

# Major Office Buildings

Area: 280

## *Commercial Revalue for 2022 Assessment Roll*



**King County**

**Department of Assessments**

*Setting values, serving the community, and pursuing excellence*

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**King County**

**Department of Assessments**



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King Street Center**

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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 720,000 residential, commercial and industrial properties. More specifically for commercial property, the Assessor breaks up King County into geographic or specialty (i.e., office buildings, warehouses, retail centers, etc.) market areas and annually develops valuation models using one or more of the three standard appraisal indicators of value: Cost, Sales Comparison (market) and Income. For most commercial properties the income approach is the primary indicator of value. The results of the models are then applied to all properties within the same geographic or specialty 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 neighborhood. 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 occupant 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 Commercial Properties Valued?

The Assessor collects a large amount of data regarding commercial properties: cost of construction, sales of property, and prevailing levels of rent, operating expenses, and capitalization rates. Statistical analysis is conducted to establish relationships between factors that might influence the value of commercial property. Lastly valuation models are built and applied to the individual properties. For income producing properties, the following steps are employed to calculate an income approach:

1. Estimate potential gross income
2. Deduct for vacancy and credit loss
3. Add miscellaneous income to get the effective gross income
4. Determine typical operating expenses
5. Deduct operating expenses from the effective gross income
6. Select the proper capitalization rate
7. Capitalize the net operating income into an estimated property value

## How is Assessment Uniformity Achieved?

The Assessor achieves uniformity of assessments through standardization of rate tables for incomes, operating expenses, vacancy and credit loss collections and capitalization rates which are uniformly applied to similarly situated commercial properties. Rate tables are generated annually that identify specific rates based on location, age, property type, improvement class, and quality grade. Rate tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results back to properties based on their unique set of attributes.

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure the uniformity of predicted property assessments. We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers (aka IAAO) that may be reviewed at [www.IAAO.org](http://www.IAAO.org). The following are target CODs we employ based on standards set by IAAO:

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 housing	5.0 to 20.0
Income-Producing Properties	Larger areas represented by 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

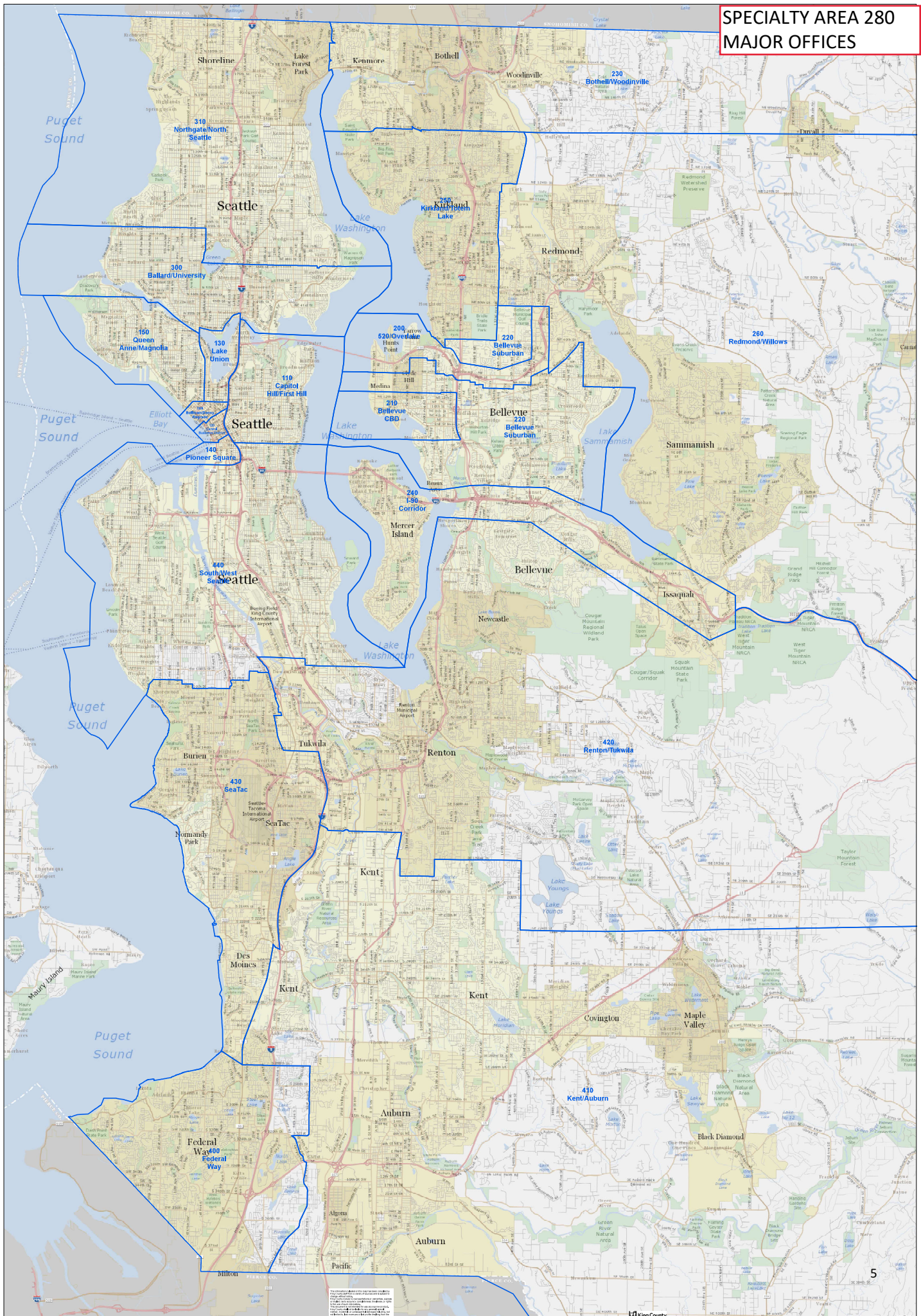
Within Washington State, property is required to be revalued each year to market value based on its highest and best use. (RCW 84.41.030; 84.40.030; and WAC 458-07-030). Washington Courts have interpreted fair market value as the amount of money a buyer, willing but not obligated to buy, would pay to 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.



**SPECIALTY AREA 280**  
**MAJOR OFFICES**





# Specialty Area 280 Offices Annual Update Ratio Study Report

## PRE-REVALUE RATIO ANALYSIS

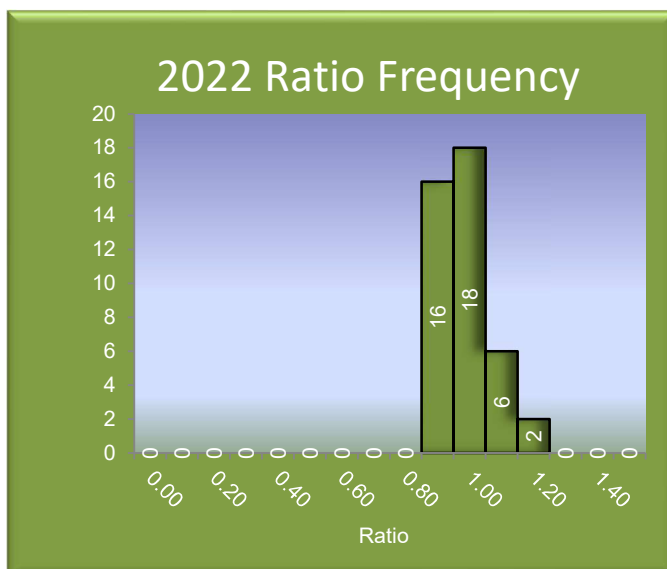
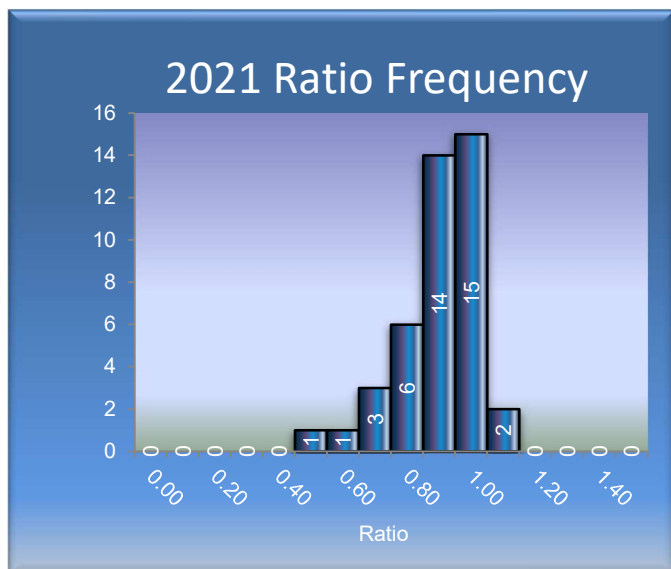
Pre-revalue ratio analysis compares sales from 2019 through 2021 in relation to the previous assessed value as of 1/1/2021.

PRE-REVALUE RATIO SAMPLE STATISTICS	
<b>Sample size (n)</b>	42
<b>Mean Assessed Value</b>	116,859,500
<b>Mean Adj. Sales Price</b>	136,635,700
<b>Standard Deviation AV</b>	124,175,373
<b>Standard Deviation SP</b>	135,803,735
ASSESSMENT LEVEL	
<b>Arithmetic Mean Ratio</b>	0.855
<b>Median Ratio</b>	0.882
<b>Weighted Mean Ratio</b>	0.855
UNIFORMITY	
<b>Lowest ratio</b>	0.4098
<b>Highest ratio:</b>	1.0660
<b>Coefficient of Dispersion</b>	10.08%
<b>Standard Deviation</b>	0.1265
<b>Coefficient of Variation</b>	14.81%
<b>Price Related Differential (PRD)</b>	1.00

## POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares sales from 2019 through 2021 and reflects the assessment level after the property has been revalued to 1/1/2022.

POST REVALUE RATIO SAMPLE STATISTICS	
<b>Sample size (n)</b>	42
<b>Mean Assessed Value</b>	124,161,100
<b>Mean Sales Price</b>	136,635,700
<b>Standard Deviation AV</b>	120,649,488
<b>Standard Deviation SP</b>	135,803,735
ASSESSMENT LEVEL	
<b>Arithmetic Mean Ratio</b>	0.938
<b>Median Ratio</b>	0.934
<b>Weighted Mean Ratio</b>	0.909
UNIFORMITY	
<b>Lowest ratio</b>	0.8139
<b>Highest ratio:</b>	1.1086
<b>Coefficient of Dispersion</b>	6.93%
<b>Standard Deviation</b>	0.0810
<b>Coefficient of Variation</b>	8.64%
<b>Price Related Differential (PRD)</b>	1.03



## Executive Summary Report

**Appraisal Date: 1/1/2022 - 2022 Assessment Year – 2023 Tax Roll Year**

**Specialty Name: Major Office Buildings**

### **Sales - Improved Analysis Summary:**

Number of Sales: 62 market transactions; 42 included in ratio study

Range of Sale Dates: 1/18/2019 to 12/31/2021

Sales - Improved Valuation Change Summary						
	Mean Assessed Value	Mean Sales Price	Ratio	COD	COV	PRD
2021 Value	\$ 116,859,500	\$ 136,635,700	85.50%	10.08%	14.81%	1.00%
2022 Value	\$ 124,161,100	\$ 136,635,700	90.90%	6.93%	8.64%	1.03%
Change	\$ 7,301,600		5.40%	-3.15%	-6.17%	0.03%
% Change	6.25%		6.32%	-31.25%	-41.66%	3.00%

**Sales used in Analysis:** All improved sales that were verified as market sales and did not have major characteristic changes, or have been segregated or merged between the date of sale and the date of appraisal, were included in the ratio analysis.

The above ratio study results for office sales in the Major Office Specialty 280 (institutional/investment-grade office buildings with a rentable area of 90,000 square feet or more) is based on a sales sample that is heavily weighted with sales of well-leased or well-located lower risk properties in the Downtown Seattle sub-markets and the Bellevue CBD. Consequently, in this instance, it may not be an entirely reliable tool for measuring the revaluation results of the overall specialty that includes properties with higher than market vacancy or less dynamic suburban locations (i.e. South King County) where values have tended to lag behind the rest of the county.

In addition, some of the sales in the sample represent the Leased Fee interest while the Assessor is tasked with valuing the Fee Simple interest based on market parameters as of the valuation date. Therefore sales encumbered with older leases that are above or below current market rates do not reflect the interest the Assessor is valuing. In addition, properties that are fully leased to one or two high-credit tenants, typically on a triple-net basis, tend to command a significant premium Leased Fee value when compared to the unencumbered Fee Simple value. In the ongoing expansion cycle of the office market, buyers continue to purchase properties with expectation of higher future net operating incomes (NOI) from higher lease rates with fewer

concessions. These sales tend to reflect higher values than the Assessor's value by the income approach using current market parameters.

#### **Total Population – Parcel Summary Data:**

Number of Improved Parcels: 455

Total Population - Parcel Summary Data			
	Land	Improvement	Total
2021 Valuation	\$10,426,229,150	\$36,946,141,600	\$47,372,370,750
2022 Valuation	\$11,154,040,250	\$37,665,965,000	\$48,820,005,250
	\$727,811,100	\$719,823,400	\$1,447,634,500
% Change	6.98%	1.95%	3.06%

Number of Total Parcels in the Specialty Assignment: 560

Total assessed values include economic land parcels and new construction values, but excludes some hold-out parcels that the assessor is currently working on for the current 2022 revalue.

#### **Conclusion and Recommendation:**

Total assessed values for the 2022 revalue have increased a modest +3.06% over 2021 assessment levels due to short term market instabilities caused by the Covid-19 pandemic, which resulted in higher vacancy rates along with stagnate to stable market rents.

This value includes most new construction projects, which are valued as of July 31<sup>st</sup> of the assessment year. Excluding new construction projects, the total 2022 assessed value remained stable at 0.97% above 2021's total assessed value.

The values recommended in this report reflect current office market parameters as of the valuation date of 1/1/2022 and improve uniformity and equity. Therefore it is recommended that the values should be posted for the 2022 Assessment Year.

#### **Identification of the Area**

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

This report contains data pertinent to the revalue of major office buildings in King County. For the purposes of assessment, Major Office buildings are categorized as investment or

institutional-grade office properties containing a net rentable area of 90,000 square feet or more. Net rentable area, as utilized here, is typically described as gross building area less vertical penetrations. The office specialty properties are found throughout King County, with significant concentrations located in Downtown Seattle and Downtown Bellevue. Additionally, larger suburban office buildings are found in many jurisdictions of the County. All office specialty properties were revalued this year. A list of the parcels physically inspected for the current assessment year is included in the addendum of this report.

**Neighborhoods:** The major office building specialty population has been segmented into four regions which are generally described by the geography in which they encompass, Seattle Downtown, Eastside, Northend, and Southend. The four major geographic regions are further segmented by submarket. There are a total of 20 submarket areas.

Area 280 Submarkets		
Seattle Downtown	Eastside	Northend
280-100 Belltown/Denny Regrade	280-200 520/Overlake	280-300 Ballard/University
280-110 Capitol Hill/First Hill	280-210 Bellevue CBD	280-310 Northgate/North Seattle
280-120 Central Business District	280-220 Bellevue Suburban	Southend
280-130 Lake Union	280-230 Bothell/Woodinville	280-400 Federal Way
280-140 Pioneer Square	280-240 I-90 Corridor	280-410 Kent/Auburn
280-150 Queen Anne/Magnolia	280-250 Kirkland/Totem Lake	280-420 Renton/Tukwila
	280-260 Redmond/Willows	280-430 SeaTac
		280-440 South/West Seattle

**Boundaries:** All of King County

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

## Area Overview

Within the Major Office specialty, the number of sales transactions more than doubled in 2021 as compared to 2020 with the total sales volume increasing by approximately +100%. Despite strong sales volumes over the past three years, there are still not sufficient sales in all market segments to rely solely on the Sales Comparison Approach for the 2022 revalue. The Income Approach is relied on in the final reconciliation of value because it allows for greater equalization and uniformity of values for the various stratifications of office buildings in the different submarkets. In addition, sufficient market income data was available to perform this analysis.

## Economic Summary

With the onset of COVID-19, 2021 was a challenging year as the pandemic took a heavy toll on the local, regional, and national economy which raised overall uncertainties throughout the Puget Sound office market. With widespread immunization taking place in 2021, most businesses started migrating back to their office environment in some capacity with expected market fundamentals seeing improvement towards the latter half of 2021 into 2022. Throughout the Puget Sound region, many companies will continue to either have a temporary extended work-from-home policy or a more permanent hybrid work environment. These dramatic and uncertain changes to the general overall workforce population have resulted in companies shifting or delaying their long-term real estate decisions. Until a more stabilized, structured, and predictable workforce model is established and implemented, the regional office market will remain relatively soft in the near-term with continued volatility and uncertainties expected.

Despite the short-term economic uncertainty coupled with the sluggish market fundamentals of 2021, Seattle is still one of the fastest growing, most resilient, and stable office markets in the country, and considered less expensive than other primary and competitive markets like New York, San Francisco, and Washington, D.C.

The Seattle and Eastside office markets continue to remain near the top of national and international investors' interest. The historic stable economic growth in the Puget Sound region, coupled with relatively low cost of funds to institutional investors, makes the region attractive to national and international investors. Institutional investors have been primarily focused on well-leased single and multi-tenant office properties in the CBD areas. Investors who have become priced-out of the downtown core areas have led to an increase in sales of Value-Add and suburban properties, further demonstrating investor confidence in the regional market. The Seattle and Bellevue skylines remain crowded with tower cranes with office and multi-family developments dominating the activity.

After following a quiet 2020, sales activity started picking up in 2021, as large institutional investors began returning to the market, focusing on well positioned trophy assets in the office, high-tech, and life science sectors in anticipation that it may take some time for the office market to rebound to pre-pandemic market levels. The 2021 helped stabilize the office market in anticipation that general office market fundamentals will improve. As a result of these well-capitalized assets with high-profile tenants, pricing hasn't changed significantly.

According to Geekwire.com, Amazon remains the dominant force in the office market, occupying roughly 16 million plus square feet of prime office space. While new construction continues steadily in the Lake Union/Denny Regrade submarkets, Amazon is rapidly focusing its expansion needs on the business-friendly eastside market area. Examples of Amazon's eastside presence include major office building leases, office building acquisitions, and future development.



Amazon's Eastside Office Presence		
Building	Square Footage	Comments
Centre 425	377K SF	• Leased Property
Tower 333	417K SF	• Leased Property
Summit II	110K SF	• Leased Property
Summit III	370K SF	• Leased Property
Former Macy's (Redmond)	110K SF	• Lease Property – Being Remodeled
Bellevue Corp. Plaza	256K SF	• Owned Property + Dev. Site
Binary Towers	670K SF	• 2 Towers – Recently Completed
555 Tower	840K SF	• Leased Property - Under Construction
Bellevue 600	900K SF	• Leased Property - Under Construction
West Main	880K SF	• Leased Property - Under Construction
The Eight Office Tower	541K SF	• Leased Property - Under Construction

Other eastside submarkets where major tech companies are expanding their office operations include Microsoft's Overlake main campus expansion, Facebook's current Spring District development, and purchase of the recently completed and unused former REI headquarters, Google's recent Kirkland office expansion, and T-Mobile's Factoria market presence. With the massive investments by the likes of Amazon, Facebook, Google, and Microsoft, the Eastside is catapulting into an elite regional tech engineering hub.

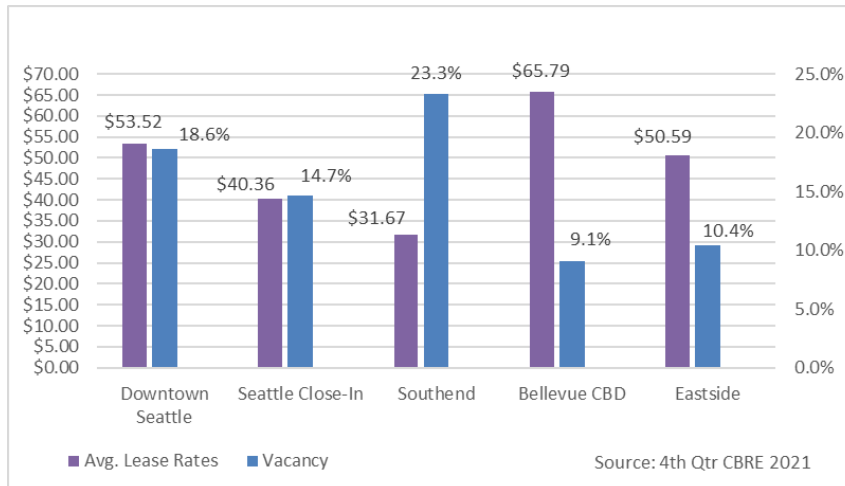
By 2021, the Puget Sound region had experienced an uptick in the overall total vacancy. The primary cause of this can be attributable to the Covid-19 pandemic, which forced many companies to have their employees work from home. Many companies realized much of the brick-and-mortar leased office space was not needed, resulting in a surge of sublease space available, which potentially delayed occupancy for new tenants and even caused vacant deliveries by some developers.

According to CBRE, within the Puget Sound core submarkets, Downtown Seattle and Seattle Close-In experienced the greatest year-over-year change in the total vacancy of +6.6% and +4.1%, respectively. In comparison, while Bellevue's CBD and the Eastside showed modest increases to the overall vacancy rate of +1.8% and 1.5% respectively. The south-end total vacancy remained relatively unchanged from the previous year.

Office Market Summary Statistics 2021						
	Market Size (SF)	Total Vacancy %	Change in Vacancy	Class A Avg. Asking Rate*	Rent Change %	Last 4 Qtr Net Absorption (SF)
Downtown Seattle	54,407,832	18.6%	6.6%	\$53.52	5.54%	87,858
Seattle Close-In	6,009,006	14.7%	4.1%	\$40.36	-0.32%	(16,377)
Southend	11,873,201	23.3%	-0.3%	\$31.67	-2.52%	73,089
Bellevue CBD	9,750,648	9.1%	1.8%	\$65.79	11.91%	167,503
Eastside	33,755,422	10.4%	1.5%	\$50.59	10.85%	782,684

Source: 4th Qtr 2021 CBRE Office MarketView

\*Full Service



Within King County's five major core market areas, Downtown Seattle, the Eastside, and Bellevue's CBD reported overall year-over-year asking rent increases of +5.54%, +10.85%, and +11.91%, respectively. While Seattle's Close-in and the Southend market reported minor decreases in overall asking rent rates of -0.32% and -2.52%, respectively.

As a result of the rising vacancy rates due to the atypical high sublease market, landlords are starting to incentivize leases by offering rent concessions, such as free rent or increased tenant improvement allowances to existing tenant renewals and new lease prospects. In contrast, larger institutional landlords are willing to sit on the sidelines and wait until market demand return to more equilibrium market environment. Leases to tenants in the technology sector continued to dominate the market, lured to the CBD by amenities and numerous commute options. CBRE indicates that the atypical sublease market and co-working companies, such as We-Work, have been responsible for many current leases over 20,000 SF as the segment rapidly expands in the current market climate.

Concerning the properties within the Major Office specialty assignment and after considering stable asking rental rates and rising vacancies in some sub-markets, the overall improved assessed values increased by +3.16% compared to last year. This modest increase in assessed value was primarily the result of new construction added to the tax rolls.

Of the four major market areas, Seattle was the only market area that experienced an overall -1.70% decline in assessed values, while the eastside market area saw a significant increase to overall assessed of +15.75%. All other major geographic areas in the county experienced modest increases in overall assessed value between +0.07% (Northend) and +1.74% (Southend). Overall expense rates and capitalization rates appear to have mostly leveled off and remain stable.

2022 Major Office Specialty Area Breakdown					
Area	Name	Improved Parcel Count	Total AV	Avg. AV per Impr Parcel	% Chng. In AV
280-100	Belltown/Denny Regrade	41	\$ 6,801,671,900	\$ 165,894,437	-2.74%
280-110	Capitol Hill/First Hill	39	\$ 1,049,850,800	\$ 26,919,251	1.82%
280-120	Central Business District	69	\$ 13,599,352,200	\$ 197,092,061	-2.13%
280-130	Lake Union	38	\$ 5,097,972,900	\$ 134,157,182	0.63%
280-140	Pioneer Square	24	\$ 1,996,770,800	\$ 83,198,783	-2.10%
280-150	Queen Anne/Magnolia	12	\$ 1,453,427,200	\$ 121,118,933	-2.70%
<b>Seattle Downtown</b>		<b>223</b>	<b>\$ 29,999,045,800</b>	<b>\$ 134,524,869</b>	<b>-1.70%</b>
280-200	520/Overlake	17	\$ 496,207,000	\$ 29,188,647	17.54%
280-210	Bellevue CBD	42	\$ 8,518,129,800	\$ 202,812,614	16.00%
280-220	Bellevue Suburban	24	\$ 996,352,700	\$ 41,514,696	14.58%
280-230	Bothell/Woodinville	15	\$ 288,876,000	\$ 19,258,400	4.48%
280-240	I-90 Corridor	42	\$ 2,198,851,300	\$ 52,353,602	19.69%
280-250	Kirkland/Totem Lake	22	\$ 1,314,875,300	\$ 59,767,059	14.05%
280-260	Redmond/Willows	5	\$ 470,884,000	\$ 94,176,800	7.25%
<b>Eastside</b>		<b>167</b>	<b>\$ 14,284,176,100</b>	<b>\$ 85,533,989</b>	<b>15.75%</b>
280-300	Ballard/University	16	\$ 1,070,043,900	\$ 66,877,744	-0.94%
280-310	Northgate/North Seattle	4	\$ 141,854,000	\$ 35,463,500	8.44%
<b>Northend</b>		<b>20</b>	<b>\$ 1,211,897,900</b>	<b>\$ 60,594,895</b>	<b>0.07%</b>
280-400	Federal Way	8	\$ 174,362,000	\$ 21,795,250	1.98%
280-410	Kent/Auburn	6	\$ 140,230,000	\$ 23,371,667	5.15%
280-420	Renton/Tukwila	17	\$ 631,095,500	\$ 37,123,265	-3.56%
280-430	SeaTac	4	\$ 208,078,500	\$ 52,019,625	1.47%
280-440	South/West Seattle	11	\$ 979,781,800	\$ 89,071,073	4.99%
<b>Southend</b>		<b>46</b>	<b>\$ 2,133,547,800</b>	<b>\$ 46,381,474</b>	<b>1.74%</b>
<b>Area 280 Total</b>		<b>456</b>	<b>\$ 47,628,667,600</b>	<b>\$ 104,448,832</b>	<b>3.16%</b>

## Analysis Process

**Effective date of Appraisal:** January 1<sup>st</sup>, 2022

**Date of Appraisal Report:** July 15<sup>th</sup>, 2022

**Responsible Appraiser:** Steven Roberts, Commercial Appraiser II

### Highest and Best Use Analysis

**As if vacant:** Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial use. Any opinion not consistent with this is specifically noted in the records and considered in the valuation of the specific parcel.

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. The current improvements do add value to the property in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000 is assigned to the improvements.

### Standards and Measurement of Data Accuracy

Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary by field inspection, review of plans, marketing information, and rent rolls when available.

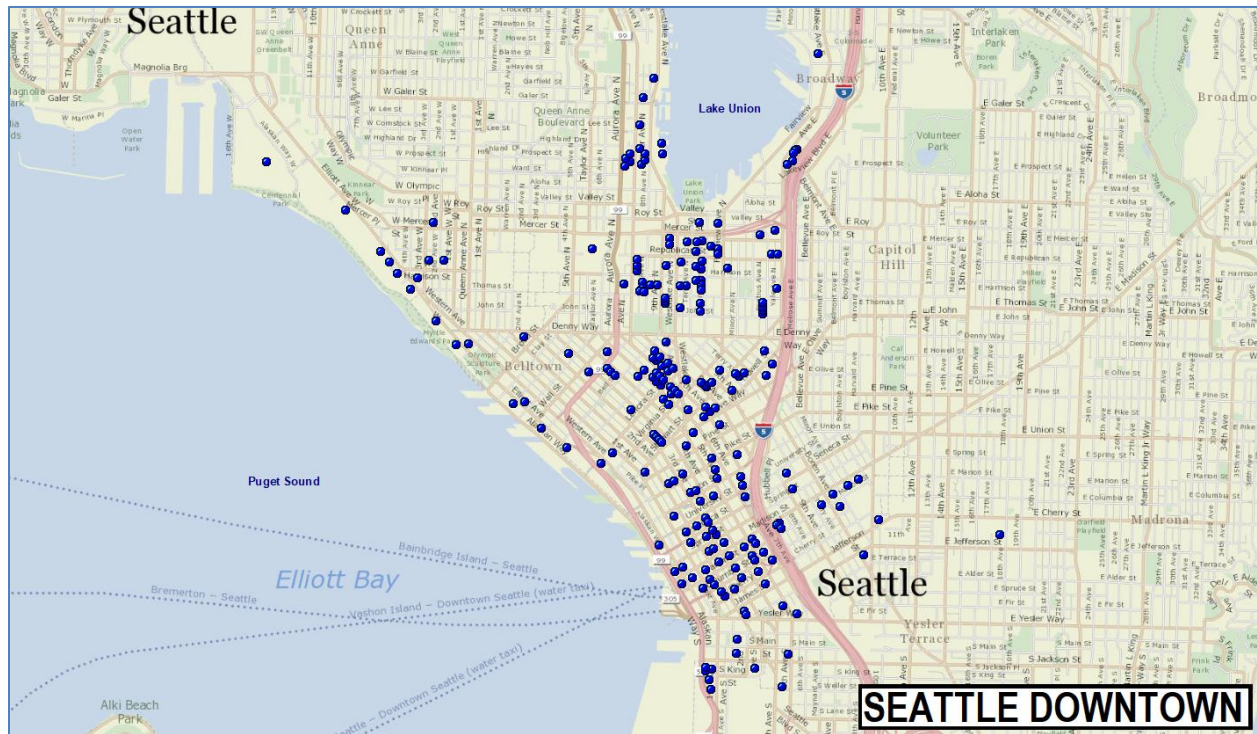
### Special Assumptions, Departures and Limiting Conditions

- All three approaches to value were considered in this analysis.
- The following Departmental guidelines were considered and adhered to:
  - Sales from 1/1/2019 to 12/31/2021 (at minimum) were considered in all analyses.
  - This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6.

The following is a brief description of the market segments that make up the Major Office specialty assignment. Following the area descriptions are maps showing the location of major office development projects, under construction and recently delivered, in the Seattle and Eastside markets.

## SEATTLE DOWNTOWN

2022 Major Office Specialty Area Breakdown					
Area	Name	Improved Parcel Count	Total AV	Avg. AV per Impr Parcel	% Chng. In AV
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280-150	Queen Anne/Magnolia	12	\$ 1,453,427,200	\$ 121,118,933	-2.70%
<b>Seattle Downtown</b>		<b>223</b>	<b>\$ 29,999,045,800</b>	<b>\$ 134,524,869</b>	<b>-1.70%</b>



The Seattle Downtown market area contains +/- 49% of the of the Major Office specialty properties yet comprises +/- 63% of total assessed value. The market area is further broken down into six submarkets: 100-Belltown/Denny Regrade, 110-Capitol Hill/First Hill, 120-Central Business District, 130-Lake Union, 140-Pioneer Square, and 150-Queen Anne/Magnolia.

For the 2022 revalue, total assessed values in the Seattle Downtown market area decreased - 1.70% compared to the 2021 assessment year. Not including new construction projects, total assessed values for 2022 decreased by -2.20%.

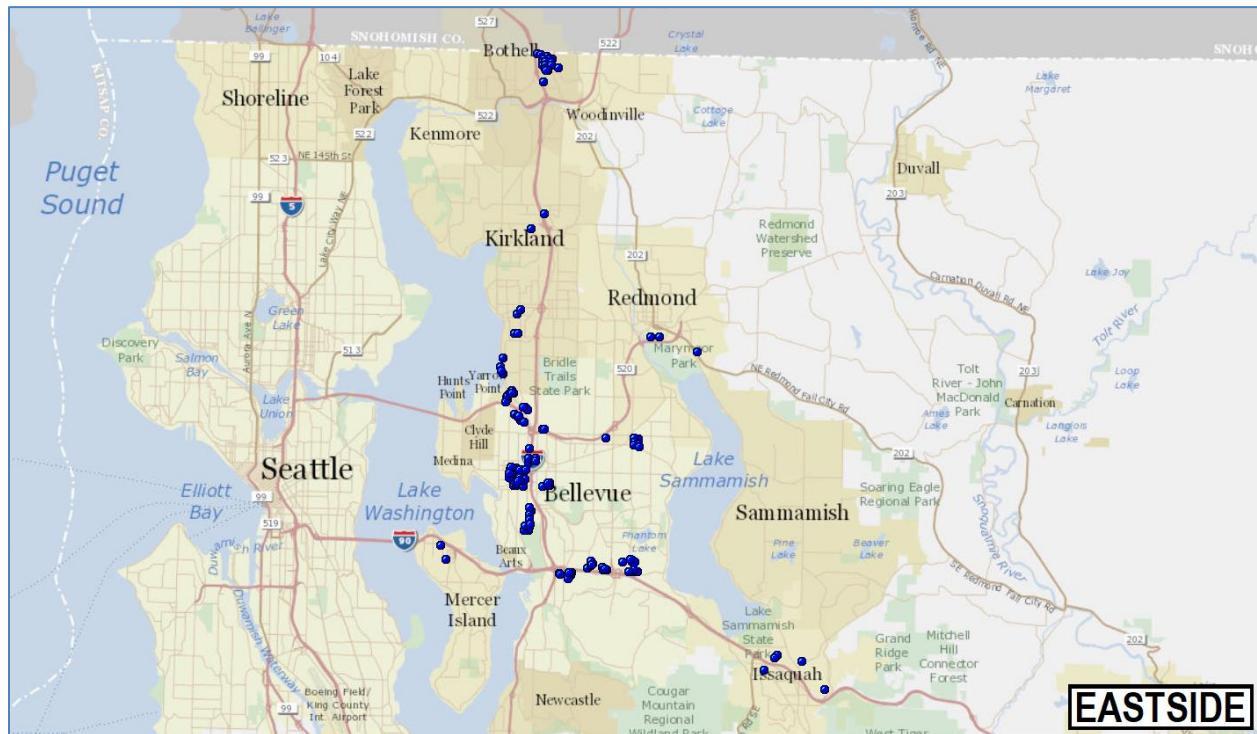
The Seattle Central Business District submarket is home to most of the region's Trophy Class office buildings, including the Russell Investments Center, Two Union Square, 1201 Third Ave, US Bank Centre, 2+U Tower, and F-5 Tower, among others. With its core construction complete and in the process of tenant lease-up is the iconic 58-story mixed-use Rainier Tower which features 18 floors of luxury apartments over a 37-story office tower. Recently completed 2021/2022 projects within the CBD submarket include the 10-story 400 University Square building, while projects under construction include the former Macy's department store that is being converted into an office and multi-tenant retail space.

Within the Denny Regrade/South Lake Union submarket, Amazon continues to be the dominant player, with the recent completion of their 17-story "Block 18" tower and 12-story "Block 38" tower. Another recently finalized project waiting for tenant lease-up is the 9-story Cascadian Office building. The only major office tower currently under construction is the 15-story 400 Westlake building.



## EASTSIDE

2022 Major Office Specialty Area Breakdown					
Area	Name	Improved Parcel Count	Total AV	Avg. AV per Impr Parcel	% Chng. In AV
280-200	520/Overlake	17	\$ 496,207,000	\$ 29,188,647	17.54%
280-210	Bellevue CBD	42	\$ 8,518,129,800	\$ 202,812,614	16.00%
280-220	Bellevue Suburban	24	\$ 996,352,700	\$ 41,514,696	14.58%
280-230	Bothell/Woodinville	15	\$ 288,876,000	\$ 19,258,400	4.48%
280-240	I-90 Corridor	42	\$ 2,198,851,300	\$ 52,353,602	19.69%
280-250	Kirkland/Totem Lake	22	\$ 1,314,875,300	\$ 59,767,059	14.05%
280-260	Redmond/Willows	5	\$ 470,884,000	\$ 94,176,800	7.25%
<b>Eastside</b>		<b>167</b>	<b>\$ 14,284,176,100</b>	<b>\$ 85,533,989</b>	<b>15.75%</b>



The Eastside market area contains +/-37% of the of the Major Office specialty properties and comprises +/-30% of total assessed value. The market area is further broken down into seven submarkets: 200-520/Overlake, 210-Bellevue CBD, 220-Bellevue Suburban, 230-Bothell/Woodinville, 240-I-90 Corridor, 250-Kirkland/Totem Lake, and 260-Redmond/Willows.

For the 2022 revalue, assessed values in the Eastside market area increased by +15.75% compared to the 2021 assessment year. Not including new construction projects, total assessed values for 2022 increased by +9.38%.

The Bellevue Central Business District contains the second highest concentration of institutional-quality Class A office buildings in the region, following downtown Seattle. Microsoft occupies around +/- 2.3 million square feet within several buildings in the downtown area. Expedia currently leases 503,000 square feet in downtown Bellevue; however, the company is moving their headquarters to Interbay in Seattle.

While new office and life science buildings construction continues steadily within the Lake Union/Denny Regrade submarkets, Amazon is rapidly focusing its expansion needs on the business-friendly eastside market area. Amazon's eastside presence includes major office building leases at Centre 425, Tower 333, and Summit II/III. Currently, Bellevue's major office developments recently finished or are under construction where Amazon will be the primary occupant are the two 15-story "Binary Towers", the 42-story "555 Tower", the 43-story "Bellevue 600 Office Tower" (formally Bellevue Corp Plaza), the three building 16/17-story "West Main" development, and the 25-story "The Eight Office Tower". Another major project currently under construction is the 25-story Artise Office Tower.

In Suburban Bellevue, the 36-acre Spring District site is the primary focus of redevelopment. Located in the Bel-Red Corridor, this 36-acre site is being developed in three different phases. It will eventually consist of 16 blocks with over 4,000,000 square feet of commercial space and 1,000 multi-family residences. Many of the multi-family units are already finished, along with the recent completion of the Global Innovation Exchange building; Facebook recently purchased REI's recently completed and unused 397k SF corporate campus. In addition to occupying the 11-story "Block 16" office bldg. and recently completed 10-story "Block 24" office building. Currently under construction is Facebook's subsequent office additions located on Block 5 & Block 6. The Block 5 & 6 office buildings will total 675K SF of NRA.

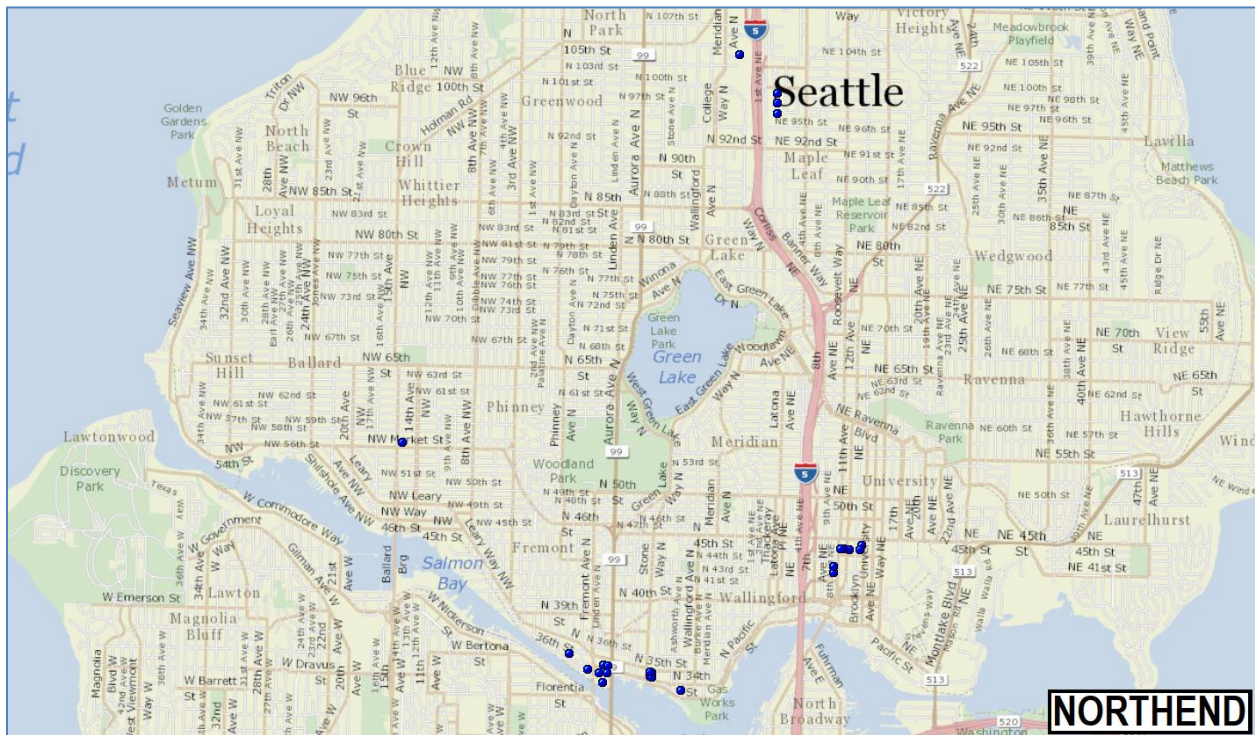
South Bellevue is a heavily commercial section with a number of major offices, including T-Mobile's headquarters within the Newport Corporate Center, due to its easy access along the I-90 corridor. T-Mobile recently renewed its 882,000 square foot lease and has finished a \$160 million renovation and upgrade of the campus.

Located in Issaquah, Costco is expanding to its corporate campus by adding a 9-story, 635,470 SF, Class-A office building in addition to building a 10 Level, 707K SF Parking Garage which includes a fitness center and auditorium on level1. Construction is underway, with delivery estimated in late 2022.

Within the Kirkland market area, Google recently finished construction of its Phase III 137K SF expansion, and will also occupy the 7-story 313K SF office building currently under construction at the “Kirkland Urban” mixed-use development.

## **NORTHEND**

<b>2022 Major Office Specialty Area Breakdown</b>					
Area	Name	Improved Parcel Count	Total AV	Avg. AV per Impr Parcel	% Chng. In AV
280-300	Ballard/University	16	\$ 1,070,043,900	\$ 66,877,744	-0.94%
280-310	Northgate/North Seattle	4	\$ 141,854,000	\$ 35,463,500	8.44%
<b>Northend</b>		<b>20</b>	<b>\$ 1,211,897,900</b>	<b>\$ 60,594,895</b>	<b>0.07%</b>



The Northend market area contains +/-4% of the of the Major Office specialty properties and comprises +/-2.54% of total assessed value. The market area is further broken down into two submarkets: 300-Ballard/University and 310-Northgate/North Seattle.

For the 2022 revalue, assessed values in the Northend market area increased by 0.07% compared to the 2021 assessment year

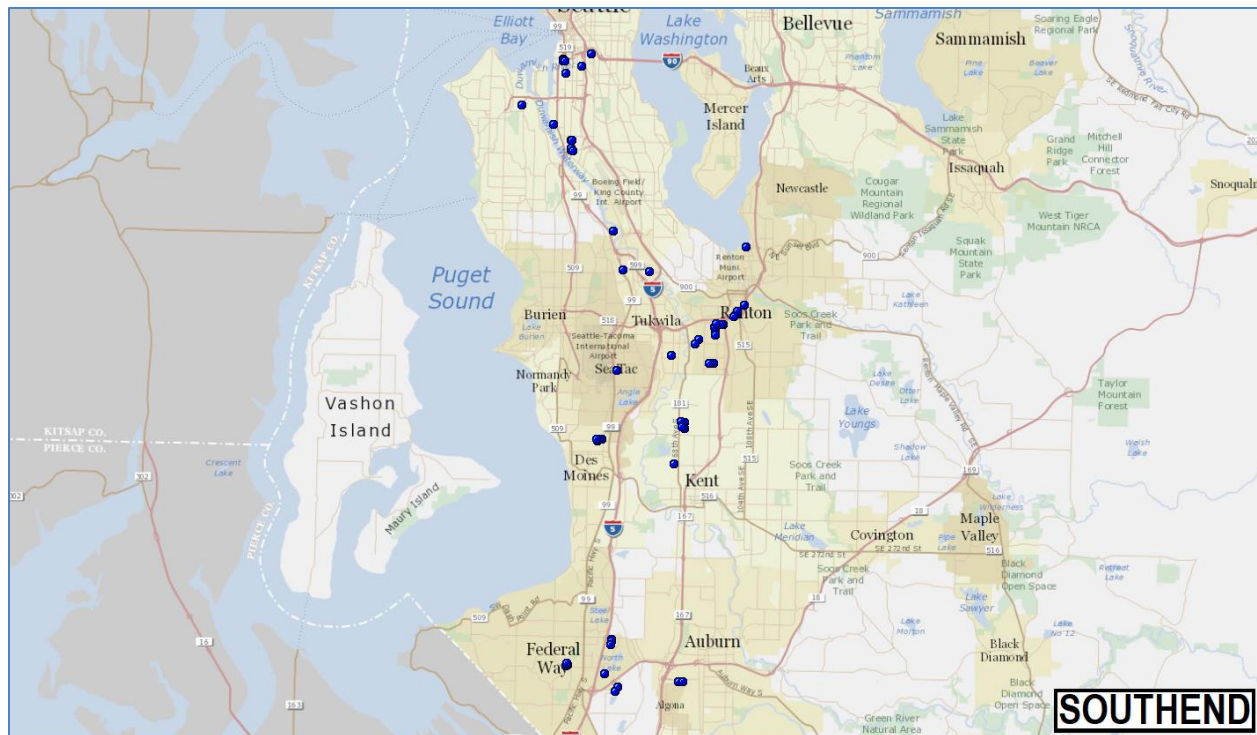
The Ballard/University submarket, which includes the Fremont neighborhood, is the primary submarket in this area. Most buildings within this submarket, including the Lake Union Center,



are clustered in the Fremont neighborhood. However two of the most recently built office properties, Stone 34 and NorthEdge, are located to the east of this location, the recently completed mixed-use 15<sup>th</sup> & Market building was the primary commercial building under construction in 2020.

## **SOUTHEND**

<b>2022 Major Office Specialty Area Breakdown</b>					
Area	Name	Improved Parcel Count	Total AV	Avg. AV per Impr Parcel	% Chng. In AV
280-400	Federal Way	8	\$ 174,362,000	\$ 21,795,250	1.98%
280-410	Kent/Auburn	6	\$ 140,230,000	\$ 23,371,667	5.15%
280-420	Renton/Tukwila	17	\$ 631,095,500	\$ 37,123,265	-3.56%
280-430	SeaTac	4	\$ 208,078,500	\$ 52,019,625	1.47%
280-440	South/West Seattle	11	\$ 979,781,800	\$ 89,071,073	4.99%
<b>Southend</b>		<b>46</b>	<b>\$ 2,133,547,800</b>	<b>\$ 46,381,474</b>	<b>1.74%</b>



The Southend market area contains +/-10% of the of the Major Office specialty properties and comprises +/-4.48% of total assessed value. The market area is further broken down into five submarkets: 400-Federal Way, 410-Kent/Auburn, 420-Renton/Tukwila, 430-SeaTac, and 440-South/West Seattle.

For the 2022 revalue, assessed values in the Southend market area increased +1.74% compared to the 2021 assessment year. Most submarkets experienced modest growth, however, Renton/Tukwila experienced a slight decrease relative to last year, primarily the result of increased submarket vacancy. Not including new construction projects, total assessed values for 2022 increased by +1.74%.

Weyerhaeuser and Boeing traditionally have been the major influencers in the Southend market area. However, Weyerhaeuser moved their headquarters to the Pioneer Square neighborhood of Seattle and sold its Federal Way campus to a Los Angeles-based institutional investor, who intends to sell off large pieces for redevelopment, while also finding a new tenant for the 342,204 square foot landmark headquarters building, since renamed Woodbridge Corporate Park.

Recently completed office developments include Renton's fully vacant Southport office buildings, Sea-Tac's Alaska Airlines Corporate Headquarters, and Federal Way's Devita's Corporate Headquarters.

## Seattle Major Office Projects Under Construction & Recently Delivered

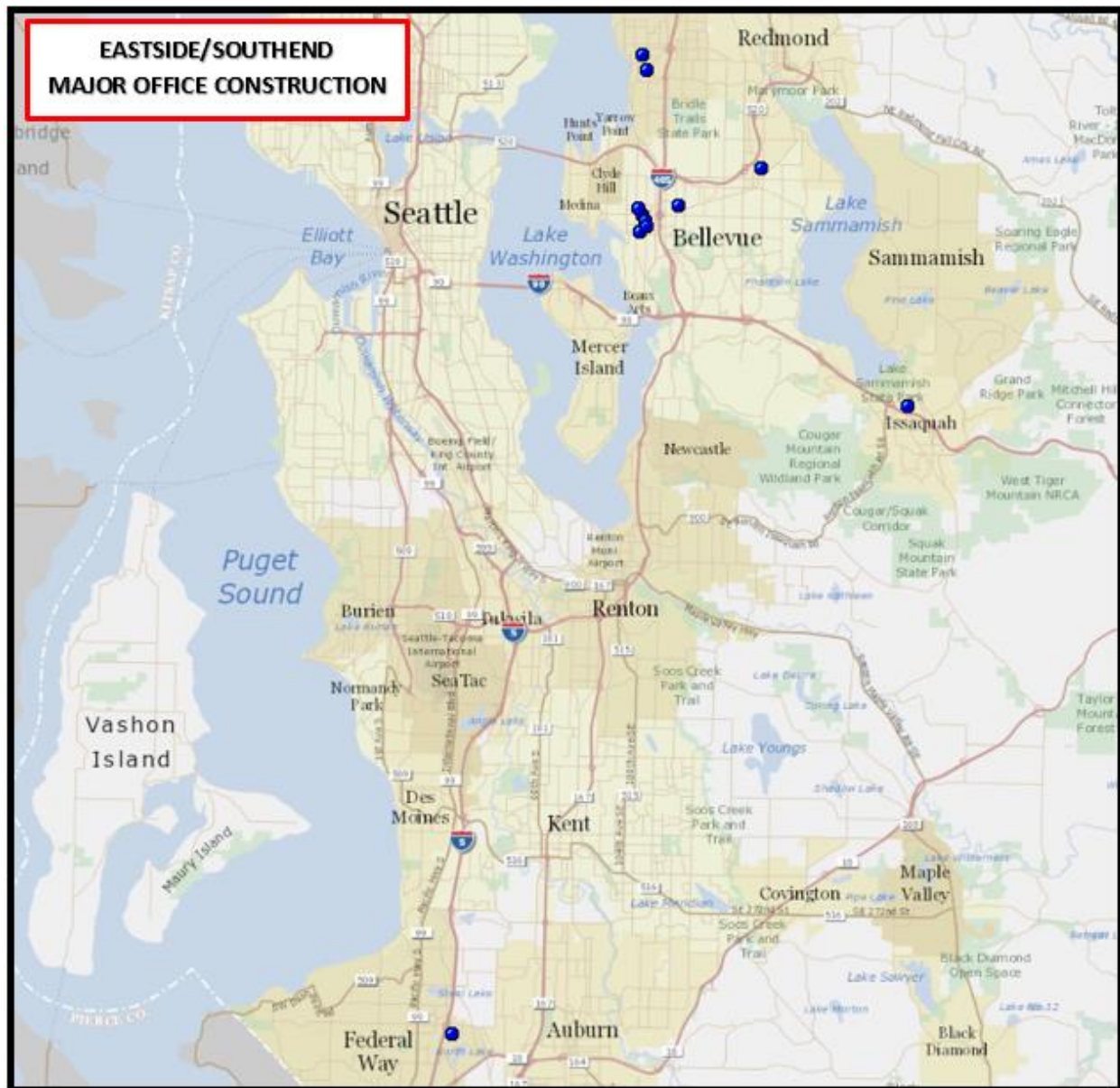


Major Office Projects Currently Under Construction Or Recently Delivered (Seattle)						
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery
1	South Lake Union	400 Westlake	400 Westlake Ave N	240,000	0%	Q2 2023
2	South Lake Union	Amazon Tower - Block 38	520 Westlake Ave N	336,639	100%	Q2 2022
3	CBD	Former Macy's	300 Pine St.	270,274	90%	Q1 2022
4	Belltown/Denny Regrade	Cascadian Office Building	330 Yale Ave N	211,066	0%	Q3 2021
5	CBD	Rainier Square	400 University	121,618	0%	Q2 2021
6	Belltown/Denny Regrade	Amazon Tower 18	2205 7th Ave	410,010	100%	Q3 2021
Total				1,589,607		

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



## Eastside/Southend Office Projects Under Const. & Recently Delivered



Major Office Projects Currently Under Construction Or Recently Delivered (Eastside)							
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery	Notes
1	Bellevue CBD	Amazon - Bellevue 600	600 108th Ave NE (Bellevue)	1,020,000	100%	Q2 2024	43-story Class A office building leased to Amazon. +/-106mil SF of Office & amenities +/-14K SF of Retail. Shoring/Site work and demolition currently ongoing.
2	Bellevue CBD	The Eight Office Tower	NW Corner of NE 8th & 108th (Bellevue)	541,000	0%	Q1 2024	25-story Class A+ speculative office building currently under construction and undergoing foundation/Site work.
3	Bellevue CBD	The Artise	788 106th Ave NE (Bellevue)	610,000	100%		The Artise is a 25-story 605,000/SF Trophy Class-A office tower with 5,000/SF of ground-floor retail and a 927 stall underground parking garage. Building is preleased to Amazon.
4	Bellevue CBD	West Main	107 106th Ave NE (Bellevue)	880,000	100%	Q2 2023	Three, 16/17-story Class A office towers with ground floor retail space. Estimated at +/-25% complete as of 07/31/2022.
5	Bellevue CBD	Amazon - 555 Tower	555 108th Ave NE (Bellevue)	1,000,000	100%	Q1 2023	42-story Class A office building leased to Amazon. +/-970K SF of Office & +/- 30K SF of Retail. Construction started in winter of 2021
6	Bellevue CBD	Amazon - Binary Towers (East/West)	1001 106th Ave NE (Bellevue)	704,250	100%	Q1 2022	Two, 15-story Class A office towers with ground floor retail space. Estimated at 100% complete as of 07/31/2022.
7	Bellevue CBD	Summit III	320 108th Ave NE (Bellevue)	367,568	100%	Q1 2021	17-story Class A office building leased to Facebook. 100% complete as of 07/31/2021
8	Bellevue Suburban	Spring District Block 6	124th Ave NE (Bellevue)	324,000	100%	Q1 2023	11-story 324,502/SF Gross; 270,673/SF Net; Class A office building pre-leased to Facebook. Estimated at 25% complete as of 07/31/2022.
9	Bellevue Suburban	Spring District Block 5	125th Ave NE (Bellevue)	184,022	100%	Q1 2023	11-story 345,00/SF Gross; Class A office building pre-leased to Facebook. Currently working on site/shorwork and estimated at least than 5% complete as of 07/31/2022.
10	Bellevue Suburban	Spring District Block 24	124th Ave NE (Bellevue)	184,021	100%	Q2 2021	10-story Class A office building leased to Facebook. 100% complete as of 07/31/2021.
11	Bellevue Suburban	One Esterra Park	15550 NE Turning St (Redmond)	245,000	100%	Q1 2021	Class A office building with Microsoft pending as new tenant. 100% complete as of 07/31/2021
12	Kirkland	Google III	423 6th St. S (Kirkland)	136,678	100%	Q2 2022	Two 2-story Class A office buildings leased to Facebook. 100% complete as of 07/31/2022
13	Kirkland	Kirkland Urban - Google	469 Central Way (Kirkland)	312,977	100%	Q1 2023	7-story Class A office building leased to Google. 20% complete as of 07/31/2021
14	Redmond/Willows	Redmond Town Center - former Macy's bldg	7400 166th Ave NE (Redmond)	111,368	100%	Q3 2021	Former Macy's store being converted to Class A office space. Amazon will be new tenant. 100% complete as of 07/31/2021
15	Issaquah	Costco Corporate Offices & Garage Expansion	730 Lake Dr. (Issaquah)	635,470	100%	Q2 2022	9-story, 635,470 SF, Class A office building owned by Costco. Also under development is 10 Level, 707K SF Parking Garage which includes fitness center and auditorium on level-1. As of 07/31/2022, office building was estimated at +/-60% complete, while parking garage was estimated at 100%.
			<b>Total</b>	<b>7,256,354</b>			
Major Office Projects Currently Under Construction Or Recently Delivered (Southend)							
Map #	Area	Name	Address	Total RSF*	% Preleased	Est. Delivery	Notes
1	Federal Way	Devita Office Building	3201 S 323rd St. (Federal Way)	160,493	100%	Q1 2021	3-story Class A corporate office. Project estimated at 100% complete as of 07/31/2021
			<b>Total</b>	<b>160,493</b>			

## **Leasing Class Descriptions**

A description of the leasing classes is provided. In the market approach and income approach analysis the office properties are grouped into the above market areas and then stratified into the appropriate leasing class. The leasing class may differ from the building class. For example, a reinforced concrete, midrise office building will be classified as Class B construction but may be considered in the market as Class A leased space.

### **Class A**

Class A properties are the most prestigious buildings competing for premier office users with above average rents for the area. Buildings have high quality standard finishes, state-of-art building systems, and exceptional accessibility and a definitive market presence.

### **Class B**

Class B properties are buildings competing for a wide range of office users with average rents for the area. Building finishes are fair to good for the area and systems are adequate, and the buildings do not compete with Class A buildings.

### **Class C**

Class C properties are buildings competing for tenants requiring functional space at below average rents for the area. The buildings typically have designs and finishes that are dated.

In the valuation analysis, Class A buildings are further stratified into top tier A++ trophy properties, premium A+ office buildings, and average Class A properties. Class B buildings are stratified into Class A-/B+ buildings, and average Class B. The office specialty predominately consists of Class A and Class B properties.

## **Office Market Conditions**

As was discussed in the executive summary of this report, COVID-19 had put a strain on the regional economy, with Seattle Downtown and the Southend experiencing the most significant adverse impact on market stabilization. With the technology sector focusing its attention and future growth on the eastside market areas, positive market fundamentals will persist.

Many companies have extended work-from-home policies to the end of the year and beyond or delayed their long-term real estate decisions. Although the short-term economic uncertainty coupled with some negative market fundamentals of 2021, Seattle is still one of the country's

fastest-growing, most resilient, and stable office markets and will remain near the top of national and international investors' interest.

With widespread immunization foreseen in 2021 and 2022, most businesses should migrate back to their office environment in some capacity, with expected market fundamentals improving during 2022.

The following pages summarize office market statistics provided by industry publications for the four major geographic areas.

Q4 2021 Market Report "Class-A" Lease Rates								
SubMkt#	Submarkets	CBRE	JLL	Cushman&Wakefield	Newmark Knight Frank	Costar	Area 280 Survey	Avg
100	Belletown/Denny Regrade	\$ 39.77	\$ 49.66	\$ 54.87	\$ 45.27	\$ 49.91	\$ 47.83	\$ 47.89
110	Capitol Hill/First Hill	\$ 35.00		\$ 40.00	\$ 40.83	\$ 41.83		\$ 39.42
120	Central Business District	\$ 55.13	\$ 55.46	\$ 47.78	\$ 51.13	\$ 48.80	\$ 49.78	\$ 51.35
130	Lake Union	\$ 57.71	\$ 60.53	\$ 47.84	\$ 51.85	\$ 41.64	\$ 49.53	\$ 51.52
140	Pioneer Square	\$ 55.12	\$ 56.54	\$ 50.25	\$ 43.68	\$ 44.55	\$ 48.00	\$ 49.69
150	Queen Anne/Magnolia	\$ 38.88	\$ 49.95		\$ 38.01	\$ 36.02	\$ 42.60	\$ 41.09
	<b>Seattle Downtown</b>	<b>\$ 53.52</b>	<b>\$ 55.04</b>	<b>\$ 48.73</b>	<b>\$ 47.86</b>	<b>\$ 47.03</b>	<b>\$ 44.84</b>	<b>\$ 49.50</b>
200	520/Overlake	\$ 40.89	\$ 45.10	\$ 47.02	\$ 41.90	\$ 46.86	\$ 44.69	\$ 44.41
210	Bellevue CBD	\$ 65.79	\$ 64.42	\$ 56.61	\$ 59.60	\$ 60.07	\$ 61.59	\$ 61.35
220	Bellevue Suburban	\$ -	\$ 42.18	\$ 38.61	\$ 41.14	\$ 38.28	\$ 46.77	\$ 34.50
230	Bothell/Woodinville	\$ 37.05	\$ 38.32	\$ 32.20	\$ 36.71	\$ 32.77	\$ 36.30	\$ 35.56
240	I-90 Corridor	\$ 41.39	\$ 43.01	\$ 38.46	\$ 43.09	\$ 36.64	\$ 39.60	\$ 42.47
250	Kirkland/Totem Lake	\$ 69.37	\$ 52.20	\$ 58.64	\$ 44.87	\$ 50.67	\$ 48.82	\$ 54.10
260	Redmond/Willows	\$ 43.31	\$ 43.29	\$ 39.26	\$ 43.88	\$ 45.28	\$ 49.50	\$ 44.09
	<b>Eastside</b>	<b>\$ 50.59</b>	<b>\$ 58.38</b>	<b>\$ 48.50</b>	<b>\$ 46.87</b>	<b>\$ 50.82</b>	<b>\$ 42.46</b>	<b>\$ 49.60</b>
300	Ballard/University	\$ -	\$ 51.69	\$ 40.82	\$ 45.43	\$ 41.83	\$ 47.50	\$ 37.88
310	Northgate/North Seattle	\$ -	\$ 39.00	\$ 40.82		\$ 36.45	\$ 37.75	\$ 30.80
	<b>Northend</b>	<b>\$ 45.21</b>	<b>\$ -</b>	<b>\$ 40.82</b>	<b>\$ 45.43</b>	<b>\$ 33.23</b>	<b>\$ 33.75</b>	<b>\$ 33.07</b>
400	Federal Way	\$ 23.37	N/A	\$ 24.23	\$ 27.03	\$ 30.40	\$ 26.89	\$ 26.38
410	Kent/Auburn	\$ -	N/A	\$ 28.26	\$ 28.96	\$ 30.40	\$ 30.50	\$ 23.62
420	Renton/Tukwila	\$ -	\$ 44.96	\$ 41.12	\$ 39.89	\$ 43.07	\$ 31.75	\$ 33.47
430	SeaTac	\$ 28.49	\$ 29.74	\$ 29.83	\$ 30.04	\$ 27.86	\$ 31.36	\$ 29.55
440	South/West Seattle	\$ 44.40	\$ 32.43	\$ 27.59	\$ 36.11	\$ 35.66	\$ 44.17	\$ 36.73
	<b>Southend</b>	<b>\$ 31.67</b>	<b>\$ 43.65</b>	<b>\$ 43.79</b>	<b>\$ 34.75</b>	<b>\$ 42.04</b>	<b>\$ 29.28</b>	<b>\$ 37.53</b>

Note: Each publication delineates submarkets differently. Above data is "best fit" for Assessor's established submarkets.

## Seattle Office Market Data

CBRE's 4<sup>th</sup> Qtr. 2021 Puget Sound MarketView details inventory, vacancy rates, and rental rates for the various Seattle submarkets.

4Q 2021 CBRE Seattle Office "Market View Snapshot"					
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate	Rent/SF % Change
<b>Seattle CBD</b>					
Class A	24,182,743	15.2%	21.3%	\$55.13	1.7%
<b>Waterfront</b>					
Class A	2,621,425	17.6%	22.5%	\$48.94	19.3%
<b>Pioneer Square</b>					
Class A	4,569,499	22.2%	23.9%	\$55.12	10.5%
<b>Denny Triangle/Regrade</b>					
Class A	8,080,537	8.7%	11.6%	\$39.77	-11.4%
<b>Lower Queen Anne</b>					
Class A	3,198,375	18.8%	31.2%	\$39.80	-8.4%
<b>Lake Union</b>					
Class A	9,761,124	9.9%	11.0%	\$57.71	23.2%
<b>Canal</b>					
Class A	1,994,129	7.8%	13.5%	\$54.28	21.4%
<b>TOTAL DOWNTOWN SEATTLE</b>					
Class A	54,407,832	13.9%	18.6%	\$53.52	5.5%
<b>North Seattle/Interbay</b>					
Class A	2,696,045	14.0%	15.2%	\$38.51	-6.9%
<b>Capitol Hill/E Seattle/Rainier</b>					
Class A	1,136,800	10.2%	12.1%	\$35.00	40.0%
<b>South/West Seattle</b>					
Class A	2,176,161	9.7%	15.4%	\$44.40	16.0%
<b>TOTAL SEATTLE CLOSE-IN</b>					
Class A	6,009,006	11.8%	14.7%	\$40.36	-1.1%

\*Class B & C buildings have not been reported of 2021; Rents are Full Service

Jones Lang LaSalle's 4<sup>th</sup> Qtr. 2021 Seattle-Bellevue Office Insights report details inventory, vacancy rates, and rental rates for the various Seattle submarkets.

Q4 2021 JLL Seattle Office Statistics				
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate
<b>Ballard/U-District</b>				
Class A	1,540,985	10.5%	11.4%	\$51.69
Class B	1,360,438	4.6%	11.2%	\$36.43
All Inv	2,901,423	7.8%	<b>11.3%</b>	<b>\$46.88</b>
<b>Bellevue/Denny Regrade</b>				
Class A	2,640,493	20.7%	22.6%	\$49.66
Class B	1,889,103	13.2%	17.4%	\$36.43
All Inv	4,529,596	17.6%	<b>20.5%</b>	<b>\$44.98</b>
<b>Lake Union</b>				
Class A	8,154,493	4.2%	5.4%	\$60.53
Class B	1,769,288	10.8%	11.4%	\$44.71
All Inv	9,923,781	5.4%	<b>6.5%</b>	<b>\$56.57</b>
<b>Pioneer Sq/Waterfront</b>				
Class A	2,088,481	22.0%	23.6%	\$56.54
Class B	2,934,711	18.8%	31.1%	\$39.44
All Inv	5,023,192	20.1%	<b>28.0%</b>	<b>\$48.37</b>
<b>Queen Anne/Magnolia</b>				
Class A	1,386,351	34.4%	50.3%	\$49.95
Class B	2,098,656	18.1%	20.5%	\$38.25
All Inv	3,485,007	24.6%	<b>32.3%</b>	<b>\$44.55</b>
<b>S Seattle</b>				
Class A	1,177,492	4.5%	8.7%	\$35.00
Class B	1,122,147	8.8%	11.0%	\$32.43
All Inv	2,299,639	6.6%	<b>9.8%</b>	<b>\$32.46</b>
<b>Seattle CBD</b>				
Class A	24,352,792	12.8%	20.0%	\$55.46
Class B	3,399,446	27.2%	29.5%	\$42.31
All Inv	27,752,238	14.6%	<b>21.0%</b>	<b>\$53.06</b>
<b>Market Summary</b>				
Class A	41,341,087	12.5%	<b>17.8%</b>	<b>\$55.04</b>
Class B	14,573,789	16.9%	<b>21.6%</b>	<b>\$39.75</b>
All Inv	55,914,876	13.6%	<b>18.8%</b>	<b>\$50.59</b>

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

Q4 2021 JLL Northend Office Statistics				
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate
<b>Bothell/Kenmore</b>				
Class A	403,160	51.3%	54.7%	\$38.32
Class B	2,101,152	6.9%	12.0%	\$35.77
All Inv	2,504,312	14.0%	<b>18.9%</b>	<b>\$37.19</b>
<b>Mill Creek/Woodinville</b>				
Class A	0	0.0%	0.0%	\$0.00
Class B	206,033	0.0%	0.0%	\$26.25
All Inv	206,033	0.0%	<b>0.0%</b>	<b>\$26.25</b>
<b>Northgate/N Seattle</b>				
Class A	205,361	19.1%	19.1%	\$39.00
Class B	450,099	21.6%	21.6%	\$35.03
All Inv	655,460	20.8%	<b>20.8%</b>	<b>\$36.20</b>

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



CoStar's 2021 Year End Office Market Statistics Report breaks out rents and vacancy by building class, and submarket.

Costar Year End 2021 Downtown Seattle Office Statistics								
Submarket	Number of Buildings	Total SF	Direct Vacant SF	Total Vacant SF	Direct Vacancy	Vacancy w/Sublet	Average Lease \$	Rent/SF % Change
<b>Ballard/U Dist</b>								
Class A	11	852,735	121,761	123,783	14.28%	14.52%	\$41.83	-6.69%
Class B	132	3,890,889	244,714	258,252	6.29%	6.64%	\$36.20	7.51%
All Office (A & B)	143	4,743,624	366,475	382,035	7.73%	8.05%	\$36.34	7.20%
<b>Belltown/Denny Regrade</b>								
Class A	22	9,206,041	678,883	719,837	7.37%	7.82%	\$49.91	12.23%
Class B	45	3,418,208	537,041	648,982	15.71%	18.99%	\$31.45	-9.37%
All Office (A & B)	67	12,624,249	1,215,924	1,368,819	9.63%	10.84%	\$38.23	-3.48%
<b>Capitol Hill/Central District</b>								
Class A	6	469,543	12,091	64,711	2.58%	13.78%	\$41.83	8.88%
Class B	85	3,986,076	153,722	242,235	3.86%	6.08%	\$36.04	-2.57%
All Office (A & B)	91	4,455,619	165,813	306,946	3.72%	6.89%	\$36.27	-2.24%
<b>Lake Union</b>								
Class A	51	10,657,643	225,857	1,243,268	2.12%	11.67%	\$41.64	-20.09%
Class B	85	4,617,903	244,718	304,639	5.30%	6.60%	\$38.15	5.18%
All Office (A & B)	136	15,275,546	470,575	1,547,907	3.08%	10.13%	\$40.24	-14.55%
<b>Pioneer Square/Waterfront</b>								
Class A	15	3,388,672	613,300	757,116	18.10%	22.34%	\$44.55	-0.11%
Class B	58	3,611,509	635,217	1,046,358	17.59%	28.97%	\$43.06	-2.45%
All Office (A & B)	73	7,000,181	1,248,517	1,803,474	17.84%	25.76%	\$43.40	-1.92%
<b>Queen Anne/Magnolia</b>								
Class A	17	3,050,451	604,166	696,459	19.81%	22.83%	\$36.02	-3.61%
Class B	78	3,556,935	652,440	745,548	18.34%	20.96%	\$29.58	1.27%
All Office (A & B)	95	6,607,386	1,256,606	1,442,007	19.02%	21.82%	\$30.41	0.78%
<b>S Seattle</b>								
Class A	8	1,433,948	38,458	112,395	2.68%	7.84%	\$35.66	-14.63%
Class B	97	2,399,270	178,245	312,004	7.43%	13.00%	\$26.09	-1.62%
All Office (A & B)	105	3,833,218	216,703	424,399	5.65%	11.07%	\$27.59	-9.60%
<b>Seattle CBD</b>								
Class A	59	29,327,945	4,031,293	6,219,165	13.75%	21.21%	\$48.80	-1.35%
Class B	56	7,478,848	1,233,596	1,501,283	16.49%	20.07%	\$36.23	24.72%
All Office (A & B)	115	36,806,793	5,264,889	7,720,448	14.30%	20.98%	\$44.74	-0.58%
<b>Market Total</b>	<b>825</b>	<b>91,346,616</b>	<b>10,205,502</b>	<b>14,996,035</b>	<b>11.17%</b>	<b>16.42%</b>	<b>\$41.00</b>	<b>-2.82%</b>

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

CoStar Year End 2021 Northend Office Statistics								
Submarket	Number of Buildings	Total SF	Direct Vacant SF	Sublease SF	Direct Vacancy	Vacancy w/Sublet	Average Lease \$	Rent/SF % Change
<b>Bothell/Kenmore</b>								
Class A	7	595,296	114,952	114,952	19.31%	19.31%	\$32.83	3.7%
Class B	101	4,286,275	520,130	683,248	12.13%	15.94%	\$30.26	2.4%
All Office (A & B)	108	4,881,571	635,082	798,200	13.01%	16.35%	\$30.48	2.3%
<b>Mill Creek/Woodinville</b>								
Class A	1	26,126	2,448	2,448	9.37%	9.37%	\$31.31	1.5%
Class B	49	896,595	29,879	52,449	3.33%	5.85%	\$32.42	-2.6%
All Office (A & B)	50	922,721	32,327	54,897	3.50%	5.95%	\$32.39	10.7%
<b>Northgate/N Seattle</b>								
Class A	3	283,561	41,016	44,331	14.46%	15.63%	\$36.45	-0.5%
Class B	58	1,285,015	68,951	73,733	5.37%	5.74%	\$33.65	2.6%
All Office (A & B)	61	1,568,576	109,967	118,064	7.01%	7.53%	\$34.90	1.2%
<b>Total**</b>	<b>219</b>	<b>7,372,868</b>	<b>777,376</b>	<b>971,161</b>	<b>10.54%</b>	<b>13.17%</b>		

\*Class C buildings have been omitted; Rents are Full Service; \*\*Northend includes King County Only

## Eastside Office Market Data

CBRE's 4<sup>th</sup> Qtr. 2020 Puget Sound MarketView details inventory, vacancy rates, and rental rates for the various Eastside submarkets.

4Q 2021 CBRE Seattle Office "Market View Snapshot"					
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate	Rent/SF % Change
<b>Bellevue CBD</b>					
Class A	9,750,648	5.8%	9.1%	\$65.79	7.3%
<b>I-405 Corridor</b>					
Class A	2,955,194	9.5%	12.2%	\$48.73	8.5%
<b>SR-520 Corridor</b>					
Class A	2,388,401	9.8%	12.0%	\$40.89	-6.4%
<b>I-90 Corridor</b>					
Class A	7,520,266	10.1%	13.9%	\$41.39	9.2%
<b>Bel-Red Rd Corridor</b>					
Class A	2,083,805	4.1%	5.4%	\$47.00	12.5%
<b>Kirkland</b>					
Class A	1,956,012	2.0%	2.9%	\$69.37	63.1%
<b>Redmond</b>					
Class A	4,446,332	2.6%	5.0%	\$43.31	12.1%
<b>Bothell</b>					
Class A	2,654,764	14.3%	20.3%	\$37.05	8.8%
<b>TOTAL EASTSIDE</b>					
Class A	33,755,422	7.3%	10.4%	\$50.59	13.9%

\*Class B & C buildings have not been reported of 2021; Rents are Full Service

Jones Lang LaSalle's 4<sup>th</sup> Qtr. 2021 Seattle-Bellevue Office Insights report details inventory, vacancy rates, and rental rates for the various Eastside submarkets.

Q4 2021 JLL Eastside Office Statistics				
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate
<b>520 Corridor</b>				
Class A	616,375	1.1%	3.4%	\$45.10
Class B	1,202,725	14.6%	15.3%	\$38.28
All Inv	1,819,100	10.1%	<b>11.2%</b>	<b>\$39.15</b>
<b>Bellevue CBD</b>				
Class A	9,246,825	5.9%	10.4%	\$64.42
Class B	838,800	17.7%	17.7%	\$51.56
All Inv	10,085,625	6.9%	<b>11.0%</b>	<b>\$62.96</b>
<b>Coal Creek/Issaquah</b>				
Class A	769,753	1.3%	1.3%	\$0.00
Class B	519,329	0.3%	0.3%	\$35.65
All Inv	1,289,082	0.9%	<b>0.9%</b>	<b>\$35.65</b>
<b>I-90 Corridor</b>				
Class A	3,341,744	9.4%	15.9%	\$43.01
Class B	2,078,919	12.3%	15.1%	\$39.20
All Inv	5,420,663	10.5%	<b>15.6%</b>	<b>\$41.18</b>
<b>Kirkland</b>				
Class A	1,458,129	2.1%	4.5%	\$52.20
Class B	1,518,575	7.4%	12.2%	\$38.50
All Inv	2,976,704	4.8%	<b>8.4%</b>	<b>\$41.69</b>
<b>Mercer Island</b>				
Class A	105,796	12.4%	14.8%	\$47.00
Class B	36,337	0.0%	0.0%	\$0.00
All Inv	142,133	9.2%	<b>11.0%</b>	<b>\$47.00</b>
<b>Redmond</b>				
Class A	1,130,104	3.0%	5.0%	\$43.29
Class B	2,382,544	3.0%	5.9%	\$31.26
All Inv	3,512,648	3.0%	<b>5.6%</b>	<b>\$37.54</b>
<b>Suburban Bellevue</b>				
Class A	1,227,716	7.8%	7.8%	\$42.18
Class B	1,958,346	8.9%	13.1%	\$40.72
All Inv	3,186,062	8.4%	<b>11.1%</b>	<b>\$41.07</b>
<b>Market Summary</b>				
Class A	17,896,442	5.9%	<b>9.8%</b>	<b>\$58.38</b>
Class B	10,535,575	8.9%	<b>11.7%</b>	<b>\$40.78</b>
All Inv	28,432,017	7.0%	<b>10.5%</b>	<b>\$51.80</b>

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

CoStar's 2021 Year End Office Market Statistics Report breaks out rents and vacancy by building class, and submarket.

CoStar Year End 2021 Eastside Office Statistics								
Submarket	Number of Buildings	Total SF	Direct Vacant SF	Sublease SF	Direct Vacancy	Vacancy w/Sublet	Average Lease \$	Rent/SF % Change
<b>520 Corridor</b>								
Class A	31	4,028,325	30,685	98,275	0.76%	2.44%	\$46.86	42.7%
Class B	128	5,719,767	217,415	300,445	3.80%	5.25%	\$35.13	4.1%
All Office (A & B)	159	9,748,092	248,100	398,720	2.55%	4.09%	\$42.14	25.1%
<b>Bellevue CBD</b>								
Class A	32	10,676,834	623,392	1,561,739	5.84%	14.63%	\$60.07	1.6%
Class B	22	1,316,519	145,303	283,399	11.04%	21.53%	\$36.23	-1.3%
All Office (A & B)	54	11,993,353	768,695	1,845,138	6.41%	15.38%	\$57.17	3.5%
<b>Coal Creek/Issaquah</b>								
Class A	8	1,059,457	7,050	7,050	0.67%	0.67%	\$44.93	-1.5%
Class B	65	1,471,184	105,083	133,484	7.14%	9.07%	\$32.31	-0.8%
All Office (A & B)	73	2,530,641	112,133	140,534	4.43%	5.55%	\$37.25	-0.1%
<b>E King County</b>								
Class A	1	56,008	6,019	6,019	10.75%	10.75%	\$30.83	N/A
Class B	81	1,116,955	26,606	30,815	2.38%	2.76%	\$32.10	2.2%
All Office (A & B)	82	1,172,963	32,625	36,834	2.27%	3.14%	\$31.91	1.6%
<b>I-90 Corridor</b>								
Class A	27	3,390,935	501,071	591,053	14.78%	17.43%	\$36.64	-6.0%
Class B	41	2,301,494	275,373	1,037,240	11.96%	45.07%	\$38.88	3.0%
All Office (A & B)	68	5,692,429	776,444	1,628,293	13.64%	28.60%	\$36.73	-3.3%
<b>Kirkland</b>								
Class A	22	1,955,965	45,471	74,183	2.32%	3.79%	\$50.67	-5.4%
Class B	107	2,706,335	163,853	259,953	6.05%	9.61%	\$35.05	11.6%
All Office (A & B)	129	4,662,300	209,324	334,136	4.49%	7.17%	\$36.74	0.1%
<b>Mercer Island</b>								
Class A	2	261,395	18,704	18,704	7.16%	7.16%	\$47.00	N/A
Class B	16	236,269	12,308	12,308	5.21%	5.21%	\$34.84	-8.0%
All Office (A & B)	18	497,664	31,012	31,012	6.23%	6.23%	\$41.03	8.3%
<b>Redmond</b>								
Class A	20	2,121,213	73,714	106,263	3.48%	5.01%	\$45.28	N/A
Class B	106	5,575,351	125,665	155,195	2.25%	2.78%	\$32.93	-13.5%
All Office (A & B)	126	7,696,564	199,379	261,458	2.59%	3.40%	\$32.95	-14.1%
<b>Suburban Bellevue</b>								
Class A	7	1,075,189	40,592	49,951	3.78%	4.65%	\$41.88	0.0%
Class B	199	5,459,401	280,366	440,929	5.14%	8.08%	\$38.28	0.0%
All Office (A & B)	206	6,534,590	320,958	490,880	4.91%	7.51%	\$38.76	0.0%
<b>Total</b>	<b>915</b>	<b>50,528,596</b>	<b>2,698,670</b>	<b>5,167,005</b>	<b>5.34%</b>	<b>10.23%</b>	<b>\$40.97</b>	<b>1.9%</b>



## South King County Office Market Data

CBRE's 4<sup>th</sup> Qtr. 2021 Puget Sound MarketView details inventory, vacancy rates, and rental rates for the various South-end submarkets.

4Q 2021 CBRE Seattle Office "Market View Snapshot"					
Submarket	Total SF	Q4 Direct Vacancy	Q4 Total Vacancy	Avg. Asking Lease Rate	Rent/SF % Change
<b>Sea-Tac</b>					
Class A	1,301,072	11.0%	11.0%	\$28.49	-1.7%
<b>Tukwila</b>					
Class A	2,112,067	18.6%	19.4%	\$23.80	-6.6%
<b>Renton</b>					
Class A	4,437,268	28.7%	29.4%	\$35.88	0.0%
<b>Kent</b>					
Class A	1,161,442	7.2%	7.2%	\$26.48	-2.0%
<b>Auburn</b>					
Class A	289,025	16.0%	16.0%	\$26.35	11.6%
<b>Federal Way</b>					
Class A	2,572,327	29.8%	30.5%	\$23.37	-3.5%
<b>TOTAL SOUTHEND</b>					
Class A	11,873,201	22.8%	23.3%	\$31.67	-0.6%

\*Class B & C buildings have not been reported of 2021; Rents are Full Service

Jones Lang LaSalle's 4<sup>th</sup> Qtr. 2021 Seattle-Bellevue Office Insights report details inventory, vacancy rates, and rental rates for the various Southend submarkets.

<b>Q4 2021 JLL Southend Office Statistics</b>				
<b>Submarket</b>	<b>Total SF</b>	<b>Q4 Direct Vacancy</b>	<b>Q4 Total Vacancy</b>	<b>Avg. Asking Lease Rate</b>
<b>Federal Way/Auburn</b>				
Class A	88,000	0.9%	0.9%	\$0.00
Class B	2,154,566	33.1%	35.8%	\$26.26
All Inv	2,242,566	31.8%	<b>34.4%</b>	<b>\$26.26</b>
<b>Kent Valley</b>				
Class A	59,567	0.0%	0.0%	\$0.00
Class B	1,138,390	15.6%	16.8%	\$25.06
All Inv	1,197,957	14.9%	<b>16.0%</b>	<b>\$25.06</b>
<b>Renton/Tukwila</b>				
Class A	1,775,898	56.8%	57.5%	\$44.96
Class B	3,544,934	32.4%	33.4%	\$26.63
All Inv	5,320,832	40.6%	<b>41.4%</b>	<b>\$39.61</b>
<b>Seatac/Burien</b>				
Class A	431,475	21.8%	30.8%	\$29.74
Class B	560,630	5.6%	5.6%	\$26.37
All Inv	992,105	12.7%	<b>16.6%</b>	<b>\$28.70</b>
<b>Market Summary</b>				
<b>Class A</b>	2,354,940	46.9%	<b>49.0%</b>	<b>\$43.65</b>
<b>Class B</b>	7,398,520	28.0%	<b>29.4%</b>	<b>\$26.27</b>
<b>All Inv</b>	9,753,460	32.6%	<b>31.2%</b>	<b>\$34.44</b>

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

CoStar's 2021 Year End Office Market Statistics Report breaks out rents and vacancy by building class, and submarket.

CoStar Year End 2021 Northend Office Statistics								
Submarket	Number of Buildings	Total SF	Direct Vacant SF	Sublease SF	Direct Vacancy	Vacancy w/Sublet	Average Lease \$	Rent/SF % Change
<b>Bothell/Kenmore</b>								
Class A	7	595,296	114,952	114,952	19.31%	19.31%	\$32.83	3.7%
Class B	101	4,286,275	520,130	683,248	12.13%	15.94%	\$30.26	2.4%
All Office (A & B)	108	4,881,571	635,082	798,200	13.01%	16.35%	\$30.48	2.3%
<b>Mill Creek/Woodinville</b>								
Class A	1	26,126	2,448	2,448	9.37%	9.37%	\$31.31	1.5%
Class B	49	896,595	29,879	52,449	3.33%	5.85%	\$32.42	-2.6%
All Office (A & B)	50	922,721	32,327	54,897	3.50%	5.95%	\$32.39	10.7%
<b>Northgate/N Seattle</b>								
Class A	3	283,561	41,016	44,331	14.46%	15.63%	\$36.45	-0.5%
Class B	58	1,285,015	68,951	73,733	5.37%	5.74%	\$33.65	2.6%
All Office (A & B)	61	1,568,576	109,967	118,064	7.01%	7.53%	\$34.90	1.2%
<b>Total**</b>	<b>219</b>	<b>7,372,868</b>	<b>777,376</b>	<b>971,161</b>	<b>10.54%</b>	<b>13.17%</b>		

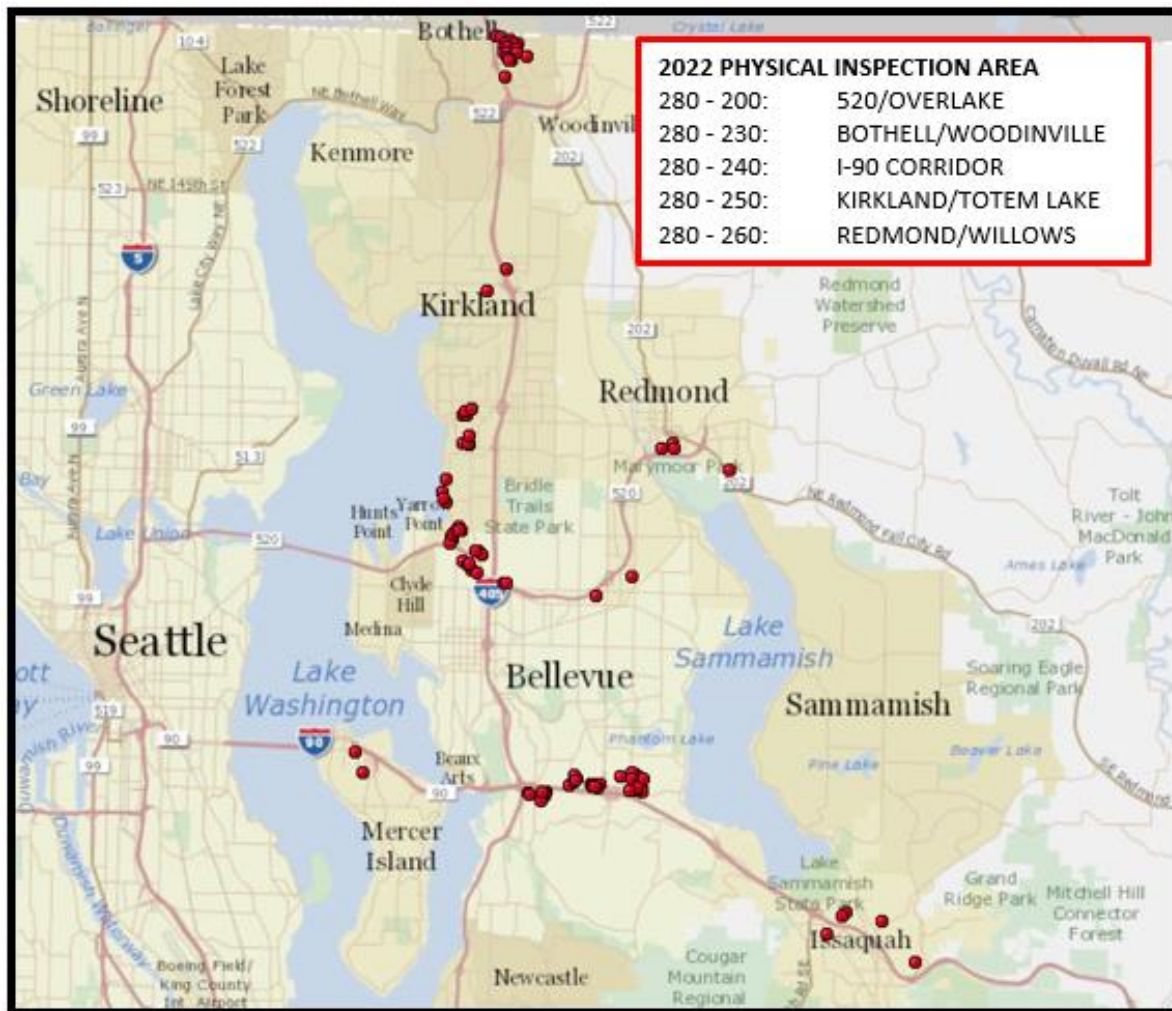
\*Class C buildings have been omitted; Rents are Full Service; \*\*Northend includes King County Only

### Physical Inspection Identification:

All major office parcels within submarkets 200 (520/Overlake); 230 (Bothell/Woodinville); 240 (I-90 Corridor); 250 (Kirkland/Totem Lake); & 260 (Redmond/Willows) were selected for this year's physical inspection based on the current Specialty Area 280 six-year physical inspection plan spanning 2019 to 2024 as required by WAC 458-07-015 4 (a).

Within the 2022 physical inspection area, there were 104 parcels in all, which represents approximately 19% of the total major office population. Of the 104 total parcels that was physically inspected, 87 parcels were improved, with the remainder being associated vacant parcels. These properties were inspected prior to the posting of the 2022 office values. A list of the physically inspected parcels, along with their locations, is included within this report.

Specialty Neighborhood	Location	Inspected Parcel Count	Total Parcel Count	Percent of Parcel Count
280	200, 230, 240, 250, 260	104	560	18.57%
<b>Major Offices Inspection Totals</b>		<b>104</b>	<b>560</b>	<b>18.57%</b>



### Preliminary Ratio Analysis

The inclusion of the Ratio Study Summary is included for administrative consistency. The final ratio study may not be an entirely reliable analysis of the recommended values because the sales sample is over-weighted with sales in the downtown Seattle and Bellevue central business districts that are not representative of the population as a whole. In addition, many of the sales in the sample were well-leased to high-credit tenants, which resulted in sales prices driven by Leased Fee valuations rather than the Fee Simple interest that the Assessor values. Finally, market conditions have improved substantially during the three years that the sales included in the study occurred, and no trending factor was applied.

The Preliminary Ratio Study was completed just prior to the application of the 2022 recommended values. This study benchmarks the current assessment level using 2021 assessed values. The study was also repeated after application of the 2022 recommended values. The results are included in the validation section of this report showing a change in the level of assessment (weighted mean) from 85.5% to 90.9%, the Coefficient of Dispersion (C.O.D.) from 10.08% to 6.93%, and the Coefficient of Variation (C.O.V.) from 14.81% to 8.64%. The Price-related Differential (P.R.D.) went from 1.00 to 1.03.

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

All of these measures indicate a substantial improvement and are within IAAO guidelines. These figures are presented in the 2022 Ratio Analysis chart included in this report.

## Scope of Data

### **Land Value Data:**

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

### **Improved Parcel Total Value Data:**

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales are verified, if possible, by contacting either the purchaser or seller, or contacting the real estate broker, and reviewing sale transaction data from online subscription sources. Characteristic data is verified for all sales, if possible. If necessary a site inspection is made. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report.



## **Improved Parcel Total Values**

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

The office building sales in King County utilized in the analysis for the current revalue were divided into six market segments. The segmentation is based primarily on the geographic boundaries previously described. In the event a segment lacked adequate sales representation, similarities in other segments were considered and judgment was applied in determining market comparability. Sales of institutional-grade office buildings that were under but close to the 90,000 rentable square foot threshold of the office specialty group might also be reviewed.

### **Sales comparison calibration**

Market sales of office specialty properties that occurred during the period from 1/1/2019 to 1/31/2021 were considered in the analysis. Other market sales of office buildings that were smaller than the office specialty threshold of 90,000 square feet net rentable were reviewed in the analysis when sales were limited for a building type or submarket.

The current office market cycle has seen a substantial increase in sale transactions particularly in the downtown core areas, however there have been too few sales of different office types in all of the various submarkets to rely solely on the market approach to value.

While the sales were reviewed and market data extracted when possible, the Income Approach was used in the final reconciliation of value because it allows greater equalization and uniformity of values for the various stratifications of office buildings, and because sufficient market income data was available as of the valuation.

### **Cost approach model description**

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western Region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older office properties, this approach to value was given the least weight in the final reconciliation of values of older office buildings. However, it was given more weight in the valuation of new construction and recently completed office buildings that have not been leased up. With new buildings, the cost method is reconciled with the income method to determine the appropriate approach.

## **Cost calibration**

The Marshall & Swift cost-modeling system built into the Real Property Application is calibrated to this region and the Seattle area.

## **Income capitalization approach model description**

A direct capitalization income approach estimate was calculated for all properties within the specialty. Due to the significance of the parking income contribution in the Seattle and Bellevue CBD's, and the fact that these parcels comprise the majority of the properties within the specialty, parking income was a necessary component of the direct capitalization process. The inability of the department's income table program to recognize parking stalls as an income generator precluded the use of income tables in the revaluation of the office specialty. Therefore, no tables were created. Instead, a direct capitalization workbook was built showing each property's income value estimate.

## **Income approach calibration**

The income valuation models were calibrated after setting base rents by considering necessary adjustments. Appraisal judgment was employed in adjusting for differences between individual buildings based on their perceived investment competitiveness in their respective markets. Location, effective year-built, construction and leasing class, and quality and size as recorded in the Assessor's records were items considered to be of primary importance in determining a properties placement in the appropriate base rent category.

Within each of the market segments, income parameters were established for economic rent, vacancy and credit loss, operating expenses, and capitalization rates for various groupings of properties based on their investment competitiveness. Rents, operating expenses, and capitalization rates were collected on sold properties when available. This data was then considered, along with surveys conducted by outside resources, and information gathered from properties available for lease and sale, and utilized to establish general guidelines for neighborhood groupings. A rent survey was conducted to ascertain the income parameters typically reflected in the current office lease market. The information gathered is indicative of the current office-leasing environment. In most instances, the data reported is based on deals that have been made, and are in place, or will be in the near future.

In addition, office market data was collected and analyzed from numerous well-respected commercial real estate research publications including, but not limited to:

- CBRE's Puget Sound MarketView 4<sup>th</sup> Qtr. 2021,
- Jones Lang LaSalle's 4<sup>th</sup> Qtr. 2021 Seattle-Bellevue Insights,
- Newmark Knight Frank's 4Q 2021 Puget Sound Office Market Report,

- CoStar Group's Seattle/Puget Sound Office Market Report YE-2021,
- Cushman & Wakefield's Seattle Office Marketbeat 4<sup>th</sup> Qtr. 2021.

## Base Rent Model

The following table summarizes the base rent model utilized for the 2022 assessment year. Properties were primarily stratified by submarket and leasing class. The rents applied to individual properties were adjusted from the indicated base rent based for property-specific considerations.

1/1/2022 Area 280 Average Base Rent Model							
SubMkt#	Submarkets	Class C	Class B	Class A/B	Class A	Class A+	Class A++
100	Belltown/Denny Regrade	\$ 30.00	\$ 36.00	\$ 40.00	\$ 45.00	\$ 49.00	\$ 51.00
110	Capitol Hill/First Hill	\$ 28.00	\$ 36.00	\$ 39.00	\$ 41.00	\$ 43.00	\$ 45.00
120	Central Business District	\$ 28.00	\$ 36.00	\$ 40.00	\$ 45.50	\$ 48.50	\$ 51.00
130	Lake Union	\$ 30.00	\$ 36.00	\$ 41.00	\$ 42.50	\$ 47.00	\$ 50.50
140	Pioneer Square	\$ 28.00	\$ 34.00	\$ 42.00	\$ 46.00	\$ 49.00	\$ 51.00
150	Queen Anne/Magnolia	\$ 28.00	\$ 36.00	\$ 39.00	\$ 41.00	\$ 46.00	\$ 48.00
	<b>Seattle Downtown (Avg)</b>	<b>\$ 28.67</b>	<b>\$ 35.67</b>	<b>\$ 40.17</b>	<b>\$ 43.50</b>	<b>\$ 47.08</b>	<b>\$ 49.42</b>
200	520/Overlake	\$ 28.00	\$ 36.00	\$ 42.00	\$ 45.00	\$ 47.00	\$ 49.00
210	Bellevue CBD	\$ 32.00	\$ 40.00	\$ 42.00	\$ 48.00	\$ 52.00	\$ 54.00
220	Bellevue Suburban	\$ 30.00	\$ 35.00	\$ 40.00	\$ 42.00	\$ 44.00	\$ 47.00
230	Bothell/Woodinville	\$ 28.00	\$ 30.00	\$ 32.00	\$ 34.00	\$ 36.00	\$ 38.00
240	I-90 Corridor	\$ 30.00	\$ 36.00	\$ 40.00	\$ 42.00	\$ 44.00	\$ 46.00
250	Kirkland/Totem Lake	\$ 30.00	\$ 39.00	\$ 43.00	\$ 46.00	\$ 48.00	\$ 51.00
260	Redmond/Willows	\$ 30.00	\$ 36.00	\$ 39.00	\$ 42.00	\$ 45.00	\$ 48.00
	<b>Eastside (Avg)</b>	<b>\$ 29.71</b>	<b>\$ 36.00</b>	<b>\$ 39.71</b>	<b>\$ 42.71</b>	<b>\$ 45.14</b>	<b>\$ 47.57</b>
300	Ballard/University	\$ 28.00	\$ 36.00	\$ 42.00	\$ 45.00	\$ 46.00	\$ 50.00
310	Northgate/North Seattle	\$ 28.00	\$ 34.00	\$ 36.00	\$ 37.00	\$ 39.00	\$ 41.00
	<b>Northend (Avg)</b>	<b>\$ 28.00</b>	<b>\$ 35.00</b>	<b>\$ 39.00</b>	<b>\$ 41.00</b>	<b>\$ 42.50</b>	<b>\$ 45.50</b>
400	Federal Way	\$ 19.00	\$ 24.00	\$ 25.00	\$ 25.00	\$ 27.00	\$ 29.00
410	Kent/Auburn	\$ 19.00	\$ 24.00	\$ 25.00	\$ 27.00	\$ 29.00	\$ 31.00
420	Renton/Tukwila	\$ 19.00	\$ 25.00	\$ 28.00	\$ 29.00	\$ 32.00	\$ 41.00
430	SeaTac	\$ 19.00	\$ 25.00	\$ 27.00	\$ 29.00	\$ 32.00	\$ 38.00
440	South/West Seattle	\$ 19.00	\$ 30.00	\$ 36.00	\$ 38.00	\$ 40.00	\$ 42.00
	<b>Southend (Avg)</b>	<b>\$ 19.00</b>	<b>\$ 25.60</b>	<b>\$ 28.20</b>	<b>\$ 29.60</b>	<b>\$ 32.00</b>	<b>\$ 36.20</b>
	<b>Area 280 Average</b>	<b>\$ 26.55</b>	<b>\$ 33.20</b>	<b>\$ 36.90</b>	<b>\$ 39.50</b>	<b>\$ 42.18</b>	<b>\$ 45.08</b>

Note: Rents applied to individual properties are adjusted from the indicated base rent based on property-specific considerations

## Typical Income Parameters Applied

The following table briefly summarizes the typical income parameters utilized in each of the four geographic market areas as well as for Medical Office Buildings. It is important to note that the table represents typical parameters and is not all inclusive. Some properties were valued using parameters outside of the ranges provided in the summary table when appropriate.

Typical Income Parameters Applied					
Segment		Rent Range Per SF*	Vacancy / Coll. Loss %	Operating Expenses/SF	Capitalization Rate %
Seattle Downtown	Class A	\$39.00 - \$51.00	7% - 20%	\$13.50 - \$15.00	4.25% - 5.75%
	Class B	\$34.00 - \$42.00		\$12.00 - \$13.00	5.75% - 6.25%
Eastside	Class A	\$32.00 - \$54.00	5% - 12%	\$12.50 - \$15.50	4.75% - 6.50%
	Class B	\$30.00 - \$42.00		\$11.50 - \$13.75	5.25% - 6.75%
Northend	Class A	\$36.00 - \$50.00	7.0% - 10.00%	\$12.00 - \$12.50	5.00% - 6.50%
	Class B	\$34.00 - \$42.00		\$11.50 - \$11.50	6.00% - 7.00%
Southend	Class A	\$25.00 - \$42.00	8.50% - 20%	\$10.00 - \$12.50	5.00% - 7.50%
	Class B	\$24.00 - \$36.00		\$10.00 - \$12.50	6.00% - 7.75%
Medical Office Buildings	All	\$37.00 - \$56.00	8.00% - 9.50%	\$13.50 - \$16.50	4.75% - 6.50%
*Full Service					

The range of capitalization rates that were applied is influenced by building age, quality/class and competitiveness with the lower rates applied to the higher quality office buildings. Higher rates might be applied to the lesser quality office buildings, or to properties that have ongoing above-market vacancy, or physical issues that result in higher operating expenses, or require additional capital investment. These are often referred to as Value-Add properties.

In addition to the income parameters presented above, some of the Major Office properties contain a portion of retail space which needs to be considered. Retail lease rates applied in the Seattle Downtown submarkets typically ranged from \$25 to \$45 per square foot on a triple net basis. Typical retail vacancy and collection losses of 5% of the potential gross income were applied, as well as 5% triple net operating expenses. In the Bellevue CBD, retail rents typically applied were \$36 per square foot on a triple net basis.

## Parking Income

In addition to office and retail space rents, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces, while daily spaces accounted for the remaining 33%. Unreserved monthly and daily rates and occupancy rates were provided by the 2018 Puget Sound Regional Council Parking Inventory for the Downtown Seattle and Bellevue CBD parking zones. No turnaround on the daily spaces was recognized. A parking expense rate

of 15% to 20% was applied to parking income to arrive at a net parking income contribution figure, with the stand-alone parking garages typically incurring the higher expenses.

The following is a description of the parking income parameters used in the income approach to value the Downtown Seattle and Bellevue CBD office properties. Properties in the Southend and Suburban markets do not typically generate significant, if any, income from parking. A map of the parking neighborhoods is included in the addendum of the office report.

Due to the COVID-19 pandemic, and related 2021 ongoing stay-at-home work environment, downtown parking for both Seattle and Bellevue were directly impacted by the absence of daily shoppers, tourist, and the local employment workforce. To account for this, the assessor discounted the reported occupancy in Seattle's neighborhood parking zoned by 50% and Bellevue's neighborhood's parking zones by 25%.



Seattle CBD - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
1	\$19.50 - \$33.33	\$26.79	\$178.00 - \$271.66	\$228.80	32% - 39%	36%	
2	\$8.00 - \$22.50	\$13.54	\$188.90 - \$236.99	\$212.95	43% - 61%	52%	
3	\$14.00 - \$40.00	\$18.30	\$250.00 - \$350.00	\$295.00	62% - 72%	67%	
4	\$18.01 - \$29.50	\$24.98	\$235.00 - \$300.04	\$279.98	65% - 71%	68%	
5	\$26.00 - \$50.00	\$34.75	\$242.00 - \$353.00	\$320.07	65% - 71%	68%	
6	\$18.00 - \$52.00	\$30.51	\$275.85 - \$365.85	\$327.04	57% - 63%	60%	
7	\$24.00 - \$50.00	\$31.22	\$175.00 - \$400.00	\$315.75	65% - 71%	68%	
8	\$15.00 - \$57.00	\$29.86	\$285.00 - \$374.00	\$323.69	65% - 70%	68%	
9	\$8.00 - \$37.00	\$19.56	\$229.00 - \$270.00	\$253.50	54% - 63%	59%	
10	\$12.00 - \$29.34	\$24.18	\$249.00 - \$379.00	\$299.67	57% - 70%	64%	
11	\$12.00 - \$36.00	\$20.49	\$130.00 - \$250.00	\$213.25	62% - 73%	68%	
12	\$15.00 - \$29.67	\$23.34	\$250.00 - \$390.00	\$315.47	71% - 77%	74%	
13	\$18.00 - \$35.00	\$25.68	\$297.00 - \$350.00	\$317.46	74% - 88%	81%	
Lower Queen Anne/South Lake Union - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
17	\$16.00 - \$30.00	\$21.34	\$212.00 - \$375.00	\$295.14	70% - 74%	72%	
18	\$13.00 - \$54.00	\$21.12	\$130.00 - \$305.00	\$226.67	58%	58%	
19	\$10.00 - \$36.50	\$18.90	\$120.00 - \$220.00	\$165.71	58% - 62%	60%	
First Hill - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
14	\$15.00 - \$31.50	\$19.09	\$168.75 - \$255.00	\$211.86	46% - 73%	60%	
15	\$13.50 - \$20.00	\$16.00	\$205.00 - \$235.64	\$220.32	46% - 73%	60%	
16	\$8.00 - \$19.50	\$15.06	\$275.00 - \$300.00	\$283.33	63% - 83%	73%	
University District - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
1	\$13.00 - \$17.16	\$14.11	\$145.00 - \$165.00	\$150.83	45% - 65%	55%	
2	\$8.16 - \$17.14	\$13.44	\$150.00 - \$162.50	\$155.00	58% - 84%	71%	
3	\$13.50 - \$25.00	\$16.22	\$135.00 - \$250.00	\$161.88	77% - 85%	81%	
4	\$13.75 - \$15.00	\$14.65	\$150.00 - \$160.00	\$150.48	58% - 84%	71%	
5	\$7.00 - \$15.00	\$13.90	\$150.00	\$150.00	58% - 84%	71%	
6	\$5.00	\$5.00	\$80.00	\$80.00	45% - 65%	55%	
7	\$10.00	\$10.00	\$80.00	\$80.00	45% - 65%	55%	
8	\$9.00	\$9.00	\$80.00	\$80.00	45% - 65%	55%	
9	\$15.00	\$15.00	\$85.00	\$85.00	45% - 65%	55%	
Bellevue CBD - Parking Inventory 2018							
Nbhd Zone	Daily Rate Range	Daily Tot Avg	Monthly Rate Range	Mon Tot Avg	Occupancy Range	Occupancy Avg	
1	\$12.00 - \$19.50	\$17.80	\$155.00 - \$211.67	\$182.62	75% - 83%	79%	
2	\$11.50 - \$20.00	\$17.00	\$203.00 - \$220.00	\$211.50	40% - 80%	60%	
3	\$12.00 - \$75.00	\$23.09	\$165.00 - \$250.00	\$198.46	25% - 100%	81%	
4	\$14.00 - \$24.00	\$20.55	\$201.00 - \$241.10	\$229.55	25% - 90%	71%	
5	\$12.00	\$12.00	N/A	N/A	N/A	N/A	
6	N/A	N/A	N/A	N/A	N/A	N/A	
7	\$5.80	\$5.80	N/A	N/A	N/A	N/A	
Sources: PSRC 2018 Parking Inventory Study							
Seattle DOT 2018 Off-Street Parking Study							
Bellevue Downtown Association 2018 Downtown Parking Survey Report							

## Capitalization Rate Information

The table below summarizes CBRE's 4<sup>th</sup> Quarter 2021 Capitalization Rate Survey. The survey indicates that in general capitalization rates, while remaining low, have stabilized. Continued investment demand is counteracting the rise in interest rates and cyclical factors. Capitalization rates are expected to remain mostly stable next year.

CBRE Office Capitalization Rates 2nd Half 2021						
CURRENT CAP RATES					YEAR TO YEAR CHANGE	
Class AA					Class AA	
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add
CBD	N/A - N/A	↔	N/A - N/A	↔	N/A - N/A	N/A - N/A
Suburban	N/A - N/A	↔	N/A - N/A	↔	N/A - N/A	N/A - N/A
Class A					Class A	
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add
CBD	4.50% - 5.00%	↔	5.25% - 6.50%	↔	4.75% - 5.50%	N/A - N/A
Suburban	5.25% - 6.00%	↔	6.00% - 7.00%	↔	5.75% - 6.50%	N/A - N/A
Class B					Class B	
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add
CBD	N/A - N/A	↔	N/A - N/A	↔	N/A - N/A	N/A - N/A
Suburban	N/A - N/A	↔	N/A - N/A	↔	N/A - N/A	N/A - N/A
Class C					Class C	
	Stabilized	Trend	Value-Add	Trend	Stabilized	Value-Add
CBD	N/A - N/A	↔	N/A - N/A	↔	N/A - N/A	N/A - N/A
Suburban	N/A - N/A	↔	N/A - N/A	↔	N/A - N/A	N/A - N/A

Source: Q4 2021 CBRE Cap Rate Survey

The tables on the following pages summarize office capitalization rates gathered from various commercial real estate industry research reports.

The published office capitalization rates indicate that rates for the Seattle Metropolitan Area are lower than the national averages. Seattle is one of the top ten largest office markets in the nation, and is considered a top-tier market. With continued low cost of funds and strong investor interest in the Puget Sound office market, capitalization rates for well-leased, institutional grade office buildings remain low.

When market sales are available, an attempt is made during the sales verification process to ascertain the capitalization rate on the sale or a pro-forma cap rate. Whenever possible, information on the occupancy level, lease rates, tenancy terms, and expenses is collected to determine how the sale compares to the current economic parameters of the market and how the leased fee cap rate compares to a fee simple cap rate.

2021 Office Capitalization Rates Summary							
Seattle/Pacific NW Cap Rates	Source	Location	Average Capitalization Rates	Capitalization Rates by Building Class (if provided)			
	CBRE <sup>1</sup>	CBD		Class A		Class B	
		Suburban		Stabilized	Value-Add*	Stabilized	Value-Add*
				4.50% - 5.00%	5.25% - 6.50%	N/A - N/A	N/A - N/A
				5.25% - 6.00%	6.00% - 7.00%	N/A - N/A	N/A - N/A
	PWC/Korpaz	Seattle - CBD	5.23%				
		Seattle - Suburban	5.81%				
	ACLI	Seattle	5.21%				
		Region	5.33%				
	IRR: Viewpoint	CBD		5.00%		6.25%	
		Suburban		5.75%		6.75%	
	CoStar Sales Data	Seattle / King County	5.40%	4.80% - 5.40%		5.50% - 5.60%	
	CoStar Sales Data <sup>2</sup>	Seattle / King County	4.63%	2.30% - 5.57%		3.00% - 7.90%	
				4.50% (Avg.)		5.1% (Avg.)	
	RERC Report <sup>3</sup>	Seattle CBD		6.10%			
		Seattle Suburban		6.80%			
	RERC Report <sup>3</sup>	West CBD		5.00% - 8.00%			
		West Suburban		6.00% - 9.00%			

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

<sup>1</sup> CBRE professionals' opinion of where Cap Rates are likely to trend in 2021

<sup>2</sup> Arms-length investment sales 50k SF and larger, between 1/1/2019 and 12/31/2021 within King County

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

[illegible]

# SEATTLE / REGIONAL CAP RATES 2022

Source	Date	Location	Office	Industrial	Retail	Remarks
			-	5.50% - 8.00%	-	Flex – 1 <sup>st</sup> Tier Properties
			-	6.00% - 10.00%	-	Flex – 2 <sup>nd</sup> Tier Properties
			-	6.50% - 11.00%	-	Flex – 3 <sup>rd</sup> Tier Properties
			-	-	5.30% - 9.50%	Regional Mall – 1 <sup>st</sup> Tier Properties
			-	-	6.80% - 11.50%	Regional Mall – 2 <sup>nd</sup> Tier Properties
			-	-	7.00% - 12.50%	Regional Mall – 3 <sup>rd</sup> Tier Properties
			-	-	6.00% - 11.80%	Power Center – 1 <sup>st</sup> Tier Properties
			-	-	6.50% - 11.50%	Power Center – 2 <sup>nd</sup> Tier Properties
			-	-	7.00% - 12.50%	Power Center – 3 <sup>rd</sup> Tier Properties
			-	-	5.00% - 8.00%	Neigh/Comm. Ctr. – 1 <sup>st</sup> Tier Properties
			-	-	6.00% - 9.50%	Neigh/Comm. Ctr. – 2 <sup>nd</sup> Tier Properties
			-	-	6.00% - 10.50%	Neigh/Comm. Ctr. – 3 <sup>rd</sup> Tier Properties
IRR: Viewpoint for 2022	Year-end 2021	West Region	5.98%	-	-	Institutional Grade Properties
			6.48%	-	-	CBD Office – Class A
			6.25%	-	-	CBD Office – Class B
			6.75%	-	-	Suburban Office – Class A
			-	5.71%	-	Suburban Office – Class B
			-	5.16%	-	Flex Industrial
			-	-	-	Industrial
			-	-	6.23%	Community Retail
			-	-	6.20%	Neighborhood Retail
PWC / Korpaz Real Estate Investment Survey	4Q 2021	Seattle	4.00% - 7.00%	-	-	Office
		Pacific NW Region	4.00% - 7.75%	-	-	Office
			-	3.00% - 4.25%	-	Warehouse
ACLI	4Q 2021	Seattle – Bellevue – Everett MSA	5.21%	5.51%	6.00%	All Classes
		Pacific Region	5.33%	4.70%	5.71%	All Classes



WEST / NATIONAL CAP RATES 2022						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Income Vs. Price Realities	4Q 2021					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location and typical owners/buyers are institutional investors
		National	5.50% - 9.00% 6.00% - 9.30% - - - - -	- - 3.80% - 8.50% 5.00% - 9.00% 5.00% - 9.00% - -	- - - - - 5.30% - 10.00% 5.00% - 11.80% 5.00% - 10.00%	Office CBD – 1 <sup>st</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties Warehouse – 1 <sup>st</sup> Tier Properties R&D – 1 <sup>st</sup> Tier Properties Flex – 1 <sup>st</sup> Tier Properties Regional Mall – 1 <sup>st</sup> Tier Properties Power Center – 1 <sup>st</sup> Tier Properties Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties
IRR: Viewpoint 2022 Commercial Real Estate Trends report	Yr. End 2021	National	6.97% 7.64% 7.16% 7.75% - - - -	- - - - 6.03% 6.65% - -	- - - - - - 7.21% 6.92% 6.96%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial Flex Industrial Regional Mall Community Retail Neighborhood Retail
ACLI	4Q 2021	National	5.50% 6.08% 6.14% 5.72% 5.02%	4.55% 4.42% 5.57% 5.20% 4.37%	6.77% 6.17% 6.43% 5.78% 8.03%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. – 100,001 – 200k Sq.Ft. – 200k+
PWC / Korpaz Real Estate Investor Survey	4Q 2021	National	4.25% - 8.50% 4.70% - 9.00% 6.00% - 9.25% 4.00% - 10.00% - - - -	- - - - 2.60% - 6.50% - - -	- - - - - 4.50% - 12.50% 5.50% - 8.25% 5.00% - 10.00% 5.00% - 7.50 %	CBD Office Suburban Office Secondary Office Medical Office Warehouse Regional Mall Power Center Neigh. Strip Centers Net Lease
The Boulder Group: Net Lease Market Report	4Q 2021 1Q 2021 3Q 2021	National	6.80% 5.91% 5.95%	6.77%	5.88%	Overall (Average) Bank Medical Office
The Boulder Group: Net Lease Market Report	3Q 2021	West	5.55%			Medical Office

## Reconciliation and/or Validation Study of Calibrated Value

Each parcel was individually reviewed by the specialty appraiser for correctness of the model application before the final value was selected. The income approach to valuation is given the greatest weight in the final analysis due to the information available. An administrative review was conducted by Andrew Murray, Senior Appraiser.

### Model Validation

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

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

The 1/1/2022 valuation reflects the changing office market dynamics as of the valuation date. These include declining market vacancy rates in most submarkets, increasing market lease rates, and generally low capitalization rates for well leased good quality office buildings.

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

Application of these recommended values for the 2022 assessment year results in a total change from the 2021 assessment of 3.06%. This increase does include the majority of new construction value from Major Office projects currently being built. Other new construction projects under review will be added later, during the maintenance period (new construction is valued as of July 31<sup>st</sup> of the assessment year).

The total assessed value for the 2021 assessment year was \$47,372,370,750 and the total recommended assessed value for the 2022 assessment year is \$48,820,005,250.

Change in Total Assessed Value			
2021 Total Value	2022 Total Value	\$ Change	% Change
\$47,372,370,750	\$48,820,005,250	\$1,447,634,500	3.06%

## Improved Sales for Area 280 (Sales from 1/1/2019 – 1/31/2021 were considered)

### SEATTLE SALES

AREA 280 MAJOR OFFICE BUILDING SALES											
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	100	069600 0175	197,135	3165752	\$118,663,466	12/22/21	\$602	2301 5TH AVE	3	Y	Hudson Pacific Properties acquired Leasehold Interest of the 5th & Bell building from Alexandria Real Estate Equities on 12/22/2021 for \$118,663,466 or \$602/SF (less minor personal property) in a fair
280	100	065900 0750	498,891	3146497	\$489,878,032	9/17/21	\$982	2001 8TH AVE	1	Y	Kilroy Realty Corp. acquired the West 8th Bldg. from DWS on September 20st, 2021 for \$490 million or \$978/SF. After PP deduction and other deductions, the recorded sales price was \$489,878,032 or \$978/SF. 1918 8TH consists of a 28-story Class A+ multi-tenant office building over a 452 car garage. Amazon occupies +/-70% of the building. The improvements contain a total net rentable area of 668,856/SF and exhibiting an effective age of 2010. Amenities include rooftop deck, on-site daycare, secured bike storage, secured parking, gym + showers and lockers, conferencing center, and on-site retail. Per Buyer's press release, "We believe the Denny Regrade submarket continues to be extremely well positioned for strong rental growth over the coming years and West 8th, which offers an unrivaled location, will help deliver solid earnings growth and value creation for our shareholders"
280	100	065300 0250 0270	344,779	3136400	\$184,895,692	7/26/21	\$536	2601 ELLIOTT AVE	2	Y	Shorenstein Properties acquired a Class A office building (065300-0250) and adjacent parking garage (065300-0270) from J.P. Morgan Chase on 07/26/2021 for \$185,000,000. After personal property deduction, the final real estate value was \$184,895,692 or \$536/SF. Parcel 065300-0250 consist of a 6-story Class A-B+ office building totaling 339,799/SF of rentable area, while parcel 065300-0270 consist of 5-story parking garage with 593 parking spaces. ATOS, the office building was +/-90% leased to Zully and had a reported cap rate of 5.80%. Located in downtown Seattle with unobstructed views of Elliott Bay and the Olympic Mountains, 2601 Elliott is a unique building with historic charm and features that differentiate it from much of the high-rise inventory, including large 60,000-square-foot floor plates and tall 15 foot ceiling heights. The property is within walking distance of numerous amenities, including the Pike Place Market, Olympic Sculpture Park, and several restaurants, hotels and boutique shopping stores. Per buyers press release - "The property's physical attributes - including mid-rise construction, ability to create outdoor amenity space, and above-market parking ratio - as well as its location with access to the waterfront, parks and desirable residential neighborhoods, make it well positioned for post-pandemic users," said Colby Wick, Managing Director at Shorenstein. "We look forward to repositioning the property and accentuating its strengths to deliver an experience that companies are looking for as they return to the office."
280	100	066000 0635 0639 0350	668,342	3089824	\$588,714,529	12/18/20	\$881	1918 EIGHTH OFFICE TOWER	3	Y	Hudson Pacific Properties acquired the 1918 8TH Bldg. from J.P. Morgan Asset Management on December 21st, 2020 for \$625 million or \$934/SF. After PP deduction and other deductions, the recorded sales price was \$588,714,529 or \$880/SF. 1918 8TH consists of a 36-story Class A+ multi-tenant office building over a 404 car garage. Amazon occupies +/-75% of the building with the other primary high credit tenants being KPMG & RBC Wealth Management. The improvements contain a total net rentable area of 668,856/SF and exhibiting an effective age of 2010. The LEED-Patinum certified property features 6,597 square feet of ground-floor retail space, a central conference facility, a 4,000-square-foot exclusive fitness center, a "Great Room" lobby design, sweeping skyline views and outdoor patio space. The property is ideally located within two blocks of light rail, streetcar service and dozens of bus lines. 1918 8TH Avenue also enjoys tremendous access to Seattle's "Retail Core" and is in proximity to a variety of hotels and urban residential developments. Per executive managing director, Rob Hannan with Newmark, "1918 Eighth Avenue is one of Seattle's elite office assets given its superb tenancy, stellar physical characteristics, and tremendous location in one of the country's premier office markets. HPP and CPP have acquired a gem." ATOS, the property was 99% leased and traded at a 4.60% cap rate.
280	100	065900 0555	215,183	3025984	\$97,000,000	12/17/19	\$451	1600 SEVENTH (FRMLY PLAZA 600 BUILDING)	1	Y	BGO Plaza 600 acquired the 1600 Seventh Building (Fmly Plaza 600) from Urban Renaissance Group on 12/17/2019 for \$97,000,000 or \$451/SF in a fair market transaction. BGO acquired a 90% stake, while Urban Renaissance Group acquired a 10% stake. 1600 Seventh was built in 1969 (Renovated in 2016) and consists of 20 story Class A office building containing a total net rentable area of 215,183 SF. ATOS, the reported vacancy was 93% and traded on a 5.10% cap rate. Sellers motivation was for recapitalization purposes.
280	100	066000 1135	305,837	3025325	\$206,150,000	12/5/19	\$674	1800 NINTH (AMAZON - ALEXANDRIA)	1	Y	JP Morgan Group acquired the 1800 Ninth Bldg. (Alexandria - Amazon) from Heltman on December 5th, 2019 for \$206.1 million or \$674/SF. 1800 NINTH consists of 16-story Class A multi-tenant office building over a 310 car garage. The improvements contain a total net rentable area of 305,837/SF and were originally constructed in 1990, and exhibiting an effective age of 2005. Amazon occupies +/-70% of the building with the other primary tenant being Regence. The property is LEED Silver certified. Amenities include 80 person conference lobby, renovated Lobby, full service cafe, exterior deck, full time tenant Concierge, 24 hr / 7 day on site security, fitness center with showers and lockers, close proximity to the Convention Place Metro Center and I-5, and walking distance to numerous shopping centers, restaurants, and theaters. ATOS, the property was 100% occupied and traded at a 4.90% cap rate.
280	110	610845 0100	7,753	3138430	\$4,000,000	8/5/21	\$516	1229 MADISON ST	1	Y	Sale of Individual Condo Unit
280	110	610845 0145 0143	2,352	3028210	\$1,400,000	12/31/19	\$595	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	2	Y	Medical Office Condo. Sale was listed on the open market for \$1,600,000 and included minors #0143 & #0145.



**King County**  
Department of Assessments

Specialty Area 280  
2022 Assessment Year

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Cl.	Ver. Code	Remarks	
280	120	093900 0355	247,095	3159232	\$147,250,000	11/18/21	\$596	801 2ND AVE	1	Y	Institutional Investor, Hines, acquired the Norton Building from Norton Building LLC on 11/18/2021 for \$147,250,000 million or \$591/SF. The Norton Building consist of a 17-story Class-A multi-tenant office building over a 195 car garage. The improvements contain a total net rentable area of 247,095/SF and was originally constructed in 1958. ATOS, the Norton Building was 94% occupied and traded at 4.30% cap rate. With exceptional views of Puget Sound, Mount Rainier, and the Stadium District, the Norton Building is just two blocks away from light rail, bus lines, and ferry terminals, with close freeway access to both I-90 and I-5. Hines will soon be renovating the common areas to create a new lobby experience with expanded gathering areas. Hines will also add new creative and interactive spaces throughout the building. Construction start was estimated at Q2 of 2022.	
280	120	094200 0300	810,493	3143519	\$465,000,000	9/1/21	\$574	1011 4TH AVE	1	Y	Boston Properties, Inc. acquired the Safeco Plaza Building on 09/01/2021 for \$465,000,000 or \$574/SF. ATOS, the property was +/- 91% leased with Liberty Mutual occupying approximately 66% of the space. No cap rate was reported. The 49-story high-rise office building was originally built in 1969 and was renovated in 2018, resulting in an effective age of 2010. The property is LEED-Platinum certified with on-site amenities including a state-of-the-art conference center, multiple quick service food retailers, and a Bank of America Branch. Also included is a full service fitness center, and secure bicycle storage. Per marketing flyer, subject includes modern new lobby with seating area, and approx. \$100 million being spent in fully modernizing the building inside and out. Located in the heart of Seattle CBD, the property also affords excellent views of Elliott Bay, downtown Seattle, the Cascade Mountains, the Olympic Mountains.	
280	120	863423 0010 0020 0030	747,312	3112184 3112185	\$579,386,461	4/1/21	\$775	300 PINE ST	3	Y	Urban Renaissance Group acquired the 300 Pine Street Office Condo from Starwood Capital Group on 4/1/2021 for a combined acquisition price of \$579,386,461 or \$805/SF in a fair market transaction. Transaction #1: Condo (#0010 + #0030; E# 3112185 @ \$105,000,000) and Transaction #2: Condo #0020 (E#3112184 @ \$474,386,461) sold in separate but simultaneous transactions. Combined, the properties contain a total net rentable area of 719,415/SF. Please Note: Within the owner's press release and website, the 300 Pine Street GLA square footage is reported at 770,000/SF, while the assessor has the space at only 719,415/SF. As of the date of this appeal write-up, the assessor was not able to get information on the +/-50,585/SF discrepancy. Per Costar, The properties were 92% occupied at the time of sale and traded at a 4.30% cap rate on in place income. The subject of this appeal is the iconic and historic 300 Pine Street Building located within Seattle's central business district. The 300 Pine Street Building consist of an 8-story, renovated Class A historic office building which is declared into three separate condo units totaling 719,415/SF of retable area. The improvements were originally constructed in 1929 and exhibit an effective year built of 2010. Condo Units -0010 & -0030 are currently undergoing a major renovation and are in the process of being converted from the old Macy's department retail store and into a combination of modern office and retail space. Amazon, who currently occupies 100% of condo unit -0020 will also be occupying the most of converted office space of -0010 & -0030.	
280	120	197470 0175 0190 0210	705,530	3089846	\$704,000,000	12/21/20	\$998	2+U TOWER	3	Y	Hana Alternative Asset Management acquired a 95% stake in the 2+U Office Tower from Skanska Group on 12/21/2020 for \$668,800,000 or \$953/SF in a fair market transaction and resulting in a reported cap rate of 4.60% and reported rents of \$45-\$50/SF NNN. With Skanska purchasing the remaining 5% interest, the total recorded sales price was \$704,000,000 or \$1,003/SF. Completed in late 2019, 2+U is a thoughtfully designed 38-story office tower and retail village named after its location at Second Avenue between Union and University streets in the heart of downtown Seattle. The 705,000-square-foot tower was recently honored with the 2020 NAIOP Washington Office Development of the Year Award in November.	
280	120	515518 0030	515,518	3027470	\$457,950,000	12/19/19	\$888	F5 TOWER	2	Y	Kohlberg Kravis Roberts & Co acquired the F5 Office Condo Tower from Stockbridge Capital Group on 12/23/2019 for \$457,50,000 or \$888/SF in a fair market transaction. The reported cap rate was 4.88%. The F5 Tower located at 801 Fifth Avenue consists of a 43-story Luxury Class A++ single-tenant office condo high-rise and includes the condo parking garage located on minor #0010. As part of the same development, but under separate ownership, is an 189-room luxury hotel. On-site amenities includes fitness center, lockers with showers, bike storage, conference rooms, event space, high-speed elevators and optic wiring, and electric car chargers. The property was reportedly 100% leased to F5 Networks with pre-lease asking rents of \$50-\$52/SF NNN.	
280	120	197720 0020	94,333	3018365	\$52,900,000	10/31/19	\$561	FIRST & STEWART BUILDING	1	Y	Institutional Investor, DWS, acquired the 101 Stewart St. building from L&B Realty Advisors in October 2019 for \$52.9 million or \$561/SF. The 1st & Stewart Building consist of a 12-story Class A/B+ multi-tenant office building over a 32 car garage. The improvements contain a total net rentable area of 94,333/SF and was originally constructed in 1986. The building's desirable location is where the Pike Place Market, Belltown, Seattle's retail core, and CBD converge. In a GlobeSt.com article regarding the sale, according to Nick Kucha, senior managing director of Newmark Knight Frank, "selling a building of this size and quality is rare in downtown Seattle today" and "We received interest from several domestic investors, but were delighted to work with DWS on behalf of L&B Realty Advisors. This well-located multi-tenant urban office asset received strong interest from a wide range of buyers, and given the asset's irreplaceable Waterfront and Pike Place Market location, a 94% historical occupancy and stable in-place cash flow, the bidding environment was competitive."	

Specialty Area 280  
2022 Assessment Year

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks	
280	120	197670 0185 0186	316,799	3018392	\$176,868,000	10/31/19	\$558	PARK PLACE OFFICE BUILDING	2	Y	Urban Renaissance Group acquired the 1200 6th Ave. Park Place Bldg. from Washington Holdings in October 2019 for \$176.8 million or \$558/SF. Actual sales price was \$177 million, but included \$132k in personal property. Park Place consists of 21-story Class A multi-tenant office building over a 181 car garage. The improvements contain a total net rentable area of 316,799 square feet and were originally constructed in 1971. The building was fully-renovated by international architect and tenant Gensler in 2012. Park Place features contemporary finishes, a dedicated fitness center, secured bike storage and 181 parking stalls in an ideal location within easy walking distance of light rail, and bus lines. The building is adjacent to Interstate-5. Featuring a green roof, rain catchment system, water efficient fixtures, systems to measure air flow, a green cleaning program and satellite-controlled irrigation, the LEED-EB Platinum building was the first existing building in Seattle to be awarded the prestigious designation. The property was 95% occupied at the time of sale and traded at a 5.00% cap rate.	
280	120	930150 0010	365,674	3016086	\$235,767,812	10/17/19	\$645	WESTLAKE TOWER OFFICE CONDO	1	Y	Unico Properties acquired the Westlake Office Condo located at 400 Pine St. building from TIAA/NUVEEN on 10/17/2019 for \$236,000,000 with included \$232,188 of personal property, resulting in the recorded sales price (excluding PP) of \$235,767,812 or \$644.75/SF in a fair market transaction. 400 Pine consists of a 25-story Class A multi-tenant office condo high-rise that was originally constructed in 1989 with a net rentable area of 365,674/SF. Per D/C, over the past 5 years, the owners spent ~\$34 million in building renovations/capital improvements. Capital investments included upgrades to the lobby and common areas, new building systems, and \$14.6 million in tenant improvements. On-site amenities include conference rooms, property management, full service fitness center, secure bicycle storage. Building also has sub-level direct access to Link Light Rail, King County Metro Buses, Seattle Monorail, and the Seattle Streetcar. Located in the heart of the high-street retail district, the property also affords excellent views of Elliott Bay, downtown Seattle, the Cascade Mountains, the Olympic Mountains, and Lake Union. The property was reportedly 5% vacant at the date of sale with asking rates of \$45/SF NNN. No cap rate information was reported.	
280	120	065900 0085	292,038	3010091	\$112,848,500	9/13/19	\$386	MEDICAL DENTAL BUILDING	1	Y	MDB Landmark, LLC acquired the 505 Olive Way Building from Goodman Real Estate on 9/13/2019 for \$113,000,000 which included \$151,500 in personal property resulting in the recorded real estate price of \$112,848,500 or \$386/SF in a fair market transaction. Per publication sources, the property was 91% occupied ATOS with a reported actual cap rate of 5.80%. Per JLL press release, "The Iconic Medical Dental Building is in an A+ location in the heart of booming Downtown Seattle with South Lake Union only steps away. The building is adjacent to Nordstrom, Westlake Center and Pacific Place. The property provides several options for tenants' transportation including convenient access to the Monorail and Metro bus tunnel, a bus stop in front of the building and parking facilities nearby. Amenities include an on-site fitness center and on-site property management."	
280	120	094200 0365	541,190	2997084	\$304,489,775	7/1/19	\$563	901 FIFTH AVENUE (FORMER BK OF CAL OFFICE)		Y	Vanborton Group acquired the 901 5th Avenue office building from Investcorp on 7/1/2019 for \$305,000,000 which included \$510,225 of personal property, with the real estate selling for \$304,489,775 or \$563/SF in a fair market transaction. The 901 5th Ave. building was originally constructed in 1973 and consists of a 41-story Class A multi-tenant office building with a total net rentable area of 541,190/SF, over a 385-stall parking garage. 901 Fifth provides tenants with upgraded building systems, valet parking and on-site amenities including a state-of-the-art fitness facility, conference center, a coffee shop/deli, a landscaped outdoor plaza with seating and Wi-Fi, and direct access to a full-service Bartell Drugstore. The property benefits from its CBD location with easy access to I-5. Per Costar, the property was 100% fully leased at the time of sale and traded at a 4.74% cap rate on income in place. The sale price represents a 36.34% increase compared to the seller's acquisition cost of \$223,300,000 (\$412/SF) in June 2016, an increase of 12.12%/year.	
280	120	197570 0080 780411 0010 0020	943,575	2997152	\$611,774,000	6/28/19	\$648	US BANK CENTER + SIXTH & UNION RETAIL CONDO	3	Y	Together with parcel 093900-0435 and per buyer's press release and through multiple real estate publications, Blackstone acquired two Class A office buildings and retail condo for a combined sales price of \$1,200,000,000 or \$624/SF in a separate but simultaneous fair market transaction. <b>Transaction #1</b> - US Bank Center located at 1420 5th Avenue had a recorded sales price of \$612,000,000 (E#2997152) which included \$226,000 in personal property which equates to \$611,744,000 or \$648 SF. This Class A office building (APN: 197570-0080) consist of a 46-story Class A office building total net rentable area of 922,044 SF, while the adjacent retail condo & garage (APN: 780411-0010, 0020) contained a total NRA of 21,231 SF. ATOS, the reported overall vacancy was 3%. <b>Transaction #2</b> - 999 Third located at 999 3rd Avenue (093900-0435) consist of a 47-story Class A office building containing a total net rentable area of 976,828 SF. This transaction had a recorded excise tax #2997115, but reported \$0.00 for the Gross selling price. The appraiser made multiple attempts to figure out this discrepancy, but had no responses. Listed sales price is the residual sales price of \$1.2 bil minus \$612 mil from excise #2997152. 999 THIRD is in the process of an ongoing remodel/expansion to the upper and lower plaza levels and with a significant upgrades to the lobby area.	



AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	120	093900	0435	976,828	29971157	\$588,000,000	6/28/19	\$602	999 THIRD		-	Together with parcel 197570-0080 and per buyer's press release and through multiple real estate publications, Blackstone acquired two Class A office buildings and retail condo for a combined sales price of \$1,200,000,000 or \$624/SF in a separate but simultaneous fair market transaction. Transaction #1 - US Bank Center located at 1420 5th Avenue had a recorded sales price of \$612,000,000 (E#2997152) which included \$226,000 in personal property which equates to \$611,744,000 or \$648 SF. This Class A office building (APN: 197570-0080) consist of a 46-story Class A office building total net rentable area of 922,044 SF, while the adjacent retail condo & garage (APN: 780411-0010, 0020) contained a total NRA of 21,231 SF. ATOS, the reported overall vacancy was 3%. Transaction #2 - 999 Third located at 999 3rd Avenue (093900-0435) consist of a 47-story Class A office building containing a total net rentable area of 976,828 SF. This transaction had a recorded excise tax #2997115, but reported \$0.00 for the Gross selling price. The appraiser made multiple attempts to figure out this discrepancy, but had no responses. Listed sales price is the residual sales price of \$1.2 bil minus \$612 mil from excise #2997152. 999 THIRD is in the process of an ongoing remodel/expansion to the upper and lower plaza levels with significant upgrades to the lobby area.
280	120	859140	0005	160,164	2987947	\$36,990,000	5/15/19	\$231	COLMAN BUILDING	1	Y	Unico Properties acquired the historic landmark Colman Building from Goodman Real Estate on 5/15/2019 for \$37,000,000 which included \$10,000 in personal property resulting in the recorded real estate price of \$36,990,000 or \$230.95/SF in a fair market transaction. Per publication sources, the property was 90% occupied ATOS with a reported actual cap rate of 5.25%. Per Unico press release, "This was a great opportunity to acquire a classic Seattle asset known for its history and location that sits in the intersection of three transforming neighborhoods—the South CBD, Waterfront, and Pioneer Square," said Unico Senior Vice President and Regional Director Andrew Cox. Amenities include; 24 hour access, historic building updated with modern conveniences, operable windows throughout, building conference room, on-site building management, common kitchen facility, secure bicycle storage, and building showers. Excellent access to Highway-99 and I-5 with direct access to the Colman ferry dock via skybridge and to the waterfront. Numerous restaurants and retail amenities within walking distance. Excellent access to Metro buses.
280	120	094200	0470	934,806	2971386	\$539,199,583	1/25/19	\$577	800 Fifth Avenue	1	Y	Blackstone acquired the 800 Fifth building from Hines on 1/25/2019 for \$539,199,583 or \$577/SF in a fair market transaction. 800 Fifth consists of a 42-story Class A multi-tenant office high-rise that was originally constructed in 1981 with a net rentable area of 934,806 SF according to the seller. In 2017, Hines spent approximately \$46 million to renovate the property including entirely new and expanded lobby, remodeled restrooms, upgraded elevators. On-site amenities include a landscaped outdoor plaza, building conference center, fitness center, bicycle parking, on-site retail options, and LEED Platinum/Energy Star certification. The property was reportedly 10% vacant at the date of sale with asking rates of \$38-\$44/SF NNN. No cap rate information was reported. Without taking into account capital improvement costs, the sale price represents a 95% increase relative to the seller's acquisition cost of \$276,362,225 (\$302/SF) in September 2014, or 21.9%/year.
280	120	093900	0260	336,355	2969806	\$151,000,000	1/10/19	\$449	DEXTER HORTON BUILDING	1	Y	CIM Group acquired the landmark Dexter Horton building from Pacific Eagle Holdings on 1/10/2019 for \$151,000,000 or \$449/SF in a fair market transaction. The property was 8% vacant at the time of sale with asking rates of \$44-\$46/SF Full Service. The sale price represents a 21% increase compared to the seller's acquisition cost of \$124,407,218 (\$370/SF) in November 2015, an increase of 6.7%/year.
280	130	684770	0105	158,433	3090092	\$120,985,000	12/21/20	\$764	AMAZON YALE & THOMAS BLDG.	1	Y	GI Partners acquired the Yale + Thomas building on 12/21/2020 for \$120,985,000 or \$764/SF. ATOS, the property was fully leased to Amazon and the sale price reflects the single high-credit tenant NNN nature of the asset. The actual cap rate was reported at 4.90%. This sale price represents a 4.30% increase over Goldman Sachs 2019 purchase price of \$115,985,000. The 5-story midrise office building was originally built in 1981 and was fully renovated in 2018, resulting in an effective age of 2010. The property exhibits visibility from Interstate 5, with direct access to Seattle CBD and Lake Union market areas.



AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Cl.	Ver. Code	Remarks
280	130	199120	1265	317,442	3027601	\$270,100,000	12/23/19	\$851	AMAZON - APOLLO BUILDING	1	Y	RFR Holdings, LLC acquired the Amazon-Apollo building from Mirae Asset Global Investments in December of 2019 for \$270,100,000 (\$851/SF) in a fair market transaction of high-credit, single-tenant, NNN-leased asset. The Amazon Appollo Building consists of 12-story single tenant Class A+ office buildings with ground floor retail space, situated above a 444-stall parking garage. The improvements were originally constructed in 2014 and contain a total net rentable area of 317,442/SF, with Amazon being the sole office tenant. Per NKF press release, "This Class A property produced tremendous interest globally and is yet another example of foreign capital buying trophy Seattle assets," said Kevin Shannon - Co-Head of U.S. Capital Markets Kevin Shannon. "Mirae Asset Global Investments received strong cash flow during its holding period for this asset and garnered an attractive gain with this sale while avoiding the new increased excise sales tax which goes into effect in January." "With an office market vacancy rate of approximately 2.8 percent, the South Lake Union submarket of Seattle is one of the best performing markets in the nation. Some of the world's most recognizable tech firms including Amazon, Facebook and Google have established significant footprints here," said Moll. "Because of these dynamics, capital demand looking to invest in this market remains very high as the area continues to experience significant rental rate and property value appreciation." The sale price represents only a 9.44% increase compared to the seller's acquisition cost of \$246,800,000 (\$777/SF) in July of 2016. The LEED Gold certified property features open creative build-outs, on-site public bike racks, shower/locker facilities, four levels of subterranean parking, ground floor retail, and a landscaped private outdoor terrace with views of Lake Union and the city. The asset is also accessible to multiple modes of transit including the Seattle Streetcar, bus, light rail, Interstate 5 and Highway 99, and is walkable to an abundance of retail and dining amenities.
280	130	199120	1295	197,274	3019241	\$210,765,000	11/5/19	\$1,068	ARBOR BLOCKS EAST - FACEBOOK	1	Y	Ponte Gadea (Investment vehicle of Spanish billionaire Amancio Ortega) acquired the 2 building Arbors Block East & West office development from Vulcan, Inc. on 11/5/2019 for \$414,870,000 (\$1,069/SF) in a fair market transaction of high-credit, single-tenant, NNN-leased asset. Arbor Blocks East/West consists of two 6-story mid-rise Class A++ office buildings with ground floor retail space, situated above a 845-stall parking garage. The improvements were originally constructed in 2019 and contain a total net rentable area of 414,870/SF. The property's office space is fully leased to Facebook. The buildings were built to achieve LEED Gold certification, with sustainable features including bio retention cells, outdoor workspaces and storm water-fed irrigation systems. The property also has a rooftop terrace, bike lockers, a cafe and 4,200 square feet of retail space on the ground floor.
280	130	199120	1150	190,798	3019242	\$204,165,000	11/5/19	\$1,070	ARBOR BLOCKS WEST - FACEBOOK	1	Y	Ponte Gadea (Investment vehicle of Spanish billionaire Amancio Ortega) acquired the 2 building Arbors Block East & West office development from Vulcan, Inc. on 11/5/2019 for \$414,870,000 (\$1,069/SF) in a fair market transaction of high-credit, single-tenant, NNN-leased asset. Arbor Blocks East/West consists of two 6-story mid-rise Class A++ office buildings with ground floor retail space, situated above a 845-stall parking garage. The improvements were originally constructed in 2019 and contain a total net rentable area of 414,870/SF. The property's office space is fully leased to Facebook. The buildings were built to achieve LEED Gold certification, with sustainable features including bio retention cells, outdoor workspaces and storm water-fed irrigation systems. The property also has a rooftop terrace, bike lockers, a cafe and 4,200 square feet of retail space on the ground floor.
280	130	880790	0130	203,235	2991393	\$118,300,000	5/31/19	\$582	WESTLAKE UNION CENTER- 1501 WESTLAKE	1	Y	Divco West Real Estate Services acquired the 1505 Westlake Ave. office building from Reit RREEF on 5/31/2019 for \$118,300,000 or \$582/SF in a fair market transaction. The 1505 Westlake Ave. building was originally constructed in 1994 and consists of a 10-story Class A multi-tenant office building with a total net rentable area of 203,235/SF and situated over a 450 stall parking garage. Views of Lake Union and Seattle skyline are visible from all floors of the West Lake Union Center. The property provides easy access via Westlake Ave N and Dexter Ave with a pedestrian overpass to Lake Union amenities. The building also provides an 10-story atrium which can be used for special events. Per Costar, The property was 88% leased to a diverse tenant base with in-place rents 19% below current market rates. Current asking rates range for \$38.00-\$42.00 NNN. Some deferred maintenance was reported in Costar, but were unable to determine the area of deferred maintenance.
280	130	869200	0010 0020	802,928	2979080	\$739,885,000	3/26/19	\$921	Amazon Houdini (fmr Troy Block)	2	Y	Ponte Gadea (Investment vehicle of Spanish billionaire Amancio Ortega) acquired the 2 building Troy Block (aka Amazon Houdini North & South) office development from a partnership of Touchstone & USAA on 3/26/2019 for \$739,885,000 (\$921/SF) in a fair market transaction of high-credit, single-tenant, NNN-leased asset. Troy Block consists of two mid-rise (12 & 13-story) Class A+ office buildings with ground floor retail space, situated above a 1,118-stall parking garage. The improvements were originally constructed in 2016 and contain a total net rentable area of 802,928 SF. The buildings take their name from, and incorporate the historic facade of, the Troy Laundry. The property's office space is fully leased to Amazon under a 15-year NNN lease that expires in Nov 2032. Based on income in place at the time of sale, the property traded at a 4.40% cap rate. The transaction reportedly attracted a lot of interest however the size of the deal limited the number of potential buyers.

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Cl.	Ver. Code	Remarks
280	130	684770	0105 0091 0095	158,433	2970605	\$115,985,000	1/16/19	\$732	YALE & THOMAS BUILDING	3	Y	A Goldman Sachs affiliate acquired the Yale + Thomas building as part of a 27-building, 1.8 million square foot office portfolio on 1/16/2019 for a combined acquisition price of \$710 million from Unico Properties. The portfolio was 85% occupied. Yale + Thomas's allocated sale price was \$115,985,000 or \$732/SF. At the time, the property was fully leased to Amazon under a lease that was confirmed in 2017 and the sale price reflects the single high-credit tenant NNN nature of the asset. The sale price represents a 124% increase over Unico's purchase price 4-years earlier in December 2014 of \$51,750,000 or \$327/SF, or 31% per year. The seller had invested significant capital repositioning the then vacant property after PEMCO moved out. No cap rate information was provided. Unico retained an undisclosed stake in the portfolio and continues to operate and manage it on behalf of the new partnership.
280	140	093900	0055 0060	264,492	2970914	\$137,870,000	1/16/19	\$521	SMITH TOWER	2	Y	A Goldman Sachs affiliate acquired the Smith Tower (and the adjacent Florence Bldg -0050) as part of a 27-building, 1.8 million square foot office portfolio on 1/16/2019 for a combined acquisition price of \$710 million from Unico Properties. The portfolio was 85% occupied. Smith Tower's allocated sale price was \$137,870,000 or \$521/SF. At the time, Smith Tower was 93% occupied and achieving rents of \$44/SF, according to the seller. The sale price represents an 87% increase over Unico's purchase price 4-years earlier in January 2015 of \$73,730,000 or \$282/SF, or 22% annualized. The seller had invested significant capital repositioning the property during their ownership which reduced vacancy and substantially increased rents. No cap rate information was provided.

## EASTSIDE SALES

AREA 280 MAJOR OFFICE BUILDING SALES											
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	200	202505 9019 9035	160,508	3144621	\$83,834,518	9/10/21	\$522	3009 112TH AVE NE	2	Y	American Asset Trust acquired the four office building portfolio (ak Corporate Campus East III) from SteelWave, Inc. on 9/10/2021 for \$83,850,000 or \$522.40/SF in a fair market transaction. The four building campus was of good quality and built in 1985 which exhibited an effective age of 2005. The subject's improvements consists of 2 & 3-story Class A office buildings containing a total net rentable area of 160,508/SF. ATOS, the the vacancy was +/-14% with a reported reported cap rate of 4.70%. Per Costar, "The four-building property features a campus-setting in a natural landscape with immediate highway access and a diverse rent roll of financial service institutions and professional service companies. The property has undergone recent renovations to its common areas, lobbies, onsite cafe and entry areas, with an opportunity to add further amenities comparable or superior to competing office projects."
280	200	202505 9097 9202 9245	136,759	3127233	\$62,000,000	6/18/21	\$453	3025 112th Ave NE	3	Y	Lake Washington Partners has acquired the three building office portfolio (ak Corporate Campus East) from Kennedy Wilson Properties on 6/23/2021 for \$62,000,000 or \$453.91/SF in a fair market transaction. The three building campus was of good quality and built in 1985 which exhibited an effective age of 2005. The subject's improvements consists of an 2 & 3-story Class A office buildings containing a total net rentable area of 136,759/SF. ATOS, the the vacancy was +/-7% with a reported reported cap rate of 5.35%. Per Costar, "The property recently underwent a \$3 million capital repositioning, which included lobby remodels, bathroom renovations, exterior paint and the addition of an outdoor patio and seating. Additional property features include premier signage, flexible floorplates, ample parking and excellent regional access".
280	200	272505 9103	143,191	3084639 3084640	\$63,000,000	11/23/20	\$440	OVERLAKE 520 (Fmr OAKHURST CENTER)	1	Y	Innovatus Capital Partners, LLC acquired the Overlake 520 buildings from Swift Real Estate Partners on 11/24/2020 for \$63,000,000 (E# 3084639 - \$10,710,000 & E# 3084640 - \$52,290,000) or \$440/SF in a fair market transaction. The property consists of two, 2-story Class A low-rise multi-tenant office buildings that were originally constructed in 1985 with a combined 143,191 square feet of leasable area. The property benefits from its close proximity to the MSFT campus and was 100% occupied (primarily occupied by vendors of MSFT) and traded at a 6.00% cap rate. On site amenities include a redesign of the exterior building entrances, upgraded landscaping, new exterior paint, outdoor seating, enhanced lobbies, fitness center, and cafe. Per Selier "This sale is a direct reflection of the strength of the Bellevue office market. In the midst of a global pandemic, we witnessed deep demand for office space from tenants and equally impressive interest from institutional capital. We look forward to repositioning our remaining Bellevue portfolio and continuing to grow our presence in this submarket."
280	200	172505 9044 172505 9303 410450 0270 410450 0275	129,220	3011068	\$47,750,000	9/18/19	\$370	LEGACY CROWN POINTE	4	Y	Pine Forest Properties, Inc. acquired the four building Crown Pointe Corporate Campus from TA Realty on 9/19/2019 for \$47,750,000 or \$370/SF in a fair market transaction on a multi-parcel transaction. Crown Pointe was built between 1986-1987 (Renovated in 2004) and consists of 4, two-story Class A-/B+ office buildings containing a total net rentable area of 129,220 SF. ATOS, the reported vacancy was 15% and traded on a 6.00% cap rate. Buyer's motivation was to add to portfolio and plans on adding capital improvements in the near future. Pine Forest will be self managing the asset. The campus has ample parking with easy access to I-405, SR-520, downtown Kirkland, and Bellevue.
280	200	124270 0025 0030	89,848	3005923	\$32,650,000	8/20/19	\$363	CENTRA OFFICE PARK	2	Y	As part of a two transaction purchase, Swift Real Estate Partners, Purchased Centra Office Park and Bel-Kirk Office buildings on 08/20/2019 for \$59,400,000. Transaction #1, \$32,650,000 or \$363.39/SF, is for the Centra Office Park, which was built in 1983 and consists of two three story Class A-/B+ office buildings containing a total net rentable area of 89,848 SF. According to Costar, the buildings recently underwent a full building refresh to enhance its position on the market. The reported occupancy ATOS was 70%. Transaction #2, Swift purchased the "leasehold interest - Ground Lease" of the Bel Kirk 520 office buildings for \$26.75 million with the existing ground lease in place for a remaining 85 years.
280	200	202505 9019 9035	152,999	3001069	\$55,250,000	7/23/19	\$361	CORPORATE CAMPUS EAST BLDGS E, F, G, & H	2	Y	SteelWave, Inc. acquired the Corporate Campus East buildings from TA Realty on 7/24/2019 for \$55,250,000 or \$361/SF in a fair market transaction on a multi-parcel transaction. Corporate Campus East was built between 1985-1986 and consists of 4 two & three story Class A-/B+ office buildings containing a total net rentable area of 152,999 SF. Seller motivation was to capitalize on the strong office market while value add for the buyer. The buyer intends to continue to make capital improvement per broker. ATOS, the property was estimated about 68 percent occupied by a diverse mix of tenants. The campus offers ample parking, and has a cafeteria, plaza, canopies and outdoor benches. No cap rate information was provided.
280	200	202505 9242 9101	88,642	2989613	\$32,111,250	5/24/19	\$362	EVERGREEN OFFICE PARK I	2	Y	SMARTCAP, Inc. acquired the two building Evergreen Office Park (Bldgs I & II) from PCOP Realty on 5/24/2019 for \$32,150,000 or \$363/SF in a fair market transaction on a multi-parcel transaction. Evergreen Office Park was built between 1981-1986 and consists of 2, two & three story Class A-/B+ office buildings containing a total net rentable area of 88,642 SF. ATOS, the vacancy was 5% with no reported cap rate. Buyer's motivation was to acquire a core plus asset and a value add potential. The campus has ample parking with easy access to I-405, SR-520, downtown Kirkland, and Bellevue.

Specialty Area 280  
2022 Assessment Year

AREA 280 MAJOR OFFICE BUILDING SALES											
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	210	322505 9181	244,023	3141744	\$143,200,000	8/27/21	\$587	110 110th AVE NE	1	Y	Unico Properties acquired the 110 Atrium Building from Scanlan/Kemper/Bard Companies on 8/27/2021 for \$143,200,000 or \$586.83.21/SF in a fair market transaction. This transaction represents a +/-29% increase over the previous sale of \$111,200,000 that took place in November of 2018. The 110 Atrium Building was of good quality and built in 1981 which exhibited an effective age of 2005. The subject's improvements consists of an 7-story Class A office buildings containing a total net rentable area of 244,023/SF. ATOS, the the vacancy was +/-40% with a reported reported cap rate of 3.00%. Per Costar "Seller made a decision to sell rather than lease up the asset which was reported at 60% occupied ATOS. The asset traded at about a 3% cap rate per verification with the buyer contact." Per marketing flyer, Unico Properties indicated that a large scale renovation is planned to transform the Atrium Bldg. into a design-focused, energy efficient building. Amenities include board and conference rooms, a three-level atrium with lounge areas and Wi-Fi throughout, and a fitness center with lockers and showers. Also included are secured bike storage and EV charging stations.
280	210	104700 0005	137,349	3072744	\$72,000,000	9/29/20	\$524	COLUMBIA WEST BLDG.	1	Y	Swift Real Estate Partners acquired the Columbia West Office Building from Columbia West Properties on 9/29/2020 for \$72,000,000 or \$524/SF in a fair market transaction. Columbia West was is of average/good quality and built in 1986 which exhibited an effective age of 2000. The subject's improvements consists of an 8-story Class A office buildings containing a total net rentable area of 137,349/SF. ATOS, the vacancy was 66% with no reported cap rate. Buyer's motivation was to acquire a core plus asset and a value add potential. According to the buyer, "Columbia West presented a unique opportunity to acquire a value-add midrise office building in the heart of downtown Bellevue. It is a 66% leased building in a 95%-plus leased submarket. According to the DJC who interviewed the buyer, Swift intends to rebrand and renovate the building. Those plans, by architect unknown, will "enhance the space with natural finishes to update the building to a more modern aesthetic. The firm will also enhance the building by offering tenants more interior and exterior amenity space, including a tenant lounge on the main floor."
280	210	154410 0316	416,850	3038517	\$401,460,000	3/12/20	\$963	TOWER 333 (Fmity Expedia)	1	Y	Kohlberg, Kravis, Roberts & Co acquired the Tower 333 building from Equity Commonwealth on 03/13/2020 for \$401,500,000 or \$964/SF in a fair market transaction of high-credit, single-tenant, NNN-leased asset. The Tower 333 Building consists of 18-story single tenant Class A+ office building with ground floor retail space, situated above a 951-stall parking garage. The improvements were originally constructed in 2007 and contain a total net rentable area of 416,850/SF, with Amazon being the sole office tenant. The reported cap rate ATOS was 4.20%.
280	210	104360 0010 0040	749,694	3026904	\$585,022,103	12/19/19	\$780	THE BRAVERN	2	Y	Australian pension fund QSuper acquired the trophy office asset "The Bravern" from Principal Financial Group for \$585,022,103 (excluding +/--\$38k in personal property) or \$780/SF. The improvements consist of two single tenant (Microsoft) office towers totaling 749,694/SF of net rentable area. Built in 2008, the property includes a 12-story, 255,171-sf building located at 688 NE 110th Ave. and a 23-story, 494,523-sf building located at 11025 NE 8th Street. The property is also built above a seven-level, 35-acre subterranean parking garage. The property is part of a world-class mixed-use development that includes 305,000 sf of luxury retail spaces featuring brand names such as Jimmy Choo and Louis Vuitton, among many others, and two high-end residential towers containing 455 units. The Bravern Office Commons is located adjacent to the 405 freeway at NE 8th and 112th Ave. NE in Downtown Bellevue within Seattle's Eastside market. It features prominent freeway visibility and is one block from the Eastlink Light Rail - when completed in 2023, it will provide direct access to Microsoft's world headquarters in Redmond, WA. The original appraised value was reported at \$605,900,000 (\$808/SF) and after closing cost, reserves, and other obligations were met, the recorded sales price was \$585,022,103. Per Morningstar report, the reported NOI was \$32,016,850 which indicates a cap rate of 5.28% (based on \$605.9 mil). The cap rate is higher than prevailing market indicators, due to the fact that Microsoft recently renewed their lease on a 5-year term with a loan maturing in 10 years. Since Microsoft's lease renewal is for five years only, it does not qualify for LTCT treatment (Long term credit tenant). Per Morningstar report "The property exhibits risk from a single tenant with a lease expiring prior to the loan maturity date. This elevates the risk of maturity default. In addition, loans secured by single-tenant properties have been found to have higher loss severities in the event of a default".



AREA 280 MAJOR OFFICE BUILDING SALES											
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	240	531510 1015	155,200	3162741	\$114,095,000	12/7/21	\$735	3003 77TH AVE SE	1	Y	Riot Games acquired the Mercer Park office building (fmr Farmers Headquarters) from Ryan Companies on 12/07/2021 for \$114,095,000 or \$733/SF in a fair market transaction. The newly renovated building, built in 1982, is of good quality and exhibited an effective age of 2005. The subject's improvements consists of an 5-story Class-A office building containing a total net rentable area of 155,200/SF, with completed extensive renovations. Property highlights include: modern lobby with floor to ceiling windows, high ceilings, large floorplates, rooftop deck, secure bike storage, yoga room, lockers/showers, and close proximity to the new Link light rail. Riot spokesperson said the company plans to eventually house more than 400 employees at the new office, set to open in 2023. Los Angeles-based Riot Games is making Mercer Island its new home in the Puget Sound region. "We know we want to have a presence in the Seattle area in order to attract the kind of talent we need in order to reach our ambitions," said John Doyle, chief operating officer of Riot's games business. "We're going to be here for the foreseeable future. Knowing that and knowing the kind of investment we want to put into a facility to make it feel great for people coming in, working with us, doing the kind of collaborative and creative work we do, it made sense to actually set down roots.
280	240	128360 0060	281,913	3130686	\$124,945,000	7/7/21	\$443	15325 SE 30TH PL	1	Y	American Asset Trust acquired the four office building portfolio (ak Eastgate Office Park) from Kennedy Wilson Properties on 6/08/2021 for \$125,000,000 (includes \$55k in personal property) or \$443.20/SF in a fair market transaction. The four building campus was of good quality and built in 1984/1985 which exhibited an effective age of 2005. The subject's improvements consists of three Class A mid-rise, 3-story office buildings and one 2-story amenity building containing a total net rentable area of 281,913/SF. ATOS, the occupancy was +85% with no reported cap rate. Per Costar, the four-building property features a campus-setting in a natural landscape with immediate highway access. Amenities include deli/carry-out restaurant, multiple training and conference rooms, fitness center with indoor basketball, squash, and racquetball courts.
280	240	531510 1015	155,200	3043248	\$45,450,000	4/14/20	\$293	MERCER PARK (Fmrly Farmers HQ)	1	Y	Ryan Companies acquired the Mercer Park office building (fmr Farmers Headquarters) from Verrett, Inc. on 4/16/2020 for \$46,450,000 or \$299/SF in a fair market transaction. Mercer Park is of average/good quality and built in 1982 which exhibited an effective age of 1990. The subject's improvements consists of an 5-story Class A office buildings containing a total net rentable area of 155,200/SF. ATOS, the vacancy was 100% with no reported cap rate. Buyer's motivation was to acquire a core plus asset and a value add potential. Per marketing flyer, the building is currently undergoing extensive renovation and will be ready for delivery within the 3rd Qtr. of 2021. Property highlights after renovation will include: modern lobby with floor to ceiling windows; high ceilings; large floorplates; rooftop deck; secure bike storage; yoga room; lockers/showers; and close proximity to the new Link light rail.
280	240	112405 9015	45,636	3041665	\$19,000,000	4/3/20	\$416	I-90 Corporate Campus (Legacy I-90)	1	Y	Property Ventures acquired Building A of I-90 Corporate Campus from RBT Realty on 4/3/2020 for \$19,000,000 or \$416/SF in a fair market transaction. Building A was built in 1982 and exhibited an effective age of 2006. It consists of a two story Class A-/B+ office buildings containing a total net rentable area of 45,613/SF. ATOS, the property was 100% occupied with a reported cap rate of 5.66%. Buyer's motivation was to acquire a core plus Eastside asset and a value add potential. The campus has ample parking with easy access to I-405, SR-520, downtown Redmond, Bellevue, and Kirkland.
280	240	431980 0010 0020 0030 0040 0050 0060 0070	279,899	3028054	\$114,467,539	12/27/19	\$409	LINCOLN EXECUTIVE CENTER III	7	Y	PCCP, LLC acquired the five building Lincoln Executive Center (New Name - The Yard) from Miller Global Properties on 12/19/2019 for \$120,500,000 or \$430/SF in a fair market transaction on a multi-parcel transaction. Lincoln Executive Center was built in the mid 80's and consists of 5 multi-tenant office buildings containing a total net rentable area of 279,899 SF. ATOS, the reported vacancy was 5% with no reported cap rate. Per Costar, "King County posted a sales affidavit showing the price was \$114.5 million but the listing broker provided a sale price of \$120.5 million". We were unable to verify the discrepancy.
280	240	112405 9130 9131	74,849	3022532	\$31,000,000	11/25/19	\$414	90 NORTH - BLDG. 3 & 4	2	Y	Preylock Holdings purchased the 4-building (three parcel) 90 North business park from Talon Privat Capital on 11/25/2019 for \$117,000,000 or \$440.08/SF. This amrs length transaction was 100% occupied ATOS and traded at a 6.4% cap rate. Buyer motivation was strong cash-on-cash return. will self manage the asset. - per Costar
280	240	112405 9124	95,340	3022533	\$43,000,000	11/25/19	\$451	90 NORTH - BLDG. 2	1	Y	Preylock Holdings purchased the 4-building (three parcel) 90 North business park from Talon Privat Capital on 11/25/2019 for \$117,000,000 or \$440.08/SF. This amrs length transaction was 100% occupied ATOS and traded at a 6.4% cap rate. Buyer motivation was strong cash-on-cash return. will self manage the asset. - per Costar
280	240	112405 9126	95,669	3022534	\$43,000,000	11/25/19	\$449	90 NORTH - BLDG. 1	1	Y	Preylock Holdings purchased the 4-building (three parcel) 90 North business park from Talon Privat Capital on 11/25/2019 for \$117,000,000 or \$440.08/SF. This amrs length transaction was 100% occupied ATOS and traded at a 6.4% cap rate. Buyer motivation was strong cash-on-cash return. will self manage the asset. - per Costar
280	240	813530 0060 0070 0080 0090 0110	477,118	3009728	\$211,724,805	9/11/19	\$444	SUNSET RIDGE - SUNSET NORTH	5	Y	Kennedy Wilson Properties acquired the Sunset North Corporate Center from M-M Properties on 9/11/2019 for \$227,000,000 or \$508/SF in a fair market transaction. Per Costar, due to some concessions, acquisition cost, and personal property, the recorded sales price was \$211,724,805 or \$444/SF. The Sunset North Corporate Center was built in 1999 and consists of 3 Class A office buildings + parking garage that are between 4 & 5 stories tall which contain a total net rentable area of 477,118/SF. Dated 08/21/2019, the appraised value was \$227.1 million with reported cap rate of 6.00%. Occupancy ATOS was 99%. The campus benefits from direct access to I-90 and is in close proximity to Factoria, downtown Bellevue, and Issaquah.

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	240	606763	0020 0030 0040 0050 0060	963,469	2982366	\$467,500,000	4/10/19	\$485	NEWPORT CORPORATE CENTER	5	Y	Preylock Holdings acquired the Newport Corporate Center from Ivanhoe Cambridge on 4/10/2019 for \$467,500,000 or \$485/SF in a fair market transaction of a single-tenant corporate HQ. The Newport Corporate Center was built between 1988-2009 and consists of 5 Class A office buildings that are between 5 & 10 stories tall which contain a total net rentable area of 963,469 SF. The property is leased by T-Mobile as their corporate headquarters under a long-term agreement that was recently extended through 2030. At the same time the lease extension was announced, T-Mobile began work on a \$160 million renovation plan to refresh the campus. The campus was fully occupied on the date of sale. No cap rate information was provided.
280	250	172505	9114	52,948	3089307	\$44,950,000	12/17/20	\$849	WATERFRONT PLACE OFFICE BLDG.	1	Y	Progeny 3, Inc. acquired the Waterfront Place Office Building from American Realty Advisors on 12/17/2020 for \$44,950,000 or \$851/SF in a fair market transaction. The subject's improvements consists of an 3-story Class A+ office buildings containing a total net rentable area of 52,828/SF. ATOS, the building was fully occupied with Bluetooth being the primary tenant. No cap rate was reported. The building is directly adjacent to the Yarrow Bay Marina and Yarrow Bay and is convenient to Interstate 405 providing north/south access throughout the area.
280	260	733805	0030	106,281	2986954	\$48,100,000	5/9/19	\$453	The Offices at Riverpark	1	Y	Colony Capital Inc. sold the Offices at Riverpark to KBS Realty Advisors on 5/19/2019 for \$48,100,000 (\$452/SF) in a fair market transaction. Per Broker's press release, "This well-located, multi-tenant suburban office asset received strong interest from a host of pension fund advisors and separate account core-plus buyers," said Shannon. "Given the compelling strength of Seattle's Eastside office market, the quality of the asset, the stable in-place cash flow, and the recent leasing velocity, the bidding environment was highly competitive." The property consists of a 5-story Class A multi-tenant office building that is part of the master-planned Riverpark development that also includes an apartment and hotel. The building is one of the only Class A office buildings in the downtown Redmond area. The property features LEED Silver certification, 22,000 SF floor plates, parking at 3/1,000SF, load factors of 9% single tenant and 12% multi-tenant, as well as a good location within walking distance of Redmond Town Center and near the site of a future light rail station. The property was reportedly 100% fully leased at the time of sale.



## NORTHEND SALES

AREA 280 MAJOR OFFICE BUILDING SALES											
Area	Nbhd	Major Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	300	408330 985	213,566	3158607	\$219,975,000	11/15/21	\$1,030	1621 N 34TH ST	1	Y	Bio-Bed Realty acquired the NorthEdge building from Clarion Partners on 11/16/2021 for \$220,000,000 \$739/SF in a fair market transaction. The NorthEdge property consists of a newly built 4-story Class A single-tenant office lowrise with ground floor retail space and underground parking with 312-stalls. The improvements were constructed in 2016 and contain a net rentable area of 213,566 SF. The property benefits from its location on the north end of Lake Union which provides unobstructed views as well as easy access to the Burke-Gilman Trail and Gas Works Park. In July 2015 Tableau announced that it had leased all of the office space in the property which was under construction at that point. Tableau's lease term is 11-years at an initial lease rate is \$36/SF NNN increasing to \$47/SF NNN at the end of the term. Tableau also has two, 7-year options to extend. Retail space is leased at \$32/SF NNN. The property was 100% leased at the time of sale and traded at a 4.25% cap rate based on income in place.
280	300	114200 0550 0530	223,216	3025357	\$157,000,000	12/12/19	\$703	ROOSEVELT COMMONS (BLDG. A - UW + CHILDRENS)	2	Y	Intercontinental Real Estate Corp acquired the two building Roosevelt Commons from DWS Group on 12/12/2019 for \$157,000,000 or \$508/SF in a fair market transaction on a multi-parcel transaction. Roosevelt Commons was built in 2002 and consists of 2, five & six story Class A office buildings containing a total net rentable area of 223,216 SF. ATOS, the reported vacancy was 0% and traded on a 5.30% cap rate. Buyer's motivation was to acquire a high-grade asset in the University District. Per Jessica Levin, "We have been searching for the ideal Seattle office investment with a particular focus on the U-District which is in the early phases of tremendous change. The combination of the new light rail station, new up-zoning which calls for increased density in the area, and the University of Washington's master plan, will certainly reshape the U-District. We believe we are getting in at an opportune time in the U-District's lifecycle."
280	310	243490 0010 0020	200,558	3153172	\$72,300,000	10/20/21	\$360	155 NE 100TH ST	2	Y	Nicola Wealth has acquired the three building low-rise office portfolio (Northgate Executive Center) from Gateway Murland Inc. on 10/20/2021 for \$72,300,000 or \$360/SF in a fair market transaction. The three building campus was of average/good quality and built between 1974 & 1979 and exhibited an effective age of 2000. The subject's improvements consists of three, 3-story Class A/B office buildings containing a total net rentable area of 200,558/SF. ATOS, the the vacancy was +/-14% with no reported cap rate. Per buyers press release, "Northgate Executive Center is an unparalleled, maturing urban location with immediate access to rapid transit, numerous amenities, and the opportunity for future re-development with the addition of significant multifamily rental product." Schaeffers adds, "The property is located within a rapidly changing submarket that includes Northgate Mall undergoing a major renovation to accommodate the Seattle Kraken practice facility."

## SOUTHEND SALES

AREA 280 MAJOR OFFICE BUILDING SALES												
Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Par. Ct.	Ver. Code	Remarks
280	410	012204	9012	218,516	3002807	\$39,000,000	8/1/19	\$178	CenterPoint Corporate Park - Creekside	1	Y	Lake Washington Partners acquired Creekside At Centerpoint Office buildings from Menashe Properties 8/1/2019 for \$39,000,000 or \$178/SF in a fair market transaction. Creekside at Centerpoint was built in 1984 and consists of 3, four story Class A-/B+ office buildings containing a total net rentable area of 218,586 SF. ATOS, the vacancy was 2.5% with a reported cap rate of 5.70%. The property was occupied by a diverse tenant base and a high retention rate. Seller motivation was 1031 exchange while buyer's motivation was desire for long-term cash flow and portfolio management.
280	420	192305	9001	407,107	3026251 3026252 3026253	\$62,950,018	12/17/19	\$155.00	TRITON TOWER ONE, TWO, & THREE	3	Y	Cerberus Capital Management acquired the three building Triton Towers Office Campus from Hines on 12/19/2019 for \$63,000,000 in separate but simultaneous fair market transaction. After personal property was considered the recorded over-all sales price was \$62,950,018 or \$155 SF which equates to \$25,966,725 for Tower 1 (E#3026251); \$11,285,613 for Tower 2 (E#3026252); and \$25,697,680 for Tower 3 (E#3026253). Triton Towers was built between 1986-1987 (Renovated in 2010-2012) and consists of three Class A office buildings containing a total net rentable area of 407,107 SF. ATOS, the reported overall vacancy was 60%, with building two being 100% vacant due to Boeing vacating the property. The campus has ample parking with easy access to I-405.
280	440	766620	7075	347,874	3146865	\$251,250,000	9/17/21	\$722	1501 1ST AVE S	1	Y	Jamestown, L.P. acquired the two office/high-tech building portfolio (ak Home Plate Center) from American Life on 9/17/2021 for \$251,250,000 or \$722.24/SF in a fair market transaction. The two building portfolio was of good/excellent quality and built in 2012 which exhibited an effective age of 2015. The subject's improvements consists of an 6 & 7-story Class A office buildings containing a total net rentable area of 347,874/SF and is located near T-Mobile Park and Lumen Field and has direct access to I-90 and I-5. ATOS, The property was 94% leased to a diverse roster of tenants working within technology, software, TV broadcasting, and government. Tenants include Facebook subsidiary Oculus, local news network KING 5, and Verizon. Per Press Release, "With its large and growing tech industry, highly-educated work force, and proximity to nature, Seattle continues to be one of the most desirable urban centers in the country," said Michael Phillips, President of Jamestown. "We believe Home Plate Center presents a long-term differential value to a diverse range of tenants given its tremendous Interstate access, ample parking, large floor plates, and location at the northern gateway of SoDo." The two state-of-the-art buildings are LEED Gold certified and feature 12' - 17.5" slab-to-slab ceiling heights, outdoor decks with Seattle skyline views, bicycle storage along with shower and locker facilities, a "Great Room" lobby with in floor radiant heating and efficient, large floor plates.

# USPAP Compliance

## Client and Intended Use of the Appraisal:

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

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

## Definition and date of value estimate:

### Market Value

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

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

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

### Highest and Best Use

Specialty Area 280  
2022 Assessment Year



### **RCW 84.40.030**

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

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

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

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

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

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

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

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

### **Date of Value Estimate**

### **RCW 84.36.005**

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

## **RCW 36.21.080**

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

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

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

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

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

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

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

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

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

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

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

## Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the Assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.



13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

### Scope of Work Performed:

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

### CERTIFICATION:

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

- *The statements of fact contained in this report are true and correct*
- *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *No significant real property assistance as determined by the undersigned. All services as may be variously defined significant or otherwise, and performed by duly authorized and qualified King County Assessment staff employed in the areas of Public Information, Accounting/Abstract,*

*Commercial, Residential, Information Services, Personal Property, Accounting/Mapping, Accounting/Support, Accounting/Appeals, Chief Appraiser, Accounting/Exemptions, Accounting/Levy Administration, who may have involvement in physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time, is made part of each real property parcel as a matter of public record and this certification by reference.*

- *Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed here: 2016-2018 Revalue. Any and all activities required under the Certificate of Appointment dated December 5<sup>th</sup>, 2011 under sworn oath appointing the below signed appraiser to the position of true and lawful deputy in the Office of the King County Assessor, and authorized by the State of Washington, Department of Revenue under a Certificate of Accreditation. To Wit: all duties, responsibilities, and services associated with the position description of Commercial Appraiser II in the management and valuation of Commercial Area 280. Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and to be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.*

Steven Roberts

7/15/2022

Commercial Appraiser II

Date

## Improvement Sales for Area 280 with Sales Used

07/10/2022

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.	Ver. Code	Remarks
280	100	069600	0175	197,135	3165752	\$118,663,466	12/22/21	\$601.94	5TH & BELL BUILDING (Amazon - Otter Bldg)	DMR/C 280/125	Office Building	3	69	Net Lease Sale; not in ratio
280	240	531510	1015	155,200	3162741	\$114,095,000	12/07/21	\$735.15	RIOT GAMES CORP. HEADQUARTERS (FMR. FARMERS HEADQUARTERS)	TC	Office Building	1	Y	
280	120	093900	0355	247,095	3159232	\$147,250,000	11/18/21	\$595.92	NORTON BUILDING	DMC 340/290-440	Office Building	1	Y	
280	300	408330	6985	213,566	3158607	\$219,975,000	11/15/21	\$1,030.01	NorthEdge (Tableau)	IC-65 (M)	Office Building	1	69	Net Lease Sale; not in ratio
280	310	243490	0010	200,558	3153172	\$72,300,000	10/20/21	\$360.49	NORTHGATE EXECUTIVE CENTER I	SM-NG 145	Office Building	2	Y	
280	230	042605	9008	95,194	3151521	\$27,300,000	10/07/21	\$286.78	NORTH CREEK PLACE 1	R 2800, OP	Office Building	1	Y	
280	220	322505	9134	150,340	3147484	\$84,100,000	09/23/21	\$559.40	LINCOLN PLAZA OFFICE PARK	OLB	Office Building	1	Y	
280	100	065900	0750	498,891	3146497	\$489,878,032	09/17/21	\$981.93	WEST 8TH (Amazon - Port 99 Bldg)	DOC2 500/300-550	Office Building	1	69	Net Lease Sale; not in ratio
280	440	766620	7075	347,874	3146865	\$251,250,000	09/17/21	\$722.24	HOME PLATE CENTER	IC-85 (M)	Office Building	1	Y	
280	200	202505	9019	160,508	3144621	\$83,834,518	09/10/21	\$522.31	CORPORATE CAMPUS EAST BLDGS E, F, G, & H	OLB	Office Building	2	Y	
280	120	094200	0300	810,493	3143519	\$465,000,000	09/01/21	\$573.72	SAFECO PLAZA / 1001 FOURTH AVENUE	DOC1 U/450/U	Office Building	1	Y	
280	210	322505	9181	244,023	3141744	\$143,200,000	08/27/21	\$586.83	110 ATRIUM (Dist C)	DNTN-MU	Office Building	1	Y	
280	110	610845	0100	7,753	3138430	\$4,000,000	08/05/21	\$515.93	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	MIO-200-HR	Condominium(Office)	1	Y	
280	100	065300	0250	344,779	3136400	\$184,895,692	07/26/21	\$536.27	2601 ELLIOTT (SEATTLE TRADE AND TECHNOLOGY CENTER)	DH2/75	Office Building	2	Y	
280	240	128360	0060	281,913	3130686	\$124,945,000	07/07/21	\$443.20	EASTGATE OFFICE PARK	O	Office Building	1	Y	
280	200	202505	9202	136,759	3127233	\$62,000,000	06/18/21	\$453.35	CORPORATE CAMPUS EAST BLDGS A & B	OLB	Office Building	3	Y	
280	120	863423	0010	747,312	3112185	\$579,386,461	04/01/21	\$775.29	300 PINE STREET	DRC 85-170	Historic Prop(Retail)	1	69	Net Lease Sale; not in ratio
280	120	863423	0020	747,312	3112184	\$579,386,461	04/01/21	\$775.29	300 PINE STREET	DRC 85-170	Historic Prop(Office)	1	69	Net Lease Sale; not in ratio
280	120	197470	0175	705,530	3089846	\$704,000,000	12/21/20	\$997.83	2+U Building	DOC1 U/450/U	Office Building	3	69	Net Lease Sale; not in ratio
280	130	684770	0105	158,433	3090092	\$120,985,000	12/21/20	\$763.64	AMAZON - YALE & THOMAS BUILDING	SM-SLU 100/95	Office Building	1	69	Net Lease Sale; not in ratio
280	100	066000	0650	668,342	3089824	\$588,714,529	12/18/20	\$880.86	1918 Eighth Office Tower & ec parcels 0635 & 0639	DOC2 500/300-550	Office Building	3	69	Net Lease Sale; not in ratio
280	250	172505	9114	52,948	3089307	\$44,950,000	12/17/20	\$848.95	WATERFRONT PLACE	PLA 15A	Office Building	1	Y	
280	200	272505	9103	143,191	3084640	\$52,290,000	11/23/20	\$365.18	OVERLAKE 520 (fmr OAKHURST CENTER)	BR-OR	Office Building	1	Y	Sold together with E#3084639
280	210	104700	0005	137,349	3072744	\$72,000,000	09/29/20	\$524.21	COLUMBIA WEST BUILDING (Dist C)	DNTN-MU	Office Building	1	Y	
280	220	793330	0150	396,913	3069328	\$362,203,562	09/14/20	\$912.55	SPRING DISTRICT MASTER THE	BR-OR-1	Office Building	1	69	Net Lease Sale; not in ratio
280	240	112405	9015	45,636	3041665	\$19,000,000	04/03/20	\$416.34	I-90 Corporate Campus (Legacy I-90) - BLDG. A	OLB2	Office Building	1	Y	
280	210	154410	0316	416,850	3038517	\$401,460,000	03/12/20	\$963.08	TOWER 333 (fmr EXPEDIA BUILDING)	DT-O-2-S	Office Building	1	69	Net Lease Sale; not in ratio
280	110	610845	0145	2,352	3028210	\$1,400,000	12/31/19	\$595.24	NORDSTROM ELMER J MEDICAL TOWER CONDOMINIUM	MIO-200-HR	Condominium(Office)	2	Y	
280	240	431980	0010	296,279	3028054	\$114,487,539	12/27/19	\$386.42	CASCADE YARD III - (Econ. Unit For Imps. on #0020)	EG-TOD	Office Building	7	Y	
280	130	199120	1265	317,442	3027601	\$270,100,000	12/23/19	\$850.86	Amazon - Apollo Bldg (Phase 8)	SM-SLU 175/85-280	Office Building	1	69	Net Lease Sale; not in ratio
280	120	515850	0030	515,518	3026947	\$457,950,000	12/19/19	\$888.33	F5 TOWER & LOTTE HOTEL	DOC1 U/450/U	Office Building	2	69	Net Lease Sale; not in ratio
280	210	104360	0040	749,694	3026904	\$585,022,103	12/19/19	\$780.35	THE BRAVERN (Core)	DT-O-2-E	Condominium(Mixed Use)	2	69	Net Lease Sale; not in ratio
280	210	292505	9271	475,550	3027249	\$288,000,000	12/19/19	\$605.61	One Twelfth @ Twelfth	DT-OLB-N	Office Building	1	Y	
280	100	065900	0555	215,183	3025984	\$97,000,000	12/17/19	\$450.78	PLAZA 600 BUILDING	DOC2 500/300-550	Office Building	1	Y	
280	420	192305	9001	407,107	3026251 3026252 3026253	\$62,950,018	12/17/19	\$154.63	TRITON TOWER ONE, TWO, & THREE	CO	Office Building	3	Y	Three parcel sale together with - 9023 (E#3026253) & -0542 (E#3026251)
280	300	114200	0550	223,216	3025357	\$157,000,000	12/12/19	\$703.35	ROOSEVELT COMMONS Bldg A: Seattle Childrens & UW	SM-U 95-320 (M1)	Office Building	2	Y	

## Improvement Sales for Area 280 with Sales Used

07/10/2022

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.	Ver. Code	Remarks
280	100	066000	1135	305,837	3025325	\$206,150,000	12/05/19	\$674.05	1800 NINTH (Amazon - Alexandria Bldg)	DMC 340/290-440	Office Building	1	69	Net Lease Sale; not in ratio
280	240	112405	9124	265,858	3022534 3022533 3022532	\$117,000,000	11/25/19	\$440.08	90 NORTH - BLDG. 1, 2, 3	OLB2	Office Building	3	Y	Three parcel sale together with - 9126 (E#3022533) & -9130 (E#3022532)
280	130	199120	1150	190,798	3019242	\$204,185,000	11/05/19	\$1,070.16	Arbor Blocks West - Facebook	SM-SLU 85-280	Office Building	5	69	Net Lease Sale; not in ratio
280	130	199120	1295	197,274	3019241	\$210,785,000	11/05/19	\$1,068.49	Arbor Blocks East - Facebook	SM-SLU 85-280	Office Building	1	69	Net Lease Sale; not in ratio
280	120	197670	0185	316,799	3018392	\$176,868,000	10/31/19	\$558.30	PARK PLACE OFFICE BLDG	DOC1 U/450/U	Office Building	2	Y	
280	120	197720	0020	94,333	3018365	\$52,900,000	10/31/19	\$560.78	FIRST & STEWART BUILDING	DMC-145	Office Building	1	Y	
280	120	930150	0010	365,674	3016086	\$235,767,812	10/17/19	\$644.75	WESTLAKE CENTER	DRC 85-170	Office Building	1	Y	
280	220	066287	0010	109,514	3011225	\$48,399,583	09/20/19	\$441.95	GATEWAY ONE BLDG	OLB	Office Building	1	Y	
280	200	172505	9044	129,220	3011068	\$47,750,000	09/18/19	\$369.52	LEGACY CROWN POINTE BLDG D	PR 8.5	Office Building	4	Y	
280	120	065900	0085	292,038	3010091	\$112,848,500	09/13/19	\$386.42	MEDICAL DENTAL BUILDING	DRC 85-170	Historic Prop(Office)	1	Y	
280	240	813530	0060	477,118	3009728	\$211,724,805	09/11/19	\$443.76	SUNSET RIDGE BLDG. #3 - SUNSET NORTH	OLB	Office Building	5	Y	
280	200	124270	0025	89,848	3005923	\$32,650,000	08/20/19	\$363.39	CENTRA OFFICE PARK - WEST BLDG	OLB	Office Building	2	Y	
280	410	012204	9012	218,585	3002807	\$39,000,000	08/01/19	\$178.42	CenterPoint Corporate Park - Creekside	M1	Office Building	1	Y	
280	200	202505	9019	152,999	3001069	\$55,250,000	07/23/19	\$361.11	CORPORATE CAMPUS EAST BLDGS E, F, G, & H	OLB	Office Building	2	26	Imp changed after sale; not in ratio
280	120	094200	0365	541,190	2997084	\$304,489,775	07/01/19	\$562.63	901 FIFTH AVENUE (FORMER BK OF CAL OFFICE)	DOC1 U/450/U	Office Building	1	Y	
280	120	197570	0080	943,575	2997152	\$611,774,000	06/28/19	\$648.36	US Bank Centre	DRC 85-170	Office Building	2	Y	
280	130	880790	0130	203,225	2991393	\$118,300,000	05/31/19	\$582.11	WESTLAKE UNION CENTER- 1501 WESTLAKE	C2-65	Office Building	1	Y	
280	200	202505	9242	88,642	2989613	\$32,111,250	05/24/19	\$362.26	EVERGREEN OFFICE PARK I	O	Office Building	2	Y	
280	120	859140	0005	160,164	2987947	\$36,990,000	05/15/19	\$230.95	COLMAN BUILDING	DMC-170	Historic Prop(Office)	1	Y	
280	260	733805	0030	106,281	2986954	\$48,100,000	05/09/19	\$452.57	RIVERPARK REDMOND (HYATT HOUSE HOTEL)	RVBD	Condominium(Mixed Use)	1	Y	
280	240	606763	0020	963,469	2982366	\$467,500,000	04/10/19	\$485.23	TWO NEWPORT	F3	Office Building	5	69	Net Lease Sale; not in ratio
280	130	869200	0010	802,928	2979080	\$739,885,000	03/26/19	\$921.48	Amazon Houdini N & S Bldgs (fmr TROY BLOCK)	SM-SLU 175/85-280	Office Building	2	69	Net Lease Sale; not in ratio
280	120	094200	0470	934,806	2971386	\$539,199,583	01/25/19	\$576.80	800 Fifth Avenue	DOC1 U/450/U	Office Building	1	Y	
280	130	684770	0105	158,433	2970605	\$115,985,000	01/16/19	\$732.08	YALE & THOMAS BUILDING (former Pemco HQ)	SM-SLU 100/95	Office Building	3	69	Net Lease Sale; not in ratio
280	140	093900	0060	264,492	2970914	\$137,870,000	01/16/19	\$521.26	SMITH TOWER	PSM-245	Historic Prop(Office)	2	Y	
280	120	093900	0260	336,355	2969806	\$151,000,000	01/10/19	\$448.93	DEXTER HORTON BUILDING	DMC 340/290-440	Office Building	1	Y	

**Improvement Sales for Area 280 with Sales not Used**

07/10/2022

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.	Ver. Code	Remarks
280	210	154410	0320	304,494	3134801	\$65,000	07/26/21	\$0.21	Civica Office Commons (Core)	DNTN-MU	Office Building	1	24	Easement or right-of-way
280	210	154410	0219	477,899	3131099	\$47,000,000	07/08/21	\$98.35	KEY CENTER (Core)	DNTNO-1	Office Building	2	52	Statement to dor
280	240	006000	0030	601,081	3103648	\$169,000,000	03/05/21	\$281.16	MICROSOFT ADVANTA - BLDG C	OLB-OS	Office Building	4	33	Lease or lease-hold
280	240	531510	1015	155,200	3043248	\$46,450,000	04/14/20	\$299.29	MERCER PARK (FMR. FARMERS HEADQUARTERS)	TC	Office Building	1	N	
280	210	154410	0254	353,552	3037565	\$250,000	03/04/20	\$0.71	ONE BELLEVUE CENTER (Core)	DNTNO-1	Office Building	1	24	Easement or right-of-way
280	260	720241	0130	110,708	3028029	\$30,000,000	12/30/19	\$270.98	REDMOND TOWN CENTER (fmr Macy's Bldg)	TWNC	Office Building	1	59	Bulk portfolio sale
280	430	332304	9001	532,430	3002776	\$30,128,800	07/24/19	\$56.59	SeaTac Office Center	CB-C	Office Building	2	18	Quit claim deed
280	210	068599	0010	256,830	2983902	\$194,920,000	04/19/19	\$758.95	BELLEVUE CORPORATE PLAZA (Core)	DNTNO-1	Office Building	2	65	Plans and permits
280	250	246540	0080	70,019	2977985	\$53,000,000	03/18/19	\$756.94	LAKE WASHINGTON PARK	PR 3.6	Office Building	1	46	Non-representative sale
280	260	131830	0020	101,252	2973418	\$200	02/12/19	\$0.00	REDMOND TECHNOLOGY CENTER	BP	Office Building	1	32	\$1,000 sale or less
280	430	092204	9415	281,805	2971622	\$14,693,290	01/28/19	\$52.14	FAA - Northwest Mountain Region HQ	B-P	Office Building	4	33	Lease or lease-hold
280	430	092204	9415	281,805	2971623	\$6,297,124	01/28/19	\$22.35	FAA - Northwest Mountain Region HQ	B-P	Office Building	4	33	Lease or lease-hold

## Physical Inspection 2022 - Major Offices

Cml Spec Area	Cml Spec Nbhd	Major	Minor	Situs Addr
280	240	006000	0010	3007 160TH AVE SE
280	240	006000	0020	3009 160TH AVE SE
280	240	006000	0030	3003 160TH AVE SE
280	240	006000	0040	
280	230	042605	9008	12100 NE 195TH ST
280	100	066000	0325	2200 7TH AVE
280	100	066000	0335	2210 7TH AVE
280	100	066000	0340	2220 7TH AVE
280	100	066000	0345	
280	100	066000	0355	
280	100	066000	0375	2201 8TH AVE
280	260	067310	0022	1550 NE TURING ST
280	240	092405	9257	3535 128TH AVE SE
280	240	092405	9259	3545 FACTORIA BLVD SE
280	120	111708	0000	1601 2ND AVE
280	240	112405	9015	3350 161ST AVE SE
280	240	112405	9124	3265 160TH AVE SE
280	240	112405	9126	3255 160TH AVE SE
280	240	112405	9130	3106 160TH AVE SE
280	240	112405	9131	3076 160TH AVE SE
280	240	112405	9141	
280	200	124270	0025	11808 NORTHUP WAY
280	200	124270	0030	11820 NORTHUP WAY
280	250	124870	0053	469 CENTRAL WAY
280	250	124870	0135	550 KIRKLAND WAY
280	240	128359	0010	3326 160TH AVE SE
280	240	128359	0020	3200 160TH AVE SE
280	240	128360	0060	15325 SE 30TH PL
280	240	128362	0010	15900 SE EASTGATE WAY
280	260	131830	0020	18300 REDMOND-FALL CITY RD
280	200	172505	9044	4040 LAKE WASHINGTON BLVD
280	200	172505	9303	4030 LAKE WASHINGTON BLVD
280	250	172505	9058	1200 CARILLON PT
280	250	172505	9114	5209 LAKE WASHINGTON BLVD NE
280	250	172505	9120	5245 LAKE WASHINGTON BLVD
280	200	202505	9019	3009 112TH AVE NE
280	200	202505	9035	
280	200	202505	9097	3075 112TH AVE NE
280	200	202505	9101	11000 NE 33RD PL
280	200	202505	9102	11120 NE 33RD PL
280	200	202505	9162	10220 POINTS DR NE
280	200	202505	9202	3025 112TH AVE NE
280	200	202505	9240	10230 POINTS DR NE
280	200	202505	9242	10940 NE 33RD PL



## Physical Inspection 2022 - Major Offices

Cml Spec Area	Cml Spec Nbhd	Major	Minor	Situs Addr
280	200	202505	9245	3055 112TH AVE NE
280	200	202505	9259	10210 POINTS DR NE
280	200	202505	9260	3951 LAKE WASHINGTON BLVD NE
280	240	222406	9044	22833 SE BLACK NUGGET RD
280	250	246540	0080	5808 LAKE WASHINGTON BLVD NE
280	200	272505	9103	14335 NE 24TH ST
280	240	282406	9363	1180 NW MAPLE ST
280	250	282605	9170	11800 NE 128TH ST
280	250	292605	9156	12131 113TH AVE NE
280	240	320570	0000	401 NE BLAKELEY ST
280	240	355750	0025	1010 LAKE DR
280	240	355750	0270	1045 LAKE DR
280	250	390016	0000	
280	230	392700	0070	20309 NORTH CREEK PKWY
280	230	392700	0080	20205 NORTH CREEK PKWY
280	230	392700	0095	11714 NORTH CREEK PKWY N
280	230	392700	0130	20111 120TH AVE NE
280	230	392700	0150	11831 NORTH CREEK PKWY N
280	230	392700	0160	20000 NORTH CREEK PKWY
280	230	392700	0170	19900 NORTH CREEK PKWY
280	230	392700	0180	19910 NORTH CREEK PKWY
280	230	392700	0190	19800 NORTH CREEK PKWY
280	230	392700	0200	19820 NORTH CREEK PKWY
280	230	392700	0210	20021 120TH AVE NE
280	230	392700	0230	19909 120TH AVE NE
280	230	392700	0270	11724 NE 195TH ST
280	230	392700	0280	11724 NE 195TH ST
280	230	392700	0290	11724 NE 195TH ST
280	200	410450	0270	4010 NE LAKE WASHINGTON BLVD
280	200	410450	0275	4020 NE LAKE WASHINGTON BLVD
280	240	431980	0010	3245 146TH PL SE
280	240	431980	0020	3300 146TH PL SE
280	240	431980	0030	3310 146TH PL SE
280	240	431980	0040	3290 146TH PL SE
280	240	431980	0050	3380 146TH PL SE
280	240	431980	0060	14432 SE EASTGATE WAY
280	240	431980	0070	3300 146TH PL SE
280	250	517270	0010	720 4TH AVE
280	240	531510	0546	7525 SE 24TH ST
280	240	531510	1015	3003 77TH AVE SE
280	240	606763	0010	3605 132ND AVE SE
280	240	606763	0020	3625 132ND AVE SE
280	240	606763	0030	3650 131ST AVE SE
280	240	606763	0040	3655 131ST AVE SE

Physical Inspection 2022 - Major Offices				
Cml Spec Area	Cml Spec Nbhd	Major	Minor	Situs Addr
280	240	606763	0050	12920 SE 38TH PL
280	240	606763	0060	3617 131ST AVE SE
280	230	697920	0050	18911 NORTH CREEK PKWY
280	260	720241	0100	16331 NE 72ND WAY
280	260	720241	0130	
280	260	720241	0150	7332 166TH AVE NE
280	250	788260	0120	451 7TH AVE S
280	250	788260	0175	
280	250	788260	0180	777 6TH ST S
280	250	788260	0220	423 6TH ST S
280	110	794260	0330	528 17TH AVE
280	240	813530	0020	13810 SE EASTGATE WAY
280	240	813530	0060	3180 139TH AVE SE
280	240	813530	0070	3150 139TH AVE SE
280	240	813530	0080	3120 139TH AVE SE
280	240	813530	0090	3100 139TH AVE SE



## King County

### Department of Assessments

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**John Wilson**

*Assessor*

As we start preparations for the 2022 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, 2022 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standards 5 and 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

Specialty Area 280

2022 Assessment Year



**Department of Assessments**