



Kitsap County Assessor

Documentation for Area 5 - Bremerton and Central Kitsap East

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

Bremerton includes both East and West and Tracyton, Illahee, Manette, West Hills, Kitsap Lake, Charleston Beach.

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 in Area 5 is reflected by the slight increase in the average rents. Average vacancy rates continue to be higher than most areas in Kitsap County.

Area 5 has 191 parcels where office is the predominant use. The income approach was applied approximately 102 general offices, 48 medical offices, and 13 banks. The cost approach to value was applied to 28 office parcels. The cost approach is used on some projects on residential land, new construction, or projects undergoing remodel and/or demolition.

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 20%. Medical and bank occupancy's were not updated, no changes were applied to the Harrison district.

Model Calibration

Preliminary Ratio Analysis: Analysis of 4 sales resulted in a mean ratio of 77%, a median ratio of 75%, and a coefficient of dispersion (COD) of 11.33.

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 4 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 \$20.89 to \$87.24 per square foot.

Model Validation

Final Ratio Analysis: Analysis of 4 sales resulted in a mean ratio of 91%, a median ratio of 88%, and a coefficient of dispersion (COD) of 10.42.

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	8100506 - Wheaton Way	690	3917-000-001-0104	Conv SFR - Sylvan	0.18	7,840	1,728	2016EX04888	V	7/7/2016	\$240,000	\$30.61	\$257,928	\$277,860	1.08
2	9100541 - West Brem Uplands City	690	3743-002-027-0001	Olympic personnel services Warren av	0.17	7,405	1,726	2016EX09094	V	11/23/2016	\$210,000	\$28.36	\$223,293	\$186,816	0.84
3	9100543 - Manette Uplands-COM	651	3914-004-002-1007	Audiologists Northwest	0.05	2,178	1,031	2017EX04185	V	6/8/2017	\$190,000	\$87.24	\$198,949	\$165,790	0.87
4	8100502 - West Bremerton	690	162401-4-018-2001	JAMES ROBINSON CO	0.24	10,454	1,090	2018EX03964	V	5/24/2018	\$210,000	\$20.09	\$213,843	\$198,950	0.95
5	8100502 - West Bremerton	690	162401-4-088-2006	Windsor Building	0.97	42,253	9,760	2018EX05245	V	7/9/2018	\$2,774,892	\$65.67	\$2,814,850	\$2,193,270	0.79
6	8100502 - West Bremerton	690	3976-030-028-0009	Office building Lower Wheaton	0.24	10,454	3,521	2018EX05596	V	7/16/2018	\$350,000	\$33.48	\$354,830	\$277,350	0.79

Property Class

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

Min	20.09
Max	87.24

Count	6.00
Min	0.79
Max	1.08
Average	0.89
Median	0.86
COD	9.36

Harrison NBHD

No Change

1	8100505 - Harrison Medical Distri	651	3966-004-001-0007	Middle and North Bld w/001-0106	0.82	35,719	7,576	2017EX01120	W	2/13/2017	\$850,000			\$482,780	
	8100505 - Harrison Medical Distri	651	3966-004-001-0106	South Building w/001-0007	0.55	23,958	5,862	2017EX01120	W	2/13/2017	\$850,000			\$361,960	
					1.37	59,677	13,438				\$850,000	\$63.25	\$897,940	\$844,740	0.99

Income Model: 302019

Property Type: Office

Neighborhood:8100501, 502, 504, 506, 507, 9100521, 522, 531, 541, 542, 543, 591, 592

	Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
--	--------	-----	------	------------	-----------	-------------

Class A

Rent	24.20	24.00	24.00			22.00
Vac %	10.00	10.00	10.00			70.00
Exp %	28.00	28.00	28.00			28.00
Cap Rate	6.95	7.95	7.95			7.95
Market	0.01	0.01	0.01			0.01

Class B

Rent	20.10	22.00	22.00			18.00
Vac %	15.00	10.00	10.00			70.00
Exp %	30.00	28.00	28.00			30.00
Cap Rate	7.000	7.950	7.950			8.000
Market	0.01	0.01	0.01			0.01

Class C

Rent	14.50	18.00	18.00			12.60
Vac %	15.00	15.00	15.00			70.00
Exp %	32.00	30.00	30.00			32.00
Cap Rate	7.25	8.00	8.00			8.00
Market	0.01	0.01	0.01			0.01

Class D

Rent	11.00	12.60	12.60			9.56
Vac %	15.00	15.00	15.00			70.00
Exp %	35.00	32.00	32.00			35.00
Cap Rate	7.50	8.00	8.00			8.25
Market	0.01	0.01	0.01			0.01

Class E

Rent	8.50	9.56	9.56			7.20
Vac %	15.00	15.00	15.00			70.00
Exp %	40.00	35.00	35.00			40.00
Cap Rate	8.00	8.25	8.25			8.50
Market	0.01	0.01	0.01			0.01

Income Model: 302019

Property Type: Office

Neighborhood: 8100505

	Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
--	--------	-----	------	------------	-----------	-------------

Class A

Rent	22.00	24.00	24.00			
Vac %	10.00	10.00	10.00			
Exp %	28.00	28.00	28.00			
Cap Rate	7.95	7.95	7.95			
Market	0.01	0.01	0.01			

Class B

Rent	18.00	22.00	22.00			
Vac %	15.00	10.00	10.00			
Exp %	30.00	28.00	28.00			
Cap Rate	8.000	7.950	7.950			
Market	0.01	0.01	0.01			

Class C

Rent	12.60	18.00	18.00			
Vac %	15.00	15.00	15.00			
Exp %	32.00	30.00	30.00			
Cap Rate	8.00	8.00	8.00			
Market	0.01	0.01	0.01			

Class D

Rent	9.56	12.60	12.60			
Vac %	15.00	15.00	15.00			
Exp %	35.00	32.00	32.00			
Cap Rate	8.25	8.00	8.00			
Market	0.01	0.01	0.01			

Class E

Rent	7.20	9.56	9.56			
Vac %	15.00	15.00	15.00			
Exp %	40.00	35.00	35.00			
Cap Rate	8.50	8.25	8.25			
Market	0.01	0.01	0.01			

Income Model: 302019

Property Type: Office

Neighborhood: 8100510

	Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
--	--------	-----	------	------------	-----------	-------------

Class A

Rent	22.44	24.00	24.00			
Vac %	15.00	10.00	10.00			
Exp %	30.00	28.00	28.00			
Cap Rate	7.75	7.75	7.75			
Market	0.01	0.01	0.01			

Class B

Rent	18.36	22.00	22.00			
Vac %	20.00	15.00	15.00			
Exp %	30.00	30.00	30.00			
Cap Rate	7.750	8.000	8.000			
Market	0.01	0.01	0.01			

Class C

Rent	12.85	18.00	18.00			
Vac %	20.00	20.00	20.00			
Exp %	32.00	30.00	30.00			
Cap Rate	7.75	8.00	8.00			
Market	0.01	0.01	0.01			

Class D

Rent	9.75	12.60	12.60			
Vac %	20.00	20.00	20.00			
Exp %	35.00	32.00	32.00			
Cap Rate	8.00	8.00	8.00			
Market	0.01	0.01	0.01			

Class E

Rent	7.34	9.56	9.56			
Vac %	20.00	20.00	20.00			
Exp %	40.00	35.00	35.00			
Cap Rate	8.25	8.25	8.25			
Market	0.01	0.01	0.01			

Income Model: 302019

Property Type: Office

Neighborhood: 8401508, 509, 9401521, 591, 592

	Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
--	--------	-----	------	------------	-----------	-------------

Class A

Rent	28.75	30.00	30.00			
Vac %	7.00	10.00	10.00			
Exp %	30.00	30.00	30.00			
Cap Rate	6.75	7.50	7.50			
Market	0.01	0.01	0.01			

Class B

Rent	22.75	27.00	27.00			
Vac %	10.00	7.00	7.00			
Exp %	31.00	31.00	31.00			
Cap Rate	7.000	7.500	7.500			
Market	0.01	0.01	0.01			

Class C

Rent	18.75	21.00	21.00			
Vac %	15.00	10.00	10.00			
Exp %	32.00	32.00	32.00			
Cap Rate	7.25	7.75	7.75			
Market	0.01	0.01	0.01			

Class D

Rent	12.50	17.00	17.00			
Vac %	20.00	15.00	15.00			
Exp %	32.00	32.00	32.00			
Cap Rate	7.75	8.00	8.00			
Market	0.01	0.01	0.01			

Class E

Rent	10.00	11.00	11.00			
Vac %	20.00	20.00	20.00			
Exp %	35.00	35.00	35.00			
Cap Rate	8.25	8.25	8.25			
Market	0.01	0.01	0.01			