

West Ballard

Area: 019

Residential Revalue for 2017 Assessment Roll



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

500 Fourth Avenue, ADM-AS 0708

Seattle, WA 98104-2384

OFFICE (206) 296-7300 FAX (206) 296-0595

Email: assessor.info@kingcounty.gov

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



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John Wilson
Assessor

Dear Property Owners:

Property assessments are being completed by our team throughout the year and valuation notices are being mailed out as neighborhoods are completed. We value your property at fee simple, reflecting property at its highest and best use and following the requirements of state law (RCW 84.40.030) to appraise property at true and fair value.

We are continuing to work hard to implement your feedback and ensure we provide accurate and timely information to you. This has resulted in significant improvements to our website and online tools for your convenience. The following report summarizes the results of the assessments for this area along with a map located inside the report. It is meant to provide you with information about the process used and basis for property assessments in your area.

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

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

In Service,

John Wilson
King County Assessor



How Property Is Valued

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

What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 700,000 residential, commercial and industrial properties. More specifically for residential property, we break up King County into 86 residential market areas and annually develop market models from the sale properties using multiple regression statistical tools. The results of the market models are then applied to all similarly situated homes within the same appraisal area.

Are Properties Inspected?

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

RCW 84.40.025 - Access to property

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

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

How are Property Sales Used?

For the annual revaluation of residential properties, three years of sales are analyzed with the sales prices time adjusted to January 1 of the current assessment year. Sales prices are adjusted for time to reflect that market prices change over time. During an increasing market, older sales prices often understate the current market value. Conversely, during downward (or recessionary) markets, older sales prices may overstate a property's value on January 1 of the assessment year unless sales are time adjusted. Hence time adjustments are an important element in the valuation process.

How is Assessment Uniformity Achieved?

We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers that may be reviewed at www.IAAO.org. As part of our valuation process statistical testing is performed by reviewing the uniformity of assessments within each specific market area, property type, and quality grade or residence age. More specifically Coefficients of Dispersion (aka COD) are developed that show the uniformity of predicted property assessments. We have set our target CODs using the standards set by IAAO which are summarized in the following table:



Type of property—General	Type of property—Specific	COD Range**
Single-family residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2–4 unit family housing	5.0 to 20.0
Income-producing properties	Larger areas represented by large samples	5.0 to 15.0
Income-producing properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant land		5.0 to 25.0
Other real and personal property		Varies with local conditions

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

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

Requirements of State Law

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

Appraisal Area Reports

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





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Department of Assessments
King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0708
Seattle, WA 98104-2384

John Wilson
Assessor

West Ballard – Area 019

2017 Assessment Roll Year

Recommendation is made to post values for Area 019 to the 2018 tax roll:

Appraiser II: Steve Elliott

6/20/17

Date

NW District Senior Appraiser: Ron Guidry

6/28/2017

Date

Residential Division Director: Debra S. Prins

6/29/17

Date

This report is hereby accepted and the values described in the attached documentation for Area 019 should be posted to the 2018 tax roll.

John Wilson, King County Assessor

7/11/17

Date



Executive Summary

West Ballard - Area 019

Physical Inspection

Appraisal Date: 1/1/2017
Previous Physical Inspection: 2011
Number of Improved Sales: 1012
Range of Sale Dates: 1/1/2014 – 12/31/2016 Sales were time adjusted to 1/1/2017

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2016 Value	\$197,900	\$402,100	\$600,000			7.58%
2017 Value	\$292,000	\$378,800	\$670,800	\$728,100	92.1%	6.18%
\$ Change	+\$94,100	-\$23,300	+\$70,800			
% Change	+47.5%	-5.8%	+11.8%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2017 COD of 6.18% is an improvement from the previous COD of 7.58%. The lower the COD, the more uniform are the predicted assessed values. Assessment standards prescribed by the International Association of Assessing Officers identify that the COD in rural or diverse neighborhoods should be no more than 20%. The resulting COD meets or exceeds the industry assessment standards. Sales from 1/1/2014 to 12/31/2016 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2017

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2016 Value	\$245,600	\$336,500	\$582,100
2017 Value	\$368,700	\$272,200	\$640,900
\$ Change	+\$123,100	-\$64,300	+\$58,800
% Change	+50.1%	-19.1%	+10.1%

Number of one to three unit residences in the population: 5,533

Physical Inspection Area:

State law requires that each property be physically inspected at least once during a 6 year revaluation cycle. During the recent inspection of Area 019 – West Ballard, appraisers were in the area, confirming data characteristics, developing new valuation models and selecting a new value for each property for the assessment year. For each of the subsequent years, the previous property values are statistically adjusted during each assessment period. Taxes are paid on total value, not on the separate amounts allocated to land and improvements.

The current physical inspection analysis for Area 019 indicated a substantial change was needed in the allocation of the land and improvement value as part of the total. Land is valued as though vacant and at its highest and best use. The improvement value is a residual remaining when land is subtracted from total value.

Land valuation during the previous physical inspection was established at a time when developers were buying larger tracts of land at a premium price and subdividing the tracts into multiple building sites thus affecting all properties.

Since our last physical inspection in 2011 the demand for land has substantially increased in the north end of Seattle. Since most of the properties have already been developed there is a shortage of vacant land to develop. As a consequence developers purchase older homes, tear them down, and then build new single family residences and townhome style residences. Area 19 is within the area that the city has encouraged townhome style residences. In the past few years new single family residences and townhomes sell soon after they are built due to the high number of people looking for a new home. This increased demand for close in housing to downtown Seattle has produced higher prices for builders to pay to acquire land to develop. This has caused a sharp increase in land values.

Area 019 Physical Inspection Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

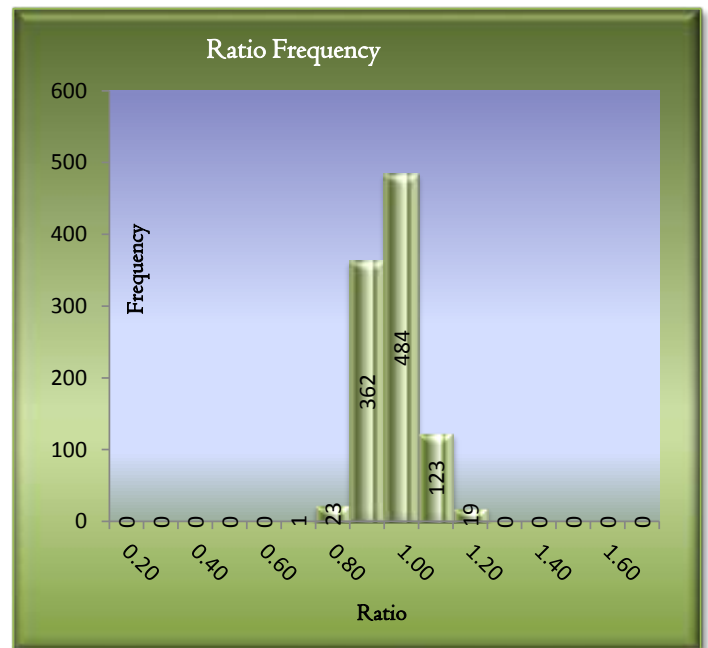
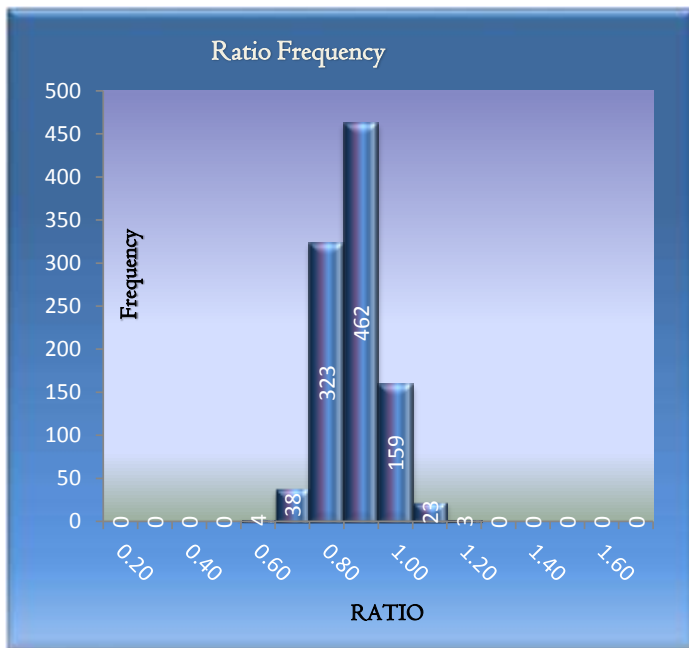
Pre-revalue ratio analysis compares time adjusted sales from 2014 through 2016 in relation to the previous assessed value as of 1/1/2016.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	1012
Mean Assessed Value	600,000
Mean Adj. Sales Price	728,100
Standard Deviation AV	147,364
Standard Deviation SP	184,241
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.830
Median Ratio	0.826
Weighted Mean Ratio	0.824
UNIFORMITY	
Lowest ratio	0.563
Highest ratio:	1.131
Coefficient of Dispersion	7.58%
Standard Deviation	0.081
Coefficient of Variation	9.73%
Price Related Differential (PRD)	1.007

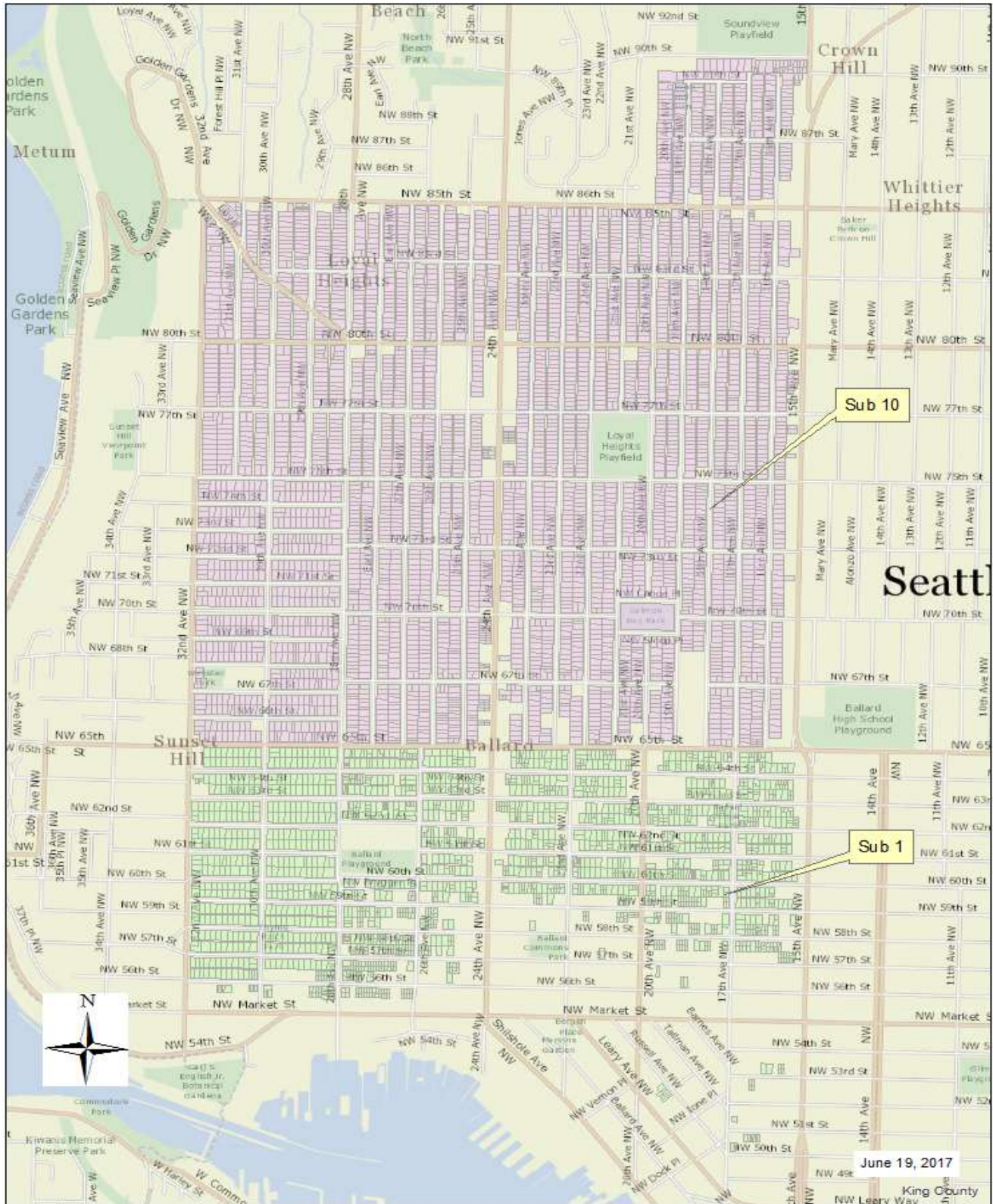
POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares time adjusted sales from 2014 through 2016 and reflects the assessment level after the property has been revalued to 1/1/2017.

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	1012
Mean Assessed Value	670,800
Mean Sales Price	728,100
Standard Deviation AV	161,934
Standard Deviation SP	184,241
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.927
Median Ratio	0.921
Weighted Mean Ratio	0.921
UNIFORMITY	
Lowest ratio	0.690
Highest ratio:	1.188
Coefficient of Dispersion	6.18%
Standard Deviation	0.072
Coefficient of Variation	7.82%
Price Related Differential (PRD)	1.006



Area 019 Map



All maps in this document are subject to the following disclaimer: The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information. King County shall not be liable for any general, special, indirect, incidental, or consequential damages including, but not limited to, lost revenues or lost profits resulting from the use or misuse of the information contained on this map. Any sale of this map or information on this map is prohibited except by written permission of King County. Scale unknown.

Neighborhood Map



Area Information

Name or Designation

Area 019 - West Ballard

Boundaries

This area is generally bounded by Northwest 85th Street on the north, 32nd Avenue Northwest on the west, Market Street and Leary Avenue Northwest on the south, and 15th Avenue Northwest on the east. The far northeast portion is bounded by Northwest 90th Street on the north, 15th Avenue Northwest on the east, and 20th Avenue Northwest on the west.

Maps

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

Area Description

Area 19 is located in the northwestern portion of Seattle. It contains the communities of West Ballard, Loyal Heights, and Crown Hill. This homogenous area contains predominantly grade 7 homes and 42% of them were built before 1930. Approximately 18% of the homes were built from 1940 to 1949. Over 99.4% of the parcels have homes on them. The typical lot is level or moderately sloped with a lot size of 4,100 square feet.

Area 19 is comprised of two sub areas. The northern portion is sub area 10. This area contains the Crown Hill and Loyal Heights neighborhoods. Approximately 46% of the homes were built before 1930. Slightly over 25% were built between 1940 and 1949. The average total living of homes in sub area 10 is 1,617 square feet. Sub area 1 is located south of sub area 10. It contains higher density zoning including townhome development. Approximately 51% of the improvements are townhomes in sub area 1. The western portion of sub area 1 is zoned for single family residences. In the early 1900's this area was developed before sub area 10. It is located closer to commercial businesses in the downtown part of Ballard. Extensive townhome development started in this area started in the late 1990's and continues today. Since our last physical inspection of in 2011 approximately 564 more townhouse style residences have been built. Since 2015 alone 390 new townhomes have been constructed.

The total assessed value of all parcels for the 2016 assessment year was \$3,539,227,100 . For the 2017 assessment year the total was \$4,045,147,300 . As a result of our physical inspection we added \$146,062,000 in assessed value attributable to new construction to the tax roll. The physical inspection began in 9/2016 and was completed in 6/2017.

Land Valuation

Vacant sales from 1/1/2014 to 12/31/2016 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2017. In addition to the market data approach the allocation technique was also utilized. Vacant land and teardown sales from the neighborhoods of East Ballard, Greenwood, Sunset Hill, North Beach, and Crown Hill were also analyzed in the valuation of land. All land was valued at its highest and best use as if vacant. A typical lot with 5,000 square feet had a value of \$415,000. A typical townhome style residence parcel had a land value of \$210,000.

From a land valuation perspective Area 19 is a highly homogeneous area. Approximately 71% is zoned for single family development and 29% zoned for higher density townhome style residences. Most of the topography is level or just slightly sloped. Only a few properties have a view amenity from the main floor level. Approximately 11% of the parcels are negatively affected by traffic noise. The demand to acquire land has increased dramatically since our last physical inspection in 2011. In sub area 1 this is clearly evident as almost every street has a current townhome project going on. Sub area 1 is located nearest to the downtown Ballard business core. This area provides many reatail stores, restaurants, medical offices, and grocery stores that is within walking distance. It also provides excellent bus service to downtown Seattle and to the University of Washington.

Area 19 was divided into 8 neighborhoods. The breakdown of these neighborhoods was utilized as an efficient technique to identify and value pockets within sub areas.

Neighborhood 1 comprises the western part of area 19. 97% of the properties are zoned for single family residences in **neighborhood 1**. The typical lot size is 5,000 square feet and the average house has 1,639 square feet of living area. This area is located east of a higher demand area called Sunset Hill. The average land value in **neighborhood 1** was \$389,300. The average sale price, adjusted for time, was \$761,300. There are 2,340 parcels in **neighborhood 1**.

Neighborhood 2 is located in the eastern half of sub area 10. It is very similar to **neighborhood 2** but is less impacted by proximity to Sunset Hill. Approximately 96% of the properties are zoned for single family residences. The typical lot size is 4,141 square feet and average house has 1,602 square feet of living area. The average land value was \$374,400. The average sale price, adjusted for time, was \$729,100. There are 1,923 parcels in **neighborhood 2**.

Neighborhood 3 is located in sub area 1 and is zoned solely for high density development. Since our last physical inspection this neighborhood has gone through a major transformation. Single family homes and duplexes are being torn down and new townhome style residences are being built. The zoning changed on approximately 724 properties since our last physical inspection. This change allowed more units to be built per lot. As a consequence the land values in **neighborhood 3** have increased the most of any neighborhood in area 19. A typical 5,000 square foot lot can support either 3 or 4 townhome units depending on the size and other criteria of the new structures. The most current trend is to construct 3 detached units. The typical lot size of a lot that has not yet been developed is 4,750 square feet and has a value of \$608,000. The typical lot size of a townhome is 1,299 square feet and has a value of \$210,000. The average sale price, adjusted for time, for a townhome was \$711,000. There are 1,564 parcels in **neighborhood 3**.

Neighborhood 4 is located in the northeast portion of sub area 10. Approximately 91% of it is zoned for single family development. This area has the lowest demand of any other neighborhood in area 19. None of the streets have sidewalks unlike most of the other areas. Houses are smaller with an average

Land Model... Continued

total living area of 1,471 square feet. The typical lot size is 4,358 square feet and a value of \$317,200. There are 210 parcels in **neighborhood 4**.

Neighborhood 5 is a transition area between the high demand Olympic Manor area and the Crown Hill area [**neighborhood 4**]. Access to homes is along one very narrow street. Approximately 87% of the parcels have a view amenity of either Puget Sound, Olympic mountains, or of the territory. This is the only neighborhood in area 19 that has views. The typical lot size is 5,318 square feet and value of \$415,700. The average living area of a home is 2,354 square feet. There are 24 parcels in **neighborhood 5**.

Neighborhood 6 is located in the northeast corner of sub area 10. It consists of a small group of duplexes, triplexes, and townhomes. This area stands out as a somewhat isolated section of high density zoned land surrounded by single family residences. There are 31 parcels in **neighborhood 6**.

Neighborhood 7 was identified to feather values between Loyal Heights and Sunset Hill located across 32nd Avenue Northwest. All of the properties across the street are high demand, estate type bluff properties with excellent Puget Sound and Olympic mountain views. **Neighborhood 7** has the highest land value for single family zoned properties. The average land value is \$483,700. There are 23 parcels in **Neighborhood 7**.

Neighborhood 8 is located in the southeastern part of sub area 1. It is zoned for high density townhome development or commercial uses. All of the residential parcels are scattered between condominiums, general office buildings, medical offices, or commercial businesses. This neighborhood is relatively isolated from a residential type environment. There are 28 parcels in **neighborhood 8**.

Land Model

Model Development, Description and Conclusions

Approximately 99% of the parcels have houses on them in area 19. Vacant land sales in area 19 and the surrounding areas were rare due to the low supply of buildable vacant lots. There were only 3 vacant land sales occurring from 1/2014 to 12/2016 in area 19. We also analyzed 142 teardown sales occurring in the same time frame. These sales were analyzed to supplement the vacant lot sales analysis. Almost all of townhome development is started from a house that is torn down. In area 19 we analyzed 111 teardown sales where townhome development took place. We also analyzed 8 vacant sales and 31 teardown sales in similar neighborhoods [Area 82 East Ballard and Area 39 Broadview/Blue Ridge/Shilshole] that included East Ballard, Greenwood, North Beach, Sunset Hill, and Crown Hill. We utilized the market data as well as the allocation approach to value in order to determine the land values. The last time the land was inspected and sales analyzed by a field appraiser was in 11/2010. Since the 2011 assessment year the land values have been annually adjusted similar to improvement values.

The predominant factors influencing land value in this area were location, lot size, view amenity, traffic noise, and being adjacent to non-residential use property. These characteristics as well as others such as zoning, topography, highest and best use as if vacant determination, shape of parcel, and known easements were checked for accuracy and considered in the land valuation. Adjustments for traffic noise and views were developed using paired sale analysis and years of appraisal experience.

Land Model... Continued

Land Valuation Example: 5,000 square foot parcel, located in neighborhood 2, traffic noise is high

Lot size adjustment: 405,000

Traffic noise adjustment: -60,750

Net Baseland Value: 344,250

Final Baseland Value: . 344,000 (Truncated)

Land Value Model Calibration

Lot Size Adjustments for Single Site Parcels on SF 5000 Zoned Land

Lot Size [Sq. Ft.]	Nghd 1	Nghds 2, 3, 8	Nghd 4	Nghds 5 & 6	Nghd 7
875 - 1,999	\$239,000	\$234,000	\$173,000	\$196,000	\$268,000
2,000 - 2,399	\$249,000	\$243,000	\$180,000	\$204,000	\$279,000
2,400 - 2,699	\$261,000	\$255,000	\$189,000	\$214,000	\$292,000
2,700 - 2,999	\$311,000	\$303,000	\$225,000	\$255,000	\$348,000
3,000 - 3,499	\$336,000	\$328,000	\$243,000	\$275,000	\$376,000
3,500 - 3,999	\$369,000	\$360,000	\$267,000	\$302,000	\$413,000
4,000 - 4,499	\$385,000	\$376,000	\$279,000	\$316,000	\$432,000
4,500 - 4,999	\$400,000	\$390,000	\$289,000	\$328,000	\$448,000
5,000 - 5,499	\$415,000	\$405,000	\$300,000	\$340,000	\$465,000
5,500 - 5,999	\$427,000	\$417,000	\$309,000	\$350,000	\$478,000
6,000 - 6,499	\$439,000	\$429,000	\$318,000	\$360,000	\$492,000
6,500 - 6,999	\$452,000	\$441,000	\$327,000	\$370,000	\$506,000
7,000 - 7,499	\$464,000	\$453,000	\$336,000	\$380,000	\$520,000
7,500 - 7,999	\$477,000	\$465,000	\$345,000	\$391,000	\$534,000
8,000 - 8,999	\$487,000	\$475,000	\$352,000	\$399,000	\$546,000
9,000 - 9,999	\$506,000	\$494,000	\$366,000	\$414,000	\$567,000
10,000 - 10,999	\$519,000	\$506,000	\$375,000	\$425,000	\$581,000
11,000 - 12,999	\$539,000	\$526,000	\$390,000	\$442,000	\$604,000

For view, traffic noise, and other adjustments see page 18.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR1 Zoned Land

Lot Size [Sq. Ft.]	Nghds 1, 2, 3, 6, 7, 8	Nghd 4	Nghd 5
850 - 1,999	\$239,000	\$173,000	\$196,000
2,000 - 2,399	\$249,000	\$180,000	\$204,000
2,400 - 2,699	\$261,000	\$189,000	\$214,000
2,700 - 2,999	\$311,000	\$225,000	\$255,000
3,000 - 3,199	\$336,000	\$243,000	\$275,000
3,200 - 3,499	\$420,000	\$340,000	\$380,000
3,500 - 3,999	\$430,000	\$350,000	\$390,000
4,000 - 4,499	\$630,000	\$510,000	\$570,000
4,500 - 4,999	\$635,000	\$515,000	\$575,000
5,000 - 5,599	\$640,000	\$520,000	\$580,000
5,600 - 5,999	\$840,000	\$680,000	\$760,000
6,000 - 6,499	\$845,000	\$685,000	\$770,000
6,500 - 7,199	\$850,000	\$690,000	\$780,000
7,200 - 7,499	\$1,050,000	\$850,000	\$950,000
7,500 - 7,999	\$1,055,000	\$855,000	\$955,000
8,000 - 8,799	\$1,060,000	\$860,000	\$960,000

LR1 generally allows 1 unit per 1,600 s.f. of lot size.

For view, traffic noise, and other adjustments see page 18.



Land Value Model Calibration... Continued

Lot Size Adjustments for LR2/LR2 RC Zoned Land

Lot Size [Sq. Ft.]	Nghds 1, 2, 3	Nghd 4	Nghd 5	Nghd 6	Nghd 7	Nghd 8
790 - 1,999	\$239,000	\$173,000	\$196,000	\$196,000	\$268,000	\$234,000
2,000 - 2,399	\$249,000	\$180,000	\$204,000	\$204,000	\$279,000	\$243,000
2,400 - 2,699	\$261,000	\$189,000	\$214,000	\$214,000	\$292,000	\$255,000
2,700 - 2,999	\$311,000	\$225,000	\$255,000	\$255,000	\$348,000	\$303,000
3,000 - 3,199	\$336,000	\$243,000	\$275,000	\$275,000	\$376,000	\$328,000
3,200 - 3,499	\$420,000	\$340,000	\$380,000	\$420,000	\$420,000	\$420,000
3,500 - 3,999	\$630,000	\$510,000	\$570,000	\$630,000	\$630,000	\$630,000
4,000 - 4,499	\$635,000	\$515,000	\$575,000	\$635,000	\$635,000	\$635,000
4,500 - 4,999	\$840,000	\$680,000	\$760,000	\$840,000	\$840,000	\$840,000
5,000 - 5,499	\$845,000	\$685,000	\$765,000	\$845,000	\$845,000	\$845,000
5,500 - 5,999	\$1,050,000	\$850,000	\$950,000	\$1,050,000	\$1,050,000	\$1,050,000
6,000 - 6,599	\$1,055,000	\$855,000	\$955,000	\$1,055,000	\$1,055,000	\$1,055,000
6,600 - 6,999	\$1,260,000	\$1,020,000	\$1,140,000	\$1,260,000	\$1,260,000	\$1,260,000
7,000 - 7,499	\$1,265,000	\$1,025,000	\$1,145,000	\$1,265,000	\$1,265,000	\$1,265,000
7,500 - 7,999	\$1,270,000	\$1,030,000	\$1,150,000	\$1,270,000	\$1,270,000	\$1,270,000

LR2 generally allows 1 unit per 1,400 s.f. of lot size.

For view, traffic noise, and other adjustments see page 18.



Land Value Model Calibration... Continued

Lot Size Adjustments for LR3/LR3 RC Zoned Land

Lot Size [Sq. Ft.]	Nghd 1	Nghds 2 & 3	Nghd 4	Nghd 5	Nghd 6	Nghd 7	Nghd 8
770 - 1,999	\$239,000	\$234,000	\$173,000	\$196,000	\$196,000	\$268,000	\$234,000
2,000 - 2,399	\$249,000	\$243,000	\$180,000	\$204,000	\$204,000	\$279,000	\$243,000
2,400 - 2,699	\$261,000	\$255,000	\$189,000	\$214,000	\$214,000	\$292,000	\$255,000
2,700 - 2,999	\$311,000	\$303,000	\$225,000	\$255,000	\$255,000	\$348,000	\$303,000
3,000 - 3,499	\$420,000	\$420,000	\$340,000	\$380,000	\$420,000	\$420,000	\$420,000
3,500 - 3,599	\$630,000	\$630,000	\$510,000	\$570,000	\$630,000	\$630,000	\$630,000
3,600 - 3,999	\$635,000	\$635,000	\$515,000	\$575,000	\$635,000	\$635,000	\$635,000
4,000 - 4,499	\$840,000	\$840,000	\$680,000	\$760,000	\$840,000	\$840,000	\$840,000
4,500 - 4,999	\$845,000	\$845,000	\$685,000	\$765,000	\$845,000	\$845,000	\$845,000
5,000 - 5,399	\$850,000	\$850,000	\$690,000	\$770,000	\$850,000	\$850,000	\$850,000
5,400 - 5,999	\$1,050,000	\$1,050,000	\$850,000	\$950,000	\$1,050,000	\$1,050,000	\$1,050,000

LR3 generally allows 1 unit per 1,400 s.f. of lot size.

For view, traffic noise, and other adjustments see page 18.

For the following zoning designations we applied the commercial land model unless it was known townhome development was going to occur:

Zoning	AV per Sf. Ft.
C2-65	\$175
MR	\$130
MR-RC	\$170
NC1-30	\$120-\$130
NC2-40	\$130
NC3-40	\$145
NC3P-40	\$135
NC3P-65	\$230

Land Value Model Calibration... Continued

Land valuation adjustments after lot size calculation:

View Amenity (Cumulative)

	Fair	Average	Good
Puget Sound	+6%	+10%	+25%
Olympic Mt.	NA	+6%	+15%
Territorial	NA	+4%	+8%
Mt Rainier	NA	+3%	NA

Traffic Noise

- 5% for moderate traffic noise
- 15% for high traffic noise
- 30% for extreme traffic noise

Other Adjustments

- 5% if adjacent to commercial property

Order of adjustments: lot size adjustment x [1 + (traffic noise + other nuisance + views)]. Final value was truncated down to the nearest thousand.

Townhome Land Valuation

Lot Size	Nghds 1,2,3,6,7,8	Nghd 4	Nghd 5
619 - 2,950	\$210,000	\$170,000	\$190,000

Traffic Noise

- 5% for moderate traffic noise
- 10% for high traffic noise
- 15% for extreme traffic noise

Other Adjustments

- 5% if adjacent to commercial property

Order of adjustments: lot size adjustment x [1 + (traffic noise + other nuisance + views)]. Final value was truncated down to the nearest thousand.

Improved Parcel Valuation

Improved Parcel Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified if possible by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Available sales and additional Area information can be viewed on the Assessor's website with [sales lists](#), [eSales](#) and [Localscape](#). Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

The Assessor maintains a cost model, which is specified by the physical characteristics of the improvement, such as first floor area, second floor area, total basement area, and number of bathrooms. The cost for each component is further calibrated to the 13 grades to account for quality of construction. Reconstruction Cost New (RCN) is calculated from adding up the cost of each component. Depreciation is then applied by means of a percent good table which is based on year built, grade, and condition, resulting in Reconstruction Cost New less Depreciation (RCNLD). The appraiser can make further adjustments for obsolescence (poor floor plan, design deficiencies, external nuisances etc.) if needed. The Assessor's cost model generates RCN and RCNLD for principal improvements and accessories such as detached garages and pools.

The Assessor's cost model was developed by the King County Department of Assessments in the early 1970's. It was recalibrated in 1990 to roughly approximate Marshall & Swift's square foot cost tables, and is indexed annually to keep up with current costs.

Model Development, Description and Conclusions:

All sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2017. There were 1,453 sales from 1/1/2014 to 12/31/2016. Appraisers determined 1,381 of these sales reflected fair market value and could be considered for land or total valuation purposes.

A characteristic based multiplicative regression model was developed for valuing the majority of parcels in area 19. The model was applied to detached single family residences as well as townhome style improvements. Our team extensively verified every sale and confirmed the characteristic data at the time of sale. We field inspected the sales talking to as many buyers as possible and taking new exterior pictures. In addition we extensively looked at characteristic data and pictures on various web sites in order to have the most accurate data as possible. The model was tested for accuracy on all possible types of property in the population. Supplemental models were developed and applied to properties where the regression model was not deemed accurate. The valuation models were applied to the population after each parcel had been inspected in the field. Based on the sales an overall assessment level of 92.1% was achieved. The uniformity of assessment improved as the COD was reduced from 7.58% to 6.18%.

The regression model included the following variables that affected the valuation of detached single family residences: sale date, land value, grade, condition, year built or year renovation, first floor area, upper floor area, basement area, covered parking area, number of bathrooms, neighborhood 3, traffic noise, and triplexes. It was applicable to detached single family homes with grades 6-10, all ages, and all conditions with the exception of "poor". It was not applicable to homes with grades less than 6 or greater than 10, multiple buildable sites, parcels with more than one house, homes with unfinished

Improved Parcel Valuation... Continued

area, homes less than 100% complete, either miscellaneous or additional costs greater than 9,999, or parcels coded interim use.

For townhome style residences the following variables were in the multiple regression model: sale date, land value, , grade, year built or year renovation, condition, total living area, number of bathrooms, neighborhood 1, neighborhoods 2 or 4, neighborhood 6, covered parking area, roof top decks, and detached units. It was not applicable for townhouse style homes with grades less than 7 or greater than 9, condition less than or greater than average, or year built<1990.

Improved Parcel Total Value Model Calibration

Variable	Definition
Sale Day	Time adjustment
BaseLandC	2017 Base land value
Grade6YN	House grade is 6
Grade8YN	House grade is 8
Grade9SfrYN	House grade is 9
Grade9ThomeYN	Townhome grade is 9
Grade10YN	House grade is 10
FairYN	House condition is fair
GoodYN	House condition is good
VGoodYN	House condition is very good
AgeC	Age of improvement
OldAgeYN	Homes built or renovated before 1936
FstFlrC	Non Townhome and square footage of 1 st Floor
FlrAboveFstC	Non Townhome and square footage above 1 st floor
BsmtNoGarC	Non Townhome and square footage of basement less garage area
FinBGrGT4C	Non Townhome and square footage of grade 5 or higher finished basement area
TotLivC	Total living area of Townhome
SfrBathsC	Number of bathrooms in Non Townhome
ThomebathsC	Number of bathrooms in Townhome
TotCvdPkgSfrC	Total covered parking area in Non Townhome
TotCvdPkgThomeC	Total covered parking area in Townhome
TriplexYN	Number of living units is 3
HvyTrafYN	Traffic noise>0 and number of living units is 1 for Non Townhome
Nghb3Sfr1UnitYN	Non Townhome with 1 living unit and located in neighborhood 3
THnghd1YN	Townhome located in neighborhood 1
THnghds2or4YN	Townhome located in neighborhoods 2 or 4
Nghb6thomeYN	Townhome located in neighborhood 6
ThomeRoofDkYN	Townhome with a roof top deck
DetTownHsYN	Townhome with no common walls of other units

Improved Parcel Total Value Model Calibration...

Continued

Multiplicative Model

$(1-0.075) * 4.2130551871137 + 0.256532092435693 * \text{BaseLandC} - 0.0689981533885606 * \text{AgeC} + 0.0347594189152455 * \text{BsmtNoGarC} + 0.0277290298453333 * \text{DetTownHsYN} - 0.0621776111744742 * \text{FairYN} + 0.0126175348061267 * \text{FinBGrGT4C} + 0.0761792732422027 * \text{FlrAboveFstC} + 0.311912444793379 * \text{FstFlrC} + 0.0281787756572547 * \text{GoodYN} + 0.11919649804652 * \text{Grade10YN} - 0.0204048772634526 * \text{Grade6YN} + 0.0166401586162053 * \text{Grade8YN} + 0.0984891562197305 * \text{Grade9SfrYN} + 0.0614717669084069 * \text{Grade9ThomeYN} - 0.0195408714511879 * \text{HvyTrafYN} + 0.03224943633656 * \text{Nghb3Sfr1UnitYN} - 0.0352747564867544 * \text{Nghb6thomeYN} + 0.00826364050081666 * \text{OldAgeYN} + 0.00027452211578066 * \text{SaleDay} + 0.148845554892124 * \text{SfrBathsC} - 0.0211957945407951 * \text{THnghd1YN} - 0.0733215542028511 * \text{THnghds2or4YN} + 0.0903688568511846 * \text{ThomeBathsC} + 0.016360462768285 * \text{ThomeRoofDkYN} + 0.0137847035793832 * \text{TotCvdPkgSfrC} + 0.00863432464993259 * \text{TotCvdPkgThomeC} + 0.327935960252592 * \text{TotLivC} + 0.0203210298433111 * \text{TriplexYN} + 0.0695769538803519 * \text{VGoodYN}$

EMV values were not generated for:

- Buildings with grade less than 6 or greater than 10
- Building two or greater. (EMV is generated for building one only.)
- If total EMV is less than base land value
- Lot size less than 100 square feet
- Poor Condition
- Unfinished Area>0
- Highest and Best use is Interim use
- Obsolescence>0
- Net Condition>0
- Percent Complete<100

Of the improved parcels in the population, 5,107 parcels increased in value. They were comprised of 564 single family residences on commercially zoned land and 4,543 single family residences or other parcels.

Of the vacant land parcels greater than \$1,000, 24 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

For Single Family Residences

Grade 5: Calculate EMV as grade 6 x 0.98

2 houses on SF500 zoned land and not sub dividable: If YrBltrRen<2000 and nbr 2 is in average condition then the added value for imp nbr 2 is RCN x 1.0. If YrBltrRen<2000 and the condition of imp nbr 2 is good or very good then add RCN x 1.10. If YrBltrRen>1999 [this covers all detached accessory dwelling units] then added value of nbr 2 is RCNLD x 1.20.

Unfinished Areas: Use the RCN [replacement cost new] difference between the area being finished and unfinished in order to get a downward adjustment from EMV.

Additional costs>=10,000 and/or Misc. Accessory costs>=10,000 : Value improvement at EMV then add the additional cost item.

For Townhome Style Residences

Detached Units: Value at EMV as indicated in Real Property x 1.07

Roof Top Decks: Value at EMV as indicated in Real Property x 1.04

Physical Inspection Process

Effective Date of Appraisal: January 1, 2017

Date of Appraisal Report: June 20, 2017

Appraisal Team Members and Participation

The valuation for this area was done by the following Appraisal Team. The degree of participation varied according to individual skill in relevant areas and depending on the time they joined the team.

- Steve Elliott – Appraiser II: Team lead, coordination, valuation model development and testing, land and total valuation appraisals, sales verification, physical inspection and report writing.
- Peter Hsu – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Rebecca Love – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Sandra Sotomayor – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Naomi Yother – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.

Sales Screening for Improved Parcel Analysis

In order to ensure that the Assessor's analysis of sales of improved properties best reflects the market value of the majority of the properties within an area, non-typical properties must be removed so a representative sales sample can be analyzed to determine the new valuation level. The following list illustrates examples of non-typical properties which are removed prior to the beginning of the analysis.

1. Vacant parcels
2. Mobile Home parcels
3. Multi-Parcel or Multi Building parcels
4. New construction where less than a 100% complete house was assessed for 2016
5. Existing residences where the data for 2016 is significantly different than the data for 2017 due to remodeling
6. Parcels with improvement values, but no characteristics
7. Short sales, financial institution re-sales and foreclosure sales verified or appearing to be not at market

(Available sales and additional Area information can be viewed from [sales lists](#), [eSales](#) and [Localscape](#))

Highest and Best Use Analysis

As If Vacant: Market analysis of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the overwhelming majority of the appraised parcels is single family residential. Any other opinion of highest and best use is specifically noted in our records, and would form the basis for the valuation of that specific parcel.

As If Improved: Where any value for improvements is part of the total valuation, we are of the opinion that the present improvements produce a higher value for the property than if the site was vacant. In appraisal theory, the present use is therefore the highest and best (as improved) of the subject property, though it could be an interim use.

Standards and Measurement of Data Accuracy

Sales were verified with the purchaser, seller or real estate agent where possible. Current data was verified via field inspection and corrected. Data was collected and coded per the assessor's residential procedures manual.



Physical Inspection Process... Continued

We maintain uniformity with respect to building characteristics such as year-built, quality, condition, living area, stories, and land characteristics such as location (sub-area and plat), lot size, views, and waterfront. Other variables that are unique to the specific areas are also investigated. This approach ensures that values are equitable for all properties with respect to all measurable characteristics, whether the houses are larger or smaller, higher or lower quality, remodeled or not, with or without views or waterfront, etc.

Special Assumptions and Limiting Conditions

The sales comparison and cost approaches to value were considered for this mass appraisal valuation. After the sales verification process, the appraiser concluded that the market participants typically do not consider an income approach to value. Therefore the income approach is not applicable in this appraisal as these properties are not typically leased, but rather owner occupied. The income approach to value was not considered in the valuation of this area.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/1/2014 to 12/31/2016 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2017.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standard 6.



Area 019 Market Value Changes Over Time

In a changing market, recognition of a sales trend to adjust a population of sold properties to a common date is required to allow for value differences over time between a range of sales dates and the assessment date. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, **January 1, 2017**.

For example, a sale of \$475,000 which occurred on October 1, 2015 would be adjusted by the time trend factor of 1.134, resulting in an adjusted value of \$538,000 ($\$475,000 \times 1.134 = \$538,650$) – truncated to the nearest \$1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2014	1.351	35.1%
2/1/2014	1.340	34.0%
3/1/2014	1.329	32.9%
4/1/2014	1.318	31.8%
5/1/2014	1.307	30.7%
6/1/2014	1.296	29.6%
7/1/2014	1.286	28.6%
8/1/2014	1.275	27.5%
9/1/2014	1.264	26.4%
10/1/2014	1.253	25.3%
11/1/2014	1.243	24.3%
12/1/2014	1.233	23.3%
1/1/2015	1.222	22.2%
2/1/2015	1.212	21.2%
3/1/2015	1.203	20.3%
4/1/2015	1.192	19.2%
5/1/2015	1.183	18.3%
6/1/2015	1.173	17.3%
7/1/2015	1.163	16.3%
8/1/2015	1.153	15.3%
9/1/2015	1.143	14.3%
10/1/2015	1.134	13.4%
11/1/2015	1.124	12.4%
12/1/2015	1.115	11.5%
1/1/2016	1.106	10.6%
2/1/2016	1.096	9.6%
3/1/2016	1.088	8.8%
4/1/2016	1.078	7.8%
5/1/2016	1.070	7.0%
6/1/2016	1.061	6.1%
7/1/2016	1.052	5.2%
8/1/2016	1.043	4.3%
9/1/2016	1.034	3.4%
10/1/2016	1.026	2.6%
11/1/2016	1.017	1.7%
12/1/2016	1.009	0.9%
1/1/2017	1.000	0.0%



Area 019 Market Value Changes Over Time

The time adjustment formula for Area 019 is: $1/EXP(\text{SaleDay} * 0.00027452211578066)$

$\text{SaleDay} = \text{SaleDate} - 42,736$

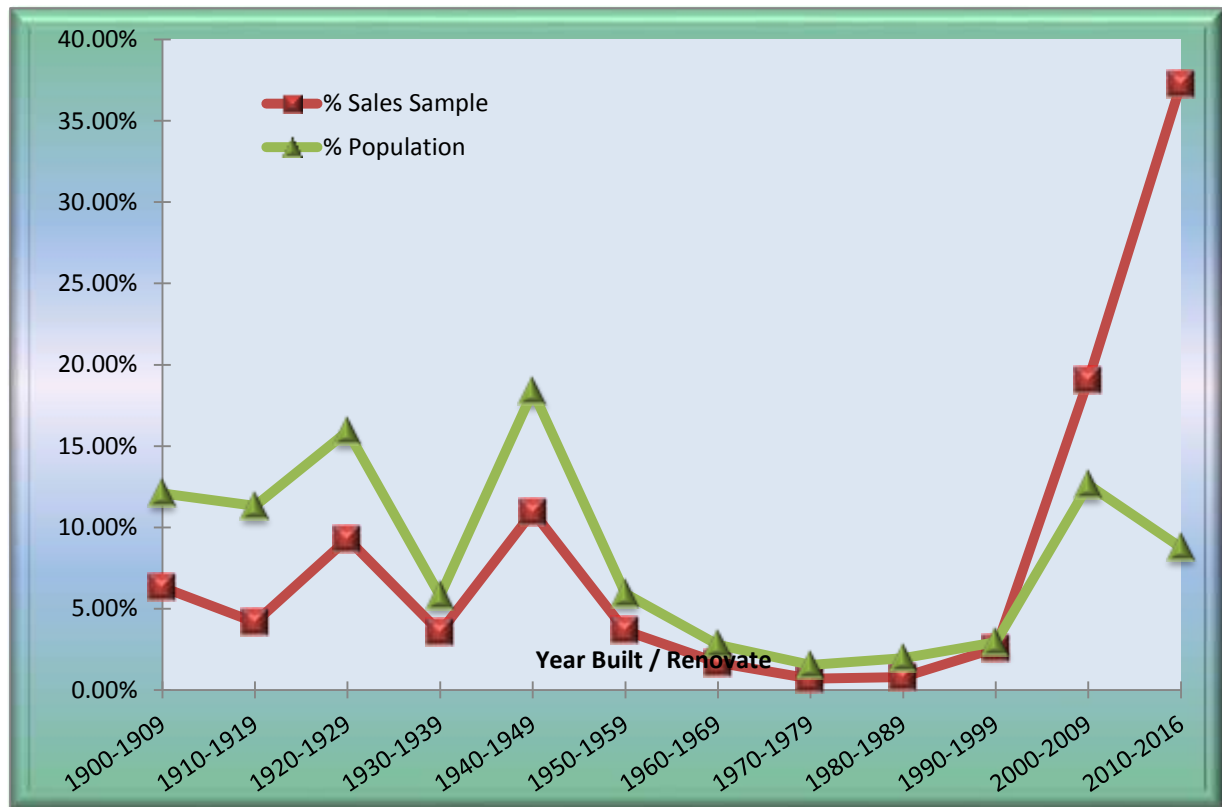
Sales Sample Representation of Population Year Built or Renovated

Sales

Year Built/Ren	Frequency	% Sales Sample
1900-1909	64	6.32%
1910-1919	42	4.15%
1920-1929	94	9.29%
1930-1939	36	3.56%
1940-1949	111	10.97%
1950-1959	37	3.66%
1960-1969	17	1.68%
1970-1979	7	0.69%
1980-1989	8	0.79%
1990-1999	26	2.57%
2000-2009	193	19.07%
2010-2016	377	37.25%
	1,012	

Population

Year Built/Ren	Frequency	% Population
1900-1909	669	12.09%
1910-1919	626	11.31%
1920-1929	880	15.90%
1930-1939	321	5.80%
1940-1949	1,016	18.36%
1950-1959	328	5.93%
1960-1969	154	2.78%
1970-1979	85	1.54%
1980-1989	108	1.95%
1990-1999	163	2.95%
2000-2009	698	12.62%
2010-2016	485	8.77%
	5,533	



Sales of new homes built over the last few years are over represented in this sample.

This is a common occurrence due to the fact that most new homes will sell shortly after completion. This over representation was found to lack statistical significance during the modeling process.

Sales Sample Representation of Population

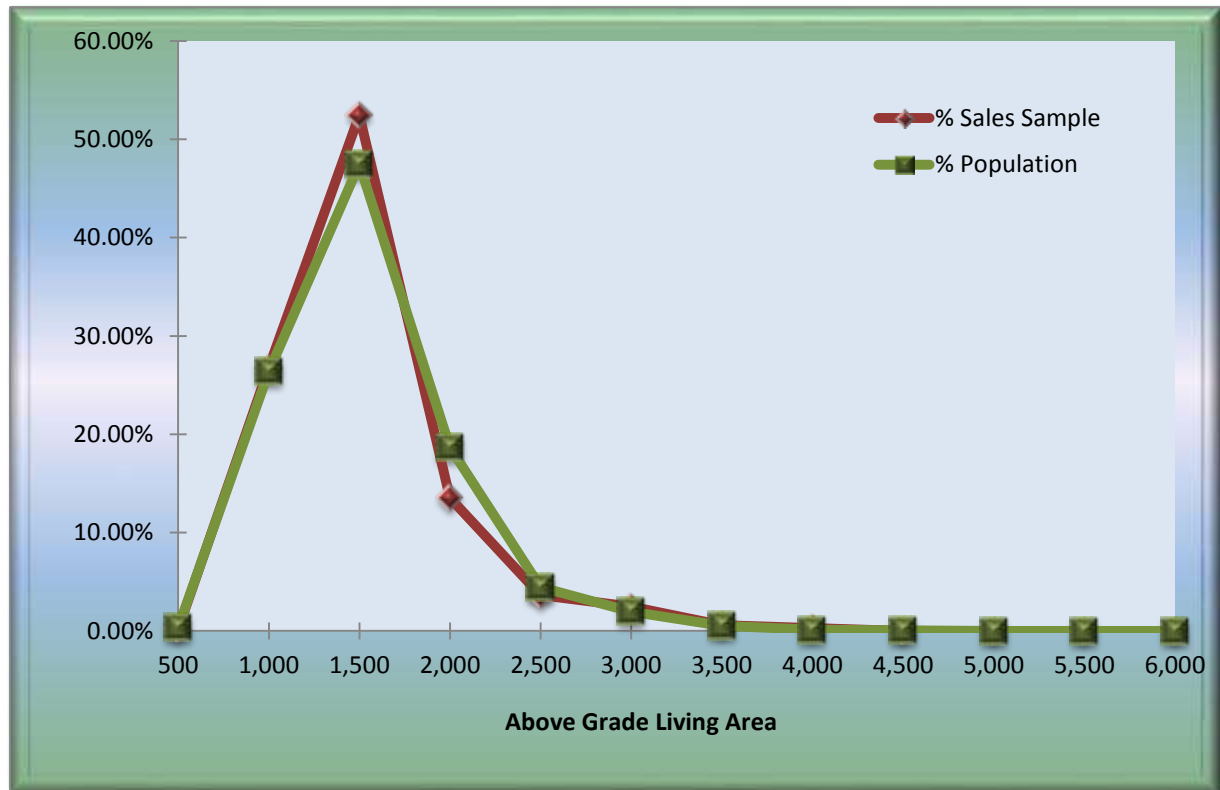
Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	2	0.20%
1,000	271	26.78%
1,500	531	52.47%
2,000	137	13.54%
2,500	37	3.66%
3,000	25	2.47%
3,500	6	0.59%
4,000	3	0.30%
4,500	0	0.00%
5,000	0	0.00%
5,500	0	0.00%
6,000	0	0.00%
1,012		

Population

AGLA	Frequency	% Population
500	20	0.36%
1,000	1,459	26.37%
1,500	2,627	47.48%
2,000	1,033	18.67%
2,500	247	4.46%
3,000	108	1.95%
3,500	29	0.52%
4,000	7	0.13%
4,500	3	0.05%
5,000	0	0.00%
5,500	0	0.00%
6,000	0	0.00%
5,533		



The sales sample frequency distribution follows the population distribution very closely with regard to Above Grade Living Area (AGLA). This distribution is ideal for both accurate analysis and appraisals.

Sales Sample Representation of Population

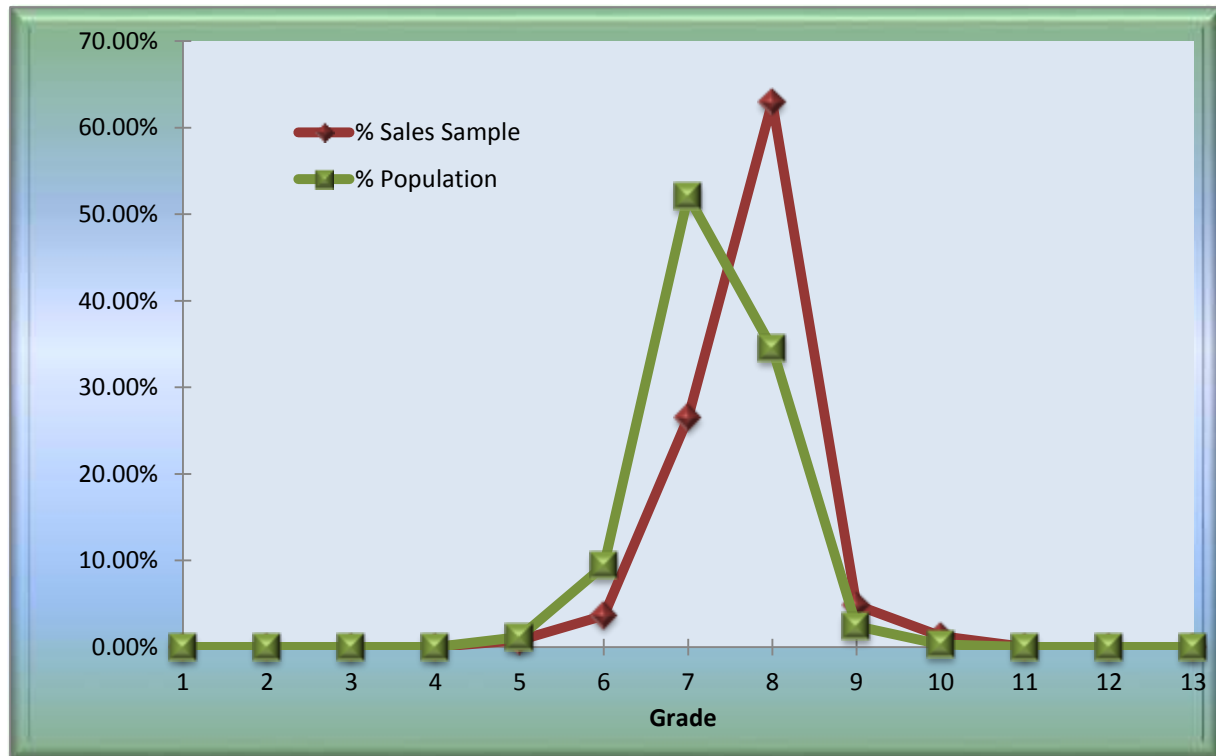
Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	8	0.79%
6	37	3.66%
7	268	26.48%
8	637	62.94%
9	49	4.84%
10	13	1.28%
11	0	0.00%
12	0	0.00%
13	0	0.00%
1,012		

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	2	0.04%
5	65	1.17%
6	521	9.42%
7	2,882	52.09%
8	1,912	34.56%
9	133	2.40%
10	18	0.33%
11	0	0.00%
12	0	0.00%
13	0	0.00%
5,533		



The sales sample frequency distribution follows the population distribution relatively closely with regard to Building Grades. This distribution is adequate for both accurate analysis and appraisals.

Results

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field 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. This value estimate may be adjusted based on particular characteristics and conditions as they occur in the valuation area.

The assessment level target for all areas in King County, including this area, is 92.5. The actual assessment level for this area is 92.1% . The standard statistical measures of valuation performance are all within the IAAO recommended range of .90 to 1.10.

Application of these recommended values for the 2017 assessment year (taxes payable in 2017) results in an average total change from the 2016 assessments of 10.1%. This increase is due partly to market changes over time and the previous assessment levels.

A Ratio Study was completed just prior to the application of the 2017 recommended values. This study benchmarks the prior assessment level using 2016 posted values (1/1/2016) compared to current adjusted sale prices (1/1/2017). The study was also repeated after the application of the 2017 recommended values. The results show an improvement in the COD from 7.58% to 6.18%.

The Appraisal Team recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

Note: More details and information regarding aspects of the valuations and the report are retained in the working files kept in the appropriate district office.

Area 19 Housing Profile



Grade 5/ Year Built 1928/ Total Living Area 420



Grade 6/ Year Built 1943/ Total Living Area 770



Grade 7/ Year Built 1920/ Total Living Area 2,450



Grade 8/ Year Built 1927/ Total Living Area 1,660



Grade 9/ Year Built 2016/ Total Living Area 4,690



Grade 10/ Year Built 2006/ Total Living Area 3,520

Glossary for Improved Sales

Condition: Relative to Age and Grade

1= Poor	Many repairs needed. Showing serious deterioration.
2= Fair	Some repairs needed immediately. Much deferred maintenance.
3= Average	Depending upon age of improvement; normal amount of upkeep for the age of the home.
4= Good	Condition above the norm for the age of the home. Indicates extra attention and care has been taken to maintain.
5= Very Good	Excellent maintenance and updating on home. Not a total renovation.

Residential Building Grades

Grades 1 - 3	Falls short of minimum building standards. Normally cabin or inferior structure.
Grade 4	Generally older low quality construction. Does not meet code.
Grade 5	Lower construction costs and workmanship. Small, simple design.
Grade 6	Lowest grade currently meeting building codes. Low quality materials, simple designs.
Grade 7	Average grade of construction and design. Commonly seen in plats and older subdivisions.
Grade 8	Just above average in construction and design. Usually better materials in both the exterior and interior finishes.
Grade 9	Better architectural design, with extra exterior and interior design and quality.
Grade 10	Homes of this quality generally have high quality features. Finish work is better, and more design quality is seen in the floor plans and larger square footage.
Grade 11	Custom design and higher quality finish work, with added amenities of solid woods, bathroom fixtures and more luxurious options.
Grade 12	Custom design and excellent builders. All materials are of the highest quality and all conveniences are present.
Grade 13	Generally custom designed and built. Approaching the Mansion level. Large amount of highest quality cabinet work, wood trim and marble; large entries.



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.



USPAP Compliance...Continued

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. (Samish 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. (Samish 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.



USPAP Compliance...Continued

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.



USPAP Compliance...Continued

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.



USPAP Compliance...Continued

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The individuals listed below were part of the "appraisal team" and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- To the best of my knowledge the following services were performed by the appraisal team within the subject area in the last three years:
 - Naomi Yother: Appeals Response Preparation / Review
 - Peter Hsu: New Construction Evaluation
 - Rebecca Love: New Construction Evaluation
 - Sandra Sotomayor: New Construction Evaluation
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed adjacent to my name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
 - Annual Up-Date Model Development and Report Preparation
 - Sales Verification
 - Appeals Response Preparation / Review
 - New Construction Evaluation

Steve Ellison

6/20/17

Appraiser II

Date



King County

Department of Assessments

King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0708
Seattle, WA 98104-2384
(206) 296-7300 FAX (206) 296-0595
Email: assessor.info@kingcounty.gov

John Wilson

Assessor

As we start preparations for the 2017 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Time adjust sales to January 1, 2017 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

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

John Wilson
King County Assessor



King County

Department of Assessments