

Executive Summary Report

Appraisal Date 1/1/2004 - 2005 Assessment Roll

Quadrant Name: Northwest King County Commercial Area

Previous Physical Inspection: 1/2003

Sales – Improved Analysis Summary:

Number of Sales: 206

Range of Sales Dates: 1/01 – 1/04

Sales – Ratio Study Summary:

	Improved Value	Sale Price	Ratio	COV
2003 Value	\$921,300	\$1,024,500	89.90%	16.14%
2004 Value	\$1,002,300	\$1,024,500	97.80%	9.04%
Change	+\$81,000		+7.90%	-7.10%
% Change	+8.79%		+8.79%	-43.99%

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of -7.10% and -43.99% actually represent an improvement.

Sales used in Analysis: All improved sales which were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis.

Population - Parcel Summary Data:

	Land	Imps	Total
2003 Value	\$6,856,548,517	\$2,802,595,135	\$9,659,143,652
2004 Value	\$7,118,321,400	\$2,950,677,500	\$10,068,998,900
Percent Change	+3.82%	+5.28%	+4.24%

Number of Parcels in the Population: 7233 excluding specialties

Conclusion and Recommendation:

Since the values recommended in this report improve uniformity, assessment level and generally reflect the Northwest King County rising real estate market, we recommend posting these values for the 2004 Assessment Roll.

Analysis Process

Highest and Best Use Analysis

As if vacant: Market analysis of this region , together with current zoning and anticipated use, indicates that the highest and best use of the majority of the appraised parcels as commercial use. Any opinion not consistent with this analysis is noted in our records and is considered in the valuation of specific parcels.

As if improved: Based on neighborhood trends, the existing buildings are considered the highest and best use for most parcels. The existing use will continue until land value, in its highest and best use, exceeds the total value of the entire parcel in its current use and the cost to remove the improvements. For those properties that are not at highest and best use, then a token value of \$1,000 is assigned to the improvements.

Special Assumptions, Departures and Limiting Conditions

The sales comparison, cost, and income approaches were considered for this mass appraisal valuation.

The following Departmental guidelines were considered and adhered to:

- Sales from 1/01 to 12/03 (at minimum) were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Northwest King County (Areas 10,17,19,20 &25)

Boundaries:

The area is bound on the north by the King /Snohomish County line, to the west by Puget Sound, and to the east by Lake Washington. The south boundary starts at Lake Washington and runs west along the Township line (East Spruce Street) to the Interstate (15), then north to East Galer Street, then around the south end of Lake Union backup to Galer Street, then west to Aloha Street, then northwest to 15th Avenue West and West Galer Street.

Maps:

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

Area Description:

Northwest King County is primarily a residential area with a few commercial districts to service their communities. There are many multi-family areas with the major ones being Capitol Hill, Queen Anne Hill, Magnolia, University, Lake City, Green Lake, Greenwood, Ballard, Crown Hill, Richmond Beach, Shoreline and Lake Forest Park. Community Business Areas that service these densely populated zones include Broadway, Madison Park, The Top of Queen Anne Hill, Magnolia Village, The University District, Wallingford, Downtown Ballard, Fremont, Lake City Way and Aurora Avenue. Additionally the regional malls, Northgate and University Village, are drawing clientele from all over Western Washington. Institutions that have a major impact on Northwest King County are the hospitals located on First and Capitol Hills and the University of Washington. The only industrial areas in North Seattle lie along the Waterfront, Lake Union and the Ship Canal, and a section of Ballard.

Preliminary Ratio Analysis

A Ratio Study was completed prior to the application of the 2004 recommended values. This study benchmarks the current assessment level using 2003 posted values. The study was also repeated after application of the 2003 recommended values. The results are included in the validation section of this report, showing an improvement in the Weighted Mean Ratio from .899 to .978.

**Northwest King County
2004 Assessment Year**

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:		
North Crew	1/1/2003	4/29/2004	1/1/01 - 01/14/04		
Area	Appr ID:	Prop Type:	Trend used?: Y/N		
10,17,19,20,25	BCHR	Improvement	N		
SAMPLE STATISTICS					
Sample size (n)	206				
Mean Assessed Value	921,300				
Mean Sales Price	1,024,500				
Standard Deviation AV	2,609,811				
Standard Deviation SP	2,737,537				
ASSESSMENT LEVEL					
Arithmetic mean ratio	0.902	<p>These figures reflect the 2003 assessment level of improved sales compared to current market sales.</p>			
Median Ratio	0.936				
Weighted Mean Ratio	0.899				
UNIFORMITY					
Lowest ratio	0.4265				
Highest ratio:	1.3981				
Coefficient of Dispersion	11.29%				
Standard Deviation	0.1456				
Coefficient of Variation	16.14%				
Price-related Differential	1.00				
RELIABILITY					
95% Confidence: Median					
Lower limit	0.918				
Upper limit	0.951				
95% Confidence: Mean					
Lower limit	0.882				
Upper limit	0.922				
SAMPLE SIZE EVALUATION					
N (population size)	1167				
B (acceptable error - in decimal)	0.05				
S (estimated from this sample)	0.1456				
Recommended minimum:	33				
Actual sample size:	206				
Conclusion:	OK				
NORMALITY					
Binomial Test					
# ratios below mean:	79				
# ratios above mean:	127				
z:	3.274645167				
Conclusion:	Non-normal				
*i.e., no evidence of non-normality					

**Northwest King County
2004 Assessment Year**

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Area	Appr ID:	Prop Type:	Trend used?: Y / N
10,17,19,20,25	BCHR	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	206		
Mean Assessed Value	1,002,300		
Mean Sales Price	1,024,500		
Standard Deviation AV	2,759,990		
Standard Deviation SP	2,737,345		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.973		
Median Ratio	0.969		
Weighted Mean Ratio	0.978		
UNIFORMITY			
Lowest ratio	0.7120		
Highest ratio:	1.2751		
Coefficient of Dispersion	6.51%		
Standard Deviation	0.0880		
Coefficient of Variation	9.04%		
Price-related Differential	0.99		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.962		
Upper limit	0.982		
95% Confidence: Mean			
Lower limit	0.961		
Upper limit	0.985		
SAMPLE SIZE EVALUATION			
N (population size)	1167		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0880		
Recommended minimum:	12		
Actual sample size:	206		
Conclusion:	OK		
NORMALITY			
Binomial Test			
# ratios below mean:	108		
# ratios above mean:	98		
z:	0.627059713		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

These figures reflect the 2004 assessment level of improved sales compared to current market sales.