



## Kitsap County Assessor

### Documentation for Countywide Model

Tax Year: 2023 Appraisal Date: 1/1/2022

Property Type: Restaurants, Bars, and Taverns

Updated 4/25/2022 by CM20

### Area Overview

Countywide models are for properties located throughout Kitsap County, rather than by neighborhood.

This property type was physically inspected for the 2022 tax year.

Restaurants, Bars, and Taverns are reviewed on a countywide basis, but individual areas carry their own income approach. This model addresses freestanding buildings developed as restaurants, bars, and taverns. Some large units in mixed use buildings are also valued using this model.

### Property Type Overview

Restaurants are constructed for the purpose of preparation and sale of food and beverages. The average dining area is 60 to 70 percent of the gross building size. The balance is used by the kitchen, storage, and prep areas. Bars and taverns are designed mainly for the sale of beverages with limited food production and typically will have a higher seating ratio.

There are approximately 116 parcels countywide improved with one or more single tenant buildings developed as restaurants or bars/taverns. Sizes range between 388 and 10,100 square feet (sqft) with a countywide average of 3,850 sqft. Area 1 has 21 restaurants and three bars/taverns with an overall average size of 4,292 sqft. Area 2 has 14 restaurants and 2 bars/taverns with an overall average size of 3,092 sqft. Area 3N has 4 restaurants and 1 bar/tavern with an overall average size of 3,074 sqft. Area 3S has 16 restaurants and 9 bars/taverns with an overall average size of 3,856 sqft. Area 4 has 1 restaurant and 1 bar/tavern with an overall size of 2,356 sqft. Area 5 has 34 restaurants and 8 bars/taverns with an overall size of 3,874 sqft. Area 5N has 2 restaurants and 1 bar/tavern with an overall size of 5,011 sqft. Area 6 has 4 restaurants with an average size of 2,148 sqft.

**Land to Building Ratio:** The national land to building ratio for this property type is 8-10:1. The countywide land to building ratio for this property type is: 8.6:1.

The land to building ratio is used to determine excess or surplus land. Review of zoning requirements such as total lot coverage or parking requirements, as well as topography and easements, must also be considered before calculating value for this land.

**Economic Overview:** Sales of restaurants or bars/taverns are infrequent. An economic review indicated an impact to market value from Covid 19. An adjustment of -10% was applied to restaurant, bar, and tavern properties

### Valuation Summary

**Approach Used:** Income

**Analysis and Conclusion Summary:** The three approaches to value were considered.

The cost approach was given little consideration in the appraiser's final analysis. Cost approach components such as replacement cost new, effective age, and depreciation are difficult to accurately calculate in a mass appraisal model.

A market/sales comparison approach uses sale prices of comparable properties to calculate value. The market/sales approach was not applied as Kitsap County lacks sufficient, recent sales.

## **Property type: Restaurants, Bars, and Taverns (continued)**

The income approach was selected as the best method for valuing these properties. The data used to develop our current model data was collected from our mail survey, site visits, local sales, national publications, and data supplied for review or appeal.

### **Model Calibration**

**Preliminary Ratio Analysis:** Analysis of 6 sales resulted in a mean ratio of 93%, a median ratio of 89%, and a coefficient of dispersion (COD) of 12.98.

### **Market/Sales Comparison Approach Data and Analysis**

**Sales:** Range of Sale Dates: 1/1/2017 to 12/31/2021. A total of 6 local sales, and 0 regional sales, and 0 national sales were used in the sales analysis. Additional information is provided on the sales analysis data sheet.

Kitsap County attempts to review, analyze, and validate via telephone, mail, or in person interviews, all commercial sales within the county for inclusion or exclusion in our market/sales approach.

**Market/Sales Rates:** Sales ranged from \$71.27 to \$252.99 per square foot.

### **Income Approach and Data Analysis**

Values were calculated using a triple net (NNN) income model.

Income and expense information was collected from mailed surveys, property representatives, on-site visits, and market research (publications, newsletters, websites, etc.)

**Rent Data:** The Assessor validated rents from 31% of the market. Typical reported rents had a range of \$3.00 to \$51.64. We selected \$5.63 to \$27.56 for our model.

**Vacancy Data:** Typical reported vacancy had a range of 0% to 100%. We selected 5% to 25% for our model.

**Expense Data:** Typical reported expense had a range of 5% to 59%. We selected 6% to 6% for our model.

**Capitalization Rate (Cap) Data:** Typical sale cap rates ranged from 0% to 0%. We selected 7% to 8% for our model.

**Income Model Value Range:** The income approach calculates a range of values from \$49.61 to \$314.58 per square foot.

**Final Ratio Analysis:** Analysis of 6 sales resulted in a mean ratio of 93%, a median ratio of 89%, and a coefficient of dispersion (COD) of 12.989.

### **Sources**

Kitsap County Board of Equalization appeal documentation.

Washington State Board of Tax appeal documentation.

Kitsap County income and expense surveys.

Kitsap County sales questionnaires.

The Dictionary of Real Estate Appraisal, Appraisal Institute, Third Edition, 1993

Property Appraisal and Assessment Administration, IAAO, 1990

Glossary for Property Appraisal and Assessment, IAAO, 1997

LoopNet - [www.loopnet.com](http://www.loopnet.com)

Commercial Brokers Association - [www.commercialmls.com](http://www.commercialmls.com)

## Eating & Drinking - Restaurant & Bar - Model Guidelines

Class	Location	Construction	Exterior Finish	Interior Finish	Age/Condition	Unit size	Wall Height	Parking
A	Waterfront, view amenity, and/or superior location with high traffic flow, good visibility, corner location, and usually has synergy from surroundings	Heavy Frame, Wood, Steel, Concrete, Metal, or Masonry	Individual design, ornamental exterior, good quality finish and fenestration, mix of textured concrete, brick, tile, wood, metal, or stucco	Good quality finish, insulation, floor covering, wall finish, trim, heat system	New or recent complete renovation, in excellent to very good condition, very little to no deferred maintenance or obsolescence evident, all major short-lived items are like new, high curb appeal	Smaller structures tend to have higher SF rents if all else is equal (Restaurant < 2,000sf)	Tendency toward higher ceilings and vaulted areas	Ample off street paved parking
B	Good visibility on or near a main highway or major road with good traffic flow, may have synergy from surroundings	Wood, Steel, Concrete, Metal, or Masonry	Better than average design, good quality finish and fenestration, mix of concrete, brick, tile, wood, metal, or stucco	Better quality finish, floor covering, wall finish, trim, heat system	7 to 15 year effective age, little deferred maintenance evident, but not everything is new, no obsolescence evident, appearance and utility above the basics	Smaller to average structures tend to have higher SF rents if all else is equal (Restaurant 2,000sf - 3,200)	Tendency toward higher than typical ceilings, could have vaulted areas	Ample off street paved parking
C	Visible, average traffic flow, may have some synergy from surroundings	Wood, Steel, or Concrete Frame	Average design, typical finish and fenestration, concrete, wood, stucco, or metal with mix of other exterior	Average quality finish, typical floor covering, wall finish, trim, heat system	15 to 25 year effective age, some deferred maintenance and/or functional obsolescence evident but major components still function and have utility, not unappealing	Average or typical size (Restaurant 3,200sf - 3,945 sf, Bar 2,700sf)	Typical or average ceiling height	Sufficient off street paved parking
D	Limited visibility, near a main road, little to no synergy from surroundings	Wood or Concrete Frame	Plain design, less than typical finish and fenestration, sheet, metal, wood, concrete, or stucco	Plain, inexpensive finish, floor covering, wall finish, and heat	25 - 35 year effective age, deterioration is somewhat worse than normally expected, some obvious deferred maintenance and/or functional obsolescence, appears worn	Average to large size, larger structures tend to have lower rents per SF if all else is equal (Restaurant 3,945sf - 5,000sf)	Lower than typical ceiling height	Limited off street parking
E	Side street or not visible, low traffic flow, negative synergy	Wood or pole frame	Simple very plain design, little fenestration and very plain finish, inexpensive exterior sheet, wood, or metal covering	Minimally or poorly finished, inexpensive floor covering, wall finish, and heat	35+ years, older or very obvious deferred maintenance and/or functional obsolescence, deterioration much worse than normal, several major components need repair or replacement, substandard utility, unappealing	Larger structures tend to have lower rents per SF if all else is equal (Restaurant 5,000sf +)	Low ceiling height	Limited to no off street parking, may be gravel

**NOTE:** Properties usually have extensive food service, are freestanding structures, and may have a separate drinking lounge area. Some lounge areas may need to be valued using bar.  
 Lack of cooking facilities, wiring, plumbing - consider retail for highest and best use.  
 If property is located in a retail strip, use retail  
 Industry standard median freestanding restaurant size is approximately 3,050 square feet with average size approximately 3,200 square feet - 4,000 square feet.  
 Countywide freestanding median restaurants size is 3,995 square feet with average size of 4,428 square feet.  
 Countywide median freestanding bar size is approximately 2,766 square feet. Average freestanding bar size is approximately 2,747 square feet.  
 Restaurants have 60%-80% of square feet in dining rooms, 20%-40% in kitchens, preparation, and storage areas. Bars have significantly less or lack a kitchen area.

# Kitsap County Assessor

Tax Year: 2023

Property Type: Eating & Drinking

Neighborhood: 8100501

	Bar	Rest	Not Used	Club		
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## Class A

Rent	19.25	19.25				
Vac %	15.00	15.00				
Exp %	6.00	6.00				
Cap Rate	7.00	7.00				
Market	0.01	0.01				

## Class B

Rent	16.99	16.99				
Vac %	20.00	20.00				
Exp %	6.00	6.00				
Cap Rate	7.250	7.250				
Market	0.01	0.01				

## Class C

Rent	11.51	11.51				
Vac %	20.00	20.00				
Exp %	6.00	6.00				
Cap Rate	7.50	7.50				
Market	0.01	0.01				

## Class D

Rent	9.12	9.12				
Vac %	25.00	25.00				
Exp %	6.00	6.00				
Cap Rate	7.75	7.75				
Market	0.01	0.01				

## Class E

Rent	6.40	6.40				
Vac %	25.00	25.00				
Exp %	6.00	6.00				
Cap Rate	8.00	8.00				
Market	0.01	0.01				

# Kitsap County Assessor

Tax Year: 2023

Property Type: Eating & Drinking

Neighborhood: 8303601

	Bar	Rest	Not Used	Club		
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## Class A

Rent	19.25	19.25				
Vac %	5.00	5.00				
Exp %	6.00	6.00				
Cap Rate	7.00	7.00				
Market	0.01	0.01				

## Class B

Rent	14.05	14.05				
Vac %	5.00	5.00				
Exp %	6.00	6.00				
Cap Rate	7.250	7.250				
Market	0.01	0.01				

## Class C

Rent	11.36	11.36				
Vac %	5.00	5.00				
Exp %	6.00	6.00				
Cap Rate	7.50	7.50				
Market	0.01	0.01				

## Class D

Rent						
Vac %						
Exp %						
Cap Rate						
Market						

## Class E

Rent						
Vac %						
Exp %						
Cap Rate						
Market						

# Kitsap County Assessor

Tax Year: 2023

Property Type: Eating & Drinking

Neighborhood: 8400202

	Bar	Rest	Not Used	Club		
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## Class A

Rent	26.25	26.25				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.00	7.00				
Market	0.01	0.01				

## Class B

Rent	18.13	18.13				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.250	7.250				
Market	0.01	0.01				

## Class C

Rent	14.55	14.55				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.50	7.50				
Market	0.01	0.01				

## Class D

Rent	10.03	10.03				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.75	7.75				
Market	0.01	0.01				

## Class E

Rent	6.40	6.40				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	8.00	8.00				
Market	0.01	0.01				

# Kitsap County Assessor

Tax Year: 2023

Property Type: Eating & Drinking

Neighborhood: 8400301

	Bar	Rest	Not Used	Club		
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## Class A

Rent	26.25	26.25				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.00	7.00				
Market	0.01	0.01				

## Class B

Rent	18.13	18.13				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.250	7.250				
Market	0.01	0.01				

## Class C

Rent	14.55	14.55				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.50	7.50				
Market	0.01	0.01				

## Class D

Rent	10.03	10.03				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.75	7.75				
Market	0.01	0.01				

## Class E

Rent	6.40	6.40				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	8.00	8.00				
Market	0.01	0.01				

# Kitsap County Assessor

Tax Year: 2023

Property Type: Eating & Drinking

Neighborhood: 8401101

	Bar	Rest	Not Used	Club		
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## Class A

Rent	27.56	27.56				
Vac %	15.00	15.00				
Exp %	6.00	6.00				
Cap Rate	7.00	7.00				
Market	0.01	0.01				

## Class B

Rent	20.93	20.93				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.250	7.250				
Market	0.01	0.01				

## Class C

Rent	17.18	17.18				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.50	7.50				
Market	0.01	0.01				

## Class D

Rent	11.48	11.48				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.75	7.75				
Market	0.01	0.01				

## Class E

Rent	9.60	9.60				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	8.00	8.00				
Market	0.01	0.01				



# Kitsap County Assessor

Tax Year: 2023

Property Type: Eating & Drinking

Neighborhood: 8401508

	Bar	Rest	Not Used	Club		
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## Class A

Rent	19.25	19.25				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.00	7.00				
Market	0.01	0.01				

## Class B

Rent	16.99	16.99				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.250	7.250				
Market	0.01	0.01				

## Class C

Rent	11.51	11.51				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.50	7.50				
Market	0.01	0.01				

## Class D

Rent	7.29	7.29				
Vac %	15.00	15.00				
Exp %	6.00	6.00				
Cap Rate	7.75	7.75				
Market	0.01	0.01				

## Class E

Rent	5.97	5.97				
Vac %	15.00	15.00				
Exp %	6.00	6.00				
Cap Rate	8.00	8.00				
Market	0.01	0.01				

# Kitsap County Assessor

Tax Year: 2023

Property Type: Eating & Drinking

Neighborhood: 8402307

	Bar	Rest	Not Used	Club		
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## Class A

Rent	22.75	22.75				
Vac %	10.00	10.00				
Exp %	6.00	6.00				
Cap Rate	7.00	7.00				
Market	0.01	0.01				

## Class B

Rent	19.94	19.94				
Vac %	20.00	20.00				
Exp %	6.00	6.00				
Cap Rate	7.250	7.250				
Market	0.01	0.01				

## Class C

Rent	13.64	13.64				
Vac %	25.00	25.00				
Exp %	6.00	6.00				
Cap Rate	7.50	7.50				
Market	0.01	0.01				

## Class D

Rent	8.21	8.21				
Vac %	25.00	25.00				
Exp %	6.00	6.00				
Cap Rate	7.75	7.75				
Market	0.01	0.01				

## Class E

Rent	5.63	5.63				
Vac %	25.00	25.00				
Exp %	6.00	6.00				
Cap Rate	8.00	8.00				
Market	0.01	0.01				

**Kitsap County Assessor**  
**Tax Year 2023**  
**Local Income Survey for Eating & Drinking**

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$51.64	0%	\$51.64	0%	\$51.64
\$37.36	0%	\$37.36	0%	\$37.36
\$35.50	0%	\$35.50	26%	\$26.27
\$33.08	0%	\$33.08	28%	\$23.81
\$32.21	0%	\$32.21	0%	\$32.21
\$31.00	0%	\$31.00	30%	\$21.70
\$28.92	0%	\$28.92	0%	\$28.92
\$27.07	0%	\$27.07	5%	\$25.72
\$24.84	0%	\$24.84	37%	\$15.65
\$24.17	0%	\$24.17	36%	\$15.47
\$24.09	0%	\$24.09	0%	\$24.09
\$24.00	0%	\$24.00	0%	\$24.00
\$23.88	0%	\$23.88	0%	\$23.88
\$22.12	0%	\$22.12	0%	\$22.12
\$22.10	0%	\$22.10	0%	\$22.10
\$20.03	0%	\$20.03	0%	\$20.03
\$20.00	0%	\$20.00	0%	\$20.00
\$19.96	0%	\$19.96	0%	\$19.96
\$19.68	0%	\$19.68	0%	\$19.68
\$19.53	0%	\$19.53	0%	\$19.53
\$19.24	0%	\$19.24	0%	\$19.24
\$18.53	0%	\$18.53	0%	\$18.53
\$18.41	0%	\$18.41	0%	\$18.41
\$18.07	0%	\$18.07	0%	\$18.07
\$17.55	0%	\$17.55	0%	\$17.55
\$17.50	16%	\$14.70	32%	\$9.96
\$17.37	0%	\$17.37	0%	\$17.37
\$16.28	0%	\$16.28	0%	\$16.28
\$16.07	0%	\$16.07	0%	\$16.07
\$15.68	0%	\$15.68	0%	\$15.68
\$15.18	0%	\$15.18	0%	\$15.18
\$14.29	0%	\$14.29	10%	\$12.86
\$13.70	2%	\$13.42	0%	\$13.42
\$13.56	0%	\$13.56	0%	\$13.56
\$13.49	0%	\$13.49	0%	\$13.49

**Local Income Survey for Eating & Drinking**

\$13.09	0%	\$13.09	45%	\$7.20
\$11.12	0%	\$11.12	0%	\$11.12
\$10.85	0%	\$10.85	0%	\$10.85
\$10.53	0%	\$10.53	0%	\$10.53
\$10.02	0%	\$10.02	0%	\$10.02
\$9.90	0%	\$9.90	0%	\$9.90
\$8.89	0%	\$8.89	0%	\$8.89
\$8.40	50%	\$4.20	0%	\$4.20
\$6.32	0%	\$6.32	36%	\$4.04
\$3.00	0%	\$3.00	0%	\$3.00

KITSAP COUNTY ASSESSOR  
Tax Year 2023  
Eating & Drinking - Countywide Sales  
01/01/2017 - 12/31/2021

No.	Nbrhd	Type	Parcel No.	ProjectName	RC	#Units	VC	Sales Date	Excise	Sales Price	Trend		Model Value	Total Value	Ratio	T Ratio
											Trended Sales Price	3%				
1	8402403	Restaurant	222402-3-002-2002	Manchester Restaurant	C	3200	V	05/01/2019	2019EX02704	\$ 500,000	\$525,151	\$ 164.11	\$ 369,162	\$ 369,162	74%	70%
2	8401101	Restaurant	162501-3-003-2009	Shady Jack's	C	4556	V	05/31/2019	2019EX03569	\$ 1,100,000	\$1,152,619	\$ 252.99	\$ 919,728	\$ 919,728	84%	80%
3	8400204	Restaurant	4366-009-032-0102	Casa Mexico	E	2384	V	09/16/2019	2019EX06770	\$ 209,625	\$217,792	\$ 71.27	\$ 145,215	\$ 190,865	91%	88%
		Office	4366-009-032-0102		E	672							\$ 45,650			
4	8100506	Restaurant	122401-1-032-2003	White Horse	C	5742	D	11/05/2019	2019EX08229	\$ 620,000	\$641,607	\$ 111.74	\$ 596,403	\$ 688,183	111%	107%
		Land	4575-000-019-0204										\$ 91,780			
5	8100506	Restaurant	3972-000-010-0006	former Sizzler	D	5460	V	04/06/2020	2020EX02102	\$ 464,000	\$474,335	\$ 86.87	\$ 407,574	\$ 407,574	88%	86%
6	8402305	SFR	272401-4-019-2007	Restaurant & SFR Bay st	C	1115	D	12/28/2020	2020EX09786	\$ 550,000	\$550,226	\$ 157.30	\$ 348,630	\$ 620,966	113%	113%
		Restaurant	272401-4-039-2003										\$ 272,336			

5 vacant at time of sale  
6 vacant at time of sale

Count 6 6  
Median 89% 87%  
Mean 93% 91%  
AAD 0.12 0.12  
COD 12.98 13.78

Removed sales

No.	Nbrhd	Type	Parcel No.	ProjectName	RC	#Units	VC	Sales Date	Excise	Sales Price	Notes
1	8402408	Bar	322401-1-128-2004	Toy's Topless		3587	N	01/19/2017	2017EX00470	\$ 375,000	Remodel after sale.
2	8401104	Bar	052401-3-068-2005	19th Hole Tavern		3443	M	06/13/2017	2017EX04712	\$ 1,000,000	Not exposed to market.
3	9402390	Restaurant	4601-000-024-0007	China West		2966	1	08/30/2017	2017EX07268	\$ 260,000	Family sale.
4	8100510	Restaurant	3734-010-024-0008	Restaurant on Callow		6827	D	05/09/2018	2018EX04017	\$ 210,000	Bank sale.
		Parking	3734-010-024-0008	Parking lot							
5	9100541	Restaurant	3779-001-019-0109	Happy Teriyaki		1458	M	09/27/2018	2018EX07722	\$ 1,050,000	Sale included business value.
6	8100502	Restaurant	3787-000-016-0203	Emperor's Palace		2309	M	12/24/2018	2018EX10033	\$ 300,000	Between acquaintances.
7	8402408	Restaurant	4539-000-001-0001	Jimmy D's		5568	V	08/15/2019	2019EX05885	\$ 925,000	Multiple income streams
8	8402307	Restaurant	5458-000-004-0002	Shari's Port Orchard		3896	2	06/27/2019	2019EX04584	\$ 2,824,486	Corporate affiliates
9	8400301	Restaurant	4316-007-001-0609	Drifter's Galley		3530	V	07/31/2018	2018EX05979	\$ 722,888	Remodel after sale.
10	8402307	Restaurant	4060-005-018-0107	The Grey House		4618	M	07/13/2021	2021EX05744	\$ 1,000,000	Special financing
11	8401104	Restaurant	052401-3-032-2008	former Seabeck Pizza		922	M	01/07/2021	2021EX00149	\$ 175,000	Not exposed to market.

Nbrhd	Neighborhood
8100501	Downtown Bremerton
8100502	West Bremerton
8100506	Wheaton Way
8100510	Callow
8400204	Greater Poulsbo
8400301	Downtown Kingston
8401101	Silverdale
8401102	Old Silverdale
8401104	Central Kitsap
8402306	Port Orchard UGA Downtown
8402307	South Kitsap UGA
8402403	Manchester
8402408	Gorst
9100541	W Bremerton Uplands
9402390	Port Orchard-COM

VC	Validity Code
1	Family
2	Corporate Affiliates
D	Not economic unit
E	Estate
M	Other
N	New Construction
R	Remodel
U	Change of Use
V	Valid
X	Exempt