

# Kitsap County Assessor

## Narrative for Restricted Multifamily – All Unit Sizes

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 cost approach is difficult to correlate due to age of the buildings, and a lack of sufficient sales. Depreciation is difficult to calculate due to varied obsolescence, changing demands, or other unaccounted for items.

A market or sales approach uses sales prices of comparable properties. Kitsap County lacks sufficient, recent sales to generate a model.

The income approach was selected to value these properties. We applied the apartment mass appraisal model as well as the restricted model to the subject properties.

### Property Type Overview

**Population**- Approximately fourteen complexes participate in the Section 515 program, and eight in the Section 42 program.

**Economic Conditions**- The current market conditions are not favorable. Kitsap County's commercial sales volume has declined from 2007 to 2009.

**Rating System**- The rating system is based on the income level attributed to the units.

### Model Calibration

**Preliminary Ratio Analysis** - No data

### Market Sales Approach Data and Analysis

**Sales – Range of Sales Dates** – 01/01/2006 – 03/01/2010. Expanded search area to whole county.

**Current Sale Listings** – None Known

**Market Rates** – Not developed

### Income Approach Data and Analysis

**Rent Data** – Actual data supplied in prior appeal petitions, web sites for apartments, and rates published on the United States Department of Agriculture (USDA) Rural Development (RD) web site.

**Vacancy Data** – Web sites for apartments, listings in newspapers, and noted during physical inspections.

**Expense Data** – Actual data supplied in prior appeal petitions.

**Capitalization (cap) Data** – Adopted apartment class C rates. See Apartment Model for detail.

**Current Lease Listings** – Varies from month to month. Not considered due to rent range cited, and unknown income level of new tenant.

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## Narrative for Restricted Multifamily – All Unit Sizes (continued)

### Model Validation

**Final Ratio Analysis** - Our existing model correlates with income data from the individual projects. Current market data is limited, National publications are relied on for cap rate selection.

### Source

**Publications** – Dupre and Scott report for December 2009 for 5-19 units  
Dupre and Scott Apartment February 2010 reports  
Korpacz-4th Quarter 2009  
Apartment Insights Washington-Jan 2010,<http://cainapartments.com/press.html>  
Urban Land Institute Trends 2010  
Marcus & Millichap – The Apartment Outlook 2010

**Internet** - [www.commercialmls.com](http://www.commercialmls.com), [www.dsaa.com](http://www.dsaa.com), <http://cainapartments.com/press.html>

**Other** – Actual income for complex.

## Model Definition Restricted Multifamily

Income Level Assigned to Units	
Class A	60%
Class B	50%
Class C	40%
Class D	30%

# Income Model Rates

MSN

302010

NEIGHBORHOOD

15 Restricted Multifa		Studio	1 Bedrm	2 Bedrm	3 Bedrm	4 Bedrm	
A	RENT	8,280.00	8,868.00	10,632.00	12,300.00	13,716.00	
A	VAC	3.00	3.00	3.00	3.00	3.00	
A	EXPEN	50.00	50.00	50.00	50.00	50.00	
A	CAP	7.00	7.00	7.00	7.00	7.00	
A	MKT	35,900.00	35,900.00	35,900.00	35,900.00	35,900.00	
B	RENT	6,900.00	7,392.00	8,856.00	10,248.00	11,424.00	
B	VAC	3.00	3.00	3.00	3.00	3.00	
B	EXPEN	50.00	50.00	50.00	50.00	50.00	
B	CAP	7.00	7.00	7.00	7.00	7.00	
B	MKT	35,900.00	35,900.00	35,900.00	35,900.00	35,900.00	
C	RENT	5,520.00	5,916.00	7,092.00	8,196.00	9,144.00	
C	VAC	3.00	3.00	3.00	3.00	3.00	
C	EXPEN	50.00	50.00	50.00	50.00	50.00	
C	CAP	7.00	7.00	7.00	7.00	7.00	
C	MKT	35,900.00	35,900.00	35,900.00	35,900.00	35,900.00	
D	RENT	4,140.00	4,428.00	5,316.00	6,144.00	6,852.00	
D	VAC	3.00	3.00	3.00	3.00	3.00	
D	EXPEN	50.00	50.00	50.00	50.00	50.00	
D	CAP	7.00	7.00	7.00	7.00	7.00	
D	MKT	35,900.00	35,900.00	35,900.00	35,900.00	35,900.00	