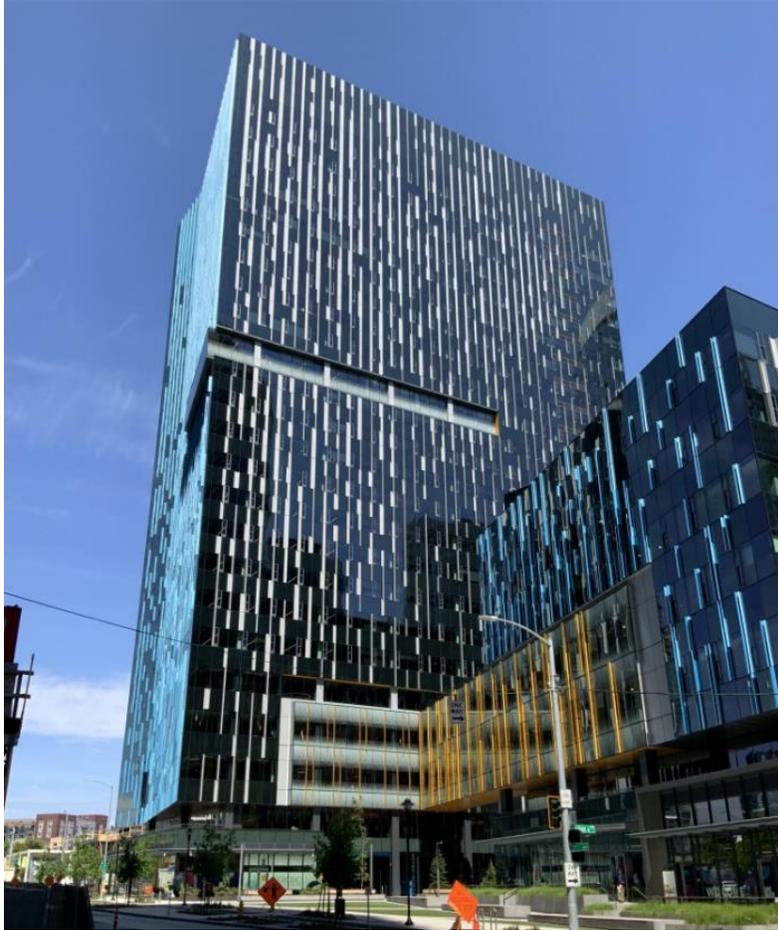


Major Offices

Specialty Area 280

Commercial Revalue for 2020 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

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 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 commercial property, the Assessor breaks up King County into geographic or specialty (i.e., office buildings, warehouses, retail centers, etc.) market areas and annually develops valuation models using one or more of the three standard appraisal indicators of value: Cost, Sales Comparison (market) and Income. For most commercial properties the income approach is the primary indicator of value. The results of the models are then applied to all properties within the same geographic or specialty 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 neighborhood. 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 occupant 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 Commercial Properties Valued?

The Assessor collects a large amount of data regarding commercial properties: cost of construction, sales of property, and prevailing levels of rent, operating expenses, and capitalization rates. Statistical analysis is conducted to establish relationships between factors that might influence the value of commercial property. Lastly valuation models are built and applied to the individual properties. For income producing properties, the following steps are employed to calculate an income approach:

1. Estimate potential gross income
2. Deduct for vacancy and credit loss
3. Add miscellaneous income to get the effective gross income
4. Determine typical operating expenses
5. Deduct operating expenses from the effective gross income
6. Select the proper capitalization rate
7. Capitalize the net operating income into an estimated property value

How is Assessment Uniformity Achieved?

The Assessor achieves uniformity of assessments through standardization of rate tables for incomes, operating expenses, vacancy and credit loss collections and capitalization rates which are uniformly applied to similarly situated commercial properties. Rate tables are generated annually that identify specific rates based on location, age, property type, improvement class, and quality grade. Rate tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results back to properties based on their unique set of attributes.

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure the uniformity of predicted property assessments. We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers (aka IAAO) that may be reviewed at www.IAAO.org. The following are target CODs we employ based on standards set by IAAO:

Type of Commercial Property	Subtype	COD Range
Income Producing	Larger areas represented by large samples	5.0 to 15.0
Income Producing	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.

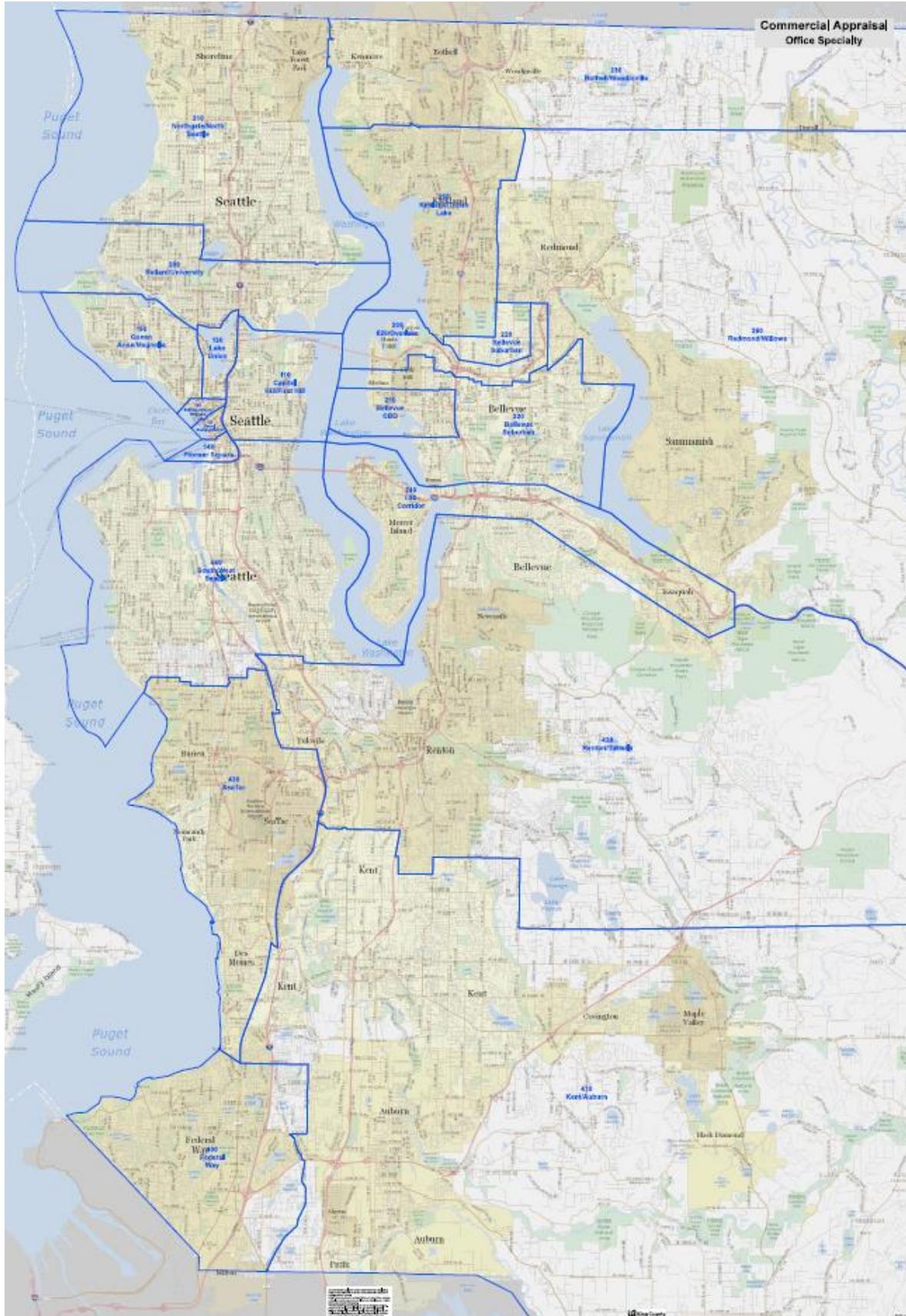
Requirements of State Law

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.

SPECIALTY AREA 280 MAP



Specialty Area 280
2020 Assessment Year

Specialty Area 280 Annual Update Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

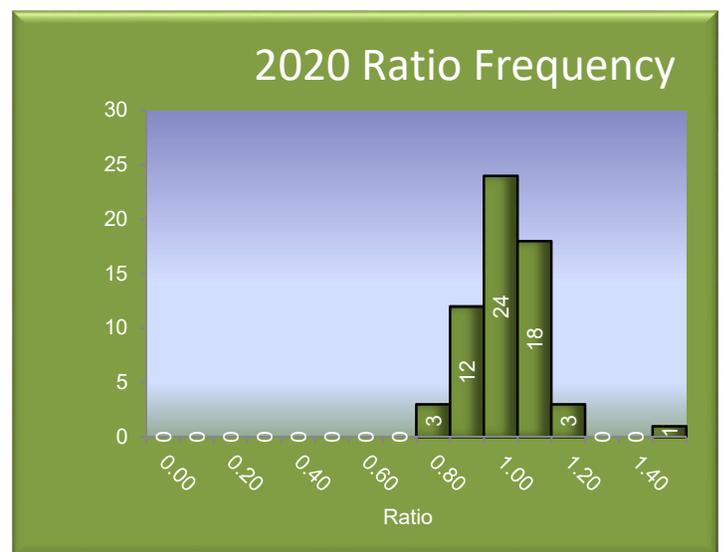
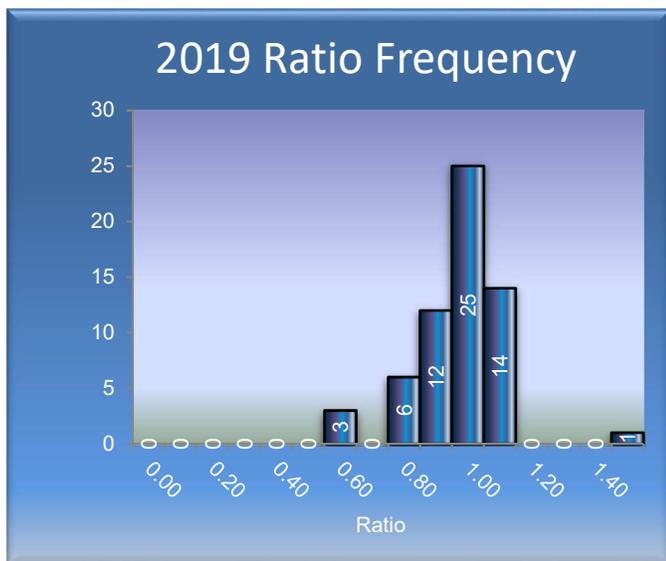
Pre-revalue ratio analysis compares sales from 2017 through 2019 in relation to the previous assessed value as of 1/1/2019.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	61
Mean Assessed Value	107,841,300
Mean Adj. Sales Price	118,016,800
Standard Deviation AV	111,214,076
Standard Deviation SP	121,808,134
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.924
Median Ratio	0.945
Weighted Mean Ratio	0.914
UNIFORMITY	
Lowest ratio	0.5531
Highest ratio:	1.4299
Coefficient of Dispersion	9.88%
Standard Deviation	0.1352
Coefficient of Variation	14.63%
Price Related Differential (PRD)	1.01

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares sales from 2017 through 2019 and reflects the assessment level after the property has been revalued to 1/1/2020.

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	61
Mean Assessed Value	112,135,400
Mean Sales Price	118,016,800
Standard Deviation AV	114,115,175
Standard Deviation SP	121,808,134
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.963
Median Ratio	0.957
Weighted Mean Ratio	0.950
UNIFORMITY	
Lowest ratio	0.7414
Highest ratio:	1.4378
Coefficient of Dispersion	8.14%
Standard Deviation	0.1088
Coefficient of Variation	11.30%
Price Related Differential (PRD)	1.01



Executive Summary Report

Appraisal Date: 1/1/2020

Specialty Appraisal Area:

- **Area 280:** Major Office Buildings

Sales – Improved Summary:

- Number of Sales: 82 total sales; 61 sales in ratio study
- Range of Sales Dates: 1/18/2017 – 12/31/2019

Sales – Ratio Study Summary:

Sales--Ratio Study Summary				
	Mean Assessed Value	Mean Sale Price	Ratio	COD*
2019 Value	\$107,841,300	\$118,016,800	91.40%	9.88%
2020 Value	\$112,135,400	\$118,016,800	95.00%	8.14%
Change	\$4,294,100		3.60%	-1.74%
% Change	3.98%		3.94%	-17.61%

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

Sales used in analysis: All improved sales that were verified as market sales and did not have major characteristic changes, or have been segregated or merged between the date of sale and the date of appraisal, were included in the ratio analysis.

The above ratio study results for office sales in the Major Office Specialty 280 (institutional/investment-grade office buildings with a rentable area of 90,000 square feet or more) is based on a sales sample that is heavily weighted with sales of well-leased or well-located lower risk properties in the Downtown Seattle sub-markets and the Bellevue CBD. Consequently, in this instance, it may not be an entirely reliable tool for measuring the revaluation results of the overall specialty that includes properties with higher than market vacancy or less dynamic suburban locations (i.e. South King County) where values have tended to lag behind the rest of the county.

In addition, some of the sales in the sample represent the Leased Fee interest while the Assessor is tasked with valuing the Fee Simple interest based on market parameters as of the valuation date. Therefore sales encumbered with older leases that are above or below current market rates do not reflect the interest the Assessor is valuing. In addition, properties that are fully leased to one or two high-credit tenants, typically on a triple-net basis, tend to command a significant premium Leased Fee value when compared to the unencumbered Fee Simple value. In the ongoing expansion cycle of the office market, buyers continue to purchase properties with expectation of higher future net operating incomes (NOI) from higher lease rates with fewer concessions. These sales tend to reflect higher values than the Assessor’s value by the income approach using current market parameters.

Total Population - Parcel Summary Data:

Total Population - Parcel Summary Data			
	Land	Improvements	Total
2019 Value	\$8,783,631,729	\$35,344,718,362	\$44,128,350,091
2020 Value	\$10,155,501,550	\$36,941,617,800	\$47,097,119,350
% Change	15.62%	4.52%	6.73%

Number of Parcels in the Population:

- 546 total parcels including economic land parcels;
- 444 improved parcels.

Conclusion and Recommendation:

Total assessed values for the 2020 revalue have increased by +6.73% over 2019 assessment levels reflecting the healthy office market in King County and continued improving income fundamentals, particularly higher rents and lower vacancy rates. This value summary includes most new construction projects, which are valued as of July 31st of the assessment year.

The values recommended in this report reflect current office market parameters as of the valuation date of 1/1/2020 and improve uniformity and equity. Therefore it is recommended that the values should be posted for the 2020 Assessment Year.

Identification of the Area

Name or Designation

- **Area 280:** Major Office Buildings

Neighborhoods

For purposes of the 2020 revaluation of the major office building specialty, the population has been segmented into four regions which are generally described by the geography in which they encompass, Seattle Downtown, Eastside, Northend, and Southend. The four major geographic regions are further segmented by submarket. There are a total of 20 submarket areas.

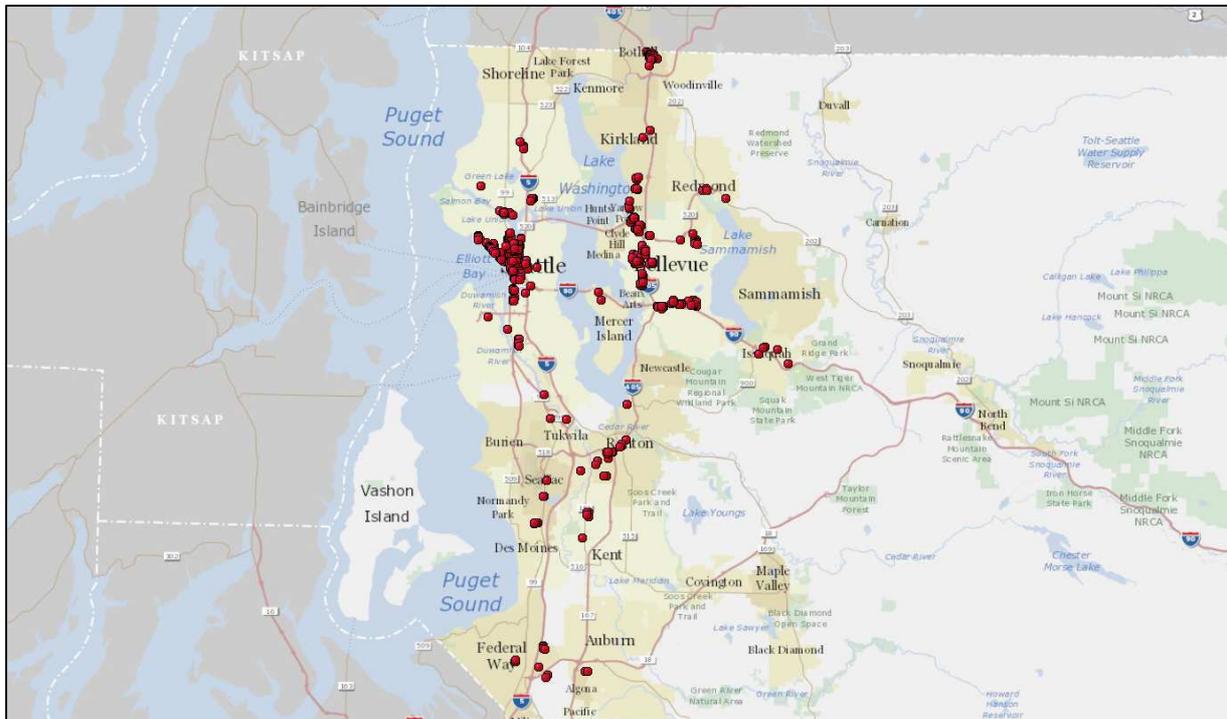
Area 280 Submarkets		
Seattle Downtown	Eastside	Northend
280-100 Belltown/Denny Regrade	280-200 520/Overlake	280-300 Ballard/University
280-110 Capitol Hill/First Hill	280-210 Bellevue CBD	280-310 Northgate/North Seattle
280-120 Central Business District	280-220 Bellevue Suburban	Southend
280-130 Lake Union	280-230 Bothell/Woodinville	280-400 Federal Way
280-140 Pioneer Square	280-240 I-90 Corridor	280-410 Kent/Auburn
280-150 Queen Anne/Magnolia	280-250 Kirkland/Totem Lake	280-420 Renton/Tukwila
	280-260 Redmond/Willows	280-430 SeaTac
		280-440 South/West Seattle

Boundaries

- All of King County

Maps

General maps of the area are included in this report. More detailed Assessor’s maps are located on the 7th floor of the King County Administration Building or on the King County Assessor website.



Area Description

This report contains data pertinent to the revalue of major office buildings in King County. For the purposes of assessment, Major Office buildings are categorized as investment or institutional-grade office properties containing a net rentable area of 90,000 square feet or more. Net rentable area, as utilized here, is typically described as gross building area less vertical penetrations and tends to reflect current BOMA standards. The office specialty properties are found throughout King County, with significant concentrations located in Downtown Seattle and Downtown Bellevue. Additionally, larger suburban office buildings are found in many jurisdictions of the County. All office specialty properties were revalued this year. A list of the parcels physically inspected for the current assessment year is included in the addendum of this report.

Area Overview

Within the Major Office specialty, sales transaction volume approximately doubled in 2019 with 40 major office sales transactions with the average sale price increasing in 2019 by 55% reflecting an increase in sales activity of higher priced more urban assets. Investor interest in the Puget Sound market remains very high with \$7.3 billion in Major Office sales having closed in 2019. Despite strong sales volumes, there are still not sufficient sales in all market segments to rely solely on the Sales Comparison Approach for the 2020 revalue. The Income Approach is relied on in the final reconciliation of value because it allows for greater equalization and uniformity of values for the various stratifications of office buildings in the different submarkets. In addition, sufficient market income data was available to perform this analysis.

The Seattle and Eastside office markets continue to remain near the top of national and international investors' interest. Continued robust office demand, primarily driven by the technology sector, has pushed the regional office vacancy rate to record lows which has caused average Class A asking rates to reach their highest point on record.

As of year-end 2019, a total of 6.9 million square feet of office properties were under construction with +/-1.6 million square feet being absorbed. This absorption was approximately doubled as compared to the 4th quarter of 2018 and represents a +/- 64% year-over-year increase. Of the total major office new construction, the bulk is preleased with approximately 81% and 87%, respectively, occurring in Seattle and the Eastside market areas. This is an indication that plenty of demand exists for new office projects. With limited availability and competition among tenants has driven up Class A rental rates, increasing demand for comparatively less expensive suburban product and widening the gap between Class A and Class B rents. Tenants seeking large spaces (+50,000 SF) are having an increasingly difficult time finding suitable availabilities in the core submarkets.

According to Geekwire.com, Amazon continues to be the dominant force in the office market, currently occupying roughly 15 million square feet of prime office space. While new construction continues at a steady pace in the Lake Union/Denny Regrade submarkets, Amazon's is rapidly focusing its expansion needs towards the business friendly eastside market area. Examples of Amazon's eastside presence include major office building leases, office building acquisition, and future development.

Amazon's Eastside Office Presence		
Building	Square Footage	Comments
Centre 425	377K SF	Leased Property
Tower 333	417K SF	Leased Property
Summit II	110K SF	Leased Property
Summit III	370K SF	Leased Property – Under Construction
Former Macy's (Redmond)	110K SF	Leased Property – Change of Use
Bellevue Corp. Plaza	256K SF	Owned Property + Dev. Site
Binary Towers	670K SF	2 Towers - Future Development
Bellevue 600	900K SF	Future Development

Other eastside submarkets where major tech companies are expanding their office operations include: Microsoft's Overlake main campus expansion, Facebook's current Spring District development, Google's recent Kirkland office expansion, and T-Mobile's Factoria market presence.

According to CBRE, the regional overall office market vacancy has remained relatively stable with reported 4th Qtr. 2018 and 4th Qtr. 2019 vacancy at 9.4%. Within the Puget Sound core submarkets, Downtown Seattle and Seattle Close-In experienced relatively modest changes in total vacancy at -0.1% and 1.1%, respectively, while Bellevue's CBD and the Eastside market reported the greatest decline at -2.6% and -1.9%, respectively. The southend experienced the highest vacancy at 23.5% and represents a 2.3% increase from the previous year.

Office Market Summary Statistics						
	Market Size (SF)	Total Vacancy %	Change in Vacancy	Class A Avg. Asking Rate*	Rent Change	Last 4 Qtr Net Absorption (SF)
Downtown Seattle	51,455,576	7.3%	-0.1%	\$54.23	12%	339,782
Seattle Close-In	5,879,588	7.4%	1.1%	\$40.49	-5%	78,123
Southend	12,002,698	23.5%	2.3%	\$32.49	26%	75,101
Bellevue CBD	9,445,308	4.3%	-2.6%	\$58.79	10%	28,534
Eastside	32,163,014	7.0%	-1.9%	\$45.64	4%	51,817

Source: 4th Qtr 2019 CBRE Office MarketView
*Full Service

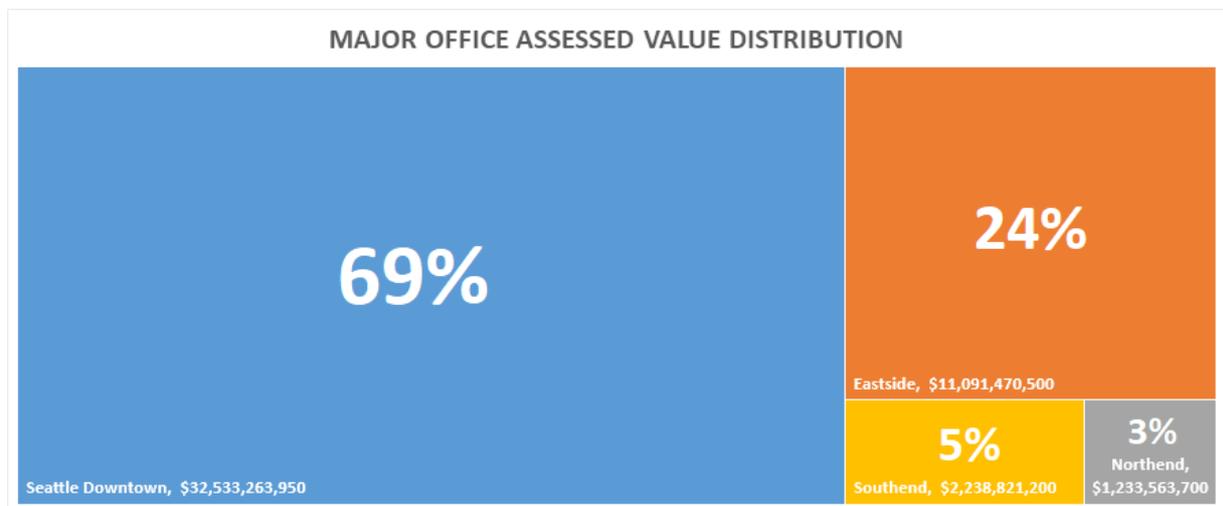


Leases to tenants in the technology sector continued to dominate the market, lured to the CBD by amenities and numerous commute options. CBRE indicates that coworking companies, such as WeWork, have been responsible many of the leases over 20,000 SF as the segment continues to rapidly expand in the market. Average Class A rental rates increased in most submarkets with the strongest rent growth experienced in the Southend with a 26% increase over last year, followed by Downtown Seattle at 12% and Bellevue

CBD at 10%, respectively. Overall, average Class A asking rates for the region increased 4.45% over last year.

According to the Puget Sound Economic Forecaster, demand has been driven by ongoing steady job growth of 3.2% in 2016, 2.4% in 2017/2018, and 2.2% in 2019 however employment growth is anticipated to slow to 1.4% in 2020. The Puget Sound Economic Forecaster also reported that the 2019 regional unemployment remained unchanged at 3.9% as compared to the previous year, while King County’s unemployment rate experienced a slight drop from 3.5% to 3.4%.

The continued economic growth in the Puget Sound region, coupled with relatively low cost of funds to institutional investors, makes the region attractive to national and international investors. Institutional investors have been primarily focused on well-leased single and multi-tenant office properties in the CBD areas. Investors who have become priced-out of the downtown core areas have led to an increase in sales of Value-Add and suburban properties, further demonstrating investor confidence in the regional market. The Seattle and Bellevue skylines remain crowded with tower cranes with office and multi-family developments dominating the activity.



With respect to the properties within the Major Office specialty assignment, overall assessed value increased by 6.73% compared to last year. This moderate growth in assessed value is primarily the result of continued increases in market lease rates as well as tightening vacancy. Expense rates have increased while capitalization rates appear to have mostly leveled off and remain low.

Another primary factor in the assessed value increases in particular submarkets, such as Denny Regrade/South Lake Union, Seattle CBD, Bellevue CBD, and Suburban Bellevue is the major office construction that is either currently on-going or has been recently completed and brought to delivery.

The Seattle Downtown market experienced the largest change in assessed value at 7.2% compared to the 2019 assessment. The Southend submarket grew at the slowest rate of 4.0% overall, due primarily to increased higher submarket vacancy and low new construction deliveries. The table on the following page summarizes the Area 280 2020 assessed values by submarket:

2020 Major Office Specialty Area Breakdown					
Area	Name	Improved Parcel Count	Total AV	Avg. AV per Impr Parcel	% Chng. In AV
280-100	Belltown/Denny Regrade	41	\$ 7,566,119,850	\$ 184,539,509	10.7%
280-110	Capitol Hill/First Hill	39	\$ 1,065,822,600	\$ 27,328,785	0.6%
280-120	Central Business District	67	\$ 14,068,687,500	\$ 209,980,410	5.5%
280-130	Lake Union	40	\$ 5,942,494,200	\$ 148,562,355	9.2%
280-140	Pioneer Square	23	\$ 2,097,794,100	\$ 91,208,439	1.8%
280-150	Queen Anne/Magnolia	15	\$ 1,792,345,700	\$ 119,489,713	11.1%
Seattle Downtown		225	\$ 32,533,263,950	\$ 144,592,284	7.2%
280-200	520/Overlake	17	\$ 417,173,400	\$ 24,539,612	1.3%
280-210	Bellevue CBD	34	\$ 6,445,182,700	\$ 189,564,197	5.9%
280-220	Bellevue Suburban	24	\$ 867,060,500	\$ 36,127,521	2.1%
280-230	Bothell/Woodinville	15	\$ 279,777,500	\$ 18,651,833	2.0%
280-240	I-90 Corridor	42	\$ 1,800,530,900	\$ 42,869,783	10.9%
280-250	Kirkland/Totem Lake	13	\$ 953,743,000	\$ 73,364,846	0.9%
280-260	Redmond/Willows	5	\$ 328,002,500	\$ 65,600,500	12.8%
Eastside		150	\$ 11,091,470,500	\$ 73,943,137	5.8%
280-300	Ballard/University	16	\$ 1,101,235,700	\$ 68,827,231	7.6%
280-310	Northgate/North Seattle	4	\$ 132,328,000	\$ 33,082,000	1.4%
Northend		20	\$ 1,233,563,700	\$ 61,678,185	6.9%
280-400	Federal Way	8	\$ 179,967,900	\$ 22,495,988	12.4%
280-410	Kent/Auburn	7	\$ 159,254,000	\$ 22,750,571	2.1%
280-420	Renton/Tukwila	19	\$ 693,948,300	\$ 36,523,595	-0.6%
280-430	SeaTac	4	\$ 227,380,200	\$ 56,845,050	24.2%
280-440	South/West Seattle	11	\$ 978,270,800	\$ 88,933,709	2.4%
Southend		49	\$ 2,238,821,200	\$ 45,690,229	4.0%
Area 280 Total		444	\$ 47,097,119,350	\$ 106,074,593	6.7%

Analysis Process

Effective Date of Appraisal: January 1, 2020

Date of Appraisal Report: August 15, 2020

The following appraiser did the valuation for this geographic area:

- Steven Roberts – Commercial Appraiser II

The process and results were reviewed for quality control and administrative purposes by Andrew Murray, Senior Commercial Appraiser.

Highest and Best Use Analysis

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

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000 is assigned to the improvements.

Standards and Measurement of Data Accuracy

Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

Special Assumptions and Limiting Conditions

- All three approaches to value were considered in this appraisal.
- Sales from 01/01/2017 to 12/31/2019 (at minimum) were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6 (USPAP compliant).

Area Description

The following is a brief description of the market segments that make up the Major Office specialty assignment. Following the area descriptions are maps showing the location of major office development projects, under construction and recently delivered, in the Seattle and Eastside markets.

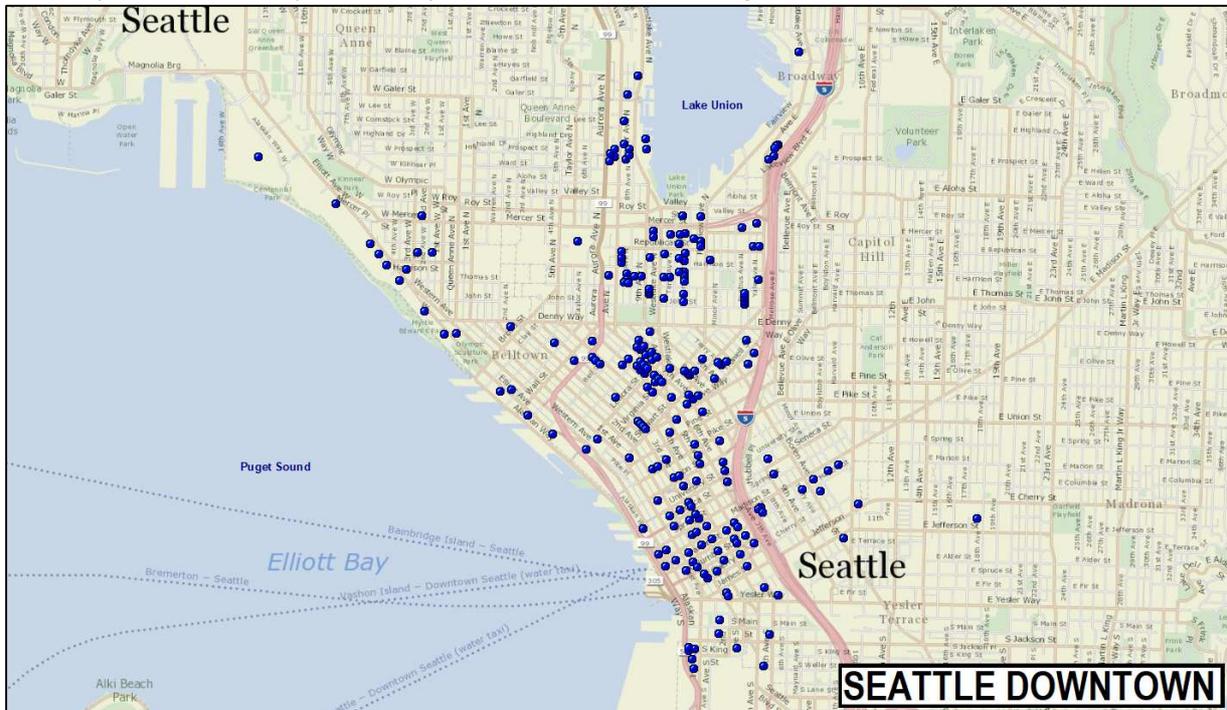
SEATTLE DOWNTOWN

The Seattle Downtown market area contains 51% of the of the Major Office specialty properties yet comprises 69% of total assessed value. The market area is further broken down into six submarkets: 100-Belltown/Denny Regrade, 110-Capitol Hill/First Hill, 120-Central Business District, 130-Lake Union, 140-Pioneer Square, and 150-Queen Anne/Magnolia.

For the 2020 revalue, assessed values in the Seattle Downtown market area increased 7.2% compared to the 2019 assessment year.

Area	Name	Improved Parcel Count	Total AV	Avg. AV per Improved Parcel	% Chng. in AV
280-100	Belltown/Denny Regrade	41	\$ 7,566,119,850	\$ 184,539,509	10.7%
280-110	Capitol Hill/First Hill	39	\$ 1,065,822,600	\$ 27,328,785	0.6%
280-120	Central Business District	67	\$ 14,068,687,500	\$ 209,980,410	5.5%
280-130	Lake Union	40	\$ 5,942,494,200	\$ 148,562,355	9.2%
280-140	Pioneer Square	23	\$ 2,097,794,100	\$ 91,208,439	1.8%
280-150	Queen Anne/Magnolia	15	\$ 1,792,345,700	\$ 119,489,713	11.1%
Seattle Downtown		225	\$ 32,533,263,950	\$ 144,592,284	7.2%

The map insets in this report identify the boundaries of the neighborhood.



Neighborhood Description: The Seattle Central Business District submarket is home to the majority of the region's Trophy Class office buildings including the Russell Investments Center, Two Union Square, 1201 Third Ave, and US Bank Centre among others. Recent completed projects within the CBD submarket include the 38-story 2+U Tower and the 44-story mixed-use office/hotel F-5 Tower. Near completion on its core construction and waiting for tenant improvements is the iconic 58-story mixed-use Rainier Tower which features 18 floors of luxury apartments over a 37-story office tower.

Within the Denny Regrade/South Lake Union submarket, Amazon continues to be the dominate player with the recent completion of their 39-story Re-Invent Tower (Block 20) & 24-story Nitro Tower (Block 21). Currently under development is the 17-story Block 18 tower.

Other major projects that were recently completed or near completion is Apple's 333 Dexter which features a two building 12-story office development and the multi-building Expedia Campus located along the Interbay waterfront.

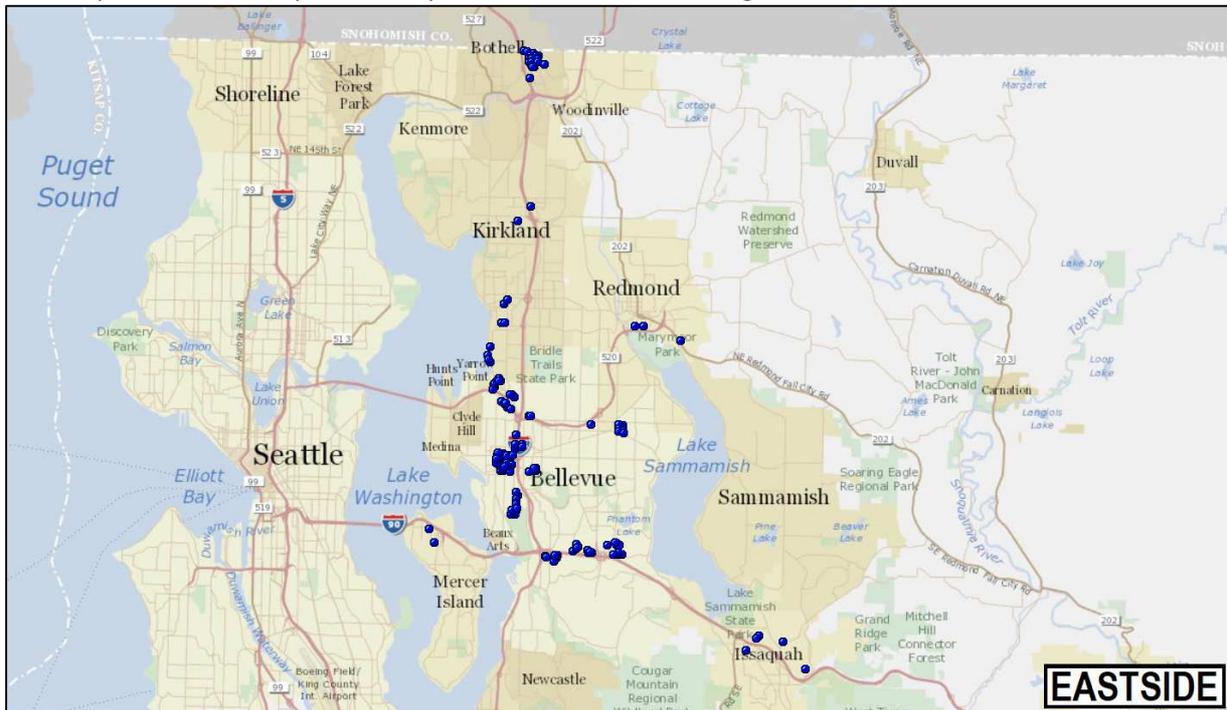
EASTSIDE

The Eastside market area contains 34% of the of the Major Office specialty properties and comprises 24% of total assessed value. The market area is further broken down into seven submarkets: 200-520/Overlake, 210-Bellevue CBD, 220-Bellevue Suburban, 230-Bothell/Woodinville, 240-I-90 Corridor, 250-Kirkland/Totem Lake, and 260-Redmond/Willows.

For the 2020 revalue, assessed values in the Eastside market area increased 5.8% compared to the 2019 assessment year.

Area	Name	Improved Parcel Count	Total AV	Avg. AV per Improved Parcel	% Chng. in AV
280-200	520/Overlake	17	\$ 417,173,400	\$ 24,539,612	1.3%
280-210	Bellevue CBD	34	\$ 6,445,182,700	\$ 189,564,197	5.9%
280-220	Bellevue Suburban	24	\$ 867,060,500	\$ 36,127,521	2.1%
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Eastside		150	\$ 11,091,470,500	\$ 73,943,137	5.8%

The map insets in this report identify the boundaries of the neighborhood.



Neighborhood Description: The Bellevue Central Business District contains the second highest concentration of institutional-quality Class A office buildings in the region, following the downtown Seattle. Microsoft occupies around 2.3 million square feet within several buildings in the downtown area. Expedia currently leases approximately 503,000 square feet in downtown Bellevue, however the company is in the process of moving their headquarters to Interbay.

While new construction continues at a steady pace in the Lake Union/Denny Regrade submarkets, Amazon's is rapidly focusing its expansion needs towards the business friendly eastside market area. Examples of Amazon's eastside presence include major office building leases at Centre 425, Tower 333, and Summit II/III, along with their recent purchase of Bellevue Corp. Plaza which is adjacent to the downtown Bellevue transit center.

In Suburban Bellevue, the 36 acre Spring District site is the primary focus of redevelopment. Located in the Bel Red Corridor, this 36 acre site is being developed in three different phases and will eventually consist of 16 blocks with over 4,000,000 square feet of commercial space and 1,000 multi-family residences. With many of the multi-family units already finished along with the recent completion the Global Innovation Exchange building, REI's 397k SF corporate campus, and Facebook's 11-story Block 16 Office Bldg., development continues to progress. Facebook recently started construction on another 10-story office building, while planning is in the works to break ground on the north sector of the Spring District development site.

South Bellevue is a heavily commercial section with a number of major offices, including T-Mobile's headquarters within the Newport Corporate Center, due to its easy access along the I-90 corridor. T-Mobile recently renewed their 882,000 square foot lease and has subsequently commenced a \$160 million renovation and upgrade of the campus.

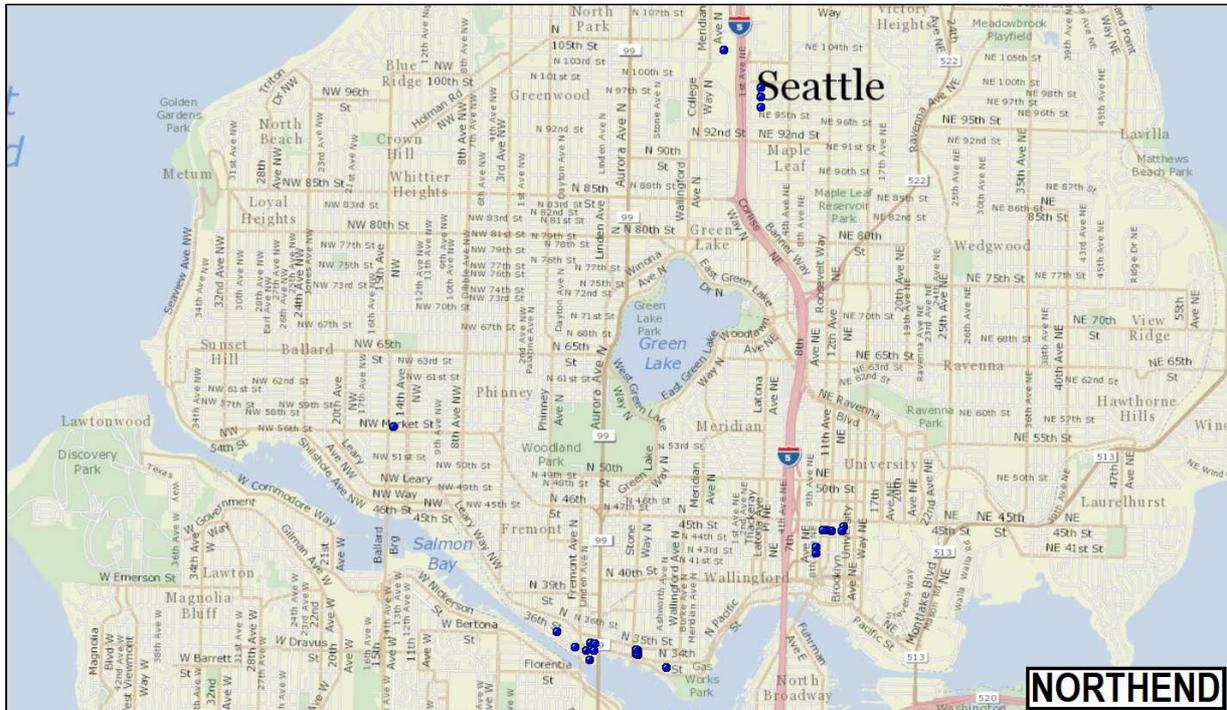
NORTHEND

The Northend market area contains 5% of the of the Major Office specialty properties and comprises 3% of total assessed value. The market area is further broken down into two submarkets: 300-Ballard/University and 310-Northgate/North Seattle.

For the 2020 revalue, assessed values in the Northend market area increased 6.9% compared to the 2019 assessment year.

Area	Name	Improved Parcel Count	Total AV	Avg. AV per Improved Parcel	% Chng. in AV
280-300	Ballard/University	16	\$ 1,101,235,700	\$ 68,827,231	7.6%
280-310	Northgate/North Seattle	4	\$ 132,328,000	\$ 33,082,000	1.4%
Northend		20	\$ 1,233,563,700	\$ 61,678,185	6.9%

The map insets in this report identify the boundaries of the neighborhood.



Neighborhood Description: The Ballard/University submarket, which includes the Fremont neighborhood, is the primary submarket in this area. Most buildings within this submarket, including the Lake Union Center, are clustered in the Fremont neighborhood. However two of the most recently built office properties, Stone 34 and NorthEdge, are located to the east of this location. The recently completed mixed-use 15th & Market building was the primary commercial building under construction.

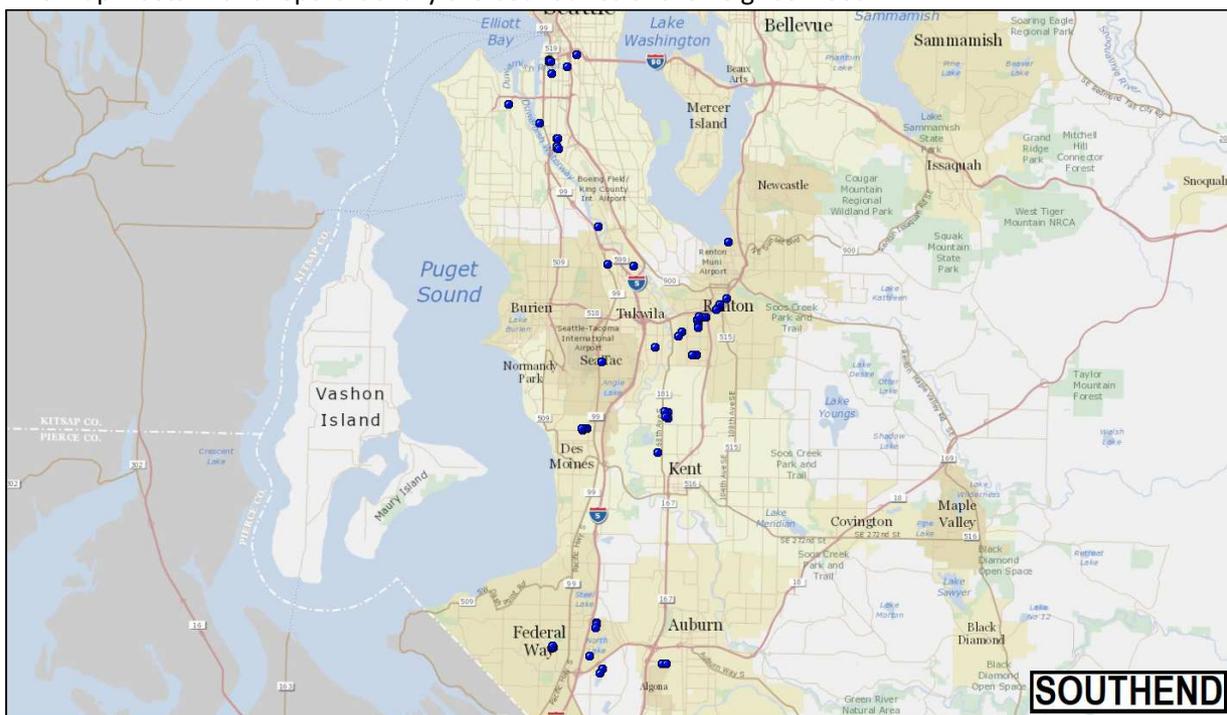
SOUTHEND

The Southend market area contains 11% of the of the Major Office specialty properties and comprises 5% of total assessed value. The market area is further broken down into five submarkets: 400-Federal Way, 410-Kent/Auburn, 420-Renton/Tukwila, 430-SeaTac, and 440-South/West Seattle.

For the 2020 revalue, assessed values in the Southend market area increased 4.0% compared to the 2020 assessment year. Most submarkets experienced modest growth, however Renton/Tukwila experienced a slight decrease relative to last year primarily the result of increased submarket vacancy. The strong growth experienced in the SeaTac submarket was the result of a new office delivery (Alaska Airlines HQ).

Area	Name	Improved Parcel Count	Total AV	Avg. AV per Improved Parcel	% Chng. in AV
280-400	Federal Way	8	\$ 179,967,900	\$ 22,495,988	12.4%
280-410	Kent/Auburn	7	\$ 159,254,000	\$ 22,750,571	2.1%
280-420	Renton/Tukwila	19	\$ 693,948,300	\$ 36,523,595	-0.6%
280-430	SeaTac	4	\$ 227,380,200	\$ 56,845,050	24.2%
280-440	South/West Seattle	11	\$ 978,270,800	\$ 88,933,709	2.4%
Southend		49	\$ 2,238,821,200	\$ 45,690,229	4.0%

The map insets in this report identify the boundaries of the neighborhood.



Neighborhood Description: Weyerhaeuser and Boeing traditionally have been the major influencers in the Southend market area. However, Weyerhaeuser recently moved their headquarters to the Pioneer Square neighborhood of Seattle and sold their Federal Way campus to a Los Angeles-based institutional investor who intends to sell off large pieces for redevelopment while also finding a new tenant for the 342,204 square foot landmark headquarters building, since renamed Woodbridge Corporate Park.

New construction within this market area includes Renton's recently completed and fully vacant Southport office buildings and Sea-Tac's Alaska Airlines Corporate Headquarters. Also under construction and adjacent to the former Weyerhaeuser headquarters in Federal Way is Devita's Corporate Headquarters.

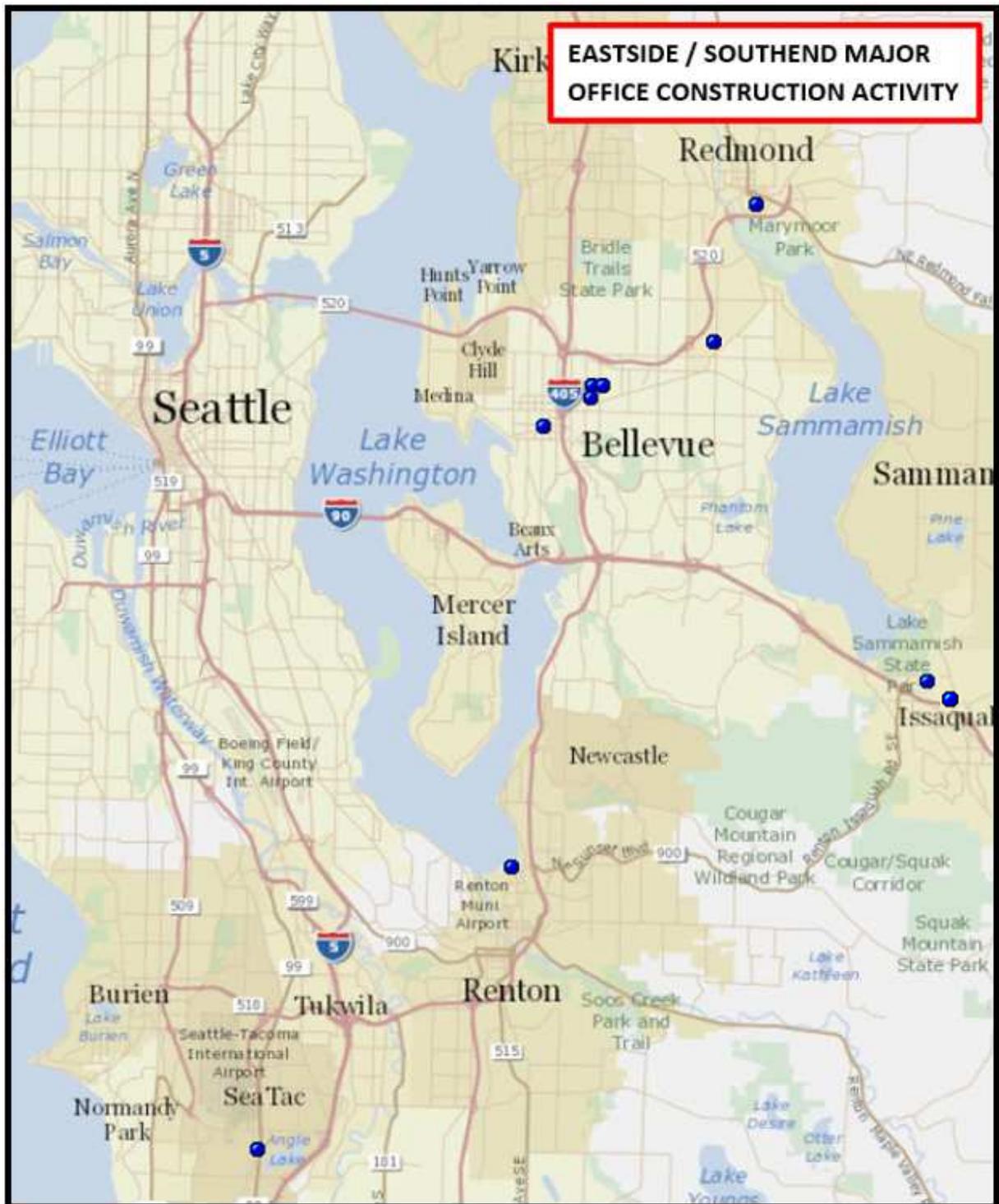
Seattle Major Office Projects Under Construction & Recently Delivered



Major Office Projects Currently Under Construction Or Recently Delivered (Seattle)							
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery	Notes
1	South Lake Union	333 Dexter	333 Dexter Ave N	607,567	100%	Q3 2020	Two, 12-story Class A office towers with ground floor retail space. Facebook or Apple is rumored to have leased all of the office space
2	South Lake Union	Google South Lake Union Campus	630 Boren Ave N	645,458	100%	2Q 2019	Four building Class A office campus with 14,000 SF of retail space and 151 residential units. The office space is preleased to Google for 14-16 years.
3	South Lake Union	1818 Fairview (The Atrium)	1818 Fairview Ave N	184,636	49%	Q4 2019	4-story Class A office/biotech building with ground floor retail space.
4	Queen Anne/Magnolia	Expedia Campus Phase I	1201 Amgen Ct W	686,807	100%	Q4 2020	Complete conversion and addition to the former Amgen campus for Expedia's new corporate HQ
5	Belltown/Denny	Third & Lenora	2031 3rd Ave	146,636	100%	4Q 2020	36-story mixed-use WeWork/WeLive building
6	Belltown/Denny	Amazon Tower Re-Invent (Block 20 - East, West)	2100 7th Ave	1,001,943	100%	2020	38-story Class A office tower with ground floor retail and low-rise building.
7	Belltown/Denny	Amazon Tower Nitro (Block 21 - North, South)	2200 7th Avenue	745,003	100%	Q4 2019	24-story Class A office tower with ground floor retail and low-rise building which included 200-bed shelter (Mary's Place).
8	Belltown/Denny	Amazon Tower 18	2205 7th Ave	410,010	100%	Q4 2021	17-story Class A office with ground floor retail space and below grade parking for 407
9	CBD	2 + U	1201 2nd Ave	701,768	35%	Q3 2019	38-story & 18-story Class A towers w/18,000 SF of ground level retail space
10	CBD	Rainier Square	4th & University	800,685	100%	Q2 2020	58-story, 1.7M SF mixed use development. Amazon has offered up all of the office space for sublease
11	CBD	Rainier Square	4th & University	121,618	0%	Q2 2021	10-story, Class A office building broke ground in March of 2020.
12	CBD	Former Federal Reserve Bldg.	1015 2nd Ave	204,208	0%	Q4 2020	Complete gut and major expansion of former Fed. Reserve Bldg.
13	Ballard/University	15th & Market	1448 NW Market St	165,058	80%	Q4 2019	5-story Class A office building with ground floor Target store. WeWork and Polyclinic have leased most of the office space.
Total				6,421,397			

*Office RSF; project may include additional RSF of other uses (retail, residential, etc); data collected from a variety of sources

Eastside/Southeast Office Projects Under Const. & Recently Delivered



Major Office Projects Currently Under Construction Or Recently Delivered (Eastside)							
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery	Notes
1	Bellevue Suburban	Spring District Block 16	1227 124th Ave NE (Bellevue)	316,000	100%	1Q 2020	11-story Class A office building leased to Facebook
2	Bellevue Suburban	Spring District Block 24	124th Ave NE (Bellevue)	184,021	100%	Q2 2021	10-story Class A office building leased to Facebook
3	Bellevue Suburban	REI at the Spring District	1209 124th Ave NE (Bellevue)	345,000	100%	Q2 2020	5-story Class A corporate campus with ground floor retail space and below-grade parking
4	Redmond/Willows	Redmond Town Center - former Macy's bldg	7400 166th Ave NE (Redmond)	111,368	100%	Q2 2021	Former Macy's store being converted to Class A office space. Amazon will be new tenant. No start as of 07/31/2020
5	Bellevue Suburban	One Esterra Park	15550 NE Turning St (Redmond)	245,000	100%	2021	Class A office building with Microsoft pending as new tenant. Construction broke ground June of 2020.
6	Bellevue CBD	Summit III	320 108th Ave NE (Bellevue)	367,568	100%	Q1 2021	17-story Class A office building leased to Facebook
7	Issaquah	Costco Corporate Campus	1045 Lake Dr.	635,470	100%	2021/2022	New 635,470 SF office building and 707,058 SF parkign garage just starting development
Total				2,204,427			
Major Office Projects Currently Under Construction Or Recently Delivered (Southend)							
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery	Notes
7	Renton/Tukwila	Southport (Renton)	1053 Lake Washington Blvd N	688,147	0%	2Q 2020	Three 6-story Class A waterfront office towers in a campus setting situated within a mixed use project with 383 residential units and a 347-room Hyatt Regency hotel
8	SeaTac	Alaska Airlines HUB Building	19235 International Blvd.	10,577	100%	2Q 2020	5-story Class A corporate offices with adjacent parking garage.
Total				698,724			

*Office RSF; project may include additional RSF of other uses (retail, residential, etc); data collected from a variety of sources

Leasing Class Descriptions

A description of the leasing classes is provided. In the market approach and income approach analysis the office properties are grouped into the above market areas and then stratified into the appropriate leasing class. The leasing class may differ from the building class. For example, a reinforced concrete, midrise office building will be classified as Class B construction but may be considered within its submarket as Class A leased space.

Class A

Class A properties are the most prestigious buildings competing for premier office users with above average rents for the area. Buildings have high quality standard finishes, state-of-art building systems, and exceptional accessibility and a definitive market presence.

Class B

Class B properties are buildings competing for a wide range of office users with average rents for the area. Building finishes are fair to good for the area and systems are adequate, and the buildings do not compete with Class A buildings.

Class C

Class C properties are buildings competing for tenants requiring functional space at below average rents for the area. The buildings typically have designs and finishes that are dated.

In the valuation analysis, Class A buildings are further stratified into top tier A++ trophy properties, premium A+ office buildings, and average Class A properties. Class B buildings are stratified into Class A-/B+ buildings, and average Class B. The office specialty predominately consists of Class A and Class B properties.

Office Market Conditions

As was discussed in the executive summary of this report, the Seattle and Eastside office markets continue to remain near the top of national and international investors' interest. Continued strong job growth in the region, particularly in the technology sector, has put upward pressure on office market fundamentals.

The following pages summarize office market statistics as provided by industry publications for the four major geographic areas.

Summary of Q4 2019 Market Report Class A Lease Rates								
SubMkt#	Submarkets	CBRE Marketview	JLL Office Insight	Cushman&Wakefield	Newmark Knight Frank	Costar YE 2018 Office	Area 280 Survey	Avg
100	Belltown/Denny Regrade	\$ 45.70	\$ 40.45	\$ 52.62	\$ 41.82	\$ 44.91	\$ 46.01	\$ 45.25
110	Capitol Hill/First Hill	\$ 35.00			\$ 46.30	\$ 47.30		\$ 42.87
120	Central Business District	\$ 56.71	\$ 53.23	\$ 52.69	\$ 50.20	\$ 48.85	\$ 44.77	\$ 51.08
130	Lake Union	\$ 49.83	\$ 61.73	\$ 56.87	\$ 48.18	\$ 50.46	\$ 55.63	\$ 53.78
140	Pioneer Square	\$ 51.07	\$ 52.07	\$ 40.04	\$ 45.48	\$ 45.43	\$ 50.74	\$ 47.47
150	Queen Anne/Magnolia	\$ 39.34	\$ 50.49		\$ 40.60	\$ 47.38	\$ 45.33	\$ 44.63
	Seattle Downtown	\$ 54.23	\$ 54.45	\$ 53.13	\$ 47.20	\$ 48.20	\$ 45.89	\$ 50.52
200	520/Overlake	\$ 44.17	\$ 54.46	\$ 49.55	\$ 43.32	\$ 44.10	\$ 50.00	\$ 47.60
210	Bellevue CBD	\$ 58.79	\$ 55.65	\$ 54.26	\$ 56.10	\$ 54.68	\$ 49.16	\$ 54.77
220	Bellevue Suburban	\$ 42.41	\$ 47.01	\$ 38.58	\$ 39.96	\$ 46.85	\$ 37.52	\$ 42.06
230	Bothell/Woodinville	\$ 34.60	\$ 34.22	\$ 33.46	\$ 36.55	\$ 32.55	\$ 31.27	\$ 33.78
240	I-90 Corridor	\$ 39.03	\$ 41.95	\$ 37.55	\$ 41.26	\$ 41.34	\$ 38.28	\$ 39.90
250	Kirkland/Totem Lake	\$ 49.95	\$ 50.02	\$ 44.00	\$ 51.87	\$ 50.65	\$ 50.33	\$ 49.47
260	Redmond/Willows	\$ 38.28	\$ 46.30	\$ 38.63	\$ 38.29	\$ 40.85	\$ 36.63	\$ 39.83
	Eastside	\$ 45.64	\$ 51.10	\$ 44.30	\$ 44.40	\$ 48.95	\$ 43.33	\$ 46.29
300	Ballard/University	\$ 42.44	\$ 53.77		\$ 46.46	\$ 45.11		\$ 46.95
310	Northgate/North Seattle	\$ 42.44	\$ 37.00	\$ 42.63		\$ 37.12		\$ 39.80
	Northend	\$ 42.44	\$ 34.30		\$ 29.85	\$ 33.32		\$ 34.98
400	Federal Way	\$ 23.47			\$ 27.07	\$ 37.83	\$ 25.51	\$ 28.47
410	Kent/Auburn	\$ 26.86		\$ 27.17	\$ 28.61	\$ 36.00		\$ 29.66
420	Renton/Tukwila	\$ 31.54	\$ 43.89	\$ 36.68	\$ 38.91	\$ 37.26		\$ 37.66
430	SeaTac	\$ 28.98	\$ 29.50	\$ 28.35	30..80	\$ 33.50	\$ 34.34	\$ 30.93
440	South/West Seattle	\$ 31.19	\$ 48.32	\$ 36.53	\$ 35.76	\$ 43.15	\$ 39.82	\$ 39.13
	Southend	\$ 32.49	\$ 43.00	\$ 40.86	\$ 34.53	\$ 36.64	\$ 30.19	\$ 36.29

Note: Each publication delineates submarkets differently. Above data is "best fit" for Assessor's established submarkets.

Seattle Office Market Data

CBRE's 4th Qtr. 2019 Puget Sound MarketView details inventory, vacancy rates, and rental rates for the various Seattle submarkets.

4Q 2019 CBRE Seattle Office Snapshot						
Submarket	Bldg. Count	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate	Rent/SF % Change
Seattle CBD						
Class A	32	17,852,445	6.3%	8.0%	\$56.71	13.7%
Class B	32	3,814,830	10.4%	11.5%	\$50.48	18.0%
Waterfront						
Class A	9	991,387	7.5%	7.5%	\$46.98	-1.0%
Class B	21	1,372,910	19.7%	1.4%	\$45.00	35.0%
Pioneer Square						
Class A	10	2,079,735	1.7%	2.6%	\$51.07	8.8%
Class B	37	1,949,939	10.5%	11.1%	\$42.46	7.2%
Denny Triangle/Regrade						
Class A	21	6,106,384	2.0%	2.5%	\$45.70	-3.2%
Class B	16	1,358,775	6.4%	6.6%	\$41.88	9.8%
Lower Queen Anne						
Class A	17	2,298,274	4.5%	17.9%	\$39.34	-13.7%
Class B	14	660,925	9.8%	11.0%	\$27.06	-12.1%
Lake Union						
Class A	42	7,648,162	2.0%	2.1%	\$49.83	11.3%
Class B	32	1,274,929	9.2%	11.2%	\$52.89	38.5%
Canal						
Class A	17	1,362,093	1.4%	1.7%	\$42.00	0.0%
Class B	16	481,334	2.9%	3.2%	\$35.99	23.6%
TOTAL DOWNTOWN SEATTLE						
Class A	148	38,338,480	4.2%	6.0%	\$54.23	12.0%
Class B	167	10,913,642	8.7%	10.6%	\$46.95	21.2%
North Seattle/Interbay						
Class A	27	1,619,392	13.3%	14.2%	\$42.44	-1.3%
Class B	36	865,999	4.3%	4.6%	\$26.55	8.8%
Capitol Hill/E Seattle/Rainier						
Class A	4	119,282	10.3%	10.3%	\$35.00	-27.1%
Class B	18	729,304	6.5%	6.5%	\$36.88	19.4%
South/West Seattle						
Class A	7	680,996	4.6%	10.9%	\$31.19	2.9%
Class B	26	1,463,114	8.2%	9.4%	\$24.19	-19.3%
TOTAL SEATTLE CLOSE-IN						
Class A	38	2,419,670	10.7%	13.1%	\$40.49	-4.9%
Class B	80	3,058,417	6.8%	7.6%	\$28.33	-3.1%

*Class C buildings have been omitted; Rents are Full Service

Jones Lang LaSalle's 4th Qtr. 2019 Seattle-Bellevue Office Insights report details inventory, vacancy rates, and rental rates for the various Seattle submarkets.

Q4 2019 JLL Seattle Office Statistics				
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate
Ballard/U-District				
Class A	1,480,220	11.8%	12.8%	\$53.77
Class B	1,464,135	2.8%	8.0%	\$35.58
All Inv	2,944,355	7.4%	8.9%	\$50.23
Belltown/Denny Regrade				
Class A	2,464,521	5.8%	6.3%	\$40.45
Class B	1,993,303	4.1%	6.9%	\$40.04
All Inv	4,457,824	6.3%	6.8%	\$40.25
Lake Union				
Class A	8,287,389	4.3%	4.3%	\$61.73
Class B	2,055,048	5.7%	69.0%	\$36.30
All Inv	10,342,437	4.6%	4.8%	\$58.38
Pioneer Sq/Waterfront				
Class A	2,354,456	1.2%	2.1%	\$52.07
Class B	2,965,837	5.1%	8.0%	\$38.39
All Inv	5,320,293	3.4%	5.4%	\$45.09
Queen Anne/Magnolia				
Class A	1,334,108	23.5%	23.5%	\$50.49
Class B	2,169,656	8.3%	8.9%	\$36.27
All Inv	3,503,764	14.1%	14.5%	\$44.60
S Seattle				
Class A	1,177,492	2.6%	6.2%	\$48.32
Class B	1,161,793	10.3%	11.8%	\$30.71
All Inv	2,339,285	6.4%	9.0%	\$34.26
Seattle CBD				
Class A	24,312,083	20.0%	9.5%	\$53.23
Class B	3,388,830	11.7%	12.5%	\$41.94
All Inv	27,700,913	8.6%	9.9%	\$50.30
Market Summary				
Class A	41,410,269	7.3%	8.3%	\$54.45
Class B	15,198,602	7.5%	8.9%	\$38.77
All Inv	56,608,871	7.4%	8.5%	\$49.70

*Class C buildings have been omitted; Rents are Full Service

Q4 2019 JLL Northend Office Statistics				
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate
Bothell/Kenmore				
Class A	466,360	52.2%	52.2%	\$34.22
Class B	2,193,722	9.2%	11.3%	\$31.48
All Inv	2,660,082	16.7%	18.5%	\$34.65
Mill Creek/Woodinville				
Class A	0	0.0%	0.0%	\$0.00
Class B	167,918	9.9%	9.9%	\$28.81
All Inv	167,918	9.9%	9.9%	\$28.81
Northgate/N Seattle				
Class A	205,361	1.7%	1.7%	\$37.00
Class B	450,099	7.8%	8.0%	\$36.11
All Inv	655,460	5.9%	6.1%	\$36.16

*Class C buildings have been omitted; Rents are Full Service

CoStar's Year End Office Market Statistics Report breaks out rents and vacancy by building class, as well as submarket.

Costar Year End 2019 Downtown Seattle Office Statistics								
Submarket	Number of Buildings	Total SF	Direct Vacant SF	Total Vacant SF	Direct Vacancy	Vacancy w/Sublet	Average Lease \$	Rent/SF % Change
Ballard/U Dist								
Class A	8	610,044	56,766	70,765	9.3%	11.6%	\$45.11	5.6%
Class B	129	3,857,544	123,510	189,020	3.2%	4.9%	\$37.01	3.2%
All Office (A & B)	137	4,467,588	180,276	259,785	4.0%	5.8%	\$38.33	3.7%
Belltown/Denny Regrade								
Class A	15	5,124,666	59,091	71,745	1.2%	1.4%	\$44.91	6.0%
Class B	46	3,425,821	154,871	212,401	4.5%	6.2%	\$37.68	3.6%
All Office (A & B)	61	8,550,487	213,962	284,146	2.5%	3.3%	\$42.76	5.4%
Capitol Hill/Central District								
Class A	4	393,639	14,821	100,772	3.8%	25.6%	\$47.30	5.6%
Class B	84	4,026,688	74,486	80,534	1.8%	2.0%	\$33.84	3.8%
All Office (A & B)	88	4,420,327	89,307	181,305	2.0%	4.1%	\$33.90	4.0%
Lake Union								
Class A	49	10,095,353	112,612	191,812	1.1%	1.9%	\$50.46	5.7%
Class B	85	4,357,112	165,908	165,570	3.8%	3.8%	\$41.04	3.9%
All Office (A & B)	134	14,452,465	278,520	357,382	1.9%	2.5%	\$47.96	5.3%
Pioneer Square/Waterfront								
Class A	12	2,830,559	75,482	110,392	2.7%	3.9%	\$45.43	5.4%
Class B	59	4,121,029	340,197	346,166	8.3%	8.4%	\$37.70	3.8%
All Office (A & B)	71	6,951,588	415,679	456,558	6.0%	6.5%	\$40.78	4.5%
Queen Anne/Magnolia								
Class A	14	1,949,189	324,078	323,565	16.6%	16.6%	\$47.38	5.3%
Class B	75	2,856,791	164,001	174,264	5.7%	6.1%	\$34.85	4.5%
All Office (A & B)	89	4,805,980	488,079	497,830	10.2%	10.4%	\$39.88	4.9%
S Seattle								
Class A	8	1,433,492	65,438	73,108	4.6%	5.1%	\$43.15	5.7%
Class B	97	2,568,726	201,684	202,929	7.9%	7.9%	\$32.39	2.9%
All Office (A & B)	105	4,002,218	267,122	276,037	6.7%	6.9%	\$36.24	4.1%
Seattle CBD								
Class A	57	27,930,805	1,470,277	1,787,572	5.3%	6.4%	\$48.85	5.6%
Class B	56	7,016,854	640,787	652,567	9.1%	9.3%	\$40.84	2.9%
All Office (A & B)	113	34,947,659	2,111,064	2,440,139	6.0%	7.0%	\$47.29	5.2%
Market Total	798	82,598,312	4,044,009	4,708,104	4.9%	5.7%	\$44.77	5.0%

*Class C buildings have been omitted; Rents are Full Service

Eastside Office Market Data

CBRE's 4th Qtr. 2018 Puget Sound MarketView details inventory, vacancy rates, and rental rates for the various Eastside submarkets.

4Q 2019 CBRE Eastside Office Snapshot						
Submarket	Bldg. Count	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate	Rent/SF % Change
Bellevue CBD						
Class A	26	8,234,026	2.5%	3.4%	\$58.79	10.5%
Class B	22	1,075,476	7.7%	9.8%	\$44.85	9.6%
I-405 Corridor						
Class A	27	1,233,698	9.7%	9.7%	\$42.41	2.7%
Class B	64	1,662,402	8.1%	8.8%	\$41.84	17.0%
SR-520 Corridor						
Class A	30	1,173,045	16.6%	18.5%	\$44.17	11.1%
Class B	46	971,960	8.5%	10.3%	\$39.36	22.3%
I-90 Corridor						
Class A	57	5,324,787	2.8%	3.1%	\$39.03	0.6%
Class B	45	1,662,402	16.1%	16.6%	\$38.84	13.7%
Bel-Red Rd Corridor						
Class A	10	409,974	0.0%	4.2%	N/A	
Class B	63	885,955	6.9%	6.9%	\$32.32	22.0%
Kirkland						
Class A	29	1,604,064	5.7%	5.8%	\$49.95	-0.4%
Class B	10	178,391	3.8%	3.8%	\$48.09	6.0%
Redmond						
Class A	37	3,168,835	0.4%	0.9%	\$38.28	11.2%
Class B	18	749,969	5.4%	9.5%	\$36.00	1.9%
Bothell						
Class A	39	2,418,253	15.9%	17.8%	\$34.60	10.8%
Class B	7	331,658	10.4%	13.4%	\$25.06	-11.9%
TOTAL EASTSIDE						
Class A	255	23,566,682	4.9%	5.7%	\$45.64	4.6%
Class B	275	7,322,637	9.5%	10.9%	\$39.54	15.4%

*Class C buildings have been omitted; Rents are Full Service

Jones Lang LaSalle's 4th Qtr. 2019 Seattle-Bellevue Office Insights report details inventory, vacancy rates, and rental rates for the various Eastside submarkets.

Q4 2019 JLL Eastside Office Statistics				
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate
520 Corridor				
Class A	369,737	0.0%	0.0%	\$54.46
Class B	1,289,963	5.9%	8.9%	\$39.38
All Inv	1,659,700	4.6%	6.9%	\$50.64
Bellevue CBD				
Class A	8,872,605	7.2%	8.1%	\$55.65
Class B	838,800	7.1%	14.0%	\$40.78
All Inv	9,711,405	7.2%	8.6%	\$53.69
Coal Creek/Issaquah				
Class A	714,616	0.0%	0.0%	\$48.50
Class B	590,465	3.5%	3.5%	\$38.10
All Inv	1,305,081	1.6%	1.6%	\$45.33
I-90 Corridor				
Class A	3,335,361	2.4%	2.7%	\$41.95
Class B	1,292,054	5.4%	6.3%	\$38.75
All Inv	4,627,415	3.3%	3.7%	\$40.12
Kirkland				
Class A	1,412,223	7.1%	8.3%	\$50.02
Class B	1,509,786	4.2%	5.5%	\$38.50
All Inv	2,922,009	5.6%	6.8%	\$45.13
Mercer Island				
Class A	105,796	0.0%	2.4%	\$0.00
Class B	193,105	81.2%	81.2%	\$39.50
All Inv	298,901	52.4%	53.3%	\$39.50
Redmond				
Class A	1,018,736	0.0%	0.4%	\$46.30
Class B	2,470,090	5.0%	5.5%	\$33.59
All Inv	3,488,826	3.6%	4.0%	\$41.14
Suburban Bellevue				
Class A	714,046	9.6%	10.4%	\$47.01
Class B	1,640,702	2.6%	2.7%	\$39.13
All Inv	2,354,748	4.7%	5.0%	\$44.46
Market Summary				
Class A	16,543,120	5.4%	6.1%	\$51.10
Class B	9,824,965	6.2%	7.7%	\$38.57
All Inv	26,368,085	5.7%	6.7%	\$46.34

*Class C buildings have been omitted; Rents are Full Service

CoStar's Year End Office Market Statistics Report breaks out rents and vacancy by building class, as well as submarket.

CoStar Year End 2019 Eastside Office Statistics								
Submarket	Number of Buildings	Total SF	Direct Vacant SF	Sublease SF	Direct Vacancy	Vacancy w/Sublet	Average Lease \$	Rent/SF % Change
520 Corridor								
Class A	30	3,764,258	93,164	105,399	2.5%	2.8%	\$44.10	9.2%
Class B	131	5,988,765	217,428	239,551	3.6%	4.0%	\$36.57	7.2%
All Office (A & B)	161	9,753,023	310,592	344,950	3.2%	3.6%	\$39.41	8.0%
Bellevue CBD								
Class A	29	9,497,793	245,422	275,436	2.6%	2.9%	\$54.68	9.1%
Class B	24	1,225,802	63,720	80,903	5.2%	6.6%	\$40.60	5.9%
All Office (A & B)	53	10,723,595	309,142	356,339	2.9%	3.3%	\$53.30	8.8%
Coal Creek/Issaquah								
Class A	6	917,083	0	0	0.0%	0.0%	\$44.85	8.4%
Class B	65	1,464,202	90,430	90,781	6.2%	6.2%	\$37.16	6.3%
All Office (A & B)	71	2,381,285	90,430	90,781	3.8%	3.8%	\$40.20	7.2%
E King County								
Class A	0	0	0	0	0.0%	0.0%	\$0.00	0.0%
Class B	76	1,013,710	10,659	11,151	1.1%	1.1%	\$30.13	6.3%
All Office (A & B)	76	1,013,710	10,659	11,151	1.1%	1.1%	\$30.13	6.3%
I-90 Corridor								
Class A	27	3,297,530	53,723	105,521	1.6%	3.2%	\$41.34	8.1%
Class B	40	2,866,559	80,835	117,529	2.8%	4.1%	\$35.78	6.5%
All Office (A & B)	67	6,164,089	134,558	223,050	2.2%	3.6%	\$38.75	7.4%
Kirkland								
Class A	23	2,234,816	78,706	91,627	3.5%	4.1%	\$50.65	8.5%
Class B	102	2,462,294	85,719	88,643	3.5%	3.6%	\$37.40	6.5%
All Office (A & B)	125	4,697,110	164,425	180,270	3.5%	3.9%	\$43.64	7.6%
Mercer Island								
Class A	1	105,796	2,500	2,539	2.4%	2.4%	\$49.21	5.1%
Class B	17	393,037	158,504	158,394	40.3%	40.3%	\$36.88	6.4%
All Office (A & B)	18	498,833	161,004	160,933	32.3%	32.3%	\$39.50	6.1%
Redmond								
Class A	20	2,150,125	17,394	21,501	0.8%	1.0%	\$40.85	9.0%
Class B	104	5,284,628	228,626	280,085	4.3%	5.3%	\$32.22	6.8%
All Office (A & B)	124	7,434,753	246,020	301,587	3.3%	4.1%	\$34.71	7.6%
Suburban Bellevue								
Class A	5	511,963	38,403	41,981	7.5%	8.2%	\$46.85	8.5%
Class B	194	4,763,005	200,709	238,150	4.2%	5.0%	\$35.99	6.7%
All Office (A & B)	199	5,274,968	239,112	280,131	4.5%	5.3%	\$38.70	7.3%
Total	894	47,941,366	1,665,942	1,965,596	3.5%	4.1%	\$42.15	7.9%

*Class C buildings have been omitted; Rents are Full Service

South King County Office Market Data

CBRE's 4th Qtr. 2019 Puget Sound MarketView details inventory, vacancy rates, and rental rates for the various Southend submarkets.

4Q 2019 CBRE Southend Office Snapshot						
Submarket	Bldg. Count	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate	Rent/SF % Change
Sea-Tac						
Class A	6	918,747	6.1%	8.2%	\$28.98	15.5%
Class B	15	284,518	5.9%	5.9%	\$18.87	-11.0%
Tukwila						
Class A	20	1,360,388	17.4%	17.9%	\$23.97	0.6%
Class B	33	883,767	31.3%	31.3%	\$22.32	-2.8%
Renton						
Class A	14	1,838,011	64.1%	64.1%	\$36.17	31.8%
Class B	59	2,419,698	4.2%	5.0%	\$25.77	1.8%
Kent						
Class A	10	791,748	5.0%	8.0%	\$26.86	7.1%
Class B	11	265,828	11.9%	11.9%	\$20.70	12.6%
Auburn						
Class A	2	230,980	0.0%	0.0%	N/A	
Class B	3	36,985	0.0%	0.0%	N/A	
Federal Way						
Class A	17	1,051,183	29.8%	31.3%	\$23.47	-4.4%
Class B	39	1,478,733	30.0%	30.5%	\$18.24	-34.6%
TOTAL SOUTHEND						
Class A	69	6,191,057	29.5%	30.5%	\$32.49	26.1%
Class B	160	5,369,529	16.2%	16.7%	\$22.65	-11.3%

*Class C buildings have been omitted; Rents are Full Service

Jones Lang LaSalle's 4th Qtr. 2019 Seattle-Bellevue Office Insights report details inventory, vacancy rates, and rental rates for the various Southend submarkets.

Q4 2019 JLL Southend Office Statistics				
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate
Federal Way/Auburn				
Class A	88,000	0.0%	0.0%	\$0.00
Class B	2,158,686	31.4%	32.5%	\$26.41
All Inv	2,246,686	30.2%	31.2%	\$26.41
Kent Valley				
Class A	59,567	0.0%	0.0%	\$0.00
Class B	1,140,247	9.3%	11.4%	\$25.10
All Inv	1,199,814	8.8%	10.8%	\$25.10
Renton/Tukwila				
Class A	1,778,356	59.2%	59.2%	\$43.89
Class B	2,679,561	13.8%	14.1%	\$26.18
All Inv	4,457,917	31.9%	32.1%	\$38.98
Seatac/Burien				
Class A	431,475	12.5%	12.5%	\$29.50
Class B	559,610	0.5%	0.5%	\$27.67
All Inv	991,085	6.6%	6.6%	\$26.45
Market Summary				
Class A	2,357,398	47.0%	47.0%	\$43.00
Class B	6,538,104	17.7%	18.5%	\$26.24
All Inv	8,895,502	25.2%	26.1%	\$34.42

*Class C buildings have been omitted; Rents are Full Service

CoStar's Year End Office Market Statistics Report breaks out rents and vacancy by building class, as well as submarket.

CoStar Year End 2019 Southend Office Statistics								
Submarket	Number of Buildings	Total SF	Direct Vacant SF	Sublease SF	Direct Vacancy	Vacancy w/Sublet	Average Lease \$	Rent/SF % Change
Federal Way/Auburn								
Class A	5	227,262	7,315	7,272	3.2%	3.2%	\$37.83	4.9%
Class B	139	3,843,210	765,374	795,544	19.9%	20.7%	\$24.81	3.0%
All Office (A & B)	144	4,070,472	772,689	802,817	19.0%	19.7%	\$24.04	2.9%
Kent Valley								
Class A	1	59,567	0	0	0.0%	0.0%	\$36.00	7.6%
Class B	65	2,017,844	77,419	108,964	3.8%	5.4%	\$24.99	3.0%
All Office (A & B)	66	2,077,411	77,419	108,964	3.7%	5.2%	\$25.30	3.2%
Renton/Tukwila								
Class A	16	2,315,914	1,104,614	1,104,691	47.7%	47.7%	\$37.26	4.7%
Class B	173	7,290,973	617,623	656,188	8.5%	9.0%	\$26.85	3.5%
All Office (A & B)	189	9,606,887	1,722,237	1,760,879	17.9%	18.3%	\$29.48	3.9%
Seatac/Burien								
Class A	2	433,647	53,622	72,853	12.4%	16.8%	\$33.50	5.3%
Class B	68	1,791,692	49,125	51,959	2.7%	2.9%	\$24.33	2.6%
All Office (A & B)	70	2,225,339	102,747	124,812	4.6%	5.6%	\$26.52	3.4%
Total	469	17,980,109	2,675,092	2,786,917	14.9%	15.5%	\$27.58	3.6%

*Class C buildings have been omitted; Rents are Full Service

Physical Inspection Identification:

WAC 458-07-015 requires each property to be physically inspected at least once during a six-year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection.

All major office parcels within submarkets 100 (Belltown/Denny Regrade) and 110 (Capitol Hill) were selected for this year's physical inspection based on the current Area 280 six-year physical inspection plan spanning 2019 to 2024. Within the 2020 physical inspection area, there were 85 parcels in all, which represents approximately 15.6% of the total major office population. Of the 85 total parcels that were physically inspected, 55 parcels were improved with the remainder being vacant associated parcels. These properties were inspected prior to the posting of the 2020 office values. A list of the physically inspected parcels, along with their locations, is included within this report.



Preliminary Ratio Analysis

The sales ratio study is an important assessment tool to ensure that properties are uniformly assessed based on market value. This analysis utilizes statistical methods to measure the relationship between a property's assessed value and its sale price by grouping individual sales according to property type and geographic area. This data can be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development.

In this case, the Ratio Study Summary is included for administrative consistency. The final ratio study may not be an entirely reliable analysis of the recommended values because the sales sample is over-weighted with sales in the downtown Seattle and Bellevue central business districts that are not representative of the population as a whole. In addition, many of the sales in the sample were well leased to high-credit tenants which resulted in sales prices driven by Leased Fee valuations rather than the Fee Simple interest that the Assessor values. Finally, market conditions have improved substantially during the three years that the sales included in the study occurred and no trending factor has been applied.

IAAO Recommended Standards on Ratio Studies	
Appraisal Level	.90 to 1.10
Coefficient of Dispersion (COD)	5.0 to 20.0
Price Related Differential (PRD)	.98 to 1.03

The two major aspects of appraisal accuracy; appraisal level and appraisal uniformity are measured and evaluated using the ratio study. Appraisal level is a measure of the ratio of assessed value to sales price, while appraisal uniformity refers to the degree to which properties are appraised at equal percentages of market value. The International Association of Assessing Officers (IAAO) has developed performance standards to evaluate both the appraisal level and uniformity.

Appraisal (Assessment) Level: Estimates of appraisal level are based on measures of central tendency. The weighted mean ratio is the value-weighted average of the arithmetic mean and median ratios in which the weights are proportional to the sales prices. The weighted mean is the sum of the assessed values divided by the sum of the sales prices. The weighted mean gives equal weight to each dollar of value in the sample, whereas the median and mean give equal weight to each parcel. The weighted mean is an important statistic in its own right and also used in computing the price related differential (PRD), a measure of uniformity between high- and low- value properties.

The IAAO performance standards state that the weighted mean ratio should be between 0.90 and 1.10. The preliminary ratio study for Area 280 showed a weighted mean ratio of 0.914 which is at the low end of the range of the IAAO guidelines, indicating that the 2019 assessment level, as measured using recent sales, is acceptable though marginally so.

Appraisal (Assessment) Uniformity: Measures of dispersion or variability relate to the uniformity of the ratios. The most generally useful measure of uniformity is the Coefficient of Dispersion (COD). The COD measures the average percentage deviation of the ratios from the median ratio.

The IAAO performance standards state that the COD should be between 5.0 and 20.0 for income producing property in smaller, rural jurisdictions and between 5.0 and 15.0 for larger, urban market jurisdictions. The preliminary ratio study for Area 280 shows a COD of 9.88%, which is within the range of the IAAO guidelines, indicating that the 2019 level of assessment uniformity, as measured using recent sales, is within the acceptable range. However, a lower COD indicates better uniformity.

A second measure of uniformity utilized in the ratio study is the Price Related Differential (PRD). The PRD provides a measure of price related bias, or the equity between low and high priced property. The IAAO performance standards state that the PRD should fall between 0.98 and 1.03. A value below 0.98 would indicate progressivity in the data where assessment levels increase with increasing sales prices. Values above 1.03 indicate regressive bias in the data where assessment level decreases with increases in sales price. The preliminary ratio study for Area 280 showed a PRD of 1.01 that is within the acceptable range of the IAAO guidelines.

The preliminary ratio study showed the 2019 assessment level was generally within acceptable guidelines however the results are towards the limits of the range indicating better uniformity could be achieved.

SCOPE OF DATA

Land Value Data: The geographic appraiser in the area in which the specialty property is located is responsible for the land value used by the Area 280 specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Value Data: Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales that were considered in this revaluation were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate broker. Characteristic data is verified for all sales whenever possible. If necessary a site inspection is made. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.

Improved Parcel Total Values

Sales Comparison Approach Model Description

All sales were verified with all knowledgeable parties and inspections, when possible. The model for the sales comparison approach was based on characteristics from the Assessor's records including location, effective age, building quality and net rentable area. Sales with characteristics most similar to the subject properties were considered.

The office building sales in King County utilized in the analysis for the current revalue were divided into six market segments. The segmentation is based primarily on the geographic boundaries previously described. In the event a segment lacked adequate sales representation, similarities in other segments were considered and judgment was applied in determining market comparability. Sales of institutional-grade office buildings that were under but close to the 90,000 rentable square foot threshold of the office specialty group might also be reviewed.

At the time of sale, information on vacancy and market absorption rates, capitalization rates, current and anticipated rents, and the competitive position of the properties were also gathered. Sales were then compared to similar properties within the area for valuation. These sales statistics also helped form the income approach to value by setting parameters for the income rates, vacancies, expenses and capitalization rates.

The sales comparison approach reflects the principles of supply and demand, balance, externalities, and substitution. The sales comparison approach is preferred when there are adequate sales data. The sales price range served to establish a general upper and lower market boundary for the various property types within each area.

Sales Comparison Calibration

The improved sales used range in sale dates from 1/18/2017 to 12/31/2019. There were 82 improved sales in Area 280 that were considered as fair market transactions and used in the overall analysis. Of these, 61 were included in the ratio study. Examples of sales that are not included in the analysis are: sales

that are leased back to the seller; sold as a portion of a bulk portfolio sale; net lease sales; sales that had major renovation after sale, or have been segregated or merged since being purchased.

In addition, some of the sales in the sample represent the Leased Fee interest while the Assessor is tasked with valuing the Fee Simple interest based on market parameters as of the valuation date. Therefore sales encumbered with older leases that are above or below current market rates do not reflect the interest the Assessor is valuing. In addition, properties that are fully leased to high-credit, primarily technology-orientated, tenants (e.g. Amazon, Facebook, Google, F5, etc.) typically on a triple-net basis, tend to command a significant premium Leased Fee value when compared to the unencumbered Fee Simple value.

The current office market cycle has seen a substantial increase in sale transactions particularly in the downtown core areas, however there have been too few sales of different office types in all of the various submarkets to rely solely on the market approach to value. While the sales were reviewed and market data extracted when possible, the Income Approach was used in the final reconciliation of value because it allows greater equalization and uniformity of values for the various stratifications of office buildings and because sufficient market income data was available as of the valuation.

Cost Approach Model Description

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

Cost Calibration

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

Income Capitalization Approach Model Description

A direct capitalization income approach estimate was calculated for all properties within the specialty. Due to the significance of the parking income contribution in the Seattle and Bellevue CBD's, and the fact that these parcels comprise the majority of the properties within the specialty, parking income was a necessary component of the direct capitalization process. The inability of the department's income table program to recognize parking stalls as an income generator precluded the use of income tables in the revaluation of the office specialty. Therefore, no tables were created. Instead, a direct capitalization workbook was created showing each property's income value estimate.

Income parameters were derived from the market place through market rental surveys, sales, and available real estate publications and websites. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. The return rate of mail surveys varies and the data can be incomplete. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the

opportunity to contact them. As a supplement, lease information is gathered from Costar, Commercial Brokers Association, and other similar online sources. A majority of properties in this specialty were valued utilizing the income approach (Direct Capitalization Method) to improve uniformity.

The valuation model includes the following general steps:

1. The model multiplies the property's net rentable area by the market rent to derive potential gross income (PGI).
2. The model subtracts allowances for vacancy and operating expenses to derive net operating income (NOI).
3. The model capitalizes NOI (divides it by the overall rate) to produce the value estimate.

Income: Income data was derived from the market place from landlords and tenants, market sales, as well as through published sources (i.e. officespace.com, Commercial Brokers Association, Co-Star, and real estate websites such as CBRE, Colliers, Kidder Mathews, etc.), and opinions expressed by real estate professionals active in the market. When necessary, rental rates of similar property types from other market areas were considered.

Vacancy: Vacancy rates used were derived mainly from published sources and tempered by appraiser observation.

Expenses: Expense ratios were estimated based on industry standards, published sources (e.g. BOMA EER), and the appraiser's knowledge of the area's rental practices.

Capitalization Rates: When market sales are available, an attempt is made to ascertain the capitalization rate on the sale or a pro-forma cap rate on the first year performance, during the sales verification process. In addition, capitalization rate data was collected from published market surveys, such as Co-Star, Real Capital Analytics, The American Council of Life Insurance (Commercial Mortgage Commitments), Integra Realty Resources, Korpacz Real Estate Investor Survey (PWC), CBRE – National Investor Survey, etc. These sources typically have capitalization rates or ranges based on surveys or sales, and they usually include rates for both the Seattle Metropolitan area and the nation.

Income Approach Calibration

The income valuation models were calibrated after setting base rents by considering necessary adjustments. Appraisal judgment was employed in adjusting for differences between individual buildings based on their perceived investment competitiveness in their respective markets. Location, effective year-built, construction and leasing class, and quality and size as recorded in the Assessor's records were items considered to be of primary importance in determining a properties placement in the appropriate base rent category.

Within each of the market segments, income parameters were established for economic rent, vacancy and credit loss, operating expenses, and capitalization rates for various groupings of properties based on their investment competitiveness

In addition, office market data was collected and analyzed from numerous well-respected commercial real estate research publications including, but not limited to:

- CBRE's Puget Sound MarketView 4th Qtr. 2019,
- Jones Lang LaSalle's 4th Qtr. 2019 Seattle-Bellevue Insights,
- Newmark Knight Frank's 4Q 2019 Puget Sound Office Market Report,
- CoStar Group's Seattle/Puget Sound Office Market Report YE-2019,
- Cushman & Wakefield's Seattle Office Marketbeat 4th Qtr. 2019.

Base Rent Model

The following table summarizes the base rent model utilized for the 2020 assessment year. Properties were primarily stratified by submarket and leasing class. The rents applied to individual properties were adjusted from the indicated base rent based on property-specific considerations.

1/1/2020 Area 280 Base Rent Model							
SubMkt#	Submarkets	Class C	Class B	Class A/B	Class A	Class A+	Class A++
100	Belltown/Denny Regrade	\$ 28.00	\$ 32.00	\$ 36.00	\$ 45.00	\$ 48.00	\$ 50.00
110	Capitol Hill/First Hill	\$ 28.00	\$ 35.00	\$ 37.00	\$ 41.00	\$ 46.00	\$ 52.00
120	Central Business District	\$ 28.00	\$ 35.00	\$ 39.00	\$ 45.00	\$ 48.00	\$ 50.00
130	Lake Union	\$ 30.00	\$ 37.00	\$ 40.00	\$ 42.00	\$ 47.00	\$ 50.00
140	Pioneer Square	\$ 30.00	\$ 35.00	\$ 41.00	\$ 46.00	\$ 49.00	\$ 51.00
150	Queen Anne/Magnolia	\$ 30.00	\$ 35.00	\$ 38.00	\$ 43.00	\$ 47.00	\$ 50.00
	Seattle Downtown (Avg)	\$ 29.00	\$ 34.83	\$ 38.50	\$ 43.67	\$ 47.50	\$ 50.50
200	520/Overlake	\$ 28.00	\$ 32.00	\$ 37.00	\$ 44.00	\$ 47.00	\$ 50.00
210	Bellevue CBD	\$ 30.00	\$ 35.00	\$ 40.00	\$ 44.00	\$ 48.00	\$ 52.00
220	Bellevue Suburban	\$ 28.00	\$ 33.00	\$ 37.00	\$ 39.00	\$ 46.00	\$ 50.00
230	Bothell/Woodinville	\$ 25.00	\$ 28.00	\$ 31.00	\$ 32.00	\$ 37.00	\$ 42.00
240	I-90 Corridor	\$ 25.00	\$ 28.00	\$ 35.00	\$ 37.00	\$ 40.00	\$ 45.00
250	Kirkland/Totem Lake	\$ 25.00	\$ 32.00	\$ 38.00	\$ 44.00	\$ 46.00	\$ 50.00
260	Redmond/Willows	\$ 25.00	\$ 30.00	\$ 32.00	\$ 35.00	\$ 37.00	\$ 42.00
	Eastside (Avg)	\$ 26.57	\$ 31.14	\$ 35.71	\$ 39.29	\$ 43.00	\$ 47.29
300	Ballard/University	\$ 27.00	\$ 34.00	\$ 38.00	\$ 44.00	\$ 46.00	\$ 50.00
310	Northgate/North Seattle	\$ 25.00	\$ 28.00	\$ 32.00	\$ 34.00	\$ 38.00	\$ 42.00
	Northend (Avg)	\$ 26.00	\$ 31.00	\$ 35.00	\$ 39.00	\$ 42.00	\$ 46.00
400	Federal Way	\$ 18.00	\$ 22.00	\$ 25.00	\$ 26.00	\$ 29.00	\$ 35.00
410	Kent/Auburn	\$ 18.00	\$ 22.00	\$ 25.00	\$ 26.00	\$ 29.00	\$ 35.00
420	Renton/Tukwila	\$ 19.00	\$ 24.00	\$ 28.00	\$ 30.00	\$ 32.00	\$ 40.00
430	SeaTac	\$ 19.00	\$ 22.00	\$ 25.00	\$ 30.00	\$ 35.00	\$ 38.00
440	South/West Seattle	\$ 19.00	\$ 22.00	\$ 29.00	\$ 37.00	\$ 44.00	\$ 48.00
	Southend (Avg)	\$ 18.60	\$ 22.40	\$ 26.40	\$ 29.80	\$ 33.80	\$ 39.20
	Area 280 Average	\$ 25.25	\$ 30.05	\$ 34.15	\$ 38.20	\$ 41.95	\$ 46.10

Note: Rents applied to individual properties are adjusted from the indicated base rent based on property-specific considerations

Typical Income Parameters Applied

The following table briefly summarizes the typical income parameters utilized in each of the four geographic market areas as well as for Medical Office Buildings. It is important to note that the table represents typical parameters and is not all inclusive. Some properties were valued using parameters outside of the ranges provided in the summary table when appropriate.

Typical Income Parameters Applied					
Segment		Rent Range Per SF*	Vacancy / Coll. Loss %	Operating Expenses/SF	Capitalization Rate %
Seattle Downtown	Class A	\$41.00 - \$52.00	6% - 12%	\$13.50 - \$14.50	4.50% - 5.75%
	Class B	\$28.00 - \$41.00		\$12.00 - \$14.50	5.25% - 6.25%
Eastside	Class A	\$31.00 - \$52.00	5% - 12%	\$11.50 - \$14.50	4.75% - 6.50%
	Class B	\$28.00 - \$40.00		\$11.50 - \$13.75	5.25% - 6.75%
Northend	Class A	\$32.00 - \$50.00	7%	\$12.00 - \$12.50	5.25% - 6.25%
	Class B	\$25.00 - \$38.00		\$11.50 - \$11.50	6.00% - 6.25%
Southend	Class A	\$25.00 - \$48.00	5% - 20%	\$10.00 - \$12.50	5.75% - 7.25%
	Class B	\$18.00 - \$29.00		\$10.00 - \$12.50	7.50% - 7.75%
Medical Office Buildings	All	\$37.00 - \$56.00	8%	\$13.50 - \$16.50	4.75% - 6.50%
*Full Service					

The range of capitalization rates that were applied is influenced by building age, quality/class and competitiveness with the lower rates applied to the higher quality office buildings. Higher rates might be applied to the lesser quality office buildings or to properties that have ongoing above-market vacancy, or physical issues that result in higher operating expenses or require additional capital investment. These are often referred to as Value-Add properties.

In addition to the income parameters presented above, some of the Major Office properties contain a portion of retail space which needs to be considered. Retail lease rates applied in the Seattle Downtown submarkets typically ranged from \$25 to \$45 per square foot on a triple net basis. Typical retail vacancy and collection losses of 5% of the potential gross income were applied, as well as 5% triple net operating expenses. In the Bellevue CBD, retail rents typically applied were \$36 per square foot on a triple net basis.

Parking Income

In addition to office and retail space rents, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%.

Unreserved monthly and daily rates and occupancy rates were provided by the 2018 Puget Sound Regional Council Parking Inventory for the Downtown Seattle and Bellevue CBD parking zones. No turnaround on the daily spaces was recognized. A parking expense rate of 20% to 25% was applied to parking income to arrive at a net parking income contribution figure with the stand-alone parking garages typically incurring the higher expenses.

The following is a description of the parking income parameters used in the income approach to value the Downtown Seattle and Bellevue CBD office properties. Properties in the Southend and Suburban markets

do not typically generate significant, if any, income from parking. A map of the parking neighborhoods is included in the addendum of the office report.

Seattle CBD - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
1	\$19.50 - \$33.33	\$26.79	\$178.00 - \$271.66	\$228.80	32% - 39%	36%	
2	\$8.00 - \$22.50	\$13.54	\$188.90 - \$236.99	\$212.95	43% - 61%	52%	
3	\$14.00 - \$40.00	\$18.30	\$250.00 - \$350.00	\$295.00	62% - 72%	67%	
4	\$18.01 - \$29.50	\$24.98	\$235.00 - \$300.04	\$279.98	65% - 71%	68%	
5	\$26.00 - \$50.00	\$34.75	\$242.00 - \$353.00	\$320.07	65% - 71%	68%	
6	\$18.00 - \$52.00	\$30.51	\$275.85 - \$365.85	\$327.04	57% - 63%	60%	
7	\$24.00 - \$50.00	\$31.22	\$175.00 - \$400.00	\$315.75	65% - 71%	68%	
8	\$15.00 - \$57.00	\$29.86	\$285.00 - \$374.00	\$323.69	65% - 70%	68%	
9	\$8.00 - \$37.00	\$19.56	\$229.00 - \$270.00	\$253.50	54% - 63%	59%	
10	\$12.00 - \$29.34	\$24.18	\$249.00 - \$379.00	\$299.67	57% - 70%	64%	
11	\$12.00 - \$36.00	\$20.49	\$130.00 - \$250.00	\$213.25	62% - 73%	68%	
12	\$15.00 - \$29.67	\$23.34	\$250.00 - \$390.00	\$315.47	71% - 77%	74%	
13	\$18.00 - \$35.00	\$25.68	\$297.00 - \$350.00	\$317.46	74% - 88%	81%	
Lower Queen Anne/South Lake Union - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
17	\$16.00 - \$30.00	\$21.34	\$212.00 - \$375.00	\$295.14	70% - 74%	72%	
18	\$13.00 - \$54.00	\$21.12	\$130.00 - \$305.00	\$226.67	58%	58%	
19	\$10.00 - \$36.50	\$18.90	\$120.00 - \$220.00	\$165.71	58% - 62%	60%	
First Hill - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
14	\$15.00 - \$31.50	\$19.09	\$168.75 - \$255.00	\$211.86	46% - 73%	60%	
15	\$13.50 - \$20.00	\$16.00	\$205.00 - \$235.64	\$220.32	46% - 73%	60%	
16	\$8.00 - \$19.50	\$15.06	\$275.00 - \$300.00	\$283.33	63% - 83%	73%	
University District - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
1	\$13.00 - \$17.16	\$14.11	\$145.00 - \$165.00	\$150.83	45% - 65%	55%	
2	\$8.16 - \$17.14	\$13.44	\$150.00 - \$162.50	\$155.00	58% - 84%	71%	
3	\$13.50 - \$25.00	\$16.22	\$135.00 - \$250.00	\$161.88	77% - 85%	81%	
4	\$13.75 - \$15.00	\$14.65	\$150.00 - \$160.00	\$150.48	58% - 84%	71%	
5	\$7.00 - \$15.00	\$13.90	\$150.00	\$150.00	58% - 84%	71%	
6	\$5.00	\$5.00	\$80.00	\$80.00	45% - 65%	55%	
7	\$10.00	\$10.00	\$80.00	\$80.00	45% - 65%	55%	
8	\$9.00	\$9.00	\$80.00	\$80.00	45% - 65%	55%	
9	\$15.00	\$15.00	\$85.00	\$85.00	45% - 65%	55%	
Bellevue CBD - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
1	\$12.00 - \$19.50	\$17.80	\$155.00 - \$211.67	\$182.62	75% - 83%	79%	
2	\$11.50 - \$20.00	\$17.00	\$203.00 - \$220.00	\$211.50	40% - 80%	60%	
3	\$12.00 - \$75.00	\$23.09	\$165.00 - \$250.00	\$198.46	25% - 100%	81%	
4	\$14.00 - \$24.00	\$20.55	\$201.00 - \$241.10	\$229.55	25% - 90%	71%	
5	\$12.00	\$12.00	N/A	N/A	N/A	N/A	
6	N/A	N/A	N/A	N/A	N/A	N/A	
7	\$5.80	\$5.80	N/A	N/A	N/A	N/A	
Sources: PSRC 2018 Parking Inventory Study							
Seattle DOT 2018 Off-Street Parking Study							
Bellevue Downtown Association 2018 Downtown Parking Survey Report							

Capitalization Rate Information

The table below summarizes CBRE's 2nd Half 2019 Capitalization Rate Survey. The survey indicates that in general capitalization rates, while remaining low, have stabilized. Continued investment demand is counteracting the rise in interest rates and cyclical factors. Capitalization rates are expected to remain mostly stable next year.

CBRE Office Capitalization Rates 2nd Half 2019							
CURRENT CAP RATES				YEAR TO YEAR CHANGE			
Class AA				Class AA			
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add	
CBD	4.25% - 4.75%	↔	N/A - N/A	-	0.00% - 0.00%	N/A - N/A	
Suburban	5.25% - 5.75%	↔	N/A - N/A	-	0.00% - 0.00%	N/A - N/A	
Class A				Class A			
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add	
CBD	4.75% - 5.25%	↔	5.50% - 6.75%	↘	0.00% - 0.00%	-0.50% - -0.50%	
Suburban	5.75% - 6.25%	↘	6.25% - 7.25%	↘	-0.25% - -0.25%	-0.25% - -0.25%	
Class B				Class B			
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add	
CBD	5.50% - 6.50%	↔	6.50% - 7.75%	↔	0.00% - 0.00%	-0.25% - 0.00%	
Suburban	6.75% - 7.25%	↘	7.25% - 8.25%	↘	-0.25% - -0.25%	-0.25% - -0.25%	
Class C				Class C			
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add	
CBD	6.75% - 8.50%	↔	7.50% - 8.75%	↘	0.00% - 0.00%	-0.50% - -0.25%	
Suburban	7.50% - 8.25%	↔	8.00% - 9.00%	↔	0.00% - 0.00%	0.00% - 0.00%	

Source: 2nd Half 2019 CBRE Cap Rate Survey

The tables on the following pages summarize office capitalization rates gathered from various commercial real estate industry research reports.

The published office capitalization rates indicate that rates for the Seattle Metropolitan Area are lower than the national averages. Seattle is one of the top ten largest office markets in the nation and is considered a top-tier market. With continued low cost of funds and strong investor interest in the Puget Sound office market, capitalization rates for well-leased, institutional grade office buildings remain low.

When market sales are available an attempt is made during the sales verification process to ascertain the capitalization rate on the sale or a pro-forma cap rate. Whenever possible information on the occupancy level, lease rates, tenancy terms, and expenses is collected to determine how the sale compares to the current economic parameters of the market and how the leased fee cap rate compares to a fee simple cap rate.

SEATTLE / REGIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019					1 st Tier properties are defined as new or newer quality const. in prime to good location; 2 nd Tier properties are defined as aging, former 1 st tier in good to average locations; 3 rd Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.80% 6.60%	- -	- -	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties Warehouse – 1 st Tier Properties R&D – 1 st Tier Properties Flex – 1 st Tier Properties
			-	5.60%	-	Regional Mall – 1 st Tier Properties
			-	6.60%	-	Power Center – 1 st Tier Properties
			-	6.30%	-	Neigh/Comm. Ctrs. – 1 st Tier Properties
			-	-	6.40%	Office CBD – 1 st Tier Properties
			-	-	6.40%	Office CBD – 2 nd Tier Properties
			-	-	6.20%	Office CBD – 3 rd Tier Properties
		West Region	5.00% - 9.00%	-	-	Suburban Office – 1 st Tier Properties
			5.30% - 8.00%	-	-	Suburban Office – 2 nd Tier Properties
			5.50% - 9.00%	-	-	Suburban Office – 3 rd Tier Properties
			5.00% - 8.50%	-	-	Warehouse – 1 st Tier Properties
			5.50% - 8.80%	-	-	Warehouse – 2 nd Tier Properties
			6.00% - 9.50%	-	-	Warehouse – 3 rd Tier Properties
			-	4.50% - 8.00%	-	R&D – 1 st Tier Properties
			-	5.00% - 8.50%	-	R&D – 2 nd Tier Properties
			-	5.50% - 9.00%	-	R&D – 3 rd Tier Properties
			-	5.00% - 8.00%	-	Flex – 1 st Tier Properties
			-	5.30% - 8.50%	-	Flex – 2 nd Tier Properties
			-	5.80% - 9.80%	-	Flex – 3 rd Tier Properties
			-	4.80% - 8.00%	-	Regional Mall – 1 st Tier Properties
			-	5.30% - 8.50%	-	Regional Mall – 2 nd Tier Properties
			-	5.80% - 9.00%	-	Regional Mall – 3 rd Tier Properties
			-	-	5.00% - 8.50%	Power Center – 1 st Tier Properties
			-	-	5.50% - 9.00%	Power Center – 2 nd Tier Properties
			-	-	6.00% - 10.00%	Power Center – 3 rd Tier Properties
			-	-	5.50% - 8.80%	Neigh/Comm. Ctr. – 1 st Tier Properties
			-	-	6.00% - 8.10%	Neigh/Comm. Ctr. – 2 nd Tier Properties
			-	-	6.50% - 10.00%	Neigh/Comm. Ctr. – 3 rd Tier Properties
			-	-	5.00% - 8.30%	
			-	-	6.00% - 8.60%	
			-	-	6.00% - 9.00%	
IRR: Viewpoint for 2019	Year-end 2019	West Region	5.75% 6.38% 6.18% 6.77%	- - - -	- - - -	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B
			-	6.38%	-	Flex Industrial
			-	5.70%	-	Industrial
			-	-	6.17%	Regional Mall
			-	-	6.11%	Community Retail
			-	-	6.27%	Neighborhood Retail
PWC / Korpaz Real Estate Investment Survey	4Q 2019	Seattle	4.00% - 8.00%	-	-	CBD Office
		Pacific NW Region	4.50% - 8.00%	-	-	Office
			-	3.70% - 5.50%	-	Warehouse
ACLI	4Q 2019	Seattle – Bellevue - Everett MSA	4.96%	5.59%	5.97%	All Classes
		Pacific Region	5.69%	5.21%	5.92%	All Classes

SEATTLE / REGIONAL/ NATIONAL CAP RATES

Source	Date	Location	Multifamily	Hospitality	Remarks
CBRE: U.S. Cap. Rate survey. Advance Review	H2 2019	Seattle	4.00% - 4.25%	-	Infill – Class A
			4.50% - 5.00%	-	Infill – Class A – Value Added
			4.25% - 4.75%	-	Infill – Class B
			5.00% - 5.50%	-	Infill – Class B – Value Added
			5.00% - 5.50%	-	Infill – Class C
			5.50% - 6.25%	-	Infill – Class C – Value Added
			4.50% - 4.75%	-	Suburban – Class A
			4.75% - 5.25%	-	Suburban – Class A – Value Added
			4.75% - 5.25%	-	Suburban – Class B
			5.25% - 5.75%	-	Suburban – Class B – Value Added
			5.00% - 5.75%	-	Suburban – Class C
			5.50% - 6.25%	-	Suburban – Class C – Value Added
			-	6.00% - 6.50%	CBD – Luxury
			-	6.25% - 7.00%	CBD – Full-Service
			-	6.50% - 7.00%	CBD – Select-Service
			-	8.50% - 9.25%	CBD – Economy
-	6.50% - 7.50%	Suburban – Luxury			
-	7.50% - 8.25%	Suburban – Full-Service			
-	7.50% - 8.25%	Suburban – Select-Service			
-	9.50% - 10.50%	Suburban – Economy			
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019	Seattle	5.50%	-	Apartments – All Classes
			-	7.10%	Hotels – All Classes
		West Region	4.00% - 6.50%	-	Apartments – 1 st Tier Properties
			4.50% - 7.80%	-	Apartments – 2 nd Tier Properties
			4.80% - 9.80%	-	Apartments – 3 rd Tier Properties
			-	6.00% - 8.00%	Hotels – 1 st Tier Properties
-	7.00% - 8.50%	Hotels – 2 nd Tier Properties			
-	7.50% - 10.50%	Hotels – 3 rd Tier Properties			
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2019	National	4.00% - 6.00 %	7.00% - 8.30%	Apartment – 1 st Tier
					Hotel – 1 st Tier
IRR: Viewpoint for 2020	Year-end 2019	Seattle	4.25%		Urban Class A
			4.50%		Urban Class B
			4.75%		Suburban Class A
			5.25%		Suburban Class B
IRR: Viewpoint for 2020	Year-end 2019	West Region	4.46%	-	Urban Class A
			5.06%	-	Urban Class B
			4.68%	-	Suburban Class A
			5.27%	-	Suburban Class B
IRR: Viewpoint for 2020	Year-end 2019	Seattle		7.00%	Full Service
				8.50%	Limited Service
PWC / Korpaz Real Estate Investor Survey	4Q 2019	Pacific Region	3.65% - 6.00%	-	Apartments
ACLI	4Q 2019	Seattle-Bellevue Everett	4.67%		All Classes
		Pacific	4.78%	5.39%	All Classes

WEST / NATIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Income Vs. Price Realities	4Q 2019					1 st Tier properties are defined as new or newer quality const. in prime to good location and typical owners/buyers are institutional investors
		National	4.50% - 6.80% 6.30% - 7.30% - - - - -	- - 4.50% - 6.00% 5.50% - 8.00% 6.80% - 7.50% - -	- - - - - 5.00% - 7.00% 6.20% - 7.50% 5.00% - 6.50%	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties Warehouse – 1 st Tier Properties R&D – 1 st Tier Properties Flex – 1 st Tier Properties Regional Mall – 1 st Tier Properties Power Center – 1 st Tier Properties Neigh/Comm. Ctrs. – 1 st Tier Properties
IRR: Viewpoint 2020 Commercial Real Estate Trends report	Yr. End 2019	National	6.66% 7.52% 7.00% 7.77% - - - -	- - - - 6.61% 7.33% - -	- - - - - 6.89% 6.91% 7.07%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial Flex Industrial Regional Mall Community Retail Neighborhood Retail
ACLI	4Q 2019	National	5.90% 6.69% 5.89% 6.42% 5.73%	5.64% 6.55% 6.08% 6.08% 5.43%	6.23% 6.58% 5.83% 5.98% 6.45%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. – 100,001 – 200k Sq.Ft. – 200k+
PWC / Korpaz Real Estate Investor Survey	4Q 2019	National	3.75% - 7.50% 4.00% - 9.25% 6.00% - 9.50% 4.25% - 10.00% - - - -	- - - - - 3.75% - 6.40% - -	- - - - - - 4.00% - 9.00% 5.25% - 8.25% 4.50% - 10.00% 4.00% - 8.00%	CBD Office Suburban Office Secondary Office Medical Office Flex/R&D Warehouse Regional Mall Power Center Neigh. Strip Centers Net Lease
The Boulder Group: Net Lease Market Report	4Q 2019 1Q 2019 3Q 2019	National	6.94% 5.30% 6.45%	6.90%	6.07%	Overall (Average) Bank Medical Office
The Boulder Group: Net Lease Market Report	4Q 2019 3Q 2019	West West	6.94% 6.27% 5.60%	6.90%	6.07%	Overall (Average) Bank Medical Office

NATIONAL AND REGIONAL CAP RATES

Source	Date	Location	Restaurant	Retail	
The Boulder Group: Net Lease Market Report	4Q 2019	National		7.00%	Big Box
				7.29%	Junior Big Box (20K-40K SF)
	6.99%	Mid Box (40K-80K SF)			
	6.75%	Large Format (over 80K SF)			
	5.95%	Median			
	3Q2019	National		6.22%	Drug Store
1Q 2019	West	5.80%	Auto Parts Stores		
2Q 2019	West	5.10%	Casual Dining		
			4.45%	Quick Service Restaurants	

Reconciliation

All parcels were individually reviewed for correct application of the model before final value selection. All of the factors used to establish value by the model were subject to adjustment.

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

Model Validation

Total Value Conclusions, Recommendations and Validation:

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

In the 2020 valuation model, the income approach is used to value the majority of the income producing properties as there are an insufficient number and variety of sales to value the different property types by the market approach. The income approach also insures greater uniformity and equalization of values. The 1/1/2020 valuation reflects the changing office market dynamics as of the valuation date. These include declining market vacancy rates in most submarkets, increasing market lease rates, and generally low capitalization rates for well leased good quality office buildings.

These factors have resulted in higher valuations for most of the institutional-grade office properties in the Seattle and Eastside office submarkets, and minor value changes for properties with high vacancy or those located in the weaker submarkets.

Comparison of the 2019 Ratio Study Analysis with the 2020 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level changed from 91.4% 95.0%. The Coefficient of Dispersion (COD) changed from 9.88% to 8.14%, the Coefficient of Variation (COV) changed from 14.63% to 11.30%, and the Price-related Differential (PRD) remained the same at 1.01. These figures are within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity.

AREA 280 RATIO STUDY SUMMARY

RATIO STUDIES (Before and After)	1/1/2019	1/1/2020
Arithmetic Mean Ratio	0.924	0.963
Median Ratio	0.945	0.957
Weighted Mean Ratio	0.914	0.950
Coefficient of Dispersion (COD)	9.88%	8.14%
Standard Deviation (SD)	0.1352	0.1088
Coefficient of Variation (COV)	14.63%	11.30%
Price Related Differential (PRD)	1.01	1.01

The total assessed value in Area 280 for the 2019 assessment year was \$44,128,350,091 and the total recommended assessed value for the 2020 assessment year is \$47,097,119,350. Application of these recommended values for the 2020 assessment year results in an average total change from the 2019 assessment of +6.73%.

CHANGE IN TOTAL ASSESSED VALUE

2019 Total Value	2020 Total Value	\$ Change	% Change
\$44,128,350,091	\$47,097,119,350	\$2,968,769,259	6.73%

Improved Sales for Area 280 (Sales from 1/1/2017 - 12/31/2019 were considered)

SEATTLE SALES

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	100	065900	0555	215,183	3025984	\$97,000,000	12/17/19	\$451	1600 SEVENTH (FRMLY PLAZA 600 BUILDING)	1	Y	BGO Plaza 600 acquired the 1600 Seventh Building (Fmrlly Plaza 600) from Urban Renaissance Group on 12/17/2019 for \$97,000,000 or \$451/SF in a fair market transaction. BGO acquired a 90% stake, while Urban Renaissance Group acquired a 10% stake. 1600 Seventh was built in 1969 (Renovated in 2016) and consists of 20 story Class A office building containing a total net rentable area of 215,183 SF. ATOS, the reported vacancy was 93% and traded on a 5.10% cap rate. Seller's motivation was for recapitalization purposes.
280	100	066000	1135	305,837	3025325	\$206,150,000	12/5/19	\$674	1800 NINTH (AMAZON - ALEXANDRIA)	1	Y	JP Morgan Group acquired the 1800 Ninth Bldg. (Alexandria - Amazon) from Heitman on December 5th, 2019 for \$206.1 million or \$674/SF. 1800 NINTH consists of 16-story Class A multi-tenant office building over a 310 car garage. The improvements contain a total net rentable area of 305,837/SF and were originally constructed in 1990, and exhibiting an effective age of 2005. Amazon occupies +/- 70% of the building with the other primary tenant being Regence. The property is LEED Silver certified. Amenities include 80 person conference center, renovated Lobby, full Service café, exterior deck, full time tenant Concierge, 24 hr. / 7 day on site security, fitness center with showers and lockers, close proximity to the Convention Place Metro Center and I-5, and walking distance to numerous shopping centers, restaurants, and theaters. ATOS, the property was 100% occupied and traded at a 4.90% cap rate.
280	100	066000	2410 2054	699,768	2946545 2946557	\$434,809,000	8/9/18	\$621	METROPOLITAN PARK EAST & WEST	2	Y	Beacon Capital acquired the Metropolitan Park East & West office towers from CBRE Strategic Partners on 8/8/2018 for a combined acquisition price of \$434,809,000 or \$621/SF in a fair market transaction. Met Park East and West sold in separate but simultaneous transactions with East allocated a sale price of \$230,448,770 or \$634/SF (E#2946545) and West allocated a sale price of \$204,360,230 or \$608/SF (E#2946557). Combined, the properties contain a total net rentable area of 699,768 SF based on recent rent rolls. The properties were 91% occupied at the time of sale and traded at a 4.40% cap rate on in place income. Note: a portion of 066000-2410 is subject to leasehold (Ground Lease). The combined sale price represents a 59% increase in value over the prior acquisition cost of \$272.8 million (\$390/SF) in November 2014, or 16.3%/year. Per PSBJ: "The appreciation stems from new leases and renewals for two-thirds of the space at "some of the highest rents in the market," trade publication Real Estate Alert reported earlier this year." WeWork had recently finalized a deal for 107,000 SF. Asking rates were \$47-\$52/SF Full Service.
280	100	766620	2320	133,177	2892456	\$65,000,000	9/28/17	\$488	World Trade Center North (now Viewpoint)	1	Y	Unico Properties acquired the leasehold interest in the World Trade Center North property from TIAA-CREF on 9/28/2017 for \$65,000,000 or \$488/SF. The Port of Seattle individually owns the land and 360-stall parking garage. The WTC North property consists of a 5-story Class A multi-tenant building originally constructed in 2000 with a net rentable area of 133,177 SF. The property benefits from its waterfront location and features unobstructed views and a large amenity deck. The buyer has subsequently changed the name of the property to the Viewpoint building and has plans to renovate the lobby and add building amenities. The property was 24% vacant at the time of sale and traded at a 4.00% cap rate on income in place. Vacant space is being marketed at \$34-\$40/SF NNN with expenses listed at \$10/SF (\$44-\$50/SF Gross).

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks	
280	120	197670 0185 0186	316,799	3018392	\$176,868,000	10/31/19	\$558	PARK PLACE OFFICE BUILDING	2	Y	Urban Renaissance Group acquired the 1200 6th Ave. Park Place Bldg. from Washington Holdings in October 2019 for \$176.8 million or \$558/SF. Actual sales price was \$177 million, but included \$132k in personal property. Park Place consists of 21-story Class A multi-tenant office building over a 181 car garage. The improvements contain a total net rentable area of 316,799 square feet and were originally constructed in 1971. The building was fully-renovated by international architect and tenant Gensler in 2012. Park Place features contemporary finishes, a dedicated fitness center, secured bike storage and 181 parking stalls in an ideal location within easy walking distance of light rail, and bus lines. The building is adjacent to Interstate-5. Featuring a green roof, rain catchment system, water efficient fixtures, systems to measure air flow, a green cleaning program and satellite-controlled irrigation, the LEED-EB Platinum building was the first existing building in Seattle to be awarded the prestigious designation. The property was 95% occupied at the time of sale and traded at a 5.00% cap rate.	
280	120	930150 0010	365,674	3016086	\$235,767,812	10/17/19	\$645	WESTLAKE TOWER OFFICE CONDO	1	Y	Unico Properties acquired the Westlake Office Condo located at 400 Pine St. building from TIAA/NUVEEN on 10/17/2019 for \$236,000,000 with included \$232,188 of personal property, resulting in the recorded sales price (excluding PP) of \$235,767,812 or \$644.75/SF in a fair market transaction. 400 Pine consists of a 25-story Class A multi-tenant office condo high-rise that was originally constructed in 1989 with a net rentable area of 365,674/SF. Per DJC, over the past 5 years, the owners spent +/- \$34 million in building renovations/capital improvements. Capital investments included upgrades to the lobby and common areas, new building systems, and \$14.6 million in tenant improvements. On-site amenities include conference rooms, property management, full service fitness center, secure bicycle storage. Building also has sub-level direct access to Link Light Rail, King County Metro Buses, Seattle Monorail, and the Seattle Streetcar. Located in the heart of the high-street retail district, the property also affords excellent views of Elliott Bay, downtown Seattle, the Cascade Mountains, the Olympic Mountains, and Lake Union. The property was reportedly 5% vacant at the date of sale with asking rates of \$45/SF NNN. No cap rate information was reported.	
280	120	065900 0085	292,038	3010091	\$112,848,500	9/13/19	\$386	MEDICAL DENTAL BUILDING	1	Y	MDB Landmark, LLC acquired the 505 Olive Way Building from Goodman Real Estate on 9/13/2019 for \$113,000,000 which included \$151,500 in personal property resulting in the recorded real estate price of \$112,848,500 or \$386/SF in a fair market transaction. Per publication sources, the property was 91% occupied ATOS with a reported actual cap rate of 5.80%. Per JLL press release, "The iconic Medical Dental Building is in an A+ location in the heart of booming Downtown Seattle with South Lake Union only steps away. The building is adjacent to Nordstrom, Westlake Center and Pacific Place. The property provides several options for tenants' transportation including convenient access to the Monorail and Metro bus tunnel, a bus stop in front of the building and parking facilities nearby. Amenities include an on-site fitness center and on-site property management.	
280	120	093900 0435	976,828	2997115?	\$588,000,000	6/28/19	\$602	999 THIRD		-	Together with parcel 197570-0080 and per buyer's press release and through multiple real estate publications, Blackstone acquired two Class A office buildings and retail condo for a combined sales price of \$1,200,000,000 or \$624/SF in a separate but simultaneous fair market transaction. Transaction #1 - US Bank Center located at 1420 5th Avenue had a recorded sales price of \$612,000,000 (E#2997152) which included \$226,000 in personal property which equates to \$611,744,000 or \$648 SF. This Class A office building (APN: 197570-0080) consist of a 46-story Class A office building total net rentable area of 922,044 SF, while the adjacent retail condo & garage (APN: 780411-0010, 0020) contained a total NRA of 21,231 SF. ATOS, the reported overall vacancy was 3%. Transaction #2 - 999 Third located at 999 3rd Avenue (093900-0435) consist of a 47-story Class A office building containing a total net rentable area of 976,828 SF. This transaction had a recorded excise tax #2997115, but reported \$0.00 for the Gross selling price. The appraiser made multiple attempts to figure out this discrepancy, but had no responses. Listed sales price is the residual sales price of \$1.2 bil minus \$612 mil from excise #2997152. 999 THIRD is in the process of an ongoing remodel/expansion to the upper and lower plaza levels with significant upgrades to the lobby area.	

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	120	093900	0260	336,355	2969806	\$151,000,000	1/10/19	\$449	DEXTER HORTON BUILDING	1	Y	CIM Group acquired the landmark Dexter Horton building from Pacific Eagle Holdings on 1/10/2019 for \$151,000,000 or \$449/SF in a fair market transaction. The property was 8% vacant at the time of sale with asking rates of \$44-\$46/SF Full Service. The sale price represents a 21% increase compared to the seller's acquisition cost of \$124,407,218 (\$370/SF) in November 2015, an increase of 6.7%/year.
280	120	094200	0550	171,305	2942476	\$67,500,000	7/17/18	\$394	Central Building	1	Y	Brickman acquired the Central Building from KBS Strategic Opportunity REIT on 7/17/2018 for \$67,500,000 or \$352/SF in a fair market transaction. The Central Building is an 8-story historic Class A/B multi-tenant office building that was originally constructed in 1907 and was partially renovated in 2002-2005. At the time of sale the property was 19% vacant and the property traded at a 4.30% cap rate on actuals. The property was asking \$38-\$40/SF Full Service. Listing materials highlight the property's high quality improvements including a newly updated lobby and common areas, and an architecturally distinct brick and terra cotta facade. On-site conference room and bike storage room are also included. The buyer plans on making cosmetic upgrades and add amenities. The property has received landmark status.
280	120	065900	0305	300,710	2903761	\$185,958,745	11/30/17	\$618	8th + Olive (formerly 720 Olive)	1	Y	Morgan Stanley acquired the 8th + Olive building from Talon Private Capital & PGIM on 11/30/2017 for \$185,958,745 or \$618/SF in a fair market transaction. The 8th + Olive building consists of a 20-story Class A multi-tenant office building with ground-floor retail space and situated above a 212-stall parking garage. The improvements were originally constructed in 1981 and exhibit an effective year built of 2010. Total net rentable area is 300,710 SF. The sellers had acquired the property in 2014 when it was 16% vacant (a large tenant was set to vacate as well) and subsequently invested \$11 million upgrading the building including an updated entry, renovated lobby, new shower/locker rooms, expanded bike storage, new conference room, and new retailers. The current sale price represents an 84% increase over the prior acquisition price (\$340/SF vs \$618/SF). At the time of sale the property was 4% vacant and traded at a 4.90% cap rate. Asking rates are withheld however sublease space is being offered at \$39/SF Full Service.
280	120	553050	0010	201,322	2903777	\$119,884,000	11/30/17	\$595	MILLENNIUM TOWER CONDOMINIUM	1	Y	TH Real Estate acquired the Millennium Tower office condo from Union Investments on 11/30/2017 for \$119,884,000 (\$595/SF) in a fair market transaction. Millennium Tower is a 20-story mixed-use building with 14-floors of Class A multi-tenant office space below 6-floors of residential condominiums. Only the office portion is included in this sale. The office is LEED-Gold certified and features efficient floor plates, secure bike storage, and a large landscaped deck. The new owner is adding locker room facilities with showers. The property was 100% fully leased at the time of sale and traded at a 4.50% cap rate based on income in place. Subsequent vacant space is currently being marketed at \$35/SF NNN.
280	120	093900	0335	295,515	2888685	\$156,413,720	9/12/17	\$529	EXCHANGE BLDG	1	Y	Blackstone acquired the Exchange Building from Beacon Capital Partners on 9/12/2017 for \$156,413,720 or \$529/SF in a fair market transaction. The sale price is more than double the price paid by Beacon in Oct. 2013 (\$66 million or \$223/SF) when the property was 33% vacant. Beacon subsequently invested up to \$29 million to seismically retrofit the property and modernize the elevators, building systems, and amenities in order to reposition the property and attract new tenants. The Exchange Building consists of a 22-story renovated historic Class A multi-tenant office high-rise that was originally constructed in 1929 with a net rentable area of 295,515 SF. Amenities include a fitness center, locker rooms w/showers, secure bike storage, conference facilities, and LEED-EB Platinum certification. The property was 16% vacant at the time of sale and traded at a 4.10% cap rate based on income in place or a 4.60% pro forma cap rate. Asking rates were \$40/SF Full Service.
280	120	863423	0010	167,898	2887505	\$50,000,000	9/1/17	\$298	MACY'S DOWNTOWN	1	Y	Starwood Capital acquired an additional two floors within the downtown Macy's building on 9/1/2017 for \$50,000,000 or \$298/SF (based on SF in excise tax affidavit) and intends to convert the space into Class A creative office space and combine it with the other 4 floors previously acquired/converted. Between the first acquisition in 10/2015 and this most recent one, the SP/SF increased 35% or 18%/year however the buyer likely had deal with Amazon lined up at this point. Total acquisition cost is \$115,600,000 or an average of \$249/SF using SF reported at the time of each sale (sale 1: 297,214 SF + sale 2: 167,898 SF = 465,112 SF), or \$257/SF if square footage from the most recent condo documents are utilized (Unit 2: 449,141 SF). Total office condo square footage if rooftop amenity and lobby common element areas are included is 481,257 SF.

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	130	869200	0010 0020	802,928	2979080	\$739,885,000	3/26/19	\$921	Amazon Houdini (fmr Troy Block)	2	Y	Ponte Gadea (investment vehicle of Spanish billionaire Amancio Ortega) acquired the 2 building Troy Block (aka Amazon Houdini North & South) office development from a partnership of Touchstone & USAA on 3/26/2019 for \$739,885,000 (\$921/SF) in a fair market transaction of high-credit, single-tenant, NNN-leased asset. Troy Block consists of two mid-rise (12 & 13-story) Class A+ office buildings with ground floor retail space, situated above a 1,118-stall parking garage. The improvements were originally constructed in 2016 and contain a total net rentable area of 802,928 SF. The buildings take their name from, and incorporate the historic facade of, the Troy Laundry. The property's office space is fully leased to Amazon under a 15-year NNN lease that expires in Nov 2032. Based on income in place at the time of sale, the property traded at a 4.40% cap rate. The transaction reportedly attracted a lot of interest however the size of the deal limited the number of potential buyers.
280	130	684770	0105 0091 0095	158,433	2970605	\$115,985,000	1/16/19	\$732	YALE & THOMAS BUILDING	3	Y	A Goldman Sachs affiliate acquired the Yale + Thomas building as part of a 27-building, 1.8 million square foot office portfolio on 1/16/2019 for a combined acquisition price of \$710 million from Unico Properties. The portfolio was 85% occupied. Yale + Thomas's allocated sale price was \$115,985,000 or \$732/SF. At the time, the property was fully leased to Amazon under a lease that was confirmed in 2017 and the sale price reflects the single high-credit tenant NNN nature of the asset. The sale price represents a 124% increase over Unico's purchase price 4-years earlier in December 2014 of \$51,750,000 or \$327/SF, or 31% per year. The seller had invested significant capital repositioning the then vacant property after PEMCO moved out. No cap rate information was provided. Unico retained an undisclosed stake in the portfolio and continues to operate and manage it on behalf of the new partnership.
280	130	020900	0030	71,421	2966991	\$52,345,000	12/17/18	\$733	500 YALE AVENUE NORTH	1	Y	Clarion Partners acquired the 500 Yale office building from Urban Renaissance Group on 12/17/2018 for \$52,345,000 or \$733/SF in a fair market transaction. The 500 Yale building was originally constructed in 2009 and consists of a 5-story Class A multi-tenant office building with a total net rentable area of 71,421 square feet, including some street-level retail space and below-grade parking with 139-stalls. The property benefits from its SLU location that provides for freeway signage visibility, outdoor decks that take advantage of its excellent views, and easy access to I-5. The property was 100% fully leased at the time of sale and traded at a 5.40% cap rate on income in place. WeWork occupies nearly all of the office space, their first location in Seattle. The sale price represents a 45% increase compared to the seller's acquisition cost of \$35,995,260 (\$504/SF) in October 2014, an increase of 10.9%/year.
280	130	020900	0050	103,846	2945669	\$58,746,250	8/2/18	\$566	501 EASTLAKE (REPUBLICAN BUILDING)	1	Y	Lincoln Property Company acquired the 501 Eastlake building from LBA Realty on 8/2/2016 for \$58,746,250 or \$568/SF in a fair market transaction. 501 Eastlake is a 5-story Class A/B multi-tenant office building that was originally constructed in 2001 with 103,494 SF of rentable area. The property features I-5 visibility, an on-site athletic facility, walkable amenities, and convenient freeway access. The listing broker stated that the deal's size "in the \$50-\$100M range for a multi-tenant asset was very attractive... for capital and created significant bidding depth." The property was 21% vacant at the time of sale however it was fully leased shortly thereafter. No cap rate information was provided and asking rates were withheld.
280	130	246740	0120	339,038	2940992	\$338,425,250	7/10/18	\$998	400 FAIRVIEW OFFICE BUILDING	1	Y	Pembroke Real Estate acquired 400 Fairview from TIAA-CREFF & Skanska USA on 7/10/2018 for \$338,425,250 or \$976/SF in a fair market transaction for a newly built, stabilized Class A+ mixed-use multi-tenant office asset. The property was reportedly 99.7% occupied and traded at a 4.20% cap rate on income in place. The sale price represents a 30% increase in value over the prior acquisition price of \$261M in 12/2015, or 11.5%/year. NRA was updated per info contained in rent roll.
280	130	224950	0265 0270 0275 0410	345,992	2865317	\$286,000,000	5/18/17	\$827	DEXTER STATION (ASSOCIATED WITH - 0265, -0270, & -0275)	4	Y	Tristar Capital & RFR Holding acquired Dexter Station from Stockbridge Capital on 5/18/2017 for \$286,000,000 (\$827/SF) in a fair market transaction for a single-tenant net-leased asset. Dexter Station is a 10-story Class A single-tenant office mid rise that was originally built in 2015. The property features excellent Lake Union & skyline views, 13-ft floor to ceiling heights, robust power & HVAC systems, conference facilities, fitness center with locker rooms, bike storage, on-site retail, outdoor & rooftop decks, and LEED Gold certification. It was announced in Feb. 2015 that Facebook had leased the majority of the office space with an option to occupy the entire property. At the time of sale, Facebook occupied all of the office space under a 12-year lease. Frank Gehry designed Facebook's interior build out. The property reportedly traded at a 4.40% Cap Rate based on income in place at the time of sale. Prior to Facebook's lease announcement, the property had been offered for lease at \$32-\$38/SF NNN. No expense rate was given.

AREA 280 MAJOR OFFICE BUILDING SALES

Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	160	766620 2525	211,043	?	\$186,000,000	7/13/18	\$881	MARITIME BUILDING	1	-	BUILDING SALE - NO EXCISE TAX AFFIDAVIT RECORDED - According to a July 13th, 2018 article in the DJC, STRS Ohio (state's teacher retirement system) acquired the Maritime building from Beacon Capital Partners for \$186,000,000 or \$881/SF in an off-market transaction that has not been recorded. Big Fish Games signed a long term lease for all of the office space in 2016 however the property had 12% vacancy overall considering the ground floor retail space was vacant at the time of sale. JLL's 1Q18 office report said the property traded at a 4.10% cap rate. As mentioned, despite confirmation from both buyer and seller that the property has sold, no excise tax affidavit has been recorded. When contacted, the asset management director for the buyer stated: "Title to the property was not transferred. An affiliate of STRS Ohio acquired the stock of an upper-tiered entity that indirectly owned the property." In other words, the buyer asserts that they did not actually buy the building directly, instead they bought a company that owned the company that owned the building. According to the DOR such a transaction would be considered a controlling interest transfer requiring an excise tax affidavit to be filed and taxes paid. DOR told me they would look into it but that was months ago and haven't heard anything back.

EASTSIDE SALES

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	200	172505	9044	129,220	3011068	\$47,750,000	9/18/19	\$370	LEGACY CROWN POINTE	4	Y	Pine Forest Properties, Inc. acquired the four building Crown Pointe Corporate Campus from TA Realty on 9/19/2019 for \$47,750,000 or \$370/SF in a fair market transaction on a multi-parcel transaction. Crown Pointe was built between 1986-1987 (Renovated in 2004) and consists of 4, two-story Class A-/B+ office buildings containing a total net rentable area of 129,220 SF. ATOS, the reported vacancy was 15% and traded on a 6.00% cap rate. Buyer's motivation was to add to portfolio and plans on adding capital improvements in the near future. Pine Forest will be self managing the asset. The campus has ample parking with easy access to I-405, SR-520, downtown Kirkland, and Bellevue.
		172505	9303									
		410450	0270									
		410450	0275									
280	200	124270	0025	89,848	3005923	\$32,650,000	8/20/19	\$363	CENTRA OFFICE PARK	2	Y	As part of a two transaction purchase, Swift Real Estate Partners, Purchased Centra Office Park and Bel-Kirk Office buildings on 08/20/2019 for \$59,400,000. Transaction #1, \$32,650,000 or \$363.39/SF, is for the Centra Office Park, which was built in 1983 and consists of two three story Class A-/B+ office buildings containing a total net rentable area of 89,848 SF. According to Costar, the buildings recently underwent a full building refresh to enhance its position on the market. The reported occupancy ATOS was 70%. Transaction #2, Swift purchased the "leasehold Interest - Ground Lease" of the Bel Kirk 520 office buildings for \$26.75 million with the existing ground lease in place for a remaining 85 years.
			0030									
280	200	202505	9019	152,999	3001069	\$55,250,000	7/23/19	\$361	CORPORATE CAMPUS EAST BLDGS E, F, G, & H	2	Y	Steel Wave, Inc. acquired the Corporate Campus East buildings from TA Realty on 7/24/2019 for \$55,250,000 or \$361/SF in a fair market transaction on a multi-parcel transaction. Corporate Campus East was built between 1985-1986 and consists of 4 two & three story Class A-/B+ office buildings containing a total net rentable area of 152,999 SF. Seller motivation was to capitalize on the strong office market while value add for the buyer. The buyer intends to continue to make capital improvement per broker. ATOS, the property was estimated about 68 percent occupied by a diverse mix of tenants. The campus offers ample parking, and has a cafeteria, plaza, canopies and outdoor benches. No cap rate information was provided.
			9035									
280	200	202505	9242	88,642	2989613	\$32,111,250	5/24/19	\$362	EVERGREEN OFFICE PARK I	2	Y	SMARTCAP, Inc. acquired the two building Evergreen Office Park (Bldgs. I & II) from PCCP Realty on 5/24/2019 for \$32,150,000 or \$363/SF in a fair market transaction on a multi-parcel transaction. Evergreen Office Park was built between 1981-1986 and consists of 2, two & three story Class A-/B+ office buildings containing a total net rentable area of 88,642 SF. ATOS, the vacancy was 5% with no reported cap rate. Buyer's motivation was to acquire a core plus asset and a value add potential. The campus has ample parking with easy access to I-405, SR-520, downtown Kirkland, and Bellevue.
			9101									
280	200	202505	9162	274,029	2963140	\$134,470,000	11/21/18	\$491	PLAZA YARROW BAY	4	Y	Clarion Partners acquired the Plaza Yarrow Bay office campus from Kilroy Realty Corporate on 11/21/2018 for \$134,470,000 or \$491/SF in a fair market transaction. Plaza Yarrow Bay consists of four, 3-5-story, Class A multi-tenant office buildings arranged in a campus setting near Lake Washington in the Kirkland submarket. The improvements were originally built 1987-1993 and contain a combined net rentable area of 274,029 square feet according to Assessor records (press release listed NRA of 284,313 SF). The property benefits from its desirable location the provides direct access to SR-520, I-405, and the 520 bike trail. On-site amenities include an executive conference room, shower and locker room facilities, fitness center, cafe, and secure bike storage. At the time of sale the property was reportedly 17% vacant and asking rates were approximately \$39/SF NNN. No cap rate information was reported however the property was being marketed as generating an initial yield of 5.00%, which could potentially be raised to 7.00% by leasing vacant space and raising below-market rents.
			9240									
			9259									
			9260									

AREA 280 MAJOR OFFICE BUILDING SALES											
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	210	104360 0010 0040	749,694	3026904	\$585,022,103	12/19/19	\$780	THE BRAVERN	2	Y	Australian pension fund QSuper acquired the trophy office asset "The Bravern" from Principal Financial Group for \$585,022,103 (excluding +/- \$38k in personal property) or \$780/SF. The improvements consist of two single tenant (Microsoft) office towers totaling 749,694/SF of net rentable area. Built in 2008, the property includes a 12-story, 255,171-sf building located at 688 NE 110th Ave. and a 23-story, 494,523-sf building located at 11025 NE 8th Street. The property is also built above a seven-level, 35-acre subterranean parking garage. The property is part of a world-class mixed-use development that includes 305,000 sf of luxury retail spaces featuring brand names such as Jimmy Choo and Louis Vuitton, among many others, and two high-end residential towers containing 455 units. The Bravern Office Commons is located adjacent to the 405 freeway at NE 8th and 112th Ave. NE in Downtown Bellevue within Seattle's Eastside market. It features prominent freeway visibility and is one block from the Eastlink Light Rail - when completed in 2023, it will provide direct access to Microsoft's world headquarters in Redmond, WA. The original appraised value was reported at \$605,900,000 (\$808/SF) and after closing cost, reserves, and other obligations were met, the recorded sales price was \$585,022,103. Per Morningstar report, the reported NOI was \$32,016,850 which indicates a cap rate of 5.28% (based on \$605.9 mil). The cap rate is higher than prevailing market indicators, due to the fact that Microsoft recently renewed their lease on a 5-year term with a loan maturing in 10 years. Since Microsoft's lease renewal is for five years only, it does not qualify for LTCT treatment (Long term credit tenant). Per Morningstar report "The property exhibits risk from a single tenant with a lease expiring prior to the loan maturity date. This elevates the risk of maturity default. In addition, loans secured by single-tenant properties have been found to have higher loss severities in the event of a default".
280	210	292505 9271	475,550	3027249	\$288,000,000	12/19/19	\$606	ONE TWELFTH @ TWELFTH	1	Y	For the One Twelfth @ Twelfth campus, Gemini Rosemont & Gemini Investments sold an 80% interest to Beacon Capital Partners on 12/24/2019 for \$230,400,000 or \$484/SF in a fair market transaction. Per Noah Bigay, who verified the sale with the buyers broker, the market value equivalency for the property was \$288,000,000 or \$606/SF. The property was 100% occupied at the time of sale and traded at a low 5.0% cap rate on in place income. The One Twelfth @ Twelfth campus consists of three 6-story Class A multi-tenant office buildings above underground parking with 1,369-stalls. The property LEED Gold certified, offers excellent highway visibility, Cascade views, large & efficient floor plates, landscaped plazas, and close proximity to retail/restaurant amenities. Per press release, "We successfully implemented our strategy of completing several key capital improvement projects that helped us recast One Twelfth's rent roll," said Ian Brownlow, chief executive officer of Gemini Rosemont. "We attracted several top tier and credit tenants, including one of the world's largest technology firms which will ultimately occupy approximately one-third of the campus. From the onset, we had planned on bringing in a capital partner when appropriate, and now was the right time to do so. The significant liquidity provided to Gemini Rosemont through this transaction will be used to acquire additional Class A assets in coastal and tech-centric markets in keeping with our acquisition mandate." Asking rates for ATOS \$30-\$32/SF NNN + \$12.65/SF Exp = \$42.65-\$44.65/SF Full Service.
280	210	068599 0010 0020	256,830	2983902	\$194,920,000	4/19/19	\$759	BELLEVUE CORPORATE PLAZA (Core)	2	Y	Amazon acquired the Bellevue Corporate Plaza property from Equity Commonwealth on 4/19/2019 for \$194,920,000 (\$759/SF) in a fair market transaction that included an excess land component and entitlements. The acquisition signaled Amazon's strong push into the Bellevue office market. The property consists of a 10-story Class A office building that is connected to an adjacent 2-story parking garage. The property's seller had acquired building permits to replace the parking garage with a two-tower addition while retaining the existing office building. Amazon has subsequently revised those plans to now call for a single 43-story office tower to replace the existing parking garage while the existing office building is to remain. It was not disclosed how much of the acquisition price was allocated towards the excess land and entitlements. For analysis purposes, 70,000 SF of site area has been estimated to be considered excess land. Deducting estimated excess land value of \$38.5M results in an indicated value allocated towards the improvements of \$156.4M or \$453/SF which is fairly consistent with sale prices of similar office buildings. The Bellevue Corporate Plaza was reportedly close to 100% leased at the time of sale with asking rents of \$42-\$44/SF Gross

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks	
280	210	149950 0010	371,363	2895739	\$313,000,000	10/18/17	\$843	Amazon - Everest Bldg. (fmr Centre 425)	1	Y	Tristar Capital & RFR Holdings acquired the Centre 425 building from Schnitzer west on 10/18/2017 for \$313,000,000 or \$843/SF in a fair market transaction. Centre 425 is located in the Bellevue CBD and consists of a 16-story Class A single-tenant office tower with ground floor retail space and situated above a 698-stall parking garage. The 6,213 SF Bank of America branch located on the ground floor is a separately owned commercial condo unit. The improvements were constructed in 2016 with a net rentable area of 371,363 SF (excluding -0020). On-site amenities include the "425 Exchange" great room, rooftop conference center, training center, locker rooms, bike storage, outdoor deck, and a coffee shop. The property benefits from its central location within the Bellevue pedestrian core near the transit center as well as convenient freeway access. In April 2017 it was announced that Amazon had leased all of the office space. As a result, the property was 100% fully leased at the time of sale and traded at a 4.68% cap rate based on income in place or 4.90% pro forma. Detail of Amazon's lease are unknown however the office space was previously marketed for lease at \$35-\$39/SF NNN plus expenses at \$10.92/SF (\$45.92-\$49.92/SF Gross). Retail space was marketed at \$40/SF NNN + \$7.50/SF expenses.	
280	220	066287 0010	109,514	3011225	\$48,399,583	9/20/19	\$442	GATEWAY ONE BLDG	1	Y	Lionstone Partners, LLC acquired the Gateway One Building from Talon Private Capital on 9/20/2019 for \$48,450,000 or \$442/SF in a fair market transaction. Gateway One was built between 1985 and consists of a 4 story Class A office buildings containing a total net rentable area of 109,514 SF. Per Costar, Talon (Seller) acquired the asset in 2015 for \$38.17 M, repositioned with \$4.6 million of renovations, including a brand new, striking three-story lobby and building entryway, a state-of-the-art conference center, HVAC, common area, and amenity upgrades. The asset has enjoyed a 15% increase in rents and a bump in occupancy from 44% to close to 100%. The was +92% occupied ATOS with reported cap cap rate.	
280	230	697920 0050	193,454	2868571	\$35,497,500	6/2/17	\$183	PLAZA AT NORTH CREEK	1	Y	MRM Capital acquired the Plaza at North Creek from Blackstone on 6/2/2017 for \$35,547,500 (\$183/SF) in a fair market transaction. See note on prior sale on 7/15/2015 for improvements description. The property was 19% vacant at the time of sale and reportedly traded at a 7.75% cap rate on income in place. The property was asking \$19.50/SF NNN + \$7.50/SF exp = \$27/SF gross at the time of sale. The seller's broker advertised the subject as consistently out performing the Bothell submarket.	
280	240	431980 0010 0020 0030 0040 0050 0060 0070	279,899	3028054	\$114,487,539	12/27/19	\$409	LINCOLN EXECUTIVE CENTER III	7	Y	PCCP, LLC acquired the five building Lincoln Executive Center (New Name - The Yard) from Miller Global Properties on 12/19/2019 for \$120,500,000 or \$430/SF in a fair market transaction on a multi-parcel transaction. Lincoln Executive Center was built in the mid 80's and consists of 5 multi-tenant office buildings containing a total net rentable area of 279,899 SF. ATOS, the reported vacancy was 5% with no reported cap rate. Per Costar, "King County posted a sales affidavit showing the price was \$114.5 million but the listing broker provided a sale price of \$120.5 million". We were unable to verify the discrepancy.	
280	240	112405 9130 9131	74,849	3022532	\$31,000,000	11/25/19	\$414	90 NORTH - BLDG. 3 & 4	2	Y	The property was 100% occupied at the time of sale and traded at 6.4% cap rate. Buyer motivation was strong cash-on-cash return. Preylock	
280	240	112405 9124	95,340	3022533	\$43,000,000	11/25/19	\$451	90 NORTH - BLDG. 2	1	Y	The property was 100% occupied at the time of sale and traded at 6.4% cap rate. Buyer motivation was strong cash-on-cash return. Preylock	
280	240	112405 9126	95,669	3022534	\$43,000,000	11/25/19	\$449	90 NORTH - BLDG. 1	1	Y	The property was 100% occupied at the time of sale and traded at 6.4% cap rate. Buyer motivation was strong cash-on-cash return. Preylock	
280	240	813530 0060 0070 0080 0090 0110	477,118	3009728	\$211,724,805	9/11/19	\$444	SUNSET RIDGE - SUNSET NORTH	5	Y	Kennedy Wilson Properties acquired the Sunset North Corporate Center from M-M Properties on 9/11/2019 for \$227,000,000 or \$508/SF in a fair market transaction. Per Costar, due to some concessions, acquisition cost, and personal property, the recorded sales price was \$211,724,805 or \$444/SF. The Sunset North Corporate Center was built in 1999 and consists of 3 Class A office buildings + parking garage that are between 4 & 5 stories tall which contain a total net rentable area of 477,118/SF. Dated 08/21/2019, the appraised value was \$227.1 million with reported cap rate of 6.00%. Occupancy ATOS was 99%. The campus benefits from direct access to I-90 and is in close proximity to Factoria, downtown Bellevue, and Issaquah.	
280	240	606763 0020 0030 0040 0050 0060	963,469	2982366	\$467,500,000	4/10/19	\$485	NEWPORT CORPORATE CENTER	5	Y	Preylock Holdings acquired the Newport Corporate Center from Ivanhoe Cambridge on 4/10/2019 for \$467,500,000 or \$485/SF in a fair market transaction of a single-tenant corporate HQ. The Newport Corporate Center was built between 1988-2009 and consists of 5 Class A office buildings that are between 5 & 10 stories tall which contain a total net rentable area of 963,469 SF. The property is leased by T-Mobile as their corporate headquarters under a long-term agreement that was recently extended through 2030. At the same time the lease extension was announced, T-Mobile began work on a \$160 million renovation plan to refresh the campus. The campus was fully occupied on the date of sale. No cap rate information was provided.	

AREA 280 MAJOR OFFICE BUILDING SALES

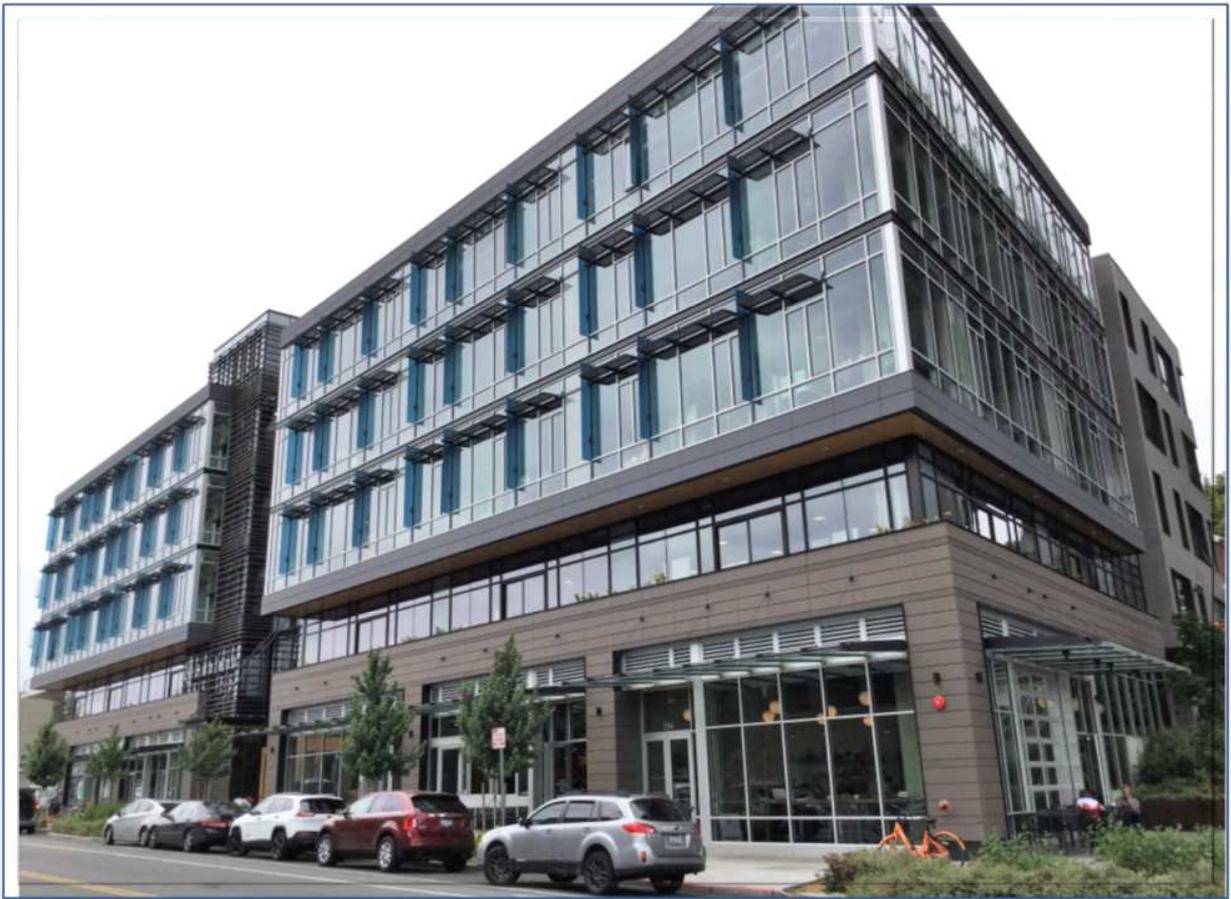
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	240	112405 9015	90,725	2882077	\$20,000,000	8/8/17	\$220	I-90 Corporate Campus (Legacy I-90)	1	Y	Pine Forest Properties acquired the I-90 Corporate Campus from TA Realty on 8/8/2017 for \$20,000,000 (\$220/SF) in a fair market transaction. The I-90 Corporate Campus consists of two, 2-story Class B brick & glass exterior low-rise office buildings that were originally constructed in 1982 with a combined net rentable area of 90,725 SF. The acquisition is considered a Value Add investment with the buyer planning to invest significant capital in an extensive renovation and repositioning of the buildings. Marketing time was about 90 days. The property was 100% fully leased at the time of sale however the property's sole tenant, Research In Motion, lease expires in the middle of 2018. The property's new owner is marketing upcoming vacant space at \$25.50/SF NNN + \$9.82/SF Exp = \$35.32/SF gross.
280	250	246540 0080	70,019	2952263	\$39,240,000	9/7/18	\$560	LAKE WASHINGTON PARK	1	Y	Clarion Partners acquired Lake Washington Park from Sacramento Co Retirement System for \$39,240,000 or \$560/SF on 9/7/2018 in a fair market transaction. Lake Washington Park consists of a 4-story multi-tenant Class A office building that was originally constructed in 1986 with a net rentable area of 70,019 SF. The property benefits from its unobstructed Lake Wash views, exterior decks, close proximity to downtown Kirkland, as well as easy highway access. The property was 100% fully leased at the time of sale and traded at a 5.25% cap rate. Marketing materials indicate lobby upgrades were completed in 2017 with additional renovation planned for 2018. The top floor tenant is currently marketing their space for sublease at \$48/SF Full Service. There are some leases rolling over in 2019 and the buyer hopes to combine these spaces with the top-floor sublease in order to offer 3 contiguous floors with over 65,000 SF of space. The broker believes the property represents an attractive proposition for potential tenants given the size of the property and the relative lack of available inventory in surrounding areas. The space is being marketed at \$38-\$41/SF NNN + \$12.50/SF exp = \$50.50-\$53.50/SF Gross.
280	260	733805 0030	106,281	2986954	\$48,100,000	5/9/19	\$453	The Offices at Riverpark	1	Y	Colony Capital Inc. sold the Offices at Riverpark to KBS Realty Advisors on 5/19/2019 for \$48,100,000 (\$452/SF) in a fair market transaction. Per Broker's press release, "This well-located, multi-tenant suburban office asset received strong interest from a host of pension fund advisors and separate account core-plus buyers," said Shannon. "Given the compelling strength of Seattle's Eastside office market, the quality of the asset, the stable in-place cash flow, and the recent leasing velocity, the bidding environment was highly competitive." The property consists of a 5-story Class A multi-tenant office building that is part of the master-planned Riverpark development that also includes an apartment and hotel. The building is one of the only Class A office buildings in the downtown Redmond area. The property features LEED Silver certification, 22,000 SF floor plates, parking at 3/1,000SF, load factors of 9% single tenant and 12% multi-tenant, as well as a good location within walking distance of Redmond Town Center and near the site of a future light rail station. The property was reportedly 100% fully leased at the time of sale.
280	260	131830 0020	101,252	2958265	\$37,642,201	10/19/18	\$372	REDMOND TECHNOLOGY CENTER	1	Y	Sterling Realty Organization acquired the Redmond Technology Center building from Transwestern Investment Group on 10/19/2018 for \$37,642,201 or \$372/SF in a fair market transaction. The 5-story Class A multi-tenant office low-rise was 7% vacant at the time and asking \$33.03/SF Gross (\$24/SF NNN + \$9.03/SF exp). No cap rate information was provided. The property was marketed as featuring rents that were 17% below market with staggered lease expirations over the next four years that will allow the new owner to take advantage of sharply rising rents. Redmond had become one of the tightest eastside office submarkets. The sale price represents a 24% increase over the seller's acquisition cost of \$30,250,000 (\$299/SF) in May 2016, a rate of 10.2%/year.
280	260	720241 0100 0150	582,373	2937211	\$268,388,891	6/19/18	\$461	REDMOND TOWN CENTER	2	Y	Invesco acquired the Redmond Town Center office buildings from Shorestein Properties on 6/19/2018 for \$268,388,891 or \$461/SF in a fair market transaction. The property consists of six, 3-5 story, Class A low-rise office buildings and two multi-story parking structures that were originally constructed in 1997 and contain a total net rentable area of 582,373 SF. The offices are part of the larger 1.3 million square foot Redmond Town Center mixed-use lifestyle center. The property was 100% fully leased to Microsoft and AT&T. Microsoft occupies 3 buildings and recently leased a 4th building after AT&T declined to renew their lease for that building. Microsoft's leases in the other buildings were reported to have been recently renewed on a long term basis. The building AT&T vacated and MSFT leased, Building 3, was being marketed for lease at \$28.00/SF NNN + \$10.03/SF Exp = \$38.03/SF Gross (marketing flyer attached). The previous owner had been planning to renovate Building 3's entry ways, common areas and main lobby. No cap rate information was reported.

NORTHEND SALES

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	300	114200	0550 0530	223,216	3025357	\$157,000,000	12/12/19	\$703	ROOSEVELT COMMONS (BLDG. A - UW + CHILDRENS)	2	Y	Intercontinental Real Estate Corp acquired the two building Roosevelt Commons from DWS Group on 12/12/2019 for \$157,000,000 or \$508/SF in a fair market transaction on a multi-parcel transaction. Roosevelt Commons was built in 2002 and consists of 2, five & six story Class A office buildings containing a total net rentable area of 223,216 SF. ATOS, the reported vacancy was 0% and traded on a 5.30% cap rate. Buyer's motivation was to acquire a high-grade asset in the University District. Per Jessica Levin, "We have been searching for the ideal Seattle office investment with a particular focus on the U-District which is in the early phases of tremendous change. The combination of the new light rail station, new up-zoning which calls for increased density in the area, and the University of Washington's master plan, will certainly reshape the U-District. We believe we are getting in at an opportune time in the U-District's lifecycle."
280	300	182504	9072	131,968	2959561	\$79,250,000	10/29/18	\$601	STONE34	4	Y	Partners Group and Unico Properties acquired the Stone 34 building from a joint venture of Unico Properties and Laird Norton on 10/29/2018 for \$79,250,000 or \$601/SF in a fair market, though not entirely arm's length, transaction for the leasehold interest in the property (subject to a ground lease). In essence, Unico Properties retained their ownership stake in the property while Laird Norton sold their stake to Partners Group. Unico will also continue to manage the property. Stone 34 consists of a 5-story Class A single-tenant office midrise that was originally constructed in 2013 with 131,968 SF of NRA. The sale price is 12% higher than the prior sale price of \$70,877,827 (\$537) in October 2014, or 3.1%/year. The property was 100% fully leased on the date of sale and traded at a 5.35% cap rate on income in place.
280	300	408330	6985	213,566	2885752	\$157,825,000	8/28/17	\$739	NorthEdge (Tableau)	1	Y	Clarion Partners acquired the NorthEdge building from Touchstone & AIG Global Investment Group on 8/28/2017 for \$157,825,000 or \$739/SF in a fair market transaction. The NorthEdge property consists of a newly built 4-story Class A single-tenant office low-rise with ground floor retail space and underground parking with 312-stalls. The improvements were constructed in 2016 and contain a net rentable area of 213,566 SF. The property benefits from its location on the north end of Lake Union which provides unobstructed views as well as easy access to the Burke-Gilman Trail and Gas Works Park. In July 2015 Tableau announced that it had leased all of the office space in the property which was under construction at that point. Tableau's lease term is 11-years at an initial lease rate is \$36/SF NNN increasing to \$47/SF NNN at the end of the term. Tableau also has two, 7-year options to extend. Retail space is leased at \$32/SF NNN. The property was 100% leased at the time of sale and traded at a 4.90% cap rate based on income in place at the time of sale or a 5.00% pro forma cap rate.

SOUTHEND SALES

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	400	926500	0060	112,630	2844953	\$15,650,000	1/18/17	\$139	EVERGREEN CORPORATE CENTER (ECON UNIT WITH - 0060 & -0050)	3	Y	HomeStreet Bank acquired the Evergreen Corporate Center property from LBA Realty on 1/18/2017 for \$15,650,000 (\$139/SF) in a off-market owner/user transaction. Despite these factors, the sale price is in line with other southend sales and therefore the transaction has been coded as at market. The property was originally developed in 1979 as Weyerhaeuser West Campus and consists of a two-story Class A/B multi-tenant office building that was recently renovated. It has previously been used as a data center. The lower floor features grade level and partial dock height loading doors. The property was 100% leased at the time of sale. HomeStreet Bank reportedly occupied approx. 60,000 SF (53% of the building) and intends to occupy the remaining space as leases expire for their own use. The property was most recently offered for lease at \$15/SF NNN + \$7.25/SF NNN expenses (~\$22.25/SF FS equiv). DJC article regarding sale is attached to this note.
280	410	012204	9012	218,516	3002807	\$39,000,000	8/1/19	\$178	CenterPoint Corporate Park - Creekside	1	Y	Lake Washington Partners acquired Creekside At Centerpoint Office buildings from Menashe Properties 8/1/2019 for \$39,000,000 or \$178/SF in a fair market transaction. Creekside at Centerpoint was built in 1984 and consists of 3, four story Class A-/B+ office buildings containing a total net rentable area of 218,586 SF. ATOS, the vacancy was 2.5% with a reported cap rate of 5.70%. The property was occupied by a diverse tenant base and a high retention rate. Seller motivation was 1031 exchange while buyer's motivation was desire for long-term cash flow and portfolio management.
280	420	192305	9001	407,107	3026251 3026252 3026253	\$62,950,018	12/17/19	\$155.00	TRITON TOWER ONE, TWO, & THREE	3	Y	Cerberus Capital Management acquired the three building Triton Towers Office Campus from Hines on 12/19/2019 for \$63,000,000 in separate but simultaneous fair market transaction. After personal property was considered the recorded overall sales price was \$62,950,018 or \$155 SF which equates to \$25,966,725 for Tower 1 (E#3026251); \$11,285,613 for Tower 2 (E#3026252); and \$25,697,680 for Tower 3 (E#3026253). Triton Towers was built between 1986-1987 (Renovated in 2010-2012) and consists of three Class A office buildings containing a total net rentable area of 407,107 SF. ATOS, the reported overall vacancy was 60%, with building two being 100% vacant due to Boeing vacating the property. The campus has ample parking with easy access to I-405.
280	420	262304	9143	192,204	2896134	\$19,500,000	10/19/17	\$101	SOUTHCENTER CORPORATE SQUARE	3	Y	Lee & Associates (Omar Lee) acquired the Southcenter Corporate Square campus from Pacific Coast Capital Partners on 10/19/2017 for \$19,500,000 (\$101/SF) in what appears to be a fair market transaction albeit on the low end of observed sale prices. Southcenter Corporate Square (since renamed Seattle South Business Square) consists of ten, 2-story Class B office buildings with a combined net rentable area of 192,204 SF. An 11th building was sold off individually on 7/24/2017 for \$3,610,000 or \$195/SF in an owner/user sale to the existing tenant (E#2878926). The buildings involved in this transaction were 16% vacant at the time of sale with asking rates of \$23/SF Full Service.
280	420	262304	9144	18,551	2878926	\$3,610,000	7/24/17	\$195	SOUTH CENTER CORPORATE SQUARE	1	N	Building 360 of the Southcenter Corporate Square (now called Seattle South Business Square) was acquired by its existing tenant, Culinex, in a 100% owner/user transaction on 7/24/2017 for \$3,610,000 (\$195/SF). The sale price is not considered reflective of fair market value. The buyer approached the seller off-market and appears to have paid a premium in order to acquire the building they had been leasing. The remaining 10 buildings in the Southcenter Corporate Square were later acquired by a different buyer less than 3 months later on 10/19/2017 for \$19,500,000 (\$102/SF).
280	440	536720	0610	228,137	2946537	\$64,925,000	8/2/18	\$285	BENAROYA 6100	4	Y	Trupanion acquired the Benaroya 6100 building from Benaroya Capital on 8/2/2018 for \$64,925,000 or \$285/SF in a fair market partial owner/user acquisition. The property consists of 5-story Class A multi-tenant office building that was originally built in 1975 and recently renovated. The buyer, Trupanion, occupied approximately 40% of the building as a tenant under a 10-year lease agreement that began in 2015. The sale was reportedly the result of exercising a lease option and the sale price was based on a recent third-party appraisal. The property was 100% fully occupied at the time of sale with tenants in addition to the buyer (Sur La Table, Aero TEC). The property reportedly traded at a 6.00% cap rate. According to the Seattle Times, the purchase is unique in that Trupanion's insurance entity will take over ownership of parts of the building "freeing up additional cash for Trupanion (regulations require the insurance entity to hold a certain amount of funds, and owning part of the building would help satisfy those requirements.)" so the purchase is anticipated to reduce Trupanion's ongoing fixed expenses.



Uniform Standards of Professional Appraisal Practice 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 Standards 5 and 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.

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.
- No one 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 to their name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
 - Annual Model Development and Report Preparation
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Appeal Hearing Attendance
 - Physical Inspection Model Development and Report Preparation
 - Land and Total Valuation
 - New Construction Evaluation

Steve Roberts

8/15/2020

Steven Roberts, Commercial Appraiser II

Date

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	110	610845	0145	2,352	3028210	\$1,400,000	12/31/19	\$595.24	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	MIO-200-HR	2	Y	
280	240	431980	0010	279,899	3028054	\$114,487,539	12/27/19	\$409.03	THE YARD III	EG-TOD	7	Y	
280	130	199120	1265	317,442	3027601	\$270,100,000	12/23/19	\$850.86	Amazon - Apollo Bldg (Phase 8)	SM-SLU 175/85-280	1	69	Net Lease Sale; not in ratio
280	210	104360	0040	749,694	3026904	\$585,022,103	12/19/19	\$780.35	THE BRAVERN (Core)	DT-O-2-E	2	69	Net Lease Sale; not in ratio
280	120	515850	0030	515,518	3026947	\$457,950,000	12/19/19	\$888.33	F5 TOWER & HOTEL	DOC1 U/450/U	3	69	Net Lease Sale; not in ratio
280	210	292505	9271	475,550	3027249	\$288,000,000	12/19/19	\$605.61	One Twelfth @ Twelfth	DT-OLB-N	1	Y	
280	100	065900	0555	215,183	3025984	\$97,000,000	12/17/19	\$450.78	PLAZA 600 BUILDING	DOC2 500/300-550	1	Y	
280	420	723160	0542	136,712	3026251	\$25,966,725	12/17/19	\$189.94	TRITON TOWER ONE	CO	2	Y	
280	420	192305	9023	132,730	3026253	\$25,697,680	12/17/19	\$193.61	TRITON TOWER THREE	CO	1	Y	
280	420	192305	9001	137,665	3026252	\$11,285,613	12/17/19	\$81.98	TRITON TOWER TWO	CO	1	Y	
280	300	114200	0550	223,216	3025357	\$157,000,000	12/12/19	\$703.35	ROOSEVELT COMMONS Bldg A: Seattle Childrens & UW	SM-U 95-320 (M1)	2	Y	
280	100	066000	1135	305,837	3025325	\$206,150,000	12/05/19	\$674.05	1800 NINTH (Amazon - Alexandria Bldg)	DMC 340/290-440	1	69	Net Lease Sale; not in ratio
280	240	112405	9124	76,463	3022534	\$43,000,000	11/25/19	\$562.36	90 NORTH OFFICE BUILDING	OLB2	1	Y	
280	240	112405	9126	95,669	3022533	\$43,000,000	11/25/19	\$449.47	90 NORTH - BLDG. 1	OLB2	1	Y	
280	240	112405	9130	74,849	3022532	\$31,000,000	11/25/19	\$414.17	90 NORTH - BLDG. 3	OLB2	2	Y	
280	130	199120	1295	197,274	3019241	\$210,785,000	11/05/19	\$1,068.49	Arbor Blocks East - Facebook	SM-SLU 85-280	1	69	Net Lease Sale; not in ratio
280	130	199120	1150	190,798	3019242	\$204,185,000	11/05/19	\$1,070.16	Arbor Blocks West - Facebook	SM-SLU 85-280	5	69	Net Lease Sale; not in ratio
280	120	197670	0185	316,799	3018392	\$176,868,000	10/31/19	\$558.30	PARK PLACE OFFICE BLDG	DOC1 U/450/U	2	Y	
280	120	197720	0020	94,333	3018365	\$52,900,000	10/31/19	\$560.78	FIRST & STEWART BUILDING	DMC-145	1	Y	
280	120	930150	0010	365,674	3016086	\$235,767,812	10/17/19	\$644.75	WESTLAKE CENTER	DRC 85-170	1	Y	
280	220	066287	0010	109,514	3011225	\$48,399,583	09/20/19	\$441.95	GATEWAY ONE BLDG	OLB	1	Y	
280	200	172505	9044	129,220	3011068	\$47,750,000	09/18/19	\$369.52	LEGACY CROWN POINTE BLDG D	PR 8.5	4	Y	
280	120	065900	0085	292,038	3010091	\$112,848,500	09/13/19	\$386.42	MEDICAL DENTAL BUILDING	DRC 85-170	1	Y	
280	240	813530	0060	477,118	3009728	\$211,724,805	09/11/19	\$443.76	SUNSET RIDGE BLDG. #3 - SUNSET NORTH	OLB	5	Y	
280	200	124270	0025	89,848	3005923	\$32,650,000	08/20/19	\$363.39	CENTRA OFFICE PARK - WEST BLDG	OLB	2	Y	
280	410	012204	9012	218,585	3002807	\$39,000,000	08/01/19	\$178.42	CenterPoint Corporate Park - Creekside	M1	1	Y	
280	200	202505	9019	152,999	3001069	\$55,250,000	07/23/19	\$361.11	CORPORATE CAMPUS EAST BLDGS E, F, G, & H	OLB	2	Y	
280	120	094200	0365	541,190	2997084	\$304,489,775	07/01/19	\$562.63	901 FIFTH AVENUE - (FORMER BK OF CAL OFFICE)	DOC1 U/450/U	1	Y	
280	120	197570	0080	943,575	2997152	\$611,774,000	06/28/19	\$648.36	US Bank Centre	DRC 85-170	2	Y	
280	130	880790	0130	203,225	2991393	\$118,300,000	05/31/19	\$582.11	WESTLAKE UNION CENTER- 1501 WESTLAKE	C2-65	1	Y	
280	200	202505	9242	88,642	2989613	\$32,111,250	05/24/19	\$362.26	EVERGREEN OFFICE PARK I	O	2	Y	
280	120	859140	0005	160,164	2987947	\$36,990,000	05/15/19	\$230.95	COLMAN BUILDING	DMC-170	1	Y	
280	260	733805	0030	106,281	2986954	\$48,100,000	05/09/19	\$452.57	RIVERPARK REDMOND (HYATT HOUSE HOTEL)	RVBD	1	Y	
280	210	068599	0010	256,830	2983902	\$194,920,000	04/19/19	\$758.95	BELLEVUE CORPORATE PLAZA (Core)	DNTNO-1	2	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	240	606763	0020	963,469	2982366	\$467,500,000	04/10/19	\$485.23	TWO NEWPORT	F3	5	69	Net Lease Sale; not in ratio
280	130	869200	0010	802,928	2979080	\$739,885,000	03/26/19	\$921.48	Amazon Houdini N & S Bldgs (fmr TROY BLOCK)	SM-SLU 175/85-280	2	69	Net Lease Sale; not in ratio
280	120	094200	0470	934,806	2971386	\$539,199,583	01/25/19	\$576.80	800 Fifth Avenue	DOC1 U/450/U	1	Y	
280	140	093900	0060	264,492	2970914	\$137,870,000	01/16/19	\$521.26	SMITH TOWER	PSM-245	2	Y	
280	130	684770	0105	158,433	2970605	\$115,985,000	01/16/19	\$732.08	YALE & THOMAS BUILDING (former Pemco HQ)	SM-SLU 100/95	3	69	Net Lease Sale; not in ratio
280	120	093900	0260	336,355	2969806	\$151,000,000	01/10/19	\$448.93	DEXTER HORTON BUILDING	DMC 340/290-440	1	Y	
280	130	020900	0030	71,421	2966991	\$52,345,000	12/17/18	\$732.91	500 YALE AVENUE NORTH	SM-SLU 100/95	1	Y	
280	200	202505	9162	274,029	2963140	\$134,470,000	11/21/18	\$490.71	PLAZA YARROW BAY I	YBD 2	4	Y	
280	300	182504	9072	131,968	2959561	\$79,250,000	10/29/18	\$600.52	STONE34 - BROOKS HQ - OTHER PARCELS 9132, 9075, 9088	IC-45	4	70	Building Only; not in ratio
280	260	131830	0020	101,252	2958265	\$37,642,201	10/19/18	\$371.77	REDMOND TECHNOLOGY CENTER	BP	1	Y	
280	210	322505	9181	232,100	2957238	\$111,220,000	10/09/18	\$479.19	110 ATRIUM (Dist C)	DNTN-MU	1	Y	
280	250	246540	0080	70,019	2952263	\$39,240,000	09/07/18	\$560.42	LAKE WASHINGTON PARK	PR 3.6	1	Y	
280	240	112405	9015	90,725	2950144	\$28,025,000	08/30/18	\$308.90	I-90 Corporate Campus (Legacy I-90) - BLDG. A	OLB2	2	Y	
280	100	066000	2410	363,727	2946545	\$230,448,770	08/09/18	\$633.58	METROPOLITAN PARK II - EAST	DMC 340/290-440	1	Y	
280	100	066000	2054	336,041	2946557	\$204,360,230	08/09/18	\$608.14	METROPOLITAN PARK I (West) OFFICE BLDG	DMC 340/290-440	1	Y	
280	440	536720	0610	228,137	2946537	\$64,925,000	08/02/18	\$284.59	BENAROYA 6100	IG2 U/85	4	Y	
280	130	020900	0050	103,494	2945669	\$58,746,250	08/02/18	\$567.63	501 EASTLAKE (REPUBLICAN BUILDING)	SM-SLU 100/95	1	Y	
280	120	094200	0550	191,705	2942476	\$67,500,000	07/17/18	\$352.10	CENTRAL BUILDING	DOC1 U/450/U	1	Y	
280	120	094200	0050	574,148	2942999	\$274,450,000	07/16/18	\$478.01	1111 THIRD AVE BUILDING	DOC1 U/450/U	1	Y	
280	130	246740	0120	346,905	2940992	\$338,425,250	07/10/18	\$975.56	400 FAIRVIEW OFFICE BUILDING	SM-SLU 175/85-280	1	Y	
280	260	720241	0100	582,373	2937211	\$268,388,891	06/19/18	\$460.85	REDMOND TOWN CENTER (ATT OFFICE)	TWNC	2	Y	
280	100	069600	0175	197,135	2933800	\$94,991,020	06/01/18	\$481.86	5TH & BELL BUILDING (Amazon - Otter Bldg)	DMR/C 280/125	3	Y	
280	200	272505	9103	143,191	2933132	\$45,400,000	05/30/18	\$317.06	OAKHURST CENTER	BR-OR	1	Y	
280	130	198620	0275	130,710	2931778	\$129,500,000	05/22/18	\$990.74	202 WESTLAKE	SM-SLU 175/85-280	1	69	Net Lease Sale; not in ratio
280	240	006000	0010	601,081	2917647	\$224,850,000	03/02/18	\$374.08	MICROSOFT ADVANTA - BLDG A	OLB-OS	4	Y	
280	220	066287	0080	71,329	2912407	\$26,700,000	01/26/18	\$374.32	MERCER POINTE at BELLEFIELD	O	1	Y	
280	120	197570	0340	130,786	2910840	\$43,300,000	01/09/18	\$331.08	VANCE BUILDING & STERLING BLDG.	DRC 85-170	1	Y	
280	100	864770	0020	292,274	2906881	\$268,500,000	12/19/17	\$918.66	Tilt49 Office/Apt (Amazon - Lowflyinghawk Bldg & AMLI Arc Apts)	DMC 240/290-440	1	69	Net Lease Sale; not in ratio
280	100	065900	0305	300,710	2903761	\$185,958,745	11/30/17	\$618.40	8th + Olive (formerly 720 Olive)	DOC2 500/300-550	1	26	Imp changed after sale; not in ratio
280	120	553050	0010	201,322	2903777	\$119,884,000	11/30/17	\$595.48	MILLENNIUM TOWER CONDOMINIUM	DMC 340/290-440	1	Y	
280	210	292505	9357	490,096	2900413	\$239,837,377	11/08/17	\$489.37	PLAZA BUILDINGS - US BANK PLAZA (Core)	DNTNO-2	3	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	220	880300	0010	330,497	2900408	\$131,068,993	11/08/17	\$396.58	BELLEVUE TECHNOLOGY CENTER	O	6	Y	
280	420	262304	9143	192,204	2896134	\$19,500,000	10/19/17	\$101.45	Seattle South Business Square - Bldgs 625/635/645/655/665	TUC	3	26	Imp changed after sale; not in ratio
280	210	149950	0010	371,363	2895739	\$313,000,000	10/18/17	\$842.84	Centre 425 (Amazon)	DNTNO-1	1	69	Net Lease Sale; not in ratio
280	100	766620	2320	133,177	2892456	\$65,000,000	09/28/17	\$488.07	World Trade Center North	DH2/75	1	70	Building Only; not in ratio
280	120	093900	0335	295,515	2888685	\$156,413,720	09/12/17	\$529.29	EXCHANGE BLDG	DMC 340/290-440	1	Y	
280	300	408330	6985	213,566	2885752	\$157,825,000	08/28/17	\$739.00	NorthEdge (Tableau)	IC-45	1	69	Net Lease Sale; not in ratio
280	240	112405	9015	90,725	2882077	\$20,000,000	08/08/17	\$220.45	Legacy I-90	O	1	Y	
280	240	531510	0546	106,619	2875606	\$41,000,000	07/07/17	\$384.55	ISLAND CORPORATE CENTER	TC	1	Y	
280	130	198320	0245	85,978	2874244	\$81,500,000	06/30/17	\$947.92	428 Westlake Building	SM-SLU 175/85-280	1	69	Net Lease Sale; not in ratio
280	100	066000	1605	373,458	2870726	\$330,175,000	06/14/17	\$884.10	Midtown21 (Amazon)	DMC 340/290-440	3	69	Net Lease Sale; not in ratio
280	230	697920	0050	193,454	2868571	\$35,497,500	06/02/17	\$183.49	PLAZA AT NORTH CREEK	R-AC, OP, CB, LI	1	Y	
280	240	128362	0010	141,590	2866226	\$46,500,000	05/24/17	\$328.41	Commons on 90 - formerly EASTGATE OFFICE CENTER	OLB	1	Y	
280	130	224950	0265	345,992	2865317	\$286,000,000	05/18/17	\$826.61	DEXTER STATION OFFICE	SM-SLU 100/95	4	69	Net Lease Sale; not in ratio
280	060	202505	9242	88,642	2846325	\$21,375,000	01/26/17	\$241.14	EVERGREEN OFFICE PARK I	O	2	Y	
280	010	610845	0040	1,018	2846815	\$622,000	01/26/17	\$611.00	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	MIO-200-HR	1	Y	
280	400	926500	0060	112,630	2844953	\$15,650,000	01/18/17	\$138.95	EVERGREEN CORPORATE CENTER (former Weyerhaeuser West Campus)	OP	3	Y	
280	130	198320	0560	290,647	2844342	\$268,940,438	01/13/17	\$925.32	Urban Union Building (Amazon)	SM-SLU 175/85-280	2	69	Net Lease Sale; not in ratio

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	260	720241	0130	110,708	3028029	\$30,000,000	12/30/19	\$270.98	REDMOND TOWN CENTER (fmr Macy's Bldg)	TWNC	1	59	Bulk portfolio sale
280	430	332304	9001	532,430	3002776	\$30,128,800	07/24/19	\$56.59	SeaTac Office Center	CB-C	2	18	Quit claim deed
280	250	246540	0080	70,019	2977985	\$53,000,000	03/18/19	\$756.94	LAKE WASHINGTON PARK	PR 3.6	1	46	Non-representative sale
280	260	131830	0020	101,252	2973418	\$200	02/12/19	\$0.00	REDMOND TECHNOLOGY CENTER	BP	1	32	\$1,000 sale or less
280	430	092204	9415	281,805	2971622	\$14,693,290	01/28/19	\$52.14	FAA - Northwest Mountain Region HQ	B-P	4	33	Lease or lease-hold
280	430	092204	9415	281,805	2971623	\$6,297,124	01/28/19	\$22.35	FAA - Northwest Mountain Region HQ	B-P	4	33	Lease or lease-hold
280	420	088670	0100	261,402	2964248	\$19,510,631	11/30/18	\$74.64	Kaiser Permanente Campus - Longacres Business Center II	CO	4	51	Related party, friend, or neighbor
280	420	334040	4006	203,496	2926104	\$13,750,000	03/27/18	\$67.57	1601 LIND BLDG (fmr FAA HQ Bldg)	CO	3	46	Non-representative sale
280	440	766620	7045	114,943	2920465	\$10	03/12/18	\$0.00	Stadium Innovation Center-Econ unit with -7031 and -7066	IG1 U/85	3	31	Exempt from excise tax
280	440	766620	7045	114,943	2920464	\$10	03/12/18	\$0.00	Stadium Innovation Center-Econ unit with -7031 and -7066	IG1 U/85	3	32	\$1,000 sale or less
280	120	713783	0010	704,837	2911692	\$303,416	01/19/18	\$0.43	RAINIER MASTER	DOC1 U/450/U	4		
280	210	149950	0020	6,213	2866109	\$247,500	05/23/17	\$39.84	Centre 425 (Amazon)	DNTNO-1	1	3	Contract or cash sale
280	240	355750	0025	531,355	2866130	\$3,149,000	05/22/17	\$5.93	COSTCO Parking Garage - Economic unit of 355750-0270 - COSTCO	UC	3	24	Easement or right-of-way

2020 PHYSICAL INSPECTION SPECIALTY 280

2020 Physical Inspection Area						
Specialty Neighborhood #100 (Denny Regrade/Belltown) & #110 (Capitol Hill)						
Major	Minor	Spec Area	Spec Nbhd	Prop Name	Address	TaxPayer Name
65300	250	280	100	2601 ELLIOTT (SEATTLE TRADE AND TECHNOLOGY CENTER)	2601 ELLIOTT AVE	WRIGHT RUNSTAD & COMPANY
65300	270	280	100	2601 ELLIOTT PARKING GARAGE (SEATTLE TRADE CENTER)	2600 ELLIOTT AVE	WRIGHT RUNSTAD & COMPANY
65600	410	280	100	FOURTH & VINE BLDG	2615 4TH AVE	SELIG HOLDINGS COMPANY LLC
65600	480	280	100	FOURTH & BATTERY BUILDING	2401 4TH AVE	SELIG MARTIN
65900	235	280	100	1700 Seventh Avenue	1700 7TH AVE	1700 7TH LP
65900	255	280	100	1700 7th Avenue (imp data on -0235)	1700 7TH AVE	1700 7TH LP
65900	305	280	100	8th + Olive (formerly 720 Olive)	720 OLIVE WAY	PPF OFF 720 OLIVE WAY LLC
65900	365	280	100	TOWER BLDG	1807 7TH AVE	TOWER BUILDING LLC
65900	555	280	100	PLAZA 600 BUILDING	600 STEWART ST	BGO PLAZA 600 JV LLC C/O UR
65900	750	280	100	WEST 8TH (Amazon - Port 99 Bldg)	2001 8TH AVE	RAR2 - WEST 8TH LLC
65900	750	280	100	WEST 8TH (Amazon - Port 99 Bldg)	2001 8TH AVE	RAR2 - WEST 8TH LLC
65900	775	280	100	AMAZON - DOPPLER TOWER (imps carried on -0880)		ACORN DEVELOPMENT LLC
65900	860	280	100	AMAZON - DOPPLER TOWER (imps carried on -0880)	2033 7TH AVE	ACORN DEVELOPMENT LLC
65900	870	280	100	AMAZON - DOPPLER TOWER (imps carried on -0880)		ACORN DEVELOPMENT LLC
65900	880	280	100	AMAZON DOPPLER TOWER & MEETING CENTER	2021 7TH AVE	ACORN DEVELOPMENT LLC
65900	930	280	100	SIXTH & LENORA BUILDING (former Active Voice Bldg.)	2033 6TH AVE	CLISE INC & HAMMER CO
65900	950	280	100	THE WESTIN BUILDING	2001 6TH AVE	2001 SIXTH LLC
66000	80	280	100	DENNY BLDG	2200 6TH AVE	MARINO PROPERTY CO
66000	150	280	100	Amazon Block 18 (under construction) - Econ Unit on #0130	2205 7TH AVE	AMAZON.COM
66000	165	280	100	AMAZON - Day 1 Tower (imps carried on -0220)	2101 7TH AVE	AMAZON.COM
66000	176	280	100	AMAZON - Day 1 Tower (imps carried on -0220)	2133 7TH AVE	AMAZON.COM
66000	195	280	100	AMAZON - Day 1 Tower (imps carried on -0220)	620 LENORA ST	AMAZON.COM
66000	205	280	100	AMAZON - Day 1 Tower (imps carried on -0220)	2100 6TH AVE	AMAZON.COM
66000	215	280	100	AMAZON - Day 1 Tower (imps carried on -0220)	2120 6TH AVE	AMAZON.COM
66000	220	280	100	AMAZON - DAY 1 TOWER & SPHERES	2101 7TH AVE	AMAZON.COM
66000	270	280	100	Amazon - Re-Invent Towers	2100 7TH AVE	AMAZON.COM
66000	275	280	100	Amazon RE-INVENT Tower (imp data carried on -0270)	2130 7TH AVE	AMAZON.COM
66000	280	280	100	Amazon RE-INVENT Tower (imp data carried on -0270)		AMAZON.COM
66000	320	280	100	Amazon RE-INVENT Tower (imp data carried on -0270)		AMAZON.COM

2020 PHYSICAL INSPECTION SPECIALTY 280

2020 Physical Inspection Area						
Specialty Neighborhood #100 (Denny Regrade/Belltown) & #110 (Capitol Hill)						
Major	Minor	Spec Area	Spec Nbhd	Prop Name	Address	TaxPayer Name
66000	325	280	100	AMAZON NITRO	2200 7TH AVE	AMAZON.COM
66000	335	280	100	AMAZON BLOCK 21 NITRO (imp data carried on -0325)	2210 7TH AVE	AMAZON.COM
66000	340	280	100	AMAZON RUFUS 2.0 - BLOCK 21 (imp data carried on -0325)	2220 7TH AVE	AMAZON.COM
66000	345	280	100	AMAZON BLOCK 21 NITRO (imp data carried on -0325)		AMAZON.COM
66000	355	280	100	AMAZON BLOCK 21 NITRO (imp data carried on -0325)		AMAZON.COM
66000	375	280	100	AMAZON BLOCK 21 NITRO (imp data carried on -0325)	2201 8TH AVE	AMAZON.COM
66000	635	280	100	1918 8th Bldg (imp data on -0650)		1918 EIGHTH AVENUE HOLDCO L
66000	639	280	100	1918 8th Bldg (imp data on -0650)	1918 8TH AVE	1918 EIGHTH AVENUE HOLDCO L
66000	650	280	100	1918 Eighth Office Tower & ec parcels 0635 & 0639	1918 8TH AVE	1918 EIGHTH AVENUE HOLDCO L
66000	1135	280	100	1800 NINTH (Amazon - Alexandria Bldg)	1800 9TH AVE	1800 NINTH ACQUISITION LLC
66000	1255	280	100	1915 TERRY BLDG. (Amazon - Kumo Bldg)	1915 TERRY AVE	SEATTLE CHILDREN'S HOSPITAL
66000	1595	280	100	MIDTOWN21 (AMAZON)		MIDTOWN21 LLC
66000	1600	280	100	MIDTOWN21 (AMAZON)		MIDTOWN21 LLC
66000	1605	280	100	Amazon - Oscar Bldg (fmrlly Midtown21)	1007 STEWART ST	MIDTOWN21 LLC
66000	2054	280	100	METROPOLITAN PARK I (West) OFFICE BLDG	1701 MINOR AVE	BCAL MET PARK PROPERTY LLC
66000	2054	280	100	METROPOLITAN PARK I (West) OFFICE BLDG	1701 MINOR AVE	BCAL MET PARK PROPERTY LLC
66000	2381	280	100	METROPOLITAN PARK NORTH BUILDING		HUDSON MET PARK NORTH LLC
66000	2410	280	100	METROPOLITAN PARK II - EAST	1730 MINOR AVE	BCAL MET PARK PROPERTY LLC
66000	2410	280	100	METROPOLITAN PARK II - EAST	1730 MINOR AVE	BCAL MET PARK PROPERTY LLC
69400	205	280	100	FOURTH & BLANCHARD BUILDING	2101 4TH AVE	SREH 2014 LLC
69600	175	280	100	5TH & BELL BUILDING (Amazon - Otter Bldg)	2301 5TH AVE	ARE-SEATTLE NO 30 LLC
69600	185	280	100	5TH & BELL BLDG - ECON UNIT OF - 0175	2319 5TH AVE	ARE SEATTLE NO 30 LLC
69600	195	280	100	5TH & BELL BLDG - ECON UNIT OF - 0175		ARE SEATTLE NO 30 LLC
69700	64	280	100	6th & Wall Bldg	521 WALL ST	SABEY CORPORATION
69700	64	280	100	6th & Wall Bldg	521 WALL ST	SABEY CORPORATION
69700	235	280	100	Amazon - Coral Bldg (fmr Blanchard Plaza)	2201 6TH AVE	BIT BCAL BLANCHARD PROPERTY
197720	187	280	100	World Trade Center-East	2211 ELLIOTT AVE	PORT OF SEATTLE
197720	187	280	100	World Trade Center-East	2211 ELLIOTT AVE	PORT OF SEATTLE
197720	280	280	100	MARKET PLACE ONE & TWO	2001 WESTERN AVE	PPF OFF 2001 WESTERN AVENUE
197720	471	280	100	MARKET PLACE TOWER (Condo Air Rights allocation = 83.4%)	2019 1ST AVE	PRISA MARKET PLACE TOWER WA

2020 PHYSICAL INSPECTION SPECIALTY 280

2020 Physical Inspection Area						
Specialty Neighborhood #100 (Denny Regrade/Belltown) & #110 (Capitol Hill)						
Major	Minor	Spec Area	Spec Nbhd	Prop Name	Address	TaxPayer Name
197720	1260	280	100	SECURITIES MARKET BUILDING (ASSOCIATE W/ACCTS #1280, #1295, & #1315)	301 VIRGINIA ST	WASHINGTON SECURITIES CO
197720	1280	280	100	SECURITIES MARKET BUILDING (IMP DATA ON ACCT #197720-1295)	301 VIRGINIA ST	WASHINGTON SECURITIES CO
197720	1295	280	100	SECURITIES MARKET BUILDING (ASSOC. PARCEL ACCT #1260, #1280, 1295 & #1315)	301 VIRGINIA ST	WASHINGTON SECURITIES CO
197720	1315	280	100	SECURITIES BUILDING (ec unit block - 1295,1280, 1260)	1904 3RD AVE	WASHINGTON SECURITIES CO
766620	2320	280	100	Viewpoint Building (formerly World Trade Center North)	2401 ELLIOTT AVE	PORT OF SEATTLE
766620	2320	280	100	Viewpoint Building (formerly World Trade Center North)	2401 ELLIOTT AVE	PORT OF SEATTLE
197820	280	280	110	Lindeman Pavilion	909 UNIVERSITY ST	VIRGINIA MASON HOSPITAL
197820	625	280	110	1101 MADISON TOWER	1101 MADISON	HCP INC
197820	625	280	110	1101 MADISON TOWER	1101 MADISON	HCP INC
197820	1270	280	110	Polyclinic Broadway	1110 HARVARD AVE	THE POLYCLINIC MSO PLLC
197920	225	280	110	Virginia Mason - Buck Pavillon	1100 9TH AVE	VIRGINIA MASON MEDICAL CENT
219760	250	280	110	600 BROADWAY MED CENTER	600 BROADWAY	HCP INC
219760	250	280	110	600 BROADWAY MED CENTER	600 BROADWAY	HCP INC
794260	330	280	110	JAMES TOWER (PROVIDENCE MEDICAL CENTER)	528 17TH AVE	JAMES TOWER LLC
794260	330	280	110	JAMES TOWER (PROVIDENCE MEDICAL CENTER)	528 17TH AVE	JAMES TOWER LLC
859040	375	280	110	POLYCLINIC (7TH & MADISON BLDG) ECON UNIT OF -0395		RREEF DEPT 207
859040	376	280	110	POLYCLINIC (7TH & MADISON BLDG) ECON UNIT OF -0395		RREEF DEPT 207
859040	395	280	110	POLYCLINIC (7TH & MADISON BLDG.) -ec units 0375 & 0376	701 MADISON ST	RREEF DEPT 207
859090	646	280	110	1st HILL MEDICAL PAVILION	1124 COLUMBIA	HART FIRST HILL LLC
859090	646	280	110	1st HILL MEDICAL PAVILION	1124 COLUMBIA	HART FIRST HILL LLC
859090	805	280	110	401 Broadway Building (Patricia Bracelin Steel Memorial Bldg.)	401 BROADWAY	KING COUNTY-HARBORVIEW
859090	806	280	110	IMP CARRIED ON 0805	1107 JEFFERSON ST	KING COUNTY-HARBORVIEW
859090	810	280	110	IMP CARRIED ON 0805	417 BROADWAY	KING COUNTY-HARBORVIEW
859090	825	280	110	IMP CARRIED ON 0805		KING COUNTY-HARBORVIEW
859090	826	280	110	IMP CARRIED ON MINOR 0805	E TERRACE ST	KING COUNTY-HARBORVIEW
859090	1010	280	110	CABRINI MEDICAL TOWER	901 BOREN AVE	SUHRCO MANAGEMENT INC



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 2020 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, 2020 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standards 5 and 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

