

Floating Home Specialty

Executive Summary

Appraisal Date: 1/1/18

Report Date: 7/23/18

Specialty: Floating Homes - Area 15 & Condo Area 730

Sales: 25 Sales Analyzed from 1/20/17 – 12/28/17

Population: 634 Parcels (143 Condo, 349 Co-op, 118 Leased & 26 Other)

Values: Annual value increase was 18.68%.

Physical Inspection: The Westlake neighborhood was inspected for this cycle.

The floating home specialty consists of several types of properties. Floating homes, floating barges, floating boatsheds, the docks associated with them and the slips they physically float on. The specialty also has several properties from the Residential division, where there is a waterfront residence on the parcel and a dock with floating homes, as well as Commercial Area 12, which is the waterfront specialty. In area 12, there are some commercial waterfront buildings or marinas that have floating homes.

Many floating homes typically have a moorage slip designated as a floating home moorage site, however there are a number of them that lease slips and may even move to different marinas from time to time. There are several types of floating home moorage and ownership structures within the owned moorage and non-owned moorage categories.

In the owned moorage category, the two predominant ownership types are condominium and cooperative. With condominiums, the individual home is owned as a unit in the condominium community and the owner typically owns the floating home and the specific slip the home floats on. With cooperatives, the land and docks are owned in common by the cooperative and members own a membership share which is a portion of the real property. The floating homes are personal property and are assessed as such. Both ownership forms typically have a monthly fee, a Home Owners Association (HOA) fee in the case of the condominiums and a monthly membership fee in the case of the cooperatives.

In the non-owned moorage category, the floating home is personal property and the owner of the real property is the owner of the docks, slips and land. The Seattle Municipal Code (SMC) regulates properties that fall into this category as there is a long history of improved lease protection, rent control on moorage fees and first right of refusal for tenants in the event a moorage slip is to be sold.

In both owned and non-owned moorage categories, there are leases of submerged land adjacent to the owned or leased lands. These are typically lands owned by the City of Seattle or the Washington State Department of Natural Resources via aquatic land leases. There are also docks that use land on the shore end of their docks under Street Use Permits issued by the City of Seattle. These lands are part of the submerged road right of way for a submerged street end and in the case for Fairview Avenue East.

There are three primary floating home neighborhoods which include Westlake, Eastlake and Portage Bay. However, there are also docks and floating home or floating boatshed properties at Northlake, Gasworks Park and various marinas throughout Lake Union, Portage Bay and Salmon Bay.

The valuation approach for the floating home specialty was via a market approach to value for the floating home slips and a cost index adjusted approach for the floating homes, floating barges and floating sheds. The slip valuation model was developed by past floating home specialty appraisers and adjusted for market appreciation. The slip values were analyzed by looking at market sales and extrapolating the structure value to analyze increases in slip values. The slip model is below and was adjusted upward by an average of 14% from the previous year. This was from analyzing floating home sales, several floating home slip sales and also by analyzing surrounding residential land values in each of the communities adjacent to the floating home communities.

2018 Assessment Year Slip Model

2018 AY					
1-, 1, 1+	341,000		375,000		413,000
2-, 2, 2+	511,500		558,000		608,000
3-, 3, 3+	716,100		773,000		835,000
4-, 4, 4+	930,900		996,000		1,066,000
5-, 5, 5+	1,117,100		1,184,000		1,255,000
6-, 6, 6+	1,340,500		1,408,000		1,478,000
7-, 7, 7+	1,642,100		1,724,000		1,810,000

Slip Model Grade Descriptions and Footnotes

Grade 1	Location, on shore or close proximity to shore			
	Limited or no lake access			
	Limited or no view			
	Average to Good Parking			
	Fair to Good Common Area Imps			
Grade 2	Location, typically middle of dock			
	Limited lake access			
	Limited view			
	Average to Excellent Parking			
	Fair to Good Common Area Imps			
Grade 3	Location, typically middle to end of dock			
	Average to Good lake access			
	Average to Above-average view			
	Average to Excellent Parking			
	Average to Excellent Common Area Imps			
Grade 4	Location, close proximity to or end of dock			
	Good lake access			
	Above-average to Good view			
	Average to Excellent Parking			
	Average to Excellent Common Area Imps			
Grade 5	Location, next to or end of dock			
	Good to Excellent lake access			
	Good to Excellent view			
	Average to Excellent Parking			
	Average to Excellent Common Area Imps			
Grade 6	Location, end of dock			
	Excellent lake access			
	Excellent view			
	Average to Excellent Parking			
	Average to Excellent Common Area Imps			
Grade 7	Location, end of dock			
	Excellent lake access			
	Excellent view			
	Excellent Parking			
	Excellent Common Area Imps			
Leased Slips are valued at a grade 1-.				
Slips that are 100% or partially over DNR or City of Seattle land are exempted proportionately.				

The floating home cost model was created by the past floating home specialty appraisers and is comprised of cost to build data derived from analysis of market sales and via local floating home builder input.

The model starts with a Replacement Cost New (RCN) and then each home is adjusted for depreciation based on its condition rating. The following is a chart depicting the % of the total cost amount based on the condition. Thus, if a property is in "Average" condition it is depreciated 25% from the RCN for that property.

Condition	Description	% Good
1	Poor	60
2	Fair	65
3	Below Average	70
4	Average	75
5	Good	80
6	Very Good	85
7	Excellent	90

Floating Home Structure Model

2018 AY										
Grade 3 @ \$285 SF			Grades @ \$306 SF			Grades @ \$329 SF				
Average Minus			Average			Average Plus				
% Good	95%	\$271	% Good	95%	\$291	% Good	95%	\$313		
	90%	\$257		90%	\$276		90%	\$296		
	85%	\$242		85%	\$260		85%	\$280		
	80%	\$228		80%	\$245		80%	\$263		
	75%	\$214		75%	\$230		75%	\$247		
	70%	\$200		70%	\$214		70%	\$231		
	65%	\$185		65%	\$199		65%	\$214		
	60%	\$171		60%	\$184		60%	\$198		
	55%	\$157		55%	\$169		55%	\$181		
	50%	\$143		50%	\$153		50%	\$165		
Grades @ \$390 SF			Grades @ \$422 SF			Grades @ \$455 SF				
Good Minus			Good			Good Plus				
% Good	95%	\$370	% Good	95%	\$401	% Good	95%	\$433		
	90%	\$351		90%	\$380		90%	\$410		
	85%	\$331		85%	\$359		85%	\$387		
	80%	\$312		80%	\$337		80%	\$364		
	75%	\$292		75%	\$316		75%	\$342		
	70%	\$273		70%	\$295		70%	\$319		
	65%	\$253		65%	\$274		65%	\$296		
	60%	\$234		60%	\$253		60%	\$273		
	55%	\$214		55%	\$232		55%	\$250		
	50%	\$195		50%	\$211		50%	\$228		
Grades @ \$535 SF			Grades @ \$575 SF			Grades @ \$618 SF				
Excellent Minus			Excellent			Excellent Plus				
% Good	95%	\$508	% Good	95%	\$546	% Good	95%	\$587		
	90%	\$482		90%	\$518		90%	\$556		
	85%	\$455		85%	\$489		85%	\$526		
	80%	\$428		80%	\$460		80%	\$495		
	75%	\$401		75%	\$431		75%	\$464		
	70%	\$375		70%	\$403		70%	\$433		
	65%	\$348		65%	\$374		65%	\$402		
	60%	\$321		60%	\$345		60%	\$371		
	55%	\$294		55%	\$316		55%	\$340		
	50%	\$268		50%	\$288		50%	\$309		