

Kitsap County Assessor
Narrative for Mini Warehouse
Appraisal Date 1/1/2011, Tax Year 2012
Updated 10/13/11 by CM43

Valuation Summary

Approach Used - The income approach was used.

Analysis and Conclusion Summary - Little current market data was available for analysis. Two rent questionnaires were received from Area 1. No lease or sales listings were discovered. Three sales from 2008 countywide were available for analysis. The income model from the prior year was adopted, but vacancy and cap rates were updated according to information received from questionnaires countywide, site visits, and national publications. Due to the competitive nature of the property type we do not display rent, vacancy, or expenses.

Property Type Overview

Population - Four mini warehouse properties were identified in Area 1. The median land to building ratio countywide for this property type was 2.84:1 with an average absolute deviation of 1.94. Additional land value adjustments were considered for properties that exceeded a 4.78:1 ratio. Insufficient land adjustments were considered if the land to building ratio fell below one-third of the median.

Economic Conditions - Only three sales occurred countywide, all were during 2008. No sales were discovered in Area 1 over the last three years. Some impact from the ongoing downturn in the economy is assumed.

Rating System - Three classes, each with five size ranges and a rate for outside storage were developed. Property characteristics considered in choosing an income class were access, condition, amenities (such as security and climate control), effective age, and location.

Model Calibration

Preliminary Ratio Analysis - Three sales when trended to the January 1, 2011 date of appraisal had ratios ranging from 79% to 86%, a median of 85%, and a COD of 2.55.

Market Sales Approach Data and Analysis

Sales - Range of Sales Dates - 01/01/2008 - 03/31/2011. See attached sale document.

Current Sale Listings - No listings for this property type were documented.

Market Sales Rates - With the limited amount of market data no rates were developed.

Income Approach Data and Analysis

Rent Data - Two rent questionnaires were received, however only one had any data on it.

Vacancy Data - Vacancy data from income questionnaires countywide was analyzed. Vacancy was also noted during physical inspections in Area 1.

Expense Data - Expense data from income questionnaires countywide was analyzed. The model rates from the prior year were adopted.

Cap Data - Realty Rates 4th quarter 2010 listed the average band of investment cap at 9.19% and national self storage cap rates at 10.72%. Marcus & Millichap for the first half of 2010 listed the western region metro area self storage cap rate at 8.3%. The median of these rates was 9.19% and the average was 9.40%. Cap rates were updated utilizing the available data.

Narrative for Mini Warehouse (continued)

Current Lease Listings - No lease listings were documented.

Model Validation

Final Ratio Analysis - Application of the new model to the trended sale prices resulted in a range of ratios from 63% - 67%, a median of 65%, an average of 65%, and a COD of 2.09.

Sources

Internet -

<http://cba.epropertydata.com/pub/index.cfm>

<http://www.windermerecommercial.com/>

<http://www.erc.com>

Publications -

Marshall Valuation Service

Marcus & Millichap First Half 2010 Self Storage Research Semiannual Report

Other - None

Tax Year 2012

Mini Warehouse Definition

Class	Access	Conditon	Amenities	Effective Age	Location
B	Easy ingress and egress for moving trucks and easy access to units	New or high cost construction (example brick buildings on Kitsap Way)	Gated, secured (possible live security on site), climate contrlled	0 to 15 year effective age, no obsolescence evident, appearance and utility better than typical	Any, most likely near a densely populated area
C	Easy ingress and egress for moving trucks and easy access to units	Functional, somewhat dated, minimal repairs needed	Gated and/or secured, may have some climate contol	15 to 50 year effective age, some deferred maintenance and/or functional obsolescence evident but major components still function and have utility, not unappealing	In town or densely populated
D	Ingress and egress for moving trucks and easy access to units	Functional, somewhat dated, minimal repairs needed	Gated and/or secured, may have some climate contol	15 - 50 year effective age, deterioration is somewhat worse than normally expected, some obvious deferred maintenance, may have functional obsolescence	In rural or outlying areas with less dense population

**Tax Year 2012
Mini Warehouse
Sales From 01/01/2008 to 03/31/11**

No.	Neighborhood - Vicinity	Property Class	Account Number	Project Name	Units	Excise	Validity Code Description	Sale Date	Sale Price	Trended Sale Price	Assessed Value	Ratio/Sale Price	Ratio/Trended Sale Price
1	8402604 - SE Port Orchard Coml	638- Mini-warehouse	332402-2-044-2001	Arrowood Mini Storage	31,120	08EX03560	V - Valid	06/19/08	\$2,171,500	\$1,951,137	\$1,304,590	0.60	0.67
2	8402603 - Rural Port Orchard	638- Mini-warehouse	4796-031-003-0002	Sentry Mini Storage	16,750	08EX01875	V - Valid	04/01/08	\$1,347,000	\$1,198,645	\$782,270	0.58	0.65
3	8402604 - SE Port Orchard Coml	638- Mini-warehouse	022301-4-103-2004	Sound Storage	54,200	08EX00271	V - Valid	01/16/08	\$4,170,000	\$3,675,998	\$2,307,270	0.55	0.63

NOTE: Sale 1 - The sale price was adjusted for personal property declared on sales letter.

Count:	3
Lowest:	0.63
Highest:	0.67
Median Ratio:	0.65
Average Ratio:	0.65
Average Dev.:	0.01
C.O.D.:	2.09

Listings

No.	Neighborhood - Vicinity	Property Class	Account Number	Project Name	Units	List Price

Income Model: 302011
Property Type: Mini Warehouse
Neighborhood: 0

	<26	26-50	51-100	101-200	>200	Outside
--	-----	-------	--------	---------	------	---------

Class A

Rent						
Vacancy %						
Expense %						
Cap Rate						
Market						

Class B

Rent	9.50	9.50	9.50	9.50	9.50	1.25
Vacancy %	15.00	15.00	15.00	15.00	15.00	15.00
Expense %	40.00	40.00	40.00	40.00	40.00	40.00
Cap Rate	9.250	9.250	9.250	9.250	9.250	9.250
Market	0.01	0.01	0.01	0.01	0.01	0.01

Class C

Rent	9.00	9.00	9.00	9.00	9.00	1.25
Vacancy %	20.00	20.00	20.00	20.00	20.00	20.00
Expense %	40.00	40.00	40.00	40.00	40.00	40.00
Cap Rate	9.25	9.25	9.25	9.25	9.25	9.25
Market	0.01	0.01	0.01	0.01	0.01	0.01

Class D

Rent	7.50	7.50	7.50	7.50	7.50	1.00
Vacancy %	25.00	25.00	25.00	25.00	25.00	25.00
Expense %	40.00	40.00	40.00	40.00	40.00	10.00
Cap Rate	9.50	9.50	9.50	9.50	9.50	9.50
Market	0.01	0.01	0.01	0.01	0.01	0.01

Class E

Rent						
Vacancy %						
Expense %						
Cap Rate						
Market						