Mercer Island

Area: 034

Residential Revalue for 2016 Assessment Roll

King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

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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

Area 034 - Overview 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

Area 034 Housing Profile

Grade 6/ Year Built 1947/ Total Living Area 1540

Grade 7/Year Built 1990/ Total Living Area 1910

Grade 8/ Year Built 1975/ Total Living Area 2590

Grade 9/ Year Built 1977/ Total Living Area 3000

Grade 10/Year Built 2004/ Total Living Area 3570

Grade 11/Year Built 1991/ Total Living Area 6490

Grade 12/Year Built-Reno 2009/Total Living Area 7840

Grade 13/Year Built 2010/ Total Living Area 9010

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.

Executive Summary
Mercer Island - Area 034
Annual Update

Characteristics Based Market Adjustment for 2016 Assessment Roll

Appraisal Date: 1/1/2016
Previous Physical Inspection: 2014
Number of Improved Sales: 931
Range of Sale Dates: 1/1/2013 – 12/31/2015 Sales were time adjusted to 1/1/2016

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2015 Value	$760,900	$521,800	$1,282,700			8.21%
2016 Value	$840,300	$575,700	$1,416,000	$1,549,000	92.7%	8.21%
$ Change	+$79,400	+$53,900	+$133,300			
% Change	+10.4%	+10.3%	+10.4%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. No characteristic based variables were warranted, therefore there is no change to the COD. 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.

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2015 Value	$813,000	$477,500	$1,290,500
2016 Value	$897,800	$526,700	$1,424,500
$ Change	+$84,800	+$49,200	+$134,000
% Change	+10.4%	+10.3%	+10.4%

Number of one to three unit residences in the population: 6,790

Summary of Findings: The analysis for this area consisted of a general review of applicable characteristics, such as: grade, age, condition, stories, living area, views, waterfront, lot size, land problems and neighborhoods. The area required a single standard area adjustment.

Area Information
Area 034 – Mercer Island

The City of Mercer Island has been widely recognized as one of the premier residential communities in the State of Washington. The I-90 corridor running east and west bisects the island on the north end, creating excellent access to both the greater Seattle area and the Bellevue business community. Mercer Island was incorporated in July, 1960 and is a true island community consisting of a commercial district including restaurants, shopping and other amenities, high-rise condominiums and apartments, high quality residential areas, preserved parks and open space, as well as miles of developed shoreline.

Long known for its affluence and famous residents, Mercer Island ranks as one of the wealthiest cities in Washington State based on per capita income, and is home to Paul Allen, the co-founder of Microsoft. There are mansions with estate size lots nestled along Mercer Island waterfront. The highest priced property that has sold on the island is $21,625,000.

There are seven sub areas on the island; three waterfront and four uplands areas. Sub areas 1, 4, and 6 have waterfront properties and sub areas 2, 3, 5, and 7 contain most of the upland parcels. The north and west side of the island are considered the most desirable areas of the island with excellent Lake Washington views and many with City of Seattle views. Overall, the south end and east side of the island waterfront are considered slightly inferior due to the inferior views (Cities of Bellevue and Renton rather than the City of Seattle), the lengthy, twisting, narrow access road along East Mercer Way, the lack of the afternoon sun, and heavily treed areas resulting in filtered sunlight throughout the day. Most of the trees cannot be cut down due to their use in stabilizing the lots with topography and steep slopes. Improvements on the Island range from older grade 6 homes to grade 20 mansions in estate settings. With a lack of vacant, buildable sites, much of the development has involved demolition of existing houses or major renovations to existing homes. A premium is paid for sites with waterfront, views, and larger lots; however, even smaller sites with limited or no views are being purchased and existing improvements demolished or extensively remodeled. Many of the remaining vacant land sites are impacted with topography and/or water problems.

Another main attraction to Mercer Island is its superior public schools, where students can attend local schools and obtain an excellent education.

The Island has over 35 parks and open space areas boasting over 400 acres and trails in excess of 50 miles. Luther Burbank Park, at the north end of the island, covers 77 acres of land and has ¾ of a mile of waterfront. The park has a public boat dock and fishing pier, a swimming beach, an amphitheater, tennis courts, barbecues and picnic facilities, and an off-leash dog area. There are also two private beach clubs on the island that provide swimming pools, tennis courts, and summer activities for the family.

Area 034 - Model Adjustments
1-3 Unit Residences

2016 Total Value = 2015 Total Value + Overall (+/-) Characteristic Adjustments

Standard Area Adjustment	# Parcels Adjusted	% of Population
+10.43%	6,790	100%

Due to truncating the coefficient values used to develop the percentages and further rounding of the percentages in this table, the results you will obtain are an approximation of adjustment achieved in production.

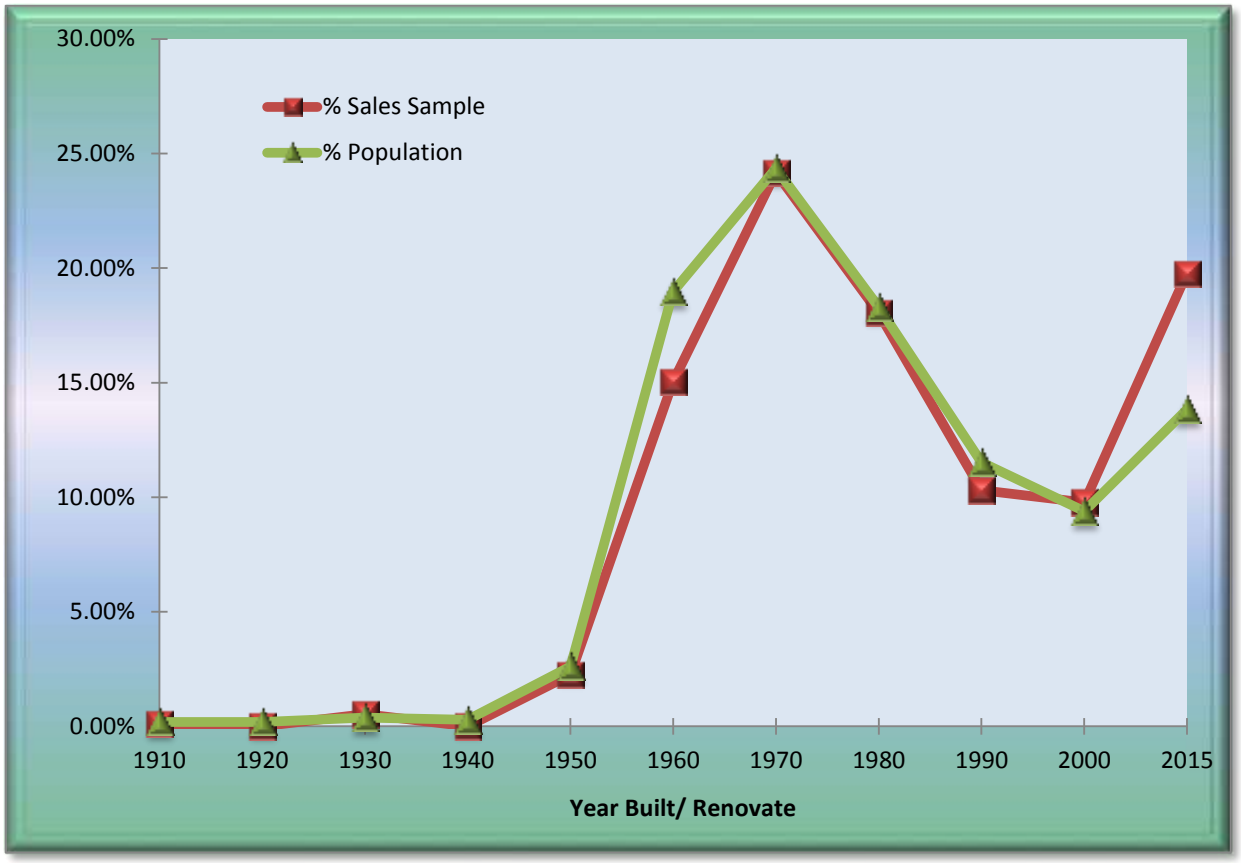
Sales Sample Representation of Population
Year Built or Renovated

Sales Sample

Year Built/Ren	Frequency	% Sales Sample
1910	1	0.11%
1920	0	0.00%
1930	5	0.54%
1940	0	0.00%
1950	21	2.26%
1960	140	15.04%
1970	225	24.17%
1980	168	18.05%
1990	96	10.31%
2000	91	9.77%
2015	184	19.76%
	931	

Population

Year Built/Ren	Frequency	% Population
1910	13	0.19%
1920	13	0.19%
1930	26	0.38%
1940	19	0.28%
1950	177	2.61%
1960	1,288	18.97%
1970	1,653	24.34%
1980	1,243	18.31%
1990	782	11.52%
2000	637	9.38%
2015	939	13.83%
	6,790	



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.

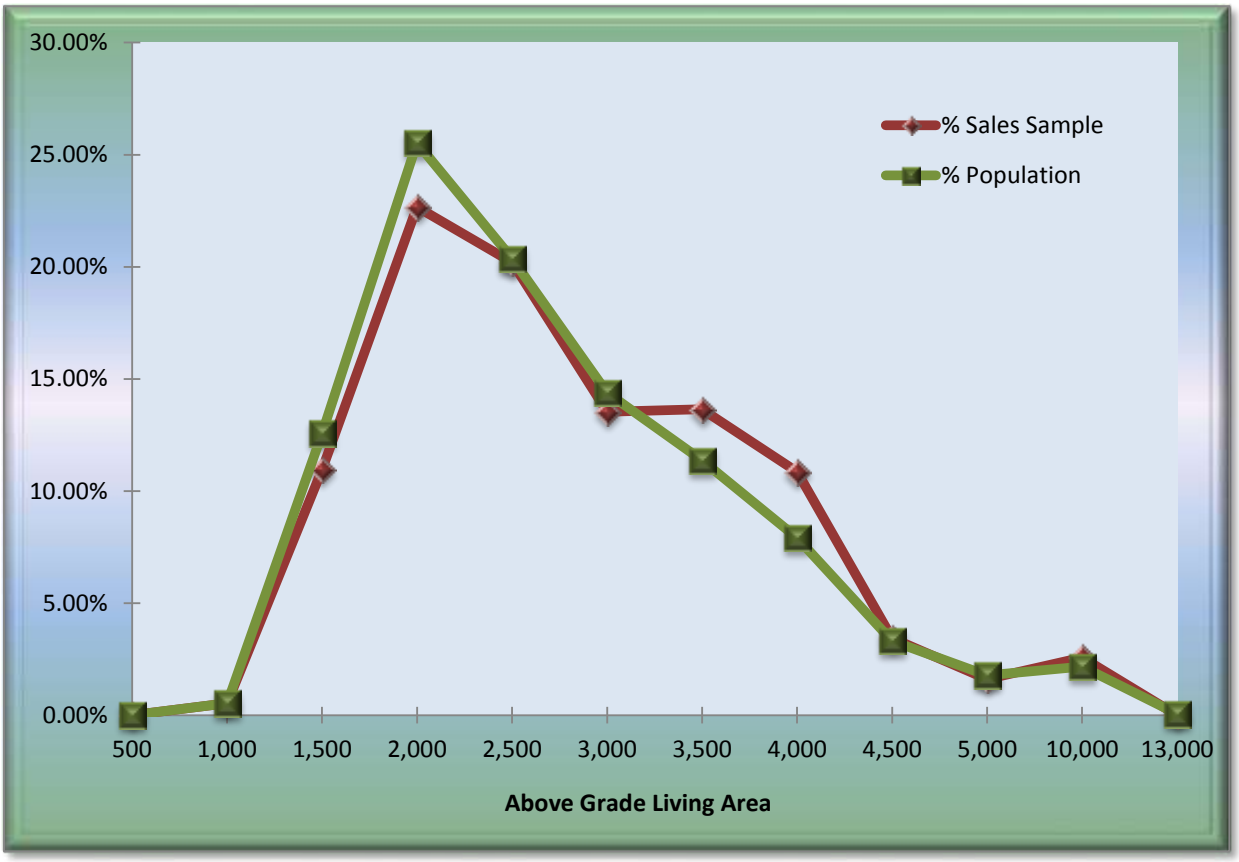
Sales Sample Representation of Population
Above Grade Living Area

Sales Sample

AGLA	Frequency	% Sales Sample
500	0	0.00%
1,000	5	0.54%
1,500	102	10.96%
2,000	211	22.66%
2,500	188	20.19%
3,000	126	13.53%
3,500	127	13.64%
4,000	101	10.85%
4,500	32	3.44%
5,000	15	1.61%
10,000	24	2.58%
13,000	0	0.00%
	931	

Population

AGLA	Frequency	% Population
500	0	0.00%
1,000	36	0.53%
1,500	854	12.58%
2,000	1,734	25.54%
2,500	1,383	20.37%
3,000	977	14.39%
3,500	772	11.37%
4,000	537	7.91%
4,500	225	3.31%
5,000	121	1.78%
10,000	147	2.16%
13,000	4	0.06%
	6,790	



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

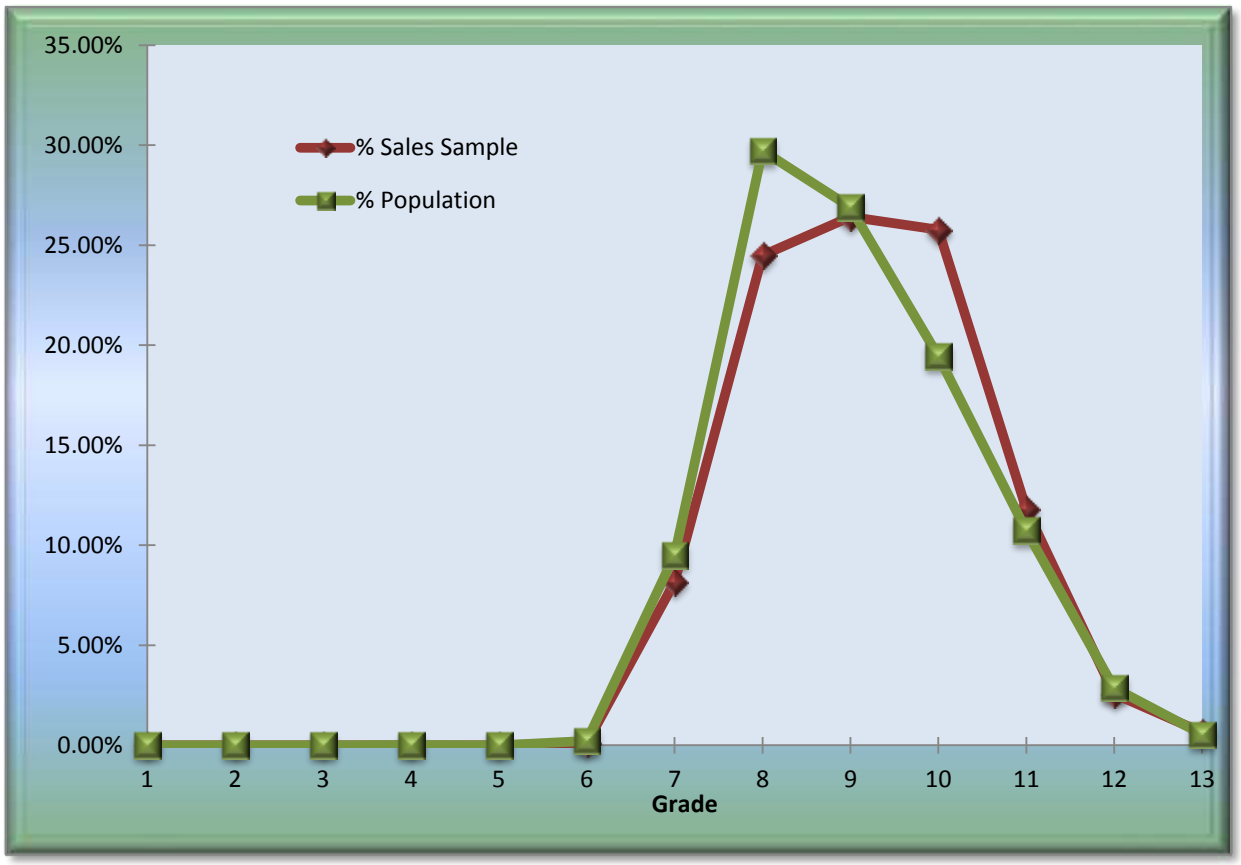
Sales Sample Representation of Population
Building Grade

Sales Sample

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	0	0.00%
6	1	0.11%
7	76	8.16%
8	228	24.49%
9	246	26.42%
10	240	25.78%
11	110	11.82%
12	24	2.58%
13	6	0.64%
	931	

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	1	0.01%
5	0	0.00%
6	15	0.22%
7	646	9.51%
8	2,019	29.73%
9	1,827	26.91%
10	1,321	19.46%
11	729	10.74%
12	195	2.87%
13	37	0.54%
	6,790	



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

Area 034 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, 2016**.

For example, a sale of $475,000 which occurred on October 1, 2014 would be adjusted by the time trend factor of 1.138, resulting in an adjusted value of $540,000 ($475,000 * 1.138=$540,550) – truncated to the nearest $1000.

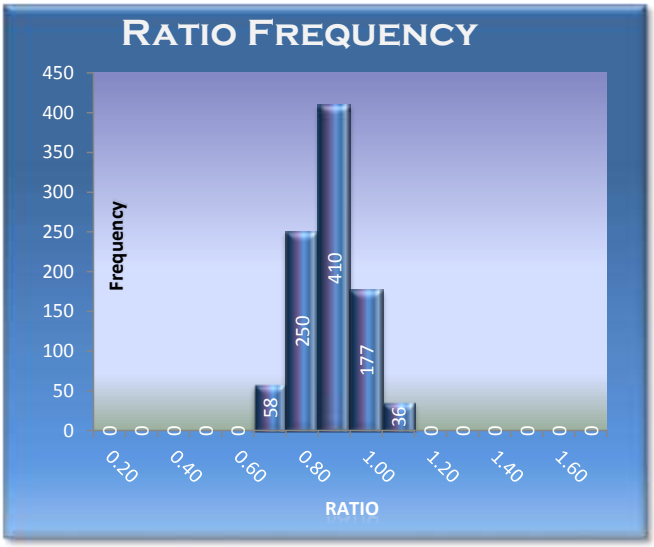
SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2013	1.331	33.1%
2/1/2013	1.322	32.2%
3/1/2013	1.313	31.3%
4/1/2013	1.304	30.4%
5/1/2013	1.295	29.5%
6/1/2013	1.286	28.6%
7/1/2013	1.276	27.6%
8/1/2013	1.267	26.7%
9/1/2013	1.258	25.8%
10/1/2013	1.249	24.9%
11/1/2013	1.239	23.9%
12/1/2013	1.230	23.0%
1/1/2014	1.221	22.1%
2/1/2014	1.211	21.1%
3/1/2014	1.203	20.3%
4/1/2014	1.194	19.4%
5/1/2014	1.185	18.5%
6/1/2014	1.175	17.5%
7/1/2014	1.166	16.6%
8/1/2014	1.157	15.7%
9/1/2014	1.147	14.7%
10/1/2014	1.138	13.8%
11/1/2014	1.129	12.9%
12/1/2014	1.120	12.0%
1/1/2015	1.110	11.0%
2/1/2015	1.101	10.1%
3/1/2015	1.093	9.3%
4/1/2015	1.083	8.3%
5/1/2015	1.074	7.4%
6/1/2015	1.065	6.5%
7/1/2015	1.056	5.6%
8/1/2015	1.046	4.6%
9/1/2015	1.037	3.7%
10/1/2015	1.028	2.8%
11/1/2015	1.018	1.8%
12/1/2015	1.009	0.9%
1/1/2016	1.000	0.0%

The time adjustment formula for Area 034 is: (.837653175898319 - 0.000253356675374423 * SaleDay) / (0.8376531759)
SaleDay = SaleDate - 42370
SaleDaySq = (SaleDate – 42370)^2

Annual Update Ratio Study Report (Before) – 2015 Assessments

District: SE / Team: 2	Appr. Date:	Date of Report:	Sales Dates:
Area Name: Mercer Island	1/1/2015	3/23/2016	1/2013 - 12/2015
	Appr ID:	Property Type:	Adjusted for time?
Area Number: 034	JMET	1 to 3 Unit Residences	YES

SAMPLE STATISTICS	
Sample size (n)	931
Mean Assessed Value	$1,282,700
Mean Adj. Sales Price	$1,549,000
Standard Deviation AV	$822,279
Standard Deviation SP	$1,012,257
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.838
Median Ratio	0.839
Weighted Mean Ratio	0.828
UNIFORMITY	
Lowest ratio	0.607
Highest ratio:	1.070
Coefficient of Dispersion	8.21%
Standard Deviation	0.086
Coefficient of Variation	10.30%
Price Related Differential (PRD)	1.012
RELIABILITY	
95% Confidence: Median	
Lower limit	0.834
Upper limit	0.847
95% Confidence: Mean	
Lower limit	0.832
Upper limit	0.843
SAMPLE SIZE EVALUATION	
N (population size)	6,790
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.086
Recommended minimum:	12
Actual sample size:	931
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	456
# ratios above mean:	475
z:	0.623
Conclusion:	*Normal**
**i.e. no evidence of non-normality*	



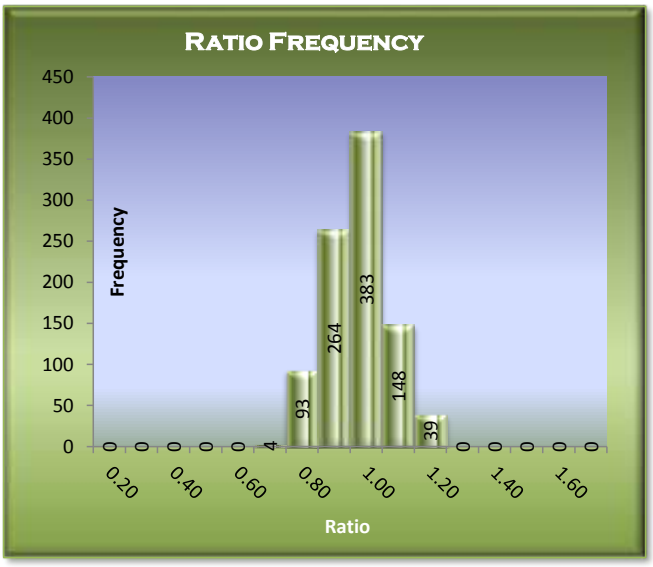
COMMENTS:
1 to 3 Unit Residences throughout Area 034

Sales Prices are adjusted for time to the Assessment Date of 1/1/2016

Annual Update Ratio Study Report (After) – 2016 Assessments

District: SE / Team: 2	Appr. Date:	Date of Report:	Sales Dates:
Area Name: Mercer Island	1/1/2016	3/23/2016	1/2013 - 12/2015
	Appr. ID:	Property Type:	Adjusted for time?
Area Number: 034	JMET	1 to 3 Unit Residences	YES

SAMPLE STATISTICS	
Sample size (n)	931
Mean Assessed Value	$1,416,000
Mean Sales Price	$1,549,000
Standard Deviation AV	$908,029
Standard Deviation SP	$1,012,257
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.925
Median Ratio	0.927
Weighted Mean Ratio	0.914
UNIFORMITY	
Lowest ratio	0.670
Highest ratio:	1.182
Coefficient of Dispersion	8.21%
Standard Deviation	0.095
Coefficient of Variation	10.30%
Price Related Differential (PRD)	1.011
RELIABILITY	
95% Confidence: Median	
Lower limit	0.920
Upper limit	0.935
95% Confidence: Mean	
Lower limit	0.918
Upper limit	0.931
SAMPLE SIZE EVALUATION	
N (population size)	6,790
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.095
Recommended minimum:	15
Actual sample size:	931
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	457
# ratios above mean:	474
z:	0.557
Conclusion:	*Normal**
**i.e. no evidence of non-normality*	



COMMENTS:
1 to 3 Unit Residences throughout Area 034

Sales Prices are adjusted for time to the Assessment Date of 1/1/2016.

Annual Update Process

Effective Date of Appraisal: January 1, 2016
Date of Appraisal Report: March 23, 2016

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 2015
5. Existing residences where the data for 2015 is significantly different than the data for 2016 due to remodeling
6. Parcels with improvement values, but no characteristics
7. Parcels with either land or improvement values of $25,000 or less posted for the 2015 Assessment Roll
8. Short sales, financial institution re-sales and foreclosure sales verified or appearing to be not at market
9. Others as identified in the sales removed list

(Available sales and additional Area information can be viewed at eSales and Localscape)

Land Update

Based on the 69 usable land sales available in the area, their 2015 Assessment Year assessed values, and supplemented by the value increase in sales of improved parcels, an overall market adjustment was derived. This resulted in an overall +10.4% increase in land assessments in the area for the 2016 Assessment Year. The formula is:

2016 Land Value = 2015 Land Value * 1.105, with the result truncated to the next $1,000.

Improved Parcel Update

The analysis for this area consisted of a general review of applicable characteristics, such as: grade, age, condition, stories, living area, views, waterfront, lot size, land problems and neighborhoods. The area required a single standard area adjustment.

With the exception of real property mobile home parcels and parcels with "accessory only" improvements, the new recommended values on all improved parcels were based on the analysis of the 931 useable residential sales in the area.

Sales used in the valuation model were time adjusted to January 1, 2016. The chosen adjustment model was developed using multiple regression. An explanatory adjustment table is included in this report.

The derived adjustment formula is:

2016 Total Value = 2015 Total Value *(1-0.075)/ (0.837653176)

The resulting total value is truncated to the next $1,000, *then*:

2016 Improvements Value = 2016 Total Value minus 2016 Land Value

Mobile Home Update

There were no mobile homes in this area.

Results

The assessment level target for all areas in King County, including this area, is 0.925. The actual assessment level for this area is 0.927. The standard statistical measures of valuation performance are all within the IAAO recommended range of 0.90 to 1.10.

Application of these recommended values for the 2016 assessment year (taxes payable in 2017) results in an average total change from the 2015 assessments of +10.4%. This increase is due partly to market changes over time and the previous assessment levels.

Note: Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Revalue Plan, separate studies, and statutes.

Exceptions:

- If multiple houses exist on a parcel, the Total % Change indicated by the sales sample is used to arrive at the new total value (Previous Year Land Value + Previous Year Improvement Value) * 1.104.
- If the site is improved with a house and mobile home, the formula derived from the house is used to arrive at new total value.
- If "accessory improvements only", the Total % Change, as indicated by the sales sample, is used to arrive at a new total value. (Previous Year Land Value + Previous Year Improvement Value) * 1.104.
- If adjusted land value falls < $1,000, then land value = $1,000 or previous, whichever is less.
- If adjusted improvement value falls < $1,000, then improvement value = $1,000 or previous, whichever is less.
- If land value <= $10,000 no adjustment is applied.
- If improvements and accessories <= $10,000 no further adjustment applied.
- If vacant parcel (no improvement value), the land adjustment applies.
- If a parcel is coded "non-perc" (sewer system=3 or 4), there is no change from previous land value.
- If a parcel is coded "unbuildable" = 1, there is no change from previous land value.
- If a parcel is coded water district private restricted, or public restricted, there is no change from previous land value.
- If an improvement is coded "% net condition" or is in "poor" condition, then there is no change from previous improvement value, only the land adjustment applies.

Any properties excluded from the annual up-date process are noted in RealProperty.

Uniform Standards of Professional Appraisal Practice 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. (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.

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

None

Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below:

To the best of my knowledge the following services were performed by me within the subject area in the last three years:

- Annual Update Model Development and Report Preparation
- Data Collection
- Sales Verification
- Appeals Response Preparation / Review
- Appeal Hearing Attendance
- Physical Inspection Model Development and Report Preparation
- Land and total Valuation
- New Construction Evaluation

Appraiser II	03/23/2016 Date

King County

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John Wilson
Assessor

As we start preparations for the 2016 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, 2016 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