Kitsap County Assessor
Narrative for Auto Service – Repair and Fire Station Valuation
Appraisal Date 1/1/2013, Tax Year 2014
Updated 09/16/13 by CM27

Valuation Summary

Approach Used – The income approach was used for auto repairs and fire stations.

The cost approach was used for lube and tune and car wash properties. The cost approach was also applied to properties with residential zoning, or where land value exceeds the income value.

Analysis and Conclusion Summary – A market or sales approach uses sale prices of comparable properties. Kitsap County lacked sufficient, recent sales to develop a cost per square foot market approach.

The income approach is the best method for valuing the auto repair properties. It is also applied to fire stations using the principle of substitution. The income model was developed with local market rents, vacancy, and expenses collected from our mail survey, site visits, and local sales, in addition to national publications.

No income information or recent sales were available for the lube and tune or car wash properties. No current rent questionnaires for lube and tunes or car washes were received. No lease listings were discovered. Both lube and tune and car wash properties are single-purpose structures and lack any feasible substitute use. No income approach was developed or adopted from a substitute use.

Property Type Overview

Population – Twenty-four repair properties and sixteen fire station properties were identified in Area 3.

Economic Conditions – Some impact from the economy was assumed and is reflected in the limited number of sales over the past few years.

Land to Building Ratio – The countywide median land-to-building ratio for the repair category was 4.63:1 and for fire station, it was 12.90:1.

Rating System – Five income classes were developed for the auto service repair property type. A complete definition is attached. Marshall & Swift Valuation was used to classify lube and tune and car wash properties.

Model Calibration

Preliminary Ratio Analysis –The four countywide sales had a ratio of 86% to the sale price and 88% to the time adjusted sale price.

Market Sales Approach Data and Analysis

Regional Sales – Range of Sales Dates – 01/01/09 - 04/30/13. Four sales were documented countywide.

Current Sale Listings – Two listings of mixed-use properties including an auto service component were found. It is difficult to extract a value for each of the uses for the ratio study. These listings were not used.

Market Sales Rates – Not developed.

Narrative for Auto Service – Repair and Fire Station Valuation- Continued

Income Approach Data and Analysis

Rent Data – Four rent questionnaires were received from Area 2 and one from Area 3 during the re-inspection cycle. Rates were developed using local market data, comparable warehouse rates, and reported countywide rents.

Vacancy Data – Historically low vacancy is noted. No vacancy was listed on income questionnaires. The vacancy noted during physical inspections was for one mixed occupancy project currently listed for sale in Area 2.

Expense Data – Countywide expenses ranged from 76% to 0% with a median of 11% and an average of 21%.

Cap Data – Cap rates from local sales during the last three years were 5.95%, 8.12%, and 9.59%. The National Association of Realtors 4th quarter 2010 report listed an average cap rate of 8.40% for west industrial properties. PricewaterhouseCooper 1st quarter 2012 documented the average warehouse cap rate at 7.02%.

Model Validation

Final Ratio Analysis – No change was made to the model. Insufficient recent sales exist to calibrate new rates. The one sale in 2013 was for a single-family residence and an auto service building on two tax parcels. The ratio for this sale is 93%.

Sources

Internet –
cba.epropertydata.com/pub/index.cfm
windermerecommercial.com/
rerc.com

Publications –
Marshall & Swift Valuation Service
PricewaterhouseCooper – 1st Quarter 2012 Survey

Tax Year 2013

Auto Service - Repair and Fire Station Model Definition

Class	Location/Access	Parking	Construction	Exterior Finish	Interior Finish	Age/Condition	Office/Retail %	Unit Size	Wall Height
A	High visibility on or near a major highway, in a core area, or fronting a major road with high traffic flow	Ample off street paved parking	Heavy steel and/or concrete frame, fireproof construction	Good quality finish and fenestration, resembles office or retail at main entrance, mix of concrete, brick, tile, concrete fiber, or stucco	Good quality finished, insulated, and heated sales area partitioned from garage, garage probably insulated and can be heated, heavy concrete flooring	New or recent complete renovation, very little or no deferred maintenance or obsolescence, all major short-lived items are like new, high curb appeal	25% or more office/retail space	Smallest structures of less than 1,500 square feet, may need to be raised one class, all else being equal	Very tall - wall height 17 feet and over
B	Good visibility fronting a main road with high traffic flow, may be in a core area	Ample off street paved parking	Steel or concrete frame, fire resistant construction	Better than typical quality finish and fenestration, resembles lower quality office/retail at entrance, may have mix of concrete, wood, or stucco exterior	Better than typical quality finished, insulated, and heated sales area partitioned from garage, garage area can be heated, concrete flooring	7 to 15 year effective age, little deferred maintenance evident, but not everything is new, no obsolescence evident, appearance and utility better than typical	15 - 25% office/retail space	Smaller than typical structures of 1,500 to 2,499 square feet	Tall - wall height 16 feet
C	Limited visibility, may be on or very near a main road, may be in or near a residential or transitional area	Some off street paved parking	Wood, steel, or concrete block, fire resistant construction	Typical finish and plain fenestration, resembles typical service garage, may have concrete, wood, stucco, or metal exterior	Plain drywall, heat, and maybe insulation in sales area, sales area probably partitioned from garage, garage area likely no insulation and unheated, concrete floor	15 to 25 year effective age, some deferred maintenance and/or functional obsolescence evident but major components still function and have utility, not unappealing	5 - 15% office/retail space	Typical size range of 2,500 to 4,999 square feet	Average - wall height 13 to 15 feet
D	Side street, not very visible, low traffic flow, residential or rural area	Limited off street parking, may not be paved	Wood or pole frame, combustible construction	Little fenestration, very plain appearance,, plain metal or wood siding	Minimally or inexpensively finished sales area, sales area may be open to garage, garage area not insulated and unheated, concrete floor	25 - 35 year effective age, deterioration is somewhat worse than normally expected, some obvious deferred maintenance and functional obsolescence, appears worn	0 - 5% office/retail space	Larger than typical size of 5,000 to 9,999 square feet	Lower than average - wall height 10 to 12 feet
E	Side street, narrow roadway, no visibility or traffic flow, residential or rural area	Little to no off street parking, may be gravel	Pole frame, combustible construction	Inexpensive metal or plywood sheet siding with little or no fenestration	May lack separate sales area or have small unfinished or minimally finished sales area open to garage, no insulation and unheated garage area, concrete floor	35+ years, obvious deferred maintenance and functional obsolescence, deterioration much worse than normal, some major components need repair or replacement, substandard utility, unappealing	No office/retail space	Largest structures of 10,000 square feet and up, may need to be lowered one class, all else being equal	Low - wall height 10 feet and under

Income Model: 302013

Property Type: Auto Service

Neighborhood: All Area 3 - 84003**,94003**, 84023**, 94023**

	Repair	Lube Tun	Fire Stn.	Car W-Auto	Car W-Wand	
Class A						
Rent	15.20		15.20			
Vac %	10.00		10.00			
Exp %	30.00		30.00			
Cap Rate	8.00		8.00			
Market	0.01		0.01			
Class B						
Rent	13.70		13.70			
Vac %	10.00		10.00			
Exp %	30.00		30.00			
Cap Rate	8.000		8.000			
Market	0.01		0.01			
Class C						
Rent	8.50		8.50			
Vac %	10.00		10.00			
Exp %	33.00		33.00			
Cap Rate	8.00		8.00			
Market	0.01		0.01			
Class D						
Rent	6.50		6.50			
Vac %	10.00		10.00			
Exp %	35.00		35.00			
Cap Rate	8.25		8.25			
Market	0.01		0.01			
Class E						
Rent	4.35		4.35			
Vac %	10.00		10.00			
Exp %	35.00		35.00			
Cap Rate	8.50		8.50			
Market	0.01		0.01			

Local Income Survey

Property Type: **Auto Service**

Sub Type: **Repair**

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
$22.38	0%	$22.38	0%	$22.38
$21.15	0%	$21.14	0%	$21.14
$16.36	0%	$16.36	0%	$16.35
$14.41	0%	$14.41	14%	$12.40
$14.22	0%	$14.22	15%	$12.09
$13.80	0%	$13.80	0%	$13.80
$13.53	0%	$13.53	11%	$12.05
$12.03	0%	$12.03	1%	$11.91
$11.86	0%	$11.85	9%	$10.75
$11.86	0%	$11.85	9%	$10.75
$11.81	0%	$11.80	3%	$11.45
$9.75	0%	$9.75	42%	$5.63
$9.55	0%	$9.55	10%	$8.59
$9.00	0%	$9.00	0%	$9.00
$8.57	0%	$8.57	0%	$8.57
$8.00	0%	$8.00	21%	$6.28
$7.58	0%	$7.58	10%	$6.80
$7.24	0%	$7.24	1%	$7.17
$6.98	0%	$6.98	10%	$6.29
$5.25	0%	$5.25	28%	$3.77
$2.66	0%	$2.66	1%	$2.63
$1.14	0%	$1.14	1%	$1.13

Tax Year 2014
Auto Service - Repair and Fire Station
Sales from 01/01/08 to 04/30/13

No.	Neighborhood - Vicinity	Property Class	Account Number	Project Name	Units	Excise	Validity Code	Sale Date	Price per SF	Sale Price	Trended* Sale Price	Assessed Value	Sale Ratio	Trended Sale Ratio
1	8400202 - Highway 305	640	102601-1-010-2009	NK Auto Rebuild, Chico Towing w/009	7,360	2010EX01130	W	3/15/2010	$86.30	$1,000,000	$966,667	$763,390	0.76	0.79
2	8100504 - Auto Center	640	222401-2-071-2001	3737 Arsenal Way - Auto Repair	4,800	2010EX03351	V	6/30/2010	$62.50	$300,000	$293,664	$218,730	0.73	0.74
3	8402691 - SK SKIA UGA	559	012301-4-010-1009	Evergreen Truck Parts	5,670	2011EX00397	V	1/26/2011	$70.55	$400,000	$401,096	$404,250	1.01	1.01
4	8401102 - Old Silverdale	640	4458-013-005-0106	Silverdale Auto Repair	2,720	2013EX02673	D	4/29/2013	$119.49	$325,000	$325,000	$301,550	0.93	0.93
	8401102 - Old Silverdale	640	4458-013-005-0007	SFR behind Silverdale Auto repair	994									

Count:	4	4
Lowest:	0.73	0.74
Highest:	1.01	1.01
Median Ratio:	0.85	0.86
Average Dev.	0.11	0.10
C.O.D.:	13.19	11.68

Property Class
640 - Repair Services
559 - Auto Wrecking Yard
Validity Code
V - Valid
W - With Other
D - Not an Economic Unit

***** Carried forward -6% trend developed for 2012 assessment and used for 2010-2011 sales