Executive Summary Report

Characteristics Based Market Adjustment for 2000 Assessment Roll

Area Name / Number: Mercer Island / Area 34
Previous Physical Inspection: 1998

Sales - Improved Summary:
Number of Sales: 712
Range of Sale Dates: 1/98 – 12/99

Sales – Improved Valuation Change Summary						
	Land	**Imps**	**Total**	**Sale Price**	**Ratio**	**COV**
1999 Value	$281,400	$250,300	$531,700	$635,400	83.7%	15.64%
2000 Value	$356,300	$263,700	$620,000	$635,400	97.6%	14.88%
Change	+$74,900	+$13,400	+$88,300	N/A	+13.9%	-0.76%*
% Change	+26.6%	+5.4%	+16.6%	N/A	+16.6%	-5.11%*

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures, –0.76% and –5.11%, actually represent an improvement.

Sales used in Analysis: All sales of single family residences on residential lots which were verified as, or appeared to be, market sales were considered for the analysis. Individual sales, of that group, that were excluded are listed later in this report. Multi-parcel sales; multi-building sales; mobile home sales; and sales of new construction where less than a fully complete house was assessed for 1999 were also excluded.

Population - Improved *Total* Parcel Summary Data:

	Land	Imps	Total
1999 Value	$293,900	$236,200	$530,100
2000 Value	$372,700	$249,000	$621,700
Percent Change	+26.8%	+5.4%	+17.3%

Population - Improved *Waterfront* Parcel Summary Data:

	Land	Imps	Total
1999 Value	$913,200	$428,000	$1,341,200
2000 Value	$1,210,600	$566,800	$1,777,400
Percent Change	+32.6%	+32.4%	+32.5%

Population - Improved *Non-Waterfront* Parcel Summary Data:

	Land	Imps	Total
1999 Value	$238,200	$218,900	$457,100

2000 Value	$297,400	$220,500	$517,900
Percent Change	+24.9%	+0.7%	+13.3%

There are 6,910 improved 1-3 family home parcels in the population - 6,340 non-waterfront parcels and 570 waterfront parcels.

Summary of Findings: The analysis for this area consisted of a general review of applicable characteristics such as grade, age, condition, stories, living areas, views, waterfront, lot size, land problems and neighborhoods. The analysis results showed that several characteristic-based and neighborhood-based variables needed to be included in the update formula in order to improve the uniformity of assessments throughout the area, for non-waterfront parcels. However, this area had two separate analyses performed on the properties. One analysis included all non-waterfront parcels plus any sales on waterfront properties with waterfront footage of less than or equal to 35 front feet. These few, small waterfront sales were more similar to the non-waterfront parcels coded with waterfront access than they were to parcels with more waterfront footage. This non-waterfront analysis resulted in a characteristics based model. For instance, homes located in subarea 1, subarea 4, subarea 5 or in subarea 7 all had lower average ratios (assessed value/sales price) than similar homes in the area, so the formula adjusted these properties upward. Homes considered as a "split entry" style had a higher than average ratio than similar homes in the area, so the formula adjusted these properties downward. For the purposes of this analysis, a split-entry home is characterized as one-story homes built after 1962, with basement garage area, and square footage differences between the first floor and basement area of less than 300 square feet. The second analysis was performed on 46 waterfront parcels with front footage greater than 35 feet. Site inspections were performed on many of the sold waterfront parcels. Characteristic based models were run with varying results. After site review and ratio studies were analyzed, a factor-based model was developed. The factor based model produced better results than the characteristics based model therefore was chosen as the valuation method. For the analysis, subarea 1, section 1 and 2 (the northwestern portion of the Island) was analyzed with west-side waterfront in subarea 6. Subarea 1, section 7 and 8 (the northeastern portion of the Island) was analyzed with the east-side waterfront in subarea 4. The overall ratio analysis indicated that the east and west sides required different adjustments. The Annual Update Values described in this report improve assessment levels, uniformity and equity. The recommendation is to post those values for the 2000 assessment roll.

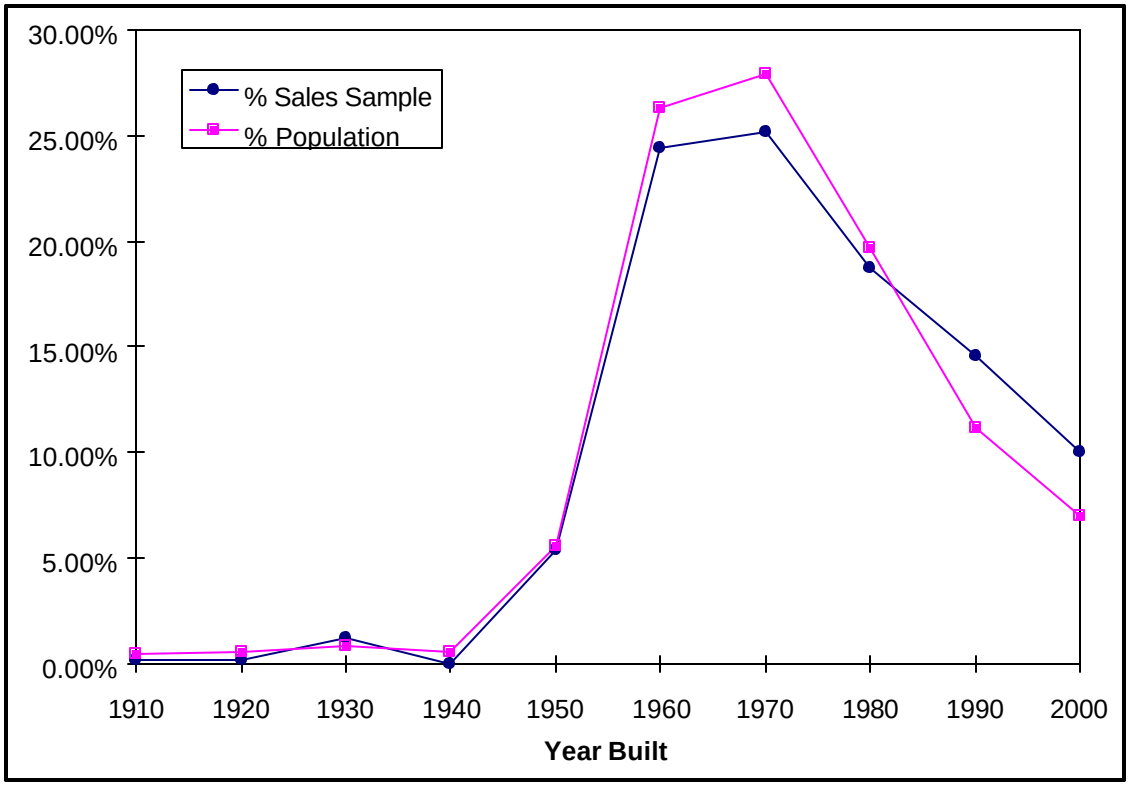
Comparison of Sales Sample and Population Data by Year Built

Sales Sample

Year Built	Frequency	% Sales Sample
1910	1	0.15%
1920	1	0.15%
1930	8	1.20%
1940	0	0.00%
1950	36	5.41%
1960	163	24.47%
1970	168	25.23%
1980	125	18.77%
1990	97	14.56%
2000	67	10.06%
	666	

Population

Year Built	Frequency	% Population
1910	30	0.47%
1920	31	0.48%
1930	52	0.81%
1940	35	0.55%
1950	358	5.60%
1960	1684	26.33%
1970	1789	27.97%
1980	1259	19.69%
1990	713	11.15%
2000	444	6.94%
	6395	



The sales sample frequency distribution follows the population distribution very closely with regard to Year Built. This distribution is ideal for both accurate analysis and appraisals. This chart represents non-waterfront homes throughout the area only.

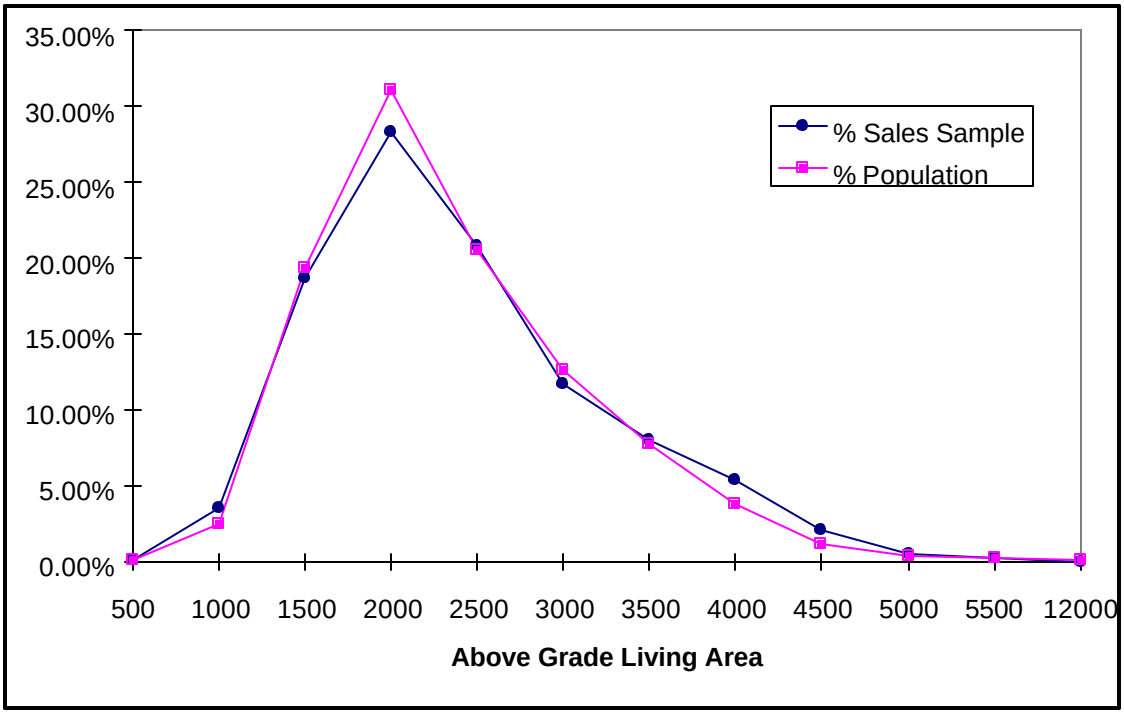
Comparison of Sales Sample and Population by Above Grade Living Area

Sales Sample

AGLA	Frequency	% Sales Sample
500	1	0.15%
1000	24	3.60%
1500	125	18.77%
2000	189	28.38%
2500	139	20.87%
3000	78	11.71%
3500	54	8.11%
4000	36	5.41%
4500	14	2.10%
5000	4	0.60%
5500	2	0.30%
12000	0	0.00%
	666	

Population

AGLA	Frequency	% Population
500	6	0.09%
1000	159	2.49%
1500	1241	19.41%
2000	1986	31.06%
2500	1312	20.52%
3000	813	12.71%
3500	499	7.80%
4000	245	3.83%
4500	80	1.25%
5000	27	0.42%
5500	17	0.27%
12000	10	0.16%
	6395	



The sales sample frequency distribution follows the population distribution very closely with regard to Above Grade Living Area. This distribution is ideal for both accurate analysis and appraisals. This chart represents non-waterfront homes throughout the area only.

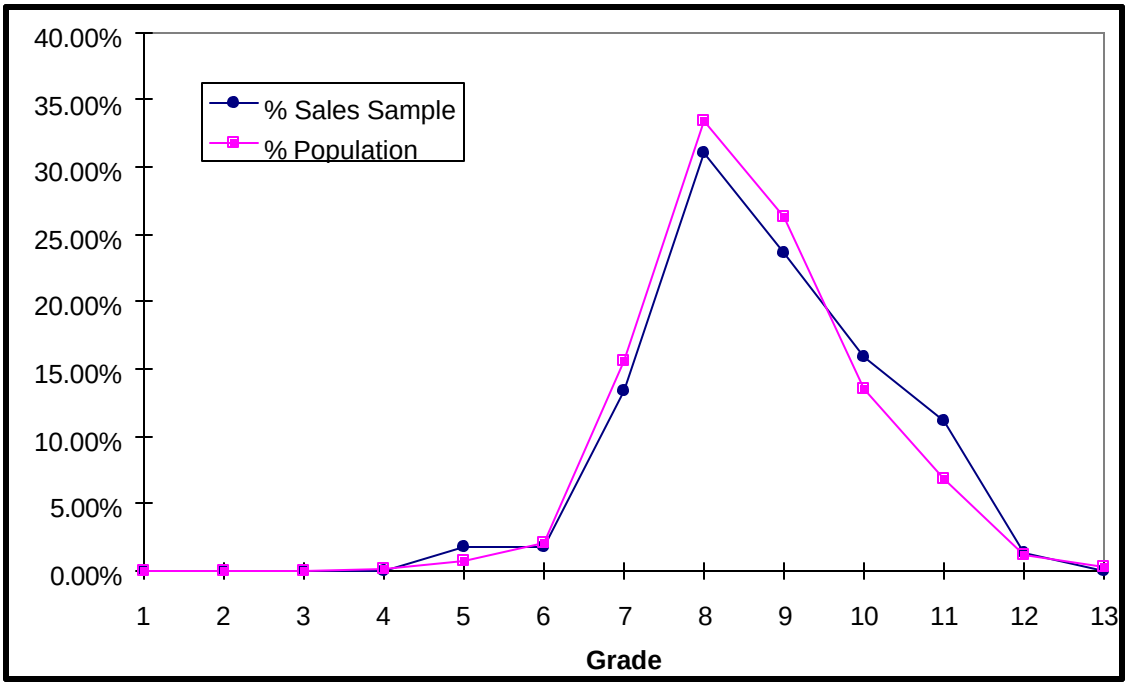
Comparison of Sales Sample and Population by Grade

Sales Sample

Grade	Frequency	% Sales Sample
1	0	0.00%
2	0	0.00%
3	0	0.00%
4	0	0.00%
5	12	1.80%
6	12	1.80%
7	89	13.36%
8	207	31.08%
9	157	23.57%
10	106	15.92%
11	74	11.11%
12	9	1.35%
13	0	0.00%
	666	

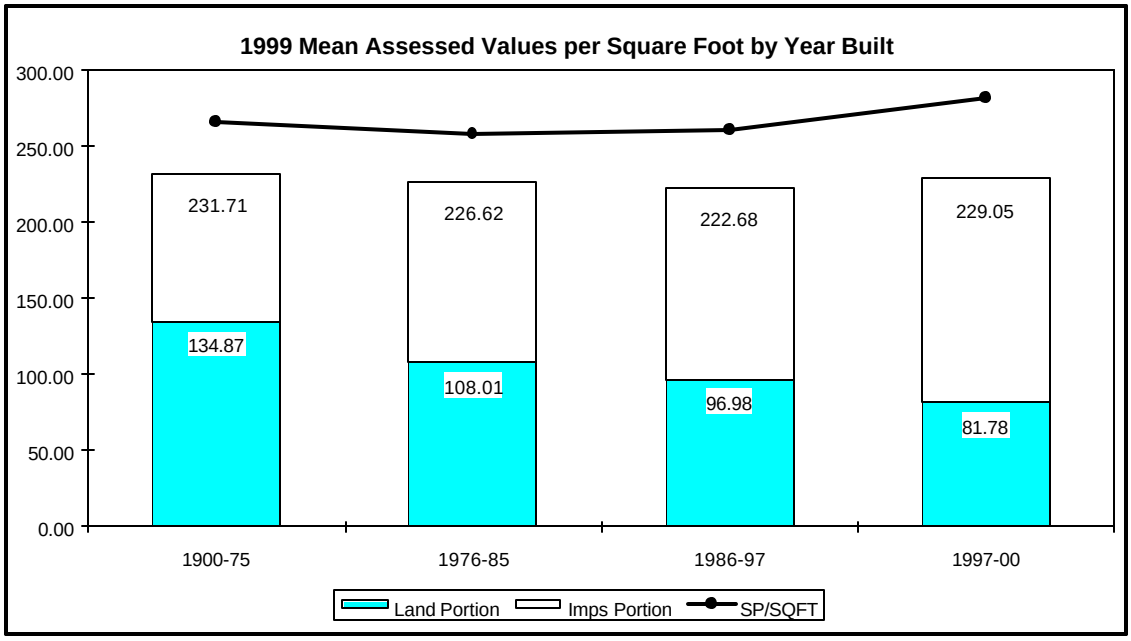
Population

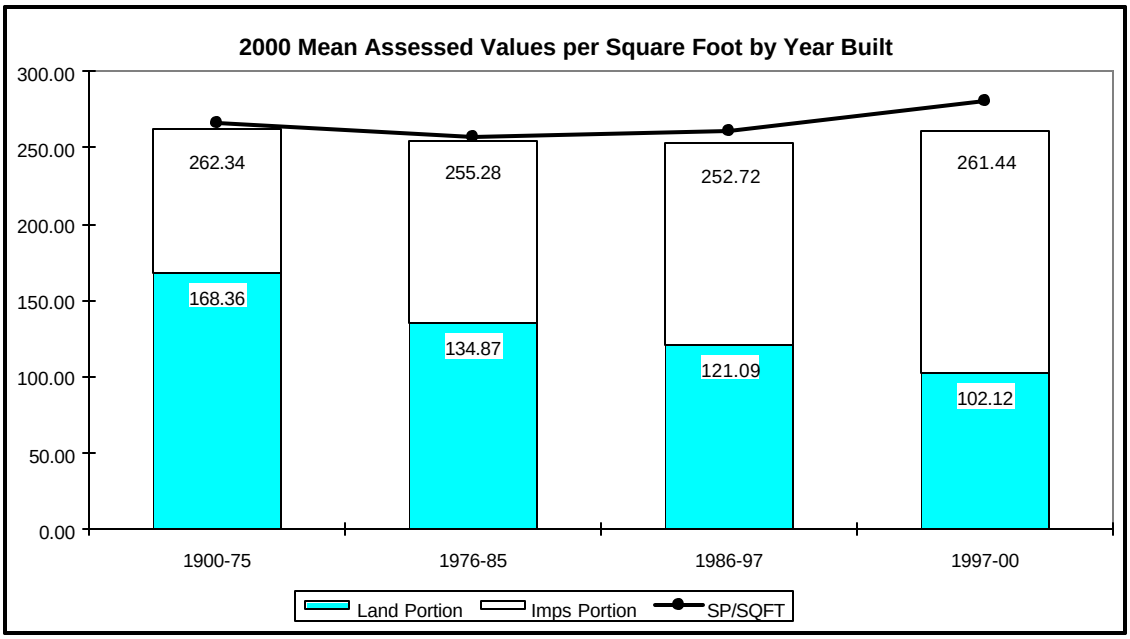
Grade	Frequency	% Population
1	0	0.00%
2	0	0.00%
3	2	0.03%
4	4	0.06%
5	45	0.70%
6	135	2.11%
7	997	15.59%
8	2140	33.46%
9	1677	26.22%
10	864	13.51%
11	440	6.88%
12	78	1.22%
13	13	0.20%
	6395	



The sales sample frequency distribution follows the population distribution very closely with regard to Building Grade. This distribution is ideal for both accurate analysis and appraisals. This chart represents non-waterfront homes throughout the area only.

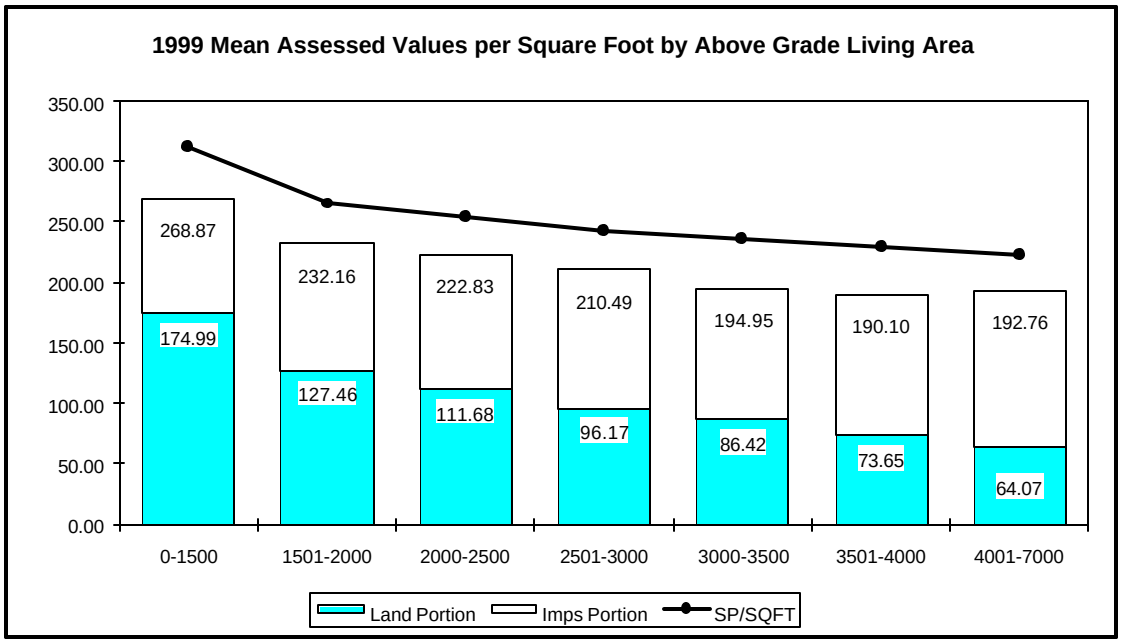
Comparison of Dollars Per Square Foot by Year Built

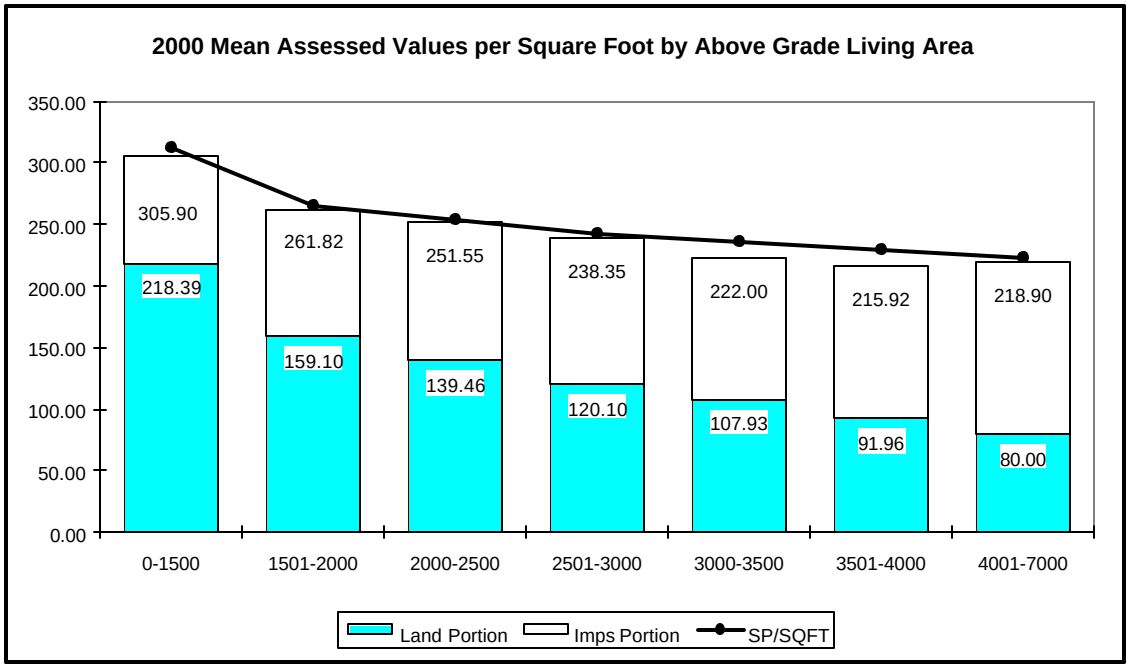




These charts clearly show an improvement in assessment level and uniformity by Year Built as a result of applying the 2000 recommended values. The values shown in the improvement portion of the chart represent the value for land and improvements. This chart represents both waterfront and non-waterfront homes throughout the area. The sales sample in the 1997-00 strata contained only 40 sales (representing 5.6%) so the data for this strata is not significant.

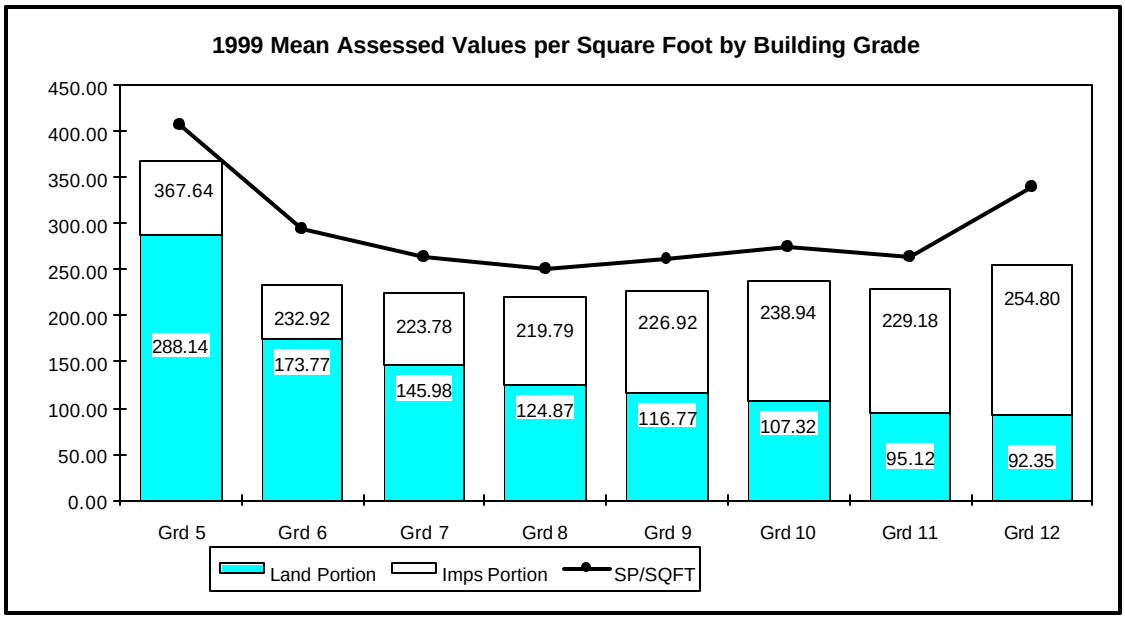
Comparison of Dollars Per Square Foot by Above Grade Living Area

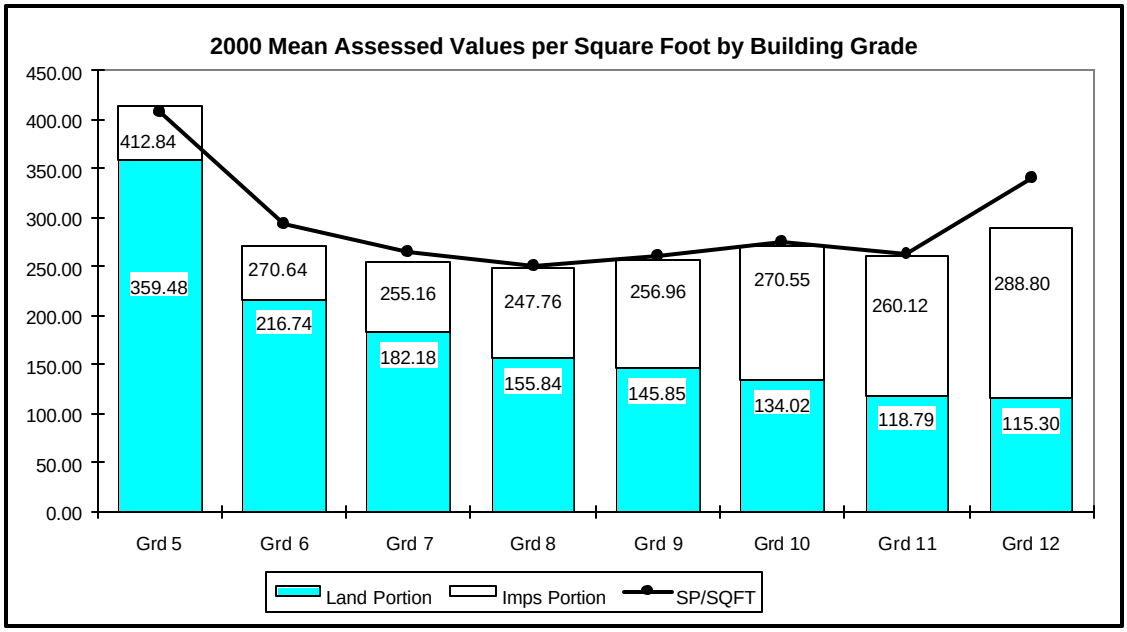




These charts clearly show an improvement in assessment level and uniformity by Above Grade Living Area as a result of applying the 2000 recommended values. The values shown in the improvement portion of the chart represent the value for land and improvements. This chart represents non-waterfront homes throughout the area only.

Comparison of Dollars Per Square Foot by Grade





These charts clearly show an improvement in assessment level and uniformity by Building Grade as a result of applying the 2000 recommended values. The values shown in the improvement portion of the chart represent the value for land and improvements. The sales sample contained a minimal number of grade 12's with varied characteristics so the data for these strata is not significant. This chart represents non-waterfront homes throughout the area only.