

Kitsap County Assessor Narrative for Regional Shopping Center

Appraisal Date 1/1/2010, Tax Year 2011

Updated 08/12/10 by CM27

Valuation Summary

Approach Used – Income approach.

Analysis and Conclusion Summary - The three approaches to value were considered.

The cost approach is difficult to calibrate. Components such as replacement cost new and depreciation are difficult to calculate due to rapidly changing costs of labor and materials, a variety of obsolescence items including mechanical or power supply, changing demands, and other unaccounted for items. The cost approach is given little consideration in the appraiser's final analysis.

A market or sales approach uses sale prices of comparable properties. Kitsap County lacks sufficient, recent sales.

The income approach is the best method for valuing these properties. The income model was developed using national publications.

Property Type Overview

Population – Kitsap County has one regional mall.

Economic Conditions - The current market conditions are not favorable, various economists, such as GVA Kidder Mathews and Robert McGrath of CB Richard Ellis, have speculated the economy is at the bottom phase of a recession and will enter recovery in 2010-2011.

Kitsap County's commercial sales volume has declined from 2007 to 2009. Lease negotiations to obtain lower lease rates were reported during the market survey.

Rating System – Dollars and Cents of Shopping Centers/The Score 2008.

Model Calibration

Preliminary Ratio Analysis – No regional mall sales occurred in Kitsap County.

Market Sales Approach Data and Analysis

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

Current Sale Listings - None

Market Sales Rates – Not developed due to lack of data

Income Approach Data and Analysis

Rent Data - Dollars & Cents of Shopping Centers/ The Score, 2008

Vacancy Data – No data supplied from the local market.

Expense Data – Dollars & Cents of Shopping Centers/ The Score, 2008

Cap Data - Publications

Kitsap County Assessor Narrative for Regional Shopping Center (continued)

Current Lease Listings – None found.

Model Validation

Final Ratio Analysis – No regional mall sales available in Kitsap County.

Sources

Internet - www.shopkitsapmall.com/, www.macerich.com/

Publications - Dollars & Cents of Shopping Centers/ The Score, 2008, Korpacz 4th Quarter 2009

Other -

Income Model Rates

MSN

302010

NEIGHBORHOOD 8401101

18	Shop Ctr, Super R	Center	Anchor	Kiosk			
C	RENT	65.86	10.00	71,400.00			
C	VAC	10.00	2.00	10.00			
C	EXPEN	39.00	43.00	36.40			
C	CAP	8.10	8.10	7.26			
C	MKT	0.01	0.01	0.01			
D	RENT		7.50				
D	VAC		2.00				
D	EXPEN		43.00				
D	CAP		8.10				
D	MKT		0.01				