

Woodinville, Cottage Lake, Hollywood Hills

Area: 036

Residential Revalue for 2019 Assessment Roll



Cottage Lake, King County, Washington.



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

500 Fourth Avenue, ADM-AS 0708

Seattle, WA 98104-2384

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

Email: assessor.info@kingcounty.gov

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



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John Wilson
Assessor

Dear Property Owners,

Our field appraisers work hard throughout the year to visit properties in neighborhoods across King County. As a result, new commercial and residential valuation notices are mailed as values are completed. We value your property at its “true and fair value” reflecting its highest and best use as prescribed by state law (RCW 84.40.030; WAC 458-07-030).

We continue to work hard to implement your feedback and ensure we provide you accurate and timely information. We have made significant improvements to our website and online tools to make interacting with us easier. The following report summarizes the results of the assessments for your area along with a map. Additionally, I have provided a brief tutorial of our property assessment process. It is meant to provide you with background information about our process and the basis for the assessments in your area.

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

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

In Service,

John Wilson

King County Assessor



How Property Is Valued

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

What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 700,000 residential, commercial and industrial properties. More specifically for residential property, we break up King County into 88 residential market areas and annually develop market models from the sale of properties using multiple regression statistical tools. The results of the market models are then applied to all similarly situated homes within the same appraisal area.

Are Properties Inspected?

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

RCW 84.40.025 - Access to property

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

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

How Are Property Sales Used?

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

How is Assessment Uniformity Achieved?

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

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

Source: IAAO, *Standard on Ratio Studies*, 2013, Table 1-3.

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

Requirements of State Law

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

Appraisal Area Reports

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



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

John Wilson
Assessor

Woodinville, Cottage Lake, Hollywood Hills – Area 036

2019 Assessment Roll Year

Recommendation is made to post values for Area 036 to the 2020 tax roll:

Appraiser II: Madeline Scott

July 31, 2019

Date

NE District Senior Appraiser: Jurgen Ramil

August 7, 2019

Date

Residential Division Director: Jeff Darrow

August 13, 2019

Date

This report is hereby accepted and the values described in the attached documentation for Area 036 should be posted to the 2020 tax roll.

John Wilson, King County Assessor

8/14/2019

Date



Executive Summary

Woodinville, Cottage Lake, Hollywood Hills - Area 036

Physical Inspection

Appraisal Date: 1/1/2019
Previous Physical Inspection: 2013
Number of Improved Sales: 671
Range of Sale Dates: 1/1/2016 – 12/31/2018 Sales were time adjusted to 1/1/2019

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2018 Value	\$289,200	\$484,200	\$773,400			8.53%
2019 Value	\$340,800	\$487,100	\$827,900	\$899,200	92.0%	6.77%
\$ Change	+\$51,600	+\$2,900	+\$54,500			
% Change	+17.8%	+0.6%	+7.0%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2019 COD of 6.77% is an improvement from the previous COD of 8.53%. The lower the COD, the more uniform are the predicted assessed values. Assessment standards prescribed by the International Association of Assessing Officers identify that the COD in rural or diverse neighborhoods should be no more than 20%. The resulting COD meets or exceeds the industry assessment standards. Sales from 1/1/2016 to 12/31/2018 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2019.

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2018 Value	\$300,000	\$450,300	\$750,300
2019 Value	\$345,600	\$450,300	\$795,900
\$ Change	+\$45,600	+\$0	+\$45,600
% Change	+15.2%	+0.0%	+6.1%

Number of one to three unit residences in the population: 4,498

Physical Inspection Area:

State law requires that each property be physically inspected at least once during a 6 year revaluation cycle. During the recent inspection of Area 036 – Woodinville, Cottage Lake, Hollywood Hills, appraisers were in the area, confirming data characteristics, developing new valuation models and selecting a new value for each property for the assessment year. For each of the subsequent years, the previous property values are statistically adjusted during each assessment period. Taxes are paid on total value, not on the separate amounts allocated to land and improvements.

Area 036 Physical Inspection Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

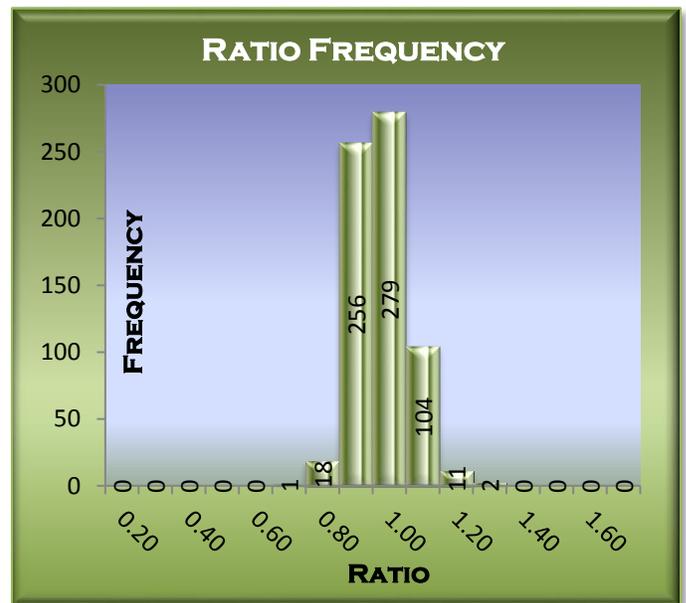
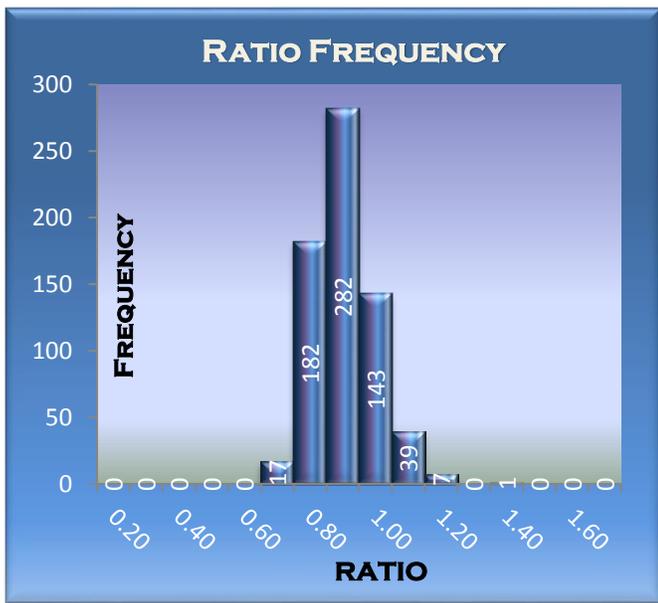
Pre-revalue ratio analysis compares time adjusted sales from 2016 through 2018 in relation to the previous assessed value as of 1/1/2018.

PRE-REVALUE RATIO SAMPLE STATISTICS	
<i>Sample size (n)</i>	671
<i>Mean Assessed Value</i>	773,400
<i>Mean Adj. Sales Price</i>	899,200
<i>Standard Deviation AV</i>	346,566
<i>Standard Deviation SP</i>	383,223
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.857
<i>Median Ratio</i>	0.853
<i>Weighted Mean Ratio</i>	0.860
UNIFORMITY	
<i>Lowest ratio</i>	0.601
<i>Highest ratio:</i>	1.303
<i>Coefficient of Dispersion</i>	8.53%
<i>Standard Deviation</i>	0.093
<i>Coefficient of Variation</i>	10.89%
<i>Price Related Differential (PRD)</i>	0.996

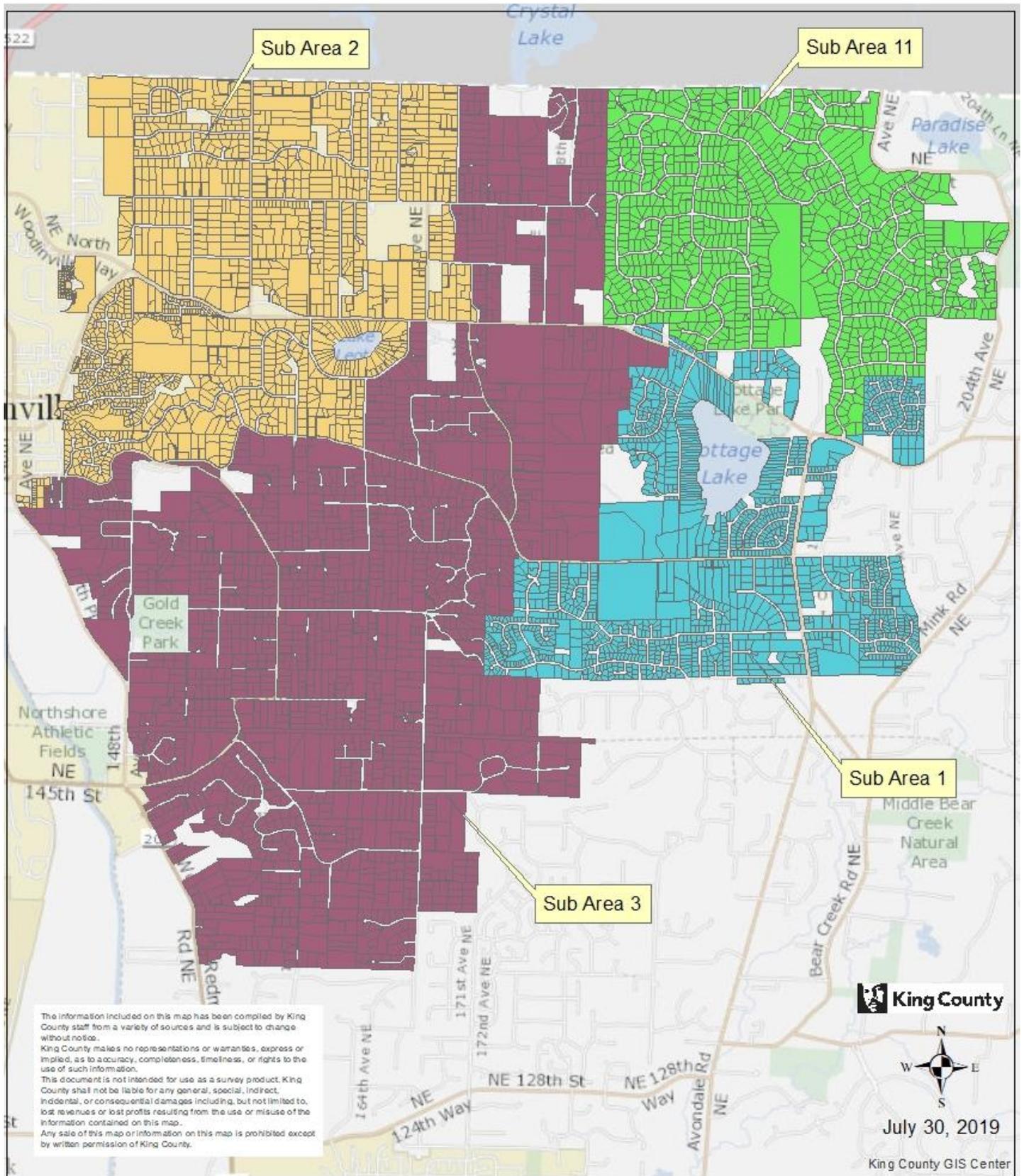
POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares time adjusted sales from 2016 through 2018 and reflects the assessment level after the property has been revalued to 1/1/2019.

POST REVALUE RATIO SAMPLE STATISTICS	
<i>Sample size (n)</i>	671
<i>Mean Assessed Value</i>	827,900
<i>Mean Sales Price</i>	899,200
<i>Standard Deviation AV</i>	328,729
<i>Standard Deviation SP</i>	383,223
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.928
<i>Median Ratio</i>	0.920
<i>Weighted Mean Ratio</i>	0.921
UNIFORMITY	
<i>Lowest ratio</i>	0.653
<i>Highest ratio:</i>	1.215
<i>Coefficient of Dispersion</i>	6.77%
<i>Standard Deviation</i>	0.079
<i>Coefficient of Variation</i>	8.47%
<i>Price Related Differential (PRD)</i>	1.008

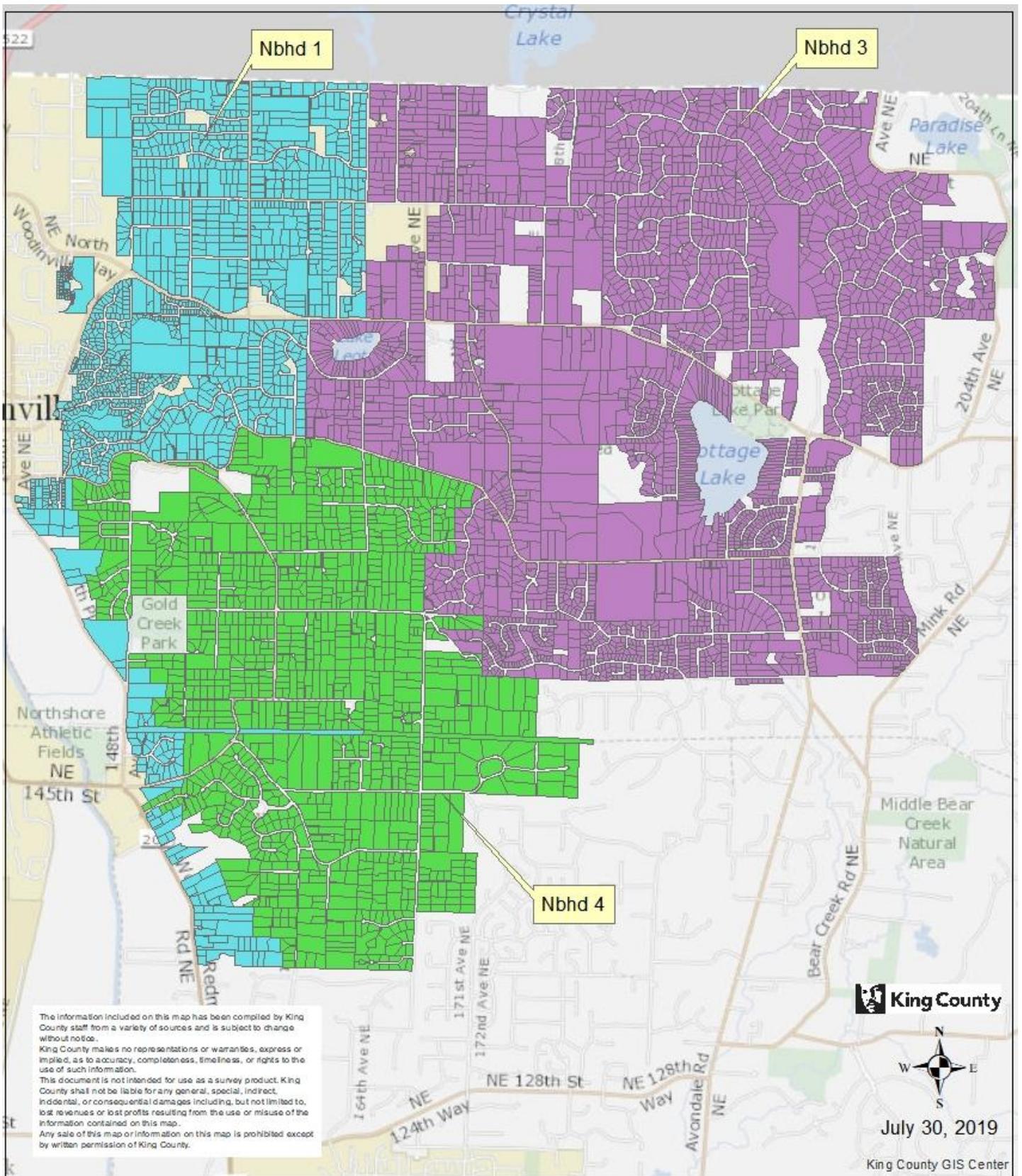


Area 036 Map



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

Neighborhood Map



Area Information

Name or Designation

Area 036 - Woodinville, Cottage Lake, Hollywood Hills

Boundaries

Area 36 is bounded to the west by Woodinville-Redmond Rd NE and 140th PI NE, and extends just east of Avondale Rd NE to 204th Ave NE and Mink Rd NE. Area 36 borders Snohomish County to the north and extends as far south as NE 136th PI.

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 036 is located in northeast King County, bordering Snohomish County. The majority of Area 36 is unincorporated King County, with the NW portion located within the City of Woodinville. Major roads and highways include Avondale Rd NE, NE Woodinville-Duvall Rd and Woodinville-Redmond Rd NE, and 140th PI NE. Area 36 is divided into 4 sub areas and 3 neighborhoods.

Sub Area 1 encompasses the southeastern quadrant of the Area and includes Cottage Lake. Sub Area 2 is located in the northwest quadrant of the Area and is entirely within Woodinville proper. Sub Area 3 spans from the county line to the southern border of the Area between Sub Areas 1 and 2 and includes Hollywood Hills and Lake Leota. Sub Area 11 is located in the northeast portion of the Area and includes the Reintree neighborhoods.

Area 36 is divided into 3 neighborhoods. Neighborhood 1 is located in the northwest portion of the Area and nearest the major shopping centers and tourist attractions in the region. Neighborhood 3 encompasses the eastern half of the Area and includes Cottage Lake and the Reintree plats. Neighborhood 4 is located between Neighborhoods 1 and 3 includes easy access to the tourism district, Lake Leota, and the larger estate and equestrian properties of Hollywood Hills. The 3 neighborhoods in Area 36 represent regions of similar amenities and land use potential. Analysis of vacant land sales indicate separate competing markets between Neighborhoods 1, 3, and 4, with properties in Neighborhood 4 appearing to be the most desirable.

There are 5,359 parcels in Area 36, of which 341 are vacant and 144 are exempt. The majority of the area is considered to be unincorporated King County, with 1,434 parcels located in Woodinville proper. Of the total parcels, 1,341 are tax lots with the rest being in platted subdivisions. Many of the platted lots are similar to tax lots, especially around Cottage Lake and parcels with custom homes and private, gated entrances. There are 109 waterfront parcels located on Cottage Lake and Lake Leota, both situated off of NE Woodinville-Duvall Rd. A total of 209 parcels have either Olympic view, Cascade view, and/or Territorial views.

Land Valuation

Vacant sales from 1/1/2016 to 12/31/2018 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2019. All land sales were field verified and researched using GIS mapping. An effort was made to contact buyers, sellers or agents involved in the transactions. Available sales and additional Area information can be viewed on the Assessor's website with [sales lists](#), [eSales](#) and [Localscape](#). Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

The baseland schedule accounts for impacts that are common in a specific area. The baseland schedule provided is intended to value all tax lots and the majority of platted subdivisions in Neighborhoods 0, 3, and 4. A separate valuation schedule was developed for some subdivisions in the Area; see the Plat Adjustment page for values of these platted lots.

Characteristics that were found to have the most influence on property values are topography, traffic nuisance, and environmental impacts such as wetlands. Properties considered unbuildable typically require documentation showing them to be non-developable. Unbuildable/non-developable sites include, but are not limited to, those 100% impacted by environmental impacts, 100% impacted by significant topography, non-perc documentation on file, development rights sold, and/or no feasible access.

Analysis of parcels of questionable development potential showed a typical reduction of 45%. "Questionable" parcels are parcels that face development challenges that include, but are not limited to, significant environmental impacts, lack of utilities and the challenges associated with bringing utilities to the parcel, and boundary lines and setbacks. Analysis of land sales and development trends in Area 36 show that taxpayers are still willing to overcome these challenges in order to capitalize on the full development potential of these questionable parcels.

There were a total of 28 vacant land sales available for analysis and development of the land valuation schedule. A typical plat-valued lot under a half-acre in Area 36 has an average value range between \$276,000 and \$301,000, depending on size and location. A typical 5-acre tax lot or non-plat-valued lot without any impacts or adjustments is valued at \$543,000 to \$709,000, depending on neighborhood location. Most tax lots and non-plat-valued lots are adjusted to some degree for impacts or amenities. Some large lots (≥ 5 acres) are valued at a per-site value, depending on the parcel zoning and potential for subdivision. Per-site valuation amount accounts for number of potential sites, any land impacts that are present, and a standard -50% reduction for associated site development costs.

Land Model

Model Development, Description and Conclusions

The land model is composed of two components: the land schedule and the adjustments table. The land schedule was developed using vacant land sales, adjusted for different characteristics. The adjustments table was developed through a matched-pair analysis of characteristics such as traffic, views, and linear waterfront footage. Improved sales were reviewed and supported the vacant sales analysis. Appraiser judgement was applied where an exception was warranted.

Land Value Model Calibration

Acre	SqFtLot	Nbhd 1	Nbhd 3	Nbhd 4
0.05	2,178	\$ 320,000	\$ 267,000	\$ 312,000
0.1	4,356	\$ 322,000	\$ 270,000	\$ 319,000
0.15	6,534	\$ 325,000	\$ 273,000	\$ 325,000
0.2	8,712	\$ 328,000	\$ 276,000	\$ 331,000
0.25	10,890	\$ 331,000	\$ 279,000	\$ 338,000
0.3	13,068	\$ 334,000	\$ 283,000	\$ 345,000
0.35	15,246	\$ 336,000	\$ 287,000	\$ 351,000
0.4	17,424	\$ 339,000	\$ 290,000	\$ 358,000
0.45	19,602	\$ 343,000	\$ 293,000	\$ 364,000
0.5	21,780	\$ 345,000	\$ 296,000	\$ 371,000
0.55	23,958	\$ 348,000	\$ 299,000	\$ 378,000
0.6	26,136	\$ 352,000	\$ 303,000	\$ 384,000
0.65	28,314	\$ 354,000	\$ 306,000	\$ 391,000
0.7	30,492	\$ 357,000	\$ 309,000	\$ 397,000
0.75	32,670	\$ 360,000	\$ 312,000	\$ 403,000
0.8	34,848	\$ 363,000	\$ 315,000	\$ 411,000
0.85	37,026	\$ 366,000	\$ 318,000	\$ 417,000
0.9	39,204	\$ 368,000	\$ 322,000	\$ 424,000
0.95	41,382	\$ 371,000	\$ 325,000	\$ 430,000
1	43,560	\$ 375,000	\$ 329,000	\$ 436,000
1.25	54,450	\$ 390,000	\$ 346,000	\$ 470,000
1.5	65,340	\$ 403,000	\$ 365,000	\$ 498,000
1.75	76,230	\$ 418,000	\$ 375,000	\$ 510,000
2	87,120	\$ 433,000	\$ 396,000	\$ 522,000
2.25	98,010	\$ 444,000	\$ 402,000	\$ 532,000
2.5	108,900	\$ 455,000	\$ 415,000	\$ 541,000
2.75	119,790	\$ 467,000	\$ 421,000	\$ 550,000
3	130,680	\$ 476,000	\$ 428,000	\$ 557,000

Land Value Model Calibration

Acre	SqFtLot	Nbhd 1	Nbhd 3	Nbhd 4
3.25	141,570	\$ 484,000	\$ 435,000	\$ 563,000
3.5	152,460	\$ 488,000	\$ 439,000	\$ 570,000
3.75	163,350	\$ 492,000	\$ 443,000	\$ 576,000
4	174,240	\$ 497,000	\$ 446,000	\$ 581,000
4.25	185,130	\$ 501,000	\$ 449,000	\$ 587,000
4.5	196,020	\$ 504,000	\$ 452,000	\$ 592,000
4.75	206,910	\$ 508,000	\$ 455,000	\$ 596,000
5	217,800	\$ 604,000	\$ 543,000	\$ 709,000
5.5	239,580	\$ 611,000	\$ 550,000	\$ 719,000
6	261,360	\$ 618,000	\$ 555,000	\$ 728,000
6.5	283,140	\$ 625,000	\$ 560,000	\$ 736,000
7	304,920	\$ 630,000	\$ 565,000	\$ 744,000
7.5	326,700	\$ 635,000	\$ 570,000	\$ 751,000
8	348,480	\$ 640,000	\$ 574,000	\$ 757,000
8.5	370,260	\$ 644,000	\$ 577,000	\$ 763,000
9	392,040	\$ 648,000	\$ 581,000	\$ 769,000
9.5	413,820	\$ 653,000	\$ 584,000	\$ 775,000
10	435,600	\$ 726,000	\$ 643,000	\$ 858,000
>10	>43,5600	\$5,000 per acre over 10 acres OR per-site value		

*Values are interpolated between square foot sizes.

Land Value Model Calibration

Major	Nghb	Plat Name	Average SqFt/Lot	BaseLand Value	Exceptions
031845	1	Autumn Grove	6,111	\$ 276,000	
133190	4	Canterwood Estates	35,483	\$ 411,000	
177100	3	Cottage Glen Add	10,369	\$ 289,000	
177110	3	Cottage Glen Add No. 02	10,080	\$ 289,000	
177111	3	Cottage Glen Add No. 03	10,451	\$ 289,000	
177580	3	Cottage Lake Ranch Sites Add	15,812	\$ 301,000	>30,000sf = Tax Lot Value *1.05
177590	3	Cottage Lake Ranch Sites No. 02	13,427	\$ 297,000	
177591	3	Cottage Lake Ranch Sites No. 03	17,136	\$ 301,000	>30,000sf = Tax Lot Value *1.05
177592	3	Cottage Lake Ranch Sites No. 04A	11,279	\$ 292,000	
177593	3	Cottage Lake Ranch Sites No. 04B	10,781	\$ 292,000	
193908	3	Deer Run Estates	35,750	\$ 346,000	
248160	4	The Farm Div. 01	32,152	\$ 455,000	
248161	4	The Farm Div. 02	40,769	\$ 455,000	
248162	4	The Farm Div. 03	38,975	\$ 473,000	>55,000sf = Tax Lot Value *1.1
248163	4	The Farm Div. 04	43,165	\$ 473,000	>65,000sf = Tax Lot Value *1.1
289640	1	Greenbrier Heights	2,422	\$ 288,000	
610400	1	Nolan Woods	35,965	\$ 435,000	>40,000sf = Tax Lot Value *1.2
662610	3	Paradise Lake Estates	34,905	\$ 315,000	
803100	1	Stonegate II	25,774	\$ 417,000	>30,000sf = Tax Lot Value *1.2
951600	1	Woodin Creek Estates	4,129	\$ 288,000	
951720	1	Woodinville Heights	14,716	\$ 350,000	
952240	3	Woodland Lane	11,659	\$ 306,000	>20,000sf = Tax Lot Value
954030	1	Woodridge 12	7,322	\$ 276,000	
956220	1	Woodway Country Estates	43,521	\$ 375,000	>75,000sf = Tax Lot Value

Land Value Model Calibration

Impact/Amenity	Adjustment	Notes
Topography		
Mild	Less 5%	<1/3 of parcel affected, little to no impact to general use of parcel
Moderate	Less 10-15%	Some reduction in development potential, one or more potential building sites exist, <2/3 parcel affected
Extreme	Less 20-35%	Coupled with steep slope or landslide hazard, majority of parcel impacted or unusable, one or more potential building sites exist
Traffic		
Moderate	Less 5%	
<i>Exception: 156th Ave NE</i>	Less 10%	
High	Less 10%	
<i>Exception: Avondale Rd</i>	Less 15%	
Difficult/ Restricted/ Undeveloped Access	Less 5-15%	Special vehicle required; washed out/seasonal roads; no road
Traffic Egress	Less 5%	Ingress/Egress impact
Restrictive Shape/Size	Less 5-15%	Extreme flag lots; alteration required for building site
Combined Environmental/ Critical Areas Impacts		
Mild	Less 5-10%	Small portion of parcel is impacted, most of parcel is usable
Moderate	Less 15-25%	Buildable with limited use of rest of parcel
Heavy	Less 30-40%	Building site exists but most of parcel is impacted
Questionable Building Site	Less 45%	Questionable per appraiser; multiple/heavy impacts; alteration exception required. Coded under "Other Nuisance"

Land Value Model Calibration

Impact/Amenity	Adjustment	Notes
Unbuildable		
Some recreational use or enjoyment	Less 80%	Accy building site; recreational use No apparent potential use for land
No recreational use or enjoyment	Less 90%	
Waterfront - Cottage Lake & Lake Leota		
Waterfront Premium	Plus \$165,000	Cottage Lake
Waterfront Premium (Poor Quality or restricted access)	Plus \$75,000	
Waterfront Premium	Plus \$95,000	Lake Leota
Waterfront Premium (Poor Quality or restricted access)	Plus \$50,000	
Linear Footage Adjustment*		
1'-75'	Plus \$1,100 per foot	Cottage Lake
76'-150'	Plus \$82,000 Plus \$750 per foot over 75'	
>150'	No adjustment for footage over 150'	
1'-75'	Plus \$600 per foot	Lake Leota
76'-150'	Plus \$45,000 Plus \$300 per foot over 75'	
>150'	No adjustment for footage over 150'	
*Poor Quality Waterfront	Less 50% of total linear footage adjustment	
Views		

Land Value Model Calibration

Impact/Amenity	Adjustment	Notes
Average Territorial	Plus 5%	<p><i>*Only the highest view is considered in the Baseland Value adjustment</i></p> <p><i>*Water view adjustment only applies to non-waterfront parcels</i></p>
Good Territorial	Plus 5%	
Excellent Territorial	Plus 10%	
Average Cascades	Plus 10%	
Good Cascades	Plus 10%	
Excellent Cascades	Plus 15%	
Average Olympics	Plus 5%	
Good Olympics	Plus 5%	
Excellent Olympics	Plus 10%	
Average Lake View	Plus 5%	<p><i>*Water view adjustment only applies to non-waterfront parcels</i></p>
Good Lake View	Plus 5%	
Excellent Lake View	Plus 10%	

*The table and notes are to be used as a guideline only; appraiser judgement is used to determine total land adjustment to each parcel. Other land impacts may exist that are not listed in this table.

**Adjustments are aggregated (e.g. -10% adjustment for topography and -10% adjustment for traffic = -20% total land adjustment).

Example waterfront land valuation (Parcel 163070-0160):

Neighborhood 3, 22,400sf lot size, 64' waterfront footage, no negative adjustments.

$\$296,000$ Baseland value + $\$165,000$ Cottage Lake waterfront premium + $64' * (\$1,100/\text{ft}) =$

$\$296,000 + \$165,000 + \$70,000 = \$531,000$

Improved Parcel Valuation

Improved Parcel Data:

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

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

The Assessor's cost model generates RCN and RCNLD for principal improvements and accessories such as detached garages and pools. The Assessor's cost model was developed by the King County Department of Assessments in the early 1970's. It was recalibrated in 1990 to roughly approximate Marshall & Swift's square foot cost tables, and is indexed annually to keep up with current costs.

Model Development, Description and Conclusions:

Most sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2019.

The analysis of this area consisted of a systematic review of applicable characteristics which influence property values. Characteristics that indicated significance in the marketplace were determined to be land value, the age of the improvement, and the reconstruction cost of the improvement, less depreciation. In addition to standard physical property characteristics, the analysis showed that properties in Sub Area 3, properties in Very Good condition, and waterfront location were influential in the market.

Improved Parcel Total Value Model Calibration

Variable	Definition
AgeC_RCnLD	Age
BaseLandC	2019 Base Land Value
Sub3YN	Sub Area 3
TotalRcnldC	Total Reconstruction Cost New, Less Depreciation
VGoodYN	Very Good Condition
WftLocYN	Waterfront Location

Multiplicative Model

$(1-0.075) * \text{EXP}(1.68605512780033 - 0.0132882027130994 * \text{AgeC_RCnLD} + 0.387451342616865 * \text{BaseLandC} + 0.0164706040529556 * \text{Sub3YN} + 0.518370840823716 * \text{TotalRcnldC} + 0.0316008204887807 * \text{VGoodYN} + 0.049955891921725 * \text{WftLocYN})$.

EMV values were not generated for:

- Buildings with grade less than 5
- Building two or greater. (EMV is generated for building one only.)
- If total EMV is less than base land value
- Lot size less than 100 square feet
- % Complete, Net Condition, or Obsolescence

Of the improved parcels in the population, 4,016 parcels increased in value. They were comprised of 4 single family residences on commercially zoned land and 4,012 single family residences or other parcels.

Of the vacant land parcels greater than \$1,000, 113 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

Exceptions to EMV valuation method:

Adjustment Parameter	Adjustment
Accessory Only	BaseLandVal + TotalRCNLD
Multiple Buildings	EMV Bldg1 and Accy1 + RCNLD of remaining improvements and accessories
Building Grade < 5	BaseLandVal + \$1,000 + Accy RCNLD
Lot size < 1000sf	Appraiser Judgement
Total EMV < BaseLandVal	BaseLandVal + \$1,000 + Accy RCNLD
Percent Complete	$(EMV - BaseLandVal) * PcntComplete + BaseLandVal$
Obsolescence	$(EMV - BaseLandVal) * (100\% - PcntObsolescence) + BaseLandVal$
Percent Net Condition	$(EMV - BaseLandVal) * PcntNetCondition + BaseLandVal$
Exception Combinations and Additional Exceptions	Work file or RealProperty Notes file

Supplemental models built into RealProperty EMV valuation system:

Adjustment Parameter	Adjustment
Building Grade = 5	Total EMV * 1.05
Building Grade = 6	Total EMV * 1.05

King County Assessor Mobile Home Valuation

Mobile Home 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 Area's Sales Available List. Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

For Mobile Homes the Assessor uses residential costs from Marshall & Swift, from the September prior to the Assessment year (i.e. Marshall & Swift's September 2018 update for the 2019 Assessment Year). The cost model specifies physical characteristics of the mobile home such as length, width, living area, class, condition, size, year built. 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, class, and condition, resulting in Reconstruction Cost New less Depreciation (RCNLD). The appraiser can also apply a net condition for Mobile Homes that have depreciated beyond the normal percent good for their age and condition.

Model Development, Description and Conclusions:

Most sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2019.

The analysis of this area consisted of a systematic review of applicable characteristics which influence property values. The most influential characteristics on mobile home property values in Area 36 are the mobile home RCNLD and the

Mobile Home Total Value Model Calibration

A market adjusted cost approach was used to appraise mobile homes.

- Mobile homes constructed before 1977, mobile homes in Fair condition, and single-wide mobile homes are valued at Base Land + Total RCNLD.
- Mobile homes in Poor condition were given a minimal value of \$1,000.
- All other mobile homes are valued at Base Land + Accy RCNLD + (Mobile Home RCNLD * 2).

There are 30 parcels in Area 36 improved with a mobile home and 4 sales used in the valuation. Sales used were from 1/1/2016 to 12/31/2018.

Mobile Home Results

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. This value estimate may be adjusted based on particular characteristics and conditions as they occur in the valuation area.

The assessment level target for all areas in King County, including this area, is 92.5%. The actual assessment level for this area is 92.2%. The standard statistical measures of valuation performance are all within the IAAO recommended range of .90 to 1.10.

Application of these recommended values for the 2019 assessment year (taxes payable in 2020) results in an average total change from the 2018 assessments of +10.1%. This increase is due partly to market changes over time and the previous assessment levels.

A Ratio Study was completed just prior to the application of the 2019 recommended values. This study benchmarks the prior assessment level using 2018 posted values (1/1/2018) compared to current adjusted sale prices (1/1/2019). The study was also repeated after the application of the 2019 recommended values. The results are displayed in the *Mobile Home Ratio Study Report* page included in this report showing an improvement in the COD from 6.94% to 4.22% and an improvement in the COV from 11.04% to 7.74%. The small sample size is a significant limitation on the measures of central tendency and uniformity.

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

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

Area 036 Mobile Home Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

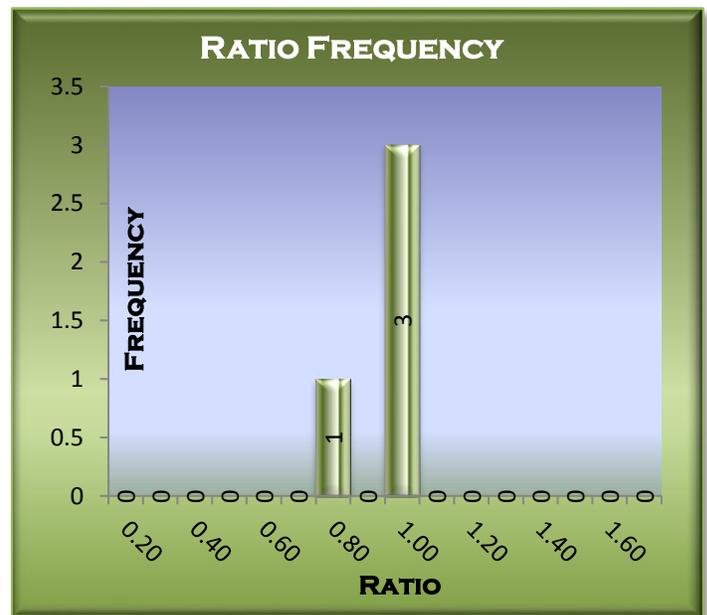
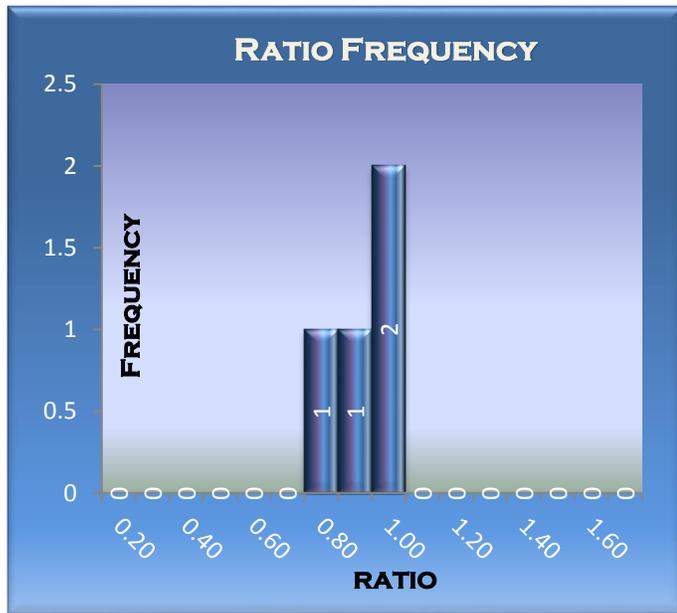
Pre-revalue ratio analysis compares time adjusted sales from 2016 through 2018 in relation to the previous assessed value as of 1/1/2018.

PRE-REVALUE RATIO SAMPLE STATISTICS	
<i>Sample size (n)</i>	4
<i>Mean Assessed Value</i>	569,000
<i>Mean Adj. Sales Price</i>	639,500
<i>Standard Deviation AV</i>	271,641
<i>Standard Deviation SP</i>	284,872
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.870
<i>Median Ratio</i>	0.902
<i>Weighted Mean Ratio</i>	0.890
UNIFORMITY	
<i>Lowest ratio</i>	0.731
<i>Highest ratio:</i>	0.945
<i>Coefficient of Dispersion</i>	6.94%
<i>Standard Deviation</i>	0.096
<i>Coefficient of Variation</i>	11.04%
<i>Price Related Differential (PRD)</i>	0.978

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares time adjusted sales from 2016 through 2018 and reflects the assessment level after the property has been revalued to 1/1/2019.

POST REVALUE RATIO SAMPLE STATISTICS	
<i>Sample size (n)</i>	4
<i>Mean Assessed Value</i>	582,300
<i>Mean Sales Price</i>	639,500
<i>Standard Deviation AV</i>	282,449
<i>Standard Deviation SP</i>	284,872
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.891
<i>Median Ratio</i>	0.922
<i>Weighted Mean Ratio</i>	0.911
UNIFORMITY	
<i>Lowest ratio</i>	0.788
<i>Highest ratio:</i>	0.932
<i>Coefficient of Dispersion</i>	4.22%
<i>Standard Deviation</i>	0.069
<i>Coefficient of Variation</i>	7.74%
<i>Price Related Differential (PRD)</i>	0.979



Physical Inspection Process

Effective Date of Appraisal: January 1, 2019

Date of Appraisal Report: July 31, 2019

Appraisal Team Members and Participation

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

- Madeline Scott – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Heidi Erickson – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Randal Hoffmeyer – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Mark Monohan – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Patrick Ragar – Appraiser I: Sales verification, appraisal analysis, land appraisal, and physical inspection.
- Jieli Xu – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.

Sales Screening for Improved Parcel Analysis

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

1. Vacant parcels
2. Mobile Home parcels
3. Multi-Parcel or Multi Building parcels
4. New construction where less than a 100% complete house was assessed for 2018
5. Existing residences where the data for 2018 is significantly different than the data for 2019 due to remodeling
6. Parcels with improvement values, but no characteristics
7. Parcels with either land or improvement values of \$10,000 or less posted for the 2018 Assessment Roll
8. Short sales, financial institution re-sales and foreclosure sales verified or appearing to be not at market

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

Highest and Best Use Analysis

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

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

Physical Inspection Process

Standards and Measurement of Data Accuracy

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

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

Special Assumptions and Limiting Conditions

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

The following Departmental guidelines were considered and adhered to:

- Sales from 1/1/2016 to 12/31/2018 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2019.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standards 5 & 6.

Area 036 Market Value Changes Over Time

In a changing market, recognition of a sales trend to adjust a population of sold properties to a common date is required to allow for value differences over time. Market conditions prevalent in the last three years indicated that the best methodology for tracking market movement through time is a modelling technique using splines. Put simply, this is a way of drawing best fit lines through the data points in situations where there may be several different trends going on at different times. Splines are the use of two or more straight lines to approximate trends and directions in the market. Splines are best suited to react to the sudden market changes prevalent in 2018. To create larger and more reliable data sets for time trending, it was necessary in most instances to combine geographic areas that were performing similarly in the marketplace. A market turning point at the intersection of the two splines, was estimated to be 4/15/2018. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, January 1, 2019.

The time adjustment formula for Area 36 is:

$$(0.761834727391008-0.000314104634889276*((\text{SaleDay}\leq 43205)*\text{SaleDay}+(\text{SaleDay}>43205)*43205-43466)+0.0000622812523466013*((\text{SaleDay}\geq 43205)*\text{SaleDay}+(\text{SaleDay}<43205)*43205-43466))/((0.761834727391008-0.000314104634889276*(-261))$$

For example, a sale of \$600,000 which occurred on October 1, 2017 would be adjusted by the time trend factor of 1.054, resulting in an adjusted value of \$500,650: $\$600,000 * 1.054 = \$500,000$ – truncated to the nearest \$1000.

Area 036 Market Value Changes Over Time

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2016	1.292	29.2%
2/1/2016	1.280	28.0%
3/1/2016	1.269	26.9%
4/1/2016	1.258	25.8%
5/1/2016	1.247	24.7%
6/1/2016	1.235	23.5%
7/1/2016	1.224	22.4%
8/1/2016	1.212	21.2%
9/1/2016	1.201	20.1%
10/1/2016	1.190	19.0%
11/1/2016	1.178	17.8%
12/1/2016	1.167	16.7%
1/1/2017	1.155	15.5%
2/1/2017	1.144	14.4%
3/1/2017	1.133	13.3%
4/1/2017	1.122	12.2%
5/1/2017	1.111	11.1%
6/1/2017	1.099	9.9%
7/1/2017	1.088	8.8%
8/1/2017	1.076	7.6%
9/1/2017	1.065	6.5%
10/1/2017	1.054	5.4%
11/1/2017	1.042	4.2%
12/1/2017	1.031	3.1%
1/1/2018	1.019	1.9%
2/1/2018	1.008	0.8%
3/1/2018	0.997	-0.3%
4/1/2018	0.986	-1.4%
5/1/2018	0.982	-1.8%
6/1/2018	0.984	-1.6%
7/1/2018	0.986	-1.4%
8/1/2018	0.989	-1.1%
9/1/2018	0.991	-0.9%
10/1/2018	0.993	-0.7%
11/1/2018	0.995	-0.5%
12/1/2018	0.998	-0.2%
1/1/2019	1.000	0.0%

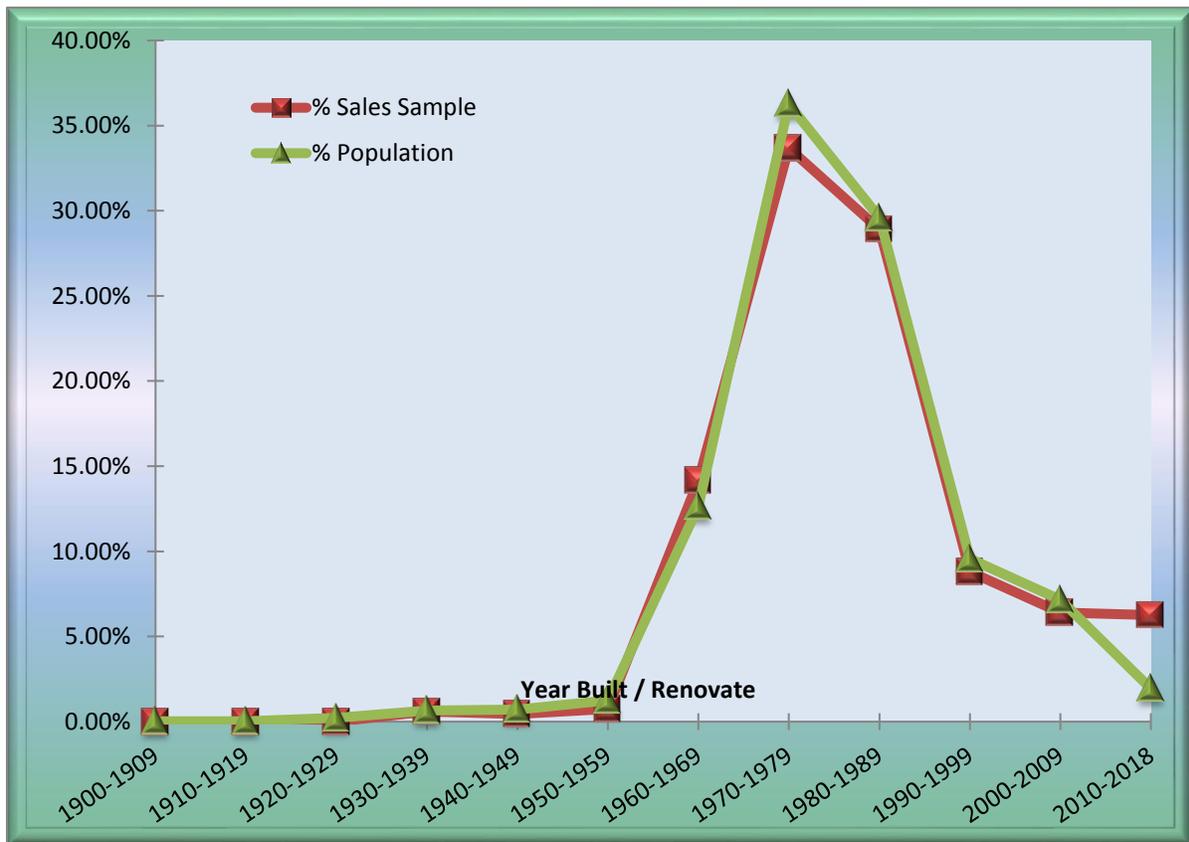
Sales Sample Representation of Population Year Built or Renovated

Sales

Year Built/Ren	Frequency	% Sales Sample
1900-1909	0	0.00%
1910-1919	0	0.00%
1920-1929	0	0.00%
1930-1939	4	0.60%
1940-1949	3	0.45%
1950-1959	5	0.75%
1960-1969	95	14.16%
1970-1979	226	33.68%
1980-1989	194	28.91%
1990-1999	59	8.79%
2000-2009	43	6.41%
2010-2018	42	6.26%
	671	

Population

Year Built/Ren	Frequency	% Population
1900-1909	1	0.02%
1910-1919	1	0.02%
1920-1929	10	0.22%
1930-1939	29	0.64%
1940-1949	32	0.71%
1950-1959	56	1.24%
1960-1969	568	12.63%
1970-1979	1,631	36.26%
1980-1989	1,331	29.59%
1990-1999	430	9.56%
2000-2009	322	7.16%
2010-2018	87	1.93%
	4,498	



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

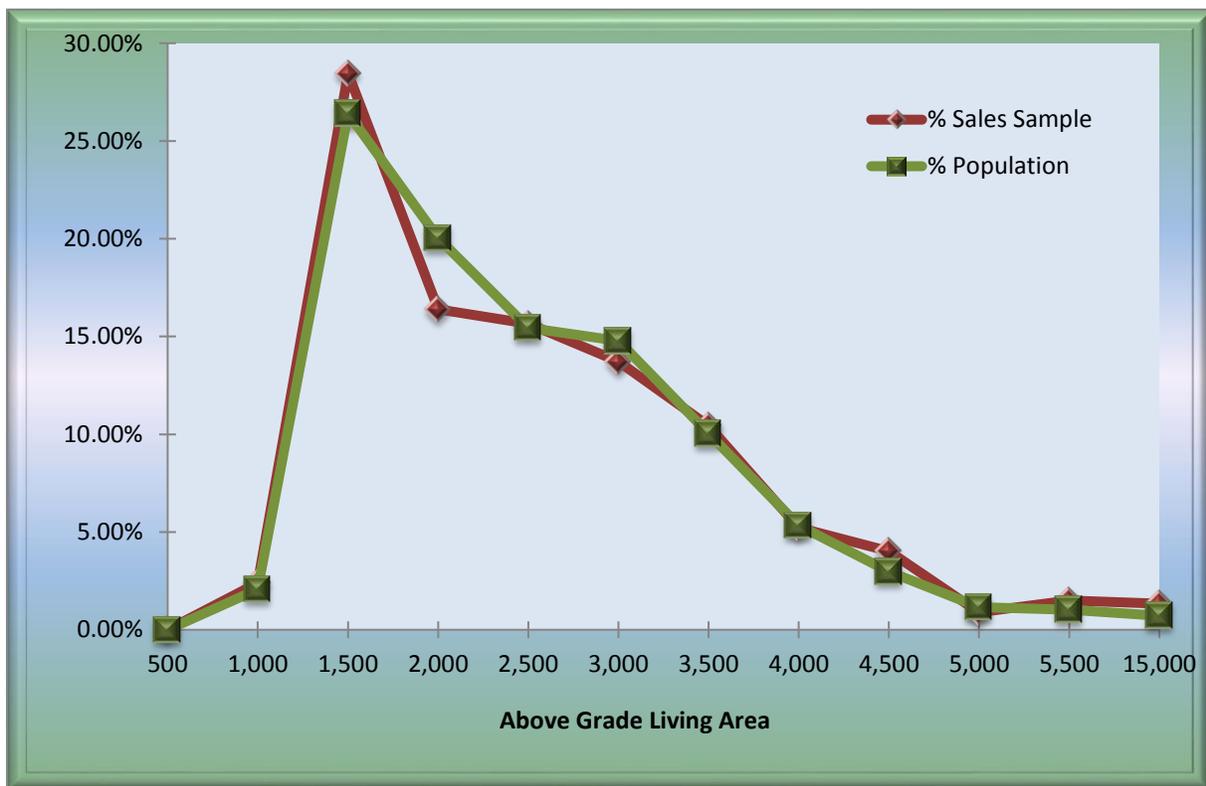
Sales Sample Representation of Population Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	0	0.00%
1,000	16	2.38%
1,500	191	28.46%
2,000	110	16.39%
2,500	105	15.65%
3,000	92	13.71%
3,500	70	10.43%
4,000	35	5.22%
4,500	27	4.02%
5,000	6	0.89%
5,500	10	1.49%
15,000	9	1.34%
	671	

Population

AGLA	Frequency	% Population
500	0	0.00%
1,000	93	2.07%
1,500	1,188	26.41%
2,000	901	20.03%
2,500	695	15.45%
3,000	665	14.78%
3,500	452	10.05%
4,000	240	5.34%
4,500	134	2.98%
5,000	52	1.16%
5,500	46	1.02%
15,000	32	0.71%
	4,498	



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

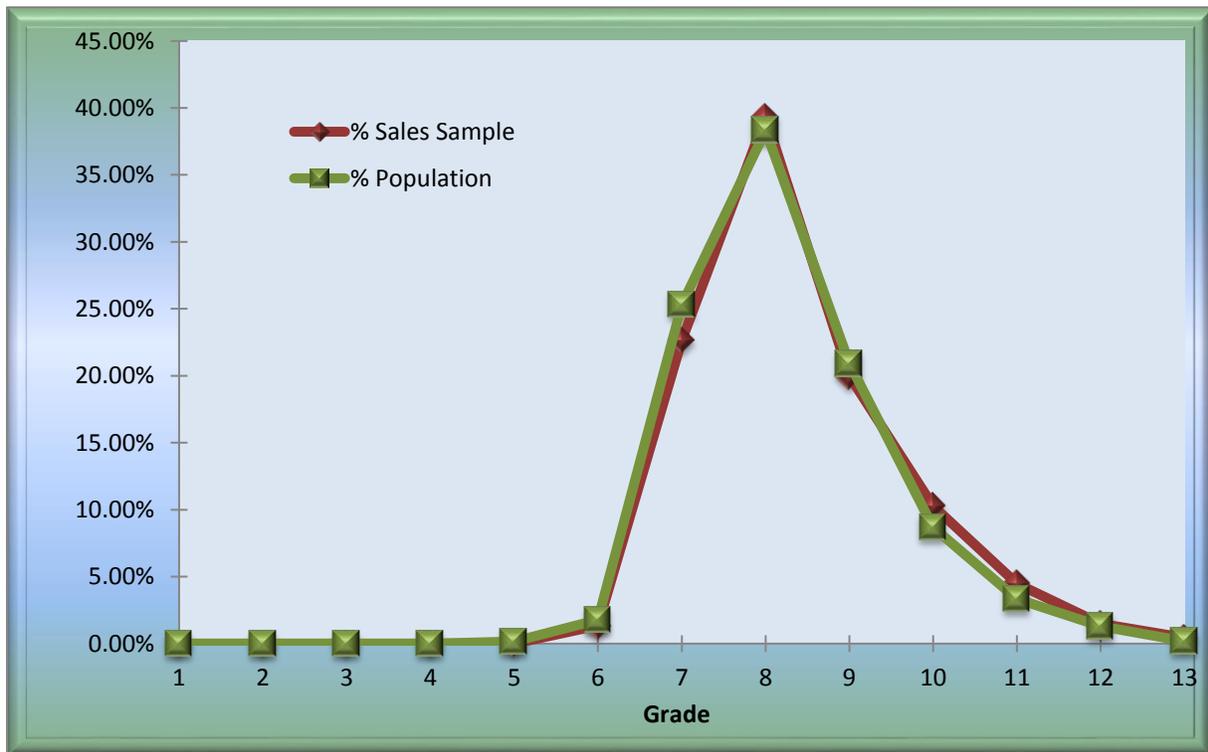
Sales Sample Representation of Population Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	0	0.00%
6	9	1.34%
7	152	22.65%
8	264	39.34%
9	134	19.97%
10	69	10.28%
11	30	4.47%
12	10	1.49%
13	3	0.45%
671		

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	7	0.16%
6	80	1.78%
7	1,139	25.32%
8	1,724	38.33%
9	941	20.92%
10	391	8.69%
11	150	3.33%
12	58	1.29%
13	8	0.18%
4,498		



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

Results

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate. This value estimate may be adjusted based on particular characteristics and conditions as they occur in the valuation area.

The assessment level target for all areas in King County, including this area, is 92.5. The actual assessment level for this area is 92.0% . The standard statistical measures of valuation performance are all within the IAAO recommended range of .90 to 1.10.

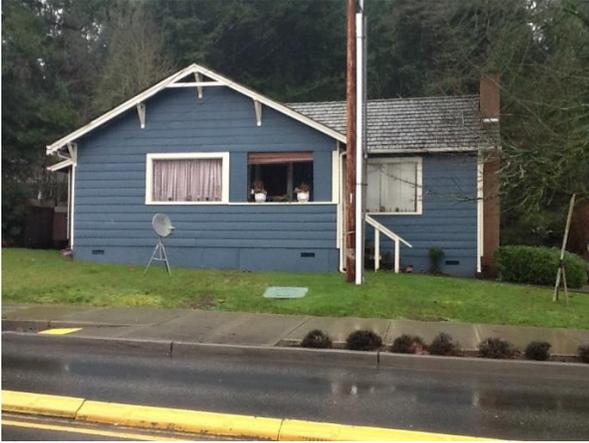
Application of these recommended values for the 2019 assessment year (taxes payable in 2020) results in an average total change from the 2018 assessments of +6.1%. This increase is due partly to market changes over time and the previous assessment levels.

A Ratio Study was completed just prior to the application of the 2019 recommended values. This study benchmarks the prior assessment level using 2018 posted values (1/1/2018) compared to current adjusted sale prices (1/1/2019). The study was also repeated after the application of the 2019 recommended values. The results show an improvement in the COD from 8.53% to 6.77% and an improvement in the COV from 10.89% to 8.47%.

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

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

Area 036 Housing Profile



Grade 5/ Year Built 1930/ Total Living Area 1,050sf



Grade 6/ Year Built 1920/ Total Living Area 1,650sf



Grade 7/ Year Built 1968/ Total Living Area 1,150sf



Grade 8/ Year Built 1989/ Total Living Area 2,740sf



Grade 9/ Year Built 1998/ Total Living Area 3,230sf



Grade 10/ Year Built 2018/ Total Living Area 3,600sf

Area 036 Housing Profile



Grade 11/ Year Built 2003/ Total Living Area 4,880sf



Grade 12/ Year Built 2005/ Total Living Area 5,850sf



Grade 13 /Year Built 1998/ Total Living Area 9,240sf

Glossary for Improved Sales

Condition: Relative to Age and Grade

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

Residential Building Grades

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

USPAP Compliance

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

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

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

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

Highest and Best Use

RCW 84.40.030

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

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

USPAP Compliance...Continued

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

USPAP Compliance...Continued

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:

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

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

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

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

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

The Dictionary of Real Estate Appraisal, 3rd Addition, Appraisal Institute.

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

Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.

USPAP Compliance...Continued

8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

Scope of Work Performed:

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

Certification:

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

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

USPAP Compliance...Continued

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- To the best of my knowledge the following services were performed by the appraisal team within the subject area in the last three years:
 - Heidi Erickson – Appraiser I:** sales verification, appeals response preparation/review, land and total valuation, new construction evaluation
 - Randal Hoffmeyer – Appraiser I:** sales verification, appeals response preparation/review, land and total valuation, new construction evaluation
 - Mark Monahan – Appraiser I:** sales verification, appeals response preparation/review, land and total valuation, new construction evaluation
 - Patrick Ragar – Appraiser I:** sales verification, appeals response preparation/review, land and total valuation, new construction evaluation
 - Jieli Xu – Appraiser I:** sales verification, appeals response preparation/review, land and total valuation, new construction evaluation
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed adjacent to my name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
 - Madeline Scott – Appraiser II:** sales verification, appeals response preparation/review, land and total valuation, new construction evaluation, physical inspection model development and report preparation

Madeline Scott

July 31, 2019

Appraiser II

Date



King County

Department of Assessments

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John Wilson
Assessor

As we start preparations for the 2019 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Time adjust sales to January 1, 2019 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

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



John Wilson