

Hi-Tech/Flex Properties

Area: 510

Commercial Revalue for 2025 Assessment Roll



Microsoft Redwoods Building - Redmond



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

201 South Jackson Street, KSC-AS 0708

Seattle, WA 98104

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

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



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John Wilson
Assessor

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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 510

2025 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 730,000 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. 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: 1/1/2025 – 2025 Assessment Year

Specialty Appraisal Area:

- **Area 510:** High-Tech/Flex Properties

Sales – Improved Summary:

- Number of Sales: 5 market sales; 5 in ratio study
- Range of Sales Dates: 1/1/2022 –3/03/2025

Sales – Ratio Study Summary:

Sales - Improved Valuation Change Summary						
	Mean Assessed Value	Mean Sales Price	Ratio	COD*	COV	PRD
2024 Value	\$24,594,100	\$30,550,000	80.50%	12.05%	16.71%	1.04
2025 Value	\$26,554,500	\$30,550,000	86.90%	6.04%	8.48%	1.06
Change	\$ 1,960,400		6.40%	-6.01%	-8.23%	2.00%
% Change	7.97%		7.95%	-49.88%	-49.25%	1.92%

*COD is a measure of uniformity, lower numbers represent better uniformity

Sales used in analysis: All improved sales that were verified as good sales 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 change of use after the sale date; sold as a portion of a bulk portfolio sale; net lease sales; sales that had major renovation after sale or have been segregated or merged since being purchased. Land values were provided by the appraisers for each geographical area and subsequently applied in total valuation.

The statistically small sample size used in the analysis limits the ratio study's reliability in this case.

Total Population - Parcel Summary Data:

TOTAL POPULATION SUMMARY DATA			
	Land	Improvement	Total
2024 Value	\$2,543,735,800	\$5,556,947,600	\$8,100,683,400
2025 Value	\$2,570,628,500	\$5,525,146,700	\$8,095,775,200
% Change	1.06%	-0.57%	-0.06%

Specialty 510
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Number of Parcels in the Population: 217 (This figure does not include properties under construction).

Conclusion and Recommendation:

Total assessed values for the 2025 revalue decreased by -0.06%, reflecting the relatively flat, though stable, Tech/Flex market in King County and improved income fundamentals.

The values recommended in this report reflect current High-Tech/Flex market parameters and improve uniformity and equity; therefore, it is recommended that the values should be posted for the 2025 Assessment Year.

Identification of the Area

Name or Designation

- **Area 510:** Hi-Tech/Flex Properties

Area 510 Neighborhoods

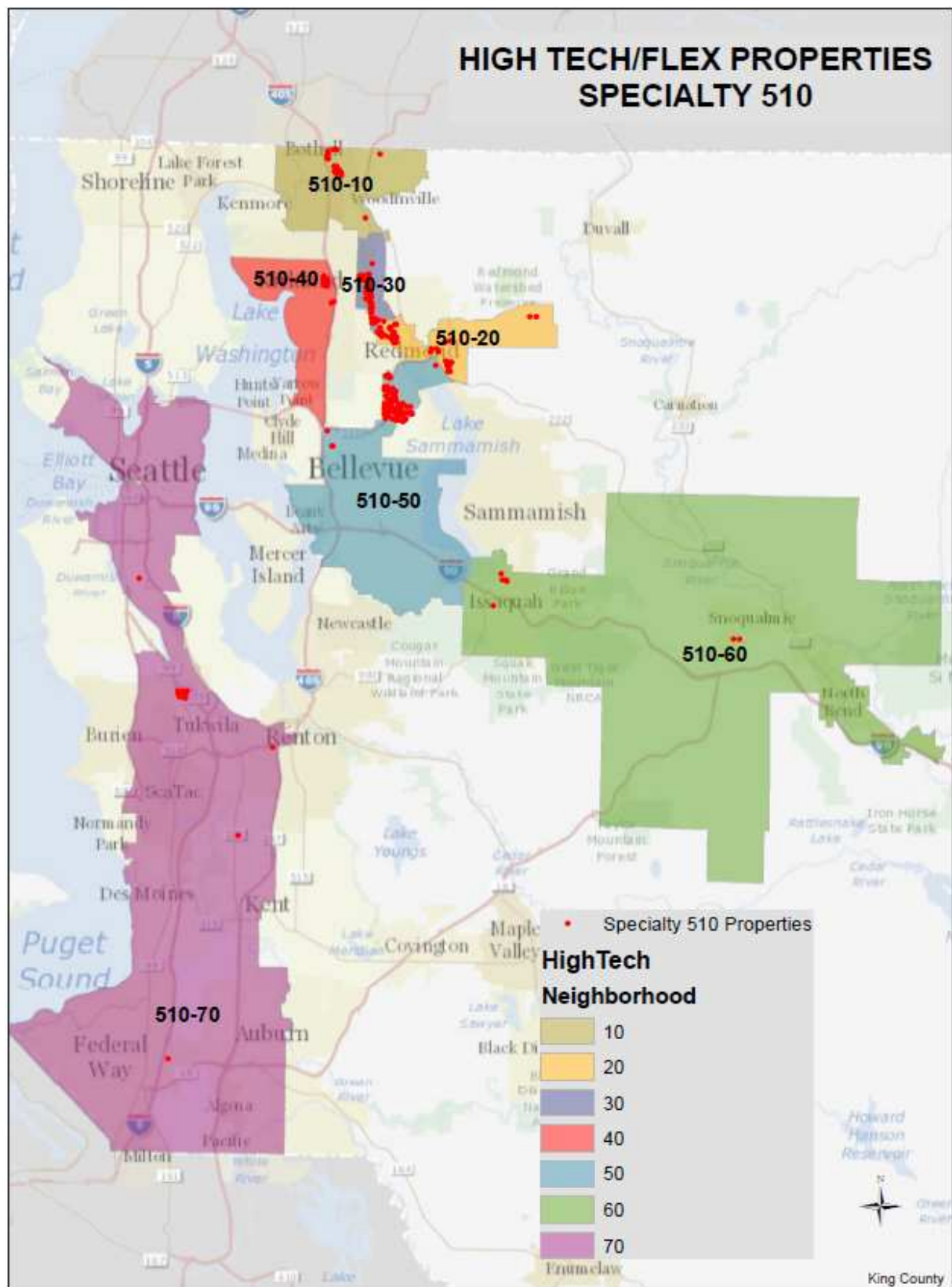
- **510-10** Bothell (North Creek) & Woodinville
- **510-20** Redmond (Close-in & Marymoor Park)
- **510-30** Redmond (Willows Corridor)
- **510-40** Kirkland Totem Lake
- **510-50** Redmond (Overlake), Bellevue (SR-520 & I-90 corridors)
- **510-60** Issaquah & Snoqualmie
- **510-70** Seattle, Kent, Renton, Auburn, SeaTac, Tukwila, & Federal Way

Boundaries

- King County

Maps

General maps of the area are included in this report. More detailed Assessor's maps are located on the 7th floor of the King Street Center or on the King County Assessor website <https://kingcounty.gov/depts/assessor.aspx>.



Area 510
2025 Assessment Year

 **King County**
Department of Assessments

Area Description

The High-Tech/Flex Specialty properties are defined as buildings that include a combination of warehouse, light or heavy industrial use, and office area. The occupants are engaged in a variety of High-Tech enterprises that may include computer software and hardware, telecommunications, medical instrumentations, research & development, and corporate offices (Microsoft, Nintendo, Facebook, Meta and Google are included). The typical building often includes general offices, industrial engineering and laboratories areas, assembly areas, and/or computer rooms, and generally run above a 40% office build-out ratio. The buildings tend to be of higher quality finish and may have multiple fiber optic lines with additional power, mechanical, and communications facilities than your typical office buildings or business park/industrial flex buildings.

Also included in the high-tech specialty are data centers. Data centers are a facility used to house computer systems and associated components, such as telecommunications, internet, cable networks and cloud storage systems. It generally includes redundant or backup power supplies, power conditioning equipment, redundant data communications connections, environmental controls (e.g., air conditioning, fire suppression) and security infrastructure.

Artificial Intelligence (AI) has come into the high-tech specialty. Since current market demand far outweighs supply, the AI revolution will create tremendous opportunities for investment and development. Artificial intelligence, or AI, is technology that enables computers and machines to simulate human intelligence and problem-solving capabilities. On its own or combined with other technologies (e.g., sensors, geolocation, robotics), AI can perform tasks that would otherwise require human intelligence or intervention. Digital assistants, GPS guidance, autonomous vehicles, and generative AI tools (like Open AI's Chat GPT) are just a few examples of AI in the daily news and daily lives. AI involves the development of AI algorithms, modeled after the decision-making processes of the human brain, that can learn from available data and make increasingly accurate classifications or predictions over time.

Microsoft is the one of the big global technology companies located on 500 acres in Redmond, Washington that includes public spaces, sports field, green spaces, and more than 125 buildings. The main Redmond campus added 17 new office buildings with nine that are finalized and occupied, and the remaining are projected to be completed in the last quarter of 2025. Microsoft is Washington State's third largest local employer with over 55,000 local employees and employs about 228,000 people worldwide.

Area Overview

High Tech Flex buildings have been segmented into seven distinct neighborhoods described by their geographic location, totaling 217 separate tax parcels. Most of these properties (73%) are in the Redmond and Bellevue/Overlake area of Neighborhoods 510-20, 510-30, and 510-50. The remaining properties are in Neighborhood 510-10: Bothell (11%); Neighborhood 510-40: Kirkland (8.29%); Neighborhood 510-70: Seattle/South King County (5.53%); and Neighborhood 510-60: Snoqualmie/Issaquah (2.30%). The East King County Tech Flex market also saw significant leasing activity from smaller tenants, but stands in contrast to that of the broader industrial warehouse market, with vacancy rates that are typically higher than average industrial properties within the region.

Changes in total assessed value by neighborhood:

Change in Assessed Land Value by Neighborhood			
Neighborhood	2024 Value	2025 Value	% Change
510-10	\$331,682,000	\$334,834,400	0.95%
510-20	\$807,898,600	\$804,055,600	-0.48%
510-30	\$1,091,247,800	\$1,081,433,800	-0.90%
510-40	\$148,324,000	\$146,404,700	-1.29%
510-50	\$5,257,310,900	\$5,275,933,300	0.35%
510-60	\$151,367,600	\$151,853,100	0.32%
510-70	\$312,852,500	\$301,260,100	-3.71%
Total	\$8,100,683,400	\$8,095,775,000	-0.06%

High-Tech/Flex Market

High Tech/High Flex and Industrial properties remain a desirable asset class, despite cooling demand, soft markets, and increased interest rates. Development will likely soften in the near future due to rising mortgage rates and tightened lending requirements, which have also slowed sales volume.

High Tech Flex and Industrial sales dropped, not only on account of higher interest rates, but also increased construction costs. Despite decreased activity, Puget Sound industrial assets continued to be sought after by investors. With escalated rental rates, vacancies rose slightly. The average cap rates for R&D properties range from 6% to 10.10% and industrial flex properties range from 6% to 7.50%.

Industrial Space:

CBRE 4th Quarter 2024 Industrial report indicated the overview of the Puget Sound Industrial real estate market is experiencing converging trends, with an 8.8% vacancy rate and 1.4 million square feet of negative net absorption in Q4. The last 90 days saw 626,849 square feet of construction

completed and 4.9 million square feet underway, a sharp decrease from last year, but not sufficient to slow the rise in vacancy. Seattle remains a highly desirable destination for industrial tenants, bolstered by increasing port volumes that enhance logistics capabilities and access to global markets. Additionally, the region benefits from a robust transportation infrastructure, a skilled workforce, and a diverse economy, including technology, e-commerce, and manufacturing sectors. While certain submarkets are witnessing shifts due to rightsizing and adjustments, especially to third-party logistics firms (3PL) in the post-pandemic environment, Seattle's strategic advantages continue to attract businesses and investors looking for sustainable growth opportunities.

Vacancy – Slight Rise in Vacancy Rate in Q4 – During the fourth quarter of 2024, the Puget Sound industrial market experienced a net negative absorption of 72,397 square feet. This adjustment brought the total annual absorption for 2024 to 446,495 square feet. Vacancy rates increased by a modest 10 basis points over the quarter, settling at 7.0%.

The Puget Sound industrial market continues to demonstrate strong fundamentals, even amidst economic challenges and reduced consumer spending. Following a slight decline early in the year, rents have stabilized and anticipated to remain steady, driven by robust demand for premium Class A space. High construction loan rates have tempered development activity, leading to a significant contraction in the current pipeline from its peak. This decrease in the new supply is expected to help balance vacancy levels and stabilize rents in the market.

Healthy population growth and tech-fueled innovation are the leading positive indicators of growth in Puget Sound. Having a growing consumer base will result in heightened demand for industrial space, making the region a worthwhile place to own, build, and occupy industrial buildings. The near-term vacancy rate will increase as new supply delivers without pre-leasing. Well-located, functional space will cost a premium rent over 2nd generation space in secondary markets, which will keep overall asking rents stable.

Tech Sectors:

According to JLL, the Seattle's Tech Sector market ranks among the top software engineering and AI workforces in the U.S. and hosts world's largest tech companies as key economic drivers, the region is poised to reinforce its role as a global innovation leader. Its lower relative cost of living compared to other tech hubs like the Bay Area and the lack of a state income tax will continue to promote in-migration of both employers and talent. Seattle, at 9%, holds the second largest AI workforce in the U.S. behind the only the Bay Area with 20%. SaaS retained the top share of VC funding in 2024, although AI rose into the top three firms actively searching for office in the Puget Sound. There 12,355 technology companies in the Puget Sound area with 197,284 tech employees. Puget Sound Tech employers' average earnings of \$285,993 annually, the 3rd highest out of the largest North American metros. The technology companies' contribution of \$140 billion to Gross Regional Product (GRP) is 25% of total GRP in the Puget Sound area.

While Lake Union holds the top shares of tech companies and employments, recently growth has extended to Bellevue CBD and the Eastside. The table below indicated the submarket ranking with Tech leasing percentage and Direct Asking Rate:

JLL Techology Office 2024 - Seattle/Puget Sound			
Current Tech Footprint Rank	Submarket	Tech Leasing % Last 5 years	Direct Asking Rate (Class A & Trophy)
1	Lake Union	7.00%	\$59.54/SF/YR FSG
2	Bellevue CBD	33.00%	\$67.75/SF/YR FSG
3	Redmond	8.00%	\$43.39/SF/YR FSG
4	Seattle CBD	19.00%	\$55.39/SF/YR FSG

As Seattle ranks among the top software engineering and AI workforces in the US and hosts the world's largest tech companies as key economic drivers, the region is poised to reinforce its role as a global innovation leader. Its lower relative cost of living compared to other tech hubs like the Bay Area and the lack of a state income tax will continue to promote in-migration of both employers and talent.

Data center demand is growing at an exponential rate, with data creation expected to increase by 23% CAGR through 2030. Rising generative AI workloads are having the greatest impact on data storage, followed by continued cloud storage, and hyperscale growth. Investors are furthermore drawn to the sector by the sticky tenant proposition of high renewal probability.

While office vacancy and availability rates were on the rise in most area submarkets in 2024, Bellevue saw some of the largest leases of the year, with the Bellevue CBD outperforming all other office submarkets in the Puget Sound. Even though the Bellevue CBD submarket still boasts an availability rate of over 25%, as former Microsoft buildings have been vacated, flight to quality has driven the Bellevue CBD rents to historic highs for its best buildings. Bellevue began the year with large Class A lease and sublease transactions on behalf of Pokemon (374K SF at the Eight), Snowflake (373K SF at Spring District), and Tik Tok (287K SF at Lincoln Square North), then finished with sizeable leases for HDR (49K at City Center Plaza), The Trade Desk (47K SF at The Eight), and Walmart (98K SF at Skyline Tower), among others. For the first time since 2020, there's been a notable uptick in tech-sector office activity which is expected to continue into 2025 as companies pursue Puget Sound's highly regarded Artificial Intelligence (AI) talent pool. In addition, Amazon's 5-day, per week, in-office mandate became effective in January of 2025 and is expected to push occupancy rates higher across the Eastside as other tech companies follow suit.

Eastside's suburban markets, notably Bellevue I-90, Redmond and Bothell are relatively quiet with market rents and concession packages mostly stable while area landlords remain slow to correct lease rates, even as vacancy levels increase. Despite the flight to quality in the Bellevue CBD, market activity remains well below pre-pandemic levels and vacancies continue to rise providing opportunities for value, if one knows where to look.

Microsoft has been letting leases expire over the past two years as its headquarters renovation nears completion. Since the end of 2021, the tech giant has not renewed leases on nearly 3.1 msf. Throughout 2024 and 2025, the Eastside has seen other tech occupiers fill the void left by Microsoft's exit. The year brought several large deals, including major footprints for Snowflake, Pokemom, Tik Tok, Meta, and other tech companies to fill the vacant space vacated by Mircosoft.

Overall Market View:

The Eastside high tech/high flex and industrial markets are evolving and home several tenants in the technology, energy, and aerospace industries. The Q4 2024 CBRE Puget Sound Industrial Report indicated the Eastside market area's vacancy has increased to 8%, however, the blended NNN average asking rental rates increased to \$20.88/SF/YR, although leasing activity has slowed down modestly. South King County Industrial vacancy increased to 7.10% with an increased blended NNN average asking rental rate of \$13.92/SF/YR.

In the Redmond submarket area, it is dominated by Microsoft, the largest tenant and owner in the area by far. The submarket does attract other large tenants such as Amazon, Google, Apple, Meta, etc. As a result of owner-occupied space making up so much of the submarket inventory, both leasing and absorption figures are structurally low. The vacancy rate sits at 5.6%, which includes properties that may be occupied, but listed as available to lease.

The Redmond submarket has one of the lowest availability rates in the Seattle/King County Metro region. It is also a figure unlikely to change anytime soon, as Microsoft consolidates operations at their own campus in Redmond. The company's campus redevelopment and expansion is also the largest project under way in the submarket, and it's targeted to be fully complete in 2025. With Microsoft Redmond Campus redevelopment and expansion nearly done, Microsoft is not renewing its long-term leases in the Seattle and Eastside area. Most of the Microsoft leases are expiring between 2025 and 2027. Once expired, the company will be moving into the Microsoft Redmond Campus, consisting of 20 high-tech office structures, with a total building area of 3,558,517 square feet and net rentable area of 2,767,054 square feet. These new buildings are situated on a total land area of 4,288,577 square feet. In the 2nd quarter of 2024, Microsoft employees vacated many of the leased office spaces and moved back to the Microsoft Redmond Campus into nine of the twenty high tech office structures.

The Redmond submarket continues to attract other large tenants as well. Amazon, Google, Apple, and Meta have rented space, with multiple lease options of five to ten years NNN lease terms, plus annual rental escalations of 3% per year. That includes Meta's new 350,000 square foot Building X on Willows Ridge Road. The opening of this building went against the trend of large tech companies shrinking their footprints after years of rapid growth.

High-Tech/Flex markets are still the most resilient and positioned for renewal growth in the Puget Sound region. The Puget Sound market is considered to have one of the top combinations of future tech demand drivers and office tech flex market fundamentals. The expectation is for less

office space in demand per new job compared with pre-pandemic levels. The high-tech industry appears to embrace these trends more than other industries.

E-commerce, 3PL, aerospace, cloud storage services, computer center, computer technology, software development and artificial intelligence (AI), among other tech sub-sectors, are the companies' occupying space and have been instrumental in driving the rise in leasing activity. These tech sectors are expected to lead to growth and transformation of the world's economy.

The Seattle Metro area ranks among the best in several STEM-related categories, including 1st in STEM employment growth, 1st in median wage growth for STEM employees, and 2nd in the percentage of workforce in STEM (Science-Technology-Engineering-Mathematics including Computer Science).

Looking ahead as Seattle ranks among the top software engineering, and AI workforces in the US, and hosts the world's largest tech companies as key economic drivers, the region is poised to reinforce its role as a global innovation leader. Its lower relative cost of living compared to other tech hubs like the Bay Area and the lack of a state income tax will continue to promote immigration of both employers and talent.

The CBRE 2024 Tech-30 report indicated Seattle is ranked #28 nationally in the high-tech software/services job and office rent growth. The JLL 2024 Tech Sector Report indicated Seattle holds the second largest AI workforce in the United States second to the Bay Area. The 2024 CBRE Tech Talent Report indicated 78% of the Puget Sound tech population have been employed in Software Engineering since 2022, and 52% of the United State population.

Most Tech-30 markets remained in the stable phase of the office market cycle in 2024, characterized by increasing demand and modest changes in supply and rents.

Conclusion:

With limited recent sales due to increased interest rates, the High Tech/High Flex/Research and Development (R&D) overall market is stable.

Analysis Process

Effective Date of Appraisal: January 1, 2025

Date of Appraisal Report: June 5, 2025

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 by 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

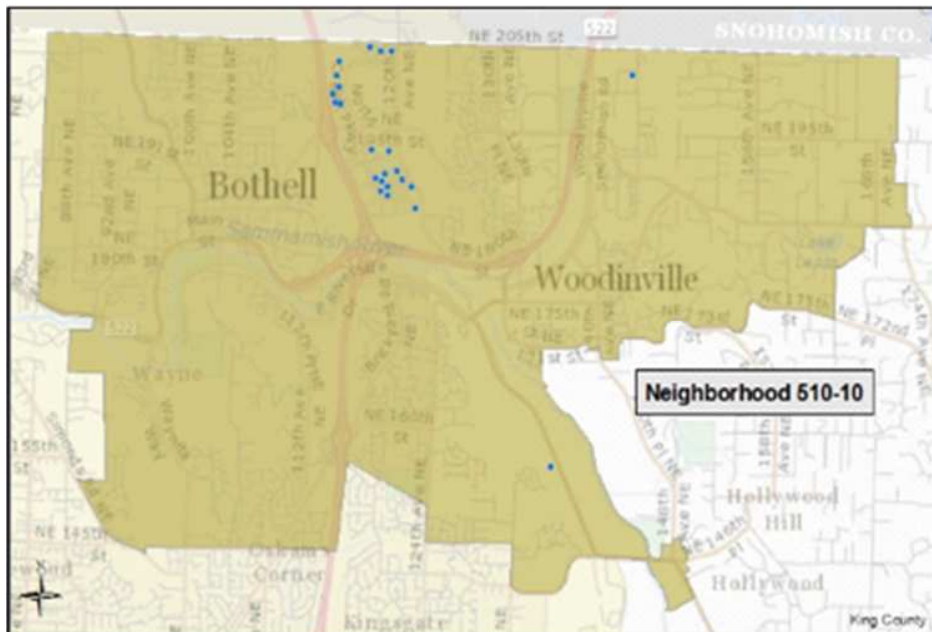
- All three approaches to value were considered in this appraisal.
- Sales from 01/01/2022 to 1/01/2025 (at minimum) were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6 (USPAP compliant).

Area Description

Area 510-10: Bothell (North Creek) & Woodinville

Neighborhood 510-10 is defined as those High-Tech/Flex buildings located within the Bothell (North Creek) and Woodinville areas within King County. Within geographic neighborhood 510-10, 24 parcels comprise the High-Tech/Flex specialty. The broader commercial and industrial market extends into the Snohomish County Canyon Park area to the north. The 24 parcels in this neighborhood comprised a total land area of 3,437,906 square feet. The 510-10 neighborhood buildings range in age from 1979 to 2000, and in Gross Building Area from 16,596 to 187,806 SF, with multiple buildings on some parcels.

The map inserts in this report identify the boundaries of the neighborhood.

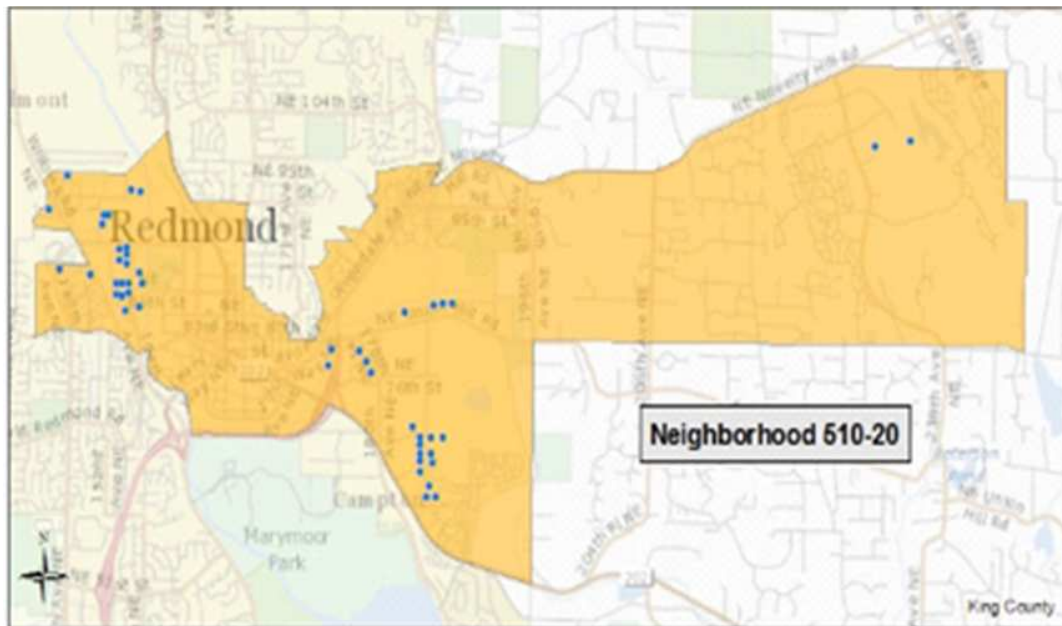


Neighborhood	# Parcels	% of Area	2024 AV	2025 AV	\$ Change	% Change
510-10	24	11.06%	\$ 331,682,000	\$ 334,834,400	\$ 3,152,400	0.95%

Area 510-20: Redmond (Close-in & Marymoor)

Neighborhood 510-20 is defined as those High-Tech/Flex buildings located within the Redmond (Close-In & Marymoor Park) neighborhoods. Within geographic area 510-20, 46 parcels are part of the High-Tech/Flex specialty. The 46 parcels in this neighborhood comprised a total land area of 6,009,644 square feet. They are equally distributed around both the Redmond City Center and Marymoor Park. Building ages range from 1977 to 2008, and Gross Building Area ranges from 12,242 to 274,848 SF with some parcels having multiple structures.

The map inserts in this report identify the boundaries of the neighborhood.



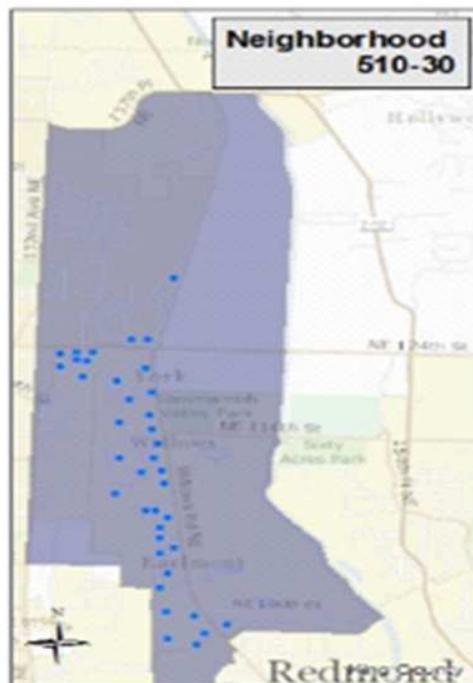
Neighborhood	# Parcels	% of Area	2024 AV	2025 AV	\$ Change	% Change
510-20	46	21.20%	\$ 807,898,600	\$ 804,055,600	\$(3,843,000)	-0.48%

Area 510-30: Redmond (Willows Corridor)

Neighborhood 510-30 is defined as those High-Tech/Flex buildings located within the Redmond (Willows Corridor) neighborhood. Within geographic area 510-30, 48 parcels that are part of the High-Tech/Flex specialty are evenly distributed along Willows Road NE between NE 124th St on the North and NE 87th St on the South. The 48 parcels in this neighborhood comprised a total land area of 11,902,454 square feet. Building ages range from 1974 to 2021, with Gross Building Areas of 20,818 to 747,347 SF, and some parcels have multiple structures.

Meta will be continuously leasing more tech spaces in the Redmond area.

The map inserts in this report identify the boundaries of the neighborhood.



Neighborhood	# Parcels	% of Area	2024 AV	2025 AV	\$ Change	% Change
510-30	48	22.12%	\$1,091,247,800	\$ 1,081,433,800	\$(9,814,000)	-0.90%

Area 510-40: Kirkland Totem Lake

Neighborhood 510-40 is defined as those High-Tech/Flex buildings located within Kirkland's Totem Lake neighborhood. Within geographic area 510-40, 18 parcels are part of the High-Tech/Flex specialty, and predominantly located near Hwy 405 and NE 124th St. The 18 parcels in this neighborhood comprised a total land area of 1,331,832 square feet. Predominant use is office space, with building ages range from 1966 to 1993, with Gross Building Areas ranging from 17,636 to 52,040 SF.

The map inserts in this report identify the boundaries of the neighborhood.



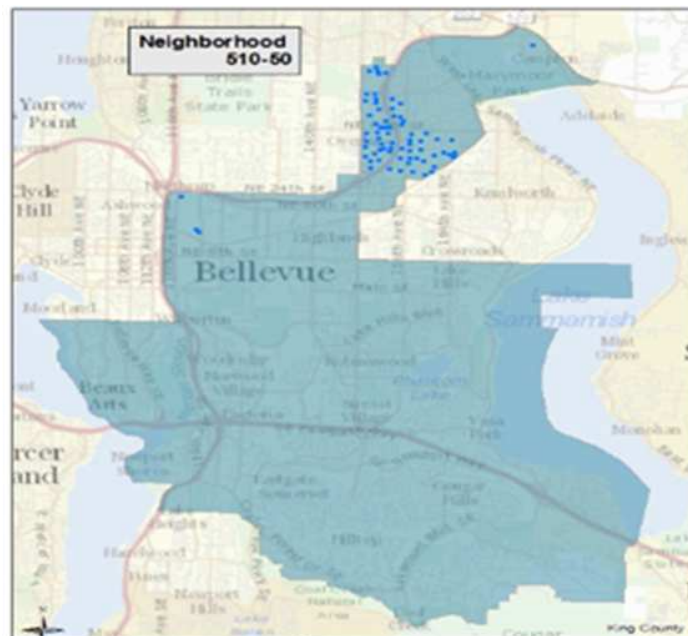
Neighborhood	# Parcels	% of Area	2024 AV	2025 AV	\$ Change	% Change
510-40	18	8.29%	\$ 148,324,000	\$ 146,404,700	\$(1,919,300)	-1.29%

Area 510-50: Redmond (Overlake) & Bellevue

Neighborhood 510-50 is defined as those High-Tech/Flex buildings located within the Redmond (Overlake) and Bellevue (SR-520 & I-90 Corridor) neighborhoods. Within geographic area 510-50, there are 64 parcels that comprise the High-Tech/Flex specialty. The 64 parcels in this neighborhood comprised a total land area of 22,507,557 square feet. This is the largest of the Tech Flex neighborhoods and includes both Microsoft and Nintendo corporate headquarters.

Fifty-five (55) parcels belong to Microsoft, covering a total land area of approximately 21 million square feet and total building area of approximately 17 million square feet. Nintendo consists of five (5) parcels with total land area of around 1 million square feet and total building area of around 806,000 square feet. Located within the Overlake area, the neighborhood benefits from the confluence of these two tech employers, associated development under the Overlake Master Plan, and the Spring District's development near Bellevue. Along similar lines, Microsoft's ongoing redevelopment/expansion of its corporate campus is expected to add approximately 2.5 million square feet of new office space, 500,000 square feet of amenity space, and the renovation of another 6.7 million square feet of existing buildings. The target completion date is the last quarter of 2025.

The map inserts in this report identify the boundaries of the neighborhood.

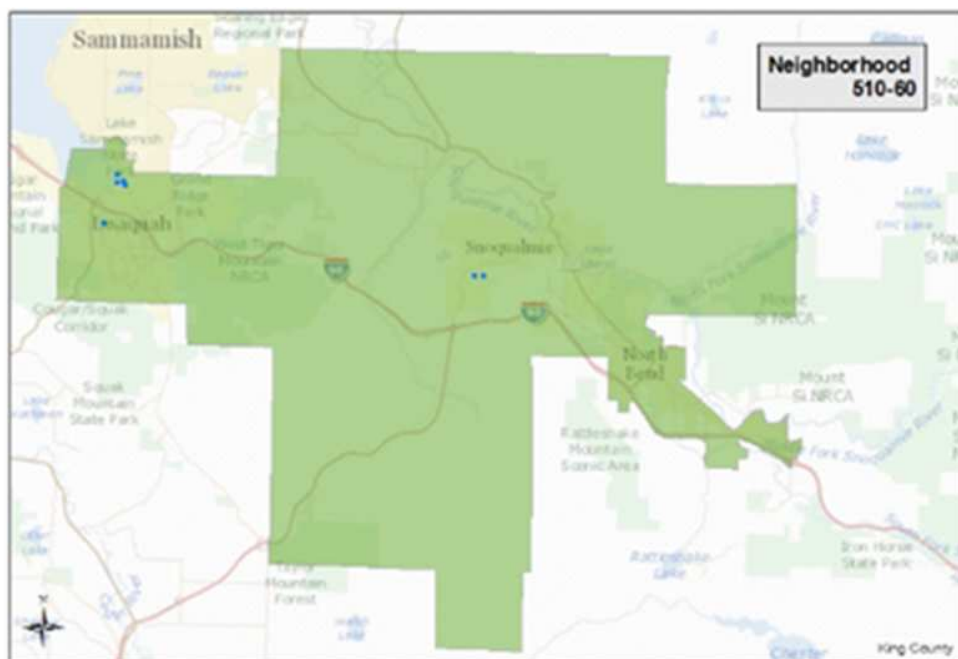


Neighborhood	# Parcels	% of Area	2024 AV	2025 AV	\$ Change	% Change
510-50	64	29.49%	\$5,257,310,900	\$ 5,275,933,300	\$ 18,622,400	0.35%

Area 510-60: Issaquah

Neighborhood 510-60 is defined as those High-Tech/Flex buildings located within the Issaquah neighborhood. This is the smallest neighborhood within the specialty with five (5) parcels. Three are located within the City of Issaquah, and two others are located within a developing commercial district in the City of Snoqualmie. These five parcels comprise an overall land area of 2,105,872 square feet. Building age ranges from 1987 to 2000 and Gross Building Areas range from 53,566 to 176,609 SF, with several parcels having multiple structures. Predominate space use is for office.

The map inserts in this report identify the boundaries of the neighborhood.



Neighborhood	# Parcels	% of Area	2024 AV	2025 AV	\$ Change	% Change
510-60	5	2.30%	\$ 151,367,600	\$ 151,853,100	\$ 485,500	0.32%

Area 510-70: Seattle and South King County

Neighborhood 510-70 is defined as those High-Tech/Flex buildings located within the Seattle, Kent, Tukwila, and Federal Way neighborhoods, and demonstrates the market preferences with concentration of Tech Flex properties to the Bellevue/Eastside. Within geographic area 510-70, there are 12 parcels that are part of the High-Tech/Flex specialty with nine (9) properties located in the City of Tukwila. The largest parcel site is the Woodbridge Tech Center, formerly the Weyerhaeuser Corporation in Federal Way containing 420-acre campus with park-like setting, 12 miles of jogging trails and on-site 10-acre lake. Two other high-tech flex properties are in the City of Seattle Georgetown/Sodo neighborhood and one in City of Kent. The 12 parcels in this neighborhood comprise a total land area of 4,641,726 square feet.

The map inserts in this report identify the boundaries of the neighborhood.



Neighborhood	# Parcels	% of Area	2024 AV	2025 AV	\$ Change	% Change
510-70	12	5.53%	\$ 312,852,500	\$ 301,260,100	\$ (11,592,400)	-3.71%

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. The High Tech/High Flex Specialty was not scheduled for physical inspection this year.

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 510 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 that were considered in this revaluation were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate broker. Characteristic data is verified for all sales whenever possible. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.

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. The low number of acceptable sales included in the analysis limits the reliability of the ratio study in this case and it has been provided primarily for informational purposes.

IAAO Recommended Standards on Ratio Studies	
Appraisal Level	.90 to 1.10
Coefficient of Dispersion (COD)	5.0 to 20.0
Price Related Differential (PRD)	.98 to 1.03

The two major aspects of appraisal accuracy; appraisal level and appraisal uniformity are measured and evaluated using the ratio study. Appraisal level is a measure of the ratio of assessed value to sales price, while appraisal uniformity refers to the degree to which properties are appraised at equal percentages of market value. The International Association of Assessing Officers (IAAO) has developed performance standards to evaluate both the appraisal level and uniformity.

Appraisal (Assessment) Level: Estimates of appraisal level are based on measures of central tendency. The weighted mean ratio is the value-weighted average of the arithmetic mean and median ratios in which the weights are proportional to the sales prices. The weighted mean is the sum of the assessed values divided by the sum of the sales prices. The weighted mean gives equal weight to each dollar of value in the sample, whereas the median and mean give equal weight to each parcel. The weighted mean is an important statistic and used in computing the price related differential (PRD), a measure of uniformity between high- and low- value properties.

The IAAO performance standards state that the weighted mean ratio should be between 0.90 and 1.10. The preliminary ratio study for Area 510 showed a weighted mean ratio of 0.805 which is below the range of the IAAO guidelines, indicating that the 2024 assessment level, as measured using recent sales, is not in the acceptable range.

Appraisal (Assessment) Uniformity: Measures of dispersion or variability relate to the uniformity of the ratios. The most generally useful measure of uniformity is the Coefficient of Dispersion (COD). The COD measures the average percentage deviation of the ratios from the median ratio.

The IAAO performance standards state that the COD should be between 5.0 and 20.0 for income producing property in smaller, rural jurisdictions and between 5.0 and 15.0 for larger, urban market jurisdictions. The preliminary ratio study for Area 510 shows a COD of 12.05%, which falls close to the higher range of the IAAO guidelines, indicating that the 2024 level of assessment uniformity, as measured using recent sales, is within the acceptable range. However, a lower COD represents more uniformity to the assessment level.

A second measure of uniformity utilized in the ratio study is the Price Related Differential (PRD). The PRD provides a measure of price-related bias, or the equity between low- and high-priced property. The IAAO performance standards state that the PRD should fall between 0.98 and 1.03. A value below 0.98 would indicate progressivity in the data, where assessment levels increase with increasing sales prices. Values above 1.03 indicate regressive bias in the data, where assessment level decreases with increases in sales price. The preliminary ratio study for Area 510 showed a PRD of 1.04, which is at an unacceptable range of the IAAO guidelines.

The preliminary ratio study, if taken at face value, showed that the 2025 assessment level needed to be adjusted for uniformity. As mentioned previously, the five (5) sales included in the analysis ultimately limited the reliability of the ratio study in this case.

Improved Parcel Total Values

Sales Comparison Approach Model Description

All sales were verified with all 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.

The improved sales range used runs from 1/1/2022 to 1/1/2025. There were 5 improved sales in Area 510 that were considered fair market transactions and used in the overall analysis. Of these, 5 were included in the ratio study. 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.

The sales comparison approach reflects the principles of supply and demand, balance, externalities, and substitution. The sales comparison approach is preferred when there are adequate sales data. The model for sales comparison is based on four characteristics: predominant use, effective age, condition, and size. These characteristics are taken from the Assessor's records. A search was made for sales data that most closely fit the subject property within each geographic area. These sales were organized by market segments based on predominant use. Based on sales analysis, each segment reflected a market price per square foot of net rentable area. The sales price range served to establish a general upper and lower market boundary for the various property types within each area.

Sales Comparison Calibration

Neighborhoods were treated independent of one another as dictated by the market. Individual values were applied based on various characteristics deemed appropriate within each market on a dollar value per square foot of improved net rentable area. Given the relatively low sales count, applicability of the Sales Comparison was considered limited for broad valuation purposes.

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.

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

Income tables were developed for all neighborhoods within Area 510 and then applied to the population. 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. 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. A 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, 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, Korpacz 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

The income capitalization model consists of a series of tables in which ranges of rent, vacancy, operating expenses, and overall capitalization rates are arrayed according to building quality and effective age. Income tables were developed for each of the neighborhoods in Area 510. All tables are included in the addendum of this report.

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 510 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.

Property Type	2025 Income Model Typical Rates Range (Eastside)				
Use	Rental Rates		Vac	Expenses	OAR
Offices	\$19.00	- \$33.50	10.00%	NNN 10%	5.75 % - 7.25 %
Warehouse Offices and Mezz Offices	\$17.00	- \$29.50	10.00%	NNN 10%	5.75 % - 7.25 %
Industrial Engineering Building & Lab	\$16.00	- \$28.00	10.00%	NNN 10%	5.75 % - 7.25 %
Industrial/Logistics/Warehouse	\$9.00	- \$19.50	10.00%	NNN 10%	5.75 % - 7.25 %
Retail/Daycare	\$18.50	- \$29.00	10.00%	NNN 10%	5.75 % - 7.25 %

Property Type	2025 Income Model Typical Rates Range (510-70)				
Use	Rental Rates		Vac	Expenses	OAR
Offices	\$16.50	- \$25.00	10.00%	NNN 10%	6.00% - 7.25%
Warehouse Offices and Mezz Offices	\$11.00	- \$20.50	10.00%	NNN 10%	6.00% - 7.25%
Industrial Engineering Building & Lab	\$11.00	- \$20.00	10.00%	NNN 10%	6.00% - 7.25%
Industrial/Logistics/Warehouse	\$6.00	- \$15.00	10.00%	NNN 10%	6.00% - 7.25%
Retail/Daycare	\$15.00	- \$25.00	10.00%	NNN 10%	6.00% - 7.25%

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. The market sales approach is considered the most reliable indicator of value when ample comparable

sales were available, however the income approach was applied to most parcels 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 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. 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 characteristics and conditions as they occur in the valuation area.

In the 2025 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 ensures greater uniformity and equalization of values.

Comparison of the 2025 Ratio Study Analysis with the 2024 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level changed from 80.5% to 86.9%. The Coefficient of Dispersion (COD) changed from 12.05 % to 6.04%, the Coefficient of Variation (COV) changed from 16.71% to 8.48%, and the Price-related Differential (PRD) level changed from 1.04 to 1.06. These are generally within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity. However, with a sample size of only 5 improved sales throughout the county within the past three years, only so much weight can be given to the results of the ratio study and ultimately limited the reliability of the ratio study in this case.

AREA 510 RATIO STUDY SUMMARY

RATIO STUDIES (Before and After)	1/1/2024	1/1/2025
Arithmetic Mean Ratio	83.7%	91.8%
Median Ratio	82.1%	94.7%
Weighted Mean Ratio	80.5%	86.9%
Coefficient of Dispersion (COD)	12.05%	6.04%
Standard Deviation (SD)	0.1399	0.0778
Coefficient of Variation (COV)	16.71%	8.48%
Price Related Differential (PRD)	1.04	1.06

Total Value Change


The total assessed value in Area 510, for the 2024 assessment year, was \$8,100,683,400 and the total recommended assessed value for the 2025 assessment year is \$8,095,775,200. Application of these recommended values for the 2025 assessment year results in an average total change from the 2024 assessment of -0.06%.

CHANGE IN TOTAL ASSESSED VALUE			
2024 Total Value	2025 Total Value	\$ Change	% Change
\$8,100,683,400	\$8,095,775,200	\$ (4,908,200)	-0.06%

SPECIALTY 510 HIGH TECH MAP

The map shows King County, Washington, with various cities and towns labeled. Blue dots are placed on the map, indicating specific locations. The map includes labels for cities like Seattle, Bellevue, and Redmond, as well as geographical features like Puget Sound and Lake Washington. The map is titled 'SPECIALTY 510 HIGH TECH MAP' at the top.

Specialty 510
2025 Assessment Year

 **King County**
Department of Assessments



King County
Department of Assessments

Specialty 510 Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

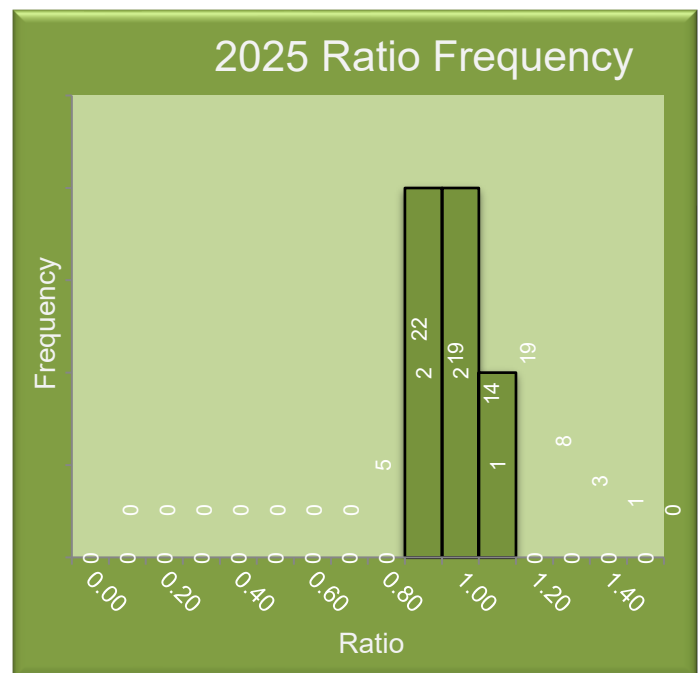
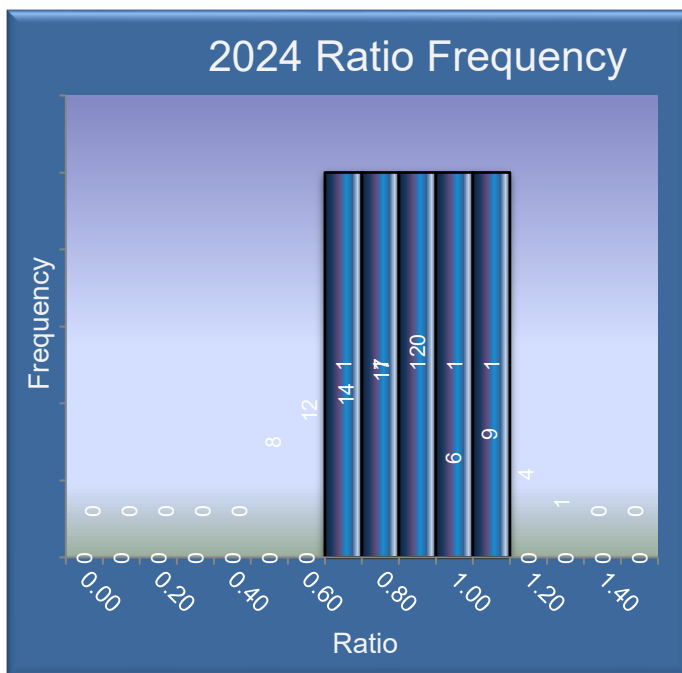
Pre-revalue ratio analysis compares sales from 2022 through 2024 in relation to the previous assessed value as of 1/1/2024.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	5
Mean Assessed Value	24,594,100
Mean Adj. Sales Price	30,550,000
Standard Deviation AV	27,796,581
Standard Deviation SP	34,012,351
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.837
Median Ratio	0.821
Weighted Mean Ratio	0.805
UNIFORMITY	
Lowest ratio	0.6350
Highest ratio:	1.0051
Coefficient of Dispersion	12.05%
Standard Deviation	.1399
Coefficient of Variation	16.71%
Price Related Differential (PRD)	1.04

POST-REVALUE RATIO ANALYSIS

Post-revalue ratio analysis compares sales from 2022 through 2024 and reflects the assessment level after the property has been revalued to 1/1/2025.

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	5
Mean Assessed Value	26,554,500
Mean Sales Price	30,550,000
Standard Deviation AV	27,355,784
Standard Deviation SP	34,012,351
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.918
Median Ratio	0.947
Weighted Mean Ratio	0.869
UNIFORMITY	
Lowest ratio	0.8218
Highest ratio:	1.0143
Coefficient of Dispersion	6.04%
Standard Deviation	0.0778
Coefficient of Variation	8.48%
Price Related Differential (PRD)	1.06



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 "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

Yuen Chin, Commercial Appraiser II

Date 6/5/2025

Improved Sales Calc for Area 510 with Sales Used

3/14/2025

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
510	010	392700	0090	83,389	3319964	\$27,300,000	03/03/25	\$327.38	RH NORTH CREEK BUSINESS PARK BUILDING #7	R-AC, OP, CB, LI	High Tech/High Flex	1	Y	
510	020	072506	9131	173,909	3207694	\$90,100,000	08/31/22	\$518.09	GENIE BUILDING	BP	High Tech/High Flex	3	Y	
510	020	943050	0040	30,113	3170000	\$8,850,000	01/25/22	\$293.89	WILLOWS BUSINESS CENTER BLDG 15	MP	High Tech/High Flex	1	Y	
510	030	272605	9037	31,765	3214665	\$14,000,000	10/18/22	\$440.74	QUADRANT TECH CENTER BLDG #C	BP	High Tech/High Flex	1	Y	
510	040	389060	0080	31,950	3180806	\$12,500,000	03/31/22	\$391.24	KIRKLAND 405 CORP CTR BLDG G	TL 10A	High Tech/High Flex	1	Y	

Improved Sales Calc for Area 510 with Sales Not Used

6/16/2025

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
510	030	272605	9025	61,077	3183428	\$7,600	03/29/22	\$0.12	WILLOWS 124 BLDG B	TL 7B	High Tech/High Flex	1	24	Easement or right-of-way
510	030	272605	9106	70,082	3223293	\$60,000	12/14/22	\$0.86	ICOM BUILDING	TL 7B	High Tech/High Flex	1	24	Easement or right-of-way
510	050	142505	9020	146,255	3324839	\$45,000,000	04/09/25	\$307.68	VIBE REDMOND WOODS	OBAT	High Tech/High Flex	1	70	Building Only; not in ratio
510	060	362930	0020	53,566	3265632	\$12,250,000	12/28/23	\$228.69	GE HEALTHCARE (REDSTONE BUILDING)	UC	High Tech/High Flex	1	34	Use-change after sale; not in ratio
510	070	102304	9082	463,309	3306652	\$2,046	05/02/24	\$0.00	INTERGATE EAST - BLDG. #5	MIC/L	High Tech/High Flex	1	24	Easement or right-of-way



King County

Department of Assessments

KSC – AS – 0708

201 S. Jackson St.

Seattle, WA 98104

OFFICE (206) 296-7300

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John Wilson

Assessor

As we start preparations for the 2025 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, 2025, in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standards 5 and 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, 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 510

2025 Assessment Year



Department of Assessments