

Kitsap County Assessor

Narrative for Area 1 Land – Commercial Zoned NC, MU, and UH Valuation

Appraisal Date 1/1/2011, Tax Year 2012

Updated 09/26/2011 by CM43

Valuation Summary

Approach Used - The market approach was used.

Analysis and Conclusion Summary - Analysis of all valid sales from Area 1 in general indicated a slight decline to improved property values across the sale date range. A negative trend of 4% per year was utilized to adjust these sales. Analysis of unimproved land did not show a negative trend, those sales were not adjusted for time.

Property Type Overview

Population - Revaluation Area 1 contains zonings within Kitsap County's jurisdiction. NC – Neighborhood Commercial zoning is intended to provide for quick stop shopping needs of the immediate neighborhood and should be based upon demonstrated need. MU – Mixed Use zoning is intended to encourage flexible land uses and be responsive to community needs and market conditions. Commercial and residential uses may be mixed vertically or horizontally and is encouraged but not required. UH – Urban High Residential zoning is intended to provide for multi-family residential and professional office development based on compatibility with surrounding land uses. The entire zoning code is on the Kitsap County website under county code Title 17. Uses within these zonings are similar or compatible; market analysis resulted in one schedule for all three zonings. Neighborhood Commercial zoned land is predominately located in Old Town Silverdale and along Ridgetop Boulevard. Mixed Use zoned land is mainly located west of the core area between State Highway 3 and Anderson Hill Road. Urban High zoned land is mostly located between Myhre Road and Ridgetop Boulevard with a strip also located between Randall Way and Dahl Road south of Greaves Way. All three types are also scattered throughout the larger Silverdale area.

Economic Conditions - Improved properties in Area 1 with commercial zoning generally showed a slight negative trend in the analysis. Unimproved land sales indicated no negative trend due to a downturn in the local economy.

Rating System - Sufficient sales (including improved sales utilizing the abstraction method) allowed for the development of three levels of classification (Superior, Typical, and Inferior) along with adjustments for other various positive and negative influence factors as noted in the model definition.

Model Calibration

Preliminary Ratio Analysis – Seven sales with a range of ratios from 28% to 111%, an average ratio of 71%, a median ratio of 85%, and a COD of 31.37.

Market Sales Approach Data and Analysis

Regional Sales - Range of Sales Dates - 01/01/2008 - 03/31/2011

Trend - Analysis generally indicated a slight decline to improved properties in Area 1 across the sale date range. A negative trend of 4% per year was utilized to adjust sales of improved properties. Analysis of unimproved land did not show a negative trend, those sales were not adjusted for time.

Market Sales Rates - Rates were developed from sales of unimproved land and improved properties where improvement costs were abstracted from the sale price. Any negative and/or positive land influences of each property were considered and accounted for prior to rate development. Sales analysis indicated the price per square foot decreased as lot size increased. The rates diminish the larger the parcel becomes. Rates are applied to the square feet of the site. Adjustments for positive and negative influences are added to the base rate using percentages.

Model Validation

Final Ratio Analysis - Application of the new land schedule to the seven sales results in a range of ratios from 74% to 113%, an average ratio of 97%, a median ratio of 99%, and a COD of 11.95.

Model Definition

Commercial Land Zoned RC (Regional Commercial), NC (Neighborhood Commercial), MU (Mixed Use), and UH (Urban High Residential)		Underground Utilities	Power	Water	Sewer	Natural Gas	Telephone, Fiber Optics, Cable TV	Storm Sewers / Retention Ponds	Fire Hydrants	Paved Roads	Easy Access to Major Arterial	Located in Heavily Traveled Area
SUPERIOR	Superior Lots are located on lighted intersections fronting a four lane road (Silverdale Way, Kitsap Mall Boulevard) or in developed shopping complex with synergy that fronts a four land road. Minimal topographical issues.	Yes	Yes	Public water available	Yes	Yes	Yes	Off-site or storm sewers	Yes	Yes	Yes	Yes
TYPICAL	Sites located in the middle of the street, on lighted corners, less than four way lighted corners, or unlighted corners (see lighted corner, less than four way lighted corner, and non-lighted corner adjustments). Back lots accessed through a developed shopping complex with limited synergy. Back lots not accessed through a developed shopping complex and/or with limited visibility (see no frontage/limited visibility adjustments). Lots with difficult or one way access (see difficult/one way access adjustment).	Yes	Yes	Public water available	Yes	Yes	Yes	Off-site or storm sewers, possibly on-site	Yes	Yes	Yes	Yes
INFERIOR	Sites lacking sewer. Additional adjustments for encumbrances, storm water retention facilities, topography issues, back lot sites, and limited/no visibility.	Possible	Power available but might be located a short to moderate distance away	Public water probably available	May or may not be available, no sewer lines in road	Possible	Maybe	On-site or none	Yes	Yes	Possible	Possible

Land Characteristics for Review:

Size: Typical; **Shape:** Typical;
Frnt/Expo: Superior; **Topo:** Inferior;
Dist fm Util: Typical; **Access:** Typical
Overall: Superior

ZONING CODES Area 6			Kitsap County
8L	NC	Neighborhood Commercial	KC
8M	RC	Regional Commercial	KC
8T	MU	Mixed Use	KC
8U	UH	Urban High Residential	KC

Adjustment	Code	Adj%	Base
Inferior (No Sewer)	H	-50%	Typical
Superior (Fronts Four Lanes AND Four Way Lighted Corner)	P	32%	Typical
Waterfront	P	32%	Typical
Four Way Lighted Corner	b	20%	Typical
Less Than Four Way Lighted Corner	b	15%	Typical
Non-lighted Corner	b	10%	Typical
Fronts Four Lane Roadway	b	10%	Typical
View	5	10%	Typical
Difficult/One Way Access	c	-10	Typical
No Frontage/Limited Visibility	b	-10% to -20%	Typical
Topography / Retention Ponds (percentage impacted)	J / c	*	Typical
Easements/Shape/Other	p / F / O	*	Typical
*Appraiser judgment			

Adjustments for retention ponds, topography, etc, should not reduce land value to a point lower than the value of the unimpacted useable area.

Tax Year 2012
Commercial Land Area 1 - Zoned Neighborhood Commercial, Mixed Use, and Urban High Residential
Sales from 01/01/08 to 03/31/11

No.	Neighborhood	Property Class	Account Number	Project Name	Land Units	Excise	Validity Code	Sale Date	Sale Price	Trended Sale Price	Cost Basis Total Value	Cost Basis Improvement Value	Residual Land Value	Land per Square Foot	Ratio/Sale Price	Ratio/Trended Sale Price
1	9401190	183	8509-000-002-0007	Art studio MU zoning	5,881	08EX04478	V	08/01/08	\$155,000	\$139,985	\$137,890	\$11,270	\$128,715	\$21.89	0.89	0.99
2	8401102	651	202501-1-006-2004	Starnes Chiropractic	6,098	10EX00171	V	01/14/10	\$325,000	\$312,463	\$230,530	\$99,940	\$212,523	\$34.85	0.71	0.74
3	8401102	111	4458-007-008-0006	Converted SFR on Lowell	8,276	11EX00347	V	01/24/11	\$280,000	\$280,736	\$233,320	\$64,090	\$216,646	\$26.18	0.83	0.83
4	8401102	690	4458-008-001-0001	The Clocktower Bldg	10,019	08EX01167	V	02/29/08	\$1,150,000	\$1,019,310	\$1,109,930	\$891,770	\$127,540	\$12.73	0.97	1.09
5	8401101	111	212501-1-053-2005	Future Tracyton Condos	15,682	09EX00783	X	02/20/09	\$737,000	\$681,999	\$265,610	\$0	\$681,999	\$19.09	0.84	0.91
		910	212501-1-054-2004		20,038						\$357,000	\$0				
6	8401103	541	102501-3-052-2005	Shell Mini Mart - Ridgetop & Tahoe	37,026	08EX02411	V	04/25/08	\$900,000	\$803,244	\$906,780	\$486,110	\$317,134	\$8.57	1.01	1.13
7	8401103	137	102501-3-036-2006	Tree Top Apts	270,943	09EX05646	X	10/15/09	\$20,800,000	\$19,787,924	\$8,336,890	\$6,646,440	\$2,265,724	\$3.14	1.04	1.09
		137	102501-3-037-2005		451,281						\$13,192,070	\$10,875,760				

Note: Sale 1 had a residential land value applied in the re-inspection cycle, the cost basis total value is based on the commercial schedule if applied.
Note: Sale 5 had a single family residence with no value attributed to it on one account at the time of purchase therefore the sale was trended.

Count: 7
Count: 6
Highest: 1.13
Mean Ratio: 0.97
Median Ratio: 0.99
Average Dev.: 0.12
C.O.D.: 11.95

Listings

No.	Neighborhood	Property Class	Account Number	Project Name	Land Units			Listing Price		Cost Basis Total Value	Cost Basis Improvement Value	Residual Land Value	Land per Square Foot	Ratio/List Price
1	8401103	910	152501-3-089-2007	BL - UH-corner Ridgetop/Sid Uhinck	29,185			\$650,000		\$438,960	\$0	\$650,000	\$22.27	0.68
2	8401101	910	172501-4-087-2005	Future Site Bucklin Hill W - C - UH	16,117			\$125,000		\$194,660	\$0	\$125,000	\$7.76	1.56

Codes

Neighborhoods
8401101 - Silverdale
8401102 - Old Silverdale
8401103 - Ridgetop
9401190 - Silverdale UGA-COM

Property Classes
111 - Single Family Residence
137 - 50+ units
183 - Sheds and Garages
541 - Conv Store w/ Gas Pumps
651 - Medical/Dental Offices
690 - Misc. Services
910 - Undeveloped Land

Validity Codes
V - Valid
X - Exempt Property

Neighborhood Commercial, Mixed Use, and Urban High Land Rate Benchmarks

Square Feet	\$ Per Square Foot Area 1	Lot Value
500	\$25.50	\$12,750
2,500	\$24.65	\$61,625
5,000	\$22.10	\$110,500
7,500	\$20.83	\$156,225
10,000	\$19.81	\$198,100
15,000	\$17.21	\$258,150
20,000	\$15.64	\$312,800
30,000	\$13.56	\$406,800
40,000	\$12.33	\$493,200
50,000	\$11.35	\$567,500
60,000	\$10.58	\$634,800
70,000	\$9.99	\$699,300
80,000	\$9.52	\$761,600
90,000	\$9.10	\$819,000
100,000	\$8.71	\$871,000
200,000	\$6.97	\$1,394,000
300,000	\$6.04	\$1,812,000
400,000	\$5.40	\$2,160,000
500,000	\$4.93	\$2,465,000
600,000	\$4.46	\$2,676,000