

---

# Rate Development Comments

---

Tax Year: 2007

Neighborhood: 8402205

---

Prop Type:  Multifamily

Entered by: CM27 3/21/2006

Label:

Base rent: B - \$8,100; New rate  
C - \$7,380; New rate  
D - \$6,600; Old rate \$4,200

Our market survey indicated a 15 - 30% trend in rents.

Vacancy: 5.5%; Old D rate 5%

Dupree and Scott Report Sept 2005 3.5% physical vacancy.  
We added 2% for economic vacancy.

Expense: B, C- 45%  
D- 48%; Old D rate 40%

Cap Rate: B, C - 6.5%  
D - 7%; Old rate 10.5%

King, Shohomish, Pierce Apartment Sales Trends June 2005 - 6%; Urban Land Inst 3rd qtr 2005 - 6.4%, Korpacz 2005 3rd Qtr - 6.28%. Four local sales 6.07% - 8.37%.

Sale base: Not developed, old rate \$26,000

For Section 515 apartments we used a sales approach of \$35,900 per unit or reported rents.

Cost:

Comments: Adopted 8400204. Models were developed utilizing area wide market data from Poulsbo. We added additional classes to accommodate adjustments needed for location, quality, age and condition.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 3/21/2006

**Label:**

**Base rent:** B - \$9,300; New rate  
C - \$8,460; Old rate \$5,600  
D - \$7,800; Old rate \$3,300

Our market survey indicated a 15 - 30% trend in rents.

**Vacancy:** 10%; Old rate 5%

Dupree and Scott Report Sept 2005 3.5% physical vacancy.  
We added 2% for economic vacancy.

**Expense:** B, C- 45%  
D- 48%; Old rate 40%

**Cap Rate:** B, C - 6.5%  
D - 7%; Old rate 10.5%

King, Shohomish, Pierce Apartment Sales Trends June 2005 - 6%; Urban Land Inst 3rd qtr 2005 - 6.4%, Korpacz 2005 3rd Qtr - 6.28%. Four local sales 6.07% - 8.37%.

**Sale base:** Not developed

For Section 515 apartments we used a sales approach of \$35,900 per unit or reported rents.

**Cost:**

**Comments:** Adopted 8400204. Models were developed utilizing area wide market data from Poulsbo. We added additional classes to accommodate adjustments needed for location, quality, age and condition.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 3/21/2006

**Label:**

**Base rent:** B - \$12,480; New rate  
C - \$10,200; New rate  
D - \$9,000; New rate

Our market survey indicated a 15 - 30% trend in rents.

**Vacancy:** 5%

Dupree and Scott Report Sept 2005 3.5% physical vacancy.  
We added 2% for economic vacancy.

**Expense:** B, C- 45%  
D- 48%

**Cap Rate:** B, C - 6.5%  
D - 7%

King, Shohomish, Pierce Apartment Sales Trends June 2005 - 6%; Urban Land Inst 3rd qtr 2005 - 6.4%, Korpacz 2005 3rd Qtr - 6.28%. Four local sales 6.07% - 8.37%.

**Sale base:** Not developed

For Section 515 apartments we used a sales approach of \$35,900 per unit or reported rents.

**Cost:**

**Comments:** New model for neighborhood. Adopted 8400204. Models were developed utilizing area wide market data from Poulsbo. We added additional classes to accommodate adjustments needed for location, quality, age and condition.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 3/29/2006

**Label:**

**Base rent:** C- \$3,480 New rate  
D- \$3,240 Old rate \$3,000  
E- \$2,400 New rate

County-wide sample of 5.

**Vacancy:** 5% No Change.

Sample of 12 mean 3.81% median 3.5%

**Expense:** C- 36%  
D- 36% Up from 20%  
E- 36%

**Cap Rate:** C- 7.25%  
D- 7.50% Reduced from 9%  
E- 7.50%

Used multifamily rates  
2 sales, Steel Creek 2/01 6.94%, Gatewood 4/04 7%  
Korpacz 1st qtr 2004 avg 7.25%. Urban Land Institute 4th qtr  
2004 7.

**Sale base:** Not developed

**Cost:** Developed if Data available

**Comments:**

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

5	Retail
---	--------

**Entered by:** CM27 3/21/2006

**Label:**

2	Retail
---	--------

**Base rent:** A - \$27; Old rate \$17.00  
B - \$22; Old rate \$14.00  
C - \$17; Old rate \$11.00  
D - \$13; Old rate \$8.00  
E - \$9; Old rate \$6.00

We used rents we received from the Poulsbo area to establish rates.

**Vacancy:** 5%; Old rate 10%

Trends Spring 2005 less than 1%, and lists Poulsbo as having lowest vacancy in Kitsap County. We noticed very little vacancy in Poulsbo during inspections. Future vacancy rate may be impacted by Olhava project.

**Expense:** A, B - 20%, Old rate 10%  
C - 22%; Old rate 10%  
D - 24%; Old rate 10%  
E - 26%; Old rate 10%

**Cap Rate:** A - 6.5%; Old rate 10%  
B, C - 7.0%; Old rate 10%  
D, E - 7.5%; Old rate 10%

Adopted Silverdale model calibrated for this neighborhood based on local sales. Three sales with a cap range of 5.2% to 6.22%.

**Sale base:** Not developed.

**Cost:**

**Comments:** Adopted 8400204 retail model. Model rates were based on area wide market data from Poulsbo. Poulsbo sample of six rents range from \$9.49 - \$14.71. The average rent trend in Poulsbo was 27% to 33% over the last six years.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM47 3/21/2006

**Label:**

**Base rent:**

**Vacancy:**

**Expense:**

**Cap Rate:**

**Sale base:**

**Cost:** We chose the cost approach as the best indication of value.

**Comments:** Limited market data.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 3/21/2006

**Label:**

**Base rent:** A- \$24.00; New rate  
B- \$19.50; Old rate \$12.00  
C- \$15.00; Old rate \$10.50  
D- \$11.50; Old rate \$9.00  
E- \$7.00; Old rate \$6.50

**Vacancy:** A- 6% New rate  
B- 8% Old rate 13%  
C- 6% Old rate 13%  
D- 6% Old rate 13%  
E- 6% Old rate 13%

Trends early '05 5.94%, no indication of significant change and inspection survey was 5.83%.

**Expense:** A- 28% New rate  
B- 28% Old rate 10%  
C- 30% Old rate 10%  
D- 32% Old rate 10%  
E- 35% Old rate 10%

**Cap Rate:** A- 6.5% New rate  
B- 7.0% Old rate 10%  
C- 7.0% Old rate 10%  
D, E- 7.5% Old rate 10%

We used a county-wide study excluding multifamily to obtain a median of 6.5% for all grades. The median for deficient/typical is 7.02%, and 5.87% for superior. Korpacz 3rd Qtr 2005 8.8

**Sale base:** Not developed

**Cost:**

**Comments:** South Kitsap and Poulsbo median rent increase over the last six years was +25% based on nine rent comps. Three new rates added to this area to accommodate adjustments needed for age and class. Rent and vacancy rates are similar to downtown and Highway 305 areas. We adopted expense rates from those areas due to lack of reported expense data.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

8	Special Office
---	----------------

**Entered by:** CM27 3/21/2006

**Label:**

2	Church
---	--------

**Base rent:** A- \$24  
B- \$19.50  
C- \$15  
D- \$11.50  
E- \$7

**Vacancy:** 6%

Trends early '05 5.94%, no indication of significant change and inspection survey was 5.83%.

**Expense:** A- 28%  
B- 28%  
C- 30%  
D- 32%  
E- 35%

**Cap Rate:** A- 6.5%  
B, C - 7.0%  
D, E- 7.5%

We used a county-wide study excluding multifamily to obtain a median of 6.5% for all grades. The median for deficient/typical is 7.02%, and 5.87% for superior. Korpacz 3rd Qtr 2005 8.8

**Sale base:** Not developed

**Cost:**

**Comments:** Adopt 8400204 office model. New property type for neighborhood. South Kitsap and Poulsbo median rent increase over the last six years was +25% based on nine rent comps. Three new rates added to this area to accommodate adjustments needed for age and class. Rent and vacancy rates are similar to downtown and Highway 305 areas. We adopted expense rates from those areas due to lack of reported expense data.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

10	Eating and Drink
----	------------------

**Entered by:** CM27 3/21/2006

**Label:**

2	Rest
---	------

**Base rent:** C - \$17; Old rate \$7  
D - \$13; Old rate \$2.21  
E - \$9; New rate

We used rents we received from the Poulsbo area to establish rates.

**Vacancy:** 5%, No change

Trends Spring 2005 less than 1%, and lists Poulsbo as having lowest vacancy in Kitsap County. We noticed very little vacancy in Poulsbo during inspections. Future vacancy rate may be impacted by Olhava project.

**Expense:** C - 22%; Old rate 10%,  
D - 24%; Old rate 10%,  
E - 26%.

Adopted rates from 201 and 202.

**Cap Rate:** C - 7.0%; Old C rate 10%  
D, E - 7.5%; Old D rate 10%

Adopted Silverdale model calibrated for this neighborhood based on local sales. Three sales with a cap range of 5.2% to 6.22%.

**Sale base:** Not developed.

**Cost:**

**Comments:** Adopted 8400204 retail model. Poulsbo sample of six rents range from \$9.49 - \$14.71. The average six year trend of rents from Poulsbo was 27% to 33%.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 3/21/2006

**Label:**

**Base rent:** Adopt retail model.  
C- \$17: Old rate \$9  
D- \$13: Old rate \$6  
E - \$9: New rate

**Vacancy:** 5% - No change

Trends <1%, no noticeable vacancy problem, 2 small spaces vacant. Future vacancy rate may be impacted by Olhava project.

**Expense:** C- 22%; Old rate 10%  
D- 24%; Old rate 10%  
E- 26%

Multiple samples indicate expense rates around 20%

**Cap Rate:** C - 7.0%  
D- 7.5%  
E- 7.5%

Old rate 12%

**Sale base:** Not Developed

**Cost:**

**Comments:** Adopted 8400204 retail model.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM42 3/1/2006

**Label:**

**Base rent:** A - \$14,400 down from \$15,696  
B - \$10,800 up from \$10,464  
C - \$ 8,400 up from \$7,848  
D - \$ 6,000 down from \$6,540  
E - \$ 4,000 up from \$3,924

**Vacancy:** 10%; No change

**Expense:** 15%; no change

**Cap Rate:** 7.25% up from 7.21%

**Sale base:** A - \$151,940  
B - \$113,960  
C - \$ 88,630  
D - \$ 63,310  
E - \$ 42,210

**Cost:**

**Comments:** Rates were developed from 2006 county-wide rent sample.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM42 3/1/2006

**Label:**

**Base rent:**

B - \$12,000 down from \$15,696: County wide rents  
C - \$7,500 down from \$11,772: County wide rents  
D - \$3,750 roof or water-tower mounted 1/2 of C rate

**Vacancy:**

0% down from 5%

Vacancy - none.

**Expense:**

0% down from 5%

Expenses - none, nominal accounting and lease renewal expenditures are required.

**Cap Rate:**

9% down from 12%

**Sale base:**

B - \$133,000 up from \$118,047.00  
C - \$83,000 down from \$88,535.25  
D - \$41,670 down from \$44,260

**Cost:**

**Comments:**

Model developed from rent data throughout Kitsap County.  
Class B - city and dense suburban locations, high volume traffic corridors  
Class C - rural residential locations, moderate volume traffic arterials

Quantify units exclusively by the number of carriers.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM47 3/1/2006

**Label:**

**Base rent:** A - \$15,696  
B - \$10,464  
C - \$7,848  
D - \$6,540  
E - \$3,924

Adopt 2007 TY cell site model.

**Vacancy:** 10%

**Expense:** 15%

**Cap Rate:** 7.21%

**Sale base:** A - \$166,730.27  
B - \$111,068.82  
C - \$83,301.62  
D - \$69,418.01  
E - \$41,650.81

**Cost:**

**Comments:** Adopt 2007 TY cell site model.

**Prop Type:**

**Entered by:** CM27

**Label:**

**Base rent:** County wide model, see neighborhood 8000000

**Vacancy:**

**Expense:**

**Cap Rate:**

**Sale base:**

**Cost:**

**Comments:** Model 0 rates

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 3/1/2006

**Label:**

**Base rent:** We applied the cost approach.

**Vacancy:**

**Expense:**

**Cap Rate:**

**Sale base:**

**Cost:** We applied the cost approach.

**Comments:** We applied the cost approach.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**14** Warehouse

**Entered by:** CM27 3/21/2006

**Label:**

**1** Warehs

**Base rent:**

B- \$8.10; Old rate \$6  
C- \$6.50; Old rate \$4.80  
D- \$5.40; Old rate \$4  
E- \$4.00; Old rate \$4

Sample of 8 rents received have a 35% increase over six years. One parcel in 8400204 indicated a 13% increase.

**Vacancy:**

4.9%; Old rate 11.5%,

Trends Spring 2005 2.9%, added 2% for economic factors

**Expense:**

20%; Old rate 10%,

Added 10% tax component, rent survey indicates a range of 5% - 32%.

**Cap Rate:**

B- 7%  
C- 7%;  
D- 7.75%  
E- 7.75%  
Old rate 10%

Consistent with retail, Sales #1715390 6.08%, #1715655 6%, #1287267 6.25%, #1167709 7.5%

**Sale base:**

Not developed

**Cost:**

**Comments:**

Adopt 8400204 warehouse model. Model rates were developed utilizing area wide South Kitsap and Poulsbo market data.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 2/15/2006

**Label:**

**Base rent:** New rates, adopt warehouse less one grade  
A- \$8.10  
B- \$6.50  
C- \$5.40  
D- \$4.00  
E- \$1.00

'D' Warehouse rate = 'C' Aux Storage

**Vacancy:** 4.9%- New rate  
E-0%

**Expense:** 20%; New rate  
E- 0%

**Cap Rate:** A, B- 7%  
C, D- 7.75%  
E- 100%

**Sale base:** Not Developed

**Cost:**

**Comments:** New model for reappraisal area. Aux Storage will be the method of value for all SFR basement areas, unless clearly developed into finished rentable space. Per following criteria:  
A- New  
B- Better grade wall finish, heated  
C- Minimal wall finish-heated or unheated  
D- No finish but dry  
E- Lacking true usability. Used to track accurate building size.

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

19	Mini Warehouse
----	----------------

**Entered by:** CM47 3/29/2006

**Label:**

1	<26
---	-----

**Base rent:** C - \$16, Old rate \$13.

Interpolated from our 2006 market survey.

**Vacancy:** 5%, Old rate 8%.

2006 Market survey, overall rate for facility.

**Expense:** 40%, Old rate 30%.

New rate includes property taxes which were not included in the old rate.

**Cap Rate:** 8.5%, Self Storage Trends Winter 2005 8.28% average, in-house mini-storage cap rate survey 8.25%.

**Sale base:** Not developed

**Cost:** Developed if data was available.

**Comments:**

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

19	Mini Warehouse
----	----------------

**Entered by:** CM47 3/29/2006

**Label:**

2	26-50
---	-------

**Base rent:** C - \$13, Old rate \$9.50.

2006 market survey.

**Vacancy:** 5%, Old rate 8%.

2006 Market survey, overall rate for facility.

**Expense:** 40%, Old rate 30%.

New rate includes property taxes which were not included in the old rate.

**Cap Rate:** 8.5%, Self Storage Trends Winter 2005 8.28% average, in-house mini-storage cap rate survey 8.25%.

**Sale base:** Not developed

**Cost:** Developed if data was available.

**Comments:**

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

19	Mini Warehouse
----	----------------

**Entered by:** CM47 3/29/2006

**Label:**

3	51-100
---	--------

**Base rent:** C - \$10, Old rate \$8.

2006 market survey.

**Vacancy:** 5%, Old rate 8%.

2006 Market survey, overall rate for facility.

**Expense:** 40%, Old rate 30%.

New rate includes property taxes which were not included in the old rate.

**Cap Rate:** 8.5%, Self Storage Trends Winter 2005 8.28% average, in-house mini-storage cap rate survey 8.25%.

**Sale base:** Not developed

**Cost:** Developed if data was available.

**Comments:**

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

19	Mini Warehouse
----	----------------

**Entered by:** CM47 3/29/2006

**Label:**

4	101-200
---	---------

**Base rent:** C - \$7, Old rate \$6.50.

2006 market survey.

**Vacancy:** 5%, Old rate 8%.

2006 Market survey, overall rate for facility.

**Expense:** 40%, Old rate 30%.

New rate includes property taxes which were not included in the old rate.

**Cap Rate:** 8.5%, Self Storage Trends Winter 2005 8.28% average, in-house mini-storage cap rate survey 8.25%.

**Sale base:** Not developed

**Cost:** Developed if data was available.

**Comments:**

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM47 3/29/2006

**Label:**

**Base rent:** C - \$4, Old rate \$5.50.

2006 market survey.

**Vacancy:** 5%, Old rate 8%.

2006 Market survey, overall rate for facility.

**Expense:** 40%, Old rate 30%.

New rate includes property taxes which were not included in the old rate.

**Cap Rate:** 8.5%, Self Storage Trends Winter 2005 8.28% average, in-house mini-storage cap rate survey 8.25%.

**Sale base:** Not developed

**Cost:** Developed if data was available.

**Comments:**

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 3/21/2006

**Label:**

**Base rent:** A- \$20.00  
B- \$16.50  
C- \$13.00  
D- \$8.75  
E- \$6.00

Sample of 7 rents.

**Vacancy:** 6%; same as office.

**Expense:** A, B - 28%  
C-30%  
D-32%  
E-35%

**Cap Rate:** 5.75%

Used 6% in Silverdale; one sale in Poulsbo 5.47%

**Sale base:** Did analysis on sales in Poulsbo and Silverdale; sale prices consistent with income approach values.

**Cost:**

**Comments:** New model for neighborhood. Adopt 8400204 SFR model. Model rates are based on area wide market data for South Kitsap and Poulsbo. Prior reappraisal model was developed specifically for Port Gamble and based on apartment rates.

**Prop Type:**

**Entered by:** CM47

**Label:**

**Base rent:** See comments

**Vacancy:**

**Expense:**

**Cap Rate:**

**Sale base:**

**Cost:**

**Comments:**

.....  
**Tax Year: 2007**

**Neighborhood: 8402205**  
.....

**Prop Type:**

**Entered by:** CM27 1/11/2006

**Label:**

**Base rent:**

**Vacancy:**

**Expense:**

**Cap Rate:**

**Sale base:**

**Cost:**

**Comments:** 2007 County Wide Industrial Land Model (reference 80000000).