



Kitsap County Assessor

Documentation for Area 1 - Silverdale/Central Kitsap West

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

Property Type: Office - General Office, Medical Office, and Banks

Updated 5/8/2019 by CM27

Area Overview

Silverdale including rural West Central Kitsap, South Bangor, Seabeck, Chico.

Property Type Overview

An office building is used primarily for administration, clerical work, consulting, or other client services not related to retail. Office buildings can be single tenant, multiple tenant, and are a variety of sizes.

Land to Building Ratio: The national land to building ratio for this property type is 4-5:1. The countywide land to building ratio for this property type is: use national ratio.

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: Economic recovery for office properties continues in Silverdale.

Area 1 has 155 parcels where office is the predominant use. The income approach was applied to 106 general offices, 23 medical offices, and 12 banks. The cost approach is used on projects located on residential land, new construction, or projects undergoing remodel and/or demolition. The model is also applied to properties with mixed uses where the predominant use is not office.

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.

Sales indicated an increase in value for medical offices was needed. An adjustment was made to office rents, and general office cap rates were reduced for an average increase of 25%. Medical office and bank occupancy's were not updated.

Model Calibration

Preliminary Ratio Analysis: Analysis of 15 sales resulted in a mean ratio of 85%, a median ratio of 84%, and a coefficient of dispersion (COD) of 13.57.

Market/Sales Comparison Approach Data and Analysis

Updated 5/8/2019 by CM27

Property type: Office - General Office, Medical Office, and Banks (continued)

Sales: Range of Sale Dates: 1/1/2016 to 3/31/2019. A total of 15 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 \$114.53 to \$300.60 per square foot.

Model Validation

Final Ratio Analysis: Analysis of 15 sales resulted in a mean ratio of 96%, a median ratio of 94%, and a coefficient of dispersion (COD) of 8.98.

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
Office- General, Medical, Bank, and Condo Units
Sales from 01/01/2016 to 03/31/2019

No.	Neighborhood - Vicinity	Prop Class	Account Number	Project Name	Acres	Land SF	Building Units	Excise	Valid	Sale Date	Sale Price	Price per Unit	Trended Sale Price (3%)	2020 Tax Year Value	2020 Ratio (Trended)
1	8401508 - Hwy 303 E. Brem	611	262501-4-111-2004	Kitsap Bank Hwy 303	0.88	38,333	3,580	2016EX01401	V	3/2/2016	\$919,000	\$256.70	\$997,299	\$915,720	0.92
2	8401102 - Old Silverdale	690	4458-002-006-0009	- Office/ Conv Gar McConnell	0.11	4,792	1,008	2016EX08922	V	11/16/2016	\$210,000	\$208.33	\$223,419	\$257,580	1.15
3	8401101 - Silverdale	690	172501-4-085-2007	Twisted Chiropractic	0.38	16,553	6,520	2017EX00950	V	2/1/2017	\$850,000	\$130.37	\$898,960	\$1,010,860	1.12
4	8401101 - Silverdale	690	162501-3-035-2001	3100 Bucklin Hill RD Office	1.95	84,942	49,770	2017EX03819	W	5/25/2017	\$5,700,000			\$5,559,220	
	8401101 - Silverdale	910	162501-3-034-2002	- Parking for 3100 Building	0.24	10,454	0	2017EX03819	W	5/25/2017	\$5,700,000			\$263,280	
							49,770				\$5,700,000	\$114.53	\$5,975,310	\$5,822,500	0.97
5	9401591 - Central Kitsap W.	680	282501-1-036-2000	Discovery Depot Montessori	1.94	84,506	4,875	2017EX07185	V	9/11/2017	\$950,000	\$194.87	\$987,335	\$983,890	1.00
6	8401101 - Silverdale	611	162501-2-054-2009	Bank of America - Myhre	0.74	32,234	3,300	2017EX08754	R	11/1/2017	\$850,000	\$257.58	\$879,835	\$880,980	1.00
7	8401101 - Silverdale	690	162501-3-096-2007	Smith Barney Shearson Bldg	1.18	51,400	23,048	2018EX00765	W	1/17/2018	\$5,150,000			\$4,887,980	
	8401101 - Silverdale	690	162501-3-096-2106	Smith Barney Shearson Bldg	0.12	5,227	0	2018EX00765	W	1/17/2018	\$5,150,000				
					1.3	56,627	23,048				\$5,150,000	\$223.45	\$5,298,320	\$4,887,980	0.92
8	8401102 - Old Silverdale	690	202501-1-136-2007	Anderson Hill Office	0.27	11,761	1,888	2018EX02310	V	3/28/2018	\$370,000		\$378,436	\$381,920	1.01
9	8401101 - Silverdale	690	172501-4-074-2000	Sound Publishing Bldg - Randall Way	1.16	50,529	19,626	2018EX03161	V	4/26/2018	\$3,160,000	\$161.01	\$3,224,464	\$3,042,810	0.94
10	8401101 - Silverdale	690	162501-4-008-2002	Central Valley Childcare	0.53	23,086	1,920	2018EX04075	V	5/29/2018	\$395,000	\$205.73	\$401,992	\$444,410	1.11
11	8401101 - Silverdale	690	082501-4-015-2003	MAP Ltd	2.23	97,138	3,992	2018EX07983	V	10/3/2018	\$1,200,000	\$300.60	\$1,209,000	\$1,072,100	0.89
12	8401102 - Old Silverdale	690	4458-007-011-0001	Broughton Law Group	0.09	3,920	1,669	2018EX08907	V	11/8/2018	\$383,000	\$229.48	\$384,724	\$330,780	0.86
13	8401102 - Old Silverdale	690	4458-016-001-0202	Waddell & Reed Office Suites 3 of 4	0.07	3,049	4,921	2018EX09289	V	11/26/2018	\$1,250,000	\$254.01	\$1,253,750	\$1,106,080	0.88
14	8401101 - Silverdale	690	172501-4-078-2006	Kinder Care - Silverdale	0.83	36,155	6,148	2019EX00174	V	12/27/2018	\$1,743,493	\$283.59		\$1,381,850	0.79
15	8401508 - Hwy 303 E. Brem	690	252501-2-006-2007	Kindercare - State Hwy 303	0.48	20,908	4,950	2019EX00175	V	12/27/2018	\$1,202,380	\$242.91		\$999,040	0.83

Property Class

611 - Bank
651 - Medical office
690 - General Office
910 - Bareland

Count	15.00
Min	0.79
Max	1.15
Average	0.96
Median	0.94
COD	8.98

Medical

1	8401101 - Silverdale	651	162501-3-124-2003	Levin Medical Office* bsmt parking 14,161	1.73	75,358	28,322	2017EX06694	V	8/18/2017	\$9,600,000	\$338.96	\$9,994,560	\$9,060,480	0.94
2	8401104 - Central Kitsap	651	172501-3-013-2006	Westsound Orthopedics	4.64	202,118	19,001	2017EX07515	V	9/14/2017	\$6,950,000	\$365.77	\$7,221,050	\$6,091,800	0.88
3	8401101 - Silverdale	651	162501-1-040-2008	Doctor's Clinic - Silverdale	6.37	277,477	59,220	2018EX09775	V	12/14/2018	\$24,500,000	\$413.71	\$24,536,750	\$18,785,230	0.77
4	8401101 - Silverdale	651	162501-3-092-2001	Doctor's Clinic - Silverdale	2.5	108,900	15,424	2019EX00249	D	1/9/2019	\$17,600,000			\$4,568,930	
	8401101 - Silverdale	690	162501-4-119-2008	Building Four	1.96	85,378	39,852	2019EX00249	D	1/9/2019	\$17,600,000			\$13,300,030	
					4.46	194,278	55,276			1/9/2019	\$17,600,000	\$318.40		\$17,868,960	1.02

Count	4.00
Min	0.77
Max	1.02
Average	0.90
Median	0.91
COD	8.61

Income Model: 302019

Property Type: Office

Neighborhood: 8401101, 102, 103, 104, 9401113

	Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
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Class A

Rent	30.25	32.00	31.00		27.00	
Vac %	7.00	5.00	5.00		5.00	
Exp %	30.00	30.00	30.00		30.00	
Cap Rate	6.50	7.50	7.50		7.75	
Market	0.01	0.01	0.01		0.01	

Class B

Rent	24.25	28.50	28.50		21.00	
Vac %	10.00	7.00	7.00		7.00	
Exp %	31.00	31.00	31.00		31.00	
Cap Rate	6.500	7.500	7.500		8.000	
Market	0.01	0.01	0.01		0.01	

Class C

Rent	19.95	25.00	25.00		17.00	
Vac %	20.00	10.00	10.00		15.00	
Exp %	32.00	32.00	32.00		32.00	
Cap Rate	6.85	7.50	7.50		8.25	
Market	0.01	0.01	0.01		0.01	

Class D

Rent	13.75	18.00	18.00		11.00	
Vac %	20.00	12.00	12.00		20.00	
Exp %	32.00	35.00	35.00		32.00	
Cap Rate	7.75	7.75	7.75		8.25	
Market	0.01	0.01	0.01		0.01	

Class E

Rent	10.25	11.50	11.50		8.50	
Vac %	20.00	15.00	15.00		20.00	
Exp %	35.00	35.00	35.00		35.00	
Cap Rate	8.25	8.25	8.25		8.75	
Market	0.01	0.01	0.01		0.01	

Income Model: 302019

Property Type: Office

Neighborhood: 9401114, 116, 117, 118, 120, 121, 127, 132, 141, 151, 190

Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
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Class A

Rent	30.25	32.00	31.00		27.00	
Vac %	7.00	5.00	5.00		5.00	
Exp %	30.00	30.00	30.00		30.00	
Cap Rate	6.50	7.50	7.50		7.75	
Market	0.01	0.01	0.01		0.01	

Class B

Rent	24.25	28.50	28.50		21.00	
Vac %	10.00	7.00	7.00		7.00	
Exp %	31.00	31.00	31.00		31.00	
Cap Rate	6.500	7.500	7.500		8.000	
Market	0.01	0.01	0.01		0.01	

Class C

Rent	19.95	25.00	25.00		17.00	
Vac %	20.00	10.00	10.00		15.00	
Exp %	32.00	32.00	32.00		32.00	
Cap Rate	6.85	7.50	7.50		8.25	
Market	0.01	0.01	0.01		0.01	

Class D

Rent	13.75	18.00	18.00		11.00	
Vac %	20.00	12.00	12.00		20.00	
Exp %	32.00	35.00	35.00		32.00	
Cap Rate	7.75	7.75	7.75		8.25	
Market	0.01	0.01	0.01		0.01	

Class E

Rent	10.25	11.50	11.50		8.50	
Vac %	20.00	15.00	15.00		20.00	
Exp %	35.00	35.00	35.00		35.00	
Cap Rate	8.25	8.25	8.25		8.75	
Market	0.01	0.01	0.01		0.01	