

Kitsap County Assessor

Convenience Store with Gas Station (CSWG) Regional Model

Appraisal Date 1/1/2011, Tax Year 2012

Updated 09/19/2011 by Appraiser CM20

Valuation Summary

Approach Used – Sales approach. In the event the project contains multiple uses, the income approach can be used to recognized mixed use income streams. The values loaded into the income approach for CSWG are those values established from the sales analysis and do not represent actual rents.

Summary of Analysis Conclusions – Nine sales covering four of the five classifications were used to establish a sales model based on unit count. Unit count was developed from the number of nozzles/gas selections multiplied by 100 plus the size of the convenience store. Additional building size attributed to offices, restaurants, or additional retail stores is not included in the unit count. Those areas will be valued using the income approach and appropriate income classifications.

Property Type Overview

Population – Kitsap County has 72 Convenience Store with Gas Station properties (CSWG). The median land to building ratio is 6.44 with an absolute average deviation (AAD) from the median of 2.77. Properties exceeding the median plus the AAD totaling 9.21 were analyzed to determine if excess land is available for development. Factors considered were zoning, topography, and easements of record.

Economic Conditions – The recent downturn in the economy is evident in the reduction of price per unit for the most recent sales and the decreasing number of sales. Five sales occurred in 2008, one sale occurred in 2009, two sales in 2010, and one sale in early 2011. The value per unit calculated from these decreased over sales from prior years.

Rating System – Five categories were developed based on location, traffic flow, and synergy from surrounding businesses and overall age and maintenance.

Model Calibration

Preliminary Ratio Analysis – Using the sales from 2008 and early 2011, the median ratio returned was 95.69% with a COD of 11.73.

Market Approach Data and Analysis

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

Current Sale Listings – None known.

Market/Sales Rates – Five classes of market sales rates per unit were derived from prior year's sales and then adjusted using the nine most recent sales. Sales were trended -4% per year.

Income Approach Data and Analysis

Rent Data – None researched, values based on market sales data.

Vacancy Data – None researched, values based on market sales data.

Expense Data – None researched, values based on market sales data.

Cap Data – None researched, values based on market sales data.

Current Lease Listings – None found.

Income Rates – None developed, values based on market sales data.

Model Validation

Final Ratio Analysis – Using just the sales from 2008, 2009, 2010 and early 2011, unit rates were reduced 5%. The final median sales ratio is 90% with a COD of 9.59.

Sources

Publications – Marshall & Swift 2007

Internet –

Other – Excise tax returns

MODEL DEFINITION FOR COUNTYWIDE CONVENIENCE STORE WITH GAS STATION

Class	Location	Population Density	Traffic Pattern	Synergy	Condition
A	The property is located at a freeway off-ramp location. This can mean “immediately at an intersection with a freeway” or “within sight of that intersection” or the C-SWG can be attached to or in close proximity to a large retail store operation such as: <i>Silverdale Safeway, Silverdale Costco, Fred Meyer on Bethel, Albertson's on Sedgwick & Sidney, Highway 3 and Werner Road, or East Bremerton WalMart.</i>	Urban	High traffic with ease of access regardless of time of day.	Surrounding businesses contribute to increased traffic flow.	The structure should be either new or nearly so, or alternatively have been renovated within the past few years. Industry standards for C-SWG’s mandate a 10 to 12 year renovation cycle. If the structure does not show such regular renovation, placement of the C-SWG should probably be in Class B. Industry standards also are shifting to much larger store facilities
B	C-SWG facilities in this class are typically located at the corner of busy streets, most often with the primary afternoon traffic flow oriented so that the store is on the right hand side of that flow. Occasionally, some facilities are located not exactly at a corner, but essentially act as if they were located on one. <i>Chevron - Bethel & Sedgwick, Gradens Market - Sedgwick and Sidney.</i>	Urban	High traffic and located on the right hand side of traffic flow during afternoon commute. Mainly corner locations.	Limited synergy from nearby businesses.	As with the Class A facilities, the physical structure of the C-SWG should be new within the past few years, or have had a fairly recent renovation. Condition and modernization of facilities relate to the comfort of customers and their willingness to frequent the C-SWG.
C	Located in the same geographical location as Class B (corners or mid-street) but on the wrong side of the street for afternoon traffic flow. Visibility is inferior to Class A or B. Traffic flow may be less than typical. <i>76 Food Market - Jackson & Sedgwick,</i>	Urban or Suburban	High traffic flow on the wrong side of the street, or moderate traffic flow. Mid-street location or corner location with lower traffic count.	Limited synergy from nearby businesses.	Good maintenance on structures.
D	Located in rural areas, may be well maintained but are designed to serve a local clientele. <i>Al's of Olalla, Olalla Market</i>	Rural	Lighter traffic flow, designed to serve local residents.	None.	Maintenance ranges from well maintained to deferred maintenance.
E	Older and smaller facilities located in rural areas with limited neighborhood traffic patterns. <i>Long Lake Grocery</i>	Rural	Limited to surrounding residential traffic.	None.	Deferred maintenance.

Tax Year 2012
Convenience Store with Gas Station
Sales from 01/01/2008 through 03/03/2011

-0.33% per month

No.	Neighborhood and Vicinity	Property Class	Account Number	Project Name	Units	Excise No.	Validity Code	Sales Date	Sales Price	Adjustment to Sales Price - FF&E, Non-Compete, Goodwill	Adjusted Sales Price	Trended Adjusted Sales Price	2012 Value	Ratio
Low/Class E														
Fair/Class D														
1	8401103 - Ridgetop	541 - Conv store w/gas pumps	102501-3-052-2005	Shell Mini Mart - Ridgetop & Tahoe	5,920	08EX02411	V - Valid	04/25/08	\$1,290,000	-\$390,000	\$900,000	\$803,145	\$722,240	0.90
2	84023030- Manchester	541 - Conv store w/gas pumps	032202-3-004-2005	Al's Grocery - Olalla	2,970	11EX01064	V - Valid	03/03/11	\$525,000	-\$130,300	\$394,700	\$397,295	\$362,340	0.91
Median														0.91
Average/Class C														
3	8303401 - City of Bainbridge Island	541 - Conv store w/gas pumps	232502-3-075-2002	BI Texaco	6,585	08EX02611	V - Valid	05/02/08	\$1,800,000	\$0	\$1,800,000	\$1,607,671	\$1,132,620	0.70
4	8303401 - City of Bainbridge Island	541 - Conv store w/gas pumps	232502-3-075-2002	BI Texaco	6,585	09EX03353	V - Valid	06/29/09	\$1,300,000	\$0	\$1,300,000	\$1,221,359	\$1,132,620	0.93
5	8100506 - Wheaton Way	541 - Conv store w/gas pumps	012401-2-124-2003	Jackpot Food Mart	4,120	10EX05133	V - Valid	09/23/10	\$680,000	-\$54,350	\$625,650	\$618,725	\$708,640	1.15
Median														0.93
Good/Class B														
6	8400301 - Downtown Kingston	541 - Conv store w/gas pumps	262702-4-002-2003	AM-PM Conv Kingston	6,305	10EX01435	V - Valid	03/29/10	\$2,130,000	\$452,000	\$1,678,000	\$1,626,695	\$1,424,930	0.88
7	8100507 - East Bremerton	541 - Conv store w/gas pumps	4682-000-003-0608	Chevron Perry Ave	4,602	08EX00236	D - Not an economic unit	01/15/08	\$2,110,000	-\$428,800	\$1,681,200	\$1,481,667	\$1,040,052	0.70
8	8400203 - Viking Way	541 - Conv store w/gas pumps	152601-4-041-2001	NOW! Food Mart and Subway	4,372	08EX04997	V - Valid	08/20/08	\$1,870,000	-\$600,000	\$1,270,000	\$1,149,611	\$988,072	0.86
Median														0.86
Superior/Class A														
9	8401606 - Brownsville Highway	541 - Conv store w/gas pumps	262501-4-116-2009	Chevron Market Express	7,450	08EX05183	V - Valid	08/29/08	\$2,650,000	-\$500,000	\$2,150,000	\$1,948,312	\$1,817,800	0.93
Median														0.93

TY2012 Model	
\$/UNIT	CLASS
\$90	Class E
\$122	Class D
\$172	Class C
\$226	Class B

Count	9
Lowest	0.70
Highest	1.15
Median	0.90
AAD	0.09
COD	9.59