

Kitsap County Assessor

Cell Site Regional Model

Appraisal Date 1/1/2009, Tax Year 2010
Updated 06/18/09 by Appraiser CM20

Valuation Summary

Approach Used – Income Approach.

Summary of Analysis Conclusions – Sixteen rents were documented between 2004 and early 2009. Sales information was insufficient to develop a market model.

Property Type Overview

Population – There are fifty-five cell sites recognized in Kitsap County. Fourteen are located on commercially zoned properties, the balance are in residential areas.

Economic Conditions – The current downturn in the economy does not appear to have affected rents for cells sites.

Rating System – Two classes of Cell Sites were established based on rents and location. Class B rents were located in dense, urban or dense suburban locations or in high volume traffic corridors. Class C rents were typically located in rural residential locations, or moderate traffic corridors.

Sources

Publications – Korpaz 4th Qtr 2008,
Marcus & Millicap 08

Internet - <http://md7.com/articles/cell-site-rent-market-price.html>
<http://www.wirelesscapital.com/Tools-Wireless-Bluebook.aspx?id=928caf>

Other

Model Calibration

Preliminary Ratio Analysis – No sales of property improved exclusively with a cell site were available. Cell sites are found in conjunction of improved commercial or residential properties. Value was determined from reported rents. No ratio analysis was performed.

Market Approach Data and Analysis

Regional Sales - Range of Sales Dates – Information was found via the internet, but no identifying information was included in the report. The sales were within a 25 mile radius of Port Orchard, WA which would include Pierce, Mason and Jefferson Counties. Without being able to identify locations, the information was not useful in developing the model.

Current Sale Listings – None available.

Market Rates – None available.

Income Approach Data and Analysis

Rent Data – Sixteen rents were reviewed with the high and low outliers (one each) removed from analysis. The rents reflected two levels of income

Vacancy Data – No vacancy is associated with Cell Sites.

Expense Data – None, nominal accounting and lease renewal expenditures are required.

Cap Data – Sales from three commercial properties containing cells sites returned cap rates between 3.44% and 10.73%. Korpaz 4th Qtr 2008 quoted 7.56% and Marcus & Millicap 08 quoted 7.60%. Used 8%.

Current Lease Listings – None.

Model Validation

Final Ratio Analysis – With no sales information available, a ratio analysis was not performed.

CELL SITES

CLASS	DESCRIPTION	Value
A	No Rate	
B	Urban and dense suburban locations, high volume traffic corridors	102,000
C	Rural residential locations, moderate volume traffic corridors	63,750
D	No Rate	
E	No Rate	

Cellular tower sites are a county-wide model.

The two main factors impacting the income rates are population density and lease origination date. The remote areas and the oldest lease dates have the lowest incomes.

The documentation regarding the differences between class C and B sites is limited. Class B appears to be multiple carriers or urban locations.

Recommendation

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.

Vacancy – none.

Expense – none, nominal accounting and lease renewal expenditures are required.

Cell Site Rents

0	Data Date	Occup	Pop / Traffic	Qual	PGI	Unit Count	PGI/Unit
1	03/03/04	Cell	High	B	75,000	5	15,000
2	04/14/04	Cell	High	B	8,000	1	8,000
3	05/14/04	Cell	Low	C	12,000	2	6,000
4	04/19/05	Cell	High	B	9,000	1	9,000
5	06/08/05	Cell	Low	C	12,000	2	6,000
6	06/24/05	Cell	Low	C	23,244	3	7,748
7	09/14/05	Cell	Low	C	5,380	1	5,380
8	09/14/05	Cell	Low	C	6,000	1	6,000
9	01/01/06	Cell	Low	C	12,000	1	12,000
10	09/07/06	Cell	High	B	9,500	1	9,500
11	03/29/07	Cell	High	B	10,200	1	10,200
12	05/09/07	Cell	Low	C	6,000	1	6,000
13	03/06/08	Cell	Low	C	13,560	2	6,780
14	04/07/08	Cell	Low	C	7,200	1	7,200
15	03/09/09	Cell	Low	C	12,000	2	6,000
16	03/09/09	Cell	Low	C	3,492	1	3,492

All Rents	Median	6,990
	Mean	7,769

Class B Rents	Median	9,500
	Mean	10,340

Class C Rents	Median	6,000
	Mean	6,600

Rent	Class
5,100	C
8,160	B

Value Per Unit	CAP
C	8.00%
B	63,750
B	102,000