

# Biotech

Area: 800

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## *Commercial Revalue for the 2024 Assessment Roll*



*1916 Boren*



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

### **Department of Assessments**

KSC-AS-0708

201 S. Jackson Street, Room 708

Seattle, WA 98104

Office (206) 296-7300 Fax (206) 296-0595

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

w. <http://www.kingcounty.gov/Assessor.aspx>

\*From Department of Assessment's Vision Mission



**Department of Assessments**



## King County

Department of Assessments

KSC – AS – 0708

201 S. Jackson St., Room 708

Seattle, WA 98104

*John Wilson*  
*Assessor*

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

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

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

Dear Property Owners,

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

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

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

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

In Service,

John Wilson  
King County Assessor

Specialty 800  
2024 Assessment Year

 **King County**  
Department of Assessments

# How Property Is Valued

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

## What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 727,000 residential, commercial and industrial properties. More specifically for commercial property, the Assessor breaks up King County into geographic or specialty (i.e., office buildings, warehouses, retail centers, etc.) market areas and annually develops valuation models using one or more of the three standard appraisal indicators of value: Cost, Sales Comparison (market) and Income. For most commercial properties the income approach is the primary indicator of value. The results of the models are then applied to all properties within the same geographic or specialty area.

## Are Properties Inspected?

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

### RCW 84.40.025 - Access to property

For the purpose of assessment and valuation of all taxable property in each county, any real or personal property in each county shall be subject to visitation, investigation, examination, discovery, and listing at any reasonable time by the county assessor of the county or by any employee thereof designated for this purpose by the assessor.

In any case of refusal to such access, the assessor shall request assistance from the department of revenue which may invoke the power granted by chapter [84.08](#) RCW.

## How Are Commercial Properties Valued?

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

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

## How is Assessment Uniformity Achieved?

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

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

Type of Property - General	Type of Property - Specific	COD Range
Single-family Residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family Residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2-4-unit housing	5.0 to 20.0
Income-Producing Properties	Larger areas represented by samples	5.0 to 15.0
Income-Producing Properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant Land		5.0 to 25.0
Other Real and Personal Property		Varies with local conditions

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

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

## Requirements of State Law

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

## Appraisal Area Reports

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

# Executive Summary Report

**Appraisal Date:** 1/1/2024 – 2024 Assessment Year

**Specialty Appraisal Area:**

- **Area 800:** Biotech Properties

**Sales – Improved Summary:**

- Number of Sales: 2; 0 included in ratio study
- Range of Sales Dates: 01/01/2021 – 01/01/2024

**Sales – Ratio Study Summary:**

A ratio study was not performed for the 2024 assessment year due to a very low sales volume, with only two fair market transactions involving Biotech Specialty properties within the past three years. As a result, a ratio study would not provide any meaningful statistical analysis.

**Total Population - Parcel Summary Data:**

TOTAL POPULATION SUMMARY DATA			
	Land	Improvement	Total
2023 Value	\$1,361,222,800	\$4,769,827,100	\$6,131,049,900
2024 Value	\$1,337,190,700	\$4,856,164,400	\$6,193,355,100
% Change	-1.77%	1.81%	1.02%

**Number of Parcels in the Population:** 85 (this figure includes properties under construction and existing general office building conversions to bio tech/life science properties). Of those 85 total parcels, only 55 are improved, and 30 parcels are considered associated parcels that make up economic units with the improved parcels.

**Conclusion and Recommendation:**

Total assessed values for the 2024 revalue have increased by +1.02% reflecting the healthy biotech market in King County and continued improving income fundamentals, particularly higher rents. This figure excludes increases in value resulting from new construction.

The values recommended in this report improve uniformity and equity; therefore, posting is recommended for the 2024 Assessment Year.

# Identification of the Area

## Name or Designation

- **Area 800: Biotech Properties**

## Area 800 Neighborhoods

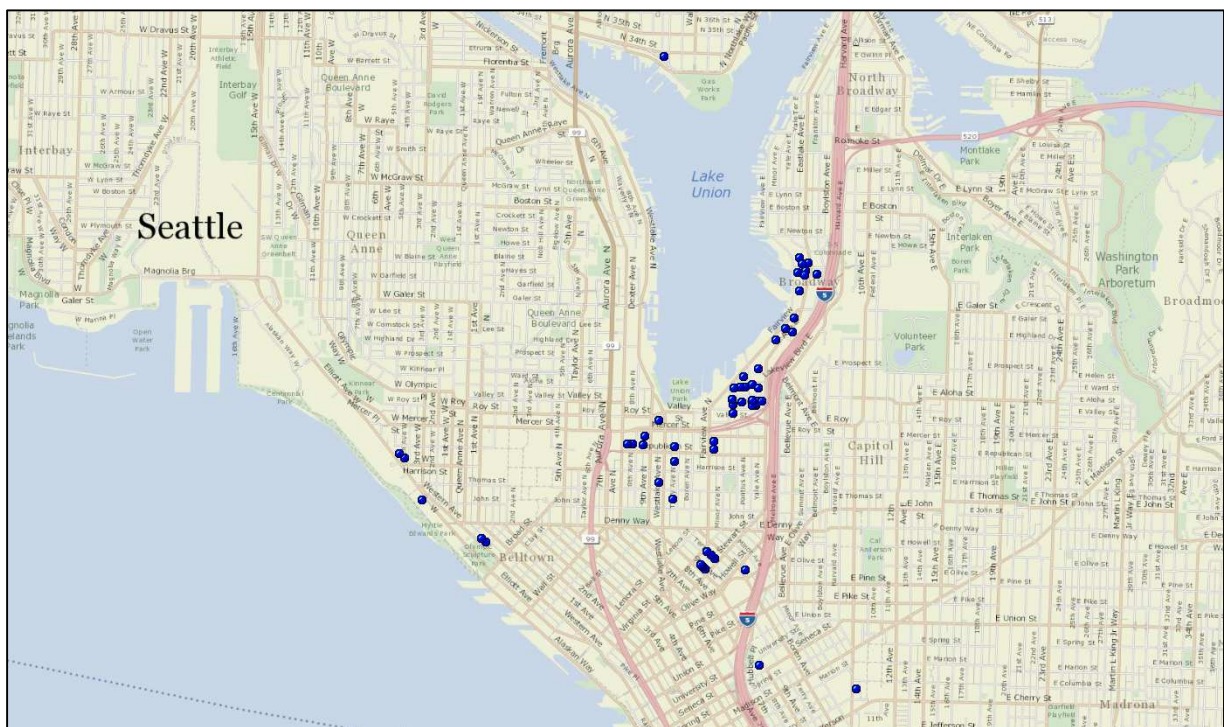
- **800-10** Seattle / South Lake Union
- **800-20** South King County

## Boundaries

- King County

## Maps

General maps of the area are included in this report. More detailed Assessor's maps are located on the 7<sup>th</sup> floor of the King Street Center building or on the King County Assessor website.



## Area Description

This report contains data pertinent to the revalue of biotech buildings in King County. The Biotech specialty includes biotech lab facilities with over 1,000 SF of building area meeting the biotech classification and located within King County. The biotech real estate market is a mix of both newly developed and converted space. Since biotech research requires more specialized construction of improvements, conversion is only possible with select buildings. Most biotech facilities in King County are research laboratories. There is one production facility involved in drug

manufacturing. Production facilities may require an even higher specification level than laboratories.

Biotech buildings require specific improvement characteristics in order to create and maintain controlled environments for purposes of research and product development. Some characteristics can include:

- |  |  |
|--|--|
| ☐ Increased ceiling heights of 14' to 16'  | ☐ Hazardous waste containment, control, and disposal           |
| ☐ Heavy-duty HVAC systems & enhanced environmental control technology                      | ☐ Animal holding and lab facilities (vivarium)                 |
| ☐ High load bearing floors, increased roof loading capacity, & impervious surface finishes | ☐ Hookups for compressed air, gas, liquids, etc                |
| ☐ Upgraded building systems with redundancy  | ☐ High structural rigidity and stability to minimize vibration |

#### **Life Science/Bio Tech Buildings vs. Standard Office Building:**

- Increased Securities
- Increased Flexibility of Designs for changes in laboratory layout and needs
- Increased Mechanical, Electrical, and Plumbing Engineering (MEP)
- Increased Plumbing to allow for emergency showers, eye wash stations and sinks
- High Floor Load Capacity
- Interstitial Space
- 16-foot floor-to-floor heights
- Emergency Power Generators and Uninterrupted Power Supply
- Increased HVAC that can run 24/7 including ventilation that allow for 100% outside air
- Additional loading docks to prevent cross-contamination
- Zoning Differences

Converting space suitable for lab science use comes with its own unique set of challenges. Conversions make more sense in densely populated urban areas that are more expensive to develop. Yet whether the facility is a reconstruction or a brand-new development, creating lab space comes with its own set of risks for investors. Life science buildings require specialized systems and unique equipment, making them a more expensive venture than a traditional office building.

However, it's precisely because life science buildings differ from traditional office buildings that investors feel more confident about their future. While most offices across the nation have embraced remote or hybrid work, in contrast, laboratory/research and development facilities are an entirely different story. Most lab work requires exclusive equipment that isn't suitable for home use, so few occupants have the luxury of working from home in some form or another.

Since life science occupiers have few remote work options, occupancy levels in life science buildings have remained much higher than the general office sector. Despite the challenge and expense involved, developers are certainly seeing the potential of office-to-lab conversions.

Converting other property types to labs and R&D space is both costly and challenging. The infrastructure needed to support life sciences tenants is more robust than that in standard offices and even most industrial buildings. Many require more specialized amenities, including but not limited to clean rooms, vivariums, and negative-pressure room.

Criteria for converting a standard office building into a life science building involve certain building performance criteria and minimum standards that life science building require. These include:

- **Zoning/Planning/Occupancy:** There is a clear path to providing Group B Occupancy.
- **Vertical Circulation (Multi-Floor Buildings):** There is a segregated elevator for lab supplies/activity or there is a way to install one.
- **Floor-To-Floor Clearance (Multi-Floor Buildings):** 13 feet + clearance desired – anything less is limiting.
- **Structural:** There should be live load capacity at 100 psf+. The roof will likely need additional load capacity for mechanical equipment typical for Life Science. As-built/current vibration design criteria should be known.
- **HVAC/Plumbing:** A design path to dedicated lab AHUs/100% OA units. A design path dedicated exhaust (1 cfm/sf – min). Design path to supporting utility shafts for HVAC and utilities, likely upgrade/addition to base building capacity.
- **Electrical:** Service up to 8.0 watts/sf for intended lab area sf. Emergency Generator capacity or service yard to install – for lab hoods and critical lab equipment plug load. Capacity/consideration for data/low voltage for lab controls, data collection, enhanced BMS.
- **Facility:** Chemical storage area and pH neutralization systems. Dedicated elevator and loading dock with loading dock floor capacity of 250 psf.



## Area Overview

### Seattle's Biotech Core – Seattle/South Lake Union (800-10)

The majority of the Biotech Specialty properties are concentrated within the South Lake Union submarket due to the tendency of biotechnology/life science properties to form submarket clusters. Biotechnology and Life Sciences users tend to prefer proximity to supporting institutional research facilities. Given the proximity among these properties, no individual neighborhoods have been broken out within the City of Seattle.

Historically referred to as the Cascade Neighborhood, residential use had been declining since the 1950's, when zoning changes limited residential development to benefit light manufacturing. With construction of Interstate-5 during the 1960's the neighborhood became separated from the west portion of Capitol Hill. In the late 1980's, low land values with relatively close-in location attracted several biotech and high-tech corporations. Fred Hutchinson Cancer Research Center, and later Zymogenetics located in the northeast sector of the neighborhood, while in the southeast sector REI relocated their flagship store in 1995. By the mid 1990's the concept of the 74-acre "Seattle Commons" park had also been defeated twice by city voters. Subsequently, the City of Seattle and developers, including the Vulcan Group (who had already accumulated 60 acres within this area), put in place plans to ultimately transform South Lake Union into the neighborhood observed today. Development of office, retail, and high-density residential buildings within this area has been, and continues to be, significant and is augmented by buildings within Seattle's Biotech Core.

South Lake Union has one of highest concentrations of health and biotech firms in the country, anchored by research centers such as The Allen Institute for Brain Science, UW Medicine, Fred Hutchinson Cancer Research Center, Seattle Biomedical Research Institute, Seattle Children Hospital, PATH, Rosetta, and Zymogenetics. The market area is the hub for life sciences/biotechnology organizations and corporations.

Alexandria and BioMed Realty are two other major national owners and developers of biotech/life science that have been accumulating properties in the Seattle downtown and South Lake Union area since 2000. Over the past 29 years, Alexandria has established itself as the leading owner, operator, and developer of collaborative campuses for life science, agtech, and advanced technology companies in the nation's top innovation top clusters in the United States. Alexandria locates its facilities in the world's best clusters; strategic locations where key buildings blocks for innovation thrive. Alexandria owns and operates approximately 30 parcels comprising of 3,321,373 rentable square feet of high-quality Class A+ laboratory and office spaces primarily cluster in the South Lake Union area and is well situated to continue to meet the needs of the life science communities. Alexandria has several new life sciences buildings under construction with additional new developments proposed for in the Seattle downtown and South Lake Union area. Alexandria's life science/bio tech properties are predominantly high-quality Class A type of structures with ceiling height ranging 14 feet to 16 feet per floor levels. Alexandria is also expanding into the Bellevue and Bothell areas. In the Bothell area, the company is purchasing

high-tech/flex buildings with plans to renovate/remodel and convert portions of the office spaces into laboratory and industrial spaces into pharmaceuticals bio-manufacturing, and/or future redevelopment of Class A biotech/life science facilities.



BioMed Reality, a Blackstone portfolio company, is another leading provider of real estate’s solutions to life science and technology industries. BioMed owns and operates high quality life science real estate comprising 16.4 million square feet concentrated in leading innovation markets throughout the United States and United Kingdom, including Boston/Cambridge, San Francisco, San Diego, **Seattle**, Boulder and Cambridge, U.K. In addition, BioMed maintains a premier development platform with 3.4 million square feet of Class A properties in active construction to meet the growing demand of the life science industry.

BioMed Reality owns and operates approximately six life science/bio tech properties in the Seattle area with two new developments: T6 Taylor Ave and Innov 8 in the early design review stage. These structures and projects are in the Seattle downtown area. The newly constructed Dexter Yard located at 700 Dexter Ave N of Seattle, WA has recently completed in the 4<sup>th</sup> quarter of 2022. All the structures are Class A laboratory and office type facilities.

A broader description of this neighborhood and associated development can be found within the 2024 Geo Areas 17, 20, 25, and 30 annual reports.

### **South King County (800-20)**

The property located at 1601 Lind Avenue SW, Renton, WA was previously valued as an office in the Office Specialty (280). The site contains two parcels identification numbers 334040-4006 and 334040-4004. In May 2022, the property was transferred to the Bio Tech Specialty (800) due to

a recent conversion from traditional office space to lab and office/flex space to fit the needs of a new tenant.

University of Washington Department of Laboratory Medicine and Pathology is the new tenant, leasing the five-story Class A Office Building in January 2022. The tenant, UW, is leasing the entire building with a net rentable area of 197,446 square feet, and the lease term is for 20 years NNN with rental rates of \$25.50/SF/YR plus annual rental rates escalation. In addition to the rent, UW will pay approximately \$51 million for tenant improvements converting office space to lab space plus \$12 million for lab equipment to operate as a life science/bio tech building.

South King County Neighborhood 800-20 has been created to accommodate future life science/bio tech properties developing in the submarket area. The neighborhood market area is from the southern boundary of City of Seattle Limits to the King and Pierce Counties boundary line. The neighborhood consists of Renton, Sea Tac, Burien, Tukwila, Kent, Auburn, Black Diamond, Enumclaw, Pacific, Algona, Des Moines, Federal Way, and Milton.

With proposed developments of new life science/bio tech buildings and office conversions on the rise, future biotech specialty neighborhoods will include the King County Eastside submarket. The King County Eastside submarket includes Bellevue, Bothell, Redmond, Kirkland, Woodinville, Issaquah, Sammamish, North Bend, Fall City, Snoqualmie, Newcastle, and Factoria. Other possible future biotech specialty neighborhoods may include the North King County submarket which includes Shoreline, Lake Forest Park, and Kenmore.

**Seattle/Puget Sound’s notable Life Science/Bio Tech real estate investors and developers:**

- Fred Hutchinson Cancer Research
- University of Washington
- Seattle Cancer Care Alliance
- Seattle Children’s Hospital Research
- BioMed Realty
- Alexandria Real Estate Equities
- Lincoln Property Company (LPC)/Invesco

**Biotech Market Summary**

The biotech industry experienced a significant boom during the COVID-19 pandemic, attracting unprecedented levels of capital as the industry gained intense public and investor interest. Total venture capital funding raised by global Life Science companies grew. However, in 2023, some non-traditional biotech investors have withdrawn, recognizing their lack of expertise in the field, leading to reduced investment in companies without proven scientific foundation. Despite this pullback, funding remains above pre-pandemic levels, and the first quarter of this year 2024 has already outperformed the same period last year. The fundamental scientific principles driving biotech innovation remain robust, and a new generation of advancements is nearing

commercialization. With growing optimism from industry experts, 2024 is projected to see full recovery in biotech.

There were no major sales of buildings in this sector in 2023. By contrast, several major leases were signed in 2023, and developers do not appear intimidated by the slowing venture capital market. Part of this can be explained by the demands for laboratory space. Two recent successful developments include Boren Labs and Dexter Yard. Oxford Properties' Boren Labs has six of nine floors leased, Cornea Gen, Gentio Bio, Tune Therapeutics, and Icosavax collectively leasing almost 100,000 square feet of space in the 140,000 square foot building. Dexter Yard has over 300,000 square feet of space leased in the 500,000 square foot pair of buildings, to: Shape Therapeutics, Parse Bioscience, Outpace, A12, and Monod Bio.

Over 150 companies in the life science industry are headquartered in the Puget Sound region, primarily in the biotechnology and drug discovery fields. Over \$742 million was raised in venture capital funding for local firms in 2023. Notable deals include: a later-stage VC (Series C) deal of \$189.2 million for Avalyn Pharma; an early-stage VC (Series B1) deal of \$120 million for Tune Therapeutics; and \$86.5 million for at-home diagnostics startup Viome, for R&D and future offerings and retail expansion. The US National Institute of Health (NIH) Funding to Puget Sound surpassed \$1 billion in 2023 as UW and Fred Hutch accounted for 75.5% of dollars received in the region. Seattle Children's Hospital received \$82M and \$67 M from the Allen Institute.

Despite recent hikes in lending rates, the life sciences sector has remained a bright spot within the office-reliant industry. The life science sector continues to show positive fundamentals, but demand for space has slowed alongside the office market, albeit to a lesser degree. Seattle Metro's two hubs represent almost nine million square feet of lab space. Seattle's low vacancy rate and asking rents were comparable to those of other top life sciences national markets in the 4<sup>th</sup> Quarter of 2023.

Seattle's life sciences market experienced an uptick in leasing activity year-to-year in early 2024 compared to 2023. Landlords have undertaken speculative buildouts, offering competitive pricing relative to second-generation space. CoLabs, a new incubator, is set to become operational by the end of 2024 at 222 Fifth, which is currently under construction.

The region boasted positive net absorption in Q4 2023 and Q1 2024, largely due to move-ins at newly constructed buildings. For example, Umoja Biopharma moved from 410 W Harrison to the fully pre-leased Eleven50 Eastlake, which was completed at the end of 2023. Additionally, Zeno Power Systems moved into 219 Terry. At Dexter Yard, Orion Medicines moved into its new sublease, while Shape Therapeutics reclaimed their space of 21,114 sq. ft. that was formerly on the market.

The Seattle Metro area also features a robust pipeline of new life science office buildings estimated to be delivered in 2024 and beyond. Over two-thirds of new buildings will be constructed north of downtown Seattle, in the urban district in and around South Lake Union. Everett will have a single tenant building with 270,000 square feet delivered around early-2024. Bellevue is also expected to gain 700,000 square feet in several years. Among the pipeline is the delivery of Northlake Commons, a mixed-use office and lab developing, adding 77,500 sq. ft. of premium lab space north of Lake Union.

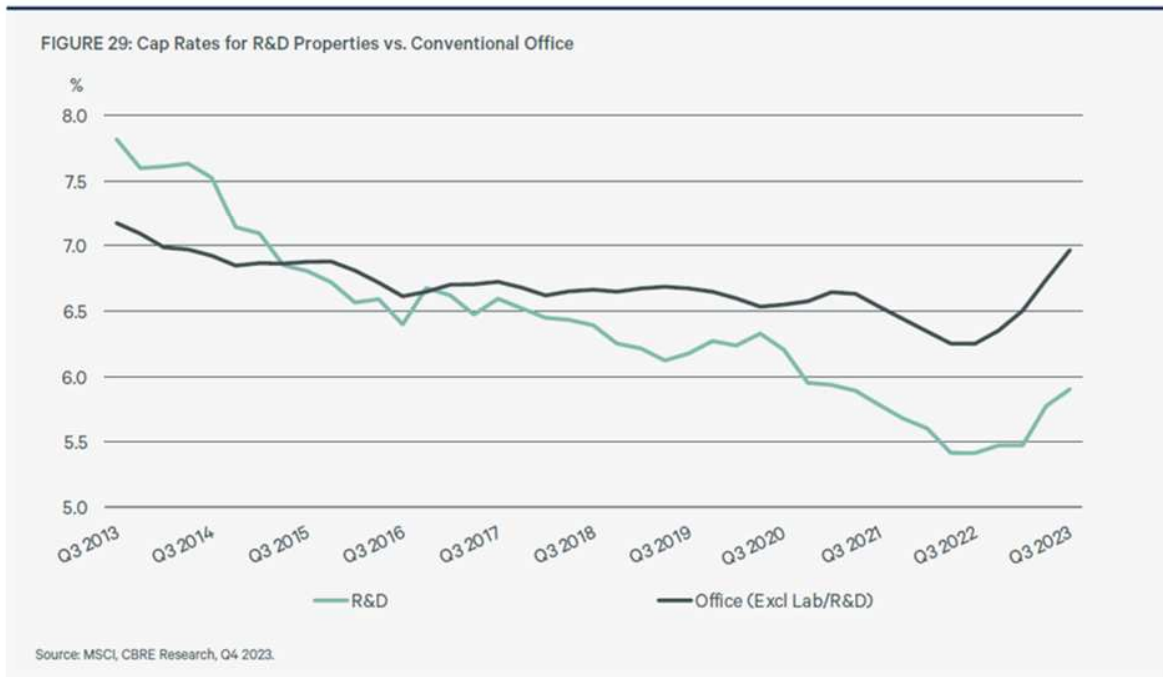
Other notable projects under construction include Chapter II Building with lab space of 157,944 square feet; 222 Fifth with lab space of 197,000 square feet and estimated delivery Q3 2024; 1916 Boren with lab space of 282,716 square feet, pre-leased 47%, and estimated delivery Q4 2024; and the 701 Dexter that just resume construction in February 2024 consists of lab space of 227,000 square feet with estimated delivery Q3 2025.

In a sign that real estate companies are not intimidated by the lackluster year for life science venture capital (VC) funding, local developers are not pulling back on building lab-capable properties. A Puget Sound Business Journal interview with BioMed Realty revealed that they plan on breaking ground on one of the two proposed projects they have in the pipeline. The two planned projects are T6 Innovation Center and Denny Park South, collectively 1.1 million square feet of speculative life science space coming to market.

The two major life science real estate investors and developers that absorb large portion of life science properties in the Seattle region, predominantly in the South Lake Union area, are Fred Hutchinson and Alexandria. Alexandria's life science properties are currently 97% leased with tenants on NNN lease terms of 10+ years plus 3% to 5% annual rental rates escalation. Alexandria's newly constructed Eleven50 Eastlake comprises 311,552 net rentable square feet and is 100% fully leased. Their Bothell life science properties are 94% leased. Fred Hutchinson Cancer Research Campus are 100% occupied by Fred Hutch (owner).

JLL's Puget Sound Lab Overview Q4 2023 market report indicated renewals drove most 2023 leasing activity as established tenants locked down long-term space. In 2023, Puget Sound leasing by transaction type consisted of renewal leases of 80.3% and new leases of 19.8%. Puget Sound leasing by term length consisted of 76.8% of tenants with lease terms of 10+ years, 19.8% of 5-9 year terms, and 2.1% of 3-4 year terms. Downtown Seattle's premium for life science projects built in year 2019 or later widened through 2023 with blended rental rate of \$85.00/SF/YR NNN, with the older existing life science buildings exhibiting an overall blended rental rate of \$62.92/SF/YR NNN.

CBRE reported the average capitalization rate for life science/R&D properties has risen by 50 basis points (bps) since mid-2022 to 5.9% in Q4 2023. By comparison, the average cap rate for conventional office properties (excluding life science/R&D) has jumped by 70 bps to 7% over the same period. Cap rates may remain elevated in 2024 if interest rates stay high. Typically, life sciences/R&D properties tend to have lower vacancies and cap rates with NNN lease terms in comparison to conventional office properties.



Now that pandemic-related concerns have been stabilized, the life science market is still experiencing robust demand for more lab spaces with increasing rental rates. The inventory of life science/biotech buildings in the Seattle/Puget Sound area relative to the amount of demand in the market is scarce and low vacancy rates prevail. Newly delivered Class A office buildings are being converted into biotech/lab spaces when possible. Bio Tech/Life Science buildings continue to maintain a lower vacancy rate and cap rate in comparison to the general office buildings in the Seattle area. Bio Tech/Life Science companies/developers are expanding into the Bellevue, Eastside and South King County area with new proposed lab buildings and office conversion to lab spaces.

**Market Conditions:**

2023 and Q1 2024 Bio Tech/Life Science market report publications from Cushman & Wakefield, CBRE, JLL, Newmark, and Collier indicate South Lake Union exhibited rental rates ranging from \$70.00 to \$90.00 per square foot NNN. Bothell market indicates blended rental rates from \$28.00 to \$50.00 per square foot NNN. The South Lake Union’s vacancy rate range was from 7.4% to 14.1%. Bothell submarket vacancy rate ranges from 5.6% to 19%. The higher range of vacancy rates reflect new life science buildings in the process of construction and existing office space conversions to lab space. Most of the new developments are centered in the Seattle CBD and South Lake Union area.

2023 4Q Cushman & Wakefield Submarket Stats			
	Inventory (SF)	Vacancy %	Avg Asking Rate*
Lake Union	3,100,000	12.10%	\$70.00 - \$90.00
Bothell	2,100,000	10.30%	\$40.00 - \$50.00
In Development	3,000,000	In-development	In-development
<b>Market Total</b>	<b>8,200,000</b>	<b>9.8%</b>	<b>\$60.91</b>

\*NNN Lease Rates (Blended) Per Square Foot

2023 4Q Cushman & Wakefield Submarket Stats			
	Inventory (SF)	Vacancy %	Avg Asking Rate*
<b>Market Total</b>	<b>8,200,000</b>	<b>9.8%</b>	<b>\$60.91</b>

\*NNN Lease Rates (Blended) Per Square Foot

2023 1Q Collier Puget Sound Region Life Science Report								
Market Name	Inventory (SF)	Vacancy (SF)	Vac %	Under Construction (SF)	Proposed MSF	Fit-Out-Cost/SF	TI's Per SF	Avg Asking Rate*
Lake Union	5,918,709	458,887	7.80%	1,238,000	3,500,000			\$73.00
Bothell	2,836,778	553,454	19.50%	0				\$28.00
<b>Puget Sound Total</b>	<b>8,755,487</b>	<b>1,012,341</b>	<b>11.60%</b>	<b>1,238,000</b>	<b>3,500,000</b>	<b>\$350.00</b>	<b>\$200.00</b>	<b>\$75.00</b>

\*NNN Lease Rates (Blended) Per Square Foot

2023 2Q Collier Puget Sound Region Life Science Report								
Market Name	Inventory (SF)	Vacancy (SF)	Vac %	Under Construction (SF)	Proposed MSF	Fit-Out-Cost/SF	TI's Per SF	Avg Asking Rate*
Lake Union	8,800,000	0	11.60%	1,200,000	3,500,000	\$350.00	\$200.00	\$75.00
Bothell	0	0	0.00%	0				\$0.00
<b>Puget Sound Total</b>	<b>8,800,000</b>	<b>0</b>	<b>11.60%</b>	<b>1,200,000</b>	<b>3,500,000</b>	<b>\$350.00</b>	<b>\$200.00</b>	<b>\$75.00</b>

\*NNN Lease Rates (Blended) Per Square Foot

2024 1Q Collier Puget Sound Region Life Science Report								
Market Name	Inventory (SF)	Vacancy (SF)	Vac %	Under Construction (SF)	Proposed MSF	Fit-Out-Cost/SF	TI's Per SF	Avg Asking Rate*
Lake Union	9,000,000	0	15.00%	1,200,000	0	\$375.00	\$215.00	\$78.75
Bothell	0	0	0.00%	0				\$0.00
<b>Puget Sound Total</b>	<b>9,000,000</b>	<b>0</b>	<b>15.00%</b>	<b>1,200,000</b>	<b>0</b>	<b>\$375.00</b>	<b>\$215.00</b>	<b>\$78.75</b>

\*NNN Annual Lease Rates (Blended) Per Square Foot. \*Assume new 10-years lease, 1st generation space.

2023M CBRE Bio Tech/Two Life Science Hub Submarket Stats											
Market Area	Total Area	Class A Vac %	Total Vacancy (SF)	Total Vac %	Direct Vac (SF)	Sublease Vac (SF)	Availability SF	Availability %	Direct Availability SF	Sublease Availability SF	Avg Asking Rate*
Seattle	5,843,320	7.90%	432,441	7.40%	430,441	2,000	279,503	4.80%	247,335	32,168	\$83.76
Bothell	2,688,227			4.00%	103,556	-	103,556	3.90%	107,598		\$32.53

\*Annual NNN Lease Rates (Blended) Per Square Foot (\$\$/SF/YR NNN)

2023M CBRE Bio Tech/Two Life Science Hub Submarket Stats				
	Inventory (SF)	ClassA Vac%	Tot Vac %	Avg Asking Rate*
Seattle	5,843,320	7.90%	7.70%	\$83.76
Bothell	2,688,227		4.00%	\$32.56
Other Puget Sound	0		0.00%	\$0.00
<b>Metro Total</b>	<b>8,531,547</b>	<b>0.00%</b>	<b>0.00%</b>	<b>\$55.56</b>

\*NNN Lease Rates (Blended) Per Square Foot

**2023 4th Qtr CBRE Puget Sound Region Life Science - Future Supply Lab/R&D**

Under Construction	# of Projects	Total Size (SF)	Tot Spec Sz (SF)	Delivering (2024)	% Pre-leased
New	4	735,451	494,500	518,451	16.80%
Conversion	1	78,000	0	78,000	100.00%
<b>Total</b>	<b>5</b>	<b>813,451</b>	<b>494,500</b>	<b>596,451</b>	<b>24.80%</b>

*Future Supply Lab/R&D*

**1Q 2023 CBRE Bio Tech/Life Science Submarket Stats**

	Inventory (SF)	Absorption	Vacancy %	Avg Asking Rate*
Seattle	6,052,239	46,298	8.70%	\$83.23
Bothell	2,153,378	-702	5.60%	\$39.63
Other Puget Sound	389,715	0	0.00%	\$26.00
<b>Metro Total</b>	<b>8,595,332</b>	<b>45,596</b>	<b>7.50%</b>	<b>\$70.77</b>

*\*NNN Lease Rates (Blended) Per Square Foot*

**2023 1st Quarter CBRE Puget Sound Region Life Science Report**

Under Construction	# of Projects	Total Size (SF)	Tot Spec Sz (SF)	Delivering (2023)	% Pre-leased
New	5	1,045,451	804,500	387,500	38.30%
Conversion	2	277,179	199,179	277,179	58.40%
<b>Total</b>	<b>7</b>	<b>1,322,630</b>	<b>1,003,679</b>	<b>664,679</b>	<b>42.50%</b>

*Future Supply Lab/R&D*

**4Q 2023 CBRE Seattle Life Science - Inventory Lab/R&D**

	Inventory (SF)	Absorption	Vacancy %	Avg Asking Rate*
Seattle	6,478,708	194,423	13.30%	\$79.50
Bothell	2,155,378	0	5.30%	\$38.00
Other Puget Sound	389,715		0.00%	\$0.00
<b>Metro Total</b>	<b>9,023,801</b>	<b>194,423</b>	<b>10.80%</b>	<b>\$74.78</b>

*\*NNN Lease Rates (Blended) Per Square Foot*



Q4 2023 CBRE Bio Tech Puget Sound Region Submarket Stats									
Submarkets	Net Rentable Area (SF)	Direct	Total	Total	Q1 2023	Last 4	Under	Wtd. Avg	Class A Wtd.
		Vacancy (%)	Vacancy (%)	Availability (%)	Net Absorption (SF)	Qtr Net Absorption (SF)	Construction or Renovation (SF)	Asking Rent, NNN (\$/SF/Yr)	Avg. Asking Rent, NNN (\$/SF/Yr)
Seattle Close-In	6,478,708	11.30%	13.30%	14.10%	205,203	211,719	909,897	\$79.50	\$83.59
Investor Owned	3,185,804	23.00%	27.10%	28.70%					
User Owned	3,292,904	0.00%	0.00%	0.00%	0	0	0	-	-
Bothell	2,155,378	5.30%	5.30%	5.50%	0	434	78,000	\$38.00	
Investor Owned	1,140,674	10.10%	10.10%	10.40%					
User Owned	1,014,704	0.00%	0.00%	0.00%	0	0	0	-	-
Other Eastside	236,256	0.00%	0.00%	0.00%	0	0	0	-	-
Northend	87,386	0.00%	0.00%	0.00%	0	0	272,000		
Southend	30,000	0.00%	0.00%	0.00%	0	0	0		
Tacoma	20,008	0.00%	0.00%	0.00%	0	0	0		
<b>Puget Sound Total</b>	<b>9,007,736</b>	<b>9.40%</b>	<b>10.90%</b>	<b>11.50%</b>	<b>205,203</b>	<b>212,153</b>	<b>1,259,897</b>	<b>\$74.78</b>	<b>\$83.59</b>

*NNN Lease Rates (Blended) Per Square Foot*

2023 Q4 JLL Puget Sound Lab Overview Market Stats									
Market Size (SF)	Leasable Inventory (SF)	Owner-User Inventory (SF)	Total Existing Avail (SF)	Absorption (SF)	Under Development (SF)	Venture Capital Funding	YTD Leasing Activity	Vacancy %	Direct Asking Rate*
7,300,000	4,800,000	2,500,000	1,100,000	119,000	1,137,000	\$876,000,000	\$380,000	15.07%	\$71.59

*\*NNN Lease Rates (Blended) Per Square Foot*

2023 Q4 JLL Puget Sound Lab Overview Market Stats						
Market Area	Total Leasable Inventory (SF)	Under Development (SF)	Total Existing Existing Avail (%)	Vacancy %	Avg Op Exp Reimbursement \$\$\$/SF/YR	Avg Asking Rates (NNN)* \$\$\$/SF/YR
Seattle	3,700,000	1,100,000	21.90%	13.50%	\$25.00	\$77.99
Eastside/Northend	1,100,000	270,000	24.60%	24.90%	\$12.00	\$27.37
Total Puget Sound	4,800,000	1,370,000		15.07%		\$71.59

*\*NNN Lease Rates (Blended) Per Square Foot*

Q4 2023 CBRE Life Science Market Indicators										
Market	Inventory (SF)	Vacancy (%)	Average Asking Rents (NNN)	Q4 Absorption (SF)	YTD Absorption	Tenants Seeking Space	Total Demand (SF)	Under Construction SF of Lab/R&D	Preleased (% of Under Construction)	Q4 Deliveries (SF of Lab/R&D)
Boston/Cambridge	55,580,025	10.80%	\$95.80	71,901	-612,739	77	1,904,500	11,958,840	28.10%	4,221,272
Chicago	2,034,709	42.40%	\$46.29	38,162	321,258	36	1,180,000	479,963	11.50%	-
Denver/Boulder	3,154,462	9.10%	\$60.00	9,504	130,208	14	506,000	558,455	8.70%	16,715
Houston	2,822,810	29.00%	\$48.87	115,000	145,000	5	175,000	0	-	368,000
Los Angeles	5,962,707	15.30%	\$54.40	-118,805	-117,610	25	848,000	420,287	0.00%	-
New Jersey	17,519,200	13.10%	\$36.00	-103,925	-564,718	9	710,000	1,534,683	0.00%	-
New York	3,049,495	10.70%	\$98.52	33,652	-149,771	26	820,000	195,095	0.00%	47,584
Philadelphia	11,084,563	13.90%	\$50.34	92,518	665,557	30	1,326,000	1,839,928	27.40%	140,330
Raleigh-Durham	9,312,822	10.10%	\$41.29	2,949	64,988	20	760,600	310,366	4.20%	155,000
San Diego	24,750,217	12.80%	\$75.84	211,104	-524,915	29	1,690,000	4,419,200	25.90%	519,270
San Francisco Bay Area	39,403,186	18.10%	\$72.84	-175,573	-1,823,699	42	1,798,000	8,289,385	10.80%	1,280,081
Seattle	<b>9,023,801</b>	<b>10.80%</b>	<b>\$74.78</b>	<b>194,423</b>	<b>206,406</b>	<b>12</b>	<b>307,000</b>	<b>813,451</b>	<b>24.80%</b>	<b>501,627</b>
Washington DC/Baltimore	13,285,758	4.40%	\$43.50	120,185	408,568	11	241,500	1,188,775	38.90%	412,086
<b>Total</b>	<b>196,983,755</b>	<b>13.10%</b>	<b>\$70.07</b>	<b>491,095</b>	<b>-1,851,467</b>	<b>336</b>	<b>12,266,600</b>	<b>32,008,428</b>	<b>24.30%</b>	<b>7,661,965</b>

## Analysis Process

**Effective Date of Appraisal:** January 1, 2024

**Date of Appraisal Report:** June 11, 2024

**The following appraiser did the valuation for this geographic area:**

- Yuen Chin – Commercial Appraiser II

The process and results were reviewed for quality control and administrative purposes by Andrew Murray, Senior Commercial Appraiser.

### 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 nominal value of \$1,000 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 to justify new construction 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 property is put until it is ready for its future highest and best use is called an interim use. Thus, the interim use becomes the highest and best use, in anticipation of change over a relatively short time in the future.

### 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, review of plans, marketing information, and rent rolls when available.

### Special Assumptions and Limiting Conditions

- All three approaches to value were considered in this appraisal.
- Sales from 01/01/2021 to 12/31/2023 (at minimum) were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6 (USPAP compliant).

### Physical Inspection Identification:

WAC 458-07-015 requires each property to be physically inspected at least once during a six-year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection. All the biotech specialty properties have been physically inspected within the previous six years as required. Biotech specialty properties were selected for physical inspection this assessment year.

The Biotech Specialty was physically inspected for the 2024 assessment year. The physical inspection comprised a total of 85 parcels, or approximately 100% of total parcels located in Area 800. A list of the physically inspected parcels is included in the addendum of this report.

Geo Neighborhood		Location	Inspected Parcel Count	Total Parcel Count	Percent of Parcel Count
800	10 & 20	Biotech 800-10 and 800-20	85	85	100.00%
<b>Specialty Areas 800 Physical Inspection Totals</b>			<b>85</b>	<b>85</b>	<b>100.00%</b>

## SCOPE OF DATA

**Land Value Data:** The geographic appraiser in the area in which the specialty property is located is responsible for the land value used by the Area 800 specialty appraiser. See appropriate area reports for land valuation discussion.

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

## Preliminary Ratio Analysis

The sales ratio study is an important assessment tool to ensure that properties are uniformly assessed based on market value. This analysis utilizes statistical methods to measure the relationship between a property’s assessed value and its sale price by grouping individual sales according to property type and geographic area. This data can be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development.

Given the small sample size, particularly in comparison to the recommended minimum for this data set, ratio study measurements are not considered representative of the Bio Tech population and would not provide for any meaningful statistical analysis. Therefore, no ratio study has been included.

## Improved Parcel Total Values

### Sales Comparison Approach Model Description

All sales were verified with knowledgeable parties and inspections, when possible. The model for the sales comparison approach was based on characteristics from the Assessor’s records including location, effective age, building quality and net rentable area. Sales with characteristics most similar to the subject properties were considered.

At the time of sale, information on vacancy and market absorption rates, capitalization rates, current and anticipated rents, and the competitive position of the properties were also gathered. Sales were then compared to similar properties within the area for valuation. These sales statistics also helped form the income approach to value by setting parameters for the income rates, vacancies, expenses, and capitalization rates. When necessary, sales of similar improved properties in adjacent neighborhoods were also considered.

A traditional sales comparison approach model was not applied due to the small sales sample, with only two fair-market sale transactions of biotech specialty properties within the previous three years and sufficient market income data.

Biotech property sales:

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.
800	010	066000	2190	136,217	3110138	\$119,019,316	04/07/21	\$873.75	BOREN OFFICE LOFT	DMC 240/290-440	Office Building	1
800	010	684770	0115	211,066	3149738	\$164,500,000	10/01/21	\$779.38	CASCADIAN OFFICE BUILDING	SM-SLU 100/95	Office Building	1

### **Sales Comparison Calibration**

Since there were only two sales, no sales comparison calibration was performed. Calibration of coefficients utilized for the model applied within a Sales Comparison approach is typically established via analysis of all sales within the specialty. Sales from supporting geographic neighborhoods and other specialties' properties may also be considered, as they relate to basic property types and/or use categories (single purpose and major office buildings, high tech, and industrials, for example). While sales are reviewed and market data extracted wherever possible, sales modeling was not utilized in the final reconciliation of value.

### **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. Marshall & Swift cost calculations are automatically calibrated based on the data in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older properties, this approach to value was given the least weight in the final reconciliation of values. Cost estimates were relied upon for valuing new construction where comparable sales data and/or sufficient income and expense information is not available. With new construction, the cost method is reconciled with the income method to determine the appropriate approach.

### **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.

### **Income Capitalization Approach Model Description**

The Income Approach was considered a reliable approach to valuation for improved property types where income and expense data are available to ascertain market rates. Due to the significance of parking income within the specialty, parking income was included as a component of the direct capitalization process. Restrictions of proprietary software within the department's income program precluded application of standard income tables in the revaluation process. A direct capitalization spreadsheet was created showing each property's income value estimate with supporting parking value contribution.

Income parameters were derived from the marketplace through market rental surveys, sales, and available real estate publications and websites. 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. Due to the highly competitive nature of this specialty, information of a confidential nature is very difficult to obtain. As a supplement, lease information is gathered from Costar and other similar online sources. The

majority of properties in this area were valued utilizing an income approach (Direct Capitalization Method).

In general, the valuation model includes the following steps:

1. The program multiplies the property's net rentable area by the market rent to derive potential gross income (PGI).
2. The program subtracts allowances for vacancy and operating expenses to derive net operating income (NOI).
3. The program capitalizes NOI (divides it by the overall rate) to produce the value estimate.

**Income:** Income data was derived from the marketplace from landlords and tenants, market sales, as well as through published sources (i.e., officespace.com, Commercial Brokers Association, Co-Star, and real estate websites such as CBRE, Colliers, Cushman & Wakefield, Newmark, Kidder Mathews, etc.), and opinions expressed by real estate professionals active in the market. When necessary, rental rates of similar property types from other market areas were considered.

**Vacancy:** Vacancy rates used were derived mainly from published sources and tempered by appraiser observation.

**Expenses:** Expense ratios were estimated based on industry standards, published sources, and the appraiser's knowledge of the area's rental practices.

**Capitalization Rates:** When market sales are available, an attempt is made to ascertain the capitalization rate on the sale or a pro-forma cap rate on the first-year performance, during the sales verification process. In addition, capitalization rate data was collected from published market surveys, such as Co-Star, Real Capital Analytics, The American Council of Life Insurance (Commercial Mortgage Commitments), Integra Realty Resources, Kopacz Real Estate Investor Survey (PWC), CBRE – National Investor Survey, etc. These sources typically have capitalization rates or ranges based on surveys or sales, and they usually include rates for both the Seattle Metropolitan area and the nation.

The effective age and condition of each building contributes to the capitalization rate applied in the model. For example; a building in poorer condition with a lower effective year (1965, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year (2010, for example) will warrant a lower capitalization rate.

### **Income Approach Calibration**

Rental rates, vacancy levels and operating expenses are derived by reconciling all the information collected through the sales verification process, interviews with tenants, owners, and brokers and the appraiser's independent market research. Quality, effective year, condition, and location

are variables considered in the application of the income model to the parcels in the population best suited to be valued via the income approach.

The following table contains the results of an analysis of this information and stratifies the uses in Area 800 and the typical income parameters that were used to set value. It should be noted that due to the nature of commercial real estate, not all properties fall within the typical parameters.

<b>Typical Income Parameters - 800-10 (Seattle)</b>				
Section Use	Rent Range per SF*	Vacancy Rate %	Operating Expense Rate	Capitalization Rate %
Labortories/Vivarium	\$62.00 - \$78.00	10.00%	10.00%	5.75% - 6.75%
Office/Medical Office	\$26.00 - \$42.00	10.00%	10.00%	5.75% - 6.75%
Retail/Restaurant	\$24.00 - \$38.00	10.00%	10.00%	5.75% - 6.75%
<b>Note: NNN</b>				

<b>Typical Income (Blended Rate) Parameters - 800-10 (Seattle)</b>				
Section Use	Blended Rent Range per SF*	Vacancy Rate %	Operating Expense Rate	Capitalization Rate %
Overall Bio Tech	\$45.00 - \$75.00	10.00%	10.00%	5.75% - 6.75%
<b>Note: Blended Rate, NNN</b>				

<b>Typical Income Parameters - 800-20 (South King County)</b>				
Section Use	Rent Range per SF*	Vacancy Rate %	Operating Expense Rate	Capitalization Rate %
Labortories/Vivarium	\$18.00 - \$34.00	12.00%	10.00%	6.00% - 7.25%
Office/Medical Office	\$13.00 - \$29.00	12.00%	10.00%	6.00% - 7.25%
Retail/Restaurant	\$12.00 - \$26.00	12.00%	10.00%	6.00% - 7.25%
<b>Note: NNN</b>				

Parking income, if applicable, was developed using PSRC's 2022 parking inventory study.

### Reconciliation

All parcels were individually reviewed for correct application of the model before final value selection. All the factors used to establish value by the model were subject to adjustment. All the factors used to establish value by the model were subject to adjustment. The market approach is generally considered the most reliable indicator of value when comparable sales are available; however, there have not been a sufficient number of sales of biotech properties for this analysis. The income approach to valuation is given the greatest weight in the final analysis due to the information available. Andrew Murray, Senior Commercial Appraiser, made an administrative review of the selected values for quality control purposes.

# Model Validation

## Total Value Conclusions, Recommendations and Validation:

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

In the 2024 valuation model, the income approach is used to value the majority of the income producing properties as there are an insufficient number and variety of sales to value the different property types by the market approach. The income approach also insures greater uniformity and equalization of values.

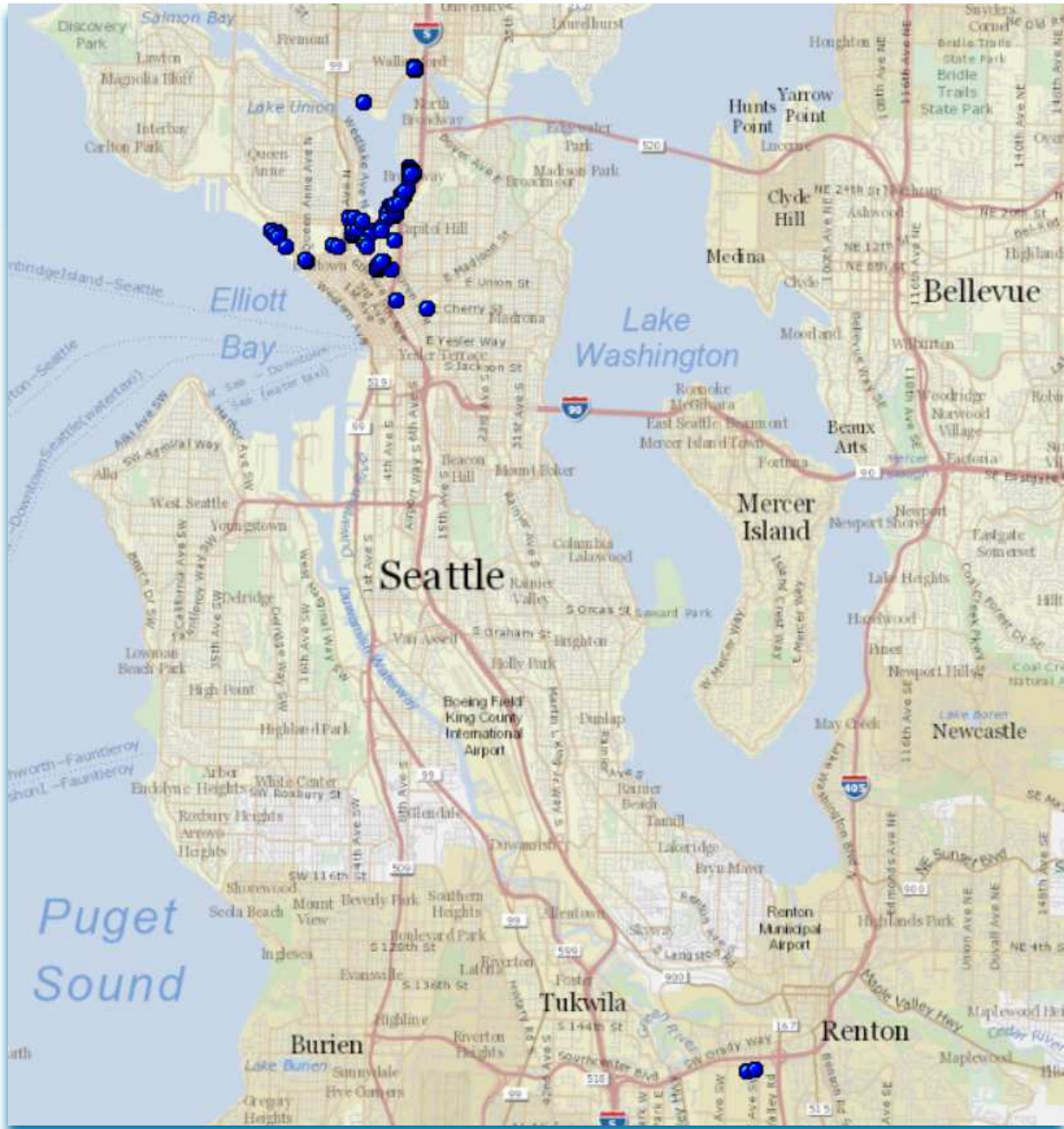
## CHANGE IN TOTAL ASSESSED VALUE

The total assessed value in Area 800, for the 2023 assessment year, was \$6,131,049,900 and the total recommended assessed value for the 2024 assessment year is \$6,193,355,100. Application of these recommended values for the 2024 assessment year results in an average total change from the 2023 assessment of +1.02%. This increase does not include new construction values from projects currently under construction. These values will be added later during the new construction maintenance period (new construction is valued as of July 31<sup>st</sup> of the assessment year).

CHANGE IN TOTAL ASSESSED VALUE			
2023 Total Value	2024 Total Value	\$ Change	% Change
\$6,131,049,900	\$6,193,355,100	\$ 62,305,200	1.02%



# SPECIALTY AREA 800 MAP



Specialty 800  
2024 Assessment Year

 **King County**  
Department of Assessments

# 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 Standards 5 and 6. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan, and the statutes.

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

## Definition and date of value estimate:

### Market Value

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

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

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

## Highest and Best Use

### **RCW 84.40.030**

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

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

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

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

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

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

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

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

**Date of Value Estimate**

**RCW 84.36.005**

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

**RCW 36.21.080**

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

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

## Property Rights Appraised: Fee Simple

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

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

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

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

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

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

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

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

## Assumptions and Limiting Conditions:

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

8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
9. Maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

### Scope of Work Performed:

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

### Certification:

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

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.

- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent to their name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
  - Annual Model Development and Report Preparation
  - Data Collection
  - Sales Verification
  - Appeals Response Preparation / Review
  - Appeal Hearing Attendance
  - Physical Inspection Model Development and Report Preparation
  - Land and Total Valuation
  - New Construction Evaluation

6/11/2024

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Yuen Chin, Commercial Appraiser II

Date

Improved Sales Calc for Area 800 with Sales Used

12/29/2023

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
800	010	066000	2190	136,217	3110138	\$119,019,316	04/07/21	\$873.75	BOREN OFFICE LOFT	DMC 240/290-440	Office Building	1	Y	
800	010	684770	0115	211,066	3149738	\$164,500,000	10/01/21	\$779.38	CASCADIAN OFFICE BUILDING	SM-SLU 100/95	Office Building	1	Y	

## SPECIALTY 800 BIOTECH PHYSICAL INSPECTION 2024

SpecArea	SpecNbhd	Major	Minor	Situs
800	10	066000	1215	1900 9TH AVE
800	10	066000	1225	1906 9TH AVE
800	10	066000	1230	1916 9TH AVE
800	10	066000	1512	
800	10	066000	1525	1920 TERRY AVE
800	10	066000	1530	1001 VIRGINIA ST
800	10	066000	2030	1100 OLIVE WAY
800	10	066000	2170	1916 BOREN AVE
800	10	066000	2190	1930 BOREN AVE
800	10	069500	0090	3000 WESTERN AVE
800	10	069500	0100	3018 WESTERN AVE
800	10	136130	0010	825 EASTLAKE AVE E
800	10	136130	0020	825 EASTLAKE AVE E
800	10	136130	0025	1300 VALLEY ST
800	10	136130	0028	820 YALE AVE N
800	10	136130	0055	825 EASTLAKE AVE E
800	10	197820	0010	1201 9TH AVE
800	10	197820	1421	718 BROADWAY
800	10	198320	0160	964 REPUBLICAN ST
800	10	198320	0200	401 TERRY AVE N
800	10	198420	0105	1000 FAIRVIEW AVE N
800	10	198420	0130	1100 FAIRVIEW AVE N
800	10	198420	0135	1100 FAIRVIEW AVE N
800	10	198420	0160	1100 FAIRVIEW AVE N
800	10	198420	0185	823 YALE AVE N
800	10	198420	0205	1210 VALLEY ST
800	10	198420	0215	820 MINOR AVE N
800	10	198420	0270	1201 VALLEY ST
800	10	198420	0396	1305 WARD ST
800	10	198420	0411	810 YALE AVE N
800	10	198420	0455	1100 FAIRVIEW AVE N
800	10	198620	0135	307 WESTLAKE AVE N
800	10	198620	0255	219 TERRY AVE N
800	10	198820	1380	400 DEXTER AVE N
800	10	198820	1390	400 DEXTER AVE N
800	10	198820	1400	400 DEXTER AVE N
800	10	198820	1410	535 8TH AVE N
800	10	198820	1435	501 8TH AVE N
800	10	198820	1450	750 REPUBLICAN ST
800	10	198820	1480	850 REPUBLICAN ST
800	10	198820	1485	850 REPUBLICAN ST
800	10	199120	0315	222 5TH AVE N
800	10	199120	0540	200 TAYLOR AVE N
800	10	199220	0045	400 W HARRISON ST
800	10	199220	0050	410 ELLIOTT AVE W
800	10	210770	0210	1551 EASTLAKE AVE E
800	10	216390	0955	1165 EASTLAKE AVE E
800	10	216390	0985	
800	10	216390	1030	1100 EASTLAKE AVE E



## SPECIALTY 800 BIOTECH PHYSICAL INSPECTION 2024

SpecArea	SpecNbhd	Major	Minor	Situs
800	10	216390	1050	1166 EASTLAKE AVE E
800	10	216390	1060	1150 EASTLAKE AVE E
800	10	216390	1065	1150 EASTLAKE AVE E
800	10	216390	1066	1150 EASTLAKE AVE E
800	10	216390	1105	1100 EASTLAKE AVE E
800	10	216390	1160	1208 EASTLAKE AVE E
800	10	224900	0245	701 DEXTER AVE N
800	10	224900	0285	700 DEXTER AVE N
800	10	226450	1110	1441 N 34TH ST
800	10	286960	0135	1241 EASTLAKE AVE E
800	20	334040	4004	1650 RAYMOND AVE SW
800	20	334040	4006	1601 LIND AVE SW
800	10	338390	0145	188 E BLAINE ST
800	10	338390	0230	1616 EASTLAKE AVE E
800	10	408880	2655	188 E BLAINE ST
800	10	408880	2660	188 E BLAINE ST
800	10	408880	2666	199 E BLAINE ST
800	10	408880	2667	199 E BLAINE ST
800	10	408880	2668	199 E BLAINE ST
800	10	408880	2925	1241 EASTLAKE AVE E
800	10	408880	3385	601 WESTLAKE AVE N
800	10	420690	0290	3831 4TH AVE NE
800	10	420690	0295	3826 LATONA AVE NE
800	10	420690	0310	3800 LATONA AVE NE
800	10	420690	0315	3800 LATONA AVE NE
800	10	420690	0370	3800 LATONA AVE NE
800	10	420690	0380	3800 LATONA AVE NE
800	10	420690	0385	3800 LATONA AVE NE
800	10	420690	0390	3800 LATONA AVE NE
800	10	684770	0115	330 YALE AVE N
800	10	766620	2080	501 ELLIOTT AVE W
800	10	766620	2110	401 ELLIOTT AVE W
800	10	766620	2133	351 ELLIOTT AVE W
800	10	766620	2190	201 ELLIOTT AVE W
800	10	786350	0020	530 FAIRVIEW AVE N
800	10	786350	0040	500 FAIRVIEW AVE N



## King County

### Department of Assessments

KSC – AS – 0708

201 S. Jackson St., Room 708

Seattle, WA 98104

OFFICE (206) 296-7300

FAX (206) 296-0595

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

**John Wilson**

**Assessor**

As we start preparations for the 2024 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties.
- Where applicable, validate the correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes, and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State, or local laws or regulations preclude compliance with USPAP.
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties so that ratio statistics can be accurately inferred for the entire population.
- Time adjust sales to January 1, 2024, in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, the Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

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

John Wilson  
King County Assessor

Specialty 800  
2024 Assessment Year



**Department of Assessments**