

# Major Retail

Area: 250

## *Commercial Revalue for 2023 Assessment Roll*



**King County**

**Department of Assessments**

*Setting values, serving the community, and pursuing excellence*

201 South Jackson Street, KSC-AS 0708

Seattle, WA 98104

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**King County**

**Department of Assessments**



## King County

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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 Area 250  
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](http://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.

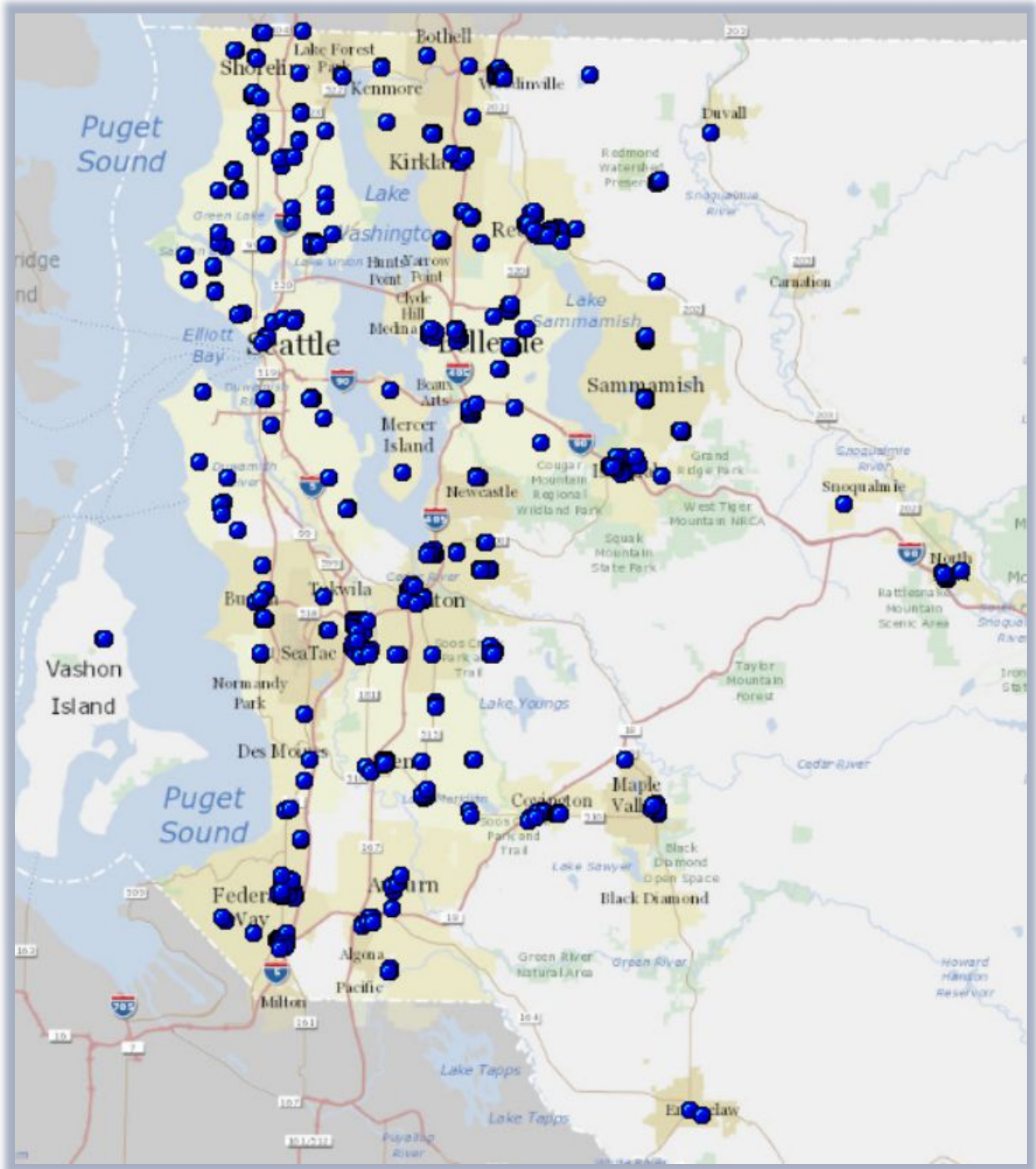
## Requirements of State Law

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 250 MAP



Specialty 250  
2023 Assessment Year

 **King County**  
Department of Assessments

# Executive Summary Report

**Appraisal Date 1/1/23 - 2023 Assessment Year**

**Specialty Name:** Major Retail, Specialty Area 250

## Sales – Improved Analysis Summary

- Number of Sales: 15
- Range of Sale Dates: 01/1/2020 – 12/31/2022

No ratio studies were included within this report due to the limited number of improved sales within the Major Retail Specialty population.

The Income Approach was used in the final reconciliation of value on most properties because it allows greater equalization and uniformity of values for the various stratifications of Major Retail buildings and because market income data as of the valuation date is available. Current market income parameters, including increasing rents, lower vacancies, and stable capitalization rates, suggest an overall rise in the Major Retail market as of 01/01/2023 is warranted, compared to 01/01/2022. Although Major Retail properties increased slightly, the underlying land values have continued to climb. Overall industry data for Major Retail properties was used to make general upward adjustments of approximately +4.61% overall.

TOTAL POPULATION SUMMARY DATA			
	Land	Improvement	Total
2022 Value	\$5,817,016,700	\$2,505,437,386	\$8,322,454,086
2023 Value	\$6,291,137,000	\$2,415,171,780	\$8,706,308,780
Difference	\$474,120,300	(\$90,265,606)	\$383,854,694
% Change	8.15%	-3.60%	4.61%

- Number of total parcels in Major Retail specialty population: 616
- Number of improved parcels in Major Retail specialty population: 503

## Conclusion and Recommendation:

Assessed values for 2023 revalue increased on average by +4.61%

Since the values recommended in this report improve uniformity and equity, it is recommended the assessed values should be posted for the 2023 Assessment Year.

## Identification of the Area

**Name or Designation:** Specialty Area 250 - Major Retail

Major Retail properties consist of regional malls, single-tenant discount retailers, big box stores, large neighborhood/community retail centers, and stand-alone grocery stores. The regional mall properties identified as those multi-tenanted properties exceeding 200,000 square feet of gross leasable area. The single-tenant discount retailers and big box properties are generally larger than 100,000 square feet, while the neighborhood/community retail centers are defined as those multi-tenanted properties that are either anchored or non-anchored centers. Anchored neighborhood/community retail centers consist of multi-tenanted properties of any size, while non-anchored multi-tenanted neighborhood/community retail centers are generally defined as retail developments more than 100,000 square feet. The Major Retail properties consist of 637 total parcels, of which 512 are improved.

**Boundaries:** All areas within the boundaries of King County

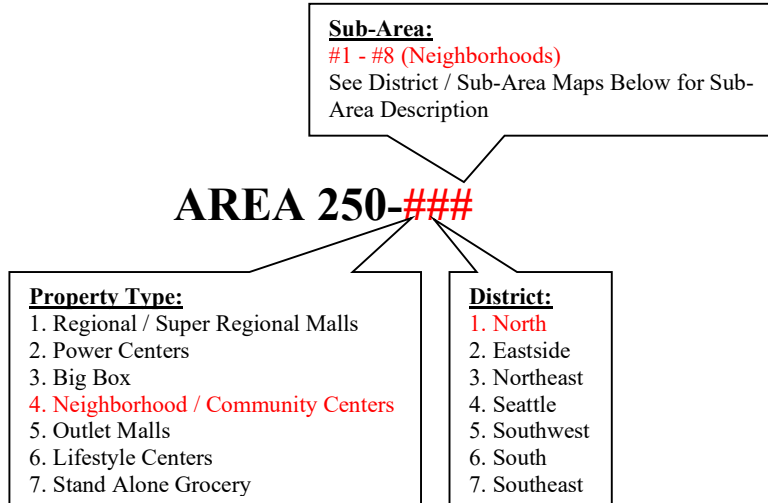
**Maps:** Detailed Assessor's maps are located on the 7<sup>th</sup> floor of the King County King Street Center and the King County Assessor's Website.

**Area Description:** This specialty includes all Major Retail facilities that meet the Major Retail classification and are located in King County.

- **Neighborhood / District Descriptions:** Within Specialty Area 250, seven Major Retail type properties are located in seven geographic districts. Of the seven geographic districts for Major Retail properties, each district has various neighborhood sub-areas. For equalization purposes, Major Retail properties are placed in their assigned district and sub-area to account for neighborhood market conditions when building economic income models (tables) based on characteristics, such as, location, effective age, quality, and predominate use.
- For record-keeping purposes, all the malls, outlet malls, and lifestyle centers have been assigned their proper geographic neighborhood but do not typically lend themselves to typical neighborhood designations due to the unique composition of the tenants and the quality of building improvements. In addition, due to the complexity in appraising malls, outlet malls, and lifestyle centers, these properties were not assigned neighborhood income tables and were assessed on an individual basis.

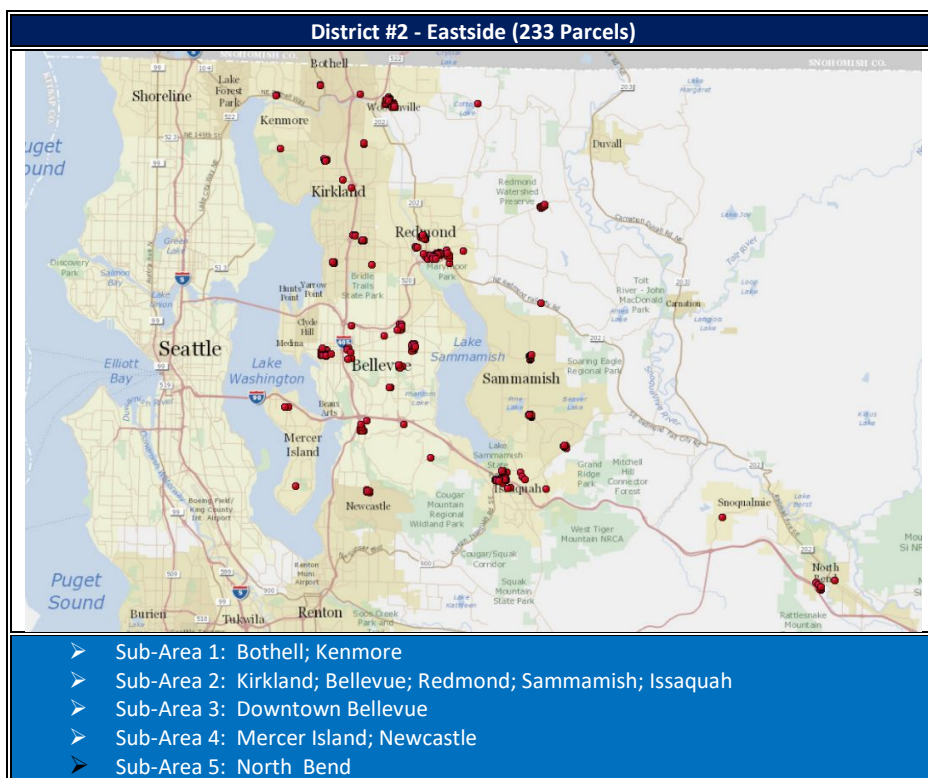
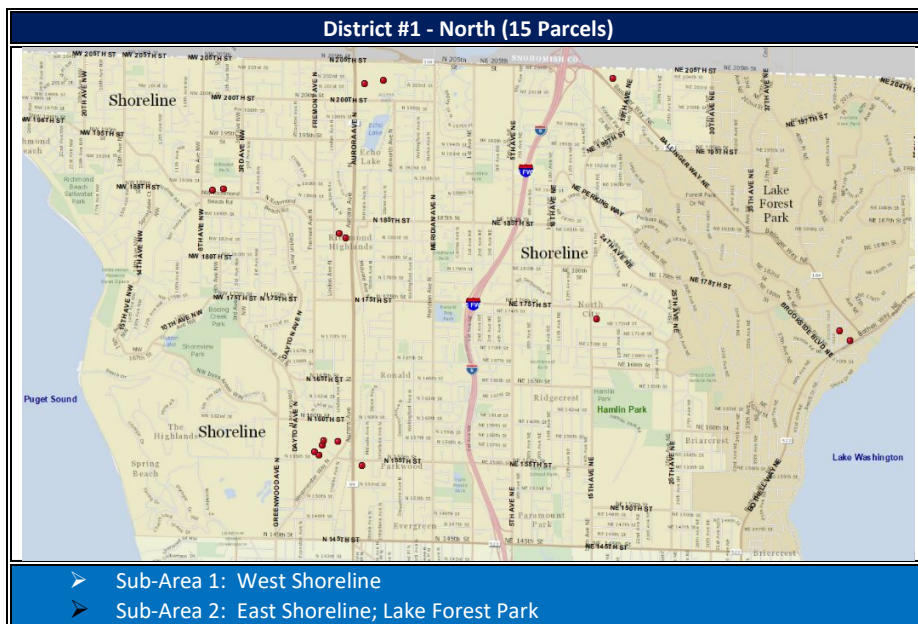
The three-digit neighborhood code within the Major Retail specialty depicts the subject's property type, district location, and sub-area.

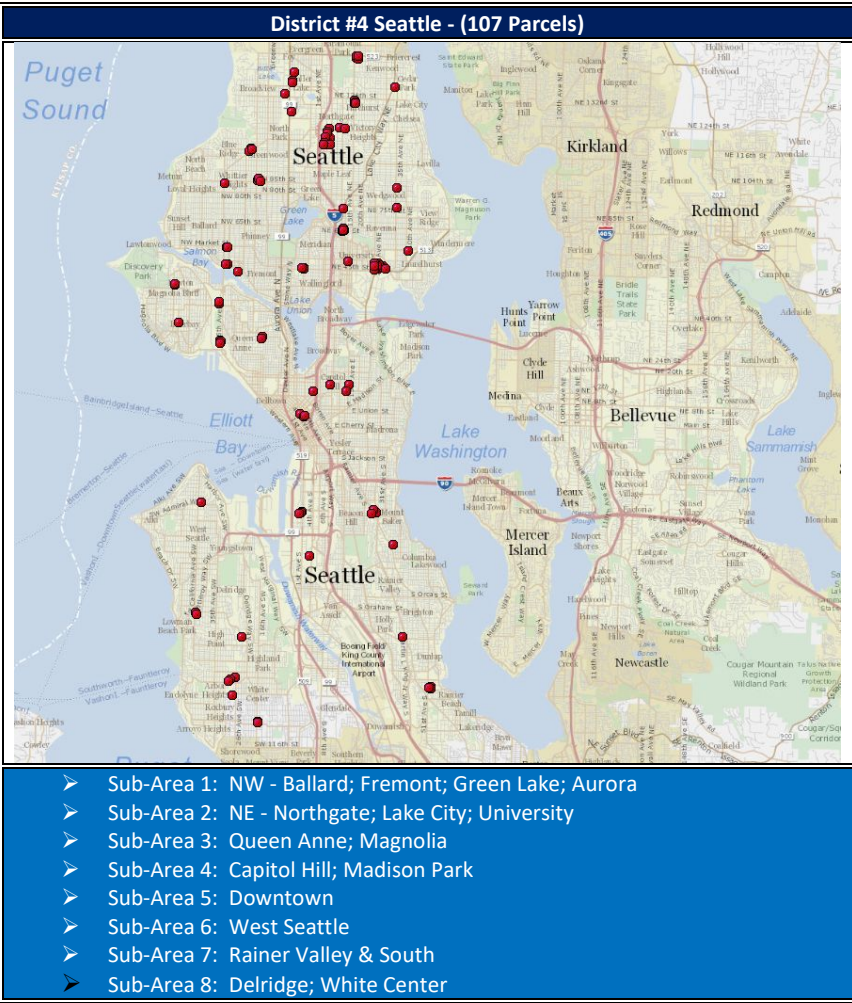
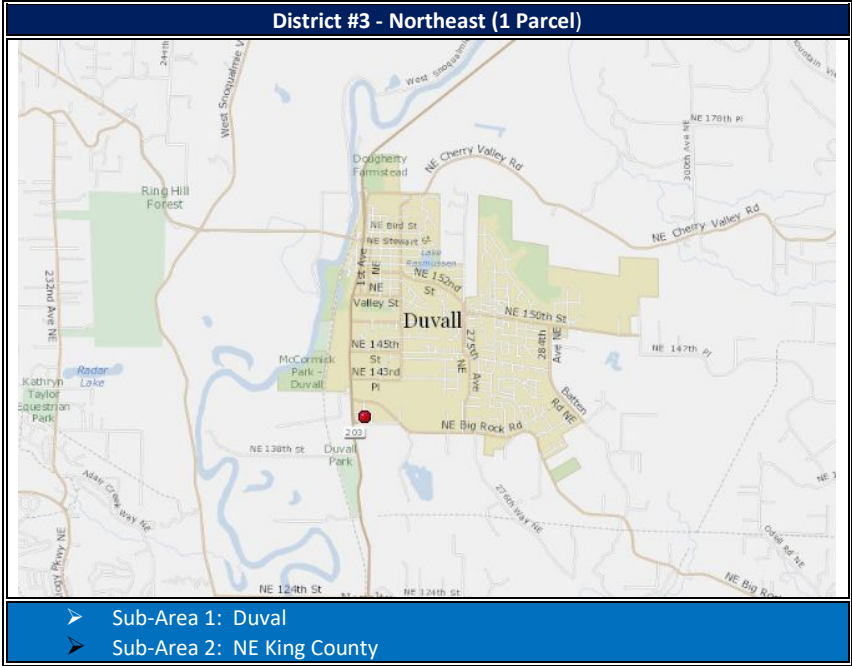
For example, a property located in Specialty Area **250-411**, would be described as a **Neighborhood/Community Center** located within the **North District** and **West Shoreline Sub-Area**.





➤ District / Sub-Area Maps:

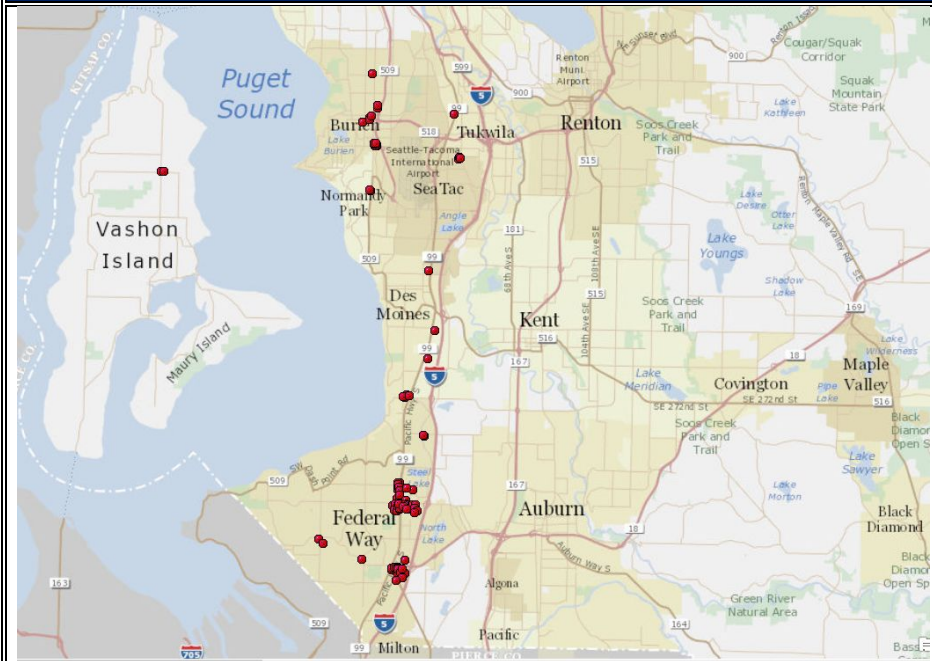




Specialty Area 250  
2023 Assessments Year

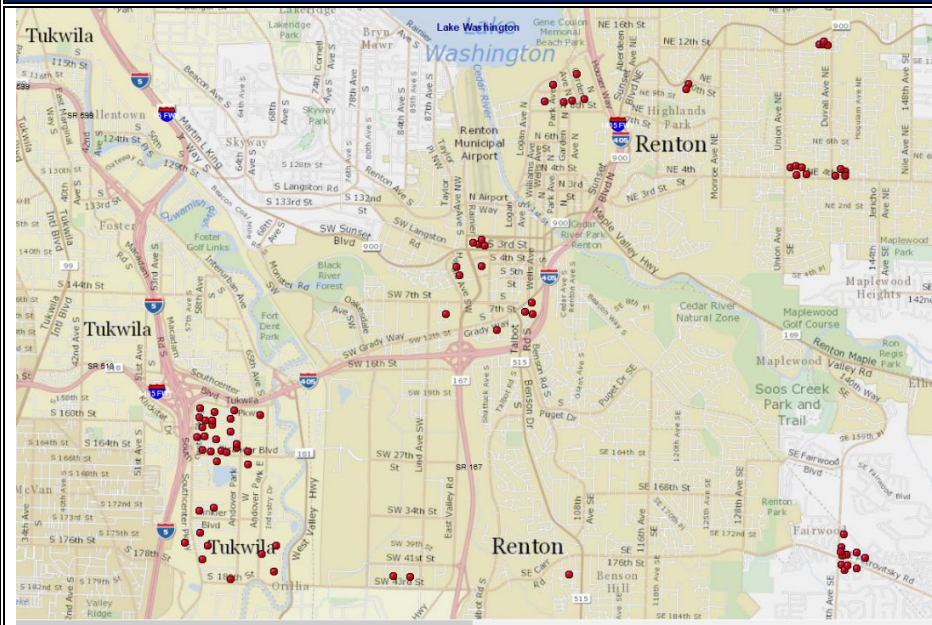


**District #5 - Southwest (89 Parcels)**



- Sub-Area 1: Vashon Island
- Sub-Area 2: Burien; SeaTac; Des Moines; Tukwila – West of I-5
- Sub-Area 3: Federal Way

**District #6 - South (79 Parcels)**

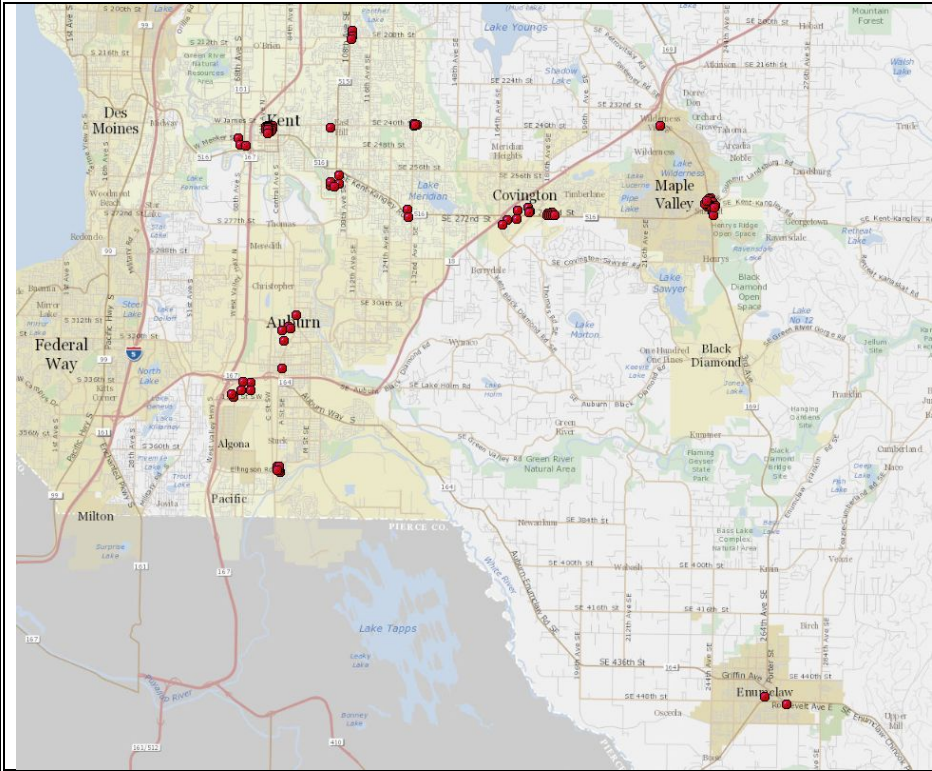


- Sub-Area 1: Renton; Tukwila – East of I-5
- Sub-Area 2: Kent

Specialty Area 250  
2023 Assessments Year



District #7 - Southeast (92 Parcels)



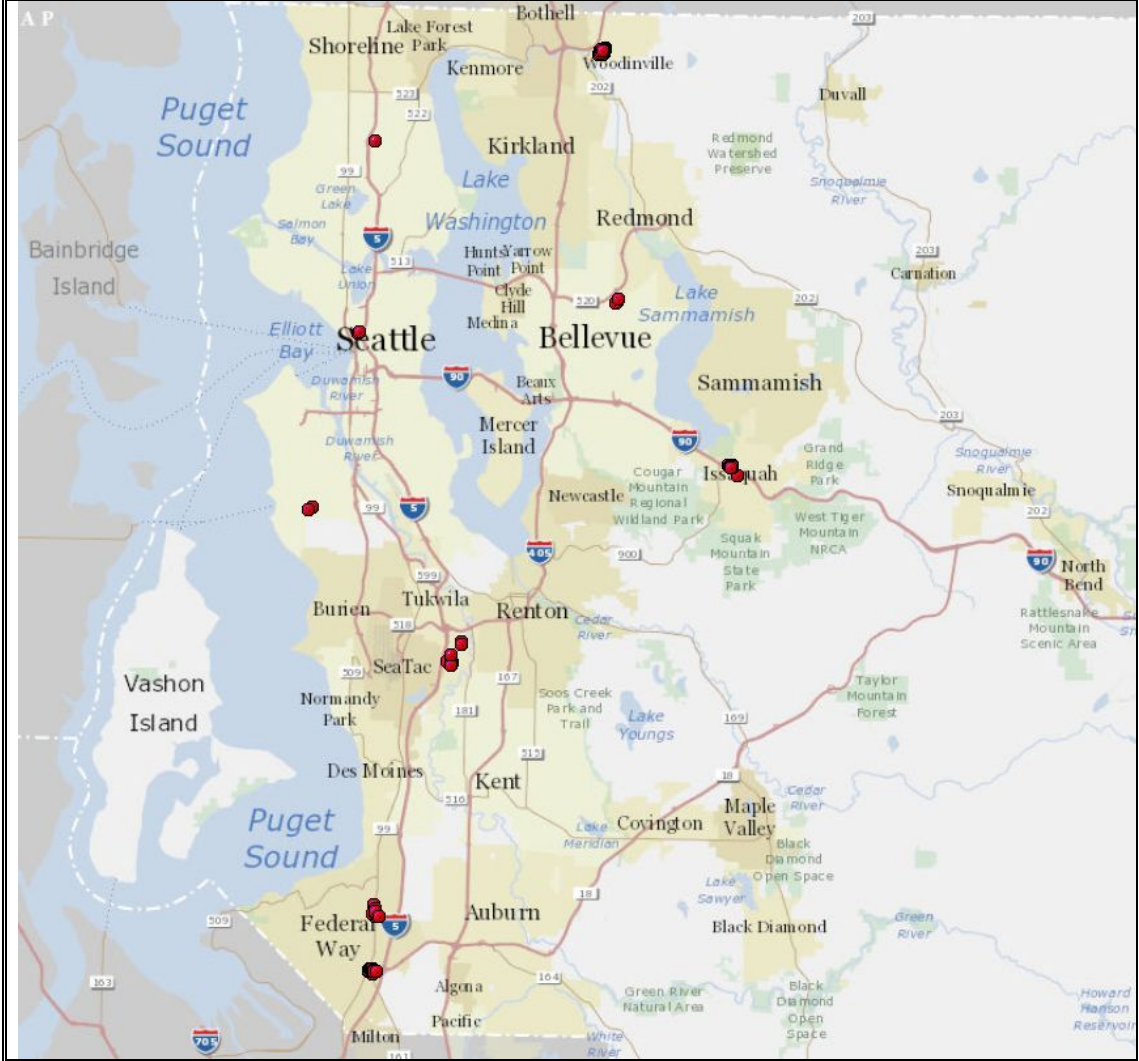
- Sub-Area 1: Covington; Maple Valley; Black Diamond
- Sub-Area 2: Enumclaw East
- Sub-Area 3: Kent
- Sub-Area 4: Auburn

**Major Retail Type Properties:**

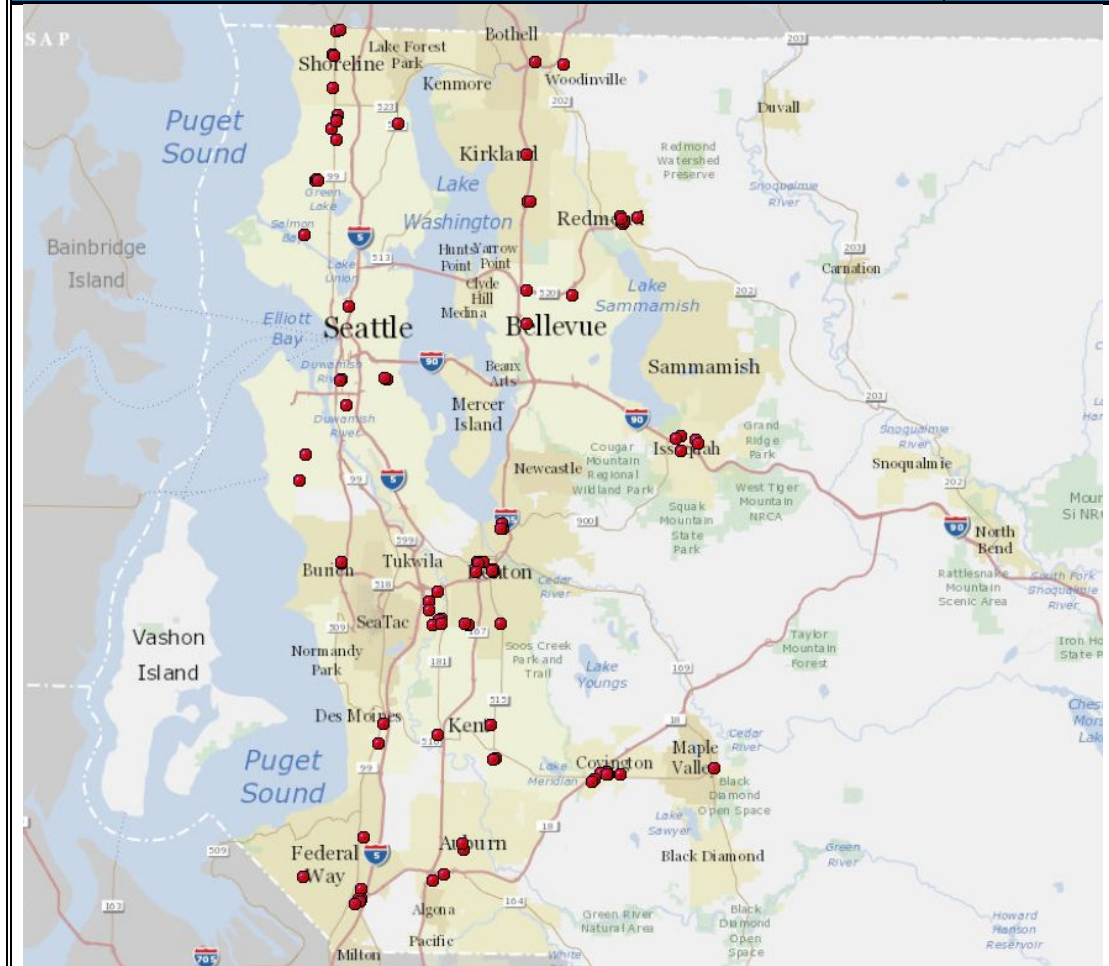
- Regional / Super Regional Malls (65 Parcels)
- Power Centers (59 Parcels)
- Big Box (91 Parcels)
- Neighborhood / Community Centers (267 Parcels)
- Lifestyle Centers (46 Parcels)
- Stand Alone Grocery (82 Parcels)
- Outlet Malls (6 Parcels)

REGIONAL / SUPER REGIONAL MALLS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
123	Eastside (Dist. 2, Subarea 3)	Downtown Bellevue	20
124	Eastside (Dist. 2, Subarea 4)	Mercer Island; Newcastle	6
126	Eastside (Dist. 2, Subarea 6)	Suburban Bellevue, Sammamish; Issaquah	2
142	Seattle NE (Dist. 4, Subarea 2)	Northgate; Lake City; University	1
145	Seattle (Dist. 4, Subarea 5)	Downtown	4
153	SW (Dist. 5, Subarea 3)	Federal Way	13
161	South (Dist. 6, Subarea 1)	Renton; Tukwila East of I-5	19
<b>Description:</b>			<b>65</b>

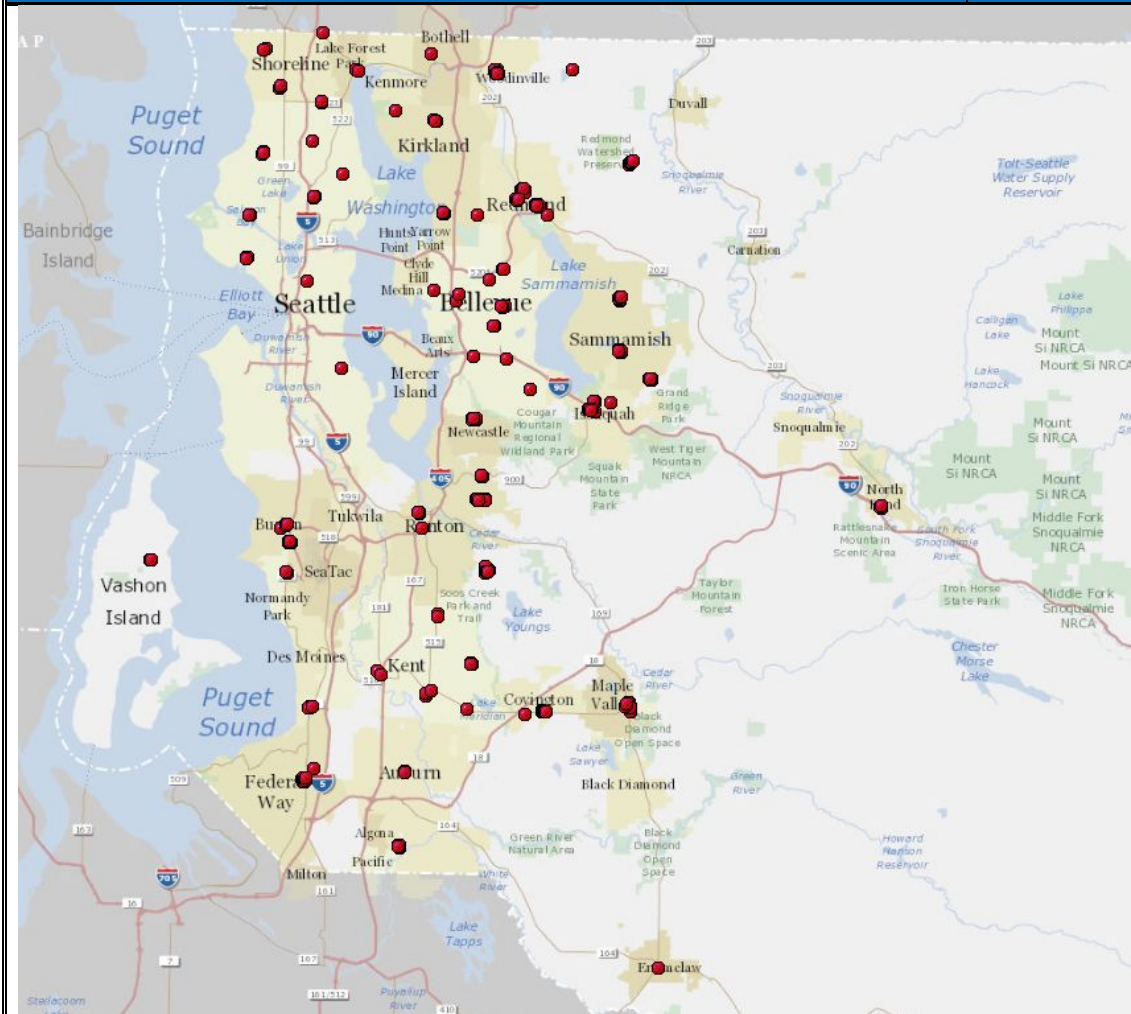
POWER CENTERS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
222	Eastside (Dist. 2, Subarea 2)	Kirkland; Redmond	13
226	Eastside (Dist. 2, Subarea 6)	Sub-Urban Bellevue; Sammamish; Issaquah	13
242	Seattle NE (Dist. 4, Subarea 2)	Northgate; Lake City; University	1
245	Seattle (Dist. 4, Subarea 5)	Downtown	2
248	Seattle (Dist. 4, Subarea 8)	Delridge; White Center	2
253	SW (Dist. 5, Subarea 3)	Federal Way	21
261	South (Dist. 6, Subarea 1)	Renton; Tukwila East of I-5	7
<b>Total</b>			<b>59</b>



BIG BOX			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
311	North (Dist. 1, Subarea 1)	West Shoreline	4
321	Eastside (Dist. 2, Subarea 1)	Bothell; Kenmore	1
322	Eastside (Dist. 2, Subarea 2)	Kirkland; Redmond	11
326	Eastside (Dist. 2, Subarea 6)	Sub-Urban Bellevue; Sammamish; Issaquah	7
341	Seattle NW (Dist. 4, Subarea 1)	Seattle NW - Ballard; Fremont; Green Lake; Aurora	8
342	Seattle NE (Dist. 4, Subarea 2)	Seattle NE - Northgate; Lake City; University	1
343	Seattle (Dist. 4, Subarea 3)	Queen Anne; Magnolia	1
345	Seattle (Dist. 4, Subarea 5)	Downtown	2
346	Seattle (Dist. 4, Subarea 6)	West Seattle	5
347	Seattle (Dist. 4, Subarea 7)	Rainier Valley; South	2
348	Seattle (Dist. 4, Subarea 8)	Delridge; White Center	2
352	SW (Dist. 5, Subarea 2)	Burien; SeaTac; Des Moines; Tukwila - West of I-5	4
353	SW (Dist. 5, Subarea 3)	Federal Way	7
361	South (Dist. 6, Subarea 1)	Renton; Tukwila - East of I-5	20
371	SE (Dist. 7, Subarea 1)	Covington; Maple Valley; Black Diamond	9
373	SE (Dist. 7, Subarea 3)	Kent	3
374	SE (Dist. 7, Subarea 4)	Auburn	4
<b>Total</b>			<b>91</b>



NEIGHBORHOOD / COMMUNITY CENTERS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
411	North (Distr. 1, Subarea 1)	West Shoreline	6
412	North (Distr. 1, Subarea 2)	East Shoreline; Lake Forest Park	3
421	Eastside (Dist. 2, Subarea 1)	Bothell; Kenmore	2
422	Eastside (Dist. 2, Subarea 2)	Kirkland; Redmond	54
423	Eastside (Dist. 2, Subarea 3)	Downtown Bellevue	1
424	Eastside (Dist. 2, Subarea 4)	Mercer Island; Newcastle	9
425	Eastside (Dist. 2, Subarea 5)	North Bend	5
426	Eastside (Dist. 2, Subarea 6)	Suburban Bellevue; Sammamish; Issaquah	54
441	Seattle NW (Dist. 4, Subarea 1)	Seattle NW - Ballard; Fremont; Green Lake; Aurora	4
442	Seattle NE (Dist. 4, Subarea 2)	NE – Northgate; Lake City; University	12
443	Seattle (Dist. 4, Subarea 3)	Queen Anne; Magnolia	13
444	Seattle (Dist. 4, Subarea 4)	Capitol Hill; Madison Park	1
447	Seattle (Dist. 4, Subarea 7)	Rainier Valley – South	1
451	SW (Dist. 5, Subarea 1)	Vashon Island	3
452	SW (Dist. 5, Subarea 2)	Burien; SeaTac; Des Moines; Tukwila - West of I-5	18
453	SW (Dist. 5, Subarea 3)	Federal Way	10
461	South (Dist. 6, Subarea 1)	Renton; Tukwila - East of I-5	27
471	SE (Dist. 7, Subarea 1)	Covington; Maple Valley; Black Diamond	20
472	SE (Dist. 7, Subarea 2)	Enumclaw East	1
473	SE (Dist. 7, Subarea 3)	Kent	14
474	SE (Dist. 7, Subarea 4)	Auburn	9
<b>Total</b>			<b>267</b>



Specialty Area 250  
2023 Assessments Year

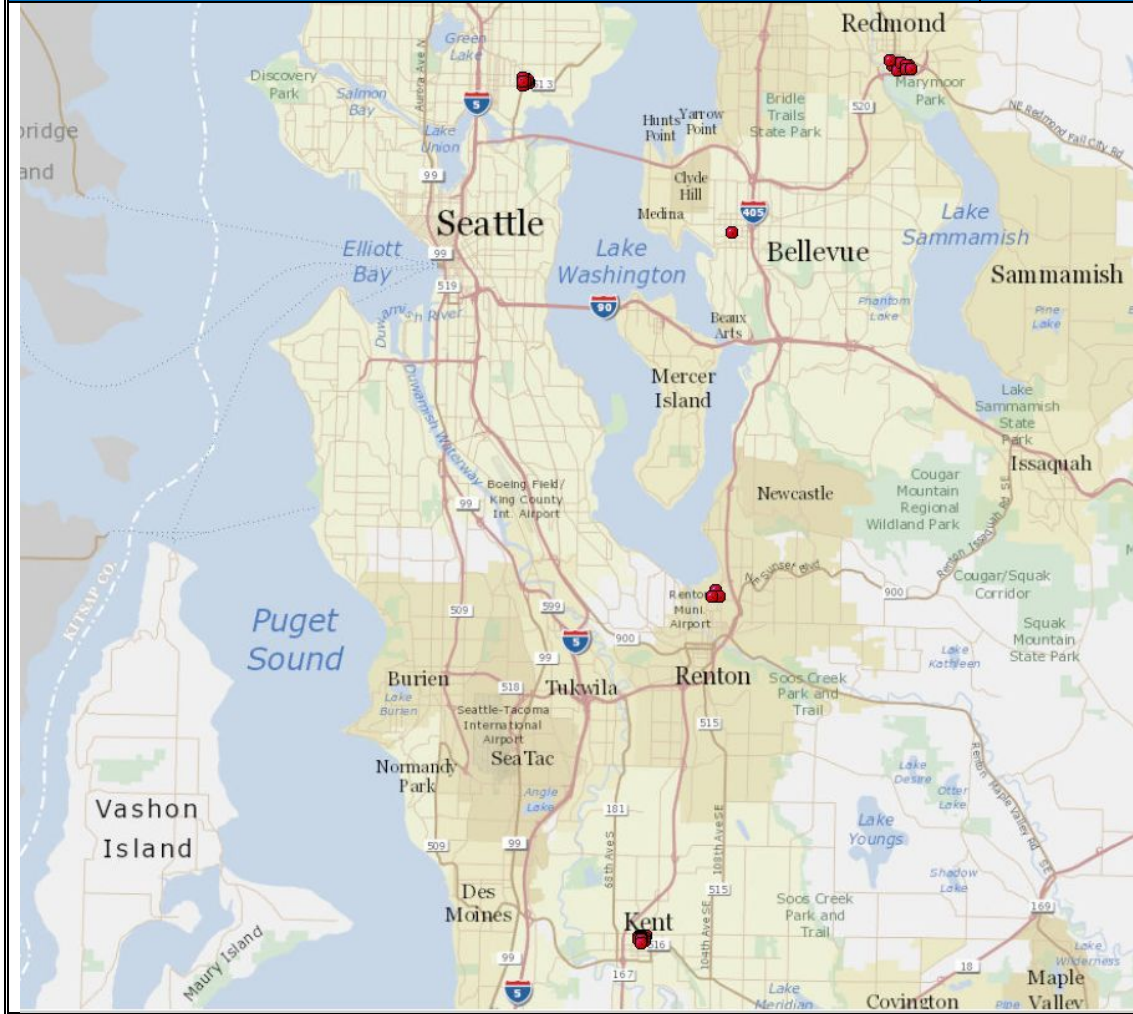




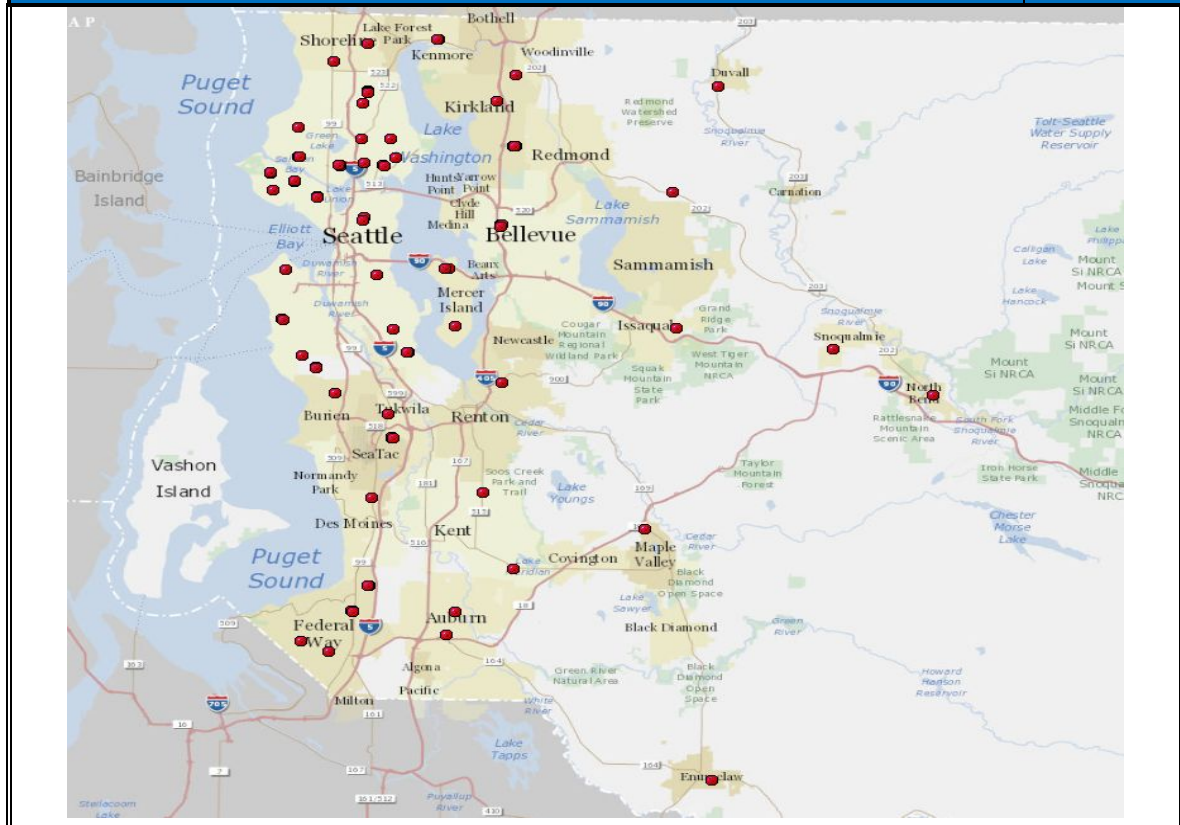
OUTLET MALLS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
525	Eastside (Dist. 2, Subarea 5)	North Bend	2
574	South (Dist. 7, Subarea 4)	Auburn	4
<b>Total</b>			<b>6</b>

The map displays King County with various retail neighborhoods. Two specific neighborhoods are highlighted with red dots: North Bend in the northeast and Auburn in the south. The map includes major roads, parks, and natural areas.

LIFESTYLE CENTERS			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
622	Eastside (Dist. 2, Subarea 2)	Kirkland; Bellevue; Redmond; Sammamish; Issaquah	13
623	Eastside (Dist. 2, Subarea 3)	Downtown Bellevue	0
642	Seattle NE (Dist. 4, Subarea 2)	NE – Northgate; Lake City; University	8
661	South (Dist. 6, Subarea 1)	Renton; Tukwila - East of I-5	3
673	South (Dist. 7, Subarea 3)	Kent	22
<b>Total</b>			<b>46</b>



STAND ALONE GROCERY STORES			
Retail Neigh.	Retail Dist./Subarea	Neighborhood Description	Parcel Count
711	North (Distr. 1, Subarea 1)	West Shoreline	1
712	North (Distr. 1, Subarea 2)	East Shoreline; Lake Forest Park	1
721	Eastside (Dist. 2, Subarea 1)	Bothell; Kenmore	2
722	Eastside (Dist. 2, Subarea 2)	Kirkland; Redmond	8
724	Eastside (Dist. 2, Subarea 4)	Mercer Island; Newcastle	2
725	Eastside (Dist. 2, Subarea 5)	North Bend	1
726	Eastside (Dist. 2, Subarea 6)	Suburban Bellevue; Sammamish; Issaquah	7
731	NE Rural (Dist. 3, Subarea 1)	Duvall	1
741	Seattle NW (Dist. 4, Subarea 1)	NW - Ballard; Fremont; Green Lake; Aurora	6
742	Seattle NE (Dist. 4, Subarea 2)	NE - Northgate; Lake City; University	12
743	Seattle (Dist. 4, Subarea 3)	Queen Anne; Magnolia	6
744	Seattle (Dist. 4, Subarea 4)	Capitol Hill; Madison Park	2
746	Seattle (Dist. 4, Subarea 6)	West Seattle	1
747	Seattle (Dist. 4, Subarea 7)	Rainier Valley; South	5
748	Seattle (Dist. 4, Subarea 8)	Delridge; White Center	5
752	SW (Dist. 5, Subarea 2)	Burien; SeaTac; Des Moines; Tukwila - West of I-5	6
753	SW (Dist. 5, Subarea 3)	Federal Way	7
761	South (Dist. 6, Subarea 1)	Renton	3
771	SE (Dist. 7, Subarea 1)	Covington; Maple Valley; Black Diamond	1
772	SE (Dist. 7, Subarea 2)	Enumclaw East	1
773	SE (Dist. 7, Subarea 3)	Kent	2
774	SE (Dist. 7, Subarea 4)	Auburn	2
<b>Total</b>			<b>82</b>



## Analysis Process:

**Effective Date of Appraisal:** January 1, 2023

**Date of Appraisal Report:** July 6, 2023

### Specialty and Responsible Appraiser

- Specialty Area 250 - Major Retail
- The following appraiser did the valuation for this specialty assessment:

**Name:** Raphael Roberge  
**Job Title:** Commercial Appraiser II

### Highest and Best Use Analysis

**As if vacant:** Market analysis of this area, together with current zoning and current anticipated use patterns, indicates the highest and best use of the majority of the appraised parcels for commercial use. Any opinion not consistent with this is specifically noted in the records and considered in the valuation of the specific parcel.

**As if improved:** Based on neighborhood trends, 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 the value of the entire property in its current 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.

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

### Special Assumptions and Limiting Conditions

All three approaches to value were considered in this analysis.

- Sales from 01/01/2020 to 12/31/2022 were considered in all analysis.
- This report intends to meet the Uniform Standards of Professional Appraisal Practice requirements, Standards 5 & 6.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends.


**Major Retail Description:**

King County’s Major Retail properties fall into a number of categories. The most visible are the regional shopping centers such as Northgate Mall, Bellevue Square, and Westfield Southcenter. Throughout King County, there are also a number of single-tenant, discount retailers such as Fred Meyer, Target, Wal-Mart, and Best Buy and big- box retail stores such as Lowe’s, Home Depot, Sam’s Club, and Costco. King County’s two outlet malls are the Seattle Outlet Collection in Auburn and the Factory Stores of North Bend. Also included in the Major Retail properties are anchored neighborhood shopping centers, large line retail centers, and stand-alone grocery stores. Properties that are more difficult to classify include Westlake and Meridian Centers in downtown Seattle.

- Regional / Super Regional Malls
- Power Centers
- Lifestyle Centers
- Outlet Malls
- Neighborhood / Community Centers
- Big Box Retailers
- Stand Alone Grocery


**Malls:** The most common design mode for regional and super-regional centers is often referred to as a “shopping mall.” The walkway or “mall” is typically enclosed, climate-controlled and lighted, and flanked on one or both sides by storefronts and entrances. Onsite parking, usually provided around the perimeter of the center, may be surface or structured.

**Regional Center:** The regional center is typically enclosed and has a total GLA ranging from 400,000 to 800,000 square feet. At least two or more full-line department stores typically anchor these centers with smaller anchor tenants, such as junior department stores, discount department stores, mass merchant stores, and fashion apparel stores. Regional centers typically include many smaller in-line retail stores such as general merchandise stores, gift stores, restaurants, and food courts. The anchor ratio for regional malls typically ranges between 50% and 70%, with a primary trade area from 5 to 15 miles.

	REGIONAL CENTERS	
	<b>Concept</b>	General merch.; fashion (mall, typl. enclosed)
	<b>Sq.Ft. (Incl. Anchors)</b>	400k - 800k
	<b>Acreage</b>	40-100
	<b>Typical Anchor Number</b>	2 or more
	<b>Typical Anchor Ratio</b>	50% - 70%
	<b>Typical Anchor Type</b>	Full-line department store; Jr. department store; mass merchant; discount department store; fashion apparel

\*Photo: Northgate Mall (Seattle)

**Super-regional Center:** The super-regional center has many attributes as the regional center but on a larger scale. The super-regional center is typically enclosed and has a total GLA exceeding 800,000 square feet. Three or more full-line department stores anchor the super-regional center with smaller anchor tenants, such as junior department stores, discount department stores, mass merchant stores, and fashion apparel stores. Super-regional centers typically include smaller in-line retail stores such as general merchandise stores, gift stores, restaurants, and food courts. Regional malls' anchor ratio typically ranges between 50% and 70% and has a primary trade area from 5 to 25 miles.

	SUPER-REGIONAL CENTERS	
	<b>Concept</b>	Similar to regional center but has more variety and assortment.
	<b>Sq.Ft. (Incl. Anchors)</b>	800k +
	<b>Acreage</b>	60-120
	<b>Typical Anchor Number</b>	3 or more
	<b>Typical Anchor Ratio</b>	50% - 70%
	<b>Typical Anchor Type</b>	Full-line department store; Jr. department store; mass merchant; discount department store; fashion apparel

\*Photo: Westfield "South Center Mall" (Tukwila)


**Mall Class Types:** The *Pricewaterhouse Cooper Real Estate Investor Survey* is a national publication with a wealth of information, such as its Real Estate Investor Survey, formerly known as *Korpacz Real Estate Investor Survey*. The survey represents a cross-section of major institutional equity real estate market participants who invest primarily in institutional-grade (investment quality) properties. Rates and other assumptions presented in the survey indicate the participant's expectations from institutional-grade real property investment. Institutional-grade properties are those properties sought out by institutional buyers that can meet the capacity to meet the prevalent institutional investment criteria, which are referred to in this survey. PwC reports on the National Regional Mall Market, the National Power Center Market, and the National Strip Shopping Center Market in the retail market.

**National Regional Mall Market:** According to the current PwC survey of participants, regional malls classifications based on in-line store retail sales per square foot are as follows:

Class	Inline Retail Sales <sup>1</sup>	Prior Year
A+	\$700 to \$924	\$675 and up
A	\$550 to \$699	\$525 to \$674
B+	\$425 to \$549	\$400 to \$524
B	\$350 to \$424	\$324 to \$399
C+/C	Less than \$350	Less than \$325

**Open-Air Centers:**

**Power Centers:** The power center is typically dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or “category killers” ( i.e., stores that offer a vast selection in related merchandise categories at very competitive retail prices). The center typically consists of several anchors, some of which may be freestanding (unconnected) and only a minimum of small specialty tenants.

	POWER CENTERS	
	<b>Concept</b>	Category-dominant anchors; few small tenants
	<b>Sq.Ft. (Incl. Anchors)</b>	250k – 600k
	<b>Acreage</b>	25 – 80
	<b>Typical Anchor Number</b>	3 or more
	<b>Typical Anchor Ratio</b>	75% - 90%
	<b>Typical Anchor Type</b>	Category killer; home improvement; discount department store; warehouse club; off-price

\*Photo: Northgate North (Seattle)

**Lifestyle Centers:** Most often located near affluent residential neighborhoods, this center type caters to consumers’ retail needs and “lifestyle” pursuits in its trading area. It has an open-air configuration and typically includes at least 50,000 square feet of retail space occupied by upscale national chain specialty stores. Other elements differentiate the lifestyle center in its role as a multi-purpose leisure-time destination, including restaurants, entertainment, design ambience and amenities such as fountains and street furniture conducive to casual browsing. These centers may be anchored by one or more conventional or fashion specialty department stores.

<sup>1</sup> PwC Real Estate Investor Survey, 4<sup>th</sup> Quarter 2022, pg. 108



\*Photo: University Village (Seattle)

LIFESTYLE CENTERS	
Concept	Upscale national chain specialty stores; dining and entertainment in outdoor setting
Sq.Ft. (Incl. Anchors)	Typically 150k -500k but can be smaller or larger
Acreage	10 – 40
Typical Anchor Number	0-2
Typical Anchor Ratio	0% - 50%
Typical Anchor Type	Not usually anchored in the traditional sense but may include bookstore; other large-format specialty retailers; multi-plex cinema; small department store

**Outlet Malls:** This center type consists of manufactures and retailers’ outlet stores selling brand-name goods at a discount. These centers are typically not anchored, although certain brand-name stores may serve as “magnet” tenants. The majority of outlet centers are open-air, configured either in a strip or as a village cluster, although some are enclosed.




\*Photo: North Bend Premium Outlet Stores (North Bend)

OUTLET MALLS	
Concept	Manufactures’ outlet stores
Sq.Ft. (Incl. Anchors)	50k – 400k
Acreage	10 – 50
Typical Anchor Number	N/A
Typical Anchor Ratio	40% - 60%
Typical Anchor Type	Manufactures’ outlet stores




**Community Centers:** The community center ranges in size from 100,000 to 350,000 square feet of GLA. A junior department store and one, or a combination of the following typically anchors the community center: supermarket, drugstore, home improvement center, and variety store. The small shops are generally a combination of convenience and service stores, restaurants, and general merchandise, and fashion stores.

	COMMUNITY CENTERS	
	<b>Concept</b>	General merchandise; Convenience
	<b>Sq.Ft. (Incl. Anchors)</b>	100k – 350k
	<b>Acreage</b>	10 – 40
	<b>Typical Anchor Number</b>	2 or more
	<b>Typical Anchor Ratio</b>	40% -60%
<b>Typical Anchor Type</b>	Discount department store; supermarket; drug; home improvement; large specialty/discount apparel	


\*Photo: Westwood Village (West Seattle)

**Neighborhood Centers:** The neighborhood center ranges from 30,000 to 150,000 square feet of GLA and is usually anchored by a supermarket. Some neighborhood centers may have a drugstore or home improvement store as additional major tenants. The small shops are generally service tenants such as laundromats, cleaners, and food service tenants such as restaurants and specialty food stores.

	NEIGHBORHOOD CENTERS	
	<b>Concept</b>	Convenience
	<b>Sq.Ft. (Incl. Anchors)</b>	30k – 150k
	<b>Acreage</b>	3 – 15
	<b>Typical Anchor Number</b>	1 or more
	<b>Typical Anchor Ratio</b>	30% - 50%
<b>Typical Anchor Type</b>	Discount department store; supermarket; drug; home improvement; large specialty/discount apparel.	

\*Photo: Bear Creek Village Shopping Center (Redmond)

**Stand-Alone Grocery:** The stand-alone grocery store (supermarket) typically ranges from 30,000 to 70,000 square feet of GLA. Many of the grocery stores have additional tenants inside the stores, including a pharmacy, a bank, or even an optical service center. Fuel service may also be included as part of the grocery store footprint.

	STAND-ALONE GROCERY (SUPERMARKET)	
	<b>Concept</b>	Convenience
	<b>Sq.Ft. (Incl. Anchors)</b>	30k – 70k
	<b>Acreage</b>	2 – 5
	<b>Typical Anchor Number</b>	1 or more
	<b>Typical Anchor Ratio</b>	100%
	<b>Typical Anchor Type</b>	National or regional grocery store, which may include a national or regional supermarket; specialty grocery market; discount grocery store; or grocery store cooperative.

\*Photo: West Totem Lake QFC (Kirkland)

**Big Box Stores:**



The terms “big-box”, “value retailers”, “superstore,” and “category killer” are used interchangeably. The retail model depends on high-volume rather than price markups. To do a profitable volume, they must occupy large amounts of space. Typically, they range from 90,000 to 200,000 square feet, are located as often as possible near highway interchanges or exits, use the same windowless box store design with several acres of a single-floor layout, and require vast surface parking.

Big box retail stores (generally referred to as “superstores”) are typically categorized into three subgroups: discount department stores, category killers, and warehouse clubs.

Discount department stores sell department store merchandise at low prices. Wal-Mart, Fred Meyers and Target are examples of this type.

Category killers are large specialty (niche) retailers that buy and sell in huge volumes at low prices. Prices are reduced by eliminating “middleman” charges and dealing directly with product manufacturers. Examples include Lowes, Home Depot, and Sports Authority.

Warehouse clubs are membership shopping clubs that offer various goods, often including groceries, electronics, clothing, hardware, and more, at wholesale prices. Unlike discount department stores, which may sell as many as 60,000 distinct items, warehouse clubs limit their range to 3,000 to 5,000 items. Sam's Club, Costco, and Pace dominate this industry. Their stores range in size from 104,000 to 170,000 square feet and serve markets up to 250,000 people.

Conglomerations of superstores in 250,000 to 750,000 square foot centers called “power centers.” IKEA seems to mix between a discount department store (household goods) and a category killer (furniture).

In an effort to assess only the fee simple interest, and provide fair, unbiased, and equalized values to the Big Box properties county-wide, the Marshall Swift RCNLD (Replacement Cost Less Depreciation) cost analysis has been the primary method relied on for the assessment of these large single-tenant properties. The income approach along with market sales provide additional support. In Marshall Swift’s cost analysis, Big Box properties throughout King County are classed as Discount Store or Warehouse Discount Store.

Where land values surpass typical market rates for similar properties due to land sales often accompanied by denser zoning, and the property is still occupied and operating, an interim use value is applied. This recognizes that the occupied property provides some added value to a prospective buyer prior to redevelopment without including “value in use” or “investment value” using estimated income. This value is determined by applying a maximum depreciation based on the Marshall Swift depreciation schedule. In both building classifications used in the Big Box construction (Discount Store, Warehouse Discount Store), the maximum depreciation is 80% of RCN (Replacement Cost New). This would then leave a residual improvement value of 20% of RCN added to the land value for the total assessment of properties considered an interim use.

## GAS STATION DATA



\*Photo: Type 1 Fuel Accessories - Safeway Gas (Kenmore)

Many community/neighborhood shopping centers, big-box retail stores, and stand-alone grocery stores have fuel service facilities that are part of the greater retail center development.

There are generally four types of retail outlets, which sell gasoline:

- Gas only with numerous Multi-Product Dispensers (MPD's) and may include small kiosks. Typically associated with shopping centers, big-box retail, and grocery stores.
- Convenience store (C-Store) with gas.
- The co-branded C-Store/Quick Service Restaurant (QSR).
- Old-style service station with service bays, air compressor, hoists, etc. The old style service stations that have not been remodeled with a snack shop or C-Store have the greatest obsolescence and are at market's bottom. The very large co-branded C-Stores with gas, numerous dispensers, and other profit centers are at the high end.

**Buildings:**

The Cost Approach has been utilized to appraise gas stations. The subject parcels in King County have been inspected and stratified according to building quality:

<i>Gas Station Category</i>	
<i>Excellent</i>	Best wood, steel, brick or masonry, high volume area, best workmanship with good finish, best materials, HVAC
<i>Good</i>	Good wood, steel, brick w/sash and large overhangs, ranch or suburban style, good quality materials.
<i>Average</i>	Average painted steel or cement block, small overhangs, small office. Average quality materials throughout.
<i>Low Cost</i>	Painted steel or cement block, inexpensive sash, doors and gates, usually older with low cost materials used.

**Accessory Improvements:**

The valuation of accessory improvements (AI's) relates to the construction quality of the property as a whole. AI's are stratified according to quantity and quality. For example, an excellent quality building will generally have Type I accessory improvements, a Good quality building will have Type II AI's, an average quality building will have Type III AI's, and a low cost building will have Type IV AI's. The value of AI's also relates to the number of filling stations and the size of the lot. Marshall Valuation Service indicates that the lives of such improvements are 15 to 25 years; however, because of the store's long hours and heavy foot traffic deterioration, of the interior can happen at a rapid rate. Excellent level stores will replace worn interior furnishings before wear shows, while lesser qualities show more wear and tear. The accessory improvements take the level of replacement/maintenance/repair into consideration when judging the construction quality of the store.

Accessory improvements labeled as Type I – IV in the accessory improvement section of the King County Real Property database. The value contribution of the accessory package was flat valued according to the indicated value range for the category type and included

in the total cost estimate for the service station. These fuel service facilities are treated as accessory improvements (AI's) and are considered an additional add-on value placed on the parcel's primary retail improvement.

Type	Quality	Cost
Type I	Best quality components throughout	\$800,000 - \$1,000,000
Type II	Good quality components throughout	\$600,000 - \$800,000
Type III	Average quality components throughout	\$350,000 - \$600,000
Type IV	Low cost components throughout	\$100,000 - \$350,000

**Example:**

Service Station Accessory Improvements: Type III Average Quality Cost New

Description		Cost
Tanks	10,000 gal.	\$60,000
	15,000 gal.	\$85,000
	20,000 gal.	\$100,000
Islands		\$24,000
Paving (Including curbs & cutouts)		\$30,000
Lighting		\$10,000
Sign Pole		\$3,500
Canopy	1,500 Sq.Ft.	\$75,000
	2,500 Sq.Ft.	\$105,000
Piping & Wiring		\$40,000
Labor, Site Prep and Soft Cost		Varies

Car washes in separate buildings were valued by the Marshall & Swift automated cost modeling system. Generally, building quality will be the same as the primary building. All car wash equipment is personal property. The Personal Property Division also assesses compressors, pumps, dispensers, signage, hoists, tools, furniture, and fixtures.

## **Economic Considerations:**

### **Regional Summary:**

#### *Revived but not Recovered*

During 2022, the Puget Sound region experienced a reduction in the overall total vacancy. The cause of this can be attributable to two reasons: First, very little new construction of major retail properties. The second is the ongoing redevelopment and reduction of large retail properties into mixed use urban village type developments. The combination effectively tightened the availability, keeping vacancies low and helped keep the rental rates level or slightly increasing. In the Seattle area, retail property inventory continued to decline during 2022, mostly because of major demolitions due to redevelopment projects. This helped vacancies remain low, although occupancy due to closures was increasing. Leasing volume throughout King County continued to rise through 2022, although lower than previously expected. This trend is projected to continue into 2023. The suburbs saw a continued demand in the second half of 2022, compared to the much lower urban cores.

Downtown Seattle retail continues to experience significant challenges due to heightened security concerns. Seattle experienced well over 140 permanent retail closures due to the pandemic. Despite these challenges, the Seattle CBD is beginning to show signs of life. Amazon, along with several other employers, have started asking personnel to work in the office 3 days per week. This has increased foot traffic considerably in recent months. Some smaller restaurants with to-go and take-away items have expanded, and new ones are springing up. Retail in the CBD core is still dependent on the thousands of office workers who frequent downtown. Seattle has seen gradual increases in foot traffic, though at a slower pace than Bellevue, or the suburban areas around Seattle.

Despite the headlines surrounding retail and the Covid-19 pandemic, demand in the marketplace for big-box retail assets continues to be strong for specific tenants. Investment-grade tenants within essential and operating businesses experienced an increased demand from investors in the private and institutional sectors. During the pandemic, the grocery sector was the winner, and other retailers, including Walmart, Costco, Target, Home Depot, and Lowes. With a limited supply of inventory, and increased demand for these assets from individual and institutional investors alike, many of these properties are being sold on an off-market basis.

### **Retail - Current Economic Conditions:**

Overall, retail development activity in 2022 remained low, as developable land has become scarcer and the market continues to reabsorb existing vacant space. Most new retail space on the market has come in ground-floor stores within mixed-use multi-family and office developments, particularly in Seattle and Bellevue.

The demand for well-stabilized retail assets containing grocery or home improvement components, along with solid NOI returns, have investors competing for those properties. Stakeholder interest has focused on food and drug store anchored neighborhood centers, and single-tenants essential net lease properties. Throughout Puget Sound, investors will seek those retail developments with strong locational influences. As a result, those retail assets on prime corners, heavily traveled corridors, or near primary employment centers will receive multiple bids from local, national, and international investors. Those multi-tenant buyers targeting strip centers will set re-tenanting as a primary motivator.

### **Vacancy Rate & Retail Rents:**

Research reports indicate that the regional retail market for 2022 remained mostly stable. Rent growth increased 5.4% overall. The overall vacancy rate in the fourth quarter of 2022 decreased to 2.90%. Last year, per square foot pricing increased 7.4% to \$418, well above pre-pandemic pricing. The average cap rate came in at 5.3%.<sup>2</sup>

The Pandemic increased and accelerated E-Commerce growth, becoming a necessity in some areas. Many people throughout King County and Washington State were forced to shop from home during the Shelter-in-place order most of 2020 and beyond. Thanks to industry titans such as Amazon and Alibaba, e-commerce will truly become the future of retail, as nearly all the growth in the retail sector now takes place in the digital space.

Fueled by high customer loyalty and brand awareness, the Amazon prime subscription service continues to grow.

Many retail establishments are still trying to determine the impact of social networking on their organizations by measuring the potential benefits against the perceived risks. Social networking is generally understood to mean using online services or websites to interact and share information with typical examples, including Facebook, LinkedIn, and Twitter. This communication evolution has forced companies to investigate ways to market products and influence brand recognition with this powerful consumer group. Some of the ways a company can capitalize on the benefit of social networking are obvious, such as increasing sales efforts through Twitter, creating community discussion groups, driving brand recognition through company sites on Facebook, and even posting product videos to YouTube. Retail owners use these channels to market properties and promote events to increase consumer traffic and revenue at their properties<sup>3</sup>.

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<sup>2</sup> Kidder Mathews 4<sup>th</sup> Qtr 2022 Seattle Retail

<sup>3</sup> PwC Real Estate Investor Survey, 4<sup>th</sup> Quarter 2010, pg. 8

## **Notable Construction and Redevelopment Activity:**

Construction activity in the Seattle retail market is well below the historical average. Retail development activity is measured and mostly on a build-to-suit basis. Most of the under-construction inventory and recent deliveries are at mixed-use centers focused on experiential design and residential units. Companies are repositioning their assets to include entertainment options to stay competitive with online retail. Grocery Outlet and Dollar General continue to expand across the state.

### **Northgate “Urban Village” Redevelopment (Area 250-142)**

Northgate Mall, now named Northgate Station, is currently in the middle of a multi-phase complete redevelopment of the mall property. Many of the former anchor tenant buildings have been demolished and await redevelopment. The practice facility for Seattle's new NHL team, the Kraken, was completed in time for the 2021–22 NHL season. The former mall property will also eventually have new office, residential, and hospitality space and will only retain 40% of its original retail footprint. The repositioning concept is not unique to the suburbs, either. Some stores downtown converted into creative office space, including the Macy's at Redmond Town Center, which Amazon fully leased in 20Q2. In a similar move, Starwood purchased Seattle's downtown Macy's location in 2015 with plans to convert the top six floors into office space. The 485,000-SF space was leased by Amazon in 17Q4, adding to the company's massive office footprint in the metro. Macy's closed its downtown location in February 2020, leaving the rest of the space to be repurposed.

### **Big Box Re-Tenancing:**

During the last few years, several mid/big box stores have gone dark (vacant); due to either location underperformance, corporate restructuring, or possibly making the large vacant retail space physically obsolete and challenging to re-tenant or re-sell. The previous owner/user of the building will often place deed restrictions on the property, which may severely limit the potential future use of the property. As a result of in-place deed restrictions, vacant big box stores may sit unoccupied for some time, until a suitable use comes along by either re-tenancing the existing space, reconfiguring the preexisting space to a different use, demising (splitting) the larger single-tenant space into a smaller multi-tenant retail use, or even demolishing the entire building for complete redevelopment.

Most notably, Sears, Sam's Club, K-Mart, Top Foods/Haggen's, Safeway, and Albertsons had closed many of their stores throughout King County and, as a result, had marketed the vacant space to be either demised into smaller space or for another type of use.



Examples Of Reconfigured Big Box Space (Three Years)			
Name	Area	Location	Project
Overlake Plaza - Sears	250-226	Redmond	At 268,539/SF, built in 1971, and situated on a +/-14.8 acre lot. In early spring of 2018, Sears announced closure and soon after the property was marketed for sale. Current redevelopment plans are for demolition of existing buildings for future development of urban village, which includes hotel, offices, retail, restaurants, and multi-family.
Aurora Sears	250-311	Shoreline	At 311,601/SF, built in 1967, and situated on a +/-16.6 acre lot. Property was sold in summer of 2017, with store closure in spring of 2018. Current redevelopment plans are for demolition of existing building for future development of urban village, in partnership with adjacent property owners, and the City of Shoreline including proposed retail, restaurants, and multi-family.
TC @ FW Sears	250-353	Federal Way	At 155,638/SF, built in 1975, and situated on a +/-11.6 acre lot. The Sears is part of TC @ FW Mall. Property was sold in summer of 2017, with store closure in spring of 2018. Redevelopment plans have not been announced.
Greenwood Safeway	250-741	N. Seattle	Property sold with deed restrictions. After the property was purchased in May of 2018, the buyer announced store closure for June of 2018. Per new buyer, property (Built in 2003) will be demolished for redevelopment into mixed-use multi-family.
Aurora Albertsons	250-741	N. Seattle	Property sold with deed restrictions. After the property was purchased in May of 2018, buyer announced store closure for June of 2018. The demised into two large tenant spaces, one housing a new Sprouts grocery and the second is a home store. This property has since resold (Net Lease).
Aurora Sam's Club	250-341	N. Seattle	During 2021 Costco applied for permits to refurbish basic building systems and some interior remodeling with City of Seattle. No permits have been issued yet. In early January of 2018, Sam's Club announced immediate closure of their three King County locations. In June of 2018, 144,776/SF (11.67 acres) property was listed as either "For Sale" or "For Lease".
Sam's Club	250-361	Renton	This property was sold to Home Depot in early 2022 with extensive deed restrictions in place. Permitting with City of Renton was in process for extensive refurbishing / remodeling of existing building. In early January of 2018, Sam's Club announced immediate closure of their three King County locations. In June of 2018, 135,489/SF (15.36 acres) property was listed as either "For Sale" or "For Lease".
Sam's Club	250-574	Auburn	This property remains vacant with little upkeep. In early January of 2018, Sam's Club announced immediate closure of their three King County locations. In June of 2018, 151,154/SF property was listed as either "For Sale" or "For Lease". For 2019, the new tenant will be "Fieldhouse", which is a community-based sports facility company that specializes in leagues, events, and tournaments. It offers year-round league play in team sports such as basketball, soccer, volleyball, flag football, and football. It also offers programs for individuals including performance training, all-sports camps, baseball/softball, boot camps, cheerleading, club volleyball, corporate events, dodgeball, lock-ins, skills training, taekwondo, and tumble.
Aurora Shopping Center	250-341	Seattle	Major remodel of former K-Mart. Existing +/-114,000/SF space split into two +/- 57,000/SF retail spaces. Tenants are Hobby Lobby and Asian Food Centers. Project finished and completed early 2015.

Examples Of Reconfigured Big Box Space (Three Years)			
Name	Area	Location	Project
Former Haggen's Grocery Store	250-712	Shoreline	Major remodel of former Top Foods Grocery Store. Existing +/- 52,662/SF space demised into three retail spaces to house a Trader Joes, The Everett Clinic, and Mud Bay. Trader Joes and Mud Bay recently opened with renovations of The Everett Clinic ongoing.
West Campus Square Shopping Center	250-253	Federal Way	Conversion of former 37,180/SF Circuit City to Children's Hospital South Sound Clinic. Project finished spring of 2015.
Former Top Foods	250-353	Federal Way	Conversion of the former 62,818/SF Top Foods Grocery Store into a multi-tenant mixed-use retail development which will have a home furnishing store as the primary anchor tenant with line retail, offices, two restaurants and a bank. Currently, permit is ready to be issued, but waiting on owner to pay permit fees.
Former Albertsons	250-463	Auburn	Conversion of former +/-51,696/SF Albertsons demised into two retail spaces. One space will be a 34,500/SF LA Fitness, while the remaining 17,196/SF retail space is yet to be determined. Project finished in 2018.

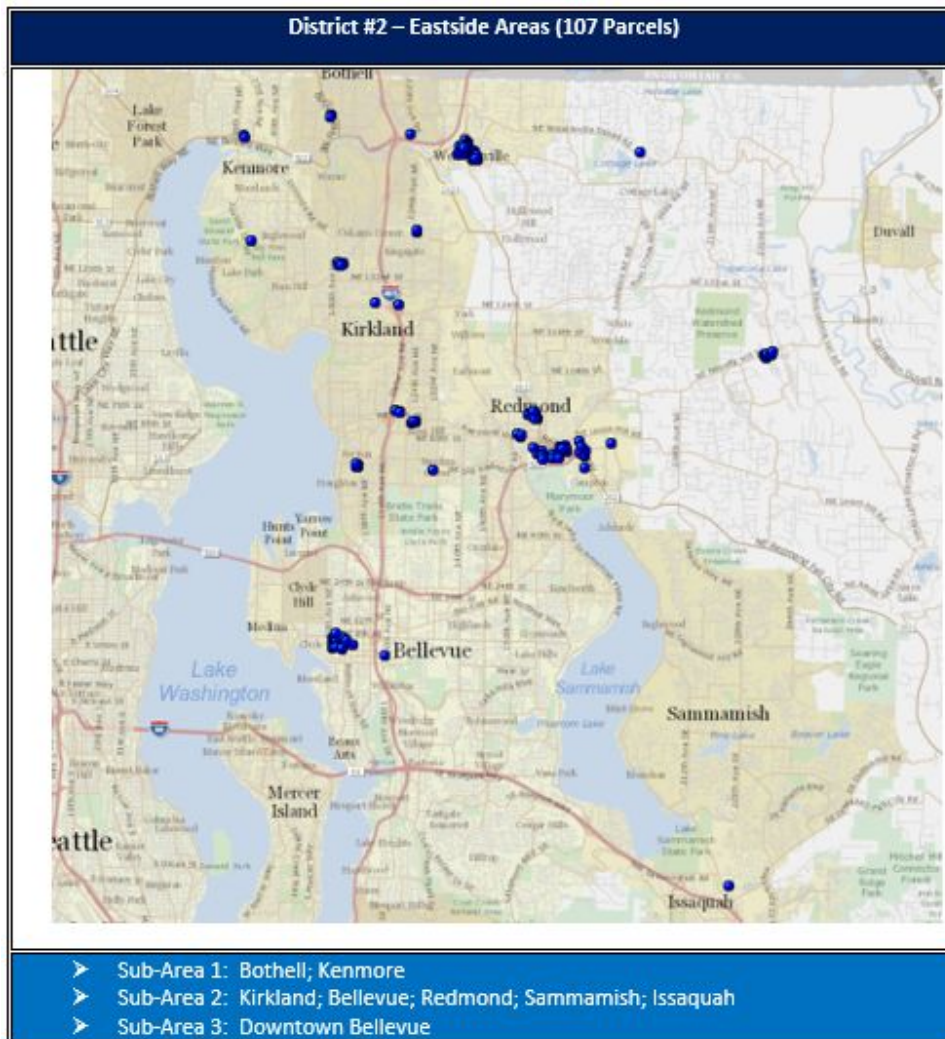
**Major Retail Summary:** For 2023, rents are expected to remain stable or increase throughout the year. With respect to the greater Major Retail market, 2022 experienced flat to increasing property values generally due to stable or increasing lease rates, stable to decreasing vacancy rates, and stable cap rates. The demand for grocery or home improvement anchored properties that are stabilized, well-positioned investment properties with strong NOI's has increased.

2020 YEAR END				
CATEGORY	LEASE RATES	VACANCY RATES	CAPITALIZATION RATES	IMPROVED PROPERTY VALUES
MAJOR RETAIL	↔/↗ (STABLE TO INCREASING)	↔/↘ (STABLE TO DECREASING)	↔ (STABLE)	↔/↗ (STABLE TO INCLINE)

### Physical Inspection Identification:

The physical inspection area for 2023 revalue included Major Retail properties located in those communities/neighborhoods within District 2 Sub areas 4-6 (Bothell, Kenmore, Kirkland, Redmond, and downtown Bellevue); as required by WAC 458-07-015 4 (a). Within the 2023 physical inspection area, there were 107 parcels in all, representing approximately 17% of the total Major Retail population. Of the 107 total parcels physically inspected, 97 parcels improved, with the remainder being vacant associated parcels.

Geo Neighborhood		Location	Inspected Parcel Count	Total Parcel Count	Percent of Parcel Count
250	2	District 2 - Eastside Areas	107	616	17.37%
<b>Specialty Area 250 Physical Inspection Totals</b>			<b>107</b>	<b>616</b>	<b>17.37%</b>



## **Preliminary Ratio Analysis**

No ratio studies were included within this report due to the small number of sales relative to the size and complexity of the Major Retail population. The Parcel Summary Data does not reflect any statistical measure associated with IAAO standards.<sup>4</sup>

## **Scope of Data**

### **Land Value Data:**

The geographic appraiser in the area where the Major Retail property is located is responsible for the land value used by the specialty appraiser. See appropriate area reports for land valuation discussion.

### **Improved Parcel Total Value Data:**

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division Sales Identification Section. Data is analyzed and investigated by the appraiser in the process of revaluation. All sales are verified, if possible, by contacting either the purchaser or seller or contacting the real estate broker and reviewing sale transaction data from online subscription sources. Characteristic data is verified for all sales, if possible. If necessary, a site inspection is made. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Thirteen improved sales were verified as "Sales Used".

### **Improved Parcel Total Values:**

#### **Sales Comparison Approach Model Description**

Sales of improved parcels for Area 250 were verified and entered into the Frozen Sales File. The sales used date range from 01/01/2020 and 12/31/2022. Verification of the sales data consisted of contact with the buyer, seller, or broker, if possible, or information gathered from the CoStar Real Estate Sales Verification Service. At the time of sale, information on vacancy and market absorption rates, capitalization rates, current and anticipated rents, and the competitive position of the properties were also gathered. Sales were then compared to similar properties within the area for valuation.

#### **Sales Comparison Calibration**

Calibration of the coefficients utilized in the models applied via the Sales Comparison Approach was established by analyzing of sales within each neighborhood. Individual values were applied based on various characteristics deemed appropriate by each market.

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<sup>4</sup> Mass Appraisal of Real Property, IAAO, 1999, p. 271-274

These sales statistics also helped form the Income Approach model by setting parameters for income rent rates, vacancies, expenses, and capitalization rates. Sales of improved properties in adjacent neighborhoods were also considered.

### **Cost Approach Model Description**

Cost estimates are automatically calculated and calibrated using the Marshall and Swift cost valuation service model in the computerized “Real Property” program for all improved parcels. Depreciation is based on studies done by Marshall & Swift Valuation Service. The cost was also adjusted to the western region and the Seattle market area. The dynamics of the retail market, and the fact that income is the primary characteristic, around which investment analysis revolves, make it challenging to utilize the cost approach in valuing most, though not all, Major Retail properties. Accordingly, the cost approach is usually limited to valuing new construction, big-box, and/or remodeling in the Major Retail properties.

### **Cost Calibration**

The Marshall & Swift cost-modeling system built into the Real Property Application is calibrated to this region and the Seattle area.

### **Income Capitalization Approach model description**

The Income Approach was considered a reliable approach to valuation throughout Area 250 for improved property types where income and expense data is available to ascertain market rates. Income parameters were derived from the market through market rental surveys, sales, and available real estate publications and websites.

**Income:** Income parameters were derived from the marketplace through listed fair market sales as well as through published sources (i.e., Office Space Dot.Com, Commercial Brokers Association, Costar, and multiple corporate real estate websites such as CBRE, Colliers, GVA Kidder Mathews, Grubb & Ellis, etc.), and opinions expressed by real estate professionals active in the market.

**Vacancy:** Vacancy rates used were derived mainly from published sources tempered by personal observation.

**Expenses:** Expense ratios were estimated based on industry standards, published sources, and personal knowledge of the area’s rental practices. Within the income valuation models for Area 250, the assessor used triple net expense rates as the basis for calculating overall expenses.

**Capitalization Rates:** Capitalization rates were determined by local published market surveys, such as CoStar, Real Capital Analytics, The American Council of Insurance

Adjustors, Integra Realty Resources, Korpaz, etc. For model calibration, the effective year built, and the condition of each building determined the capitalization rate used by the appraiser. For example, a building with an older effective year built of lesser condition will typically warrant a higher capitalization rate. A building in better condition with a newer effective year built will warrant a lower capitalization rate.

**Capitalization Rates:** The following tables demonstrate ranges of capitalization rates and trends compiled with information collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in area 250 to develop the income model. The range of capitalization rates in the income model for area 250 reflects the variety of properties in this area.

The capitalization rates presented in the following tables consolidate many variables such as quality, condition, location, and leasing class. In contrast, the range of capitalization rates typically reflects the building age, quality and competitiveness within a given market. With reported capitalization ranges, lower rates are typically those buildings with superior quality, condition, and leasing class. The higher cap rates typically are those buildings with inferior quality, condition, and leasing class. Higher cap rates might also be applied to the lesser quality retail buildings, or to properties with higher than the normal sub-market vacancy, substantial sub-lease vacancy, or physical issues requiring additional capital investment.

**SEATTLE / REGIONAL CAP RATES 2023**

Source	Date	Location	Office	Industrial	Retail	Remarks
CBRE: U.S. Cap. Rate survey.	H2 2022					CBRE professional survey conducted from H2 2021 and to H1 2022.
		Seattle	5.25% - 6.00% 6.50% - 7.00% 5.75% - 6.50% 7.00% - 8.50%	- - 4.25% - 5.00%	- - 5.50% - 7.00%	CBD – Class A CBD – Class A Value-add Suburban – Class A Suburban – Class A Value-add Class A Retail Neighborhood/Community – Class A
IRR: Viewpoint for 2023	Year-end 2022	Seattle	5.25% 6.50% 6.00% 7.00% - 7.00% 4.50% - -	- - - - 7.00% 4.50% - -	- - - - - - 6.50% 6.75%	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Flex Industrial Industrial Community Retail Neighborhood Retail
CoStar	Year-End 2022	Seattle Puget Sound	5.10% 4.30% 5.20% 5.40% 5.80 % - - - -	- - - - - 5.00% 4.40% - -	- - - - - - 5.50% N/A 5.10% 5.40%	General Office Office Buildings – Class A Office Buildings – Class B Office Buildings – Class C Office Buildings – Medical Industrial Flex Industrial General Retail Power Centers Neighborhood Centers Strip Centers
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2022					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location; 2 <sup>nd</sup> Tier properties are defined as aging, former 1 <sup>st</sup> tier in good to average locations; 3 <sup>rd</sup> Tier are defined as older properties w/ functional inadequacies and/or marginal locations.
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2022	Seattle  West	5.90% 6.70% - - - - 6.00% - 8.50% 6.50% - 10.50% 8.00% - 12.00% 6.00% - 9.50% 6.50% - 11.50% 8.00% - 13.00% - - - - - - - - - - - - - - -	- - 5.20% 6.70% 6.60% - - - - - - 4.50% - 7.00% 5.00% - 9.00% 6.50% - 10.50% 5.00% - 9.00% 7.00% - 10.00% 7.80% - 11.00% 5.50% - 9.80% 7.00% - 10.00% 7.50% - 11.00% - - - -	- - - - - - 6.70% 6.90% 5.80% - - - - - - - - - - - - - - - - - - 5.30% - 9.50% 7.00% - 11.50% 7.00% - 13.00% 6.50% - 9.30%	Office CBD – 1 <sup>st</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties Warehouse – 1 <sup>st</sup> Tier Properties R&D – 1 <sup>st</sup> Tier Properties Flex – 1 <sup>st</sup> Tier Properties Regional Mall – 1 <sup>st</sup> Tier Properties Power Center – 1 <sup>st</sup> Tier Properties Neigh/Comm. Ctrs. – 1 <sup>st</sup> Tier Properties Office CBD – 1 <sup>st</sup> Tier Properties Office CBD – 2 <sup>nd</sup> Tier Properties Office CBD – 3 <sup>rd</sup> Tier Properties Suburban Office – 1 <sup>st</sup> Tier Properties Suburban Office – 2 <sup>nd</sup> Tier Properties Suburban Office – 3 <sup>rd</sup> Tier Properties Warehouse – 1 <sup>st</sup> Tier Properties Warehouse – 2 <sup>nd</sup> Tier Properties Warehouse – 3 <sup>rd</sup> Tier Properties R&D – 1 <sup>st</sup> Tier Properties R&D – 2 <sup>nd</sup> Tier Properties R&D – 3 <sup>rd</sup> Tier Properties Flex – 1 <sup>st</sup> Tier Properties Flex – 2 <sup>nd</sup> Tier Properties Flex – 3 <sup>rd</sup> Tier Properties Regional Mall – 1 <sup>st</sup> Tier Properties Regional Mall – 2 <sup>nd</sup> Tier Properties Regional Mall – 3 <sup>rd</sup> Tier Properties Power Center – 1 <sup>st</sup> Tier Properties

**SEATTLE / REGIONAL CAP RATES 2023**

Source	Date	Location	Office	Industrial	Retail	Remarks
				-	6.00% - 13.30%	Power Center – 2 <sup>nd</sup> Tier Properties
				-	8.00% - 13.80%	Power Center – 3 <sup>rd</sup> Tier Properties
				-	6.00% - 9.30%	Neigh/Comm. Ctr. – 1 <sup>st</sup> Tier Properties
				-	5.50% - 11.00%	Neigh/Comm. Ctr. – 2 <sup>nd</sup> Tier Properties
				-	6.50% - 12.00%	Neigh/Comm. Ctr. – 3 <sup>rd</sup> Tier Properties

**SEATTLE / REGIONAL CAP RATES 2023**

Source	Date	Location	Office	Industrial	Retail	Remarks
IRR: Viewpoint for 2023	Year-end 2022	West Region	6.15%	-	-	<u>Institutional Grade Properties</u>
			6.67%	-	-	CBD Office – Class A
			6.39%	-	-	CBD Office – Class B
			6.93%	-	-	Suburban Office – Class A
			-	5.73%	-	Suburban Office – Class B
			-	5.13%	-	Flex Industrial
			-	-	6.29%	Industrial
			-	-	6.38%	Community Retail
PWC Real Estate Investment Survey	4Q 2022	Seattle	4.50% - 7.00%	-	-	Office
			4.75% - 7.75%	-	-	Office
			-	3.00% - 5.50%	-	Warehouse
ACLI	4Q 2022	Seattle – Bellevue - Everett MSA	5.57%		8.04%	All Classes
		Pacific Region	5.57%	5.10%	5.78%	All Classes



**SEATTLE / REGIONAL/ NATIONAL CAP RATES 2023**

Source	Date	Location	Multifamily	Hospitality	Remarks
CBRE: U.S. Cap. Rate survey. Advance Review	H2 2022	Seattle	4.00% - 4.50% 4.50% - 5.00%		Infill – Class A Suburban – Class A
CBRE – U.S. Cap Rate Survey - Report	H2 2022	Seattle		6.50% - 7.50% 6.00% - 6.50% 7.00% - 8.00% 6.50% - 7.50% 7.00% - 8.00%	Full-Service – Resort Full Service – City Center Full Service – Other Limited Service – City Center Limited Service – Other
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2022	Seattle  West Region	5.30% - 4.30% - 8.00% 5.00% - 7.50% 5.50% - 8.50% - -	- 7.80% - - - 6.50% - 10.00% 8.00% - 12.50% 9.00% - 12.50%	Apartments – All Classes Hotels – All Classes Apartments – 1 <sup>st</sup> Tier Properties Apartments – 2 <sup>nd</sup> Tier Properties Apartments – 3 <sup>rd</sup> Tier Properties Hotels – 1 <sup>st</sup> Tier Properties Hotels – 2 <sup>nd</sup> Tier Properties Hotels – 3 <sup>rd</sup> Tier Properties
RERC: Real Estate Report Valuation Rates & Metrics	4Q 2022	National	3.90% - 6.00 %	6.70% - 9.00%	Apartment Hotel
IRR: Viewpoint for 2023	Year-end 2022	Seattle	4.50% 4.75% 4.75% 5.00%		Urban Class A Urban Class B Suburban Class A Suburban Class B
IRR: Viewpoint for 2023	Year-end 2022	West Region	4.42% 4.61% 4.87% 5.02%	- - -	Urban Class A Urban Class B Suburban Class A Suburban Class B
PWC Real Estate Investment Survey	Year-end 2022	National	- - -	5.00% - 9.00% 8.00% - 11.50% 4.00% - 9.50% 7.00% - 10.00%	Full-Service Lodging Limited-Service Midscale Luxury/Upper – Upscale Select Service
PWC Real Estate Investor Survey	4Q 2022	Pacific Region	5.70%		Apartments
ACLI	4Q 2022	Seattle-Bellevue Everett	4.45%	----	All Classes
		Pacific	4.93%	8.31%	All Classes

WEST / NATIONAL CAP RATES 2023						
Source	Date	Location	Office	Industrial	Retail	Remarks
RERC: Real Estate Report Income Vs. Price Realities	4Q 2022					1 <sup>st</sup> Tier properties are defined as new or newer quality const. in prime to good location and typical owners/buyers are institutional investors
		National	5.00% - 8.00% 5.00% - 9.00%	- - 4.30% - 7.00%	- - -	Office CBD Suburban Office Warehouse R&D Flex Regional Mall Power Center Neigh/Comm. Ctrs.
			- - 5.00% - 8.00%	5.89%	4.70% - 9.20%	
			- - 4.60% - 8.00%	6.48%	5.50% - 8.50%	
			- -	- -	4.80% - 7.80%	
IRR: Viewpoint 2023 Commercial Real Estate Trends report	Yr. End 2022	National	7.00% 7.66% 7.18% 7.84%	- - - -	- - - -	<u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial Flex Industrial Community Retail Neighborhood Retail
			- -	5.89% 6.48%	- -	
			- -	- -	6.95% 7.00%	
ACLI	4Q 2022	National	6.21% 6.04% 7.69% 5.99% 6.11%	4.84% 6.82% 5.21% 6.04% 4.63%	6.71% 6.30% 6.91% 6.05% 7.43%	Overall Sq.Ft. - <50k Sq.Ft. - 50k – 100k Sq.Ft. – 100,001 – 200k Sq.Ft. – 200k+
PWC Real Estate Investor Survey	4Q 2022	National	4.25% - 7.50% 4.25% - 7.75% 6.00% - 9.25% 5.00% - 10.00%	- - - -	- - -	CBD Office Suburban Office Secondary Office Medical Office Warehouse Regional Mall Power Center Neigh. Strip Centers Net Lease
			- -	2.00% - 6.25%	- -	
			- -	- -	5.00% - 12.50% 5.25% - 7.50%	
			- -	- -	5.00% - 10.00% 5.00% - 7.50%	
The Boulder Group: Net Lease Market Report	4Q 2022	National	6.95%	6.65%	5.95%	Overall (Average)

### Income Approach Calibration

Properties were valued based on an income model using economic rents, typical vacancy and credit loss, expenses, and capitalization rates. The income model was calibrated, and adjustments were based on effective age and quality of construction. Fifteen tables were created to value the less complex mall properties and downtown Seattle department stores.

**Income Model Conclusions:**

Rental rates, vacancy levels, and operating expenses are derived by reconciling all the information collected through the sales verification process, completed surveys, interviews with tenants, owners, and brokers, and the appraiser's independent market research. Quality, effective year, condition, and location are variables considered in applying the income model to the parcels in the population best suited to be valued via the income approach. Property types in Specialty Area 250 that are valued by the income approach include, but are not limited to, power centers, neighborhood/community centers, and free-standing grocery stores.

Typical income model parameters for the various markets that make up Specialty Area 250 are summarized in the following table. Due to the nature of commercial real estate, not all properties fall within the “typical” parameters listed below for their respective property use type. All the malls, outlet malls, and lifestyle centers have been assigned their proper geographic neighborhood for record-keeping purposes, and do not typically lend themselves to neighborhood designations due to the unique composition of the tenants and the overall quality of building improvements. In addition, due to the complexity in appraising malls, outlet malls, and lifestyle centers, these properties were not assigned neighborhood income tables and were assessed individually.

TYPICAL LEASE RATES FOR COMMON MAJOR RETAIL TYPE PROPERTIES								
Type	Dist.	Vac. %	Line Retail \$/SF	Retail \$/SF <10K SF	Retail \$/SF 10K-25K SF	Retail \$/SF > 25K SF>	Supermarket	Discount / Whse. Discount
Power Centers	2	5% - 10%	\$25.00 - \$33.00	\$16.00 - \$21.00	\$15.00 - \$19.00	\$11.00 - \$17.00	\$13.00 - \$17.00	\$10.00 - \$17.00
	4	5% - 10%	\$21.00 - \$31.00	\$15.00 - \$23.00	\$13.00 - \$21.00	\$10.00 - \$19.00	\$13.50 - \$17.50	\$10.00 - \$16.00
	5	5% - 10%	\$19.00 - \$29.00	\$14.00 - \$18.00	\$12.00 - \$16.00	\$10.00 - \$15.00	\$9.50 - \$13.50	\$8.50 - \$13.50
	6	5% - 10%	\$26.00 - \$34.00	\$19.00 - \$25.00	\$15.00 - \$21.00	\$12.00 - \$20.00	---	---
Neigh. / Retail Centers	1	5% - 10%	\$20.00 - \$28.00	\$17.00 - \$21.00	\$16.00 - \$20.00	\$13.00 - \$19.00	\$13.00 - \$17.00	\$10.00 - \$17.00
	2	5% - 10%	\$13.00 - \$35.00	\$16.00 - \$25.00	\$15.00 - \$24.00	\$13.00 - \$23.00	\$11.00 - \$20.00	\$9.00 - \$20.50
	4	5% - 10%	\$21.00 - \$40.00	\$17.00 - \$29.00	\$16.00 - \$25.00	\$14.00 - \$25.00	\$13.50 - \$23.00	\$17.00 - \$21.00
	5	5% - 10%	\$15.00 - \$26.00	\$14.00 - \$21.00	\$9.00 - \$18.00	\$8.00 - \$17.00	\$8.50 - \$14.50	\$9.00 - \$14.50
	6	5% - 10%	\$16.00 - \$27.00	\$14.00 - \$21.00	\$12.00 - \$19.00	\$10.50 - \$18.00	\$10.50 - \$15.50	\$8.50 - \$13.50
	7	5% - 12%	\$16.00 - \$30.00	\$14.00 - \$19.00	\$12.00 - \$18.00	\$10.50 - \$17.00	\$9.00 - \$16.00	\$8.00 - \$15.00
Grocery	1	5%					\$13.00 - \$17.00	
	2	5%					\$13.00 - \$17.00	
	3	5%					\$12.50 - \$16.50	
	4	5%	---	---	---	---	\$13.50 - \$22.00	---
	5	5%					\$10.50 - \$14.50	
	6	5%					\$10.50 - \$15.50	
	7	5%					\$9.00 - \$16.00	
Typical Expense Rates (NNN)		7.50%						
Typical Cap. Rates		5.50% - 8.00%						

\*Lease Rate Ranges encompass all sub-areas within each district

Certain properties with a history of extremely high vacancies or other negative factors were given higher vacancy and capitalization rates to reflect the higher risk associated with those properties. The following typical income parameters were considered on most Major Retail properties:

**Power Centers:** For Power Centers, line retail rent rates typically range from \$19.00/SF to \$34.00/SF, while lease rates for general retail space typically range from \$14.00/SF to \$25.00/SF (< 10K/SF); \$12.00/SF to \$21.00/SF (10K – 25K SF); and \$10.00/SF to \$20.00/SF (>25K SF), respectively. Supermarket lease rates range between \$9.50/SF to \$17.50/SF, while discount/warehouse discount stores have rental rates ranging from \$8.50/SF to \$17.00/SF. Deductions for vacancy and collection loss were estimated between 5.00% and 12.00% of Potential Gross Income. Typical expense rates for properties of this type were estimated at 7.50%. Capitalization Rates applicable to this property type typically range from 5.75% to 7.75% depending on effective age and quality/condition factors.

**Big Box Retail:** The Cost approach was employed to value most typical Big Box retail stores within King County. Any non-typical Big Box properties (i.e., unique configuration/construction or mixed-use/multi-tenant within the building) may be valued using income. For Big Box retail stores that include line retail, rent rates typically range from \$16.00/SF to \$32.00/SF, while lease rates for the discount/warehouse discount stores range from \$7.00/SF to \$14.00/SF. Deductions for vacancy and collection loss were estimated at 5.00% of Potential Gross Income. The typical expense rate was 7.50%. Capitalization Rates applicable to this property type typically range from 6.50% to 8.25%, depending on effective age and quality/condition factors. Appraiser judgment prevails in all decisions regarding individual parcel valuation.

**Neighborhood / Community Centers:** For Neighborhood / Community Centers, line retail rent rates typically range from \$13.00/SF to \$40.00/SF, while lease rates for general retail space typically range from \$14.00/SF to \$29.00/SF (< 10K/SF); \$9.00/SF to \$25.00/SF (10K – 25K SF); and \$8.00/SF to \$25.00/SF (>25K SF), respectively. Supermarket lease rates range between \$8.50/SF to \$23.00/SF, while discount/warehouse discount stores have rental rates ranging from \$8.00/SF to \$21.00/SF. Deductions for vacancy and collection loss were estimated between 5.00% and 12.00% of Potential Gross Income. Typical expense rates for properties of this type were estimated at 7.50%. Capitalization Rates applicable to this property type typically range from 5.50% to 8.00% depending on effective age and quality/condition factors.

**Supermarket / Grocery:** For Supermarket / Grocery stores, retail rental rates typically range from \$9.00/SF to \$22.00/SF. Deductions for vacancy and collection loss were estimated at 5.00% of Potential Gross Income, while typical expense rates for properties of this type were estimated at 7.50%. Capitalization Rates applicable to this property type typically range from 6.00% to 8.00% depending on effective age and quality/condition factors.

**Regional Malls / Lifestyle Centers:** For regional malls and lifestyle centers, typical rents ranged from \$15.00 to \$55.00 per square foot of rentable area with capitalization rates ranging from 5.00% to 7.75%. Allowances for vacancy and collection loss were typically stabilized between 5% or 12%, with expenses ranging between 5.00% to 25.00%. Anchor stores have relatively low rents, less than \$9.00 per square foot per year, while smaller

retail stores in premium locations may lease for as much as \$75 per square foot per year. The investment quality of the property determined the capitalization rate. Location, condition, age, and tenancy were considered in the valuation of the regional malls. Generally, the institutional-grade properties were analyzed using higher average rents and lower capitalization rates than non-institutional grade properties.

### **Reconciliation:**

All parcels were individually reviewed for the correctness of the model application before final value selection. All the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when comparable sales were available; however, the income approach was applied to most parcels to equalize comparable properties better. Whenever possible, market rents, expenses, and cap rates were ascertained from sales, and along with data from surveys and publications, these parameters were applied to the income model. The income approach to value was considered a reliable indicator of value in most instances. The market rental rate applied to a few properties varied from the model but fell within an acceptable range of variation from the established guideline.

### **Model Validation**

#### **Total Value Conclusions, Recommendations and Validation:**

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is reviewed, and a value is 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 and may adjust characteristics and conditions as they occur in the valuation area.

The Specialty Appraiser recommends application of the selected values, as indicated by the appropriate model or method. With respect to the greater Major Retail market, the 2023 assessment year experienced slightly increasing property values generally due to rebounding from effects of Covid-19 pandemic, lower vacancy rates & stable to lower capitalization rates. As mentioned earlier in this report, there were only 15 sales of Major Retail properties. Because of the lack of market sales, the appraiser relied primarily on the economic income approach and cost approach.

## Total Value Change

Application of these recommended values for the 2023 assessment year results in a total change from the 2022 assessments of 4.61%. The total assessed value for the 2022 assessment year was \$8,322,454,086 and the total recommended assessed value for the 2023 assessment year is \$8,706,308,780.

<b>CHANGE IN TOTAL ASSESSED VALUE</b>			
<b>2022 Total Value</b>	<b>2023 Total Value</b>	<b>\$ Change</b>	<b>% Change</b>
<b>\$ 8,322,454,086</b>	<b>\$ 8,706,308,780</b>	<b>\$ 383,854,694</b>	<b>4.61%</b>

## 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, 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 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. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

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

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

## Date of Value Estimate

### 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.

## **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, 3<sup>rd</sup> 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 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 is 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 significant real property assistance as determined by the undersigned. All services as may be variously defined significant or otherwise, and performed by duly authorized and qualified King County Assessment staff employed in the areas of Public Information, Accounting/Abstract, Commercial, Residential, Information Services, Personal Property, Accounting/Mapping, Accounting/Support, Accounting/Appeals, Chief Appraiser, Accounting/Exemptions, Accounting/Levy Administration, who may have involvement in physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time, is made part of each real property parcel as a matter of public record and this certification by reference.
- Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed here: 2020, 2021, & 2022 Revalue. Any and all activities required under the Certificate of Appointment under sworn oath appointing the below signed appraiser to the position of true and lawful deputy in the Office of the King County Assessor, and authorized by the State of Washington, Department of Revenue under a Certificate of Accreditation. To Wit: all duties, responsibilities, and services associated with the position description of Commercial Appraiser II in the management and valuation of Commercial Area 250. Such duties, responsibilities and services include, but are not limited to physical inspection, revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification, new construction evaluation, and any other service which may be required from time to time and to be determined significant or otherwise during the fulfillment of position requirements, and are made part of each real property parcel, is a matter of public record and this certification by reference.

6/30/23

Raphael Roberge  
Commercial Appraiser II

Date

Specialty Area 250  
2023 Assessments Year



Improved Sales Calc for Area 250 with Sales Used

7/19/2023

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
250	226	355750	0230	15,114	3061408	\$6,400,000	08/04/20	\$423.45	PICKERING PLACE - Barnes & Noble	UC	Retail Store	1	Y	
250	261	262304	9067	153,879	3171050	\$36,000,000	01/31/22	\$233.95	PARKWAY PLACE	TUC-CC	Retail(Line/Strip)	2	Y	
250	361	202305	9007	135,469	3171103	\$22,000,000	01/21/22	\$162.40	SAM'S CLUB - RENTON (+ gas minus Econ. Units on 915460	CA	Retail(Big Box)	3	Y	
250	373	543620	0840	83,408	3086863	\$15,000,000	12/04/20	\$179.84	K MART (VACANT)	GC	Retail(Discount)	1	Y	
250	411	012603	9058	43,418	3091460	\$12,200,000	12/22/20	\$280.99	THE SHOPS AT RICHMOND VILLAGE - Assoc Parcel w/-905	CB	Shopping Ctr(Ngh	2	Y	
250	411	030650	0060	38,030	3205994	\$8,676,400	08/19/22	\$228.15	AURORA SQUARE (PORTION)	MB	Grocery Store	2	Y	
250	412	401930	1655	240,881	3204916	\$53,100,000	08/11/22	\$220.44	TOWN CENTER AT LAKE FOREST PARK	TC	Shopping Ctr(Com	2	Y	
250	412	741770	0370	112,217	3206058	\$29,150,000	08/19/22	\$259.76	BALLINGER VILLAGE SHOPPING CNTR	CB	Shopping Ctr(Com	2	Y	
250	422	357980	0553	65,067	3221143	\$14,300,000	12/15/22	\$219.77	INGLEWOOD VILLAGE SHOPPING CENTER	FHNC	Shopping Ctr(Ngh	1	Y	
250	426	282406	9311	172,978	3204768	\$57,164,406	08/11/22	\$330.47	Town & Country Square	UC	Shopping Ctr(Ngh	1	Y	
250	442	292604	9468	96,059	3125057	\$34,300,000	06/10/21	\$357.07	NORTGATE VILLAGE	NC3-55 (M)	Shopping Ctr(Com	1	Y	
250	452	192304	9020	140,087	3191499	\$45,000,000	05/20/22	\$321.23	Burien Town Plaza	DC	Shopping Ctr(Com	2	Y	
250	453	150050	0020	118,877	3203509	\$23,550,000	08/04/22	\$198.10	SAFEWAY / FORMER RITE-AID	CC-F	Grocery Store	3	Y	
250	473	292205	9310	67,240	3221175	\$5,000,000	12/15/22	\$74.36	TOP FOODS (Former)	CC	Shopping Ctr(Regi	1	Y	
250	474	302105	9071	53,574	3147639	\$10,300,000	09/23/21	\$192.26	WHITE RIVER JUNCTION	C3	Shopping Ctr(Ngh	7	26	Imp changed after sale; not in ratio

Improved Sales Calc for Area 250 with Sales Not Used

7/19/2023

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Present Use	Parcel Ct	Ver. Code	Remarks
250	161	920247	0080	255,534	3112461	\$16,510,000	01/30/21	\$64.61	WESTFIELD SHOPPING CENTER	TUC-RC	Shopping Ctr(Regi	1	33	Lease or lease-hold
250	226	355750	0200	32,441	3172796	\$14,500,000	02/11/22	\$446.97	PICKERING PLACE - Big Lots	UC	Retail(Discount)	1	57	Selling or buying costs affecting sa
250	311	728590	0030	115,055	3114469	\$17,321,382	04/27/21	\$150.55	FRED MEYER - SHORELINE (ECON. UNIT 728650 0020)	TC-2	Retail(Discount)	2	59	Bulk portfolio sale
250	311	728590	0030	115,055	3114470	\$1,924,598	04/27/21	\$16.73	FRED MEYER - SHORELINE (ECON. UNIT 728650 0020)	TC-2	Retail(Discount)	2	59	Bulk portfolio sale
250	461	000720	0004	0	3204755	\$348,540	08/09/22	\$0.00	RAINIER SAFEWAY - RENTON (ECON. FOR IMPS. ON 000720)	CA	Grocery Store	3	68	Non-gov't to gov't
250	473	292205	9335	127,693	3046659	\$2,500,000	05/08/20	\$19.58	KENT EAST HILL PLAZA	CC	Shopping Ctr(Com	1	15	No market exposure
250	622	894438	0010	231,753	3045374	\$5,295,000	05/01/20	\$22.85	THE VILLAGE AT TOTEM LAKE - LOWER	TL 2	Retail Store	3		
250	726	222506	9026	46,733	3220932	\$14,350,000	12/09/22	\$307.06	ALBERTSONS	NBP	Shopping Ctr(Nght	1	15	No market exposure
250	726	282505	9080	56,949	3151082	\$50,000	10/08/21	\$0.88	WHOLE FOODS (INCLUDES MINOR #9080, #9083,#9022, &	BR-GC	Grocery Store	3	24	Easement or right-of-way

**SPECIALTY AREA 250 - PHYSICAL INSPECTION 2023**

Specialty Area	Major	Minor	PropName	AddrLine
250-426	032405	9064	BEL-EAST SHOPPING CTR - QFC	14300 SE 16TH ST
250-426	032405	9162	BEL-EAST SHOPPING CTR - LINE RETAIL	1510 145TH PL SE
250-426	067000	0010	KELSEY CREEK - LINE RETAIL	No Situs
250-426	067000	0020	KELSEY CREEK - STARBUCKS	14825 MAIN ST
250-426	067000	0030	KELSEY CREEK - WALMART / LA FITNESS	15015 MAIN ST
250-426	067000	0040	KESLEY CREEK - LINE RETAIL & OFFICE	15047 MAIN ST
250-426	067000	0050	FACTORY STORES @ NORTH BEND	15015 MAIN ST
250-525	092308	9005	FACTORY STORES @ NORTH BEND	521 SOUTH FORK AVE SW
250-525	092308	9010	Mt Valley Center - Bldgs B & C	661 SOUTH FORK AVE SW
250-425	092308	9083	Mt Valley Center - Bldg A (Safeway)	426 SW MOUNT SI BLVD
250-425	092308	9084	CHASE BANK	460 SW MOUNT SI BLVD
250-425	092308	9085	Mt Valley Center - Bldg D	712 SW MOUNT SI BLVD
250-425	092308	9090	Mt Valley Center - Line Retail	500 SW MOUNT SI BLVD
250-425	092308	9092	FACTORIA VILLAGE SHOPPING CENTER	320 SW MOUNT SI BLVD
250-424	092405	9100	TARGET - FACTORIA SQUARE	3520 FACTORIA BLVD SE
250-124	162405	9002	FACTORIA SQUARE - RICARDO'S RESTAURANT	No Situs
250-124	162405	9003	WALMART - FACTORIA SQUARE	4123 124TH AVE SE
250-124	162405	9309	OVERLAKE VILLAGE SHOPPING CENTER	No Situs
250-124	162405	9310	OVERLAKE VILLAGE SHOPPING CENTER	4126 SE 124TH ST
250-426	206350	0015	Overlake Center (Retail buildings A to G)	14808 NE 24TH ST
250-426	206350	0040	HOME DEPOT - ISSAQUAH	14810 NE 24TH ST
250-426	212406	9090	EASTGATE PLAZA (+ Gas)	5700 EAST LAKE SAMMAMISH PKWY SE
250-326	216163	0110	ALBERTSONS	6200 EAST LAKE SAMMAMISH PL SE
250-424	220150	1405	FACTORIA SQUARE - MAIN MALL	3670 150TH AVE SE
250-726	222506	9026	CROSSROADS MALL	3925 236TH AVE NE
250-124	244270	0060	CROSSROADS MALL	12750 SE 39TH ST
250-124	244270	0100	OVERLAKE FASHION PLAZA	No Situs
250-126	262505	9123	OVERLAKE FASHION PLAZA - Former Sears Auto C	15600 NE 8TH ST
250-126	262505	9243	EVERGREEN VILLAGE (+Gas)	15600 NE 8TH ST
250-226	262505	9274	FRED MEYER - BELLEVUE	No Situs
250-226	262505	9276	COAL CREEK VILLAGE SHOP CNTR	No Situs
250-426	272505	9010	COAL CREEK VILLAGE - RETAIL/LINE RETAIL	1645 140TH AVE NE
250-326	272505	9201	COAL CREEK MARKETPLACE - BANK OF AMERICA	2041 148TH AVE NE
250-424	282405	9038	COAL CREEK MARKETPLACE	6911 COAL CREEK PKWY SE
250-424	282405	9078	COAL CREEK VILLAGE - KEY BANK	6979 COAL CREEK PKWY SE
250-424	282405	9125	THE COMMONS AT ISSAQUAH - w/SAFEWAY	6950 COAL CREEK PKWY SE
250-424	282405	9139	Town & Country Square	COAL CREEK PKWY SE
250-424	282405	9140	TARGET - ISSAQUAH	6920 COAL CREEK PKWY SE
250-424	282405	9145	WHOLE FOODS (INCLUDES MINOR #9080, #9083,	6917 COAL CREEK PKWY SE
250-226	282406	9310	FRED MEYER - KIRKLAND (ECON. UNIT #9194)	755 NW GILMAN BLVD
250-426	282406	9311	GREENWOOD VILLAGE QFC STORE	1185 NW GILMAN BLVD
250-326	282406	9364	HOME DEPOT - BELLEVUE	755 NW GILMAN BLVD
250-726	282505	9022	UWAJIMAYA MARKET & TOTAL WINE	No Situs
250-726	282505	9080	Sammamish Highlands Safeway (Safeway)	888 116TH AVE NE
250-726	282505	9083	KELSEY CREEK CENTER:RETAIL (BUILDING E)	888 116TH AVE NE
250-726	282505	9162	COSTCO - ISSAQUAH	No Situs
250-326	282605	9122	Pickering Square Bldg #1	12221 120TH AVE NE
250-724	302405	9117	Pickering Square - Bldg #2	8421 SE 68TH ST
250-326	332505	9007	LOWE'S - ISSAQUAH	325 120TH AVE NE
250-426	332505	9120	PICKERING PLACE - Petsmart/Vet. Hosp.	699 120TH AVE NE
250-426	342506	9085	PICKERING PLACE - General Retail	630 228TH AVE NE
250-426	352505	9057	PICKERING PLACE - RETAIL W/2ND FL OFFICE	106 148TH AVE SE
250-326	355750	0130	PICKERING PLACE - Big Lots	1801 10TH AVE NW
250-426	355750	0140	PICKERING PLACE - Pier One Imports	1810 12TH AVE NE
250-426	355750	0150	PICKERING PLACE - Regal Cinemas	1802 129TH AVE NE
250-326	355750	0170	PICKERING PLACE - Former Barnes & Noble	1625 11TH AVE NW
250-226	355750	0180	PICKERING PLACE - Former Leathers Home Furnis	1505 11TH AVE NW
250-226	355750	0185	PICKERING PLACE - GOBO Building	1495 11TH AVE NW
250-226	355750	0190	PICKERING PLACE - General Office	1485 11TH AVE NW
250-226	355750	0200	Pickering Square Building No. 3	1475 11TH AVE NW
250-226	355750	0210	Klahanie Community Center, QFC	1435 11TH AVE NW
250-226	355750	0220	Klahanie Community Center	1490 11TH AVE NW
250-226	355750	0230	Klahanie Community Center	1530 11TH AVE NW

**SPECIALTY AREA 250 - PHYSICAL INSPECTION 2023**

Specialty Area	Major	Minor	PropName	AddrLine
250-226	355750	0232	Klahanie Community Center	1520 11TH AVE NW
250-226	355750	0234	Klahanie Community Center	1510 11TH AVE NW
250-226	355750	0236	Klahanie Community Center	1455 11TH AVE NW
250-426	355750	0310	LAKEMONT VILLAGE	No Situs
250-426	390530	0010	Metropolitan Market	4570 KLAHANIE DR SE
250-426	390530	0020	Meadows Shopping Center - Bldgs A - B - C - D (Ec	4580 KLAHANIE DR SE
250-426	390530	0040	Meadows Shopping Center - Bldg E	4506 KLAHANIE DR SE
250-426	390530	0050	Meadows Shopping Center - (QFC) Bldg G	4510 KLAHANIE DR SE
250-426	390530	0060	Meadows Shopping Center - Bldg "J"	4562 KLAHANIE DR SE
250-426	390530	0070	Meadows Shopping Center - Bldg K	4528 KLAHANIE DR SE
250-424	413942	0760	Meadows Shopping Center - Bldg M	4989 LAKEMONT BLVD SE
250-724	531510	1395	Meadows Shopping Center - Bldg L	2755 77TH AVE SE
250-426	542320	0010	Meadows Shopping Center - Bldg N	1620 NW GILMAN BLVD
250-426	542320	0020	Meadows Shopping Center - Bldg O	1590 NW GILMAN BLVD
250-426	542320	0030	Pine Lake Village (Bank of America)	1540 NW GILMAN BLVD
250-426	542320	0040	Pine Lake Village	No Situs
250-426	542320	0050	Pine Lake Village	1460 NW GILMAN BLVD
250-426	542320	0060	Pine Lake Village (Chase Bank)	1440 NW GILMAN BLVD
250-426	542320	0070	Pine Lake Village (Wells Fargo Bank)	1480 NW GILMAN BLVD
250-426	542320	0080	Pine Lake Village	1420 NW GILMAN BLVD
250-426	542320	0100	Pine Lake Village (QFC)	1410 NW GILMAN BLVD
250-426	542320	0130	Pine Lake Village	1582 NW GILMAN BLVD
250-426	542320	0140	Pine Lake Village	1450 NW GILMAN BLVD
250-426	542320	0150	Sammamish Highlands Center	NW GILMAN BLVD
250-426	679160	0010	Sammamish Highlands Center	3090 ISSAQUAH-PINE LAKE RD SE
250-426	679160	0020	Sammamish Highlands Center	3070 228TH AVE SE
250-426	679160	0030	Sammamish Highlands Center	3066 228TH AVE SE
250-426	679160	0040	Sammamish Highlands Center	2950 ISSAQUAH-PINE LAKE RD SE
250-426	679160	0050	Sammamish Highlands Center	2942 228TH AVE SE
250-426	679160	0060	Sammamish Highlands Center (Chase Bank)	3000 ISSAQUAH-PINE LAKE RD SE
250-426	679160	0140	Sammamish Highlands Center	2902 228TH AVE SE
250-426	679160	0150	Sammamish Highlands Center	No Situs
250-426	679160	0160	SAFEWAY SNOQUALMIE RIDGE	No Situs
250-426	752546	0010	SAFEWAY STORE	486 228TH AVE NE
250-426	752546	0030		510 228TH AVE NE
250-426	752546	0040		526 228TH AVE NE
250-426	752546	0050		600 228TH AVE NE
250-426	752546	0060		606 228TH AVE NE
250-426	752546	0090		730 228TH AVE NE
250-426	752546	0110		22823 NE 8TH ST
250-426	752546	0120		706 228TH AVE NE
250-426	752546	0130		22841 NE 8TH ST
250-726	784680	0010		34828 SE DOUGLAS ST
250-726	866348	0010		1451 HIGHLANDS DR NE





## King County

### Department of Assessments

King Street Center  
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Seattle, WA 98104  
(206) 296-7300 FAX (206) 296-0595  
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**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 Area 250

2023 Assessment Year



**Department of Assessments**