

Executive Summary Report

Characteristics-Based Market Adjustment for 2009 Assessment Roll

Area Name / Number: Alpentel\Skykomish\Environs / 90
Previous Physical Inspection: 2008

Improved Sales:

Number of Sales: 18
 Range of Sale Dates: 1/2007 - 12/2008

Sales – Average Improved Valuation Change Summary						
	Land	Imps	Total	Sale Price**	Ratio	COV*
2008 Value	\$56,400	\$239,400	\$295,800			
2009 Value	\$47,500	\$168,200	\$215,700	\$255,000	84.6%	18.24%
Change	-\$8,900	-\$71,200	-\$80,100			
% Change	-15.8%	-29.7%	-27.1%			

*COV is a measure of uniformity; the lower the number the better the uniformity.

** Sales adjusted to 1/1/09.

Sales used in this analysis: All sales of one to three unit residences on residential lots which were verified as, or appeared to be market sales were considered for the analysis. Sales along with values were market adjusted to 1/1/09. Individual sales that were excluded are listed later in this report. Multi-parcel sales, multi-building sales, mobile home sales, and sales of new construction where less than a 100% complete house was assessed for 2008 or any existing residence where the data for 2008 is significantly different from the data for 2009 due to remodeling were also excluded. In addition, the summary above excludes sales of parcels that had improvement value of \$25,000 or less posted for the 2008 Assessment Roll. This also excludes previously vacant and destroyed property partial value accounts.

Population - Improved Parcel Summary:

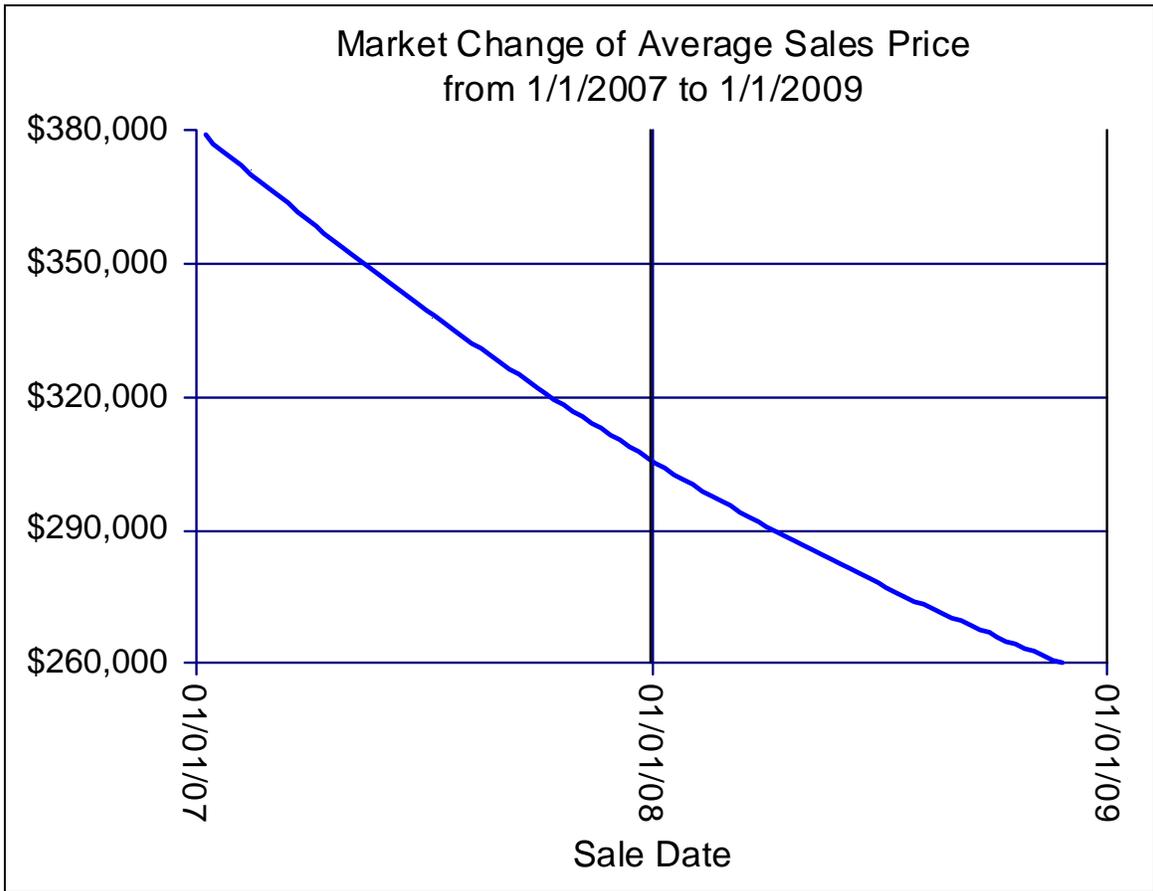
	Land	Imps	Total
2008 Value	\$56,400	\$189,500	\$245,900
2009 Value	\$47,400	\$131,700	\$179,100
Percent Change	-16.0%	-30.5%	-27.2%

Number of one to three unit residences in the Population: 686

Summary of Findings: The analysis for this area consisted of a general review of applicable characteristics. As described in the model validation section of this report, sales and values were adjusted to 1/1/09 with an additional adjustment of .85 made to all properties. Exceptions may be found in the Improved Parcel Update section. Overall, the area received a single standard area adjustment.

The Annual Update Values described in this report improve uniformity and equity. We recommend posting these values for the 2009 assessment roll.

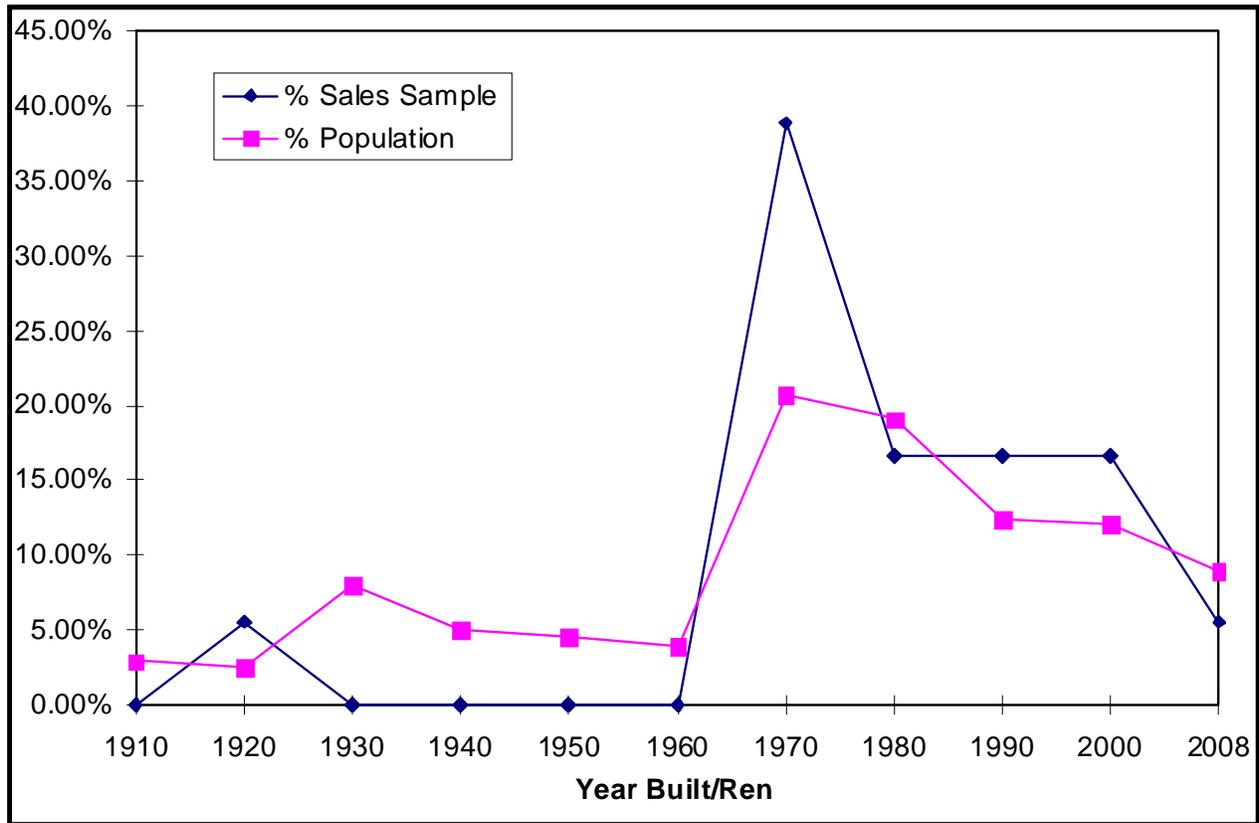
**Market Change of Average Sale Price in Area 90
From 1/1/07 to 1/1/09**



Sales Sample Representation of Population - Year Built / Renovated

Sales Sample		
Year Built/Ren	Frequency	% Sales Sample
1910	0	0.00%
1920	1	5.56%
1930	0	0.00%
1940	0	0.00%
1950	0	0.00%
1960	0	0.00%
1970	7	38.89%
1980	3	16.67%
1990	3	16.67%
2000	3	16.67%
2008	1	5.56%
	18	

Population		
Year Built/Ren	Frequency	% Population
1910	20	2.92%
1920	17	2.48%
1930	55	8.02%
1940	34	4.96%
1950	31	4.52%
1960	27	3.94%
1970	142	20.70%
1980	131	19.10%
1990	85	12.39%
2000	83	12.10%
2008	61	8.89%
	686	

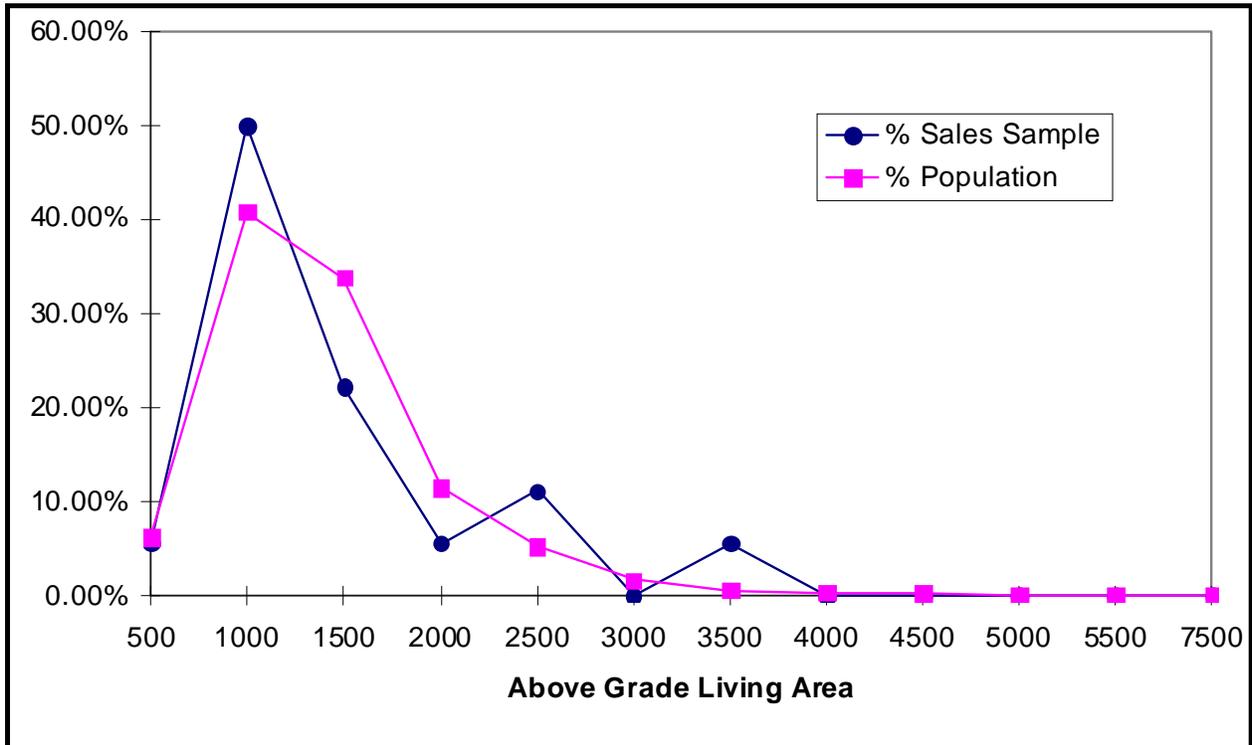


Sales of new homes built in the last five years are under-represented in this sample.

Sales Sample Representation of Population - Above Grade Living Area

Sales Sample		
AGLA	Frequency	% Sales Sample
500	1	5.56%
1000	9	50.00%
1500	4	22.22%
2000	1	5.56%
2500	2	11.11%
3000	0	0.00%
3500	1	5.56%
4000	0	0.00%
4500	0	0.00%
5000	0	0.00%
5500	0	0.00%
7500	0	0.00%
	18	

Population		
AGLA	Frequency	% Population
500	42	6.12%
1000	280	40.82%
1500	232	33.82%
2000	78	11.37%
2500	36	5.25%
3000	11	1.60%
3500	4	0.58%
4000	2	0.29%
4500	1	0.15%
5000	0	0.00%
5500	0	0.00%
7500	0	0.00%
	686	

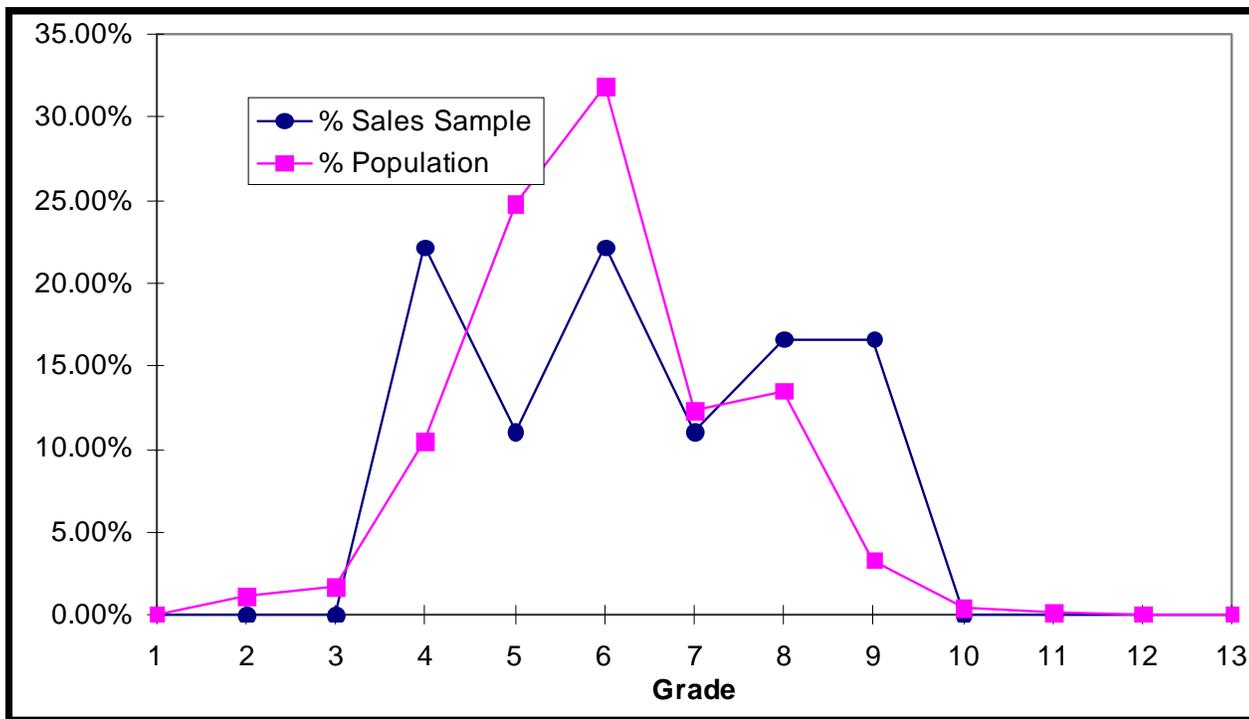


The sales sample frequency distribution follows the population distribution fairly closely with regard to Above Grade Living Area. This distribution is adequate for both accurate analysis and appraisals.

Sales Sample Representation of Population - Grade

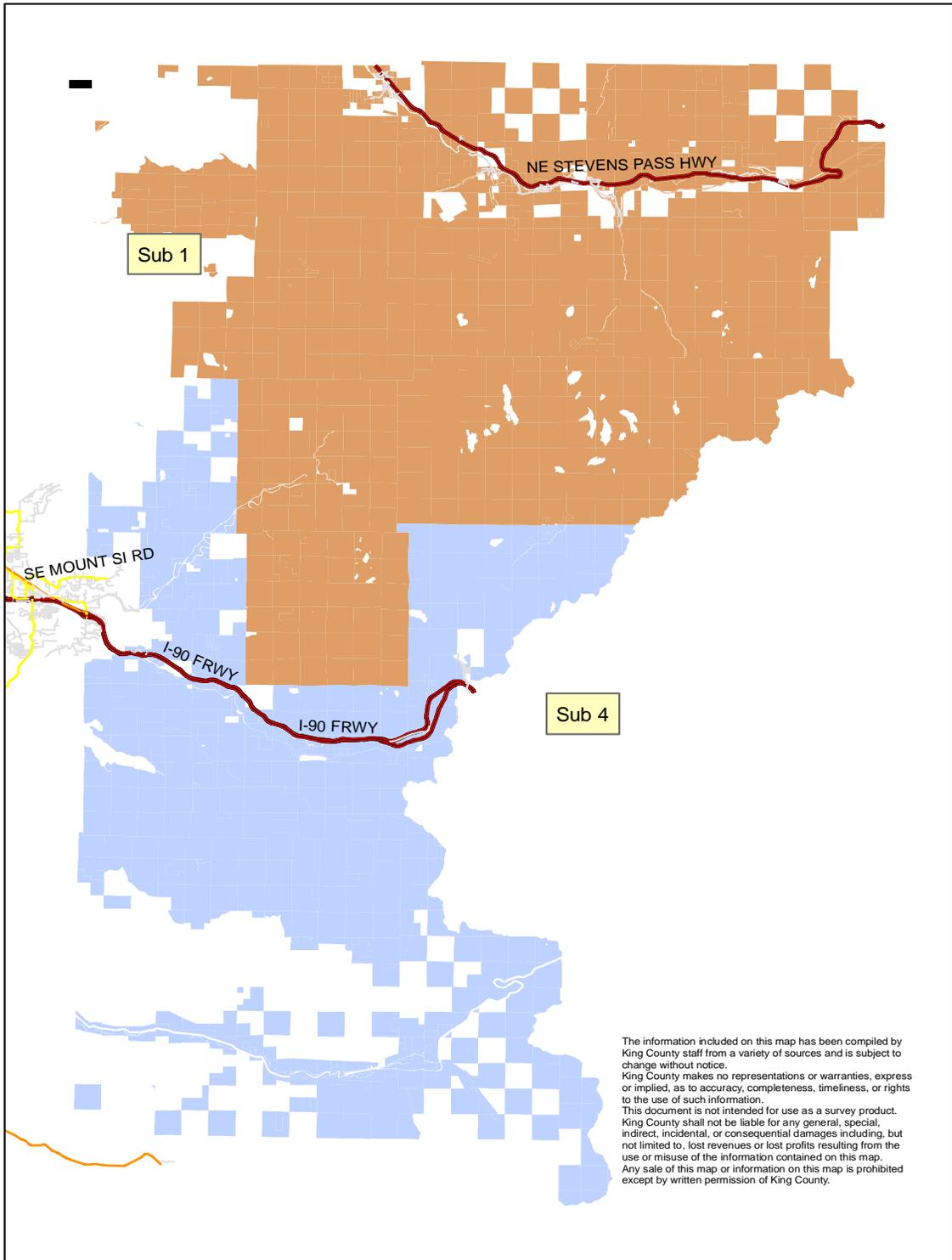
Sales Sample		
Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	4	22.22%
5	2	11.11%
6	4	22.22%
7	2	11.11%
8	3	16.67%
9	3	16.67%
10	0	0.00%
11	0	0.00%
12	0	0.00%
13	0	0.00%
	18	

Population		
Grade	Frequency	% Population
1	0	0.00%
2	8	1.17%
3	12	1.75%
4	72	10.50%
5	170	24.78%
6	219	31.92%
7	85	12.39%
8	93	13.56%
9	23	3.35%
10	3	0.44%
11	1	0.15%
12	0	0.00%
13	0	0.00%
	686	



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

Area 90



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Effective Date of Appraisal: January 1, 2009

Date of Appraisal Report: May 18, 2009

King County Revaluation Cycle

King County's revaluation plan as approved by the Washington State Department of Revenue is an annual revaluation cycle with physical inspection of all properties at least once every six years. Physical inspection of properties meets the requirements of RCW 84.41.041 and WAC 458-07-015. During the interval between each physical inspection, the annual revaluation cycle requires the valuation of property be adjusted to current true and fair value based on appropriate statistical data. Annually, approximately one-sixth of all residential properties are physically inspected and appraised with new land and total property valuation models calibrated and specified using multiple regression analysis. These appraised values are the basis for the annual updating of the remaining five-sixths.

Data Utilized

Available sales closed from 1/1/2007 through 12/31/08 were considered in this analysis. The sales and population data were extracted from the King County Assessor's residential database.

Sales Screening for Improved Parcel Analysis

Improved residential sales removal occurred for parcels meeting the following criteria:

1. Vacant parcels
2. Mobile home parcels
3. Multi-parcel or multi-building sales
4. New construction where less than a 100% complete house was assessed for 2008
5. Existing residences where the data for 2008 is significantly different than the data for 2009 due to remodeling
6. Parcels with improvements value, but no building characteristics
7. Others as identified in the sales deleted list

See the attached *Improved Sales Used in this Annual Update Analysis* and *Improved Sales Removed from this Annual Update Analysis* at the end of this report for more detailed information.

Land Update

Vacant land in this area is in a holding pattern with a strong lack of development. This results in limited land segregation and permit activity. Based on the 18 usable land sales available in the area and supplemented by the value decrease in sales of improved parcels, a -15.8% decrease was made in land assessment for the 2009 Assessment Year.

2009 Land Value = 2008 Land Value x .85, with the result rounded down to the next \$1,000.

Improved Parcel Update

The analysis for this area consisted of a general review of applicable characteristics. Upon completion of the initial review, characteristics that indicated an area of possible adjustment were further analyzed using NCSS Statistical Software diagnostic and regression tools in conjunction with Microsoft Excel.

With the exception of real property mobile home parcels & parcels with “accessory only” improvements, the total assessed values on all improved parcels were based on the analysis of the 18 usable residential sales in the area.

Values and Sales were trended to January 1, 2009. As described in the model validation section of this report, all values were then adjusted by .85 in an effort to acknowledge the relevant economic conditions at the time of valuation.

The chosen adjustment model was developed using multiple regression. The 2008 assessment ratio (Assessed Value divided by Sale Price) was the dependent variable.

The derived adjustment formula is:

2009 Total Value = 2008 Total Value / 1.163991

Then total value is factored by .85.

The resulting total value is rounded down to the next \$1,000, *then*:

2009 Improvements Value = 2009 Total Value minus 2009 Land Value

An explanatory adjustment table is included in this report.

Improved Parcel Update (continued)

Exceptions:

- *If multiple houses exist on a parcel, the Total % Change indicated by the sales sample is used to arrive at new total value (2008 Land Value + Previous Improvement Value) * .729.
- *If a house and mobile home exist, the formula derived from the house is used to arrive at new total value.
- *If “accessory improvements only”, the Total % Change as indicated by the sales sample is used to arrive at a new total value. (2008 Land Value + Previous Improvement Value) * .729
- *If land value =< \$1,000 no adjustment is applied.
- *If improvements and accessories =< \$1,000 no further adjustment applied.
- * If adjusted land value falls < \$1,000, then land value = \$1,000 or previous, whichever is less.
- * If adjusted improvement value falls < \$1,000, then improvement value = \$1,000 or previous whichever is less.
- *If vacant parcels (no improvement value) only the land adjustment applies.
- *If a parcel is coded “non-perc” (sewer system=3), the land adjustment is applied.
- *If a parcel is coded sewer system public restricted, or water district private restricted, or water district public restricted, the land adjustment is applied.
- *If an improvement is coded “% net condition” or is in “poor” condition, then the model adjustment is applied.
- *Any properties excluded from the annual up-date process are noted in RealProperty.

Mobile Home Update

Mobile Homes received the Total % Change indicated by the sales sample.
(2008 Land Value+Previous Improvement Value)*.729

Model Validation

The resulting assessment level is 84.6%. The standard statistical measures of valuation performance are presented in the 2009 Ratio Analysis chart included in this report.

The reason the assessment level falls outside the IAAO recommended range of 90%-110% is related to an additional market shift (downward) which has not been reflected in the sale analysis.

The current real estate market both in this county and nationally is unprecedented in its quick and widespread downturn. Market participants appear to have taken a cautious approach evidenced by the significant reduction in sales transactions in the last month of 2008 and initial months of 2009. Foreclosures appear to be playing a bigger role in the market and may ultimately impact the behavior of other market participants for some time to come. This phenomenon appears to be widespread occurring throughout the country.

The sale analysis and model building effort was well underway before receiving the IAAO’s exposure draft entitled “Market Value Principles in a time of Economic Crisis-A Position Paper of the International Association of Assessing Officers”.¹ This exposure draft recognizes the distressed market conditions which are presently plaguing this country. In its continued attempt to maximize fairness and understandability in a property tax system, the IAAO suggests the consideration of inclusion of certain sale types which have previously been disregarded. These sale types include short sales and financial institution re-sales. The financial institution re-sales were not readily available to the appraisers for analysis this assessment cycle. A cursory review of sales where financial institutions were identified as the seller to non institutional third parties was made. This analysis showed these sales comprised 14.9% of the market on 1/1/09 and sold for 31.8% less than the overall average.

¹ “Market Value Principles in a time of Economic Crisis, A Position Paper of the International Association of Assessing Officers”, by the IAAO Technical Standards Committee. Draft 2- March 3, 2009; posted to the IAAO website March 9, 2009

Model Validation (continued)

Knowing this market information was not considered, but may in fact eventually define where our local market is and may continue to be headed, a downward market adjustment to the valuation models estimated and described in this report appears reasonable and appropriate. All values established through the revalue analysis were adjusted at .85 in an effort to accommodate the relevant economic conditions at the time of this valuation.

Application of these recommended value for the 2009 assessment year (taxes payable in 2010) results in an average total change from the 2008 assessments of -27.2%. This decrease is due partly to downward market changes over time and the previous assessment levels.

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

Ratio studies of assessments before and after this annual update are included later in this report.

Area 90 Annual Update Model Adjustments

2009 Total Value = 2008 Total Value + Overall +/- Characteristic Adjustments as Apply Below

Due to rounding of the coefficient values used to develop the percentages and further rounding of the percentages in this table, the results you will obtain are an approximation of adjustment achieved in production, which include an additional adjustment of 0.85.

Standard Area Adjustment

-26.98%

Comments

The percentages listed are total adjustments not additive adjustments.

100% of the population of 1 to 3 Unit Residences in the area are adjusted by the Standard Area Adjustment alone.

Area 90 Sale Price changes (Relative to 1/1/2009 valuation date.)

In a declining market, recognition of a sales trend is required to accurately predict value as of a certain date. Assessed values are determined as of January 1 of a given year.

Market Adjustment to 1/1/2009		
Sale Date	Downward Adjustment (Factor)	Equivalent Percent
1/1/2007	0.668	-33.2%
2/1/2007	0.682	-31.8%
3/1/2007	0.695	-30.5%
4/1/2007	0.709	-29.1%
5/1/2007	0.722	-27.8%
6/1/2007	0.736	-26.4%
7/1/2007	0.750	-25.0%
8/1/2007	0.764	-23.6%
9/1/2007	0.778	-22.2%
10/1/2007	0.792	-20.8%
11/1/2007	0.806	-19.4%
12/1/2007	0.820	-18.0%
1/1/2008	0.834	-16.6%
2/1/2008	0.848	-15.2%
3/1/2008	0.861	-13.9%
4/1/2008	0.875	-12.5%
5/1/2008	0.889	-11.1%
6/1/2008	0.903	-9.7%
7/1/2008	0.916	-8.4%
8/1/2008	0.930	-7.0%
9/1/2008	0.945	-5.5%
10/1/2008	0.958	-4.2%
11/1/2008	0.972	-2.8%
12/1/2008	0.986	-1.4%
1/1/2009	1.000	0.0%

The chart above shows the % adjustment required for sales to be representative of the assessment date of 1/1/09.

Example:	Sales Price	Sales Date	Adjustment factor	Adjusted Sales price*
Sale 1	\$525,000	4/1/2007	0.709	\$372,000
Sale 2	\$475,000	10/1/2008	0.958	\$455,000
Sale 3	\$515,000	7/1/2008	0.916	\$471,000

* The adjusted sale price has been rounded to the nearest \$1000.

The time adjustment formula for Area 90 is $(1.163991 + 0.0005291581 * \text{SaleDay}) / 1.163991$

SaleDay = SaleDate - 39814

SaleDaySq = (SaleDate - 39814)^2

Annual Update Ratio Study Report (Before)

2008 Assessments

District/Team: NE/TEAM 3	Appr. Date: 01/01/2008	Date of Report: 5/18/2009	Sales Dates: 1/2007 - 12/2008
Area 90	Appr ID: PPAG	Property Type: 1 to 3 Unit Residences	Adjusted for time?: YES

SAMPLE STATISTICS	
Sample size (n)	18
Mean Assessed Value	295,800
Mean Adj. Sales Price	255,000
Standard Deviation AV	224,814
Standard Deviation SP	174,820

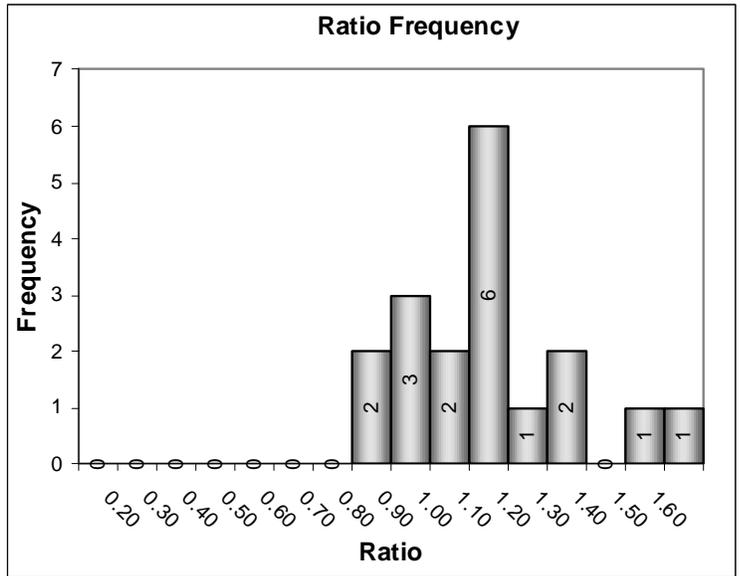
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	1.165
Median Ratio	1.155
Weighted Mean Ratio	1.160

UNIFORMITY	
Lowest ratio	0.891
Highest ratio:	1.634
Coefficient of Dispersion	14.14%
Standard Deviation	0.214
Coefficient of Variation	18.36%
Price Related Differential (PRD)	1.004

RELIABILITY	
95% Confidence: Median	
Lower limit	0.996
Upper limit	1.272
95% Confidence: Mean	
Lower limit	1.066
Upper limit	1.263

SAMPLE SIZE EVALUATION	
N (population size)	686
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.214
Recommended minimum:	73
Actual sample size:	18
Conclusion:	Uh-oh

NORMALITY	
Binomial Test	
# ratios below mean:	9
# ratios above mean:	9
z:	0.000
Conclusion:	Normal*
<i>*i.e. no evidence of non-normality</i>	



COMMENTS:

1 to 3 Unit Residences throughout area 90

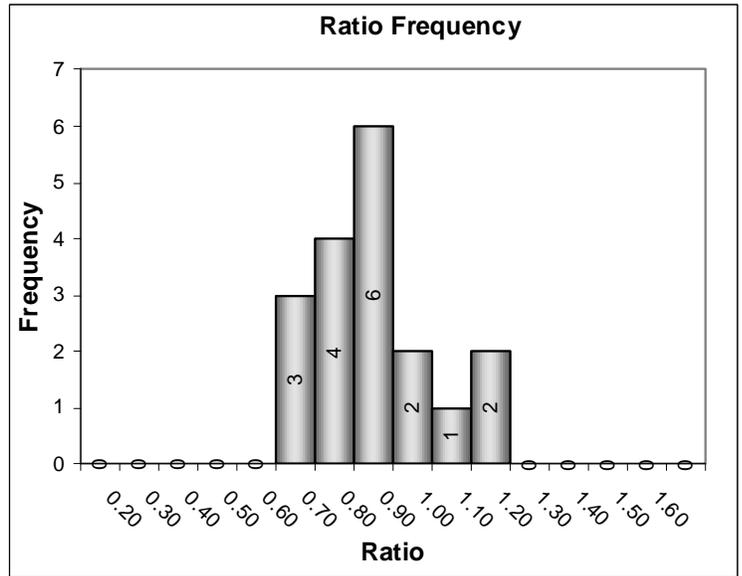
Sales Prices are adjusted for time to the Assessment Date of 1/1/2009

Annual Update Ratio Study Report (After)

2009 Assessments

District/Team: NE/TEAM 3	Appr. Date: 01/01/2009	Date of Report: 5/18/2009	Sales Dates: 1/2007 - 12/2008
Area 90	Appr ID: PPAG	Property Type: 1 to 3 Unit Residences	Adjusted for time?: YES

SAMPLE STATISTICS	
Sample size (n)	18
Mean Assessed Value	215,700
Mean Sales Price	255,000
Standard Deviation AV	164,244
Standard Deviation SP	174,820
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.847
Median Ratio	0.842
Weighted Mean Ratio	0.846
UNIFORMITY	
Lowest ratio	0.648
Highest ratio:	1.183
Coefficient of Dispersion	14.01%
Standard Deviation	0.155
Coefficient of Variation	18.24%
Price Related Differential (PRD)	1.002
RELIABILITY	
95% Confidence: Median	
Lower limit	0.725
Upper limit	0.928
95% Confidence: Mean	
Lower limit	0.776
Upper limit	0.919
SAMPLE SIZE EVALUATION	
N (population size)	686
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.155
Recommended minimum:	38
Actual sample size:	18
Conclusion:	Uh-oh
NORMALITY	
Binomial Test	
# ratios below mean:	9
# ratios above mean:	9
z:	0.000
Conclusion:	Normal*
*i.e. no evidence of non-normality	



COMMENTS:

1 to 3 Unit Residences throughout area 90

Assessment level reflects the downward trend of the market.

Sales Prices are adjusted for time to the Assessment Date of 1/1/2009

Glossary for Improved Sales

Condition: Relative to Age and Grade

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

Residential Building Grades

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

Improved Sales Used in this Annual Update Analysis
Area 90
(1 to 3 Unit Residences)

Sub Area	Major	Minor	Sale Date	Sale Price	Adj Sale Price	Above Grade Living	Bld Grade	Year Built/ Ren	Cond	Lot Size	View	Water-front	Situs Address
001	734970	0280	9/22/08	\$135,000	\$129,000	560	4	1969	4	14000	N	N	64239 NE 182ND ST
001	873270	1120	12/10/07	\$77,500	\$64,000	650	4	1970	4	18948	N	N	87224 NE 121ST ST
001	112610	9054	6/27/07	\$78,000	\$58,000	690	4	1966	4	22215	N	N	18301 639TH AVE NE
001	252611	9039	8/25/08	\$100,000	\$94,000	860	4	1963	2	156816	N	N	12414 744TH AVE NE
001	864940	0760	8/20/08	\$87,000	\$82,000	440	5	1994	3	22557	N	N	75600 NE 122ND ST
001	262611	9057	7/16/07	\$185,000	\$140,000	990	5	1917	4	6098	N	N	133 NE OLD CASCADE HWY
001	864940	0950	10/28/08	\$170,000	\$165,000	620	6	1981	4	10400	N	N	75843 NE 122ND ST
001	734980	0460	11/27/07	\$215,500	\$176,000	910	6	1980	3	10450	N	N	17904 646TH AVE NE
001	252611	9036	9/26/07	\$265,500	\$210,000	990	6	1992	3	14376	Y	Y	12337 744TH AVE NE
001	734980	0830	7/10/07	\$235,000	\$177,000	1310	6	1981	4	9800	N	N	64416 NE 179TH ST
001	780560	0050	9/16/08	\$245,000	\$233,000	1210	7	1996	3	10400	N	N	532 SKY LN
001	864940	1260	9/12/07	\$300,000	\$235,000	1340	7	1980	5	9975	N	N	76145 NE 123RD ST
001	864940	1373	1/14/08	\$412,000	\$346,000	2230	8	1990	3	40100	N	Y	12204 763RD AVE NE
004	019230	1050	3/6/08	\$435,000	\$375,000	870	8	1968	3	14276	N	N	33 ALPENTAL STR
004	019230	0900	10/18/07	\$530,000	\$424,000	1120	8	1968	4	12930	N	N	5 ALPENTAL STR
004	019230	0550	12/18/07	\$642,000	\$531,000	1900	9	1980	3	10490	N	N	55 OBER STR
004	019230	0180	5/4/07	\$850,000	\$615,000	2400	9	2005	3	10794	N	N	2 OBER STR
004	019230	1120	2/14/07	\$780,000	\$536,000	3040	9	1968	3	11638	N	N	24 ALPENTAL STR

**Improved Sales Removed from this Annual Update Analysis
Area 90
(1 to 3 Unit Residences)**

Sub Area	Major	Minor	Sale Date	Sale Price	Comments
001	252611	9020	4/8/08	\$395,000	RELATED PARTY, FRIEND, OR NEIGHBOR
001	262611	9064	9/29/08	\$130,000	BANKRUPTCY - RECEIVER OR TRUSTEE
001	262611	9079	4/25/07	\$135,000	IMP. CHARACTERISTICS CHANGED SINCE SALE;
001	272611	9027	7/21/08	\$108,000	BANKRUPTCY - RECEIVER OR TRUSTEE
001	272611	9032	7/27/07	\$82,500	IMP. CHARACTERISTICS CHANGED SINCE SALE
001	292613	9061	12/10/07	\$210,000	PERSONAL PROPERTY INCLUDED;
001	780780	0420	11/5/07	\$87,500	RELATED PARTY, FRIEND, OR NEIGHBOR
001	864940	0500	9/11/07	\$155,000	QUIT CLAIM DEED
001	864940	0800	10/10/07	\$176,900	BANKRUPTCY - RECEIVER OR TRUSTEE
004	019230	0120	7/25/07	\$640,000	NO MARKET EXPOSURE;
004	019230	0450	3/21/07	\$548,000	NO MARKET EXPOSURE
004	019230	0920	7/26/07	\$661,000	NO MARKET EXPOSURE;
004	019230	0990	3/16/07	\$75,612	RELATED PARTY, FRIEND, OR NEIGHBOR
004	019230	1020	8/23/07	\$315,000	NO MARKET EXPOSURE
004	403250	0035	1/22/08	\$400,000	OBSOL

**Vacant Sales Used in this Annual Update Analysis
Area 90**

Sub Area	Major	Minor	Sale Date	Sale Price	Lot Size	View	Water-front
1	077310	0400	8/5/2008	\$33,000	59240	N	N
1	077410	0440	8/8/2007	\$70,000	56312	N	N
1	112610	9087	5/16/2008	\$76,000	201682	N	Y
1	150850	0050	6/18/2007	\$40,000	12330	N	N
1	282611	9025	6/11/2008	\$107,000	714544	N	N
1	282611	9041	8/7/2007	\$82,000	104953	N	N
1	734980	0270	6/28/2007	\$29,950	13372	Y	Y
1	734980	0480	4/13/2007	\$29,950	14355	N	N
1	864940	0570	5/28/2008	\$40,000	13376	N	N
1	864940	0990	11/8/2007	\$32,000	9750	N	N
4	019230	0170	6/6/2007	\$28,000	11744	Y	Y
4	019230	0310	1/23/2007	\$115,000	12208	N	N
4	019230	0310	4/9/2007	\$125,000	12208	N	N
4	019230	0430	6/10/2008	\$121,000	14240	N	N
4	019230	0580	11/8/2007	\$150,000	9910	N	N
4	019230	0580	2/15/2007	\$128,500	9910	N	N
4	252111	9001	4/24/2007	\$836,533	22283118	N	N
4	272111	9001	10/30/2007	\$722,666	27878400	N	N

**Vacant Sales Removed from this Annual Update Analysis
Area 90**

Sub Area	Major	Minor	Sale Date	Sale Price	Comments
001	252611	9020	4/8/08	\$395,000	RELATED PARTY, FRIEND, OR NEIGHBOR
001	262611	9064	9/29/08	\$130,000	BANKRUPTCY - RECEIVER OR TRUSTEE
001	262611	9079	4/25/07	\$135,000	IMP. CHARACTERISTICS CHANGED SINCE SALE
001	272611	9027	7/21/08	\$108,000	BANKRUPTCY - RECEIVER OR TRUSTEE
001	272611	9032	7/27/07	\$82,500	IMP. CHARACTERISTICS CHANGED SINCE SALE
001	292613	9061	12/10/07	\$210,000	PERSONAL PROPERTY INCLUDED
001	780780	0420	11/5/07	\$87,500	RELATED PARTY, FRIEND, OR NEIGHBOR
001	864940	0500	9/11/07	\$155,000	QUIT CLAIM DEED
001	864940	0800	10/10/07	\$176,900	BANKRUPTCY - RECEIVER OR TRUSTEE
004	019230	0120	7/25/07	\$640,000	NO MARKET EXPOSURE
004	019230	0450	3/21/07	\$548,000	NO MARKET EXPOSURE
004	019230	0920	7/26/07	\$661,000	NO MARKET EXPOSURE
004	019230	0990	3/16/07	\$75,612	RELATED PARTY, FRIEND, OR NEIGHBOR
004	019230	1020	8/23/07	\$315,000	NO MARKET EXPOSURE
004	403250	0035	1/22/08	\$400,000	OBSOL

Client and Intended Use of the Appraisal:

*This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a **mass appraisal report** as stated in USPAP SR 6-8. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessor's Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.*

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

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65). The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Highest and Best Use

RCW 84.40.030 *All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.*

An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.

WAC 458-07-030 (3) True and fair value -- Highest and best use. *Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.*

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

Date of Value Estimate

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. [1961 c 15 §84.36.005]

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. [1989 c 246 § 4]

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 a 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 definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the 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.



King County

Department of Assessments

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

(206) 296-5195 FAX (206) 296-0595

Email: assessor.info@kingcounty.gov

<http://www.kingcounty.gov/assessor/>

Scott Noble
Assessor

The King County Assessor, as elected representative of the people of King County, is your client for the mass appraisal and report. The King County Department of Assessments subscribes to the Uniform Standards of Professional Appraisal Practice 2008. You will perform your appraisals and complete your mass appraisal reports in compliance with Standard 6 of USPAP 2008. The following are your appraisal instructions and conditions:

You are to timely appraise the area or properties assigned to you by the revalue plan. The Scope of Work may be modified as necessary including special limiting conditions to complete the Revalue Plan.

You are to use all appropriate mass appraisal techniques as stated in USPAP, Washington State Law; Washington State Administrative Code, IAAO texts or classes.

The standard for validation models is the standard as delineated by IAAO in their Standard on Ratio Studies (approved July 2007). You are to follow all other standards as published by the IAAO.

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.

You must complete the revalue in compliance with all Washington and King County laws, codes and with due consideration of Department of Revenue guidelines. The Jurisdictional Exception is to be invoked in case USPAP does not agree with federal, state or local laws or regulations

Physical inspections should be completed per the revaluation plan and statistical updates completed on the remainder of the properties as appropriate.

You must complete a written mass appraisal report for each area and a statistical update report in compliance with USPAP Standard 6.

All sales of land and improved properties should be validated as correct and verified with participants as necessary.

Continue to review dollar per square foot as a check and balance to assessment value.

The intended use of the appraisal and report is the administration of ad valorem property taxation.

The intended users include the Assessor, Board of Equalization, Board of Tax Appeals, King County Prosecutor and Department of Revenue.

Scott Noble
Assessor