



## Kitsap County Assessor

### Documentation for Countywide Model

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

Property Type: Countywide Retail - Standalone Drug Store

Updated 6/1/2023 by CM10

### Area Overview

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

This area was physically inspected for the 2019 tax year.

Kitsap County has 10 standalone drug stores.

### Property Type Overview

A standalone drug store is a good quality single tenant building with approximately 14,500 square feet to 18,000 square feet in size. Situated at high traffic lighted intersections they command some of the best commercial locations available in Kitsap County. Drug store tenants in attached units associated with shopping centers are valued using the Retail Large Single Tenant model.

**Land to Building Ratio:** The national land to building ratio for this property type is 3-4:1. The countywide land to building ratio for this property type is: 5.3:1.

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:** This property type typically remains occupied for the economic life of the building.

### 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 4 sales resulted in a mean ratio of 97%, a median ratio of 98%, and a coefficient of dispersion (COD) of 1.95.

### Market/Sales Comparison Approach Data and Analysis

**Sales:** Range of Sale Dates: 1/1/2018 to 12/31/2022. 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.

## **Property type: Countywide Retail - Standalone Drug Store (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 \$329.91 to \$440.02 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 40% of the market. Typical reported rents had a range of \$23.98 to \$41.01. We selected \$23.21 to \$26.77 for our model.

**Vacancy Data:** Typical reported vacancy had a range of 0% to 0%. We selected 5% to 6% for our model.

**Expense Data:** Typical reported expense had a range of 0% to 26%. We selected 6% to 6% for our model.

**Capitalization Rate (Cap) Data:** Typical sale cap rates ranged from 5% to 7.52%. We selected 6% to 6.25% for our model.

**Income Model Value Range:** The income approach calculates a range of values from \$331.62 to \$398.43 per square foot.

**Final Ratio Analysis:** Analysis of 4 sales resulted in a mean ratio of 97%, a median ratio of 98%, and a coefficient of dispersion (COD) of 1.95.

### **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: 2024

Property Type: Retail Countywide

Neighborhood: 0

	Rtl>10K	Outside	BigBox-Lg	SA Drug	SupMkt	BigBox-Med
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## Class A

Rent	16.50		9.62	26.77	11.27	11.27
Vac %	10.00		8.00	5.00	10.00	10.00
Exp %	6.00		6.00	6.00	6.00	6.00
Cap Rate	6.25		7.00	6.00	6.50	6.50
Market	0.01		0.01	0.01	0.01	0.01

## Class B

Rent	13.52		8.38	23.21	10.35	10.35
Vac %	10.00		8.00	5.00	10.00	10.00
Exp %	6.00		6.00	6.00	6.00	6.00
Cap Rate	6.500		7.250	6.250	6.750	6.750
Market	0.01		0.01	0.01	0.01	0.01

## Class C

Rent	10.02	6.50	6.96		8.13	8.13
Vac %	10.00	20.00	9.00		10.00	10.00
Exp %	6.00	6.00	6.00		6.00	6.00
Cap Rate	6.75	9.75	7.50		7.00	7.00
Market	0.01	0.01	0.01		0.01	0.01

## Class D

Rent	6.57		5.93		5.89	5.89
Vac %	10.00		10.00		10.00	10.00
Exp %	6.00		6.00		6.00	6.00
Cap Rate	7.25		7.75		7.25	7.25
Market	0.01		0.01		0.01	0.01

## Class E

Rent	5.00		3.66		4.32	4.32
Vac %	10.00		20.00		10.00	10.00
Exp %	6.00		6.00		6.00	6.00
Cap Rate	7.50		8.00		7.50	7.50
Market	0.01		0.01		0.01	0.01

**Kitsap County Assessor Tax  
Year 2024  
Local Income Survey for SA Drug**

PGI per Unit	Vacancy	EGI per Unit	Expense %	NOI per Unit
\$41.01	0%	\$41.00	26%	\$30.46
\$30.28	0%	\$30.28	0%	\$30.28
\$28.32	0%	\$28.32	0%	\$28.32
\$23.98	0%	\$23.98	0%	\$23.98

**Tax Year 2024**

**Countywide Retail Large Single-Tenant, Standalone Drug Stores, Big Box Medium, and Supermarkets  
Sales from 01/01/2018 through 12/31/2022**

No.	NBRHD	PC	Account Number	Project Name	Rent Class	Property Type	Units	Excise No.	V C	Sales Date	Sales Price	Trended Sales Price	Model Value	Other Values	Total Value	Ratio
1	8402307	590	362401-3-082-2000	Walgreens - Port Orchard	B	Drug	15,112	2018EX09585	V	12/10/2018	\$ 5,150,000		\$ 5,011,509		\$ 5,011,509	97%
2	8400302	590	272702-2-044-2006	Rite Aid - Kingston	B	Drug	18,187	2019EX01042	V	02/25/2019	\$ 6,000,000		\$ 6,031,254		\$ 6,031,254	101%
3	8100502	590	3777-006-009-0003	Rite Aid - Kitsap Way	A	Drug	17,272	2019EX09169	V	12/16/2019	\$ 7,600,000		\$ 6,881,628	\$ 214,950	\$ 7,096,578	93%
4	8400302	590	272702-2-044-2006	Rite Aid - Kingston	B	Drug	18,187	2021EX01427	V	03/02/2021	\$ 6,168,437		\$ 6,031,254		\$ 6,031,254	98%

Drug Store Sales	Count	4
	Low	93%
	High	101%
	Median	98%
	Mean	97%
	AAD	0.02
	COD	1.95