

Kitsap County Assessor

Narrative for Area 1 Land – Commercial Zoned RO Valuation

Appraisal Date 1/1/2011, Tax Year 2012

Updated 09/27/2011 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. RO - Rural Commercial zoning includes commercially zoned properties located outside of the urban growth areas. Uses are intended to support the surrounding outlying community. The entire zoning code is on the Kitsap County website under county code Title 17. This zoning type is scattered throughout the Central Kitsap area outside the Urban Growth 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 - Insufficient sales (including improved sales utilizing the abstraction method) did not allow for independent development of three levels of classification (Superior, Typical, and Inferior). An inferior rate adjustment was not developed. Lack of installed water, wells, or septic systems were noted and adjusted for along with adjustments for other various positive and negative influence factors as noted in the model definition.

Model Calibration

Preliminary Ratio Analysis – Two sales with a range of ratios from 64% to 80%, an average ratio of 72%, a median ratio of 72%, and a COD of 11.20.

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 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. Due to lack of sales RO zoned land schedule rates were also compared with both the NC, MU, UH and Industrial land schedules. 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 two sales results in a range of ratios from 90% to 92%, an average ratio of 91%, a median ratio of 91%, and a COD of 1.31.

Model Definition

Commercial Land Zoned RO (Rural Commercial)		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 have sewer and public water.	Maybe	Yes	Yes	Yes	Maybe	Probably	Off-site or storm sewers	Probably	Yes	Probably	Probably
TYPICAL	No sewer. Sites located in the middle of the street. For lighted corners, one way lighted corners, or unlighted corners see adjustments. Lots fronting a four land roadway see adjustment. Lots with difficult or one way access (see difficult\one way access adjustment).	Maybe	Yes	Public or well installed	No	No	Maybe	On site or none	Maybe	Yes	Maybe	Maybe
INFERIOR	No sewer. Encumbrances, storm water retention facilities, topography issues, back lot sites, and limited\no visibility (see adjustments). No services (no public water, well, sewer, or septic (see adjustments).	Not likely	Power available but might be located a short to moderate distance away	No	No	No	Maybe	None	Not likely	Maybe	Not likely	Not likely

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

8W	RCO	Rural Commercial	KC
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Adjustment	Code	Adj%	Base
Superior Lots - Sewer and Water	P	100%	Typical
Four Way Lighted Corner	b	15%	Typical
Less Than Four Way Lighted Corner	b	10%	Typical
Non-lighted Corner	b	5%	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
No sewer or septic	B	-5%	Typical
No public water or well	B	-5%	Typical
*Appraiser judgment			

NOTE: Seabeck waterfront parcels zoned RCO are put in hybrid neighborhood and use residential rates.

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 Rural Commercial
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	Cost Basis Improvement Value	Residual Land Value	Land per Square Foot	Ratio/Sale Price	Ratio/Trended Sale Price
1	9401141	591	202501-4-005-1001	Seabeck Antiques	3,049	10EX06726	V	12/23/10	\$400,000	\$399,605	\$369,560	\$136,550	\$263,055	\$86.28	0.92	0.92
2	8401104	582	052401-3-068-2005	19th Hole Tavern	59,241	08EX01355	R	03/07/08	\$655,000	\$581,066	\$523,500	\$235,620	\$345,446	\$5.83	0.80	0.90

Count: 2.00
Lowest: 0.90
Highest: 0.92
Median Ratio: 0.91
Mean Ratio: 0.91
Average Dev.: 0.01
C.O.D.: 1.31

Note: Sale 1 is Seabeck waterfront, analysis indicated the residential land schedule for this area was appropriate and was applied, the cost basis total value shown is the commercial schedule with an adjustment for the superior waterfront location (value difference is less than 1/2 of 1%).

Note: Sale 2 was superior due to sewer hook-up, but over 1/2 the property is encumbered by a creek and wetland.

Sale After Re-Inspection

No.	Neighborhood	Property Class	Account Number	Project Name	Land Units	Excise	Validity Code	Sale Date	Sale Price	Trended Sale Price	Cost Basis Total	Cost Basis Improvement Value	Residual Land Value	Land per Square Foot	Ratio/Sale Price	Ratio/Trended Sale Price
3	8401104	541	052401-3-004-1004	Camp Union Ctr	165,963	11EX04018	V	08/03/11	\$2,450,000	\$2,450,000	\$1,376,900	\$862,710	\$1,587,290	\$9.56	0.56	0.56

No listings were found

Codes

Neighborhoods
8401104 - Central Kitsap
9401141 - Seabeck WF COM

Property Classes
582 - Tavern
591 - Neighborhood Center
541 - Conv Store w/Gas Pumps

Validity Codes
V - Valid
X - Exempt Property

Rural Commercial Land Rate Benchmarks

Square Feet	\$ Per Square Foot Area 1	Lot Value
500	\$19.32	\$9,660
2,500	\$17.48	\$43,700
5,000	\$16.10	\$80,500
7,500	\$14.26	\$106,950
10,000	\$13.43	\$134,300
15,000	\$10.76	\$161,400
20,000	\$9.38	\$187,600
30,000	\$7.13	\$213,900
40,000	\$5.98	\$239,200
50,000	\$5.29	\$264,500
60,000	\$4.83	\$289,800
70,000	\$4.46	\$312,200
80,000	\$4.19	\$335,200
90,000	\$3.96	\$356,400
100,000	\$3.77	\$377,000
200,000	\$3.13	\$626,000
300,000	\$2.76	\$828,000
400,000	\$2.53	\$1,012,000
500,000	\$2.30	\$1,150,000
600,000	\$2.12	\$1,272,000