

Magnolia

Area: 011

Residential Revalue for 2018 Assessment Roll



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

500 Fourth Avenue, ADM-AS 0708

Seattle, WA 98104-2384

OFFICE (206) 296-7300 FAX (206) 296-0595

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



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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 hard 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 700,000 residential, commercial and industrial properties. More specifically for residential property, we break up King County into 86 residential market areas and annually develop market models from the sale of properties using multiple regression statistical tools. The results of the market models are then applied to all similarly situated homes within the same appraisal 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 area. 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 residence front door 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 Property Sales Used?

For the annual revaluation of residential properties, three years of sales are analyzed with the sales prices time adjusted to January 1 of the current assessment year. Sales prices are adjusted for time to reflect that market prices change over time. During an increasing market, older sales prices often understate the current market value. Conversely, during downward (or recessionary) markets, older sales prices may overstate a property's value on January 1 of the assessment year unless sales are time adjusted. Hence time adjustments are an important element in the valuation process.

How is Assessment Uniformity Achieved?

We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers that may be reviewed at www.iaao.org. As part of our valuation process statistical testing is performed by reviewing the uniformity of assessments within each specific market area, property type, and quality grade or residence age. More specifically Coefficients of Dispersion (aka COD) are developed that show the uniformity of predicted property assessments. We have set our target CODs using the standards set by IAAO which are summarized in the following table:

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 family housing	5.0 to 20.0
Income-producing properties	Larger areas represented by large 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.



King County

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

John Wilson
Assessor

Magnolia - Area 011

2018 Assessment Roll Year

Recommendation is made to post values for Area 011 to the 2018 tax roll:

Hasen Anderson

Appraiser II: KAND

7/2/2018

Date

Bob Kador

DistrictName District Senior Appraiser: SeniorName

7/9/2018

Date

Debra S. Prins

Residential Division Director: Debra S. Prins

7/10/18

Date

This report is hereby accepted and the values described in the attached documentation for Area Area Numbe should be posted to the Assessment Roll Year tax roll.

John Wilson

John Wilson, King County Assessor

7/10/18

Date



Executive Summary

Magnolia - Area 011

Physical Inspection

Appraisal Date: 1/1/2018
Previous Physical Inspection: 2012
Number of Improved Sales: 856
Range of Sale Dates: 1/1/2015 – 12/31/2017 Sales were time adjusted to 1/1/2018

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2017 Value	\$389,600	\$519,100	\$908,700			9.91%
2018 Value	\$492,500	\$523,100	\$1,015,600	\$1,107,700	92.2%	7.48%
\$ Change	+\$102,900	+\$4,000	+\$106,900			
% Change	+26.4%	+0.8%	+11.8%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2018 COD of 7.48% is an improvement from the previous COD of 9.91%. The lower the COD, the more uniform are the predicted assessed values. Assessment standards prescribed by the International Association of Assessing Officers identify that the COD in rural or diverse neighborhoods should be no more than 20%. The resulting COD meets or exceeds the industry assessment standards. Sales from 1/1/2015 to 12/31/2017 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2018

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2017 Value	\$462,200	\$447,900	\$910,100
2018 Value	\$565,500	\$417,800	\$983,300
\$ Change	+\$103,300	-\$30,100	+\$73,200
% Change	+22.3%	-6.7%	+8.0%

Number of one to three unit residences in the population: 5,728

Physical Inspection Area:

State law requires that each property be physically inspected at least once during a 6 year revaluation cycle. During the recent inspection of Area 011 – Magnolia, appraisers were in the area, confirming data characteristics, developing new valuation models and selecting a new value for each property for the assessment year. For each of the subsequent years, the previous property values are statistically adjusted during each assessment period. Taxes are paid on total value, not on the separate amounts allocated to land and improvements.

The current physical inspection analysis for Area 011 indicated a substantial change was needed in the allocation of the land and improvement value as part of the total. Land is valued as though vacant and at its highest and best use. The improvement value is a residual remaining when land is subtracted from total value.

Area 011 Physical Inspection Ratio Study Report

PRE-REVALUE RATIO ANALYSIS

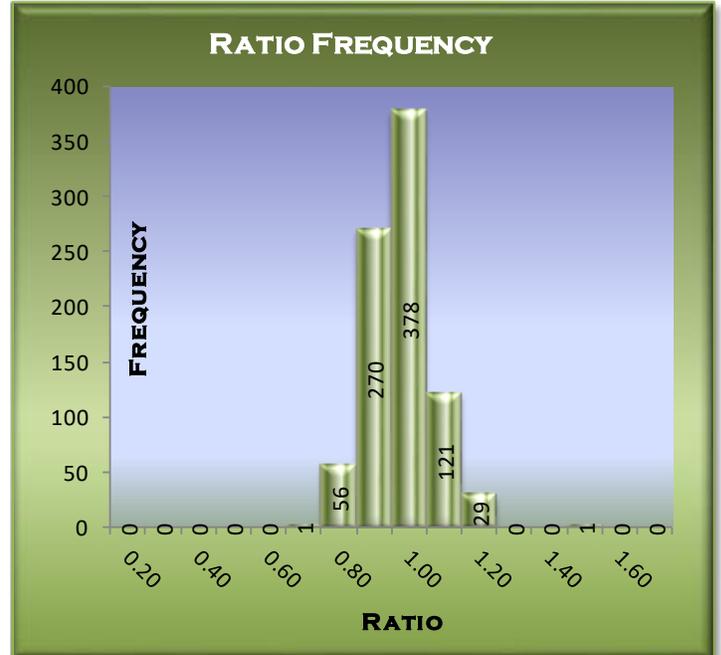
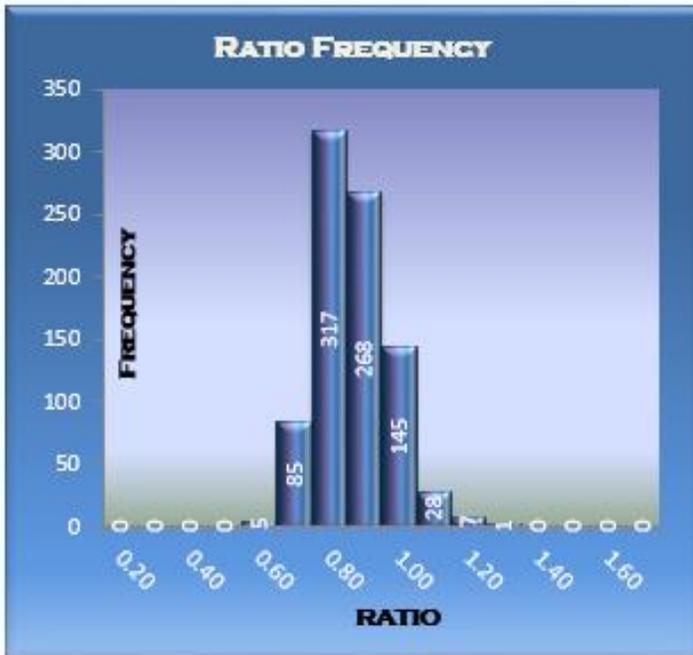
Pre-revalue ratio analysis compares time adjusted sales from 2015 through 2017 in relation to the previous assessed value as of 1/1/2017.

PRE-REVALUE RATIO SAMPLE STATISTICS	
<i>Sample size (n)</i>	856
<i>Mean Assessed Value</i>	908,700
<i>Mean Adj. Sales Price</i>	1,108,200
<i>Standard Deviation AV</i>	443,256
<i>Standard Deviation SP</i>	513,585
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.818
<i>Median Ratio</i>	0.805
<i>Weighted Mean Ratio</i>	0.820
UNIFORMITY	
<i>Lowest ratio</i>	0.537
<i>Highest ratio:</i>	1.284
<i>Coefficient of Dispersion</i>	9.91%
<i>Standard Deviation</i>	0.101
<i>Coefficient of Variation</i>	12.33%
<i>Price Related Differential (PRD)</i>	0.998

POST-REVALUE RATIO ANALYSIS

Post revalue ratio analysis compares time adjusted sales from 2015 through 2017 and reflects the assessment level after the property has been revalued to 1/1/2018.

POST REVALUE RATIO SAMPLE STATISTICS	
<i>Sample size (n)</i>	856
<i>Mean Assessed Value</i>	1,015,600
<i>Mean Sales Price</i>	1,108,200
<i>Standard Deviation AV</i>	449,090
<i>Standard Deviation SP</i>	513,585
ASSESSMENT LEVEL	
<i>Arithmetic Mean Ratio</i>	0.926
<i>Median Ratio</i>	0.922
<i>Weighted Mean Ratio</i>	0.916
UNIFORMITY	
<i>Lowest ratio</i>	0.639
<i>Highest ratio:</i>	1.498
<i>Coefficient of Dispersion</i>	7.48%
<i>Standard Deviation</i>	0.089
<i>Coefficient of Variation</i>	9.66%
<i>Price Related Differential (PRD)</i>	1.010



Neighborhood Map



Area Information

Name or Designation

Area 011 - Magnolia

Boundaries

Area 11 is bounded by Shilshole Bay, Hiram M. Chittenden Locks, and Salmon Bay on the North. The Eastern boundary is 15th Avenue West. The Western and Southern boundaries are Puget Sound.

Maps

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

Area Description

Area 11 / Magnolia is located northwest of the Seattle Central Business District (CBD). The Magnolia neighborhood is comprised primarily of residential zoned parcels with limited retail or commercial use. In the Northeastern and Eastern portion of Area 11 are Fisherman's Terminal and Interbay.

Fisherman's Bay is primarily commercial and serves the marine industry and is home of the Seattle Fishing fleet. Interbay is primarily railroad yards as well as Cruise Ship terminals.

Topography is a significant consideration for the area, especially with areas along Puget Sound and the Southeastern portion of Magnolia Hill. Landslides have been recorded and some parcels have been rendered unbuildable due to these issues. Many of the slide impacted properties have been remedied with the land stabilized through retention walls or other means. The cost of these land stabilization efforts appears economically feasible due to a strong demand for water, mountain, and city views. The City of Seattle has designated areas that would be considered steep slope, potential slide areas and /or Environmentally Critical Areas (ECA). New development has been occurring in these areas but must comply with ECA restrictions.

Magnolia is somewhat isolated from the remainder of Seattle with only three access points; Magnolia Bridge at the south, Dravis Street at the center and Emerson Street from the North. Employment is generally available in the nearby Seattle CBD.

Even though it is within close proximity to downtown Seattle, Magnolia has a suburban, small community feel, due to its somewhat limited access, larger lots/zoning, and Magnolia village. This, along with the numerous recreation opportunities available with Discovery Park and Magnolia Park in the neighborhood make it a desirable area in which to live.

Approximately 96% of the parcels in this area are improved and a majority portion of the remaining undeveloped land would be considered unbuildable. New construction typically follows the teardown of an existing improvement.

The typical grade of homes in the area is 7 or 8 on a scale of 1-13. Most homes were built in the late 1930's and 1940's. Approximately 40% of the parcels have some degree of view, most often of Puget Sound, Seattle Skyline, Cascade or Olympic Mountains. High quality homes are scattered within the entire area but are most prevalent along a Puget Sound view corridor in the Southwestern portion of the area. Waterfront properties run along Puget Sound and are primarily high bank along the Western

Area Information cont....

and Southern portions of Magnolia and low bank along Shilshole Bay. These low bank properties may include private moorage buoys and private docks for direct marine access into Puget Sound.

Area 11 is an extremely diverse area with sales of non-waterfront properties ranging from \$323,000 to \$3,750,000. Average sale price per neighborhood is listed in the land portion of this report. Overall, the average sale for non-waterfront improved properties was \$944,000 and the average sale for waterfront improved properties was \$2,270,000.

Area 11 is divided into four subareas. Historically, the subarea boundaries have been based on geographical locations that are naturally separated by major arterials, as well as, by population size to facilitate the workloads for the appraisal teams.

Subarea 1 is the northern most area and is north of Discovery Park. This subarea includes the community of Lawtonwood as well as homes along Shilshole Bay. Subarea 3 is on the eastern side of Magnolia with BNSF railroad yards, marine commercial services, fishing fleet terminal, and Cruise ship terminals. Commercial activity is generally to the North and East of Gilman Avenue. Subarea 5 is along the Southern and Western portion. It is predominantly residential and many of the homes are view properties. Located on the south end of Magnolia is Eliot Bay Marina which is considered one of the most desirable marina's in the Seattle Area. Subarea 7 is the interior portion of Magnolia which is primarily residential with schools and Magnolia Village business and retail stores toward the southern portion of Subarea 7.

Land Valuation

Vacant sales from 1/1/2015 to 1/1/2018 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2018.

Area 11 contains 6979 parcels of which approximately 4% are vacant. Therefore, there are very few vacant parcels in the area and a very limited number of sales of vacant land. Vacant sales and tear down sales from 1/2015 to 1/2018 were utilized in Area 11 to develop a model for the valuation of each land parcel.

Due to the many possible combinations of adjustments for location, view, lot size, topography, traffic, etc.; improved sales were also used as supporting information of land value and land characteristic adjustments. Extracted land values from improved sales were utilized in adjusting the view, traffic, and neighborhood adjustments through paired sales analysis.

Due to the lack of sales; waterfront sale analysis consisted of vacant or tear down sales as well as consideration of extracted land values from improved sales. First, waterfront sales were valued on upland schedule; then extraction was used to determine the waterfront land value. The difference between the extracted land value and the upland value was then converted to a waterfront foot adjustment.

Land Table- Single Family Zoning

Land value was determined from available data of vacant and time adjusted tear down sales together with consideration for neighborhood influences. Neighborhood adjustments were determined by examining land sales and was supplemented by the analysis of allocated land values from improved properties. Adjustments for land characteristics such as views and traffic were made in a similar manner.

Actual lot square footage was rounded down to the next Land Schedule grouping. Thus, a 5,200 SF lot would go to the 5,000 SF level on the table. Parcels smaller than 1,000 SF and lots larger than the enclosed table were valued as appraiser selects.

For non-waterfront parcels; a typical 7,200 square foot, non-view, SF 7200 zoned lot in the area has an average value range between \$448,000 and \$633,000, depending on the neighborhood.

Land Table – Multi Family/Commercial Zoning (Excluding Townhouse Plats)

A separate analysis was done for land other than Single Family zoning. Though typically townhouse parcels, this analysis included LR1, LR2, LR3, LR3 RC, and various commercial zoned properties where highest and best use, has been determined to be a residential use. This analysis resulted in a land table based upon square footage as well as the number of buildable sites available from the original lot. Adjustments for Neighborhood, Views and Traffic considerations, etc. were done in the same manner as Single Family Zoned properties.

Actual lot square footage was rounded down to the next land schedule grouping. Thus, a 4,500 square foot, non-Single Family zoned lot would go to the 4,400 square foot level on the land table. A typical

Land Valuation cont....

4,500 square foot, non-view, L1 zoned lot has a base land value of \$498,000 to \$704,000 based on neighborhood.

Land Table – Townhouse Plats

A separate analysis was done for townhouse improved properties. Although the lots varied in size no adjustments were made for size as the larger sites typically had parking areas or ingress egress paths. Adjustments for views and traffic considerations, etc. were done in the same manner as Single Family Zoned properties. Townhouse parcels were given a base land value of \$229,000, and based on neighborhoods according to the Townhouse Plat Land Schedule ranged in value from \$217,000 to \$274,000. Townhouse lots typically range in size from 653sf to 2,944sf. Extracted land values from improved sales were utilized in adjusting the view, traffic, and neighborhood adjustments through paired sales analysis. The results of this analysis are reflected in the following land table and view / traffic adjustments. In addition, topography influences are reflected based upon appraiser estimate of percent impacted of each parcel after physical inspection and review of topographical and critical area / landslide impacted maps.

The land model, for example, adds 90% to Baseland value for properties with an excellent Puget Sound view. As the view decreases so does the adjustment, a Fair Puget Sound view would only be adjusted upwards by 30%. These adjustments were based on extracted land values of improved sales together with paired sales analysis. Primary views (Puget Sound, Seattle Skyline, and Small Lake River) are additive, with the lesser value view receiving 50% of the standard value adjustment for that view. For other views; only the maximum adjustment has been applied.

Available land sales were limited to 37 sales; 6 were true vacant sales and 31 were teardown sales. Of these sales, 33 were zoned Single Family and 4 were zoned multi-family. Land values were determined for the entire Area 11; then factors were applied for neighborhood differences to create the land table included in this report. Land sales were time adjusted for 1/1/2018 based upon preliminary analysis of time related trends for improved sales.

Neighborhoods

Area 11 has been identified to have seven neighborhoods While these neighborhoods tend to be distinct, there is no clear boundary between them; rather gradual differences that increase with distance. These areas have been assigned neighborhood codes primarily as a means of identifying the different land values within them. Attached Area map indicates the identified neighborhoods on the map titled Neighborhoods.

To allow a smoothing of adjacent neighborhoods, neighborhood analysis in Area 11 was considered through GIS and Geostatistical Analysis. This analysis has resulted in model improvements which reduced the need for location or “micro neighborhood” adjustments. This analysis is further described in the Improved Model portion of this report and is designated Neighborhood LocB as indicated by right digit of the neighborhood code.

Land Valuation cont....

For all neighborhoods; nearly all the available land has been built upon and therefore the trend is toward home improvements and renovation of existing structures.

Neighborhood 10

Neighborhood 10 is generally located on the central portion of Area 11. Average sale price (time adjusted) of non-waterfront improved parcels in this neighborhood is \$1,007,118. This area is impacted by topography issues on the western and eastern portions of the neighborhood. Homes in this neighborhood are typically Grade 7's and 8's; though there are higher grades also represented. There were 15 land sales in this neighborhood with an average sales price of \$521,265.

Neighborhood 20

Neighborhood 20 is directly South and West of Neighborhood 10. Average sale price (time adjusted) of non-waterfront improved parcels in this neighborhood is \$1,489,933. There are 4 improved waterfront sales with an average sale price (time adjusted) of \$2,352,858. This area is impacted by topography issues as well as average to excellent Puget Sound and Seattle Skyline views. Homes in this neighborhood are typically Grade 8's and 9's with higher grades along the most desirable view corridors. There were 9 land sales in this neighborhood with an average sales price of \$451,000.

Neighborhood 30

Neighborhood 30 is directly North of Neighborhood 20 and includes Lawtonwood. Average sale price (time adjusted) of non-waterfront improved parcels in this neighborhood is \$1,432,527. Discovery Park is included in this neighborhood and it provides many recreational opportunities for the surrounding community. This area is impacted by topography issues. It also impacted by the West Point treatment plant to the west; this plant is well separated from the residential use and does not appear to have a negative effect on property values for the area. Homes in this neighborhood are typically Grade 9's and 10's with higher grades near the more desirable view areas. There are 9 waterfront sales with an average sale price (time adjusted) of \$2,407,152. There were no land sales in this neighborhood.

Neighborhood 40

Neighborhood 40 is directly East of Neighborhood 30 and North of Neighborhood 10. Average sale price (time adjusted) of non-waterfront improved parcels in this neighborhood is \$886,823. This area is impacted by topography. Homes in this neighborhood are typically Grade 7's and 8's. There were 4 land sales in this neighborhood with an average sales price of \$494,000.

Neighborhood 50

Neighborhood 50 is directly East of Neighborhood's 40 and 10. Average sale price (time adjusted) of non-waterfront improved parcels in this neighborhood is \$978,911. This area is impacted by topography issues. Homes in this neighborhood are typically Grade 7's and 8's. There were 5 land sales in this neighborhood with an average sales price of \$543,000.

Land Valuation cont....

Neighborhood 60

Neighborhood 60 is directly East of Neighborhood 50. Average sale price (time adjusted) of non-waterfront improved parcels in this neighborhood is \$807,554. This area is impacted by topography issues. Homes in this neighborhood are typically Grade 7's and 8's and includes a greater concentration of townhomes. Homes in this neighborhood are affected by their proximity to the BNSF railroad yards, Fisherman's Terminal and a Cruise ship terminal. This area has the highest concentration of townhomes in the Magnolia area. There were 4 land sales in this neighborhood with an average sales price of \$574,161.

Neighborhood 90

Neighborhood 90 is the underwater / tideland only parcels which lie to the North and West of Magnolia. The majority of these parcels are government owned though there are a few private parcels included in Neighborhood 90.

Waterfront Properties

There are 199 waterfront properties along the shores of Area 11. These properties typically have higher grade homes than the neighborhoods in which they are located. There are two neighborhoods that contain waterfront properties. Neighborhood 20 faces the Seattle Skyline or Puget Sound and the Olympics. These homes are typically on topo impacted sites of high banked waterfront. Neighborhood 30 has Shilshole Bay waterfront with an active view of marine vessels going through the Hiram M. Chittenden Locks. Many of the waterfront properties include tideland moorage rights which are used for summertime moorage.

Waterfront land values are calculated by determining the upland value of the land table plus a waterfront adjustment which is calculated by multiplying the waterfront factor times the neighborhood waterfront dollar per foot adjustment. High bank, medium bank and low bank differences are realized in the topography adjustments.

Topography Adjustments

Adjustments for topography were made either as a %Base Land Value or as a Value Percent adjustment to the land value. In either case, the Topography field is checked "Yes". All parcels were coded for topography based upon GIS analysis of the City of Seattle Steep Slope Overlay. During the physical inspection process the assigned appraiser determined if each parcel's value was impacted by topography, whether or not it was identified by GIS Analysis. If a parcel is coded with topography and no adjustment was deemed necessary, the appraiser has included an explanation in the note field of Real Property

Land Valuation cont....

Land Model

Model Development, Description and Conclusions

Area 11 contains of 6979 parcels of which approximately 96% are improved. Location, views, topography, lot size, traffic and waterfront footage are primary influences to land values. There were a very limited number of vacant parcel sales in Area 11 during the last three years. The Sales Comparison approach was utilized to determine land value which was supplemented by the analysis of allocated land values from improved properties. Three years of sales, from 01/2015 to 1/2018, were used for developing the land model for Area 11.

In all cases, appraiser judgment was used in selecting the land value for each parcel.

Land Value Model Calibration

Single Family Zoning	
Lot Size (Sqft.)	Base Land Value
500	\$338,000
1,000	\$353,000
1,500	\$367,000
2,000	\$382,000
2,500	\$396,000
3,000	\$411,000
3,500	\$426,000
4,000	\$441,000
4,500	\$455,000
5,000	\$470,000
5,500	\$484,000
6,000	\$499,000
7,000	\$528,000
8,000	\$558,000
9,000	\$587,000
10,000	\$616,000
11,000	\$645,000
12,000	\$675,000
13,000	\$704,000
14,000	\$733,000
15,000	\$763,000
16,000	\$792,000
17,000	\$822,000
18,000	\$851,000
19,000	\$880,000
20,000	\$909,000
21,000	\$939,000
22,000	\$968,000
23,000	\$997,000
24,000	\$1,026,000
25,000	\$1,056,000
26,000	\$1,085,000

Non-SF Zoning		Neighborhood Adjustments	Base Land Value Adjustment
Lot Size (Sqft.)	Base Land Value		
500	\$157,000		
800	\$168,000		
1,000	\$220,000	10	100% of BLV
1,200	\$229,000	20	120% of BLV
1,400	\$265,000	30	100% of BLV
1,600	\$306,000	40	90% of BLV
2,000	\$345,000	50	95% of BLV
2,400	\$386,000	60	85% of BLV
2,800	\$423,000		
3,200	\$462,000		
3,600	\$509,000		
4,000	\$544,000		
4,400	\$587,000		
4,800	\$631,000		
5,200	\$660,000		
5,600	\$690,000	10	\$229,000
6,000	\$720,000	20	N/A
6,400	\$749,000	30	N/A
6,800	\$779,000	40	\$274,000
7,200	\$808,000	50	\$217,000
7,600	\$837,000	60	\$251,000
8,000	\$867,000	Land values are not interpolated	
8,400	\$896,000		
8,800	\$926,000		
9,200	\$956,000		
9,600	\$984,000		
10,000	\$1,014,000	Waterfront valued from uplands schedule, then per waterfront foot:	
10,400	\$1,044,000	Nghb 20: \$2,000/wff	
10,800	\$1,073,000	Nghb 30 (Canal): \$10,000/wff	

Townhouse Plat Values by Neighborhood

Neighborhood Adjustments	Base Land Value
10	\$229,000
20	N/A
30	N/A
40	\$274,000
50	\$217,000
60	\$251,000

Small Lots and Lots with irregular size/shape:
Appraiser judgement may override any land schedule value.

Large Lots-Developable Parcels:
Land value considers the number of potential building sites based on historical examples and discussions with builders and developers. As always, appraiser judgement applies and there may be exceptions to this methodology. These type of parcels are typically handled on an individual basis. Commercial zoned parcels with residential improvements were considered on a case by case basis and valued according to the highest and best use.

The land schedule and adjustments were typically used to value land. First the base land value is calculated from the land schedule. Then the neighborhood adjustment is applied. Then the other negative and positive adjustments are added together for a net adjustment and applied to the neighborhood adjusted value.

Land Value Model Calibration ... Continued

Traffic Noise	
Moderate	-10%
High	-20%
Extreme	-30%
Other Nuisances	
Yes	-10%
Unbuildable	
Yes	-80% or more
Access	
Restricted	-5%
Legal/Undeveloped	-25%
Private	0%
Public	0%
Walk in	-20%
Water Problems	
Yes	-10%
Topography	
Moderate to Extreme (Code 1 through 9)	Negative through negative 10% 90%

Negative Adjustments:
Negative adjustments are cumulative. If a parcel has high traffic noise (-20%) and topography code 3 (-30%), the base land value of the parcel receives a 50% downward adjustment.

Small Lake River (Ship Canal) View	
Average	40%
Good	60%
Excellent	80%
Puget Sound View	
Fair	30%
Average	50%
Good	70%
Excellent	90%
Seattle Skyline View	
Average	40%
Good	60%
Excellent	80%

Territorial View	
Average	5%
Good	10%
Excellent	20%
Mount Rainier View	
Average	5%
Good	10%
Excellent	20%
Olympic Mountain Range View	
Average	5%
Good	10%
Excellent	20%

Adjustments:	Waterfront
Primary views (Puget Sound, Small Lake River and Seattle Skyline) are additive, with the lesser value view receiving 50% of the standard value adjustment. If a parcel has a good Puget Sound (70%) and an average Seattle Skyline view (40%) the parcel would receive a 90% adjustment. Secondary views are not additive. If a parcel has an average Territorial View (5%) and a good Puget Sound View (70%) only the highest adjustment (70%) will be applied.	Valued using uplands values, then waterfront adjustment applied as follows: Nghb 20: \$2,000/wff Nghb 30: \$10,000/wff Adjustments apply to all However, in all cases appraiser judgement prevailed.

Land Value Calculation Example 1:		Land Value Calculation Example 2:	
Neighborhood: 60	Zoning: SF 5000	Neighborhood: 20	Zoning: SF 5000
Traffic Noise: High		Traffic Noise: Moderate	
Lot Size: 7,000		Lot Size: 10,000	
View: Good Territorial		Views: Avg Seattle Skyline/Excellent Puget Sound	
BLV per Land Schedule: \$528,000		BLV per Land Schedule: \$616,000	
Neighborhood Adjustment: -15%		Neighborhood Adjustment: +20%	
BLV with Nghb Adj. Applied: \$448,800		BLV with Nghb Adj. Applied: \$739,200	
Traffic Adjustment: -20%		Traffic Adjustment: -10%	
View Adjustment: +10%		View Adjustment: +110%	
Total Adjustment: -10% (BLV with NghbAdj. x .90)		Total Adjustment: +100% (BLV with NghbAdj. x 2)	
Total Land Value: \$403,000		Total Land Value: \$1,478,000	

Improved Parcel Valuation

Improved Parcel Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified if possible by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Available sales and additional Area information can be viewed on the Assessor's website with [sales lists](#), [eSales](#) and [Localscape](#). Additional information may reside in the Assessor's Real Property Database, Assessor's procedures, Assessor's "field" maps, Revalue Plan, separate studies, and statutes.

The Assessor maintains a cost model, which is specified by the physical characteristics of the improvement, such as first floor area, second floor area, total basement area, and number of bathrooms. The cost for each component is further calibrated to the 13 grades to account for quality of construction. Reconstruction Cost New (RCN) is calculated from adding up the cost of each component. Depreciation is then applied by means of a percent good table which is based on year built, grade, and condition, resulting in Reconstruction Cost New less Depreciation (RCNLD). The appraiser can make further adjustments for obsolescence (poor floor plan, design deficiencies, external nuisances etc.) if needed. The Assessor's cost model generates RCN and RCNLD for principal improvements and accessories such as detached garages and pools.

The Assessor's cost model was developed by the King County Department of Assessments in the early 1970's. It was recalibrated in 1990 to roughly approximate Marshall & Swift's square foot cost tables, and is indexed annually to keep up with current costs.

Model Development, Description and Conclusions:

Most sales were field verified and characteristics updated prior to model development. Sales were time adjusted to 1/1/2018.

The analysis of this area consisted of a systematic review of applicable characteristics which influence property values. In addition to standard physical property characteristics, the analysis showed these characteristics were influential in the market.

Area 11 utilized two multiplicative models which were developed for this area using market sales data adjusted to 1/1/2018, one for Non-Townhouse parcels and one for Townhouse parcels. Both models were cost based.

The Non-Townhouse model incorporated location variables. These are coded Neighborhood LocA and Neighborhood LocB. The Townhouse model did not incorporate a LocB location variable.

Non-Townhouse Dwellings:

- Base Land
- Good Condition
- Very Good Condition
- Grades greater than 10 in Neighborhood 20
- Grades less than 9 in Neighborhood 50
- Grades less than 9 in Neighborhood 60
- Lots less than 3000 square feet
- View Utility

Improved Parcel Valuation... Continued

The valuation model applied to most properties was calibrated using multiple regression analysis, a statistical technique of estimating market values from sales and property characteristics. The valuation model incorporates characteristics that influence property values in the area. These characteristics include location, replacement cost, age, grade and condition. Adjustments for the characteristics were derived from the sales sample below. It includes a list of variables and their definitions. The complete model equation and exception parcel parameters are also included in the section below.

Characteristics that indicated possible adjustments were analyzed using NCSS (Number Crunching Statistical Software) along with Microsoft Excel. A wide variety of charts, graphs, reports, and statistical diagnostics were analyzed to determine which specific variables would be included in the final valuation model.

Townhouse Dwellings:

- Base Land
- Good Condition
- Very Good Condition
- Neighborhood 40
- Neighborhood 60

856 sales from 1/20015 to 1/2018 were used to value the 5728 improved 1-3 unit parcels in Area 11. The sales sample represented the population well for most characteristics. Data used in the valuation models reflects the property characteristics at the time of the sale. There may be some properties where the current data is different than the sales data due to the property being remodeled or changed in some manner and those properties were not included in this analysis.

Three years of sales were used in order to obtain an adequate sample which represented the large variety of properties within Area 11. There were 856 sales of which; 282 sales were from 2015, 267 sales were from 2016, and 307 were from 2017. The use of three years of sales does not adversely affect the model analysis as all sale prices have been time trended to the effective appraisal date.

Waterfront properties were not modeled together with upland properties. After completion of the EMV model for upland properties; a separate waterfront adjustment was calculated for waterfront differences and is defined in the Supplemental Model portion of this report.

Neighborhood LocA reflects the standard neighborhood codes and is the first digit of the neighborhood code. Area 14 has 7 neighborhoods (10, 20, 30, 40, 50, 60 and 90).

Neighborhood LocB was determined by analyzing the improvements using Geostatistical Analysis. This analysis provided a model which reflects Area 11 improvements and the resultant map is based upon the similarity of the improvements to each other. This is intended to provide “feathering” between the neighborhoods and is indicated by the second digit of the neighborhood code. It should be noted that with the inclusion of this location characteristic; fewer than typical location anomalies or “micro neighborhoods” were revealed in the after ratio analysis.

Improved Parcel Valuation... Continued

There were some cases where the valuation model was not applicable. Those tended to be where the population was not adequately represented by the sales samples. Some examples of this are where the grade of the house is less than 5, multiple buildings, condition lower than average, and grades greater than 11. Other valuation tools such as cost and cost less depreciation were available to aid in selecting a value for these types of properties or a factor of cost or cost less depreciation. Properties with more than one living unit were valued at EMV. Properties with more than one detached improvement were typically valued at EMV for primary unit and cost or cost less depreciation (RCN or RCNLD) for the additional units. In all cases, appraiser judgment was used in selecting the value for each parcel and a note was left in Real Property describing the valuation method.

The following were considered exception parcels in the model building process:

- EMV < BASELAND
- MULTIPLE BUILDINGS
- GRADES 3, 4 AND 5
- CONDITION= POOR
- OBSOLESCENCE
- % COMPLETE
- NET CONDITION
- UNFINISHED AREAS
- LOT SIZE < 500

Parcels with Grade 12 and 13 improvements, were valued using a factor of cost or EMV, as noted in Real Property.

Parcels in Fair condition were typically valued at RCN or RCNLD, or as “value in use”. Parcels in Poor condition were typically valued with a minimal value or “value in use”

Except as noted above; all Grades and Conditions appeared to be realized by the Cost based model with no further adjustment considered necessary beyond calculated EMV. Approximately 81% of all improved parcels in Area 11 were valued at EMV.

In all cases, appraiser judgment was used in selecting the value for each parcel.

Improved Parcel Total Value Model Calibration

Variable	Definition
SaleDay	Time Adjustment
BaseLandC	2018 Adjusted Base Land Value
ComboC	Building Cost New and Accy Cost New Less Depreciation
AgeC	Age
GISSurfaceValC	LocB, GIS Surface Value
GoodYN	Good Condition
HiGradeNghb20YN	Grade > 10 Neighborhood 20
LowGrdNghb50YN	Grade < 9 Neighborhood 50
LowGrdNghb60YN	Grade < 9 Neighborhood 60
SmallLotYN	Lot Size < 3,000 Square Feet
VGoodYN	Very Good Condition
ViewUtilYN	View Utility

Multiplicative Model-Non Townhouse Plat

$(1-0.075) * 2.24651044492775 - 0.102627631839814 * \text{AgeC} + 0.267777664270434 * \text{BaseLandC} + 0.461621244025921 * \text{ComboC} + 0.345429712396001 * \text{GISSurfaceValC} + 0.0410968094899925 * \text{GoodYN} + 0.0609204461654639 * \text{HiGradeNghb20YN} - 0.0166078181428091 * \text{LowGrdNghb50YN} - 0.0240838666733413 * \text{LowGrdNghb60YN} + 0.000264669363009568 * \text{SaleDay} - 0.0477580762426137 * \text{SmallLotYN} + 0.0779145896680557 * \text{VGoodYN} + 0.0341178216582168 * \text{ViewUtilYN}$

EMV values were not generated for:

- Buildings with grade less than 5
- Building two or greater. (EMV is generated for building one only.)
- If total EMV is less than base land value
- Lot size less than 100 square feet
- If Baseland value equals "\$0"
- If net condition is greater than "0"
- If LocB equals "0"

Of the improved parcels in the population, 5060 parcels increased in value. They were comprised of 4 single family residences on commercially zoned land and 5056 single family residences or other parcels.

Of the vacant land parcels greater than \$1000, 72 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Improved Parcel Total Value Model Calibration...

Continued

Variable	Definition
Sale Day	Time Adjustment
BaseLandC	2018 Adjusted Base Land Value
GoodVGoodCondYN	Good or Very Good Condition
Nghb40YN	Neighborhood 40
Nghb60YN	Neighborhood 60
Total RCNLD	Cost New less Depreciation

Multiplicative Model –Townhouse Plat

$3.05272736120224 + 0.107140195586401 * \text{BaseLandC} + 0.0321209340749013 * \text{GoodVGoodCondYN} - 0.0176513372357913 * \text{Nghb40YN} - 0.0344561893681484 * \text{Nghb60YN} + 0.000333461958895674 * \text{SaleDay} + 0.570648140304207 * \text{TotalRcnldC}$

The Townhouse model did not incorporate a LocB location variable.

EMV values were not generated for:

- Buildings with grade less than 5
- Building two or greater. (EMV is generated for building one only.)
- If total EMV is less than base land value
- Lot size less than 100 square feet
- If Baseland value equals "\$0"
- If net condition is greater than "0"

Supplemental Models and Exceptions

Exceptions	Method
Nghb 20 Grade 13 Waterfront	Total EMV * 1.3
Nghb 30 Grade 9-12 Waterfront	Total EMV * 1.2
Nghb 30 Grade 13 Waterfront	Total EMV * 1.3
Accessory Only	New Land + RCNLD or Appraiser Select
Poor Condition	Neighborhood 60
Multiple Improvements	EMV for Imp 1 + RCN or RCNLD for each additional improvement, or Value in Use.
EMV Less than New Base Land	New Land + Building RCNLD, or New Land + Value in Use

In all cases, Appraiser judgement prevailed, and a note explaining the valuation method was left in Real Property.

Physical Inspection Process

Effective Date of Appraisal: January 1, 2018

Date of Appraisal Report: 7/2/18

Appraisal Team Members and Participation

The valuation for this area was done by the following Appraisal Team. The degree of participation varied according to individual skill in relevant areas and depending on the time they joined the team.

- Karen Anderson – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Brian Hurley – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Jennifer Lizotte – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Andrew Rose – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Kathleen Simpson – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.

Sales Screening for Improved Parcel Analysis

In order to ensure that the Assessor's analysis of sales of improved properties best reflects the market value of the majority of the properties within an area, non-typical properties must be removed so a representative sales sample can be analyzed to determine the new valuation level. The following list illustrates examples of non-typical properties which are removed prior to the beginning of the analysis.

1. Vacant parcels
2. Mobile Home parcels
3. Multi-Parcel or Multi Building parcels
4. New construction where less than a 100% complete house was assessed for 2017
5. Existing residences where the data for 2017 is significantly different than the data for 2018 due to remodeling
6. Parcels with improvement values, but no characteristics
7. Parcels with either land or improvement values of \$10,000 or less posted for the 2017 Assessment Roll
8. Short sales, financial institution re-sales and foreclosure sales verified or appearing to be not at market

(Available sales and additional Area information can be viewed from [sales lists](#), [eSales](#) and [Localscape](#))

Highest and Best Use Analysis

As If Vacant: Market analysis of the area, together with current zoning and current and anticipated use patterns, indicate the highest and best use of the overwhelming majority of the appraised parcels is single family residential. Any other opinion of highest and best use is specifically noted in our records, and would form the basis for the valuation of that specific parcel.

As If Improved: Where any value for improvements is part of the total valuation, we are of the opinion that the present improvements produce a higher value for the property than if the site was vacant. In appraisal theory, the present use is therefore the highest and best (as improved) of the subject property, though it could be an interim use.

Standards and Measurement of Data Accuracy

Sales were verified with the purchaser, seller or real estate agent where possible. Current data was verified via field inspection and corrected. Data was collected and coded per the assessor's residential procedures manual.

We maintain uniformity with respect to building characteristics such as year-built, quality, condition, living area, stories, and land characteristics such as location (sub-area and plat), lot size, views, and waterfront. Other variables that are unique to the specific areas are also investigated. This approach ensures that values are equitable for all properties with respect to all measurable characteristics, whether the houses are larger or smaller, higher or lower quality, remodeled or not, with or without views or waterfront, etc.

Special Assumptions and Limiting Conditions

The sales comparison and cost approaches to value were considered for this mass appraisal valuation. After the sales verification process, the appraiser concluded that the market participants typically do not consider an income approach to value. Therefore the income approach is not applicable in this appraisal as these properties are not typically leased, but rather owner occupied. The income approach to value was not considered in the valuation of this area.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/1/2015 to 12/31/2017 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2018.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standard 6.

Area 011 Market Value Changes Over Time

Non-Townhouse Parcels

In a changing market, recognition of a sales trend to adjust a population of sold properties to a common date is required to allow for value differences over time between a range of sales dates and the assessment date. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, **January 1, 2018**.

For example, a sale of \$475,000 which occurred on October 1, 2016 would be adjusted by the time trend factor of 1.129, resulting in an adjusted value of \$536,000 ($\$475,000 * 1.129 = \$536,275$) – truncated to the nearest \$1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2015	1.337	33.7%
2/1/2015	1.326	32.6%
3/1/2015	1.316	31.6%
4/1/2015	1.305	30.5%
5/1/2015	1.295	29.5%
6/1/2015	1.284	28.4%
7/1/2015	1.274	27.4%
8/1/2015	1.264	26.4%
9/1/2015	1.253	25.3%
10/1/2015	1.243	24.3%
11/1/2015	1.233	23.3%
12/1/2015	1.223	22.3%
1/1/2016	1.213	21.3%
2/1/2016	1.204	20.4%
3/1/2016	1.194	19.4%
4/1/2016	1.185	18.5%
5/1/2016	1.175	17.5%
6/1/2016	1.166	16.6%
7/1/2016	1.156	15.6%
8/1/2016	1.147	14.7%
9/1/2016	1.138	13.8%
10/1/2016	1.129	12.9%
11/1/2016	1.119	11.9%
12/1/2016	1.110	11.0%
1/1/2017	1.101	10.1%
2/1/2017	1.092	9.2%
3/1/2017	1.084	8.4%
4/1/2017	1.075	7.5%
5/1/2017	1.067	6.7%
6/1/2017	1.058	5.8%
7/1/2017	1.050	5.0%
8/1/2017	1.041	4.1%
9/1/2017	1.033	3.3%
10/1/2017	1.025	2.5%
11/1/2017	1.016	1.6%
12/1/2017	1.008	0.8%
1/1/2018	1.000	0.0%

The time adjustment formula for Area 011 Non-Townhouse parcels is: $1/EXP (0.000264669363009568 * SaleDay)$
 $SaleDay = SaleDate - 43101$

Area 011 Market Value Changes Over Time

Townhouse Parcels

In a changing market, recognition of a sales trend to adjust a population of sold properties to a common date is required to allow for value differences over time between a range of sales dates and the assessment date. The following chart shows the % time adjustment required for sales to reflect the indicated market value as of the assessment date, **January 1, 2018**.

For example, a sale of \$475,000 which occurred on October 1, 2016 would be adjusted by the time trend factor of 1.165, resulting in an adjusted value of \$553,000 ($\$475,000 * 1.165 = \$553,375$) – truncated to the nearest \$1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2015	1.441	44.1%
2/1/2015	1.426	42.6%
3/1/2015	1.413	41.3%
4/1/2015	1.399	39.9%
5/1/2015	1.385	38.5%
6/1/2015	1.370	37.0%
7/1/2015	1.357	35.7%
8/1/2015	1.343	34.3%
9/1/2015	1.329	32.9%
10/1/2015	1.316	31.6%
11/1/2015	1.302	30.2%
12/1/2015	1.289	28.9%
1/1/2016	1.276	27.6%
2/1/2016	1.263	26.3%
3/1/2016	1.251	25.1%
4/1/2016	1.238	23.8%
5/1/2016	1.226	22.6%
6/1/2016	1.213	21.3%
7/1/2016	1.201	20.1%
8/1/2016	1.189	18.9%
9/1/2016	1.176	17.6%
10/1/2016	1.165	16.5%
11/1/2016	1.153	15.3%
12/1/2016	1.141	14.1%
1/1/2017	1.129	12.9%
2/1/2017	1.118	11.8%
3/1/2017	1.107	10.7%
4/1/2017	1.096	9.6%
5/1/2017	1.085	8.5%
6/1/2017	1.074	7.4%
7/1/2017	1.063	6.3%
8/1/2017	1.052	5.2%
9/1/2017	1.042	4.2%
10/1/2017	1.031	3.1%
11/1/2017	1.021	2.1%
12/1/2017	1.010	1.0%
1/1/2018	1.000	0.0%

The time adjustment formula for Area 011 Townhouse parcels is: $1/EXP(0.000333461958895674 * SaleDay)$
 $SaleDay = SaleDate - 43101$

Sales Sample Representation of Population

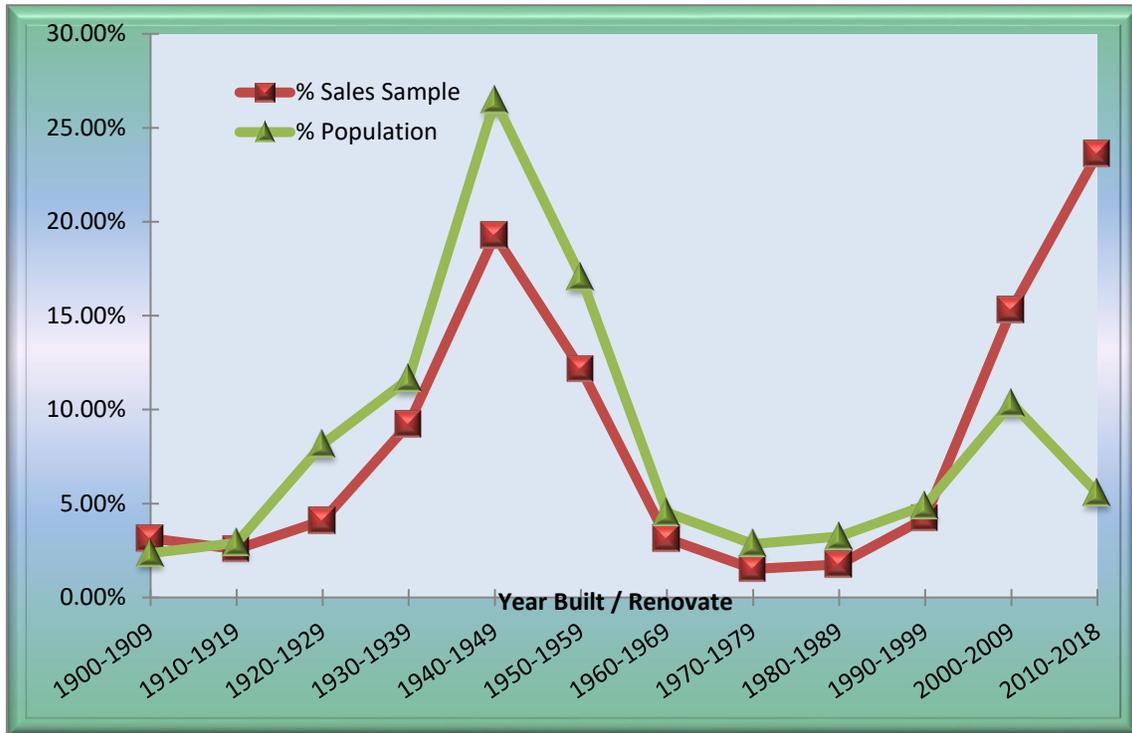
Year Built or Renovated

Sales

Year Built/Ren	Frequenc y	% Sales Sample
1900-1909	27	3.15%
1910-1919	22	2.57%
1920-1929	35	4.09%
1930-1939	79	9.23%
1940-1949	165	19.28%
1950-1959	104	12.15%
1960-1969	27	3.15%
1970-1979	13	1.52%
1980-1989	15	1.75%
1990-1999	36	4.21%
2000-2009	131	15.30%
2010-2018	202	23.60%
	856	

Population

Year Built/Ren	Frequenc y	% Population
1900-1909	135	2.36%
1910-1919	167	2.92%
1920-1929	467	8.15%
1930-1939	666	11.63%
1940-1949	1,516	26.47%
1950-1959	978	17.07%
1960-1969	259	4.52%
1970-1979	163	2.85%
1980-1989	186	3.25%
1990-1999	280	4.89%
2000-2009	593	10.35%
2010-2018	318	5.55%
	5,728	



Sales of new homes built over the last few years are over represented in this sample. This is a common occurrence due to the fact that most new homes will sell shortly after completion. This over representation was found to lack statistical significance during the modeling process.

Sales Sample Representation of Population

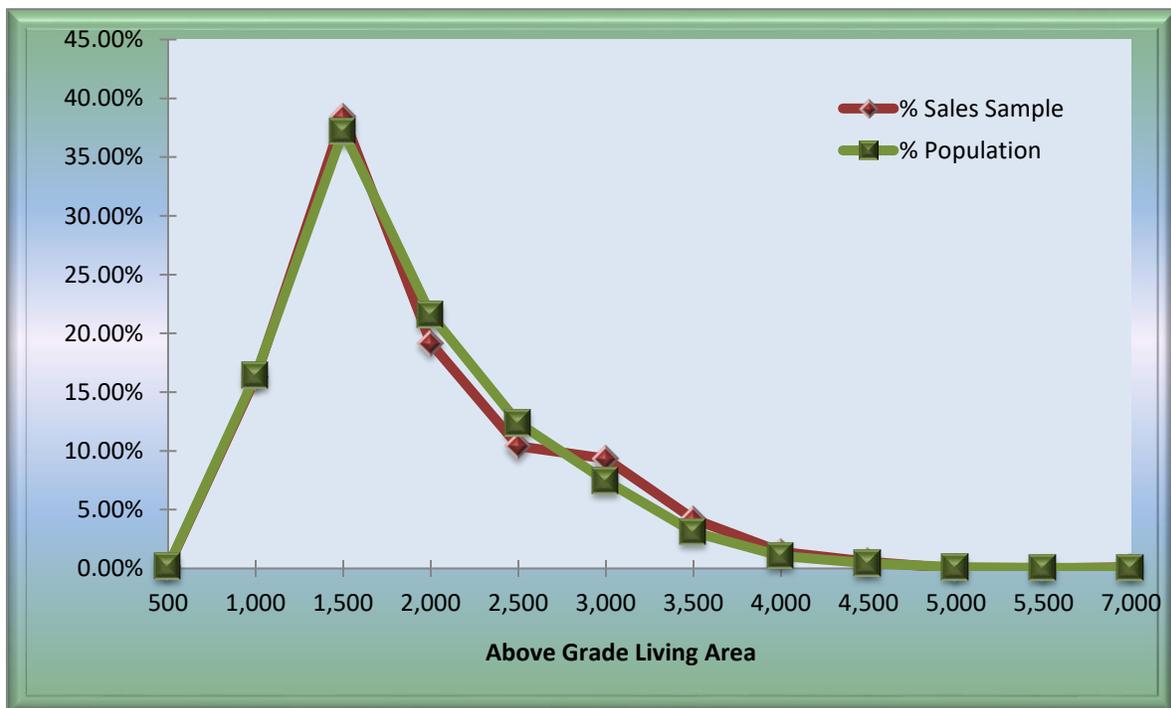
Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	1	0.12%
1,000	139	16.24%
1,500	329	38.43%
2,000	164	19.16%
2,500	89	10.40%
3,000	80	9.35%
3,500	36	4.21%
4,000	12	1.40%
4,500	5	0.58%
5,000	0	0.00%
5,500	0	0.00%
7,000	1	0.12%
856		

Population

AGLA	Frequency	% Population
500	10	0.17%
1,000	941	16.43%
1,500	2,131	37.20%
2,000	1,236	21.58%
2,500	709	12.38%
3,000	426	7.44%
3,500	177	3.09%
4,000	61	1.06%
4,500	25	0.44%
5,000	6	0.10%
5,500	3	0.05%
7,000	3	0.05%
5,728		



The sales sample frequency distribution follows the population distribution very closely with regard to Above Grade Living Area (AGLA). This distribution is ideal for both accurate analysis and appraisals.

Sales Sample Representation of Population

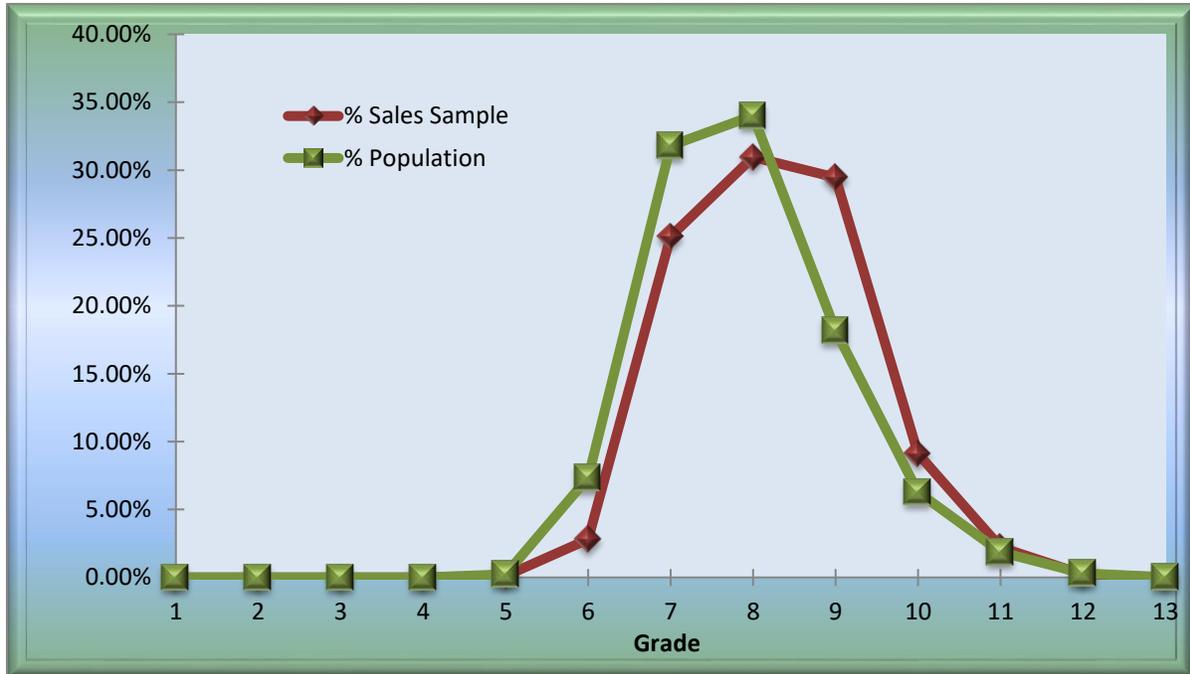
Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	1	0.12%
6	24	2.80%
7	215	25.12%
8	265	30.96%
9	252	29.44%
10	78	9.11%
11	19	2.22%
12	2	0.23%
13	0	0.00%
	856	

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	13	0.23%
6	421	7.35%
7	1,821	31.79%
8	1,948	34.01%
9	1,041	18.17%
10	359	6.27%
11	107	1.87%
12	17	0.30%
13	1	0.02%
	5,728	



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

Results

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

The assessment level target for all areas in King County, including this area, is 92.5. The actual assessment level for this area is 0.922%. The standard statistical measures of valuation performance are all within the IAAO recommended range of .90 to 1.10.

Application of these recommended values for the 2018 assessment year (taxes payable in 2019) results in an average total change from the 2017 assessments of +8.0%. This increase is due partly to market changes over time and the previous assessment levels.

A Ratio Study was completed just prior to the application of the 2018 recommended values. This study benchmarks the prior assessment level using 2017 posted values (1/1/2017) compared to current adjusted sale prices (1/1/2018). The study was also repeated after the application of the 2018 recommended values. The results show an improvement in the COD from 9.91% to 7.48%.

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

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

Area 011 Housing Profile



Grade 5/ Year Built 1926/YrRen1995/Total Living Area 530
Account Number 136430-0270



Grade 6/ Year Built 1948/ Total Living Area 870
Account Number 087100-1855



Grade 7/ Year Built 1947/ Total Living Area 1090
Account Number 026900-0596



Grade 8/ Year Built 2013/ Total Living Area 1310
Account Number 277060-2496



Grade 9/ Year Built 1930/ Total Living Area 2670
Account Number 137080-1285



Grade 10/Year Built 1940/Yr Ren 1999/Total Living Area 4880
Account Number 106800-0460



Grade 11/ Year Built 2015/Total Living Area 4760 Account Number 136730-0101



Grade 12/ Year Built 2008/ Total Living Area 6150 Account Number 354790-0615



Grade 13/ Yr Built 1933/Yr Ren 2002 /Total Living Area 7100 Account Number 106800-0375

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.

USPAP Compliance

Client and Intended Use of the Appraisal:

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

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.

USPAP Compliance...Continued

WAC 458-07-030 (3) True and fair value -- Highest and best use.

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

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Samish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

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

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

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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.

USPAP Compliance...Continued

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

Scope of Work Performed:

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

Certification:

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

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- The reported analyses, opinions and conclusions were developed, and this report prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- To the best of my knowledge the following services were performed by the appraisal team within the subject area in the last three years:
 - Andrew Rose
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Appeal Hearing Attendance
 - Land and Total Valuation
 - New Construction Evaluation
 - Brian Hurley
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Land and Total Valuation
 - New Construction Evaluation
 - Jennifer Lizotte
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Appeal Hearing Attendance
 - Land and Total Valuation
 - New Construction Evaluation
 - Kathy Simpson
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Land and Total Valuation
 - New Construction Evaluation
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed adjacent to my name.

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- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
 - Karen Anderson
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Appeal Hearing Attendance
 - Physical Inspection Model Development and Report Preparation
 - Land and Total Valuation
 - New Construction Evaluation

Karen Anderson

Appraiser II

Date



King County

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John Wilson
Assessor

As we start preparations for the 2018 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, 2018 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

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
King County Assessor