

Haller Lake/ North Greenwood/ Crown Hill

Area: 006

Residential Revalue for 2018 Assessment Roll



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

500 Fourth Avenue, ADM-AS 0708

Seattle, WA 98104-2384

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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 you accurate and timely information. We have made significant improvements to our website and online tools to make interacting with us easier. The following report summarizes the results of the assessments for your area 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 our process and the 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 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 residential property, we break up King County into 86 residential market areas and annually develop market models from the sale of properties using multiple regression statistical tools. The results of the market models are then applied to all similarly situated homes within the same appraisal 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. From the property inspections we update our property assessment records for each property. In cases where an appraiser has a question, they will approach the residence front door to make contact with the property owner or leave a card requesting the taxpayer contact them.

RCW 84.40.025 - Access to property

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

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

How Are Property Sales Used?

For the annual revaluation of residential properties, three years of sales are analyzed with the sales prices time adjusted to January 1 of the current assessment year. Sales prices are adjusted for time to reflect that market prices change over time. During an increasing market, older sales prices often understate the current market value. Conversely, during downward (or recessionary) markets, older sales prices may overstate a property's value on January 1 of the assessment year unless sales are time adjusted. Hence time adjustments are an important element in the valuation process.

How is Assessment Uniformity Achieved?

We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers that may be reviewed at www.iaao.org. As part of our valuation process statistical testing is performed by reviewing the uniformity of assessments within each specific market area, property type, and quality grade or residence age. More specifically Coefficients of Dispersion (aka COD) are developed that show the uniformity of predicted property assessments. We have set our target CODs using the standards set by IAAO which are summarized in the following table:

Type of property—General	Type of property—Specific	COD Range**
Single-family residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2–4 unit family housing	5.0 to 20.0
Income-producing properties	Larger areas represented by large samples	5.0 to 15.0
Income-producing properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant land		5.0 to 25.0
Other real and personal property		Varies with local conditions

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

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

Requirements of State Law

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

Appraisal Area Reports

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



King County

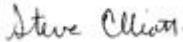
Department of Assessments
King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0708
Seattle, WA 98104-2384

John Wilson
Assessor

Haller Lake/ North Greenwood/ Crown Hill – Area 006

2018 Assessment Roll Year

Recommendation is made to post values for Area 006 to the 2019 tax roll:

	<u>6/12/18</u>
Appraiser II: Steve Elliott	Date

	<u>6/19/2018</u>
NW District Senior Appraiser: Ron Guidry	Date

	<u>6/21/18</u>
Residential Division Director: Debra S. Prins	Date

This report is hereby accepted and the values described in the attached documentation for Area 006 should be posted to the 2019 tax roll.

	<u>7/9/18</u>
John Wilson, King County Assessor	Date

Executive Summary

Haller Lake/ North Greenwood/ Crown Hill - Area 006

Physical Inspection

Appraisal Date: 1/1/2018
Previous Physical Inspection: 2010/2012
Number of Improved Sales: 1321
Range of Sale Dates: 1/1/2015 – 12/31/2017 Sales were time adjusted to 1/1/2018

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2017 Value	\$189,100	\$334,500	\$523,600			10.45%
2018 Value	\$265,200	\$359,000	\$624,200	\$677,200	92.4%	7.84%
\$ Change	+\$76,100	+\$24,500	+\$100,600			
% Change	+40.2%	+7.3%	+19.2%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2018 COD of 7.84% is an improvement from the previous COD of 10.45%. The lower the COD, the more uniform are the predicted assessed values. Assessment standards prescribed by the International Association of Assessing Officers identify that the COD in rural or diverse neighborhoods should be no more than 20%. The resulting COD meets or exceeds the industry assessment standards. Sales from 1/1/2015 to 12/31/2017 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2018

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2017 Value	\$214,500	\$298,400	\$512,900
2018 Value	\$302,800	\$292,900	\$595,700
\$ Change	+\$88,300	-\$5,500	+\$82,800
% Change	+41.2%	-1.8%	+16.1%

Number of one to three unit residences in the population: 8,448

Physical Inspection Area:

State law requires that each property be physically inspected at least once during a 6 year revaluation cycle. During the recent inspection of Area 006 – Haller Lake/ North Greenwood/ Crown Hill, appraisers were in the area, confirming data characteristics, developing new valuation models and selecting a new value for each property for the assessment year. For each of the subsequent years, the previous property values are statistically adjusted during each assessment period. Taxes are paid on total value, not on the separate amounts allocated to land and improvements.

The current physical inspection analysis for Area 006 indicated a substantial change was needed in the allocation of the land and improvement value as part of the total. Land is valued as though vacant and at its highest and best use. The improvement value is a residual remaining when land is subtracted from total value.

Since our last physical inspection in 2010/2012 the demand for land has substantially increased in the north end of Seattle. Since most of the properties have already been developed there is a shortage of vacant land to

develop. As a consequence developers purchase older homes, tear them down, and then build new single family residences and townhome style residences. Area 006 is within the area that the city has encouraged townhome style residences. In the past few years new single family residences and townhomes sell soon after they are built due to the high number of people looking for a new home. This increased demand for close in housing to downtown Seattle has produced higher prices for builders to pay to acquire land to develop. This has caused a sharp increase in land values.

Area 006 Physical Inspection Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

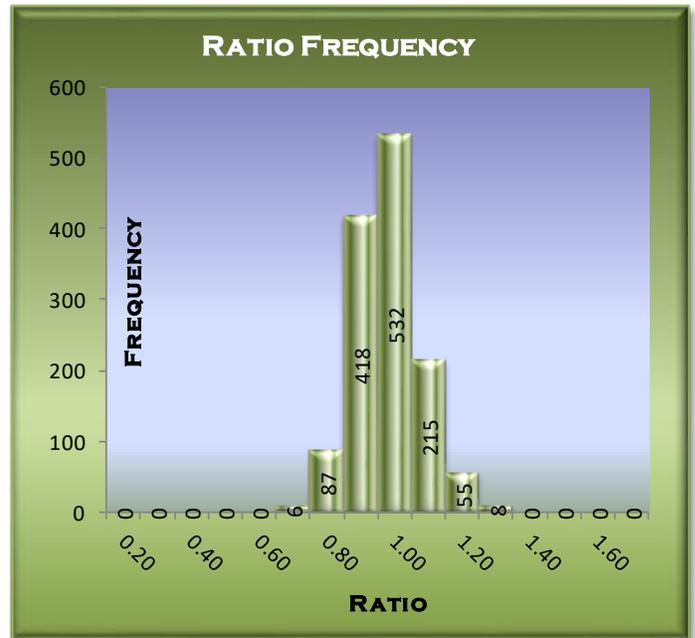
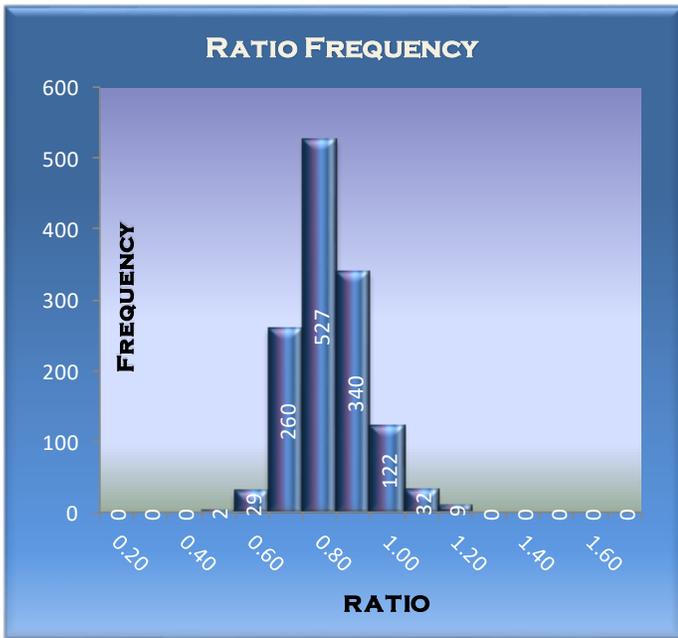
Pre-revalue ratio analysis compares time adjusted sales from 2014 through 2017 in relation to the previous assessed value as of 1/1/2017.

PRE-REVALUE RATIO SAMPLE STATISTICS	
<i>Sample size (n)</i>	1321
<i>Mean Assessed Value</i>	523,600
<i>Mean Adj. Sales Price</i>	677,200
<i>Standard Deviation AV</i>	144,550
<i>Standard Deviation SP</i>	186,232
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.781
<i>Median Ratio</i>	0.771
<i>Weighted Mean Ratio</i>	0.773
UNIFORMITY	
<i>Lowest ratio</i>	0.417
<i>Highest ratio:</i>	1.187
<i>Coefficient of Dispersion</i>	10.45%
<i>Standard Deviation</i>	0.104
<i>Coefficient of Variation</i>	13.30%
<i>Price Related Differential (PRD)</i>	1.010

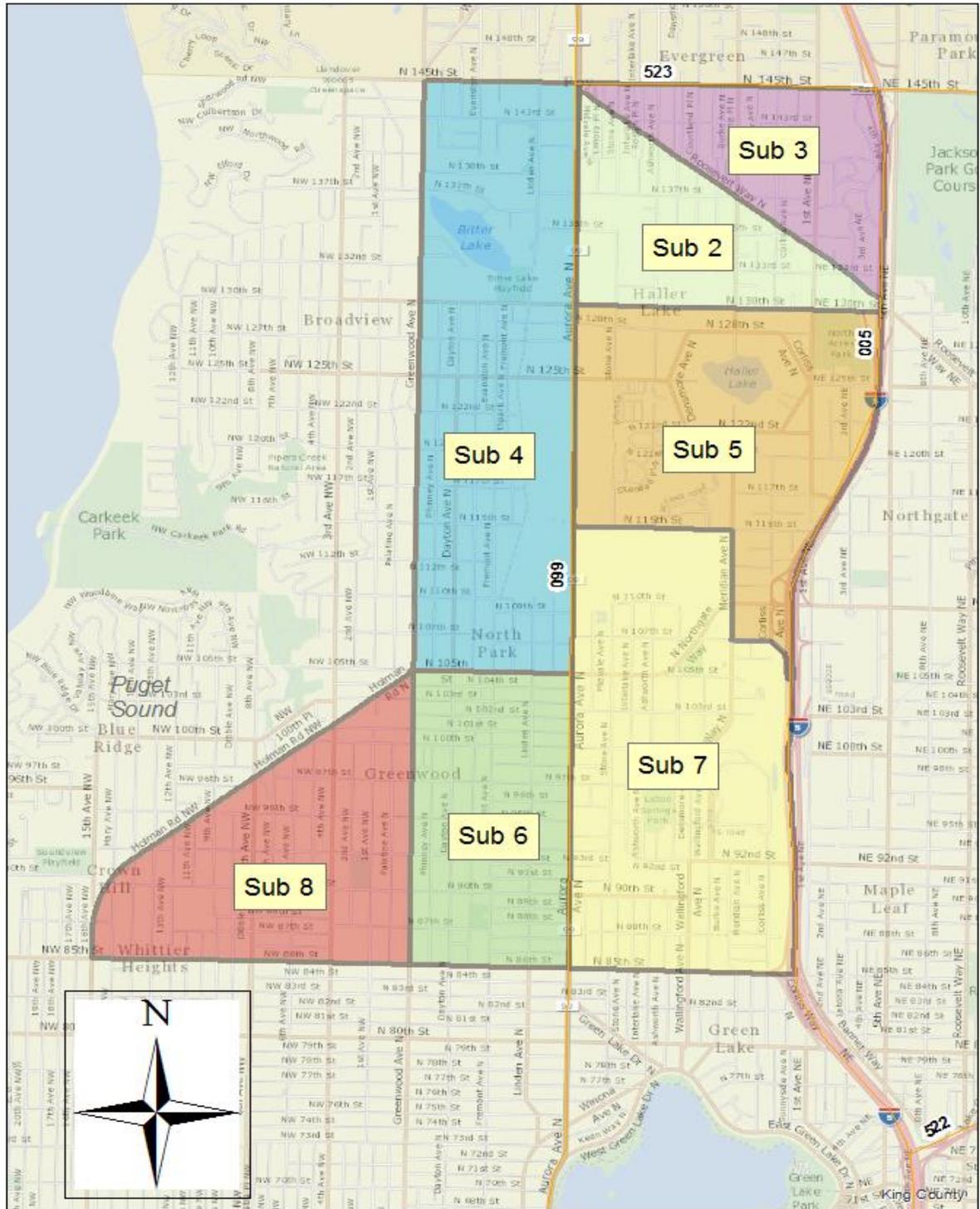
POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares time adjusted 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	
<i>Sample size (n)</i>	1321
<i>Mean Assessed Value</i>	624,200
<i>Mean Sales Price</i>	677,200
<i>Standard Deviation AV</i>	158,266
<i>Standard Deviation SP</i>	186,232
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.932
<i>Median Ratio</i>	0.924
<i>Weighted Mean Ratio</i>	0.922
UNIFORMITY	
<i>Lowest ratio</i>	0.638
<i>Highest ratio:</i>	1.268
<i>Coefficient of Dispersion</i>	7.84%
<i>Standard Deviation</i>	0.093
<i>Coefficient of Variation</i>	10.01%
<i>Price Related Differential (PRD)</i>	1.011

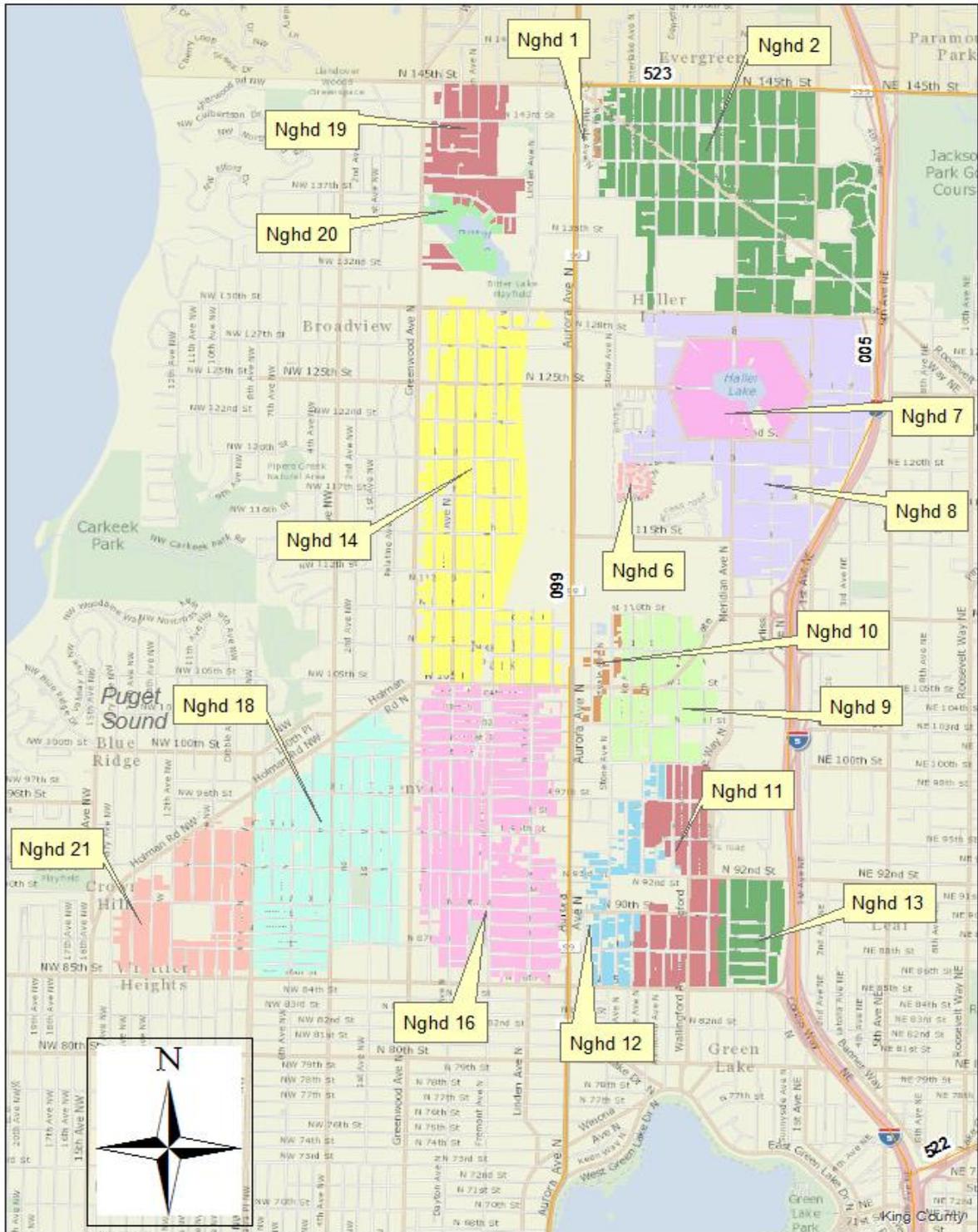


Area 006 Map



All maps in this document are subject to the following disclaimer: 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 representations or warranties, express or implied, as to 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. Scale unknown.

Neighborhood Map



Area Information

Name or Designation

Area 006 - Haller Lake/ North Greenwood/ Crown Hill

Boundaries

This area is generally bounded by North 145th Street on the north, Greenwood Avenue North and Holman Road Northwest on the west, North 85th Street on the south, and Interstate 5 on the eastern border.

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 Description

Area 6 is located in the northwestern part of Seattle. It contains the neighborhoods of Crown Hill, Greenwood, Licton Springs, Haller Lake, and Bitter Lake. The typical single family residence is grade 7 in quality, was built in 1950's, has an average total living area of 1,609 square feet, and has an average lot size of 6,742 square feet. One third of all residences were built in the 1940's and 1950's. There are 1,647 townhome style residences in area 6. A typical townhome is grade 8 in quality, has 1,347 square feet of living area, and has an average lot size of 1,376 square feet. Overall 98.4% of the parcels are improved. Approximately 79% of the parcels are zoned for single family residences and 21% for high density development or commercial uses. There are two small lakes [Haller Lake and Bitter Lake] located in the northern section. These are the only small lakes located in the city of Seattle where one can own lake front property. The area west of Aurora Avenue was last physically inspected for the 2010 assessment year. The area east of Aurora Avenue was last inspected for the 2012 assessment year.

Area 6 is divided into 7 sub areas. Sub areas 2 and 3 are very similar in demographics and are located in the northeastern part of area 6. In sub area 2 the typical house is a grade 7 home, in average condition, built in the 1950's, has 1,510 square feet of living area, and an average lot size of 6,802 square feet. Sub area 3 is nearly identical except the homes have slightly larger living area (average of 1,579 square feet). Ingraham High School is located in sub area 2 and serves as the only public high school in the far north end of Seattle. The prestigious private Lakeside School is located in sub area 3. In sub areas 2 and 3 approximately 93% of the properties are zoned for single family residences. Sub area 4 is located in the northwestern part of area 6. It contains Bitter Lake and part of the Greenwood neighborhood. Sub area 4 contains 1,569 parcels and approximately 12% of the residences are townhome style dwellings. Thomson Middle School is located here near Bitter Lake. Evergreen Washelli Cemetery is located in the eastern portion of sub area 4. Sub area 5 contains the Haller Lake neighborhood. It also contains Haller Lake. This is a high demand small waterfront lake with large lot sizes and forested areas. Northwest Hospital is located in sub area 5. A 67 lot townhome development built in the early 1980's called Stendall Place is adjacent to Northwest Hospital. Sub area 6 is part of the Greenwood neighborhood. It contains the 2nd highest density of townhome style residences in area 6. Approximately 23% of the improvements are townhomes. Sub area 7 is located

Area Information... Continued

in the southeastern part of area 6. The Licton Springs neighborhood is located here. It contains the highest density of townhome style residences. There are 735 townhomes in sub area 7. North Seattle College is located adjacent to I-5 in the eastern part of sub area 7. The Northgate Transit Center is located across I-5 from sub area 7. This is where trains will emerge from a tunnel that originates in downtown Seattle. In the near future people will be able to board a train at Northgate and quickly get to the Roosevelt neighborhood, University of Washington, Capitol Hill, downtown Seattle or SeaTac Airport. The tunnel will run south to downtown Seattle. From downtown to the airport the line is above grade. As of June 2018 the tunnel is operational from downtown Seattle to the University of Washington. Sub area 8 contains the Crown Hill neighborhood. This is primarily a single family residential area. Many of the parcels are level or gently sloped.

The total assessed value of all parcels for the 2017 assessment year was \$4,664,314,800. For the 2018 assessment year the total was \$5,541,866,800. As a result of our physical inspection we added \$106,970,000 in assessed value attributable to new construction to the tax roll. The physical inspection began in 9/2017 and was completed in 6/2018.

Land Valuation

Vacant sales from 1/1/2015 to 12/31/2017 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2018. In addition to the market data approach the allocation technique was also utilized. Vacant land and teardown sales from the neighborhoods of Ballard, Sunset Hill, Broadview, Carkeek Park, southern portion of Greenwood, Phinney Ridge, Green Lake, Maple Leaf, Olympic Hills, Lake City, Pinehurst, and Victory Heights were also analyzed in the valuation of land. All land was valued at its highest and best use as if vacant. A typical lot with 5,000 square feet had a value of \$384,000. A typical townhome style residence parcel had a land value of \$166,000.

From a land valuation perspective Area 6 is a relatively homogeneous area. Approximately 81% is zoned for single family development and 19% zoned for higher density townhome style residences. Most of the topography is level or just slightly sloped. Only a few properties [3%] have a view amenity from the main floor level. Approximately 15% of the parcels are negatively affected by traffic noise. An additional 3% experience noticeable Interstate 5 noise. There are 88 lake front properties in area 6. The demand to acquire land has increased dramatically since our last physical inspection. Development of townhome style residences continues as it does in most areas north of the Ship Canal Bridge. Most of area 6 has excellent bus service to downtown Seattle and to the University of Washington.

Area 6 was divided into 16 neighborhoods. The breakdown of these neighborhoods was utilized as an efficient technique to identify and value pockets within sub areas.

Neighborhood 2 comprises almost all of sub areas 2 and 3. It contains mostly single family residences with a grade of 7 and an average total living area of 1,549 square feet. The eastern border is Interstate 5 and provides access to that major highway in a matter of a few minutes. The average single family residence had a time adjusted sale price of \$603,469. There are 1,405 parcels in **neighborhood 2**.

Neighborhood 1 is small area of 11 parcels located at the far northwestern area of sub area 2. This area's demand is less than **neighborhood 2** due to its proximity to commercial use buildings located on Aurora Avenue North. The area is zoned for townhome style residences.

Neighborhood 8 is part of the Haller Lake neighborhood in sub area 5. It contains mostly single family residences with the exception of the southern end with is zoned for multifamily development. The single family residences in **neighborhood 8** averaged 1,700 square feet of total living area and sold for a time adjusted price of \$656,920. There are 768 parcels in **neighborhood 8**.

Neighborhood 7 is the area immediately surrounding Haller Lake. Most homes are accessed via private easements. Parcels located here enjoy a high degree of privacy. **Neighborhood 7** also consists of 53 waterfront parcels. The typical home is a grade of 8 and has 2,262 square feet of living area. It is exclusively zoned for single family development. The average time adjusted sale price was \$839,407. **Neighborhood 7** contains 209 parcels.

Neighborhood 6 is a townhome development called "Stendall Place". It is adjacent to the Northwest Hospital. This development started as a condominium development in the early 1980's but later changed to legal townhomes. All of the streets have a sidewalk for walking. The average unit has 1,814 square feet of living area and each unit has an easily accessed two car garage. The average time adjusted sale price was \$632,900. There are 67 townhome style residences in **neighborhood 6**.

Land Valuation... Continued

Neighborhood 9 is located in the northern part of sub area 7. Approximately 90% of the area is zoned for single family development. Access to Interstate 5 is readily available via Northgate Way Avenue North which dissects this neighborhood. **Neighborhood 9** contains part of the Northgate neighborhood. The homes here average 1,553 square feet in total living size and are grade 7 in quality. The average time adjusted sale price was \$666,286. There are 383 parcels in **neighborhood 9**.

Neighborhood 10 is located to the west of **neighborhood 9** in sub area 7. It is mostly zoned for high density single family development. It has good Interstate 5 access and contains 87 townhome style residences. Many properties are located adjacent to commercial use buildings or apartments. The average time adjusted sale price was \$517,143. There are 122 parcels in **neighborhood 10**.

Neighborhood 11 contains the Licton Springs neighborhood. North Seattle College is located adjacent to **neighborhood 11**. The southern part is located within walking distance to Green Lake and, therefore, is in high demand. Access to interstate 5 just takes a few minutes. All of the parcel are zoned for single family residences. The typical home has 1,673 square feet of living area and the average time adjusted sale price was \$847,397. There are 440 parcels in **neighborhood 11**.

Neighborhood 12 is part of the Licton Springs area and is located in the southwestern part of sub area 7. This area contains the highest number of townhome style residences [613]. The whole area is zoned for high density development. There is no single family residential zoning in **neighborhood 12**. The western part is adjacent to Aurora Avenue North and many commercial businesses. The average total living area of a residence was 1,430 square feet and had a time adjusted sale price of \$834,222. There are 718 parcels in **neighborhood 12**.

Neighborhood 13 is located in the southeastern part of sub area 7. It is adjacent to Interstate 5 and North Seattle College. It is zoned exclusively for single family residential development. It is located within a short walking distance to Green Lake. The typical home averaged a total living area of 1,712 square feet. The average time adjusted sale price was \$724,481. There are 256 parcels in **neighborhood 13**.

Neighborhood 14 is situated in the southern part of sub area 4. It is part of the Greenwood neighborhood. Approximately 86% of it is zoned for single family residences. Parcels located on Greenwood Avenue North and near Aurora Avenue North are zoned for townhome style homes. **Neighborhood 14** is adjacent to the Evergreen Washelli Cemetery. The average total living area size of homes here are 1,532 square feet and had an average time adjusted sale price of \$686,107. There are 1,209 parcels in **neighborhood 14**.

Neighborhood 20 is comprised of the waterfront parcels on Bitter Lake. The typical home has 2,243 square feet of living area and time adjusted sale price of \$844,000. There are 36 parcels in **neighborhood 20**.

Land Model... Continued

Neighborhood 19 is located in the northern part of sub area 4. Roughly 89% of the area is zoned for single family development. The average total living area of a home was 1,666 square feet and had an average time adjusted sale price of \$652,182. There are 325 parcels in **neighborhood 19**.

Neighborhood 16 is a portion of the Greenwood neighborhood and comprises all of sub area 6. This area contains the 2nd highest concentration of townhome style residences [356] in area 6. The southern part is relatively close to Green Lake. Typical homes average 1,463 square feet of living area. The average time adjusted sale price was \$704,774. There are 1,596 parcels in **neighborhood 16**.

Neighborhood 18 is located in the eastern part of sub area 8. Approximately 90% of this area is zoned for single family residential use. Part of **neighborhood 18** consists of a former peat bog area. The average total living area of a home is 1,516 square feet. The average sale price, adjusted for time, was \$705,303. There are 1,102 parcels in **neighborhood 18**.

Neighborhood 21 is comprised of the Crown Hill neighborhood. It is bordered by major arterials [Northwest 85th Street and Holman Road Northwest] that provide easy access to Interstate 5, Green Lake, and Ballard. Approximately 87% of the parcels are zoned for single family development. The typical home has 1,525 square feet of living area and had an average sale price adjusted for time of \$769,446. There are 580 parcels in **neighborhood 21**.

Land Model

Model Development, Description and Conclusions

Approximately 98% of the parcels have houses on them in area 6. Vacant land sales in area 6 and the surrounding areas were rare due to the low supply of buildable vacant lots. There were only 12 vacant land sales occurring from 1/2015 to 12/2017 in area 6. We also analyzed 75 teardown sales occurring in the same time frame. These sales were analyzed to supplement the vacant lot sales analysis. Almost all of townhome development is started from a house that is torn down. We also analyzed 15 vacant sales and 224 teardown sales in similar neighborhoods that included Ballard, Sunset Hill, Broadview, Carkeek Park, southern portion of Greenwood, Phinney Ridge, Green Lake, Maple Leaf, Olympic Hills, Lake City, Pinehurst, and Victory Heights. We utilized the market data as well as the allocation approach to value in order to determine the land values. The last time the land was inspected and sales analyzed by a field appraiser was in 11/2009 for sub areas 4, 6, and 8. The last the land was analyzed in sub areas 2, 3, 5, and 7 was in 11/2011. Subsequent to these two time periods the land values have been annually adjusted similar to improvement values.

The predominant factors influencing land value in this area were location, lot size, view amenity, waterfront footage, traffic noise, Interstate 5 noise, adjacent to major power lines, and being adjacent to non-residential use property. These characteristics as well as others such as zoning, topography, highest and best use as if vacant determination, shape of parcel, and known easements were checked

Land Model... Continued

for accuracy and considered in the land valuation. Adjustments for traffic noise and views were developed using paired sale analysis and years of appraisal experience.

Land Value Model Calibration

Lot Size Adjustments for Single Site Parcels on SF 5000/SF7200 Zoned Land

Lot Size [Sq. Ft.]	Nghd 1	Nghd 2	Nghd 7	Nghds 8, 13, 14, 21
1,000 - 1,999	\$152,000	\$176,000	\$216,000	\$195,000
2,000 - 2,399	\$162,000	\$188,000	\$230,000	\$208,000
2,400 - 2,999	\$175,000	\$203,000	\$248,000	\$224,000
3,000 - 3,499	\$202,000	\$234,000	\$287,000	\$259,000
3,500 - 3,999	\$222,000	\$258,000	\$315,000	\$284,000
4,000 - 4,499	\$232,000	\$269,000	\$330,000	\$297,000
4,500 - 4,999	\$241,000	\$279,000	\$342,000	\$308,000
5,000 - 5,499	\$250,000	\$290,000	\$355,000	\$320,000
5,500 - 5,999	\$253,000	\$294,000	\$360,000	\$324,000
6,000 - 6,499	\$257,000	\$298,000	\$365,000	\$329,000
6,500 - 6,999	\$261,000	\$303,000	\$370,000	\$334,000
7,000 - 7,499	\$265,000	\$307,000	\$376,000	\$339,000
7,500 - 7,999	\$268,000	\$311,000	\$381,000	\$344,000
8,000 - 8,499	\$272,000	\$316,000	\$386,000	\$348,000
8,500 - 8,999	\$276,000	\$320,000	\$392,000	\$353,000
9,000 - 9,499	\$280,000	\$324,000	\$397,000	\$358,000
9,500 - 9,999	\$283,000	\$329,000	\$402,000	\$363,000
10,000 - 10,999	\$287,000	\$333,000	\$408,000	\$368,000
11,000 - 11,999	\$295,000	\$342,000	\$418,000	\$377,000
12,000 - 14,999	\$302,000	\$350,000	\$429,000	\$387,000
15,000 - 17,999	\$310,000	\$359,000	\$440,000	\$396,000
18,000 - 20,999	\$317,000	\$368,000	\$450,000	\$406,000
21,000 - 24,999	\$325,000	\$377,000	\$461,000	\$416,000
25,000 - 28,999	\$332,000	\$385,000	\$472,000	\$425,000
29,000 - 32,999	\$340,000	\$394,000	\$482,000	\$435,000
33,000 - 36,999	\$347,000	\$403,000	\$493,000	\$444,000

For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

Lot Size Adjustments for Single Site Parcels on SF 5000/SF7200 Zoned Land

Lot Size [Sq. Ft.]	Nghds 9, 12	Nghds 10, 19, 20	Nghd 11	Nghd 16	Nghd 18
1,000 - 1,999	\$183,000	\$170,000	\$219,000	\$201,000	\$189,000
2,000 - 2,399	\$195,000	\$182,000	\$234,000	\$214,000	\$201,000
2,400 - 2,999	\$210,000	\$196,000	\$252,000	\$231,000	\$217,000
3,000 - 3,499	\$243,000	\$226,000	\$291,000	\$267,000	\$251,000
3,500 - 3,999	\$267,000	\$249,000	\$320,000	\$293,000	\$275,000
4,000 - 4,499	\$279,000	\$260,000	\$334,000	\$306,000	\$288,000
4,500 - 4,999	\$289,000	\$270,000	\$347,000	\$318,000	\$299,000
5,000 - 5,499	\$300,000	\$280,000	\$360,000	\$330,000	\$310,000
5,500 - 5,999	\$304,000	\$284,000	\$365,000	\$334,000	\$314,000
6,000 - 6,499	\$309,000	\$288,000	\$370,000	\$339,000	\$319,000
6,500 - 6,999	\$313,000	\$292,000	\$376,000	\$344,000	\$323,000
7,000 - 7,499	\$318,000	\$296,000	\$381,000	\$349,000	\$328,000
7,500 - 7,999	\$322,000	\$301,000	\$387,000	\$354,000	\$333,000
8,000 - 8,499	\$327,000	\$305,000	\$392,000	\$359,000	\$337,000
8,500 - 8,999	\$331,000	\$309,000	\$397,000	\$364,000	\$342,000
9,000 - 9,499	\$336,000	\$313,000	\$403,000	\$369,000	\$347,000
9,500 - 9,999	\$340,000	\$317,000	\$408,000	\$374,000	\$351,000
10,000 - 10,999	\$345,000	\$322,000	\$414,000	\$379,000	\$356,000
11,000 - 11,999	\$354,000	\$330,000	\$424,000	\$389,000	\$365,000
12,000 - 14,999	\$363,000	\$338,000	\$435,000	\$399,000	\$375,000
15,000 - 17,999	\$372,000	\$347,000	\$446,000	\$409,000	\$384,000
18,000 - 20,999	\$381,000	\$355,000	\$457,000	\$419,000	\$393,000
21,000 - 24,999	\$390,000	\$364,000	\$468,000	\$429,000	\$403,000
25,000 - 28,999	\$399,000	\$372,000	\$478,000	\$438,000	\$412,000
29,000 - 32,999	\$408,000	\$380,000	\$489,000	\$448,000	\$421,000
33,000 - 36,999	\$417,000	\$389,000	\$500,000	\$458,000	\$430,000

For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR1 Zoned Land

Lot Size [Sq. Ft.]	Nghd 8	Nghd 12	Nghd 16	Nghd 18
1,000 - 1,999	\$195,000	\$183,000	\$201,000	\$189,000
2,000 - 2,399	\$208,000	\$195,000	\$214,000	\$201,000
2,400 - 2,999	\$224,000	\$210,000	\$231,000	\$217,000
3,000 - 3,199	\$259,000	\$243,000	\$267,000	\$251,000
3,200 - 3,499	\$314,000	\$340,000	\$350,000	\$350,000
3,500 - 3,999	\$319,000	\$345,000	\$355,000	\$355,000
4,000 - 4,499	\$471,000	\$510,000	\$525,000	\$525,000
4,500 - 4,999	\$476,000	\$515,000	\$530,000	\$530,000
5,000 - 5,599	\$481,000	\$520,000	\$535,000	\$535,000
5,600 - 5,999	\$628,000	\$680,000	\$700,000	\$700,000
6,000 - 6,499	\$633,000	\$685,000	\$705,000	\$705,000
6,500 - 7,199	\$638,000	\$690,000	\$710,000	\$710,000
7,200 - 7,499	\$785,000	\$850,000	\$875,000	\$875,000
7,500 - 7,999	\$788,000	\$853,000	\$878,000	\$878,000
8,000 - 8,499	\$792,000	\$857,000	\$882,000	\$882,000
8,500 - 8,799	\$796,000	\$861,000	\$886,000	\$886,000
8,800 - 8,999	\$799,000	\$864,000	\$889,000	\$889,000
9,000 - 9,499	\$803,000	\$868,000	\$893,000	\$893,000
9,500 - 9,999	\$806,000	\$871,000	\$896,000	\$896,000
10,000 - 10,399	\$809,000	\$874,000	\$899,000	\$899,000
10,400 - 10,999	\$942,000	\$1,020,000	\$1,050,000	\$1,050,000
11,000 - 11,999	\$949,000	\$1,027,000	\$1,057,000	\$1,057,000
12,000 - 14,999	\$1,099,000	\$1,190,000	\$1,225,000	\$1,225,000

LR1 generally allows 1 unit per 1,600 s.f. of lot size.

For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR2 Zoned Land

Lot Size [Sq. Ft.]	Nghd 1	Nghd 2	Nghd 8	Nghd 9	Nghd 10
545 - 1,999	\$152,000	\$176,000	\$195,000	\$183,000	\$170,000
2,000 - 2,399	\$162,000	\$188,000	\$208,000	\$195,000	\$182,000
2,400 - 2,999	\$175,000	\$203,000	\$224,000	\$210,000	\$196,000
3,000 - 3,199	\$202,000	\$234,000	\$259,000	\$243,000	\$226,000
3,200 - 3,599	\$270,000	\$310,000	\$314,000	\$260,000	\$320,000
3,600 - 4,499	\$405,000	\$465,000	\$471,000	\$390,000	\$480,000
4,500 - 4,999	\$410,000	\$470,000	\$476,000	\$395,000	\$485,000
5,000 - 5,499	\$540,000	\$620,000	\$628,000	\$520,000	\$640,000
5,500 - 6,099	\$545,000	\$625,000	\$633,000	\$525,000	\$645,000
6,100 - 6,599	\$675,000	\$775,000	\$785,000	\$650,000	\$800,000
6,600 - 7,199	\$680,000	\$780,000	\$790,000	\$655,000	\$805,000
7,200 - 7,999	\$810,000	\$930,000	\$942,000	\$780,000	\$960,000
8,000 - 8,299	\$814,000	\$934,000	\$946,000	\$784,000	\$964,000
8,300 - 8,999	\$945,000	\$1,085,000	\$1,099,000	\$910,000	\$1,120,000
9,000 - 9,399	\$949,000	\$1,089,000	\$1,103,000	\$914,000	\$1,124,000
9,400 - 9,999	\$1,080,000	\$1,240,000	\$1,256,000	\$1,040,000	\$1,280,000
10,000 - 10,499	\$1,084,000	\$1,244,000	\$1,260,000	\$1,044,000	\$1,284,000
10,500 - 10,999	\$1,215,000	\$1,395,000	\$1,413,000	\$1,170,000	\$1,440,000
11,000 - 11,599	\$1,219,000	\$1,399,000	\$1,417,000	\$1,174,000	\$1,444,000
11,600 - 11,999	\$1,350,000	\$1,550,000	\$1,570,000	\$1,300,000	\$1,600,000
12,000 - 12,699	\$1,354,000	\$1,554,000	\$1,574,000	\$1,304,000	\$1,604,000
12,700 - 13,799	\$1,485,000	\$1,705,000	\$1,727,000	\$1,430,000	\$1,760,000
13,800 - 14,899	\$1,620,000	\$1,860,000	\$1,884,000	\$1,560,000	\$1,920,000
14,900 - 14,999	\$1,755,000	\$2,015,000	\$2,041,000	\$1,690,000	\$2,080,000
15,000 - 15,999	\$1,759,000	\$2,019,000	\$2,045,000	\$1,694,000	\$2,084,000
16,000 - 17,099	\$1,890,000	\$2,170,000	\$2,198,000	\$1,820,000	\$2,240,000
17,100 - 17,999	\$2,025,000	\$2,325,000	\$2,355,000	\$1,950,000	\$2,400,000
18,000 - 18,199	\$2,029,000	\$2,329,000	\$2,359,000	\$1,954,000	\$2,404,000
18,200 - 19,299	\$2,160,000	\$2,480,000	\$2,512,000	\$2,080,000	\$2,560,000
19,300 - 20,399	\$2,295,000	\$2,635,000	\$2,669,000	\$2,210,000	\$2,720,000
20,400 - 21,499	\$2,430,000	\$2,790,000	\$2,826,000	\$2,340,000	\$2,880,000
21,500 - 24,999	\$2,565,000	\$2,945,000	\$2,983,000	\$2,470,000	\$3,040,000

LR2 generally allows 1 unit per 1,400 s.f. of lot size.
 For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR2 Zoned Land (Cont.)

Lot Size [Sq. Ft.]	Nghd 12	Nghd 14	Nghds 19, 20	Nghd 21
545 - 1,999	\$183,000	\$195,000	\$170,000	\$195,000
2,000 - 2,399	\$195,000	\$208,000	\$182,000	\$208,000
2,400 - 2,999	\$210,000	\$224,000	\$196,000	\$224,000
3,000 - 3,199	\$243,000	\$259,000	\$226,000	\$259,000
3,200 - 3,599	\$340,000	\$340,000	\$340,000	\$340,000
3,600 - 4,499	\$510,000	\$510,000	\$510,000	\$510,000
4,500 - 4,999	\$515,000	\$515,000	\$515,000	\$515,000
5,000 - 5,499	\$680,000	\$680,000	\$680,000	\$680,000
5,500 - 6,099	\$685,000	\$685,000	\$685,000	\$685,000
6,100 - 6,599	\$850,000	\$850,000	\$850,000	\$850,000
6,600 - 7,199	\$855,000	\$855,000	\$855,000	\$855,000
7,200 - 7,999	\$1,020,000	\$1,020,000	\$1,020,000	\$1,020,000
8,000 - 8,299	\$1,024,000	\$1,024,000	\$1,024,000	\$1,024,000
8,300 - 8,999	\$1,190,000	\$1,190,000	\$1,190,000	\$1,190,000
9,000 - 9,399	\$1,194,000	\$1,194,000	\$1,194,000	\$1,194,000
9,400 - 9,999	\$1,360,000	\$1,360,000	\$1,360,000	\$1,360,000
10,000 - 10,499	\$1,364,000	\$1,364,000	\$1,364,000	\$1,364,000
10,500 - 10,999	\$1,530,000	\$1,530,000	\$1,530,000	\$1,530,000
11,000 - 11,599	\$1,534,000	\$1,534,000	\$1,534,000	\$1,534,000
11,600 - 11,999	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
12,000 - 12,699	\$1,704,000	\$1,704,000	\$1,704,000	\$1,704,000
12,700 - 13,799	\$1,870,000	\$1,870,000	\$1,870,000	\$1,870,000
13,800 - 14,899	\$2,040,000	\$2,040,000	\$2,040,000	\$2,040,000
14,900 - 14,999	\$2,210,000	\$2,210,000	\$2,210,000	\$2,210,000
15,000 - 15,999	\$2,214,000	\$2,214,000	\$2,214,000	\$2,214,000
16,000 - 17,099	\$2,380,000	\$2,380,000	\$2,380,000	\$2,380,000
17,100 - 17,999	\$2,550,000	\$2,550,000	\$2,550,000	\$2,550,000
18,000 - 18,199	\$2,554,000	\$2,554,000	\$2,554,000	\$2,554,000
18,200 - 19,299	\$2,720,000	\$2,720,000	\$2,720,000	\$2,720,000
19,300 - 20,399	\$2,890,000	\$2,890,000	\$2,890,000	\$2,890,000
20,400 - 21,499	\$3,060,000	\$3,060,000	\$3,060,000	\$3,060,000
21,500 - 24,999	\$3,230,000	\$3,230,000	\$3,230,000	\$3,230,000

LR2 generally allows 1 unit per 1,400 s.f. of lot size.
 For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR3/LR3 PUD/LR3 RC Zoned Land

Lot Size [Sq. Ft.]	Nghd 1	Nghd 2	Nghd 8	Nghd 9	Nghd 10
611 - 1,999	\$152,000	\$176,000	\$195,000	\$183,000	\$170,000
2,000 - 2,399	\$162,000	\$188,000	\$208,000	\$195,000	\$182,000
2,400 - 2,699	\$175,000	\$203,000	\$224,000	\$210,000	\$196,000
2,700 - 2,999	\$202,000	\$234,000	\$259,000	\$243,000	\$226,000
3,000 - 3,499	\$270,000	\$310,000	\$314,000	\$260,000	\$320,000
3,500 - 3,599	\$405,000	\$465,000	\$471,000	\$390,000	\$480,000
3,600 - 3,999	\$410,000	\$470,000	\$476,000	\$395,000	\$485,000
4,000 - 4,599	\$415,000	\$475,000	\$481,000	\$400,000	\$490,000
4,600 - 4,999	\$540,000	\$620,000	\$628,000	\$520,000	\$640,000
5,000 - 5,399	\$545,000	\$625,000	\$633,000	\$525,000	\$645,000
5,400 - 5,699	\$550,000	\$630,000	\$638,000	\$530,000	\$650,000
5,700 - 5,999	\$675,000	\$775,000	\$785,000	\$650,000	\$800,000
6,000 - 6,499	\$680,000	\$780,000	\$790,000	\$655,000	\$805,000
6,500 - 6,799	\$685,000	\$785,000	\$795,000	\$660,000	\$810,000
6,800 - 6,999	\$810,000	\$930,000	\$942,000	\$780,000	\$960,000
7,000 - 7,899	\$814,000	\$934,000	\$946,000	\$784,000	\$964,000
7,900 - 7,999	\$945,000	\$1,085,000	\$1,099,000	\$910,000	\$1,120,000
8,000 - 8,499	\$949,000	\$1,089,000	\$1,103,000	\$914,000	\$1,124,000
8,500 - 8,999	\$953,000	\$1,093,000	\$1,107,000	\$918,000	\$1,128,000
9,000 - 9,499	\$1,080,000	\$1,240,000	\$1,256,000	\$1,040,000	\$1,280,000
9,500 - 9,999	\$1,084,000	\$1,244,000	\$1,260,000	\$1,044,000	\$1,284,000
10,000 - 10,099	\$1,085,000	\$1,245,000	\$1,261,000	\$1,045,000	\$1,285,000
10,100 - 10,999	\$1,215,000	\$1,395,000	\$1,413,000	\$1,170,000	\$1,440,000
11,000 - 11,199	\$1,219,000	\$1,399,000	\$1,417,000	\$1,174,000	\$1,444,000
11,200 - 11,999	\$1,350,000	\$1,550,000	\$1,570,000	\$1,300,000	\$1,600,000
12,000 - 12,299	\$1,354,000	\$1,554,000	\$1,574,000	\$1,304,000	\$1,604,000
12,300 - 14,999	\$1,485,000	\$1,705,000	\$1,727,000	\$1,430,000	\$1,760,000

LR3 generally allows 1 unit per 1,400 s.f. of lot size.

For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR3/LR3 PUD/LR3 RC Zoned Land (Cont.)

Lot Size [sq. Ft.]	Nghd 12	Nghd 14	Nghd 16	Nghd 18	Nghd 19
611 - 1,999	\$183,000	\$195,000	\$201,000	\$189,000	\$170,000
2,000 - 2,399	\$195,000	\$208,000	\$214,000	\$201,000	\$182,000
2,400 - 2,699	\$210,000	\$224,000	\$231,000	\$217,000	\$196,000
2,700 - 2,999	\$243,000	\$259,000	\$267,000	\$251,000	\$226,000
3,000 - 3,499	\$340,000	\$340,000	\$350,000	\$350,000	\$340,000
3,500 - 3,599	\$510,000	\$510,000	\$525,000	\$525,000	\$510,000
3,600 - 3,999	\$515,000	\$515,000	\$530,000	\$530,000	\$515,000
4,000 - 4,599	\$520,000	\$520,000	\$535,000	\$535,000	\$520,000
4,600 - 4,999	\$680,000	\$680,000	\$700,000	\$700,000	\$680,000
5,000 - 5,399	\$685,000	\$685,000	\$705,000	\$705,000	\$685,000
5,400 - 5,699	\$690,000	\$690,000	\$710,000	\$710,000	\$690,000
5,700 - 5,999	\$850,000	\$850,000	\$875,000	\$875,000	\$850,000
6,000 - 6,499	\$855,000	\$855,000	\$880,000	\$880,000	\$855,000
6,500 - 6,799	\$860,000	\$860,000	\$885,000	\$885,000	\$860,000
6,800 - 6,999	\$1,020,000	\$1,020,000	\$1,050,000	\$1,050,000	\$1,020,000
7,000 - 7,899	\$1,024,000	\$1,024,000	\$1,054,000	\$1,054,000	\$1,024,000
7,900 - 7,999	\$1,190,000	\$1,190,000	\$1,225,000	\$1,225,000	\$1,190,000
8,000 - 8,499	\$1,194,000	\$1,194,000	\$1,229,000	\$1,229,000	\$1,194,000
8,500 - 8,999	\$1,198,000	\$1,198,000	\$1,233,000	\$1,233,000	\$1,198,000
9,000 - 9,499	\$1,360,000	\$1,360,000	\$1,400,000	\$1,400,000	\$1,360,000
9,500 - 9,999	\$1,364,000	\$1,364,000	\$1,404,000	\$1,404,000	\$1,364,000
10,000 - 10,099	\$1,365,000	\$1,365,000	\$1,405,000	\$1,405,000	\$1,365,000
10,100 - 10,999	\$1,530,000	\$1,530,000	\$1,575,000	\$1,575,000	\$1,530,000
11,000 - 11,199	\$1,534,000	\$1,534,000	\$1,579,000	\$1,579,000	\$1,534,000
11,200 - 11,999	\$1,700,000	\$1,700,000	\$1,750,000	\$1,750,000	\$1,700,000
12,000 - 12,299	\$1,704,000	\$1,704,000	\$1,754,000	\$1,754,000	\$1,704,000
12,300 - 14,999	\$1,870,000	\$1,870,000	\$1,925,000	\$1,925,000	\$1,870,000

LR3 generally allows 1 unit per 1,400 s.f. of lot size.

For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

Lot Size Adjustments for LR3/LR3 PUD/LR3 RC Zoned Land (Cont.)

Lot Size [Sq. Ft.]	Nghd 21
611 - 1,999	\$195,000
2,000 - 2,399	\$208,000
2,400 - 2,699	\$224,000
2,700 - 2,999	\$259,000
3,000 - 3,499	\$340,000
3,500 - 3,599	\$510,000
3,600 - 3,999	\$515,000
4,000 - 4,599	\$520,000
4,600 - 4,999	\$680,000
5,000 - 5,399	\$685,000
5,400 - 5,699	\$690,000
5,700 - 5,999	\$850,000
6,000 - 6,499	\$855,000
6,500 - 6,799	\$860,000
6,800 - 6,999	\$1,020,000
7,000 - 7,899	\$1,024,000
7,900 - 7,999	\$1,190,000
8,000 - 8,499	\$1,194,000
8,500 - 8,999	\$1,198,000
9,000 - 9,499	\$1,360,000
9,500 - 9,999	\$1,364,000
10,000 - 10,099	\$1,365,000
10,100 - 10,999	\$1,530,000
11,000 - 11,199	\$1,534,000
11,200 - 11,999	\$1,700,000
12,000 - 12,299	\$1,704,000
12,300 - 14,999	\$1,870,000

LR3 generally allows 1 unit per 1,400 s.f. of lot size.
 For view, traffic noise, and other adjustments see page 25.

Land Value Model Calibration... Continued

For the following zoning designations we applied the commercial land model unless it was known townhome development was going to occur:

Zoning	AV per Sq. Ft.
C1-40	\$60 - \$125
C1-65	\$60 - \$85
C2-65	\$80
NC1-30	\$90 - \$110
NC1-40	\$140
NC2-40	\$150
NC2-65	\$150
NC3-40	\$60 - \$79

Land Value Model Calibration ... Continued

Land valuation adjustments after lot size calculation:

View Amenity (Cumulative)

	Average	Good	Excellent
Small Lake	+4%	+9%	+13%
Seattle Skyline	+5%	NA	NA
Olympics	+5%	+10%	NA
Cascades	+5%	+10%	NA
Territorial	+3%	+7%	+10%

Traffic Noise

- 10% for moderate traffic noise
- 20% for high traffic noise
- 30% for extreme traffic noise

Other Adjustments

- 5% if adjacent to commercial property
- 5% if adjacent to major power lines/substation
- 10% for flag shaped parcels
- 10% for high Interstate 5 noise
- 15% for extreme Interstate 5 noise
- 5% for poor access due to major arterial and heavy traffic

Order of adjustments: lot size adjustment x [1+(traffic noise+adjacent to cml property+flag lot shape+I-5 noise+poor access due to major arterial+adjacent to power lines+views)]. Final value was truncated down to the nearest thousand.

Waterfront land valuation

The lot size adjustment was applied using the dry lot size for each parcel. Then apply the applicable adjustments for views, adjacent to commercial property, and traffic noise. Finally add \$3,500 per waterfront feet if located on Haller Lake or \$3,000 per waterfront foot if located on Bitter Lake. The final value was truncated down to the nearest thousand.

Townhome Land Valuation

Lot Size [Sq. Ft.]	Nghd 1	Nghd 2	Nghd 6	Nghd 8	Nghd 9
545 - 4,677	\$135,000	\$155,000	\$260,000	\$157,000	\$130,000

Lot Size [Sq. Ft.]	Nghd 10	Nghds 12, 14, 19, 20, 21	Nghds 16, 18
545 - 4,677	\$160,000	\$170,000	\$175,000

Land Value Model Calibration... Continued

Land valuation adjustments after lot size calculation:

Traffic Noise

- 5% for moderate traffic noise
- 10% for high traffic noise
- 15% for extreme traffic noise

Other Adjustments

- 10% for high Interstate 5 noise
- 15% for extreme Interstate 5 noise
- 5% for poor access due to major arterial and heavy traffic

Order of adjustments: lot size adjustment x [1 + (traffic noise+Interstate 5 noise + poor access due to major arterial)]. Final value was truncated down to the nearest thousand.

Land Valuation Example of a Non Waterfront Parcel: 5,000 square foot parcel, located in neighborhood 14, traffic noise is moderate

Lot size adjustment:	320,000
Traffic noise adjustment:	<u>-32,000</u>
Net Baseland Value:	288,000
Final Baseland Value:	288,000 (Truncated)

Land Valuation Example of a Waterfront Parcel: 14,000 dry square foot parcel, located in neighborhood 7, 50 waterfront feet, excellent small lake view

Lot size adjustment:	429,000
Waterfront adjustment[50 x \$3,500/WFF]:	175,000
Excellent small lake view adjustment	<u>+55,770</u>
Net Baseland Value:	659,770
Final Baseland Value:	659,000 (Truncated)

Improved Parcel Valuation

Improved Parcel 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 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. Due to time constraints, interior inspections were limited. Available sales and additional Area information can be viewed on the Assessor's website with [sales lists](#), [eSales](#) and [Localscape](#). Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

The Assessor maintains a cost model, which is specified by the physical characteristics of the improvement, such as first floor area, second floor area, total basement area, and number of bathrooms. The cost for each component is further calibrated to the 13 grades to account for quality of construction. Reconstruction Cost New (RCN) is calculated from adding up the cost of each component. Depreciation is then applied by means of a percent good table which is based on year built, grade, and condition, resulting in Reconstruction Cost New less Depreciation (RCNLD). The appraiser can make further adjustments for obsolescence (poor floor plan, design deficiencies, external nuisances etc.) if needed. The Assessor's cost model generates RCN and RCNLD for principal improvements and accessories such as detached garages and pools.

The Assessor's cost model was developed by the King County Department of Assessments in the early 1970's. It was recalibrated in 1990 to roughly approximate Marshall & Swift's square foot cost tables, and is indexed annually to keep up with current costs.

Model Development, Description and Conclusions:

All sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2018. There were 1,989 sales from 1/1/2015 to 12/31/2017. Appraisers determined 1,789 of these sales reflected fair market value and could be considered for land or total valuation purposes.

A characteristic based multiplicative regression model was developed for valuing the majority of parcels in area 6. The model was applied to detached single family residences as well as townhome style improvements. Our team extensively verified every sale and confirmed the characteristic data at the time of sale. We field inspected the sales talking to as many buyers as possible and taking new exterior pictures. In addition we extensively looked at characteristic data and pictures on various web sites in order to have the most accurate data as possible. The model was tested for accuracy on all possible types of property in the population. Supplemental models were developed and applied to properties where the regression model was not deemed accurate. The valuation models were applied to the population after each parcel had been inspected in the field. Based on the sales an overall assessment level of 92.4% was achieved. The uniformity of assessment improved as the COD was reduced from 10.45% to 7.84%.

The regression model included the following variables that affected the valuation of detached single family residences: sale date, land value, grade, condition, year built or year renovation, first floor area, upper floor area, total basement area, finished basement area, covered parking area, number of bathrooms, sub area 2, sub area 3, sub area 4, sub area 5 less neighborhood 6, sub area 8, neighborhoods 9 or 10, neighborhoods 11 or 13, located in Goodhue Plat [Major number 283800], high or extreme Interstate 5 noise, and 1 and one half story homes. It was applicable to detached

Improved Parcel Valuation... Continued

single family homes with grades 5-10, all ages, and all conditions with the exception of “poor”. It was not applicable to homes with grades less than 5 or greater than 10, multiple buildable sites, parcels with more than one house, homes with unfinished area, homes less than 100% complete, either miscellaneous or additional costs greater than 9,999, parcels coded interim use, or waterfront parcels.

For townhome style residences the following variables were in the multiple regression model: sale date, land value, , grade, year built or year renovation, condition, total living area, number of bathrooms, covered parking area, units with roof top decks, units with no common walls, units with two common walls, units with good garage access, sub area 2, sub area 3, sub area 5, sub area 5 less neighborhood 6, neighborhood 6, neighborhoods 9 or 10, and neighborhoods 11 or 13. It was not applicable for townhouse style homes with grades less than 6 or greater than 9, condition less than or greater than average, parcels with more than one townhome, units that are less than 100% complete, and one story units in neighborhood 6.

Improved Parcel Total Value Model Calibration

Variable	Definition
Sale DaySFR	Time adjustment for non townhomes
Sale DayThome	Time adjustment for townhomes
BaseLandC	2018 base land value
Grade5YN	House grade is 5
Grade6YN	House grade is 6
Grade8YN	House grade is 8
Grade9YN	House grade is 9
Grade10YN	House grade 10
FairYN	Condition is fair
GoodYN	Condition is good
VGoodYN	Condition is very good
AgeC	Age of improvement
OldAgeYN	Homes built or renovated before 1936
YrRenYN	Renovated Non Townhome with a grade less than 9 and condition is less than good
FstFlrC	Non Townhome and square footage of 1 st Flr
FlrAboveFstC	Non townhome and square footage above 1 st Floor
UnfBPlusFinBByGrC	Non Townhome and square footage of basement area plus finished basement area if the grade is >4 less basement garage area
SfrBathsC	Number of bathrooms in Non Townhome
SfrTotCvdPkgC	Total covered parking area in Non Townhome
Sub2YN	Located in sub area 2
Sub3YN	Located in sub area 3
Sub4YN	Located in sub area 4
Sub5LessNbd6YN	Located in sub area 5 but not in neighborhood 6
Sub8YN	Located in sub area 8
Nghd6YN	Located in neighborhood 6
Nghd9or10YN	Located in neighborhoods 9 or 10
Nghd11or13YN	Located in neighborhoods 11 or 13
GoodhuePlatYN	Located in Major #283800
I5NoiseYN	Non Townhome with high or extreme Interstate-5 noise
OneAndHalfStryYN	Number of stories equal 1.50
TotLivC	Total living area of Townhome
ThomeBathsC	Number of bathrooms in Townhome
ThomeTotCvdPkgC	Total covered parking area in Townhome
DetThomeYN	Townhome with no common walls
TH2CommwallYN	Townhome with two common walls
RoofDkYN	Townhome with a roof top deck
THGdGarAccYN	Townhome with good garage access

Improved Parcel Total Value Model Calibration...

Continued

Multiplicative Model

$(1-0.075) * 4.23641326565619 + 0.300862736847322 * AdjLandValC - 0.0835147843035214 * AgeC + 0.037843417328428 * DetThomeYN - 0.0529381521747709 * FairYN + 0.0741021044580307 * FlrAboveFstC + 0.253637779391501 * FstFlrC + 0.100947792460554 * GoodhuePlatYN + 0.028277581588996 * GoodYN + 0.0739854121136837 * Grade10YN - 0.02415701111437 * Grade5YN - 0.0139828653394374 * Grade6YN + 0.0290045673234314 * Grade8YN + 0.0627407113282849 * Grade9YN - 0.0240713281174854 * I5NoiseYN + 0.0259740841206305 * Nghd11or13YN - 0.0730763331800847 * Nghd6YN - 0.0346199329250256 * Nghd9or10YN + 0.0159886397827459 * OldAgeYN - 0.0243825906079522 * OneAndHalfStryYN + 0.0227573741877943 * RoofDkYN + 0.000351200901464286 * SaleDaySFR + 0.000488510725952126 * SaleDayThome + 0.116791341366882 * SfrBathsC + 0.00756886838727632 * SfrTotCvdPkgC - 0.0546558989341571 * Sub2YN - 0.0591135666752334 * Sub3YN - 0.0380306838093728 * Sub4YN - 0.0432405267729687 * Sub5LessNbd6YN + 0.00963621807039338 * Sub8YN - 0.0177772191244533 * TH2CommwallYN + 0.0229612527533315 * THGdGarAccYN + 0.119974973063905 * ThomeBathsC + 0.0124919568696552 * ThomeTotCvdPkgC + 0.246832373114579 * TotLivC + 0.0446636136506397 * UnfBPlusFinBByGrC + 0.0657433660626078 * VGoodYN - 0.0153967087371639 * YrRenYN$

EMV values were not generated for:

- Buildings with grade less than 5 or greater than 10
- Building two or greater. (EMV is generated for building one only.)
- If total EMV is less than base land value
- Lot size less than 100 square feet
- Condition is poor
- Percent complete < 100
- Unfinished area > 0
- Highest and Best Use if Improved is Interim Use
- Obsolescence > 0
- Net Condition > 0

Of the improved parcels in the population, 8,129 parcels increased in value. They were comprised of 1,865 single family residences on commercially zoned land and 6,264 single family residences or other parcels.

Of the vacant land parcels greater than \$1,000, 80 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

For Single Family Residences

Waterfront homes located on Haller Lake [sub area 5]: If the grade >6 then value is total EMV x 1.13. If the grade <7 then value is Land + RCNLD [replacement cost new less depreciation].

Waterfront homes located on Bitter Lake [neighborhood 20]: If the grade >6 then value is total EMV x 1.03. If the grade <7 then value is Land + RCNLD [replacement cost new less depreciation].

If Interstate 5 noise was high or extreme then value is total EMV x 0.9461

Unfinished Areas: Use the RCN [replacement cost new] difference between the area being finished and unfinished in order to get a downward adjustment from EMV.

Additional cost or Miscellaneous accessory costs $\geq 10,000$: Value imp per EMV or appropriate supplemental model then add the cost of the flat valued item.

2imps on single family zoned land and not subdividable: For Legal Detached Accessory Dwelling Units built after 1984 and in avg condition then the added value of imp # 2 is RCNLD x 1.33. Add this to the EMV or appropriate supplemental model of imp # 1. If the 2nd imp has a year built or renovation <1984 and the condition is average then add RCN x 1.0 + the EMV or appropriate supplemental model of imp #1. If the 2nd imp has a year built or renovation <1984 and the condition is good then add RCN x 1.15 + EMV or appropriate supplemental model of imp #1. If the 2nd imp has YrBltRen <1984 and the condition is very good then add RCN x 1.25 + EMV or appropriate supplemental model of imp #1.

Homes with 1.50 stories and with $\frac{1}{2}$ fl areas of 120 square feet or less: Value at EMV or the appropriate supplemental model using $\frac{1}{2}$ floor area of 130 square feet.

If the detached garage or carport is in poor condition then value at EMV or the appropriated supplemental model without consideration of the covered parking area.

For Townhome Style Residences

If the unit is detached then value at Total EMV in Real Property x 1.091.

If the unit has 2 common walls then value at Total EMV in Real Property x 0.9599.

If the unit has a roof top deck then value at Total EMV in Real Property x 1.0538.

If the unit has good garage access then value at Total EMV in Real Property x 1.0543.

If located in neighborhood 6 and is one story then value at Total EMV in Real Property x 1.0543 for good garage access x 0.90.

If the unit is in good condition and not in neighborhood 6 then value at Total EMV in Real Property x 0.96.

Physical Inspection Process

Effective Date of Appraisal: January 1, 2018

Date of Appraisal Report: June 12, 2018

Appraisal Team Members and Participation

The valuation for this area was done by the following Appraisal Team. The degree of participation varied according to individual skill in relevant areas and depending on the time they joined the team.

- Steve Elliott – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Leslie Clay – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Peter Hsu – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Anne Main – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Naomi Yother – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.

Sales Screening for Improved Parcel Analysis

In order to ensure that the Assessor's analysis of sales of improved properties best reflects the market value of the majority of the properties within an area, non-typical properties must be removed so a representative sales sample can be analyzed to determine the new valuation level. The following list illustrates examples of non-typical properties which are removed prior to the beginning of the analysis.

1. Vacant parcels
2. Mobile Home parcels
3. Multi-Parcel or Multi Building parcels
4. New construction where less than a 100% complete house was assessed for 2017
5. Existing residences where the data for 2017 is significantly different than the data for 2018 due to remodeling
6. Parcels with improvement values, but no characteristics
7. Short sales, financial institution re-sales and foreclosure sales verified or appearing to be not at market

(Available sales and additional Area information can be viewed from [sales lists](#), [eSales](#) and [Localscape](#))

Highest and Best Use Analysis

As If Vacant: Market analysis of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the overwhelming majority of the appraised parcels is single family residential. Any other opinion of highest and best use is specifically noted in our records, and would form the basis for the valuation of that specific parcel.

As If Improved: Where any value for improvements is part of the total valuation, we are of the opinion that the present improvements produce a higher value for the property than if the site was vacant. In appraisal theory, the present use is therefore the highest and best (as improved) of the subject property, though it could be an interim use.

Standards and Measurement of Data Accuracy

Sales were verified with the purchaser, seller or real estate agent where possible. Current data was verified via field inspection and corrected. Data was collected and coded per the assessor's residential procedures manual.

We maintain uniformity with respect to building characteristics such as year-built, quality, condition, living area, stories, and land characteristics such as location (sub-area and plat), lot size, views, and waterfront. Other variables that are

Physical Inspection Process... Continued

unique to the specific areas are also investigated. This approach ensures that values are equitable for all properties with respect to all measurable characteristics, whether the houses are larger or smaller, higher or lower quality, remodeled or not, with or without views or waterfront, etc.

Special Assumptions and Limiting Conditions

The sales comparison and cost approaches to value were considered for this mass appraisal valuation. After the sales verification process, the appraiser concluded that the market participants typically do not consider an income approach to value. Therefore the income approach is not applicable in this appraisal as these properties are not typically leased, but rather owner occupied. The income approach to value was not considered in the valuation of this area.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/1/2015 to 12/31/2017 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2018.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standard 6.

Area 006 Market Value Changes Over Time (Non-Townhouse)

In a changing market, recognition of a sales trend to adjust a population of sold properties to a common date is required to allow for value differences over time between a range of sales dates and the assessment date. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, **January 1, 2018**.

For example, a sale of \$475,000 which occurred on October 1, 2016 would be adjusted by the time trend factor of 1.174, resulting in an adjusted value of \$557,000 ($\$475,000 * 1.174 = \$557,650$) – truncated to the nearest \$1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2015	1.469	46.9%
2/1/2015	1.454	45.4%
3/1/2015	1.439	43.9%
4/1/2015	1.424	42.4%
5/1/2015	1.409	40.9%
6/1/2015	1.394	39.4%
7/1/2015	1.379	37.9%
8/1/2015	1.364	36.4%
9/1/2015	1.349	34.9%
10/1/2015	1.335	33.5%
11/1/2015	1.321	32.1%
12/1/2015	1.307	30.7%
1/1/2016	1.293	29.3%
2/1/2016	1.279	27.9%
3/1/2016	1.266	26.6%
4/1/2016	1.252	25.2%
5/1/2016	1.239	23.9%
6/1/2016	1.225	22.5%
7/1/2016	1.213	21.3%
8/1/2016	1.200	20.0%
9/1/2016	1.187	18.7%
10/1/2016	1.174	17.4%
11/1/2016	1.161	16.1%
12/1/2016	1.149	14.9%
1/1/2017	1.137	13.7%
2/1/2017	1.124	12.4%
3/1/2017	1.113	11.3%
4/1/2017	1.101	10.1%
5/1/2017	1.090	9.0%
6/1/2017	1.078	7.8%
7/1/2017	1.067	6.7%
8/1/2017	1.055	5.5%
9/1/2017	1.044	4.4%
10/1/2017	1.033	3.3%
11/1/2017	1.022	2.2%
12/1/2017	1.011	1.1%
1/1/2018	1.000	0.0%

Area 006 Market Value Changes Over Time (Non-Townhouse)

The time adjustment formula for Area 006 is: $1/EXP(\text{SaleDay} * 0.000351200901464286)$
 $\text{SaleDay} = \text{SaleDate} - 43,101$

Area 006 Market Value Changes Over Time (Townhouse)

In a changing market, recognition of a sales trend to adjust a population of sold properties to a common date is required to allow for value differences over time between a range of sales dates and the assessment date. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, **January 1, 2018**.

For example, a sale of \$475,000 which occurred on October 1, 2016 would be adjusted by the time trend factor of 1.250, resulting in an adjusted value of \$593,000 ($\$475,000 * 1.250 = \$593,750$) – truncated to the nearest \$1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2015	1.708	70.8%
2/1/2015	1.682	68.2%
3/1/2015	1.660	66.0%
4/1/2015	1.635	63.5%
5/1/2015	1.611	61.1%
6/1/2015	1.587	58.7%
7/1/2015	1.564	56.4%
8/1/2015	1.540	54.0%
9/1/2015	1.517	51.7%
10/1/2015	1.495	49.5%
11/1/2015	1.472	47.2%
12/1/2015	1.451	45.1%
1/1/2016	1.429	42.9%
2/1/2016	1.408	40.8%
3/1/2016	1.388	38.8%
4/1/2016	1.367	36.7%
5/1/2016	1.347	34.7%
6/1/2016	1.327	32.7%
7/1/2016	1.308	30.8%
8/1/2016	1.288	28.8%
9/1/2016	1.269	26.9%
10/1/2016	1.250	25.0%
11/1/2016	1.231	23.1%
12/1/2016	1.213	21.3%
1/1/2017	1.195	19.5%
2/1/2017	1.177	17.7%
3/1/2017	1.161	16.1%
4/1/2017	1.144	14.4%
5/1/2017	1.127	12.7%
6/1/2017	1.110	11.0%
7/1/2017	1.094	9.4%
8/1/2017	1.078	7.8%
9/1/2017	1.061	6.1%
10/1/2017	1.046	4.6%
11/1/2017	1.030	3.0%
12/1/2017	1.015	1.5%
1/1/2018	1.000	0.0%

The time adjustment formula for Area 006 is: $1/EXP (SaleDay * 0.000488510725952126)$
 $SaleDay = SaleDate - 43,101$

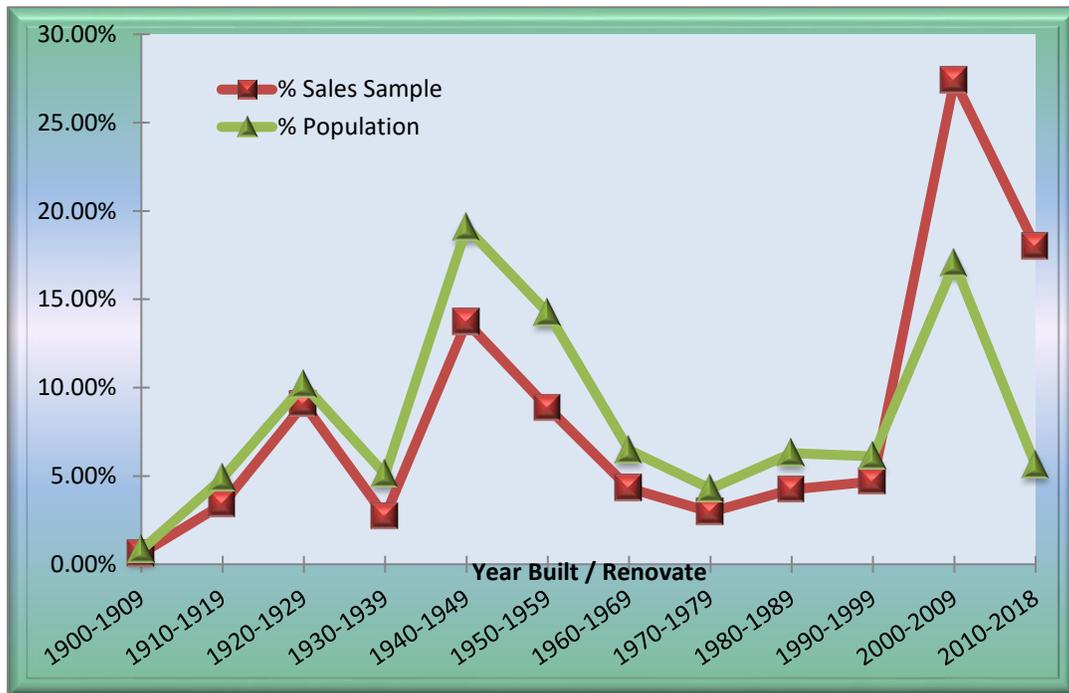
Sales Sample Representation of Population Year Built or Renovated

Sales

Year Built/Ren	Frequenc y	% Sales Sample
1900-1909	8	0.61%
1910-1919	45	3.41%
1920-1929	120	9.08%
1930-1939	36	2.73%
1940-1949	181	13.70%
1950-1959	117	8.86%
1960-1969	57	4.31%
1970-1979	39	2.95%
1980-1989	56	4.24%
1990-1999	62	4.69%
2000-2009	362	27.40%
2010-2018	238	18.02%
1,321		

Population

Year Built/Ren	Frequenc y	% Population
1900-1909	68	0.80%
1910-1919	412	4.88%
1920-1929	859	10.17%
1930-1939	431	5.10%
1940-1949	1,609	19.05%
1950-1959	1,202	14.23%
1960-1969	547	6.47%
1970-1979	361	4.27%
1980-1989	532	6.30%
1990-1999	516	6.11%
2000-2009	1,438	17.02%
2010-2018	473	5.60%
8,448		



Sales of new homes built over the last few years are over represented in this sample.

This is a common occurrence due to the fact that most new homes will sell shortly after completion. This over representation was found to lack statistical significance during the modeling process.

Sales Sample Representation of Population

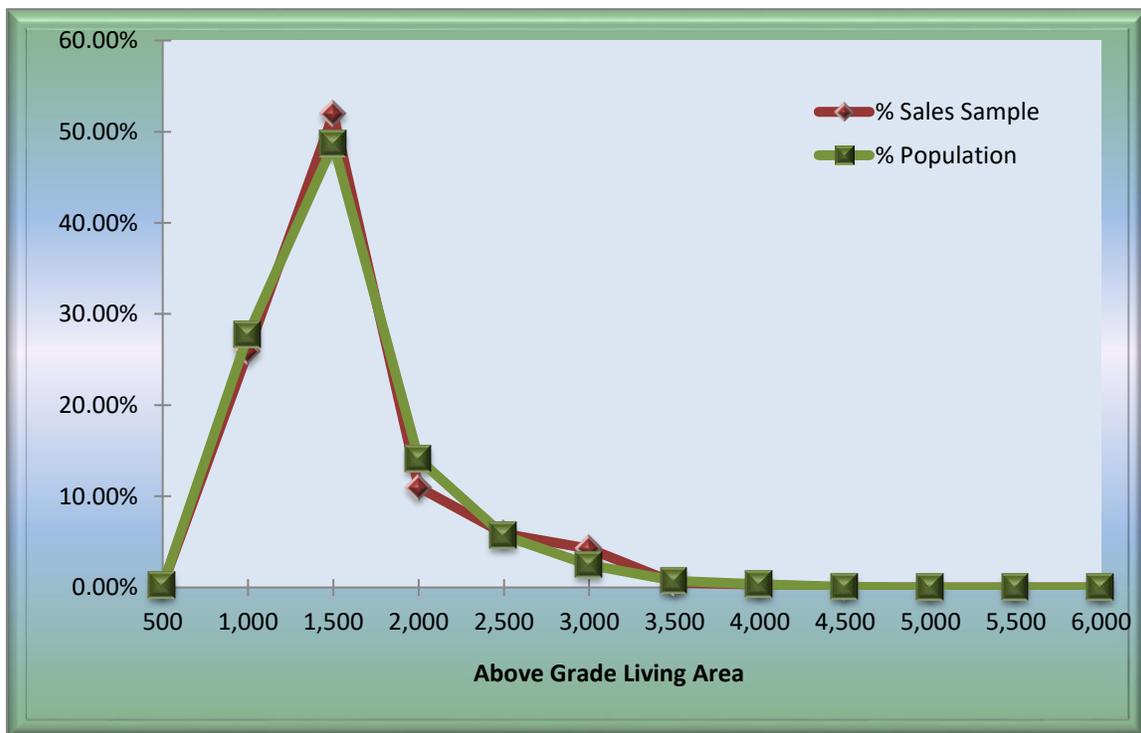
Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	3	0.23%
1,000	342	25.89%
1,500	686	51.93%
2,000	145	10.98%
2,500	78	5.90%
3,000	56	4.24%
3,500	7	0.53%
4,000	4	0.30%
4,500	0	0.00%
5,000	0	0.00%
5,500	0	0.00%
6,000	0	0.00%
1,321		

Population

AGLA	Frequency	% Population
500	19	0.22%
1,000	2,343	27.73%
1,500	4,112	48.67%
2,000	1,189	14.07%
2,500	479	5.67%
3,000	208	2.46%
3,500	61	0.72%
4,000	29	0.34%
4,500	7	0.08%
5,000	1	0.01%
5,500	0	0.00%
6,000	0	0.00%
8,448		



The sales sample frequency distribution follows the population distribution very closely with regard to Above Grade Living Area (AGLA). This distribution is ideal for both accurate analysis and appraisals.

Sales Sample Representation of Population

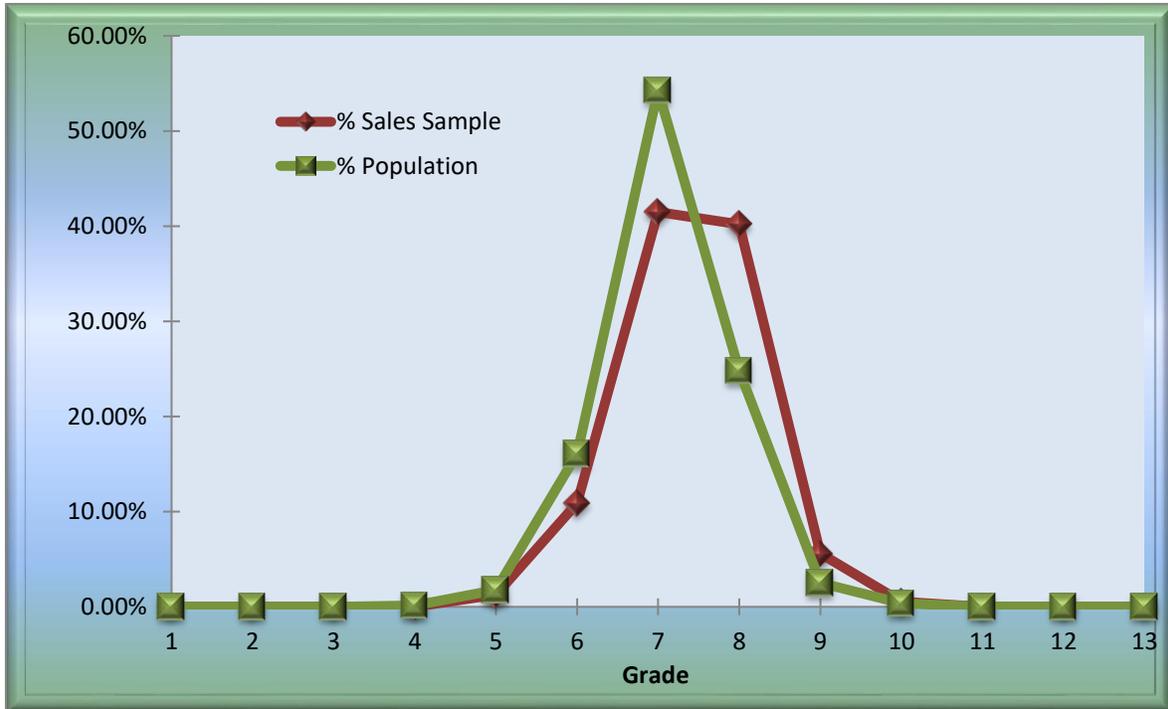
Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	17	1.29%
6	144	10.90%
7	548	41.48%
8	531	40.20%
9	74	5.60%
10	7	0.53%
11	0	0.00%
12	0	0.00%
13	0	0.00%
1,321		

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	12	0.14%
5	151	1.79%
6	1,358	16.07%
7	4,586	54.29%
8	2,096	24.81%
9	212	2.51%
10	32	0.38%
11	1	0.01%
12	0	0.00%
13	0	0.00%
8,448		



The sales sample frequency distribution follows the population distribution relatively closely with regard to Building Grades. This distribution is adequate for both accurate analysis and appraisals.

Results

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is 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. This value estimate may be adjusted based on particular characteristics and conditions as they occur in the valuation area.

The assessment level target for all areas in King County, including this area, is 92.5. The actual assessment level for this area is 92.4% . The standard statistical measures of valuation performance are all within the IAAO recommended range of .90 to 1.10.

Application of these recommended values for the 2018 assessment year (taxes payable in 2019) results in an average total change from the 2017 assessments of -/+16.1%. This increase is due partly to market changes over time and the previous assessment levels.

A Ratio Study was completed just prior to the application of the 2018 recommended values. This study benchmarks the prior assessment level using 2017 posted values (1/1/2017) compared to current adjusted sale prices (1/1/2018). The study was also repeated after the application of the 2018 recommended values. The results show an improvement in the COD from 10.45% to 7.84%.

The Appraisal Team recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

Note: More details and information regarding aspects of the valuations and the report are retained in the working files kept in the appropriate district office.

Area 006 Housing Profile



Grade 5/ Year Built 1924/ Total Living Area 730



Grade 6/ Year Built 1947/ Total Living Area 620



Grade 7/ Year Built 1958/ Total Living Area 1,840



Grade 8/ Year Built 2016/ Total Living Area 1,920



Grade 9/ Year Built 2016/ Total Living Area 2,920



Grade 10/ Year Built 2001/ Total Living Area 3,770

Glossary for Improved Sales

Condition: Relative to Age and Grade

- 1= Poor Many repairs needed. Showing serious deterioration.
- 2= Fair Some repairs needed immediately. Much deferred maintenance.
- 3= Average Depending upon age of improvement; normal amount of upkeep for the age of the home.
- 4= Good Condition above the norm for the age of the home. Indicates extra attention and care has been taken to maintain.
- 5= Very Good Excellent maintenance and updating on home. Not a total renovation.

Residential Building Grades

- Grades 1 - 3 Falls short of minimum building standards. Normally cabin or inferior structure.
- Grade 4 Generally older low quality construction. Does not meet code.
- Grade 5 Lower construction costs and workmanship. Small, simple design.
- Grade 6 Lowest grade currently meeting building codes. Low quality materials, simple designs.
- Grade 7 Average grade of construction and design. Commonly seen in plats and older subdivisions.
- Grade 8 Just above average in construction and design. Usually better materials in both the exterior and interior finishes.
- Grade 9 Better architectural design, with extra exterior and interior design and quality.
- Grade 10 Homes of this quality generally have high quality features. Finish work is better, and more design quality is seen in the floor plans and larger square footage.
- Grade 11 Custom design and higher quality finish work, with added amenities of solid woods, bathroom fixtures and more luxurious options.
- Grade 12 Custom design and excellent builders. All materials are of the highest quality and all conveniences are present.
- Grade 13 Generally custom designed and built. Approaching the Mansion level. Large amount of highest quality cabinet work, wood trim and marble; large entries.

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, Assessor's 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.

USPAP Compliance...Continued

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

USPAP Compliance...Continued

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.

USPAP Compliance...Continued

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

Scope of Work Performed:

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

Certification:

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

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

USPAP Compliance...Continued

- 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.
- To the best of my knowledge the following services were performed by the appraisal team within the subject area in the last three years:
 - Naomi Yother: Appeals Response Preparation / Review
 - Anne Main: Sales Verification, Appeals Preparation / Review, New construction Evaluation
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed adjacent to my name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
 - Annual Up-Date Model Development and Report Preparation
 - Sales Verification
 - Appeals Response Preparation / Review

Steve Olliam

6/12/18

Appraiser II

Date



King County

Department of Assessments

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John Wilson Assessor

As we start preparations for the 2018 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Time adjust sales to January 1, 2018 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

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

John Wilson
King County Assessor