



Kitsap County Assessor

Documentation for Area 3 South - Port Orchard & South Kitsap UG

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

Port Orchard including Gorst, Highway 3, Bremerton Airport, Highway 16.

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 is slow in Area 3 and 4 as reflected by the limited number of sales.

Area 3 South and Area 4 have 111 and 6 parcels respectively where office is the predominant use. The income approach was applied to 101 parcels, 57 general offices, 31 medical offices, and 13 banks. Nine of the office parcels are located on residential land and are valued with the cost approach, an additional 7 on commercial land use 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 a small upward change in value was needed. A small adjustment was made to general office rents, and general office cap rates were reduced for an average increase of 5%. Medical and bank occupancy's were not updated.

Model Calibration

Preliminary Ratio Analysis: Analysis of 3 sales resulted in a mean ratio of 81%, a median ratio of 78%, and a coefficient of dispersion (COD) of 8.12.

Updated 5/8/2019 by CM27

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

Market/Sales Comparison Approach Data and Analysis

Sales: Range of Sale Dates: 1/1/2016 to 3/31/2019. A total of 3 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 \$58.04 to \$142.16 per square foot.

Model Validation

Final Ratio Analysis: Analysis of 3 sales resulted in a mean ratio of 93%, a median ratio of 97%, and a coefficient of dispersion (COD) of 5.04.

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)
SOUTH KITSAP														1.05	
1	8402307 - South Kitsap UGA	690	5518-000-006-0008	Applied Environmental Service	0.79	34,412	3,840	2017EX02519	V	4/6/2017	\$475,000	\$123.70	\$499,795	\$494,030	0.99
2	8402308 - Gorst	690	322401-4-024-2003	Old Bryman Tech Institute	5.15	224,334	29,634	2017EX04594	V	6/21/2017	\$1,720,000	\$58.04	\$1,798,948	\$1,485,070	0.83
3	9402390 - Port Orchard-COM	690	4059-002-009-0009	Old Law Ofc Sidney & Division	0.17	7,405	1,020	2017EX06328	V	8/14/2017	\$145,000	\$142.16	\$151,003	\$161,860	1.07
4	8402306 - Port Orchard UGA Downto	690	4650-006-007-0005	Crawford Law Office	0.41	17,859	5,264	2017EX08221	V	10/12/2017	\$450,000	\$85.49	\$466,470	\$510,570	1.09
5	8402307 - South Kitsap UGA	690	4514-000-006-0203	Carousel Day Care	2.32	101,059	3,940	2018EX00553	V	1/18/2018	\$500,000	\$126.90	\$514,250	\$506,890	0.99
6	8402306 - Port Orchard UGA Downto	690	4027-004-003-0000	Attorney's Title of Kitsap	0.32	13,939	2,976	2018EX00731	V	1/25/2018	\$452,000	\$151.88	\$464,611	\$452,790	0.97
7	9402390 - Port Orchard-COM	690	4650-002-015-0202	Ness & Hill	0.07	3,049	1,768	2018EX05369	V	7/9/2018	\$325,000	183.824	\$329,680	\$300,240	0.91

Property Class

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

Count	7.00
Min	0.83
Max	1.09
Average	0.98
Median	0.99
COD	6.44

Income Model: 302019

Property Type: Office

Neighborhood: 8402305, 306, 307, 308, 391, 9402390, 391, 392, 393, 394 395, 396

	Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
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Class A

Rent	28.05	31.00	31.00		27.00	
Vac %	7.00	7.00	7.00		7.00	
Exp %	30.00	30.00	30.00		30.00	
Cap Rate	7.50	8.00	8.00		8.00	
Market	0.01	0.01	0.01		0.01	

Class B

Rent	21.92	27.00	27.00		21.00	
Vac %	10.00	10.00	10.00		10.00	
Exp %	31.00	31.00	31.00		31.00	
Cap Rate	7.750	8.000	8.000		8.300	
Market	0.01	0.01	0.01		0.01	

Class C

Rent	17.25	21.00	21.00		17.00	
Vac %	15.00	10.00	10.00		15.00	
Exp %	32.00	31.00	31.00		32.00	
Cap Rate	7.75	8.30	8.30		8.60	
Market	0.01	0.01	0.01		0.01	

Class D

Rent	11.75	17.00	17.00		11.00	
Vac %	20.00	15.00	15.00		20.00	
Exp %	32.00	32.00	32.00		32.00	
Cap Rate	8.50	8.60	8.60		8.80	
Market	0.01	0.01	0.01		0.01	

Class E

Rent	9.00	11.00	11.00		8.50	
Vac %	20.00	20.00	20.00		20.00	
Exp %	35.00	32.00	32.00		35.00	
Cap Rate	8.50	9.10	9.10		9.10	
Market	0.01	0.01	0.01		0.01	