

Commercial Revalue

2018 Assessment roll

**AREA
40**

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

John Wilson, Assessor

AREA 40



King County

Department of Assessments

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John Wilson
Assessor

Dear Property Owners,

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

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

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

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

In Service,

John Wilson
King County Assessor

How Property Is Valued

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

What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 700,000 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 area. 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. For some larger or complex commercial properties an appraiser may need to also conduct an interior inspection of the buildings or property. From the property inspections we update our property assessment records for each property.

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 Commercial Property	Subtype	COD Range
Income Producing	Larger areas represented by large samples	5.0 to 15.0
Income Producing	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.* www.IAAO.org

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

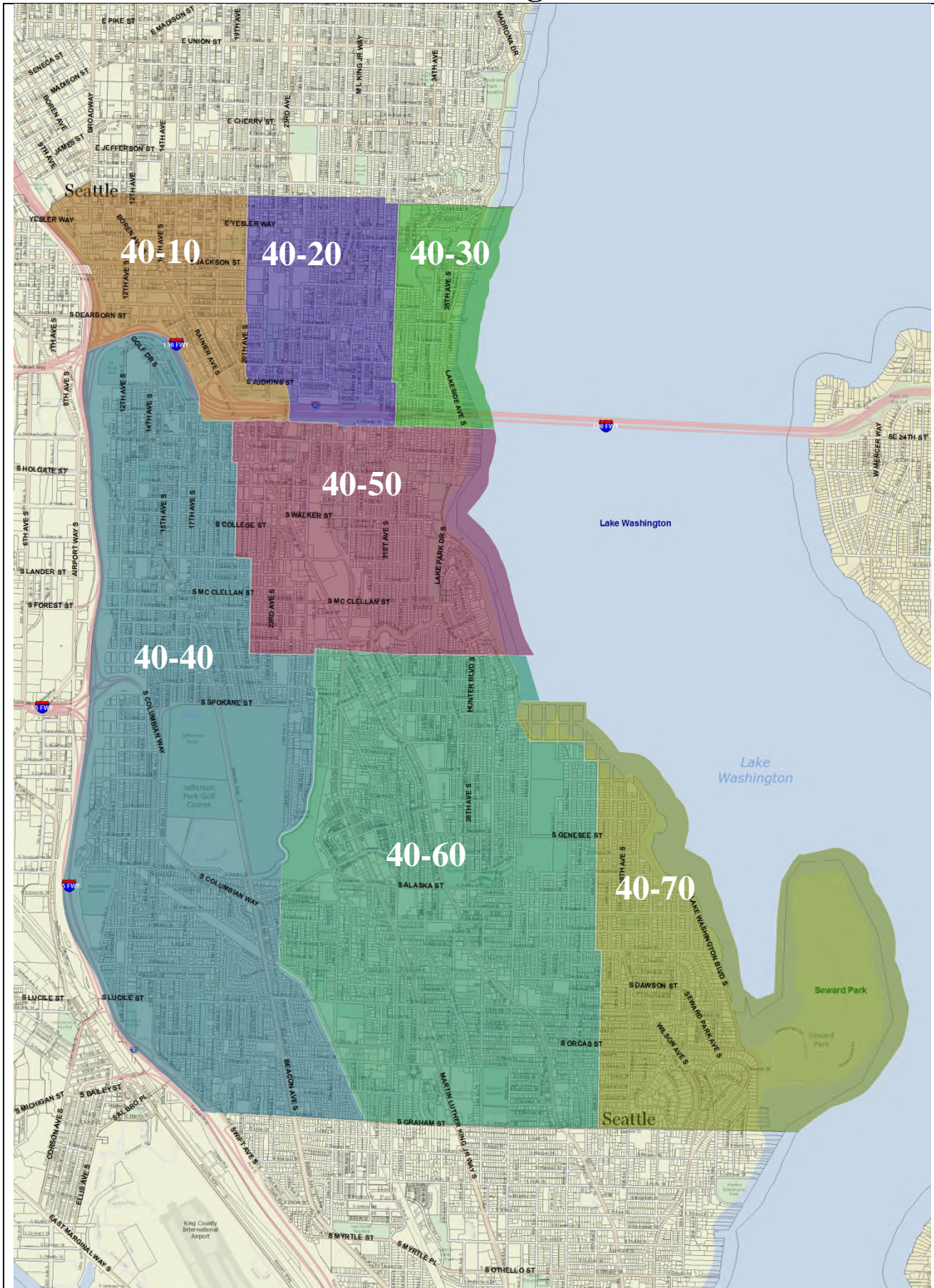
Requirements of State Law

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.

Area 40 Neighborhoods



The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representation or warranties, express or implied, as to the accuracy, completeness, timeliness, or rights to the use of such information. King County shall not be liable for any general, special, indirect, incidental, or consequential damages including, but not limited to, lost revenues or lost profits resulting from the use or misuse of the information contained on this map. Any sale of this map or information on this map is prohibited except by written permission of King County.

Executive Summary Report

Appraisal Date 1/1/2018

Geographic Appraisal Area

- Area 40: Rainier Valley

Sales - Improved Summary

- Number of Sales: 54
- Sales Included in Ratio Study Summary: 48
- Range of Sale Dates: 05/19/2015 – 8/13/2017

Sales – Ratio Study Summary

Sales--Improved Valuation Changes Summary				
	Mean Assessed Value	Mean Sale Price	RATIO	COD*
2017 Value	\$1,411,700	\$1,688,200	83.60%	8.16%
2018 Value	\$1,660,700	\$1,688,200	98.40%	8.54%
Abs. Change	\$249,000		14.80%	-0.38%
Percent Change	17.64%		17.70%	-4.66%

*Coefficient of Dispersion (COD) is a measure of uniformity. A low COD indicates better uniformity.

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

Population – Parcel Summary Data

Total Population - Parcel Summary Data			
	Land	Improvements	Total*
2017 Value	\$2,137,499,100	\$600,506,400	\$2,738,005,480
2018 Value	\$2,620,554,600	\$562,736,400	\$3,183,291,000
Percent Change	22.60%	-6.29%	16.26%

Number of Parcels in the Population: 1,440, including vacant and improved parcels; excluding specialties.

Conclusions and Recommendations

Total assessed values for the 2018 revalue have increased 16.26%.

The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2018 Assessment Year.

Identification of the Area

Name or Designation

- Area 40: Rainier Valley

Area 40 Neighborhoods

- **40-10** Eastern International District (ID)
- **40-20** Central District
- **40-30** Leschi
- **40-40** North Beacon Hill
- **40-50** North Rainier Valley
- **40-60** Columbia City
- **40-70** Seward Park

Area 40 Boundaries

- **North:** East Spruce Street
- **East:** Lake Washington
- **South:** South Graham Street
- **West:** Interstate 5

Maps

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Overview

Geographic Area 40 includes neighborhoods located in the southeastern portion of the city of Seattle. The boundaries of Area 40 are generally defined as Interstate 5 to the west, Lake Washington to the east, East Spruce Street to the north and South Graham Street to the South.

Geographic Area 40 is divided into seven neighborhoods; Eastern International District (ID), Central District, Leschi, North Beacon Hill, North Rainier Valley, Columbia City and Seward Park. The Rainier Valley geo area is predominantly a high-density residential area with interspersed business cores. The seven neighborhoods are similar in terms of mixed-use composition. Each neighborhood is defined by its unique characteristics.

The Sound Transit Link Light Rail continues to shape economic development in area 40. Light rail currently provides transportation to commuters and visitors from Seatac International Airport to Downtown Seattle and neighborhoods along the route. There are three light rail stations located in area 40; Beacon Hill, Mt Baker and Columbia City. The area around the light rail stations have been re-zoned in order to encourage higher density “transit oriented development” (TOD) and promote neighborhood walkability. In 2016, the Capitol Hill and University of Washington light rail stations began operations.

The Sound Transit East Link Extension, expected to begin service in 2023, will add a new stop in Area 40. As the expansion of light rail continues, combined with the availability of comparably affordable commercial parcels in Seattle’s south end, neighborhoods along the route will continue to attract new transit oriented development.

The City of Seattle is currently engaged in an ambitious citywide plan to address housing affordability. Mandatory Housing Affordability (MHA) requires new commercial and multifamily residential development to contribute to affordable housing. The city of Seattle has set a goal for MHA to add at least 6,000 new rent and income-restricted homes for low-income residents by 2025.

The MHA action plan is a multi-pronged approach that calls for changes in how Seattle plans and accommodates housing, as well as a shared commitment between taxpayers, businesses and nonprofits to support the construction and preservation of affordable housing. It requires market-rate developers to build affordable units in their apartment buildings, and commercial developers to contribute to the production and preservation of affordable housing. It also identifies changes to outdated zoning laws to spur the construction of more affordable housing.

The MHA plan calls for significant zoning changes throughout geographic area 40. The zoning enhancements will affect all zoning categories and will be mainly centered on urban villages and transit overlay districts. In Area 40 zoning changes have already been implemented in the East International District and along the 23rd Avenue Corridor at South Jackson Street. Zoning changes in other neighborhoods within Area 40 are expected to be implemented over the next few years.

The volume of vacant land sales were similar in 2017 and 2018, with sales prices increasing. Although land values in geographic area 40 are continuing to increase, land values are still favorably low when compared with other dense Seattle neighborhoods. The majority of land sales tend to be located near light rail stations or other transit amenities, and were purchased by developers with the intention of building mixed-use and live/work townhouse projects. These land sales support the current assessed land values for all of the zoning designations in the 2018 revalue and trend towards increasing values in the future.

Market activity in improved properties has picked up slowly over the last three years, with sale prices steadily increasing. Live/work townhouses comprised the majority of sales in Area 40. The majority of improved commercial property sales in Area 40 tend to be located near light rail stations or within designated growth areas. Neighborhoods within Area 40 are becoming more pedestrian friendly due in large part to the variety of transit options and commercial services.

With the availability of favorably priced commercial properties in Area 40, investors will move to fill the needs of the increasingly dense neighborhoods.

Market income data for the January 1, 2018 valuation indicates stable income fundamentals for most income producing properties in area 40. Properties throughout Area 40 and particularly within close proximity of the light rail stations in Columbia City and Beacon Hill have experienced moderate improvement in capitalization rates. Established neighborhoods, Leschi and Seward Park, saw minimal changes in income fundamentals.

Analysis Process

Effective Date of Appraisal: January 1, 2018

Date of Appraisal Report: March 14, 2018

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 or industrial 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 improvements 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 \$1,000.00 is typically assigned to the improvements.

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

The use to which the 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.

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

- Sales from 1/1/2015 thru 12/31/2017 were considered in all analyses.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6 (USPAP compliant).

In 2016, the owners of Asian Plaza at 1032 South Jackson Street announced an ambitious redevelopment plan for the 2.50 acre site. The proposal is for a four building, mixed-use project. The complex would include 240 apartments, a 180-room hotel, a community theater, child care center and 80,000 square feet of restaurant and retail space and more than 600 underground parking spaces. Currently, the site is home to a grocery store, several restaurants and retail stores. All current tenants will have the first option to move in to the new center. Construction has not yet started.

King Property Holdings LLC purchased a 12,000 square foot redevelopment site in December for \$3.2 million. The East International District site is located at 1005 South King Street and is zoned DMR/C 75/75-170 (Downtown Mixed Residential/Commercial). Early plans for this site have been filed for an eight-story building with residential units and hotel rooms. The number of rooms and residential units is not specified. The early plans indicate potential extended-stay suites. This project joins several new hotels planned for the International District, including the planned redevelopment of Asian Plaza.

Momentum Indoor Climbing recently purchased the former Color Graphics building with plans to convert the space to an indoor climbing gym. The North Rainier Valley site, located at 1421 South Dean Street, will be a full service rope-climbing and bouldering gym. It will feature 30,000 square feet of climbing features as well as weights and cardio equipment. Other features include a yoga studio, kids climbing area, daycare and retail. Plans include a 7,000 square foot addition and construction is expected to begin in 2018 with plans to open in 2019.

Historic Seattle completed the fourth phase of a \$10 million, five phase rehabilitation of the historic Washington Hall. Built in 1908, the performance space has hosted a variety artists including Billie Holiday and Jimi Hendrix. The renovation is meant to retain historic features and materials, making repairs where needed or replacing features with similar materials. Improvements have included seismic retrofitting, elevator replacement and sprinkler system. Electrical and mechanical systems were brought up to current code. Phase four involved restoring windows and façade and interior work to create offices, meeting space and a recording studio. Washington Hall reopened to the public in summer 2017.

The Seattle Housing Authority (SHA) is currently engaged in a comprehensive effort to replace the aging public housing buildings of Yesler Terrace with a new mixed-income community. The new Yesler Terrace will provide more housing, commercial, retail space and open spaces. The redevelopment will be a partnership between local government, non-profit partners and private business. Yesler Terrace will feature a mix of planned housing options including 661 units available to people with incomes below 30% Average Median Income (AMI), 290 units available to people with incomes from 30% - 60% AMI, 850 workforce housing units serving people with incomes below 80% AMI and approximately 1,200 – 3,200 market-rate housing units. SHA has received a Choice Neighborhood grant from the US Department of Housing and Urban Development in the amount of \$10.27 million. The first phase to construct 218 new units began in 2013 and was completed in 2015. In 2016, SHA completed construction of an 83 unit apartment building.

In 2014, Vulcan Real Estate agreed to buy three parcels within Yesler Terrace at approximately \$22 million. The property totals 3.7 acres and is located along East Yesler Way between Broadway and Boren Avenue. This transaction includes firm closing dates in 2015, 2016 and 2017 for each of the three blocks. The 3.7 acres will be developed to include 650 units of workforce and market rate housing. The first building at the corner of Broadway and Yesler Way began construction in 2017. When complete, this mixed-use project will feature 195 residential units.

The redevelopment of Yesler Terrace is expected to take 10 to 15 years to complete. During this time, the phased redevelopment project will be a major force in the economic future of the neighborhood. More commercial services will be in demand to meet the needs of the new residents of Yesler Terrace. The East International District, with comparably favorable land prices and pedestrian favorable zoning, will likely be attractive to developers.

Neighborhood 40-20 – Central District

Neighborhood 40-20 Boundaries

- **North:** East Spruce Street
- **East:** 31st Avenue South
- **South:** Interstate 90
- **West:** 20th Avenue South
-



Neighborhood Description

This heavily urbanized area is made up of independently owned retail stores, restaurants, small offices, churches, daycares, small private schools, multi-family apartments, townhomes and condominiums.

In 2013, the City of Seattle Department of Planning and Development met with community stakeholders to begin designing the 23rd Avenue Union-Cherry-Jackson Action Plan. The goal of the project, as it applies to 23rd Avenue South and Jackson Street, is to create a vibrant mixed-use commercial district that provides opportunities for small and large businesses as well as new startup businesses. The action plan proposes improvements to the grid street network and zoning which encourages pedestrian friendly and inviting storefronts and street frontage. The plan, when finalized, will ensure that 23rd and Jackson remains the Central Area's commercial focal point. The 23rd Avenue Zoning Recommendations were submitted to the Seattle City Council in 2015 for the approval process. After the public comment process, the council will finalize the rezone ordinances, Action Plan and Urban Design Framework. Final approval is expected in early 2018.

In 2017, the City of Seattle Department of Construction and Inspections implemented zoning enhancements at the intersection of 23rd Avenue South and South Jackson Street. NC3-65 was enhanced to NC3-75 and NC3P-65 was enhanced to NC3P-75. These zoning changes are meant to foster a vibrant mixed-use commercial district that provides opportunities for small and large businesses, and opportunities for startup businesses. The enhanced zoning also aims to increase housing affordability in accordance to MHA principles.

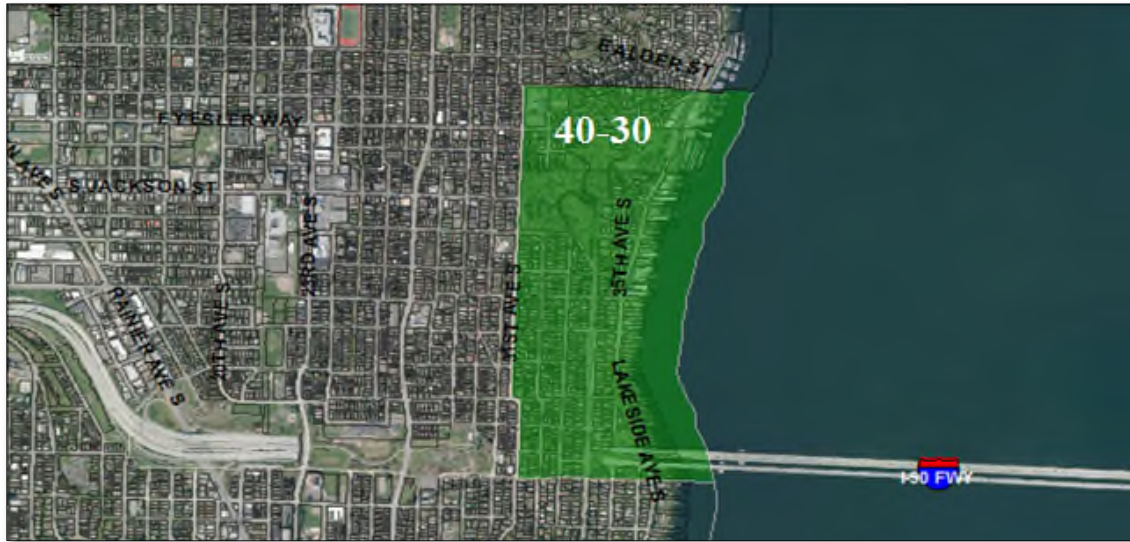
In 2016, Vulcan Real Estate purchased the multi-parcel Promenade 23 located at 23rd Avenue South and South Jackson Street. Vulcan has announced redevelopment plans for the southern parcel. The proposal calls for two, seven-story structures containing 550 apartments and 49,000 square feet of ground floor retail. The project will also include 550 below grade parking spaces. The site is currently home to an independent grocery store and a line retail building with a bank and several small retail and businesses. Construction was planned to begin in 2017, but has not started yet.

Currently, redevelopment in the Central District is primarily focused on residential townhouses and live/work townhouses. Live/work townhouses are becoming more common on the busy arterials as a more affordable option for small business owners.

Neighborhood 40-30 - Leschi

Neighborhood 40-30 Boundaries

- **Northern:** East Spruce Street
- **East:** Lake Washington
- **South:** Interstate 90
- **West:** 31st Avenue South



Neighborhood Description

Leschi is an established neighborhood consisting of mixed-use properties including apartments and residential condominiums, restaurants, retail and low to midrise office buildings. The area is attractive to buyers seeking small, owner-occupied properties in a close-in, urban neighborhood or along the Lake Washington waterfront. Most tenants are well established and tend to renew leases. Vacancy rates remain stable and are not likely to change in the near future.

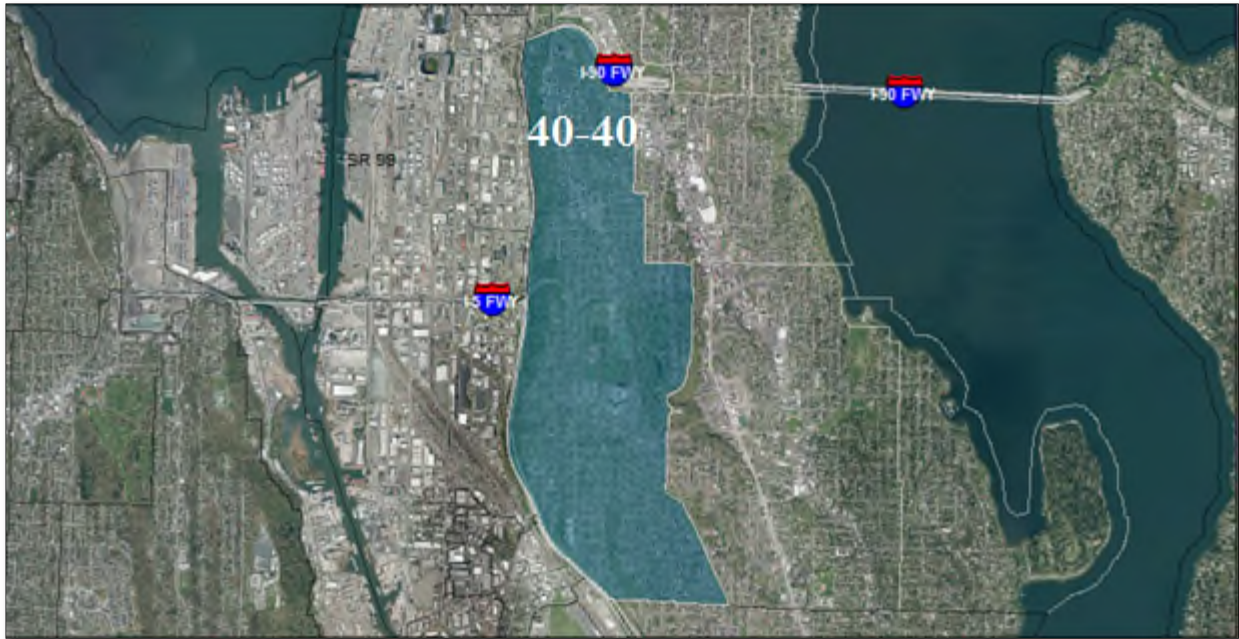
Located on the Lake Washington waterfront, the Leschi Lake Center serves as the main commercial development in the area. The Leschi Lake Center features a variety of retail, restaurant and office tenants. The restaurant and retail tenants benefit from high pedestrian traffic in the popular Leschi neighborhood.

There are currently no commercial projects in development within Neighborhood 40-30.

Neighborhood 40-40: Beacon Hill

Neighborhood 40-40 Boundaries

- **North:** Interstate 90
- **East:** Valentine Place South/Cheasty Blvd South
- **South:** South Graham Street
- **West:** Interstate 5



Neighborhood Description

Beacon Avenue South is the main arterial, dividing the western and eastern portions of the neighborhood. Commercial properties of Beacon Hill consist primarily of independently owned retail, small offices, restaurants and mixed-use and multi-family apartments.

The Beacon Hill light rail station provides convenient access north to Downtown Seattle, Capitol Hill and the University of Washington, and south down the length of Rainier Valley to SeaTac International Airport. The area immediately around the light rail station within the transit overlay district will be rezoned in accordance to MHA guidelines. Existing commercial zoning will be enhanced with higher height limits. Additionally, existing Single Family (SF) within the transit overlay district will be changed to Low-Rise (LR) zoning. This new LR zoning will encourage the construction of new row house and townhouse development has been rezoned from NC2P-40 to NC2P-65 in order to promote mixed use development and increase walkability

in the Beacon Hill core-retail area. The planned zoning changes have not yet been implemented.

The last two privately owned parcels on the Beacon Hill Station Block were sold in 2017. Although both parcels are located on the same block, they are separated by an alley. Preliminary plans are filed for a six-story mixed-use project on the western parcel and a six-story mixed-use project on the eastern parcel. With the completion of this project, the station block will be fully developed.

Several new restaurants and retail businesses have opened and are thriving since the opening of the light rail station. New commercial activity in the neighborhood has contributed to increased walkability, bringing more visitors to Beacon Hill. Since land is still relatively inexpensive when compared to other Seattle neighborhoods, it is anticipated the Beacon Hill neighborhood will continue to attract new investment.

Neighborhood 40-50: North Rainier Valley

Neighborhood 40-50 Boundaries

- **North:** Interstate 90
- **East:** Lake Washington
- **South:** South Hanford Street
- **West:** Valentine Place South and 21st Avenue South



Neighborhood Description

The Major business arterials in this area are Rainier Avenue South and Martin Luther King Junior Way South. The commercial buildings located along Rainier Avenue South and Martin Luther King Junior Way South are primarily retail, small offices, restaurants, franchise fast food, light industrial, multi-family and apartments. Many parcels in area 40-50 are not developed to highest and best use or are vacant. Since land is still relatively inexpensive when compared with other Seattle neighborhoods, this indicates opportunity for development.

In 2014, Seattle Department of Planning and Development recommended zoning changes, amendments to development standards and implementation of incentive zoning. The changes are based on the Mount Baker Town Center Urban Design Framework and are intended to carry out key actions identified by the community during the recent update of the North Rainier Neighborhood Plan. The changes are intended to promote a vibrant neighborhood core that concentrates housing, employment, commercial uses and services within a hub that is well served by a range of comfortable and convenient travel options. The zoning changes will help guide current and future development in the neighborhood core around the Mount Baker light rail station.

Included in the rezone, is an extension of the Station Area Overlay District (SAOD) boundary to include the parcels bounded by McClellan Avenue South, South 25th Street and the Cheasty Greenbelt. The extension includes ten parcels rezoned in May of 2013 to SM/R-65 (Seattle Mixed/Residential). A SAOD includes supplemental development regulations intended to support transit stations. Along Rainier Avenue South, between South Bayview Street and South Byron Street, and along McClellan Street between 26th Avenue South and M. L. King Jr. Way South provisions within Seattle Mixed (SM) zones are intended to protect and encourage a successful pedestrian-oriented retail environment.

The former Imperial Lanes, located in North Rainier Valley, was purchased in 2016. The purchaser plans to segregate the 64,000 square foot parcel into two parcels. On one of the new parcels an 18,244 square foot private school is planned. The school will be the new location of Giddens and Lake Washington Girls Middle School. Construction has not yet begun.

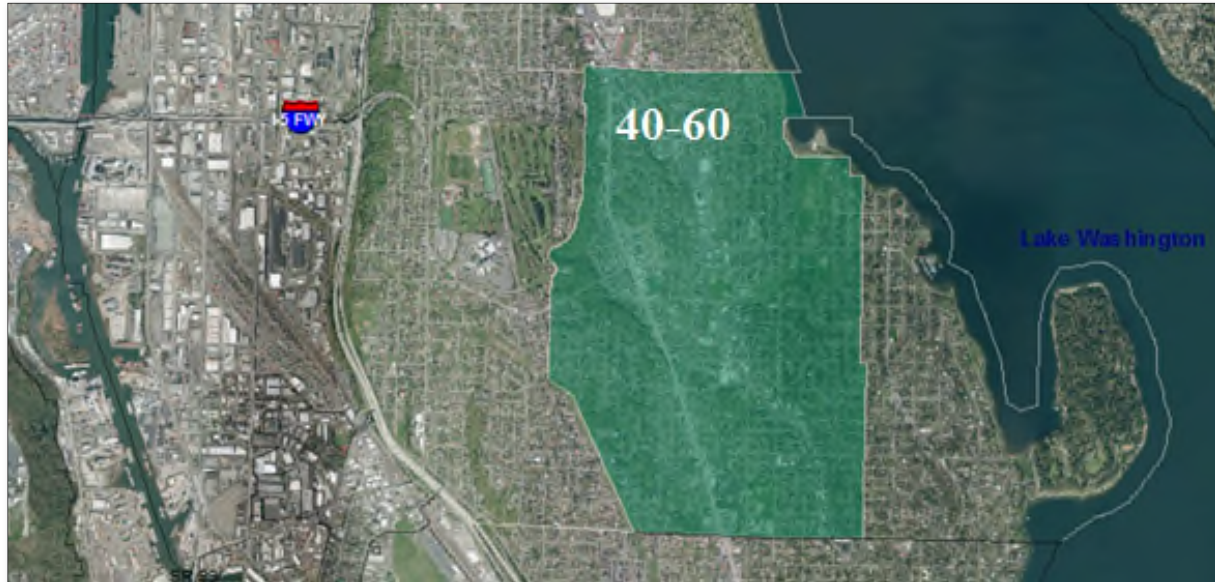
The Seattle Girls School purchased a 47,023 square foot parcel located at 24th Avenue South and South Massachusetts Street. Preliminary plans call for the existing improvements to be demolished. The new improvements will include a single-story school building with classrooms, a two-story building with classrooms and offices, and a one-story gymnasium/auditorium. Construction has not yet begun.

As the economy continues to grow, new investment in the North Rainier Valley is expected to meet the demands of the growing housing sectors expanding from the north, south and west.

Neighborhood 40-60: Columbia City

Neighborhood 40-60 Boundaries

- **North:** South Hanford Street
- **East:** 48th Avenue South
- **South:** South Graham Street
- **West:** Cheasty Boulevard, and Beacon Avenue South



Neighborhood Description

Commercial activities are located primarily along Rainier Avenue South, South Genesee Street, Martin Luther King Junior Way South, and South Graham Street and within Columbia City. Columbia City was designated a Landmark District in 1978 by the City of Seattle and contains a significant number of buildings that embody the distinctive characteristics of turn of the century architecture. The majority of business is located on Rainier Avenue South and is primarily retail, retail services and restaurants. This area is progressively revitalizing after a long period of decline. Mixed-use multi-family and townhouse style projects are now common due to the draw of Columbia City historic district and the Columbia City/Edmunds Street light rail station.

In 2016, a developer purchased seven contiguous parcels in Columbia City with the intention to redevelop. The proposal calls for a six-story mixed-use condominium with 81 apartment units and 6,000 square feet of ground level retail. The second building included in the proposal is a five-story condominium with 85 apartment units. This project is subject to the requirements of

Mandatory Housing Affordability. The current zoning is NC2-40. The zoning is expected to change to NC2-65. The project starting date has not been announced.

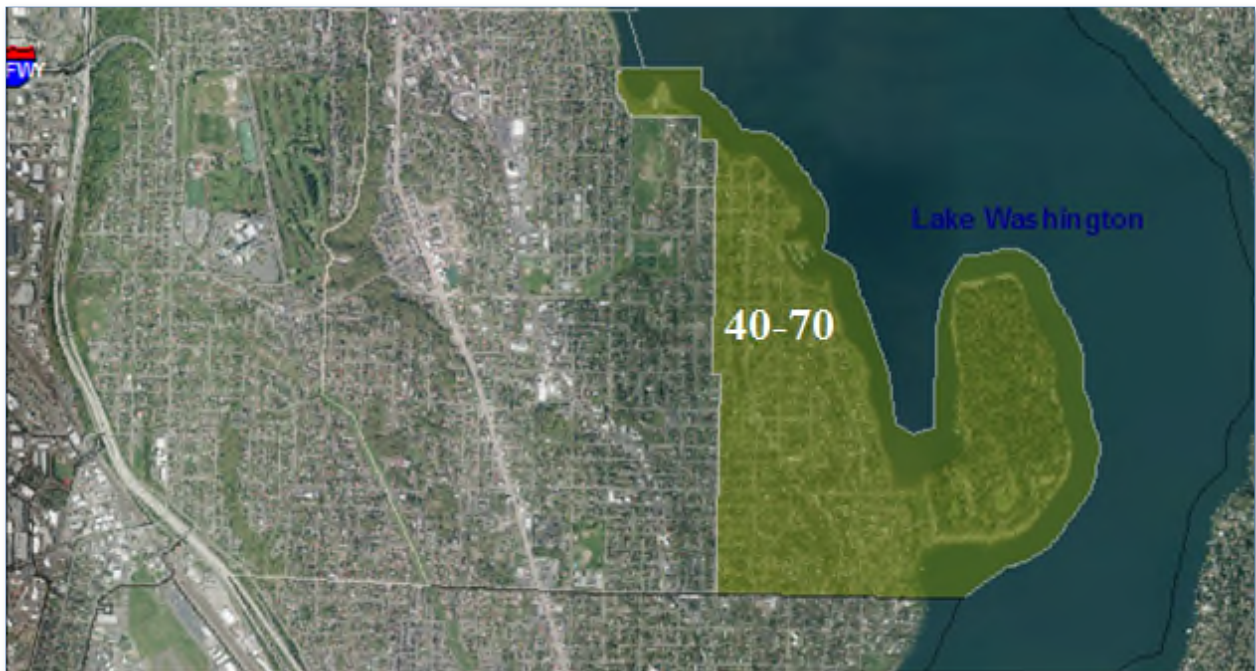
In nearby Hillman City, a cooperative investment group purchased the long shuttered Club Maxim property. The group renamed the club Black and Tan Hall and began transforming the property. Black and Tan Hall will be a music venue, workshop and restaurant featuring local talent and Mediterranean and Caribbean fare. The Black and Tan Hall will open in 2018.

As both commercial and residential markets grow, evidence is strong that new development projects will continue to reshape the neighborhood.

Neighborhood 40-70 Seward Park

Neighborhood 40-70 Boundaries

- **North:** Lake Washington
- **East:** Lake Washington
- **South:** South Graham Street to the South
- **West:** 43rd Avenue South, 47th Avenue and 48th Avenue South



Neighborhood Description

Seward Park is an established, stable neighborhood. It is a predominantly residential neighborhood with a small commercial district. The commercial properties are primarily

independent retail and restaurants. New development in the neighborhood tends to be residential use, including townhouses. Currently, there are no planned commercial developments. The area also is in demand for small, owner-occupied properties by those who want to be in a close-in, urban neighborhood.

Physical Inspection Identification

WAC 458-07-015 requires each property to be physically inspected at least once during a 6 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. Area 40-40 was physically inspected for the 2018 assessment year. The inspection area comprised 137 parcels (excludes specialty parcels), or approximately 9.15% of the 1,440 total parcels located in Area 40 (not including specialty improvements). A list of the physically inspected parcels is included in the addendum of this report.

Scope of Data

Land Value Data: Vacant land sales which closed during the period from January 1st, 2015 to December 31st, 2017 were given primary consideration in the valuation of commercial and multi-family zoned land parcels for the 2018 revalue in Area 40. Since January of 2015, there were 58 vacant commercial land sales that were considered in Area 40. Sales verified as “good” were coded “Y” in the Assessor’s records. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales.

The primary unit of comparison considered was based on price per square foot of land area. “Shell” sales, interim use sales, tear down sales, and land transactions that included plans and permits were considered in the analysis of the land values. The comparative sales approach generally is considered the most reliable method for land valuation. Zoning, location, and site size were primary variables considered in the valuation process. Changes were made based on recent land sales and to achieve equalization in neighborhoods in accordance with zoning, size and location. In the absence of sales in a neighborhood, sales in other similar neighborhoods were considered. Appraiser judgment prevails in all decisions regarding individual parcel valuation. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Vacant Land Sales Identification and Verification: 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 considered were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Sales are listed in the “Sales Used” and “Sales Not Used” sections of this report. Additional

information may be found on the Assessor’s website (<http://www.kingcounty.gov/depts/assessor.aspx>).

Land Value

Change in Assessed Land Value by Area			
Neighborhood	2017 Land Value	2018 Land Value	% Change
40-10	\$681,462,900	\$936,639,800	37.45%
40-20	\$362,553,900	\$454,658,300	25.40%
40-30	\$95,192,100	\$112,734,100	18.43%
40-40	\$530,899,800	\$640,625,500	20.67%
40-50	\$484,505,800	\$576,567,400	19.00%
40-60	\$821,328,200	\$962,569,700	17.20%
40-70	\$214,622,500	\$225,506,500	5.07%
Total	\$3,190,565,200	\$3,909,301,300	22.53%

Land Sales, Analysis, Conclusions

Area 40 has experienced increases in commercial and multi-family land value as well as increased transaction volume. There were a total of 58 vacant commercial land sales in Area 40 with recording dates from January 5th, 2015 to December 28th, 2017. Most of the parcels were improved at the time of sale and are considered to be an interim use. These sales were given primary consideration for commercial land value as of January 1, 2018. Most weight was given to neighborhood, location, zoning, size and utility. As necessary, vacant commercial land sales in Area 25 to the north and Area 36 to the south, as well as residential sales of commercially zoned land within Area 40, were considered. In the absence of land sales in a given neighborhood, sales from other, similar neighborhoods were considered. Only sales verified as “arms-length” were used in the market analysis.

The largest increases in land value occurred in neighborhoods with light rail stations, which continue to experience the most growth. Most zoning classifications in Area 40 experienced increases in land value. Parcels zoned LR1, LR2 and LR3, again, saw the greatest increases in value due in large part to the increasing popularity of residential townhouses.

The total recommended assessed land value for the 2018 assessment year is \$3,909,301,300. This represents an overall increase from the 2017 total assessed land value of approximately +22.53%. This increase is mainly due to adjustments based on market sales. Parcel count, zoning changes and legal changes may affect the total assessed value, which in this case, indicates an increase in total value. This increase in land values is intended to improve uniformity and assessment levels for land in the Rainier Valley/Seattle real estate markets. The total land values include all taxable and nontaxable parcels in Area 40. (Please refer to the table provided above.)

International District – South First Hill – Central District: Neighborhood 40-10

There were a total of 14 land sales in neighborhood 40-10 since 2015. The sales are mainly commercially zoned parcels. All of the parcels were purchased with the intent to redevelop. Several mixed-use development projects are currently in the permitting process or under construction. The sales are shown in the table below:

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Parcel Count	Remarks
713230	0060	20,416	2709058	\$2,000,000	01/05/15	\$97.96	NC2-65	3	Multi-parcel land sale, new apts planned
000760	0122	16,801	2722411	\$1,900,000	04/03/15	\$113.09	NC2-40	1	New apartments under construction
713230	0290	4,000	2734070	\$300,000	05/21/15	\$75.00	NC3-40	1	33 room congregate residence proposed
332050	0020	4,400	2747291	\$380,000	07/22/15	\$86.36	DMR/C 65/65-150	1	New office building proposed
219760	0030	2,400	2775255	\$460,000	12/23/15	\$191.67	MR	1	New multifamily project planned
219760	0035	9,800	2775435	\$2,600,000	01/07/16	\$265.31	MR	1	New multifamily project planned
982200	0030	44,879	2776072	\$5,920,000	01/13/16	\$131.91	LR3	4	New apartments under construction
713380	0045	18,818	2802152	\$2,700,000	06/13/16	\$143.48	IC-65	2	New self-storage facility proposed
332050	0210	32,051	2825935	\$5,950,000	10/03/16	\$185.64	NC2-65	1	Teardown, buyer plans mixed-use redevelopment
331950	1215	45,701	2843286	\$8,550,000	01/05/17	\$187.09	NC3P-40	7	New mixed-use apartments under construction
539160	0145	44,333	2852643	\$8,800,000	03/08/17	\$198.50	DMR/C 65/65-85	5	New mixed-use apartments under construction
332050	0045	15,000	2855310	\$3,500,000	03/27/17	\$233.33	DMR/C 65/65-150	3	New affordable apartments planned
817010	0220	12,000	2870192	\$2,800,000	06/12/17	\$233.33	DMR/C 65/65-150	2	Vacant parcels, new apartments proposed
817010	205	12,000	2903766	\$3,200,000	11/30/17	\$266.67	DMR/C 75/75-170	1	New hotel/residential mixed-use project planned

Central District: Neighborhood 40-20

There were a total of six (6) land sales in neighborhood 40-20 since 2015. The sales are multi-family and commercially zoned parcels and are scattered throughout the neighborhood. All of the parcels were purchased with the intent to redevelop. Several projects are currently under construction. The sales are shown in the table below:

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Parcel Count	Remarks
690920	0085	11,880	2778090	\$1,150,000	01/28/16	\$96.80	LR2	1	New apartments proposed
364610	0390	158,619	2780456	\$19,635,000	02/17/16	\$123.79	NC3-65	1	New mixed-use apartments proposed
042404	9063	6,924	2789758	\$855,000	04/01/16	\$123.48	LR2	1	Seg/merge after sale; not in ratio
331950	0285	10,680	2796318	\$1,350,000	05/09/16	\$126.40	LR3	2	New Townhouses under construction
125020	0425	18,000	2860363	\$2,650,000	04/21/17	\$147.22	NC2P-40	1	New mixed-use apartment proposed
364610	0265	12,570	2879026	\$2,700,000	07/25/17	\$214.80	NC3-65	3	New mixed-use apartment proposed, zoning increased to NC3-75

Leschi: Neighborhood 40-30

Since 2015, there have been no land sales in the Leschi neighborhood that meet the requirements of a fair market sale.

Beacon Hill: Neighborhood 40-40

There were a total of 10 land sales in neighborhood 40-40 since 2015. The sales are a mix of multi-family and commercially zoned parcels. Most of the parcels were purchased with the intent to redevelop. Several mixed-use development projects are currently in the permitting process. The sales are shown in the table below:

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Parcel Count	Remarks
090700	0130	11,125	2730895	\$1,800,000	05/15/15	\$161.80	NC2P-65	3	Teardown, new mixed-use apartments planned
396440	0265	6,766	2737579	\$610,625	06/17/15	\$90.25	NC1-40	1	Permits in place for new mixed-use apartments
885000	0430	3,000	2740617	\$132,500	06/29/15	\$44.17	LR2	1	Vacant parcel, no permits on file
713330	0235	1,897	2765089	\$85,000	11/03/15	\$44.81	LR2	1	New SFR, parcel has topography
885000	0365	6,000	2774198	\$450,000	12/17/15	\$75.00	LR2	2	New Townhouse development
138980	0005	12,800	2798641	\$1,925,000	05/24/16	\$150.39	NC2-65	1	New 7-story apartment proposed
138980	0146	11,298	2822155	\$2,200,000	09/08/16	\$194.72	NC2P-65	2	New 100 unit, 7-story mixed-use apartment building proposed
396440	0265	6,766	2865382	\$1,238,000	05/19/17	\$182.97	NC1-40	1	New 4-story mixed-use apartment proposed
308600	3220	20,797	2884901	\$5,040,000	08/16/17	\$242.34	NC2P-65	4	Vacant land located on Beacon Hill station block
885000	0430	3,000	2886534	\$299,000	08/29/17	\$99.67	LR2	1	New townhouses planned

North Rainier Valley – Mount Baker: Neighborhood 40-50

There were a total of 12 land sales in neighborhood 40-50 since 2015. The sales are a mix of commercially zoned parcels best suited to commercial and mixed-use development. All of the parcels were purchased with the intent to redevelop. Several mixed-use development projects are in the permitting process or currently under construction. The sales are shown in the table below:

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Parcel Count	Remarks
149830	2880	5,040	2728868	\$400,000	05/04/15	\$79.37	C1-40	1	Permits in place for new apartments
159460	0090	5,405	2791506	\$774,000	04/17/16	\$143.20	C1-65	1	Live/Work townhouses under construction
000360	0029	4,000	2806786	\$750,000	06/25/16	\$187.50	NC1-40	1	New affordable apartments planned
754830	0980	8,831	2821570	\$1,110,000	09/12/16	\$125.69	C1-65	2	New 6-story mixed-use apartments proposed
149830	2175	64,000	2834546	\$6,500,000	11/17/16	\$101.56	C1-65	1	New private school proposed for site
000360	0031	5,000	2841064	\$565,000	12/07/16	\$113.00	SM-NR-65	1	Assemblage includes 000360-0030, 000360-0055
000360	0030	8,310	2841061	\$742,000	12/21/16	\$89.29	SM-NR-65	2	Assemblage includes 000360-0031, 000360-0055
000360	0055	10,854	2841067	\$775,000	12/22/16	\$71.40	NC1-40	1	Assemblage includes 000360-0030, 000360-0031
368390	0005	34,009	2846644	\$3,800,000	01/26/17	\$111.74	C1-65	1	New mixed-use apartment planned, located near future light rail stop
149830	2345	21,000	2890945	\$3,250,000	09/22/17	\$154.76	C1-65	1	New apartment planned, located near future light rail stop
149830	2724	13,500	2901786	\$2,450,000	11/17/17	\$181.48	C1-65	1	New mixed-use apartment planned
239460	0095	47,023	2908415	\$4,500,000	12/28/17	\$95.70	LR1	1	New private school planned

Rainier Valley – Columbia City: Neighborhood 40-60

There were a total of 16 land sales in neighborhood 40-60 since 2015. The majority of the sales are located within the Columbia City neighborhood within walking distance of the light rail station. The sales are a mix of multi-family and commercially zoned parcels. All of the parcels were purchased with the intent to redevelop. Several mixed-use development projects are in the permitting process or currently under construction. The sales are shown in the table below:

Major	Minor	Land Area	Excise #	Sale Price	Sale Date	SP / Land Area	Zone	Parcel Count	Remarks
392940	0070	17,878	2712427	\$1,095,000	02/04/15	\$61.25	NC2-40	1	Future redevelopment
170290	1710	4,905	2735105	\$775,000	05/27/15	\$158.00	NC2-40	1	New apartments under construction
529220	0050	6,202	2762621	\$395,000	10/01/15	\$63.69	LR2	1	New townhouses under construction
266050	0448	4,200	2770892	\$200,000	12/09/15	\$47.62	LR2	1	New Townhouses under construction
605611	0020	26,830	2780800	\$1,800,000	02/16/16	\$67.09	NC1P-40	1	New mixed-use apartments under construction
505830	0135	9,836	2781484	\$1,375,000	02/24/16	\$139.79	SM-NR-85	1	New mixed-use apartment proposed, located near Mt Baker light rail station
148040	0006	40,085	2788268	\$3,850,000	04/01/16	\$96.05	NC2-40	7	Multi-parcel land sale, new mixed-use apts planned
128230	0440	3,600	2803767	\$450,000	06/13/16	\$125.00	SM-NR-85	1	Vacant parcel, new 7-story apartments proposed
222404	9097	9,617	2811114	\$925,000	07/21/16	\$96.18	LR3	1	New Townhouses under construction
795030	1905	15,855	2838596	\$1,200,000	12/06/16	\$75.69	NC2-40	2	New 4-story apartment building proposed
333050	0975	4,746	2876800	\$435,000	07/06/17	\$91.66	NC2-40	1	New Live/Work townhouses under construction
564960	0045	4,883	2895418	\$499,995	10/13/17	\$102.40	NC2-40	1	Teardown, no plans on file
128230	0280	17,895	2896299	\$3,340,000	10/20/17	\$186.64	SM-NR-85	1	New mixed-use apartment proposed, located near Mt Baker light rail station
128230	0349	14,400	2898728	\$2,000,000	10/27/17	\$138.89	SM-NR-85	2	New 8-story mixed-use apartments planned
941840	0055	61,241	2907858	\$1,248,000	12/18/17	\$20.38	LR3	11	New townhouse plat, land affected by wetlands
160460	1615	9,238	2908176	\$1,140,000	12/22/17	\$123.40	NC2-40	4	New rowhouses planned

Seward Park: Neighborhood 40-70

Since 2015, there have been no land sales in the Seward Park neighborhood that met the requirements of a fair market sale.

Land Value Chart

The following land value chart summarizes the land valuation model as it was applied to the properties in Area 40. These values are intended as a guide to “typical” land values with additional adjustments made for individual site variations when necessary.

Area 40 Zoning	Zone Description	40-10 East International District	40-20 Central District	40-30 Leschi	40-40 Beacon Hill	40-50 North Rainier Valley	40-60 Mount Baker / Columbia City	40-70 Seward Park
Multi-family		VALUE EXPRESSED AS \$/SF						
LR1	LOWRISE 1 - 1 DU/1,600 SF	\$100	\$100	\$110	\$90	\$90	\$90	
LR2	LOWRISE 2 - 1 DU/1,200 SF	\$110	\$110	\$120	\$110	\$110	\$100	
LR2 RC	LOWRISE 2 + COMMERCIAL USE	\$115	\$115			\$115	\$105	
LR3	LOWRISE 3 - 1DU/800 SF MAX 40' HEIGHT IN GROWTH AREAS MAX 30' HEIGHT OUTSIDE GROWTH AREAS	\$120 - \$135	\$120	\$150	\$120	\$120	\$110	
LR3 RC	LOWRISE 3 + COMMERCIAL USE	\$125		\$155		\$125	\$115	
MR	MID-RISE - 60' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$250					\$80	
Commercial								
C1-40	AUTO-ORIENTED RETAIL/SERVICE 40' HEIGHT LIMIT MIXED-USE STANDARDS SAME AS NC1		\$100		\$85	\$90	\$90	
C1-65	AUTO-ORIENTED RETAIL/SERVICE 65' HEIGHT LIMIT MIXED-USE STANDARDS SAME AS NC1	\$120	\$120			\$120	\$100-\$120	
C2-40	AUTO-ORIENTED NON-RETAIL COMM 40' HEIGHT LIMIT CONDITIONAL USE APPROVAL FOR RES						\$95	
C2-65	AUTO-ORIENTED NON-RETAIL COMM 65' HEIGHT LIMIT CONDITIONAL USE APPROVAL FOR RES	\$120				\$120	\$120	
NC1-30	PEDESTRIAN-ORIENTED RETAIL AREA 30' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY		\$110	\$110	\$85	\$85		\$70
NC1-40	PEDESTRIAN-ORIENTED RETAIL AREA 40' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$125	\$125	\$125	\$100	\$100		
NC1P-40	PEDESTRIAN-ORIENTED SHOPPING DIST. 40' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY						\$90	
NC2-30	MODERATE-SIZED PEDESTRIAN-ORIENTED SHOPPING AREA 30' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY						\$80	
NC2-40	MODERATE-SIZED PEDESTRIAN-ORIENTED SHOPPING AREA 40' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$125	\$125		\$100		\$90	
NC2-65	MODERATE-SIZED PEDESTRIAN-ORIENTED SHOPPING AREA 65' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$150			\$120		\$135	
NC2P-40	MODERATE-SIZED INTENSELY PEDESTRIAN ORIENTED SHOPPING AREA 40' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY		\$125		\$100		\$90	

Land Value Chart (cont.)

Area 40 Zoning	Zone Description	40-10 East International District	40-20 Central District	40-30 Leschi	40-40 Beacon Hill	40-50 North Rainier Valley	40-60 Mount Baker / Columbia City	40-70 Seward Park
Commercial		VALUE EXPRESSED AS \$/SF						
NC2P-65	MODERATE-SIZED INTENSELY PEDESTRIAN ORIENTED SHOPPING AREA 65' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$150			\$120			
NC3-40	LARGER PEDESTRIAN-ORIENTED SHOPPING DISTRICT 40' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$125					\$90	
NC3-65	LARGER PEDESTRIAN-ORIENTED SHOPPING DISTRICT 65' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$150	\$150				\$135	
NC3-75 (M)	LARGER PEDESTRIAN-ORIENTED SHOPPING DISTRICT 75' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY		\$160					
NC3P-40	LARGER-SIZED INTENSELY PEDESTRIAN ORIENTED SHOPPING AREA 40' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$125					\$90	
NC3P-65	LARGER-SIZED INTENSELY PEDESTRIAN ORIENTED SHOPPING AREA 65' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY	\$150	\$150				\$135	
NC3P-75	LARGER-SIZED INTENSELY PEDESTRIAN ORIENTED SHOPPING AREA 75' HEIGHT LIMIT UNLIMITED RESIDENTIAL DENSITY		\$160					
DMC 85/75-170	DOWNTOWN MIXED COMMERCIAL 170' HEIGHT LIMIT OFFICE, RETAIL AND COMMERCIAL USES	\$200						
DMR/C 75/75-170	DOWNTOWN MIXED RESIDENTIAL/COMML. 170' HEIGHT LIMIT	\$200						
DMR/C 75/75-95	DOWNTOWN MIXED RESIDENTIAL/COMML. 95' HEIGHT LIMIT	\$175						
SM-NR-65	SEATTLE MIXED - NORTH RAINIER 65' HEIGHT LIMIT HIGH-DENSITY URBAN MIXED-USE					\$100	\$100	
SM-NR 55/75	SEATTLE MIXED - NORTH RAINIER 75' RESIDENTIAL HEIGHT LIMIT HIGH-DENSITY URBAN MIXED-USE					\$100		
SM-NR-85	SEATTLE MIXED - NORTH RAINIER 85' HEIGHT LIMIT HIGH-DENSITY URBAN MIXED-USE					\$120	\$120	
SM-NR-125	SEATTLE MIXED - NORTH RAINIER 125' HEIGHT LIMIT HIGH-DENSITY URBAN MIXED-USE					\$110		
Industrial								
IC-65	INDUSTRIAL COMMERCIAL 65' HEIGHT LIMIT LIGHT MAUFACTURING, COMMERCIAL USES	\$115						
Single-family								
SF 5000	SINGLE-FAMILY - 1 DU / 5,000 SF	\$50	\$50	\$50 - \$70	\$30 - \$35	\$30 - \$70	\$30 - \$35	\$25 - \$30
SF 7200	SINGLE-FAMILY - 1 DU / 7,200 SF					\$10 - \$30		\$30 - \$40
SF 9600	SINGLE-FAMILY - 1 DU / 9,600 SF							\$20

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 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 also is the ratio of the average assessed value to the average sales price value. 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 in its own right and also 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 40 shows a weighted mean ratio of 83.6 which is below the IAAO guidelines, indicating that the current assessment level, as measured using recent sales, is below 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 40 shows a COD of 8.16%, which is within the IAAO guidelines, indicating that the current level of assessment uniformity, as measured using recent sales, is in the acceptable range.

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 regressivity in the data where

assessment level decreases with increases in sales price. The preliminary ratio study for Area 40 shows a PRD of 1.08 which is above the IAAO guidelines, indicating that the current level of assessment uniformity as measured using recent sales is above the acceptable range.

With the exception of the COD and COV, which fall within IAAO guidelines, preliminary results indicate the appraisal level should be increased. However, these results are based on a limited sales sample which is heavily weighted with live/work townhomes. This property type is not representative of the entire geo-area population and for most other property types the sales sample is insufficient to draw direct conclusions from the ratio study. The live/work townhomes were valued using the market approach, while the majority of the remaining parcels were valued using the income approach. All of the recent sales are used for guidance, and as a test for the income model.

Improved Parcel Total Values

Sales Comparison Approach Model Description

All sales were verified with a knowledgeable party and inspected, 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.

The improved sales used in the sales comparison approach range in sale dates from 05/19/2015 to 10/13/2017. There were 54 improved sales in Area 40 that were considered fair market transactions and 48 sales were used in the overall analysis and included in the ratio study. Sales of parcels that were segregated/killed, had long-term leases in place or where the improvements significantly changed after the sale were not included in the ratio study.

Commercial condominium units and live/work townhouse units were typically valued by the sales comparison approach since sufficient comparable sales were available. Other non-specialty commercial properties were typically valued using the income approach as fewer comparable sales of each property type were available. The improved sales used were referenced when developing the economic income parameters and capitalization rates for the income models used within each neighborhood and property type. When necessary, sales of similar property types from other market areas were considered.

The following table summarizes the value parameters used for valuation in area 40. Some properties require deviation from the typical value range due to issues including, but not limited to, location, size and condition and appraiser judgment.

Typical Value Parameters	
Property Type	Adjustment Range per SF
Live/Work Townhouses	\$225 - \$460

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. Specific variables and price ranges for neighborhoods were discussed in general detail above. Given the relatively low sales count per commercial property type during this most recent economic period, applicability of Sales Comparison was considered limited for broad valuation purposes. However, there were adequate sales of live/work townhouses to apply a Sales Comparison to this property type.

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. The cost was adjusted to the western region and the Seattle area. Cost estimates were relied upon for valuing special use properties where comparable sales data and/or income/expense information is not available. These properties are typically exempt properties such as churches, schools, public utility buildings, and park improvements. Non-exempt buildings that are valued by the Cost method might be fraternal halls, auditoriums, car washes, and on-going new construction.

Cost Calibration

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

Income Capitalization Approach Model Description

Three basic models were developed for income capitalization; those being retail, office and warehouse. Income tables were developed and then applied to the population. The tables were derived from market surveys and studies and subsequently applied to property data. A majority of properties in this area were valued utilizing an income approach (Direct Capitalization method).

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.

The Income Approach, using direct capitalization was considered a reliable approach to valuation throughout Area 40 for most improved property types since income and expense data was available to ascertain market rates.

Income: Income data was derived from the market place 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. Additional rental rates were drawn from neighboring Geo Areas 25 and 36.

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. Within the income valuation models for Area 40, the assessor used triple net expenses for retail/mixed-use and industrial type uses. For office/medical buildings, the assessor used full service/gross expenses.

Capitalization Rates: When market sales are available an attempt is made to ascertain the capitalization rate on the sale or a pro-formal cap rate on the first year performance, during the sales verification process. Also, 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.

The following tables summarize various ranges of capitalization rates and trends that are compiled and collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in Area 40 to develop the income model. The range of capitalization rates in the income model for Area 40 reflects the variety of properties in this area.

Regional Cap Rate Summary of Various Published Sources

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: U.S. Cap. Rate survey. Advance Review	H2 2017					CBRE professional's opinion of where cap rates are likely to trend in the 2 nd ½ of 2017 based on recent trades as well as interactions with investors. Value-Add represents an underperforming property that has an occupancy level below the local average under typical market conditions.
		Seattle	4.25% - 4.75% 4.75% - 5.25% 6.00% - 7.25% 5.50% - 6.50% 6.75% - 7.75% 6.75% - 8.50% 7.75% - 9.25% 5.25% - 5.75% 6.00% - 6.50% 6.50% - 7.50% 7.00% - 7.50% 7.50% - 8.50% 7.50% - 8.25% 8.00% - 9.00%	- - - - - - - - - - - - - - -	- - - - - - - - - - - - - - -	CBD – Class AA CBD – Class A CBD – Class A – Value Added CBD – Class B CBD – Class B – Value Added CBD – Class C CBD – Class C – Value Added Suburban – Class AA Suburban – Class A Suburban – Class A – Value Added Suburban – Class B Suburban – Class B – Value Added Suburban – Class C Suburban – Class C – Value Added Class A Class A – Value Added Class B Class B – Value Added Class C Class C – Value Added Class A (Neigh./Comm) Class B (Neigh./Comm) Class B (Neigh./Comm.) – Value-Add Class C (Neigh./Comm) Class C (Neigh./Comm.) – Value-Add Class A (Power Centers) Class B (Power Centers) Class B (Power Centers) – Value-Add Class C (Power Centers) Class C (Power Centers) – Value-Add High Street Retail (Urban Core)
IRR: Viewpoint for 2018	Year-end 2017	West Region	5.83% 6.49% 6.31% 6.87%	- - - 6.57% 5.89%	- - - - 6.22% 6.16% 6.30%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Flex Industrial Industrial Regional Mall Community Retail Neighborhood Retail
CoStar	Year-End 2017	Seattle Puget Sound	6.51% 6.80% 5.32% 8.50%	- - - 5.97% 6.35% 5.93% N/A	- - - - - 5.85% 6.10% N/A 10.00%	Building Size < 50,000 SF Building Size 50,000 SF – 249,000 SF Building Size 250,000 SF – 499,000 SF Building Size >500,000 SF Building Size < 25,000 SF Building Size 25,000 SF – 99,000 SF Building Size 100,000 SF – 249,000 SF Building Size >250,000 SF Building Size < 25,000 SF Building Size 25,000 SF – 99,000 SF Building Size 100,000 SF – 249,000 SF Building Size > 250,000 SF

SEATTLE / REGIONAL CAP RATES

Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2017					1 st Tier properties are defined as new or newer quality const. in prime to good location; 2 nd Tier properties are defined as aging, former 1 st tier in good to average locations; 3 rd Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
		Seattle	5.50% 6.00%	- -	- -	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties
			-	5.30%	-	Warehouse – 1 st Tier Properties
			-	5.90%	-	R&D – 1 st Tier Properties
			-	5.80%	-	Flex – 1 st Tier Properties
			-	-	5.90%	Regional Mall – 1 st Tier Properties
			-	-	6.00%	Power Center – 1 st Tier Properties
			-	-	5.90%	Neigh/Comm. Ctrs. – 1 st Tier Properties
		West Region	5.00% - 8.00%	-	-	Office CBD – 1 st Tier Properties
			5.30% - 9.50%	-	-	Office CBD – 2 nd Tier Properties
			5.50% - 8.30%	-	-	Office CBD – 3 rd Tier Properties
			4.50% - 8.50%	-	-	Suburban Office – 1 st Tier Properties
			5.30% - 8.80%	-	-	Suburban Office – 2 nd Tier Properties
			5.50% - 9.00%	-	-	Suburban Office – 3 rd Tier Properties
			-	4.00% - 8.00%	-	Warehouse – 1 st Tier Properties
			-	5.30% - 8.50%	-	Warehouse – 2 nd Tier Properties
			-	5.50% - 9.00%	-	Warehouse – 3 rd Tier Properties
			-	5.00% - 9.00%	-	R&D – 1 st Tier Properties
			-	5.30% - 8.50%	-	R&D – 2 nd Tier Properties
			-	6.10% - 9.10%	-	R&D – 3 rd Tier Properties
			-	5.00% - 7.50%	-	Flex – 1 st Tier Properties
			-	5.30% - 8.50%	-	Flex – 2 nd Tier Properties
			-	6.10% - 9.00%	-	Flex – 3 rd Tier Properties
			-	-	5.00% - 8.50%	Regional Mall – 1 st Tier Properties
			-	-	6.00% - 8.80%	Regional Mall – 2 nd Tier Properties
			-	-	5.80% - 9.00%	Regional Mall – 3 rd Tier Properties
			-	-	5.00% - 8.00%	Power Center – 1 st Tier Properties
			-	-	5.80% - 8.50%	Power Center – 2 nd Tier Properties
			-	-	6.00% - 9.50%	Power Center – 3 rd Tier Properties
			-	-	4.50% - 7.50%	Neigh/Comm. Ctr. – 1 st Tier Properties
			-	-	5.30% - 8.50%	Neigh/Comm. Ctr. – 2 nd Tier Properties
			-	-	6.00% - 9.00%	Neigh/Comm. Ctr. – 3 rd Tier Properties
PWC / Korpaz Real Estate Investment Survey	4Q 2017	Seattle	4.25% - 8.00%	-	-	CBD Office
		Pacific NW Region	4.25% - 8.00%	-	-	Office
			-	3.75% - 7.00%	-	Warehouse
ACLI	4Q 2017	Seattle – Bellevue - Everett MSA	N/A	N/A	6.61%	All Classes
		Pacific Region	5.67%	5.54%	6.19%	All Classes

SEATTLE / REGIONAL CAP RATES					
Source	Date	Location	Multifamily	Hospitality	Remarks
CBRE: U.S. Cap. Rate survey. Advance Review	H2 2017	Seattle	4.25% - 4.75%	-	Infill – Class A
			4.50% - 5.00%	-	Infill – Class A – Value Added
			4.75% - 5.25%	-	Infill – Class B
			5.00% - 5.50%	-	Infill – Class B – Value Added
			5.50% - 6.00%	-	Infill – Class C
			5.25% - 6.00%	-	Infill – Class C – Value Added
			4.75% - 5.00%	-	Suburban – Class A
			4.75% - 5.25%	-	Suburban – Class A – Value Added
			5.00% - 5.25%	-	Suburban – Class B
			5.25% - 5.50%	-	Suburban – Class B – Value Added
			5.75% - 6.25%	-	Suburban – Class C
			5.75% - 6.25%	-	Suburban – Class C – Value Added
			-	6.00% - 6.50%	CBD – Luxury
			-	6.25% - 6.75%	CBD – Full-Service
-	6.75% - 7.25%	CBD – Select-Service			
-	8.25% - 9.00%	CBD – Economy			
-	6.75% - 7.75%	Suburban – Luxury			
-	7.75% - 8.50%	Suburban – Full-Service			
-	7.75% - 8.50%	Suburban – Select-Service			
-	9.25% - 10.25%	Suburban – Economy			
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2017	Seattle	4.90%	-	Apartments – All Classes
		West Region	4.00% - 6.50%	7.20%	Hotels – All Classes
			4.10% - 7.50%	-	Apartments – 1 st Tier Properties
			4.20% - 7.80%	-	Apartments – 2 nd Tier Properties
			-	-	Apartments – 3 rd Tier Properties
			-	6.00% - 8.50%	Hotels – 1 st Tier Properties
	-	6.50% - 9.00%	Hotels – 2 nd Tier Properties		
	-	-	Hotels – 3 rd Tier Properties		
IRR: Viewpoint for 2018	Year-end 2017	West Region	4.52%	-	Urban Class A
			5.15%	-	Urban Class B
			4.71%	-	Suburban Class A
			5.34%	-	Suburban Class B
			-	6.75%	Full Service
PWC / Korpaz Real Estate Investor Survey	4Q 2017	Pacific Region	3.50% - 6.00%	-	Apartments

National Cap Rate Summary of Various Published Sources

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Income Vs. Price Realities	4Q 2017					1 st Tier properties are defined as new or newer quality const. in prime to good location
		National	4.50% - 6.50%	-	-	Office CBD – 1 st Tier Properties
			5.50% - 7.50%	-	-	Suburban Office – 1 st Tier Properties
			-	4.50% - 7.20%	-	Warehouse – 1 st Tier Properties
			-	5.50% - 7.30%	-	R&D – 1 st Tier Properties
			-	6.50% - 7.30%	-	Flex – 1 st Tier Properties
			-	-	5.00% - 7.00%	Regional Mall – 1 st Tier Properties
			-	-	6.00% - 6.80%	Power Center – 1 st Tier Properties
			-	-	5.30% - 7.00%	Neigh/Comm. Ctrs. – 1 st Tier Properties
						Institutional Grade Properties [?]
IRR: Viewpoint 2018 Commercial Real Estate Trends report	Yr. End 2017	National	6.68%	-	-	CBD Office – Class A
			7.53%	-	-	CBD Office – Class B
			7.04%	-	-	Suburban Office – Class A
			7.83%	-	-	Suburban Office – Class B
			-	6.69%	-	Industrial

NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
			-	7.44%	-	Flex Industrial
			-	-	6.67%	Regional Mall
			-	-	6.82%	Community Retail
			-	-	6.96%	Neighborhood Retail
ACLI	4Q 2017	National	5.61%	5.88%	5.97%	Overall
			6.98%	7.08%	6.63%	Sq.Ft. - <50k
			6.23%	6.64%	6.80%	Sq.Ft. - 50k – 100k
			6.15%	6.59%	6.21%	Sq.Ft. – 100,001 – 200k
			5.35%	5.76%	5.62%	Sq.Ft. – 200k+
PWC / Korpaz Real Estate Investor Survey	4Q 2017	National	3.50% - 7.50%	-	-	CBD Office
			5.00% - 10.00%	-	-	Suburban Office
			4.50% - 10.00%	-	-	Secondary Office
			4.75% - 10.00%	-	-	Medical Office
			-	5.50% - 9.50%	-	Flex/R&D
			-	4.00% - 6.90%	-	Warehouse
			-	-	4.00% - 10.00%	Regional Mall
			-	-	5.25% - 8.00%	Power Center
			-	-	4.00% - 9.50%	Neigh. Strip Centers
PWC / Korpaz Real Estate Investor Survey	4Q 2017	National	3.50% - 8.00%	-	-	U.S. CBD Office
			4.20% - 10.00%	-	-	U.S. Suburban Office
			4.75% - 10.00%	-	-	Medical Office
			-	3.30% - 6.90%	-	U.S. Warehouse
			-	5.50% - 9.50%	-	U.S. Flex/R&D
			-	-	4.00% - 9.50%	U.S. Strip Shop Centers
			-	-	5.25% - 9.00%	U.S. Power Centers
			-	-	4.00% - 10.00%	U.S. Regional Malls
The Boulder Group: Net Lease Market Report	4Q 2017	National	7.00%	7.25%	6.07%	Overall (Average)

Income Approach Calibration

Income tables were developed for each of the seven neighborhoods that comprise Area 40. The tables pertain to the following general property types: Retail, Industrial Buildings, Medical and Dental Offices, Restaurant, Storage Warehouse, and Office, in addition to an exclusion table indicating property uses not covered by an income table. Properties which contain differing section uses may have multiple tables that are applicable to the property as a whole. All tables are included in the addendum of this report.

The tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates by using adjustments based on size, quality of construction, and the effective age. When the value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements.

Typical income model parameters for the various markets that make up Area 40 are summarized in the following tables. It should be noted that due to the nature of commercial real estate, not all properties fall within the typical parameters. Stratification adjustments for the parameters listed in the following tables were based on quality of construction, effective year, size of net rentable area and location.

Neighborhood 40-10 – East International District

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses % of EGI	Capitalization Rate %
Office/Medical Office	\$12.00 - \$27.00	10%	10% - 30%	6.25% - 8.25%
Retail/Mixed Use	\$13.50 - \$25.00	10%	10%	6.75% - 8.50%
Restaurant	\$13.50 - \$25.00	10%	10%	7.00% - 8.75%
Industrial/Whse.	\$5.25 - \$12.25	10%	10%	6.75% - 8.00%

In 2017, overall income fundamentals remained relatively stable over the previous year. The capitalization rates for the retail and industrial/whse categories improved slightly over 2016. Most other income parameters remained unchanged.

Neighborhood 40-20 – Central District

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses % of EGI	Capitalization Rate %
Office/Medical Office	\$13.00 - \$27.00	10%	10%	6.25% - 8.00%
Retail/Mixed Use	\$15.00 - \$24.00	10%	10%	6.25% - 8.00%
Restaurant	\$13.50 - \$22.50	10%	10%	7.00% - 8.00%
Industrial/Whse.	\$7.50 - \$10.50	10%	10%	7.25% - 7.75%

In 2017, overall income fundamentals remained relatively stable over the previous year. Capitalization rates for all categories in neighborhood 20 improved slightly over 2016. Most other income parameters remained unchanged.

Neighborhood 40-30 – Leschi

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses % of EGI	Capitalization Rate %
Office	\$13.25 - \$23.25	10%	10%	7.00% - 8.75%
Retail/Mixed Use	\$13.00 - \$22.00	10%	10%	6.50% - 8.25%
Restaurant	\$13.75 - \$22.75	10%	10%	6.50% - 8.25%
Industrial/Whse.	\$10.50 - \$15.50	5%	10%	6.00% - 7.00%

In 2017, overall income fundamentals remained relatively stable over the previous year. Capitalization rates for office and retail categories improved slightly over 2016. Restaurant lease rates increased slightly over the previous year. Most other income parameters remained unchanged.

Neighborhood 40-40 – Beacon Hill

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses % of EGI	Capitalization Rate %
Office/Medical Office	\$12.00 - \$25.50	7.50%	10%	7.00% - 8.25%
Retail/Mixed Use	\$12.00 - \$21.00	10%	10%	6.75% - 8.00%
Restaurant	\$12.00 - \$21.00	7.50%	10%	7.00% - 8.00%
Industrial/Whse.	\$7.00 - \$12.00	7%	10%	7.25% - 8.00%

In 2017, overall income fundamentals remained relatively stable over the previous year. Capitalization rates for the retail category improved slightly over 2016. Most other income parameters remained unchanged.

Neighborhood 40-50 – North Rainier/Mount Baker

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses % of EGI	Capitalization Rate %
Office/Medical Office	\$14.00 - \$25.00	10%	10%	6.75% - 8.50%
Retail/Mixed Use	\$15.00 - \$23.00	10%	10%	6.50% - 8.25%
Restaurant	\$13.00 - \$25.50	7.50%	10%	6.75% - 8.50%
Industrial/Whse.	\$8.00 - \$14.00	10%	10%	7.50% - 8.00%

In 2017, overall income fundamentals remained relatively stable over the previous year. Capitalization rates for the retail category improved slightly over 2016. Lease rates increased in the office/medical office and retail categories. Most other income parameters remained unchanged.

Neighborhood 40-60 – Rainier Valley/Columbia City

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses % of EGI	Capitalization Rate %
Office/Medical Office	\$14.00 - \$28.00	10%	10%	6.75% - 8.50%
Retail/Mixed Use	\$14.00 - \$24.00	10%	10%	6.75% - 8.50%
Restaurant	\$14.00 - \$25.00	10%	10%	6.50% - 8.25%
Industrial/Whse.	\$7.50 - \$14.00	10%	10%	7.50% - 7.75%

In 2017, overall income fundamentals remained relatively stable over the previous year. Slight improvement of the capitalization rates were focused mainly in the office category. Most other income parameters remained unchanged.

Neighborhood 40-70 – Seward Park

Typical Income Parameters				
Land Use	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses % of EGI	Capitalization Rate %
Office/Medical Office	\$13.00 - \$22.00	10%	10%	7.50% - 9.00%
Retail/Mixed Use	\$13.00 - \$20.00	10%	10%	7.25% - 9.00%
Restaurant	\$13.00 - \$20.00	10%	15%	7.25% - 9.00%
Industrial/Whse.	\$7.00 - \$12.00	10%	10%	7.75% - 8.00%

In 2017, overall income fundamentals remained relatively stable over the previous year. No changes were warranted in the income parameters.

Reconciliation

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

The income approach to value was considered to be a reliable indicator of value in most instances. The market rental rate applied to a few properties varied from the model but fell within an acceptable range of variation from the established guideline. The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal judgment prevailed when determining when to depart from the Assessor's table generated income model. An administrative review of the selected values was made by Dan Atkinson, Senior Appraiser for quality control purposes.

Model Validation

Total Value Conclusions, Recommendations and Validation

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

In the 2017 valuation model, the income approach is used to value the majority of the income producing properties that are not obsolesced (where land value is greater than the value produced by the income method), as there are an insufficient number and variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values. With improving market fundamentals, values by the income method are generally increasing although they sometimes are below the value of the sales. This may be that some of these properties are purchased by owner-users. In the case of interim use properties, they might be purchased for investment value or future income rather than current income.

The standard statistical measures of valuation performance are presented in the Executive Summary and the 2017 and 2018 Ratio Analysis charts included in this report. Comparison of the 2017 and 2018 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level improved from 83.60% to 98.40%. The Coefficient of Dispersion (COD) changed from 8.16% to 8.54%; the Coefficient of Variation (COV) changed from 14.21% to 13.11%. The Price-related Differential (PRD) improved from 1.08 in 2017 to 0.99 for the 2018 Ratio Study Analysis. These values are within the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity. The ratio study presented in this report indicates substantial improvement in uniformity. However with a sample size of only 54 improved sales for many different commercial types the weight given to the ratio study should be tempered.

The 2018 Assessment Year revalue of Area 40 (East International District, Central District, Leschi, Beacon Hill, North Rainier Valley, Columbia City and Seward Park) is based on commercial real estate data available in 2016 and 2017 that support the fee simple value of the non-specialty properties in these submarkets as of the valuation date of 1/01/2018. This valuation has occurred during a period of continued market growth and market expansion propelled by the population influx drawn by desirable jobs in the technology sector.

In 2017, land sales (vacant and obsolesced properties) continued to sell higher than previously assessed land values. These properties were typically purchased by investors for mixed-use multi-family, live/work townhouses and residential townhouse development primarily in Beacon Hill, Columbia City and East International District. Neighborhoods with good transit amenities such as link light rail and the First Hill Street Car appear to be most attractive to developers. The future expansion of Sound Transit's link light rail appeared to be an influential

factor in a number of land sales. These land sales support an increase in the assessed land values for most of the zoning designations in the 2018 revalue and support an overall land value increase of 22.53%.

A review of market income data for the 1/01/2018 valuation indicates stable income fundamentals for most property classes. Capitalization rates improved slightly in the retail, office, industrial/warehouse and restaurant classifications. Lease rates generally remained flat with minor increases in dense, high-traffic neighborhoods. The total assessed value in area 40, for the 2017 assessment year, was \$2,738,005,500 and the total recommended assessed value for the 2018 assessment year is \$3,183,291,000. Application of these recommended values for the 2018 assessment year results in an average total change from the 2017 assessments of 16.26%.

Change in Total Assessed Value			
2017 Total Value	2018 Total Value	\$ Change	% Change
\$2,738,005,500	\$3,183,291,000	\$445,285,500	16.26%

USPAP Compliance

Client and Intended Use of the Appraisal

This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others 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 and Standards Rule 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 of such factors. (AGO 65,66, No. 65, 12/31/65)

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

Highest and Best Use

RCW 84.40.030 All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

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

WAC 458-07-030 (3) True and fair value -- Highest and best use. Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

Date of Value Estimate

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. [1961 c 15 §84.36.005]

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. [1989 c 246 § 4]

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 definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the 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 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.
- The individuals listed below were part of the “appraisal team” and 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 their name.
- No significant real property assistance as determined by the undersigned. All services as may be variously defined significant or otherwise, and performed by duly authorized and qualified King County Assessment staff employed in the areas of Public Information, Accounting/Abstract, Commercial, Residential, Information Services, Personal Property, Accounting/Mapping, Accounting/Support, Accounting/Appeals, Chief Appraiser, Accounting/Exemptions, Accounting/Levy Administration, who may have involvement in physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time, is made part of each real property parcel as a matter of public record and this certification by reference.
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below: Any and all activities required under the Certificate of Appointment dated April 9, 2004, under sworn oath appointing the below signed appraiser to the position of true and lawful deputy in the Office of the King County Assessor, and authorized by the State of Washington, Department of

Revenue under a Certificate of Accreditation. To Wit: all duties, responsibilities, and services associated with the position description of Commercial Appraiser I in the management and valuation of Commercial Area 40. Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and to be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.

Area 40 Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

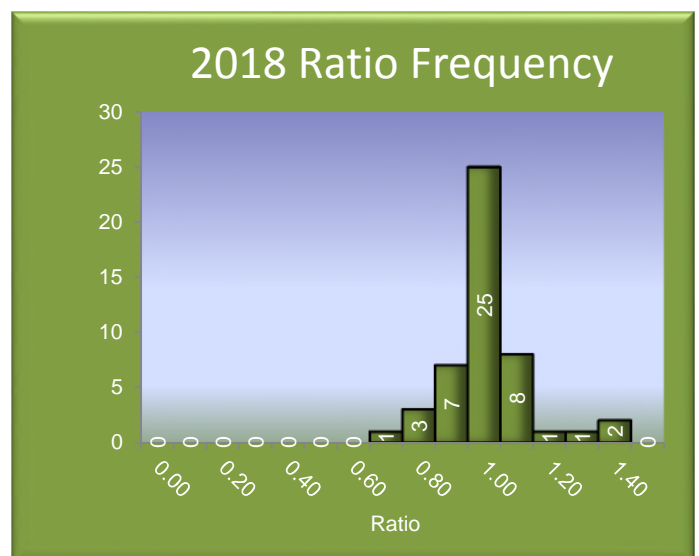
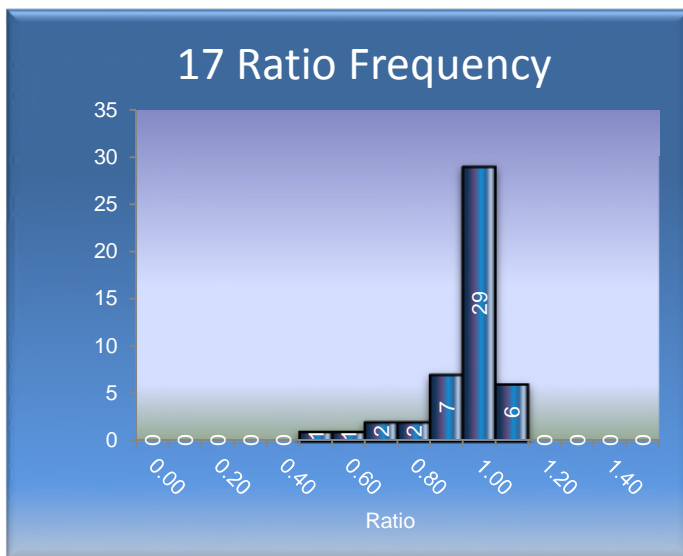
Pre-revalue ratio analysis compares sales from 2015 through 2017 in relation to the previous assessed value as of 1/1/2017.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	48
Mean Assessed Value	1,411,700
Mean Adj. Sales Price	1,688,200
Standard Deviation AV	2,251,763
Standard Deviation SP	2,622,238
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.902
Median Ratio	0.929
Weighted Mean Ratio	0.836
UNIFORMITY	
Lowest ratio	0.4071
Highest ratio:	1.0948
Coefficient of Dispersion	8.16%
Standard Deviation	0.1282
Coefficient of Variation	14.21%
Price Related Differential (PRD)	1.08

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares sales from 2015 through 2017 and reflects the assessment level after the property has been revalued to 1/1/2018

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	48
Mean Assessed Value	1,660,700
Mean Sales Price	1,688,200
Standard Deviation AV	2,815,402
Standard Deviation SP	2,622,238
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.974
Median Ratio	0.979
Weighted Mean Ratio	0.984
UNIFORMITY	
Lowest ratio	0.6688
Highest ratio:	1.3580
Coefficient of Dispersion	8.54%
Standard Deviation	0.1277
Coefficient of Variation	13.11%
Price Related Differential (PRD)	0.99



Improvement Sales for Area 040 with Sales Used

03/07/2018

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	332000	0220	7,746	2763982	\$2,150,000	10/29/15	\$277.56	OFFICE/UNION HALL LOCAL 77	NC3P-40	1	Y	
040	010	332000	0555	9,990	2848556	\$1,450,000	02/07/17	\$145.15	STATE DRUGS	DMR/C 65/65-85	1	Y	
040	010	332050	0140	3,194	2747378	\$1,200,000	07/15/15	\$375.70	OFFICE BUILDING	NC2-65	2	Y	
040	010	713280	0055	70,728	2864385	\$10,300,000	05/15/17	\$145.63	Seattle Boulderling/Andersen Constru	IC-65	1	Y	
040	010	713430	0390	34,463	2886839	\$9,000,000	08/31/17	\$261.15	Color Graphics	IC-65	1	Y	
040	010	713430	0390	34,463	2792944	\$5,950,000	04/15/16	\$172.65	Color Graphics	IC-65	1	Y	
040	010	713430	0570	6,160	2754774	\$805,000	09/04/15	\$130.68	Recycling Depot	IC-65	1	Y	
040	010	817010	0330	7,786	2733869	\$4,000,000	05/27/15	\$513.74	LAM'S ASIAN MARKET	DMR/C 65/65-150	2	69	Net Lease Sale; not in ratio
040	010	859190	0100	10,656	2863901	\$3,150,000	05/06/17	\$295.61	12TH & MAIN PLAZA	DMR/C 65/65-85	1	Y	
040	010	982670	0689	2,060	2758265	\$664,900	09/09/15	\$322.77	Live/Work Townhouse	NC1-40	1	Y	
040	010	982670	0691	2,060	2757950	\$672,700	09/09/15	\$326.55	Live/Work Townhouse	NC1-40	1	Y	
040	010	982670	0692	2,062	2759582	\$695,000	09/09/15	\$337.05	Live/Work Townhouse	NC1-40	1	Y	
040	010	982670	0693	2,062	2745269	\$681,800	07/21/15	\$330.65	Live/Work Townhouse	NC1-40	1	Y	
040	010	982670	0694	2,549	2745271	\$719,800	07/21/15	\$282.39	Live/Work Townhouse	NC1-40	1	Y	
040	010	982670	0695	2,065	2757135	\$675,000	09/09/15	\$326.88	AUTO REPAIR (FORMER SERVICE	NC1-40	1	Y	
040	020	364610	0320	36,237	2780460	\$11,265,000	02/17/16	\$310.87	PROMENADE 23 - LINE RETAIL WIT	NC3-65	2	Y	
040	020	690920	0495	13,274	2739841	\$2,498,500	06/25/15	\$188.23	RIPS MARKET & APTS	NC1-30	1	Y	
040	040	059700	0009	3,680	2761584	\$700,000	10/08/15	\$190.22	VACANT RETAIL	SF 5000	1	Y	
040	040	367940	1180	1,844	2782028	\$499,950	02/23/16	\$271.12	TOWNHOUSE	NC1-40	1	Y	
040	040	367940	1181	1,864	2768720	\$509,950	11/18/15	\$273.58	Live/Work Townhouse	NC1-40	1	Y	
040	040	367940	1185	1,864	2767173	\$509,950	11/10/15	\$273.58	Live/Work Townhouse	NC1-40	1	Y	
040	040	367940	1186	1,844	2776958	\$499,000	01/13/16	\$270.61	TOWNHOUSE	NC1-40	1	Y	
040	040	396440	0220	1,464	2856382	\$608,000	03/27/17	\$415.30	Live/Work Townhouse	NC1-40	1	Y	
040	040	396440	0221	1,495	2866040	\$598,000	05/19/17	\$400.00	Live/Work Townhouse	NC1-40	1	Y	
040	040	396440	0245	5,558	2877375	\$1,100,000	06/29/17	\$197.91	STORES	NC1-40	1	Y	
040	050	000360	0074	6,000	2860654	\$1,270,000	04/25/17	\$211.67	THANH-LAN & PHO NUANG RESTA	NC1-40	1	Y	
040	050	149830	2850	1,779	2850881	\$529,000	02/24/17	\$297.36	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2851	1,823	2853697	\$579,000	03/10/17	\$317.61	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2852	1,823	2857759	\$579,000	03/30/17	\$317.61	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2853	1,780	2848859	\$585,000	02/09/17	\$328.65	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2854	1,823	2852812	\$589,000	02/24/17	\$323.09	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2855	1,823	2854369	\$600,000	03/17/17	\$329.13	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2856	1,823	2850897	\$599,000	02/24/17	\$328.58	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2982	1,392	2759703	\$417,000	09/22/15	\$299.57	Live/Work Townhouse	C1-40	1	Y	
040	050	149830	2985	1,392	2762590	\$416,000	10/16/15	\$298.85	Live/Work Townhouse	C1-40	1	Y	
040	050	713830	0090	5,919	2887439	\$2,743,503	09/01/17	\$463.51	CASH AMERICA PAWN SHOP	SM-NR-85	3	69	Net Lease Sale; not in ratio
040	050	754830	1060	3,610	2856359	\$580,000	03/31/17	\$160.66	ALLIED FURNITURE CLINIC	C1-65	1	Y	
040	050	754830	1085	5,640	2836901	\$2,150,000	11/23/16	\$381.21	Office Building	C1-65	1	69	Net Lease Sale; not in ratio
040	060	128230	0215	2,960	2759257	\$775,500	09/24/15	\$261.99	Line Retail Building	SM-65	1	Y	
040	060	128230	0445	3,727	2782962	\$690,000	02/23/16	\$185.14	Slush 'n Hush	SM-NR-85	1	Y	
040	060	170290	0959	1,600	2733696	\$670,000	05/19/15	\$418.75	Live/Work Unit	NC2-40	1	Y	

Improvement Sales for Area 040 with Sales Used

03/07/2018

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	060	170290	0960	1,600	2831466	\$775,000	10/25/16	\$484.38	Live/Work Unit	NC2-40	1	Y	
040	060	170290	1675	2,680	2813663	\$1,000,000	08/03/16	\$373.13	Tutta Bella Pizzeria	NC3P-40	1	69	Net Lease Sale; not in ratio
040	060	170490	0410	1,740	2897687	\$1,250,000	10/13/17	\$718.39	La Isla del Mojito Restaurant	NC2-40	1	69	Net Lease Sale; not in ratio
040	060	170990	0019	2,331	2810617	\$679,000	07/18/16	\$291.29	Live/Work Townhouse	NC2-40	1	Y	
040	060	170990	0022	2,112	2810355	\$651,000	07/14/16	\$308.24	Live/Work Townhouse	NC2-40	1	Y	
040	060	170990	0050	2,615	2801731	\$674,000	06/07/16	\$257.74	Rooming House	NC2-40	1	Y	
040	060	170990	0051	2,539	2806084	\$660,000	06/23/16	\$259.94	Rooming House	NC2-40	1	Y	
040	060	222404	9035	41,262	2746295	\$8,200,000	07/29/15	\$198.73	DEPT SOCIAL & HEALTH SERVICE	C1-65	2	Y	
040	060	234130	0150	3,680	2732679	\$642,857	05/26/15	\$174.69	7-Eleven MLK @ S Orcas	C1-40	1	69	Net Lease Sale; not in ratio
040	060	266050	0300	6,569	2831642	\$1,250,000	10/28/16	\$190.29	VAC LAND + SFR	C1-40	1	Y	
040	060	333050	0305	3,222	2744996	\$730,000	07/21/15	\$226.57	Raja For Africa	NC2-40	1	Y	
040	060	333050	0945	2,760	2764196	\$570,000	10/16/15	\$206.52	MAXIMS NIGHTCLUB	NC2P-40	1	Y	
040	060	333050	0960	4,470	2801793	\$1,065,000	06/07/16	\$238.26	Former COLUMBIA PHYSICAL THER	NC2P-40	2	Y	

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	713230	0060	20,416	2709058	\$2,000,000	01/05/15	\$97.96	@ Cafe	NC2-65	3	Y	
040	060	392940	0070	17,878	2712427	\$1,095,000	02/04/15	\$61.25	Pho Rainier Restaurant	NC2-40	1	Y	
040	010	000760	0122	16,801	2722411	\$1,900,000	04/03/15	\$113.09	MEDICAL CLINIC	NC2-40	1	Y	
040	050	149830	2880	5,040	2728868	\$400,000	05/04/15	\$79.37	VACANT COMMERCIAL	C1-40	1	Y	
040	040	090700	0130	11,125	2730895	\$1,800,000	05/15/15	\$161.80	LA BENDICION	NC2P-65	3	Y	
040	010	713230	0290	4,000	2734070	\$300,000	05/21/15	\$75.00	STG TANKS	NC3-40	1	Y	
040	060	170290	1710	4,905	2735105	\$775,000	05/27/15	\$158.00	Vacant	NC2-40	1	Y	
040	040	396440	0265	6,766	2737579	\$610,625	06/17/15	\$90.25	Parking Lot	NC1-40	1	Y	
040	040	885000	0430	3,000	2740617	\$132,500	06/29/15	\$44.17	Vacant	LR2	1	Y	
040	010	332050	0020	4,400	2747291	\$380,000	07/22/15	\$86.36	VACANT	DMR/C 65/65-150	1	Y	
040	060	529220	0050	6,202	2762621	\$395,000	10/01/15	\$63.69	VACANT	LR2	1	Y	
040	040	713330	0235	1,897	2765089	\$85,000	11/03/15	\$44.81	VACANT	LR2	1	Y	
040	060	266050	0448	4,200	2770892	\$200,000	12/09/15	\$47.62	Vacant Land	LR2	1	Y	
040	040	885000	0365	6,000	2774198	\$450,000	12/17/15	\$75.00	Vacant Land	LR2	2	Y	
040	010	219760	0030	2,400	2775255	\$460,000	12/23/15	\$191.67	VACANT	MR	1	Y	
040	010	219760	0035	9,800	2775435	\$2,600,000	01/07/16	\$265.31	VACANT LOT	MR	1	Y	
040	010	982200	0030	44,879	2776072	\$5,920,000	01/13/16	\$131.91	FUTURE APARTMENT DEVELOPMEN	LR3	4	Y	
040	020	690920	0085	11,880	2778090	\$1,150,000	01/28/16	\$96.80	WAREHOUSE & APARTMENT	LR2	1	Y	
040	060	605611	0020	26,830	2780800	\$1,800,000	02/16/16	\$67.09	Sonata East	NC1P-40	1	Y	
040	020	364610	0390	158,619	2780456	\$19,635,000	02/17/16	\$123.79	PROMENADE 23 - THRIFTWAY/BANK	NC3-65	1	Y	
040	060	505830	0135	9,836	2781484	\$1,375,000	02/24/16	\$139.79	MINUTE MART	SM-NR-85	1	Y	
040	020	042404	9063	6,924	2789758	\$855,000	04/01/16	\$123.48	VACANT	LR2	1	29	Seg/merge after sale; not in ratio
040	060	148040	0006	40,085	2788268	\$3,850,000	04/01/16	\$96.05	VACANT	NC2-40	7	Y	
040	050	159460	0090	5,405	2791506	\$774,000	04/17/16	\$143.20	VACANT COMMERCIAL	C1-65	1	Y	
040	020	331950	0285	10,680	2796318	\$1,350,000	05/09/16	\$126.40	CHURCH	LR3	2	Y	
040	040	138980	0005	12,800	2798641	\$1,925,000	05/24/16	\$150.39	2 FOURPLEXES	NC2-65	1	Y	
040	010	713380	0045	18,818	2802152	\$2,700,000	06/13/16	\$143.48	EMMANUAL'S CARPET & UPHOLSTEF	IC-65	2	Y	
040	060	128230	0440	3,600	2803767	\$450,000	06/13/16	\$125.00	VACANT	SM-NR-85	1	Y	
040	050	000360	0029	4,000	2806786	\$750,000	06/25/16	\$187.50	OFFICE BUILDING	NC1-40	1	Y	
040	060	222404	9097	9,617	2811114	\$925,000	07/21/16	\$96.18	Vacant	LR3	1	Y	
040	040	138980	0146	11,298	2822155	\$2,200,000	09/08/16	\$194.72	RETAIL W/STORAGE WAREHOUSE (\$	NC2P-65	2	Y	
040	050	754830	0980	8,831	2821570	\$1,110,000	09/12/16	\$125.69	DAHLAK ERITREAN REST.& BAR	C1-65	2	Y	
040	010	332050	0210	32,051	2825935	\$5,950,000	10/03/16	\$185.64	WEST COAST PRINTING	NC2-65	1	Y	
040	050	149830	2175	64,000	2834546	\$6,500,000	11/17/16	\$101.56	IMPERIAL LANES	C1-65	1	Y	
040	060	795030	1905	15,855	2838596	\$1,200,000	12/06/16	\$75.69	VACANT LOT	NC2-40	2	Y	
040	050	000360	0031	5,000	2841064	\$565,000	12/07/16	\$113.00	MT BAKER CLEANERS	SM-NR-65	1	Y	
040	050	000360	0030	8,310	2841061	\$742,000	12/21/16	\$89.29	DIS N THAT FLORIST & APT	SM-NR-65	2	Y	
040	050	000360	0055	10,854	2841067	\$775,000	12/22/16	\$71.40	AUTO DETAILING	NC1-40	1	Y	
040	010	331950	1215	45,701	2843286	\$8,550,000	01/05/17	\$187.09	PARKING LOT	NC3P-40	7	Y	
040	050	368390	0005	34,009	2846644	\$3,800,000	01/26/17	\$111.74	SPEEDWAY COLLISION/SERVICE CE	C1-65	1	Y	
040	010	539160	0145	44,333	2852643	\$8,800,000	03/08/17	\$198.50	VACANT	DMR/C 65/65-85	5	Y	
040	010	332050	0045	15,000	2855310	\$3,500,000	03/27/17	\$233.33	FISHING & TACKLE	DMR/C 65/65-150	3	Y	
040	020	125020	0425	18,000	2860363	\$2,650,000	04/21/17	\$147.22	Crossfit CD	NC2P-40	1	Y	
040	040	396440	0265	6,766	2865382	\$1,238,000	05/19/17	\$182.97	Parking Lot	NC1-40	1	Y	
040	010	817010	0220	12,000	2870192	\$2,800,000	06/12/17	\$233.33	VACANT LOT	DMR/C 65/65-150	2	Y	

Vacant Sales for Area 040 with Sales Used

03/22/2018

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	060	333050	0975	4,746	2876800	\$435,000	07/06/17	\$91.66	Great Smiles Denture Clinic	NC2-40	1	Y	
040	020	364610	0265	12,570	2879026	\$2,700,000	07/25/17	\$214.80	VACANT LOT	NC3-65	3	Y	
040	040	308600	3220	20,797	2884901	\$5,040,000	08/16/17	\$242.34	Vac Comrcl	NC2P-65	4	Y	
040	040	885000	0430	3,000	2886534	\$299,000	08/29/17	\$99.67	Vacant	LR2	1	Y	
040	050	149830	2345	21,000	2890945	\$3,250,000	09/22/17	\$154.76	KUSAK CUT GLASS WORKS	C1-65	1	Y	
040	060	564960	0045	4,883	2895418	\$499,995	10/13/17	\$102.40	Storage Bldg	NC2-40	1	Y	
040	060	128230	0280	17,895	2896299	\$3,340,000	10/20/17	\$186.64	NATIONAL PRIDE CAR WASH	SM-NR-85	1	Y	
040	060	128230	0349	14,400	2898728	\$2,000,000	10/27/17	\$138.89	STORE & 2-S-F RES	SM-NR-85	2	Y	
040	050	149830	2724	13,500	2901786	\$2,450,000	11/17/17	\$181.48	RETAIL BUILDING	C1-65	1	Y	
040	010	817010	0205	12,000	2903766	\$3,200,000	11/30/17	\$266.67	Rising Produce	DMR/C 75/75-170	1	Y	
040	060	941840	0055	61,241	2907858	\$1,248,000	12/18/17	\$20.38	VACANT LAND	LR3	11	Y	
040	060	160460	1615	9,238	2908176	\$1,140,000	12/22/17	\$123.40	VACANT LAND	NC2-40	4	Y	
040	050	239460	0095	47,023	2908415	\$4,500,000	12/28/17	\$95.70	ROOMING HOUSE	LR1	1	Y	

Improvement Sales for Area 040 with Sales not Used

03/07/2018

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	000760	0195	9,596	2832989	\$2,555,614	11/08/16	\$266.32	KUNIYUKI HOME FOR ELDERLY	NC2-40	1	17	Non-profit organization
040	010	331950	1295	5,000	2915706	\$1,280,000	02/20/18	\$256.00	NORTHWEST TOFU/RESTAURANT	NC3P-40	1		After appraisal date
040	010	331950	1505	9,614	2881477	\$2,425,000	08/02/17	\$252.24	JERGENS PAINTING	LR2	1	N	
040	010	684365	0060	1,086	2861440	\$125,000	04/24/17	\$115.10	PONTERA CONDOMINIUM	NC3-65	1	51	Related party, friend, or neighbor
040	010	713380	0100	6,900	2831276	\$1,850,000	10/28/16	\$268.12	Sprague Pest Solutions	IC-65	2	64	Sales/leaseback
040	010	817010	0350	31,744	2915591	\$8,000,000	02/20/18	\$252.02	Kings Oriental Foods Co.	DMR/C 7	3		After appraisal date
040	010	982670	0689	2,060	2917317	\$915,000	02/26/18	\$444.17		NC1-40	1		After appraisal date
040	010	982670	0815	3,424	2829659	\$595,000	10/20/16	\$173.77	YESLER HARDWARE	NC1-40	1	44	Tenant
040	010	982670	0821	6,904	2829658	\$1,105,000	10/20/16	\$160.05	MARK THE MECHANIC	NC1-40	4	44	Tenant
040	020	125020	0450	2,906	2729415	\$630,000	05/07/15	\$216.79	BEAUTY SUPPLIES	NC2-40	1	44	Tenant
040	020	125020	1420	1,008	2771206	\$225,000	12/10/15	\$223.21	CHURCH - EXEMPT	SF 5000	1	17	Non-profit organization
040	020	125020	1420	1,008	2780688	\$426,000	02/16/16	\$422.62	CHURCH - EXEMPT	SF 5000	1	15	No market exposure
040	020	636290	0095	2,950	2854329	\$425,000	03/21/17	\$144.07	Tender Mercy Deliverance Center	LR1	1	17	Non-profit organization
040	020	982770	0090	5,520	2841190	\$1,200,000	12/14/16	\$217.39	CENTRAL AREA YOUTH CENTER	LR3	1	N	
040	040	059700	0640	5,278	2850701	\$1,750,000	02/21/17	\$331.56	YOGA ON BEACON W/APARTMENT	NC2P-40	1	N	
040	050	149830	2340	3,190	2816064	\$1,050,000	08/09/16	\$329.15	RETAIL BUILDING W \ WAREHOUS	C1-65	1	15	No market exposure
040	050	795400	0007	0	2859054	\$14,760,000	04/12/17	\$0.00	Mount Baker Village	LR3	3	11	Corporate affiliates
040	050	885000	0735	7,952	2840485	\$1,500,000	12/14/16	\$188.63	VALLEY GEAR & TRANSMISSION	C1-40	1	15	No market exposure
040	060	128230	1809	10,190	2800206	\$900,000	06/01/16	\$88.32	ECONOMY AUTO PARTS	C1-65	1	56	Builder or developer sales
040	060	170290	0695	1,960	2773389	\$658,000	12/21/15	\$335.71	SHOLA DELI and Apartment	NC2-40	1	15	No market exposure
040	060	170290	1220	13,563	2720489	\$1,525,000	03/20/15	\$112.44	COLUMBIA CONGREGATIONAL CH	LR3 RC	1	65	Plans and permits
040	060	170340	0006	5,577	2783991	\$1,450,000	03/10/16	\$260.00	COLUMBIA PARK BLDG	NC3P-65	1	51	Related party, friend, or neighbor
040	060	170990	0095	8,720	2861944	\$2,000,000	04/26/17	\$229.36	COLUMBIA FUNERAL HOME	NC2-40	3	15	No market exposure
040	060	234130	0595	1,248	2911118	\$615,000	01/12/18	\$492.79	SFR HOUSE USING AS RETAIL STC	C1-40	1		After appraisal date
040	060	238170	0125	3,510	2768559	\$485,000	11/25/15	\$138.18	Hamdi Food Corp.	LR3 RC	1	N	
040	060	266050	0247	1,520	2876816	\$1,200,000	07/10/17	\$789.47	VP Studio	LR3 RC	1	15	No market exposure
040	060	333050	0955	2,592	2876732	\$423,000	07/10/17	\$163.19	Nail Salon W/RES. UNIT	NC2P-40	1	15	No market exposure
040	060	333050	1050	5,040	2788950	\$550,000	03/17/16	\$109.13	RAINIER BOXING & MARTIAL ARTS	NC2P-40	1	15	No market exposure
040	060	811310	0950	12,065	2752083	\$2,500,000	08/14/15	\$207.21	IGLESIA NI CRISTO	LR3	2	17	Non-profit organization
040	060	811610	0005	2,640	2727363	\$23,850	04/15/15	\$9.03	3A INDUSTRIES INC WHSE	LR3 RC	1	24	Easement or right-of-way
040	060	945920	0135	2,800	2725507	\$189,550	03/10/15	\$67.70	GARAGE STORAGE BUILDING	C1-40	1	63	Sale price updated by sales id group
040	070	558320	0850	6,951	2748037	\$1,250,000	08/03/15	\$179.83	PCC NATURAL MARKET	NC1-30	2	N	

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	000760	0133	4,083	2841892	\$745,000	12/27/16	\$182.46	VACANT LAND	NC2-40	1	67	Gov't to non-gov't
040	010	042404	9001	28,306	2848265	\$5,600,000	02/10/17	\$197.84	SHOP	NC2-65	4	11	Corporate affiliates
040	010	332000	0410	4,925	2855108	\$1,220,000	03/23/17	\$247.72	VACANT LOT	NC3P-40	1	67	Gov't to non-gov't
040	010	817010	0520	57,600	2739498	\$3,000,000	06/23/15	\$52.08	MC MACHINERY & COMP CO	DMC 85/65-150	1	61	Financial institution resale
040	040	640170	0015	5,920	2837360	\$245,000	11/23/16	\$41.39	Vacant Parcel	LR2	1	15	No market exposure
040	050	149830	2630	8,104	2816738	\$425,000	08/18/16	\$52.44	NW LAUNDERCENTER	C1-65	1	57	Selling or buying costs affecting sa
040	050	149830	2650	10,684	2816556	\$1,600,000	08/13/16	\$149.76	VACANT LAND	C1-65	1	44	Tenant
040	050	149830	2880	5,040	2792744	\$1,400,000	04/21/16	\$277.78	VACANT COMMERCIAL	C1-40	1	65	Plans and permits
040	050	159460	0010	4,000	2909474	\$1,199,700	01/02/18	\$299.93	VACANT LAND	C1-65	1		After appraisal date
040	050	388190	0465	32,505	2775654	\$1,698,000	01/11/16	\$52.24	DAVIS DOORS	C1-65	3	51	Related party, friend, or neighbor
040	050	754830	0935	8,831	2879056	\$2,000,000	07/24/17	\$226.47	RESTAURANT PARKING	C1-65	2	51	Related party, friend, or neighbor
040	060	162404	9122	23,024	2799728	\$1,600,000	05/16/16	\$69.49	EMPIRE LUMBER BUILDING	LR3 RC	2	15	No market exposure
040	060	162404	9140	20,689	2719689	\$1,700,000	03/20/15	\$82.17	VAC LD	LR3	2	65	Plans and permits
040	060	162404	9180	29,224	2776245	\$1,087,500	01/15/16	\$37.21	VACANT LAND	LR3 RC	2	61	Financial institution resale
040	060	222404	9068	42,090	2901697	\$170,000	11/14/17	\$4.04	Vacant	MR	1	15	No market exposure
040	060	266050	0460	8,725	2755492	\$120,000	09/10/15	\$13.75	VACANT	LR2	1	15	No market exposure
040	060	335740	0025	25,920	2807668	\$645,000	06/22/16	\$24.88	VACANT LAND	LR2 RC	5	68	Non-gov't to gov't
040	060	605610	0620	33,662	2829978	\$1,920,000	10/25/16	\$57.04	townhouse	NC1P-40	2	67	Gov't to non-gov't
040	060	787940	0140	14,400	2755777	\$800,000	09/04/15	\$55.56	VAC LD	C1-65	2	17	Non-profit organization

Major	Minor	AddrLine
057000	0301	BANK OF AMERICA
057000	0305	Ogloshima & Associates
057000	0320	OFFICE BUILDING
057000	0325	BEACON HILL MARKET
057000	0330	OFFICE WAREHOUSE
057000	0340	EL CENTRO DE LA RAZA
058800	0085	SEATTLE CITY LIGHT TRANSMISSION LINE ROW
059700	0009	VACANT RETAIL
059700	0535	VALERO
059700	0625	MULTI-TENANT OFFICE BLDG
059700	0640	3013 Beacon Apartments
059700	0645	Genesis Travel Agency + Apartment
059700	0650	The Oak
059700	0685	FAMILY DENTISTRY
059700	0690	BEACON HILL DENTAL ASSOC
059700	0695	3057 Beacon
060500	0000	BEACON MASTER (THE) CONDOMINIUM
060600	0015	Oficentro Hispano, Tax Accountant
060600	0030	HAIR SKILL DESIGNS & APTS
090700	0060	RETAIL STORE & RESTAURANT
090700	0080	Thali House Restaurant & 2 Apartments
090700	0090	RETAIL STORE W/RESIDENTIAL UNITS ATTACHED
090700	0100	RESTAURANT & DUPLEX
090700	0130	LA BENDICION
090700	0135	THE CHOP HOUSE HAIR SALON
138980	0130	Hiroshi's/Fidelity Acct & Tax Services.
138980	0135	VACANT LAND
138980	0140	STORAGE WAREHOUSE BUILDING
138980	0146	RETAIL W/STORAGE WAREHOUSE (SAME OWNERSHIP W/ACCT #138980-0140; STORAGE WHSE #2)
149830	0780	Emmanuel Ethiopian Church
149830	0850	BEACON HILL SCHOOL
149830	1020	RETAIL STORE W/2 APT UNITS ON 2ND FLOOR
162404	9006	KIMBALL ELEMENTARY
162404	9193	PUGET SOUND HEALTH CARE SYSTEM - V.A. HOSPITAL
162404	9194	Torah Day School of Seattle
162404	9214	ASA MERCER JR HIGH
162404	9270	Jefferson Park City
170840	0330	Seattle Super Market
212404	9056	CHURCH
212404	9098	CHINESE BAPTIST CHURCH
212404	9241	Comet Lodge Cemetary
308600	2495	Delite Bakery
308600	2496	METRO
308600	2560	St. Peter's Catholic Church
308600	3145	HILLTOP RED APPLE MARKET
308600	3220	Vac Comrcl

Major	Minor	AddrLine
308600	3229	Vacant
308600	3235	Beacon Hill Light Rail Station
308600	3245	Sound Transit
308600	3250	Sound Transit
308600	3255	Sound transit.
308600	3265	BEACON HILL LIBRARY
308600	3285	Salon Nouveau/Perihelion Brewery
308600	3290	WASHINGTON FEDERAL SAVINGS
308600	3350	BEACON HILL FIRST BAPTIST CHURCH
308600	3356	CL AUTO PARTS & SERV
365010	0010	Joseph McKinstry Construction Company
365010	0030	STORE & APT
365010	0035	TRI-PLEX
367740	0086	CHURCH W/RESIDENCE LIVING UNIT ATTACHED
367740	0105	GULL MC FOODS
367740	0175	LUCKY SEAFOOD
367740	0185	REDBIRD SPORTS/MONTI'S GRILL
367740	0190	URBAN FEED & GARDEN
367740	0205	Beacon BBQ Store & Deli
367740	0370	RECTIFIER SUB #24-METRO
367790	0050	Fou Lee Market
367940	0155	CITY WATER LAB
367940	0880	APT & CLINIC
367940	0885	Beacon Hill Church of the Nazarene
367940	0890	OFFICE / APT.
367940	0985	Beacon Hill Foods/Cafetal Quilombo Cafe
367940	0995	Go Dental Group
367940	1175	Tienda Mexicana El Oaxaqueno & 4 APTS
367940	1180	Live/Work Townhouse
367940	1181	Live/Work Townhouse
367940	1185	Live/Work Townhouse
367940	1186	Live/Work Townhouse
367940	1190	RETAIL / APTS / BSMT. PARKING
367940	1205	McPherson's Fruit & Produce
386940	0275	MAPLE WOOD PLAYFIELD (VACANT LAND)
386940	0560	MAPLE ELEMENTARY SCHOOL
388190	0195	CITY OF SEATTLE-PLAYFIELD
394290	0015	UNITED CHURCH OF CHRIST
394290	0110	Life Change Church
396440	0220	Live/Work Townhouse
396440	0221	Live/Work Townhouse
396440	0230	STORE & APTS
396440	0235	El Quetzal/Victrola Coffee
396440	0245	STORES
396440	0271	Tippe & Drague Alehouse
396440	0295	Denise Louie Educational Center

Major	Minor	AddrLine
425340	0125	St. John Chrysostom Catholic Church
514100	0190	SFR
514100	0220	ST GEORGES SCHOOL
514100	0320	St. George Perish Educational Center
640170	0150	
713330	0116	VACANT LAND
713330	0145	1340 15th Ave S Rooming House
713330	0160	VACANT
713330	0165	VACANT
713330	0187	VACANT
713330	0200	VACANT
713330	0230	VACANT
731990	0095	BEACON HILL LUTHERAN CHURCH
754830	0020	Office Building
754830	0195	4-PLEX
754830	0270	VACANT PARCEL
754830	0545	Recovery Center of King County
754980	0515	Church
754980	0715	Our Lady-Zarvanycia
754980	1300	Latin American Assemblies
754980	1825	RETAIL / RESIDENTIAL
754980	2075	PARIS BAKERY
754980	2085	CLEVELAND HIGH SCHOOL
766010	0010	PUBLIC PARK
766010	0175	Helen B. Ratcliff House
785700	3770	ST MARKS LUTHERAN CHURCH
785700	3800	UNITED CHURCH OF CHRIST
792510	0125	CITY PLAY GROUND
792510	0200	ST GEORGE CATHOLIC CHURCH
792510	0510	DUPLEX & MATERIAL STORAGE
885000	0060	APTS ON 713330-0685
885000	0190	VACANT LAND
885000	0366	
885000	0371	
885000	0415	
885000	0430	
885000	0455	VACANT
885000	0660	
885000	0685	
912200	0196	VACANT PARCEL
912200	0255	Rao & Pierce, Attorney's
912200	0270	Baja Bistro/Lioe's Auto Repair
912200	0281	76 FOOD STORE
912200	0305	SHELL FOOD MART
912200	0326	Duplex and Office
912200	0345	WASH GARDEN CLUB HQ