

E Auburn/ SE Kent

Area: 058

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

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<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.

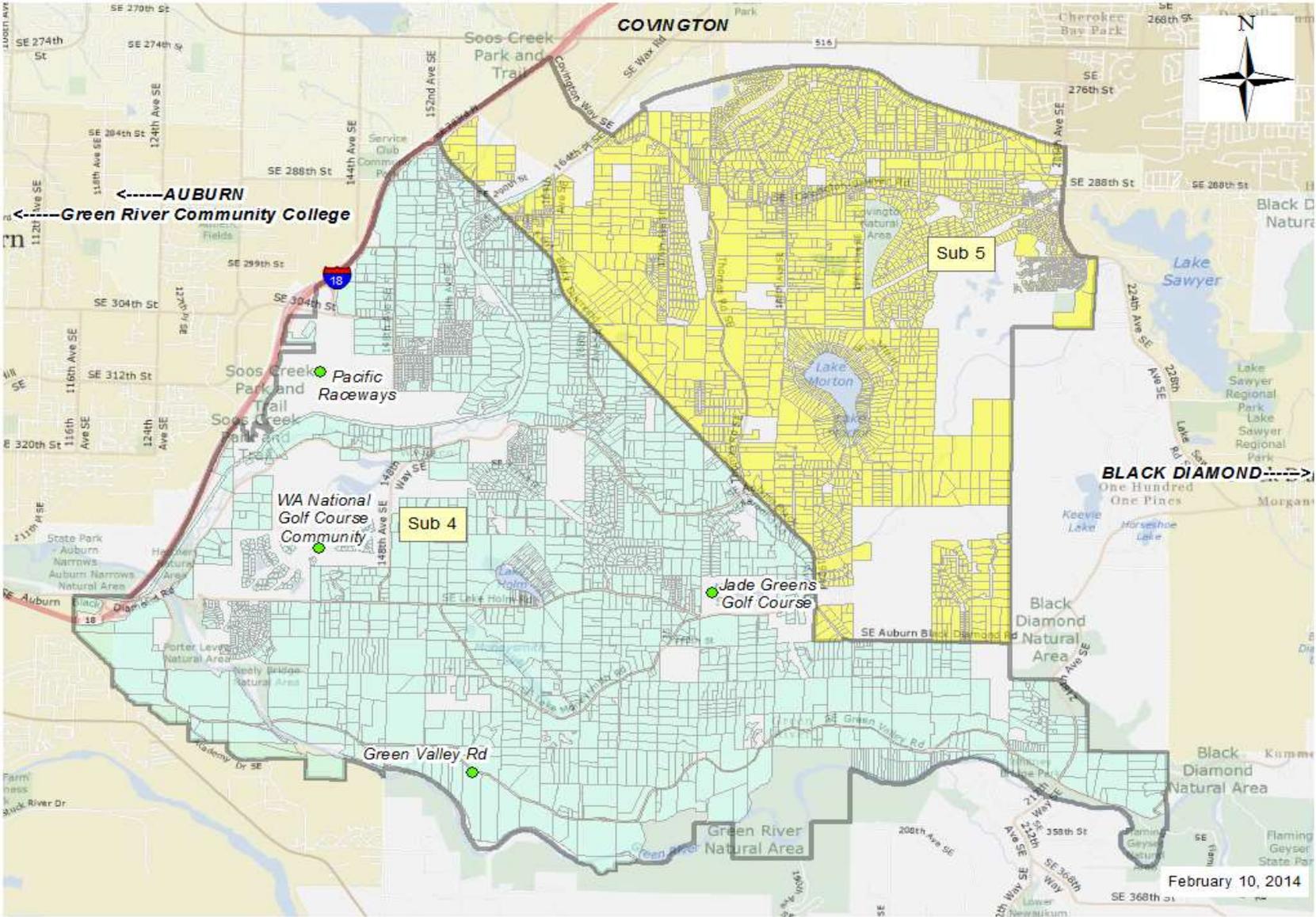
Our office is here to serve you. Please don't hesitate to contact us if you should have questions, comments or concerns about the property assessment process and how it relates to your property.

In Service,

John Wilson
King County Assessor



Area 058 Map



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 058 Housing Profile



Grade 4/ Year Built 1955/ Total Living Area 400



Grade 5/ Year Built 1942/ Total Living Area 880



Grade 6/Year Built 1957/ Total Living Area 970



Grade 7/Year Built 2014/ Total Living Area 2000



Grade 8/Year Built 1978/ Total Living Area 2480



Grade 9/Year Built 1990/ Total Living Area 2750



Grade 10/ Year Built 1993/ Total Living Area 3850



Grade 11/ Year Built 2003/ Total Living Area 4640



Grade 12/ Year Built 2006/ Total Living Area 7510

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

E Auburn/ SE Kent - Area 058

Physical Inspection

Appraisal Date: 1/1/2016
Previous Physical Inspection: 2010
Number of Improved Sales: 503
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 | \$143,500 | \$223,000 | \$366,600 | | | 7.55% |
| 2016 Value | \$143,000 | \$247,100 | \$390,100 | \$425,000 | 91.0% | 7.01% |
| \$ Change | -\$500 | +\$24,100 | +\$23,600 | | | |
| % Change | -0.3% | +10.8% | +6.4% | | | |

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 7.01% is an improvement from the previous COD of 7.55%. 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 | \$147,700 | \$208,500 | \$356,200 |
| 2016 Value | \$148,200 | \$226,900 | \$375,100 |
| \$ Change | +\$500 | +\$18,400 | +\$18,900 |
| % Change | +0.3% | +8.8% | +5.3% |

Number of one to three unit residences in the population: 4,460

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 058 – E Auburn/ SE Kent, 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.

Sales Sample Representation of Population

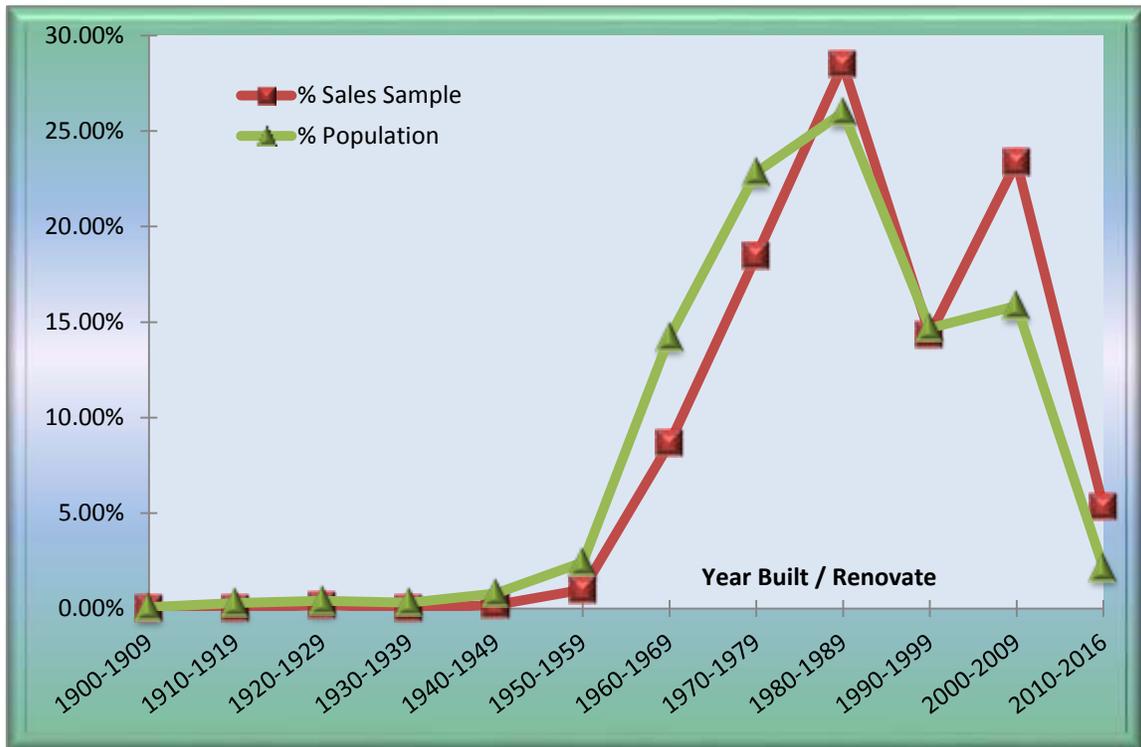
Year Built or Renovated

Sales

| Year Built/Ren | Frequenc y | % Sales Sample |
|----------------|---------------|----------------|
| 1900-1909 | 0 | 0.00% |
| 1910-1919 | 0 | 0.00% |
| 1920-1929 | 1 | 0.20% |
| 1930-1939 | 0 | 0.00% |
| 1940-1949 | 1 | 0.20% |
| 1950-1959 | 5 | 0.98% |
| 1960-1969 | 44 | 8.64% |
| 1970-1979 | 94 | 18.47% |
| 1980-1989 | 145 | 28.49% |
| 1990-1999 | 73 | 14.34% |
| 2000-2009 | 119 | 23.38% |
| 2010-2016 | 27 | 5.30% |
| | 509 | |

Population

| Year Built/Ren | Frequenc y | % Population |
|----------------|---------------|--------------|
| 1900-1909 | 3 | 0.07% |
| 1910-1919 | 13 | 0.29% |
| 1920-1929 | 18 | 0.40% |
| 1930-1939 | 14 | 0.31% |
| 1940-1949 | 35 | 0.78% |
| 1950-1959 | 108 | 2.42% |
| 1960-1969 | 634 | 14.22% |
| 1970-1979 | 1,019 | 22.85% |
| 1980-1989 | 1,159 | 25.99% |
| 1990-1999 | 655 | 14.69% |
| 2000-2009 | 707 | 15.85% |
| 2010-2016 | 95 | 2.13% |
| | 4,460 | |



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 lack statistical significance during the modeling process.

Sales Sample Representation of Population

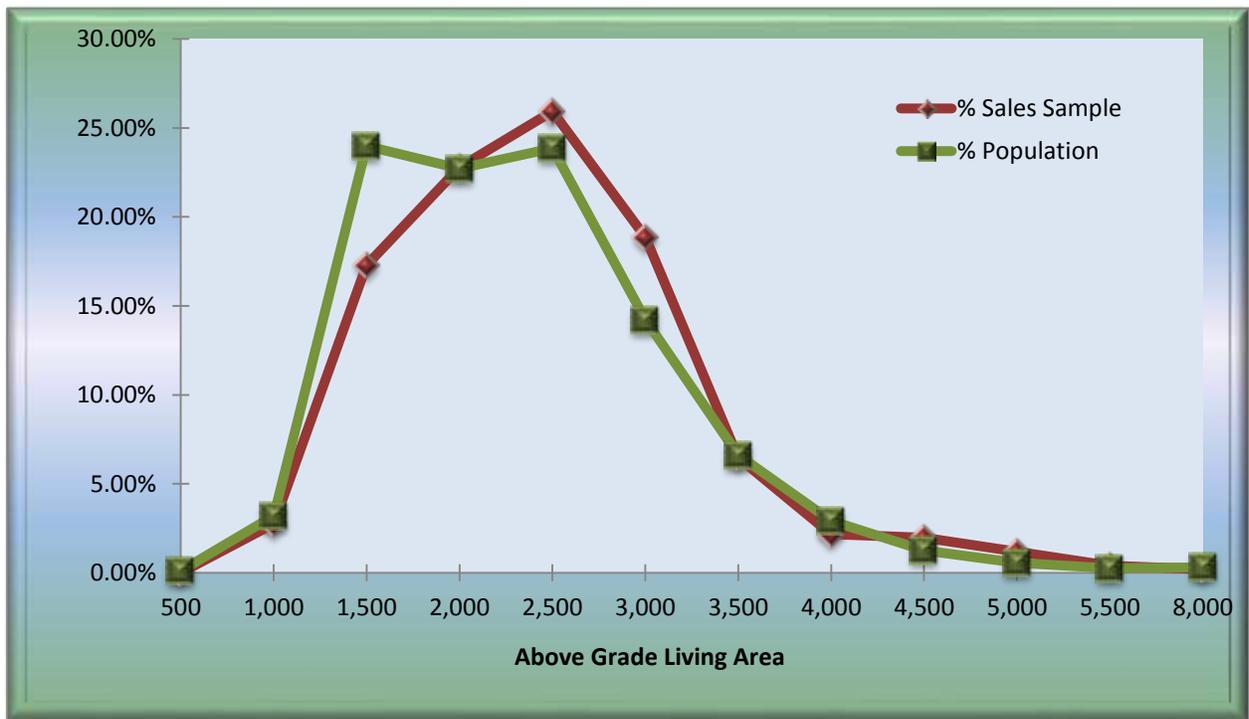
Above Grade Living Area

Sales

| AGLA | Frequency | % Sales Sample |
|-------|-----------|----------------|
| 500 | 0 | 0.00% |
| 1,000 | 13 | 2.58% |
| 1,500 | 85 | 16.90% |
| 2,000 | 115 | 22.86% |
| 2,500 | 132 | 26.24% |
| 3,000 | 96 | 19.09% |
| 3,500 | 33 | 6.56% |
| 4,000 | 11 | 2.19% |
| 4,500 | 10 | 1.99% |
| 5,000 | 6 | 1.19% |
| 5,500 | 2 | 0.40% |
| 8,000 | 0 | 0.00% |
| | 503 | |

Population

| AGLA | Frequency | % Population |
|-------|-----------|--------------|
| 500 | 5 | 0.11% |
| 1,000 | 143 | 3.21% |
| 1,500 | 1,070 | 23.99% |
| 2,000 | 1,013 | 22.71% |
| 2,500 | 1,064 | 23.86% |
| 3,000 | 634 | 14.22% |
| 3,500 | 295 | 6.61% |
| 4,000 | 130 | 2.91% |
| 4,500 | 56 | 1.26% |
| 5,000 | 25 | 0.56% |
| 5,500 | 11 | 0.25% |
| 8,000 | 14 | 0.31% |
| | 4,460 | |



The sales sample frequency distribution follows the population distribution fairly closely with regard to Above Grade Living Area (AGLA). This distribution is adequate for both accurate analysis and appraisals.

Sales Sample Representation of Population

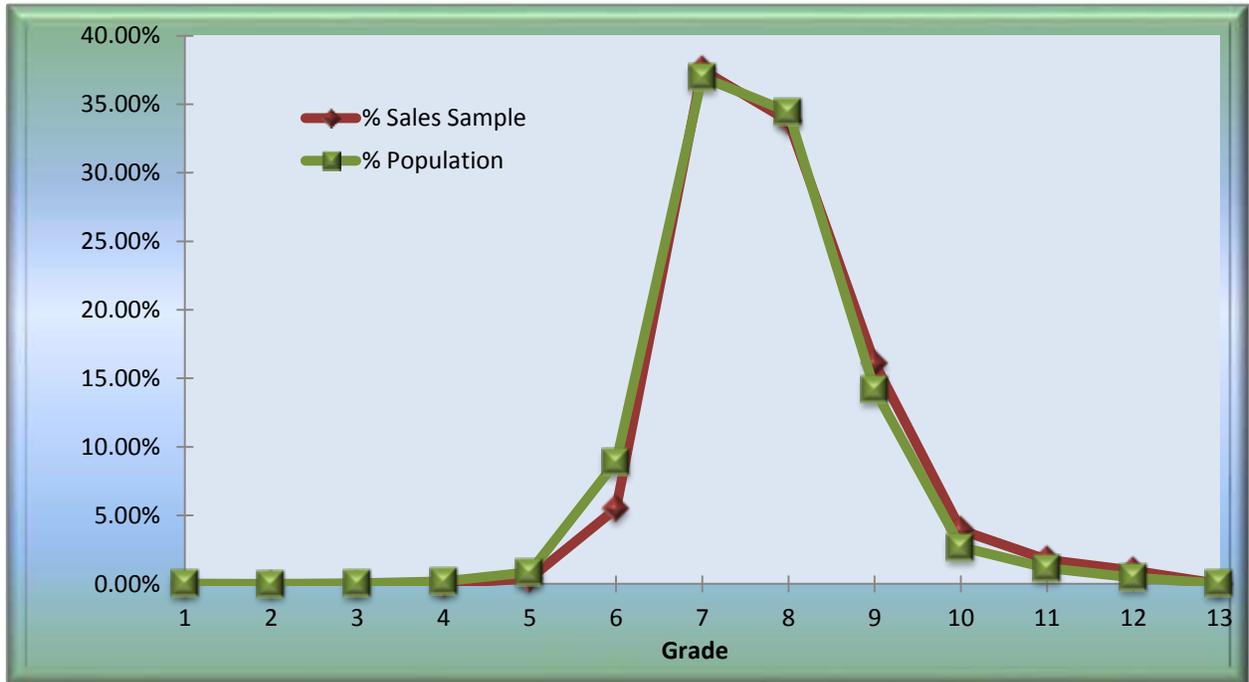
Building Grade

Sales

| Grade | Frequency | % Sales Sample |
|-------|-----------|----------------|
| 1 | 0 | 0.00% |
| 2 | 0 | 0.00% |
| 3 | 0 | 0.00% |
| 4 | 0 | 0.00% |
| 5 | 1 | 0.20% |
| 6 | 24 | 4.77% |
| 7 | 191 | 37.97% |
| 8 | 172 | 34.19% |
| 9 | 82 | 16.30% |
| 10 | 20 | 3.98% |
| 11 | 9 | 1.79% |
| 12 | 4 | 0.80% |
| 13 | 0 | 0.00% |
| | 503 | |

Population

| Grade | Frequency | % Population |
|-------|-----------|--------------|
| 1 | 1 | 0.02% |
| 2 | 0 | 0.00% |
| 3 | 2 | 0.04% |
| 4 | 8 | 0.18% |
| 5 | 38 | 0.85% |
| 6 | 398 | 8.92% |
| 7 | 1,650 | 37.00% |
| 8 | 1,537 | 34.46% |
| 9 | 632 | 14.17% |
| 10 | 120 | 2.69% |
| 11 | 52 | 1.17% |
| 12 | 21 | 0.47% |
| 13 | 1 | 0.02% |
| | 4,460 | |



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 27, 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.

- Carolyn Liepelt – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Joel Ledbetter – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Stephanie Pratt – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Lori Sorrell – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Terry White – 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 \$10,000 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 from [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.

Physical Inspection Process... Continued

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 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 058 - E Auburn/ SE Kent

Boundaries

Area 58 is bounded by the railroad tracks south of the Covington business center. The boundary runs southwesterly of Lake Sawyer and south to the Green River, along the Green River to Highway 18, and then north on Highway 18 back to Covington.

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 58 is a very large and diverse area comprised of a mixture of rural acreage, older plats, newer plats and older homes on large acreage. The market primarily contains homes of mixed quality located in tax lots and platted neighborhoods. Two nearby commercial centers are Covington to the north and downtown Auburn to the south, both of which are accessed via Highway 18. In addition to large horse ranch equestrian type properties in the south down the Green River Valley, many properties are used for local agricultural and hold an open space or current use designation. Local farms along the Green Valley Road such as Mosby Brothers and Canter-Berry Farms supply local restaurants and markets with seasonal, hand harvested produce items. In addition these farms sell fresh flowers, produce and other home made goods such as jams, syrup, chutney and vinegar to the public.

There are waterfront properties located along the Green River, Lake Holm and Lake Morton. A third small lake, called Lake Moneysmith, is a bog lake with no improved properties. Properties along the Green River are predominantly pre-1970's lower grade quality homes with some newer, higher grade homes scattered throughout. The majority of the area is typically non-homogeneous in nature with housing made up of a variety of quality, ages and lot sizes. However some platted areas of homogeneity do exist in pocket neighborhoods such as the Washington National Golf Course community, Heather Highlands, Golden Ridge, Adler's Cove and Kentlake Highlands.

A majority of the area is located in unincorporated King County with the exception of a small pocket plat neighborhood called Lake at Winterwood, which lies in the City of Covington. The area is serviced by three school districts, Covington, Kent and Auburn.

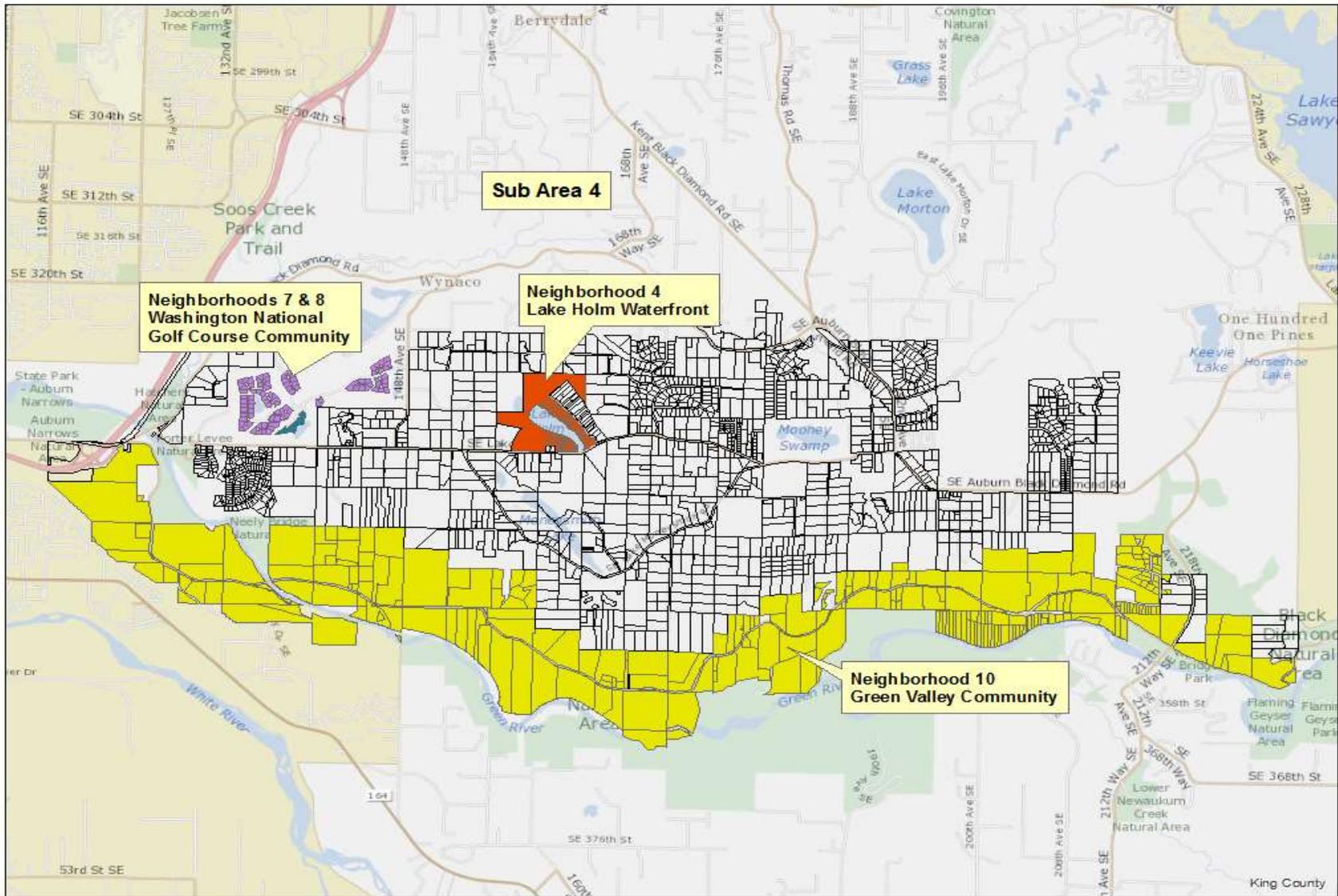
Geographically the area varies greatly in topography, from steep hillsides off the Auburn Black Diamond Rd to the valley floor. Many properties are influenced by the Green River and numerous streams and rivers. Due to the excessive rainfall during the winter of 2008 -2009, many properties along the Green Valley Road, ("Green Valley" Neighborhood #10- see map page 18), were issued a flood risk warning. This warned of the possibility of the Howard Hanson Dam's failure to hold back water if more excessive rainfall occurred. Many residents were advised to obtain flood insurance. King County took immediate action to shore up levees and fill sandbags for properties within the flood risk zone. No major flooding has occurred to date.

Area Information... Continued

With a majority of the area comprised of lower density zoning such as RA5 (5 acre minimum lot size), RA10 (10 acre minimum lot size) and A10 (Agriculture use- 10 acre minimum lot size), the majority of the acreage properties have maintained and preserved a rural character.

High density zoning has been limited to two quarter sections, NW and SW 04-21-06, where Adler's Cove and Kentlake Highlands are located. The zoning in these two quarter sections is R4-four dwelling units per acre. Any future development of subdivisions would most likely occur in these quarter sections.

Neighborhood Map



Land Valuation

Area 58 has 5848 improved properties and 537 vacant parcels. Sites range in size from 3,638 square feet to 68.86 acres. Platted lots were valued by site, with values ranging from \$75,000 to \$195,000. Non-platted lots were valued by size, with values ranging from \$53,000 to \$490,000. Final land values included consideration for positive impacts such as views and the negative impacts such as traffic and sensitive areas.

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. There are 35 vacant land sales in Area 58. Two vacant multi-parcel sales in Area 58 were also utilized. Additional vacant land sales were utilized in adjacent Areas 40 and 57 for further support. All land sales were physically inspected and verified in the field with effort to contact the buyer or seller when necessary or possible. The characteristics of each were compared and categorized, for the purpose of estimating land values and establishing adjustments for additional amenities or impacts affecting value. The land allocation and land abstraction methods were also incorporated in the land model analysis for additional support and validation, particularly when generating values for plats. The most influential characteristics identified affecting sales price include lot size, views, topography, traffic, access, power lines, sensitive areas, utility access and location. The size of the adjustments varied widely based on the severity of the impacts. For example, those sites which had major power lines running through the center of a site were less advantageous than those which had power lines bordering a site.

Due to the lack of availability of public utilities in a majority of the area, a large number of parcels have private water and rely on septic systems for waste removal. For these parcels the ability to drill a well or hook up to a community well and support an on site sewage systems was a determining factor in land valuation. There are some platted areas, predominately in the northeast portion towards the City of Covington, where public utilities are easily accessed.

A typical platted lot in the area has an average value range between \$75,000 and \$195,000 depending on size, location, amenities, and average market sale price within the plat. A typical non-platted lot in the area has an average value range of \$68,000 to \$240,000 with consideration given for size, sensitive areas, views, access and other impacts.

There are six neighborhoods considered in Area 58. The following is a brief description of each.

Neighborhood 4 – Waterfront properties in the lakefront community of Lake Holm

Neighborhood 5 – Waterfront properties in the lakefront community of Lake Morton

Neighborhood 7 – Street of Dreams luxury homes in Washington National Golf Course community

Neighborhood 8 – Washington National Golf Course community – Grade 9-13 homes

Neighborhood 9 – Flying Acres – These properties are homesites surrounding Crest Airpark; they typically have runway access to a privately owned airport and have large hangars to house private airplanes.

Neighborhood 10 – Green Valley Community – These properties are accessed via Green Valley Road to Flaming Geyser with many parcels abutting to Green River.

Land Model

Model Development, Description and Conclusions

In considering the many property types within Area 58, additional support and validation from the land allocation and land abstraction methods were incorporated in the land model analysis. Overall, values and ratios from both methods were found to be compatible with the vacant land sales and considered reliable in helping to determine the final land values. Additional adjustments to all sites were applied for positive attributes such as views and negative adjustments for inferior attributes such as traffic nuisance and topography. These adjustments are based on analyzing matched vacant and improved sales combined with extensive appraisal experience and knowledge of the area.

For example, vacant sales in Area 58 indicated a \$12,000 upward adjustment for a good Mount Rainier view versus a non-view site. Match paired sales analysis indicated a \$12,000 downward adjustment for high traffic impact.

Waterfront values were determined based on the quality of the lake and the quantity of waterfront footage. Sites with Green River riverfront footage were based on the land schedule with an additional \$20,000 premium per site.

Land Value Model Calibration

| LOT SQUARE FOOTAGE | ACREAGE | BASE LAND VALUE |
|--------------------|---------------|----------------------------|
| <=6,500 | <=.15 | \$68,000 |
| 6,501-10,890 | .16-.25 | \$75,000 |
| 10,891-13,068 | .26-.30 | \$79,000 |
| 13,069-15,246 | .31-.35 | \$84,000 |
| 15,247-17,424 | .36-.40 | \$90,000 |
| 17,425-19,602 | .41-.45 | \$98,000 |
| 19,603-21,779 | .46-.49 | \$105,000 |
| 21,780 | 0.50 | \$110,000 |
| 32,670 | 0.75 | \$122,000 |
| 43,560 | 1.00 | \$134,000 |
| 65,340 | 1.50 | \$167,000 |
| 87,120 | 2.00 | \$200,000 |
| 108,900 | 2.50 | \$210,000 |
| 130,680 | 3.00 | \$220,000 |
| 174,240 | 4.00 | \$230,000 |
| 217,800 | 5.00 | \$240,000 |
| 261,360 | 6.00 | \$260,000 |
| 304,920 | 7.00 | \$280,000 |
| 348,480 | 8.00 | \$300,000 |
| 392,040 | 9.00 | \$320,000 |
| 435,600 | 10.00 | \$340,000 |
| 653,400 | 15.00 | \$390,000 |
| 871,200 | 20.00 | \$440,000 |
| 1,089,000 | 25.00 | \$465,000 |
| 1,306,800 | 30.00 | \$490,000 |
| 1,524,600 | 35.00 | \$515,000 |
| 1,742,400 | 40.00 | \$540,000 |
| | > 40.00 ACRES | +5,000 per additional acre |

Incremental adjustments were made between specific lot sizes.

Land Value Model Calibration... Continued

Area 58 Plat Schedule

| Major | Plat Name | Grade | Year Built Range | Base Land |
|--------|-----------------------------|------------------|------------------|-----------------------|
| 005350 | Adler's Cove | 7-8 | 2007-2014 | \$94,000 |
| 115600 | Brookside Park | 7-8 | 1967-1986 | \$110,000 |
| 124940 | Burkeridge Manor | 8-9 | 1983-2001 | \$130,000 |
| 147150 | Cedar Terrace Add | 7-8 | 1967-2009 | \$90,000 |
| 179615 | Covington Creek Meadows | 7-9 | 1987-1990 | \$135,000 |
| 179625 | Covington Heights | 7-8 | 1984-1992 | \$147,000 |
| 183970 | Crest Tree Estates | 8 | 1979-1980 | \$126,000 & \$130,000 |
| 184260 | Crestwood Hill | 7-8 | 1977-1991 | \$123,000 |
| 184261 | Crestwood Hill # 2 | 8 | 1979-1990 | \$123,000 |
| 184290 | Crissville | 7 | 1968-1973 | \$82,000 |
| 189801 | Darwood Manor #2 | 7-8 | 1977-1979 | \$100,000 |
| 202576 | Diamond Ridge Estates Div 1 | 10-12 | 2001-2014 | \$195,000 |
| 202577 | Diamond Ridge Estates Div 2 | 9-13 | 2003-2015 | \$195,000 |
| 221290 | EastRidge Park | 6-7 | 1968-1969 | \$85,000 |
| 258789 | Flying Acres | 7-10 | 1971-2014 | \$155,000-\$165,000 |
| 258790 | Flying Acres Div # 2 | 7-9 | 1970-2000 | \$155,000 |
| 258791 | Flying Acres Div # 3 | 7-9 | 1976-2004 | \$163,000-\$173,000 |
| 258792 | Flying Acres Div #4 | 6-10 | 1976-2004 | \$163,000-\$173,000 |
| 259755 | Forest Ridge Park | 8 | 1974-1979 | \$135,000 |
| 266210 | Fugates First ADD | 7 | 1970 | \$75,000 |
| 281790 | Golden Ridge Div # 1 | 8-10 | 1988-1996 | \$180,000 |
| 281791 | Golden Ridge Div # 2 | 8-10 | 1989-1993 | \$180,000 |
| 286890 | Grass Lake Estates | 7 | 1972-1974 | \$87,000 |
| 321123 | Heather Highlands ADD | 8-9 | 1983-1989 | \$175,000 |
| 321124 | Heather Highlands ADD # 2 | 9 | 1986-1990 | \$175,000 |
| 321126 | Heather Highlands Div # 3 | 9 | 1987-1990 | \$175,000 |
| 321127 | Heather Highlands Div # 4 | 8-9 | 1987-1990 | \$175,000 |
| 329860 | Highland Meadows | 7-8 | 1974-1980 | \$115,000 |
| 329861 | Highland Meadows Div # 2 | 7-8 | 1978-1992 | \$115,000 |
| 383205 | Kentlake Highlands Div 1A | 7 | 2005-2010 | \$105,000 |
| 383206 | Kentlake Highlands Div 1B | 7 | 2006-2010 | \$105,000 |
| 383207 | Kentlake Highlands Div 2 | 7 | 2008-2009 | \$105,000 |
| 383208 | Kentlake Highlands Div 3 | 7 | 2008-2010 | \$105,000 |
| 397763 | Laguna Hills Div 4 | 6-7 | 1971-1982 | \$90,000 |
| 398120 | Lake at Winterwood | 9 | 1989-1997 | \$165,000 |
| 406860 | Lake Sawyer Glen | Mobile Home Plat | 1982-1987 | \$80,000 |
| 431260 | Liliput Estates | 6 | 1975-1976 | \$85,000 |
| 431270 | Liliput Estates Div 2 | 6 | 1969-1975 | \$85,000 |
| 436670 | Little Firs | 6 | 1969-1976 | \$85,000 |
| 570921 | Mountain View Villa #2 | 8-9 | 1962-1992 | \$115,000 |

Land Value Model Calibration... Continued

Area 58 Plat Schedule cont.

| Major | Plat Name | Grade | Year Built Range | Base Land |
|--------|----------------------------|--------------------|------------------|-----------|
| 570960 | Mountain Village ADD | Mobile Home Plat | 1966-2007 | \$75,000 |
| 660040 | Pacific Park Estates Div 1 | 7 | 1968-1969 | \$80,000 |
| 660041 | Pacific Park Estates Div 2 | 6-7 | 1967-1978 | \$80,000 |
| 721540 | Remington Div 1 | 8-9 | 1989-1991 | \$160,000 |
| 721541 | Remington Div 2 | 8-9 | 1990-1997 | \$160,000 |
| 721542 | Remington Div 3 | 8-9 | 1993-1997 | \$160,000 |
| 745980 | Royal Woods | 7 | 1975-1978 | \$130,000 |
| 745981 | Royal Woods # 2 | 7-8 | 1977-1978 | \$130,000 |
| 752460 | Samaca Heights | 6-7 | 1975-1979 | \$100,000 |
| 757010 | Sawyer Estates | SFD & Mobile Homes | 1960-2015 | \$87,000 |
| 784350 | Smokerise | 8 | 1985-1989 | \$110,000 |
| 795060 | Squirewood | 7 | 1968-1969 | \$75,000 |
| 795070 | Squirewood Div 2 | 7 | 1969-1975 | \$75,000 |
| 859440 | Tha-Dra Estates | 7-8 | 1985-1988 | \$130,000 |
| 894420 | Villa Grandee | 7 | 1973 | \$80,000 |
| 911350 | Waldheim Acres Add | 7-9 | 1958-2002 | \$155,000 |
| 911360 | Waldheim Acres Add # 2 | 7-9 | 1971-2003 | \$155,000 |
| 911361 | Waldheim Acres Add # 3 | 8-9 | 1975-2005 | \$155,000 |
| 915840 | Walther's ADD | 7-8 | 1993-2011 | \$140,000 |
| 923760 | Welch's First ADD | 7 | 1962-1967 | \$80,000 |
| 923770 | Welch's Second ADD | 6-7 | 1957-1969 | \$80,000 |
| 948590 | Winterwood Estates Div 1 | 8-9 | 1976-1977 | \$128,000 |
| 948591 | Winterwood Estates Div 2 | 8-9 | 1977-1978 | \$128,000 |
| 948592 | Winterwood Estates Div 3 | 8-9 | 1978-1979 | \$140,000 |
| 948593 | Winterwood Estates Div 4 | 8-9 | 1980-1983 | \$140,000 |
| 948594 | Winterwood Estates Div 5 | 8-9 | 1981-1993 | \$140,000 |
| 948595 | Winterwood Estates Div 6 | 8-9 | 1983-2007 | \$150,000 |

Platted lots not listed here were valued using the land schedule.

Land Value Model Calibration... Continued

Adjustments to Area 58 Land Values

| NEGATIVE IMPACTS | REDUCTION TO BASE LAND VALUE |
|----------------------|------------------------------|
| Access | -5% to -50% |
| Easements | -5% to -75% |
| Flood Plain | -5% to -60% |
| Landslide | -5% to -30% |
| NonPerc/NonBuildable | -75% to -80% |
| Power Lines | -5% to -80% |
| Steep Slope | -5% to -15% |
| Stream | -5% to -65% |
| Topography | -5% to -75% |
| Water Problems | -5% to -60% |
| Wetland | -5% to -75% |

| TRAFFIC NOISE | REDUCTION TO BASE LAND VALUE |
|--|------------------------------|
| Moderate - if site is vacant or street borders front of home | -\$6,000 |
| Moderate - if street borders side or rear of home | -\$3,000 |
| High - if site is vacant or street borders front of home | -\$12,000 |
| High - if street borders side or rear of home | -\$6,000 |
| Extreme | -\$19,000 |

| POSITIVE IMPACTS | ADDITIVE TO BASE LAND VALUE |
|--|-----------------------------|
| MOUNT RAINIER VIEW | |
| Average | +\$8,000 |
| Good | +\$12,000 |
| Excellent | +\$22,000 |
| CASCADES MOUNTAINS or TERRITORIAL VIEW | |
| (If coded for both then, use the highest of the two values only) | |
| Average | +\$3,000 |
| Good | +\$6,000 |
| Excellent | +\$9,000 |

Order of Adjustments:

- 1) % Adjustments
- 2) Dollar Amount Adjustments

Land Value Calculation Sample:

A one acre tax lot is calculated at **\$134,000** per the tax lot land schedule, +/- any other land adjustments. If this parcel has **-10%** for topography, is situated on a street with moderate traffic **-\$6,000**, an average view of Mount Rainer **+\$8,000**, and a good Territorial view **+\$6,000**, the adjusted calculated land value would be as follows:

$$\text{\$134,000} * .90 = \text{\$120,600} - \text{\$6,000} + \text{\$8,000} + \text{\$6,000} = \text{\$128,000 (truncated)}$$

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 from [sales lists](#), [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. In addition to standard physical property characteristics, characteristics that indicated possible significance in the marketplace were determined to be land, age, grade, condition, building cost, neighborhood and specific plats. Many charts, graphs, statistical reports and diagnostic tools were utilized to determine which specific variables would be used in the valuation model. Through this process an EMV valuation model was derived for the whole area. The analysis showed the following variables needed to be included in the valuation model:

- Base Land
- RCNLD (Replacement Cost New Less Depreciation)
- Very Good condition
- Lake Holm waterfront properties (Neighborhood 4)
- Washington National (Majors 202576-202577)
- Kentlake Highlands (Majors 383205-383208)
- Remington (Majors 721540-721542)

After the models were developed, numerous plats including their amenities and characteristics were analyzed further. As a result of this thorough investigation, additional adjustments were made to these plats. In addition, supplemental models such as cost or market adjusted cost were developed to

Improved Parcel Valuation... Continued

address parcels outside the parameters of the main valuation formula. Any additional adjustments not covered in supplemental models and exceptions are noted in the notes field of that particular parcel.

Improved Parcel Total Value Model Calibration

| Variable | Definition |
|----------------------------|--------------------------------------|
| Sale Day | Time Adjustment |
| BaseLandC | 2016 Adjusted Base Land Value |
| Bldg RCNLD | Cost New Less Depreciation |
| Very GoodYN | Improvement Condition = Very Good |
| Neigh 8 | Neighborhood = 8 |
| Majors 202576 & 202577 | Majors = 202576 & 202577 |
| Majors 383205-383208 | Majors = 383205 - 383208 |
| Majors 721540-721542 | Majors – 721540-721542 |
| + Accy Rcnld (constrained) | Accessory Cost New Less Depreciation |

Multiplicative Model

$(1-0.075) * \text{EXP} . 1.40898302171149 + 0.393812586912381 * \text{BaseLandC} + 0.479247848468354 * \text{BldgRcnldC} + 0.0287236247989789 * \text{Maj202576-7} - 0.0395803725089231 * \text{Maj383205-08} + 0.035861268854464 * \text{Maj721540-2} + 0.0904484834214592 * \text{Nghb4YN} + 0.000236172356583547 * \text{SaleDay} + 0.019765288591476 * \text{VGoodYN} + (\text{Accy RCNLD}) * 1000$

EMV values were not generated for:

- Buildings with grade less than 3
- Building two or greater. (EMV is generated for building one only.)
- If total EMV is less than base land value
- Lot size less than 100 square feet

Of the improved parcels in the population, 3,921 parcels increased in value. They were comprised of 1 single family residence on commercially zoned land and 3,920 single family residences or other parcels.

Of the vacant land parcels greater than \$1000, 227 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

AREA ADJUSTMENTS:

Grade 12 homes not located in Majors 202576 & 202577 (Washington National)- EMV * 1.1

Grade 6 homes in Major 405320 (Lake Morton Trs) - RCNLD

Improvements in Poor Condition - RCNLD * .75

Improvements in Fair Condition - RCNLD * .65

Multiple improvements on one parcel - EMV of Imp #1 + RCNLD of Additional Improvements

PLAT ADJUSTMENTS:

Major 005350 (Adler's Cove) - EMV * .98

Major 076670 (Berger's Lake Morton Add) - EMV * 1.12

Major 179625 (Covington Heights) - EMV * .97

Major 344400 (Homestead Acres Add) - EMV * .96

Major 745980 & 745981 (Royal Woods & Royal Woods #2) - EMV * 1.02

Majors 784350 (Smokerise) - EMV * .98

Majors 948590 & 948591 (Winterwood Estates Div 1 & 2) - EMV * 1.06

Majors 948592, 948593 & 948594 - (Winterwood Estates Div 3, 4 & 5) - EMV * 1.03

Major 948595 (Winterwood Estates Div 6) - EMV * 1.02

Area 058 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 1.114, resulting in an adjusted value of \$529,000 ($\$475,000 * 1.114 = \$529,150$) – truncated to the nearest \$1000.

| SaleDate | Adjustment (Factor) | Equivalent Percent |
|-----------|---------------------|--------------------|
| 1/1/2013 | 1.295 | 29.5% |
| 2/1/2013 | 1.286 | 28.6% |
| 3/1/2013 | 1.277 | 27.7% |
| 4/1/2013 | 1.268 | 26.8% |
| 5/1/2013 | 1.259 | 25.9% |
| 6/1/2013 | 1.250 | 25.0% |
| 7/1/2013 | 1.241 | 24.1% |
| 8/1/2013 | 1.232 | 23.2% |
| 9/1/2013 | 1.223 | 22.3% |
| 10/1/2013 | 1.214 | 21.4% |
| 11/1/2013 | 1.205 | 20.5% |
| 12/1/2013 | 1.197 | 19.7% |
| 1/1/2014 | 1.188 | 18.8% |
| 2/1/2014 | 1.179 | 17.9% |
| 3/1/2014 | 1.172 | 17.2% |
| 4/1/2014 | 1.163 | 16.3% |
| 5/1/2014 | 1.155 | 15.5% |
| 6/1/2014 | 1.147 | 14.7% |
| 7/1/2014 | 1.138 | 13.8% |
| 8/1/2014 | 1.130 | 13.0% |
| 9/1/2014 | 1.122 | 12.2% |
| 10/1/2014 | 1.114 | 11.4% |
| 11/1/2014 | 1.106 | 10.6% |
| 12/1/2014 | 1.098 | 9.8% |
| 1/1/2015 | 1.090 | 9.0% |
| 2/1/2015 | 1.082 | 8.2% |
| 3/1/2015 | 1.075 | 7.5% |
| 4/1/2015 | 1.067 | 6.7% |
| 5/1/2015 | 1.060 | 6.0% |
| 6/1/2015 | 1.052 | 5.2% |
| 7/1/2015 | 1.044 | 4.4% |
| 8/1/2015 | 1.037 | 3.7% |
| 9/1/2015 | 1.029 | 2.9% |
| 10/1/2015 | 1.022 | 2.2% |
| 11/1/2015 | 1.015 | 1.5% |
| 12/1/2015 | 1.007 | 0.7% |
| 1/1/2016 | 1.000 | 0.0% |

Area 058 Market Value Changes Over Time

The time adjustment formula for Area 058 is: $1/EXP(\text{SaleDay} * 0.000236172356583555)$

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

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 91.0% . 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 +5.3%. 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 7.55% to 7.01%.

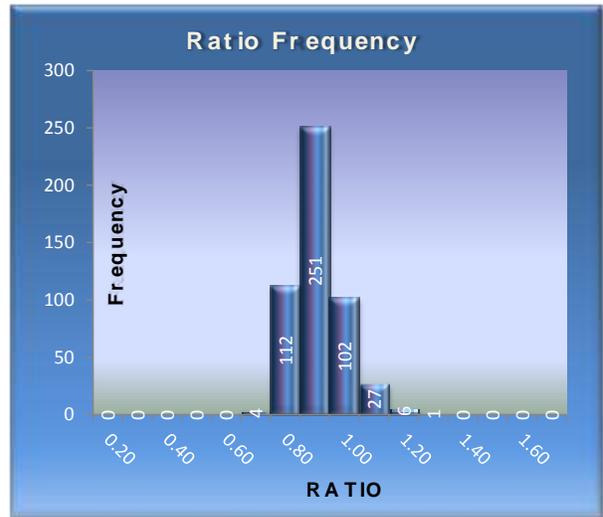
The Appraisal Team recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

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: SE / Team: 3 | Appr. | Date of Report: | Sales Dates: |
| Area Name: E Auburn/ SE Kent | 1/1/2015 | 6/27/2016 | 1/2013 - 12/2015 |
| Area Number: 58 | Appr ID: | Property Type: | Adjusted for time? |
| | CLIE | 1 to 3 Unit Residences | Yes |

| SAMPLE STATISTICS | |
|--|-------------------|
| <i>Sample size (n)</i> | 503 |
| <i>Mean Assessed Value</i> | 366,500 |
| <i>Mean Adj. Sales Price</i> | 425,000 |
| <i>Standard Deviation AV</i> | 135,466 |
| <i>Standard Deviation SP</i> | 154,469 |
| ASSESSMENT LEVEL | |
| <i>Arithmetic Mean Ratio</i> | 0.864 |
| <i>Median Ratio</i> | 0.855 |
| <i>Weighted Mean Ratio</i> | 0.862 |
| UNIFORMITY | |
| <i>Lowest ratio</i> | 0.632 |
| <i>Highest ratio:</i> | 1.201 |
| <i>Coefficient of Dispersion</i> | 7.55% |
| <i>Standard Deviation</i> | 0.085 |
| <i>Coefficient of Variation</i> | 9.89% |
| <i>Price Related Differential (PRD)</i> | 1.002 |
| RELIABILITY | |
| 95% Confidence: Median | |
| <i>Lower limit</i> | 0.847 |
| <i>Upper limit</i> | 0.862 |
| 95% Confidence: Mean | |
| <i>Lower limit</i> | 0.856 |
| <i>Upper limit</i> | 0.871 |
| SAMPLE SIZE EVALUATION | |
| <i>N (population size)</i> | 4460 |
| <i>B (acceptable error - in decimal)</i> | 0.05 |
| <i>S (estimated from this sample)</i> | 0.085 |
| Recommended minimum: | 12 |
| <i>Actual sample size:</i> | 503 |
| Conclusion: | OK |
| NORMALITY | |
| Binomial Test | |
| <i># ratios below mean:</i> | 279 |
| <i># ratios above mean:</i> | 224 |
| <i>z:</i> | 2.452 |
| Conclusion: | Non-normal |



COMMENTS:

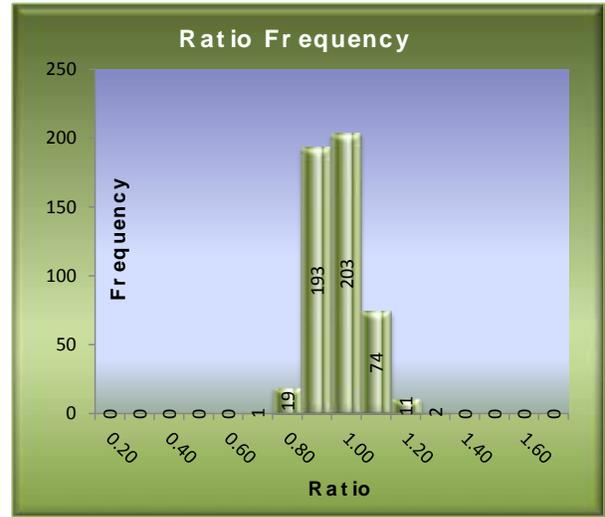
1 to 3 Unit Residences throughout Area 058

Sales Prices are adjusted for time to the Assessment Date of 1/1/2016

Physical Inspection Ratio Study Report (After) - 2016 Assessments

| | | | |
|-------------------------------------|--------------------------|---|---|
| District: SE / Team: 3 | Appr. 1/1/2016 | Date of Report: 6/27/2016 | Sales Dates: 1/2013 - 12/2015 |
| Area Name: E Auburn/ SE Kent | Appr. ID: CLIE | Property Type: 1 to 3 Unit Residences | Adjusted for time? Yes |
| Area Number: 58 | | | |

| SAMPLE STATISTICS | |
|--|-------------------|
| Sample size (n) | 503 |
| Mean Assessed Value | 390,100 |
| Mean Sales Price | 425,000 |
| Standard Deviation AV | 138,420 |
| Standard Deviation SP | 154,469 |
| ASSESSMENT LEVEL | |
| Arithmetic Mean Ratio | 0.924 |
| Median Ratio | 0.910 |
| Weighted Mean Ratio | 0.918 |
| UNIFORMITY | |
| Lowest ratio | 0.679 |
| Highest ratio: | 1.256 |
| Coefficient of Dispersion | 7.01% |
| Standard Deviation | 0.082 |
| Coefficient of Variation | 8.88% |
| Price Related Differential (PRD) | 1.007 |
| RELIABILITY | |
| 95% Confidence: Median | |
| Lower limit | 0.905 |
| Upper limit | 0.923 |
| 95% Confidence: Mean | |
| Lower limit | 0.917 |
| Upper limit | 0.932 |
| SAMPLE SIZE EVALUATION | |
| N (population size) | 4460 |
| B (acceptable error - in decimal) | 0.05 |
| S (estimated from this sample) | 0.082 |
| Recommended minimum: | 11 |
| Actual sample size: | 503 |
| Conclusion: | OK |
| NORMALITY | |
| Binomial Test | |
| # ratios below mean: | 278 |
| # ratios above mean: | 225 |
| z: | 2.363 |
| Conclusion: | Non-normal |



COMMENTS:

1 to 3 Unit Residences throughout Area 058

Sales Prices are adjusted for time to the Assessment Date of 1/1/2016.

Mobile Home Valuation

Mobile Home 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. Sales are listed in the "Mobile Home Sales Used In This Physical Inspection Analysis" and "Mobile Home Sales Removed From This Physical Inspection Analysis" sections of this report. Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

For Mobile Homes, the Assessor uses residential costs from Marshall & Swift, from the September prior to the Assessment year (i.e. Marshall & Swift's September 2015 update for the 2016 Assessment Year). The cost model specifies physical characteristics of the mobile home such as length, width, living area, class, condition, size, year built. 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, class, and condition, resulting in Reconstruction Cost New less Depreciation (RCNLD). The appraiser can also apply a net condition for Mobile Homes that have depreciated beyond the normal percent good for their age and condition.

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. There are 442 manufactured homes as primary residences in Area 58. All manufactured homes were field inspected, characteristics checked and updated as needed. Within area 58, there were only 25 usable mobile home sales. For further sales support, competing market areas such as Enumclaw Plateau (Area 40), Maple Valley (Area 56), and Black Diamond/East Maple Valley (area 57) were utilized for Mobile Home validation. Sales within these areas were considered adequate in adding support in representing the total population within Area 58.

Mobile Home Total Value Model Calibration

A market adjusted cost approach was used to appraise mobile homes.

For mobile homes built prior to 1980:

$$\text{Land} + \text{Mobile Home RCNLD} + \text{Accy RCNLD}$$

For mobile homes built from 1980 to 1989:

$$\text{Land} + (\text{Mobile Home RCNLD} * 1.6) + \text{Accy RCNLD}$$

For mobile homes built from 1990 to 1999:

$$\text{Land} + (\text{Mobile Home RCNLD} * 1.3) + \text{Accy RCNLD}$$

For mobile homes built in or after 2000:

$$\text{Land} + \text{Mobile Home RCNLD} + \text{Accy RCNLD}$$

There are 442 parcels in Area 58 improved with a mobile home and 25 sales used in the valuation. Sales used were from 1/1/2013 to 12/31/2015.

Mobile Home Results

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value is selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate. 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 Mobile Homes in this area is 91.2%. 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 -1%. This decrease 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 are displayed in the *Mobile Home Ratio Study Report (After)* page included in this report showing an improvement in the COD from 15.15% to 10.98%

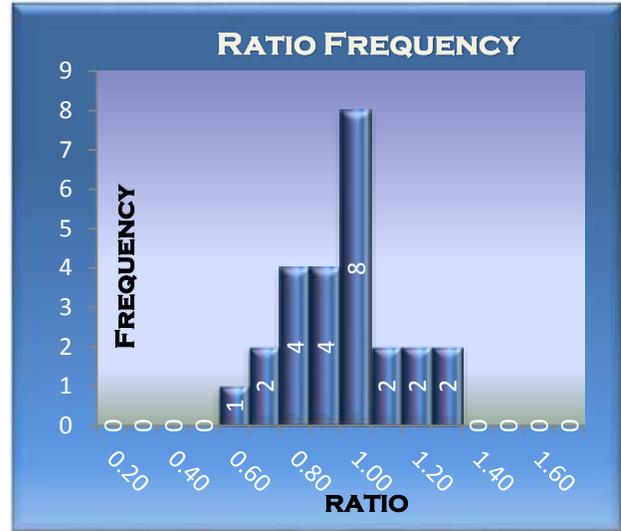
The Appraisal Team recommends application of the Appraiser selected values for mobile homes, as indicated by the appropriate model or method.

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.

Mobile Home Ratio Study Report (Before) – 2015 Assessments

| | | | |
|-------------------------------------|--------------------------|---|---|
| District: SE / Team: 3 | Appr. 1/1/2015 | Date of Report: 6/27/2016 | Sales Dates: 1/2013 - 12/2015 |
| Area Name: E Auburn/ SE Kent | Appr ID: CLIE | Property Type: Manufactured Homes | Adjusted for time? Yes |
| Area Number: 58 | | | |

| SAMPLE STATISTICS | |
|---|----------------|
| Sample size (n) | 25 |
| Mean Assessed Value | 209,300 |
| Mean Adj. Sales Price | 236,500 |
| Standard Deviation AV | 89,457 |
| Standard Deviation SP | 102,771 |
| ASSESSMENT LEVEL | |
| Arithmetic Mean Ratio | 0.903 |
| Median Ratio | 0.906 |
| Weighted Mean Ratio | 0.885 |
| UNIFORMITY | |
| Lowest ratio | 0.530 |
| Highest ratio: | 1.252 |
| Coefficient of Dispersion | 15.15% |
| Standard Deviation | 0.183 |
| Coefficient of Variation | 20.27% |
| Price Related Differential (PRD) | 1.020 |
| RELIABILITY | |
| 95% Confidence: Median | |
| <i>Lower limit</i> | 0.803 |
| <i>Upper limit</i> | 0.958 |
| 95% Confidence: Mean | |
| <i>Lower limit</i> | 0.831 |
| <i>Upper limit</i> | 0.974 |
| SAMPLE SIZE EVALUATION | |
| N (population size) | 442 |
| B (acceptable error - in decimal) | 0.05 |
| S (estimated from this sample) | 0.183 |
| Recommended minimum: | 53 |
| Actual sample size: | 25 |
| Conclusion: | Uh-oh |
| NORMALITY | |
| Binomial Test | |
| <i># ratios below mean:</i> | 12 |
| <i># ratios above mean:</i> | 13 |
| <i>z:</i> | 0.200 |
| Conclusion: | Normal* |
| *i.e. no evidence of non-normality | |



COMMENTS:

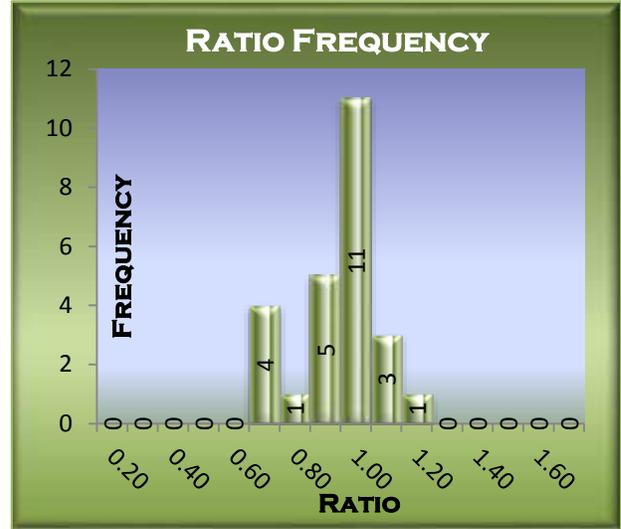
Mobile Homes throughout Area 058

Sales Prices are adjusted for time to the Assessment Date of 1/1/2016

Mobile Home Ratio Study Report (After) – 2016 Assessments

| | | | |
|-------------------------------------|---------------------------|---|---|
| District: SE / Team: 3 | Appr.: 1/1/2016 | Date of Report: 6/27/2016 | Sales Dates: 1/2013 - 12/2015 |
| Area Name: E Auburn/ SE Kent | Appr. ID: CLIE | Property Type: Manufactured Homes | Adjusted for time? Yes |
| Area Number: 58 | | | |

| SAMPLE STATISTICS | |
|---|----------------|
| Sample size (n) | 25 |
| Mean Assessed Value | 207,000 |
| Mean Sales Price | 236,500 |
| Standard Deviation AV | 86,849 |
| Standard Deviation SP | 102,771 |
| ASSESSMENT LEVEL | |
| Arithmetic Mean Ratio | 0.891 |
| Median Ratio | 0.912 |
| Weighted Mean Ratio | 0.875 |
| UNIFORMITY | |
| Lowest ratio | 0.609 |
| Highest ratio: | 1.194 |
| Coefficient of Dispersion | 10.98% |
| Standard Deviation | 0.136 |
| Coefficient of Variation | 15.31% |
| Price Related Differential (PRD) | 1.018 |
| RELIABILITY | |
| 95% Confidence: Median | |
| Lower limit | 0.852 |
| Upper limit | 0.964 |
| 95% Confidence: Mean | |
| Lower limit | 0.838 |
| Upper limit | 0.945 |
| SAMPLE SIZE EVALUATION | |
| N (population size) | 442 |
| B (acceptable error - in decimal) | 0.05 |
| S (estimated from this sample) | 0.136 |
| Recommended minimum: | 30 |
| Actual sample size: | 25 |
| Conclusion: | Uh-oh |
| NORMALITY | |
| Binomial Test | |
| # ratios below mean: | 10 |
| # ratios above mean: | 15 |
| z: | 1.000 |
| Conclusion: | Normal* |
| *i.e. no evidence of non-normality | |



COMMENTS:

Mobile Homes throughout Area 058

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:

Lori Sorrell

No previous work in this area

- *Joel Ledbetter*
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Land and Total Valuation
 - New Construction Evaluation
- *Stephanie Pratt*
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Land and Total Valuation
 - New Construction Evaluation
- *Terry White*
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Land and Total Valuation
 - New Construction Evaluation

- 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:
 - *Carolyn Liepelt*
 - No work in this area within the last 3 years prior to this Physical Inspection

Carolyn Liepelt

June 29, 2016

Appraiser II

Date

USPAP Compliance



King County

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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