

Lake Forest Park/ West Kenmore

Area: 004

Residential Revalue for 2016 Assessment Roll



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

500 Fourth Avenue, ADM-AS 0708

Seattle, WA 98104-2384

OFFICE (206) 296-7300 FAX (206) 296-0595

Email: assessor.info@kingcounty.gov

<http://www.kingcounty.gov/assessor/>



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John Wilson
Assessor

Dear Property Owners:

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.

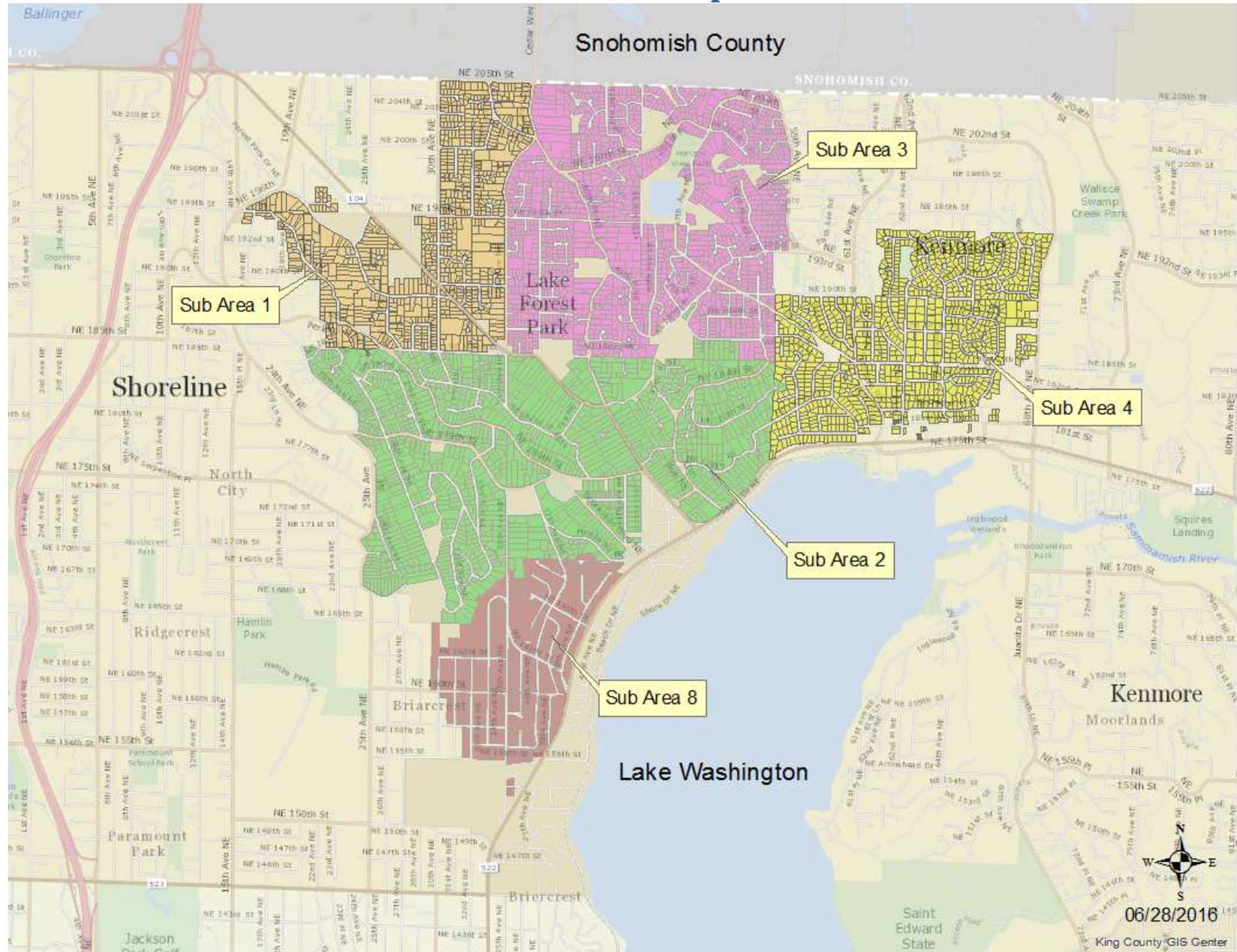
Fairness, accuracy and uniform assessments set the foundation for effective government. I am pleased to incorporate your input as we make continuous and ongoing improvements to best serve you. Our goal is to ensure every taxpayer is treated fairly and equitably.

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

Area 004Map



All maps in this document are subject to the following disclaimer: 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. Scale unknown

Area 004 Housing Profile



Grade 5/ Year Built 1947/ Total Living Area 660



Grade 6/ Year Built 1947/ Total Living Area 1110



Grade 7/ Year Built 1975/ Total Living Area 2190



Grade 8/ Year Built 1977/ Total Living Area 3220



Grade 9/ Year Built 1990/ Total Living Area 3340



Grade 10/ Year Built 2007/ Total Living Area 5000



Grade 11/ Year Built 2001/ Total Living Area 5,630

Glossary for Improved Sales

Condition: Relative to Age and Grade

- 1= Poor Many repairs needed. Showing serious deterioration.
- 2= Fair Some repairs needed immediately. Much deferred maintenance.
- 3= Average Depending upon age of improvement; normal amount of upkeep for the age of the home.
- 4= Good Condition above the norm for the age of the home. Indicates extra attention and care has been taken to maintain.
- 5= Very Good Excellent maintenance and updating on home. Not a total renovation.

Residential Building Grades

- Grades 1 - 3 Falls short of minimum building standards. Normally cabin or inferior structure.
- Grade 4 Generally older low quality construction. Does not meet code.
- Grade 5 Lower construction costs and workmanship. Small, simple design.
- Grade 6 Lowest grade currently meeting building codes. Low quality materials, simple designs.
- Grade 7 Average grade of construction and design. Commonly seen in plats and older subdivisions.
- Grade 8 Just above average in construction and design. Usually better materials in both the exterior and interior finishes.
- Grade 9 Better architectural design, with extra exterior and interior design and quality.
- Grade 10 Homes of this quality generally have high quality features. Finish work is better, and more design quality is seen in the floor plans and larger square footage.
- Grade 11 Custom design and higher quality finish work, with added amenities of solid woods, bathroom fixtures and more luxurious options.
- Grade 12 Custom design and excellent builders. All materials are of the highest quality and all conveniences are present.
- Grade 13 Generally custom designed and built. Approaching the Mansion level. Large amount of highest quality cabinet work, wood trim and marble; large entries.

Executive Summary

Lake Forest Park/ West Kenmore - Area 004

Physical Inspection

Appraisal Date: 1/1/2016
Previous Physical Inspection: 2011
Number of Improved Sales: 528
Range of Sale Dates: 1/1/2013 – 12/31/2015 Sales were time adjusted to 1/1/2016

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2015 Value	\$164,300	\$310,400	\$474,700			8.71%
2016 Value	\$202,400	\$300,900	\$503,300	\$549,900	91.8%	7.58%
\$ Change	+\$38,100	-\$9,500	+\$28,600			
% Change	+23.2%	-3.1%	+6.0%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2016 COD of 7.58% is an improvement from the previous COD of 8.71%. The lower the COD, the more uniform are the predicted assessed values. Assessment standards prescribed by the International Association of Assessing Officers identify that the COD in rural or diverse neighborhoods should be no more than 20%. The resulting COD meets or exceeds the industry assessment standards. Sales from 1/1/2013 to 12/31/2015 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2016

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2015 Value	\$170,100	\$291,000	\$461,100
2016 Value	\$209,100	\$270,800	\$479,900
\$ Change	+\$39,000	-\$20,200	+\$18,800
% Change	+22.9%	-6.9%	+4.1%

Number of one to three unit residences in the population: 4,592

Physical Inspection Area:

State law requires that each property be physically inspected at least once during a 6 year revaluation cycle. During the recent inspection of Area 004 – Lake Forest Park/ West Kenmore, appraisers were in the area, confirming data characteristics, developing new valuation models and selecting a new value for each property for the assessment year. For each of the subsequent years, the previous property values are statistically adjusted during each assessment period. Taxes are paid on total value, not on the separate amounts allocated to land and improvements.

The current physical inspection analysis for Area 004 indicated a substantial change was needed in the allocation of land and improvement value as part of the total. This is in part due to the previous downturn in the market where vacant land was in low demand and sales were few. In recent years there has been a resurgence of vacant land sales that indicate a substantial increase in land value. Land is valued as though vacant and at its highest and best use. The improvement value is a residual remaining when land is subtracted from total value.

Sales Sample Representation of Population

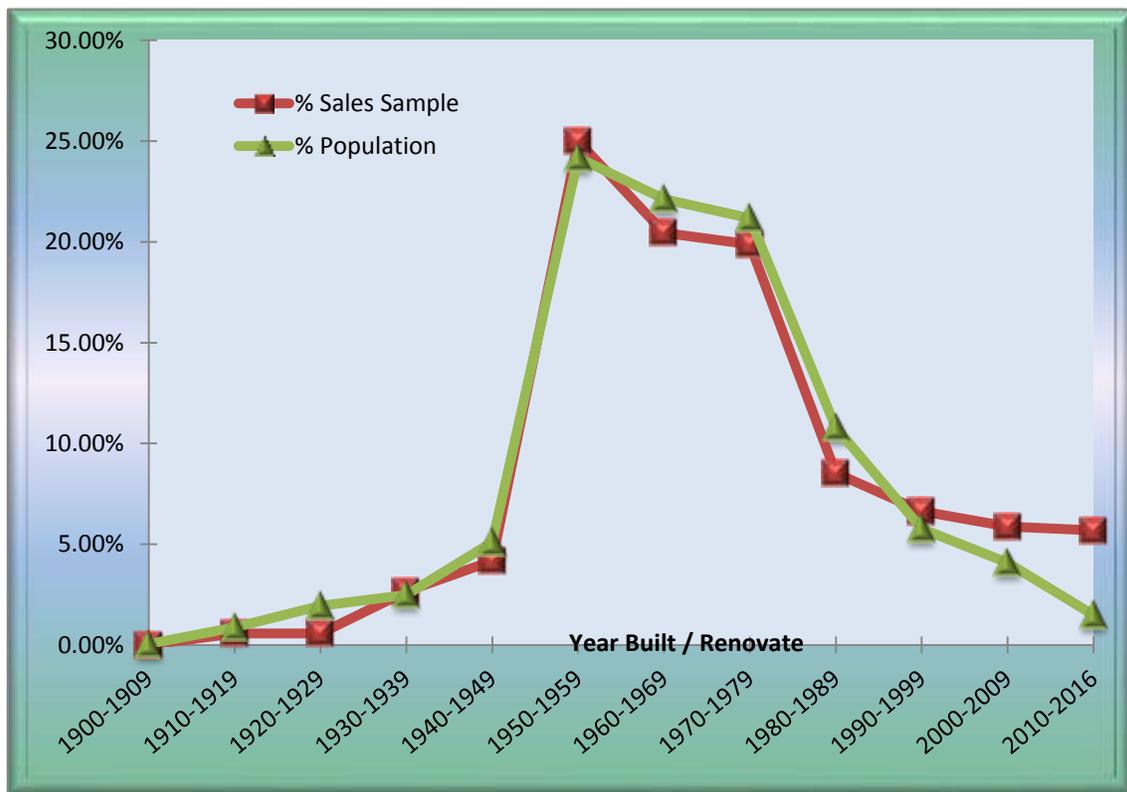
Year Built or Renovated

Sales

Year Built/Ren	Frequency	% Sales Sample
1900-1909	0	0.00%
1910-1919	3	0.57%
1920-1929	3	0.57%
1930-1939	14	2.65%
1940-1949	22	4.17%
1950-1959	132	25.00%
1960-1969	108	20.45%
1970-1979	105	19.89%
1980-1989	45	8.52%
1990-1999	35	6.63%
2000-2009	31	5.87%
2010-2016	30	5.68%
528		

Population

Year Built/Ren	Frequency	% Population
1900-1909	2	0.04%
1910-1919	40	0.87%
1920-1929	89	1.94%
1930-1939	114	2.48%
1940-1949	234	5.10%
1950-1959	1,110	24.17%
1960-1969	1,016	22.13%
1970-1979	972	21.17%
1980-1989	495	10.78%
1990-1999	265	5.77%
2000-2009	187	4.07%
2010-2016	68	1.48%
4,592		



Sales of new homes built over the last few years are over represented in this sample.

This is a common occurrence due to the fact that most new homes will sell shortly after completion. This over representation was found to have statistical significance and results are reflected in the model.

Sales Sample Representation of Population

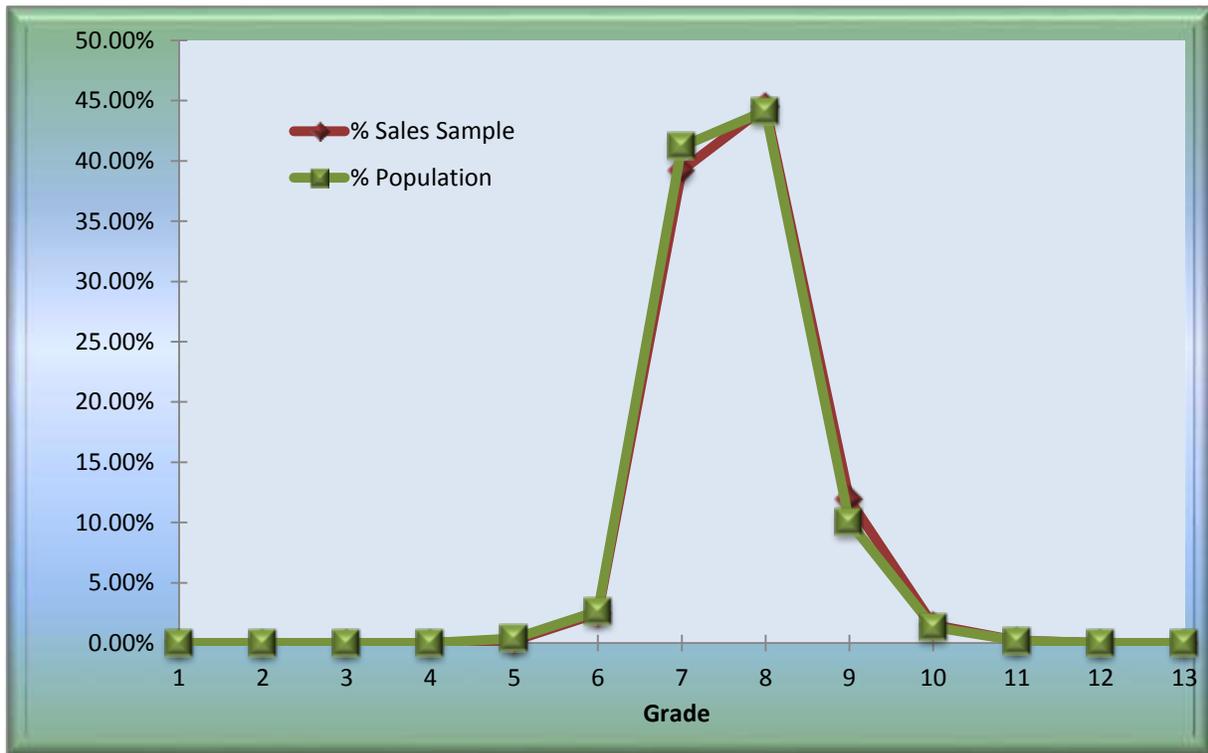
Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	1	0.19%
6	13	2.46%
7	207	39.20%
8	235	44.51%
9	63	11.93%
10	8	1.52%
11	1	0.19%
12	0	0.00%
13	0	0.00%
	528	

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	18	0.39%
6	122	2.66%
7	1,892	41.20%
8	2,028	44.16%
9	462	10.06%
10	61	1.33%
11	9	0.20%
12	0	0.00%
13	0	0.00%
	4,592	



The sales sample frequency distribution follows the population distribution very closely with regard to Building Grades. This distribution is ideal for both accurate analysis and appraisals.

Physical Inspection Process

Effective Date of Appraisal: January 1, 2016

Date of Appraisal Report: June 28, 2016

Appraisal Team Members and Participation

The valuation for this area was done by the following Appraisal Team. The degree of participation varied according to individual skill in relevant areas and depending on the time they joined the team.

- Diane Johnson – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Leslie Clay – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Peter Hsu – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Bob Moore – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.

Sales Screening for Improved Parcel Analysis

In order to ensure that the Assessor's analysis of sales of improved properties best reflects the market value of the majority of the properties within an area, non-typical properties must be removed so a representative sales sample can be analyzed to determine the new valuation level. The following list illustrates examples of non-typical properties which are removed prior to the beginning of the analysis.

1. Vacant parcels
2. Mobile Home parcels
3. Multi-Parcel or Multi Building parcels
4. New construction where less than a 100% complete house was assessed for 2015
5. Existing residences where the data for 2015 is significantly different than the data for 2016 due to remodeling
6. Parcels with improvement values, but no characteristics
7. Parcels with either land or improvement values of \$25,000 or less posted for the 2015 Assessment Roll
8. Short sales, financial institution re-sales and foreclosure sales verified or appearing to be not at market

(Available sales and additional Area information can be viewed at [sales lists](#), [eSales](#) and [Localscape](#))

Highest and Best Use Analysis

As If Vacant: Market analysis of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the overwhelming majority of the appraised parcels is single family residential. Any other opinion of highest and best use is specifically noted in our records, and would form the basis for the valuation of that specific parcel.

As If Improved: Where any value for improvements is part of the total valuation, we are of the opinion that the present improvements produce a higher value for the property than if the site was vacant. In appraisal theory, the present use is therefore the highest and best (as improved) of the subject property, though it could be an interim use.

Standards and Measurement of Data Accuracy

Sales were verified with the purchaser, seller or real estate agent where possible. Current data was verified via field inspection and corrected. Data was collected and coded per the assessor's residential procedures manual.

We maintain uniformity with respect to building characteristics such as year-built, quality, condition, living area, stories, and land characteristics such as location (sub-area and plat), lot size, views, and waterfront. Other variables that are

Physical Inspection Process... Continued

unique to the specific areas are also investigated. This approach ensures that values are equitable for all properties with respect to all measurable characteristics, whether the houses are larger or smaller, higher or lower quality, remodeled or not, with or without views or waterfront, etc.

Special Assumptions and Limiting Conditions

The sales comparison and cost approaches to value were considered for this mass appraisal valuation. After the sales verification process, the appraiser concluded that the market participants typically do not consider an income approach to value. Therefore the income approach is not applicable in this appraisal as these properties are not typically leased, but rather owner occupied. The income approach to value was not considered in the valuation of this area.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/1/2013 to 12/31/2015 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2016.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standard 6.

Area Information

Name or Designation

Area 004 - Lake Forest Park/ West Kenmore

Boundaries

Area 004's north boundary is the Snohomish County line. The west boundary is the City of Lake Forest Park's city limits, which meanders from approximately 32nd Av NE in the south to approximately 18th Av NE in the north. The south boundary begins at the Seattle city limits (NE 145th Street) and extends along Bothell Way (Highway 522). The east boundary is the City of Lake Forest Park's city limits (55th Av NE) in the north and reaches into Kenmore to 68th Av NE in the south.

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 004 is located northeast of Seattle and east of the city of Shoreline. Area 004 includes all of the city of Lake Forest Park and the western portion of the city of Kenmore. Two freeways (I-5 and I-405) provide access to employment centers in nearby suburbs and in Seattle. The University of Washington has a campus nearby in the city of Bothell. A public park provides waterfront access to Lake Washington. Retail areas are within area 004 or adjacent. Town Center at Lake Forest Park, a multipurpose shopping/retail center and community hub, is north of Bothell Way and west of Ballinger Way; Ballinger Village is just outside the area's northwest corner. Additionally there is a retail center in Kenmore in the southeast corner of area 004. There are also businesses along Bothell Way. While Lake Forest Park remains almost entirely residential, multi-family housing is an emerging trend in downtown Kenmore.

Major land characteristics that affect area 004 land values are steep topography, wetlands, streams, traffic and views. The median lot size is 11,300 square feet. Only 15% of area parcels have any sort of view. Most of these views are territorial and/or Cascade mountains with 7% of area parcels having a view of Lake Washington.

Almost all parcels are improved with detached single family residences with Single Family Residential zoning. Only 1% of area 004 parcels are zoned for apartments or commercial; most of these are in Kenmore (Sub area 4). Of the 4592 improved parcels in Area 004 there are 30 duplexes, 4 triplexes, 12 townhouses, and 13 mobile homes. Only 5% of parcels are vacant land.

In area 004, the vast majority of houses are grades 7 or 8. Most houses were built during the 1950s through 1970s. The average total living area is 2270 square feet, and average above grade living area is 1760 square feet.

Sub Areas 1, 2, 3 and 8 are in Lake Forest Park. Sub Area 4 is in Kenmore and consists of neighborhoods 5 and 7 (described later). Typically Sub 1 has smaller houses of grade 7 quality, no views, and some wetlands and/or streams. Sub 2 tends to have larger lots, many with steep topography and/or wetlands and/or streams, no views, and grade 7 and 8 houses. Sub 3 has mostly grade 7 or 8 houses, with 29% having steep topography and 12% having territorial and/or Cascade mountain views. Sub 8 is the most desirable part of area 004. It has mostly grade 7 or 8 houses, but 17% have Lake Washington views and an additional 12% have a territorial and/or Cascade mountain view.

Land Valuation

There are 5162 parcels in Area 004 of which 236 (5%) are vacant. The predominant zoning in the area is Single Family Residential, ranging from RS 7200 through RS 20,000. Less than 2% of all parcels have Apartment or Commercial zoning. There are 12 parcels containing townhouses, 25 parcels with a duplex or triplex, and 1 parcel with a mobile home.

Vacant sales from 1/1/2013 to 12/31/2015 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2016. Due to limited vacant land sales in the Area, teardown sales were also used. A total of 22 sales, including both vacant land and teardown sales, were used to develop a land model. The land allocation and land abstraction methods were also used in the analysis for additional support where land sales were limited. All sales were verified by field review and when possible, contact with buyer or seller.

The sales indicate a benchmark value of \$218,000 for a typical lot of 11,300 square feet. Adjustments were made for views, topography, traffic noise, nuisance, streams, wetlands, etc (please see land chart). The 12 townhome parcels range from 1829 – 2989 square feet and were valued at \$130,000 plus view adjustments minus discounts for negative characteristics.

An analysis of sales indicated upward adjustments for views and downward adjustments for traffic noise. Traffic noise is extreme along Bothell Way (Hwy 522). Other major arterials are coded with high traffic (Ballinger Way) or moderate traffic. Views of Lake Washington had a much greater impact on market desirability than territorial or mountain views. For parcels with more than one view, only the highest view adjustment was added to the land value. The original photographs on some parcels show that decades ago, much of Area 004 had views. Since then trees have grown to block many parcels' views. Only 15% of the area parcels have a view today with 7% of the area parcels having a view of Lake Washington and 8% having a territorial and/or Cascade mountain view.

Some larger parcels exist in the area, many with development challenges such as steep topography, wetlands or streams. Some of the larger parcels have development potential based on available sites according to the zoning minus excess land for roads, easements, drainage tracts or other open space. These large parcels were valued based on zoning and number of sites allowed for development, less excess land for roads etc, with consideration made for development costs. The revalue team used various tools to estimate development potential. These tools included map layers and rules about environmentally critical areas (steep slopes, streams, wetlands, etc), and rules about zoning and development. These tools came from King County and from the cities of Lake Forest Park and Kenmore. Lake Forest Park has unique restrictions for minimum street frontage, minimum lot width, and tree protection. Kenmore tends to have denser zoning and less restrictive development rules than Lake Forest Park. Kenmore's Sub 4 has only 4% of parcels coded for streams or wetlands or water problems but Lake Forest Park has 16%. Based on the limited data available, large parcels were valued conservatively.

A substantial portion (64%) of Sub Area 2 has either 15,000 or 20,000 square foot minimum lot size zoning. In Sub 2, the average improved lot size is approximately 20,000 square feet. This is much larger than the 11,000 – 14,000 range (and denser zoning) that is typical elsewhere in Area 004. One reason for lower density in Sub 2 is the greater frequency of steep topography. Of improved parcels in sub area 2, 37% are coded for steep topography. The other Sub Areas have 10% to 29% of parcels coded for steep topography. The undulating terrain of Lake Forest Park and western Kenmore can be characterized as hilly. Kenmore's neighborhood 7 is relatively flat in comparison, with only 3% of its parcels having steep topography.

Sub Areas 1, 2, 3 and 8 are in Lake Forest Park. Sub Area 4 is in Kenmore and consists of neighborhoods 5 and 7.

Neighborhood 7 is a portion of Kenmore that was built during the 1980s and features grade 8 and 9 houses. These houses are newer and larger than is typical elsewhere in area 004. The average total living area is 3100 square feet. Almost all parcels are flat and have no views.

In the rest of area 004 most houses were built during the 1950s through 1970s and the average total living area is 2200 square feet. Neighborhood 5 is in Kenmore but the housing stock is similar to Lake Forest Park. Views are a defining characteristic of Neighborhood 5, with 26% of parcels having Lake Washington views. An additional 14% of the parcels in this sub area have a territorial or mountain view. Of parcels in neighborhood 5, steep topography is coded on 28%.

Land Model

Model Development, Description and Conclusions

A total of 22 vacant land and tear down sales from Area 004 were used to derive land value. Data on lot sizes, zoning, topography, traffic, nuisance, wetland, stream, access, views and other factors were considered while developing the land model. Additional support and validation came from the land allocation and land abstraction methods.

Adjustments were applied for positive attributes such as views. Negative adjustments were made for issues such as steep topography, traffic noise, nuisance, streams, and wetlands. These adjustments were developed through analysis of matched pairs of vacant sales, teardown sales, and improved sales, combined with extensive appraisal experience and knowledge of the area. Analysis showed that vacant parcels required larger discounts than improved parcels for streams, wetlands and steep topography.

The land model used only the highest view adjustment if there were two or more views.

The land model adjusted -25% for extreme traffic along Bothell Way, and -20% for high traffic along Ballinger Way. Other arterials were adjusted -10% for moderate traffic.

For a complete list of sales in the Area, please visit [eSales](#) or [Localscape](#)

Land Value Model Calibration

Land Values for Single Building Site Parcels in Residential Zones	
Lot Size Square Foot Range	Value
1-899	\$1,000
900-1499	\$120,000
1500-2999	\$130,000
3000-3999	\$140,000
4000-4999	\$150,000
5000-5999	\$160,000
6000-6999	\$170,000
7000-7999	\$180,000
9000-9999	\$200,000
10000-10999	\$210,000
11000-11999	\$218,000
12000-12999	\$225,000
13000-13999	\$232,000
14000-14999	\$238,000
15000-15999	\$243,000
16000-16999	\$247,000
17000-17999	\$250,000
18000-19999	\$254,000
20000-24999	\$259,000
25000-29999	\$264,000
30000-34999	\$269,000
35000-39999	\$273,000
40000-43559	\$277,000
43560 - 54449 <i>(1 - 1.24 acres)</i>	\$284,000
54450 - 65339 <i>(1.25 - 1.49 acres)</i>	\$295,000
65340 - 87119 <i>(1.5 - 1.9 acres)</i>	\$311,000
87120 - 108899 <i>(2 - 2.49 acres)</i>	\$333,000
108900 - 130679 <i>(2.5 - 2.9 acres)</i>	\$355,000
130680 - 174239 <i>(3 - 3.9 acres)</i>	\$387,000
174240 - 217799 <i>(4 - 4.9 acres)</i>	\$417,000

Characteristics	Adjustment
Lake Views	
Fair	+15%
Average	+25%
Good	+30%
Excellent	+35%
Territorial/Cascade Mountain Views	
Average	+5%
Good	+10%
Excellent	+15%
Traffic Noise	
moderate	-10%
high	-20%
extreme	-25%
Nuisance (Commercial Influence)	
yes	-10%
Steep Topography	
significant	-10% to -20%
difficult to build on	-20% to -60%
extreme (no building site)	-90%
Wetland, Stream or Water Problem	
yes	-10% to -60%
Access	
Restricted	- \$60,000
Legal/Undeveloped	- \$40,000
Private	0
Public	0
Walk in	- \$40,000

Improved Parcel Valuation

Improved Parcel Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified if possible by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Available sales and additional Area information can be viewed on the Assessor's website with [eSales](#) and [Localscape](#). Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

The Assessor maintains a cost model, which is specified by the physical characteristics of the improvement, such as first floor area, second floor area, total basement area, and number of bathrooms. The cost for each component is further calibrated to the 13 grades to account for quality of construction. Reconstruction Cost New (RCN) is calculated from adding up the cost of each component. Depreciation is then applied by means of a percent good table which is based on year built, grade, and condition, resulting in Reconstruction Cost New less Depreciation (RCNLD). The appraiser can make further adjustments for obsolescence (poor floor plan, design deficiencies, external nuisances etc.) if needed. The Assessor's cost model generates RCN and RCNLD for principal improvements and accessories such as detached garages and pools. The Assessor's cost model was developed by the King County Department of Assessments in the early 1970's. It was recalibrated in 1990 to roughly approximate Marshall & Swift's square foot cost tables, and is indexed annually to keep up with current costs.

Model Development, Description and Conclusions:

Most sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2016.

The analysis of this area consisted of a systematic review of applicable characteristics which influence property values. Through this process an EMV (estimated market value) valuation model was derived for the whole area. In addition to standard physical property characteristics, the analysis showed the following variables were influential in the market:

- Age of house
- Very Good Condition house
- Good Condition house
- Fair Condition house
- House Grade greater than 8
- Base Land Value
- Large Parcel size
- Acreage Parcel size
- Lake Washington view is fair
- Lake Washington view is average, good or excellent
- View that includes Territorial, Cascade Mountains and/or Olympic Mountains but not Lake view
- Subarea 1 in Lake Forest Park
- Subarea 2 in Lake Forest Park

Improved Parcel Valuation... Continued

- Subarea 3 in Lake Forest Park
- Neighborhood 5 in Kenmore
- Neighborhood 7 in Kenmore

In addition, supplemental models were developed to value parcels whose characteristics are outside the parameters of the main valuation formula.

Improved Parcel Total Value Model Calibration

Variable	Definition
AccyRcnldC	Accessory Cost New Less Depreciation
AgeC	Age of house + 1
BaseLandC	2016 Adjusted Base Land Value
BigAcreLotYN (>43559 sf)	Land area of 1 acre or more
BigLotYN (28000-43559 sf)	Land area 28000 - 43559 sq. ft.
BldgRcnC	House Reconstruction Cost New
FairYN	Fair condition house
GoodYN	Good condition house
HiGradeYN (>8)	House Grade greater than 8
LakeView1YN	Lake Washington view is fair
LakeView234YN	Lake Washington view is greater than fair
Nghb5YN	Neighborhood 5
Nghb7YN	Neighborhood 7
SaleDay	Time Adjustment
Sub1YN	Subarea 1
Sub2YN	Subarea 2
Sub3YN	Subarea 3
TerMtnViewNotLkViewYN	Territorial, Cascade Mountains, and/or Olympic Mountains view but no Lake view
VGoodYN	Very Good condition house

Multiplicative Model

$(1-0.075) * 2.70294231174077 + 0.0116498257587692 * \text{AccyRcnldC} - 0.115113462151008 * \text{AgeC} +$
 $0.252241763814256 * \text{BaseLandC} + 0.0490829321541409 * \text{BigAcreLotYN} + 0.0222343999822655 * \text{BigLotYN} +$
 $0.478058183830034 * \text{BldgRcnC} - 0.0769331696378857 * \text{FairYN} + 0.0283993784614751 * \text{GoodYN} +$
 $0.0154680837081732 * \text{HiGradeYN} + 0.0507851300045673 * \text{LakeView1YN} +$
 $0.0812722942449607 * \text{LakeView234YN} - 0.0741712314328694 * \text{Nghb5YN} - 0.0236014115440496 * \text{Nghb7YN} +$
 $0.000200194565258591 * \text{SaleDay} - 0.0613094502089057 * \text{Sub1YN} -$
 $0.0442633831329892 * \text{Sub2YN} - 0.0406149048043585 * \text{Sub3YN} + 0.0295701302411522 * \text{TerMtnViewNotLkViewYN} +$
 $0.0776158318335596 * \text{VGoodYN}$

EMV values were not generated for:

- Buildings with grade less than 5
- Buildings with grade greater than 11
- Building two or greater. (EMV is generated for building one only.)
- Mobile Homes (EMV is generated for building one only, if there is house plus mobile home.)
- If net condition, obsolescence, or percent complete is greater than 0.
- Buildings in poor condition
- Newer Townhouses built after 2013
- Neighborhood = 0
- Highest and Best Use as Improved = Interim Use
- If total EMV is less than base land value
- Lot size less than 100 square feet
- Accessory improvement only

Improved Parcel Total Value Model Calibration...

Continued

Of the improved parcels in the population, 3628 parcels increased in value. They were comprised of 11 single family residences on commercially zoned land and 3617 single family residences or other parcels.

Of the vacant land parcels greater than \$1000, 118 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

Accessory improvement only	Reconstruction Cost New Less Depreciation (RCNLD)
Condition = Poor	RCNLD or \$1000
Grades 3, 4	RCNLD or \$1000
Grades 1, 2, 12, 13	None in population.
Newer Townhouses built after 2013	Total EMV x 96%. (Older townhouses use EMV value.)
NetCond > 0	RCNLD
PctComplete < 100	Imp EMV adjusted by the applicable % if 50% - 99% complete. RCNLD if below 50% complete.
Obsolescence % > 0	Imp EMV adjusted by the applicable %.
Total EMV < BaseLandVal	\$1000. If multiple sites or commercial zone, then use that model instead.
Multiple Site parcels	EMV on a single site, plus land value for additional sites
2 or more Houses	EMV for imp 1 + RCNLD for imp 2
House and Mobile Home	EMV for imp 1 + RCNLD for Mobile Home.
Mobile Home only	RCNLD

Area 004 Market Value Changes Over Time

In a changing market, recognition of a sales trend to adjust a population of sold properties to a common date is required to allow for value differences over time between a range of sales dates and the assessment date. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, **January 1, 2016**.

For example, a sale of \$475,000 which occurred on October 1, 2014 would be adjusted by the time trend factor of 1.096, resulting in an adjusted value of \$520,000 ($\$475,000 * 1.096 = \$520,600$) – truncated to the nearest \$1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2013	1.245	24.5%
2/1/2013	1.237	23.7%
3/1/2013	1.230	23.0%
4/1/2013	1.223	22.3%
5/1/2013	1.216	21.6%
6/1/2013	1.208	20.8%
7/1/2013	1.201	20.1%
8/1/2013	1.193	19.3%
9/1/2013	1.186	18.6%
10/1/2013	1.179	17.9%
11/1/2013	1.172	17.2%
12/1/2013	1.165	16.5%
1/1/2014	1.157	15.7%
2/1/2014	1.150	15.0%
3/1/2014	1.144	14.4%
4/1/2014	1.137	13.7%
5/1/2014	1.130	13.0%
6/1/2014	1.123	12.3%
7/1/2014	1.116	11.6%
8/1/2014	1.109	10.9%
9/1/2014	1.102	10.2%
10/1/2014	1.096	9.6%
11/1/2014	1.089	8.9%
12/1/2014	1.083	8.3%
1/1/2015	1.076	7.6%
2/1/2015	1.069	6.9%
3/1/2015	1.063	6.3%
4/1/2015	1.057	5.7%
5/1/2015	1.050	5.0%
6/1/2015	1.044	4.4%
7/1/2015	1.038	3.8%
8/1/2015	1.031	3.1%
9/1/2015	1.025	2.5%
10/1/2015	1.019	1.9%
11/1/2015	1.012	1.2%
12/1/2015	1.006	0.6%
1/1/2016	1.000	0.0%

Area 004 Market Value Changes Over Time

The time adjustment formula for Area 004 is: $1/EXP(\text{SaleDay} * 0.000200194565258591)$

$\text{SaleDay} = \text{SaleDate} - 42370$

Results

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

The assessment level target for all areas in King County, including this area, is 92.5. The actual assessment level for this area is 91.8% . The standard statistical measures of valuation performance are all within the IAAO recommended range of .90 to 1.10.

Application of these recommended values for the 2016 assessment year (taxes payable in 2017) results in an average total change from the 2015 assessments of +4.1%. This increase is due partly to market changes over time and the previous assessment levels.

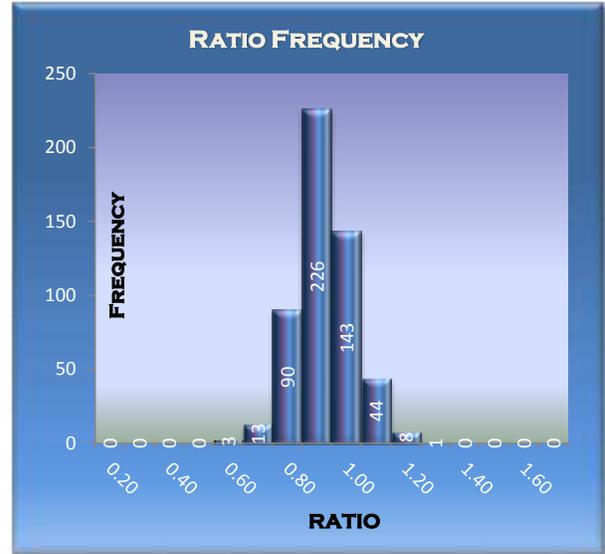
A Ratio Study was completed just prior to the application of the 2016 recommended values. This study benchmarks the prior assessment level using 2015 posted values (1/1/2015) compared to current adjusted sale prices (1/1/2016). The study was also repeated after the application of the 2016 recommended values. The results show an improvement in the COD from 8.71% to 7.58%.

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

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

Physical Inspection Ratio Study Report (Before) - 2015 Assessments

District: NW / Team: 1	Appr.	Date of Report:	Sales Dates:
Area Name: Lake Forest Park/ West Kenmore	1/1/2015	6/28/2016	1/2013 - 12/2015
Area Number: 4	Appr ID:	Property Type:	Adjusted for time?
	DJOH	1 to 3 Unit Residences	Yes
SAMPLE STATISTICS			
<i>Sample size (n)</i>	528		
<i>Mean Assessed Value</i>	474,700		
<i>Mean Adj. Sales Price</i>	549,900		
<i>Standard Deviation AV</i>	120,115		
<i>Standard Deviation SP</i>	151,249		
ASSESSMENT LEVEL			
<i>Arithmetic Mean Ratio</i>	0.874		
<i>Median Ratio</i>	0.871		
<i>Weighted Mean Ratio</i>	0.863		
UNIFORMITY			
<i>Lowest ratio</i>	0.566		
<i>Highest ratio:</i>	1.214		
<i>Coefficient of Dispersion</i>	8.71%		
<i>Standard Deviation</i>	0.098		
<i>Coefficient of Variation</i>	11.24%		
<i>Price Related Differential (PRD)</i>	1.012		
RELIABILITY			
95% Confidence: Median			
<i>Lower limit</i>	0.860		
<i>Upper limit</i>	0.879		
95% Confidence: Mean			
<i>Lower limit</i>	0.865		
<i>Upper limit</i>	0.882		
SAMPLE SIZE EVALUATION			
<i>N (population size)</i>	4592		
<i>B (acceptable error - in decimal)</i>	0.05		
<i>S (estimated from this sample)</i>	0.098		
Recommended minimum:	15		
<i>Actual sample size:</i>	528		
Conclusion:	OK		
NORMALITY			
Binomial Test			
<i># ratios below mean:</i>	268		
<i># ratios above mean:</i>	260		
<i>z:</i>	0.348		
Conclusion:	Normal*		
<i>*i.e. no evidence of non-normality</i>			

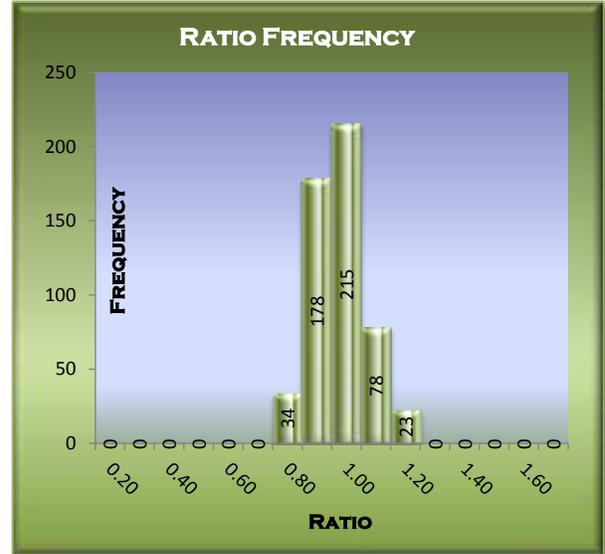


COMMENTS:
 1 to 3 Unit Residences throughout Area 004
 Sales Prices are adjusted for time to the Assessment Date of 1/1/2016

Physical Inspection Ratio Study Report (After) - 2016 Assessments

District: NW / Team: 1	Appr.:	Date of Report:	Sales Dates:
Area Name: Lake Forest Park/ West Kenmore	1/1/2016	6/28/2016	1/2013 - 12/2015
Area Number: 4	Appr. ID:	Property Type:	Adjusted for time?
	DJOH	1 to 3 Unit Residences	Yes

SAMPLE STATISTICS	
Sample size (n)	528
Mean Assessed Value	503,300
Mean Sales Price	549,900
Standard Deviation AV	127,376
Standard Deviation SP	151,249
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.924
Median Ratio	0.918
Weighted Mean Ratio	0.915
UNIFORMITY	
Lowest ratio	0.704
Highest ratio:	1.195
Coefficient of Dispersion	7.58%
Standard Deviation	0.089
Coefficient of Variation	9.61%
Price Related Differential (PRD)	1.010
RELIABILITY	
95% Confidence: Median	
Lower limit	0.910
Upper limit	0.926
95% Confidence: Mean	
Lower limit	0.917
Upper limit	0.932
SAMPLE SIZE EVALUATION	
N (population size)	4592
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.089
Recommended minimum:	13
Actual sample size:	528
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	281
# ratios above mean:	247
z:	1.480
Conclusion:	Normal*
*i.e. no evidence of non-normality	



COMMENTS:

1 to 3 Unit Residences throughout Area 004
 Sales Prices are adjusted for time to the Assessment Date of 1/1/2016.

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.

USPAP Compliance...Continued

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

USPAP Compliance...Continued

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.

USPAP Compliance...Continued

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.

USPAP Compliance...Continued

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The individuals listed below were part of the "appraisal team" and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- To the best of my knowledge the following services were performed by the appraisal team within the subject area in the last three years:

Leslie Clay

- Appeals Response Preparation / Review

Peter Hsu

- Appeals Response Preparation / Review

Robert Moore

- No Previous work in this area

- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed adjacent to my name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:

Diane Johnson

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



6/28/2016

Appraiser II

Date

USPAP Compliance



King County

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

John Wilson
Assessor

As we start preparations for the 2016 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Time adjust sales to January 1, 2016 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Thank you for your continued hard work on behalf of our office and the taxpayers of King County. Your dedication to accurate and fair assessments is why our office is one of the best in the nation.

John Wilson
King County Assessor