



Kitsap County Assessor

Documentation for Countywide Model

Tax Year: 2024 Appraisal Date: 1/1/2023

Property Type: Quick Service Restaurants (QSR)

Updated 3/22/2023 by CM10

Area Overview

Countywide models are for properties located throughout Kitsap County, rather than by neighborhood.

This property type was physically inspected for the 2022 tax year.

Kitsap county has 61 QSR standalone buildings with an additional 19 units in mixed use buildings. QSR properties are reviewed countywide and are ranked based on eleven individual characteristics that are rated on a 6+ point scale. The total points reflect the cumulative effect each characteristic has upon the real estate. Each score categorizes the property into one of five classes.

Property Type Overview

Quick Service Restaurants (QSR), also known as fast food restaurants, contain limited seating in relation to preparation area, and typically include drive-up windows.

Land to Building Ratio: The national land to building ratio for this property type is 6-10:1. The countywide land to building ratio for this property type is: 11.4:1.

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: The overall economic condition is improving with several sales typically occurring each year. Sales prices show a positive trend in sales price per square foot. New buildings have been constructed, some strip retail and office space have been converted to QSR use, and remodels of existing buildings is ongoing

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.

Model Calibration

Preliminary Ratio Analysis: Analysis of 9 sales resulted in a mean ratio of 89%, a median ratio of 96%, and a coefficient of dispersion (COD) of 17.7.

Market/Sales Comparison Approach Data and Analysis

Property type: Quick Service Restaurants (QSR) (continued)

Sales: Range of Sale Dates: 1/1/2018 to 12/31/2022. A total of 9 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 \$334.11 to \$1517.37 per square foot.

Income Approach and Data Analysis

Values were calculated using a triple net (NNN) income model.

Income and expense information was collected from mailed surveys, property representatives, on-site visits, and market research (publications, newsletters, websites, etc.)

Rent Data: The Assessor validated rents from 23.75% of the market. Typical reported rents had a range of \$22.36 to \$124.28. We selected \$16.60 to \$74.72 for our model.

Vacancy Data: Typical reported vacancy had a range of 0% to 0%. We selected 5% to 5% for our model.

Expense Data: Typical reported expense had a range of 5.67% to 30%. We selected 6% to 6% for our model.

Capitalization Rate (Cap) Data: Typical sale cap rates ranged from 3.75% to 4.76%. We selected 8% to 5.25% for our model.

Income Model Value Range: The income approach calculates a range of values from \$185.3 to \$1270.92 per square foot.

Final Ratio Analysis: Analysis of 9 sales resulted in a mean ratio of 90%, a median ratio of 86%, and a coefficient of dispersion (COD) of 6.60.

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

Income Model: 302023

Property Type: Quick Service Rest

Neighborhood: 0

Not Used	Not Used	QSR	QSR Bsmt	QSRPlayInd	
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Class A

Rent		74.72		13.00	
Vac %		5.00		5.00	
Exp %		6.00		6.00	
Cap Rate		5.25		5.75	
Market		0.01		0.01	

Class B

Rent		56.45		10.00	
Vac %		5.00		5.00	
Exp %		6.00		6.00	
Cap Rate		5.500		6.000	
Market		0.01		0.01	

Class C

Rent		34.71		7.00	
Vac %		5.00		5.00	
Exp %		6.00		6.00	
Cap Rate		5.75		6.25	
Market		0.01		0.01	

Class D

Rent		25.00		5.50	
Vac %		5.00		5.00	
Exp %		6.00		6.00	
Cap Rate		6.50		7.00	
Market		0.01		0.01	

Class E

Rent		16.60		4.00	
Vac %		5.00		5.00	
Exp %		6.00		6.00	
Cap Rate		8.00		7.00	
Market		0.01		0.01	

Kitsap County Assessor
Tax Year 2024
Local Income Survey for Fast Food

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$124.28	0%	\$124.28	0%	\$124.28
\$118.85	0%	\$118.85	0%	\$118.85
\$87.03	0%	\$87.03	0%	\$87.03
\$82.03	0%	\$82.03	0%	\$82.03
\$78.74	0%	\$78.74	0%	\$78.74
\$69.75	0%	\$69.75	0%	\$69.75
\$67.74	0%	\$67.74	44%	\$37.94
\$61.43	0%	\$61.43	0%	\$61.42
\$60.46	0%	\$60.46	0%	\$60.46
\$59.60	0%	\$59.60	0%	\$59.60
\$59.60	0%	\$59.60	25%	\$44.96
\$59.60	0%	\$59.60	25%	\$44.96
\$57.89	0%	\$57.89	0%	\$57.89
\$44.64	0%	\$44.64	0%	\$44.64
\$43.20	0%	\$43.20	0%	\$43.20
\$43.10	0%	\$43.10	0%	\$43.10
\$38.26	0%	\$38.26	0%	\$38.26
\$35.00	0%	\$35.00	0%	\$35.00
\$33.99	0%	\$33.99	0%	\$33.99
\$30.00	0%	\$30.00	0%	\$30.00
\$22.65	0%	\$22.65	0%	\$22.65
\$22.36	0%	\$22.36	0%	\$22.36
\$16.22	0%	\$16.22	20%	\$13.02

Tax Year 2024
Quick Service Restaurant Sales
Sales from 01/01/2018- 12/31/2022

Local Sales

1/1/2023 9.00%

#	NBRHD	PARCEL#	PROJECT	VC	EXCISE#	DATE	PRICE	TRENDED PRICE	UNITS	TRENDED \$/UNIT	RENT CLASS	2024 Model	Other Value	Ratio
1	8401508	252501-3-004-2007	Starbucks Dominoes Hwy 303	V	2019EX00480	01/18/2019	\$ 1,880,000	\$ 2,549,383	1,500	\$ 1,517.37	A	\$ 1,906,380	\$ 273,330	85%
2	8100502	3787-000-022-0007	Taco Bell - Kitsap Way	V	2020EX06056	08/31/2020	\$ 1,900,000	\$ 2,299,625	2,155	\$ 1,067.11	B	\$ 1,975,080		86%
3	8402307	302402-3-043-2003	Starbucks Mile Hill	V	2020EX08792	11/13/2020	\$ 2,100,000	\$ 2,503,373	2,240	\$ 1,117.58	B	\$ 2,052,980	\$ -	82%
4	8402307	312402-2-020-2001	Taco Bell - Mile Hill	V	2020EX09222	12/08/2020	\$ 2,500,000	\$ 2,964,795	2,752	\$ 1,077.32	B	\$ 2,522,240	\$ -	85%
5	8100506	3972-000-010-0204	Popeye's Chicken	V	2021EX03472	05/06/2021	\$ 3,212,871	\$ 3,212,871	3,236	\$ 992.85	B	\$ 2,965,830	\$ -	92%
6	8400202	102601-4-054-2000	Sonic Fast Food	V	2021EX05967	07/21/2021	\$ 2,627,457	\$ 2,970,178	2,403	\$ 1,236.03	A	\$ 3,054,020		103%
7	8100502	3727-000-015-0108	former Coffee Oasis-Naval Ave	V	2021EX09962	11/08/2021	\$ 655,000	\$ 722,671	2,163	\$ 334.11	D	\$ 742,920	\$ -	103%
8	8100506	3972-000-010-0204	Popeye's Chicken	V	2022EX04653	06/18/2022	\$ 3,600,000	\$ 3,600,000	3,236	\$ 1,112.48	B	\$ 2,965,830	\$ -	82%
9	8402307	022301-4-095-2004	Yes, Coffee Please - Bethel Rd	V	2022EX08842	11/28/2022	\$ 900,000	\$ 900,000	488	\$ 1,490.78	A	\$ 620,210	\$ 172,500	88%

NBRHD	Neighborhood
8100502	West Bremerton
8400202	Highway 305
8400203	Viking Way
8400207	College Marktplace
8401101	Silverdale
8401506	Wheaton Way
8402307	South Kitsap UGA

VC	Validity Codes
V	Valid Sale
M	Other

High	\$ 1,517.37
Low	\$ 334.11
Median	\$ 1,112.48
Mean	\$ 1,105.07

Count	9
High	103%
Low	82%
Median	86%
Mean	90%
AAD	0.056721367
COD	6.604180771

2021-2022 Sales	Count	5
	High	103%
	Low	82%
	Median	92%
	Mean	94%
	AAD	0.07
COD	7.94	

Removed sales

#	NBRHD	PARCEL#	PROJECT	VC	EXCISE#	DATE	PRICE	TRENDED PRICE	UNITS	TRENDED \$/UNIT	RENT CLASS
1	8402307	302402-3-043-2003	former Taco Bell - Mile Hill	M	2018EX00142	01/04/2018	\$ 515,000	\$ 515,000	2,240	\$ 229.91	C
2	8402307	362401-2-100-2000	former A&W - Mile Hill	M	2018EX07555	09/12/2018	\$ 905,000	\$ 905,000	2,906	\$ 311.42	C
3	8100502	3748-001-015-0309	Jack in the Box - Kitsap Way	M	2019EX08533	11/18/2019	\$ 946,400	\$ 946,400	2,507	\$ 377.50	C
4	8100506	012401-2-130-2005	Dutch Bros Wheaton Way	M	2020EX01761	03/20/2020	\$ 2,040,000	\$ 2,040,000	2,540	\$ 803.15	B
5	**	**	Burger King PP	M	2021EX01225	02/14/2021	\$ 1,449,846				
6	8100506	3972-000-010-0204	Popeye's Chicken	M	2021EX03464	05/05/2021	\$ 1,700,000	\$ 1,700,000	3,236	\$ 525.34	B
7	8402307	012301-2-201-2000	Dutch Bros - Bethel	V	2020EX06254	09/09/2020	\$ 2,190,000	\$ 2,645,760	881	\$ 3,003.13	A

Notes

- 1 Remodel underway after purchase of property.
- 2 Remodel underway after purchase of property.
- 3 Ground lease purchase.
- 4 Ground lease purchase.
- 5 Sale of PP only, multiple parcels
- 6 Resold 05/05/2021 and 06/18/2022
- 7 Sale/lease back