



Kitsap County Assessor Documentation for Countywide Model

Appraisal Date 1/1/2018 Tax Year 2019

Property Type: Retail - Auto Dealer and Mobile Home/Recreational Vehicle Dealer

Area Overview

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

Property Type Overview

Complete auto dealerships include showrooms, office, and parts-service facilities. Dealerships can have between 15% and 55% of the building devoted to showrooms. Showrooms have varying finish qualities, from warehouse to office quality finishes.

Kitsap County has 50 parcels developed as Retail - Auto Dealer, and two parcels developed as Retail - Mobile Home/Recreational Vehicle Dealer.

Land to Building Ratio: The national land to building ratio for this property type is 10:1. The countywide land to building ratio for this property type is: 8.1:1.

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 downturn in the economy had a significant impact to Retail - Auto Dealer and Mobile Home/Recreational Vehicle Dealer with vacancies appearing across the population stratification. Recovery has been slow, with some of the vacated properties being redeveloped to alternative uses.

Valuation Summary

Approach Used: Income

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 4 sales resulted in a mean ratio of 92%, a median ratio of 103%, and a coefficient of dispersion (COD) of 10.89%.

Market/Sales Comparison Approach Data and Analysis

Sales: Range of Sale Dates: 1/1/2013 to 12/31/2017. 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 \$72.51 to \$321.82 per square foot.



Kitsap County Assessor Narrative for Countywide Model

Appraisal Date 1/1/2018 Tax Year 2019

Property Type: Retail - Auto Dealer and Mobile Home/Recreational Vehicle Dealer

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 0% of the market. Typical reported rents had a range of \$6.87 to \$31.25. We selected \$4.36 to \$18.84 for our model.

Vacancy Data: Typical reported vacancy had a range of 0% to 100%. We selected 15% to 20% for our model.

Expense Data: Typical reported expense had a range of 0% to 31.28%. We selected 6% to 6% for our model.

Capitalization Rate (Cap) Data: Typical sale cap rates ranged from 0% to 0%. We selected 7.5% to 8.25% for our model.

Cap rates were adopted from retail.

Income Model Value Range: The income approach calculates a range of values from \$472.23 to \$188.9 per square foot.

Model Validation

Final Ratio Analysis: Analysis of 4 sales resulted in a mean ratio of 92%, a median ratio of 103%, and a coefficient of dispersion (COD) of 10.89%.

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

Retail, Special - Auto Dealer, MH & RV Dealer Model Definition

Class	Primary Consideration Alternative Use	Construction	Age/Condition	Office/Retail	Location	Display/Parking
A	Alternative uses would likely be retail or office, also very small structures in core area	Exterior appearance tends to resemble office or retail type structure of better quality grades, interior finish complements exterior	New or recent complete renovation, very good condition, very little or no deferred maintenance or obsolescence, good curb appeal	Large amount of finished showroom/retail space, service and parts areas have some finish	Highly visible or corner lot on a main street in a core area, high traffic count/flow	Ample paved parking for display and customers,
B	Alternative uses would likely be retail or office, also very small structures in core area	Exterior appearance tends to resemble office or retail type structure of fair to average quality grades, interior finish complements exterior	Little deferred maintenance evident, but not everything is new, no obsolescence evident, appearance and utility above standard	Larger than average amount of finished showroom/retail space, service and parts areas may have some finish also very small structures in core area	Very visible or main street in a core area, high traffic count/flow	Sufficient paved parking for display and customers
C	Alternative uses would likely be a retail warehouse or warehouse with office space	Typical finish, plain fenestration, other than the approach side structure looks like a warehouse	Some deferred maintenance evident but major components still function and have utility, not unappealing	Average amount of finished retail space, garage and parts area may be unfinished	Visibility may be somewhat limited with less traffic volume than class B and C	Sufficient paved parking for display, limited customer parking
D	Alternative use would likely be warehouse with limited office/retail space	Plain finish, plain fenestration, other than the approach side structure looks like a warehouse	Some deferred maintenance evident but major components still function and have utility, not unappealing	Finished retail space, garage and parts area may be unfinished	Away from main arterial	Sufficient paved parking for display
E	Alternative use would likely be warehouse with little or no office/retail space	Low quality finish, little fenestration, structure looks like a warehouse	Older or obvious deferred maintenance and some functional obsolescence, some major components need repair or replacement	May have some finished retail space, garage and parts area unfinished	Away from main arterial, narrow street	Limited parking, Land to building ratio much less than typical for property type, perhaps better suited for another use

Income Model: 302018
Property Type: Retail, Special
Neighborhood: 0

Not Used	Not Used	Auto Dlr	Not Used	MhRvDlr	
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Class A

Rent		18.84		18.84	
Vac %		20.00		20.00	
Exp %		6.00		6.00	
Cap Rate		7.50		7.50	
Market		0.01		0.01	

Class B

Rent		17.25		17.25	
Vac %		20.00		20.00	
Exp %		6.00		6.00	
Cap Rate		7.500		7.500	
Market		0.01		0.01	

Class C

Rent		7.65		7.65	
Vac %		15.00		15.00	
Exp %		6.00		6.00	
Cap Rate		7.75		7.75	
Market		0.01		0.01	

Class D

Rent		5.90		5.90	
Vac %		15.00		15.00	
Exp %		6.00		6.00	
Cap Rate		8.00		8.00	
Market		0.01		0.01	

Class E

Rent		4.36		4.36	
Vac %		15.00		15.00	
Exp %		6.00		6.00	
Cap Rate		8.25		8.25	
Market		0.01		0.01	

Kitsap County Assessor
Tax Year 2019
Local Income Survey for Retail Special - Auto Dealer

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$31.25	0%	\$31.25	0%	\$31.25
\$20.00	0%	\$20.00	1%	\$19.80
\$19.73	0%	\$19.73	31%	\$13.61
\$13.98	0%	\$13.98	0%	\$13.98
\$10.00	0%	\$10.00	31%	\$6.87

Tax Year 2019
Auto Dealer, MH & RV Dealer
Sales from 01/01/2013 to 12/31/2017

N o.	NBRHD	PC	Account Number	Project Name	Units	Excise	V C	Sale Date	Sale Price	Price/Unit	Assessed Value	Ratio
1	8400203	550	152601-4-007-2003	Courtesy Economy Center	1,476	2014EX01311	V	03-Mar-14	\$475,000	\$321.82	\$488,900	103%
2	8400203	550	152601-4-098-2003	Courtesy SW of Edvard & Viking Wy	19,255	2013EX02159	V	10-Apr-13	\$1,400,000	\$72.71	\$1,443,980	103%
3	8401104	550	172501-3-100-2000	Harley Sales & Service Building SOLD WITH 092-100-101	36,826	2013EX08251	D	26-Nov-13	\$3,500,000	\$95.04	\$2,057,780	59%
		550	172501-3-092-2000			2013EX08251						
		910	172501-3-101-2009			2013EX08251						
4	8100506	550	012401-2-142-2001	3890 Wheaton Way - Auto retail	2,656	2017EX07405	D	11-Sep-17	\$400,000	\$ 150.60	\$413,880	103%
		637	012401-2-143-2000			2017EX07405						

NBRHD	Neighborhood
8100506	Wheaton Way
8400203	Viking Way
8401104	Central Kitsap

VC	Validity Code
D	Not economic unit
V	Valid Sale

PC	Property Class
550	Retail, automotive
637	General Warehouse
910	Undeveloped Land

Count	4
Low	59%
High	103%
Median	103%
Mean	92%
AAD	0.11
COD	10.89