	9018	Kenan Behm Bldg	3003 NORTHUP WAY	BELLEVUE
520	20	202505	9209	PASCAL CO DENTAL LABORATORY	2929 NORTHUP WAY	BELLEVUE
520	20	206350	0070	OVERLAKE BUSINESS CENTER SOUTH	2441 152ND AVE NE	REDMOND
520	20	206350	0080	OVERLAKE BUSINESS CENTER SOUTH	2555 152ND AVE NE	REDMOND
520	20	206350	0090	OVERLAKE BUSINESS CENTER SOUTH	2601 151ST PL NE	REDMOND
520	20	206350	0100	OVERLAKE BUSINESS CENTER SOUTH	2801 152ND AVE NE	REDMOND
520	20	272505	9029	NORTH CREEK BUSINESS PARK	14236 NE 21ST ST	BELLEVUE
520	20	272505	9051	BELL EAST BUSINESS PARK	1900 132ND AVE NE	BELLEVUE
520	20	272505	9109	THRIFT SUPPLY CO	13212 NE 16TH ST	BELLEVUE
520	20	272505	9142	RAIN CITY FENCING CENTER	1776 136TH PL NE	BELLEVUE
520	20	272505	9148	PARK PLACE CENTER	13620 NE 20TH ST	BELLEVUE
520	20	272505	9162	NORTHUP PARK	13235 NE 20TH ST	BELLEVUE
520	20	272505	9166	NORTHUP PARK	13219 NE 20TH ST	BELLEVUE
520	20	272505	9174	NORTHUP PARK	13221 NE 20TH ST	BELLEVUE
520	20	272505	9288	PARK PLACE CENTER	13620 NE 20TH ST	BELLEVUE
520	20	282505	9001	NORTHUP DISTRIBUTION CENTER (ASSOC W/9	12950 NORTHUP WAY	BELLEVUE
520	20	282505	9003	124 PLAZA	1750 124TH AVE NE	BELLEVUE
520	20	282505	9056	132 CENTER	1405 132ND AVE NE	BELLEVUE
520	20	282505	9087	LUNDE CENTER	2110 116TH AVE NE	BELLEVUE
520	20	282505	9124	BLUE SKY CHURCH	1720 130TH AVE NE	BELLEVUE
520	20	282505	9159	FASTENAL	1606 130TH AVE NE	BELLEVUE
520	20	282505	9198	EVANS CENTER	12730 NE BELLEVUE-REDMOND RD	BELLEVUE

PHYSICAL INSPECTION PARCELS - AREA 520-20

Spec Area	Spec Nbhd	Major	Minor	Property Name	Address Line	District Name
520	20	282505	9202	EVERGREEN CENTER	1820 130TH AVE NE	BELLEVUE
520	20	282505	9203	EVERGREEN CENTER - SEATTLE WINE COMPAN	1950 130TH AVE NE	BELLEVUE
520	20	282505	9205	NORTHUP DIST. CENTER LAND (ASSOC W/900	12950 NORTHUP WAY	BELLEVUE
520	20	282505	9263	BELLEVUE BUSINESS PARK (BLDG C)	2020 124TH AVE NE	BELLEVUE
520	20	282505	9264	BELLEVUE BUSINESS PARK (BDLG B)	2000 124TH AVE NE	BELLEVUE
520	20	282505	9265	BELLEVUE BUSINESS PARK (BDLG A)	1940 124TH AVE NE	BELLEVUE
520	20	282505	9277	Cypress Point Bldg	1950 116TH AVE NE	BELLEVUE
520	20	282505	9285	CURRAN BUSINESS PARK	1525 132ND AVE NE	BELLEVUE
520	20	282505	9299	NORTHUP CENTER	12121 NORTHUP WAY	BELLEVUE
520	20	282505	9307	Molecumetics	2023 120TH AVE NE	BELLEVUE
520	20	282505	9309	NORTHUP CENTER	12031 NORTHUP WAY	BELLEVUE
520	20	282505	9310	NORTHUP CENTER	12021 NORTHUP WAY	BELLEVUE
520	20	292406	9145	Cascade Business Park	1145 SE NEWPORT WAY	ISSAQUAH
520	20	386290	0020	136TH PLACE OFFICE PARK (ASSOC W/0030)	1802 136TH PL NE	BELLEVUE
520	20	386290	0030	136TH PLACE OFFICE PARK LAND (ASSOC W/0	1780 136TH PL NE	BELLEVUE
520	20	545330	0120	KAMBER PARK	13221 SE 26TH ST	BELLEVUE
520	20	545330	0180	FIRE CHIEF EQUIPMENT	13300 SE 30TH ST	BELLEVUE
520	20	545330	0182	MERCER PARK	13222 SE 30TH ST	BELLEVUE
520	20	545330	0310	V 5 INDUSTRIAL PARK	13405 SE 30TH ST	BELLEVUE
520	20	889435	0010	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0020	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0030	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0040	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0050	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0060	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0070	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0080	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0090	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0100	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0110	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE

PHYSICAL INSPECTION PARCELS - AREA 520-20

Spec Area	Spec Nbhd	Major	Minor	Property Name	Address Line	District Name
520	20	889435	0120	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0130	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0140	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0150	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0160	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0170	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0180	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0190	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0200	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0210	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0220	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0230	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0240	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0250	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0260	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0270	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0280	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0290	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0300	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0310	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0320	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0330	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0340	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE
520	20	889435	0350	VENTURE COMMERCE CENTER-SNOQUALMIE	35300 SE CENTER ST	SNOQUALMIE