



# Kitsap County Assessor

## Documentation for Area 4 - Rural South Kitsap

Tax Year: 2023 Appraisal Date: 1/1/2022

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

Updated 4/4/2022 by CM27

### Area Overview

Rural South Kitsap to the Mason and Pierce County Lines including Manchester, Southworth, Olalla, South portion of Highway 16.

### Property Type Overview

An office building is used primarily for administration, clerical work, consulting, or other client services related to offices.

Area 4 has 16 parcels where office is the predominant use: 9 general office, and 7 medical offices. The model is also used in valuations of approximately 11 mixed use properties where the predominant use is not office. The cost approach is used on projects located on residential land, new construction, or projects undergoing remodel and/or demolition.

**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.

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.

### 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.

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.

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.

### 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: 1/1/2019 to 3/30/2022. A total of 0 local sales were used in the sales analysis. Additional information is provided on the sales analysis data sheet.

Updated 4/4/2022 by CM27

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

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 \$0 to \$0 per

### **Model Validation**

**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](http://www.loopnet.com)

Commercial Brokers Association - [www.commercialmls.com](http://www.commercialmls.com)

Kitsap County Assessor  
Tax Year 2023  
Guidelines for Office: All Types

Class	Location / Visibility	Access	Parking	Exterior Quality	Interior Quality	Condition of Building / Effective Age	Highest and Best Use
A	Excellent visibility, with similar use or companion uses nearby.	Reasonable distance to public transportation and easy in/out access.	Ample paved parking.	Roof and foundation are new or in good repair. Exterior finish is a good mixture of stone, wood, brick, tile, metal, etc.. Style is modern, and may have ornamentation. Higher quality framing such as steel or masonry.	Plush interior. Better quality wall, floor, trim finishes. Better quality and more windows. Higher than typical or vaulted ceilings. Architectural extras. The newest electrical, mechanical, plumbing, and heating/air handling systems. Designed to accommodate the current technology needs of businesses that will occupy the building. New or updated fire protection, locks and security, and elevators.	New or all items in need of replacement or maintenance (consider roof, paint, any heating system, technology needs such as computer access in medical rooms, security) are in like new condition. Interior effective age is like new. The actual age may be older. Effective age generally below 7-9 years. Better construction grades typically have a longer life expectancy.	As office.
B	Good visibility, with similar use or companion uses nearby.	Reasonable distance to public transportation.	Sufficient paved parking.	Roof and foundation are new or in good repair. A pleasing mix of two exterior coverings (could be more or less depending on the cost/quality of materials) stone, wood, brick, tile, metal, etc.. Style is modern, and may have ornamentation. Similar framing quality as the A class.	Basic quality wall, floor, trim finishes, may have better finish in one or two categories i.e.: tile rather than vinyl flooring. Better quality windows. Higher than typical or vaulted ceilings. Simple or no architectural extras. New or updated electrical, plumbing, mechanical and heating/air handling system. May have any or all of the following; fire protection, security, updated locks. Has an elevator.	All items well maintained, functional and usable. Most items needing repair or replacement are corrected in a timely manner. Little to no physical obsolescence or inadequacies exist. Effective age less than 15-19 years. Better quality construction grades would age slower.	As office.
C	Average visibility, not the newest locations.	Reasonable distance form public transportation.	Less than typical parking available may have to park off site.	Roof and foundation typical for age of structure. No apparent deferred maintenance. The exterior may be similar in appearance to B. Generally, the exterior covering would be of one type. The style may not be current and lacks the embellishments of a B or A class. Frame is of standard cost for structure type.	Basic quality wall, floor, trim finishes. Standard quality and quantity of windows. May have higher than typical wall heights (over 10 feet). Generally maintained. Adequate electrical, plumbing, mechanical, heating and air handling systems. May have fire protection and elevators, has limited or no security.	All major items maintained, and showing some small signs of wear. All short lived items are functional. While some replacement or remodel may be needed in the near future, current level of maintenance is typical for this property. Generally less than 25 year effective age.	As office. May have very small functional obsolescence.
D	Location not as desirable due to limited visibility and transition from current use.	Not near public transportation. Low or high traffic flow hinders access or exit from site during peak travel time.	Employee parking may be difficult, limited on site parking	Lower cost roof or may need some maintenance. Foundation typical for construction. Exterior of low cost materials. Some older buildings may match the Average quality description however dated appearance and deferred maintenance may lower the classification.	Low quality finish. Limited modern features. Wall height varied. Generally, no modernization of mechanical or electrical has occurred. Typical appearance is worn, or out of date. Electrical, mechanical, plumbing, or heating may need updated or replaced in the near future. Elevators are unlikely.	Many repair or replacement items have not been completed, effectively shortening the expected life of the building. Remodel or repair would still be more cost effective than replacement. General appearance is worn. Effective age would be higher than actual age.	As office. May have functional obsolescence.
E	Limited or no supporting services such as companion uses. Low visibility, difficult to find or give directions to.	No public transportation. Low or extremely high traffic flow impacting safe access or exit from site.	Limited or no parking on site.	Prefabricated, low cost materials, dated appearance, deferred maintenance.	Deferred maintenance evident overall. Mechanical, electrical, heating, or plumbing may not meet the needs of tenant. The heating system is likely in need of replacement, along with locks. No elevators.	Many repair or replacement items need immediate attention, overall deferred maintenance costs may exceed the cost to replace building. Likely this building is no longer suitable for the intended use. Physical and economic obsolescence obvious. Nearing end of effective life.	As office. Has functional obsolescence, need for updating results in alternate use or high vacancy.

General items to take into account -

\* The guidelines here are designed to assist in the uniform classification of properties. Appraiser judgment is an integral part of the process and should be given considerable weight.

\* Do not include interior items considered personal property in quality of construction.

\* Below Class E- Consider warehouse rate. The subject would typically have excessive deferred maintenance, limited value in use or be approaching abandonment. Further, it would need major reconstruction, rehabilitation, or improvement removal in the very near future.

\* Below Class E- AND vacant over five years AND condition issues consider use of Aux Storage.

\* Year of construction and effective age should be considered. In cases of remodel or modernization the actual age and effective age can be significantly different.

\* Consider space in classification. Example if a building was built for a single tenant and the upper floor can only be accessed through the 1st floor tenant's space; it may be a lower classification overall than a building with a common lobby entry with two or more separate entry's and spaces.

\* A lower class may be used for buildings in excess of 5,000 square feet or a higher class may be used for buildings less than 1,500 square feet.

\* Lower level parking is drawn on the cost approach, generally the office classification includes this component so no income line is needed.

Functional Obsolescence is defined as Loss in value of a property resulting from changes in tastes, preferences, technical innovations, or market standards. The international Association of Assessing Officers, Property Appraisal

\* and Assessment Administration.

# Kitsap County Assessor

Tax Year: 2023

Property Type: Office

Neighborhood: 8402403, 8402405, 8402408, 9402401, 9402402, 9402404

	Office	Med	Bank	CondoSmOfc	Condo Ofc	OfficeUpper
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## Class A

Rent	31.38	33.51	33.51		27.00	
Vac %	7.00	7.00	7.00		7.00	
Exp %	35.00	32.00	32.00		30.00	
Cap Rate	7.75	8.00	8.00		8.00	
Market	0.01	0.01	0.01		0.01	

## Class B

Rent	23.69	30.09	28.77		21.00	
Vac %	10.00	10.00	10.00		10.00	
Exp %	35.00	35.00	32.00		31.00	
Cap Rate	7.950	8.000	8.000		8.300	
Market	0.01	0.01	0.01		0.01	

## Class C

Rent	19.80	23.41	23.41		17.00	
Vac %	15.00	10.00	10.00		15.00	
Exp %	36.00	35.00	35.00		32.00	
Cap Rate	8.50	8.30	8.30		8.60	
Market	0.01	0.01	0.01		0.01	

## Class D

Rent	12.83	19.58	19.58		11.00	
Vac %	20.00	15.00	15.00		20.00	
Exp %	36.00	38.00	38.00		32.00	
Cap Rate	8.75	8.60	8.60		8.80	
Market	0.01	0.01	0.01		0.01	

## Class E

Rent	9.95	12.67	12.67		8.50	
Vac %	20.00	20.00	20.00		20.00	
Exp %	40.00	38.00	38.00		35.00	
Cap Rate	8.75	9.10	9.10		9.10	
Market	0.01	0.01	0.01		0.01	

**Kitsap County Assessor**  
**Tax Year 2023**  
**Local Income Survey for Office**

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$29.69	0%	\$29.69	0%	\$29.69
\$27.98	0%	\$27.98	0%	\$27.98
\$18.00	0%	\$18.00	27%	\$13.14
\$17.50	0%	\$17.50	0%	\$17.50
\$9.00	0%	\$9.00	0%	\$9.00

Kitsap County Assessor  
 Tax Year 2023  
 Office- General, Medical, Bank, and Condo Units Sales

No	Neighborhood - Vicinity	Class	Account Number	LRSN	Project Name	Acres	SF	Units	Excise	Validity Code	Sale Date	Sale Price	Price per Unit	Trended Price	Assessed Value	Sale Ratio
1	8402307	651	342401-4-087-2005	2373074	Pottery Prof Center - Holly Par	1.12	48,787	11,306	2020EX07916	V	10/21/2020	\$2,800,000	\$247.66	\$3,001,600	\$2,367,780	0.85
2	8402307	690	362401-3-003-2006	1175496	- Norm Olson Survey	0.48	20,909	3,240	2021EX02189	V	3/22/2021	\$500,000	\$154.32	\$523,400	\$479,210	0.96
3	8402405	690	5513-000-001-0008	1853340	Woodridge Professional Cente	1.04	45,302	5,974	2021EX02879	V	4/15/2021	\$475,000	\$79.51	\$495,520	\$436,240	0.92
4	8402306	591	4053-012-005-0008	1508951	- RETAIL & APT	0.12	5,227	5,780	2021EX03463	V	5/5/2021	\$900,000	\$155.71	\$935,640	\$993,560	1.10
5	8402307	690	342401-4-008-2001	1172105	- SFR@372 Tremont	1.05	45,738	1,688	2021EX05613	V	7/9/2021	\$575,000	\$340.64	\$591,560	\$394,660	0.69
6	8402307	690	302402-4-197-2005	1930247	- Lyman Office Bldg	0.5	21,780	8,756	2021EX11185	V	12/20/2021	\$800,000	\$91.37	\$801,440	\$792,270	0.99

Neighborhood

8402307 - South Kitsap UGA
8402405 - Rural Coml South Kitsap
9402390 - Manchester

Property Class

690- Misc. Services
651- Medical/dental offices
591- Neighborhood Center

Validity Code

V- Valid
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Min	79.51
Max	340.64

	no trend
Count	6
Min	0.69
Max	1.10
Average	0.92
Median	0.94
COD	10.46