

# **Kitsap County Assessor Narrative for Fast Food Valuation**

**Appraisal Date 1/1/2010, Tax Year 2011**

*Updated 8/12/10 CM27*

## **Valuation Summary**

**Approach Used** - Income approach

**Analysis and Conclusion Summary** - The mass appraisal model was adjusted – 5%. Consistent with the predominant annual update for tax year 2011.

## **Property Type Overview**

**Population** - Kitsap County has 47 fast food accounts. The inspection area has 14.

**Economic Conditions** – The current market conditions are not favorable. Sales volume has declined from 2007 to 2009.

**Rating System** - Three individual characteristics are rated on a 5-point scale. The points are totaled to reflect the cumulative effect each characteristic has upon the real estate.

## **Model Calibration**

**Preliminary Ratio Analysis** – One sale from 2007 and one sale from 2008. The beginning ratio was .91

## **Market Sales Approach Data and Analysis**

**Regional Sales - Range of Sales Dates** – 01/01/2007 to 03/01/2010

**Current Sale Listings** – None known

**Market Sales Rates** – Not developed due to lack of data

## **Income Approach Data and Analysis**

**Rent Data** – Adopted rates from prior year

**Vacancy Data** - Adopted rates from prior year

**Expense Data** - Adopted rates from prior year

**Cap Data** – Adjusted to reflect a -5% total value change

**Current Lease Listings** – None known

## **Model Validation**

**Final Ratio Analysis** - The statistical test for the subject area resulted in a ratio of 87% for both sales. The statistics are based on one sale from 2007 and one from 2008. The lower ratio is a result of declining market values in relation to sales near the high point of real estate values.

## Model Definition Fast Food

### Use 5 Point Criteria to Establish Appropriate Class

Class B	Equal or greater than + 2
Class C	- 1 to + 1
Class D	- 3 to - 2
Class E	Equal or less than - 4

### 5 Point Rating Criteria

	2 Points	1 Point	0 Points	-1 Points	-2 Points
<b>Location:</b>		(+ 1) Growing neighborhood, known restaurant magnet area, multiple restaurant choices, easy to maneuver, park and move through drive-thru, average to slightly above average traffic counts	(0) Stable neighborhood, typical site access, and traffic patterns;	(- 1) Declining neighborhood, limited knowledge of area as a magnet, only restaurant in vicinity, extremely high or low traffic counts	
<b>Building Size:</b>	(+ 2) <=2,240 SF;	(+ 1) <= 2,455 SF;	(+ 0) <=2,940 SF;	(- 1) <=3,420 SF;	(- 2) >3,420 SF
<b>Building Age/Condition:</b>		(+ 1) New or excellent condition, clean, landscaped, well lighted	(+ 0) Typical age and condition fast food restaurant;	(- 1) Old or poor condition, obsolete design, visible deferred maintenance	

# Income Model Rates

MSN

302010

NEIGHBORHOOD

	23Fast Food	Not Used	Not Used	Fast	Not Used	FFdPlayInd	
B	RENT			39.90		9.98	
B	VAC			5.00		5.00	
B	EXPEN			5.00		5.00	
B	CAP			7.35		7.35	
B	MKT			491.86		122.96	
C	RENT			27.44		6.86	
C	VAC			5.00		5.00	
C	EXPEN			5.00		5.00	
C	CAP			7.88		7.88	
C	MKT			248.18		62.04	
D	RENT			21.95		5.49	
D	VAC			5.00		5.00	
D	EXPEN			5.00		5.00	
D	CAP			8.40		8.40	
D	MKT			203.06		50.76	
E	RENT			16.46		4.12	
E	VAC			5.00		5.00	
E	EXPEN			5.00		5.00	
E	CAP			8.40		8.40	
E	MKT			149.28		37.32	

**Tax Year 2011  
Fast Food  
Sales from 1/1/2007 to 3/1/2010**

No.	Neighborhood - Vicinity	Property Class	Account Number	Project Name	Excise	Valid Code	Sale Date	Sale Price	Assessed Value	Ratio
1	8100506 - Wheaton Way	581 - Fast food	3994-000-005-0007	KFC - Wheaton Way	07EX06889	V - Valid	9/12/2007	\$1,335,000	\$1,161,620	0.87
2	8400202 - Highway 305	581 - Fast food	142601-3-074-2004	KFC, Taco Bell - Poulsbo	08EX03411	V - Valid	6/12/2008	\$1,210,000	\$1,053,350	0.87