



Kitsap County Assessor

Documentation for Countywide Model

Tax Year: 2020 Appraisal Date: 1/1/2019

Property Type: Land Leases for Cell Sites, Espresso Sites, ATM Sites, and Billboard Sites

Updated 5/1/2019 by CM20

Area Overview

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

Kitsap County has 10 ATM sites, 30 billboard units on 24 parcels, 151 cell sites on 122 parcels, and 52 espresso sites on 51 parcels. The valuation attributed to these sites is the capitalized value of the land lease and does not include any improvements. Improvements are carried as personal property. The only exception would be espresso stands that have been constructed as a permanent structure. Those buildings are valued as real property classified as a Snack Bar according to Marshall Valuation Service using a cost approach.

Property Type Overview

Land to Building Ratio: The national land to building ratio for this property type is n/a. The countywide land to building ratio for this property type is: n/a.

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: Vacancy for land leases is very low and the income is stable, making these income producing properties very good investments.

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.

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 0 sales resulted in a mean ratio of 0%, a median ratio of 0%, and a coefficient of dispersion (COD) of 0.

Market/Sales Comparison Approach Data and Analysis

Sales: Range of Sale Dates: to . A total of 0 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.

Property type: Land Leases for Cell Sites, Espresso Sites, ATM Sites, and Billboard Sites

Market/Sales Rates: Sales ranged from \$0 to \$0 per unit.

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.)

Review of land leases allowed for the development of a stratified income model. These land leases typically have no vacancy, and no expenses associated with them. The rent is NNN and is derived from documented income from Kitsap County. Since these land leases are typically associated with other improvements that are the main income stream for the property, an 8% cap rate has been utilized to calculate a contributive value for the site.

Rent Data: The Assessor validated rents from 19% of the market. Typical reported rents had a range of \$1380 to \$33869. We selected \$375 to \$15000 for our model.

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

Expense Data: Typical reported expense had a range of 0% to 0%. We selected 0% to 0% for our model.

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

Income Model Value Range: The income approach calculates a range of values from \$4690 to \$187500 per unit.

Final Ratio Analysis: Analysis of 0 sales resulted in a mean ratio of 0%, a median ratio of 0%, and a coefficient of dispersion (COD) of 0.

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

Commercial Brokers Association - www.commercialmls.com

**KITSAP COUNTY ASSESSOR
TAX YEAR 2020
LAND LEASE CLASSIFICATION GUIDELINES**

Cell Site

Class	Description	Location	Traffic Volume
B	Urban or dense suburban locations, high volume traffic corridors	Urban	High
C	Rural residential locations, moderate volume traffic corridors	Rural	Medium or Low

Billboard Site

Class	Description	Location	Traffic Volume	Visible Sides
B	Urban or dense suburban locations, high volume traffic corridors	Urban	High	2 Sided
C	Rural residential locations, moderate volume traffic corridors	Rural	Medium or Low	1-2 Sided
D	Small, poster sized billboards	Any	Any	1-2 Sided

Billboards sites are counted by visible sides.

Espresso Site and ATM's

Class	General Description	Location	Traffic Volume	Competition	Consider for Espresso Site Only
B	High visibility, easy access, synergy from close proximity to retail or office complexes. Examples: West Hills Texaco location	Urban	High	High to Medium	Stand Alone* or Attached
C	Morning and evening commuter traffic. Not in major shopping area. Urban location has limited competition, rural has no competition. Rural may be located in a rural shopping complex or CSWG location. Examples: SFR/Espresso on Perry, Texaco Station at corner of Seabeck Hwy & Newberry Hill Road, Lowe's of Silverdale	Urban or Rural	High to Medium	Medium to Low	Stand Alone* or Attached
D	Low competition, little to no visibility. Serves local population. Examples: Seabeck Marina, Port Gamble Mill Site.	Rural	Low	Low	Stand Alone*

Properties valued with the COST approach

Residentially zoned - Remove \$1,000 from Income approach value.

Commercially zoned cell sites - Remove 750 square feet of assessed land value. (standard site size)

Commercially zoned billboard sites - Remove 75 square feet of assessed land value. (standard site size)

*** Espresso stands - Permanent structure**

Small Building walk up or drive up only -Use cost approach and classify building as a Snack Bar.

Small to medium building with indoor seating and service capacity- Use Fast Food income approach.

Kitsap County Assessor

Tax Year: 2020

Property Type: Land Lease

Neighborhood: 0

	Espresso	Cell Site	Roof Cell	Atm	Not Used	Billboard
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Class A

Rent						
Vac %						
Exp %						
Cap Rate						
Market						

Class B

Rent	15,000.00	15,000.00		15,000.00		1,800.00
Vac %						
Exp %						
Cap Rate	8.000	8.000		8.000		8.000
Market	187,500.00	187,500.00		187,500.00		22,500.00

Class C

Rent	10,000.00	10,000.00		10,000.00		1,000.00
Vac %						
Exp %						
Cap Rate	8.00	8.00		8.00		8.00
Market	125,000.00	125,000.00		125,000.00		12,500.00

Class D

Rent	6,000.00			6,000.00		375.00
Vac %						
Exp %						
Cap Rate	8.00			8.00		8.00
Market	75,000.00			75,000.00		4,690.00

Class E

Rent						
Vac %						
Exp %						
Cap Rate						
Market						

Kitsap County Assessor
Tax Year 2020
Local Income Survey for Site Special - Espresso

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$24,000.00	0%	\$23,997.60	0%	\$23,995.20
\$18,840.00	0%	\$18,838.12	0%	\$18,836.23
\$18,000.00	0%	\$17,999.82	0%	\$17,999.64
\$15,600.00	0%	\$15,599.84	0%	\$15,599.69
\$15,600.00	0%	\$15,599.84	0%	\$15,599.69
\$15,600.00	0%	\$15,599.84	0%	\$15,599.69
\$15,600.00	0%	\$15,599.84	0%	\$15,599.69
\$14,400.00	0%	\$14,399.86	0%	\$14,398.42
\$14,400.00	0%	\$14,398.56	35%	\$9,359.06
\$14,000.00	0%	\$13,998.60	0%	\$13,997.20
\$13,200.00	0%	\$13,199.87	0%	\$13,199.74
\$11,900.00	0%	\$11,899.88	0%	\$11,899.76
\$10,200.00	0%	\$10,199.90	0%	\$10,199.80
\$9,600.00	0%	\$9,599.90	0%	\$9,598.94
\$8,400.00	0%	\$8,399.92	24%	\$6,400.74
\$7,200.00	0%	\$7,199.93	0%	\$7,199.86
\$7,200.00	0%	\$7,199.93	0%	\$7,199.86
\$6,021.48	0%	\$6,021.42	0%	\$6,021.36
\$5,728.80	0%	\$5,728.74	0%	\$5,728.69

Kitsap County Assessor
Tax Year 2020
Local Income Survey for Site Special - Billboard

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$2,200.00	0%	\$2,199.78	0%	\$2,199.56
\$1,860.00	0%	\$1,859.81	0%	\$1,859.63
\$1,800.00	0%	\$1,799.98	0%	\$1,799.80
\$1,600.00	0%	\$1,599.98	0%	\$1,599.97
\$1,380.00	0%	\$1,379.99	0%	\$1,379.97

Kitsap County Assessor
Tax Year 2016
Local Income Survey for Site Special - Atm

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$17,280.00	0%	\$17,279.83	0%	\$17,278.10
\$11,258.64	0%	\$11,258.53	0%	\$11,258.41
\$3,600.00	0%	\$3,599.64	0%	\$3,599.28

Kitsap County Assessor
Tax Year 2020
Local Income Survey for Site Special - Cell

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$14,000.00	0%	\$13,999.86	0%	\$13,999.86
\$14,000.00	0%	\$13,999.86	0%	\$13,999.72
\$13,688.00	0%	\$13,687.86	0%	\$13,686.49
\$13,000.00	0%	\$12,998.70	0%	\$12,997.40
\$12,960.00	0%	\$12,959.87	0%	\$12,959.74
\$12,000.00	0%	\$11,999.88	0%	\$11,998.68
\$10,950.00	0%	\$10,949.89	0%	\$10,949.78
\$10,800.00	0%	\$10,799.89	0%	\$10,799.78
\$10,300.00	0%	\$10,299.90	0%	\$10,299.79
\$9,000.00	0%	\$8,999.10	0%	\$8,998.20
\$8,970.00	0%	\$8,969.91	0%	\$8,969.82
\$5,991.00	0%	\$5,990.94	0%	\$5,990.88
\$3,600.00	0%	\$3,599.64	0%	\$3,599.28

Kitsap County Assessor
Tax Year 2020
Local Income Survey for Site Special - Rf Cell

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$33,868.80	0%	\$33,868.46	0%	\$33,868.12
\$28,224.00	0%	\$28,223.72	0%	\$28,223.44
\$20,965.00	0%	\$20,962.90	0%	\$20,960.81
\$18,250.56	0%	\$18,250.38	0%	\$18,250.19
\$15,870.00	0%	\$15,869.84	0%	\$15,869.68
\$14,520.00	0%	\$14,518.55	0%	\$14,517.10
\$14,400.00	0%	\$14,399.86	0%	\$14,399.71