

Sheridan Beach to Laurelhurst

Area: 046

Residential Revalue for 2016 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:

Property assessments are being completed by our team throughout the year and valuation notices are being mailed out as neighborhoods are completed. We value your property at fee simple, reflecting property at its highest and best use and following the requirements of state law (RCW 84.40.030) to appraise property at true and fair value.

We are continuing to work hard to implement your feedback and ensure we provide accurate and timely information to you. This has resulted in significant improvements to our website and online tools for your convenience. The following report summarizes the results of the assessments for this area along with a map located inside the report. It is meant to provide you with information about the process used and basis for property assessments in your area.

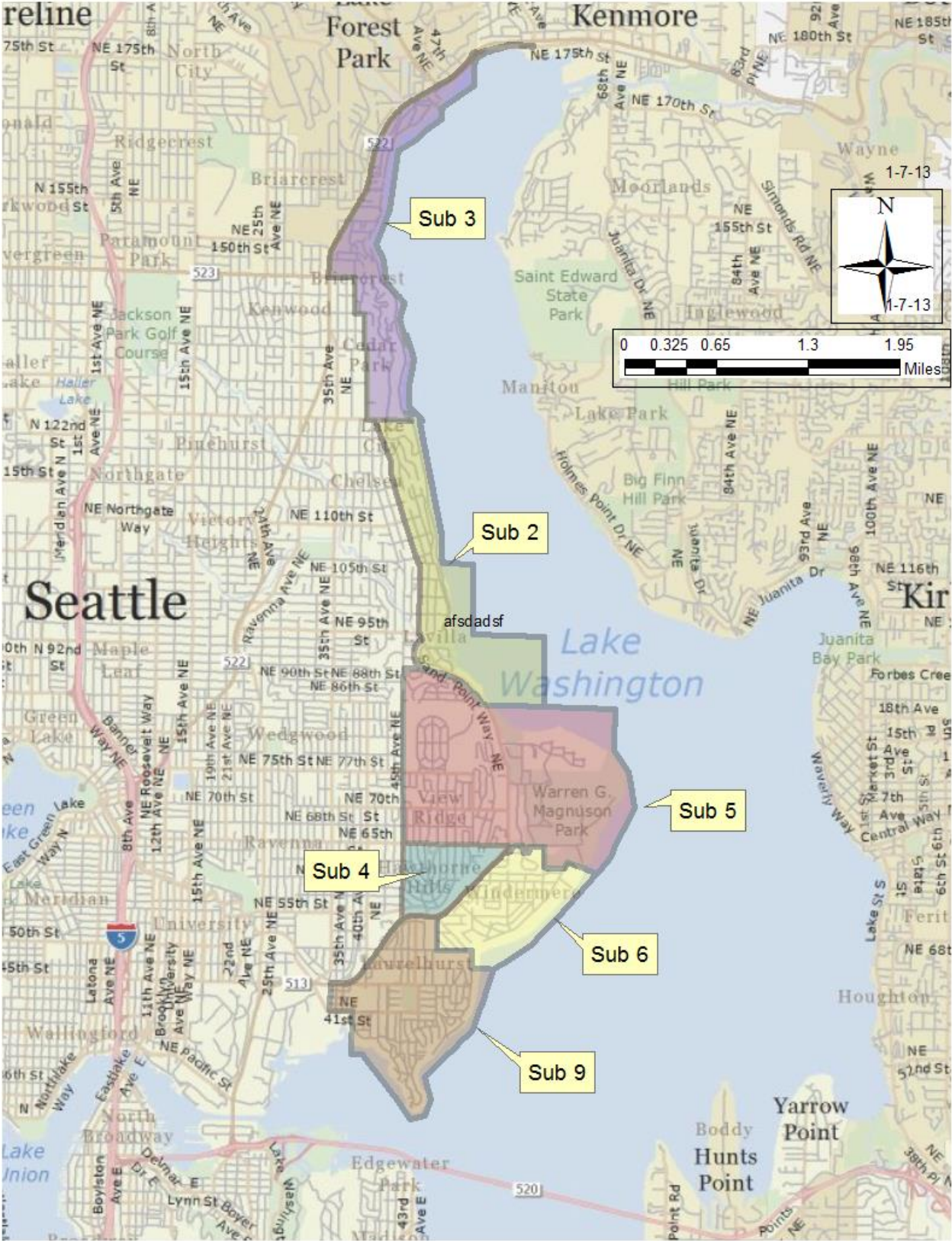
Fairness, accuracy and uniform assessments set the foundation for effective government. I am pleased to incorporate your input as we make continuous and ongoing improvements to best serve you. Our goal is to ensure every taxpayer is treated fairly and equitably.

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

In Service,

John Wilson
King County Assessor

Area 046 Map



Area 046 Housing Profile



Grade 5/Year Built 1940/Total Living Area 580 SF



Grade 6/Year Built 1917/Total Living Area 1420 SF



Grade 7/Year Built 1943/Total Living Area 1760 SF



Grade 8/Year Built 1950/Total Living Area 2700 SF



Grade 9/Year Built 1940/Total Living Area 3010 SF



Grade 10/Year Built 1939/Total Living Area 3240 SF

Area 046 Housing Profile



Grade 11/Year Built 1983/Total Living Area 4680 SF



Grade 12/ Year Built1931/ Total Living Area 5140 SF



Grade 13/Year Built 1928/Total Living Area 6830 SF

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.

Executive Summary

Sheridan Beach to Laurelhurst - Area 046

Physical Inspection

Appraisal Date: 1/1/2016
Previous Physical Inspection: 2012
Number of Improved Sales: 567
Range of Sale Dates: 1/1/2013 – 12/31/2015 Sales were time adjusted to 1/1/2016

Sales - Improved Valuation Change Summary:						
	Land	Improvements	Total	Mean Sale Price	Ratio	COD
2015 Value	\$483,500	\$540,300	\$1,023,800			10.57%
2016 Value	\$540,700	\$527,300	\$1,068,000	\$1,185,700	91.1%	9.63%
\$ Change	+\$57,200	-\$13,000	+\$44,200			
% Change	+11.8%	-2.4%	+4.3%			

Coefficient of Dispersion (COD) is a measure of the uniformity of the predicted assessed values for properties within this geographic area. The 2016 COD of 9.63% is an improvement from the previous COD of 10.57%. 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 1/1/2013 to 12/31/2015 (at a minimum) were considered in all analysis. Sales were time adjusted to 1/1/2016.

Population - Improved Valuation Change Summary:			
	Land	Improvements	Total
2015 Value	\$537,200	\$515,400	\$1,052,600
2016 Value	\$604,000	\$473,600	\$1,077,600
\$ Change	+\$66,800	-\$41,800	+\$25,000
% Change	+12.4%	-8.1%	+2.4%

Number of one to three unit residences in the population: 6,142

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 046 – Sheridan Beach to Laurelhurst, 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.

Sales Sample Representation of Population

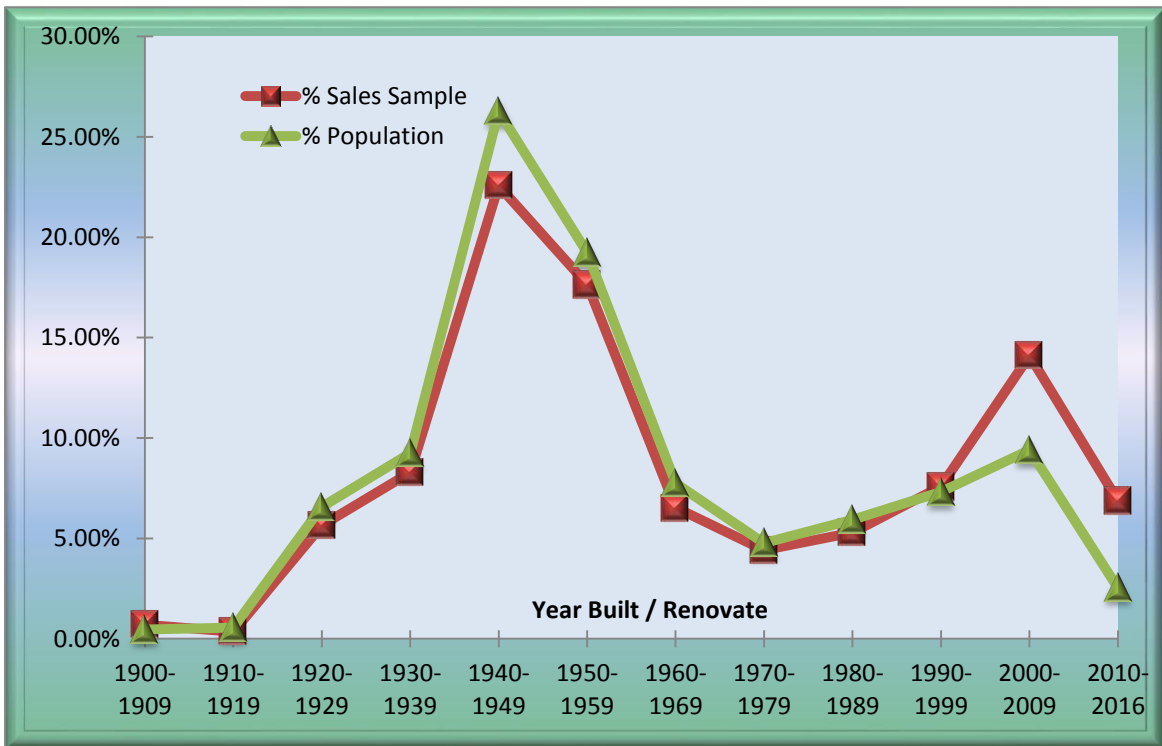
Year Built or Renovated

Sales

Year Built/Ren	Frequency	% Sales Sample
1900-1909	4	0.71%
1910-1919	2	0.35%
1920-1929	32	5.64%
1930-1939	47	8.29%
1940-1949	128	22.57%
1950-1959	100	17.64%
1960-1969	37	6.53%
1970-1979	25	4.41%
1980-1989	30	5.29%
1990-1999	43	7.58%
2000-2009	80	14.11%
2010-2016	39	6.88%
	567	

Population

Year Built/Ren	Frequency	% Population
1900-1909	28	0.46%
1910-1919	34	0.55%
1920-1929	403	6.56%
1930-1939	568	9.25%
1940-1949	1,613	26.26%
1950-1959	1,181	19.23%
1960-1969	476	7.75%
1970-1979	293	4.77%
1980-1989	364	5.93%
1990-1999	449	7.31%
2000-2009	577	9.39%
2010-2016	156	2.54%
	6,142	



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

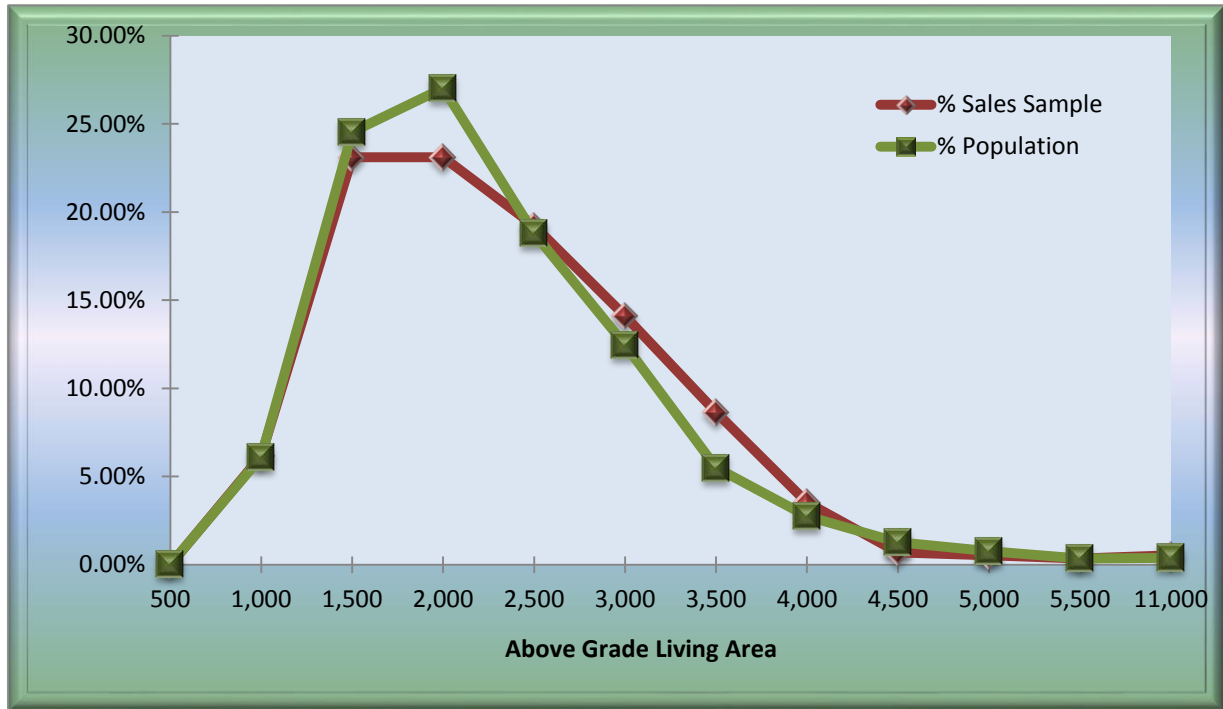
Above Grade Living Area

Sales

AGLA	Frequency	% Sales Sample
500	0	0.00%
1,000	35	6.17%
1,500	131	23.10%
2,000	131	23.10%
2,500	109	19.22%
3,000	80	14.11%
3,500	49	8.64%
4,000	20	3.53%
4,500	4	0.71%
5,000	3	0.53%
5,500	2	0.35%
11,000	3	0.53%
567		

Population

AGLA	Frequency	% Population
500	1	0.02%
1,000	375	6.11%
1,500	1,507	24.54%
2,000	1,660	27.03%
2,500	1,154	18.79%
3,000	766	12.47%
3,500	338	5.50%
4,000	169	2.75%
4,500	79	1.29%
5,000	47	0.77%
5,500	22	0.36%
11,000	24	0.39%
6,142		



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

Sales Sample Representation of Population

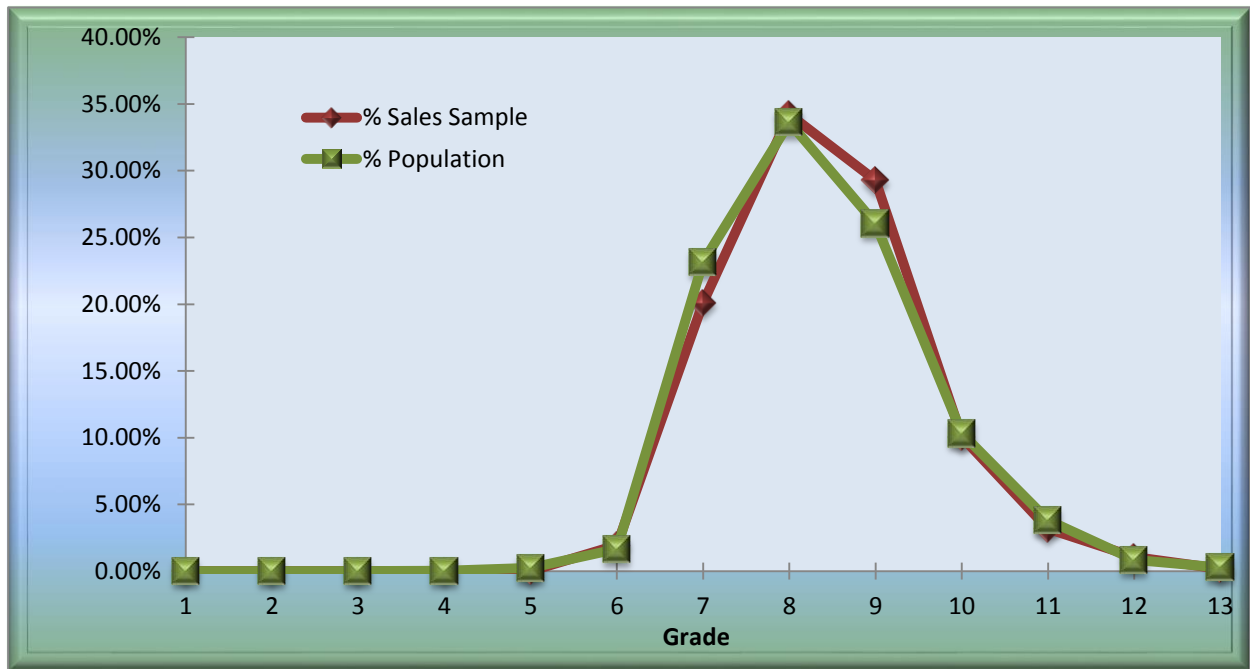
Building Grade

Sales

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	0	0.00%
6	11	1.94%
7	114	20.11%
8	194	34.22%
9	166	29.28%
10	57	10.05%
11	18	3.17%
12	6	1.06%
13	1	0.18%
567		

Population

Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	2	0.03%
5	15	0.24%
6	102	1.66%
7	1,422	23.15%
8	2,065	33.62%
9	1,599	26.03%
10	633	10.31%
11	235	3.83%
12	52	0.85%
13	17	0.28%
6,142		



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

Physical Inspection Process

Effective Date of Appraisal: January 1, 2016

Date of Appraisal Report: August 30 2016

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.

- Christopher Coviello – Appraiser II: Team lead, coordination, valuation model development and testing. Land and total valuation appraisals. Sales verification, physical inspection and report writing.
- Paul Greateorex – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Mark King – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Erin McMurtrey – Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Michael Mills– Appraiser I: Sales verification, appraisal analysis, land appraisal, physical inspection and total valuation.
- Jason Rosenblatt– 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 2015
5. Existing residences where the data for 2015 is significantly different than the data for 2016 due to remodeling
6. Parcels with improvement values, but no characteristics
7. Parcels with either land or improvement values of \$25,000 or less posted for the 2015 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.

Physical Inspection Process... Continued

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 1/1/2013 to 12/31/2015 (at minimum) were considered in all analyses.
- Sales were time adjusted to 1/1/2016.
- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice Standard 6.

Area Information

Name or Designation

Area 046 - Sheridan Beach to Laurelhurst

Boundaries

Area 46's eastern boundary runs south along the shores of Lake Washington from Tracy Owen Station Park in Lake Forest Park to the tip of Laurelhurst identified as Webster Point in Seattle. The western boundary generally follows 45th Ave NE and Sandpoint Way north again to the state park.

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 46 is located in northwest King County and comprises the jurisdictions of Lake Forest Park to the north and the City of Seattle to the south. It is situated along the most north western shore of Lake Washington between Sheridan Beach and Laurelhurst and includes a population that is heterogeneous and urban in nature. Area 46 is well serviced by public transportation and schools, including The University of Washington. The area is within close proximity to a full range of commercial and professional services. However, the primary appeal is the area's proximity to Lake Washington. There are a number of separately identifiable neighborhoods including Sheridan Beach, Cedar Park, Matthews Beach, Riviera Beach, Inverness, Sand Point Country Club, View Ridge, Hawthorne Hills, Windermere and Laurelhurst. Homes were built between 1900 to the present. There are 572 parcels that are located on Lake Washington waterfront that range from low bank to high bank. Windermere in sub area 6 and Laurelhurst in sub area 9 are very desirable neighborhoods with the majority of homes being grade 9 to 13. Windermere and Laurelhurst are older and more established neighborhoods that are influenced by their proximity to the University of Washington, Children's Hospital, University Village Shopping Center, Lake Washington, Magnuson Park and benefit from an easy commute to downtown Seattle. The Lake Washington waterfront parcels in these two neighborhoods are vastly superior to those found elsewhere in Area 46.

Area 46 has an overall population of 6667 parcels that includes 6402 improved parcels, or a little more than 96% of the population. Of the improved population 22% are average quality grade 7 homes. More typical homes are grade 8 and 9 which comprise 60% of the improved population. The majority of homes (51%) were built between 1940 and 1960. There are currently 247 vacant parcels in area 46 representing 3.7% of the total parcels.

There are six separately identifiable Sub Areas in Area 46 (2, 3, 4, 5, 6 and 9).

Sub Area 2 is located immediately south of and adjacent to Sub Area 3, south of NE 125th St and encompasses all of the properties east of Sand Point Way NE and north of Warren G. Magnuson Park. This sub area includes Cedar Park, Riviera Beach and Matthews Beach. There are 1016 parcels of which 986 are improved (97%). There are 191 waterfront sites representing nearly 19% of the population. All but one of these waterfront parcels is improved. Typical representation for non-waterfront is a Grade 8 home built in the 1950's with 2200 total square feet living area. Approximately 53% of this population has some level of a Lake Washington view. Typical waterfront homes are Grade 8 built in the 1950's with 2700 square feet total living area.

Sub Area 3 is located in the northern most portion of the area, north of NE 125th St. and comprises all of the platted neighborhood parcels located in Lake Forest Park and Sheridan Beach. There are 1106 parcels of which 958 are improved (87%). There are 209 waterfront sites representing nearly 22% of the population. Typical representation for non-waterfront is a Grade 8 home built in the 1960's with 2600 total square feet living area and 73% of this population has some level of a Lake Washington view. Typical waterfront homes are Grade 9 built in the 1960's with 3100 square feet total living area.

Sub Area 4 is located immediately south of and adjacent to Sub Area 5. It includes all of Hawthorne Hills. There are 646 parcels of which 642 are improved (98%). There are no waterfront sites represented in this population. Typical representation is a Grade 8 home built in the 1950's with 2400 total square feet living area and 26% of this population has some level of a Lake Washington view.

Sub Area 5 is located immediately south of and adjacent to Sub Area 2. It includes the neighborhoods of Inverness, Sand Point Country Club and View Ridge. There are 1486 parcels of which 1461 are improved (98%). There are no waterfront sites represented in this population. Typical representation is a Grade 8 home built in the 1950's with 2600 total square feet living area and 46% of this population has some level of a Lake Washington view.

Sub Area 6 is located immediately west of and adjacent to Sub Area 4. It includes all of the neighborhood of Windermere. There are 765 parcels of which 750 are improved (98%). There are 47 waterfront sites representing nearly 6% of the population. Typical representation for non-waterfront is a Grade 9 home built in the 1950's with 2700 total square feet living area and 23% of this population has some level of a Lake Washington view. Typical waterfront homes are Grade 11 built in the 1960's with 4600 square feet total living area.

Sub Area 9 is located immediately south of and adjacent to both Sub Area 4 and Sub Area 6. It includes all of the neighborhood of Laurelhurst. There are 1638 parcels of which 1605 are improved (98%). There are 125 waterfront sites representing nearly 8% of the population. Typical representation for non-waterfront is a Grade 9 home built in the 1950's with 2700 total square feet living area and 33% of this population has some level of a Lake Washington view. Typical waterfront homes are Grade 11 built in the 1950's with 5000 square feet total living area.

Neighborhood Map



Land Valuation

Vacant sales from 1/1/2013 to 12/31/2015 were given primary consideration for valuing land with emphasis placed on those sales closest to January 1, 2016. Due to a limited number of land sales in the area, tear down sales were also used. A total of 32 sales, including both vacant land and tear down sales were used to develop a land model. The land allocation and land abstraction methods were also used in the analysis for additional support where land sales were limited. All sales were verified by field review and when possible, contact with buyer or seller. Various observations were researched, analyzed and validated by current market sales.

There are 6667 parcels in Area 046 of which 265 (4%) are vacant. The predominant zoning in the area is Single Family Residential, ranging from SF5000 through SF9600. The area includes 96 Townhomes. There are 46 parcels with multiple improvements, 47 that are duplex and 38 that are triplex. There is 1 manufactured home in the entirety of Area 46. There is only 1 site zoned for NC (neighborhood commercial) and valued based on commercially derived land modeling.

The land characteristics that primarily affect value in Area 46 are lot size, view amenities, waterfront, topography & traffic. Improved parcels conform very well to zoning and there is no current market trend to maximize larger sites for higher density development. A major quality of the area is the abundant views of Lake Washington. Parcels in the area vary in size with an average non waterfront lot size of approximately 7,800 square feet. The average total waterfront site is 20,300 square feet with 11,700 square feet of non submerged land. The 572 properties located on Lake Washington have anywhere from 5 to 225 waterfront feet frontage and 47% of the non-waterfront parcels are view parcels. The most valuable view is of Lake Washington. Less than 2% of the parcels in the entire area are impacted by moderate to extreme traffic. Extreme traffic may be found along HWY 522 (Bothell Way NE) in sub area 3. Moderate to heavy traffic is present along Sand Point Way. Several arterials have moderate traffic leading into and around Children's Hospital and University Village. There are several waterfront parcels on the southwest portion of Webster Point that are impacted by traffic noise from the 520 floating bridge to the south. Topography issues are more prevalent nearer to Lake Washington. Many of these topographic issues are mitigated by engineering designs for homes built on sites with challenges.

Neighborhood Descriptions:

Following extensive sales analysis twelve neighborhoods were identified.

Neighborhood 1 is very homogenous with 1783 parcels. This included 1059 parcels in sub area 5 described as View Ridge, 655 parcels in sub area 4 described as Hawthorne Hills and 69 parcels in sub area 9 described as Yeslertown. These are predominantly single family residential parcels between 5000 and 7500 square feet.

Neighborhood 2 is also located in the uplands with 1214 parcels. It is located in the highly desirable Windermere and Laurelhurst neighborhoods of Seattle. It has good access to employment centers, shopping, recreation and educational and health facilities.

Neighborhood 3 is located in the uplands in sub area 5. It is an exclusive “walled” community of 206 parcels described as Sand Point Country Club. Available membership benefits include a premiere 18-hole golf course, swimming pool, fitness center, tennis courts and dining venues. There are 59 premium parcels that are adjacent to or have direct access to the golf course fairway.

Neighborhood 4 is the upland area in subarea 6 and 9. There are 276 parcels in Windermere and 662 parcels in Laurelhurst. These 938 parcels are adjacent to the Windermere and Laurelhurst waterfront parcels. This influence makes it extremely desirable. There are 283 parcels (30%) that have waterfront access rights and 57% have some level of a Lake Washington view.

Neighborhood 5 is a new plat of homes named 12 Degrees. It is located upland in subarea 3. This plat has 38 single family residential dwellings currently under construction and is in the City of Lake Forest Park. This plat has significantly smaller lots following a planned urban development model.

Neighborhood 7 are predominantly larger single family residential parcels that average about 10,000 square feet located in the homogeneous upland areas of Mathews Beach, Cedar Park and the Lake Forest Park plats north of NE 145th Street.

Neighborhood 8 in upland subarea 3, contains the 86 SFR Townhouse dwellings currently under construction in the new plat named 12 Degrees.

Neighborhood 9 is located in subarea 6. There are 9 Very Good to Excellent quality homes that are situated on exclusive non-waterfront parcels all adjacent to Windermere Park on Lake Washington. All of these parcels have Lake Washington waterfront access rights.

Neighborhood 10 is located upland in subarea 5. There are 221 parcels in this area described as Inverness. They are predominantly single family sites between 9,000 and 10,000 square feet. Improvements are better quality and 79% have some level of view amenity.

Neighborhood 15 comprises the 400 Lake Washington waterfront parcels north of Warren G. Magnusson Park located in subareas 2 and 3. There are 191 parcels in sub area 2 described as Mathews Beach and Riviera Beach, of which 190 are developed. Typical lot size is 5,800 square feet of non-submerged land with 50 waterfront feet. The majority of these homes are Grade 7, 8 or 9. There are 209 parcels in sub area 3 described as Cedar Park and Sheridan Beach located in Lake Forest Park north of NE 145th Street. Typical lot size is 7,800 square feet of non-submerged land with 70 waterfront feet. The majority of these homes are Grade 8, 9 or 10.

Neighborhood 20 comprises 11 Windermere Lake Washington waterfront parcels in subarea 6 directly south and adjacent to Warren G. Magnuson Park and north of NE 60th Street. They may be separately identified as homes exclusively accessed via a private “loop” at the northern most tip of NE Windermere Rd.

Neighborhood 25 is located on Lake Washington in the neighborhoods of Laurelhurst and Windermere. It comprises a total of 161 Lake Washington waterfront parcels of which 145 are

improved. Lake Washington views, low bank water access and estate size settings contribute to market desirability. Although typical housing is a grade 10 or 11, there are 34 homes that are rated as grade 12 luxury or grade 13 mansion. Sites with an excess of 25,000 square feet in Windermere were considered "Estate" sites and are greatly desired. Low bank sites in Laurelhurst enjoying southeasterly views are also highly desirable in this market. Analysis showed that low bank parcels on the Lake Union Bay side were less desirable.

Land Model

Model Development, Description and Conclusions

A total of 32 vacant land and tear down sales from Area 046 were used to derive land value. Data on lot sizes, zoning, topography, traffic, nuisance, wetland, stream, access, views, waterfront and other factors were considered while developing the land model. Additional support and validation came from the land allocation and land abstraction methods

Adjustments were applied for positive attributes such as location and views. Negative adjustments were made for issues such as topography, traffic noise, nuisance, access easements, size and shape and water/environmental problems. These adjustments were based on analyzing matched pairs of vacant sales, teardown sales, and improved sales, combined with appraisal experience and knowledge of the area.

The land model used only the highest view adjustment if there were two or more views.

For a complete list of sales in the Area, please visit the [sales lists](#), [eSales](#) or [Localscape](#)

Land Value Model Calibration

Area 46 Non Waterfont Land Schedule

Lot Size	Value
Townhome Lots	\$170,000
< 3001	\$250,000
3000-4000	\$410,000
4001-5000	\$420,000
5001-6000	\$430,000
6001-7000	\$440,000
7001-8000	\$450,000
8001-9000	\$460,000
9001-10000	\$470,000
10001-11000	\$480,000
11001-12000	\$490,000
12001-13000	\$500,000
13001-14000	\$510,000
14001-15000	\$520,000
15001-17000	\$530,000
17001-20000	\$540,000
20001-24000	\$550,000
24001-28000	\$560,000
28001-32000	\$570,000
32001-36000	\$580,000
36001-40000	\$590,000
40001-44000	\$600,000
44001-46000	\$610,000
46001-50000	\$620,000
Add \$1 for every 1 sf > 50000	

Neighborhoods		
NBHD Name	NBHD	Adjustment
View Ridge	1	1.00
Hawthorne Hills	1	1.00
Yeslertown	1	1.00
Windermere Upland	2	1.20
Laurelhurst Upland	2	1.20
Sand Point Country Club	3	1.30
Windermere	4	1.40
Laurelhurst	4	1.40
12Degrees North SFR	5	0.50
Cedar Park	7	0.75
Mathews Beach	7	0.75
Lake Forest Park	7	0.75
12Degrees North Townhomes	8	0.80
Windermere Waterfront Park	9	1.90
Inverness	10	1.00

Supplemental Model and Exceptions Land Value Model

Calibration... Continued

Negative Adjustments

Traffic Adjustments	
Moderate Arterial	-15%
High Arterial	-20%
Extreme Arterial (HWY 522)	-25%

Additional Adjustments	
Topography	-10% to -40%
Documented Unbuildable	-75% to -90%
Easements/Access	-5 to -10%
Streams/Wetland	-10% to -40%
Other Environmental	Up to -50%
Other Nuisances	-10% or Greater

Positive Adjustments

Sub Areas 6 & 9

Lake Washington View Adjustments	
Fair	20%
Average	30%
Good	50%
Excellent	70%

Sub Areas 2, 3, 4 & 5

Lake Washington View Adjustments	
Fair	10%
Average	15%
Good	25%
Excellent	35%

All Sub Areas

Mountain or Territorial Views (only if non-lake views)	
Fair	N/A
Average	5%
Good	10%
Excellent	15%

Supplemental Model and Exceptions Land Value Model

Calibration... Continued

Valuation Example

Example: A 7500 SF Site, NBHD 2 with Moderate Traffic in Sub Area 9 with Good Lake Washington View is calculated:

\$450,000 Base Land + NBHD Factor of 1.2 = **\$540,000** - 15% Moderate Traffic = **\$459,000** + 50% Good Lake Washington View = **\$688,500**. Final Truncated Value = **\$688,000**

Supplemental Model and Exceptions Land Value Model

Calibration... Continued

Area 46 Lake Washington Waterfront Base Land Schedule					
Windermere and Laurelhurst		Windermere Loop Waterfront		Sheridan/Riviera/Matthews Beach	
Neighborhood 25		Neighborhood 20		Neighborhood 15	
Site Size	Site Value	Site Size	Site Value	Site Size	Site Value
3001-4000	\$1,025,000	3001-4000	\$1,025,000	3001-4000	\$615,000
4001-5000	\$1,050,000	4001-5000	\$1,050,000	4001-5000	\$630,000
5001-6000	\$1,075,000	5001-6000	\$1,075,000	5001-6000	\$645,000
6001-7000	\$1,100,000	6001-7000	\$1,100,000	6001-7000	\$660,000
7001-8000	\$1,125,000	7001-8000	\$1,125,000	7001-8000	\$675,000
8001-9000	\$1,150,000	8001-9000	\$1,150,000	8001-9000	\$690,000
9001-10000	\$1,175,000	9001-10000	\$1,175,000	9001-10000	\$705,000
10001-11000	\$1,200,000	10001-11000	\$1,200,000	10001-11000	\$720,000
11001-12000	\$1,225,000	11001-12000	\$1,225,000	11001-12000	\$735,000
12001-13000	\$1,250,000	12001-13000	\$1,250,000	12001-13000	\$750,000
13001-14000	\$1,275,000	13001-14000	\$1,275,000	13001-14000	\$765,000
14001-15000	\$1,300,000	14001-15000	\$1,300,000	14001-15000	\$780,000
15001-17000	\$1,325,000	15001-17000	\$1,325,000	15001-17000	\$795,000
17001-20000	\$1,350,000	17001-20000	\$1,350,000	17001-20000	\$810,000
20001-24000	\$1,375,000	20001-24000	\$1,375,000	20001-24000	\$825,000
24001-28000	\$1,400,000	24001-28000	\$1,400,000	24001-28000	\$840,000
28001-32000	\$1,425,000	28001-32000	\$1,425,000	28001-32000	\$855,000
32001-36000	\$1,450,000	32001-36000	\$1,450,000	32001-36000	\$870,000
36001-40000	\$1,475,000	36001-40000	\$1,475,000	36001-40000	\$885,000
40001-44000	\$1,500,000	40001-44000	\$1,500,000	40001-44000	\$900,000
44001-46000	\$1,525,000	44001-46000	\$1,525,000	44001-46000	\$915,000
46001-50000	\$1,550,000	46001-50000	\$1,550,000	46001-50000	\$930,000

Negative Adjustments	
Traffic Adjustment	
Moderate Arterial	-15%
High Arterial	-20%

Additional Adjustments	
Topography	-10% to -40%
Documented Unbuildable	-75% to -90%
Easements / Access	-5 to -10%
Streams / Wetlands	-10% to -40%
Other Environmental	Up to -50%
Other Nuisance	-10% or Greater

Supplemental Model and Exceptions Land Value Model

Calibration... Continued

Area 46 Lake Washington Per Waterfront Foot Schedule					
NBHD 25 Waterfront Feet		NBHD 20 Waterfront Feet		NBHD 15 Waterfront Feet	
1-50 WFF	\$30,000	1-50 WFF	\$20,000	1-50 WFF	\$7,500
51-100 WFF	\$15,000	51-100 WFF	\$10,000	>=51 WFF	\$4,000
>=101 WFF	\$10,000	>=101 WFF	\$5,000		

Waterfront per foot calculation example: Apply value per foot of the first 50 waterfront feet plus value per foot for the next 50 waterfront feet plus value per foot for additional waterfront feet over 100 linear feet.

Example: A parcel in Sub Area 9, NBHD 25 with 105 Linear waterfront is calculated: (50 WFF x \$30,000 = **\$1,500,000**) + (50 WFF x \$15,000 = **\$750,000**) + (5 WFF x \$10,000 = **\$50,000**).

Total Waterfront foot value = **\$2,300,000**.

Supplemental Sub Area 6 and 9 Waterfront Land Adjustment	
Sub Area 6 Waterfront - High Bank/25,000-50,000 Dry Land	BLV Schedule x 1.5
Sub Area 6 Waterfront - All Bank Designations/>50,000 Dry Land	BLV Schedule x 1.75
Sub Area 6 Waterfront - Low-Med Bank/25,000-50,000 Dry Land	BLV Schedule x 1.75
Sub Area 9 Waterfront - Low Bank WF Lots Union Bay Side	BLV Schedule x 1.10
Sub Area 9 Waterfront - Low Bank WF Lots Lake Side	BLV Schedule x 1.25
Sub Area 9 Waterfront - Lake Washington Easterly Views	BLV Schedule x 1.05

Valuation Instructions

Waterfront Land Values are calculated based on Lake Washington Waterfront Base Land Schedule less Negative Adjustments plus Per Foot Waterfront Schedule x Supplemental Sub Area 6 and 9 Waterfront Land Adjustment if applicable. Final Value is truncated to nearest \$1,000

Valuation Example

Example: A 6500 square foot parcel in Sub Area 9, Neighborhood 25 with Moderate Traffic and has 105 Linear Waterfront feet that is Low Bank on Union Bay is calculated:

\$1,100,000 (Waterfront Base Land) less 15% (Moderate Traffic) = **\$935,000** + **\$2,300,000** (Waterfront Foot Schedule) = **\$3,235,000** x 1.10 (Supplemental Waterfront Land Adjustment for Low Bank / Union Bay) = **\$3,558,500**.

Final Truncated Value = **\$3,558,000**

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 1/1/2016.

The analysis of this area consisted of a systematic review of applicable characteristics which influence property values. Through this process an EMV (estimated market value) valuation model was derived for the whole area. In addition to standard physical property characteristics, the analysis showed the following variables were influential in the market.

- Age of Improvement less 5 years for year renovate
- Good Condition House
- Very Good Condition House
- Improvements > Grade 8
- Base Land Value
- Sub Area 2 but not including Neighborhood 15
- Sub Area 3
- Sub Area 9
- Neighborhood 3
- Neighborhood 15

In addition, supplemental models were developed to value parcels whose characteristics are outside the parameters of the main valuation formula.

Improved Parcel Total Value Model Calibration

Variable	Definition
Age YrRen	2016 Adjusted Base Land Value
BaselandC	
ComboCost	(House Cost New) + (Accessory Cost New Less Depreciation)
GoodYN	House condition is good
HiGradeYN	House Grade is greater than 8
Nghb15YN	Neighborhood 15
Nghb3YN	Neighborhood 3
SaleDay	Time Adjustment
Sub2lessNghb15	Sub Area 2 not including Neighborhood 15
Sub3YN	Sub Area 3
Sub9YN	Sub Area 9
VGoodYN	House condition is very good

Multiplicative Model

$(1-0.075) * 1.49505027153215 - 0.117358032175874 * \text{AgeYrRen} + 0.448506109249816 * \text{BaseLandC} + 0.523393271413953 * \text{ComboCost} + 0.0380231381932194 * \text{GoodYN} + 0.020911106174876 * \text{HiGradeYN} + 0.0859430951030575 * \text{Nghb15YN} + 0.0712015575686314 * \text{Nghb3YN} + 0.000237254334522232 * \text{SaleDay} - 0.0459865764625792 * \text{Sub2lessNghb15} - 0.0687399646200874 * \text{Sub3YN} + 0.0518659341421032 * \text{Sub9YN} + 0.0711371714904326 * \text{VGoodYN}$

EMV values were not generated for:

- Buildings with grade less than 5
- Building two or greater. (EMV is generated for building one only.)
- Buildings with condition less than average
- Mobile Homes (EMV is generated for building one only, if there is a house plus mobile home)
- If total EMV is less than base land value
- If net condition, obsolescence, or percent complete is greater than 0.
- Lot size less than 100 square feet
- Accessory Improvement only

Of the improved parcels in the population, 4253 parcels increased in value. They were comprised of 32 single family residences on commercially zoned land and 4221 single family residences or other parcels.

Of the vacant land parcels greater than \$1000, 199 parcels increased in value. Tax exempt parcels were excluded from the number of parcels increased.

Supplemental Models and Exceptions

Supplemental Improvement Models	
Accessory Improvement Only	RCNLD
Mobile Home Only	RCNLD or \$1,000
Grade = 4	RCNLD or \$1,000
Grade = 11 (Sub Area 2-3-4-5)	EMV x 0.940
Townhomes (Sub Area 4)	EMV x 1.229
Townhomes (Sub Area 6 & 9)	EMV x 0.914
Townhomes (Sub 3 / NBHD 5)	EMV x 0.944
View Utilization	EMV x 1.056
NBHD 2 (Sub Area 6 - Exception: Townhomes)	EMV x 0.962
NBHD 2 (Sub Area 9 Grade < 8 - Exception: Townhomes)	EMV x 0.936
NBHD 7 (Grade & 11)	EMV x 0.940
NBHD 8	EMV x 0.886
NBHD 10 (Exception: Grade 11)	EMV x 0.873
NBHD 15 (Exception: Grade 11)	EMV x 0.902
Sub Area 6 Waterfront	
Sub Area 6 WF - Grade 12 & 13	RCN x 2 + ACCY RCNLD
Sub Area 6 WF - Grade 11 >=50,000 SF Dry Land	RCN x 1 + ACCY RCNLD
Sub Area 6 WF - Grade 10	RCN x 1 + ACCY RCNLD
Sub Area 9 Waterfront - Lakeside / Med & High Bank	
Sub Area 9 WF - Grade 13 Custom Built House > YB/REN 2000	RCN x 4 + ACCY RCNLD
Sub Area 9 WF - Grade 11, 12 & 13 >=YB/REN 2000	RCN x 3 + ACCY RCNLD
Sub Area 9 WF - Grade 11 >=YB/REN 1980 < YB/REN 2000	RCN x 1.25 + ACCY RCNLD
Sub Area 9 WF - Grade 11 < YB/REN 1980	RCN x 1.5 + ACCY RCNLD
Sub Area 9 Waterfront - Lakeside / Low Bank	
Sub Area 9 WF - Grade 13 Custom Built or Renovated House	RCN x 4 + ACCY RCNLD
Sub Area 9 WF - Grade 13 (All Others)	RCN x 3 + ACCY RCNLD
Sub Area 9 WF - Grade 12 Custom Built or Renovated House	RCN x 3.5 + ACCY RCNLD
Sub Area 9 WF - Grade 12 (All Others)	RCN x 3 + ACCY RCNLD
Sub Area 9 WF - Grade 11 Custom Built or Renovated House	RCN x 3.5 + ACCY RCNLD
Sub Area 9 WF - Grade 11 >=YB/REN 2000	RCN x 2.5 + ACCY RCNLD
Sub Area 9 WF - Grade 11 < YB/REN 2000	RCN x 2 + ACCY RCNLD
Sub Area 9 WF - Grade 10 >=YB/REN 1990	RCN x 2.15 + ACCY RCNLD
Sub Area 9 WF - Grade 10 >=YB/REN 1980 < YB/REN 1990	RCN x 2 + ACCY RCNLD
Sub Area 9 WF - Grade 10 < YB/REN 1980	RCN x 1 + ACCY RCNLD
Sub Area 9 WF - Grade 9 (All Others)	RCN x 1 + ACCY RCNLD

Supplemental Model and Exceptions... Continued

Sub Area 9 Waterfront - Bayside / Low Bank	
Sub Area 9 WF - Grade 13 Custom Built House > YB/REN 2000	RCN x 4 + ACCY RCNLD
Sub Area 9 WF - Grade 13 Custom Built House > YB/REN 1980 < YB REN 2000	RCN x 3 + ACCY RCNLD
Sub Area 9 WF - Grade 13 >= YB/REN 1980 <= YB/REN 2000	RCN x 2.5 + ACCY RCNLD
Sub Area 9 WF - Grade 12 (All Others)	RCN x 2.25 + ACCY RCNLD
Sub Area 9 WF - Grade 11 > YB/REN 1940 < YB/REN 1960	RCN x 2 + ACCY RCNLD
Sub Area 9 WF - Grade 11 >= YB/REN 1990 < YB/REN 2010	RCN x 2.25 + ACCY RCNLD
Sub Area 9 WF - Grade 10 > YB/REN 1990 <= YB/REN 2010	RCN x 2.25 + ACCY RCNLD
Sub Area 9 WF - Grade 10 > YB/REN 2010	RCN x 3 + ACCY RCNLD
Sub Area 9 WF - Grade 9 (All Others)	RCN x 1 + ACCY RCNLD

Area 046 Market Value Changes Over Time

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, 2016**.

For example, a sale of \$475,000 which occurred on October 1, 2014 would be adjusted by the time trend factor of 1.115, resulting in an adjusted value of \$529,000 ($\$475,000 * 1.115 = \$529,625$) – truncated to the nearest \$1000.

SaleDate	Adjustment (Factor)	Equivalent Percent
1/1/2013	1.297	29.7%
2/1/2013	1.287	28.7%
3/1/2013	1.279	27.9%
4/1/2013	1.269	26.9%
5/1/2013	1.260	26.0%
6/1/2013	1.251	25.1%
7/1/2013	1.242	24.2%
8/1/2013	1.233	23.3%
9/1/2013	1.224	22.4%
10/1/2013	1.215	21.5%
11/1/2013	1.206	20.6%
12/1/2013	1.198	19.8%
1/1/2014	1.189	18.9%
2/1/2014	1.180	18.0%
3/1/2014	1.173	17.3%
4/1/2014	1.164	16.4%
5/1/2014	1.156	15.6%
6/1/2014	1.147	14.7%
7/1/2014	1.139	13.9%
8/1/2014	1.131	13.1%
9/1/2014	1.122	12.2%
10/1/2014	1.115	11.5%
11/1/2014	1.106	10.6%
12/1/2014	1.099	9.9%
1/1/2015	1.090	9.0%
2/1/2015	1.082	8.2%
3/1/2015	1.075	7.5%
4/1/2015	1.067	6.7%
5/1/2015	1.060	6.0%
6/1/2015	1.052	5.2%
7/1/2015	1.045	4.5%
8/1/2015	1.037	3.7%
9/1/2015	1.029	2.9%
10/1/2015	1.022	2.2%
11/1/2015	1.015	1.5%
12/1/2015	1.007	0.7%
1/1/2016	1.000	0.0%

Area 046 Market Value Changes Over Time

The time adjustment formula for Area 046 is: $1/\text{EXP}(0.000237254334522232 * \text{SaleDay} - 0 * \text{SaleDaySq})$

$\text{SaleDay} = \text{SaleDate} - 42370$

$\text{SaleDaySq} = (\text{SaleDate} - 42370)^2$

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 91.1% . 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 2016 assessment year (taxes payable in 2017) results in an average total change from the 2015 assessments of +2.4%. 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 2016 recommended values. This study benchmarks the prior assessment level using 2015 posted values (1/1/2015) compared to current adjusted sale prices (1/1/2016). The study was also repeated after the application of the 2016 recommended values. The results show an improvement in the COD from 10.57% to 9.63%.

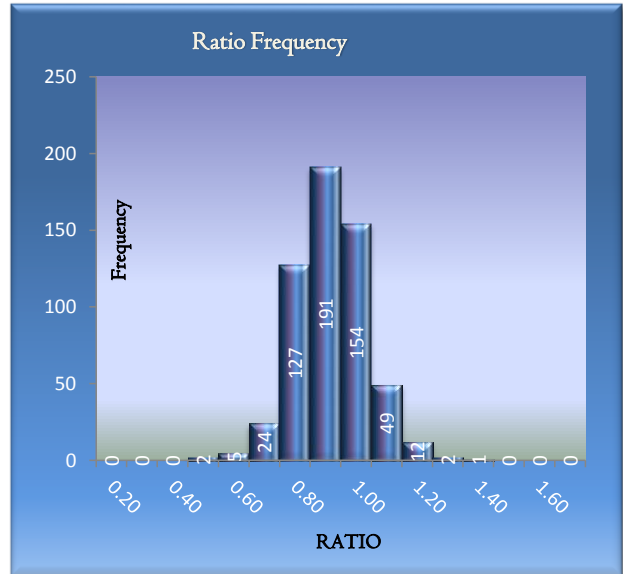
The Appraisal Team recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

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.

Physical Inspection Ratio Study Report (Before) - 2015 Assessments

District: NW / Team: 3	Appr.	Date of Report:	Sales Dates:
Area Name: Sheridan Beach to Laurelhurst	1/1/2015	8/30/2016	1/2013 - 12/2015
Area Number: 46	Appr ID:	Property Type:	Adjusted for time?
	CCOV	1 to 3 Unit Residences	Yes

SAMPLE STATISTICS	
Sample size (n)	567
Mean Assessed Value	1,023,800
Mean Adj. Sales Price	1,185,700
Standard Deviation AV	642,774
Standard Deviation SP	693,872
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.867
Median Ratio	0.862
Weighted Mean Ratio	0.863
UNIFORMITY	
Lowest ratio	0.463
Highest ratio:	1.384
Coefficient of Dispersion	10.57%
Standard Deviation	0.117
Coefficient of Variation	13.46%
Price Related Differential (PRD)	1.004
RELIABILITY	
95% Confidence: Median	
Lower limit	0.852
Upper limit	0.876
95% Confidence: Mean	
Lower limit	0.857
Upper limit	0.877
SAMPLE SIZE EVALUATION	
N (population size)	6142
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.117
Recommended minimum:	22
Actual sample size:	567
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	291
# ratios above mean:	276
z:	0.630
Conclusion:	Normal*
*i.e. no evidence of non-normality	



COMMENTS:

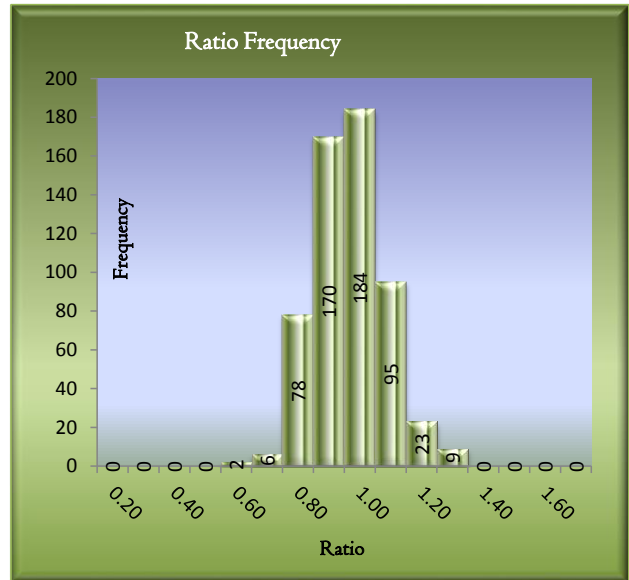
1 to 3 Unit Residences throughout Area 046

Sales Prices are adjusted for time to the Assessment Date of 1/1/2016

Physical Inspection Ratio Study Report (After) - 2016 Assessments

District: NW / Team: 3	Appr.: 1/1/2016	Date of Report: 8/30/2016	Sales Dates: 1/2013 - 12/2015
Area Name: Sheridan Beach to Laurelhurst	Appr. ID: CCOV	Property Type: 1 to 3 Unit Residences	Adjusted for time? Yes
Area Number: 46			

SAMPLE STATISTICS	
Sample size (n)	567
Mean Assessed Value	1,068,000
Mean Sales Price	1,185,700
Standard Deviation AV	599,098
Standard Deviation SP	693,872
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.917
Median Ratio	0.911
Weighted Mean Ratio	0.901
UNIFORMITY	
Lowest ratio	0.556
Highest ratio:	1.258
Coefficient of Dispersion	9.63%
Standard Deviation	0.111
Coefficient of Variation	12.15%
Price Related Differential (PRD)	1.018
RELIABILITY	
95% Confidence: Median	
Lower limit	0.902
Upper limit	0.922
95% Confidence: Mean	
Lower limit	0.907
Upper limit	0.926
SAMPLE SIZE EVALUATION	
N (population size)	6142
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.111
Recommended minimum:	20
Actual sample size:	567
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	300
# ratios above mean:	267
z:	1.386
Conclusion:	Normal*
*i.e. no evidence of non-normality	



COMMENTS:

1 to 3 Unit Residences throughout Area 046
 Sales Prices are adjusted for time to the Assessment Date of 1/1/2016.

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.

USPAP Compliance...Continued

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.

USPAP Compliance...Continued

- 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 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:
 - Paul Greatorex, Appraiser I
 - Appeals Response Preparation/Review
 - Mark King, Appraiser I
 - Appeals Response Preparation/Review
 - Erin McMurtrey, Appraiser I
 - Appeals Response Preparation/Review
 - Michael Mills, Appraiser I
 - Appeals Response Preparation/Review
 - Jason Rosenblatt, Appraiser L
 - Appeals Response Preparation/Review
- 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.
- To the best of my knowledge the following services were performed by me within the subject area in the last three years:
 - Christopher Coviello, Appraiser II
 - Annual Up-Date Model Development and Report Preparation
 - Data Collection
 - Sales Verification
 - Appeals Response Preparation / Review
 - Appeal Hearing Attendance
 - Physical Inspection Model Development and Report Preparation
 - Land and Total Valuation
 - New Construction Evaluation



08-31-2016

Appraiser II

Date



King County

Department of Assessments

King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0708
Seattle, WA 98104-2384
(206) 296-7300 FAX (206) 296-0595
Email: assessor.info@kingcounty.gov

John Wilson
Assessor

As we start preparations for the 2016 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, 2016 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