

**Commercial Revalue**

**2016 Assessment roll**

**OFFICE**

**AREA 280**

**King County, Department of Assessments  
Seattle, Washington**

**John Wilson, Assessor**



## **King County**

**Department of Assessments**

**Accounting Division**

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***John Wilson***  
***Assessor***

Dear Property Owners:

Property assessments are being completed by our team throughout the year and valuation notices are being mailed out as neighborhoods are completed. We value your property at fee simple, reflecting property at its highest and best use and following the requirements of state law (RCW 84.40.030) to appraise property at true and fair value.

We are continuing to work hard to implement your feedback and ensure we provide accurate and timely information to you. This has resulted in significant improvements to our website and online tools for your convenience. The following report summarizes the results of the assessments for this area along with a map located inside the report. It is meant to provide you with information about the process used and basis for property assessments in your area.

Fairness, accuracy, and uniform assessments set the foundation for effective government. I am pleased to incorporate your input as we make continuous and ongoing improvements to best 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 should have questions, comments or concerns about the property assessment process and how it relates to your property.

In Service,

John Wilson  
King County Assessor

# Commercial Appraisal Office Specialty

**280- 20  
DENNY REGRADE - LAKE  
UNION - FREMONT**

**280- 10  
SEATTLE CBD  
- PILL HILL**

**280- 30  
PIONEER SQUARE -  
SOUTH SEATTLE**

**280- 50  
BELLEVUE -  
EASTSIDE**

**280- 60  
NORTH-EAST-SOUTH COUNTY**

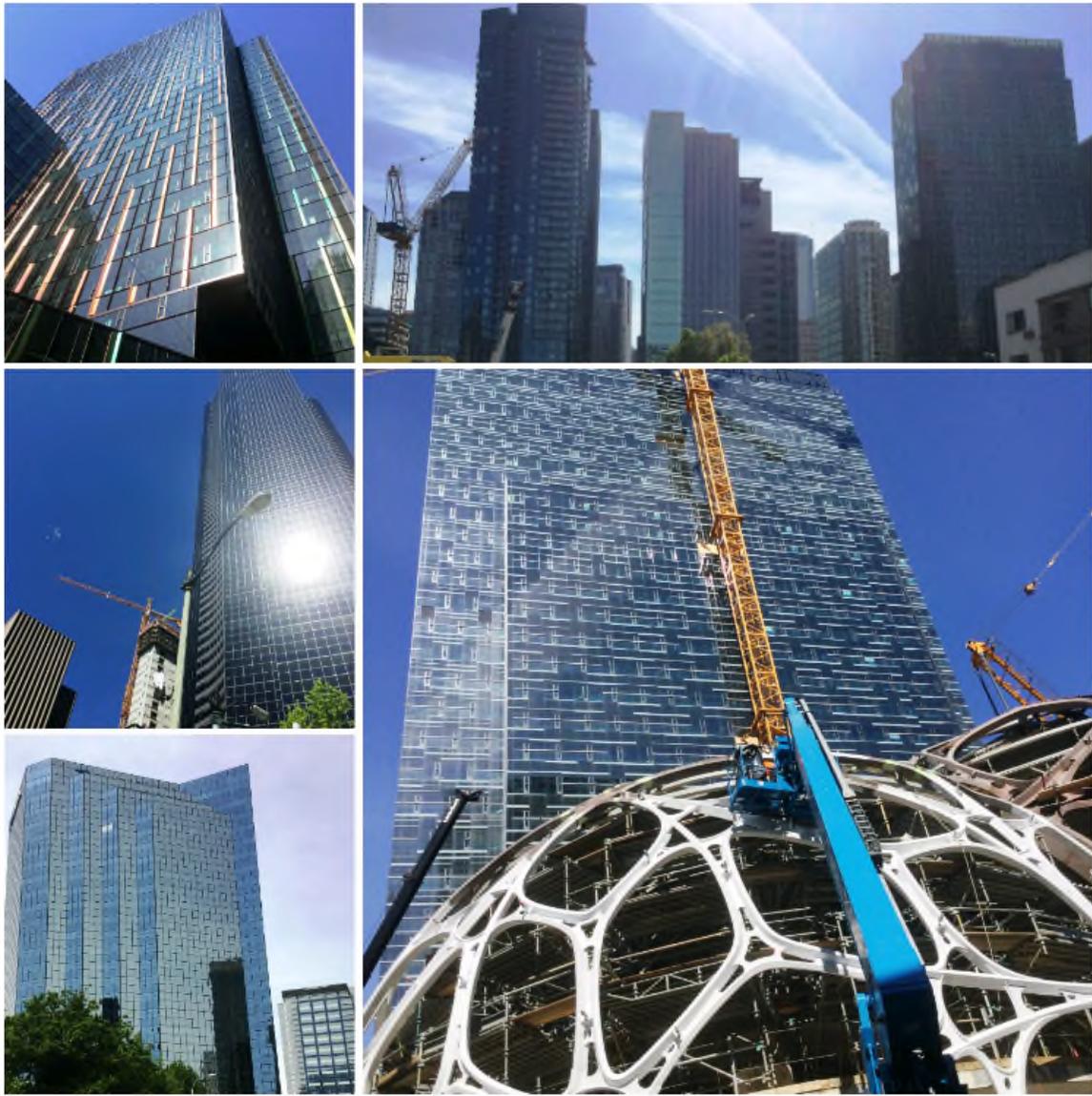


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# Major Office Specialty Area 280

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## 2016 Revaluation



## Executive Summary Report

**Appraisal Date 1/01/16 - 2016 Assessment Year – 2017 Tax Roll Year**

**Specialty Name: Major Office Buildings**

**Sales - Improved Analysis Summary:**

Number of Sales: 75 market transactions in 2013, 2014, & 2015

Range of Sale Dates: 1/16/2013 to 12/18/2015

<b>Sales--Ratio Study Summary</b>				
	Mean Assessed Value	Mean Sale Price	Ratio	COD*
2015 Value	\$67,154,700	\$88,087,700	76.20%	15.28%
2016 Value	\$77,924,100	\$88,087,700	88.50%	13.79%
Abs. Change	\$10,769,400		12.30%	-1.49%
% Change	16.04%		16.14%	-9.75%

\*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 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 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 addition, in the ongoing expansion cycle of the office market, buyers continue to purchase properties with expectations 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:

Number of Improved Parcels in the Ratio Study Population: 306 (This figure does not include properties currently under construction)

Total Population - Parcel Summary Data			
	Land	Improvements	Total
2015 Value	\$3,530,092,472	\$14,916,864,798	\$18,446,957,270
2016 Value	\$3,900,025,972	\$17,382,102,328	\$21,282,128,300
% Change	10.48%	16.53%	15.37%

Number of Total Parcels in the Specialty Assignment: 455 (This figured includes economic land parcels and some properties currently under construction)

## Conclusion and Recommendation:

Total assessed values for the 2016 revalue have increased 15.37% over 2015 assessment levels reflecting the healthy office market in King County and continued improving income fundamentals, particularly higher rents and lower vacancy rates. This value does not include any new construction projects, which are valued later.

The values recommended in this report reflect current office market parameters as of the valuation date of 1/01/2016 and improve uniformity and equity. Therefore it is recommended that the values should be posted for the 2016 Assessment Year.

## Identification of the Area

### **Name or Designation: Specialty Area 280 - Major Office Buildings**

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. 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. Included in the addendum of this report is a list of the parcels physically inspected for the current assessment year.

**Boundaries:** All of King County

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

**Neighborhoods:** For purposes of the 2016 revaluation of the office building specialty, the population has been segmented into six regions. These regions are generally described by their

geographic location with the exception of medical office buildings, which is described by their primary use.

<b>2016 Major Office Specialty Area Breakdown</b>				
<b>Area</b>	<b>Name</b>	<b>Improved Parcel Count</b>	<b>Total AV</b>	<b>Avg. AV per Impr Parcel</b>
280-10	Seattle CBD/First Hill	56	\$ 7,181,762,600	\$ 128,245,761
280-20	Denny Regrade/SLU/QA/Fremont	63	\$ 5,453,637,300	\$ 86,565,671
280-30	Pioneer Sq/S. Seattle	15	\$ 933,124,000	\$ 62,208,267
280-40	Seattle Waterfront	18	\$ 920,433,000	\$ 51,135,167
280-50	Bellevue CBD & Suburban	69	\$ 4,775,293,900	\$ 69,207,158
280-60	Sea. North/Suburbs/South Co.	85	\$ 2,017,877,500	\$ 23,739,735
		306	\$ 21,282,128,300	\$ 69,549,439

### **Area Overview**

Major Office sales transaction volume during 2015 increased dramatically compared to 2014 as investor interest in the Puget Sound market remains very high. A remarkable one-fifth of area office sales went to institutional investors based out of Asia, including the landmark Columbia Center which sold to Gaw Capital Partners of Hong Kong for \$711 million. There were 28 Major Office sales in King County this past year, compared to just 15 in 2014. Despite the increase in sales, there are still not sufficient sales in all market segments to rely solely on the Sales Comparison Approach for the 2016 revalue. The Income Approach is relied on in the final reconciliation of value because it allows 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, increasingly, international investors' interest. The regional market absorbed 3.2 million square feet of office space in 2015, a level not seen since 2000. As of year-end 2015, it was estimated that there was over 5 million square feet of office space under construction in the regional market, 65% of which is concentrated in the South Lake Union and Seattle CBD submarkets. It's reported that approximately 30% of the space under construction has been pre-leased. Amazon continued to be a dominate force in the office market, being responsible for nearly half of the new net increase in occupied space, including taking delivery of their 37-story Doppler office tower towards the end of the year. On the eastside, the Bellevue CBD continues to be the focus of activity with three office towers containing over 1.5 million square feet to be delivered during 2016.

<b>Office Market Summary Statistics</b>						
	Market Size (SF)	Total Vacancy %	Vacancy Change	Class A Avg. Asking Rate*	Rent Change	Last 4 Qtr Net Absorption (SF)
Downtown Seattle	45,701,915	10.5%	-15%	\$39.73	10%	2,417,419
Seattle Close-In	5,465,828	11.3%	-36%	\$30.91	4%	355,866
Southend	10,082,724	18.0%	-9%	\$22.15	1%	190,623
Bellevue CBD	7,886,290	8.5%	-9%	\$40.42	3%	43,813
Eastside	30,038,235	9.9%	-10%	\$32.94	4%	296,513

Source: 4th Qtr 2015 CBRE Office MarketView

\*Full Service

Vacancy rates declined in all of the King County submarkets. The sharpest declines in vacancy were experienced in the Seattle Close-In submarkets (N Seattle/Interbay, Capitol Hill/Rainier, & South/West Seattle), followed by the downtown Seattle submarket. The Puget Sound overall vacancy rate improved to 12%, down from 13.7% the previous year. Leases to tenants in the technology sector continued to dominate the market, lured to the CBD by amenities and numerous commute options. Average Class A rental rates increased in all submarkets with the strongest rent growth experienced in the downtown Seattle CBD at a 10% increase over the previous year. The other submarkets experienced steady growth of 3% to 4% while rents in the Southend remained mostly stable. Overall, average Class A asking rates for the region increased 6.6% over last year.

Demand has been driven by strong job growth, 3.2% in 2015, in the Puget Sound region as new companies started up and existing ones expanded. The continued economic growth in the Puget Sound region, coupled with continued 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. However, an increase in activity in Value-Add and suburban properties further demonstrates investor confidence in the regional market. The Seattle and Bellevue skylines remain cluttered with tower cranes with office and multi-family developments dominating the activity. Employment growth is anticipated to continue at a healthy rate, albeit at lower rates than in years past. According to Conway Pedersen Economics, employment growth in 2016 is forecasted at 2.3% in the Puget Sound, with growth concentrated in the professional and business services sector. With the Puget Sound economy continuing to outperform the nation, continued growth in the regional office market is forecasted.

<b>2016 Major Office Specialty Metrics</b>			
Rental Rates	Vacancy Rates	Cap Rates	Improved Property Values
↗ (slight increase)	↓ (decrease)	↘ (slight decrease)	↑ (increase)

## Analysis Process

**Effective date of Appraisal:** January 1<sup>st</sup>, 2016

**Date of Appraisal Report:** June 7<sup>th</sup>, 2016

**Responsible Appraiser:** Andrew Murray, Commercial Appraiser II

### **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 the 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. 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 by field inspection, review of plans, marketing information, and rent rolls when available.

### **Special Assumptions, Departures and Limiting Conditions**

- All three approaches to value were considered in this analysis.
- The following Departmental guidelines were considered and adhered to:
  - Sales from 1/1/2013 to 12/31/2015 (at minimum) were considered in all analyses.
  - This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

The following is a brief description of the market segments and the new office development that is occurring in each area. Following the area descriptions are maps showing the location of major office development projects in the Seattle and Eastside markets.

### **SUB AREA 280-10 – Seattle CBD and First Hill**

**Improved Parcel Count:** 56 (18% of improved parcels)

**Average Assessed Value:** \$128,245,761

#### **Boundaries:**

- Olive Way west of I5 and John St east of I5 on the north side
- Yesler Way on the south
- 1st Ave on the west side
- Lake Washington on the east side



**Seattle Central Business District (Seattle CBD)** - Approximately 18% of the Major Office Specialty properties are located in Area 280-10 however this neighborhood is responsible for 34% of the office specialty's total assessed value. The Seattle CBD geographic boundaries are loosely described for purposes of this analysis as extending from the Denny Regrade area on the north to Pioneer Square on the south, from Puget Sound on the west to the medical district commonly known as "Pill Hill" which is just east of Interstate 5.

The downtown Seattle CBD is home to the majority of the region's Trophy Class office buildings including the 2006-built Russell Investments Center, the 1.1M SF Two Union Square, and the 76-story Columbia Center, among others.

The Downtown Seattle office market ended the year at a 10.5% vacancy rate, a fifteen percent decline over the previous year. In addition, average rents for Class A properties increased 10% to \$39.73 per square foot. A total of 2,417,419 square feet of office space was absorbed in 2015.

Currently there are two major office properties under construction in the downtown Seattle submarket. Daniels Real Estate is developing the 44-story LEED certified The Mark at 5<sup>th</sup> & Columbia Street. The speculative building will have 528,000 square feet of office space over a luxury SLS hotel on the 3rd through 15th floor. Delivery is estimated for the first quarter of 2017.

In the same vicinity Schnitzer West is building Madison Centre at 505 Madison Street. The modified plan is for a 37-story building with 746,000 square feet of office and street-level retail on the half-block site. Delivery is also estimated for the first quarter of 2017.

The Washington State Convention Center plans to break ground in 2016 on their planned expansion that would double the center's size and attract more convention business to downtown Seattle. It is estimated that it could generate \$164 million in annual revenues and create up to 2,000 permanent jobs. Civic Square, a public-private development by Triad Development just west of City Hall has reportedly been cancelled.

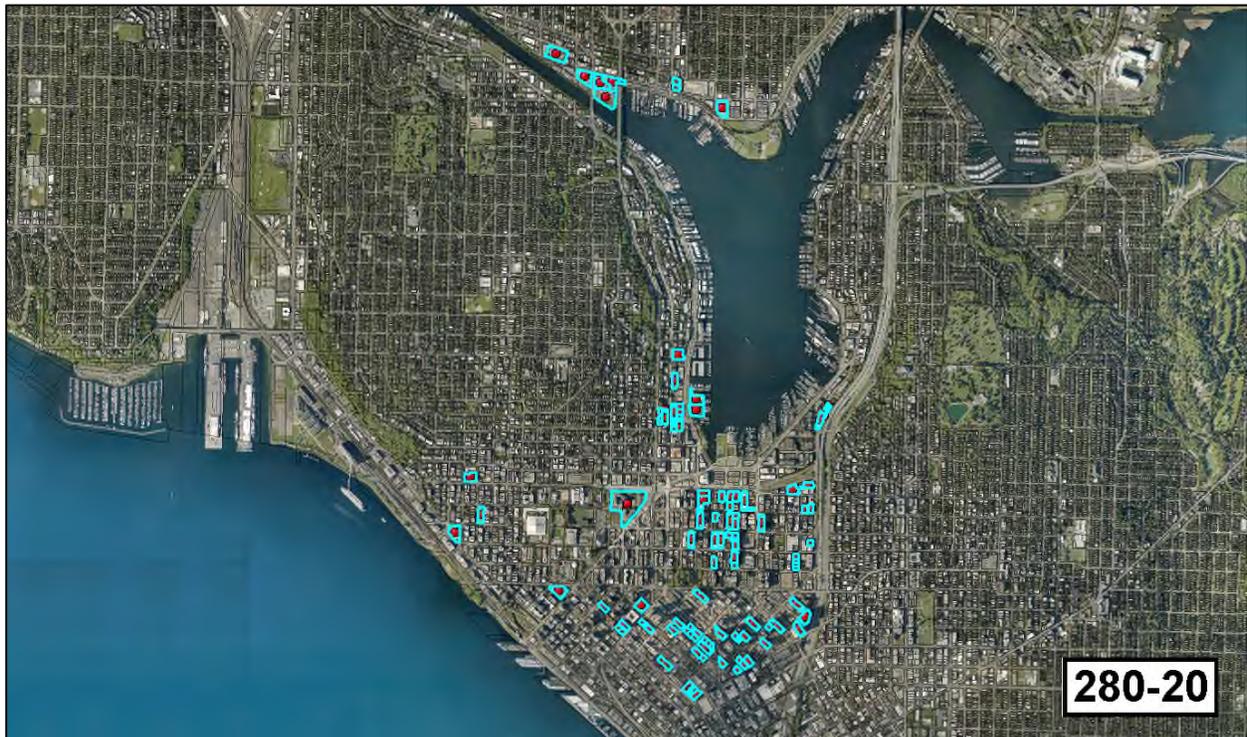
## **SUB AREA 280-20 – Denny Regrade, Lake Union, Queen Anne, and Fremont**

**Improved Parcel Count:** 63 (21% of improved parcels)

**Average Assessed Value:** \$86,565,671

### **Boundaries are:**

- NW 45<sup>th</sup> on the north
- Olive Way on the south
- Puget Sound and W Elliott on the west
- I5 on the east



**SOUTH LAKE UNION** - Much of the supply/demand dynamics in this submarket are driven by Amazon's campus and its seemingly endless need for additional office space. The attraction of high-tech and life science companies has revitalized this close-in neighborhood. Amazon's Phases I through VIII are complete. Phase VI recently sold to a German institutional investor for \$299 million. Amazon also took delivery of their Doppler office tower, a 37-story 997,378 square foot tower and meeting space. Amazon's Tower II is well underway while plans for Tower III are less certain.

Construction continues on the 400 Dexter building. Juno Therapeutics pre-leased 3-floors in the project. This life-science focused building will contain 254,000 SF and is expected to be delivered in the first quarter of 2017. The Allen Institute for Brain Science, a 271,000 SF life research edifice, was recently completed.

Dexter Station, Facebook's new Seattle headquarters, was completed this year. This Capstone project is a 10-story, 345,000 square foot development. Facebook leased 274,000 square feet, with an option to lease an additional 62,000 square feet. Not long after completion, the developer filed plans to construct a 165,000 addition to the building. Facebook has not publicly committed to this additional space.

Skanska's 13-story office building, 400 Fairview, was completed this year. Tommy Bahama became the anchor tenant with 110,000 SF of the 250,000 square foot building. Other tenants include Impinj, Car Toys and Wireless Advocates. An institutional investor recently purchased a 90% interest in the property for \$235 million.

Touchtone continues construction on the Troy Laundry site, a project pre-leased to Amazon. This block will have a 12 story south office tower with 395,000 SF and a 13 story north tower with 422,000 SF. Additionally, there will be 5,000 SF of retail, conference space for 100 occupants, a fitness facility, locker rooms and biking racks.

South Lake Union is also home to the Bill and Melinda Gates Foundation.

**DENNY REGRADE-** Next to South Lake Union, the other downtown Seattle neighborhood that's undergoing major transformation is the Denny Regrade Triangle with new offices, hotels, and residential structures in progress. Old structures have been torn down and are being replaced by massive new projects that will change the face of Denny Regrade drastically.

In the Denny Triangle Regrade neighborhood, Amazon purchased a three block site with plans to build in three phases a 3.3 million square foot office complex. Block 14 construction, a 37-story office tower and 2,000-seat meeting center, was completed at the end of 2015.

Blocks 19 and 20 are planned with 37 or 38-story towers and amenities include outside plazas and green spaces. When completed the three towers could accommodate as many as 12,000 employees. Construction is underway on Block 19 and completion is projected for the fall of 2016.

Block 20 construction has not begun. This site was formerly occupied by a Toyota dealership. The land was acquired by Acorn Development from Clise Properties in December of 2012. Recently, Amazon remodeled the existing improvements and use it as an Amazon Prime Now hub, putting plans for the third tower on hold for the moment.

Hill 7, an 11 story office/hotel development in the Denny Triangle developed by Touchstone was recently completed. The office portion has approximately 285,000 SF and the hotel has 222 rooms with 335 underground parking stalls. HBO signed a lease for 112,000 square feet. Tilt49, at Stewart & Boren, remains under construction with an estimated delivery date in 2017. This Touchstone project will consist of a 36-story residential tower and an 11-story office building. Office space will measure at 300,000 square feet and 368 residential units are planned.

**FREMONT-** Fremont is a vibrant, compact neighborhood and the most recent addition is the 5 story 129,000 square foot Stone 34. The ultra-green office building is pre-certified LEED platinum and is the headquarters of Brooks Sports. This property also recently sold for over \$70M. Touchstone is building NorthEdge, a four story, 210,000 SF office complex for technical and traditional office users. Tableau is leasing the building. Fremont is sometimes referred to as the Canal submarket.

**QUEEN ANNE-** There are three office specialty buildings in this area and its proximity to downtown Seattle, Lake Union, and the waterfront make it an attractive location. The Space Needle, Seattle Center, and EMP Museum, three of Seattle's major attractions, are located in the general vicinity. Martin Selig has begun construction on the Third & Harrison building that will be the future headquarters of Holland America. This project consists of a 7-story Class A office building with 185,087 square feet.

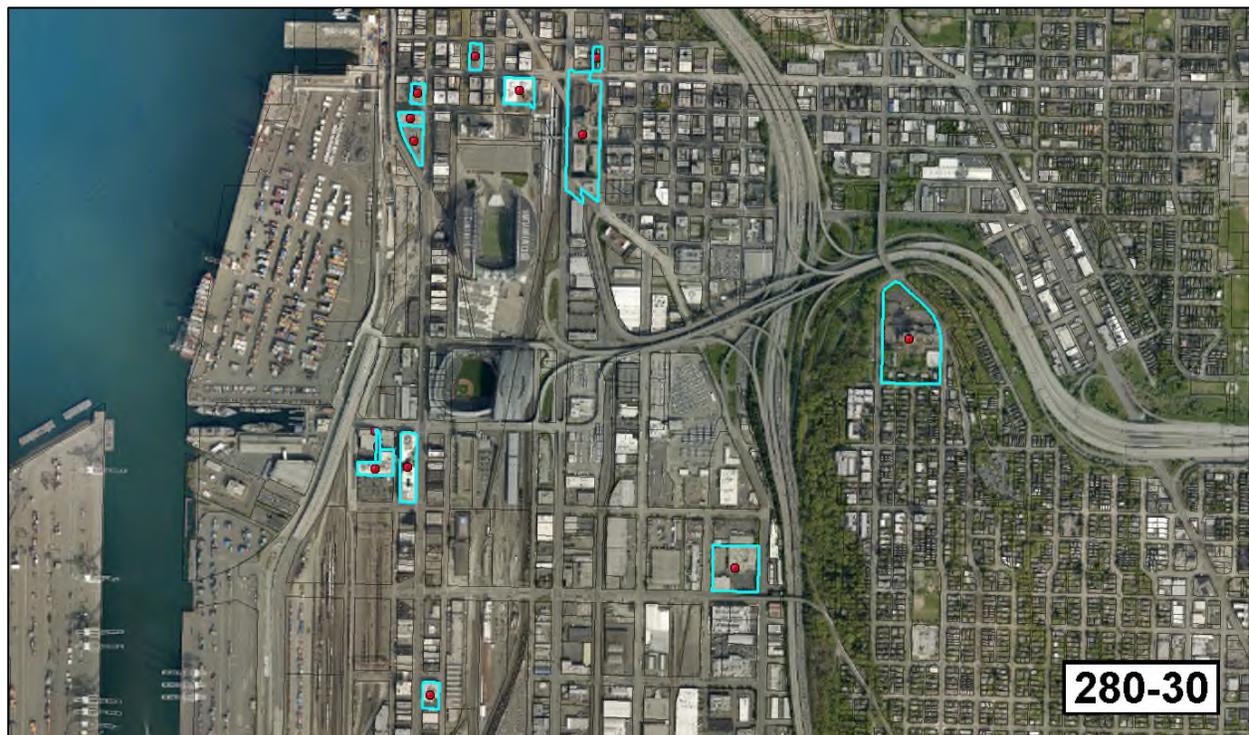
## **SUB AREA 280-30 –Pioneer Square & South Seattle**

**Improved Parcel Count:** 15 (5% of improved parcels)

**Average Assessed Value:** \$62,208,267

### **Boundaries:**

- Yesler Way to the north
- SW Spokane St west of I5 and S Alaska St east of I5
- Harbor Ave SW on the west
- Lake Washington on the east



Just south of Downtown and Pioneer Square in the SoDo-Stadium District is home to a few major office specialty properties. Home Plate Center- North, the six-story, 157,000 square foot, speculative office building was completed in 2013 and acquired a tenant, Real Networks, who occupies 49% of the NRA. The second phase Home Plate Center – South is a 171,000 square foot office building that was completed in 2013. KING 5 recently moved their studios to this location now that their current headquarters in South Lake Union has sold and is slated for redevelopment.

Hawk Tower at Stadium Place recently broke ground adjacent to Century Link Field. This project is a 21-story Class A office tower with 208,840 square feet. Completion is anticipated in the last quarter of 2017.

The Smith Tower is one of the best known office buildings in this area. It sold to CBRE for a bargain price of \$36.7 million in 2012 with 82% vacancy and after renovations is 75% occupied.

The owner invested considerable sums to improve the building and bring up occupancy. This investment proved well worth it, with the tower selling in January of 2015 for \$74M, or just over twice what the seller paid just three years earlier.

In addition, construction on Weyerhaeuser's new corporate headquarters building adjacent to Occidental Park is nearly finished. Upon completion this building will contain 155,000 square feet, all occupied by Weyerhaeuser.

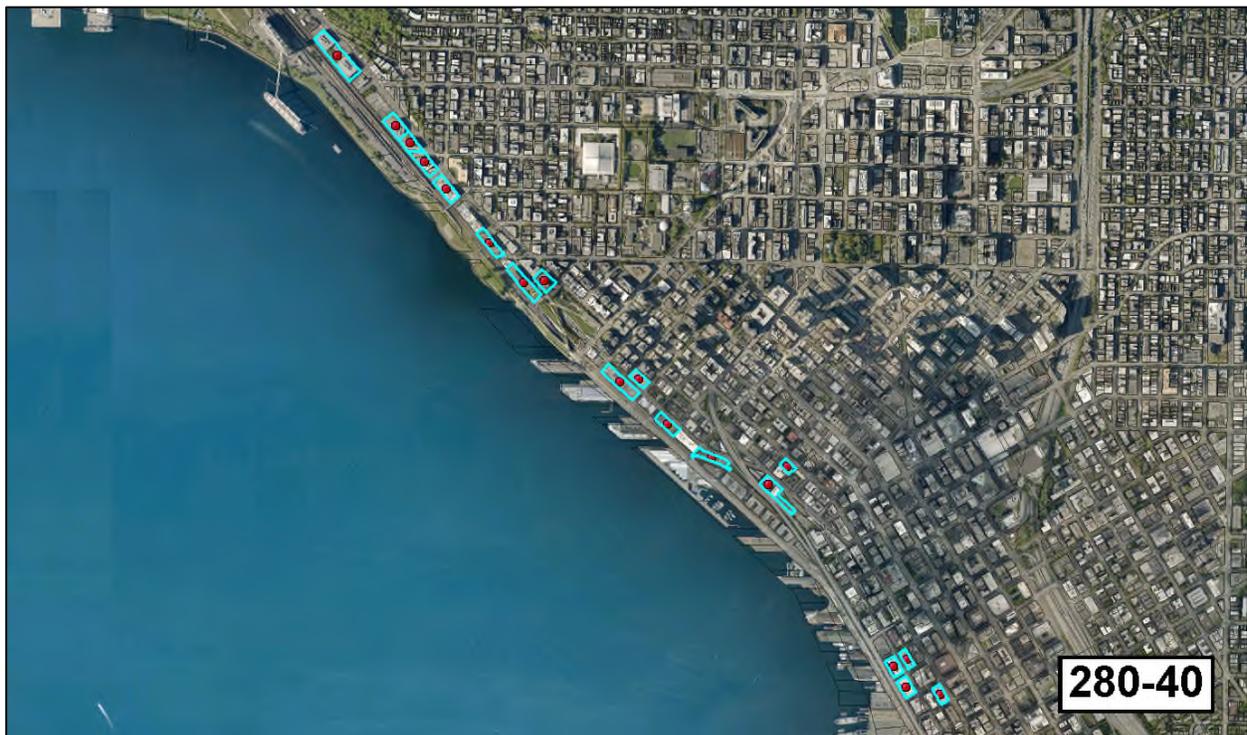
## **SUB AREA 280-40 – Seattle Waterfront**

**Improved Parcel Count:** 18 (6% of improved parcels)

**Average Assessed Value:** \$51,135,167

### **Boundaries:**

- W Roy St and W Mercer Pl on the north
- Yesler Way on the south
- Puget Sound on the west
- 1<sup>st</sup> Ave on the east



Seattle's waterfront is undergoing a complete overhaul that includes demolishing the Alaskan Way Viaduct, rebuilding the seawall along Elliott Bay plus adding parks and space for pedestrians and cyclists. The waterfront redevelopment program covers 26 city blocks from Pioneer Square to Belltown and includes a rebuilt Elliott Bay Seawall, new parks and paths, access to the water, places to enjoy views, vibrant public and cultural spaces, and a new urban street that will accommodate all modes of travel and provide an important connection in the city's transportation system. Properties in this sub-area for the most part enjoy unobstructed views of Puget Sound which adds to their appeal.

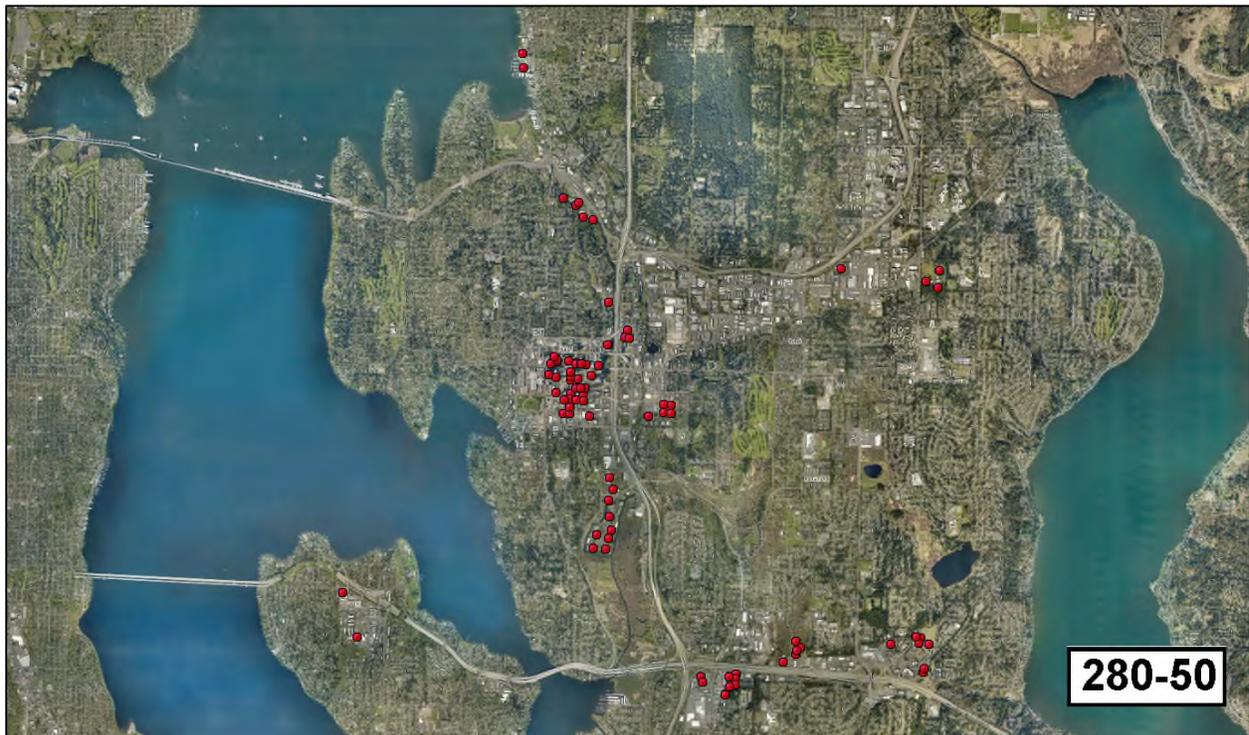
## **SUB AREA 280-50 –Bellevue CBD & Suburban Bellevue**

**Improved Parcel Count:** 69 (22% of improved parcels)

**Average Assessed Value:** \$69,207,158

### **Boundaries:**

- NE 58th on the west side of I405 and SR 520 on the east side of I5 on the north
- E 80th St on the south
- Mercer Island and Lake Washington on the west
- Lake Sammamish and 180th Ave SE on the east



**BELLEVUE CENTRAL BUSINESS DISTRICT (Bellevue CBD)** - This region is considered to be the second most significant area in the office specialty. It is comprised of mostly Class A mid and high-rise office buildings in the Bellevue CBD. Bellevue has become its own market and commands enough attention that draws companies to this city because of its business friendly atmosphere.

Microsoft, like Amazon in South Lake Union and Denny Regrade, has been the driving force in the Bellevue office market. Microsoft occupies around 2.3 million square feet within several buildings including the greater portion of Lincoln Square, the two Bravern towers, as well as City Center Plaza. In 2015 Microsoft announced that they would be vacating seven floors, or 166,900 square feet, within Bravern 1 and offering them for sublease. Not long after, Microsoft announced that they had reversed course and took the Bravern off the sublease market. The other

big news in Bellevue is the recent announcement that Expedia has purchased the former Amgen campus on the Seattle waterfront and will be moving their headquarters out of Bellevue. Expedia currently leases approximately 503,000 square feet in downtown Bellevue, including all of Tower 333. The move isn't expected to occur until 2018, however. The Bellevue office market remains strong and currently has the lowest vacancy rate in the region, and one of the lowest in the nation. As a result, the market is expected to continue to grow.

The Lincoln Square expansion by Kemper Development broke ground in mid-2014 and is anticipated to be finished by the third quarter of 2016. The project will consist of a 31 story office tower with 710,000 SF. Retail, entertainment and dining will occupy 180,000 SF. Another 41 story tower will contain a 245 room W Hotel in addition to 231 luxury high-rise apartments. The Lincoln Square development recently celebrated the topping-out of the office tower. The Bellevue Square expansion is set to begin about a year after the Lincoln Square project and will consist of two 17 story towers on a three story retail podium and five levels of underground parking at the southeast corner of the mall. The Bellevue Collection project will eventually add 2 million square feet of office, retail, dining, and residential space once all the work is completed along Bellevue Way NE.

Schnitzer is currently constructing the 16 story Centre 425 office building on the former Bank of America site located at 415 106th Ave NE. This building will contain 360,000 square feet of office space and is slated to open in the third quarter of 2016. Currently, the only committed tenant is Bank of America which intends to open a branch at street-level in the new building.

Trammel Crow's Nine Two Nine Office Tower topped out in the summer of 2015. This structure is a 19 story office building with 462,000 SF of office space and was finished in the first quarter of 2016. Salesforce.com announced its intention to lease 85,000 square feet at the tower and was given expansion rights up to 100,000 square feet.

Several other ambitious projects are currently in the review stages however most industry experts don't believe another major office tower will break ground until the next development cycle.

**SUBURBAN BELLEVUE** - The Spring District site which is located in the Bel Red corridor of Bellevue is currently under development. This 36 acre site will be developed in three different phases starting on the south side and construction will move north with easy access to Sound Transit East light rail. Planned construction includes residential as well as a variety of commercial properties like retail, offices, plus a public park. The Spring District will eventually consist of 16 blocks with over 4,000,000 square feet of commercial space and 1,000 multi-family residences. A new 11 story office tower with 525,140 SF is planned with 1,272 stalls in Phase I. Wright and Runstad is the principal on this project. The Global Innovation Exchange, a graduate institute created by the University of Washington and Tsinghua University of Beijing will soon break ground on a 3-story 100,000 square foot building. In addition, REI recently announced that they have signed a letter of intent to develop their new headquarters campus in the Spring District. Currently headquartered in Kent, the move is not expected to occur until 2020.

South Bellevue is a heavily commercial section with the Factoria district and a number of major offices, including T-Mobile's headquarters within the Newport Corporate Center, are located in this general vicinity due to its easy access to the I-90 corridor.

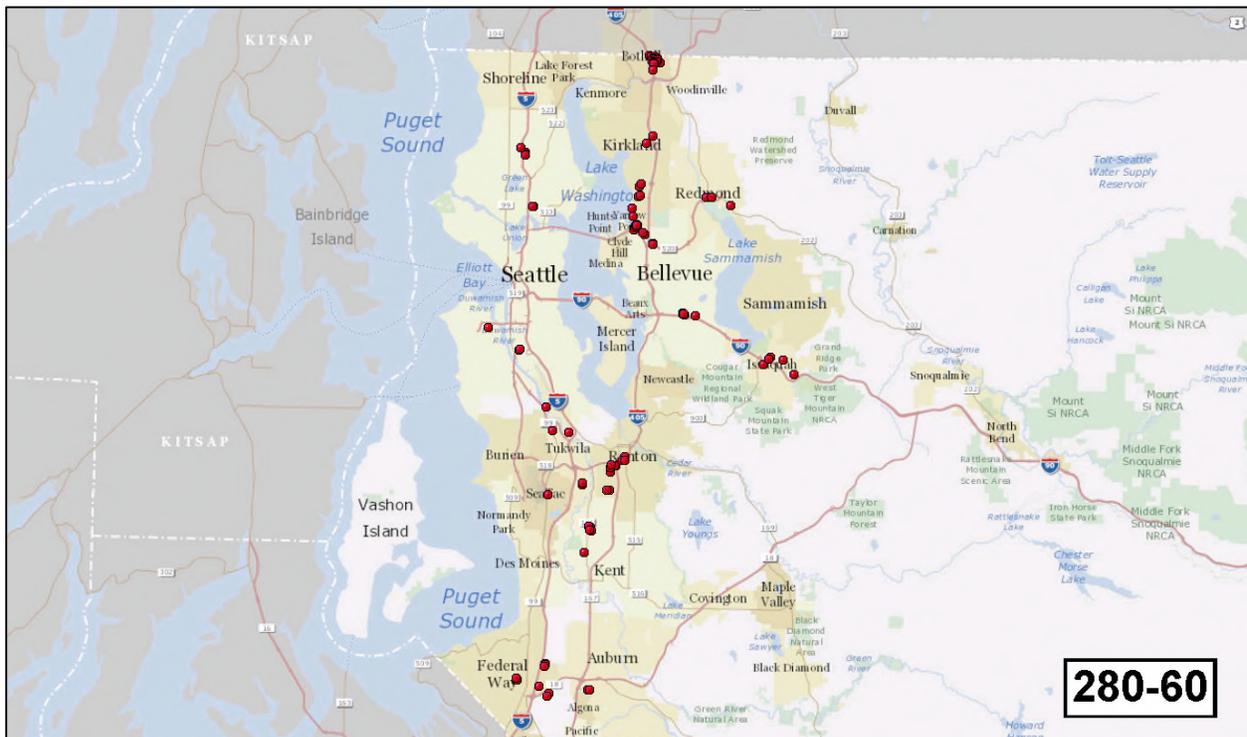
## **SUB AREA 280-60 – Seattle north of the ship canal, Suburban Eastside, & South County**

**Improved Parcel Count:** 85 (28% of improved parcels)

**Average Assessed Value:** \$23,739,735

### **Boundaries:**

- 205th St on the north (Snohomish County line)
- Alder St and White River on the south (Pierce County line)
- Vashon Island and Puget sound on the west
- Chelan County and Kittitas County lines on the east



**NORTH-** This subarea mainly encompasses the University District and Northgate office submarkets, as well as the North Creek area of Bothell. There was no new construction initiated in these areas in 2015 and no notable sales transactions.

**SUBURBAN EAST-** This region has a large geographic expanse: Kirkland, Redmond, and Issaquah. It has fewer large office buildings. While the suburban Eastside office markets have seen upward movement in prices and lower vacancy, this trend has not been as strong as the Bellevue CBD and there are few immediate projects proposed.

In Kirkland, Google has bucked the inclination of tech companies expanding in the CBD with the recent completion of Phase II of their suburban Kirkland campus. The expansion doubled the size of the campus with the addition of a 2-story 180,000 square foot building connected via sky bridge across the Cross Kirkland trail. About 650 employees were employed on the Google Phase I campus and with the addition, the space could accommodate another 1,000 employees. The Kirkland waterfront is home to Carillon Point; an attractive mixed use project with office

buildings, the Woodmark Hotel, restaurants, and other retail. In downtown Kirkland, Talon Private Capital recently broke ground on Phase I of their large Kirkland Parkplace development. Expected to be completed in late 2018, the first phase will include two office buildings, a 190-unit apartment building, and an expanded QFC grocery store. At completion, the project will contain approximately 1,175,000 square feet consisting of 650,000 square feet of office space, 225,000 of retail space, and 300,000 square feet of residential space.

Work began in mid-2014 on a 28-acre site in Redmond known as Esterra Park, a Capstone Partners project. This venture consists of a 3 million square foot mixed use development that will eventually have 1.2 million square feet of midrise office, 1,400 multi-family units, retail space, and 250+ hotel rooms.

**SOUTH COUNTY-** Properties located within Renton, Tukwila, Kent, SeaTac, Auburn and Federal Way areas generally describe this region. Weyerhaeuser has been the predominant property owner in the Federal Way area, however the company will be moving their headquarters to a new building that's nearing completion in Pioneer Square in 2016. In preparation for the move, the company's 425-acre Federal Way campus was recently sold for \$70.5 million to a Los Angeles-based institutional investor who intends to sell off large pieces for redevelopment. There has been no recent new construction of large office buildings in this area.

The FAA recently announced that their new regional headquarters building will be constructed at Des Moines Creek Business Park. The FAA had been requesting proposals for a 300,000 square foot, LEED Gold office building that would be located in Renton, Kent, Des Moines, SeaTac, or Tukwila. Currently the FAA is located in 360,000 square feet spread between 4 buildings in Renton and SeaTac.

## Current Construction Activity

In the Seattle Market, there are currently 13 major office projects totaling 5,093,300 square feet of office space under construction. Please reference the summary table below, followed by a location map.

Major Office Projects Currently Under Construction (Seattle)							
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery	Notes
1	280-10	The Mark	801 5th Ave	528,000	0%	1Q 2017	44-story tower w/14 floors for a 184-room hotel and 28 floors of office. Will be 5th tallest tower in Sea.
2	280-10	Madison Centre	505 Madison St	746,000	1%	1Q 2017	37-story Class A+ tower w/8,000 SF of ground level retail and a 7-level, 480-stall below grade parking garage
3	280-20	Third & Harrison (Holland America)	450 3rd Ave W	185,087	97%	4Q 2016	5-story Class A low-rise with parking for 165 vehicles in 2-stories of underground parking. Holland America pre-leased the majority of the building with an option for the rest.
4	280-20	Midtown21	1007 Stewart St	338,173	0%	3Q 2016	21-story Class A+ tower w/5,800 SF of ground level retail and a 5.5-level below grade parking garage w/309 stalls.
5	280-20	Tilt49	1812 Boren Ave	300,000	3%	2017	36-story Class A office tower with 410-unit residential tower and parking for 600 vehicles (broke ground in 2015)
6	280-30	Hawk Tower at Stadium Place	255 S King St	208,840	90%	4Q 2017	21-story Class A tower adjacent to Century Link Field. 13,000 SF fitness center w/pool on the 7th floor, private decks, penthouse restaurant with rooftop deck
7	280-20	Amazon Tower II	2021 7th Ave	885,850	100%	2016	A 38-story tower and a 5-story low-rise Class A+ corporate HQ. Ground floor retail and parking for 1,074 vehicles
8	280-20	400 Dexter	400 Dexter Ave N	254,000	28%	1Q 2017	11-story Class A office building with 15,500 SF ground floor retail space. Juno Therapeutics signed a lease for 80,000 SF. (broke ground in 2015)
9	280-20	Eleven01 Westlake	1101 Westlake Ave N	153,708	0%	1Q 2016	6-story Class A low-rise with parking for 292. Part of the Westlake Steps project
10	280-20	Troy Block	307 Fairview Ave N	817,000	100%	2016-2017	Two Class A office buildings, one 12-stories, the other 13-stories; fully leased to Amazon. 4,000 SF of street level retail space and parking for 1,120 vehicles.
11	280-20	Urban Union	501 Fairview Ave N	283,268	100%	1Q 2016	12-story Class A midrise with 6,000 SF of street level retail and parking for 375 vehicles. Fully leased to Amazon
12	280-30	200 Occidental (Weyerhaeuser)	200 Occidental Ave	183,374	100%	3Q 2106	8-story Class A+ office headquarters with 15,000 SF of street level retail space and parking for 68 vehicles. Weyerhaeuser leased their entire building as their new corporate HQ.
13	280-50	NorthEdge (Tableau)	3101 Densmore Ave N	210,000	100%	3Q 2016	4-story Class A office headquarters across from Gas Works park broke ground on a speculative basis. Tableau recently signed a lease for the entire building.
<b>Total</b>				<b>5,093,300</b>			

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

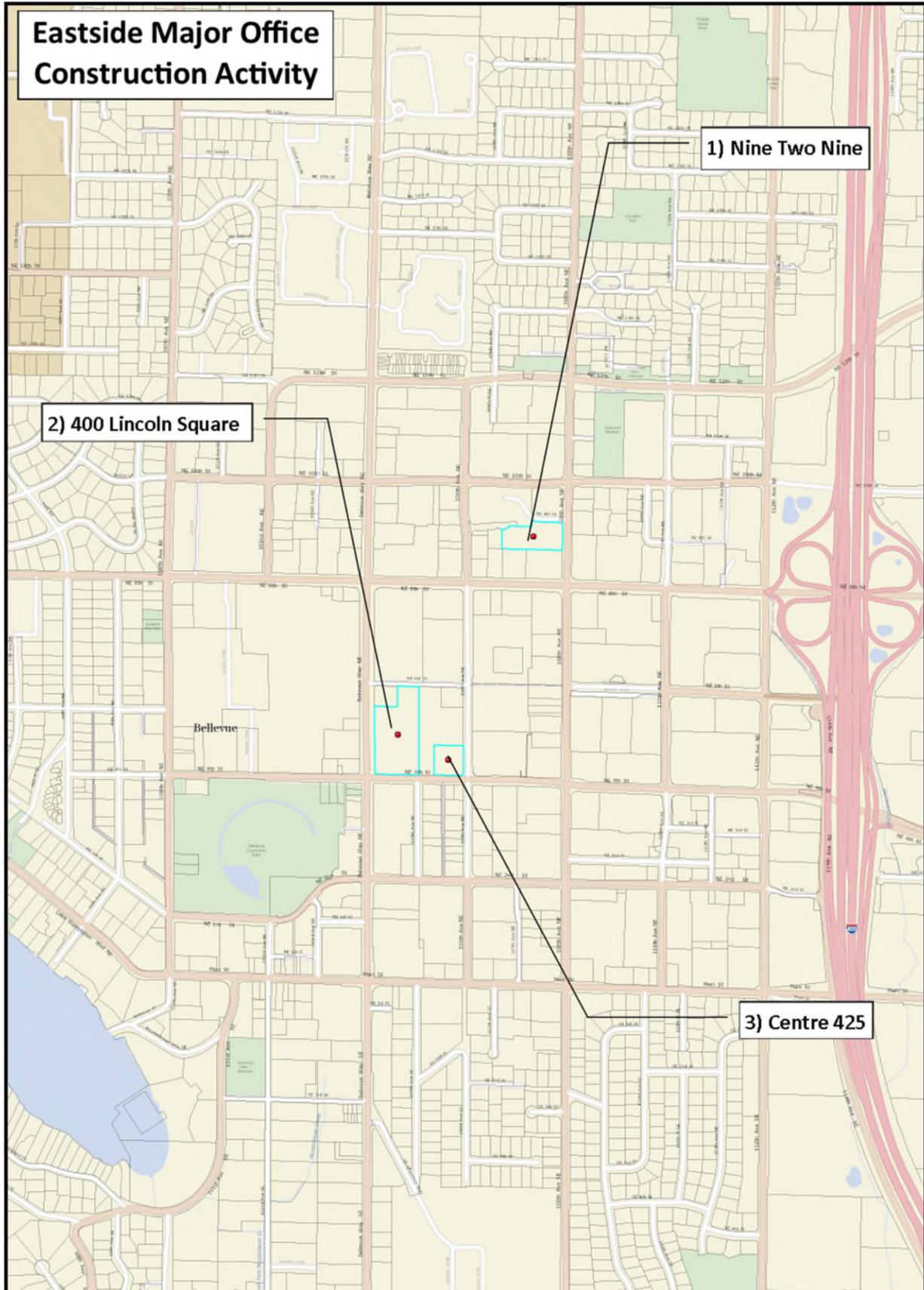


On the Eastside market, there are currently 3 major office projects under construction totaling 1,532,000 square feet of office space. All of the construction activity is concentrated in the Bellevue CBD. Several additional major office projects are currently working their way through the entitlement process. Please reference the summary table below, followed by a location map.

Major Office Projects Currently Under Construction (Eastside)							
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery	Notes
1	280-50	Nine Two Nine Office Tower	929 108th Ave NE (Bellevue)	462,000	16%	1Q 2016	19-story Class A+ office tower situated adjacent to a 12-level above/below grade parking structure. LEED Gold designed.
2	280-50	400 Lincoln Square	410 Bellevue Way NE (Bellevue)	710,000	0%	3Q 2016	31-story Class A+ office tower. Part of the Lincoln Square Expansion with 1.5M SF total consisting of 180,000 SF of retail & dining, a 6-level 2,200 car parking structure, a 245-room W Hotel, and 231 residential units
3	280-50	Centre 425	415 106th Ave NE (Bellevue)	360,000	0%	3Q 2016	16-story Class A+ midrise over 8-levels of below grade parking and 2,800 SF of ground level retail. A 6,200 SF Bank of America branch is the only pre-leased tenant.
<b>Total</b>				<b>1,532,000</b>			

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

# Eastside Major Office Construction Activity



## **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 in the market 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 renovated/historic, average, and B- properties needing capital expenditures. The office specialty predominately consists of Class A and 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. Seattle ranks #4 in Marcus & Millichap's National Office Property Index for 2016 due to the region's continued low vacancy rates and robust employment growth.

Office Market Summary Statistics						
	Market Size (SF)	Total Vacancy %	Vacancy Change	Class A Avg. Asking Rate*	Rent Change	Last 4 Qtr Net Absorption (SF)
Downtown Seattle	45,701,915	10.5%	-15%	\$39.73	10%	2,417,419
Seattle Close-In	5,465,828	11.3%	-36%	\$30.91	4%	355,866
Southend	10,082,724	18.0%	-9%	\$22.15	1%	190,623
Bellevue CBD	7,886,290	8.5%	-9%	\$40.42	3%	43,813
Eastside	30,038,235	9.9%	-10%	\$32.94	4%	296,513

Source: 4th Qtr 2015 CBRE Office MarketView

\*Full Service

As a measure of investor confidence in the local market and continued low vacancy rates, as of year-end 2016 there was approximately 5.3 million square feet of office space under construction in the greater Seattle market, with an additional 1.5 million square feet under construction on the Eastside. The regional vacancy rate declined to 12%, down from 13.7% the previous year. This decline in vacancy, despite continued new construction activity, is a result of very strong absorption in 2015 of nearly 3.2 million square feet, well above the 20-year average of 1.5 million square feet per year.



This cycle has been characterized by tightening vacancy rates, increased new construction, high absorption, healthy employment growth, and higher rental rate growth. The suburban markets have benefitted from spillover demand from the central business districts as tenants seek space where available.

As of the January 1<sup>st</sup>, 2016 valuation date the greater Seattle and Bellevue CBD Class A office market remains in the expansion phase of the market cycle. This is characterized by solid rental rate growth and increasing amounts of new construction. With vacancy in this market remaining very tight, landlords are offering fewer concessions in the form of free rent or tenant improvements allowances.

The following table summarizes some of the notable leasing transactions in 2015:

<b>Notable Leasing Transactions in 2015</b>					
<b>Tenant</b>	<b>Lease Type</b>	<b>Square Feet</b>	<b>Building</b>	<b>Submarket</b>	<b>Business Sector</b>
Safeco Insurance	Renewal & Expansion	500,000	Safeco Plaza	Seattle CBD	Insurance
Amazon	New	440,000	Troy Block - North	Lake Union	Technology
Amazon	New	377,000	Troy Block - South	Lake Union	Technology
FAA	New	300,000	Des Moines Creek Business Park	SeaTac	Government
Facebook	New	274,000	Dexter Station	Lake Union	Technology
Tableau Software	New	207,791	Northedge	Lake Union	Technology
Zillow	New	136,162	Russell Investments	Seattle CBD	Technology
DocuSign	New	118,830	999 Third	Seattle CBD	Software
Trupanion	New	108,218	Benaroya 6100	South Seattle	Technology
Salesforce	New	84,794	929 Office Twoer	Bellevue CBD	Technology
Juno Therapeutics	Expansion	71,008	400 Dexter	Lake Union	Biotech
Polyclinic	New	60,000	Northgate Plaza	North Seattle	Medical
AECOM	Expansion	55,242	1111 Third Ave Building	Seattle CBD	Engineering
Oracle	New	45,077	Century Square	Seattle CBD	Technology
Seattle Metropolitan Credit Union	New	43,376	Home Plate Center South	South Seattle	Banking
UIEvolution	Renewal & Expansion	34,517	Kirkland 405 Corporate Center	I-405	Software

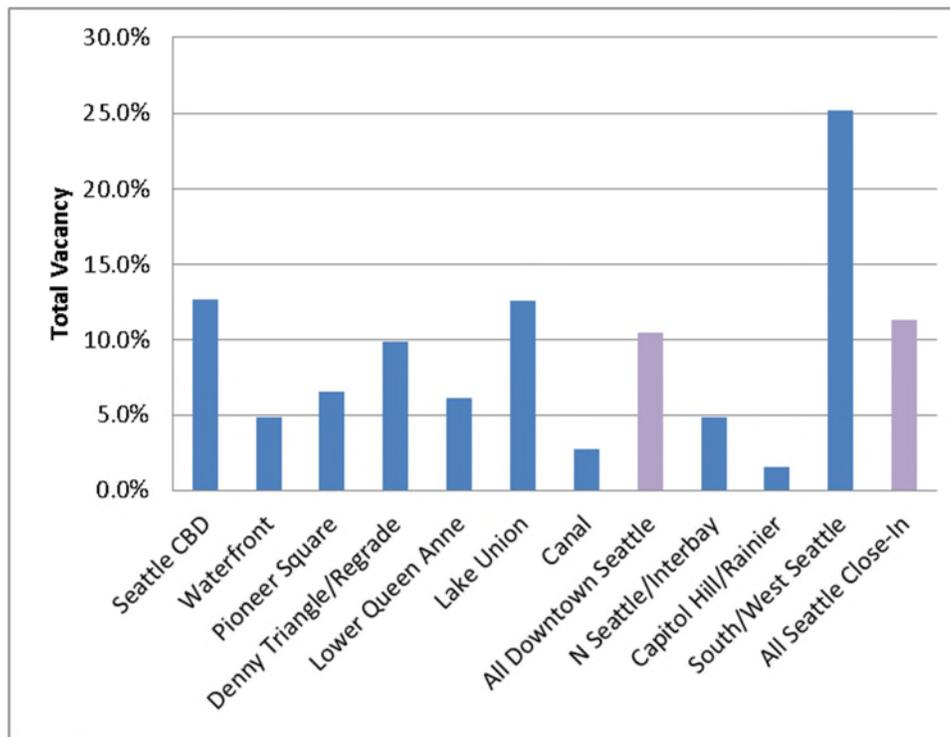
Source: CBRE & Colliers market reports

## Seattle Office Market Data

CBRE's Puget Sound MarketView 4<sup>th</sup> Qtr. 2015 details inventory, vacancy rates, and rental rates for the various Seattle submarkets.

4th Qtr 2015 CBRE Seattle Office Market Vacancy Rates								
	Inventory		Class A Lease Rate	Rent Chg. Yr to Yr	Total Vacancy	Total Vacancy by Building Class		
	Buildings	Sq. Ft.				Class A	Class B	Class C
Seattle CBD	77	20,561,510	\$40.60	8.7%	12.7%	12.1%	15.2%	13.6%
Waterfront	35	2,489,086	\$36.78	14.4%	4.8%	3.4%	4.3%	11.0%
Pioneer Square	68	4,051,828	\$35.42	11.1%	6.5%	2.4%	8.0%	13.7%
Denny Triangle/Regrade	50	7,213,294	\$38.52	21.2%	9.9%	8.8%	11.7%	17.0%
Lower Queen Anne	38	3,105,417	\$34.46	14.0%	6.1%	5.3%	7.7%	8.4%
Lake Union	71	6,780,944	\$44.31	24.3%	12.6%	13.6%	8.8%	6.9%
Canal	32	1,499,836	\$30.20	1.8%	2.7%	2.7%	2.9%	0.0%
<b>All Downtown Seattle</b>	<b>371</b>	<b>45,701,915</b>	<b>\$39.73</b>	<b>9.8%</b>	<b>10.5%</b>	<b>10.3%</b>	<b>10.5%</b>	<b>12.7%</b>
N Seattle/Interbay	70	2,381,460	\$27.37	6.3%	4.8%	5.3%	3.4%	8.4%
Capitol Hill/Rainier	31	1,158,482	\$26.28	-21.7%	1.5%	2.0%	1.3%	1.4%
South/West Seattle	34	1,925,886	\$32.14	3.1%	25.2%	37.8%	18.1%	23.7%
<b>All Seattle Close-In</b>	<b>135</b>	<b>5,465,828</b>	<b>\$30.91</b>	<b>3.9%</b>	<b>11.3%</b>	<b>14.3%</b>	<b>9.2%</b>	<b>8.3%</b>

Source: CBRE 4Q 2015 Marketview Snapshot Seattle



Collier's International's Puget Sound Office Research & Forecast Report 4<sup>th</sup> Qtr. 2015 details inventory, vacancy, and average lease rates for the Seattle submarkets.

<b>Q4 2015 Colliers International Seattle Office Statistics</b>								
<b>Submarket</b>	<b>Bldg. Count</b>	<b>Total SF</b>	<b>Direct Vacant SF</b>	<b>Sublease Vacant SF</b>	<b>Q4 Direct Vacancy</b>	<b>Q4 Total Vacancy</b>	<b>Avg. Asking Lease Rate</b>	<b>Rent/SF % Change</b>
<b>Seattle CBD</b>								
Class A	43	20,981,652	2,124,589	138,057	10.1%	<b>10.8%</b>	<b>\$40.30</b>	<b>11.6%</b>
Class B	48	4,816,436	524,637	59,535	10.9%	<b>12.1%</b>	<b>\$30.65</b>	<b>2.8%</b>
<b>Pioneer Square/Waterfront</b>								
Class A	10	2,032,915	110,789	9,460	5.4%	<b>5.9%</b>	<b>\$33.97</b>	<b>6.6%</b>
Class B	53	4,095,753	192,148	21,886	4.7%	<b>5.2%</b>	<b>\$28.78</b>	<b>4.7%</b>
<b>Belltown/Denny Regrade</b>								
Class A	14	3,897,946	64,455	1,448	1.7%	<b>1.7%</b>	<b>\$32.12</b>	<b>21.0%</b>
Class B	32	2,525,438	191,308	2,932	7.6%	<b>7.7%</b>	<b>\$27.61</b>	<b>6.3%</b>
<b>Lake Union</b>								
Class A	29	6,311,712	527,370	31,903	8.4%	<b>8.9%</b>	<b>\$40.81</b>	<b>23.7%</b>
Class B	62	3,649,771	451,413	14,390	12.4%	<b>12.8%</b>	<b>\$28.41</b>	<b>-0.6%</b>
<b>Queen Anne/Magnolia</b>								
Class A	12	1,906,881	133,239	0	7.0%	<b>7.0%</b>	<b>\$32.56</b>	<b>-4.4%</b>
Class B	43	2,203,129	104,406	13,144	4.7%	<b>5.3%</b>	<b>\$25.36</b>	<b>12.6%</b>
<b>Ballard/U-District</b>								
Class A	4	349,256	0	0	0.0%	<b>0.0%</b>	<b>\$36.58</b>	<b>7.1%</b>
Class B	45	2,339,875	30,257	0	1.3%	<b>1.3%</b>	<b>\$28.06</b>	<b>-0.5%</b>
<b>Northgate/North Seattle</b>								
Class A	2	205,361	8,816	0	4.3%	<b>4.3%</b>	<b>\$26.80</b>	<b>2.0%</b>
Class B	17	585,650	24,786	0	4.2%	<b>4.2%</b>	<b>\$24.47</b>	<b>5.3%</b>
<b>Market Summary</b>								
<b>Class A</b>	<b>114</b>	<b>35,685,723</b>	<b>2,969,258</b>	<b>180,868</b>	<b>8.3%</b>	<b>8.8%</b>	<b>\$39.52</b>	<b>14.9%</b>
<b>Class B</b>	<b>300</b>	<b>20,216,052</b>	<b>1,518,955</b>	<b>111,787</b>	<b>7.5%</b>	<b>8.1%</b>	<b>\$28.24</b>	<b>2.4%</b>
<b>Total</b>	<b>545</b>	<b>58,970,766</b>	<b>4,670,560</b>	<b>292,655</b>	<b>7.9%</b>	<b>8.4%</b>	<b>\$34.94</b>	<b>15.7%</b>

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

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

<b>Officespace.com Seattle Office Statistics</b>								
<b>Submarket</b>	<b>Number of Buildings</b>	<b>Total SF</b>	<b>Direct Vacant SF</b>	<b>Sublease SF</b>	<b>Direct Vacancy</b>	<b>Vacancy w/Sublet</b>	<b>Average Lease \$</b>	<b>Rent/SF % Change</b>
<b>Seattle CBD</b>								
Class A+	7	7,044,420	608,225	164,533	8.6%	11.0%	\$43.11	8.7%
Class A	34	11,440,561	1,335,475	506,561	11.7%	16.1%	\$31.83	4.9%
Class B	43	3,742,977	596,696	84,928	15.9%	18.2%	\$29.17	7.4%
<b>Belltown/Denny Regrade</b>								
Class A+	3	1,419,002	26,256	81,645	1.9%	7.6%	\$40.98	3.3%
Class A	22	4,906,308	435,023	91,862	8.9%	10.7%	\$32.77	-1.1%
Class B	53	2,325,180	211,720	37,167	9.1%	10.7%	\$24.40	4.9%
<b>Lake Union</b>								
Class A+	1	215,402	34,883	0	16.2%	16.2%	\$35.00	0.0%
Class A	48	4,696,821	600,711	115,591	12.8%	15.3%	\$33.11	15.4%
Class B	58	1,779,913	293,267	17,386	16.5%	17.5%	\$21.37	-2.0%
<b>Pioneer Square</b>								
Class A	15	2,211,028	118,061	133,782	5.3%	11.4%	\$29.16	0.0%
Class B	48	2,088,764	234,085	57,577	11.2%	14.0%	\$23.09	-2.6%
<b>Queen Anne/Magnolia</b>								
Class A+	1	31,866	10,148	0	31.8%	31.8%	\$24.00	0.0%
Class A	14	737,745	54,432	0	7.4%	7.4%	\$24.27	-1.8%
Class B	39	1,178,887	90,223	24,327	7.7%	9.7%	\$22.30	0.0%
<b>Waterfront</b>								
Class A+	1	137,201	0	0	0.0%	0.0%	N/A	-
Class A	23	2,513,987	186,539	93,169	7.4%	11.1%	\$30.71	2.5%
Class B	19	1,433,264	100,329	10,468	7.0%	7.7%	\$24.44	9.6%
<b>Capitol Hill/First Hill</b>								
Class A	14	1,459,906	64,463	14,847	4.4%	5.4%	\$38.19	0.1%
Class B	58	1,372,389	65,250	4,233	4.8%	5.1%	\$26.95	-0.3%
<b>Total</b>	<b>588</b>	<b>54,066,435</b>	<b>5,732,547</b>	<b>1,451,698</b>	<b>10.6%</b>	<b>13.3%</b>	<b>\$31.55</b>	<b>4.8%</b>
<b>Northgate/North Seattle</b>								
Class A	10	514,936	3,187	11,484	0.6%	2.8%	\$27.95	-
Class B	45	1,193,439	225,838	0	18.9%	18.9%	\$22.57	-
<b>Ballard/University District</b>								
Class A	29	1,854,256	75,120	68,030	4.1%	7.7%	\$28.53	0.0%
Class B	65	1,540,567	80,062	47,646	5.2%	8.3%	\$24.65	0.0%

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

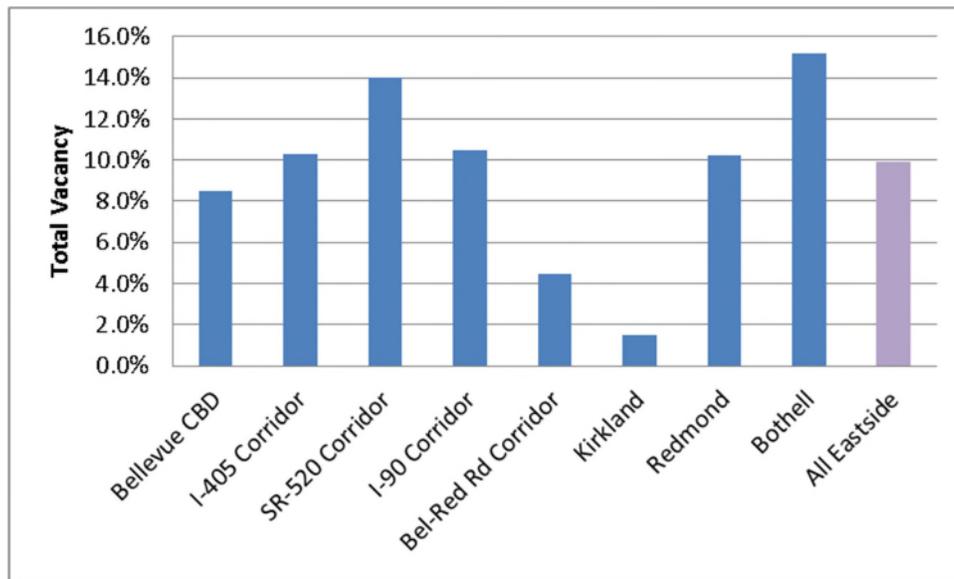
Data collected on 1/5/2016

## Eastside Office Market Data

CBRE's Puget Sound MarketView 4<sup>th</sup> Qtr. 2015 details inventory, vacancy rates, and rental rates for the various Eastside submarkets.

4th Qtr 2015 CBRE Eastside Office Market Vacancy Rates								
	Inventory		Class A	Rent Chg.	Total	Total Vacancy by Building Class		
	Buildings	Sq. Ft.	Lease Rate	Yr to Yr	Vacancy	Class A	Class B	Class C
Bellevue CBD	52	7,886,290	\$40.42	3.2%	8.5%	7.9%	13.0%	7.9%
I-405 Corridor	103	2,879,969	\$31.96	14.5%	10.3%	10.6%	9.7%	11.7%
SR-520 Corridor	110	2,579,812	\$33.93	18.1%	14.0%	16.2%	15.0%	5.4%
I-90 Corridor	103	6,698,025	\$31.33	3.7%	10.5%	10.0%	13.9%	3.4%
Bel-Red Rd Corridor	95	1,501,719	\$31.85	2.1%	4.5%	1.4%	6.0%	3.4%
Kirkland	39	1,465,805	\$40.81	13.6%	1.5%	1.2%	0.0%	19.3%
Redmond	81	4,238,667	\$26.05	1.8%	10.2%	7.6%	20.4%	7.2%
Bothell	49	2,787,948	\$26.96	1.9%	15.2%	15.7%	12.9%	3.9%
<b>All Eastside</b>	<b>632</b>	<b>30,038,235</b>	<b>\$32.94</b>	<b>4.2%</b>	<b>9.9%</b>	<b>9.3%</b>	<b>12.5%</b>	<b>6.6%</b>

Source: CBRE 4Q 2015 Marketview Snapshot Seattle



Collier's International's Puget Sound Office Research & Forecast Report 4<sup>th</sup> Qtr. 2015 details inventory, vacancy, and average lease rates for the Eastside submarkets.

<b>Q4 2015 Colliers International Eastside Office Statistics</b>								
<b>Submarket</b>	<b>Bldg. Count</b>	<b>Total SF</b>	<b>Direct Vacant SF</b>	<b>Sublease Vacant SF</b>	<b>Q4 Direct Vacancy</b>	<b>Q4 Total Vacancy</b>	<b>Avg. Asking Lease Rate</b>	<b>Rent/SF % Change</b>
<b>520 Corridor</b>								
Class A	21	3,153,279	14,796	0	0.5%	<b>0.5%</b>	<b>\$33.02</b>	<b>13.0%</b>
Class B	61	3,684,046	125,298	11,358	3.4%	<b>3.7%</b>	<b>\$28.34</b>	<b>4.5%</b>
<b>Bellevue CBD</b>								
Class A	27	8,204,524	982,649	76,759	12.0%	<b>12.9%</b>	<b>\$38.81</b>	<b>2.3%</b>
Class B	20	990,198	58,491	10,824	5.9%	<b>7.0%</b>	<b>\$36.03</b>	<b>8.4%</b>
<b>I-90 Corridor</b>								
Class A	17	2,483,049	117,869	0	4.7%	<b>4.7%</b>	<b>\$29.52</b>	<b>1.7%</b>
Class B	34	2,994,268	260,704	6,399	8.7%	<b>8.9%</b>	<b>\$31.61</b>	<b>4.8%</b>
<b>Kirkland</b>								
Class A	16	1,264,646	60,329	0	4.8%	<b>4.8%</b>	<b>\$36.97</b>	<b>10.9%</b>
Class B	74	2,191,068	229,546	44,527	10.5%	<b>12.5%</b>	<b>\$25.54</b>	<b>-4.8%</b>
<b>Redmond</b>								
Class A	25	2,530,152	93,180	0	3.7%	<b>3.7%</b>	<b>\$30.25</b>	<b>13.4%</b>
Class B	53	2,975,085	211,701	5,682	7.1%	<b>7.3%</b>	<b>\$25.35</b>	<b>4.7%</b>
<b>Suburban Bellevue</b>								
Class A	1	44,000	40,490	0	92.0%	<b>92.0%</b>	<b>\$42.55</b>	<b>-3.8%</b>
Class B	111	3,443,567	227,137	59,150	6.6%	<b>8.3%</b>	<b>\$30.28</b>	<b>4.7%</b>
<b>Coal Creek/Issaquah</b>								
Class A	7	918,064	106,940	0	11.6%	<b>11.6%</b>	<b>\$31.75</b>	<b>6.3%</b>
Class B	27	849,417	118,595	913	14.0%	<b>14.1%</b>	<b>\$30.53</b>	<b>-3.1%</b>
<b>Mercer Island/E King County</b>								
Class A	1	101,617	43,041	0	42.4%	<b>42.4%</b>	<b>\$36.03</b>	<b>-1.7%</b>
Class B	13	374,996	2,898	0	0.8%	<b>0.8%</b>	<b>\$27.15</b>	<b>-11.1%</b>
<b>Market Summary</b>								
<b>Class A</b>	<b>115</b>	<b>18,699,332</b>	<b>1,459,294</b>	<b>76,759</b>	<b>7.8%</b>	<b>8.2%</b>	<b>\$35.60</b>	<b>0.6%</b>
<b>Class B</b>	<b>393</b>	<b>17,502,645</b>	<b>1,234,370</b>	<b>138,853</b>	<b>7.1%</b>	<b>7.8%</b>	<b>\$29.43</b>	<b>2.8%</b>
<b>Total</b>	<b>582</b>	<b>37,620,591</b>	<b>2,724,761</b>	<b>215,612</b>	<b>7.2%</b>	<b>7.8%</b>	<b>\$38.81</b>	<b>4.2%</b>

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

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

<b>Officespace.com Eastside Office Statistics</b>								
<b>Submarket</b>	<b>Number of Buildings</b>	<b>Total SF</b>	<b>Direct Vacant SF</b>	<b>Sublease SF</b>	<b>Direct Vacancy</b>	<b>Vacancy w/Sublet</b>	<b>Average Lease \$</b>	<b>Rent/SF % Change</b>
<b>Bellevue CBD</b>								
Class A+	15	6,074,781	685,954	372,202	11.3%	17.4%	\$41.90	-0.6%
Class A	16	2,785,983	422,259	243,207	15.2%	23.9%	\$35.69	3.0%
Class B	31	900,674	116,405	36,829	12.9%	17.0%	\$30.82	6.7%
<b>Suburban Bellevue</b>								
Class A	40	1,706,184	486,650	85,499	28.5%	33.5%	\$32.01	1.4%
Class B	170	3,194,068	278,785	28,683	8.7%	9.6%	\$27.29	7.1%
<b>I-90 Corridor</b>								
Class A	91	6,560,318	795,097	202,961	12.1%	15.2%	\$31.48	-5.7%
Class B	69	1,312,589	44,101	13,809	3.4%	4.4%	\$27.09	1.3%
<b>520/Overlake</b>								
Class A	55	2,228,874	270,775	121,502	12.1%	17.6%	\$40.87	57.9%
Class B	55	1,228,433	169,741	41,959	13.8%	17.2%	\$23.81	4.1%
<b>Kirkland/Totem Lake</b>								
Class A	47	2,291,147	143,315	58,534	6.3%	8.8%	\$31.46	1.6%
Class B	57	1,041,546	156,772	55,357	15.1%	20.4%	\$23.98	-1.0%
<b>Redmond/Willows</b>								
Class A	45	3,153,479	377,035	121,735	12.0%	15.8%	\$24.39	0.2%
Class B	26	444,523	30,045	8,424	6.8%	8.7%	\$24.05	-0.4%
<b>Bothell/Woodinville</b>								
Class A	54	2,786,473	450,858	41,200	16.2%	17.7%	\$22.67	-0.6%
Class B	16	319,729	61,873	0	19.4%	19.4%	\$25.16	-0.7%
<b>Total</b>	<b>874</b>	<b>38,163,657</b>	<b>4,654,284</b>	<b>1,449,547</b>	<b>12.2%</b>	<b>16.0%</b>	<b>\$31.34</b>	<b>3.8%</b>

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

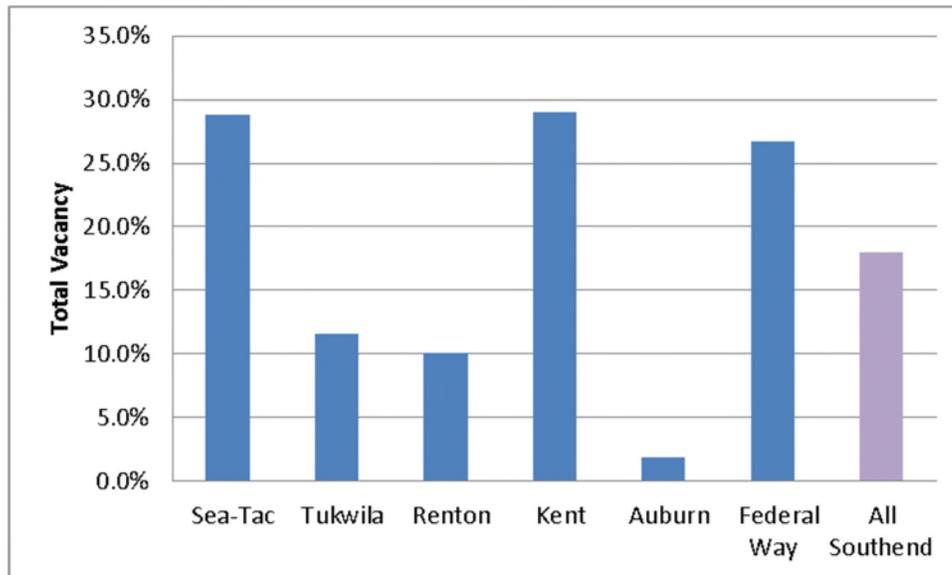
Data collected on 1/5/2016

## South King County Office Market Data

CBRE's Puget Sound MarketView 4<sup>th</sup> Qtr. 2015 details inventory, vacancy rates, and rental rates for the various Southend submarkets.

4th Qtr 2015 CBRE Southend Office Market Vacancy Rates								
	Inventory		Class A	Rent Chg.	Total	Total Vacancy by Building Class		
	Buildings	Sq. Ft.	Lease Rate	Yr to Yr	Vacancy	Class A	Class B	Class C
Sea-Tac	24	957,876	\$21.25	-3.1%	28.8%	34.1%	20.4%	0.0%
Tukwila	57	2,132,576	\$22.98	7.4%	11.6%	7.4%	19.3%	11.6%
Renton	70	3,189,774	\$23.83	2.2%	10.1%	3.5%	20.9%	0.0%
Kent	24	1,223,908	\$23.23	0.6%	29.0%	31.6%	14.8%	42.0%
Auburn	6	289,025	\$22.35	4.7%	1.9%	1.2%	7.8%	0.0%
Federal Way	63	2,289,565	\$21.01	0.6%	26.7%	34.7%	20.8%	7.1%
<b>All Southend</b>	<b>244</b>	<b>10,082,724</b>	<b>\$22.15</b>	<b>0.9%</b>	<b>18.0%</b>	<b>16.9%</b>	<b>19.9%</b>	<b>16.6%</b>

Source: CBRE 4Q 2015 Marketview Snapshot Seattle



Collier's International's Puget Sound Office Research & Forecast Report 4<sup>th</sup> Qtr. 2015 details inventory, vacancy, and average lease rates for the Southend submarkets.

<b>Q4 2015 Colliers International South King County Office Statistics</b>								
<b>Submarket</b>	<b>Bldg. Count</b>	<b>Total SF</b>	<b>Direct Vacant SF</b>	<b>Sublease Vacant SF</b>	<b>Q4 Direct Vacancy</b>	<b>Q4 Total Vacancy</b>	<b>Avg. Asking Lease Rate</b>	<b>Rent/SF % Change</b>
<b>Federal Way</b>								
Class A	15	1,057,474	360,368	0	34.1%	<b>34.1%</b>	<b>\$30.03</b>	<b>0.0%</b>
Class B	39	1,283,221	147,240	50,600	11.5%	<b>15.4%</b>	<b>\$20.10</b>	<b>1.5%</b>
<b>Kent/Auburn</b>								
Class A	12	1,133,650	229,878	0	20.3%	<b>20.3%</b>		
Class B	36	1,011,166	132,330	0	13.1%	<b>13.1%</b>	<b>\$22.89</b>	<b>3.2%</b>
<b>Renton</b>								
Class A	22	1,803,712	69,954	0	3.9%	<b>3.9%</b>		
Class B	48	2,387,512	151,797	0	6.4%	<b>6.4%</b>	<b>\$22.08</b>	<b>2.3%</b>
<b>SeaTac</b>								
Class A	2	421,043	166,070	0	39.4%	<b>39.4%</b>	<b>\$24.50</b>	<b>0.0%</b>
Class B	20	752,568	104,059	0	13.8%	<b>13.8%</b>	<b>\$20.90</b>	<b>4.0%</b>
<b>South Seattle</b>								
Class A	10	1,593,404	260,104	51,437	16.3%	<b>19.6%</b>	<b>\$40.40</b>	<b>5.9%</b>
Class B	35	1,189,508	106,532	0	9.0%	<b>9.0%</b>	<b>\$24.65</b>	<b>-0.7%</b>
<b>Tukwila</b>								
Class A	13	850,689	33,027	19,388	3.9%	<b>6.2%</b>		
Class B	42	1,449,387	173,966	0	12.0%	<b>12.0%</b>	<b>\$22.26</b>	<b>3.1%</b>
<b>Market Summary</b>								
<b>Class A</b>	<b>74</b>	<b>6,859,972</b>	<b>1,119,411</b>	<b>70,525</b>	<b>16.3%</b>	<b>17.3%</b>	<b>\$37.61</b>	<b>2.6%</b>
<b>Class B</b>	<b>220</b>	<b>8,073,362</b>	<b>815,924</b>	<b>50,600</b>	<b>10.1%</b>	<b>10.7%</b>	<b>\$21.81</b>	<b>3.5%</b>
<b>Total</b>	<b>372</b>	<b>16,629,319</b>	<b>2,002,536</b>	<b>121,425</b>	<b>12.0%</b>	<b>12.8%</b>	<b>\$22.83</b>	<b>-1.7%</b>

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

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

<b>Officespace.com Southend Office Statistics as of Jan. 1st 2016</b>								
<b>Submarket</b>	<b>Number of Buildings</b>	<b>Total SF</b>	<b>Direct Vacant SF</b>	<b>Sublease SF</b>	<b>Direct Vacancy</b>	<b>Vacancy w/Sublet</b>	<b>Average Lease \$</b>	<b>Rent/SF % Change</b>
<b>South/West Seattle</b>								
Class A	20	1,952,413	656,431	41,294	33.6%	35.7%	\$26.74	13.0%
Class B	44	2,518,731	238,174	75,414	9.5%	12.5%	\$20.86	-0.3%
<b>SeaTac</b>								
Class A	7	653,806	201,402	2,956	30.8%	31.3%	\$23.33	0.0%
Class B	30	443,162	61,127	0	13.8%	13.8%	\$56.45	208.1%
<b>Renton/Tukwila</b>								
Class A	65	2,829,896	338,228	105,876	12.0%	15.7%	\$22.11	0.9%
Class B	83	2,148,064	339,852	63,981	15.8%	18.8%	\$19.65	-1.8%
<b>Federal Way</b>								
Class A	28	1,377,618	353,727	51,400	25.7%	29.4%	\$22.36	10.0%
Class B	45	703,928	113,996	3,294	16.2%	16.7%	\$17.57	-0.4%
<b>Kent/Auburn</b>								
Class A	35	1,666,626	317,884	43,446	19.1%	21.7%	\$21.62	-2.6%
Class B	41	751,935	272,176	2,658	36.2%	36.6%	\$17.63	-5.6%
<b>Total</b>	<b>477</b>	<b>16,272,160</b>	<b>3,049,301</b>	<b>395,030</b>	<b>18.7%</b>	<b>21.2%</b>	<b>\$22.76</b>	<b>6.7%</b>

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

**Physical Inspection:** Area 280-20 Lake Union/Fremont/Denny Regrade was physically inspected. This area included 61 major office properties, or approximately 19.93% of the improved parcel population. These properties were inspected in 2015 prior to the posting of the office values.

## Preliminary Ratio Analysis

The inclusion of 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, most 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.

The Preliminary Ratio Study was completed just prior to the application of the 2016 recommended values. This study benchmarks the current assessment level using 2015 assessed values. The study was also repeated after application of the 2016 recommended values. The results are included in the validation section of this report, showing a change in the level of assessment (weighted mean) from 76.2% to 88.5%, the Coefficient of Dispersion (C.O.D.) from 15.28% to 13.79%, and the Coefficient of Variation (C.O.V.) from 18.46% to 17.71%. The Price-related Differential (P.R.D.) went from 1.06 to 1.05.

<b>IAAO Recommended Ratio Study Standards</b>	
Appraisal Level	.90 to 1.10
Coefficient of Dispersion (COD)	5.0 to 20.0
Price Related Differential (PRD)	.98 to 1.03

All of these measures indicate a substantial improvement, however assessment level and price related differential fall slightly outside of IAAO guidelines due to factors explained earlier. They are presented in the 2016 Ratio Analysis chart included in this report.

In addition, many 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 with older leases that are above or below current market rates do not reflect the interests that the Assessor is valuing. In addition, sales of top-tier properties that are fully leased to one or a few high-credit tenants, typically on a triple-net basis, tend to command a significant premium based on the leased fee interest.

Further, in the current growth cycle of the office market, buyers are purchasing properties with expectations of higher future net operating incomes (NOI) from higher lease rates with smaller concessions than the previous years. Consequently many of these sales reflect a value that is higher than current office market income parameters applied by the Assessor in the income model. This results in an assessment level that better reflects the income model than the sales approach.

## **Scope of Data**

### **Land Value Data:**

The geographic appraiser in the area in which the specialty office property is located is responsible for the land value used by the office 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 are verified, if possible, by contacting either the purchaser or seller, or contacting the real estate broker, and reviewing sale transaction data from online subscription sources. Characteristic data is verified for all sales, if possible. If necessary a site inspection is made. Sales are listed in the “Sales Used” and “Sales Not Used” sections of this report.

## **Improved Parcel Total Values**

### **Sales comparison approach model description**

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.

### **Sales comparison calibration**

Market sales of office specialty properties that occurred during the period from 1/01/2013 to 12/31/2015 were considered in the analysis. Other market sales of office buildings that were smaller than the office specialty threshold of 90,000 square feet net rentable, were often reviewed in the analysis when the sales were limited for a building type or submarket.

The current office market cycle has seen a substantial increase in sale transactions particularly in the downtown cores, however there have been too few sales of different office types in all of the various submarkets to rely 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 cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western Region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older office properties, this approach to value was given the least weight in the final reconciliation of values of older office buildings. However, it was given more weight in the valuation of new construction and recently completed office buildings that have not been leased up. With new buildings the cost method is reconciled with the income method to determine the appropriate approach.

### **Cost calibration**

The Marshall & Swift cost-modeling system built into the Real Property Application is calibrated to this 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 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, expenses, and capitalization rates for various groupings of properties based on their investment competitiveness. Rents, operating expenses, and capitalization rates were collected on sold properties when available. This data was then considered along with surveys conducted by outside resources, along with information gathered from properties available for lease and sale and utilized to establish general guidelines for neighborhood groupings. A rent survey was conducted to ascertain the income parameters typically reflected in the current office lease market. The information gathered is considered to be indicative of the

current office-leasing environment and in most instances, the data reported is based on deals that have been made and are in place or will be in the near future.

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 4<sup>th</sup> Qtr. 2015, Collier's International's Puget Sound Region Office Research & Forecast Report 4<sup>th</sup> Qtr. 2015, Officespace.com's Year End Office Market Statistics Report, CoStar Group's Seattle/Puget Sound Office Market Report YE-2015, Cushman & Wakefield's Seattle Office Marketbeat 4<sup>th</sup> Qtr. 2015, and Newmark Grubb Knight Frank's Seattle Office Market Research Report 4<sup>th</sup> Qtr. 2015.

## Capitalization Rate Information

The following table summarizes office Capitalization Rates gathered from various commercial real estate industry research reports.

2016 Office Capitalization Rates Summary							
			Capitalization Rates by Building Class (if provided)				
Source	Location	Average Capitalization Rates	Class A		Class B		
			Stabilized	Value-Add*	Stabilized	Value-Add*	
Seattle/Pacific NW Cap Rates	CBRE <sup>1</sup>	CBD		4.50% - 5.25%	5.75% - 7.00%	5.25% - 6.00%	6.50% - 7.50%
		Suburban		5.50% - 6.00%	6.50% - 7.50%	6.25% - 6.75%	7.00% - 8.00%
	PWC/ Korpaz	CBD	5.50%				
		Suburban	6.60%				
	Pac NW:	CBD	5.52%				
		Suburban	6.64%				
	ACLI	Seattle	5.34%				
		Pac. NW	5.56%				
	IRR: Viewpoint	CBD		5.50%		6.00%	
		Suburban		6.00%		6.50%	
West Region:	CBD		6.03%		6.63%		
	Suburban		6.41%		6.96%		
CoStar Sales Data <sup>2</sup>	King County	5.70% (blended)	5.60% (blended)		6.10% (blended)		
RERC Report <sup>3</sup>	CBD	5.30%					
	Suburban	6.30%					
National	ACLI	All	6.35%				
	PWC/ Korpaz	CBD	5.68%				
		Suburban	6.36%				
	IRR: Viewpoint	CBD		6.03%		6.63%	
		Suburban		6.41%		6.96%	
RERC Report	CBD	4.00% - 9.00%					
	Suburban	5.50% - 9.50%					

\*Value-Add refers to underperforming office properties with above-market vacancy or requiring high capital expenditures

<sup>1</sup> CBRE professionals' opinion of where Cap Rates are likely to trend in H1 2015

<sup>2</sup> Arms-length investment sales 50k SF and larger, between 1/1/2015 and 12/31/15 within King County

<sup>3</sup> For 1st Tier Properties, defined as new or newer quality const. in prime to good location

The following pages contain the full Capitalization Rate summary table.

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2015					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location
		National	4.00% -9.00% 5.50% - 9.50% - - - - - - -	- - 4.50% - 9.00% 5.00% - 9.00% 5.00% - 9.00% - - -	- - - - - 4.00% - 9.00% 5.00% - 9.00% 5.00% - 9.00%	Office CBD – 1 <sup>st</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties Warehouse – 1 <sup>st</sup> Tier Properties R&D – 1 <sup>st</sup> Tier Properties Flex – 1 <sup>st</sup> Tier Properties Regional Mall – 1 <sup>st</sup> Tier Properties Power Center – 1 <sup>st</sup> Tier Properties Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties
IRR: Viewpoint for 2016	Yr. End 2015	West Region	6.03% 6.63% 6.41% 6.96% 7.00% 6.60% - - - - -	- - - - - - 6.00% 6.81% - - -	- - - - - - - - 6.12% 6.27% 6.48% 7.55% 8.07%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Medical Office Medical Office – Non-Campus Industrial Flex Industrial Regional Mall Community Retail Neighborhood Retail Hotel - Full Service Hotel - Limited Service
ACLI	4Q 2015	National	5.35% 7.07% 6.66% 6.01% 5.13%	6.19% 7.00% 7.21% 6.75% 6.06%	5.31% 6.94% 6.65% 5.76% 4.78%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. – 100,001 – 200k Sq.Ft. – 200k+
PWC / Korpaz	4Q 2015	National	5.68% 6.36% 6.84% - - - - -	- - - 7.15% 5.48% - - -	- - - - - 6.03% 6.31% 6.38%	CBD Office - (3.50% - 8.00%) Sub. Office - (4.25% - 9.00%) Medical Office - (4.75% - 10.00%) Flex/R&D - (5.75% - 9.00%) Warehouse - (3.00% - 7.00%) Mall- A+ = .4.63%; A = 5.23%; B+ = 6.28% Power Center - (4.75% - 8.00%) Neigh. Strip Ctrs. - (4.50% - 9.50%)
PWC / Emerging Trends in Real Estate	Reports 2/2016	National	5.60% 6.90% 6.40% - - - - - -	- - - 6.10% 6.70% 6.10% - - -	- - - - - - 6.30% 6.50% 6.00%	U.S. Central City Office U.S. Suburban Office Medical Office U.S. Warehouse Industrial U.S. R&D Industrial U.S. Fulfillment Centers U.S. Neigh. Shopping Ctrs. U.S Power Centers U.S. Regional Malls
The Boulder Group: Net Lease Market Report	4Q 2015	National	7.00% - - - -	7.44% - - - -	6.25% 6.08% 5.20% 6.75% 6.59%	Overall (Average) Big Box "Overall" Big Box "Investment Grade" Big Box "Non-Investment Grade" Jr. Big Box - (20,000/SF – 39,999/SF)

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			-	-	5.75%	Mid. Big Box - (40,000/SF – 79,999/SF)
			-	-	6.70%	Mega Big Box - (80,000/SF +)
			-	-	5.50%	Overall (Average)
Marcus & Millichap	4Q 2015	National	5.80%	-	-	U.S. Central City Office
			7.50%	-	-	U.S. Suburban Office

The published office capitalization rates again 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 have fallen significantly for well-leased, institutional grade office buildings based on sales in 2015 and early 2016. This is supported by the local and nationally published capitalization rates provided in this report.

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.

The following table shows the typical capitalization rates used in the 1/01/2016 revaluation of the properties in the office specialty (cap rates higher than these ranges are applied to properties with extreme vacancy):

Typical Capitalization Rates Applied		
Office Building Type	Market	Capitalization Rate Applied*
Class A+ & A	Seattle (highrise, midrise, lowrise in CBD & downtown sub-areas)	4.75% - 5.75%
Class A	Seattle Close-In (Fremont, U-District, Northgate, West Seattle)	5.50% - 6.25%
Class B	Seattle CBD (downtown sub-areas)	5.75% - 6.25%
Class A+ & A	Bellevue CBD (highrise, midrise, lowrise), Mercer Island, & Kirkland Waterfront	5.00% - 6.00%
Class A- & B	Bellevue CBD	5.75% - 6.50%
Class A & B	Eastside Suburban	5.50% - 6.50%
Class A & B	Southend	6.25% - 7.75%
Medical Office Bldgs. All County		5.00% - 7.00%

The range of capitalization rates reflect the building age, quality 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 higher than the normal sub-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.

## Typical Income Parameters Applied

The following table briefly describes the typical income parameters utilized in each of the six market segments. 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

Typical Income Parameters				
Segment	Rent Range per SF*	Vacancy/ Coll. Loss %	Operating Expenses/SF	Capitalization Rate %
Seattle CBD & Downtown	\$19.00 - \$42.00	10% - 20%	\$7.50 - \$12.00	4.75% - 7.50%
Seattle North	\$25.00 - \$38.00	10% - 12%	\$8.50 - \$9.00	5.75% - 6.50%
Bellevue CBD	\$25.00 - \$42.00	10% - 20%	\$9.00 - \$12.00	5.00% - 6.75%
Suburban Eastside	\$25.00 - \$39.00	10% - 20%	\$9.00 - \$12.50	5.50% - 6.75%
South End	\$16.50 - \$35.00	12% - 20%	\$6.50 - \$9.75	7.25% - 8.00%
Medical Office Buildings	\$26.50 - \$39.00	10% - 20%	\$10.50 - \$14.00	5.00% - 7.25%

\*Full Service

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 CBD and Downtown submarkets typically ranged from \$15 to \$35 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 ranged from \$25 to \$30 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 2013 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 15% 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.

<b>Seattle CBD</b>			
Nbhd Zone	Daily Rate	Monthly Rate	Occupancy
1	\$16.75	\$174.50	47.00%
2	\$14.81	N/A*	53.90%
3	\$18.63	\$194.50	79.60%
4	\$23.76	\$238.73	63.10%
5	\$25.06	\$280.82	70.70%
6	\$18.66	\$229.70	67.00%
7	\$23.00	\$300.04	57.10%
8	\$24.56	\$296.66	63.90%
9	\$17.55	\$193.54	55.90%
10	\$19.47	\$202.83	62.40%
11	\$11.04	\$164.89	62.90%
12	\$16.41	\$225.83	57.20%
13	\$17.07	\$238.16	65.50%
<b>Lower Queen Anne/South Lake Union</b>			
Nbhd Zone	Daily Rate	Monthly Rate	Occupancy
17	\$15.22	\$190.00	39.30%
18	\$15.74	\$137.97	34.10%
19	\$12.08	\$139.04	53.90%

<b>Bellevue CBD</b>			
Nbhd Zone	Daily Rate	Monthly Rate	Occupancy
1	\$12.50	\$130.36	48.30%
2	\$14.00	\$171.52	56.90%
3	\$15.91	\$189.82	34.20%
4	\$17.51	\$173.33	55.00%
5	N/A	N/A	40.50%
6	\$15.00	N/A	32.90%
7	\$5.50	N/A	43.90%

<b>First Hill</b>			
Nbhd Zone	Daily Rate	Monthly Rate	Occupancy
14	\$19.62	\$187.56	63.90%
15	\$16.44	\$208.91	31.70%
16	\$11.93	\$151.40	62.90%
<b>University District</b>			
Nbhd Zone	Daily Rate	Monthly Rate	Occupancy
1	\$10.40	\$116.00	56.60%
2	\$10.13	\$125.11	61.50%
3	\$12.11	\$140.67	56.70%
4	\$12.71	\$139.53	78.00%
9	\$6.00	\$50.00	59.90%

## Reconciliation and/or validation study of calibrated value

Each parcel was individually reviewed by the specialty appraiser for correctness of the model application before the final value was selected. The income approach to valuation is given the greatest weight in the final analysis due to the information available.

### Model Validation

#### **Total Value Conclusions, Recommendations and Validation:**

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

The 1/01/2016 valuation reflects the changing office market dynamics as of the valuation date. These include declining market vacancy rates in most submarkets, increasing effective lease rates, and capitalization rates that are generally low for quality office buildings with high occupancy or office buildings with higher vacancy that are well-located in the stronger submarkets.

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

Application of these recommended values for the 2016 assessment year results in a total change from the 2015 assessments of 15.37%. This increase does not include new construction value from Major Office projects currently under construction. These will be added later during the new construction maintenance period (new construction is valued as of July 31st, 2016).

The total assessed value for the 2015 assessment year was \$18,446,957,270 and the total recommended assessed value for the 2016 assessment year is \$21,282,128,300.

<b>Change in Total Assessed Value</b>			
<b>2015 Total Value</b>	<b>2016 Total Value</b>	<b>\$ Change</b>	<b>% Change</b>
\$18,446,957,270	\$21,282,128,300	\$2,835,171,030	15.37%

## Improved Sales for Area 280 (Sales from 2013, 2014, & 2015 were considered)

### Area 280-10 (Seattle CBD & First Hill) Sales:

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	010	093900	0060 0055	261,308	2709731	\$73,730,000	01/14/15	\$282	SMITH TOWER	2	Y	Sale on 1/14/2015 for \$73,730,000 or \$282/SF appears to be a fair market transaction based on the information that could be obtained. Unico acquired Smith Tower, along with the 4,320 SF Florence Building next door, for just over twice what the seller had acquired the properties for in March 2012 when the building was 70% vacant. The sellers had acquired it out of foreclosure and subsequently renovated some of the property, bringing occupancy up to 73% at the time of sale. The buyer plans to spend around \$6M in capital improvements including new elevators and upgrades to the observation deck. CoStar reports that the property traded at a 4.20% Cap Rate. Currently vacant space is being marketed at \$31 to \$39 per SF Gross.
280	010	094200	0640	1,526,621	2748359	\$711,013,000	08/06/15	\$466	COLUMBIA CENTER ( former B. of A. Tower)	1	Y	The Columbia Center, a 76-story Class A+ iconic office tower, sold on 8/6/2015 for \$711,013,000 (\$466/SF) in a fair market transaction. Gaw Capital Partners, a Hong Kong based private equity fund management company, reportedly outbid several interested buyers to complete the largest regional real estate transaction since Amazon's SLU campus acquisition for \$1.15B in late 2012. Seller Beacon Capital had previously purchased the tower in 4/2007 for \$621M (\$407/SF). Vacancy rate climbed to 40% during the recession forcing the owner to default on their loan, however they were able to negotiate an extension which allowed them to make improvements, including updated lobby, new fitness center, new signage, etc, and reposition the tower. Vacancy rate was reduced to 10% at the time of sale and the property traded at a 5.50% Cap Rate. In addition to a fitness center, amenities include access to the private Columbia Tower Club, 6-level below grade parking garage, LEED-Silver cert., food court and other retail space.
280	010	863423	0020	297,214	2760747	\$65,600,000	10/08/15	\$221	MACYS DOWNTOWN	1	Y	Starwood Capital acquired the top 4 floors of the downtown Macy's store on 10/8/2015 for \$65,600,000 or \$210/SF in a fair market transaction. The buyer intends to convert the space into Class A creative office space, known as 300 Pine, with a rentable area of 312,176 SF and Macy's plans to consolidate their retail operations within the remainder of the building. No cost estimate for the conversion has been released though it is expected to be substantial. The buyer considers the purchase to be a value add investment. The space had been informally marketed for a while. Facebook considered the space in late 2014 before ultimately leasing ~275,000 SF at the new Dexter Station building. Upon conversion, the office space will be the largest existing, contiguous office space available in Seattle with unrivaled 80,000 SF floorplates and 15' ceiling heights. Upgrades proposed by the buyer include a new dedicated office lobby, a new 20,000 SF rooftop deck, new on site retail, new conference facilities, bike storage, and new building systems infrastructure. Dedicated parking will be located in the Macy's parking garage located across the street and connected via a skybridge. The buyer has stated that they intend to have the conversion complete by the 4th quarter of 2016.
280	010	197520	0005	169,883	2761172	\$49,500,000	10/13/15	\$291	SEATTLE TOWER	1	Y	Gaw Capital Partners, the same Hong Kong-based investment group that purchased the Columbia Center for \$711M in August 2015, purchased the Seattle Tower, a 27-story art deco Class B+/A- office building originally built in 1929, on 10/13/2015 for \$49,500,000 (\$291/SF) in a fair market transaction. According to CoStar, the property was approximately 12% vacant at the time of sale and traded at a 4.9% Cap Rate based on income at the time of sale. The proforma Cap Rate was 4.8%. The sale represents a 63% increase in value since the seller, Invesco, acquired the property 4 years ago in August 2011. The property had asking rates of \$29/SF Full Service, according to the last leases on CBA in mid-2014.
280	010	093900	0260	336,355	2765817	\$124,407,218	11/09/15	\$370	DEXTER HORTON BUILDING	1	Y	Hong Kong based Great Eagle Holdings acquired the historic Dexter Horton building from Portland based Gerding Edlen on 11/9/2015 for \$124,407,218 or \$370/SF in a fair market transaction. The sale price represents a gain of 63% since the seller acquired the property just 3.7 years prior in 3/2013, or 17% per year. The seller had spent \$7.4M on upgrades during their ownership. The property was 11% vacant at the time of sale and traded at a 3.96% Cap Rate based on YE2014 NOI of \$4,924,163. Costar lists a 4.50% Cap Rate on actuals or 4.60% pro forma. The 15-story historic Class B office building was put up for sale in August 2015 with an undisclosed asking price. The offering for the subject highlighted the potential for strong rent growth in the near term due to the fact that half of the building's leases are due to expire over the next five years and a fifth of the leases are currently below market rents. Average rent at the time of sale was \$29.34/SF. The building's largest tenant is Corbis at 84,400 SF, which was paying \$27/SF gross under a lease set to expire in 2019. Other large tenants include Omnicon Group at 37,000 SF paying \$33/SF gross; CollinsWoerman at 23,100 SF paying \$29.36/SF. Operating expenses were estimated at around \$8/SF. Currently vacant space is being marketed at \$36/SF Full Service.

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	010	610845	0180	14,291	2772059	\$8,500,000	12/17/15	\$595	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	1	Y	The 15th floor medical office condo at the Nordstrom Medical Tower on First Hill sold on 12/17/2015 for \$8,500,000 or \$595/SF. The property was 100% occupied, with the tenant having recently signed a 10-year extension, and traded at a 5.54% Cap Rate. The unit totals 14,291 SF and covers the entire 15th floor. The tower is connected to Swedish Hospital via skybridge. The recently signed lease significantly raised the value of the property. Prior to the new lease being signed, the seller received an unsolicited offer for the property for just over \$6M, indicating a value around \$420/SF without a new lease in place. The seller plans to donate all of the net proceeds from the sale to a charitable foundation.
280	010	094200	0050	554,945	2702067	\$219,950,000	11/21/14	\$396	1111-3 AVE BUILDING	1	Y	Ivanhoe Cambridge purchased the property along with the adjacent 1100 Second Ave (-0045 & -0070, E#2702070), a 5-story historic office building, in two simultaneous but separate transactions totaling \$279,950,000 or an average of \$413/SF. The two properties had been part of a 2.6M SF portfolio owned by a Goldman Sachs subsidiary that was pushed into receivership in 2012. The general receiver invested more than \$10M in upgrades to the property prior to the sale, and was able to raise the occupancy rate from about 40% to about 65% at the time of sale. Asking rates for currently vacant space aren't advertised.
280	010	094200	0590	129,000	2699099	\$50,350,000	10/31/14	\$390	PACIFIC BLDG	1	Y	This sale price is 42% higher than the property's prior sale just 19 months prior (March 2013) for \$34,450,000 or \$275/SF. The property's vacancy rate had substantially improved over this time from about 25% vacant at its prior sale to around 6% at the date of this sale. No Cap Rate information was disclosed. Currently vacant space is being marketed at an asking rate of \$35/SF Full Service.
280	010	094200	0470	914,733	2692123	\$111,362,225	09/23/14	\$122	BANK OF AMERICA FIFTH AVENUE PLAZA (800 Fifth now)	1	N	Sale on 9/23/2014 for \$111,362,225 represents the sale of the leasehold interest in the existing ground lease. Hines had leased the ground under which the 800 Fifth Avenue tower stands from the James Campbell Co. Hines reached a deal to buy out the land from James Campbell Co for \$165M (E#2692119). Hines then reached a deal to buy out Block 24 Seattle's interest in the ground lease for \$111.4M (E#2692123). It should be noted that Block 24 Seattle is a Hines-owned limited partnership so this aspect of the transaction was between related parties. The total acquisition price would be \$276,362,225 or \$302/SF of building area. Seattle Times article attached.
280	010	094200	0470	914,733	2692119	\$165,000,000	09/25/14	\$180	BANK OF AMERICA FIFTH AVENUE PLAZA (800 Fifth now)	1	N	Sale on 9/25/2014 for \$165,000,000 represents the sale of the leased fee interest in the land. The land is encumbered with a ground lease. Hines had leased the ground under which the 800 Fifth Avenue tower stands from the James Campbell Co. Hines reached a deal to buy out the land from James Campbell Co. Hines then reached a deal to buy out Block 24 Seattle's interest in the ground lease for \$111.4M (E#2692123). It should be noted that Block 24 Seattle is a Hines-owned limited partnership so this aspect of the transaction was between related parties.
280	010	610845	0110	2,547	2669173	\$1,150,000	05/16/14	\$452	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	1	Y	Medical condominium on "Pill Hill"
280	010	094200	0550	171,305	2617270	\$34,500,000	07/10/13	\$201	CENTRAL BUILDING	1	Y	Class B 8-story history landmark midrise sold with 14% vacancy and \$18 - \$24/sf full-service asking rates per officespace.com - 29,094 sf street-level retail - bldg renovated from 2002 - 2007 - CBD. Originally built in 1907
280	010	093900	0435	940,648	2608541	\$389,800,000	05/31/13	\$414	WELLS FARGO CENTER	1	Y	47-story Class A highrise acquired by Ivanhoe Cambridge. The property was 74% occupied at the time of sale and traded at a 4.50% Cap Rate. LEED certified building with onsite management, retail, parking, a conference center, and restaurants.
280	010	610845	0130	1,566	2601293	\$607,608	04/15/13	\$388	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	1	Y	Medical condominium on "Pill Hill"
280	010	094200	0590	129,000	2596437	\$35,450,000	03/28/13	\$275	PACIFIC BLDG	1	Y	22-story Class A-/B+ CBD high-rise with 18.5% direct vacancy & \$28 - \$31/SF full-service asking rates as of sale date - renovated in 2009 - off-market transaction - CBD. Originally built in 1970.
280	010	093900	0260	313,380	2591790	\$76,605,111	03/01/13	\$244	DEXTER HORTON BUILDING	1	Y	15-story Class B+ midrise with 10% vacancy at sale and full-service asking rates of \$25 - \$32/SF - seismic upgrades and renovations occurred from 2000 - 2006 with \$34m spent. Originally built in 1922.
280	010	197570	0095	114,989	2589231	\$28,238,000	02/14/13	\$246	LOGAN BLDG	1	Y	10-story Class B+ midrise with 6.8% vacancy & full-service asking rates of \$23 - \$26/sf - strong retail por. - CBD. Originally built in 1958

## Area 280-20 (Lake Union, Denny Regrade & Fremont) Sales:

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	020	069700	0235	255,018	2711715	\$120,656,489	01/28/15	\$473	BLANCHARD PLAZA	1	Y	Sale on 1/28/2015 for \$120,656,489 or \$472/SF is considered a market transaction. The property was recently fully leased to Amazon under a long term lease and is undergoing an extensive \$30M interior renovation. The ground floor retail space is also reportedly being converted into office space. Cap Rate was reported at 5.20%. Amazon's lease reportedly runs through 2025 and features 4% average annual increases over the first 5 years. The property was on the market for less than a month and received strong interest.
280	020	302504	9001	81,691	2714505	\$31,550,000	02/10/15	\$386	1300 DEXTER	1	Y	Per CoStar asking rents are \$25-27/SF NNN. The property is vacant and given Pemco is an owner user and remodeling the building, this wasn't an impediment to the sale. Per the DJC: "February 26, 2015. Holland Partner Group and Pemco Insurance traded several parcels in South Lake Union last week, property records show. A company called Exchange Facilitator Corp. paid Holland \$31.55 million, or \$394 per square foot, for a 80,000-square-foot building at 1300 Dexter Ave. N. Holland's Tom Parsons said Pemco is the ultimate buyer of the property. Pemco will renovate the building and move in this fall. JPC Architects of Bellevue is the architect and R Miller Construction Inc. is the general contractor. An entity related to Holland paid Pemco \$16 million, or \$484 per square foot, for four parcels along Harrison Street between Minor and Pontius avenues, where Holland is planning two apartment buildings with 258 units. Pemco sold its former South Lake Union headquarters to Unico Properties for \$51.75 million."
280	020	066000	2054	336,041	2720895	\$133,629,700	03/26/15	\$398	METROPOLITAN PARK I (West) OFFICE BLDG	1	Y	Sale on 3/26/2015 for both Met Park East and West for a combined \$272,806,805 (\$390/SF) is considered a fair market transaction. The two towers sold in separate transactions. The West tower sold for \$133,629,700 (\$398/SF) with EH2720895. The East tower sold for \$139,177,105 (\$383/SF) with EH2720894. Brookfield Office Properties was the seller and CBRE Strategic Partners is the buyer. The property sold for roughly 30% more than the prior sale price about 3 years ago. The property was reportedly 95% occupied at the time of sale and traded at a 5.90% Cap Rate. Marketing materials describe the subject as two steel framed, Class A buildings (West=18 stories, East=20), that were renovated in 2006, with 11-ft ceilings, LEED Gold certification, featuring decks, conference facilities, locker rooms, and 449 parking spaces in a 3 level below grade parking garage. Tenants include Facebook, Jack Henry & Assoc, Swedish, and Virginia Mason. Facebook will be leaving in 2016 when they move to Dexter Station.
280	020	066000	2410	363,727	2720894	\$139,177,105	03/26/15	\$383	METROPOLITAN PARK II - EAST	1	Y	Sale on 3/26/2015 for both Met Park East and West for a combined \$272,806,805 (\$390/SF) is considered a fair market transaction. See note for Met Park West sale.
280	020	872976	0010 0020	323,192	2744468	\$250,970,000	07/21/15	\$777	2201 WESTLAKE OFFICE/RETAIL	2	Y	Vulcan sold 2201 Westlake, a 12-story Class A+ office building, on 7/21/2015 for \$250,970,000 (\$729/SF) to American Realty Advisors, an investment manager for institutional investors, in a fair market transaction. The property was put on the market 4 months prior to close. Building was fully leased to PATH (112,000 SF 10+ year lease commenced 1/2010) & Amazon in the remainder of the office portion, as well as retailers West Elm, Bang & Olufsen, Einstein Bagles, and Ann Sacks Tile & Stone. No information on Cap Rate. Floorplates range from 22,000 to 39,000 SF, 14-ft ceiling heights, 336-stall 5-level below grade parking garage, across the street from Whole Foods, LEED-Gold Certified. Mixed-use building also include the 135-unit Enso condos which were not a part of the sale.
280	020	224950	0480	150,918	2758565	\$67,375,579	07/31/15	\$446	ELEVEN01 WESTLAKE	1	Y	Holland sold the 1101 Westlake building to Invesco on 9/29/2015 for \$67,375,579 (\$446/SF) in a fair market transaction. The six-story, steel & concrete, Class A office building was still under construction when it was sold, with an anticipated date of completion of December 2015. According to the seller, the property was not officially being marketed for sale, however market participants were aware Holland was interested in a potential sale. Marketing materials highlight its efficient floor plates, unobstructed Lake Union views, energy efficiency, grade-level secure bike/kayak storage with shower facilities, and a 1/1,000SF parking ratio. Building is currently being marketed for lease. Asking rates are not disclosed but the property is being marketed for lease triple-net with NNN expenses listed at \$10.25/SF.
280	020	246740	0120	339,038	2770642	\$261,000,000	12/09/15	\$770	400 FAIRVIEW OFFICE BUILDING	1	Y	Institutional investor TIAA-CREF acquired a 90% interest in the 400 Fairview building from Skanska on 12/9/2016 for \$234,764,000. Skanska retained a 10% interest (worth \$26,236,000). The 100% interest was valued at \$261,000,000 (\$770/SF), according to the excise affidavit. At the time of sale the property was 25% vacant and traded at a 3.70% Cap Rate based on in place income, and at a 5.0% Cap Rate based on stabilized pro forma income. 400 Fairview is a 13-story Class A+ multi-tenant office mid-rise. The property's side-core floorplates average 26,000 SF and amenities include shared conference rooms, bike parking with shower facilities, on-site food options, The Hall (ground floor retail featuring numerous retailers), expansive views, on site parking, and is targeting LEED Platinum. Tommy Bahama is the anchor tenant with 110,000 SF. Other major tenants include Impinj with 52,000 SF, and Car Toys/Wireless Advocates with 44,000 SF. The property was marketed by Eastdil Secured. Office space was previously marketed for lease asking \$34-\$40/SF NNN with expenses listed at \$11.05/SF. Currently vacant retail space is being marketed for lease asking between \$35-\$70/SF with retail expenses listed at \$8.55/SF.
280	020	198320	0065 0075	394,578	2772259	\$298,856,963	12/18/15	\$757	AMAZON PHASE VI - N & S BLDGS - ALL DATA ON THIS PARCEL	2	Y	Vulcan Real Estates sold the Amazon Phase VI property to Union Investment Real Estate out of Germany on 12/18/2015 for \$298,856,963 (\$757/SF) in a fair market transaction. The Phase VI property was built by Vulcan for Amazon in 2013/2014 and consists of two 6-story Class A single-tenant office buildings connected via sky bridge. Total net rentable area is 394,578 SF, of which 13,810 SF is grade-level retail space. The improvements are situated above a 545-stall below-grade parking garage. The office space is fully leased to Amazon under a 15-year NNN lease (expires 2030). At the time of sale the property was 100% fully leased and according to CoStar traded at a 3.75% Cap Rate based on actuals, or a 4.0% Cap Rate based on pro forma. It was an all cash transaction.

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	020	182504	9072 9075 9088 9132	120,777	2706623	\$70,077,827	12/19/14	\$580	STONE34 - BROOKS HQ - OTHER PARCELS 9132, 9075, 9088	4	Y	Property is subject to a 55-year ground lease; according to news articles the ground lease was transferred to the new owners. The original developer sold the property to a partnership of Laird Norton & Unico at a reported Cap Rate of 5.30% on actuals or 5.60% based on pro forma. Marketing time was not disclosed, however it was estimated at 1 to 3 months. Occupancy was reported at 92%, with vacant space consisting of ground floor retail. The office space is fully leased to Brooks as their corporate headquarters. Their flagship retail store occupies almost half of the ground floor retail space. Building was built as part of the city's Deep Green Pilot Program which requires water/energy use to be 75% less than comparable buildings. The retail space is being marketed for lease with asking rates of \$30-\$34/SF NNN, with expenses at \$5.80/SF.
280	020	684770	0105	157,445	2708153	\$51,750,000	12/31/14	\$329	PEMCO INSURANCE COMPANIES - HOME OFFICE BUILDING	5	Y	This was a well publicized sale of the former Pemco Insurance Complex. They will continue to lease until the new renovation is complete at the new location. In speaking with both the listing broker at C&W as well as the contact with Unico, this was a clean market sale and although there is a lease for Pemco in place until the end of the year when their new location at 1300 Dexter is ready, it didn't affect the price. Also, it sounds like there really was about 30,000 SF of extra land (half of it has 19,000 SF of older office space on it) that may be redeveloped or sold off. The space on it is older and per the contacts, the amount of monthly parking rent generated isn't that high and wouldn't affect the purchase price by much if at all. Thus, it is difficult to decide exactly how much of the land to call excess but the sale price would adjust downward if it was removed. Given the amount of TI work needed, the property sold at where it should for its age and quality. The buyer contact stated some of the building is below grade and will generate less rent because of it and that being next to the freeway does have an impact on value. He also stated that they basically considered it a vacant building purchase knowing they would need to lease it up after Pemco moves. Unico is Seattle based REIT with other partnerships and high net worth funds as well. They focus on Seattle, Portland and Denver on primarily office properties.
280	020	020900	0030	71,421	2695645	\$35,995,260	10/15/14	\$504	500 YALE AVENUE NORTH	1		Per CoStar the property was listed for 120 days and CBRE was the listing broker. Note highlights from CoStar: This transaction represents the sale of an office building with retail space on the first level. The property is located in the King County/Puget Sound Market. The building has a total of 73,631 rentable square feet. The asset was delivered in December, 2009 and was awarded an Energy Star in September, 2014. At the time of closing two retail spaces were available and referred as Northern 1,309 square feet and Southern 1,293 square feet. The occupancy was 96% at closing. The cap rate was approximately 5.75%. The sellers acquired the property and an adjacent property in May, 2012 for \$49,050,000 (see Comp 2318870). It was part of the seller's business plan to hold the property short term. However the buyers were attracted to the location, long term tenants and the cash flow with NNN leases. This property fit the buyer's investment criteria. The seller used external broker representation. The buyer's representative was internal. This was an all-cash deal. It has been reported that the buyers may obtain financing post-closing. This has not been verified. Based on the cap rate the NOI is approximately \$2,069,727. The property taxes are \$151,437. The buyers will manage the property.
280	020	065900	0305	297,470	2676850	\$101,000,000	06/30/14	\$340	720 OLIVE BLDG	1	Y	Hines sold the property to a partnership of Prudential and Talon. Property was reportedly 16% vacant at the time of sale. Costar is reporting the property traded at a 5.10% Cap Rate. Buyers plan on investing around \$10M upgrading the building, including a new lobby, ground floor retail space, possibly a conference center, fitness center, and expanded bicycle storage. About half of the current tenant's leases will roll over within the next three years, giving the new owner an opportunity to re-lease the building at higher rents.
280	020	066000	1135	312,700	2646910	\$150,375,000	12/23/13	\$481	1800 9th Avenue Building	1	Y	Prudential Realty Group and Talon Private Capital sold to Heitman America Real Estate Trust. Building sold at 5% cap rate and it was 97% leased at time of sale with Amazon occupying 200,000 SF in early 2013. This building was purchased from Regence in 2011 for \$76.5 million though it was less than 40% occupied then. A major renovation was done before the building was put up for sale: full service cafe, completely renovated lobby in 2012 with common areas that have comfortable sitting space and WiFi, exterior deck, fitness center with shower and lockers, an 80 person conference center. Property was listed for one month before it sold though no asking price was set and final sales price was set by mutual negotiations.
280	020	302504	9001	81,691	2646019	\$19,499,990	12/17/13	\$239	1300 DEXTER (CASEY FAMILY BLDG)	1	Y	Holland Partner Group out of Vancouver, Wa purchased the properties and this sale is one of four that make up the total \$79.5M transaction. This office building will likely remain as in income producing office property even though the surround land that was purchased will likely develop up to as high as 12 stories per the 2013 rezoning.
280	020	093900	0335	295,515	2638206	\$66,000,000	10/28/13	\$223	EXCHANGE BLDG	1	Y	Building was 67% leased at time of sale and was considered a high vacancy building. Price was approximately \$223 per SF of NRA. Sellers had a broker. The price is 18% less than what the sellers paid for the property in 2007. About 90,000 SF was vacated earlier in 2013 though a full floor lease was pending as of October. Actual cap rate was 3.70%. Originally built in 1929
280	020	198620	0275	130,710	2629321	\$97,379,767	09/10/13	\$745	202 WESTLAKE - OFFICE SITE	1	Y	2013 Class A+ Midrise with office space 100% leased to Amazon from 9/13 for 15 years or 2028 with yearly escalations and with no contraction or termination options - highest unit value of any Seattle metropolitan area office sale in current rising office market - per Kidder Mathews the cap rate was just over 5.1% - per CoStar the NNN cap rate was 5.26%
280	020	066000	02381	184,691	2621396	\$106,407,264	07/31/13	\$576	METROPOLITAN PARK NORTH BUILDING	1	Y	Class A 11-story office bldg with full occupancy at sale - office space, which is 74% of NRA, will be occupied by Amazon under lease from 11/13 through 10/23. Large parking structure also serves Met Pk E & W Bldgs - fringe CBD.
280	020	766620	2477	97,822	2605941	\$32,500,000	05/15/13	\$332	SCHWABACHER BUILDING (OLD IMMUNEX BLDG)	1	Y	Known as 51 University now. Unico Properties acquired the former Immunex Bldg from Equity Residential in an off market transaction. The property was 33% vacant at the time of sale.
280	020	198620	0185	329,341	2584971	\$169,950,000	01/16/13	\$516	WESTLAKE TERRY - EAST BLDG	2	Y	Two 6-story Class A offices - 100% occupied - main office tenants are Group Health HQ's & Microsoft (Group Health & Vulcan were sellers) - 42,700 SF of street-level retail - South Lake Union

### Area 280-30 (Pioneer Square & South Seattle) Sales:

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	030	766620	3300	130,000	2679402	\$18,000,000	07/16/14	\$138	HOLGATE CENTER	1	Y	Property wasn't widely exposed to the market. The property consists of three structures: Bldg1) is a 110,000 SF, two-story, office building; Bldg2) is a 20,000 SF Office Depot retail store; and Bldg3) is a one-story parking garage. Total net rentable area is estimated at 130,000 SF. The property was reportedly 100% occupied at the time of sale and traded at a 7.30% Cap Rate based on income at the time of sale.
280	030	524780	0200 0201 0203 547960 0010	220,461	2653222	\$57,640,000	02/12/14	\$261	MERRILL PLACE	4	Y	4 interconnected buildings involved in this sale: office and retail space and an above ground parking structure. The properties were 85% leased at the end of 2013. The actual cap rate was 5.20% and pro-forma for 1st year was listed at 4.9%. Escrow time was approximately 37 days. Sellers used a broker for this transaction. All cash transaction.
280	030	766620	6220	106,496	2648608	\$27,675,000	12/24/13	\$260	ZULILY OFFICE BUILDING - OLD OLYMPIC COLD STG	1	Y	This was a single tenant building that was entirely occupied by Zulily. It was renovated in 1999. The building was 100% leased at the time of sale though the lease expired June 2013 and buyers were aware it would be completely vacant by July 2014. Zulily was relocating to the Seattle Trade & Technology building. This was an all cash, off market deal with a 45 day escrow. Originally built in 1900
280	030	880970	0050	253,769	2625250	\$97,893,651	08/20/13	\$386	UNION STATION CONDOMINIUM-	1	Y	Class A 11-story midrise sold with 20% vacancy and \$20 - \$25/sf NNN asking rate - urban campus of 5 bldgs - rent roll includes tech companies Intel, Attachmate, Globys - in proximity to transit hub - International District/Pioneer Square - 5.8% cap rate
280	030	766620	6900 6895	470,942	2621395	\$224,936,666	07/31/13	\$478	505 FIRST AVENUE BUILDING	2	Y	Two buildings: Class B+ 8-story 83 King St with allocated price of \$49,575,5411 with 17.6% vac & asking rates of \$28 - \$30/sf full-service & adjacent new Class A 7-story 505 1st Ave Bldg with allocated price of \$164,117,195 with 5% vac & NNN asking rates of \$20- \$25/sf - Seller had previously purchased the properties in 8/11 for \$124,825,000
280	030	880970	0030 0040	319,844	2595904	\$96,900,000	03/27/13	\$303	UNION STATION CONDOMINIUM-	2	Y	605 Union is a Class A 9-story midrise with 4.3% vacancy & 625 Union is a Class A 4-story office with 0% vacancy - \$20 - \$25/sf NNN asking rates - sale includes parking easements in parking condo - Pioneer Square/International District submarket

### Area 280-40 (Seattle Waterfront) Sales:

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	040	065300	0250 0270	336,923	2720831	\$170,000,000	03/26/15	\$505	2601 ELLIOTT (SEATTLE TRADE AND TECHNOLOGY CENTER)	2	Y	Sale on 3/26/2015 for \$170,000,000 (\$505/SF) is considered a fair market transaction. The property was 99.9% leased at the time of sale and traded at a 5.30% Cap Rate. Zullyly occupies around 80% of the building with the Art Institute of Seattle occupying the remainder. The property also includes an adjacent 594 stall parking garage connected via skybridge (on minor - 0270). Property was marketed for about two weeks. Wright Runstad & Shorenstein Partners were the sellers. The buyer is JP Morgan Chase.
280	040	766620	2525	140,000	2733302	\$38,100,000	05/29/15	\$272	MARITIME BUILDING	1	N	On 5/29/2015 Beacon Capital purchased the Maritime Building, a 5-story renovated historic Class B office building, for \$13,138,000 (\$94/SF imps) in a non-market transaction. The excise tax affidavit lists a "gross selling price" of \$6,203,000 and a "taxable selling price" of \$13,138,000, which is identical to the subject's assessed value at the time the affidavit was filed, suggesting it is an assigned figure. According to the seller, the recorded sales price does not accurately reflect the true consideration paid by the buyer to acquire the subject due to the fact that the buyer had to acquire and exercise a prior existing purchase option that encumbered the property. The true purchase price was \$38,100,000 (\$272/SF) which was comprised of \$6,203,000 cash plus the assumption of a \$31,900,000 purchase option contract. Asking price was \$39,168,000 (\$280/SF). The seller's of the subject, Maritime Corporation, originally purchased the property in 1984 and then immediately leased the entire premises to themselves as a separate entity (Maritime Associates) under a "Net Lease and Option to Purchase" contract. The Lease/Option contract was extended in December 2014 for an additional 20-year term. On the date the property sold to Beacon Capital, a Memorandum of Assignment and Termination of Lease was recorded indicating that Maritime Associates had assigned its interest in the Lease/Option to the buyer and that immediately following the assignment of the Lease/Option the buyer exercised the option to acquire the fee interest in the property. The sale was an off-market transaction with no brokers involved. Asking price was established using a pro forma NOI of \$2,000,000 at a 5% Cap Rate. Actual Cap Rate was 1.3% based on actual NOI of about \$500,000. Property was sold in a bidder format with three interested parties. Office space was reportedly 25% vacant but declining at the time of sale. Rental rates were about \$20/SF, having risen from \$15/SF a few years ago. Retail space was virtually vacant due to the fact that nearby construction related to the viaduct/tunnel has killed retail foot traffic in the vicinity. The buyer has submitted plans to completely renovate the existing building to Class A standards and add 8-floors to the building consisting of 2 additional floors of office space and 6 floors of apartments with 114 units.
280	040	197720	0280	131,142	2617334	\$71,200,000	07/11/13	\$543	MARKET PLACE ONE & TWO	1	Y	Two Class A 7 & 4 story midrise with 10.5% vacancy at sale and full-service asking rates of \$33 - \$35/sf, unobstructed Elliott Bay & Olympic Mtn. views - waterfront sub-market
280	040	766620	2080 2110 2133	299,523	2598722	\$142,500,000	04/03/13	\$476	Elliott West Bldg 3 - Cell Therapeutics/Admin. Office	3	Y	Three - 4 & 5-story Class A+ offices fully leased to F5 Networks with lease from 4/2013 thru 2/2022 at effective base rate for term of \$28.12/SF NNN & 2 5-year extensions -cap rate was 5.91%. Located in the waterfront sub-market.

## Area 280-50 (Bellevue CBD and Suburban Bellevue) Sales:

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	050	154410	0320	305,835	2716948	\$205,100,000	02/11/15	\$671	CIVICA OFFICE COMMONS	1	Y	Sale on 2/11/2015 for \$205,100,000 or \$671/SF is considered a fair market transaction. The property was 89.9% leased at the time of sale to a number of tenants including Microsoft, Cornerstone Advisors, MetLife, Morgan Stanley, and Wells Fargo. No Cap Rate information was provided. Currently vacant space is being marketed at \$36-\$38 per square foot, NNN, with expenses at \$13.53/SF.
280	050	808120	0020	0	2716933	\$23,000,000	03/04/15		THE SUMMIT III - PHASE C - BELOW GRADE PARKING STRUCTURE - FUTURE OFFICE	1	Y	Sold along with SUMMIT I & II office buildings. Property comprises a 7-story below grade parking garage with full entitlements for development of a 15-story 330K SF office tower
280	050	808120	0010	524,130	2716932	\$296,800,100	03/04/15	\$566	SUMMIT BUILDINGS I & II (PSE EAST BLDG & PSE BLDG)	1	Y	Sale on 3/4/2015 for \$296,800,100 or \$566/SF is considered a good sale at market. Hines acquired the Summit I & II office buildings, as well as the Summit III fully-entitled development site with parking garage, in two transactions totaling \$319,800,100, from Ivanhoe Cambridge. Summit I & II are 94.7% leased to eleven tenants, including PSE, New York Life Insurance, Perkins Coie, and Sterling Savings Bank. The towers are LEED Gold certified. The property reportedly traded at a 5.70% Cap Rate. Currently vacant space is being marketed at \$34-\$36/SF NNN with expenses at \$12.93/SF. Marketing flyer describing the property is attached to this note. Summit III's separate transaction price was \$23,000,000 (E#2716933) and consists of a seven-story below grade parking garage and comes with full entitlement for the development of a 15-story office building with 330,000 square feet that can be delivered in 24 months. Total net building area in RP was increased from 489,628 SF to 524,130 SF as a result of info from this sale.
280	050	202505	9097 9202 9245	134,029	2717924	\$37,750,000	03/04/15	\$282	CORPORATE CAMPUS EAST	3	Y	Buyer and Seller were represented by brokers. Listing agent indicated subject's properties were 80% occupied, blended rental rates of \$23/sf/yr NNN lease, and Cap Rate used was 6%. Rental rates still have room for increase.
280	050	154410	0254	353,552	2726351	\$169,500,000	04/24/15	\$479	ONE BELLEVUE CENTER	1	Y	The leasehold interest in the subject sold on 4/24/2015 for \$150,000,000 (\$424/SF) in a fair market transaction. The improvements are built on leased ground. The buyers subsequently acquired the underlying land almost a year later on 2/8/2016 for \$19,500,000 (\$403/SF land) E#2779201. Total acquisition price would then be \$169,500,000 or \$479/SF. The buyers, LaSalle Investment Management & California State Teachers Retirement System, acquired the 21-story tower from Walton Street Capital. The property was 96% occupied at the time of sale and traded at a 6.40% Cap Rate based on in-place income or at a 6.20% pro forma Cap Rate. Asking lease rates are \$40-\$42/SF Full Service. The property features updated conference facilities, renovated fitness center, complimentary valet parking, and an updated lobby. EBay is the largest tenant.
280	050	600950	0035	156,000	2726624	\$75,025,000	04/28/15	\$481	PLAZA EAST	1	Y	Sale on 4/28/2015 for \$75,025,000 or \$481/SF is considered a fair market transaction. Clarion Partners purchased the Plaza East building from Beacon Capital at a 5.10% Capitalization Rate with vacancy at the time of sale at approximately 10%. It was reported that the Class A, LEED Silver, nine-story office building had recently undergone a significant capital investment program and modernization of tenant interiors to appeal to tech, creative, and financial tenants. Costar lists a renovation date of 2001. Clarion's investment report states that rents were approximately 14% below market, providing a potential for upside as existing leases expire. The property was marketed. Currently vacant space is being offered for lease at \$36-\$37/SF Full Service. The subject's square footage in RP was increased from 147,802 SF to 156,000 SF based on information from this sale.
280	050	066287	0010	115,661	2750663	\$38,750,000	08/18/15	\$335	BELLEVUE GATEWAY ONE BLDG	1	Y	Talon purchased the Gateway One building from Walton Street Capital on 8/18/2015 for \$38,750,000 (\$351/SF) in a fair market transaction. Walton announced in summer 2014 that they would be putting a large portion of their office portfolio in the region on the market. Gateway One is a four-story, Class A/B, multi-tenant office building. The property features adjacent access to I-405 & I-90, a 3.5/1,000 SF parking ratio, free surface parking and 75 covered spaces, state-of-the-art conference center, on-site fitness center and deli, a three-story atrium lobby with break-out areas, card key controlled entry, and 27,000 SF floorplates. The property was just 2% vacant at the time of sale and traded at a 6.10% Cap Rate based on actuals, 6.20% on pro forma. According to the buyers, gross rents are \$34/SF although currently vacant space is being offered at \$36/SF Full Service. The buyers were attracted to the property due to it being the "anti-tech building" occupied by non-tech tenants that oftentimes are better-credit tenants; companies that aren't interested in competing with high rent paying tech tenants and don't want to pay downtown premium lease rates. More than \$7 million was invested in the property over the past several years in order to update and reposition the property.
280	050	813530	0020 0115 0120	302,311	2706219	\$90,690,576	12/18/14	\$300	SUNSET CORPORATE CENTER	3	Y	The property was reportedly on the market for about 120 days prior to going under contract. Occupancy was 85% at closing and the property traded at a 6% (ballpark) Cap Rate. The buyer is New York Life. HTC is the largest tenant, occupying two floors, followed by Booking.com who leases 1 and 1/3 floors. In addition to the two office buildings, the sale also included the Bright Horizons child care center (-0120) located in a 8,954 SF free-standing building behind the two office buildings. Currently vacant space is being marketed at \$24/SF NNN with expenses estimated at \$10.57/SF.
280	050	202505	9019	154,195	2649597	\$43,400,000	01/14/14	\$281	CORPORATE CAMPUS EAST BLDGS E, F, G,	2	26	Sale on 1/14/2014 for \$43,400,000 or \$281/SF is considered a good sale at market. Based on info contained in marketing information for the property, the net rentable area of the subject had been understated in RP by approx. 19,193 SF. Total NRA amounts to 154,195 SF and RP has been updated with the new figures. Property was reportedly 93% occupied at the time of sale and traded at a 6% Cap Rate based on income at the time of sale.
280	050	292505	9048 9357 9358	490,096	2649703	\$186,500,000	01/14/14	\$381	US BANK PLAZA	3	Y	This sale that includes two office buildings plus a parking garage located on NE 8th St in the Bellevue CBD. The location is prime. Property was 81% leased at time of sale with 52 tenants. Currently vacant space is being marketed at \$36-\$36/SF, Full Service.

## Area 280-60 (Seattle North & Eastside Suburban) Sales:

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	060	124270	0025 0030	77,418	2714697	\$22,099,990	02/20/15	\$285	MOUNTAIN PACIFIC BLDGS (Centra Office Park)	2	Y	Sale on 2/20/2015 for \$285/SF is considered a fair market sale. Buyer has subsequently renamed the property Centra Office Park. In addition, the buyer planned upgrades in Summer 2015 including interior and exterior upgrades
280	060	215465	0010	113,173	2721095	\$17,900,000	03/30/15	\$158	EAST CAMPUS CORPORATE PARK I	1	Y	Sterling Realty Organization purchased the East Campus Corporate Park I building from Ilahie Holdings on 3/30/2015 for \$17,900,000 (\$169/SF) in a fair market transaction. The 4-story, Class A, multi-tenant office building was approximately 11% vacant at the time of sale and traded at a 7.60% Cap Rate according to the selling broker. Marketing materials highlight the property's timeless design, convenient location, surface parking at 4/1,000 SF, high-end lobby finishes, and nearby amenities. Vacant space is being offered at \$15.50/SF NNN with expenses at \$8.00/SF; 3-5 year terms are being sought with TI's offered between \$10-\$30/SF. Property was marketed as being available below replacement cost.
280	060	697920	0050	193,454	2744995	\$35,011,288	07/15/15	\$181	PLAZA AT NORTH CREEK	1	Y	Sale on 7/15/2015 for \$35,011,288 (\$181/SF) represents an allocated sale price as a portion of a \$3.3 billion portfolio acquisition. If individually marketed for sale, the property would be expected to command a higher price. Blackstone acquired the 11.4 million square foot portfolio from GE Capital in a \$3.3 billion deal. The portfolio primarily consists of office properties in Southern California, Redmond, and Chicago. In the Redmond market, approximately 1.55 million square feet were sold at a deed recorded value of \$205 million. Total portfolio occupancy was listed at 81% and included some REO properties that the seller had foreclosed on. The Plaza buildings are described as 3-story, Class A, multi-tenant, garden-style office buildings that provided excellent access and freeway visibility. The buildings have 33,963 SF floorplates, feature card key controlled access, on-site property management, and a 4/1,000 SF parking ratio. The Plaza East building is currently 95% occupied while the Plaza North building is at 94%. Currently vacant space is being offered at \$18.00/SF NNN, with expenses listed at \$7.50/SF.
280	060	410450	0270 0275 172505 9044 9303	125,192	2758902	\$37,000,000	09/29/15	\$296	CROWN POINTE BLDG A	4	Y	Buyer- Asset Manager Christina Lewison with TA Realty, LLC Asset Management firm for a REIT. Purchased property for future investment. Verified sale price, date, building size, unrelated parties. Properties are known as Legacy Crown Pointe Properties with a park like campus. Buildings have a Energy Star award for its operating efficiency. Property is a good sale.
280	060	332304	9001	532,430	2764966	\$47,100,000	10/29/15	\$88	SEATAC OFFICE CENTER	1	Y	Urban Renaissance Group acquired the SeaTac Office Center from ScanlanKemperBard on 10/29/2015 for \$47,100,000 (\$88/SF) in a fair market transaction for a value add investment. It should be noted that the subject is encumbered with a ground lease for an adjacent parcel (-9008) that is used for surface parking. The ground lease was amended in December 2011 specifying a 7 year term commencing 1/1/2012 through 12/31/2018 at a ground lease rate of \$9,583/month, indicating an annual ground lease expense of \$114,996. The property has suffered from chronic high vacancy and was 37% vacant at the time of sale. The buyer intends to invest more than \$10M to renovate the property with "modern features and up-to-date cosmetic materials" in order to reposition the property. Earlier in the year, Alaska Airlines considered purchasing the property in order to consolidate their HQ operations but decided not to. The property consists of two 12-story Class A/B+ office towers and a 4-story lowrise office building that also contains structured parking. Amenities include an on-site deli and 13 Coins Restaurant, parking at 4/1,000SF, secure access, conference facility, fitness room, and prominent building signage. Sale price is 40% less than what the seller had paid for the property nearly 8 years prior when the property was around 18% vacant. The state of Washington signed a 5-year lease in January 2015 for 3,936 SF at an initial annual lease rate of \$29/SF Full Service.
280	060	334040	3341	273,903	2768544	\$45,000,000	11/03/15	\$164	LANDMARK EAST	3	Y	Redwood-Kairos Real Estate Partners acquired The Landmark office complex from BlackRock Realty Advisors on 11/3/2015 for \$45,000,000 (\$164/SF) in a fair market transaction. The Landmark consists of two 4-story Class A office buildings originally built for Boeing in the 90's and situated on a 14-acre campus. The property was reportedly 100% occupied at the time of sale with Wizards of the Coast occupying around 119,000 SF (43% of total NRA) in the west building, the FAA occupying nearly 78,900 SF (29% of total NRA) in the east building, among other tenants. However, the FAA plans to vacate the premises once their new regional headquarters project at the Des Moines Creek Business Park is completed. The broker indicated this was a positive as it represents an opportunity for "near-term value creation" due to the fact that the broker believes the space can be re-leased at higher lease rates. Currently, space is being marketed for lease with an asking rate of \$16.50/SF NNN with expenses listed at \$7.50/SF. No Cap Rate info was disclosed.
280	060	273810	0010 0005 172280 1320	406,459	2703777	\$24,931,086	12/02/14	\$61	SEATTLE DESIGN CENTER	3	Y	High-vacancy value-add property. This sale price is 56% below the property's prior sale price in June of 2007. The property consists of two buildings connected by a skybridge. The property was more than 50% vacant at the time of sale. Sur La Table vacated their 40,000 SF headquarters space at the end of 2013. The buyer is a boutique investment firm out of Beverly Hills who plans to invest more than \$20M renovating and reconfiguring the property. The existing showroom tenants in the Plaza building will be consolidated and moved into the Atrium building allowing the buyer to convert the Plaza building into revamped creative office space. The buyer hopes to attract big tech firms looking for lower cost alternatives to Pioneer Square as well as more amenities such as on-site parking. The buildings will be renamed. Marketing materials state the property had a year one projected NOI of \$1.3M indicating a pro forma Cap Rate of 5.21%. Vacant office space (apparently pre-renovation though it's not clear) is currently being marketed at \$18/SF NNN with expenses at \$6/SF.

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	060	131830	0020	101,252	2674561	\$15,925,000	06/20/14	\$157	MARYMOOR TECHNOLOGY CENTER	1	Y	REO sale – Class A 2009 3-story office 100% vacant in shell condition for 2 years – asking rate at sale was \$19/sf NNN – short marketing period – foreclosed in 3/11 – now named Marymoor Technology Center – Redmond submarket
280	060	723160 192305	0542 9001 9023	395,103	2664944	\$59,962,790	04/29/14	\$152	TRITON TOWER ONE	3	Y	Hines/Oaktree purchased the three, 7-story office buildings from HAL. Financial information was not disclosed, however it was estimated that the property had approx 10% vacancy. Boeing is the primary tenant. Currently vacant space is advertised on Loopnet at \$16.50/SF NNN
280	060	012204	9012	218,585	2646470	\$17,600,000	12/19/13	\$81	The Creeksides at CenterPoint	1	Y	Asking lease rates were \$14/SF NNN. At the time of sale, building 1 - was 67.7% leased, building 2 - was 79.1% leased, and building 3 - 33.3% leased. Due to the high vacancy and lower rents, plus the buyer's own knowledge that lease up time would be long, a price of \$17,600,000 was determined to be fair. No financial distress was reported on the part of the seller and they merely wanted to divest themselves of this asset.
280	060	392700	0130 0150 0160 0170 0180 0190 0200 0210	678,312	2635845 2635843 2635842 2635841 2635840 2635838 2635839 2635846	\$167,469,869	10/15/13	\$247	Schnitzer North Creek Portfolio	13	Y	Grosvenor International purchased an 11 building Class A lowrise multi-tenant portfolio from Schnitzer within the North Creek business park. Buildings were 86% occupied at the time of sale.
280	060	392700	0270 0280 0290	105,000	2635810	\$26,312,014	10/15/13	\$251	SCHNITZER NORTH CREEK BUILDING A	3	Y	Sellers were represented by CBRE. Gross sales price for this particular transaction was \$26,312,014 which also included two vacant underlying parcels. The building was reported to be 100% occupied at time of sale. Though this was part of a bulk sale transaction, it was coded as a good sale due to the performance of the property.

**2016 Physically Inspected Properties**  
Area 280-20



# USPAP Compliance

## Client and Intended Use of the Appraisal:

This mass appraisal report is intended for use by the public, King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others for other purposes is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP SR 6-8. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, 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. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

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

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

**Date of Value Estimate**

**RCW 84.36.005**

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

**RCW 36.21.080**

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

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

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

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

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

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

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

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

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

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

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

## **Assumptions and Limiting Conditions:**

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.

5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

### **Scope of Work Performed:**

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

## CERTIFICATION:

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

- *The statements of fact contained in this report are true and correct*
- *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *No significant real property assistance as determined by the undersigned. All services as may be variously defined significant or otherwise, and performed by duly authorized and qualified King County Assessment staff employed in the areas of Public Information, Accounting/Abstract, Commercial, Residential, Information Services, Personal Property, Accounting/Mapping, Accounting/Support, Accounting/Appeals, Chief Appraiser, Accounting/Exemptions, Accounting/Levy Administration, who may have involvement in physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time, is made part of each real property parcel as a matter of public record and this certification by reference.*
- *Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed here: 2015 Revalue. Any and all activities required under the Certificate of Appointment dated December 5<sup>th</sup>, 2011 under sworn oath appointing the below signed appraiser to the position of true and lawful deputy in the Office of the King County Assessor, and authorized by the State of Washington, Department of Revenue under a Certificate of Accreditation. To Wit: all duties, responsibilities, and services associated with the position description of Commercial Appraiser II in the management and valuation of Commercial Area 280. Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and to be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.*

6/13/2016

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Andrew Murray  
Commercial Appraiser II

Date

Area 280 - Major Office  
2016 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
600950-0035	29,203,000	75,025,000	4/28/2015	0.3892	0.4184
610845-0180	4,808,800	8,500,000	12/17/2015	0.5657	0.2419
872976-0020	142,604,000	250,970,000	7/21/2015	0.5682	0.2394
093900-0260	73,042,000	124,407,218	11/9/2015	0.5871	0.2205
065300-0250	100,035,000	170,000,000	3/26/2015	0.5884	0.2192
093900-0060	45,646,200	73,730,000	1/14/2015	0.6191	0.1885
182504-9072	44,234,700	70,077,827	12/19/2014	0.6312	0.1764
094200-0050	139,646,000	219,950,000	11/21/2014	0.6349	0.1727
392700-0170	7,492,700	11,780,750	10/15/2013	0.6360	0.1716
392700-0160	9,564,800	14,760,136	10/15/2013	0.6480	0.1596
392700-0180	11,081,800	16,832,106	10/15/2013	0.6584	0.1492
154410-0254	99,340,900	150,000,000	4/24/2015	0.6623	0.1453
197520-0005	32,874,000	49,500,000	10/13/2015	0.6641	0.1435
198620-0275	66,859,000	97,379,767	9/10/2013	0.6866	0.1210
766620-6900	155,012,000	224,936,666	7/31/2013	0.6891	0.1185
066287-0010	26,957,900	38,750,000	8/18/2015	0.6957	0.1119
808120-0010	209,111,000	296,800,100	3/4/2015	0.7046	0.1031
292505-9357	132,092,700	186,500,000	1/14/2014	0.7083	0.0993
392700-0230	12,225,900	17,033,888	10/15/2013	0.7177	0.0899
392700-0130	17,646,700	24,127,250	10/15/2013	0.7314	0.0762
094200-0640	530,718,000	711,013,000	8/6/2015	0.7464	0.0612
610845-0110	859,800	1,150,000	5/16/2014	0.7477	0.0600
066000-2054	99,949,000	133,629,700	3/26/2015	0.7480	0.0597
154410-0320	154,246,000	205,100,000	2/11/2015	0.7521	0.0556
410450-0270	27,932,900	37,000,000	9/29/2015	0.7549	0.0527
880970-0050	74,365,000	97,893,651	8/20/2013	0.7597	0.0480
392700-0150	11,192,800	14,594,000	10/15/2013	0.7669	0.0407
392700-0210	11,192,800	14,574,358	10/15/2013	0.7680	0.0396
020900-0030	27,831,100	35,995,260	10/15/2014	0.7732	0.0344
197720-0280	55,996,000	71,200,000	7/11/2013	0.7865	0.0211
066000-2381	84,329,000	106,407,264	7/31/2013	0.7925	0.0151
066000-2410	112,060,200	139,177,105	3/26/2015	0.8052	0.0024
524780-0200	46,691,300	57,640,000	2/12/2014	0.8101	0.0024
094200-0590	40,800,000	50,350,000	10/31/2014	0.8103	0.0027
093900-0435	318,532,000	389,800,000	5/31/2013	0.8172	0.0096
684770-0105	42,319,300	51,750,000	12/31/2014	0.8178	0.0102
813530-0020	75,829,400	90,690,576	12/18/2014	0.8361	0.0285
766620-6220	23,174,000	27,675,000	12/24/2013	0.8374	0.0298
610845-0130	527,700	607,608	4/15/2013	0.8685	0.0609
066000-1135	131,307,000	150,375,000	12/23/2013	0.8732	0.0656
766620-2080	124,544,000	142,500,000	4/3/2013	0.8740	0.0664
198620-0185	152,626,000	169,950,000	1/16/2013	0.8981	0.0905
334040-3341	40,498,500	45,000,000	11/3/2015	0.9000	0.0924
766620-3300	16,317,000	18,000,000	7/16/2014	0.9065	0.0989
197570-0095	25,736,000	28,238,000	2/14/2013	0.9114	0.1038
094200-0550	31,823,000	34,500,000	7/10/2013	0.9224	0.1148

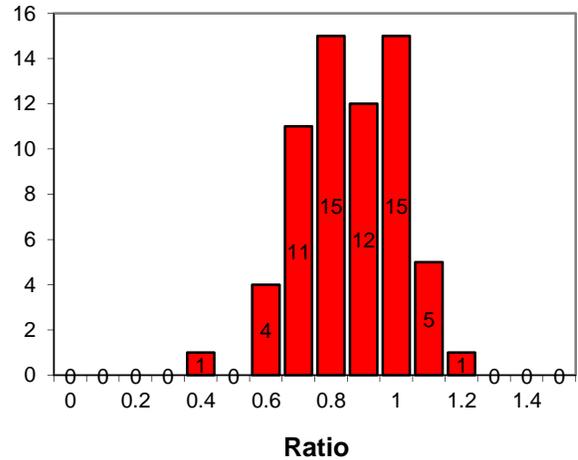
Area 280 - Major Office  
2016 Assessment Year

392700-0095	7,488,100	8,000,000	2/15/2013	0.9360	0.1284
392700-0270	24,634,600	26,312,014	10/15/2013	0.9362	0.1286
093900-0335	61,831,000	66,000,000	10/28/2013	0.9368	0.1292
124270-0025	20,745,000	22,099,990	2/20/2015	0.9387	0.1311
202505-9097	35,914,500	37,750,000	3/4/2015	0.9514	0.1438
093900-0260	73,042,000	76,605,111	3/1/2013	0.9535	0.1459
723160-0542	57,680,900	59,962,790	4/29/2014	0.9619	0.1543
880970-0030	93,729,000	96,900,000	3/27/2013	0.9673	0.1597
697920-0050	34,061,800	35,011,288	7/15/2015	0.9729	0.1653
065900-0305	98,648,000	101,000,000	6/30/2014	0.9767	0.1691
131830-0020	15,694,100	15,925,000	6/20/2014	0.9855	0.1779
766620-2477	32,415,000	32,500,000	5/15/2013	0.9974	0.1898
215465-0010	17,986,400	17,900,000	3/30/2015	1.0048	0.1972
012204-9012	17,884,300	17,600,000	12/19/2013	1.0162	0.2085
392700-0190	7,437,200	7,249,832	10/15/2013	1.0258	0.2182
273810-0010	25,952,200	24,931,086	12/2/2014	1.0410	0.2334
392700-0200	11,081,800	10,546,819	10/15/2013	1.0507	0.2431
094200-0590	40,800,000	35,450,000	3/28/2013	1.1509	0.3433

Area 280 - Major Office  
2016 Assessment Year

<b>Quadrant/Crew:</b> North Crew	<b>Appr date :</b> 1/1/2015	<b>Date:</b> 6/7/2016	<b>Sales Dates:</b> 1/1/13 - 12/31/15
<b>Area</b> 280	<b>Appr ID:</b> AMUR	<b>Prop Type:</b> Improvement	<b>Trend used?: Y / N</b> N
<b>SAMPLE STATISTICS</b>			
Sample size (n)	64		
Mean Assessed Value	67,154,700		
Mean Sales Price	88,087,700		
Standard Deviation AV	82,726,664		
Standard Deviation SP	111,760,569		
<b>ASSESSMENT LEVEL</b>			
Arithmetic mean ratio	0.811		
Median Ratio	0.808		
Weighted Mean Ratio	0.762		
<b>UNIFORMITY</b>			
Lowest ratio	0.3892		
Highest ratio:	1.1509		
Coefficient of Dispersion	15.28%		
Standard Deviation	0.1496		
Coefficient of Variation	18.46%		
Price-related Differential	1.06		
<b>RELIABILITY</b>			
<b>95% Confidence: Median</b>			
Lower limit	0.752		
Upper limit	0.874		
<b>95% Confidence: Mean</b>			
Lower limit	0.774		
Upper limit	0.847		
<b>SAMPLE SIZE EVALUATION</b>			
N (population size)	385		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1496		
<b>Recommended minimum:</b>	33		
Actual sample size:	64		
<b>Conclusion:</b>	OK		
<b>NORMALITY</b>			
<b>Binomial Test</b>			
# ratios below mean:	34		
# ratios above mean:	30		
z:	0.375		
<b>Conclusion:</b>	<b>Normal*</b>		
*i.e., no evidence of non-normality			

Ratio Frequency



These figures reflect measurements before posting new values.

Area 280 - Major Office  
2016 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
610845-0180	5,063,000	8,500,000	12/17/2015	0.5956	0.3168
872976-0020	165,127,000	250,970,000	7/21/2015	0.6580	0.2545
600950-0035	52,029,000	75,025,000	4/28/2015	0.6935	0.2189
065300-0250	117,916,000	170,000,000	3/26/2015	0.6936	0.2188
292505-9357	132,914,100	186,500,000	1/14/2014	0.7127	0.1997
198620-0275	69,754,000	97,379,767	9/10/2013	0.7163	0.1961
392700-0170	8,648,000	11,780,750	10/15/2013	0.7341	0.1783
093900-0260	91,327,000	124,407,218	11/9/2015	0.7341	0.1783
392700-0160	11,040,000	14,760,136	10/15/2013	0.7480	0.1645
392700-0180	12,791,000	16,832,106	10/15/2013	0.7599	0.1525
094200-0050	167,231,000	219,950,000	11/21/2014	0.7603	0.1521
610845-0110	905,200	1,150,000	5/16/2014	0.7871	0.1253
182504-9072	55,337,700	70,077,827	12/19/2014	0.7897	0.1228
766620-6900	181,423,000	224,936,666	7/31/2013	0.8066	0.1059
197520-0005	40,029,000	49,500,000	10/13/2015	0.8087	0.1038
154410-0320	169,826,000	205,100,000	2/11/2015	0.8280	0.0844
392700-0230	14,111,000	17,033,888	10/15/2013	0.8284	0.0840
066287-0010	32,453,000	38,750,000	8/18/2015	0.8375	0.0749
020900-0030	30,211,000	35,995,260	10/15/2014	0.8393	0.0731
392700-0130	20,368,000	24,127,250	10/15/2013	0.8442	0.0682
524780-0200	48,980,100	57,640,000	2/12/2014	0.8498	0.0627
066000-2381	90,621,000	106,407,264	7/31/2013	0.8516	0.0608
094200-0640	609,791,000	711,013,000	8/6/2015	0.8576	0.0548
197720-0280	62,558,000	71,200,000	7/11/2013	0.8786	0.0338
392700-0150	12,919,000	14,594,000	10/15/2013	0.8852	0.0272
808120-0010	262,744,000	296,800,100	3/4/2015	0.8853	0.0272
392700-0210	12,919,000	14,574,358	10/15/2013	0.8864	0.0260
154410-0254	133,152,000	150,000,000	4/24/2015	0.8877	0.0247
684770-0105	46,226,100	51,750,000	12/31/2014	0.8933	0.0192
093900-0060	66,569,800	73,730,000	1/14/2015	0.9029	0.0095
392700-0270	23,908,400	26,312,014	10/15/2013	0.9086	0.0038
094200-0590	45,880,000	50,350,000	10/31/2014	0.9112	0.0012
766620-2080	130,190,000	142,500,000	4/3/2013	0.9136	0.0012
610845-0130	555,600	607,608	4/15/2013	0.9144	0.0020
880970-0050	89,665,000	97,893,651	8/20/2013	0.9159	0.0035
410450-0270	34,043,000	37,000,000	9/29/2015	0.9201	0.0077
066000-2054	123,034,000	133,629,700	3/26/2015	0.9207	0.0083
093900-0435	359,251,000	389,800,000	5/31/2013	0.9216	0.0092
197570-0095	26,977,000	28,238,000	2/14/2013	0.9553	0.0429
766620-6220	26,496,000	27,675,000	12/24/2013	0.9574	0.0450
766620-3300	17,450,000	18,000,000	7/16/2014	0.9694	0.0570
813530-0020	88,372,900	90,690,576	12/18/2014	0.9744	0.0620
066000-2410	137,047,000	139,177,105	3/26/2015	0.9847	0.0723
124270-0025	22,064,000	22,099,990	2/20/2015	0.9984	0.0860
215465-0010	17,987,000	17,900,000	3/30/2015	1.0049	0.0924
202505-9097	38,310,100	37,750,000	3/4/2015	1.0148	0.1024

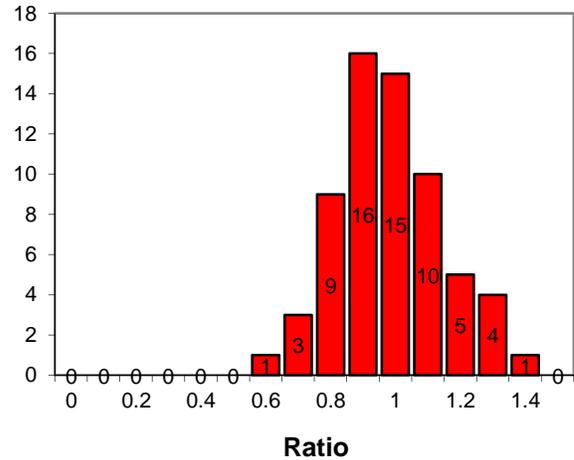
Area 280 - Major Office  
2016 Assessment Year

066000-1135	152,877,000	150,375,000	12/23/2013	1.0166	0.1042
093900-0335	67,141,000	66,000,000	10/28/2013	1.0173	0.1049
766620-2477	33,108,000	32,500,000	5/15/2013	1.0187	0.1063
198620-0185	173,338,000	169,950,000	1/16/2013	1.0199	0.1075
334040-3341	46,172,100	45,000,000	11/3/2015	1.0260	0.1136
392700-0095	8,332,000	8,000,000	2/15/2013	1.0415	0.1291
094200-0550	36,181,000	34,500,000	7/10/2013	1.0487	0.1363
723160-0542	63,186,000	59,962,790	4/29/2014	1.0538	0.1413
065900-0305	113,112,000	101,000,000	6/30/2014	1.1199	0.2075
697920-0050	40,566,000	35,011,288	7/15/2015	1.1587	0.2462
880970-0030	113,011,000	96,900,000	3/27/2013	1.1663	0.2538
392700-0190	8,584,000	7,249,832	10/15/2013	1.1840	0.2716
093900-0260	91,327,000	76,605,111	3/1/2013	1.1922	0.2798
392700-0200	12,791,000	10,546,819	10/15/2013	1.2128	0.3004
273810-0010	30,786,300	24,931,086	12/2/2014	1.2349	0.3224
131830-0020	20,419,000	15,925,000	6/20/2014	1.2822	0.3698
094200-0590	45,880,000	35,450,000	3/28/2013	1.2942	0.3818
012204-9012	24,115,000	17,600,000	12/19/2013	1.3702	0.4578

Area 280 - Major Office  
2016 Assessment Year

<b>Quadrant/Crew:</b>	<b>Appr date :</b>	<b>Date:</b>	<b>Sales Dates:</b>
North Crew	1/1/2016	6/7/2016	1/1/13 - 12/31/15
<b>Area</b>	<b>Appr ID:</b>	<b>Prop Type:</b>	<b>Trend used?: Y / N</b>
280	AMUR	Improvement	N
<b>SAMPLE STATISTICS</b>			
Sample size (n)	64		
Mean Assessed Value	77,924,100		
Mean Sales Price	88,087,700		
Standard Deviation AV	95,411,645		
Standard Deviation SP	111,760,569		
<b>ASSESSMENT LEVEL</b>			
Arithmetic mean ratio	0.931		
Median Ratio	0.912		
Weighted Mean Ratio	0.885		
<b>UNIFORMITY</b>			
Lowest ratio	0.5956		
Highest ratio:	1.3702		
Coefficient of Dispersion	13.79%		
Standard Deviation	0.1649		
Coefficient of Variation	17.71%		
Price-related Differential	1.05		
<b>RELIABILITY</b>			
<b>95% Confidence: Median</b>			
Lower limit	0.879		
Upper limit	0.969		
<b>95% Confidence: Mean</b>			
Lower limit	0.891		
Upper limit	0.972		
<b>SAMPLE SIZE EVALUATION</b>			
N (population size)	385		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1649		
<b>Recommended minimum:</b>	39		
Actual sample size:	64		
<b>Conclusion:</b>	OK		
<b>NORMALITY</b>			
<b>Binomial Test</b>			
# ratios below mean:	38		
# ratios above mean:	26		
z:	1.375		
<b>Conclusion:</b>	<b>Normal*</b>		
*i.e., no evidence of non-normality			

Ratio Frequency



These figures reflect measurements after posting new values.

Improvement Sales for Area 280 with Sales Used

07/21/2016

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	000	197720	1320	610,675	2760747	\$65,600,000	10/08/15	\$107.42	MACY'S DOWNTOWN	DRC 85-150	1	34	Use-change after sale; not in ratio
280	010	093900	0060	261,308	2709731	\$73,730,000	01/14/15	\$282.16	SMITH TOWER	PSM-245	2	Y	
280	010	093900	0260	313,380	2591790	\$76,605,111	03/01/13	\$244.45	DEXTER HORTON BUILDING	DMC 340/290-400	1	Y	
280	010	093900	0260	336,355	2765817	\$124,407,218	11/09/15	\$369.87	DEXTER HORTON BUILDING	DMC 340/290-400	1	Y	
280	010	093900	0335	295,515	2638206	\$66,000,000	10/28/13	\$223.34	EXCHANGE BLDG	DMC 340/290-400	1	Y	
280	010	093900	0435	983,600	2608541	\$389,800,000	05/31/13	\$396.30	WELLS FARGO CENTER	DOC1 U/450/U	1	Y	
280	010	094200	0050	554,945	2702067	\$219,950,000	11/21/14	\$396.35	1111-3 AVE BUILDING	DOC1 U/450/U	1	Y	
280	010	094200	0550	171,305	2617270	\$34,500,000	07/10/13	\$201.40	CENTRAL BUILDING	DOC1 U/450/U	1	Y	
280	010	094200	0550	171,305	2605255	\$1,133,831	05/15/13	\$6.62	CENTRAL BUILDING	DOC1 U/450/U	1	Y	
280	010	094200	0590	129,000	2596437	\$35,450,000	03/28/13	\$274.81	PACIFIC BLDG	DOC1 U/450/U	1	Y	
280	010	094200	0590	129,000	2699099	\$50,350,000	10/31/14	\$390.31	PACIFIC BLDG	DOC1 U/450/U	1	Y	
280	010	094200	0640	1,526,621	2748359	\$711,013,000	08/06/15	\$465.74	COLUMBIA CENTER ( former B. of A	DOC1 U/450/U	1	Y	
280	010	197520	0005	169,883	2761172	\$49,500,000	10/13/15	\$291.38	SEATTLE TOWER	DOC1 U/450/U	1	Y	
280	010	197570	0095	114,989	2589231	\$28,238,000	02/14/13	\$245.57	LOGAN BLDG	DRC 85-150	1	Y	
280	010	610845	0110	2,547	2669173	\$1,150,000	05/16/14	\$451.51	NORDSTROM ELMER J MEDICAL T	MIO-200-HR	1	Y	
280	010	610845	0130	1,566	2601293	\$607,608	04/15/13	\$388.00	NORDSTROM ELMER J MEDICAL T	MIO-200-HR	1	Y	
280	010	610845	0180	14,291	2772059	\$8,500,000	12/17/15	\$594.78	NORDSTROM ELMER J MEDICAL T	MIO-200-HR	1	Y	
280	020	020900	0030	71,421	2695645	\$35,995,260	10/15/14	\$503.99	500 YALE AVENUE NORTH	SM-85	1	Y	
280	020	065900	0305	297,470	2676850	\$101,000,000	06/30/14	\$339.53	720 OLIVE BLDG	DOC2 500/300-500	1	Y	
280	020	066000	1135	312,700	2646910	\$150,375,000	12/23/13	\$480.89	1800 9th Avenue Building	DMC 340/290-400	1	Y	
280	020	066000	2054	336,041	2720895	\$133,629,700	03/26/15	\$397.66	METROPOLITAN PARK I (West) OF	DMC 340/290-400	1	Y	
280	020	066000	2381	184,691	2621396	\$106,407,264	07/31/13	\$576.14	METROPOLITAN PARK NORTH BUI	DMC 240/290-400	1	Y	
280	020	066000	2410	363,727	2720894	\$139,177,105	03/26/15	\$382.64	METROPOLITAN PARK II - EAST	DMC 340/290-400	1	Y	
280	020	069700	0235	255,818	2711715	\$120,656,489	01/28/15	\$471.65	BLANCHARD PLAZA	DMC 340/290-400	1	69	Net Lease Sale; not in ratio
280	020	182504	9072	120,777	2706623	\$70,077,827	12/19/14	\$580.22	STONE34 - BROOKS HQ - OTHER F	IC-45	4	Y	
280	020	198320	0065	394,578	2772259	\$298,856,963	12/18/15	\$757.41	AMAZON PHASE VI - N & S BLDGS	SM-SLU 160/85-240	2	69	Net Lease Sale; not in ratio
280	020	198620	0185	329,341	2584971	\$169,950,000	01/16/13	\$516.03	WESTLAKE TERRY - EAST BLDG	SM 160/85-240	2	Y	
280	020	198620	0275	130,710	2629321	\$97,379,767	09/10/13	\$745.01	202 WESTLAKE - OFFICE SITE	SM 160/85-240	1	Y	
280	020	224950	0480	150,918	2758565	\$67,375,579	09/29/15	\$446.44	ELEVEN01 WESTLAKE	SM-85	3	26	Imp changed after sale; not in ratio
280	020	246740	0120	339,038	2770642	\$261,000,000	12/09/15	\$769.83	400 FAIRVIEW OFFICE BUILDING	SM-SLU 160/85-240	1	26	Imp changed after sale; not in ratio
280	020	302504	9001	81,691	2714505	\$31,550,000	02/10/15	\$386.21	1300 DEXTER (CASEY FAMILY BLD	SM 85/65-125	1	26	Imp changed after sale; not in ratio
280	020	302504	9001	81,691	2646019	\$19,499,990	12/17/13	\$238.70	1300 DEXTER (CASEY FAMILY BLD	SM 85/65-125	1	Y	
280	020	684770	0105	157,455	2708153	\$51,750,000	12/31/14	\$328.67	PEMCO INSURANCE COMPANIES -	SM-85	5	Y	
280	020	766620	2477	97,822	2605941	\$32,500,000	05/15/13	\$332.24	SCHWABACHER BUILDING (OLD IN	DMC-160	1	Y	
280	020	872976	0020	344,218	2744468	\$250,970,000	07/21/15	\$729.10	2201 WESTLAKE OFFICE/RETAIL	DMC 240/290-400	2	Y	
280	030	524780	0200	220,461	2653222	\$57,640,000	02/12/14	\$261.45	MERRILL PLACE	PSM 100/100-120	4	Y	
280	030	766620	3300	130,000	2679402	\$18,000,000	07/16/14	\$138.46	HOLGATE CENTER	IG2 U/85	1	Y	
280	030	766620	6220	106,496	2648608	\$27,675,000	12/24/13	\$259.87	ZULILY OFFICE BUILDING - OLD OL	IG2 U/85	1	Y	
280	030	766620	6900	470,942	2621395	\$224,936,666	07/31/13	\$477.63	505 FIRST AVENUE BUILDING	PSM-85-120	2	Y	
280	030	880970	0030	0	2595904	\$96,900,000	03/27/13	\$0.00	UNION STATION CONDOMINIUM-	IDM-65-150	2	Y	
280	030	880970	0050	253,769	2625250	\$97,893,651	08/20/13	\$385.76	UNION STATION CONDOMINIUM-	IDM-65-150	1	Y	
280	040	065300	0250	336,923	2720831	\$170,000,000	03/26/15	\$504.57	2601 ELLIOTT (SEATTLE TRADE AN	DH2/65	2	Y	
280	040	197720	0280	131,142	2617334	\$71,200,000	07/11/13	\$542.92	MARKET PLACE ONE & TWO	PMM-85	1	Y	
280	040	766620	2080	299,523	2598722	\$142,500,000	04/03/13	\$475.76	Elliott West Bldg 3 - Cell Therapeutics	IC-45	3	Y	

## Improvement Sales for Area 280 with Sales Used

07/21/2016

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	040	766620	2525	140,000	2733302	\$38,100,000	05/29/15	\$272.14	MARITIME BUILDING	DMC-160	1	Y	
280	050	066287	0010	110,250	2750663	\$38,750,000	08/18/15	\$351.47	BELLEVUE GATEWAY ONE BLDG	OLB	1	Y	
280	050	154410	0254	353,552	2726351	\$150,000,000	04/24/15	\$424.27	ONE BELLEVUE CENTER	DNTNO-1	1	Y	
280	050	154410	0320	305,835	2713648	\$205,100,000	02/11/15	\$670.62	Civica Office Commons	DNTN-MU	1	Y	
280	050	202505	9019	154,195	2649597	\$43,400,000	01/14/14	\$281.46	CORPORATE CAMPUS EAST BLDG	OLB	2	26	Imp changed after sale; not in ratio
280	050	202505	9097	134,029	2717924	\$37,750,000	03/04/15	\$281.66	CORPORATE CAMPUS EAST	OLB	3	Y	
280	050	292505	9357	490,096	2649703	\$186,500,000	01/14/14	\$380.54	US BANK PLAZA	DNTNO-2	3	Y	
280	050	600950	0035	156,000	2726624	\$75,025,000	04/28/15	\$480.93	PLAZA EAST	DNTN-MU	1	Y	
280	050	808120	0010	524,130	2716932	\$296,800,100	03/04/15	\$566.27	SUMMIT BUILDINGS I & II (PSE EA	DNTNO-2	1	Y	
280	050	808120	0020	0	2716933	\$23,000,000	03/04/15	\$0.00	THE SUMMIT III - PHASE C - BELOW	DNTNO-2	1	Y	
280	050	813530	0020	302,311	2706219	\$90,690,576	12/18/14	\$299.99	SUNSET CORPORATE CENTER	OLB	3	Y	
280	060	012204	9012	218,585	2646470	\$17,600,000	12/19/13	\$80.52	The Creeksides at CenterPoint	M1	1	Y	
280	060	124270	0025	77,418	2714697	\$22,099,990	02/20/15	\$285.46	MOUNTAIN PACIFIC WEST BLDG	OLB	2	Y	
280	060	131830	0020	101,252	2674561	\$15,925,000	06/20/14	\$157.28	MARYMOOR TECHNOLOGY CENTE	BP	1	Y	
280	060	215465	0010	105,807	2721095	\$17,900,000	03/30/15	\$169.18	EAST CAMPUS CORPORATE PARK	OP-1	1	Y	
280	060	273810	0010	406,459	2703777	\$24,931,086	12/02/14	\$61.34	SEATTLE DESIGN CENTER	IG2 U/85	3	Y	
280	060	332304	9001	532,430	2764966	\$47,100,000	10/29/15	\$88.46	SeaTac Office Center	CB-C	1	Y	
280	060	334040	3341	273,903	2768544	\$45,000,000	11/03/15	\$164.29	LANDMARK EAST	CO	3	Y	
280	060	392700	0095	40,475	2589375	\$8,000,000	02/15/13	\$197.65	NORTH CREEK BLDG "I"	R-AC, OP, CB, LI	1	Y	
280	060	392700	0130	95,385	2635845	\$24,127,250	10/15/13	\$252.95	NORTH CREEK BUSINESS CAMPU	R-AC, OP, CB, LI	1	Y	
280	060	392700	0150	60,500	2635843	\$14,594,000	10/15/13	\$241.22	NORTH CREEK TECH CAMPUS 2 -	R-AC, OP, CB, LI	1	Y	
280	060	392700	0160	51,700	2635842	\$14,760,136	10/15/13	\$285.50	NORTH CKEEK TECH CAMPUS 1 -	R-AC, OP, CB, LI	1	Y	
280	060	392700	0170	40,500	2635841	\$11,780,750	10/15/13	\$290.88	NORTH CREEK TECH CAMPUS 1 -	R-AC, OP, CB, LI	1	Y	
280	060	392700	0180	59,900	2635840	\$16,832,106	10/15/13	\$281.00	NORTH CREEK TECH CAMPUS 1 -	R-AC, OP, CB, LI	1	Y	
280	060	392700	0190	40,200	2635838	\$7,249,832	10/15/13	\$180.34	NORTH CREEK TECH CAMPUS 1 -	R-AC, OP, CB, LI	1	Y	
280	060	392700	0200	59,900	2635839	\$10,546,819	10/15/13	\$176.07	NORTH CREEK TECH CAMPUS 1 -	R-AC, OP, CB, LI	1	Y	
280	060	392700	0210	60,500	2635846	\$14,574,358	10/15/13	\$240.90	NORTH CREEK BUSINESS CAMPU	R-AC, OP, CB, LI	1	Y	
280	060	392700	0230	66,084	2635844	\$17,033,888	10/15/13	\$257.76	NORTH CREEK BLDG. "Q"	R-AC, OP, CB, LI	1	Y	
280	060	392700	0270	105,000	2635810	\$26,312,014	10/15/13	\$250.59	SCHNITZER NORTH CREEK BUILD	R-AC, OP, CB, LI	3	Y	
280	060	410450	0270	125,152	2758902	\$37,000,000	09/29/15	\$295.64	CROWN POINTE BLDG A	PR 8.5	4	Y	
280	060	697920	0050	193,454	2744995	\$35,011,288	07/15/15	\$180.98	PLAZA AT NORTH CREEK	R-AC, OP, CB, LI	1	Y	
280	060	723160	0542	395,103	2664944	\$59,962,790	04/29/14	\$151.76	TRITON TOWER ONE	CO	3	Y	

## Improvement Sales for Area 280 with Sales not Used

06/13/2016

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	010	094200	0550	171,305	2605257	\$227,250	05/15/13	\$1.33	CENTRAL BUILDING	DOC1 U/	1	43	Development rights parcel to prvt se
280	020	198320	0035	23,550	2627800	\$32,500	08/30/13	\$1.38	OFFICE-INTERIM USE	SM 160/8	3	24	Easement or right-of-way
280	020	069600	0175	196,487	2633955	\$160,000	09/10/13	\$0.81	5TH & BELL BUILDING	DMR/C 2	1	66	Condemnation/eminent domain
280	050	104360	0030	1,646,460	2635743	\$150,830,820	10/14/13	\$91.61	BRAVERN, THE	DNTNO-2	1		
280	010	065900	0165	598,000	2673622	\$382,812	06/11/14	\$0.64	1600 SEVENTH AVENUE (QWEST F	DOC2 50	1	42	Development rights to cnty,cty,or pr
280	020	337440	0010	0	2673225	\$5,200,000	06/12/14	\$0.00	HILL7	DMC 340	1	11	Corporate affiliates
280	050	154410	0277	15,864	2690730	\$6,741,053	09/17/14	\$424.93	BANK OF AMERICA	DNTNO-1	1	22	Partial interest (1/3, 1/2, etc.)
280	050	154410	0277	15,864	2690776	\$3,574,253	09/17/14	\$225.31	BANK OF AMERICA	DNTNO-1	1	22	Partial interest (1/3, 1/2, etc.)
280	010	094200	0470	914,733	2692123	\$111,362,225	09/23/14	\$121.74	BANK OF AMERICA FIFTH AVENUE	DOC1 U/	1	33	Lease or lease-hold
280	010	094200	0470	914,733	2692119	\$165,000,000	09/25/14	\$180.38	BANK OF AMERICA FIFTH AVENUE	DOC1 U/	1	44	Tenant
280	060	202505	9102	92,300	2710231	\$15,444,600	01/16/15	\$167.33	BEL-KIRK OFFICE CENTER	LI	1	51	Related party, friend, or neighbor

2016 Physical Inspection Parcels			
Major	Minor	PropName	AddrLine
020900	0050	501 EASTLAKE (REPUBLICAN BUILDING)	501 EASTLAKE AVE E
065600	0410	FOURTH & VINE BLDG	2615 4TH AVE
065600	0480	FOURTH & BATTERY BUILDING	2401 4TH AVE
065900	0235	1700 Seventh Avenue	1700 7TH AVE
065900	0305	8th + Olive	720 OLIVE WAY
065900	0365	TOWER BLDG	1807 7TH AVE
065900	0555	PLAZA 600 BUILDING	600 STEWART ST
065900	0750	WEST 8TH	2001 8TH AVE
065900	0880	AMAZON PHASE 1 - BLOCK 14 - OFFICE TOWER - sits on -0	2021 7TH AVE
065900	0930	SIXTH & LENORA BUILDING (former Active Voice Bldg.)	2033 6TH AVE
065900	0950	THE WESTIN BUILDING	2001 6TH AVE
066000	0080	DENNY BLDG	2200 6TH AVE
066000	0220	AMAZON - RUFUS BLOCK 19	2101 7TH AVE
066000	0650	1918 Eighth Office Tower & ec parcels 0635 & 0639	1918 8TH AVE
066000	1135	1800 NINTH	1800 9TH AVE
066000	1255	1915 TERRY BLDG. (Amazon - Kumo Bldg)	1915 TERRY AVE
066000	1605	Midtown21 UNDER CONST (formerly WILLIAMSBURG APTS)	
066000	2054	METROPOLITAN PARK I (West) OFFICE BLDG	1701 MINOR AVE
066000	2381	METROPOLITAN PARK NORTH BUILDING	
066000	2410	METROPOLITAN PARK II - EAST	1730 MINOR AVE
069400	0205	FOURTH & BLANCHARD BUILDING	2101 4TH AVE
069500	0335	THIRD AND BROAD BLDG	2901 3RD AVE
069600	0175	5TH & BELL BUILDING	2301 5TH AVE
069700	0064	SIXTH & WALL BUILDING (former Group Health)	521 WALL ST
069700	0235	BLANCHARD PLAZA	2201 6TH AVE
182504	9072	STONE34 - BROOKS HQ - OTHER PARCELS 9132, 9075, 908	3400 STONE WAY N
182504	9147	PARK VIEW BUILDING	601 N 34TH ST
197320	0385	FREMONT LAKE UNION CENTER - ADOBE	801 N 34TH ST
197320	0387	FREMONT LAKE UNION CENTER - PLAZA BLDG	701 N 34TH ST
197320	0389	FREMONT LAKEVIEW	801 N 34TH ST
197720	1315	SECURITIES BUILDING ( ec unit block - 1295,1280, 1260)	1904 3RD AVE
198320	0035	AMAZON - PHASE 7	400 9TH AVE N
198320	0065	AMAZON PHASE VI - N & S BLDGS - ALL DATA ON THIS PA	515 WESTLAKE AVE N
198320	0150	AMAZON - Interurban Exchange 2 -BLDG 1B	535 TERRY AVE N
198320	0290	AMAZON 1A - NORTH/SOUTH/VAN VORST - Interurban Exch	440 TERRY AVE N
198320	0325	AMAZON - PHASE 3 - ALL IMPS ON THIS PARCEL	551 BOREN AVE N
198320	0560	Urban Union Building (Under Const)	
198320	0585	AMAZON OFFICE (Phase 2)	500 BOREN AVE N
198620	0185	WESTLAKE TERRY - EAST BLDG	321 TERRY AVE N
198620	0215	WESTLAKE TERRY WEST BLDG	320 WESTLAKE AVE N
198620	0275	202 WESTLAKE	202 WESTLAKE AVE N
198620	0350	AMAZON PHASE 5 -ALL IMPS ON 0350 (MINOR 0370 underlie	201 BOREN AVE N
198620	0410	AMAZON - PHASE 4 - BLDG 4 N & 4 E DATA ON THIS PARC	301 BOREN AVE N
198820	1155	BILL & MELINDA GATES FOUNDATION	500 5TH AVE N
198920	0750	West Tower	400 2ND AVE W
199120	1265	AMAZON - PHASE VIII	325 9TH AVE N
199220	0170	ELLIOTT BAY OFFICE PARK	300 ELLIOTT AVE W
216390	1105	1100 Eastlake	1100 EASTLAKE AVE E
224950	0235	1000 DEXTER PHASE II	1000 DEXTER AVE N

**2016 Physical Inspection Parcels**

Major	Minor	PropName	AddrLine
224950	0265	DEXTER STATION OFFICE	1101 DEXTER AVE N
224950	0480	ELEVEN01 WESTLAKE	1101 WESTLAKE AVE N
224950	0490	1100 DEXTER	1100 DEXTER AVE N
228505	0000	818 STEWART	818 STEWART ST
246740	0120	400 FAIRVIEW OFFICE BUILDING	400 FAIRVIEW AVE N
337440	0000	HILL7 - Hotel & Office Building	1821 BOREN AVE
408880	3641	AGC MOORAGE & PARKING	
408880	3725	AGC BUILDING & BANK	1200 WESTLAKE AVE N
684970	0145	ALLEY 24 (Cascade One Project) includes mi's 0155 0165 & 01	223 YALE AVE N
701535	0000	QUEEN ANNE SQUARE CONDOMINIUM	200 MERCER ST
872976	0000	2201 WESTLAKE OFFICE/RETAIL	2201 WESTLAKE AVE
880790	0130	WEST LAKE UNION CENTER- 1501 WESTLAKE	1505 WESTLAKE AVE N