

Kitsap County Assessor

Narrative for Countywide Model

Appraisal Date 1/1/2016 Tax Year 2017

Property Type: Auto Service - Repair

Updated 4/4/2016 by CM20

Area Overview

This property type area consists of the entire Kitsap County. These properties have similarities in building characteristics, rent, vacancy, expenses, capitalization rates, and are reviewed annually on a countywide basis.

Auto service centers are designed for repair, parts sales, and service and will have showroom-sales area, office, storage, and repair space commensurate with the quality. Service garages are buildings designed primarily for vehicular repair and maintenance. Auto service centers and service garages are covered by this model.

Kitsap County has 139 parcels developed as Auto Service - Repair.

Property Type Overview

Land to Building Ratio: The national land to building ratio for this property type is n/a. The countywide land to building ratio for this property type is: 4.6:1.

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 stable with severage sales occurring each year and limited vacancy noted countywide.

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 7 sales resulted in a mean ratio of 91%, a median ratio of 99%, and a coefficient of dispersion (COD) of 20.46%.

Market/Sales Comparison Approach Data and Analysis

Sales: Range of Sale Dates: 1/26/2011 to 10/29/2015. A total of 7 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 \$51.06 to \$176.47 per square feet.

Kitsap County Assessor

Narrative for Countywide Model

Appraisal Date 1/1/2016 Tax Year 2017

Property Type: Auto Service - Repair

Updated 4/4/2016 by CM20

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 24% of the market. Typical reported rents had a range of \$4.03 to \$23.93. We selected \$3.58 to \$12.50 for our model.

Vacancy Data: Typical reported vacancy had a range of 0% to 100%. We selected 10% to 10% for our model.

Expense Data: Typical reported expense had a range of 1.2% to 42%. We selected 6% to 6% for our model.

Capitalization Rate (Cap) Data: Typical sale cap rates ranged from 0% to 0%. We selected 7.75% to 8.25% for our model.

Income Model Value Range: The income approach calculates a range of values from \$36.67 to \$136.45 per square feet.

Model Validation

Final Ratio Analysis: Analysis of 7 sales resulted in a mean ratio of 88%, a median ratio of 88%, and a coefficient of dispersion (COD) of 13.59%.

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

Tax Year 2017
Auto Service - Repair 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: 302016
Property Type: Auto Service
Neighborhood: 0

Repair	Lube Tun	Fire Stn.	Car W-Auto	Car W-Self	
--------	----------	-----------	------------	------------	--

Class A

Rent	12.50					
Vac %	10.00					
Exp %	6.00					
Cap Rate	7.50					
Market	0.01					

Class B

Rent	9.50					
Vac %	10.00					
Exp %	6.00					
Cap Rate	7.500					
Market	0.01					

Class C

Rent	7.15					
Vac %	10.00					
Exp %	6.00					
Cap Rate	7.75					
Market	0.01					

Class D

Rent	6.00					
Vac %	10.00					
Exp %	6.00					
Cap Rate	8.00					
Market	0.01					

Class E

Rent	3.58					
Vac %	10.00					
Exp %	6.00					
Cap Rate	8.25					
Market	0.01					

Income and Vacancy Summary (Public)

Auto Service

Repair

Date:	PGI/Unit:	Vacancy:	EGI per Unit:	Expense %:	NOI per Unit:
7/1/2009	\$9.75	0.01%	\$9.75	42.30%	\$5.63
1/1/2016	\$13.23	0.00%	\$13.23	0.00%	\$13.23
7/1/2009	\$12.03	0.01%	\$12.03	1.00%	\$11.91
1/5/2015	\$17.40	0.01%	\$17.40	0.01%	\$17.40
1/1/2016	\$19.06	0.00%	\$19.06	0.00%	\$19.06
7/28/2010	\$5.25	0.01%	\$5.25	28.21%	\$3.77
7/28/2010	\$8.00	0.01%	\$8.00	21.45%	\$6.28
2/4/2015	\$11.97	0.01%	\$11.97	0.01%	\$11.97
1/6/2015	\$5.00	0.01%	\$5.00	0.01%	\$5.00
1/1/2016	\$7.59	20.00%	\$6.07	42.00%	\$3.52
2/23/2014	\$5.75	100.00%	\$0.00	0.01%	\$0.00
1/1/2014	\$12.97	0.01%	\$12.97	10.42%	\$11.62
0/22/2015	\$8.42	0.00%	\$8.42	0.00%	\$8.42
1/1/2016	\$10.84	0.00%	\$10.84	0.00%	\$10.84
0/22/2015	\$9.82	0.00%	\$9.82	0.00%	\$9.82
1/1/2016	\$9.33	0.00%	\$9.33	0.00%	\$9.33
1/1/2016	\$1.02	0.00%	\$1.02	0.00%	\$1.02
1/1/2016	\$14.56	0.00%	\$14.56	20.00%	\$11.65
1/1/2016	\$16.40	0.00%	\$16.40	1.20%	\$16.20
1/1/2016	\$26.42	0.00%	\$26.42	0.00%	\$26.42
7/28/2010	\$21.15	0.01%	\$21.14	0.01%	\$21.14
2/31/2011	\$1.14	0.01%	\$1.14	1.00%	\$1.13
2/24/2014	\$8.00	0.01%	\$8.00	0.01%	\$8.00
7/24/2012	\$7.24	0.01%	\$7.24	1.00%	\$7.17
2/31/2011	\$8.57	0.01%	\$8.57	0.01%	\$8.57
1/1/2016	\$9.78	0.00%	\$9.78	0.00%	\$9.78
1/1/2016	\$16.15	0.00%	\$16.15	0.00%	\$16.15
2/10/2012	\$11.81	0.01%	\$11.80	3.00%	\$11.45
1/6/2015	\$15.80	0.01%	\$15.80	0.01%	\$15.80
2/29/2014	\$12.00	0.01%	\$11.99	0.01%	\$11.99
1/6/2015	\$23.93	0.01%	\$23.93	0.01%	\$23.93
4/6/2011	\$9.70	0.01%	\$9.70	0.01%	\$9.69
1/7/2015	\$16.88	0.01%	\$16.88	0.01%	\$16.88

Income and Vacancy Summary (Public)

Auto Service

Repair

Date:	PGI/Unit:	Vacancy:	EGI per Unit:	Expense %:	NOI per Unit:
2/25/2015	\$10.13	0.01%	\$10.12	0.01%	\$10.12
1/1/2016	\$11.84	0.00%	\$11.84	18.00%	\$9.71
1/1/2016	\$15.64	0.00%	\$15.64	0.00%	\$15.64
11/4/2009	\$13.80	0.01%	\$13.80	0.01%	\$13.80
12/9/2013	\$7.20	0.01%	\$7.20	0.01%	\$7.20
12/9/2013	\$8.00	0.01%	\$8.00	0.01%	\$8.00
2/10/2013	\$10.08	0.01%	\$10.07	0.01%	\$10.07
1/1/2016	\$7.28	0.00%	\$7.28	0.00%	\$7.28
2/23/2014	\$13.17	0.01%	\$13.17	0.01%	\$13.17
2/31/2014	\$6.08	0.01%	\$6.08	0.01%	\$6.08
1/1/2016	\$13.43	0.00%	\$13.43	0.00%	\$13.43
10/1/2009	\$16.36	0.01%	\$16.36	0.01%	\$16.35
1/1/2016	\$7.13	0.00%	\$7.13	0.00%	\$7.13
1/12/2009	\$9.55	0.01%	\$9.55	10.00%	\$8.59
2/10/2012	\$14.22	0.01%	\$14.22	15.00%	\$12.09
1/24/2013	\$9.00	0.01%	\$9.00	0.01%	\$9.00
1/1/2016	\$4.64	0.00%	\$4.64	0.00%	\$4.64
7/28/2010	\$6.98	0.01%	\$6.98	9.85%	\$6.29
2/23/2014	\$16.41	0.01%	\$16.40	0.01%	\$16.40
7/28/2010	\$2.66	0.01%	\$2.66	1.00%	\$2.63
7/28/2010	\$14.41	0.01%	\$14.41	13.95%	\$12.40
0/12/2015	\$29.76	0.00%	\$29.76	0.00%	\$29.76
1/1/2016	\$13.24	0.00%	\$13.24	0.00%	\$13.24
8/5/2010	\$7.58	0.01%	\$7.58	10.36%	\$6.80

TAX YEAR 2017
 Countywide Auto Service - Repair
 Sales from 01/01/2013 to 12/31/2015

No.	NBRHD	PC	Account Number	Project Name	Units	Excise	VC	Sale Date	Sale Price	Assessed Value	Sale Ratio
1	8401508	590	352501-1-073-2005	Retail Store & Service Garage	9,925	2015EX02827	V	04/28/15	\$ 1,000,000	\$ 1,063,563	106%
2	8400203	640	152601-4-027-2009	Service Center	5,800	2014EX06142	V	09/22/14	\$ 450,000	\$ 368,010	82%
3	8402391	640	012301-4-010-1009	Evergreen Truck Parts	6,006	2011EX00397	V	01/26/11	\$ 400,000	\$ 386,502	97%
4	8400203	640	152601-4-022-2004	Auto Repair/Sales lot Viking Way	5,100	2013EX08355	V	12/02/13	\$ 900,000	\$ 624,087	69%
5	8100501	640	3718-017-024-0003	815 6th Street - Inlet Auto	3,075	2014EX06806	V	10/14/14	\$ 157,000	\$ 112,761	72%
6	8100510	640	3733-007-009-0004	Gerber Collision 009 & 012	7,172	2015EX07901	D	10/29/15	\$ 525,000	\$ 559,777	107%
7	8400208	640	4390-003-002-0002	Suquamish Automotive Repair w/002, 003, 005	1,072	2015EX01622	D	03/18/15	\$ 375,000	\$ 328,159	88%
			4390-003-003-0001		2,600	2015EX01622	D				
			4390-003-005-0207		3,400	2015EX01622	D				

Count	7
Median	88%
Mean	89%
AAD	0.12
COD	14.15

NBRHD	Neighborhood
8100501	Downtown Bremerton
8100510	Callow
8400203	Viking Way
8401508	Hwy 303 East Bremerton
8402391	Industrial UGA Bremerton SKIA
8400208	Suquamish Village Commercial

VC	Validity Code
V	Valid Sale
D	Not economic unit

PC	Property Class
590	Retail
640	Auto Service