Hi-Tech/Flex Properties
Area: 510

Commercial Revalue for 2022 Assessment Roll

King County
Department of Assessments

Setting values, serving the community, and pursuing excellence
201 South Jackson Street, KSC-AS 0708
Seattle, WA 98104

OFFICE (206) 296-7300   FAX (206) 296-0595
Email: assessor.info@kingcounty.gov
http://www.kingcounty.gov/assessor/

King County

Department of Assessments
King Street Center
201 S. Jackson Street, KSC-0708
Seattle, WA 98104

OFFICE: (206) 296-7300   **FAX (206) 296-0595**
Email: assessor.info@kingcounty.gov
http://www.kingcounty.gov/assessor/

John Wilson
Assessor

Dear Property Owners,

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

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

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

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

In Service,

John Wilson
King County Assessor

How Property Is Valued

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

What Are Mass Appraisal Techniques?

In King County the Mass Appraisal process incorporates statistical testing, generally accepted valuation methods, and a set of property characteristics for approximately 720,000 residential, commercial and industrial properties. More specifically for commercial property, the Assessor breaks up King County into geographic or specialty (i.e., office buildings, warehouses, retail centers, etc.) market areas and annually develops valuation models using one or more of the three standard appraisal indicators of value: Cost, Sales Comparison (market) and Income. For most commercial properties the income approach is the primary indicator of value. The results of the models are then applied to all properties within the same geographic or specialty area.

Are Properties Inspected?

All property in King County is physically inspected at least once during each six year cycle. Each year our appraisers inspect a different geographic neighborhood. An inspection is frequently an external observation of the property to confirm whether the property has changed by adding new improvements or shows signs of deterioration more than normal for the property's age. From the property inspections we update our property assessment records for each property. In cases where an appraiser has a question, they will approach the occupant to make contact with the property owner or leave a card requesting the taxpayer contact them.

RCW 84.40.025 - Access to property

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

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

How Are Commercial Properties Valued?

The Assessor collects a large amount of data regarding commercial properties: cost of construction, sales of property, and prevailing levels of rent, operating expenses, and capitalization rates. Statistical analysis is conducted to establish relationships between factors that might influence the value of commercial property. Lastly valuation models are built and applied to the individual properties. For income producing properties, the following steps are employed to calculate an income approach:

1. Estimate potential gross income
2. Deduct for vacancy and credit loss
3. Add miscellaneous income to get the effective gross income
4. Determine typical operating expenses
5. Deduct operating expenses from the effective gross income
6. Select the proper capitalization rate
7. Capitalize the net operating income into an estimated property value

How is Assessment Uniformity Achieved?

The Assessor achieves uniformity of assessments through standardization of rate tables for incomes, operating expenses, vacancy and credit loss collections and capitalization rates which are uniformly applied to similarly situated commercial properties. Rate tables are generated annually that identify specific rates based on location, age, property type, improvement class, and quality grade. Rate tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results back to properties based on their unique set of attributes.

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure the uniformity of predicted property assessments. We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers (aka IAAO) that may be reviewed at www.IAAO.org. The following are target CODs we employ based on standards set by IAAO:

Type of Property - General	Type of Property - Specific	COD Range
Single-family Residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family Residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2-4-unit housing	5.0 to 20.0
Income-Producing Properties	Larger areas represented by samples	5.0 to 15.0
Income-Producing Properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant Land		5.0 to 25.0
Other Real and Personal Property		Varies with local conditions

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

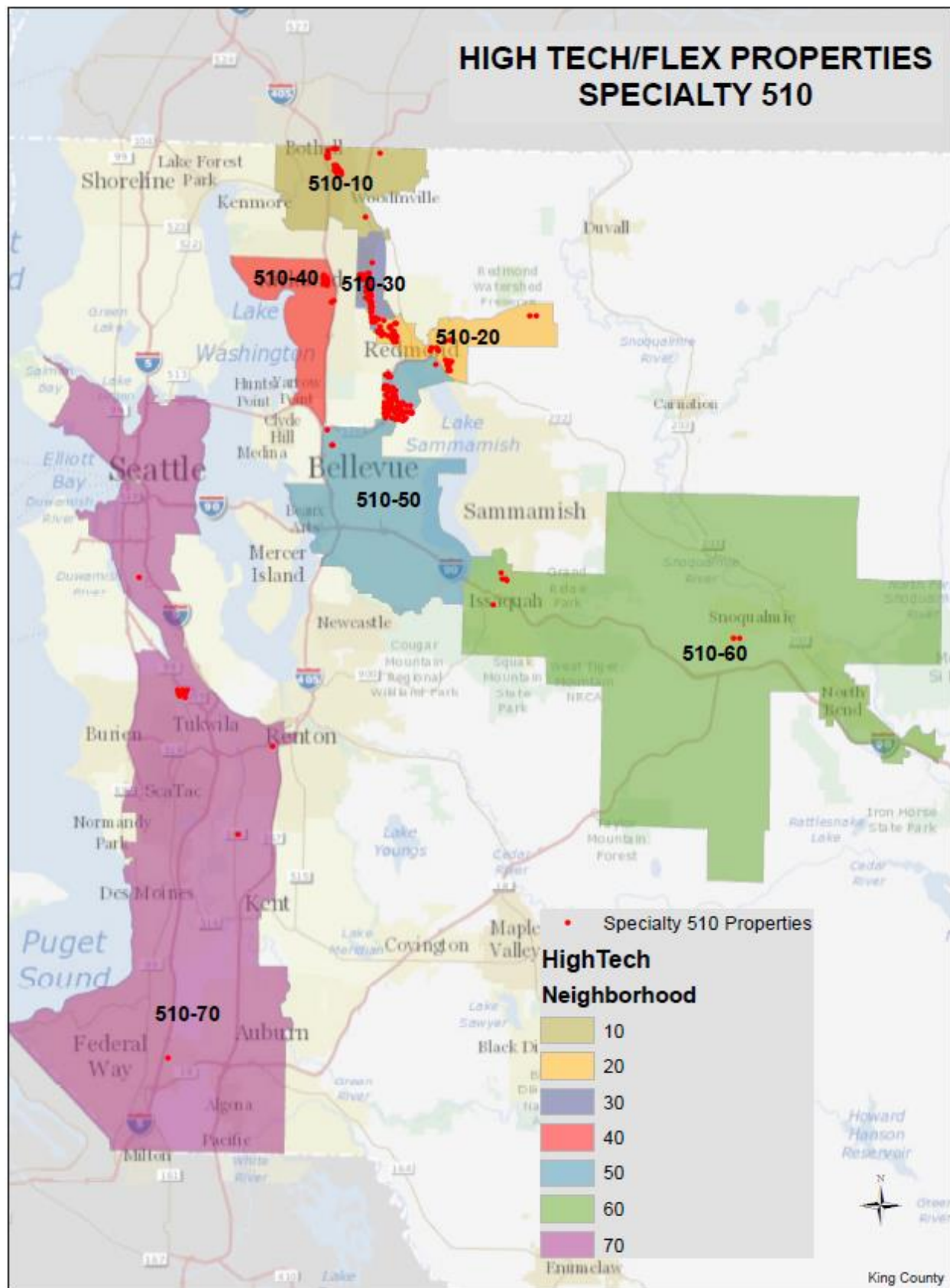More results of the statistical testing process is found within the attached area report.

Requirements of State Law

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

Appraisal Area Reports

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

SPECIALTY AREA 510 MAP

Specialty Area 510 Annual Update Ratio Study Report
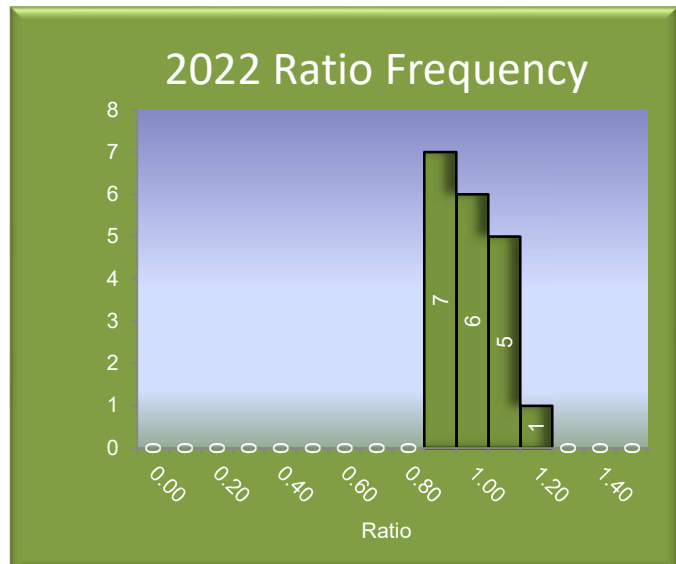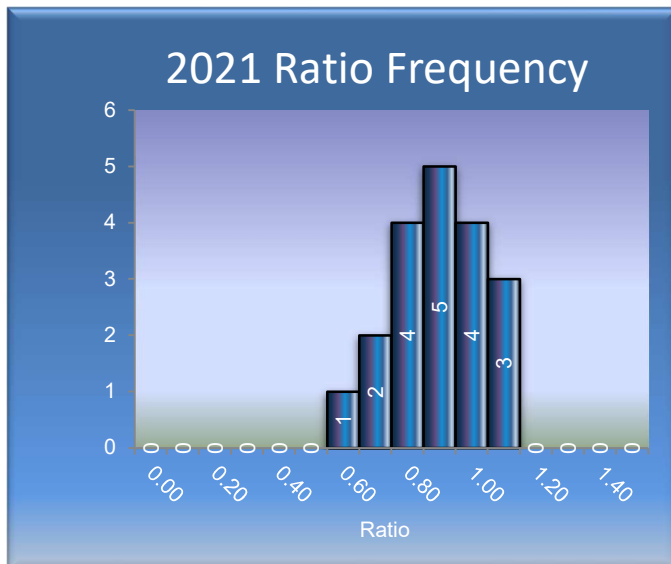
PRE-REVALUE RATIO ANALYSIS

Pre-revalue ratio analysis compares sales from 2019 through 2021 in relation to the previous assessed value as of 1/1/2021.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	19
Mean Assessed Value	36,698,800
Mean Adj. Sales Price	43,362,100
Standard Deviation AV	44,091,025
Standard Deviation SP	53,705,950
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.838
Median Ratio	0.869
Weighted Mean Ratio	0.846
UNIFORMITY	
Lowest ratio	0.5191
Highest ratio:	1.0699
Coefficient of Dispersion	13.24%
Standard Deviation	0.1477
Coefficient of Variation	17.62%
Price Related Differential (PRD)	0.99

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares sales from 2019 through 2021 and reflects the assessment level after the property has been revalued to 1/1/2022.

POST REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	19
Mean Assessed Value	40,722,100
Mean Sales Price	43,362,100
Standard Deviation AV	49,379,837
Standard Deviation SP	53,705,950
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.944
Median Ratio	0.952
Weighted Mean Ratio	0.939
UNIFORMITY	
Lowest ratio	0.8119
Highest ratio:	1.1135
Coefficient of Dispersion	7.50%
Standard Deviation	0.0852
Coefficient of Variation	9.03%
Price Related Differential (PRD)	1.01

2021 Ratio Frequency

2022 Ratio Frequency

Executive Summary Report

Appraisal Date: 1/1/2022 – 2022 Assessment Year

Specialty Appraisal Area:
- **Area 510:** High-Tech/Flex Properties

Sales – Improved Summary:
- Number of Sales: 21 market sales; 19 in ratio study
- Range of Sales Dates: 3/26/2019 –3/31/2022

Sales – Ratio Study Summary:

Sales - Improved Valuation Change Summary						
	Mean Assessed Value	Mean Sales Price	Ratio	COD	COV	PRD
2021 Value	$ 36,698,800	$ 43,362,100	84.60%	13.24%	17.62%	99.00%
2022 Value	$ 40,722,100	$ 43,362,100	93.90%	7.50%	9.03%	101.00%
Change	$ 4,023,300		9.30%	-5.74%	-8.59%	2.00%
% Change	10.96%		10.99%	43.35%	48.75%	2.02%

*COD is a measure of uniformity, lower numbers represent better uniformity

Sales used in analysis: All improved sales that were verified as good sales that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are sales that are change of use after the sale date; sold as a portion of a bulk portfolio sale; net lease sales; sales that had major renovation after sale or have been segregated or merged since being purchased. Land values were provided by the appraisers for each geographical area and subsequently applied in total valuation. The statistically small sample size used in the analysis limits the ratio study's reliability in this case.

Total Population - Parcel Summary Data:

Total Population - Parcel Summary Data			
	Land	Improvement	Total
2021 Valuation	$2,184,960,600	$3,818,773,400	$6,003,734,000
2022 Valuation	$2,321,723,000	$4,322,347,400	$6,644,070,400
% Change	6.26%	13.19%	10.67%

Number of Parcels in the Ratio Population: 199. (This figure does not include properties under construction).

Conclusion and Recommendation:

Total assessed values for the 2022 revalue have increased by +10.67% reflecting the healthy Tech/Flex market in King County and improved income fundamentals.

The values recommended in this report reflect current High-Tech/Flex market parameters and improve uniformity and equity; therefore, it is recommended that the values should be posted for the 2022 Assessment Year.

Identification of the Area

Name or Designation

- **Area 510:** Hi-Tech/Flex Properties
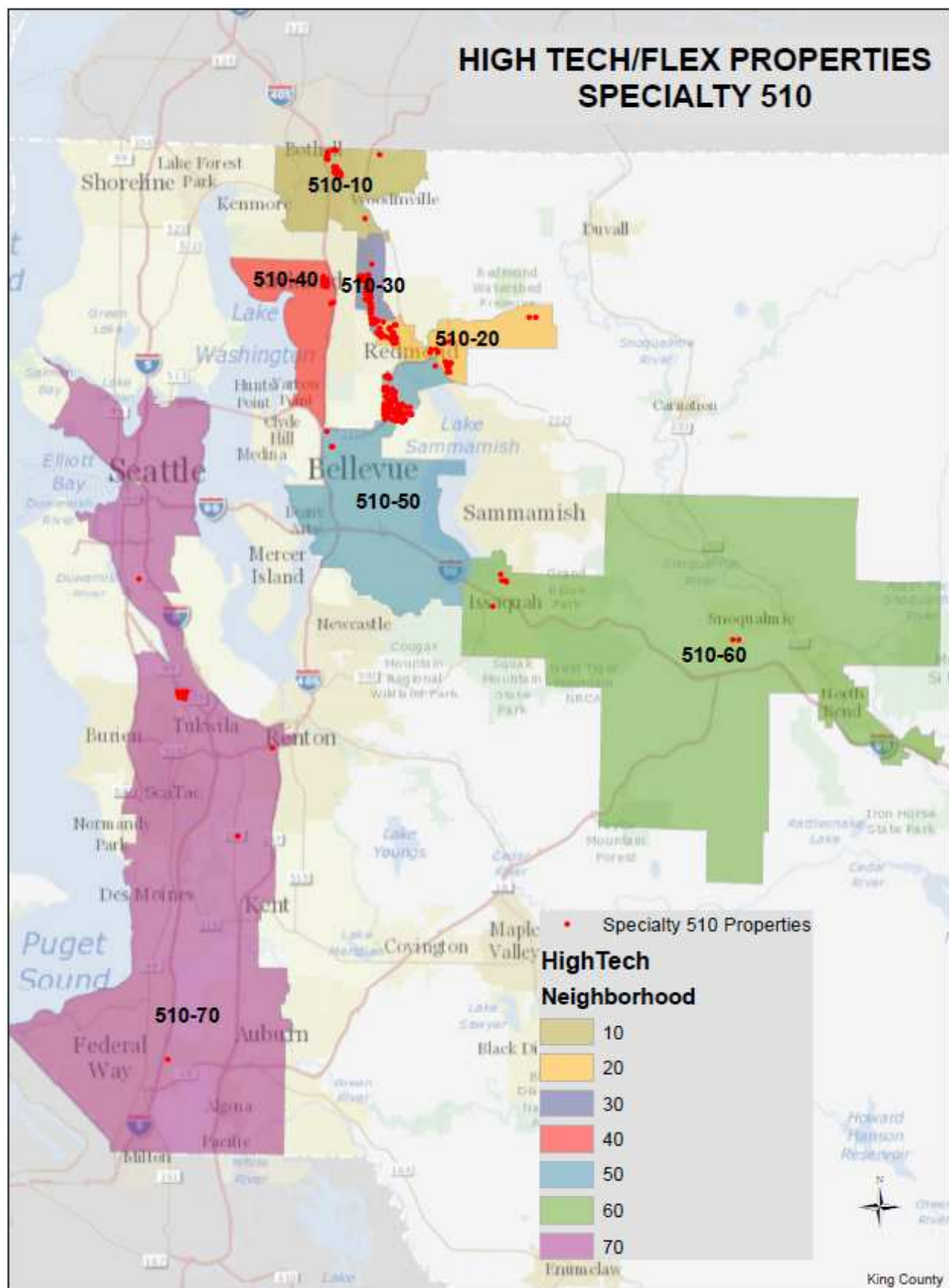
Area 510 Neighborhoods

- **510-10** Bothell (North Creek) & Woodinville
- **510-20** Redmond (Close-in & Marymoor Park)
- **510-30** Redmond (Willows Corridor)
- **510-40** Kirkland Totem Lake
- **510-50** Redmond (Overlake), Bellevue (SR-520 & I-90 corridors)
- **510-60** Issaquah
- **510-70** Seattle, Kent, Auburn, Tukwila, & Federal Way

Boundaries

- King County

Maps

General maps of the area are included in this report. More detailed Assessor's maps are located on the 7th floor of the King Street Center building or on the King County Assessor website.

HIGH TECH/FLEX PROPERTIES
SPECIALTY 510

Area Description

The High-Tech/Flex Specialty properties are defined as buildings that include a combination of warehouse, light industrial use, and or office area. The occupants tend to be engaged in a variety of High-Tech enterprises that consist of computer software and hardware, telecommunications, medical instrumentations, and corporate offices (corporate offices of Microsoft, Nintendo, Facebook, and Google are included). The typical facility often includes general offices, assembly areas, and or computer rooms and generally runs above a 40% office build-out ratio. The buildings tend to be of higher quality finish and may have multiple fiber optic lines with additional power, mechanical, and communications facilities than are found in typical office buildings or business park/flex buildings.

Also included in the high-tech specialty are data centers. A data center is a facility that houses computer systems and associated components, such as telecommunications and storage systems. It generally includes redundant or backup power supplies, power conditioning equipment, redundant data communications connections, environmental controls (e.g., air conditioning, fire suppression), and security infrastructure.

Area Overview

High Tech Flex buildings have been segmented into seven distinct neighborhoods described by their geographic location and totaling 217 separate tax parcels. Most properties (72%) are in the Redmond and Bellevue/Overlake area of Neighborhoods 510-20, 510-30, and 510-50. The remaining properties are in Neighborhood 510-10: Bothell (11%), Neighborhood 510-40 Kirkland (8%), Neighborhood 510-70 Seattle/South King County (6%), and Neighborhood 510-60 Snoqualmie/Issaquah (3%). The East King County Tech Flex market also sees significant leasing activity from smaller tenants. Still, it stands in contrast to the broader industrial warehouse market, with vacancy rates that are typically higher than the average regionals industrial properties.

Changes in total assessed value by neighborhood:

Change in Total Assessed Value by Neighborhood			
Neighborhood	2021	2022	% Change
510-10	$275,642,300	$302,279,800	9.66%
510-20	$622,228,600	$712,884,700	14.57%
510-30	$774,942,300	$869,774,100	12.24%
510-40	$138,452,700	$158,394,700	14.40%
510-50	$3,631,207,500	$3,997,178,800	10.08%
510-60	$302,357,000	$329,565,800	9.00%
510-70	$258,903,600	$273,992,500	5.83%
Total	**$6,003,734,000**	**$6,644,070,400**	**10.67%**

High-Tech/Flex Market

Tech products and services have been essential for business continuity in the COVID era, resulting in robust tech job growth over the past 12 months. The tech industry is powering the early stages of the office market recovery. High-tech companies in the Seattle/Puget Sound region are leading a rebound in office and industrial logistic leasing activities.

Nationally, the high-tech industry's resilience and integration with other sectors to fuel growth and productivity have led to its outperforming the overall economy regarding job growth. This likely will continue in the years ahead as the pandemic-related business, and personal uses of technology have accelerated the economy's digital transformation.

The Seattle/Puget Sound High-Tech/Flex market has been resilient throughout the COVID-19 pandemic market shifts. Tech firms have demonstrated a continued investment in the Puget Sound region and pre-leasing nearly two-thirds of all proposed tech flex office structures at the start of construction. E-commerce, cloud services, computer technology, software development, and artificial intelligence, among other tech sub-sectors, are expected to lead the growth and transformation of the world's economy. Tech firms will continue to drive the development and in-migration of talent to Seattle/Puget Sound as the region resumes its upwards trajectory.

High-Tech/Flex Properties remained in high demand during the COVID-19 pandemic for research and development spaces. Major tenants such as Facebook, Amazon, Apple, Oracle, Microsoft, and Google are leasing substantial high-tech flex properties. Limited rental space options in the Seattle downtown CBD area have prompted life science firms to expand into the suburban submarkets of Redmond, Bothell, and a portion of South King County, where lab spaces are both affordable and available.

As a segment of the broader market, the Flex Tech market has also experienced value increases based upon sales from a general standpoint. In addition, recent pattern reflect high-quality properties at or near full occupancy with credit-rated tenants, contrasting the general Tech Flex population.

The Puget Sound area is among the top commercial markets targeted by investors. The ongoing construction related to the renovation and expansion of the Microsoft campus involves approximately 9.2 million square feet of building area. Due to lower capital requirements and associated management and maintenance requirements, industrial properties are considered a prime, sought-after real estate investment class. From an investment perspective and as a submarket of the Industrial Sector, Flex Tech property values reflect steady improvement with decreasing vacancies, increasing rents, and lower capitalization rates, reflective of the broader Seattle Metro Industrial Sector activity. Seattle/Puget Sound's ranking has improved from #4 in 2020 to #2 in 2021 for high-tech software services and office rent growth.

Analysis Process

Effective Date of Appraisal: January 1, 2022

Date of Appraisal Report: May 9, 2022

The following appraiser did the valuation for this geographic area:

- Yuen Chin – Commercial Appraiser II

The process and results were reviewed for quality control and administrative purposes by Andrew Murray, Senior Commercial Appraiser.

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 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 is 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 to justify new construction at the present time, but increased demand may be expected within five years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

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

Standards and Measurement of Data Accuracy

Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary, via field inspection.
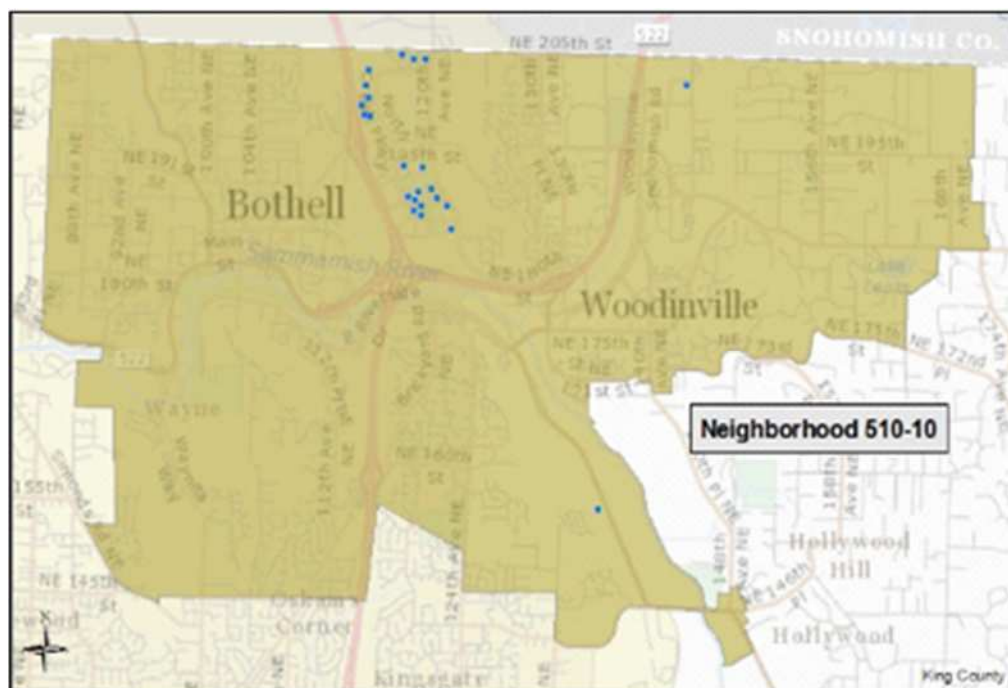
Special Assumptions and Limiting Conditions
- All three approaches to value were considered in this appraisal.
- Sales from 01/01/2019 to 03/31/2022 (at minimum) were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6 (USPAP compliant).

Area Description

Area 510-10: Bothell (North Creek) & Woodinville

Neighborhood 510-10 is defined as those High-Tech/Flex buildings located within the Bothell (North Creek) and Woodinville areas within King County. Within geographic neighborhood 510-10, 24 parcels comprise the High-Tech/Flex specialty. The broader commercial and industrial market extends into the Snohomish County Canyon Park area to the north. The 510-10 neighborhood buildings range in age from 1979 to 2000, and in Gross Building Area from 16,596 to 187,806 SF, with multiple buildings on some parcels.

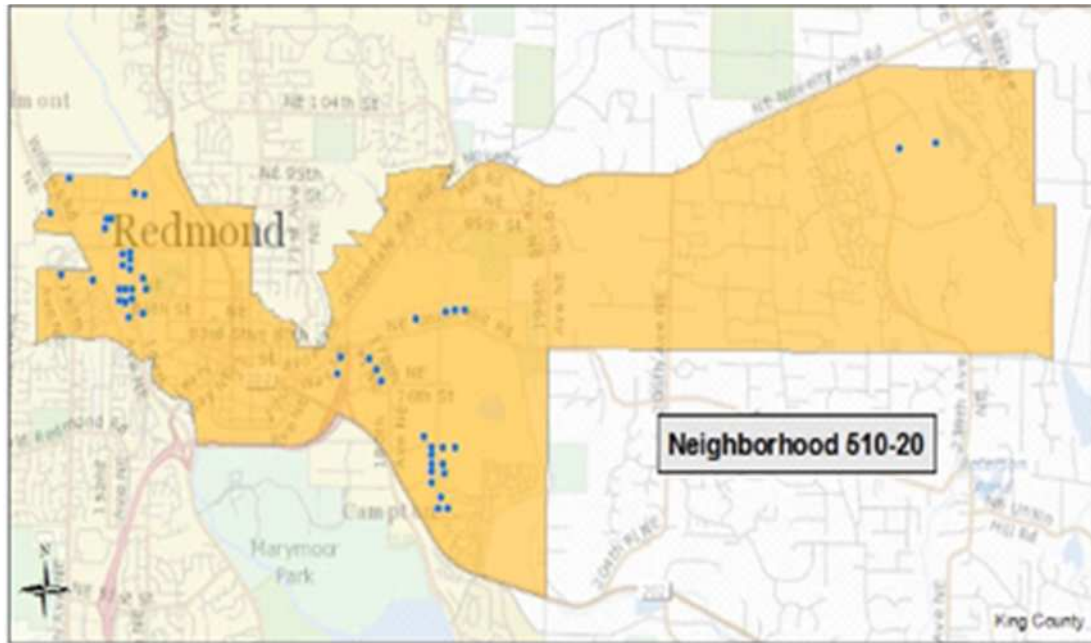 The map insets in this report identify the boundaries of the neighborhood.

Neighborhood	# Parcels	% of Total	2021 AV	2022 AV	% Change
510-10	24	11.06%	$275,642,300	$302,279,800	9.66%

Neighborhood 510-20 is defined as those High-Tech/Flex buildings located within the Redmond (Close-In & Marymoor Park) neighborhoods. Within geographic area 510-20, 46 parcels are part of the High-Tech/Flex specialty. They are equally distributed around both the Redmond city center and Marymoor Park. Building ages range from 1977 to 2008, and Gross Building Area ranges from 12,242 to 274,848 SF, with some parcels having multiple structures.

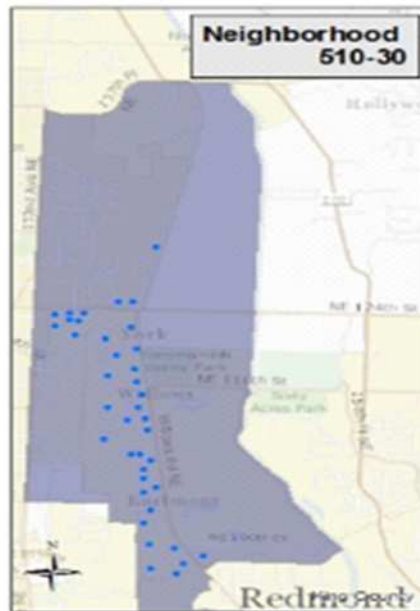 The map insets in this report identify the boundaries of the neighborhood.

Neighborhood	# Parcels	% of Total	2021 AV	2022 AV	% Change
510-20	46	21.20%	$622,228,600	$712,884,700	14.57%

Area 510-30: Redmond (Willows Corridor)

Neighborhood 510-30 is defined as those High-Tech/Flex buildings located within the Redmond (Willows Corridor) neighborhood. Within geographic area 510-30, 48 parcels that are part of the High-Tech/Flex specialty are evenly distributed along Willows Road NE between NE 124th St on the North and NE 87th St on the South. Building age ranges from 1974 to 2021, with Gross Building Areas of 20,818 to 747,347 SF, with some parcels having multiple structures.

The map insets in this report identify the boundaries of the neighborhood.

Neighborhood	# Parcels	% of Total	2021 AV	2022 AV	% Change
510-30	48	22.12%	$774,942,300	$869,774,100	12.24%

Neighborhood 510-40 is defined as those High-Tech/Flex buildings located within Kirkland's Totem Lake neighborhood. Within geographic area 510-40, 17 parcels are part of the High-Tech/Flex Specialty and are mainly located near Hwy 405, and NE 124th St. Predominant use is office space, with building ages that range from 1966 to 1993, with Gross Building Areas ranging from 17,636 to 61,438 SF.

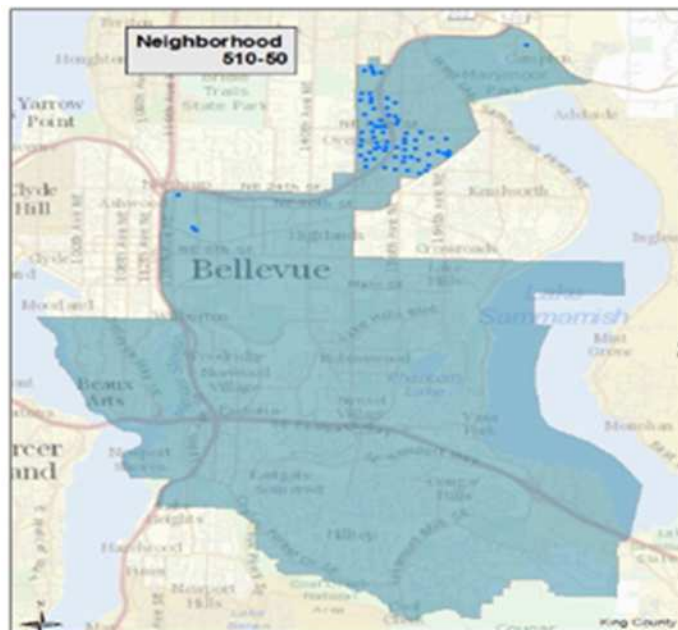 The map insets in this report identify the boundaries of the neighborhood.

Neighborhood	# Parcels	% of Total	2021 AV	2022 AV	% Change
510-40	17	7.83%	$138,452,700	$158,394,700	14.40%

Neighborhood 510-50 is defined as those High-Tech/Flex buildings located within the Redmond (Overlake) and Bellevue (SR-520 & I-90 Corridor) neighborhoods. Within geographic area 510-50, 63 parcels comprise the High-Tech/Flex specialty. This largest of the Tech Flex neighborhoods includes both Microsoft and Nintendo corporate headquarters.

Fifty-five (55) parcels belong to Microsoft, covering a total land area of approximately 21 million square feet and a total building area of about 17 million square feet. Nintendo consists of five (5) parcels with a total land area of around 1 million square feet and a total building area of about 806 thousand square feet. It is located within the Overlake area, and the neighborhood benefits from the confluence of these two tech employers, associated development under the Overlake Master Plan, and the Spring District's development near Bellevue.   The University of Washington's partnership with the Tsinghua University Red is called the Global Innovation Exchange, a graduate study program located within the Spring District that continues to be a positive growth influence.   With the partnership of the Microsoft Corporation, student enrollment is expected to grow to as many as 3,000 students by 2025. Similarly, Microsoft's ongoing redevelopment/expansion of its corporate campus should add approximately 2.5 million square feet of new office space, 500,000 square feet of amenity space, and the renovation of another 6.7 million square feet of existing buildings. This investment will increase their Puget Sound employment by 8,000 to 55,000.

 The map insets in this report identify the boundaries of the neighborhood.

Neighborhood	# Parcels	% of Total	2021 AV	2022 AV	% Change
510-50	63	29.03%	$3,631,207,500	$3,997,178,800	10.08%

Neighborhood 510-60 is defined as those High-Tech/Flex buildings located within the Issaquah neighborhood. It is the smallest neighborhood within the specialty, with seven (7) parcels. Five are located within the City of Issaquah, and two others are within a developing commercial district in the City of Snoqualmie. Building age ranges from 1987 to 2000, and Gross Building Areas range from 53,566 to 1,285,024 SF, with several parcels having multiple structures. Predominate space use is for office.

The map insets in this report identify the boundaries of the neighborhood.

Neighborhood	# Parcels	% of Total	2021 AV	2022 AV	% Change
510-60	7	3.23%	$302,357,000	$329,565,800	9.00%

Neighborhood 510-70 is defined as those High-Tech/Flex buildings located within the cities of Seattle, Kent, Auburn, Tukwila, and Federal Way. It demonstrates the market preferences with a concentration of Tech Flex properties in the Bellevue/Eastside. There are 12 parcels within geographic area 510-70, the largest of which is the International Headquarters of the Weyerhaeuser Corporation in Federal Way. This 420-acre campus includes the Rhododendron Species Botanical Garden and the Pacific Bonsai Museum. With its move to the Pioneer Square area in Seattle and completion at 200 Occidental, it sold under a multi-parcel sale with a leaseback provision to the Weyerhaeuser Corporation for occupancy of several buildings that will continue for several more years. Both the garden and museum will remain on campus.

The map insets in this report identify the boundaries of the neighborhood.

.

Neighborhood	# Parcels	% of Total	2021 AV	2022 AV	% Change
510-70	12	5.53%	$258,903,600	$273,992,500	5.83%

Physical Inspection Identification:

WAC 458-07-015 requires each property to be physically inspected at least once during a six-year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection. Neighborhood 510-50 was physically inspected for the 2022 assessment year. The physical inspection was comprised of 63 parcels or approximately 29.03% of the 217 total parcels located in Area 510. A list of the physically inspected parcels is included in the addendum of this report.

Specialty Neighborhood		Location	Inspected Parcel Count	Total Parcel Count	Percent of Parcel Count
510	50	Redmond (Overlake, 520 & I90)	63	217	29.03%
High Tech Inspection Totals			**63**	**217**	**29.03%**

SCOPE OF DATA

Land Value Data: The geographic appraiser in the area in which the specialty property is located is responsible for the land value used by the Area 510 specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Value Data: Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales that were considered in this revaluation were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate broker. Characteristic data is verified for all sales whenever possible. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.

Preliminary Ratio Analysis

The sales ratio study is an important assessment tool to ensure that properties are uniformly assessed based on market value. This analysis utilizes statistical methods to measure the relationship between a property's assessed value and its sale price by grouping individual sales according to property type and geographic area. This data can be used to review current assessment levels, identify inequities that need to be addressed, and assist in revaluation model development. The low number of acceptable sales included in the analysis limits the reliability of the ratio study in this case and it has been provided primarily for informational purposes.

IAAO Recommended Standards on Ratio Studies	
Appraisal Level	.90 to 1.10
Coefficient of Dispersion (COD)	5.0 to 20.0
Price Related Differential (PRD)	.98 to 1.03

The two major aspects of appraisal accuracy; appraisal level and appraisal uniformity are measured and evaluated using the ratio study. Appraisal level is a measure of the ratio of assessed value to sales price, while appraisal uniformity refers to the degree to which properties are appraised at equal percentages of market value. The International Association of Assessing Officers (IAAO) has developed performance standards to evaluate both the appraisal level and uniformity.

Appraisal (Assessment) Level: Estimates of appraisal level are based on measures of central tendency. The weighted mean ratio is the value-weighted average of the arithmetic mean and median ratios in which the weights are proportional to the sales prices. The weighted mean is the sum of the assessed values divided by the sum of the sales prices. The weighted mean gives equal weight to each dollar of value in the sample, whereas the median and mean give equal weight to each parcel. The weighted mean is an important statistic and used in computing the price related differential (PRD), a measure of uniformity between high- and low- value properties.

The IAAO performance standards state that the weighted mean ratio should be between 0.90 and 1.10. The preliminary ratio study for Area 510 showed a weighted mean ratio of 0.846 which is below the range of the IAAO guidelines, indicating that the 2021 assessment level, as measured using recent sales, is not in the acceptable range.

Appraisal (Assessment) Uniformity: Measures of dispersion or variability relate to the uniformity of the ratios. The most generally useful measure of uniformity is the Coefficient of Dispersion (COD). The COD measures the average percentage deviation of the ratios from the median ratio.

The IAAO performance standards state that the COD should be between 5.0 and 20.0 for income producing property in smaller, rural jurisdictions and between 5.0 and 15.0 for larger, urban market jurisdictions. The preliminary ratio study for Area 510 shows a COD of 13.24%, which is closer to higher end of the range of the IAAO guidelines, indicating that the 2021 level of assessment uniformity, as measured using recent sales, is within the acceptable range. However, a lower COD represents more of uniformity to the assessment level.

A second measure of uniformity utilized in the ratio study is the Price Related Differential (PRD). The PRD provides a measure of price related bias, or the equity between low- and high-priced property. The IAAO performance standards state that the PRD should fall between 0.98 and 1.03. A value below 0.98 would indicate progressivity in the data where assessment levels increase with increasing sales prices. Values above 1.03 indicate regressive bias in the data where

assessment level decreases with increases in sales price. The preliminary ratio study for Area 510 showed a PRD of 0.99 that is at the lower end of the acceptable range of the IAAO guidelines.

The preliminary ratio study, if taken at face value, showed the 2021 assessment level needed to be adjusted to increase uniformity. As mentioned previously, the few numbers of sales included in the analysis ultimately limited the reliability of the ratio study in this case.

Improved Parcel Total Values

Sales Comparison Approach Model Description

All sales were verified with all knowledgeable parties and inspections, when possible. The model for the sales comparison approach was based on characteristics from the Assessor's records including location, effective age, building quality and net rentable area. Sales with characteristics most similar to the subject properties were considered.

At the time of sale, information on vacancy and market absorption rates, capitalization rates, current and anticipated rents, and the competitive position of the properties were also gathered. Sales were then compared to similar properties within the area for valuation. These sales statistics also helped form the income approach to value by setting parameters for the income rates, vacancies, expenses, and capitalization rates. When necessary, sales of similar improved properties in adjacent neighborhoods were also considered.

The improved sales used range in sale dates from 1/1/2019 to 4/30/2022. There were 21 improved sales in Area 510 that were considered as fair market transactions and used in the overall analysis. Of these, 19 were included in the ratio study. Examples of sales that are not included in the analysis are: sales that are leased back to the seller; sold as a portion of a bulk portfolio sale; sales that had major renovation after sale or have been segregated or merged since being purchased.

The sales comparison approach reflects the principles of supply and demand, balance, externalities, and substitution. The sales comparison approach is preferred when there are adequate sales data. The model for sales comparison is based on four characteristics: predominant use, effective age, condition, and size. These characteristics are taken from the Assessor's records. A search was made for sales data that most closely fit the subject property within each geographic area. These sales were organized by market segments based on predominant use. Based on sales analysis, each segment reflected a market price per square foot of net rentable area. The sales price range served to establish a general upper and lower market boundary for the various property types within each area.

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. Given the relatively low sales count, applicability of the 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. Marshall & Swift cost calculations are automatically calibrated based on the data in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older properties, this approach to value was given the least weight in the final reconciliation of values. Cost estimates were relied upon for valuing new construction where comparable sales data and/or sufficient income and expense information is not available.

Cost Calibration

The Marshall & Swift Valuation modeling system, which is built into the Real Property Application, is calibrated to the region and the Seattle area.

Income Capitalization Approach Model Description

Income tables were developed for all neighborhoods within Area 510 and then applied to the population. The Income Approach was considered a reliable approach to valuation for improved property types where income and expense data are available to ascertain market rates. Income parameters were derived from the marketplace through market rental surveys, sales, and available real estate publications and websites. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. The return rate of mail surveys varies, and the data can be incomplete. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Due to the highly competitive nature of this specialty, information of a confidential nature is very difficult to obtain. As a supplement, lease information is gathered from Costar and other similar online sources. A majority of properties in this area were valued utilizing an income approach (Direct Capitalization Method).

In general, the valuation model includes the following steps:

1. The program multiplies the property's net rentable area by the market rent to derive potential gross income (PGI).
2. The program subtracts allowances for vacancy and operating expenses to derive net operating income (NOI).

3. The program capitalizes NOI (divides it by the overall rate) to produce the value estimate.

Income: Income data was derived from the marketplace from landlords and tenants, market sales, as well as through published sources (i.e., officespace.com, Commercial Brokers Association, Co-Star, and real estate websites such as CBRE, Colliers, Kidder Mathews, etc.), and opinions expressed by real estate professionals active in the market. When necessary, rental rates of similar property types from other market areas were considered.

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

Expenses: Expense ratios were estimated based on industry standards, published sources, and the appraiser's knowledge of the area's rental practices.

Capitalization Rates: When market sales are available, an attempt is made to ascertain the capitalization rate on the sale or a pro-forma cap rate on the first-year performance, during the sales verification process. In addition, capitalization rate data was collected from published market surveys, such as Co-Star, Real Capital Analytics, The American Council of Life Insurance (Commercial Mortgage Commitments), Integra Realty Resources, Korpacz Real Estate Investor Survey (PWC), CBRE – National Investor Survey, etc. These sources typically have capitalization rates or ranges based on surveys or sales, and they usually include rates for both the Seattle Metropolitan area and the nation.

The effective age and condition of each building contributes to the capitalization rate applied in the model. For example, a building in poorer condition with a lower effective year (1965, for example) will typically warrant a higher capitalization rate, and a building in better condition with a higher effective year (2010, for example) will warrant a lower capitalization rate.

Income Approach Calibration

The income capitalization model consists of a series of tables in which ranges of rent, vacancy, operating expenses, and overall capitalization rates are arrayed according to building quality and effective age. Income tables were developed for each of the neighborhoods in Area 510. All tables are included in the addendum of this report.

Rental rates, vacancy levels and operating expenses are derived by reconciling all the information collected through the sales verification process, 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.

The following table contains the results of an analysis of this information and stratifies the uses in Area 510 and the typical income parameters that were used to set value. It should be noted

that due to the nature of commercial real estate, not all properties fall within the typical parameters.

Property Type	2022 Income Model Typical Rates Range				
Use	Rental Rates		Vac	Expenses	OAR
Offices	$17.00 -	$29.00	10.00%	NNN 10%	5.75 % - 7.00 %
Warehouse and Mezz Offices	$15.00 -	$26.00	10.00%	NNN 10%	5.75 % - 7.00 %
Industrial Engineering Building	$13.50 -	$23.50	10.00%	NNN 10%	5.75 % - 7.00 %
Industrial/Logistics/Warehouse	$7.50 -	$17.00	10.00%	NNN 10%	5.75 % - 7.00 %
Retail/Daycare	$15.00 -	$26.50	10.00%	NNN 10%	5.75 % - 7.00 %

Property Type	2022 Income Model Typical Rates Range (510-70)				
Use	Rental Rates		Vac	Expenses	OAR
Offices	$14.50 -	$22.00	10.00%	NNN 10%	6.00% - 7.00%
Warehouse and Mezz Offices	$10.00 -	$18.50	10.00%	NNN 10%	6.00% - 7.00%
Industrial Engineering Building	$9.00 -	$17.00	10.00%	NNN 10%	6.00% - 7.00%
Industrial/Logistics/Warehouse	$5.00 -	$12.00	10.00%	NNN 10%	6.00% - 7.00%
Retail/Daycare	$13.00 -	$22.00	10.00%	NNN 10%	6.00% - 7.00%

Reconciliation

All parcels were individually reviewed for correct application of the model before final value selection. All 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 ample comparable sales were available, however the income approach was applied to most parcels 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 a reliable indicator of value in most instances. The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal judgment prevailed when determining when to depart from the Assessor's table generated income model. Andrew Murray, Senior Commercial Appraiser, made an administrative review of the selected values for quality control purposes.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Individual values are selected based on general and specific data pertaining to the parcel, the

neighborhood, and the market. The appraiser determines which available value estimate is appropriate and may adjust for characteristics and conditions as they occur in the valuation area.

In the 2022 valuation model, the income approach is used to value the majority of the income producing properties as there are an insufficient number and variety of sales to value the different property types by the market approach. The income approach also insures greater uniformity and equalization of values.

Comparison of the 2021 Ratio Study Analysis with the 2022 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level changed from 84.6% to 93.9%. The Coefficient of Dispersion (COD) changed from 13.24% to 7.50%, the Coefficient of Variation (COV) changed from 17.62% to 9.03%, and the Price-related Differential (PRD) changed from 0.99 to 1.01. These are generally outside of the IAAO (International Association of Assessing Officers) appraisal guidelines for measures of valuation uniformity and equity. However, with a sample size of only 19 improved sales throughout the county within the past three years, only so much weight can be given to the results of the ratio study.

AREA 510 RATIO STUDY SUMMARY

RATIO STUDIES (Before and After)	1/1/2021	1/1/2022
Arithmetic Mean Ratio	83.8%	94.4%
Median Ratio	86.9%	95.2%
Weighted Mean Ratio	84.6%	93.9%
Coefficient of Dispersion (COD)	13.24%	7.50%
Standard Deviation (SD)	0.1477	0.0852
Coefficient of Variation (COV)	17.62%	9.03%
Price Related Differential (PRD)	0.99	1.01

CHANGE IN TOTAL ASSESSED VALUE

The total assessed value in Area 510 for the 2021 assessment year was $6,003,734,000, and the total recommended value for the 2022 assessment year is $6,644,070,400. Application of these recommended values for 2022 results in an average total change from the 2021 assessment of +10.67%.

Change in Total Assessed Value			
2021 Total Value	2022 Total Value	$ Change	% Change
$6,003,734,000	$ 6,644,070,400	$292,496,100	10.67%

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 Standards 5 and 6. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan, and the statutes.

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

Definition and date of value estimate:

Market Value

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

The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all 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. (Samish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

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.
- No one 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 to their name.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
  - Annual Model Development and Report Preparation
  - Data Collection
  - Sales Verification
  - Appeals Response Preparation / Review
  - Appeal Hearing Attendance
  - Physical Inspection Model Development and Report Preparation
  - Land and Total Valuation
  - New Construction Evaluation

Yuen Chin, Commercial Appraiser II   Date 5/9/2022

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.	Ver. Code	Remarks
510	010	392700	0040	54,353	2984994	$17,382,059	04/25/19	$319.80	NORTH CREEK TECH CTR BLDG #	R-AC, OP, CB, LI	High Tech/High Flex	1	Y	
510	010	697930	0010	205,707	3096216	$62,100,000	01/12/21	$301.89	NORTH CREEK PKWY CTR BLDG 1	R-AC, OP, CB, LI	High Tech/High Flex	6	Y	
510	020	553040	0010	549,694	3089462	$217,000,000	12/17/20	$394.77	MILLENNIUM CORPORATE PARK E	BP	Office Building	4	Y	
510	020	719895	0030	281,508	3095448	$80,000,000	01/20/21	$284.18	REDMOND EAST BUSINESS CAMP	MP	Industrial Park	5	Y	
510	020	720100	0010	126,328	3024945	$37,500,000	12/11/19	$296.85	REDMOND HEIGHTS TECH CENTE	BP	High Tech/High Flex	2	Y	
510	020	943050	0040	30,113	3170000	$8,850,000	01/25/22	$293.89	WILLOWS BUSINESS CENTER BLD	MP	High Tech/High Flex	1	Y	
510	030	272605	9037	31,765	3101665	$9,900,000	02/26/21	$311.66	QUADRANT TECH CENTER BLDG #	BP	High Tech/High Flex	1	Y	
510	030	272605	9039	48,270	3118751	$20,000,000	05/14/21	$414.34	QUADRANT TECH CENTER BLDG #	BP	High Tech/High Flex	2	69	Net Lease Sale; not in ratio
510	030	272605	9114	225,450	3026134	$61,938,001	12/18/19	$274.73	ZETRON HEADQUARTERS	BP	High Tech/High Flex	3	Y	
510	030	272605	9115	31,105	3085569	$9,000,000	11/23/20	$289.34	WILLOWS RIDGE TECH CTR - BLDG	BP	High Tech/High Flex	1	Y	
510	030	272605	9128	20,250	3085571	$4,900,000	11/23/20	$241.98	QUADRANT TECH CENTER BLDG #	BP	High Tech/High Flex	1	Y	
510	030	697950	0030	128,079	3022638	$36,821,250	11/26/19	$287.49	Quadrant Willows Corporate Ctr - Bld	BP	High Tech/High Flex	2	Y	
510	030	697950	0040	115,856	3022637	$36,821,250	11/26/19	$317.82	Quadrant Willows Corporate Ctr - Bld	BP	High Tech/High Flex	2	Y	
510	030	943005	0040	79,072	3091676	$35,498,653	12/22/20	$448.94	WILLOWS COMMERCE PARK - BLD	BP	High Tech/High Flex	1	Y	
510	030	943005	0050	410,265	3107134	$140,000,000	03/24/21	$341.24	WILLOWS COMMERCE PARK - BLD	BP	High Tech/High Flex	4	Y	
510	040	332605	9243	51,584	3070071	$13,602,744	09/16/20	$263.70	Pathway Medical Tech	TL 10E	High Tech/High Flex	1	Y	
510	040	389060	0030	53,488	2994268	$15,744,400	06/18/19	$294.35	KIRKLAND 405 CORP CTR BLDG B	TL 10A	High Tech/High Flex	1	Y	
510	040	389060	0050	22,944	3162516	$9,425,000	12/06/21	$410.78	KIRKLAND 405 CORP CTR BLDG D	TL 10A	High Tech/High Flex	1	Y	
510	040	389060	0080	31,950	3180806	$12,500,000	03/31/22	$391.24	KIRKLAND 405 CORP CTR BLDG G	TL 10A	High Tech/High Flex	1	Y	
510	040	389310	0921	60,424	3070152	$14,897,256	09/16/20	$246.55	SYSTIMA TECHNOLOGIES	TL 10E	High Tech/High Flex	1	Y	
510	070	334040	3805	40,059	2979479	$4,575,000	03/26/19	$114.21	Sprint Communications	IM	High Tech/High Flex	1	34	Use-change after sale; not in ratio

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.	Ver. Code	Remarks
510	020	720242	0010	50,615	2991028	$6,182,188	05/31/19	$122.14	Microsoft Data Center	URPSO	Warehouse	1	52	Statement to dor
510	030	272605	9025	61,077	3183428	$7,600	03/29/22	$0.12	WILLOWS 124 BLDG B	TL 7B	High Tech/High Flex	1	24	Easement or right-of-way
510	050	519550	0090	95,778	3032488	$50,000	01/30/20	$0.52	MICROSOFT ARCADE	MDD4	High Tech/High Flex	4	24	Easement or right-of-way
510	050	750311	0040	71,000	3049730	$15,347,000	06/03/20	$216.15	SAFECO - COLUMBIA BUILDING	OBAT	Office Building	1	64	Sales/leaseback

PHYSICAL INPECTION 2022 - SPECIALTY AREA 510

Area	Nhbd	Major	Minor	PropName	SitusAddress
510	50	067310	0004	Microsoft Buildings #40, #41 & Cafeteria	15563 NE 31ST ST
510	50	067310	0010	Microsoft Building #22	3050 152ND AVE NE
510	50	142505	9010	Microsoft Building #122 - (ECON. UNIT FO	15200 NE 40TH ST
510	50	142505	9012	NINTENDO OF AMERICA	4900 150TH AVE NE
510	50	142505	9014	Microsoft Campus Amenties (Employee Pic	15200 NE 40TH ST
510	50	142505	9020	VIBE REDMOND WOODS	5000 148TH AVE NE
510	50	142505	9021	NINTENDO OF AMERICA - Sports Ball Fields	No Situs Address
510	50	142505	9054	Microsoft Building #122	15120 NE 40TH ST
510	50	142505	9061	Microsoft Building #127 (Visitors Center	4400 148TH AVE NE
510	50	142505	9068	Microsoft Building #50	4001 156TH AVE NE
510	50	142505	9100	Microsoft Building #121	15220 NE 40TH ST
510	50	142505	9111	Microsoft #120 (Former State Farm Bldg.)	15320 NE 40TH ST
510	50	142505	9125	Portion of Parking Garage on Improved Pa	4201 156TH AVE NE
510	50	142505	9140	NEW NINTENTO CORPORATE HEADQUARTERS	4600 150TH AVE NE
510	50	142505	9141	Microsoft Building #123	4200 150TH AVE NE
510	50	218250	0010	MICROSOFT REDWEST BLDGS A, C, & F + Pkg	5600 148TH AVE NE
510	50	218250	0020	MICROSOFT REDWEST BLDG B	5600 148TH AVE NE
510	50	218250	0030	MICROSOFT REDWEST BLDG D	5600 148TH AVE NE
510	50	218250	0035	MICROSOFT REDWEST BLDG E	5600 148TH AVE NE
510	50	218250	0040	MS Redwest Campus - GARAGE J (Enter as I	No Situs Address
510	50	232505	9049	Microsoft Buildings #42, #43 & #44 & Caf	15590 NE 31ST ST
510	50	232505	9120	Microsoft Parking Lot	No Situs Address
510	50	249990	0010	Microsoft Buildings (Cedar Court) #112,	14865 NE 31ST WAY
510	50	249990	0020	LAGUNA NORTH EXCHANGE LLC (Bldg #111)	15011 NE 36TH ST
510	50	249990	0030	LAGUNA SOUTH BLDG (Honeywell Building)	14980 NE 31ST WAY
510	50	255290	0015	NINTENDO OF AMERICA	5001 150TH AVE NE
510	50	255290	0050	Parking Lot - NINTENDO on Parcel #142505	5000 150TH AVE NE
510	50	282505	9141	ICOM AMERICA INC	2380 116TH AVE NE
510	50	519550	0090	MICROSOFT ARCADE	17760 NE 67TH CT
510	50	550300	0010	11 Microsoft Buildings & Microsoft Campu	3009 157TH PL NE
510	50	550300	0050	Microsoft Building #19	15660 NE 36TH ST
510	50	550300	0060	Microsoft Building #20	3709 157TH AVE NE
510	50	550300	0070	Microsoft Building #25 + Parking Garage	15700 NE 39TH ST
510	50	550300	0100	Microsoft Building #16, #17, #18	15701 NE 39TH ST
510	50	550300	0110	Microsoft Building #21	3925 159TH AVE NE
510	50	550300	0120	Microsoft Building #28	3028 157TH PL NE
510	50	550300	0140	Vacant Lot	No Situs Address
510	50	550300	0150	Microsoft Building #37 + Parking Garage	16071 NE 36TH WAY
510	50	550300	0170	Microsoft Building #33, #34, #35, Cafete	16070 NE 36TH WAY
510	50	550300	0190	Vacant Lot	No Situs Address
510	50	550300	0200	Vacant Lot	No Situs Address
510	50	550300	0210	Vacant Lot	No Situs Address
510	50	550300	0220	Vacant Lot	No Situs Address
510	50	550300	0230	Microsoft Building #30, #31, #32, Cafe +	3910 163RD AVE NE
510	50	550350	0010	Microsoft Bldg. #96 (Studio B)	15101 NE 40TH ST
510	50	550350	0020	Microsoft Bldg. #97 (Studio A)	15291 NE 40TH ST
510	50	550350	0030	Microsoft Commons Bldgs. #98-N-S-W-Park	15255 NE 40TH ST
510	50	550350	0040	Microsoft Bldg. #95 (Studio C)	3640 150TH AVE NE
510	50	550350	0050	Microsoft Bldg. #94 (Studio D)	15030 NE 36TH ST
510	50	550350	0060	Econ. Unit For Minor #0070 (Microsoft Bl	No Situs Address
510	50	550350	0070	Microsoft Bldg. #92	15010 NE 36TH ST
510	50	550350	0080	Econ. Unit For Minor #0040 (Microsoft B	No Situs Address
510	50	644820	0010	Daytona Bldg. + Daycares & MS Office Bld	14850 NE 31ST CIR
510	50	644820	0030	Honeywell	15001 NE 31ST ST

Area	Nhbd	Major	Minor	PropName	SitusAddress
				PHYSICAL INPECTION 2022 - SPECIALTY AREA 510	
510	50	644830	0010	Microsoft Building #99	14820 NE 36TH ST
510	50	644830	0050	MICROSOFT BLDG 110 (Studio X)	15050 NE 36TH ST
510	50	644830	0111	Microsoft Buildings #118 & #119 (Lakerid	3900 148TH AVE NE
510	50	644830	0112	Microsoft Buildings #116 & #117 (Lakerid	3850 148TH AVE NE
510	50	750311	0010	Microsoft Building #88 (Olympic Bldg.)	5069 154TH PL NE
510	50	750311	0020	MICROSOFT BLDGS. #84-SHASTA, #85-ADAMS,	4514 154TH PL NE
510	50	750311	0030	MICROSOFT BLDGS. #87-PACIFIC	4729 154TH PL NE
510	50	750311	0040	COLUMBIA BUILDING	15319 NE 45TH ST
510	50	750311	0050	MICROSOFT BUILDING #83 AND UNDERGROUND	4480 154TH PL NE

Department of Assessments
King Street Center
201 S. Jackson Street, KSC-AS-0708
Seattle, WA 98104
(206) 296-7300   FAX (206) 296-0595
Email: assessor.info@kingcounty.gov

John Wilson

Assessor

As we start preparations for the 2022 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, 2022 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standards 5 and 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

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

John Wilson

Specialty Area 510

2022 Assessment Year   **Department of Assessments**