

Senior Housing & Nursing Homes

Specialty Areas: 153 & 174

Commercial Revalue for 2023 Assessment Roll



King County

Department of Assessments

Setting values, serving the community, and pursuing excellence

201 S. Jackson St., Room 708
Seattle, WA 98104-2384

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

Email: assessor.info@kingcounty.gov

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



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King Street Center
201 S. Jackson Street, KSC-AS-0708
Seattle, WA 98104

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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 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

Specialty Areas 153 & 174
2023 Assessment Year

 **King County**
Department of Assessments

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 727,000 residential, commercial and industrial properties. More specifically for commercial property, the Assessor breaks up King County into geographic or specialty (i.e., office buildings, warehouses, retail centers, etc.) market areas and annually develops valuation models using one or more of the three standard appraisal indicators of value: Cost, Sales Comparison (market) and Income. For most commercial properties the income approach is the primary indicator of value. The results of the models are then applied to all properties within the same geographic or specialty area.

Are Properties Inspected?

All property in King County is physically inspected at least once during each six year cycle. Each year our appraisers inspect a different geographic neighborhood. An inspection is frequently an external observation of the property to confirm whether the property has changed by adding new improvements or shows signs of deterioration more than normal for the property's age. From the property inspections we update our property assessment records for each property. In cases where an appraiser has a question, they will approach the occupant to make contact with the property owner or leave a card requesting the taxpayer contact them.

RCW 84.40.025 - Access to property

For the purpose of assessment and valuation of all taxable property in each county, any real or personal property in each county shall be subject to visitation, investigation, examination, discovery, and listing at any reasonable time by the county assessor of the county or by any employee thereof designated for this purpose by the assessor.

In any case of refusal to such access, the assessor shall request assistance from the department of revenue which may invoke the power granted by chapter [84.08](#) RCW.

How Are Commercial Properties Valued?

The Assessor collects a large amount of data regarding commercial properties: cost of construction, sales of property, and prevailing levels of rent, operating expenses, and capitalization rates. Statistical analysis is conducted to establish relationships between factors that might influence the value of commercial property. Lastly valuation models are built and applied to the individual properties. For income producing properties, the following steps are employed to calculate an income approach:

1. Estimate potential gross income
2. Deduct for vacancy and credit loss
3. Add miscellaneous income to get the effective gross income
4. Determine typical operating expenses
5. Deduct operating expenses from the effective gross income
6. Select the proper capitalization rate
7. Capitalize the net operating income into an estimated property value

How is Assessment Uniformity Achieved?

The Assessor achieves uniformity of assessments through standardization of rate tables for incomes, operating expenses, vacancy and credit loss collections and capitalization rates which are uniformly applied to similarly situated commercial properties. Rate tables are generated annually that identify specific rates based on location, age, property type, improvement class, and quality grade. Rate tables are annually calibrated and updated based on surveys and collection of data from local real estate brokers, professional trade publications, and regional financial data sources. With up-to-date market rates we are able to uniformly apply the results back to properties based on their unique set of attributes.

Where there is a sufficient number of sales, assessment staff may generate a ratio study to measure uniformity mathematically through the use of a coefficient of dispersion (aka COD). A COD is developed to measure the uniformity of predicted property assessments. We have adopted the Property Assessment Standards prescribed by the International Association of Assessing Officers (aka IAAO) that may be reviewed at www.IAAO.org. The following are target CODs we employ based on standards set by IAAO:

Type of Property - General	Type of Property - Specific	COD Range
Single-family Residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family Residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2-4-unit housing	5.0 to 20.0
Income-Producing Properties	Larger areas represented by samples	5.0 to 15.0
Income-Producing Properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant Land		5.0 to 25.0
Other Real and Personal Property		Varies with local conditions

Source: IAAO, *Standard on Ratio Studies*, 2013, Table 1-3.

More results of the statistical testing process is found within the attached area report.

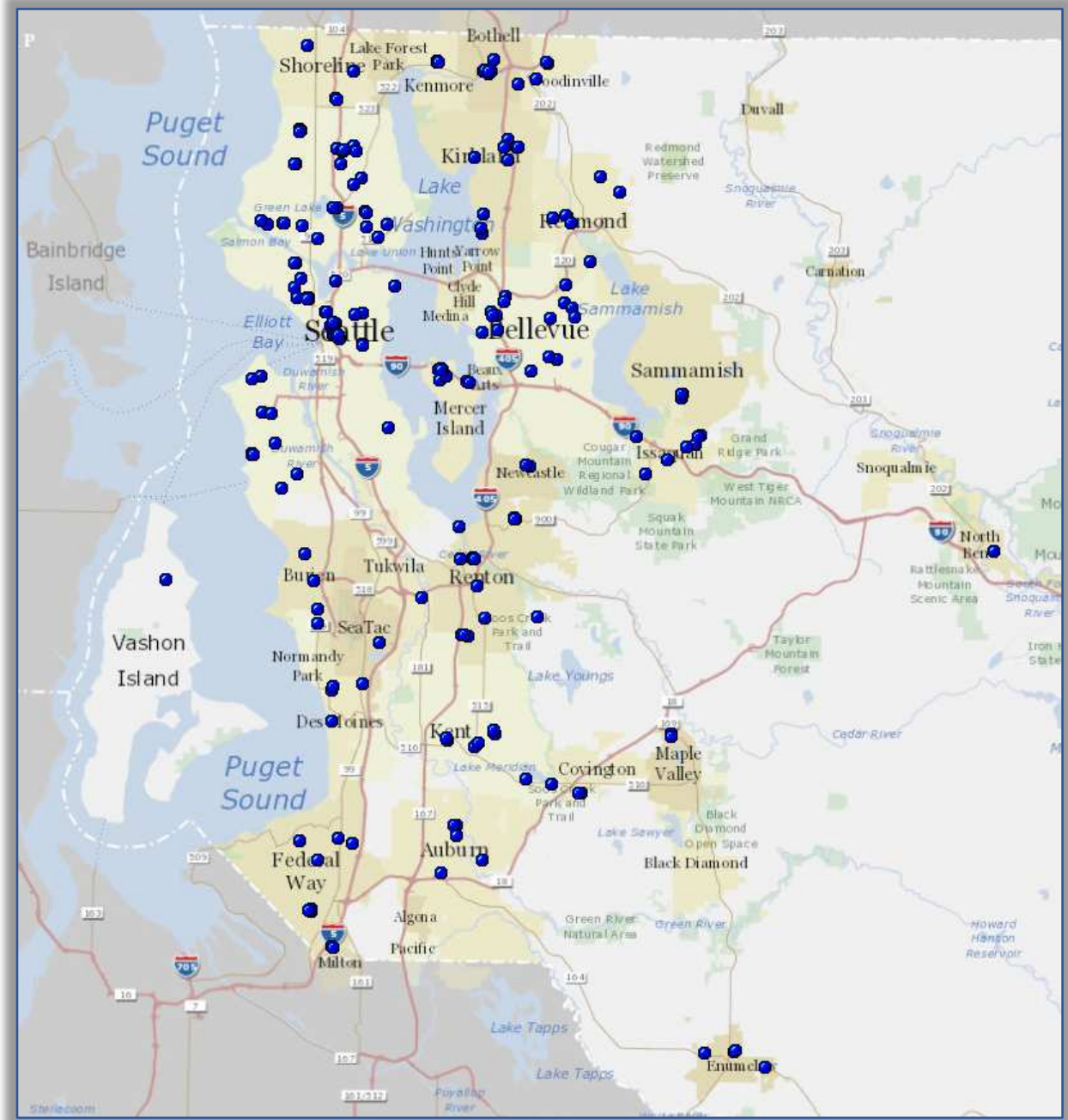
Requirements of State Law

Within Washington State, property is required to be revalued each year to market value based on its highest and best use. (RCW 84.41.030; 84.40.030; and WAC 458-07-030). Washington Courts have interpreted fair market value as the amount of money a buyer, willing but not obligated to buy, would pay to a seller willing but not obligated to sell. Highest and Best Use is simply viewed as the most profitable use that a property can be legally used for. In cases where a property is underutilized by a property owner, it still must be valued at its highest and best use.

Appraisal Area Reports

The following area report summarizes the property assessment activities and results for a general market area. The area report is meant to comply with state law for appraisal documentation purposes as well as provide the public with insight into the mass appraisal process.

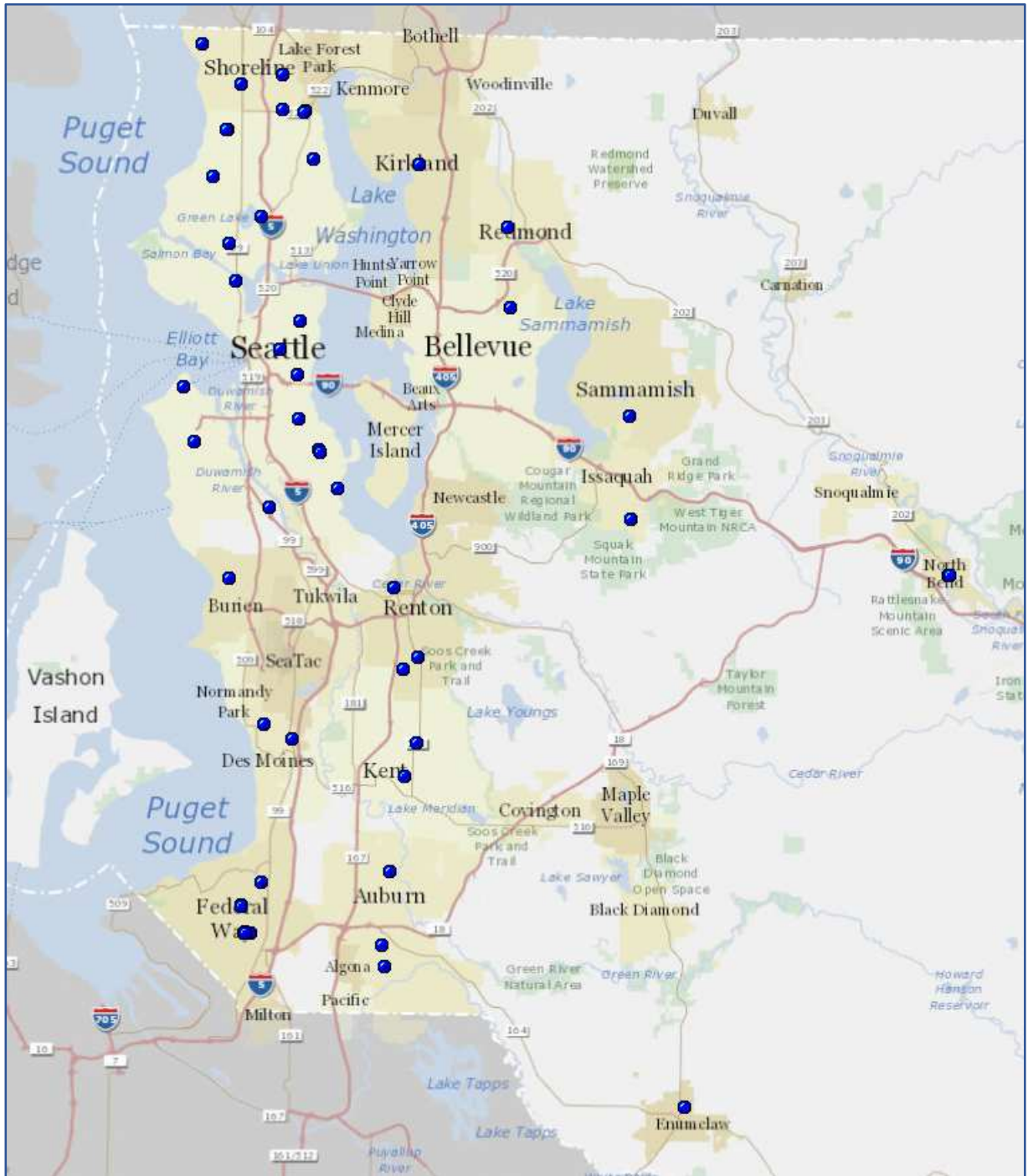
SPECIALTY AREA 153 MAP



Specialty Area 153
2023 Assessment Year

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SPECIALTY AREA 174 MAP



Specialty 174
2023 Assessment Year

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Executive Summary Report

Effective Date of Appraisal: January 1, 2023, Assessment Roll

Date of Appraisal Report: August 23rd, 2023

Specialty Name

- Senior Housing, Specialty Area 153
- Nursing Homes, Specialty Area 174

Improved Sales Summary

Specialty Area 153

- Number of sales: 0
- Range of sales dates: 01/01/2020 – 01/01/2023
- There were no sales of senior housing complexes homes that meet the requirements of a fair market transaction over the past three years.

Specialty Area 174

- Number of sales: 2
- Range of sales dates: 01/01/2020– 01/01/2023
- There were two sales of nursing homes that meet the requirements of a fair market transaction over the past three years.

All improved sales that were verified as market sales that did not have major renovation or have not been segregated or merged between the date of sale and the date of appraisal were included in the analysis. Transactions not identified as market sales include properties sold as a portion of a bulk portfolio sale; restructuring or partial interest sales that have the same or related entities as both buyers and sellers (RIDEA transactions), unknown value for personal property and business value included in sales price; sales that have had major renovations after the sale or have been converted to another use.

Sales - Ratio Study Summary

Due to the limited number of sales in specialty areas 153 and 174, a ratio study is not included. The ratio study would not be considered statistically valid.

Population – Parcel Summary Data

There are a total of 392 parcels within specialty areas 153 and 174. There are 163 Senior Housing Complexes (Area 153) in King County – 341 total number of parcels, 115 of which are

Specialty Areas 153 & 174

2023 Assessment Year



Department of Assessments

condominium units. There are 44 nursing homes (Area 174) in King County – 52 total parcels. The population includes both improved and vacant parcels. Facilities which have both senior housing and nursing services are assigned to the category appropriate for most units.

Specialty Area 153 – Retirement Homes

TOTAL POPULATION SUMMARY DATA			
	Land	Improvement	Total
2022 Value	\$1,166,368,075	\$3,259,479,526	\$4,425,847,601
2023 Value	\$1,246,478,400	\$3,426,729,000	\$4,673,207,400
Difference	\$80,110,325	\$167,249,474	\$247,359,799
% Change	6.9%	5.1%	5.6%

Specialty Area 174 – Nursing Homes

TOTAL POPULATION SUMMARY DATA			
	Land	Improvement	Total
2022 Value	\$255,615,900	\$256,410,800	\$512,026,700
2023 Value	\$279,334,800	\$255,156,000	\$534,490,800
Difference	\$23,718,900	(\$1,254,800)	\$22,464,100
% Change	9.3%	-0.5%	4.4%

Conclusions and Recommendations

With no market transactions of senior housing complexes (Spec 153) and only two nursing home sales (Spec 174), there were insufficient sales to rely on the Sales Comparison Approach in the 2023 revalue.

The lack of sales data combined with the difficulty in separating going concern value from the real property value makes the Income Approach undesirable for this property type.

The Cost Approach was judged to be the most reliable indicator of value for senior housing properties. Two external obsolescence adjustments were made; one was made to reflect the increased cost of construction and decreased investment return for this property type, and a second to recognize the lingering impact of COVID-19. The Sales Comparison and Income Approaches to valuation were not considered to be reliable indicators of value due to the lack of reliable market transactions and lack of data available to isolate intangible personal property value.

External Obsolescence

An external obsolescence adjustment to senior housing values was made to reflect increased building costs, lower investment returns for this property type as of January 1, 2023, and the lingering COVID-19 impact. The increased construction cost portion of the economic obsolescence adjustment was a negative 9% adjustment to RCNLD (replacement cost new, less depreciation) based upon a year-over-year 9% negative return on cost figure presented by CBRE's September 2022 Seniors Housing Development Cost Report. The COVID impact-related external obsolescence adjustment was made in the form of a lease-up discount present value lump sum adjustment. The cash flow loss associated with the difference in current (2023) occupancy and the assumed "stabilized" occupancy (pre-pandemic 2019) over the estimated absorption period was discounted into a present value lump-sum deduction applied to the adjusted RCNLD value.

Covid-19 decreased occupancy adjustment for senior housing properties was based on the difference in occupancy levels reported in the NIC MAP Metro Report 4th Quarter 2019 (pre-pandemic) and NIC MAP Metro Report 4th Quarter 2022 for assisted living facilities and nursing homes in King County. The NIC MAP Metro Report 4th Quarter 2022 report also provided the King County Sub-Market Assisted Living Average Daily Unit Rate of \$214.00 (\$6432/mo./30) was used to calculate all Specialty 153 lump sum deductions as well as the King County Sub-Market average Nursing Home Bed rent rate of \$68 (\$430 less \$362 allocated to typical services associated in bed rate per 37th SNF Cost Comparison and Industry Trends Report (2022) by Clifton Larson Allen LLP) for all Specialty 174 properties. The CBRE U.S. Seniors Housing & Care Investor Survey for 2023 did not predict an absorption rate. However, 18 to 24 months was predicted in the survey from 2022. An estimate of 12 months was used for both specialties. Discount rates of 9.3% for senior housing and 13.5% for nursing homes were based upon information provided in the 27th Annual Senior Housing Investment Survey 2022 from Senior Living Valuation Services Inc.

Specialty 153 has an increase in the assessed total value of 5.6% and Specialty 174 properties increased in value 4.4%. These increases are mainly due to higher land values as increased building costs have been primarily offset by the 9% downward economic obsolescence adjustment. The recommended values do not include the limited new construction improvement values that will be added later this year.

The values recommended in this report are intended to improve uniformity, assessment level and equity. In consideration of current market conditions, it is recommended that these values be posted for the 2023 assessment year.

Identification of the Specialty Areas

Specialty Area 153 Neighborhoods

Neighborhood Number	Name	Neighborhood Number	Name
Central Seattle		South Seattle	
15	Lower Queen Anne	165	Skyway
20	South Lake Union	200	Highland Park
40	Madison Park / Leschi	215	High Point
45	Queen Anne	South King County	
65	Capitol Hill East	240	Des Moines
85	First Hill	245	Burien
West Seattle		255	Sea Tac
225	Junction	270	Federal Way
230	Alki / Fauntleroy	290	Auburn North
235	Admiral	300	Enumclaw / Black Diamond
North Seattle		305	Kent Valley
90	Greenwood	310	Covington / Maple Valley
95	Lake City	315	Renton
100	Northgate	320	Benson / East Hill
110	University	330	Renton Highlands
115	Wallingford	Eastside	
125	Wedgewood	340	Mercer Island
135	Leary	350	Issaquah
145	Ballard West	360	Bellevue West
150	Greenlake	365	Bellevue East
155	Phinney	370	Kirkland
North King County		380	Totem Lake
385	Bothell	425	Woodinville
400	Kenmore	430	Redmond
415	Shoreline East	Rural King County	
420	Shoreline West	465	Snoqualmie

Specialty Area 174 Neighborhood

- 10 – King County

Area Boundaries

All nursing homes and retirement facilities within King County are included.

Specialty Areas 153 & 174

2023 Assessment Year



Department of Assessments

Maps

A general map of the area is included in this report. More detailed Assessor's maps are located on the seventh floor of the King Street Center or the assessor's website.

Area Overview

Retirement Facilities (153)

The most common types of senior housing are independent living, assisted living, and continuing care retirement communities (CCRC). In addition, some assisted living facilities have a special memory care section of the facility for persons with Alzheimer's or other forms of dementia. Full memory care units do not have kitchens and are secure to prevent the residents from wandering on their own. Regulations specify these facilities must provide qualified staff to always be present. Although there are no universally accepted standard definitions, retirement facilities can generally be characterized as follows:

Independent Living is multi-family housing designed for seniors who pay for some services (e.g., housekeeping, transportation, and meals) as part of the monthly fee or rental rate, but who require little, if any, assistance with the activities of daily living. They may have some home healthcare type services (e.g., eating, transferring from a bed or chair, and bathing) provided to them by in-house staff or an outside agency. Independent Living senior housing is not regulated by the federal government and may or may not be licensed at the state level. The units are like traditional apartment units and typically have full kitchens.

Assisted living residences are designed for seniors who need more assistance with activities of daily living, but do not require continuous skilled nursing care. Assisted living units may be part of a congregate senior housing residence or a continuing care retirement community. They may be contained in a property that supports assisted living units and nursing beds or may be in a dedicated assisted living residence. The units are similar to traditional apartment units, although they may not have full kitchens, but kitchenettes with a sink, refrigerator, and microwave.

Memory Care is a subset of Assisted Living and is designed for those with Dementia or Alzheimer's. The units will be secure and have limited or no cooking facilities.

Assisted living is still more residential than health care and remains a 100% private pay business. They are licensed as boarding homes in Washington and subject to more stringent state regulations than congregate seniors housing. Assisted Living and Boarding Home Reform was passed in March of 2000 to improve equitable regulations of assisted living. The rules aim to create more options and assure safety; they address medication, staff training, meal control, and residents' rights.

Continuing care retirement communities are senior living complexes that provide a continuum of care including housing, healthcare, and various supportive services including memory care.

Health care (e.g., nursing) services may be provided directly or through access to affiliated healthcare facilities. Fees are structured as a refundable (or partially refundable) entrance fee plus a monthly fee; as equity ownership (cooperative or condominium) plus a monthly fee; or as a rental program. CCRCs are not regulated by the federal government but are subject to state licensing and regulation in most states.

The most prevalent type of facility is one that provides both independent living and assisted living. CCRCs are places where seniors can go while they are still independent and live among their peers, form new friendships, and still go out and about in the community outside the campus.

The growing trend in the senior housing industry is to combine a variety of housing and services in one campus. The goal is to have residents age in one place, without the need to move off campus as their needs change. These facilities will have senior apartments with age restrictions but few services, combined with on-site meal plans for independent living, then adding varying assisted living services, and providing a section for memory care and a skilled nursing facility. Emerald Heights¹ in Redmond, and Timber Ridge at Talus² in Issaquah are examples of this concept.

Nursing Homes (174)

As our population ages, individuals needing continuing skilled nursing care leave the family setting for nursing homes. Individuals recovering from major illness or surgery may also need nursing homes on a temporary basis (respite care). Nursing facilities provide various levels of health care service on a 24-hour basis in addition to shelter, dietary, housekeeping, laundry, and social needs. Nursing facilities include intermediate, skilled, and sub-acute care. In some cases, nursing homes may be part of a CCRC. Nursing homes are often referred to as convalescent hospitals or rehabilitation facilities.

Newer nursing homes have larger bed areas and are usually two-bed rooms (semi-private) or one-bed room (private).

The nursing home industry in Washington is comprised of both for-profit and nonprofit homes. The King County assessment rolls show approximately 40% of the Nursing Home parcels as exempt or partially exempt.

In Washington State, the Certificate-Of-Need Program (CON) regulates nursing homes. The CON Program is a regulatory process that requires certain healthcare providers to get state approval before building certain types of facilities, such as nursing homes, or offering new or expanded services. For example, a certificate of need is required if a nursing home wants to add to the number of its licensed beds. Washington has estimated bed need to be 40 beds per 1,000 persons

¹ <http://www.emeraldheights.com/>

² <http://www.timberidgecs.com/>

of age 70 and older. King County is projected to have 24 beds per 1,000 persons aged 70 and older.³ Therefore, the bed need for King County (as of 2023) was not met under the current guidelines (report for 2023-2025).

There are currently no new stand-alone nursing homes under construction in King County. The stand-alone nursing home model of care has been in decline for years. Factors such as the high cost of skilled nursing and cuts to Medicare and Medicaid will likely accelerate this trend. Other deterrents for growth include evidence that nursing homes are rarely built on a speculative basis and building codes for these facilities are very stringent. Most stand-alone nursing homes in King County were constructed in the 1960's & 1970's.

Senior Housing & Nursing Home Market Overview

The pandemic had a dramatic impact on occupancy levels in Senior Housing properties. Throughout the United States occupancy rates for senior housing (independent living, assisted living and memory care) declined from 87.3 (beginning of the pandemic) to around 78.2 percent in 1Q2021 (worst quarter) and have increased to 82.9 percent in 3Q2022.⁴ In the Seattle metro area, occupancy declined 70 bps in the past year due to inventory growth of 411 units and absorption of 162 units. The Seattle Metro Senior Housing occupancy rate fell from 4Q2021 84.70 percent to 4Q2022 81.3 percent.⁵ Senior Housing rents increased 4.8% during this past year.⁶ Throughout the United States SNF (skilled nursing facilities) occupancy rates declined from 86 percent (beginning of pandemic) to 73.7 percent in 1Q2021 and increased to 79 percent in 3Q2022.⁷ In Seattle Metro SNF occupancy has increased to 79.2 percent with increases partially due to inventory decline. Rents increased 5.1% throughout the year. SNF occupancy in King County rose to 78.9% with 4.5% YOY rent growth.⁸

Operation challenges such as rising labor costs (significantly more impact to SNF), high construction costs and tightened lending slowed new development of senior housing properties. Throughout the United States as of 3Q2022 the annualized rate of new construction rate of increase is approximately 5%, down 1 to 2 percent from the previous five years.⁹ In the Seattle Metro market inventory growth has declined for Senior Housing with only five new projects currently under construction in King County and several other projects building additions. New

³ Washington State Nursing Home Bed Forecast - [2023-2025 70+ NHBedForecast-Corrected.xlsx \(wa.gov\)](#)

⁴ IRR 2023 Health Care and Senior Housing Time For A Long-Term Perspective Pg. 1

⁵ NIC MAP Metro Report 4th Quarter 2022 Pgs.3, 11 & 2021 NIC MAP Report Pg. 11

⁶ NIC MAP Metro Report 4th Quarter 2022 Pg.3

⁷ IRR Healthcare & Senior Housing Pg. 1

⁸ NIC MAP Metro Report 4th Quarter 2022, Seattle, WA, Pg. 3, 11

⁹ IRR 2023 Viewpoint Pg.2

construction in the SNF sector is much more limited than for senior housing. There was a record number of Skilled Nursing Facility closures in 2022.¹⁰

Senior Housing has experienced many challenges since the pandemic began. Currently labor shortage issues, higher interest rates, inflation, and high construction cost are impacting this sector. However, the 80+ population in the United States is expected to grow by nearly 50% in the next decade¹¹ resulting in a positive longer-term perspective.

Analysis Process

Effective Date of Appraisal: January 1, 2023

Date of Appraisal Report: August 23, 2023

The following appraiser prepared the valuation analysis for commercial specialty areas: Specialty Area 153, Senior Housing and Specialty Area 174, Nursing Homes.

- Diane Owings – Commercial Appraiser II

Highest & Best Use Analysis

As if Vacant: Market analysis, together with current zoning, indicate the highest and best use of most of the population as commercial. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. The current improvements do add value to the property in most cases and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of \$1,000 is assigned to the improvements and the property may be removed from senior housing specialty and returned to the geo-appraiser.

Interim Use: In many instances, a property's highest and best use may change in the foreseeable future. For example: a tract of land at the edge of a city might not be ready for immediate development, but growth trends may suggest it should be developed in a few years. Similarly, there may be insufficient demand for office space to justify the construction of a new building at the present time, but increased demand may be expected in the future. In such situations, the

¹⁰ IRR Healthcare & Senior Housing Pg. 2

¹¹ JLL Seniors Housing and Care Pg.

immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible. Therefore, it is classified as interim use.

Standards and Measurement of Data Accuracy: Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected, when necessary, by field inspection, review of plans, marketing information, and rent rolls when available.

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal. The following departmental guidelines were considered and adhered to:

- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standards 5 and 6.
- A meaningful time trend analysis was not conducted due to a lack of data. Therefore, time adjustments were not made to the sales population.

Area Description

Nursing homes and Senior Housing complexes are dispersed throughout the county. For purposes of the revaluation of the retirement home specialty, the population has been segmented into eight regions (super groups). These regions are generally described by their geographic location.

The following is a brief description of each specialty and notable market activity, if any, occurring in each area.

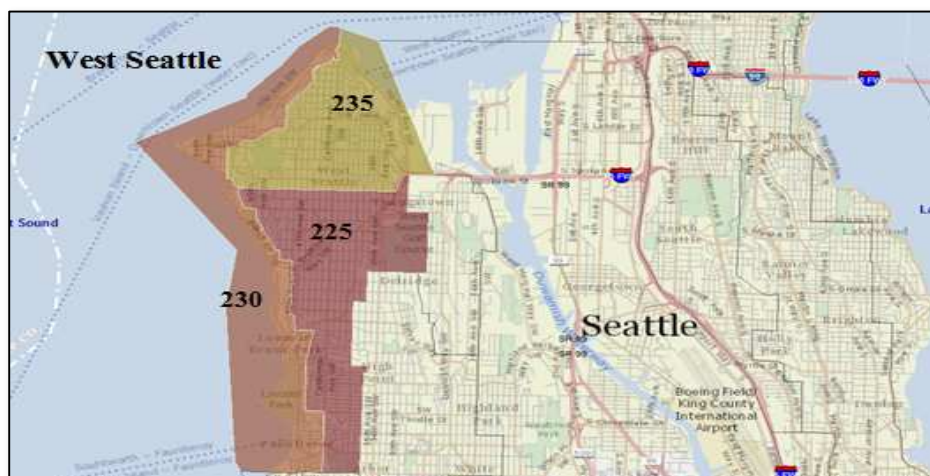
Central Seattle Super Group



The Central Seattle region represents 20% of the Specialty Area 153 population. Senior Housing complexes located closer to downtown Seattle tend to be mid-rise to high-rise. Projects located within more residential neighborhoods are low-rise to mid-rise buildings. The largest concentrations of senior housing properties are located within the First Hill neighborhood in the City of Seattle. First Hill has a high concentration of health-related services, which makes it an ideal location for retirement homes.

There are currently no new projects in the Central Seattle region.

West Seattle Super Group



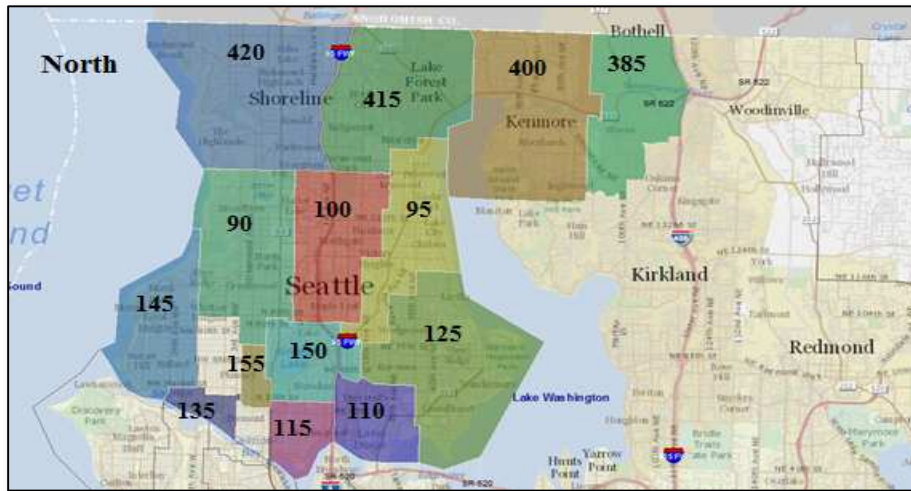
Specialty Areas 153 & 174
2023 Assessment Year



Department of Assessments

The West Seattle region represents 5% of the Specialty Area 153 population. The improvements tend to be mid-rise buildings. The West Seattle region is characterized by walkable commercial districts and popular parks including Alki Beach. West Seattle is an ideal location for residents looking for urban conveniences and a family-oriented neighborhood. There are currently no projects under construction in the West Seattle region.

North Seattle and North King County Super Group



The North region represents 23% of the Specialty Area 153 population. The improvements tend to be low to mid-rise. The largest concentrations of senior housing complexes are in the north end in the City of Seattle. There are a couple of new projects under construction in the North region of King County which are provided below:



- Aegis Living Laurelhurst - This project is located on the 5 corners intersection near University of Washington, Laurelhurst, Ravenna, Bryant, and University Village and will open in the spring of 2024. The six-story building will have 136 assisted living and memory care units with 63 underground parking spaces. This good quality project will have about 148,000/SF and include amenities such as pub/sports lounge, cinema, bistro, rotunda, and private dining room.



- Aegis Living Ballard a good quality, 5-story, memory care and assisted living senior housing complex with below grade parking. This project is located on NW Market St in Ballard with amenities that include restaurant style dining, roof top deck, theatre, music room, and lounge.

South Seattle Super Group



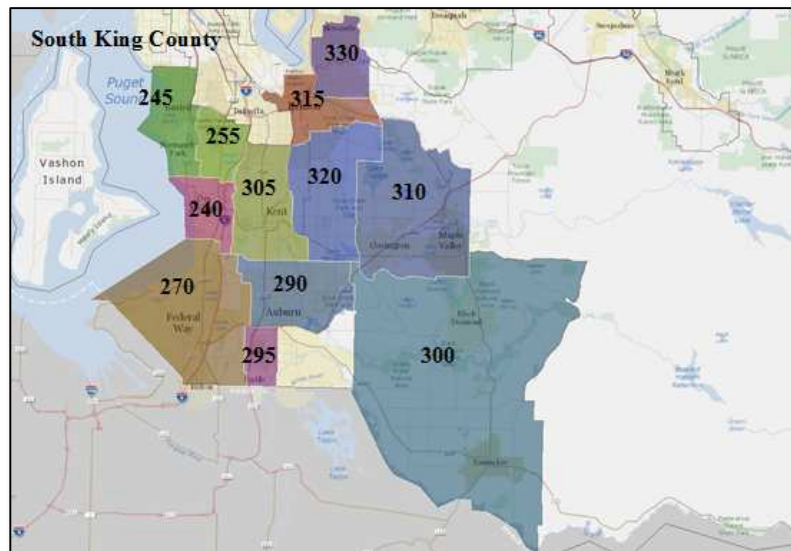
Specialty Areas 153 & 174
2023 Assessment Year



Department of Assessments

The South Seattle region represents 2% of the Specialty Area 153 population. The improvements tend to be low-rise to mid-rise. There are currently no new projects under construction in the South Seattle area of King County.

South King County Super Group



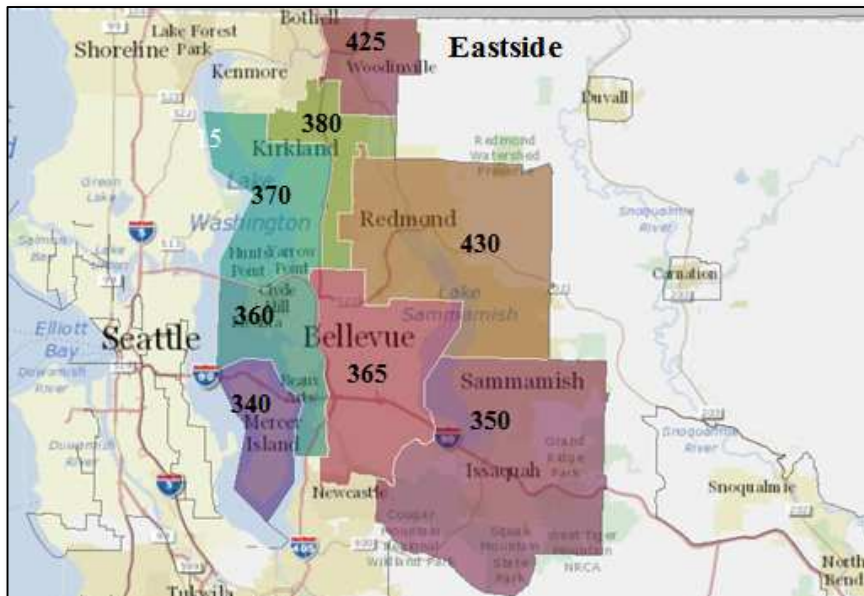
The South King County region represents 24% of the Specialty Area 153 population. South King County is characterized by urban and large rural areas. The improvements are comprised of low-rise to mid-rise buildings and concentrated mainly in dense urban centers. Health care amenities are primarily located within the dense urban centers.

A brief summary of one project in the South region of King County is provided below:



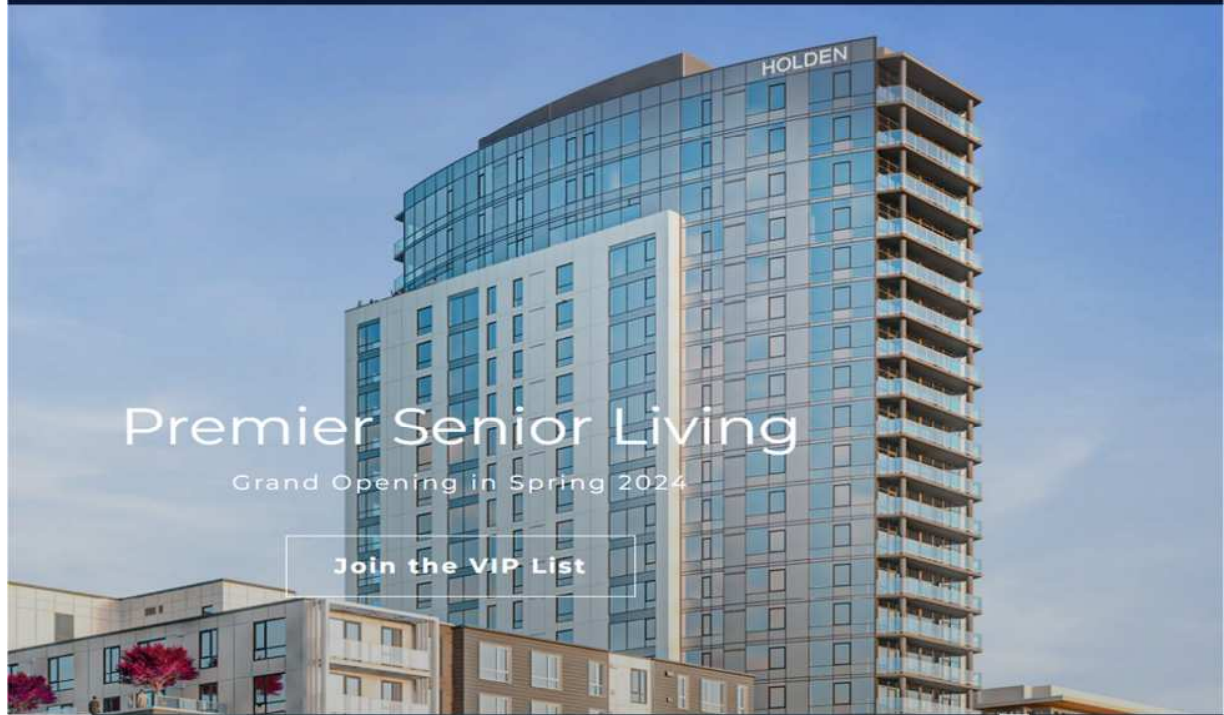
- **Bonaventure Maple Valley** – Almost completed construction of independent living, assisted living and memory care community. The complex will be 180,641/SF with 164 units. Amenities will include activities center, billiard room, private dining room, salon, gym and resident dining and communal lounges.

Eastside Super Group



The Eastside region represents 25% of the Specialty Area 153 population. The improvements tend to be low-rise to mid-rise with the inclusion of one high-rise tower located in downtown Bellevue (and another under construction). The Eastside region is characterized by urban and suburban areas with many available commercial amenities. Health care amenities are primarily located within the dense urban centers.

A brief summary of projects in the Eastside region of King County is provided below:

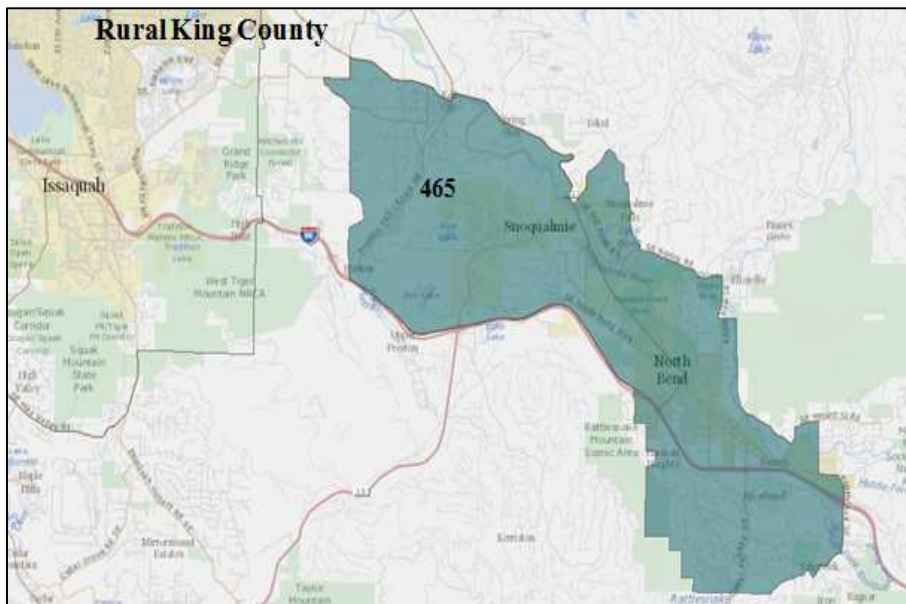


- Holden of Bellevue The Residences – A 22-story independent living tower adjacent to Holden of Bellevue. This very good quality project will have 155-units and is scheduled for completion in the winter of 2024. Complex amenities include a bistro, ground floor outdoor plaza with water feature, a fitness center, and group exercise room, clubroom & outdoor deck with views of downtown Bellevue, and private sky-level dining room with a fireplace.



- The Inn at Belle Harbour – 4-story memory care complex close to the end of construction. This good quality complex with 138 memory care units is located on 116th Ave NE, near hospitals and medical services. Amenities include a club room, interior courtyard, salon, sunroom, and gathering lounge.

Rural King County Super Group



Specialty Areas 153 & 174
2023 Assessment Year



Department of Assessments

The Rural King County region represents 1% of the Specialty Area 153 population and is characterized by large rural areas. Rural King County is generally located east of the more densely populated urban centers. Major health care amenities are primarily located within the dense urban centers. There is currently no new construction of retirement homes in the Rural King County region.

Scope of Data

Physical Inspection Identification: For the 2023 assessment year, as required by WAC 458-07-0154 (A), one sixth of the population was physically inspected. An exterior observation of the properties was made to verify the accuracy and completeness of property characteristic data. The inspected properties are listed in the Addenda. Other properties were also inspected as noted in the Assessor’s records for purposes of sales or data verification. Selected retirement homes and nursing homes from the East King County super group were inspected this year prior to posting the 2023 specialty areas 153 and 174 values. A list of physically inspected parcels is included in this report.

Geo Neighborhood		Location	Inspected Parcel Count	Total Parcel Count	Percent of Parcel Count
153	Various	East King County	29	230	12.61%
174	10	East King County	3	52	5.77%
Specialty Areas 153 and 174 Physical Inspection Tot			32	282	11.35%

Land Value: The respective geographic appraiser valued the land. A list of vacant sales used and those considered not representative of market are included in the geographic appraiser’s Area Reports.

Improved Value: 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 considered were verified, if possible, by contacting the participants, researching data online including CoStar, and inquiring in the field. Characteristic data is verified for all sales if possible. Sales are listed in the “Sales Used” and “Sales Not Used” sections of this report. Additional information resides on the Assessor’s website.

Issues in Valuation

The challenge of valuing retirement and nursing facilities for ad valorem tax assessments is to separate the real estate value from that of the business. In most instances, these facilities sell as a total business operation without separating the intangible business and personal property value. Because of this practice, only sales that have been verified as reflecting real estate value only, and those in which the business value can be determined with some confidence, are considered. For the 2023 revalue, there are no transactions of senior properties verified as good

sales mainly due to portfolio and related party (RIDEA) structure. There are two nursing home sales verified as good. For the 2023 revaluation, retirement facilities and nursing homes are valued using the cost approach utilizing the Assessor's built-in Marshall and Swift Cost Estimator program. The Cost Approach was selected as the best method due to the following:

- Lack of rental data for land/building only for retirement properties.
- Income of retirement properties includes intangibles.
- Preponderance of portfolio and related party (RIDEA) sale transactions for senior housing communities.
- Lack of data regarding lease rates and sales for nursing homes.

Sales Comparison Approach

It is difficult to make direct sale comparisons as nursing homes and senior housing complexes are designed to fit a particular location, market niche, level of care, and method of operation. These unique traits make substitution difficult. Sales often require major adjustments that are based on subjective analysis due to lack of empirical comparable data. Often these properties sell with long-term management contracts in place and between related parties (operating and managing companies sharing ownership). Senior housing and nursing homes are often purchased as part of a multi-property portfolio sale. Portfolio sales may include properties located throughout the region or nationwide making the true sales price difficult to determine. Sales that fail to isolate the value attributable to the real property, or distinguish the income attributable to the business from that attributable to the real estate are not relied upon.


A brief summary of the market transactions is provided below:


Specialty Area 153: Senior Housing

No sales were verified as good.

Specialty Area 174: Nursing Homes

Two sales were verified as good:

Property Name	Characteristics	Comments
	<i>Parcel Number</i>	Property located in Auburn. Listing agent involved but no buying agent. Per CoStar purchased as an investment property - was the downleg of 1031 exchange.
	192105-9110	
	<i>Excise Tax Number</i>	
	3097231	
	<i>Sale Date</i>	
	2/1/2021	
	<i>Sale Price</i>	
	5,950,000	
<i>Sale Price per Unit</i>		
	\$61,979	

Property Name	Characteristics	Comments
	<i>Parcel Number</i>	Skilled nursing facility in North Bend. No agents involved in the sale.
	8036200055, 0070, 0075	
	<i>Excise Tax Number</i>	
	3117343	
	<i>Sale Date</i>	
	4/30/2021	
	<i>Sale Price</i>	
	\$2,100,000	
<i>Sale Price per Unit</i>		
	\$32,813	

Cost Approach

The cost approach was the primary valuation methodology utilized for Specialty 153 and 174 properties. The Marshall & Swift Valuation modeling system which is built into the Real Property Application is calibrated to the region and the Seattle area. Depreciation was based on studies done by Marshall & Swift Valuation Service. The Marshall & Swift cost calculations are automatically calibrated to the data in the Real Property Application.

New construction was generally valued according to the estimated percent complete as of July 31st using the cost approach from the computerized valuation model supplied by Marshall & Swift and adapted by the Department of Assessments. Traditionally, for Senior Housing Facilities and Skilled Nursing Facilities, the cost approach has been considered the best method for extracting the value of the building from the total business entity's value.

Effective year, rather than year built, is used to calculate physical depreciation in the cost approach. The effective year reflects upgrades and remodeling after original construction and considers the remaining economic life of the improvements. The extended-life theory method was utilized in calculating depreciation. For this technique, the typical life of the building as determined from Marshall & Swift Occupancy and Class Codes and the estimated effective age are used to identify the rate of depreciation from the Marshall & Swift Commercial Depreciation Table.

External Obsolescence

An external obsolescence adjustment to senior housing values was made to reflect increased building costs and lower investment returns for this property type as of January 1, 2023, as well as the impact of COVID-19. The increased construction cost portion of the economic obsolescence adjustment was a negative 9% adjustment to RCNLD based upon a year over year 9% negative return on cost figure presented by CBRE's September 2022 Seniors Housing Development Cost Report.

A second external obsolescence adjustment was made to reflect the lingering impact of COVID-19 on senior housing and nursing home values as of January 1, 2023. The COVID impact related external obsolescence adjustment was made in the form of a lease-up discount present value lump sum adjustment. The cash flow loss associated with the difference in current (2023) occupancy and the assumed "stabilized" occupancy (pre-pandemic 2019) over the estimated absorption period was discounted into a present value lump-sum deduction and applied to the adjusted RCNLD value.

As stated earlier in the report, Covid-19 decreased occupancy adjustment for senior housing properties and was based upon the difference in occupancy levels as reported in the NIC MAP Metro Report 4th Quarter 2019 (pre-pandemic) and NIC MAP Metro Report 4th Quarter 2022 for assisted living facilities and nursing homes in King County. The NIC MAP Metro Report 4th Quarter 2022 report also provided the King County Sub-Market Assisted Living Average Daily Unit Rate of \$214.00 (\$6432/mo./30) which was used to calculate all Specialty 153 lump sum deductions as well as the King County Sub-Market average Nursing Home Bed rent rate of \$68 (\$430 less \$362 allocated to typical services associated in bed rate per 36th SNF Cost Comparison and Industry Trends Report (2022) by Clifton Larson Allen LLP) for all Specialty 174 properties. The CBRE U.S. Seniors Housing & Care Investor Survey for 2023 did not predict an absorption rate, however, 18 to 24 months was predicted in the survey from 2022. An estimate of 12 months (remaining) was used for both specialties. Discount rates of 9.3% for senior housing and 13.5% for nursing homes were based upon information provided in the 27th Annual Senior Housing Investment Survey 2022. See the two templates in the next page.

The template format below was borrowed from another large assessment jurisdiction in the United States. The template calculates a lease-up discount using the specific facility room/bed count, the assumed stabilized occupancy rate (4th Quarter 2019), the COVID-19 impacted occupancy rate (4th Quarter 2021) and discounts the difference in income due to increased vacancy (income loss) over the assumed absorption time into a present value loss estimate which is then deducted from the depreciated improvement cost estimate. This deduction is intended to reflect the external obsolescence due to COVID-19 market impacts.

Senior Housing Lease-Up Discount (External Obsolescence) example:

Specialty 153 Senior Housing Facilities - Lease-up Discount Assumptions					
Mkt Mo Rate	Mkt Daily Rate	Present Occupancy	Stabilized Occupancy	Absorption Period	Discount Rate
\$6,432	\$214.00	81.3%	89.2%	12 mo	9.30%

Senior Housing Types DISCOUNT FOR LEASEUP-			
Number of Rooms	0		
Total Available Room-Nights	0	Room-Nights	
Current Occupied Room-Nights	0	Room-Nights	
Present Occupancy %	81.3%		
Stabilized Occupancy (Projected)	0	Room-Nights	
Stabilized Occupancy %	89.2%		
Rooms to be Absorbed	0	Room-Nights	
Absorption Period for Rooms (Max 36 months)	12	Months	
Rooms Absorption per Year	0	Room-Nights	
Rooms Absorption per Month	0	Rooms-Nights	
Food & Beverage & Other Revenue per Room %	0%		
Food & Beverage & Other Revenue per Room	\$0.00	/ Room-Night	
REV PAR	\$214.00	/ Room	
Room Upgrades or Reserve Per Room per Room-N	\$0.00	/ Room-Night	
Discount Rate	9.30%		
PV OF LEASEUP COSTS =	\$0	PV of leaseup costs	

Nursing Home Lease-Up Discount (External Obsolescence) example:

Specialty 174 Nursing Homes - Lease-up Discount Assumptions					
Mkt Daily Rate*	Room Only Rent Rate	Present Occupancy	Stabilized Occupancy	Absorption Period	Discount Rate
\$430.00	\$68.00	78.9%	83.2%	12 mo	13.50%

*Includes services of \$362.00

Senior Housing Types DISCOUNT FOR LEASEUP-			
Number of Rooms	0		
Total Available Room-Nights	0	Room-Nights	
Current Occupied Room-Nights	0	Room-Nights	
Present Occupancy %	78.9%		
Stabilized Occupancy (Projected)	0	Room-Nights	
Stabilized Occupancy %	83.2%		
Rooms to be Absorbed	0	Room-Nights	
Absorption Period for Rooms (Max 36 months)	12	Months	
Rooms Absorption per Year	0	Room-Nights	
Rooms Absorption per Month	0	Rooms-Nights	
Food & Beverage & Other Revenue per Room %	0%		
Food & Beverage & Other Revenue per Room	\$0.00	/ Room-Night	
REV PAR	\$68.00	/ Room	
Room Upgrades or Reserve Per Room per Room-N	\$0.00	/ Room-Night	
Discount Rate	13.50%		
PV OF LEASEUP COSTS =	\$0	PV of leaseup costs	

Income Approach

The income approach is a common appraisal methodology that capitalizes real estate income into an estimate of property value. The income approach becomes complicated when used to estimate the value of retirement and nursing homes since actual revenue and expense statements of these property types typically represent a going concern operation rather than an income statement based on real property only (land and building).

The Income Approach was therefore, not relied on for Specialty 153 or 174 properties.

Reconciliation

In arriving at a final value, each parcel was individually reviewed. Retirement facilities and nursing homes were ultimately valued using the cost approach. The Cost Approach was considered to be the most reliable indicator of value for both the retirement facility and nursing home specialties. An external obsolescence adjustment in the form of a lease-up discount was applied to recognize the lingering impact of COVID-19 to the value of these property types. The Sales Comparison and Income Approaches to valuation were not considered to be reliable indicators of value due to the lack of reliable data available to isolate intangible personal property value.

Model Validation

Total Value Conclusions, Recommendations, and Validation

Appraiser judgment prevails in all decisions regarding individual parcel valuation. The assessed value is selected based on general and specific data pertaining to the parcel, neighborhood, and the market. The appraiser determines which available value estimate is appropriate and may adjust for particular characteristics and conditions as they occur. Uniformity and equity are both improved over the previous year and in consideration of current market conditions, it is recommended that these values be posted for the 2023 assessment year.

Application of these recommended values for the 2023 assessment year results in a total change from the 2022 assessments of 5.6% in specialty area 153 and 4.4% in specialty area 174. The recommended values may include some of the limited new construction values which are typically added later (the new construction valuation date is July 31st, 2023).

	Change in Total Assessed Value			
	2022 Total Value	2023 Total Value	\$ Change	% Change
Senior Housing (Specialty 153)	\$4,425,847,601	\$4,673,207,400	\$247,359,799	5.6%
Nursing Homes (Specialty 174)	\$ 512,026,700	\$ 534,490,800	\$ 22,464,100	4.4%

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 conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a mass appraisal report as stated in USPAP Standards 5 and 6. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

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

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65).

The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Retrospective market values are reported herein because the date of the report is subsequent to the effective date of valuation. The analysis reflects market conditions that existed on the effective date of appraisal.

Highest and Best Use

RCW 84.40.030

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

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

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

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

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

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

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

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

Date of Value Estimate

RCW 84.36.005

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on 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 computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date of valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:

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

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

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

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

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

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

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

Assumptions and Limiting Conditions:

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

Diane Owings, Commercial Appraiser II

8/23/2023

Improved Sales Calc for Area 153 with Sales Not Used

8/23/2023

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
153	110	717480	0169	257,248	3071255	\$57,147,200	09/17/20	\$222.15	MERRILL GARDENS - UNIVERSITY VILLAGE	LR3 (M)	Retirement Facilit	1	59	Bulk portfolio sale
153	300	192007	9137	27,990	3051171	\$1,402,500	06/11/20	\$50.11	CASCADE PLACE	R-4	Retirement Facilit	1	59	Bulk portfolio sale
153	315	182305	9017	48,965	3193142	\$3,000,000	05/25/22	\$61.27	BROOKDALE AT RENTON (RENTON VILLA)	R-10	Retirement Facilit	1	33	Lease or lease-hold
153	315	723150	2030	254,695	3071079	\$45,168,463	09/17/20	\$177.34	MERRILL GARDENS - RENTON CENTRE	CD	Retirement Facilit	3	59	Bulk portfolio sale
153	340	531510	0905	41,832	3095589	\$6,873,603	01/15/21	\$164.31	SUNRISE OF MERCER ISLAND	MF-2	Retirement Facilit	1	59	Bulk portfolio sale
153	350	856273	0160	757,607	3032494	\$133,000,000	01/31/20	\$175.55	TIMBER RIDGE AT TALUS	UV-EV	Retirement Facilit	1	11	Corporate affiliates
153	360	292505	9346	36,852	3163787	\$5,278,492	12/01/21	\$143.23	The Fountains Garage (Core)	DNTN-R	Parking(Garage)	2	59	Bulk portfolio sale
153	360	660075	0010	9,999	3162520	\$19,447,076	12/01/21	\$1,944.90	THE SPRINGS AT PACIFIC REGENCE BELLEVUE CONDC	DNTN-R	Condominium(Res	1	59	Bulk portfolio sale
153	365	545330	0020	91,632	3140680	\$11,069,886	08/19/21	\$120.81	GARDEN CLUB, THE	R-20	Retirement Facilit	1	59	Bulk portfolio sale
153	370	124400	0005	171,759	3071252	\$29,197,000	09/17/20	\$169.99	MERRILL GARDENS - KIRKLAND	CBD 1B	Retirement Facilit	1	59	Bulk portfolio sale
153	380	282605	9107	35,627	3090412	\$31,099,837	12/18/20	\$872.93	AEGIS - KIRKLAND	TL 1B	Retirement Facilit	1	59	Bulk portfolio sale
153	400	011410	0545	61,245	3100013	\$4,500,000	02/18/21	\$73.48	BROOKDALE SPRING ESTATES	DR	Retirement Facilit	1	73	Covid impact
153	420	288170	0313	38,136	3090067	\$45,637,553	12/18/20	\$1,196.71	Aegis Living CALLAHAN HOUSE- Memory Care	MUR-70	Retirement Facilit	1	59	Bulk portfolio sale
153	420	288170	0330	97,470	3090172	\$55,755,412	12/18/20	\$572.03	AEGIS - SHORELINE South Building	MUR-70	Retirement Facilit	1	59	Bulk portfolio sale
153	475	192303	9086	40,115	3231666	\$11,000,000	03/31/23	\$274.21	VASHON COMMUNITY CARE CENTER	R24	Retirement Facilit	1	34	Use-change after sale; not in ratio

Improved Sales Calc for Area 174 with Sales Used

8/23/2023

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
174	010	192105	9110	27,964	3097231	\$5,950,000	02/01/21	\$212.77	REGENCY AUBURN REHAB CENTER	I	Nursing Home	1	Y	
174	010	803620	0055	25,578	3117343	\$2,100,000	04/30/21	\$82.10	MT SI TRANSITIONAL HEALTH CENTER	DC	Nursing Home	3	Y	

Improved Sales Calc for Area 174 with Sales Not Used

8/23/2023

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
174	010	042404	9024	66,402	3040676	\$13,000,000	03/26/20	\$195.78	PARAMOUNT REHABILITATION and NURSING	LR2 (M)	Nursing Home	5	68	Non-gov't to gov't
174	010	162404	9040	78,374	3041474	\$6,412,500	04/01/20	\$81.82	Washington Care Services	LR3 (M)	Nursing Home	1	18	Quit claim deed
174	010	182305	9018	34,285	3107025	\$6,188,800	03/19/21	\$180.51	REGENCY AT RENTON REHAB CENTER	R-10	Nursing Home	1	59	Bulk portfolio sale
174	010	186540	0030	60,422	3140593	\$8,000,000	08/04/21	\$132.40	BALLARD CARE & REHAB	LR3 (M)	Nursing Home	1	15	No market exposure
174	010	312305	9010	40,767	3107551	\$3,394,296	03/19/21	\$83.26	TALBOT CENTER	CO	Nursing Home	1	59	Bulk portfolio sale
174	010	329370	0010	36,538	3097376	\$7,330,000	02/01/21	\$200.61	THE OAKS AT FOREST BAY	R48	Nursing Home	1	68	Non-gov't to gov't
174	010	329370	0010	36,538	3129401	\$8,100,000	06/30/21	\$221.69	THE OAKS AT FOREST BAY	R48	Nursing Home	1	67	Gov't to non-gov't

2023 PHYSICAL INSPECTION AREA

SPECIALTY NEIGHBORHOODS: BELLEVUE EAST, BELLEVUE WEST, MERCER ISLAND, ISSAQUAH, BENSON/EAST HILL, SNOQUALMIE, NORTH BEND

Spec Area	Spec Nbhd	Major	Minor	PropName
153	365	022405	9038	PATRIOTS GLEN
153	340	072405	9016	COVENANT SHORES CCRC
153	350	092406	9140	SPIRITWOOD AT PINE LAKE - VILLAGE CONCEPTS
153	350	092406	9244	BELLWOOD RETIREMENT LIVING
153	350	092406	9302	SPIRITWOOD GARDEN HOMES -VILLAGE CONCEPTS
153	465	102308	9121	Red Oak Retirement Residence - Parking
153	465	102308	9135	RED OAK RESIDENCE
153	360	140330	0010	SFR Teardown (Core)
153	360	140330	0015	Pacific Regent Parking (Core)
153	360	140330	0155	GARDENS AT TOWN SQUARE, THE (Core)
153	360	154460	0102	BELLETTINI, THE (Dist A & B)
153	350	202406	9058	REVEL ISSAQUAH
153	350	222406	9002	COLUMBIA LANDING OF ISSAQUAH - MC (SEE 9149)
153	350	222406	9023	SUNRISE - ISSAQUAH
153	350	222406	9030	UNIVERSITY HOUSE - ISSAQUAH
153	365	262505	9011	SUNRISE ASSISTED LIVING OF REDMOND (formerly Brookdale of Redmond)
153	365	262505	9224	SAGEBROOK SENIOR LIVING @ BELLEVUE
153	365	262505	9225	SUNRISE ASSISTED LIVING OF BELLEVUE AL, MC, RC
153	365	272505	9044	SILVERADO BELLEVUE MEMORY CARE
153	365	282405	9014	Aegis Gardens
153	360	282505	9087	THE INN AT BELLE HARBOUR - MEMORY CARE
153	320	312305	9067	Weatherly Inn Senior Facility
153	360	322505	9232	HOLDEN OF BELLEVUE, AL, MC
153	340	531510	0905	SUNRISE OF MERCER ISLAND
153	340	531510	1215	ISLAND HOUSE - AEGIS LIVING
153	340	531510	1465	ALJOYA HOUSE AT MERCER ISLAND
153	365	532800	0025	AEGIS LIVING BELLEVUE OVERLAKE AL, MC, RC
153	350	856273	0160	TIMBER RIDGE AT TALUS
153	350	884430	0040	AEGIS - ISSAQUAH
174	10	092406	9241	PROVIDENCE MARIONWOOD
174	10	342406	9152	ISSAQUAH NURSING AND REHAB CENTER
174	10	803620	0055	MT SI TRANSITIONAL HEALTH CENTER



King County

Department of Assessments

King Street Center
201 S. Jackson Street, KSC-AS-0708
Seattle, WA 98104
(206) 296-7300 FAX (206) 296-0595
Email: assessor.info@kingcounty.gov

John Wilson

Assessor

As we start preparations for the 2023 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, 2023 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standards 5 and 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Thank you for your continued hard work on behalf of our office and the taxpayers of King County. Your dedication to accurate and fair assessments is why our office is one of the best in the nation.

John Wilson

Specialty Areas 153 & 174

2023 Assessment Year



Department of Assessments