

Commercial Revalue

2016 Assessment roll

**SELF-STORAGE
AREA 608**

**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,

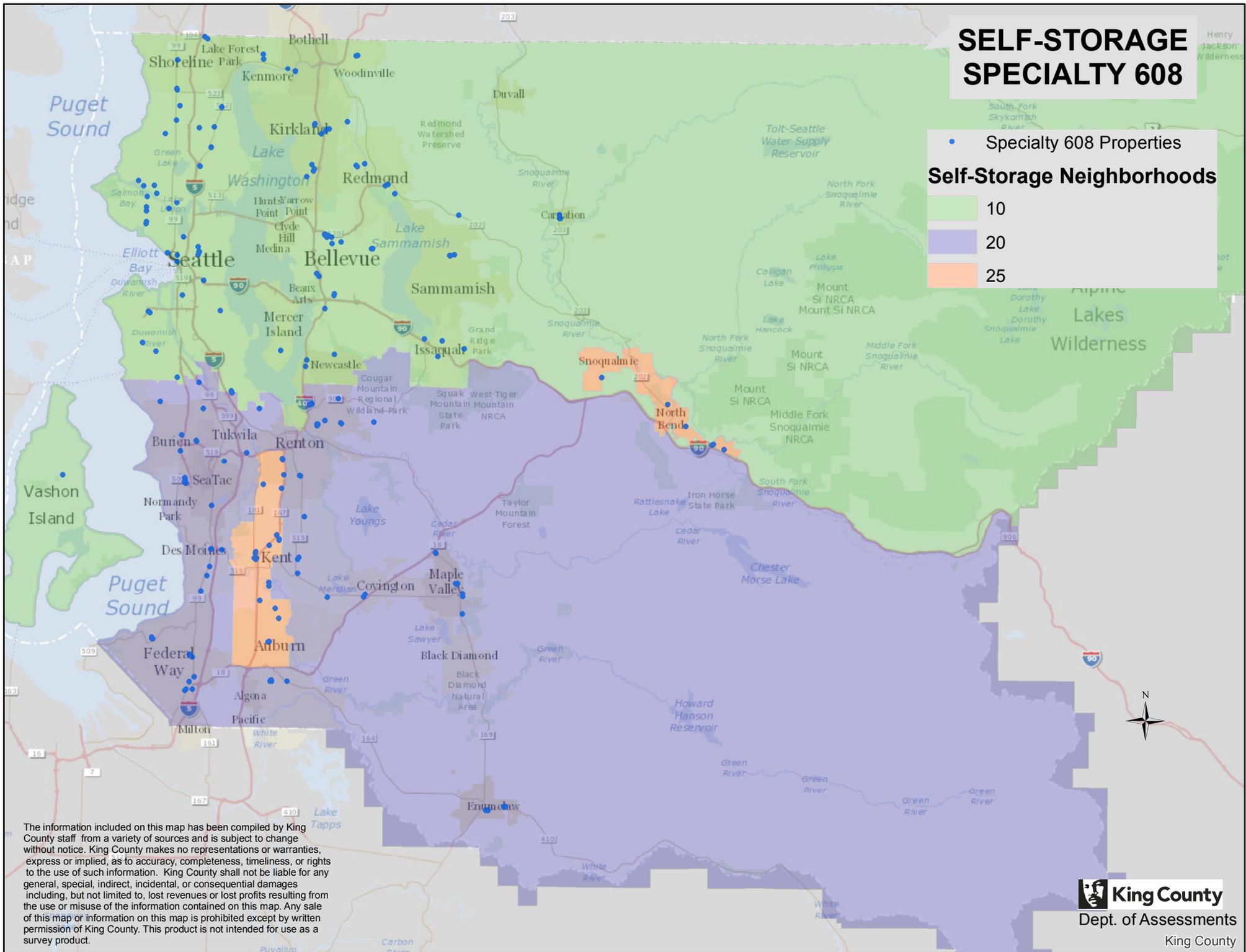
John Wilson
King County Assessor

SELF-STORAGE SPECIALTY 608

• Specialty 608 Properties

Self-Storage Neighborhoods

Light Green	10
Light Purple	20
Light Orange	25



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

Executive Summary Report

Appraisal Date 1/1/2016 - 2016 Assessment Roll

Specialty Name: Self-Storage

Sales - Improved Summary:

Number of Sales: 6 market transactions in 2013, 2014 and 2015

Sale Dates: From 11/21/2013 to 11/04/2015

Sales – Ratio Study Summary:

Sales used in Analysis: There were only six improved sales in the last three years; one in 2013 and five in 2015. This is considered to be too small a sample size to be statistically significant. The sales did provide proof, however, that the reported industry improvements in the local market have affected values to a significant degree. This evidence clearly indicated that assessed property values, in this market segment, were lagging the current market. The 2015 demonstrated sales values, increased to the point that the 2013 sale is now a statistical outlier, which would skew any ratio study results with only six total sales.

Population - Average Improved Parcel Summary Data:

	Land	Imps	Total
2015 Value	\$409,260,600	\$670,162,800	\$1,079,423,400
2016 Value	\$436,403,800	\$788,062,800	\$1,224,466,600
% Change	+6.63%	+17.59%	+13.44%

Number of Improved Parcels in the Specialty Population: 180.

Conclusion and Recommendation:

The values recommended in this report represent a substantial percentage change. The overall economic conditions have improved incrementally over the last several years to the point where conditions for the local industry are now very good. This is the third straight year of substantial value increases after several years of no value increases during

the economic downturn. This year's value increase is an acknowledgement of the extent of the improved economic conditions. It is therefore recommended that the new values be posted for the 2016 Assessment Year.

Area 608 Responsible Appraiser

The following appraiser did the valuation for this region:

- Joe Arnold – Commercial Appraiser II

The process and results were reviewed for quality control and administrative purposes by Dan Atkinson, Senior Appraiser.

Identification of the Area

Name or Designation: Specialty Area 608: Self-Storage Facilities

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.

Area Description:

Area 608 (Self-Storage facilities) is divided into 3 neighborhoods, 608-10, 608-20 and 608-25. Neighborhood 608-10 is all Self-Storage facilities located in Seattle, North King County, and the Eastside. Neighborhood 608-20 is all Self-Storage facilities located to the south of Seattle and Bellevue, less the facilities in the more recently established neighborhood of 608-25. Neighborhood 608-25 is the Self-Storage facilities located in the Green River flood plain from Tukwila in the north to Auburn in the south, plus the several facilities servicing the east Snoqualmie Ridge and North Bend area.

Area Overview:

Economic conditions have been steadily improving in the local self-storage industry for about the past four years. With restrained supply growth we have had an overall strengthening of facility operations. Space demand has been growing significantly in conjunction with an expanding local economy, to the point where operations performance is now good, if not even better than that, for most of the local self-storage facilities.

The current strong performance is based on positive economic trends. Job growth remained strong in Seattle at 3.0%, in 2015, with similar expectations for the metro area in 2016. Consumer spending is forecast to increase less than last year's 8.3% jump but still at an outstanding 7.2% rate.

Population growth has averaged about 1.5% over the last five years and is forecast to grow at an average of 1.3% per year for the next four years, with household formation expected to increase over 2% in 2016, compared to last year.

Self-storage vacancy was pushed down considerably in the Seattle metro by 2.7% in 2015. It is expected to increase slightly in 2016, by 0.4%, but will still be 0.5% below the national average.

Asking rents are expected to rise this year by 3.7% for climate controlled facilities and increase 4.8% for non-climate controlled space. Last year rents were up 2.3% and 5.3% respectively. The rent increases have been driven by the increasing occupancy levels in almost every facility in King County. Current occupancy levels exceed any that I have been aware of in the last 15 years.

Historically, there has been a small but consistent yearly addition to the Self-Storage facility inventory across the County. Because of the recent lull in supply growth and the strengthening market fundamentals, growth in supply is now picking up. While 2013 was slow, three warehouse conversions to self-storage use have come on-line since late 2013. One facility is in Kirkland, one facility is in Newcastle and the other facility is in Auburn. Additionally, in 2014, a new facility was added in Kent and south Seattle, as well as expansion in a downtown Seattle and Shoreline facility. In 2015 we had the addition of a new facility in Seattle's Ballard neighborhood and in 2016 there are permits for new facilities in Shoreline and Bellevue.

Self-Storage facilities are found in rural, urban, and suburban areas throughout King County. Since Public Storage's purchase of the Shurgard self-storage company, in late 2006, it has become King County's dominate self-storage owner/operator with 35% of the county's facilities. Urban Storage is the next most dominant player, owning and operating multiple facilities as well. The majority, approximately 55%, are independent operators. Most self-storage facilities have good exposure and high visibility. They are often located near large complexes of multi-family housing. Generally, facilities located in rural and suburban neighborhoods are a mix of one or two story buildings that you can drive up to for easy access. These are typically on larger sites and often include covered and uncovered, surface storage for recreation vehicles. In neighborhoods of higher density, multi-level facilities, three stories and above, are becoming more common. Multi-level facilities typically have large cargo freight elevators that lead to upper floor storage units.

The newest and updated facilities are equipped with high-tech camera security, automated access, covered loading areas and climate control, with many having on-site manager living space for added security. Within the city limits of Seattle, and some of the other urban areas in the County, older warehouses have been converted to Self-Storage facilities.

Until this year, there was one sale of a self-storage facility in November of 2013. Previous to that, it had been since late 2008 that any sales took place. That was a drought of 5 years. This last year, however, we had the unusual occurrence of five market transactions. At least one transaction took place in each of the three designated neighborhoods. These sales generally showed that the market values had increased

substantially in comparison to our current assessed values. As a result, values increased for the third straight year.



NEW, STATE-OF-THE-ART FACILITY - 910 NE HIGH STREET, ISSAQUAH



TYPICAL OLDER FACILITY – 18716 68TH AVE NE, KENMORE



SUBURBAN WAREHOUSE CONVERSION – 7115 132ND PL. SE, NEWCASTLE



URBAN WAREHOUSE CONVERSION – 1915 3RD AVE, SEATTLE

Puget Sound Economic Conditions

Rental rates in the region had shown small increases in 2011, 2012 and 2013. More substantial rental increases have been evident, over the last two years, in the metro areas of the County with smaller but also increasing rates in the more rural areas. Occupancy has more than recovered in the metropolitan areas as well as the more rural areas of the County. The local Self-Storage market, in King County, has definitely recovered and is going forward with some steam. This last year, we saw five market sales. Of these sales, capitalization rates were reported on three. The range of capitalization rates, were very low in comparison to the last developed capitalization rates at the end of 2008. The three 2008 rates had a tight range of 7.00%, 7.18% and 7.25%. The 2015 sales had a much broader range of 4.26%, 5.00% and 6.20%.

Because the reported market fundamentals have steadily improved, and are expected to continue to be positive, the income valuation model rates were improved throughout the county. As a result we are seeing higher assessed values again this year.

The Western Region remains a strong market for Self-Storage in the U.S. with the Seattle-Tacoma metropolitan area expected to continue to be among the areas with the highest occupancy and income rates in the country.

Analysis Process

Effective Date of Appraisal: January 1, 2016

Date of Appraisal Report: June 6, 2016

Responsible Appraiser

The following appraiser did the valuation of this specialty:

Joe Arnold – 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 and the property is returned to the geographical appraiser.

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 and Limiting Conditions

All three approaches to value were considered in this analysis.

- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Physical Inspection:

This year is year six of the six year inspection cycle. Despite planning, the inspected parcels were rather spread out. Their location ranged from as far north and east as Carnation and as far south as Burien. In all, 30 parcels, representing 27 facilities, were included in this inspection cycle or 14.02% of this specialty's total parcel count. The physical inspection and its quantity of parcels is made to comply, as required, with WAC 458-07-015 - 4(a). An exterior observation of the properties was made to verify the accuracy and completeness of property characteristic data that affect value, as well as attempting to verify the property characteristics with the on-site property managers.

Preliminary Ratio Analysis

A Ratio Study has not been submitted this year due to the fact that there were only six sales in the last three years which is deemed to be statistically insufficient.

Scope of Data

Land Value Data:

The geographic appraiser in the area in which the specialty property is located is responsible for the land value used by the specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Value Data:

Sales information, when available, 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. Verification consists of contact with Buyer, Seller, or Broker if possible, or information from the Costar InfoSystems, Inc., a real estate sales verification service. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections are normally limited

Improved Parcel Total Values

Sales comparison approach model description

Due to the lack of sufficient sales no sales comparison model was developed.

Sales comparison calibration

Since there was no sales comparison model developed, no sales comparison calibration was performed.

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. Cost estimates serve mainly as value indicators for new construction projects.

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

The Income Approach to value is considered the most reliable valuation approach for the Self-Storage properties in this revalue cycle. The Self-Storage facilities in King County were divided into three separate neighborhoods. Each neighborhood, in Specialty Area 608, has been assigned its own income table derived by the Self-Storage specialist. Each neighborhood income table has its own income, vacancy, expense and capitalization rate parameters, which are applied to the Marshall & Swift occupancy codes described in the data maintained on each Self-Storage property.

Income: Income parameters were derived using economic rental rates taken from published resources, property owner actual income submissions, tenants, and rental rate opinions from various real estate professionals active in specific markets.

Vacancy: Vacancy rates used were derived from published sources and from personal inquiry with Self-Storage facility owners and managers.

Expenses: Expenses were estimated based on industry standards, published sources, tax payer submitted actual expense information and personal knowledge of the area’s rental practices.

Capitalization Rates: Capitalization rates are traditionally determined by the analysis of sold properties, as well as published market surveys, such as CoStar, Marcus & Millichap, Cushman & Wakefield, and Pricewaterhouse Cooper. Other resources have historically included national reports and articles from Self Storage Brokers of America, Self Storage Association, Argus Self Storage Sales Network, and Inside Self Storage.

Income approach calibration

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective year built, and construction quality as recorded in the Assessor’s records.

The effective year built and condition of each building determines the capitalization rate used by the appraiser. For example; a building with an older effective year built and of lesser quality will typically warrant a higher capitalization rate; and a building of better quality with a newer effective year built will warrant a lower capitalization rate.

The following table outlines general income parameters used in the valuation of the Self-Storage facilities. Use code 386 refers to 1-3 level facilities, and use code 525 refers to multi-level self-contained facilities.

Area	Use Code	Overall Rent Range	Vacancy	Expense Ratio	Cap Rate
608-10	386	\$12.00 - \$17.00	8%	35%	5.50% - 8.50%
608-10	525	\$14.00 - \$19.00	8%	35%	5.50% - 7.50%
608-20	386/525	\$10.00 - \$13.75	10%	35%	6.00% - 8.75%
608-25	386/525	\$9.75 - \$12.25	10%	35%	6.00% - 8.75%

Use codes 386 & 525 have been combined in Neighborhood 608-20 and 608-25, the South-end of King County, due to the limited number of properties with use code 525 and no market evidence to differentiate between uses.

Reconciliation

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

Model Validation

Total Value Conclusions, Recommendations and Validation:

The Market Sales Approach is considered a reliable indicator of value but, in the local market, there have not historically been many sales transactions at any given time. The Market Approach is, therefore, normally used to demonstrate an appropriate range of value for Self-Storage facilities and as a test of reasonableness for income derived property values. Since there have been only six sales in the last three years, the sales were used as a general check on the values, indicated by the income approach, in the sold property's immediate area only.

The Cost Approach to value is considered on all of the Self-Storage facilities. Cost estimates served as value indicators for new and some newer construction projects, and some special mixed use properties.

The Income Approach to value is considered, in most cases, the most reliable valuation approach for the Self-Storage properties due to the amount and quality of the available information.

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

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

The total assessed value for the 2015 assessment year, for specialty area 608, was \$1,079,423,400 and the total recommended assessed value for the 2016 assessment year is \$1,224,466,600. Application of these recommended values for the 2016 assessment year results in a total increase over the 2015 assessed values of 13.44%.

USPAP Compliance

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

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

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

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

Highest and Best Use

RCW 84.40.030

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

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

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

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

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (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, 3rd Addition, Appraisal Institute.

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

Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.

14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

Scope of Work Performed:

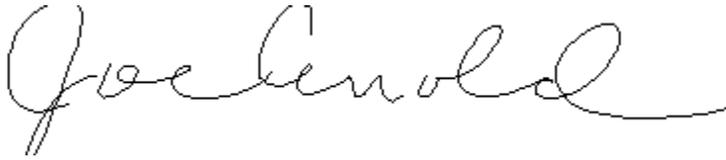
Research and analyses performed are identified in the body of the revaluation report. The assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations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

CERTIFICATION:

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

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

- *Any services regarding the subject area performed by me starting January 1, 2010 as an appraiser or in any other capacity is listed below: Any and all activities required under the Certificate of Appointment 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 include: all duties, responsibilities, and services associated with the position description of Commercial Appraiser II in the management and valuation of Commercial Specialty Area 608, or Self-Storage Facilities. 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 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.*



6/06/2016

Joe Arnold – Commercial Appraiser II

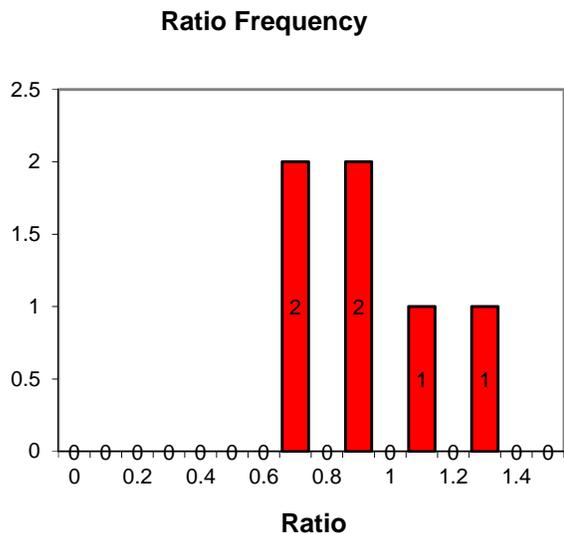
Date

Area 608 - Self-Storage
2015 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
098500-0470	1,519,300	1,800,000	7/15/2015	0.8441	0.0171
102308-9186	4,488,800	3,695,000	11/21/2013	1.2148	0.3536
142308-9061	2,768,100	4,524,300	2/2/2015	0.6118	0.2494
212104-9017	7,536,800	7,250,000	1/14/2015	1.0396	0.1784
292104-9128	8,322,300	9,475,000	2/9/2015	0.8783	0.0171
788260-0100	6,719,300	10,000,000	11/4/2015	0.6719	0.1893

Area 608 - Self-Storage
2015 Assessment Year

Quadrant/Crew: Central Crew	Appr date : 1/1/2015	Date: 6/1/2016	Sales Dates: 11/21/13 - 11/4/15
Area 608	Appr ID: JARL	Prop Type: Improvement	Trend used?: Y / N N
SAMPLE STATISTICS			
Sample size (n)	6		
Mean Assessed Value	5,225,800		
Mean Sales Price	6,124,100		
Standard Deviation AV	2,737,925		
Standard Deviation SP	3,306,857		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.877		
Median Ratio	0.861		
Weighted Mean Ratio	0.853		
UNIFORMITY			
Lowest ratio	0.6118		
Highest ratio:	1.2148		
Coefficient of Dispersion	19.45%		
Standard Deviation	0.2254		
Coefficient of Variation	25.71%		
Price-related Differential	1.03		
RELIABILITY			
95% Confidence: Median	These figures reflect measurements before posting new values.		
Lower limit	0.612		
Upper limit	1.215		
95% Confidence: Mean			
Lower limit	0.696		
Upper limit	1.057		
SAMPLE SIZE EVALUATION			
N (population size)	181		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.2254		
Recommended minimum:	56		
Actual sample size:	6		
Conclusion:			
NORMALITY			
Binomial Test			
# ratios below mean:	3		
# ratios above mean:	3		
z:	-0.40824829		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

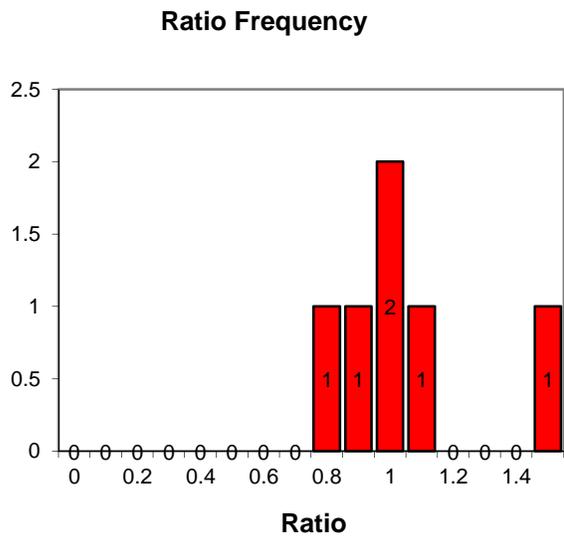


Area 608 - Self-Storage
2016 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
098500-0470	1,680,600	1,800,000	7/15/2015	0.9337	0.0072
102308-9186	5,607,300	3,695,000	11/21/2013	1.5175	0.5767
142308-9061	4,015,400	4,524,300	2/2/2015	0.8875	0.0533
212104-9017	7,536,800	7,250,000	1/14/2015	1.0396	0.0987
292104-9128	8,982,900	9,475,000	2/9/2015	0.9481	0.0072
788260-0100	7,476,200	10,000,000	11/4/2015	0.7476	0.1932

Area 608 - Self-Storage
2016 Assessment Year

Quadrant/Crew: Central Crew	Appr date : 1/1/2016	Date: 6/1/2016	Sales Dates: 11/21/13 - 11/4/15
Area 608	Appr ID: JARL	Prop Type: Improvement	Trend used?: Y / N N
SAMPLE STATISTICS			
Sample size (n)	6		
Mean Assessed Value	5,883,200		
Mean Sales Price	6,124,100		
Standard Deviation AV	2,687,260		
Standard Deviation SP	3,306,857		
ASSESSMENT LEVEL			
Arithmetic mean ratio	1.012		
Median Ratio	0.941		
Weighted Mean Ratio	0.961		
UNIFORMITY			
Lowest ratio	0.7476		
Highest ratio:	1.5175		
Coefficient of Dispersion	16.59%		
Standard Deviation	0.2653		
Coefficient of Variation	26.21%		
Price-related Differential	1.05		
RELIABILITY			
95% Confidence: Median	These figures reflect measurements after posting new values.		
Lower limit	0.748		
Upper limit	1.518		
95% Confidence: Mean			
Lower limit	0.800		
Upper limit	1.225		
SAMPLE SIZE EVALUATION			
N (population size)	181		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.2653		
Recommended minimum:	70		
Actual sample size:	6		
Conclusion:			
NORMALITY			
Binomial Test			
# ratios below mean:	4		
# ratios above mean:	2		
z:	0.40824829		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			



Improvement Sales for Area 608 with Sales Used

05/31/2016

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
608	010	788260	0100	54,175	2765159	\$10,000,000	11/04/15	\$184.59	MOSS BAY SELF-STG	PLA 6G (2)	1	Y	
608	010	884430	0020	53,706	2782430	\$15,495,000	02/29/16	\$288.52	ISSAQUAH NEWPORT WAY STORAGE	MUR	2	Y	
608	020	098500	0470	16,160	2743812	\$1,800,000	07/15/15	\$111.39	LOCK-TIGHT STORAGE	CC-2	1	Y	
608	020	212104	9017	94,266	2711673	\$7,250,000	01/14/15	\$76.91	SUNRISE SELF STORAGE	CE	1	Y	
608	020	292104	9128	81,283	2713948	\$9,475,000	02/09/15	\$116.57	HEATED STORAGE AT THE CROSSINGS	CE	2	Y	
608	025	102308	9186	55,290	2642964	\$3,695,000	11/21/13	\$66.83	CASCADE HEATED STORAGE	NB	1	Y	
608	025	142308	9061	36,000	2712811	\$4,524,300	02/02/15	\$125.68	CEDAR MILL MINI STORAGE	EP-1	2	Y	

Improvement Sales for Area 608 with Sales not Used

05/31/2016

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
608	010	065300	0240	52,192	2726726	\$4,454,609	04/27/15	\$85.35	Mini-Storage & Mars Hill College	DH2/65	2	33	Lease or lease-hold
608	010	122505	9042	64,820	2626877	\$60,000	05/30/13	\$0.93	REDMOND SELF STORAGE	MP	1	24	Easement or right-of-way
608	010	122505	9042	64,820	2626875	\$330,000	05/30/13	\$5.09	REDMOND SELF STORAGE	MP	1	24	Easement or right-of-way
608	010	122505	9042	64,820	2626872	\$210,000	07/18/13	\$3.24	REDMOND SELF STORAGE	MP	1	24	Easement or right-of-way
608	010	145360	0301	22,784	2681042	\$11,150,000	07/21/14	\$489.38	LAKE CITY MINI STORAGE	C1-30	2	15	No market exposure
608	010	365870	0555	37,442	2728525	\$1,376,234	05/05/15	\$36.76	ROOSEVELT SELF STORAGE	NC2-40	1	51	Related party, friend, or neighbor
608	025	362304	9018	68,203	2666612	\$92,769	04/17/14	\$1.36	PUBLIC STORAGE	M1	2	24	Easement or right-of-way
608	025	775780	0140	60,405	2756899	\$3,150	09/11/15	\$0.05	PUBLIC STORAGE	CM-1	1	68	Non-gov't to gov't

	2016
ACCOUNT #	PROPERTY NAME
212507-9004	CARNATION STORAGE CENTER
212507-9030	CARNATION STORAGE CENTER
222506-9096	GUARDWELL SELF-STORAGE
302405-9168	STORAGE COURT OF MERCER ISLAND
272405-9076	NEWCASTLE HEATED STORAGE
334330-1125	PUBLIC STORAGE
334570-0081	PORT QUENDALL MINI-STORAGE
342506-9020	PUBLIC STORAGE
358230-0060	PLATEAU HEATED STORAGE
358230-0070	PLATEAU HEATED STORAGE
358230-0080	PLATEAU HEATED STORAGE
276770-2115	BOLT MODERN STORAGE
098500-0470	LOCK-TIGHT STORAGE
159160-0645	STOR-MORE SELF-STORAGE
172304-9114	PUBLIC STORAGE
202304-9092	PUBLIC STORAGE
322304-9075	AAAA MINI STORAGE
322304-9098	PUBLIC STORAGE
322304-9112	PUBLIC STORAGE
322304-9219	PUBLIC STORAGE
322304-9288	PUBLIC STORAGE
202205-9185	PUBLIC STORAGE
332205-9171	PUBLIC STORAGE
783080-0065	KENT EAST HILL SELF-STORAGE
783080-0105	PUBLIC STORAGE
122304-9111	SKYWAY SELF STORAGE
122305-9011	U-STORE
562420-0390	AAAA MINI STORAGE
292305-9012	PUBLIC STORAGE
042204-9062	INTERNATIONAL BLVD. SELF-STORAGE
202304-9153	DES MOINES WAY SELF-STORAGE

202304-9221	DES MOINES WAY SELF-STORAGE
537980-1760	SEA-TAC SELF-STORAGE
359700-0202	TUKWILA SELF-STORAGE

<u>INSPECTED PARCELS</u>	
SPECIALTY NEIGHBORHOOD	JURISDICTION
608-10	CARNATION
608-10	CARNATION
608-10	KING COUNTY
608-10	MERCER ISLAND
608-10	NEWCASTLE
608-10	RENTON
608-10	RENTON
608-10	SAMMAMISH
608-10	SEATTLE
608-20	BURIEN
608-20	KENT
608-20	KING COUNTY
608-20	KING COUNTY
608-20	KING COUNTY
608-20	RENTON
608-20	SEA-TAC
608-20	SEA-TAC

608-20	SEA-TAC
608-20	SEA-TAC
608-20	TUKWILA