

Kitsap County Assessor
Narrative for Auto Service - Repair Valuation
Appraisal Date 1/1/2010, Tax Year 2011
Updated 8/5/10 by CM43

Valuation Summary

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

Analysis and Conclusion Summary - Limited sales and income data was available. Four rent questionnaires were received and one lease listing was found. Three sales were documented. No sales listings were discovered. The median land to building ratio for this property type was 4.62:1 countywide with an average absolute deviation of 3.32. Additional land value was added to the income stream on properties that exceeded a 7.94:1 ratio. The income model was calibrated using the three sales from Area 6 and sales countywide were also analyzed due to the limited amount of data.

Property Type Overview

Population – Thirty properties were identified in the Area 6 neighborhoods.

Economic Conditions - Lack of available market data makes definitive analysis of this property type difficult. Some impact from the recent downturn in the economy is assumed as there is some evidence of an impact among other similar property types. However repair of personal vehicles is more likely than replacement in a depressed economy.

Rating System - Five income classes were developed. Property characteristics that were considered in choosing an income class were location/access, parking, type of construction, exterior finish, interior finish, effective age/condition, office/retail percentage, unit size, and wall height.

Model Calibration

Preliminary Ratio Analysis – Three sales with ratios ranging from .75 to .99, median of .92, and a C.O.D. of 9.03.

Market Sales Approach Data and Analysis

Regional Sales - Range of Sales Dates – 08/10/07 – 07/02/09 – Three valid sales from 2006 through 2009. No sales were documented for 2006 in Area 6. 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. All sales countywide were also analyzed due to the limited amount of data

Current Sale Listings – No listings in Area 6 were documented.

Market Sales Rates - Rates were developed for the five classes as described above ranging from \$146.00 to \$18.00.

Income Approach Data and Analysis

Rent Data - Four rent questionnaires were received. Two B and two C class rents were reported. Class A, D, and E rates were interpolated from other classes and rents reported countywide were also analyzed. Rates were calibrated using sales.

Vacancy Data – Historically low vacancy is noted. No vacancy listed on income questionnaires. Little vacancy noted during physical inspections. Vacancy rate was calibrated using sales.

Expense Data – Four expenses ranged from 10% to 11.41% with a median of 10% and an average of 11% rounded. Expenses were calibrated using sales.

Cap Data – 8.35% from a local sale and 8.73% from Korpacz 4th Quarter 2009 national warehouse market, median and average is 8.54%. Cap rates were calibrated using sales.

Current Lease Listings – One lease listing was documented for \$0.35 per square foot per month or \$4.20 annually.

Income Rates – Five classes were developed ranging from \$15.00 to \$2.50 per square foot. The rates were calibrated using sales.

Model Validation

Final Ratio Analysis - With application of the newly adopted model the sales ratios went from a range of .75 – .99 to .78 – .99. The median changed from .92 to .93. The COD went from 9.03 to 7.42.

Sources

Internet – <http://cba.epropertydata.com/pub/index.cfm>
<http://www.windermerecommercial.com/>
<http://www.bradleyscottinc.com/>

Publications – Marshall & Swift Valuation Service
Korpacz Real Estate Investor Survey Fourth Quarter 2009

Other – None

Auto Service - Repair Model Definition

Class	Location/Access	Parking	Construction	Exterior Finish	Interior Finish	Age/Condition	Office/Retail %	Unit Size	Wall Height
A	High visibility on or near a major highway, in a core area, or fronting a major road with high traffic flow	Ample off street paved parking	Heavy steel and/or concrete frame, fireproof construction	Good quality finish and fenestration, resembles office or retail at main entrance, mix of concrete, brick, tile, concrete fiber, or stucco	Good quality finished, insulated, and heated sales area partitioned from garage, garage probably insulated and can be heated, heavy concrete flooring	New or recent complete renovation, very little or no deferred maintenance or obsolescence, all major short-lived items are like new, high curb appeal	25% or more office/retail space	Smallest structures of less than 1,500 square feet, may need to be raised one class, all else being equal	Very tall - wall height 17 feet and over
B	Good visibility fronting a main road with high traffic flow, may be in a core area	Ample off street paved parking	Steel or concrete frame, fire resistant construction	Better than typical quality finish and fenestration, resembles lower quality office/retail at entrance, may have mix of concrete, wood, or stucco exterior	Better than typical quality finished, insulated, and heated sales area partitioned from garage, garage area can be heated, concrete flooring	7 to 15 year effective age, little deferred maintenance evident, but not everything is new, no obsolescence evident, appearance and utility better than typical	15 - 25% office/retail space	Smaller than typical structures of 1,500 to 2,499 square feet	Tall - wall height 16 feet
C	Limited visibility, may be on or very near a main road, may be in or near a residential or transitional area	Some off street paved parking	Wood, steel, or concrete block, fire resistant construction	Typical finish and plain fenestration, resembles typical service garage, may have concrete, wood, stucco, or metal exterior	Plain drywall, heat, and maybe insulation in sales area, sales area probably partitioned from garage, garage area probably uninsulated and unheated, concrete floor	15 to 25 year effective age, some deferred maintenance and/or functional obsolescence evident but major components still function and have utility, not unappealing	5 - 15% office/retail space	Typical size range of 2,500 to 4,999 square feet	Average - wall height 13 to 15 feet
D	Side street, not very visible, low traffic flow, residential or rural area	Limited off street parking, may not be paved	Wood or pole frame, combustible construction	Little fenestration, very plain appearance, plain metal or wood siding	Minimally or inexpensively finished sales area, sales area may be open to garage, garage area uninsulated and unheated, concrete floor	25 - 35 year effective age, deterioration is somewhat worse than normally expected, some obvious deferred maintenance and functional obsolescence, appears worn	0 - 5% office/retail space	Larger than typical size of 5,000 to 9,999 square feet	Lower than average - wall height 10 to 12 feet
E	Side street, narrow roadway, no visibility or traffic flow, residential or rural area	Little to no off street parking, may be gravel	Pole frame, combustible construction	Inexpensive metal or plywood sheet siding with little or no fenestration	May lack separate sales area or have small unfinished or minimally finished sales area open to garage, uninsulated and unheated garage area, concrete floor	35+ years, obvious deferred maintenance and functional obsolescence, deterioration much worse than normal, some major components need repair or replacement, substandard utility, unappealing	No office/retail space	Largest structures of 10,000 square feet and up, may need to be lowered one class, all else being equal	Low - wall height 10 feet and under

Income Model Rates

MSN

302010

NEIGHBORHOOD 8401606 - 8401607, 8402601 - 8402691

12 Auto Service		Repair	Lube & Tun	Fire Str.	Car W-Auto	Car W-Wand	
A	RENT	15.00		15.00			
A	VAC	5.00		5.00			
A	EXPEN	18.00		18.00			
A	CAP	8.00		8.00			
A	MKT	146.00		146.00			
B	RENT	13.00	8.59	13.00	7.57	6.25	
B	VAC	5.00		5.00			
B	EXPEN	18.00		18.00			
B	CAP	8.10	8.42	8.10	8.42	8.42	
B	MKT	125.00	107.41	125.00	94.66	78.13	
C	RENT	8.50	6.72	8.50	6.34	4.89	
C	VAC	5.00		5.00			
C	EXPEN	25.00		25.00			
C	CAP	8.50	8.42	8.50	8.42	8.42	
C	MKT	79.00	83.96	79.00	79.31	61.11	
D	RENT	4.80	5.99	4.80	5.87	4.32	
D	VAC	5.00		5.00			
D	EXPEN	28.00		28.00			
D	CAP	9.00	8.42	9.00	8.42	8.42	
D	MKT	40.00	74.82	40.00	73.32	53.96	
E	RENT	2.50		2.50			
E	VAC	5.00		5.00			
E	EXPEN	28.00		28.00			
E	CAP	9.25		9.25			
E	MKT	18.00		18.00			

Income and Vacancy Summary (Public)

Auto Service

Repair

Neighborhood	Quality	Date:	PGI/Unit:	Vacancy:	EGI per Unit:	Expense %:	NOI per Unit:
8401606	B	11/4/2009	\$13.80	0.01%	\$13.80	0.01%	\$13.80
8402604	B	10/1/2009	\$16.36	0.01%	\$16.36	0.01%	\$16.35
8402604	C	11/12/2009	\$9.55	0.01%	\$9.55	10.00%	\$8.59
9402690	C	8/5/2010	\$7.58	0.01%	\$7.58	10.36%	\$6.80

Tax Year 2011
Auto Service - Repair
Sales From 08/10/07 to 07/02/09

No.	Neighborhood - Vicinity	Property Class	Account Number	Project Name	Excise	Valid Code - Description	Sale Date	Sale Price	Assessed Value	Ratio
1	8402605 - Gorst	640 - Repair Services	332401-2-017-2005	Auto Repair fronting St Hwy 3	09EX03431	V - Valid	07/02/09	\$350,000	\$273,600	0.78
2	8402601 - DOWNTOWN PT ORCHARD	640 - Repair Services	4650-003-001-0107	Bridgestone Repair Garage	08EX04945	V - Valid	08/22/08	\$423,300	\$395,290	0.93
3	8402604 - SE Port Orchard Coml	640 - Repair Services	322402-2-030-2008	Leo's Towing - Mile Hill	07EX06072	V - Valid	08/10/07	\$303,000	\$299,830	0.99

Count	3
Lowest	0.78
Highest	0.99
Median Ratio	0.93
Avg Abs Dev	0.07
COD	7.42