Biotech

Area: 800

Commercial Revalue for the 2025 Assessment Roll

222 FIFTH

King County

Setting values, serving the community, and pursuing excellence*

Department of Assessments

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*From Department of Assessment's Vision Mission

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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

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 800:** Biotech Properties

Sales – Improved Summary:

- Number of Sales: 2 sales; 0 included in a ratio study
- Range of Sales Dates: 01/01/2022 – 01/01/2025

Sales – Ratio Study Summary:

A ratio study was not performed for the 2025 revalue since there have been no fair market transactions involving a Biotech Specialty property within the past three years. As a result, a ratio study could not be executed.

Total Population - Parcel Summary Data:

TOTAL POPULATION SUMMARY DATA			
	Land	Improvement	Total
2024 Value	$1,356,108,600	$4,889,646,200	$6,245,754,800
2025 Value	$1,354,258,000	$4,933,663,490	$6,287,921,490
% Change	-0.14%	0.90%	0.68%

Number of Parcels in the Population: 86 (this figure includes properties under construction and existing general office building converting to bio tech/life science building). Of that 86 total parcels, only 53 parcels are improved, with 33 parcels considered as associated parcels providing economic units to the improved ones.

Conclusion and Recommendation:

Total assessed values for the 2025 revalue have increased by +0.68%, reflecting the healthy biotech market in King County and slightly improved income fundamentals, particularly higher rents, though coupled with higher capitalization rates.

The values recommended in this report 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 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 7th floor of the King Street Center or 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 labs.

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

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

- Increased Security
- Increased Flexibility of Design 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-feet floor-to-floor height
- 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 HVAC systems and other unique equipment, making them a more expensive venture than a traditional office building.

But it's precisely because life science labs 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, 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 challenges, 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 or even most industrial buildings. Many requires more specialized amenities, including but not limited to clean rooms, vivariums, and negative-pressure rooms.
Criteria for converting standard office building into life science building. Building performance criteria on the minimum standards that life science building requirements:

- **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 support 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)

Most of the properties within the Biotech Specialty are concentrated within the South Lake Union submarket due to the tendency of biotechnology/life science properties and formed a submarket cluster. Biotechnology and Life Sciences users tend to have preferences for proximity to supporting institutional research facilities. Given the proximity among these properties, no individual neighborhoods have been broken out for this specialty assignment within the City of Seattle.

The former Cascade Neighborhood shifted from residential to light manufacturing during the 1950's. 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 section, REI relocated their flagship store in 1995. 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.

The major biotech properties ownerships are Fred Hutchinson and Alexandria. Relatively new is BioMed Reality that entered the Life Science Seattle market in 2020s.

South Lake Union has one of the highest concentrations of health and biotech firms in the country, anchored by research centers such as The Allen Institute for Brian 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 Reality are two other major national owners and developers of biotech/life sciences 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.

Since 1996, Alexandria has been at the forefront of cultivating and growing the Seattle market from a nascent cluster to a global commercial life science hub that has become a leader in immunology, cell therapy, infectious diseases, and the intersection of science and technology. The Lake Union Mega Campus ecosystems solidify the impact on the submarket, including at the foundational Alexandria Center for Life Science – Eastlake Mega Campus with its sweeping views of Lake Union and its spectacular, modern amenities.

Alexandria owns and operate approximately 30 parcels comprising of 3,400,000 rentable square feet of high-quality Class A+ laboratory and office spaces primarily cluster in South Lake Union, and it's well situated to meet the needs of the life science communities. Alexandria has several

new life sciences buildings in the process of construction, with additional new developments proposed in the Seattle downtown and South Lake Union areas. Alexandria's life science/bio tech buildings are predominantly high-quality Class A+ structures with ceiling heights ranging from 14 feet to 16 feet per floor levels. They are also expanding into Bellevue and Bothell. The company is purchasing high-tech/flex buildings in Bothell to renovate/remodel and convert portion of the office spaces into laboratories, with industrial spaces into pharmaceuticals bio-manufacturing, and/or future redevelopments for Class A biotech/life science structures.

BioMed Reality, a Blackstone portfolio company, is a leading provider of real estate solutions to life science and technology industries. BioMed owns and operate high quality life science real estate comprising of 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 Realty owns and operate 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 was completed in the 4th quarter of 2022. All the structures are Class A+ laboratory and office type buildings.

A broader description of this neighborhood and associated development can be found within the 2025 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 valued in the past revaluation lien dates 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 re-assigned to Bio Tech Specialty (800) due to a newly leased tenant that is converting existing office building into lab and office flex spaces.

The South King County Neighborhood 800-20 has been assigned 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 proposal developments of new life science/bio tech buildings and office conversions on the rise, future biotech specialty neighborhood will be 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 will be the North King County submarket that 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 Allianc
- 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. The biotech industry market continued rising from 2021 to 2023. In 2024, total venture capital funding raised by global Life Science companies grew. The first quarter of 2024 outperformed the same period in 2023. However, the biotech industry market transaction activity was rather slow in the 2nd Quarter of 2024, and volume has been on a slight downward trend due to higher interest rates, which have created an uneasy investing and lending environment. However, the fundamental scientific principles driving biotech innovation remain healthy, and a new generation of advancements is nearing commercialization.

Cushman and Wakefield 2024 4Q market report indicated over 150 companies in the life science industry, primarily in the biotechnology and drug discovery fields, are headquartered in the Puget Sound region. Nearly $450 million was raised in VC funding for local firms in 2024. In April of 2024, publicly traded Danish drugmaker Genmab acquired Seattle-based biotech firm ProfoundBio in a $1.8 billion deal.

The region's life science inventory is mainly situated in the submarkets of Lake Union in downtown Seattle and Bothell in the Eastside. Lake Union features 5.2 msf of inventory, 22.5% vacancy, and triple net rents ranging from $70-$90 psf. Bothell comprises 2.5 msf of inventory, 8.5% vacancy, and triple net rents in the low-to mid-$20s (and in the $40-$50s for high-end lab spaces).

Notable sale transaction included Fred Hutch purchasing Eleven65 at $1,498 per square foot and KKR acquiring 330 Yale from Invesco Real Estate at $766 per square foot.

Local cancer research institute Fred Hutch purchased 1165 Eastlake Avenue E from Alexandria Real Estate Equities (ARE) for nearly $150 million. Fred Hutch also acquired 70% stake in 1201 and 1208 Eastlake Avenue E, where ARE owns the remaining 30%, for an undisclosed sum.

Two projects – the Chapter Buildings in the University District and 222 Fifth in Lower Queen Anne – delivered this quarter with no pre-leasing. This, along with more tenants marketing quality laboratory space for sublease, contributed to a surge in vacancy in Q4.

Other projects include the 1916 Boren, proposed to deliver in the Q1 2025 with 44% of the building total lab space of 282,741 square feet, and is preleased to Seattle Children's. The Dexter 701 with 226,587 square feet of lab space is estimated to be delivered in Q3 2025.

The Northlake Common located at 3800 Latona Avenue NE in the Northlake neighborhood of Seattle. The structure started construction in 2022 and was completed in Q1 2025.

The Innov8 located in the Denny Park South area (2300 7th Avenue) is in the preliminary design process with the City of Seattle for construction. The Innov8 will be situated on site containing 1.6 acres of land and near industrial-leading life science and technology companies and research institutions in Seattle. The project will be a two-tower, with an eight story and sixteen story buildings totaling 684,000 square feet. The developer is BioMed Reality.

Alexandria Real Estate Equities' next project is the 601 Dexter located at the corner of Mercer and Dexter in the South Lake Union neighborhood. The address is 601 Dexter Avenue N, Seattle, WA. The proposed new life science building will be a 10-story structure with a total building area of 339,673 square feet with lab space of 270,831 square feet. Construction will begin in 2026.

Over 1.3 msf of new lab development and office-to-lab conversions have entered the market since 2021. Notable conversions included Boren Labs, 330 Yale, and Unison Elliott Bay in downtown Seattle, and Sana Bio's 80,000-sf renovation project in Bothell, which will serve as a

manufacturing facility. Soft demand has led to indefinite holds of several new developments, including BioMed's T6 Innovation Center. In April of 2024, ARE's 701 Dexter, resumed work and is slated for a 2025 delivery.

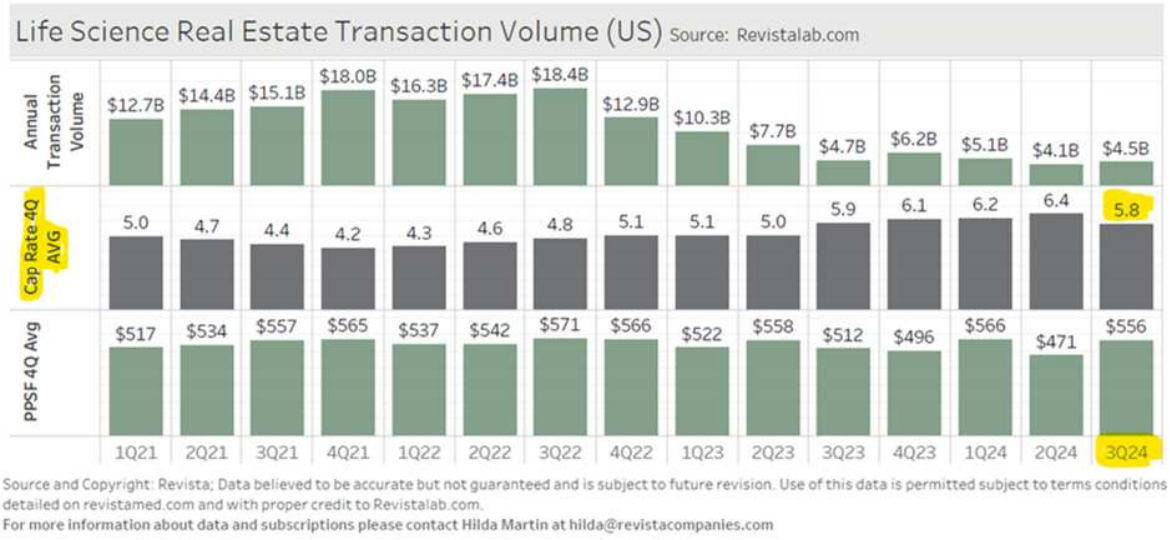
The direct asking rate for Class A lab space in Seattle Close - In dropped $7.65 per sq. ft. to $73.73 after a period of stability in the low-to-mid $80s since mid-2021. This decline underscores the shifting dynamics within the market, as landlords adjust their pricing strategies in response to prolonged low demand.

Newmark reported in the fourth quarter of 2024 that the Puget Sound life science market recorded a modest net absorption of 20,424 sf. By year-end, net absorption resulted in a net negative of -73,509 SF. However, the primary factor contributing to rising vacancies has been the addition of new, vacant supply to the market. Sublease availability remains elevated at 4.2%, with roughly 473,000 SF available. Asking rents in the Puget Sound softened during the fourth quarter of 2024, with average asking rates declining to $68.36/SF NNN (blended). Leasing activity slowed late in 2024 following a strong first half of the year. Nevertheless, annual leasing totals increased year-over-year, reaching nearly 783,000 SF in 2024.

The Bothell submarket had biotech tenant activity, with Bristol Myers Squibb (83,000 sf) and IonQ (36,000 sf) signing significant deals. Investors are focused on Bothell for capital and expansion. Since 2020, ARE has invested over $483 million in 1.6 msf of space in the submarket.

Revisita Lab National report, life science cap rate shifted up at an average of 6.4% in the last twelve months. The movement in cap rates has been relatively steady, moving up an average of 23 basis points a quarter from the low point in Q4 2021.

The Life Science Real Estate (LSRE) sector, like many other commercial real estate sectors, has seen transaction activity slow in recent years. Higher interest rates have created an uneasy investing and lending environment. The LSRE sector, which saw transaction activity establish a recent peak of $18.5 billion annually in 3Q22 has since slowed down to an annual rate of $3.6 billion. That's a decline in annual volume of about 80% in a little over 2 years. During this time, cap rates have moved upwards. The average cap rate, which established a near-term low of 4.1% in Q4 2021, has quickly moved upwards, registering a recent high of 6.4% in 2Q24. But while volumes are still lower, there are signs that cap rates are stabilizing, albeit at higher levels than in 2021/2022. The average cap rate has come down by 30 basis points since 2Q 2024 and now sits at 6.1%. This stabilization could set the stage for a recovery in transaction volume in 2025 or 2026.



An increasing number of institutional investors have begun to pursue life sciences real estate. Investors are attracted to the sector's strong property-level fundamentals, which are less correlated to economic cycle risks due to the more inelastic demand from the health care industry. Overall, life sciences assets have demonstrated core-like investment characteristics, which include:

- Relatively stable cash flows.
- Lower measured risk.
- A growing investable market.
- Strong track record of net operating income (NOI)
- Higher tenant retention rates.

U.S. life science real estate NOI growth has outpaced that of traditional general offices from 2005 to 2022. Currently, the life science real estate sector still outperforms the general office sector. And the life science sector has steady rates with higher rental rates, lower vacancies, NNN expenses, and lower cap rates in comparison to general offices.

In conclusion, life sciences real estate will continue to offer attractive risk-adjusted investment opportunities as it transitions from a niche property sector to a more mainstream alternative sector over the next two decades.

Market Conditions:

Q4 2024 and Q1 2025 Bio Tech/Life Science market report publications from Cushman & Wakefield, CBRE, JLL, Newmark, and Collier indicates that South Lake Union blended rental rates range from $62.00 to $90.00 per square foot, NNN lease terms. The Bothell market indicates blended rental rates from $40.00 to $50.00 per square foot, NNN lease terms. The South Lake Union's vacancy rates range from 11% to 22%. The Bothell submarket vacancy rates range from

3.3% to 8.5%. The higher range of vacancy rates reflect the new life science buildings under construction, and existing office space conversions into lab space. CBRE indicated the total vacancy in the Puget Sound area is 15.20%. The overall Seattle vacancy is 13% and the occupancy rate is 87.10%.

2025 1H Cushman & Wakefield Submarket Stats			
	Inventory (SF)	Vacancy %	Avg Asking Rate*
Lake Union	5,200,000	22.50%	$70.00 - $90.00
Bothell	2,500,000	8.50%	$40.00 - $50.00
Market Total	7,700,000	10.6%	$64.23

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

2025 1H Cushman & Wakefield Submarket Stats			
	Inventory (SF)	Vacancy %	Avg Asking Rate*
Lake Union	5,200,000	22.50%	$70.00 - $90.00
Bothell	2,500,000	8.50%	$40.00 - $50.00
Conversion & New	2,500,000	In Development	In Development
Market Total	10,200,000	19.5%	$61.77

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

2025 1H Cushman & Wakefield Submarket Stats			
	Inventory (SF)	Vacancy %	Avg Asking Rate*
Market Total	10,200,000	19.4%	$61.77

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

2024 Cushman & Wakefield Submarket Stats			
	Inventory (SF)	Vacancy %	Avg Asking Rate*
Market Total	9,200,000	11.4%	$62.05

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

2024 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
Puget Sound Total	**9,000,000**	**0**	**15.00%**	**1,200,000**	**0**	**$375.00**	**$215.00**	**$78.75**

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

2025 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	9,700,000	0	18.80%	544,000	0	$400.00	$220.00	$78.75
Bothell	0	0	0.00%	0				$0.00
Puget Sound Total	**9,700,000**	**0**	**18.80%**	**544,000**	**0**	**$400.00**	**$220.00**	**$78.75**

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

CBRE 2024 Lab/R&D Market Statistics					
Inventory SF	Avg Asking Rate (NNN)*	Vacancy %	2024 Absorption SF	TIMs	TIMs SF
9,358,055	$68.58	13.00%	128,567	9	331,000

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

CBRE 2024 Puget Sound/Seattle Inventory Lab/R&D							
	Inventory SF	Avg Asking Rents (NNN)*	Vacancy Rate	Q4 Absorption	2,024 Absorption	Q4 Leasing Activity	2024 Total Leasing Activity
Seattle	6,751,027	$70.33	16.90%	0	20,035		111,734
Bothell	2,233,378	$42.00	3.30%	7,170	108,535		2,716
Other Puget Sound	373,650	N/A	0.00%	0	0		6,333
Metro (Total)	**9,358,055**	**$68.58**	**13.00%**	**7,170**	**128,570**		**120,783**

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

4Q 2024 CBRE Seattle Life Sciences - Future Supply Lab/R&D					
Construction Type	# of Projects	Total Size (SF)	Tot Spec Sz (SF)	Delivering (2025)	% Pre-leased
New	2	499,741	217,000	499,741	24.70%
Conversion	0	0	0	0	0.00%
Total	**2**	**499,741**	**217,000**	**499,741**	**24.70%**

Futuure Supply Lab/R&D

CBRE 4Q 2024 Class A+ Bio Tech		
	Urban	Suburban
Inventory	6,137,829	-
Asking Rate (NNN)	$73.21	-

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

CBRE - DEMANDS		
	04 2024	
# Of TIM's	9	0
SF Of Demand	331,000	0

CBRE 2024 Lab/R&D Lease Transactions Breakdown						
	Direct		Sublease		Total	
Deal Type	# of Deals	Sq. Ft.	# of Deals	Sq. Ft.	# of Deals	Sq. Ft.
New	6	59,369	0	0	6	59,369
Renewal	2	37,144	0	0	2	37,144
Expansion	1	24,270	0	0	1	24,270
Grand Total	**9**	**120,783**	**0**	**0**	**9**	**120,783**

3Q 2024 CBRE Puget Sound Life Science Figures					
Vacancy Rate	SF Net Absorption	SF Under Construction	Asking Lease Rate SF/Year, NNN Seattle Close-In	Lease Rate SF/Year, NNN Bothell	Seattle Metro Area Updated Annually
15.20%	45,000	767,000	$73.73	$42.00	27,155

Q3 2024 CBRE Bio Tech Puget Sound Region Submarket Stats									
Submarkets	Net Rentable Area (SF)	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	6,751,027	16.90%	19.30%	22.80%	-34,981	159,169	509,328	$70.78	$73.73
Investor Owned	3,610,723	31.60%	37.00%	42.70%					
User Owned	3,140,304	0.00%	0.00%	0.00%					
Bothell	2,233,378	4.20%	5.40%	5.10%	80,216	84,280	0	$42.00	
Investor Owned	1,218,674	6.70%	8.90%	9.40%					
User Owned	1,014,704	0.00%	0.00%	0.00%					
Other Eastside	236,256	0.00%	0.00%	0.00%	0	0	0		
Northend	87,386	0.00%	0.00%	0.00%	0	0	257,770		
Southend	30,000	0.00%	0.00%	0.00%	0	0	0		
Tacoma	20,008	0.00%	0.00%	0.00%	0	0	0		
Puget Sound Total	**9,358,055**	**13.20%**	**15.20%**	**17.80%**	**45,235**	**243,449**	**767,098**	**$68.49**	**$73.73**
NNN Lease Rates (Blended) Per Square Foot									

JLL 2024 Life Science - Seattle								
Inventory SF	Absorption SF	Leasing SF	Available SF	Available %	Growth %	Availability %	*NNN Rents/SF/YR	Pipeline SF
5,500,000	210,000	63,000	2.0 MSF	32.00%	7.60%	32.00%	$70.55	0.7 M
NNN Lease Rental Rates (Blended) Per Square Foot								

JLL - 2024 4th Quarter Seattle/Puget Lab										
Submarket	Class	Inventory (s.f.)	Total Net Absorption (s.f.)	YTD Total Absorption (s.f.)	YTD Total Net Absorp (% of Stock)	Direct Vacancy Rate (%)	Total Vacancy Rate (%)	*Avg Direct Asking NNN Rent ($ p.s.f.)	YTD Completions (s.f.)	Under Development (SF)
Ballard	Totals	16,020	0	0	0.00%	0.00%	0.00%	$0.00	0	0
Lake Union	Totals	5,666,073	-64,775	-80,631	-1.40%	11.60%	16.20%	$77.37	0	511,220
Queen Anne/Interbay	Totals	688,271	0	79,146	11.50%	50.60%	52.50%	$68.21	381,728	0
Seattle CBD	Totals	45,272	0	-45,272	-100.00%	100.00%	100.00%	$0.00	0	0
Capitol Hill/First Hill	Totals	542,582	0	0	0.00%	0.80%	0.80%	$0.00	0	0
Downtown Seattle	**Totals**	**6,958,218**	**-64,775**	**-46,757**	**0.70%**	**15.20%**	**19.10%**	**$75.16**	**381,728**	**511,220**
Redmond	Totals	227,719	0	55,297	24.30%	0.00%	0.00%	$24.00	0	0
Eastside	**Totals**	**222,719**	**0**	**55,297**	**24.30%**	**0.00%**	**0.00%**	**$24.00**	**0**	**0**
Bothell	Totals	1,145,824	-10,191	36,367	3.20%	12.40%	14.80%	$31.86	0	0
S Everett/Harbor Point	Totals	270,000	0	0	0.00%	100.00%	100.00%	$0.00	270,000	0
Northend	**Totals**	**1,415,824**	**-10,191**	**36,367**	**2.60%**	**29.10%**	**31.00%**	**$31.86**	**270,000**	**0**
Seattle/Puget Sound	**Totals**	**8,601,761**	**-74,966**	**44,907**	**0.50%**	**17.10%**	**20.50%**	**$70.17**	**651,728**	**511,220**
Lake Union	A	3,608,897	-31,189	-54,438	-1.50%	16.50%	21.30%	$78.33	0	511,220
Queen Anne/Interbay	A	529,422	0	83,774	15.80%	61.10%	61.10%	$69.31	381,728	0
Downtown Seattle	**A**	**4,138,319**	**-31,189**	**29,336**	**0.70%**	**22.20%**	**26.40%**	**$76.16**	**381,728**	**511,220**
Redmond	A	130,000	0	0	0.00%	0.00%	0.00%	$0.00	0	0
Eastside	**A**	**130,000**	**0**	**0**	**0.00%**	**0.00%**	**0.00%**	**$0.00**	**0**	**0**
Bothell	A	141,200	-5,370	-5,370	-3.80%	22.30%	0.00%	$0.00	0	0
S Everett/Harbor Point	A	270,000	0	0	0.00%	100.00%	100.00%	$0.00	270,000	0
Northend	**A**	**411,200**	**-5,370**	**-5,370**	**-1.30%**	**67.00%**	**73.30%**	**$0.00**	**270,000**	**0**
Seattle/Puget Sound	**A**	**4,679,519**	**-36,559**	**23,966**	**0.50%**	**25.50%**	**29.80%**	**$76.16**	**651,728**	**511,220**
Ballard/U Dist	B	16,020	0	0		0.00%	0.00%	$0.00	0	0
Lake Union	B	2,057,176	-33,586	-26,193	-1.30%	3.00%	7.10%	$64.96	0	0
Queen Anne/Interbay	B	158,849	0	-4,628	2.90%	15.80%	23.70%	$54.72	0	0
Seattle CBD	B	45,272	0	-45,272	-100.00%	100.00%	100.00%	$0.00	0	0
Capitol Hill/First Hill	B	542,582	0	0	0.00%	0.80%	0.80%	$0.00	0	0
Downtown Seattle	**B**	**2,819,899**	**-33,586**	**-76,093**	**-2.70%**	**4.90%**	**8.30%**	**$62.42**	**0**	**0**
Redmond	B	97,719	0	55,297	56.60%	0.00%	0.00%	$24.00	0	0
Eastside	**B**	**97,719**	**0**	**55,297**	**56.60%**	**0.00%**	**0.00%**	**$24.00**	**0**	**0**
Bothell	B	1,004,624	-4,821	41,737	4.20%	13.60%	13.70%	$31.86	0	0
Northend	**B**	**1,004,624**	**-4,821**	**41,737**	**4.20%**	**13.60%**	**13.70%**	**$31.86**	**0**	**0**
Seattle/Puget Sound	**B**	**3,922,242**	**-38,407**	**20,941**	**0.50%**	**7.00%**	**9.50%**	**$41.67**	**0**	**0**
***NNN Lease Rates (Blended) Per Square Foot**										

JLL - 2025 1st Quarter Seattle/Puget Lab										
Submarket	Class	Inventory (s.f.)	Total Net Absorption (s.f.)	YTD Total Absorption (s.f.)	YTD Total Net Absorp (% of Stock)	Direct Vacancy Rate (%)	Total Vacancy Rate (%)	*Avg Direct Asking NNN Rent ($ p.s.f.)	YTD Completions (s.f.)	Under Development (SF)
Ballard	Totals	16,020	0	0	0.00%	0.00%	0.00%	$0.00	0	0
Lake Union	Totals	5,666,946	16,282	16,282	3.00%	12.60%	15.90%	$77.27	0	511,220
Queen Anne/Interbay	Totals	688,271	13,904	13,904	2.00%	50.40%	50.40%	$67.59	0	0
Seattle CBD	Totals	45,272	0	0	0.00%	100.00%	100.00%	$0.00	0	0
Capitol Hill/First Hill	Totals	542,582	1,099	1,099	0.20%	0.60%	0.60%	$0.00	0	0
Downtown Seattle	**Totals**	**6,959,091**	**31,285**	**31,285**	**0.50%**	**15.90%**	**18.60%**	**$75.15**	**0**	**511,220**
Redmond	Totals	227,719	0	0	0.00%	24.30%	24.30%	$24.00	0	0
Eastside	**Totals**	**222,719**	**0**	**0**	**0.00%**	**24.30%**	**24.30%**	**$24.00**	**0**	**0**
Bothell	Totals	1,145,824	-21,703	-21,703	-1.90%	12.70%	16.90%	$31.68	0	0
S Everett/Harbor Point	Totals	270,000	0	0	0.00%	100.00%	100.00%	$0.00	0	0
Northend	**Totals**	**1,415,824**	**-21,703**	**-21,703**	**-1.50%**	**29.30%**	**32.80%**	**$31.68**	**0**	**0**
Seattle/Puget Sound	**Totals**	**8,602,634**	**9,582**	**9,582**	**0.10%**	**18.30%**	**21.10%**	**$70.25**	**0**	**511,220**
Lake Union	A	3,608,897	-17,030	-17,030	-0.50%	18.60%	21.80%	$77.91	0	511,220
Queen Anne/Interbay	A	529,422	13,904	13,904	2.60%	58.50%	58.50%	$68.98	0	0
Downtown Seattle	**A**	**4,138,319**	**-3,126**	**-3,126**	**-0.10%**	**23.70%**	**26.50%**	**$75.93**	**0**	**511,220**
Redmond	A	130,000	0	0	0.00%	0.00%	0.00%	$0.00	0	0
Eastside	**A**	**130,000**	**0**	**0**	**0.00%**	**0.00%**	**0.00%**	**$0.00**	**0**	**0**
Bothell	A	141,200	0	0	0.00%	3.80%	22.30%	$28.00	0	0
S Everett/Harbor Point	A	270,000	0	0	0.00%	100.00%	100.00%	$0.00	0	0
Northend	**A**	**411,200**	**0**	**0**	**0.00%**	**67.00%**	**73.30%**	**$28.00**	**0**	**0**
Seattle/Puget Sound	**A**	**4,679,519**	**-36,559**	**23,966**	**0.50%**	**25.50%**	**29.80%**	**$76.16**	**651,728**	**511,220**
Ballard/U Dist	B	16,020	0	0		0.00%	0.00%	$0.00	0	0
Lake Union	B	2,058,049	33,312	33,312	1.60%	1.90%	5.50%	$72.87	0	0
Queen Anne/Interbay	B	158,849	0	0	0.00%	23.70%	23.70%	$57.13	0	0
Seattle CBD	B	45,272	0	0	0.00%	100.00%	100.00%	$0.00	0	0
Capitol Hill/First Hill	B	542,582	1,099	1,099	0.20%	0.60%	0.60%	$0.00	0	0
Downtown Seattle	**B**	**2,820,772**	**34,411**	**34,411**	**1.20%**	**4.40%**	**7.10%**	**$69.59**	**0**	**0**
Redmond	B	97,719	0	0	0.00%	56.60%	56.60%	$24.00	0	0
Eastside	**B**	**97,719**	**0**	**0**	**0.00%**	**56.60%**	**56.60%**	**$24.00**	**0**	**0**
Bothell	B	1,004,624	-21,703	-21,703	-2.20%	13.90%	16.20%	$31.86	0	0
Northend	**B**	**1,004,624**	**-21,703**	**-21,703**	**-2.20%**	**13.90%**	**16.20%**	**$31.86**	**0**	**0**
Seattle/Puget Sound	**B**	**3,923,115**	**12,708**	**12,708**	**0.30%**	**8.20%**	**10.70%**	**$50.10**	**0**	**0**
**NNN Lease Rates (Blended) Per Square Foot*										

JLL Lab Q4 2024 Seattle/Puget Sound						
YTD Net Absorption SF	Total Vacancy %	*Class A Direct Asking Rent $/SF/YR	*Overall Direct Asking Rent $/SF/YR	Concessions	Under Construction SF	Pre-Leased %
44,907	20.50%	$76.16	$70.17	Stable	511,220	25.50%
**NNN Lease Rates (Blended) Per Square Foot*						

JLL Lab Q1 2025 Seattle/Puget Sound						
YTD Net Absorption SF	Total Vacancy %	*Class A Direct Asking Rent $/SF/YR	*Overall Direct Asking Rent $/SF/YR	Concessions	Under Construction SF	Pre-Leased %
9,582	31.10%	$75.73	$70.25	Stable	511,220	25.50%
**NNN Lease Rates (Blended) Per Square Foot*						

Q4 2024 CBRE Life Science Market Indicators												
Market	Inventory (SF)	Vacancy (%)	Average Asking Rents (NNN) (Blended)	Q4 2024 Absorption (SF)	2024 Total Absorption	Q4 2024 Leasing Activity SF	2024 Total Leasing Activity SF	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	55,985,349	23.20%	$89.07	-125,663	-460,710	543,998	3,720,538	69	2,250,000	3,877,673	47.10%	1,997,618
Chicago	2,005,705	40.50%	$50.89	78,400	107,700	128,333	242,670	45	980,000	302,388	18.20%	177,575
Denver/Boulder	3,250,922	13.00%	$60.00	5,511	19,015	65,637	207,592	11	330,000	396,611	10.40%	0
Houston	2,597,544	23.40%	$51.20	76,000	85,400	76,000	85,400	2	80,000	0	-	-
Los Angeles	6,183,911	8.00%	$56.16	-5,986	156,261	11,976	248,093	14	218,000	0		98,776
New Jersey	18,921,654	11.30%	$31.05	92,110	231,231	87,000	603,846	9	670,000	1,088,000	34.30%	222,057
New York	2,892,240	9.40%	$106.91	95,947	314,179	73,294	158,363	19	598,000	200,000	0.00%	0
Philadelphia	11,552,774	11.30%	$54.28	32,518	282,231	278,902	557,436	27	1,028,000	1,389,645	29.50%	0
Raleigh-Durham	9,487,804	15.30%	$41.90	-73,556	-364,428	33,000	232,956	25	1,322,500	13,000	100.00%	0
San Diego	27,345,063	19.70%	$76.56	339,748	180,726	257,634	1,298,684	22	987,500	1,574,004	52.80%	722,892
San Francisco Bay Area	43,600,745	28.70%	$77.64	350,590	-1,078,427	1,560,019	3,749,328	41	2,103,600	2,708,269	13.20%	1,065,719
Seattle	**9,358,055**	**13.00%**	**$68.58**	**7,170**	**128,567**	**0**	**120,783**	**9**	**331,000**	**499,741**	**24.70%**	**0**
Washington DC/Baltimore	14,251,638	8.70%	$43.92	47,749	192,937	80,249	479,779	9	132,500	65,000	53.30%	719,103
Total	**207,433,404**	**19.70%**	**$74.21**	**920,538**	**-205,318**	**3,196,042**	**11,705,468**	**302**	**11,031,100**	**12,114,331**	**33.60%**	**5,003,740**

NNN Lease Rates (Blended) Per Square Foot

Rivista Lap Fundamentals Report - Quarterly Data Brief - 4Q 2024 Top Life Science Real Estate Market Q4 2024 Selected Markets, Sorted by SF Open and/or InProgress Inventory							
	SF Open	SF Started TTM Sum	SF Conpleted TTM Sum	SF Absorption YOY	SF Inprogress	SF InProgress VS Inventory	Occupancy Rate Open Current (%)
Boston	65.4M	2.1M	7.2M	3.8M	12.8M	19.6	87.50%
San Francisco-San Jose	50.8M	1.1M	3.1M	(1.0M)	10.1M	19.9	82.40%
New York	32.7M	0.3M	0.4M	0.8M	2.7M	8.3	88.60%
San Diego	28.4M	1.0M	1.5M	0.1M	5.0M	17.6	83.30%
Raleigh-Durham	20.6M	0.1M	0.9M	0.7M	4.5M	22.0	92.00%
Philadelphia	19.4M	0.7M	1.1M	0.0M	4.6M	23.6	88.80%
DC - Baltimore	13.3M	0.1M	1.1M	0.7M	1.4M	10.9	86.60%
Chicago	11.0M	0.0M	0.1M	0.4M	1.0M	8.9	94.80%
Los Angeles	9.0M	0.3M	0.0M	(0.1M)	0.3M	3.4	95.30%
Seattle	8.0M	0.5M	0.7M	0.4M	1.2M	15.2	87.10%
Denver-Boulder	6.6M	0.0M	0.3M	0.1M	0.3M	3.8	87.70%
Houston	4.7M	0.4M	0.7M	0.6M	1.4M	30.7	86.80%
Minneapolis	4.4M	0.4M	0.1M	0.0M	0.4M	9	98.60%

4Q 2024 Newmark Puget Sound Life Science				
Total Inventory SF	Under Construction SF	2024 Net Absorption SF	Vacancy Rate	*Asking Rate/SF (NNN)
11,300,000	513,000	-74,000	11.20%	$68.63

NNN Lease Rates (Blended) Per Square Foot

Analysis Process

Effective Date of Appraisal: January 1, 2025

Date of Appraisal Report: June 12, 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 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 01/01/2022 to 12/31/2024 (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. No biotech specialty properties were selected for physical inspection this assessment 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 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 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.

A traditional sales comparison approach model was not applied due to the flack of fair-market sale transactions of biotech specialty properties over the previous three years.

Sales Comparison Calibration

A sales comparison model was not developed. Hence, 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 specialty properties may also be considered, as they relate to basic property types and/or use categories (single purpose and major office buildings, high techs, 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. 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 Specialty 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.

Typical Income Parameters - 800-10 (Seattle)				
Section Use	Rent Range per SF*	Vacancy Rate %	Operating Expense Rate	Capitalization Rate %
Labortories/Vivarium	$73.00 - $84.00	15.00%	10.00%	6.00% - 7.25%
Office/Medical Office	$32.00 - $43.00	15.00%	10.00%	6.00% - 7.25%
Retail/Restaurant	$28.00 - $39.00	15.00%	10.00%	6.00% - 7.25%
Note: NNN				

Typical Income (Blended Rate) Parameters - 800-10 (Seattle)				
Section Use	Blended Rent Range per SF*	Vacancy Rate %	Operating Expense Rate	Capitalization Rate %
Overall Bio Tech	$45.50 - $83.00	15.00%	10.00%	6.00% - 7.25%
Note: Blended Rate, NNN				

Typical Income Parameters - 800-20 (South King County)				
Section Use	Rent Range per SF*	Vacancy Rate %	Operating Expense Rate	Capitalization Rate %
Labortories/Vivarium	$18.00 - $34.00	15.00%	10.00%	6.25% - 7.50%
Office/Medical Office	$13.00 - $29.00	15.00%	10.00%	6.25% - 7.50%
Retail/Restaurant	$12.00 - $26.00	15.00%	10.00%	6.25% - 7.50%
Note: NNN				

Parking income, if applicable, was developed using PSRC's 2022 parking inventory study and 2023 Heffron City Center Off-Street Parking 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.

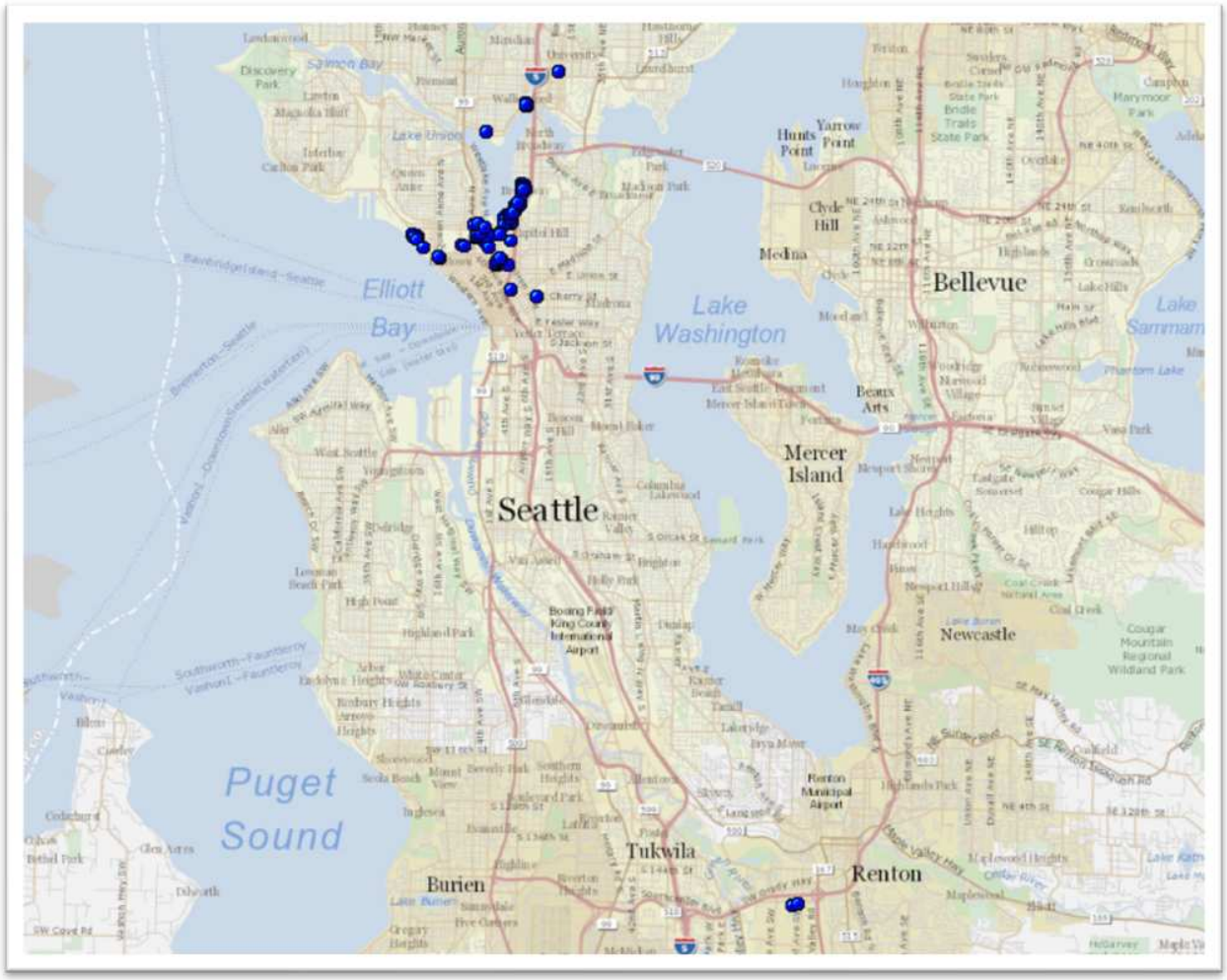
In the 2025 valuation model, the income approach is used to value the majority of the income producing properties as there are an insufficient number and variety of sales to value the different property types by the market approach. The income approach also ensures greater uniformity and equalization of values.

CHANGE IN TOTAL ASSESSED VALUE

The total assessed value in Area 800, for the 2024 assessment year, was $6,245,754,800 and the total recommended assessed value for the 2025 assessment year is $6,287,921,490. Application of these recommended values for the 2025 assessment year results in an average total change from the 2024 assessment of +0.68%. This increase does not include new construction values from projects currently under in progress and will be added later, during the new construction maintenance period (new construction is valued as of July 31st of the assessment year).

CHANGE IN TOTAL ASSESSED VALUE			
2024 Total Value	2025 Total Value	$ Change	% Change
$6,245,754,800	$6,287,921,490	$ 42,166,690	0.68%

SPECIALTY AREA 800 MAP



Specialty 800
2025 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

Yuen Chin, Commercial Appraiser II Date 6/12/2025

Improved Sales Calc for Area 800 with Sales Not Used

7/29/2025

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	216390	0955	92,733	3298477	$149,962,000	09/05/24	$1,617.14	Eleven 65	SM-SLU 145	Office Building	1	44	Tenant
800	010	684770	0115	211,066	3290206	$161,760,000	06/11/24	$766.40	CASCADIAN OFFICE BUILDING	SM-SLU 100/95	Office Building	1	63	Sale price updated by sales id group

King County

Department of Assessments
KSC – AS – 0708
201 S. Jackson St.
Seattle, WA 98104
OFFICE (206) 296-7300 **FAX (206) 296-0595**
Email: assessor.info@kingcounty.gov

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 800
2025 Assessment Year

King County
Department of Assessments