

**Commercial Revalue**

**2014 Assessment roll**

# **AREA 80**

**King County, Department of Assessments  
Seattle, Washington**

**Lloyd Hara, Assessor**



## **King County**

**Department of Assessments**

**Accounting Division**

500 Fourth Avenue, ADM-AS-0740

Seattle, WA 98104-2384

(206) 205-0444 FAX (206) 296-0106

Email: [assessor.info@kingcounty.gov](mailto:assessor.info@kingcounty.gov)

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

***Lloyd Hara***  
***Assessor***

Dear Property Owners:

Property assessments for the 2014 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2014 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

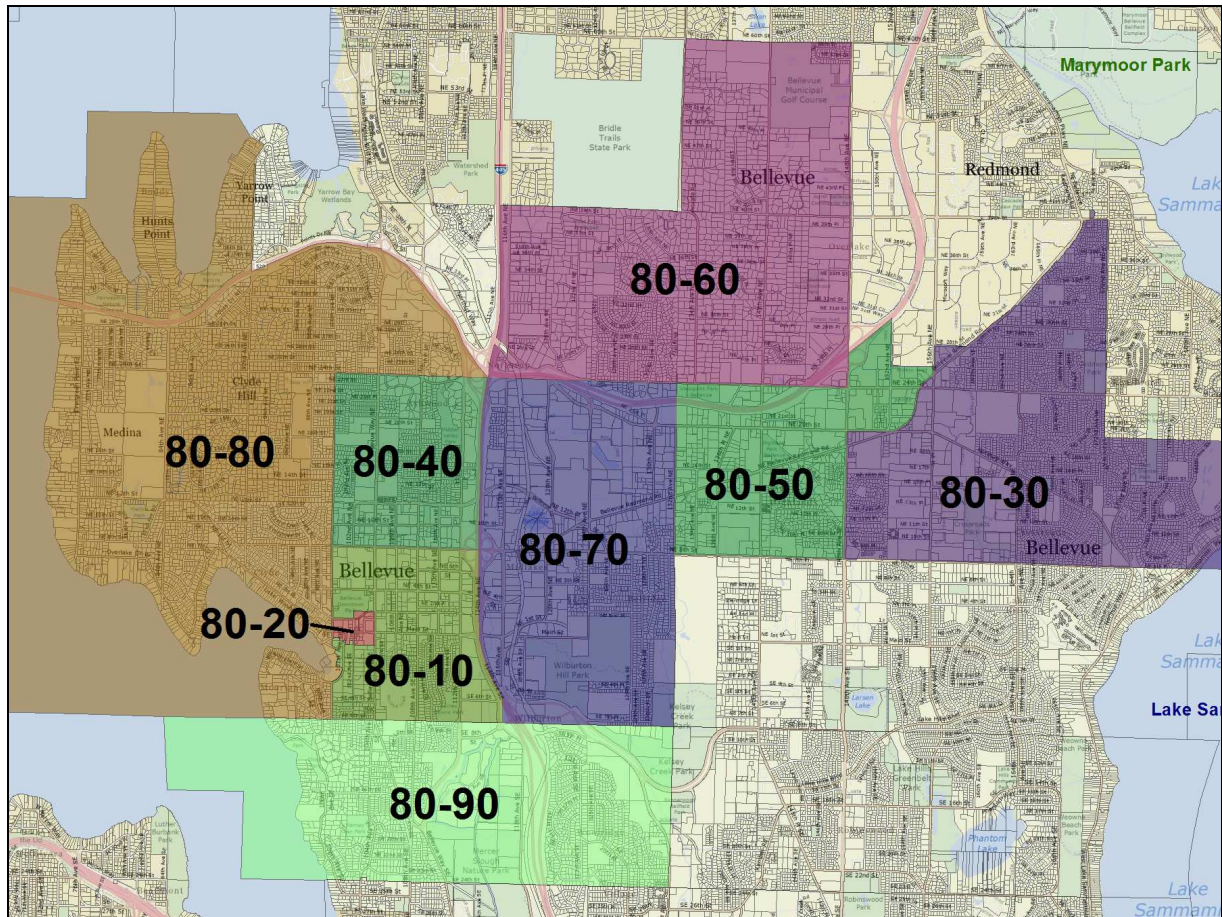
Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

Please feel welcome to call my staff if you have questions about the property assessment process and how it relates to your property.

Sincerely,

Lloyd Hara  
Assessor

# Area 80



## Neighborhoods

- 80-10 – Bellevue CBD
- 80-20 – Old Bellevue
- 80-30 – Crossroads
- 80-40 – North Bellevue CBD
- 80-50 – Overlake I
- 80-60 – Overlake II
- 80-70 – Midlakes
- 80-80 – Northwest Bellevue
- 80-90 – South Bellevue

## Executive Summary Report

**Appraisal Date 1/1/2014- 2014 Assessment Year**

**Quadrant Name: Northeast King County Commercial Area**

**Geographic Area: 80**

**Previous Physical Inspection: 1/2013**

### **Sales – Improved Summary:**

Number of Sales: 48

Range of Sales Dates: 03/13/2011 – 12/23/2013

### **Sales – Ratio Study Summary:**

<b>Sales--Improved Valuation Change Summary</b>				
	Mean Assessed Value	Mean Sale Price	Ratio	COD*
2013 Value	\$4,653,300	\$5,258,300	88.50%	14.60%
2014 Value	\$4,869,900	\$5,258,300	92.60%	10.59%
Abs. Change	\$216,600		4.10%	-4.01%
% Change	4.65%		4.63%	-27.47%

\*COD is a measure of uniformity, the lower the number the better the uniformity

\*COD is a measure of uniformity, the lower the number the better the uniformity. The negative change of -27.47% actually represent an improvement.

Sales used in analysis: All improved sales that were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are: sales that are leased back to the seller; sold as a portion of a bulk portfolio sale; sales that had major renovation after sale, or have been segregated or merged since being purchased.

### **Population - Parcel Summary Data:**

<b>Total Population - Parcel Summary Data</b>			
	Land	Improvements	Total
2013 Value	\$3,024,850,300	\$1,030,662,200	\$4,055,512,500
2014 Value	\$3,144,430,101	\$1,104,918,515	\$4,249,348,616
% Change	3.95%	7.20%	4.78%

Number of Parcels in the Population: **1,252**, excluding specialties

### **Conclusion and Recommendation:**

Total assessed values for the 2014 revalue have increased 4.76%. The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2013 Assessment Year.

## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2014

**Date of Appraisal Report:** April 21, 2014

### ***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 our 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. We find that 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 token value of \$1,000.00 is assigned to the improvements.

**Interim Use:** In many instances a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest that the land should be developed in a few years. Similarly, there may not be enough demand for office space to justify the construction of a multistory office building at the present time, but increased demand may be expected within five years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

The use to which the site is put until it is ready for its future highest and best use is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in a relatively short time.

**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 via field inspection.

**Special Assumptions and Limiting Conditions**

- All three approaches to value were considered in this appraisal.
- Sales from 01/01/2011 to 12/31/2013 (at minimum) were considered in all analyses.
- Time adjustments were not made to sales due to the lack of sales activity with which to consider for time trend analysis.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.



## Identification of the Area

### Name or Designation:

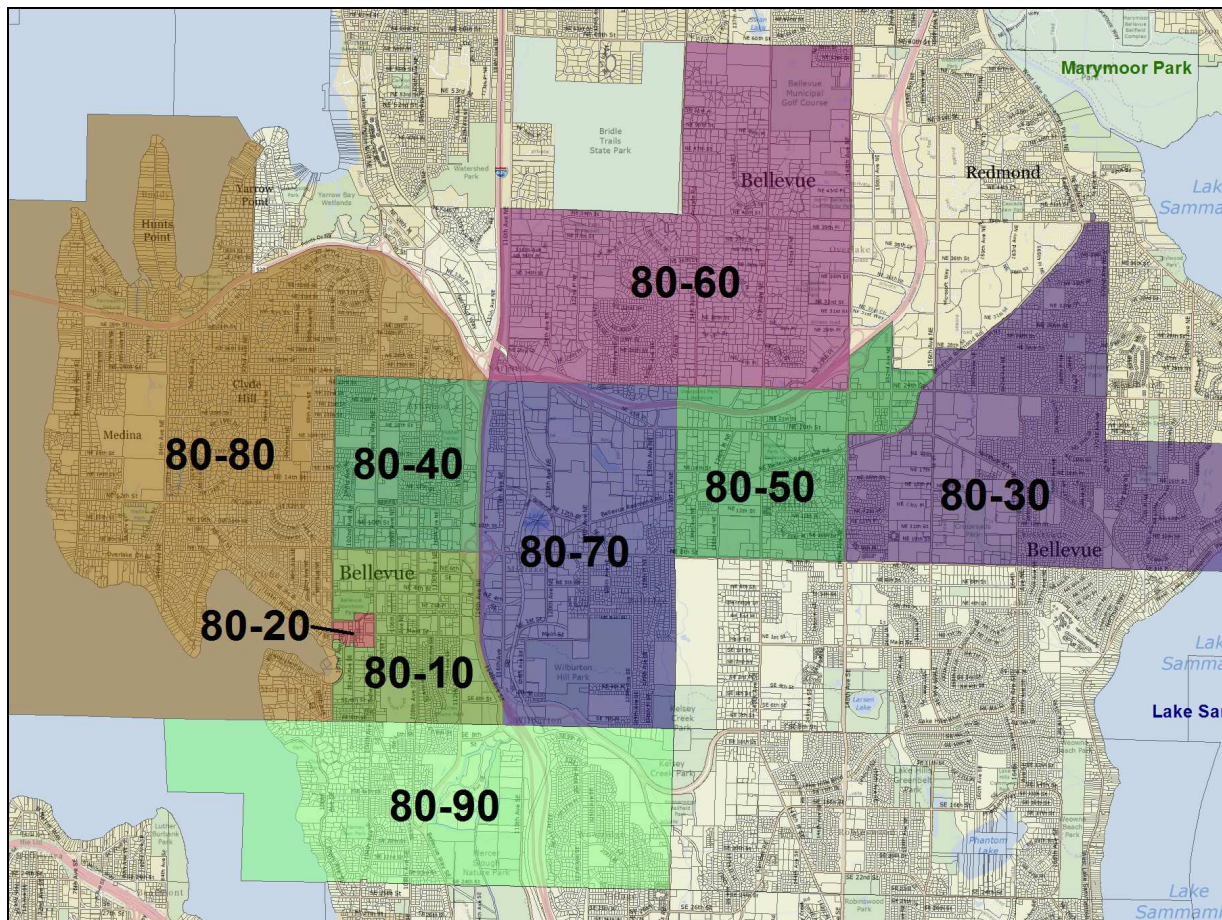
- Area 80 - Bellevue

### Boundaries:

- West – Lake Washington
- North –State Highway 520 west of I405 and NE 60<sup>th</sup> east of I405
- East – Lake Sammamish
- South –SE 24<sup>th</sup> St west of 132<sup>nd</sup> Ave SE and NE 8<sup>th</sup> to the east.

### Maps:

General maps of the area are included in this report. More detailed Assessor's maps are located in Public Information on the 7<sup>th</sup> floor of the King County Administration Building.



**Area Description:**

Geographic Area 80 primarily encompasses most of the city of Bellevue, north of Interstate-90. This area includes the downtown Bellevue Central Business District (CBD) and Old Bellevue (OB), both located west of I-405. To the east of I-405 is the Midlakes neighborhood, home to Bellevue's Auto Row, Overlake Hospital and medical/dental offices. Area 80 extends east to the Overlake area with its numerous shopping centers, office buildings, retail, and other small enterprises. The North Bellevue neighborhood includes the cities of Medina, Yarrow Point, Clyde Hill, and Hunts Point. This neighborhood serves the immediate residential properties with service stations, convenience stores, a nursery and eating establishments. In North Bellevue, many of the commercial properties are tax exempt such as schools, municipal offices, fire and police stations. The South Bellevue neighborhood extends from Main Street to Interstate-90. It is similar to the North Bellevue neighborhood with the commercial properties generally serving the nearby residential needs.

Geographic Area 80 has eight neighborhoods with a total of 1,252 parcels that have been established for valuation purposes.

**Background of Bellevue:**

Bellevue is the fifth largest city in the state of Washington with an area of approximately 36.47 square miles and a population of over 130,000. The city is located along the eastern shore of Lake Washington. Bellevue was founded in 1869 and incorporated as a city in 1953. It has the second largest downtown district in the state of Washington with its major retail, high rise office buildings, tall condominium towers, and other business establishments that include an active and vibrant nightlife. The city has established itself as a draw for high tech companies and has some of the finest retail shopping in the entire state. Bellevue has more than 133,000 jobs and managerial and professional sector type jobs are abundant. In recent years, it has been ranked as a top place to live in America by prominent magazines. Bellevue also offers many parks, open spaces, and numerous trails for outdoors enthusiasts. One of seven King County Metro base stations is located in the Midlakes section. Nationwide, Bellevue's high schools consistently rank at the top. There are four libraries in Bellevue and the downtown branch is the largest with an impressive amount of inventory. Old Bellevue, on Main Street, maintains its beauty and charm with tasteful remodels of existing older buildings and its newer buildings with architecture that enhance the upscale ambiance. Downtown living is easy with ample public transportation, plenty of shopping, plus other activities. The city has a corridor that connects the transit center to offices and shopping. Lincoln Square is connected to Bellevue Square and Place One through sky bridges. The Spring District, which is a 36 acre mixed use project at the intersection of I-405 and SR-520, has recently begun development, though occupancy isn't projected before 2015. A total of sixteen blocks will comprise a combination of mixed use urban development and it will have a direct connection to light rail. The project will contain six office buildings, a two acre park block, a hotel, retail, a 316 unit multi-family project, and present warehouses will be distilleries, tap houses, and/or restaurants. There's also an option to develop another 225 units on an adjoining parcel. Master revitalization plans for Bellevue that impact both, the downtown core as well as the Bel-Red corridor, are ongoing and expect to continue through 2030. Major considerations involve light rail and other transportation and design issues. The city is committed to providing



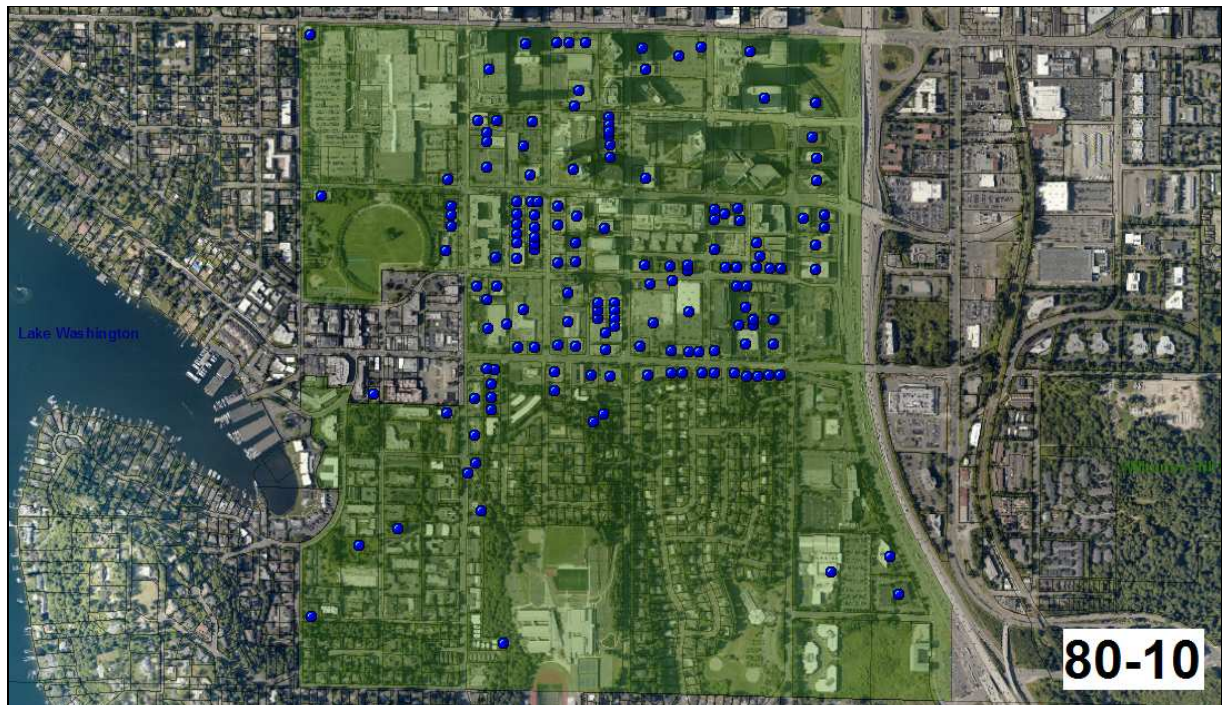
an atmosphere that not only retains but also attracts new businesses and other economic entities. Sensible fiscal forecasting and adequate infrastructure is crucial to achieve these efforts. New construction projects are in the pipeline and developers appear ready to start breaking ground. Bellevue's civic officers as well as private sector leaders comprehend the importance of trade and industry growth. The city has a reputation for being workable, feasible, and accessible. It has Puget Sound's second largest convention center. It is also headquarters to numerous companies that are involved in foreign commerce.

Bellevue is bordered by the city of Kirkland to the north, Redmond to the northeast, as well as Renton to the south and southeast. Mercer Island is located to the west across I-90 and Issaquah to the east. Neighborhoods within Bellevue include: West Bellevue, Northwest Bellevue, Northeast Bellevue, Bridle Trails, Crossroads, Wilburton, Woodridge, Factoria, Somerset Hill, Sammamish/East Bellevue, Lake Hills, Eastgate/Cougar Mountain, and Newport Hills.

### **Bellevue Central Business District: Area 80-10**

**Boundaries:** The Bellevue Central Business District is located at the heart of downtown Bellevue.

- North – NE 8<sup>th</sup> St
- South – SE 8<sup>th</sup> St
- West - 100<sup>th</sup> Ave NE
- East - 405 Freeway



**Neighborhood Description:** The downtown Bellevue Central Business District has experienced an increase in new development projects. Currently there are a total of four new development projects presently under construction within 80-10, with several more poised to break ground. In addition, the majority of land sales that occurred over the previous year were located in the downtown CBD, demonstrating the demand for new development in this area. Some major projects include:

***Under Construction:***



**Alamo Manhattan Main Street**

- 260 residential units
- 7,000 SF retail
- 319-stall underground garage



**SOMA Towers Phase I**

- 21 & 18 story towers
- 266 res. Units, 26,000 SF retail
- 395-stall underground garage



**Marriott Hotel**

- 376 rooms
- 7,500 SF restaurant
- 440-stall parking garage



**Bellevue Apartments / LIHI**

- 5 stories
- 57 apartment units
- 23 parking stalls

***Issued Land Use & Building Permits***

- **The Summit Building C** – 300,000 SF office; 652 parking stalls

***In Review Land Use & Building Permits***

- **Bellevue Square SE Cnr Expansion** – 220k SF retail; 204 hotel rooms; 239 res units
- **SOMA Phase II** – 15,000 SF commercial; 20-stories; 124-units
- **Goldsmith Plaza 305** – 195,340 SF office; 5,700 SF retail; 15-stories
- **Lincoln Square Expansion** – 545k SF office; 392k SF retail; 120 hotel rooms, 200 res
- **Bellevue Center** – 526,132 SF office; 24-stories; 1,258-stall parking garage

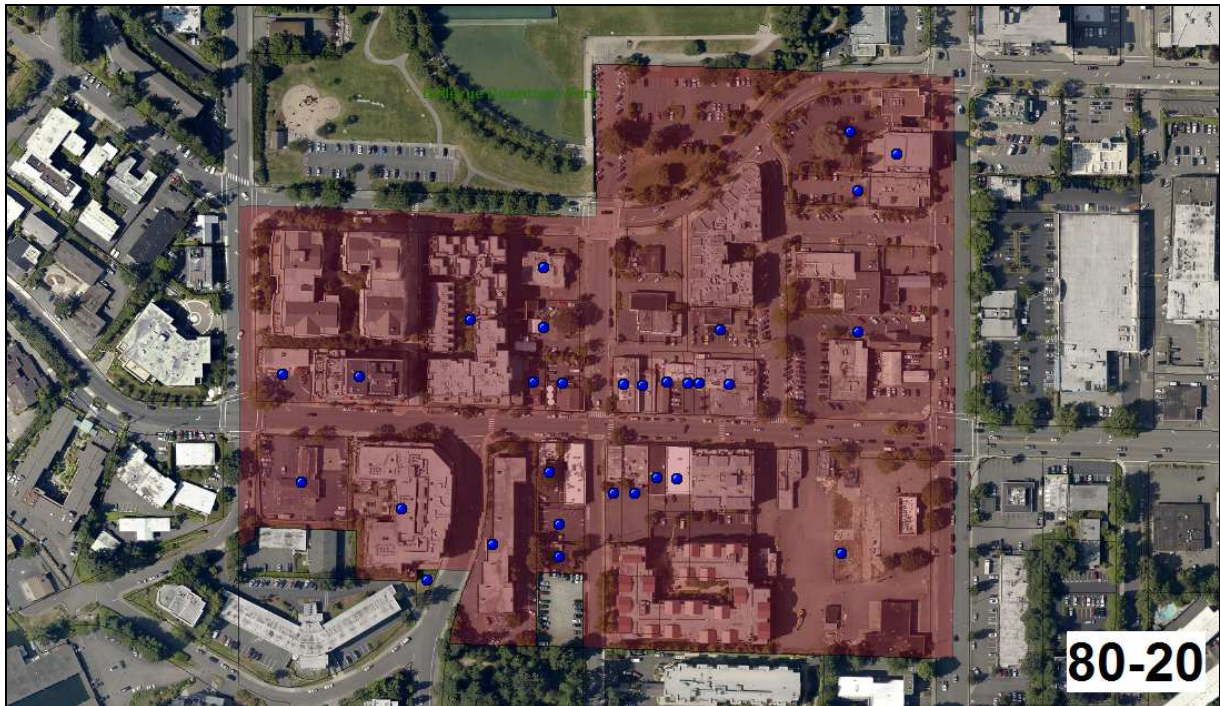
The Bellevue CBD has great access to public transportation. Landmark properties include: Bellevue Square, Lincoln Square, Meydenbauer Center, Bellevue Galleria, Bellevue Club, Residence Inn Hotel by Marriott, and The Bravern.



## **Old Bellevue: Area 80-20**

**Boundaries:** The Old Bellevue district is located just southwest of the Bellevue CBD.

- North – NE 1<sup>st</sup> St and NE 2<sup>nd</sup> St east of 102<sup>nd</sup> Ave NE
- South – SE 1<sup>st</sup> St
- West - 100<sup>th</sup> Ave NE
- East - Bellevue Way NE



**Neighborhood Description:** Old Bellevue consists of parcels that cluster around Main St between 100<sup>th</sup> Ave NE and Bellevue Way NE. This was Bellevue's original downtown sector. Old Bellevue is picturesque and affable: trendy retailers, boutiques, and gourmet eateries line Main Street. This area has also added mixed use apartment/condo buildings in recent years. As detailed below, there is currently one major project under construction in area 80-20, with two additional major projects that are either permitted or in review.



**Bellevue at Main/SRM**

- Under Construction
- 33,000 SF retail
- 262 residential units



**Bellevue Park II Apartments**

- Issued Design Review
- 175 residential units
- 180-stall parking garage



**Main Street Gateway**

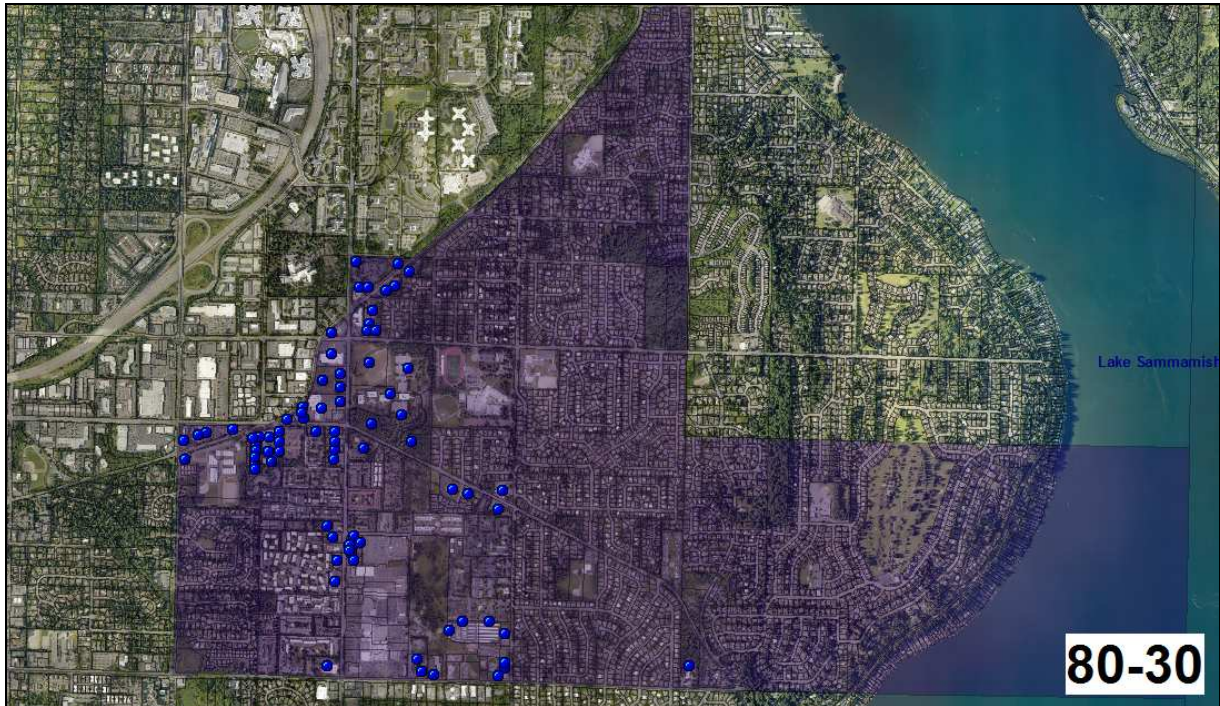
- In Review
- 24,475 SF commercial
- 369 residential units



### **Crossroads: Area 80-30**

**Boundaries:** The Crossroads area is located east of Bellevue.

- North – NE Bellevue Red Road
- South – NE 8<sup>th</sup> St
- West – 148<sup>th</sup> Ave NE
- East - 172<sup>nd</sup> Ave NE down to NE 20<sup>th</sup> St and Lake Sammamish



**Neighborhood Description:** The Crossroads area has an abundance of low rise office buildings and neighborhood shopping centers. The larger Crossroads Mall is found in this sub-area. Crossroads also encompasses a high number of apartment buildings and condominiums complexes. The east side of 80-30 consists primarily of single family homes with some tax exempt parcels like churches and schools. This neighborhood remains very active with its high density and large concentration of businesses. Goodman Real Estate recently broke ground on phase I of a two-phase, 269-unit apartment project where Angelo's Nursery formerly operated.



**GRE East Tower Phase II**



**GRE West Tower Phase I**

### **North Bellevue CBD: Area 80-40**

**Boundaries:** Area 80-40 consists of parcels located north of NE 8<sup>th</sup> in the downtown Bellevue CBD.

- North – NE 24<sup>th</sup> St
- South – NE 8<sup>th</sup> St
- West - 100<sup>th</sup> Ave NE
- East - 405 Freeway



**Neighborhood Description:** The North Bellevue CBD is the north half of the downtown Bellevue CBD and it is abundant with office buildings, retail, condominium and apartment buildings. Numerous medical buildings are clustered on 112<sup>th</sup> Ave NE, just north of NE 12<sup>th</sup>. The Downtown Residential zoning was geared for development of multifamily buildings located between 108<sup>th</sup> Ave NE and 112<sup>th</sup> Ave NE, just south of NE 12<sup>th</sup> St.

As summarized on the following page, there are currently two major projects under construction in area 80-40, with an additional four projects that are either permitted or in review. Significant properties in this sub-area are Place One Bellevue, Washington Square, The Belletini, and 989 Elements.



***Under Construction:***



**Alley III**

- 259 residential units
- 76,200 SF retail



**Park Metro/Evergreen Point Development**

- 75 residential units
- 35,000 SF commercial

***Issued Land Use & Building Permits***

- **Tateuchi Center** – 2,047 seat performance hall; 3-levels of underground parking
- **The Summit Building C/Bentall** – 300,000 SF office; 625-stall parking garage

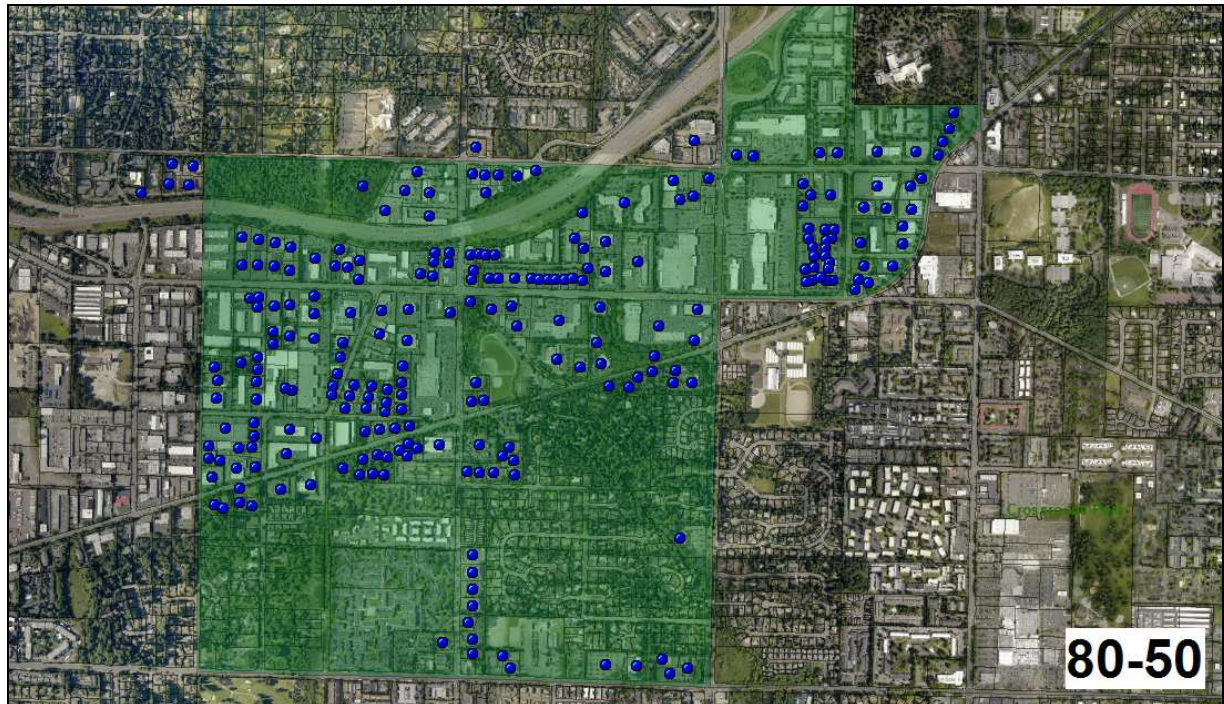
***In Review Land Use & Building Permits***

- **Pacific Regent Phase II** – 309 residential units; 194 parking stalls
- **Bellevue Office Tower** – 19-stories; detached 6-story parking garage above grade

**Overlake I: Area 80-50**

**Boundaries:** Area 80-50 is clustered along NE Bellevue Redmond Rd.

- North – NE 24<sup>th</sup> St
- South – NE 8<sup>th</sup> St
- West - 132<sup>nd</sup> Ave NE
- East - 156<sup>th</sup> Ave NE and Bel-Red Road





**Neighborhood Description:** Overlake I is the epicenter of the NE Bellevue Redmond Rd. Low rise 1970's and 1980's buildings, smaller neighborhood shopping centers, industrial properties, office parks, apartments, condominiums, and several high end automobile showrooms, including Rolls Royce are found in this area. The Bel-Red rezone by the City of Bellevue in 2009 has not significantly altered the character of this area yet. At the moment, there are no major development projects currently planned in this sub-area. It should be noted, however, that a massive project is planned to be developed adjacent to area 80-50 on the 28-acre former Group Health campus. Capstone Partners announced it plans to redevelop the site with up to 1.2 million square feet of office buildings, 1,400 residential units, and a 250-room hotel. The project is known as Esterra Park and the first phases are to begin construction in June 2014.

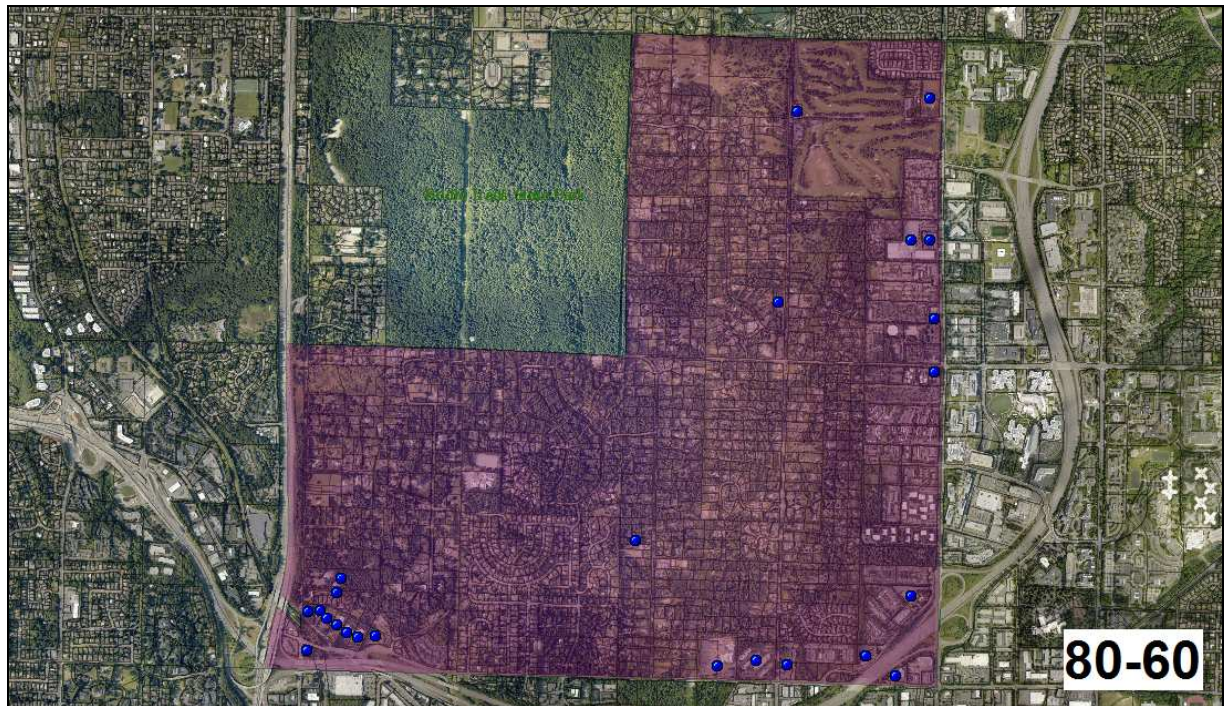


**Esterra Park**

### **Overlake II: Area 80-60**

**Boundaries:** The main street in area 80-60 is 148<sup>th</sup> Ave NE.

- North – NE 40<sup>th</sup> St up to 132<sup>nd</sup> Ave NE, then NE 60<sup>th</sup> St
- South – NE 24<sup>th</sup> St
- West - I 405 Freeway
- East - 148<sup>th</sup> Ave NE



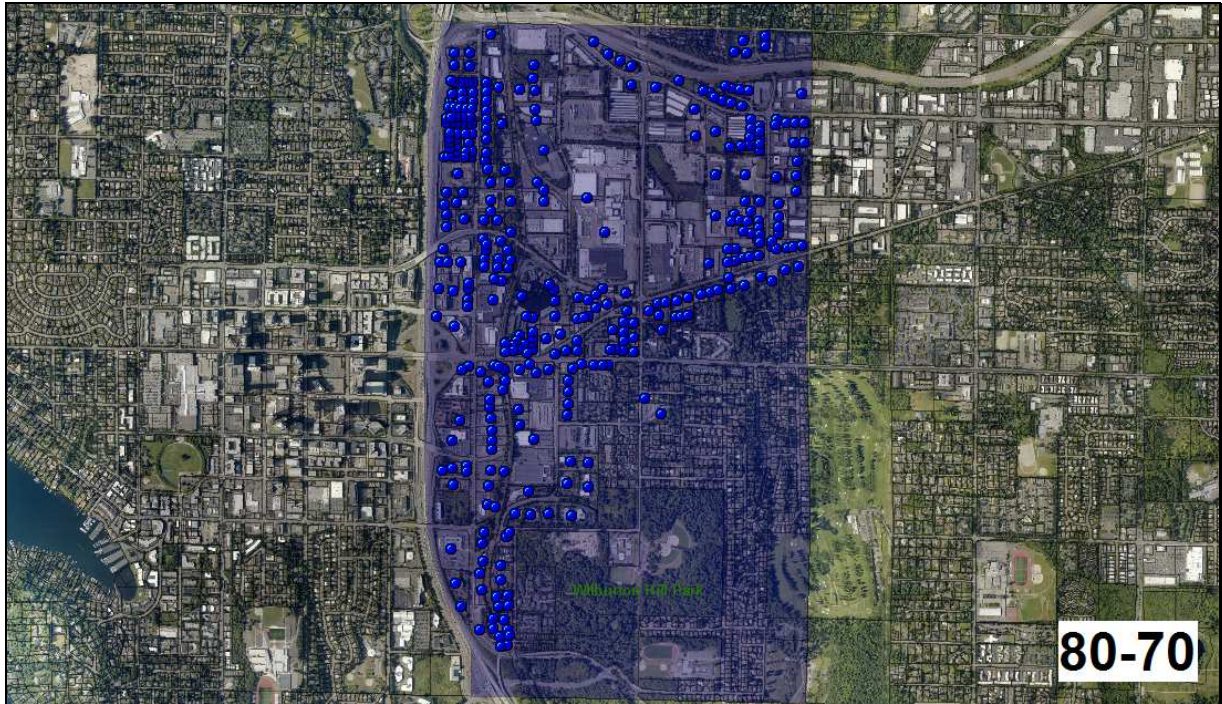
**Neighborhood Description:** The principal arterial in Overlake II is 148<sup>th</sup> Ave NE which is heavily populated by apartment buildings and condominiums. Sub area 80-60 has outstanding access to SR 520. This area has fewer business oriented properties and is heavily residential with a number of tax exempt parcels such as schools. 80-60 borders Redmond on the north side. This sub area was also part of the Bel Red rezone. No major development projects are currently planned in this sub-area.

### **Midlakes: Area 80-70**

**Boundaries:** NE 8<sup>th</sup> St and NE Bellevue Redmond Road intersect in this area.

- North – NE 24<sup>th</sup> St
- South – SE 8<sup>th</sup> St
- West - 405 Freeway
- East - 132<sup>nd</sup> Ave SE





**Area Description:** The Midlakes area is a heavily commercial and busy area of Bellevue. It still prominently features several car dealerships, though some of the parcels have been sold over the last few years for redevelopment purposes. Barrier Motors and Lexus are located in the Midlakes area. Overlake Hospital and a wide variety of medical buildings occupy the north end of 116<sup>th</sup> Ave NE. Large retailers like Uwajimaya, Wine World, Home Depot, and Best Buy are situated on 120<sup>th</sup> Ave NE. Important properties in this area include Barrier Motors, Whole Foods Supermarket, Overlake Hospital and Medical Centers. A number of new development projects are in the pipeline for this area, the most significant of which is the Spring District Redevelopment project. This \$1.5B project, occupying 36 acres that was formerly a Safeway Distribution Center, is intended to create a walkable urban neighborhood and will eventually contain more than 3 million square feet of office space, more than 800 apartments, significant retail space, as well as a park. The first phases of the project are nearing the start of construction.

#### ***Currently In Review***



**Spring District Residential Phase I**

- 312-residential units
- 13,000 SF retail/commercial



**Spring District Office, Bldgs 16 & 24**

- 525,140 SF office
- 1,272 parking stalls





#### **Darvish Medical Building**

- 13,775 SF medical office
- 2-stories, 41-parking stalls

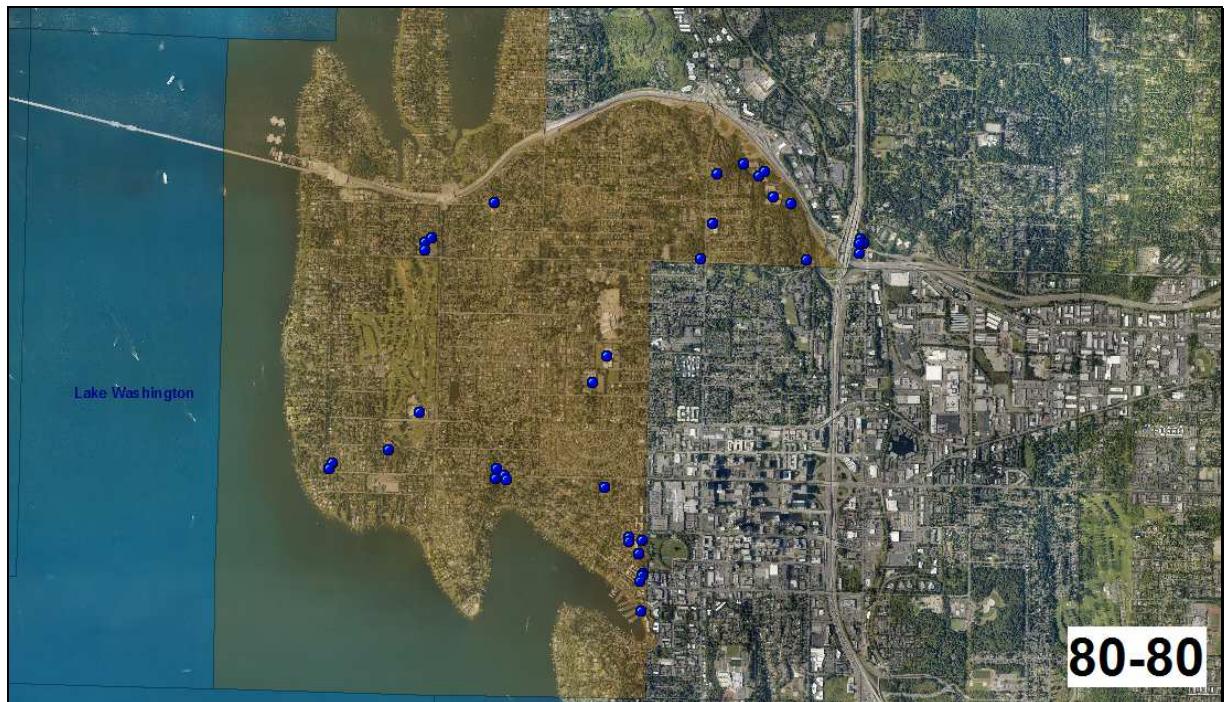
#### ***Currently in the Pipeline***

- **Aegis Bellevue Memory Care** – assisted living facility

#### **Northwest Bellevue: Area 80-80**

**Boundaries:** Area 80-80 is primarily residential and encompasses Medina and Clyde Hill.

- North – SR 520
- South - SE 8<sup>th</sup> St
- West - Lake Washington
- East - 100<sup>th</sup> Ave NE up to NE 24<sup>th</sup>



**Area Description:** Northwest Bellevue is an overwhelmingly high end residential area where the exclusive Overlake Golf & Country Club is found. Luxurious view and opulent waterfront homes are abundant in this community. There are also a variety of churches and schools in this neighborhood. Multi-family or income producing properties are scarce in Medina and Clyde Hill.

Most of the commercial parcels in 80-80 are located by the SR-520 and I-405 intersections where office parks and retail structures can be found. Well-known properties in this area are: The Overlake Country Club, The Bellevue Marina at Meydenbauer Bay, Wells Medina Nursery, and Schoenfeld's Furniture.

### **South Bellevue: Area 80-90**

**Boundaries:** Area 80-90 has SE 8<sup>th</sup> as its primary arterial.

- North – SE 8<sup>th</sup> St
- South – SE 24<sup>th</sup> St
- West - Lake Washington
- East - Richards Road and 132<sup>nd</sup> Ave NE



**Area Description:** The heaviest commercial section in South Bellevue is clustered around SE 8<sup>th</sup> St. Bellefield Office Park occupies a large area and is comprised of various office buildings. Access to the I-405 and I-90 freeways from 80-90 is excellent. This area also extends into the Lake Hills connector with abundant apartment and condominiums as well as some low rise offices. Overlake Blueberry Farm is located in this vicinity as is the Winter's House which is leased for social gatherings. Noteworthy properties in this area include: Bellefield Office Park, Gateway 405, Bellevue Gateway II, Winter's House, and Greenbaum Furniture.

**Physical Inspection Area:**

Neighborhood 80-50 (Overlake I) was physically inspected for the 2014 assessment year. This sub-area is primarily home to a mixture 1970's and 1980's commercial buildings, smaller neighborhood shopping centers, light-industrial properties, office parks, apartments, condominiums, and several high end automobile showrooms. This sub-area contains approximately 264 parcels (excluding specialty parcels and government owned property), representing approximately 21.1% of Area 80's total parcel count.

**Preliminary Ratio Analysis:**

A Preliminary Ratio Study was done in April 2014. The study included sales of improved parcels and showed a COD of 14.60%.

The study was also repeated after application of the 2014 recommended values. The results are included in the validation section of this report, showing a change in the COD from 14.60% to 10.59%.

**Scope of Data**

**Land Value Data:** Land sales from 1/1/2011 through 12/31/2013 were given primary consideration for valuing land. In some cases older sales were included in the analysis when warranted. Since January 2011, there were 22 land sales that were considered in Area 80. Many of Bellevue's commercial "land sales" are properties which are improved with older buildings which no longer contribute to the overall value and where the intent of the purchaser is for redevelopment at some point in the near future. The sales verified as "good" were coded "Y" in the Assessor's records. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sale.

**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. A sales questionnaire was mailed to select sellers and purchasers of commercial properties which sold in Area 80 from 2011 through 2013. Participation was voluntary and the response was modest. In addition, sales were verified, when possible, by calling either the purchaser or seller, inquiring in the field or speaking with the real estate agents involved in the transaction. Property characteristics are verified for all sales if possible. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.



## **Land Value**

### **Land Sales, Analysis, Conclusions:**

The Bellevue market has experienced upward pressure on land values as well as an increase in transaction volume. Within Geographic Area 80, there are approximately 22 verified commercial land sales that occurred during the last three years that were utilized for the 2014 revalue. This is a significant increase over the 7 verified sale transactions utilized for the 2013 revalue. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. For land valuation purposes, the assessor used GIS (Geographic Information System) as the primary tool to establish new assessed land values. The new land values are based on neighborhood land sales that are equalized with adjacent and similarly zoned properties. In some neighborhoods, new commercial development sites are being created through the demolition of existing single family residences located on commercially zoned lots and through the demolition of older commercial and multi-family buildings.

A Floor Area Ratio (FAR) analysis to land valuation is considered to be appropriate and meaningful in an urban area though it was not utilized in the Bellevue Central Business District for this revalue. This method allows for a better comparison of a parcel's development potential, however parcel-specific adjustments are required to recognize limitations due to site configuration, which limits this method's effectiveness for mass appraisal purposes.

Every effort was made to equalize the assessed land values of similarly zoned land between adjacent areas. Assessed land values are based on land sales of properties with the same zoning or with similar development potential.

Overall land values in Area 80 increased 3.95%. The strongest increases occurred in the downtown CBD area 80-10. The total recommended assessed land value for the 2014 assessment year is \$3,144,430,101. The recommended land values for the 2014 assessment year result in an increase from the 2013 assessment of +3.95%. The preceding totals include all taxable and nontaxable parcels in Area 80, excluding government owned parcels.

<b>Change in Assessed Land Value by Area</b>			
<b>Neighborhood</b>	<b>2013 Land Value</b>	<b>2014 Land Value</b>	<b>% Change</b>
80-10	\$783,589,400	\$845,041,700	7.84%
80-20	\$66,160,300	\$65,971,400	-0.29%
80-30	\$177,949,500	\$187,513,400	5.37%
80-40	\$413,270,600	\$435,210,001	5.31%
80-50	\$438,035,700	\$445,249,000	1.65%
80-60	\$73,706,900	\$74,849,900	1.55%
80-70	\$835,289,700	\$854,959,000	2.35%
80-80	\$96,598,600	\$94,733,600	-1.93%
80-90	\$140,249,600	\$140,902,100	0.47%
Total	\$3,024,850,300	\$3,144,430,101	3.95%

The table below summarizes the land valuation model as it was applied to the properties in Area 80. All dollar amounts are stated as a price per square foot of land area. The table is intended as a guide to “typical” land values with additional adjustments made for individual site variations.

Typical Land Value Ranges						
By Neighborhood and Land Use						
2014 Revaluation						
Area 80	Commercial Land Uses		Multi-family Land Uses		Industrial Land Uses	
Neighborhoods	Zoning Designation	\$/SF Range	Zoning Designation	\$/SF Range	Zoning Designation	\$/SF Range
80-10 Bellevue CBD South	DNTN-MU	\$120 - \$255	R-10	\$40 - \$40		
	DNTN-O1, DNTN-O2	\$230 - \$300	R-20	\$40 - \$45		
	DNTN-OLB, OLB	\$55 - \$110	R-30	\$45 - \$75		
	O, PO	\$55 - \$100				
80-20 Old Bellevue	DNTN-OB	\$155 - \$200				
80-30 Crossroads	BR-CR, BR-RC3	\$45 - \$60	R-3.5, R-5	\$9 - \$14		
	CB, NB	\$30 - \$50	R-10, R-15	\$13 - \$15		
	O, PO, OV3	\$35 - \$55	R-20	\$16 - \$16		
	EH-D	\$40 - \$40	R-30	\$17 - \$19		
80-40 Bellevue CBD North	DNTN-MU	\$265 - \$300	DNTN-R	\$100 - \$230		
	DNTN-O2	\$165 - \$285	R-10	\$14 - \$14		
	DNTN-OLB, OLB	\$100 - \$140	R-20, R-30	\$30 - \$35		
	O	\$40 - \$60	R-2.5, R-3.5, R-4, R-5	\$20 - \$25		
80-50 Overlake I	BR-GC	\$35 - \$45	BR-ORT	\$23 - \$45		
	BR-ORT	\$23 - \$45	BR-CR, BR-RC-2, BR-OR-2	\$35 - \$47		
	BR-CR, BR-RC-2, BR-OR-2	\$35 - \$47	R-2.5, R-10, R-20	\$10 - \$16		
	O, PO, OLB, CB	\$35 - \$45	R-30	\$18 - \$18		
	OV1, OV2, OV3	\$35 - \$50				
80-60 Overlake II	BR-CR, GC	\$40 - \$40	BR-CR	\$40 - \$40		
	O, OLB, PO	\$35 - \$40	R-1, R-2.5, R-3.5, R-5	\$10 - \$12		
			R-7.5, R-20	\$16 - \$17		
80-70 Midlakes	BR-GC, GC	\$35 - \$85	BR-OR, BR-OR-1, BR-OR-2	\$27 - \$42		
	BR-MO	\$42 - \$58	BR-ORT	\$45 - \$55		
	BR-MO1	\$63 - \$73	BR-RC-1, BR-RC-2, BR-R	\$30 - \$42		
	BR-OR, BR-OR-1, BR-OR-2	\$27 - \$42	R-10	\$11 - \$16		
	BR-ORT	\$45 - \$55	R-3.5	\$15 - \$20		
	BR-RC-1, BR-RC-2	\$30 - \$42	R-20	\$20 - \$30		
	PO, O, CB, OLB, MI	\$35 - \$80				
80-80 NW Bellevue	GC	\$40 - \$40	R-1, R1	\$18 - \$25		
	B1, OLB	\$35 - \$35	R-2.5	\$20 - \$20		
	O	\$65 - \$65	R-3.5	\$22 - \$27		
	NB, NA	\$30 - \$35	R-15, R-20	\$22 - \$55		
			SR30, R-30	\$45 - \$75		
80-90 South Bellevue	OLB	\$30 - \$55	R-1, R-15	\$30 - \$35	LI	\$16 - \$25
	O	\$35 - \$45	R-1.8, R-3.5, R-20	\$12 - \$18		
	PO	\$40 - \$40	R-4	\$25 - \$30		
	NB	\$30 - \$40	R-10	\$30 - \$35		
			R-30	\$30 - \$50		

\*Please note that this table is a summary of "typical" land values and is therefore not all inclusive

## NEIGHBORHOODS AND SALES:

The following is a breakdown of each neighborhood and a summary of the land sales considered. The assessor considered these and historic sales as the primary method of establishing new assessed land values for each neighborhood.

### Area Overview

Since 2011, there have been a total of twenty-two (22) commercial land sales throughout Area 80 that meet the requirements of a fair market transaction.

### Area 80-10 – Bellevue Central Business District (CBD)-North & Area 80-40 – Bellevue Central Business District (CBD)-South

Areas 80-10 and 80-40 are the downtown core of the Bellevue Central Business District (CBD). These neighborhoods contain the only high-rise zoning in Bellevue, DNTNO-1, DNTNO-2 and DNTN-MU. Since 2011, there have been a total of sixteen land sales in the Bellevue CBD, thirteen of which were in area 80-10 and the remaining three located in 80-40. The assessor used recent historic sales (3 years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The assessor also used location influence, zoning, and lot size as an indicator for setting land values.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
80	10	067900	0095	25,025	2525236	\$7,050,000	12/12/11	\$281.72	DNTN-MU	Proposed Mixed Use high rise
80	10	067900	0115	6,232	2559134	\$1,499,900	08/15/12	\$240.68	DNTN-MU	Proposed Mixed Use high rise
80	10	067900	0145	6,250	2619655	\$5,050,000	07/23/13	\$808.00	DNTNO-2	Future redevelopment
80	10	154410	0250	58,500	2609202	\$31,000,000	05/31/13	\$529.91	DNTNO-1	Potential 450-ft high rise site
80	10	154410	0277	38,454	2645658	\$12,000,000	12/12/13	\$312.06	DNTNO-1	Proposed 360,000 SF office building
80	10	154410	0312	34,328	2556531	\$7,950,000	07/31/12	\$231.59	DNTNO-2	Proposed 200,000 SF office building
80	10	322505	9072	22,209	2625096	\$3,900,000	08/16/13	\$175.60	DNTN-MU	Future redevelopment
80	10	322505	9078	37,213	2580728	\$1,925,000	12/17/12	\$51.73	R-30	Proposed 23-unit TH development
80	10	322505	9169	18,248	2580733	\$1,200,000	12/17/12	\$65.76	R-30	Proposed 23-unit TH development
80	10	369980	0050	23,433	2609369	\$7,100,000	06/04/13	\$302.99	DNTN-MU	Potential hotel redevelopment site
80	10	369980	0060	17,242	2595712	\$4,100,000	03/25/13	\$237.79	DNTN-MU	Proposed 150-200 unit apartment building
80	10	522330	0005	63,234	2615324	\$12,500,000	07/01/13	\$197.68	DNTN-MU	260-unit apartment under construction
80	10	808760	0035	46,170	2567732	\$15,000,000	10/01/12	\$324.89	DNTN-MU	376-room Marriott under construction
80	40	126620	0290	19,413	2638620	\$1,600,000	10/23/13	\$82.42	O	Future redevelopment
80	40	140330	0060	41,261	2556379	\$11,000,000	07/31/12	\$266.60	DNTN-R	259-unit apt, 76,200 SF retail under const.
80	40	154460	0143	66,949	2633658	\$24,101,640	10/01/13	\$360.00	DNTNO-2	Proposed 462,000 SF office building

### Area 80-20 Old Bellevue

Area 80-20 is Old Bellevue, with its quaint shops and eateries plus close proximity to Bellevue Square and Bellevue Park. Several mixed-use development projects are currently either under construction or in the permitting pipeline. Since 2011, there was one land sale in the Old Bellevue neighborhood. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The assessor also used location influence, zoning, and lot size as an indicator for setting land values.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
80	20	154560	0042	15,239	2542109	\$3,400,000	05/01/12	\$223.11	DNTN-OB	Proposed mixed-use redevelopment

### Area 80-30 Crossroads

The Crossroads neighborhood abuts Area 75 to the south and 90 to the north. Sales in the adjacent areas affected the land values in this neighborhood. Since 2011, there have been a total of three land sales in the Crossroads neighborhood. The assessor used recent historic sales (3 years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The assessor also used location influence, zoning, and lot size as an indicator for setting land values.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
80	30	262505	9067	13,167	2548695	\$560,000	06/13/12	\$42.53	O	3,281 SF, 3-story office building proposed
80	30	262505	9097	188,253	2629976	\$14,250,000	09/13/13	\$75.70	BR-RC-3	452-unit apartment project proposed
80	30	262505	9283	24,750	2495303	\$700,000	05/19/11	\$28.28	CB	Future redevelopment

### Area's 80-50 and 80-60 Overlake 1 & 2

Since 2011, there have not been any land sales in the Overlake neighborhoods that met the requirements of a fair market sale. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The assessor also used location influence, zoning, and lot size as an indicator for setting land values.

### Area 80-70 Midlakes

The Midlakes area extends from 116<sup>th</sup> Avenue NE to 130<sup>th</sup> Avenue NE. Though land has sold for redevelopment purposes in this neighborhood, construction of new projects has not begun. There are a variety of zoning codes in this vicinity due to the Bel-Red rezone that was enacted in 2009. Since 2011, there have been a total of two land sales in the Midlakes neighborhood. The assessor used recent historic sales (3 years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The assessor also used location influence, zoning, and lot size as an indicator for setting land values.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
80	70	254320	0015	99,254	2615877	\$5,300,000	07/03/13	\$53.40	OLB	Hampton Inn & Suites under construction
80	70	532800	0015	34,997	2638734	\$3,450,000	10/31/13	\$98.58	BR-MO	Proposed assisted living facility

### **Area 80-80 Northwest Bellevue**

This neighborhood encompasses the cities of Medina, Clyde Hill, Yarrow Point and Hunts Point. Since 2011, there have not been any land sales in the Northwest Bellevue neighborhood that met the requirements of a fair market sale. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. The assessor also used location influence, zoning, and lot size as an indicator for setting land values.

### **Area 80-90 South Bellevue**

This neighborhood is located south of the central business district as well as Old Bellevue. It is predominantly concentrated along Bellevue Way SE. Since 2011, there has been one land sale in the South Bellevue neighborhood. The assessor used recent historic sales (3 years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

Area	Nbhd.	Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Remarks
80	90	939970	0820	156,014	2641384	\$4,300,000	11/14/13	\$27.56	OLB	Proposed Holiday Inn Express

## Improved Parcel Total Values:

### Economic Considerations:

**NATIONAL:** The United States economy continued its recovery in 2013, growing at a slow but stable pace. The labor market has improved, although unemployment still remains high and job creation has occurred very slowly. The federal government shutdown in October 2013 was one aspect that helped limit job growth in the latter half of the year. The stock market has rebounded, with the Dow Jones industrial average having its best year since 1998. In addition, the housing market has continued to improve, with indexes indicating home values have increased for the past seven quarters and foreclosures are at their lowest levels since mid-2007. Housing starts increased 19 percent in 2013, the highest level since 2007.

**BELLEVUE:** The regional economy, including the Eastside Market Area, has been steadily improving. Employment growth has outpaced the national economy, with the strongest gains in construction and wholesale/retail trade. Commercial real estate sales transaction volume has increased and underlying economic fundamentals have improved. Fueled by a continued increase in demand for apartment housing, and the consequential tightening of vacancy rates and upward pressure on rental rates, development of new multi-family apartment projects is continuing at a fast pace. The majority of new construction projects in Area 80 are currently multi-family apartment projects, although the next wave of development appears to be dominated more by Class A office space. Bellevue in particular has seen a large increase in demand for new office space. According to industry reports, the downtown Bellevue office market is one of the tightest in the country at the moment. This squeezing of supply has led to a number of new office projects being proposed in the downtown core area. An improvement in investor sentiment is also putting downward pressure on Capitalization Rates for most market segments. As regional employment growth continues to be healthy and consumer sentiment improves, the retail market has reached a semblance of stability. In addition, strong activity at the regional ports, coupled with an improvement in consumer demand, has continued to strengthen the regional industrial market. With continued low interest rates, many smaller companies are finding that it is financially advantageous to become an owner/user and purchase property for their business. As a result, there has been an increase in sales activity in the smaller commercial properties.

2013 Year End Metrics			
	Office	Retail	Industrial
Vacancy Rate	↘ (slight decrease)	↔ (stable)	↔ (stable)
Rental Rate	↔ (stable)	↔ (stable)	↔ (stable)
Capitalization Rate	↘ (slight decrease)	↔ (stable)	↘ (slight decrease)
Improved Property Values	↗ (slight increase)	↔ (stable)	↗ (slight increase)
Land Values	↗ (slight increase)	↗ (slight increase)	↗ (slight increase)



**NEW CONSTRUCTION ACTIVITY:** Most current development activity is concentrated in the downtown Bellevue Commercial Business District. At the moment, there are currently 7 major projects under construction in the downtown core area. These projects consist mainly of new apartment developments, as well as some retail, office space, and a new Marriott hotel. The city of Bellevue is tracking an additional 12 major projects that are either currently in land use & building permit review or have been issued land use & building permits. The projects in the planning stages primarily consist of new apartment developments, Class A office space, as well as retail expansions of Bellevue Square and Lincoln Square.

Outside the downtown core area, the two major development projects that are nearing groundbreaking are the 36-acre Spring District redevelopment project, and Goodman Real Estate's 269-unit apartment development, both of which are located in the Bel-Red Neighborhood of Bellevue. Please reference the neighborhood descriptions for more information on new development activity.

**Office Market Conditions:** The regional office market had a strong year, recording nearly 800,000 square feet of net absorption and ending with an overall vacancy rate of 15.1% according to CBRE, the fourth year of declining vacancy. In general, rental rates in the Eastside market area remained stable or increased slightly while the vacancy rate declined. It's reported that the continued improvements in vacancy rates and rental rates has caused leasing concessions to decline both in frequency and value.

Within the eastside market area, the overall direct office vacancy rate increased to 14.2% from 13.6% the year prior. However, the Bellevue market areas experienced declining vacancy rates. Growth in rental rates was modest.

Office Market Statistics						
	Market Size (SF)	Total Vacancy %	Vacancy Change	Class A Avg. Asking Rate*	Rent Change	2013 Net Absorption (SF)
Bellevue CBD	7,925,601	9.8%	-8%	\$37.52	5%	56,411
I-405	2,879,969	13.6%	-22%	\$29.50	5%	111,225
SR-520	2,579,812	10.7%	-31%	\$27.40	1%	120,773
Bel-Red Road	1,459,326	6.5%	-24%	\$28.35	8%	47,155
Eastside (all)	30,063,196	14.2%	4%	\$30.43	4%	(216,473)

Source: 4th Qtr 2013 CBRE Office MarketView

\*Full Service

**Retail Market Conditions:** Research reports indicate that the regional retail market continued to improve in 2013. The regional vacancy rate remained stable and there was modest growth in rental rates. In the Eastside market area, rents remained mostly stable or grew slightly over the year while the overall vacancy rate generally improved. Retail development activity has remained low as the market continues to slowly reabsorb existing vacant space. In addition, many retailers are reluctant to pay rents at levels that justify new construction investment. Most new retail space on the market has come in the form of retail space within mixed-use multi-family developments

as the development of multi-family properties intensified over the year. Looking forward, however, the downtown Bellevue area has a few major retail development projects currently in review.

Retail Market Statistics						
	Market Size (SF)	Direct Vacancy %	Vacancy Change	NNN Asking Rate	Rent Change	2013 Net Absorption (SF)
Bellevue CBD	2,439,110	3.2%	-3%	\$26.09	4%	0
Bellevue Suburban	4,744,969	3.7%	-7%	\$25.03	5%	292,142
Eastside (all)	<b>12,740,481</b>	<b>4.6%</b>	<b>-22%</b>	<b>\$26.21</b>	<b>2%</b>	<b>319,847</b>

Source: 2nd Half 2013 CBRE Retail MarketView

**Industrial Market Conditions:** The regional industrial market has continued to improve, posting its strongest year since 2007. Net absorption increased strongly over the year despite a large amount of new construction being delivered. This led to the overall regional vacancy rate declining from 7.1% in 2011 to 6.6% in 2013. Continued growth in imports and exports caused a sizable increase in cargo volumes in the regional ports. Based on these strong metrics, there is currently 2.2 million square feet of industrial projects under construction in the region.

The Eastside market area constitutes approximately 10% of the region's gross leasable area. Vacancy rates are currently at 11.2%, an improvement over last year. Further, average direct asking rates increased slightly from \$0.85/SF/Mon to \$0.90/SF/Mon.

Industrial Market Statistics						
	Market Size (SF)	Total Vacancy %	Vacancy Change	Direct Asking Rates*	Rent Change	2013 Net Absorption (SF)
Eastside Market	25,149,137	11.2%	-3%	\$0.90	6%	378,041

Source: 4th Qtr 2013 CBRE Industrial MarketView

\*NNN/Mon

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

All sales were verified with a knowledgeable party, when possible. Each sale was inspected and the recorded property characteristics adjusted when necessary. The resulting data was stratified according to four data sources from the Assessor's records: occupancy codes, age, condition, and size in order to establish appropriate ranges of price per square foot to use as guidelines. In addition to setting parameters for the market approach to value, this process also supports and validates the income approach model.

For this revalue, there were 48 improved sales considered in Area 80 deemed good, fair market transactions reflective of market conditions. The sales were organized into market segments based on predominant use. Based on a sales analysis, each segment was assigned a market range of price per square foot of net rentable area. The sales price ranges served to establish a general upper and lower market boundary for the various property types within the subject area.

The sales comparison, income capitalization, and cost approaches were reviewed by the appraiser for most improved properties. In general, for most properties the income approach was given the most weight while the sales approach provided secondary support. However, in many cases in which the property was purchased by an owner/user, the sale prices tended exceed the traditional parameters of investor purchases. In these situations, the buyer is more concerned with their overall mortgage payment rather than any potential rent that could be generated. As a result, many of these smaller commercial buildings that fit the owner/user buyer profile were valued via the sale comparison approach.

### **Sales comparison calibration**

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established via an analysis of sales within each neighborhood. Neighborhoods were treated independent of one another as dictated by the market. Individual prices were applied based on various characteristics deemed appropriate by each market. Specific variables and prices for each neighborhood are discussed in more detail above.

### **Cost approach model description**

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. Cost figures were adjusted to the western region and the Seattle area. Cost estimates were relied upon for valuing special use properties where comparable sales data and/or income and expense information is not available. These properties are typically exempt properties such as churches, schools, public utility buildings, and park improvements. Non-exempt improvements that may be valued by the Cost method include fraternal halls, daycares, auto dealerships, and on-going new construction.

## **Cost calibration**

The Marshall & Swift Valuation modeling system, which is built into the Real Property Application, is calibrated to the region and the Seattle area. Each appraiser valuing new construction can individually calibrate Marshall-Swift valuations to specific buildings in our area by accessing the parcel and the computerized valuation model supplied by Marshall & Swift.

## **Income capitalization approach model description**

The Income Approach was considered a reliable approach to valuation throughout Area 80 for improved property types where income and expense data is available to ascertain market rates. Income parameters were derived from the market place through market rental surveys, sales, and available real estate publications and websites.

## **Income approach calibration**

Income tables were developed for each of the nine neighborhoods that comprise Area 80. The tables pertain to traditional retail, office, and industrial uses found in the assessment area. In addition, there is also an exclusion table indicating property uses not covered by an income table. Properties which contain differing section uses may have multiple tables that are applicable to the property as a whole. All tables are included.

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records. When the value of the existing improvements was less than the underlying land value, a nominal \$1,000 value was allocated to the improvements. For properties where sales and income and expense data was not available, the cost approach was utilized.

Income: Income parameters were derived from the market place through information obtained during sales verification, as well as through published sources (i.e. Officespace.com, Commercial Brokers Association, Costar, major brokerages), and opinions expressed by real estate professionals active in the market.

Vacancy: Vacancy rates used were derived mainly from published sources tempered by appraiser observation and knowledge of the market.

Expenses: Expense ratios were estimated based on industry standards, published sources, and appraiser observation and knowledge of the area's rental practices. Within our income valuation models, the assessor used triple net expenses for typical retail/mixed-use & industrial type uses. For typical office/medical buildings, the assessor used full service expenses within the valuation models.

Capitalization Rates: Capitalization rates were determined by local published market surveys, such as CoStar, Real Capital Analytics, The American Council of Insurance Adjustors, Colliers International, Integra Realty Resources, and Korpaz. Other national reports include; Marcus and

Millichap, CB Richard Ellis, The Boulder Group, Calkin Site Service, Cassidy/Turley, Real Estate Research Corporation, and Price Waterhouse. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate. Since property taxes are considered to be an allowable operating expense, no effective tax rate is included in Capitalization Rates. The effective age and condition of each building determines the capitalization rate used by the appraiser. For example; a building in poorer condition with an older effective year built will typically warrant a higher capitalization rate, and a building in better condition with a newer effective year built will warrant a lower capitalization rate.

### **Income Capitalization Approach model description**

The income approach is considered the most reliable approach to valuation in area 80 where relevant income and expense data is available to ascertain market rates. During the sales verification process, an attempt is made to obtain income and expense data from the parties involved in the transactions through interviews or via mail. The information requested includes current and anticipated future rents, operating expense breakdown and assigned responsibility for the expenses, and estimated capitalization rates associated with a sale. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. The return rate of mail surveys varies and the data can be incomplete. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Interviews with tenants in the field usually yield rental and expense information only. As a supplement, lease information is gathered from Costar and other websites. In order to calibrate a credible income model, it is necessary to consider data from recognized published sources to assist in developing capitalization rates. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate. No effective tax rate is included in the Capitalization Rate information on the following pages.

SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2013	Seattle MSA	5.83%	7.05%	7.16%	
		Pacific Region	6.21%	6.93%	6.37%	
PWC / Korpaz	4Q 2013	Seattle Pac. NW	6.61% 6.10% 7.13%	- - -	- - -	Range = 4.20% to 9.00% CBD Office Suburban Office
CBRE: Capital Markets Cap. Rate survey.	2 <sup>nd</sup> Half (2013)					CBRE professional's opinion of where cap rates are likely to trend in the 2 <sup>nd</sup> ½ of 2013 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	5.00% - 5.75% 6.00% - 6.50% 6.00% - 6.75% 7.00% - 8.00% 6.00% - 6.50% 7.50% - 8.50% 6.50% - 7.50% 8.25% - 9.25% - - - - - - - - - - - -	- - - - - - - - 5.00% - 5.50% 6.50% - 7.00% 5.50% - 6.00% 7.00% - 7.50% - - - - - - - -	- 5.00% - 5.75% 6.00% - 7.50% 6.00% - 6.75% 7.00% - 8.50% 6.00% - 7.00% 7.00% - 9.00% 6.75% - 7.50% 8.50% - 10.00% 5.25% - 5.75%	CBD - Class A CBD - Class A – Value Added CBD - Class B CBD - Class B – Value Added Suburban - Class A Suburban - Class A – Value Added Suburban - Class B Suburban - Class B – Value Added Class A Class A - Value Added Class B Class B - Value Added Class A (Neigh./Comm. w/Grocery) Class A (Neigh./Comm.) – Value Added Class B (Neigh./Comm. w/Grocery) Class B (Neigh./Comm.) – Value Added Class A (Power Centers) Class A (Power Centers) – Value Added Class B (Power Centers) Class B (Power Centers) – Value Added High Street Retail (Urban Core)
IRR: Viewpoint for 2014	Yr. End 2013	Seattle	5.50% 6.50% 6.00% 7.50% - - - - - - - - -	- - - - 5.25% N/A 7.25% N/A - - - - -	- - - - - - - - - - 5.25% N/A 6.00% 6.50% 6.25% 6.72%	<u>Institutional Grade Properties"</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial – Class A Industrial – Class B Flex Industrial – Class A Flex Industrial – Class B Reg. Mall – Class A Reg. Mall – Class B Community Retail – Class A Community Retail – Class B Neighborhood Retail – Class A Neighborhood Retail – Class B
RERC-CCIM: Investment Trends Quarterly	4Q 2013	West Region	8.00% 7.50% - - -	- - 7.30% 7.30% -	- - - - 7.20%	Office CBD Office Suburban Industrial Warehouse Flex Retail
Colliers Office Highlights	Q4 2013	Seattle/PS	8.00% 8.00%	- -	- -	CBD Office Suburban Office
Costar	Yr. End 2013	King County	5.11% 6.14% - -	- - 6.02% 6.60%	- - - -	SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10% SP=\$5mil. +; Cap. Rate = 1%-10% SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10% SP=\$5mil. +; Cap. Rate = 1%-10%



SEATTLE / PACIFIC NW CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			-	-	6.71%	SP=\$1mil. - \$5mil.; Cap. Rate = 1%-10%
			-	-	6.75%	SP=\$5mil. +; Cap. Rate = 1%-10%
The Boulder Net Lease Report	4Q 2013	Pacific Region	-	-	6.63%	Big Box "Overall"
Chainlinks Realty Advisors	Q4 2013	Pacific Region	-	-	6.60%	Shopping Centers All Types
			-	-	6.60%	Shopping Center (Neigh. & Comm. Cntrs.)
			-	-	6.00%	Drug Store
			-	-	5.70%	Quick Service Rest.
			-	-	6.00%	Jr. Big Box - (20,000/SF – 39,999/SF)
			-	-	7.30%	Mid. Big Box - (40,000/SF – 79,999/SF)
			-	-	7.20%	Mega Big Box - (80,000/SF +)

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
ACLI	Yr. End 2013	National	6.26% 7.28% 7.09% - 7.23% 6.10%	7.10% 7.94% 7.61% - 7.99% 6.73%	6.65% 7.28% 7.09% - 7.23% 6.20%	Overall Sq.Ft. - <50k Sq.Ft. - 50k-200k Sq.Ft. - 200K+
PWC / Korpaz	4Q 2013	National	6.45% 6.98% 7.71% - - - - -	- - - 7.83% 6.22% - - -	- - - - - 6.56% 6.67% 6.98%	CBD Office - (4.00% - 9.00%) Sub. Office - (5.00% - 9.50%) Medical Office - (5.50% - 11.00%) Flex/R&D - (6.25% - 10.00%) Warehouse - (5.00 - 7.75%) A+ = 5.46%; A = 5.92%; B+ = 6.71% Power Center - (5.50% - 8.00%) Neigh. Strip Ctrs. - (5.00% - 10.00%)
IRR: Viewpoint for 2014	Yr. End 2013	Seattle	7.37% 8.01% 7.68% 8.23% - - - - - - -	- - - - 7.50% 8.09% 8.01% 8.53% - - -	- - - - - - - - 7.01% N/A 7.26% 7.72% 7.41% 7.93%	<u>Institutional Grade Properties"</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial – Class A Industrial – Class B Flex Industrial – Class A Flex Industrial – Class B Reg. Mall – Class A Reg. Mall – Class B Community Retail – Class A Community Retail – Class B Neighborhood Retail – Class A Neighborhood Retail – Class B
RERC-CCIM: Investment Trends Quarterly	4Q 2013	National	7.70% 8.00% - -	- - 7.80% 7.90% -	- - - - 7.50%	Office CBD Office Suburban Industrial Warehouse Flex Retail
Colliers International Office/Industrial Highlights	Q4 2013	National	7.27% 7.81% - - -	- - 7.50% 6.10% 7.22%	- - - - -	CBD Office Suburban Office\ U.S. Total Seattle/Puget Sound West Region
IAAO Webinar Cap. Rate Report	Yr End 2013	National	- - 7.20% - - - - -	- - - - - - - -	- - - 7.40% 7.20% 7.40% 7.50% 7.20% 6.70%	<u>"Transactions over \$2.5mil"</u> <u>(Real Cap Anal)</u> Single Tenant Office Big Box Grocery/Supermarket Anchored Strip Malls Unanchored Strip Malls Power Center Drug Stores

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			- -	- -	6.40% 7.00%	Malls Average – All Subcategories
Calkain: Net Lease Economic Report	Yr End 2013	National	- - - - -	- - - - -	6.70% 7.10% 6.60% 7.30% 7.45% 5.95%	Overall (Average) Drug Store Quick Service Rest. Restaurant Big Box Banks
The Boulder Group: Net Lease Market Report	4Q 2013	National	7.70% - - - - - -	8.00% - - - - - -	7.02% 7.10% 6.25% 7.50% 7.05% 7.18% 7.58%	Overall (Average) Big Box “Overall” Big Box “Investment Grade” Big Box “Non-Investment Grade” Jr. Big Box - (20,000/SF – 39,999/SF) Mid. Big Box - (40,000/SF – 79,999/SF) Mega Big Box - (80,000/SF +)
		West Region	-	-	6.63%	Overall (Average)
Cassidy/Turley: Single Tenant Net Lease Overview	3Q 2013	National	- - - - -	7.60% - - - -	- 6.90% 6.90% 7.60% 7.90% 7.50%	Industrial Drug Store Quick Service Rest. Jr. Big Box - (20,000/SF – 39,999/SF) Mid. Big Box - (40,000/SF – 79,999/SF) Mega Big Box - (80,000/SF +)

The preceding tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in area 80 to develop the income model. The range of capitalization rates in the income model for area 80 reflects the variety of properties in this area. Since property taxes are considered an allowable operating expense, no effective tax rate is included in the capitalization rates used in area 80.

## Income model parameters

Typical income model parameters for the various markets that make up Area 80 are summarized on the following pages. It should be noted that due to the nature of commercial real estate, not all properties fall within the “typical” parameters listed below for their respective property use type.

### Area 80-10 & 80-40: Bellevue CBD/North Bellevue CBD

Typical Income Parameters						
Land Use	Rent Range per SF		Vacancy/ Coll. Loss %	Expenses per SF or % of EGI		Capitalization Rate %
Office/Medical Office	\$23.00	- \$30.50	7% - 11%	33% - 37%		6.00% to 7.50%
Retail/Mixed Use	\$9.50	- \$31.50	5% - 7%	10%		6.50% to 7.75%
Industrial/Whse.	\$6.50	- \$18.00	8% - 12%	10%		7.25% to 8.75%

Typical rental rates for office and medical office properties in this area range from \$23.00 to \$30.50 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss was estimated between 7% and 11% of Potential Gross Income. Typical expense rates for properties of this type range from 33% to 37% of Effective Gross Income. Capitalization Rates applicable to this property type typically range from 6.00% to 7.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$9.50 and \$31.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss was estimated at between 5% and 7% of Potential Gross Income. Typical expense levels for retail/mixed use are estimated at 10% of Effective Gross Income and typical Capitalization Rates are between 6.50% and 7.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.54 to \$1.50 per square foot per month (\$6.50/SF - \$18.00/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 8% and 12% of Potential Gross Income while typical expense rates are 10% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.25% and 8.75%.

### Area 80-20: Old Bellevue

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %	
Office/Medical Office	\$22.00 - \$34.00	10% - 11%	35%	6.25% - 7.50%	
Retail/Mixed Use	\$15.00 - \$34.50	5% - 7%	10%	6.25% - 7.75%	
Industrial/Whse.	\$6.00 - \$18.00	7% - 10%	10%	7.00% - 8.25%	

Typical rental rates for office and medical office properties in this area range from \$22.00 to \$34.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss was estimated between 10% and 11% of Potential Gross Income. Typical expense rates for properties of this type are estimated at 35% of Effective Gross Income. Capitalization Rates applicable to this property type typically range from 6.25% to 7.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$15.00 and \$34.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss was estimated at between 5% and 7% of Potential Gross Income. Typical expense levels for retail/mixed use are estimated at 10% of Effective Gross Income and typical Capitalization Rates are between 6.25% and 7.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.50 to \$1.50 per square foot per month (\$6.00 /SF - \$18.00/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 7% and 10% of Potential Gross Income while typical expense rates are 10% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.25%.

### Area 80-30: Crossroads

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %	
Office/Medical Office	\$18.00 - \$28.00	15%	37%	6.25% - 7.75%	
Retail/Mixed Use	\$10.00 - \$26.50	5% - 10%	10%	6.75% - 8.25%	
Industrial/Whse.	\$6.00 - \$17.00	10% to 15%	10%	7.25% - 8.75%	

Typical rental rates for office and medical office properties in this area range from \$18.00 to \$28.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss was estimated at 15% of Potential Gross Income. Typical expense rates for properties of this type are estimated at 37% of Effective Gross Income. Capitalization Rates applicable to this property type typically range from 6.25% to 7.75% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$10.00 and \$26.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss was estimated at between 5% and 10% of Potential Gross Income. Typical expense levels for retail/mixed use are estimated at 10% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.25%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.50 to \$1.42 per square foot per month (\$6.00 /SF - \$17.00/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 10% and 15% of Potential Gross Income while typical expense rates are 10% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.25% and 8.75%.

#### **Areas 80-50 & 80-60: Overlake I & Overlake II**

<b>Typical Income Parameters</b>					
<b>Land Use</b>	<b>Rent Range per SF</b>	<b>Vacancy/ Coll. Loss %</b>	<b>Expenses per SF or % of EGI</b>	<b>Capitalization Rate %</b>	
Office/Medical Office	\$16.00 - \$28.00	13% - 15%	37%	6.00%	7.50%
Retail/Mixed Use	\$8.00 - \$25.50	5% - 10%	10%	7.00%	8.50%
Industrial/Whse.	\$6.00 - \$16.50	10% - 15%	10%	7.25%	8.50%

Typical rental rates for office and medical office properties in this area range from \$16.00 to \$28.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss was estimated at between 13% and 15% of Potential Gross Income. Typical expense rates for properties of this type are estimated at 37% of Effective Gross Income. Capitalization Rates applicable to this property type typically range from 6.00% to 7.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$8.00 and \$25.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss was estimated at between 5% and 10% of Potential Gross Income. Typical expense levels for retail/mixed use are estimated at 10% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.50%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.50 to \$1.38 per square foot per month (\$6.00 /SF - \$16.50/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 10% and 15% of Potential Gross Income while typical expense rates are 10% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.25% and 8.50%.

### Area 80-70: Midlakes

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %	
Office/Medical Office	\$18.50 - \$28.50	15%	37%	6.25% - 7.75%	
Retail/Mixed Use	\$10.00 - \$27.50	5% - 10%	10% - 20%	6.75% - 8.50%	
Industrial/Whse.	\$7.75 - \$16.50	10% - 15%	10% - 20%	7.00% - 8.25%	

Typical rental rates for office and medical office properties in this area range from \$18.50 to \$28.50 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss was estimated at 15% of Potential Gross Income. Typical expense rates for properties of this type are estimated at 37% of Effective Gross Income. Capitalization Rates applicable to this property type typically range from 6.25% to 7.75% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$10.00 and \$27.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss was estimated at between 5% and 10% of Potential Gross Income. Typical expense levels for retail/mixed use are estimated at 10% to 20% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.50%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.65 to \$1.38 per square foot per month (\$7.75 /SF - \$16.50/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 10% and 15% of Potential Gross Income while typical expense rates are 10% to 20% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.25%.

### Area 80-80: Northwest Bellevue

Typical Income Parameters					
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per SF or % of EGI	Capitalization Rate %	
Office/Medical Office	\$18.00 - \$30.00	16% - 18%	33%	6.50% - 7.75%	
Retail/Mixed Use	\$9.50 - \$25.00	5% - 8%	10%	6.75% - 8.00%	
Industrial/Whse.	\$6.80 - \$17.50	11% - 15%	10%	7.00% - 8.25%	

Typical rental rates for office and medical office properties in this area range from \$18.00 to \$30.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss was estimated at between 16% and 18% of Potential Gross Income. Typical expense rates for properties of this type are estimated at 33% of Effective Gross Income. Capitalization Rates applicable to this property type typically range from 6.50% to 7.75% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$9.50 and \$25.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss was estimated at between 5% and 8% of Potential Gross Income. Typical expense levels for retail/mixed use are estimated at 10% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.00%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.57 to \$1.46 per square foot per month (\$6.80 /SF - \$17.50/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 11% and 15% of Potential Gross Income while typical expense rates are 10% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.25%.

#### **Area 80-90: South Bellevue**

<b>Typical Income Parameters</b>					
<b>Land Use</b>	<b>Rent Range per SF</b>	<b>Vacancy/ Coll. Loss %</b>	<b>Expenses per SF or % of EGI</b>	<b>Capitalization Rate %</b>	
Office/Medical Office	\$19.50 - \$31.50	16% - 18%	33% - 37%	6.25%	7.75%
Retail/Mixed Use	\$9.00 - \$27.00	5% - 10%	10%	6.75%	8.25%
Industrial/Whse.	\$6.50 - \$17.50	10% - 15%	10%	7.00%	8.25%

Typical rental rates for office and medical office properties in this area range from \$19.50 to \$31.50 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss was estimated at between 16% and 18% of Potential Gross Income. Typical expense rates for properties of this type are estimated at between 33% and 37% of Effective Gross Income. Capitalization Rates applicable to this property type typically range from 6.25% to 7.75% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$9.00 and \$27.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss was estimated at between 5% and 10% of Potential Gross Income. Typical expense levels for retail/mixed use are estimated at 10% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.25%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.54 to \$1.46 per square foot per month (\$6.50 /SF - \$17.50/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 10% and 15% of Potential Gross Income while typical expense rates are 10% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.25%.



## **Reconciliation**

All parcels were individually reviewed for correctness of the model application before final value selection. All of the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when comparable sales were available, however the income approach was applied to most parcels in order to better equalize comparable properties. Whenever possible, market rents, expenses, and cap rates were ascertained from sales, and along with data from surveys and publications these parameters were applied to the income model.

The income approach to value was considered to be a reliable indicator of value in most instances. The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal judgment prevailed when determining when to depart from the assessor's table generated income model. An administrative review of the selected values was made by Bonnie Christensen, Senior Appraiser for quality control purposes.

## Model Validation

### Total Value Conclusions, Recommendations and Validation:

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

In this valuation model, the income approach is used to value the majority of the income producing properties that aren't obsolesced (land value is greater than value by income method) because there are an insufficient number and variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values.

For this revalue period, land values have trended moderately higher, with the strongest increases occurring in the downtown CBD areas of 80-10 and 80-40. Income parameters have remained mostly stable over the recent term with most of the increase in improvement value a result of increased downward pressure on Capitalization Rates as investor sentiment has incrementally improved, as well as a tightening of vacancy rates. The total valuation amount for Area 80 (before new construction is added) increased by 4.78%.

The standard statistical measures of valuation performance are presented in both in the 2013 and 2014 Ratio Analysis charts included in this report. Comparison of the 2013 Ratio Study Analysis with the 2014 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level went from 88.5% to 92.6%. The Coefficient of Dispersion (COD) went from 14.60% to 10.59%, the Coefficient of Variation (COV) went from 20.18% to 13.47%, and the Price-related Differential (PRD) went from 1.04% to 1.01%.

The new assessment level is reflected in the weighted mean ratio of 92.6%. The standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2013 and 2014 Ratio Analysis charts included in this report. The total assessed value for the 2013 assessment year for Area 80 was \$4,055,512,500. The total recommended assessed value for the 2014 assessment year is \$4,249,348,616.

Application of these recommended values for the 2013 assessment year results in an average total change from the 2012 assessments of 4.78%.

Change in Total Assessed Value			
2013 Total Value	2014 Total Value	\$ Change	% Change
\$4,055,512,500	\$4,249,348,616	\$193,836,116	4.78%

The Coefficient of Dispersion (COD) and the Coefficient of Variation (COV) in the three year ratio study presented in this report indicate an improvement in uniformity. Therefore, it is recommended that the assessed values be posted for the 2014 assessment year.

**Note:** More details and information regarding aspects of the valuations and the report are retained in the working files kept in the assessor's office.

## **USPAP Compliance**

### **Client and Intended Use of the Appraisal:**

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

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

### **Definition and date of value estimate:**

#### **Market Value**

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

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

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

## **Highest and Best Use**

### **RCW 84.40.030**

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

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

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

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

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

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

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

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

## **Date of Value Estimate**

### **RCW 84.36.005**

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

### **RCW 36.21.080**

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

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

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

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

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

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

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

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

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

#### **The Dictionary of Real Estate Appraisal, 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.*
- *Services that I provided within the prior three years include physical inspection, revaluation, appeal response preparation, attendance and participation in hearings, data collection, sales verification, and identifying new construction and recording the corresponding data.*

4/21/2014

Date

Commercial Appraiser II

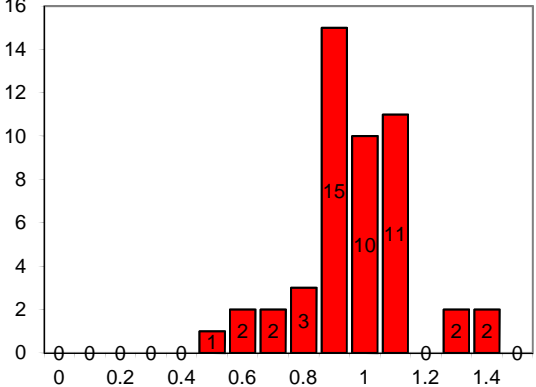
Area 080 - Bellevue  
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<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
064580-0020	748,100	725,000	3/13/2011	1.0319	0.1190
282505-9216	2,650,800	2,725,000	5/13/2011	0.9728	0.0599
639050-0010	1,549,300	1,500,000	5/16/2011	1.0329	0.1200
609350-0120	865,800	669,250	6/15/2011	1.2937	0.3808
526830-0040	1,755,900	1,637,500	6/17/2011	1.0723	0.1594
067210-0032	1,752,300	1,680,000	6/28/2011	1.0430	0.1301
066600-0069	1,872,000	1,800,000	7/29/2011	1.0400	0.1271
282505-9207	1,172,100	1,320,000	9/14/2011	0.8880	0.0250
939970-0145	2,101,800	2,180,000	10/25/2011	0.9641	0.0512
001230-0040	1,541,600	1,830,000	12/12/2011	0.8424	0.0705
638970-0040	5,796,600	6,137,307	12/15/2011	0.9445	0.0316
105400-0030	2,683,400	2,645,000	1/13/2012	1.0145	0.1016
066600-0035	1,390,300	1,600,000	3/27/2012	0.8689	0.0440
126620-0065	3,420,500	3,300,000	4/6/2012	1.0365	0.1236
526830-0010	1,444,400	1,350,000	4/13/2012	1.0699	0.1570
272505-9249	1,772,500	1,615,000	5/11/2012	1.0975	0.1846
029395-0020	1,508,800	1,100,000	6/1/2012	1.3716	0.4587
067310-0072	1,587,700	1,900,000	7/19/2012	0.8356	0.0773
880300-0010	69,272,400	78,660,000	7/26/2012	0.8807	0.0323
262505-9042	15,926,200	18,750,000	8/21/2012	0.8494	0.0635
272505-9250	1,458,000	1,655,000	8/30/2012	0.8810	0.0319
154410-0323	32,946,500	36,075,000	9/13/2012	0.9133	0.0004
522330-0260	1,996,700	2,450,000	9/17/2012	0.8150	0.0979
430750-0020	298,900	320,000	9/24/2012	0.9341	0.0212
392720-0060	1,015,200	1,112,500	10/23/2012	0.9125	0.0004
569840-0030	1,222,300	1,400,000	12/11/2012	0.8731	0.0398
272505-9157	8,293,600	8,250,000	12/24/2012	1.0053	0.0924
322505-9043	12,814,400	13,650,000	12/26/2012	0.9388	0.0259
804610-0082	2,669,500	3,410,000	1/8/2013	0.7828	0.1301
068707-0010	3,824,800	4,100,000	2/22/2013	0.9329	0.0200
081795-0010	1,492,000	1,750,000	4/19/2013	0.8526	0.0603
292505-9282	614,600	737,500	4/24/2013	0.8334	0.0796
126620-0060	622,200	860,000	5/10/2013	0.7235	0.1894
068597-0010	3,146,700	6,500,000	5/29/2013	0.4841	0.4288
534390-0010	1,846,500	3,450,000	6/14/2013	0.5352	0.3777
430750-0030	366,100	417,000	6/17/2013	0.8779	0.0350
242770-0020	2,675,800	3,000,000	6/18/2013	0.8919	0.0210
638998-0060	446,200	335,000	8/14/2013	1.3319	0.4190
385490-0022	3,551,000	4,575,000	8/26/2013	0.7762	0.1367
282505-9289	907,900	1,450,000	8/27/2013	0.6261	0.2868
066600-0071	2,340,000	2,900,000	9/27/2013	0.8069	0.1060
292505-9328	2,748,500	2,936,000	9/30/2013	0.9361	0.0232
619300-0050	3,845,200	4,000,000	10/25/2013	0.9613	0.0484
392720-0040	1,744,500	1,625,000	10/30/2013	1.0735	0.1606
282505-9109	1,838,000	3,600,000	11/1/2013	0.5106	0.4024
804610-0041	5,493,400	6,550,000	11/26/2013	0.8387	0.0742

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691970-0030	1,811,800	1,425,000	12/10/2013	1.2714	0.3585
064600-0050	516,400	739,000	12/23/2013	0.6988	0.2141

Area 080 - Bellevue  
2014 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:	
North Crew	1/1/2013	5/7/2014	1/1/11 - 12/31/13	
Area	Appr ID:	Prop Type:	Trend used?: Y / N	
80	AMUR	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	48	<div>Ratio Frequency</div> 		
Mean Assessed Value	4,653,300			
Mean Sales Price	5,258,300			
Standard Deviation AV	10,876,589			
Standard Deviation SP	12,281,793			
ASSESSMENT LEVEL				
Arithmetic mean ratio	0.920			
Median Ratio	0.913			
Weighted Mean Ratio	0.885			
UNIFORMITY				
Lowest ratio	0.4841			
Highest ratio:	1.3716			
Coefficient of Dispersion	14.60%			
Standard Deviation	0.1857			
Coefficient of Variation	20.18%			
Price-related Differential	1.04			
RELIABILITY		These figures reflect measurements before posting new values.		
95% Confidence: Median				
Lower limit	0.869			
Upper limit	0.964			
95% Confidence: Mean				
Lower limit	0.868			
Upper limit	0.973			
SAMPLE SIZE EVALUATION				
N (population size)	911			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1857			
Recommended minimum:	52			
Actual sample size:	48			
Conclusion:	Uh-oh			
NORMALITY				
Binomial Test				
# ratios below mean:	25			
# ratios above mean:	23			
z:	0.144337567			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				



Area 080 - Bellevue  
2014 Assessment Year

<b>Parcel Number</b>	<b>Assessed Value</b>	<b>Sale Price</b>	<b>Sale Date</b>	<b>Ratio</b>	<b>Diff: Median</b>
064580-0020	771,100	725,000	3/13/2011	1.0636	0.1211
282505-9216	2,804,800	2,725,000	5/13/2011	1.0293	0.0868
639050-0010	1,549,300	1,500,000	5/16/2011	1.0329	0.0904
609350-0120	769,600	669,250	6/15/2011	1.1499	0.2075
526830-0040	1,766,600	1,637,500	6/17/2011	1.0788	0.1364
067210-0032	1,752,300	1,680,000	6/28/2011	1.0430	0.1006
066600-0069	1,872,000	1,800,000	7/29/2011	1.0400	0.0975
282505-9207	1,261,400	1,320,000	9/14/2011	0.9556	0.0132
939970-0145	2,128,300	2,180,000	10/25/2011	0.9763	0.0338
001230-0040	1,541,600	1,830,000	12/12/2011	0.8424	0.1000
638970-0040	5,796,600	6,137,307	12/15/2011	0.9445	0.0020
105400-0030	2,873,800	2,645,000	1/13/2012	1.0865	0.1441
066600-0035	1,390,300	1,600,000	3/27/2012	0.8689	0.0735
126620-0065	3,420,500	3,300,000	4/6/2012	1.0365	0.0941
526830-0010	1,531,000	1,350,000	4/13/2012	1.1341	0.1916
272505-9249	1,772,500	1,615,000	5/11/2012	1.0975	0.1551
029395-0020	1,173,600	1,100,000	6/1/2012	1.0669	0.1245
067310-0072	1,641,900	1,900,000	7/19/2012	0.8642	0.0783
880300-0010	73,810,200	78,660,000	7/26/2012	0.9383	0.0041
262505-9042	16,381,400	18,750,000	8/21/2012	0.8737	0.0688
272505-9250	1,484,600	1,655,000	8/30/2012	0.8970	0.0454
154410-0323	33,394,300	36,075,000	9/13/2012	0.9257	0.0168
522330-0260	1,996,700	2,450,000	9/17/2012	0.8150	0.1275
430750-0020	303,000	320,000	9/24/2012	0.9469	0.0044
392720-0060	1,046,000	1,112,500	10/23/2012	0.9402	0.0022
569840-0030	1,222,300	1,400,000	12/11/2012	0.8731	0.0694
272505-9157	8,486,800	8,250,000	12/24/2012	1.0287	0.0863
322505-9043	12,949,300	13,650,000	12/26/2012	0.9487	0.0062
804610-0082	2,891,100	3,410,000	1/8/2013	0.8478	0.0946
068707-0010	3,855,700	4,100,000	2/22/2013	0.9404	0.0020
081795-0010	1,696,700	1,750,000	4/19/2013	0.9695	0.0271
292505-9282	632,100	737,500	4/24/2013	0.8571	0.0854
126620-0060	622,200	860,000	5/10/2013	0.7235	0.2190
068597-0010	4,677,500	6,500,000	5/29/2013	0.7196	0.2228
534390-0010	3,077,500	3,450,000	6/14/2013	0.8920	0.0504
430750-0030	371,000	417,000	6/17/2013	0.8897	0.0528
242770-0020	2,546,700	3,000,000	6/18/2013	0.8489	0.0936
638998-0060	340,000	335,000	8/14/2013	1.0149	0.0725
385490-0022	3,790,700	4,575,000	8/26/2013	0.8286	0.1139
282505-9289	1,110,200	1,450,000	8/27/2013	0.7657	0.1768
066600-0071	2,340,000	2,900,000	9/27/2013	0.8069	0.1356
292505-9328	2,988,100	2,936,000	9/30/2013	1.0177	0.0753
619300-0050	4,180,300	4,000,000	10/25/2013	1.0451	0.1026
392720-0040	1,786,000	1,625,000	10/30/2013	1.0991	0.1566
282505-9109	1,983,400	3,600,000	11/1/2013	0.5509	0.3915
804610-0041	5,898,800	6,550,000	11/26/2013	0.9006	0.0419

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691970-0030	1,559,500	1,425,000	12/10/2013	1.0944	0.1519
064600-0050	516,400	739,000	12/23/2013	0.6988	0.2437

Area 080 - Bellevue  
2014 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:																				
North Crew	1/1/2014	5/7/2014	1/1/11 - 12/31/13																				
Area	Appr ID:	Prop Type:	Trend used?: Y / N																				
80	AMUR	Improvement	N																				
SAMPLE STATISTICS																							
Sample size (n)	48	<div>Ratio Frequency</div> <table><caption>Ratio Frequency Data</caption><thead><tr><th>Ratio Bin</th><th>Frequency</th></tr></thead><tbody><tr><td>0.6-0.7</td><td>1</td></tr><tr><td>0.7-0.8</td><td>1</td></tr><tr><td>0.8-0.9</td><td>3</td></tr><tr><td>0.9-1.0</td><td>14</td></tr><tr><td>1.0-1.1</td><td>11</td></tr><tr><td>1.1-1.2</td><td>16</td></tr><tr><td>1.2-1.3</td><td>2</td></tr><tr><td>1.3-1.4</td><td>0</td></tr><tr><td>1.4-1.5</td><td>0</td></tr></tbody></table>		Ratio Bin	Frequency	0.6-0.7	1	0.7-0.8	1	0.8-0.9	3	0.9-1.0	14	1.0-1.1	11	1.1-1.2	16	1.2-1.3	2	1.3-1.4	0	1.4-1.5	0
Ratio Bin	Frequency																						
0.6-0.7	1																						
0.7-0.8	1																						
0.8-0.9	3																						
0.9-1.0	14																						
1.0-1.1	11																						
1.1-1.2	16																						
1.2-1.3	2																						
1.3-1.4	0																						
1.4-1.5	0																						
Mean Assessed Value	4,869,900																						
Mean Sales Price	5,258,300																						
Standard Deviation AV	11,479,365																						
Standard Deviation SP	12,281,793																						
ASSESSMENT LEVEL																							
Arithmetic mean ratio	0.938																						
Median Ratio	0.942																						
Weighted Mean Ratio	0.926																						
UNIFORMITY																							
Lowest ratio	0.5509																						
Highest ratio:	1.1499																						
Coefficient of Dispersion	10.59%																						
Standard Deviation	0.1263																						
Coefficient of Variation	13.47%																						
Price-related Differential	1.01																						
RELIABILITY																							
95% Confidence: Median																							
Lower limit	0.890																						
Upper limit	1.018																						
95% Confidence: Mean																							
Lower limit	0.902																						
Upper limit	0.973																						
SAMPLE SIZE EVALUATION																							
N (population size)	911																						
B (acceptable error - in decimal)	0.05																						
S (estimated from this sample)	0.1263																						
Recommended minimum:	25																						
Actual sample size:	48																						
Conclusion:	OK																						
NORMALITY																							
Binomial Test																							
# ratios below mean:	21																						
# ratios above mean:	27																						
z:	0.721687836																						
Conclusion:	Normal*																						
*i.e., no evidence of non-normality																							

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	070	064580	0020	2,170	2483567	\$725,000	03/13/11	\$334.10	CONV SFR	BR-MO	1	Y	
080	070	282505	9216	11,940	2491756	\$2,725,000	05/13/11	\$228.22	SUZUKI	BR-RC-2	1	Y	
080	020	639050	0010	0	2491665	\$1,500,000	05/16/11	\$0.00	ONE MAIN STREET	DNTN-OE	3	Y	
080	070	609350	0120	1,924	2499387	\$669,250	06/15/11	\$347.84	NINE LAKE BELLEVUE CONDOMINIUM	BR-GC	2	Y	
080	070	526830	0040	8,674	2496507	\$1,637,500	06/17/11	\$188.78	MCCARTHY PARK 1940 BLDG	BR-MO	1	Y	
080	050	067210	0032	7,846	2498992	\$1,680,000	06/28/11	\$214.12	CONTINENTAL OFFICE PARK	BR-ORT	1	Y	
080	020	066600	0069	5,760	2503641	\$1,800,000	07/29/11	\$312.50	MING'S	DNTN-OE	1	Y	
080	070	282505	9207	9,440	2510448	\$1,320,000	09/14/11	\$139.83	DESIGNER'S EDGE	BR-MO	1	Y	
080	070	939970	0145	8,008	2515979	\$2,180,000	10/25/11	\$272.23	THE STATION OFFICE BLDG	PO	2	Y	
080	070	619598	0010	0	2520615	\$1,075,000	11/28/11	\$0.00	Northwest Medical	O	3	Y	
080	010	001230	0040	3,854	2522130	\$1,830,000	12/12/11	\$474.83	ABELLA	DNTN-MI	1	Y	
080	050	105400	0030	21,500	2527329	\$2,645,000	01/13/12	\$123.02	DANKA	OV3	1	Y	
080	010	104360	0050	309,914	2534923	\$79,000,000	03/22/12	\$254.91	BRAVERN, THE	DNTNO-2	1	Y	
080	020	066600	0035	2,418	2536377	\$1,600,000	03/27/12	\$661.70	RETAIL	DNTN-OE	1	Y	
080	040	126620	0065	9,074	2537983	\$3,300,000	04/06/12	\$363.68	Office Building	O	2	Y	
080	070	526830	0010	3,453	2539103	\$1,350,000	04/13/12	\$390.96	MCCARTHY PARK 2100 BLDG	BR-MO	1	Y	
080	050	272505	9249	9,485	2544028	\$1,615,000	05/11/12	\$170.27	OFFICE BUILDING	PO	1	Y	
080	020	029395	0020	0	2546758	\$1,100,000	06/01/12	\$0.00	ASTORIA AT MEYDENBAUER BAY	DNTN-OE	1	Y	
080	070	144625	0020	4,050	2554717	\$1,025,000	07/18/12	\$253.09	CEDAR PARK CONDOMINIUM	BR-MO	1	26	Imp changed after sale; not in ratio
080	050	067310	0072	7,370	2555179	\$1,900,000	07/19/12	\$257.80	SCOTT BLDG	OV1	1	Y	
080	030	880300	0010	298,067	2556365	\$78,660,000	07/26/12	\$263.90	KBS	O	6	Y	
080	030	262505	9042	57,843	2559856	\$18,750,000	08/21/12	\$324.15	SHERWOOD SHOPPING CENTER	BR-CR	3	Y	
080	050	272505	9250	12,750	2561727	\$1,655,000	08/30/12	\$129.80	EASTSIDE TRANSMISSION	BR-CR	1	Y	
080	010	154410	0323	96,571	2564174	\$36,075,000	09/13/12	\$373.56	KEY BANK BLDG	DNTNO-2	1	Y	
080	010	522330	0260	5,705	2565113	\$2,450,000	09/17/12	\$429.45	OFFICE	PO	1	Y	
080	040	430750	0020	854	2566719	\$320,000	09/24/12	\$374.71	LIBRARY SQUARE	DNTN-R	1	Y	
080	050	392720	0060	4,958	2572218	\$1,112,500	10/23/12	\$224.38	KOLL COMMERCE CENTER LOT 6	OV1	1	Y	
080	050	569840	0030	9,000	2579424	\$1,400,000	12/11/12	\$155.56	EASTSIDE STAPLING CO ETC	BR-CR	1	Y	
080	050	272505	9157	57,318	2582479	\$8,250,000	12/24/12	\$143.93	MOUNTVUE PLACE	BR-CR	1	Y	
080	010	322505	9043	49,384	2582239	\$13,650,000	12/26/12	\$276.41	BROOKSIDE OFFICE PARK	OLB	1	Y	
080	070	804610	0082	16,950	2585063	\$3,410,000	01/08/13	\$201.18	BELLE VIEW OFC PARK	O	1	Y	
080	040	068707	0010	22,625	2590705	\$4,100,000	02/22/13	\$181.22	BELLEWOOD 8 OFFICE PK BLDG	O	1	Y	
080	050	081795	0010	17,553	2601390	\$1,750,000	04/19/13	\$99.70	BIRCH TREE PROFESSIONAL CENT	PO	1	Y	
080	070	292505	9282	1,756	2601841	\$737,500	04/24/13	\$419.99	office, conv from SFR	BR-MO	1	Y	
080	040	126620	0060	1,464	2606549	\$860,000	05/10/13	\$587.43	DP AVIATION	O	1	Y	
080	010	068597	0010	17,009	2608516	\$6,500,000	05/29/13	\$382.15	BELLEVUE TOWERS CONDOMINIUM	DNTNO-2	1	Y	
080	070	292505	9329	12,098	2610683	\$3,387,500	06/03/13	\$280.00	WASH PARK QUADRANT BLDG	BR-MO	1	26	Imp changed after sale; not in ratio
080	020	534390	0010	6,155	2611466	\$3,450,000	06/14/13	\$560.52	MC KEE CONDOMINIUM	DNTN-OE	1	Y	
080	040	430750	0030	1,046	2612206	\$417,000	06/17/13	\$398.66	LIBRARY SQUARE CONDOMINIUM	DNTN-R	1	Y	
080	040	242770	0020	11,406	2614746	\$3,000,000	06/18/13	\$263.02	ICBO/BELWOOD BUILDING	O	1	Y	
080	070	638998	0060	850	2626713	\$335,000	08/14/13	\$394.12	ONE LAKE BELLEVUE	BR-GC	1	Y	
080	070	385490	0022	22,412	2627137	\$4,575,000	08/26/13	\$204.13	THE FORUM WEST	BR-ORT	1	Y	
080	070	282505	9289	8,967	2627878	\$1,450,000	08/27/13	\$161.70	TRU-LINE BELLEVUE	BR-RC-2	1	Y	
080	020	066600	0071	7,200	2633540	\$2,900,000	09/27/13	\$402.78	RETAIL BUILDING	DNTN-OE	1	Y	
080	070	292505	9328	16,120	2633295	\$2,936,000	09/30/13	\$182.13	CEDAR PARK OFFICE BLDG	BR-MO	1	Y	
080	050	272505	9326	6,474	2635355	\$1,900,000	10/07/13	\$293.48	ROCKWOOD OFFICE PARK	PO	1	26	Imp changed after sale; not in ratio
080	050	619300	0050	24,792	2639207	\$4,000,000	10/25/13	\$161.34	NORTHUP OFFICE PARK	PO	1	Y	
080	050	392720	0040	8,465	2639273	\$1,625,000	10/30/13	\$191.97	KOLL COMMERCE CENTER LOT 4	OV1	1	Y	
080	070	282505	9109	12,059	2639776	\$3,600,000	11/01/13	\$298.53	SHERMAN BUILDING	BR-OR	1	Y	
080	050	259721	0050	10,615	2643957	\$2,880,000	11/19/13	\$271.31	FOREST PARK BUILDING #E	BR-ORT	1	26	Imp changed after sale; not in ratio
080	050	272505	9286	12,164	2643141	\$3,250,000	11/26/13	\$267.18	CASCADIA OFFICE PARK	PO	1	26	Imp changed after sale; not in ratio
080	070	804610	0041	37,106	2644458	\$6,550,000	11/26/13	\$176.52	BELLE VIEW OFC PARK	O	1	Y	
080	070	691970	0030	8,413	2646559	\$1,425,000	12/10/13	\$169.38	WILBURTON RIDGE OFFICE PARK	O	1	Y	
080	070	064600	0050	1,291	2647448	\$739,000	12/23/13	\$572.42	BEL-RED PLAGE CONDOMINIUM	BR-ORT	1	Y	



Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	010	067900	0095	25,025	2525236	\$7,050,000	12/12/11	\$281.72	TACO TIME	DNTN-MU	3	Y	
080	010	154410	0312	34,328	2556531	\$7,950,000	07/31/12	\$231.59	305 BUILDING	DNTNO-2	1	Y	
080	010	067900	0115	6,232	2559134	\$1,499,900	08/15/12	\$240.68	Retail	DNTN-MU	1	Y	
080	010	808760	0035	46,170	2567732	\$15,000,000	10/01/12	\$324.89	VACANT PARCEL	DNTN-MU	2	Y	
080	010	322505	9078	37,213	2580728	\$1,925,000	12/17/12	\$51.73	VACANT LAND	R-30	2	Y	
080	010	322505	9169	18,248	2580733	\$1,200,000	12/17/12	\$65.76	to be torn down	R-30	1	Y	
080	010	369980	0060	17,242	2595712	\$4,100,000	03/25/13	\$237.79	TEARDOWN	DNTN-MU	1	Y	
080	010	154410	0250	58,500	2609202	\$31,000,000	05/31/13	\$529.91	RESTAURANT	DNTNO-1	4	Y	
080	010	369980	0050	23,433	2609369	\$7,100,000	06/04/13	\$302.99	CASCADE SAVINGS & LOAN	DNTN-MU	1	Y	
080	010	522330	0005	63,234	2615324	\$12,500,000	07/01/13	\$197.68	RETAIL BUILDING	DNTN-MU	1	Y	
080	010	067900	0145	6,250	2619655	\$5,050,000	07/23/13	\$808.00	RETAIL	DNTNO-2	1	Y	
080	010	322505	9072	22,209	2625096	\$3,900,000	08/16/13	\$175.60	VACANT RESTAURANT	DNTN-MU	1	Y	
080	010	154410	0277	38,454	2645658	\$12,000,000	12/12/13	\$312.06	BANK OF AMERICA	DNTNO-1	1	Y	
080	030	262505	9283	24,750	2495303	\$700,000	05/19/11	\$28.28	PARKING LOT	CB	1	Y	
080	030	262505	9067	13,167	2548695	\$560,000	06/13/12	\$42.53	OFFICE/HOUSE	O	1	Y	
080	030	262505	9097	188,253	2629976	\$14,250,000	09/13/13	\$75.70	VACANT LAND	BR-RC-3	2	Y	
080	040	140330	0060	41,261	2556379	\$11,000,000	07/31/12	\$266.60	VACANT SITE	DNTN-R	2	Y	
080	040	154460	0143	66,949	2633658	\$24,101,640	10/01/13	\$360.00	WASHINGTON SQUARE	DNTNO-2	1	Y	
080	040	126620	0290	19,413	2638620	\$1,600,000	10/23/13	\$82.42	LEVIE SKINCARE	O	2	Y	
080	070	254320	0015	99,254	2615877	\$5,300,000	07/03/13	\$53.40	POST OFFICE	OLB	1	Y	
080	070	532800	0015	34,997	2638734	\$3,450,000	10/31/13	\$98.58	VACANT LAND	BR-MO	1	Y	
080	090	939970	0820	156,014	2641384	\$4,300,000	11/14/13	\$27.56	EASTSIDE DISPOSAL	OLB	3	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	030	262505	9067	1,699	2483246	\$2,000,000	03/22/11	\$1,177.16	OFFICE/HOUSE	O	1	37	Securing of debt
080	050	272505	9315	4,880	2489428	\$905,000	04/28/11	\$185.45	OFFICE ON THE CREEK	BR-ORT	1	15	No market exposure
080	030	262505	9177	27,350	2507877	\$1,100	08/11/11	\$0.04	PACIFIC VILLAGE CENTER	CB	1	24	Easement or right-of-way
080	080	242504	9104	19,371	2509297	\$15,500	08/29/11	\$0.80	BELLEVUE CHRISTIAN ELEMENTA	P*	1	24	Easement or right-of-way
080	030	262505	9233	10,462	2510408	\$3,025,000	09/12/11	\$289.14	BLACK ANGUS	CB	1	15	No market exposure
080	070	385490	0021	15,276	2523909	\$2,600,000	12/19/11	\$170.20	THE FORUM	BR-ORT	1	61	Financial institution resale
080	070	292505	9329	14,510	2530363	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530361	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530359	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530358	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530357	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530355	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530352	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	292505	9329	14,510	2530351	\$325,000	02/15/12	\$22.40	WASH PARK QUADRANT BLDG	BR-MO	1	22	Partial interest (1/3, 1/2, etc.)
080	070	332505	9121	0	2543006	\$4,500	05/07/12	\$0.00	BELLEVUE SCHOOL BUS PKG	GC	1	24	Easement or right-of-way
080	050	272505	9025	19,703	2549897	\$3,660,000	06/22/12	\$185.76	BELLEVUE EAST OFFICE CENTER	O	2	2	1031 trade
080	030	262505	9167	16,148	2560892	\$1,852,000	08/23/12	\$114.69	BEL RED OFFICE	O	1	63	Sale price updated by sales id group
080	070	322505	9007	31,375	2572136	\$8,425,000	10/30/12	\$268.53	PRESTIGE FORD	OLB	1	19	Seller's or purchaser's assignment
080	010	154410	0192	4,813	2587276	\$3,127,000	01/31/13	\$649.70	ORIENTAL RUG STORE	DNTN-MU	1	15	No market exposure
080	070	332505	9009	12,023	2587284	\$3,127,000	01/31/13	\$260.08	BARTELL'S DRUGS	GC	1	15	No market exposure
080	010	322505	9027	17,861	2588751	\$7,200	02/04/13	\$0.40	SURREY BUILDING	DNTN-MU	1	24	Easement or right-of-way
080	040	292505	9087	12,646	2601160	\$1,654,250	04/24/13	\$130.81	CONNER BUILDING	DNTN-R	1	61	Financial institution resale
080	050	067210	0010	47,717	2624793	\$1,525,000	07/01/13	\$31.96	PACE BELL BUILDING	BR-CR	2	52	Statement to dor
080	020	029395	0010	0	2624251	\$918,219	07/30/13	\$0.00	ASTORIA AT MEYDENBAUER BAY	DNTN-OB	1	18	Quit claim deed
080	030	262505	9162	48,945	2646224	\$740,000	11/21/13	\$15.12	SHOPPING CENTER	BR-RC-3	1	24	Easement or right-of-way
080	070	282505	9009	17,450	2646041	\$6,300,000	12/17/13	\$361.03	BELLEVUE MEDICAL PARK	BR-MO	1	15	No market exposure
080	030	775250	0140	17,822	2650028	\$4,350,000	12/30/13	\$244.08	SHERWOOD FOREST OFFICE PARO	O	1	51	Related party, friend, or neighbor

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
080	030	262505	9283	24,750	2495293	\$15,000	06/09/11	\$0.61	PARKING LOT	CB	1	18	Quit claim deed
080	070	109910	0440	63,336	2629359	\$6,900,000	09/05/13	\$108.94	EASTSIDE RENTAL	BR-GC	4	51	Related party, friend, or neighbor
080	070	282505	9015	68,768	2500902	\$3,550,947	07/13/11	\$51.64	VACANT INDUSTRIAL LAND	MI	1	31	Exempt from excise tax