

Commercial Revalue

2018 Assessment roll

BIO-TECH

AREA 800

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

John Wilson, Assessor



King County

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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.

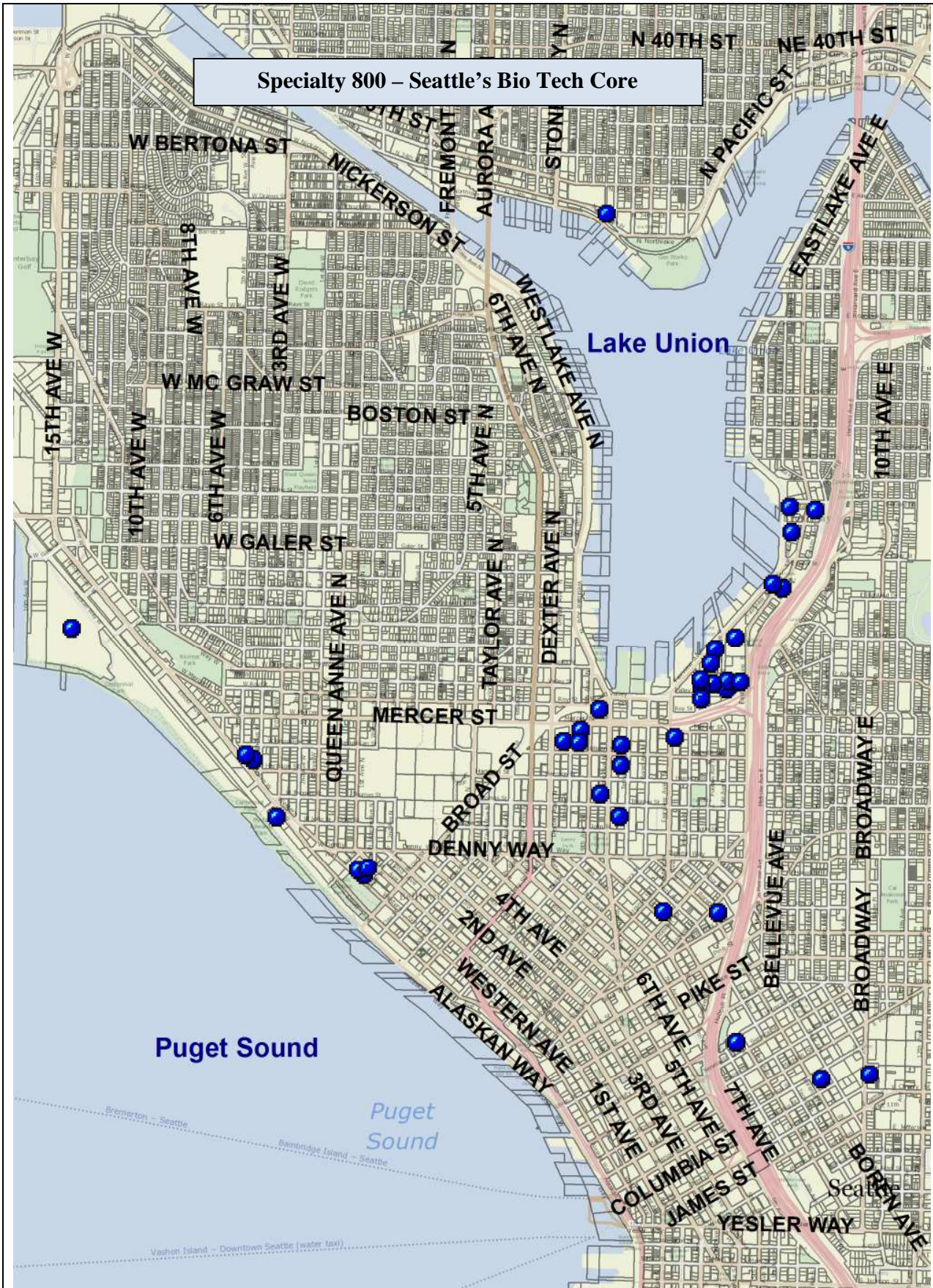
Requirements of State Law

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.

Specialty 800 – Seattle's Bio Tech Core



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.



King County
Assessments
7/22/15

2018 ANNUAL REVALUE REPORT

**KING COUNTY DEPARTMENT OF ASSESSMENTS
BIOTECHNOLOGY (BIOTECH) PROPERTIES**



Executive Summary Report

Appraisal Date: 1/1/18 - 2019 Assessment Roll

Specialty Name: Bio Tech Properties, Specialty 800

Sales – Improved Analysis Summary

- Number of Sales: 3
- Date of Sales: 2/11/2015 – 8/28/2015

Sales – Ratio Study Summary:

A ratio study was not performed for this report, as only three improved sales occurred within this specialty, and outside of use for general comparison purposes, precludes any meaningful statistical analysis.

Conclusion and Recommendation:

The Income Approach was emphasized in the final reconciliation, as it allows greater equalization and uniformity of values for the various stratifications of biotech properties, and income data was available as of the valuation date. Land values were provided by the respective appraiser for each geographical area and were applied to total value calculations.

Current market and income parameters reflect increased land values and rents, all supported by continuing construction and growth within the South Lake Union area. Accordingly, allocated value levels have improved within the biotech market as of 01/01/2018 as compared to the 01/01/2017 assessment year. Overall industry data for biotech properties was used to make an upward adjustment of approximately 14.30%.

Total Population - Parcel Summary Data:			
	Land	Imps	Total
2017 Value	\$593,683,100	\$1,789,801,132	\$2,383,484,232
2018 Value	\$694,761,500	\$2,029,625,600	\$2,724,387,100
Percent Change	+17.03%	+13.40%	+14.30%

- Number of total parcels in biotech specialty population: **48**

Assessed values for the 2018 revalue have increased on average by 14.30%.

The values recommended in this report are considered to maintain uniformity and equity over the previous year; accordingly, it is recommended they be posted for the 2018 Assessment Year.

Identification of the Area

Name or Designation: Specialty Area 800 – Biotechnology Properties

Boundaries: All area within the boundaries of King County, but most properties are situated within the South Lake Union Neighborhood. South Lake Union is considered the geographic center of Seattle, lying east of 6th Ave. South, south of Galer Street and Lake Union, west of the I-5 Freeway and north of Denny Way.

Maps:

A GIS map of the specialty 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:

Specialty Description:

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



facilities may require an even higher specification level than labs. Biotech buildings require different improvement characteristics in order to create and maintain controlled environments for purposes of research and product development:

Ceiling heights of 14'-16'	Hazardous waste containment, control and disposal
High specification air and ventilation for controlled environments	Animal holding with lab facilities (Vivarium)
High load bearing floors / Impervious ceiling, wall and floor surfaces/coverings	Lines for compressed air, gas, liquids, etc.
Systems redundancy/Power conditioning	High structure rigidity and stability requirements to minimize vibration or movement.

Area Description: Seattle's Biotech Core - South Lake Union

The majority of these properties are concentrated within the South Lake Union area due to the tendency towards linkage clustering. Proximity to supporting institutional research facilities is preferred, and common to Life Science location patterns observed within the broader industry. Given the close proximity among these parcels, no neighborhoods have been broken out for this report.

Historically referred to as the Cascade Neighborhood, residential use had been declining since the 1950's, when zoning changes limited residential development to benefit light manufacturing. With construction of I-5 during the 1960's the neighborhood became separated from the west portion of Capitol Hill. In the late 1980's, low land values with relative close-in location attracted several biotech and high tech corporations. Fred Hutchinson Cancer Research Center, and later Zymogenetics located in the northeast sector of the neighborhood, while in the southeast sector REI relocated their flagship store in 1995. By the mid 1990's the concept of the 74 acre "Seattle Commons" park had also been defeated twice by city voters. Subsequently, the City of Seattle and developers, including the Vulcan Group (who had already accumulated 60 acres within this area), put in place plans to ultimately transform South Lake Union into the neighborhood observed today. Development of office, retail, and high density residential buildings within this area has been, and continues to be significant, and is augmented by buildings within Seattle's Biotech Core. Within this neighborhood are 48 Bio Tech parcels, comprised of 36 improved properties, with 12 additional vacant parcels contributing to economic unit values.

More recent neighborhood infrastructure improvements include the South Lake Union Streetcar, the final construction phase of the twelve acre Lake Union Park, and the on-going reconfiguration of the Mercer Street Corridor.

Notable Bio-Tech real estate market influences include:

- A long range development plan by the Fred Hutchinson Cancer Research Center to double in size over the next twenty years, adding up to seven buildings and more than 1,000,000 square feet to its existing campus.
- University of Washington's completion of Phases 3.1 and 3.2 of its Biotechnology and Medical Research Campus at 750 Republican. This seven story, 183,000 SF, state of the art building focuses on research associated with immunology, rheumatology, infectious disease treatment, and vision science. Construction is continuing on Phase 3.3 on a contiguous site.
- On its campus site, the University of Washington's construction of an 187,000 SF Life Sciences Building continues, with projected completion this year.
- BioMed Realty's 700 "Dexter Yard" development of approximately 500,000 SF is currently moving through the Early Design Phase with Seattle's Design Review Board.

- Juno Therapeutics has now occupied 80,000 SF, plus options in a 287,600 Sf building at 400 Dexter Ave N, completed by Alexandria Real Estate Equities.
- Alexandria has in planning the development of approximately 366,000 SF of lab/office improvements on parcels located at 1165/1166/1150 Eastlake Ave E.
- Associated with the above and within immediate proximity, ZymoGenetics will be vacating the Lake Union Steam Plant in 2019, opening up approximately 110,000 SF of lab space.
- Alexandria also has just started an 188,490 SF Bio Tech facility at 1818 Fairview Ave. E. known as “The Atrium”.
- The University of Washington has vacated the Rosen Building, opening up approximately 60,300 SF of lab space for long term sublease.

A broader description of this neighborhood and associated development can be viewed within the Commercial Geo Report for Area 30 for the 2018 Assessment Year.

Market Conditions:

Bio Technology comprises a significant proportion of the Life Science field here in Washington State. Within the King County/Seattle market area, biotech properties range from small startup companies to very large multinational corporations, and continually ranks nationally among the top ten markets for Venture Capital and National Institute of Health funding.¹ Due to its concentration of corporate representation and supporting research facilities located within the South Lake Union, the region has become increasingly well known as one of the premier biotechnology centers in the world, due to a confluence of world-class research institutions, entrepreneurial spirit, and government assistance supported by a regionally dynamic economy. Seattle is home to major world-class research centers such as the University of Washington, the Fred Hutchinson Cancer Research Center, and the Seattle Cancer Care Alliance, providing the research foundation and technology necessary for startup companies. The area is known for its high level of bio-tech education and start-up experience, and benefits from generous funding from large philanthropic organizations such as the Bill and Malinda Gates Foundation. Seattle’s Life Science and Bio Technology is also positioned to benefit from national immune-oncology market sector development (ref. the recent \$9 billion Juno acquisition by Celgene), which is anticipated to expand from \$14 to \$34 billion by 2024.² The 2017 Jones Lang LaSalle report identifies Seattle as seventh ranked among a national market of sixteen, in applying an economic score based upon growth potential, concentration of world class research organizations, associated work force involved in research and development, and a life style which offers a close-in living environment attractive to highly skilled professionals sought by this industry. The following are tables from the report listing the rankings, along with clarifying scorecard definitions and methodology applied. Additional benchmark data is included highlighting Life Science workforce, employment, and establishment composition within the Seattle Metro area:

¹ Life Sciences Outlook – Seattle Bellevue, Jones Lang LaSalle, 2017

² Seattle – Bellevue Life Sciences Outlook, Jones Lang LaSalle, 2017.

Rank	Cluster	Weighted score	Rank	Cluster	Weighted score
1	Greater Boston	82.3	9	Los Angeles / Orange County	47.4
2	San Francisco Bay Area	79.7	10	Chicago Metro	40.1
3	San Diego	65.8	11	Minneapolis-St. Paul	39.1
4	Raleigh-Durham	65.4	12	Westchester County, NY	35.3
5	Philadelphia	54.7	13	Denver Metro	34.2
6	Maryland Suburbs / DC Metro	54.3	14	New York City	33.7
7	Seattle-Bellevue	48.0	15	Long Island, NY	23.2
8	New Jersey	47.5	16	Central & Southern FL	21.7

Life sciences employment concentration:
Weight: 20.0%
Measured as the percent of industry employment against total metro private employment. (BLS, 2015)

Life sciences venture capital funding:
Weight: 15.0%
Funding from Q4 2016 to Q3 2016 (PwC MoneyTree)

Total lab supply:
Weight: 15.0%

Life sciences employment growth:
Weight: 10.0%

Life sciences establishments concentration:
Weight: 10.0%
Measured as the percent of industry establishments against total metro private establishments. (BLS, 2015)

Life sciences National Institutes of Health funding:
Weight: 10.0%
National Institutes of Health, 2016

Market occupancy rate:
Weight: 10.0%

Average asking rent (NNN):
Weight: 10.0%

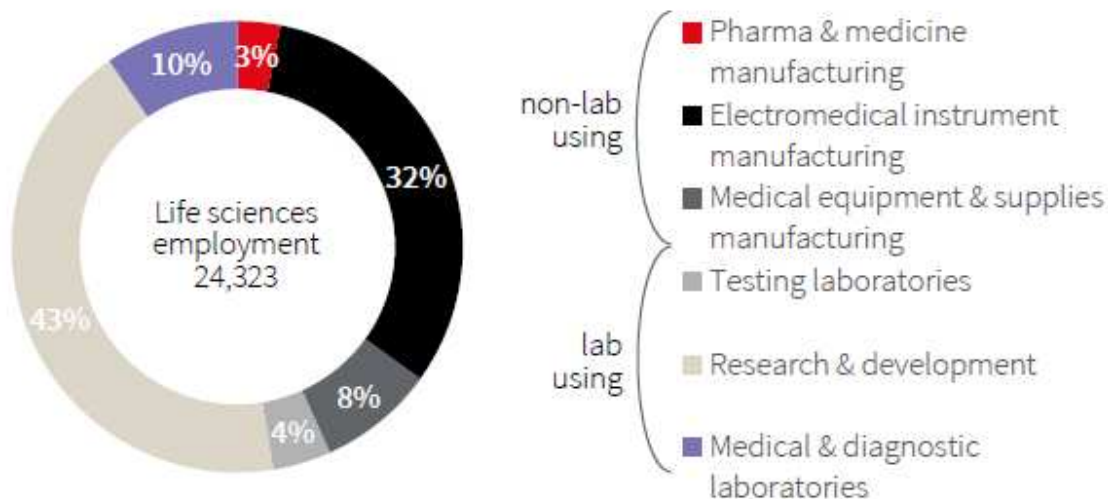
Cluster score: **48.0**

Workforce	Total life sciences	% Life sciences to private employment	Year-over-year growth
Employment	24,323	1.8%	1.0%
Establishments	959	0.9%	3.1%

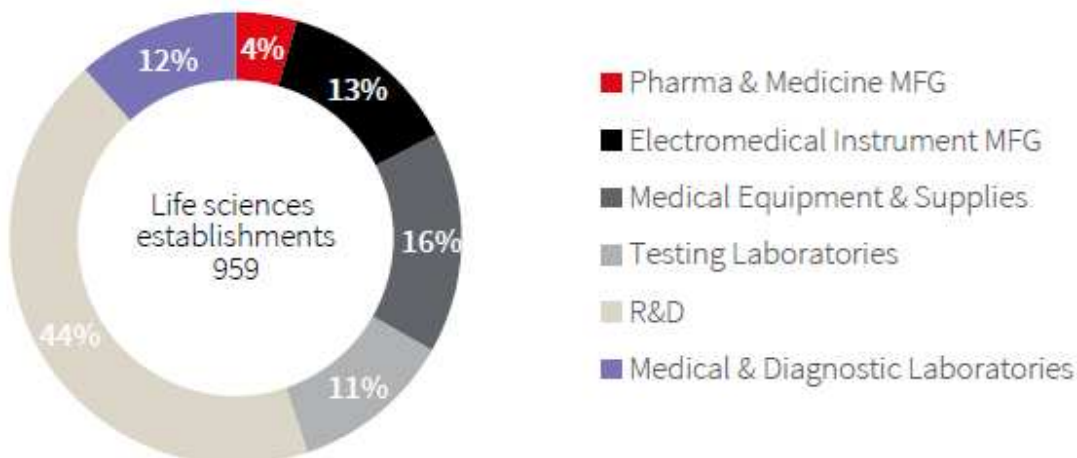
Funding	Total life sciences	% To total U.S.
VC funding	\$128.0m	1.3%
NIH funding	\$894.1m	3.6%

Inventory	Total supply	% Total vacancy	Average asking rent (NNN)
	9.7M s.f.	5.5%	\$22.03 p.s.f.

Life sciences employment composition



Life sciences establishment composition



Seattle-Bellevue Life Sciences Outlook, Jones Lang LaSalle, 2017.

The University of Washington School of Medicine, The Fred Hutchinson Cancer Research Center, The Seattle Biomedical Research Institute, the Institute for Systems Biology, The Benaroya Research Institute, The Allen Institute of Brain Science, and others, support local industry growth as it acquires, converts and constructs more bio-tech space. Seattle's ranking continues to mature, but also reflects challenges resulting from industry pressures related to scale

of corporate operation, outsourcing of function and operational flexibility. Changes in our health care laws and basic industry structure associated with funding research and bringing product to market, tend to favor small to midsized corporations and startups. These changes were echoed within our local market with Amgen's announcement of campus closure and the ZymoGenetics restructuring, contrasting spin-offs, IPO offerings/ expansion, acquisition, and partnerships associated with Juno Therapeutics (and subsequent sale), Phase RX, and more recently Aptevo Therapeutics.

The AMGEN exit and campus sale was considered a setback to our Bio Tech community. However, as large a campus as it was, it sold within a relatively short time to be repurposed and expanded for Expedia's corporate headquarters. With the loss of 750,000 SF of state of the art research and lab space, real estate developers remain reluctant to initiate Bio Tech construction for speculative purposes, and life science space continues to remain tight within a highly competitive market place. With South Lake Union being a preferred location competing with regional tech expansion, Bio Tech firms are faced with longer time periods for relocation and/or construction in order to meet specific space needs and to benefit from cluster linkage. This being said, the development community from both the Tech and Bio Tech sectors are looking to modify pipeline building characteristics to accommodate both types of uses, and thereby accommodate both markets more efficiently.

Seattle's Biotech Core within South Lake Union continues to reflect a rapidly changing but established market within the Puget Sound Region in spite of space and limitation. Although the industry has been challenged in past, the local area's business model has continually evolved to provide alternatives to accommodate growth within a limited real estate market. Supported by Amazon and Microsoft's growing presence, Seattle's Bio Tech culture, buoyed by world class research and philanthropic support, will continue to provide a significant economic driving force within this neighborhood, and with corresponding real property value appreciation.

Analysis Process

Effective Date of Appraisal: January 1, 2018

Date of Appraisal Report: May 31, 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 use. Any opinion not consistent with this is specifically noted in the records and considered in the valuation of the specific parcel.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. The current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved.

In those properties where the property is not at its highest and best use, a nominal value of \$1,000 is assigned to the improvements.

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 by field inspection, review of plans, marketing information, and rent rolls when available.

Special Assumptions and Limiting Conditions

- All three approaches to value were considered in this analysis.
- The intent of this report is to meet the requirements of the Uniform Standards of Professional Appraisal Practice.

Preliminary Ratio Analysis

Given the small sample size, particularly in comparison to the recommended minimum for this data set, appraisal ratio and associated distribution analysis was not considered representative of the Bio Tech population, and not included for valuation purposes. Accordingly, the Parcel Summary Data does not reflect any statistical measure associated with IAAO standards.³

Physical Inspection Identification

Biotech valuations were performed on all facilities within King County.

100% of the biotech specialty population were inspected during the prior five Assessment years, as required by WAC 458-07-015 4 (a). Exterior observations of all properties have been made to verify the accuracy and completeness of property characteristics for valuation purposes. Accordingly, no inspections were performed, outside of for ongoing maintenance/construction purposes, during this Assessment Year.

Scope of Data:

Land Value Data

The geographic appraiser in the area in which the specialty office property is located is responsible for the land value used by the Biotech specialty. For the 2018 Assessment Year revalue, land values within this specialty continue to be adjusted upward from the previous year, based upon market activity within this area. Please see appropriate area reports for land valuation discussions within Area Reports 17 (University District and Sand Point), 25 (Capitol Hill), 30 (Downtown Seattle).

Improved Parcel Total Value Data

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

³ Mass Appraisal of Real Property, IAAO, 1999, p. 271-274

Improved Parcel Total Values:

Sales comparison approach model description

A sales comparison approach model was not applied, as only two improved sales occurred which would support general market value within the biotech population. The first property was the SBRI Building located at 307 Westlake Ave. N. It was fully leased, sold by Vulcan to the Biomed Realty Trust for \$89.7 Million in February of 2015, and serves as headquarters and as a research facility for the Seattle Biomedical Research Institution. The second sale was the Rosen Building, located at 960 Republican St. It sold in August of 2015 to the Urban Renaissance Group for \$41 Million and was fully leased to the University of Washington, School of Medicine. A third sale considered a market level transaction was the Amgen campus, but reflected a change in use, in that it is currently in process of being repurposed to corporate offices for Expedia. These sales were used as benchmark value comparisons to properties of similar characteristics within this specialty. Five sales “not used” reflected a sale to a non-profit tenant, sales of improved land subject to long term lease-hold interests (2), and sales to the Seattle municipality for street purposes (2).

Sales comparison calibration

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

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies completed by the Marshall Valuation Service. The cost was adjusted to the western region and the Seattle area. Cost estimates may be relied upon for valuation of special use properties where comparable sales data and/or income/expense information may not be available. Replacement Cost New may be applied to building improvements, on a progressive basis, during the construction process.

Cost calibration

The Marshall & Swift cost-modeling system is built into the Assessor’s Real Property Application and is re-calibrated annually to both the Western Region and Seattle area.

Income Capitalization Approach model description

The Income Approach was considered the most reliable approach to valuation throughout Area 800 for improved properties, as income and expense data was generally available to reflect market value. Income parameters were derived from the market through rental surveys, sales, real estate publications and websites. Direct capitalization methodology was applied in calculating estimates for most properties within the specialty. Due to the significance of parking income within the specialty and broader Seattle market, and that the majority of the properties within the specialty contain parking space, parking income was included as a component of the direct capitalization process. Restrictions of proprietary software within the department's income program precluded application of income tables in the revaluation process. Therefore, no tables were created. Instead, a direct capitalization spreadsheet was created showing each property's income value estimate with supporting parking value contribution.

Income: Income parameters were derived from the market place through listed fair market sales as well as through published sources (i.e. Office Space Dot.Com, Commercial Brokers Association, Costar, and multiple corporate real estate websites such as CBRE, Colliers, GVA Kidder Mathews, Grubb & Ellis, etc.), and opinions expressed by real estate professionals active in the market. Rents reflect an increase due to Income Model adjustment to a NNN lease assumption, supported by Annual Base Rent structures within the industry.

Vacancy: Vacancy rates used were derived mainly from published sources tempered by personal observation.

Expenses: Expense ratios were estimated based on industry standards, published sources, and personal knowledge of the area's rental practices. Within the income valuation models for Area 800, typical office/medical buildings, and for purposes of equalization.

Capitalization Rates: Capitalization rates were determined by local published market surveys, such as CoStar, Real Capital Analytics, The American Council of Insurance Adjustors, Integra Realty Resources, Korpaz, etc. The effective year built (age), quality, and condition of each building determine the capitalization rate used by the appraiser. The effective age, quality, and condition of each building contributes to the capitalization rate applied in the model. For example; a building of poorer condition and quality with a lower effective year built (1930, for example) will typically warrant a higher capitalization rate, and a building of higher quality in better condition and with a higher effective year built (2010, for example) will warrant a lower capitalization rate.

Income approach calibration

Income tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective year built, and construction quality as recorded in the Assessor's records.

The following table is the result of an analysis of this information and stratifies major section use values for each property characteristic with associated income parameters.

Modeled income assumptions applied to the bio tech population using a Direct Capitalization approach were as follows:

Property Type	Typical Rent/SF Range	Vacancy Rate	Expense Rate	OAR
Laboratories/Vivarium (Lab Space Typically Blended With Off./Lab/Research Space)	\$43.00 to \$65.00	5%	10%	7.50 % to 6.50%
Office/Medical Office	\$25.00 to \$34.00	5%	10%	7.50 % to 6.50%
Retail/Mixed-Use Retail/Restaurant	\$24.00 to \$30.50	5%	10%	7.50 % to 6.50%
Storage Whse./Bsmt. Stor./Ind. Light Manuf./Mezz. Stor.	\$10.00 to \$16.00	5%	10%	7.50 % to 6.50%

The income model applied generated weighted annual base rents (in a NNN lease model) ranging from \$10.00 to \$61.75 per Sq. Ft. depending upon section use proportions (of lab, office, retail, and storage space areas), effective age, and quality of improvements.

Biotech Income Analysis: - Area 800

Lease Rates:

Lease rates and trends were compiled with information that was collected on a broad regional scale to include lab, office, retail, and storage space for purposes of equalization in developing the income model. Also examined were Annual Base Rents of bio tech buildings which ranged generally from \$36.00 to \$58.00 per SF, which were considered to also support weighted section use values applied to individual buildings.

Capitalization Rates: The following tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled in support of data specific to the real estate market for the Bio Tech Specialty in developing the income model. The range of capitalization rates represent a variety of property types and are considered to reflect stabilization over the previous year's survey in application to Bio Tech associated markets (Office, Retail, and Industrial) of South Lake Union:

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

SEATTLE / REGIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
						average under typical market conditions.
CBRE cont'd.		Seattle	4.25% - 4.75%	-	-	CBD – Class AA
			4.75% - 5.25%	-	-	CBD – Class A
			6.00% - 7.25%	-	-	CBD – Class A – Value Added
			5.50% - 6.50%	-	-	CBD – Class B
			6.75% - 7.75%	-	-	CBD – Class B – Value Added
			6.75% - 8.50%	-	-	CBD – Class C
			7.75% - 9.25%	-	-	CBD – Class C – Value Added
			5.25% - 5.75%	-	-	Suburban – Class AA
			6.00% - 6.50%	-	-	Suburban – Class A
			6.50% - 7.50%	-	-	Suburban – Class A – Value Added
			7.00% - 7.50%	-	-	Suburban – Class B
			7.50% - 8.50%	-	-	Suburban – Class B – Value Added
			7.50% - 8.25%	-	-	Suburban – Class C
			8.00% - 9.00%	-	-	Suburban – Class C – Value Added
			-	3.75% - 4.25%	-	Class A
			-	5.00% - 6.00%	-	Class A – Value Added
			-	4.50% - 5.25%	-	Class B
			-	5.75% - 7.00%	-	Class B – Value Added
			-	5.50% - 6.25%	-	Class C
			-	7.25% - 8.00%	-	Class C – Value Added
			-	-	4.50% - 5.50%	Class A (Neigh./Comm)
			-	-	5.50% - 7.00%	Class B (Neigh./Comm)
			-	-	7.25% - 9.00%	Class B (Neigh./Comm.) – Value-Add
			-	-	7.50% - 8.50%	Class C (Neigh./Comm)
			-	-	9.00% - 11.00%	Class C (Neigh./Comm.) – Value-Add
			-	-	5.50% - 6.00%	Class A (Power Centers)
			-	-	6.00% - 7.50%	Class B (Power Centers)
			-	-	7.00% - 8.50%	Class B (Power Centers) – Value-Add
			-	-	7.00% - 8.75%	Class C (Power Centers)
			-	-	7.50% - 10.00%	Class C (Power Centers) – Value-Add
			-	-	4.50% - 5.50%	High Street Retail (Urban Core)
IRR: Viewpoint for 2018	Year-end 2017	West Region	5.83%	-	-	<u>Institutional Grade Properties*</u>
			6.49%	-	-	CBD Office – Class A
			6.31%	-	-	CBD Office – Class B
			6.87%	-	-	Suburban Office – Class A
			-	-	-	Suburban Office – Class B
			-	6.57%	-	Flex Industrial
			-	5.89%	-	Industrial
			-	-	6.22%	Regional Mall
			-	-	6.16%	Community Retail
			-	-	6.30%	Neighborhood Retail
CoStar	Year-End 2017	Seattle Puget Sound	6.51%	-	-	Building Size < 50,000 SF
			6.80%	-	-	Building Size 50,000 SF – 249,000 SF
			5.32%	-	-	Building Size 250,000 SF – 499,000 SF
			8.50%	-	-	Building Size >500,000 SF
			-	5.97%	-	Building Size < 25,000 SF
			-	6.35%	-	Building Size 25,000 SF – 99,000 SF
			-	5.93%	-	Building Size 100,000 SF – 249,000 SF
			-	N/A	-	Building Size >250,000 SF
			-	-	5.85%	Building Size < 25,000 SF
			-	-	6.10%	Building Size 25,000 SF – 99,000 SF
			-	-	N/A	Building Size 100,000 SF – 249,000 SF
			-	-	10.00%	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

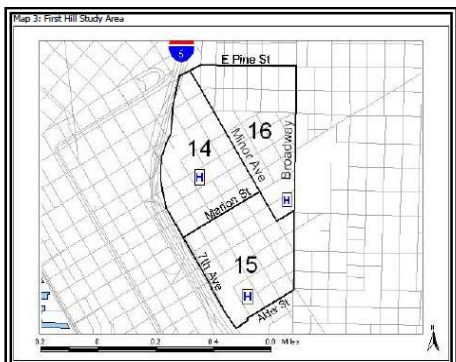
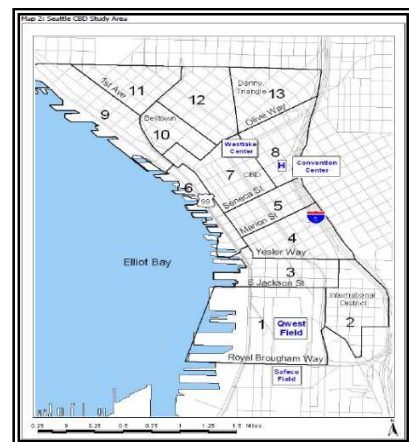
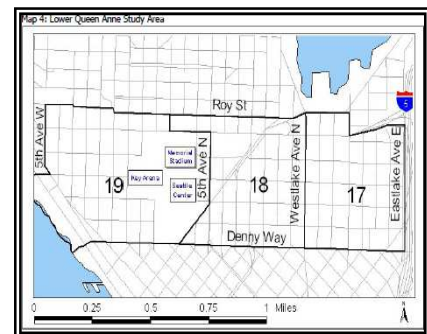
NATIONAL CAP RATES						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Income Vs. Price Realities	4Q 2017					1 st Tier properties are defined as new or newer quality const. in prime to good location
		National	4.50% -6.50% 5.50% - 7.50% - - - -	- - 4.50% - 7.20% 5.50% - 7.30% 6.50% - 7.30% -	- - - - - 5.00% - 7.00% 6.00% - 6.80% 5.30% - 7.00%	Office CBD – 1 st Tier Properties Suburban Office – 1 st Tier Properties Warehouse – 1 st Tier Properties R&D – 1 st Tier Properties Flex – 1 st Tier Properties Regional Mall – 1 st Tier Properties Power Center – 1 st Tier Properties Neigh/Comm. Ctrs. – 1 st Tier Properties
IRR: Viewpoint 2018 Commercial Real Estate Trends report	Yr. End 2017	National	6.68% 7.53% 7.04% 7.83% - - - -	- - - - 6.69% 7.44% - -	- - - - - - 6.67% 6.82% 6.96%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial Flex Industrial Regional Mall Community Retail Neighborhood Retail
ACLI	4Q 2017	National	5.61% 6.98% 6.23% 6.15% 5.35%	5.88% 7.08% 6.64% 6.59% 5.76%	5.97% 6.63% 6.80% 6.21% 5.62%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. – 100,001 – 200k Sq.Ft. – 200k+
PWC / Korpaz Real Estate Investor Survey	4Q 2017	National	3.50% - 7.50% 5.00% - 10.00% 4.50% - 10.00% 4.75% - 10.00% - - - -	- - - - 5.50% - 9.50% 4.00% - 6.90% - -	- - - - - - 4.00% - 10.00% 5.25% - 8.00% 4.00% - 9.50%	CBD Office Suburban Office Secondary Office Medical Office Flex/R&D Warehouse Regional Mall Power Center Neigh. Strip Centers
PWC / Korpaz Real Estate Investor Survey	4Q 2017	National	3.50% - 8.00% 4.20% - 10.00% 4.75% - 10.00% - - - - -	- - - 3.30% - 6.90% 5.50% - 9.50% - - -	- - - - - - 4.00% - 9.50% 5.25% - 9.00% 4.00% - 10.00%	U.S. CBD Office U.S. Suburban Office Medical Office U.S. Warehouse U.S. Flex/R&D U.S. Strip Shop Centers U.S. Power Centers U.S. Regional Malls
The Boulder Group: Net Lease Market Report	4Q 2017	National	7.00%	7.25%	6.07%	Overall (Average)

Biotech Parking Income Analysis:

As referenced above, properties where income from parking was valued, an additional income approach was incorporated. A parking income calculation was developed using data from the 2010-2013 Parking Inventory Survey (most recent) prepared by the Puget Sound Regional Council. For the 1/01/2018 valuation, adjustments applied to the daily and monthly stall rates are the same as last year in overall occupancy and rates.

The non-reserved monthly and daily rates and occupancy rates for various areas were based on this data. Typically the assessor assigned 2/3rds of the stalls a monthly rate and 1/3rd a daily rate. A five day work week with no turnaround on parking was assumed in the model. The monthly rates in Area 800 ranged from \$138 to \$300/stall and the daily rates ranged from \$11/stall to \$25/stall depending on location. The occupancy range was 31% to 80% and the annual expense rate range applied was 15% to 25%. Please refer to the following parking rate summary tables.

Seattle CBD			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	\$ 16.75	\$ 174.50	47.00%
2 - Intl. District	\$ 14.81	N/A *	53.90%
3	\$ 18.83	\$ 194.50	79.60%
4	\$ 23.76	\$ 238.73	63.10%
5	\$ 25.06	\$ 280.82	70.70%
6	\$ 18.66	\$ 229.70	67.00%
7	\$ 23.00	\$ 300.04	57.10%
8	\$ 24.56	\$ 296.66	63.90%
9	\$ 17.55	\$ 193.54	55.90%
10	\$ 19.47	\$ 202.83	62.40%
11	\$ 11.04	\$ 164.89	62.90%
12	\$ 16.41	\$ 225.83	57.20%
13	\$ 17.07	\$ 238.16	65.50%
*2012 Rate-\$141.67			
First Hill			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
14	\$ 19.62	\$ 187.56	63.90%
15	\$ 16.44	\$ 208.91	31.70%
16	\$ 11.93	\$ 151.40	62.90%
Lower Queen Anne/South Lake Union			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
17	\$ 15.22	\$ 190.00	39.30%
18	\$ 15.74	\$ 137.97	34.10%
19	\$ 12.08	\$ 139.04	53.90%
University District			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
3	\$ 12.11	\$ 140.67	56.70%
Bellevue CBD			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	\$ 12.50	\$ 130.36	48.30%
2	\$ 14.00	\$ 171.52	56.90%
3	\$ 15.91	\$ 189.82	34.20%
4	\$ 17.51	\$ 173.33	55.00%
5	N/A	N/A	40.50%
6	\$ 15.00	N/A	32.90%
7	\$ 5.50	N/A	43.90%



With respect to the greater biotech market, the 2018 assessment year reflects an increase values resulting from increasing lease rates, a decrease in the vacancy (model adjustment), and stabilization of capitalization rates.

2017 YEAR END			
	OFFICE	INDUSTRIAL	BIOTECH
<i>RENTAL RATE</i>	INCREASE	INCREASE	INCREASE
<i>VACANCY</i>	DECREASING	DECREASING	DECREASE
<i>CAPITALIZATION RATE</i>	STABLE	STABLE	STABLE
<i>IMPROVED PROPERTY VALUES</i>	INCREASING	INCREASING	INCREASING

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 approach is generally considered the most reliable indicator of value when comparable sales are available, however the sales used within this year's report were not considered adequate justification for ratio study application. Accordingly, the income approach was applied in final reconciliation to allow greater uniformity and equalization of property values. Whenever possible, market rents, expenses, and capitalization rates were estimated from sales along with data extracted from surveys and publications, and incorporated within the income model. Market rents applied to some properties varied from the income model but fell within an acceptable range of variation from established patterns. All parcels were individually reviewed for correctness of model application before final value selection.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is 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 particular characteristics and conditions as they occur in the valuation area. The Specialty Appraiser recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

The January 1, 2018 valuation is based upon an improving bio tech market as of the valuation date, reflecting downward pressure on vacancy rates, a slight increase of effective lease rates, and continued downward pressure on capitalization rates, all occurring within a rapidly developing South Lake Union market with limited inventory for bio tech properties. Modeled value calculations also were adjusted to Annual Base Rent patterns reflected by the current market.

Application of these recommended values for the 2018 assessment year results in an increase from the 2017 assessment year of 14.30%.

Total Population - Parcel Summary Data:			
	Land	Imps	Total
2017 Value	\$593,683,100	\$1,789,801,132	\$2,383,484,232
2018Value	\$694,761,500	\$2,029,625,600	\$2,724,387,100
Percent Change	+17.30%	+13.40%	+14.30%

The total assessed value for the 2017 assessment year was \$2,383,484,232. The recommended assessed value for the 2018 assessment year is \$2,724,387,100.

USPAP Compliance

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

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

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

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

Highest and Best Use

RCW 84.40.030

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

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

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:

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

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

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

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

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

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

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

Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.

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

Scope of Work Performed:

Research and analyses performed are identified in the body of the revaluation report. The assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. Disclosure of interior home features and, actual income and expenses by property owners is

not a requirement by law therefore attempts to obtain and analyze this information are not always successful. The mass appraisal performed must be completed in the time limits indicated in the Revaluation Plan and as budgeted. The scope of work performed and disclosure of research and analyses not performed are identified throughout the body of the report

CERTIFICATION:

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

- *The statements of fact contained in this report are true and correct*
- *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *Services that I provided within the prior three years include physical inspection, revaluation, appeal response preparation, attendance and participation in hearings, data collection, sales verification, and identifying new construction and recording the corresponding data.*

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
800	010	198320	0160	60,375	2752515	\$40,988,675	08/28/15	\$678.90	ROSEN BUILDING	SM 160/85-240	1	Y	
800	010	198620	0135	117,133	2713267	\$89,696,000	02/11/15	\$765.76	SEATTLE BIOMEDICAL BUILDING	SM 160/85-240	1	Y	
800	010	766620	1725	686,807	2727094	\$228,887,500	04/30/15	\$333.26	AMGEN HELIX CAMPUS	IC-45	6	34	Use-change at sale.

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
800	010	198420	0205	10,116	2740004	\$8,140,000	06/29/15	\$804.67	HUTCH KIDS CHILDCARE	SM-125	1	44	Tenant
800	010	198820	1480	102,235	2819558	\$34,736,000	08/31/16	\$339.77	BLUE FLAME BUILDING	SM-SLU 160/85-240	1	33	Lease or lease-hold
800	010	198820	1485	272,375	2819573	\$98,864,000	08/31/16	\$362.97	UW Medicine-Lk Union Phase II & III	SM-SLU 160/85-240	1	33	Lease or lease-hold
800	010	286960	0135	0	2862988	\$79,875	05/05/17	\$0.00	ZYMOGENETICS	IC-45	1		Deed for Street Purposes
800	010	408880	2925	106,003	2862989	\$11,925	05/05/17	\$0.11	ZYMOGENETICS	IC-45	1		Deed for Street Purposes