Medina/ Clyde Hill/ Hunts Point

Area: 033

Residential Revalue for 2019 Assessment Roll

Town of Yarrow Point, yarrowpointwa.gov

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,

Our field appraisers work hard throughout the year to visit properties in neighborhoods across King County. As a result, new commercial and residential valuation notices are mailed as values are completed. We value your property at its "true and fair value" reflecting its highest and best use as prescribed by state law (RCW 84.40.030; WAC 458-07-030).

We continue to work to implement your feedback and ensure we provide you accurate and timely information. We have made significant improvements to our website and online tools to make interacting with us easier. The following report summarizes the results of the assessments for your area along with a map. Additionally, I have provided a brief tutorial of our property assessment process. It is meant to provide you with background information about our process and the basis for the assessments in your area.

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

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

In Service,

John Wilson
King County Assessor

How Property Is Valued

King County along with Washington's 38 other counties use mass appraisal techniques to value all real property each year for property assessment purposes.

What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 700,000 residential, commercial and industrial properties. More specifically for residential property, we break up King County into 88 residential market areas and annually develop market models from the sale of properties using multiple regression statistical tools. The results of the market models are then applied to all similarly situated homes within the same appraisal area.

Are Properties Inspected?

All property in King County is physically inspected at least once during each six year cycle. Each year our appraisers inspect a different geographic area. An inspection is frequently an external observation of the property to confirm whether the property has changed by adding new improvements or shows signs of deterioration more than normal for the property's age. From the property inspections we update our property assessment records for each property. In cases where an appraiser has a question, they will approach the residence front door to make contact with the property owner or leave a card requesting the taxpayer contact them.

RCW 84.40.025 - Access to property

> For the purpose of assessment and valuation of all taxable property in each county, any real or personal property in each county shall be subject to visitation, investigation, examination, discovery, and listing at any reasonable time by the county assessor of the county or by any employee thereof designated for this purpose by the assessor.
>
> In any case of refusal to such access, the assessor shall request assistance from the department of revenue which may invoke the power granted by chapter 84.08 RCW.

How Are Property Sales Used?

For the annual revaluation of residential properties, three years of sales are analyzed with the sales prices time adjusted to January 1 of the current assessment year. Sales prices are adjusted for time to reflect that market prices change over time. During an increasing market, older sales prices often understate the current market value. Conversely, during downward (or recessionary) markets, older sales prices may overstate a property's value on January 1 of the assessment year unless sales are time adjusted. Hence time adjustments are an important element in the valuation process.

How is Assessment Uniformity Achieved?

We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers that may be reviewed at www.IAAO.org. As part of our valuation process statistical testing is performed by reviewing the uniformity of assessments within each specific market area, property type, and quality grade or residence age. More specifically Coefficients of Dispersion (aka COD) are developed that show the uniformity of predicted property assessments. We have set our target CODs using the standards set by IAAO which are summarized in the following table:

Type of property—General	Type of property—Specific	COD Range**
Single-family residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2–4 unit family housing	5.0 to 20.0
Income-producing properties	Larger areas represented by large samples	5.0 to 15.0
Income-producing properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant land		5.0 to 25.0
Other real and personal property		Varies with local conditions

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

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

Requirements of State Law

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

Appraisal Area Reports

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

King County
Department of Assessments
King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0708
Seattle, WA 98104-2384

John Wilson
Assessor

Medina/ Clyde Hill/ Hunts Point – Area 033

2019 Assessment Roll Year

Recommendation is made to post values for Area 033 to the 2020 tax roll:

Appraiser II: Michael Goldman — 9/19/2019 Date

NE District Senior Appraiser: Jurgen Ramil — 9/23/2019 Date

Residential Division Director: Jeff Darrow — 9/24/2019 Date

This report is hereby accepted and the values described in the attached documentation for Area 033 should be posted to the 2020 tax roll.

John Wilson, King County Assessor — 9/25/2019 Date

Executive Summary
Medina/ Clyde Hill/ Hunts Point - Area 033
Physical Inspection

Appraisal Date: 1/1/2019

Previous Physical Inspection: 2013

Number of Improved Sales: 392

Range of Sale Dates: 1/1/2016 – 12/31/2018 Sales were time adjusted to 1/1/2019

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2018 Value	$1,316,000	$1,677,400	$2,993,400			12.77%
2019 Value	$1,971,900	$1,006,100	$2,978,000	$3,223,000	93.2%	10.02%
$ Change	+$655,900	-$671,300	-$15,400			
% Change	+49.8%	-40.0%	-0.5%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2019 COD of 10.02% is an improvement from the previous COD of 12.77%. 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 1/1/2016 to 12/31/2018 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2019

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2018 Value	$1,591,100	$1,626,000	$3,217,100
2019 Value	$2,316,800	$891,200	$3,208,000
$ Change	+$725,700	-$734,800	-$9,100
% Change	+45.6%	-45.2%	-0.3%

Number of one to three unit residences in the population: 2,607

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 033 – Medina/ Clyde Hill/ Hunts Point, 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 033 indicated a substantial change was needed in the allocation of the land and improvement value as part of the total. 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.

Land valuation during the previous physical inspection was established during the bottom of the real estate cycle. Since that time residential properties have seen signigicant price increases. Analysis of vacant land and tear-down sales show a majority of these price gains have accrued to the land.

Area 033 Physical Inspection Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

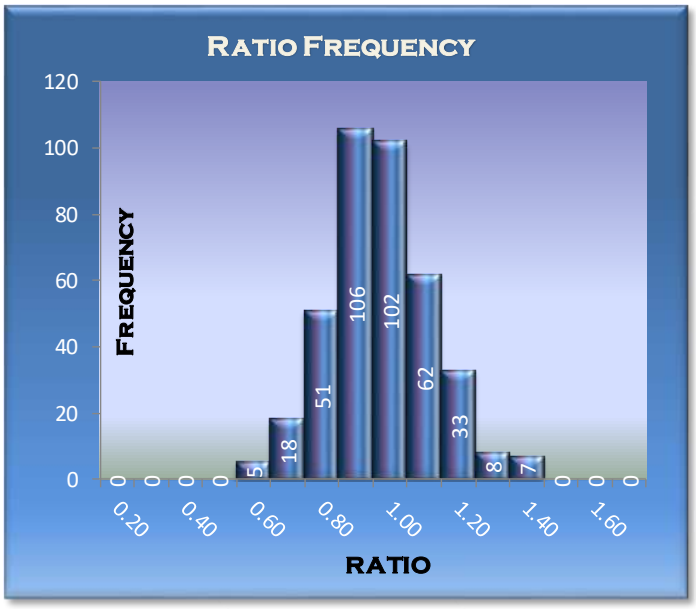
Pre-revalue ratio analysis compares time adjusted sales from 2015 through 2018 in relation to the previous assessed value as of 1/1/2018.

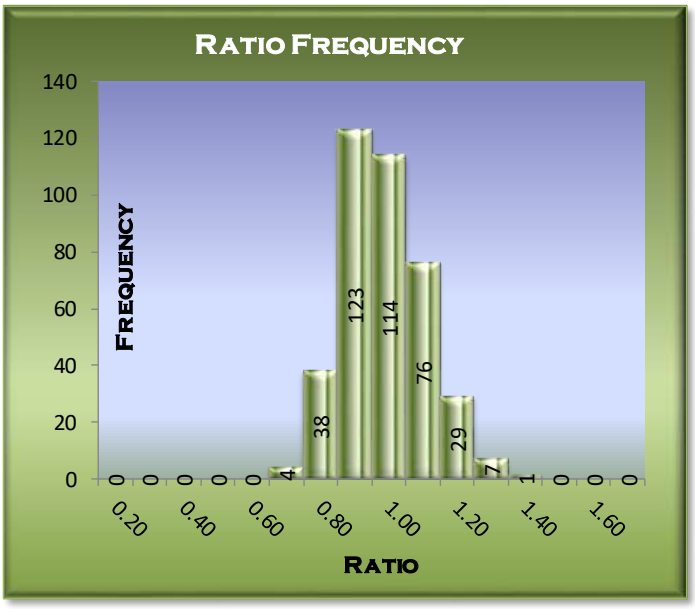
PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	392
Mean Assessed Value	2,993,400
Mean Adj. Sales Price	3,223,000
Standard Deviation AV	1,412,541
Standard Deviation SP	1,432,397
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.923
Median Ratio	0.915
Weighted Mean Ratio	0.929
UNIFORMITY	
Lowest ratio	0.518
Highest ratio:	1.395
Coefficient of Dispersion	12.77%
Standard Deviation	0.148
Coefficient of Variation	16.09%
Price Related Differential (PRD)	0.994

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares time adjusted sales from 2016 through 2018 and reflects the assessment level after the property has been revalued to 1/1/2019.

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	392
Mean Assessed Value	2,978,000
Mean Sales Price	3,223,000
Standard Deviation AV	1,260,686
Standard Deviation SP	1,432,397
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.938
Median Ratio	0.932
Weighted Mean Ratio	0.924
UNIFORMITY	
Lowest ratio	0.681
Highest ratio:	1.368
Coefficient of Dispersion	10.02%
Standard Deviation	0.116
Coefficient of Variation	12.40%
Price Related Differential (PRD)	1.015





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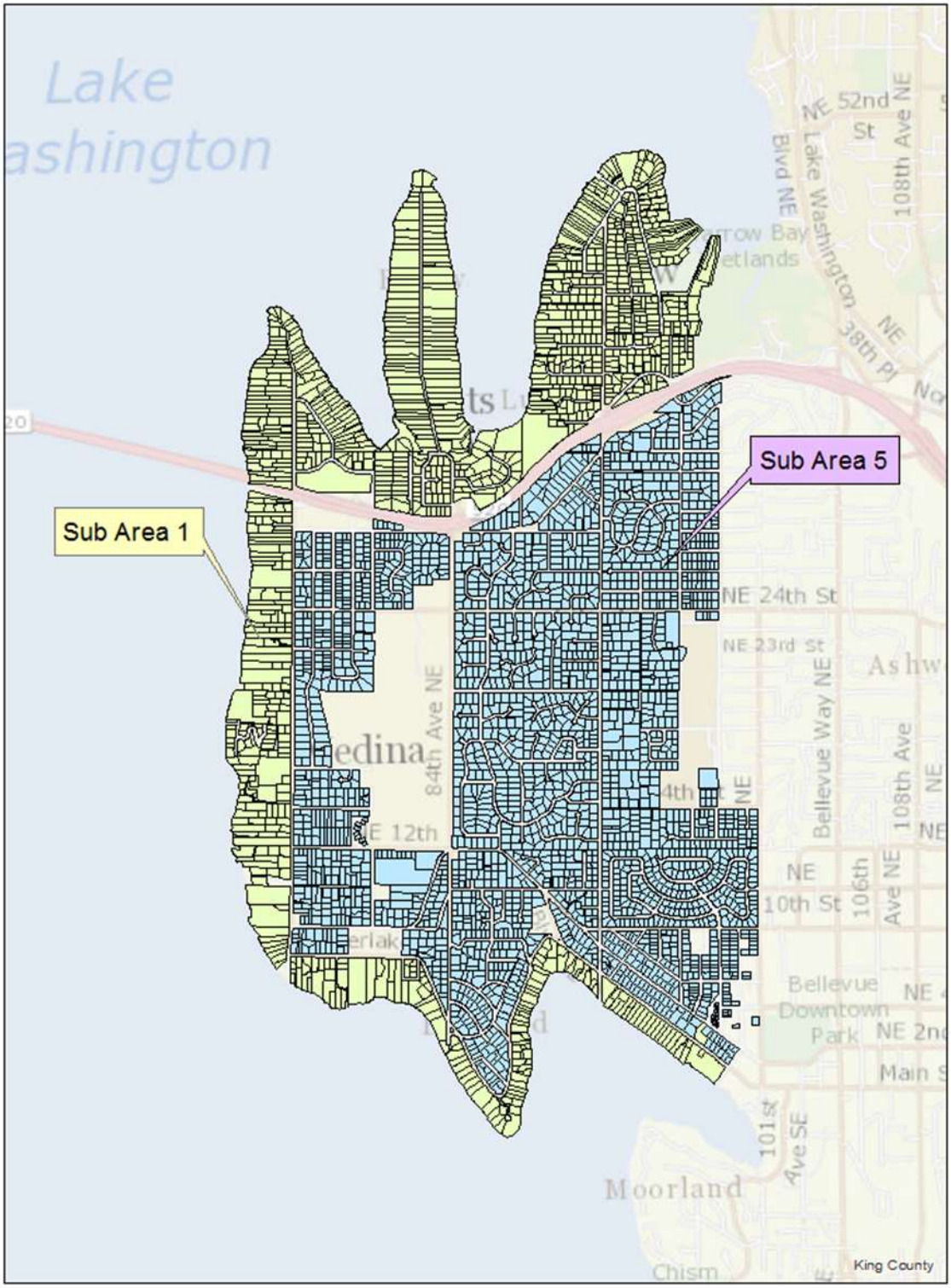
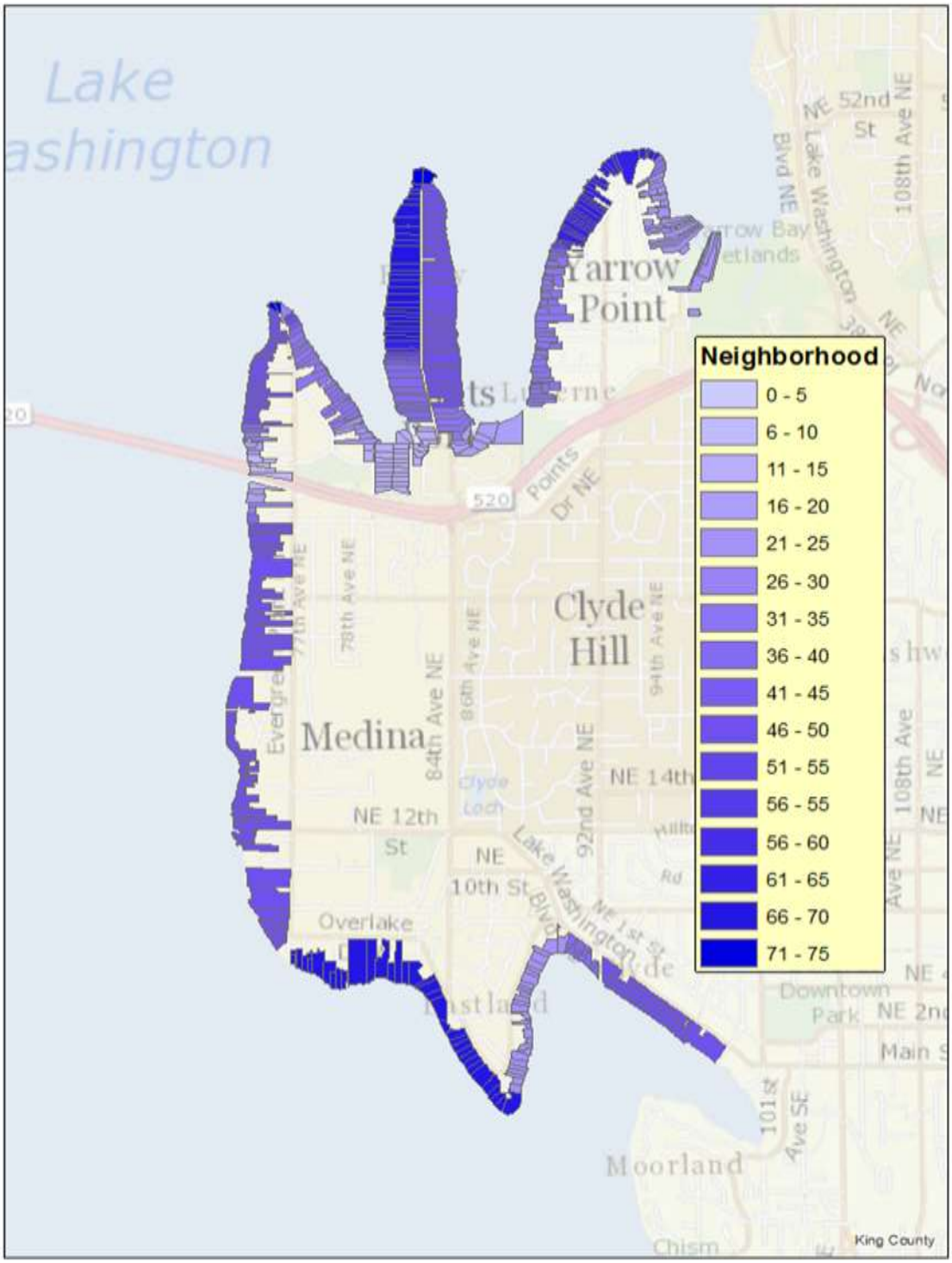
Area 033 Sub Area Map



Area 33 Neighborhood Map



Area Information

Name or Designation

Area 033 - Medina/ Clyde Hill/ Hunts Point

Boundaries

Area 33 is bounded on three sides – the north, south, and west – by water. The peninsulas of Hunt's Point, Yarrow Point, and Evergreen Point extend northward into Lake Washington while Groat Point extends southward into Lake Washington. The area is bound to the east by 100th Ave NE in Bellevue. Hunt's Point, Yarrow Point, Medina, and Clyde Hill are entirely encompassed by Area 33 while small portions of Kirkland and Bellevue also make up this assessment area.

Maps

Two maps showing major divisions in the assessment area – sub area and neighborhood – are included in this report. Additional maps are available through the King County Assessor website or on the 7th floor of the Administrative Building in downtown Seattle.

Area Description

Area 33 is located on the eastern side of Lake Washington and west of the central business district of Bellevue. It includes the municipalities of Hunts Point, Yarrow Point, Medina, Clyde Hill, and a portion of the City of Bellevue. Three major highways serve the area that provide access to Seattle and communities to the north, south and east. Situated along the western, southeastern, and northern boundaries of Area 33 are some of the most desirable waterfront properties in King County. Many of the upland parcels have expansive views of Lake Washington and skylines of Seattle and Bellevue as well as views of the Olympic and Cascade Mountains. The regional economy includes a large employment base in high-tech industries and aerospace.

Residential property values in many of the county's assessment areas peaked in 2018. This turning point was identified as May 1st, 2018 in Area 33. Properties that sold after this date were adjusted downwards to the assessment date of January 1st, 2019. The Improved properties of Area 33 are well diversified and range from estate parcels with mansions to small grade 7 single family dwellings.

The City of Clyde Hill (Sub Area 5) is zoned for single-family use. The City is home to four schools. They include two public schools, Clyde Hill Elementary and Chinook Middle School and two private schools, Bellevue Christian School and Sacred Heart School. The City's minimum lot size is 20,000 square feet, although many smaller lots exist which pre-date (and were subsequently grandfathered) the incorporation of the City. Clyde Hill is a very desirable location, with Lake Washington views ranging from Excellent to Fair, along with Olympic and Cascade Mountain, Territorial and Seattle/Bellevue skyline views.

The Town of Hunts Point (Sub Area 1) is a town located on a small peninsula surrounded by Lake Washington and is located near Medina (to the southwest), Clyde Hill (to the south), Yarrow Point (on another peninsula to the east), and Kirkland (to the northeast), as well as the city of Bellevue (to the east). Hunts Point is considered to be one of the most desirable neighborhoods on the east side of Lake Washington. Typical homes are mansion quality with average living area of over 5,000 square feet and average waterfront feet of 80 to 100. Hunts Point has the highest per capita income in the state.

Area Information… Continued

The Town of Yarrow Point (Sub Area 1) is bordered on three sides by the eastern shoreline of Lake Washington. This peninsula covers approximately 231 acres. The town's proximity to the business centers of Seattle, Bellevue, Kirkland and Redmond make it a desirable location. While one fourth of the homes in Yarrow Point enjoy waterfront locations or water access, the remaining three quarters offer views ranging from expansive waterfront to territorial. Yarrow Point has the third highest per-capita income in the state.

Medina (Sub Areas 1 & 5) is a city located on the eastside of Lake Washington. Medina is surrounded to the north, west, and south by Lake Washington. The shoreline of Medina runs from Evergreen Point south to Groat Point and is some of the most desirable waterfront in King County. Medina is located due east of the City of Seattle across Lake Washington. Medina is bordered by Clyde Hill, Hunts Point, as well as the city of Bellevue. Medina has the second highest per-capita income in the state.

Land Valuation and Model

Vacant sales from 1/1/2016 to 12/31/2018 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2019.

Land was valued by first collecting vacant land sales, sales of improved properties that were raized after the sale date, and sales of improved properties that resembled the characteristics of improved properties that were raized after the sale.

These sales were adjusted with an established land adjustement table to bring them to 100% of Base land value, which is to say land with no impacts whether they be beneficial or detrimental to value.

A time trend for land sales was generated from a larger sample of similar properties (including those which would not be considered tear-downs or near-tear-downs), mainly excluding newer houses and high-end houses so as to minimize the influence of the improved portion of the property on value over time. A non-linear regression was fitted to these sales and used to apply a time adjustment factor to the vacant land, tear-down, and near-tear-down sales.

The impact-adjusted and time-adjusted sales are then plotted according to their sale price and lot size. Regression functions are fitted to the whole sales sample as well as divisions of this sample, particularly by sub area. Outliers were examined for accurate impact adjustments according to appraiser judgement and corrected if necessary. In the case of Area 33, waterfront parcels were excluded at this point from land value analysis due to the as-yet-unknown influence of waterfront characteristics on land values.

Eventually one regression function was chosen that best fit the data. At the tails of the regression function where there is little representation from sales, the derivative of the function is taken and applied as a linear slope. In Area 33, these derivatives were taken at 2,000 square feet and 30,000 square feet. Land values below and above these lot sizes increment linearly while land values between them increment non-linearly according to the exponential function described in the base land schedule. For example, an unimpacted lot with 14,000 square feet of area would have a base land value of $1,794,000.

Waterfront land was then valued by a similar process of collecting a sales sample described above but with more lenient standards due to the fewer number of sales in the sub-population of waterfront property. The time trend and impact adjustements derived in the above process are also applied to these waterfront sale prices, bringing their sale price to the assessment date as unimpacted land. The value of the land-as-if-non-waterfront is then subtracted from the time and impact-adjusted sale prices. The remainders are then divided by waterfront feet and arranged by linear proximity of the shoreline. Patterns in remainder adjusted sale prices per waterfront foot are verified with apparaisers with on-the-ground experience coming to consensus on superiority or inferiority of competing waterfront land. The value attributed to each additional waterfront foot is the neighborhood multiplied by $1,000. Thus, the value attributed to an additional foot of waterfront, all else held equal, in Neighborhood 50 is $5,000.

When this process is complete a waterfront footage and access value (by plotting the adjusted sale price minus the upland value determined above against waterfront feet and taking a conservative estimate of the y-intercept where, theoretically there is waterfront access but no waterfront footage) can be added to the upland value determined above to generate integrated land values for upland and waterfront land of all sizes and waterfront access conditions in Area 33.

Land Valuation and Model… Continued

The development of the land characteristics adjustment table begins with an established adjustment table for this area and is then refined over the course of sales verification and physical inspection with consensus from appraisers to arrive at the final land characterstic adjustment table below. Matched-pair analysis was not typically used in this process as the influence of improvement characteristics on sale price is often dwarfed by very impactful and very indiosyncratic land characteristics.

Land Value Model Calibration

Area 33 Base Land Schedule			
		NON-WATERFRONT	
Acres	Square Feet	Truncated Value	Notes
0.02	1,000	$943,000	
0.03	1,500	$982,000	
0.05	2,000	$1,021,000	Linear value decrease below 2,000 square feet. Rate of $77.49 per foot.
0.06	2,500	$1,060,000	
0.07	3,000	$1,098,000	
0.08	3,500	$1,135,000	
0.09	4,000	$1,172,000	
0.10	4,500	$1,208,000	
0.11	5,000	$1,244,000	
0.13	5,500	$1,279,000	
0.14	6,000	$1,314,000	
0.15	6,500	$1,348,000	
0.16	7,000	$1,382,000	
0.17	7,500	$1,415,000	
0.18	8,000	$1,447,000	
0.20	8,500	$1,479,000	
0.21	9,000	$1,510,000	
0.22	9,500	$1,541,000	
0.23	10,000	$1,571,000	
0.25	11,000	$1,630,000	
0.28	12,000	$1,687,000	
0.30	13,000	$1,742,000	
0.32	14,000	$1,794,000	
0.34	15,000	$1,844,000	
0.37	16,000	$1,893,000	
0.39	17,000	$1,938,000	
0.41	18,000	$1,982,000	
0.44	19,000	$2,024,000	
0.46	20,000	$2,063,000	
0.51	22,000	$2,135,000	
0.55	24,000	$2,198,000	
0.60	26,000	$2,253,000	
0.69	30,000	$2,336,000	Linear value increase after 30,000 square feet at rate of $16.43 per foot.
0.80	35,000	$2,418,000	
0.92	40,000	$2,500,000	
1.03	45,000	$2,582,000	
1.15	50,000	$2,664,000	

*** Land values were established using the following calculations, truncated to the thousands place**

Non-waterfront land
SqFt<2,000: $1,021,000 + (SqFt-2,000)*$77.49
30,000<=SqFt>=2,000: $-.00109031(SqFt)^2 + $81.85231612(SqFt) + $862494.94357352
SqFt>30,000: $2,336,000 + (SqFt-30,000)*$16.43

Area 33 Waterfront Contribution (in 1,000s) to Base Land Schedule

Waterfront Feet	Neighborhood												
	10	20	24	30	35	40	45	50	55	60	65	70	75
10	$300	$400	$440	$500	$550	$600	$650	$700	$750	$800	$850	$900	$950
20	$400	$600	$680	$800	$900	$1,000	$1,100	$1,200	$1,300	$1,400	$1,500	$1,600	$1,700
30	$500	$800	$920	$1,100	$1,250	$1,400	$1,550	$1,700	$1,850	$2,000	$2,150	$2,300	$2,450
40	$600	$1,000	$1,160	$1,400	$1,600	$1,800	$2,000	$2,200	$2,400	$2,600	$2,800	$3,000	$3,200
50	$700	$1,200	$1,400	$1,700	$1,950	$2,200	$2,450	$2,700	$2,950	$3,200	$3,450	$3,700	$3,950
60	$800	$1,400	$1,640	$2,000	$2,300	$2,600	$2,900	$3,200	$3,500	$3,800	$4,100	$4,400	$4,700
70	$900	$1,600	$1,880	$2,300	$2,650	$3,000	$3,350	$3,700	$4,050	$4,400	$4,750	$5,100	$5,450
80	$1,000	$1,800	$2,120	$2,600	$3,000	$3,400	$3,800	$4,200	$4,600	$5,000	$5,400	$5,800	$6,200
90	$1,100	$2,000	$2,360	$2,900	$3,350	$3,800	$4,250	$4,700	$5,150	$5,600	$6,050	$6,500	$6,950
100	$1,200	$2,200	$2,600	$3,200	$3,700	$4,200	$4,700	$5,200	$5,700	$6,200	$6,700	$7,200	$7,700
110	$1,300	$2,400	$2,840	$3,500	$4,050	$4,600	$5,150	$5,700	$6,250	$6,800	$7,350	$7,900	$8,450
120	$1,400	$2,600	$3,080	$3,800	$4,400	$5,000	$5,600	$6,200	$6,800	$7,400	$8,000	$8,600	$9,200
130	$1,500	$2,800	$3,320	$4,100	$4,750	$5,400	$6,050	$6,700	$7,350	$8,000	$8,650	$9,300	$9,950
140	$1,600	$3,000	$3,560	$4,400	$5,100	$5,800	$6,500	$7,200	$7,900	$8,600	$9,300	$10,000	$10,700
150	$1,700	$3,200	$3,800	$4,700	$5,450	$6,200	$6,950	$7,700	$8,450	$9,200	$9,950	$10,700	$11,450
160	$1,800	$3,400	$4,040	$5,000	$5,800	$6,600	$7,400	$8,200	$9,000	$9,800	$10,600	$11,400	$12,200
170	$1,900	$3,600	$4,280	$5,300	$6,150	$7,000	$7,850	$8,700	$9,550	$10,400	$11,250	$12,100	$12,950
180	$2,000	$3,800	$4,520	$5,600	$6,500	$7,400	$8,300	$9,200	$10,100	$11,000	$11,900	$12,800	$13,700
190	$2,100	$4,000	$4,760	$5,900	$6,850	$7,800	$8,750	$9,700	$10,650	$11,600	$12,550	$13,500	$14,450
200	$2,200	$4,200	$5,000	$6,200	$7,200	$8,200	$9,200	$10,200	$11,200	$12,200	$13,200	$14,200	$15,200
210	$2,300	$4,400	$5,240	$6,500	$7,550	$8,600	$9,650	$10,700	$11,750	$12,800	$13,850	$14,900	$15,950
220	$2,400	$4,600	$5,480	$6,800	$7,900	$9,000	$10,100	$11,200	$12,300	$13,400	$14,500	$15,600	$16,700
230	$2,500	$4,800	$5,720	$7,100	$8,250	$9,400	$10,550	$11,700	$12,850	$14,000	$15,150	$16,300	$17,450
240	$2,600	$5,000	$5,960	$7,400	$8,600	$9,800	$11,000	$12,200	$13,400	$14,600	$15,800	$17,000	$18,200
250	$2,700	$5,200	$6,200	$7,700	$8,950	$10,200	$11,450	$12,700	$13,950	$15,200	$16,450	$17,700	$18,950
260	$2,800	$5,400	$6,440	$8,000	$9,300	$10,600	$11,900	$13,200	$14,500	$15,800	$17,100	$18,400	$19,700
270	$2,900	$5,600	$6,680	$8,300	$9,650	$11,000	$12,350	$13,700	$15,050	$16,400	$17,750	$19,100	$20,450
280	$3,000	$5,800	$6,920	$8,600	$10,000	$11,400	$12,800	$14,200	$15,600	$17,000	$18,400	$19,800	$21,200
290	$3,100	$6,000	$7,160	$8,900	$10,350	$11,800	$13,250	$14,700	$16,150	$17,600	$19,050	$20,500	$21,950
300	$3,200	$6,200	$7,400	$9,200	$10,700	$12,200	$13,700	$15,200	$16,700	$18,200	$19,700	$21,200	$22,700

Total value of Waterfront Land is Non-waterfront Base Land Value (calculated above) plus Waterfront Contribution: calculated below:

$200,000 (access) + (Waterfront Feet * Neighborhood * $1,000)

For example: the base land value of a 20,000 square foot lot with 80 feet of waterfront in Neighborhood 40 is calculated as $-.00109031(20000)^2 + $81.85231612(20000) + $862,494.94357352 + $200,000 + (80 * 40 * $1,000) = $5,463,417 (and then truncated to the thousands as $5,463,000).

Land Value Model Calibration… Continued

Land Characteristics Adjustments

*Adjustments are usually cumulative and reflected in the base land value percentage. View adjustments reflect the highest view adjusment only and are not cumulative. Unbuildable and questionable building site adjustments override all others. Additional exceptions were handled on an individual basis. In all cases appraiser judgement prevailed. The adjustment ranges below include extreme outliers.

Adjacent Golf Course		15%
Easements		-5%
Commercial or Utility Proximity (coded as "Other Nuisance")		-5% to -10%
Restricted Size/Shape		-10%
Stream		-5%
Topography		0% to -50%
Questionable Building Site*†		-50%
Unbuildable†**		-80% with rec value or privacy value -90% with no rec nor privacy value
Water Problems* **		-10%
Wetlands		0% to -90%
Traffic	Moderate	-10%
	High	-20%
	Extreme	-30%

Additional Waterfront Land Characteristics Adjustments (for Waterfront Land, when in conflict with Land Charactersitic Adjustment above, the following adjustments hold)

Waterfront Access, no waterfront feet (exclusive)	$200,000
Waterfront Access, no waterfront feet (shared)	$200,000 / number of undivided interests
Sewage Pumping Station	0%
Offsite Restricted Access (typically vehicular access only from steep driveway on neighbor's property; coded as Road Access)	-5% to -20%
Restricted Size/Shape	-15%
Restricted Access	-15% (to waterfront) -20% (to residence)
Sewage Pumping Station	0%
Waterfront Feet (access included)	($200,000+Waterfront Feet*Neighborhood*$1,000)*(BLV% after adjustment for only Restricted Access, Questionable Building Site, and Unbuildable)

Views****

	Fair	Average	Good	Excellent
Bellevue (coded as "Other View")	N/A	5%	10%	15%
Seattle	N/A	0%	0%	5%
Olympics	N/A	5%	10%	15%
Territorial	N/A	5%	10%	15%
Cascades	N/A	5%	10%	15%
Lake Washington	10%	20%	40%	60%

* May be coded also coded for other issues that do not necessarily add up to 50% or greater but questionable building site percentage will attain.

** May be coded for other issues that do not necessarily add up to 80% or greater but unbuildable percentage will attain.

*** Used for water nuisance not accounted for by wetland or stream. E.g., chronic flooding or significant drainage problems.

****Only highest value view adjustment attains in base land value percentage.

†Questionable Building Site and Unbuildable percentage coded as "Other Problems"

For example, a 20,000 square foot lot with Moderate (-10%) Traffic, -10% Topography, Restricted Size and Shape, Good Lake Washington Views, Excellent Territorial Views, 60 feet of Neighborhood 50 Waterfront with Restricted Access to Waterfront would have a BLV of 90% (100%-10%-10%-15%+40%-15%) applied to the value of the lot area per the baseland schedule (90%*$2,063,000=$1,857,000) and a BLV of 85% (100%-15% for Restricted Waterfront Access) applied to the value of the waterfront (85%*($200,000+60*50*$1,000)=$2,720,000). The lot area value and waterfront value are combined for the baseland value -- $4,577,000 in this example.

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 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 1/1/2019.

The analysis of this area consisted of a systematic review of applicable characteristics which influence property values.

In addition to standard physical property characteristics, the analysis showed municipality, Lake Washington view, and traffic nuisance were influential in the market.

Improved Parcel Total Value Model Calibration

Variable	Definition
AgeC	Age of improvement in years or age of renovation in years + 5
AgeC_Squared	Age of improvement in years or age of renovation in years + 5
BaseLandC	Base land value
BellevueHuntsPointMedinaYN	Municipality is Bellevue, Hunt's Point, or Medina
GoodYN	Good condition
HvyTrafC	Traffic nuisance continuous variable
HvyTrafYN	Traffic nuisance
LkWaYN	Lake Washington view
TotalRcnC	Replacement Cost New
VGoodYN	Very Good condition

The EMV function:

EMV=

*(1-0.075)**
*EXP(1.60325338596307- 0.335828746038558 * AgeC+ 0.0306164999224911 * AgeC_Squared*
*+ 0.611849506701717 * BaseLandC + 0.0281667587205529 * BellevueHuntsPointMedinaYN*
*+ 0.00769599706588217 * GoodYN - 0.0203845489713355 * HvyTrafC*
*+ 0.0301857566442539 * HvyTrafYN + 0.0177693118235536 * LkWaYN*
*+ 0.374271906652485 * TotalRcnC + 0.035449574974202 * VGoodYN)*1000*

Truncate to nearest $1,000

EMV values were not generated for:

- Buildings with grade less than 6
- Condition is less than Average
- 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 2607 improved parcels in the population, 1533 parcels increased in value.

Of the 164 vacant land parcels greater than $1,000, 132 parcels increased in value.

Supplemental Models and Exceptions

Adjustment Parameter	Adjustment
Accessory Only	• BLV% > 50%: BaseLandVal + $1,000 • BLV% <= 50%: BaseLandVal + AccyRCNLD
Multiple Buildings	• EMV of Imp1 > BaseLandVal: EMV of Imp1 + Imp2 RCNLD + Imp3 RCNLD, etc. • EMV of Imp1 < BaseLandVal: BaseLandVal + $1,000
Building Grade < 6	BaseLandVal + $1,000
Total EMV < BaseLandVal	BaseLandVal + $1,000
Building Condition is Fair	The greater of BaseLandVal + $1,000 or EMV as if in Average Condition * .8
Building Condition is Poor	BaseLandVal + $1,000
Percent Complete	(EMV-BaseLandVal)*PcntComplete*.01+BaseLandVal
Obsolescence	(EMV-BaseLandVal)*(100-Obsolescence)*.01+BaseLandVal
Percent Net Condition	(EMV-BaseLandVal)* PcntNetCondition*.01+BaseLandVal
Mobile Home	BaseLandVal + $1,000
Jurisdiction = Kirkland	EMV * .84
Exception Combinations and Additional Exceptions	Work file or RealProperty Notes file

Physical Inspection Process

Effective Date of Appraisal: January 1, 2019
Date of Appraisal Report: September 19,2019

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.

- Michael Goldman – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Alicia Arzate – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Lauri Lemon – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- David McCourt – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Jill Schmieder – 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 2018
5. Existing residences where the data for 2018 is significantly different than the data for 2019 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 2018 Assessment Roll
8. Short sales, financial institution re-sales and foreclosure sales verified or appearing to be not at market
9. Parcels in the sales sample that had improvement values of $1,000 or less

(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.

Physical Inspection Process… Continued

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 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 1/1/2016 to 12/31/2018 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2019.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standards 5 & 6.

Area 033 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. Market conditions prevalent in the last three years indicated that the best methodology for tracking market movement through time is a modelling technique using splines. Put simply, this is a way of drawing best fit lines through the data points in situations where there may be several different trends going on at different times. Splines are the use of two or more straight lines to approximate trends and directions in the market. Splines are best suited to react to the sudden market changes prevalent in 2018. To create larger and more reliable data sets for time trending, it was necessary in most instances to combine geographic areas that were performing similarly in the marketplace. A market turning point at the intersection of the two splines, was estimated to be 05/01/2018. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, January 1, 2019.

The time adjustment formula for Area 33 is:

(0.83458475479716-0.00031869869436331*((Sale Date<=43221)*Sale Date+(Sale Date>43221)*43221-43466)+0.000130856830186508*((Sale Date>=43221)*Sale Date+(Sale Date<43221)*43221-43466))/(0.83458475479716-0.00031869869436331*(-245))

For example, a sale of $2,000,000 which occurred on October 1, 2017 would be adjusted by the time trend factor of 1.039, resulting in an adjusted value of ($2,000,000 * 1.039 =) $2,078,000.

Area 033 Market Value Changes Over Time

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2016	1.262	26.2%
2/1/2016	1.251	25.1%
3/1/2016	1.241	24.1%
4/1/2016	1.230	23.0%
5/1/2016	1.220	22.0%
6/1/2016	1.209	20.9%
7/1/2016	1.198	19.8%
8/1/2016	1.188	18.8%
9/1/2016	1.177	17.7%
10/1/2016	1.166	16.6%
11/1/2016	1.156	15.6%
12/1/2016	1.145	14.5%
1/1/2017	1.134	13.4%
2/1/2017	1.123	12.3%
3/1/2017	1.114	11.4%
4/1/2017	1.103	10.3%
5/1/2017	1.092	9.2%
6/1/2017	1.082	8.2%
7/1/2017	1.071	7.1%
8/1/2017	1.060	6.0%
9/1/2017	1.049	4.9%
10/1/2017	1.039	3.9%
11/1/2017	1.028	2.8%
12/1/2017	1.018	1.8%
1/1/2018	1.007	0.7%
2/1/2018	0.996	-0.4%
3/1/2018	0.986	-1.4%
4/1/2018	0.975	-2.5%
5/1/2018	0.965	-3.5%
6/1/2018	0.969	-3.1%
7/1/2018	0.974	-2.6%
8/1/2018	0.978	-2.2%
9/1/2018	0.983	-1.7%
10/1/2018	0.987	-1.3%
11/1/2018	0.991	-0.9%
12/1/2018	0.996	-0.4%
1/1/2019	1.000	0.0%

Sales Sample Representation of Population

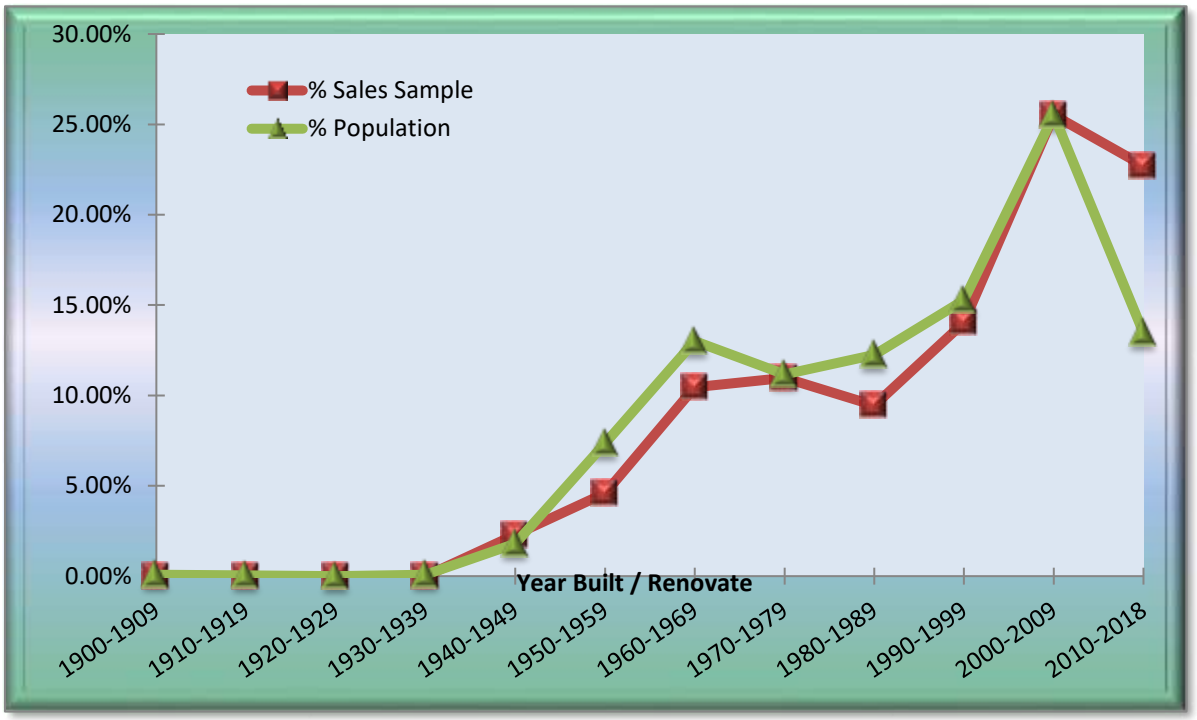
Year Built or Renovated

Sales

Year Built/Ren	Frequency	% Sales Sample
1900-1909	0	0.00%
1910-1919	0	0.00%
1920-1929	0	0.00%
1930-1939	0	0.00%
1940-1949	9	2.30%
1950-1959	18	4.59%
1960-1969	41	10.46%
1970-1979	43	10.97%
1980-1989	37	9.44%
1990-1999	55	14.03%
2000-2009	100	25.51%
2010-2018	89	22.70%
	392	

Population

Year Built/Ren	Frequency	% Population
1900-1909	2	0.08%
1910-1919	1	0.04%
1920-1929	0	0.00%
1930-1939	2	0.08%
1940-1949	47	1.80%
1950-1959	192	7.36%
1960-1969	339	13.00%
1970-1979	291	11.16%
1980-1989	319	12.24%
1990-1999	398	15.27%
2000-2009	665	25.51%
2010-2018	351	13.46%
	2,607	



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

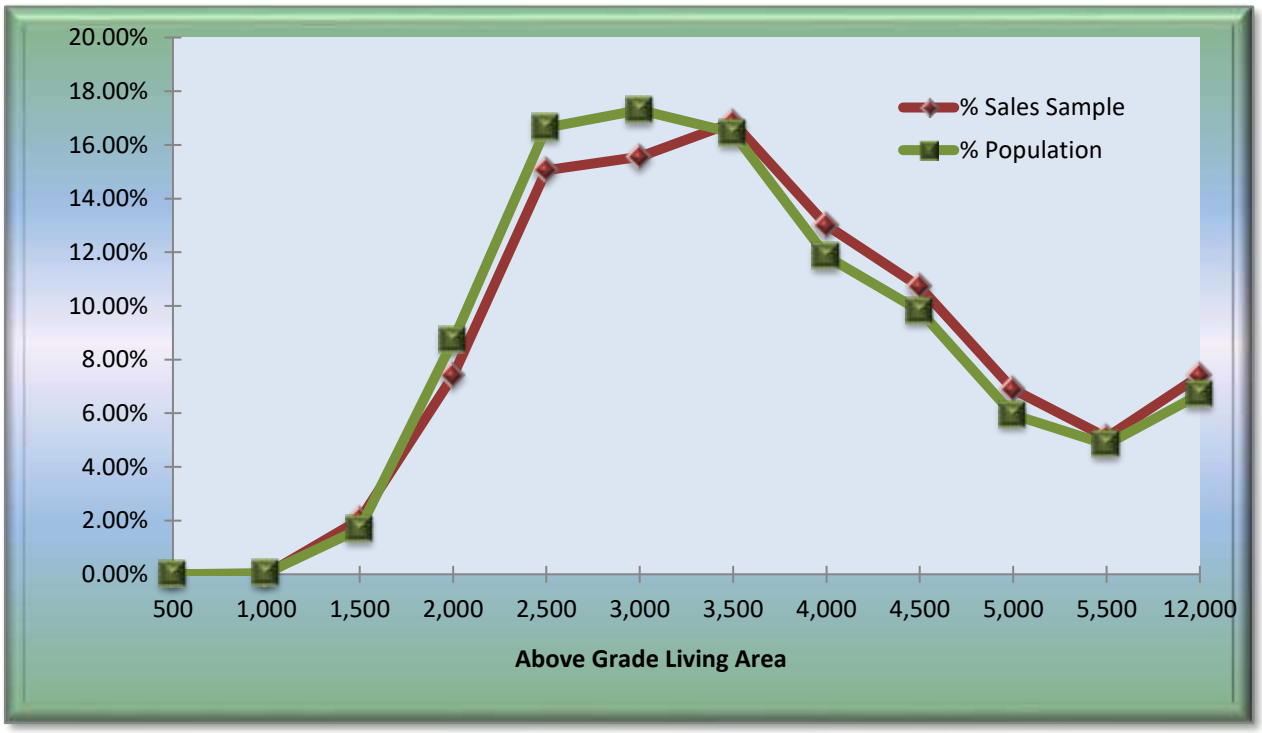
Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	0	0.00%
1,000	0	0.00%
1,500	8	2.04%
2,000	29	7.40%
2,500	59	15.05%
3,000	61	15.56%
3,500	66	16.84%
4,000	51	13.01%
4,500	42	10.71%
5,000	27	6.89%
5,500	20	5.10%
12,000	29	7.40%
	392	

Population

AGLA	Frequency	% Population
500	0	0.00%
1,000	1	0.04%
1,500	44	1.69%
2,000	227	8.71%
2,500	434	16.65%
3,000	451	17.30%
3,500	429	16.46%
4,000	309	11.85%
4,500	256	9.82%
5,000	155	5.95%
5,500	126	4.83%
12,000	175	6.71%
	2,607	



The sales sample frequency distribution follows the population distribution very closely with regard to Above Grade Living Area (AGLA). This distribution is ideal 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	0	0.00%
6	0	0.00%
7	7	1.79%
8	48	12.24%
9	69	17.60%
10	117	29.85%
11	95	24.23%
12	52	13.27%
13	4	1.02%
	392	

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	0	0.00%
6	0	0.00%
7	47	1.80%
8	357	13.69%
9	548	21.02%
10	698	26.77%
11	519	19.91%
12	330	12.66%
13	108	4.14%
	2,607	

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

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 93.2% . 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 2019 assessment year (taxes payable in 2020) results in an average total change from the 2018 assessments of -.03%. 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 2019 recommended values. This study benchmarks the prior assessment level using 2018 posted values (1/1/2018) compared to current adjusted sale prices (1/1/2019). The study was also repeated after the application of the 2019 recommended values. The results show an improvement in the COD from 12.77% to 10.02%.

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.

Area 33 Housing Profile

Grade 6/Year Built 1946/ Parcel # 326230-0840

Grade 7/Year Built 1955/ Parcel # 326230-0495

Grade 8/ Year Built 1947/ Parcel # 201870-0170

Grade 9/ Year Built 1974/ Parcel # 254070-0300

Grade 10/ Year Built 1977/ Parcel # 164800-0040

Grade 11/ Year Built 2017/ Parcel # 247000-0150

Area 033 Housing Profile

Grade 12/ Year Built 1990/ Parcel # 546130-0050

Grade 13/ Year Built 2005/ Parcel # 644860-0180

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.

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 Sandard 6. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

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

Definition and date of value estimate:

Market Value

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

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

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

Highest and Best Use

RCW 84.40.030

> *All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.*
>
> *An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.*

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:

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

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

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

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

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

The Dictionary of Real Estate Appraisal, 3rd Addition, Appraisal Institute.

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

Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.

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:
    - Data Collection
    - Sales Verification
    - Appeals Response Preparation / Review
    - Appeal Hearing Attendance
    - 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:
    - Data Collection
    - Sales Verification
    - Appeals Response Preparation / Review
    - Appeal Hearing Attendance
    - Physical Inspection Model Development and Report Preparation
    - Land and Total Valuation
    - New Construction Evaluation

9/24/19

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 2019 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, 2019 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