Lake Hills

Area: 067

Residential Revalue for 2016 Assessment Roll

King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

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Seattle, WA 98104-2384

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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.

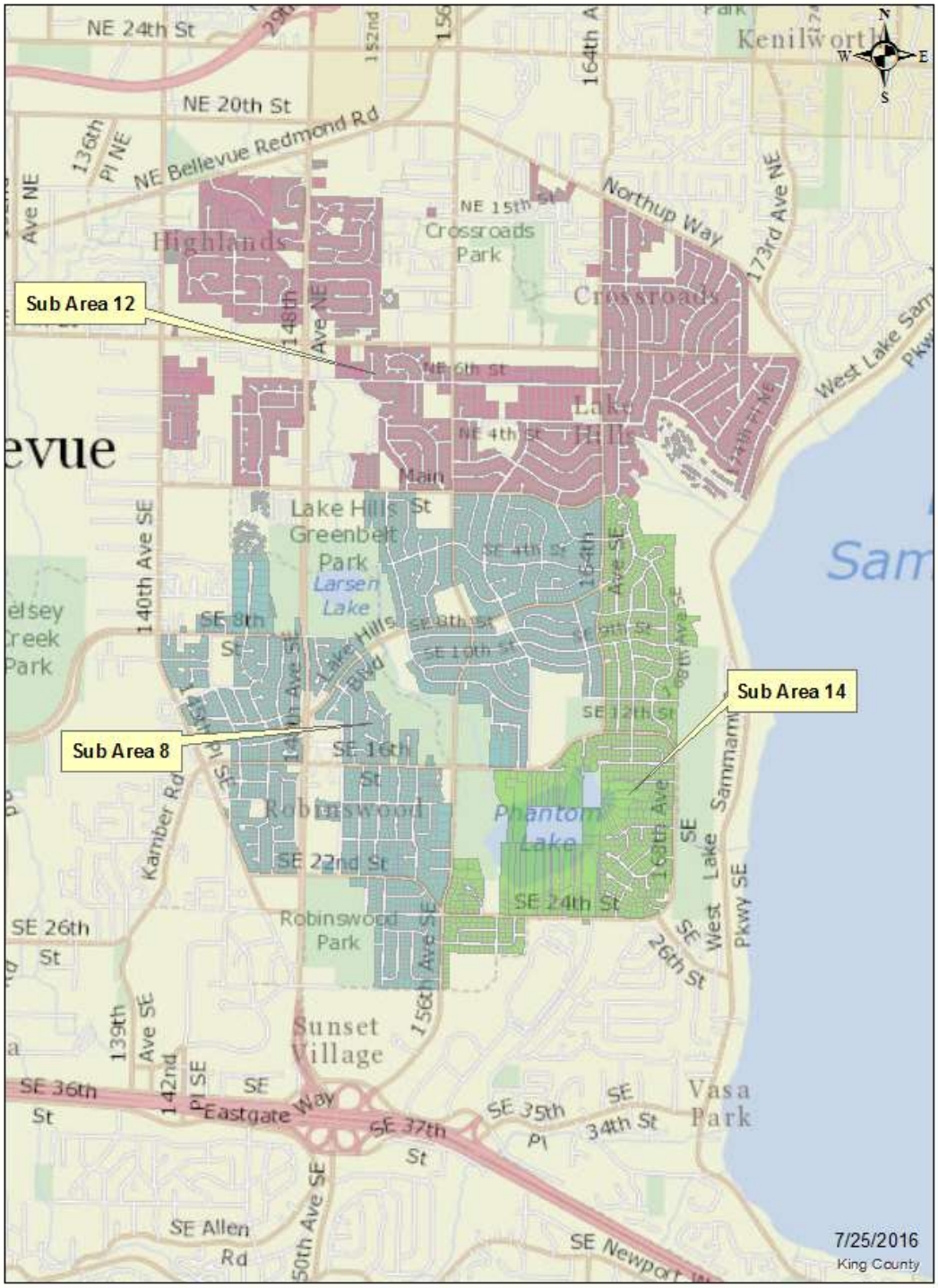
Fairness, accuracy and uniform assessments set the foundation for effective government. I am pleased to incorporate your input as we make continuous and ongoing improvements to best serve you. Our goal is to ensure every taxpayer is treated fairly and equitably.

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 067 Map



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Area 067 Housing Profile

Grade 6/ Year Built 1959/ Total Living Area 990

Grade 7/ Year Built 1976/ Total Living Area 2050

Grade 8/ Year Built 1983/ Total Living Area 2040

Grade 9/ Year Built 2003/ Total Living Area 2800

Grade 10/ Year Built 1987/ Total Living Area 3500

Grade 11/ Year Built 2006/ Total Living Area 4360

Area 67 Housing Profile

Grade 12/ Year Built 2007/ Total Living Area 6260

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
Lake Hills - Area 067
Physical Inspection

Appraisal Date: 1/1/2016

Previous Physical Inspection: 2009

Number of Improved Sales: 552

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	$288,600	$234,000	$522,600			6.35%
2016 Value	$330,300	$237,900	$568,200	$614,700	92.2%	5.32%
$ Change	+$41,700	+$3,900	+$45,600			
% Change	+14.4%	+1.7%	+8.7%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2016 COD of 5.32% is an improvement from the previous COD of 6.35%. 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 1/1/2013 to 12/31/2015 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2016

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2015 Value	$295,700	$214,100	$509,800
2016 Value	$338,900	$211,600	$550,500
$ Change	+$43,200	-$2,500	+$40,700
% Change	+14.6%	-1.2%	+8.0%

Number of one to three unit residences in the population: 5,522

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 067 – Lake Hills, 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 067 indicated a 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.

Sales Sample Representation of Population

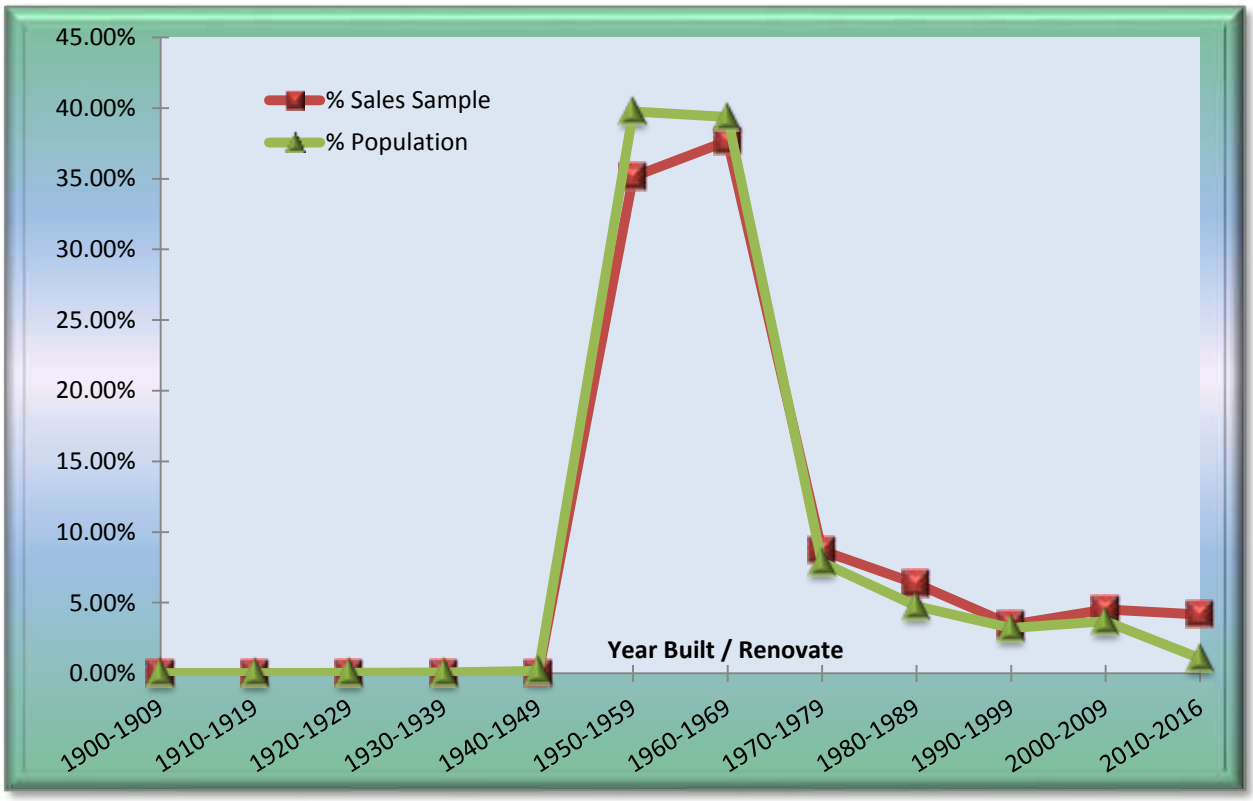
Year Built or Renovated

Sales

Year Built/Ren	Frequency	% Sales Sample
1900-1909	0	0.00%
1910-1919	0	0.00%
1920-1929	0	0.00%
1930-1939	0	0.00%
1940-1949	0	0.00%
1950-1959	194	35.14%
1960-1969	208	37.68%
1970-1979	48	8.70%
1980-1989	35	6.34%
1990-1999	19	3.44%
2000-2009	25	4.53%
2010-2016	23	4.17%
	552	

Population

Year Built/Ren	Frequency	% Population
1900-1909	1	0.02%
1910-1919	1	0.02%
1920-1929	2	0.04%
1930-1939	3	0.05%
1940-1949	10	0.18%
1950-1959	2,196	39.77%
1960-1969	2,174	39.37%
1970-1979	434	7.86%
1980-1989	262	4.74%
1990-1999	177	3.21%
2000-2009	203	3.68%
2010-2016	59	1.07%
	5,522	



The sales sample frequency distribution follows the population distribution very closely with regard to Year Built or Renovated. This distribution is ideal for both accurate analysis and appraisals.

Sales Sample Representation of Population

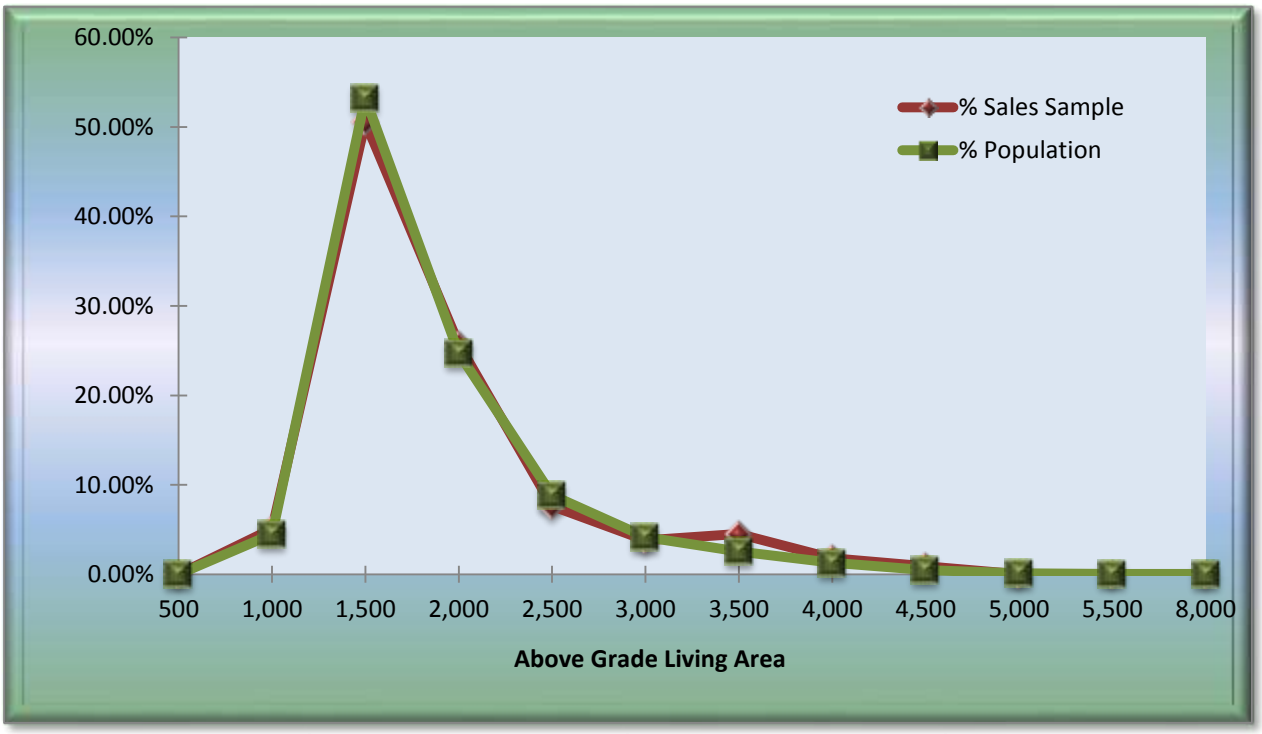
Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	0	0.00%
1,000	28	5.07%
1,500	279	50.54%
2,000	142	25.72%
2,500	42	7.61%
3,000	21	3.80%
3,500	25	4.53%
4,000	10	1.81%
4,500	5	0.91%
5,000	0	0.00%
5,500	0	0.00%
8,000	0	0.00%
	552	

Population

AGLA	Frequency	% Population
500	0	0.00%
1,000	248	4.49%
1,500	2,941	53.26%
2,000	1,365	24.72%
2,500	488	8.84%
3,000	229	4.15%
3,500	141	2.55%
4,000	71	1.29%
4,500	27	0.49%
5,000	7	0.13%
5,500	3	0.05%
8,000	2	0.04%
	5,522	



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

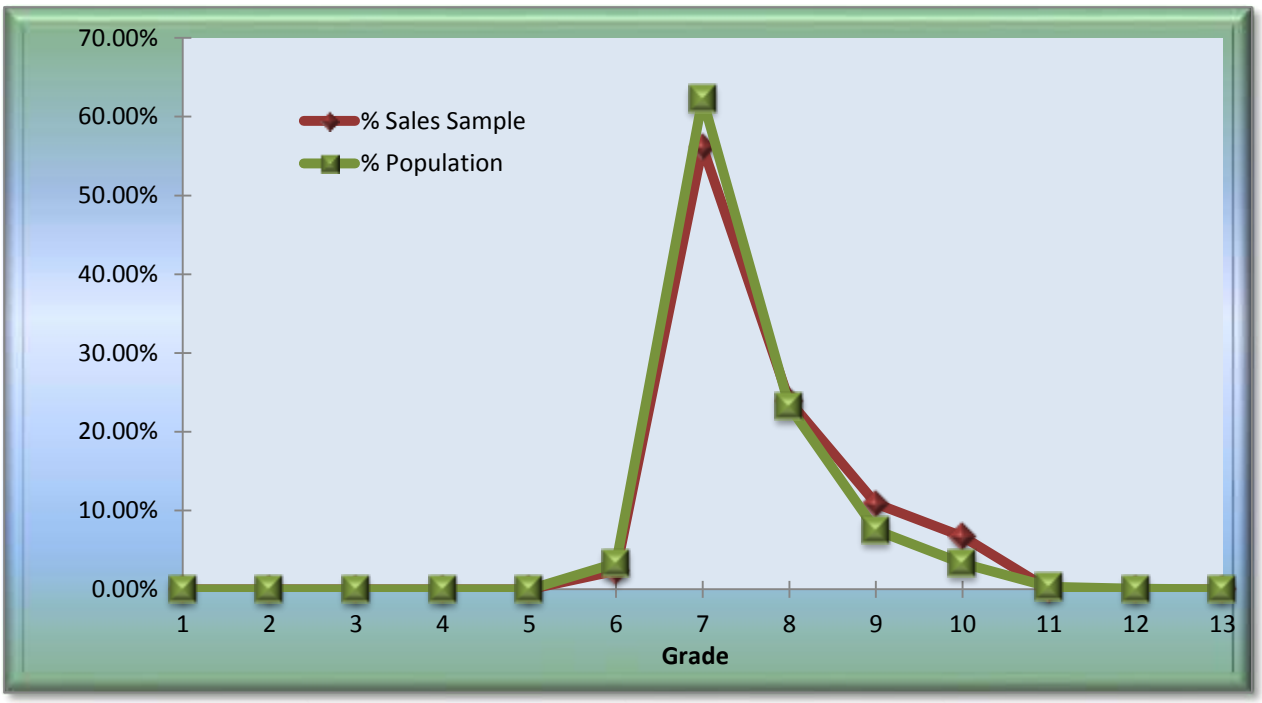
Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	0	0.00%
6	13	2.36%
7	310	56.16%
8	132	23.91%
9	60	10.87%
10	37	6.70%
11	0	0.00%
12	0	0.00%
13	0	0.00%
	552	

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	0	0.00%
6	184	3.33%
7	3,440	62.30%
8	1,282	23.22%
9	414	7.50%
10	181	3.28%
11	18	0.33%
12	3	0.05%
13	0	0.00%
	5,522	



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

Physical Inspection Process

Effective Date of Appraisal: January 1, 2016
Date of Appraisal Report: July 19, 2016

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.

- Todd McMeekin – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Alicia Arzate – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Jill Schmieder – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Kevin Miller – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Lucinda Gorrow – 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 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 $10,000 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

(Available sales and additional Area information can be viewed at 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.

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 1/1/2013 to 12/31/2015 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2016.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standard 6.

Area Information

Name or Designation
Area 067 – Lake Hills

Boundaries
The area is defined by the boundaries of 145th Place SE and 140th Ave SE/140th Ave NE to the West, NE Bellevue-Redmond Road and Northup Way to the North, 174th Place NE and 168th Ave SE to the East, and Interstate 90 to the South.

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 067 is located in the eastern area of the City of Bellevue. Area 67 includes all the residential parcels located in the Bellevue neighborhoods of Lake Hills, Robinswood, Phantom Lake and Crossroads. This is a very homogeneous area which is a primarily platted with Grade 7 and Grade 8 improved properties. Most are rambler and split level homes, built during the 1950's and 1960's. A few properties enjoy the amenities of being Phantom Lake waterfront sites. Properties located on the hillside above West Lake Sammamish Parkway SE have Fair to Excellent Lake Sammamish, Cascade Mountain, and Territorial views. A premium is paid for sites with views, larger lots, lake access rights and Phantom Lake frontage.

Proximity to the major employment centers of Bellevue, Redmond, Issaquah, and Seattle contribute to the desirability of this area. Major employers, shopping centers and entertainment venues are in close proximity. Major highways of Interstate 90, State Route 520, and Interstate 405 are all accessible in Bellevue.

The area has a population of 5,938 residential parcels, of which 99% are improved.

Area 67 is divided into three Sub Areas:

Sub Area 8 is south of Main Street, west of 164th Avenue SE and west of Phantom Lake. This sub area is in Bellevue's Lake Hills neighborhood and includes the Robinswood community.

Sub Area 12 is located north of Main Street and is comprised of Bellevue's Crossroads and Lake Hills neighborhoods. There are 247 parcels in Area 67 coded for a view of Lake Sammamish and 234 parcels of those parcels - approximately 95% - are located in this sub area.

Sub Area 14 is the smallest of the three sub areas and is commonly known as Phantom Lake and East Lake Hills. This sub area consists of 48 Phantom Lake waterfront parcels and 848 upland parcels around Phantom Lake and east of 164th Avenue SE.

Land Valuation

Vacant sales from 1/1/2013 to 12/31/2015 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2016.

Area 67 contains 5,938 parcels of which approximately 1% are vacant. Location, views, topography, lot size, zoning, traffic and waterfront footage are primary influences to land values. There were 13 land sales in this area in the last 3 years used to develop the land model for area 67. These 13 sales included true vacant sites along with improved sales where it was the intention of the purchaser to remove the improvement. The Sales Comparison approach was utilized to determine land values and adjustments for land characteristics.

Non-waterfront land was valued using one of the following methods:

- Land Schedule (based on lot square footage)
- Plat Value (site value)
- Number of Potential Lots (based on highest and best use)

The highest and best use of larger parcels includes consideration for potential development. This method multiplied the number of potential lots allowed within the zoning by the lot value from the schedule. The lot value was based on the estimated average lot size once developed. Information from builders and developers as well as historical data was considered. On-site development cost adjustments were applied based on the number of potential lots. As always, appraiser judgement was applied and there were exceptions to this methodology. These types of parcels are typically handled on an individual basis.

The predominant zoning in this area is single-family residential (R). The single-family designations are R-1, R-1.8, R-2.5, R-3.5, R-4, R-5 and R-7.5. The zone code number represents the number of dwelling units allowed per acre. The multi-family residential designations are R-10 and R-30. Special attention and consideration was given to lots where the lot size was at least double the minimum lot area for potential redevelopment under the principle of highest and best use.

A typical 8,000 square foot, non-view lot without any other adjustments has a value of $337,000.

Area 67 includes 48 Phantom Lake waterfront properties. Waterfront parcels are adjusted based on waterfront footage and other influences to the land such as views, adjacent greenbelt, environmental impacts, nuisances, topography, restrictive size/shape, medium bank waterfront and restrictive access to waterfront. Waterfront land values are calculated by adding the corresponding waterfront adjustment based on the waterfront footage to the land value derived from the land schedule.

Land Model

Model Development, Description and Conclusions

A total of 13 vacant land and tear down sales from Area 67 were used to derive land value. Data on lot size, zoning, location, topography, access, utilities, and views were considered while developing the land model. The sales comparison approach and appraisal judgment were used to determine land value. Tear down sales were a major consideration in the development of the Area 67 land model.

For a complete list of sales in the Area, please visit eSales or Localscape .

Land Value Model Calibration

Area 67 Base Land Schedule				
Acres		Square Feet		Base Land Value
From	To	From	To	
0	.10	0	4356	**$295,000**
.10	.15	4357	6534	**$327,000**
.15	.20	6,535	8,712	**$337,000**
.20	.25	8,713	10,890	**$342,000**
.25	.30	10,891	13,068	**$347,000**
.30	.35	13,069	15,246	**$352,000**
.35	.40	15,247	17,424	**$357,000**
.40	.45	17,425	19,602	**$362,000**
.45	.50	19,603	21,780	**$367,000**
.50	.75	21,781	32,670	**$403,000**
.75	1.00	32,671	43,560	**$458,000**
1.00	1.25	43,561	54,450	**$510,000**
1.25	1.50	54,451	65,340	**$567,000**
1.50	1.75	65,341	76,230	**$620,000**
1.75	2.00	76,231	87,120	**$676,000**
2.00	3.00	87,121	130,680	**$731,000**
3.00	4.00	130,681	174,240	**$786,000**
4.00	5.00	174,241	217,800	**$841,000**
5.00	6.00	217,801	261,360	**$896,000**
*Land values are not interpolated.				

Area 67 Base Land Values by Plat				
Major	Plat Name	Grade	Year Built	Plat Value
001120	Aaron Estates	8	1998	$315,000
086510	Blue Berry Hill Add.	5 thru 10	1912-1964	$510,000
215990	East Highlands Townhouses	8	1985	$255,000
234580	Enclave At Fox Glen PUD	8	2010	$295,000
883990	Upper & Renicks Kirkland Gardens	8 thru 11	1953-2015	Land Schedule x 1.4
885710	Valley Greene Div. No. 01	8	1967	$170,000
885720	Valley Greene Div. No. 02	8	1967	$170,000
885730	Valley Greene Div. No. 03	8	1967	$170,000
885731	Valley Greene Div. No. 04	8	1967-1969	$180,000
885732	Valley Greene Div. No. 05	9	1979	$195,000
885733	Valley Greene Div. No. 06	8	1969-1976	$180,000
894460	The Village On Main Street	8	1988-1989	$235,000

Land Value Model Calibration… Continued

Additional Adjustments		
*Adjustments are cumulative and reflected in the base land value percentage. Exceptions were handled on an individual basis. In all cases appraiser judgement prevailed. The adjustment ranges below include extreme outliers.		
Adjacent Greenbelt		5% to 10%
Easements		0% to -5%
100-Year Flood Plain		0% to -15%
Landslide Hazard		-5% to -10%
Native Growth Protection Easement		0% to -5%
Other Nuisance (typically commercial influence)		-5% to -10%
Restrictive Size/Shape		-5% to -30%
Steep Slope Hazard		-5% to -10%
Stream		0% to -25%
Topography		0% to -20%
Unbuildable		-70%
Water Problems		-5% to -10%
Wetland		0% to -90%
Traffic	Moderate	-5% to -10%
	High	-15%
On-Site Development Costs (OSD)	2 Lots	-10%
	3 Lots	-20%
	4 Lots	-30%
	5+ Lots	Appraiser Select
***OSD is applied when the land value is based on the number of potential lots.**		

Views				
	Fair	**Average**	**Good**	**Excellent**
Lake Sammamish	10%	20%	35%	50%
Lake Sammamish (Townhomes)	5%	10%	15%	20%
Phantom Lake ("Lake/River/Creek")	N/A	10%	15%	20%
Territorial	N/A	5%	10%	15%
Cascades	N/A	5%	10%	15%
***View adjustments are cumulative except for townhomes.**				
***Townhome view adjustments are applied based on the primary (Lake Sammamish) plus the highest secondary view.**				

Waterfront				
Footage	**<= 39**	**40 to 80**	**81 to 129**	**>= 130**
Phantom Lake	15%	25%	35%	45%
Other Waterfront Adjustments				
Medium Bank			-5%	
Restricted to Waterfront			-10%	
Waterfront Access Rights			10%	

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 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:

Most sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2016.

The analysis of this area consisted of a systematic review of applicable characteristics which influence property values. In addition to standard physical property characteristics, the analysis showed the following were influential in the market:

-Valley Greene Division 5 (Hideaway)
-The Village On Main Street
-Lake Sammamish View Amenity
-Sub Area 14 (Phantom Lake/East Lake Hills)

After the models were developed, numerous plats including their amenities and characteristics were analyzed further. As a result of this thorough investigation, additional adjustments were made to these plats. In addition, supplemental models such as cost or market adjusted cost were developed to address parcels outside the parameters of the main valuation formula. Any additional adjustments not covered in supplement models and exceptions are noted in the notes field of that particular parcel.

Improved Parcel Total Value Model Calibration

Variable	Definition
Sale Day	Time Adjustment
BaseLandC	2016 Adjusted Base Land Value
TotalRcnC	Total Replacement Cost New
AgeC	Age of improvement
GoodYN	Condition of improvement = Good
VGoodYN	Condition of improvement = Very Good
HideawayYN	Plat adjustment for major# 885732
LkSamYN	Lake Sammamish View = Yes
Sub14YN	Sub Area = 14
VilOnMainYN	Plat adjustment for major# 894460

Multiplicative Model

(1-0.075) *.69277501506574 - 0.142927289520611 * AgeC + 0.610884101055538 * BaseLandC + 0.0200407429414551 * GoodYN + 0.0451573347420599 * HideawayYN + 0.0170273693574359 * LkSamYN + 0.000208784072806231 * SaleDay - 0.00791829676060598 * Sub14YN + 0.484785133718172 * TotalRcnC + 0.0609124446542152 * VGoodYN + 0.0255461003370678 * VilOnMainYN

EMV values were not generated for:

- Buildings with grade less than 5
- Poor condition improvements
- Building two or greater. (EMV is generated for building one only.)
- If total EMV is equal to or less than base land value
- Lot size less than 100 square feet

Of the improved parcels in the population, 5,524 parcels increased in value. They were comprised of 1 single family residence on commercially zoned land and 5,523 single family residences or other parcels.

Of the vacant land parcels greater than $1000, 22 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

Plats	Major	Adjustment
East Highlands Townhouses	215990	Total EMV x 1.04
Enclave At Fox Glen PUD	234580	Total EMV*1.1 for larger units (TLA > 2,000 SF)

Other	Adjustment
Duplexes	Total EMV x .98
Grade 5	$10,000 Improvement Value
Fair Condition	Total EMV x .94
Poor Condition	$1,000 Improvement Value

Area 067 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 1.1, resulting in an adjusted value of $522,000 ($475,000 * 1.1 = $522,500) – truncated to the nearest $1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2013	1.257	25.7%
2/1/2013	1.249	24.9%
3/1/2013	1.241	24.1%
4/1/2013	1.233	23.3%
5/1/2013	1.226	22.6%
6/1/2013	1.218	21.8%
7/1/2013	1.210	21.0%
8/1/2013	1.202	20.2%
9/1/2013	1.195	19.5%
10/1/2013	1.187	18.7%
11/1/2013	1.180	18.0%
12/1/2013	1.172	17.2%
1/1/2014	1.165	16.5%
2/1/2014	1.157	15.7%
3/1/2014	1.150	15.0%
4/1/2014	1.143	14.3%
5/1/2014	1.136	13.6%
6/1/2014	1.128	12.8%
7/1/2014	1.121	12.1%
8/1/2014	1.114	11.4%
9/1/2014	1.107	10.7%
10/1/2014	1.100	10.0%
11/1/2014	1.093	9.3%
12/1/2014	1.086	8.6%
1/1/2015	1.079	7.9%
2/1/2015	1.072	7.2%
3/1/2015	1.066	6.6%
4/1/2015	1.059	5.9%
5/1/2015	1.052	5.2%
6/1/2015	1.046	4.6%
7/1/2015	1.039	3.9%
8/1/2015	1.032	3.2%
9/1/2015	1.026	2.6%
10/1/2015	1.019	1.9%
11/1/2015	1.013	1.3%
12/1/2015	1.006	0.6%
1/1/2016	1.000	0.0%

Area 067 Market Value Changes Over Time

The time adjustment formula for Area 067 is: 1/EXP (0.000208784072806231 * SaleDay)
SaleDay = SaleDate - 42370

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 92.2% . 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 2016 assessment year (taxes payable in 2017) results in an average total change from the 2015 assessments of +8.0%. 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 2016 recommended values. This study benchmarks the prior assessment level using 2015 posted values (1/1/2015) compared to current adjusted sale prices (1/1/2016). The study was also repeated after the application of the 2016 recommended values. The results show an improvement in the COD from 6.35% to 5.32%.

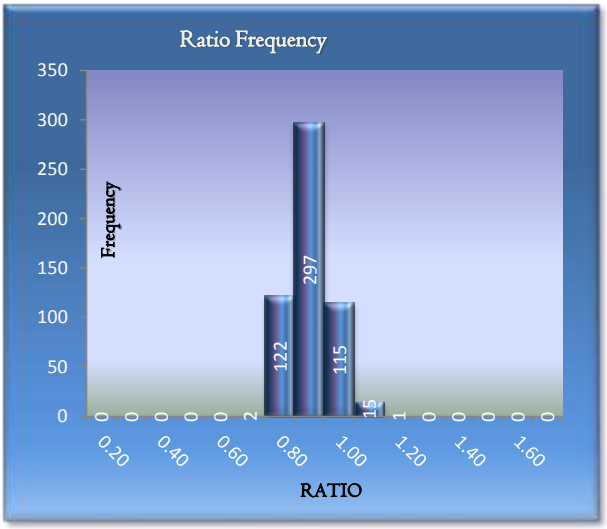
The Appraisal Team recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

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.

Physical Inspection Ratio Study Report (Before) – 2015 Assessments

District: NE / Team: 1	Appr.	Date of Report:	Sales Dates:
Area Name: Lake Hills	1/1/2015	7/18/2016	1/2013 - 12/2015
	Appr ID:	Property Type:	Adjusted for time?
Area Number: 67	TMCM	1 to 3 Unit Residences	Yes

SAMPLE STATISTICS	
Sample size (n)	552
Mean Assessed Value	522,600
Mean Adj. Sales Price	614,700
Standard Deviation AV	161,697
Standard Deviation SP	186,567
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.852
Median Ratio	0.847
Weighted Mean Ratio	0.850
UNIFORMITY	
Lowest ratio	0.678
Highest ratio:	1.127
Coefficient of Dispersion	6.35%
Standard Deviation	0.068
Coefficient of Variation	8.01%
Price Related Differential (PRD)	1.002
RELIABILITY	
95% Confidence: Median	
Lower limit	0.839
Upper limit	0.854
95% Confidence: Mean	
Lower limit	0.846
Upper limit	0.857
SAMPLE SIZE EVALUATION	
N (population size)	5522
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.068
Recommended minimum:	7
Actual sample size:	552
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	293
# ratios above mean:	259
z:	1.447
Conclusion:	*Normal**
**i.e. no evidence of non-normality*	



COMMENTS:

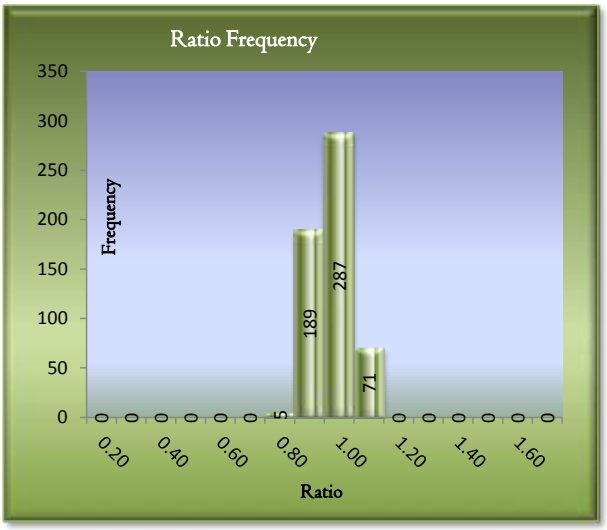
1 to 3 Unit Residences throughout Area 067

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

Physical Inspection Ratio Study Report (After) – 2016 Assessments

District: NE / Team: 1	Appr.	Date of Report:	Sales Dates:
Area Name: Lake Hills	1/1/2016	7/18/2016	1/2013 - 12/2015
	Appr. ID:	Property Type:	Adjusted for time?
Area Number: 67	TMCM	1 to 3 Unit Residences	Yes

SAMPLE STATISTICS	
Sample size (n)	552
Mean Assessed Value	568,200
Mean Sales Price	614,700
Standard Deviation AV	169,421
Standard Deviation SP	186,567
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.928
Median Ratio	0.922
Weighted Mean Ratio	0.924
UNIFORMITY	
Lowest ratio	0.748
Highest ratio:	1.097
Coefficient of Dispersion	5.32%
Standard Deviation	0.061
Coefficient of Variation	6.55%
Price Related Differential (PRD)	1.004
RELIABILITY	
95% Confidence: Median	
Lower limit	0.916
Upper limit	0.934
95% Confidence: Mean	
Lower limit	0.923
Upper limit	0.933
SAMPLE SIZE EVALUATION	
N (population size)	5522
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.061
Recommended minimum:	6
Actual sample size:	552
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	289
# ratios above mean:	263
z:	1.107
Conclusion:	*Normal**
**i.e. no evidence of non-normality*	



COMMENTS:

1 to 3 Unit Residences throughout Area 067

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

USPAP Compliance

Client and Intended Use of the Appraisal:

This mass appraisal report is intended for use by the public, King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others for other purposes is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP SR 6-8. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

The purpose of this report is to explain and document the methods, data and analysis used in the revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The Revaluation Plan is subject to their periodic review.

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65).

The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Retrospective market values are reported herein because the date of the report is subsequent to the effective date of valuation. The analysis reflects market conditions that existed on the effective date of appraisal.

Highest and Best Use

RCW 84.40.030

> *All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.*
>
> *An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.*

WAC 458-07-030 (3) True and fair value -- Highest and best use.

> *Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.*

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (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.

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:

Alicia Arzate
- Appeals Response Preparation / Review

Jill Schmieder
- Appeals Response Preparation / Review

Kevin Miller
- Appeals Response Preparation / Review
- Land and Total Valuation
- New Construction Evaluation

Lucinda Gorrow
- Appeals Response Preparation / Review

- 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:

Todd McMeekin
- Sales Verification
- Appeals Response Preparation / Review
- Land and Total Valuation
- New Construction Evaluation

7/21/16

Appraiser II | Date

USPAP Compliance

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 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