

**Commercial Revalue**

**2013 Assessment roll**

**MAJOR  
RETAIL**

**AREA 250**

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

**Lloyd Hara, Assessor**



## **King County**

**Department of Assessments**

**Accounting Division**

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***Lloyd Hara***  
***Assessor***

Dear Property Owners:

Property assessments for the 2013 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2012 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

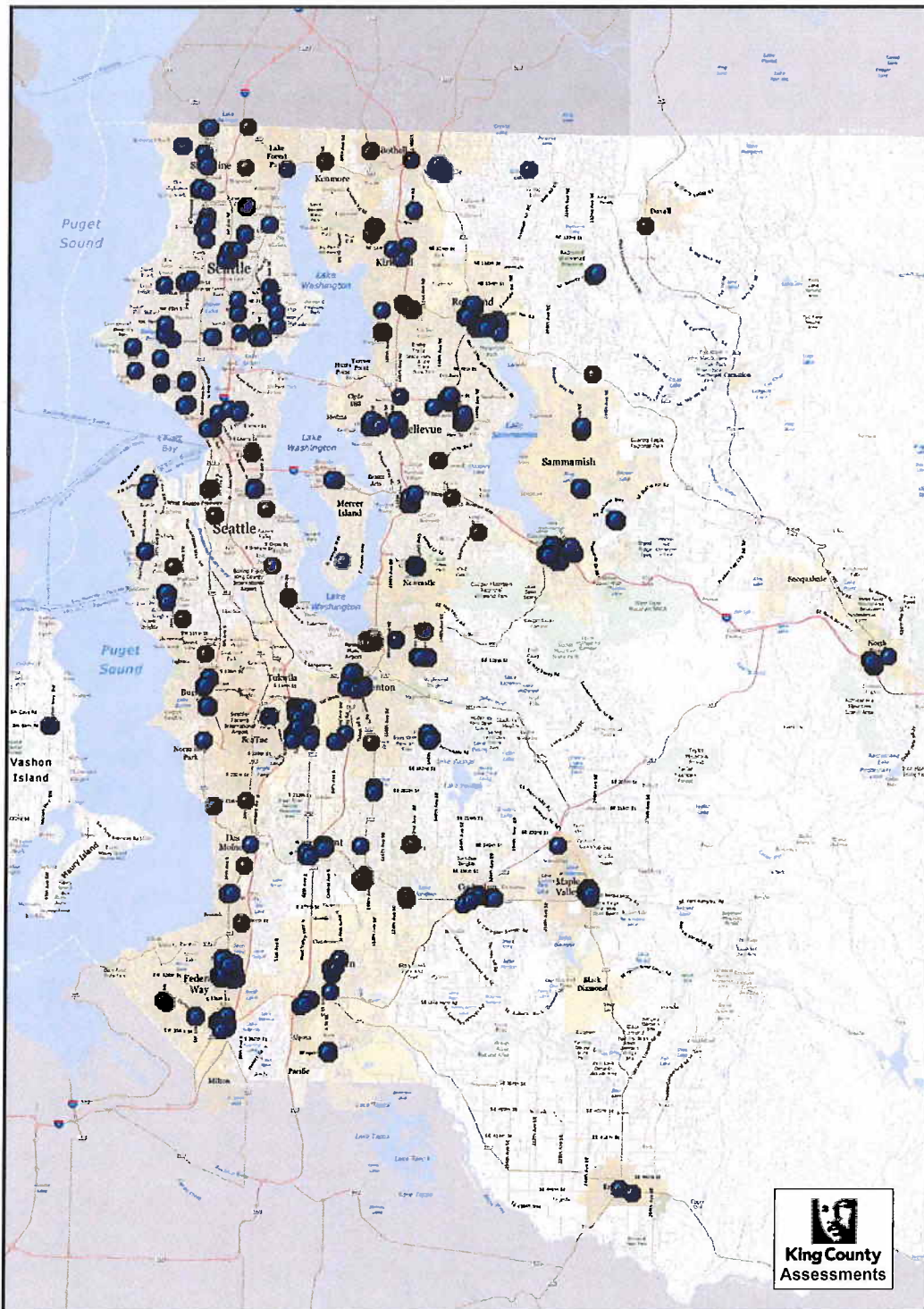
Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

Please feel welcome to call my staff if you have questions about the property assessment process and how it relates to your property.

Sincerely,

Lloyd Hara  
Assessor

## Specialty Area 250 (Major Retail)



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## ***Executive Summary Report***

***Appraisal Date 1/1/13 - 2013 Assessment Roll***

***Specialty Name:*** Major Retail, Specialty Area 250

### ***Sales – Improved Analysis Summary***

- Number of Sales: 9

No ratio studies were included within this report due to the limited number of improved sales within the major retail specialty population.

The Income Approach was used in the final reconciliation of value because it allows greater equalization and uniformity of values for the various stratifications of major retail buildings and because market income data as of the valuation date is available. Current market income parameters, including stable rents, lower vacancy and declining capitalization rates, suggest an overall increase in the major retail market as of 01/01/2013 as compared to 01/01/2012. Overall industry data for major retail properties was used to make overall upward adjustments of approximately +4.04%.

<b><i>Total Population - Parcel Summary Data:</i></b>			
	<b><i>Land</i></b>	<b><i>Imps</i></b>	<b><i>Total</i></b>
<b><i>2012 Value</i></b>	\$ 3,318,161,400	\$ 2,322,298,800	\$ 5,640,460,200
<b><i>2013 Value</i></b>	\$ 3,400,381,300	\$ 2,468,066,100	\$ 5,868,447,400
<b><i>Percent Change</i></b>	+2.48%	+6.28%	+4.04%

- Number of total parcels in major retail specialty population: **654**
- Number of improved parcels in major retail specialty population: **511**

### ***Conclusion and Recommendation:***

Assessed values for the 2013 revalue have increased on average by +4.04%.

The values recommended in this report improve uniformity and equity; therefore, it is recommended they should be posted for the 2013 Assessment Year.

## ***Analysis Process:***

### ***Specialty and Responsible Appraiser***

- Specialty Area 250- Major Retail
- The following appraiser did the valuation for this specialty assessment:

**Name:** Steven Roberts  
**Job Title:** Commercial Appraiser II

### ***Highest and Best Use Analysis***

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

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

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

**Standards and Measurement of Data Accuracy:** Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary by field inspection, review of plans, marketing information, and rent rolls when available.

### ***Special Assumptions and Limiting Conditions***

All three approaches to value were considered in this analysis.

- Major retail uses three years of sales for developing market values.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## ***Identification of the Area***

**Name or Designation:** Specialty Area 250 - Major Retail

Major retail properties consist of regional malls, single tenant discount retailers, big box stores, large neighborhood/community retail centers, and stand-alone grocery stores. The regional mall properties are defined as those multi-tenanted properties in excess of 200,000 square feet of gross leasable area. The single tenant discount retailers and big box properties are generally in excess of 100,000 square feet, while the neighborhood/community retail centers are defined as those multi-tenanted properties that are either anchored or non-anchored centers. Anchored neighborhood/community retail centers consist of multi-tenanted properties that are of any size, while non-anchored multi-tenanted neighborhood/community retail centers are generally defined as retail developments in excess of 100,000 square feet. The major retail properties consist of 654 total parcels of which 511 are improved.

**Boundaries:** All areas within the boundaries of King County

**Maps:** Detailed Assessor's maps are located on the 7<sup>th</sup> floor of the King County Administration Building.

**Area Description:** This specialty includes all major retail facilities that meet the major retail classification and are located in King County.

**Name or Designation:**

King County's major retail properties fall into a number of categories. The most visible are the regional shopping centers such as Northgate Mall, Bellevue Square and Westfield Southcenter. Throughout King County, there are also a number of single tenant, discount retailers such as Fred Meyer, Target, Wal-Mart and Best Buy in addition to big box retail stores such as Lowe's, Home Depot, Sam's Club and Costco. King County's two outlet malls are the Supermall of the Great Northwest and the Factory Stores of North Bend. Also included in the major retail properties are anchored neighborhood shopping centers, large line retail centers, and stand-alone grocery stores. Properties that are more difficult to classify include Westlake and Meridian Centers in downtown Seattle.

- Regional / Super Regional Malls
- Power Centers
- Lifestyle Centers
- Outlet Malls
- Neighborhood / Community Centers
- Big Box Retailers
- Stand Alone Grocery



## Malls:

The most common design mode for regional and super-regional centers is often referred to as a “shopping mall”. The walkway or “mall” is typically enclosed, climate-controlled and lighted, and flanked on one or both sides by storefronts and entrances. Onsite parking, usually provided around perimeter of the center, may be surface or structured.

REGIONAL CENTERS	
Concept	General merch.; fashion (mall, typl. enclosed)
Sq.Ft. (Incl. Anchors)	400k - 800k
Acreage	40-100
Typical Anchor Number	2 or more
Typical Anchor Ratio	50-70%
Typical Anchor Type	Full-line department store; Jr. department store; mass merchant; discount department store; fashion apparel

\*Photo: Northgate Mall (Seattle)

**Regional Center:** The regional center is typically enclosed and has a total GLA ranging in size from 400,000 to 800,000 square feet of GLA. These centers are typically anchored by at least two or more full-line department stores with smaller anchor tenants, such as junior department stores, discount department stores, mass merchant stores, and fashion apparel stores. Regional centers typically include many smaller in-line retail stores such as general merchandise stores, gift stores, restaurants, and food courts. The anchor ratio for regional malls typically ranges between 50% and 70% with a primary trade area from 5 to 15 miles.

SUPER-REGIONAL CENTERS	
Concept	Similar to regional center but has more variety and assortment.
Sq.Ft. (Incl. Anchors)	800k +
Acreage	60-120
Typical Anchor Number	3 or more
Typical Anchor Ratio	50-70%
Typical Anchor Type	Full-line department store; Jr. department store; mass merchant; discount department store; fashion apparel

\*Photo: Westfield “South Center Mall” (Tukwila)

**Super-regional Center:** The super-regional center has many of the same attributes as the regional center but at a larger scale. The super-regional center is typically enclosed and has a total GLA exceeding 800,000 square feet of GLA. The super-regional center is anchored by three or more full-line department stores with smaller anchor tenants, such as junior department stores, discount department stores, mass merchant stores, and fashion apparel stores. Super-regional centers typically include many smaller in-line retail stores such as general merchandise stores, gift stores, restaurants, and food courts. The anchor ratio for regional malls typically range between 50% and 70% and has a primary trade area from 5 to 25 miles.

**Mall Class Types:** The *Pricewaterhouse Cooper Real Estate Investor Survey* is a national publication that has a wealth of information. Its Real Estate Investor Survey was formerly known as *Korpacez Real Estate Investor Survey*. The survey represents a cross section of major institutional equity real estate market participants who invest primarily in institutional-grade (investment quality) properties. Rates and other assumptions presented in the survey indicate the participant's expectations from institutional-grade real property investment. Institutional-grade properties are those properties sought out by institutional buyers that have the capacity to meet the prevalent institutional investment criteria, which are referred to in this survey. In the retail market, PwC reports on the National Regional Mall Market, the National Power Center Market, and the National Strip Shopping Center Market.

**National Regional Mall Market:** According to the current PwC survey of participants, regional malls classifications based on in-line store retail sales per square foot are as follows:

➤ <u>Class:</u>	<u>Inline Retail Sales PSF<sup>1</sup>:</u>
➤ A+	\$600 and up
➤ A	\$450 to \$599
➤ B+	\$350 to \$499
➤ B	\$250 to \$349
➤ C	Less than \$250

#### Open-Air Centers:

	POWER CENTERS	
	Concept	Category-dominant anchors; few small tenants
	Sq.Ft. (Incl. Anchors)	250k – 600k
	Acreage	25 - 80
	Typical Anchor Number	3 or more
	Typical Anchor Ratio	75-90%
	Typical Anchor Type	Category killer; home Improvement; discount department store; warehouse club; off-price

\*Photo: Northgate North (Seattle)

**Power Centers:** The power center is typically dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or “category killers,” (i.e., stores that offer a vast selection in related merchandise categories at very competitive retail prices). The center typically consists of several anchors, some of which may be freestanding (unconnected) and only a minimum amount of small specialty tenants.

<sup>1</sup> PwC Real Estate Investor Survey, 4<sup>th</sup> Quarter 2012, pg. 110





\*Photo: University Village (Seattle)

LIFESTYLE CENTERS	
Concept	Upscale national chain specialty stores; dining and entertainment in outdoor setting
Sq.Ft. (Incl. Anchors)	Typically 150k -500k but can be smaller or larger
Acreage	10 - 40
Typical Anchor Number	0-2
Typical Anchor Ratio	0-50%
Typical Anchor Type	Not usually anchored in the traditional sense but may include book store; other large-format specialty retailers; multi-plex cinema; small department store

**Lifestyle Centers:** Most often located near affluent residential neighborhoods, this center type caters to the retail needs and “lifestyle” pursuits of consumers in its trading area. It has an open-air configuration and typically includes at least 50,000 square feet of retail space occupied by upscale national chain specialty stores. Other elements differentiate the lifestyle center in its role as a multi-purpose leisure-time destination, including restaurants, entertainment, and design ambience and amenities such as fountains and street furniture that are conducive to casual browsing. These centers may be anchored by one or more conventional or fashion specialty department stores.



\*Photo: North Bend Premium Outlet Stores (North Bend)

OUTLET MALLS	
Concept	Manufactures’ outlet stores
Sq.Ft. (Incl. Anchors)	50k -- 400k
Acreage	10 – 50
Typical Anchor Number	N/A
Typical Anchor Ratio	40-60%
Typical Anchor Type	Manufactures’ out stores

**Outlet Malls:** This center type consists of manufactures and retailers’ outlet stores selling brand-name goods at a discount. These centers are typically not anchored, although certain brand-name stores may serve as “magnet” tenants. The majority of outlet centers are open-air, configured either in a strip or as a village cluster, although some are enclosed.

COMMUNITY CENTERS	
Concept	General merchandise; Convenience
Sq.Ft. (Incl. Anchors)	100k – 350k
Acreage	10 – 40
Typical Anchor Number	2 or more
Typical Anchor Ratio	40-60%
Typical Anchor Type	Discount department store; supermarket; drug; home improvement; large specialty/discount apparel

\*Photo: Westwood Village (West Seattle)

**Community Centers:** The community center ranges in size from 100,000 to 350,000 square feet of GLA. The community center is typically anchored by a junior department store and one, or a combination of the following: supermarket, drugstore, home improvement center, and variety store. The small shops are typically a combination of convenience and service stores, restaurants, and general merchandise and fashion stores.

NEIGHBORHOOD CENTERS	
Concept	Convenience
Sq.Ft. (Incl. Anchors)	30k – 150k
Acreage	3 - 15
Typical Anchor Number	1 or more
Typical Anchor Ratio	30-50%
Typical Anchor Type	Discount department store; supermarket; drug; home improvement; large specialty/discount apparel.

\*Photo: Bear Creek Village Shopping Center (Redmond)

**Neighborhood Centers:** The neighborhood center ranges in size from 30,000 to 150,000 square feet of GLA and is usually anchored by a supermarket. Some neighborhood centers may have a drugstore or home improvement store as additional major tenants. The small shops are generally service tenants such as laundromats, cleaners, and food service tenants such as restaurants and specialty food stores.

## Big Box Stores:



The terms "big box", "value retailers", "superstore," and "category killer" are used interchangeably. The retail model depends on high-volume rather than price markups. To do a profitable volume, they must occupy large amounts of space. Typically, they range in size from 90,000 to 200,000 square feet, are located as often as possible near highway interchanges or exits, use the same windowless box store design with several acres of a single-floor layout, and require vast surface parking. Big box retail stores (generally referred to collectively as

"superstores") are generally categorized into three subgroups: discount department stores, category killers, and warehouse clubs. Discount department stores sell department store merchandise at low prices. Wal-Mart, Kmart, and Target are examples of this type. Category killers are large specialty (niche) retailers that buy and sell in huge volumes at low prices. Prices are further reduced by eliminating middleman charges and dealing directly with product manufacturers. Examples include Toys R Us, Home Depot, and Sports Authority. Warehouse clubs are membership shopping clubs that offer a variety of goods, often including groceries, electronics, clothing, hardware, and more, at wholesale prices. Unlike discount department stores, which may sell as many as 60,000 distinct items, warehouse clubs limit their range to 3,000 to 5,000 items. Sam's Club, Costco, and Pace dominate this industry. Their stores range in size from 104,000 to 170,000 square feet and serve markets up to 250,000 people. Conglomerations of superstores in 250,000 to 750,000 square foot centers are called "power centers." IKEA seems to be a mix between a discount department store (household goods) and a category killer (furniture).

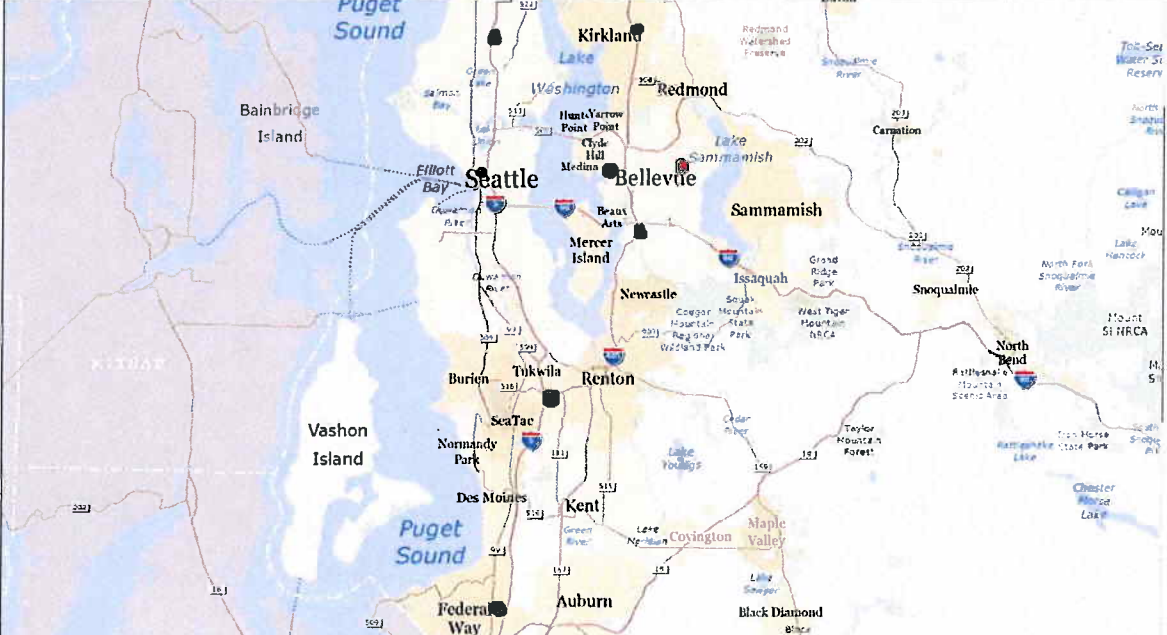
**Neighborhood Descriptions:** Within Specialty Area 250, there are seven major retail type properties that are located in seven geographic districts. Of the seven geographic districts for major retail properties, each district has various neighborhood sub-areas. For equalization purposes, major retail properties are placed in their assigned district and sub-area to account for neighborhood market conditions when building economic income models (tables) based on characteristics, such as, location, effective age, quality, and predominate use. For purposes of record keeping, all of the malls, outlet malls, and lifestyle centers have been assigned their proper geographic neighborhood, but do not typically lend themselves to typical neighborhood designations due to the unique composition of the tenants and the quality of building improvements. In addition, due to the complexity in appraising malls, outlet malls, and lifestyle centers, these properties were not assigned neighborhood income tables and were assessed on an individual basis.

**Retail Type Properties:**

- Regional / Super Regional Malls
- Power Centers
- Lifestyle Centers
- Outlet Malls
- Neighborhood / Community Centers
- Big Box
- Stand Alone Grocery

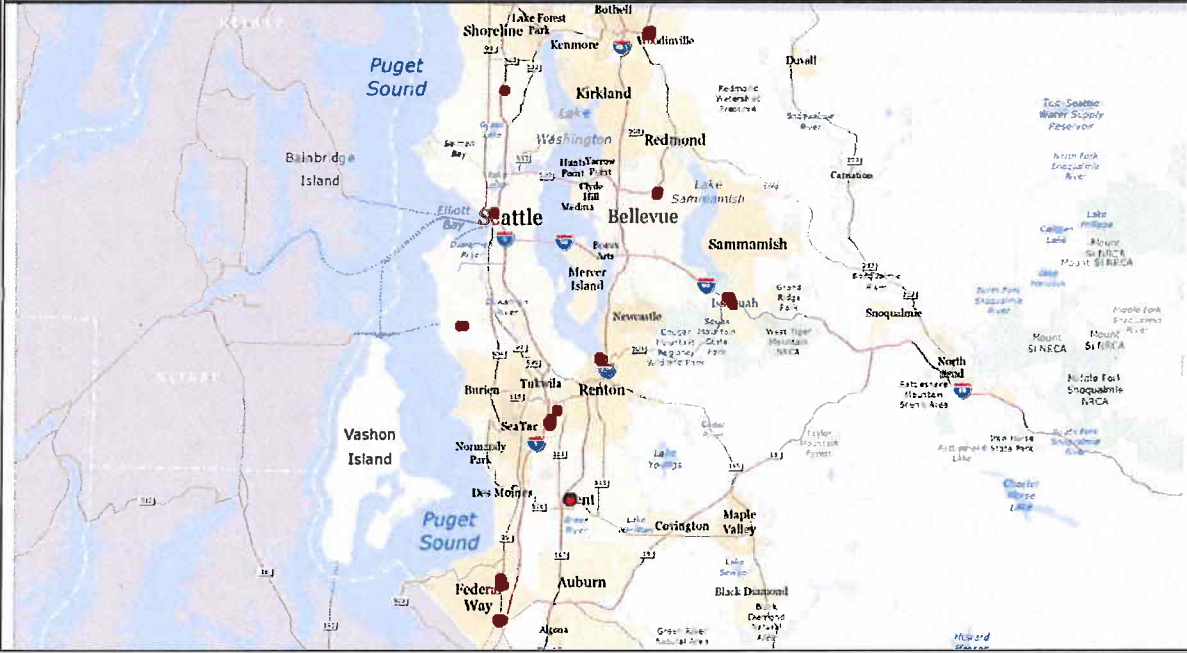
Neighborhood And Sub-Area Description	
District 1 – North	Sub-Area 1: West Shoreline Sub-Area 2: East Shoreline; Lake Forest Park
District 2 - Eastside	Sub-Area 1: Bothell; Kenmore Sub-Area 2: Kirkland; Bellevue; Redmond; Sammamish; Issaquah Sub-Area 3: Downtown Bellevue Sub-Area 4: Mercer Island; Newcastle Sub-Area 5: North Bend
District 3 - Northeast	Sub-Area 1: Duval Sub-Area 2: NE King County
District 4 – Seattle	Sub-Area 1: NW - Ballard; Fremont; Green Lake; Aurora Sub-Area 2: NE - Northgate; Lake City; University Sub-Area 3: Queen Anne; Magnolia Sub-Area 4: Capitol Hill; Madison Park Sub-Area 5: Downtown Sub-Area 6: West Seattle Sub-Area 7: Rainer Valley & South Sub-Area 8: Delridge; White Center
District 5 - Southwest	Sub-Area 1: Vashon Island Sub-Area 2: Burien; SeaTac; Des Moines; Tukwila – West of I-5 Sub-Area 3: Federal Way
District 6 - South	Sub-Area 1: Renton; Tukwila – East of I-5 Sub-Area 2: Kent Sub-Area 3: Auburn
District 7 - Southeast	Sub-Area 1: Covington; Maple Valley; Black Diamond Sub-Area 2: Enumclaw East



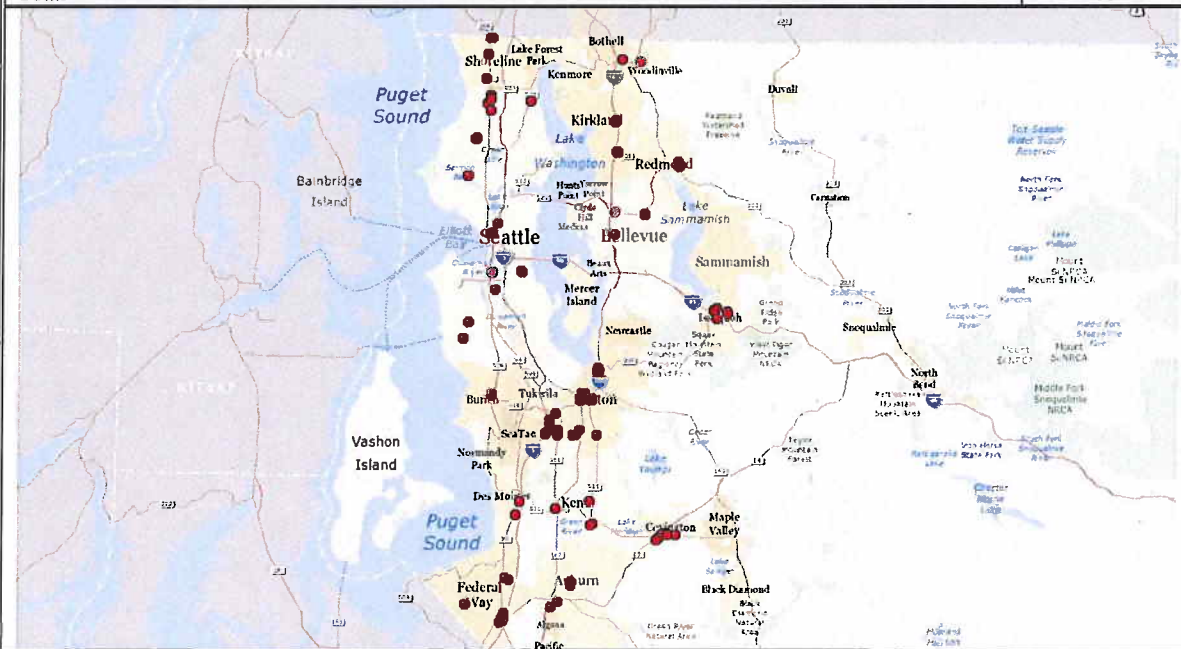
MALLS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
122	Eastside (Dist. 2, Subarea 2)	Kirkland; Bellevue; Redmond; Sammamish; Issaquah	16
123	Eastside (Dist. 2, Subarea 3)	Downtown Bellevue	20
124	Eastside (Dist. 2, Subarea 4)	Mercer Island; Newcastle	6
142	Eastside (Dist. 4, Subarea 2)	Northgate; Lake City; University	8
145	Seattle (Dist. 4, Subarea 5)	Downtown	2
153	SW (Dist. 5, Subarea 3)	Federal Way	14
161	South (Dist. 6, Subarea 1)	Renton; Tukwila East of I-5	19
Description:			85
			



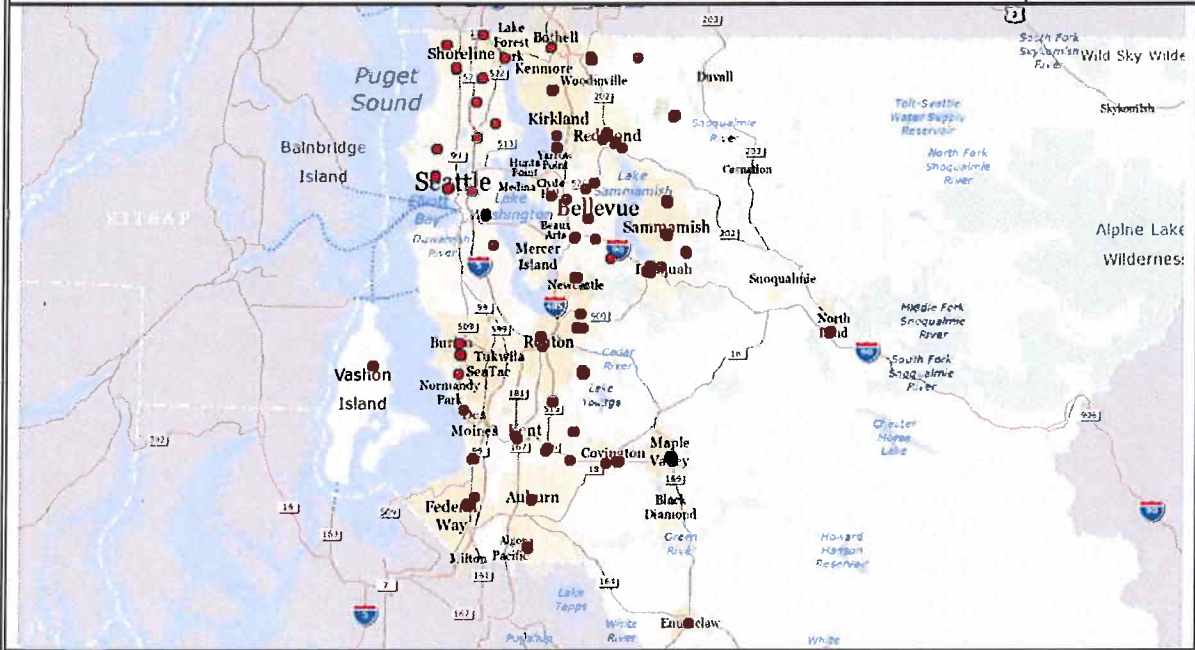
POWER CENTERS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
222	Eastside (Dist. 2, Subarea 2)	Kirkland; Bellevue; Redmond; Sammamish; Issaquah	26
242	Seattle NE (Dist. 4, Subarea 2)	Northgate; Lake City; University	1
245	Seattle (Dist. 4, Subarea 5)	Downtown	2
248	Seattle (Dist. 4, Subarea 8)	Delridge; White Center	2
253	SW (Dist. 5, Subarea 3)	Federal Way	21
261	South (Dist. 6, Subarea 1)	Renton; Tukwila East of I-5	11
262	South (Dist. 6, Subarea 2)	Kent	22
Total			85



BIG BOX			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
311	North (Dist. 1, Subarea 1)	West Shoreline	5
321	Eastside (Dist. 2, Subarea 1)	Bothell; Kenmore	1
322	Eastside (Dist. 2, Subarea 2)	Kirkland; Bellevue; Redmond; Sammamish; Issaquah	21
341	Seattle NW (Dist. 4, Subarea 1)	Seattle NW - Ballard; Fremont; Green Lake; Aurora	8
342	Seattle NE (Dist. 4, Subarea 2)	Seattle NE - Northgate; Lake City; University	1
343	Seattle (Dist. 4, Subarea 3)	Queen Anne; Magnolia	1
345	Seattle (Dist. 4, Subarea 5)	Downtown	3
346	Seattle (Dist. 4, Subarea 6)	West Seattle	5
347	Seattle (Dist. 4, Subarea 7)	Rainier Valley; South	2
348	Seattle (Dist. 4, Subarea 8)	Delridge; White Center	2
352	SW (Dist. 5, Subarea 2)	Burien; SeaTac; Des Moines; Tukwila - West of I-5	4
353	SW (Dist. 5, Subarea 3)	Federal Way	8
361	South (Dist. 6, Subarea 1)	Renton; Tukwila - East of I-5	23
362	South (Dist. 6, Subarea 2)	Kent	3
363	South (Dist. 6, Subarea 3)	Auburn	4
371	SE (Dist. 7, Subarea 1)	Covington; Maple Valley; Black Diamond	7
372	SE (Dist. 7, Subarea 2)	Enumclaw East	1
<b>Total</b>			<b>99</b>



NEIGHBORHOOD / COMMUNITY CENTERS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
411	North (Distr. 1, Subarea 1)	West Shoreline	6
412	North (Distr. 1, Subarea 2)	East Shoreline; Lake Forest Park	2
421	Eastside (Dist. 2, Subarea 1)	Bothell; Kenmore	2
422	Eastside (Dist. 2, Subarea 2)	Kirkland; Bellevue; Redmond; Sammamish; Issaquah	100
423	Eastside (Dist. 2, Subarea 3)	Downtown Bellevue	1
424	Eastside (Dist. 2, Subarea 4)	Mercer Island; Newcastle	10
425	Eastside (Dist. 2, Subarea 5)	North Bend	5
442	Seattle NE (Dist. 4, Subarea 2)	NE – Northgate; Lake City; University	8
443	Seattle (Dist. 4, Subarea 3)	Queen Anne; Magnolia	13
444	Seattle (Dist. 4, Subarea 4)	Capitol Hill; Madison Park	1
447	Seattle (Dist. 4, Subarea 7)	Rainier Valley - South	4
451	SW (Dist. 5, Subarea 1)	Vashon Island	3
452	SW (Dist. 5, Subarea 2)	Burien; SeaTac; Des Moines; Tukwila - West of I-5	19
453	SW (Dist. 5, Subarea 3)	Federal Way	10
461	South (Dist. 6, Subarea 1)	Renton; Tukwila - East of I-5	29
462	South (Dist. 6, Subarea 2)	Kent	8
463	South (Dist. 6, Subarea 3)	Auburn	9
471	SE (Dist. 7, Subarea 1)	Covington; Maple Valley; Black Diamond	27
472	SE (Dist. 7, Subarea 2)	Enumclaw East	1
<b>Total</b>			<b>258</b>



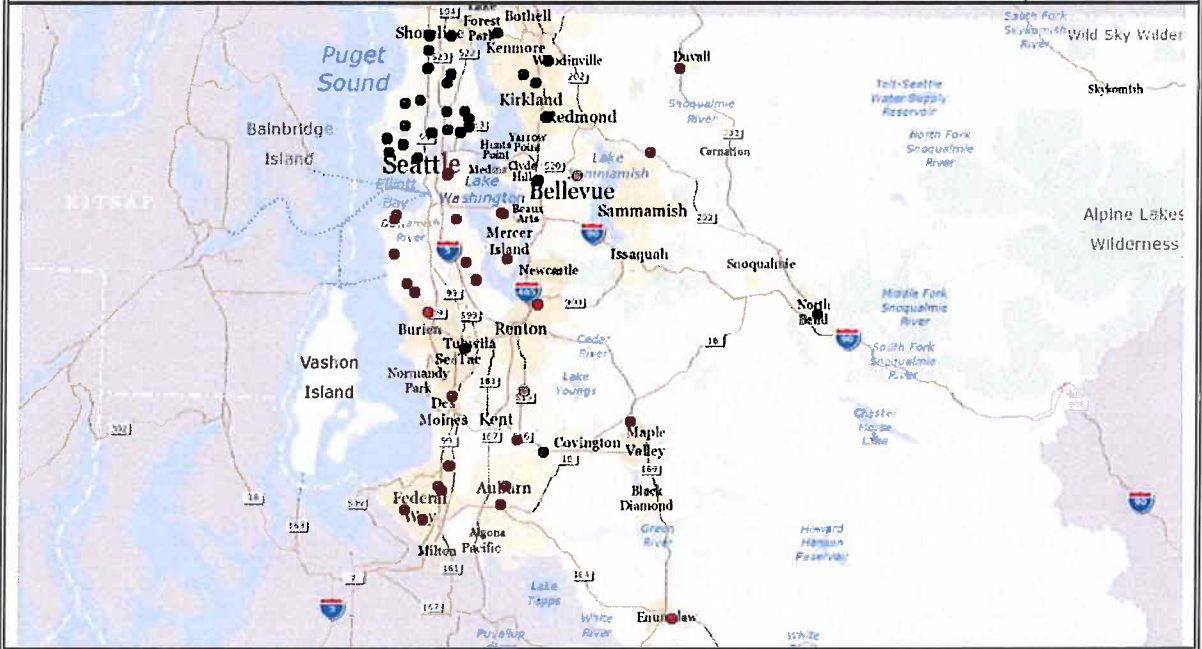
OUTLET MALLS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
525	Eastside (Dist. 2, Subarea 5)	North Bend	2
563	South (Dist. 6, Subarea 3)	Auburn	2
Total			4



LIFESTYLE CENTERS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
622	Eastside (Dist. 2, Subarea 2)	Kirkland; Bellevue; Redmond; Sammamish; Issaquah	13
623	Eastside (Dist. 2, Subarea 3)	Downtown Bellevue	1
642	Seattle NE (Dist. 4, Subarea 2)	NE -- Northgate; Lake City; University	12
<b>Total</b>			<b>26</b>



STAND ALONE GROCERY STORES			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
711	North (Distr. 1, Subarea 1)	West Shoreline	1
712	North (Distr. 1, Subarea 2)	East Shoreline; Lake Forest Park	5
721	Eastside (Dist. 2, Subarea 1)	Bothell; Kenmore	2
722	Eastside (Dist. 2, Subarea 2)	Kirkland; Bellevue; Redmond; Sammamish; Issaquah	15
724	Eastside (Dist. 2, Subarea 4)	Mercer Island; Newcastle	3
725	Eastside (Dist. 2, Subarea 5)	North Bend	1
731	NE Rural (Dist. 3, Subarea 1)	Duvall	1
741	Seattle NW (Dist. 4, Subarea 1)	NW - Ballard; Fremont; Green Lake; Aurora	8
742	Seattle NE (Dist. 4, Subarea 2)	NE - Northgate; Lake City; University	13
743	Seattle (Dist. 4, Subarea 3)	Queen Anne; Magnolia	9
744	Seattle (Dist. 4, Subarea 4)	Capitol Hill; Madison Park	2
746	Seattle (Dist. 4, Subarea 6)	West Seattle	3
747	Seattle (Dist. 4, Subarea 7)	Rainier Valley; South	5
748	Seattle (Dist. 4, Subarea 8)	Delridge; White Center	5
752	SW (Dist. 5, Subarea 2)	Burien; SeaTac; Des Moines; Tukwila - West of I-5	5
753	SW (Dist. 5, Subarea 3)	Federal Way	10
761	South (Dist. 6, Subarea 1)	Renton; Tukwila - East of I-5	2
762	South (Dist. 6, Subarea 2)	Kent	2
763	South (Dist. 6, Subarea 3)	Auburn	2
771	SE (Dist. 7, Subarea 1)	Covington; Maple Valley; Black Diamond	2
772	SE (Dist. 7, Subarea 2)	Enumclaw East	1
<b>Total</b>			<b>97</b>



## ***Economic Considerations:***

### **Historic Economic Conditions:**

The Seattle region experienced strong employment growth in the mid-2000's as the local economy continued to experience increasing diversification led by the rapidly expanding technology and biotech sectors. This helped spur increases in net migration and a robust real estate market, which experienced rapidly appreciating property values unprecedented in recent memory. This period of strong growth came to a grinding halt as the effects of the national economic crisis began to impact the local economy. The year 2009 marked a clear shift in the local economy as demonstrated by significant regional job losses and plummeting real estate values. The recessionary period that followed was characterized by a tightening of lending practices, further job losses, and declines in all sectors of the real estate market.

### **National Economy:**

The United States economy has made significant gains in its quest to recover from the damage done by the recent recession. Unemployment remains high, however employment growth is continuing and job losses have subsided. The stock market has rebounded, with the Dow Jones industrial average reaching an all-time high on March 6<sup>th</sup>. In addition, the amount of foreclosures has also dropped and home values are beginning to show signs of improvement. Consumer sentiment has improved as well. In another sign of improvement, housing starts in 2012 increased 28 percent compared to 2011 figures, the third straight annual gain.

### **Puget Sound Economic Conditions:**

In 2012, the Puget Sound economy grew faster than the nation's economy. Employment increased by 2.7% in 2012, which exceeded the national job growth of 1.4%. This recovery is tied to the region's diverse economy. Its strengths include aerospace, software development including internet retail and gaming, and global trade. Conway & Pedersen's Puget Sound Economic Forecaster has revised up the anticipated 2013 employment growth to 2.7%, which is again nearly twice the growth expected nationwide. A slightly lower 2.4% is predicted for the Puget Sound region in 2014. In King County, unemployment fell to 4.4% in April 2013 down from an average of 8.6% in 2009. This level is traditionally considered full employment.<sup>2</sup>

With a huge backlog of airplane orders, Boeing's employment remained strong in 2012 following increased hiring in 2011. In 2011, the company won the contract for the aerial tankers, reached a labor agreement, and committed to build the next generation of 737 airplanes in Renton.

In addition, a stable information-technology industry once anchored by Microsoft has evolved into one of the largest high-tech clusters in the nation with Amazon.com dramatically increasing its footprint in Seattle. Other major tech-related companies with large real estate footprints in the Seattle area are Nintendo, Expedia Inc. and F5 Networks Inc. Google and Facebook are also increasing their presence significantly in the area in order to take advantage of the large pool of tech employees. The Seattle area was recently ranked fourth for top start-

<sup>2</sup> The Seattle Times, "Seattle area reaches full employment milestone" Jon Talton, 5/22/2013

up ecosystems in the world according to report by Startup Genome. The Puget Sound business climate and lifestyle, which attracts a skilled, educated workforce, has encouraged these start-ups.<sup>3</sup> In the Seattle, metropolitan area the above average growth in tech employment has helped fill a glut in vacant office space available after the “Great Recession” and has accelerated the recovering of the office market.

International trade continues to have a strong impact on the regional economy. While foreign exports were the first sector of the economy to recover it has now slowed due to the slower world economy. Boeing with 75% of its airplanes going overseas is the region’s top foreign exporter. Besides Boeing, there are a wide list of regional businesses that provide products and services for foreign markets. These include Microsoft, Weyerhaeuser, Paccar, Russell Investments, Costco, Starbucks, Expeditors International, Perkins Coie, NBBJ, Alaska Airlines, Port of Seattle, and the University of Washington. Economist Dick Conway anticipates that the region’s exports will increase from flat to a 5% growth rate in 2013.<sup>4</sup>

### **Retail Market and Current Economic Conditions:**

Heading into 2010, most investors were looking to purchase assets described as either “treasures”- high-quality, well-located properties with strong occupancies and stable rent rolls – or “traumas” – assets in need of repair, tenants, capital or any combination of the three, which could be acquired well below replacement cost. “There was fierce competition at both ends of the quality spectrum, but no takers for the middle assets,” states an investor. By midyear 2010, the anticipated number of “trauma” assets fell short, leaving cash-laden investors targeting the same few top-notch offerings and prime markets. A flight to quality scenario had clearly emerged. At the same time, lending markets came back to life for quality deals, helping to further fuel investment demand for trophy assets<sup>5</sup>.

For year 2012, commercial real estate sales transaction volume is increasing and underlying economic fundamentals are a cause for optimism. Research reports indicate that the regional retail market is thought to have stabilized in 2011 and on the rise for 2012, following difficult market conditions from 2008 thru 2010. With rising rents and decreasing vacancy rates, owners in the Northgate/Central and Eastside/Bellevue submarkets will reduce concessions first as national chains expand into heavily trafficked areas, pushing shopping center vacancy to low levels shortly after the recession, which enabled owners to negotiate rent renewal increases in 2011.<sup>6</sup> Per Marcus and Millichap<sup>7</sup>, recent shopping center leases have averaged just above 2,000 square feet rather than the 3,500-square foot average during the initial stages of the recovery. As a result, asking rents have increased 2.2% to \$21.73/SF, while effective rents have increased 1.6% to \$19.17/SF.

The demand for well-stabilized retail assets along with strong NOI returns have investors competing for properties. Investor interest has been focused on food and drug store anchored neighborhood centers, and single tenants net lease properties. In addition, with improving retail operations throughout Puget Sound, investors will seek those retail developments with

<sup>3</sup> CBRE Q4 2012 Puget Sound Area Office Marketview

<sup>4</sup> Economic Development Council of Seattle and King County Marketing Supplement, Pg. 8, 1/11/2013

<sup>5</sup> PwC Real Estate Investor Survey, 4<sup>th</sup> Quarter 2010, pg. 2

<sup>6</sup> Marcus & Millichap, 2012 National Retail Report, pg. 53

<sup>7</sup> Marcus & Millichap, 2012 National Retail Report, pg. 53

strong locational influences, and as a result, those retail assets on prime corners, heavily traveled corridors, or near primary employment centers will receive multiple bids from local and national investors. Those multi-tenant buyers targeting strip centers will set re-tenanting as a primary motivator.

Many retail establishments are currently trying to determine the impact of social networking on their organizations by measuring the potential benefits against the perceived risks. Social networking is generally understood to mean the use of online services or websites to allow users to interact and share information with typical examples including Facebook, LinkedIn, MySpace, and Twitter. This communication evolution has forced companies to investigate ways to market products and influence brand recognition with this powerful consumer group. Some of the ways a company can capitalize on the benefit of social networking are obvious, such as increasing sales efforts through Twitter, creating user community discussion groups on MySpace, driving brand recognition through company sites on Facebook, and even posting product videos to YouTube. Retail owners use these channels to market properties and promote events aimed at increasing consumer traffic and revenue at their properties<sup>8</sup>.

Marcus & Millichap had ranked Seattle the second best retail market in the country, with New York ranked as the No. 1 retail market. San Francisco ranked third, with San Jose & Orange County finishing fourth and fifth, respectively. The Marcus & Millichap reports states that for 2012, King County will be the big draw within the greater Puget Sound market area.

According to the Marcus & Millichap report:<sup>9</sup>

- **2013 NRI Rank: 2<sup>nd</sup>, Up 1 Place.** Strong job growth and tightening vacancy nudged Seattle up one spot in this year's ranking.
- **Vacancy Forecast:** Market wide, vacancy will retreat 70 basis points to 5.2 percent at year-end, besting the 60-basis point decline last year.
- **Rent Forecast:** Asking rents will increase 1.6 percent to \$21.73 per square foot while effective rents rise 2.2 percent to \$19.17 per square foot.
- **Investment Forecast:** Risk tolerance for multi-tenant retail properties will rise in 2013, while the threat of inflation will likely stymie activity for single-tenant properties without built-in rent bumps.
- **Employment Forecast:** Employers will add 56,500 jobs in the Puget Sound this year, expanding payrolls by 3.3 percent. In 2012, 45,000 positions were created.
- **Construction Forecast:** After 430,000 square feet was completed in 2012, builders will add 1.1 million square feet to inventory this year.

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<sup>8</sup> PwC Real Estate Investor Survey, 4<sup>th</sup> Quarter 2010, pg. 8

<sup>9</sup> Marcus & Millichap, 2012 National Retail Report, pg. 53

**Major Retail - Construction and Redevelopment Activity:** Within the last year, the number of new construction projects has increased with new ventures being renovated space and build-to-suit buildings. Many building permits, which had been previously on hold due to the negative economy, have been reissued for current and future development.

Major 2012/2013 Construction Activity	
Four Corners Square	<b>Maple Valley:</b> Grocery Outlet, Johnson Hardware, Yeti Yogurt, Taco Delmar and Subway opened in the Spring of 2013, followed by Walgreen's and other out-parcels in early 2014.
Grand Ridge Plaza	<b>Issaquah Highlands:</b> With 372,643/SF currently under construction at Issaquah Highlands, the Grand Ridge Plaza includes multiple retail buildings, restaurants, grocery store and 12-screen Regal Cinema. Development is slated to open in phases ranging from summer of 2013 to spring of 2014.
The Outlet Collection - Seattle	<b>Auburn:</b> Major renovation currently under construction. Formerly Supermall of Great NW, The Outlet Collection's owners are spending \$35 million to update the mall with new entrances, new flooring and a new mid-mall connection to speed up the trip from one side of the torus-shaped building to the other side of the development.
Wal-Mart at Factoria Mall	<b>Bellevue:</b> Conversion of former Mervin's Department store into new Wal-Mart, which was completed in fall of 2012.
University Village	<b>Seattle:</b> Conversion of former Barnes & Noble Book Store into new furniture store + construction of new 1 <sup>st</sup> level retail bldg. with parking garage over retail. Project to be completed in late 2013.
Greenwood Fred Meyers	<b>Seattle:</b> Major renovation, which includes a 55,000/SF expansion. Adjacent grocery store demolished and to be built within existing Fred Meyer store. Project Completed Spring of 2013

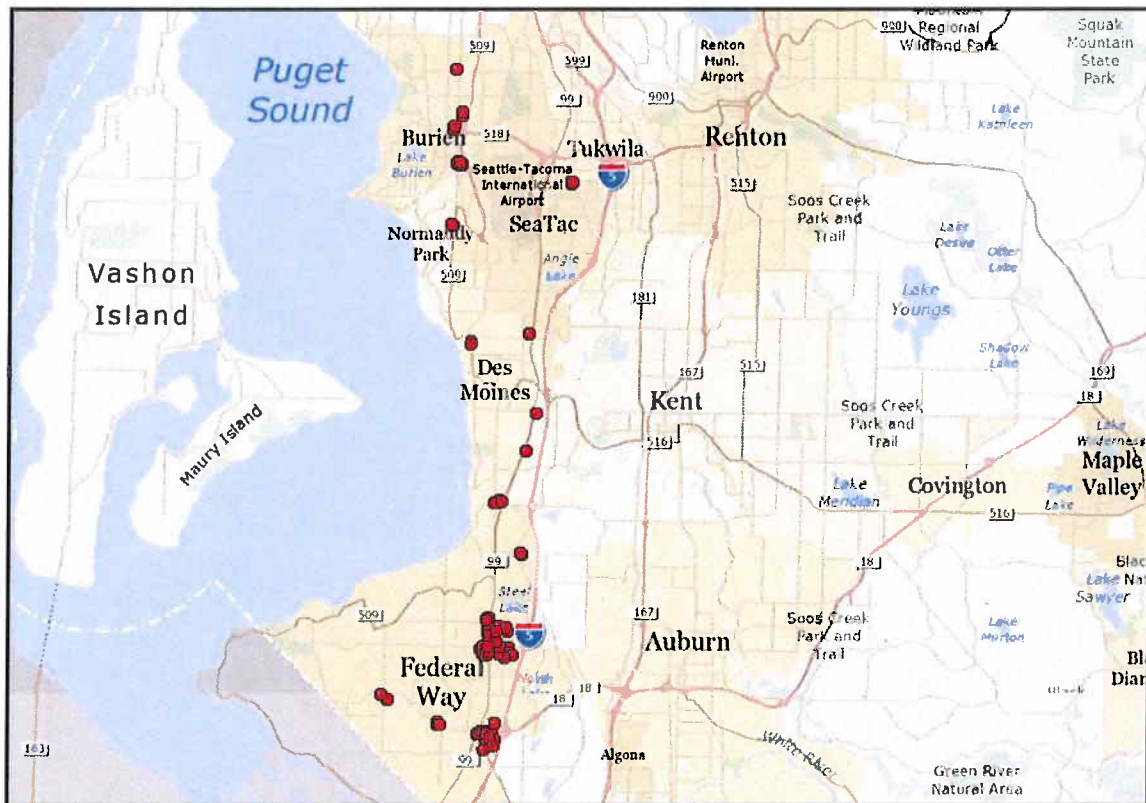
**Major Retail Summary:** For 2013, rents are expected to rise as the economic recovery continues. With respect to the greater major retail market, 2012 experienced stable to slightly increasing property values generally due to stable to increasing lease rates, stable to decreasing vacancy rates, and decreasing cap rates, resulting in increasing property values. The demand for stabilized well-positioned investment properties with strong NOI's has increased.

2012 YEAR END				
CATEGORY	LEASE RATES	VACANCY RATES	CAPITALIZATION RATES	IMPROVED PROPERTY VALUES
MAJOR RETAIL	↔/↗ (STABLE TO INCREASING)	↔/↘ (STABLE TO DECREASING)	↘ (SLIGHT DECREASE)	↗ INCREASE



### ***Physical Inspection Identification:***

- The physical inspection for the 2013 revalue included those major retail properties which are located north of the King County line, south of King County Airport, west of Interstate 5 and east of Puget Sound as required by WAC 458-07-015 4 (a).
- Within the 2013 physical inspection area, there were 94 parcels in all, which represents approximately 14.37% of the total major retail population. Of the 94 total parcels that were physically inspected, 77 parcels were improved with the remainder being vacant associated parcels.



### **Preliminary Ratio Analysis**

No ratio studies were included within this report due to the small number of sales relative to the size and complexity of the major retail population. The Parcel Summary Data does not reflect any statistical measure associated with IAAO standards.<sup>10</sup>

<sup>10</sup> Mass Appraisal of Real Property, IAAO, 1999, p. 271-274

## Scope of Data

### Land Value Data:

The geographic appraiser in the area in which the major retail property is located is responsible for the land value used by the specialty appraiser. For this revalue, land values typically were not changed from the previous year. See appropriate area reports for land valuation discussion.

### Improved Parcel Total Values:

#### Sales Comparison Approach Model Description

**The Sales Comparison Approach was not used due to small number of sales relative to the size and complexity of the area's major retail population.**

Generally, the market approach is utilized when an adequate sales market exists. Standards are set by the International Association of Assessment Officers. When improved sales are available, sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales are verified, if possible, by contacting either the purchaser or seller, or contacting the real estate broker, and reviewing sale transaction data from online subscription sources. Characteristic data is verified for all sales, if possible. If necessary, a site inspection is made. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Between 01/01/2010 and 09/27/2012, nine improved sales were verified as "Sales Used". Below is a brief description of each improved sale.

Excise No.	Area	Name	Sales Price	Sales Date	Sales \$/SF	Comments:
2567171	250-422	Overlake Village Shopping Center	18,200,000	09/27/12	\$161.52	<b>Neighborhood/Community Center:</b> Anchored tenant (Safeway); arm's length mkt. transaction.
2538998	250-322	Fred Meyers (Kirkland)	\$18,500,000	04/08/12	\$119.35	<b>Big Box:</b> Purchased by tenant prior to major renovation.
2534923	250-623	The Bravern	\$79,000,000	03/22/12	\$261.59	<b>Lifestyle Center:</b> Luxury Retail Condo with multiple bids. Reported 85% Occupancy ATOS.
2517225	250-422	Klahanie Comm. Center	\$22,000,000	11/03/11	\$325.59	<b>Neighborhood/Community Center:</b> Multi-parcel retail complex with shadow anchor (QFC) within complex.
2486412	250-361	Costco (Tukwila)	\$19,042,103	04/08/11	\$91.04	<b>Big Box:</b> Purchased by tenant.
2484658	250-248	Westwood Village	\$78,100,000	3/28/2011	\$257.76	<b>Power Center:</b> At time of sale, occupancy was 97% with a reported cap rate of 6.75%.
2471796	250-453	Safeway/Rite-Aid	\$13,000,000	12/15/10	\$111.02	<b>Neighborhood/Community Center:</b> Verified at Mkt. Included Vacant Jr. Box Space.
2456809	250-322	Former Home-Base	\$10,500,000	9/01/10	\$102.26	<b>Big Box:</b> Property was marketed for sale for approximately 4 months before the City of Kirkland purchased it. The building will be converted for use by the city courts and police department.
2427469	250-471	Meridian Plaza/QFC	\$6,900,000	01/30/10	\$134.39	<b>Neighborhood/Community Center:</b> Multi-parcel sale Includes, anchor, line-retail, & prof. office space.

### **Cost approach**

Cost estimates are calculated using the Marshall and Swift cost valuation service model in the computerized "Real Property" program for all improved parcels. Depreciation is based on studies done by Marshall & Swift Valuation Service. The dynamics of the retail market as well as the fact that income is the primary characteristic, around which investment analysis revolves, make it difficult to utilize the cost approach in valuing most major retail properties. Accordingly, the cost approach is usually limited to valuing new construction and/or remodeling in the major retail properties.

### **Cost calibration**

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

### **Income Capitalization Approach model description**

The Income Approach was considered a reliable approach to valuation throughout Area 250 for improved property types where income and expense data is available to ascertain market rates. Income parameters were derived from the market place through market rental surveys, sales, and available real estate's publications and websites.

Income: Income parameters were derived from the market place through listed fair market sales as well as through published sources (i.e. Office Space Dot.Com, Commercial Brokers Association, Costar, and multiple corporate real estate websites such as CBRE, Colliers, GVA Kidder Mathews, Grubb & Ellis, etc.), and opinions expressed by real estate professionals active in the market.

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

Expenses: Expense ratios were estimated based on industry standards, published sources, and personal knowledge of the area's rental practices. Within the income valuation models for Area 250, the assessor used triple net expense rates as the basis for calculating overall expenses.

Capitalization Rates: Capitalization rates were determined by local published market surveys, such as CoStar, Real Capital Analytics, The American Council of Insurance Adjustors, Integra Realty Resources, Korpaz, etc. For model calibration, the effective year built and condition of each building determined the capitalization rate used by the appraiser. For example, a building with an older effective year built of lesser condition will typically warrant a higher capitalization rate and a building in better condition with a newer effective year built will warrant a lower capitalization rate.

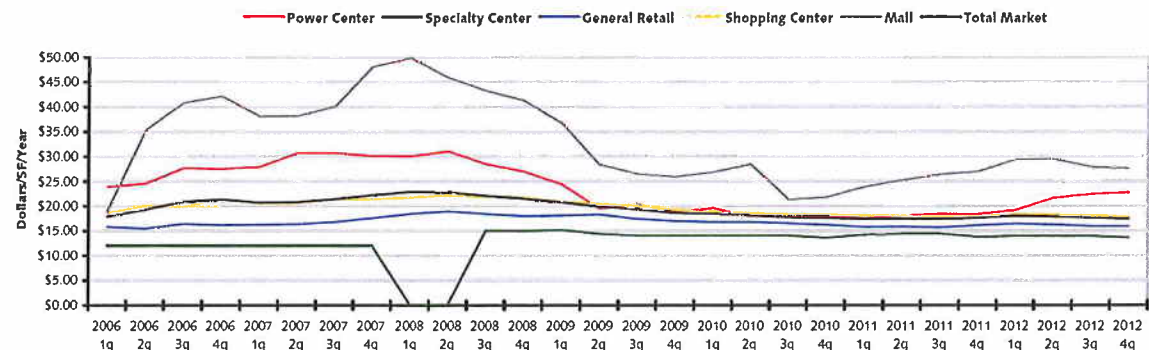
### Lease & Vacancy Rates:

The below tables summarize surveyed area market reports for asking rents and vacancy rates for different major retail property types within the King County market area.

Puget Sound Retail Market Statistics						
CoStar Retail Market Statistics (Seattle Mkt. Area - Year End 2012)						
Property Type	Market	# of Bldgs	Total Sq.Ft.	Direct Vacancy	Vacancy Rate	Quoted Avg. NNN Rents
Total Retail	Downtown Seattle	3,136	32,721,597	795,588	2.5%	\$21.99/SF
	Eastside	1,635	28,817,701	1,317,417	4.6%	\$22.91/SF
	North Bend	3,503	46,025,077	2,301,136	5.0%	\$16.96/SF
	South end	2,133	31,502,149	2,004,315	6.6%	\$15.56/SF
Malls	Downtown Seattle	2	864,491	12,424	1.4%	\$55.00/SF
	Eastside	5	3,854,157	212,941	5.5%	\$32.57/SF
	North Bend	5	4,326,174	53,052	1.2%	\$23.02/SF
	South end	5	5,160,621	159,256	3.0%	\$27.05/SF
Power Centers	Downtown Seattle	1	405,016	20,786	5.1%	\$27.21/SF
	Eastside	3	1,039,232	1,681	0.2%	\$31.88/SF
	North Bend	7	2,630,597	36,135	1.4%	\$24.05/SF
	South end	3	1,219,445	175,736	14.4%	\$27.43/SF
Shopping Centers	Downtown Seattle	121	3,051,296	165,958	5.4%	\$27.59/SF
	Eastside	229	11,565,399	894,437	7.7%	\$22.05/SF
	North Bend	369	16,108,829	1,312,822	8.1%	\$18.22/SF
	South end	270	11,296,934	1,475,912	10.1%	\$16.25/SF

### HISTORICAL RENTAL RATES

Based on NNN Rental Rates



Source: CoStar Property®

OfficeSpace.Com Retail Market Statistics (Seattle Mkt. Area - 4 <sup>th</sup> Qtr. 2012)						
Property Type	Market	# of Bldgs	Total Sq.Ft.	Direct Vacancy	Vacancy Rate	Quoted Avg. NNN Rents
Total Retail	Downtown Seattle	188	5,411,733	364,569	6.73%	\$30.90/SF
	Eastside	571	12,610,000	742,055	5.88%	\$28.56/SF
	North Bend (King.Co)	178	4,504,140	340,495	7.55%	\$23.94/SF
	South end	578	16,338,802	1,462,906	8.95%	\$21.62/SF

Chainlinks Retail Advisors Retail Market Statistics (Seattle 3 <sup>rd</sup> Qtr. 2012)				
Property Type	Total Sq.Ft.	Direct Vacancy	Vacancy Rate	Quoted Avg. NNN Rents
Malls	135,201	135,201	1.8%	\$33.00/SF
Power Centers	11,267,943	803,582	7.4%	\$28.63/SF
Community/Neighborhood	45,434,279	4,248,887	9.4%	\$18.34/SF
Strip Centers	12,563,872	1,245,836	9.9%	\$17.96/SF



**Capitalization Rates:** The following tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in area 250 to develop the income model. The range of capitalization rates in the income model for area 250 reflects the variety of properties in this area.

The capitalization rates presented in the following tables aggregate (consolidate) many variables such as quality, condition, location, and leasing class, while the range of capitalization rates typically reflect the building age, quality and competitiveness within a given market. With reported capitalization ranges, lower rates are typically those buildings having superior quality, condition, and leasing class with the higher cap rates typically being those buildings with inferior quality, condition, and leasing class. Higher cap rates might also be applied to the lesser quality retail buildings or to properties that have higher than the normal sub-market vacancy, substantial sub-lease vacancy, or physical issues that require additional capital investment. (Please refer to page 29 for summary capitalization rate table)

NATIONAL / PACIFIC NW CAP RATES					
Source	Date	Location	Retail Type	Cap Rates	Remarks
ACLI	Yr.End 2011	National	Retail	8.25% 7.72% 7.59% 6.30%	Loan Size = \$2mil. - \$4.99mil. Loan Size = \$5mil. - \$14.99mil. Loan Size = \$15mil. - \$24.99mil. Loan Size = \$25mil +
Korpaz (PWC)	4Q 2011	National	Strip Shopping Centers Power Centers Regional Malls	Avg. = 7.16% Avg. = 7.35% Avg. = 7.23% Avg. = 6.45% Avg. = 7.23%	Range = 5.00% - 6.25% Range = 9.00% - 9.50% Overall Range = 4.75% - 10.50% Class A/A+ Rnge. = 4.75% - 8.50% Class B/B+ Rnge. = 6.00% - 10.50%
PWC Emerging Trends in Real Estate 2012	Oct. 2011	National	Neighborhood/Community Shopping Centers Power Center Regional Malls	- 7.12% 7.43% 6.60%	(Aug. 2011)
CBRE – Capital Markets Cap. Rate survey.	Aug.-11	Seattle	Neighborhood/Comm. Centers (Grocery Anchored)	5.75% - 6.50% 7.00% - 7.50% 8.00% - 9.50%	Class A - Down from 2 <sup>nd</sup> ½ 2010 Class B - Down from 2 <sup>nd</sup> ½ 2010 Class C - Down from 2 <sup>nd</sup> ½ 2010
			Power Centers	6.25% - 7.00% 7.25% - 8.50% 9.50% - 10.50%	Class A - Down from 2 <sup>nd</sup> ½ 2010 Class B - Down from 2 <sup>nd</sup> ½ 2010 Class C - Down from 2 <sup>nd</sup> ½ 2010
	Mar.-12	Seattle	Neighborhood/Comm. Centers (Grocery Anchored)	5.50% - 6.25% 6.25% - 7.25% 8.00% - 11.00%	Class A - Down from 1 <sup>st</sup> ½ 2011 Class B - Down from 1 <sup>st</sup> ½ 2011 Class C - Down from 1 <sup>st</sup> ½ 2011
			Power Centers	5.50% - 6.50% 5.50% - 6.50% 9.00% - 11.00%	Class A - Down from 1 <sup>st</sup> ½ 2011 Class B - Down from 1 <sup>st</sup> ½ 2011 Class C - Down from 1 <sup>st</sup> ½ 2011
Terranomics Chainlinks Retail Advisors	Fall 2011	Pacific Region	Shopping Centers (All Types)	7.00%	
			Neighborhood/Community Shopping Centers Strip Centers Jr. Box (Sq.Ft. = 20k-40k) Mid Box (Sq.Ft. = 40k-80k) Mega Box (Sq.Ft. = 80k+)	- 7.00% 7.50% 6.80% 7.40% 7.50%	
IRR Viewpoint for 2012	Yr. End 2011	Seattle	Regional Mall Community Mall Neighborhood Strip Center	6.50% 7.50% 7.50%	
Calkain Research (Net Lease Single-Tenant Cap Rate Report)	Yr. End 2011	National	Big Box	7.90%	
The Boulder Group Big Box Report	Nov. 2011	National	Big Box - Invest. Grade Big Box - Non-Invest. Grade Jr. Box (Sq.Ft. = 20k-40k)	7.50% 8.50% 8.22%	



NATIONAL / PACIFIC NW CAP RATES					
Source	Date	Location	Retail Type	Cap Rates	Remarks
			Mid Box (Sq.Ft. = 40k-80k)	8.50%	
			Mega Box (Sq.Ft. = 80k+)	8.37%	
		West Coast		7.75%	
Real Capital Analytics	4 <sup>th</sup> Qtr. 2011	National		7.50%	
	Yr. End 2011			7.50%	
	4 <sup>th</sup> Qtr. 2011	Seattle		7.20%	
	Yr. End 2011			7.40%	
CoStar Group	Oct. 10 to Sept. 11	Seattle / Puget Sound	< 25K SF	7.80%	Based on 161 Sales
			100K SF – 249K SF	7.35%	Based on 5 Sales
			>250K SF	6.75%	Based on 2 Sales
PERC-CCIM Invest. Trends Quarterly	Yr. End 2011	National	Retail	7.70%	(Wtd. Avg.) 12 Mth. Trailing Avg.
				7.90%	(Median) 12 Mth. Trailing Avg.
		West Region		7.10%	(Wtd. Avg.) 12 Mth. Trailing Avg.
				7.30%	(Median) 12 Mth. Trailing Avg.

### Income Approach Calibration

Properties were valued based on an income model using economic rents, typical vacancy and credit loss, expenses, and capitalization rates. The income model was calibrated and adjustments were based on effective age and quality of construction. Fifteen tables were created to value the less complex mall properties and downtown Seattle department stores.

### Income Model Conclusions:

Rental rates, vacancy levels and operating expenses are derived by reconciling all of the information collected through the sales verification process, completed surveys, interviews with tenants, owners, and brokers and the appraiser's independent market research. Quality, effective year, condition, and location are variables considered in the application of the income model to the parcels in the population best suited to be valued via the income approach. Property types in Specialty Area 250 that are valued by the income approach include, but are not limited to power centers, big box retail, neighborhood/community centers, and free standing grocery stores.

Typical income model parameters for the various markets that make up Specialty Area 250 are summarized in the following table. It should be noted that due to the nature of commercial real estate, not all properties fall within the "typical" parameters listed below for their respective property use type. For purposes of record keeping, all of the malls, outlet malls, and lifestyle centers have been assigned their proper geographic neighborhood and do not typically lend themselves to neighborhood designations due to the unique composition of the tenants and the overall quality of building improvements. In addition, due to the complexity in appraising malls, outlet malls, and lifestyle centers, these properties were not assigned neighborhood income tables and were assessed on an individual basis. (Please refer to lease rate summary table on page 29)

Typical Lease Rates For Common Major Retail Type Properties								
Type	Dist.	Vac. %	Line Retail \$/SF	Retail \$/SF <10K SF	Retail \$/SF 10K-25K SF	Retail \$/SF > 25K SF	Supermarket	Discount / Whse. Discount
Power Centers	2	5%	\$20.00 - \$28.00	\$14.00 - \$22.00	\$12.00 - \$20.00	\$8.00 - \$18.00	\$12.50 - \$16.50	\$9.00 - \$14.00
	4	5%	\$17.00 - \$25.00	\$15.00 - \$25.00	\$15.00 - \$21.00	\$12.00 - \$19.00	\$12.50 - \$16.50	\$10.00 - \$16.00
	5	12%	\$17.00 - \$25.00	\$13.50 - \$17.50	\$12.50 - \$16.50	\$10.50 - \$15.50	\$10.50 - \$14.50	\$9.00 - \$14.50
	6	5%-10%	\$20.00 - \$26.00	\$17.00 - \$23.00	\$11.00 - \$19.00	\$9.00 - \$18.00	\$12.50 - \$15.60	\$10.00 - \$16.00
Big Box	1	5%	\$21.00 - \$25.00					\$9.00 - \$14.00
	2	5%	\$21.00 - \$25.00					\$9.00 - \$14.00
	4	5%	\$21.00 - \$25.00	---	---	---	---	\$9.00 - \$14.00
	5	5%	\$16.00 - \$24.00					\$8.00 - \$13.00
	6	5%	\$16.00 - \$24.00					\$8.00 - \$13.00
	7	5%	\$16.00 - \$24.00					\$8.00 - \$13.00
Neigh. / Retail Centers	1	5% - 8%	\$17.00 - \$25.00	\$16.00 - \$20.00	\$15.00 - \$19.00	\$13.00 - \$18.00	\$12.50 - \$16.50	---
	2	5% - 7%	\$17.00 - \$29.00	\$15.50 - \$20.00	\$14.50 - \$19.00	\$12.50 - \$18.00	\$12.50 - \$16.50	\$10.00 - \$16.50
	4	5% - 10%	\$19.00 - \$31.00	\$16.00 - \$25.00	\$15.00 - \$25.00	\$13.00 - \$25.00	\$13.50 - \$21.00	\$14.00 - \$21.00
	5	5% - 12%	\$15.00 - \$24.00	\$13.00 - \$18.00	\$12.00 - \$17.00	\$11.00 - \$15.00	\$10.50 - \$14.50	\$9.00 - \$15.00
	6	5% - 11%	\$17.00 - \$25.00	\$16.00 - \$20.00	\$12.00 - \$19.00	\$10.00 - \$18.00	\$10.50 - \$14.50	\$9.00 - \$13.00
	7	5% - 11%	\$13.00 - \$25.00	\$10.00 - \$18.00	\$9.00 - \$17.00	\$8.00 - \$15.00	\$8.00 - \$13.50	\$8.00 - \$13.00
Typical Expenses Rates NNN)		7.50% - 8.00%						
Typical Cap. Rates		7.25% - 8.50%						

\*Lease Rate Ranges encompass all sub-areas within each district

The following income parameters were used on most major retail properties:

For Power Centers, line retail rent rates typically range from \$17.00/SF to \$28.00/SF, while lease rates for general retail space typically range from \$14.00/SF to \$25.00/SF (< 10K/SF); \$12.00/SF to \$21.00/SF (10K – 25K SF); and \$8.00/SF to \$19.00/SF (>25K SF), respectively. Supermarket lease rates range between \$12.50/SF to \$16.50/SF, while discount / warehouse discount stores have rent rates ranging from \$9.00/SF to \$16.00/SF. Deductions for vacancy and collection loss were estimated between 5.00% and 12.00% of Potential Gross Income. Typical expense rates for properties of this type range from 7.50% to 8.00%. Capitalization Rates applicable to this property type typically range from 7.25% to 8.50% depending on factors such as effective age and quality/condition. Properties with a history of extremely high vacancy or other negative factors were given higher vacancy and capitalization rates to reflect the higher risk associated with those properties.

For Big Box retail stores, line retail rent rates typically range from \$16.00/SF to \$25.00/SF, while lease rates for discount / warehouse discount stores have rent rates ranging from \$8.00/SF to \$14.00/SF. Deductions for vacancy and collection loss were estimated 5.00% of Potential Gross Income. Typical expense rates for properties of this type range from 7.50% to 8.00%. Capitalization Rates applicable to this property type typically range from 7.25% to 8.50% depending on factors such as effective age and quality/condition. Properties with a history of extremely high vacancy or other negative factors were given higher vacancy and capitalization rates to reflect the higher risk associated with those properties.

For Neighborhood / Community Centers, line retail rent rates typically range from \$13.00/SF to \$31.00/SF, while lease rates for general retail space typically range from \$10.00/SF to \$25.00/SF (< 10K/SF); \$9.00/SF to \$25.00/SF (10K – 25K SF); and \$8.00/SF to \$25.00/SF (>25K SF), respectively. Supermarket lease rates range between \$8.00/SF to \$21.00/SF, while discount / warehouse discount stores have rent rates ranging from \$8.00/SF to \$21.00/SF. Deductions for vacancy and collection loss were estimated between 5.00% and 12.00% of Potential Gross Income. Typical expense rates for properties of this type range from 7.50% to

8.00%. Capitalization Rates applicable to this property type typically range from 7.25% to 8.50% depending on factors such as effective age and quality/condition. Properties with a history of extremely high vacancy or other negative factors were given higher vacancy and capitalization rates to reflect the higher risk associated with those properties.

For regional mall and lifestyle centers, typical rents ranged from \$15.00 to \$35.00 per square foot of rentable area with capitalization rates ranging from 7.0% to 8.00%. Allowances for vacancy and collection loss were typically stabilized between 5% or 10% with expenses ranging between 7.50% to 25.00%. Anchor stores have relatively low rents, less than \$9.00 per square foot per year, while smaller retail stores in premium locations may lease for as much as \$75 per square foot per year. The investment quality of the property determined the capitalization rate. Location, condition, age, and tenancy were considered in the valuation of the regional malls. Generally, the institutional grade properties were analyzed using higher average rents and lower capitalization rates than non-institutional grade properties. Properties with a history of extremely high vacancy or other negative factors were given higher vacancy and capitalization rates.

#### **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 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. 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.

## Model Validation

### ***Total Value Conclusions, Recommendations and Validation:***

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

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

With respect to the greater major retail market, the 2013 assessment year experienced stable to slightly increasing property values generally due to stable to slightly increasing lease rates, lower vacancy rates & lower capitalization rates. As mentioned earlier in this report, there were only nine sales of major retail properties. Because of the lack of market sales, the appraiser relied heavily on the economic income approach.

Application of these recommended values for the 2013 assessment year results in a total change from the 2012 assessments of +4.04%. The total assessed value for the 2012 assessment year was \$5,640,460,200, and the total recommended assessed value for the 2013 assessment year is \$5,868,447,400.

<b><i>Total Population - Parcel Summary Data:</i></b>			
	<b><i>Land</i></b>	<b><i>Imps</i></b>	<b><i>Total</i></b>
<b><i>2012 Value</i></b>	<b><i>\$ 3,318,161,400</i></b>	<b><i>\$ 2,322,298,800</i></b>	<b><i>\$ 5,640,460,200</i></b>
<b><i>2013 Value</i></b>	<b><i>\$ 3,400,381,300</i></b>	<b><i>\$ 2,468,066,100</i></b>	<b><i>\$ 5,868,447,400</i></b>
<b><i>Percent Change</i></b>	<b><i>+2.48%</i></b>	<b><i>+6.28%</i></b>	<b><i>+4.04%</i></b>



# 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 understand fully 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, 3<sup>rd</sup> 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.



## Improvement Sales for Area 250 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
250	422	#####	0040	112,680	2567171	\$18,200,000	09/27/12	\$161.52	OVERLAKE VILLAGE SHOPPING CENTER	OV2	2	Y	<u>Neighborhood/Community Center:</u> Anchored tenant (Safeway); arm's length mkt. transaction.
250	371	#####	0045	118,374	2543557	\$41,000,000	05/15/12	\$346.36	FOUR CORNERS SHOPPING CENTER	CB	4	Y	<u>Neighborhood / Community Center:</u> Not Considered for Ratio review. Sale is at Mkt and considered arm's length but somewhat convoluted with SSF being understated due to multiple-ground leases included in sale.
250	322	#####	9122	155,000	2538998	\$18,500,000	04/18/12	\$119.35	FRED MEYER - KIRKLAND (ECON. UNI	TL 4B	2	Y	<u>Big Box:</u> Purchased by tenant prior to major renovation.
250	623	#####	0050	301,994	2534923	\$79,000,000	03/22/12	\$261.59	The Bravern		1		<u>Lifestyle Center:</u> Luxury Retail Condo with multiple bids. Reported 85% Occupancy ATOS.
250	371	#####	0010	166,220	2526907	\$31,275,000	01/13/12	\$188.15	HOME DEPOT - COVINGTON	MC	7	Y	<u>Neighborhood Center w/ Big Box:</u> Not Considered for Ratio review. Sale is at Mkt. and considered arm's length but somewhat convoluted with SSF being understated due to multiple-ground leases included in sale. Home Depot and Red Robin are on ground leases.
250	422	#####	0020	67,569	2517225	\$22,000,000	11/03/11	\$325.59	Klahaie Community Center	CB	6	Y	<u>Neighborhood/Community Center:</u> Multi-parcel retail complex with shadow anchor (QFC) within complex.
250	361	#####	9063	209,172	2486412	\$19,042,103	04/08/11	\$91.04	COSTCO	TUC	2	Y	<u>Big Box:</u> Purchased by tenant.
250	248	#####	0003	302,999	2484658	\$78,100,000	03/28/11	\$257.76	WESTWOOD VILLAGE SHOPPING CENTER	C1-40	2	Y	<u>Power Center:</u> At time of sale, occupancy was 97% with a reported cap rate of 6.75%.
250	447	#####	0340	37,105	2483918	\$7,634,160	03/25/11	\$205.74	PROMENADE 23 - STARBUCKS/WALGREE	NC3-65	2	Y	<u>Neighborhood / Community Center:</u> Not considered in ratio review due to land value exceeding income value.
250	447	#####	0390	62,556	2483923	\$10,765,840	03/25/11	\$172.10	PROMENADE 23 - THRIFTWAY/BANK/RE	NC3-65	1	Y	<u>Neighborhood / Community Center:</u> Not considered in ratio review due to land value exceeding income value.
250	453	#####	0020	117,091	2471796	\$13,000,000	12/15/10	\$111.02	SAFEWAY/RITE-AID	CF	3	Y	<u>Neighborhood/Community Center:</u> Verified at Mkt. Included Vacant Jr. Box Space.
250	322	#####	0010	102,682	2456809	\$10,500,000	09/01/10	\$102.26	Costco Furniture Warehouse	TL 4B	1	Y	<u>Big Box:</u> Property was marketed for sale for approximately 4 months before the City of Kirkland purchased it. The building will be converted for use by the city courts and police department.
250	471	#####	9034	51,344	2427469	\$6,900,000	01/30/10	\$134.39	MERIDIAN PLAZA/QFC	CC	4	Y	<u>Neighborhood/Community Center:</u> Multi-parcel sale Includes, anchor, line-retail, & prof. office space.

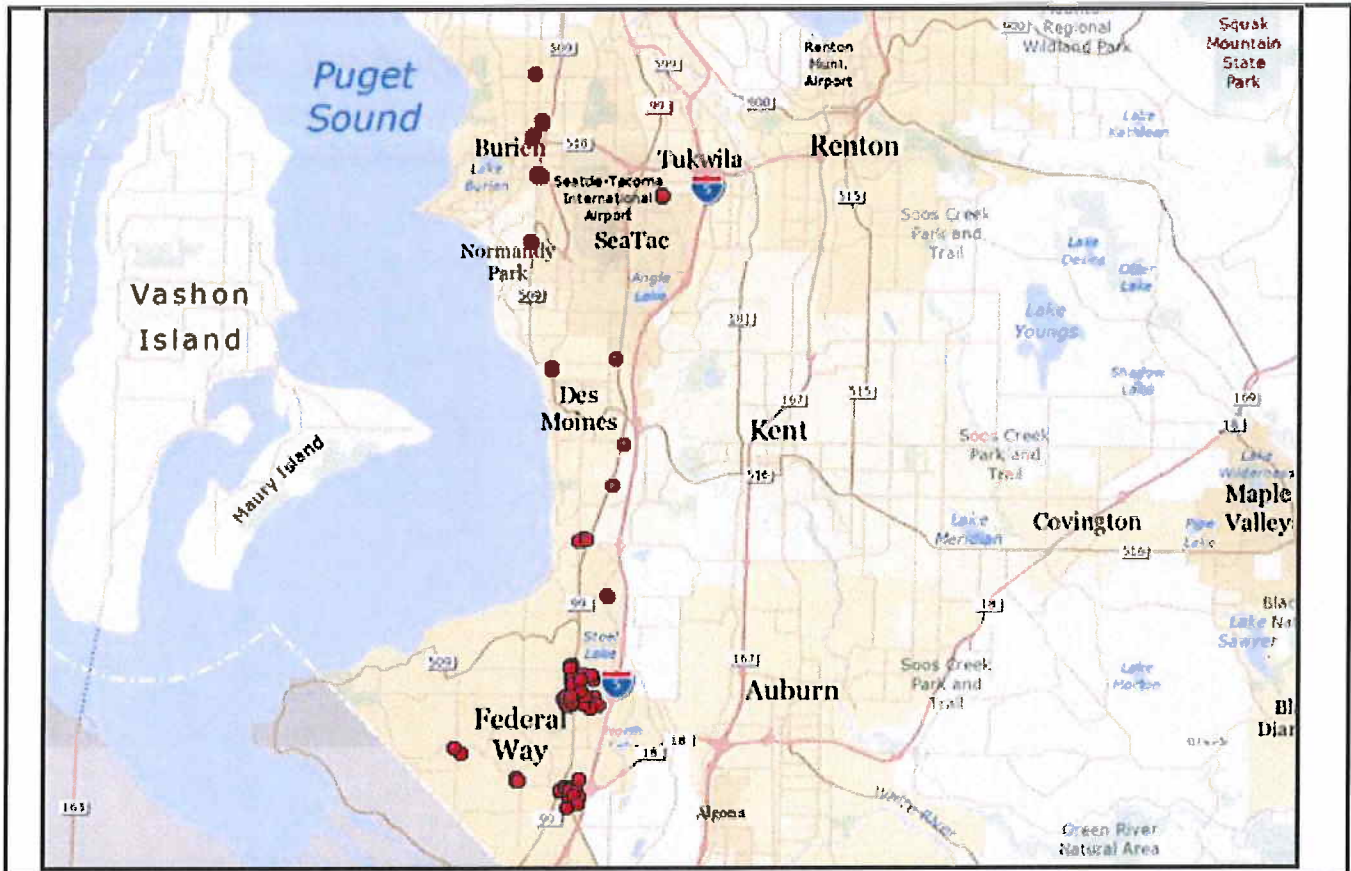


## Improvement Sales for Area 250 with Sales not Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
250	253	219260	0570	149,820	2582528	\$12,500,000	12/28/12	\$83.43	CAMPUS SQUARE SHOPPING CENTER	CE	2	61	Financial Institution resale
250	742	243720	0030	31,927	2581412	\$390,000	12/20/12	\$12.22	SAFEWAY (Store#488)	C2-65	1	33	Lease or lease-hold
250	712	072604	9041	56,035	2571129	\$16,532,873	10/24/12	\$295.05	HAGGEN GROCERY (Econ. Unit 03)	TC-2	4	59	Bulk portfolio sale
250	722	262505	9212	70,575	2571132	\$16,077,311	10/24/12	\$227.80	HAGGEN GROCERY STORE	CB	3	59	Bulk portfolio sale
250	753	092104	9302	65,714	2571131	\$5,092,447	10/24/12	\$77.49	TOP FOODS GROCERY	CF	1	59	Bulk portfolio sale
250	762	292205	9310	67,240	2571130	\$7,613,619	10/24/12	\$113.23	TOP FOODS	CC	1	59	Bulk portfolio sale
250	411	030650	0060	29,030	2541836	\$4,192,000	05/02/12	\$144.40	AURORA SQUARE (PORTION)	MUZ	2	22	Partial interest (1/3, 1/2, etc.)
250	363	232104	9031	124,349	2528543	\$2,800,000	01/30/12	\$22.52	former WALMART	C3	1	34	Change of Use - Deed Restrictions
250	322	719893	0020	115,782	2527627	\$50	01/03/12	\$0.00	HOME DEPOT	GDD(2)	1	16	Government agency
250	322	719893	0020	115,782	2527622	\$50	01/03/12	\$0.00	HOME DEPOT	GDD(2)	1	16	Government agency
250	425	092308	9092	15,090	2521919	\$5,568,620	12/08/11	\$369.03	Line Retail	IMU	1	63	Sale price updated by sales id group
250	444	685070	0315	129,680	2483888	\$14,700,000	03/24/11	\$113.36	BROADWAY MARKET (lower retail d	NC3-40	2	52	Statement to dor
250	461	149450	0030	33,907	2480651	\$275,000	02/28/11	\$8.11	ALBERTSON'S	CA	1	18	Quit claim deed
250	741	643150	0015	50,734	2452870	\$2,500	07/26/10	\$0.05	SAFEWAY STORE # 1845 (formerly	NC2P-40	1	24	Easement or right-of-way
250	363	232104	9031	124,349	2446888	\$9,500,000	06/17/10	\$76.40	WAL MART	C3	1	11	Corporate affiliates



2013 Physical Inspection  
Specialty Area 250



SpecArea	SpecNbhd	Major	Minor	AddrLine	PropName
250	153	762240	0010	2001 S 320TH ST	TC @ FW - Mall Stores
250	153	762240	0011	2001 S COMMONS	TC @ FW - Century Theatre
250	153	762240	0012		TC @ FW - Applebees's Restaurant
250	153	762240	0013		TC @ FW - McGrath's Fishhouse
250	153	762240	0014		TC @ FW - Buffalo Wild Wings
250	153	762240	0015	1701 S 320TH ST	TC @ FW - SEARS
250	153	762240	0016		TC @ FW - Panera Bread
250	153	762240	0017		TC @ FW - Verizon
250	153	762240	0018	2233 S 320TH ST	TC @ FW - Red Robin & Azteca
250	153	762240	0019	2201 S COMMONS	TC @ FW - Target
250	153	762240	0020	2300 S 324TH ST	VACANT - THE COMMON'S AT FEDERAL WAY
250	153	762240	0021		Vacant TC@FW
250	153	762240	0025	1901 S COMMONS	TC @ FW - MACY'S (1901)
250	153	762240	0026		Vacant TC@FW
250	253	082104	9013	31433 PACIFIC HWY S	PAVILIONS CENTRE - LINE RETAIL
250	253	082104	9126	31811 PACIFIC HWY S	PAVILIONS II - LINE RETAIL
250	253	082104	9174	31509 PACIFIC HWY S	PAVILIONS CENTRE - JO ANN FABRICS
250	253	082104	9181	31319 PACIFIC HWY S	PAVILIONS CENTRE - RETAIL / LINE RETAIL
250	253	082104	9186	31217 PACIFIC HWY S	PAVILIONS CENTRE - H-MART SUPERMARKET
250	253	082104	9196	31811 PACIFIC HWY S	PAVILIONS II - RETAIL / LINE RETAIL
250	253	082104	9216	31413 PACIFIC HWY S	PAVILIONS CENTRE - LINE RETAIL
250	253	082104	9237		PAVILIONS II - LINE RETAIL
250	253	082104	9264		PAVILIONS II - ECON. UNIT TO MINOR #9196
250	253	092104	9208	1800 S 320TH ST	SEATAC VILLAGE SHOPPING CENTER
250	253	185295	0010	1405 S 348TH ST	Federal Way Crossings - LA Fitness/Office Depot/Line Retail
250	253	185295	0030	35025 ENCHANTED PKWY S	Federal Way Crossings - Trampoline Nation
250	253	185295	0040	35105 ENCHANTED PKWY S	Federal Way Crossings - Line Retail
250	253	185295	0050		Federal Way Crossings - Line Retail
250	253	185295	0060	34902 ENCHANTED PKWY S	Federal Way Crossings - Restaurant
250	253	185295	0080	1401 S 348TH ST	Federal Way Crossings - Line Retail
250	253	185295	0090	1413 S 348TH ST	Federal Way Crossings - Line Retail
250	253	185295	0100	1507 S 348TH ST	Federal Way Crossings - Line Retail
250	253	185295	0110	35023 16TH AVE S	Federal Way Crossings - Restaurants
250	253	185295	0120	34919 ENCHANTED PKWY S	Federal Way Crossings - Line Retail
250	253	219260	0570	34930 16TH AVE S	CAMPUS SQUARE SHOPPING CENTER
250	352	172304	9021	14300 1ST AVE S	FRED MEYER - BURien (ECON UNIT ON #9586)
250	352	172304	9586	14210 1ST AVE S	FRED MEYER - BURien (ECON. UNIT FOR IMPS. ON #9021)
250	352	212204	9135	25250 PACIFIC HWY S	FRED MEYER - PAC HWY (KENT)
250	352	551400	0010	24050 PACIFIC HWY S	LOWE'S - PAC HWY (KENT)
250	353	092104	9017	2141 S 314TH ST	TARGET STORE (FORMER / VACANT) - FEDERAL WAY
250	353	092104	9125	1900 S 314TH ST	WALMART - FEDERAL WAY

2013 Physical Inspection  
Specialty Area 250

SpecArea	SpecNbhd	Major	Minor	AddrLine	PropName
250	353	212104	9010	34520 16TH AVE S	WALMART SUPERCENTER - FEDERAL WAY
250	353	219260	0180	35030 16TH AVE S	COSTCO - FEDERAL WAY (ECON UNIT ON #0290 / 76% ATTRIBUTED TO ECON. ON #0180)
250	353	219260	0290	35020 16TH AVE S	COSTCO GAS - FEDERAL WAY (IMPS. ON #0180/ 24% ATTRIBUTED TO ECON. ON #0290)
250	353	282104	9008	1715 S 352ND ST	HOME DEPOT - FEDERAL WAY
250	353	292104	9077	35425 ENCHANTED PKWY S	LOWE'S - FEDERAL WAY
250	353	930100	0010	33702 21ST AVE SW	FRED MEYER - FEDERAL WAY
250	451	292303	9094	9740 SW BANK RD	Vashon Thriftway Shopping Center (Econ. Units Located On #0010 & #9113)
250	451	292303	9113		Vashon Thriftway Shopping Center (Econ. Unit For Imps. Located On #9094)
250	451	888440	0010	9730 SW BANK RD	Vashon Thriftway Shopping Center (Econ. Unit For Imps. Located On #9094)
250	452	192304	9005	138 SW 148TH ST	Burien Plaza (Econ Unit on #9387)
250	452	192304	9386	120 SW 148TH ST	Burien Plaza
250	452	192304	9387		Burien Plaza Econ Unit for (Assoc. parking for -9005)
250	452	200900	2030	21815 MARINE VIEW DR S	QFC
250	452	200900	2065	21823 MARINE VIEW DR S	MARINE VIEW PLAZA
250	452	202304	9102	160 S 160TH ST	Five Corners Plaza - Trader Joe's
250	452	202304	9119	150 S 160TH ST	Five Corners Plaza - Line Retail
250	452	202304	9243	140 S 160TH ST	Five Corners Plaza - Albertson's
250	452	202304	9418	15830 1ST AVE S	Five Corners Plaza - Line Retail
250	452	202304	9456	120 S 160TH ST	Five Corners Plaza - Seattle Super Supplements / Retail
250	452	202304	9548	15842 1ST AVE S	Five Corners Plaza - Panda Express
250	452	202304	9549	15824 1ST AVE S	Five Corners Plaza - Starbuck's
250	452	202304	9551		Five Corners Plaza - Line Retail
250	452	282204	9014	27005 PACIFIC HWY S	REDONDO SQUARE SHOP CTR
250	452	282204	9239	1640 S 272ND ST	REDONDO SQUARE SHOP CTR - CHASE BANK
250	452	282204	9241	1600 S 272ND ST	REDONDO SQUARE SHOP CTR - VACANT LAND
250	452	282204	9243	27077 PACIFIC HWY S	REDONDO SQUARE SHOP CTR - BANK OF AMERICA
250	452	312304	9062	17857 1ST AVE S	Manhattan Plaza [parking]
250	452	312304	9091	17847 1ST AVE S	Manhattan Plaza
250	453	092104	9053	2000 S 314TH ST	HILLSIDE PLAZA
250	453	150050	0020	1207 S 320TH ST	SAFEWAY / FORMER RITE-AID
250	453	150050	0030	1211 S 320TH ST	BIG LOTS
250	453	150050	0040	1301 S 320TH ST	QDOBA RESTAURANT
250	453	150050	0070	1320 S 324TH ST	CELEBRATION CENTER - RETAIL
250	453	150050	0080	1414 S 324TH ST	CELEBRATION CENTER
250	453	150050	0100	32225 PACIFIC HWY S	CELEBRATION CENTER - LINE RETAIL
250	453	150050	0110	32057 PACIFIC HWY S	CELEBRATION CENTER
250	453	150050	0120	32211 PACIFIC HWY S	CELEBRATION CENTER - BLACK BEAR RESTAURANT
250	453	150050	0130	32011 PACIFIC HWY S	CELEBRATION CENTER - BANK OF AMERICA
250	752	072304	9624	12739 1ST AVE S	Albertsons
250	752	092204	9080	21401 PACIFIC HWY S	Safeway
250	752	537980	2390	16429 MILITARY RD S	Economic Unit w/ -2451, -2400
250	752	537980	2400	4011 S 164TH ST	Safeway (economic unit w/ -2390 & -2451)
250	752	537980	2451	16427 MILITARY RD S	Economic Unit w/ -2390, -2400
250	753	042104	9110	28810 MILITARY RD S	SAFEWAY - FEDERAL WAY (STORE #477)
250	753	042104	9117	28806 MILITARY RD S	SAFEWAY - FEDERAL WAY - VACANT LOT
250	753	082104	9062		ALBERTSONS - FEDERAL WAY - PARKING (ECON. UNIT FOR #9089)
250	753	082104	9089	31009 PACIFIC HWY S	ALBERTSONS - FEDERAL WAY (ECON. UNIT #9062 & #9108)
250	753	082104	9108	1350 S 312TH ST	ALBERTSONS - FEDERAL WAY - PARKING (ECON. UNIT FOR #9089)
250	753	092104	9302	31515 20TH AVE S	TOP FOODS GROCERY
250	753	415920	0710	160 SW CAMPUS DR	WINCO FOODS
250	753	415920	0715		VACANT COMMERCIAL
250	753	415920	0725		VACANT COMMERCIAL
250	753	873217	0020	2109 SW 336TH ST	SAFEWAY - TWIN LAKES