



King County

Department of Assessments
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Lloyd Hara
Assessor

As we start preparations for the 2012 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, 2012 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.

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Executive Summary Report

Appraisal Date 1/1/2012 - 2012 Assessment Roll
Quadrant Name: Central King County Commercial Area

Sales - Improved Summary:

Number of Sales: 16
Range of Sale Dates: 3/25/2009 – 10/4/2011

Sales – Ratio Study Summary:

| | IMPROVED VALUE | SALE PRICE | RATIO | COD |
|--------------------|----------------|------------|--------|---------|
| 2011 AVERAGE VALUE | \$574,400 | \$632,900 | 90.80% | 13.67% |
| 2012 AVERAGE VALUE | \$588,900 | \$632,900 | 93.00% | 9.94% |
| CHANGE | \$14,500 | | +2.20% | -3.73% |
| % CHANGE | 2.52% | | +2.42% | -27.29% |

*COD is a measure of uniformity, the lower the number the better the uniformity. The negative COD figures of -3.73% and -27.29% represent an improvement in assessment levels and uniformity.

Sales used in Analysis: All improved sales which were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. The overall mean ratio improved from 90.80% to 93.00%. The COD improved from 13.67% to 9.94%.

Population – Parcel Summary Data:

| | LAND | IMPS | TOTAL |
|----------------|-----------------|---------------|-----------------|
| 2011 VALUE | \$1,749,478,500 | \$644,591,348 | \$2,394,069,848 |
| 2012 VALUE | \$1,719,464,100 | \$616,080,100 | \$2,335,544,200 |
| PERCENT CHANGE | -1.72% | -4.42% | -2.44% |

Number of Parcels in the Population: 1,517, which includes vacant, improved, commercial units, and exempt parcels. Specialty parcels are not included.

Conclusion and Recommendation:

The value conclusions in this report represent an improvement to Assessment levels as indicated by the 2012 Sales Ratio Study. Uniformity and equality are both improved over the previous year, and in consideration of current market conditions we recommend posting these values for the 2012 assessment year.

Analysis Process

Effective Date of Appraisal: January 1, 2012

Date of Appraisal Report: June 6, 2012

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial or industrial use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000.00 is typically assigned to the improvements.

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

The use to which the property is put until it is ready for its future highest and best use is called an interim use. Thus, the interim use becomes the highest and best use, in anticipation of change over a relatively short time in the future.

Standards and Measurement of Data Accuracy: Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/1/2009 thru 12/31/2011 were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed and applied in absence of market trending. Utilization of three years market information absent of trend adjustment was applied through calibration of model structure.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6 (USPAP compliant).

Identification of the Area

Name or Designation: Area 40:

Eastern International District (ID), Central District, Leschi, North Beacon Hill, North Rainier Valley, Mount Baker, Seward Park.

Boundaries:

Northern: East Spruce Street

Eastern: Lake Washington

Western: Interstate 5

Southern: South Graham Street

Parcel Count:

1,517 parcels, with 864 improved, under Commercial Assignment.

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

Area Overview:

Area 40 is centrally located between Interstate 5 to the west and Lake Washington to the east. The subject area is divided into seven neighborhoods; Eastern International District (ID), Central District, Leschi, North Beacon Hill, North Rainier Valley, Mount Baker and Seward Park. The Rainier Valley area is predominantly a high-density residential area with interspersed business cores. The seven neighborhoods are similar in terms of mixed-use composition. However, each neighborhood has unique characteristics.

Although the economy is still in recovery, area 40 is beginning to attract new investment. This is mainly due to the opening of the first leg of link light rail. Light rail currently provides transportation to commuters and visitors from Seatac International Airport to Downtown Seattle and neighborhoods along the route. There are three light rail stations located in area 40; Beacon Hill, Mt Baker and Columbia City. The area around the light rail stations have been, or will be, up-zoned to encourage higher density "transit oriented development" (TOD) and promote neighborhood walkability.

Neighborhood 40-10: East International District – S. First Hill – Central District

Boundaries:

Neighborhood 40-10 boundaries are E. Spruce St. to the North, 23rd Avenue South to the east, Interstate 90 to the South and Interstate 5 to the West.

Neighborhood Description:

This area is a convergence of a few different neighborhoods; the International District's eastern portion, the southernmost section of First Hill, Yesler Terrace and the Jackson Street Corridor. The area serves as the gateways to both the Rainier Valley and North Beacon Hill to the south. Before the recent recession the neighborhood was in a strong revitalization period.

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

The Eastern International District (Little Saigon) is one of the most historic and unique neighborhoods in the city of Seattle. Located east of Interstate-5 and west of Rainier Avenue S and centered along 12th Avenue S and S Jackson St. The neighborhood is comprised mostly of smaller international grocery stores and shops, retail services and restaurants. Little Saigon is a vibrant hub for numerous Asian-American cultures and commerce. In 2011, the city of Seattle Department of Planning and Design approved the Livable South Downtown Project. The project will amend Seattle's Land Use Code to increase density in several South Downtown neighborhoods, including the Little Saigon neighborhood. The current commercial (C1), neighborhood commercial (NC3) and industrial commercial (IC) zoning will be replaced with downtown mixed residential/commercial (DMR/C) zoning. The DMR/C zoning, as modified for the neighborhood, is intended to allow midrise buildings in either commercial or residential use, with ground floor retail. The final plan will be implemented over the next several years.

Neighborhood 40-20 – Central District

Boundaries:

Neighborhood 20 boundaries are E. Spruce Street to the north, 31st Avenue South to the East, Interstate 90 to the south, and 24th Avenue South to the west.

Neighborhood Description:

This area is heavily urbanized consisting of retail stores, small offices, churches, daycares, small private schools, multi-family apartments, townhomes and condominiums. The Urban Village developments are centered at the intersection of 23rd and Jackson. Neighborhood planning recommendations set out to strengthen this economic node and plan for the necessary street improvements, land use and zoning amendments, and desired community amenities to ensure that 23rd and Jackson remains the Central Area's shopping focal point and a true "Urban Village".

The Central District is progressively transforming from an older, declining area to a rehabilitated area. The neighborhood is steadily changing as property owners and outside investment forces capitalize on comparably lower land prices and acquisition potential. Investor interest and proximity to Downtown Seattle and the business, retail, and industrial cores suggest the Jackson Street corridor and surrounding areas will continue to evolve as availability of capital improves.

Neighborhood 40-30 - Leschi**Boundaries:**

The boundaries for neighborhood 30 are E. Spruce Street to the North, Lake Washington to the East, Interstate 90 to the South and 31st Avenue South to the West.

Neighborhood Description:

Leschi is an established neighborhood consisting of mixed-use properties, which include apartments and residential condominiums, restaurants, retail and low to midrise office buildings. The area is attractive to buyers seeking small, owner-occupied properties in a close-in, urban neighborhood or along the Lake Washington waterfront.

Neighborhood 40-40: Beacon Hill**Boundaries:**

Neighborhood 40 boundaries are Interstate 90 to the North, Valentine Place South & 20th Avenue South to the East, Graham Street to the South and Interstate 5 to the West.

Neighborhood Description:

Beacon Ave S is the main arterial, dividing the western and eastern portions of the neighborhood. Commercial properties of Beacon Hill primarily consist of retail, small offices, restaurants, multi-family and apartments. The Beacon Hill light rail station provides convenient access north to Downtown Seattle and south down the length of Rainier Valley and Seatac International Airport. This area around the station will be up-zoned in order to promote mixed use development in the Beacon Hill core-retail area. El Centro de la Raza has announced plans

for a new low to mid-income mixed use development adjacent to the Beacon Hill light rail station. Additionally, a private investor has announced plans for a mixed use development at the southeast corner of the station block.

Several new restaurants and retail businesses have sprung up since the opening of the light rail station with more on the way. The new businesses are bringing more visitors to Beacon Hill. As the economy improves, it is anticipated this neighborhood will continue to evolve.

Jefferson Park and The Jefferson Park Golf Course are located to the south of the Beacon Hill commercial district. The Parks and Green Spaces Levy funded further implementation of the Jefferson Park Master Plan. The skate park, which was developed through community input and the experience of a professional skate park designer, was completed in early 2012. Beacon Mountain, currently under construction, is intended to be a climbable collection of slopes and boulders with on-grade slides and a spray park sprinkler for summer cooling and fun. The project is due to be complete in time for summer 2012. Jefferson Park Playfield is another park component that the Levy funds. The renovation includes a synthetic turf field with lighting. Construction was completed in early 2012.

Neighborhood 40-50: North Rainier Valley

Boundaries:

Neighborhood 50 boundaries are Interstate 90 to the North, Lake Washington to the East, South Hanford Street & South Winthrop Street to the South, Valentine Place South and 20th Avenue South to the West.

Neighborhood Description:

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

The new Mt. Baker light rail station and the light rail tracks dominate the landscape and have influenced a shift in Highest and Best Use. Zoning is changing to promote higher density transit oriented development and neighborhood walkability. The City of Seattle is allocating more than \$27 million for the construction of seven new apartment buildings dedicated to affordable housing for the homeless, low-income families and seniors, with some set aside for veterans. The funds, much of it coming from the Seattle Housing Levy, will help create 476 new apartments. Artspace will receive \$3.7 million for 56 units available to low-income artists and their families. It will be located next to the Mt. Baker light rail station.

The economic conditions over the past few years have slowed the rate of development in this neighborhood. As the economy begins to recover, new investment is expected to meet the demands of the growing housing sectors expanding from the north, south and west.

Neighborhood 40-60: Columbia City

Boundaries:

Neighborhood 60 boundaries are South Winthrop Street, South Hanford Street and South Charleston Street to the North, 43rd Avenue South, 47th Avenue South, and 48th Avenue South to the East, South Graham Street to the South, Cheasty Boulevard, and Beacon Avenue South to the West.

Neighborhood Description:

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

Harbor Greenhouse LLC has begun work on a new mixed-use residential apartment project in the Columbia City neighborhood. The project is a transit oriented development located a few blocks from the Columbia City light rail station and is intended to be conveniently located near multiple transit options. Plans for a new mixed use development have been proposed at the nearby Columbia Plaza property.

Zoning changes have been proposed to increase density and promote neighborhood walkability. As both commercial and residential markets recover, evidence is strong that development projects will continue to reshape the neighborhoods.

Neighborhood 40-70 Seward Park

Boundaries:

Neighborhood 70 boundaries are Lake Washington to the North and East, Graham Street to the South, 43rd Avenue South, 47th Avenue and 48th Avenue South to the West.

Neighborhood Description:

Seward Park is an established neighborhood and is made up of older mixed-use properties, apartments, residential condominiums and mid to low-rise office buildings. The area also is in demand for small, owner-occupied properties by those who want to be in a close-in, urban neighborhood.

Physical Inspection Identification:

Neighborhoods 40-30 and 40-40 were physically inspected for this 2012 revalue assessment year as required by WAC 458-07-015 4 (a). An exterior observation of the properties was made to verify the accuracy and completeness of property characteristics data that affect value.

Preliminary Ratio Analysis

A Ratio Study was completed just prior to the application of the 2012 recommended values. This study benchmarks the current assessment level using 2011 posted values. The study was also repeated after application of the 2012 recommended values. The results are included in the validation section of this report, showing improvement in the Coefficient of Dispersion (COD) from 13.67% to 9.94%. The weighted mean ratio, which is a statistical measure of assessment level, went from 90.80% to 93.00%. The Price-related Differential (PRD) remained 0.99. A discussion of the ratio measurements is included in the Model Validation section at the end of this report.

Scope of Data

Vacant sales that closed between 1/01/2009 to 12/31/2011 were given primary consideration for valuing the land parcels in Area 40.

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

Improved Parcel Total Value Data

Improved sales that closed from 1/01/2009 to 12/31/2011 were given the greatest consideration for establishing total value estimates. 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 contacting either the purchaser or seller, inquiring in the field or contacting the real estate broker. Characteristic data is verified for all sales when possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

Land Value

Land Sales, Analysis, Conclusions

There were 9 vacant land sales considered in Area 40 with sales dates from 2/18/2009 to 5/17/2011. Most of the sales parcels were improved at the time of sale and are considered to be an interim use. These sales were given primary consideration for land value as of 1/01/2012. As necessary, vacant land sales in Area 25 to the north were considered as well as residential sales on commercially zoned land. When recent sales were unavailable, sales from other neighborhoods were also considered.

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

A review of existing and new land sales, indicate that no increase or decrease in land value for most zoning designations is warranted. The table below represents the 2012 estimated land value per square foot for each zone in the area.

| AREA NEIGHBORHOOD | ZONING | 2012 TYPICAL A/V \$/SF VALUE |
|------------------------------|-----------------|---|
| 40-10 | C1-65 | \$95 |
| 40-10 | C2-65 | \$100 |
| 40-10 | DMC 85/65-150 | \$95 |
| 40-10 | DMR/C 65/65-85 | \$95 |
| 40-10 | DMR/C 65/65-150 | \$95 |
| 40-10 | IC-65 | \$60-80 |
| 40-10 | LR1 | \$55-60 |
| 40-10 | LR2 | \$55-80 |
| 40-10 | LR2/RC | \$75 |
| 40-10 | LR3 | \$45-90 |
| 40-10 | LR3/RC | \$80-85 |
| 40-10 | MR | \$100 |
| 40-10 | NC1-40 | \$90-95 |
| 40-10 | NC2-40 | \$90-95 |
| 40-10 | NC3-40 | \$95 |
| 40-10 | NC2-65 | \$85-95 |
| 40-10 | NC3-65 | \$95-100 |
| 40-10 | NC3P-65 | \$100 |
| 40-10 | SF 5000 | \$40-45 |

Central District: Neighborhood 40-20

Land sales support no increase or decrease in land value for parcels in most zone designations and areas within the neighborhood. The table below represents the 2012 estimated land unit value per square foot for each zone in the Area.

| AREA NEIGHBORHOOD | ZONING | 2012 TYPICAL A/V \$/SF VALUE |
|----------------------|---------|---------------------------------|
| 40-20 | C1-40 | \$95 |
| 40-20 | C1-65 | \$95 |
| 40-20 | LR1 | \$50-65 |
| 40-20 | LR2 | \$60-85 |
| 40-20 | LR2 RC | \$60-75 |
| 40-20 | LR3 | \$65-90 |
| 40-20 | NC1-30 | \$60-95 |
| 40-20 | NC1-40 | \$95 |
| 40-20 | NC2-40 | \$95 |
| 40-20 | NC3-65 | \$95 |
| 40-20 | SF-5000 | \$40-50 |

Leschi: Neighborhood 40-30

Land sales in this neighborhood support no increase or decrease in the land value of parcels in most zoning designations. The table below represents the 2012 estimated land unit value per square foot for each zone in the area.

| AREA NEIGHBORHOOD | ZONING | 2012 TYPICAL A/V \$/SF VALUE |
|----------------------|---------|---------------------------------|
| 40-30 | NC1-30 | \$60 |
| 40-30 | NC1-40 | \$90-100 |
| 40-30 | LR1 | \$110 (VIEWS) |
| 40-30 | LR2 | \$80 |
| 40-30 | LR3 | \$60-150 (VIEWS) |
| 40-30 | LR3 RC | \$150 |
| 40-30 | SF-5000 | \$35-100 (VIEWS) |

Beacon Hill: Neighborhood 40-40

Land sales in this neighborhood support no increase or decrease in the land value of parcels in most zoning designations. The table below represents the 2012 estimated land unit value per square foot for each zone in the area.

| AREA NEIGHBORHOOD | ZONING | 2012 TYPICAL A/V \$/SF VALUE |
|------------------------------|---------------|---|
| 40-40 | C1-40 | \$55-70 |
| 40-40 | LR1 | \$25-35 |
| 40-40 | LR2 | \$30-50 |
| 40-40 | LR3 | \$45-75 |
| 40-40 | MIO-105 | \$15 |
| 40-40 | NC1-30 | \$35-45 |
| 40-40 | NC1-40 | \$45-60 |
| 40-40 | NC2-40 | \$45-55 |
| 40-40 | NC2-65 | \$55 |
| 40-40 | NC2P-40 | \$50-55 |
| 40-40 | NC2P-65 | \$55 |
| 40-40 | SF 5000 | \$30-40 |

Rainier Valley – Mount Baker: Neighborhood 40-50

Land sales in this neighborhood support no increase or decrease in the land value of parcels in most zoning designations. The table below represents the 2012 estimated land unit value per square foot for each zone in the area.

| AREA NEIGHBORHOOD | ZONING | 2012 TYPICAL A/V \$ PER SF VALUE |
|------------------------------|---------------|---|
| 40-50 | C1-40 | \$55-70 |
| 40-50 | C1-65 | \$70 |
| 40-50 | C2-65 | \$60-70 |
| 40-50 | NC1-30 | \$45 |
| 40-50 | NC1-40 | \$60 |
| 40-50 | NC3-65 | \$70 |
| 40-50 | NCP-65 | \$70 |
| 40-50 | LR1 | \$40-50 |
| 40-50 | LR2 | \$40-60 |
| 40-50 | LR2 RC | \$40-70 |
| 40-50 | LR3 | \$50-70 |
| 40-50 | LR3 RC | \$70 |
| 40-50 | SF-5000/7200 | \$20-40 |

Rainier Valley – Columbia City: Neighborhood 40-60

Land sales in this neighborhood support no increase or decrease in the land value of parcels in most zoning designations. The table below represents the 2012 estimated land unit value per square foot for each zone in the area.

| AREA NEIGHBORHOOD | ZONING | 2012 TYPICAL A/V \$/SF VALUE |
|------------------------------|---------------|---|
| 40-60 | C1-40 | \$40-50 |
| 40-60 | C1-65 | \$40-60 |
| 40-60 | C2-40 | \$50 |
| 40-60 | C2-65 | \$45-65 |
| 40-60 | LR1 | \$45 |
| 40-60 | LR2 | \$40-45 |
| 40-60 | LR2 RC | \$40-70 |
| 40-60 | LR3 | \$40-55 |
| 40-60 | LR3 RC | \$40-70 |
| 40-60 | MR | \$45 |
| 40-60 | NC1P-40 | \$50-55 |
| 40-60 | NC2-30 | \$45 |
| 40-60 | NC2-40 | \$45-60 |
| 40-60 | NC2-65 | \$65 |
| 40-60 | NC2P-65 | \$50-65 |
| 40-60 | NC3-40 | \$60 |
| 40-60 | NC3-65 | \$70 |
| 40-60 | NC3P-40 | \$65 |
| 40-60 | NC3P-65 | \$75 |
| 40-60 | SF-5000 | \$15-45 |

Southeast Lake Washington: Neighborhood 40-70

Land sales in this neighborhood support no increase or decrease in the land value of parcels in most zoning designations. The table below represents the 2012 estimated land unit value per square foot for each zone in the area.

| AREA NEIGHBORHOOD | ZONING | 2012 TYPICAL A/V \$/SF VALUE |
|------------------------------|-----------------------|---|
| 40-70 | NC1-30 | \$40-50 |
| 40-70 | SF- 5000/7200/9600 | \$20-30 |

Land Value Comparisons and Recommended Conclusion:

The total assessed land value in Area 40 for the 2011 assessment year was \$1,749,478,500 and the 2012 total recommended assessed land value is \$1,719,464,100. Application of these recommended values for the 2012 assessment year (taxes payable in 2013) results in an overall land value decrease of -1.72%. This slight decrease is mainly due to equalization. Parcel count, zoning changes, legal changes all effect the total assessed value, which in this case, indicate a slight decrease in total value. This decrease in land values is intended to improve uniformity and assessment levels for land in the Rainier Valley/Seattle real estate markets.

A list of vacant sales used and those considered not reflective of market are included in the subsequent sections.

Improved Parcel Total Sales

Sales comparison approach model description

The model for sales comparison was based on characteristics from the Assessor's records including location, effective year built, building quality and net rentable area. Sales with characteristics most similar to the subject properties were considered.

The improved sales used range in sale dates from 3/25/2009 to 10/04/2011. There were 16 improved sales in Area 40 that were considered as fair market transactions and used in the overall analysis. All 16 sales were included in the ratio study.

Stratification of these sales shows the following market ranges:

- | | | |
|----|---|----------------------------|
| 1) | Retail: | \$172 to \$183 per sq. ft. |
| 2) | Warehouse/Light Industrial | \$134 to \$227 per sq. ft. |
| 3) | Commercial condo units, Live/Work and/or Mixed Use | \$154 to \$390 per sq. ft. |

Commercial condominium units and live/work townhouse units were typically valued by the sales comparison when there were sufficient comparable sales available. Other non-specialty commercial properties were typically valued by the income method because there were fewer comparable sales of each property type available. The improved sales used were referenced when developing the economic income parameters and capitalization rates for the income models used within each neighborhood and property type.

Sales Comparison Calibration

Neighborhoods were treated independent of one another as dictated by the market. Individual values were applied based on various characteristics deemed appropriate within each market on a dollar value per square foot of improved net rentable area. Specific variables and price ranges for neighborhoods were discussed in general detail above. Given the relatively low sales count during this most recent economic period, applicability of Sales Comparison was considered limited for broad valuation purposes.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. Cost estimates were relied upon for valuing special use properties where comparable sales data and/or income/expense information is not available. These properties are typically exempt properties such as churches, schools, public utility buildings, and park improvements. Non-exempt buildings that are valued by the Cost method might be fraternal halls, daycares, and on-going new construction.

Cost calibration

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

Income capitalization approach model description

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

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, Multiple Corporate Real Estate Websites), opinions expressed by real estate professionals active in the market, and direct inquiry with property owners and tenants.

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 our income valuation models, the assessor used triple net expenses.

Capitalization Rates: Capitalization rates were determined by local published market surveys, such as CoStar, Real Estate Analytics, The American Council of Insurance Adjustors, Colliers International, Integra Realty Resources, and Korpaz. Other national reports include; Grubb & Ellis Capital Mkt. Update, Emerging Trends in Real Estate, Urban Land Institute, and Cushman & Wakefield – 16th Annual Real Estate Trends. The effective year built and condition of each building also contributes to the capitalization rate applied in the model. For example; a building with a lower effective year built of lesser condition will typically warrant a higher capitalization rate and a building in better condition with a higher effective year built will warrant a lower capitalization rate.

Cap rate summary of various published sources:

| SEATTLE / PACIFIC NW CAP RATES | | | | | | |
|--|--------------|-----------------------|--|--|--|--|
| Source | Date | Location | Office | Industrial | Retail | Remarks |
| ACLI | Yr. End 2011 | Seattle | 7.14% | 7.27% | 7.58% | |
| | | Pacific Region | 6.32% | 7.03% | 7.14% | |
| PWC – Korpaz | 4Q 2011 | Pacific NW | 7.57% | - | - | Range = 5.5% to 12.00% |
| CBRE – Capital Markets Cap. Rate survey. | Aug.-11 | | | | | CBRE professional's opinion of where cap rates are likely to trend in the 2 nd ½ of 2011 based on recent trades as well as interactions with investors. Value Added represents an underperforming property that has an occupancy level below the local average under typical market conditions. |
| | | Seattle | 5.00% - 5.50% 6.00% - 7.00% 6.50% - 7.00% 7.00% - 8.00% 5.50% - 6.25% 6.00% - 7.60% 6.50% - 7.50% 7.00% - 8.00% - - - - | - - - - - - - - 6.25% - 7.00% 6.75% - 7.25% 6.50% - 7.25% 7.75% - 8.25% - - | - - - - - - - - - - - - 5.75% - 6.50% 7.00% - 7.50% | CBD - Class A CBD - Class A – Value Added CBD - Class B CBD - Class B – Value Added Suburban - Class A Suburban - Class A – Value Added Suburban - Class B Suburban - Class B – Value Added Class A Class A - Value Added Class B Class B - Value Added Class A (Neigh./Comm. w/Grocery) Class B (Neigh./Comm. w/Grocery) |
| | Mar.-12 | Seattle | 5.50% - 5.75% 6.00% - 7.00% 6.50% - 7.00% 7.00% - 8.00% 5.50% - 6.25% 6.00% - 8.00% 6.50% - 7.50% 7.00% - 8.00% - - - - | - - - - - - - - 5.25% - 5.50% 6.00% - 6.50% 6.00% - 6.50% 6.50% - 7.00% - - | - - - - - - - - - - - - 5.00% - 6.25% 5.00% - 6.25% 6.25% - 7.25% 6.25% - 7.25% | CBD - Class A CBD - Class A – Value Added CBD - Class B CBD - Class B – Value Added Suburban - Class A Suburban - Class A – Value Added Suburban - Class B Suburban - Class B – Value Added Class A Class A - Value Added Class B Class B - Value Added Class A (Neigh./Comm.) Class A (Neigh./Comm.) – Value Added Class B (Neigh./Comm.) Class B (Neigh./Comm.) – Value Added |
| Real Capital Analytics | 4Q 2011 | Seattle | 7.60% | 7.20% | 7.20% | |
| | Yr. End 2011 | Seattle | 6.80% | 7.30% | 7.40% | |
| IRR Viewpoint for 2012 | Yr. End 2011 | Seattle | 6.00% 6.50% - - - - | - - 8.25% - 8.75% 7.00% - - | - - - - 6.50% - 7.50% 7.50% | “Institutional Grade Properties” CBD Office Suburban Office Manuf./Bulk/R&D Office/Warehouse Reg./Comm. Mall Neigh. Strip Ctrs. |
| Reis Quarterly Reports | 4th Qtr 2011 | Seattle | 6.60% | - | 8.50% | |
| Colliers International Office Highlights | Q4 2011 | Seattle - Puget Sound | 6.36% 7.94% | - - | - - | CBD Office Suburban Office |
| Terranomics Chainlinks Retail Advisors | Fall 2011 | Pacific Region | - | - | 7.00% | Shopping Centers (All Types) |

| NATIONAL CAP RATES | | | | | | |
|---|---------------------------|-----------------------|--|--|---|--|
| Source | Date | Location | Office | Industrial | Retail | Remarks |
| ACLI | Yr. End 2011 | National | 6.53% 7.84% 7.16% - 7.74% 6.33% | 7.65% 8.92% 7.62% - 8.15% 7.52% | 7.00% 8.14% 7.39% - 7.68% 6.66% | Overall Sq.Ft. = <50k Sq.Ft. = 50k-200k Sq.Ft. = 200K+ |
| Korpaz (PWC) | 4Q 2011 | National | 6.84% 7.43% - - - | - - 7.48% - 8.71% - - | - - - 7.23% - 7.35% 7.16% | CBD Office Sub. Office Flex/R&D/Whse Regional Mall /Power Center Neigh. Strip Ctrs |
| Real Capital Analytics | 4Q 2011 | National | 7.20% | 7.60% | 7.50% | |
| | Yr End 2011 | National | 7.30% | 7.80% | 7.50% | |
| IRR Viewpoint for 2012 | Yr End 2011 | National | 7.98% 8.13% - - - - | - - 8.46% 8.22% - - | - - - - 7.56% - 7.83% 7.96% | CBD Office - (Range 5.25% - 12.75%) Sub. Office - (Range 6.50% - 10.00%) R&D - (Range 6.75% - 9.50%) Off./Whse. - (Range 6.75% - 10.00%) Reg./Comm. Mall - (Range 5.75% - 9.50%) Neigh. Strip Ctrs. - (Range 5.75% - 9.25%) |
| Emerging Trends in Real Estate 2011 | August 2011 | National | 6.32% (CBD) 7.77% (Suburban) | 7.02% - 7.59% (Office/Whse./R&D) | 6.66% - 7.43% (Reg. Mall/Power Ctr.) 7.12% (Neigh./Comm. Ctr.) | |
| RERC-CCIM Investment Trends Quarterly | 4Q 2011 | National W. Region | 6.40% 5.70% - 6.60% 7.00% | 7.40% 6.70% - 7.40% 7.10% | 7.70% 6.70% - 7.10% 7.40% | RERC Realized Cap Rates NCREIF Implied Cap Rates |
| Marcus & Millichap (Net Lease Single-Tenant Retail Report) | 1 st Half 2011 | National | N/A | N/A | 7.30% 7.70% 8.90% | Drug Store Quick Service Rest. Casual Dining |
| Calkin Site Service (Net Lease Single-Tenant Retail Report) | Yr End 2011 | National | N/A | N/A | 7.69% 7.40% 7.50% 7.50% | Overall (Average) Drug Store Quick Service Rest. Big Box |

The preceding 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 with data specific to the real estate market to develop the income model. The range of capitalization rates within the income model reflects the variety of properties in this area.

Income approach calibration

The 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. Net rents were used when possible. Some capitalization rates were adjusted from previous levels in response to the current economic conditions and real estate market. The following tables summarize the income parameters used for valuation in area 40. Some properties require deviation from the published tables due to issues including but not limited to location, size, and condition and appraiser judgment.

Neighborhood 40-10:

| PROPERTY TYPE | RENT/ SF | VACANCY | EXPENSE | OAR |
|---|--------------------------|---------|---------|----------------------|
| FAST FOOD RESTAURANT (349) RESTAURANT, TABLE SERVICE (350) RETAIL STORE (353) CONVENIENCE MARKET (419) MIXED-USE RETAIL (RETAIL MIXED- USE)(830) LAUNDROMAT (336) DISCOUNT STORE (319) MARKET (340) DAY CARE CENTER (426) BARBER SHOP (384) | \$11.00 to \$19.00 | 10% | 10% | 6.75% to 7.50% |
| BASEMENT FINISHED BASEMENT, OFFICE MEZZANINES-DISPLAY MEZZANINES-OFFICE LOFT (338) WAREHOUSE OFFICE BASEMENT SEMI-FINISHED | \$4.00 to \$12.00 | 7% | 10% | 7.00% to 7.50% |
| OPEN OFFICE (OFFICE-OPEN) OFFICE BUILDING (344) MIXED-USE OFFICE BANK (304) | \$10.00 to \$20.00 | 10% | 15% | 6.75% to 7.50% |
| INDUSTRIAL LIGHT MANUFACTURING INDUSTRIAL HEAVY MANUFACTURING (495) COLD STORAGE FACILITIES (447) STORAGE WAREHOUSE (406) GARAGE, STORAGE (326) WAREHOUSE, DISTRIBUTION (407) WAREHOUSE, FOODSTORE (533) MEZZANINES-STORAGE | \$5.00 to \$11.00 | 10% | 10% | 7.25% to 7.50% |

| | | | | |
|--|--------------------------|----|-----|----------------------|
| GARAGE, SERVICE REPAIR (528) | | | | |
| MEDICAL OFFICE (341) VETERINARY HOSPITAL (381) DENTAL OFFICE/CLINIC (444) | \$10.00 to \$19.00 | 7% | 15% | 6.50% to 7.25% |
| APARTMENT (300) MULTIPLE RESIDENCE (LOW RISE) (352) BASEMENT RESIDENT LIVING FRATERNAL BUILDING (323) HOME FOR THE ELDERLY (330) ROOMING HOUSE (551) | \$10.00 to \$14.25 | 5% | 15% | 5.75% to 7.50% |

Neighborhood 40-20:

| PROPERTY TYPE | RENT/SF | VAC | EXPENSE | OAR |
|--|--------------------------|-----|------------------|----------------------|
| FAST FOOD RESTAURANT (349) RESTAURANT, TABLE SERVICE (350) RETAIL STORE (353) CONVENIENCE MARKET (419) MIXED-USE RETAIL LAUNDROMAT (336) DISCOUNT STORE (319) MARKET (340) DAY CARE CENTER (426) | \$12.00 to \$20.00 | 10% | 10% to 15% | 6.75% to 7.75% |
| OFFICE BUILDING (344) BANK (304) MIXED-USE OFFICE OPEN OFFICE (OFFICE-OPEN) | \$11.00 to \$20.00 | 10% | 15% | 7.00% to 7.50% |
| MEZZANINES-OFFICE BASEMENT FINISHED MEZZANINES-DISPLAY BALCONY BASEMENT, OFFICE LOFT (338) | \$5.00 to \$12.00 | 7% | 10% | 7.00% to 7.25% |
| STORAGE WAREHOUSE (406) BASEMENT SEMI-FINISHED BASEMENT, UNFINISHED (703) MEZZANINES-STORAGE GARAGE STORAGE (326) INDUSTRIAL LIGHT MANUFACTURING (494) INDUSTRIAL HEAVY MANUFACTURING (495) COLD STORAGE FACILITIES (447) | \$6.00 to \$10.00 | 7% | 10% | 7.00% |

| | | | | |
|--|--------------------------|----|-----|----------------------|
| WAREHOUSE, DISTRIBUTION (407) WAREHOUSE, FOODSTORE (533) GARAGE, SERVICE REPAIR (528) | | | | |
| MEDICAL OFFICE (341) VETERINARY HOSPITAL (381) DENTAL OFFICE/CLINIC (444) | \$10.00 to \$20.00 | 7% | 15% | 7.00% to 7.50% |
| APARTMENT (300) MULTIPLE RESIDENCE (LOW RISE) (352) FRATERNAL BUILDING (323) ROOMING HOUSE (551) DORMITORY (321) | \$10.00 to \$14.25 | 5% | 15% | 5.50% to 7.50% |

Neighborhood 40-30:

| PROPERTY TYPE | RENT/SF | VAC | EXPENSE | OAR |
|--|--------------------------|-----|---------|----------------------|
| RETAIL STORE (353) RESTAURANT, TABLE SERVICE (350) MARKET | \$11.00 to \$19.00 | 10% | 15% | 6.50% to 7.25% |
| OFFICE BUILDING (344) MIXED-USE OFFICE OPEN OFFICE (OFFICE-OPEN) BANK (304) | \$10.00 to \$21.00 | 10% | 15% | 7.00% to 7.50% |
| APARTMENT (300) MULTIPLE RESIDENCE (LOW RISE) (352) | \$10.00 to \$15.00 | 5% | 15% | 6.00% to 7.00% |

Neighborhood 40-40:

| PROPERTY TYPE | RENT/SF | VACANCY | EXPENSE | OAR |
|---|--------------------------|---------|---------|-----------------------|
| MARKET FAST FOOD RESTAURANT (349) RESTAURANT, TABLE SERVICE (350) RETAIL STORE (353) BARBER SHOP (384) CONVENIENCE MARKET (419) DAY CARE CENTER (426) MIXED USE RETAIL (830) MINI MART CONVENIENCE STORE (531) SNACK BAR (529) | \$10.00 to \$19.00 | 10% | 15% | 7.00 % to 7.50% |
| OPEN OFFICE (OFFICE-OPEN) | \$10.00 | 10% | 15% | 7.00% |

| | | | | |
|--|--------------------------|-----|-----|----------------------|
| OFFICE BUILDING (344) MIXED-USE OFFICE VISITOR CENTER (574) BANK (304) LABORATORIES (496) | to \$19.00 | | | to 7.50% |
| BASEMENT, OFFICE MEZZANINES-OFFICE BASEMENT FINISHED | \$8.00 to \$12.00 | 5% | 10% | 7.00% to 7.75% |
| SHED, MATERIAL STORAGE (468) STORAGE WAREHOUSE (406) GARAGE, STORAGE (326) EQUIPMENT SHED (472) MEZZANINES-STORAGE BASEMENT SEMI-FINISHED BASEMENT, UNFINISHED (703) | \$6.00 to \$10.00 | 7% | 10% | 6.75% to 7.00% |
| MEDICAL OFFICE (341) VETERINARY HOSPITAL (381) DENTAL OFFICE/CLINIC (444) | \$10.00 to \$20.00 | 5% | 15% | 6.50% to 7.00% |
| GARAGE, SERVICE REPAIR (528) | \$6.00 to \$11.00 | 5% | 10% | 7.00% to 7.50% |
| APARTMENT MULTIPLE RESIDENCE (LOW RISE) (352) BASEMENT RESIDENT LIVING FRATERNAL BUILDING GROUP CARE HOME (424) ROOMING HOUSE (551) | \$10.00 to \$15.00 | 10% | 15% | 6.00% to 7.00% |

Neighborhood 40-50:

| PROPERTY TYPE | RENT/ SF | VACANCY | EXPENSE | OAR |
|--|--------------------------|---------|---------|-------------------|
| RETAIL STORE (353) MIXED-USE RETAIL (RETAIL MIXED- USE) CONVENIENCE MARKET MARKET BARBER SHOP DISCOUNT STORE LAUNDROMAT (336) MINI-MART CONVENIENCE STORE DAY CARE CENTER (426) | \$10.00 to \$20.00 | 10% | 15% | 6.25% to 7.25% |

| | | | | |
|---|--------------------------|-----|-----|----------------------|
| LUMBER STORAGE SHED, HORIZONTAL STORAGE WAREHOUSE (406) COLD STORAGE FACILITIES (447) SHED, MATERIAL STORAGE (468) EQUIPMENT (SHOP) BUILDING (470) EQUIPMENT SHED (472) INDUSTRIAL LIGHT MANUFACTURING (494) BASEMENT SEMI-FINISHED BASEMENT, UNFINISHED (703) MEZZANINES-STORAGE LIGHT COMMERCIAL UTILITY BUILDING | \$6.00 to \$10.00 | 5% | 10% | 6.50% to 7.00% |
| RESTAURANT, TABLE SERVICE (350) BAR/TAVERN (442) FAST FOOD | \$10.00 to \$20.00 | 5% | 15% | 6.50% to 7.25% |
| OFFICE BUILDING (344) OPEN OFFICE (OFFICE-OPEN) MIXED-USE OFFICE BANK | \$10.00 to \$20.00 | 15% | 10% | 6.00% to 7.00% |
| BASEMENT FINISHED MEZZANINES-DISPLAY MEZZANINES-OFFICE | \$3.00 to \$9.00 | 7% | 15% | 7.00% to 7.00% |
| MEDICAL OFFICE (341) VETERINARY HOSPITAL (381) DENTAL OFFICE/CLINIC (444) | \$11.00 to \$20.00 | 7% | 15% | 6.50% to 7.00% |
| WAREHOUSE, DISTRIBUTION (407) WAREHOUSE OFFICE (OFFICE WAREHOUSE) | \$6.00 to \$13.00 | 5% | 10% | 7.00% to 7.50% |
| MINI-LUBE GARAGE (423) GARAGE, SERVICE REPAIR (528) | \$9.00 to \$15.00 | 7% | 15% | 7.00% to 7.50% |
| APARTMENT (300) MULTIPLE RESIDENCE (LOW RISE) (352) ROOMING HOUSE (551) | \$10.00 to \$13.00 | 7% | 15% | 6.00% to 7.00% |

Neighborhood 40-60:

| PROPERTY TYPE | RENT/SF | VAC | EXPENSE | OAR |
|--|--------------------------|-----|---------|----------------------|
| DISCOUNT STORE MARKET RETAIL STORE (353) BARBER SHOP (384) LAUNDROMAT (336) MINI-MART CONVENIENCE STORE MIXED-USE RETAIL | \$11.00 to \$20.00 | 10% | 15% | 6.50% to 7.50% |

| | | | | |
|---|--------------------------|-------|-----|----------------------|
| DAY CARE CENTER (426) CONVENIENCE MARKET | | | | |
| OFFICE BUILDING (344) OPEN OFFICE (OFFICE-OPEN) MIXED-USE OFFICE BANK | \$12.00 to \$20.00 | 10% | 15% | 6.00% to 7.50% |
| MEDICAL OFFICE (341) DENTAL OFFICE/CLINIC (444) VETERINARY HOSPITAL (381) | \$11.00 to \$20.00 | 6% | 15% | 6.50% to 7.50% |
| FAST FOOD RESTAURANT (349) RESTAURANT, TABLE SERVICE COCKTAIL LOUNGE (441) BAR/TAVERN (442) | \$11.00 to \$20.00 | 5% | 15% | 6.50% to 7.00% |
| GARAGE, STORAGE (326) LUMBER STORAGE SHED, HORIZONTAL MATERIAL STORAGE BUILDING (391) STORAGE WAREHOUSE (406) WAREHOUSE, DISTRIBUTION (407) SHED, MATERIAL STORAGE (468) EQUIPMENT (SHOP) BUILDING (470) INDUSTRIAL LIGHT MANUFACTURING (494) BASEMENT SEMI-FINISHED BASEMENT, UNFINISHED (703) MEZZANINES-STORAGE AUTOMOTIVE CENTER (410) GARAGE, SERVICE REPAIR (528) | \$5.00 to \$11.00 | 6.50% | 10% | 6.50% to 7.50% |
| BASEMENT FINISHED BALCONY MEZZANINES-DISPLAY BASEMENT, OFFICE MEZZANINES-OFFICE | \$3.00 to \$9.00 | 7% | 10% | 6.75% to 8.00% |
| APARTMENT (300) MULTIPLE RESIDENCE BASEMENT RESIDENT LIVING GROUP CARE HOME (424) ROOMING HOUSE (551) HOME FOR THE ELDERLY (330) | \$10.00 to \$15.00 | 7% | 15% | 6.00% to 7.00% |

Neighborhood 40-70:

| PROPERTY TYPE | RENT/SF | VACANCY | EXPENSE | OAR |
|--|--------------------------|---------|---------|----------------------|
| MARKET RESTAURANT, TABLE SERVICE (350) RETAIL STORE (353) | \$10.00 to \$16.00 | 7% | 15% | 6.50% to 7.50% |

| | | | | |
|---|--------------------------|-----|-----|----------------------|
| OFFICE BUILDING (344) VETERINARY HOSPITAL (381) | \$10.00 to \$19.00 | 10% | 15% | 6.50% to 7.50% |
| GARAGE, STORAGE (326) STORAGE WAREHOUSE (406) EQUIPMENT (SHOP) BUILDING (470) EQUIPMENT SHED (472) BASEMENT, UNFINISHED (703) GARAGE, SERVICE REPAIR (528) | \$6.00 to \$10.00 | 7% | 10% | 7.00%% |
| APARTMENT (300) MULTIPLE RESIDENCE (LOW RISE) (352) | \$10.00 to \$13.00 | 5% | 15% | 7.00% |

Stratification adjustments for the parameters listed in the above grids were based on quality of construction, effective year built, size of rentable area, and location.

Reconciliation:

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

The income approach to value was considered to be a reliable indicator of value in most instances. The market rental rate applied to a few properties varied from the model but fell within an acceptable range of variation from the established guideline.

Model Validation

Total Value Conclusions, Recommendations and Validation:

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

In the 2012 valuation model, the income approach is used to value the majority of the income producing properties that are not obsolesced (where land value is greater than the value produced by the income method), as there are an insufficient number and variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values.

The standard statistical measures of valuation performance are presented in the Executive Summary and the 2011 and 2012 Ratio Analysis charts included in this report. Comparison of the 2011 and 2012 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level went from 90.80% to 93.00%. The Coefficient of Dispersion (COD) went from 13.67% to 9.94%; the Coefficient of Variation (COV) went from 16.67% to 14.25%. The Price-related Differential (PRD) remained unchanged at 0.99.

The total assessed value in area 40, for the 2011 assessment year, was \$2,394,069,848 and the total recommended assessed value for the 2012 assessment year is \$2,335,544,200. Application of these recommended values for the 2012 assessment year results in an average total change from the 2011 assessments of – 2.44%.

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 are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *The individuals listed below were part of the "appraisal team" and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.*
- *No significant real property assistance as determined by the undersigned. All services as may be variously defined significant or otherwise, and performed by duly authorized and qualified King County Assessment staff employed in the areas of Public Information, Accounting/Abstract, Commercial, Residential, Information Services, Personal Property, Accounting/Mapping, Accounting/Support, Accounting/Appeals, Chief Appraiser, Accounting/Exemptions, Accounting/Levy Administration, who may have involvement in physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time, is made part of each real property parcel as a matter of public record and this certification by reference.*
- *Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below: Any and all activities required under the Certificate of Appointment dated 25 April 2005 under sworn oath appointing the below signed appraiser to the position of true and lawful deputy in the Office of the King County Assessor, and authorized by the State of Washington, Department of Revenue under a Certificate of Accreditation. To Wit: all duties, responsibilities, and services associated with the position description of Commercial Appraiser I in the management and valuation of Commercial Area 40. Such duties, responsibilities and services include, but are not limited to physical inspection,*

revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.

Area 040-000 - Rainier Valley
2011 Assessment Year

| | | | |
|-------------------------------------|-------------|-------------|--------------------|
| Quadrant/Crew: | Appr date : | Date: | Sales Dates: |
| Central Crew | 1/1/2011 | 6/6/2012 | 3/25/09 - 10/4/11 |
| Area | Appr ID: | Prop Type: | Trend used?: Y / N |
| 040-000 | NMOO | Improvement | N |
| SAMPLE STATISTICS | | | |
| Sample size (n) | 16 | | |
| Mean Assessed Value | 574,400 | | |
| Mean Sales Price | 632,900 | | |
| Standard Deviation AV | 442,246 | | |
| Standard Deviation SP | 446,689 | | |
| ASSESSMENT LEVEL | | | |
| Arithmetic mean ratio | 0.895 | | |
| Median Ratio | 0.894 | | |
| Weighted Mean Ratio | 0.908 | | |
| UNIFORMITY | | | |
| Lowest ratio | 0.6468 | | |
| Highest ratio: | 1.1642 | | |
| Coefficient of Dispersion | 13.67% | | |
| Standard Deviation | 0.1492 | | |
| Coefficient of Variation | 16.67% | | |
| Price-related Differential | 0.99 | | |
| RELIABILITY | | | |
| 95% Confidence: Median | | | |
| Lower limit | 0.793 | | |
| Upper limit | 1.002 | | |
| 95% Confidence: Mean | | | |
| Lower limit | 0.822 | | |
| Upper limit | 0.968 | | |
| SAMPLE SIZE EVALUATION | | | |
| N (population size) | 833 | | |
| B (acceptable error - in decimal) | 0.05 | | |
| S (estimated from this sample) | 0.1492 | | |
| Recommended minimum: | 34 | | |
| Actual sample size: | 16 | | |
| Conclusion: | | | |
| NORMALITY | | | |
| Binomial Test | | | |
| # ratios below mean: | 9 | | |
| # ratios above mean: | 7 | | |
| z: | 0.25 | | |
| Conclusion: | Normal* | | |
| *i.e., no evidence of non-normality | | | |

Ratio Frequency

| Ratio Range | Frequency |
|-------------|-----------|
| 0.7 - 0.8 | 2 |
| 0.8 - 0.9 | 2 |
| 0.9 - 1.0 | 5 |
| 1.0 - 1.1 | 3 |
| 1.1 - 1.2 | 2 |
| 1.2 - 1.3 | 2 |

Ratio

These figures reflect measurements before posting new values.

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Area 040-000 - Rainier Valley
2011 Assessment Year

| <i>Parcel Number</i> | <i>Assessed Value</i> | <i>Sale Price</i> | <i>Sale Date</i> | <i>Ratio</i> | <i>Diff: Median</i> |
|---------------------------------|----------------------------------|--------------------------|-----------------------------|---------------------|--------------------------------|
| 042404-9284 | 191,900 | 238,000 | 10/4/2011 | 0.8063 | 0.0876 |
| 170290-1775 | 219,400 | 272,000 | 2/11/2011 | 0.8066 | 0.0873 |
| 885000-0517 | 310,000 | 315,000 | 7/6/2011 | 0.9841 | 0.0902 |
| 885000-0518 | 315,600 | 315,000 | 6/21/2011 | 1.0019 | 0.1080 |
| 885000-0515 | 326,500 | 335,000 | 6/9/2011 | 0.9746 | 0.0807 |
| 042404-9058 | 286,600 | 349,950 | 9/30/2011 | 0.8190 | 0.0749 |
| 364610-0978 | 339,500 | 380,000 | 11/9/2010 | 0.8934 | 0.0005 |
| 367740-0205 | 443,800 | 400,000 | 1/31/2011 | 1.1095 | 0.2156 |
| 885000-0516 | 352,100 | 479,950 | 6/21/2010 | 0.7336 | 0.1603 |
| 149830-2805 | 353,800 | 547,000 | 4/20/2010 | 0.6468 | 0.2471 |
| 364610-0290 | 479,600 | 605,000 | 4/25/2009 | 0.7927 | 0.1012 |
| 170290-0957 | 559,000 | 625,000 | 3/25/2009 | 0.8944 | 0.0005 |
| 149830-2605 | 839,500 | 865,000 | 12/30/2009 | 0.9705 | 0.0766 |
| 128230-1395 | 1,513,400 | 1,300,000 | 8/23/2010 | 1.1642 | 0.2702 |
| 422690-0030 | 1,561,000 | 1,500,000 | 6/11/2009 | 1.0407 | 0.1468 |
| 713380-0110 | 1,099,100 | 1,600,000 | 1/25/2010 | 0.6869 | 0.2070 |
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Area 040-000 - Rainier Valley
2012 Assessment Year

| | | | |
|-------------------------------------|-------------|-------------|--------------------|
| Quadrant/Crew: | Appr date : | Date: | Sales Dates: |
| Central Crew | 1/1/2012 | 6/6/2012 | 3/25/09 - 10/4/11 |
| Area | Appr ID: | Prop Type: | Trend used?: Y / N |
| 040-000 | NMOO | Improvement | N |
| SAMPLE STATISTICS | | | |
| Sample size (n) | 16 | | |
| Mean Assessed Value | 588,900 | | |
| Mean Sales Price | 632,900 | | |
| Standard Deviation AV | 446,908 | | |
| Standard Deviation SP | 446,689 | | |
| ASSESSMENT LEVEL | | | |
| Arithmetic mean ratio | 0.920 | | |
| Median Ratio | 0.950 | | |
| Weighted Mean Ratio | 0.930 | | |
| UNIFORMITY | | | |
| Lowest ratio | 0.6468 | | |
| Highest ratio: | 1.1504 | | |
| Coefficient of Dispersion | 9.94% | | |
| Standard Deviation | 0.1310 | | |
| Coefficient of Variation | 14.25% | | |
| Price-related Differential | 0.99 | | |
| RELIABILITY | | | |
| 95% Confidence: Median | | | |
| Lower limit | 0.807 | | |
| Upper limit | 0.981 | | |
| 95% Confidence: Mean | | | |
| Lower limit | 0.855 | | |
| Upper limit | 0.984 | | |
| SAMPLE SIZE EVALUATION | | | |
| N (population size) | 833 | | |
| B (acceptable error - in decimal) | 0.05 | | |
| S (estimated from this sample) | 0.1310 | | |
| Recommended minimum: | 27 | | |
| Actual sample size: | 16 | | |
| Conclusion: | | | |
| NORMALITY | | | |
| Binomial Test | | | |
| # ratios below mean: | 6 | | |
| # ratios above mean: | 10 | | |
| z: | 0.75 | | |
| Conclusion: | Normal* | | |
| *i.e., no evidence of non-normality | | | |

Ratio Frequency

| Ratio | Frequency |
|-------|-----------|
| 0.7 | 1 |
| 0.8 | 2 |
| 0.9 | 2 |
| 1.0 | 9 |
| 1.1 | 0 |
| 1.2 | 2 |
| 1.3 | 0 |
| 1.4 | 0 |

These figures reflect measurements after posting new values.

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Area 040-000 - Rainier Valley
2012 Assessment Year

| <i>Parcel Number</i> | <i>Assessed Value</i> | <i>Sale Price</i> | <i>Sale Date</i> | <i>Ratio</i> | <i>Diff: Median</i> |
|---------------------------------|----------------------------------|--------------------------|-----------------------------|---------------------|--------------------------------|
| 042404-9058 | 343,400 | 349,950 | 9/30/2011 | 0.9813 | 0.0317 |
| 042404-9284 | 237,800 | 238,000 | 10/4/2011 | 0.9992 | 0.0496 |
| 128230-1395 | 1,495,500 | 1,300,000 | 8/23/2010 | 1.1504 | 0.2008 |
| 149830-2605 | 839,500 | 865,000 | 12/30/2009 | 0.9705 | 0.0209 |
| 149830-2805 | 353,800 | 547,000 | 4/20/2010 | 0.6468 | 0.3028 |
| 170290-0957 | 576,000 | 625,000 | 3/25/2009 | 0.9216 | 0.0280 |
| 170290-1775 | 219,400 | 272,000 | 2/11/2011 | 0.8066 | 0.1430 |
| 364610-0290 | 464,100 | 605,000 | 4/25/2009 | 0.7671 | 0.1825 |
| 364610-0978 | 345,200 | 380,000 | 11/9/2010 | 0.9084 | 0.0412 |
| 367740-0205 | 443,800 | 400,000 | 1/31/2011 | 1.1095 | 0.1599 |
| 422690-0030 | 1,405,000 | 1,500,000 | 6/11/2009 | 0.9367 | 0.0129 |
| 713380-0110 | 1,416,200 | 1,600,000 | 1/25/2010 | 0.8851 | 0.0645 |
| 885000-0515 | 326,800 | 335,000 | 6/9/2011 | 0.9755 | 0.0259 |
| 885000-0516 | 349,600 | 479,950 | 6/21/2010 | 0.7284 | 0.2212 |
| 885000-0517 | 303,200 | 315,000 | 7/6/2011 | 0.9625 | 0.0129 |
| 885000-0518 | 303,200 | 315,000 | 6/21/2011 | 0.9625 | 0.0129 |
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Improvement Sales for Area 040 with Sales not Used

06/07/2012

| Area | Nbhd | Major | Minor | Total NRA | E # | Sale Price | Sale Date | SP / NRA | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|------|--------|-------|-----------|---------|-------------|-----------|------------|--------------------------------|---------|----------|-----------|------------------------------------|
| 040 | 010 | 331950 | 1475 | 7,440 | 2451850 | \$1,502,142 | 07/23/10 | \$201.90 | AMERICAN BUILDING MAINTENANCE | NC3-40 | 5 | 8 | Questionable per appraisal |
| 040 | 010 | 817010 | 0005 | 17,250 | 2466124 | \$825,000 | 11/08/10 | \$47.83 | WHOLESALE/MFG/WHSE | NC3-65 | 2 | 8 | Questionable per appraisal |
| 040 | 010 | 817010 | 0520 | 10,249 | 2437559 | \$4,323,365 | 04/19/10 | \$421.83 | MC MACHINERY & COMP CO | IC-65 | 1 | 31 | Exempt from excise tax |
| 040 | 020 | 364610 | 0976 | 0 | 2407681 | \$485,000 | 09/09/09 | \$0.00 | Development Project | NC1-30 | 1 | N | |
| 040 | 020 | 364610 | 0977 | 0 | 2402409 | \$479,000 | 07/28/09 | \$0.00 | Development project. | NC1-30 | 1 | N | |
| 040 | 020 | 982670 | 1300 | 4,707 | 2479987 | \$625,000 | 02/22/11 | \$132.78 | SCHOOL - ODESSA BROWN CHILD | L-1 | 1 | 61 | Financial institution resale |
| 040 | 030 | 414193 | 0010 | 8,047 | 2423586 | \$2,000,000 | 12/15/09 | \$248.54 | LAKESIDE AT LESCHI BUILDING CO | NC1-40 | 1 | 18 | Quit claim deed |
| 040 | 040 | 367940 | 0995 | 2,040 | 2407718 | \$500,000 | 09/10/09 | \$245.10 | SFR / COM'L USE | NC1-40 | 1 | 51 | Related party, friend, or neighbor |
| 040 | 040 | 367940 | 1205 | 1,653 | 2429195 | \$1,700,000 | 02/16/10 | \$1,028.43 | PRODUCE STAND | NC1-40 | 1 | 8 | Questionable per appraisal |
| 040 | 040 | 514100 | 0190 | 2,113 | 2390972 | \$6,000 | 05/08/09 | \$2.84 | VACANT RETAIL | SF 5000 | 1 | 24 | Easement or right-of-way |
| 040 | 050 | 149830 | 2605 | 3,982 | 2384440 | \$482,500 | 03/23/09 | \$121.17 | ATLANTIC VETERINARY HOSPITAL | C1-65 | 1 | 38 | Divorce |
| 040 | 050 | 149830 | 2810 | 7,383 | 2468767 | \$814,000 | 11/30/10 | \$110.25 | OFFICE/STORAGE | C1-65 | 1 | 13 | Bankruptcy - receiver or trustee |
| 040 | 050 | 569920 | 0020 | 0 | 2383291 | \$350,000 | 03/11/09 | \$0.00 | MT BAKER COURT CONDOMINIUM | NC1-30 | 2 | N | |
| 040 | 060 | 128230 | 0285 | 3,500 | 2506481 | \$450,000 | 08/17/11 | \$128.57 | PHO BAC II | NC3-65 | 1 | 51 | Related party, friend, or neighbor |
| 040 | 060 | 128230 | 0825 | 3,997 | 2501076 | \$980,000 | 07/12/11 | \$245.18 | EMERALD CITY FOOD STORE | NC3-65 | 1 | 15 | No market exposure |
| 040 | 060 | 170290 | 0880 | 9,720 | 2403074 | \$92,880 | 05/27/09 | \$9.56 | LIONS CLUB BLDG | NC3P-40 | 1 | 24 | Easement or right-of-way |
| 040 | 060 | 170290 | 1650 | 5,320 | 2415384 | \$1,100,000 | 10/22/09 | \$206.77 | Retail Store w/Res. Units | NC3P-40 | 1 | N | |
| 040 | 060 | 170290 | 1730 | 3,200 | 2437379 | \$500,000 | 04/02/10 | \$156.25 | FLUOROCARBON - Saint g | NC2-40 | 1 | 22 | Partial interest (1/3, 1/2, etc.) |
| 040 | 060 | 170340 | 0255 | 8,062 | 2391015 | \$1,100,000 | 05/08/09 | \$136.44 | CHURCH OF CHRIST SOUTH SIDE | L-2 | 1 | 31 | Exempt from excise tax |
| 040 | 060 | 222404 | 9071 | 65,214 | 2419006 | \$5,000,000 | 11/20/09 | \$76.67 | ZION PREP ACADEMY | L-3 | 2 | 18 | Quit claim deed |
| 040 | 060 | 234130 | 0585 | 2,987 | 2441646 | \$400,000 | 05/13/10 | \$133.91 | DOS AMIGOS TAVERN | C1-40 | 1 | 23 | Forced sale |
| 040 | 060 | 333050 | 0960 | 4,470 | 2420735 | \$340,000 | 12/08/09 | \$76.06 | Former COLUMBIA PHYSICAL THER | NC2P-40 | 2 | 61 | Financial institution resale |
| 040 | 060 | 564960 | 0445 | 0 | 2518566 | \$610,000 | 11/11/11 | \$0.00 | | LR2 | 7 | 13 | Bankruptcy - receiver or trustee |
| 040 | 060 | 795030 | 1650 | 1,500 | 2384526 | \$524,000 | 03/25/09 | \$349.33 | Retail Store | C2-40 | 1 | 23 | Forced sale |
| 040 | 070 | 123100 | 1039 | 1,580 | 2512630 | \$250,000 | 09/20/11 | \$158.23 | RETAIL & APARTMENT | NC1-30 | 1 | 15 | No market exposure |
| 040 | 070 | 415430 | 4415 | 1,720 | 2436988 | \$610,000 | 04/16/10 | \$354.65 | REAL ESTATE & INSURANCE OFFI | NC1-30 | 1 | 46 | Non-representative sale |

Vacant Sales for Area 040 with Sales not Used

06/07/2012

| Area | Nbhd. | Major | Minor | Land Area | E # | Sale Price | Sale Date | SP / Ld. Area | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|-------|--------|-------|-----------|---------|-------------|-----------|------------------|-------------------|---------|-------------|--------------|--------------------------------------|
| 040 | 010 | 713230 | 0135 | 16,457 | 2426688 | \$1,300,000 | 01/22/10 | \$78.99 | VACANT INDUSTRIAL | NC3-65 | 2 | 51 | Related party, friend, or neighbor |
| 040 | 020 | 042404 | 9058 | 2,057 | 2439844 | \$80,000 | 05/03/10 | \$38.89 | LAND ONLY | L-2 RC | 1 | 12 | Estate administrator, guardian, or e |
| 040 | 020 | 331950 | 0985 | 27,231 | 2458053 | \$1,700,000 | 09/09/10 | \$62.43 | VACANT | C1-65 | 1 | 61 | Financial institution resale |
| 040 | 020 | 783380 | 0040 | 7,262 | 2432673 | \$290,400 | 03/11/10 | \$39.99 | Vacant | SF 5000 | 1 | 17 | Non-profit organization |
| 040 | 040 | 640170 | 0015 | 5,920 | 2458263 | \$205,000 | 09/09/10 | \$34.63 | Vacant Parcel | L-2 | 1 | 8 | Questionable per appraisal |
| 040 | 040 | 885000 | 0485 | 9,000 | 2480596 | \$163,232 | 02/28/11 | \$18.14 | | 485 L-2 | 1 | 61 | Financial institution resale |
| 040 | 060 | 335740 | 0045 | 6,650 | 2524714 | \$170,849 | 12/29/11 | \$25.69 | VACANT LAND | LR2 RC | 1 | 16 | Government agency |
| 040 | 060 | 529220 | 0050 | 6,202 | 2473654 | \$120,000 | 12/21/10 | \$19.35 | VACANT | L-2 | 1 | 8 | Questionable per appraisal |

Improvement Sales for Area 040 with Sales Used

06/07/2012

| Area | Nbhd | Major | Minor | Total NRA | E # | Sale Price | Sale Date | SP / NRA | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|------|--------|-------|-----------|---------|-------------|-----------|----------|----------------------------------|---------|----------|-----------|---------|
| 040 | 010 | 422690 | 0030 | 23,668 | 2394575 | \$1,500,000 | 06/11/09 | \$63.38 | WASHINGTON HALL | L-3 | 1 | Y | |
| 040 | 010 | 713380 | 0110 | 11,900 | 2427484 | \$1,600,000 | 01/25/10 | \$134.45 | WAREHOUSE | IC-65 | 1 | Y | |
| 040 | 020 | 042404 | 9058 | 1,431 | 2513229 | \$349,950 | 09/30/11 | \$244.55 | townhouse unit | LR2 RC | 1 | Y | |
| 040 | 020 | 042404 | 9284 | 881 | 2514738 | \$238,000 | 10/04/11 | \$270.15 | townhouse unit | LR2 RC | 1 | Y | |
| 040 | 020 | 364610 | 0290 | 3,500 | 2388612 | \$605,000 | 04/25/09 | \$172.86 | RETAIL BUILDING | NC3-65 | 1 | Y | |
| 040 | 020 | 364610 | 0978 | 2,466 | 2467159 | \$380,000 | 11/09/10 | \$154.10 | Mixed Use/Live Work | NC1-30 | 1 | Y | |
| 040 | 040 | 367740 | 0205 | 2,184 | 2477557 | \$400,000 | 01/31/11 | \$183.15 | Beacon BBQ Store & Deli and Blen | NC2-40 | 1 | Y | |
| 040 | 040 | 885000 | 0515 | 1,720 | 2495945 | \$335,000 | 06/09/11 | \$194.77 | Townhouse Plat | LR2 | 1 | Y | |
| 040 | 040 | 885000 | 0516 | 1,840 | 2448061 | \$479,950 | 06/21/10 | \$260.84 | Townhouse Plat | L-2 | 1 | Y | |
| 040 | 040 | 885000 | 0517 | 1,596 | 2499839 | \$315,000 | 07/06/11 | \$197.37 | Townhouse Plat | LR2 | 1 | Y | |
| 040 | 040 | 885000 | 0518 | 1,596 | 2498024 | \$315,000 | 06/21/11 | \$197.37 | Townhouse Plat | LR2 | 1 | Y | |
| 040 | 050 | 149830 | 2605 | 3,982 | 2424028 | \$865,000 | 12/30/09 | \$217.23 | ATLANTIC VETERINARY HOSPITAL | C1-65 | 1 | Y | |
| 040 | 050 | 149830 | 2805 | 2,400 | 2437578 | \$547,000 | 04/20/10 | \$227.92 | STORAGE WAREHOUSE | C1-65 | 1 | Y | |
| 040 | 060 | 128230 | 1395 | 8,130 | 2456359 | \$1,300,000 | 08/23/10 | \$159.90 | Institute for Cosmology | C1-65 | 1 | Y | |
| 040 | 060 | 170290 | 0957 | 1,600 | 2384334 | \$625,000 | 03/25/09 | \$390.63 | Live/Work Unit | NC2-40 | 1 | Y | |
| 040 | 060 | 170290 | 1775 | 1,424 | 2479624 | \$272,000 | 02/11/11 | \$191.01 | ANGIES TAVERN | NC3P-40 | 1 | Y | |

Vacant Sales for Area 040 with Sales Used

06/07/2012

| Area | Nbhd. | Major | Minor | Land Area | E # | Sale Price | Sale Date | SP / Ld. Area | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|-------|--------|-------|-----------|---------|--------------|-----------|------------------|---------------------|--------|-------------|--------------|---------|
| 040 | 010 | 331950 | 0701 | 5,080 | 2443494 | \$336,000 | 05/20/10 | \$66.14 | VACANT COMMERCIAL | L-3 | 1 | Y | |
| 040 | 010 | 331950 | 1215 | 6,921 | 2381005 | \$600,000 | 02/18/09 | \$86.69 | PARKING LOT | NC3-40 | 1 | Y | |
| 040 | 010 | 817010 | 0385 | 12,000 | 2436489 | \$1,019,000 | 04/14/10 | \$84.92 | ROYAL GLASS | IC-65 | 1 | Y | |
| 040 | 010 | 982670 | 0710 | 4,800 | 2494010 | \$270,000 | 05/17/11 | \$56.25 | VACANT LOT | LR3 | 1 | Y | |
| 040 | 020 | 364610 | 0340 | 103,759 | 2483918 | \$7,634,160 | 03/25/11 | \$73.58 | STARBUCKS-WALGREENS | NC3-65 | 2 | Y | |
| 040 | 020 | 364610 | 0390 | 158,619 | 2483923 | \$10,765,840 | 03/25/11 | \$67.87 | PROMENADE 23 | NC3-65 | 1 | Y | |
| 040 | 050 | 000360 | 0028 | 9,571 | 2436081 | \$337,500 | 04/07/10 | \$35.26 | 8 UNIT APT | L-2 RC | 1 | Y | |
| 040 | 050 | 159460 | 0110 | 4,900 | 2445117 | \$410,000 | 06/04/10 | \$83.67 | WAREHOUSE | C1-65 | 1 | Y | |
| 040 | 060 | 564960 | 0172 | 48,050 | 2425754 | \$3,454,422 | 01/15/10 | \$71.89 | Harbor Prop | C2-65 | 2 | Y | |

| Area | Neighborhood | Major | Minor |
|------|--------------|--------|-------|
| 40 | 30 | 341660 | 0240 |
| 40 | 30 | 982920 | 0720 |
| 40 | 30 | 341660 | 0385 |
| 40 | 30 | 414193 | 0010 |
| 40 | 30 | 690920 | 0555 |
| 40 | 30 | 690920 | 0540 |
| 40 | 30 | 411460 | 1145 |
| 40 | 30 | 414193 | 0000 |
| 40 | 30 | 690920 | 0560 |
| 40 | 30 | 690920 | 0530 |
| 40 | 30 | 311074 | 0141 |
| 40 | 30 | 341660 | 0130 |
| 40 | 30 | 411460 | 0996 |
| 40 | 30 | 411460 | 1146 |
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