

Hi-Tech/Flex Properties

Area: 510

Commercial Revalue for 2021 Assessment Roll



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

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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 Property - General	Type of Property - Specific	COD Range
Single-family Residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family Residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2-4-unit housing	5.0 to 20.0
Income-Producing Properties	Larger areas represented by samples	5.0 to 15.0
Income-Producing Properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant Land		5.0 to 25.0
Other Real and Personal Property		Varies with local conditions

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

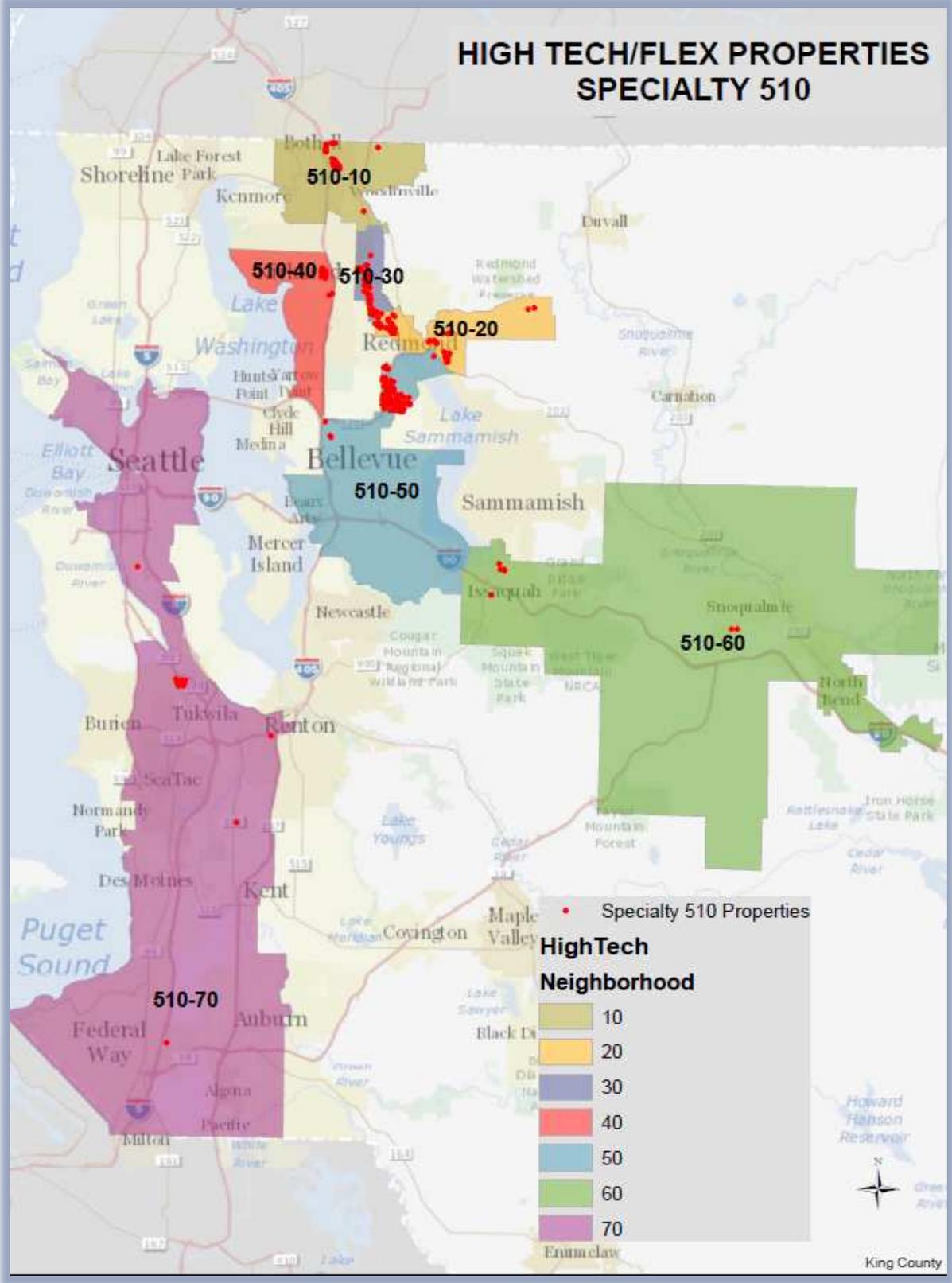
More results of the statistical testing process is found within the attached area report.

Requirements of State Law

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

Appraisal Area Reports

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



Specialty Area 510 Annual Update Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

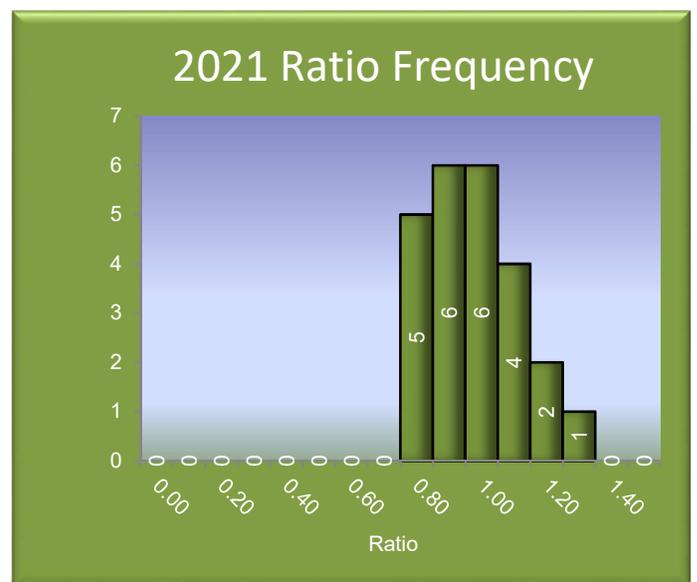
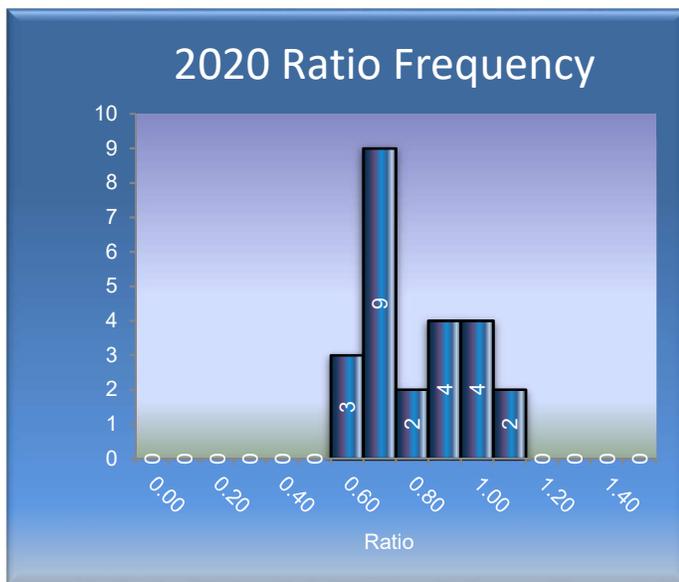
Pre-revalue ratio analysis compares sales from 2018 through 2020 in relation to the previous assessed value as of 1/1/2020.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	24
Mean Assessed Value	43,901,800
Mean Adj. Sales Price	59,443,700
Standard Deviation AV	49,092,288
Standard Deviation SP	69,242,906
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.761
Median Ratio	0.730
Weighted Mean Ratio	0.739
UNIFORMITY	
Lowest ratio	0.5079
Highest ratio:	1.0293
Coefficient of Dispersion	19.38%
Standard Deviation	0.1604
Coefficient of Variation	21.07%
Price Related Differential (PRD)	1.03

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares sales from 2018 through 2020 and reflects the assessment level after the property has been revalued to 1/1/2021.

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	24
Mean Assessed Value	53,037,200
Mean Sales Price	59,443,700
Standard Deviation AV	58,303,462
Standard Deviation SP	69,242,906
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.925
Median Ratio	0.915
Weighted Mean Ratio	0.892
UNIFORMITY	
Lowest ratio	0.7034
Highest ratio:	1.2718
Coefficient of Dispersion	12.51%
Standard Deviation	0.1442
Coefficient of Variation	15.59%
Price Related Differential (PRD)	1.04



Executive Summary Report

Appraisal Date: 1/1/2021 – 2021 Assessment Year

Specialty Appraisal Area:

- **Area 510:** High-Tech/Flex Properties

Sales – Improved Summary:

- Number of Sales: 29 market sales; 24 in the ratio study
- Range of Sales Dates: 1/1/2018 –3/24/2021

Sales – Ratio Study Summary:

Sales - Improved Valuation Change Summary						
	Mean Assessed	Mean Sales Price	Ratio	COD	COV	PRD
2020 Value	\$ 43,901,800	\$ 59,443,700	73.90%	19.38%	21.07%	1.03%
2021 Value	\$ 53,037,200	\$ 59,443,700	89.20%	12.51%	15.59%	1.04%
Change	\$ 9,135,400		15.30%	-6.87%	-5.48%	0.01%
% Change	20.81%		20.70%	-35.45%	-26.01%	0.97%

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

Sales used in the analysis: All improved sales that were verified as good sales that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are sales that are change of use after the sale date; sold as a portion of a bulk portfolio sale; net lease sales; sales that had major renovation after the sale, or have been segregated or merged since being purchased. Land values were provided by the appraisers for each geographical area and subsequently applied in total valuation. The statistically small sample size used in the analysis limits the ratio study’s reliability in this case.

Total Population - Parcel Summary Data:

Total Population - Parcel Summary Data			
	Land	Improvements	Total
2020 Value	\$1,694,296,200	\$2,865,896,700	\$4,560,192,900
2021 Value	\$1,910,547,400	\$3,365,521,400	\$5,276,068,800
	12.76%	17.43%	15.70%

Number of Parcels in the Ratio Study: 199 parcels.

Conclusion and Recommendation:

Total assessed values for the 2021 revalue have increased by +15.70%, reflecting the healthy Tech/Flex market in King County and improved income fundamentals.

The values recommended in this report reflect current High-Tech/Flex market parameters and improve uniformity and equity; therefore, it is recommended to post the values for the 2021 Assessment Year.

Identification of the Area

Name or Designation

- **Area 510:** Hi-Tech/Flex Properties

Area 510 Neighborhoods

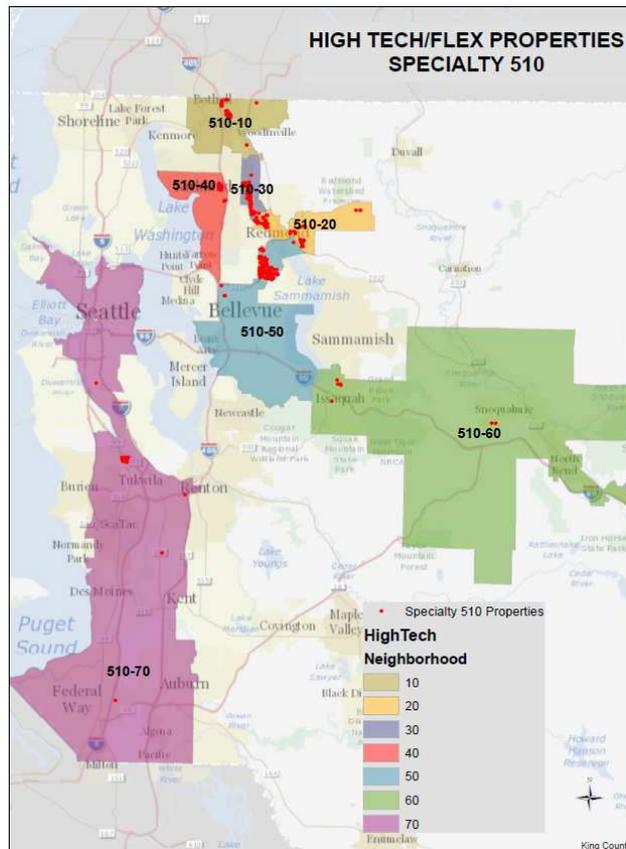
- **510-10** Bothell (North Creek) & Woodinville
- **510-20** Redmond (Close-in & Marymoor Park)
- **510-30** Redmond (Willows Corridor)
- **510-40** Kirkland Totem Lake
- **510-50** Redmond (Overlake), Bellevue (SR-520 & I-90 corridors)
- **510-60** Issaquah
- **510-70** Seattle, Kent, Auburn, Tukwila, & Federal Way

Boundaries

- 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 Street Center building or the King County Assessor website.



Area Description

The High-Tech/Flex Specialty properties are defined as buildings that include a combination of warehouse, light industrial use, and/or office area. The occupants tend to be engaged in various High-Tech enterprises that may consist of computer software and hardware, telecommunications, medical instrumentations, and corporate offices (corporate offices of Microsoft and Nintendo are included). The typical building often has general offices, assembly areas, and/or computer rooms and generally runs above a 40% office build-out ratio. The buildings tend to be of higher quality finish. They may have multiple fiber optic lines with additional power, mechanical, and communications facilities than are found in typical office buildings or business park/flex buildings.

Also included in the high-tech specialty are data centers. A data center is a facility used to house computer systems and associated components, such as telecommunications and storage systems. It generally includes redundant or backup power supplies, power conditioning equipment, redundant data communications connections, environmental controls (e.g., air conditioning, fire suppression), and security infrastructure.

Area Overview

Tech Flex buildings have been segmented into seven distinct neighborhood regions described by their geographic location, totaling 219 separate tax parcels. Most of these properties (72%) are located in the Redmond and Bellevue/Overlake area of Neighborhoods 510-20, 510-30, and 510-50. The remaining properties are found in Neighborhood 510-10: Bothell (11%), Neighborhood 510-40: Kirkland (7.8%), Neighborhood 510-70: Seattle/South King County (5.9%), and Neighborhood 510-60: Snoqualmie/Issaquah (3.2%). The East King County Tech Flex market also sees significant leasing activity from smaller tenants. Still, it stands in contrast to the broader industrial warehouse market, with vacancy rates nearly double that of the eastside and higher than the average for industrial properties within the region.

Change in Total Assessed Value by Neighborhood			
Neighborhood	2020	2021	% Change
510-10	\$229,367,400	\$276,526,900	20.56%
510-20	\$530,740,200	\$622,228,600	17.24%
510-30	\$606,819,100	\$716,163,400	18.02%
510-40	\$117,352,400	\$138,452,700	17.98%
510-50	\$2,563,460,200	\$2,961,437,000	15.52%
510-60	\$265,175,200	\$302,357,000	14.02%
510-70	\$247,278,400	\$258,903,600	4.70%
Total	\$4,560,192,900	\$5,276,069,200	15.70%

High-Tech/Flex Market

The Seattle/Puget Sound High-Tech/Flex market has proven resilient to the COVID-19 pandemic market shifts. Tech firms have demonstrated a continued investment in the Puget Sound area, pre-leasing nearly two-thirds of all office construction scheduled to be delivered by 2022. E-commerce, cloud services, computer technology, software development, and artificial intelligence, among other tech sub-sectors, are expected to lead the growth and transformation of the world's economy. Tech firms will continue to drive development and in-migration of talent to Seattle/Puget Sound as the region resumes its upwards trajectory.

High-Tech/Flex Properties have been in high demand during the COVID-19 pandemic for research and development spaces. Major tenants such as Facebook, Amazon, Apple, Oracle, Microsoft, and Google are leasing substantial high-tech flex properties. Limited rental space options in Seattle downtown CBD area have prompted life science firms to expand into the suburban submarkets of Redmond and Bothell, where lab spaces are both affordable and available.

As a segment of the broader industrial market, the Flex Tech market also has experienced value increases based upon sales from a general standpoint. In addition, recent patterns continue to reflect high-quality properties at or near full occupancy with credit-rated tenants, which stand in contrast to the general Tech Flex population.

The Puget Sound area is among the top commercial markets targeted by investors. The ongoing constructions related to the renovation and expansion of the Microsoft campus involve approximately 9.2 million square feet of building area. Due to lower capital requirements and associated management and maintenance requirements, industrial properties continue to be considered a prime, sought-after real estate investment class. From an investment perspective, and as a submarket of the Industrial Sector, Flex Tech property values reflect steady improvement with decreasing vacancies, increasing rents, and lower capitalization rates reflective of the broader Seattle Metro Industrial Sector activity. Nationwide, the Seattle/Puget Sound ranks #4 in the high-tech software services and office market rent growth.

Analysis Process

Effective Date of Appraisal: January 1, 2021

Date of Appraisal Report: June 21, 2021

The following appraiser did the valuation for this geographic area:

- Yuen Chin – 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 the value of the entire property in its current use and the cost to remove the improvements. We find that the current improvements 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.

Interim Use: In many instances, a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest the land should be developed in a few years. Similarly, there may not be enough demand to justify new construction at present, but increased demand may be expected within five years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

The use to which the property is put until it is ready for its future highest and best use is called an interim use. Thus, the interim use becomes the highest and best use in anticipation of change over a relatively short time in the future.

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

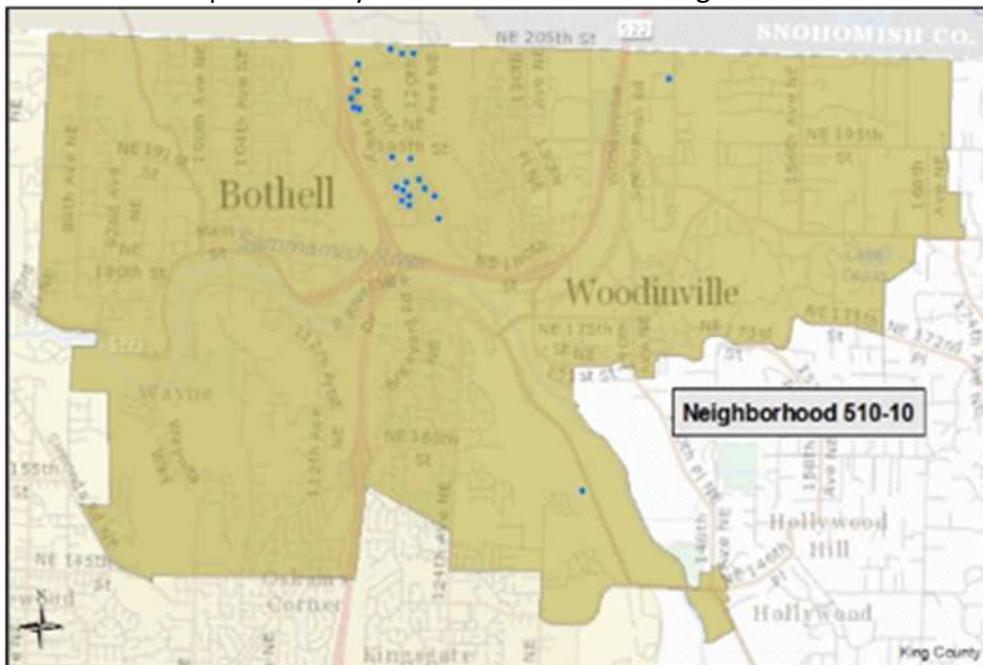
- All three approaches to value were considered in this appraisal.
- Sales from 01/01/2018 to 12/31/2020 (at minimum) were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6 (USPAP compliant).

Area Description

Area 510-10: Bothell (North Creek) & Woodinville

Neighborhood 510-10 is defined as those High-Tech/Flex buildings located within the Bothell (North Creek) and Woodinville areas within King County. Within geographic neighborhood 510-10, 24 parcels comprise the High-Tech/Flex specialty. The broader commercial and industrial market extends on into the Snohomish County Canyon Park area to the north. The 510-10 neighborhood buildings range from 1979 to 2000, and in Gross Building Area from 16,596 to 173,721 SF, with multiple buildings on some parcels.

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

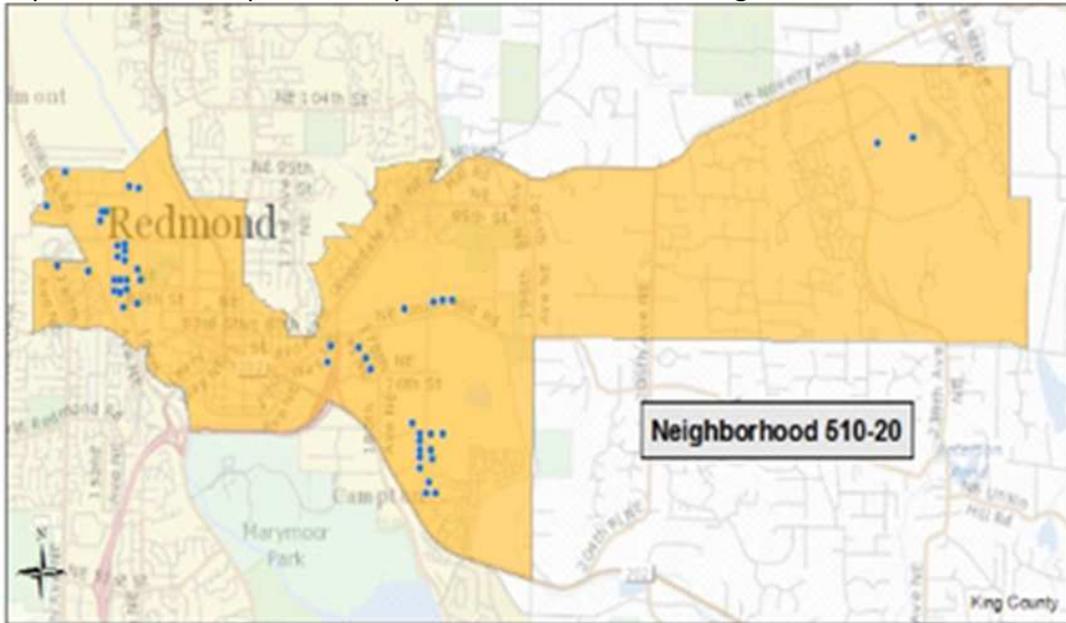


Neighborhood	# Parcels	% of Total	2020 AV	2021 AV	% Change
510-10	24	11%	\$229,367,400	\$276,526,900	20.56%

Area 510-20: Redmond (Close-in & Marymoor)

Neighborhood 510-20 is defined as those High-Tech/Flex buildings located within the Redmond (Close-In & Marymoor Park) neighborhoods. Within geographic area 510-20, 46 parcels are part of the High-Tech/Flex specialty. They are equally distributed around both the Redmond city center Marymoor Park. Building ages range from 1977 to 2008, and Gross Building Area ranges from 12,240 to 274,848 SF, with some parcels having multiple structures.

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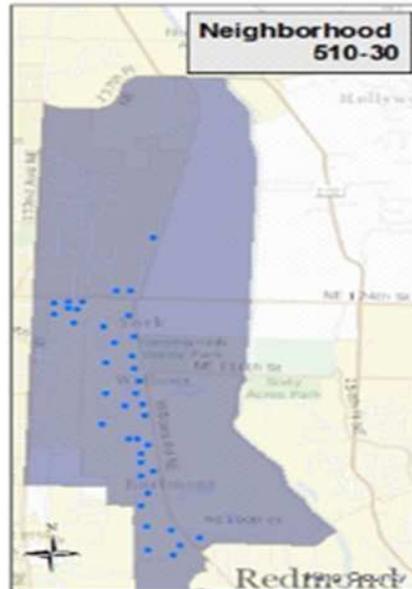


Neighborhood	# Parcels	% of Total	2020 AV	2021 AV	% Change
510-20	46	21%	\$530,740,200	\$622,228,600	17.24%

Area 510-30: Redmond (Willows Corridor)

Neighborhood 510-30 is defined as those High-Tech/Flex buildings located within the Redmond (Willows Corridor) neighborhood. Within geographic area 510-30, 48 parcels that are part of the High-Tech/Flex specialty are evenly distributed along Willows Road NE between NE 124th St on the North and NE 87th St on the South. Building age ranges from 1969 to 2008, with Gross Building Areas of 19,195 to 220,253 SF with some parcels have multiple structures.

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



Neighborhood	# Parcels	% of Total	2020 AV	2021 AV	% Change
510-30	48	22%	\$606,919,100	\$716,163,400	18.00%

Area 510-40: Kirkland Totem Lake

Neighborhood 510-40 is defined as those High-Tech/Flex buildings located within Kirkland's Totem Lake neighborhood. Within geographic area 510-40, 17 parcels are part of the High-Tech/Flex specialty, and predominantly situated near Hwy 405 and NE 124th St. Predominant use is office space, with building ages range from 1966 to 1993, with Gross Building Areas ranging from 17,636 to 60,029 SF.

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



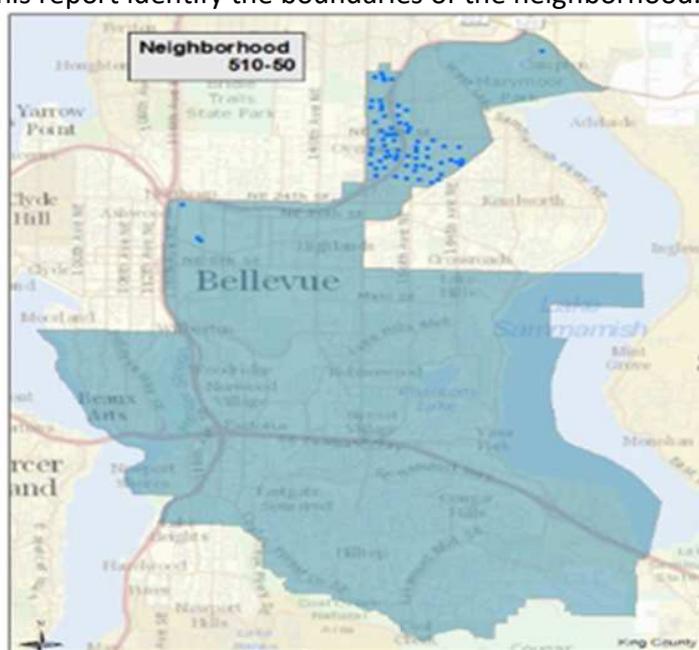
Neighborhood	# Parcels	% of Total	2020 AV	2021 AV	% Change
510-40	17	8%	\$117,352,400	\$138,452,700	17.98%

Area 510-50: Kenmore

Neighborhood 510-50 is defined as those High-Tech/Flex buildings located within the Redmond (Overlake) and Bellevue (SR-520 & I-90 Corridor) neighborhoods. Within geographic area 510-50, 64 parcels comprise the High-Tech/Flex specialty. This is the largest of the Tech Flex neighborhoods and includes both Microsoft and Nintendo corporate headquarters.

Fifty-four (54) parcels belong to Microsoft, covering a total land area of approximately 21 million square feet and a total building area of approximately 17 million square feet. Nintendo consists of five (5) parcels with a total land area of around 1 million square feet and a total building area of about 806 thousand square feet. This neighborhood benefits from the confluence of these two tech employers, associated development under the Overlake Master Plan, and the Spring District in Bellevue. The University of Washington's partnership with the Tsinghua University, called the Global Innovation Exchange, a graduate study program located within the Spring District, continues to be a positive growth influence. With the partnership of the Microsoft Corporation, student enrollment is expected to grow to as many as 3,000 students by 2025. Along similar lines, Microsoft's ongoing redevelopment/expansion of its corporate campus is expected to add approximately 2.5 million square feet of new office space, 500 thousand square feet of amenity space, and the renovation of another 6.7 million square feet of existing buildings. This investment is expected to increase their Puget Sound employment by 8,000 to 55,000.

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

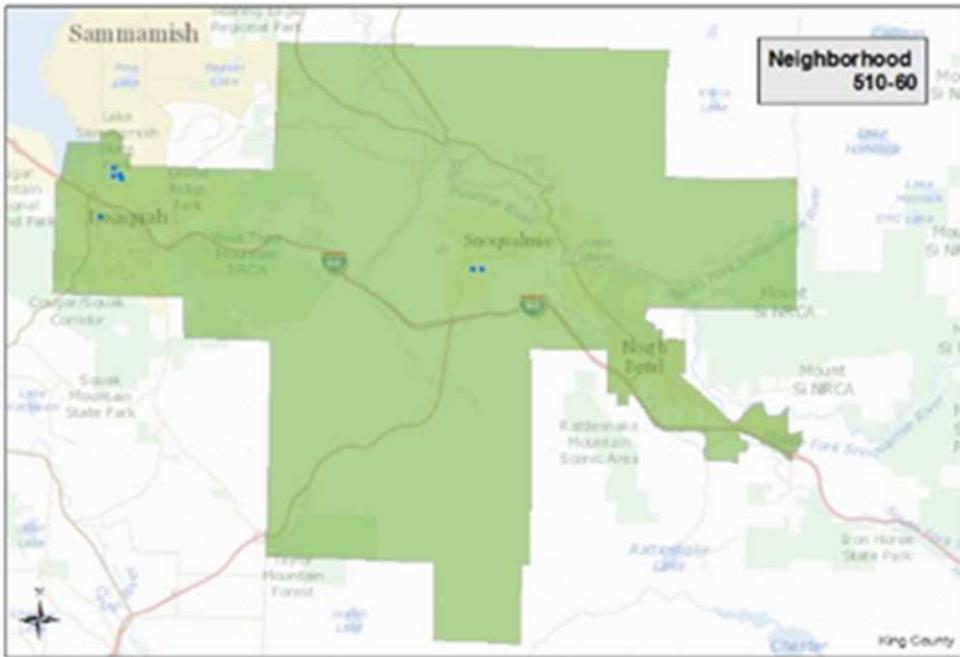


Neighborhood	# Parcels	% of Total	2020 AV	2021 AV	% Change
510-50	64	29%	\$2,563,460,200	\$2,961,437,000	15.52%

Area 510-60: Kirkland Totem Lake

Neighborhood 510-60 is defined as those High-Tech/Flex buildings located within Kirkland’s Totem Lake neighborhood. Within geographic areas 510-40, 7 parcels are part of the High-Tech/Flex specialty, and predominantly situated near Hwy 405, and NE 124th St. Buildings in this neighborhood have generally ages from 1966 to 1993 Gross Building Areas ranging from 17,636 to 60,029 SF.

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



Neighborhood	# Parcels	% of Total	2020 AV	2021 AV	% Change
510-60	7	3%	\$265,175,200	\$302,357,000	14.02%

Area 510-70: Kirkland Totem Lake

Neighborhood 510-70 is defined as those High-Tech/Flex buildings located within the Seattle, Kent, Auburn, Tukwila, and Federal Way neighborhoods. It demonstrates the market preferences with a concentration of Tech Flex properties to the Bellevue/Eastside. Within geographic area 520-70, 13 parcels are part of the High-Tech/Flex specialty. The largest is the International Headquarters of the Weyerhaeuser Corporation in Federal Way, a 420-acre campus that includes the Rhododendron Species Botanical Garden and the Pacific Bonsai Museum. With its move to the Pioneer Square area in Seattle and completion of construction at 200 Occidental, the campus was sold under a leaseback provision to the Weyerhaeuser Corporation for occupancy of several buildings that will continue for several more years. Both the garden and museum will remain on campus.

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



Neighborhood	# Parcels	% of Total	2020 AV	2021 AV	% Change
510-70	12	6%	\$247,278,400	\$258,903,600	4.70%

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. Neighborhood 510-30 was physically inspected for the 2021 assessment year. The physical inspection comprised 48 parcels or approximately 22% of the 218 total parcels located in Area 510. A list of the physically inspected parcels is included in the addendum of this report.

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

Preliminary Ratio Analysis

The sales ratio study is a critical 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. The low number of acceptable sales included in the analysis limits the reliability of the ratio study in this case, and it has been provided primarily for informational purposes.

Recommended IAAO Standards on Ratio Studies	
Appraisal Level	0.90 to 1.10
Coefficient of Dispersion	Under 15.0
Price Related Differential	0.98 to 1.03

The two significant aspects of appraisal accuracy, appraisal level, and appraisal uniformity, are measured and evaluated using the ratio study. Appraisal level measures the ratio of assessed value to the 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 the appraisal and uniformity levels.

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 is 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 510 showed a weighted mean ratio of 0.739 below the range of the IAAO guidelines, indicating that the 2020 assessment level, as measured using recent sales, is not acceptable.

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 510 shows a COD of 19.38%, outside the range of the IAAO guidelines, indicating that the 2020 level of assessment uniformity, as measured using recent sales, is not an acceptable range. A lower COD indicates better uniformity.

The 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 510 showed a PRD of 1.03, which is at the top end of the acceptable range of the IAAO guidelines.

If taken at face value, the preliminary ratio study showed the 2020 assessment level needed to be adjusted to increase uniformity. As mentioned previously, the few numbers of sales included in the analysis ultimately limited the reliability of the ratio study in this case.

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.

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 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. When necessary, sales of similar improved properties in adjacent neighborhoods were also considered.

The improved sales used range in sale dates from 5/4/2018 3/24/21. Twenty-eight improved sales in Area 510 were considered as fair market transactions and used in the overall analysis. Of these, twenty-four 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, sales that had significant renovation after the sale, or have been segregated or merged since being purchased.

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 model for sales comparison is based on four characteristics; predominant use, effective age, condition, and size. These characteristics are taken from the Assessor's records. A search was made for sales data that most closely fit the subject property within each geographic area. These sales were organized by market segments based on predominant use. Based on sales analysis, each segment reflected a market price per square foot of net rentable area. 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

Neighborhoods were treated independently of one another as dictated by the market. Individual values were applied based on various characteristics deemed appropriate within each market on a dollar value per square foot of improved net rentable area. Given the relatively low sales count, the sales comparison's applicability was considered limited for broad valuation purposes.

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 relied upon to value new construction where comparable sales data and/or sufficient income and expense information are not available.

Cost Calibration

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

Income Capitalization Approach Model Description

Income tables were developed for all neighborhoods within Area 510 and then applied to the population. The Income Approach was considered a reliable approach to valuation for improved property types where income and expense data are available to ascertain market rates. Income parameters were derived from the marketplace 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. Due to the highly competitive nature of this specialty, information of a confidential nature is very difficult to obtain. As a supplement, lease information is gathered from Costar and other similar online sources. A majority of properties in this area were valued utilizing an income approach (Direct Capitalization Method).

In general, the valuation model includes the following steps:

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

Income: Income data was derived from the marketplace 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, 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 proforma cap rate on the first year's 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.

The effective age and condition of each building contribute to the capitalization rate applied in the model. For example, a building in poorer condition with a lower effective year (1965, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year (2010, for example) will warrant a lower capitalization rate.

Income Approach Calibration

The income capitalization model consists of a series of tables in which ranges of rent, vacancy, operating expenses, and overall capitalization rates are arrayed according to building quality and effective age. Income tables were developed for each of the neighborhoods in Area 510. All tables are included in the addendum of this report.

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

The following table contains the results of an analysis of this information and stratifies the uses in Area 510 and the typical income parameters used to set the values. It should be noted that due to the nature of commercial real estate, not all properties fall within the typical parameters.

Property Type Use	2021 Income Model Typical Rates Range				
	Rental Rates	Vac	Expenses	OAR	
Offices	\$16.00 - \$27.00	10.00%	NNN 10%	6.00 % - 7.50 %	
Warehouse and Mezz Offices	\$14.00 - \$24.00	10.00%	NNN 10%	6.00 % - 7.50 %	
Industrial Engineering Building	\$14.00 - \$21.00	10.00%	NNN 10%	6.00 % - 7.50 %	
Industrial/Logistics/Warehouse	\$7.00 - \$15.00	10.00%	NNN 10%	6.00 % - 7.50 %	
Retail/Daycare	\$14.50 - \$25.00	10.00%	NNN 10%	6.00 % - 7.50 %	

Property Type Use	2021 Income Model Typical Rates Range (510-70)				
	Rental Rates	Vac	Expenses	OAR	
Offices	\$13.50 - \$21.00	10.00%	NNN 10%	6.25% - 7.75 %	
Warehouse and Mezz Offices	\$9.50 - \$17.50	10.00%	NNN 10%	6.25% - 7.75 %	
Industrial Engineering Building	\$8.00 - \$16.00	10.00%	NNN 10%	6.25% - 7.75 %	
Industrial/Logistics/Warehouse	\$5.00 - \$11.00	10.00%	NNN 10%	6.25% - 7.75 %	
Retail/Daycare	\$12.00 - \$21.00	10.00%	NNN 10%	6.25% - 7.75 %	

Reconciliation

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

The income approach to value was considered to be a reliable indicator of value in most instances. The total value generated from the income table calculations and the selected income values varied due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal judgment prevailed when determining when to depart from the Assessor's table generated income model. 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 2021 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 ensures greater uniformity and equalization of values.

Comparison of the 2020 Ratio Study Analysis with the 2021 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level changed from 73.9% to 89.2%. The Coefficient of Dispersion (COD) changed from 19.38% to 12.51%, the Coefficient of Variation (COV) changed from 21.07% to 15.59%, and the Price-related Differential (PRD) changed from 1.03 to 1.04. These are generally outside of the IAAO (International Association of Assessing Officers) appraisal guidelines for valuation uniformity and equity measures. However, with a sample size of only twenty-four improved sales throughout the county within the past three years, only so much weight can be given to the ratio study results.

AREA 510 RATIO STUDY SUMMARY

RATIO STUDIES (Before and After)	1/1/2020	1/1/2021
Arithmetic Mean Ratio	24	24
Median Ratio	0.730	0.915
Weighted Mean Ratio	0.739	0.892
Coefficient of Dispersion (COD)	19.38%	12.51%
Standard Deviation (SD)	0.1604	0.1442
Coefficient of Variation (COV)	21.07%	15.59%
Price Related Differential (PRD)	1.03	1.04

TOTAL VALUE

The total assessed value in Area 510 for the 2020 assessment year was \$4,560,192,900, and the total recommended assessed value for the 2021 assessment year is \$5,276,068,800. Application of these recommended values for the 2021 assessment year results in an average total change from the 2020 assessment of +15.70%.

Change in Total Assessed Value			
2020 Total Value	2021 Total Value	\$ Change	% Change
\$4,560,192,900	\$5,276,068,800	\$715,875,900	15.70%

USPAP Compliance

Client and Intended Use of the Appraisal:

This mass appraisal report is intended for use by the public, King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others for other purposes is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP Standards 5 and 6. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessor's 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

6/21/2021

Yuen Chin, Commercial Appraiser II

Date

Improvement Sales for Area 510 with Sales Used

07/20/2021

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
510	010	392700	0040	54,353	2984994	\$17,382,059	04/25/19	\$319.80	NORTH CREEK TECH CTR BLDG #	R-AC, OP, CB, LI	1	Y	
510	010	697930	0010	205,707	3096216	\$62,100,000	01/12/21	\$301.89	NORTH CREEK PKWY CTR BLDG 1	R-AC, OP, CB, LI	6	Y	
510	020	553040	0010	549,694	3089462	\$217,000,000	12/17/20	\$394.77	MILLENNIUM CORPORATE PARK E	BP	4	Y	
510	020	553040	0010	549,694	2942604	\$153,490,000	07/18/18	\$279.23	MILLENNIUM CORPORATE PARK E	BP	4	Y	
510	020	719895	0030	281,508	2930016	\$52,120,800	05/10/18	\$185.15	REDMOND EAST BUSINESS CAMP	MP	5	Y	
510	020	719895	0030	281,508	3095448	\$80,000,000	01/20/21	\$284.18	REDMOND EAST BUSINESS CAMP	MP	5	Y	
510	020	719895	0090	30,902	2957081	\$5,800,000	10/04/18	\$187.69	REDMOND EAST BUSINESS CAMP	MP	1	Y	
510	020	720100	0010	126,328	3024945	\$37,500,000	12/11/19	\$296.85	REDMOND HEIGHTS TECH CENTE	BP	2	Y	
510	030	272605	9037	31,765	3101665	\$9,900,000	02/26/21	\$311.66	QUADRANT TECH CENTER BLDG #	BP	1	Y	
510	030	272605	9039	48,270	3118751	\$20,000,000	05/14/21	\$414.34	QUADRANT TECH CENTER BLDG #	BP	2	69	Net Lease Sale; not in ratio
510	030	272605	9114	225,450	3026134	\$61,938,001	12/18/19	\$274.73	ZETRON HEADQUARTERS	BP	3	Y	
510	030	272605	9115	31,105	3085569	\$9,000,000	11/23/20	\$289.34	WILLOWS RIDGE TECH CTR - BLD	BP	1	Y	
510	030	272605	9128	19,195	3085571	\$4,900,000	11/23/20	\$255.27	QUADRANT TECH CENTER BLDG #	BP	1	Y	
510	030	697950	0030	128,079	3022638	\$36,821,250	11/26/19	\$287.49	Quadrant Willows Corporate Ctr - Bld	BP	2	Y	
510	030	697950	0040	115,856	3022637	\$36,821,250	11/26/19	\$317.82	Quadrant Willows Corporate Ctr - Bld	BP	2	Y	
510	030	942810	0010	419,541	2945839	\$135,996,730	08/02/18	\$324.16	Willow Creek Corp. Center - Building	BP	7	Y	
510	030	943005	0040	79,072	2967913	\$19,000,000	12/27/18	\$240.29	WILLOWS COMMERCE PARK - BLD	BP	1	26	Imp changed after sale; not in ratio
510	030	943005	0040	79,072	3091676	\$35,498,653	12/22/20	\$448.94	WILLOWS COMMERCE PARK - BLD	BP	1	Y	
510	030	943005	0050	410,265	3107134	\$140,000,000	03/24/21	\$341.24	WILLOWS COMMERCE PARK - BLD	BP	4	Y	
510	030	943050	0010	41,697	2928611	\$8,200,000	05/04/18	\$196.66	WILLOWS RUN BUILDING	MP	1	Y	
510	040	332605	9243	51,584	3070071	\$13,602,744	09/16/20	\$263.70	Pathway Medical Tech	TL 10E	1	Y	
510	040	389060	0030	53,488	2994268	\$15,744,400	06/18/19	\$294.35	KIRKLAND 405 CORP CTR BLDG B	TL 10A	1	Y	
510	040	389310	0921	60,424	3070152	\$14,897,256	09/16/20	\$246.55	SYSTEMA TECHNOLOGIES	TL 10E	1	Y	
510	050	249990	0020	663,156	2937050	\$249,985,000	06/20/18	\$376.96	LAGUNA NORTH EXCHANGE LLC	OBAT	4	Y	
510	060	212406	9003	93,036	2967676	\$29,000,000	12/20/18	\$311.71	Sammamish Park Place - Bldg A	MU	1	Y	
510	060	362930	0020	52,686	2955236	\$15,700,000	10/01/18	\$297.99	GE HEALTHCARE (REDSTONE BU	UC	1	Y	
510	070	172280	0285	40,029	2929990	\$12,250,000	05/14/18	\$306.03	HATHAWAY BLDG	IG2 U/85	3	Y	
510	070	334040	3805	40,059	2979479	\$4,575,000	03/26/19	\$114.21	Sprint Communications	IM	1	34	Use-change after sale; not in ratio

Improvement Sales for Area 510 with Sales not Used

04/29/2021

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
510	020	659980	0010	769,630	2964540	\$169,358,988	11/30/18	\$220.05	WESTPARK BLDG # 1 & 2	MP	16	59	Bulk portfolio sale
510	020	720242	0010	50,615	2991028	\$6,182,188	05/31/19	\$122.14	Microsoft Data Center	URPSO	1	52	Statement to dor
510	050	519550	0090	95,778	3032488	\$50,000	01/30/20	\$0.52	MICROSOFT ARCADE	MDD4	4	24	Easement or right-of-way
510	050	750311	0040	71,000	3049730	\$15,347,000	06/03/20	\$216.15	SAFECO - COLUMBIA BUILDING	OBAT	1	64	Sales/leaseback

SPECIALTY AREA 510- 2021 PHYSICAL INSPECTION

SpecArea	SpecNbhd	Major	Minor	AddrLine	DistrictName
510	30	032505	9259	9461 WILLOWS RD	REDMOND
510	30	272605	9002	12950 141ST AVE NE	KIRKLAND
510	30	272605	9022	NE 124TH ST	REDMOND
510	30	272605	9023	11811 WILLOWS RD NE	REDMOND
510	30	272605	9025	12413 WILLOWS RD NE	KIRKLAND
510	30	272605	9037	12226 134TH CT NE	REDMOND
510	30	272605	9039	12341 134TH CT NE	REDMOND
510	30	272605	9041	12310 NE 124TH ST	REDMOND
510	30	272605	9106	12421 WILLOWS RD NE	KIRKLAND
510	30	272605	9114	12034 134TH CT NE	REDMOND
510	30	272605	9115	12335 134TH CT NE	REDMOND
510	30	272605	9116	12277 134TH CT NE	REDMOND
510	30	272605	9128	12208 134TH CT NE	REDMOND
510	30	342605	9002	11441 139TH PL NE	REDMOND
510	30	342605	9037	10301 WILLOWS RD NE	REDMOND
510	30	342605	9094	10201 WILLOWS RD NE	REDMOND
510	30	342605	9113		REDMOND
510	30	697950	0010	11431 WILLOWS RD NE	REDMOND
510	30	697950	0020	11351 WILLOWS RD NE	REDMOND
510	30	697950	0030	11241 WILLOWS RD	REDMOND
510	30	697950	0040	11261 WILLOWS RD NE	REDMOND
510	30	697950	0050	11121 WILLOWS RD NE	REDMOND
510	30	697950	0060	11601 WILLOWS RD NE	REDMOND
510	30	697950	0070	11611 WILLOWS RD NE	REDMOND
510	30	928690	0010	14710 NE 87TH ST	REDMOND
510	30	928690	0020	8700 148TH AVE NE	REDMOND
510	30	928690	0030	8739 148TH AVE NE	REDMOND
510	30	928690	0040	8705 148TH AVE NE	REDMOND
510	30	928690	0050	8801 148TH AVE NE	REDMOND
510	30	928690	0110	14500 NE 87TH ST	REDMOND
510	30	928690	0120	14520 NE 87TH ST	REDMOND
510	30	928690	0130	14560 NE 87TH ST	REDMOND
510	30	942810	0010	10525 WILLOWS RD NE	REDMOND
510	30	942810	0020	10545 WILLOWS RD NE	REDMOND
510	30	942810	0030	10675 WILLOWS RD NE	REDMOND
510	30	942810	0040	10735 WILLOWS RD NE	REDMOND
510	30	942810	0050	10785 WILLOWS RD NE	REDMOND
510	30	942810	0060	10915 WILLOWS RD NE	REDMOND
510	30	942810	0070	10865 WILLOWS RD NE	REDMOND
510	30	943005	0010	9931 WILLOWS RD	REDMOND
510	30	943005	0020	9845 WILLOWS RD	REDMOND
510	30	943005	0030	9825 WILLOWS RD	REDMOND
510	30	943005	0040	9805 WILLOWS RD	REDMOND
510	30	943005	0050	9911 WILLOWS RD	REDMOND

SPECIALTY AREA 510- 2021 PHYSICAL INSPECTION

SpecArea	SpecNbhd	Major	Minor	AddrLine	DistrictName
510	30	943050	0010	9840 WILLOWS RD	REDMOND
510	30	983630	0130	11441 139TH PL NE	REDMOND
510	30	983630	0450	11845 140TH AVE NE	REDMOND
510	30	983630	0452	11811 WILLOWS RD	REDMOND



King County

Department of Assessments

King Street Center
201 South Jackson Street, Room 708
Seattle, WA 98104
(206) 296-7300 FAX (206) 296-0595
Email: assessor.info@kingcounty.gov

John Wilson

Assessor

As we start preparations for the 2021 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, 2021 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

Specialty Area 510

2021 Assessment Year



Department of Assessments