

Kitsap County Assessor
Narrative for Eating and Drinking – Bar
Appraisal Date 1/1/2009, Tax Year 2010
Updated 6/29/09 by CM43

Valuation Summary

Approach Used – Income Approach. The exception are properties where land value exceeded the income value, in this case the cost approach was applied.

Analysis and Conclusion Summary – Limited sale and income data was available. No rent questionnaires were received. No listings were found. One sale was documented. Typical land to building ratio was 6.97:1. Additional land value was added to the income stream on properties that exceeded this ratio. Restaurant model rates less one class were adopted for bar property types.

Property Type Overview

Population – Five properties were identified in the area five neighborhoods.

Economic Conditions – Four re-sales of a similar property type (restaurant) occurred countywide from January 2004 through July 2008. These re-sales indicated annual increases of 12.39%, 18.36%, 19.80%, and 36.16%. These sales did not appear to reflect the recent downturn in the economy; however 2008 sales were not trended in the analysis.

Rating System – Five income classes were developed. Property characteristics considered in choosing an income class were type of construction, finish and fenestration, effective age/condition, unit size, wall height, parking, and location (waterfront/view, main arterials.) Restaurant rates less one class were adopted. E class rates were interpolated from the other classes. One available sale was utilized to calibrate the model.

Sources

Publications – Korpacz 4th Quarter 2008

Model Calibration

Preliminary Ratio Analysis – One sale had a ratio of .99 (after removing personal property value included in sale.)

Market Sales Approach Data and Analysis

Local Sales – One sale – 08/27/07, limited market data, sales data was insufficient to develop a complete market approach, used income approach correlated to available market data and adjusted for current market conditions.

Current Sale Listings – None documented.

Market Sales Rates – Rates were developed for the five classes as described above ranging from \$170.55 to \$52.96.

Income Approach Data and Analysis

Rent Data – No rents were reported, no listings were documented. Restaurant rates less one class were adopted.

Vacancy Data – None reported. Historically low vacancy noted, no vacancies noted during field inspections. Vacancy adopted from restaurant model.

Expense Data – None reported. Expenses adopted from restaurant model.

Cap Data – Adopted restaurant rates.

Current Lease Listings – None documented.

Income Rates – Five classes developed ranging from \$14.95 per square foot to \$6.14 per square foot.

Model Validation

Final Ratio Analysis – With application of the newly adopted model the August 27, 2007 sale went from a ratio of .99 ratio to .89 (after removing personal property value included in sale.)

Rate Development Comments

Model: 302009 **Prop type:** Eating & Drinking

Nbrhd: 8100501 **Sub-type:**

Label: Bar

Entered by: CM43

Entered dt: 6/29/2009

General note:

Data limited, no rents received, one sale, adopted restaurant rates less one grade as indicated by sale after personal property value was removed.

Rent: No rents received, adopted restaurant rates less one grade.

A	14.95
B	12.54
C	10.43
D	8.27
E	6.14

Vacancy: No vacancy reported, adopted restaurant rates.

A	5.0%
B	5.0%
C	5.0%
D	5.0%
E	5.0%

Model: 302009
Nbrhd: 8100501

Prop type: Eating & Drinking
Sub-type:
Label: Bar

Expense: No expenses reported, adopted restaurant rates.

A	13%
B	13%
C	20%
D	25%
E	25%

Cap: Adopted restaurant rates.

A	7.10%
B	7.10%
C	7.75%
D	8.10%
E	8.10%

Sale: One sale, limited market data, sales were insufficient to develop a complete market approach, used income approach correlated to available market data and adjusted for current market conditions.

A	170.55
B	143.06
C	100.24
D	71.29
E	52.96

Cost: Not developed.

Rate Development Comments

Model: 302009 **Prop type:** Eating & Drinking

Nbrhd: 8100502 **Sub-type:**

Label: Bar

Entered by: CM43

Entered dt: 6/29/2009

General note:

Data limited, no rents received, one sale, adopted restaurant rates less one grade as indicated by sale after personal property value was removed.

Rent: No rents received, adopted restaurant rates less one grade.

A	14.95
B	12.54
C	10.43
D	8.27
E	6.14

Vacancy: No vacancy reported, adopted restaurant rates.

A	5.0%
B	5.0%
C	5.0%
D	5.0%
E	5.0%

Model: 302009
Nbrhd: 8100502

Prop type: Eating & Drinking
Sub-type:
Label: Bar

Expense: No expenses reported, adopted restaurant rates.

- A 13%
 - B 13%
 - C 20%
 - D 25%
 - E 25%
-

Cap: Adopted restaurant rates.

- A 7.10%
 - B 7.10%
 - C 7.75%
 - D 8.10%
 - E 8.10%
-

Sale: One sale, limited market data, sales were insufficient to develop a complete market approach, used income approach correlated to available market data and adjusted for current market conditions.

- A 170.55
 - B 143.06
 - C 100.24
 - D 71.29
 - E 52.96
-

Cost: Not developed.

Rate Development Comments

Model: 302009 **Prop type:** Eating & Drinking
Nbrhd: 8100503 **Sub-type:**
Label: Bar

Entered by: CM43
Entered dt: 6/29/2009

General note:

Data limited, no rents received, one sale, adopted restaurant rates less one grade as indicated by sale after personal property value was removed.

Rent: No rents received, adopted restaurant rates less one grade.

A	14.95
B	12.54
C	10.43
D	8.27
E	6.14

Vacancy: No vacancy reported, adopted restaurant rates.

A	5.0%
B	5.0%
C	5.0%
D	5.0%
E	5.0%

Model: 302009
Nbrhd: 8100503

Prop type: Eating & Drinking
Sub-type:
Label: Bar

Expense: No expenses reported, adopted restaurant rates.

A	13%
B	13%
C	20%
D	25%
E	25%

Cap: Adopted restaurant rates.

A	7.10%
B	7.10%
C	7.75%
D	8.10%
E	8.10%

Sale: One sale, limited market data, sales were insufficient to develop a complete market approach, used income approach correlated to available market data and adjusted for current market conditions.

A	170.55
B	143.06
C	100.24
D	71.29
E	52.96

Cost: Not developed.

Rate Development Comments

Model: 302009 **Prop type:** Eating & Drinking

Nbrhd: 8100504 **Sub-type:**

Label: Bar

Entered by: CM43

Entered dt: 6/29/2009

General note:

Data limited, no rents received, one sale, adopted restaurant rates less one grade as indicated by sale after personal property value was removed.

Rent: No rents received, adopted restaurant rates less one grade.

A	14.95
B	12.54
C	10.43
D	8.27
E	6.14

Vacancy: No vacancy reported, adopted restaurant rates.

A	5.0%
B	5.0%
C	5.0%
D	5.0%
E	5.0%

Model: 302009
Nbrhd: 8100504

Prop type: Eating & Drinking
Sub-type:
Label: Bar

Expense: No expenses reported, adopted restaurant rates.

A	13%
B	13%
C	20%
D	25%
E	25%

Cap: Adopted restaurant rates.

A	7.10%
B	7.10%
C	7.75%
D	8.10%
E	8.10%

Sale: One sale, limited market data, sales were insufficient to develop a complete market approach, used income approach correlated to available market data and adjusted for current market conditions.

A	170.55
B	143.06
C	100.24
D	71.29
E	52.96

Cost: Not developed.

Rate Development Comments

Model: 302009 **Prop type:** Eating & Drinking
Nbrhd: 8100505 **Sub-type:**
Label: Bar

Entered by: CM43
Entered dt: 6/29/2009

General note:

Data limited, no rents received, one sale, adopted restaurant rates less one grade as indicated by sale after personal property value was removed.

Rent: No rents received, adopted restaurant rates less one grade.

A	14.95
B	12.54
C	10.43
D	8.27
E	6.14

Vacancy: No vacancy reported, adopted restaurant rates.

A	5.0%
B	5.0%
C	5.0%
D	5.0%
E	5.0%

Model: 302009
Nbrhd: 8100505

Prop type: Eating & Drinking
Sub-type:
Label: Bar

Expense: No expenses reported, adopted restaurant rates.

A	13%
B	13%
C	20%
D	25%
E	25%

Cap: Adopted restaurant rates.

A	7.10%
B	7.10%
C	7.75%
D	8.10%
E	8.10%

Sale: One sale, limited market data, sales were insufficient to develop a complete market approach, used income approach correlated to available market data and adjusted for current market conditions.

A	170.55
B	143.06
C	100.24
D	71.29
E	52.96

Cost: Not developed.

Rate Development Comments

Model: 302009 **Prop type:** Eating & Drinking
Nbrhd: 8100506 **Sub-type:**
Label: Bar

Entered by: CM43
Entered dt: 6/29/2009

General note:

Data limited, no rents received, one sale, adopted restaurant rates less one grade as indicated by sale after personal property value was removed.

Rent: No rents received, adopted restaurant rates less one grade.

A	14.95
B	12.54
C	10.43
D	8.27
E	6.14

Vacancy: No vacancy reported, adopted restaurant rates.

A	5.0%
B	5.0%
C	5.0%
D	5.0%
E	5.0%

Model: 302009
Nbrhd: 8100506

Prop type: Eating & Drinking
Sub-type:
Label: Bar

Expense: No expenses reported, adopted restaurant rates.

- A 13%
 - B 13%
 - C 20%
 - D 25%
 - E 25%
-

Cap: Adopted restaurant rates.

- A 7.10%
 - B 7.10%
 - C 7.75%
 - D 8.10%
 - E 8.10%
-

Sale: One sale, limited market data, sales were insufficient to develop a complete market approach, used income approach correlated to available market data and adjusted for current market conditions.

- A 170.55
 - B 143.06
 - C 100.24
 - D 71.29
 - E 52.96
-

Cost: Not developed.

Rate Development Comments

Model: 302009 **Prop type:** Eating & Drinking

Nbrhd: 8100507 **Sub-type:**

Label: Bar

Entered by: CM43

Entered dt: 6/29/2009

General note:

Data limited, no rents received, one sale, adopted restaurant rates less one grade as indicated by sale after personal property value was removed.

Rent: No rents received, adopted restaurant rates less one grade.

A	14.95
B	12.54
C	10.43
D	8.27
E	6.14

Vacancy: No vacancy reported, adopted restaurant rates.

A	5.0%
B	5.0%
C	5.0%
D	5.0%
E	5.0%

Model: 302009
Nbrhd: 8100507

Prop type: Eating & Drinking
Sub-type:
Label: Bar

Expense: No expenses reported, adopted restaurant rates.

A	13%
B	13%
C	20%
D	25%
E	25%

Cap: Adopted restaurant rates.

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A	170.55
B	143.06
C	100.24
D	71.29
E	52.96

Cost: Not developed.

Eating & Drinking - Bar - Model Definition

CLASS	CONSTRUCTION	EXTERIOR FINISH	INTERIOR FINISH	AGE/CONDITION	UNIT SIZE	WALL HGT	LOCATION	PARKING
A	Heavy Frame, Wood, Steel, Concrete, Metal, or Masonry	Individual design, ornamental exterior, good quality finish and fenestration, mix of textured concrete, brick, tile, wood, metal, or stucco	Good quality finish, insulation, floor covering, wall finish, trim, heat system	New or recent complete renovation, in excellent to very good condition, very little to no deferred maintenance or obsolescence evident, all major short-lived items are like new, high curb appeal	Smaller structures tend to have higher SF rents if all else is equal	Tendency toward higher ceilings and vaulted areas	Waterfront or view amenity available, property may have synergy from surroundings	Ample off street paved parking
B	Wood, Steel, Concrete, Metal, or Masonry	Better than average design, good quality finish and fenestration, mix of concrete, brick, tile, wood, metal, or stucco	Better quality finish, floor covering, wall finish, trim, heat system	7 to 15 year effective age, little deferred maintenance evident, but not everything is new, no obsolescence evident, appearance and utility above the standard	Smaller to average structures tend to have higher SF rents if all else is equal	Tendency toward higher than typical ceilings, could have vaulted areas	High visibility on or near a main highway and/or fronting a major road with high traffic flow, may have synergy from surroundings	Ample off street paved parking
C	Wood, Steel, or Concrete Frame	Average design, typical finish and fenestration, concrete, wood, stucco, or metal with mix of other exterior	Average quality finish, typical floor covering, wall finish, trim, heat system	15 to 25 year effective age, some deferred maintenance and/or functional obsolescence evident but major components still function and have utility, not unappealing	Average or typical size	Typical or average ceiling height	Visible on a main road with average traffic flow, may have some synergy from surroundings	Sufficient off street paved parking
D	Wood or Concrete Frame	Plain design, less than typical finish and fenestration, sheet, metal, wood, concrete, or stucco	Plain, inexpensive finish, floor covering, wall finish, and heat	25 - 35 year effective age, deterioration is somewhat worse than normally expected, some obvious deferred maintenance and/or functional obsolescence, appears worn	Average to large size, larger structures tend to have lower rents per SF if all else is equal	Lower than typical ceiling height	Limited visibility, near a main road, little to no synergy from surroundings	Limited off street parking
E	Wood or pole frame	Simple very plain design, little fenestration and very plain finish, inexpensive exterior sheet, wood, or metal covering	Minimally or poorly finished, inexpensive floor covering, wall finish, and heat	35+ years, older or very obvious deferred maintenance and/or functional obsolescence, deterioration much worse than normal, several major components need repair or replacement, substandard utility, unappealing	Larger structures tend to have lower rents per SF if all else is equal	Low ceiling height	Side street or not visible, low traffic flow, negative synergy	Limited to no off street parking, may be gravel

NOTE: These properties usually have some food service, but not as extensive a menu as a typical freestanding restaurant
Lack of cooking facilities, wiring, plumbing - consider retail for H & B use
If property is a retail strip use retail

Income and Vacancy Summary (Public)

Eating & Drinking

Restaurant

Neighborhood	Quality	Date:	PGI/Unit:	Vacancy:	EGI per Unit:	Expense %:	NOI per Unit:
8100502	B	6/25/2009	\$12.70	5.00%	\$12.07	20.00%	\$9.66
8100503	B	6/25/2009	\$14.72	0.01%	\$14.72	37.35%	\$9.22
8100503	B	6/25/2009	\$18.40	0.01%	\$18.40	0.01%	\$18.40
8100505	B	6/25/2009	\$13.67	10.00%	\$12.31	30.00%	\$8.61
8100507	B	2/2/2009	\$15.34	0.01%	\$15.34	0.01%	\$15.34
8100507	C	6/29/2009	\$12.54	0.01%	\$12.54	18.35%	\$10.24
8100501	D	6/25/2009	\$10.43	0.01%	\$10.43	17.94%	\$8.56

NOTE: Rents are for restaurant, no rents reported for Bar

