

Residential Revalue

2010 Assessment Roll

Carnation/Fall City

AREA 94

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

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Executive Summary Report

Appraisal Date 1/1/2010 - 2010 Assessment Roll

Area Name / Number: Carnation/Fall City / 94

Previous Physical Inspection: 2005

Sales - Improved Summary:

Number of Sales: 99

Range of Sale Dates: 1/1/2008 - 1/1/2010

Sales – Average Improved Valuation Change Summary						
	Land	Imps	Total	Sale Price**	Ratio	COV*
2009 Value	\$112,800	\$274,300	\$387,100			
2010 Value	\$120,200	\$251,800	\$372,000	\$406,200	91.6%	8.53%
Change	+\$7,400	-\$22,500	-\$15,100			
% Change	+6.6%	-8.2%	-3.9%			

*COV is a measure of uniformity, the lower the number the better the uniformity.

** Sales time adjusted to 1/1/10.

Sales used in this analysis: All sales of one to three unit residences on residential lots, short sales, financial institution re-sales and foreclosure sales which were verified as, or appeared to be market sales were considered for the analysis. Sales were time adjusted to 1/1/10. Individual sales that were excluded are listed later in this report. Multi-parcel sales, multi-building sales, mobile home sales, and sales of new construction where less than a 100% complete house was assessed for 2009 or any existing residence where the data for 2009 is significantly different from the data for 2010 due to remodeling were also excluded. In addition, the summary above excludes sales of parcels that had improvement value of \$25,000 or less posted for the 2009 Assessment Roll. This also excludes previously vacant and destroyed property partial value accounts.

Population - Improved Parcel Summary Data:			
	Land	Imps	Total
2009 Value	\$120,700	\$283,500	\$404,200
2010 Value	\$128,100	\$245,300	\$373,400
Percent Change	+6.1%	-13.5%	-7.6%

Number of improved Parcels in the Population: 2531

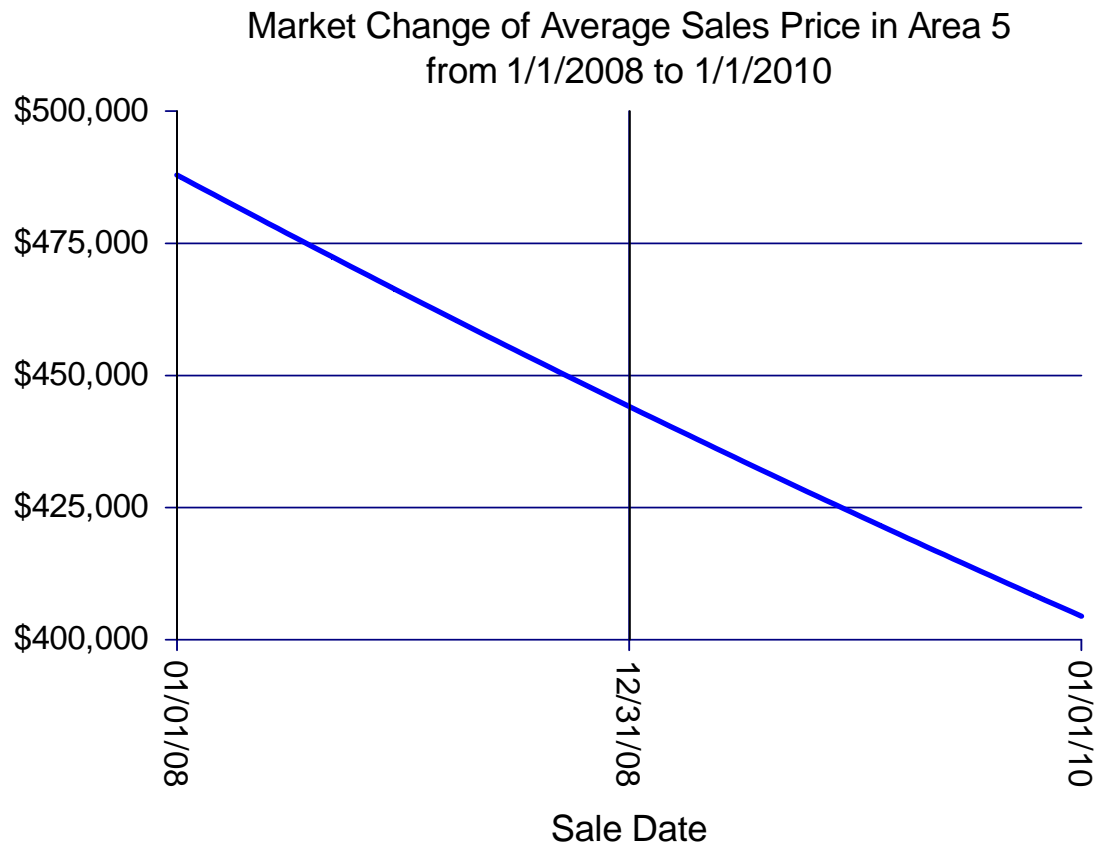
The population summary above excludes multi-building parcels, mobile home parcels, and new construction where less than 100% complete house was assessed for 2009 or any existing residence where the data for 2009 is significantly different from the data for 2010 due to remodeling. In addition, parcels with 2009 or 2010 Assessment Roll improvement values of \$25,000 or less were also excluded to eliminate previously vacant or destroyed property value accounts. These parcels do not reflect accurate percent change results for the overall population. Exceptions may be found in the Improved Parcel Total Value Model Calibration section of this report.

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity, assessment level and equity, we recommend posting them for the 2010 Assessment Roll.

Market Change of Average Sale Price in Area 94

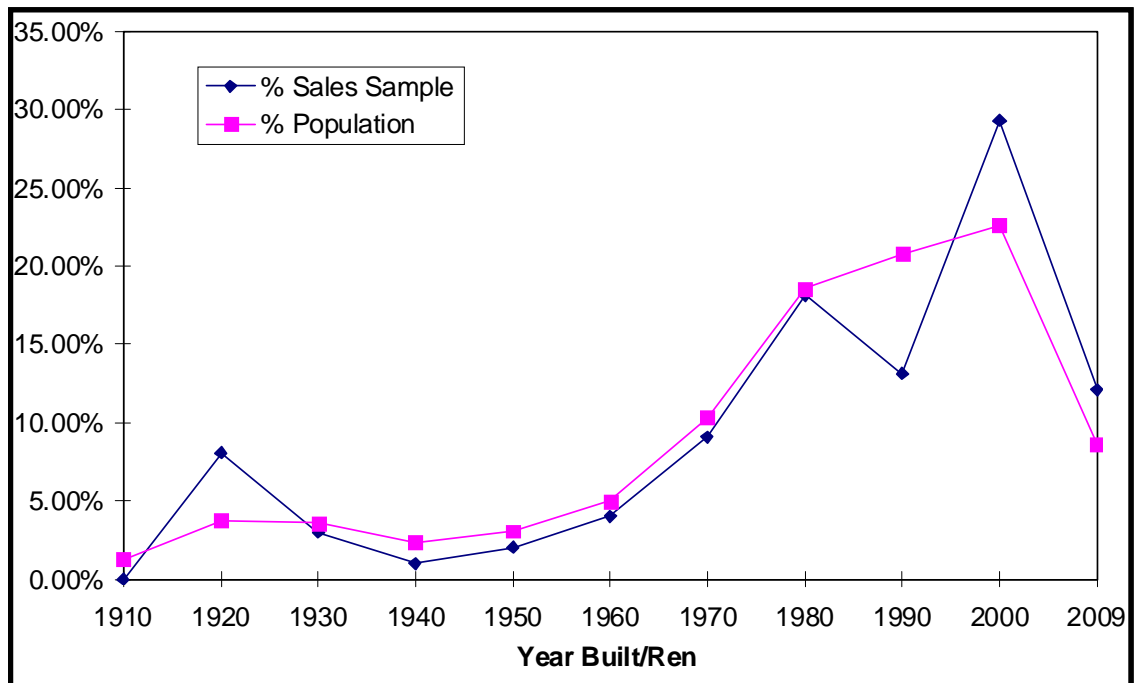
From 1/1/08 to 1/1/10



Sales Sample Representation of Population - Year Built / Year Renovated

Sales Sample		
Year Built/Ren	Frequency	% Sales Sample
1910	0	0.00%
1920	8	8.08%
1930	3	3.03%
1940	1	1.01%
1950	2	2.02%
1960	4	4.04%
1970	9	9.09%
1980	18	18.18%
1990	13	13.13%
2000	29	29.29%
2009	12	12.12%
	99	

Population		
Year Built/Ren	Frequency	% Population
1910	32	1.26%
1920	95	3.75%
1930	91	3.60%
1940	59	2.33%
1950	78	3.08%
1960	127	5.02%
1970	262	10.35%
1980	470	18.57%
1990	526	20.78%
2000	573	22.64%
2009	218	8.61%
	2531	

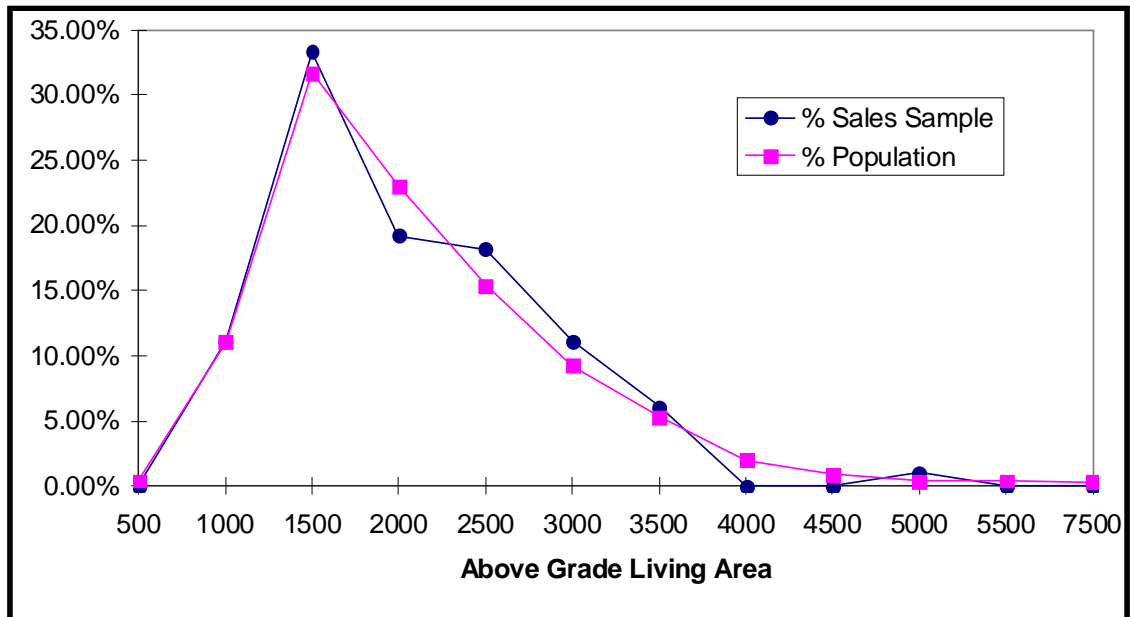


The sales sample frequency distribution follows the population distribution fairly closely with regard to Year Built/Renovated. This distribution is adequate for both accurate analysis and appraisals.

Sales Sample Representation of Population - Above Grade Living Area

Sales Sample		
AGLA	Frequency	% Sales Sample
500	0	0.00%
1000	11	11.11%
1500	33	33.33%
2000	19	19.19%
2500	18	18.18%
3000	11	11.11%
3500	6	6.06%
4000	0	0.00%
4500	0	0.00%
5000	1	1.01%
5500	0	0.00%
7500	0	0.00%
	99	

Population		
AGLA	Frequency	% Population
500	10	0.40%
1000	280	11.06%
1500	802	31.69%
2000	583	23.03%
2500	389	15.37%
3000	234	9.25%
3500	134	5.29%
4000	50	1.98%
4500	22	0.87%
5000	9	0.36%
5500	10	0.40%
7500	8	0.32%
	2531	

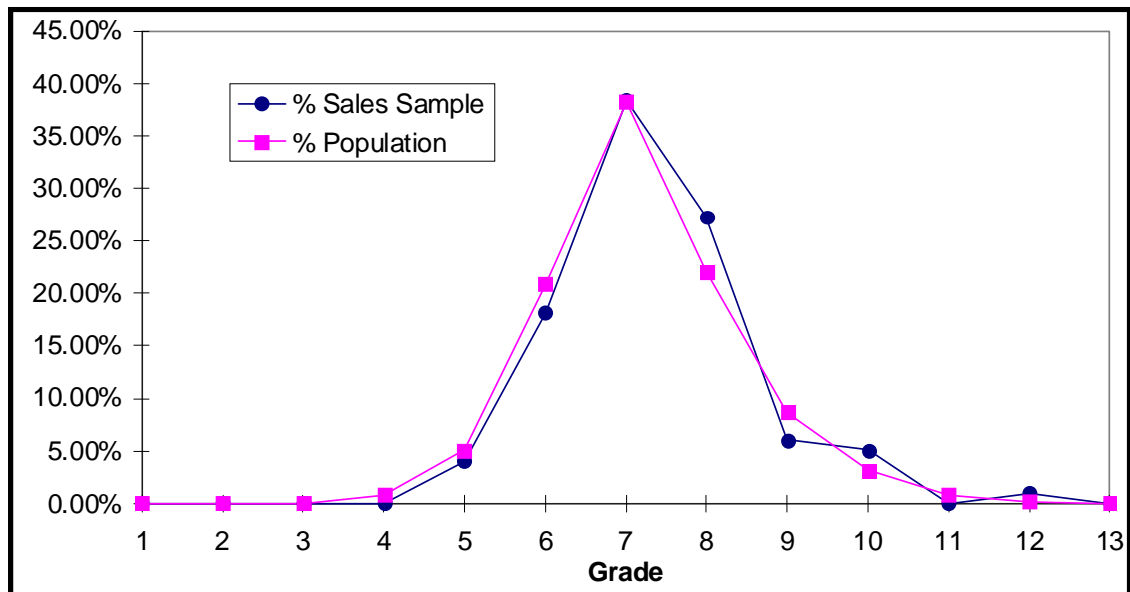


The sales sample frequency distribution follows the population distribution very closely with regard to Above Grade Living Area. This distribution is ideal for both accurate analysis and appraisals.

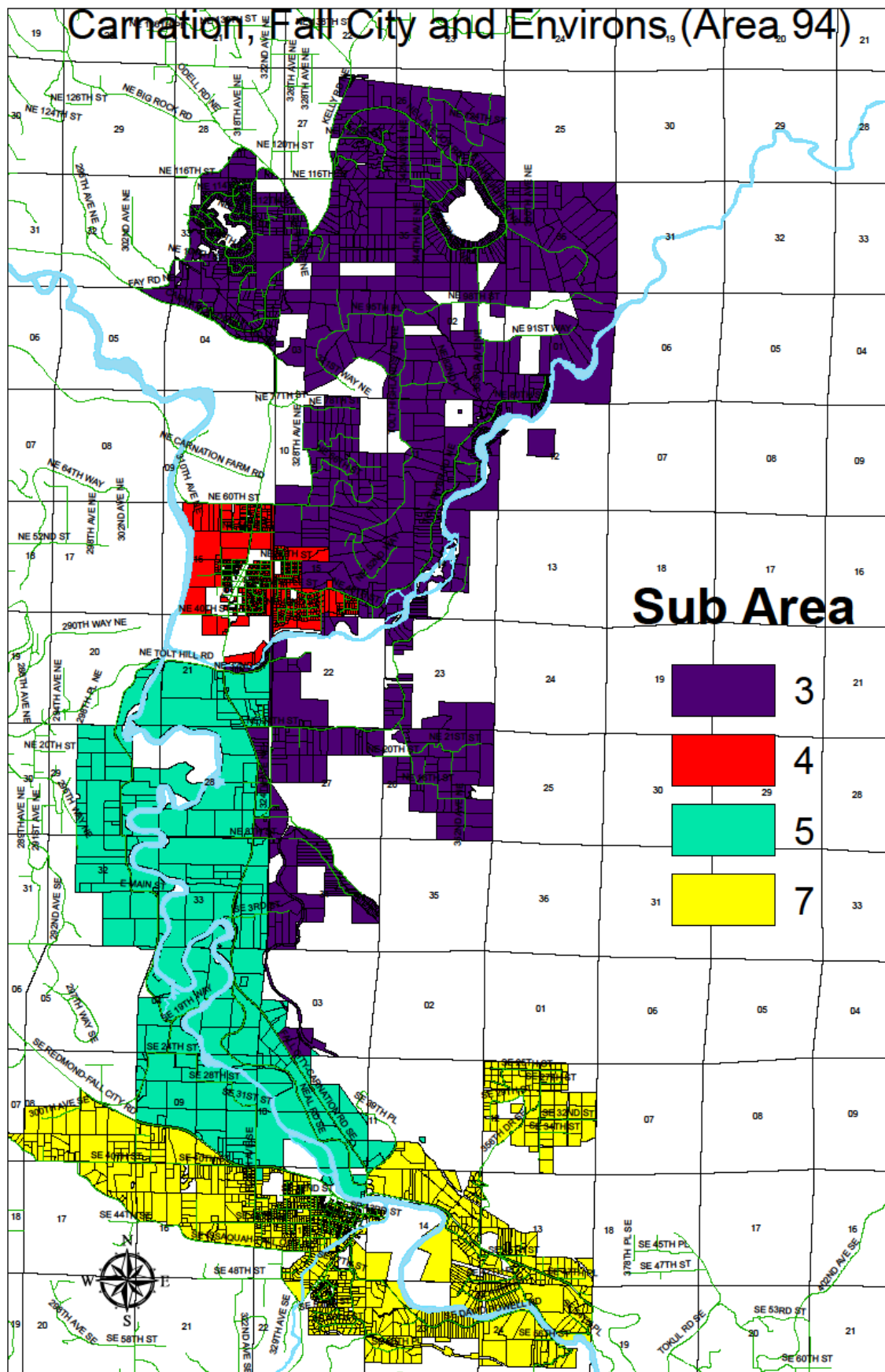
Sales Sample Representation of Population - Grade

Sales Sample		
Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	4	4.04%
6	18	18.18%
7	38	38.38%
8	27	27.27%
9	6	6.06%
10	5	5.05%
11	0	0.00%
12	1	1.01%
13	0	0.00%
99		

Population		
Grade	Frequency	% Population
1	0	0.00%
2	1	0.04%
3	0	0.00%
4	22	0.87%
5	129	5.10%
6	528	20.86%
7	967	38.21%
8	559	22.09%
9	221	8.73%
10	80	3.16%
11	20	0.79%
12	4	0.16%
13	0	0.00%
2531		



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



Analysis Process

Effective Date of Appraisal: January 1, 2010

Date of Appraisal Report: July 15th, 2010

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.

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 1/2008 to 1/2010 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/10.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standard 6.

Identification of the Area

Name or Designation:

Area 94---Carnation Fall City

Boundaries: The practical northern boundary for Area 94 is Lake Joy Rd. Some parcels north of Lake Joy Rd. that are accessed off of Lake Joy Rd. are included in Area 94. The eastern boundary is the eastern edge of Range 7 at the base of Snoqualmie Falls. The southern boundary is the beginning of the Snoqualmie Ridge Development. The western boundary is 287th Ave SE in the southern portion and the Snoqualmie River in the northern section.

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 94 is located in east King County encompassing the City of Carnation and unincorporated Fall City. The area follows the Snoqualmie River from the Base of Snoqualmie Falls north to the areas surrounding Lake Marcel and Lake Joy. Area 94 is divided into 4 Sub Areas and 5 neighborhoods. Sub Area 94-3 (neighborhood 1) is the unincorporated non-agricultural area surrounding the City of Carnation. Sub Area 94-4 (neighborhood 2) is the City of Carnation city limits. Sub Area 94-5 (neighborhood 3) is the lower valley that is zoned agricultural (A35). Area 94-7 (neighborhoods 4 and 5) is Fall City and the surrounding areas. Neighborhood 4 is the areas located within the urban growth boundary and neighborhood 5 is the area located outside of the urban growth boundaries.

Area 94 is impacted by the Snoqualmie River and the Tolt River. Lake Joy and Lake Marcel are significant small lakes located in Area 94-3. Of the 4,076 parcels in Area 94, 192 parcels are exempt. A total of 230 parcels are located on small lakes and 331 are located on the Snoqualmie or Tolt rivers. A total of 603 properties have views. Mountain (Cascade) and territorial represent approximately 65% of these views with the remainder being river or small lake views. Due to the development challenges associated with federal shoreline restrictions, floodway, floodplain, channel migration hazards and other impacts, many properties located on or near rivers or small lakes are not developable or face significant development restrictions. These restrictions tend to at least partially offset any positive amenity realized for a waterfront location.

Preliminary Ratio Analysis

A Ratio Study was completed just prior to the application of the 2010 recommended values. This study benchmarks the prior assessment level using 2009 posted values (1/1/09) compared to current adjusted sale prices (1/1/10). The study was also repeated after the application of the 2010 recommended values. The results are included in the validation section of this report showing an improvement in the COV from 16.20% to 8.53%

Scope of Data

Land Value Data:

Vacant sales from 1/2008 to 1/2010 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2010. All accessible vacant land sales were field inspected and an attempt to contact parties to the sales was made. The base land values and adjustments were derived

Improved Parcel Total Value 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. Sales are listed in the “Sales Used” and “Sales Removed” sections of this report. 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.

Land Model

Model Development, Description and Conclusions

Of the 4,076 parcels in Area 94, 912 are vacant. A total of 1,959 parcels in Area 94 are tax lots with the remaining 2,117 parcels being platted. Area 94 is broken up into 4 Sub Areas and 5 neighborhoods.

The Land Model accounts for impacts that are common or typical for specific neighborhoods. Neighborhood 1 is Sub Area 94-3 which is the surrounding area of Carnation. Neighborhood 2 is Sub Area 94-4 which encompasses the Town of Carnation. Neighborhood 3 encompasses all of Sub Area 5. Sub Area 5 is all A35 (agricultural) zoning and most is impacted by flooding or other water related problems. In the case of neighborhood 3 no adjustment is necessary for floodplain because this is typical for the neighborhood. Neighborhood 4 is the portion of Sub Area 94-7 that is inside the Urban Growth Area (UGA) which is primarily the community of Fall City. Neighborhood 5 is the portion of Sub Area 94-7 that is outside of the Urban Growth Area (UGA). Platted lots were valued using the Area 94 Land Schedule.

In most cases negative adjustments would be necessary for impacts such as floodplain, floodway, channel migration, topography, easements and other environmental impacts. These impacts represent development issues in many cases unique to a specific property that would potentially inhibit development feasibility. In many cases a property can be influenced by multiple factors. The extent of any adjustment is dependent on the aggregate effect of all impacts on that specific parcel. These impacts tend to present difficulties in the future development of parcels if vacant or interim use. In the case of improved properties these impacts can affect enjoyment of all or portions of a property. The aggregate impact of all environmental influences fit into one of six categories. These levels of impact categories are mild, moderate, significant, high, extreme and unbuildable. The range of adjustments for the first five categories is 5% to 60% off of the base land schedule. The last category unbuildable is adjusted 75% to 90% from the base land schedule. Unbuildable parcels typically have documentation showing development restrictions or have obvious impacts that inhibit development. These adjustments are supported by land sales or paired sales of improved properties.

Negative adjustments were made for external nuisances. These include traffic nuisance, power lines and difficult, steep or undeveloped access issues. These adjustments are supported by land sales and paired sales of improved properties.

Positive adjustments were made for territorial, mountain (cascade), small lake/river views and waterfront locations. The marketable views requiring an upward adjustment typically were parcels where the elevation had created an enhanced view amenity. These adjustments are supported by land sales or paired sales of improved properties.

A list of vacant sales used and those considered not reflective of market are included in the following sections.

Carnation, Fall City and Environs (Area 94)

Neighborhoods

Neighborhood

- 1
- 2
- 3
- 4
- 5

Land Value Model Calibration

Land Schedule

AC	Sf/Lot	NH 1 (94-3)	NH 2 (94-4)	NH 3 (94-5)	NH 4 (94-7 UGA)	NH 5 (94-7 Rural)
0.05	2,178	\$71,000	\$71,000	\$49,700	\$72,700	\$71,700
0.1	4,356	\$75,100	\$75,100	\$52,500	\$76,900	\$75,800
0.15	6,534	\$79,100	\$79,100	\$55,300	\$81,000	\$79,800
0.2	8,712	\$83,200	\$83,200	\$58,200	\$85,200	\$84,000
0.25	10,890	\$87,200	\$87,200	\$61,000	\$89,300	\$88,000
0.3	13,068	\$90,300	\$90,300	\$63,200	\$92,500	\$91,200
0.35	15,246	\$93,300	\$93,300	\$65,300	\$95,600	\$94,200
0.4	17,424	\$96,400	\$96,400	\$67,400	\$98,800	\$97,300
0.45	19,602	\$99,400	\$99,400	\$69,500	\$101,800	\$100,300
0.5	21,780	\$102,500	\$102,500	\$71,700	\$105,000	\$103,500
0.55	23,958	\$105,000	\$105,000	\$73,500	\$107,600	\$106,000
0.6	26,136	\$107,500	\$107,500	\$75,200	\$110,100	\$108,500
0.65	28,314	\$110,100	\$110,100	\$77,000	\$112,800	\$111,200
0.7	30,492	\$112,600	\$112,600	\$78,800	\$115,400	\$113,700
0.75	32,670	\$115,200	\$115,200	\$80,600	\$118,000	\$116,300
0.8	34,848	\$117,700	\$117,700	\$82,300	\$120,600	\$118,800
0.85	37,026	\$120,200	\$120,200	\$84,100	\$123,200	\$121,400
0.9	39,204	\$122,800	\$122,800	\$85,900	\$125,800	\$124,000
0.95	41,382	\$125,300	\$125,300	\$87,700	\$128,400	\$126,500
1	43,560	\$127,800	\$127,800	\$89,400	\$130,900	\$129,000
1.25	54,450	\$138,000	\$138,000	\$96,600	\$141,400	\$139,300
1.5	65,340	\$147,100	\$147,100	\$102,900	\$150,700	\$148,500
1.75	76,230	\$156,300	\$156,300	\$109,400	\$160,200	\$157,800
2	87,120	\$165,400	\$165,400	\$115,700	\$169,500	\$167,000
2.25	98,010	\$173,000	\$173,000	\$121,100	\$177,300	\$174,700
2.5	108,900	\$180,600	\$180,600	\$126,400	\$185,100	\$182,400
2.75	119,790	\$188,200	\$188,200	\$131,700	\$192,900	\$190,000
3	130,680	\$195,800	\$195,800	\$137,000	\$200,600	\$197,700
3.25	141,570	\$202,400	\$202,400	\$141,600	\$207,400	\$204,400
3.5	152,460	\$209,000	\$209,000	\$146,300	\$214,200	\$211,000
3.75	163,350	\$215,600	\$215,600	\$150,900	\$220,900	\$217,700
4	174,240	\$222,200	\$222,200	\$155,500	\$227,700	\$224,400
4.25	185,130	\$227,800	\$227,800	\$159,400	\$233,400	\$230,000
4.5	196,020	\$233,400	\$233,400	\$163,300	\$239,200	\$235,700
4.75	206,910	\$239,000	\$239,000	\$167,300	\$244,900	\$241,300
5	217,800	\$244,600	\$244,600	\$171,200	\$250,700	\$247,000
5.5	239,580	\$252,700	\$252,700	\$176,800	\$259,000	\$255,200
6	261,360	\$260,800	\$260,800	\$182,500	\$267,300	\$263,400
6.5	283,140	\$266,900	\$266,900	\$186,800	\$273,500	\$269,500
7	304,920	\$273,000	\$273,000	\$191,100	\$279,800	\$275,700
7.5	326,700	\$278,900	\$278,900	\$195,200	\$285,800	\$281,600
8	348,480	\$284,800	\$284,800	\$199,300	\$291,900	\$287,600
8.5	370,260	\$290,400	\$290,400	\$203,200	\$297,600	\$293,300
9	392,040	\$296,100	\$296,100	\$207,200	\$303,500	\$299,000
9.5	413,820	\$301,600	\$301,600	\$211,100	\$309,100	\$304,600
10	435,600	\$307,100	\$307,100	\$214,900	\$314,700	\$310,100
11	479,160	\$312,200	\$312,200	\$218,500	\$320,000	\$315,300
12	522,720	\$317,200	\$317,200	\$222,000	\$325,100	\$320,300
13	566,280	\$322,300	\$322,300	\$225,600	\$330,300	\$325,500
14	609,840	\$327,400	\$327,400	\$229,100	\$335,500	\$330,600
15	653,400	\$332,500	\$332,500	\$232,700	\$340,800	\$335,800
16	696,960	\$337,000	\$337,000	\$235,900	\$345,400	\$340,300
17	740,520	\$341,600	\$341,600	\$239,100	\$350,100	\$345,000
18	784,080	\$346,200	\$346,200	\$242,300	\$354,800	\$349,600
19	827,640	\$350,700	\$350,700	\$245,400	\$359,400	\$354,200
20	871,200	\$355,300	\$355,300	\$248,700	\$364,100	\$358,800
25	1,089,000	\$375,600	\$375,600	\$262,900	\$384,900	\$379,300
30	1,306,800	\$394,900	\$394,900	\$276,400	\$404,700	\$398,800
35	1,524,600	\$413,200	\$413,200	\$289,200	\$423,500	\$417,300
40	1,742,400	\$430,400	\$430,400	\$301,200	\$441,100	\$434,700
>40	>1,742,400	+\$3,200 per acre > 40	+\$3,200 per acre > 40	+\$2,200 per acre > 40	+\$3,400 per acre > 40	+\$3,300 per acre > 40

Area 94 Land Model Adjustments:

Environmental/Sensitive Area Impact	
Mild	less 5% to 10%
Moderate	less 15% to 20%
Significant	less 25% to 30%
High	less 35% to 40%
Extreme	less 45% to 60%
Non-Buildable	less 75% to 90%
External Nuisances	
Traffic Noise/Nuisance	
Moderate	5% to 10%
High	15% to 20%
Powerlines	less 5% to 30%
Difficult Access	less 10% to 30%
Views (Best View Takes Precedence e.g. Avg. Terr. And Good Cascade = 15%)	
Territorial/Cascade/River (Non-Waterfront)	
Average	add 5% to 10%
Good	add 15% to 20%
Excellent	add 25% to 40%
Riverfront (Snoqualmie/Tolt River) (Type 1)	
	BaseLand + \$5,000 + \$ per front foot
1'-100'	\$250 per front foot
101'-200'	\$150 per front foot
200'-300'	\$100 per front foot
301'+	No Additional Adjustment
Lakefront (Lake Joy/Lake Marcel) (Type 2)	
	BaseLand + \$60,000 + \$ per front foot
1'-100'	\$500 per front foot
101'-200'	\$300 per front foot
201'-300'	\$200 per front foot
301'+	No Additional Adjustment
Waterfront River Views	
Average	No Adjustment
Good	add 5%-10%
Excellent	add 15%-20%
No River View	less 5%-10%
Waterfront Resticted River Access	
	less 5%-10%
Waterfront No Access/No View	
	No Adjustment

Vacant Sales Used In This Physical Inspection Analysis
Area 94

Sub Area	Major	Minor	Sale Date	Sale Price	Lot Size	View	Water - front
003	102507	9084	3/13/08	\$159,950	215,622	N	N
003	112507	9084	6/18/08	\$15,000	33,976	Y	Y
003	112507	9105	2/17/09	\$285,000	871,200	N	N
003	142507	9053	3/4/09	\$40,000	32,492	N	Y
003	152507	9081	7/17/09	\$337,000	871,200	Y	N
003	342507	9118	8/4/09	\$225,000	225,205	N	N
003	404550	0495	4/14/08	\$230,000	91,911	N	N
003	404550	1039	1/28/08	\$240,000	129,373	N	Y
003	404550	1079	7/21/08	\$50,000	18,563	Y	Y
003	404650	0270	11/12/08	\$110,000	31,550	N	N
003	404650	1100	5/22/08	\$88,000	18,444	Y	Y
003	404660	1330	2/14/08	\$8,000	16,901	N	Y
003	404671	0040	9/25/09	\$75,000	17,647	N	Y
003	865710	0130	9/2/08	\$368,000	14,879	N	Y
004	865830	0510	2/27/08	\$75,000	5,000	N	N
007	073270	0020	4/1/09	\$65,000	12,400	N	N
007	242407	9002	4/21/09	\$237,000	2,081,732	Y	N
007	248070	0099	4/2/08	\$240,101	208,974	N	N
007	733220	0270	2/27/08	\$110,000	13,570	N	N
007	803870	0050	3/27/08	\$20,000	12,600	N	N

Vacant Sales Removed From This Physical Inspection Analysis
Area 94

Sub Area	Major	Minor	Sale Date	Sale Price	Comments
003	022507	9033	9/16/08	\$70,350	FINANCIAL INSTITUTION RESALE
003	142507	9034	9/28/09	\$30,000	GOVERNMENT AGENCY
003	342507	9043	4/16/08	\$15,000	GOVERNMENT AGENCY;
003	342507	9100	2/18/09	\$41,000	GOVERNMENT AGENCY
003	404550	0010	5/27/09	\$20,000	QUIT CLAIM DEED
003	404660	0250	11/23/09	\$400,000	MULTI-PARCEL SALE
003	404671	0010	1/7/08	\$30,000	MULTI-PARCEL SALE
003	404671	0640	1/7/08	\$30,000	MULTI-PARCEL SALE
003	404671	0650	1/7/08	\$30,000	MULTI-PARCEL SALE
003	865680	0120	8/24/09	\$30,000	GOVERNMENT AGENCY
003	865710	0130	11/20/09	\$380,000	GOVERNMENT AGENCY
004	865830	1080	4/21/08	\$316,000	MULTI-PARCEL SALE
007	152407	9013	1/15/08	\$362,000	MULTI-PARCEL SALE
007	152407	9137	12/18/08	\$197,363	NO MARKET EXPOSURE
007	248070	0240	1/9/09	\$121,065	QUIT CLAIM DEED
007	733220	0090	5/5/09	\$87,000	QUIT CLAIM DEED
007	793351	0020	3/2/09	\$25,000	FINANCIAL INSTITUTION RESALE
007	793351	0020	8/1/08	\$282,000	FORCED SALE

Improved Parcel Total Value Model:

Model Development, Description and Conclusions

Most sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/10.

A total of 99 sales were verified and used in the Area 94 Analysis. The analysis of this area consisted of a systematic review of applicable characteristics which influence property values such as: year built, condition, grade, accessories, above grade living area, garage and basement. Characteristics that indicated possible adjustments were analyzed using NCSS (Number Crunching Statistical Software) along with Microsoft Excel. A wide variety of charts, graphs, reports, and statistical diagnostics were analyzed to determine which specific variables would be included in the final valuation model. These tools showed that Building RCN (Replacement Cost New), Accessory RCNLD, Age (Age = 2011-Year Built/Renovated + 1), Condition, Hi Grade (Grade ≥ 10) and Lakefront properties on Lake Joy or Lake Marcel. Through this process a cost based EMV (estimate of Market Value) formula derived using sales time adjusted to 01/01/2010. Sales occurring after 01/01/2010 were not used for this analysis. Cost based EMV models tend to be the most effective in heterogeneous like Area 94 due to their ability to account for a wide variety of variables that can impact value. The variable Building RCN takes into account above grade living area, basements, finished basement, garage and porches/decks. The variables for Age and Condition were included in the model to account for depreciation.

More than 90% of detached single family residences in Area 94 were valued using EMV. The remaining properties were valued using RCNLD, Adjusted RCNLD or Adjusted EMV. Most improved properties valued using methods other than EMV are typical exception parcels. Exceptions in Area 94 include but are not limited to poor condition, grade < 4 , improvement count > 1 , EMV $<$ Base Land, Buildings less than 100 square feet, Sub Area 5 and improvements with percent complete, obsolescence or net condition.

Improved Parcel Total Value Model Calibration

Dependent Variable: Natural Log (Sales Price-Accessory RCNLD)

Excel transformations with regression coefficients are in italics.

<u>Independent Variables</u>	<u>Transformations</u>
Intercept	1.887092
Sub Area 3	=Natural Log of 10 if located in Sub Area 3 = <i>If(subnumeric=3,LN(10),0)*-.03129562</i>
Sub Area 4	= Natural Log of 10 if located in Sub Area 4 = <i>If(subnumeric=4,LN(10),0)*-.02728101</i>
Base Land	=Natural Log of Base land divided by 1,000 = <i>LN(BaseLand/1000)*.2426791</i>
Building RCN	=Natural Log of Building RCN divided by 1,000 = <i>LN(BldgRCN/1000)*.536281</i>
Age	=Natural Log of 2011 less Year Built or Renovated plus 1 = <i>LN((2011-YrbldRen)+1)*-.0471768</i>
High Grade	=Natural Log of 10 if Grade > 9 = <i>If(Grade>9,LN(10),0)*.0557414</i>
Condition	=Natural Log of Condition = <i>LN(Cond)*.1859211</i>
Lake Front	=Natural Log of 10 if located on Lake Joy or Lake Marcel = <i>If(WftLoc=8,LN(10),0)*.05386253</i>

EMV=EXP((1.887092-3.129562E-02*Sub Area 3-2.728101E-02*Sub Area 4+ .2426791*Base Land+.536281*Building Rcn-.0471768*Age+ .0557414*High Grade+ .1859211*Condition+ 5.386253E-02*Lake Front)*1000+Accessory RCNLD)*.925/1000)*1000

EMV values were not generated for:

- Buildings with grade less than 4
- Imp Count > 1 (EMV is generated for building one only.)
- If total EMV is less than base land value
- Lot size less than 100 square feet
- Buildings with Percent Complete, Obsolescence or Net Condition
- Sub Area 5
- Poor Condition

Of the improved parcels in the population (see Executive Summary Report on page 4), 490 parcels increased in value. They were comprised of 21 single family residences on commercially zoned land and 469 single family residences or other parcels.

Of the 545 vacant land parcels greater than \$25,000, 367 parcels increased in value. (tax exempt parcels were excluded from the number of parcels increased)

*See Assessor's letter page 47

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.

Area 94 Sales price changes (relative to 1/1/2010 valuation date)

In a changing market, recognition of a sales trend is required to accurately estimate value as of a certain date. Assessed values are determined as of January 1 of a given year.

Market Adjustment to 1/1/2010		
Sale Date	Downward Adjustment (Factor)	Equivalent Percent
1/1/2008	0.829	-17.1%
2/1/2008	0.836	-16.4%
3/1/2008	0.842	-15.8%
4/1/2008	0.849	-15.1%
5/1/2008	0.855	-14.5%
6/1/2008	0.862	-13.8%
7/1/2008	0.869	-13.1%
8/1/2008	0.876	-12.4%
9/1/2008	0.883	-11.7%
10/1/2008	0.889	-11.1%
11/1/2008	0.896	-10.4%
12/1/2008	0.903	-9.7%
1/1/2009	0.911	-8.9%
2/1/2009	0.918	-8.2%
3/1/2009	0.925	-7.5%
4/1/2009	0.932	-6.8%
5/1/2009	0.939	-6.1%
6/1/2009	0.947	-5.3%
7/1/2009	0.954	-4.6%
8/1/2009	0.962	-3.8%
9/1/2009	0.969	-3.1%
10/1/2009	0.977	-2.3%
11/1/2009	0.984	-1.6%
12/1/2009	0.992	-0.8%
1/1/2010	1.000	0.0%

The chart above shows the % adjustment required for sales to be representative of the assessment date of 1/1/10.

Example:	Sales Price	Sales Date	Adjustment factor	Adjusted Sales price*
Sale 1	\$525,000	4/1/2008	0.849	\$446,000
Sale 2	\$475,000	10/1/2009	0.977	\$464,000
Sale 3	\$515,000	7/1/2009	0.954	\$491,000

* The adjusted sale price has been rounded to the nearest \$1000.

The time adjustment formula for Area 94 is $1/\text{EXP}(-0.0002564856 * \text{SaleDay})$
 $\text{SaleDay} = \text{SaleDate} - 39814$

Improved Sales Used In This Physical Inspection Analysis
Area 94

Sub Area	Major	Minor	Sale Date	Sale Price	Adj Sale Price	Above Grade Living	Bld Grade	Year Built/Ren	Cond	Lot Size	View	Water-front	Situs Address
3	102507	9026	11/19/09	\$290,000	\$287,000	1360	6	1980	2	311,018	N	N	33519 NE 78TH ST
3	404650	0900	11/19/09	\$499,000	\$494,000	800	7	1967	4	18,204	Y	Y	31654 NE 106TH ST
3	404650	0260	6/24/08	\$339,950	\$295,000	950	7	1968	4	37,787	N	N	10409 316TH AVE NE
3	404671	0460	9/16/08	\$275,000	\$244,000	990	7	1978	3	11,379	N	N	11443 317TH AVE NE
3	732560	0030	4/30/08	\$349,900	\$299,000	1340	7	1975	3	20,700	Y	Y	8014 361ST AVE NE
3	404660	0750	7/30/08	\$380,000	\$333,000	1370	7	2006	3	19,550	N	N	11438 320TH AVE NE
3	404650	0440	8/24/09	\$286,500	\$277,000	1440	7	1979	3	14,998	N	N	10430 320TH AVE NE
3	404550	0385	12/5/08	\$450,000	\$407,000	1450	7	1975	4	14,450	Y	Y	11125 E LAKE JOY DR NE
3	404650	0450	1/4/08	\$339,000	\$281,000	1470	7	1978	4	14,998	N	N	10440 320TH AVE NE
3	404650	0780	4/23/08	\$350,000	\$299,000	1480	7	1979	3	20,074	N	N	31802 NE 105TH PL
3	404650	0460	8/25/08	\$320,000	\$282,000	1550	7	1978	4	15,129	N	N	10448 320TH AVE NE
3	404650	1370	4/8/08	\$399,000	\$339,000	1610	7	1992	3	16,228	N	N	31314 NE 108TH ST
3	404650	0350	8/26/09	\$329,998	\$319,000	1640	7	1979	3	17,497	N	N	31801 NE 104TH ST
3	404660	0900	4/15/08	\$406,000	\$346,000	1670	7	1997	3	17,550	N	N	11042 320TH AVE NE
3	404670	0010	5/6/08	\$427,000	\$366,000	1890	7	1989	4	15,124	N	N	10217 317TH AVE NE
3	404660	0780	8/25/09	\$400,000	\$387,000	1970	7	2007	3	17,550	N	N	11410 320TH AVE NE
3	404660	0190	6/4/08	\$649,000	\$560,000	2060	7	1993	3	22,150	Y	Y	11021 317TH AVE NE
3	404650	1430	7/10/09	\$388,000	\$371,000	2180	7	2004	3	15,000	N	N	31220 NE 110TH ST
3	404650	1090	1/31/08	\$451,000	\$377,000	2400	7	1991	3	23,674	N	Y	31318 NE 106TH ST
3	404660	0360	3/10/08	\$485,000	\$409,000	2880	7	1990	3	18,019	N	N	11206 317TH AVE NE
3	102507	9053	12/24/09	\$355,000	\$354,000	1310	8	1976	4	70,131	N	N	33106 NE 66TH ST
3	404650	0280	7/23/09	\$369,000	\$354,000	1470	8	1981	3	18,452	N	N	10323 316TH AVE NE
3	142507	9055	6/10/08	\$526,000	\$454,000	1650	8	1995	3	112,700	N	Y	5020 TOLT RIVER RD NE
3	404660	1350	8/18/08	\$434,950	\$383,000	1880	8	1990	3	19,748	N	N	11115 312TH AVE NE
3	404650	0670	12/8/09	\$386,000	\$384,000	1920	8	2001	3	17,113	N	N	10410 316TH AVE NE
3	232507	9035	6/23/08	\$545,000	\$472,000	2040	8	1990	3	226,574	N	Y	3715 LAKE LANGLOIS RD NE

Sub Area	Major	Minor	Sale Date	Sale Price	Adj Sale Price	Above Grade Living	Bld Grade	Year Built/ Ren	Cond	Lot Size	View	Water-front	Situs Address
3	332607	9088	9/1/09	\$462,000	\$448,000	2090	8	1998	3	44,431	N	N	32110 NE 110TH CT
3	332607	9087	10/27/09	\$457,500	\$450,000	2230	8	1998	3	44,431	N	N	32116 NE 110TH CT
3	262507	9038	5/11/09	\$510,000	\$480,000	2510	8	1978	3	214,750	Y	N	35182 NE 14TH ST
3	404660	0910	5/5/08	\$595,000	\$509,000	2700	9	2007	3	17,550	N	N	11030 320TH AVE NE
3	272607	9080	1/13/09	\$612,000	\$559,000	2960	9	1999	3	70,132	N	N	11715 338TH AVE NE
3	342607	9088	12/2/09	\$620,000	\$615,000	3300	9	1999	3	260,924	N	N	10950 KELLY RD NE
3	404660	0080	6/11/08	\$930,000	\$804,000	2510	10	1994	4	13,145	Y	Y	31751 NE 110TH ST
3	332607	9090	5/16/08	\$1,000,000	\$858,000	2730	10	2003	3	140,256	Y	N	10402 FAY RD NE
3	262507	9034	7/8/09	\$985,000	\$941,000	2930	10	1997	3	215,622	N	N	1235 352ND AVE NE
3	272507	9027	8/24/09	\$1,600,000	\$1,548,000	3010	10	1991	4	392,040	N	N	33105 NE 24TH ST
3	142507	9043	4/7/08	\$815,000	\$693,000	3020	10	1990	3	172,062	N	Y	4624 TOLT RIVER RD NE
3	262607	9082	8/18/09	\$1,250,000	\$1,207,000	4580	12	1997	3	909,968	N	N	12522 MOSS CREEK LN NE
4	865830	0515	3/19/08	\$274,900	\$233,000	710	5	1915	4	7,500	N	N	32303 E REITZE ST
4	865590	0265	11/23/09	\$230,500	\$228,000	1230	5	1958	3	13,262	N	N	32109 NE 60TH ST
4	865830	3585	4/21/09	\$249,950	\$234,000	900	6	1961	4	7,500	N	N	31710 W ENTWISTLE ST
4	117000	0190	11/11/08	\$301,000	\$271,000	910	6	1978	4	9,900	N	N	4931 327TH AVE NE
4	721136	0270	7/20/09	\$275,000	\$264,000	1150	6	1985	3	11,515	N	N	4405 ROYAL CT
4	865830	3250	5/12/08	\$280,000	\$240,000	1170	6	1954	4	7,500	N	N	31740 W COMMERCIAL ST
4	117000	0180	9/17/08	\$320,000	\$284,000	1280	6	1979	4	9,900	N	N	4941 327TH AVE NE
4	865830	0480	12/30/09	\$250,000	\$250,000	1530	6	1976	4	9,000	N	N	32315 E REITZE ST
4	721134	0150	12/12/08	\$280,000	\$254,000	980	7	1980	3	10,042	N	N	4200 KINGS CT
4	721135	0060	2/20/08	\$300,000	\$252,000	1010	7	1980	4	14,238	N	N	32200 QUEENS CT
4	865830	1250	11/20/08	\$260,000	\$234,000	1010	7	1915	4	3,700	N	N	32010 E REITZE ST
4	865630	0165	6/25/08	\$345,000	\$299,000	1060	7	1997	4	9,375	N	N	5820 320TH AVE NE
4	865830	2525	10/15/08	\$289,900	\$259,000	1130	7	1913	4	5,000	N	N	31835 W MORRISON ST
4	138930	0040	10/14/09	\$299,000	\$293,000	1250	7	1996	3	18,023	N	N	4541 325TH AVE NE
4	138931	0070	7/17/09	\$294,000	\$282,000	1330	7	1997	3	18,389	N	N	5053 326TH PL NE
4	865830	2505	12/11/09	\$290,000	\$288,000	1340	7	1913	4	5,000	N	N	31857 W MORRISON ST
4	865830	1240	7/9/08	\$305,000	\$265,000	1460	7	1912	5	5,100	N	N	32004 E REITZE ST
4	865830	2780	11/25/09	\$309,900	\$307,000	1840	7	1938	4	15,400	N	N	31766 W MORRISON ST

Sub Area	Major	Minor	Sale Date	Sale Price	Adj Sale Price	Above Grade Living	Bld Grade	Year Built/Ren	Cond	Lot Size	View	Water-front	Situs Address
4	162507	9067	7/30/08	\$452,500	\$396,000	1720	8	1912	5	25,264	N	N	32021 E ENTWISTLE ST
4	865830	0510	7/22/09	\$334,000	\$320,000	1980	8	2008	3	5,000	N	N	32311 E REITZE ST
4	156196	0080	11/4/09	\$450,000	\$443,000	2100	8	1998	3	18,077	N	N	4375 325TH AVE NE
4	816100	0050	12/3/08	\$480,000	\$434,000	2200	8	1993	3	21,802	N	N	33070 NE 43RD PL
4	816101	0040	11/11/08	\$399,990	\$360,000	2290	8	1993	3	21,780	N	N	33050 NE 40TH PL
4	816100	0230	7/7/09	\$407,000	\$389,000	2290	8	1992	4	22,445	N	N	32840 NE 42ND ST
4	816100	0080	6/3/09	\$450,000	\$426,000	2340	8	1993	3	22,007	N	N	33045 NE 43RD PL
4	816102	0380	12/12/08	\$467,500	\$424,000	2540	8	1995	3	21,781	N	N	4173 325TH AVE NE
4	816100	0090	8/4/08	\$521,425	\$457,000	2560	8	1992	3	21,879	N	N	33015 NE 43RD PL
5	212507	9039	12/18/09	\$270,000	\$269,000	1220	5	1948	5	196,020	N	N	3019 FALL CITY-CARNATION RD NE
5	322507	9004	4/15/08	\$385,000	\$328,000	1130	6	1950	4	826,204	N	Y	415 WEST SNOQUALMIE RIVER RD NE
5	032407	9011	1/9/08	\$500,000	\$415,000	2160	7	1970	4	405,979	N	N	2315 FALL CITY-CARNATION RD SE
7	152407	9088	9/26/08	\$239,950	\$213,000	1280	5	1922	2	48,257	N	N	4658 PRESTON-FALL CITY RD SE
7	242407	9026	11/13/08	\$397,000	\$357,000	870	6	2006	3	192,656	Y	N	36403 SE 56TH ST
7	247590	0550	6/9/09	\$229,900	\$218,000	910	6	1953	3	8,400	N	N	4319 336TH PL SE
7	247590	0265	8/13/09	\$251,000	\$242,000	960	6	1952	3	5,250	N	N	33620 SE 43RD ST
7	247590	0075	8/13/08	\$242,000	\$213,000	1120	6	1916	3	12,000	N	N	4218 338TH PL SE
7	247590	0065	12/10/09	\$261,000	\$260,000	1180	6	1922	4	8,550	N	N	4224 338TH PL SE
7	152407	9120	6/25/09	\$245,000	\$233,000	1230	6	1969	3	13,500	N	N	4421 335TH PL SE
7	256131	0060	4/20/09	\$287,500	\$269,000	1350	6	1974	3	11,610	N	N	4120 330TH PL SE
7	873171	0190	4/18/08	\$330,000	\$281,000	1460	6	1970	3	10,176	N	N	33516 SE 44TH LN
7	152407	9111	4/25/08	\$330,000	\$282,000	1850	6	1967	2	7,200	N	N	4404 335TH PL SE
7	094310	0380	10/27/09	\$352,000	\$346,000	2300	6	1978	3	40,057	N	N	33004 SE 44TH ST
7	152407	9184	11/3/08	\$348,500	\$313,000	900	7	2001	3	7,200	N	N	4410 335TH PL SE
7	222407	9040	7/17/08	\$307,000	\$268,000	1010	7	2000	3	14,361	N	N	4921 PRESTON-FALL CITY RD SE
7	242407	9005	2/28/08	\$499,950	\$421,000	1020	7	1994	3	220,413	N	N	37016 SE 54TH PL
7	162407	9065	1/26/09	\$368,000	\$337,000	1360	7	1968	3	13,760	N	N	4013 324TH AVE SE
7	247590	0505	8/12/09	\$335,000	\$323,000	1490	7	1929	3	14,000	N	N	4326 334TH PL SE
7	152407	9177	11/23/09	\$370,500	\$367,000	1590	7	1991	3	15,318	N	N	32428 SE 44TH ST
7	152407	9172	10/24/08	\$445,000	\$398,000	1590	7	1989	3	15,660	N	N	4436 325TH AVE SE

Sub Area	Major	Minor	Sale Date	Sale Price	Adj Sale Price	Above Grade Living	Bld Grade	Year Built/Ren	Cond	Lot Size	View	Water-front	Situs Address
7	152407	9053	12/30/09	\$445,000	\$445,000	2690	7	1990	3	187,308	N	N	4218 324TH AVE SE
7	254900	0090	7/8/08	\$469,000	\$408,000	1680	8	1989	3	15,172	N	N	4430 328TH PL SE
7	248070	0036	9/22/09	\$469,900	\$458,000	1900	8	1990	3	98,010	N	N	35830 SE 27TH PL
7	094310	0265	7/29/09	\$430,000	\$413,000	1940	8	1996	3	16,305	N	N	4239 332ND AVE SE
7	392450	0100	4/9/08	\$549,950	\$468,000	2060	8	1985	3	50,529	N	N	32825 SE 47TH PL
7	152407	9055	9/16/09	\$540,000	\$525,000	2110	8	2007	3	113,256	N	N	4773 PRESTON-FALL CITY RD SE
7	172407	9031	6/27/08	\$800,000	\$694,000	2410	8	1968	5	270,979	Y	N	30224 SE ISSAQUAH-FALL CITY RD
7	232407	9075	9/17/09	\$549,900	\$535,000	2450	8	1990	3	217,800	Y	N	34110 SE 56TH PL
7	248070	0042	6/19/08	\$630,000	\$546,000	2530	8	2001	3	67,518	N	N	2710 359TH AVE SE
7	232407	9035	8/18/08	\$675,000	\$594,000	3360	8	1991	3	86,248	Y	Y	34902 SE DAVID POWELL RD
7	247590	1090	8/14/09	\$603,000	\$582,000	2160	9	1920	5	21,000	N	N	4359 336TH PL SE
7	232407	9087	7/23/09	\$775,000	\$743,000	3070	9	1998	3	217,800	N	N	5374 347TH PL SE
7	162407	9024	6/6/08	\$665,000	\$574,000	3150	9	2007	3	151,588	N	N	31207 SE 40TH ST

**Improved Sales Removed From This Physical Inspection Analysis
Area 94**

Sub Area	Major	Minor	Sale Date	Sale Price	Comments
3	102507	9013	9/3/09	\$275,000	TEAR DOWN
3	152507	9037	12/24/09	\$169,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
3	262607	9061	9/25/08	\$478,142	EXEMPT FROM EXCISE TAX
3	272507	9001	4/23/09	\$257,500	IMP. CHARACTERISTICS CHANGED SINCE SALE
3	272507	9018	1/13/09	\$728,250	IMP. CHARACTERISTICS CHANGED SINCE SALE
3	272507	9040	8/27/08	\$100,000	PARTIAL INTEREST (1/3, 1/2, Etc.)
3	272507	9040	8/26/08	\$100,000	PARTIAL INTEREST (1/3, 1/2, Etc.)
3	272607	9061	6/23/08	\$430,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
3	272607	9097	2/7/08	\$248,950	IMP. CHARACTERISTICS CHANGED SINCE SALE
3	404550	0665	10/19/09	\$305,000	NON-REPRESENTATIVE SALE
3	404550	0665	6/8/09	\$418,051	EXEMPT FROM EXCISE TAX
3	404650	0010	12/19/08	\$180,000	QUIT CLAIM DEED
3	404650	0350	9/16/09	\$329,998	RELOCATION - SALE TO SERVICE
3	404660	0740	9/9/09	\$224,604	EXEMPT FROM EXCISE TAX
3	404660	1090	10/27/09	\$185,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
3	404660	1090	5/28/09	\$185,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
3	865680	0210	11/3/09	\$310,000	NON-REPRESENTATIVE SALE
3	865710	0100	10/14/09	\$408,573	GOVERNMENT AGENCY
4	117000	0360	1/30/09	\$129,529	IMP. CHARACTERISTICS CHANGED SINCE SALE
4	152507	9070	9/1/09	\$508,500	IMP. CHARACTERISTICS CHANGED SINCE SALE
4	162507	9021	12/8/09	\$3,800,000	MULTI-PARCEL SALE
4	306010	0065	6/17/08	\$275,000	NO MARKET EXPOSURE
4	816101	0040	11/7/08	\$399,990	RELOCATION - SALE TO SERVICE
4	865590	0100	5/11/09	\$225,000	NO MARKET EXPOSURE
4	865590	0105	7/31/08	\$220,000	NO MARKET EXPOSURE
4	865730	0130	5/14/09	\$303,000	NO MARKET EXPOSURE
4	865730	0226	11/30/09	\$475,000	NO MARKET EXPOSURE
4	865830	0435	12/3/09	\$235,000	NON-REPRESENTATIVE SALE
4	865830	3390	2/21/08	\$77,818	QUIT CLAIM DEED
4	865830	3455	6/19/09	\$270,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
5	102407	9009	12/17/08	\$660,000	GOVERNMENT AGENCY
5	212507	9044	5/29/09	\$323,000	NON-REPRESENTATIVE SALE
5	357010	0040	5/19/08	\$105,127	PARTIAL INTEREST (1/3, 1/2, Etc.)
5	357010	0070	8/14/09	\$330,000	NON-REPRESENTATIVE SALE
7	092407	9022	1/10/08	\$850,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
7	094310	0384	8/12/09	\$244,650	QUIT CLAIM DEED
7	152407	9137	12/18/08	\$197,363	NO MARKET EXPOSURE
7	152407	9192	8/13/09	\$215,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
7	162407	9032	12/17/08	\$1,572,500	EXEMPT FROM EXCISE TAX
7	162407	9032	10/13/09	\$1,121,000	NON-REPRESENTATIVE SALE

***Improved Sales Removed From This Physical Inspection Analysis
Area 94***

Sub Area	Major	Minor	Sale Date	Sale Price	Comments
7	162407	9060	6/10/09	\$344,250	EXEMPT FROM EXCISE TAX
7	232407	9092	11/11/08	\$580,000	BANKRUPTCY - RECEIVER OR TRUSTEE
7	247590	0965	9/8/08	\$314,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
7	248070	0015	3/21/08	\$152,250	QUIT CLAIM DEED
7	793351	0150	10/9/09	\$579,900	IMP. CHARACTERISTICS CHANGED SINCE SALE
7	793351	0160	7/2/09	\$330,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
7	803900	0055	2/17/09	\$150,000	PARTIAL INTEREST (1/3, 1/2, Etc.)

Model Validation

Total Value Model Conclusions, Recommendations and Validation:

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 and may adjust particular characteristics and conditions as they occur in the valuation area.

The resulting assessment level is 91.6%. The standard statistical measures of valuation performance are all within the IAAO recommended range of .90 to 1.10 and are presented both in the Executive Summary and in the Physical Inspection Ratio Study Report (Before) and (After) included in this report.

Application of these recommended values for the 2010 assessment year (taxes payable in 2011) results in an average total change from the 2009 assessments of -3.9% for the sales sample. This decrease is due partly to market changes over time and the previous assessment levels.

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 and folios kept in the appropriate district office.

Ratio studies of assessments before and after this physical inspection are included later in this report

Area 94 Physical Inspection Ratio Confidence Intervals

These tables provide evidence that assessment levels (NewAV / AdjustedSP * 100%) are equitable across key strata of building, land and location characteristics.

For this purpose, the actual overall 2010 weighted mean of 91.6% in Area 94 has been displayed below. A Lower 95% C.L. greater than 92.5% indicates that values may be relatively high; An Upper 95% C.L. less than 92.5% indicates that values may be relatively low.

When the sales count is low, the uncertainties are larger, and it is difficult to draw valid conclusions. The confidence interval for the arithmetic mean is used as an estimate for the weighted mean.

OVERALL	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
Sales Sample	99	91.6%	89.7%	93.4%
Bldg Grade	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
5	4	86.9%	75.1%	98.6%
6	18	93.3%	88.9%	97.7%
7	38	92.6%	89.5%	95.7%
8	27	93.0%	89.9%	96.2%
9	6	86.9%	75.2%	98.5%
10	5	86.9%	69.2%	104.6%
12	1	Insuff data	Insuff data	Insuff data
Year Built or Year Renovated	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
1910-1920	8	87.1%	78.7%	95.6%
1921-1930	3	91.7%	79.1%	104.3%
1931-1940	1	Insuff data	Insuff data	Insuff data
1941-1950	2	88.6%	86.8%	90.4%
1951-1960	4	90.1%	78.5%	101.7%
1961-1970	9	89.8%	81.5%	98.0%
1971-1980	18	97.7%	93.3%	102.1%
1981-1990	13	94.3%	88.8%	99.9%
1991-2000	29	89.4%	85.9%	92.8%
2001-2010	12	91.9%	86.0%	97.7%

Area 94 Physical Inspection Ratio Confidence Intervals

These tables provide evidence that assessment levels (NewAV / AdjustedSP * 100%) are equitable across key strata of building, land and location characteristics.

For this purpose, the actual overall 2010 weighted mean of 91.6% in Area 94 has been displayed below. A Lower 95% C.L. greater than 92.5% indicates that values may be relatively high; An Upper 95% C.L. less than 92.5% indicates that values may be relatively low.

When the sales count is low, the uncertainties are larger, and it is difficult to draw valid conclusions. The confidence interval for the arithmetic mean is used as an estimate for the weighted mean.

Condition	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
Fair	3	96.5%	78.5%	114.6%
Average	66	91.9%	89.7%	94.1%
Good	25	91.3%	87.1%	95.6%
Very Good	5	87.1%	76.7%	97.4%
Stories	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
1	48	90.6%	88.0%	93.3%
1.5	11	92.2%	86.6%	97.9%
2	40	92.3%	89.1%	95.4%
Above Grade Living Area	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
<801	2	78.8%	62.9%	94.7%
801-1000	9	92.8%	85.3%	100.2%
1001-1500	33	94.0%	91.2%	96.8%
1501-2000	19	90.7%	86.1%	95.3%
2001-2500	18	92.0%	87.4%	96.6%
2501-3000	11	91.0%	84.1%	97.9%
3001-4000	6	88.3%	73.5%	103.0%
4001-5000	1	Insuff data	Insuff data	Insuff data
View Y/N	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
N	88	91.5%	89.5%	93.5%
Y	11	92.1%	85.2%	99.0%
Wft Y/N	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
N	88	91.2%	89.3%	93.2%
Y	11	93.9%	86.9%	101.0%

Area 94 Physical Inspection Ratio Confidence Intervals

These tables provide evidence that assessment levels (NewAV / AdjustedSP * 100%) are equitable across key strata of building, land and location characteristics.

For this purpose, the actual overall 2010 weighted mean of 91.6% in Area 94 has been displayed below. A Lower 95% C.L. greater than 92.5% indicates that values may be relatively high; An Upper 95% C.L. less than 92.5% indicates that values may be relatively low.

When the sales count is low, the uncertainties are larger, and it is difficult to draw valid conclusions. The confidence interval for the arithmetic mean is used as an estimate for the weighted mean.

Sub	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
3	38	90.7%	87.6%	93.8%
4	27	92.3%	88.3%	96.4%
5	3	88.9%	87.8%	89.9%
7	31	92.7%	89.4%	96.0%
Lot Size	Count	2010 Weighted Mean	2010 Lower 95% C.L.	2010 Upper 95% C.L.
03000-05000	4	95.2%	76.3%	114.1%
05001-08000	7	89.4%	83.3%	95.4%
08001-12000	12	94.1%	88.4%	99.7%
12001-16000	17	94.0%	88.3%	99.7%
16001-20000	15	88.8%	84.6%	93.0%
20001-30000	12	89.3%	83.2%	95.5%
30001-43559	2	100.9%	97.3%	104.5%
1AC-3AC	11	93.2%	89.1%	97.2%
3.01AC-5AC	10	93.0%	84.4%	101.6%
5.01AC-10AC	7	86.8%	77.4%	96.2%
>10AC	2	94.6%	38.5%	150.7%

2009 Assessment

District/Team: NE District/Team 3	Appr. Date: 01/01/2009	Date of Report: 07/15/2010	Sales Dates: 01/2008 - 12/2009																				
Area 94	Appr ID: JDAR	Property Type: 1 to 3 Unit Residences	Adjusted for time?: YES																				
SAMPLE STATISTICS		<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.40-0.50</td><td>1</td></tr><tr><td>0.50-0.60</td><td>3</td></tr><tr><td>0.60-0.70</td><td>9</td></tr><tr><td>0.70-0.80</td><td>18</td></tr><tr><td>0.80-0.90</td><td>32</td></tr><tr><td>0.90-1.00</td><td>18</td></tr><tr><td>1.00-1.10</td><td>11</td></tr><tr><td>1.10-1.20</td><td>5</td></tr><tr><td>1.20-1.30</td><td>2</td></tr></tbody></table>		Ratio	Frequency	0.40-0.50	1	0.50-0.60	3	0.60-0.70	9	0.70-0.80	18	0.80-0.90	32	0.90-1.00	18	1.00-1.10	11	1.10-1.20	5	1.20-1.30	2
Ratio	Frequency																						
0.40-0.50	1																						
0.50-0.60	3																						
0.60-0.70	9																						
0.70-0.80	18																						
0.80-0.90	32																						
0.90-1.00	18																						
1.00-1.10	11																						
1.10-1.20	5																						
1.20-1.30	2																						
Sample size (n)	99																						
Mean Assessed Value	386,000																						
Mean Adj. Sales Price	406,200																						
Standard Deviation AV	176,977																						
Standard Deviation SP	202,261																						
ASSESSMENT LEVEL																							
Arithmetic Mean Ratio	0.965																						
Median Ratio	0.967																						
Weighted Mean Ratio	0.950																						
UNIFORMITY																							
Lowest ratio	0.480																						
Highest ratio:	1.400																						
Coefficient of Dispersion	12.23%																						
Standard Deviation	0.156																						
Coefficient of Variation	16.20%																						
Price Related Differential (PRD)	1.016																						
RELIABILITY																							
95% Confidence: Median																							
Lower limit	0.928																						
Upper limit	0.994																						
95% Confidence: Mean																							
Lower limit	0.934																						
Upper limit	0.996																						
SAMPLE SIZE EVALUATION																							
N (population size)	2531																						
B (acceptable error - in decimal)	0.05																						
S (estimated from this sample)	0.156																						
Recommended minimum:	39																						
Actual sample size:	99																						
Conclusion:	OK																						
NORMALITY																							
Binomial Test																							
# ratios below mean:	49																						
# ratios above mean:	50																						
z:	0.101																						
Conclusion:	Normal*																						
*i.e. no evidence of non-normality																							

COMMENTS:

1 to 3 Unit Residences throughout area 94

Sales Prices are adjusted for time to the Assessment Date of 1/1/2010

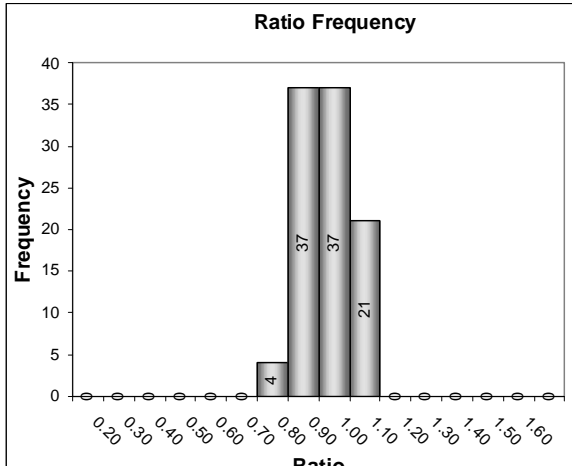
COMMENTS:

1 to 3 Unit Residences throughout area 94

Sales Prices are adjusted for time to the Assessment Date of 1/1/2010

Physical Inspection Ratio Study Report (After)

2010 Assessment

District/Team: NE District/Team 3	Appr. Date: 01/01/2010	Date of Report: 07/15/2010	Sales Dates: 01/2008-12/2009										
Area 94	Appr ID: JDAR	Property Type: 1 to 3 Unit Residences	Adjusted for time?: YES										
SAMPLE STATISTICS		 <p>A histogram titled 'Ratio Frequency' showing the distribution of ratios. The x-axis is labeled 'Ratio' and ranges from 0.20 to 1.60 in increments of 0.10. The y-axis is labeled 'Frequency' and ranges from 0 to 40 in increments of 5. The histogram has four bars with the following frequencies: 4 for the 0.70-0.80 ratio range, 37 for the 0.80-0.90 ratio range, 37 for the 0.90-1.00 ratio range, and 21 for the 1.00-1.10 ratio range. All other ratio ranges have a frequency of 0.</p> <table border="1"><caption>Ratio Frequency Data</caption><thead><tr><th>Ratio Range</th><th>Frequency</th></tr></thead><tbody><tr><td>0.70 - 0.80</td><td>4</td></tr><tr><td>0.80 - 0.90</td><td>37</td></tr><tr><td>0.90 - 1.00</td><td>37</td></tr><tr><td>1.00 - 1.10</td><td>21</td></tr></tbody></table>		Ratio Range	Frequency	0.70 - 0.80	4	0.80 - 0.90	37	0.90 - 1.00	37	1.00 - 1.10	21
Ratio Range	Frequency												
0.70 - 0.80	4												
0.80 - 0.90	37												
0.90 - 1.00	37												
1.00 - 1.10	21												
Sample size (n)	99												
Mean Assessed Value	372,000												
Mean Adj. Sales Price	406,200												
Standard Deviation AV	173,346												
Standard Deviation SP	202,261												
ASSESSMENT LEVEL													
Arithmetic Mean Ratio	0.925												
Median Ratio	0.918												
Weighted Mean Ratio	0.916												
UNIFORMITY													
Lowest ratio	0.770												
Highest ratio:	1.082												
Coefficient of Dispersion	7.19%												
Standard Deviation	0.079												
Coefficient of Variation	8.53%												
Price Related Differential (PRD)	1.010												
RELIABILITY													
95% Confidence: Median													
Lower limit	0.892												
Upper limit	0.940												
95% Confidence: Mean													
Lower limit	0.909												
Upper limit	0.940												
SAMPLE SIZE EVALUATION													
N (population size)	2531												
B (acceptable error - in decimal)	0.05												
S (estimated from this sample)	0.079												
Recommended minimum:	10												
Actual sample size:	99												
Conclusion:	OK												
NORMALITY													
Binomial Test													
# ratios below mean:	53												
# ratios above mean:	46												
z:	0.704												
Conclusion:	Normal*												
*i.e. no evidence of non-normality													

COMMENTS:

1 to 3 Unit Residences throughout area 94

Uniformity has improved by application of the recommended values. (example prev. COV/COD was 16.2% and 12.23% respectively and now have improved to 8.53% and 7.19% respectively)

Sales Prices are adjusted for time to the Assesment Date of 1/1/2010

Mobile Home Analysis

Scope of Mobile Home Data

There are 348 parcels in Area 94 improved with a mobile home as the primary improvement and 15 sales used in the valuation. Sales used were from 1/1/2007 to 1/1/2010. A Ratio Study was completed just prior to the application of the 2010 recommended values. This study benchmarks the prior assessment level using 2009 posted values (1/1/09) compared to current adjusted sale prices (1/1/10). The study was also repeated after the application of the 2010 recommended values. The results are included in the validation section of this report showing an improvement in the COV from 22.24% to 5.91%

A list of sales used and summary assessed value to sales ratio data is included in this report.

Model Development, Description and Conclusions

A separate cost based regression formula was used to appraise mobile homes. All Mobile homes are given a base cost using the Boeckh Mobile Home Workbook indexed to 2010. The regression model considers Total RCNLD including all accessory structures and base land value. The sales were time adjusted to 01/01/2010. The formula is as follows:

$$EXP((2.783224+.3608853*LN(BaseLand/1000)+.2753639*LN(TotalRcnld/1000))*1000)*.925$$

The result is rounded down to the nearest thousand. The resulting improvement value is multiplied by a .76 factor. The purpose of this additional downward factor is explained below.

It was determined that the lack of sales representation in years 2008 and 2009 and the predominance of sales occurring in 2007 made these results uncertain. Mobile Home parcels valued using this model, were factored downward to at a level that imitates the percentage change in the improved population (see page 4). While the Assessments level did not improve, the change in COV improved significantly thus improving the overall uniformity of the assessments. The sales prices were time adjusted using the EMV time adjustments.

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field-reviewed and a value is selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate and may adjust particular characteristics and conditions as they occur in the valuation area. Mobile Homes in this area were either valued using the method outlined in this section or by using Total RCNLD.

A list of improved mobile home sales used and those considered not reflective of market are included in the following sections.

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

Application of these recommended values for the 2010 assessment year (taxes payable in 2011) results in an average total change from the 2009 assessments of -5.30%. This decrease is partially due to market changes over time and the previous assessment level. This overall decrease is similar to the Area 94 EMV population.

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.

Mobile Home Sales Used In This Physical Inspection Analysis
Area 94

Sub Area	Maj.	Min.	Sale Date	Sale Price	Adj. Sale Price	Size	Class	Cond	Year Built	Lot Size	Vw	Wft	Situs Address
3	282507	9061	8/30/07	\$350,000	\$281,000	1188	2	2	1998	54,450	N	N	1515 324TH AVE NE
3	262607	9022	5/15/07	\$374,100	\$292,000	1232	2	2	1988	85,716	N	N	34708 NE LAKE JOY RD
3	262607	9076	10/27/09	\$200,000	\$196,000	1344	2	2	1979	52,272	N	N	11715 346TH AVE NE
3	122507	9023	3/24/08	\$245,000	\$207,000	1350	2	2	1981	77,972	Y	Y	36031 NE 80TH ST
3	262607	9074	5/7/07	\$284,000	\$221,000	1568	2	2	1985	48,351	N	N	11622 342ND AVE NE
3	042507	9090	6/12/09	\$342,000	\$324,000	1782	2	2	1997	196,455	N	N	9925 318TH AVE NE
3	404550	0825	6/21/07	\$414,000	\$326,000	2144	2	2	1979	22,032	Y	Y	10718 W LAKE JOY DR NE
7	152407	9142	4/20/07	\$211,000	\$163,000	868	1	1	1975	57,499	N	N	4641 PRESTON-FALL CITY RD SE
7	222407	9063	9/4/09	\$240,000	\$232,000	1152	2	2	1981	42,108	N	Y	4925 PRESTON-FALL CITY RD SE
7	803870	0065	1/23/08	\$243,300	\$202,000	1248	2	2	1977	8,500	N	N	4405 337TH PL SE
7	733220	0050	9/7/07	\$210,000	\$168,000	1368	2	3	1975	10,363	N	N	4928 334TH AVE SE
7	162407	9035	4/20/07	\$385,000	\$298,000	1404	2	2	1989	108,900	N	N	31929 SE 44TH ST
7	873121	0080	5/1/08	\$287,300	\$245,000	1568	2	2	1991	15,000	N	N	4480 334TH PL SE
7	248070	0009	10/31/07	\$375,000	\$305,000	1680	2	2	1995	59,241	N	N	36532 SE 25TH ST
7	142407	9049	7/27/07	\$319,000	\$253,000	1782	2	2	1993	43,560	N	N	35330 SE FISH HATCHERY RD

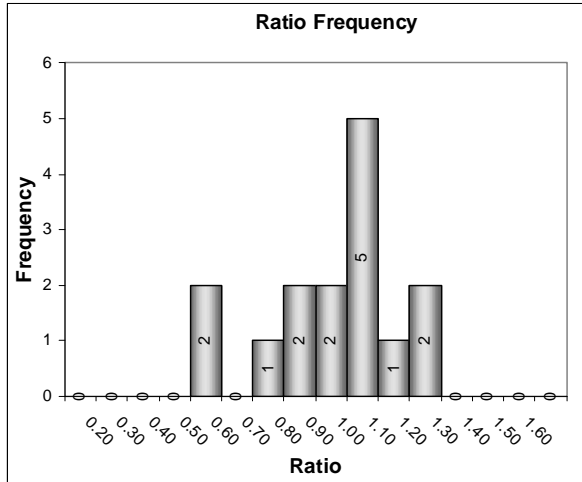
***Mobile Home Sales Removed From This Physical Inspection Analysis
Area 94***

Sub Area	Major	Minor	Sale Date	Sale Price	Comments
3	152507	9080	9/23/09	\$250,000	NO MARKET EXPOSURE
3	272507	9054	9/23/08	\$175,000	RELATED PARTY, FRIEND, OR NEIGHBOR
3	272607	9060	10/18/07	\$126,693	RELATED PARTY, FRIEND, OR NEIGHBOR
3	332607	9055	5/8/08	\$220,000	NO MARKET EXPOSURE
7	073270	0030	1/2/08	\$165,000	NO MARKET EXPOSURE
7	094310	0282	1/11/08	\$97,500	NON-REPRESENTATIVE SALE
7	152407	9150	8/26/08	\$330,000	NO MARKET EXPOSURE
7	379150	0060	9/23/09	\$84,200	NON-REPRESENTATIVE SALE
7	733220	0190	6/11/08	\$84,950	TEAR DOWN

Mobile Home Ratio Study Report (Before)

2009 Assessment

District/Team: NE District/Team 3	Appr. Date: 01/01/2009	Date of Report: 08/17/2010	Sales Dates: 01/2008 - 12/2009
Area 94	Appr ID: JDAR	Property Type: Mobile Homes	Adjusted for time?: YES
SAMPLE STATISTICS			
Sample size (n)	15		
Mean Assessed Value	239,500		
Mean Adj. Sales Price	247,500		
Standard Deviation AV	79,622		
Standard Deviation SP	54,626		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.967		
Median Ratio	1.005		
Weighted Mean Ratio	0.968		
UNIFORMITY			
Lowest ratio	0.547		
Highest ratio:	1.300		
Coefficient of Dispersion	15.59%		
Standard Deviation	0.215		
Coefficient of Variation	22.24%		
Price Related Differential (PRD)	0.999		
RELIABILITY			
95% Confidence: Median			
Lower limit	#NAME?		
Upper limit	#NAME?		
95% Confidence: Mean			
Lower limit	0.858		
Upper limit	1.076		
SAMPLE SIZE EVALUATION			
N (population size)	348		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.215		
Recommended minimum:	73		
Actual sample size:	15		
Conclusion:	Not Adequate		
NORMALITY			
Binomial Test			
# ratios below mean:	6		
# ratios above mean:	9		
z:	0.775		
Conclusion:	Normal*		
*i.e. no evidence of non-normality			



COMMENTS:

Mobile Home Residences throughout area 94

Sales Prices are adjusted for time to the Assessment Date of 1/1/2010. Three years of sales were considered for Mobile Homes.

Mobile Home Ratio Study Report (After)

2010 Assessment

District/Team: NE District/Team 3	Appr. Date: 01/01/2010	Date of Report: 08/17/2010	Sales Dates: 01/2008-12/2009
Area 94	Appr ID: JDAR	Property Type: Mobile Homes	Adjusted for time?: YES
SAMPLE STATISTICS			
Sample size (n)	15		
Mean Assessed Value	220,000		
Mean Adj. Sales Price	247,500		
Standard Deviation AV	54,804		
Standard Deviation SP	54,626		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.885		
Median Ratio	0.898		
Weighted Mean Ratio	0.889		
UNIFORMITY			
Lowest ratio	0.785		
Highest ratio:	0.950		
Coefficient of Dispersion	4.56%		
Standard Deviation	0.052		
Coefficient of Variation	5.91%		
Price Related Differential (PRD)	0.995		
RELIABILITY		COMMENTS:	
95% Confidence: Median		Mobile Homes throughout area 94	
Lower limit	#NAME?		
Upper limit	#NAME?		
95% Confidence: Mean			
Lower limit	0.858	Uniformity has improved by application of the recommended values. (example prev. COV/COD now improved)	
Upper limit	0.911		
SAMPLE SIZE EVALUATION		Sales Prices are adjusted for time to the Assesment Date of 1/1/2010	
N (population size)	348		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.052		
Recommended minimum:	4		
Actual sample size:	15		
Conclusion:	OK		
NORMALITY			
Binomial Test			
# ratios below mean:	6		
# ratios above mean:	9		
z:	0.775		
Conclusion:	Normal*		
*i.e. no evidence of non-normality			

COMMENTS:

Mobile Homes throughout area 94

Uniformity has improved by application of the recommended values. (example prev. COV/COD now improved)

Sales Prices are adjusted for time to the Assessment Date of 1/1/2010

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65). The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

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

Highest and Best Use

RCW 84.40.030 All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.

WAC 458-07-030 (3) True and fair value -- Highest and best use. Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

Date of Value Estimate

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. [1961 c 15 §84.36.005]

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. [1989 c 246 § 4]

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 a 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 definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the 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.*



King County

Department of Assessments

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Lloyd Hara
Assessor

As we start a new decade and prepare the 2010 revaluations for the 2011 Tax Roll, it is important for staff to review our standards for completing our assessments for this year. As Deputy Assessors, first, everyone works for the taxpayers of King County and we must do our work in the most fair and equitable manner. Second, we will take pride in doing the best professional job possible. Third, we will treat all taxpayers with respect and value their opinions.

To further those standards, all appraisers are directed to:

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, 2010 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;
- Validate for correctness physical characteristics for all vacant and improved properties and, where applicable, validate sales data for those 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 valuation models as delineated by the IAAO (Standard on Mass Appraisal of Real Property, 2002; rev 2008). Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population. Validate models as delineated by IAAO in their Standard on Ratio Studies (approved July 2007).
- All sales are to be time adjusted to 1/1/10 and models developed by appraisers will include an administrative adjustment of .925 to reflect current economic factors that impact value and are not indicated by time-adjusted sales data alone.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the Assessor, the King County Board of Equalization, the Washington State Board of Tax Appeals, the King County Prosecutor and the Washington State Department of Revenue. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Lloyd Hara
King County Assessor