

Business Parks

Area 520

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 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.

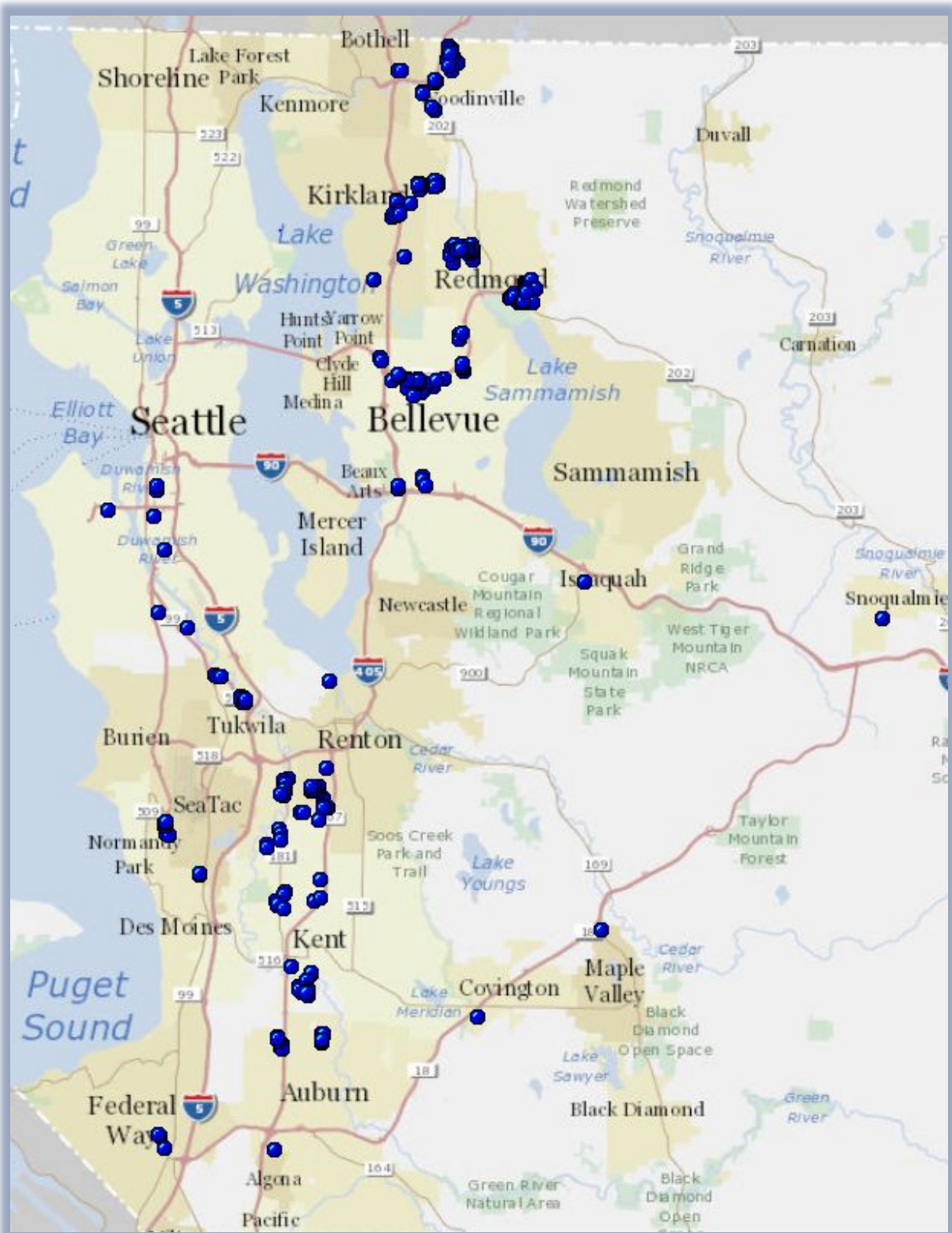
Requirements of State Law

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 520 MAP



Specialty Area 520 Business Park Annual Update Ratio Study

Report

PRE-REVALUE RATIO ANALYSIS

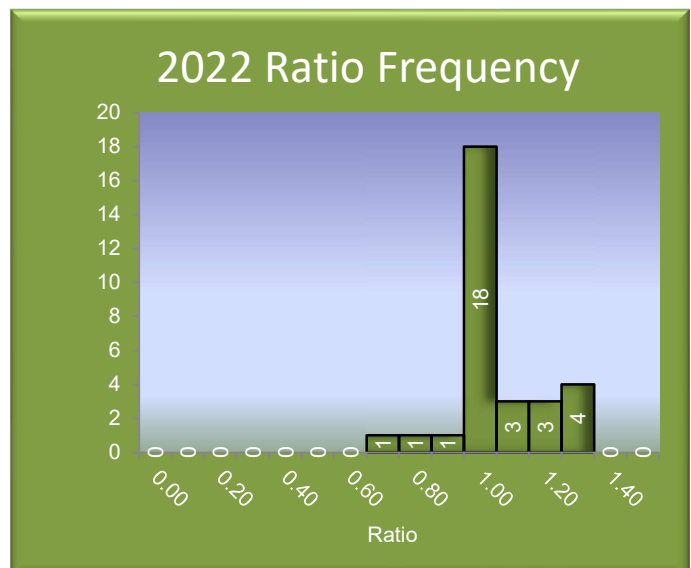
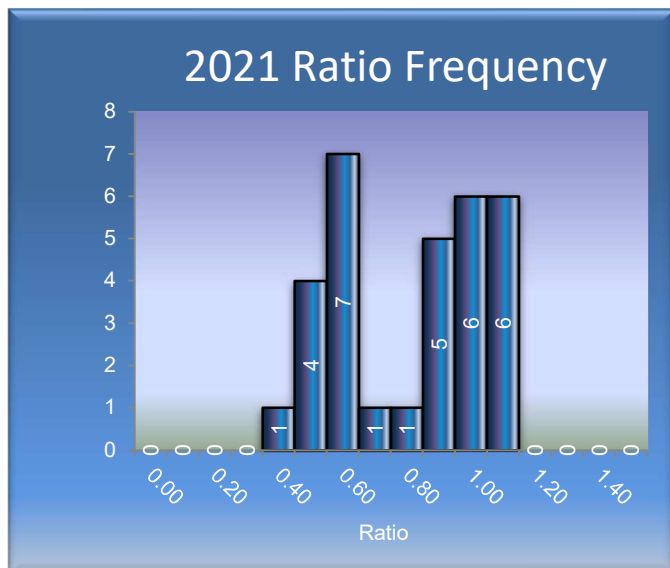
Pre-revalue ratio analysis compares sales from 2019 through 2021 in relation to the previous assessed value as of 1/1/2021.

PRE-REVALUE RATIO SAMPLE STATISTICS	
Sample size (n)	31
Mean Assessed Value	14,261,800
Mean Adj. Sales Price	20,707,500
Standard Deviation AV	14,972,037
Standard Deviation SP	23,478,738
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.769
Median Ratio	0.855
Weighted Mean Ratio	0.689
UNIFORMITY	
Lowest ratio	0.3692
Highest ratio:	1.0700
Coefficient of Dispersion	23.49%
Standard Deviation	0.2279
Coefficient of Variation	29.64%
Price Related Differential (PRD)	1.12

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)	31
Mean Assessed Value	20,584,500
Mean Sales Price	20,707,500
Standard Deviation AV	22,998,758
Standard Deviation SP	23,478,738
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	1.004
Median Ratio	0.985
Weighted Mean Ratio	0.994
UNIFORMITY	
Lowest ratio	0.6475
Highest ratio:	1.2800
Coefficient of Dispersion	8.59%
Standard Deviation	0.1341
Coefficient of Variation	13.35%
Price Related Differential (PRD)	1.01



Executive Summary Report

Appraisal Date

January 1, 2022 (2023 tax roll year)

Specialty

- Business Parks

Sales - Analysis Summary

- Number of Sales: 32 market transactions; 1 sale not used
- Date Range: 1/1/2019 – 12/31/2021

Sales - Ratio Study Summary

Sales - Improved Valuation Change Summary						
	Mean Assessed Value	Mean Sales Price	Ratio	COD	COV	PRD
2021 Value	\$ 14,261,800	\$ 20,707,500	68.90%	23.49%	29.64%	1.12%
2022 Value	\$ 20,584,500	\$ 20,707,500	99.40%	8.59%	13.35%	1.01%
Change	\$ 6,322,700		30.50%	-14.90%	-16.29%	-0.11%
% Change	44.33%		44.27%	-63.43%	-54.96%	-9.82%

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

Sales Used in Analysis: All improved sales that were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included are: sales that are leased back to the seller, sold as a portion of a bulk portfolio sale, net lease sales, statistical outliers, sales that had major renovation after the sale, or have been segregated or merged since being purchased.

The above ratio study summary for Business Park sales in Specialty 520 (Business Parks) is based on an adequate sales population to provide meaningful results. The above information is provided for information purposes only.

Population - Parcel Summary Data

Total Population - Parcel Summary Data			
	Land	Improvement	Total
2021 Valuation	\$1,011,791,100	\$1,221,887,200	\$2,233,678,300
2022 Valuation	\$1,183,401,000	\$1,628,655,300	\$2,812,056,300
	\$171,609,900	\$406,768,100	\$578,378,000
% Change	16.96%	33.29%	25.89%

Number of Parcels in the Population: 298

Conclusion and Recommendation

Overall, the assessed values for the Business Park Specialty increased by 25.89% collectively. Naturally, this varies from neighborhood to neighborhood and parcel to parcel; however, most properties experienced a significant increase in value. Changes were made to rents, vacancies, operating expenses, and capitalization rates to reflect market conditions. The values recommended in this report improve uniformity and equity; therefore, it is recommended they should be posted for the 2022 Assessment Year.

Identification of the Area

Name or Designation

- Specialty Area 520, Business Parks

Specialty Neighborhoods

The Assessor has established eight neighborhoods for valuation purposes of this specialty to group properties into areas of similar markets:

- Neighborhood 10 – Woodinville/Bothell
- Neighborhood 20 – Redmond
- Neighborhood 30 – Kirkland
- Neighborhood 40 – Bellevue, Issaquah, Snoqualmie
- Neighborhood 50 – Kent
- Neighborhood 60 – Federal Way, Auburn, Covington, Maple Valley
- Neighborhood 70 – Burien, South Seattle, Seatac, West Tukwila,
- Neighborhood 80 – Renton, Tukwila-Southcenter

Boundaries

All of King County

Maps

A general map of the area is included at the beginning of this report. More detailed Assessor's maps are located on the 7th floor of the King Street Center and the Assessor's website.

Area Overview

Property Description

Business Parks are made up of properties with two or more buildings under single ownership that are likely to sell in a single purchase. The most prevalent type is "incubator space,"; one or more multi-tenant buildings of single-story, low-rise construction. Ceiling heights are between 14 and 20 feet. Curtain wall construction with roll-up doors either in the back of the building or in the front.

The tenants are typically small family-owned businesses or small corporate startups. These are typically mixed-use properties and can be either retail or office uses with a warehouse portion. They are flexible because the interior is easily transformed into higher office percentages versus a warehouse as needed by the tenant. These spaces typically lease using a blended rate between office and warehouse, whereas larger warehouses will assign a higher rate per square foot to the office buildout.

Business Parks can also include industrial warehouses and distribution as well. These properties typically have a higher office percent – 15% to 49%.

Business Park/Industrial Market Conditions

Properties in the Business Park Specialty make up one sector of the overall Industrial Market. The Industrial market for King County is divided into three sections, Eastside, Southend, and Seattle Close In. Overall, all three areas are seeing growth, increased lease rates, and steady or low vacancy rates, with vacancy rates below 7%. Construction of new industrial projects is happening in all areas, and supply is keeping pace with demand. The Puget Sound area continues to be one of the most desired areas for industrial investment.

Vacancy Rates: Vacancy rates remained steady, with some increases; however, vacancy rates generally remain below 7% across the Puget Sound region.

Rental Rates: Generally, lease rates are increasing in all three markets.

Capitalization Rates: Capitalization rates for Business Park properties continue to decrease. There were multiple sales, particularly on the Eastside, which sold with capitalization rates below 5.0%. The Assessor significantly lowered capitalization rates to keep pace with market prices per square foot.

Newer, well-maintained, and well-located business parks have benefited the most as tenants naturally gravitate to these properties. Older properties are faring well in this market, as the incubator spaces are perfect for small family-owned businesses or entrepreneurial startups.

There is no new development of this property type happening which keeps this property with higher lease rates and lower vacancy rates. There appears to be high demand for incubator spaces, particularly on the Eastside.

Economic Considerations:

Market lease rates continue to rise. While vacancy rates are stable – remaining below 7% while capitalization rates are continuing to go down.

Analysis Process

Effective date of Appraisal: January 1, 2022

Date of Appraisal Report: June 28, 2022

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. Any opinion not consistent with this is expressly 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 users will continue until land value, in its highest and best use, exceeds the sum of the value of the entire property in its current use and the cost to remove the improvements. We find that 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. The property is returned to the geographic appraiser if the improvements continue to contribute a nominal value over the subsequent valuation cycle and the parcel is not considered an economic unit.

Standards and Measurement of Data Accuracy: Each sale was verified with the buyer, seller, real estate agent, or tenant when possible. Current data were 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 (market/sales approach, cost approach, and income approach) were considered in this analysis.

- Sales from January 2019 thru December 2021 (at minimum) were considered in all analyses.
- This report intends to meet the requirements of the Uniform Standards of Appraisal Practice, Standards 5 and 6.

Area Description

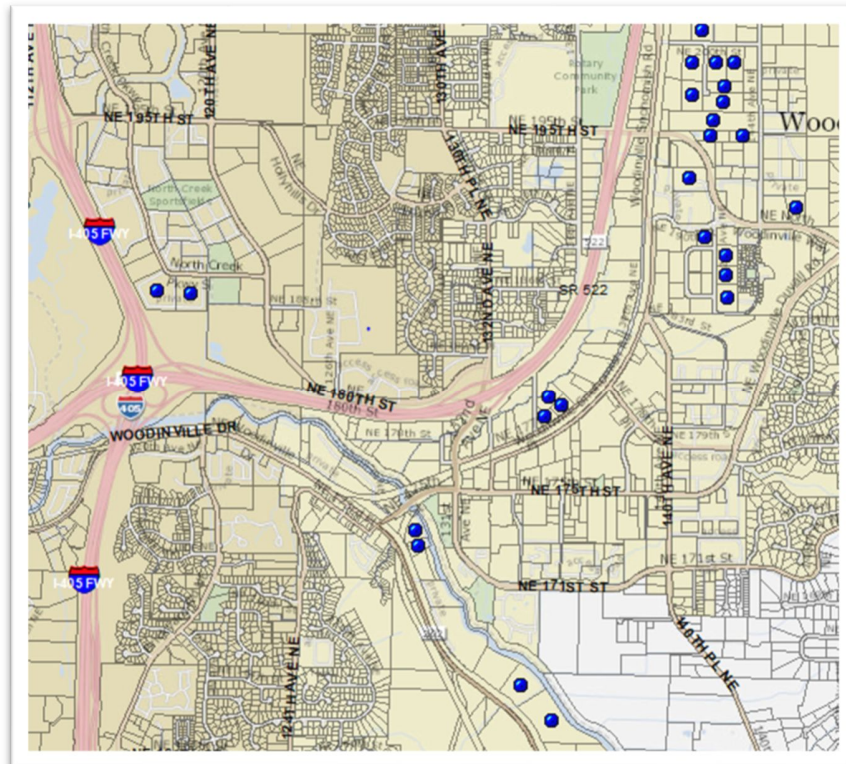
Many business parks are concentrated in the Kent Valley (Kent, Auburn, Tukwila, and SeaTac), Redmond Willows, and Marymoor areas. Additional properties are scattered throughout King County in Kirkland, Bellevue, Renton, Issaquah, Woodinville, Snoqualmie, Maple Valley, Covington, Federal Way, and South Seattle.

The Business Park specialty comprises 298 parcels, approximately 284 improved parcels, and 14 associated land parcels. The associated land parcels are considered an economic unit to the adjacent improved parcels. All of the business park parcels within the specialty area are revalued annually.

The following is a brief description of each Business Park neighborhood and any recent or new developments.

Neighborhood 520-10

Neighborhood 520-10 includes business park buildings within the Woodinville/Bothell area.

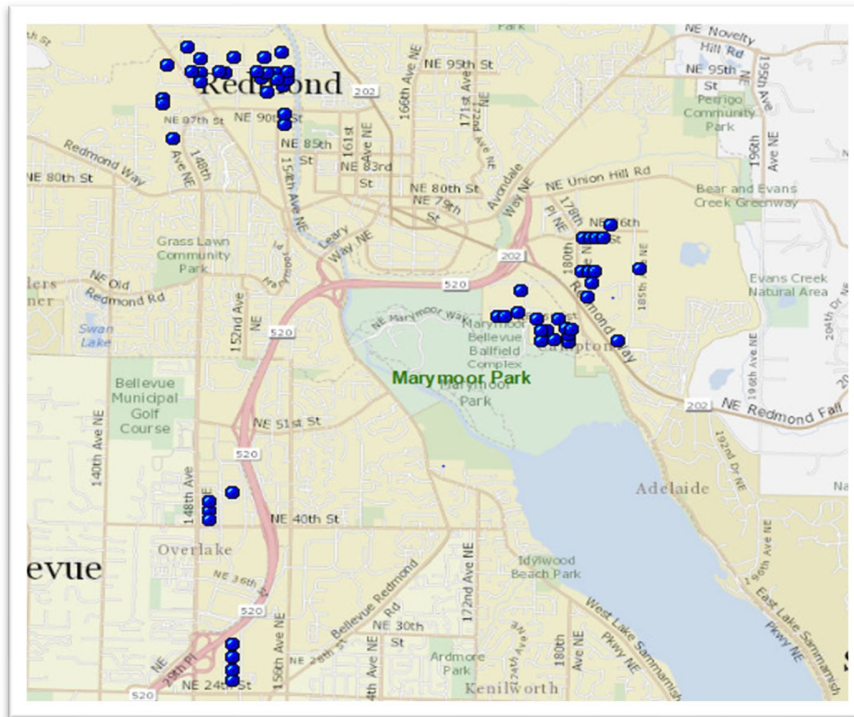


There are 25 parcels in this neighborhood or about 8% of the total Business Park specialty. Three sales have occurred with a value range from \$198 to \$261/SF.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
010	664110	0010	238,802	2974109	\$47,194,000	02/19/19	\$197.63	THE PARK AT WOODINVILLE BLDG A	
010	092605	9162	17,051	2980231	\$4,450,000	03/28/19	\$260.98	WOODINVILLE LANDING	
010	092605	9032	32,271	3028023	\$7,200,000	12/18/19	\$223.11	WOODINVILLE LANDING	

Neighborhood 520-20

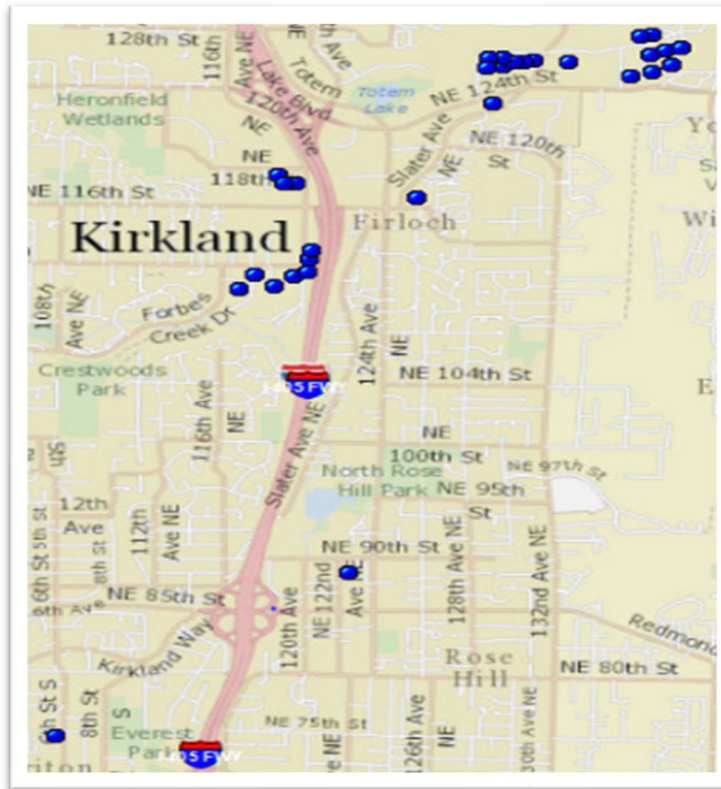
Neighborhood 520-20 includes business park properties located in Redmond.



Sixty-two parcels in this geographic neighborhood, or about 21% of the Business Park specialty. Eight sales have occurred with a value range from \$244 to \$471/SF. The Parkview East sale is not used in the sales ratio as two parcels were merged.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
020	032505	9258	71,818	3000423	\$19,400,000	07/19/19	\$270.13	Redmond West on Willows Building #2	
020	122505	9102	58,995	3026188	\$21,000,000	12/18/19	\$355.96	PARK 520	
020	720248	0020	10,521	3075441	\$2,920,000	10/05/20	\$277.54	REDMOOR INDUSTRIAL CENTER	
020	240050	0030	60,030	3145643	\$26,730,000	09/15/21	\$445.28	EVANS BUSINESS PARK BLDG B	
020	519550	0200	68,577	3147227	\$16,750,000	09/22/21	\$244.25	PARKVIEW EAST	Seg/merge after sale; not in ratio
020	630750	0010	43,421	3154757	\$14,200,000	10/26/21	\$327.03	OAK RIDGE PARK BLDG #1	
020	022505	9215	43,800	3161867	\$13,400,000	12/02/21	\$305.94	CEDAR BUSINESS PARK	
020	032505	9015	31,320	3166244	\$14,775,000	12/23/21	\$471.74	COMMUNICATIONS CONSTRUCTION GROUP	

Neighborhood 520-30 is the Kirkland area.

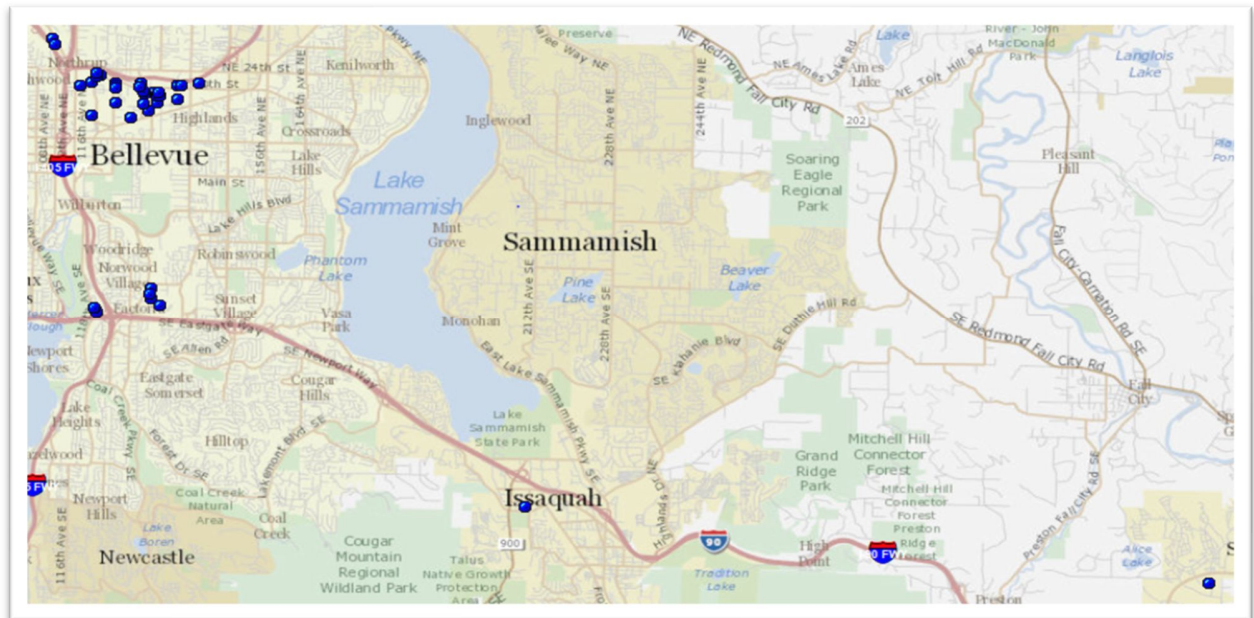


Neighborhood 520-30 has 30 parcels or 10% of the Business Park Specialty. Two sales have occurred with a value range from \$209 to \$351/SF.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
030	123850	0195	41,270	3023923	\$14,500,000	12/04/19	\$351.34	JONESCO BUSINESS PARK	
030	034871	0010	10,323	3079540	\$2,160,000	10/28/20	\$209.24	TOTEM VALLEY BUSINESS CENTER CONDOMINIUM	

Neighborhood 520-40

Neighborhood 520-40 includes Business Park buildings located within Bellevue, Issaquah, and Snoqualmie.

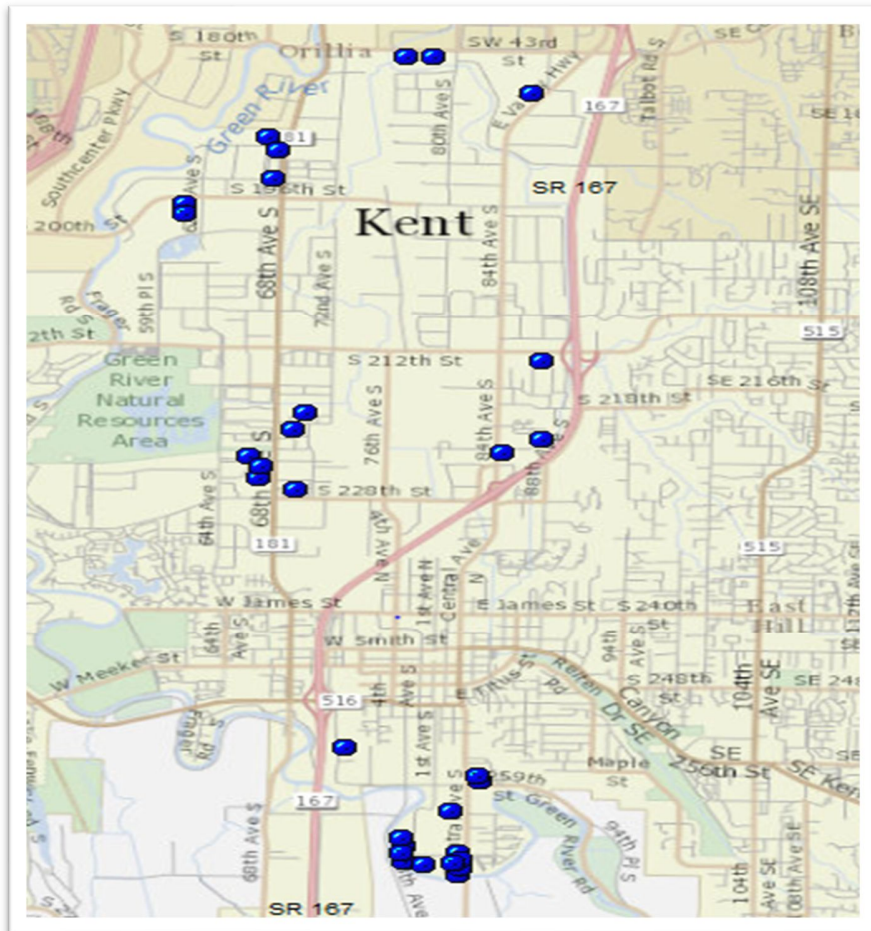


There are 70 parcels in this geographic neighborhood or 24% of the Business Park specialty. Thirty-six of these properties consist of a condominium complex known as Venture Commerce Center in Snoqualmie. Seven sales in Neighborhood 40 – three are in the Venture Commerce Center. The value range is \$273 to \$478/SF.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
040	282505	9265	15,917	3025709	\$7,000,000	12/12/19	\$439.78	BELLEVUE BUSINESS PARK (BDLG A)	
040	282505	9264	35,862	3025712	\$15,000,000	12/13/19	\$418.27	BELLEVUE BUSINESS PARK (BDLG B)	
040	889435	0200	1,218	3038340	\$380,000	03/07/20	\$311.99	VENTURE COMMERCE CENTER-SNOQUALMIE	
040	292406	9145	96,000	3111736	\$36,050,000	04/16/21	\$375.52	Cascade Business Park	
040	889435	0010	1,222	3121442	\$585,000	05/26/21	\$478.72	VENTURE COMMERCE CENTER-SNOQUALMIE	
040	889435	0330	2,453	3130649	\$670,000	07/07/21	\$273.13	VENTURE COMMERCE CENTER-SNOQUALMIE	
040	282505	9299	93,877	3148851	\$42,000,000	09/28/21	\$447.39	NORTHUP CENTER	

Neighborhood 520-50

Neighborhood 520-50 includes business park buildings located in the City of Kent. This is the heart of the Kent Valley Industrial District – one of the nation's most sought-after areas by industrial investors.

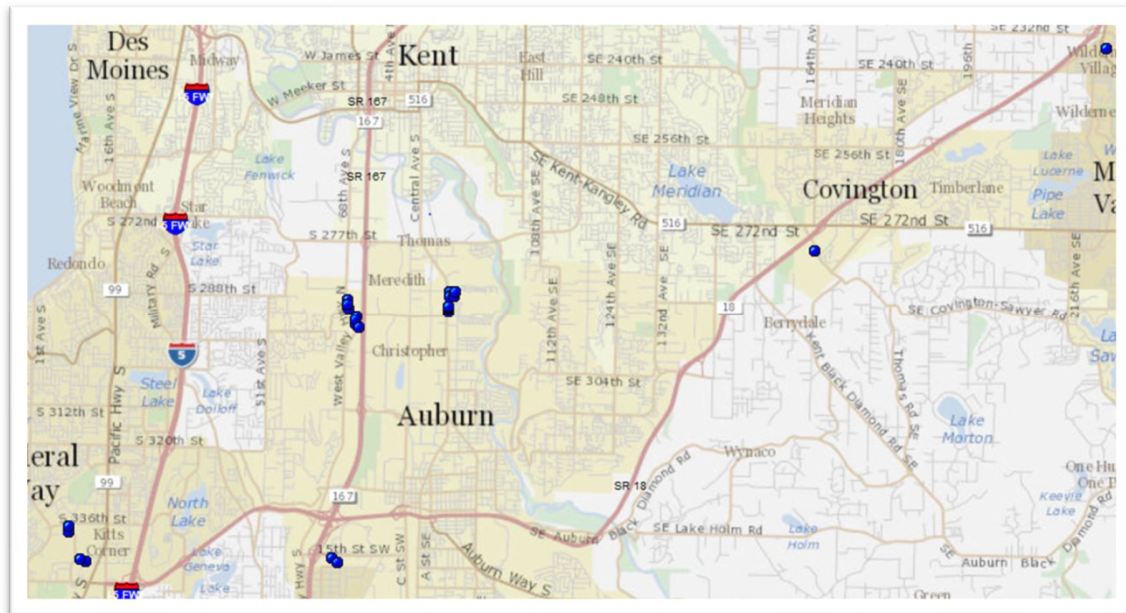


There are 31 parcels in this geographic area or 10% of the Business Park specialty. This neighborhood has two sales with a value range from \$159 to \$174/SF.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
050	788880	0220	190,810	3013151	\$30,430,000	10/01/19	\$159.48	WEST VALLEY BUSINESS PARK BLDGS A, B, C, D, E	
050	775780	0130	47,040	3086538	\$8,200,000	12/03/20	\$174.32	ANDERSON CENTER	

Neighborhood 520-60

Neighborhood 520-60 includes business park buildings located in Auburn, Federal Way, Covington, and Maple Valley.

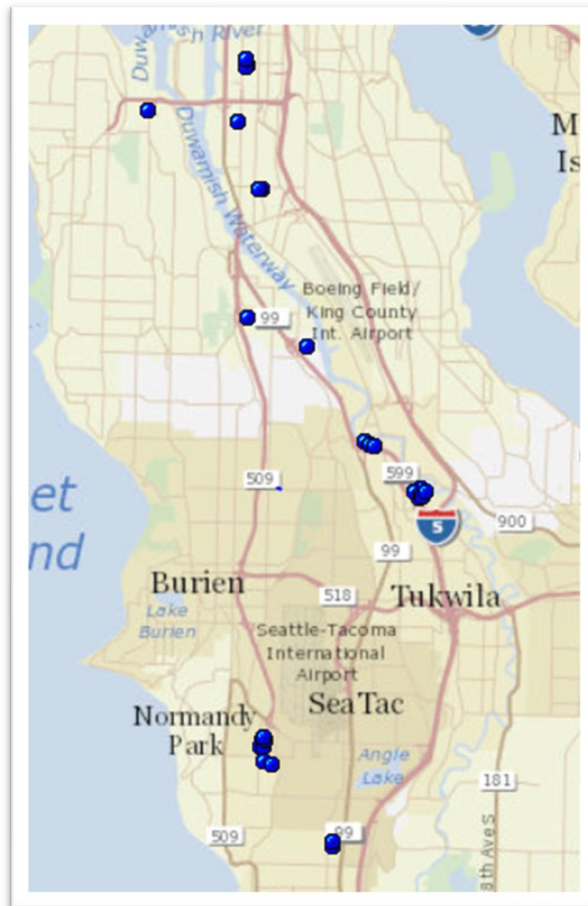


There are 25 parcels in this neighborhood, representing 8% of the Business Park specialty. There are two sales ranging from \$119 to \$198/SF.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
060	926480	0180	68,436	3002787	\$8,165,000	08/01/19	\$119.31	CAMPUS BUSINESS CENTER	
060	030351	0140	14,100	3110973	\$2,800,000	03/25/21	\$198.58	INCUBATOR SPACE	

Neighborhood 520-70

Neighborhood 520-70 includes business park buildings located in Unincorporated King County, South Seattle/SODO, SeaTac, and West Tukwila.

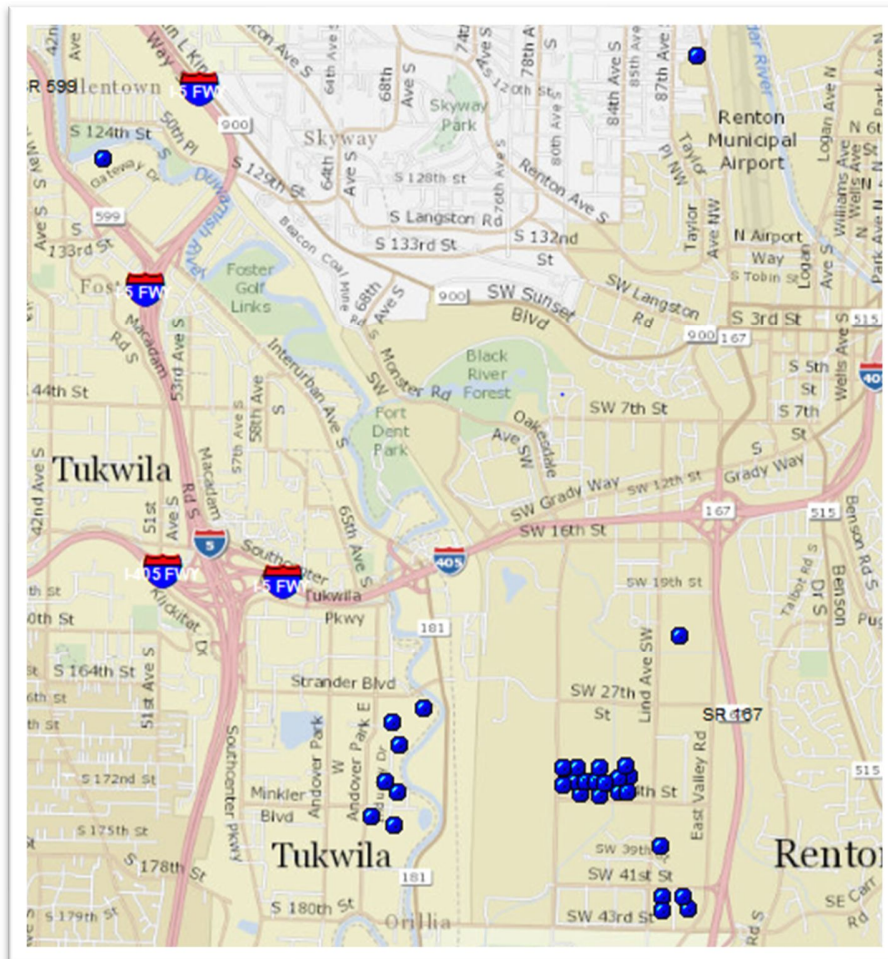


There are 28 parcels in Neighborhood 70, representing 9% of the Business Park Specialty. There are three sales in neighborhood 70, ranging from \$225 to \$318/SF. Three sales are from the same buyer.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
070	271600	0010	177,127	3022119	\$40,000,000	11/22/19	\$225.83	GATEWAY CORP CENTER BLDG 1	
070	182404	9060	169,621	3108630	\$53,453,000	03/31/21	\$315.13	SODO URBAN WORKS	
070	766620	6136	51,664	3117908	\$16,450,000	05/11/21	\$318.40	SOUTH LANDER BUSINESS PARK	

Neighborhood 520-80

Neighborhood 520-80 includes business park buildings located in Renton and East Tukwila (Southcenter). This is the northern portion of the Kent Valley Industrial Area.



There are 27 properties in this neighborhood, representing 9% of the specialty. There are five sales ranging from \$150 to \$261/SF.

Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Remarks
080	392680	0070	113,465	3013226	\$16,971,000	10/01/19	\$149.57	SOUTH LIND SQUARE	
080	630849	0010	27,370	3104539	\$5,700,000	03/05/21	\$208.26	OAKESDALE COMMERCE- EAST (E1)	
080	630849	0030	30,452	3115513	\$7,650,000	04/30/21	\$251.22	OAKESDALE COMMERCE - EAST (E3)	
080	252304	9008	176,819	3143133	\$46,175,710	09/01/21	\$261.15	ANDOVER EXEC PARK PH II - BLDGS 9, 10, 12, 13, 14, 16, 17	
080	252304	9071	475,414	3143125	\$116,324,290	09/01/21	\$244.68	TUKWILA COMMERCE CENTER (BLDGS 30,32,33,34,36,38,40,42)	

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 520-20 was physically inspected for the 2022 assessment year. The physical inspection was comprised of 62 parcels or approximately 20.81% of the 298 total parcels located in Area Specialty 520. 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
520	20	Redmond	62	298	20.81%
Business Parks Inspection Totals			62	298	20.81%

Preliminary Ratio Analysis

The sales ratio study is a critical assessment tool used 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 two major aspects of appraisal accuracy, appraisal level and appraisal uniformity, are measured and evaluated using the ratio study. Appraisal level measures the ratio of assessed value to the 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 the appraisal level and uniformity.

RECOMMENDED IAAO STANDARDS ON RATIO STUDIES	
Appraisal level	.90 to 1.10
Coefficient of Dispersion (COD)	5.0 to 20.0
Coefficient of Variation (COV)	5.0 to 20.0
Price Related Differential (PRD)	.98 to 1.03

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 ratio of the average assessed value to the average sales price value. The weighted mean gives equal weight to each dollar value in the sample, whereas the median and mean give equal weight to each parcel. The weighted mean is an important statistic in its own right. It is also 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 520 shows a weighted mean ratio of 68.90%, which is well below the IAAO guidelines, indicating that the current assessment level, as measured using recent sales, requires major adjustment to provide better uniformity.

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 areas. The preliminary ratio study for Area 520 shows a COD of 23.49%, which is above the IAAO guidelines, indicating that the current level of assessment uniformity as measured using recent sales is outside the acceptable range and requires adjustment.

The 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 properties. 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 regressivity in the data, where the assessment level decreases with the increasing sales price. The preliminary ratio study for Area 520 shows a PRD of 1.12%, which is above the IAAO guidelines. Due to the results indicated from the preliminary ratio study, significant uniform changes are required to the valuation models for Area 520 for the 2022 assessment year.

Although some of the preliminary ratio study results fall outside the IAAO standards, these results are based on a limited sales sample. The sales sample is insufficient to draw direct conclusions from the ratio study. The office/flex condominium units were valued by the income approach for the most part, while the remaining parcels were valued by the cost or market approach where necessary. All recent sales are used for guidance and as a test for the income model.

Scope of Data

Land Value Data: The geographic appraisers in the various areas in which the specialty properties are located are responsible for the land value used by the specialty appraiser. See the 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. If possible, all sales are verified by contacting the purchaser, seller, or real estate broker and reviewing sale transaction data from online subscription sources. Each sale was inspected, and the recorded property characteristics were updated when necessary. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report.

Sales Comparison Approach Description

There were 31 total improved sales in the subject area that were considered good, fair market transactions and that were used in the overall analysis. 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.

Business parks comprised of condominium units were valued by the sales comparison approach, as there were sufficient sales available, and they typically command a higher price per square foot. This is typically due to the smaller size of the units and due to the owner/user nature of many industrial condominium purchases.

The following table summarizes the value parameters used for valuation in area 520. Some properties require deviation from the typical value range due to issues including, but not limited to: location, size and condition, and appraiser judgment.

Typical Value Parameters			
Property Type	Value Range Per SF		
Condominiums	\$273	to	\$478
2019 Sales	\$119	to	\$440
2020 Sales	\$174	to	\$209
2021 Sales	\$198	to	\$471

The high and low numbers show that sales prices are increasing per year. Other Business Park properties were typically valued using the income approach, as fewer comparable sales of each property type were available. The improved sales used were referenced when developing the economic income parameters and capitalization rates for the income models used within each neighborhood.

Sales Comparison Approach Calibration

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established via an analysis of sales within each neighborhood. Neighborhoods were treated independently of one another as dictated by the market. Individual prices were applied based on various characteristics deemed appropriate by each market. Specific variables and prices for each neighborhood are discussed in more detail above. Given the relatively low sales count per property type during this most recent economic period, the applicability of Sales Comparison was considered limited for general valuation purposes.

Cost Approach Model Description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. The cost approach is most applicable in the newer business parks where the market indicators support the cost value. The Cost Approach was used to value two government-owned properties for the 2020 Assessment Year.

Income Capitalization Approach Description

A direct capitalization approach estimate was calculated for all properties within the Business Park specialty. The income approach was considered the most reliable approach to value Business Parks, given the amount of published data available. Income parameters were derived from the marketplace through real estate sales, the sales verification process, tenants, owners, and a compilation of published sources. Similar uses were grouped with income rates that were correlated to effective age and building quality.

Income: Income parameters were derived from the marketplace through the listed fair market transactions and published sources (i.e., Commercial Brokers Association, Costar, Quarterly Brokerage and Analyst Reports, Multiple Corporate Real Estate Websites), and opinions expressed by real estate professionals active in the market. The data on the following page shows the varying average asking rates within the three market areas. Some publications have specific information for the individual neighborhoods, but not all. Some of the publications have differing submarkets and are grouped differently.

Eastside Rental Rate Statistics - Neighborhoods 10, 20, 30 & 40

Warehouse	2021	2020	Year over year
CBRE	\$1.58	\$1.35	17.04%
Colliers	\$0.96	\$0.90	6.67%
Cushman - Wakefield	\$1.27	\$1.19	6.72%
Jones Lasalle	\$1.13	\$1.11	1.80%
Kidder	\$1.15	\$1.00	15.00%
Median	\$1.15	\$1.11	3.60%

Southend Industrial - Neighborhoods 50, 60, & 80

Warehouse	2021	2020	Year over year
CBRE	\$0.76	\$0.72	5.56%
Colliers - Southend	\$0.86	\$0.72	19.44%
Cushman	\$0.79	\$0.66	19.70%
Jones LaSalle	\$0.84	\$0.76	10.53%
Kidder	\$0.65	\$0.65	0.00%
Median	\$0.79	\$0.72	9.72%

Seattle Close-In Industrial - Neighborhood 70

Warehouse	2021	2020	Year over year
CBRE	\$1.30	\$1.25	5.00%
Colliers - Close In	\$1.21	\$1.20	1.00%
Cushman -	\$1.27	\$1.24	3.00%
Jones Lasalle	\$1.26	\$1.24	2.00%
Kidder	\$1.28	\$1.18	10.00%
Median	\$1.27	\$1.24	3.00%

These market reports solely report on the warehouse/shell rates and do not include add-ons for office buildout. Office buildouts can run from \$1.50 to \$2.50/SF depending on the quality of the buildout and the age of the property.

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

2021 Published Vacancy Rates					
	CBRE	Colliers	Cushman	Kidder	Median
Seattle Close In	6.30%	4.67%	3.90%	3.60%	4.29%
Kent Valley/Southend	4.10%	7.17%	4.20%	5.05%	4.63%
Eastside	5.10%	3.77%	3.30%	2.94%	3.54%

Expenses: Expense ratios were estimated based on industry standards, published sources, and knowledge of the area's rental practices. Within the income valuation models, the Assessor used triple net expenses.

Capitalization Rates: Capitalization rates were determined by sales and local published market surveys, such as CoStar, Integra Realty Resources, and Korpaz. Other national reports include CBRE Capital Markets Cap Rate Survey, Colliers International, and Real Estate Report Valuation Rates and Metrics. Medians established for property sales in the three general market areas determine the capitalization rates used. Where there are insufficient sales, the market area is widened to include all of King County.

SEATTLE / REGIONAL CAP RATES 2022						
Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: U.S. Cap. Rate survey.	H1 2021					CBRE professional survey conducted from H2 2020 and to H1 2021.
		Seattle	4.50% - 5.00% 5.50% - 6.00%	- - 3.50% - 4.00%	- - - 5.00% - 6.00 %	CBD – Class A Suburban – Class A Class A Retail Neighborhood/Community – Class A
CBRE: U.S. Cap Rate Survey - Report	H2 2021	Seattle	4.50% - 5.00% 5.25% - 6.00%	2.75% - 3.50%	5.00% - 6.00%	CBD – Class A Suburban – Class A Class A Retail Neighborhood/Community – Class A
IRR: Viewpoint for 2022	Year-end 2021	Seattle	5.00% 6.25% 5.75% 6.75% - - - -	- - - - 6.75% 4.25% - -	- - - - - - 5.50% 6.50% 6.75%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Flex Industrial Industrial Regional Mall Community Retail Neighborhood Retail

SEATTLE / REGIONAL CAP RATES 2022

Source	Date	Location	Office	Industrial	Retail	Remarks
CoStar	Year-End 2021	Seattle Puget Sound	5.40%	-	-	General Office
			4.80%	-	-	Office Buildings – 5 Star Rating
			5.40%	-	-	Office Buildings – 4 Star Rating
			5.60%	-	-	Office Buildings – 3 Star Rating
			5.50 %	-	-	Office Buildings – 1 and 2 Star Rating
			-	4.80%	-	Industrial
			-	4.80%	-	Flex Industrial
			-	-	5.40%	General Retail
			-	-	5.50%	Power Centers
			-	-	5.50%	Neighborhood Centers
			-	-	5.30%	Strip Centers
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2021					1 st Tier properties are defined as new or newer quality const. in prime to good location; 2 nd Tier properties are defined as aging, former 1 st tier in good to average locations; 3 rd Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2021	Seattle	6.10%	-	-	Office CBD – 1 st Tier Properties
			6.80%	-	-	Suburban Office – 1 st Tier Properties
			-	5.60%	-	Warehouse – 1 st Tier Properties
			-	6.70%	-	R&D – 1 st Tier Properties
			-	6.30%	-	Flex – 1 st Tier Properties
			-	-	6.60%	Regional Mall – 1 st Tier Properties
			-	-	6.60%	Power Center – 1 st Tier Properties
			-	-	6.30%	Neigh/Comm. Ctrs. – 1 st Tier Properties
		West	5.50% - 8.00%	-	-	Office CBD – 1 st Tier Properties
			6.50% - 9.50%	-	-	Office CBD – 2 nd Tier Properties
			6.50% - 11.00%	-	-	Office CBD – 3 rd Tier Properties
			6.00% - 9.00%	-	-	Suburban Office – 1 st Tier Properties
			7.00% - 11.50%	-	-	Suburban Office – 2 nd Tier Properties
			7.00% - 13.00%	-	-	Suburban Office – 3 rd Tier Properties
			-	3.80% - 7.00%	-	Warehouse – 1 st Tier Properties
			-	4.80% - 8.00%	-	Warehouse – 2 nd Tier Properties
			-	5.50% - 9.00%	-	Warehouse – 3 rd Tier Properties
			-	5.50% - 8.00%	-	R&D – 1 st Tier Properties
			-	6.50% - 9.00%	-	R&D – 2 nd Tier Properties
			-	7.00% - 11.00%	-	R&D – 3 rd Tier Properties
			-	5.50% - 8.00%	-	Flex – 1 st Tier Properties
			-	6.00% - 10.00%	-	Flex – 2 nd Tier Properties
			-	6.50% - 11.00%	-	Flex – 3 rd Tier Properties
			-	-	5.30% - 9.50%	Regional Mall – 1 st Tier Properties
			-	-	6.80% - 11.50%	Regional Mall – 2 nd Tier Properties
			-	-	7.00% - 12.50%	Regional Mall – 3 rd Tier Properties
			-	-	6.00% - 11.80%	Power Center – 1 st Tier Properties
			-	-	6.50% - 11.50%	Power Center – 2 nd Tier Properties
			-	-	7.00% - 12.50%	Power Center – 3 rd Tier Properties
			-	-	5.00% - 8.00%	Neigh/Comm. Ctr. – 1 st Tier Properties
			-	-	6.00% - 9.50%	Neigh/Comm. Ctr. – 2 nd Tier Properties
			-	-	6.00% - 10.50%	Neigh/Comm. Ctr. – 3 rd Tier Properties

SEATTLE / REGIONAL CAP RATES 2022						
Source	Date	Location	Office	Industrial	Retail	Remarks
IRR: Viewpoint for 2022	Year-end 2021	West Region	5.98%	-	-	<u>Institutional Grade Properties</u>
			6.48%	-	-	CBD Office – Class A
			6.25%	-	-	CBD Office – Class B
			6.75%	-	-	Suburban Office – Class A
			-	5.71%	-	Suburban Office – Class B
			-	5.16%	-	Flex Industrial
			-	-	-	Industrial
			-	-	6.23%	Community Retail
PWC / Korpaz Real Estate Investment Survey	4Q 2021	Seattle	4.00% - 7.00%	-	-	Neighborhood Retail
			4.00% - 7.75%	-	-	Office
			-	3.00% - 4.25%	-	Office Warehouse
ACLI	4Q 2021	Seattle – Bellevue – Everett MSA	5.21%	5.51%	6.00%	All Classes
		Pacific Region	5.33%	4.70%	5.71%	All Classes

The preceding tables demonstrate ranges of capitalization rates and trends that are compiled and collected on national, regional, and local scales. This information is reconciled with data specific to the real estate market in the 520 specialties to develop the income model. The range of capitalization rates in the income model reflects the variety of properties in this area. Properties considered non-institutional grades, such as those purchased by owner users or small investors, may not reflect the capitalization rates found in published sources.

Income Approach Calibration

Income tables were developed for each of the eight neighborhoods that comprise Area 520. The tables pertaining to different property types: Warehouse Office, Open Office, Flex, Warehouse Showroom, Mezzanine Office, Mezzanine Storage, Storage Warehouse, Distribution Warehouse, and Light Industrial. In addition, an exclusion table indicating property uses not covered by an income table is created. Properties containing differing section uses may have multiple tables applicable to the property as a whole.

The tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates by using adjustments based on size, quality of construction, and the effective age. The following table outlines a summary of the income parameters used in the income tables, which provided the basis for the income value estimate calculations.

Typical Income Parameters				
Property Type	Rent Range per SF	Vacancy/ Coll. Loss %	Expenses per % of EGI	Capitalization Rate %
Warehouse Office/Mezzanine	\$12 to \$22	5.0% to 8.0%	10%	5% to 5.75%
Storage Warehouse/Lt Industrial	\$8 to \$13			
Industrial Retail/Showroom	\$12 to \$23			
Industrial Flex	\$8 to \$14			

Reconciliation

All parcels were individually reviewed for the correctness of the model application before final value selection and reviewed by the Senior Appraiser, Marie Ramirez, prior to posting. The factors analyzed in the process of establishing the market were subject to adjustment by the appraiser. The Market Approach is considered the most reliable indicator of value when sufficient comparable sales are available; however, the Income Approach is an excellent indicator of value when there is sufficient market data.

The Business Park specialty has ample amounts of published data available. Therefore the Income Approach was applied to nearly all parcels to best value and equalize like properties. The primary exception was for condominium parcels, which were valued using the market approach given the number of sales and given the fact that they tend to trade differently than larger, multi-building parks. When the value of the property by the income approach was less than the land value, a nominal \$1,000 value was allocated to the improvements.

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 is 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 by particular characteristics and conditions as they occur in the valuation area.

International Association of Assessing Officers (IAAO) appraisal guidelines for the measures of valuation performance of uniformity and equity are presented in the 2021 and 2022 Ratio Analysis charts included with this report. A comparison of the 2021 Ratio Study Analysis with the 2022 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level went from 68.9% to 99.4%. The Coefficient of Dispersion (COD) went down from 23.49% to 8.59%. The ratio study presented in this report indicates improvement in both levels of

uniformity and equity. However, with a sample size of only 31 improved sales, the weight given to the ratio study should be tempered.

This valuation has occurred where the regional industrial market continues to strengthen. Investment interest in the market has put downward pressure on capitalization rates, and a lack of new supply has caused vacancy rates to fall significantly. At the same time, rents begin to rise in most markets. There has been an increase in industrial property construction activity; however, no new construction projects are on the horizon for incubator spaces. This is in response to the shift in market fundamentals. The real estate professionals, owners, and investors involved with business parks continue to feel confident about the sector's potential.

Total Value

The total assessed value for the 2021 Assessment Year for Specialty Area 520 was \$2,233,678,300. The total recommended assessed value for the 2022 Assessment Year is \$2,812,056,300. Application of these recommended values for the 2022 Assessment Year results in an annual change of +25.89%.

Change in Total Assessed Value			
2021 Total Value	2022 Total Value	\$ Change	% Change
\$2,233,678,300	\$2,812,056,300	\$578,378,000	25.89%

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 5 & 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 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. (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 January 1 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 31 of each year. The assessed valuation of the property shall be considered as of July 31 of that year.

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

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:

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

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

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

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

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

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

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

Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the Assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

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

Scope of Work Performed

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

CERTIFICATION:

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

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

Valerie A Dreas, Commercial Appraiser II

Date: 7/19/2022

Improvement Sales for Area 520 with Sales Used

06/28/2022

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.	Ver. Code	Remarks
520	010	664110	0010	238,802	2974109	\$47,194,000	02/19/19	\$197.63	THE PARK AT WOODINVILLE BLDG	I	Industrial Park	5	Y	
520	010	092605	9162	17,051	2980231	\$4,450,000	03/28/19	\$260.98	WOODINVILLE LANDING	I	Industrial Park	1	Y	
520	020	032505	9258	71,818	3000423	\$19,400,000	07/19/19	\$270.13	Redmond West on Willows Building #	MP	Office Park	1	Y	
520	060	926480	0180	68,436	3002787	\$8,165,000	08/01/19	\$119.31	CAMPUS BUSINESS CENTER	OP	Office Park	2	Y	
520	080	392680	0070	113,465	3013226	\$16,971,000	10/01/19	\$149.57	SOUTH LIND SQUARE	CO	Office Park	2	Y	
520	050	788880	0220	190,810	3013151	\$30,430,000	10/01/19	\$159.48	WEST VALLEY BUSINESS PARK BL	M1-C	Industrial Park	2	Y	
520	070	271600	0010	177,127	3022119	\$40,000,000	11/22/19	\$225.83	GATEWAY CORP CENTER BLDG 1	C/LI	Industrial Park	4	Y	
520	030	123850	0195	41,270	3023923	\$14,500,000	12/04/19	\$351.34	JONESCO BUSINESS PARK	LIT	Industrial Park	1	Y	
520	040	282505	9265	15,917	3025709	\$7,000,000	12/12/19	\$439.78	BELLEVUE BUSINESS PARK (BDLG	BR-OR	Industrial Park	1	Y	
520	040	282505	9264	35,862	3025712	\$15,000,000	12/13/19	\$418.27	BELLEVUE BUSINESS PARK (BDLG	BR-OR	Industrial Park	2	Y	
520	010	092605	9032	32,271	3028023	\$7,200,000	12/18/19	\$223.11	WOODINVILLE LANDING	I	Industrial Park	1	Y	
520	020	122505	9102	58,995	3026188	\$21,000,000	12/18/19	\$355.96	PARK 520	MDD2	Industrial Park	1	Y	
520	040	889435	0200	1,218	3038340	\$380,000	03/07/20	\$311.99	VENTURE COMMERCE CENTER-ST	MU	Condominium(1	1	Y	
520	020	720248	0020	10,521	3075441	\$2,920,000	10/05/20	\$277.54	REDMOOR INDUSTRIAL CENTER	MP	Industrial Park	1	Y	
520	030	034871	0010	10,323	3079540	\$2,160,000	10/28/20	\$209.24	TOTEM VALLEY BUSINESS CENTE	TL 9A	Industrial Park	1	Y	
520	050	775780	0130	47,040	3086538	\$8,200,000	12/03/20	\$174.32	ANDERSON CENTER	CM-1	Warehouse	1	Y	
520	080	630849	0010	27,370	3104539	\$5,700,000	03/05/21	\$208.26	OAKESDALE COMMERCE- EAST (E	IL	Industrial Park	1	Y	
520	060	030351	0140	14,100	3110973	\$2,800,000	03/25/21	\$198.58	INCUBATOR SPACE	M1	Warehouse	1	Y	
520	070	182404	9060	169,621	3108630	\$53,453,000	03/31/21	\$315.13	SODO URBAN WORKS	IG1 U/85	Warehouse	1	Y	
520	040	292406	9145	96,000	3111736	\$36,050,000	04/16/21	\$375.52	Cascade Business Park	UC	Warehouse	1	Y	
520	080	630849	0030	30,452	3115513	\$7,650,000	04/30/21	\$251.22	OAKESDALE COMMERCE - EAST (E	IL	Industrial Park	1	Y	
520	070	766620	6136	51,664	3117908	\$16,450,000	05/11/21	\$318.40	SOUTH LANDER BUSINESS PARK	IG1 U/85	Industrial Park	1	Y	
520	040	889435	0010	1,222	3121442	\$585,000	05/26/21	\$478.72	VENTURE COMMERCE CENTER-ST	MU	Condominium(1	1	Y	
520	040	889435	0330	2,453	3130649	\$670,000	07/07/21	\$273.13	VENTURE COMMERCE CENTER-ST	MU	Condominium(1	1	Y	
520	080	252304	9071	475,414	3143125	\$116,324,290	09/01/21	\$244.68	TUKWILA COMMERCE CENTER (BL	TUC-WP	Industrial Park	4	Y	
520	080	252304	9008	176,819	3143133	\$46,175,710	09/01/21	\$261.15	ANDOVER EXEC PARK PH II - BLDG	TUC-WP	Industrial Park	2	Y	
520	020	240050	0030	60,030	3145643	\$26,730,000	09/15/21	\$445.28	EVANS BUSINESS PARK BLDG B	MDD5	Industrial Park	3	Y	
520	020	519550	0200	68,577	3147227	\$16,750,000	09/22/21	\$244.25	PARKVIEW EAST	MDD5	Industrial Park	2	29	Seg/merge after sale; not in ratio
520	040	282505	9299	93,877	3148851	\$42,000,000	09/28/21	\$447.39	NORTHUP CENTER	BR-R	Industrial Park	3	Y	
520	020	630750	0010	43,421	3154757	\$14,200,000	10/26/21	\$327.03	OAK RIDGE PARK BLDG #1	MDD5	Industrial Park	1	Y	
520	020	022505	9215	43,800	3161867	\$13,400,000	12/02/21	\$305.94	CEDAR BUSINESS PARK	MP	Industrial Park	1	Y	
520	020	032505	9015	31,320	3166244	\$14,775,000	12/23/21	\$471.74	COMMUNICATIONS CONSTRUCTIO	BP	Industrial Park	1	Y	

Improvement Sales for Area 520 with Sales not Used

06/28/2022

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Par. Ct.	Ver. Code	Remarks
520	040	889435	0010	6,110	3132233	\$319,500	07/01/21	\$52.29	VENTURE COMMERCE CENTER-SNOQUAL	MU	Condominium(Mixed	1	18	Quit claim deed
520	060	000400	0025	24,000	3167588	\$2,042,055	12/29/21	\$85.09	NORTH AUBURN BUSINESS PARK (BLDGS	C3	Industrial Park	1	11	Corporate affiliates
520	070	052204	9002	235,031	3171695	\$144,200	08/11/21	\$0.61	PROLOGIS PARK SEATAC	RBX	Warehouse	2	68	Non-gov't to gov't

Physical Inspection 2022 Specialty Area 520

Specialty Area	Ngbhd	Juris	Major	Minor	SitusAddress
520	20	RM	022505	9208	8950 154TH AVE NE
520	20	RM	022505	9215	15319 NE 92ND ST
520	20	RM	022505	9216	15340 NE 92ND ST
520	20	RM	032505	9015	14515 NE 87TH ST
520	20	RM	032505	9025	14505 NE 91ST ST
520	20	RM	032505	9202	14515 NE 91ST ST
520	20	RM	032505	9258	9521 WILLOWS RD
520	20	RM	072506	9023	18005 NE 68TH ST
520	20	RM	122505	9102	6855 176TH AVE NE
520	20	RM	131830	0065	18336 NE REDMOND-FALL CITY RD
520	20	RM	142505	9013	4116 148TH AVE NE
520	20	RM	142505	9053	No Situs Address
520	20	RM	142505	9057	No Situs Address
520	20	RM	142505	9153	4320 150TH AVE NE
520	20	RM	206350	0070	No Situs Address
520	20	RM	206350	0080	2555 152ND AVE NE
520	20	RM	206350	0090	2787 152ND AVE NE
520	20	RM	221295	0010	18001 NE 76TH ST
520	20	RM	221295	0011	No Situs Address
520	20	RM	221295	0012	No Situs Address
520	20	RM	221295	0013	18225 NE 76TH ST
520	20	RM	240050	0010	17735 NE 65TH ST
520	20	RM	240050	0020	17722 NE 65TH ST
520	20	RM	240050	0030	17722 NE 65TH ST
520	20	RM	240050	0040	17725 NE 65TH ST
520	20	RM	240050	0060	17625 NE 65TH ST
520	20	RM	346940	0020	18130 NE 76TH ST
520	20	RM	519550	0010	17640 NE 65TH ST
520	20	RM	519550	0060	17820 NE 65TH ST
520	20	RM	519550	0190	17345 NE 67TH CT
520	20	RM	519550	0210	17515 NE 67TH CT
520	20	RM	630750	0010	17965 NE 65TH ST
520	20	RM	630750	0020	17945 NE 65TH ST
520	20	RM	630750	0030	17935 NE 65TH ST
520	20	RM	630750	0040	17985 NE 65TH ST
520	20	RM	664868	0010	7102 180TH AVE NE
520	20	RM	664868	0020	7114 180TH AVE NE
520	20	RM	664868	0030	7126 180TH AVE NE
520	20	RM	719895	0010	7120 185TH AVE NE
520	20	RM	720248	0000	18080 NE 68TH ST
520	20	RM	720248	0010	18080 NE 68TH ST
520	20	RM	720248	0020	18080 NE 68TH ST

Physical Inspection 2022 Specialty Area 520

Specialty Area	Ngbhd	Juris	Major	Minor	SitusAddress
520	20	RM	720248	0030	2110 178TH AVE NE
520	20	RM	720248	0040	18080 NE 68TH ST
520	20	RM	720248	0050	18080 NE 68TH ST
520	20	RM	943050	0022	14940 NE 95TH ST
520	20	RM	943050	0023	14690 NE 95TH ST
520	20	RM	943050	0030	14715 NE 95TH ST
520	20	RM	943050	0031	14671 NE 95TH ST
520	20	RM	943050	0032	14783 NE 95TH ST
520	20	RM	943050	0080	15040 NE 95TH ST
520	20	RM	943050	0110	15224 NE 95TH ST
520	20	RM	943050	0123	9620 153RD AVE NE
520	20	RM	943050	0140	15411 NE 95TH ST
520	20	RM	943050	0141	15305 NE 95TH ST
520	20	RM	943050	0142	15443 NE 95TH ST
520	20	RM	943050	0143	15335 NE 95TH ST
520	20	RM	943050	0150	15215 NE 95TH ST
520	20	RM	943050	0151	15265 NE 95TH ST
520	20	RM	943050	0152	15203 NE 95TH ST
520	20	RM	943100	0010	14963 NE 95TH ST
520	20	RM	943100	0020	14935 NE 95TH ST



King County

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 520

2022 Assessment Year



Department of Assessments