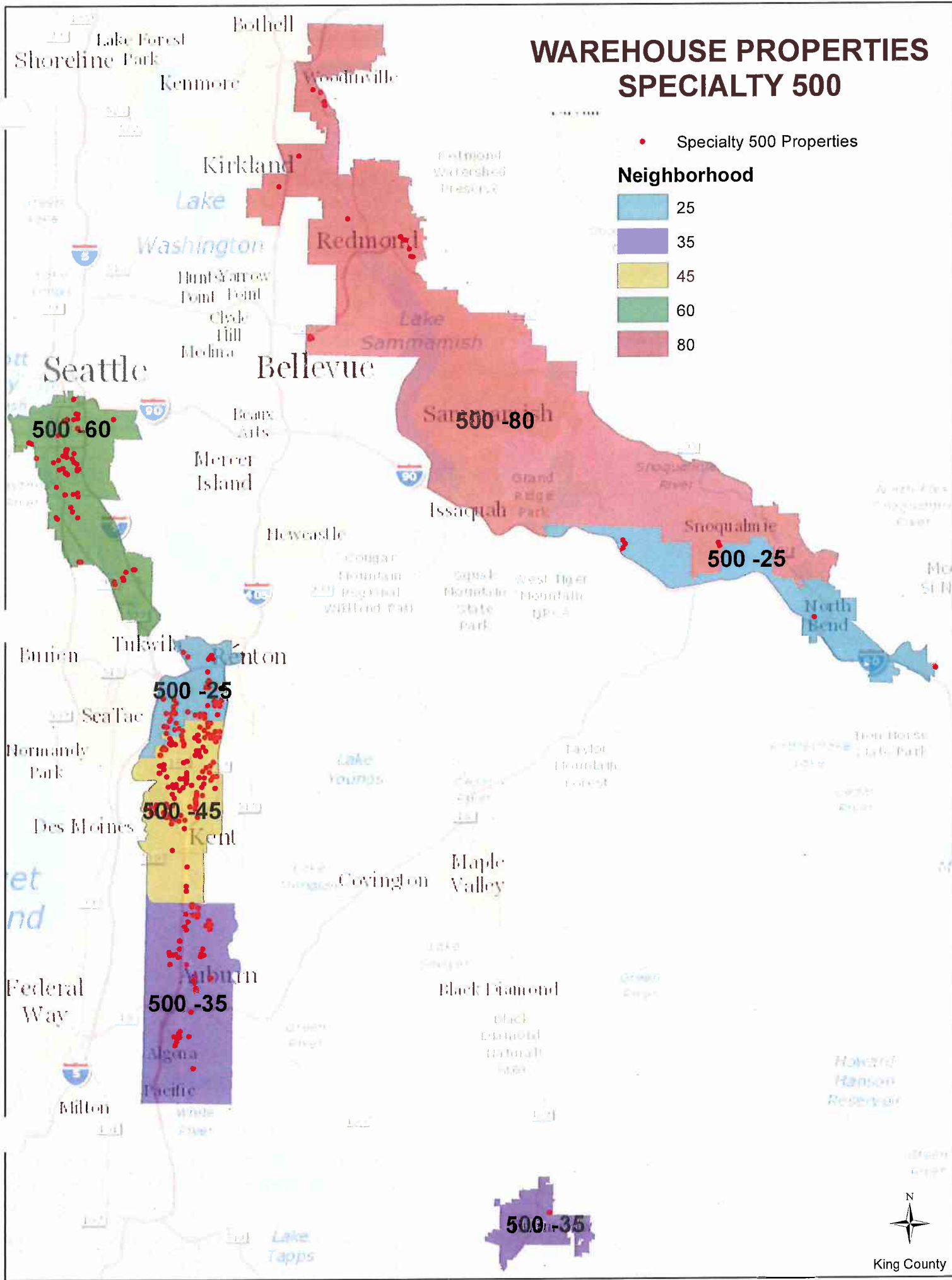


**Commercial Revalue**  
**2015 Assessment Roll**  
**Area 500**

**King County Warehouses over 100,000 square  
feet**



# WAREHOUSE PROPERTIES SPECIALTY 500





## King County

### Department of Assessments

King County Administration Bldg.  
500 Fourth Avenue, ADM-AS-0708  
Seattle, WA 98104-2384  
(206) 296-5195 FAX (206) 296-0595  
Email: [assessor.info@kingcounty.gov](mailto:assessor.info@kingcounty.gov)

## Lloyd Hara *Assessor*

As we start preparations for the 2015 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.
- 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.

Lloyd Hara  
King County Assessor



## **King County**

**Department of Assessments**

**Accounting Division**

500 Fourth Avenue, ADM-AS-0740

Seattle, WA 98104-2384

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

Email: [assessor.info@kingcounty.gov](mailto:assessor.info@kingcounty.gov)

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

***Lloyd Hara***  
***Assessor***

Dear Property Owners:

Property assessments for the 2015 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2015 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

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

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

Sincerely,

Lloyd Hara  
Assessor

## Executive Summary Report

**Appraisal Date 1/1/2015 – 2015 Assessment Year**

**Specialty Name: Area 500 -Warehouses 100,000 net square feet or larger**

### **Sales - Improved Summary:**

Number of Sales: 22

Range of Sale Dates: 1/01/2012 – 12/31/2014

### **Sales – Ratio Study Summary:**

	Mean Assessed Value	Mean Sale Price	Ratio	COD
<b>2014 Value</b>	\$22,369,500	\$25,214,400	88.70%	9.70%
<b>2015 Value</b>	\$23,693,600	\$25,214,400	94.00%	7.53%
<b>Change</b>	\$1,324,100		5.30%	- 2.17%
<b>%Change</b>	+5.92%		+5.98%	-22.37%

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

Sales used in analysis: All improved sales that were verified as good sales that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are: sales that are leased back to the seller; sold as a portion of a bulk portfolio sale; net lease sales; sales that had major renovation after sale, or have been segregated or merged since being purchased.

### **Population - Parcel Summary Data:**

	Land	Improvements	Total
<b>2014 Value</b>	\$1,271,167,300	\$1,922,591,600	\$3,193,758,900
<b>2015 Value</b>	\$1,306,226,600	\$2,116,740,900	\$3,422,967,500
<b>Percent Change</b>	+2.76%	+10.10%	+ 7.18%

Number of Parcels in the Ratio Study Population: 260

### **Conclusion and Recommendation:**

Total assessed values for the 2015 revalue have increased 7.18%.

Since the values recommended in this report improve uniformity, and equity, it is recommended the values should be posted for the 2015 Assessment Year.

## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2015

**Date of Appraisal Report:** June 2, 2015

### **Highest and Best Use Analysis**

**As if vacant:** Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000.00 is assigned to the improvements.

**Standards and Measurement of Data Accuracy:** Each sale was verified with the buyer, seller, real estate agent, or tenant when possible. Current data was verified and corrected when necessary via field inspection.

### **Special Assumptions and Limiting Conditions**

All three approaches to value were considered in this appraisal.

- Sales from 01/01/2012 to 12/31/2014 were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## **Identification of the Area**

### **Name or Designation: Area 500**

This report contains data pertinent to the revalue of major warehouse facilities throughout King County. Specialty Area 500 encompasses all distribution, transit and storage buildings as well as light industrial facilities with a building area greater than or equal to 100,000 net rentable square feet.

### **Boundaries:**

The properties are located throughout the entire King County.

### **Maps:**

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

### **Warehouse and Area Description:**

The largest industrial warehouses with at least 100,000 net square feet in King County have been segmented into five distinct neighborhood regions, totaling 271 parcels. These regions are described by their geographic location. Significant concentrations (75%) are located in the South End of the county in Kent, Auburn, Algona, Renton, and Tukwila. All warehouse specialty properties were revalued this year.

Many of these warehouses are designed specifically for the storage of goods. Warehouses are used by importers, exporters, transport businesses, manufacturers, wholesalers, etc. These warehouses are normally equipped with loading docks. Typically, office space is between 3% and 12% of the total building area.

Distribution warehouses will have more office/sales area than storage warehouses, approximately 15%, to accommodate breakdown and transshipment. They typically have dock-high or grade-level doors, with bays larger than 5,000 square feet and clearance heights in excess of 20 feet. They often have refrigeration or air conditioning and are stocked with goods to be redistributed to retailers, wholesalers or shipped directly to consumers.

Transit warehouses are designed for loading, freight segregation and closed storage. Two different building materials used to construct warehouses, tilt-wall concrete and prefabricated metal construction, have evolved from ugly and boxy structures to become more polished in appearance. Stone and brick are used as exterior coverings. The tilt-wall is more durable, has built in noise reduction, and better fire protection. The advantage of metal building construction is that it is more environmentally friendly and less expensive to construct. These new metal buildings are nearly 100 percent recyclable.

Developers are starting to build warehouses that are LEED certified. In the warehouse specialty there are now two completed warehouses: one in Snoqualmie Ridge, the Technical Glass Building built in 2012 and the other is the Fed-Ex building at 18795



N.E. 73<sup>rd</sup> St in Redmond and is the first LEED-certified project for Fed-Ex. They received the LEED Silver award in 2014. The construction of two new warehouses started in 2014 and will not be finished until 2015. These are also trying to meet the LEED standards.

## **Puget Sound Warehouse Economic Conditions**

As the King County industrial markets continue to adapt to rapidly improving economic conditions throughout the Puget Sound region, the warehouse segment of this market is poised to lead most all other sector of the commercial real estate arena. Reduced vacancy rates have combined with (1) higher job growth than in other U.S. areas, (2) improving port conditions expected from a planned port alliance linking the expanding Tacoma port traffic with the declining Seattle port traffic, (3) increased imports from the Pacific Rim countries (especially China as a result of its expanding middle class) plus (4) an increase in orders for durable goods and aircraft parts orders, are all contributing to creating a condition where developers have initiated projects at record levels. This is contributing to a situation wherein the industrial real estate boom is increasingly one of the greatest ones in U. S. history and certainly the highest of the four main property types. The U.S. saw a demand for more industrial space than in nearly 20 years and even the surge in industrial space construction brought about by these conditions is not enough.

The Puget Sound area continues to be one of the top markets in the country and one which both private and publicly held companies are targeting. Because of the lower capital intensive nature of these types of buildings and the stable rents and values they command, industrial properties continue to be a prime, sought after real estate investment class. More investors are heading to the industrial market because properties are viewed as being less intensive to manage and less expensive to maintain because when one tenant vacates another can be accommodated with relative ease and minimal expense. These types of warehouse properties consist of concrete walls and a concrete floor. Warehouse and distribution properties are even more desirable than flex (office parks), manufacturing and other specialized spaces.

Helping to fuel this growth in the Puget Sound warehouse development is the fact that King County continues to be home to some of the largest, most recognized companies in the world and many other companies want, and need, to be near these giants either as competitors or to serve them directly.

With decreasing vacancy rates and rising rents forecasts in the entire Puget Sound area, extremely strong investor demand will continue to drive cap rates lower throughout the area with a particularly strong impact on the Kent Valley area. The Kent area is favored because of its proximity to the cooperating ports and Seattle-Tacoma Airport. Kent also has a large pool of blue-collar and white-collar workers and a proximity to the headquarters of the huge players in this market like Costco and Amazon.

While the advent of a widened Panama Canal will allow direct shipping to the east coast ports by a new class of container ship, it will also bring these larger ships to the Seattle



and Tacoma ports which certainly helped spur the decision by these two ports to combine their marketing efforts which places them in an advantageous position to compete for this new class of container ships and to better compete with the California and Canadian ports. Improved coordination by these ports is hoped to increase traffic because of the reduced costs associated with a combined marketing effort - which also makes a much better competition with the higher cost California ports. The increased negotiating position, because of the pricing and lobbying power this partnership brings, will be used to pay for port enhancements required to handle the larger ships such as upgrading the cranes and dock facilities.

Because of the rising strength of the King County industrial market, many institutional investors are now favoring smaller buildings which were normally acquired by local investors or owner-users. Access to improving funding options and the cost of this financing is also helping to drive the increases in planned projects. Foreign investors also favor our local real estate industrial purchases because of the strength of our dollar and they are perceived to be safer investments with more growth potential and less risk. They also favor industrial warehouses because of the steady cash flow they provide.

South King County contains the largest amount of industrial space in the entire state of Washington and many new businesses have come to our area from California because of their increased environmental and labor expenses plus significant difficulties which have been brought about by the recent drought conditions, which show no signs of abating.

The east side of King County, with its higher amount of flex space, continues to see the majority of its leasing activity from smaller tenants. Flex projects report a vacancy rate nearly double that of warehouse projects with the eastside of King County even higher than the average for the region.

The real estate market for warehouse properties in King County continues to tighten because of shrinking inventory and little new product to meet demand. Few quality buildings are on the market in South King County, which is driving prices up and reducing concessions. Land parcel values as a result are increasing as well. Rents are also projected to increase over the next 12-18 months. Nationally, in spite of the lack of new product available to the market, sales of institutional-grade properties has never been stronger in terms of sales volumes and square footage traded. Throughout the Puget Sound area there are more industrial buildings under construction than any time since 2008. Many of these projects are speculative as well.

One segment of the industrial warehouse market that shows great potential for sustained growth is cold-storage facilities. Even though they are much more costly to build than dry storage facilities, they tend to be recession proof because people will always need to eat regardless of the general economy. The continued rise in general economic conditions and the rising population trends in many areas of the country means steady growth in the cold storage segment of the warehouse. The shortage of dry storage facilities has brought about bidding wars for available properties, so investing in cold

storage facilities is seen by some as an alternative to being forced into considering Class B warehouse space in these tight markets.

Increased online shopping activity, brought about by the steadily improving economic conditions and improving favorable economic outlooks from consumers, further drives growth in the construction and sale of distribution centers in the region. Retail customers demand faster shipping which means distribution centers need to be close to the larger population hubs like King County. Every distribution center needs a call center and some kind of distribution facility. These distribution centers are also favored by local governments because of the large tax revenue they generate for their area and their need for both high and low-skill workers.

The value weighted U.S. composite index in the CCRSI (CoStar Commercial Repeat-Sale Indices) has shown recent increases that put it above its previous high in 2007 while the equally weighted index which reflects the influence of smaller transactions and those in the secondary market is still below its prior peak which would suggest that there is still room for further appreciation.

According to Kidder Mathews, typical warehouse sales fall into the following ranges:

Kent Valley	\$50-\$100	per square foot
Seattle	\$90-\$150	per square foot
Eastside	\$90-\$120 <sup>1</sup>	per square foot

The following is a breakdown of each neighborhood sub-area and a summary of the 2014 sales that were considered. The assessor considered these sales and the sales from 2012 and 2013 in the ratio study.

### **South King County:**

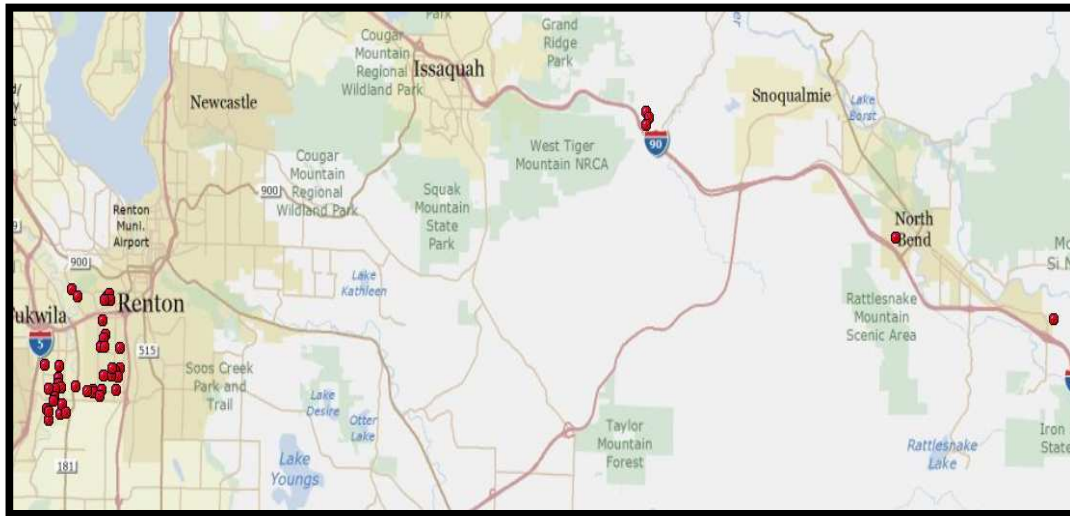
This area has three sub markets, 500-25, 500-35, and 500-45. The largest concentration of the warehouse specialty properties (approximately 75%) are located in this area. This is the largest submarket due largely to the valley's level topography and larger vacant pieces of land that are available. Industrial land in the south of the county is also the least expensive. Industrial land values range between \$6.00 to \$10.00 per square foot for improved sites.

The South King County warehouse real estate market had significant absorption in 2014 which has driven vacancy rates down. There is little inventory for larger warehouses on the market at this time. Institutional investors typically favor South King County due to its proximity to major ports and Seattle-Tacoma Airport.

---

<sup>1</sup>Kidder Mathews, 4<sup>th</sup> Quarter 2014, pg. 2&3

Specialty Area 500-25:



This Specialty Area includes Tukwila, North Bend, Preston, Des Moines and Renton and is the closest to Seattle and the Port of Seattle. There are forty-six parcels in area 500-25. Distribution warehouses dominate this area.

The warehouses near Westfield Mall (formerly Southcenter) in Tukwila contain many display sections for merchandise. Examples would be Macy's Warehouse and United Furniture. In 2014 there was one sale in area 500-25 located at 3401 Lind Ave S.W. in Renton.



Parcel 125381-0010

Sale 10/02/2014 for \$9,975,000

Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-25	125381-0010	118,176	2693969	\$9,975,000	10/02/2014	\$84

A large scale project is being marketed in Des Moines by Panattoni Development Company. The property is owned by the Port of Seattle, which has completed a long term lease with them. Panattoni Development is based in Newport Beach, California and has a Seattle office. They will build warehouses, offices, and flexible-use manufacturing and will pursue LEED Certification. This venture is planned over a seven year period and they expect to spend \$125 million on the phased project. It will have up to 1,600,000 square feet according to their marketing brochure. The area will be called Des Moines Creek Business Park. The city of Des Moines estimates the project will create more than 1,000 permanent jobs. This project supports the Port's agenda to grow the benefits of Sea-Tac Airport by tripling the volume of air cargo and expand local business.



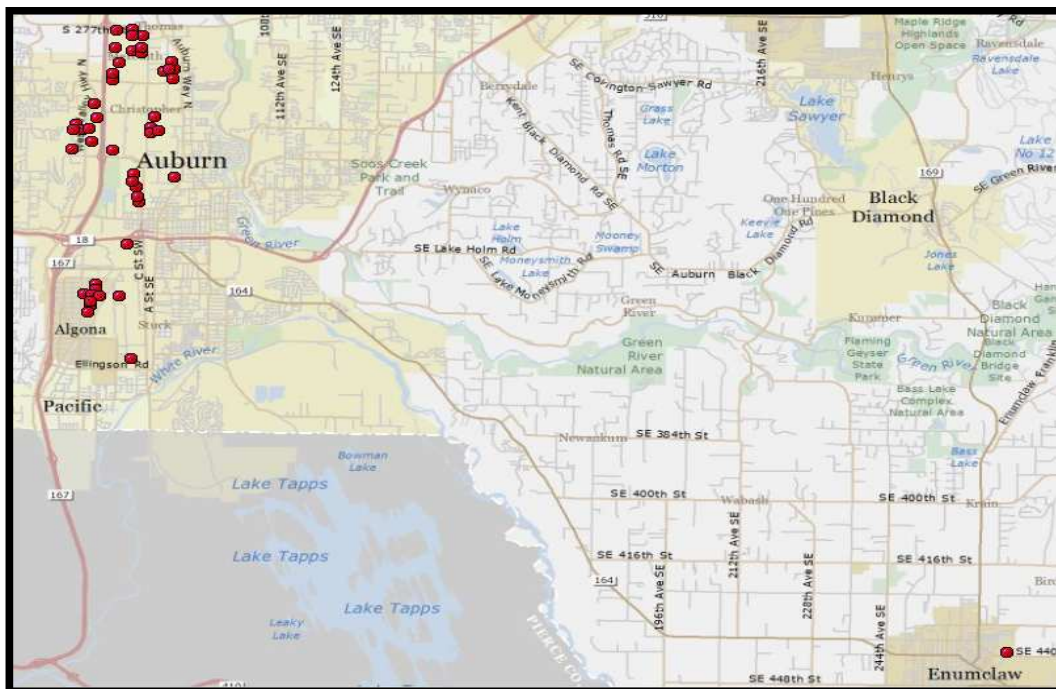


This development has an ideal location between two seaports, new light rail and freeway access and ideal proximity to Seattle-Tacoma Airport. The site also features views of Puget Sound, the Olympic mountains to the west and Mount Rainier to the south.

Phase 1 of the project will be on 35 of the 87 acres. Phase 2 will house The Federal Aviation Administration (FAA). The site of Des Moines Creek Business Park is bounded by South 216<sup>th</sup> and 208<sup>th</sup> streets, 24<sup>th</sup> Ave South on the east and a portion of Des Moines Creek Park on the west. They are clearing the land now and will start construction in the summer of 2015.

#### Specialty Area 500-35:

This area includes Auburn, Algona, and Enumclaw. There are 46 parcels in area 500-35. In this area, there are a large number of industrial parks offering a variety of space for the particular needs of individual tenants, as well as many stand-alone industrial facilities that have been built to individual specifications. Property types include incubator space, major cold storage space, and product distribution facilities.



One of the largest warehouse parcels in Auburn is the Safeway Distribution complex. It has over 1,150,100 square feet of building space in nine buildings.



Parcel 252104-9096      Safeway      3520 Pacific Ave South

Area 500-35 had one market sale in 2014 that was marketed for 30 days. It is located at 2302 West Valley Highway in Auburn and was built in 1991.

Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-35	122104-9035	167,023	2667302	\$14,050,000	05/12/2014	\$84



Parcel 122104-9035      2302 West Valley Highway      Sale Price    \$14,050,000

This area is comprised primarily of the Kent Valley. Distribution warehouses dominate the area, yet manufacturing facilities, food service and cold storage warehouses are also found throughout this area. This is the largest of the sub-areas with 110 parcels. The area has level topography plus good freeway and rail access. The labor pool of blue-and white-collar workers is deep in the Kent area.

In the Kent Valley, there were two market sales of distribution warehouses in 2014.

Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-45	669300-0020	445,574	2697430	\$19,300,000	10/22/2014	\$43
500-45	788880-0590	169,635	2700604	\$14,405,000	11/11/2014	\$85

669300-0020

27232-72<sup>nd</sup> Ave South Kent





The first sale occurred on 10/22/2014 for \$19,300,000. This building had a very high vacancy rate for several years and at the time of the sale it only had 18% occupancy. There was also some deferred maintenance of the structure.

The Lincoln Distribution Center was the second sale in 2014 and involved two parcels (788880-0590 and -0610) and two warehouses. These warehouses are located at 5808 South 196<sup>th</sup> Street and 6012 South 196<sup>th</sup> Street and total 169,635 square feet.



788880-0610



788880-0590

The IDS Real Estate Group bought 72 acres in Kent from The Boeing Company and will construct warehouses and offices that will total 1.2 million square feet according to the Puget Sound Business Journal. The area is called Stryker Business Center at Pacific Gateway. The project, which will be built in phases, is named for the Stryker armored vehicle as Boeing was involved in the development of the military vehicle and they allowed the venture to use the Stryker name.

The site is located on 216<sup>th</sup> Street and 59<sup>th</sup> Place South which is midway between the Seattle and Tacoma seaports. They demolished seven old buildings and in early 2014 Amazon was the first tenant in the new 320,000 square foot building located at 20526 59<sup>th</sup> Place South. The adjacent building recently was occupied at 20308 59<sup>th</sup> Place South. This building has 120,120 square feet. The smaller building has 30-foot clear heights and the larger building has 32-foot clear heights. They both have sprinklers, dock seals and ample parking. The two leased building were completed in 2014



In the second phase of the Stryker Business Center they have started an approximate 820,000 square foot building with 100% of it's space leased to Amazon to be used as a fulfillment center. Construction is expected to be finished in 2015. It is constructed with massive 24x60 foot panels. Locating large fulfillment centers in large metropolitan areas cuts shipping costs and allows swift delivery of ordered goods. This distribution center will use more robots than centers built in the past. They first tested the robots that follow wires embedded in the floor in their DuPont warehouse. These robots can pick up pallets weighing as much as 3,000 pounds and lifts them 24 feet above the ground.



August 2014- First panel for largest Distribution Center in King County-Amazon

**Seattle/Close-In:** (Approximately 18% of the total warehouse specialty population is located here)

**Specialty Area 500-60:**





This area is located primarily south of Safeco Field in the SODO district, and along both sides of the Duwamish Waterway and makes up the heart of Seattle's historic industrial area. Area 500-60 has 49 parcels that contain a mixture of industrial processing facilities, distribution warehouses, and truck terminals. The close-in market of Seattle is the most established submarket and seems to be the most stable. There is little institutional ownership and is made up of owner/user or private ownership. These owners will pay more for this northerly location.

The buildings in this area are generally 50 to 100 years and typically have lower ceilings and limited truck loading facilities because the sites are smaller and land is very expensive. Despite some of the buildings obsolescence due to age, the close proximity to freeways and waterways has helped this area thrive even during difficult economic times. Demand for industrial space in this area has remained high with influence from the Port of Seattle and the proximity to the I-5 freeway, Safeco Field, and Qwest Field. Due to the lack of available land in this neighborhood, there has been little new warehouse development, and as a result, vacancies are the lowest in this area (presently 3-5%). This neighborhood also has higher lease rates due to the proximity to the Port, trains, and freeway.

There were no open-market sales in this area in 2014. One of the last sales, which occurred in 2013, was the Washington State Liquor Control Board's distribution center at 4401 East Marginal Way which had a major remodel in 2014. The Panattoni Development Co has added an 111,677 square foot expansion to the warehouse. The clear heights in the existing warehouse exceeds 60 feet in the center and more than 40 feet at the dock doors and rear. The expansion will be 30 foot clear height with a fire sprinkler system plus a 120-foot truck court for truck maneuvering. It is now called Skyline Distribution Center and was leased before its completion.



182404-9063

4401 East Marginal Way

2014 Addition

A new distribution center with two distribution warehouses was built at 9600 8<sup>th</sup> Ave South and completed at the end of 2014. The center is called Riverton Distribution Center and is located just outside the Seattle city limits. The buildings total 193,585 square feet and sit on 9.03 acres. Asking rents are \$0.50/SF for shell and \$0.85/SF for office add-on. They are located in Unincorporated King County with no City of Seattle B&O tax.

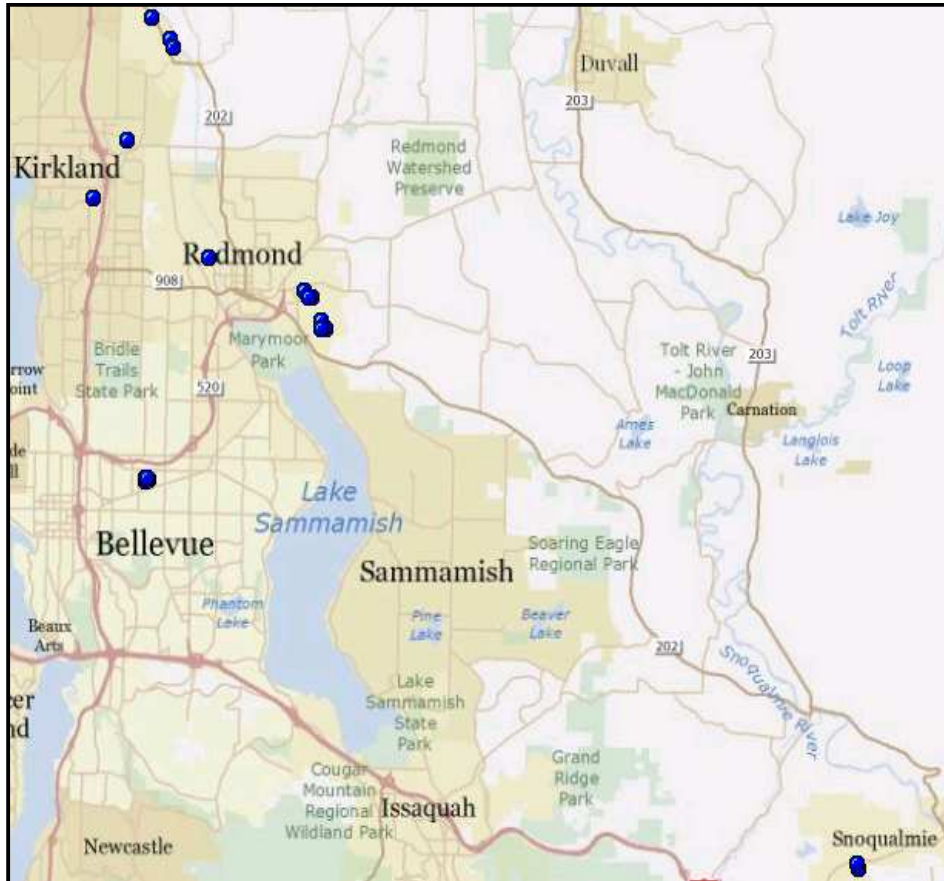


**562420-0290 and 562420 -0270**



**East King County:** (Approximately 7% of the warehouse specialty population is located in this area)

**Specialty Area 500-80:**



This area represents the vast geographic area of the Eastside (east of Seattle and east of Lake Washington) and includes Bellevue, Snoqualmie, Kirkland, Redmond, and Woodinville. It has the smallest warehouse count of all the neighborhoods, 20 parcels. It has benefited greatly from population growth and an influx of high technology companies. These warehouses have small bays and at-grade door distribution. Newer warehouses can be seen in this area. Lease rates are at the top end for this specialty.

There was one sale in 2014 in area 500-80 which involved two warehouses on four parcels. One warehouse is located at 18460 NE 76<sup>th</sup> Street and the other is located at 18340 NE 76<sup>th</sup> Street in Redmond.

Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-80	221295-0073/-0050/-0080/-0070	198,227	2659398	\$21,850,000	03/27/2014	\$110





221295-0080      18340 NE 76<sup>th</sup> Street      115,161 square feet



221295-0073      18460 NE 76<sup>th</sup> Street      73,936 square feet



A ground distribution center for FedEx in Redmond has been built. It is the largest industrial building in Redmond and includes 30-foot clear heights plus office space. This is FedEx's first LEED-certified project which received its certification in 2014. The 24 acres of vacant land were acquired for \$16.87 million by Sun Cap Properties Group of Charlotte, N.C. The build-to-suit warehouse contains 210,761 square feet per plans received by the Redmond building department. Due to concerns of the impact to the neighborhood, Sun Cap built a berm to create a visual and sound barrier between neighbors and the site. The building has bike racks and showers, a white roof, and recycled content. It also has a custom built-in conveyor system that runs 24 hours a day with 62 loading bays.



072506-9129 FedEx 18795 N.E. 73<sup>rd</sup> Street Redmond

A new permit was issued for a 204,423 square foot warehouse with 30 foot clearing at 15900 Woodinville-Redmond Rd by the Woodinville building department. The parcels number is 152605-9053. It will be started in 2015.

#### **Physical Inspection Identification:**

WAC 458-07-015 requires each property to be physically inspected at least once during a 6-year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection. Selected warehouses in Kent (500-45) and Seattle (500-60) were physically inspected for the 2015 assessment year. Tenants and owners of these parcels were also interviewed for income data or sales verification when possible. Survey letters were sent to all owners in the physical inspection area prior to the field inspection. The return rate was very small. Several properties in this area had older leases.

#### **Preliminary Ratio Analysis:**

The sales ratio study is an important assessment tool to ensure that properties are uniformly assessed based on market value. This analysis utilizes statistical methods to measure the relationship between a property's assessed value and its sale price by grouping individual sales according to property type and geographic area. This data can

be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development.

A Ratio Study was completed just prior to the application of the 2015 recommended values. This study benchmarks the current assessment level using 2014 posted values. The Coefficient of Dispersion was met but the ratio was low. The study showed the assessment level needed to be adjusted for uniformity.

<b>RECOMMENDED RATIO STUDIES IAAO STANDARDS</b>	
<b>Appraisal Level</b>	<b>.90 to 1.10</b>
<b>Coefficient of Dispersion (COD)</b>	<b>5.0 to 20.0</b>
<b>Price Related Differential (PRD)</b>	<b>.98 to 1.03</b>

The total recommended assessed values for the 2015 assessment year produced the Appraisal level at .94%, the Coefficient of Dispersion of 7.53% and the Price-Related Differential was 1.01%.

## **Scope of Data**

### **Land Value:**

The geographic appraiser in the area in which the specialty warehouse property is located is responsible for the land value used by the warehouse specialty appraiser. See appropriate area reports for land valuation discussion.

### **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 considered 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. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.

### **Improved Parcel Total Values:**

#### **Sales Comparison Approach model description**

Sales of improved parcels for Area 500 were verified and entered into the Frozen Sales File. The sales used range in date from 01/01/2012 to 12/31/2014. Verification of the sales data consisted of contact with Buyer, Seller or Broker, if possible, or information gathered from the CoStar Real Estate Sales Verification Service. At the time of sale, information on vacancy and market absorption rates, capitalization rates, current and anticipated rents, and the competitive position of the properties were also gathered. Sales were then compared to similar properties within the area for valuation. These sales statistics also helped form the income approach to value by setting parameters for the

income rates, vacancies, expenses and capitalization rates. Sales of improved properties in adjacent neighborhoods were also considered.

### **Sales comparison calibration**

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established by an analysis of sales within each neighborhood. Individual values were applied based on various characteristics deemed appropriate by each market. The sales statistics also helped form the income approach to value by setting parameters for the income rates, vacancies, expenses and capitalization rates. Specific variables and prices for each neighborhood are discussed in more detail later in the report.

### **Cost Approach model description**

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was also adjusted to the western region and the Seattle area. The Marshall & Swift cost calculations are automatically calibrated to the data in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older warehouse properties, this approach to value was given the least weight in the final reconciliation of values. Cost estimates were relied upon for valuing on-going new construction where comparable sales data and/or sufficient income and expense information is not available.

### **Cost calibration**

The Marshall & Swift Valuation modeling system, which is built into the Real Property Application, is calibrated to the region and the Seattle area.





### **Income Capitalization Approach model description**

The income approach is considered a reliable approach to valuation in area 500 where relevant income and expense data is available to ascertain market rates. Income parameters were derived from the market place through market rental surveys, sales, and outside sources. During the sales verification process, an attempt is made to obtain income and expense data from the parties involved in the transactions through interviews or via mail. The information requested includes current and anticipated future rents, operating expense breakdown and assigned responsibility for the expenses, and estimated capitalization rates associated with a sale. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. This year there was approximately a 13% return of surveys. Several leases were originated several years ago. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Disclosure of this information is not required by law and therefore is often difficult to obtain. The data can be incomplete. Interviews with tenants in the field usually yield rental and expense information.

As a supplement, lease information is gathered from CoStar and other websites. In order to calibrate a credible income model, it is necessary to consider data from recognized published sources to assist in developing capitalization rates. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate.

In 2014, Area 500 has seen capitalization rates decrease and vacancy rates reduced. Rental rates have stabilized with a slight increase.

#### Area 500 Industrial Income Parameters

Vacancy	Cap Rates	Construction	Rental Rates
			

The following tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in Area 500 to develop the income model. Property taxes are considered an allowable expense, therefore, no effective tax rate is included in the capitalization rates. The range of capitalization rates in the income model for Area 500 reflects the variety of properties in this area.

Source	Date	Location	Industrial	Remarks
ACLI	Yr. End 2014	Seattle	6.08%	
CBRE: Capital Markets Cap. Rate survey.	2 <sup>nd</sup> Half 2014	Seattle	5.00% - 5.50% 5.50% - 6.00%	Class A Class B
ACLI	Yearend 2014	West Region	6.66%	
PWC /Korpaz	4Q 2014	Seattle	5.58%	
IRR:Viewpoint	Yr. End 2014	Seattle	5.00%	Class A
RERC	4Q 2014	Seattle	6.10%	
Costar	Yearend 2014	King County	6.24%-6.57%	

#### Income approach calibration

The models or income tables of each of the five neighborhoods were calibrated setting economic base rents, vacancy rates, expenses, and capitalization rates by using adjustments based on size, effective year built, and quality of construction as recorded in the Assessor's records. When the value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements. Properties which contain differing section uses may have multiple tables that are applicable to the property. An example of this would be a warehouse with a mezzanine

office and main floor office, where three tables would be used. Capitalization rates have fallen in the majority of industrial properties.

Below are typical model parameters for the various uses. It should be noted that due to the nature of commercial real estate, not all properties fall within the “typical” parameters listed below for their respective property use type. Industrial lease rates are typically quoted on a monthly price per square foot basis. The tables below display the rents on an annual price per square foot. The majority of office build-out is considered an add-on to the warehouse rates and the tables below have considered that.

Rental rates, vacancy levels and operating expenses are derived by reconciling all of the information collected through the sales verification process, completed surveys, interviews with tenants, owners, and brokers and the appraiser's independent market research. Quality, effective year built, condition, and location are variables considered in the application of the income model to the parcels in the population.

#### **AREA 500-25**

<b>PROPERTY TYPE</b>	<b>TYPICAL RENT RANGE</b>	<b>VACANCY</b>	<b>EXPENSE RATE *</b>	<b>OAR RANGE</b>
Storage Cold storage Garage Service Showroom Industrial Distribution	\$4.00 to \$5.75	5%	10%	6.75% to 7.50%
Warehouse Office	\$8.00 to \$9.75	5%	10%	6.75% to 7.50%
Mezzanine Storage	\$3.75 to \$5.50	5%	10%	6.75% to 7.50%
Mezzanine Office	\$7.05 to \$8.75	5%	10%	6.75% to 7.50%

\* Warehouses are typically leased on a triple net basis.

**AREA 500-35 & AREA 500-45**

<b>PROPERTY TYPE</b>	<b>TYPICAL RENT RANGE</b>	<b>VACANCY</b>	<b>EXPENSE RATE *</b>	<b>OAR RANGE</b>
Storage Cold storage Garage Service Showroom Industrial Distribution	\$4.00 to \$5.50	5%	10%	6.75% to 7.50%
Warehouse Office	\$8.00 to \$9.75	5%	10%	6.75% to 7.50%
Mezzanine Storage	\$3.50 to \$5.00	5%	10%	6.75% to 7.50%
Mezzanine Office	\$7.00 to \$8.75	5%	10%	6.75% to 7.50%

\* Warehouses are typically leased on a triple net basis.

**AREA 500-60**

<b>PROPERTY TYPE</b>	<b>TYPICAL RENT RANGE</b>	<b>VACANCY</b>	<b>EXPENSE RATE *</b>	<b>OAR RANGE</b>
Storage Cold storage Garage Service Showroom Industrial Distribution	\$6.25 to \$7.75	5%	10%	6.75% to 7.50%
Warehouse Office	\$8.00 to \$12.00	5%	10%	6.75% to 7.50%
Mezzanine Storage	\$5.25 to \$6.75	5%	10%	6.75% to 7.50%
Mezzanine Office	\$7.75 to \$11.00	5%	10%	6.75% to 7.50%

\* Warehouses are typically leased on a triple net basis.

### **AREA 500-80**

<b>PROPERTY TYPE</b>	<b>TYPICAL RENT RANGE</b>	<b>VACANCY</b>	<b>EXPENSE RATE *</b>	<b>OAR RANGE</b>
Storage Cold storage Garage Service Showroom Industrial Distribution	\$7.00 to \$8.50	10%	10%	6.75% to 7.50%
Warehouse Office	\$10.75 to \$16.00	10%	10%	6.75% to 7.50%
Mezzanine Storage	\$6.00 to \$7.50	10%	10%	6.75% to 7.50%
Mezzanine Office	\$9.75 to \$15.00	10%	10%	6.75% to 7.50%

\* Warehouses are typically leased on a triple net basis.

### **Reconciliation**

All parcels were individually reviewed for correct application of the model before final value selection. All of the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when ample comparable sales were available, however the income approach was applied to most parcels in order to better equalize comparable properties. Whenever possible, market rents, expenses, and cap rates were ascertained from sales, and along with data from surveys and publications and these parameters were applied to the income model.

The income approach to value was considered to be a reliable indicator of value in most instances. The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal judgment prevailed when determining when to depart from the Assessor's table generated income model. An administrative review of the selected values was made by Ruth Peterson, Senior Appraiser for quality control purposes.



## MODEL VALUATION

### Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Individual values are selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate is appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

An increase in total assessed value is recommended.

Application of the total value model described above results in improved equity between individual properties as shown by the improvement in the C.O.V. from 12.34% to 9.80% and the C.O.D. from 9.70% to 7.53%. In addition, the resulting assessment level as measured by the weighted mean ratio is 94.0%. The price-related differential is 1.01%. The standard statistical measure of valuation performance are presented in both the 2014 and 2015 Ratio Analysis charts included in this report.

The total value for the 2014 assessment year for Area 500 was \$3,193,758,900. The total recommended assessed value for the 2015 assessment year is \$3,422,967,500. The 2015 total does not include the value of new construction parcels, which will be determined later. Application of these recommended values for the 2015 assessment year results in a total change from the 2014 assessments of +7.18%.

### CHANGE IN TOTAL ASSESSED VALUE

2014 TOTAL VALUE	2015 TOTAL VALUE	\$ CHANGE	% CHANGE
\$3,193,758,900	\$3,422,967,500	\$229,208,600	+7.18%

# **USPAP Compliance**

## **Client and Intended Use of the Appraisal:**

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

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

## **Definition and date of value estimate:**

### **Market Value**

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

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

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

### **Highest and Best Use**

**RCW 84.40.030**

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

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

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

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

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922))

The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

## **Date of Value Estimate**

**RCW 84.36.005**

*All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law.*

**RCW 36.21.080**

*The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year.*

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date of valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

### **Property Rights Appraised: Fee Simple**

#### **Wash Constitution Article 7 § 1 Taxation:**

*All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class.*

#### **Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914)**

*...the entire [fee] estate is to be assessed and taxed as a unit...*

#### **Folsom v. Spokane County, 111 Wn. 2d 256 (1988)**

*...the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee...*

#### **The Dictionary of Real Estate Appraisal, 3<sup>rd</sup> Addition, Appraisal Institute.**

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

### **Assumptions and Limiting Conditions:**

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

**Scope of Work Performed:**

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

***CERTIFICATION:***

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- Services that I provided within the prior three years include physical inspection, revaluation, appeal response preparation, attendance and participation in hearings, data collection, sales verification and identifying new construction and the recording the corresponding data.

---



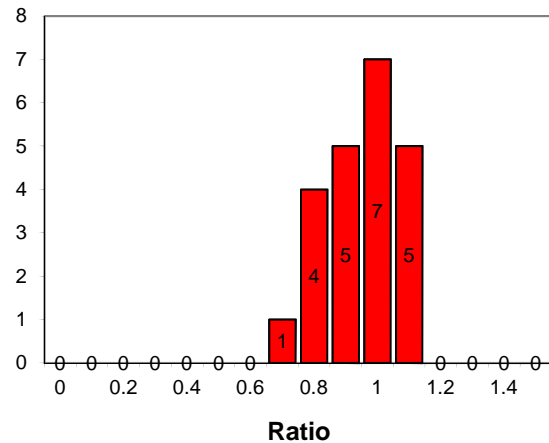
Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET  
2015 Assessment Year

<i><b>Parcel Number</b></i>	<i><b>Assessed Value</b></i>	<i><b>Sale Price</b></i>	<i><b>Sale Date</b></i>	<i><b>Ratio</b></i>	<i><b>Diff: Median</b></i>
012204-9045	38,470,600	37,550,000	7/20/2012	1.0245	0.1228
032304-9194	12,097,900	13,000,000	12/13/2013	0.9306	0.0289
062205-9010	145,131,200	170,000,000	6/28/2013	0.8537	0.0480
122104-9035	9,389,000	14,050,000	5/12/2014	0.6683	0.2334
125380-0060	5,601,800	5,300,000	8/17/2012	1.0569	0.1552
125380-0170	8,824,400	8,500,000	4/5/2012	1.0382	0.1365
125381-0010	7,635,500	9,975,000	10/2/2014	0.7655	0.1362
132104-9019	19,188,300	24,750,000	9/24/2013	0.7753	0.1264
132204-9062	9,462,100	10,500,000	5/10/2012	0.9012	0.0006
182404-9063	24,707,100	23,400,000	8/9/2013	1.0559	0.1542
221295-0073	21,241,400	21,850,000	3/27/2014	0.9721	0.0704
232973-0080	11,760,900	13,035,000	3/1/2012	0.9023	0.0006
252304-9017	7,764,300	8,225,000	12/13/2012	0.9440	0.0423
322407-9001	25,065,000	23,800,000	12/24/2012	1.0532	0.1514
362304-9026	9,810,500	10,476,000	1/6/2012	0.9365	0.0348
617290-0010	31,474,500	38,700,000	12/18/2013	0.8133	0.0884
664960-0070	9,478,400	12,000,000	7/17/2012	0.7899	0.1118
669300-0020	16,500,000	19,300,000	10/22/2014	0.8549	0.0468
788880-0590	10,575,400	14,405,000	11/11/2014	0.7341	0.1676
880200-0010	43,554,200	48,000,000	9/20/2012	0.9074	0.0057
887980-0200	8,688,500	10,150,000	8/26/2013	0.8560	0.0457
887980-0220	15,707,100	17,750,000	9/5/2012	0.8849	0.0168

Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET  
2015 Assessment Year

<b>Quadrant/Crew:</b>	<b>Appr date :</b>	<b>Date:</b>		<b>Sales Dates:</b>
<b>North Crew</b>	<b>1/1/2014</b>	<b>6/1/2015</b>		<b>1/1/12 - 12/31/14</b>
<b>Area</b>	<b>Appr ID:</b>	<b>Prop Type:</b>		<b>Trend used?: Y / N</b>
<b>500</b>	<b>SELF</b>	<b>Improvement</b>		<b>N</b>
<b>SAMPLE STATISTICS</b>				
<b>Sample size (n)</b>	22			
<b>Mean Assessed Value</b>	22,369,500			
<b>Mean Sales Price</b>	25,214,400			
<b>Standard Deviation AV</b>	29,327,936			
<b>Standard Deviation SP</b>	34,152,841			
<b>ASSESSMENT LEVEL</b>				
<b>Arithmetic mean ratio</b>	0.896			
<b>Median Ratio</b>	0.902			
<b>Weighted Mean Ratio</b>	0.887			
<b>UNIFORMITY</b>				
<b>Lowest ratio</b>	0.6683			
<b>Highest ratio:</b>	1.0569			
<b>Coefficient of Dispersion</b>	9.70%			
<b>Standard Deviation</b>	0.1106			
<b>Coefficient of Variation</b>	12.34%			
<b>Price-related Differential</b>	1.01			
<b>RELIABILITY</b>				
<b>95% Confidence: Median</b>		These figures reflect measurements before posting new values.		
Lower limit	0.813			
Upper limit	0.972			
<b>95% Confidence: Mean</b>				
Lower limit	0.850			
Upper limit	0.943			
<b>SAMPLE SIZE EVALUATION</b>				
<b>N (population size)</b>	260			
<b>B (acceptable error - in decimal)</b>	0.05			
<b>S (estimated from this sample)</b>	0.1106			
<b>Recommended minimum:</b>	18			
<b>Actual sample size:</b>	22			
<b>Conclusion:</b>	OK			
<b>NORMALITY</b>				
<b>Binomial Test</b>				
# ratios below mean:	10			
# ratios above mean:	12			
<b>z:</b>	0.213200716			
<b>Conclusion:</b>	Normal*			
*i.e., no evidence of non-normality				

Ratio Frequency



Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET  
2015 Assessment Year

<b><i>Parcel Number</i></b>	<b><i>Assessed Value</i></b>	<b><i>Sale Price</i></b>	<b><i>Sale Date</i></b>	<b><i>Ratio</i></b>	<b><i>Diff: Median</i></b>
012204-9045	42,360,800	37,550,000	7/20/2012	1.1281	0.1797
032304-9194	12,262,200	13,000,000	12/13/2013	0.9432	0.0051
062205-9010	156,756,100	170,000,000	6/28/2013	0.9221	0.0263
122104-9035	11,359,200	14,050,000	5/12/2014	0.8085	0.1399
125380-0060	5,930,300	5,300,000	8/17/2012	1.1189	0.1705
125380-0170	9,332,100	8,500,000	4/5/2012	1.0979	0.1495
125381-0010	8,777,100	9,975,000	10/2/2014	0.8799	0.0685
132104-9019	20,317,800	24,750,000	9/24/2013	0.8209	0.1275
132204-9062	10,018,200	10,500,000	5/10/2012	0.9541	0.0057
182404-9063	23,400,000	23,400,000	8/9/2013	1.0000	0.0516
221295-0073	22,232,800	21,850,000	3/27/2014	1.0175	0.0691
232973-0080	12,484,400	13,035,000	3/1/2012	0.9578	0.0094
252304-9017	7,842,900	8,225,000	12/13/2012	0.9535	0.0051
322407-9001	23,950,600	23,800,000	12/24/2012	1.0063	0.0579
362304-9026	10,601,800	10,476,000	1/6/2012	1.0120	0.0636
617290-0010	33,411,600	38,700,000	12/18/2013	0.8633	0.0850
664960-0070	9,682,200	12,000,000	7/17/2012	0.8069	0.1415
669300-0020	18,752,900	19,300,000	10/22/2014	0.9717	0.0233
788880-0590	12,193,800	14,405,000	11/11/2014	0.8465	0.1019
880200-0010	43,750,200	48,000,000	9/20/2012	0.9115	0.0369
887980-0200	9,204,000	10,150,000	8/26/2013	0.9068	0.0416
887980-0220	16,639,200	17,750,000	9/5/2012	0.9374	0.0110

Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET  
2015 Assessment Year

Quadrant/Crew:		Appr date :		Date:		Sales Dates:	
North Crew		1/1/2015		6/1/2015		1/1/12 - 12/31/14	
Area		Appr ID:		Prop Type:		Trend used?: Y / N	
500		SELF		Improvement		N	
SAMPLE STATISTICS							
Sample size (n)		22					
Mean Assessed Value		23,693,600					
Mean Sales Price		25,214,400					
Standard Deviation AV		31,577,250					
Standard Deviation SP		34,152,841					
ASSESSMENT LEVEL							
Arithmetic mean ratio		0.948					
Median Ratio		0.948					
Weighted Mean Ratio		0.940					
UNIFORMITY							
Lowest ratio		0.8069					
Highest ratio:		1.1281					
Coefficient of Dispersion		7.53%					
Standard Deviation		0.0929					
Coefficient of Variation		9.80%					
Price-related Differential		1.01					
RELIABILITY							
95% Confidence: Median							
Lower limit		0.880					
Upper limit		1.006					
95% Confidence: Mean							
Lower limit		0.910					
Upper limit		0.987					
SAMPLE SIZE EVALUATION							
N (population size)		260					
B (acceptable error - in decimal)		0.05					
S (estimated from this sample)		0.0929					
Recommended minimum:		13					
Actual sample size:		22					
Conclusion:		OK					
NORMALITY							
Binomial Test							
# ratios below mean:		11					
# ratios above mean:		11					
z:		-0.213200716					
Conclusion:		Normal*					
*i.e., no evidence of non-normality							

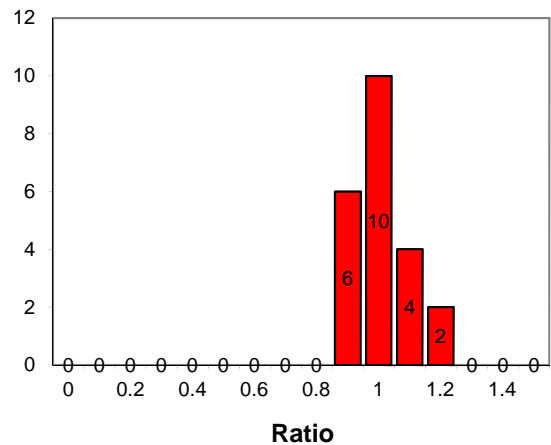
Ratio Frequency

Ratio	Frequency
0.8-0.9	6
0.9-1.0	10
1.0-1.1	4
1.1-1.2	2
1.2-1.3	0
1.3-1.4	0

Ratio

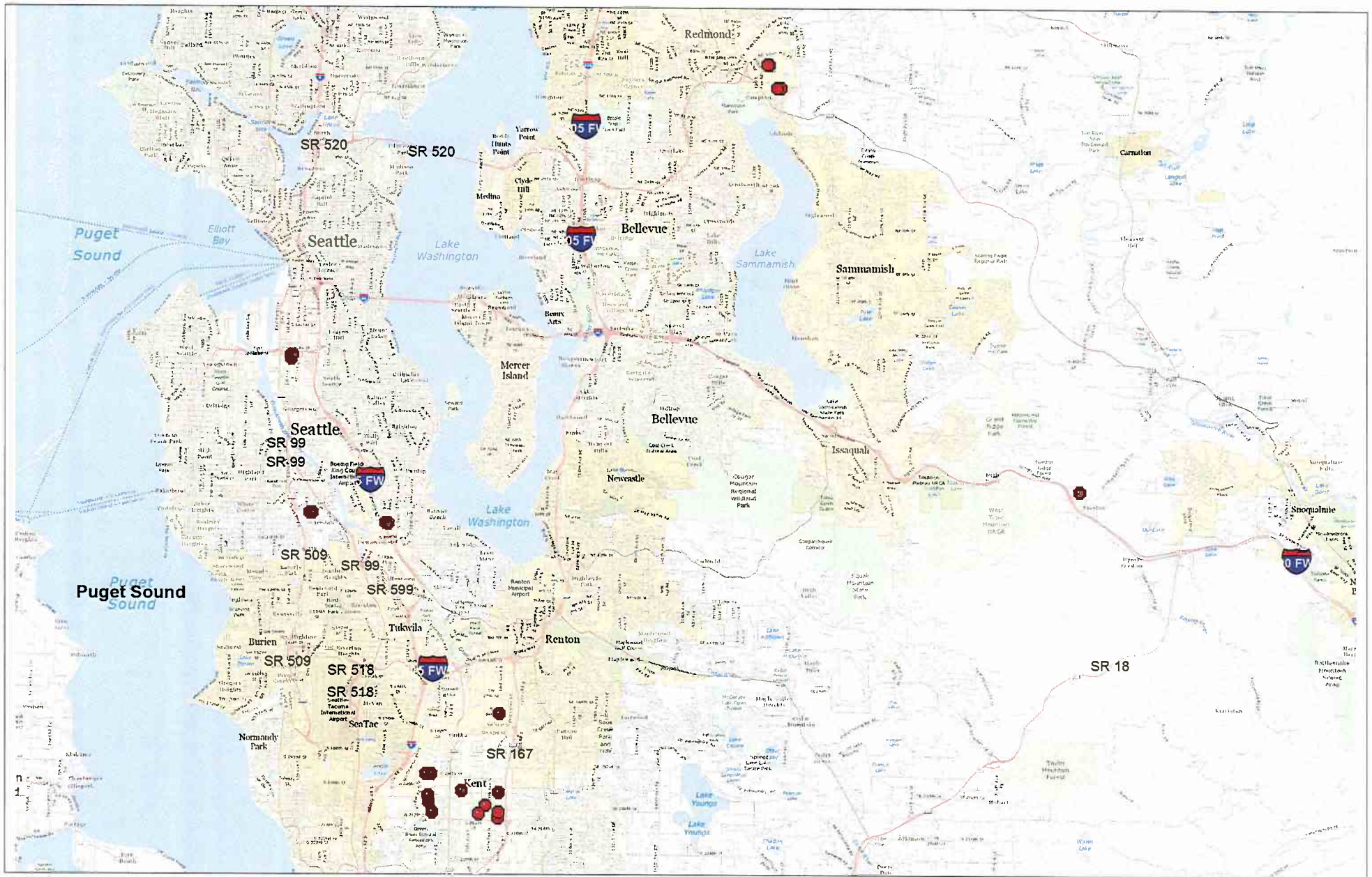
These figures reflect measurements after posting new values.

Ratio Frequency



These figures reflect measurements after posting new values.

# IMPROVED SALES FOR AREA 500



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

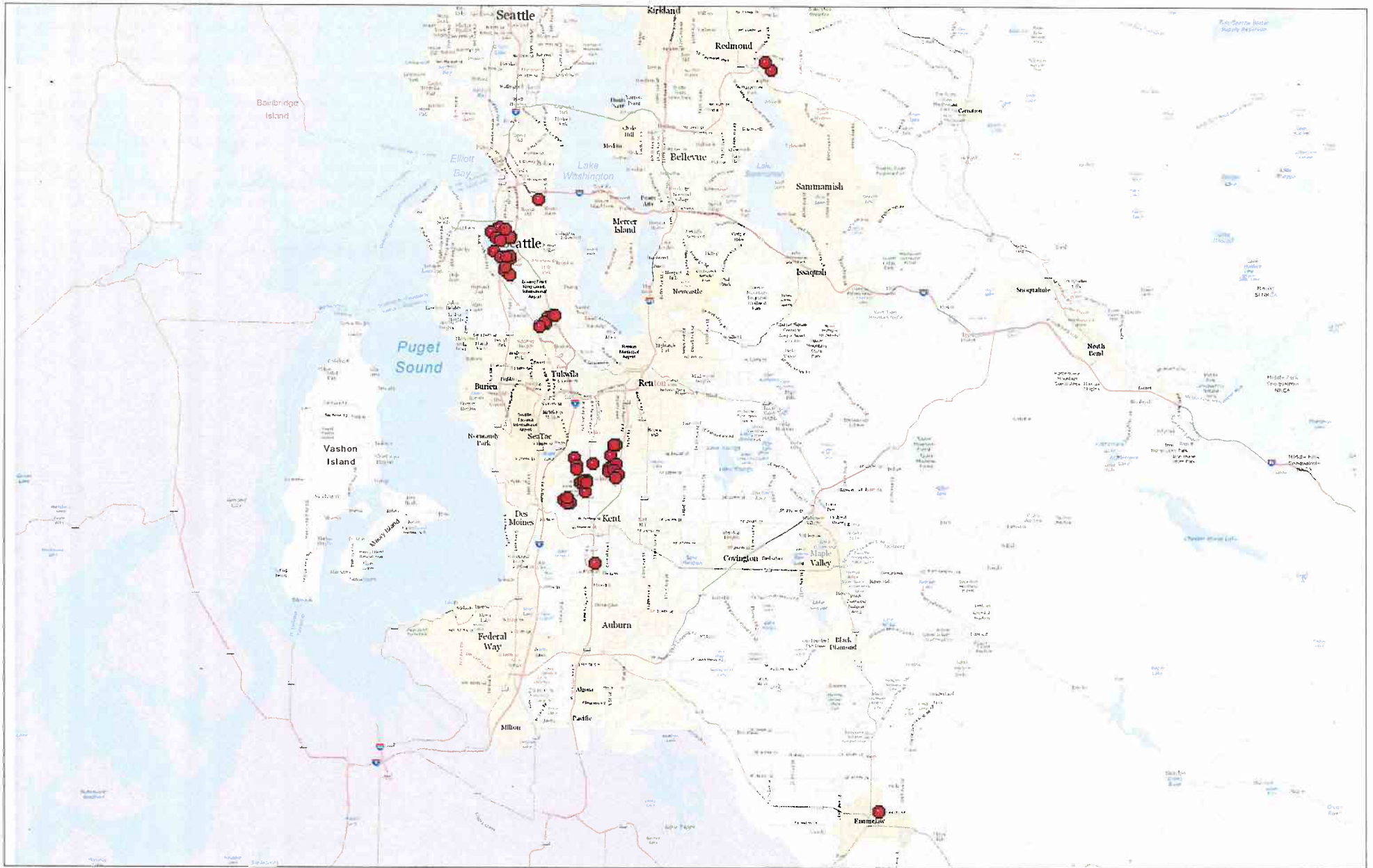


Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
500	025	125380	0060	100,520	2560017	\$5,300,000	08/17/12	\$52.73	WAREHOUSE	IH	1	Y	
500	025	125380	0170	133,922	2537689	\$8,500,000	04/05/12	\$63.47	VALLEY INDUSTRIAL BLDG	IM	1	Y	
500	025	125381	0010	118,176	2693969	\$9,975,000	10/02/14	\$84.41	RELIABLE DISTRIBUTERS	IL	1	Y	
500	025	252304	9017	110,049	2579790	\$8,225,000	12/13/12	\$74.74	NORTH VALLEY BUSINESS PARK	C/LI	1	Y	
500	025	322407	9001	285,610	2582041	\$23,800,000	12/24/12	\$83.33	PRESTON WAREHOUSE	IP	2	Y	
500	035	122104	9035	167,023	2667302	\$14,050,000	05/12/14	\$84.12	WHITE RIVER PARK	M1	1	Y	
500	035	132104	9019	286,350	2633634	\$24,750,000	09/24/13	\$86.43	AUBURN 18 DISTRIBUTION CENTER	M1	1	Y	
500	035	232973	0080	203,497	2532338	\$13,035,000	03/01/12	\$64.05	EMERALD CORPORATE PARK, BLDG 'C'.	M1	1	Y	
500	035	664960	0070	141,970	2554954	\$12,000,000	07/17/12	\$84.52	WAREHOUSE	M1	1	Y	
500	045	012204	9045	960,302	2555152	\$37,550,000	07/20/12	\$39.10	VALLEY INDUSTRIAL PARK (BUILDINGS 1-4)	M2	2	Y	
500	045	062205	9010	2,773,847	2615627	\$170,000,000	06/28/13	\$61.29	NORTHWEST CORPORATE PARK - KENT	M2	5	Y	
500	045	132204	9062	178,400	2542775	\$10,500,000	05/10/12	\$58.86	234 DISTRIBUTION CENTER	M1	1	Y	
500	045	362304	9026	135,300	2525625	\$10,476,000	01/06/12	\$77.43	WAREHOUSE	M2	1	Y	
500	045	631500	0120	239,031	2549619	\$20,137,450	06/21/12	\$84.25	GREENRIVER CORPORATE PARK -	M2	4	26	Imp changed after sale; not in ratio
500	045	669300	0020	445,574	2697430	\$19,300,000	10/22/14	\$43.31	WAREHOUSE	M2	1	Y	
500	045	788880	0590	169,635	2700604	\$14,405,000	11/11/14	\$84.92	LINCOLN DISTRIBUTION CENTER	M1	2	Y	
500	045	887980	0200	115,004	2626846	\$10,150,000	08/26/13	\$88.26	VAN DOREN BLDG. E	M1	1	Y	
500	045	887980	0220	228,356	2562716	\$17,750,000	09/05/12	\$77.73	PROGRESSIVE INTERNATIONAL	M1	1	Y	
500	060	032304	9194	123,000	2645251	\$13,000,000	12/13/13	\$105.69	ENCOMPASS	IG2 U/65	2	Y	
500	060	182404	9063	243,044	2623351	\$23,400,000	08/09/13	\$96.28	WA STATE LIQUOR CONTROL BOARD	IG1 U/85	1	Y	
500	060	617290	0010	327,941	2646049	\$38,700,000	12/18/13	\$118.01	ESCO IND SVC CTR/SEA-DRU-NAR	IG1 U/85	3	Y	
500	080	221295	0073	198,227	2659398	\$21,850,000	03/27/14	\$110.23	INDUSTRIAL	MP	4	Y	
500	080	880200	0010	429,922	2565091	\$48,000,000	09/20/12	\$111.65	UNDERWOOD JOHNSON 188 (GENIE INDUSTRIES)	MP	3	Y	



Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
500	025	214610	0033	252,484	2671378	\$23,600,000	05/30/14	\$93.47	EARLINGTON BUSINESS PARK	IM	2	59	Bulk portfolio sale
500	035	030151	0230	287,945	2662553	\$14,200,000	04/07/14	\$49.31	SEATTLE COLD STORAGE	M1	1	51	Related party, friend, or neighbor
500	035	030151	0230	287,945	2596486	\$14,200,000	03/29/13	\$49.31	SEATTLE COLD STORAGE	M1	1	15	No market exposure
500	035	242104	9083	108,885	2561924	\$9,500,000	08/30/12	\$87.25	WAREHOUSE	M1	1	15	No market exposure
500	045	122204	9109	106,910	2697214	\$9,313,660	10/24/14	\$87.12	BENAROYA AT SOUTH 216TH	M3	1	64	Sales/leaseback
500	045	125370	0130	101,890	2572438	\$7,500,000	10/31/12	\$73.61	8030 BUILDING	M2	1	51	Related party, friend, or neighbor
500	045	383090	0400	100,000	2671367	\$9,000,000	05/30/14	\$90.00	REXAM BEVERAGE CAN	M3	1	59	Bulk portfolio sale
500	045	788880	0070	103,100	2649875	\$8,700	01/13/14	\$0.08	BOXMAKER INC	M2	1	24	Easement or right-of-way
500	060	357370	0006	254,144	2697564	\$330,000	10/23/14	\$1.30	SEARS & OTHERS	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
500	060	766670	5088	152,365	2700274	\$16,400,000	11/06/14	\$107.64	PUGET SOUND FREIGHT LINES-Te	IG1 U/85	2	59	Bulk portfolio sale
500	080	072506	9129	210,761	2637526	\$60,625,000	10/25/13	\$287.65	DISTRIBUTION WAREHOUSE	MP	1	51	Related party, friend, or neighbor

## 2015 PHYSICAL INSPECTION PARCELS AREA 500



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



AREA 500  
PHYSICAL INSPECTED PARCELS

Neighborhood	Major	Minor	SitusAddress	Taxpayername
35	242006	9010	225 BATTERSBY AVE	1996 HELAC BUILDING LP
45	000620	0002	23028 RUSSELL RD S	TIAA CREF
45	000620	0021	22820 54TH AVE S	SYSCO SEATTLE INC
45	000620	0026	22619 54TH AVE S	CPT KENT VALLEY INDUSTRIAL
45	000620	0038	22600 54TH AVE S	BURIEN INVESTORS L L C
45	000680	0035	27402 72ND AVE S	ALASKAN COPPER COMPANIES
45	012204	9016	20421 84TH AVE S	EVDC L L C C/O AIRPORT COMM
45	012204	9045	8118 S 208TH ST	PS BUSINESS PARKS LP
45	012204	9055	8240 S 196TH ST	HARSCH INVESTMENT PROPERTIE
45	012204	9114	20017 72ND AVE S	H-P PROPERTIES L L C
45	022204	9052	19826 RUSSELL RD S	IRON MOUNTAIN
45	022204	9065	20308 59TH PL S	KV INDUSTRIAL LLC
45	062205	9009	20280 84TH AVE S	DUCHARME MICMILLEN & ASSOC
45	062205	9010	19830 84TH AVE S	KTR KENT VALLEY LLC
45	062205	9032	20450 84TH AVE S	VALLEY FREEWAY CORP PARK
45	072205	9093	8811 S 208TH ST	ROMAINE ELECTRIC CORP
45	072205	9097	21020 84TH AVE S	KTR KENT VALLEY LLC
45	112204	9009	21419 64TH AVE S	CBRE INC
45	112204	9044	22023 68TH AVE S	AMB PROPERTY CORP
45	112204	9049	21319 68TH AVE S	INVESCO REALTY ADVISORS
45	112204	9060	6412 S 216TH ST	INVESCO REALTY ADVISORS
45	112204	9080	21318 64TH AVE S	INVESCO REALTY ADVISORS
45	112204	9081	6616 S 216TH ST	INVESCO REALTY ADVISORS
45	312305	9019	8462 S 190TH ST	NORTHWEST BUILDING LLC
45	312305	9157	8420 S 190TH ST	C & D LANDCORP
45	660007	0100	20526 59TH PL S	KV INDUSTRIAL LLC
60	000180	0113	6901 FOX AVE S	GUIMONT GEMO/WILLIAM P
60	032304	9024	3301 S NORFOLK ST	3301 SOUTH NORFOLK LLC
60	032304	9028	3301 S NORFOLK ST	3301 SOUTH NORFOLK LLC
60	032304	9072	No Situs Address	3301 SOUTH NORFOLK LLC
60	032304	9194	3701 S NORFOLK ST	NORFOLK BUILDING LP
60	032304	9216	9801 40TH AVE S	NORFOLK BUILDING LP
60	042304	9189	100600 WEST MARGINAL	WESTERN FO
60	149830	3240	2501 S PLUM ST	LIGHTHOUSE FOR THE BLIND
60	182404	9060	4001 1ST AVE S	4105 FIRST AVENUE SOUTH INV
60	182404	9063	4401 WEST MARGINAL	EAST MARGINAL INDUSTRIAL
60	192404	9002	5801 WEST MARGINAL	KING COUNTY-PROPERTY SVCS
60	202404	9014	No Situs Address	SAMIS FOUNDATION
60	202404	9016	651 S ALASKA ST	SAMIS FOUNDATION
60	202404	9061	770 S MICHIGAN ST	CSHV NWCP SEATTLE LLC
60	202404	9067	5960 1ST AVE S	MICHIGAN PROPERTIES
60	213620	0695	660 S OTHELLO ST	NITZE-STAGEN & CO INC
60	273810	0480	703 S FIDALGO ST	CSHV NWCP SEATTLE LLC
60	357320	0130	4746 OHIO AVE S	4746 OHIO AVENUE SOUTH LP
60	357370	0006	4786 1ST AVE S	BETTER DAVID W+CHARLES E+SA
60	395890	0851	4100 4TH AVE S	BIESOLD FAMILY LLC
60	536720	4080	6701 WEST MARGINAL	CLPF-SEATTLE DIST CNTR LP
60	536720	4745	6001 6TH AVE S	CSHV NWCP SEATTLE LLC
80	072506	9129	18795 NE 73RD ST	GROUND REAL ESTATE DEPT
80	221295	0080	18340 NE 76TH ST	LBA RV-COMPANY I LLC