



Kitsap County Assessor

Documentation for Area 2 - Poulsbo & North 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

Poulsbo including rural Northwest Kitsap to the Hood Canal Bridge, Suquamish, Lemolo, Keyport, and Brownsville.

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:

Area 2 has 89 parcels where office is the predominant use. The income approach was applied to 77 parcels, 55 general offices, 17 medical offices, and 5 banks. Twelve of the office parcels are located on residential land and are valued with the cost approach. 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 10%. Medical office and bank occupancy's were not updated.

Model Calibration

Preliminary Ratio Analysis: Analysis of 2 sales resulted in a mean ratio of 81%, a median ratio of 81%, and a coefficient of dispersion (COD) of 0.62.

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: 1/1/2017 to 3/31/2019. A total of 2 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 \$71.70 to \$349.66 per square foot.

Model Validation

Final Ratio Analysis: Analysis of 2 sales resulted in a mean ratio of 89%, a median ratio of 89%, and a coefficient of dispersion (COD) of 1.2.

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	8400202 - Highway 305	690	232601-1-155-2009	Olympic Place II	1.25	54,450	38,076	2018EX00681	D	1/22/2018	\$2,730,000			\$2,115,200	
	8400202 - Highway 305	910	232601-1-156-2008	BL hostmark	1.62	70,567		2018EX00681	D	1/22/2018	\$2,730,000			\$352,180	
					2.87	125,017	38,076				\$2,730,000	\$71.70	\$2,806,986	\$2,467,380	0.90
2	8400202 - Highway 305	690	232601-1-133-2006	Hostmark Office	0.2	8,712	1,613	2018EX07842	D	10/1/2018	\$564,000			\$390,300	
	8400202 - Highway 305	690	232601-1-132-2007	Hostmark Office	0.15	6,534		2018EX07842	D	10/1/2018	\$564,000			\$107,390	
					0	15,246	1,613				\$564,000	\$349.66	\$568,230	\$497,690	0.88

Property Class

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

Count	2.00
Min	0.88
Max	0.90
Average	0.89
Median	0.89
COD	1.20

Income Model: 302019

Property Type: Office

Neighborhood:8400201, 202, 203, 204, 206, 207, 9400201, 202, 203, 204, 205, 207, 222

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	24.75	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	19.50	25.00	25.00		17.00	
Vac %	10.00	10.00	10.00		15.00	
Exp %	32.00	32.00	32.00		32.00	
Cap Rate	7.00	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 %	15.00	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	