Phinney Ridge/ Fremont

Area: 042

Residential Revalue for 2019 Assessment Roll

King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

500 Fourth Avenue, ADM-AS 0708
Seattle, WA 98104-2384

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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 86 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 is 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.

King County

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

John Wilson
Assessor

Phinney Ridge/ Fremont – Area 042

2019 Assessment Roll Year

Recommendation is made to post values for Area 042 to the 2020 tax roll:

_____   7/17/19
Appraiser II: Steve Elliott   Date

_____   7/19/19
NW District Senior Appraiser: Ron Guidry   Date

_____   7/22/2019
Residential Division Director: Jeff Darrow   Date

This report is hereby accepted and the values described in the attached documentation for Area 042 should be posted to the 2020 tax roll.

_____   7/24/2019
John Wilson, King County Assessor   Date

Executive Summary
Phinney Ridge/ Fremont - Area 042
Physical Inspection

Appraisal Date: 1/1/2019

Previous Physical Inspection: 2013

Number of Improved Sales: 699

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	$274,800	$559,900	$834,700			8.02%
2019 Value	$381,700	$452,100	$833,800	$906,800	92.1%	7.32%
$ Change	+$106,900	-$107,800	-$900			
% Change	+38.9%	-19.3%	-0.1%			

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 7.32% is an improvement from the previous COD of 8.02%. 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	$333,500	$480,200	$813,700
2019 Value	$459,000	$351,400	$810,400
$ Change	+$125,500	-$128,800	-$3,300
% Change	+37.6%	-26.8%	-0.4%

Number of one to three unit residences in the population: 5,047

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 042 – Phinney Ridge/ Fremont, appraisers were in the area, confirming data characteristics, developing new valuation models and selecting a new value for each property for the assessment year. For each of the subsequent years, the previous property values are statistically adjusted during each assessment period. Taxes are paid on *total value*, not on the separate amounts allocated to land and improvements.

The current physical inspection analysis for Area 042 indicated a substantial change was needed in the allocation of the land and improvement value as part of the total. Land is valued as though vacant and at its highest and best use. The improvement value is a residual remaining when land is subtracted from total value.

Since our last physical inspection in 2013 the demand for land has substantially increased in the north end of Seattle. Since most of the properties have already been developed there is a shortage of vacant land to develop. As a consequence developers purchase older homes, tear them down, and then build new single family residences and townhome style residences. In the past several years new single family residences and townhomes have sold soon after they were built due to the high number of people looking for a new home. This increased demand for close in housing to downtown Seattle has produced higher prices for builders to pay to acquire land to develop. This has caused a sharp increase in land values.

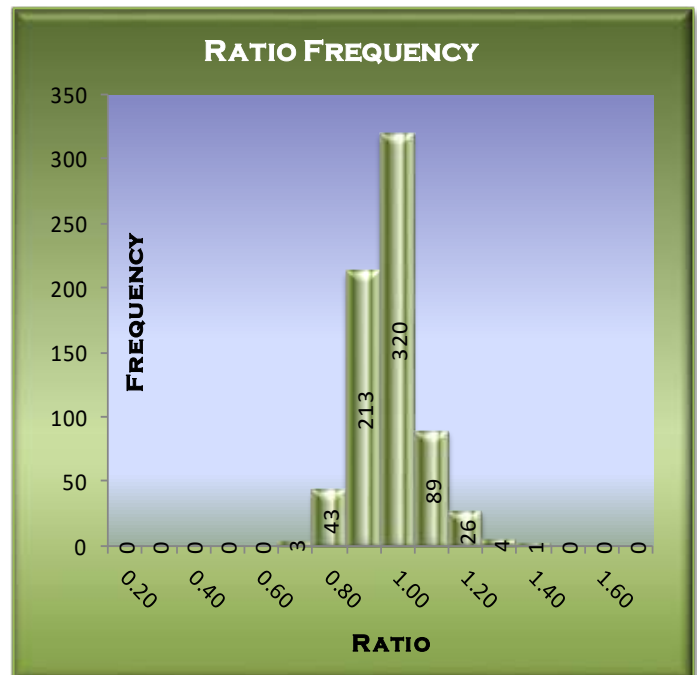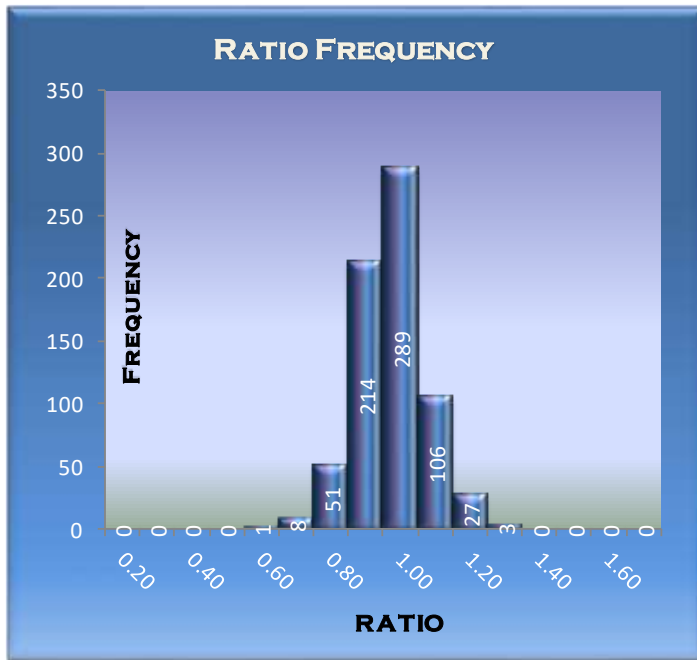# Area 042 Physical Inspection Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

Pre-revalue ratio analysis compares time adjusted sales from 2015 through 2018 in relation to the previous assessed value as of 1/1/2018.

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.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	699
Mean Assessed Value	834,700
Mean Adj. Sales Price	906,800
Standard Deviation AV	228,361
Standard Deviation SP	251,286
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.925
Median Ratio	0.924
Weighted Mean Ratio	0.920
UNIFORMITY	
Lowest ratio	0.576
Highest ratio:	1.276
Coefficient of Dispersion	8.02%
Standard Deviation	0.097
Coefficient of Variation	10.52%
Price Related Differential (PRD)	1.005

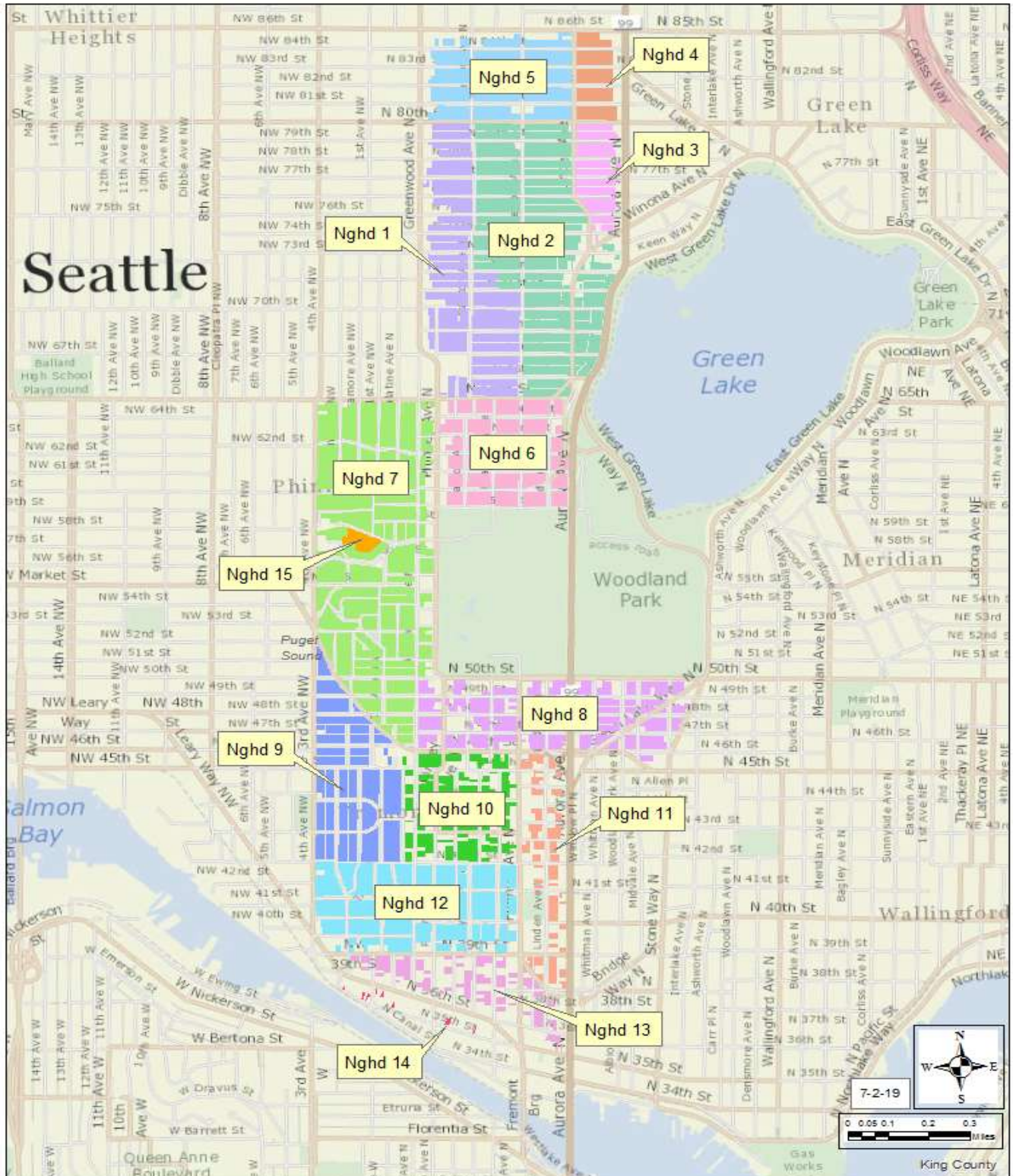| POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	699
Mean Assessed Value	833,800
Mean Sales Price	906,800
Standard Deviation AV	219,283
Standard Deviation SP	251,286
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.927
Median Ratio	0.921
Weighted Mean Ratio	0.919
UNIFORMITY	
Lowest ratio	0.646
Highest ratio:	1.366
Coefficient of Dispersion	7.32%
Standard Deviation	0.091
Coefficient of Variation	9.76%
Price Related Differential (PRD)	1.008

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Neighborhood Map

King County

Department of Assessments

Area Information

Name or Designation
Area 042 - Phinney Ridge/ Fremont

Boundaries
This area is generally bounded by North 85th Street on the north, Aurora Avenue North and East Green Lake Way North on the east, the ship canal to the south, and 3rd Avenue Northwest and Greenwood Avenue North on the west.

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 42 is located in the northwestern area of Seattle. It contains the neighborhoods of Phinney Ridge, Fremont, West Green Lake, and a portion of Greenwood. Geographically it is located on a hill sloping easterly, westerly, and southerly. Phinney Avenue North is generally located at the crest of the hill in the northern section. Major attributes of this area include close proximity to Green Lake, Woodland Park Zoo, Woodland Park, University of Washington, and is relatively close to the downtown business core. Another major drawing point to this area is the view amenity. Approximately 22% of the properties enjoy a view of the Olympic mountains, Cascade mountains, Mt. Rainier, Puget Sound, Green Lake, Seattle Skyline, the ship canal, or has a territorial view. Approximately 99% of the parcels are improved in this area.

This area was one the first areas developed in Seattle. Approximately 58% of the houses were built before 1930. The typical house is grade 7 in quality, has 1,300 square feet of above grade living area, has 1,620 square feet of total living area, and is in average condition. The typical lot size is 3,938 square feet. Since the late 1980's the remodel activity of existing homes in this area has been brisk. Construction of townhome style residences has greatly increased since our last physical inspection 6 years ago. There were 219 new townhomes built since 2014. There are 815 parcels with townhomes constructed on them area wide. Approximately 25% of the area is zoned to allow these higher density developments. Approximately 75% of the area is zoned for detached single family residences [SF 5000].

Area 42 is divided into three sub areas. Sub area 3 is the Phinney Ridge neighborhood. The eastern portion, north of the Woodland Park zoo, has views of the Cascades and Green Lake. The western portion has views of Puget Sound, the Olympics, the ship canal, Ballard, Bainbridge Island, and Magnolia. The average assessed value in sub area 3 is $871,000. Sub area 8 contains the west Green Lake area as well as a portion of Greenwood. The average assessed value here is $771,000. Sub area 11 contains the Fremont neighborhood and the southern part of Phinney Ridge. The average assessed value here is $795,000.

The total assessed value of all parcels for the 2019 assessment year was $4,412,882,197. For the 2018 assessment year the total was $4,379,045,900. As a result of our physical inspection we added $45,394,000 in assessed value attributable to new construction to the tax roll. The physical inspection began in 10/2018 and was completed in 7/2019.

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. In addition to the market data approach the allocation technique was also utilized. Vacant land and teardown sales from the neighborhoods of East Green Lake, Greenwood, Ballard, Crown Hill, Ravenna, Wedgwood, Maple Leaf, Wallingford, Bryant, University District, Broadview, Northgate, Victory Heights, and Licton Springs were also analyzed in the valuation of land. A typical non view lot with 4,000 square feet had a value of $532,000. A typical townhome style residence parcel had a land value of $263,000.

Land Model

Model Development, Description and Conclusions

Approximately 99% of the parcels have houses on them in area 42. Vacant land sales in area 42 and the surrounding areas were rare. 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. There were only 2 vacant land sales occurring from 1/2016 to 1/2019 in area 42. We also analyzed 68 teardown sales occurring in the same time frame. These sales were analyzed to supplement the vacant lot sales analysis. We also analyzed sales in similar neighborhoods that included East Green Lake, Greenwood, Ballard, Crown Hill, Ravenna, Wedgwood, Maple Leaf, Wallingford, Bryant, University District, Broadview, Northgate, Victory Heights, and Licton Springs. We utilized the market data as well as the allocation approach to value in order to determine the land values. The last time the land was inspected and sales analyzed by a field appraiser was in 2012. Since the 2014 assessment year the land values have been annually adjusted similar to improvement values.

The predominant factors influencing land value in this area were location, lot size, view amenity, and traffic noise. These characteristics as well as others such as zoning, topography, highest and best use as if vacant classification, available on street parking, external nuisance, and known easements were checked for accuracy and considered in the land valuation. Adjustments for views and traffic noise were developed using paired sale analysis, years of appraisal experience, and knowledge of the area.

Large sites, where short platting is typical, were valued based on zoning and number of sites allowed for development with consideration made for development costs. The typical development cost used in this area was $25,000.

Area 42 was divided into 15 neighborhoods. The breakdown of these neighborhoods was utilized as an efficient technique to identify and value different pockets within sub areas. A map of these neighborhoods is included at the end of this section.

Neighborhoods 4 and 5 comprise the Greenwood neighborhood located in sub area 8. **Neighborhood 5** is predominately zoned for single family development. Homes in this area are smaller compared to south of North 80th Street in sub area 8 and all of sub areas 3 and 11. There are 374 parcels in **neighborhood 5**. **Neighborhood 4** is located east of **neighborhood 5.** It contains an area that is zoned for commercial uses on Aurora Avenue North. Overall, compared to all other neighborhoods within Area 42, **neighborhood 4** had the lowest average sale price. There are 132 parcels in **neighborhood 4**.

Land Model... Continued

Neighborhood 1 is located on the eastern slope of Phinney Ridge in sub area 8. The topography of this area is rather steep but each parcel has a level building pad for residential development. Approximately 36% of the parcels in **neighborhood 1** have a view of the Cascade mountains, Green Lake, or of the territory. Many others have view utilization of their upper floor living areas. This area has close proximity to shops and restaurants on Greenwood Avenue North located at the top of Phinney Ridge. There are 510 parcels in **neighborhood 1**.

Neighborhood 2 contains the bulk of the east Green Lake neighborhood. Topography is level to moderately sloped. This area is highly desirable due to its close proximity to Green Lake. Only 7% of the properties have a view. There are 806 parcels in **neighborhood 2**.

Neighborhood 3 is located east of **neighborhood 2**. This is a transition area from a desirable residential neighborhood to one that contains commercial development on Aurora Avenue North. There are 147 parcels in **neighborhood 3**.

Neighborhood 6 is located on the eastern slope of Phinney Ridge in sub area 3. It is adjacent to the Woodland Park Zoo. It also has close proximity to Green Lake. **Neighborhood 6** had the highest average sale price in all of area 42. On average the largest homes are also located here. Approximately 37% of the parcels have a view of the Cascade mountains, Green Lake, or of the territory. There are 335 parcels in **neighborhood 6**.

Neighborhood 7 is located on the western facing slope of Phinney Ridge in sub area 3. This is a high demand area due to its views of the Olympics, Puget Sound, the ship canal, and territorial views of Bainbridge Island, Ballard, and Magnolia. Approximately 39% of the parcels have a view. It is also adjacent to the Woodland Park Zoo and several park areas outside the zoo itself. **Neighborhood 7** had the second highest average sale price of any primarily singe family zoned neighborhood within area 42. There are 946 parcels in **neighborhood 7**.

Neighborhood 8 is located south of the Woodland Park Zoo in sub area 3. Approximately 60% of the parcels are zoned for higher density development compared to single family homes. Teardown activity is this area has increased the past 3 years due to the high demand of acquiring land to develop it into townhome style homes. There are 441 parcels in **neighborhood 8**.

Neighborhood 9 is located on a southwest facing slope in sub area 11. This is a transition area between Phinney Ridge, east Ballard, and Fremont neighborhoods. Approximately 98% of this area is zoned for single family development. Over 57% of the parcels have a view of the Olympic mountains, Puget Sound, the ship canal, or of the territory. There are 334 parcels in **neighborhood 9**.

Neighborhood 10 contains the northern portion of Fremont. Approximately 89% of the zoning allow for higher density development [townhome style residences]. Many older homes remain here due to the same reasons mentioned in **neighborhood 9**. However, there are more commercial influences [retail shops and restaurants] in **neighborhood 10** compared to **neighborhood 9**. 52% of the improvements are townhome style residences. Approximately 17% of the parcels have a view of the Olympic mountains, Cascade mountains, downtown skyscrapers, the ship canal, Puget Sound, or of the territory. There are 357 parcels in **neighborhood 10**.

Neighborhood 11 contains the eastern portion of sub area 11. This area is exclusively zoned for high density development. Approximately 59% of the improvements are townhome style residences. This area contains numerous commercial use buildings located on Aurora Avenue

North. Over 17% of the parcels are impacted by traffic noise in **neighborhood 11**. There are 229 parcels in **neighborhood 11**.

Neighborhood 12 contains the heart of the single family residences in Fremont. Approximately 31% of the parcels have a view of the Olympic mountains, Mt. Rainier, the ship canal, Puget Sound, downtown skyscrapers, or of the territory. There are 508 parcels in **neighborhood 12**.

Neighborhood 13 is located in the southern portion of sub area 11. It is zoned exclusively for townhome style residences. 75% of the parcels have townhome style residences on them in **neighborhood 13**. Due to the high density of dwellings the availability of on street parking is limited in this area. There are 287 parcels in **neighborhood 13**.

Neighborhood 14 is a small area at the most southern portion of sub area 11. All of the parcels are zoned for retail, apartment, or manufacturing uses. The improvements are non-conforming structures on very small lots. They are scattered between commercial businesses. There are 9 parcels in **neighborhood 14**.

Neighborhood 15 contains one the Seattle's first planned unit developments. There are 22 townhomes in this development that were completed in 1981. They are slightly larger in total living area compared to the townhomes built recently and all have good garage access.

Land Value Model Calibration

Lot Size Adjustments for Single Site Parcels on SF 5000 Zoned Land

Lot Size [Sq. Ft.]	Nghds 1,2	Nghd 3	Nghd 4	Nghd 5	Nghds 6,7
900 - 1,699	$263,000	$263,000	$240,000	$240,000	$263,000
1,700 - 2,299	$289,000	$271,000	$251,000	$268,000	$314,000
2,300 - 2,699	$328,000	$308,000	$285,000	$305,000	$356,000
2,700 - 2,999	$385,000	$361,000	$334,000	$357,000	$418,000
3,000 - 3,499	$402,000	$377,000	$349,000	$373,000	$436,000
3,500 - 3,999	$441,000	$414,000	$383,000	$410,000	$479,000
4,000 - 4,499	$490,000	$460,000	$425,000	$455,000	$532,000
4,500 - 4,999	$502,000	$472,000	$436,000	$466,000	$545,000
5,000 - 5,499	$515,000	$483,000	$446,000	$478,000	$559,000
5,500 - 5,999	$525,000	$493,000	$455,000	$487,000	$570,000
6,000 - 6,499	$534,000	$501,000	$463,000	$496,000	$580,000
6,500 - 6,999	$545,000	$512,000	$473,000	$506,000	$592,000
7,000 - 7,499	$555,000	$521,000	$481,000	$515,000	$602,000
7,500 - 7,999	$573,000	$538,000	$497,000	$532,000	$622,000
8,000 - 8,999	$587,000	$551,000	$509,000	$545,000	$637,000
9,000 - 9,999	$606,000	$569,000	$525,000	$562,000	$658,000
10,000 - 10,999	$624,000	$586,000	$541,000	$580,000	$678,000
11,000 - 12,999	$654,000	$614,000	$567,000	$607,000	$710,000
13,000 - 14,999	$684,000	$642,000	$593,000	$635,000	$743,000

For view, traffic noise, and other adjustments see page 21.

Lot Size Adjustments for Single Site Parcels on SF 5000 Zoned Land

Lot Size [Sq. Ft.]	Nghd 8	Nghds 9,10,12	Nghd 11	Nghds 13,14
900 - 1,699	$263,000	$263,000	$250,000	$250,000
1,700 - 2,299	$300,000	$286,000	$273,000	$258,000
2,300 - 2,699	$340,000	$325,000	$310,000	$293,000
2,700 - 2,999	$399,000	$381,000	$363,000	$344,000
3,000 - 3,499	$417,000	$398,000	$379,000	$359,000
3,500 - 3,999	$457,000	$437,000	$416,000	$394,000
4,000 - 4,499	$508,000	$485,000	$462,000	$438,000
4,500 - 4,999	$521,000	$497,000	$474,000	$449,000
5,000 - 5,499	$533,000	$509,000	$485,000	$460,000
5,500 - 5,999	$544,000	$519,000	$495,000	$469,000
6,000 - 6,499	$554,000	$529,000	$504,000	$477,000
6,500 - 6,999	$565,000	$540,000	$514,000	$487,000
7,000 - 7,499	$575,000	$549,000	$523,000	$496,000
7,500 - 7,999	$594,000	$567,000	$541,000	$512,000
8,000 - 8,999	$609,000	$581,000	$553,000	$525,000
9,000 - 9,999	$628,000	$599,000	$571,000	$541,000
10,000 - 10,999	$647,000	$618,000	$589,000	$558,000
11,000 - 12,999	$678,000	$647,000	$617,000	$585,000
13,000 - 14,999	$709,000	$677,000	$645,000	$611,000

Land Value Model Calibration... Continued

Lot Size Adjustments for LR1 Zoned Land

Lot Size [Sq. Ft.]	Nghd 7	Nghd 8	Nghds 10,12	Nghd 11	Nghd 13
900 - 1,699	$263,000	$263,000	$263,000	$250,000	$250,000
1,700 - 2,299	$314,000	$300,000	$286,000	$273,000	$258,000
2,300 - 2,699	$356,000	$340,000	$325,000	$310,000	$293,000
2,700 - 2,999	$418,000	$399,000	$381,000	$363,000	$344,000
3,000 - 3,199	$436,000	$417,000	$398,000	$379,000	$359,000
3,200 - 3,599	$665,000	$665,000	$665,000	$665,000	$665,000
3,600 - 3,999	$708,000	$708,000	$708,000	$708,000	$708,000
4,000 - 4,499	$885,000	$885,000	$885,000	$885,000	$885,000
4,500 - 4,999	$898,000	$898,000	$898,000	$898,000	$898,000
5,000 - 5,599	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
5,600 - 5,999	$1,011,000	$1,011,000	$1,011,000	$1,011,000	$1,011,000
6,000 - 6,599	$1,023,000	$1,023,000	$1,023,000	$1,023,000	$1,023,000
6,600 - 7,499	$1,131,000	$1,131,000	$1,131,000	$1,131,000	$1,131,000
7,500 - 8,199	$1,146,000	$1,146,000	$1,146,000	$1,146,000	$1,146,000
8,200 - 8,999	$1,263,000	$1,263,000	$1,263,000	$1,263,000	$1,263,000
9,000 - 9,799	$1,284,000	$1,284,000	$1,284,000	$1,284,000	$1,284,000
9,800 - 11,399	$1,526,000	$1,526,000	$1,526,000	$1,526,000	$1,526,000
11,400 - 12,099	$1,841,000	$1,841,000	$1,841,000	$1,841,000	$1,841,000

For view, traffic noise, and other adjustments see page 21.

Lot Size Adjustments for LR2/LR2 RC Zoned Land

Lot Size [Sq. Ft.]	Nghd 2	Nghd 3	Nghd 4	Nghd 5	Nghd 7
900 - 1,699	$263,000	$263,000	$240,000	$240,000	$263,000
1,700 - 2,299	$289,000	$271,000	$251,000	$268,000	$314,000
2,300 - 2,699	$328,000	$308,000	$285,000	$305,000	$356,000
2,700 - 2,999	$385,000	$361,000	$334,000	$357,000	$418,000
3,000 - 3,199	$402,000	$377,000	$349,000	$373,000	$436,000
3,200 - 3,599	$665,000	$665,000	$578,000	$618,000	$665,000
3,600 - 3,999	$708,000	$708,000	$621,000	$661,000	$708,000
4,000 - 4,499	$885,000	$885,000	$769,000	$823,000	$885,000
4,500 - 4,999	$898,000	$898,000	$782,000	$836,000	$898,000
5,000 - 5,599	$1,000,000	$1,000,000	$870,000	$930,000	$1,000,000
5,600 - 5,999	$1,011,000	$1,011,000	$881,000	$941,000	$1,011,000
6,000 - 6,599	$1,131,000	$1,131,000	$983,000	$1,051,000	$1,131,000
6,600 - 7,000	$1,143,000	$1,143,000	$995,000	$1,063,000	$1,143,000

For view, traffic noise, and other adjustments see page 21.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR2/LR2 RC Zoned Land (Cont.)

Lot Size [Sq. Ft.]	Nghd 8	Nghds 10,12	Nghd 11	Nghd 13
900 - 1,699	$263,000	$263,000	$250,000	$250,000
1,700 - 2,299	$300,000	$286,000	$273,000	$258,000
2,300 - 2,699	$340,000	$325,000	$310,000	$293,000
2,700 - 2,999	$399,000	$381,000	$363,000	$344,000
3,000 - 3,199	$417,000	$398,000	$379,000	$359,000
3,200 - 3,599	$665,000	$665,000	$665,000	$665,000
3,600 - 3,999	$708,000	$708,000	$708,000	$708,000
4,000 - 4,499	$885,000	$885,000	$885,000	$885,000
4,500 - 4,999	$898,000	$898,000	$898,000	$898,000
5,000 - 5,599	$1,000,000	$1,000,000	$1,000,000	$1,000,000
5,600 - 5,999	$1,011,000	$1,011,000	$1,011,000	$1,011,000
6,000 - 6,599	$1,131,000	$1,131,000	$1,131,000	$1,131,000
6,600 - 7,000	$1,143,000	$1,143,000	$1,143,000	$1,143,000

For view, traffic noise, and other adjustments see page 21.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR3/LR3 RC Zoned Land

Lot Size [Sq. Ft.]	Nghds 1,2	Nghd 3	Nghds 6,7	Nghd 8	Nghds 9,10,12
900 - 1,699	$263,000	$263,000	$263,000	$263,000	$263,000
1,700 - 2,299	$289,000	$271,000	$314,000	$300,000	$286,000
2,300 - 2,699	$328,000	$308,000	$356,000	$340,000	$325,000
2,700 - 2,999	$385,000	$361,000	$418,000	$399,000	$381,000
3,000 - 3,199	$402,000	$377,000	$436,000	$417,000	$398,000
3,200 - 3,599	$665,000	$665,000	$665,000	$665,000	$665,000
3,600 - 3,999	$708,000	$708,000	$708,000	$708,000	$708,000
4,000 - 4,499	$885,000	$885,000	$885,000	$885,000	$885,000
4,500 - 4,999	$898,000	$898,000	$898,000	$898,000	$898,000
5,000 - 5,599	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
5,600 - 5,999	$1,011,000	$1,011,000	$1,011,000	$1,011,000	$1,011,000
6,000 - 6,599	$1,131,000	$1,131,000	$1,131,000	$1,131,000	$1,131,000
6,600 - 7,000	$1,143,000	$1,143,000	$1,143,000	$1,143,000	$1,143,000

For view, traffic noise, and other adjustments see page 21.

Lot Size Adjustments for LR3/LR3 RC Zoned Land (Cont.)

Lot Size [Sq. Ft.]	Nghd 11	Nghd 13
900 - 1,699	$250,000	$250,000
1,700 - 2,299	$273,000	$258,000
2,300 - 2,699	$310,000	$293,000
2,700 - 2,999	$363,000	$344,000
3,000 - 3,199	$379,000	$359,000
3,200 - 3,599	$665,000	$665,000
3,600 - 3,999	$708,000	$708,000
4,000 - 4,499	$885,000	$885,000
4,500 - 4,999	$898,000	$898,000
5,000 - 5,599	$1,000,000	$1,000,000
5,600 - 5,999	$1,011,000	$1,011,000
6,000 - 6,599	$1,131,000	$1,131,000
6,600 - 7,000	$1,143,000	$1,143,000

Land valuation adjustments after lot size calculation:

View Amenity (Cumulative)

	Fair	Avg	Good	Excellent
Puget Sound	+6%	NA	NA	NA
Green Lake	NA	+3%	+5%	NA
Ship Canal	NA	+2%	+4%	NA
Olympics	NA	+6%	+10%	+12%
Cascades	NA	+6%	+9%	NA
Territorial	NA	+2%	+5%	+8%
Mt. Rainier	NA	+1%	+1%	NA
Seattle Skyline	NA	+7%	+10%	NA

Traffic Noise
-10% for moderate traffic noise
-20% for high traffic noise
-30% for extreme traffic noise

Other Adjustments
-5% if adjacent to commercial property
-5% if limited on street parking/bad access onto high or extreme arterial

Order of adjustments: lot size adjustment x [1+(traffic noise+other nuisance+limited on street pkg on high or extreme arterial+views)]. Final value was truncated down to the nearest thousand.

Land Valuation Example of a Single family
residence: 4,000 square foot parcel, located in neighborhood 2, zoned SF 5000, traffic noise is moderate

Lot size adjustment:	490,000
Traffic noise adjustment:	-49,000
Net Baseland Value:	441,000
Final Baseland Value:	441,000 (Truncated)

Land Value Model Calibration... Continued

Townhome Land Valuation

Lot Size [Sq. Ft.]	Nghds 1,2,3,6,7,8,9,10,12	Nghds 4,5	Nghds 11, 13,14	Nghd 15
500 - 3,061	$263,000	$240,000	$250,000	$342,000

Land valuation adjustments after lot size calculation:

View Amenity (Cumulative)

	Fair	Avg	Good	Excellent
Puget Sound	+6%	NA	NA	NA
Green Lake	NA	+3%	+5%	NA
Ship Canal	NA	+2%	+4%	NA
Olympics	NA	+6%	+10%	+12%
Cascades	NA	+6%	+9%	NA
Territorial	NA	+2%	+5%	+8%
Mt. Rainier	NA	+1%	+1%	NA
Seattle Skyline	NA	+7%	+10%	NA

Traffic Noise
-5% for moderate traffic noise
-10% for high traffic noise
-15% for extreme traffic noise

Other Adjustments
-5% if limited on street parking/bad access onto high or extreme arterial

Order of adjustments: lot size adjustment x [1+(traffic noise+limited on street pkg on high or extreme arterial+views)]. Final value was truncated down to the nearest thousand.

Land Value Model Calibration... Continued

For the following zoning designations we applied the commercial land model unless it was known townhome development was going to occur:

Zoning	AV per Sq. Ft.
C1-40	$100 - $150
IB U/45	$115
IG2 U/65	$125
NC2-40	$195 - $205
NC2P-30	$195
NC2P-40	$205
NC3P-40	$110 - $155

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:

All sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2019. There were 965 sales from 1/1/2016 to 12/31/2018. Appraisers determined 910 of these sales reflected fair market value and could be considered for land or total valuation purposes.

A characteristic based multiplicative regression model was developed for valuing the majority of parcels in area 42. The model was applied to detached single family residences as well as townhome style improvements. Our team extensively verified each sale and confirmed the characteristic data at the time of sale. We field inspected the sales talking to as many buyers as possible and taking new exterior pictures. In addition we extensively looked at characteristic data and pictures on various web sites in order to have the most accurate data as possible. The model was tested for accuracy on all possible types of property in the population. Supplemental models were developed and applied to properties where the regression model was not deemed accurate. The valuation models were applied to the population after each parcel had been inspected in the field. Based on the sales an overall assessment level of 92.1% was achieved. The uniformity of assessment improved as the COD was reduced from 8.02% to 7.32%.

The regression model included the following variables that affected the valuation of detached single family residences: land value, grade, condition, year built or year renovation, first floor area, upper floor area, total basement area, finished basement area, covered parking area, number of bathrooms, neighborhood 2, neighborhoods 3 through 5, or if there was a roof top deck. It was applicable to detached single family homes with grades 6-10, all ages, and all conditions with the exception of "poor". It was not applicable to homes with grades less than 6 or greater than

10, multiple buildable sites, parcels with more than one house, homes with unfinished area, homes less than 100% complete, either miscellaneous or additional costs greater than 9,999, or parcels coded interim use.

For townhome style residences the following variables were in the multiple regression model: land value, grade, year built or year renovation, condition, total living area, number of bathrooms, covered parking area, units with roof top decks, units with no common walls, units with good garage access, located in sub area 8, and located in neighborhood 15. It was not applicable for grades less than 7 or greater than 9, parcels with more than one townhome, or units that are less than 100% complete.

Improved Parcel Total Value Model Calibration

Variable	Definition
AdjLandValC	2019 base land value
Grade6YN	House is grade 6
Grade8YN	House is grade 8
Grade9SfrYN	House is grade 9
Grade9THYN	Townhome is grade 9
Grade10YN	House is grade 10
FairYN	Condition is fair
GoodYN	Condition is good
VGoodYN	Condition is very good
AgeC	Year built or renovation of house
OldAgeYN	Homes built or renovated before 1936
FstFlrC	Non Townhome and square footage of 1st Flr
FlrAboveFstC	Non Townhome and square footage above 1st Floor
UnfBPlsFbByGrdC	Non Townhome and square footage of basement area plus finished basement area if the grade is>4 less basement garage area
THTotLivC	Total living area of Townhome
BathsSfrC	Number of bathrooms in Non Townhome
THBathsC	Number of bathrooms in Townhome
TotCvdPkgC	Total covered parking area
Sub8ThomeYN	Townhome located in sub area 8
Nghb2SfrYN	Non Townhome located in neighborhood 2
Nghds3To5SfrYN	Non Townhome located in neighborhoods 3 through 5
Nghb15YN	Townhome located in neighborhood 15
DetTHYN	Townhome with no common walls
THGdgarAccYN	Townhome with good garage access
RoofDkYN	House or Townhome has a roof top deck

Multiplicative Model

(1-0.075) * 4.25287485617245 + 0.307641272098048 * AdjLandValC - 0.0688642244916629 * AgeC + 0.0635977128669059 * BathsSfrC + 0.0193146570482764 * DetTHYN - 0.0602500823381381 * FairYN + 0.0622496847956812 * FlrAboveFstC + 0.222640692793652 * FstFlrC + 0.0241707603559489 * GoodYN + 0.155956283271268 * Grade10YN - 0.0165405645935449 * Grade6YN + 0.047868645229496 * Grade8YN + 0.109793002696483 * Grade9SfrYN + 0.0872737589788136 * Grade9THYN - 0.0942991065796103 * Nghb15YN - 0.0152962546611834 * Nghb2SfrYN - 0.0410572257731626 * Nghds3To5SfrYN + 0.0203802673774263 * OldAgeYN + 0.0109831006774024 * RoofDkYN - 0.0473647537598749 * Sub8ThomeYN + 0.0305210806461099 * THBathsC + 0.0229137468670532 * THGdgarAccYN + 0.250292055234682 * THTotLivC + 0.00520391754722961 * TotCvdPkgC + 0.028769548788365 * UnfBPlsFbByGrdC + 0.0619970580003646 * VGoodYN

EMV values were not generated for:

- Buildings with grade less than 6 for non townhomes and less than 7 for townhomes
- 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
- Condition is poor
- Percent complete is less than 100%
- Unfinished area>0
- Highest and Best Use if Improved is interim use
- Obsolescence>0
- Net condition>0

Of the improved parcels in the population, 2,310 parcels increased in value. They were comprised of 718 single family residences on commercially zoned land and 1,592single family residences or other parcels.

Of the vacant land parcels greater than $1,000, 34 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

For Single Family Residences

Grade 5: Determine EMV as a grade 6, then deduct the percentage change of total RCN [replacement cost new] from a grade 6 vs grade 5 from the improvement portion. Then add back in the land value.

Grade 4: Determine EMV as a grade 6, then deduct the percentage change of total RCN [replacement cost new] from a grade 6 vs grade 4 from the improvement portion. Then add back in the land value.

Unfinished Areas: Use the RCN [replacement cost new] difference between the area being finished and unfinished in order to get a downward adjustment from EMV.

Additional cost or Miscellaneous accessory cost>=10,000: Value imp per EMV or appropriate supplemental model then add the cost of the flat valued item. However, if the additional cost is for a 2nd kitchen in a mother in law apartment or legal accessory dwelling unit then do not add any more value to the EMV.

2 imps on single family zoned land and not subdividable: For Legal Detached Accessory Dwelling Units built after 1979 and in avg condition then the added value of imp # 2 is RCNLD [replacement cost new less depreciation] x 1.35. Add this to the EMV or appropriate supplemental model of imp # 1. If the 2nd imp has a year built or renovation<1980 and the condition is average then add RCN x 1.0 + the EMV or appropriate supplemental model of imp #1. If the 2nd imp has a year built or renovation<1980 and the condition is good then add RCN x 1.15 + EMV or appropriate supplemental model of imp #1. If the 2nd imp has YrBltRen<1980 and the condition is very good then add RCN x 1.25 + EMV or appropriate supplemental model of imp #1.

If the detached garage or carport is in poor condition then value at EMV or the appropriated supplemental model without consideration of the covered parking area.

If there is a roof top deck then value at EMV in Real Property x 1.0256.

For Townhome Style Residences

If the unit is detached then value at Total EMV in Real Property x 1.0455.
If the unit has a roof top deck then value at Total EMV in Real Property x 1.0256.
If the unit has good garage access then value at Total EMV in Real Property x 1.0542.

Physical Inspection Process

Effective Date of Appraisal: January 1, 2019
Date of Appraisal Report: July 15, 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.

- Steve Elliott – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection, total valuation in sub area 8 and report writing.
- Skyler Bridges – Appraiser I: Sales verification, appraisal analysis, physical inspection and total valuation in sub area 8.
- Anne Main – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation in sub area 11.
- Naomi Yother – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation in sub area 3.

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. 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.

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 042 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 5/15/2018. 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 **Error! Reference source not found.** is:

(0.837584285982993 - 0.000310425132646799 * ((SaleDate<=43235)*SaleDate+(SaleDate>43235)*43235-43466)+ 0.000249921469000106 *((SaleDate>=43236)*SaleDate+(SaleDate<43236)*43235-43466))/(0.837584285982993 - 0.000310425132646799*(-231))

For example, a sale of $600,000 which occurred on October 1, 2017 would be adjusted by the time trend factor of 1.014, resulting in an adjusted value of $608,400 ($600,000 * 1.014=$608,000) – truncated to the nearest $1,000.

Area 042 Market Value Changes Over Time

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2016	1.232	23.2%
2/1/2016	1.221	22.1%
3/1/2016	1.211	21.1%
4/1/2016	1.201	20.1%
5/1/2016	1.191	19.1%
6/1/2016	1.180	18.0%
7/1/2016	1.170	17.0%
8/1/2016	1.159	15.9%
9/1/2016	1.149	14.9%
10/1/2016	1.138	13.8%
11/1/2016	1.128	12.8%
12/1/2016	1.117	11.7%
1/1/2017	1.107	10.7%
2/1/2017	1.096	9.6%
3/1/2017	1.087	8.7%
4/1/2017	1.076	7.6%
5/1/2017	1.066	6.6%
6/1/2017	1.055	5.5%
7/1/2017	1.045	4.5%
8/1/2017	1.034	3.4%
9/1/2017	1.024	2.4%
10/1/2017	1.014	1.4%
11/1/2017	1.003	0.3%
12/1/2017	0.993	-0.7%
1/1/2018	0.982	-1.8%
2/1/2018	0.972	-2.8%
3/1/2018	0.962	-3.8%
4/1/2018	0.952	-4.8%
5/1/2018	0.941	-5.9%
6/1/2018	0.941	-5.9%
7/1/2018	0.949	-5.1%
8/1/2018	0.958	-4.2%
9/1/2018	0.966	-3.4%
10/1/2018	0.975	-2.5%
11/1/2018	0.983	-1.7%
12/1/2018	0.991	-0.9%
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	67	9.59%
1910-1919	78	11.16%
1920-1929	105	15.02%
1930-1939	5	0.72%
1940-1949	24	3.43%
1950-1959	24	3.43%
1960-1969	9	1.29%
1970-1979	7	1.00%
1980-1989	23	3.29%
1990-1999	23	3.29%
2000-2009	133	19.03%
2010-2018	201	28.76%
	699	

Population

Year Built/Ren	Frequency	% Population
1900-1909	746	14.78%
1910-1919	1,067	21.14%
1920-1929	1,136	22.51%
1930-1939	99	1.96%
1940-1949	193	3.82%
1950-1959	233	4.62%
1960-1969	66	1.31%
1970-1979	69	1.37%
1980-1989	164	3.25%
1990-1999	201	3.98%
2000-2009	677	13.41%
2010-2018	396	7.85%
	5,047	
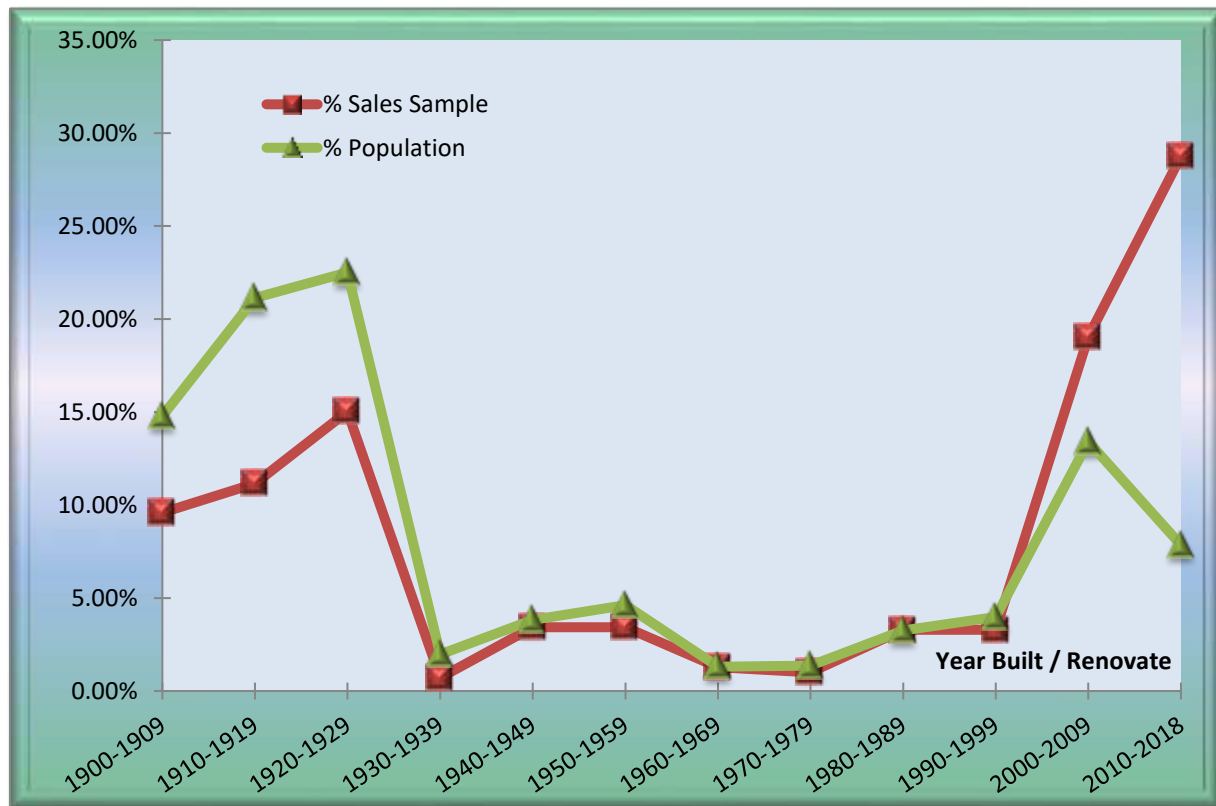
Sales of new homes built over the last few years are over represented in this sample.

This is a common occurrence due to the fact that most new homes will sell shortly after completion. This over representation was found to lack statistical significance during the modeling process.

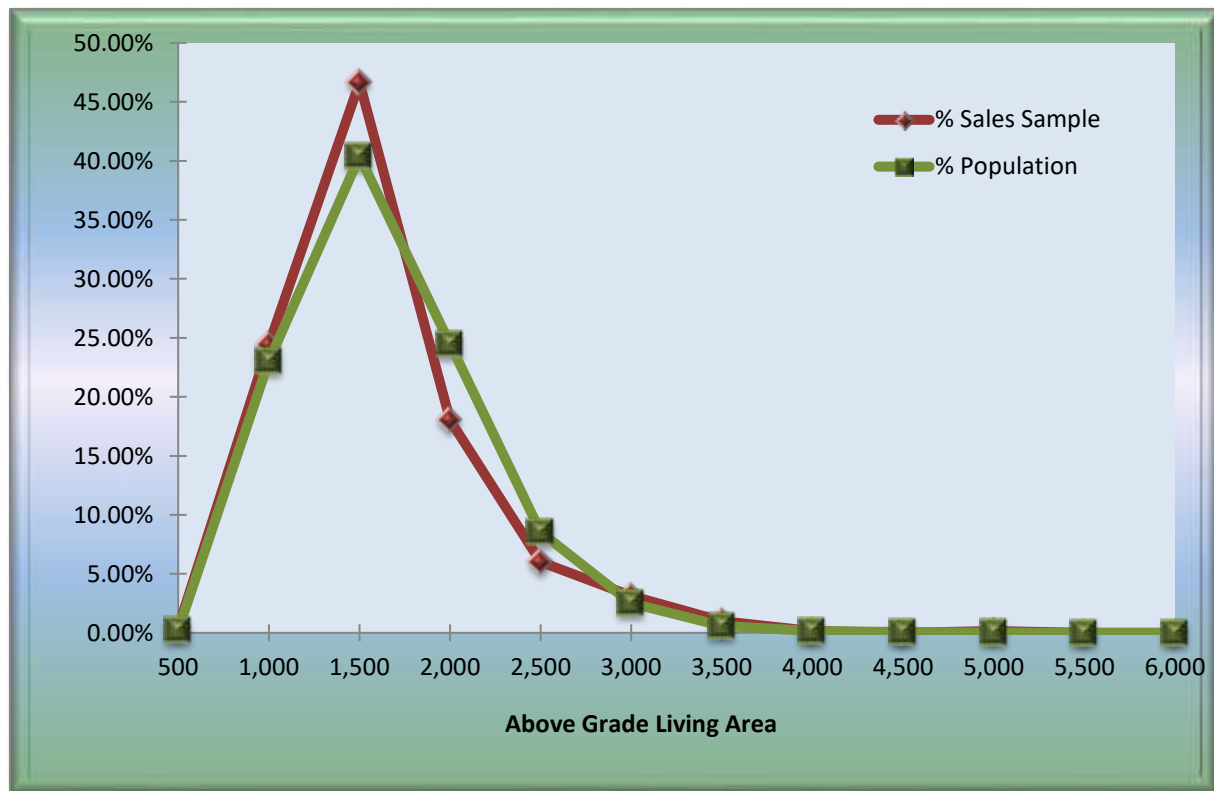# Sales Sample Representation of Population

Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	3	0.43%
1,000	171	24.46%
1,500	326	46.64%
2,000	126	18.03%
2,500	42	6.01%
3,000	22	3.15%
3,500	7	1.00%
4,000	1	0.14%
4,500	0	0.00%
5,000	1	0.14%
5,500	0	0.00%
6,000	0	0.00%
	699	

Population

AGLA	Frequency	% Population
500	12	0.24%
1,000	1,163	23.04%
1,500	2,038	40.38%
2,000	1,236	24.49%
2,500	430	8.52%
3,000	127	2.52%
3,500	30	0.59%
4,000	7	0.14%
4,500	3	0.06%
5,000	1	0.02%
5,500	0	0.00%
6,000	0	0.00%
	5,047	

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.

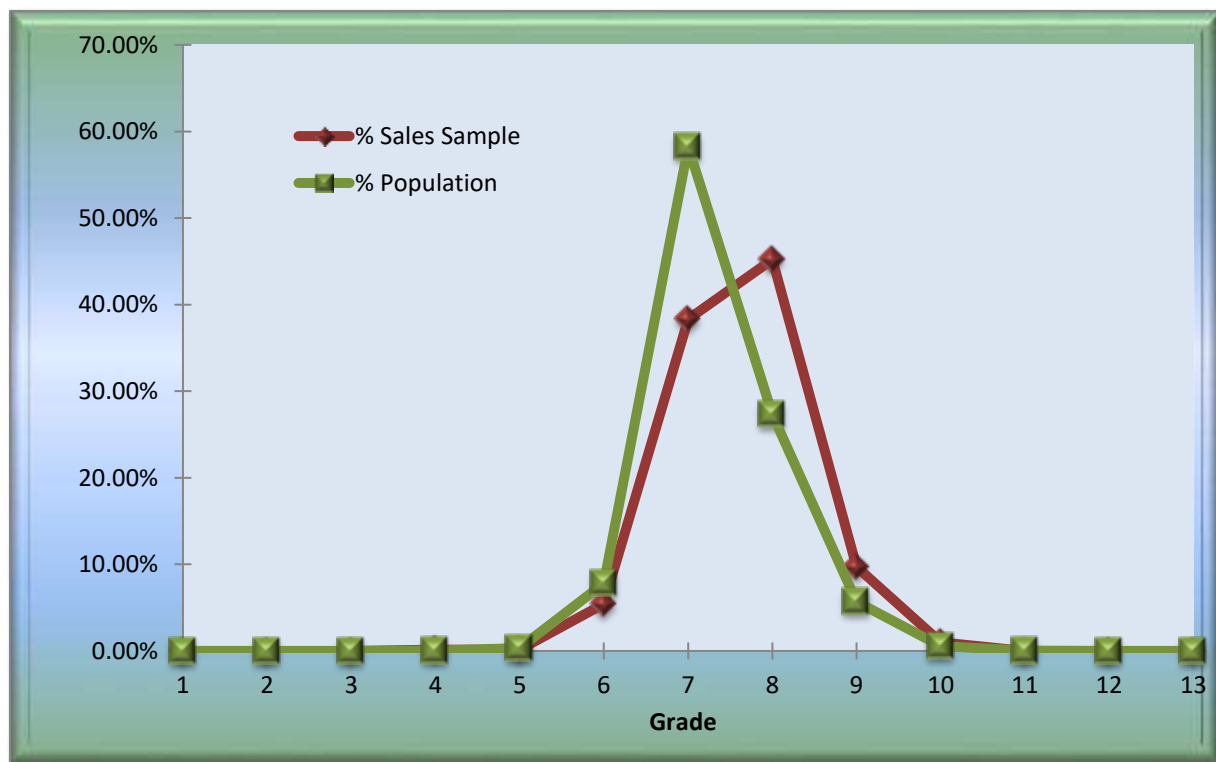# Sales Sample Representation of Population

Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	1	0.14%
5	1	0.14%
6	38	5.44%
7	268	38.34%
8	316	45.21%
9	68	9.73%
10	7	1.00%
11	0	0.00%
12	0	0.00%
13	0	0.00%
	699	

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	1	0.02%
5	17	0.34%
6	394	7.81%
7	2,939	58.23%
8	1,378	27.30%
9	288	5.71%
10	28	0.55%
11	2	0.04%
12	0	0.00%
13	0	0.00%
	5,047	

The sales sample frequency distribution follows the population distribution relatively closely with regard to Building Grades. This distribution is adequate 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 92.1% . 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 -0.4%. This decrease 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 8.02% to 7.32%.

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

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

Area 42 Housing Profile

Grade 5/ Year Built 1931/ Total Living Area 850

Grade 6/ Year Built 1908/ Total Living Area 1,490

Grade 7/ Year Built 1928/ Total Living Area 1,190

Grade 8/ Year Built 2016/ Total Living Area 1,430

Grade 9/ Year Built 2018/ Total Living Area 3,140

Grade 10/ Year Built 2004/ Total Living Area 4,210

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 SR 6-8. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

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

Definition and date of value estimate:

Market Value

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

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

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

Highest and Best Use

RCW 84.40.030

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

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

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:
> *All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class.*

Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914)
> *…the entire [fee] estate is to be assessed and taxed as a unit…*

Folsom v. Spokane County, 111 Wn. 2d 256 (1988)
> *…the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee…*

The Dictionary of Real Estate Appraisal, 3rd Addition, Appraisal Institute.
> *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

Assumptions and Limiting Conditions:

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

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

Scope of Work Performed:

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

Certification:

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

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

- The individuals listed below were part of the "appraisal team" and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- To the best of my knowledge the following services were performed by the appraisal team within the subject area in the last three years:
  - Naomi Yother: Appeals Response Preparation / Review, Sales Verification, New Construction Evaluation
  - Anne Main: Appeals Preparation / Review
  - Skyler Bridges: No services performed

- 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:
  - Annual Up-Date Model Development and Report Preparation
  - Data Collection
  - Sales Verification
  - Appeals Response Preparation / Review
  - New Construction Evaluation

Steve Elliott   7/17/19

Appraiser II   Date

USPAP Compliance

King County

Department of Assessments
King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0708
Seattle, WA 98104-2384
(206) 296-7300   FAX (206) 296-0595
Email: assessor.info@kingcounty.gov

John Wilson
Assessor

As we start preparations for the 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