

Kitsap County Assessor

Espresso Site County Wide Model

Appraisal Date 1/1/2010, Tax Year 2011
Updated 08/04/2010 by Appraiser CM20

Valuation Summary

Approach Used – Income Approach.

Summary of Analysis Conclusions – With only one sale representing land with an espresso site and storage area, there was insufficient data for a sales approach. Eight rents were received between 2006 and mid 2010. With this limited amount of information an income approach was adopted reflecting three levels of rents, no expenses, no vacancy and a cap rate adopted from retail properties.

Property Type Overview

Population – Kitsap County has identified thirty-seven espresso sites, the majority of which are located with other income producing properties. These sites are mainly drive-thru with some walk-up locations. These sites offer only beverages and are not associated with the large coffee house chains (Starbucks, Austin Chase). Typically the structure is personal property owned separate from the land.

Economic Conditions – With no sales and limited rents no trend due to economic conditions could be developed. No vacancies were observed, though a few locations been abandoned recently.

Rating System – Three classes of espresso sites were derived from location, traffic volume, competition, whether associated with a supermarket or shopping center (kiosk) and rents.

Sources

Publications – Korpaz 4th Qtr 2009,
Marcus & Millichap 4th Qtr 2009

Internet – None found.

Other – Income questionnaires.

Model Calibration

Preliminary Ratio Analysis – One sale of property improved exclusively with an espresso site was available, which was insufficient to determine a market value. Value was determined from reported rents.

Market Approach Data and Analysis

Regional Sales - Range of Sales Dates – One sale from 08/20/2007

Current Sale Listings – None found.

Market Rates – None found.

Income Approach Data and Analysis

Rent Data – Eight rents were reported between 2006 and mid 2010.

Vacancy Data – None reported.

Expense Data – None reported.

Cap Data – Korpacz 4th Qtr 2009 quoted 9% and Marcus & Millichap 4th Qtr 2009 quoted 8.25%. Used 8%.

Current Lease Listings – None found.

Model Validation

Final Ratio Analysis – With no sales information available, a ratio analysis was not performed. Values established for tax year 2010 were adopted for tax year 2011.

TAX YEAR 2011
SITE SPECIAL COUNTYWIDE MODEL

CELL SITES

CLASS	DESCRIPTION	Location	Traffic Volume
B	Urban and dense suburban locations, high volume traffic corridors	URBAN	HIGH
C	Rural residential locations, moderate volume traffic corridors	RURAL	MEDIUM OR LOW

COST APPROACH - Adjust by -\$1,000 for residential zoned properties for land value.

COST APPROACH - Adjust by calculation of land value based on 750 sq ft on commercially zoned properties.

ESPRESSO SITES and FREE STANDING ATMs

CLASS	DESCRIPTION	Location	Traffic Volume	Competition	Stand Alone or Attached
B	High traffic volume, high visibility, easy access, high or medium competition, synergy from close proximity to retail or office complexes. Examples: West Hills Texaco location, Starbucks inside Albertson's	URBAN	HIGH	HIGH OR MEDIUM	Stand Alone or Attached
C	In Urban areas, has morning and evening commuter traffic but not in major shopping area. Urban has limited competition. In Rural areas, has morning and evening commuter traffic, no competition. Rural may be located in a rural shopping complex or CSWG location. Examples: SFR/Espresso on Perry, Texaco Station at corner of Seabeck Hwy & Newberry Hill Road, Lowe's of Silverdale	URBAN OR RURAL	HIGH OR MEDIUM	MEDIUM OR LOW	Stand Alone or Attached
D	Rural, low traffic volume, low competition. Serves local population. Examples: Seabeck Marina, Port Gamble Mill Site.	RURAL	LOW	LOW	Stand Alone

Average site size for an espresso stand or ATM is 750 square feet.

Reduce cost approach by 750 square feet of land value on commercial zoned parcels, reduce by \$1,000 on residential zoned parcels.

On espresso stands which are permanent structures, use cost approach and classify building as a Snack Bar for drive-up service.

On espresso stands which are permanent structures with indoor seating and service capacity, use Fast Food income approach.

Income Model Rates

MSN

302010

NEIGHBORHOOD

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13 Site Special		Espresso	Cell	NC ADJ	Atm	AddnlProp	Water
B	RENT	9,450.00	8,160.00		9,450.00		
B	CAP	8.00	8.00		8.00		
B	MKT	118,125.00	102,000.00		118,125.00		
C	RENT	7,425.00	5,100.00	1.00	7,425.00	1.00	
C	CAP	8.00	8.00	100.00	8.00	100.00	
C	MKT	92,813.00	63,750.00	1.00	92,813.00	1.00	
D	RENT	4,320.00			4,320.00		
D	CAP	8.00			8.00		
D	MKT	54,000.00			54,000.00		

Income and Vacancy Summary (Public)

<i>Site Special</i>		<i>Cell</i>					
Neighborhood	Quality	Date:	PGI/Unit:	Vacancy:	EGI per Unit:	Expense %:	NOI per Unit:
8303401	A	3/6/2008	\$6,780.00	0.01%	\$6,779.32	0.01%	\$6,778.64
7402290	C	5/9/2007	\$6,000.00	0.01%	\$5,999.40	0.01%	\$5,998.80
7402305	C	3/9/2009	\$6,000.00	0.01%	\$5,999.40	0.01%	\$5,998.80
7402601	C	7/28/2009	\$65,427.00	0.01%	\$65,420.46	0.01%	\$65,413.92
7402601	C	7/28/2009	\$7,330.00	0.01%	\$7,329.27	0.01%	\$7,328.53
8100507	C	7/28/2009	\$2,400.00	0.01%	\$2,399.76	0.01%	\$2,399.52
8100507	C	7/28/2009	\$14,832.00	0.01%	\$14,830.52	0.01%	\$14,829.03
8303401	C	4/7/2008	\$7,200.00	0.01%	\$7,199.28	0.01%	\$7,198.56
8401104	C	7/28/2009	\$33,039.00	0.01%	\$33,035.70	0.01%	\$33,032.39
8401104	C	7/28/2009	\$39,909.00	0.01%	\$39,905.01	0.01%	\$39,901.02
9100592	C	7/28/2009	\$8,217.00	0.01%	\$8,216.18	0.01%	\$8,215.36
7402305	D	3/9/2009	\$3,492.00	0.01%	\$3,491.65	0.01%	\$3,491.30
9100541	D	7/28/2009	\$5,652.00	0.01%	\$5,651.43	0.01%	\$5,650.87

<i>Site Special</i>		<i>Espresso</i>					
Neighborhood	Quality	Date:	PGI/Unit:	Vacancy:	EGI per Unit:	Expense %:	NOI per Unit:
8400204	A	3/27/2006	\$7,800.00	0.01%	\$7,799.22	0.01%	\$7,798.44
8401102	B	11/9/2009	\$10,935.00	0.01%	\$10,933.91	0.01%	\$10,932.81
8402605	B	11/16/2009	\$15,600.00	0.01%	\$15,598.44	0.01%	\$15,596.88
8100507	C	8/12/2008	\$8,700.00	0.01%	\$8,699.13	0.01%	\$8,698.26
8401606	C	10/26/2009	\$114.89	0.01%	\$114.88	0.01%	\$114.88
8402604	C	4/13/2009	\$10,200.00	0.01%	\$10,198.98	10.00%	\$9,179.08
8402605	C	6/23/2010	\$11,280.00	0.01%	\$11,278.87	0.01%	\$11,277.74
8401102	E	10/28/2008	\$10,500.00	0.01%	\$10,498.95	0.01%	\$10,497.90